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SENATE—*Tuesday, July 8, 1975*

(Legislative day of Monday, July 7, 1975)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of our Fathers known of old, and our God known by us, breathe upon us the awareness of Thy presence that we may fitly serve Thee in this place. Make us to know Thy wisdom and Thy power, Thy goodness and Thy grace. Spare us from the narrow view and the low horizon that we may hold the vision of this world as Thy kingdom and our work as Thy work. Give us clean hands and pure hearts that what we say and do here may fulfill the highest and best for this Nation and advance Thy purposes for all mankind.

In the name of Him who was servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 8, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. MORGAN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, July 7, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The following proceedings occurred subsequently:)

Mr. MANSFIELD. Mr. President, I asked unanimous consent earlier that all committees may be authorized to meet during the session of the Senate today. I should have said, until 11:10 a.m. and I modify my request accordingly.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. HATFIELD. I have just come from one of the committees which had the understanding they were going to be able to meet all day.

I wonder if some notice can be given now to those committees in session which had inquired earlier and had been informed they could meet all day.

Mr. MANSFIELD. Yes, indeed. We will send out notices to that effect.

Mr. HATFIELD. I thank the Senator.

FEDERAL RAILROAD SAFETY AUTHORIZATION ACT OF 1975

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1462.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1462) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes, as follows:

Strike out all after the enacting clause, and insert:

That this Act may be cited as the "Federal Railroad Safety Authorization Act of 1975".

SEC. 2. Section 211(c) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 440(c)), relating to a comprehensive railroad safety report, is amended—

(1) by striking out "and" at the end of paragraph (9); and

(2) by redesignating paragraph (10) as paragraph (11), and by inserting immediately after paragraph (9) the following new paragraph:

"(10) contain a description of the regulations and handling criteria established by the Secretary under the Hazardous Materials Transportation Act specifically applicable to the transportation of radioactive materials by railroad (as of June 30, 1975), together with annual projections of the amounts of radioactive materials reasonably expected to be transported by railroad during each fiscal year from 1976 through 1980 and an evaluation of the need for additional regulations and handling criteria applicable to the transportation of radioactive materials by railroad during each such fiscal year; and".

SEC. 3. Section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended to read as follows:

"SEC. 212. AUTHORIZATION FOR APPROPRIATIONS.

"(a) There are authorized to be appropriated to carry out the provisions of this title not to exceed $35,000,000 for the fiscal year ending June 30, 1976; and not to exceed $8,750,000 for the transition period of July 1, 1976, through September 30, 1976 (hereafter in this section referred to as the 'transition period').

"(b) Except as otherwise provided in subsection (c) of this section amounts appropriated under subsection (a) of this section shall be available for expenditure as follows:

"(1) For the Office of Safety, including salaries and expenses for up to 500 safety inspectors and up to 110 clerical personnel, not to exceed $18,000,000 for the fiscal year ending June 30, 1976; and not to exceed $4,500,000 for the transition period.

"(2) To carry out the provisions of section 206(d) of this title, not to exceed $3,500,000 for the fiscal year ending June 30, 1976; and not to exceed $875,000 for the transition period.

"(3) For the Federal Railroad Administration, for salaries and expenses not otherwise provided for, not to exceed $3,500,000 for the fiscal year ending June 30, 1976; and not to exceed $875,000 for the transition period.

"(4) For conducting research and development activities under this title, not to exceed $10,000,000 for the fiscal year ending June 30, 1976; and not to exceed $2,500,000 for the transition period.

"(c) The aggregate of the amounts obligated and expended for research and development under this title in the fiscal year ending June 30, 1976, and in the transition period, shall not exceed the aggregate of the amounts expended for rail inspection and for the investigation and enforcement of railroad safety rules, regulations, orders, and standards under this title in such fiscal year, and in the transition period, respectively.".

SEC. 4. Section 115 of the Hazardous Materials Transportation Act (49 U.S.C. 1812) is amended to read as follows:

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 115. There are authorized to be appropriated to carry out the provisions of this title not to exceed $7,000,000 for the fiscal year ending June 30, 1976, and not to exceed $1,750,000 for the transition period of July 1, 1976, through September 30, 1976.".

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

REMARKS BY SECRETARY KISSINGER AT SWEARING IN OF 119TH FOREIGN SERVICE OFFICER CLASS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that remarks by the Honorable Henry H. Kissinger, Secretary of State, at the swearing in of the 119th Foreign Service officer class, Department of State, on June 27, 1975, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY HENRY KISSINGER

I have come here today to congratulate you on your choice of career, and the Department of State for its wisdom in selecting you. It will be, I know, the beginning of a long and fruitful association.

Six years of experience in Washington have convinced me that you are joining the most able, the most dedicated group of professionals with whom it has been my privilege to be associated. You are joining an institution with a great tradition—and tradition, even today, is not something lightly to be put aside. This Department and the people in it have you will find, a unique sense of pride in their purpose, and a deep sense of dedication to the national interest.

But with all these qualities, one of the tests of any profession or institution is its ability to overcome the tendency to fight new problems with outmoded concepts and an obsolete structure.

Some of the functions of diplomacy have not changed over the centuries. The representation of our country's interests abroad remains at the heart of your profession. But in today's interdependent world the scope of diplomacy has broadened dramatically, and continues to do so every year. In the contemporary world, as never before, events and policies in one country have unprecedented effect on the lives of millions elsewhere around the globe.

It is not enough in today's world for the Foreign Service to report on foreign developments and their relationship to our national interests. That, important as it is, is a passive function. Today what is needed is a Foreign Service that understands our goals as a nation, is capable of formulating a strategy for reaching those goals, and possesses the tactical skill necessary to implement that strategy.

At home, as well, the context of diplomacy has changed. No longer is it the esoteric art of an elite separated from the people and the political process it serves. Today the Congress has a decisive role to play in the formulation and execution of our foreign policy; today the American people must be convinced of the wisdom of the course we espouse. In a speech I gave shortly before becoming Secretary of State, I said that no foreign policy could survive in a democracy if it were born in the minds of a few and carried in the hearts of none. I believe that today even more deeply than I did two years ago.

In short, while the objectives of diplomacy may not have changed, its scope most certainly has. And so have the responsibilities of the Department of State. In a time of massive and continuous change, this Department must, as a matter of course, constantly reexamine the assumptions it has made, the strategies it has espoused, and the objectives it seeks to serve.

What is the purpose of the Department? In its broadest sense, it is to preserve the peace, the security, and the well-being of the United States and—since America cannot live in isolation—to contribute to just international arrangements for all mankind. It is to bring to the formulation and execution of our foreign policy a vision of the future and a sense of direction.

This concept of the Department's role defines the focus of our work. The crucial test of the Department's relevance will lie in our sense of history and historical perspective. And it will lie in our ability to integrate and to synthesize the national interests of the United States, the global concerns that affect it, the tactical issues of the moment, and the isolated events of the day into a conceptual whole which gives meaning to events and purpose to our decisions. If the Department of State serves the President with these qualities, it will stand at the center of the foreign policy process, not because an organization chart says it should, but because its courage, its intellectual strength, and its strategic grasp have put it there.

What you are entering today is not the Foreign Service of the State Department, but the Foreign Service of the United States. Foreign Service Officers should not think that their natural base is overseas, with Washington tours the painful interruption in an otherwise interesting career. They should look forward to Washington assignments and cultivate the skills necessary for such work. In the field, where our principal purpose is the execution of foreign policy, compromise and negotiation are the natural tools of diplomacy. But in Washington, where it is the formulation of foreign policy that should most concern us, our purpose must often be an unrelenting drive to clarify purposes and discover alternatives, so that the policy maker will know the depth and dimension of the issues he has before him for decision.

After nearly two years in this Department I am convinced that the dedication and native ability of the Foreign Service mark it as a unique and great institution. Individually we are professionally as good as the best the country has to offer. But the product of our collective effort is sometimes less than the sum of our individual abilities.

I, like every Secretary of State before me, hope that when I take my leave this Department will be a more effective instrument than when I came. I want the Foreign Service and the Department to have a better appreciation of their own value and worth; I want them to be less concerned with status and more concerned with substance. I believe we have already made great strides:

The principle of putting the ablest where their talents can best be used is well established, as demonstrated by the number of Ambassadors and Assistant Secretaries appointed solely on the basis of merit and without regard to age or rank. We have shown that even an FSO-4 can have an Ambassador's baton in his knapsack.

We have reformed the assignment process that allowed, or forced, an officer to return to the same geographic area repeatedly. As a result, Foreign Service Officers are gaining a broader perspective and a deeper sense of the range and complexity of the challenges we face as a nation.

We have moved to compensate for the rigidities of specialization by encouraging officers to take assignments outside their area of functional expertise. While I recognize that the establishment of the cone system was in response to the need for greater emphasis on specialization, we must not permit compartmentalization to deter us from providing the breadth of experience necessary for positions of high responsibility.

Our analytical and conceptual capabilities have been greatly enhanced by giving the Policy Planning Staff a central position in the organization, and by staffing it with the best available talent. The Bureau of Intelligence and Research, too, has been brought into a dynamic and intimate relationship with policy making and policy makers.

These steps were primarily designed to improve the Department's product by focussing greater attention on a precise definition of our mission, and by encouraging a more analytical, more strategic approach to the issues of foreign policy. This is the essential first phase of institutionalization. Now it is time to turn our attention to the development of a Departmental structure that is more responsive both to the needs of its members and the demands of an increasingly interdependent world.

RESOURCE ALLOCATION

Our first and most critical task is to find a more effective means than we now possess to link resources and policy objectives. Over the years—and especially over the past decade—our policy priorities have undergone substantial change. Yet our resources—people and money—have, because of institutional inflexibility, remained focussed on the familiar problems of the past.

The Department lacks an effective system for addressing or deciding priorities among areas or specialities. What is needed, therefore, is a new approach—a mechanism for coordinating resources and goals, and for reprograming existing resources from less important functions to areas that deserve priority attention.

I have, therefore, recently established a Priorities Policy Group whose principal task will be to provide the mechanism for linking decisions on resource allocation to the broader considerations of foreign policy.

The Group will have the following functions:

(a) It will play the central role in formulating the Department's annual budget;

(b) it will review the present allocation of all positions on a regular basis;

(c) it will examine all significant requests for additional resources, both in Washington and overseas;

(d) it will employ whatever instruments it deems necessary—including expanded use of the Foreign Service Inspection Corps—to identify and correct the inefficient use of our resources.

The Group will be headed by the Deputy Under Secretary for Management, and will include as members the Director of the Policy Planning Staff, the Director General, the Inspector General, the Counselor, the Assistant Secretary for Administration, and the Director of Management Operations.

I have directed the Deputy Under Secretary for Management to use this new mechanism to bring our budget process under central management control. This will mean change in some of our current budgetary practices, and a reduction in the degree of autonomy the Bureaus now enjoy in the management of their funds. But it will also mean that the Department, as a whole, will have an important new capacity to bring its resources into relationship with its problems.

PERSONNEL

Our greatest resource in this Department is people. How well we serve the national interest will depend on the kinds of people we recruit, how well we train them, how demanding we are of superior performance, and how well we reward those who perform with excellence. And so, in consultation with the American Foreign Service Association as appropriate, I am directing new departures to improve the recruitment, evaluation, assignment, and career development of our professional service.

RECRUITMENT

Our country has every right to expect a corps of foreign affairs professionals which is expert in politics, economics, science, the oceans, military strategy and other disciplines. These people must be capable of drawing together the widely divergent interests of our society and government, synthesizing this array of forces, tapping available expertise in and outside of government, and advising our political leadership on how best to pursue our national objectives.

In the area of recruitment our major problem rests in the need for a clearer definition of our requirements, and the need for systematic standards for appointment. I have therefore instructed the Director General:

First, to adjust examination standards for FSOs to relate our selection more closely to our needs, without at the same time forcing the officer to choose a specialty even before he has begun his career. I personally am doubtful that either the Department or the individual concerned is well served by a system that requires the selection of a functional cone at the time of examination.

Second, to define and develop exacting standards and procedures for recruiting professionals outside the Foreign Service Officer Corps. With the right training and experience Foreign Service Officers will be able to perform many of the tasks requiring both expertise and specialization. But there will be a continuing need for highly expert, specialized professional talent which cannot necessarily be found in a closed career system. The Department must be free to hire the best talent our society can offer, and to guarantee those it hires fair treatment and adequate reward. The career system, on the other hand, has a right to expect that the Department will not abuse its right to hire and promote outside the career service as a device for circumventing the system.

Third, to institute a program aimed at recruiting top quality women and representatives of minority groups. Our record as an equal opportunity employer must be improved; I intend to see that it is.

EVALUATION

Virtually everyone agrees that our system of performance evaluation is badly in need of improvement. Regular efficiency reports will continue to be essential in identifying those officers deserving of promotion. But there has been a growing tendency for rating officers to avoid the hard and critical judgments that an effective merit system requires. We need to place more emphasis on effective methods for evaluating officers at critical points in their careers. We have, for some time now, experimented with the concept of a junior "threshold"—a system that would permit the Department stringently to examine a junior officer's performance, abilities and potential for growth before any final decision to promote him to the intermediate ranks. It is now time to move from the experimental stage to implementation of this threshold concept as an integral part of the career process. I have instructed the Director General to take the steps necessary to accomplish this. I have also asked her to develop for my early consideration plans for the institution of a senior threshold which would apply to officers about to enter the executive levels of the Foreign Service.

ASSIGNMENTS

Central to the quality of our service is the assignment process. The system today is too decentralized—too much characterized by bargaining between bureaus. It is neither rational nor service-wide in its approach. In order to correct this weakness, I have instructed the Director General to establish a more open, centrally directed assignment process. While the new procedures will take into account the legitimate interests of the individual, the bureaus, and the posts abroad, they can only be fair and orderly if they drastically limit the right of an Assistant Secretary or Ambassador to veto assignments, and if it is clear that every member of the Service must accept an assignment once made.

PROFESSIONAL DEVELOPMENT

As in all other professional fields today, the range and complexity of foreign affairs issues are heavily affected by the expanding horizons of knowledge and technology. If the professional service is to provide relevant leadership in a wide range of technical subjects, it must be intellectually equipped, as a part of the career process, to take these complexities into account in framing foreign policy. But our present training programs—except in the field of languages, where we have an outstanding program—vary widely in quality and relevance.

As a first step toward correcting this situation, I have ordered the establishment of a Board of Professional Development. It will have the following functions:

Formulate a comprehensive training program.

To oversee its implementation.

To assure that changes in that policy are made as the needs of the Department change.

To correct current failings in the system.

It will also have oversight responsibility for details to other agencies and branches of government, and assignments to universities.

The members of this Board will be the Deputy Under Secretary for Management, the Director General of the Foreign Service, the Director of the Foreign Service Institute, and other senior officers of the Department on a rotating basis. The Board should, from its inception, seek advice from universities, business, and other appropriate institutions with experience in advanced training techniques.

The Department must also give greater attention to other forms of professional development. I have, for example, instructed that an expanded Junior Officer Rotational Training Program be established. This Program will give more entering officers on-the-job experience during their first assignment in all of the principal areas of Foreign Service work—administration, and consular, economic and political affairs. I would hope that we can have this program established in time for at least some of you to take part in it.

We also need to redress our neglect of training in such areas as administration and for those most critically important people—our secretaries. I have directed that these areas be given priority attention.

Finally, details to other agencies, assignments to state and local governments, and to the Congress will be substantially expanded. In this regard, I welcome the recent efforts in Congress to make it possible for the Department to detail a greater number of its officers to the Congress, and to state and local governments throughout the country. Such assignments would offer enviable experience and should, in some cases, provide excellent managerial training. And most important—now that foreign and domestic policies are virtually inseparable—these assignments will make us more sensitive to the values, interests and priorities of the country we represent.

In order to relate all these forms of professional development to the key steps in an officer's career, I have asked the Director General to make a year of training or a special detail outside the Department a part of the threshold process. Such assignments should be looked upon as at least as important to an officer's career as an assignment to a bureau or a post abroad.

CONCLUSION

Ladies and gentlemen, I recognize that some of the institutional changes I have announced today may not, at least at first, meet with universal popularity. Reforms seldom do. But I am convinced that they will, over time, be seen as a creative strengthening of the Department and the Foreign Service, and that they will mean a more challenging and exciting career for all of you. Yet, in the last analysis, it will be the mutual sense of responsibility and obligation that you feel for the Department of State and that the Department feels toward you that will be important. As you go on in your careers, it will be the Department's responsibility, as well as your own, to encourage the fresh approach, the new initiative; it will be the Department's obligation to permit you to argue what you believe deeply, however unorthodox, and to question old assumptions.

But the reverse side of that coin is that you have an obligation to support decisions once made. "Loyalty" has become an archaic term, but ultimately it means professional self-discipline, and as such is the pride and strength of any professional service and a prerequisite to its self-respect.

If, over the many years ahead, you and the Department can maintain a mutual sense of esteem and devotion because each has met its obligation to the other, and both have fulfilled their duty to the nation, you will have achieved such a standard of excellence that the question of which agency is the President's principal tool in the conduct of American foreign policy will not need to be asked. You and your colleagues will already have given the answer.

But having a central place in the policy process is only a means to an end. Your ultimate objective must be to serve your country with all your heart and mind, no matter how onerous the task, no matter how difficult your position. Your job, as junior officers no less than when you reach the senior levels, will often require undramatic, persevering, laborious effort. But if you do your best, I believe you will always find it exhilarating.

I know that I speak for the Director General and all your other colleagues here in the Department and abroad when I extend to you best wishes for a long and productive career. You stand at the threshold of an exciting time, in a world poised between great danger and unprecedented promise. Whether we succumb to the dangers or realize the promise will, in large measure, depend on you.

THE TRADE ACT OF 1974

Mr. MANSFIELD. Mr. President, on June 27, 1975, the President of the United States addressed a letter to the chairman of the Committee on Finance, Senator Russell B. Long; to the chairman of the Committee on Banking and Currency, Senator William Proxmire; and to the Honorable Al Ullman, chairman of the Ways and Means Committee of the House of Representatives, which reads as follows:

> As I indicated in my foreign policy address of April 10 to the Congress, I believe that remedial legislation on credits and most favored nation treatment for the Soviet Union and other Communist countries is urgently needed. The Trade Act of 1974, as it relates to this subject has proved to be both politically and economically harmful to our national interest and has not achieved the objective which its authors intended.
>
> I intend to submit legislation to remedy the present unsatisfactory situation in both instances. Prior to doing so, I shall ensure that adequate consultations are held with you and other appropriate members of the House and Senate. I am hopeful that Congress will join me in recognizing the need for prompt corrective action.
>
> Sincerely,
>
> Gerald R. Ford,

Mr. President, I want to say that I fully approve what the President has recommended.

I would like, in this particular instance, to read a letter that I received under date of June 18, 1975, from an old friend from Montana who is now in Bucharest. It reads as follows:

> DEAR MIKE: I am halfway through a second 5-month visit to Romania under the inter-academy exchange program. The first was in 1971. Consequently I feel that I have a somewhat better feel for the situation here than would a casual visitor.
>
> My present concern was generated by an article in a recent edition of the Intl. N.Y. Herald Tribune which dealt with the holding up of a trade agreement with Romania because of senatorial concern over possible failure to implement emigration policies.
>
> The article pointed out that approximately 350,000 Jews had left Romania in the recent past, leaving approximately 85,000 in the country, and that 10,000 more would leave almost immediately if permission were granted.
>
> However, in view of the obviously important part that Jews play in the scientific and cultural life of Romania, I find the latter figure hard to believe. All my impressions during my stay here lead me to believe that all Jews with a burning desire to leave the country have already done so, but more important, that it would require active encouragement by the government here to reach the magic figure of 10,000 apparently required before the trade agreement supplying most-favored nation status would be approved by Congress.
>
> I think you can see the unhealthy implications for the Jewish citizens of Romania under such conditions. Although the stated and enforced policy here is strictly against any manifestations of anti-Semitism or any other forms of chauvinism, insistence by the Congress of unrealistic emigration quotas is bound to create unnecessary difficulties for the régime as well as for its Jewish citizens.
>
> I would appreciate it if you would bring my views to the attention of your appropriate colleagues, and also if you would keep me apprised of ensuing developments.

Mr. President, I hope that the appropriate committees to which the President has sent this message will expedite consideration of this matter to the end that there will be more Jewish emigration out of both Romania and the Soviet Union and elsewhere rather than the diminution in emigration, especially in the U.S.S.R. which, perhaps, may be traceable to the Trade Act passed by this Congress in December of last year.

I would also hope that we would look once again at the prohibitions and the inhibitions we have placed against OPEC countries, especially as they apply to our friends in Latin America, Venezuela, Ecuador and others, and that corrective measures would be taken in that instance, as well.

Mr. HUGH SCOTT. Mr. President, I will address myself to both subjects. First of all, recently a group of Senators, including, among others, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Washington (Mr. JACKSON) met here with President Ceausescu of Romania, and the old question of emigration was very strongly reviewed.

The President of Romania's figures, differ somewhat. I believe his figures are that 400,000 Jews have left Romania, and there remain only approximately 40,000 Jews of purely Jewish origin in Romania. I am unable to say which figures are correct, but I can say that very strong representations were made to President Ceausescu; certain specific hardship cases were submitted to him. Others have been in more recent touch with the Government of Romania, and we are hopeful that their efforts will succeed.

SENATORS VISIT WITH SOVIET PARLIAMENTARIANS

Mr. HUGH SCOTT. Mr. President, yesterday the first official delegation authorized by the Senate, consisting of 14 Members of the Senate, returned from a meeting with their Soviet parliamentarians in return of the visit of Mr. Ponomarev and his group of last year.

Twenty-two Soviet parliamentarians plus various governmental experts met with the 14 Senators in virtually continuous session for 3 days, or about 17 hours. No free time was found in view of the tremendous interest in the conversations.

There followed a 2¼-hour meeting with General Secretary Brezhnev.

The subject of general and complete disarmament came up as well as arms control and disarmament generally, SALT II, the European Security Conference which is expected, perhaps, in August, the question of nuclear proliferation.

The American delegation stressed the importance of arms reduction rather than a simple ceiling. The Soviet delegation insisted it, too, is interested in arms reduction.

There was a great deal of discussion of trade and of the reason for the Soviet rejection of the trade bill. There was discussion of credits and the Export-Import Bank.

I had been authorized by the President to take with me the letters referred to by the distinguished majority leader addressed to the chairmen of the four relevant committees of the two bodies of this Congress urging prompt resumption of the hearings in order to eliminate those areas of friction between our two governments.

I think it extremely important that the committees hold such hearings as may be necessary, and that they expedite these considerations.

A number of Senators also met with a group of Jewish dissidents, perhaps 25 or 30, and heard their views. They spoke of harassment, they spoke of loss of jobs, they spoke of the effect upon them if they applied for visas and discouragement in the application of the visas, all of which is firmly denied by the members of the Soviet delegation.

However, the question of emigration was quite strongly raised with Chairman Brezhnev and he instructed Mr. Vitaly P. Rubin, the Speaker of their Parliament, as well as certain Soviet experts, to investigate the particular cases.

We feel that we presented the U.S. case not in any state of euphoria whatever, but in a highly pragmatic fashion. The dialog was extremely candid. There were a number of issues on which we disagreed, but there were certain things said which are most important. Namely, that both countries owe an obligation to the rest of the world as well as themselves to remove the terrible burden of armament, that both countries must find ways to enter into an agreement doing away with new and more terrible weapons which our technologists in both countries may be fully capable of developing.

The bacteriological warfare treaty was spoken of with praise, chemical warfare was discussed, future cultural and commercial interchanges were discussed.

The Jewish dissidents felt that, as I understood them, the action of Congress in imposing restraints on export-import arrangements had led to a good deal of their trouble. I gathered the impression that they would not themselves object to our taking another look at the export-import matter in an effort to, in turn, bring about some relief of their condition.

Certainly, there was a feeling on the part of ourselves and General Secretary Brezhnev and our Soviet parliamentarian that movement has to be met with movement, that there has to be flexibility where there must occur some movement on the Soviet side as well as some movement on the American side.

We were told that General Secretary Brezhnev regarded the gathering of this first official U.S. Senate delegation authorized by the Senate as a major step in the right direction and was next only to summit meetings in its importance and its potential impact.

I believe, in all good faith, that we have every reason to be proud of this delegation and of its conduct of our affairs, of its restraint, of its intelligence, of its diversity of composition and viewpoint, that it was in no sense a joyride for anyone, it was a period of extremely hard work.

Some of the delegation went on to Leningrad and discussed the problems up there. I went on to Warsaw and met the Foreign Secretary. The delegation then met the General Secretary of Poland. We found that the Poles are very anxious to continue the onward and steady resumption of trade between our two countries.

We talked to one of our strongest allies and best friends, the Foreign Minister of the Netherlands, Mr. Max Vanderstoel and his deputies. We found them greatly concerned that the strength of NATO will be continued and that all nations do make their full contribution to NATO.

We found them very anxious that the Soviet Government consider the removal of some of its tank forces; that all nations consider the limitation of nuclear armament. Generally speaking, I think that we touched all of the bases available to us in the rather limited time we took.

We gave up our vacations with our homes and families, we gave up the opportunity to go back and visit constituents, and we did it with a minimum of course, a maximum of effort, and I think a great deal of result.

I yield back the remainder of my time.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Senate Resolution 166, which the clerk will state.

The assistant legislative clerk read as follows:

A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alabama (Mr. ALLEN) is recognized.

Mr. ALLEN. I thank the Chair.

Mr. President, it is my understanding that later in the day, and certainly prior to the debate on the cloture motion, the distinguished Senator from Nevada (Mr. CANNON), chairman of the Rules Committee, will move to table the amendment in the first degree offered by the Senator from Alabama, amendment No. 605.

I am hopeful that the motion to table will not prevail because I believe it would be counterproductive and would set the Senate back in any progress that it may have made with respect to bringing some of these issues to a vote; whereas the pending amendment, amendment No. 666, is an amendment to the first amendment that was filed, amendment No. 605, as modified. Of course, the motion to table amendment No. 605 would carry with it all of the amendments that have been added or have been offered to that amendment.

What is the parliamentary situation at this time and why should we not then have a vote on these issues up and down on their merits rather than to decide the issue temporarily on a motion to table, because the motion to table would not prevent a similar amendment being offered at a later time and really would not decide any of the issues?

Amendment No. 605, as modified, was offered by the Senator from Alabama on June 21. It is the amendment to which the motion to table will be directed. I might say that it is only at the sufferance and indulgence of the distinguished Senator from Nevada that we have this opportunity to debate because, of course, the motion to table would cut off debate. But through his courtesy we are being given an opportunity to debate the amendment and the issue presented by the amendment rather than for the motion to table to be offered, which would cut off debate.

Amendment No. 605 was offered by the Senator from Alabama on June 21. There have been other amendments offered but none have prevailed thus far, though the Senator from Alabama has modified his amendment on two occasions as he will explain later. This amendment, the amendment in the first degree—not the pending amendment but the amendment at which the motion to table will be directed—would resolve and decide 15 of the issues presented by Senate Resolution 166, if adopted.

How would it do that? It would take the situation as we find it with respect to the "skip-candidate" ballots, as we find that situation to exist. That is that there are before the committee, and now before the Senate, 12 "skip-Wyman" ballots and one "skip-Durkin" ballot. All 15 of those issues are presented for separate votes under the resolution.

In addition to that, items 6 and 7 of the resolution would be decided by an affirmative vote on amendment 605.

Amendment No. 605 would provide that in an effort to be fair, in an effort to put both contestants on the same basis, an equal number of "skip-Durkin" ballots would be taken from the mass of ballots which is now in the custody of the Rules Committee, under key and under armed guard.

Eleven "skip-candidate" ballots taken from the ballots in the possession of the Rules Committee added to the one "skip-Durkin" ballot that the Senate now has would equal the 12 "skip-Wyman" ballots. They would be considered by the committee on the same basis. If the committee decided to allow all of these ballots to be counted for the candidate alleged to have been thought to be skipped, that would be fine. That would treat both candidates alike.

If they decided to throw them out, that would be fine. It would treat both candidates alike.

Even though there are intervening amendments that I may not discuss in order to conserve time, the pending amendment is an amendment similar to the amendment heretofore offered by the Senator from Pennsylvania (Mr. HUGH SCOTT) and the Senator from Michigan (Mr. GRIFFIN) that would require the Rules Committee to go into this mass of ballots and get all of the "skip-candidate" ballots of any sort—"skip-Durkin" or "skip-Wyman." It does not say what decision the Rules Committee would make as to those "skip-candidate" ballots after they had been sequestered from the total mass of ballots.

So, Mr. President, the amendment is offered by the Senator from Alabama to his own amendment in order that the dual question could be presented to the Senate: If there be 11 skip-Durkin ballots, shall the Senate require the location of 11 such ballots from this total mass of ballots to offset the skip-Wyman ballots, or shall it require all such skip-candidate ballots to be brought in, which could, conceivably, number up in the hundreds?

It is a futile thing, as the Senator from Alabama sees it, to get more skip-candidate ballots than are actually needed to decide the issue. If all such skip-candidate ballots are obtained from the mass of 185,000 ballots, and they are counted for the candidate who was alleged to have been skipped, then that would be nothing more than the duly constituted authorities in New Hampshire actually did. We would not have accomplished anything by getting all of such ballots out that would not be accomplished by merely getting 11 such ballots out. So what is the use of requiring this futile act?

Then the other side of the coin would be that if, instead of counting those ballots for the candidate who is alleged to have been skipped they would all be thrown out, that would be deciding the election on the basis of a misapplication of the New Hampshire law, which would require such skip-candidate ballots to be counted because of the crossmark in the circle under the party emblem at the top of the ballot, because under the New Hampshire law straight party voting is allowed by placing a cross or other identifying mark in the circle under the party emblem, and that constructively places a cross in the individual boxes opposite the names of the various candidates. So to throw such ballots out would be throwing New Hampshire law out, along with the ballots.

Mr. President, the amendment which the distinguished chairman of the committee is going to seek to have laid on the table would, if adopted, decide questions (6) and (7), because question (6) asks, shall we get just enough ballots out to offset the skip-Wyman ballots, and question (7) asks, shall we get all skip-candidate ballots out as to both candidates?

So this amendment would decide questions (12) through (24), both inclusive—13 issues—issue No. 6, and issue No. 7; 15 of the 35 questions would be answered.

What is the alternative to that, if the motion to lay on the table is agreed to? We would be right back where we started. This motion to table would prevent the Senate from taking action to decide 15 out of the 35 questions. So it hardly seems to me that that is helping to resolve the matter. Just the contrary, it would seem to the Senator from Alabama.

So I am hopeful that the motion to lay on the table will not prevail, and that in rapid succession we can have a vote on the pending amendment, which in essence is the Scott-Griffin amendment, followed immediately thereafter by a vote on amendment No. 605, which is the suggestion of the Senator from Alabama that we get a sufficient number of ballots of the "skip-Durkin" type to offset the skip-Wyman ballots.

Then we could move. And I am willing to agree right now on a time limitation on these two amendments, inasmuch as both of them are amendments of the Senator from Alabama. Yesterday I sought, together with the distinguished Senator from Nevada, to obtain a time limit on these amendments. I have no interest in this matter other than to see that it is solved on the basis of principle rather than on the basis of political considerations. So I am not seeking to prolong the debate. But I am seeking to get an early resolution of these issues, and I do not see how we can resolve issues more rapidly than by deciding 15 issues through one amendment.

Let us just have a vote on it, an up-or-down vote. The amendment has been pending here since June 21, and the Senator from Alabama has been trying to get a vote on his amendment since that time.

If the motion to lay on the table prevails, there will be nothing before the Senate on the four questions actually now pending. The history of the parliamentary situation with regard to these amendments is this: Amendment 605, as modified, was offered by the Senator from Alabama. Then the distinguished Senator from Nevada (Mr. CANNON) offered an amendment which, in effect, was an amendment resolving item 2 of the resolution, and it provided that there should be no further investigation of the possible errors or mistakes in the tally sheet of the secretary of state with regard to the precincts of Merrimack, Meredith, and Lancaster.

Well, that seemed fair to me, so I modified my amendment to add the amendment offered by the distinguished Senator from Nevada, and that became a part of amendment 605.

The Senator from California then asked for a division of that question, and those two issues then became division 1 and division 2. Then the Senator from California (Mr. CRANSTON) offered an amendment that would have resolved item (3) of section 2. And I might say that, when I referred to items (12) through (24), both inclusive, as being decided by the amendment of the Senator from Alabama, I more properly should have said items (12) through (24), inclusive, of section 2.

So the Senator from California (Mr. CRANSTON) offered an amendment to division 2 of amendment 605 which said that ballot No. 120, as numbered by the Rules Committee, should be counted for Mr. Durkin. The Senator from Alabama added that to his amendment, and then, in order to get the two issues before the Senate, shall we go and get 11 skip-Durkin ballots, or shall we get all the ballots of a skip-candidate nature, whether skip Durkin or skip Wyman, and bring that before the committee, those two issues are presented here: To get 11 skip-Durkin ballots, as provided in amendment 605, which the Senator from Nevada is going to seek to have tabled, or amendment 666, which is pending, which would say get all such ballots and bring them in. What for I do not know, because, if we went by New Hampshire law, they would all be counted, just as they were counted before and, if we did not follow New Hampshire law, we would throw them all out.

I am hopeful that this motion to table will not prevail, and that we can proceed rapidly to dispose of these pending amendments. It has taken days to build up this parliamentary situation, and it is all going to be destroyed if this motion to lay on the table should prevail.

So I hope that the leadership, rather than tabling amendment No. 605 in the first degree will, instead, obtain unanimous consent for early votes on these issues. That is rather than to table the one amendment that would decide 15 issues.

Mr. President, this is as I see this issue developing. Let me emphasize that I definitely am not seeking to prolong the issue. On the other hand, I am trying to shorten the time to be spent on this issue, and I am seeking to have the Senate decide 15 of the issues in 1 vote.

I am willing to set any sort of time limit, be it 15 minutes, 30 minutes, or 1 hour, on any of these issues and dispose of them.

The Senator from Alabama has been a member of the Rules Committee, participated in these votes that were taken in that committee, and has been on one side or the other of the tie votes. He feels that he has a duty to help resolve the question.

As the Senator from Alabama sees this issue before the Senate, there is a growing sentiment among the small minority of the people in the country that are familiar with what is going on here in the Senate and the issues involved, but it is a growing minority, as the Senate spins its wheels on this issue. There is a growing sentiment that the issue should be referred to the people of New Hampshire. Whether that growing sentiment will become the majority sentiment here in the Senate before cloture is voted is the real question involved here in this discussion.

I noticed this morning the New York Times, which is one of the great liberal newspapers in the country, recommended sending the issue back to the voters of New Hampshire.

If the issue does go back to the voters of New Hampshire, I am hopeful that the law of New Hampshire will be adjusted to such an extent that this special election be open to everyone and that it not be confined to the three candidates who were involved. That is a matter for the people of New Hampshire and their duly-constituted authorities, however. But I would feel a whole lot better about it if it were open to all the people rather than to only three candidates.

Mr. President, the Senator from Alabama has uniformly adopted the position that under article I, section 5, it is the duty of the Senate to resolve this issue, because each House of Congress is empowered to judge the elections, returns, and qualifications of their Members. So, I feel that that places a duty on the Senate to resolve this issue. But I believe that is a limited right and a limited authority. It is a delegation of a reasonable authority in this area. If the Senate will act with certainty in the matter, then the Senate should and does have the right to proceed.

But if the time should come when the majority feels that the Senate cannot act and cannot decide this matter with a high degree of certainty and a high degree of definiteness, then it might well be incumbent upon the Senate to send the issue back to the sovereign people of the sovereign State of New Hampshire.

Mr. President, before closing, I feel that I should comment on the so-called compromise that I noted is taking place or is being suggested as a compromise of this issue. I noticed it in the newspaper this morning. A compromise is being worked out or being offered, but I noted that all of those who seem to be a party to the compromise—and I could be wrong on this, but it is the way I read it—all of those were Senators who have voted for cloture on this issue. So, "compromise as between whom," would occur to the Senator from Alabama. Compromise between those who favor cloture? Well, that would not be much of a compromise.

Let us see what the compromise that has been suggested would provide:

It would provide for doing, in a somewhat similar fashion, what is provided by the Scott-Griffin amendment, the pending amendment, actually, and that is, as the Senator from Alabama read it, to get all these skip-candidate ballots, bring them in, and proceed to throw them out, even though the New Hampshire law says they will be counted.

That would be a pretty sad past for the Senate to come to in this matter, to compromise this issue on the basis not of who received the most votes in the election, but who received the fewer skip-candidate votes. That would be the issue, and that would be a sorry solution of this matter. It would be throwing New Hampshire law, along with the ballots, out the window. It would be deciding the issue in complete disregard of the law of New Hampshire, because that would not even bring into play what has been suggested here as the reason for disallowing these present skip-candidate ballots, and that is the intent of the voter. That theory completely disregards the intent of the voter. It completely disregards the law of New Hampshire.

So, Mr. President, I am ready to vote on this suggested compromise at any time. I am not going to discuss it. I would say of this so-called compromise that it is illogical, it is cynical, it is grotesque, to try to settle this matter on the basis of who received the fewer skip-candidate ballots. I shall not vote for any such compromise. I am ready to vote right now on the compromise.

Mr. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. HATFIELD. I have listened to the Senator this morning describe the parliamentary situation as it relates to his amendment, and his amendment to the amendment and the history of how we got where we are today. I appreciate the résumé of this parliamentary situation. But I say to the Senator—and I shall comment as well as ask a question—that he now brings us to the real heart of the issue, and that is the question as to what a legislative assembly can do in terms of compromise, as it relates to legislative issues and legislative questions and what I think sometimes is a greatly confused issue in the public's mind.

The Senator puts his finger on the point that we are expected to and we are free to compromise procedures, to compromise timing, to compromise nomenclature; but when we are asked to compromise a principle, then I think we have the responsibility to delineate carefully and distinguish that kind of compromise or a proposal to compromise on a matter of principle, in contrast to a compromise of procedure.

The Senator has already outlined his willingness to compromise procedure in his amendment. If I understand the amendment correctly—and I would like the Senator to correct me if I am misstating it—the Senator is asking the Senate, under his amendment, particularly the amendment to the amendment, to draw out from the votes cast by all the voters of New Hampshire as relates to the skip-candidate ballots. This would be to confirm the affidavits or to deny the accuracy of the affidavits that have been filed with the Rules Committee, part of the Rules Committee record. Here there were literally dozens and hundreds of skip-John ballots or skip-Durkin ballots which were not protested because the law of New Hampshire was understood carefully by those who drew up the instructions to the poll watchers of the Wyman forces, and who were specifically instructed to the effect that an X in the party circle was a valid mark for everyone in that column—unless, of course, it was crossed out and a mark was made in the opposite column.

What the Senator is proposing, as I understand it, is that we not compromise the principle of applying New Hampshire law but that we compromise the procedure by which we draw out all those skip ballots and let the committee take a look at them and make a judgment at some later time.

Is this a correct interpretation of the Senator's position?

Mr. ALLEN. Yes, that is a correct interpretation of the pending amendment. However, it is an amendment to the amendment in the first degree. It is really the thought of the Senator from Alabama that we draw out only a sufficient number of ballots to offset the skip-Wyman ballots. That, in effect, would require that the same rule be applied as to both.

The danger of the pending amendment, as outlined by the Senator from Oregon, is that the committee of the Senate, after all these skip-candidate ballots have been brought in and sequestered, could apply the very terms of the compromise and throw them all out. Therein lies the danger of the pending amendment.

No such danger attaches to the amendment of the Senator from Alabama. With the 11 added to the 1 skip-Durkin ballot, it would be 12 and 12. So whichever way they went, there would be no disturbing of the status quo of the vote. They all would be counted or they all would be rejected. In either event, it would leave both of them exactly where they found them, following the proceedings in New Hampshire.

Mr. HATFIELD. Mr. President, will the Senator yield for a further question?

Mr. ALLEN. I yield.

Mr. HATFIELD. As I understand the Senator's remarks, if we go back to the basic amendment which the Senator proposes, a certain number——

Mr. ALLEN. That is what is going to be sought to be tabled.

Mr. HATFIELD. Yes; the Senator, in effect, is attempting to apply the procedure, as I understand it, that if we are going to replace New Hampshire law with committee law or Senate law, as it relates to that specific number of ballots, then we should not determine the election on that basis, but should negate, in effect, whatever that policy is by having an equal number of skip ballots dropped from the other candidate.

Mr. ALLEN. That states it better than the Senator from Alabama could have stated it.

Mr. HATFIELD. I am not sure that I agree with the Senator on that, but I should like to ask the Senator a further question.

Under the procedure now, if the chairman of the committee, the distinguished Senator from Nevada (Mr. CANNON), moves to table the amendment of the Senator from Alabama, that puts us back to what point in terms of the question then pending before the Senate?

Mr. ALLEN. We would be back to the clean resolution, subject to the offering of further amendments.

Mr. CANNON. Mr. President, will the Senator yield for a correction?

Mr. ALLEN. I yield.

Mr. CANNON. I think the Senator would want to say that we would be back to division 2 of his original proposal.

Mr. ALLEN. I understood that the Senator from Nevada was going to seek to table the entire amendment, which would carry all aspects with it. I misunderstood.

Mr. CANNON. The Senator said it would require unanimous consent for a motion to table the Senator's entire amendment, including division 1 and division 2.

Mr. ALLEN. The Senator's motion would be directed only to division 1.

Mr. CANNON. Division 1.

Mr. ALLEN. With its modifications, and that then would carry with it the modifications on division 1.

Mr. HATFIELD. The Senator from Nevada, as I understand the situation, is contemplating making a motion to table, in effect, the Allen amendment to the Allen amendment.

Mr. ALLEN. He is seeking to table the Allen amendment, which would carry with it the amendment to the original amendment.

Mr. HATFIELD. So that clears the parliamentary situation.

Mr. ALLEN. Division 1, as the Senator from Nevada has stated. That still would leave division 2, which is the amendment offered by the Senator from Nevada (Mr. CANNON) that there be no further investigation in the Merrimack, Meredith, and Lancaster precincts. I believe that is correct.

Is that not right?

Mr. CANNON. The Senator is correct.

Mr. ALLEN. That, though, I might state, would be subject to amendment.

Mr. HATFIELD. Mr. President, will the Senator yield further?

Mr. ALLEN. I yield.

Mr. HATFIELD. I ask the Senator this question, both as the author of this amendment and as a recognized expert in parliamentary matters: If the motion of the Senator from Nevada prevails, what would be the parliamentary situation with respect to offering amendments at that time that would have the effect of calling upon the Senate to return the matter to the State of New Hampshire and have the Senate vote on that question, as it would be represented in the ideas and expressions of opinion as reported in this morning's New York Times, in the Philadelphia Inquirer, and I believe in every major newspaper in the country whose editorial statements I have read, indicating a growing feeling that the only way this question can best be resolved, considering the parliamentary situations, the political situations, and the actual problems of the ballots and those which are missing and those which are challenged, and so forth—what would be the parliamentary situation at that moment for carrying out that action?

Mr. ALLEN. The situation would be that the amendment of the Senator from Nevada would be pending. As an amendment in the first degree, it would be subject to amendment. Provided it would be up for grabs, so to speak, to whoever was recognized for the offering of an amendment.

Mr. HATFIELD. If the Senator will yield further, if another amendment is presented prior to the amendment that would call for returning the question to the people of New Hampshire to let them decide this question, then that would foreclose such a proposal; is that not correct?

Mr. ALLEN. If that amendment were offered.

Mr. HATFIELD. In other words, only one amendment can be offered to the——

Mr. ALLEN. Only one in the second degree; yes.

Mr. HATFIELD. If the Senator will yield further, when the Senator made this proposal in his basic amendment and then the amendment to the amendment, did the Senator have in mind the possibility that if the amendment of the Senator from Alabama passed, this would foreclose the possibility of the Senate sending the question back to the people of New Hampshire?

Mr. ALLEN. No; as long as the matter is before the Senate, it can act in that regard whenever it wants to. That would not be foreclosing that possibility.

I would say, though, that if its passes, I think the natural result of it would be possibly to open some of these other issues up to the consideration of a time limit on them. That was what I have argued all along. If we can solve 15 of the questions, we ought to be able to agree on a time limit on the others.

Mr. HATFIELD. If the Senator will yield further, as I understood the Senator's comments this morning, the Senator would see no objection in having a sequence of votes?

Mr. ALLEN. I have no objection.

Mr. HATFIELD. Then, again, it would provide the Senate with opportunity to consider a range of possibilities. Would that not be so, also?

Mr. ALLEN. Absolutely, unless the time limit were worded in such a way that there would be no provision for intervening amendments.

Mr. HATFIELD. If the Senator will yield further, has the Senator read the statement from the Philadelphia Inquirer?

Mr. ALLEN. No, sir, I have not.

Mr. HATFIELD. I ask unanimous consent that these be made a part of the record at the appropriate place.

The PRESIDING OFFICER (Mr. BUMPERS). Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATFIELD. Has the Senator read the New York Times editorial of this morning suggesting that the Senate send the matter back to the people of New Hampshire for another vote?

Mr. ALLEN. Yes; I read that. I shall state that I do not get my course of action from those sources. But I did read the editorial.

Mr. HATFIELD. If the Senator will yield further, does the Senator not agree that it is a rather significant position for these major newspapers to take on this question, a wide range of newspapers, from what we might call liberal to conservative, from East to West, from North to South?

Mr. ALLEN. I did state that I felt that there is a growing sentiment in favor of sending the issue back. I feel that the real issue presented here is that growing sentiment is going to become a majority sentiment prior to the time the Senate limits debate. Once debate is limited, obviously, it will not go back to New Hampshire

EXHIBIT 1

[From the Philadelphia Inquirer, July 8, 1975]

LET NEW HAMPSHIRE DECIDE

"The world's greatest deliberative body," otherwise known as the United States Senate, is bogged down again. For six months now, it has been trying to decide—first through its Rules Committee, more recently on the Senate floor—who the junior senator from New Hampshire should be. Any progress toward a decision is indiscernible.

All this goes back to the elections last Nov. 5, when Republican Louis S. Wyman defeated Democrat John Durkin by 355 votes for the New Hampshire seat. A recount produced a 10-vote margin for Mr. Durkin. But then the state's bipartisan Ballot Law Committee examined disputed ballots and unanimously ruled that Mr. Wyman was the winner by two votes.

Thus Mr. Wyman, armed with a valid certificate of election from his state, was prepared to take his seat. But Mr. Durkin appealed to the Senate, which refused to seat Mr. Wyman pending an investigation. And there—eight months after the election—the matter rests today.

The Rules Committee, often deadlocked 4 to 4, has asked the full Senate to decide 27 disputed ballots and eight procedural matters. But after 12 days of debate amid Republican charges that the Democrats are using their majority to try to "steal" the election, the Senate hasn't even been able to agree to bring the questions to a vote.

The arguments over the disputed ballots are complex and are compounded by the fact that some of the ballots have now been destroyed. But the whole business was summed up well by Sen. Hugh Scott when he told his colleagues before their July Fourth recess that "this is such a hashed-up mess that it really ought to go back to New Hampshire."

That would be the tidiest and fastest way to settle the question and permit the Senate to get on with its other business. All the Senate needs do is declare the seat vacant and then let the people of New Hampshire make the decision in a new election.

The Republicans in the Senate have already demonstrated their unanimous support for such a solution. If the Democrats are not indeed trying to exploit their numerical advantage in the Senate, then why do they insist on deciding the question there instead of sending it back to New Hampshire's voters?

[From the New York Times, July 8, 1975]

NEW HAMPSHIRE SENATOR

This year 1975 is already more than half gone, but the State of New Hampshire still has only half of the representation in the United States Senate to which it is constitutionally entitled. The impasse which has prevented the seating of a second Senator from that state had its origin in the extreme closeness of the actual vote in New Hampshire but has been absurdly prolonged by the political maneuvering that has marked Senate consideration of the issue both in committee and in the Senate as a whole.

In the Senate the political motivations at work are unmistakable. The Senate Democratic majority would like to use its power to ensure another Democratic vote. The Republicans, with the help of a few Southern Democrats, are trying to prevent such an outcome by stalling as long as they can in the hope of forcing the contest back to another vote in New Hampshire, which they think they can win.

While this newspaper is no admirer of the Republican nominee, we believe that the issue has already lingered too long in the Senate and that the fairest way now to assure the people of New Hampshire their proper representation would be to hold a new election in that state. And if Louis C. Wyman is again the Republican candidate, as he doubtless will be, we hope the people of New Hampshire will re-examine carefully his ultra-conservative views, his record and his reported part, as an intermediary, in the sale of an ambassadorship for a large political contribution to the Nixon re-election campaign.

[From the Atlanta Constitution, June 23, 1975]

(By Reg Murphy)

THIS ELECTION IS TOO CLOSE TO CALL

Everybody loved Georgia's voting of the tombstones in governor's races. They don't have the same affection for New Hampshire's absentee ballots.

But the connoiseurs are making a dreadful mistake. The best political show in decades has been taking place in Washington and New Hampshire over a Senate seat.

For six months the seat has been vacant. It means that New Hampshire was even less represented than the average American state in the first half of 1975. Only now is the situation moving toward resolution.

"Senator-elect." That's what the two contestants have called themselves for the six months of this epic struggle.

Republican Louis C. Wyman, 58, a wealthy former Congressman, claims he should have been declared the winner. So did 38-year-old Democrat John A. Durkin, the former state insurance commissioner.

"By the time this thing is resolved, Louis is going to qualify for Medicare and I'm going to qualify for food stamps," Durkin said.

The accuracy of his prophecy seems borne out by the battle over the Senate seat. Wyman initially was declared a 355-vote winner. Durkin demanded a recount and the secretary of state ruled he won by 10 votes.

Phooey, Wyman said, give *us* a recount by the State Ballot Commission. It proclaimed Wyman a two-vote winner.

Having run out of state bodies and ballots for counting, Wyman and Durkin both went to Washington. (A two-seat senator or a two-senator seat or a twin-seater that won't fly?" some Cracker asked.) Each had a certificate of election. One certificate was as worthless as a Confederate dollar bill, but nobody could tell the bogus from the real thing.

Least of all the Senate Rules Committee. Chairman Howard Cannon (D.-Nev.) chose not to send the election back to the New Hampshire voters, but to count the contested ballots in the 94th Congress. The committee discovered:

It couldn't count. It shuffled ballots three (3) times and came to no conclusion.

Somebody lied. Albert A. Michaud said he and his wife did not vote. His relative, Walter Stanium, said they voted absentee. Stanium campaigned for the Democratic candidate for governor. The Senate said the Michaud ballots were valid because they couldn't tell which ones should be thrown out.

Nobody is perfect. The Senate committee has tied on a 4-4 vote 35 times. They don't know who to believe.

In the ordinary course of events, such a contest would be ordered to a new election. This one is out of the ordinary. The Senate turned down a proposal this week from Sen. James Allen (D.-Ala.) to remand the election to the New Hampshire voters.

The Senate then voted *not to set an August 1 deadline* on the debate. It may run on into the autumn with no decision reached.

The fact is that the election is too close to call. It ought to be run again. The Senate has no business spending a month of valuable time debating the question. But politics doesn't work that way. Politics insists on being strong-headed and not trusting the voters very much.

Mr. HATFIELD. In the Senator's presentation, if the Senator will yield to one final question——

Mr. ALLEN. Did the Senator say final question?

Mr. HATFIELD. I will withdraw that word "final." I shall say one additional question.

Mr. ALLEN. I hoped he would keep that word in.

Mr. HATFIELD. I ask the Senator if he has had, in his role of presenting this amendment and discussing it on the floor, as well as as a member of the Committee on Rules, a reading from his constituents and others, as well, on the attitude of the people toward the Senate in its actions here on this question—not only the question of sending it back to New Hampshire, but of getting on with other problems and other matters that are of greater priority to the Nation as a whole?

Mr. ALLEN. I feel that people would like us to dispose of the matter.

Mr. HATFIELD. I thank the Senator for his responsiveness to the questions I have propounded and I appreciate this opportunity to draw him out in this manner.

Mr. ALLEN. I thank the Senator for his questions.

Mr. President, I yield the floor.

Mr. CANNON. Mr. President, first, I say to my distinguished colleague from Oregon that I hope he did not mean to imply that all of the great newspapers support the position he took. I have here an article from the Boston Globe of Tuesday morning, July 8, pointing out that this is the Senate's constitutional responsibility and that we ought to get on with it and vote on the issues and settle the matter.

I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENOUGH ADO IN THE SENATE

No wonder this nation is baffled by tough issues like energy and unemployment if its Senate can merely orate on the New Hampshire election without arbitrating it, as the Constitution provides.

The Senate had a relatively simple job before it. It had only to count the disputed ballots from the contest last November for the junior Senate seat from New Hampshire.

For more than five months, a Senate subcommittee inquired into the dispute between Republican Louis C. Wyman and Democrat John A. Durkin. Since June 12, Senate Republicans—bolstered by four Southern Democrats—have prolonged the controversy by filibuster, while pressing business awaits congressional action.

The architects of delay are trying to force the Senate to declare a hopeless stalemate in its ballot review and thus a vacancy in the

Senate seat. In that event, New Hampshire would have to stage a second election.

Yet the Senate has the constitutional obligation, as specified in Article I, Section 5, to "be the judge of the election . . . of its own members." It has fulfilled that obligation in 25 challenges over the past 62 years, since the advent of the 17th Amendment provided for the popular election of senators.

It is no rationale for shirking this duty that the race between Wyman and Durkin may have been the closest in Senate history. By separate rulings of different authorities, either Durkin won the election by 10 votes or Wyman by two. But it would establish an intolerable precedent if the validity of an election should turn on the margin of victory. New Hampshire voters chose a US senator on Nov. 5. They are entitled to a final count of their ballots.

It is, moreover, no legitimate argument that the Senate must forego its constitutional task because its decision must be arbitrary or partisan. Unfortunately, partisanship has flourished on both sides of the controversy. But the Senate ought to be able to resolve this dispute fairly, as it has similar matters in the past. In at least 12 instances the Senate has seated candidates of the minority party in disputed elections. There is no reason the Senate cannot act fairly again in deciding whether Wyman or Durkin won the election last year.

Mr. HATFIELD. Will the Senator yield?

Mr. CANNON. I yield for a question.

Mr. HATFIELD. I ask the Senator if he would like to list, paper by paper, and I shall be happy to respond in parallel action and list my papers by papers and we shall have an objective decision as to what number of papers and what stature of papers are on each side.

Mr. CANNON. I am sorry that the Senator is indeed suggesting that this ought to be settled by the newspapers, rather than by the Senate.

Mr. HATFIELD. The Senator did not answer my question. I did not ask that question.

Mr. CANNON. I am not willing to concede to that at all.

Mr. HATFIELD. That was not the question.

Mr. CANNON. Mr. President, I wish to refer briefly to the comments of the Senator from Alabama. If people have the idea that he is trying to delay the votes, I wish to make it absolutely clear that he has not been. He has been willing to vote throughout on his amendments and all of the issues. The delay on voting on the issues has not come from this side of the aisle, I may say, Mr. President.

Mr. President, to date the New Hampshire Senate election contest has been before the Senate and its Committee on Rules and Administration for over 6 months.

The committee met in 46 separate sessions, consuming over 200 hours, in its effort to resolve the great number of legal and factual issues presented by the contestants.

Hundreds of rollcall votes were cast on New Hampshire ballots and other matters requiring decisions by the committee.

Not one but two reports were filed with the Senate on May 22, 1975. Those reports presented the positions of Mr. Durkin and Mr. Wyman on Senate Resolution 166 which is still pending before the Senate.

Senate Resolution 166 contains 35 separate issues—8 relating to recounts, investigations, and legal questions; and 27 pertaining to ballots. On all 35 of those issues the committee was deadlocked by tie votes which are now to be resolved by the Senate under its constitutional mandate to be the judge of the election returns and qualifications of its Members.

What has the Senate resolved during its many long days of debate? Nothing.

How much time and energy have been wasted during the course of this debate? Let me recite the facts:

First. The New Hampshire contest has consumed 16 days in the Senate.

Second. There have been 20 quorum calls.

Three. There have been 23 rollcall votes, none of which were taken on any issue enumerated in Senate Resolution 166, and of which 3 were attempts to invoke cloture.

Four. Five times the Senate voted to reject motions or amendments to declare a vacancy and send the matter back to the State.

How many of the issues set forth in Senate Resolution 166 have been voted on or otherwise resolved?

None. Not a single one.

With respect to the amendments of the Senator from Alabama, the basic reason that I am opposed to both of his amendments is that it does not resolve any of the issues. It goes back and retrieves the ballots, but it does not say what will be done with the ballots. That is the issue that I think we should vote on. If we vote and say that the so-called "skip-Louie" ballots should be counted for Mr. Wyman, even though it appears that the voters intended to omit him, because they did not put a square on his name and did on every other candidate—if the Senate votes that that is the way those votes should be counted, it settles the whole issue. So I say we ought to resolve it by a straight up or down vote on how we are going to call the "skip" ballots. If we say we are going to call them with a circle on the top being the controlling factor and not consider any other evidence, then we have no need to go back and get any ballots at all.

On the other hand, if we look at the ballot, consider the entire ballot, and say that in our judgment, those ballots should be counted no-votes, then we would have to go back and retrieve them.

While the suggestion was made that this was a compromise that I had offered, that is not the case. With due respect to the Washington Post indicating that it was a proposal of mine, it is not.

Mr. ALLEN. If the Senator will yield, the Senator from Alabama did not say it was his proposal.

Mr. CANNON. No, the Senator suggested that he had seen the paper this morning indicating that. The article suggested that the Senator from Nevada was a proponent of the compromise.

I must say that I think we ought to see these ballots and vote on them and decide the issues, just as the Boston Globe said this morning that the Senate ought to get on with its business. It ought to vote on these issues and decide them. Once we vote on those matters, then we could refer this to the GAO to tally the ballots that are in that box and decide, based on that count, who actually won this election.

This is the basic reason that I am opposed to the two Allen amendments, because they solve nothing. They just say, go back and get the ballots for further consideration by the committee, in his first amendment. The committee is already deadlocked on tie votes, because we could not agree how those ballots should be counted. That is why we have come to the Senate. Once the Senate settles that issue, we can get on about our business and resolve this matter very rapidly and try to decide who is the winner of this election; who won the election on election day, not who might be the apparent winner in some other election that might be held at sometime in the future.

For those reasons, Mr. President, I move to table the Allen basic amendment, which is No. 605, as modified, being division 1. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I ask for the yeas and the nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Dakota (Mr. Burdick), the Senator from Mississippi (Mr. Eastland), the Senator from Maine (Mr. Muskie), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. Burdick) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Fannin), the Senator from Hawaii (Mr. Fong), the Senator from Maryland (Mr. Mathias), and the Senator from Delaware (Mr. Roth) are necessarily absent.

The result was announced—yeas 52, nays 39, as follows:

[Rollcall Vote No. 259 Leg.]

YEAS—52

Abourezk
Bartlett
Bayh
Bentsen
Biden
Bumpers
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston

Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Nelson
Nunn
Pastore
Pell
Randolph
Ribicoff
Sparkman
Stevenson
Stone
Symington
Talmadge
Tunney

NAYS—39

Allen
Baker
Beall
Bellmon
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Case
Curtis
Dole
Domenici
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
McClellan
McClure
Morgan
Packwood
Pearson
Percy
Proxmire
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—8

Burdick
Eastland
Fannin
Fong
Mathias
Muskie
Roth
Williams

So the motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

After the word "Lancaster" in Division 2 of Amendment No. 605, insert the following.

"(1)(A) It is the sense of the Senate that the committee should not conduct a recount as requested by Mr. Wyman of the following precincts to determine the accuracy of the recount of the Secretary of State of New Hampshire: Gorham, Bedford, Somersworth Ward 1, Claremont Ward 2, Concord Ward 1, Hanover, New Market, Pelham, Salem, and Gilford.

"Notwithstanding the direction to vote separately on the issues posed in subsections (6) and (7) of this section and the direction to vote separately on the eight single-square-skip-Wyman ballots, the four more-than-single-square-skip-Wyman ballots, and the one skip-Durkin ballot listed in section 2 of this Resolution, it is the sense of the Senate and the Senate hereby determines that (i) the eight ballots listed in clauses (12) through (19) of section 2 of this Resolution as single-square-skip-Wyman ballots shall not be counted for any candidate, (ii) every other single-square-skip-candidate ballot among all of the ballots in the custody of the Senate shall be found and separated and shall likewise not be counted for any candidate, and (iii) the four ballots listed in clauses (20) through (23) of section 2 of this Resolution as more-than-single-square-skip-Wyman ballots shall be counted for Wyman and the ballot listed in clause (24) of section 2 of this Resolution as a skip-Durkin ballot shall be counted for Durkin. For the purpose of this paragraph, a 'single-square skip-candidate ballot' shall mean a ballot (i) which is marked for voting (as distinguished from counting) only with either a cross or a check in one party circle and either a cross or a check in each candidate square in the column below the party circle so marked but on which there is no cross, check, or any other mark in the candidate square on the United States Senate line in such column, and (ii) on which there is no other mark or writing for voting in any other place on the ballot.

"(B) In order to execute the determinations made in paragraph (A) of this section, (i) the Comptroller General of the United States in hereby directed to assign such investigators employed by the General Accounting Office, and such other professional employees of such Office, as are necessary to find and separate, from among all of the ballots in the custody of the Senate, any single-square-skip-candidate ballot and such investigators and any professional employees so assigned shall forthwith undertake to carry out expeditiously such functions and no others, and (ii) Dr. Floyd M. Riddick shall affix to any ballot so found and separated an attachment indicating that such ballot is not to be counted for any candidate and shall place any such ballot so designated in the box containing the ballots voted upon by the Committee on Rules and Administration on which such Committee did not cast a tie vote: *Provided*, That in the course of the execution of the procedure directed to be carried out in this sentence the ballots in the contested election for a seat in the United States Senate from the State of New Hampshire shall remain at all times in the continuous custody of the Senate under the supervision of the Sergeant at Arms of the Senate and access to the proceedings, and any information arising therefrom, directed to be carried out in this paragraph shall be restricted to such investigators and other professional employees assigned by the Comptroller General pursuant to this sentence and to Dr. Floyd M. Riddick. For the purpose of this paragraph, a 'single-square-skip-candidate ballot' shall mean a ballot (i) which is marked for voting (as distinguished from counting) only with either a cross or a check in one party circle and either a cross or a check in each candidate square in the column below the party circle so marked but on which there is no cross, check, or any other mark in the candidate square on the United States Senate line in such column, and (ii) on which there is no other mark or writing for voting in any other place on the ballot."

Mr. MANSFIELD. Mr. President, the amendment at the desk is an attempt to break out of the impasse in which the Senate finds itself after 13 or 14 days considering the election in New Hampshire. The compromise has been thought about because of questions raised by the distinguished Senators from Michigan (Mr. HART), from Georgia (Mr. NUNN), and by various other Senators on the floor. It is offered by the distinguished Senator from Louisiana (Mr. LONG), and I for the purpose of seeing if we cannot get on with this business and arrive at a decision rather than remain in session on it for days and perhaps weeks, if not longer.

The compromise provides initially that the Senate agree: First, that all single skip ballots—including the eight single skip ballots on which the committee tied—not be counted for any candidate; second, that the four more than single skip Wyman ballots before the Senate be counted for Wyman; and third, that the non single skip Durkin ballot before the Senate be counted for Durkin. If the Senate agrees to the above, then an independent group composed of GAO investigators are to go back and search through all the ballots cast in the New Hampshire election to locate any additional single skip ballots for Wyman and Durkin. These will be set aside, and not counted for either candidate.

The compromise contains a clear definition of skip candidate ballots as a guide for the search. Because it is possible to define only single skip ballots precisely, the GAO search is limited to these ballots. Multiple skip ballots are not included because it is impossible to provide precise definitions of all the many variations of such ballots.

Assuming the Senate agrees to giving the multiple skip ballots to the candidate skipped; four such ballots for Wyman and one such ballot for Durkin—there would be no reason to search out the multiple skip ballots, since they have already been counted for the candidate skipped.

The Allen amendment carries no definition of skip candidate ballots. The task of those searching for the ballots is made exceedingly difficult if not impossible because it is by no means clear what a skip ballot is. Such a situation would inevitably inject a great deal of uncertainty and subjectivity into the retally.

On the other hand, under the amendment, there can be no question about what is being retallied.

Under the compromise the search would be conducted impartially under rigidly controlled circumstances by the GAO, with no partisan monitors. Those conducting the search would be specifically limited to looking for single skip ballots, and would be specifically prohibited from doing anything with the ballots except to place them in the Rules Committee ballot box marked as invalid for either candidate.

The Allen amendment provides that the search of the ballots be conducted by the Rules Committee, and would not prevent partisans from both sides from monitoring the search. Under such circumstances, there would be a tendency to seek out or to manufacture new and extraneous issues during the process of reviewing the ballots. This would further cloud the question, and could frustrate the Senate in its efforts to reach a resolution consistent with its constitutional responsibilities.

Under the compromise, the question of how to count the skip ballots—both single and multiple—is put immediately to the Senate as part of the compromise. The Senate would vote on whether to count the ballots for the skipped candidate or not. No further action would need to be taken by the Senate, thus deciding 15 of the 35 issues contained in Senate Resolution 166, and freeing the Senate to vote on the remaining issues.

It is obviously fairer to both candidates to throw out all of the skip-candidate ballots, rather than only some of them, if the Senate decides that single-skip ballots should not be counted. If in fact there is validity to the Wyman claim that there are hundreds of skip-Durkin ballots, then it is obviously unfair to Wyman to search and take away from Durkin only 11 skip-Durkin ballots.

In summary, the compromise is a carefully thought-out, carefully defined, carefully structured, eminently fair way of resolving the skip-ballot issue.

With the skip-ballot issues resolved, the Senate would be free to vote on the remaining 20 individual issues and ballots on their merits, bringing about a final decision in the New Hampshire Senate race at an early date.

Most importantly, the compromise is a response to the concern that has been expressed repeatedly by Wyman and his supporters, and recently by certain Democratic Senators—including Senators

CLARK, PHIL HART, LONG, and NUNN—who have felt that it would be unfair to disallow the 11 single-skip Wyman ballots that are known to exist, without making any effort to find, and then to disallow, any single-skip Durkin ballots that may exist.

Mr. Wyman has referred to "a couple hundred" skip-Durkin ballots that have been counted for Durkin. Mr. Wyman's supporters have filed affidavits stating that "many hundreds" of single-skip Durkin ballots exist among the 180,000 unchallenged ballots.

If the compromise is adopted, and if these Wyman allegations are correct, Wyman will win the election, since Durkin will lose several hundred votes. Since the Durkin forces attempted to challenge every single-skip-Wyman ballot—while Wyman forces claim they did not challenge single-skip-Durkin ballots—it is highly unlikely that many offsetting skip-Wyman ballots will be found in the GAO search.

Thus the compromise meets the principal point raised by the Wyman forces, and gives them a full—and decisive—opportunity to prove the validity of their most important contention.

Mr. HATFIELD and Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, will the Senator from Montana yield for a question?

Mr. MANSFIELD. Surely.

Mr. HATFIELD. First of all, I would like to say to the Senator from Montana that I appreciate very much his efforts to bring this matter to some resolution. I am sure the Senator recognizes that it is very difficult to follow the oral reading of a proposal, and therefore there are a number of questions that I have, but I would like to ask just one, and then suggest that perhaps we have some time set aside to look at the details of the proposal——

Mr. MANSFIELD. Of course.

Mr. HATFIELD. So that we will have a specific understanding, and perhaps have it in writing, before we rush to any kind of conclusions.

But first, I ask this single question: Is my understanding correct that in the proposal offered by the Senator from Montana, there would be in effect a throwing out of single space or single "skip" ballots, both those that are pending before the committee and those which would be retrieved out of the 180,000 ballots which are in the basement of the Russell Office Building, following the search by the agency designated in the Senator's proposal?

Mr. MANSFIELD. That is my understanding.

Mr. HATFIELD. I thank the Senator from Montana.

Mr. MANSFIELD. Does the Senator wish to make a proposal at this time that some time be set aside to study the situation?

Mr. HATFIELD. I would suggest that that would be, I think, very helpful, that we have a limited amount of time set aside whereby we can have access to a printed copy or have an opportunity to read the details of the proposal.

Mr. MANSFIELD. Would the Senator from Oregon, the Senator from Alabama, the Senator from Louisiana, and the Senator from Nevada, the chairman of the committee, consider adequate a recess from now until 1:15 p.m.?

Mr. GRIFFIN. Mr. President, if the majority leader will yield, as he knows, all the Republicans are meeting for a policy luncheon, at which time we will be discussing this issue. Until 1:15 would not be quite enough time for us. If it could be until at least 1:30, that could be sufficient.

Mr. MANSFIELD. Let us make it a quarter to 2.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes, indeed—the Senator from Oregon has the floor.

Mr. HATFIELD. I believe I have the floor. I yield for a question.

Mr. LONG. Permit me to suggest, if I may, that as far as I am concerned, as to this proposed or suggested compromise, from my point of view, and I have heard the arguments back and forth, there is a great deal of merit to both sides. It is clear to me that the majority on that side of the aisle feel that the matter should be sent back to New Hampshire for another election. It is also clear to me that the majority on this side of the aisle, which is the majority of the Senate, feel that we ought to decide it ourselves if we can.

If the matter is permitted to drag on in this fashion, I predict that neither one of these gentlemen will ever be Members of the U.S. Senate. Two years from now, the good people of New Hampshire will decide that they would like somebody else, that they do not care for either of these candidates, all newcomers wanting to run for the Senate will qualify, as would be proper, and of course that might work out to the advantage of the Democrats, because the incumbent will be running for his seat at that time, and it is probable that he will get by without much difficulty.

Logically, it seems to me that it is the better argument that when one has marked a straight party ballot, and then marked individually all the candidates except one, just from a purely logical point of view he has expressed a desire both to vote for a candidate and not to vote for that candidate, and therefore the ballot could not be counted for him. I have read the Barr decision as well as the other decisions, and I am inclined, if one were to rely entirely on the court decisions, to think they lean in the other direction, although they do not fit exactly on all fours.

I could live with it either way, whether we count the skip ballots or do not count the skip ballots; but it should be decided one way or the other, and this proposed compromise suggests that a method by which the ballots would be counted or not counted should be set forth, and that an impartial group should go through the whole 180,000 ballots on that basis. I do not really think anyone could with confidence predict what the outcome would be.

As far as I am concerned, I think that is about the only way we will ever seat one or the other of these two very able men who have been meeting with us during this contest, because the matter could drag out forever without one side or the other side willing to agree to anything if, in their judgment, it would mean that the candidate whom they most favor or whose merits they most approve should fail to be seated.

I would hope that those on the other side of the aisle as well as those who have not been willing to vote for cloture on this matter would be willing to consider this offer, and, if they cannot support it, let us know what they could support, because this at least is a proposal that, if agreed to, I would think, would set us on the path to resolving this issue.

I do not think we are going to get any agreement on anything where we can predict with confidence who would wind up being the Senator. At that point, I think either those who are supporting Mr. Wyman's cause would decline to go along or those supporting Mr. Durkin's cause would decline to go along.

As I say, I would hope that this would be agreed to or, if this could not be agreed to, that Senators would find some reasonable modification that they could suggest that might be acceptable.

Mr. MANSFIELD. Mr. President, will the distinguished Senator from Oregon yield?

Mr. HATFIELD. I yield to the majority leader without losing my right to the floor.

TAX CONVENTION WITH THE REPUBLIC OF ICELAND

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the tax convention with the Republic of Iceland, signed at Reykjavik on May 7, 1975—Executive E, 94th Congress, first session—transmitted to the Senate today by the President of the United States, and that the convention with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message is as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention signed at Reykjavik on May 7, 1975 between the Government of the United States of America and the Government of the Republic of Iceland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital.

There is no convention on this subject presently in force between the United States and Iceland.

The Convention follows generally the form and content of most conventions of this type recently concluded by this government. Its primary purpose is to clearly identify the tax interests of the two countries so as to avoid double taxation and make difficult the illegal evasion of taxation.

I also transmit, for the information of the Senate, the report of the Department of State with respect to the Convention.

Conventions such as this one are an important element in promoting closer economic cooperation between the United States and other countries. I urge the Senate to act favorably on this Convention at an early date and give its advice and consent to ratification.

GERALD R. FORD.

THE WHITE HOUSE, *July 8, 1975.*

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The Senate continued with the consideration of the resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire.

Mr. WEICKER. Mr. President, will the distinguished Senator from Oregon yield?

Mr. HATFIELD. I am happy to yield without losing my right to the floor.

Mr. WEICKER. Mr. President, I send a motion to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the motion.

The legislative clerk read as follows:

> Motion to recommit Senate Resolution 166 to the Committee on Rules and Administration with instructions that it report to the Senate forthwith with the following amendment: After the word "resolved" in line 1, page 1, striking all thereafter and inserting in lieu thereof, "that the Senate, being unable to determine the contested election for a seat in the United States Senate from the State of New Hampshire, does hereby declare the seat vacant."

Mr. WEICKER. Mr. President, at such time as the motion is acted upon, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, I yield back to the Senator from Oregon.

Mr. HANSEN. Mr. President, will the distinguished manager of the bill for the minority yield to me without losing his right to the floor?

Mr. HATFIELD. Mr. President, I am happy to yield.

Mr. HANSEN. Mr. President, I must say that I share the high regard that must be felt by every Member of this body for the two distinguished authors of the amendment that was placed before the body by the distinguished majority leader.

I have nothing but the highest regard and respect for Senator MANSFIELD and Senator LONG.

Let me say, though, that I think the problem that the amendment proposes to address really is not a problem that ought to be resolved by this body at all. The fact is that the State of New Hampshire, implementing State law and recognizing what the rules of the game are in the State of New Hampshire, has already determined who won the seat there. It was won by Louis Wyman, and it was won by two votes; and a proper authorized and certified document to that effect was in due course transmitted to the Senate of the United States. I can understand that this amendment now before us will be confusing. Indeed it takes a long time to read. What do the people of the United States think about it?

There is more and more evidence, Mr. President, that an overwhelming majority of the people of the United States say let the State of New Hampshire decide. On our desks is an editorial from the Philadelphia Inquirer to that effect, headlined "Let New Hampshire Decide."

I think it is important to note one particular paragraph. It says:

> All the Senate needs do is declare the seat vacant and then let the people of New Hampshire make the decision in a new election.

The New York Times says:

> While this newspaper is no admirer of the Republican nominee, we believe that the issue has already lingered too long in the Senate and that the fairest way now to assure the people of New Hampshire their proper representation would be to hold a new election in that State.

There are other editorials which from time to time have been put into the RECORD. There are columns written by distinguished commentators that have been put in various newspapers throughout the United States. There is no doubt at all but what an overwhelming majority of the people in all of the 50 States say that the people of the State of New Hampshire should decide this issue.

My point is that there is indication, as I study and reflect upon the amendment now before us, that some of the positions initially taken by the majority no longer are tenable. They find it difficult to maintain the position that once was taken, and so this is a further indication on the part of the majority party in the Senate to make concessions to public opinion. But I do not think it is all that good, despite my regard which is very high——

Mr. CHILES. Mr. President, will the Senator yield?

Mr. HANSEN. Indeed. In just one moment I will be happy to yield to my good friend from Florida.

I do not think it is going the way that the people of the United States will feel really addresses the issue.

The issue is, and has been decided already by the State of New Hampshire, that applying State law, that the State of New Hampshire should have the right to determine who represents it in the U.S. Senate. That decision has been made, and the winner has been duly certificated to the Senate of the United States. It is Louis Wyman. If we decide that we do not want to accept the verdict of the State of New Hampshire applying State law, as they have done, then I say, in good conscience, the best we can do, if it is too close to call—and some contend that it is—is turn it back to the State of New Hampshire and let the people there, the people who will be represented by whomever may ultimately be determined the winner, decide who shall represent them in the U.S. Senate.

I am happy to yield to my friend for a question only.

Mr. HATFIELD. Mr. President, parliamentary inquiry. I believe I have the floor.

Mr. HANSEN. Yes, that is correct.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. HATFIELD. I do not want to cut off debate, but I do feel, Mr. President, that the compromise that has been offered here, by the distinguished majority leader and Senator from Louisiana, deserves careful study, and the purpose of my rising, in the first instance, rather than making an immediate response to the proposal, was to get some time, and I am hopeful that we can move into a recess as quickly as possible. In that way, we can make a study of this without getting into arguments at this point before we actually know what the specific points are.

If it is all right, I am happy to yield for a question or for a comment, if the Senator from Florida wishes to make one.

Mr. CHILES. It was simply a question. I just was a little confused, really. I was confused two-fold. First, I was confused by hearing my distinguished friend from Wyoming quote with approval the New York Times, and I was further confused by the fact that all I heard, not last week because we were in recess, but the week before that, was that it looked like the majority on this side had elected a position that we were going to take the skipped ballot question, and we were going to use that to sort of win the election. Many of us kept trying to say over here that we had not taken that position, that we were concerned about the skipped ballot situation, that we were not necessarily going along with what the majority on the Rules Committee had done. But we were unable to get to a vote on that.

But, again, I was confused because all I heard before was we should take the skipped ballot votes out, and I think there were a number of amendments on that side that would propose doing that. There were some on this side. There was confusion as to how you would go about doing that. Now it looks like there is some kind of movement, recognizing what was some of our concern on this side about those skipped ballot votes, and we are talking about doing that. Now it looks like that is not something we should do at all. That is just confusing to me.

Mr. CANNON. Mr. President, if the Senator will yield to permit me to do so, I am prepared to move that the Senate stand in recess until 2 p.m., which would give my colleagues the opportunity to study the proposal that has been offered.

Mr. HATFIELD. I yield for that purpose.

RECESS UNTIL 2 P.M.

Mr. CANNON. Mr. President, I move that the Senate stand in recess until 2 p.m. today.

There being no objection, at 1 p.m. the Senate recessed until 2 p.m.; whereupon, the Senate reassembled, when called to order by the Presiding Officer (Mr. PACKWOOD).

ORDER FOR RECESS TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate complete its business today, it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HASKELL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders or their designees have been recognized on tomorrow, Mr. HASKELL be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The Senate continued with the consideration of the resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire.

Mr. WEICKER. Mr. President, I ask unanimous consent to withdraw my motion to recommit with instructions.

The PRESIDENT OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, I am glad the Senator is doing this because otherwise it would be attempting to do indirectly that which he cannot do directly. I commend him on withdrawing the motion as it is now written. I think I know what he has in mind, and there would be a better way to do it.

Mr. WEICKER. I thank the distinguished Senator.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I move to recommit Senate Resolution 166 to the Committee on Rules and Administration.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I wonder if I might at this time ask for the yeas and nays on my motion to recommit.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, if my motion to recommit Senate Resolution 166 is agreed to, it would be my intention to offer to this body a resolution which would state that the Senate seat from the State of New Hampshire for the term commencing January 3, 1975, is hereby declared vacant, and then if that passed, the matter would go back to New Hampshire for a new election.

Mr. President, reference has been made to the multitudinous editorials which have come out in favor of a new election, many of them written by entities which heretofore have not taken a position in this matter.

I especially once again commend to the attention of my colleagues that which appeared in the New York Times this morning. Specifically, the New York Times, under the heading of "New Hampshire Senator," stated as follows:

> NEW HAMPSHIRE SENATOR
>
> This year 1975 is already more than half gone, but the State of New Hampshire still has only half of the representation in the United States Senate to which it is constitutionally entitled. The impasse which has prevented the seating of a second Senator from that state had its origin in the extreme closeness of the actual vote in New Hampshire but has been absurdly prolonged by the political maneuvering that has marked Senate consideration of the issue both in committee and in the Senate as a whole.
>
> In the Senate the political motivations at work are unmistakable. The Senate Democratic majority would like to use its power to ensure another Democratic vote. The Republicans, with the help of a few Southern Democrats, are trying to prevent such an outcome by stalling as long as they can in the hope of forcing the contest back to another vote in New Hampshire, which they think they can win.
>
> While this newspaper is no admirer of the Republican nominee, we believe that the issue has already lingered too long in the Senate and that the fairest way now to assure the people of New Hampshire their proper representation would be to hold a new election in that state. And if Louis C. Wyman is again the Republican candidate, as he doubtless will be, we hope the people of New Hampshire will re-examine carefully his ultra-conservative views, his record and his reported part, as an intermediary, in the sale of an ambassadorship for a large political contribution to the Nixon re-election campaign.

Mr. President, I know and I can appreciate the efforts of the distinguished majority leader, and others on the majority side, to effectuate a compromise in this matter of Wyman-Durkin.

But there are several problems that I think have to be put out on the table and examined rather carefully in this regard.

No. 1, compromise, at least in my definition of that word, would mean that the two adverse parties get together and try to arrive at an accommodation. I know of no such effort as between the majority and minority side.

The compromise that is referred to is a compromise as among various Democratic Senators. I can appreciate whatever divisions exist on the other side, and I am glad there is an independence of thought, but I think the RECORD has to clearly state that this is a compromise as among Democratic Senators. It is not a compromise as between the positions heretofore taken by the leadership on both sides.

Second—and this is where I have the greatest difficulty—I do not see how you can compromise this matter in regard to who should make the decision. Already, the distinguished majority leader, for whom I have the greatest respect, has put himself in the position of having to write election laws for the State of New Hampshire. The election laws of the State of New Hampshire are very clear when it comes to determining what can be utilized in the way of determining voter intent. It states very clearly what happens when there is an X or a checkmark in the party circle at the head of a ticket. It states clearly what the effect of that is, should there be any blank spaces alongside the individual names on the remainder of the ballot.

Yet, here we have a situation in which, because of the closeness of the contest and because of the peculiar situation attendant to each candidate, the distinguished Senator from Montana and his Democratic colleagues are going to write new law for the State of New Hampshire as to what is permitted in the way of a skipped ballot.

I do not know what position the various sides to this argument are going to take in their efforts to resolve these problems before the Senate, but I do know that mine is going to be consistent and uncompromising. It is that this matter should go back to the people of New Hampshire for their decision. I am not at all sure, as some people like to speculate, as to who would win that election. At least, I have heard that the thought runs through the other side that such would be an automatic victory for Mr. Wyman. Considering the closeness of the contest in 1974 and the state of economy in 1975, my speculation probably would run in exactly the opposite direction. In any event, the proper forum would have decided the issue.

I do not in any way want to be tagged with the label of trying to delay or filibuster this issue. The United States Senate has before it much more important business or certainly as important business as that of determining the election in New Hampshire. We are not getting to that business.

During the recent recess, I am sure many of us who went back to our constituencies found out that Congress as a whole is held in disrepute because of our inability to act upon matters which we in Congress have termed "crises." We are the ones who have called it an "energy crisis." We are the ones who have put on the label of "jobs crisis," "economic crisis," "transportation crisis," "housing crisis," "urban crisis." We are the ones who have so described the problems which face this Nation. Yet, when our constituencies ask us what we are doing about those matters which we call "crises," the answer comes back, "Nothing."

It is high time that we address ourselves in a mature and a responsible and a gutsy way to these problems. I think we all understand now that it would be no abdication of constitutional authority should the Senate decide to send this matter back to New Hampshire. We have so decided other elections in the past. Even if we have not so decided other elections in the past, it is an alternative and an option that is available to us at this time—in the exercise of our constitutional authority.

So why not do it? Why try to twist and turn? Why should the Republicans, for their part, have "filibuster" thrown at them? Why should the Democrats, on the other side, have "stealing the election" thrown at them? Neither is applicable to either side. A majority on both sides wants to accomplish a fair, honest, and decent result, one that is credible in the eyes of the American people. Nothing that is offered in the way of compromise by the Democrats or by the Republicans can better the solution of sending this election back to New Hampshire.

That is precisely what the motion I have offered is intended to do. I hope that just prior to going into the debate on cloture, about 3 o'clock, we can have a vote on this matter, understanding full well that should the motion to recommit be agreed to, a resoution will follow which will declare the seat vacant. Then I think we will have acquitted ourselves logically, fairly, and intelligently on the matter of New Hampshire; and hopefully we will be able to acquit ourselves in a similar manner on the other problems facing this country.

Mr. GARN. Mr. President, will the Senator from Connecticut yield?

Mr. WEICKER. I yield to the distinguished Senator from Utah.

Mr. GARN. Mr. President, the editorial comment certainly is growing in this matter, almost unanimously in favor of returning it to New Hampshire. It is getting to be a big stack.

I have observed this debate from the very beginning. As a matter of fact, after having been sworn in as a Senator on January 14, I presided for 3 hours on January 15, and that was when the first debate took place on the New Hampshire election. It is interesting that after 6 months, the debate has not changed very much. The issues are still the same. The disagreements are still the same. Nothing has been changed, and nothing has be accomplished.

I have watched this debate for the last 6 months, and it seems to me that the only responsible course, the only fair way, is to return the matter to the voters of New Hampshire. I do not feel that I, as a Senator from Utah, should have any decisionmaking power at all as to who should represent the people of New Hampshire. They certainly should make that decision.

I spent last week in Utah, and I was amazed, while engaged in unsolicited conversations with many people—Democrats and Republicans, as to many of whom I did not have the faintest idea what their party was—that they were all saying the same thing: "What is the Senate wasting its time with this for? The only fair and responsible way is to let the people of New Hampshire decide. Certainly, if the State of Utah were involved in such a contest, we, as the people of Utah, would want to make that decision."

I add an editorial comment from KSL, Inc., in Salt Lake City, which is a large TV station that covers all of Utah, western Colorado, southern Idaho, western Wyoming, western Montana, and eastern Nevada. It has a 50,000-watt AM station and FM station. This editorial was run for a couple of days on these three electronic news media. The editorial is as follows:

> One of the Senate seats for the State of New Hampshire has been contested since last November's election. The United States Senate this week is debating the question of who should hold that office.
>
> KSL wonders why. It seems to us this question ought to be decided in the courts or back in the polling booths of New Hampshire.
>
> Last November's election did not produce a clear winner. Fraud was not alleged by either side but recounts, the New Hampshire Ballot Law Commission and the courts cannot agree on a winner. That should put the matter back in the polling booth. It is difficult to see what the Senate can bring to this problem except political partisanship.
>
> KSL believes if this were a Utah Senate seat, the people of Utah would resent the matter being handled on the floor of the Senate. The people of Utah should decide who is to represent them in the United States Senate. We have no doubt the people of New Hampshire, and for that matter the rest of the United States, feel the same way.
>
> The people of New Hampshire should have another election to determine who their senator is to be. What puzzles KSL is why the Senate thinks it can make that judgment for them.

I continue to be puzzled as to why the Senate wants to take this right away from the people of New Hampshire. It is not a matter of whether Durkin or Wyman is seated; it is a matter of fundamental principles of democracy in this country. Do we allow the people to decide who is going to become their representative or are 99 Senators going to take that right away from them?

I certainly intend again to support the motion of the Senator from Connecticut to return this matter to the peole of New Hampshire, where it should be.

Mr. TAFT. Mr. President, I rise to express my strong support for the resolution of the distinguished Senator from Connecticut. I wish to comment for a few minutes upon it, particularly with regard to the expression of public opinion in Ohio, and the newspapers there, as I have been following their editorials. There are seven major newspapers now in Ohio which have come out with editorials specifically calling for the return of this election back to the people of New Hampshire where it belongs.

I believe we have a thesis here that under the circumstances, the New Hampshire dispute is best settled by declaring the seat vacant and returning the matter to New Hampshire for a rerun election. The Senate Committee on Rules and the full Senate have consumed an inordinate amount of time on this issue and are further away from a solution now than they were in January when Durkin filed his appeal.

In the consideration by the Senate Committee on Rules, the committee spent over 200 hours in committee meetings. There were 46 sessions of the committee, and over 600 votes on the ballots themselves, resulting in a 4-to-4 deadlock on 8 substantive issues and 27 disputed ballots and an interim report which may not finally settle this case.

In the full Senate debate coming down to the present time, this is the 14th day of debate; the Senate has consumed over 55 hours of debate; there have been 18 live quorum calls, three unsuccessful cloture votes, in excess of 16 rollcall votes on various issues—without a final disposition on any one of the disputed issues.

At the present rate, with cloture unlikely to succeed given the status quo, it could literally take years before the Senate seats a New Hampshire Senator—all to the detriment of the people of New Hampshire.

I think there is an obvious degree of apathy and a tendency to partisanship prevailing in the Senate on this issue which will be difficult to reverse. As to apathy, I note that 80 percent of the Senators—and I am one—have been absent almost all of the time.

Many of us have had other duties. I have been serving, as I have to in just a few minutes, on the armed services conference on the procurement bill. I could not be here most of the time. But I think the Republicans have not had an adequate opportunity as yet to bring the case to the attention of the people of this country. I am convinced that we are beginning to get through in that process.

As to partisanship, I do not accuse anyone of undue partisanship. The Rules Committee deadlock votes clearly reveal voting along partisan lines, with the exception of one Senator who, I think, felt obligated to take the other position.

Voting on the Senate floor demonstrated the same voting pattern. Mr. ALLEN, who voted with us in the committee, has now been joined by several of our Democratic colleagues in maintaining what I think is a justifiable and proper and moral position.

This is a political issue where partisanship cannot be divorced from the Senate's determinations. Therefore, despite the constitutional authority to decide this case, the Senate should exercise its judgment to send the election back which would be a fairer and wiser exertion of its constitutional responsibility—not an avoidance of that responsibility at all, because they will be exercising responsibility in determining to send it back. Thus, the Senate is not the best forum for the resolution of this dispute. The election dispute is fraught with sufficient uncertainties so that the Senate could never determine who won this election.

The disputes as to the interpretation of New Hampshire law—even though the Senate has resolved to apply it—are in point.

There are nearly 1,200 more ballots counted in the election than there were voters who presented themselves to vote, according to the registration or check lists maintained for that purpose at the polling places.

In some 10 precincts, the apparent discrepancies are particularly glaring.

The very fact that the Rules Committee has deadlocked on 35 issues is strong evidence that these uncertainties are quite difficult to resolve.

The absentee ballot questions involving Ella Doyle and Mr. Michaud have not been resolved.

The problem of 12 malfunctioning voting machines in Manchester and the cursory and incomplete investigation by the Rules Committee.

The lost or destroyed voting paper rolls which were attached to four write-in machines—there will never be a satisfactory answer to whether or not there were write-in votes on that paper, uncertainty that simply makes it impossible for the Senate to declare a winner.

Finally, there is no way the Senate can resolve this contest so as to eliminate to a reasonable certainty the manifest uncertainties which underscore the election.

By following this course, the Senate would be setting a bad precedent.

In the absence of allegations of fraud or illegality, every losing candidate in the future in a close election would be pointing to this precedent and demanding that the Senate pass upon his election.

Although the House is not bound by Senate precedents, some House candidates are bound to point to it and seek to take advantage of it on a comparable basis.

Would not a precedent like this one invite election challanges from any losing party candidate who happens to be affiliated with the majority party in the Senate at that time?

What is a close election? In New Hampshire it is two votes. In Ohio or New York it could be 200,000 votes? The point is that every election in every State, large or small, is jeopardized because of this election—it could happen anywhere.

The Senate ought to be spending its time on other important matters. I have already talked about the time consumed and likely to be consumed if the debate continues. The issues are complex and incapable of Senate resolution to a reasonable certainty because of partisanship, apathy, and in some cases, missing evidence.

This being the case, the important work of the Nation ought to prevail and preempt any further consideration by the Senate of this dispute. For instance, we ought to be getting on to bills on energy, the economy, unemployment, and jobs.

The people of New Hampshire, on the other hand, via their elected officials as well as the candidates and the Republican Senators want a rerun.

The people of New Hampshire, through their elected officials, have passed a State statute authorizing and directing that a rerun election be held, assuming the Senate sends it back.

Congressman Cleveland of New Hampshire's second district took a poll among his constituents on this issue. The results was that of 5,500 replies, 4,512 or 83 percent favored a runoff; 17 percent are in favor of having the Senate decide.

As to the candidates, since the recount, the Senator-elect Wyman has consistently taken the position publicly that if either he or Mr. Durkin won the election by less than 100 votes, the only fair thing to do would be to have a runoff. Wyman has never reneged on this position.

Mr. Durkin currently favors another election but he feels he is on a constitutional trolley being engineered by the Senate Democrats, refer to George F. Will's Washington Post article of June 25.

I suggest that we put a turntable on that trolley track and send the trolley back to New Hampshire, where I think it belongs.

The Republican Senators have continuously tried to get this matter referred back to where it belongs—the people of new Hampshire. Thwarted each time by the Democratic majority who by sheer power feel they can seat a Senator. There is a public awareness growing, however. It is evident that the general public is becoming aware of this disastrous situation in the Senate and are demanding a return of this dispute to the sovereign State of New Hampshire for decision.

Newspaper editorials are being written over the country advocating the Wyman-position.

From the State of Ohio, seven leading papers have argued that the election should be returned.

I ask unanimous consent to have printed in the Record at this point a copy of the Dayton Journal Herald editorial of June 24, 1975; a Dayton Daily News editorial of June 21; a Columbus Dispatch article of June 18; a Cleveland Press article of June 16; a Cleveland Plain Dealer editorial of June 19; just recently, the Akron Beacon Journal editorial of June 26, and the Toledo Blade editorial of July 5, 1975. These constitute the major newspapers in the State of Ohio today and they uniformly agree with the proposition that is being espoused by Mr. Wyman and by the Republicans in the Senate that this matter does belong back with the State of New Hampshire.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Dayton Journal Herald,
June 6, 1975]

Senate Seat

The state of New Hampshire has been denied its full representation in the U.S. Senate for nearly six months while the Senate has grappled with the disputed election contest between Louis C. Wyman, the Republican candidate, and John A. Durkin, Democrat.

Wyman was declared the winner on election night by 355 votes. This result was challenged by Durkin, and a recount showed Durkin the winner by 10 votes. The recount was appealed by Wyman to the State Ballot Law Commission, which reviewed 400 disputed ballots and declared Wyman the winner by two votes. Durkin then appealed to the U.S. Senate.

The Senate Rules Committee has predictably split along partisan lines and has asked the full Senate to decide some 35 questions. Given the partisan nature of the dispute, there seems little hope of an impartial hearing. Under the circumstances, the fair course is to declare the seat vacant and let the people of New Hampshire go to the polls again.

[From the Dayton Daily News, June 21, 1975]

Back to New Hampshire Voters

While the Senate goes through the motions of debating whether New Hampshire has elected a Republican or Democratic senator, empty seats in the chamber must infuriate that state's voters. Such inattention intimates strongly that minds are already made up, there's no need to listen to the evidence, and the final Senate decision will be a political one.

At issue, as everyone must know by now, are 27 disputed ballots from last November's election. Nobody can agree on how to count them, including the Senate Rules committee which deadlocked on the question. Eventually, the august body of senators, with its 61–38 Democratic majority, will have to make like precinct workers with those ballots, already dog-eared from handling.

Unless instead they make the sensible choice urged on them by Sen. Weicker. Send the whole mess back to New Hampshire voters. Let them choose their own senator in a special election. They're equipped to decide. Senators have other, more urgent national questions facing them which only they can decide.

[From the Columbus Dispatch, June 18, 1975]

New Hampshire Loss

New Hampshire, ninth of these United States to ratify the Constitution, is being denied constitutional guarantees by a U.S. Senate unable to see either the easiest or the wisest way out of a contrived dilemma.

The Granite State, ever since the new Congress convened in January, has had but one senator, in the conflict with the Constitution which declares that 'no state, without its consent, shall be deprived of its suffrage in the Senate."

Last November, New Hampshire voters had a choice between two senatorial candidates, Democratic John Durkin and Republican Louis Wyman.

After balloting, which was fouled up throughout, the initial count showed Mr. Wyman the winner by 355 votes. Official recount showed Mr. Durkin winning by 10 votes. But there were missing ballots, disputed ballots and a voting machine malfunction.

Finally, a second official recount was undertaken and this time the New Hampshire Ballot Law Commission declared Mr. Wyman the winner by two votes.

Mr. Durkin promptly appealed to the U.S. Senate.

The Senate Rules Committee held about 200 hours of hearings during 46 separate meetings trying to find an answer to the appeal. Finally, it requested a "sense of the Senate" regarding 36 questions it said it could not answer.

The committee has a majority of Democrats, but it is mystifying why partisanship should be an overbearing consideration since the Democrats have a 61–38 margin in the upper chamber of Congress anyhow.

What is more mystifying is why the Senate refuses to see the easiest and wisest solution—just declare the Senate seat for what it is—vacant.

The question then could be placed in the hands of the people who have been forgotten all along, the voters of New Hampshire who could be summoned to another election.

With nearly half of the year gone, it has become evident that the least lustrous achievement of the 94th Congress is its denial to New Hampshire of the constitutional rights which it helped to pioneer into being.

[From the Cleveland Press, June 16, 1975]

Tiger by the Tail

The longer the dispute continues, the more obvious it is that last fall's results should be set aside and a new senatorial election should be held in the state of New Hampshire.

The race to replace the retired Norris Cotton was so close, and there were so many contested ballots, that anything short of a new election would be grossly unfair to the loser.

Yet the Senate, which has a tiger by the tail, is agonizing over each disputed ballot and each procedural question while the two candidates, Republican Louis C. Wyman and Democrat John A. Durkin, are left in political limbo.

There simply is no satisfactory way in which the Senate—which has 61 Democrats and only 38 Republicans—can declare a winner without resorting to political partiality of one kind or another.

In the original counting last fall, Wyman was declared the winner by 355 votes. Durkin asked for a recount, which he won by 10 votes. Wyman then appealed to the state ballot commission, which gave him the edge by two votes.

So the matter, at Durkin's request, has been referred to the Senate itself, leaving New Hampshire with only one senator while the ballots are sorted out.

It's true that "each house (under the Constitution) shall be the judge of the elections, returns and qualifications of its own members."

But there were so many disputed, ambiguous, lost and mismarked ballots in the Wyman-Durkin race that New Hampshire voters should be given a new chance to decide who the winner should be.

[From the Plain Dealer, July 19, 1975]

Case of the Missing Senator

If the U.S. Senate cannot make up its mind soon about the result of the New Hampshire senatorial election last fall, it should send the issue back to the voters of that state to be resolved.

The election has been in dispute since last Nov. 5. After two recounts, Republican Louis C. Wyman was declared a two-vote victor over Democrat John A. Durkin. But the Senate has refused to seat Wyman or to declare the seat vacant.

The Senate has the right and the duty to judge the outcome of the election but now, in mid-June, it still is locked up in a welter of contested ballots and procedural matters. And New Hampshire is deprived of a voice in Congress.

Sen. Alan Cranston, D-Calif., declares that vacating the seat, thus making a special election necessary in New Hampshire, would be a clear signal to any future candidate who loses by a narrow margin to protest that he should have a second chance. Cranston says this would be an open invitation to electoral chaos.

We think Sen. Lowell P. Weicker Jr., R-Conn., makes a better argument when he says the election was so close it was impossible to declare a winner with accuracy and that the people of New Hampshire can render a far better judgment.

Cranston's alarm does not appear to be justified because a statewide race anywhere that results in a two-vote margin of victory is unique. If the Senate cannot make up its mind, then there should be a runoff election in New Hampshire where the legislature already has set up the machinery.

[From the Akron Beacon Journal, June 26, 1975]

New Hampshire Losing

The refusal of the U.S. Senate to declare vacant the contested New Hampshire seat in that body is unconscionable. Since the retirement of Norris Cotton in January, the Granite State has had only one senator.

Last November, Republican Louis Wyman and Democrat John Durkin finished in almost a dead heat. After two recounts, Wyman was declared a two-vote winner, but the Senate refused to seat him, which it has every right to do.

The refusal, obviously, was political. If Durkin had had the two-vote margin, majority Democrats in the Senate would no doubt have judged his credentials in order.

Even now, if it were considered likely that Durkin would win in a special election, the Senate would probably be quick to declare the seat vacant so such an election could be held.

But New Hampshire tends to vote Republican, and the GOP's prospects look brighter now than last November when the best Durkin could do was a tie.

There were irregularities in November's election, some favoring Wyman, some favoring Durkin. More than six months after the voting, no one has been able to sort out the irregularities to show a clear victor. It is unlikely that the Senate is going to hit suddenly on a magic formula.

Meanwhile, New Hampshire does not have the representation in the Senate to which the Constitution says it is entitled.

The only logical thing to do is to declare the seat vacant and throw the election back to the people of New Hampshire. They, rather than the members of the Senate, should decide who their representative will be.

The Senate clearly will not seat Wyman, and if it tries to seat Durkin it will lay itself wide open to justifiable charges of partisan corruption. It seems reasonable to suppose that the seat will eventually be declared vacant—after the Senate has stalled as long as it can.

We hope the people of New Hampshire remember that the stalling is at their expense.

[From the Toledo Blade, July 5, 1975]

Absurd Senate Election Dispute

The Senate could improve its image—already tarnished by a lackluster performance in the current session—at least a mite by resolving its bitter partisan battle over New Hampshire's disputed senatorial election when the question comes up for another vote on July 8.

This issue already has taken up far too much of the Senate's time and is apparently as far from settlement as ever. The crux of the problem is that Senate Democrats refuse to let the matter go back to New Hampshire voters for a new election, fearing that Republican Louis Wyman would have the advantage of GOP electoral machinery in the Granite State.

Republicans, hoping for a new election, have filibustered to prevent the seating of Democrat John Durkin, who was called the election winner by two votes in the second of two disputed recounts. Democrats have been unable so far to halt the debate, which began six weeks ago and took up virtually all the Senate's time for the two weeks before the July 4 holiday recess.

The depth of the deadlock is well illustrated by agreement by leading spokesmen of both Republican and Democratic factions in the Senate. GOP leader Hugh Scott terms it "a hashed-up mess" and Sen. Robert Byrd of West Virginia acknowledges that "at this day, no man on God's footstool can say who won that election." In the meantime, the people of New Hampshire are unfairly penalized by being deprived of representation by one of their two allotted senators.

It is abundantly clear by now that the impasse is going to have to be resolved soon in one way or another. If the senators themselves continue to display an inability to seat a New Hampshire senator, then the decision should go back to the voters who, after all, should have the final say about who is to represent them.

Mr. TAFT. Under the circumstances, I feel that the only statesman-like thing to do is to return the matter to New Hampshire. It is the only fair, honorable, objective and nonpartisan course of action which is capable of solving this dispute.

The Senate delay is causing personal hardship to the candidates. The Senate's prolonged consideration of this issue is operating to the financial disadvantage of each candidate. This is another factor we should be considering.

Neither is drawing a salary. Both have legal and other expenses. Regardless of the outcome, neither candidate will be compensated for the agony suffered.

Mr. President, I also have here a very fine letter from a gentleman who is the senior election officer of the State of Ohio, the Secretary of the State of Ohio. But he is also a man who has been the president of the election officials throughout the Nation and is well-recognized as one of the experts in this regard, and I would like to read, in part, from his letter and ask that the entire letter be printed in the RECORD. He writes to me on June 25, 1975, as follows:

> DEAR BOB: I strongly urge that you support the efforts to have the disputed election for United States Senator from New Hampshire remanded to the people of that state for a new election.
>
> The indecisive manner in which the outcome of the original election last November has been handled since its referral to the Senate for resolution is resulting in a complete breakdown of confidence in the electoral process by Americans everywhere.
>
> During my 25 years as Chief Election Officer in Ohio, never can I recall an instance which compares with the present New Hampshire situation. To deprive the people of that state of a duly elected Senator is unconscionable and a complete abrogation of the sacred American right of free and honest elections.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
STATE OF OHIO,
Columbus, Ohio, June 25, 1975.

Hon. ROBERT TAFT, Jr.,
Senate Office Building,
Washington, D.C.

DEAR BOB: I strongly urge that you support the efforts to have the disputed election for United States Senator from New Hampshire remanded to the people of that state for a new election.

The indecisive manner in which the outcome of the original election last November has been handled since its referral to the Senate for resolution is resulting in a complete breakdown of confidence in the electoral process by Americans everywhere.

During my 25 years as Chief Election Officer in Ohio, never can I recall an instance which compares with the present New Hampshire situation. To deprive the people of that state of a duly elected Senator is unconscionable and a complete abrogation of the sacred American right of free and honest elections.

As a professional election administrator, I am dismayed by the ineptitude of the Senators in resolving this dispute. To politicize the electoral process is unthinkable and a direct rebuke of the will of the people. To submit this matter to arbitration, as recently suggested, is a further subversion of the electoral process.

To continue to drag this matter out and deprive the people of New Hampshire of equal representation in the Senate is an affront of all Americans.

Please use your good offices to insure that the people of New Hampshire soon will have the representation to which they are entitled.

Sincerely,

TED W. BROWN,
Secretary of State.

Mr. TAFT. Mr. President, I think those views are certainly well expressed, and I hope that the Senate will, in its wisdom, after having considered this matter as long as it has, finally come to the correct decision that the case is one that can only fairly be decided by the people of the State of New Hampshire.

Mr. WEICKER. Mr. President, I hope we could get to a vote on this matter almost immediately.

I would just like to say, in conclusion, that as tempting as it is for us to negotiate and compromise—whether those initiatives come from the Republican or the Democratic side—the fact is we are very much involved in a matter of principle here on which we really have no right to negotiate. We should not be wheeling and dealing with the election process or with the concepts of integrity and fairness that attach to that process.

Certainly compromise is a necessary part of politics on issues. This is not an issue. What we are confronted with here is a very integral part of our entire democratic process.

So again, speaking for myself, I find myself extremely tempted by the bona fide good faith efforts of the distinguished Senator from Montana and others. But, no, I think we do more harm in compromising this type of matter than any good that could come out of such a compromise.

I, therefore, have to oppose any such efforts without reservation. Mr. President, I shall certainly yield the floor to the distinguished Senator from Nevada should he so desire but, if not, I hope we can proceed to a vote on this matter.

Mr. CANNON. Mr. President, I shall be very brief in my comments. I am sorry the distinguished Senator from Ohio has left the chamber because he was commenting on the many prominent newspapers in his State that had taken a very firm position that this should go back to New Hampshire.

Well, it so happens that the reason we have this matter here is because of the Constitution, the provision of the Constitution, and I imagine those same newspapers in the State of Ohio would be the first to scream to the high heavens if some proposal was made here to deprive a person of his right of free speech under the Constitution.

We have to look at the Constitution in all of its provisions and try to support it as we see it, not just to select and choose the provisions of the Constitution or the amendments of the Constitution that we like, that fit our particular belief.

I referred earlier to a very fine editorial from the Boston Globe which I think puts it in proper context today. The editorial is dated July 8, and I point out to my colleagues this portion of the editorial which states:

> The architects of delay are trying to force the Senate to declare a hopeless stalemate in its ballot review and thus a vacancy in the Senate seat. In that event New Hampshire would have to stage a second election. Yet the Senate has the constitutional obligation, as specified in Article I, section 5, to "be the judge of the election of its own members." It has fulfilled that obligation in 25 challenges over the past 62 years since the advent of the 17th Amendment provided for the popular election of Senators.

Now, Mr. President, that is pure and simple what we are trying to do here. The people of New Hampshire voted and elected a Senator, so we believe, at the last election. The people who are trying to suggest that it go back for a new election, a special election or a second election, whatever you call it, are the people who will not let us vote on the issues here to try to determine and to see what the people of New Hampshire said.

The pure and simple problem before us on the ballots that we have to vote on is to try to determine the intent of the voters, and once we have done that and deposited those ballots in the box, it is a mechanical job of retallying, of tallying, all of those ballots and determining who won the election. That is very simple.

We could be out of here, we could decide all of these issues, in 2 days on the Senate floor if my friends on the minority side would let us vote on the issue.

But what do they want to do? They want to vote on everything under the Sun except the issues involved that are brought to us by article I, section 5 of the Constitution.

I submit to my colleagues that "me thinkest thou protesteth too much" on this side of the aisle when they say, "We cannot resolve it; let us send it back."

We cannot resolve it because they will not let us vote on the issues. I do not know what the Senate is going to do when we vote on these respective issues we tied 4 and 4 on in committee, but we certainly ought to be able to decide the issues here on the floor of the Senate.

I have said before, and I say again, once we have made those decisions on the 35 issues on which the committee voted unanimously, Mr. President, 8 to nothing, to bring to the Senate floor—and now my colleagues themselves who were on the committee will not even vote to bring this issue up and vote on the issues here, once we vote on those issues—if it comes out in a tie, I would support a motion myself to refer it back to New Hampshire for a new election.

But the voters of New Hampshire have spoken and we are trying to find out what they said, and if our colleagues on the other side of the aisle will let us do so we will find out what they said.

Mr. President, I submit we have decided the same issue that is before us here, that will be brought up, on the motion to recommit by the Senator's subsequent move, as he has stated.

Therefore, I move to table the motion to recommit, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Mississippi (Mr. EASTLAND), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Georgia (Mr. NUNN) and the Senator from Virginia (Mr. HARRY F. BYRD, JR.) are absent on official business.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) and the Senator from Georgia (Mr. NUNN) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), the Senator from Nevada (Mr. LAXALT), and the Senator from Idaho (Mr. MCCLURE), are necessarily absent.

The result was announced—yeas 56, nays 29, as follows:

[Rollcall Vote No. 260 Leg.]

YEAS—56

Abourezk
Allen
Bayh
Bentsen
Biden
Bumpers
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Tunney

NAYS—29

Baker
Bellmon
Brock
Brooke
Case
Dole
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Mathias
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stevens
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—14

Bartlett
Beall
Buckley
Burdick
Byrd, Harry F., Jr.
Curtis
Domenici
Eastland
Fannin
Fong
Laxalt
McClure
Nunn
Williams

So Mr. CANNON'S motion to table Mr. WEICKER'S motion to recommit was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Montana.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEBATE ON CLOTURE

The PRESIDING OFFICER. Under the previous order, the hour of 3 p.m. having arrived, the 1 hour of debate provided under rule XXII will now begin, the time to be equally divided between and controlled by the Senator from Nevada (Mr. CANNON) and the Senator from Oregon (Mr. HATFIELD).

The question recurs on agreeing to the amendment of the Senator from Montana.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. GRIFFIN. I ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana (Mr. MANSFIELD) to the amendment of the Senator from Alabama (Mr. ALLEN).

Mr. HATFIELD. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATFIELD. Are we not now under controlled time, prior to a vote on cloture?

The PRESIDING OFFICER. The Senator is correct.

Mr. HATFIELD. And the time, to be equally divided, is running as of 3 o'clock?

The PRESIDING OFFICER. That is correct.

Mr. HATFIELD. I wish at this time to respond to the proposal made by the Senator from Montana (Mr. MANSFIELD) and the Senator from Louisiana (Mr. LONG). Mr. President, Webster defines "compromise" as a settlement by arbitration or by consent reached by mutual concessions.

The distinguished majority leader and the distinguished Senator from Louisiana have made a proposal which, after careful study which was carried on during the noon hour, a consensus of the minority, I would say, without speaking for each and every individual Senator, must reject. First of all, Mr. President, it is not a compromise in the true legislative sense, because we are not sitting at this time in a true legislative role. We are sitting in a judicial role, in whch we are called upon to make judgment, as a part of the separation of power doctrine of our Constitution. It does not necessarily, therefore, follow that the tool of legislative compromise, which is a legitimate and proper one to achieve legislative goals and meet legislative objectives, would be appropriate here.

I spoke earlier about the problem facing each one of us as politicians, which is when to compromise and when not to compromise. I think under our present judicial setting, this is not a proper place for compromise, especially as it relates to the compromise of principle. I do not think a compromise of principle is appropriate when we are sitting even in legislative character and engaging in legislative action. In other words, I think we have to delineate between a compromise of procedure, a compromise of time, a compromise of wording, a compromise of that kind as compared to and contrasted with a compromise of principle.

I must admit at this time that the word "compromise" has a very alluring ring. I can say for myself I am sick and tired of this issue. I have been on the committee through the various and sundry votes and the hundreds of hours of consideration, ballot by ballot and issue by issue. There is no one, I think, who can say he is more weary of this issue than I. But this is a time when we have to be very careful and we have to be most concerned about efforts to compromise, because, as I say, it does have a very alluring ring.

Mr. President, let me cite a very brief example of how a compromise, in and of itself, is not always an answer to the question. John Adams attempted to face the question of slavery in the Constitutional Convention. A compromise was struck. It is interesting to note that the Missouri compromise offered by Henry Clay, voted in 1820, was an effort to compromise the same principle, and that was the principle of whether all men should be free or whether we should have slavery.

I think it was John Quincy Adams who, upon hearing the news that the Missouri compromise had been voted by the United States Senate, responded with the characterization of that compromise as "the title page to a great tragic volume."

I would say we might characterize the compromise offered today by the majority leader and Mr. LONG, if accepted by the Senate, as a little page to a great tragic volume.

I would say also that it was the same Henry Clay who found himself in the position of having to offer another compromise, in 1850, on the same issue. The compromise in the Constitutional Convention did not work, it did not work with the Missouri compromise, and it did not work with the compromise of 1850. It did not work then because they had to come along with the Kansas-Nebraska Act of 1954; and that did not work either, because they were in each and every case trying to compromise a principle.

Mr. President, you cannot compromise principles. I do not care whether you are in politics or in a profession or vocation, once you begin compromising principles, you find yourself on the downward grade, and you have not solved the problem.

We found ourselves fighting a war because no compromise worked that sought to compromise the principle of freedom. I mention this historic precedent, not by way of attempting to overstate our situation today—we are not confronted with a national issue as vital and exacerbating as the slavery issue—but only to indicate, though the thought of compromise has a very siren and attractive call to all the public concerned with this issue, and I am sure to Mr. Wyman, Mr. Durkin, and each and every Senator as well, why I feel the proposed compromise is one of principle and not one in which I could participate or many of my colleagues feel they could participate.

When I say it is a compromise of principle, I mean simply this: This is a compromise of the basis of when and when not to apply New Hampshire law to what are called "skip" ballots.

Either we are going to apply New Hampshire law as a principle or reject New Hampshire law on principle to the "skip" ballots. It is much like pregnancy; there is no such thing as a little bit. Either way, we are committed.

Are we going to have the "one-holers" count as no votes, as the proposal before us calls for? In other words, the proposal says that we will not apply New Hampshire law where there is an X in the circle if there is one vacant box on the ballot? That is, of course, the box relating to the Senatorial election. Under this proposal, we would go back and retrieve whatever skip ballots there may be when we are discussing the one skip or the one square void.

Mr. President, this in effect is saying we are not going to subscribe to New Hampshire law. It is saying, in effect, you have to vote twice in New Hampshire to have your vote count once. You have to vote an X in the circle, and you have to vote an X in the box. I know of no precedent. I know of no law in this country at local, State, or national level that says a voter has to vote twice to have his vote count once.

On the other hand, the compromise says if there are two skips, three skips, four skips, or more, we are going to let those skips count for the candidate if there is an X in the circle.

Mr. President, this to me is an obvious compromise of the principle of law, if we are going to apply the law on one hand and we are not going to apply it in another case, even though there is the same valid X in the circle. If there is a valid X in the circle on one skipped box, we do not count it. If there is a valid X in the circle and two skips or more, we count it.

That is what I mean by compromise of principle.

Also, we are compromising another principle, and that is one man, one vote. The courts of this country ruled on this, and this is one of the great progressive steps in our country's history. Those of us on the liberal side like to feel that this was a step forward to enfranchising people and to permitting more equitable voting power amongst people of this Nation, whether they are voting from a small State or large State, or whatever procedures may be employed in those respective States.

Under this proposal, we are saying, in effect, that we are going to take a selected number of ballots, we are going to make the New Hampshire election, and we in the Senate are going to rule.

We are going to determine New Hampshire's election, not on the basis of one man, one vote, but on the number of ballots we select out of the over 200,000 ballots cast.

Every voter in New Hampshire has a right to have his vote counted one way or the other, and for us then to say we are going to compromise the principle of one man, one vote is not something that I, as one Senator, can yield on and submit myself to such a compromise.

Further, in effect, we are disenfranchising people. This is another principle.

I say that from the chairman (Mr. CANNON), throughout every one of the Democratic majority members of the committee, and Mr. SCOTT, Mr. GRIFFIN, and myself, representing the minority members of that committee, we reached very quickly in our proceedings a general consensus that our premise was to enfranchise voters in the contested ballots and the disputed ballots rather than disenfranchising voters in New Hampshire.

We went so far as to count the X's at the bottom of the ballot because there was an X there. We counted them, even though it might have been interpreted that X meant we do not like anyone on this ballot so we are just not voting, because the X was not in the circle, the X was not in the box; the X was in the bottom of the column.

We were starting from the premise of trying to enfranchise voters and counted those vallots in most instances.

I say that this compromise, in effect, is throwing out ballots. It is disenfranchising the voters of New Hampshire who happen to have made a valid X in the circle but left one vacancy in the box.

I cannot subscribe to a compromise of that principle.

We also have another principle that I think this proposal attempts to compromise, and I cannot yield to a principle of this kind. We, in effect, are saying the man who got the fewest votes is going to have the advantage over the man who got the greater number of votes.

What we are saying, in effect, is the more that there are of the one-box skip, which then are rejected and thereby disenfranchised, of the two candidates who got the fewer skip ballots, that particular candidate has the advantage over the one who had obviously received a valid ballot by an X in the circle.

This is a principle that I think is contrary to our basic idea and concept of free elections, and elections that are determined by the majority of people. We must not disenfranchise voters, must not give the credit, the benefit, or the precedent to the person getting the fewer number of votes.

I feel, therefore, Mr. President, that even though I do not at all question the effort, the motive, and the desire of the majority leader and the Senator from Louisiana to try to resolve this problem, and they have legitimately and in good faith come forth with a proposal, but I must say, equally in good faith and with the same kind of commitment, I cannot as one individual Senator accept this as a compromise of certain principles.

We have heard today that somehow the minority is trying to sidetrack the question as to whether or not the Senate is performing its constitutional function. We have heard a great call to respect the people's vote in New Hampshire that was cast last November.

Let me clear the record. Let me complete the record. If the majority of this Senate was so concerned, so dedicated, so devoted to the will of the people of New Hampshire as expressed through their votes cast last November and as represented through the election procedures of New Hampshire, they would have seated Louis Wyman already, because he was the only candidate who had a legitimate and a valid certificate of election.

But setting the precedent for the first time in the history of this Senate, where there was no question or issue of fraud raised, they refused to seat the candidate that had received the valid certificate of election.

So, it rings a little hollow today to hear these great words about concern for what happened in New Hampshire last November and having denied then the people a seat in the Senate because of any dilatory delaying tactics.

I think it must be pointed out that this is a great principle that we are debating here and we are discussing, and all of us know it. We have been talking about the various and sundry issues that are in this resolution, and we have had two large charts on the floor of the Chamber. The majority brought a chart, and we brought a bigger one. We both went to our charts with our chalk, and we demonstrated the issues that the committee had been concerned with and which are incorporated in this resolution. We have been debating these issues. We have not been stalling them. The question is: Will the minority lie down and be run over? I say no.

The minority is going to stand and fight because the majority has not always been right in history, and sometimes we have seen what has been the minority position turn into a majority position when people had had exposure to the facts, the truth, and all the other circumstances surrounding the issues. The evidence is growing all the time that more and more people of this country are beginning to understand and see exactly what the issues are.

As our leader said at noon, he never can remember in his history of leadership in our party where you could take a handful of editorials from across this country of liberal, conservative, and everything-in-between newspapers, and find the Republican position right on this issue as we are here as expressed in these editorials. I will match these against the Boston Globe any day.

But I say it certainly is not a question of editorials. Obviously, that is not the basis upon which we are making the determination or should we. I am only saying this is reflecting, I think, the fact that the people of this country are more and more aware of the issues surrounding this particular question, and they are expressing it through these editorials and other methods of communication, through columns and otherwise.

So, Mr. President, with appreciation and with deep respect for those who had presented these proposals for compromise, I must say, as one person, and not speaking for anyone else at all, but as one Senator, I cannot be a party to a compromise that would be writing another title page to a tragic volume in this Senate's history.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I yield such time as the Senator from California may desire.

Mr. CRANSTON. Mr. President, I do not think it is important whether the proposal that is now pending in the Senate is termed a compromise or whatever label anyone wishes to attach to it. The important thing is that a number of people on this side of the aisle, where there has not been a monolithic approach to this matter and where there has not been a disciplinarian-party approach, were concerned about the charges from the supporters of Mr. Wyman that ballots were not going to be treated all in the same way; that perhaps the two candidates were not going to necessarily be treated in the same way if the recommendations of the Rules Committee had been followed.

There were genuine concerns among people on this side of the aisle over some of the proposals that came as tie votes from the Rules Committee. There was a genuine desire to be fair. There was a genuine desire not to appear to and actually not to use a majority simply to overrun the minority. There has been resentment of the charges that there was an intention to steal the election.

There has been a recognition of the fact that past Senates, whether dominated by Democrats or Republicans, have dealt very fairly with disputed elections.

I cite again the statistics that Senates with a Republican majority have decided seven elections, and have decided in five of those cases that the Democratic candidate had won the seat. Senates with Democratic majorities decided five elections, and in three of those cases decided that the Republican had won the election. So there has been obvious fairness on both sides of the aisle.

There have been repeated pleas and demands and requests that the "skip-ballots" be treated all in the same way, that those which have been disputed not be treated one way and that those which were thus far not disputed and which are among the 180,000 that have not been looked at by the Rules Committee be counted in another way.

In order to deal with these various concerns, a proposal was made that would have resolved 15 of the 35 disputed matters that are before the Senate. It also happens to be a proposal that might well have determined—if it is accepted—the outcome of the election.

It does meet the first demand. It treats all the "skip-ballots" in the same way. Those that are so-called multiple skips will be allowed for the candidate of either party who was skipped. Those where there was a single skip, whether for Wyman or Durkin, would be disallowed.

The requests from the Republican side of the aisle—which are requests that are felt by many on this side of the aisle to have real merit—that we go back to see if there are other skipped ballots that were counted and that should not be counted among the 180,000, are met by this proposal.

I find it very hard to understand why this means of resolving one of the major disputes before this body is unacceptable. The decision about how to deal with the single skipped ballots will be made before it is known how many exist, and we will vote without certain knowledge of what the consequences of our action will prove to be. However, the proposal accepts and meets the major charge that has been made by the Wyman supporters—the charge that there are hundreds of "skip-Durkin" ballots among the 180,000 that were not challenged at the time of the recount but were seen, according to various observers who were observing on behalf of Wyman.

If those affidavits are correct—if the statements by Mr. Wyman in regard to those ballots are correct—the consequences of accepting this Mansfield-Long proposal undoubtedly would be an election victory for Mr. Wyman, because hundreds of votes that were counted for Durkin would be deducted from his total. Since the recounts have divided the two candidates by 10 votes in one instance and by two votes in the other, rather obviously a transfer of hundreds of votes away from Durkin—a deduction of that many from his column—would hand the election to Mr. Wyman.

I should like to read a few of the statements that have been made on this subject by Mr. Wyman and by his supporters. Mr. Wyman, when he was under oath before the Rules Committee, stated in the committee hearings:

> So I just want to say that if we are going to have due process here, and if by any theory you are not going to count ballots for me that include the straight cross in the circle and allow a couple hundred of them to still remain in the meld and counted for Durkin, it seems to me that the only answer to that has got to be a complete recount of the New Hampshire recount in order to do justice to both parties.

We are meeting that request by having a complete recount of this disputed matter of "skip-Durkin" and "skip-Louie," to find if, indeed, there are others. At that time Mr. Wyman also referred to a couple of hundred of skipped ballots that remain counted for Durkin, as if he is convinced they exist.

In the other volume of hearings are affidavits again referring to hundreds of single "skip-Durkin" ballots that allegedly were seen. One of these affidavits is by Hugh Gregg, a former Governor of New Hampshire, who states in his affidavit:

> Many ballots for Durkin marked with a cross or a check in the straight party circle and in all boxes below the circle, except Durkin's, were brought to my attention or observed by me as I went from counting table to counting table.

Then there is an affidavit from Paul F. Giddis, who states that he was an observer for Mr. Wyman. He states:

> There were many ballots for Mr. Durkin that were marked with a cross or a check in the Democrat column in the straight ticket circle and also with a cross or a check in all boxes below the circle except the Durkin box.

I read further:

> I viewed many ballots of this type counted for Mr. Durkin and believe that with the many counters involved there were many hundreds of such ballots in the total paper ballot count from New Hampshire in the November 5, 1974.

There is an affidavit from Shirley Hodgdon, who states that she was an observer for Wyman. She states in her affidavit:

> There were many ballots for Durkin that were marked with a cross or a check in the Democrat column in the straight ticket circle and also with a cross or a check in all boxes below the circle except the Durkin box.

Quoting again:

> I observed many ballots of this type counted for Durkin and there must be hundreds of such ballots in the total paper ballot count from New Hampshire in the November 5th election.

Obviously, then, this proposal takes these affidavits at their word and provides an opportunity to verify them. If these affidavits are truthful and if Mr. Wyman's allegation concerning hundreds of "skip-Durkin" ballots is correct, then acceptance of this proposal would give the election to Mr. Wyman.

I fail to understand the refusal of those supporting Mr. Wyman to permit us to verify their principal allegation and to determine by this method the outcome of this election, treating all ballots cast for either candidate of the skip variety—whether a single skip or a multiple skip—in the same way.

Obviously, there is no need to go back and look for the multiple-skip ballots, since they all have been counted for the candidates. It would be difficult to go back and look for them, since there is an endless variety of such ballots, with all different markings that can be considered on a multiple skip.

To start with, what exists in the disputed ballots that were before the committee, the outcome of this proposal would be four ballots for Mr. Wyman, one ballot for Mr. Durkin, and eight that would be counted as no-votes, although they were originally counted for Mr. Wyman. But if we add the hundreds of ballots that allegedly exist of the "skip-Durkin" variety, then the result of this proposal, if those affidavits are correct, would be a victory for Mr. Wyman.

Mr. ALLEN. Mr. President, will the Senator yield me 5 minutes?

Mr. HATFIELD. I am happy to yield 5 minutes to the Senator from Alabama.

Mr. ALLEN. Mr. President, as I understand the parliamentary situation on the tabling of division 1 of amendment 605, which was the amendment of the Senator from Alabama, division 2 was then before the Senate.

The distinguished majority leader and the distinguished Senator from Louisiana offered the pending amendment to division 2. The Cannon amendment, which was originally offered to amendment No. 605, did have the yeas and nays ordered on the amendment, but the Senator from Alabama modified his amendment to include, as a part of his amendment, the provisions of the Cannon amendment. The yeas and nays were never ordered on division 2. Therefore, Mr. President, inasmuch as division 2 is a part of the amendment of the Senator from Alabama, as modified, and the yeas and nays have not been ordered, the Senator from Alabama withdraws, at this time, division No. 2, which, as he understands, would also cause the Mansfield-Long amendment to fall as well.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CRANSTON. Evenly divided, if that is appropriate.

The PRESIDING OFFICER. Is there objection?

Mr. BROCK. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. CRANSTON. Charge it to this side.

The PRESIDING OFFICER. It is charged to the Senator from Nevada.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROCK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. CRANSTON. I object.

The PRESIDING OFFICER. The objection is heard.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Nevada.

AMENDMENT NO. 673

Mr. CANNON. Mr. President, if the Senator will yield for this purpose, I offer an amendment. I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 1, strike out all on line 7 through 12 and insert in lieu thereof the following:
>
> "(1) It is the sense of the Senate that the committee should not conduct a recount as requested by Mr. Wyman of the following precincts to determine the accuracy of the recount of the Secretary of State of New Hampshire: Gorham, Bedford, Somersworth Ward 1, Claremont Ward 2, Concord Ward 1, Hanover, New Market, Pelham, Salem, and Gilford."

AMENDMENT NO. 674

Mr. MANSFIELD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MANSFIELD. Mr. President, unless somebody wants the amendment read all the way through—it is practically the same as the previous amendment I offered—I ask unanimous consent that it be considered as read.

The PRESIDING OFFICER. Is there objection?

Mr. CRANSTON. Reserving the right to object, would it be considered as read under cloture?

The PRESIDING OFFICER. Once it is pending, it will be regarded that way.

Mr. CRANSTON. I thank the Chair.

The amendment is as follows:

In lieu of the material proposed to be inserted by the amendment of Mr. CANNON, insert the following:

"(1) (A) Notwithstanding the direction to vote separately on the issues posed in subsections (6) and (7) of this section and the direction to vote separately on the eight single-square-skip-Wyman ballots, the four more-than-single-square-skip-Wyman ballots, and the one skip-Durkin ballot listed in section 2 of this Resolution, it is the sense of the Senate and the Senate hereby determines that (i) the eight ballots listed in clauses (12) through (19) of section 2 of this Resolution as single-square-skip-Wyman ballots shall not be counted for any candidate, (ii) every other single-square-skip-candidate ballot among all of the ballots in the custody of the Senate shall be found and separated and shall likewise not be counted for any candidate, and (iii) the four ballots listed in clauses (20) through (23) of section 2 of this Resolution as more-than-single-square-skip-Wyman ballots shall be counted for Wyman and the ballot listed in clause (24) of section 2 of this Resolution as a skip-Durkin ballot shall be counted for Durkin. For the purpose of this paragraph, a 'single-square skip-candidate ballot' shall mean a ballot (i) which is marked for voting (as distinguished from counting) only Amdt. No. with either a cross or a check in one party circle and either a cross or a check in each candidate square in the column below the party circle so marked but on which there is no cross, check, or any other mark in the candidate square on the United States Senate line in such column, and (ii) on which there is no other mark or writing for voting in any other place on the ballot.

"(B) In order to execute the determinations made in paragraph (A) of this section, (i) the Comptroller General of the United States is hereby directed to assign such investigators employed by the General Accounting Office, and such other professional employees of such Office, as are necessary to find and separate, from among all of the ballots in the custody of the Senate, any single-square-skip-candidate ballot and such investigators and any professional employees so assigned shall forthwith undertake to carry out expeditiously such functions and no others, and (ii) Dr. Floyd M. Riddick shall affix to any ballot so found and separated an attachment indicating that such ballot is not to be counted for any candidate and shall place any such ballot so designated in the box containing the ballots voted upon by the Committee on Rules and Administration on which such Committee did not cast a tie vote: *Provided*, That in the course of the execution of the procedure directed to be carried out in this sentence the ballots in the contested election for a seat in the United States Senate from the State of New Hampshire shall remain at all times in the continuous custody of the Senate under the supervision of the Sergeant at Arms of the Senate and access to the proceedings, and any information arising therefrom, directed to be carried out in this paragraph shall be restricted to such investigators and other professional employees assigned by the Comptroller General pursuant to this sentence and to Dr. Floyd M. Riddick. For the purpose of this paragraph, a 'single-square-skip-candidate ballot' shall mean a ballot (i) which is marked for voting (as distinguished from counting) only with either a cross or a check in one party circle and either a cross or a check in each candidate square in the column below the party circle so marked but on which there is no cross, check, or any other mark in the candidate square on the United States Senate line in such column, and (ii) on which there is no other mark or writing for voting in any other place on the ballot."

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the amendment

The PRESIDING OFFICER. Is there a sufficient second?

Mr. MANSFIELD. Mr. President, I withdraw the request temporarily.

Mr. President, I want to state, in addition to what has already been said, what the effects of the Mansfield-Long amendment would be:

First, it would not count any single skip-candidate ballot, and I wish the chairman of the committee would check with me on this.

Second, it would count more than single skip-candidate ballots.

Third, it would require that the GAO research for all single skip-candidate ballots which would not be counted.

Fourth, it would reject a recount of precincts set forth in issue No. (1) of Senate Resolution 166.

Fifth, it would reject a recount of the precincts set forth in issue No. (2) of Senate Resolution 166.

Sixth, it would eliminate issues numbered (6) and (7) of Senate Resolution 166 relating to skip-candidate votes.

Seventh, it would eliminate clauses numbered (12) through (24), inclusive.

The result would be 17 issues of Senate Resolution 166 would be resolved by the adoption of the Mansfield-Long amendment. Eighteen issues would remain for the Senate to determine.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes, indeed.

Mr. CANNON. Mr. President, the Senator's proposal gives me some problems in that it—first, may I ask the Senator, as his amendment is now stated it would permit—not only permit, it would require—the Senate to vote on the question of what the single skip ballot means; is the Senator correct?

Mr. MANSFIELD. Would the Senator repeat his question? I was discussing with the Parliamentarian the amendment I offered to the Cannon amendment, and the RECORD should be clear on that point.

Now, Mr. President, will the Senator proceed?

The PRESIDING OFFICER. The Senator's amendment—will the Senator from Montana yield for a moment? Did the Senator mean to say "at the end of" instead of "in lieu of"?

Mr. MANSFIELD. Yes.

Mr. ALLEN. Reserving the right to object, is unanimous consent required here? I heard the clerk read "in lieu of."

Mr. MANSFIELD. The clerk may have, but I offer it as an amendment.

Mr. ALLEN. Let us read the amendment.

Mr. GRIFFIN. It is not in order unless a unanimous-consent request is made.

AMENDMENT NO. 675

Mr. MANSFIELD. Mr. President, I will offer the amendment again with the words "in lieu of" scratched out.

Mr. GRIFFIN, Mr. President, I object. The yeas and nays have been ordered.

The PRESIDING OFFICER. Objection is heard.

Mr. CANNON. Mr. President, may I ask the distinguished majority leader now if this, in fact, would not only permit but would require the Senate to vote on the issues of what is meant by the single skip in the so-called "skip-Louie" cases.

Mr. MANSFIELD. It would.

Mr. CANNON. Those are some of the issues we have been trying to get to for a period or over 2 weeks, and trying to get a vote on.

The problem it gives me, as the distinguished Senator from Oregon pointed out earlier, is we have tried to determine the intent of the voters and tried to give full weight to the intent of the voters.

There is one ballot that would be precluded and given to Mr. Wyman on which we would not have the opportunity to vote, being ballot number 256, where it appears to me that the intent of the voter was absolutely clear.

Mr. President, in that particular ballot the voter had voted an X in the Republican circle, had voted an X for Governor Thomson, had at one time voted an X for Louis Wyman in the Senate race, voted for Mr. CLEVELAND for Representative of Congress, for Mr. Hersom for councilor, and then skipped the next three races, one of them being a vote for the State senator, and the other being two in a vote for any three for representative to the general court.

Now, at some point in the process the voter made the determination that he did not want to vote for Mr. Wyman, Mr. President, and he erased the X or partly erased the X that he had placed behind Mr. Wyman's name.

This is very clear and, obviously, an intent on the part of the voter to not cast his vote for Mr. Wyman.

So I would like to ask the majority leader if it is not a fact if his amendment is adopted it would actually award that ballot, because it is more than a single skip, would award it to Mr. Wyman even though the voter had at one time put an X back of Mr. Wyman's name and then went back and erased it, and you can still see the X very clearly.

Mr. MANSFIELD. That is correct.

Mr. President, will the Senator yield to me briefly without losing his right to the floor?

Mr. GRIFFIN. Mr. President, reserving the right to object——

Mr. CANNON. I asked, Mr. President, the Senator to yield to me. He had the floor.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MANSFIELD) proposes an amendment:

At the end of the material proposed to be inserted by the amendment of Mr. Cannon insert the following:

"(1) (A) Notwithstanding the direction to vote separately on the issues posed in subsections (6) and (7) of this section and the direction to vote separately on the eight single-square-skip-Wyman ballots, the four more-than-single-square-skip-Wyman ballots, and the one skip-Durkin ballot listed in section 2 of this Resolution, it is the sense of the Senate and the Senate hereby determines that (i) the eight ballots listed in clauses (12) through (19) of section 2 of this Resolution as single-square-skip-Wyman ballots shall not be counted for any candidate, (ii) every other single-square-skip-candidate ballot among all of the ballots in the custody of the Senate shall be found and separated and shall likewise not be counted for any candidate, and (iii) the four ballots listed in clauses (20) through (23) of section 2 of this Resolution as more-than-single-square-skip-Wyman ballots shall be counted for Wyman and the ballot listed in clause (24) of section 2 of this Resolution as a skip-Durkin ballot shall be counted for Durkin. For the purpose of this paragraph, a 'single-square skip-candidate ballot' shall mean a ballot (i) which is marked for voting (as distinguished from counting) only Amdt. No. with either a cross or a check in one party circle and either a cross or a check in each candidate square in the column below the party circle so marked but on which there is no cross, check, or any other mark in the candidate square on the United States Senate line in such column, and (ii) on which there is no other mark or writing for voting in any other place on the ballot.

"(B) In order to execute the determinations made in paragraph (A) of this section, (i) the Comptroller General of the United States is hereby directed to assign such investigators employed by the General Accounting Office, and such other professional employees of such Office, as are necessary to find and separate, from among all of the ballots in the custody of the Senate, any single-square-skip-candidate ballot and such investigators and any profesisonal employees so assigned shall forthwith undertake to carry out expeditiously such functions and no others, and (ii) Dr. Floyd M. Riddick shall affix to any ballot so found and separated an attachment indicating that such ballot is not to be counted for any candidate and shall place any such ballot so designated in the box containing the ballots voted upon by the Committee on Rules and Administration on which such Committee did not cast a tie vote: *Provided*, That in the course of the execution of the procedure directed to be carried out in this sentence the ballots in the contested election for a seat in the United States Senate from the State of New Hampshire shall remain at all times in the continuous custody of the Senate under the supervision of the Sergeant at Arms of the Senate and access to the proceedings, and any information arising therefrom, directed to be carried out in this paragraph shall be restricted to such investigators and other professional employees assigned by the Comptroller General pursuant to this sentence and to Dr. Floyd M. Riddick. For the purpose of this paragraph, a 'single-square-skip-candidate ballot' shall mean a ballot (i) which is marked for voting (as distinguished from counting) only with either a cross or a check in one party circle and either a cross or a check in each candidate square in the column below the party circle so marked but on which there is no cross, check, or any other mark in the candidate square on the United States Senate line in such column, and (ii) on which there is no other mark or writing for voting in any other place on the ballot."

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, would it be in order, despite the parliamentary situation, to make a motion that further consideration of the pending resolution be postponed for 24 hours?

The PRESIDING OFFICER. Is the Senator asking if the motion is in order?

Mr. GRIFFIN. Yes.

The PRESIDING OFFICER. The motion is in order.

Mr. GRIFFIN. Mr. President, I make that motion so that will be the pending question and so Senators will be on notice that there will be no voting on the assorted Mansfield amendments for a little while, and also to provide an opportunity to express my disappointment at the political power play we, unfortunately, have just witnessed.

We were trying on this side to get recognition to offer a substitute or an alternative to the so-called Mansfield compromise to indicate what it would be that on this side would be acceptable short of, or as an alternative to, a new election in New Hampshire.

There is no secret about it. We think on this side, and incidentally, the vast majority of the people in New Hampshire and the vast majority of the people across the Nation agree, that the fairest, most objective way to resolve this matter is to have a new election.

But if the Senate is not going to resolve the matter by having a new election, then it seems to me that the one fair objective, realistic alternative would be to have an arbitration panel, such as that suggested earlier by Senator PELL during the committee deliberations, to review and recount on an impartial basis all of the ballots and all of the protests made by the two parties in a nonpartisan way to determine who won the election on November 5.

I regret to say that the Senate has demonstrated too long now, to the disgrace of this institution, unfortunately, that we are not capable, apparently, of making a nonpartisan resolution of this matter. I regret to say that particularly in the wake of Watergate and the serious loss of confidence by the American people in the processes of government.

Mr. MANSFIELD. Will the Senator yield there?

Mr. GRIFFIN. It is a very, very unfortunate thing.

Mr. MANSFIELD. Will the Senator yield?

Mr. GRIFFIN. That the Senate is carrying on this way.

I say to the majority leader, and he is entitled to know our answer to his proposal of a so-called compromise, our alternative is if he does not want to send it back to the people of New Hampshire, then there is one other way that we would go along with the so-called compromise, and that is, let us have an impartial panel of the American Arbitration Association to do the work away from and out of the atmosphere of partisanship that prevails in this Chamber, unfortunately, and let them review the ballots and review the protests.

I yield to the distinguished majority leader, for whom I have great affection and the highest regard.

Mr. MANSFIELD. Well, as they say in Brooklyn, "Likewise."

But I must say that I resent very deeply the use of the word "Watergate" in connection with what I am attempting to do in accord with the rules and the procedures of the Senate since time immemorial.

The amendment I offered earlier this afternoon is the same as the one I offered just now and I offered it again only because the Senator from Alabama (Mr. ALLEN) withdrew his section 2 of the amendment, the first part of which had been voted on previously.

I also resent the application of the word "partisanship" because we have not been trying to delay, but, rather, to bring this matter to a conclusion.

We will have to let the record speak for itself.

Watergate was something which happened in the dark, in the middle of the night, and what we are doing on this floor today is not "Watergate." What we are trying to do is to stop a filibuster on this particular proposition. What we are trying to do is to carry our responsibility under the Constitution as specified in article I, section 5.

That is, the Senate has the constitutional obligation as specified under article I, section 5, to: "be the Judge of the Elections * * * of its own Members."

Mr. GRIFFIN. I hesitate to interrupt the majority leader.

Mr. MANSFIELD. The Senator has the floor.

Mr. GRIFFIN. But the Senator is using my time and we are running out.

May I ask of the Chair how much time is left?

The PRESIDING OFFICER. Until 4 o'clock.

Mr. GRIFFIN. I see.

I will yield another minute to the majority leader, but I also desire to yield to the Senator from Tennessee.

Mr. MANSFIELD. The Senator will have plenty of time back, but I want to say again that I resent with all my soul the use of the word "Watergate" in connection with our considerations, in the open, of this matter where all the people of the Nation can see, and I dislike the use of the word "partisanship" when we are trying to achieve a workable and I think an honorable compromise.

I thank the Senator for yielding.

Mr. GRIFFIN. Well, I will say, the press around the country, with a few exceptions, seem to be quite unanimously of the view that this debate has been a display of bitter partisanship.

Maybe the majority leader does not agree with that observation and evaluation, but it certainly looks that way to this side of the aisle.

I yield to the Senator from Tennessee.

Mr. BROCK. Mr. President, I would just like to point out very quickly that I could accept the majority leader's argument if he was talking about what the Senator from California has been talking about all afternoon and what others have been talking about, and that is the "skip-Louie" ballots or the "skip-Durkin" ballots, but that is not what the Senator from Montana has offered this Senate.

It is not a method of expediting, it is a method of denying to one of the candidates an opportunity to protest certain precincts.

The first language in the Senator's amendment says, the sense of the Senate the committee shall not conduct a recount as requested by Mr. Wyman of the following precincts, et cetera, et cetera, et cetera.

Now, we are talking about the newspaper editorials. There is only one major newspaper that I recall that opposed our stance on the minority side and that is the Post.

Let me read the Post language:

> To reach a decision at all, the Senate will have to vote cloture and impose strict limits on future debate. To reach a decision that will be generally acceptable as fair, the Democrats who dominate the Senate will have to agree to inquire further into some of the Republicans' complaints about possible missing ballots and the like.

What does this amendment do? It denies us the opportunity to inquire further into any recount.

Mr. GRIFFIN. The very first paragraph.

Mr. BROCK. Absolutely.

Mr. GRIFFIN. The very paragraph of the so-called compromise, denies even what the Washington Post recommends—that there be a retally of certain precincts.

Mr. BROCK. This is no compromise. It is an effort to enforce the will of a rampant majority upon a minority and to enforce it through the device of a weakened cloture rule which the Senate changed itself this past January. If there is an issue it is whether or not the Senate of the United States can abrogate its constitutional responsibilities to afford the protection to all of its Members and to all of the people of the 50 States by giving them equitable, complete and fair treatment under the laws of the several States. This resolution denies to New Hampshire the right to cast their own vote. This resolution denies to the Senate the opportunity to recount legitimately protested precincts. There is no compromise here.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. Res. 166, relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

Mike Mansfield, Robert C. Byrd, Mike Gravel, Philip A. Hart, William Proxmire, Jennings Randolph, Daniel K. Inouye, Walter F. Mondale, James Abourezk, Dale Bumpers, Wendell H. Ford, John Glenn, Hubert H. Humphrey, Alan Cranston, John C. Culver, Richard "Dick" Stone.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 48 Leg.]

Allen
Brock
Byrd, Harry F., Jr.
Cannon
Cranston
Culver
Dole
Ford
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Humphrey
Johnston
Laxalt
Leahy
Mansfield
McClure
McGee
McIntyre
Nelson
Nunn
Packwood
Pastore
Pell
Ribicoff
Roth
Scott, Hugh
Sparkman
Stafford
Stone
Symington
Talmadge
Thurmond
Weicker
Williams

The PRESIDING OFFICER. A quorum is not present.

Mr. CANNON. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Domenici
Eagleton
Garn
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mathias
McClellan
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Pearson
Percy
Proxmire
Randolph
Schweiker
Scott, William L.
Stennis
Stevens
Stevenson
Taft
Tower
Tunney
Young

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question, Is it the sense of the Senate that debate on the resolution (S. Res. 166), relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. CURTIS), Senator from Arizona (Mr. FANNIN), Senator from Hawaii (Mr. FONG) are necessarily absent.

The yeas and nays resulted—yeas 57, nays 38, as follows:

[Rollcall Vote No. 261 Leg.]

YEAS—57

Abourezk
Bayh
Bentsen
Biden
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Stone
Symington
Talmadge
Tunney
Williams

NAYS—38

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Buckley
Case
Dole
Domenici
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Mathias
McClellan
McClure
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—4

Curtis
Eastland
Fannin
Fong

The PRESIDING OFFICER. On this vote the yeas are 57, the nays are 38. Three-fifths of those duly chosen and sworn not having voted in the affirmative, the motion is rejected.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. Res. 166, relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

Mike Mansfield, John O. Pastore, Warren G. Magnuson, Jennings Randolph, Quentin N. Burdick, Abraham Ribicoff, Walter D. Huddleston, Adlai E. Stevenson III, Wendell H. Ford, Edmund S. Muskie, Mike Gravel, Alan Cranston, Edward M. Kennedy, Claiborne Pell, Gaylord Nelson, Robert C. Byrd.

Mr. McCLURE. Mr. President, the people of New Hampshire are being disenfranchised, and it is the U.S. Senate—which in the past has characterized itself as the champion of voting rights—that is responsible.

In January of this year, Louis Wyman was declared the winner in New Hampshire's Senate race by two votes. In the recounts taking place both before and after this determination, hundreds of ballots were disputed by both sides; rather than let the people of New Hampshire exercise their constitutional right to settle these questions in a new election, this body has been grappling with them for the past 6 months.

Furthermore, while it is claimed that the Senate is involved in a fair, objective examination of disputed ballots from which a winner will clearly emerge, the evidence seriously disputes such an assertion.

For months the Committee on Rules examined disputed ballots—but they were largely those disputed by Mr. Durkin, with Mr. Wyman's requests being generally ignored. Some ballots had to be examined with a plate-size magnifying glass—and still the voters' intentions were next to impossible to ascertain. The 33 questions, most stemming from this problem, which resulted in tie votes are now before the full Senate. Presumably following a brief study of the matter, the entire membership will be able to make decisions on questions which the Committee on Rules could not settle after 6 months.

It is obvious, Mr. President, that this matter cannot be objectively resolved by this body. Yet the Senate clings desperately to its tenuous jurisdiction over the election rather than allow the people of New Hampshire to make the final determination. In the name of justice and constitutional due process, a farce with the most serious overtones is being perpetrated.

Mr. President, the prestige of Congress is at its lowest ebb in years. This matter is a crucial test of the integrity of this body. Will the Senate now, on its own initiative, fail the test by arbitrarily appointing the man who will represent New Hampshire for the next 6 years?

It is our responsibility to uphold, in both word and spirit, the Constitution on which our laws are based. Let us return the New Hampshire Senate election to the only group empowered to determine it—the voters of New Hampshire.

Mr. President, at this time I ask unanimous consent that an article from the Jackson Daily News (Mississippi) be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW HAMPSHIRE VOTING SUPPORTED

(By Frank Van Der Linden)

WASHINGTON.—It's high time for the Democrats, who control the United States Senate, to rise above partisanship and let the people of New Hampshire elect their next Senator.

For nearly six months, the state has been deprived of its constitutional right to have two Senators, while the Rules Committee has tried to figure out who really won the Novemebr election: Democrat John Durkin or Republican Louis Wyman.

All this time, Wyman has been holding the state's official certificate declaring him the winner by barely two votes, 110,926 to 110,924. This is the smallest margin in any Senate election in history. But it is just as legal as a two-to-one majority.

Usually, in contested elections, the Senate or the House will seat the official winner conditionally while going through the long-drawn-out procedure of trying to settle the dispute. But in the New Hampshire case, the Senate broke with precedent, refused to seat Wyman, and handed the whole matter over to the Rules Committee.

Now, after six months of partisan bickering, 2,000 pages of transcript, and a certain amount of selective ballot counting, the Rules Committee is hopelessly deadlocked. It has not less than 27 tie votes on interpreting individual ballots.

It also has eight tie votes on "procedural" matters involving Wyman's requests for retallying some protested precinct counts.

If there is to be due process in the Senate, Wyman's requests for retallies should be granted, just as Durkin's were. If the Senate is to change the rules by refusing to count 12 straight Republican ballots counted for Wyman under state law, the change should apply to all ballots.

Wyman should be allowed to produce similar ballots counted for Durkin out of the 180,000 ballots stored in the Senate basement.

A most significant point, raising a cloud of uncertainty over the result, is this: More than 1,150 ballots were counted in the New Hampshire election totals than there were voters actually given ballots to case, according to the check lists used in the election.

Durkin's petition of contest charged no fraud, collusion or conspiracy. "All he asked," Wyman said, "was that the Senate review the New Hampshire recount and count him in.

The Democrats obviously have the power to count Durkin in. But should they pull such a power play? They don't need Durkin's vote for control. If they install him, without clear proof of his victory, they open themselves to charges of "stealing the election."

If they can do it to little New Hampshire, Wyman says, they can do it to mighty New York or California, too, in a close contest.

Throughout the long struggle, Wyman has called for a runoff election. Durkin told the Senate Elections subcommittee January 9: "All along I have been in favor of a special runoff election. . . . I think I would win a runoff easily."

Now, however, Wyman claims Durkin is backing away from a vote by the people. "I suspect," Wyman said, "that Durkin has been told the odds are that the Republicans would win."

However, New Hampshire's senior Senator, Tom McIntyre, is a Democrat and the runoff could be close—if the Senate ever permitted it to occur.

As a last resort, the state of New Hampshire could appeal directly to the United States Supreme Court. The long, bitter battle could remain unsettled until next January.

STRATEGIC ENERGY RESERVES ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 677, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 677) to establish a Strategic Energy Reserve Office in the Federal Energy Administration, to create a strategic energy reserve system to minimize the impact of interruptions or reductions of energy imports, and for other purposes.

The PRESIDING OFFICER. There will be a time limitation on this bill of 1 hour, to be equally divided between the Senator from Washington (Mr. JACKSON) and the Senator from Arizona (Mr. FANNIN).

The Senator from Colorado (Mr. HASKELL) has offered an amendment. There will be a 30-minute limitation on that amendment, to come out of the 1 hour of debate.

If the Senator from Alaska (Mr. GRAVEL) offers an amendment or amendments, there will be a 30-minute limitation on one or more of his amendments, if offered.

The Senate will be in order.

Mr. MANSFIELD addressed the Chair.

The PRESIDING OFFICER. The Chair cannot hear. Senators will cease conversations or withdraw.

The Senator from Montana has the floor.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GRAVEL. Mr. President, I ask unanimous consent that Bill Hoffman and Nancy Leonard, of my staff, have the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, on the time of the minority, I ask unanimous consent that the following persons have the privilege of the floor during the debate on this measure and all votes taken thereon: Nolan McKean, David Stang, Doug Fant, Tom Imeson, Doug Smith, Tom Biery, Roma Skeen, and Mary Adele Shute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I ask unanimous consent that Betsy Mohler, of my staff, have the privilege of the floor during the discussion and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, for the information of the Senate, when the pending business is disposed of, the Senate will not return to the consideration of Senate Resolution 166. When this matter is disposed of, the Senate will recess for the day.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, I shall be very brief. I discussed this matter just prior to the recess, when the bill was before the Senate, and I shall add a few comments in connection with the strategic reserves legislation.

In 1974, the United States relied upon oil imports to fulfill 37 percent of its petroleum requirements and 16 percent of its total energy needs. This year we may rely upon imports for as much as 40 percent of our oil needs. There is no doubt that our dependence upon imports will continue for the foreseeable future. Consequently, both the national security and the American economy are vulnerable to oil import curtailments or interruptions.

The best illustration of the impact of import curtailments may be found in the experience of the oil embargo of 1973–74. Although the real GNP had been forecast to increase in the first quarter of 1974, a 2.2 million barrel per day oil import denial resulted instead in a 7 percent decrease in GNP during that period. This decline was accompanied by a 0.5-percent increase in the unemployment rate. Obviously either a more severe or more prolonged embargo would have had a more severe impact.

Because of our vulnerability to supply interruptions and because such interruptions are a continuing danger, the United States must seek to reduce its import dependence through the implementation of a national energy policy that will reduce demand growth and increase domestic energy production. The success of that policy will determine the degree of our future import dependence. However, because of the leadtimes required to attain significant reductions in petroleum demand through energy conservation or in meaningful increases in production, it is probable that oil imports will remain level or increase during the next decade.

It is therefore necessary that the United States be prepared to respond to potential supply interruptions and to act to minimize their adverse impact upon the national welfare. Earlier in the session the Senate passed S. 622, the Standby Energy Authorities Act. That bill provides a statutory basis for contingency plans to: First, reduce energy demand through the implementation of mandatory conservation plans; second, require some limited increases in production; and third, equitably distribute shortages by rationing, if necessary.

S. 677, the Strategic Energy Reserves Act, now before the Senate, is a second essential element in any strategy to reduce our vulnerability to embargo by assuring greater domestic reserves of petroleum.

At present, the United States is virtually alone among the world's industrialized nations in having no established petroleum reserve system. It is a dangerous weakness given our demonstrated vulnerability to the "oil weapon." S. 677 would permit us to strengthen our defense against this weapon and by so doing reduce the likelihood of its use by diminishing its effectiveness. It is essential that this defense be constructed in a timely manner and I urge my colleagues to support this measure.

Title I of S. 677 declares the policy of creating over a 7-year period, strategic energy reserves capable of replacing energy imports for at least 90 days.

Title II creates a strategic energy reserve system composed of national strategic energy reserves; regional petroleum product reserves; and such other reserves as Congress may later authorize. It establishes a Strategic Energy Reserve Office in FEA to manage the system.

The national strategic energy reserves would consist of crude oil stored in natural geologic formations, in tanks, or even in abandoned mines, or surplus tankers. The amount of oil would equal the volume of crude oil imports for 3 months. Oil would be federally owned and stored and could be purchased or drawn from royalty oil or naval petroleum reserves, if authorized.

The Administrator of FEA is required to establish a crude storage program pursuant to a schedule set forth in the statute to insure timely commencement of the program.

The regional petroleum product reserves would consist of petroleum products or residual fuel oil owned and stored by the Federal Government in each PAD district where more than 25 percent of demand for a product or for residual fuel oil is met by imports. While the Administrator is required to implement a product storage program, he has authority to substitute different kinds of fuels for commodities which must be stored.

Title III provides administrative authority—including authority to acquire crude oil and product for storage, to build or lease storage facilities, and to use crude oil or products in the system.

The Administrator may use the reserves if there is an existing or prospective shortage of at least 10 percent of import requirements or if required to fulfill obligations under an international agreement.

In the event of withdrawal from the reserves, the Administrator must establish price levels and allocation procedures for the oil withdrawn that are consistent with the objectives enumerated in the Emergency Petroleum Allocation Act.

The Administrator may also require that importers or refiners maintain minimum working level inventories equal to the average volume of such inventories maintained for the corresponding month of the 3 preceding years.

In conclusion, Mr. President, let me emphasize three compelling reasons for creating the system of strategic reserves authorized by S. 677:

First, the existence of a strategic reserve would minimize the economic impact of oil import cut-offs;

Second, the existence of a strategic reserve will reduce the chance that oil-producing countries will resort to embargoes in the future; and

Third, when compared with the costly strategy of seeking total energy self-sufficiency in the near term, an approach that combines steadily increasing self-sufficiency with a strong strategic reserves system is far more efficient and cost-effective.

It is for these reasons, Mr. President, I hope that the Senate will pass the bill.

Mr. HANSEN. Mr. President on January 30 of this year the President transmitted to the Congress his omnibus 13 Title Energy Independence Act of 1975. Title II of that bill is entitled "The National Strategic Petroleum Reserve Act." It called for the creation of strategic petroleum storage facilities capable of storing 1 billion barrels of petroleum. The President indicated that it is anticipated that by 1985, the United States will still be importing between 4 and 5 million barrels of oil a day. The President said:

> If we are to be protected from the potentially disastrous ramifications of future disruptions in foreign imports, we must have the capability to offset significant reductions in imports.

The President was referring to the contingency of a repeated oil embargo imposed perhaps by one or more OPEC countries.

Senator JACKSON introduced his version of a strategic storage bill, S. 677. Although the majority and the minority on the Senate Interior Committee frequently express different views regarding the best means of solving our Nation's energy problem, I am pleased to say that with respect to the bill before us today, there has been displayed a commendable bipartisan spirit of cooperation. The bill, as reported by the committee, reflected many hours of fruitful discussions involving committee members and staff with representatives of the Federal Energy Administration and with sectors of the industry who would be affected by the provisions of the bill. I am, accordingly, pleased to rise in support of this legislation as it was reported by the committee.

I wish, however, to make reference to an amendment in the committee made by Senator JOHNSTON which was adopted by the committee. It struck from the committee print the then existing section 204, which authorized the Administrator of the Federal Energy Administration to require U.S. refiners and importers to maintain up to 3 percent of their respective throughputs or imports in storage facilities to be acquired by them. Because of the uncertainty as to economic hardships and the impact on competition that such an authority, if exercised, would impose, Senator JOHNSTON's amendment was adopted which would delete the industry's storage authority. In its place was substituted, by an amendment offered by me, which was agreed upon, the requirement that the Federal Energy Administration's Administrator prepare and submit to Congress a report setting forth his recommendations for including in the system:

> Industry storage reserves consisting of crude oil, residual fuel oil, or refined petroleum products maintained in storage by importers, refiners, or others for the purpose of reducing the adverse impact of unplanned interruptions or reductions in imports of energy supplies during the period while the reserves created pursuant to section 202 and 203 of this act are being established and thereafter; and . . .
>
> The study required by subsection (c) of this section shall include, but need not be limited to:
>
> (1) analysis of alternative feasible systems for storage of industry-owned petroleum products;
>
> (2) an evaluation of the impact of each of the proposed alternative storage systems on:
>
> (A) the retail prices of imported and domestic petroleum and other fuels and forms of energy; and
>
> (B) domestic production, consumption, and imports of petroleum and other fuels and forms of energy;
>
> (3) an evaluation of the economic impact including industry costs and the impact on competition of proposed alternative storage systems upon the several sectors of the petroleum industry and specific recommendations for preventing or minimizing any inequities or undue hardships arising from the imposition of such alternative storage systems; and
>
> (4) a recommendation including proposed legislation for which of the alternatives studies would be the most desirable.

Under the circumstances, the committee thought that this would be the most equitable way to deal with the matter of increasing industry-owned storage capacity for industry-owned petroleum products. For these reasons, I oppose any amendment offered today to reinstate the industry storage program to which I have just made reference.

Mr. President, one of the difficulties presented in moving forward with strategic reserves legislation is posed by jurisdictional considerations involving the Senate Armed Services and Interior Committees. Although the Interior Committee properly proceeded to report legislation which would create a system of Government-owned storage facilities, it would not have jurisdiction to authorize production of crude oil from the U.S. naval petroleum reserves, which would be the principal source of crude supply to be placed in storage. Accordingly, section 202(d)(1) authorizes the Administrator of the Federal Energy Administration to place in storage, transport or exchange: "Crude oil produced from Federal lands, including the naval petroleum reserves to the extent authorized by law."

This latter phrase constitutes a recognition that authorization to commence production from the naval petroleum reserves to be placed in the storage system created by this bill still needs specific legislative authorization not contained in this bill. The Haskell amendment, which we support in principle, is directed toward the end of authorizing production of crude from the naval petroleum reserves to be placed in the storage system created by this bill. We are hopeful that a compromise agreement can be reached between the Armed Services Committee and this committee along the lines suggested by Senator HASKELL's amendment. If, however, this is impossible to arrange today—during consideration of S. 677—then we are hopeful that the Armed Services Committee will itself report separate legislation authorizing such production.

Mr. President, it is clear that the United States will be economically and strategically more secure when the 7-year program created by this bill has been completed. At that time, the Government should have in place strategic energy reserves consisting of petroleum in the form of crude and product equal to 90 days of imports.

My colleague from Arizona (Mr. FANNIN) the distinguished ranking minority member of the Interior Committee, is unable to be with us today for the consideration of this legislation on which he worked so hard. He did, however, prepare a major floor statement which goes into considerable detail in calling to our colleagues' attention the incredibly interesting potential presented by this Nation's abundance of salt domes for use as crude oil storage facilities as contemplated by this legislation. I ask unanimous consent that Senator FANNIN's statement and attachments thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, in closing, I commend the chairman of the Interior Committee for the leadership, cooperative spirit, and flexibility he demonstrated in shepherding this important legislation through the committee and on the floor of the Senate.

STATEMENT BY SENATOR FANNIN

I am pleased to support S. 677, the Strategic Energy Reserves Act of 1975. This is a particularly pleasant occasion because this legislation, as reported by the Senate Interior Committee, was carefully prepared through a commendably high level of cooperation between the majority and minority members and staff of the Senate Interior Committee, who worked closely with the Federal Energy Administration and with those segments of the private sector affected by the legislation. The result is legislation which we are proud to support on a bi-partisan basis. The chairman is to be especially commended for his open mindedness and flexibility in the preparation of this legislation as well as Mr. Grenville Garside, committee staff director, and Commander Jim Barnes of the majority staff.

This bill extends as national policy the creation, over a period of seven years, of strategic energy reserves equal to ninety days of imports. This strikes a balance between the desirability of creating as large as possible a reserve at the earliest possible date and practicable consideration of economy, availability of oil for storage, availability of storage facilities, and the impact on the petroleum industry and consumers of attempting to store great volumes of oil in a short period of time. Although the seven year program would create by that time petroleum storage equivalent to ninety days of imports, it is likely that amount of oil would last even longer than ninety days because of the extreme unlikelihood of total embargo simultaneously agreed upon and executed by all countries exporting crude oil and petroleum products to the United States.

The heart of the bill is Sec. 202, which authorizes the creation of crude oil reserves owned and stored by the Government. It is the hope of each of us who have worked on this legislation that the principal source of crude oil to be used in such a storage program would be oil produced from the naval petroleum reserves, in particular Elk Hills. in this bill. We are hopeful of support from the Armed Services Committee to specifically authorize production for such purposes.

One of the many fascinating elements of the storage program contemplated by this bill will be the use of underground salt domes to store much of the ninety days' supply of crude oil to be accumulated within seven years. As is well known, the salt dome is a massive column of salt rock, frequently a half mile or so wide, thrusting upward from many miles beneath the Earth's surface and topped by a thick caprock. The top of the salt may be near the surface and in many cases, salt from such domes is mined for commercial use. Such salt mining activities have resulted in the creation of many millions of barrels of cavities beneath the Earth's surface which can be utilized for underground storage purposes. Such cavities are impenetrable to oil and therefore provide a well-sealed, massive underground storage compartment into which can be pumped crude oil. There are more than 350 known salt domes, for example, within 50,000 square miles along the coast of the Gulf of Mexico.

Past use of salt domes for underground petroleum storage has been extensive and such projects have had an excellent record of safety and reliability stemming from more than twenty years of working experience.

Once the salt dome has been either mined out or hollowed out through injection of water, which melts the salt, it is not difficult to convert the dome into a storage facility. This is done by drilling wells into the salt, cementing casings in the hole at the surface and lowering tubing into the salt through the casing. Fresh water is pumped into the salt and the resulting brine is forced to the surface in the space between the tubing and casing. The brine is disposed of in the subsurface rock formations or, if near the coast, it may be pumped into the sea. Crude oil, petroleum liquids and sometimes natural gas are then injected into the hollowed out cavern within the salt dome. In the case of crude oil and petroleum liquids, the extraction from storage is accomplished by pumping brine back into the cavern. The brine being heavier than the petroleum and immiscible with it, the petroleum is forced out of the cavern above the brine beneath it through release pipes.

Underground storage in leached salt dome cavities can be provided at a cost of 60 to 85 cents per barrel of liquid stored (in 1974 dollars). The specific costs depend upon the amount of pipeline required to connect the salt dome storage facility to refining or distribution facilities and the distance between the salt dome and a suitable area into which the brine pumped from the salt dome may be disposed of. This, of course, does not include the cost of the crude oil or petroleum products, but simply the cost of the facility in which it is to be stored.

As earlier suggested, the Gulf Coast is ideally suited for the type of storage contemplated by this legislation. For example, several salt domes in the gulf area, such as Stratton Ridge, are large enough to provide one billion barrels of storage capacity and many domes are large enough to provide storage capacity for several hundred million barrels of crude oil or petroleum liquids.

My colleagues may be interested in more information concerning the use of salt domes. Toward that end, I ask unanimous consent that an article written by Frank Getscher on the subject published in the June 14 edition of the Southwest Oil & Gas News and the press release from the 9th World Petroleum Congress dated May 15, which concerns West Germany's experience in the use of salt domes for the storage of oil be printed in the body of the Record.

In closing, Mr. President, let me again compliment all of those who have worked so hard, so thoughtfully, and so cooperatively on this very important legislation. Upon completion of the program contemplated by this bill, the United States should have achieved substantial invulnerability to political blackmail through the use of the oil embargo weapon.

The attachments ordered to be printed in the RECORD are as follows:

THE STUDY OF GEOLOGY FOR EVERYBODY

(By Frank Getscher)

NOTE.—The diagrams listed are not printed.

While under the pressure of a few thousand feet of sediments, rock salt flows like a plastic. In some areas the salt has been pushed up into upper sediments in huge plugs that are called salt domes. Even though the shape and history vary considerably from one dome to another—all salt domes tend to be of a cylindrical shape with a top diameter of about one-mile. These domes may rise to within a few feet of the ground surface or they may be several thousand feet below ground surface.

Some salt domes have forced their way upward from the original salt bed through 20,000 feet of upper formation. The oil and gas reservoirs are often formed by these salt domes as they rise—as shown in the diagram below.

A GEOSYNCLINE

The diagram below is a cross-section of Cambrian formations from southern Nevada into the Grand Canyon of Arizona.

This section illustrates the encroachment of the Cambrian seas upon the continent. The sandy deposits of the Prospect Mountain

Quartzite and the Tapeats sandstone represents coarse material eroded from the exposed lands that were later covered by shale and limestone as the seas deepened. The individual formations are younger toward the east than toward the west by the fact that formations may transgress time lines as to be older in one area than in a different area.

OIL AND GAS

Oil and gas are the remains of living matter that have been decayed to a state in which carboned hydrogen become the two main elements are combined by a great many ways to form molecules of a substance called hydrocarbons (oil and gas). The main feature of the molecule of each hydrocarbon is the number of carbon atoms it contains. When one carbon atom combined with four hydrogen atoms it forms a molecule of gas called methane CH_4. When two carbon atoms combine with six hydrogen atoms it forms a molecule of gas called ethone C_2H_4.

The normal deposits of oil contain several kinds of hydrocarbons mixed together. These hydrocarbons are separated by an industrial process called fractional distillation, that is based on the principle that light molecules are volatilized more readily than the heavier molecules. A typical example is when asphalt is left in the sandstone where natural oil has seeped to the ground surface and the lighter components have evaporated.

Storage of Oil in W. German Salt Caverns Reported To Have Increased Sharply in '74

(For release by the Press Committee of the Executive Board for World Petroleum Congresses.)

Tokyo, Japan, May 15—The use of salt caverns for storage of petroleum in West Germany has nearly tripled in the past year, the Ninth World Petroleum Congress was told today.

In a paper presented at a panel on "Underground Storage of Crude Oil, Products and Gases," it was revealed that at the end of 1974, there were 90 such caverns either completed or under construction in the Federal Republic, as compared to 33 at the beginning of the year.

According to the authors—K. Beissner, P. Koch and H. Schleicher, Clausthal-Zellerfeld; W. Dreyer, Clausthal; and G. Fürer, Meppen, of West Germany—"Locations of the caverns are dependent on suitable salt reservoirs and other decisive factors such as the availability of a sufficient quantity of water for leaching, the possibility for the safe disposal of brine, the necessary cavern infrastructure and the availability of suitable work facilities."

They said that in the Federal Republic of Germany, "the salt domes of North Germany are ideal for leaching and cavern storage construction as the brine can be disposed in the North Sea or the Baltic Sea by the shortest possible route. Also, due to the short distance from the land location to the sea, coastal salt domes are especially sought after even though the area is fairly dense both industrially and agriculturally."

The authors noted that the flushing of the brine residue into rivers or seas from the caverns is subject to strict environmental considerations.

Another factor to be considered, they said, is the possible shifting of ground above a cavern complex. Continuous monitoring by precision instruments must be employed to warn against such an eventuality.

In another paper, two French authorities, A. Clerc Renaud and D. DuBois, both of the Societe Francaise de Stockage Geologique, reported on the storage of hydrocarbons in salt and limestone caverns and in abandoned mines. After describing a number of experiments and tests, the authors concluded that underground facilities are feasible for very large strategic storage, seasonal storage and operational storage for refineries, oil ports and pipeline terminals for distribution. They indicated that underground storage may be used for all types of hydrocarbons either at normal or elevated temperatures or under refrigeration.

In another paper, K. H. Lambrich, Deutsche Shell Refinery, and Gerhard Kuehne, Edeleanu Gesellschaft, both of Hamburg, W. Germany, discussed "Experiences Gained in the Creation and Operation of Caverns in Salt Domes with a Large Content of Impurities."

According to the authors, product storage in salt caverns will result in increased water content of the stored product, increased salt content and a deterioration of color. "However," they said, "the adverse influences of underground storage remain limited, so that the product remains marketable, certainly after blending with conventionally stored material."

Three East German researchers, W. Arnold of Freiberg S. Forster of Mittenwalde, and W. Menzel of Leipzig, presented in paper on the "*In Situ* Investigations of Fracturing in Salt Cavities for Determining Stress Components."

Noting that "rock salts from different deposits possess remarkably different properties," the authors said that laboratory tests cannot solve all of the problems related to measuring the pressure-loading in different cavities. They conclude that "*in-situ* tests are necessary in different depths."

"Theoretical Fundamentals of Calculations and Results of Operation of the Semi-Commercial Gatchinskaja Underground Gas Storage," by Soviet gas authorities A. N. Solovjev, M. V. Filinov and A. I. Kiselev, describes the theoretical and experimental work as well as test injections of air into a monoclinal aquifer preceding the development of the semicommercial Gatchina storage near Leningrad.

Mr. MUSKIE. Mr. President, as chairman of the Senate Budget Committee, I have undertaken from time to time, with Senator Bellmon and other members of the committee, to call the attention of the Senate to the fiscal implications of pending legislation. We believe it is important for Members to understand how the votes they cast today will affect Federal spending this year and in future years, and how that spending compares to the congressional budget resolution we adopted in May of this year. S. 677, the Strategic Energy Reserve Act of 1975, has major spending implications. Although the first year costs may not be significant, its future year costs will be immense. S. 677 is a good example of what we in the Budget Committee call a wedge—a bill with minimal expenditures in the first year but with increasingly larger costs in future years, all adding up to a significant sum of money that the Federal Government must ultimately pay out.

I favor passage of this legislation as an integral part of a national energy policy which frees us from the threat of international blackmail by foreign oil producing countries. But I believe we should pass it with our eyes open as to its spending implications. We must recognize that its costs may crowd out other alternative spending proposals which may come before the Congress this year.

S. 677 authorizes a 7-year program to develop strategic petroleum reserves which would provide a readily deliverable supply of oil in the event of another embargo. The reserves would be capable of replacing energy imports for at least 90 days and would be administered by the Federal Energy Administration. To stockpile the reserves, S. 677 authorizes the purchase of crude oil on the open market, the use of royalty crude from Federal lands including the Outer Continental Shelf, and the use of oil from the naval petroleum reserves if such reserves are opened up for production. The bill calls for the Federal Energy Administration to submit a report within 6 months on specific storage reserves for electric utilities, a coal storage reserve, and industry storage reserves.

A factor extremely important to Maine is that the bill also provides for establishment of special regional petroleum product reserves in areas like New England where 25 percent or more of local needs for heating oil and gasoline are met by imports which would be reduced in case of a boycott.

Thirty-eight percent of our oil is now imported. The Arab embargo of 1973 demonstrated the U.S. susceptibility to political leverage by the oil-exporting nations and reminded us that in regard to petroleum, at least, we are no longer an island unto ourselves. There is a clear case for allocating some Federal funds to give us flexibility in case of a new embargo.

S. 677 does not specify the required level of funding but authorizes "such sums as are necessary" with the expectation that the Committee on Appropriations will provide whatever funds are needed.

The precise costs of a strategic petroleum reserve can vary considerably, depending upon the exact size of the reserve created, the kind of oil stored, the type of storage facility provided and the source of the oil that is stored.

The kind of reserve that S. 677 contemplates will likely have a capacity of 500 millions of barrels and will store crude oil instead of refined products. Many will be located in salt domes along the gulf coast. The cost of preparing these salt domes and of developing associated facilities to accommodate a crude reserve of this size will be approximately $600 to $900 million spread over several years. But the major cost of the strategic reserve is the oil itself. Were the oil that will be stored actually purchased on the open market, the cost of the required petroleum would be roughly $5.5 billion.

However, the strategic reserve may well be filled from the oil in the naval petroleum reserve—NPR—which already belongs to the people of the United States, in which case a direct billion dollar expenditure can be avoided. But we must remember, and some people seem to forget, that "the opportunity costs" of the naval petroleum reserves are equally great. By using the petroleum of the naval reserve for the strategic reserve, the opportunity to use the oil in a different manner is foreclosed. For example, use of the same oil in commercial production could provide the Federal Government with income of $5.5 billion. To truly appreciate the costs associated with earmarking the naval petroleum reserve oil for the strategic reserve, we must realize that we are losing a potential Federal income of $5.5 billion. If we sold this oil instead of storing it, this $5.5 billion could either reduce total Federal expenditures or pay for new programs.

Thus the bill we are considering today will "cost" us well over $6 billion over its life; yet the first year outlays, possibly in fiscal year 1976, are unlikely to be more than $150 million. The committee report on S. 677 envisions several scenarios that it believes would result in higher fiscal year 1976 spending. But I believe, particularly now that we are already into the new fiscal year, that such higher expenditures in fiscal year 1976 are unlikely.

Nevertheless the bill is a significant wedge and every Member of the Senate should realize that S. 677 is in fact a multi-billion-dollar item which must be paid for in future years.

When Congress adopted its budget resolution in May, it established targets for total Federal spending and revenues in fiscal year 1976. The statement of managers accompanying the conference report on the budget resolution contained spending targets for the functional categories into which the overall spending is divided.

S. 677 falls within the natural resources, environment and energy function of the budget for which the budget resolution contemplated $11.6 billion, $1.5 billion above the $10.1 billion allotted to this function in the President's adjusted budget. The Budget Committees allocated these additional funds in large part because of a conviction that energy independence and diversification require a significant commitment of new resources this year. Clearly, the $150 million S. 677 will cost in fiscal year 1976 is pertinent to this commitment.

The $10.1 billion requested in the President's budget is required to meet ongoing commitments in the natural resources, environment and energy function. The additional $1.5 billion provided by the resolution is slowly beginning to be spoken for, and this is an important fact for the committees with jurisdiction in this area to note. In addition to S. 677 there are other bills at various stages in the legislative process that must be taken into account. S. 598, the 1976 authorization for ERDA, S. 586, the coastal State offshore oil impact legislation, S. 327, the land and water conservation fund amendments and other bills all involve expenditures that must be accommodated within this $1.5 billion. We have not yet exceeded this functional target, but we no longer have the full amount to use. And, of course, with several committees authorizing programs within the natural resources, environment and energy function it becomes increasingly important for these committees to consider the budgetary impact of not only their own actions but also of the actions taken by the other committees as well.

In conclusion, Mr. President, let me state three points about S. 677 that are critical from a budgetary point of view: First, the bill will require considerable outyear costs and thus constitutes a significant wedge; second, the bill's real costs are far more than the $600–$900 million facilities expense. They include a $5.5 billion outright purchase of oil or the $5.5 billion loss of revenues through opportunity costs that would result from using the NPR's to stockpile the reserve; and third, S. 677 by itself is within the functional target of the budget resolution, but the additional $1.5 billion provided by this resolution for natural resources, environment and energy is slowly being accounted for.

Mr. President, on balance, I plan to vote in favor of this bill. The goal of energy independence—and the special goal in this case of protecting ourselves from the disastrous effects of an embargo—are compelling. But Members of the Senate should be aware that the costs of this legislation are likely to be very high over its life, and can be affected substantially by the exact means in which the legislation is carried out.

Mr. JACKSON. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At page 26, beginning at line 6, amend subsection (e) to read as follows:

"(e) require by rule, regulation, or order that importers or refiners maintain in readily available inventories stocks of crude oil, refined petroleum products, and residual fuel oil equal to the average volume of such inventories maintained for the corresponding month of the three preceding years. As used in this subsection, the term "readily available inventories" means those inventories which can be used without affecting the importer's or refiner's operations at normal capacity and shall not include minimum working level inventories or other unavailable stocks."

Mr. JACKSON. Mr. President, S. 677, as reported to the Senate, includes in section 301 (e) authority for the Administrator of FEA to require importers and refiners to maintain minimum working-level inventories equal to the average volume of such inventories maintained for the corresponding month of the 3 preceding years. The purpose of this section was to give the Administrator the essential authority to prevent industry from reducing inventories below customary levels, either because of reliance on a strategic reserve system or because of economic considerations. However, the language of 301(e), which refers to minimum working-level inventories, does not fulfill the committee's intent. By definition, a refiner cannot function without minimum working-level inventories. The section should have referred to the maintenance of readily available inventories. The amendment I have proposed would substitute that phrase for the term "minimum working-level inventories." I trust that this amendment can be agreed to so that that clarification can be made.

Mr. HANSEN. With reluctance I must oppose the amendment proposed by the distinguished chairman of the Committee on the Interior.

Mr. President, I have already addressed the amendment proposed by Senator JACKSON in my opening statement. I simply want to add that the marketplace rather than the Federal Energy Administration is the best determiner of fuel needs.

I would point out that the amendment now proposed by the distinguished chairman of the committee was struck in the markup of the bill by the Interior Committee. I think our action was well-advised, and despite my great sympathy with the distinguished chairman of the committee and the purpose that he hopes to achieve by this provision, I think it is the wrong way in going about trying to achieve the facilities that, hopefully, would be required and would be made available to store the oil that could be produced from, among other sources, the naval reserves.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. HANSEN. Yes, I would be happy to yield to the distinguished Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's yielding.

I have what may be an unnecessary question. As I understand, some of this oil would be stored in some natural vats, it might be salt vats, something of this nature. Is the committee satisfied that there would not be any leakage or that it would be minimal or are we in any way in danger of losing our supplies by the storage that is contemplated? This would be a disastrous thing if somehow we put this oil back in the ground and lost any large percentage. I have no knowledge of this. I am just asking the question. Is the committee satisfied that there would be no waste of this oil when we store it somewhere in some natural storage places?

Mr. HANSEN. I would be presumptuous if I tried to speak for all the members of the committee but, insofar as I know, I believe the members of the committee are agreed on the technological feasibility of storing oil in the salt domes.

Mr. WILLIAM L. SCOTT. What precaution is being taken to assure that this oil will not leak out and be wasted?

Mr. JACKSON. The answer to the Senator's question is very simple. The administration and others have testified that salt dome storage has been tried and tested, and it has been proven as an efficient and economical means of storing crude oil.

Mr. WILLIAM L. SCOTT. Why would it be stored in something like this rather than in storage tanks?

Mr. JACKSON. Because the cost of salt dome storage is far less than aboveground steel tank storage. You encounter very, very large costs when you consider establishing a strategic storage in tanks above ground.

Second, of course, underground in salt domes it is less vulnerable from the security standpoint.

Mr. WILLIAM L. SCOTT. Does the Senator know what percentage, if any, leakage there might be?

Mr. JACKSON. Well, I cannot say there is no leakage, but it is virtually nil, and we had expert testimony on the issue of salt domes. We had several expert witnesses on this particular approach.

The cost factor for steel tanks is several times more. As I recall the cost of tank storage is from $3–$10 a barrel. It is under $1 per barrel in salt domes.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield to me further?

Mr. JACKSON. Those are round figures. I will supply the exact figures for the RECORD.

Mr. WILLIAM L. SCOTT. What is the advantage—not being on the committee I have not heard any testimony with regard to this—of taking it out of the ground where it is now and putting it back in the ground somewhere else?

Mr. JACKSON. Can I illustrate very simply?

Mr. WILLIAM L. SCOTT. If the Senator will do so.

Mr. JACKSON. We have roughly 1.1 billion barrels of oil, approximately, in the Elk Hills. All right. The maximum daily flow would be about 300,000 barrels per day.

If you take the 1.1 billion barrels, just using it for purposes of illustration, and put it in salt domes, you can draw out 3 million, 4 million, 5 million barrels a day. But you are caught in a very vulnerable situation when you are consuming 17 million barrels a day and importing 6.6 million but you can only withdraw from in situ storage, that is underground, 300,000 barrels a day.

So by taking it out of the ground where its production rate is restricted, and putting it into storage facilities you have the flexibility to produce the volume required at the rate needed. You do not have that flexibility with shut in production.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. WILLIAM L. SCOTT. When you are storing raw petroleum, the same way you take it out of the ground, do you put it back in the same way?

Mr. JACKSON. It is crude oil.

Mr. WILLIAM L. SCOTT. Still crude oil.

Mr. JACKSON. Yes, unrefined.

Mr. GLENN. Mr. President, if the Senator will yield, I think there are methods for sealing the salt domes, and they can test these with water before the oil is put in, and they can pump the water back out again and make sure that the loss is not exorbitant, which is the concern of the Senator.

Mr. WILLIAM L. SCOTT. That is right. I do not have the technical knowledge, and I just wanted to be sure that the committee did obtain the necessary technical knowledge, because we would have a hue and cry all over the country, and rightly so, if this oil leaked out, wherever it is stored.

Mr. GLENN. It is a very legitimate concern, and I think there are methods of checking it, so I am told, where they can use water checking and can measure the actual loss of water that would run out in smaller areas than the crude oil would.

Mr. JACKSON. The precise answer to the Senators' question is in the Project Independence report. Salt domes storage costs are 60 to 85 cents a barrel. Aboveground tank storage costs $3.80 to $7 per barrel. That is from the report on Project Independence.

Mr. WILLIAM L. SCOTT. I thank the Senator.

Mr. JACKSON. Mr. President, could we have a vote?

Mr. HANSEN. I know there is another meeting going on, and I am not trying to delay the situation, but——

Mr. JACKSON. We have several amendments.

Mr. KENNEDY. Mr. President, will the Senator refer action—I did not know whether in trying to deal with the current situation the Senator wanted to set aside action on this amendment and consider two other amendments.

Mr. HANSEN. If we could do that, that would be all right, if it would be all right with the chairman of the committee.

Mr. JACKSON. Then I have an amendment I wish to offer, and the Senator from Colorado has an amendment to offer. So if the Senator from Massachusetts will proceed, we are under a very strict time limitation.

Mr. KENNEDY. We do have a very strict time limitation.

Mr. President, I send an amendment to the desk in behalf of myself and the Senator from Maine.

The PRESIDING OFFICER. Is the Senator asking that the pending amendment be set aside, with the understanding and the approval of the manager and ranking member of the committee?

Mr. JACKSON. Mr. President, I ask unanimous consent that my amendment be set aside in order to take up two amendments offered by the Senator from Massachusetts.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 20 after subsection (c) insert a new subsection (d) and remember other subsections accordingly.

(d) The Administrator is hereby authorized and directed to establish within five years of the date of enactment of this Act and to maintain thereafter, regional petroleum reserves of No. 2 fuel oil in PAD districts wherein more than 10 percent of demand for such commodity has been met by imports during the preceding twenty-four month period or in Federal Energy Administration regions as defined in Title 10 Code of Federal Register where imports into such regions constitute more than 20 percent of demand for such commodity during the previous 24-month period. The Administrator shall accumulate and thereafter maintain in storage in the PAD district or the Federal Energy Administration region in tanks or otherwise a reserve for No. 2 fuel oil equivalent to not less than 90 days of supply based on the average monthly volume of imports into the PAD district or the Federal Energy Administration region during the previous heating season of September through April.

On page 21, line 3, replace "subsection (c)" with "subsection (c) and (d)"

Mr. KENNEDY. Mr. President, first of all, I commend the floor manager of the bill and the members of the committee for recognizing the importance of establishing a strategic reserve. It has been established, hopefully, first of all, to insulate us from a political threat of embargo; secondly, to reduce the economic impact and the impact on the health and welfare of our citizens were such embargo to exist.

At the outset, I should also like to commend the chairman and the committee for establishing the concept of a regional reserve. This is a recognition that an effective storage system must be flexible enough to deal with regional variations in oil consumption; it also recognizes that an effective system must place the products in storage in or close to the areas of consumption. The essence of a storage system is its credibility: Those who would challenge us must be convinced that our counter measures will work. The regional concept is essential to this goal.

Overall, the bill is designed to give us leverage against any future OPEC embargo, a purpose I have long supported. My only concern is that this goal could be undermined if it appeared that we were unable to provide for the basic heating needs of a substantial segment of our population.

The import standards in section 203(c) raise problems in the case of No. 2 fuel oil in this regard. As the Senate knows, the six States of New England consume more than 20 percent of the Nation's home heating oil; the nine Northeastern States—New England plus New York, New Jersey and Pennsylvania—consume nearly 65 percent. The Northeast is the only region where the majority of homes do heating by oil; in some areas the level is 80 to 90 percent. Imports of home heating oil historically have run more than 25 to 30 percent of annual demand and far higher during the winter peak.

So we are unique. We are heavily dependent on one fuel for a vital function. The consumption of that product is concentrated in the winter months. During the 4 months of December-March, more than 70 percent of all the No. 2 fuel is burned. And that proportion may be even larger if the weather is particularly cold.

One further fact is important: Because of the extensive conservation that has taken place in our region in the case of home heating oil, the demand for this product has dropped sharply. I might add that our record in saving of fuel has provided an example of what can be done in other fuels in other regions. Usage of No. 2 fuel is 10 to 15 percent below 1972 levels.

Because of the drop in demand, imports have dropped correspondingly. Measured over the entire P.A.D. District I, that is the U.S. east coast from Maine to Florida, imports have now fallen well below 25 percent of the annual volume; they are now in the 15 percent range. Obviously, under the 25 percent standard of section 203(c) no product storage system would be authorized for No. 2 fuel oil. The only product actually covered would be residual fuel oil. Yet we still are far above that 15 percent range in New England and the Mid Atlantic States.

The lack of such storage would create serious risks and raise doubts as to the effectiveness of our strategic program.

The reasons are found in the facts I have just outlined: No. 2 fuel oil's vital role in our economy, the heavy geographic concentration of consumption and the cyclical demand pattern. I fear that, despite the reduced level of imports, a supply cut-off which occurred at the beginning of a winter, particularly a colder than normal one, could cause serious shortages in our region.

Thus, I believe it is essential that this bill authorize and require that the product storage reserve include No. 2 fuel oil. I offer a simple amendment which will establish an import standard of 10 percent of annual volume for this one product, if the P.A.D. District is considered, or a higher 20 percent standard for an individual FEA region.

Under this proposal, the Government would, under S. 677, be required to establish and maintain storage for only two products—residual fuel and home heating oil. Such a storage system will be more realistic and more effective. It will contain the two fuels on which our economy depends and in which consumption is highly concentrated, both as to time and to place. Such a system would be a clear signal that our Nation was no longer vulnerable to interruption, even during a cold winter.

There is no section of the country more sensitive to such an embargo in the area of home heating oil than my area, which is Massachusetts and New England.

If the formula of section 202 had been developed to include an FEA region rather than a P.A.D. district, we would be establishing strategic reserves for home heating oil in New England and the Mid-Atlantic regions. In those two regions alone, more than 25 percent of our citizens live. And in those regions, the vast majority of homes are heated by No. 2 oil.

We have attempted in this amendment to set up a similar procedure which has been outlined in the committee reported bill, but to also recognize the particular needs that we are facing in the New England area and in the Northeast in general.

We also, in the second section of the amendment, provide that the provision as to home heating oil reserves also will be subject to the substitution provision of section 202(d) of the committee bill. If the Secretary can achieve the exact results that have been specified in the new subsection—assuring a 90-day supply—through another method and can give assurances to that respect then that would be sufficient.

I am hopeful this amendment will be accepted, Mr. Chairman. It seems to me, under the existing provisions or formula, the areas which are most dependent on home heating oil imports would be extremely vulnerable. It seems to me this amendment is a reasonable way to cope with the problem.

I yield a minute and a half to the Senator from Maine.

Mr. MUSKIE. I thank the distinguished Senator from Massachusetts and commend him for offering this amendment and I express my appreciation also to the manager of the bill for understanding our problem.

The Kennedy amendment really is in the spirt of section 203(c) which undertakes to create authority to establish reserves that are reflected in the reality of usage in particular areas of the country.

So there is no question but what New England has an identifiable special concern with the availability of home heating oil. Over the past two winters the energy problem has created particular hardship among 90 percent of the homes of New England because of this fact and it seems to me that eligibility for special consideration in the establishment of reserves in accordance with the Kennedy amendment would fit the spirit of section 203(c).

So I urge the manager of the bill to give consideration to this amendment and perhaps we can work out a solution.

Mr. JACKSON. Mr. President, there were some problems with the pending amendment, but it addresses a difficult question and that is the need to provide for some kind of reserve as far as home heating oil is concerned.

It is a critical problem, and I am prepared to take it to conference so that we will have an opportunity to thoroughly review it.

I am in agreement as to the need for a resolution of this problem. I would hope we could vote on it.

Mr. HANSEN. Mr. President, I understand the concern of the Senator from Massachusetts and I think that the chairman of the committee was entirely correct in saying that there may be some problems with it.

I share his concern in anticipation of the situation that would be afforded us later to discuss it.

I have no objection to it being included with that.

Mr. JACKSON. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, if the Senator will yield 2 minutes.

Mr. JACKSON. Yes, I think this is the study amendment.

Mr. KENNEDY. Yes, the study amendment. I would like to offer it for myself and the Senator from Maine (Mr. MUSKIE) and I ask that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, on line 8, strike "and".

On page 28, on line 13, strike the period and add "; and"

On page 28, after line 13, insert the following new subsection:

(n) Adjust the processing operations of domestic refineries to produce refined products in proportions commensurate with national needs and consistent with the objectives of section 4(b) of the Emergency Petroleum Allocation Act of 1973.

Mr. KENNEDY. Mr. President, this amendment provides for restatement of the authority that has already been included in S. 622, that if the Administrator finds it is necessary to require an adjustment in the product mix of refineries to produce more heating oil or another scarce product, in time of need, he will have that authority.

It has passed the Senate on two different occasions virtually unanimously. It is in conference now.

I do not feel there will be any problem in terms of the conference, but this amendment does at least insure that the Administrator will have the authority to insure that our section of the country will be provided with heating oil. This amendment includes the citation to the Emergency Petroleum Allocation Act to insure that the priorities of that act, particularly section 4(b)(1)(A) of Public Law 93–159.

Mr. JACKSON. Mr. President, this is a very helpful amendment, it requires a study of the strategic reserve system in its aggregate. I am prepared to accept it.

Mr. HANSEN. May I be certain I understand what the Senator from Massachusetts is saying, this simply calls for a study and nothing further?

Mr. KENNEDY. It is the exact restatement of the authority which exists already in S. 622 permitting the Administrator to adjust refinery runs where there is a particular national need in accord with the provisions of the Emergency Petroleum Allocation Act which require specific consideration of regional needs, under section 4(b)(1)(F).

What it will do is insure that particular authority is included in the legislation.

Mr. HANSEN. Mr. President, I certainly have no objection to a study being made, but if I am not misinformed I think this amendment now proposed would go beyond a study and would give the Administrator the authority to spell out what types of products would be refined.

Am I right about that?

Mr. KENNEDY. The Senator is quite right. The study was in the first section of this amendment as drafted, which no longer is needed. Now, we tried to use the identical language that has already been accepted by the Senate on two different occasions and most recently in S. 622 which permits the Administrator to adjust the refinery runs where there is a national or regional need in accordance with the provisions of the Emergency Allocation Act. That sets out very careful details about when the Secretary will have that authority, and it was the subject of a good deal of interest and discussion and action by the Interior Committee.

What we really attempted to do here is to make sure that if, for some reason, that provision is dropped in the conference, he will—under this amendment have authority to require changes in product mix by refineries, to make sure that New England would get adequate home heating oil.

We want to make sure that authority is there. We have attempted to take, effectively, boilerplate language which has been approved by the committee to insure that that authority would be there.

Mr. HANSEN. Would the Senator from Massachusetts be willing to amend his amendment to provide that the provisions of the amendment would become applicable only in the event of a future embargo?

Mr. KENNEDY. That language would be agreeable and I amend my amendment.

Mr. HANSEN. With that understanding, I have no objection.

Mr. KENNEDY. Mr. President, I amend my amendment to include that language and the words would be, in the case of an embargo, or the threat of an embargo.

Mr. HANSEN. Well, I think the threat of an embargo is pretty hard to define. I do not think that an embargo would be difficult to determine, if the Senator would restrict it to the imposition of an embargo.

Mr. KENNEDY. I amend my amendment in that manner. I thank the Senator.

I ask unanimous consent to include the junior Senator from Maine on both of these amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Will the Senator send his modification to the desk?

The question is on the amendment, as modified.

The amendment, as modified, was agreed to, as follows:

On page 28, on line 8, strike "and".

On page 28, on line 13, strike the period and add "; and"

On page 28, after line 13, insert the following new subsection:

(n) In the case of an embargo adjust the processing operations of domestic refineries to produce refined products in proportions commensurate with national needs and consistent with the objectives of section 4(b) of the Emergency Petroleum Allocation Act of 1973.

Mr. JACKSON. Mr. President, I call up my unprinted amendment, which is at the desk, on behalf of Senator GLENN and myself, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(1) At page 14, beginning at line 21, amend subsection 201(a) to read as follows:

"(a) In order to protect the United States economy against interruptions in energy imports and to provide adequate energy inventories for national security purposes there is hereby created a strategic energy reserve system (hereinafter referred to as the "system") for those fuels subject to the provisions of this Act which shall be composed of—

(1) national strategic energy reserves;

(2) regional petroleum product reserves;

(3) interim industry storage reserves; and

(4) such other components of the system as may be authorized by Congress."

(2) At page 23, after line 9, insert the following new Sec. 204.

"SEC. 204. INTERIM INDUSTRY STORAGE RESERVES.—(a) There are hereby authorized to be created interim industry storage reserves which shall consist of crude oil, residual fuel oil, or refined petroleum products maintained in storage by importers and refiners.

"(b) From the date of enactment of this Act until such time as the national strategic energy reserves authorized by section 202 and the regional petroleum product reserves authorized by section 203 of this Act are complete, the Administrator is authorized to require that every importer of crude oil, residual fuel oil, or refined petroleum products and every refiner of crude oil shall acquire, store, and maintain in readily available inventories, as reserves, crude oil, residual fuel oil, or refined petroleum products in amounts as determined by the Administrator, but in no event to exceed 3 per centum of their imports or refinery throughput of the previous calendar year.

"(c) After the completion of the national strategic energy reserves authorized by section 202 of this Act and the regional petroleum product reserves authorized by section 203 of this Act, the Administrator may require by rule, regulation, or order that importers or refiners maintain in readily available inventories stocks of crude oil, refined petroleum products, and residual fuel oil equal to the average volume of such inventories maintained for the corresponding month of the three preceding years.

"(d) Every barrel of crude oil, residual-fuel oil, or refined petroleum products imported and stored in the interim industry storage reserve shall be exempt from any tariff or import license fee now or hereafter imposed.

"(e) As used in this section, the term "readily available inventories" means those inventories which can be used without affecting the importer's or refiner's operations at normal capacity and shall not include minimum working level inventories or other unavailable stocks.

"(f) In order to maintain an economically sound and competitive petroleum industry, the Administrator shall implement this section with appropriate provision for avoiding inequitable economic impacts on refiners and importers and shall make specific provision for full or partial exemption or other relief for any refiner or importer who might otherwise incur undue hardship as the result of regulations implemented under the authority of this section. Such relief may include, but shall not be limited to, provision for the storage of petroleum owned by such importers or refiners in surplus storage capacity owned by the Federal Government."

(3) At page 23, line 10, renumber Sec. 204 as Sec. 205.

(4) Beginning at page 24, line 12 and continuing through page 25, line 9, delete subsection (d).

(5) At page 26, lines 6–11, delete subsection (e) and reletter the subsequent subsections.

(6) At page 28, line 8, after the word "Act;" delete "and."

(7) At page 28, after line 13, insert the following new subsection:

"(m) require any importer of crude oil, residual fuel oil, or refined petroleum products or any refiner of crude oil to acquire, store, and maintain crude oil, refined petroleum products, and residual fuel oil in the interim industry storage reserve pursuant to section 204 of this Act; and

"(n) allow any person owning crude oil, refined petroleum products, or residual fuel oil from the interim industry storage reserves created pursuant to section 204 of this Act to remove or otherwise dispose of such reserves."

Mr. JACKSON. Mr. President, S. 677 requires the creation over a period of 7 years of strategic energy reserves equal to 90 days of imports. This policy strikes a balance between the desirability of creating the largest possible reserve at the earliest possible date and practical considerations of economy, availability of oil for storage, availability of storage facilities, and the impact on the petroleum industry and consumers of attempting to store great volumes of oil in a short period of time. The requirement that the reserve be created within 7 years is based upon testimony before the committee which indicated that, while an earlier completion date would be preferable, it is not practicable for both economic and technical reasons.

In order that the reserves may be filled as rapidly as possible the Administrator is required to give priority to the use of existing storage capacity. It is further required that the reserves be filled in accordance with a schedule set forth in the bill.

However, there remains the critical problem of how best to provide some minimum protection against embargo during the period in which the reserves are being filled. It is that problem which my amendment addresses. The amendment is designed to assure that the Administrator can maintain a modest volume of crude oil and product as reserves during the 7-year period of maximum vulnerability to supply cutoffs. It authorizes the Administrator to require that importers and refiners maintain readily available inventories, volumes of petroleum equal to up to 3 percent of their imports or throughput during the preceding calendar year. Nationally, this would equal up to 180 million barrels. The purpose is to afford a defense against supply interruptions during the time required to create the national strategic energy reserves and regional petroleum product reserves.

Petroleum imports placed in such reserves are exempted from tariffs or import fees. The Administrator is further authorized to require that importers and refiners maintain readily available inventories equivalent to such inventories in the corresponding month of previous years. The purpose of this provision is to preclude total reliance upon the reserves created by this act as a defense against supply interruptions. It would also prevent the occurrences of the current situation in which gasoline stocks have gone from surplus to near shortage in a matter of months.

FEA estimates that the cost of such a storage requirement over a 3-year period would be 21 cents a barrel or one-half cent a gallon. The cost would be even lower if existing storage were utilized. To the extent that implementation of this requirement necessitates construction of new storage, it is largely storage that would be required in any event, due to anticipated annual demand growth of at least 2 percent per year even with expected conservation.

Obviously, the impact of such a requirement, if imposed by the Administrator, could fall unevenly on different companies and different sectors of the industry. The Administrator could, of course, make allowances for this fact in promulgating regulations. To insure that he does so, subsection (f) on page 3 of the amendment requires that:

> The Administrator shall implement this section with appropriate provision for avoiding inequitable impacts on refiners and importers and shall make specific provision for

full or partial exemption or other relief for any refiner or importer who might otherwise incur undue hardship as the result of regulations implemented under the authority of this section. Such relief may include, but shall not be limited to, provision for the storage of petroleum owned by such importers or refiners in surplus storage capacity owned by the Federal Government.

Mr. President, it is imperative that timely action be taken to afford the Nation early protection against the adverse impacts of oil supply interruption which remain an ever present danger. My amendment would provide that protection and I urge my colleagues support.

Mr. President, I ask unanimous consent to have printed in the Record a letter of July 8, addressed to me by Frank Zarb, Administrator, supporting the amendment that has been offered. I think it is self-explanatory. I will just quote the pertinent part of the letter that relates to this from Mr. Zarb:

> Secondly, we are concerned that the bill does not contain provisions which would authorize the President to require the participation of the Petroleum Industry in supporting such a system. Such authority was included in Title II, and we understand that you intend to introduce an amendment for that purpose on the floor of the Senate. I further understand that your amendment would authorize the Administrator of FEA to temporarily require importers and refiners to acquire, store, and maintain reserves of petroleum and petroleum products.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Federal Energy Administration,
Washington, D.C., July 8, 1975.

Hon. Henry M. Jackson,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: I understand that S. 677, a bill authorizing a Strategic Petroleum Reserve System, has been reported out by your Committee and will soon be considered by the Senate.

As you know, the Administration strongly supports the concept of a strategic reserve system. In January, when President Ford submitted his national energy program to Congress, he pointed out that, even if all aspects of that program were implemented, this country would still be importing between three to five million barrels of petroleum per day by 1985. If we were subject to an interruption of imports at that time, only a portion of the shortfall, approximately 1.5 million barrels per day, could be covered by the emergency conservation measures requested by the President in Title XIII of the Administration's Energy Independence Act of 1975.

In order to provide further protection, the President therefore requested in Title II of the above mentioned Act, a Civilian Strategic Petroleum Reserve System of up to one billion barrels which would, in conjunction with the aforementioned conservation programs, be sufficient to protect the Nation from an interruption of petroleum imports. Such a system would provide the Nation with approximately three million barrels of oil per day for one year.

The Administration has also proposed full-scale development and production of the Naval Petroleum Reserves as a source of funding and oil to develop the Strategic Reserve System. While we understand that the Interior Committee does not have jurisdiction over the Naval Petroleum Reserves, we fully support the Committee's position that unlimited NPR production is essential to implement a Strategic Reserve System.

Although S. 677 is different from Title II of the President's Omnibus Energy Bill, with two exceptions we believe it to be a workable approach for implementing a Strategic Reserve Program. Our first concern with the bill in its present form is the requirement of a submission to Congress, subject to disapproval by either House, in order to depart from the inflexible timetables for more than six months. We believe that filling the reserves under the stipulated schedule could be difficult to meet if environmental and economic disruptions are to be avoided or minimized. The rate of production from the Naval Petroleum Reserves, for example, is a key factor in minimizing the financial impact and disruption of petroleum markets. Adherence to a rigid schedule could require the Federal Government to buy oil on the world markets in periods of peak prices, rather than use Naval Petroleum Reserves oil. Meeting requirements for environmental protection could also require a schedule different from that now stipulated in the bill. For all these reasons, we urge an amendment to make permissive the now mandatory schedule for implementation.

Secondly, we are concerned that the bill does not contain provisions which would authorize the President to require the participation of the Petroleum Industry in supporting such a system. Such authority was included in Title II, and we understand that you intend to introduce an amendment for that purpose on the floor of the Senate. I further understand that your amendment would authorize the Administrator of FEA to temporarily require importers and refiners to acquire, store, and maintain reserves of petroleum and petroleum products.

In order that the administration of this authority would not disadvantage particular segments of the petroleum industry, your amendment also makes clear that FEA should make specific provisions for full or partial exemption or any other relief for any importer or refiner who might otherwise incur undue hardship. This would include, among other possibilities, that the Government could make available surplus storage capacity to the private sector. We support the adoption of your amendment.

Although any final decision on whether industry would be required to participate in the Strategic Storage System should await a detailed analysis of its feasibility, we are of the opinion that such a program should not be limited solely to the Federal Government. Private industry also has a significant role to play, as it is recognized in Japan and most of the European countries. Since it appears that we will be most vulnerable between now and the time when a Federally owned Strategic Storage System will be in place in five to seven years, industry participation would provide essential protection in the interim.

A Strategic Petroleum Reserve is an important element in any comprehensive energy program, as it ensures that the Nation will be adequately protected against the possibility of an interruption of our petroleum supplies. We believe that any enabling legislation should provide flexibility for orderly development at minimum cost and include the possibility of industry participation in the implementation of such a system. It is for these reasons that we support adoption of your proposed amendment, and an amendment that would make the implementation timetable permissive and not mandatory.

The Office of Management and Budget has advised that there is no objection to the presentation of this letter from the standpoint of the Administration's program.

Sincerely,

Frank G. Zarb,
Administrator.

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the Record at this point an opinion regarding the constitutionality of the proposed amendment from the Library of Congress.

There being no objection, the opinion was ordered to be printed in the Record, as follows:

The Library of Congress,
Washington, D.C., July 3, 1975.

To: Honorable Henry M. Jackson, Chairman, Senate Interior and Insular Affairs Committee.
From: American Law Division.
Subject: Constitutionality of Proposal to Require Petroleum Importers and Refiners to Maintain Readily Available Inventories In Amounts Based Upon Their Historical Throughput or Imports.

This is in response to your inquiry regarding the constitutionality of a proposed amendment to S. 677 which would require petroleum importers and refiners to set aside in readily available inventories, as reserves, crude oil, residual fuel oil, or refined petroleum products in amounts determined by the Administrator of the Federal Energy Administration but which would not exceed three percent of their imports or refinery throughput of the previous calendar year. Such reserves would be required to be maintained until at least such time as the completion of the national strategic energy reserves and regional product reserves authorized by sections 202 and 203 of the bill. Section 204(b), (c). These stored reserves would be exempt from any tariff or import license fee then in effect or thereafter imposed. Section 204(d). "Readily available inventories" is defined as "those inventories which can be used without affecting the importer's or refiner's operations at normal capacity and shall not include minimum working level inventories or other unavailable stocks." Section 204(e).

The Administrator is authorized to mitigate "inequitable economic impacts" by full or partial exemptions from the reserve requirements or by providing for storage in surplus storage capacity owned by the Federal Government. Section 204(f). Finally, the Administrator may allow the owner of any petroleum product stored pursuant to Section 204 to remove or otherwise dispose of such stored reserves. Section 301(n).

The above-described amendment is designed as an interim measure to assure some fall back reserves in the event of an interruption of oil imports before the establishment of the strategic energy reserves contemplated by S. 677. The creation of such permanent reserves is deemed necessary by the proposed congressional findings that (1) the nation's increasing dependence on foreign energy sources poses a threat to the nation's economy, security and well-being; (2) there is a danger that energy imports are subject to interruption or reduction for political or economic reasons; (3) such reductions would have a disruptive economic effect and create hardships for Americans; and (4) there is a need to minimize the impact of an interruption or reduction by creating a system of strategic energy reserves. Section 101

If S. 677 should be enacted in its present form, it would establish a policy "to create over a period of seven years, and to maintain thereafter, strategic energy reserves in storage capable of replacing energy imports for at least ninety days in order to reduce the impact of interruptions or reductions in imports of energy supplies." Section 102

It would appear that under the present state of the law, the proposed amendment is well within the congressional power to regulate interstate and foreign commerce and would not constitute a "taking" within the meaning of the Due Process Clause of the Fifth Amendment.

I

Congress is authorized to regulate interstate and foreign commerce by Article I, sec.

8, clause 3 of the Constitution. It is under this clause that Congress has enacted a vast amount of regulatory legislation. In brief, it may be said that the power to regulate commerce includes a power to make police regulations to prevent or ameliorate economic, social or other forms and ills among the populace and is not restricted to regulating the forms and transactions of commercial intercourse, *N.L.R.B.* v. *Jones & Laughlin Steel Corp.*, 301 U.S. 1 (1937); *N.L.R.B.* v. *Fainblatt,* 306 U.S. 601 (1939); *United States* v. *Darby,* 312 U.S. 100 (1941); *Heart of Atlanta Motel* v. *United States,* 379 U.S. 241 (1964); *Katzenback* v. *McClung,* 379 U.S. 294 (1964); *Maryland* v. *Wirtz,* 392 U.S. 183 (1968); *Perez* v. *United States,* 402 U.S. 146 (1971); *Fry* v. *United States,* 43 U.S.L.W. (U.S. May 27, 1975). Moreover, implementation of this power is not restricted to reaching those matters which travel in interstate commerce (that is, which cross state lines), but extends as well to all those subject matters in intrastate commerce which singly or as a class so affect interstate commerce as to require federal regulation or which if left unregulated by federal power would debilitate or undermine the efficacy of federal regulations. Thus, purely local matters may be brought under the jurisdiction of the federal commerce power if necessary. *United States* v. *Wrightwood Dairy Co.,* 315 U.S. 110 (1942); *Wickard* v. *Filburn,* 317 U.S. 111 (1972); *Houston & Texas Ry.* v. *United States,* 234 U.S. 342 (1914). Indeed, it is clear that the congressional exercise of the commerce power may parallel the police power of the states. *Nebbia* v. *New York,* 291 U.S. 502, 524 (1934); *United States* v. *Rock Royal Cooperative,* 307 U.S. 533, 569–570 (1939).

The Supreme Court's decision in *Fry* v. *United States,* supra, is the most recent illustration of the reach of the commerce clause. In that case the State of Ohio challenged the constitutionality of the application of the wage and salary limits promulgated pursuant to the Economic Stabilization Act, as amended, Pub. L. 91–379, 12 U.S.C. 1904 note (Suppl. III, 1973), to state and local governmental employees. The Court rejected the States' argument that the commerce clause should not be read to permit such regulation since it interferes with sovereign state functions in contravention of the Tenth Amendment, stating; ". . .[t]his argument is foreclosed by our decision in *Maryland* v. *Wirtz* . . . *Wirtz* reiterated the principle that States are not immune from all federal regulations under the Commerce Clause merely because of their sovereign status. . . . We noted, moreover, that the statute at issue in *Wirtz* was quite limited in application. The federal regulation in this case is even less intrusive. Congress enacted the Economic Stabilization Act as an emergency measure to counter severe inflation that threatened the national economy. . . . The method it chose, under the Commerce Clause, was to give the President authority to freeze virtually all wages and prices, including the wages of state and local government employees. In 1971, when the freeze was activated, state and local government employees composed 14% of the Nation's work force. . . . It seems inescapable that the effectiveness of federal action would have been drastically impaired if wage increases to this sizeable group of employees were left outside the reach of these emergency federal wage controls." 43 U.S.L.W. at 4652–3.

The emergency measure of the present oil crisis has already been recognized by the courts in upholding regulations under the Emergency Petroleum Allocation Act of 1973. *Reeves* v. *Simon,* — F. 2d — (TECA No. 9–18, Nov. 27, 1974); *State of California, State Lands Com'n* v. *Simon,* 504 F. 2d 430 (TECA 1974); *Mandel* v. *Simon,* 493 F. 2d 1239 (TECA 1974); *Condor Operating Co.* v. *Sawhill,* — F. 2d — (TECA Nos. 9–10 and 5–11, Feb. 7, 1975), cert. denied 43 U.S.L.W. 3614, 5/20/75. S. 677, and the amendment thereto here under consideration is further emergency remedial legislation in contemplation of that crisis. As will be shown below, in no way is it atypical of, or more extreme than, emergency economic legislation upheld in the past.

In summary, it may be said that today it is firmly established doctrine that the power to regulate commerce, whether with foreign nations or among the several states, comprises the power to restrain or prohibit it at all times for the welfare of the public, provided only the specific limitations imposed upon Congress' powers, as by the due process clause of the Fifth Amendment, are not transgressed. *United States* v. *Carolene Products Co.,* 304 U.S. 144, 147–148 (1938).

II

As was just indicated, Congress is not entirely free of constitutional constraints in this area. In *Nebbia* v. *New York,* supra, 291 U.S. at 537, the Court observed that due process did require that a law have a reasonable relation to a proper legislative purpose and be neither arbitrary nor discriminatory. *C. F. Morey* v. *Doud,* 354 U.S. 457 (1957). Another Fifth Amendment right is entitlement to just compensation if one's property is taken for public use; it is possible that regulation under the police power would be so severe as to constitute a taking. But the fact that some regulation may reduce the value of one's property and reduce one's freedom in dealing with his property does not mean the regulation is unconstitutional in the absence of compensation. *Bowles* v. *Willingham,* 321 U.S. 503 (1944); *F.P.C.* v. *Hope Natural Gas Co.,* 320 U.S. 591 (1944); *Block* v. *Hirsch,* 256 U.S. 135 (1921). Generally speaking, the eminent domain principle arises only when there is an actual taking and application to a public use or when the value of the property is so diminished by governmental action that a "constructive" taking is presumed. *Goldblatt* v. *Town of Hempstead,* 369 U.S. 590 (1962); *United States* v. *Powelson,* 319 U.S. 266 (1943); *United States v. Causby,* 328 U.S. 256 (1946); *Griggs* v. *Allegheny County,* 369 U.S. 84 (1962).

Several lines of applicable case authority appear to support the proposition that the subject amendment is not a "taking" in the constitutional sense. The most recent, and perhaps most relevant, case involving the taking issue here raised is *Condor Operating Co.* v. *Sawmill,* supra. Condor owned an interest in oil and gas leases and had the right either to take the oil produced from the leases for itself or to sell it to others. However, for many years Condor had sold its share to Phillips Petroleum Company. Subsequent to December 1, 1973, Condor began to retain its crude oil production for itself. FEA, citing its buy/sell regulations and the requirement that supplier-purchaser relationships in existence on December 1, 1973, be maintained, ruled that Condor had violated its regulations and issued an order requiring Condor to sell its crude production to Phillips. A federal district court enjoined the order and certified to the temporary Emergency Court of Appeals the constitutional question whether the government was empowered to require an owner of property to sell its property to another party, in view of the protection of the Fifth Amendment.

The court ruled that its FEA buy/sell regulation was a rational exercise of the powers delegated to it. The urgency of the situation facing FEA was well recognized, the court said, and it would be incompatible with the rule of deference to administrative judgment and expertise to substitute alternatives differing from the rational approach of the FEA. The court concluded that neither the regulation nor the interpretation or enforcement of it against Condor was irrational, arbitrary or capricious.

On the constitutional taking issue, the court found the Supreme Court's decision in *Block* v. *Hirsch,* supra, dispositive:

"[That] case upheld the requirement of an emergency rental control measure that tenants be permitted to continue to occupy leased premises upon expiration of their leases and demonstrates that the affirmative requirement of a continued relationship for the benefit of another may be constitutionally acceptable even though property rights must be temporarily surrendered in the process, i.e., an interest in land for a substantial term."

The court then concluded as follows:

A reasoned decision for the temporary suspension of usual ownership prerogatives based upon broad national needs does not constitute necessarily an unconstitutional taking; and the issue of whether it does properly turns upon the circumstances of each case. *U.S. v. Central Eureka Mining Co.,* 357 U.S. 155 (1958). The regulation of future action based on rights previously acquired by the person regulated is not per se prohibited by the constitution. *Fleming v. Rhodes,* 331 U.S. 100 (1947). Reasonable and practical regulations which are generally fair and equitable, although not necessarily so as applied to a particular person, are not unconstitutional when general regulations are necessary to accomplish an appropriate congressional purpose. *Bowles v. Willingham,* 321 U.S. 503 (1944), *supra; Wilson v. Brown,* 137 F. 2d 348 (Em. Ct. App. 1943). Condor considers only its own situation. But agency orders are not to be read in a vacuum but rather must be interpreted in the entire context in which they arise. *Bell Telephone Company of Pennsylvania v. F.C.C.* 503 F. 2d 1250 (3d Cir. 1974).

The effect of invalidating the administrative action here would be far-reaching. The authority of the FEA, or its counterpart under any future stabilization plan, to cope with an energy crisis on the basis of a coordinated and balanced plan could be rendered questionable indeed. Essential powers of government to meet this or other crises in perilous times would be frustrated by the adoption of an excessively rigid and unprecedented construction inhospitable to broad realities. "A limit in time, to tide over a passing trouble, well may justify a law that could not be upheld as a permanent change." *Block v. Hirsh,* 256 U.S. 135, 157 (1921), *supra.*

As has been indicated, the Supreme Court denied certiorari on May 20, 1975.

A second line of relevant case authority involves challenges to state regulation of oil and gas production designed to protect or conserve those resources. In this regard the Supreme Court has held that, to prevent waste, states may require that production be prorated, and that the prohibition of wasteful conduct, whether primarily on behalf of the owners of gas in a common reservoir or because of the public interests involved is consistent with the Constitution. *Ohio Oil Company* v. *Indian* (*No. 1*), 177 U.S. 190 (1900); *Lindsley* v. *Natural Carbonic Gas Co.,* 220 U.S. 61 (1911); *Oklahoma* v. *Kansas Nat. Gas. Co.* 221 U.S. 229 (1911). Thus a statute which defined waste as including, in addition to its ordinary meaning, economic waste, surface waste, and waste incident to production in excess of transportation or marketing facilities or reasonable market demands, and which provided that whenever full production from a common source of supply can be obtained only under conditions constituting waste, a producer could take only such proportion of all that may be produced from such common source without waste as the production of his wells bears to the total production of such common source, was held not repugnant to the due process clause. *Champlin Refining Co.* v. *Comm'n,* 286 U.S. 210 (1932). When faced with the question whether a system of proration based on only potential was as fair as one based upon estimated recoverable reserves or some other combination of factors, the Court stated this was a matter for administrative and not judicial judgment. In the words of Mr. Justice Frankfurter, "In a domain of knowledge still shifting and growing, and in a field where judgement is necessarily beset by the necessity of inferences bordering on conjecture even for those learned in the art, it would be presumptuous for courts, on the bases of conflicting expert testimony", to nullify an oil proration order, promulgated by an administrative commission in execution of a regulatory scheme intended to conserve a state's oil resources, as violative of due process. *Railroad Commission* v. *Rowan & Nichols Oil Co.*, 310 U.S. 573, 581 (1940); see also *Railroad Commission* v. *Rowan & Nichols Oil Co.*, 311 U.S. 570 (1941); *Railroad Commission* v. *Humble Oil and Refining Co.*, 311 U.S. 578 (1941). For instances of other state regulations upheld as conservation measures in the face of due process objections, see *Cities Services Co.* v. *Peerless Co.*, 340 U.S. 179 (1950); *Phillips Petroleum Co.*, v. *Oklahoma*, 340 U.S. 190 (1950); *Walls* v. *Midland Carbon Co.*, 250 U.S. 300 (1920); and *Bandini Co.* v. *Supreme Court*, 284 U.S. 8 (1931). But c.f. *Thompson* v. *Consolidated Gas Co.*, 300 U.S. 55 (1937).

Another line of cases which may be applicable here involves expenditures and services which public utilities may be made to make or perform. Generally, the Court has held that the enforcement of uncompensated obediences to a regulation for the public health and safety is not an unconstitutional taking of property without due process of law *Atlantic Coast Line* v. *Goldsboro*, 232 U.S. 548, 558 (1914). Thus to require a turnpike company, as a condition of taking its tolls, to keep its road in repair and to suspend collection thereof until the road was put in good shape, did not take property without due process of law, notwithstanding the fact that its patronage at the time did not yield sufficient revenue to maintain the road in proper condition. *Norfolk Turnpike Co.* v. *Virginia*, 225 U.S. 264 (1912). Nor was a railroad bridge company deprived of its property when, in the absence of proof that the addition will not yield a reasonable return, it was ordered to widen the bridge by inclusion of a pathway for pedestrians and a roadway for vehicles. *International Bridge Co.* v. *New York*, 254 U.S. 126 (1920).

When railroads were required to repair a viaduct under which they operated, *Chicago, B. & Q. R. Co.* v. *Nebraska*, 170 U.S. 57 (1898), or to reconstruct a bridge, *Chicago, B. & Q. Ry.* v. *Drainage Comm.*, 200 U.S. 561 (1906), or to sprinkle that part of a street occupied by them, *Pacific Gas Co.* v. *Police Court*, 251 U.S. 22 (1919), their property was not taken without due process of law. Railroads also have been compelled to continue service of a branch or part of a line although the operation involves a loss, *Missouri Pacific Ry. Co.* v. *Kansas*, 216 U.S. 22 (1910), and to furnish passenger service on a branch line previously devoted exclusively to carrying freight, *C & O Ry.* v. *Public Law Comm.* 242 U.S. 603 (1917). For numerous other examples of similar regulation upholding compelled services, see The Constitution of the United States of America, Analysis and Interpretation, pp. 1347–1352 (1972).

III

Finally, it may be noted that where Congress finds that the subject activities affect interstate commerce, the courts have held that such findings are entitled to considerable weight, *United States* v. *Gainey*, 380 U.S. 63, 66 (1965); *Leary* v. *United States*, 395 U.S. 6 (1969), providing it appears that a rational basis underlay them. In determining the latter issue the courts are "not concerned with the manner in which Congress reached its factual conclusions", *Maryland* v. *Wirtz*, 392 U.S. 183, 190 n. 13 (1968), and "it is sufficient if Congress acted on the basis of common experience . . . [and] the circumstances of life as we know them." *Tot* v. *United States*, 319 U.S. 463, 468 (1943).

The Supreme Court recently reaffirmed these views in *Perez* v. *United States*, 402 U.S. 146 (1971), a case upholding the validity of Title II of the Consumer Credit Protection Act, 18 U.S.C. 891 et seq. See also 15 U.S.C. 1601 et seq. In its consideration of federal regulation of loan-sharking, Congress made extensive findings that this activity affected interstate commerce, relying heavily on the relation between loan-sharking and organized crime. The Court acknowledged that Congress has the authority to make the determination that a given "class of activities" affects commerce and accepted the Congressional findings. 402 U.S. at 156.

IV

Conclusion

The Supreme Court has long since eschewed any role in passing on the wisdom of economic regulation in assessing its constitutionality. "[R]egulatory legislation affecting ordinary commercial transactions is not to be pronounced unconstitutional unless in the light of the facts made known or generally assumed it is of such a character as to preclude the assumption that it rests upon some rational basis within the knowledge and experience of the legislators." *United States* v. *Carolene Products Co.*, 304 U.S. 144, 152 (1938). In addition to the cases cited above, the sustaining of a vast amount of legislation designed to improve the working conditions and advance the welfare of workers demonstrates the great discretion which legislators have. E.g. *NLRB* v. *Jones & Laughlin Steel Corp.*, 391 U.S. (1937) (unionization and collective bargaining); *United States* v. *Darby*, 312 U.S. 100 (1941); *West Coast Hotel Co.* v. *Parrish*, 300 U.S. 379 (1937) (minimum wages); *Lincoln Federal Labor Union* v. *Northwestern Iron & Metal Co.*, 335 U.S. 525 (1949) (regulation of union security agreements).

Sustaining a state law prohibiting persons other than lawyers from engaging in the business of debt adjusting and debt pooling, the Court summarized the modern view of substantive due process: "We refuse to sit as a 'superlegislature to weigh the wisdom of legislation,' and we emphatically refuse to go back to the time when courts used the Due Process Clause 'to strike down state laws, regulatory of business and industrial conditions, because they may be unwise, improvident, or out of harmony with a particular school of thought. Nor are we able or willing to draw lines by calling a law 'prohibitory' or 'regulatory.' Whether the legislature takes as its textbook Adam Smith, Herbert Spencer, Lord Keynes, or some other is no concern of ours." *Ferguson* v. *Skrupa*, 372 U.S. 726, 731–732 (1963). The powers of the Federal Government and the States to legislate against economic ills or to ameliorate economic harm are not to be "strait-jacketed" under the due process clauses "so long as their laws do not run afoul of some specific federal constitutional provisions . . . ." *Lincoln Federal Labor Union* v. *Northwestern Iron & Metal Co., supra*, 536–537.

Doubtlessly, all economic regulation imposes additional cost upon the regulated entities. There may well come a point at which the additional cost imposed becomes so burdensome, so disproportionate to the public interest served, that it constitutes a "taking" in the constitutional sense. At that point, the employer or other unit would have been denied due process of law; government would in effect have been attempting to require the regulated unit to shoulder the full cost of the attainment of a public end. The principle is roughly the same as that embodied in the Fifth Amendment's eminent domain clause which requires that when property is taken for a public use the owner be compensated. The guarantee "was designed to bar Government from forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole." *Armstrong* v. United States, 364 U.S. 40, 49 (1960). "The political ethics reflected in the Fifth Amendment rejected confiscation as a measure of justice." *United States* v. *Cors*, 337 U.S. 325, 332 (1949). When, however, it is not land or a factory or some other unit of property that is confiscated for a public use but the imposition of regulation to serve a public purpose it is the due process clause that is implicated.

One cannot state at what point regulation becomes a forbidden taking. In *Day-Brite Lighting* v. *Missouri*, 342 U.S. 421, 424–425 (1952), the Court sustained a state statute which made it a misdemeanor for an employer to deduct wages of an employee for four hours when the employee absented himself from the job in order to vote. The employer had complained of the cost in terms of wages paid for work not performed. "Most regulations of business necessarily impose financial burdens on the enterprise for which no compensation is paid. These are part of the costs of our civilization. Extreme cases are conjured up where an employer is required to pay wages for a period that has no relation to the legitimate end. Those cases can await decision as and when they arise. The present law has no such infirmity. It is designed to eliminate any penalty for exercising the right of suffrage and to remove a practical obstacle to getting out the vote. The public welfare is a broad and inclusive concept. The moral, social, economic, and physical well-being of the community is one part of it; the political well-being another. The police power which is adequate to fix the financial burden for one is adequate for the other. The judgment of the legislature that time out for voting should cost the employee nothing may be a debatable one. It is indeed conceded by the opposition to be such. But if our recent cases mean anything, they leave debatable issues as respects business, economic, and social affairs to legislative decision." Apparently, the Court views the matter as so free of doubt that when a state court held unconstitutional under the Fourteenth Amendment's due process clause a state statute requiring that an employee excused for jury duty "shall be entitled to his usual compensation . . . less the fee or compensation he received for serving" as a juror, the Court summarily, on the papers, without hearing oral argument, with no inquiry into actual costs, unanimously reversed the state court and sustained the statute. *Dean* v. *Gadsden Times Pub. Co.*, 412 U.S. 543 (1973).

On its face, the proposal under scrutiny would seem to more than satisfy the Court's lenient due process standards. The congressional findings and statement of policy establishes the emergency nature of the legislation and provides a recognized constitutional basis for the type of regulation contemplated. Nor can the reserve requirement be deemed irrational, arbitrary or confiscatory. The Administrator is given authority to mitigate any adverse impact of the requirement, even to the point of providing storage facilities. In addition, any oil products placed in reserve are freed from payments of import license fee or tariff and may be removed or otherwise disposed of with the permission of the Adminiistrator. Presumably this means that this imported oil may be sold at a lower price on the domestic market than other imported oil. Thus the importer in the long run may receive an economic benefit. Further the requirement of interim industry reserves will be of limited duration, i.e., seven years at most.

Thus nothing in the proposed amendment approaches any extreme and its apparent purpose (consonant with the rest of S. 677) is neither to suppress nor destroy but to promote the national interest in the face of a clear and present danger of economic hardship should oil imports be interrupted or reduced in the near future, a purpose well within the authority of Congress in legislating pursuant to its delegated powers under the commerce clause.

A final caveat: it is probably best to assume that at some point a congressional regulatory measure could deny due process, could confiscate property. Thus it may be that as ultimately passed or as implemented by FEA, the interim reserve plan could impose too heavy a burden upon importers or refiners. At this stage we are unable to assess that prospect. The question will inevitably be one of degree, of evaluation of the facts of a particular situation to determine when a measure could be said to "effectively appropriate a private business", and would become "the functional equivalent of a government taking of private property for public use." *City of Pittsburgh* v. *Alco Parking,* 417 U.S. 369, 379 (1974) (Justice Powell concurring). But as of this stage, we believe the proposed amendment would pass constitutional muster.

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Legislative Attorney.

Mr. HASKELL. Mr. President, will the Senator from Wyoming yield me a little time in view of the fact that I am going to oppose the chairman's amendment? Will the Senate from Wyoming yield me 3 minutes?

Mr. HANSEN. Yes, I yield.

Mr. HASKELL. I would like to ask the chairman of the full committee this question: This is the amendment, as I recall, that was voted down in the committee, I believe on the theory that the opponents, including myself, felt that to impose a requirement of 3 percent additional inventory would cause unknown financial consequences, depending upon the entity. It probably would not cause much of a problem to a major oil company, but it might cause problems to smaller organizations. Am I correct, I ask the distinguished Senator from Washington? Am I referring to the same amendment?

Mr. JACKSON. Substantially so, yes. This is not exactly the same amendment, but it is drawn from the amendment that was voted down in committee. Of course, it is not mandatory. It authorizes the Administrator of FEA to implement this program.

Mr. HASKELL. Will the Senator from Wyoming yield 1 additional minute?

Mr. HANSEN. I yield.

Mr. HASKELL. Mr. President, I would submit this is not a wise amendment because although 3 percent more inventory might impose absolutely no hardship on one organization, it might impose a considerable hardship on, let us say, a small refinery importing oil that had to carry as part of its inventory 3 percent of its annual throughput. The vote in the committee was based upon the unknown financial impacts. We felt it was unwise to give the Administrator this authority and, for this reason, opposed the amendment.

Mr. GLENN. Will the Senator yield for a comment?

Mr. JACKSON. Mr. President, I yield 2 minutes to the Senator from Ohio.

Mr. GLENN. Mr. President, in answer to the Senator from Colorado, in this amendment paragraph (f) is one which I proposed in committee. I had some of the same concerns in the committee as the Senator from Colorado, that marginal producers or those who might be very hard-pressed financially, might not be able to absorb the cost of this inventory and storage as proposed in this bill. As a result of that, paragraph (f) in this amendment was one that we had discussed in committee. It read as follows:

> In order to maintain an economically sound and competitive petroleum industry, the Administrator shall implement this section with appropriate provision for avoiding inequitable economic impacts on refiners and importers and shall make specific provision for full or partial exemption or other relief for any refiner or importer who might otherwise incur undue hardship as the result of regulations implemented under the authority of this section. Such relief may include, but shall not be limited to, provision for the storage of petroleum owned by such importers or refiners in surplus storage capacity owned by the Federal Government.

I was concerned also about the fact that this might cause undue economic hardship on certain producers. That is the reason that this was inserted in this amendment.

Mr. HASKELL. Will the Senator from Wyoming yield 1 additional minute?

Mr. HANSEN. I yield.

Mr. HASKELL. I appreciate the statement of the Senator from Ohio. I think it is my view and the view of those who voted against the amendment that we did not want to leave them to the tender mercies of the Administrator working out what might be a very substantial financial hardship in a given situation. I think it was further the thought of those of us who opposed this amendment that to impose this condition of carrying additional inventories without compensation was probably not fair. For that reason, we opposed this particular amendment.

Mr. JACKSON. Mr. President, in conclusion, I want to say that I believe we have addressed the problem of possible inequity in the case of smaller refineries. I want to point out that if we are going to have a strategic reserve, it is obvious that we must utilize the existing private system at least in the interim. This is what is done in other countries.

As Mr. Zarb points out on page 3 of his letter to me, he says:

> Private industry also has a significant role to play, as it is recognized in Japan and most of the European countries. Since it appears that we will be most vulnerable between now and the time when a Federally owned Strategic Storage System will be in place in five to seven years, industry participation would provide essential protection in the interim.

In other words, what we are doing here is utilizing the existing facilities throughout the private system. While we are building a Federal Government system, we maximize the use of the facilities that are available.

Mr. GRAVEL. Will the Senator yield for a question?

Mr. JACKSON. Yes, for a half minute. We are on limited time.

Mr. GRAVEL. When the Senator says that the private sector should do it, the 3 percent requirement would require the private sector to expand its capability, would it not? The private sector, to meet the requirements, would have to expand their capability by 3 percent?

Mr. JACKSON. In part, yes. But we recognize the cost here of about a half cent a gallon. But it is far less expensive than to accelerate the building of a system by the Federal Government. What we are doing is authorizing the head of FEA to move ahead on a discretionary basis, with proper regulatory authority, to utilize the facilities that are already in being.

Mr. GRAVEL. And this would require an additional investment.

Mr. JACKSON. Yes; I am not saying it would not require some additional addons in some cases. It will. But that cost will be passed through.

This is the plan that is in effect now in Europe and other countries. It seems to me that it is just commonsense that we ought to use the existing logistic supply system in the private sector now, instead of waiting for a Federal system that will be 7 years away. We may have a cutoff tomorrow; we may have it in a few months. It seems to me that the head of the FEA should have the authority to start building up reserves without delay that can be put in place by the utilization of privately owned facilities. This is just prudence, in a time of great potential peril.

Mr. GRAVEL. I agree with that, but does not the bill state that at various stages the FEA will bring into being storage capacity?

Mr. JACKSON. There is no authority to do what we are doing here except by this amendment.

Mr. GRAVEL. The point I would like to make is that we are setting up a Federal system here, which I think is well and good; but now the Senator is mandating a private system. Will they not take the same resources during the same period of time?

Mr. JACKSON. No, this is discretionary. What we are saying is, why not utilize to the maximum extent possible the private system that is in being? It is 5 to 7 years before we will have a Federal——

Mr. GRAVEL. I think the Senator is correct; the private system is underutilized. But as I read the amendment, we would be mandating, if the administration wants to do it, a 3-percent addition to the private sector's present storage capacity.

Mr. JACKSON. Three percent over the current normal inventory reserve; and this is the fastest way to get it in the shortest time possible. That is the reason for this amendment.

I think it is just commonsense that we should utilize what we have when we know that the Federal system, really to be effective, is 5 to 7 years away.

That is all I have to say.

Mr. GRAVEL. But the bill mandates it sooner than 5 to 7 years, does it not?

Mr. JACKSON. Before we will have a federal system. I am talking about, in meaningful quantities. It will take 5 years, minimum, to accomplish what we are talking about in terms of reserves in salt domes, for example.

What I am saying is we now have a logistic system, and it is not fully utilized. Why should not the administrator of FEA have authority to utilize the private system?

He is asking for it; it is not a case of our trying to impose upon the administration something they do not want.

This, to me, is so sensible that I just do not know why——

Mr. GRAVEL. The Senator will appreciate that it may impact adversely on some companies.

Mr. JACKSON. Well, there is authority here to deal with that problem.

Mr. President, the situation internationally is critical. I think we ought to take every possible step to have a better reserve posture than we found ourselves in 2 years ago.

Mr. GRAVEL. May I ask one further brief question of the manager of the bill? What was the vote in the committee by which this proposal was defeated? Was it a close vote?

Mr. JACKSON. It was a close vote, I believe.

Mr. GRAVEL. How close?

Mr. JACKSON. By one or two votes, if I recall correctly.

Mr. HASKELL. Mr. President, will the Senator from Wyoming yield me 1 more minute?

Mr. HANSEN. Yes, but before I do so, Mr. President, let me observe that I agree completely with the point being made by the Senator from Colorado.

I would remind Senators that included in this bill is a provision for the Administrator of FEA to report back his plans to Congress for the establishment of reserve capabilities. I think that to adopt this longer amendment now, at this time, would be an error.

I must say that I first opposed the amendment proposed by the distinguished floor manager of the bill, Mr. JACKSON, under a misapprehension. I thought it was another amendment that was on my desk.

I think the Senator from Colorado has made a good point. I yield 1 minute to the Senator from Colorado.

Mr. HASKELL. Mr. President, I think what we are doing here is making private industry carry 3 percent more inventory without compensation. It may be very easy for some to afford it; others may not be able to afford it. But even for those who can afford it, it would seem to me they would be entitled to some type of compensation.

Mr. President, if the proponent of this amendment intends to push it to a vote, I would be constrained to ask for the yeas and nays.

The PRESIDING OFFICER (Mr. CULVER). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that the actual vote on this measure occur at the time when we have completed the debate on the bill, and that it occur just prior to the vote on passage.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JACKSON. I think that would save time.

Mr. HASKELL. Very good.

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JACKSON. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. HANSEN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Washington has 4 minutes. The Senator from Wyoming has 3 minutes.

Mr. HANSEN. Mr. President, I ask unanimous consent that there may be allotted on this measure an additional 30 minutes, to be equally divided.

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JACKSON. Am I correct in understanding that under the unanimous consent agreement the Senator from Colorado (Mr. HASKELL) was allotted 30 minutes on an amendment that he is to offer?

The PRESIDING OFFICER. The Senator is correct, but the 30 minutes was to come out of the hour which has now virtually expired. The Senator from Washington has 4 minutes remaining, the Senator from Wyoming 3 minutes remaining, of the hour.

Mr. JACKSON. I have no objection to the request of the Senator from Wyoming.

The PRESIDING OFFICER. Will the Senator restate his request?

Mr. HANSEN. I ask unanimous consent for an additional 30 minutes to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The amendment would be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes an amendment.

Mr. HASKELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL's amendment is as follows:

At the end of the bill insert the following new title IV:

TITLE IV. NAVAL PETROLEUM RESERVES

FINDINGS

SEC. 401. The Congress hereby determines that—

(a) nationwide shortages of crude oil, residual fuel oil, and refined petroleum products caused by inadequate domestic production and the unavailability of imports sufficient to satisfy domestic demand, are an ever present danger;

(b) potential disruptions in the availability of imported energy supplies, particularly crude oil and petroleum products, pose a serious risk to national security, economic well-being, and health and welfare of the American people;

(c) the result of domestic petroleum shortages and the reduced availability of petroleum to the Armed Forces of the United States from sources outside of the United States would be to deny to the Armed Forces petroleum essential to the national defense;

(d) the state of development of Naval Petroleum Reserves Numbered 1, 2, and 3 is not adequate for the production of petroleum in the volume required for national defense; and

(e) production of petroleum from Naval Petroleum Reserves Numbered 1, 2, and 3 for storage in readily available strategic energy reserves will permit the most effective and efficient use of such petroleum to minimize adverse impacts of the disruption of imported energy supplies upon the national security, economic well-being, and health and welfare of the American people.

SEC. 402. Production of the Naval Petroleum Reserves for storage—

(a) Notwithstanding any other provision of law, the Secretary of the Navy is authorized and directed:

(1) to explore, develop, operate and produce petroleum, from Naval Petroleum Reserves Numbered 1, 2 and 3 at the maximum rate consistent with sound oil field engineering practices for a period not to exceed seven years commencing ninety days after the date of enactment of this Act, and

(2) to construct or procure pipelines and associated facilities for transporting oil, associated liquids, and gases, from Naval Petroleum Reserves Numbered 1, 2 and 3 to the points where such production will be refined or shipped.

Any such pipeline and associated facilities constructed at Naval Petroleum Reserve Numbered 1 shall have a combined delivery capability of not less than three hundred and fifty thousand barrels per day, and shall be fully operable within three years after the date of enactment of this Act.

(b) Notwithstanding any other provision of law the Administrator is authorized to place in storage, transport, or exchange petroleum produced pursuant to this section for the purpose of establishing and maintaining the National Strategic Energy Reserves established by Section 202 of this Act.

(c) As used in this section the term "petroleum" means crude oil, associated gases, natural gasoline, and other related hydrocarbons, and the products of any of such resources.

Mr. HASKELL. Mr. President, the purpose of this amendment would be to dedicate to the national strategic reserve production from, basically, Elk Hills Petroleum Reserves Nos. 1, 2, and 3. The committee unanimously—I think it was unanimous—approved this amendment. It was the committee's feelings that this is oil belonging to the United States; that its known production, in a very short period of time, could come up to somewhere in the neighborhood of 280,000 barrels a day; and that it is the cheapest source of strategic reserve oil.

The committee also recognized, however, as did I, that the final judgment as to what happens in respect to Elk Hills oil rests within the Committee on Armed Services. It was hoped that time might be had before this bill was brought to the floor for the Armed Services Committee to act on this particular subject matter. There has not been such time, and I would like to ask the distinguished Senator from Nevada, who is chairman of the applicable subcommittee of the Committee on Armed Services, what his disposition is toward considering the substance of this amendment.

Mr. CANNON. Mr. President, may I say that I cannot speak, of course, for the subcommittee because we have not met on this precise question, although we did earlier pass legislation here in the Senate authorizing production from Elk Hills at the time we were experiencing some embargo problems in this country. My own personal feeling is that, if we are going to have a strategic reserve, we well ought to have included in that the oil from the naval petroleum reserves from all four of the reserves. I would expect that at a very early time we would have a meeting of the subcommittee and attempt to consider this question and make recommendations in the form of legislation at that time.

My own personal feeling would be that we should be producing from Elk Hills and that it should go to make up a part of this strategic reserve.

Mr. HASKELL. I thank the Senator, and I believe the Senator was in the Chamber when the distinguished Senator from Wyoming, the ranking minority member, expressed that both sides of the aisle on the Interior Committee felt the same way.

In view of the Senator's indication that he will, at an early date, consider this matter in his subcommittee, it would be my disposition to withdraw the amendment.

I notice that the distinguished Senator from Mississippi, the chairman of the Committee on Armed Services, is in the Chamber, and I do not know whether he has had an opportunity to hear this discussion, but I would appreciate the Senator's comments.

Mr. CANNON. Mr. President, if the Senator will yield to me for just one further point on that, there is no authority at the present time for the direct use of oil produced from the naval petroleum reserve. The Armed Services Committee has jurisdiction over it, and it would require authorization legislation out of the committee and to be passed by Congress for this precise purpose.

Mr. HASKELL. I understand that.

Mr. CANNON. I thank the Senator.

Mr. HASKELL. Of course, my amendment would naturally give that authorization, but it was anticipated that the amendment would be referred to the Armed Services Committee.

Mr. STENNIS. Mr. President, will the Senator yield to me for a question?

Mr. HASKELL. I certainly will.

Mr. STENNIS. I understand that the Senator has made inquiry here about the handling of the bill by the full committee now being handled by the subcommittee headed by the Senator from Nevada.

On that general subject, we are interested in the legislation. So far as the chairman is concerned, he knows that the Senator from Nevada and the Senator from Washington have conferred with the Senator from Wyoming and are working together on this matter. As chairman of the committee, I would certainly move expeditiously to move along before the committee and to the Senate Chamber any proposed legislation, that is, put it before the full committee with an idea of moving it to the Chamber when it comes out of the subcommittee's work.

Mr. HASKELL. I thank the distinguished Senator from Mississippi, and I thank the Senator from Nevada for his indication that he will consider this matter promptly. I do think it is important.

Mr. President, I withdraw my amendment.

Mr. JACKSON. Mr. President, before he withdraws it, just let me add that I have been in touch with the chairman of the full committee, Mr. STENNIS and, as has been indicated, in touch continuously with the Senator from Nevada (Mr. CANNON). Our staffs are working together, and I believe that just as soon as it is possible, at the earliest possible time, that there will be, as the chairman of the full committee mentioned, expeditious action, and we will continue that relationship.

Mr. HASKELL. Mr. President, I thank the distinguished chairman of the Interior Committee for these remarks and for his assistance in this regard, and I thank the distinguished Senator from Nevada.

Now, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The question occurs on the amendment of the Senator from Washington.

Mr. JACKSON. On the previous amendment, yes.

Mr. President, could we have a voice vote on that?

Mr. HANSEN. Mr. President, a parliamentary inquiry.

We are voting on the amendment first proposed by the distinguished chairman of the full committee; is that correct?

Mr. JACKSON. Which was set aside.

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GRAVEL. Mr. President, I call up my amendment, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, between lines 3 and 4, insert the following:

(c) remote oil and gas storage reserves consisting of oil and gas to be acquired and stored by the United States, in place, pursuant to a contract or other agreement or arrangement entered into between the United States, in place, pursuant to a contract or other argeement or arrangement entered into between the United States and individuals who discovered such oil or gas in wells in remote areas;

On page 24, line 4, strike "(c)" and insert in lieu thereof "(d)".

On page 24, line 12, strike "(d)" and "(c)" and insert in lieu thereof "(e)" and "(d)", respectively.

Mr. GRAVEL. Mr. President, today, I am introducing an amendment to S. 677, the Strategic Energy Reserves Act of 1975. My amendment would authorize an additional study to be made by the Administrator of the FEA under section 204 of the bill. Specifically, it would direct the Administrator to study the feasibility of including a remote discovery incentive as part of the national reserve program.

This concept was first introduced in my energy bill, S. 1112. Its purpose is to encourage the exploration for oil and gas in areas where transportation facilities are not currently available. In all probability there are large unexplored oil and gas reserves in remote areas of our country. But, due to a lack of pipeline facilities, these reserves could not be marketed, and hence, developers have no incentive to explore for these new domestic sources. Obviously, producers will not drill for oil in areas where it cannot be brought to market. And if no wells are being drilled, there is no incentive for a transportation network to be established. This cycle of disincentives prevents large areas of potential reserves from being explored and developed.

Let us examine the case of Prudhoe Bay. It was suspected for years that the region contained oil and gas, but development could not be considered because there was no way to get the product from that remote region to major markets. However, when oil and gas were found in sufficient quantity, the construction of a transportation facility became economical. This huge oil field was nearly overlooked simply because of its remoteness from major markets.

The remote discovery incentives concept operates on the same principle. It provides producers with some return on their investment until transportation facilities are available to take their oil and gas to market.

Under the provisions of S. 1112, the Secretary of the Interior could enter into an agreement with a producer to purchase oil and gas from his well until transportation facilities become available. The United States would guarantee the purchase in place of 50 percent of the well's annual production until transportation became available or the United States had purchased a maximum of 50 percent of the capacity of the well. Once transportation facilities were in place, the first oil and gas produced would belong to the United States. The Government would have the option of selling the product at the current market price or keeping the oil and gas in storage as part of a national reserve.

There is virtually unanimous agreement on the need to decrease our vulnerability to another embargo. The way to do that is to increase our domestic production of oil and gas and to hold some in reserve for another possible shortage. The concept I am advocating does both. It could significantly increase domestic production by encouraging more active exploration in remote regions of the United States, and it will at the same time constitute an important part of a national energy reserve. I am convinced that this concept holds much promise and deserves to be studied along with the other reserves outlined by the committee in section 204.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. JACKSON. I think this is an amendment that we can accept. It requires a study that I think is entirely warranted, and I would hope that the Senate will accept the amendment.

Mr. GRAVEL. Good.

Mr. President, I ask for a vote.

The PRESIDING OFFICER. The question now occurs on agreeing to the amendment.

The amendment was agreed to.

Mr. GRAVEL. Mr. President, I send to the desk and I call up my second amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, between lines 9 and 10, insert the following:

SEC. 204A. Within six months after the date of the enactment of this Act, the Administrator shall prepare and submit to the Congress a report setting forth his views and recommendations—

(1) as to what extent, if any, Naval Petroleum Reserve Numbered 1 could have been effectively utilized to alleviate energy shortages during the so-called oil embargo;

(2) with respect to what extent, if any, the procedures required in order to increase production from oil or gas reserves within the Naval Petroleum Reserves should be modified or otherwise changed in order to enable such reserves to be better utilized in order to meet certain energy shortages within the United States;

(3) with respect to whether the Naval Petroleum Reserves could be best managed by the Secretary of the Interior, the Secretary of the Navy, the Administrator of the Federal Energy Administration, or other management, including joint management; and

(4) as to whether a program of exploration for oil and gas on Naval Petroleum Reserve Numbered 4 for the purpose of determining the extent of oil and gas resources therein could best be carried out by a Federal agency or department or by competitive agreements, including contracts or leases, entered into with the private sector.

Mr. GRAVEL. Mr. President, before going on to the further amendment, I wish to state that the Senator from Washington and I have had many serious colloquys on opposite sides of the fence. But I do commend him and the committee for this legislation.

I do not agree with every line of it, but I think it does address itself to a very vital need in the country.

Mr. President, turning to my present amendment, here again we are talking about what has been a very controversial subject.

As the Senator from Nevada pointed out, the Senate, in 1973, recognizing the Arab embargo, did pass legislation requiring the production of oil from Elk Hills Petroleum Reserve No. 1, but the House of Representatives Committee on Armed Services chose not to let that legislation out.

So, in point of fact, we had what I consider a very debilitating situation occur in the Nation. We had an embargo and we had a shortage of oil. We had a bountiful supply of oil in the hands of the military, but because of one committee in this Congress, which is a committee that deals with military matters, they were able to thwart what was in the best interests of the American people.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. JACKSON. Mr. President, I am prepared to accept to the amendment.

The Senator, as I understand it, proposes that there be a study made in connection with the naval petroleum reserves. He set out, I think, three or four different areas of inquiry, to be addressed in concert by the Secretary of the Navy and the Secretary of the Interior, as well as the head of FEA, and I would hope the Senate would accept his amendment.

Mr. GRAVEL. I really appreciate those remarks. I am batting 1,000 with the Senator from Washington. I think I better pack up and go home and take what I have. I am happy to have it go that way.

If I could ask the Senator from Washington one question, because this is a subject I know he has labored hard on. Because of his position on both committees, the Committee on Armed Services and the Committee on Interior and Insular Affairs, I wonder if he could give us his views with respect to this. I was very impressed with the views of the Senator from Nevada that the committee was going to take action. I wonder if there is any indication as to the nature of the direction this will take. Is there any possibility of bringing these reserves on line with any degree of immediacy to help alleviate the American people's needs?

Mr. JACKSON. We have not had an opportunity to sit down and discuss in depth—that is, the Senator from Nevada and I—the specificity of how we are going to handle the utilization of the naval reserves. The Senator from Nevada has stated on the floor of the Senate that he feels that these reserves are very important so far as our overall strategic reserve system is concerned. My view is that, clearly, we want to build up the reserves for strategic purposes. That includes not just the needs of the military but also the needs of the Nation economically, or we can be brought to our knees.

When we look at Naval Petroleum Reserve No. 4, we will have to take a special look, because in that one reserve, if the figures are correct, we may have more oil, as the Senator from Alaska knows better than I, than we have in the lower 48 States. On this question I should point out an error in the letter from Mr. Zarb which I introduced earlier. He stated, "we fully support the committee's position that unlimited NPR production is essential to implement a Strategic Reserve System." That is not my position. I do not believe that it is the committee's position. Finally I know of no Member who has stated it as his position.

In conclusion and without preempting the position I might want to take, on the NPR question, we will be working closely together with the Committee on Armed Services, and I will be conferring with the chairman and the chairman of the subcommittee on this issue.

Mr. GRAVEL. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JACKSON. Mr. President, I ask for the yeas and the nays on passage of the bill, and then I assume we will have third reading.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. HANSEN addressed the Chair.

The assistant legislative clerk proceeded to call the roll.

Mr. HANSEN. Mr. President, I was seeking recognition before the vote started.

The PRESIDING OFFICER. Since the Senator was seeking recognition, he will be recognized.

Mr. HANSEN. Mr. President, third reading of the bill has been requested, and I expect that following that——

The PRESIDING OFFICER. No. That would be appropriate only after the vote on this amendment and the vote on the committee amendment.

Mr. HANSEN. What is the amendment on which we are now voting?

The PRESIDING OFFICER. The amendment of the Senator from Washington.

Mr. HANSEN. The first one?

The PRESIDING OFFICER. The first one.

Mr. JACKSON. The vote is on the second amendment that I offered, is it not, Mr. President? We have already agreed to the first one on a voice vote. This is an amendment that we deferred—and on which we asked for the yeas and nays—in connection with a requirement of an industry reserve.

Mr. HANSEN. Is this the amendment that would require 3 percent?

Mr. JACKSON. The Senator is correct. There will be back-to-back votes, so that we will be voting on passage, as I understand it, after third reading.

The PRESIDING OFFICER. The next vote will be on the committee amendment in the nature of a substitute, as amended.

Mr. HANSEN. Mr. President, am I correct in my understanding that the first amendment proposed by the distinguished floor manager of the bill was adopted by a voice vote?

The PRESIDING OFFICER. That is correct.

Mr. HANSEN. We are now voting on the amendment that was first offered by the distinguished Senator from Ohio?

Mr. JACKSON. That is right—Senator GLENN and myself.

Mr. HANSEN. And this is the amendment that was opposed by Senator HASKELL and myself?

Mr. JACKSON. That is right. And supported by the head of the Federal Energy Administration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Montana (Mr. METCALF) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 60, nays 32—as follows:

[Rollcall Vote No. 262 Leg.]

YEAS—60

Abourezk
Allen
Bayh
Biden
Brooke
Bumpers
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Ford
Glenn
Hart, Gary W.
Hartke
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
McClellan
McGovern
McIntyre
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Talmadge
Tunney
Weicker
Williams

NAYS—32

Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Burdick
Byrd,
Harry F., Jr.
Dole
Garn
Gravel
Griffin
Hansen
Hart, Philip A.
Haskell
Helms
Hruska
Johnston
Laxalt
Long
Mathias
McClure
McGee
Montoya
Pearson
Scott, Hugh
Scott,
William L.
Stevens
Taft
Thurmond
Tower
Young

NOT VOTING—7

Bentsen
Curtis
Eastland
Fannin
Fong
Goldwater
Metcalf

So Mr. JACKSON'S amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. DOLE. Mr. President, I am supporting this legislation which provides for energy reserves in order to insure that sufficient amounts of energy are available to meet the Nation's needs. The Nation is becoming increasingly dependent on foreign sources. In 1974, we relied on imports for 37 percent of our requirements. Forecasts for 1975 suggest that imports will contribute over 40 percent of domestic consumption. This dependence on foreign energy sources poses a significant threat to the Nation's economy, security, and well-being. There is a continuing danger that imports of energy supplies will be subject to interruption or reduction for political or economic reasons.

The creation of a system of strategic energy reserves is important to minimize the impact of such interruptions or reductions which would cause hardship for millions of Americans. Possession of a sufficient reserve of petroleum reduces our vulnerability and minimizes the adverse impact of the Nation of any potential curtailment of oil imports. Because a system of strategic reserves would reduce our vulnerability to import curtailments, the effectiveness of an embargo as a politico-economic weapon would be significantly reduced, thereby reducing the likelihood of its employment.

A policy providing for the creation over a period of 7 years of strategic energy reserves equal to 90 days of imports is beneficial for the Nation. This policy strikes a balance between the desirability of creating the largest possible reserve at the earliest possible date and practical considerations of economy, availability of oil for storage, availability of storage facilities, and the impact on the petroleum industry and consumers of attempting to store great volumes of oil in a short period of time. A requirement that the reserve be created within 7 years also is desirable. Even though an earlier completion date would be preferable, it is not practicable for economic and technical reasons. Therefore, when compared with a strategy of seeking total near-term self-sufficiency, one that combines enhancing energy self-sufficiency with the creation of a system of strategic reserves is significantly more cost-effective.

Lastly, it is my understanding that the Committee on Interior and Insular Affairs has worked closely with the Federal Energy Administration in the drafting of this bill. I commend this type of cooperation and hope every Senator will join me in supporting this legislation.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 10-minute time limitation on the next vote, on final passage.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Montana (Mr. METCALF) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 263 Leg.]

YEAS—91

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—8

Bentsen
Curtis
Eastland
Fannin
Fong
Goldwater
Hatfield
Metcalf

So the bill (S. 677), as amended, was passed, as follows:

S. 677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Strategic Energy Reserves Act of 1975".

TITLE I—GENERAL PROVISIONS

SEC. 101. FINDINGS.—(a) The Congress hereby determines that—

(1) the Nation's increasing dependence on foreign energy sources poses a significant threat to the Nation's economy, security, and well-being;

(2) there is a continuing danger that imports of energy supplies will be subject to interruption or reduction for political or economic reasons;

(3) such interruptions or reductions would have a disruptive economic effect, creating hardship for millions of Americans; and

(4) there is a clear need to minimize the impact of such interruptions or reductions through the establishment of a national system of strategic energy reserves.

SEC. 102. DECLARATION OF POLICY.—It is hereby declared to be the policy of the United States to create over a period of seven years, and to maintain thereafter, strategic energy reserves in storage capable of replacing energy imports for at least ninety days in order to reduce the impact of interruptions of reductions in imports of energy supplies.

TITLE II—STRATEGIC ENERGY RESERVE SYSTEM

SEC. 201. GENERAL PROVISIONS.—(a) In order to protect the United States economy against interruptions in energy imports and to provide adequate energy inventories for national security purposes there is hereby created a strategic energy reserve system (hereinafter referred to as the "system") for those fuels subject to the provisions of this Act which shall be composed of—

(1) national strategic energy reserves;

(2) regional petroleum product reserves;

(3) interim industry storage reserves; and

(4) such other components of the system as may be authorized by Congress.

(b) There shall be established in the Federal Energy Administration a Strategic Energy Reserve Office (hereinafter referred to as the "Office"). The Administrator of the Federal Energy Administration (hereinafter referred to as the "Administrator") acting through the Office shall exercise authority over the establishment, management, and replenishment of the strategic energy reserve system provided for in this Act.

(c) As used in this Act, the term "crude oil" means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities.

(d) As used in this Act, the term "refined petroleum products" means gasoline, naphtha, kerosene, distillates, refined lubricating oils, and diesel fuel.

(e) As used in this Act, the term "residual fuel oil" means those fuel oils commonly known as ASTM Grades No. 5 and No. 6 fuel oils, heavy diesel, Navy Special, Bunker C and all other fuel oils which have a 50 percent boiling point over 700 degrees Fahrenheit in the ASTM D86 standard distillation test.

(f) As used in this Act, the term "importer" means any person that owns at the first place of storage any crude oil, refined petroleum product, or residual fuel oil brought into the United States.

(g) As used in this Act, the term "refiner" means any firm that owns, operates, or controls the operations of one or more refineries.

(h) As used in this Act, the term "person" means any individual, firm, estate, trust, sole proprietorship, partnership, association, company, joint-venture, corporation, governmental unit or instrumentality thereof, or a charitable, educational, or other institution, and includes any officer, director, owner, or duly authorized representative thereof.

Sec. 202. National Strategic Energy Reserves.—(a) There are hereby authorized to be created national strategic energy reserves, which shall consist of crude oil stored in tanks, natural geological formations, or otherwise.

(b) The Administrator is hereby authorized and directed to establish within seven years of the date of enactment of this Act, and maintain thereafter, national strategic energy reserves equal to not less than the volume of crude oil imports into the United States for three consecutive months.

(c) For the purpose of this section, the base period for determining the volume of crude oil imports for three consecutive months shall be those three consecutive months in the preceding twenty-four months in which import levels were the highest, which volume shall be recomputed annually.

(d) For the purpose of establishing and maintaining the reserves authorized in subsection (b) hereof, the Administrator is authorized to place in storage, transport, or exchange:

(1) crude oil produced from Federal lands, including the naval petroleum reserves to the extent authorized by law:

(2) crude oil to which the United States is entitled as royalty from future production upon Federal lands, including the Outer Continental Shelf; and

(3) crude oil acquired by purchase, exchange, or otherwise.

(e) In order to commence the establishment of the reserves authorized by subsection (b) hereof as promptly as possible, the Administrator shall give priority to the utilization of existing storage capacity for that purpose and shall place in storage:

(1) not less than 10 per centum of the oil required to be stored within eighteen months of the date of enactment of this Act;

(2) not less than 25 per centum of the oil required to be stored within three years of the date of enactment of this Act; and

(3) not less than 65 per centum of the oil required to be stored within five years of the date of enactment of this Act.

(f) If the Administrator determines that the attainment of the storage schedule, required by this section, within the times specified therein, will have substantial adverse economic impacts or if the necessary storage capacity or supplies of crude oil to be stored are temporarily unavailable, he may, after providing Congress with a justification therefor, delay the attainment of required storage levels for up to six months. Thereafter, the Administrator may further delay the attainment of required storage schedule provided that—

(1) the specific action proposed to be taken is submitted to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within sixty days of the receipt of the proposal pursuant to the procedures provided for in sections 906 (a), (b), and (c), 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this Act:

(A) any reference in such sections to "reorganization plan" shall be deemed to be a reference to "petroleum storage schedule", which for the purposes of this Act shall mean the storage schedule required by this section;

(B) such sixty day review period shall begin when such action is submitted to the Congress.

(2) The Administrator shall submit to both Houses of the Congress together with the specific action proposed a finding and report, which shall contain the following:

(A) the need for the proposed action;

(B) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

(C) the impact of the proposed action upon domestic production, consumption, and imports of petroleum and other fuels and forms of energy.

Sec. 203. Regional Petroleum Product Reserves.—(a) There are hereby authorized to be created regional petroleum product reserves which shall consist of refined petroleum products or residual fuel oil stored in tanks, natural geological formations or otherwise.

(b) The purpose of these reserves is to reduce the impact of interruptions or reductions in imports of energy supplies in any region of the United States wherein limitations in the capacity or capabilities of refineries, delivery systems, or other factors preclude the attainment of such a reduction by the storage of crude oil alone.

(c) The Administrator is hereby authorized and directed to establish within five years of the date of enactment of this Act, and maintain thereafter, regional petroleum product reserves in any Petroleum Administration for Defense District (hereinafter referred to as "PAD District") wherein more than 25 per centum of demand for residual fuel oil or any refined petroleum product has been met by imports during the preceding twenty-four-month period. The Administrator shall accumulate and thereafter maintain in storage in the PAD District in tanks, natural geological formations, or otherwise a reserve for each such commodity equivalent to not less than the highest level of imports for three consecutive months for such commodity into that PAD District during the preceding twenty-four months, which level shall be recomputed annually. Such reserves shall be available for distribution according to the terms and conditions set forth in title III of this Act.

(d) The Administrator is hereby authorized and directed to establish within five years of the date of enactment of this Act and to maintain thereafter, regional petroleum reserves of No. 2 fuel oil in PAD districts wherein more than 10 per centum of demand for such commodity has been met by imports during the preceding twenty-four month period or in Federal Energy Administration regions as defined in title 10. Code of Federal Regulations where imports into such regions constitute more than 20 per centum of demand for such commodity during the previous twenty-four month period. The Administrator shall accumulate and thereafter maintain in storage in the PAD District or the Federal Energy Administration region in tanks or otherwise a reserve for No. 2 fuel oil equivalent to not less than ninety days of supply based on the average monthly volume of imports into the PAD District or the Federal Energy Administration region during the previous heating season of September through April.

(e) The Administrator may place in storage crude oil, residual fuel oil, or any refined petroleum product in substitution for all or part of the volume of any commodity required to be stored in the regional petroleum product reserves pursuant to the provisions of subsections (c) and (d) of this section if he finds that such substitution is necessary or desirable for purposes of economy, efficiency, or for other reasons and may be made without delaying or otherwise adversely affecting the fulfillment of the purpose of the regional petroleum product reserves as described in subsection (b) of this section. Prior to making any such substitution the Administrator shall transmit his finding to the Congress together with a description of the substitution to be made and specifying the date on which it is to commence. Such substitution may commence on the date specified by the Administrator but in no case sooner than the close of the earliest period which begins after the submission of the Administrator's finding to the Congress and which includes at least thirty days during which the House was in session and at least thirty days during which the Senate was in session.

(f) For the purpose of establishing and maintaining the reserves authorized in this section the Administrator is authorized to place in storage, transport, or exchange crude oil, residual fuel oil, or refined petroleum products acquired by purchase, exchange, or otherwise.

(g) If the Administrator determines that the attainment of the storage schedule, required by this section, within the times specified therein, will have substantial adverse economic impacts or if the necessary storage capacity or supplies of crude oil, residual fuel oil, or refined petroleum products to be stored are temporarily unavailable, he may, after providing Congress with a justification therefor, delay the attainment of required storage levels for up to six months. Thereafter, the Administrator may further delay the attainment of the required storage schedule provided that—

(1) the specific action proposed to be taken is submitted to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within sixty days of the receipt of the proposal pursuant to the procedures provided for in sections 906 (a), (b), and (c) 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this Act:

(A) any reference in such sections to "reorganization plan" shall be deemed to be a reference to "petroleum storage schedule", which for the purposes of this Act shall mean the storage schedule required by this section;

(B) such sixty-day review period shall begin when such action is submitted to the Congress.

(2) The Administrator shall submit to both Houses of the Congress together with the specific action proposed a finding and report, which shall contain the following:

(A) the need for the proposed action;

(B) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

(C) the impact of the proposed action upon domestic production, consumption, and imports of petroleum and other fuels and forms of energy.

Sec. 204. Interim Industry Storage Reserves.—(a) There are hereby authorized to be created interim industry storage reserves which shall consist of crude oil, residual fuel oil, or refined petroleum products maintained in storage by importers and refiners.

(b) From the date of enactment of this Act until such time as the national strategic energy reserves authorized by section 202 and the regional petroleum product reserves authorized by section 203 of this Act are complete, the Administrator is authorized to require that every importer of crude oil, residual fuel oil, or refined petroleum products and every refiner of crude oil shall acquire, store, and maintain in readily available inventories, as reserves, crude oil, residual fuel oil, or refined petroleum products in amounts as determined by the Administrator, but in no event to exceed 3 per centum of their imports or refinery throughput of the previous calendar year.

(c) After the completion of the national strategic energy reserves authorized by section 202 of this Act and the regional petroleum product reserves authorized by section 203 of this Act, the Administrator may require by rule, regulation, or order that importers or refiners maintain in readily available inventories stocks of crude oil, refined petroleum products, and residual fuel oil equal to the average volume of such inventories maintained for the corresponding month of the three preceding years.

(d) Every barrel of crude oil, residual fuel oil, or refined petroleum products imported and stored in the interim industry storage reserve shall be exempt from any tariff or import license fee now or hereafter imposed.

(e) As used in this section, the term "readily available inventories" means those inventories which can be used without affecting the importer's or refiner's operations at normal capacity and shall not include minimum working level inventories or other unavailable stocks.

(f) In order to maintain an economically sound and competitive petroleum industry, the Administrator shall implement this section with appropriate provision for avoiding inequitable economic impacts on refiners and importers and shall make specific provision for full or partial exemption or other relief from any refiner or importer who might otherwise incur undue hardship as the result of regulations implemented under the authority of this section. Such relief may include, but shall not be limited to, provision for the storage of petroleum owned by such importers or refiners in surplus storage capacity owned by the Federal Government.

SEC. 205. OTHER STORAGE RESERVES.—Within six months after the date of enactment of this Act, the Administrator shall prepare and submit to the Congress a report setting forth his recommendations for including in the system—

(a) utility storage reserves to consist of reserves of coal, residual fuel oil, or refined petroleum products to be established and maintained by all fossil-fueled base-load electric power generating stations fueled by coal, residual fuel oil or refined petroleum products, and with a generating capacity of one hundred million British thermal units or more in an hour and sufficient to maintain normal power generation for a period of not less than three months;

(b) coal storage reserves to consist of reserves equivalent to three months of coal consumption, such reserves to consist of (1) federally owned coal mined by or for the United States from federally owned coal which coal could be mined for consumption within thirty days of an order to do so;

(c) remote oil and gas storage reserves consisting of oil and gas to be acquired and stored by the United States, in place, pursuant to a contract or other agreement or arangement entered into between the United States and individuals who discovered such oil or gas in wells in remote areas;

(d) industry storage reserves consisting of crude oil, residual fuel oil, or refined petroleum products maintained in storage by importers, refiners, or others for the purpose of reducing the adverse impact of unplanned interruptions or reductions in imports of energy supplies during the period while the reserves created pursuant to sections 202 and 203 of this Act are being established and thereafter; and

SEC. 206. NAVAL PETROLEUM RESERVES STUDY.—Within six months after the date of the enactment of this Act, the Administrator shall prepare and submit to the Congress a report setting forth his views and recommendations—

(a) as to what extent, if any, Navy Petroleum Reserve Numbered 1 could have been effectively utilized to alleviate energy shortages during the so-called oil embargo;

(b) with respect to what extent, if any, the procedures required in order to increase production from oil or gas reserves within the Naval Petroleum Reserves should be modified or otherwise changed in order to enable such reserves to be better utilized in order to meet certain energy shortages within the United States;

(c) with respect to whether the Naval Petroleum Reserves could be best managed by the Secretary of the Interior, the Secretary of th Navy, the Administrator of the Federal Energy Administration, or other management, including joint management; and

(d) as to whether a program of exploration for oil and gas on Naval Petroleum Reserve Numbered 4 for the purpose of determining the extent of oil and gas resources therein could best be carried out by a Federal agency or department or by competitive agreements, including contracts or leases, entered into with the private sector.

TITLE III—ADMINISTRATION

SEC. 301. AUTHORITY OF THE ADMINISTRATOR.—To implement the establishment, management, and replenishment of the strategic energy reserve system created pursuant to section 201 of this Act, the Administrator, in furtherance of and not in limitation of any authority, is authorized to—

(a) promulgate rules, regulations, or orders necessary or appropriate to implement the provisions of this Act;

(b) acquire by purchase, condemnation, or otherwise, land or interests in land for the location of storage and related facilities;

(c) construct, purchase, lease, or otherwise acquire storage and related facilities;

(d) acquire by purchase, exchange, or otherwise crude oil for storage in the national strategic energy reserves created pursuant to section 202 of this Act and refined petroleum products or residual fuel oil for storage in the regional petroleum product reserves created pursuant to section 203 of this Act;

(e) require by rule, regulation, or order that importers or refiners maintain in readily available inventories stocks of crude oil, refined petroleum products, and residual fuel oil equal to the average volume of such inventories maintained for the corresponding month of the three preceding years. As used in this subsection, the term "readily available inventories" means those inventories which can be used without affecting the importer's or refiner's operations at normal capacity and shall not include minimum working level inventories or other unavailable stocks;

(f) use, lease, maintain, sell, or otherwise dispose of storage and related facilities acquired pursuant to this Act;

(g) execute any contracts necessary to carry out the provisions of this Act;

(h) cause proceedings, whenever he deems it necessary to implement this Act, to be instituted in any court having jurisdiction of such proceedings to acquire by condemnation, any real or personal property, including facilities, temporary use thereof, or other interests therein, together with any personal property located thereon or used therewith, that he deems necessary to achieve the objectives of this Act;

(i) order the use, sale, exchange, or disposal of all or part of the reserves established pursuant to this Act, if (1) imports of crude oil, residual fuel oil, and refined petroleum products have fallen significantly or will within thirty days in his judgment, fall significantly below existing requirements for such imports, resulting in an existing or prospective shortage of at least 10 per centum of import requirements; or (2) if required to fulfill obligations of the United States under an international agreement to which it is a party;

(j) require that the replenishment of depleted reserves is accomplished expeditiously;

(k) use, sell, exchange, or otherwise dispose of crude oil, residual fuel oil, or refined petroleum products from the strategic energy reserve system created pursuant to section 201 or this Act which may be in excess of the volumes required to be stored by sections 202 and 203 of this Act;

(l) establish price levels and allocation procedures for any crude oil, residual fuel oil or refined petroleum product withdrawn from the national strategic energy reserves created pursuant to section 202 of this Act or from the regional petroleum product reserves created pursuant to section 203 of this Act. Such price levels and allocation procedures shall be consistent with the objectives enumerated in section 4(b)(1) of the Emergency Petroleum Allocation Act of 1973. In the event of the expiration of the Emergency Petroleum Allocation Act of 1973, price levels and allocation procedures established in accordance with this subsection shall, notwithstanding the expiration of that Act, be consistent with the purposes and standards and according to the procedures set out in section 4, subsections (a) through (d) of that Act;

(m) waive application of the provisions of the Federal Property and Administrative Services Act of 1949, as amended, with respect to procurement necessary for the purpose of this Act, if he finds it is in the national interest to do so;

(n) in the case of an embargo adjust the processing operations of domestic refineries to produce refined products in proportion commensurate with national needs and consistent with the objectives of section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(o) require any importer of crude oil, residual fuel oil, or refined petroleum products or any refiner of crude oil to acquire, store, and maintain fuel oil in the interim industry storage reserve pursuant to section 204 of this Act; and

(p) allow any person owning crude oil, refined petroleum products, or residual fuel oil from the interim industry storage reserves created pursuant to section 204 of this Act to remove or otherwise dispose of such reserves.

SEC. 302. CONDEMNATION PROCEEDINGS.—Before any condemnation proceedings are instituted pursuant to this Act, an effort shall be made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner or owners, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would involve, in the judgment of the Administrator, such delay in acquiring the property as to be contrary to the national interest. In any condemnation proceeding instituted pursuant to this section, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the Act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court, upon application, shall promptly pay to the owner at least 75 per centum of the amount so deposited, but such payments shall be made without prejudice to any party to the proceeding. Property acquired under this section may be occupied, used, and improved for the purpose of this Act prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

Sec. 303. Prohibited Acts.—It shall be unlawful for any person to violate any provision of this Act or to violate any rule, regulation, or order issued pursuant to any such provision.

Sec. 304. Enforcement.—(a) Whoever violates any provision of this Act or rule, regulations, or orders promulgated pursuant thereto, shall be subject to a civil penalty of not more than $5,000 for each violation.

(b) Whoever willfully violates any provision of this Act or rules, regulations, or orders promulgated pursuant thereto, shall be fined not more than $10,000 for each violation, and each day that a violation continues shall constitute a separate violation.

(c) It shall be unlawful for any person to offer for sale or distribute in commerce any product or commodity in violation of an applicable order or regulation issued pursuant to this Act. Any person who knowingly and willfully violates this subsection after having been subjected to a civil penalty for a prior violation of the same provision of any order or regulation issued pursuant to this Act shall be fined not more than $50,000 for each violation, and each day that a violation continues shall constitute a separate violation, or imprisoned not more than six months, or both.

(d) Whenever it appears to any person authorized by the President or the Administrator to exercise authority under this Act that any individual or organization has engaged, is engaged, or is about to engage in acts or practices constituting a violation of this Act, such person may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any provision of this section.

(e) Any person suffering legal wrong because of any act or practice arising out of any violation of this Act may bring an action in a district court of the United States without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment or writ of injunction. Nothing in this subsection shall authorize any person to recover damages.

Sec. 305. Disclosure, Inspection, Investigation.—(a) Every importer, refiner, or user of fuels subject to the provisions of this Act shall prepare such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Administrator may by rule or regulation prescribe as necessary or appropiate for purposes of the administration of this Act.

(b) The Administrator shall at all times have access to and the right to inspect and examine all producing, transportation, storage, refining, or processing facilities, and all accounts, records, and memoranda of persons subject to the provisions of this Act; and it shall be the duty of such persons to furnish to the Administrator, within such reasonable time as the Administrator may order, any information with respect thereto which the Administrator may by order require.

Sec. 306. Annual Reports.—The Administrator shall prepare, have printed, and transmit to the President and the Congress an annual report summarizing all actions taken under authority of this Act, with an analysis of their impact, an evaluation of their effectiveness in fostering the objectives listed in section 102, and any recommendations for legislation further implementing the objectives of this Act.

Sec. 307. Authorization of Appropriations.—There are hereby authorized to be appropriated to the Administrator such funds as are necessary for implementation of the provisions of this Act.

Sec. 308. Severability.—If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 677 be printed as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 677.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there morning business?

UNANIMOUS-CONSENT AGREEMENT—H.R. 6950

Mr. ROBERT C. BYRD. Mr. President, I make the following unanimous-consent request which has been cleared with the leadership on the other side of the aisle, with Mr. Young, the ranking member of the Committee on Appropriations, with Mr. Schweiker, the ranking member of the appropriations subcommittee on the legislative appropriation bill, with Mr. Hollings, chairman of the subcommittee on this side, with Mr. McClellan and the leadership on this side of the aisle.

I ask unanimous consent that tomorrow at the conclusion of routine morning business the Senate proceed to the consideration of H.R. 6950, a bill making appropriations for the legislative branch; that there be a time limitation thereon of 2 hours to be equally divided between Mr. Schweiker and Mr. Hollings; that there be a time limitation on any amendment of 30 minutes; that there be a time limitation on an amendment by Mr. Curtis of 1 hour; and that there be a time limitation on any debatable motion or appeal or point of order, if such point of order is submitted to the Senate for its consideration, of 10 minutes; that the agreement be in the usual form; and provided further that the time limitation as stated on the amendment by Mr. Curtis be subject to his approval.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the consideration of H.R. 6950, a bill making appropriations for the Legislative Branch for the fiscal year 1976, the three month transition period, and other purposes, debate on any amendment shall be limited to 30 minutes (except on an amendment to be offered by the Senator from Nebraska (Mr. Curtis) on which there shall be one hour), to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from South Carolina (Mr. Hollings) and the Senator from Pennsylvania (Mr. Schweiker): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ORDER THAT DEBATE ON MOTION TO INVOKE CLOTURE BEGIN RUNNING AT 3 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour under rule XXII on the motion to invoke cloture begin running tomorrow at the hour of 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF SENATE RESOLUTION 166 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume consideration of Senate Resolution 166 upon the disposition of the legislative appropriation bill tomorrow, or at 3 p.m., whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALEXANDR SOLZHENITSYN

Mr. HELMS. Mr. President, yesterday I expressed my regrets that advisers to the President of the United States had recommended that he not extend the courtesy even of a 5-minute visit with the distinguished author and Nobel Prize winner, Alexandr Solzhenitsyn.

I am pleased, Mr. President, at the reaction that I am noting in the newspapers of our country. Momentarily I shall ask unanimous consent to have printed in the RECORD two such editorials which I believe state the case quite eloquently.

But first, Mr. President, I wish to ask unanimous consent that the official text of a speech by Mr. Solzhenitsyn before a large audience assembled by the AFL–CIO be printed in the RECORD. This speech was delivered by Mr. Solzhenitsyn on June 30 of this year.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY ALEKSANDR SOLZHENITSYN AT THE WASHINGTON-HILTON HOTEL BY INVITATION OF THE AFL–CIO, JUNE 30, 1975

Most of those present here today are workers. Creative workers. And I myself, having spent many years of my life as a stone cutter, as a foundryman, as a manual worker, in the name of all who have shared this forced labor with me, like the two Gulag prisoners whom you just saw, and on behalf of those who are doing forced labor in our country, I can start my speech today with the greeting: "Brothers!" "Brothers in labor."

And not to forget, also, the many honored guests present here tonight, let me add: "Ladies and Gentlemen!"

"Workers of the world unite!" (Applause) Who of us has not heard this slogan, which has been sounding through the world for 125 years? Today you can find it in any Soviet pamphlet as well as in every issue of Pravda. But never have the leaders of the Communist revolution in the Soviet Union made application of these words sincerely and in their full meaning. When many lies have accumulated over the decades, we forget the radical and basic lie which is not on the leaves of the tree, but at its very roots.

Now, it's almost impossible to remember or to believe . . . For instance, I recently published—had reprinted—a pamphlet from the year 1918. This was a precise record of a meeting of all representatives of the Petrograd factories, that being the city known in our country as the "cradle of the Revolution."

I repeat, this was March, 1918—only four months after the October Revolution—and all the representatives of the Petrograd factories were cursing the Communists, who had deceived them in all of their promises. What is more, not only had they abandoned Petrograd to cold and hunger, themselves having fled from Petrograd to Moscow, but had given orders to machine-gun the crowds of workers in the courtyards of the factories who were demanding the election of independent factory committees.

Let me remind you, this was March, 1918. Scarcely anyone now can recall the crushing of the Petrograd strikes in 1921, or the shooting of workers in Kolpino in the same year.

Among the leadership, the Central Committee of the Communist Party, at the beginning of the Revolution, all were emigre intellectuals who had returned, after the uprisings had already broken out in Russia, in order to carry through the Communist Revolution. One of them was a genuine worker, a highly skilled lathe operator until the last day of his life. This was Alexander Shliapnikov. Who knows that name today? Precisely because he expressed the true interests of the workers within the Communist leadership . . . In the years before the Revolution it was Shliapnikov who ran the whole Communist Party in Russia—not Lenin, who was an emigre . . . In 1921, he headed the Workers' Opposition which was charging the Communist leadership with betraying the workers' interests, with crushing and oppressing the proletariat and transforming itself into a bureaucracy.

Shliapnikov disappeared from sight. He was arrested somewhat later and since he firmly stood his ground he was shot in prison and his name is perhaps unknown to most people here today. But I remind you: Before the Revolution the head of the Communist Party of Russia was Shliapnikov—not Lenin.

Since that time, the working class has never been able to stand up for its rights, and in distinction from all the western countries our working class only receives what they hand out to it. It only gets handouts. It can not defend its simplest, everyday interests, and the least strike for pay or for better living conditions is viewed as counterrevolutionary. Thanks to the closed nature of the Soviet system, you have probably never heard of the textile strikes in 1930 in Ivanovo, or of the 1961 worker unrest, in Murom and Alexandrovo, nor of the major workers' uprising in Novocherkassk in 1962—this in the time of Khrushchev, after the thaw.

This story will shortly be published in detail in your country in *Gulag Archipelago*, volume 3. It is a story of how workers went in a peaceful demonstration to the Party City Committee, carrying portraits of Lenin, to request a change in economic conditions. They fired at them with machine guns and dispersed the crowds with tanks. No family dared even to collect its wounded and dead, but all were taken away in secret by the authorities.

Precisely to those present here I don't have to explain that in our country, since the Revolution, there's never been such a thing as a free trade union.

The leaders of the British trade unions are free to play the unworthy game of visiting the so-called trade unions and receiving visits in return. But the AFL–CIO has never given in to these illusions. (Applause)

The American workers' movement has never allowed itself to be blinded and mistake slavery for freedom. And I, today, on behalf of all of our oppressed people, thank you for this! (Applause)

When liberal thinkers and wise men of the West, who had forgotten the meaning of the word "liberty", were swearing that in the Soviet Union there were no concentration camps at all, the American Federation of Labor published in 1947, a map of our concentration camps, and on behalf of all of the prisoners of those times, I want to thank the American workers' movement for this! (Applause)

But just as we feel ourselves your allies here, there also exists another alliance—at first glance a strange one, a surprising one—but if you think about it, in fact, one which is well-grounded and easy to understand. This is the alliance between our Communist leaders and your capitalists. (Applause)

This alliance is not new. The very famous Armand Hammer, who is flourishing here today, laid the basis for this when he made the first exploratory trip into Russia, still in Lenin's time, in the very first years of the Revolution. He was extremely successful in this intelligence mission and since that time for all these 50 years, we observe continuous and steady support by the businessmen of the West of the Soviet Communist leaders.

Their clumsy and awkward economy, which could never overcome its own difficulties by itself, is continually getting material and technological assistance. The major construction projects in the initial five-year plan were built exclusively with American technology and materials. Even Stalin recognized that two-thirds of what was needed was obtained from the West. And if today the Soviet Union has powerful military and police forces—in a country which is by contemporary standards poor—they are used to crush our movement for freedom in the Soviet Union—and we have western capital to thank for this also.

Let me remind you of a recent incident which some of you may have seen in the newspapers, although others might have missed it: Certain of your businessmen, on their own initiative, established an exhibition of criminological technology in Moscow. This was the most recent and elaborate technology, which here, in your country, is used to catch criminals, to bug them, to spy on them, to photograph them, to tail them, to identify criminals. This was taken to Moscow, (Applause) to an exhibition, in order that the Soviet KGB agents could study it, as if not understanding *what sort* of criminals, *who* would be hunted by the KGB.

The Soviet government was extremely interested in this technology, and decided to purchase it. And your businessmen were quite willing to sell it. Only when a few sober voices here raised an uproar against it was this deal blocked. Only for this reason it didn't take place. But you have to realize how clever the KGB is. This technology didn't have to stay two or three weeks in a Soviet building under Soviet guard. Two or three nights were enough for the KGB there to look through it and to copy it. And if today, persons are being hunted down by the best and most advanced technology, for this, I can also thank your western capitalists.

This is something which is almost incomprehensible to the human mind: That burning greed for profit which goes beyond all reason, all self-control, all conscience, only to get money. (Applause)

I must say that Lenin foretold this whole process. Lenin, who spent most of his life in the West and not in Russia, who knew the West much better than Russia, always wrote and said that the western capitalists would do anything to strengthen the economy of the USSR. They will compete with each other to sell us goods cheaper and sell them quicker, so that the Soviets will buy from one rather than from the other. He said: They will bring it themselves without thinking about their future. And, in a difficult moment, at a party meeting in Moscow, he said: "Comrades, don't panic, when things go very hard for us, we will give a rope to the bourgeoisie, and the bourgeoisie will hang itself."

Then, Karl Radek, whom you may have heard of, who was a very resourceful wit, said: "Vladimir Ilyich, but where are we going to get enough rope to hang the whole bourgeoisie?"

Lenin effortlessly replied, "They'll supply us with it." (Applause)

Through the decades of the 20s, the 30s, the 40s, the 50s, the whole Soviet press wrote: Western capitalism—your end is near.

But it was as if the capitalists had not heard, could not understand, could not believe this.

Nikita Khrushchev came here and said, "We will bury you!" They didn't believe that, either. They took it as a joke.

Now, of course, they have become more clever in our country. Now they don't say "we are going to bury you" any more, now they say "detente." (Applause)

Nothing has changed in Communist ideology. The goals are the same as they were, but instead of the artless Khrushchev, who couldn't hold his tongue, now they say "detente".

In order to understand this, I will take the liberty of making a short historic survey—the history of such relations, which in different periods have been called "trade," "stabilization of the situation," "recognition of realities," and now "detente". These relations now are at least 40 years old.

Let me remind you with what sort of system they started.

The system was installed by armed uprising.

It dispersed the Constituent Assembly.

It capitulated to Germany—the common enemy. It introduced execution without trial.

It crushed workers' strikes.

It plundered the villagers to such an unbelievable extent that the peasants revolted, and when this happened it crushed the peasants in the bloodiest possible way.

It shattered the Church.

It reduced 20 provinces of our country to a condition of famine.

This was in 1921, the famous Volga famine. A very typical Communist technique: To seize power without thinking of the fact that the productive forces will collapse, that the fields will not be sown, the factories will stop, that the country will decline into poverty and famine—but when poverty and hunger come, then they request the humanitarian world to help them. We see this in North Vietnam today, perhaps Portugal is approaching this also. And the same thing happened in Russia in 1921. When the three-year civil war, started by the Communists—and "civil war" was a slogan of the Communists, civil war was Lenin's purpose, read Lenin, this was his aim and his slogan—when they had ruined Russia by this civil war, then they asked America, "America, feed our hungry." And indeed, generous and magnanimous America did feed our hungry.

The so-called American Relief Administration was set up, headed by your future President Hoover, and indeed many millions of Russian lives were saved by this organization of yours.

But what sort of gratitude did you receive for this? In the USSR not only did they try to erase this whole event from the popular memory—it's almost impossible today in the Soviet press to find any reference to the American Relief Administration—but they even denounced it as a clever spy organization, a clever scheme of American imperialism to set up a spy network in Russia.

I repeat, it was a system that introduced concentration camps for the first time in the history of the world.

A system that, in the 20th Century, was the first to introduce the use of hostages, that is to say, not to seize the person whom they were seeking, but rather a member of his family or someone at random, and shoot that person.

This system of hostages, and persecution of the family exists to this day. It is still the most powerful weapon of persecution, because the bravest person, who is not afraid for himself, still shivers at the threat to his family.

It is a system which was the first—long before Hitler—to employ false registration, that is, to say: "Such and such people have to come in to register." People would comply, and then they were taken away to be annihilated.

We didn't have gas chambers in those days. We used barges. A hundred or a thousand persons were put into a barge, and then it was sunk.

It was a system which deceived the workers in all of its decrees—the decree on land, the decree on peace, the decree on factories, on freedom of the press.

It was a system which exterminated all additional parties, and let me make it clear to you that it not only disbanded the party itself, but destroyed its members. All members of every other party were exterminated.

It was a system which carried out genocide of the peasantry. Fifteen million peasants were sent off to extermination.

It was a system which serfdom, the so-called "passport system".

It was a system which, in time of peace, artificially created a famine causing six million persons to die in the Ukraine in 1932 and 1933. They died on the very edge of Europe. And Europe didn't even notice it. The world didn't even notice it. Six million persons!

I could keep on enumerating these endlessly, but I have to stop because 1933, I have come to the year 1933 when, with all I have enumerated behind us, your President Roosevelt and your Congress recognized this system as one worthy of diplomatic recognition, of friendship and of assistance.

Let me remind you that the great Washington did not agree to recognize the French Convention because of its savagery. Let me remind you that in 1933, voices were raised in your country objecting to recognition of the Soviet Union. However, the recognition took place and this was the beginning of friendship and ultimately of a military alliance.

Let us remember that in 1904, the American press was delighted at the Japanese victories and everyone wanted Russia's defeat because it was a conservative country. I want to remind you that in 1914 reproaches were directed at France and England for having entered into an alliance with such a conservative country as Russia.

The scope and the direction of my speech today do not permit me to say more about pre-revolutionary Russia. I will just say that information about pre-revolutionary Russia was obtained by the West from persons who were either not sufficiently competent or not sufficiently conscientious. I will just cite for the sake of comparison a number of figures which you can read for yourself in *Gulag Archipelago,* volume one, which has been published in the United States, and perhaps many of you may have read it. These are the figures.

According to calculations by specialists, based on the most precise objective statistics, in pre-revolutionary Russia, during the 80 years before the revolution, the years of the revolutionary movement when there were attempts on the Tsar's life, assassination of a Tsar, revolution, during these years about 17 persons a year were executed. The famous Spanish Inquisition, during the decades when it was at its height of its persecution, destroyed perhaps ten persons a month. In the *Archipelago,* I cite a book which was published by the Cheka in 1920, proudly reporting on its revolutionary work in 1918 and 1919 and apologizing that its data were not quite complete: In 1918 and 1919 the Cheka executed, without trial, more than a thousand persons a month! This was written by the Cheka itself, before it understood how this would look to history.

At the height of Stalin's terror in 1937–38, if we divide the number of persons executed by the number of months, we get more than 40,000 persons shot per month!!! Here are the figures: 17 a year, 10 a month, more than 1,000 a month, more than 40,000 a month! Thus, that which had made it difficult for the Democratic West to form an alliance with pre-revolutionary Russia had, by 1941, grown to such an extent and still did not prevent the entire united democracy of the world—England, France, the United States, Canada, Australia and other small countries—from entering into a military alliance with the Soviet Union. How is this to be explained? How can we understand it? Here we can offer a few explanations. The first, I think, is that the entire united democracy of the world was too weak to fight against Hitler's Germany alone. If this is the case, then it is a terrible sign. It is a terrible portent for the present day. If all these countries together could not defeat Hitler's little Germany, what are they going to do today, when more than half the globe is flooded with totalitarianism? I don't want to accept this explanation.

The second explanation is perhaps that there was simply an attack of panic—of fear—among the statesmen of the day. They simply didn't have sufficient confidence in themselves, they simply had no strength of spirit, and in this confused state decided to enter into an alliance with Soviet totalitarianism.

Finally, the third explanation is that it was a deliberate device. Democracy did not want to defend itself. For defense it wanted to use another totalitarian system, the Soviet totalitarian system.

I'm not talking now about the moral evaluation of this, I'm going to talk about that later. But in terms of simple calculation how shortsighted! What profound self-deception!

We have a Russian proverb: "Do not call a wolf to help you against the dogs". If dogs are attacking and tearing at you, beat the dogs! Fight against the dogs, but do not call a wolf for help. (Applause) Because when the wolves come, they will destroy the dogs, but they will tear you apart, as well.

World democracy could have defeated one totalitarian regime after another, the German, then the Soviet. Instead, it strengthened Soviet totalitarianism, helped bring into existence a third totalitarianism, that of China, and all this finally precipitated the present world situation.

Roosevelt, in Teheran, during one of his last toasts, said the following: "I do not doubt that the three of us"—meaning Roosevelt, Churchill, and Stalin—"lead our peoples in accordance with their desires, in accordance with their aims." How are we to explain this? Let the historians worry about that. At the time, we listened and were astonished. We thought, "when we reach Europe, we will meet the Americans, and we will tell them." I was among the troops that were marching towards the Elbe. A little bit more and I would have reached the Elbe and would have shaken the hands of your American soldiers. But just before that happened, I was taken off to prison and my meeting did not take place.

But now, after all this great delay, the same hand has thrown me out of the country and here I am, instead of the meeting at the Elbe. (Applause) After a delay of 30 years, my Elbe is here today. I am here to tell you, as a friend of the United States, what, as friends, we wanted to tell you then, but which, by the way, our soldiers were prevented from telling you on the Elbe.

There is another Russian proverb: "The yes-man is your enemy, but your friend will argue with you." It is precisely because I am the friend of the United States, precisely because my speech is prompted by friendship, (Applause) that I have come to tell you: "My friends, I'm not going to tell you sweet words. The situation in the world is not just dangerous, it isn't just threatening, it is catastrophic. (Applause)

Something that is incomprehensible to the ordinary human mind has taken place. We over there, the powerless, average Soviet people, couldn't understand, year after year and decade after decade, what was happening. How were we to explain this? England, France, the United States were victorious in the Second World War. Victorious states always dictate peace, they receive firm conditions, they create the sort of situation which accords with their philosophy, their concept of liberty, their concept of national interest.

Instead of this, beginning in Yalta, your statesmen of the West, for some inexplicable reason, have signed one capitulation after another. Never has the West or your President Roosevelt imposed any conditions on the Soviet Union for obtaining aid. He gave unlimited aid, and then unlimited concessions. Already in Yalta, without any necessity, the occupation of Mongolia, Moldavia, Estonia, Latvia, Lithuania, was silently recognized. Immediately after that, almost nothing was done to protect Eastern Europe, and seven or eight more countries were surrendered.

Stalin demanded that the Soviet citizens who did not want to return home be handed over to him, and the Western countries handed over 1.5 million human beings. How was this done? They took them by force. English soldiers killed Russians who did not want to become prisoners of Stalin, and drove them by force to Stalin to be exterminated. This has recently come to light—just a few years ago—a million and a half human beings! How could the Western democracies have done this?

And after that, for another 30 years, the constant retreat, the surrender of one country after another, to such a point that there are Soviet satellites even in Africa, and almost all of Asia is taken over by them, Portugal is rolling down the precipice.

During those 30 years, more was surrendered to totalitarianism than any defeated country has ever surrendered after any war in history. There was no war, but there might as well have been.

For a long time we in the East couldn't understand this. We couldn't understand the flabbiness of the truce concluded in Vietnam. Any average Soviet citizen understood that this was a sly device which made it possible for North Vietnam to take over South Vietnam when it so chose. And suddenly, this was rewarded by the Nobel Prize for Peace—a tragic and ironic prize. (Applause)

A very dangerous state of mind can arise as a result of this 30 years of retreat: Give in as quickly as possible, give up as quickly as possible, peace and quiet at any cost.

This is what many Western papers wrote: "Let's hurry up and end the bloodshed in Vietnam and have national unity there." But at the Berlin Wall no one talked of national unity. One of your leading newspapers, after the end of Vietnam, had a full headline: "The Blessed Silence." I would not wish that kind of "blessed silence" on my worst enemy. I would not wish that kind of national unity on my worst enemy. (Applause)

I spent 11 years in the Archipelago, and for half of my lifetime I have studied this question. Looking at this terrible tragedy in Vietnam from a distance, I can tell you, a million persons will be simply exterminated, while 4 to 5 million (in accordance with the scale of Vietnam) will find themselves in concentration camps and will be rebuilding Vietnam. And what is happening in Cambodia you already know. It is genocide. It is full and complete destruction but in a new form. Once again their technology is not up to building gas chambers. So, in a few hours, the entire capital city—the guilty capital city—is emptied out—old people, women, children, are driven out without belongings, without food. "Go and die!"

This is very dangerous for one's view of the world when this feeling comes on: "Go ahead, give it up." We already hear voices in your country and in the West—"Give up Korea and we will live quietly. Give up Portugal, of course; give up Japan, give up Israel, give up Taiwan, the Philippines, Malaysia, Thailand, give up ten more African countries. Just let us live in peace and quiet. Just let us drive our big cars on our splendid highways; just let us play tennis and golf, in peace and quiet; just let us mix our cocktails in peace and quiet as we are accustomed to doing; just let us see the beautiful toothy smile with a glass in hand on every advertisement page of our magazines." (Applause)

But look how things have turned out: Now in the West this has all turned into an accusation against the United States. Now, in the West, we hear very many voices saying, "It's your fault, America." And, here, I must decisively defend the United States against these accusations!

I have to say that the United States, of all the countries of the West, is the least guilty in all this and has done the most in order to prevent it. The United States has helped Europe to win the First and the Second World Wars. It twice raised Europe from post-war destruction—twice—for 10, 20, 30 years it has stood as a shield protecting Europe while European countries were counting their nickels, to avoid paying for their armies (better yet to have none at all), to avoid paying for armaments, thinking about how to leave NATO, knowing that in any case America will protect them anyway. These countries started it all, despite their thousands of years of civilization and culture, even though they are closer and should have known better.

I came to your continent—for two months I have been travelling in its wide open spaces and I agree: Here you do not feel the nearness of it all, the immediacy of it all. And here it is possible to miscalculate. Here you must make a spiritual effort to understand the acuteness of the world situation. The United States of America long shown itself to be the most magnanimous, the most generous country in the world. Wherever there is a flood, an earthquake, a fire, a natural disaster, disease, who is the first to help? The United States. Who helps the most and unselfishly? The United States. (Applause)

And what do we hear in reply? Reproaches, curses, "Yankee Go Home." American cultural centers are burned, and the representatives of the Third World jump on tables to vote against the United States.

But this does not take the load off America's shoulders. The course of history—whether you like it or not—has made you the leaders of the world. Your country can no longer think provincially. Your political leaders can no longer think only of their own states, only of their parties, of petty arrangements which may or may not lead to promotion. You must think about the whole world, and when the new political crisis in the world will arise (I think we have just come to the end of a very acute crisis and the next one will come any moment), the main decisions will fall anyway on the shoulders of the United States of America.

And while already here, I have heard some explanations of the situation. Let me quote some of them: "It is impossible to protect those who do not have the will to defend themselves." I agree with that, but this was said about South Vietnam. In one-half of today's Europe and in three-quarters of today's world the will to defend oneself is even less than it was in South Vietnam.

We are told: "We cannot defend those who are unable to defend themselves with their own human resources." But against the overwhelming powers of totalitarianism, when all of this power is thrown against a country—no country can defend itself with its own resources. For instance, Japan doesn't have a standing army.

We are told, "We should not protect those who do not have full democracy." This is the most remarkable argument of the lot. This is the Leitmotif I hear in your newspapers and in the speeches of some of your political leaders. Who in the world, ever, on the front line of defense against totalitarianism has been able to sustain full democracy? *You*, the united democracies of the world, were not able to sustain it! America, England, France, Canada, Australia, together did not sustain it. At the first threat of Hitlerism, you stretched out your hands to Stalin. You call that sustaining democracy? No! (Applause)

And there is more of the same (there were many of these speeches in a row): "If the Soviet Union is going to use detente for its own ends, then we . . ." But what will happen then? The Soviet Union has used detente in its own interests, is using it now and will continue to use it in its own interests! For example, China and the Soviet Union, both actively participating in detente have quietly grabbed three countries of Indochina. True, perhaps as a consolation, China will send you a ping-pong team. (Laughter) And the Soviet Union has sent you the pilots who once crossed the North Pole. In a few days you're flying into space together.

A typical diversion, I remember very well the year, this was 1937, June of 1937, when Chkalov, Baidukov, and Beliakov heroically flew over the North Pole and landed in the State of Washington. This was the very year when Stalin was executing more than 40,000 persons a month. And Stalin knew what he was doing. He sent those pilots and aroused in you a naive delight—the friendship of two countries across the North Pole. The pilots were heroic, nobody will say anything against them. But this was a show—a show to divert you from the real events of 1937. And what is the occasion now? Is it an anniversary—38 years? Is 38 years some kind of an anniversary? No, it is simply necessary to cover up Vietnam. And, once again, those pilots were sent here. The Chkalov Memorial was unveiled in the State of Washington. Chkalov was a hero and is worthy of a memorial. But, to present the true picture, behind the memorial there should have been a wall and on it there should have been a bas-relief showing the executions, showing the skulls and bones. (Applause)

We are also told (I apologize for so many quotes, but there are many more in your press and radio): "We cannot ignore the fact that North Vietnam and Khmer Rouge have violated the agreement, but we're ready to look into the future." What does that mean? It means: let them exterminate people. But if these murderers, who live by violence, these executioners, offer us detente we will be happy to go along with them. As Willy Brandt once said: "I would even be willing to have detente with Stalin." (At a time when Stalin was executing 40,000 a month he would have been willing to have detente with Stalin?)

Look into the future! This is how they looked into the future in 1933 and 1941, but it was a short-sighted look into the future. This is how they looked into the future two years ago when a senseless, incomprehensible, non-guaranteed, truce in Vietnam was arranged, and it was a short-sighted view. There was such a hurry to make this truce that they forgot to liberate your own Americans from captivity. They were in such a hurry to sign this document that some 1300 Americans, "Well, they have vanished; we can get by without them." How is that done? How can this be? Part of them, indeed, can be missing in action, but the leaders of North Vietnam themselves have admitted that some of them are still being kept in prison. And do they give you back your countrymen? No, they are not giving them back, and they are always raising new conditions. At first they said, "Remove Thieu from power." Now, they say, "Have the United States restore Vietnam, otherwise it's very difficult for us to find these people."

If the government of North Vietnam has difficulty explaining to you what happened with your brothers, with your American POWS who have not yet returned, I, on the basis of my experience in the Archipelago, can explain this quite clearly. There is a law in the Archipelago, that those who have been treated the most harshly and who have withstood the most bravely, the most honest, the most courageous, the most unbending, never again come out into the world. They are never again shown to the world because they will tell such tales as the human mind cannot accept. A part of your returned POWs told you that they were tortured. This means that those who have remained were tortured even more, but did not yield an inch. These are your best people. These are your first heroes, who, in a solitary combat, have stood the test. (Applause) And, today, unfortunately, they cannot take courage from our applause. They can't hear it from their solitary cells where they may either die or sit 30 years, like Raoul Wallenberg, the Swedish diplomat who was seized in 1945 in the Soviet Union. He has been imprisoned for 30 years and they will not yield him up.

And you have some hysterical public figure who said: "I will go to North Vietnam. I will stand on my knees and beg them to release our prisoners of war." This isn't a political act—this is masochism. (Applause)

To understand properly what detente has meant all these 40 years—friendships, stabilization of the situation, trade, etc. I would have to tell you something, which you have never seen or heard, of how it looked from the other side. Let me tell you how it looked. Mere acquaintance with an American, and God forbid that you should sit with him in a cafe or restaurant meant a ten-year term for suspicion of espionage.

In the first volume of Archipelago I tell of an event which was not told me by some arrested person, but by all of the members of the Supreme Court of the U.S.S.R. During those short days when I was in the limelight under Khrushchev. One Soviet citizen was in the United States and on his return said that in the United States they have wonderful automobile roads. The KGB arrested him and demanded a term of 10 years. But the judge said: "I don't object, but there is not enough evidence. Couldn't you find something else against him?" So the judge was exiled to Sakhalin because he dared to argue and they gave the other man 10 years. Can you imagine what a lie he told? And what sort of praise this was of American imperialism—in America there are good roads! Ten years.

In 1945–1946 through our prison cells passed a lot of persons and these were not ones who were cooperating with Hitler (Although there were some of those, too). They were not guilty of anything, but rather persons who had just been in the West and had been liberated from German prison camps by the Americans. This was considered a criminal act: liberated by the Americans. That means: He has seen the good life. If he comes back he will talk about it. The most terrible thing is not what he did but what he would talk about. And all such persons got ten-year terms.

During Nixon's last visit to Moscow your American correspondents were reporting in the Western way from the streets of Moscow. "I am going down a Russian street with a microphone and asking the ordinary Soviet citizen: Tell me please, what do you think about the meeting between Nixon and Brezhnev?" And, amazingly, every last person answered: "Wonderful. I'm delighted. I'm absolutely overjoyed!" What does this mean? If I'm going down a street in Moscow and some American comes up to me with a microphone and asks me something, then I know that on the other side of him is a member of the state security, also with a microphone who is recording everything I say. You think that I'm going to say something that is going to put me in prison immediately? Of course I say: "It's wonderful, I'm delighted, I'm overjoyed." (Applause)

But what is the value of such correspondents if they simply transfer western techniques over there without thinking things through?

You helped us for many years with Lend Lease, but we've now done everything to forget this, to erase it from our minds, not to remember it if at all possible. And now, before I came into this hall, I delayed my visit to Washington a little in order to first take a look at some ordinary parts of America, going to various states and simply talking with people. I was told, and I learned this for the first time, that in every state during the war years there were Soviet-American friendship societies which collected assistance for Soviet people—warm clothes, canned food, gifts, and sent them to the Soviet Union. But we not only never saw these; we not only never received them (they were distributed somewhere among the privileged circles), no one ever even told us that this was being done. I only learned about it for the first time here, this month, in the United States.

Everything poisonous which could be said about the United States was said in Stalin's days. And all of this is a heavy sediment which can be stirred up anytime. Any day the newspapers can come out with the headlines: "Bloodthirsty American imperialism wants to seize control of the world," and this poison will rise up from the sediment and many people in our country will believe this, and will be poisoned by it, and will consider you as aggressors. This is how detente has been managed on our side.

The Soviet system is so closed that it is almost impossible for you to understand from here. Your theoreticians and scholars write works trying to understand and explain how things occur there. Here are some naive explanations which are simply funny to Soviet citizens. Some say that the Soviet leaders have now given up their inhumane ideology. Not at all. They haven't given it up one bit.

Some say that in the Krelim there are some on the left, some on the right. And they are fighting with each other, and we've got to behave in such a way as not to interfere with those on the left side. This is all fantasy: Left . . . right. There is some sort of a struggle for power, but they all agree on the essentials.

There also exists the following theory, that now, thanks to the growth of technology there is a technocracy in the Soviet Union, a growing number of engineers and the engineers are now running the economy and will soon determine the fate of the country, rather than the party. I will tell you, though, that the engineers determine the fate of the economy just as much as our generals determine the fate of the Army. That means zero. Everything is done the way the party demands. That's our system. Judge it for yourself.

It's a system where for 40 years there haven't been genuine elections but simply a comedy, a farce. Thus a system which has no legislative organs. It's a system without an independent press; a system without an independent judiciary; where the people have no influence either on external or internal policy; where any thought which is different from what the state thinks is crushed.

And let me tell you that electronic bugging in our country is such a simple thing that it's a matter of everyday life. You had an instance in the United States where a bugging caused an uproar which lasted for a year and a half. For us it's an everyday matter. Almost every apartment, every institution has got its bug and it doesn't surprise us in the least—we are used to it.

It's a system where unmasked butchers of millions like Molotov and others smaller than him have never been tried in the courts but retire on tremendous pensions in the greatest comfort. It's a system where the show still goes on today and to which every foreigner is introduced surrounded by a couple of planted agents working according to a set scenario. It's a system where the very constitution has never been carried out for one single day. Where all the decisions mature in secrecy, high up in a small irresponsible group and then are released on us and on you like a bolt of lightning.

And what are the signatures of such persons worth? How could one rely on their signatures to documents of détente? You yourselves might ask your specialists now and they'll tell you that precisely in recent years the Soviet Union has succeeded in creating wonderful chemical weapons, missiles, which are even better than those used by the United States.

So what are we to conclude from that? Is détente needed or not? Not only is it needed, it's as necessary as air. It's the only way of saving the earth—instead of a world war to have détente, but a true détente, and if it has already been ruined by the bad word which we use for it—"Détente"—then we should find another word for it.

I would say that there are very few, only **three, main characteristics of such a true** détente.

In the first place, there would be disarmament—not only disarmament from the use of war but also from the use of violence. We must stop using not only the sort of arms which are used to destroy one's neighbors but the sort of arms which are used to oppress one's fellow countrymen. (Applause) It is not détente if we here with you today can spend our time agreeable while over there people are groaning and dying and in psychiatric hospitals. Doctors are making their evening rounds, for the third time injecting people with drugs which destroy their brain cells.

The second sign of detente, I would say, is the following: that it be not one based on smiles, not on verbal concessions, but it has to be based on a firm foundation. You know the words from the Bible: "Build not on sand, but on rock." There has to be a guarantee that this will not be broken overnight (Applause) and for this the other side —the other party to the agreement—must have its acts subject to public opinion, to the press, and to a freely-elected parliament. And until such control exists there is absolutely no guarantee.

The third simple condition—what sort of detente is it when they employ the sort of inhumane propaganda which is proudly called in the Soviet Union "ideological warfare." Let us not have that. If we're going to be friends let's be friends, if we're going to have detente then let's have detente, and an end to ideological warfare.

The Soviet Union and the Communist countries can conduct negotiations. They know how to do this. For a long time they don't make any concessions and then they give in a little bit. Then everyone says triumphantly, "Look, they've made a concession; it's time to sign." The European negotiations of the 35 countries for two years now have painfully, painfully been negotiating and their nerves were stretched to the breaking point and they finally gave in. A few women from the Communist countries can now marry foreigners. And a few newspapermen are now going to be permitted to travel a little more than before. They give 1/1000th of what natural law should provide. Matters which people should be able to do even before such negotiations are undertaken. And already there is joy. And here in the West we hear many voices, saying: "Look, they're making concessions; it's time to sign."

During these two years of negotiations, in all the countries of Eastern Europe, the pressure has increased, the oppression intensified, even in Yugoslavia and Romania, leaving aside the other countries. And it is precisely now that the Austrian Chancellor says, "We've got to sign this agreement as rapidly as possible."

What sort of an agreement would this be? The proposed agreement is the funeral of Eastern Europe. It means that Western Europe would finally, once and for all, sign away Eastern Europe, stating that it is perfectly willing to see Eastern Europe be crushed and overwhelmed once and for all, but please don't bother us. And the Austrian Chancellor thinks that if all these countries are pushed into a mass grave, Austria at the very edge of this grave will survive and not fall into it, also.

And we, from our lives *there*, have concluded that violence can only be withstood by—firmness.

You have to understand the nature of Communism. The very ideology of Communism, all of Lenin's teachings, are that anyone is considered to be a fool who doesn't take what's lying in front of him. If you can take it, take it. If you can attack, attack. But if there's a wall, then go back. And the Communist leaders respect only firmness and have contempt and laugh at persons who continually give in to them. Your people are now saying—and this is the last quotation I am going to give you from the statements of your leaders—"Power, without any attempt at conciliation, will lead to a world conflict." But I would say that power with continual subservience is no power at all. (Applause).

But from our experience I can tell you that only firmness will make it possible to withstand the assaults of Communist totalitarianism. We see many historic examples, and let me give you some of them. Look at little Finland in 1939, which by its own forces withstood the attack. You, in 1948, defended Berlin only by your firmness of spirit, and there was no world conflict. In Korea in 1950 you stood up against the Communists, only by your firmness, and there was no world conflict. In 1962 you compelled the rockets to be removed from Cuba. Again it was only firmness, and there was no world conflict. And the late Adenauer conducted firm negotiations with Khrushchev and thus started a genuine detente with Khrushchev. Khrushchev started to make concessions and if he hadn't been removed, that winter he was planning to go to Germany and to continue the genuine detente.

Let me remind you of the weakness of a man whose name is rarely associated with weakness—the weakness of Lenin. Lenin, when he came to power, in panic gave up to Germany everything Germany wanted. Just—what it wanted. Germany took as much as it wanted, said, "Give Armenia to Turkey." And Lenin said, "Fine." It's almost an unknown fact but Lenin petitioned the Kaiser to act as intermediary to persuade the Ukraine and, thus, to make possible a boundary between the Communist part of Russia and the Ukraine. It wasn't a question of seizing the Ukraine but rather of making a boundary with the Ukraine.

We, we the dissidents of the U.S.S.R., don't have any tanks, we don't have any weapons, we have no organization. We don't have anything. Our hands are empty. We have only a heart and what we have lived through in the half century of this system. And when we have found the firmness within ourselves to stand up for our rights, we have done so. (Applause). It's only by firmness of spirit that we have withstood. And if I am standing here before you, it's not because of the kindness or the good will of Communism, not thanks to detente, but thanks to my own firmness and your firm support. (Applause). They knew that I would not yield one inch, not one hair. And when they couldn't do more they themselves fell back.

This is not easy. In our conditions this was taught to me by the difficulties of my own life. And if you yourselves—any one of you—were in the same difficult situation, you would have learned the same thing. I don't want to mention many names tonight but take Vladimir Bukovsky, whose name is now almost forgotten. (Applause). Now, I don't want to mention a lot of names because however many I might mention there are more still. And when we resolve the question with two or three names it is as if we forget and betray the others. We should rather remember figures. There are tens of thousands of political prisoners in our country and—by the calculation of English specialists—7,000 persons are now under compulsory psychiatric treatment. Let's take Vladimir Bukovsky as an example. It was proposed to him, "Alright, we'll free you. Go to the West and shut up." And this young man, a youth today on the verge of death said: "No, I won't go this way. I have written about the persons whom you have put in insane asylums. You release them and then I'll go West." This is what I mean by that firmness of spirit to stand up against granite and tanks.

Finally, to evaluate everything that I have said to you today—and I am coming to my conclusion now—I could say we need not have had our conversation on the level of business calculations. Why did such and such a country act in such and such a way? What were they counting on? We should rather rise above this to the moral level and, say: "In 1933 and in 1941 your leaders and the whole Western World, in an unprincipled way, made a deal with totalitarianism." We will have to pay for this, some day this deal will come back to haunt us. For 30 years we have been paying for it and we're still paying for it. And we're going to pay for it in a worse way. One cannot think only in the low level of political calculations. It's necessary to think also of what is noble, and what is honorable—not only what is profitable. Resourceful Western legal scholars have now introduced the term "legal realism." By this legal realism, they want to push aside any moral evaluation of affairs. They say, "Recognize realities; if such and such laws have been established in such and such countries of violence, then these laws must also be recognized and respected." At the present time it is widely accepted among lawyers that law is higher than morality—Law is something which is worked out and developed, whereas morality is something inchoate and amorphous. That isn't the case. The opposite is rather true Morality is higher than law! (Applause). While law is our human attempt somehow to embody in rules a part of that moral sphere which is above us. We try to understand this morality, bring it down to earth and present it in a form of laws. Sometimes we are more successful, sometimes less. Sometimes you actually have a caricature of morality, but morality is always higher than law. This view must never be abandoned. We must accept it with heart and soul.

It is almost a joke now in the Western World, in the 20th Century, to use words like "good" and "evil." They have become almost old-fashioned concepts, but they are very real and genuine concepts. These are concepts from a sphere which is higher than us—good and evil (Applause). And instead of getting involved in base, petty, short-sighted political calculations and games we have to recognize that the concentration of World Evil and the tremendous force of hatred is there and it's flowing from there throughout the world. And we have to stand up against it and not hasten to give to it, give to it, give to it, everything that it wants to swallow. (Applause).

Today there are two major processes occurring in the world. One is the one which I have just described to you which has been in progress more than 30 years. It is a process of short-sighted concessions; a process of giving up, and giving up and giving up and hoping that perhaps at some point the wolf will have eaten enough. The second process is one which I consider the key to everything and which, I will say now, will bring all of us our future; under the cast-iron shell of Communism—for 20 years in the Soviet Union and a shorter time in other Communist countries—there is occurring a liberation of the human spirit. New generations are growing up which are steadfast in their struggle with evil. Which are not willing to accept, unprincipled, compromises; which prefer to lose everything—salary, conditions of existence and life itself—but are not willing to sacrifice conscience, not willing to make deals with evil. (Applause).

This process has now gone so far that in the Soviet Union today, Marxism has fallen so low, that it has become an anecdote, it's simply an object of contempt. No serious person in our country today, not even university and high school students, can talk about Marxism without smiling, without laughing. But this whole process of our liberation which obviously will entail social transformations is slower than the first one—the process of concessions. Over there, when we see these concessions, we are frightened. Why so quickly? Why so precipitously? Why yield several countries a year?

I started by saying that you are the allies of our liberation movement in the Communist countries. And I call upon you: Let us think together and try to see how we can adjust the relationship between these two processes. Whenever you help the persons persecuted in the Soviet Union, you not only display magnanimity and nobility, you're defending not only them but yourselves as well. You're defending your own future. (Applause).

So let us try to see how far we can go to stop this senseless and immoral process of endless concessions to the aggressor—these clever legal arguments for why we should give up one country after another. Why must we hand over to Communist totalitarianism more and more technology—complex, delicate, developed technology. Which it needs for armaments and for crushing its own citizens. If we can at least slow down that process of concessions, if not stop it altogether—and make it possible for the process of liberation to continue in the Communist countries—ultimately these two processes will yield us our future. (Applause).

On our crowded planet there are no longer any internal affairs. The Communist leaders say, "Don't interfere in our internal affairs. Let us strangle our citizens in peace and quiet." But I tell you: Interfere more and more. Interfere as much as you can. We beg you to come and interfere. (Applause).

Understanding my own task in the same way I have perhaps interfered today in your internal affairs, or at least touched upon them, and I apologize for it. I have traveled a lot around the United States and this has been added to my earlier understanding of it—what I have heard from listening to the radio, from talking to experienced persons. America—in me and among my friends and among people who think the way I do over there, among all ordinary Soviet citizens—evokes a sort of mixture of feelings of admiration and of compassion. Admiration at the fact of your own tremendous forces which you perhaps don't even recognize yourselves. You're a country of the future; a young country; a country of still untapped possibilities; a country of tremendous geographical distances; a country of tremendous breadth of spirit; a country of generosity; a country of magnanimity. But these qualities: Strength, generosity and magnanimity, usually make a man and even a whole country trusting and this already several times has done you a disservice.

I would like to call upon America to be more careful with its trust and prevent those wise persons who are attempting to establish even finer degrees of justice and even finer legal shades of equality—some because of their distorted outlook, others because of short-sightedness and still others out of self-interest—from falsely using the struggle for peace and for social justice to lead you down a false road. Because they are trying to weaken you; they are trying to disarm your strong and magnificent country in the face of this fearful threat—one which has never been seen before in the history of the world. Not only in the history of your country, but in the history of the world.

And I call upon you: ordinary workingmen of America—as represented here by your trade union movement—do not let yourselves become weak. Do not let yourselves be taken in the wrong direction. Let us try to slow down the process of concessions and help the process of liberation! (Applause).

Mr. HELMS. Mr. President, a few days prior to this remarkable speech I had the privilege of meeting for about 3 hours with Mr. Solzhenitsyn. I think I shall never forget the impassioned plea he made to me as an American citizen, that the people of the United States not ignore the continuing perils of communism. As I think I stated on this floor yesterday, he said something to the effect of

> Senator, your leaders are inordinately concerned about World War II when, as a matter of fact, World War III is already over. The Communists have already won it. They have taken over at least 20 countries in the last 12 to 15 years.

He pleaded with me, as he has pleaded with others, to take note of this continuing, growing tyranny, that we not be fooled by its deceit and, certainly, not to be unaware of the terrors experienced by innocent people all over the world at the hands of Communist tyrants.

I do hope that my colleagues will take the time to read this remarkable speech which, as I say, was delivered on June 30 here in Washington before a group assembled by Mr. George Meany.

The two editorials which I would call to the attention of my colleagues come from a newspaper in my State and from one in Pennsylvania. The Charlotte Observer on Sunday, July 6, published an editorial headed "Afraid To Invite Solzhenitsyn?" This editorial concluded by saying:

> To consider him (Solzhenitsyn) only in political terms would be a mistake. He is an artist and his life and works are the proper grounds for judging him. In the face of pain and death, he has stood unbowed for freedom and humanity. He is worthy of the admiration he has received, and certainly worthy of a compliment from the President of a free people.

The Philadelphia Inquirer this morning, July 8, said in part, referring to the rejection of the recommendation sent to the President by the distinguished Senator from South Carolina (Mr. THURMOND) and me that Mr. Ford see Mr. Solzhenitsyn:

> The National Security Council, which solemnly pondered the question of a Ford-Solzhenitsyn meeting, presumably feared that it would offend leaders of the Soviet government.

Then that editor went on to say:

> Possibly it would; the Soviet leaders were so offended by Mr. Solzhenitsyn's daring to speak out that they kicked this greatest living Soviet novelist out of the country and deprived him of his citizenship for "systematically performing actions incompatible with being a citizen."

Then the editor concluded by saying:

> Yet that, one might say, is their hangup. It is not ours. If the Soviet leaders are terrified of the free mind, Americans honor it. Our leaders need not conduct themselves out of fear of bruising the tender sensibilities of the men in the Kremlin. Surely the spirit of detente is not so frail that it cannot survive a meeting of the American President with a man who symbolizes mankind's highest yearnings for freedom.

Mr. President, I ask unanimous consent that both of these editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Charlotte Observer, July 6, 1975]

AFRAID TO INVITE SOLZHENITSYN?

President Ford should have met with Alexander Solzhenitsyn when the Russian author visited Washington recently. By avoiding him, and giving lame reasons for doing so, the President showed an unbecoming timidity.

The main concern of President Ford and his advisors apparently was that a meeting with Mr. Solzhenitsyn would offend the Soviet Union. Perhaps they worried that the Russians would be upset. Well, what of it?

Detente is based on self-interest on both sides. The Russians are not engaged in it because they like us. They will pursue it as long as it is in their self-interest. The same goes for the United States. If the Kremlin hates and fears this man of truth—and clearly it does—that should not make him unwelcome in the White House.

As he did before he was thrown out of the Soviet Union, Mr. Solzhenitsyn has spoken against detente since arriving in the West. Once a hero of liberals, he has become a hero of conservatives, too. His views on international affairs and even on political affairs within the Soviet Union sometimes reflect the limitations of his own lifelong isolation from the world, and that has to be taken into account. Yet he does have great insight into the minds of those who lead the Soviet Union, and how that system works.

To consider him only in political terms would be a mistake. He is an artist, and his life and works are the proper grounds for judging him. In the face of pain and death, he has stood unbowed for freedom and humanity. He is worthy of the admiration he has received, and certainly worthy of a compliment from the president of a free people.

MR. FORD MISSES AN OPPORTUNITY

President Ford followed bad advice which, reportedly, coincided with his own bent in refusing to meet with Aleksandr I. Solzhenitsyn when that celebrated Soviet dissident, winner of the Nobel Prize for literature, visited Washington to attend an AFL–CIO dinner in his honor.

Mr. Ford turned down an invitation to the dinner and, according to White House press secretary Ron Nessen, could not find time to fit Mr. Solzhenitsyn into his schedule.

One wonders why. "For image reasons the President does like to have some substance in his meetings," said Mr. Nessen, then compounded the fatuity by adding, "It is not clear what he would gain by a meeting with Solzhenitsyn."

Well, Mr. Ford would have gained an opportunity to meet with one of the truly great men of our time, a man of consummate courage, an eloquent and outspoken opponent of the "inhumane ideology" of the Soviet Union.

The National Security Council, which solemnly pondered the question of a Ford-Solzhenitsyn meeting, presumably feared that it would offend leaders of the Soviet government.

Possibly it would; the Soviet leaders were so offended by Mr. Solzhenitsyn's daring to speak out that they kicked this greatest living novelist out of the country and deprived him of his citizenship for "systematically performing actions incompatible with being a citizen."

Yet that, one might say, is their hangup. It is not ours. If the Soviet leaders are terrified of the free mind, Americans honor it. Our leaders need not conduct themselves out of fear of bruising the tender sensibilities of the men in the Kremlin. Surely the spirit of détente is not so frail that it cannot survive a meeting of the American President with a man who symbolizes mankind's highest yearnings for freedom.

Mr. THURMOND. Mr. President, at a time when we are negotiating with the Soviet Union over strategic arms limitations, a voice from Russia, itself, has been raised to Americans giving a dim view of détente as a dangerous and blind course for the free world.

The Soviet writer Aleksandr Solzhenitsyn made his remarks in Washington last week, challenging the United States to avoid "the senseless and immoral process of endless concessions to the aggressor." In a highly persuasive presentation of life in Soviet Russia, as he has known it and seen it, Mr. Solzhenitsyn outlines the continuing march of communism around the globe and the oppression of freedom which results.

His view is worth considering as we mold our policies and our responses for the present and future. His words ring with clarity on many tough questions involving our relationship with Russia and other countries of the world.

To heed his admonitions which cross the grain of some of our current policies is not to adopt a stance of war. It is, rather, a recognition of many difficult truths which must not be overlooked. The United States is the leader of the free world and it is a position we cannot abdicate. Accordingly, we would be foolish to turn a deaf ear to the unpleasant facts which should and must be weighed with the more agreeable goals of détente. Surely, we should consider the view of this man who has given up his homeland and who has suffered grievously for his rejection of the Communist state.

Mr. President, Mr. Solzhenitsyn made his remarks in an address here to the AFL–CIO at which time he expressed the thoughts mentioned above. The distinguished senior Senator of North Carolina, Mr. HELMS, is placing the full text of his remarks in the RECORD and I commend it to the attention of my colleagues and all the American people.

ORDER FOR RECOGNITION OF SENATOR HASKELL ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. HASKELL tomorrow be transferred to Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TAFT AND DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, Mr. TAFT be recognized for a period of not to exceed 15 minutes, after which there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each for the purpose only of introducing bills, memorials, petitions, and statements into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of June 26, 1975, on July 1, 1975, messages from the President of the United States were received submitting sundry nominations which were referred to the appropriate committees.

On July 7, 1975, messages from the President of the United States were received submitting sundry nominations which were referred to the Committee on Labor and Public Welfare; and a message withdrawing two nominations of members of the Board of Directors of the Legal Services Corporation.

(The nominations and withdrawals of nominations are printed at the end of the Senate proceedings of today.)

RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT

The ACTING PRESIDENT pro tempore (Mr. Morgan) laid before the Senate a message from the President of the United States received on July 1, 1975, under authority of the order of June 26, 1975, proposing three rescissions and reporting 27 deferrals in accordance with the Impoundment Control Act of 1974, which, with the accompanying papers, was referred jointly, under the order of January 30, 1975, to the Committees on Appropriations, Budget, Public Works, Judiciary, Interior and Insular Affairs, Agriculture and Forestry, Commerce, Armed Services, Labor and Public Welfare, and Finance. The message is as follows:

To the Congress of the United States:

I herewith propose three rescissions and report twenty-seven deferrals in accordance with the Impoundment Control Act of 1974. The rescission proposals total $123.7 million and the deferrals total $2,729.4 million for a total of $2,853.0 million in fiscal year 1976 budget authority.

Funds for two highway programs, one duplicating an existing system and one that could be funded through Federal-aid highway funds now available to the States, are proposed for rescission. The third rescission proposal reflects a recent Congressionally-approved change in program needs by requesting reduced funding for the Federal Law Enforcement Training Center. The deferrals are primarily routine in nature and do not affect program levels. The details of each rescission proposal and deferral are contained in the attached reports.

I urge the Congress to act promptly on the proposed rescissions.

Gerald R. Ford.

The White House, *July 1, 1975.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Morgan) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Morgan) laid before the Senate a message from the President of the United States transmitting the eighth annual report of the United States-Japan Cooperative Medical Science Program, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I am pleased to present to the Congress the Eighth Annual Report of the United States-Japan Cooperative Medical Science Program. This bilateral research effort in the biomedical sciences was successfully implemented in 1965 following a meeting between the Prime Minister of Japan and the President of the United States.

During 1974, this Program has continued to direct attention to the study and prevention of a group of significant diseases which influence the health status of the people of Asia: cholera, environmentally induced diseases, leprosy, malnutrition, parasitic diseases (filariasis and schistosomiasis), tuberculosis, and viral diseases (rabies, dengue-hemorrhagic fever and other selected arboviral diseases).

The accomplishments attained during the past year are highlighted in the report of the Program which I am submitting to Congress today. I look forward to strengthening further the valuable and productive relationships provided by this model of cooperative international endeavor for the health benefits of our fellow man.

Gerald R. Ford.

The White House, *July 8, 1975.*

MESSAGE FROM THE HOUSE

At 3:15 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 5901) making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Flood, Mr. Natcher, Mr. Smith of Iowa, Mr. Casey, Mr. Patten, Mr. Obey, Mr. Roybal, Mr. Stokes, Mr. Mahon, Mr. Michel, Mr. Shriver, Mr. Conte, and Mr. Cederberg were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Morgan) laid before the Senate the following letters, which were referred as indicated:

Report on the Food Stamp Program

A letter from the Under Secretary of the Department of Agriculture transmitting, pursuant to law, a report on the Food Stamp Program (with an accompanying report); to the Committee on Agriculture and Forestry.

Report on Rural Development Goals

A letter from the Secretary of Agriculture transmitting, pursuant to law, a report on rural development goals (with an accompanying report); to the Committee on Agriculture and Forestry.

Proposed Amendments to the Budget for the Judiciary—(S. Doc. 94-69)

A communication from the President of the United States transmitting proposed amendments for the fiscal year 1976 for the Judiciary in the amount of $4,771,000; and for the transition period July 1 through September 30, 1976, in the amount of $1,390,000 (with accompanying papers); referred to the Committee on Appropriations, and ordered to be printed.

Report of the National Railroad Passenger Corporation

A letter from the Director for Congressional Affairs of the National Railroad Passenger Corporation transmitting, pursuant to law, a report covering the operation of Amtrak for the month of May 1975 (with accompanying report); to the Committee on Commerce.

Report of the Commission on Civil Rights

A letter from the Commission on Civil Rights transmitting, pursuant to law, a report concerning minorities and women as government contractors (with an accompanying report); to the Committee on Government Operations.

Reports of the Comptroller General

Six letters from the Comptroller General of the United States each transmitting, pursuant to law, a report with the following titles: "Problems in Reimbursing State Auditors for Audits of Federally Assisted Programs"; "Need To Improve Efficiency of Reserve Training"; "Treatment of Chronic Kidney Failure: Dialysis, Transplant, Costs, and the Need for More Vigorous Efforts"; "Department of Defense Use of Flight Simulators—Accomplishments, Problems, and Possible Savings"; "Improvements Needed in Regulation of Commodity Futures Trading"; and "Use of Numerically Controlled Equipment Can Increase Productivity in Defense Plants" (with accompanying reports); to the Committee on Government Operations.

Report of the Federal Energy Administration

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report for the period of January through March 1975 concerning imports of crude oil, refinery activities, and inventories (with an accompanying report); to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Department of the Interior

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to promote a more comprehensive national program of water resources research and technology development to reorganize certain functions in the Department of the Interior, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Energy Research and Development Administration

A letter from the Administrator of Energy Research and Development transmitting a draft of proposed legislation to amend the

Atomic Energy Act of 1954, as amended (with accompanying papers); to the Joint Committee on Atomic Energy.

Report of the Energy Research and Development Administration

A letter from the Administrator of the Energy Research and Development Administration transmitting, pursuant to law, a report on the inflationary impact of proposed action to expand U.S. uranium enrichment capacity (with an accompanying report); to the Joint Committee on Atomic Energy.

Audit Report for the Pacific Tropical Botanical Garden

A letter from the Council of the Pacific Tropical Botanical Garden transmitting, pursuant to law, a report of audit for the Corporation for the period from January 1, 1974 through December 31, 1974 (with an accompanying report); to the Committee on the Judiciary.

Report of the Veterans' Administration

A letter from the Administrator of Veterans' Affairs transmitting, pursuant to law, a report covering cases recommended for equitable relief during calendar year 1974 (with an accompanying report); to the Committee on Veterans' Affairs.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Morgan):

Assembly Joint Resolution No. 43 adopted by the Legislature of the State of Nevada; to the Committee on Agriculture and Forestry:

Assembly Joint Resolution No. 43

Whereas, Lee Canyon Youth Camp is located in the Toiyabe National Forest, some 50 miles from Las Vegas, in Lee Canyon, an area of outstanding scenic beauty; and

Whereas, The camp facilities are maintained by two full-time caretakers employed by Clark County, with an operating budget of $70,000; and

Whereas, Clark County has built numerous structures at the camp, namely, a dining hall with kitchen, dormitories, a recreation hall, a shop and a water system; and

Whereas, An estimated 10,000 persons, representing the YMCA, various churches, 4–H groups and others, make use of the camp's facilities each year; and

Whereas, The 20-year lease on the property, signed with the United States Forest Service in 1961, will expire in 6 years and the loss of these facilities at that time will be a loss to the persons and organizations of Clark County; and

Whereas, To promote the health and welfare of the citizens of Clark County and to protect their substantial investment in the facilities of the camp, the people of Clark County should have legal title to the property; and

Whereas, Title to the property would be an incentive for the people of Clark County to improve the present facilities and expand the operation of the camp to enhance its usefulness; now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the legislature of the State of Nevada hereby memorializes the Congress of the United States to authorize the transfer of Lee Canyon Youth Camp to Clark County, Nevada; and be it further

Resolved, That the United States Department of Agriculture, which holds title to the property on which the Lee Canyon Youth Camp is situated, convey the title to the property to Clark County, Nevada; and be it further.

Resolved, That copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives, to all members of the Nevada congressional delegation, to Mr. Earl Butz, Secretary of Agriculture, and to Mr. John McGuire, Chief of the Forest Service; and be it further

Resolved, That this resolution shall become effective upon passage and approval.

Assembly Joint Resolution No. 31 adopted by the Legislature of the State of Nevada; to the Committee on Finance:

Assembly Joint Resolution No. 31

Whereas, The adequate and reasonable provision of gas electric power and other public utilities is an absolute essential of modern society; and

Whereas, The goal of energy independence for the nation is directly related to the ability of public utilities to modernize plants, convert plants to cheaper fuels and to build nuclear plants; and

Whereas, All of these goals in addition to expansion to meet normal growth requires the investment of large sums of capital, for electricity alone estimated at $140 billion through 1980; and

Whereas, The rising costs of fuel, the pressures of inflation and the strong demands by consumers for a halt in rate hikes has created a situation of dropping profits and a concomitant reluctance of investors to purchase public utilities bond issues; and

Whereas, The failure to attract investment capital for plant expansion and construction will have a direct and deleterious impact upon meeting national energy goals; and

Whereas, The Congress has recognized the public benefits of water and sewer utilities and air and water pollution control facilities and provided that bonds issued for these purposes may be tax exempt; now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the legislature of the State of Nevada hereby respectfully memorializes the Congress of the United States to amend the Internal Revenue Code at 26 U.S.C. § 103 to provide that capital improvement bonds for all public utilities may be tax exempt; and be it further

Resolved, That copies of this resolution be prepared by the legislative counsel and transmitted forthwith to the Vice President as presiding officer of the Senate, the Speaker of the House of Representatives and to all members of the Nevada congressional delegation; and be it further

Resolved, That this resolution shall become effective upon passage and approval.

Assembly Joint Resolution No. 41 adopted by the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

Assembly Joint Resolution No. 41

Whereas, The National administration and Congress have called upon farmers and ranchers of the United States to produce enough food to assure abundant food at reasonable prices in this country; and

Whereas, The farmers and ranchers are called upon to produce sufficient food for domestic needs and, in addition, to provide vast amounts for export to foreign countries to feed millions of starving people; and

Whereas, Export of food appears to be the most feasible means of balancing the trade deficit and reducing the outward drain of American dollars; and

Whereas, Federal land resources in the western United States present an abundant opportunity for increased production of lamb and beef; and

Whereas, This production is severely limited because of federal restrictions on the use of sound management procedures for the control of predators; now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the legislature of the State of Nevada hereby respectfully urges the President of the United States, Congress, the Bureau of Land Management, and the Forest Service to authorize and implement predator control management policies on federal lands in Nevada, such predator control measures to be comparable to those which have been proven necessary on private lands in Nevada; and be it further

Resolved, That copies of this resolution be transmitted forthwith by the legislative counsel to the President of the United States, to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives, to all members of the Nevada congressional delegation, to the Director of the Bureau of Land Management and to the Chief of the Forest Service; and be it further

Resolved, That this resolution shall become effective upon passage and approval.

Senate Joint Resolution No. 26 adopted by the Legislature of the State of Nevada; to the Committee on the Judiciary:

Senate Joint Resolution No. 26

Whereas, Each human life is precious and irreplaceable and entitled to the full protection of the law; and

Whereas, No condition of innocent human life will justify the denial of such protection; and

Whereas, It is appropriate that the laws of the United States of America guarantee that each human being has a right to life which must remain inviolate; now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, jointly, That the legislature hereby memorializes the Congress of the United States to take immediate action to initiate hearings for the purpose of considering and proposing a human life amendment to the United States Constitution which will give expression to the right to life as a constitutional right and guarantee that no human being will be denied the protection of law or deprived of life without due process of law; and be it further

Resolved, That copies of this resolution be prepared by the legislative counsel and transmitted forthwith to the Vice President as presiding officer of the Senate, the Speaker of the House of Representatives and to all members of the Nevada congressional delegation; and be it further

Resolved, That this resolution shall become effective upon passage and approval.

Assembly Joint Resolution No. 24 adopted by the Legislature of the State of Nevada; to the Committee on Veterans' Affairs:

Assembly Joint Resolution No. 24

Whereas, A large part of the millions of American veterans live at considerable distance from Veterans' Administration medical facilities; and

Whereas, Hospitalization far from one's home is a financial and an emotional hardship; and

Whereas, In many communities today there exists excess hospital bed capacity; and

Whereas, It is far cheaper to the taxpayers in the long run to have the Veterans' Administration contract to use excess hospital capacity than to build or expand veterans' hospitals; and

Whereas, The Veterans' Administration is authorized to pay for emergency care to veterans in nongovernment hospitals; now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the legislature of the State of Nevada respectfully memorializes the Congress of the United States to expand the authority of the Veterans' Administration to allow it to contract for hospital care for veterans with service-connected or nonservice-connected disabilities in local communities; and be it further

Resolved, That copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President as presiding officer of the Senate, the Speaker of the House of Representatives and to all members of the Nevada congressional delegation; and be it further

Resolved, That this resolution shall become effective upon passage and approval.

A resolution adopted by the Senate of the State of New Jersey; to the Committee on Commerce:

SENATE RESOLUTION

Whereas, An abundant supply of natural gas must be insured for New Jersey industry and especially for the glass industry in southern New Jersey; and,

Whereas, This industry has developed during the past 240 years into one of New Jersey's most important economic factors and now is in danger of being seriously eroded; and,

Whereas, Should sufficient supplies of natural gas not be available this and other industries could be forced to close their operations entirely in the State of New Jersey; and,

Whereas, The impact of such a move would cause serious unemployment and particularly affect at least 20,000 jobs in the glass industry alone in Cumberland County; and,

Whereas, Other states are presently developing plans to entice New Jersey industries to their localities by taking advantage of the inequities in the interstate markets for natural gas; now, therefore,

Be It Resolved by the Senate of the State of New Jersey:

That the Congress of the United States is hereby respectfully memorialized to equalize the rates of the interstate sale and distribution of natural gas supplies; and,

Be It Further Resolved, That authenticated copies of this resolution, signed by the President and attested to by the Secretary of the Senate, be transmitted to the Vice President of the United States, the Speaker of the House of Representatives, to each New Jersey United States Senator, and to each of the fifteen members of Congress elected from this State.

A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Finance:

JOINT RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO INCLUDE THE COST OF EYE GLASSES, PRESCRIPTION DRUGS AND HEARING AIDS IN THE MEDICARE PROGRAM

We, your Memorialists, the Senate and House of Representatives of the State of Maine in the One Hundred and Seventh Legislative Session, now assembled, most respectfully present and petition the Congress of the United States, as follows:

Whereas, the Medicare Program has been a much needed and much used program to upgrade the medical care for many of Maine citizens; and

Whereas, the present statute governing the Medicare Program does not permit that program to include as Medicare benefits the cost of eye glasses, prescription drugs and hearing aids; and

Whereas, a large part of the needed medical care for persons who also benefit under the Medicare Program consists of these items; now, therefore, be it

Resolved: That We, your Memorialists, hereby respectfully urge and request that the Congress of the United States act as soon as possible to amend the Medicare statute to include eye glasses, prescription drugs and hearing aids as part of the benefits permitted Medicare recipients; and be it further

Resolved: That a copy of this Memorial, duly authenticated by the Secretary of State, be transmitted forthwith by the Secretary of State to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States and to each member of the Maine Congressional Delegation.

Assembly Joint Resolution No. 17 adopted by the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs;

ASSEMBLY JOINT RESOLUTION NO. 17

Whereas, The Stillwater Wildlife Management Area and Carson Lake area have traditionally provided a sanctuary for migratory waterfowl and supported a large percentage of Nevada's nongame wetland associated wildlife; and

Whereas, In years past Stillwater National Wildlife Refuge harbored the largest nesting areas in the United States for the rare white-faced glossy ibis; and

Whereas, In 1973 the Department of the Interior reduced water allocation to the Truckee-Carson Irrigation District thereby creating an emergency situation by drying up the marshes of the Stillwater Wildlife Management Area and Carson Lake which are absolutely vital to the continued existence of this national preserve for wetland wildlife species; and

Whereas, Since 1973 total waterfowl production has fallen 88 percent at Carson Lake and over 50 percent at the Stillwater Wildlife Management Area; and

Whereas, The nesting of white-faced ibis in the area has ceased completely; and

Whereas, It is in the public interest to preserve and protect this refuge for water associated wildlife; and

Whereas, Stillwater National Wildlife Management Area is jointly managed by the Bureau of Sport Fisheries and Wildlife in the Department of the Interior and the Nevada department of fish and game; now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, jointly, That the legislature of the State of Nevada hereby respectfully memorializes the Congress of the United States and the Department of the Interior:

1. To take immediate action to release sufficient water to preserve and protect the waterfowl, fish and wildlife habitat in the Stillwater National Wildlife Refuge and Carson Lake areas;

2. That steps be taken by the Congress and Department of the Interior to plan for and assure an adequate flow of fresh water during the winter months so that the Stillwater National Wildlife Refuge can be maintained now and in the future as a habitat for waterfowl and other wildlife in the Fallon area of Nevada;

3. That such planning and water allocation shall in no way diminish or otherwise impair existing or future water rights of agricultural users of water from the Truckee-Carson Irrigation District in the Fallon, Nevada area; and be it further

Resolved, That copies of this resolution be transmitted forthwith by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives, to members of the Nevada congressional delegation, to the Bureau of Sport Fisheries and Wildlife of the Department of the Interior and to the Secretary of the Interior; and be it further

Resolved, That this resolution shall become effective upon passage and approval.

A resolution adopted by the Council of the City of Toledo, Ohio, urging the Congress to keep intact the provisions of the housing bill that extend the section 312 rehabilitation loan program; to the Committee on Banking, Housing and Urban Affairs.

Five petitions seeking a redress of grievances from several citizens of the States of Texas, Wyoming, Colorado, Nebraska, and Montana; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

S. 2063. An original bill to regulate commerce, to protect consumers, and to conserve energy by requiring the disclosure of estimates as to the annual operating costs of environmental control systems in residences, and for other purposes (Rept. No. 94-265). Referred to the Committee on Banking, Housing and Urban Affairs.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following executive reports of committees were submitted:

Mr. SPARKMAN. Mr. President, as in executive session, I report favorably, from the Committee on Foreign Relations, sundry nominations in the Diplomatic and Foreign Service which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations ordered to lie on the Secretary's desk are as follows:

The following-named person for reappointment in the Foreign Service as a Foreign Service Officer of class 3, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

Louis Schwartz, Jr., of Florida.

For reappointment in the Foreign Service as a Foreign Service Officer of class 4, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

Raymond J. Wach, of the District of Columbia.

For appointment as Foreign Service Information Officers of class 4, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Richard George Brown, of Illinois.

Claude William La Salle II, of Louisiana.

For promotion from Foreign Service Officers of class 6 to class 5:

Barbara K. Bodine, of California.

William Harrison Courtney, of West Virginia.

Edward J. Marcott, of Massachusetts.

Harry E. Young, Jr., of Kansas.

Richard H. Zorn II, of Illinois.

For appointment as a Foreign Service Officer of class 5, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

Michael Sager Royle, of California.

For appointment as Foreign Service Information Officers of class 5, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Harriet L. Elam, of Massachusetts.

G. Alfred Kennedy, of New Jersey.

Jane Prindeville Newman, of Maryland.

Marjorie Ann Ransom, of the District of Columbia.

For promotion from a Foreign Service Officer of class 7 to class 6:

Robyn M. Facinelli, of Illinois.

For promotion from a Foreign Service Information Officer of class 7 to class 6:

Theodore A. Boyd, of Ohio.

For reappointment in the Foreign Service as Foreign Service Officers of class 6, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Ann R. Berry, of Kentucky.

Therese Ann Kleinkauf, of New York.

For reappointment in the Foreign Service as a Foreign Service Information Officer of class 6, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

Timothy M. Randall, of Illinois.

The following-named persons to be members of the U.S. Advisory Commission on International Educational and Cultural Affairs for terms expiring May 11, 1977:

Eva T. H. Brann, of Maryland, vice Thomas B. Curtis;

Richard T. Burress, of the District of Columbia, vice Harry S. Flemming;

William French Smith, of California, reappointment.

James A. S. Leach, of Iowa, to be a member of the U.S. Advisory Commission on International Educational and Cultural Affairs for a term expiring May 11, 1978, vice William C. Turner.

By Mr. SPARKMAN, from the Committee on Foregin Relations:

John H. Holdridge, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Singapore.

POLITICAL CONTRIBUTIONS

People's Republic of China,
Municipality of Peking,
Consular Service of the
United States of America, *ss:*

Subscribed to and sworn to before me, Robert R. Blackburn, Jr., Consul of the United States of America at Peking, duly commissioned and qualified this 8th day of April, 1975.

Robert R. Blackburn, Jr.,
Consul.

Nominee: John H. Holdridge.

Post: Ambassador to Singapore nominated:

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, none.

3. Children and spouses, Patricia (unmarried), none, David (unmarried), none, Geoffrey (unmarried), none.

4. Parents, Marie G. Holdridge (mother), I am unaware of any political contributions. Herbert C. Holdridge (father), deceased Sept. 1974; I am unaware of any political contributions.

5. Grandparents, none.

6. Brothers and spouses, none.

7. Sisters and spouses, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

John H. Holdridge.

4. Parents, Marie G. Holdridge (mother), none.

Signed: John H. Holdridge.

People's Republic of China,
Municipality of Peking
Consular Service of the
United States of America, *ss:*

Subscribed and sworn to before me, Jerome C. Ogden, Consul of the United States of America at Peking, duly commissioned and qualified, this 21st day of April, 1975.

Jerome C. Ogden,
Consul of the United States of America.

James D. Theberge, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

POLITICAL CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: James D. Theberge.

Contributions, amount, date, and donee:

1. Self: James D. Theberge, $500, November 1972, Committee to Re-elect the President.

2. Spouse: Giselle Theberge (none).

3. Children and Spouses (none): John Paul (3 years) and James Christopher Theberge (8 years).

4. Parents (none): Antoinette M. Theberge (mother).

5. Grandparents (none):

6. Brothers and Spouses (Virginia Theberge (none): Leonard J. Theberge (brother), $100, January 1974, John Rhodes; $100, June 1974, Clair Burgener.

7. Sisters and Spouses (none): $50, June 1974, David Rehman; $50, June 1974, West Marden.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

James D. Theberge,
Signature of nominee.

Subscribed and sworn (or affirmed) before me this 28th day of April A.D. 1975, at Washington, D.C.

(SEAL) Thelma W. Abbott,
Signature of Officer.

Commission expires April 14, 1977, *Notary Public.*

(The foregoing nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CRANSTON (for Mr. Williams), from the Committee on Labor and Public Welfare:

Marlow W. Cook, of Kentucky, and

J. Melville Broughten, of North Carolina, to be members of the Board of Directors of the Legal Services Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JACKSON (for himself, Mr. Ribicoff, Mr. Williams, Mr. Taft, and Mr. Javits):

S. 2051. A bill to amend the Internal Revenue Code of 1954 to provide that the gross income of an employee does not include amounts received as payment or reimbursement for legal services furnished to the employee under a group legal service plan, the value of legal services rendered to the employee under such plans, or amounts contributed by the employee's employer to such plan. Referred to the Committee on Finance.

By Mr. SPARKMAN:

S. 2052. A bill for the relief of Enrique Acevedo Gonzalez. Referred to the Committee on the Judiciary.

By Mr. PASTORE (for himself and Mr. Baker) (by request):

S. 2053. A bill to amend the Atomic Energy Act of 1954, as amended, to revise one of the bases for establishing prices for enriching services provided by the Atomic Energy Commission. Referred to the Joint Committee on Atomic Energy.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 2054. A bill to amend sections 203 and 204 of the Communications Act of 1934. Referred to the Committee on Commerce.

By Mr. HARTKE (for himself, Mr. Abourezk, Mr. McGovern, and Mr. Hugh Scott):

S. 2055. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs. Referred to the Committee on Finance.

By Mr. HARTKE:

S. 2056. A bill to amend the Rail Passenger Service Act of 1970 to clarify programs for promoting reuse of railroad passenger terminals, and for other purposes. Referred to the Committee on Commerce.

By Mr. TOWER:

S. 2057. A bill to amend the Internal Revenue Code of 1954 to provide an investment credit for oil and gas drilling expenditures, and for other purposes. Referred to the Committee on Finance.

By Mr. LEAHY:

S. 2058. A bill for the relief of Trinidad Pascuala Quinones-Valdes. Referred to the Committee on the Judiciary.

S. 2059. A bill to provide for the issuance of a special postage stamp in commemoration of Vermont's Bicentennial of Independence. Referred to the Committee on Post Office and Civil Service.

By Mr. EAGLETON:

S. 2060. A bill for the relief of Valter Reimnitz. Referred to the Committee on the Judiciary.

By Mr. WEICKER:

S. 2061. A bill to provide for the establishment of a national cemetery in Connecticut or in Standard Federal Region I. Referred to the Committee on Veterans' Affairs.

By Mr. FORD:

S. 2062. A bill for the relief of Doctor Kok Liong Tan, and his wife, Gloria Siao Tan. Referred to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2063. An original bill to regulate commerce, to protect consumers, and to conserve energy by requiring the disclosure of estimates as to the annual operating costs of environmental control systems in residences, and for other purposes. Referred, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs, with instructions to report within 60 days.

By Mr. CHILES:

S. 2064. A bill to amend the Export-Import Bank Act of 1945 to authorize the President to suspend credit for exports to certain countries. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. PHILIP A. HART:

S. 2065. A bill to regulate commerce by authorizing the Federal Trade Commission to protect consumers against unfair or deceptive advertising, promotion or sales practices and by providing for full, accurate and clear disclosure of price and other information needed for consumers with respect to certain insurance policies, and for other purposes. Referred to the Committee on Commerce.

By Mr. RANDOLPH (for himself and Mr. Jackson):

S. 2066. A bill to amend the Federal Nonnuclear Energy Research and Development Act of 1975. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON (for himself, Mr. Ribicoff, Mr. Williams, Mr. Taft, and Mr. Javits):

S. 2051. A bill to amend the Internal Revenue Code of 1954 to provide that the gross income of an employee does not include amounts received as payment or reimbursement for legal services furnished to the employee under a group legal service plan, the value of legal services rendered to the employee under such plans, or amounts contributed by the employee's employer to such plan. Referred to the Committee on Finance.

Mr. JACKSON. Mr. President, today I am reintroducing legislation previously offered in the 93d Congress to amend the Internal Revenue Code to provide for an exclusion from gross income of the value of employer contributions to prepaid group legal services plans. The purpose of this bill is to provide further encouragement for the development of prepaid legal services plans which will efficiently and economically meet the challenge of delivering legal services to millions of low- and middle-income Americans who cannot now afford legal representation.

My legislation is modeled after sections 105 and 106 of the Internal Revenue Code which provide exclusions for medical expense reimbursement payments under accident-health plans and the value of premium payments under medical insurance plans. My bill would simply add to sections 105 and 106 an exclusion for reimbursement and premium payments for prepaid legal services plans.

Mr. President, I believe that there is a great unmet need to make legal services readily available to all of the American people. We are very proud in this Nation of our tradition of equal justice for every individual regardless of race, creed, or economic or social status. We are duly proud that our Constitution and our entire political tradition requires that "due process" and "equal protection" of the law be accorded to every person. That each man should receive his due is one of the great egalitarian values of our way of life.

However, aspirational ideals are only as real as the effectiveness of the mechanisms by which they are implemented. The reality of equal justice under law depends on the ability of our legal services delivery system to actually make the necessary services available to the millions of Americans who need legal assistance each year. It is in this area that more work must be done because the simple fact is that legal assistance is currently too expensive to be readily available to the vast majority of Americans. Obtaining legal services is now beyond the financial capability of approximately 70 percent of all Americans.

Legal representation is, of course, a constitutional right in criminal cases. Over the past half-century the courts have carefully developed constitutional standards for the availability of representation in criminal proceedings. Initially, representation was required only at trial in felony cases. However, the right of representation in criminal cases now includes pretrial and post-trial criminal proceedings and recently the Supreme Court decided that representation is necessary in misdemeanor cases in which any jail sentence may be imposed.

State and local bar associations and governmental units have also adopted programs for making free legal services available to criminal defendents through the local bar. Eventually, "public defender" programs developed and have expanded in order to systematically provide expert legal counsel to criminal defendants.

Now in the civil area there is a growing movement to make access to the courts and the processes and protections of the law available to more and more people. This movement is spurred by the growing need of millions of Americans to seek legal assistance in an increasingly complex society. It is this problem that my legislation is directed at.

Of course, legal services have always been readily available to that segment of the population that can afford to pay for counsel under the traditional fee for service system of representation. However, until the last decade there has been little effort made to expand the population that is able to receive legal assistance with such important everyday problems as landlord tenant disputes, the purchase or sale of property, consumer protection actions, divorce settlements, the drawing of wills, and so forth.

The most obvious improvement in the access of a previously unserved group to legal representation in civil cases was the establishment of the Federal Legal Services program in the early 1960's. I have always supported the Legal Services program because I believe in the importance of broadening access to the processes of justice through law. I further believe that the record of the past decade since the establishment of Legal Services has demonstrated both the need for this program and its effectiveness at meeting that need.

The vast majority of the cases handled by Legal Services attorneys have been family law cases or other common but important disputes. These are matters which have a profound effect on the day-to-day lives and well-being of people.

Furthermore, there is no reason to believe that everyday legal problems are unique to the poor. The kind of problems that are regularly handled by Legal Services attorneys for free affect millions of other Americans who do not happen to qualify for free Legal Services assistance and cannot otherwise afford legal counsel. The American Bar Association estimates that roughly 140 million people or 70 percent of the population does not have access to the legal system at present. Efforts to meet these problems at the local, State, and Federal level have been indirect and piecemeal. Nevertheless, there is a growing awareness of the need for improvement in the legal services delivery system and a growing effort to meet the challenge of providing legal services to all Americans. Essential legal services are available to the rich and the poor; it is the millions of Americans who are neither rich nor poor that need help now.

Consider the following actions which have been taken and which are aimed at improving our system of delivering legal services by reducing cost and other barriers.

First, in the area of law reform both the Congress and various States are considering no-fault automobile insurance legislation. This legislation has arisen directly out of the high cost of legal assistance in settling automobile accident claims. Because the existing tort system is not meeting people's needs at a reasonable cost and with reasonable speed it is becoming necessary to take automobile accidents out of the tort system and replace it with a system of automatic compensation in all but very serious cases.

Similarly, the high cost of legal fees and closing costs involved in the purchase and sale of real estate has caused the Congress to pass legislation to put a limit on such fees and costs in certain cases.

In addition, many States are considering law reform in such areas as providing for no-fault divorce in order to assure that the cost of obtaining legal services will not constitute a barrier against access to the legal system in this vital area of family law.

Second, private organizations are increasingly providing legal representation for groups of people who have similar interests in particular issues. Consumer organizations, environmental groups, and other public interest organizations with specific interests are increasingly seeking to represent through class actions large numbers of people who could not otherwise obtain access to the courts.

Third, the spread of State consumer protection agencies with authority to investigate and prosecute actions on behalf of aggrieved individuals is another effort to assure that the average citizen's legal rights are not ignored simply because he is too small to fight such battles on his own. Earlier this year the Senate approved legislation to establish an Agency for Consumer Advocacy to represent consumer interests in Federal regulatory proceedings.

Fourth, the Senate Judiciary Committee has established a Subcommittee on Representation of Citizen Interests to examine "the quality and availability of legal services performed by the legal profession, to determine how efficiently, how universally, and how economically the needs of citizens for effective advocacy are being met."

All of these actions by private and governmental bodies at the local, State, and Federal level are designed to meet the need to give all Americans, regardless of economic or social status, access to our system of justice through law. I believe that this represents a growing and healthy recognition that legal needs are extremely important to the everyday well-being of the average American.

However, none of these actions alone or together represents a change in the system of delivering legal services designed to bring more or less comprehensive legal services within the financial range of the average citizen. To accomplish this goal major changes in the present mode of marketing legal services must be effected.

In the late 1960's and the early 1970's various "prepaid" and "group" legal services plans modeled after plans in the health field came onto the scene. These plans offer the first realistic opportunity for providing a broad range of legal services to significant unserved segments of the population.

The prepaid legal field is just beginning. It is still very experimental although a wide variety of plans have been launched and are in the offing. Data made available by the American Bar Association indicate that there are already numerous prepaid type plans providing a broad range of legal aid with personal problems. These plans represent organized groups and unaffiliated individuals. In addition to the various existing prepaid plans the American Bar Association reports that at least five insurance companies are now offering some form of prepaid legal coverage.

If these prepaid plans are developed to their full potential, they will make legal services available for the first time to the majority of Americans.

The Congress has already taken important steps to encourage the development of prepaid legal services with the passage in the 93d Congress of Public Law 93–95 amending the Labor-Management Relations Act to permit employer contributions to union-operated trust funds established to provide prepaid legal services for employees and Public Law 93–406, the Employee Retirement Income Security Act. The former legislation removed a bar that existed under prior law and made it possible through the collective bargaining process to establish prepaid programs on a wide scale. Under ERISA, prepaid legal services plans are defined as "employee welfare benefit plans" which brings them within the reporting, disclosure, and fiduciary responsibility requirements of that act.

In light of the investigation which the Permanent Subcommittee on Investigations, which I chair, conducted into abuses in the prepaid health plan area, I am particularly sensitive to the potential for such abuses in the prepaid legal field. For this reason, I believe that the regulations which are now being developed by the Department of Labor to implement the safeguards contemplated by ERISA are very important. Plan compliance with the provisions of ERISA must be a prerequisite for the beneficiaries of any prepaid legal services plan being eligible to receive favorable treatment under the legislation I am introducing today.

The bill I have introduced today would build on the base established by Public Law 93–95 and Public Law 93–406 by providing further Federal encouragement for the development of prepaid plans. If this bill is adopted reimbursement payments or premium contributions made under prepaid type plans would be excluded from the gross income of individuals receiving such payments or contributions through their employer.

This legislation will provide encouragement for the development of prepaid plans just as sections 105 and 106 provide encouragement for the development of employer-employee health insurance plans. I believe that the need and justification for such encouragement exists in the area of legal services now just as it was recognized to exist in the area of health care years ago.

Adoption of this legislation would be perfectly consistent with prior congressional actions in the area of broadening access to legal services. It will add impetus to the now burgeoning field of private prepaid legal services and legal insurance. It will help to make available to millions of Americans the protections which the law and our political tradition promises to everyone.

I am very pleased that Senators RIBICOFF, WILLIAMS, JAVITS, and TAFT have joined with me in reintroducing this legislation. Their support of this legislation is indicative of the broad coalition of groups which favor incentives for the development of a more effective legal services delivery system. I am also pleased that the American Bar Association has expressed support for this legislation along with many organizations affiliated with the National Consumer Center for Legal Services including the AFL–CIO. I am proud to have the support of these organizations for my bill and for the concept of making the promise of equal justice for all a little bit closer to reality.

Mr. WILLIAMS. Mr. President, today there is a great need to make legal services available to all Americans. I am pleased to join with my distinguished colleagues, Senators JACKSON, RIBICOFF, TAFT, and JAVITS, in the introduction of legislation designed to encourage the development of group legal service plans.

The wealthy have always been able to afford legal counsel under the traditional fee for service system. But until the last decade, there was little effort made to extend the legal delivery system to Americans of moderate income means.

Recent studies indicate that adequate legal services are beyond the financial capability of 70 percent of American families. Group legal service plans seek to remedy this situation.

Over the last decade, various "prepaid" and "group" legal service plans, modeled after plans in the health field, came on the scene. These plans offered the first realistic opportunity for providing a broad range of legal services to significant unserved segments of the population.

The plans operate under the same principle as group health insurance. They spread the cost of legal services over a large group of people and, thereby, reduce the cost to the individual participant.

Last Congress, we provided a great impetus to the development of group plans with enactment of Public Law 93–95, which I sponsored to permit group legal service plans to be administered under the trust fund provisions of the Taft-Hartley Act. Now there are about 3,000 plans operating throughout the country.

But there are many questions as to the tax status of the plans left unanswered. While the Federal income tax treatment of employer contributions is clear, the tax treatment of employee benefits and contributions is uncertain.

This legislation is modeled after sections 105 and 106 of the Internal Revenue Code which provide exclusions for medical expense reimbursement payments under accident-health plans and the value of premium payments under medical insurance plans. The purpose of the bill is to amend sections 105 and 106 of the code to insure that all participants in group legal service plans will have the same Federal income tax treatment as participants in accident and health plans.

Legal counseling and assistance is a necessity of modern life. We came face to face with the need for legal assistance in our 3-year study of the private pension system.

Time and again, we found our elderly citizens struggling with the legal complexities of various private and public benefit programs.

All too often, benefits were lost simply because they could not understand the complex legal requirements.

For many years, the poor and underprivileged have been receiving free legal assistance. Legal service programs are serving a half million clients across the land. After 4 years of determined effort, Congress enshrined the principle of legal assistance to the underprivileged in the creation of the National Legal Services Corporation last year.

But while essential legal services are available to the rich and the poor, it is the millions of Americans who are neither rich nor poor that need the help now.

Today's legislation builds on the base established by Public Law 93–95 which permitted the adoption of group plans on a wide scale through collective bargaining. The reality of "equal justice under the law" depends on the ability of our legal service delivery system to reach the millions of Americans who need legal assistance each year.

Mr. TAFT. Mr. President, today I am happy to join with Senator JACKSON in cosponsoring legislation to amend the Internal Revenue Code to provide an exclusion from employee gross income of the value of employer contributions paid to prepaid group legal services plans.

Some Americans doubtless believe that we have fully achieved justice, equality before the law, and equality of opportunity. However, if recent opinion polls are correct, a growing number of Americans have reached the opposite conclusion. Many of our people apparently believe that there is a double standard of justice—one for the rich and influential—and another for the poor and weak.

Our governmental system is one founded upon law which preserves fundamental safeguards. The objective of equal justice for all is sometimes an elusory concept. In my view, equal access to the procedural system that considers an individual's rights and obligations under the law is essential for all citizens. No one person or group of citizens has, under law, more or fewer of these safeguards.

Mr. President, the thrust of this bill, which I wholeheartedly endorse, is to provide encouragement for the creation and use of prepaid legal services programs will help to achieve equal access to our procedural system for those middle-income Americans who cannot now afford legal representation. It is axiomatic that the well-to-do and rich are aware of their need for legal services and have no trouble obtaining them. The poor are being increasingly assured of services through the passage of such bills as the Legal Services Corporation Act. But there remains a large segment of population between these two extremes—middle-income Americans. The establishment of legal services programs through collective bargaining, in a manner similar to the way health benefit programs have been established, is an important step toward assisting Americans of moderate means in obtaining and financing necessary legal services.

In 1973, Congress made an enormous contribution to this area by passing the joint labor-management trust funds for legal services, Public Law 93–95, which added legal service programs to the list of permissible jointly administered funds in section 302 of the Labor-Management Relations Act. The bill being introduced today is a natural and logical companion to this legislation. Public Law 93–95 was made necessary because of the growing recognition that existing methods of delivery of legal services to middle and working class citizens are inadequate. This bill will resolve the uncertainty as to the tax aspects of these types of plans. Based upon my review of existing law, benefits received by an employee under a group legal services plan to the extent that such benefits are attributed to an employer's contribution would represent a form of compensation for his services. Thus, these amounts would be includable in the employee's gross income.

This bill will remedy this situation and will provide an exclusion for reimbursement and premium payments for prepaid legal service plans. Of importance also is the fact that the bill will permit an employer to continue to deduct his contributions to such plans as a business expense under section 162 of the Internal Revenue Code.

The objective of group legal services plans and the favorable tax treatment afforded by this bill is to encourage participants to seek the advice of attorneys before they experience legal difficulties that might at a later time cause unnecessary expense and concern. Preventative law is a cornerstone of these plans. One of the weaknesses in our legal system is that often Americans fail to consult attorneys simply because they do not know they have a legal problem. Sometimes, even after they know they have a problem, they fail to consult an attorney because they do not believe the law can help them. We must, therefore, know and understand our rights as Americans in order to make the fullest and best use of them, thereby taking advantage of the legal system's many benefits. This bill should go a long way to achieving these goals.

In summary, it has been a congressional objective, which I support, to provide greater access to the legal system in this country through the various legislative initiatives I have mentioned. I believe all will agree that every reasonable effort must be made to insure legal counsel for individuals in all income ranges. This bill is a positive step in this direction.

I hope that the bill will receive immediate consideration in the Finance Committee, and that early passage will be achieved.

Mr. JAVITS. Mr. President, I am pleased to cosponsor S. 2051, a bill introduced by Senators Jackson, Ribicoff, Williams, and Taft, to amend the Internal Revenue Code to provide for an exclusion from the gross income of employees, the value of employer contributions to prepaid group legal services plans.

Last year the Congress took an important step forward to stimulate prepaid legal service plans by passing Public Law 93–95, amending section 302 of the Labor-Management Relations Act, to permit employer contributions to union-operated trust funds established to provide prepaid legal services for employees. That legislation removed the obstacle that existed under prior law and made it possible through the collective bargaining process to establish prepaid legal programs on a broader scale.

In addition, as part of the landmark pension reform law that was passed last year, Public Law 93–406, Congress enacted a provision which preempted State law from regulating the form and content of prepaid legal service plans established by employers for their employees. This action again assisted the wider development of prepaid plans by eliminating the threat of conflicting and onerous State regulation.

The bill being introduced today is patterned after sections 105 and 106 of the Internal Revenue Code which provide exclusions for medical expense reimbursement payments under accident-health plans and the value of premium payments under medical insurance plans. The bill would add to sections 105 and 106 an exclusion for reimbursement and premium payments for prepaid legal services plans.

This legislation will provide further needed encouragement for the development of prepaid plans just as sections 105 and 106 provided encouragement for the development of employer-employee health insurance plans. I believe that the need and justification for such encouragement exists in the area of legal services now just as it was recognized to exist in the area of health care years ago.

Mr. President, the prepaid legal field is in its infancy. It is still experimental although a wide variety of plans have been launched and are in the offing. Data made available by the American Bar Association indicate that there are already numerous prepaid type plans providing a broad range of legal aid with personal problems. In addition to the various existing prepaid plans the American Bar Association reports that at least five insurance companies are now offering some form of prepaid legal coverage.

If these prepaid plans are developed to their full potential they will make legal services available for the first time to the majority of Americans. In addition, changes in the mode and efficiency of practicing law could be extensive and far reaching.

The result should be a lowering of the unit cost of providing legal services and a vast broadening of the number of people who are able to avail themselves of such services.

Mr. President, I believe that there is a great unmet need to make legal services readily available to all of the American people. We are very proud in this Nation of our tradition of equal justice for every individual regardless of race, creed or economic or social status. We are justly proud that our Constitution and our entire political tradition requires that "due process" and "equal protection" of the law be accorded to every person. That each man should receive "his due" is one of the great values of our way of life.

Adoption of this legislation would be perfectly consistent with prior congressional actions in the area of broadening access to legal services. It will add impetus to the now growing field of private prepaid legal services and legal insurance. It will help to make available to millions of Americans the protections which the law and our political tradition promises to everyone.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 2054. A bill to amend sections 203 and 204 of the Communications Act of 1934. Referred to the Commitee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend sections 203 and 204 of the Communications Act of 1934, and ask unanimous consent that the letter of transmittal and explanation of proposed amendments be printed in the Record together with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1.

Section 203(b) of the Communications Act of 1934 (47 U.S.C. 203(b)) is amended by deleting "thirty" and inserting in lieu thereof "ninety".

Section 2.

Section 204 of the Communications Act of 1934 (47 U.S.C. 203), is amended to read as follows (new language is in italics):

"Sec. 204(*a*). Whenever there is filed with *the* Commission any new *or revised* charge, classification, regulation, or practice, the Commission may either upon complaint or upon its own initiative without complaint, upon reasonable notice, enter upon a hearing concerning the lawfulness thereof; and pending such hearing and the decision thereon the Commission, upon delivering to the carrier or carriers affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such charge, classification, regulation, or practice, *in whole or in part* but not for a longer period than *nine* months beyond the time when it would otherwise go into effect; and after full hearing the Commission may make such order with reference thereto as would be proper in a proceeding initiated after *such charge, classification, regulation, or practice* had become effective. If the proceeding has not been concluded and an order made within the period of the suspension, the proposed *new or revised* charge, classification, regulation, or practice shall go into effect at the end of such period; but in case of a proposed *charge for a new service or an* increased charge, the Commission may by order require the interested carrier or carriers to keep accurate account of all amounts received by reason of such *charge for a new services or increased charge,* specifying by whom and in whose behalf such amounts are paid, and upon completion of the hearing and decision may by further order require the interested carrier or carriers to refund, with interest, to the persons in whose behalf such amounts were paid, such portion of such *charge for a new service or* increased charges as by its decision shall be found not justified. The Commission shall give to the hearing and decision of such questions preference over all other questions pending before it and decide the same as speedily as possible."

(*b*) *Notwithstanding the provisions of subsection* (*a*) *of this section, the Commission may allow part of a charge, classification, regulation, or practice, to go into effect, based upon a written showing by the carrier or carriers affected, and upon an opportunity for written comment thereon by affected persons, that such partial authorization is just, fair and reasonable. Additionally, or in combination with a partial authorization, the Commission, upon a similar showing, may allow all or part of a charge, classification, regulation, or practice, to go into effect on a temporary basis pending further order of the Commission. Authorizations of temporary new or increased charges may include an accounting order of the type provided for in subsection* (*a*).

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., May 12, 1975.
THE VICE PRESIDENT,
U.S. Senate
Washington, D.C.

DEAR MR. VICE PRESIDENT: Enclosed are six copies of a draft bill, and explanatory statement, to amend sections 203 and 204 of the Communications Act of 1934. This proposal, which is part of the Commission's legislative program for the 94th Congress, would extend to 90 days the period of notice required before a tariff may be changed; extend from three months to nine months the period for which the Commission may suspend new or revised tariff schedules; and authorize the Commission, based upon a preliminary written proceeding to grant or suspend a tariff in whole or in part pending hearing and decision on the lawfulness thereof or to grant temporary authorization of a tariff.

Section 203(b) of the Communications Act provides that no change shall be made in the tariff charges, classifications, regulations or practices which have been filed with the Commission except after thirty days notice to the Commission and the public. The Commission has found that this period is inadequate to effectively review a tariff filing. The thirty day notice period together with Commission rules has left the Commission with only four to six days including weekends and holidays to review the tariff, the contentions of the various parties, and to reach a decision on whether or not to suspend the tariff.

Section 204 of the Communications Act provides that the Commission may, upon complaint or upon its own initiative, designate a tariff filing for hearing concerning its lawfulness, and, pending such hearing, suspend the operation of the tariff for a period of not longer than three months beyond the time when it would otherwise go into effect. If the hearing process is incomplete at the end of the suspension period, the tariff becomes effective. Where an increased rate is at issue, the Commission may require a carrier to account for all funds received under the increase following the suspension period, and may order refunds with interest as may be appropriate upon conclusion of the hearing. In some cases the revenue increases sought may amount to several hundred dollars annually.

The Commission has found that it is simply not possible to conclude a tariff proceeding in this short a period of time. Section 204 was drafted in an era when communications media were less complex and the Commission's hearing, docket was considerably lighter. Section 204 does not now specifically authorize the Commission to separate questionable items from legitimate aspects of a tariff filing and thus does not permit the Commission to suspend the former and implement the latter. In addition, the Commission does not have authority to implement a temporary tariff change. Because legitimate changes may await completion of the hearing on questionable elements of a tariff, an unnecessary regulatory lag may be created.

The Administrative Conference of the United States recommended that regulatory agencies seek statutory authority to allow temporary or partial rate increases in order to solve this problem. The amendatory language proposed by the Commission is designed to implement this recommendation. It authorizes the Commission to make a preliminary judgment as to whether a tariff filing should become effective or be suspended in whole or in part pending hearing.

The Office of Management and Budget advises that it has no objection to the submission of this draft bill to the Congress with the understanding that other agencies may wish to testify thereon.

Consideration by the Senate of the proposed amendment to the Communications Act of 1934 would be greatly appreciated. The Commission would be pleased to furnish any additional information that may be desired by the Senate or by the Committee to which this proposal is referred.

Sincerely yours,
RICHARD E. WILEY, *Chairman.*

Enclosures.

EXPLANATION OF PROPOSED AMENDMENTS TO SECTIONS 203 AND 204 OF THE COMMUNICATIONS ACT OF 1934

The Federal Communications Commission recommends to the Congress enactment of legislation to amend sections 203 and 204 of the Communications Act of 1934 with respect to three matters:

(1) To extend to 90 days the period of notice required before a tariff may be changed;

(2) To extend from three months to nine months the period for which the Commission may suspend new or revised tariff schedules;

(3) To authorize the Commission to conduct a preliminary written proceeding to determine whether a tariff filing should become effective or be suspended in whole or in part pending hearing and decision on the lawfulness thereof; or whether temporary authorization of a tariff filing should be permitted.

Section 203(b) of the Communications Act provides that no change shall be made in the tariff charges, classifications, regulations or practices which have been filed with the Commission except after thirty days' notice to the Commission and the public. However, the Commission may modify this requirement if particular circumstances warrant.

The Commission has found that this period is inadequate to effectively review a tariff filing. The thirty day notice period together with Commission rules has left the Commission with only four to six days including weekends and holidays to review the tariff, the contentions of the various parties, and to reach a decision on whether or not to suspend the tariff.[1]

The Commission obtained a greater period of time during which to review tariffs prior to a suspension decision by amending its rules to require that all tariffs in which increases are sought must be filed on sixty days notice.[2] This amendment was sustained against challenge by the Second Circuit Court of Appeals on the grounds that the Commission's power to "modify" the period included power to extend.[3] However, this amendment does not apply to tariff filings which do not involve increases.

The Commission recommends that the notice period be extended to ninety days. This extension is particularly necessary to facilitate effective utilization of the Commission's power to authorize temporary or partial tariff changes recommended herein.

Section 204 of the Communications Act provides that the Commission may, upon complaint or upon its own initiative, designate a tariff filing for hearing concerning its lawfulness, and, pending such hearing, suspend the operation of the tariff for a period of not longer than three months beyond the time when it would otherwise go into effect. If the hearing process is incomplete at the end of the suspension period, the tariff becomes effective. Where an increased rate is at issue, the Commission may require a carrier to account for all funds received under the increase following the suspension period, and may order refunds with interest as may be appropriate upon conclusion of the hearing. In some cases the revenue increases sought may amount to several hundred million dollars annually.[4]

The Commission has found that it is simply not possible to conclude a tariff proceeding in this short a period of time. Moreover, section 204 was drafted in an era when communications media were less complex and the Commission's hearing docket was considerably lighter.

Under the Administrative Procedure Act, the Commission is required to give reasonable notice (generally interpreted administratively as 30 days) of the time and place for hearing. Following the close of hearings and prior to issuance of an initial decision, the Administrative Procedure Act requires that parties be given "reasonable opportunity" to file exceptions to proposed findings of facts and conclusions or "reasonable opportunity" to file exceptions to an initial decision. The Commission's Rules provide a 20-day period for the filing of Proposed Findings of Fact and Conclusions after the close of the record (which is inadequate and must be extended); and a 30-day period for the filing of exceptions to an initial decision (which is also often extended at the request of the parties). Considering the time required to hold the hearing itself and to prepare the initial and final decisions, it is readily apparent that the present period of suspension is an inadequate length of time even to make substantial progress, let alone conclude a tariff proceeding. Several tariffs filed in recent years illustrate the need for a longer suspension period.

Docket No. 19919, an investigation into AT&T's hi-lo private line rate structure and charges, was commenced January 25, 1974. In its order designating the matter for hearing, the Commission suspended the proposed tariff in its entirety and issued an accounting order. Furthermore, it established procedures designed to expedite the hearing process. It called for a paper evidentiary proceeding in place of the usual time-consuming oral hearing, and for the first time established a separate trial staff to handle the matter. Findings of fact were received July 18, 1974 and reply comments were filed August 2, 1974. A one day oral argument was held November 5, 1974. An initial decision is expected shortly. From the time of suspension until issuance of the initial decision, the proceeding is expected to last more than one year.

A similarly expedited proceeding, Docket No. 19989, an investigation into AT&T's WATS tariff revisions, began with the filing of revised tariffs on January 15, 1974. The matter was designated for hearing April 5, 1974, at which time the Commission ordered the tariff suspended and issued an accounting order. Again, procedures for an expedited paper evidentiary hearing were established and a separate trial staff formed. An initial decision is expected by May of 1975. Here also, the period from suspension until the estimated time of initial decision amounts to more than one year.

Although none of the Commission's recent

Footnotes at end of article.

cases involving tariff suspensions have been completed in nine months, it is believed that this is a reasonable target period. Improvements in procedures, together with an expanded staff assigned to rate matters, should shorten the time between tariff filing and decision in hearing cases. Also discussions have been initiated with some of the principal carriers for the purpose of developing methods of obtaining cost information relating to the various services more expeditiously. Since this period more accurately reflects the amount of time required for a hearing, a longer suspension period will reduce the amount of time during which a consumer is without the use of his money and simplify the accounting burden borne by carriers.

Other Federal regulatory bodies dealing with utilities or carriers have suspension periods ranging from five to seven months. The National Gas Act[5] and the Federal Power Act[6] provide for suspension periods of five months. The Civil Aeronautics Act[7] provides for a 90-day suspension period with an additional period of 90 days if the proceeding has not been concluded. The Interstate Commerce Act[8], on which this part of the Communications Act is based, provides for a seven-month suspension period. However, the Commission believes that the enormity and complexity of the tariff cases and the industry with which it deals are distinguishable from those of other regulatory agencies and that a longer period of suspension is appropriate.[9]

Two basic types of suspension statutes are commonly used by the states. The majority of state commissions may only suspend an application for a designated period of time. This may range from 90 days (Arkansas and Tennessee) to twelve months (Iowa and Virginia).[10] Three states have indefinite suspension authority (Hawaii, Kansas and Ohio) while four have no suspension power at all (Georgia, South Dakota, Wyoming and Texas),[11] A number of states have suspension periods in the ten to twelve month range (Illinois, Virginia, Missouri, New York, North Dakota, Oregon, Utah, Massachusetts, and Washington).[12]

The present short suspension period means that most tariff filings take effect before the hearing thereon is concluded. Moreover, while the Commission does not accept amendments during the suspension period, amendments may be filed after this period expires.[13] Because the suspension period is so short, tier upon tier of amendatory filings before the initial hearing is complete can significantly complicate Commission decision-making. A more lengthy period of suspension would simplify and perhaps expedite tariff proceedings because additional tariff filings, under current Commission policy, would not be accepted during the longer period of suspension.

Furthermore, a large number of rate proceedings involve new or reduced rates where the question presented is whether an unlawful discrimination or preference will exist. When such rates are suspended and become effective upon the expiration of the suspension period but before any decision regarding their lawfulness, the accounting and refund provisions of section 204,[14] being applicable only in rate increase situations, provide no remedy at all. Meanwhile, many customers may have made major changes in their communication and other operations based on the availability of a rate schedule ultimately found to be unduly preferential or discriminatory and therefore unlawful. An order of the Commission directing cancellation of the unlawful rate schedule, in these cases, may cause serious dislocation of the users business operations. The adoption of the proposed nine-month suspension period should enable the Commission to minimize this situation.

Current section 204 does not specifically authorize the Commission to separate questionable from legitimate aspects of a tariff filing and thus does not permit the Commission to suspend the former and implement the latter. Also, the Commission does not have authority to implement a temporary tariff change. Because legitimate changes may await completion of the hearing on questionable elements of a tariff, an unnecessary regulatory lag may be created.

The Administrative Conference of the United States recommended that regulatory agencies seek statutory authority to allow temporary or partial rate increases in order to solve this problem:[15]

"Regulatory statutes should be amended, to the extent that existing authority is lacking, to authorize rate-making agencies, as an adjunct to their power to suspend, to allow temporary rate increases, including partial increases, subject to appropriate conditions (including, where practicable, provision for refund if the interim increase is ultimately found unjustified). A temporary increase should be authorized only when the agency makes a preliminary judgment, on the basis of a written showing by the regulated company and an opportunity for comment thereon by affected persons, that a proposed increase is justifiable at least in part. Exercise of authority to grant temporary increases, rather than suspending a proposed increase in full or allowing it to go into effect without suspension, would mitigate the effects of regulatory lag. Similar authority to allow temporary and partial rate reductions, or other temporary changes, should also be sought where appropriate."

The amendatory language proposed by the Commission is designed to implement this recommendation. It authorizes the Commission to make a preliminary judgment as to whether a tariff filing should become effective or be suspended in whole or in part pending hearing. It will also enable the Commission, upon a written showing by the affected carrier(s), and opportunity for written comment by affected persons, that a partial authorization is just, fair, and reasonable, to allow partial tariff charges to go into effect finally, and/or temporary tariff charges to become effective subject to further orders of the Commission. The Commission may issue an accounting order in connection with a temporary tariff change involving a new or increased charge.

The Commission believes that this authority will confer upon it the flexibility necessary to more equitably and expeditiously handle tariff matters, with resulting benefits both to carriers and to the consuming public.

The present wording of section 204 places the burden of proof on the carrier for proving the legitimacy of increased charges. The Commission's proposal deletes this provision as unnecessary in light of section 556(d) of the subsequently-enacted Administrative Procedure Act which provides that "except as otherwise provided by statute, the proponent of a rule or order has the burden of proof."[16]

Adopted: February 20, 1975. Commissioner Reid concurring; Commissioner Washburn concurring and issuing a statement.

FOOTNOTES

[1] Petitions for suspension may be filed as late as fourteen days before the effective date of the tariff. 47 C.F.R. 1.773(b). The filing carrier then has three days to file a reply. However, these three days become in reality eight to ten days. This is due to 47 C.F.R. 1.4 (f) and (g) which provide additional time where short filing periods are involved.

[2] First Report and Order, 25 FCC 2d 957 (1970); Memorandum Opinion & Order, 40 FCC 2d 149 (1973).

[3] AT&T v. FCC (2d Cir.) No. 73–1758, decided September 23, 1974.

[4] In Docket No. 19129, an investigation into AT&T's charges for domestic telephone services, the revenue increases sought amounted to more than $500 million annually. The January 3, 1975 AT&T across-the-board tariff increase seeks increased revenue of more than $717 million annually.

[5] 15 U.S.C. Sec. 717c(e)

[6] 16 U.S.C. Sec. 824d(e)

[7] 49 U.S.C. Sec. 1482(g)

[8] 49 U.S.C. Sec. 15(7)

[9] In Docket No. 19129, *supra*, for instance, a special task force of fifty persons was required to examine a proposed annual revenue increase of more than $500 million. The $717 million annual revenue increase filed by AT&T on January 3, 1975, exceeds Docket No. 19129 in complexity, and filled more than 100 pounds of paper.

[10] *Federal and State Commission: Jurisdiction and Regulation—Electric, Gas, and Telephone Utilities*, Federal Power Commission, p. 8–9 (1973).

[11] *Id.* at p. 8

[12] *Id.*

[13] At first the Commission accepted amendatory filings on grounds that it had no statutory authority to reject them. This practice was sustained against challenge, by the District of Columbia Court of Appeals in *Associated Press* v. *FCC*, 448 F.2d 1095 (D.C. Cir. 1971). Later, however, the Commission attempted to limit this practice by issuing an order in Docket No. 18128, 12 FCC 2d 1028 (1968), an investigation of AT&T's rate levels and rate structure, barring further tariff filings in that proceeding unless authorized by special permission of the Commission, 33 FCC 2d 522 (1972). In so doing, the Commission indicated that further revisions would unduly disrupt or delay the conclusion of the initial proceeding. However, the Commission's ruling was overturned by the Second Circuit Court of Appeals in *AT&T* v. *FCC*, 487 F.2d 864 (2d Cir. 1973). The Court held that issuance of such a rule was not authorized by the Communications Act.

[14] In those cases where it is clear that some increase in rates is warranted and only a small percentage of the increase is in question, the Commission may, and has suspended rates for only one day, thereby permitting the carriers to collect the increased rates without delay, subject to being ordered to refund any amounts not found to be justified.

[15] *Administrative Conference of the United States Annual Report* (1972), p. 64, Recommendation #724, Suspension and Negotiation of Rate Proposals by Federal Regulatory Agencies.

[16] 5 U.S.C. 556(d).

CONCURRING STATEMENT OF COMMISSIONER ABBOTT WASHBURN

In my view the using public as well as the investors in, and planners of, our vital communications systems have a right to expect timely action by their Government on rates. This is particularly true in the cases where competitive incentives have been introduced into a heretofore monopoly industry. The essence of a competitive marketplace lies in the timeliness of responses both in services and/or price by the competitors. To encumber the free flow of market forces with possibly up to a full year of administrative delay would multiply the uncertainties surrounding these markets and could have a chilling affect on the normal competitive incentives. If the legislation here proposed is enacted, I hope the Commission will utilize maximum period suspensions sparingly, particularly in the case of new and better service offerings or rate reductions which derive from emerging competitive pressures. Fortunately the added flexibility to allow temporary and/or partial tariff changes will be a help in mitigating the problem of lag.

We should bend every effort to expedite our administrative processes and, where possible, to increase our reliance on "self regulation" by free market forces rather than on extensive records of evidentiary hearings. To the extent that judicious applications of the powers requested here serve that worthwhile purpose, I concur in the action of the majority.

By Mr. HARTKE (for himself, Mr. ABOUREZK, Mr. MCGOVERN, and Mr. HUGH SCOTT):

S. 2055. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs. Referred to the Committee on Finance.

SOCIAL SECURITY TAX REDUCTION ACT

Mr. HARTKE. Mr. President, today I am introducing legislation to reduce the social security tax rate and initiate partial general revenue financing for social security benefits. This bill has been introduced in the House of Representatives by Representative JAMES BURKE and I am pleased to be joined in introducing this measure by the distinguished Senators from South Dakota (Mr. ABOUREZK and Mr. MCGOVERN) and the Senator from Pennsylvania (Mr. HUGH SCOTT).

This legislation would reduce the rate of the social security tax beginning January 1, 1976, from 5.85 to 3.9 percent for employees and employers; it also reduces the rate from 7.9 to 4.5 percent for self-employed workers. The bill increases the taxable wage base for social security from $14,100 to $25,000. At the same time, general revenues of the Federal Government would begin supporting the social security system.

The reason for this change is to reduce the overwhelming regressivity of the social security tax. Our Nation embraces the philosophy that the tax system should be progressively structured. There are many reasons for this conviction, but foremost is the strong feeling that taxes paid should be in rough proportion to ability to pay. Americans have always regarded it as grossly unfair for the rich to pay no more of their income in taxes than the poor and low-income workers. It is especially unfair if the wealthy, in fact, pay less of their income in taxes than low-income workers. But this is precisely the effect of the social security tax.

The social security tax is highly regressive because it is a flat-rate tax, because the tax applies only to wages and salaries, and because there is a limit on the amount of income which is subject to the tax. The flat rate of the social security tax contrasts sharply with the progressive individual income tax which applies low rates to low income taxpayers and higher marginal rates to high income taxpayers. Not only is the social security tax a flat-rate tax, but there are no exemptions or deductions from the tax. Thus, unlike the Federal individual income tax which shelters low income workers from any tax at all, the social security tax applies to the first dollar earned and every dollar thereafter up to the maximum taxable earnings. The social security tax also applies only to wages and salaries. This is a regressive tax base because in higher income brackets, wages and salaries constitute a decreasing proportion of income; an increasing proportion of income in higher brackets is derived from interest, dividends, capital gains, business income, rent, et cetera. The limit on the amount of income which is subject to the tax also causes the tax to be regressive. Presently, the social security tax is paid on the first $14,100 of wages and salaries. This means an individual earning a $100,000 salary pays no more social security tax than a person who earns only $14,100, and he certainly pays a far lower percent of his income on this tax.

Mr. President, my staff has prepared a table showing the regressivity of the social security tax and I ask unanimous consent that the table be printed in the RECORD at this point as table 1.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—SOCIAL SECURITY TAX AND FEDERAL INCOME TAX AS PERCENTAGES OF ADJUSTED GROSS INCOME, BY INCOME CLASS

Adjusted gross Income	Average Federal Income tax	Percent of Income	Average Social Security tax	Percent of Income
$0	$0	0	$94.56	----
1– $1,000	0	0	30.91	5.7
1,000– 2,000	1.53	0.1	76.09	5.1
2,000– 3,000	40.70	1.6	118.22	4.7
3,000– 4,000	129.11	3.7	162.01	4.6
4,000– 5,000	247.79	5.5	218.08	4.9
5,000– 6,000	377.75	6.9	272.74	5.0
6,000– 7,000	511.54	7.9	327.09	5.0
7,000– 8,000	641.55	8.6	389.38	5.2
8,000– 9,000	780.74	9.2	443.98	5.2
9,000– 10,000	899.62	9.5	506.79	5.3
10,000– 11,000	1,052.92	10.0	555.92	5.3
11,000– 12,000	1,173.62	10.2	615.26	5.4
12,000– 13,000	1,315.06	10.5	669.82	5.4
13,000– 14,000	1,473.84	10.9	724.84	5.4
14,000– 15,000	1,644.77	11.4	775.86	5.4
15,000– 20,000	2,145.76	12.5	824.85	4.8
20,000– 25,000	3,172.32	14.3	824.85	3.7
25,000– 30,000	4,324.19	15.9	824.85	3.0
30,000– 50,000	7,041.03	19.0	824.85	2.2
50,000– 100,000	17,580.41	26.6	824.85	1.2
100,000– 200,000	44,713.86	34.2	824.85	0.6
200,000– 500,000	111,879.06	39.7	824.85	0.3
500,000–1,000,000	293,413.73	43.7	824.85	0.4
1,000,000 & Higher	965,366.99	43.2	824.85	0.04

Mr. HARTKE. The table above shows the average social security tax payment in each adjusted gross income class, and the percentage that payment represents of the taxpayer's income. For comparative purposes, analogous figures are shown for the Federal individual income tax. Several conclusions are apparent from the table. First, income tax payments increase as income increases, that is, the income tax is progressive. Social security tax payments, on the other hand, are fairly constant as a percent of income up to the $15,000 level and decrease sharply thereafter. Taxpayers with adjusted gross incomes lower than $5,000 pay approximately 5 percent of their income in social security taxes. But those with incomes of $25,000 and $30,000 pay only 3 percent of their income in social security taxes, and those with above $100,000 income pay less than 1 percent of their income in social security taxes, that is, the social security tax is highly regressive. Second, taxpayers with adjusted gross income below $2,000 have virtually no income tax liability. This is not true with the social security tax; even families with little or no taxable income still pay social security tax on their earnings. The third conclusion is a corollary of the second; many taxpayers pay more in social security taxes than in Federal income taxes. Up to an adjusted gross income of $4,000 the average taxpayer pays more social security tax than income tax. In addition, there are many taxpayers with adjusted gross incomes above $4,000 who pay more in social security taxes than income taxes if they pay lower than average income taxes—due to large deductions, exemptions, credits, and so forth.

Thus, the social security tax is regressive, violating widely held principles of tax fairness. It also imposes a heavy financial burden particularly on low-income workers. And the financial burden is most likely even greater than shown in table 1 above. Most economists argue that the employer portion of the social security tax is, in reality, paid by the employee because he receives lower wages than he would in the absence of the employer levy. If this is true, the real burden of the social security tax is twice as high as indicated in the table and amounts to over 10 percent of the real income of lower income taxpayers.

Not only is the social security tax regressive and excessive, but there are forces developing which will push the tax rate even higher in the very near future if remedial action is not taken. The discussion of the social security financial structure has received much attention in the press recently. The approach has often been sensationalistic, questioning the financial soundness of the whole social security system. I do not believe there is any cause for alarm about the financial integrity of the social security system because, ultimately, that integrity depends not on any particular financial structure but on the integrity and soundness of the U.S. Government. The social security system represents a promise to the people from the Government and that promise is not about to be abridged.

But the social security system, as presently constituted, is not fully funded; that is, beginning this year and continuing indefinitely into the future, projected benefits exceed projected revenues. There are several factors which account for this situation. The near-term financial shortfall is caused, or at least greatly worsened, by the deplorable state of our national economy. Double-digit inflation has necessitated high social security benefit increases to prevent our retired citizens from bearing a disproportionate share of the inflation. At the same time, 9-plus percent unemployment drastically reduces the revenue produced by the social security payroll tax.

Unfortunately, this near-term financial situation is being unnecessarily protracted. The Ford administration has mapped out for the country a disturbingly long and painful recovery from our current economic malady. Even the most optimistic projections foresee unacceptably high inflation and unemployment rates lasting until practically the end of the decade. Under such conditions costs will increasingly exceed revenues under the social security system until at the end of the decade, or very early in the 1980's, the Social Security Trust Fund will be depleted.

There is also a longer term factor which is and will increasingly be placing upward pressure on the social security tax rate. This factor is the demographic pattern of our population. Our population experienced an unusually low birth rate during the decade of the 1930's. After World War II the birth rate rose sharply and peaked in 1957. Since that year, the rate has gradually declined until it has now again reached an unusually low level. The result of this birth rate pattern is that we have a bulge in our population in the age brackets born shortly after World War II, the so-called baby boom. The babies born during this period are now part of the labor force and are supporting the social security system through the payroll tax.

However, beginning shortly after the turn of the century, these people will begin retiring. This will increase the proportion of our population which is retired and thus increase the proportionate cost of the social security system. As an indication of the magnitude of this increase, there are now 30 social security beneficiaries for each 100 workers in our population. This number is projected to increase, especially after the year 2000, until in the year 2045 there will be 45 beneficiaries for each 100 workers.

Due to these short-term and long-term financial conditions, calls for increasing the social security tax are increasingly heard. The 1975 report of the Advisory Council on Social Security identifies the need for a 1-percent increase in the OASDI tax rate, but rather than advocating an actual tax increase, the report suggests funding all or part of the hospital insurance program from general revenues and diverting the freed-up funds to retirement benefits. The 1975 annual report of the Board of Trustees of the Federal Old Age and Survivors Insurance and Disability Insurance Trust Funds calls attention to the need for a 1.3-percent increase in the social security tax in the short term and a 5.3-percent increase over the course of the next 75 years. In addition, the Secretary of Health, Education, and Welfare, recently indicated the need for a social security tax increase, adding however, that he did not think the Ford administration would ask for it until at least 1977.

I do not believe the social security tax should be allowed to increase any further. I believe it is too high already. When the social security system was adopted, the payroll tax was a small, almost insignificant wage deduction. During the first 12 years of the social security system, from 1937 to 1949, the tax rate was 1 percent. It applied to only the first $3,000 of wages; thus the maximum payment for any worker was $30 per year. The fact that the tax did not adhere to accepted principles of taxation was excused by its relative insignificance and its role as a retirement benefits contribution. However, since 1949, a period of 26 years, the social security tax rate has been increased 12 times and the wage base has been increased 9 times. During this time period, the maximum social security tax paid by any worker has swelled from $30 per year to $824.85 and next year will reach $965.25. This is an increase of over 3,200 percent. This kind of continuing increase can no longer be tolerated in a tax which is regressive and already imposes far too high a burden on many middle- and lower-income taxpayers.

I believe the bill I am introducing today provides the appropriate solution to this problem. First, it reduces the social security tax rate by one-third, thus reducing the excessive burden of the tax on low- and moderate-income workers. Second, the bill increases the social security tax base to $25,000 of wages and salary. This reduces the regressivity of the tax by reaching higher levels of income.

Mr. President, I ask unanimous consent that a table prepared by my staff showing a comparison of payments under the present social security tax structure and the proposed structure be printed in the RECORD at this point as table 2.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2

EMPLOYEES SOCIAL SECURITY CONTRIBUTIONS

	Tax Rate	
Annual wages and salaries	*Present 5.85 percent*	*Proposed 3.9 percent*
$2,000.00	$117.00	$78.00
3,000.00	175.50	117.00
4,000.00	234.00	156.00
5,000.00	292.50	195.00
6,000.00	351.00	234.00
7,000.00	409.50	273.00
8,000.00	468.00	312.00
9,000.00	526.50	351.00
10,000.00	585.00	390.00
11,000.00	643.50	429.00
12,000.00	702.00	468.00
13,000.00	760.50	507.00
$14,100.00	$824.25	$550.00
15,000.00	824.25	585.00
16,000.00	824.25	624.00
17,000.00	824.25	663.00
18,000.00	824.25	702.00
19,000.00	824.25	741.00
20,000.00	824.25	780.00
21,000.00	824.25	819.00
22,000.00	824.25	858.00
23,000.00	824.25	897.00
24,000.00	824.25	936.00
25,000.00 and over	824.25	975.00

Mr. HARTKE. The third effect of the bill is to initiate partial financing of the social security system through general Federal revenues. These revenues are derived primarily from the individual income tax and the corporate income tax. The general Federal tax structure is progressive in its impact, and therefore, using general revenues to partially fund social security mitigates the regressive sting of the social security tax. The intent of this bill essentially is to put a cap on the amount of money we are willing to raise from the highly regressive social security tax and to tap more progressive revenue sources for additional funding needs.

Some people argue against using general revenues to finance social security, usually for two main reasons. First, opponents argue general revenue financing would obscure the true cost of additional benefit increases by destroying the direct tie between benefit payments and social security contributions. Those who advance this position usually maintain this disassociation of costs and benefits will lead to increased pressure for more generous social security benefits. This argument ignores the fact that social security benefits and contributions are already disassociated in their effects on constituent population groups. By and large, people who receive social security benefits are not presently paying the social security tax, so there is no present cost-benefit link which acts to stifle demands for more adequate benefits.

But, more importantly, there is nothing in general fund financing which renders cost-benefit analysis impossible or unlikely. We in Congress are not in the habit of passing programs of any kind without inquiring their costs. The new congressional budget procedure intensifies the attention to costs of programs and their positions in the overall Federal budget. If social security is financed partially with general revenues, it will still be possible to determine the cost of benefit increases, not only in the aggregate, but also by income class of taxpayer. The difference between the present regressive social security tax and partial general revenue financing is not the destruction of a direct link between benefits and costs, it is a difference of how fairly those costs are to be distributed among taxpayers.

The second argument generally advanced by opponents of general revenue financing of social security is that it would destroy the insurance nature of the program, and thus destroy public confidence in social security. This argument is based on a misunderstanding of the nature of the social security system. The social security system works on an "earned right principle;" a worker earns the right to benefits through his work in covered employment. The worker's right to benefits is guaranteed by the integrity of the U.S. Government. In this sense the worker is "insured" that he will receive his retirement benefits, and this is the surest "insurance" possible.

But, the social security system is not insurance in the same sense as a private life insurance policy. An individual's social security payments are not held in trust and invested to create a nest-egg in his individual account for when he retires. All social security tax payments flow into the social security trust fund and then out again to pay social security benefits of those who are already retired.

The trust fund merely acts as a buffer between taxes and benefits, holding a sum of money sufficient to adjust for uneven cash flow. A misunderstanding of this basic operation of the social security system has occasionally spawned articles decrying the actuarial inadequacy of the social security trust fund. But essentially the social security system operates as an inter-generational funds transfer; the present population of workers supports the present population of retired workers. Thus, social security is not an insurance system in the same sense that private insurance policies are.

The "insurance" in social security is the guarantee of the U.S. Government. The widespread public acceptance of and confidence in the social security system is not based on the adherence to any particular esoteric financial dogma; it is based on the guarantee of the U.S. Government.

Changing the nature of the social security financing will not erode public confidence in the social security system because the U.S. Government guarantee will not be changed. In fact, if anything would erode public confidence in the social security system, I would think it would be continued reliance on an outdated, regressive tax structure that obviously cannot finance adequate benefit levels in the future.

I think it is time for a change—a change to reduce the regressivity of the social security tax and to improve the financial soundness of the social security system.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2055

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

REDUCTIONS IN SOCIAL SECURITY TAXES

SECTION 1. (a)(1) Section 1401(a) of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income for purposes of old-age, survivors, and disability insurance) is amended—

(A) by inserting "and before January 1, 1976" after "1972," in paragraph (4);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(C) by adding at the end thereof the following new paragraphs:

"(5) in the case of any taxable year beginning after December 31, 1975, and before January 1, 1986, the tax shall be equal to 4.5 percent of the amount of the self-employment income for such taxable year;

"(6) in the case of any taxable year beginning after December 31, 1985, and before January 1, 1999, the tax shall be equal to 4.75 percent of the amount of the self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 13, 1998, and before January 1, 2011, the tax shall be equal to 5.25 percent of the amount of the self-employment income for such taxable year; and

"(8) in the case of any taxable year beginning after December 31, 2010, the tax shall be equal to 6.3 percent of the amount of the self-employment income for such taxable year."

(2) Section 3101(a) of such Code (relating to rate of tax on employees for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) with respect to wages received during the calendar years 1974 and 1975, the rate shall be 4.95 percent;

"(6) with respect to wages received during the calendar years 1976 through 1985, the rates shall be 3.0 percent;

"(7) with respect to wages received during the calendar years 1986 through 1998, the rate shall be 3.15 percent;

"(8) with respect to wages received during the calendar years 1999 through 2010, the rate shall be 3.5 percent; and

"(9) with respect to wages received after December 31, 2010, the rate shall be 4.2 percent.".

(3) Section 3111(a) of such Code (relating to rate of tax on employers for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) with respect to wages paid during the calendar years 1974 and 1975, the rate shall be 4.95 percent;

"(6) with respect to wages paid during the calendar years 1976 through 1985, the rate shall be 3.0 percent;

"(7) with respect to wages paid during the calendar years 1986 through 1998, the rate shall be 3.15 percent;

"(8) with respect to wages paid during the calendar years 1999 through 2010, the rate shall be 3.5 percent; and

"(9) with respect to wages paid after December 31, 2010, the rate shall be 4.2 percent.".

(b)(1) Section 1401(b) of such Code (relating to rate of tax on self-employment income for purposes of hospital insurance) is amended by striking out "1.10 percent", "1.35 percent", and "1.50 percent" in paragraphs (4), (5), and (6) and inserting in lieu thereof "1.0 percent", "1.2 percent", and "1.35 percent", respectively.

(2) Section 3101(b) of such Code (relating to rate of tax on employees for purposes of hospital insurance) is amended by striking out "1.10 percent", "1.35 percent", and "1.50 percent" in paragraphs (4), (5), and (6) and inserting in lieu thereof "1.0 percent", "1.2 percent", and "1.35 percent", respectively.

(3) Section 3111(b) of such Code (relating to rate of tax on employers for purposes of hospital insurance) is amended by striking out "1.10 percent", "1.35 percent", and "1.50 percent" in paragraphs (4), (5), and (6) and inserting in lieu thereof "1.0 percent", "1.2 percent", and "1.35 percent", respectively.

(c) The amendments made by this section shall apply in the case of taxes imposed with respect to self-employment income for taxable years beginning after December 31, 1975, and with respect to wages paid or received during calendar years after 1975.

FEDERAL PARTICIPATION IN COST OF OASDI PROGRAM

SEC. 2. (a) In order to provide that one-third of the costs of the old-age, survivors, and disability insurance program under title II of the Social Security Act shall hereafter be borne by the Federal Government (with the remainder of such costs being financed from taxes imposed (as at present) on employees, employers, and the self-employed but at substantially reduced rates as provided by the first section of this Act)—

(1) section 201(a) of the Social Security Act is amended by striking out "100 per centum" in the matter preceding paragraph (1) and inserting in lieu thereof "150 per centum"; and

(2) section 201(b) of such Act is amended by striking out "100 per centum" in the matter preceding paragraph (1) and inserting in lieu thereof "150 per centum".

(b) The amendments made by subsection (a) shall apply in the case of taxes imposed with respect to self-employment income for taxable years beginning after December 31, 1975, and wages paid or received during calendar years after 1975.

INCREASE OF EARNINGS COUNTED FOR BENEFIT AND TAX PURPOSES

SEC. 3. (a)(1) Section 209(a) of the Social Security Act is amended by redesignating paragraph (9) as paragraph (11), by striking out "1974" in such paragraph and inserting in lieu thereof "1976", and by inserting after paragraph (8) the following new paragraphs:

"(9) That part of remuneration which, after remuneration (other than remuneration referred to in the succeeding subsections of this section) equal to $14,100 with respect to employment has been paid to an individual during any calendar year after 1974 and prior to 1976, is paid to such individual during such calendar year;

"(10) That part of remuneration which, after remuneration (other than remuneration referred to in the succeeding subsections of this section) equal to $25,000 with respect to employment has been paid to an individual during any calendar year after 1975 and prior to 1977, is paid to such individual during such calendar year;".

(2) Section 211(b)(1) of such Act is amended by redesignating subparagraph (I) as subparagraph (K), by striking out "1974" in such subparagraph and inserting in lieu thereof "1976", and by inserting after subparagraph (H) the following new subparagraphs:

"(I) For any taxable year beginning after 1974 and prior to 1976, (i) $14,100, minus (ii) the amount of the wages paid to such individual during the taxable year; and

"(J) For any taxable year beginning after 1975 and prior to 1977, (i) $25,000, minus (ii) the amount of the wages paid to such individual during the taxable year; and".

(3)(A) Section 213(a)(2)(ii) of such Act is amended by striking out "before 1975" and inserting in lieu thereof "before 1975, or $14,100 in the case of a calendar year after 1974 and before 1976, or $25,000 in the case of a calendar year after 1975 and before 1977", and by striking out "1974" where it subsequently appears and inserting in lieu thereof "1976".

(B) Section 213(a)(2)(iii) of such Act is amended by striking out "before 1975" and inserting in lieu thereof "before 1975, or $14,100 in the case of a taxable year beginning after 1974 and before 1976, or $25,000 in the case of a taxable year beginning after 1975 and before 1977", and by striking out "1974" where it subsequently appears and inserting in lieu thereof "1976".

(4) Section 215(e)(1) of such Act is amended by striking out "before 1975" and inserting in lieu thereof "before 1975, the excess over $14,100 in the case of any calendar year after 1974 and before 1976, the excess over $25,000 in the case of any calendar year after 1975 and before 1977", and by striking out "1974" where it subsequently appears and inserting in lieu thereof "1976".

(b)(1) Section 1402(b)(1) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by redesignating subparagraph (I) as subparagraph (K), by striking out "1974" in such subparagraph and inserting in lieu thereof "1976", and by inserting after subparagraph (II) the following new subparagraphs:

"(I) for any taxable year beginning after 1974 and before 1976, (i) $14,100, minus (ii) the amount of the wages paid to such individual during the taxable year; and

"(J) for any taxable year beginning after 1975 and before 1977, (i) $25,000, minus (ii) the amount of the wages paid to such individual during the taxable year; and".

(2)(A) Effective with respect to remuneration paid after 1974, section 3121(a)(1) of such Code (relating to definition of wages) is amended by striking out the dollar figure each place it appears therein and inserting in lieu thereof "$14,100".

(B) Effective with respect to renumeration paid after 1975, section 3121(a)(1) of such Code is amended by striking out "$14,100" each place it appears therein and inserting in lieu thereof "$25,000".

(3)(A) Effective with respect to remuneration paid after 1974, the second sentence of section 3122 of such Code (relating to Federal service) is amended by striking out the dollar figure and inserting in lieu thereof "$14,100".

(B) Effective with respect to remuneration paid after 1975, the second sentence of section 3122 of such Code is amended by striking out "$14,100" and inserting in lieu thereof "$25,000".

(4)(A) Effective with respect to remuneration paid after 1974, the second sentence of section 3125 of such Code (relating to returns in the case of governmental employees in Guam, American Samoa, and the District of Columbia) is amended by striking out the dollar figure each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof "$14,100".

(B) Effective with respect to remuneration paid after 1975, section 3125 of such Code is amended by striking out "$14,100" each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof "$25,000".

(5) Section 6413(c)(1) of such Code (relating to special refunds of employment taxes) is amended—

(A) by striking out "or (II) during any calendar year after 1974" and inserting in lieu thereof the following: "or (H) during any calendar year after the calendar year 1974 and prior to the calendar year 1976, the wages received by him during such year exceed $14,100, or (I) during any calendar year after the calendar year 1975 and prior to the calendar year 1977, the wages received by him during such year exceed $25,000, or (J) during any calendar year after 1976"; and

(B) by striking out "before 1975" and inserting in lieu thereof the following: "before 1975, or which exceeds the tax with respect to the first $14,100 of such wages received in such calendar year after 1974 and before 1976, or which exceeds the tax with respect to the first $25,000 of such wages received in such calendar year after 1975 and before 1977", and by striking out "1974" where it subsequently appears and inserting in lieu thereof "1976".

(6) Section 6413(c)(2)(A) of such Code (relating to refunds of employment taxes in the case of Federal employees) is amended by inserting after "calendar year 1974," the following: "$14,100 for the calendar year 1975, $25,000 for the calendar year 1976", and by striking out "after 1974" and inserting in lieu thereof "after 1976".

(7)(A) Effective with respect to taxable years beginning after 1974, section 6654(d)(2)(B)(ii) of such Code (relating to failure by individual to pay estimated income tax) is amended by striking out the dollar figure and inserting in lieu thereof "$14,100".

(B) Effective with respect to taxable years beginning after 1975, section 6654(d)(2)(B)(ii) of such Code is amended by striking out "$14,100" and inserting in lieu thereof "$25,000".

(c) Section 230(c) of the Social Security Act is amended—

(1) by striking out "1973" and inserting in lieu thereof "1975"; and

(2) by striking out the dollar figure and inserting in lieu thereof "$25,000".

(d) Paragraph (2)(C), (3)(C), (4)(C), and (7)(C) of section 203(b) of Public Law 92–336 are each amended—

(1) by striking out "1974" and inserting in lieu thereof "1976"; and

(2) by striking out the dollar figure and inserting in lieu thereof "$25,000".

(e) Section 3(i) of Public Law 93–233 is amended by striking out the first comma and inserting in lieu thereof "and", and by striking out "and section 230(c) of the Social Security Act,".

(f) Except as otherwise indicated, the amendments made by this section, except subsections (a)(4) and (e), shall apply with respect to remuneration paid after, and taxable years beginning after, 1974, and as though they had been enacted on January 1, 1975. The amendments made by subsection (a)(4) shall apply with respect to calendar years after 1974. The amendments made by subsection (e) shall be effective as of December 31, 1973.

(g) The Secretary of Health, Education, and Welfare shall prescribe and publish in the Federal Register such modifications and extensions of the table contained in section 215(a) of the Social Security Act (which shall be determined in the same manner as the revisions in such table provided for under section 215(i)(2)(D) of such Act, and shall be in lieu of any previously made modifications and extensions of such table) as may be necessary to reflect the amendments made by this section; and such modified and extended table shall be deemed to be the table appearing in such section 215(a).

By Mr. HARTKE:

S. 2056. A bill to amend the Rail Passenger Service Act of 1970 to clarify programs for promoting reuse of railroad passenger terminals, and for other purposes. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, I introduce, for appropriate reference, a bill to amend the Rail Passenger Service Act of 1970 to clarify programs for promoting reuse of railroad passenger terminals, and for other purposes, and I ask unanimous consent that the bill be printed in the Record.

Mr. President, my subcommittee will be holding a hearing on Public Law 93–496 at 10:30 on July 10, and it is desirable to have this legislation before the committee at that time.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2056

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Rail Passenger Service Act of 1970 is amended in section 305(1)—

(1) by striking at the end of paragraph (1), "and civic and cultural activity centers.", and inserting in lieu thereof "and into such terminals combined with other commercial, cultural, educational, and recreational activities.";

(2) by amending paragraph (2)(D) to read as follows: "(D) to the extent practicable, the use of station facilities for transportation purposes may be combined with use for other commercial, cultural, educational, and recreational activities, and:";

(3) in the first sentence of paragraph (3), by striking "a civic or cultural activities center, or both;" and inserting in lieu thereof, "a commercial, cultural, educational, or recreational activities center, or a combination of such uses;";

(4) in the first sentence of paragraph (4), by striking "a civic or cultural center, or both," and inserting in lieu thereof, "or such a terminal combined with commercial, cultural, educational, or recreational activities,";

(5) by inserting the following new paragraph (5): "(5) The Chairman of the National Endowment for the Arts shall provide financial, technical, and advisory assistance for the purpose of stimulating State and local governments, local and regional transportation authorities, common carriers, philanthropic organizations, and other responsible persons to develop plans for the conversion of railroad passenger terminals into commercial, cultural, educational, and recreational activities centers. Financial assistance for the purpose set forth in this paragraph may be granted: (A) to a qualified non-profit organization to prepare informational materials on general issues, problems, and opportunities of railroad passenger terminal reuse, and, (B) in accordance with regulations, to a qualified organization (including a government entity) which is prepared to develop practicable plans meeting the zoning, land use, and other requirements of the applicable State and local jurisdictions under this subsection; who shall incorporate into the designs and plans proposed for the conversion of such terminal features which reasonably appear likely to attract private investors willing to undertake the implementation of such planned conversion and its subsequent maintenance and operation; and who shall complete the designs and plans for such conversion within two years following the approval of the application for Federal financial assistance under this subsection. In making grants under this paragraph, the Chairman of the National Endowment for the Arts shall give preferential consideration to applicants whose completed designs and plans will be implemented and effectuated within three years after the date of completion. The amount of the Federal share of any grant under part (B) of this paragraph shall not exceed 60 per centum of the total cost of the project or undertaking for which the financial assistance is provided.

(6) by redesignating paragraph (5) as paragraph (6), by inserting in the first sentence thereof, after the word "Secretary", "or the Chairman of the National Endowment for the Arts, as appropriate," and by inserting in the second sentence thereof, after the word "Secretary", "or the Chairman of the National Endowment for the Arts, as appropriate,";

(7) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8);

(8) by redesignating paragraph (8) as paragraph (9) and by striking "$5,000,000." in paragraph (8)(C) and inserting in lieu thereof, "$2,500,000; and (D) for the purpose set forth in paragraph (5) of this subsection sums not to exceed $2,500,000.";

(9) by striking paragraph (9) and inserting the following new paragraph (10):

(10) As used in this subsection—

(A) the term "commercial activities" includes, but is not limited to, restaurants, food stores, craft stores, dry goods stores, financial institutions, and display facilities.

(B) the term "cultural activities" includes, but is not limited to, film, dramatic, dance and musical presentations, fine art exhibits, studios, and public meeting places, whether or not used by persons, firms, or organizations intending to make a profit.

(C) the term "educational activities" includes, but is not limited to, libraries, schools, laboratories, and lecture and demonstration facilities.

(D) the term "recreational activities" includes, but is not limited to, gymnasiums and day care centers.

(10) by redesignating paragraph (10) as paragraph (11).

By Mr. TOWER:

S. 2057. A bill to amend the Internal Revenue Code of 1954 to provide an investment credit for oil and gas drilling expenditures, and for other purposes. Referred to the Committee on Finance.

Mr. TOWER. Mr. President, the time has come for Congress to act decisively to cure the energy shortages that are plaguing our economy, and to avert the capital crisis that is casting its dark shadow over our economic future.

I am introducing a bill today that represents a sound first step toward our national goal of energy independence. The legislation I have proposed would restore incentives for increasing domestic production of oil and natural gas and would make it easier for our 10,000 independents and for the major oil companies to raise the capital they need to finance expanded drilling operations.

Under my bill, a driller of a new domestic exploratory well, or a well reworked so that there is additional production, will receive a 10 percent investment tax credit on intangible drilling costs, lease acquisition costs, secondary and tertiary recovery costs, and well work-over costs.

If an exploratory well strikes oil or natural gas in commercial quantities, my bill would grant supplementary credit of 5 percent of the intangible drilling costs (IDC) against the first tax payable on net income production.

Let no one, Mr. President, underestimate the seriousness of the threat to our economy being posed by the twin shortages of energy and capital. Our industrial economy will grind to a halt unless we have adequate supplies of both.

We have become dangerously dependent on foreign sources of energy. We now import fully 40 percent of the crude oil we use, and the $25 billion we have to pay to get it is depressing our economy, worsening inflation, and wreaking havoc with our balance of payments. Worse, as we all learned in the bitter autumn and winter of 1973, we cannot depend upon foreign sources for a reliable, uninterrupted source of energy. We are subject to international blackmail, and the degree of our susceptibility grows daily.

Related to our energy shortage, and potentially even more severe than our energy shortage, is the looming crisis in capital formation. Economic progress has always depended upon capital, that which is saved from current consumption to finance future production.

Our capital resources are falling farther and farther behind our need for capital to maintain our standard of living. The Chase Manhattan Bank estimates that we will fall $1.5 trillion short of the Nation's capital needs over the next decade. The implications of that statistic are frightening.

Nowhere is the need for capital greater than in the oil industry. There is a tremendous gap between the capital needs of the industry to meet energy demand and its ability to generate the necessary funds. The Chase Manhattan Bank estimates that capital investment and other financial requirements will total $1.35 trillion for the period 1970–1985. Of this, the bank estimates the oil companies can raise $655 billion. This means that oil profits would have to grow at an 18-percent annual rate, more than double the 8-percent annual growth rate of the preceding 15 years. But it is extremely unlikely that oil companies could make profits of such magnitude, or that they would be permitted to earn profits of such magnitude, even if it were economically feasible to do so.

We in Congress have been less than helpful, Mr. President, in resolving the energy crisis or the capital crisis. Congress has done nothing since the Arab oil embargo to spur development of domestic sources of energy. But Congress has, by its unwise and hastily considered repeal of the oil depletion allowance, taken an action that already has substantially retarded the search for new supplies of oil and natural gas within the United States.

Furthermore, punitive taxation and excessive regulation have crippled capital formation not just in the oil industry, but in all major American industries.

It is time, Mr. President, for Congress to cooperate with our free enterprise system in resolving the energy and capital crisis instead of being a stumbling block to their solution. The time has come to put political rhetoric aside and take action now before the crises become catastrophes.

I do not maintain, Mr. President, that my bill is in and of itself sufficient to resolve our energy and capital shortages. Far from it. There are many other steps we must take if we are to avert economic catastrophe in the not-too-distant future.

We must remove all price controls from domestically produced oil and natural gas.

We must encourage exploration for oil and natural gas in all areas of our Outer Continental Shelf where geologists think recoveries can be made in commercial quantities.

We must spur development of alternative sources of energy such as liquefaction and gasification of coal, oil shale, atomic and geothermal energy.

We must adopt realistic energy conservation measures that will be effective in reducing consumption, but which will be fair to all people in all parts of our country.

My bill is a step in the direction we must take. We should begin the journey now. I ask unanimous consent that the bill be printed in the RECORD, together with an explanation and summary of the legislation.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2057

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 46 of the Internal Revenue Code of 1954 (relating to amount of credit) is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (b) the following new subsection:

"(e) Drilling Expenditures.—

"(1) In general.—In the case of a taxpayer who has made an election under paragraph (3), the amount of his qualified investment for the taxable year (determined under subsections (c) and (d) without regard to this subsection) shall be increased by an amount equal to his aggregate drilling expenditures for the taxable year.

"(2) Drilling expenditure defined.—

"(A) In general.—For purposes of this subsection, the term 'drilling expenditure' means amounts—

"(i) which are intangible drilling and development costs (within the meaning of section 263(c)) paid or incurred in connection with an exploratory well,

"(ii) geological and geophysical costs attributable to an exploratory well,

"(iii) lease acquisition costs paid or incurred in connection with an exploratory well,

"(iv) costs incurred in connection with secondary oil and natural gas recovery projects, and

"(v) costs incurred in connection with enhanced oil and natural recovery projects.

"(B) Exploratory well defined.—For purposes of subparagraph (A), the term 'exploratory well' means a well drilled in the United States (as defined in section 638(1))—

"(i) which was intended to produce oil or natural gas,

"(ii) which has been completed to the point of production, or determined to be nonproductive and abandoned, and

"(iii) the bottom and each producing interval of which is—

"(I) not less than two statute miles of horizontal distance from the nearest producing interval of a well which is, or was, capable of commercial production of oil and natural gas, or

"(II) not less than 3,000 feet below the lowest part of any known commercially productive deposit if such known deposit is penetrated by any other well, closer than two miles away, that is, or was, capable of commercial production of oil or natural gas. The provisions of subclause (I) shall not apply to an offshore well if such well was not intended to produce oil or natural gas because of the difficulty of completing such well for production. Any offshore well to which the preceding sentence applies which penetrates a commercially productive deposit shall be considered, for purposes of this clause, to be a well which is capable of commercial production of oil or natural gas.

"(C) Geological and geophysical costs attributable to an exploratory well.—

"(i) Each exploratory well of a taxpayer which is drilled to a depth of at least 1,250 feet shall be attributed with the lesser of—

"(I) the excess of the taxpayer's direct geological and geophysical costs paid or incurred in the taxable year with respect to properties located in the United States (as defined in section 638(1)) over the amount of such costs which are allocated by the taxpayer to other exploratory wells, or

"(II) $50,000.

"(ii) Special rule for affiliated groups.—For purposes of determining the geological and geophysical costs attributable to an exploratory well, members of an affiliated group of corporations filing or required to file a consolidated return under section 1501 for any taxable year shall be treated as a single taxpayer."

"(D) Lease acquisition costs.—Each exploratory well of the taxpayer shall be attributed with the cost of acquiring and maintaining the right to explore for oil or natural gas in the area in which such well is located.

"(E) Secondary oil and natural gas recovery costs.—Each exploratory well of the taxpayer shall be attributed with the costs incurred by the taxpayer during the taxable year for the purpose of increasing the amount of crude oil or natural gas recovered by such well as the result of—

"(i) water being injected into the ground to augment the natural reservoir drive mechanism to maintain pressure and to recover additional oil from the reservoir, or

"(ii) gas being injected into the ground to augment the natural reservoir drive mechanism to maintain pressure and to recover additional oil from the reservoir.

"(F) Enhanced oil and natural gas recovery costs.—

"(i) Each exploratory well of the taxpayer shall be attributed with the costs incurred by the taxpayer during the taxable year for the purpose of recovering crude oil and natural gas in amounts in excess of the amount of crude oil or natural gas that would have been ultimately recovered by primary crude oil and natural gas recovery methods. For purposes of this subparagraph, costs attributable to secondary recovery projects described under subparagraph (E) shall not be included. Enhanced oil and natural gas recovery methods include the use of chemical additives, thermal applications, injections of carbon dioxide, miscible or soluble hydrocarbon injection, and variations or combinations of such methods.

"(ii) For purposes of this subparagraph, the term 'primary crude oil and natural gas recovery methods' means production of crude oil and natural gas from reservoirs without the addition of pressure or displacement of driving force.

"(3) Election.—An election under this subsection may be made at such time, and in such manner and form, as the Secretary or his delegate prescribes by regulations. Such an election shall apply to the taxable year for which made and to all subsequent taxable years. Such an election, once made, may not be revoked except with the consent of the Secretary or his delegate.

"(4) Coordination.—No amount which is taken into consideration under subsection (c) or (d) may be taken into account as a drilling expenditure under this subsection.

"(5) Election with respect to certain deductions.—At the election of the taxpayer, made at such time, and in such manner and form, as the Secretary or his delegate prescribes by regulations, the taxpayer may elect to take the deduction allowed under section 162, 212, or 263(c) for the taxable year in lieu of the credit allowed under section 38 for drilling expenditures. No amount shall be allowed as a deduction under such sections to the extent that a credit is allowed under section 38 with respect to that amount."

(b) (1) Section 46(a)(1) of such Code is amended by striking out "(as determined under subsections (c) and (d))" and inserting in lieu thereof "(as determined under subsections (c), (d), and (e))", each place that it appears therein.

(2) Section 46(a)(1)(D) of such Code is amended—

(A) by striking out "and" at the end of clause (ii),

(B) by striking out the period at the end of clause (iii) and inserting in lieu thereof a comma and "and", and

(C) by inserting at the end thereof the following new clause:

"(iv) expenditures to which subsection (e) applies."

(3) Section 46(d)(1) of such Code is amended by striking out "subsection (c)" and inserting in lieu thereof "subsections (c) and (e)".

(4) Paragraphs (1) and (2) of section 48 (d) of such Code are each amended by striking out "section 46(e)(1)" and inserting in lieu thereof "section 46(f)(1)".

(5) Subsection (f) of section 50B of such Code is amended by striking out "section 46(e)" and inserting in lieu thereof "section 46(f)".

SEC. 2. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 45 as section 45A and by inserting immediately after section 44 the following new section:

"SEC. 45. SUPPLEMENTARY CREDIT FOR PRODUCTIVE EXPLORATORY WELLS.

"(a) General Rule.—There shall be allowed, as a credit against the tax imposed by this chapter, the amount determined under subpart D of this part. This credit shall not exceed such tax reduced by the credits allowable under section 33 (relating to foreign tax credit), section 35 (relating to partially taxed-exempt interest), section 37 (relating to retirement income), section 38 (relating to investment credit), section 40 (relating to expenses of work incentive programs), and section 41 (relating to contributions to candidates for public office) for the taxable year.

"(b) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this section and subpart D of this part."

(b) Part IV of subchapter A of chapter 1 of such Code (relating to credits against tax) is amended by adding at the end thereof the following new subpart:

"SUBPART D—RULES FOR COMPUTING SUPPLEMENTARY CREDIT FOR PRODUCTIVE EXPLORATORY WELLS

"SEC. 50C. Supplementary credit for productive explorary wells.

"SEC. 50C. SUPPLEMENTARY CREDIT FOR PRODUCTIVE EXPLORATORY WELLS.

"(a) Determination of Amount.—

"(1) General Rule.—The amount of the credit allowed by section 45 for the taxable year shall be equal to 5 percent of the drilling expenditures (as defined in section 46 (e)(2)) attributable to an exploratory well (as defined in section 46(e)(2)(B)).

"(2) Limitation based on amount of tax attributable to the property.—

"(A) In general.—Notwithstanding paragraph (1), the credit allowed by section 45 for the taxable year shall not exceed the tax attributable to the property in which the exploratory well is located. For purposes of this paragraph the tax attributable to the property shall be the excess of the tax on taxable income for the year over the tax on an amount equal to taxable income less the taxable income from the property, each computed without regard to credits allowable under this part.

"(B) Alternative computation for corporations.—In lieu of the computation prescribed in subparagraph (A), a corporation may compute the tax attributable to the property as 48 percent of the taxable income from the property.

"(C) Computations of taxable income.—For purposes of this paragraph taxable income from the property shall be computed as provided in section 613(a) except that the applicable deduction for depletion for the taxable year shall be taken into account, and taxable income and taxable income from the property shall be computed without regard to any net operating loss deduction.

"(b) Carryover of Unused Credits.—

"(1) Allowable credit in excess of tax liability.—The amount by which the sum of any credit determined under subsection (a) (1) which does not exceed the limitation of subsection (a)(2) plus any credit carried to the taxable year pursuant to this paragraph exceeds the tax imposed by this chapter for the taxable year, reduced by the sum of all other credits allowable under this part shall be carried over to and allowed as a supplementary credit for productive exploratory wells in the succeeding taxable year.

"(2) Carryover of credit in excess of limitation.—The amount by which the sum of any credit determined under subsection (a) (1) plus any credit carried to the taxable year pursuant to this paragraph exceeds the limitation of subsection (a)(2) shall be carried over to and allowed as a supplementary credit for productive exploratory wells in the succeeding taxable year subject to the limitation of subsection (a)(2)."

(c) (1) The Table of Sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by striking out the last items and inserting in lieu thereof the following:

"Sec. 45. Supplementary credit for productive exploratory wells.

"Sec. 45A. Overpayment of tax."

(2) Section 56(a)(2) of such Code (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vi), by striking out the semicolon and "and" at the end of clause (vii) and inserting in lieu thereof a comma and "and", and by inserting after clause (vii) the following new clause:

"(viii) section 45 (relating to supplementary credit for productive exploratory wells); and".

(3) Section 56(c)(1) of such Code (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (F), by striking out "exceed" at the end of subparagraph (G) and inserting in lieu thereof "and", and by inserting after subparagraph (G) the following new subparagraph:

"(H) section 45 (relating to supplementary credit for productive exploratory wells), exceed".

(4) Section 6096(b) of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44" and inserting in lieu thereof a comma and "44 and 45".

SEC. 3. The amendments made by this Act apply with respect to taxable years beginning after December 31, 1975.

EXPLANATION: CREDIT FOR OIL AND GAS DRILLING EXPENDITURES

1. GENERAL EXPLANATION

A. Summary

The bill is intended to provide additional incentives for the drilling of new and additional domestic sources of oil and gas. It will be achieved by permitting the driller to claim the 10% investment credit on his intangible drilling costs plus allowances for geological and geophysical expenses, lease acquisition costs, secondary recovery, and well workovers. If an exploratory hole proves commercially productive, a supplementary credit of 5% of the IDC will be allowed against the first tax payable on net income from the production.

An "exploratory hole" is defined as a hole, intended to produce oil or gas, which is bottomed not less than two statute miles horizontally from the nearest well which is capable of commercially producing oil or gas or was previously so productive.

The credit will be available for wells drilled anywhere within the 50 states, including offshore wells on the continental shelf surrounding the United States. Wells drilled in Puerto Rico, or territories or possessions of the United States or their surrounding waters, will also qualify, but wells drilled elsewhere will not. The credit will be available to corporations, individuals, or other entities.

B. Purpose and effect of this bill

A primary factor in the current energy shortage is a substantial and long-term decrease in drilling activity in the U.S. From a high number of wells drilled in 1956 of 58,160, drilling steadily declined to 27,602 wells drilled in 1973. In response to higher prices in 1974, the decline in the number of wells drilled reversed and 32,893 wells were drilled.

While there is disagreement as to the extent of reserves available, it is agreed that reserves are available if additional drilling is undertaken. These reserves, particularly natural gas reserves which under current economies can neither be imported at reasonable prices nor in large quantities, are vitally important to the nation's economy. This legislation provides for exploratory drilling and further development of known reserves. The added incentive for successful wells is designed to reward success more highly than failure and is an important element of this legislative program.

2. TECHNICAL EXPLANATION OF PROPOSAL

A. Application of investment credit

In general, the present two-year investment tax credit allowed by section 38 permits a taxpayer to credit against his tax 10% of his qualified investment in certain depreciable property. The investment which gives rise to this credit will be expanded to include the taxpayer's drilling investment. The expanded credit will apply to all taxpayers, *i.e.*, corporations, individuals, trusts, and other entities.

Drilling Investment Credit. The drilling investment credit includes:

(a) The total of intangible drilling and development costs incurred in connection with domestic exploratory wells. Intangible drilling costs are those costs which a taxpayer may deduct under section 263(c).

(b) The taxpayer's direct geological and geophysical costs incurred in the taxable year in the search for oil and gas, wherever domestically incurred, up to $50,000 times the number of domestic exploratory wells which are drilled to a depth of at least 1,250 feet. Direct geological and geophysical costs do not include any allocated overhead costs. For this purpose, all members of an affiliated group will be treated as a single taxpayer, so that geological and geophysical costs of one member may be included in the credit base of another member of the group. It is recognized that substantially all geological and geophysical costs are incurred in the process of exploring for new reserves, but that it is difficult or impracticable to allocate such costs to a particular well. Accordingly, such costs, whether or not incurred in the immediate drilling area, are considered as part of the exploratory drilling investment which gives rise to the new tax credit. Once geological and geophysical costs have been attributed for this purpose to one well, those same costs may not be attributed to another well. However, the taxpayer may allocate such costs initially to his own best advantage.

(c) Lease acquisition costs. These costs include the cost of acquiring and maintaining the right to explore for oil or natural gas. Included within such costs are delay rentals.

(d) Secondary recovery costs such as water injection, fire flooding, and fracturing. This provision is intended to maintain well delivery at maximum efficient rates consistent with wise conservation practices.

(e) Tertiary recovery costs and the cost of a well workover. This provision is intended to include costs incurred to enhance production beyond that which would be produced without such expenses being incurred.

3. EXPLORATORY WELL

A. An exploratory well is a domestic well

(a) Which was intended to produce oil or natural gas,

(b) Which has been completed to the point or production or abandoned ("completed") and

(c) Neither the bottom nor any producing interval of which is within two statute miles of horizontal distance from the nearest producing interval of a well which is, or was, capable of commercial production of oil or gas.

The distance test is applied at the time a well is completed, and the intangible drilling and development costs, whenever in fact incurred prior to the end of the taxable year of completion, are considered exploratory drilling investment at that time. Thus, the year in which the credit is allowable is the year of completion. The determination of whether a well is within two miles from a commercially productive well is made at the time the drilling is completed rather than at the time of commencement to insure that no more than one taxpayer will be able to claim the credit on a single discovery, and encourage promptness in drilling likely prospects.

B. Domestic well

A well will be considered to be a "domestic" well for purposes of the investment tax credit if it is drilled in the United States. For this purpose the term "United States" will have the same meaning as it does in section 638 (1). Thus, offshore wells in the continental shelf and wells in Puerto Rico or a possession or territory of the United States, or in their surrounding waters, will qualify. Wells drilled outside of these areas will not qualify for the credit. The same definitions will apply to "domestic" geological and geophysical costs.

4. SUPPLEMENTAL 5 PERCENT CREDIT FOR PRODUCTIVE EXPLORATORY WELLS

A. If an exploratory well becomes productive, a supplementary 5% of the exploratory drilling investment attributable to that well may be credited against the first tax attributable to the property in which the well is located. A taxpayer would first compute the taxable income from the property by deducting from gross income from the property those deductions, including depletion, attributable to the property.

Next, the taxpayer would compute his tax on his regular taxable income. Finally, he would compute the tax on his regular taxable income less the taxable income from the property. (For this purpose, regular taxable income will be computed without regard to net operating loss carrybacks or carryovers.) The difference between these amounts of tax is the limit for any additional 5% credit in any one year.

B. No limitation

Any portion of the supplemental 5% credit which does not exceed the tax attributable to the property may be fully credited against any tax liability which exists after all other credits have been applied. If some or all of such portion exceeds the tax liability, if any, for the year, it may be carried over to succeeding years without limit as to time and credited against any tax liability in such later years, until fully exhausted. Thus for example, if tax is eliminated by a net operating loss carryover to the year in issue, the unused credit may be used in the first year after the carryover expires, or in which carryover is exhausted.

Any portion of the supplemental 5% credit which exceeds the tax attributable to the property in any one year may be carried to succeeding years without limit as to time as an additional 5% credit against such later years' tax attributable to the property with respect to which it was originally earned.

5. EFFECTIVE DATE

A. The investment tax credit will be effective with respect to domestic exploratory holes drilling of which is commenced after December 31, 1975. If drilling is begun after that date, intangible drilling and development costs incurred in connection with an exploratory hole will qualify as exploratory drilling investment even though such costs were incurred before that date or in earlier taxable years. Moreover, geological geophysical costs, may be attributed to an exploratory hole of which drilling is begun after December 31, 1975, even though such costs were incurred before that date, or after completion of drilling, provided that such costs were incurred in the taxable year which includes the date the well is completed or abandoned.

By Mr. WEICKER:

S. 2061. A bill to provide for the establishment of a national cemetery in Connecticut or in Standard Federal Region I. Referred to the Committee on Veterans' Affairs.

Mr. WEICKER. Mr. President, today I am introducing a bill directing the Administrator of the Veterans' Administration to establish a national cemetery in Connecticut or in the New England area.

A recent comprehensive study of the national cemetery system by the Veterans' Administration, pursuant to Public Law 93–43, clearly points out the inadequacies in the current system. At present, there is no grave site generally available to veterans of Standard Federal Region I, comprising the six States of New England. In fact, there is only one national cemetery in the entire region—Togus, Maine—and it has long since been closed out.

According to the study, commissioned pursuant to Public Law 93–43, nationally there are about 29 million veterans eligible for future burial benefits. To effectively meet this demand, an expansion in the present system is essential. To exemplify this point, I would like to refer to some provoking statistics formulated by the Veterans' Administration. In Region I, it is projected that over 800,000 veterans will die by the year 2000. Projected veterans' deaths in my own State of Connecticut have been estimated at over 220,000 during that same time period. In 1975, alone, 5,800 veterans will die in Connecticut and there will be no available national cemetery plots to provide interment for our veterans. Furthermore, the National Center for Health Statistics and Cremation estimate that only 4.3 percent of funeral rites in the Northeast involve cremation.

A close analysis of the detailed State by State projections of veteran deaths, compiled by the Veterans' Administration will provide a clearer understanding of the scope of the demand in both Connecticut and New England:

PROJECTED DEATHS OF VETERANS, BY STATE, FISCAL YEARS 1975–2000

Region and State	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Region I	22, 085	22, 925	23, 825	24, 256	25, 142	26, 027	27, 326	28, 801	29, 529	30, 401	31, 255	32, 091	32, 383	32, 230
Connecticut	5, 892	6, 116	6, 356	6, 599	6, 840	7, 080	7, 434	7, 835	8, 149	8, 390	8, 632	8, 857	8, 937	8, 987
New Hampshire	1, 383	1, 436	1, 492	1, 553	1, 610	1, 667	1, 750	1, 844	1, 935	1, 992	2, 029	2, 103	2, 122	2, 154
Maine	1, 801	1, 869	1, 942	1, 982	2, 055	2, 127	2, 233	2, 354	2, 431	2, 503	2, 575	2, 642	2, 666	2, 697
Massachusetts	10, 621	11, 025	11, 458	11, 517	11, 938	12, 358	12, 974	13, 675	13, 855	14, 264	14, 674	15, 057	15, 194	14, 953
Rhode Island	1, 605	1, 666	1, 732	1, 725	1, 787	1, 850	1, 943	2, 048	2, 059	2, 120	2, 180	2, 237	2, 258	2, 211
Vermont	783	813	845	880	912	945	992	1, 045	1, 100	1, 132	1, 165	1, 195	1, 206	1, 228

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Region I	32, 345	32, 458	33, 522	34, 612	35, 438	36, 174	36, 572	36, 969	37, 253	37, 175	37, 789	38, 293	816, 876
Connecticut	9, 019	9, 051	9, 344	9, 648	10, 000	10, 208	10, 320	10, 432	10, 512	10, 574	10, 748	10, 892	226, 852
New Hampshire	2, 162	2, 169	2, 219	2, 291	2, 375	2, 424	2, 451	2, 478	2, 497	2, 527	2, 569	26, 603	53, 835
Maine	2, 707	2, 716	2, 803	2, 894	3, 000	3, 062	3, 096	3, 130	3, 154	3, 192	3, 245	3, 288	68, 164
Massachusetts	15, 006	15, 059	15, 593	16, 100	16, 313	16, 652	16, 825	17, 017	17, 148	16, 958	17, 283	17, 468	380, 950
Rhode Island	2, 218	2, 226	2, 278	2, 352	2, 375	2, 424	2, 451	2, 478	2, 497	2, 394	2, 434	2, 466	56, 014
Vermont	1, 233	1, 237	1, 285	1, 327	1, 375	1, 404	1, 419	1, 434	1, 445	1, 530	1, 555	1, 576	31, 061

This disgraceful deficiency comes at a time when burial and funeral costs continue to escalate. Klein & Saks, management consultants, has estimated the average cost for a funeral and burial in the Northeast is $2,258. This legislation will help to defray these costs for those eligible for burial in a regional veterans' cemetery.

In response to this extreme shortage of cemeteries, the Veterans' Administration has recommended the establishment of a national cemetery in each of the 10 standard Federal regions. This proposal simply directs the Administrator of the Veterans' Administration to give priority consideration to establishing a national cemetery in the New England area. I realize that the Veterans' Administration has been giving this matter careful consideration and has in fact been provided with initial funds toward the establishment of a regional veterans' cemetery in Federal Standard Region I. I intend that this legislation should pave the way for full funding as soon as possible for the establishment and maintenance of a New England veterans' cemetery.

Since the beginning of our national cemetery policy in the Civil War, we have properly accorded honor, dignity, and recognition to our deceased veterans. This vitally needed measure would carry forth this longstanding policy commemorating those individuals and families who have faithfully served their Nation.

Furthermore, Mr. President, I am pleased to announce the endorsement of this legislation by the national organization of the Veterans of Foreign Wars and the Connecticut Chapter of the Veterans of Foreign Wars. These organizations have recently sent telegrams to my office expressing full support for the legislation I am today offering.

Mr. President, I ask unanimous consent that these telegrams be printed in the RECORD, together with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2061

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Administrator of Veterans' Affairs is authorized and directed to (1) establish a national cemetery in the State of Connecticut or in Standard Federal Region I as designated by the National Cemetery system study submitted by the Veterans' Administration pursuant to Public Law 93–43 at such location as he determines most appropriate, and (2) with the approval of the appropriate local officials of the site selected, acquire by donation, purchase, condemnation, or otherwise, such federal or state land therein as may be required for the establishment of such cemetery.

SEC. 2. The head of any department or agency of the Government having jurisdictions over any lands in the State of Connecticut or Federal Region I which are surplus to the needs of such department or agency and which are deemed by the Administrator of Veterans' Affairs to be suitable for the location thereon of the national cemetery provided for by the first section of this Act is authorized and directed, upon request by the Administrator of Veterans' Affairs, to transfer such lands to the Veterans' Administration.

SEC. 3. The Administrator of Veterans' Affairs is authorized and directed to provide for the care and maintenance of the national cemetery established under authority of this Act.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SHELTON, CONN.,
May 19, 1975.

DEAR SENATOR WEICKER: I was delighted to receive your letter of March 10th stating you would reintroduce a bill for establishment of a National Cemetery in Standard Region I.

As we approach our nation's bi-centennial year, I feel it is a fitting tribute to our nation's veterans to honor them with passage of this bill by the 94th Congress.

I requested national support on this legislation through Connecticut Commanders of the Veterans of Foreign Wars, American Legion and Disabled American Veterans.

If I can be of any service to you, please feel free to contact me.

Very truly yours,

JOHN W. STOTT,
Post Legislative Officer.

WASHINGTON, *D.C.,*
June 2, 1975.

Hon. LOWELL P. WEICKER, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WEICKER: A Priority Legislative Goal of the Veterans of Foreign Wars for a number of years has been the establishment of at least one national cemetery in every state.

It is most regrettable that there is no national cemetery in any one of the six New England States. Accordingly, the Veterans of Foreign Wars is extremely pleased that you intend to introduce legislation calling for the establishment of a national cemetery in one of the New England States.

You may rest assured that the Veterans of Foreign Wars will be extending its fullest support to your bill, with the goal of having your bill favorably considered and approved by the Veterans' Committee and the full Senate. You have the highest commendation of the Veterans of Foreign Wars for introducing this most important and meritorious bill.

With best wishes for continued success as an outstanding member of the United States Congress and with kind personal regards, I am

Sincerely,

FRANCIS W. STOVER,
Director, National Legislative Service.

By Mr. MAGNUSON:

S. 2063. An original bill to regulate commerce, to protect consumers, and to conserve energy by requiring the disclosure of estimates as to the annual operating costs of environmental control systems in residences, and for other purposes. Referred, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs, with instructions to report within 60 days.

Mr. MAGNUSON. Mr. President, I am introducing today the Home Energy Disclosure Act, an original bill reported by the Committee on Commerce. I ask unanimous consent that this bill be referred to the Committee on Banking, Housing and Urban Affairs for a period not to exceed 60 days.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. PHILIP A. HART:

S. 2065. A bill to regulate commerce by authorizing the Federal Trade Commission to protect consumers against unfair or deceptive advertising, promotion, or sales practices and by providing for full, accurate, and clear disclosure of price and other information needed for consumers with respect to certain insurance policies, and for other purposes. Referred to the Committee on Commerce.

CONSUMER INSURANCE INFORMATION AND FAIRNESS ACT

Mr. PHILIP A. HART. Mr. President, what would you think of this sales pitch:

> This, my friend, is the most important buying decision you will ever make. This product is so good that during the first 13 months of ownership 52 percent of buyers last year returned it. Low cost? It is so low cost that owning it 40 years costs only $3,550 more than an almost identical product.

How many of these do you think salesmen could sell?

Commonsense says none. But unfortunately, in 1973 alone more than 20 million Americans laid down nearly $4 billion for a new model and 120 million paid more than $16 billion for the upkeep of an earlier edition—not knowing if they had the inexpensive, expensive, or in-between model.

The product is life insurance. Two out of three Americans have it. Yet, I am sure, few more than a handful understand life insurance or even know what this protection costs them. That select group, I am quick to admit, does not include me. Any attempt I make at explaining life insurance probably will complicate matters. But let me give it a go.

There are two basic kinds of life insurance—term and straight life. All term insurance gives is financial protection against premature death. It is like fire insurance for your home. If the house burns down, you collect; if it does not, you do not get a premium refund. The idea is you got what you paid for: Protection against fire loss. With term life insurance, you pay for and get death protection.

Of course, the term premium also covers the company's overhead and profit.

Now, because each year we live increases the likelihood of our death, protection against death becomes more costly yearly. Term insurance premiums which may be very attractive for a 20-year-old grow almost prohibitive for an oldster. So the idea of leveling the premiums—where the young overpay and the older ones underpay for protection—was born. These are the straight life policies. The excess amounts charged in the earlier years give rise to the "savings" part of insurance—or in the parlance of the industry, the "cash value."

To further complicate things, most cash value straight life policies sold today are "participating" or pay annual "dividends." But these are not "dividends" in the sense of cash payments annually to stockholders. They are really the payout of a benefit built into the premium or a refund of a premium overcharge. And that is exactly how Federal tax law treats them—as a refund and, therefore, nontaxable.

The most important thing to remember about life insurance is that the cost of death protection increases yearly. And, whether we buy term or straight life, we are paying that increased cost in our premium.

When a consumer shops for life insurance—or as the industry would say "it is sold to him"—he is not told the cost of death protection. About the only figure quoted is the premium—and perhaps dividends and cash values for selected years. But the Antitrust and Monopoly Subcommittee's pricing study shows consumers should place little reliance on premiums to determine cost—particularly with dividend-paying cash value policies.

Premiums for these policies do vary—but very little compared with differences in the consumer's cost—meaning what he pays for protection plus what the company retains for expenses and profit. In fact, premiums can be extremely misleading from the competitve standpoint. Consider the premiums and the cost to a 25-year-old consumer for a $10,000 dividend-paying straight life policy from the following reputable companies:

	Premium	*Cost to consumer*
Company A	$177	$50
Company B	175	69
Company C	172	118
Company D	172	69
Company E	171	55
Company F	170	54

Although the premium for the Company C policy "beats" the Company A premium by $5, this consumer would pay, on the average year after year $68 more for the "C" policy.

In other words, in life insurance what you see is what you get, but what you pay is not what it costs.

Mr. President, my first awareness of the problems consumers have in figuring out the best—or at least a good—buy in life insurance came back in the 1960's. It was brought to my attention via the problems involved for Vietnam veterans who had only 120 days to convert their military life insurance policies to cash value plans without evidence of insurability.

About 3 years ago, the Antitrust and Monopoly Subcommittee staff began looking into the subject in some depth. Hearings were held in early 1973, and then, we set out to gather detailed data on industry pricing—with special attention to trying to find a method to give consumers accurate, reliable and clear price, benefit and other relevant information. The subcommittee also gathered detailed data from the companies on lapsation of policies and general information about sales practices and the life insurance agency system. The study was done in cooperation with the National Association of Insurance Commissioners.

Basically, what we did was gather from 198 companies—who did around 95 percent of the new and renewal individual ordinary life insurance business in this country in 1972—data on their three top selling cash value policies. Information about these policies was gathered as of July 1, 1973. That data was fed into a computer, and each policy was measured by eight cost comparison methods, with various assumptions. When the assumptions are added, each policy was measured 31 times for four selected ages, six policy sizes, and four policy time periods.

Mr. President, the study was published last fall and the data is being used by the NAIC Task Force on Pricing, and a number of State commissioners. The computer data bank was relied on extensively also by the Society of Actuaries Committee on Cost Comparison Methods for its study published last fall.

Many conclusions have been drawn from this data—and no doubt many remain to be drawn.

In general, we found that the cost ranges among similar policies was even greater than we had thought, the rate of return on the savings element of most policies was very low, and the number of policies consumers purchased, but did not pay the second premium on was really startling.

The cost range I referred to in opening came from the data in the study: The range of 40-year company "retentions" for expenses and profit among 166 nonparticipating $25,000 straight life policies sold in 1972 to men age 35 was from $1,143 to $4,692. For a similar example for 163 participating $25,000 straight life policies, the retention range was from $630 to $3,409.

Typically, most of the policies had from one-half of 1 percent to 3½ percent rates of return on their savings element. But a few policies did have as high as 5.2 percent rate of return. At present, of course, there is no way for policyholders to know which are the better buys.

The 52-percent lapse rate came from one of the biggest selling cash value policies of a company whose name could certainly be considered a household word. It is very high—but not the highest showing up in the study. For 59 of the largest companies, on average, about 18 percent of all straight life policies sold are lapsed by the consumer within the first 13 months. In fact, only about one-third of policyholders keep their policies until their old age. Nearly one-half drop their policies within 10 years, and nearly three-fifths within 20 years of purchase.

However, average industry figures for all policies sold do not sufficiently indicate just how high early lapse rates are. A better indicator is the 13-month lapse rate of the biggest selling cash value policy of each company. For instance, of 148 companies surveyed by the subcommittee, one out of four policyholders of 64 companies dropped the best selling policy within 13 months after buying it in 1971. Fifteen of these companies had unbelievable high early lapse rates ranging from 40 to 50 percent.

Dropping a policy in its infancy is expensive for consumers. Most straight life policies pay no cash values for the first year, and many participating policy dividend-payments are contingent on paying the second-year premium. The reason policies pay no early cash values is because of high selling expenses. One study showed that customers of 31 companies who bought cash value policies in 1971 but dropped them within 13 months sacrificed about $55 million in premiums—after discounting what they would have paid for reasonable term insurance. And since it frequently costs companies more to "put a policy on the books" than is charged in premiums the first year, lapses also are expensive for the company and the remaining policyholders.

Why are there such high early lapse rates, and who and what are to blame?

According to constructive critics and students of this industry, inappropriate sales and even "deceptive sales practices which are a national disgrace" are the leading causes. Maybe this is too harsh a judgment. But when purchasers are misled by sales methods and presentations—whether intentional, or because of tradition, the result is the same—inefficiency and waste in the market. And this is so particularly in the market like life insurance where consumers are too many times overwhelmed with inaccurate and unreliable data, and wind up buying what they do not need or can not afford because they do not understand.

I am not alone in these observations. Responsible people in the industry and State insurance departments share my concern over high early lapse rates, and certain company marketing methods and high pressure sales practices.

Listen to what some of them said recently:

> A lot of consumers think life insurance salespeople and the companies they represent are one step removed from the grifters romanticized in movies like the "Sting." In some cases, they are correct.
>
> Until now, the products and services delivered to the buyer have been dictated by the whims, ineptness, attitudes and avarice of the people doing the so-called selling, rather than by the desires and needs of the consumer. Some life insurance salespeople and companies have been prostituting the needs and desires of the consumer in their anxiety to get the commission dollars and the business on the books.

These strong comments were made by Richard E. Sauder, the president of the Kemper Life Insurance Co. early last month.

Donald S. MacNaughton, the chairman of the Prudential, told an audience that:

> This [excessive early lapse rate] is a subject that appeals to consumerists, and where early lapse rates are high, much of their criticism is justifiable. I link this phenomenon—where it exists—with the most commonplace

> consumer complaint against the insurance industry: high-pressure selling tactics.

And, finally, William A. White, the chief actuary of the New Jersey Insurance Department, in his address at the recent regional meeting of the Society of Actuaries in New York City, said:

> You're probably sick of hearing this, but the single most glaring embarrassment for the life insurance industry is its poor early duration persistency on permanent insurance. I have to place the bulk of the blame for this on company marketing methods—and I do not mean by that individual agents. This problem is so acute that I could almost justify a requirement that each sale of permanent life insurance be preceded by a caution, in bold red letters, saying in effect: "The Insurer General Has Determined That This Policy Is Going To Cost You A Hell Of A Lot Of Money If You Don't Intend To Keep It In Force For More Than A Year Or Two."

Mr. President, I ask unanimous consent that the articles containing the comments of these gentlemen be included in the RECORD at the conclusion of my remarks.

According to company data submitted to the subcommittee, lapse rates are particularly high among young adults, the poor- and middle-income people. The sorry impact of lapses and life insurance pricing practices on the poor was reported recently in a perceptive and well-written article in the Washington Post by Philip Stern.

Most of the new life policies are sold to these groups. In 1973, nearly three-fifths of new "ordinary" policies; namely, 11 million straight life and 1 million term—were bought by people with less than $9,999 yearly income—38 percent were bought by those with incomes from $10,000 to $24,999. And three-fifths of the new policies that year were purchased by people between the ages of 15 and 34. As Mr. Stern pointed out, nearly all of the policies sold to low-income people are small face amount straight life plans. Very little term, with its relatively larger death benefits for the same premium, is sold.

But the real victims of lapse stemming from inappropriate sales are the ultimate consumers of life insurance—widows and children. A few years ago this industry conducted a "Widow's Study." This landmark study shows that at the $7,000 to $10,000 family income level, nearly three-fourths received less than $10,000; at the $10,000 to $15,000 level, over one-half got less than $10,000.

It does not take much imagination to realize that these days "less than $10,000" will provide little support for a widow left with two small children. In fact, the chief executive officer of a prominent national life insurance company wrote in an insurance trade publication that if a man died leaving a widow with two small children ages 5 and 11, the youngsters alone would need to be furnished with 28,600 meals until they are grown and self-supporting. At $1.50 a meal, for example, this means $42,900. And this is in addition to their mother's grocery bill—and the family's clothing, shelter, medical and dental care, and other living expenses.

Another finding of the "Widow's Study" was pointed out in a frank editorial comment in the National Underwriter—a leading industry trade journal—last February. Out of average per capita monthly survivor benefits of $155, widows received only $7.75, or 5 percent, from life insurance. Two-thirds of the $155 came from social security, with the remainder coming from retirement plans, VA benefits, and miscellaneous sources.

Mr. President, I ask unanimous consent that the National Underwriter "Editorial Comment," and the Washington Post article by Philip Stern, be included in the RECORD at the conclusion of my remarks.

What do consumers think about life insurance? For a number of years the industry's Institute of Life Insurance has sponsored a survey to learn what consumers think about their products. Some of the findings disclosed in the institute's 1973 and 1974 reports are pretty interesting. For example:

> In 1973:
>
> Only three out of 10 people who buy life insurance think they know what they are doing (four out of 10 feel uneasy because they are not sure they are getting the right kind of policy).
>
> Only one out of four people think insurance agents present their products and services understandably, accurately and honestly.
>
> Seven out of 10 people think that the life insurance agent is influenced by the size of his commission when making a recommendation.
>
> Only one out of 10 people think that life insurance agents are responsive to individual buyer needs.
>
> And in 1974:
>
> Six out of 10 people agree that life insurance is as much of a necessity as food, clothing and shelter.
>
> Only four of 10 people think they know enough about life insurance to know whether a life insurance agent's recommendation is right for them.
>
> Only three out of 10 people believe that life insurance companies give them their money's worth (two out of 10 think not, and five out of 10 have no strong opinion).
>
> Only three out of 10 people think that the life insurance companies have been doing a good job of educating the public about life insurance (three out of 10 think not, and four out of 10 have no strong opinion).

Mr. President, the basic intent of the subcommittee study, hearings, and data analysis was to determine whether there was need for legislation to help consumers in the life-insurance market. These consumer survey findings reported by the Institute of Life Insurance confirm my conclusion that there is, and today I introduce the Consumer Insurance Information and Fairness Act, and ask unanimous consent to have its text inserted in the RECORD at the conclusion of my remarks.

The bill is really very simple. It seeks to establish national standards as to the basic cost and benefit and other relevant information about a life insurance policy which shall be made available to consumers. The standards will be promulgated by the Federal Trade Commission, but enacted and administered by the States.

Basically, the bill provides that consumers, when they are considering buying a life insurance policy will be given information on: What premiums they will pay, how much death protection they get, what cash value there will be, what dividends they can expect—if a participating policy—how much the company will retain for overhead and profit, the charges for payment of the premium on less than a yearly basis, and the policy loan fees. The figures will take account of interest and probabilities of lapse and death in evaluating what the policyholder pays in and what he gets back.

In addition, the consumer would get year by year information on premiums, face amount, cash value, dividends, terminal dividends, amount and cost of protection, and annual and cumulative rates of return. This year by year information for the life of the policy is needed to ferret out unusual or misleading dividend and cash value patterns or any other type of value manipulation. The annual data also will point up any abnormal front-end loading. Manipulation—according to the subcommittee's actuarial consultant—is said to exist when unreasonable advantage has been taken of the cost comparison system in general use to present a particular policy as more attractive than it genuinely is. The disclosure system in the bill—so say the actuaries—is the one least susceptible to actuarial manipulation.

As I mentioned, certain of the data contemplated by the bill will take account of interest, lapse, and death. In a long-term contract, such as life insurance, it is very important to recognize the timing of payments. We do this by using an interest rate. The result is fairer competition, and more accurate and reliable cost comparisons for the consumer. Similarly, if we omitted the probabilities of lapse and death, it would result in some companies enjoying an unfair competitive advantage by deferring payments of large dividends until relatively late in the usual 20-year period for cost analysis.

During the course of the subcommittee's pricing study its consultants came across many policies of complex design. Many of these straight life policies, and their variations, had face amounts—death benefits—that changed year to year throughout the life of the policy. These policies with death benefits that vary by duration frustrated comparison with other policies. It took quite a bit of actuarial unraveling to make these so-called "competition proof" policies comparable. Ironically, the NAIC model disclosure regulation exempts policies with death benefits that vary by duration. This means that all the complex and "gimmick" policies, including those designed to frustrate comparison shopping, are not covered by the NAIC regulation. Because I believe that this is an impossible situation for consumers, the cost disclosure system in the bill is such that comparison would be possible between policies with death benefits that vary by duration, and policies with death benefits that remain constant.

Mr. President, there is another problem area in this industry which I think has had a significant ill effect of competition—to the detriment, as usual, of consumers. Because life insurance frequently has to be "sold," companies need agents, and the contractual relationships with agents tend to "lock in" an agent to one company. By this I refer to the general practice of requiring an agent to forfeit some of his commission if his contract terminates; most companies reserve the right to terminate an agent without cause. The irony is that the more business an agent produces for his company, the more he is "locked in" to that company.

Because of the nature of an agent's contractual relationship with his company, he may be unable to do a really professional job for his client. For example, if his company sells an inferior or high cost policy, the agent may be prevented from selling a competitor's superior or lower cost policy, because of the fear of being terminated and forfeiting some of his commissions.

In reality, the disclosure system in this bill will only reach its maximum effectiveness if agents are sufficiently independent so as to permit them to serve their clients in a truly professional manner. As one prominent casualty insurance company's advertisement in national magazines asks:

> How Objective Can An Insurance Agent Be If He Only Works For One Company?

This bill will allow agents to be sufficiently independent to do a truly professional job for the consumers.

Mr. President, the essential ingredient if we are to have the free enterprise system work is that consumers be able to make informed choices. In that way, they reward the efficient producers and force the others to upgrade or get out of the market.

One student of the data in our study developed tables of the 20 lowest cost life insurance companies selling participating policies, and the 20 lowest cost companies selling nonparticipating policies. These 40 companies accounted for 890,000 of the 5.1 million participating and nonparticipating policies sold as new business in 1972 by the entire industry—some 1,800 companies according to the Institute of Life Insurance. In other words, not even one-fifth of the business was done by these top 40. Clearly, while I do not believe price is the only thing a consumer should think about in buying a life insurance policy, it should be an important consideration, as with any other service or product. To put it another way, four-fifths of individually sold life insurance is being done by 98 percent of relatively high cost companies. So, I am sure that consumers would consider price—if they could. And, if they could, I think it is a very safe bet that those 98 percent would not have had so much of the business.

Then, why are so many consumers buying from relatively high cost life insurance companies? Because they have no accurate, reliable, and clear information about the costs and benefits of what they are buying.

Mr. President, this bill would make certain that consumers get such information.

Mr. President, I ask unanimous consent that the bill and the several articles I mentioned be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2065

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Insurance Information and Fairness Act".

DECLARATION OF POLICY

SEC. 2. (a) Findings. The Congress hereby finds and declares that—

(1) The sale, issuance, delivery, and maintenance of policies providing insurance against death significantly affects interstate commerce, particularly in metropolitan areas encompassing more than one State, since two out of every three people in the United States are insured by such policies;

(2) In the absence of uniform standards (A) requiring all insurance companies and agents selling, issuing, and delivering such policies to make full, accurate, and clear disclosure of price and other information, terms and conditions with respect to the sale, issuance, delivery, and maintenance of such policies, and (B) protecting consumers against unfair or deceptive advertising, promotion or sales practices, consumers lack understanding and are deceived and misled;

(3) Such unfair or deceptive trade practices and absence of disclosure results in waste, inefficiency, and overcharging causing economic injury to countless purchasers and beneficiaries of such policies, which constitutes, particularly in a period of chronic and heavy inflation, an undue burden on commerce; and

(4) To avoid any undue burden on commerce, to preserve consumer choice, and to promote the fair and efficient functioning of a free market economy, it is necessary that there be such full, accurate, and clear disclosure, and truthfulness and fairness in the advertising, promotion, and sale of such policies.

(b) Purposes. Therefore, it is hereby declared to be the policy of the Congress to establish—

(1) minimum standards which each State must meet or exceed so as to assure to all consumers of policies providing insurance against death full, accurate, and clear disclosure, in understandable form, of all the information necessary to purchase the most suitable coverage for themselves and their beneficiaries at the lowest cost; and

(2) means to safeguard such consumers against unfair or deceptive trade practices with respect to such policies.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "Additional life insurance rider" means any rider or endorsement providing for additional life insurance or the accumulation of funds, other than a rider or endorsement providing limited life insurance, such as, an accidental death or common carrier death benefit;

(2) "Amount of protection" means the excess of the face amount over the cash value in any given policy year;

(3) "Annual percentage rate" means the annual percentage rate as defined in the Truth in Lending Act, or in regulations prescribed under that Act;

(4) "Annual premium" means the annual amount payable to the insurance company for a life insurance policy at the beginning of a given policy year, including any amounts payable for additional life insurance riders. Any amounts payable for other riders, endorsements, or benefits shall be excluded and disclosed separately as provided in item (vi) of section 4(a)(1) of this Act;

(5) "Annual rate of return" means the rate of return earned by the policyholder on the cash value in a given policy year based upon an assumed price of protection, as determined under rules and regulations of the Commission;

(6) "Annual refund" means the amount payable to the policyholder under a life insurance policy at the end of a given year, including, but not limited to, dividends, bonuses, and coupons, including any such amounts payable under additional life insurance riders, but excluding any such amounts payable under any other riders, endorsements, or benefits;

(7) "Applicant" means any person making application or being solicited for a life insurance policy;

(8) "Asset values" means the present expected value of the annual cash value changes, as determined under rules and regulations of the Commission;

(9) "Cash value" means the amount payable by the insurance company upon termination of a life insurance policy other than by death of the insured at the end of a given policy year, including any amounts payable upon such termination under additional life insurance riders, but excluding any amounts payable upon such termination under any other riders, endorsements or benefits. Any increase in the amount payable upon such termination as a result of annual refunds, or any decrease in the amount payable upon such termination as a result of an outstanding policy loan, shall be excluded;

(10) "Commission" means the Federal Trade Commission;

(11) "Cumulative annual rate of return" means the average annual rate of return earned by the policyholder on the cash value between the policy date and any given policy year based upon assumed prices of protection as determined under rules and regulations of the Commission;

(12) "Death protection" means the present expected value of the amounts of protection;

(13) "Dividend declaration" means the written announcement to the policyholder of the refund of any part of the previously paid premiums;

(14) "Duration" means that period of a life insurance policy beginning with the policy date and ending with the expiration of such policy, or that anniversary of the policy date on which the insured's age is 85 under the terms of such policy, whichever occurs first;

(15) "Engaged in the business of life insurance" means carrying on any activities which are pertinent to, and which are undertaken for the purpose of, selling, issuing, or delivering life insurance policies if such activities involve the use of any means or instrumentality of interstate commerce, or if such policies are wholly or partially reinsured in interstate commerce;

(16) "Face amount" means the amount payable by the insurance company under a life insurance policy upon the death of the insured in a given policy year, including any amounts payable upon death under additional life insurance riders, but excluding any amounts payable upon death under any other riders, endorsements, or benefits. Any increase in the amount payable upon death as a result of annual refunds, or any decrease in the amount payable upon death as a result of an outstanding policy loan, shall be excluded;

(17) "Insurance agent" means any person engaged, in whole or in part, in the business of life insurance as a representative of, or on behalf of, any insurance company;

(18) "Insurance company" means any partnership, corporation, reciprocal exchange, association, society, or any other organization or person engaged, in whole or in part, in the business of life insurance;

(19) "Insured" means the human being upon whose life a life insurance policy is issued, except that in a joint life insurance contract, insured means the oldest human being upon whose life such contract is issued, and that in a family life insurance contract, insured means the person designated as the primary insured in the contract on the policy date;

(20) "Life insurance policy" means any contract, in whole or in part, insuring against the death of one human being, including any joint life insurance contract or family life insurance contract insuring against the death of more than one human being;

(21) "Person" means any human being, partnership, corporation, reciprocal exchange, association, society, or any other organization;

(22) "Policy date" means the date specified

in the life insurance policy as the beginning of the first policy year;

(23) "Policy year" means a one year period beginning on the policy date or an anniversary thereof;

(24) "policyholder" means any person who is shown in the records of an insurance company as the owner of a life insurance policy;

(25) "Premium payments" means the present expected value of the annual premium;

(26) "Present expected value" means the single sum equivalent, expressed as of the policy date, or dollar amounts payable under a life insurance policy to or by the insurance company for the duration of such policy, calculated using the specified assumptions;

(27) "Price of protection" means the policyholder's cost of each $1,000, of the amount of protection in any given policy year, as determined under rules and regulations of the Commission;

(28) "Reasonable attorney's fee" means, for the purposes of section 8, the commercial rate for contingent litigation in which substantial funds are recovered.

(29) "Refunds" means the present expected value of the annual refunds including, with respect to any termination or settlement dividends payable on termination of such policy, the present expected value of such termination or settlement dividends, as determined under rules and regulations of the Commission;

(30) "Retention" means the excess of premium payments over the sum of death protection, asset values, and refunds;

(31) "Specified assumptions" means interest, mortality and lapse assumptions, as determined under rules and regulations of the Commission;

(32) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possessions of the United States;

(33) "Supplementary premium payments" means the present expected value of amounts payable to the insurance company under a life insurance policy separately for each rider, endorsement, or other benefit, including, but not limited to, accidental death, common carrier, disability, or guaranteed insurability benefits;

(34) "13 month lapse rate" means the percent of a company's new paid-for life insurance policies, for the latest calendar year that data is available, for which 13 months of annual premium (including any amounts payable for any riders, endorsements or benefits) were not paid. For the purposes of this paragraph, any life insurance policy for which 13 months of annual premium were not paid because of the death of the insured or conversion of the policy shall be excluded in the percent determination.

CONSUMER INFORMATION

SEC. 4. (a) Within 180 days after the date of enactment of this Act, the Commission shall promulgate regulations with respect to the disclosure of price and other information, data, terms and conditions relating to life insurance policies in accordance with this Act and the provisions of section 553 of title 5, United States Code. Such regulations shall require any insurance company and any insurance agent in any State to disclose in writing to the applicant for a life insurance policy all information, data, terms and conditions which are likely to help such applicant make an informed and rational choice with respect to life insurance, in such form and manner, and at such time intervals, as are likely to be the most useful in making such choice, including, but not limited to

(1) Summary information as follows:

(i) Premium payments;

(ii) Death protection;

(iii) Asset values;

(iv) Refunds;

(v) Retention;

(vi) Supplementary premium payment;

(vii) Annual percentage rates with respect to the annual premium where such premium is paid on a semi-annual, quarterly, monthly or weekly basis; and

(viii) Annual percentage rate in the loan clause, if any, of the life insurance policy.

(2) Annual information with respect to each policy year for the duration of the life insurance policy, as follows:

(i) Annual premium;

(ii) Face amount;

(iii) Cash value;

(iv) Annual refund;

(v) Amount of protection;

(vi) Price of protection;

(vii) Annual rate of return; and

(viii) Cumulative annual rate of return.

(3) The name of each State in which the insurance company is subject to any expense limitation laws or regulations.

(4) 13 month lapse rate as defined in paragraph (34) of section 3 of this Act.

(5) An explanation, published in language or graphic form readily understandable by consumers, of life insurance policies providing death protection and containing cash values, and life insurance policies providing death protection and containing no cash values.

(b) Within 180 days after the date of enactment of this Act, the Commission shall publish, in such form and manner as it determines under its rules and regulations, a guide comparing and ranking insurance companies, which provide annual refunds or make dividend declarations, according to the annual refunds actually paid by such insurance companies and the annual refunds illustrated originally by such insurance companies so as to enable applicants and policyholders to make an informed and rational choice with respect to insurance companies and life insurance.

(1) The Commission shall maintain such guide on a current basis, and shall publish it periodically, but not less than once a year; and

(2) The Commission is authorized, in the exercise of its responsibilities under this subsection, to request, in such form and manner and at such time intervals it deems necessary, all relevant data and information from any insurance company.

UNLAWFUL ADVERTISING, SALES ACTIVITIES, AND PREMIUM NOTICES

SEC. 5. (a) No insurance company or insurance agent shall disseminate, issue, or use, or cause to be disseminated, issued, or used, with respect to the promotion, sale, issuance, delivery, renewal, or conversion of a life insurance policy—

(1) any advertisement, sales material, sales presentation, solicitation, or announcement, which contains dollar or percentage information other than such information required by section 44(4a) (1) and (2) of this Act;

(2) any premium notice or dividend declaration which fails to disclose the—

(i) premium currently payable;

(ii) current annual refund;

(iii) annual refund which would have been made currently according to the annual information disclosed under item (iv) of section 4(a)(1) of this Act;

(iv) amount of any accumulation of annual refunds;

(v) annual percentage rate currently applicable to any accumulation of annual refunds;

(vi) current face amount, and current cash value of any life insurance purchased by annual refunds;

(vii) annual rate of return;

(viii) current principal and accrued interest on any policy loan outstanding;

(ix) annual percentage rate applicable to any policy loan outstanding; or

(3) any premium notice or dividend declaration which contains any dollar or percentage information other than that required under subsection (a)(2) of this section.

(b) The dissemination, issuance, or use, or the causing to be disseminated, issued, or used, of any advertisement, sales material, sales presentation, solicitation, announcement, premium notice or dividend declaration in violation of subsection (a) of this section shall be an unfair and deceptive act or practice within the meaning of section 5 of the Federal Trade Commission Act.

INDEPENDENCE AND SECURITY FOR INSURANCE AGENTS

SEC. 6. (a) General. This Act shall be construed to assure the independence and security of the insurance agents against the commission of, of the threat to commit, acts prohibited under subsection (b) of this section.

(b) Prohibited Acts. The acts and conduct described in this subsecton, including, where appropriate, failures to act, are prohibited. Any provision in any contract or agreement between an insurance company and an insurance agent which permits any party to perform any such prohibited act shall be void and of no force and effect after 180 days after the date of enactment of this Act. After an insurance agent has served an insurance company which is his primary company for three years or more, it shall be a prohibited act for—

(1) such insurance company to maintain in any contract or agreement with such insurance agent any provisions which prohibit such agent from engaging in the business of life insurance on behalf of any other insurance company, or which provide that such company shall have a right of first refusal with respect to any such other life insurance writtten by such agent;

(2) such insurance company to harass, intimidate, or pressure, or attempt to harass, intimidate, or pressure such insurance agent because such agent engages in the business of life insurance on behalf of any other insurance company;

(3) any insurance company to fail to vest and pay upon demand commissions of an insurance agent.

(c) Whenever the appointment, contract, agreement or services of an insurance agent are terminated, either by the insurance company or the insurance agent, the insurance company shall immediately furnish to the State insurance commissioner or other agency of the State which is charged by the law of that State with the supervision and regulation of the business of insurance, in writing, the facts relative to the termination of the insurance agent's appointment, contract, agreement or services, and the causes thereof. Every statement made pursuant to this subsection shall be deemed a privileged communication and shall not be used in any court action or proceeding.

(d) Primary Company. As used in this section, the term "primary company" means an insurance company with respect to which an insurance agent places a majority of his life insurance business as determined under rules and regulations of the Commission.

ADMINISTRATION

SEC. 7. (a) This Act shall be enforced by the Commission under rules, regulations, and procedures adopted by the Commission under the authorty of this Act.

(b) The Commission is authorized and directed to seek an injunction or such other relief as may be necessary to prevent any insurance company or insurance agent from violating the provisions of this Act or rule or regulation issued thereunder.

CIVIL LIABILITY

SEC. 8. (a) Any insurance company or insurance agent violating the provisions of sections 4 and 5 of this Act with respect to any applicant or policyholder is liable to such applicant or policyholder in an amount equal to the sum of—

(1) any actual damages sustained by such

applicant or policyholder as a result of the violation;

(2) such additional amount as the court may allow, except that the total awarded shall (A) be not less than $100 in the case of an individual action, or (B) in the case of a class action, not more than $250,000; and

(3) in the case of any successful action to enforce the foregoing liability, the cost of the action, together with a reasonable attorney's fee which shall be the reasonable value of the services rendered by the attorney without regard to the amount of any recovery.

(b) An insurance company or insurance agent has no liability under this section if within fifteen days after discovering an error, and prior to the bringing of an action under this section or the receipt of written notice of the error, such insurance company or insurance agent notifies the applicant or policyholder concerned of the error and makes whatever corrections are necessary.

(c) An insurance company or insurance agent may not be held liable in any action brought under this section for a violation of this Act if such insurance company or insurance agent shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid any such error.

(d) Any insurance company violating the provisions of section 6 is liable to such insurance agent in an amount equal to any actual damages sustained by such insurance agent as a result of the violation.

(e) Any action under this section may be brought in any United States district court, without regard to the amount in controversy, or in any other court or competent jurisdiction, within one year from the date of the occurrence of the violation.

CRIMINAL LIABILITY

SEC. 9. Whoever willfully and knowingly fails to comply with any requirement imposed under this Act, or who willfully and knowingly commits any act prohibited by this Act, upon conviction, shall be fined not more than $5,000, or imprisoned not more than one year, or both.

RELATIONSHIP TO STATE AND FEDERAL LAWS

SEC. 10. (a) General. Except as provided in section 6 of this Act, this Act, and the rules and regulations promulgated under this Act, shall not affect, or be construed to affect, the validity or enforceability of any contract or obligation under any State or Federal law.

(b) State Laws. Nothing in this Act shall be construed to annul, alter, affect, or exempt subject to the provisions of this Act from any insurance company or insurance agent complying with the laws or regulations of any State with respect to the disclosure of price and other information, data, terms and conditions relating to life insurance policies, except to the extent that those laws or regulations are inconsistent with any provision of this Act, and then only to the extent of the inconsistency. No State law or regulation which provides greater protection for applicants, potential applicants and policyholders than the protection provided by this Act shall be preempted by this Act to the extent of the greater protection.

EXEMPTION FOR STATES WITH SUBSTANTIALLY SIMILAR LAWS

SEC. 11. The Commission may by regulation exempt from the disclosure requirements of this Act any insurance company or insurance agent complying with the laws or regulations of any State with respect to the disclosure of price and other information, data, terms and conditions relating to life insurance policies if it determines that under the law or regulations of that State that such disclosure is substantially similar to that under this Act and the rules and regulations of the Commission, and there is adequate provision and means for enforcement.

EXEMPTION FOR CERTAIN LIFE INSURANCE POLICIES AND SEPARATE ACCOUNTS

SEC. 12. No life insurance policy which is registered under the Securities Act of 1933, as amended, and no separate account which is defined by and which is registered under the Investment Company Act of 1940, as amended, shall be subject to the provisions of this Act.

COOPERATION WITH OTHER AGENCIES

SEC. 13. The Commission is authorized, in the exercise of its responsibilities under this Act, to consult with and to obtain upon request the opinions and views of, and relevant data and information controlled by, and other Federal and any State agency which the Commission determines exercises regulatory or supervisory functions with respect to any insurance company or insurance agent subject to this Act. The Commission shall cooperate with such other agencies and shall give careful consideration to their opinions and views.

REPORT TO CONGRESS

SEC. 14. The Commission shall report, as part of its annual report, to the Congress each year concerning the administration of its functions under this Act, and shall include in such report an assessment of the extent to which compliance with the requirements under this Act is being achieved and such recommendations as it deems necessary or appropriate.

SEPARABILITY

SEC. 15. If any provision of this Act or any application thereof to any individual or circumstance is held invalid, the effectiveness of the remainder of this Act and the applicability thereof to any individual and circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 16. Other than Section 7(a), and as otherwise provided in Sections 4 and 6(b), the provisions of this Act shall take effect one year after its enactment. Section 7(a) shall take effect immediately.

EXAMPLES OF INFORMATION ON LIFE INSURANCE POLICY WHICH WOULD BE GIVEN CONSUMER AT POINT OF SALE

YEARLY INFORMATION

[$25,000 participating straight life policy issued by Northwestern Mutual in 1973 to males aged 35]

Policy year	Age at beginning of year	Yearly premium	Amount payable on death	Amount payable on surrender	Illustrated dividend[1]	Amount of protection[2]	Yearly price[3]	Yearly rate of return[4] (percent)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	35	$578	$25,000	0	$69	$25,000	$21.51	--------
2	36	578	25,000	$449	83	24,551	3.09	--------
3	37	578	25,000	912	96	24,088	2.91	--------
4	38	578	25,000	1,384	110	23,616	3.00	6.69
5	39	578	25,000	1,864	125	23,136	3.07	6.51
6	40	578	25,000	2,352	140	22,648	3.19	6.34
7	41	578	25,000	2,848	155	22,152	3.32	6.25
8	42	578	25,000	3,351	171	21,649	3.48	6.16
9	43	578	25,000	3,862	186	21,138	3.65	6.11
10	44	578	25,000	4,331	201	20,669	6.29	4.93
11	45	578	25,000	4,807	217	20,193	6.44	5.08
12	46	578	25,000	5,291	234	19,709	6.61	5.19
13	47	578	25,000	5,781	250	19,219	6.85	5.27
14	48	578	25,000	6,278	265	18,722	7.14	5.34
15	49	578	25,000	6,781	281	18,219	7.52	5.38
16	50	578	25,000	7,290	293	17,710	8.16	5.37
17	51	578	25,000	7,804	302	17,196	9.02	5.32
18	52	578	25,000	8,324	312	16,676	9.94	5.28
19	53	578	25,000	8,848	321	16,152	10.98	5.23
20	54	578	25,000	9,379	331	15,621	12.07	5.20
21	55	578	25,000	9,827	412	15,173	14.22	5.03
22	56	578	25,000	10,276	421	14,724	15.47	5.03
23	57	578	25,000	10,725	431	14,275	16.86	5.02
24	58	578	25,000	11,174	441	13,826	18.36	5.01
25	59	578	25,000	11,622	451	13,378	20.00	5.00
26	60	578	25,000	12,067	461	12,933	21.75	5.00
27	61	578	25,000	12,511	472	12,489	23.64	5.00
28	62	578	25,000	12,951	482	12,049	25.74	5.00
29	63	578	25,000	13,388	493	11,612	27.98	5.00
30	64	578	25,000	13,820	504	11,180	30.46	5.00
31	65	578	25,000	14,247	514	10,753	33.17	4.99
32	66	578	25,000	14,668	524	10,332	36.29	4.98
33	67	578	25,000	15,081	533	9,919	39.75	4.96
34	68	578	25,000	15,485	542	9,515	43.58	4.94
35	69	578	25,000	15,879	551	9,121	47.79	4.92
36	70	578	25,000	16,265	559	8,735	52.24	4.91
37	71	578	25,000	16,641	568	8,359	56.93	4.90
38	72	578	25,000	17,011	576	7,989	61.82	4.90
39	73	578	25,000	17,375	583	7,625	66.90	4.92
40	74	578	25,000	17,734	591	7,266	72.31	4.93

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[1] Neither estimates nor guarantees, but merely illustrations of the company's 1973 dividend scale.

[2] Amounts payable on death (col. 4) minus amounts payable on surrender (col. 5).

[3] Yearly prices per $1,000 of protection, assuming a 5-percent rate of return on the savings element.

[4] Yearly rates of return on the savings element, assuming yearly prices per $1,000 of protection equal to 105 percent of the 1-yr term insurance rates in Revenue Ruling 55-747.

SUMMARY INFORMATION

($25,000 Participating straight life policy issued by Northwestern Mutual in 1973 to males aged 35)

Present expected values: [a]	
Premiums	$6,899

COMPONENTS OF THE PREMIUMS

Protection element	$1,149
Savings element	2,326
Illustrated dividends	2,575
Company retention	849
Total	6,899

SUPPLEMENTARY PREMIUMS

Waiver of premium	$110
Accidental death benefit	229
	percent
Ratio of benefits to premiums: [b]	80.4

ANNUAL PERCENTAGE RATES

	percent
Semi-annual premiums	8.2
Quarterly premiums	8.0
Monthly premiums	7.0
Loan clause	6.0

[a] The assumptions used in the calculation of these 40-year figures are 5 percent interest, the 1957–60 ultimate basic mortality table for males, and Moorhead's modified R lapse table.

[b] The numerator of the ratio is the sum of the present expected values of the protection element and the savings element. The denominator of the ratio is the difference between the present expected values of the premiums and the illustrated dividends.

[From the Washington Post, June 8, 1975]

LIFE INSURANCE: WHY THE POOR PAY A PREMIUM

(By Philip M. Stern)

Imagine, if you will, the public reaction to a news story such as this:

Detroit—The U.S. auto industry today announced new sales rules that will bar the lowest-income car buyers from purchasing basic sub-compact autos with minimal accessories.

Under the new rules, these poorest customers will only be allowed to purchase larger, elaborately equipped cars carrying price-tags three to five times those of the smaller, more sparsely outfitted models.

The reason for the new policy, industry spokesmen explained, was that it has been found uneconomical to market the smaller cars to low-income buyers.

If this news story were real, it would doubtless provoke cries of anger as well as incredulity.

Yet the U.S. life insurance industry maintains sales practices that have substantially the same effect as that described in the news story—without any public outcry.

Under industry practices, it is impossible—or at best extremely difficult—for poorer insurance buyers to purchase what amounts to the "stripped-down" model of a life insurance policy (called term insurance). As a result, they are generally obliged to buy whole-life or cash-value insurance—for which the annual premiums are three to five times as great.

For the well to do, however, not only is the stripped-down model readily available, it can be bought at special cut-rate prices.

This results in a terrible irony: While a tolerably well-heeled man of 30 or 35 may be able to buy life insurance for $2.50 to $3 a year per $1,000, working class insurance buyers must pay $20 to $30 per $1,000 and the inner-city poor may have to pay up to $70 per $1,000.

There is another sad result: Because they must pay so much and can afford so little, most lower income insurance buyers end up with pitifully small, private insurance protection. Working class customers typically buy $2,500 policies (rarely more than $5,000), which leaves their survivors with only a few months' income at best (if anything is left over after paying doctors' and funeral bills). For the very poorest insurance buyers, the situation is far worse: In 1973, their average policy size was just $530 and the average death benefit per policy was even smaller: $485. That's not enough to pay funeral expenses, in most cases.

These paltry averages apply to what the insurance industry calls "industrial" insurance, which is sold door to door to individuals and families, largely to inner-city poor and largely in the South, who pay their premiums to an agent who comes to the door once a week to collect. In 1973, such agents collected the staggering total of $1.3 billion in premiums. At the end of that year, there were about 75 million weekly-premium policies in force (often there are more than one policy per family).

For these poorest insurance buyers, the stripped-down type of policy—pure term insurance—is not offered. So these lowest-income customers have no choice but to put their dimes and quarters into whole-life (or other cash-value) insurance—and ferociously expensive whole-life at that. One study showed that $1,000 of insurance protection cost from 42 to 67 per cent more for weekly premium customers than for the better-off buyers of ordinary whole-life insurance.

HIGHER PROFITS

The large price differences are often explainable in part by extraordinary company profits on this type of insurance (although the high cost of weekly collections and the small size of the policies are also contributing factors). Indeed, for many companies, selling weekly-premium (industrial) life insurance to the very poor appears to be unusually lucrative—up to three times as profitable as the sale of ordinary-payment insurance to more well to do customers—as the following figures show:

1973 PROFITS AS PERCENT OF PREMIUMS

Company:	*Ordinary*	*Industrial*
Life of Virginia	16.1	51.6
Monumental	16.5	42.1
Home Security	9.3	26.5
Pilot Life	12.8	28.3
Independent Life & Accident	6.7	17.0
Southland Life	15.1	29.3

Why isn't pure term insurance offered to weekly-premium customers? Most insurance officials do not have a reasoned answer to that question. Their usual response: "It never has been offered."

Buyers of insurance with somewhat higher incomes who pay premiums to home collection agents on a monthly rather than a weekly basis buy what is called "monthly debit" insurance.

Since the industry does not collect separate statistics for this, there exists no accurate measure of its overall magnitude, but it is substantial. Special data collected by the Senate Antitrust and Monopoly Subcommittee showed that in 1971 some 25 leading companies (there are about 90 in the field) sold nearly 2 million monthly debit policies in 1971.

For these customers, pure term insurance is available in theory; in actual practice, that less expensive form of insurance has, in the past, at least, almost never been sold to them. According to the information submitted to the Senate committee, of the 2 million policies sold in 1971, only nine-tenths of 1 per cent were pure term policies. The other 99 per cent were of the whole life type.

In the case of two giants in the field, the John Hancock and the Combined Insurance Company of Chicago, who together sold 400,000 monthly-debit policies in 1971, not one of those was a pure term policy. All were of the more expensive whole life variety.

A third insurance colossus, the Prudential, broke ranks ever so slightly. Only 99.7 per cent of its monthly debit policies that year were whole life; the other three-tenths of 1 per cent were pure term.

And, as with weekly premium insurance, monthly debit policies are often considerably more expensive than comparable policies bought by more well-to-do buyers. In 1972, for example a $10,000 policy bought from the Sun Life Insurance Co. had an average annual cost of $64.80 to a monthly debit customer, while the same policy from the same company cost just $35.50 a year on the average, if sold to an ordinary payment buyer of the same age.

"CATCH-22" RULES

But if a person can get three to five times as much death protection buying pure term instead of whole life insurance, how do the insurance companies manage to sell such a preponderance of whole life to lower-income buyers?

There are many explanations, but at least part of the answer lies in the Catch-22-like rules applicable to monthly debit sales.

Imagine, for example, that you are an impoverished but exceptionally well-informed insurance prospect (which makes you a rare exception) determined to buy term insurance if you possibly can.

Your opportunity comes (you think) when a John Hancock salesman knocks at your door. Opening his brief case, he explains that he will sell you a whole-life policy as small as $500 and will, moreover, be willing to come in person once a month to collect the relatively meager $1.33 premium.

At this, you express surprise, since, in the process of becoming exceptionally well-informed you had been given to understand that one of the main reasons insurance companies do not sell pure term insurance on a door-to-door collection basis was that the premiums were too small to justify the collection expense. But here is the agent telling you he will come by monthly to collect a premium as small as $1.33.

Encouraged, you tell the agent that you are bent on buying term insurance and will he please sell you as much of it as $1.33 a month will buy.

Ah, the crestfallen insurance man responds, that he cannot do.

But why not, you ask—if he will collect $1.33 a month on a whole-life policy, why not on a term policy?

Because, he explains, $1.33 a month will buy more than $5,000 of term insurance, which is the most Hancock will sell to door-to-door premium payers.

Now it's your turn to be crestfallen, but not defeated. All right, you say, sell me $5,000 of term insurance.

But the salesman shakes his head. He cannot. Why? Because the premium on that small a term policy would be too low to justify his once-a-month visits. Catch-22.

If you were to insist on buying term insurance, John Hancock would sell it to you if you would pay by mail. But judging from 1972 statistics, salesmen do not push that option with vigor. Only 8.7 per cent of Hancock's monthly mail-pay policies that year were pure term policies.

But the reason why so much of the expensive whole life and so little of the cheaper term insurance is sold to the poor (and the public generally) is far deeper than those rules, for there exist companies who are eager to sell term insurance. Why don't more people seek them out?

The basic reason lies in public reticence and ignorance in the matter of buying life insurance, which is summed up in a favorite industry slogan (supported by decades of experience): "Life insurance is not bought; it is sold." That is, very few people go out to buy insurance the way they might go out to buy groceries or a car. Almost everyone buys only at the behest of an insurance salesman who seeks them out and who has strong economic incentives to push whole-life and soft-pedal the subject of term insurance.

First, his commission is a higher percentage of the customer's premiums—sometimes more than twice as high—for whole life sales. And since premiums are three to five times what term premiums are, for a given amount of insurance sold, the salesman might get six to 10 times as much commission on his cash value sales.

In addition, some insurance companies give their salesmen little or no credit for their term-insurance sales when computing retirement benefits. And in the winning of much sought after memberships in million-dollar clubs (made up of salesmen who have sold a million dollars of life insurance in a single year), cash value sales are given full credit, while term sales earn only fractional credit.

MONEY TO INVEST

Besides being passive, most insurance buyers are poorly informed and ill-equipped to evaluate the pro-whole-life arguments with which the salesman deluges them. A 1972 industry survey of public opinion on insurance showed that 43 per cent of the population as a whole felt unable to state a preference as between term and whole-life, which prompted the authors of the study to observe, "Clearly, many respondents do not really know the difference between the two."

Particularly is that true of the poor: While just 37 per cent of the best-heeled people surveyed could not state a preference between the two types of insurance, 55 per cent of the poorest respondents felt unable to make a choice.

All in all, the insurance salesman has a significant economic incentive to keep all references to term insurance at the bottom of his brief case and out of the sales conversation. Whether or not that serves the consumer's interests, it makes economic sense from the companies' point of view, for to them, whole life policies have one distinct advantage over term insurance: they give the companies money to invest (since in general, the whole life premiums substantially exceed the cost of pure death protection) and the companies put the excess "to work," investing in stocks, bonds, mortgages and the like.

The industry's successful emphasis on selling whole life insurance has enabled its companies to amass assets now totalling a quarter of a trillon dollars. In 1973, insurance companies took in $14 billion that came, not from the sales of insurance, but from the investment of their monumental assets.

THE DROP-OUT PROBLEM

One sad (and costly) aspect of insurance sales to the poor is that the lower income buyers appear to be particularly vulnerable to the well-practiced sales pitch, and easily persuaded to buy policies they can't afford or that otherwise quickly prove unsuitable—policies they drop, at great expense to themselves, within a few months of buying them.

Ordinarily, statistics on these early drop-outs are closely held by the insurance industry. But in 1973, the Senate Antitrust and Monopoly Subcommittee got leading insurance companies to submit the usually-secret figures, and they revealed dramatic differences between the early drop-out rates for customers paying on a home-collection basis (typically lower-income buyers) and better-off customers paying by mail. The following figures show the 1971 drop-out rates in the first 13 months of policy ownership for each company's best-selling home-collection whole life policy (the so-called "monthly debit" insurance) compared with its best-selling ordinary-payment policy:

PERCENT WHO DROPPED POLICY IN FIRST 13 MONTHS

Company:	*Home-Collection*	*Ordinary Payment*
Coastal States	56	24
Kentucky Central	54	23
Gulf Life	40	25
Life of Georgia	39	17
Monumental	39	19

These early policy lapses impose a heavy cost on the buyer, a cost which, the comparative figures suggest, falls far more heavily on low-income buyers than on others. It arises from the industry practice of devoting all of the first year's premiums and most or all of the second year's to paying salesmen's commissions and other sales expenses, so that none of those early premiums is used to build up cash value, redeemable when the policy is dropped.

As a result, for these early lapses, the promise that in cash value insurance you get some of your money back (which salesmen say is the prime selling point for whole life over term insurance) proves to be an empty, if not cruel, promise. For the 56 per cent of Coastal States customers who dropped their monthly debit policies in the first year, every penny that the customer might have thought would go to build up cash value evaporated (although it rematerialized in the salesman's pocket in the form of commissions).

"The net effect," says Dean E. Sharp, former counsel to the Senate subcommittee, "is that these people have bought hugely expensive term insurance for the few months they owned their policies."

These early dropouts appear to result mainly from high-pressure salesmanship. Alfred G. Whitney, a retired insurance research official and an expert in policy lapses, told the Senate subcommittee that "the major cause of most early lapsation is an inappropriate sale."

THE TROUBLE WITH TERM

Insurance officials offer a variety of reasons why term insurance is not widely sold to the poor:

Experience has shown that people seeking the cheapest insurance protection (pure term insurance) are poorer risks than others (apparently they correctly sense impending illness or death), and, on the small policies the poor can afford, it would not be economic to screen out the good risks from the bad.

Term insurance (the insurers say) is easier to discontinue than whole-life; hence, term policies tend to be dropped more quickly, and companies don't get back their initial sales expenses.

Some state laws set very low ceilings on the amount of insurance that may be bought on a home-collection basis—so low that term premiums would be infinitesimal and not worth collecting.

Salesmen tell their companies that lower-income buyers don't like to buy term insurance (where their money seems to just disappear), preferring a policy that promises them some of their money back if they cancel.

A BETTER BARGAIN

To some observers, the life insurance that private companies sell to the poor becomes particularly questionable when compared with the social security protection that now extends to nearly all Americans. Social security seems to be an enormously better bargain, from the point of view both of cost and of the protection it affords.

As to cost, Prof. Richard E. Johnson of the University of Georgia points out that only 2 per cent of social security "premiums" are devoted to administrative costs, while 15 per cent goes for expenses and profits in the private life insurance industry taken as a whole. (For the small policies typically sold to the very poor, as much as 65 per cent can go for expenses and profit.)

As to protection, social security typically provides survivors benefits equivalent to those resulting from a life insurance policy of $80,000 to $100,000. By comparison, the added protection afforded by most privately sold policies bought by the poor—averaging about $500 for industrial insurance and typically less than $5,000 for buyers of monthly debit insurance—seems minuscule.

All in all, the contrast between the prices the poor must pay for life insurance and those available to the very rich is striking. Not only are the well-to-do able to buy the stripped-down version of life insurance (term insurance), as the poor generally cannot, but they, unlike the poor, are not dependent on the first door-to-door salesman who comes along, but can avail themselves of savvy insurance brokers who can shop around for smaller and lesser known companies that specialize in selling low-cost term insurance. If they are wealthy enough to buy $100,000 of it, they get what amounts to a quantity discount; and if they are in a position to leave some front-money with the company (and sacrifice it if they cancel the policy prematurely) they can get another special discount.

It's in this way that a well-off insurance buyer can purchase life insurance protection for $2.50 to $3.50 per $1,000, while the poor may find themselves paying 20 times as much.

PICKING A POLICY: TERM OR WHOLE LIFE

There are, basically, two types of life insurance: term and whole-life.

Term insurance, like fire or homeowners insurance, provides protection for a limited period of time. Let's say you buy a $10,000 one-year term policy. If you should die within one year, the company would pay your family $10,000. If you don't die in that year, the company keeps the premium you paid just as it keeps your fire insurance premium if your house doesn't burn down that year. You don't get anything back—but you've gotten what you paid for: your family, like your house, has been protected during that year.

With term insurance, you are buying pure death protection—so the premiums are comparatively low, especially when you're young and unlikely to die soon (at 1974 rates, a man 25 could buy $10,000 of term insurance from Aetna for $27.30 a year). As you grow older and the chances of your dying soon increase, the term premiums become gradually, then steeply, more expensive; at age 60, $10,000 of term insurance from Aetna costs $201.50 a year; at age 65, it costs $316.50. And most companies, though not all, will not sell you term insurance at all after you've reached 70.

To get around the problem of prohibitive insurance premiums (and ultimate uninsurability) in your later years, companies sell so-called whole-life insurance, for which you pay a level (i.e., unchanging) premium every year of your life (the amount depending on your age when you first buy the policy). Under a $10,000 whole-life policy, the company promises to pay your beneficiary $10,000, regardless of when you die.

In order to keep the premiums level throughout your life, insurance companies must charge you considerably *more* than you would pay for term insurance in your younger years, so as to be able to charge *less* than term rates in your later years. For a man 25, $10,000 of whole life insurance from Aetna would, at 1974 rates, cost $138.50 a year—about five times as much as term insurance costs at that age. As you grow older, of course, the gap between whole-life and term premiums narrows—although with most companies, if you bought a whole-life policy at age 25, yearly premiums would continue to be higher than comparable term insurance premiums until you reached your middle or late 50s—a fact of which most insurance buyers are not aware.

There are two other key differences between whole-life and term insurance:

First, unlike term policies, most whole-life policies begin, after a few years, to build up a "cash surrender value," which the company stands ready to pay you if you elect to surrender your policy before you die. Because of this feature, whole-life insurance and other variations of it (where your policy becomes fully paid at a certain age or after a certain number of yearly payments) are grouped under the label of "cash-value insurance."

Second, most insurance companies will allow you to use your whole-life policy as the basis for borrowing money from the company (although whatever you borrow lessens the amount your beneficiaries will be paid if you die before repaying the loan).

In summary: When you buy term insurance, you are buying death protection and nothing else. When you buy whole-life insurance, you are, in effect, buying death protection *plus* a savings account. That is why whole-life premiums are three to five times greater per $1,000 of insurance in your younger years than are term premiums.—PHILIP M. STERN.

[From the Journal of Commerce, May 20, 1975]

IMAGE OF LIFE AGENTS IS STUNG

(By Kemper Leader)

"A lot of consumers think life insurance salespeople and the companies they represent are one step removed from the grifters romanticized in movies like 'The Sting'," says the president of Kemper Life Insurance Co.

"In some cases, they are correct," notes Richard E. Sauder, president of the Kemper Life.

"We should be selling people what they want to buy, not bending their buying habits towards a product that might not serve their needs but offers a bigger commission," he said. Drawing on remarks made recently at his companies' Scotsdale, Ariz. sales conference, Mr. Sauder warned salespeople that, "a company can no longer dictate what the buyer should buy."

"Until now," Mr. Sauder said, "the products and services delivered to the buyer have been dictated by the whims, ineptness, attitudes and avarice of the people doing the so-called selling, rather than by the desires and needs of the consumer.

"Some life insurance salespeople and companies have been prostituting the needs and desires of the consumer in their anxiety to get the commission dollars and the business on the books."

SELLING TOOLS

Mr. Sauder said ethically persuasive communications and accommodation of buyer requirements are the only effective and successful long range selling tools.

"The consumer, most companies, state regulatory bodies and the Federal Government will no longer condone or tolerate gimmick salesmanship, the 'you can get it at no cost' ploy, the peddling of panaceas for all financial ills, and general exaggerations and misrepresentation," he said.

"Our present and future environment, and the existence of our industry and its sales force demand a different kind of salesmanship."

"To some degree," he said, "I feel these criticisms hold true for all companies and all sales forces."

Mr. Sauder said the day is over for the salespeople who consciously or subconsciously delude themselves into thinking they are working in the best interests of the consumer when, in reality, their only interests are self serving.

POSSIBLE EXAMPLES

He cited salespeople's "rapture over sales techniques such as estate planning, business insurance, tax shelters and minimum deposits," as possible examples of their having lost sight of the basic needs and desires which gave rise to those concepts.

Emphasizing estate creation and estate conservation, Mr. Sauder asked, "could it be that we have forgotten that the person who is in the process of accumulating or creating an estate basically is buying time when he or she buys life insurance?

"I hope we haven't forgotten that the person who wants to conserve assets for his or her family, fundamentally is purchasing liquidity when he or she buys life insurance," he said. "We shouldn't forget estate planning, business insurance or any other professional sales activity, just put them in their proper perspective."

Mr. Sauder cited a 1973 survey of public attitudes conducted by the Institute of Life Insurance which, he said, was "an indictment by consumers of insurance salespeople."

—"Only 1 consumer in 10 thinks insurance sales people are responsive to individual buyer needs.

—Only 1 consumer in 4 thinks insurance agents present their products and services understandably, accurately and honestly.

—Only 1 consumer in five thinks insurance sales people are as concerned with service as they are with their personal compensation."

"If we are to be truly successful now and in the future, we must first make sure our own houses as sales people and as companies are in order," Mr. Sauder said.

"Then we must rid ourselves of the kind of people whose behavior results in the kinds of public attitudes I've described as well as in the regulatory actions which stem from their actions.

"In the final analysis, these regulatory actions do absolutely nothing to help the consumer and at the same time, make our lives unnecessarily costly and difficult," he said.

[From the National Underwriter, May 10, 1975]

THE CHOICE: SOCIAL CONCERN OR GOVERNMENT FIAT

Corporate social responsibility—where business fails in this function, government takes over and performs it by mandate and fiat—this was the not-so-subtle hint contained in the address by Donald S. MacNaughton, chairman of Prudential, at the annual meeting of the Life Insurers Conference in Hot Springs, Va.

(The LIC annual meeting celebrated the 100th anniversary of home service insurance in the United States. Later, in this special section on the meeting, other excerpts from Mr. MacNaughton's talk discuss the history of those 100 years, told from the viewpoint of the company, Prudential, which wrote the first industrial life policy.)

As examples of the "bewildering abundance of new laws" that government substitutes for private action in the social area, Mr. MacNaughton listed those that govern worker and product safety, pensions, Medicaid and Medicare, truth-in-packaging and truth-in-lending, a broadened Social Security Act, and equal opportunities for everyone—women, minorities, the aged and the handicapped.

"And national health insurance is around the corner," Mr. NacNaughton warned.

He said that the list represents "the greatest burst of governmental social concern since the 1930s," and that it reflects the mood of the country.

The basic warning is there, Mr. MacNaughton said: In the current climate of the times, the insurance industry is not immune from attention, investigation, regulation and legislation.

Mr. MacNaughton said he believes that the insurance business is, in itself, a form of social responsibility.

"Operating an insurance business is a trust higher than that accorded most economic endeavors," he said. "Our customers put in our hands, with few strings, the responsibility of seeing them through illness, accident and debility. They even hand over to us—for a fair price—the fiscal responsibility for their survivors. This is, indeed, a high trust and one that we have earned through good performance, but one that can be lost at any time society's expectation of us is not realized.

"Social responsibility is, then, in a sense, our principal product," he declared.

REAL PURPOSE

Continuing, he said: "We must never forget this—that responsibility to our public is our real purpose for existing. If all of us and the people who work with us reach this understanding, the trust of our customers has been well placed. If we fail to reach this understanding of our true mission, there is no way that we can retain the trust and confidence of the public, and no way we can continue to survive.

"The opinion polls tell us that the insurance industry is esteemed by the public. I have to believe that is because our service has been generally good and our pricing structures fair. It is also because we listen carefully to criticism and are sensitive to positive suggestions as to how we can improve the service we provide. But we are not without critics, some of them in high places.

"Senator Hart heads a subcommittee that has been looking into the life insurance business. In public statements he has come down particularly hard on what he considers an excessive early lapse rate. This is a subject that appeals to consumerists, and where early lapse rates are high, much of their criticism is justifiable.

"I link this phenomenon—where it exists—with the most commonplace consumer complaint against the insurance industry: high-pressure selling tactics. Some managers may dismiss high lapse rate as a symptom of over-zealous work by agents—without recognizing that government officials, consumer activists and, eventually, the public will have another, less kind view. If that happens, public faith in the entire industry could be undermined to the detriment of all companies."

[From the National Underwriter, May 10, 1975]

ANOTHER PERSPECTIVE—DISCLOSURE AND COST COMPARISON

(By William A. White)

One of the more interesting problems of regulatory work is explaining—to reporters—developments involving actuarial concepts. Interest-adjusted cost disclosure methods have presented an unusually difficult challenge. It used to be almost a monthly occurrence that some newsworthy consumerist would issue a statement demanding the immediate implementation of one or another of the interest-adjusted cost methods; a sharp-eyed state house reporter, reading the wire service's account of this statement, would then call or visit the department of insurance to obtain an explanation.

The usual actuarial explanations about level premiums for increasing risks, the build-up of cash values, and the time value of money invariably produced blank stares. After a while, we achieved some measure of success by inventing a wily and prosperous Greek, Mr. Aristotle Apocrypha—one of the first citizens of my hometown of Cherry Hill, N.J.

Mr. Apocrypha became famous and prosperous almost overnight by revolutionizing the automobile retailing business. For those of you not familiar with Cherry Hill, the Apocryphal Automobile Agency is on the site of the old Chevrolet showroom, right next door to what used to be the Cherry Hill National Bank. I mention the bank for two reasons: first, the bank features five-year certificates of deposit, minimum amount $1,000, paying guaranteed 6% annual simple interest; second, the bank is now the Apocryphal National Bank—Mr. Apocrypha became so successful he was able to buy it out several months ago.

GUARANTEED REFUND

Mr. A's major contribution to automobile retailing was the introduction of the Moneyback SPX—the "car you can't afford not to buy." At first the public was turned off by the $13,000 price tag of the Moneyback SPX, but this was before it appreciated the outstanding quality implied by Mr. A's ironclad guarantee: "After five years, bring me back your Moneyback SPX, or even just a hub-cap, and I will refund to you every cent you paid for it." Skeptics claimed that the Moneyback SPX looks exactly like the Chevies you used to be able to buy at the showroom for $3,000, but, needless to say, people flocked into the Apocryphal Automobile Agency in droves, attracted by ads for "free automobiles" and the slogan "you may never have to buy another car."

Fortunately, the story about the Apocryphal Automobile Agency never moved a reporter sufficiently to appear in print. The concept of a "grafted on" savings program designed to mislead the public could easily produce unflattering and incorrect conclusions as to the nature of permanent life insurance. Nevertheless, the story seemed to be effective as an educational tool for reporters and for people within the department who could not understand the fallacy of the "traditional surrender net cost" method or the necessity for taking interest into account.

Most people, confronted with Mr. Apocrypha's novel selling method, are able to figure out by themselves that $3,000 is going into the automobile and $10,000 going into a certificate of deposit which returns $13,000 after five years. The moral to our story is that an interest-adjusted cost analysis of the Moneyback SPX should reveal a true cost, assuming 6% simple interest, of $3,000.

PUBLIC'S DILEMMA

For purposes of our discussion, there are two conclusions to be drawn from the foregoing narrative. First, there is no way that the public is going to grasp the importance of the "time value of money," or foregone interest, unless the concept can be expressed in terms with which the public is generally familiar. Second, and more important, the Moneyback SPX proposition is easy to see through because the average person has a solid base of reference—most of us have a pretty fair idea of how much automobile should be received for $3,000 or $13,000. A comparable base of reference is totally lacking in any evaluation of life insurance costs. It is primarily for this reason that I am very pessimistic about the probability that any "simple" cost disclosure method for life insurance can ever be an effective tool for use by consumers.

Let me offer three general observations concerning the whole field of disclosure in the area of life insurance sales. The first observation is that "product disclosure" is much more important than "cost disclosure." This implies an educational responsibility for both the agent and his company far beyond what is provided today.

The average purchaser of life insurance is never going to be able to make a value judgment as to the cost or adequacy of his life insurance purchase until he has a fairly clear understanding of the life insurance product and its major variations. The choice of agent or company by the consumer is going to have to be made on the basis of intangible, largely emotional factors such as reputation, personality and "glamour" image. This is the same sort of determination that is made by the consumer in almost every other purchase decision in our economy, and I feel it is a totally unwarranted intrusion of the government or regulatory agency if we assume the responsibility of making that value judgment for the consumer.

RIGHT TO KNOW

However, I do feel that the consumer, having selected his agent and company, should have available all the accurate and objective information he can digest in order to make his own personal decision as to the kind and amount of life insurance which is best suited to his personal needs and financial abilities. This, obviously, is much more easily said than done.

There are companies, agents and government agencies making sincere efforts to educate the public as to the nature of the life insurance product. I believe it is still an unfortunate fact that most purchasers of life insurance do not understand what they have bought, what it will cost them and what alternatives might have been available.

The basic life insurance decisions are still being made by agents, and all too often these decisions are more in the best interests of the agent than of the buyer. Utopia will have been attained when an agent can say: "Well, Mr. Prospect, we've identified your insurance needs and your financial abilities; here's *everything* my company has to offer. What kind of life insurance, and how much do *you* want to buy?"

My second observation deals with the dangers inherent in oversimplified cost disclosures. I feel the insurance departments and consumerists are doing the public a big disservice by striving for a single cost index that will be meaningful to the consumer. Any cost index, no matter how precisely calculated and inclusive of all cost components, is going to mislead the insurance buyer if it concludes with an expression of average costs over an extended period of time.

The fact is that the incidence of costs of life insurance differs greatly from year to year. Any system of cost presentation, especially for permanent life insurance, that conceals or plays down the disastrous cost consequences of early termination of permanent life insurance works to the disadvantage of both the public and the insurers.

This is not intended to be critical of either permanent insurance or of the industry's traditional cost patterns. However, permanent life insurance must be sold as *permanent*, and the most effective way to accomplish this is to dramatize to the prospective purchaser, as emphatically as possible, the financial consequences of early voluntary termination of his insurance.

You're probably sick of hearing this, but the single most glaring embarrassment for the life insurance industry is its poor early-duration persistency on permanent insurance.

I have to place the bulk of the blame for this on company marketing methods—and I do not mean by that individual agents. This problem is so acute that I could almost justify a requirement that each sale of permanent life insurance be preceded by a caution, in bold red letters, saying in effect: "The Insurer General Has Determined That This Policy Is Going To Cost You A Hell Of A Lot Of Money If You Don't Intend To Keep It In Force For More Than A Year Or Two."

My final observation deals with dividend illustrations. Most of us who have worked for large mutual insurance companies have witnessed the emphasis, real or imagined, on contriving dividend scales so as to optimize the company's competitive position in cost comparisons. With the inevitable increased importance attached to cost disclosures and cost comparisons, this situation of the "tail wagging the dog" can only get worse, and the people most likely to suffer are those old policyholders, in closed blocks of business, whose dividends are no longer illustrated.

I suspect that the time has come for a critical re-evaluation of the traditional regulatory position (and company disclaimer) that dividends are not estimates or predictions of amounts the company will actually pay. What is wrong with a company's "predicting" what its future dividends will be? The usual concern is that freeing dividend illustrations from the reality of dividends currently paid will lead to uncontrolled competition among optimists or liars. Personally, I see no reason why "predicted dividends" could not be soundly implemented, or even required for cost comparison purposes, given an enlightened and effective system of governmental regulation to back up the predictions.

As a first step, interest, mortality and expense assumptions would have to be justified as consistent with logical projections of current conditions or, in the absence of such justification, standardized. More important, companies would be held accountable for a reconciliation of actual dividends to projected dividends by regulators, with the understanding that dividend predictions would not be permitted for any company that was unable to satisfy the reconciliation.

This, to the best of my knowledge, is a new and potentially very controversial suggestion. It is likely to be opposed by both companies—as an intrusion on rate-making and profit determination decisions—and by regulators as an invitation to chaotic cost illustration practices. I hope that the suggestion might have enough merit to justify study by the Society of Actuaries and by the National Assn. of Insurance Commissioners.

[From the National Underwriter, Feb. 1, 1975]

FIRST THINGS FIRST

What exactly is "corporate social responsibility?"

According to the Clearinghouse on Corporate Social Responsibility, in the insurance industry it includes, among other things, investments in anti-pollution bonds and other socially desirable investment media, millions of dollars contributed to community charitable organizations, hiring and promoting minority group members and women, and involving company employes in community and civic work.

Life insurance company involvement in all these areas is kept highly visible to the public and produces reams of material for promotional copy and speeches by concerned executives—which, let it be understood, is all to the good. But the question begs itself: What might be the results if the industry, while continuing along this socially responsible course, at the same time allocated a like amount of money, time and effort for solving problems within the industry itself?

Put another way, are there any feasible innovations that would help meet the needs of more people more effectively with better products, services and underwriting procedures?

A case in point:

Presumably, in addition to its function of discovering novel tax-avoidance devices for high-income clients, the life insurance industry is also in the business of providing money for widows and children. Yet, the Widow's Study found that "The average per capita monthly survivor benefit was $155, of which 67 percent came from Social Security, 15 percent from retirement plans, 12 percent from VA benefits, 5 percent *from life insurance*, and 1 percent from miscellaneous sources." (Emphasis added.)

Now, isn't this the industry's primary "corporate social responsibility?"

If it can't—or won't—deliver at competitive prices the kind and quality of products and services its customers deserve and must have, even the most lavish corporate social responsibility programs will be useless.—Lee Schweickart, editor of the D.L.B. Agent's Service published by The National Underwriter Co.

By Mr. RANDOLPH (for himself and Mr. JACKSON):

S. 2066. A bill to amend the Federal Nonnuclear Energy Research and Development Act of 1975. Referred to the Committee on Banking, Housing and Urban Affairs.

SYNTHETIC FUELS ACT OF 1975

Mr. RANDOLPH. Mr. President, without question the Congress' immediate concern should be Federal programs to cope with our country's economic problems such as the recession, inflation, and unemployment. In the process, however, national programs also must be implemented to improve our country's energy posture over the long-term.

Our greatest challenge will be to use this period to lay the groundwork for the enormous, sustained energy programs that will be necessary to assure sufficient domestic energy supplies to maintain a strong economy, once present economic problems are brought under control.

In this regard our national posture in the promotion of energy conservation and the greater use of coal leaves much to be desired. Petroleum based energy supplies are uniquely suited for transportation purposes. Precisely for this reason they should be conserved for this critical use in the future when oil will be a premium energy commodity, as natural gas is now becoming.

Coal is our most versatile domestic energy resource. Coal can be used directly as a boiler fuel to produce steam and electricity. More importantly, coal can be synthesized into liquid and gaseous forms to serve utility markets and even transportation uses.

Now is the time to focus this effort on our country's overall energy needs for the future.

Federal energy research policies of the past have left much to be desired. They have been geared principally to satisfying the needs of the electric utility industry through the preferential development of nuclear power. As a result many fossil fuel and unconventional energy alternatives are not now available when needed.

Perhaps our most significant energy supply need is alternative fuel sources to domestic natural gas and oil. Programs to stimulate new petroleum supplies will be of minimum value if we do not use this time to also develop alternative fuel sources. It is not enough to speak of research on new energy technologies—time schedules also must be established for the commercial demonstration of synthetic fuels production from coal.

Let us launch a 10-year Federal program to assure a limited number of plants to prove the technical and economic feasibility of production of synthetic fuels on a commercial basis. This must be undertaken recognizing that any major reliance on synthetic energy supplies will require enormous capital investments and manpower. Because of the higher prices that will be associated with synthetic fuels the costs must be clearly delineated in advance. Nevertheless, it is essential that the United States in 1985 possess an established synthetic fuels industry.

This is not a time to be timid. It is a time for commitment to the future. Therefore, today I introduce the Synthetic Fuels Act of 1975. This measure is cosponsored by Senator HENRY M. JACKSON. The bill provides for a loan guarantee program for the commercial demonstration of synthetic fuels from coal by—

Authorizing and directing the ERDA Administrator to proceed with a program of financial assistance to synthetic fuels plants with the objective of achieving production by 1985 equivalent to between 0.5 and 1.0 million barrels of oil per day;

Authorizing a loan guarantee program up to a total outstanding indebtedness of $5 billion in addition to the various other forms of Federal assistance enumerated in the Federal Non-Nuclear Energy Research and Development Act—for example, corporations and loans; and

Authorizing the ERDA Administrator to proceed with negotiations with non-Federal participants leading to the necessary financial agreements to achieve the aforementioned goal. However, each proposal would be submitted to the Congress for review and possible disapproval within 90 days before the financial commitment could be finalized.

While synthetic replacements for natural gas are possible, this program also could produce substitutes for imported refined petroleum products. Coal liquefaction processes also can yield petrochemical feedstocks as well as fuels for transportation.

The Congress created ERDA in order to assure that nonnuclear energy alternatives would receive equitable treatment. This is not the case for the proposed ERDA budget for fiscal year 1976. The Committee on Interior and Insular Affairs is now making significant strides to assure a balance between nonnuclear and nuclear programs.

Nevertheless, the fiscal year 1976 program on synthetic fuels now emphasizes second and third generation technologies. Programs with immediate returns on research and development are not adequately reflected in the Energy Research and Development Administration's proposed budget for fiscal year 1976. Current priorities will produce only minimal impact before 1985 on the development of synthetic fuel substitutes.

This measure would emphasize the commercialization of first generation new energy technologies.

The assurance of adequate energy supplies in the future will require enormous sustained energy programs for the development of unconventional as well as traditional energy supplies. The capability to produce daily the equivalent of 1 million barrels of oil typically would require some 20 major installations. The coal requirement to generate 50,000 barrels of oil per day is 17,000 tons or 6 million tons per year. The estimated capital requirements for such a conversion facility would range from $500 to $700 million, not counting the supporting coal mine which could require an additional $120 to $150 million. Thus the total capital investment for the conversion facilities alone, which would be required to produce the equivalent of 1 million barrels of oil per day, could range from $10 to $14 billion.

Clearly, Federal support for this program will not be limited to loan guarantees. Financial assistance already is available pursuant to the Federal Non-Nuclear Energy Research and Development Act of 1974. For this reason, this measure limits total outstanding federally guaranteed indebtedness to $5 billion.

For many years I and others have advocated adoption of a national energy policy. Even today such a policy is yet to be formulated. Only recently has our country undertaken to initiate a comprehensive national energy research and development policy. Yet such a policy is requisite to meeting our country's long term energy needs.

However, we no longer can afford the luxury of postponing obvious programs until such a policy is finalized. Where there is a consensus among experts we must move now.

In response to energy shortages during World War II, this Senator became one of the pioneer advocates of using coal to produce synthetic liquid fuels.

As a Member of the House of Representatives, I was joined by Senator Joseph O'Mahoney of Wyoming in authoring and pressing to passage the Synthetic Liquid Fuels Act of 1944. Under that authority the Department of the Interior launched coal liquefaction and coal gasification programs during the late years of the Roosevelt administration; those efforts continued through the Truman administration until abandoned during the early years of the first Eisenhower administration.

Between 1944 and 1960 in excess of $1 million was spent by the Bureau of Mines on the development of synthetic liquid fuel technologies. The majority of these moneys were appropriated under the Synthetic Liquid Fuels Act of 1944.

Over 10 years ago the hydrogenation process was demonstrated as feasible. Commercialization was viewed as possible within less than 5 years. The cost to produce synthetic natural gas was estimated at around 70 cents per thousand cubic feet.

Since those fateful years of World War II, and with the inception of the Randolph-O'Mahoney legislation, I have felt that the United States must have the capability to produce synthetic liquid fuels as well as pipeline quality gas from coal.

This is even more true today than in that yester-year.

Once again in 1963 President Kennedy initiated a review of Federal energy research and development programs. A comprehensive strategy was recommended for the development of new energy technologies.

Due to the lack of progress in this regard a similar study was again initiated in 1973 by President Nixon. A comprehensive program subsequently was outlined in the December 1973 Report to the President by then Atomic Energy Commission Chairman Dixy Lee Ray, entitled, "The Nation's Energy Future." Specific and realistic objectives were enunciated for the near-term—the present to 1985—for the mid-term period—from 1986 to the year 2000—and for the long-term period—beyond the year 2000.

The need for a synthetic fuels program was once again recognized by President Ford in his 1975 state of the Union message. The Chief Executive proposed a national synthetic fuels commercialization program capable by 1985 of producing 1 million barrels of synthetic fuels and shale oil per day.

In January I also recommended such a program to Senator PASTORE's Ad Hoc Committee to the Senate Democratic Conference. The congressional program of economic recovery and energy sufficiency subsequently recommended that "a commercial demonstration of new synthetic fuels from coal should be undertaken with an ultimate production goal—by 1985—reaching the equivalent of 500,000 barrels of oil per day."

In testimony before the Interior Committee on March 5, 1975, I urged the committee to expand the ERDA authorization for coal liquefaction and coal gasification to provide for the initiation within fiscal year 1976 of the projects necessary to achieve this objective. In making this recommendation, I note that the administration supported this goal even though their proposed fiscal year 1976 budget for ERDA was inadequate to meet this goal.

More recently synthetic fuels from coal and greater coal utilization were correctly emphasized in the June 28, 1975, energy research plan for the Energy Research and Development Administration. The administration's program envisions 140 synthetic oil and natural gas plants by the year 2000, each capable of producing the equivalent of 50,000 barrels of oil per day from coal. Similar major programs are set forth for solar and geothermal power, shale oil, and nuclear power.

However, ERDA's plan places too much emphasis on the long-term to the detriment of the immediate commercialization of known synthetic fuels processes. The energy technologies now available must be pursued vigorously toward commercialization between now and 1985.

In my judgment this is the single most important action that can be taken by the Federal Government to expedite the commercial development of a domestic synthetic fuels industry. This is the goal of the Synthetic Fuels Act of 1975.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2066

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Synthetic Fuels Act of 1975".

SEC. 2. It is the purpose of this Act to—

(1) assure adequate Federal support to foster a joint government and industry demonstration program capable by 1985 of producing synthetic fuels from coal equivalent to at least 1 million barrels of oil per day;

(2) authorize loan guarantees for the construction and operation of commercial facilities for the conversion of domestic coal into synthetic fuels; and

(3) further the national energy policies enunciated in the Federal Non Nuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.).

SEC. 3. Section 7 of the Federal Non Nuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.) is amended by inserting after subsection (d) the following new subsection:

"(e) (1) (A) The Administrator is authorized, in accordance with the provisions of this subsection and such rules and regulations as he shall prescribe, and after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee the payment of interest on, and the principal balance of, bonds, debentures, notes, and other obligations issued by or on behalf of any person for the purpose of financing the construction and operation of commercial facilities for the conversion of domestic coal into synthetic fuels, including but not limited to, such synthetic fuels as high-Btu gaseous fuels compatible for mixture and transportation with natural gas by pipeline; low-Btu gaseous fuels suitable for boiler use in compliance with applicable environmental requirements; liquid fuels for transportation uses, and petrochemicals: *Provided,* That the outstanding indebtedness guaranteed under this subsection at no time shall exceed $5,000,000,000.

"(B) An applicant for a loan guarantee under this subsection shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator deems necessary to reasonably protect the interests of the United States. Each guarantee and commitment of guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Administrator deems appropriate.

"(C) The Administrator is authorized to approve any modification of any provision of a guarantee or a commitment to guarantee such an obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms or conditions, upon a finding by the Administrator that such modification is equitable, not prejudicial to the interests of the United States, and has been consented to by the holder of such obligation.

"(2) The Administrator shall guarantee or make a commitment to guarantee under paragraph (1) of this subsection only if:

"(A) the Administrator is satisfied that competition among private entities for the construction or operation of the system or component to be assisted under this subsection will be in no way limited or precluded;

"(B) the Secretary of the Treasury and the Administrator are satisfied that the financial assistance applied for is necessary to encourage financial participation by private lenders or investors;

"(C) the amount guaranteed does not exceed seventy-five per centum of the total project cost of the facility assisted; and

"(D) the Administrator has determined that there will be a continued reasonable assurance of full repayment.

"(3) No guarantee or commitment to guarantee an obligation entered into by the Administrator pursuant to this subsection shall be terminated, cancelled, or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Administrator. Such a guarantee or commitment to guarantee shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this subsection and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hand of a holder as of the date when the Administrator entered into the contract of guarantee or commitment to guarantee, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

"(4) (A) If there is a default by the obligor in any payment of interest or principal due under an obligation guaranteed by the Administrator under this subsection and such default has continued for 60 days, the holder of such obligation or his agents have the right to demand payment of such unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, but not later than 45 days from the date of such demand, the Administrator shall promptly pay to the obligee or his agent the unpaid interest on and unpaid principal of the obligation guaranteed by the Administrator as to which the obligor has defaulted, unless the Administrator finds that there was no default by the obligor in the payment of interest or principal or that such default has been remedied.

"(B) If the Administrator makes a payment under clause (A) of this paragraph, he shall have all rights specified in the guarantee or related agreements with respect to any security which he held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

"(C) If there is a default under any guarantee or commitment to guarantee an obligation, the Administrator shall notify the Attorney General. Upon such notification, the Attorney General shall take such action against the obligor or any other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

"(5) (A) The Administrator is directed to submit a report to the Congress within ninety days of enactment of this subsection setting forth his recommendations on the best opportunities to implement a program of Federal financial assistance with the objective of demonstrating production of the equivalent of 1 million barrels of oil per day by synthetic fuels processes by 1985 utilizing the authority set forth in this subsection and other forms of Federal assistance provided for in this Act.

"(B) The Administrator is directed to submit a full and complete report on each proposed guarantee or commitment to guarantee pursuant to this subsection to the appropriate committees of the Congress and such guarantee or commitment to guarantee shall not be finalized under the authority granted by this subsection prior to the expiration of ninety calendar days (not including any day on which either House of the Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which the Administrator's report on the proposed guarantee or commitment to guarantee is received by the Congress."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 84

At the request of Mr. MATHIAS, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 84, a bill to enforce the first amendment and fourth amendment to the Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to execute the civil laws, and for other purposes.

S. 89

At the request of Mr. MATHIAS, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 89, a bill to provide that income from entertainment activities held in conjunction with a public fair conducted by an organization described in section 501(c), (3), and (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization.

S. 782

At the request of Mr. BAYH, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 782, a bill to provide officers and employees of the American Foreign Service and their survivors a grievance procedure to insure the fullest measure of due process, and to provide for the just consideration and resolution of grievances of such officers, employees, and survivors.

S. 1009

At the request of Mr. STONE, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 1009, a bill to amend title 13, United States Code, to require the compilation of current data on total population between censuses and to require the use of such current data in the administration of Federal laws in which population is a factor.

S. 1189

At the request of Mr. MANSFIELD, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 1189, a bill to amend the Public Works and Economic Development Act of 1965.

S. 1260

At the request of Mr. CHILES, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 1260, a bill to authorize the Administrator of General Services to enter into multiyear leases through use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases.

S. 1279

At the request of Mr. PHILIP A. HART, the Senator from California (Mr. TUNNEY), the Senator from Indiana (Mr. BAYH), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Massachusetts (Mr. KENNEDY), the Senator from North Dakota (Mr. BURDICK), the Senator from Delaware (Mr. BIDEN), the Senator from Hawaii (Mr. FONG), and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 1279, a bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years and to make permanent the ban against certain prerequisites to voting.

S. 1425

Mr. EAGLETON. I ask unanimous consent that the Senator from Indiana (Mr. BAYH), the Senator from North Dakota (Mr. BURDICK), the Senator from Hawaii (Mr. FONG), and the Senator from Minnesota (Mr. HUMPHREY) be added as cosponsors of S. 1425, the text of which the Senate on June 26 inserted in H.R. 3922, the companion House bill and, as so amended, passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1618

At the request of Mr. ABOUREZK, the Senator from Colorado (Mr. GARY W. HART) was added as a cosponsor of S. 1618, a bill to provide for the establishment of a folklife center in the Library of Congress.

S. 1729

At the request of Mr. BAYH, the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 1729, a bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit.

S. 1761

At the request of Mr. MATHIAS, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1761, a bill to provide foreign assistance to Cyprus.

S. 1790

At the request of Mr. EAGLETON, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1790, to amend the War Powers Act.

S. 1801

At the request of Mr. TAFT, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 1801, a bill to provide an alternative plan for providing essential rail services to the Midwest and Northeast regions of the United States, to modernize certain railroad procedures, and for other purposes.

S. 1878

At the request of Mr. TOWER, the Senator from Maryland (Mr. BEALL), the Senator from Oklahoma (Mr. BELLMON), the Senator from Wyoming (Mr. HANSEN), the Senator from North Carolina (Mr. HELMS), and the Senator from Louisiana (Mr. LONG) were added as cosponsors of S. 1878, a bill to amend the Federal Water Pollution Control Act, as amended, by defining navigable waters.

S. 1888

At the request of Mr. MATHIAS, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 1888, a bill to require in all cases court orders for the interception of communications by electric and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes.

S. 1954

At the request of Mr. ROTH, the Senator from Maine (Mr. MUSKIE) and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 1954, to amend the Outer Continental Shelf Lands Act to provide relief for damages to public or private parties suffered by reason of discharge of oil or gas from the Outer Continental Shelf.

S. 1985

At the request of Mr. TOWER, the Senator from Tennessee (Mr. BROCK), the Senator from Illinois (Mr. STEVENSON), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1985, a bill entitled The Farmers Market Act of 1975.

S. 2015

At the request of Mr. EAGLETON, the Senator from South Dakota (Mr. MCGOVERN), the Senator from Texas (Mr. BENTSEN), the Senator from Vermont (Mr. STAFFORD), the Senator from North Carolina (Mr. HELMS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Florida (Mr. STONE), the Senator from Indiana (Mr. HARTKE), and the Senator from Colorado (Mr. GARY W. HART) were added as cosponsors of S. 2015, a bill to amend title 39, United States Code, to assure that certain publications of institutions of higher education continue to qualify as second-class mail.

SENATE JOINT RESOLUTION 89

At the request of Mr. MATHIAS, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of Senate Joint Resolution 89, a joint resolution designating John Philip Sousa's "The Stars and Stripes Forever" as the national march of the United States.

SENATE JOINT RESOLUTION 90

At the request of Mr. DOMENICI, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of Senate Joint Resolution 90, a joint resolution to authorize the President of the United States to designate "National Ski Week."

SENATE CONCURRENT RESOLUTION 46

At the request of Mr. HELMS, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of Senate Concurrent Resolution 46, relating to nondiscrimination on the basis of sex in education programs.

SENATE RESOLUTION 201—SUBMISSION OF A RESOLUTION RELATING TO THE STATUS OF CERTAIN AMERICANS HELD IN MEXICO

(Referred to the Committee on Foreign Relations.)

Mr. CRANSTON. Mr. President, since I have been in the Senate, an increasing number of Californians have sought my assistance on behalf of their friends and relatives who are in jail in Mexico. Together with Congressman PETE STARK of California and other Members of Congress, I have continually urged the State Department and our Embassy in Mexico to make the strongest efforts to impress upon the Mexican Government the grave concern of the United States that its citizens not be allowed to languish in jail without hearings, trials or access to American consular officials. And further, our citizens must not be subjected to physical or mental maltreatment.

Recently, the State Department concluded another investigation of the situation in Mexico. Because the conditions, unfortunately, do not appear to have improved, Senator TUNNEY and I are submitting a resolution today in the Senate, similar to the one submitted by Congressman Stark in the House, directing the President to report to the Senate regarding the status of certain Americans known to be held in Mexico. The report also is to include actions taken by the U.S. Government on their behalf and an outline of executive branch plans to provide relief for these citizens.

Mr. President, I ask unanimous consent that the resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

S. Res. 201

Resolved, That the President is requested to provide the Senate, not later than ten days after the adoption of this resolution, any information which the executive branch (including the Department of State, the Embassy of the United States of America to the Republic of Mexico, the Drug Enforcement Administration) has with respect to correspondence, investigative reports or other documents relating to any instance where any citizen of the United States has made an allegation of, or has corroborating evidence of, any instance or instances since December 31, 1970, of—

(1) the incarceration of any citizen of the United States of America in the Republic of Mexico contrary to the laws or Constitution of the Republic of Mexico;

(2) any denial by the Republic of Mexico of the rights possessed by any such citizen under the laws or Constitution of that nation;

(3) the inhumane treatment of any such citizen while that citizen was in the custody of Mexican officials or in the presence of any official of the United States of America; or

(4) any agent or official of the Embassy of the United States of America to the Republic of Mexico who made any referral to or recommendation of any Mexican attorney to relatives of any citizen of the United States of America arrested in Mexico, and whether such agent or official received a fee from or shared any fee with that attorney.

Sec. 2. (a) The President is further requested to provide to the Senate not later than ten days after the adoption of this resolution, any information that the executive branch (including the Department of State, the Embassy of the United States of America in the Republic of Mexico and the Drug Enforcement Administration) has received that any of the following individuals has experienced since December 31, 1970, any instance described in the first section of this resolution:

Robert Aguilera; Edwin E. Alder, Junior; James Francis Archer; Donn J. Anderson; Vincent Paul Balvin; Kenneth Raymond Barton; Patricia Ann Bartz; Charles Leon Beasley; David Raymond Belding; Don Virgil Bowen; Martin Herbert Bibbero; Jeff Werner Blackburn; Don T. Braswell; Catherine Armstrong Brien; James Wesley Calhoun; James G. Carney; Marilyn Carrie; Jan Caskey; Michael A. Celani; Todd Collins; Allison Baughman; Harry Blackwell; Nancy Carson; Nancy Cinig; and Carl D. Cohen.

Peter Evert Combs; Arnie A. Couger; Paul V. Crandell; Tyrone Wayne Coulter; William Franklin Dale; Larry Day; Peggy De Tomaso; George Herbert Dewey; James Ridley Douglas; Gorden August Dunlope; Julia Ann Evers; Peter Dupuy; Robyn Everman; Alfred Melvin Feldstein; Brian Harrison Fitzpatrick; Leslie Harold Fleishman; John A. Gallegos; Robert Lee Gallon; James J. Garbo; Charles P. Gillen; Joseph Glofowski; Gerald Gorman; Stephen Price Green; Michael James Green; John Gutierrez, Junior; Angella Haapala; John Byron Hagerman; Joel Halley; Christopher Hamley; and James Michael Hardin.

Karen Elaine Harrison; Michael Charles Heinichen; Charles Richard Helm; Frank Hernandez; Ruben Hernandez; Rick Herrick; Gary Hinton; Marvin D. Hodges, Junior; Reginald J. Holmes; Shirley Anne Hunter; Carmen Junicer; Laura Katzman; Bruce Clark Kibele; Gale Kohl; Richard Kohut; Elizabeth Lankton; Ralph Larrance; Bill R. Larremore; Frank Lee Locke; Ernest Frank Machado; Frederick Marx; Karl Mayweathers; Heyward Brian McLain; Trevor McMillan; Thomas Neil Meeker; Jonathan David Melzmuf; Diego Messina; and Phillip S. Millard.

James Joseph Mitchell; Eddie Mize; Marilyn Morris; Candie Jill Nelson; Robert Charles Noland; James Phillip Norton; Diane Oderman; Charles Stuart O'Malley III; Dyan Onda; Juan Ontineras; Alvin Orville Oremann; Daniel Thomas Oughton; James Makoro Otani; Penny Ryan Packard; James Paqua; Fausto C. Perez; Charles P. Redfern; Frank William Renna; Robert F. Revard; David J. Rice; Brend Richards; Rosa Romo; Norma Romo; Patrick J. Rondoce; Julieta Patricia Sais; Rebecca Jo Rotter; Joan Kay Saulacich; and Ronney Lee Scobey.

Macario Eldy Sedillo; Edgar Shaffer; Ida Regina Shedford; Walt S. Sirois; Billy Joe Smith, Junior; Bradley Speare; Richard Stevens; Paxton L. Taylor; Dorothey Elizabeth Tetterton; Jay Turner; Richard Vandendriesche; George Wade; Arietta Venizelou; Steven E. Walters; Marie Wiezbowski; Paul M. White; Stephen Wilson; Dwight James Worker; David M. Yeates; Bonnie Zake; and Frank Anthony Zellet, Junior.

Sec. 3. The President is further requested to provide to the Senate, not later than ten days after the adoption of this resolution—

(1) the texts of any cables, messages, or other communications, after December 31, 1970, and before the date of the adoption of this resolution, between the State Department and the United States of America's Embassy in Mexico City, or our consular offices in Ciudad Juarez, Guadalajara, Hermasillo, Matomoros, Mazaltan, and Merida, or any of them, concerning any allegation referred to in the first section;

(2) the texts of any diplomatic cables, messages, or communications, after December 31, 1970, and before the date of the adoption of this resolution, between the executive branch of the Government of the United States of America and the Government of the Republic of Mexico, concerning any allegation referred to in the first section;

(3) agendas, attendance lists, notes, and minutes of any meetings after December 31, 1970, and before the date of the adoption of this resolution, in which were discussed any allegation referred to in the first section, and which were attended by any of the following officers of the United States:

(A) Secretary of State;

(B) United States Ambassador to Mexico;

(C) Chief, Welfare and Whereabouts Section, Office of Special Consular Services;

(D) Consul General of the United States of America to the United States of Mexico;

(E) Consular Officers stationed in Mexico;

(F) Director, Office of Special Consular Services;

(G) All Vice-Consuls stationed in Mexico;

(H) All agents of the Drug Enforcement Administration assigned to Mexico;

(I) Senior Adviser to the Secretary and Coordinator for International Narcotics Matters;

(4) the texts of any interdepartment or intradepartment memorandum, working paper, or written communication of the State Department after December 31, 1970, and before the date of the adoption of this resolution, concerning any allegation referred to in the first section; and

(5) the texts of memorandums, notes, messages, or other documents relating to any plans or alternatives considered or adopted, as of the date of the adoption of this resolution, by the executive branch in order to provide future relief with respect to any such instance or to carry out the obligations of the President with respect to citizens abroad under section 2001 of the Revised Statutes (22 U.S.C. 1732).

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY PETROLEUM ALLOCATION EXTENSION ACT—S. 1849

AMENDMENT NO. 669

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted an amendment intended to be proposed by him to the bill (S. 1849) to extend the Emergency Petroleum Allocation Act.

NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT AMENDMENTS—H.R. 4222

AMENDMENT NO. 670

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY (for himself, Mr. Case, Mr. McGovern, and Mr. Philip A. Hart) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.

HUMPHREY AMENDMENT PROPOSES IMPROVEMENTS IN WIC PROGRAM

Mr. HUMPHREY. Mr. President, I am submitting an amendment to the special supplemental food program for women, infants and children commonly known as WIC. This amendment is supported by Senators Case, Phil Hart, and George McGovern.

This program provides nutritious food supplements to the most nutritionally vulnerable group in our society: low-income pregnant and nursing women, their infants and young children up to the age of 4. It is the key to all the others because if babies do not have adequate food they quite simply start out life one step behind. The WIC program offers them an even chance.

However, during the past 2 years of the highly successful pilot phase of the WIC program it has been discovered that WIC stops just short of its potential effectiveness. Young children are taken off the program at the age of 4 just as their first growth spurt is beginning which occurs between the ages of 4 and 5. During this period they obviously need extra nutritional benefits.

And new mothers are taken off the program a mere 6 weeks after they have given birth. But, as the Department of Health, Education, and Welfare reports, low-income women are particularly vulnerable to the metabolic demands of pregnancy so it is particularly important that they remain in the program longer than the short 6-week period.

Consequently, I am proposing an amendment to section 14 of H.R. 4222 which would expand eligibility for the WIC program to include women up to

6 months post partum and to include children through the age of 4, that is until their 5th birthday.

Program administrators and health professionals have called for this expanded eligibility. In a survey of State WIC directors conducted by the Senate Select Committee on Nutrition and Human Needs in February, a number of the State directors, including ones from Michigan and Pennsylvania recommended expending the program to include 4-year-old children. State WIC directors from Illinois and Vermont among others also strongly recommended expanding the eligibility of post partum women. In all these States the functioning of the WIC program has been particularly noteworthy. In hearings before the Senate Agriculture and Forestry Committee in April, testimony was heard from such respected organizations as the American Dietetic Association supporting this expanded eligibility.

By including 4-year-olds in the WIC program we will help to insure adequate nutrition for needy children until they enter school and become eligible to participate in the school food programs. The only child nutrition program which includes children under 5 is the special food services program. Presently, only 14 percent of all low-income children under 5 participate in this program. Therefore, 86 percent of all low-income children under 5 are without this very necessary supplemental food. Including 4-year-olds in WIC will increase the number of needy preschoolers who have access to an adequate diet.

The preventive advantages of the WIC program are perhaps greatest during pregnancy. Research has shown that diet can directly affect the outcome of pregnancy. Currently, women who do not breastfeed are eligible to receive WIC benefits for only 6 weeks after delivery. While a woman may have returned to a normal biochemical and physiological condition within 6 weeks after delivery, it is unlikely that complete nutrition revitalization has had time to occur particularly in the case of low-income women. Expanding eligibility to 6 months post partum would insure adequate nutrition revitalization.

The past 2 years have demonstrated the importance and the great value of the WIC program. Now we have an opportunity to establish it in its most effective form. This amendment will make a major contribution to the program.

AMENDMENT NO. 671

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON submitted an amendment intended to be proposed by him to the bill (H.R. 4222), supra.

AMENDMENT NO. 672

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN (for himself, Mr. Abourezk, Mr. Case, Mr. Hartke, Mr. Hathaway, Mr. Humphrey, Mr. McGee, Mr. Clark, Mr. Mondale, Mr. Ribicoff, Mr. Tunney, and Mr. Williams) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 4222), supra.

Mr. McGOVERN. Mr. President, this provision was originally submitted as an amendment to S. 850. In addition to Senator Case, the other cosponsors included Senators Abourezk, Hathaway, Humphrey, McGee, Tunney, Williams, Hartke, Mondale, and Ribicoff.

This amendment does two things: First, it raises from 175 percent to 200 percent of the income poverty guideline the eligibility level for reduced-price lunches, and, second, it mandates that the schools offer this program.

A mandate of the reduced price lunch program merely raises this program to the same status as the free and paid-for lunch programs which are currently mandated. This amendment has been unanimously accepted by a bipartisan majority of the House.

In practical terms, if this provision becomes law a child from a family of four that earns between $5000 and $10,000 per year will be eligible for a reduced-price school lunch.

Reduced-price lunches cost the student no more than 20 cents.

Obviously, this provision attempts to help those families who work but do not have much income, and families on low fixed incomes. Many people in rural areas, where family incomes are generally lower, would be aided by this amendment. At the present time, in order to receive a free lunch, children must be from extremely poor families. The income poverty guideline or fiscal year 1976 is $5000 for a family of four.

Unless a school offers the reduced-price program, and a substantial majority do not under the optional language of current law, a child from a family of four earning $5500 per year must pay the same for his or her lunch—45 cents is the national average—as a child from a family of four with an income of $40,000.

Given the 9.2 percent unemployment rate, and the 13.5 percent cost of living increase last year, this legislation could provide a great deal of help to the families hardest hit, but who fall just outside the normal levels of income necessary to receive support. These are the families whose tax dollars pay for this program, and they deserve a break.

By using the proven mechanism of school lunch, these families can be given some support while their children's health and well-being is protected by receiving a nutritious meal. And, this can be done without establishing a new Federal program, or new bureaucratic structure. Many state school food service persons have spoken with me about the success of the reduced-price lunch program and their desire to see it improved as this amendment does.

Mr. President, I shall include for the Record a list of the eligibility guidelines which would be in effect under this provision.

Mr. President, I believe that this amendment represents an intelligent and serious attempt to improve existing law. Congress has shown great leadership in beginning the reduced-price lunch program. I think now is a very good time to improve it and help our school children.

I ask unanimous consent that the list to which I have referred be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

Income eligibility guidelines for reduced price lunches for fiscal year 1976

(Current law and McGovern-Case Proposal)

[*In percent*]

Family size:	*175*	*200*
1	4,520	5,160
2	5,930	6,780
3	7,350	8,400
4	8,770	10,020
5	10,060	11,500
6	11,360	12,980
7	12,530	14,320
8	13,700	15,660

Mr. CASE. Mr. President, I am pleased to join Senator McGovern in cosponsoring the amendment which would make mandatory the reduced price lunch and raise the eligibility level for it from 175 to 200 percent of the poverty income guideline.

Adoption of our amendment could increase participation in the reduced-price lunch by as much as 4 percent, and it would help the children who need the help the most.

Children are being forced to drop out of the school lunch program because their families simply do not have enough money to be able to purchase the nutritionally adequate lunch available through the school lunch program. I urge the Senate to act favorably on our amendment, in order to safeguard the health of these children.

Since this proposal was unanimously accepted by the House, its adoption by the Senate will guarantee children from low-income families a better diet.

As the original sponsor of legislation to make permanent the optional reduced-price lunch—termed a milestone by the American School Food Service Association—I view adoption of this amendment as yet another milestone.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 553

At the request of Mr. Tunney, the Senator from Iowa (Mr. Clark) was added as a cosponsor of amendment No. 553, intended to be proposed to S. 598, a bill to authorize appropriations for the Energy Research and Development Administration.

AMENDMENT NO. 586

At the request of Mr. Pearson, the Senator from North Dakota (Mr. Young) was added as a cosponsor of amendment No. 586 intended to be proposed to the bill (S. 692), the Natural Gas Production and Conservation Act of 1975.

AMENDMENT NO. 590

At the request of Mr. Domenici, the Senator from Maryland (Mr. Beall) was added as a cosponsor of amendment No 590, intended to be proposed to the bill (S. 1883), the Automobile Fuel Economy and Research Development Act of 1975.

ANNOUNCEMENT OF HEARINGS ON CRIMINAL JUSTICE INFORMATION AND SECTION-BY-SECTION ANALYSIS OF S. 2008

Mr. TUNNEY. Mr. President, the Subcommittee on Constitutional Rights of the Committee on the Judiciary will hold

2 days of hearings, July 15 and 16, on S. 2008, the Criminal Justice Information Control and Protection of Privacy Act of 1975. The hearings will be held both days in room 2228 of the Dirksen Senate Office Building and will begin at 9:30 a.m. The subcommittee will hear from Federal, State, and local officials who are professionally involved with the use of criminal justice information.

At this point, I ask unanimous consent to insert in the RECORD a section-by-section analysis of S. 2008.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

The Criminal Justice Information Control and Protection of Privacy Act of 1975 is designed to provide minimum national standards for the maintenance, use and dissemination of personal information by criminal justice agencies in order to ensure the security, accuracy and completeness of the information and to protect the rights of privacy of individuals who are the subjects of that information.

Section 101 contains the findings and states the basis for Congressional action. It recognizes the necessity of exchanges of information among criminal justice agencies, but notes the potential for infringement of individual rights if the information itself is inaccurate or incomplete, or is used or disseminated in an irresponsible manner. Acknowledging the primary role of the States, it nevertheless recognizes the interconnected role of Federal and State criminal justice information systems. It relies on the power of Congress to regulate interstate commerce in information and its power to impose restrictions on State and local criminal justice agencies receiving Federal funds or other benefits.

DEFINITIONS

Section 102 defines some of the key terms used in the bill, although not all terms are specifically defined.

"The administration of criminal justice" is defined to include the whole range of functions concerned with crime, from protective measures to prevent the commission of crimes through the rehabilitation of convicted persons. The term also specifically includes the collection, storage or dissemination of criminal justice information.

"Criminal justice agency" includes police, prosecutors, courts and corrections as well as a number of auxiliary services performed by governmental agencies. It includes not only those governmental units, such as police departments or district attorneys' offices, whose major function is criminal justice but also subunits of governmental agencies which perform criminal justice functions. Thus, the Criminal Section of the Civil Rights Division of the U.S. Department of Justice, or an equivalent state agency, would be a "criminal justice agency." Similarly, the Antitrust Division of the Department of Justice or an Inspector General's Office which is conducting a criminal investigation in a particular case would be a "criminal justice agency" for purposes of that case even if its primary function is civil in nature. "Agency" is not used in any rigid sense. An organized crime strike force composed of members of various agencies would nevertheless be a "criminal justice agency" within the meaning of the bill.

The term also includes central data processing centers that process criminal justice information as well as other kinds of information. Thus, a central State data processing unit that provides services for criminal justice agencies as well as numerous non-criminal justice agencies in the State would be considered a criminal justice agency to the extent that it processes criminal justice information, although the processing of such information might constitute a relatively small part of its total activities.

"Criminal justice information" is the collective term for the following types of information which are defined separately—arrest record information, criminal record information, criminal history record information and correctional and release information. This definition is designed so that limited exchange of routine information reflecting the status of a criminal case and its history, or reports compiled for bail or probation, is not empaired as the information moves between government agencies.

The definitions of "criminal justice information," "criminal history information" and "arrest record information" should be read in conjunction with sections 103(c) and 203(h), which make it clear that the bill covers only filing systems indexed by name. It does not cover public records indexed by date, such as police blotters, incident reports or court records. The public, particularly members of the press, would still have access to such records and to other kinds of information that traditionally have been considered in the public domain.

"Arrest record information" is defined to include only that data on a typical "rap sheet" which indicates an arrest or initiation of charges but does not show the disposition of those charges. If a disposition is indicated, the information becomes "criminal history record information." If the disposition data indicates that the individual pleaded guilty or nolo contendre to criminal charges or was convicted of a criminal offense, the arrest and disposition data together constitute "conviction record information." This term also includes sentencing information and information indicating that outcome of any appeal of a judgment entered after a plea or conviction. If the disposition indicates that the arrest was concluded other than by a judgment of conviction—that is, that criminal charges were not brought, that prosecution was not begun or was abandoned or was indefinitely postponed, that charges were dismissed or the individual was acquitted on any grounds, or that the criminal proceedings growing out of the arrest were otherwise terminated in the individual's favor—the information constitutes "nonconviction record information."

"Disposition" is defined to include all actions that terminate an arrest or any criminal proceedings growing out of the arrest. In addition to the dispositions mentioned in the preceding paragraph, the term includes any other actions, by whatever name that may be used in particular States, that terminate criminal proceedings at any stage beginning from the time of arrest. It is important to note that a single case may have more than one disposition, such as a conviction, followed by sentencing, followed by a reversal on appeal or by parole, pardon or executive clemency.

"Correctional and release information" is defined to include reports prepared on an individual at various stages of the criminal justice process from bail to parole. It includes pre-sentence reports, medical and psychiatric reports as well as the more typical correctional data.

"Criminal justice intelligence information" includes information collected to anticipate or monitor possible criminal activity as distinguished from the investigation of specific criminal acts which have already occurred.

"Criminal justice investigative information" is that data compiled in determining who committed a specific crime and compiling evidence to prove guilt.

APPLICABILITY

Section 103 sets forth the coverage of the bill. Subsection (a) specifies that all Federal criminal justice agencies are covered, as are those State or local agencies which are funded in whole or in part by the Federal government. In addition, criminal justice agencies exchanging interstate information with Federal agencies, with federally-funded State or local agencies, or on an interstate basis are covered. In the latter case, the bill applies only to the extent of the exchange. Thus, a police department which maintains numerous records of its own and also exchanges some information with the FBI must comply with the bill in the handling of information sent to the FBI or received from it, but is not obligated to comply with the bill with respect to information which it collects and uses solely within the department without Federal funding or support.

Subsection (b) requires that information originally obtained from a foreign government or international agency and included with information subject to the bill be handled in the same manner as information generated within the United States. The bill does not prohibit exchanges of criminal justice information with foreign governments or international organizations, either pursuant to treaties or agreements or on an ad hoc basis. It requires, however, that the agency in the United States undertake to insure to the maximum extent feasible that the foreign agency receiving the information uses it in a manner consistent with the principles of the bill.

Subsection (c) excludes certain types of information from the application of the bill. Public information such as court opinions, court proceedings and police blotters remain public and are not subject to the restrictions in the bill. Motor vehicle or pilot license registries which are maintained for licensing purposes by departments of transportation, motor vehicles or similar licensing agencies are not subject to the restrictions in the bill. However, records of serious traffic offenses, such as manslaughter or drunk driving, which are maintained by criminal justice agencies, remain subject to the bill.

Military justice records remaining in the Department of Defense are exempt from the bill but if "absent without leave" or other military justice information is transferred to a Federal or State agency other than the Defense Department, it becomes subject to the bill. Similarly, criminal justice information exchanged with the Department of Defense is subject to the bill.

Statistical and analytical reports, such as the Uniform Crime Statistics, are not subject to the bill since individual offenders are not identified.

TITLE II

Title II of the bill specifies the basic restrictions on the maintenance, dissemination and use of criminal justice information and imposes certain obligations on criminal justice agencies.

Section 201 sets general restrictions on access to and use or dissemination of criminal justice information within the criminal justice community.

Generally, conviction records may be exchanged freely by criminal justice agencies. Correction and release information can be disseminated only to other criminal justice agencies or to the subject if permitted by statute or court order.

Raw arrest records and criminal history records which terminated in the defendant's favor may be disseminated to another criminal justice agency only where the individual has applied for a job at that agency, the individual's case has been referred to that agency for adjudication or the individual has been referred to the agency for supervision. Such records could also be made available on a relatively routine basis to law enforcement agencies once the agency had already arrested the individual in question. These records should be made available only on a very limited basis to law enforcement agencies prior to arrest when the information will be used to develop investigative leads and the officer can point to "specific and articulable facts which taken together with rational inferences from those facts warrant the conclusion that the individual has committed or is about to commit a criminal act and that the information would be relevant to the act." The information should be available only on a "need-to-know", "right-to-know" basis. This means that the agency receiving the information has established procedures designed to assure that the person receiving the information has demonstrated that he is a detective or patrolman performing detective functions and that he needs the information for a particular case.

The "specific and articulable facts" standard derives from the Supreme Court opinion in the case of *Terry* v. *Ohio*, 392 U.S. 1 (1968), in which the court permitted stop and frisk on such grounds. Based on the Terry language, in evaluating the reasonableness of a request for records for investigative purposes, "due weight must be given, not to (the officer's) inchoate and unparticularized suspicion or 'hunch' but to the specific reasonable inference which he is entitled to draw from the facts in light of his experience." 392 U.S. 27. In using the identical language, it is intended that an investigating officer should be able to justify requests for information with similar specificity.

The section also permits arrest records and nonconviction records to be made available to a law enforcement officer where the information might alert him of a danger to his life, or for "similar essential purposes." It is intended that where information is used for these purposes, its utility clearly outweighs any risk to the rights of the subject of the information. Such circumstances should be set out in agency procedures.

Criminal justice agencies must establish operating procedures "reasonably designed" to insure that the use and dissemination of arrest records and nonconviction records are restricted to the purposes authorized by this section. Where such information is obtained from another criminal justice agency, section 207(a)(3) requires that records of that exchange (either written or on computer tape) must be maintained for three years. Periodic audit of these records is required to ensure that the information is not being disseminated or used improperly. While it was not considered feasible to require a similar audit trial for arrest records used within the agency maintaining them, the agency is under an obligation to adopt some affirmative measures, such as training programs, directives, or other appropriate procedures which are designed to prevent abuse.

WANTED PERSONS AND IDENTIFICATION INFORMATION

Section 202 permits the use and dissemination of wanted person information and identification information for any authorized criminal justice purpose. Thus, wanted posters, mug shots may be shown to potential witnesses, and fingerprints may be used to identify crash victims. However, a fingerprint card which contains arrest record information may be used or disseminated only under the same procedures as other arrest record information. The section also provides that the use of automated fugitive or stolen property files, such as those maintained by the NCIC, is not restricted by the limitations on direct access to criminal justice information contained in other parts of the bill.

Section 203 sets forth policies for the dissemination and use of criminal justice information outside of the criminal justice system for such purposes as employment, licensing or credit ratings. Except for uses specifically authorized in the section or in other parts of the bill, only conviction records and certain arrest records may be made available for non-criminal justice purposes and then only if the specific purpose is expressly authorized by Federal or state law.

To satisfy the "expressly authorized" requirement, the statute must specifically deny employment, licensing on other civil rights or privileges to persons convicted of a crime or must require a criminal record check prior to employment, licensing or the like. The statute must refer explicitly to criminal conduct. Statutes which contain requirements or exclusions based on "good moral character" or "trustworthiness" or similar nonspecific bases would not be sufficient to authorize dissemination. The information released must be relevant to the authorized purpose and must be used only for that purpose. Thus, an arrest record obtained for employment screening could not be used to deny the individual a license or to revoke a license. The information may not be copied or retained by the recipient beyond the time necessary to accomplish the purpose for which it was made available. For example, where information is released for a statutorily authorized pre-employment investigation, the information must be destroyed or returned to the criminal justice agency from which it was received as soon as the initial employment decision is made. Should the information be required at a later time, it can be obtained by a new request to a criminal justice agency.

In all cases where information is requested pursuant to the above procedure, the requestor must notify the individual to whom the information relates that the information will be requested and that he has the right to review the information (pursuant to section 209) prior to its dissemination to ensure that it is complete and accurate. Individual notice in each instance is not required so long as the employment application form or license application form itself indicates that this type of information may be requested concerning the individual. Agencies which have authority to make continuing checks on the records of their employees or others must find some mechanism, such as an employee bulletin, to ensure that all those whose records may be obtained are made aware of that fact.

Nonconviction record information may not be made available pursuant to the general authorization discussed above. Arrest records may be made available only if the individual was formally charged and no more than a year has passed since charges were brought and if prosecution of the charge is still pending. Thus, before an arrest record without a disposition may be released for a noncriminal justice purpose, the criminal justice agency must have some affirmative indication that the charge is still pending.

Subsection (d) permits criminal justice information to be made available to qualified persons for research. A limited amount of discretion is provided the criminal justice agency in determining whether the individual seeking access does so with the good faith intent of using the information for research purposes. It is intended that the types of individuals permitted access be rather liberally construed as long as the applicant intends to seek statistical rather than individually identifiable information. As long as the individual has a research plan which relies upon such statistical information it is not the responsibility of the criminal justice agency to pass upon the qualifications of the individual to do the research or validity of the research design. It is assumed that this provision will be invoked mostly by scholars and students of the criminal justice system including investigative reporters from both the print and electronic media.

Section 203(e) contains a specific statutory authorization for the Immigration and Naturalization Service and the Department of State to obtain the criminal justice information about individuals that is necessary to enforce the immigration laws. However, they must adopt specific procedures to ensure that arrest record information is used as an investigative lead, and that any adverse decision based on arrest record information is reviewed at a supervisory level before a final decision is made. The agency's own procedures would specify the appropriate level of review.

A similar statutory authorization is provided in subsection (f) for the Treasury Department's Bureau of Alcohol, Tobacco and Firearms, Customs Service, Internal Revenue Service, and Office of Foreign Assets Control which have mixed civil and criminal functions and have specialized needs for criminal justice information in order to carry out their statutory duties. Again, the Treasury Department is required to adopt procedures to prevent the abuse of arrest record information.

The Drug Enforcement Administration of the U.S. Department of Justice would be authorized by subsection (g) to disseminate criminal record information (but not arrest record information) to registered drug manufacturers for purposes of enforcing the Controlled Substances Administration Act. The manufacturers themselves are not authorized to obtain the information from any other source except public records.

Announcement of arrest, convictions and similar stages of the criminal justice process to the press is allowed under subsection (h) as are announcements of the correctional status of an individual, *e.g.*, on furlough, on parole, etc., and new developments in the course of an investigation. These announcements must be related, however, to events that are on-going, rather than to past history. Thus, the announcement of an arrest should be made within a few days of its occurrence, not five years later. While past criminal history is not to be volunteered to the public, it is permissible for a criminal justice agency to confirm certain matters of public record information upon specific inquiry. If the press, or any member of the public should inquire directly, "Was Joe Smith arrested by your Department on July 15, 1941?" and that fact can be ascertained from a police blotter or similar record of entry, a criminal justice agency may confirm it.

Section 204 authorizes the dissemination of criminal justice information for certain employment purposes. Subsection (a) provides that such information may be provided to the nominating, confirming or appointing authority of Federal, State or local governments in connection with the appointment of criminal justice agency executives, judges, or members of the Commission on Criminal Justice Information which would be established by the bill or similar state boards. In all cases, a written consent by the individual to be considered for the position and to have criminal justice information obtained in connection therewith is required.

Subsection (b) is the specific statutory authorization for access to criminal justice information in connection with Federal employment and security clearances. Since this section permits access to raw arrests without the subject's consent, it is intended that it be narrowly construed so that such information would be available only for "full field background investigations" similar to those conducted pursuant to section 3(b) of Executive Order 10450 on "Security Requirements for Government Employment" and described in greater detail in Chapter 736, Subchapter 2, Section 2-5 of the Federal Personnel Manual.

For employment investigations only unsealed arrest records and criminal history records may be made available. Sealed records may be made available for security clearance investigations, and for "top secret" security clearances investigative and intelligence information may also be made available. In every case, the individual must be put on notice at the time he is employed or otherwise takes action that initiates a background investigation that access to this type of information will be sought.

Subsection (c) prohibits agencies or persons who lawfully gain access to information from using the information for an improper purpose or from disseminating the information in a manner not permitted by the legislation.

Section 205 prohibits anyone who obtains criminal justice information from further disseminating it to unauthorized persons. Thus, the pharmacists licensing board which has statutory authority to obtain criminal justice information may not pass that information on to a barber's licensing board that does not have a similar statute. An exception is made to permit rehabilitation officials to summarize criminal record information or correctional and release information or a prospective employer or others if this will assist the subject of the record and he consents. For example, a parole official assisting a convict about to be released in securing employment may summarize the convict's prison record to a prospective employer in order to help obtain employment. The record itself may not be disseminated, however.

Section 206 is based on a provision contained in Project SEARCH's model state statute and the Massachusetts arrest records statute. It places limitations on access to criminal justice information via categories other than name. With limited exceptions, inquiries must be based on identification of a specific individual rather than on other types of information classification such as crime characteristics or offender characteristics. For investigation purposes prior to the arrest of an individual, inquiries should be based upon individual names and other personal identifiers. After arrest, the inquiry must be based upon positive identification by fingerprints or the like. Subsection (b) requires agencies to adopt special procedures governing access to a criminal justice data bank by offense—i.e., a print-out on all persons charged with first degree burglary with certain physical descriptions or with a certain modus operandi and from a certain geographical area. Although few criminal justice data banks have this capability, grave risks are seen to the rights of data subjects if the computer is used routinely as a substitute for the experienced and cautious detective. Obviously, permitting unbridled access to computer printouts of names of individuals based on racial characteristics, geographical area or crime (e.g., persons arrested for engaging in unlawful demonstrations) would present grave policy and constitutional questions. Agency procedures must limit such inquiries to the investigation of particular criminal offenses and must limit dissemination of the information to those persons who need it for the performance of investigative duties.

Section 207 requires every agency covered by the Act to promulgate regulations on security, accuracy and updating and sets out in general terms what those regulations must provide. Each criminal justice agency must maintain for a period of three years a complete record, or audit trail, of the individuals who have access to its information and the purposes for which the information is requested. Subsection (b) allows the Commission created by Title III of the Act to suspend the provisions of this section as they relate to information collected prior to the effective date of the Act when the Commission determines that full implementation of this section is infeasible because of costs or other compelling factors. It is intended that the Commission explore all other alternatives before actually suspending a provision for old records. Therefore, it is intended that the provisions of this section might be more loosely construed with regard to old records than with new records. This approach is preferable to actual suspension of the provisions. For example, it might be argued that it would be too burdensome to require the FBI's Identification Division to go back and add "the nature, purpose and disposition" of all past requests in an effort to reconstruct audit trails for old records. In many cases the identity of the requestor might be sufficient to indicate "the nature, purpose and disposition" of the request. Obviously, some state licensing agencies could only request a rap sheet for one purpose, and if the agency's name appears on the audit trail, then the FBI could assume that the request was for that purpose. Rather than actually suspend the application of this subsection to old rap sheets, it would be preferable for the Commission to allow some flexibility in applying these provisions to old files.

Section 208 requires every agency or information system covered by the act to promulgate regulations on sealing or purging of information. Such regulations or procedures must provide for sealing or purging of information where required by a Federal or a State statute other than this Act or by Federal or State court order. Furthermore, the section requires that each agency promptly seal certain old conviction records unless a class of offenses are exempted by state or Federal law. It is intended that sealing a record might be accomplished by moving a record from a routinely available status to a status requiring a special procedure to gain access. In manual systems this might mean moving a record from open filing drawers to microfilm while in automated systems a record might be considered sealed by moving the information from on-line to off-line. An index of sealed records may be maintained but access to the index would be limited to law enforcement employees. Records can be unsealed by court order or automatically in certain circumstances, such as where the individual requests review pursuant to section 209 or where special access is permitted pursuant to section 204 in screening security clearances.

Section 209 requires every agency covered by the Act to establish the means for an individual to have access to his or her own arrest record information or criminal history record information and to challenge inaccurate or incomplete information contained therein. The section sets out what regulations to this end must provide. This section should be read along with Section 308, which provides court review procedures where the agency fails to comply with Section 209 or any other provision of the Act.

Sections 210 and 211 place limitations on the dissemination of criminal justice intelligence information (Section 210) and criminal justice investigative information (Section 211). As a general rule such information would be exchanged between criminal justice agencies only where a "need to know" and "right to know" had been demonstrated by the requesting agency and by officers and employees within the agency (See subsection 210(b) and 211(c)). "Need to know" and "right to know" means that the agency making the request must establish that it is conducting an investigation as part of its responsibilities in the administration of criminal justice and that it has good reason for needing the information for the investigation. Within the agency only those employees conducting the investigation or their superiors would have access to the incoming intelligence or investigative information.

Section 210 also provides that intelligence information should be collected on individuals only if there are grounds existing connecting that person with known or suspected criminal activity. It also provides for routine review of files to determine whether such grounds continue to exist (Subsection 210 (b)). The same section also provides that intelligence information on an individual may be disseminated to a second agency only if that agency is able to point to "specific and articulate facts which, taken together with rational inferences from those facts, warrant the conclusion that the individual has committed or is about to commit a criminal act and that the information may be relevant to that act." (Subsection 210(d)). This language, similar to that contained in Section 201, is based on the Terry case, and it is intended that it be interpreted in the same manner.

The section prohibits the entry of criminal justice investigative or intelligence information in an information system which maintains criminal history information. However, this should not be construed to prohibit the inclusion of criminal history information in intelligence or investigative files. Although investigative and intelligence information may be automated, remote access to such automated systems is generally prohibited.

However, the bill would permit the maintenance of an index to intelligence files which could be accessed by remote terminal from outside the agency. The index might maintain the name, identification record information, criminal history record information and other public record information on individuals upon whom more complete intelligence files exist. The requesting agency's request could be referred automatically via the index to another criminal justice agency possessing more complete information on the individual in question. It is intended that this index be operated in such a manner that it not undermine subsections (b), (c) and (d) of section 210 which provide the maintaining agency with a right to review all requests for access to its intelligence files. Therefore, such an index must be designed so that a requesting agency is not automatically informed of the existence of a file or the name of the maintaining agency but that the maintaining agency might be immediately and automatically informed of the request so that it can in its discretion respond to the requesting agency if it determines that the requirements of subsections (b), (c) and (d) have been met.

Section 211 also contains a provision permitting an individual to see his own investigative file where such disclosure is permitted under the Freedom of Information Act and other statutes or court rules. This provision would continue the practice of discovery in criminal cases in both the Federal and State courts. For example, section 3500 of title 18 of the United States Code, the so-called "Jencks Act" permits disclosure to a defendant of prior statements by witnesses to the police. Section 211 would not affect that type of disclosure.

Although intelligence and investigative information is generally restricted to criminal justice agencies, a limited exception is permitted for intelligence "assessments." It is understood that an intelligence assessment is a summary provided to a government official about the impact which certain intelligence information will have upon the operations of the official's agency or as an aid to making official decisions within his authority. Intelligence files are not made available in the course of such an assessment but only a summary of the contents of such file. The exceptions to the general prohibitions embodied in the "assessment" role are to be narrowly construed. Information should be made available to private persons only where there is imminent danger to their life or property. Also intelligence and investigative information would be available to noncriminal justice agencies pursuant to Section 204.

TITLE III: ADMINISTRATIVE PROVISIONS; REGULATIONS, CIVIL REMEDIES; CRIMINAL PENALTIES

Commission on Criminal Justice Information

Title III establishes the administrative and enforcement mechanisms for the bill.

Section 301 creates a cooperative Federal-State administrative structure for enforcement of the Act. A Commission on Criminal Justice Information is established as an independent agency with the responsibility for administration and enforcement of the Act. The Commission would be composed of thirteen members. The membership should reflect the varying attitudes of all segments of the criminal justice community: Federal law enforcement, State law enforcement, the judiciary, corrections, and the private sector that deals directly in this area. The Attorney General automatically becomes a member with two other Federal representatives designated by the President. The other designated member will be on the recommendation of the Judicial Conference of the United States. However, because of the traditional reluctance of members of the judiciary to participate in such arrangements—perhaps because of separation of powers concerns—the appointment of the thirteenth member is made discretionary with the Judiciary Conference. The representative of the United States Judicial Conference would serve at the pleasure of the Conference.

Seven of the appointed members will represent state criminal justice agencies, a state criminal justice agency to be defined broadly so that serious attempts will be made to select some people who are other than law enforcement officials. The chairman will be designated from amongst these seven appointees. The two remaining appointed members will be private citizens well versed in privacy, computer technology and constitutional law.

Section 302 provides the guidelines for the compensation of the members of the Commission.

Section 303 was drafted to allay the concerns of many that this legislation would establish a ponderous bureaucracy that would become entrenched with time. This section provides a legislative life of five years for the Commission on Criminal Justice Information. So that the time that is legislatively given to the Commission is not circumvented, the time is not considered to run until at least a majority of the members have been appointed and qualified. This section also requires the Commission to report to the President and Congress upon its termination.

This allows Congress to evaluate the work of the Commission to determine whether the Commission accomplished the goal of establishing the guiding precedent for future administration of criminal justice information systems. At that point the Congress would have the alternative of passing the regulation and control of criminal justice information systems to the Attorney General or extending the life of the Commission.

Section 304 sets out the powers and the duties of the Commission on Criminal Justice Information. Among its powers is the authority to issue general regulations in enforcement of the letter and spirit of the Act. This action would follow consultation with representatives of criminal justice agencies which are subject to the Act and after notice and hearings pursuant to the Administrative Procedures Act. The power to regulate includes limiting the extent to which a Federal criminal justice agency may perform telecommunications or criminal identification functions for state or local criminal justice agencies or include in its information storage facilities criminal justice information or personal identification information relative to violations of the laws of any state.

This means that the Commission would have authority to determine the extent to which the national criminal justice information system could operate its own telecommunications system or rely upon existing systems such as the National Law Enforcement Telecommunications System (NLETS). There has been concern about recent suggestions that the Justice Department has authorized the Federal Bureau of Investigation to establish its own telecommunications system within the National Crime Information System. It would be preferred that existing state-based organizations such as NLETS be relied upon in the operation of a national criminal justice information system because an overconcentration of powers and responsibility in the Federal government for telecommunications would be unhealthy and might be an inappropriate encroachment upon state and local law enforcement. In respect to the concept of a federally chartered corporation and Board control of the telecommunications system the Committee shares the view of Richard Velde of LEAA:

". . . with respect to NLETS and any future developments that might occur, as far as an expanded telecommunications network for State and local criminal justice, as I indicated in my prepared testimony, we believe that the Project SEARCH model, of a policy board with an executive committee, much the same as is suggested in the chairman's bill, would be a very appropriate vehicle for policy determination and regulation of this kind of system.

"There is a danger, when any single agency, be it Federal, State, or local, has policy control over a network of this kind. We think the responsibility should be shared."

All of Title III, in particular the creation of the Commission and its authority over a national criminal justice information system and the telecommunications question is viewed as a mechanism for sharing decision-making on these issues among local, state and Federal agencies.

The Commission is further authorized to conduct hearings and compel the attendance of witnesses in accordance with Section 305. The Commission would have the power to enforce its subpoena in Federal Court. It could bring civil action for any injunctive relief as may be appropriate. It will also have the authority to conduct studies on any segment of the operation of criminal justice information systems and its compliance with the Act. Such studies might conclude with recommendations to the Congress for additional legislation. The Commission, further, has the authority to conduct audits and investigations it deems necessary to ensure enforcement of the Act. Most importantly, the Commission may delay the effective date of any portion of this Act on a selective basis up to one year. This delay can be based on any determination of the Commission of administrative necessity to financial necessity.

The duty of the Commission is one of an annual reporting requirement to the President and the Congress. It may issue any interim report as it deems necessary.

Section 305 provides the ground rules for the hearing process, including the issuance of subpoenas, the calling of witnesses, and the reimbursement of witnesses.

Section 306 provides for the staffing of the Commission on Criminal Justice Information. The director will be appointed by the President after consultation with the Commission. Other employees are subject to civil service qualifications. It should be noted that in an attempt to prevent the uncontrolled bureaucratic expansion of this new commission, the number of professional personnel is not to exceed fifty.

Section 307 encourages the states to create or designate an agency or office within their jurisdictions to exercise statewide responsibility for the enforcement of the Act. The Commission is expected to rely upon the determinations of such a state agency to the maximum extent possible.

Section 308 provides the judicial machinery for the exercise of the rights granted in Section 209 and elsewhere in the Act. The aggrieved individual may obtain both injunctive relief and damages, $100 recovery for each violation, actual and general damages, attorneys' fees, and other litigation costs whether violations were willful or negligent. An "aggrieved individual" covers an individual upon whom information is maintained, or used in violation of this Act or who is denied access to information to which he is entitled pursuant to any section of this Act. An "aggrieved individual" might also be a person denied information in violation of subsection 209(c). It does not require that the individual have suffered some further harm from the violation, such as loss of job or benefit, in order to have a cause of action. It is intended that the Commission may in its discretion intervene in any case in which it is not already a party and use in such litigation the results of any audit it might have conducted pursuant to Section 304.

New provisions have been added to the civil remedies section which would limit unnecessary interference by litigants with legitimate law enforcement activities. First, the section now provides an employee of a criminal justice agency or information system or the agency or information system with a complete defense to a damage action when he relies in good faith upon the representation of another agency or employee that information it disseminates is being handled in compliance with the Act. This provision would avoid the imposition of liability in circumstances where it would be impossible for an agency to recognize that information it receives or maintains is not conformity with the Act. For example, it would exculpate a telecommunications systems such as the National Law Enforcement Telecommunications System from liability for information it transmits in violation of the Act. Liability in that circumstance should fall on the agency which enters the information in the telecommunications system.

Second, the section would provide that a mere violation of this section could not be the basis for a motion to suppress evidence in a criminal proceeding. Of course, the provision does not limit the court's general supervisory authority to suppress evidence in circumstances of gross violation or in circumstances where the violation is of constitutional dimensions.

Section 309 provides criminal penalties for willful violations of the Act. (No prison penalty is provided.)

Section 310 provides authority for the Comptroller General to conduct certain audits and studies of the operations of the Commission on behalf of the Congress. In a letter to the Senate Subcommittee requesting inclusion of this provision the Comptroller General stated that although he thought the General Accounting Office's general statutory authority should be included in this legislation "because of the sensitive nature of the data involved." The Comptroller General also stated:

"While we fully support the intention of both bills that the administering executive agencies should be primarily responsible for properly managing the provisions of the bills, we also believe it is important that a specific provision be included in the bill providing the means for an independent congressional assessment of executive agencies' actions. In this way the Congress can have better assurance that the detailed audit by the executive agencies are adequate."

A provision almost identical to that proposed by the Comptroller General has been included.

Section 311 provides that any state statute or state regulation which imposes stricter privacy requirements on the operation of criminal justice data banks or upon the exchange of information covered by this Act takes precedence over this Act or any regulations issued pursuant to Section 304. The Commission would make the administrative decision as to which statute or regulation governs, and whether a regulation comports with this Act.

Section 312 authorized the appropriation of such funds as the Congress deems necessary for the purposes of the Act.

Section 313 is a standard severability provision.

Section 314 repeals a temporary authority for the Federal Bureau of Investigation to disseminate rap sheets to non-criminal justice agencies. It also repeals the Privacy Act of 1974 insofar as that Act relates to criminal justice information.

Section 315 makes most of the substantive provisions of the Act effective one year after its enactment, except that the Commission can suspend the application of any provisions of the Act for up to one additional year. The Commission is authorized to order such further suspensions on a provision-by-provision basis where it deems it applicable.

JOINT ECONOMIC COMMITTEE HEARINGS ON ECONOMIC IMPACT OF OLD OIL PRICE DECONTROL AND OPEC PRICE INCREASE—ZARB, MORTON, AND GREENSPAN TO TESTIFY

Mr. HUMPHREY. Mr. President, the Joint Economic Committee's Consumer Economics Subcommittee has scheduled 2 days of hearings on the economic impact of old oil price decontrol and OPEC price increases. On July 10, the committee will hear from Messrs. Zarb, Morton, and Greenspan. Of specific concern will be administration actions under consideration to ameliorate the impact of higher energy prices due to old oil decontrol and OPEC actions.

In preparation, the committee staff is gathering econometric projections of the economic impact of possible energy price rises from Wharton and from the Congressional Research Service, using a variant of the DRI model. I placed an initial JEC staff evaluation in the Record on June 27; and a summary by Dr. Farb with the CRS of the economic impact we can expect from a 35-percent OPEC price jump is carried in today's Record.

On July 14, Dr. Charles Schultz of the Brookings Institution, Dr. Michael Evans of Chase Econometrics, and Dr. Eric Herr of Data Resources, Inc., will appear before the committee.

I cannot stress fully enough the need for Congress and the administration to deal during July with the threat to economic recovery posed by these impending energy price increases. Unlike the initial OPEC price hike in 1973, Congress and the administration can act decisively to ameliorate and even offset the economic impact of old oil decontrol and a further OPEC price rise.

In the case of old oil price control, Congress must firmly and quickly pass S. 1849, continuing the mandatory allocation program, including old oil price controls, for 6 months beyond August 31. This additional 6 months should then be used to effect a sensible compromise between Congress and the administration on energy.

NOTICE OF HEARING

Mr. HUDDLESTON. Mr. President, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry has scheduled hearings on S. 1532, to require bonding of meatpackers, and S. 2034, to establish a Livestock Marketing Commission to administer the stockyards provisions of the Packers and Stockyards Act. The first hearing will be in Omaha, Nebr., July 19, in the AK-SAR-BEN auditorium, beginning at 9 a.m. The hearing in Washington will be July 25, room 324 Russell Office Building, beginning at 10 a.m. Oral presentations will be limited to 10 minutes, with the privilege of filing longer statements for the record. Anyone wishing to testify should contact the committee clerk as soon as possible.

ADDITIONAL STATEMENTS

"OUR COUNTRY CELEBRATION" AT FORT McHENRY

Mr. BEALL. Mr. President, on the evening of July 4, 1975, a most impressive and unusual ceremony was held at Fort McHenry in Baltimore. Traditionally an "Our Country Celebration" is held at this location on Independence Day. This year there were two significant differences from the previous celebrations.

First of all, Judge Edward S. Northrop, Chief Judge, U.S. Circuit Court for the District of Maryland, convened his court at Fort McHenry and 60 immigrants were naturalized as citizens of the United States in a most impressive ceremony.

The second notable distinction from previous celebrations was the presence of the President of the United States. On the Fourth of July, 1975, President Gerald R. Ford honored Baltimore and Maryland by coming to Fort McHenry to participate in this annual celebration.

Before the new citizens and 25,000 spectators, President Ford delivered a moving and inspiring address that was the high point of a very special celebration at this historic location.

Mr. President, I ask unanimous consent that the address of President Gerald R. Ford be printed at this point in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of the President at the Fifth Annual "Our Country Celebration" Fort McHenry

Governor Mandel and Mrs. Mandel, Senator Beall and Mrs. Beall, distinguished Members of the House of Representatives, Congressman Long, Congressman Gude, Congresswoman Holt, Congressman Bauman, Congresswoman Spellman, Congressman Sarbanes, Mayor Schaefer, our country's newest citizens, and all of you wonderful people from Baltimore and the great State of Maryland:

We meet here tonight at the twilight's last gleaming. The casement walls and the silent cannons of the Fort McHenry bear a very quiet testimony to the Nation's travail on another night in another age.

We all know that Francis Scott Key enshrined forever those events in 1814—the patriotism and the national pride surrounding our flag, our country, and their defense that night, our heritage—in a song and a verse.

The Star Spangled Banner is an expression of our love of country. We must not be so sophisticated, so blase that we ignore those simple but eloquent moments of our history.

We need to remind ourselves that America is really the land of the free and the home of the brave, and we should be proud of it.

We are honored, every one of us, by those who earlier this evening became our newest United States citizens, and we should give them a special round of applause right now.

They have chosen what often is taken for granted among many of us. The hallmark of our first century was the establishment of a free Government. In the face of the greatest odds, 13 poor struggling colonies became a fledgling Nation.

Its future, in those dark days and weeks and months, was insecure. In the first 100 years the Western movement accelerated, vast territories were acquired, States joined the Union, Constitutional issues were raised and wars were fought, none more devastating than the one that turned American against American.

Yet, through that horrible ordeal, it was resolved that this Nation would not endure half slave and half free. The Union was preserved.

By our Centennial in 1876, the American Republic had been securely established. Of this, there was no doubt, either at home or abroad.

Our second century has been marked by the growth of the great American free enterprise system. The pioneer spirit which carried us West turned us to new frontiers. Railroads spanned the Continent and became a web of steel linking city to city, region to region, town to town.

The automobile and its assembly line changed forever transportation and our manufacturing process in America. The Wright brothers mastered powered flight at Kitty Hawk. The age of flight was born.

From the first Atlantic crossing by the lone eagle, Charles Lindbergh, to the American astronauts who announced that the Eagle had landed, when touchdown on the moon, America's latest ship was again established.

The telegram. The telephone. The television. All are a great part of the communications revolution of our second century. Science, medicine, agriculture, production, marketing—these have been just a few of the modern frontiers since 1876.

But now our third century, I believe, should be an era of individual freedom. The mass approach of the modern world places a premium on creativity and individuality.

We see mass production, mass education, mass population. They must not smother individual expression or limit individual opportunity. Individualism is a safeguard against the sameness of society. A Government too large and bureaucratic can stifle individual initiative by a frustrating statism.

In America, and never forget it, our sovereign is a citizen. Our sovereign is the citizen, and we must never forget it.

Governments exist to serve people. The State is the creature of the populus. These propositions are the foundation stones of our Bicentennial. Today, in the 199 years of our independence, we stand on the threshold of a new American experience.

Let us make the coming year a great year on America's agenda of achievement. As we move to the Bicentennial of American independence, let us think where we will be and what we can achieve by next July 4, by the next decade, by the 200th anniversary of our Constitution and by the year 2000.

Let us resolve that this shall be an era of hope rather than despair. Let us resolve that it shall be an era of achievement rather than apathy. Let us resolve that it shall be a time of promises rather than regret.

The Bicentennial should be a time for each of us for self-examination and individual accomplishment. Quality and permanence should be the measurement of your life and my life and the life of 214 other million Americans in 50 States and our territories.

Let us pursue truths and values that will enhance the quality of life, of you and your fellow Americans. To form a more perfect Union—and that is what we want—we need to learn more of our country and more of our good people.

Americans must appreciate the diversity of our lands and the diversity of our citizens. There is a quotation that I learned in my early days in Sunday school, that the beauty of Joseph's coat is its many colors, and that is the strength of America.

Boundaries of regionalism and urbanization must dissolve before our will to be one Nation and one people. In the coming year, the Bicentennial must become a true national experience. The American Revolution and its legacy belong to each of the States and our far-flung territories. It belongs to every county, to every city, to every church, to every club and to each and every American citizen.

At every school where the American flag flies, it is my hope that there will be, in the coming year, a concentrated effort in the classroom to study, discuss and portray these past 200 years of our history.

I would urge that every community seek to make its program as meaningful as possible to as many as possible—old, young, in every walk of life.

This should stress the history, culture and the achievements and the basic values that are so important that we associate with our way of life.

Yes, the ideas that were forged and fought for in the 13 colonies crossed the Appalachians. They followed the wagons and rode with the Pony Express. They crossed the Mississippi and the Missouri, spanned the plains and the American desert.

They belong as much to the West as they belonged to the East.

Wherever the American flag has gone, so went the concepts of this great Republic. American clipper ships that probably sailed in part from this great Baltimore harbor took the story of America to the far corners of the earth with pride and with success. American jet liners carry it every day across the skies to distant lands.

Indeed, this event does not belong just to Americans. This is a celebration of liberty, freedom, democracy, wherever they exist, and we want them to exist on a global basis at some time in the world's history.

While we cherish the many heritages that enrich our land, we of all people have no history except what we have written for ourselves. We are not Americans alone, by birth or blood, by oath or creed or compact among princes. We are Americans because we deliberately chose to be one Nation, indivisible. For 199 years, with God's help, we have gone forward together, and we will in the future.

Two centuries of sacrifice and struggle, of conflict and compromise, have gained for us an unprecedented measure of political and economic independence.

We have, on this Independence Day of 1975, a free Government that checks and balances its own excesses, and a free economic system that corrects its own errors, given the courage and the constructive cooperation of a free and enlightened citizenry.

This is the amazing history Americans have written for themselves, you and your forefathers, as we begin our Bicentennial celebration.

The young Republic of yesteryear is today a strong and a very great Nation. It still lives by the values of the Declaration, the Constitution and the Bill of Rights. It influences the destiny of millions beyond our shores. It still remains, in Lincoln's words, "The last, best hope of earth."

Let us, this Fourth of July, continue to be a Nation of hope. The American people believe in tomorrow, that by dawn's early light our flag will still be there. Let us be one Nation and one people indivisible, for our flag is one and our destiny is one.

Let us be people of value, of liberty, equality and justice, no matter what the cost. That has been our history, and we are proud of it. We have never counted the cost of freedom, and I don't think America ever will.

Let us in the final analysis be true to ourselves for then we can be false to no nation or to no people. Let us live, not only for our own progress, but also in harmony and hope for all other men, women and children everywhere on this great globe.

In so doing, the United States and its people serve and honor the promise of Francis Scott Key's words: "Land of the free, and home of the brave."

Thank you and good night.

PLANTS ARE NOT FOREVER

Mr. CRANSTON. Mr. President, on July 1 the Department of the Interior listed—pursuant to section 4 of the Endangered Species Act of 1973—over 3,000 vascular plant species in the United States which are considered endangered or threatened. The report also lists critical habitat.

The action by the Department is one of the most important moves ever undertaken in our quest to protect species heading toward extinction, both flora and fauna. Its significance is well detailed in a July 1 Newsweek article, entitled "Fading Flowers." The story makes the essential point that the loss of any species of plant is "an irretrievable loss of genetic material that cannot be duplicated." In the words of Edward S. Ayensu, Chief Botanist at the Smithsonian Institution—

> Imagine the loss to mankind if we had destroyed the cinchona before we discovered quinine's antimalarial qualities, or if the ancestors of corn, wheat, or rice had been wiped out.

Mr. President, I ask unanimous consent that the Newsweek article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Newsweek, July 7, 1975]

FADING FLOWERS

Though the ecologists' battle to prevent the extinction of many species of wild animals has been widely publicized, it is only recently that the experts have come to realize that much of the world's rare plant life is also in danger, and usually from the same enemy—man. According to the International Union for the Conservation of Nature and Natural Resources, as many as 30,000 exotic plants and flowers are already on the brink of extinction around the world. A study by the Smithsonian Institution suggests that perhaps 10 per cent of the 20,000 plants native to the U.S. are also in danger of disappearing for good. Ironically, the list includes the small rockdwelling plant known popularly as the live-forever.

Botanists who specialize in these studies say that perhaps the most severe depredations are those caused by plant collectors, both commercial and amateur. Cacti like the magenta-flowered beavertail are being ripped wholesale from deserts in the southwestern U.S. for shipment to Europe and Japan—despite the fact that they rarely survive for more than a year after uprooting. Wild stocks of unusual or exceptionally beautiful plants, including the carnivorous Venus flytrap and certain species of orchid, are also being devastated by overzealous nature lovers. The Franklinia, which resembles a magnolia and was named for Benjamin Franklin, was picked to extinction by 1806, just 40 years after its discovery near Georgia's Altamaha River. It survives in cultivation only because a few prescient Englishmen took seeds of the plant to the British horticultural center at Kew Gardens.

There is also another kind of plant collector—the drug pushers. They are scooping up thousands of plants that contain mind-altering chemicals, such as peyote. "Five or six years ago I knew thousands of acres in the lower Rio Grande Valley where peyote grew in profusion," says botanist Del Weniger of Our Lady of the Lake College in San Antonio. "Today, visits to one after another of these previously flourishing locations show them barren of even a surviving specimen."

Many more plant species are threatened with extinction by more subtle means. Lumbering in eastern Texas, for example, has decimated the only known site in the state of the Stewartia malachodendron, a shrub with large camelia-like flowers. Goats and cattle introduced into Hawaii are eating a species of the ornamental K'au silversword almost out of existence. In California, wild burros set free by prospectors years ago are devouring the Panamint daisy and other delicate local flowers. Wild rice growing along riverbanks is being poisoned by sewage. Lead from automobile exhausts is thought to be killing off some species of locoweed. Carbon monoxide, mineral fertilizers and herbicides are poisoning plant species by the hundreds, and irrigation schemes, agricultural improvements, road building and housing developments are burying many more.

Genes: The damage being done is not simply esthetic. "The extinction of any species of plant is an irretrievable loss of unique genetic material that cannot be duplicated," says Dale W. Jenkins, former director of the Smithsonian's ecology program. "Imagine the loss to mankind if we had destroyed the cinchona before we discovered quinine's antimalarial qualities," adds the Smithsonian's chief botanist, Edward S. Ayensu, "or if the ancesters of corn, wheat or rice had been wiped out."

The value of plants extends beyond their edibility and medicinal properties. Many rare species—French's shooting star, for example—protect the soil from erosion in areas like sand dunes, acid bogs, mountaintops and shore lines. Others help to indicate the locations of important minerals, including copper and lead. A number of species of locoweed that are useful in prospecting for uranium are currently on the Smithsonian's endangered list.

Botanists do see some hope for saving some of the plants, as a result of recent government action. A twelve-nation agreement designed to halt export of endangered plants came into force last week—and more countries are expected to sign up soon. The U.S. Department of the Interior is also taking steps to protect the 2,000 American plants on the Smithsonian's list under the terms of the Endangered Species Act—although experts fear that adequate protection may not be available for about five years, when some of the plants will undoubtedly be already extinct.—PETER GWYNNE with MARIANA GOSNELL.

MARINE CORPS

Mr. TAFT. Mr. President, I wish to bring to the attention of my colleagues an article from the New York Times of June 30, regarding possible changes in mission of the U.S. Marine Corps. Specifically, the article discusses the possibility that the Marine Corps will be oriented increasingly toward a NATO role.

I think some of the observations in this article are very useful and perhaps overdue. In particular, I would like to express my agreement with General Wilson, the Commandant of the Marine Corps, that "I am not wedded to the concept that all Marine divisions should be mirror images of the other." Both in the

Marine Corps and in the Army, we must, if the taxpayers' dollars are to be wisely used, avoid clinging to types and structures of divisions which are perhaps outdated, or at least not as efficient as they could be, in terms of probable missions. Flexibility and openness to new ideas are imperative if we are to use our resources to the maximum.

However, I am somewhat disturbed by the indications in this article that we may be dividing our land force missions geographically, into Europe and the Pacific. A more useful and logical division, it seems to me, is between those situations where we have prepositioned ground forces—Europe and, currently, Korea—and any other areas where action on our part would require the insertion of ground forces.

It is logical that the Army should be responsible for the former category of areas, and the Marine Corps for the latter. This is because most Army units are heavier, and thus better able to fight full-scale Soviet forces, but at the same time they are not very mobile, in the strategic sense; whereas the emphasis in the Marine Corps is on strategic mobility—that is, after all, what amphibious warfare is all about.

As long as we face the possibility of needing land forces in areas other than Europe and Korea, we will face the need for strategically mobile land forces which can be inserted directly into hostile areas. That means we will need the Marine Corps. We should not criticize the Marine Corps for not being as able to fight a Soviet armored division as is an American armored division—remember, that American armored division is prepositioned and has neither the requirement nor the capability to insert itself into hostile territory over a strategic distance. The Marine division does have that capability, and naturally it must pay to some degree in amount and weight of equipment.

I am hesitant, thus, to agree with suggestions that Marine divisions are somehow deficient in that they are not as heavy as armored divisions. This is like saying that an Army armored division is deficient because it cannot take a beachhead.

This is not to say that we should not consider giving Marine divisions more firepower. Quite the contrary. Many non-Soviet-bloc states where we might be forced to undertake action, in some hypothetical future situation, possess increasingly heavy and capable land forces. One of the great advantages of the Marines' amphibious concept is that seaborne forces—unlike airborne—can be heavy if the situation requires it. Heavy equipment and large amounts of logistics can be moved by sea, in sufficient quantities to support large operations over strategic distances.

Thus, I think we see the great utility and the cost effectiveness of the Marines more clearly if we divide the basic categories, not by geography, but by whether the forces are stationed in the locality in peacetime or whether forces for a given locality must be able to be inserted over strategic distances against resistance.

This is not to argue that we should not examine the question of roles and missions. As I have already noted, we must constantly examine new ideas and concepts if we are to use our resources effectively. In fact, I would suggest that an examination of roles and mission, using the dividing lines of prepositioned/nonprepositioned which I have proposed, might lead not toward forcing the Marine Corps to duplicate the Army for European missions, but toward assigning the entire nonprepositioned or "insertion" mission to the Marine Corps; currently the Army also has light forces for that mission. It might be more useful than requiring the Marine Corps to be both insertion and Europe-capable, which could, I think, prove to be contradictory.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 30, 1975]

MARINES FACE NEW ROLE, AS A RESERVE FOR EUROPE

(By John W. Finney)

WASHINGTON, June 29.—The Marine Corps, which since World War II has looked out across the Pacific for its military mission, is quietly being reoriented toward the Atlantic and a possible role in Western Europe.

An emerging Defense Department concept, which appears to be accepted by the new Marine command, is that the three Marine divisions, instead of being primarily a Pacific force, should be counted upon as a reserve force that could be thrown into a war in Western Europe.

Not since the military unification battles of a quarter century ago has there been such a significant shift in the role of the Marine Corps. It is a change, however, that the Defense Department is bringing about as quietly and subtly as possible, since no service is quite so jealous of its role and mission or so politically prepared to defend its position as the Marine Corps.

The reorientation comes at a time when the Marine Corps is getting a new commandant—Gen. Louis H. Wilson, a Medal of Honor winner in the World War II battle to recapture Guam. The 55-year-old general will be sworn in as the 26th commandant of the corps on Tuesday.

One reason General Wilson was selected by civilian officials in the Defense and Navy Departments for the post was that he expressed an interest in refocusing the Marine Corps toward the Atlantic.

As one Navy official who played a key role in the selection of the new commandant put it:

"We have to keep reminding the Marines that while their hymn may start off with 'from the halls of Montezuma,' the next phrase is 'to the shores of Tripoli.' "

In an interview Friday, General Wilson, who has spent the last seven years in Pacific commands, said he had studies under way to determine how the Marines could be redirected and reequipped to help defend Western Europe.

General Wilson acknowledged that the Marine Corps had been "primarily oriented toward the Pacific" since World War II. As he pointed out, two of the corps's three divisions and its air wings—the Third Division on Okinawa and the First at Camp Pendleton, Calif.—are now positioned for action in the Pacific.

The other Marine division—the second—is based at Camp Lejeune in North Carolina to support Marine operations in the Atlantic. Its structure is basically like that of the other divisions—an amphibious assault force particularly designed for landings in the Pacific.

General Wilson emphasized that "I am not wedded to the concept that all Marine divisions should be mirror images of the others"—as is now the case in Marine doctrine, training and equipment.

He tentatively suggested it should be possible to draw distinctions between the divisions—in training and equipment—according to the regions in which they were likely to fight.

NEW EQUIPMENT NEEDED

For example, he said, the division on the East Coast could be more heavily armed for fighting in Europe. The division on the West Coast would be reorganized to fight in the Atlantic or Pacific theaters, and the division in the Western Pacific would basically retain its present form as an amphibious assault force.

One problem in committing Marine divisions to Europe, defense officials point out, is that they are basically "light" divisions, built around the foot soldier and without the support and sustaining power for conventional warfare in Europe. To convert the divisions into "general purpose forces" for use in Europe, they would have to be equipped with additional tanks, armored personnel carriers and heavy artillery.

It is at this point, however, that the controversial, politically sensitive issue of the role and mission of the Marine Corps begins to arise.

The Marines have always tried to establish a role for themselves somewhere between "the Navy's police force"—a term they detest—and a land force duplicating the Army. For that reason it established a semiautonomous niche for itself in the National Security Act of 1947 as "a military service within the Department of Navy," with the special mission of developing amphibious warfare doctrine.

As the Marines are pushed by the Defense Department in the direction of becoming a "general purpose force," however, both the Corps and the Army tend to become jealous about their respective roles.

The Army becomes fearful that the Marines are becoming a second land Army. And the marines fear that the Army will use such a development to argue for sharply reducing the role of the Marine Corps.

The Marines—who defense officials wryly observe seem to have the longest memories of any of the services—still remember how 25 years ago top Army generals tried to use that argument to reduce the status and size of the Marine Corps. It was in this fight that President Truman, an Army artillery officer in World War I, wrote his explosive letter stating that the Marine Corps "is the Navy's police force" with "a propaganda machine almost equal to Stalin's."

The Marines, however, also remember a less publicized passage in President Truman's letter stating that "when the Marine Corps goes into the Army, it works with and for the Army, and that is the way it should be."

If assigned to Europe, the Marine divisions would presumably come under the command of the United States Army—a possibility that gives pause to the Marines, who have always sought to maintain their independent command.

The Air Force could also question why the Marines need their own air wings, attached to the divisions, when the Air Force was prepared to supply air support in Europe.

Congress, as it has done periodically since 1829, came to the rescue of the Marine Corps with legislation in 1952 specifying that there should be three Marine divisions and air wings. It is the only service to have its force structure set by law.

General Wilson said he did not expect the "reorientation" to raise "any mission problems." Furthermore, he said, "I see no responsible person who believes the Marine Corps should be done away with."

Some senior defense officials, however, are questioning if the Marine Corps concept of itself as an amphibious expeditionary force may be becoming obsolete. Following Vietnam, these officials say they have difficulty identifying areas, particularly in the Pacific, where the nation would be prepared to land a division of Marines.

ACTION ON GRAIN INSPECTION LEGISLATION URGENT

Mr. HUMPHREY. Mr. President, I wish to call attention to three articles relating to the important role of the United States in the world agricultural markets and the importance of prompt action to clean up the present grain inspection scandal.

On June 23, Feed Stuffs News Service publication included a summary of our June 19 grain inspection hearing outlining some of the main points brought out at that time. It indicated my contention that swift action was needed to develop new legislation to deal with the current grain inspection problem. The Department of Agriculture was quoted as indicating that it plans to provide its own legislative recommendations in the near future. The hearing clearly indicated to me that the Department of Agriculture has been most derelict in pursuing this matter and providing its recommendations for action to Congress.

The second article in the June 25 New York Times indicated some of the investigations which are being conducted concerning major grain companies. We will be holding a further hearing session on July 8, and, at that time, public witnesses, including private companies, will be able to testify regarding proposed legislation. This is an extremely complex issue, and we will be proceeding with some caution in attempting to develop legislative remedies.

A third article in the June 16 Co-op Country News indicates again the importance of U.S. agriculture in the world market. The article was prepared by the Kansas City Board of Trade, and it points out that in 1974 the United States supplied 85 percent of all soybeans entering the export trade, 60 percent of all feed grains, 45 percent of all wheat, 35 percent of all cotton, and 24 percent of all rice.

With such an awesome stake in the world agricultural markets, it is clear to me that we must move with dispatch in clearing up this problem and developing new legislation without delay.

Mr. President, I ask unanimous consent that the three articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Foodstuffs, June 23, 1975]

USDA Preparing To Revamp Grain Inspection System

(By John McClung)

Washington.—The U.S. Department of Agriculture is in the midst of preparing permanent legislation to revamp the grain inspection system, and hopes to have a proposed bill before Congress in the near future.

In the meantime, Capitol Hill should refrain from jumping at temporary, emergency solutions to the conditions that resulted in the current grain scandal, according to USDA Under Secretary J. Phil Campbell.

Campbell, sitting in for agriculture secretary Earl Butz who was in South America, told the Senate foreign agricultural subcommittee last week that "stop-gap, short term emergency measures in this all-important area. . ." are not desirable. He was referring to subcommittee chairman Hubert H. Humphrey's (D., Minn.) Senate Joint Resolution 88 to provide the agriculture secretary with "emergency authority . . . to restore confidence in the U.S. grain inspection system . . ."

Humphrey responded that the department had been unacceptably slow in taking steps to correct a situation that apparently stretched back many years. He termed the present inspection system "an outrage."

Campbell repeatedly reminded Humphrey that USDA had been involved in the New Orleans-Houston investigation for approximately two years, and had secured grand jury indictments and several convictions as a result. Had the department not become involved, it would have been unlikely Humphrey would have known enough about the situation to call hearings, Campbell said. Humphrey, however, maintained that newspaper accounts and investigations by the Federal Bureau of Investigation and the U.S. attorney's office in New Orleans were what brought the scandal to light.

The morning of hearings, observers said, boiled down to Humphrey and the other senators either saying openly or suggesting that the department had been extremely irresponsible in controlling export grain quality, and USDA responsoring that while improvements are needed, the department is on top of the situation and Congress ought to back off, at least for the moment.

In a statement prepared for the hearings, which will be continued at a future date yet to be set with witnesses from the grain trade, Campbell said "We . . . acknowledge frankly that there are many inherent problems in the current grain inspection system—problems which we ourselves have uncovered and already have taken some actions to correct. We acknowledge also that these are problems which we must overcome to improve the integrity of our national grain inspection system." However, he said, "We do not feel that emergency legislation is necessary at this time and we respectfully ask the Congress to defer any action until at a very early date we submit . . . our proposal for a permanent solution."

Campbell said USDA initiated its investigation with a full audit of grain inspection operations in April, 1973. In September, 1973, in Louisiana, a probe was begun because of allegations involving the inspection system. "During the course of this investigation in 1973, we learned that the Federal Bureau of Investigation was conducting a companion investigation in the same area (and) we quickly coordinated these investigations with the FBI and they were subsequently placed under the guidance of the U.S. attorney in New Orleans."

He said the department kept the investigation in strictest security because it has learned from experience that success depends on being secretive.

Campbell said USDA is well aware of the potential for conflict of interest in the present inspection system, as well as problems in supervision, particularly manipulation of grain in mechanical samplers.

But, he said, where the authority exists the department has acted to correct deficiencies, including reorganization of the grain division of the Agricultural Marketing Service in 1974, and installation of new leadership; initiation of a training and recruiting program; shifting of personnel to meet changing workloads; provision of triennial relicensing for employees of official inspection agencies; establishment of more precise licensing personnel for storage examinations; and prescription of revised tours of duty for federal employees.

In addition, Campbell said, USDA has proposed amendments to regulations under the Grain Standards Act to provide for the use of approved mechanical sampling equipment in export elevators; increased supervision of shiplot grain during loading, and applications for designation as an official inspection agency to show the names of officers and include copy of articles of incorporation.

Campbell said that when the AMS grain division received information sufficient to warrant suspension of licenses, that was done, and also, the division is operating on a trial basis system for monitoring inspection accuracy, using statistical tolerance and computer analyses.

STATE-FEDERAL SERVICE LIKELY

The undersecretary declined several times to pinpoint when USDA would be able to send its proposed legislation to Congress, or to elaborate on its contents. However, various sources indicated, it is most probable the bill will enable USDA to establish a cooperative state-federal inspection service for grain similar to the arrangements that exist for most other agricultural commodities. This would be a compromise between a completely federal inspection system, such as Rep. Edward Mezvinsky (D., Iowa), has advocated, and a retooling of the present system of licensing private inspectors, which in all probability would not satisfy Congress. Furthermore, Butz has gone on record as favoring such a cooperative effort, at least in part because it would save the government money and would keep the manpower ranks at USDA down to a reasonable number.

Department spokesmen have said they were not overly concerned about the cost of a fully federal system, since it would in all likelihood be funded through fees. But, they say, it would mean at least 3,000 new employees at USDA, at a time when the department—like the rest of the bureaucracy—is under strict White House orders to pull in its horns on spending and on employee numbers.

Butz was expected back in Washington the middle of this week, and department officials hoped to have at least a rudimentary proposal to show him then. But even after USDA has worked the matter out to its satisfaction, it still can't go to Congress until it has approval from the Office of Management & Budget. Supposedly OMB and USDA have held preliminary talks, and OMB is well aware of the urgency of the issue, and has agreed to expedite action on a department proposal. But, USDA sources note, more than one urgent bill has been mired in red tape while at OMB, and nobody can be sure that won't happen this time.

Even relatively rapid movement through OMB, observers say, might not be quick enough to forestall congressional action. But even if Congress does pass S.J. Res. 88—or a similar measure—over USDA objections, the damage won't be great unless it somehow blocks passage of a permanent bill in the near future.

HUMPHREY REMARKS

In his opening statement, Humphrey said it was not the intention of his subcommittee to "create waves" for farmers or the export markets. But, he said, "We . . . must avoid the possibility of any coverup or whitewash."

During the hearings, Humphrey referred often to the so-called Browning report—a 1969 report from a then-USDA employee to his superiors verifying the complaints of Europeans about the quality of U.S. grain shipments. USDA was clearly embarrassed by the report, since the department had no record of it and was not prepared to answer questions about what had been done in response to Browning's observations.

Sitting in on the hearings was Sen. Walter D. Huddleston (D., Ken.), who, as chairman of the agricultural production, marketing and stabilization of prices subcommittee, will become involved in the issue when and if the investigation turns to problems of internal grain shipping and inspection.

Humphrey said the agriculture committee already has two investigators in the field in New Orleans and will have another investigator and a lawyer there soon. Further, he said, he has asked the Government Accounting Office to conduct an investigation.

Sen. Dick Clark (D., Iowa) said that despite the fact that U.S. grain is of the highest quality when it comes off the farm, it is being adulterated before it reaches overseas ports. "Obviously," he said, "something is happening to the grain along the way. I suspect three or four things are occurring: Our inspection system is faulty and corrupt; our grading standards are antiquated; our grain handling methods need revision, and six major companies so monopolize the grain trade and all its aspects that effective regulation can be thwarted by their sheer size and political influence."

Clark, who has kept as close to the unraveling grain scandal as anyone in Congress, said he understood that foreign buyers tried to get what grain they needed from someone other than the U.S., coming to this country only as a last resort, because U.S. quality was below the other suppliers. He said that there have been some 95 cases of foreign complaints about grain shipments in the past 10 years, and asked that the department provide him with a readout on how each of those complaints was resolved, which USDA promised to do. The department's Ervin L. Peterson, AMS administrator, said that of those 95 cases, in 92 instances an investigation showed there was no evidence to support the charges.

But, Peterson said at another point, he doesn't believe the present inspection system is adequate because supervision is inadequate. Supervisors take the sample of grain they analyze from a file sample, he said, which means that they rerun either a portion of the file sample that the original inspector ran, or else they run the same sample the original inspector ran. But in either event, the sample can easily be manipulated. The designated inspection agencies, Peterson said, have not supervised their own employees.

Clark, following the hearings, told reporters he is working on legislation to make the grain inspection system fully federal, under the supervision of an agency composed of representatives from USDA, Department of Commerce and the Department of Justice. The commerce department would be included because it is charged with overseeing foreign trade, and the justice department just to keep the whole thing on the up and up, according to Clark's staff.

Clark feels that, although the inspection function should be in the Department of Agriculture, USDA has proven so incapable—"or worse"—in the past decade that it can't be trusted to fulfill the inspection responsibility alone, the staff spokesman said. However, he added, the bill has not yet been written and it is unclear now just what shape the final measure will have. "We may have completely changed our minds in two weeks," he said.

The Senators also got the department witnesses to admit that while the number of grain inspectors had increased from 210 in 1969 to 220 in 1974, the number of man years spent supervising in 1974 had dropped to 154 compared with 182 in 1969. This is particularly disturbing, the lawmakers said, in view of the fact that export shipments have more than doubled.

The senators present, including Humphrey, Clark, Bob Dole (R., Kan.) and George McGovern (D., S.D.) all warned that the major grain companies may be in for a shakeup. Humphrey said at one point that "the grain trade had better take a good, hard look at its operations, because if they don't, we're going to take a good, hard look at them."

[From the New York Times, June 25, 1975]

Two Major Grain Companies Reportedly Under Inquiry

(By William Robbins)

WASHINGTON, June 24.—Two of the world's largest grain companies and an American affiliate of a third company have become subjects in a spreading investigation into the grain-export trade of the United States, according to sources close to the inquiry.

The companies are the Bunge Corporation and Cook Industries, Inc., which are among six corporations with worldwide operations that are said to control 80 per cent of the world's grain shipments, and Mississippi River Grain Elevator, Inc.

Mississippi River Grain Elevator is owned by Serafino Ferruzzi of Ravenna Italy. Mr. Ferruzzi is a major figure in soybean processing abroad and owns substantial other United States interests, including banking and vast tracts of land recently purchased in North Carolina.

POINTS UNDER STUDY

The investigation, which began early last year with allegations of bribery in ship inspections and subsequent indictments, moved into alleged corruption in the handling, weighing and grading of grain. Federal agents are now looking into questions of any possible corporate responsibility and any possible involvement by company officials.

A key question under study is whether grain is being shipped abroad with weights and grades overstated. Such practices could lead to substantially increased profits for a company employing them.

In the case of Bunge, which is based in New York City, investigators, including agents from the Internal Revenue Service and the Agriculture Department's Office of Investigation, have reportedly been auditing the grain operations of the company's New Orleans Division.

Agents are reported to have taken testimony from employes accusing their superiors of involvement in alleged irregularities, and some middle-management employes and former employes have pointed higher into the corporate structures, according to the sources.

The Bunge investigation is reported to be near completion. Is could not be learned how advanced the other reported investigations might be.

Key testimony in the current phase of the investigation is reported to have been obtained as a result of the discovery of grain-theft rings operating on a large scale with high profits within—and against—New Orleans grain elevators of each of the three companies.

MANY REPORTEDLY IMPLICATED

Many individuals, including a tugboat captain and a barge company employe, as well as a New Orleans local grain company said to be operating as a "fence," are alleged to have been implicated in the reported thefts.

The method alleged to have been used was the short-weighting of incoming barges and rail cars until overages of grain in the elevators were great enough to cover diversion of barges, to the allegedly cooperating local company, which in turn was said to have sold it to still another local elevator.

Some railroads and shippers have long complained about the weights recorded at several New Orleans area elevators. About $24-million was paid by railroads last year on claims for lost grain besides additional claims for losses in soybeans and processed grain products.

The main focus of the inquiry is in New Orleans, where Gerald J. Gallinghouse, United States Attorney, and Cornelius R. Heusel, Assistant United States Attorney, are coordinating the work of agents of the Federal Buerau of Investigation, the Agriculture Department's Office of Investigation and the Internal Revenue Service. The investigation has spread to Houston and reportedly other major grain ports.

Department of Agriculture documents show that the agency's Office of Investigation was asked by the Grain Division on Dec. 14, 1973, to study suspected "grain inspection irregularities in the New Orleans circuit."

TWO EARLY INQUIRIES

The request cited two preliminary investigations by the Grain Division and listed suspected violations of the United States Grain Standards Act by Bunge, Cook and "official inspection personnel" of the Destrehan Board of Trade, the private agency that inspects their grain.

Bryan J. Lehman Jr., president of Destrehan, did not return a telephone call seeking comment.

According to another Agriculture Department document, the ensuing investigation by the Office of Investigation has been merged with the larger Federal inquiry into the grain industry.

The Grain Division's request said that the inspectors "may have violated" the act by accepting "gratuities from Bunge Corporation and Cook Industries," issuing false grading certificates and accepting "money or other considerations, directly or indirectly, for any neglect or improper performance of duty," and failing to protect samples of grain taken for grading from "manipulation, substitution, or improper or careless handling."

It also said that the preliminary investigative reports by a Grain Division officer had indicated that "the Bunge Corporation and the Cook Industries, Inc., may have violated" the act in the following ways:

"Knowingly used as true, falsely made official certificates."

"Knowingly caused or attempted to cause the issuance of false or incorrect official certificates."

"Altered official samples."

"Improperly influenced or attempted to influence official inspection personnel with respect to their duties under the U.S. Grain Standards Act."

"IMPROPERLY PERFORMED"

The request said, too, that the Grain Division had received information "which indicates that inspections are apparently being improperly performed at Myrtle Grove," the site of Mississippi River Grain Elevator, whose products are inspected by Delta Weighing and Inspection Bureau, Inc.

Sidney W. Provensal Jr., president of Delta, said he had "no reason to believe any of my employes are under current investigation."

The inspection of grain is a vital function because the grades that are given determine price variations and thus substantially affect any profit or loss on shipments. Original inspections are performed by employes of the private agencies licensed by the Agriculture Department. Federal supervisors from the Grain Division attempt to spot-check the inspections but are generally acknowledged by present division officials to be too few in number to be fully effective.

The preliminary investigative report on Bunge included allegations by a former inspector that official analyses of grain by inspectors were adjusted to conform with a ship-loading log to make off-grade grain appear to meet contract specifications and that file samples had been made up to "approximate the adjusted results as shown on the log."

It also contained an allegation by a former inspector that off-grade grain was loaded on ships, although the log was made to appear as if the grain had been returned to the elevator.

The preliminary report that led to the statement that Cook Industries "may have involved" the Grain Standards Act focused on the inspection and sampling of a ship loaded at the company's elevator in which three holds were found by Federal supervisors to have been loaded with sour and weevily corn.

GRADES GIVEN

The corn had been given a No. 3 grade, the report said, although none of that in the three holds could qualify for No. 5, either because of excessive broken kernels and foreign material or because of excessive percentages of damaged kernels. Thus, according to the data in the report, all of it would have been given the lowest possible classification of "sample grade," whether or not it was sour and weevily. The top grade is No. 1.

The report said that none of the Cook employes responsible for mixing and loading the corn had been interviewed. Such details are normally covered in the full follow-up investigation that the Grain Division requested.

A current request for an investigative report on Cook and the Destrehan Board of Trade was made after a visit to the Soviet Union this year by a Grain Division official and an official of the Office of Investigation in response to a complaint about United States shipments.

The two officials checked the grain being unloaded in Odessa from the ship Illustrious Colotronis, which had been loaded at Cook's elevator in the Port of New Orleans.

"It appears the corn may have been deceptively loaded, deceptively handled, deceptively sampled and/or falsely certified," the request from the Grain Division said.

The current investigation led by the United States Attorney grew out of what first appeared to be isolated bribery cases in the New Orleans Port last year. Seven inspectors were involved on charges of accepting bribes to certify ships as clean and fit to receive grain.

The fact that some of the same inspectors were licensed to inspect grain is reported to have led investigators into a new phase of the inquiry. The fact that some of the same agencies that inspect grain have divisions with personnel licensed to weigh the commodities led to still another phase.

Witnesses are reported to have told investigators of a variety of violations of the Grain Standards Act, including misgrading, falsifying certificates and ship logs, improper influences on inspectors, bribery and falsification of weights.

A question that is reported to have been raised by investigators was whether the alleged irregularities could have continued without the knowledge of corporate officials.

OVERTIME VARIED

One subject that has attracted the attention of investigators was the payment of substantial bonuses at three-month intervals by Destrehan, the agency inspecting the Bunge and Cook grain, and the payment by the same agency of unearned overtime, with records reportedly falsified to make it appear that the time had been worked.

The unearned overtime given varied widely among inspectors, with no apparent reason. The question raised was whether the payments constituted improper influence on the inspectors.

Destreman has argued that the extra overtime was paid to compensate for lower-than-average regular rates for its inspectors and for long hours worked and inconveniences of sudden calls to duty. But the question reported to have been raised was whether it would not have been simpler to raise the regular rates of pay.

Bryan J. Lehmann Jr., president of the Destreman Board of Trade, said that the practice had been changed, but a report on file at the Department of Agriculture indicates that the change occurred after the current investigation began.

The falsely reported overtime was reflected in the tariffs charged by the agency for its inspection service reportedly with the knowledge of at least one elevator offical at Cook Industries, and, according to the sources, with no protest from anyone.

It is not clear in all instances which companies individual allegations are linked to, but in the case of Bunge, a recent investigative report at the Department of Agriculture noted that a file on the company was started in 1973.

FILE IS BEGUN

The file was started after a report on some rail shipments from the company's Kansas City elevator, in which the difference between grades given by private insepectors and those found in a retest were said to have been "so varied that the conclusion could only be that the sample obtained by the sampler was not representative of the grain in the railcar."

Allegations of manipulation of the samples were also reported.

The report cited 11 cars in which subsequent analysis set the grade two grades below that originally given, and the grain was said to have a sour odor.

Another more recent report, dated Sept. 11, 1974, quotes a Federal supervisor as saying that a private inspector told him that off-grade grain often went aboard Bunge ships when the loading log showed it to have been returned to the elevator. A former inspector was quoted in the report as having said that as much as 80 per cent of the grain going on Bunge ships during one period was off-grade and that he had been ordered by a chief inspector of Destrehan to make up false samples. He also said, according to the report, that he had watched the same chief inspector and another inspector make up false samples.

It could not be determined precisely how the witnesses in the Bunge investigation had attempted to implicate higher management. Sources close to the investigation said the device alleged to have been used was subtle, and one witness was said to have described it as "budgetary," apparently an insistence on profit goals that would be unrealistic under normal circumstances.

TAPES ALLEGEDLY ALTERED

Information on allegations reported to have been made during the investigation on irregularities in weighing is less detailed, but one source close to the case said, "Any expert weigher can rig scale weights."

In some instances, sources close to the case say, weighing tapes were altered for grain moving aboard ship.

A Federal official is reported to have stumbled upon what appeared later to have been a case of false loading without realizing at the time what he had found. The ship-loading log listed a specific number of lots loaded, while the weight record listed an additional lot.

The explanation given him was that the grain inspectors had merely failed to record one of the lots.

Recounting the case later, a former inspector said, "they were scared to death he'd caught up with them."

Auditors are said to have checked records to determine whether fictitious papers were made up to balance overstatements of outgoing weights. They are reported to have found instances when the same barge appears on record as arriving twice within a few days, an unbelievably short time for a return trip.

It could not be learned what they found in investigating further, but one source said, "There was just too much paperwork involved in the operation."

He said that both inspection and weight certificates must be recorded for loads from shippers and that they could be checked back to the reported origin.

SHIP LOADED GRAIN

Sources said the instances had turned up in which more grain of a specific grade was reported loaded on a ship than could be accounted for by the elevator records.

"Say you've got a contract for 750,000 bushels of No. 3 corn to go aboard ship and you've only got 725,000 in the house," one source said. "What do you do? You mix it with trash. The weight problem is peanuts beside the grading. The difference is millions of dollars."

Through an anomaly of United States grading standards, however, off-grade and even sour grain or trash can be added legally to grain as long as the adulterants remain below percentages prescribed for each grade.

[From the Co-op Country News, June 16, 1975]

WORLD'S FARMERS FEEL UNITED STATES DOMINATES MARKET

(By Roderick Turnbull)

The American farmer, more than any other, depends upon the whole world for his market.

Other farmers all over the world have reason to believe that world trade in farm products is dominated by the United States.

These statements are subject to many qualifications, but on the whole and as to intent, they can be fairly well documented. A coffee plantation owner in Brazil, as an example, may contend that he also is on a world market, and he is. So are the wheat farmers of Canada and Australia. And it is obvious from all statistics that the United States does not have a monopoly on world trade.

But volume-wise, the U.S. has such a big lead as to make it evident it dominates. Much has been said about how the American farmer needs the export market. Not so much has been said about his world leadership.

Data available from the U.S. Department of Agriculture and other sources are the proof of the pudding. The subject here, incidentally, is world trade in agricultural products, not world production. Many countries are huge producers of rice, as an example, but export very little. The United States is a big consumer of farm products, but it produces sufficiently also to be the major exporter.

In fiscal 1974, that is the year that ended June 30, 1974, the United States supplied;

85 per cent of all soybeans entering the export trade.

60 per cent of all feed grains.

45 per cent of the wheat.

30 per cent of the cotton.

24 per cent of the rice.

The USDA notes that currently America is selling grain and other food products to 145 crash markets over the world, while at the same time it is making food available under aid programs to millions of people in 93 different countries.

Fiscal 1974 was a big year for exports. Volume will be down for fiscal 1975 which ends June 30, but because of higher prices, total value will be up.

In a recent address, Earl L. Butz, Secretary of Agriculture, said that when U.S. farmers are producing fully, as they are now, they can expect to export about 50 per cent of the soybeans produced, 60 to 65 per cent of the wheat, 25 per cent of the feed grains, 40 per cent of the cotton, 50 per cent of the tallow and edible fats, 40 per cent of the flue-cured tobacco and a sizable part of the citrus fruit crop.

Last year, he said, U.S. farm exports took the produce of one out of every four crop acres. So, on the average, if a farmer had 100 acres in crops, the produce from 25 acres went overseas. Of course, as the figures previously given demonstrate, a greater percentage of some crops is exported than on others.

Farm crops are renewable resources. A new crop is produced every year and even though they may vary in size, it is not like taking oil from a well which has a definite limit and someday will be dry.

U.S. farm exports have boomed in recent years, but they had been increasing gradually over a long period. While there are more people in the world every year and therefore more potential customers, the increase in world trade in food products has been stimulated more by increasing affluence than by population growth.

It seems logical to grain men at the Kansas City Board of Trade to assume that grain farmers any place in the world look to the United States as the place where world prices are established. This doesn't mean that the United States can fix prices at any level desired, they explain, but that because of the trade generated by the U.S., the prices quoted in this country likely will prevail.

As one grain man said, "I imagine a corn farmer in South Africa who wonders what his grain is worth on the export market looks to the Chicago price plus freight to the Gulf just as we do. And I assume the soybean farmer in Brazil does the same thing, while the wheat farmer any place in the world will look to Chicago quotations plus freight costs to ports as indicating the prevailing world value on his crop."

The implications of the American farmer's position as being the largest world trader are tremendous when applied to himself. Obviously, the loss of the export market would drastically change the whole American system of agriculture. Government farm programs, farm planning, land values and a host of other factors are inextricably tied to the export market. Simply put, there's no way U.S. agriculture can shut its eyes to its dependence upon the foreign market.

Certainly, the foreign market has a powerful influence on demand (and price). A rather dramatic illustration of this came May 19, when it was learned an official of the Soviet food buying agency was in New York. For two days, U.S. grain prices were jumping all over the place until he left for home. Apparently, he bought nothing. But, supposing he had? The market illustrated it would have been quick to respond to the increased demand.

U.S. SUPPORT FOR ISRAEL: HARRIS POLL

Mr. JAVITS. Mr. President, some have talked lately about the alleged erosion of support in the United States for adequate aid to Israel. In this regard, I think it is very important to bring to the attention of my colleagues in the Senate a recent article by Louis Harris, titled "Oil or Israel?", which appeared in the New York Times Magazine of April 6. Mr. Harris' findings, resulting from a recent poll, are that support in the United States for the national security of Israel is, in fact, increasing and that there is no increase among non-Jewish Americans of typically anti-Semitic attitudes.

These findings, in my judgment, are especially significant lest Israel's enemies come to the erroneous conclusion that they can extract damaging concessions from Israel, which will jeopardize its security through danger to its U.S. support.

Therefore, I commend Mr. Harris' article for the reading of my colleagues in the Senate, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OIL OR ISRAEL?

(By Louis Harris)

(The answer of the American public, as measured by a leading opinion researcher, is different from that imagined by some leaders and most Jews.)

There is a deep and disturbing counterpoint to Henry Kissinger's flying diplomacy (now grounded) in the Middle East. It is the feeling here at home—and particularly among the Eastern Establishment—that the traditional American support for Israel is crumbling and that anti-Semitism may be on the rise. Put somewhat differently, in the prospective trade-off between the need to get along with the oil-rich Arabs and sympathy for the Jewish state, the Jews are going to be the losers.

The sentiment is expressed in many other ways. A prominent Eastern newspaper publisher, who is Jewish, remarked: "Most Americans are practical and pragmatic. They are not that principled. And when they become convinced that we must get oil from the Arabs, they'll say, 'The Jews be damned.' " A leading doctor, also Jewish, had a more apocalyptic vision: "I'm not even religious, nor have I been that enamored of Israel. But now I think that if Israel goes down the drain, it will be followed by pogroms against the Jews in every Western country, including this one."

This apprehension, this deep distrust of the world about them is characteristic of the way many Jews see the present situation. And it must be said that they can find reasons for their fears. During a recent conversation, a top executive of an oil company in New York City summed up his view of the current scene. "The balance of power in the world has passed into new hands. Israel is going to be lucky to survive. The old voting power of Jews in America is going to give way to a new realization that Arab oil power is a price America must both reckon with and ultimately compromise with, even if Israel has to go."

A highly publicized variant of this view was offered by Gen. George Brown, the chairman of the Joint Chiefs of Staff, during an informal talk at the Duke University Law School. He said that if Americans suffered enough because of the energy shortage "they might get tough minded enough to stop the Jewish influence in this country and break that lobby." And then, rather mindlessly, he went on to say that the "Jews own the banks and the newspapers in this country. Just look where the Jewish money is." General Brown was scolded by President Ford; he apologized, and the matter was dropped. When Jewish organizations threatened to demand his removal, they were persuaded to hold back on the grounds that forcing the general out would be taken as proof of the power of "Jewish influence" at the highest levels.

Others have pointed out the obvious misconceptions behind General Brown's remarks. There also seemed to be a series of linked underlying assumptions: Israel's reputation in the United States was built on its military success. The life-line for Israel was American military assistance. The more the Soviet Union poured arms into Egypt and Syria, the bigger the United States build-up in Israel. As former Senator William Fulbright remarked several times, the pro-Israel Jewish influence in Washington was so great that it could command as many as 71 out of 100 members of the United States Senate. Thus, Jewish voting power, strategically located in pivotal states, such as New York, California, Illinois, Michigan and Pennsylvania, along with Jewish money in political campaigns, provided the political muscle to guarantee unlimited American backing for Israel.

But now, the argument goes, things are different. The myth of Israeli military invincibility has been shattered. Israel did not win the Yom Kippur War in 1973. With its traditional air-power supremacy blunted by Russian missiles in the hands of the Egyptian and Syrian Armies there was a stand-off. At the same time the Arab stereotype has changed. No longer could they be seen as backward sheiks garbed in white sheets and living in desert tents. They control a large part of the world's most precious raw material—oil. And the American people have to come to terms with this new power or find themselves in the deepest trouble for lack of energy. Finally, the relentless Jewish effort to keep in touch with the power centers in Washington is beginning to backfire.

Indeed, the failure of Kissinger's mission was underscored by President Ford's statement, made less than 24 hours after Kissinger's return, that if Israel "had been a bit more flexible . . . it would have been the best insurance for peace." The Administration stressed that the time had come to reassess American policy, though Kissinger was quick to point out that "punishment of a friend cannot be the purpose"; nor would he publicly affix blame on the Israelis or the Arabs for the collapse of the talks. Nevertheless, a sensible inference was that Ford, who needs a conspicuous success in the international field for his own political well-being, did blame the Israelis and was angry at them. It is also possible that he misjudged American public opinion on the matter.

Taken together, the cumulative effect of the events of the last year and a half seem to have produced three main conceptions in many American minds: (1) Jewish power could well be eroding in the United States, accordingly weakening the lifeline to Israel; (2) traditional Israeli intransigence would no longer be tolerated; (3) with the decline of sympathy for Israel and the growth of Arab power, a spate of anti-Semitism could well break out in the Western world.

The trouble with almost all of this is that it simply doesn't square with prevailing public opinion in the United States. And the single group which most underestimates the pro-Israel sentiment in this country and most overestimates the possibility of the anti-Semitism is none other than the American Jewish community. Instead of away, support for Israel is now at a record peak. A recent Harris survey indicates that 52 percent of the public now sympathizes with Israel, up sharply from the 39 percent who felt that way in 1973, right after the Yom Kippur War. By contrast, 7 percent of the American people expressed sympathy with the Arab side in the Middle Eastern conflict. A national leadership group drawn from government and politics, business, labor, communications, education, religion, and voluntary organizations was 56 percent in sympathy with Israel, while only 5 percent supported the Arab cause.

Later this year, Congress must decide whether to give Israel $1.8-billion in military aid, a much higher sum than that country has ever asked for before. American public opinion has not always favored sending military assistance to Israel. Back in 1967, when Israel was rolling up its smashing victory of the Six Day War, a 39 percent to 35 percent plurality of the public opposed sending military aid. During the 1973 war, opinion shifted and a relatively narrow 46 to 34 percent plurality supported aid.

But now, even as the myth of Israel's invincibility has lost its hold on the public, support for sending weapons to Israel has grown enormously. A rather lopsided 66 to 24 per cent majority favors sending Israel what it needs in the way of military hardware. (Some have suggested that the very size of this margin might tempt the Israelis to bypass the Administration and take their case, no doubt ill-advisedly, to the public and the Congress directly.) This is all the more remarkable in view of the decisive 65 to 22 per cent majority who oppose this country's giving military aid in general and the 74 to 17 per cent who oppose sending any more military assistance to Vietnam.

These findings about the attitudes of Americans towards the Arab-Israeli conflict and toward Jews in the United States came from a survey that was finished by the second week of January. Two major groups were interviewed: First the public, in the form of a representative national cross section of 3,377 adults, including a number of Jews; and, second, the leadership community, a total of 491 persons who are opinion leaders in such areas as business, government, religion, education, labor and communications.

The obvious conclusion to be drawn from the survey is that when Israel is seen as a tough, cocky Sparta, the top military power in the Middle East, most Americans feel little sense of urgency to send aid. But when Israel appears to be the underdog, alone and surrounded by hostile Arabs, then a better than 3 to 1 majority wants to send military aid. (In passing, I should point out that only 34 per cent of the public is confident that Israel would win another war.) Thus, Israeli leaders who think the world always wants to ride with a winner may be sorely underestimating the compassion of the American people for the underdog. Of course, there are other reasons for this overwhelming support for military aid for Israel (which rises to an even higher 75 to 13 per cent majority among the leaders). One is a persistent worry about the Russians and their arms. As a mechanic in Youngstown, Ohio, put it: "I hear the Russians have sent the Arabs all their latest planes and missiles. So we better do the same or Israel will be wiped out, and Russia will take over the whole area."

It must be said that only one out of four Americans would approve sending American troops to the Middle East even "if Israel were being defeated by the Arabs," and there are some who will find this a very distressing figure. But this is a very remote scenario and the Israelis have always insisted that they would never ask for troops. The reluctance to send troops should not be taken as a sign of an erosion of American support for more military aid for Israel. To the contrary, there is every sign that such backing is at a peak.

Despite all that has been said about it, neither the public nor the leadership group seems particularly disturbed about Israel's so-called intransigence in the Middle East peace negotiations. A solid majority of the public and 77 per cent of the leaders feel that the current Government of Israel is "reasonable in wanting to work for a peace settlement." It should be added that the Egypt regime is also felt to be "reasonable" by a 2 to 1 majority among the public and a 4 to 1 margin among the leadership group. In fact, there is little demand from American public opinion that Israel be persuaded to give back the territories it has occupied since the 1967 war. The heavily prevailing view at all levels is that "Israel has helped develop occupied Arab territories and will work out a fair way for the Arabs to rule themselves in their own territory." A 55 per cent majority of the public is opposed to America's pressuring Israel to hand back the occupied areas, and a wide 65 to 14 per cent majority is against Israel's "giving up occupied Palestinian Arab territory and letting P.L.O. leader Yasir Arafat rule it."

Indeed, neither Arafat nor the P.L.O. is held in high regard by the public. Arafat's appearance before the United Nations met with a negative response of 58 to 30 per cent. Compared to last summer, the majorities that see him as "an extremist who conducts terrorist activities" and "responsible for the slaughter of innocent children" have grown in number. Yet Arafat is gaining ground as the recognized leader of the Palestinians (up from 19 per cent to 35 per cent in 6 months), and there is no strong feeling among either the public or the leaders that he should be barred from the Geneva peace talks if they ever take place.

The reasons people think Arafat ought to have a seat at Geneva are interesting and reflect an underlying cynicism about world politics. It is a cynicism so widespread that it is becoming hard to find majorities of Americans who are ready to condemn aggressors. The head of the P.L.O. is seen as being only a cut below many of the other figures who might be seated in Geneva. Moreover, Americans have become used to seeing Secretary of State Kissinger holding cordial negotiating sessions with all kinds of previously hostile leaders: Brezhnev, Mao, the North Vietnamese and every shade of Arab potentate. Why shouldn't Arafat sit in at Geneva, the reasoning goes, even if the P.L.O.'s acts of terrorism are despicable?

In the complex web of concerns that make up the Middle East problem, there is one that dominates all others in the mind of the American public. It can be summed up in a statement from our recent survey: "Arabs are getting rich on our dollars, and as a result we and the rest of the world are suffering bad inflation and economic hardship, which is wrong."

Since last fall, a massive backlash against foreign oil-producing countries has formed in the United States and it now colors nearly all other American views. When asked to name the leading cause of inflation, 76 per cent of the public singled out foreign oil-producing countries. When asked to account for the recession, 63 per cent pinpointed "Arab oil producers." Fully three out of four Americans blame last year's oil shortage on the Arab embargo, while two out of three blame the Arabs for the rise in the price of oil. With a kind of indiscriminate intensity, the American people attribute their energy troubles, as well as their general economic woes, to oil—and to most, oil means "the Arabs."

But even as they appreciate the spectacular increase in the wealth and power of the Arab world, the American people remain firm in their support of Israel and determined to maintain this position. A 68 to 20 per cent majority rejected the notion that "we need Arab oil for our gasoline shortage here at home, so we had better find ways to get along with the Arabs, even if that means supporting Israel less." The percentage that rejected this argument last summer was only 61 to 23.

The response to the pivotal question in the entire survey was profoundly illuminating. The question was this: "If it came down to it and the only way we could get Arab oil in enough quantity and at lower prices was to stop supporting Israel with military aid, would you favor or oppose such a move by this country?" A 64 to 18 per cent majority of the public, which contains only 3 per cent Jews, came down decisively against abandoning Israel to get enough oil. An even higher, almost unanimous 93 to 5 per cent majority of the leaders expressed the same view. Yet, when a special national cross section of 567 Jews was asked how non-Jews in America would feel, by 45 to 34 per cent, the Jews were quite sure that they would opt for oil, not Israel.

It is clear that most Americans are unwilling to make Israel the victim of what many feel is a "game of Arab oil blackmail," as one United States Senator put it. There is little doubt that the Arabs have badly miscalculated American public opinion in this country. This is not to say that the public favors the use of force to take over the Arab oil fields. A 58 to 25 per cent majority opposes this. But that is beside the point. With the exception of Egypt's President Sadat and Jordan's King Hussein, Arab leaders, including the murdered King Faisal of Saudi Arabia, are now viewed as foes of the United States and are highly unpopular. Sadat is a familiar figure to 55 per cent of the public, more than know most Democratic candidates for President, and 69 per cent have a favorable view of him. He is one of the few bridges the Arab world has to the American public.

Though opinion in this country has deep reservations about the Arab world, it does not accept Israel uncritically. Americans feel that the Israelis have taken American support for granted too easily. A majority of 62 per cent to 24 per cent and only a slightly smaller majority of 56 to 36 per cent of leaders believe that "Israel is friendly to the United States because it wants our military supplies." Even more damaging is the 48 to 33 per cent plurality of the public which hold that "Israel seems to feel the United States will back them up, no matter what they do." The leaders deny this, but the difference is only marginal.

If Israel projects the view that it takes American aid for granted, there is certain to be a serious erosion of votes in the Congress during the military aid debate in the coming months. An Israel which appears to shun all peace efforts and boasts of its military power could well be told to find its backing elsewhere. In sharp cantrast, an Israel which appeared eminently reasonable about negotiations can easily make its case for continued military aid. At the moment, Israel is benefiting as much from anti-Arab sentiment over oil as from pro-Israeli feeling in its own right.

The extent and depth of support for Israel may come as a surprise to many, but the most surprised group of all will be American Jews, who now seem totally possessed of a doomsday vision of what will happen to Israel and what might happen to Jews in this country. A prominent Jewish lawyer in Chicago put it this way, "Senator Percy is known for having his ear to the ground. When he made all those friendly remarks about the Arabs, he could see the handwriting on the wall. Don't kid yourself, the fact that Arabs have oil power is changing everything. Combined with the recession, you'll see Jews not being hired and I wouldn't be surprised to see middle America blame the whole economic mess on the Jews before it is all over."

Let us return to the case of General Brown. By 45 per cent to 42 per cent, most Jews felt that non-Jews thought "it was proper and right" for the general to say what he did. Yet, when non-Jews were asked about the general's statements, by 61 to 19 per cent, a solid majority—and an even higher 78 to 15 per cent of the leadership—said Brown's comments were "improper and wrong."

But this discrepancy is only the beginning. Where American Jews really take off into flights of fantasy is on the subject of anti-Semitism itself.

It can be argued that people may say one thing and really believe another when it comes to such delicate matters as racial and religious prejudice, and anyone who looks closely at public opinion must take this into account. In the case of Jews, the Harris survey took steps to deal with the problem. An attempt was made to match Jewish interviewers with Jewish respondents and non-Jewish interviewers with their counterparts to reduce as much as possible any hesitation among non-Jews to express anti-Semitic attitudes or among Jews to express their perceptions of anti-Semitic attitudes. There is evidence that the exercise was useful. Compare these Jewish estimates of non-Jewish attitudes with the facts of the matter: 62

per cent of all Jews hold the view that non-Jews think "Jews are irritating because they are too aggressive." Yet, no more than 31 per cent of the non-Jewish public believes this. Fifty-two per cent of all Jews think non-Jews feel that "when it comes to choosing between people and money, Jews will choose money." Only 32 per cent of the non-Jews actually feel that way. This same pattern could be repeated on a whole list of attitudes. For each, Jews vastly overestimate the hostile feelings of non-Jews.

If we total all the unfavorable stereotypes, it can be estimated that 31 per cent of the non-Jewish public in the United States hold attitudes about Jews which can be described as anti-Semitic. This is not a small number and it certainly confirms the fact that anti-Semitism is very much alive. Indeed, trend measures indicate that there has been a marginal rise in anti-Jewish feeling from 28 percent last year. However, when Jews were asked to estimate anti-Semitism, a much higher 56 per cent estimated that non-Jews held prejudiced views about them.

The inescapable conclusion is that American Jews have somehow lost touch with the reality of where anti-Semitism really is. The dangers in this major malcalculation by the Jewish community are many. It could mean that American Jews may be consistently ignoring their natural allies in the fight against anti-Semitism. It could also mean that they are serving Israel poorly by automatically assuming hostility to Israel when rather powerful support actually exists. Most importantly, American Jews could well be giving an impression of such insecurity that they are inviting the hostility they fear.

All minorities tend to think things are worse for them than they are. It is part of the survival mechanism and is understandable in human terms. But in today's climate of opinion, American Jews have vastly overestimated their own problems as well as the precariousness of Israel's position. What we have found is that support for Israel is deep and wide among non-Jews, and anti-Semitism is holding at traditional levels. This may be no great consolation to the American-Jewish minority, but it is hardly a prelude to holocaust.

THE ENTERTAINMENT INDUSTRY AND "THE WALTONS"

Mr. CRANSTON. Mr. President, entertainment, through its many media—films, television, radio, sound recordings, live stage shows, concerts, and legitimate theater—is a major California industry. Its impact on our national life, for better and for worse, has been tremendous.

Therefore, I would like to observe the accomplishments of one outstanding television series that has brought pleasure and enjoyment into many homes—Lorimar Productions' "The Waltons."

Popular entertainment, and television, in particular, have been challenged for lack of creative and interesting family programs. "The Waltons" has established a new and high benchmark in television programing for the family. The series has won 13 Emmy Awards, a Peabody Award and many citations during its three seasons on the air.

I am sure that the entire industry joins me in congratulating Lorimar Productions on beginning its fourth season of filming "The Waltons" for CBS Television Network and for their significant contributions to the television industry and to the enjoyment of the national viewing audience, generally.

MARY GARDINER JONES ON AN AGENCY FOR CONSUMER ADVOCACY

Mr. PERCY. Mr. President, I wish to call to the Senate's attention an extremely interesting speech by Ms. Gardiner Jones delivered recently to the Home Economists in Business conference "Interaction '75" in San Antonio, Tex. Ms. Jones addresses herself to the importance of creating an Agency for Consumer Advocacy within the Federal Government. A bill to this effect, which I had the honor to sponsor together with Senator Ribicoff, Senator Javits, and other of my colleagues, and see decisively passed by the Senate, is now being considered by the House.

It is particularly gratifying to note that this instructive argument concerning the need for such an agency comes from a person who is experienced not only in the corporate and academic worlds, but who, as a former FTC Commissioner, knows firsthand both the promises and the pitfalls of the regulatory process. Ms. Jones wisely cautions against unnecessary overregulation. On the other hand, she realistically points out that we have a highly regulated economy which shows every indication of remaining that way. Therefore, we must come to grips with the special challenges of making regulation work.

In our endeavors to reform the administrative process, our goal cannot merely be to swipe blindly at regulatory agencies and procedures. Certainly there is plenty of excess to cut out if we look hard enough. However, any comprehensive regulatory reform needs to be creative as well as surgical. For this reason certain organizations need to be set up which meet new social needs or which streamline outmoded structures so that they can better fulfill the changing demands of society.

The Agency for Consumer Advocacy would be such an organization. It makes sense in terms of social equity by giving consumers a helping hand and stronger voice in dealing with the maze of Government regulations. As Ms. Jones points out, the Agency will "earn its . . . budget many times over in the savings to consumer groups and businesses which will flow from efficient and effective government decisionmaking."

Mr. President, I ask unanimous consent to have printed in the Record Ms. Jones' outstanding speech.

There being no objections, the speech was ordered to be printed in the Record,

Consumer Action Issues

(Remarks by Mary Gardiner Jones)

The most important consumer action issues today in my judgment revolve around the role which government can and should play in today's society.

As a nation we seem to be confronting a host of problems, some new, some old, but all of which require difficult trade off decisions—frequently between equally desirable and competing goals. We are pressed on all sides to come up with effective solutions to our problems of stagflation, to find ways to meet our substantial capital needs, to increase our productivity and to cope with our resource scarcities and pressing needs for low cost energy supplies. At the same time we are being asked to respond to the rising expectations of consumers for higher protection standards against environmental, occupational and product hazards.

Each one of these decisions goes to the very essence of the type of society we want and the price which we must pay in order to come close to our visions and ideals. Many of them will have to be made by government. It is essential therefore that government decision making operate at maximum effectiveness and sensitivity to the needs of all groups in our society.

Yet we are confronted today with a serious problem of regulatory credibility. At the moment, it is a fixed perception on the part of most citizens that business has the inside track in the government decision making process. No matter how far from reality this may be, this lack of credibility of both the regulated and the regulators among increasing numbers of citizens must be reckoned with and dispelled. It constitutes a major consumer action issue which will confront us over the coming years.

A second basic consumer issue, closely related to this general problem of credibility, also goes to the heart of our regulatory system. For the first time in our history, serious questions are being asked as to whether some parts of our economy might not perform more in the consumer interest, if they were substantially deregulated. Moreover, we are also beginning to look carefully at the costs of regulation as well as at its benefits. Regulators are being pressed on all sides to demonstrate benefits rather than simply assume them.

Whether or not we succeed in deregulating some parts of our regulated industries, there is no likely possibility that we will abandon the great bulk of our regulatory programs or that government transfer of fund programs will be dismantled to any large extent in the near future. We live today in a highly regulated society which is not likely to change substantially.

Hence, the principal issues which will confront us over the coming years must be focussed on two major challenges. First, how to restore consumer confidence in both business and government; and second, how to improve the quality and efficiency of government performance.

The decision making required to grapple with today's problems is too complex and too costly a process to tolerate mistakes. Too much energy goes into marshalling data, evaluating it, making the trade offs which are essential between mutually desirable but inconsistent means and ends to suffer bad decision making. Moreover, the costs of bad decision making frequently may not surface until after some period of time has elapsed. During this time dissatisfaction and cynicism can grow out of all proportion; positions will typically harden and polarize as a result and the adverse impacts which do develop become inordinately more difficult to undo and dissipate.

Business knows all this. Look at the time and energy devoted by some members of the food retail industry to pinpointing and trying to solve in advance the potential problems which the Universal Product Code may create for consumers. Similar efforts to anticipate consumer acceptance and match consumer bill paying behavior patterns are also being made by some of the more forward looking members of the banking industry concerned with EFT systems.

Business today is acutely aware of the importance of the consumer viewpoint with respect to all kinds of facets of their business and with the need for consumer acceptance of whatever the new product or marketing innovation under consideration might be. An increasing number of companies are consulting consumer experts, establishing consumer affairs departments and hot lines and in a variety of ways trying to integrate the consumer viewpoint into their day-to-day decision making processes.

If we are to restore confidence in government decisions and improve the quality and responsiveness of government decisions, it is equally essential to integrate consumer viewpoints into government decision making. I am convinced that an essential prerequisite for the restoration of confidence in government is to provide for the active participation of all citizens and interest groups in the government decision making processes which so deeply affect their welfare.

One such vehicle for accomplishing this purpose is the Agency for Consumer Advocacy. The Bill as you know is focussed entirely on providing consumers with a formal voice in decisions made by government agencies affecting consumer welfare. ACA reflects a recognition by Congress both of the importance of integrating consumer views into the government's decision making process and also of the growing maturity and importance of the consumer movement. While organized business such as the Chamber of Commerce, the NAM and the GMA are still resolutely opposed to the new agency, a significant number of companies have come out in support of the Bill. This is a testament to their statesmanship and to the sensitivity of the framers and supporters of the agency who have worked long and hard to produce a Bill which could be workable and realistic and impose minimum burdens on business and maximum benefits for consumers.

I am convinced that President Ford is wrong—just as I believe former President Nixon was wrong—in his opposition to this Bill. The issue is not whether the Bill adds another layer of bureaucracy to the federal establishment. The issue is whether the agency will enhance the confidence of citizens in their government by giving them a direct representative on the federal level—an important goal by itself—and whether it will in fact improve the decision making of the federal establishment. We must determine whether the benefits of such improved decision making will out-weigh the cost which may be entailed in the operation of the agency, in any decision making which may be occasioned by consideration of data presented by the agency and in any additional litigation which may ensue if the Consumer Advocate believes it necessary to challenge an agency decision in court. It is clear to me that it will be far less costly and far more effective to establish a single agency to represent consumer viewpoints in government than it would be to create separate consumer offices in every government agency whose decisions affect consumer welfare.

I do not want to argue the case here for the ACA. I have done that elsewhere and others have done it better than I. What I would like to do is touch briefly on the present provisions of the ACA as it has been reported out of the Senate Governmental Affairs Committee and then spend a few minutes discussing with you how I see this agency performing its responsibilities with maximum effectiveness.

A primary and early goal of the agency must be to develop hard data on the scope and intensity of the range of consumer problems encompassed in the Act's definition of consumer interest.[1] To date no systematic effort has been made to secure this type of basic and essential data. There is no capability either on the campuses or within existing consumer organizations to identify and evaluate the existence and importance of consumer problems and to apply cost benefit and social accounting techniques to determine priorities of consumer problems on the one hand and to evaluate the feasibility, costs, benefits and effectiveness of alternative solutions on the other hand. The development of this needed data and this type of capability is of fundamental importance to consumer groups as well as to legislators and other persons concerned with promoting and protecting consumer interests. Its collection must be a major priority goal of the new agency.

In discharging its primary function of representing consumer viewpoints in government decision making, the new agency will be confronted with a vast sea of government agencies each of which will be making innumerable decisions through a great variety of proceedings which will affect consumers in a variety of ways. It is obvious that the new agency could not begin to develop sufficient expertise—let alone manpower—to intervene in any but a minuscule portion of these multitudinous activities of the federal establishment.

An early priority, therefore, for the agency will be to identify the particular divisions and bureaus within the various government departments and agencies which are involved in matters affecting consumers. At the same time it will also be necessary to identify the relevant ongoing decisions and programs of these divisions and bureaus and the procedures which they employ in making their decisions. Much of this data can be gathered by the agency itself. Much of it will have to be developed through regulations requiring identification of consumer programs and of applicable agency rules and procedures relating to these programs. Ultimately, the agency will want to develop procedures—either through individual negotiations with individual agencies or through rule making—for the type and timing of the notice which it will need in order to determine what course of action it wants to pursue with respect to the many agency decisions and programs which may affect the consumers' interests.

The agency will also have to determine the type of internal organization which will best enable it to discharge its vast responsibilities and the types of skills which it must have at its command in order to be an effective force in the government establishment. Clearly it will require skills in the engineering, marketing, consumer behavior, economic policy analysis and scientific disciplines, to name only a few. It will have to determine whether its substantive contributions can best be generated by focusing on particular groups of agencies or by focusing on common consumer problems such as transportation, communications, environmental, occupational and product safety problems, energy and other industry problem areas involving particular resource allocation needs.

Regulatory effectiveness is a critical issue affecting both consumers and business today. Consumers are acutely aware of the fact that simply creating a governmental response to a problem is no assurance that that response is either appropriate or necessarily likely to be effective to produce the solution desired. Indeed we are beginning to recognize that on occasion the governmental solution reached for creates more problems than it solves.

Consumers also have limited resources both of time, energy and most important, of funds. They cannot afford to use up precious resources backing legislative or regulatory solutions to problems which will not be effective or worse still counterproductive to their long range interests. Clearly what is needed by consumers—and business as well—is some central clearing house first, to dispense information about the scope and nature of existing regulatory programs designed to tackle given consumer problems; and second, and much more important, to provide conscientious and expert evaluation of the benefits, the costs and likely effectiveness of these regulatory programs. The fifty states and the various city and local entities in this country provide a beautiful experimental laboratory for all types of regulatory ideas. Many of these states and local entities have enacted laws and regulations to cope with emission controls, sewerage treatment programs, water and air pollution, congestion and a vast number of marketplace consumer problems. No one has yet sought to tap this vast amount of data, or to capitalize on these test markets and gather data on these regulatory experiences in dealing with consumer problems.

I believe the new Consumer Advocacy Agency must develop a strong capability to gather before and after data on consumer legislation and regulation, to set up evaluative standards and to make every effort—however imperfect and incomplete the data—to provide appraisals to consumer groups and to business on the costs of these programs, their impact on consumer welfare and on business productivity and profits, and on their general efficacy in bringing about the desired changes in the community problems and conditions which gave rise to them.

This same capability will be invaluable to the agency in discharging its own advocacy functions. One of the principal input needs of the operational decision making agencies is not only to understand the consumer interests in the problem being tackled but to be innovative in finding ways to promote and safeguard these interests along with all the other interests involved in the particular matter. An innovative Consumer Advocate, armed with hard statistical empirical data both on the nature of the consumer interests involved and on the types and costs of solutions which are available will provide an essential and unique contribution to the decision making agency.

Finally, there is a major need in this country to come to grips with the question of "who speaks for the consumer," i.e., which consumer's needs should be responded to, or which of several conflicting needs and desires within the same consumer should be responded to by business and government. Is there a "consumption interest" which is greater than the aggregate interests of individual consumers? These questions make clear the need to develop techniques for building consensus or consumer policy issues involving conflicting values. An important function of the Consumer Advocate could be to develop techniques for identifying these conflicting values in consumer policy and to determine whether communication techniques, exchange of information, or other means of educating citizens to the need for trade offs among competing values would build a significant consensus on consumer policy needs.

In short, I look to the new Agency for Consumer Advocacy to provide a much needed expertise in the art of regulation which is sorely needed in the federal establishment. If it can in fact develop such a comprehensive expertise—either inhouse or through the use of its contracting authority—it will earn its 25 million dollar budget many times over in the savings to consumer groups and business which will flow from efficient and effective government decision making. The Agency has the potential for restoring citizen confidence in government and improving the effectiveness of government decision making.

All of us have a clear interest in helping it to succeed in its mandate.

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[1] The Act defines the consumer interest to be represented by the Consumer Advocate as intended to be affected by the Act as the "health, safety and economic concerns" of consumers involved in goods and services which "may become the subject of commercial transactions or which are related to any terms of conditions of such transactions."

THE PRICE OF MEAT

Mr. HUDDLESTON. Mr. President, two recent articles, one in the Washington Post and the other in the Wall Street Journal, have dramatically pointed out some of the problems faced by the meat industry of this country. Total U.S. per capita meat consumption in 1971 was 192 pounds. This dropped to 176 pounds by 1973 and has not yet recovered. And at this point there appears to be little likelihood of again reaching the 1971 level.

Mr. President, I have often said that agriculture is the base of our economy and that we cannot afford economic instability in this sector. Last spring Congress passed an emergency farm bill, which the President vetoed, that would have increased target prices and loan levels. The economic rationale for both established prices and loan levels is to lend stability to the markets of the respective commodities.

Without the stabilizing influence of realistic target prices and loan levels wide variation in production and prices can be expected. Severe instability in crop prices means not only wide swings in availability of crops but is transmitted directly into uncertainty in livestock production.

Agricultural instability causes particular hardships for rural America where agriculture is the dominant economic activity. Even though relatively few people are directly employed in agricultural production, thousands of other people are engaged in providing goods and services to farmers.

Mr. President, an editorial in the June 21, 1975, Washington Post entitled, "The Price of Meat," delineates with economic accuracy the underlying causes of the oscillation in meat prices. In addition, an article entitled, "Per-Capita Food Consumption May Hit 6-Year Low as Shoppers Become Choosier," appearing in the June 30, 1975, Wall Street Journal points out that although the demand curve for food is highly inelastic the consumer does have some fair degree of latitude regarding substitution and reduction of foods consumed.

Mr. President, I ask unanimous consent that these two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 21, 1975]

THE PRICE OF MEAT

The price of meat has shot upward again over the past two months, and will probably go higher this summer. The amount of meat that the average American eats has declined significantly in recent years, and may well drop even farther. This shift away from meat, in the American diet, is one important indication of the degree to which the people of this country are already changing their habits in response to a new economic climate, one that no longer promises steady growth. It is another item in the slight but perceptible decline in the American standard of living over the past several years.

Meat consumption per capita went to a peak in late 1970, and never again has been quite so high. In 1971, with the arrival of the last recession before the present one, consumption dropped. With the recovery and boom, it rose again—but then came the massive sale of wheat to the Russians. That brought high grain prices here at home, which by early 1973 translated themselves into sharply higher meat prices. The consumers' reaction was immediate and angry. That spring the housewives' strike started, and families began cutting back on beef as a deliberate protest. Then the Nixon administration tried to apply price controls to meat, a disastrous mistake. When the controls were dropped, after a summer of shortages, meat prices hit astounding heights—which, incidentally, they are now once again approaching.

The explanation of the current surge of prices is clear. Over the past several years, the Nixon and Ford administrations have largely dismantled the price stabilization structure that traditionally held down the fluctuations in grain prices. At the same time the rest of the world, growing steadily richer, has begun to buy unprecedentedly large quantities of American food. But some of the biggest customers, like the Russians, buy very irregularly depending on the value of their own harvests. The result is a pattern of great turbulence that keeps bringing sudden and unexpected swings in prices at the grocery store.

Because last year's grain crops were damaged by weather, grain prices went up in the autumn. That hurt the meat producers, who began to send animals to market in unusual numbers to avoid having to feed them. That kept meat prices down—but only temporarily. Next, grain prices began to fall because foreign purchases were down and the coming crop will apparently be huge. Now the meat producers again find it profitable to keep their animals and feed them. With fewer of them currently coming to market, the wholesale prices of beef and pork have risen by one-third since early April.

Since late last year, Americans have been buying less meat—the combined effect first of another recession and now rising prices. At that peak in late 1970, we were eating meat at a rate of 160 pounds a year per person. The present figure is just about 10 per cent lower. This decline hardly suggests that the average family is going hungry. On the contrary, it is probably true that a little less meat would be good for most people in this country. But at the dinner table, as in a good many other places, people find themselves getting along with a little less of those pleasant things that they once took for granted.

Unfortunately, the consequences of the present price rises go well beyond a mild and salutary trimming of the rich American diet. They are inflationary for everyone, and they are a particular danger and hardship for the poor, many of whom already live well below adequate nutritional standards. Overseas, many nations now depend upon a sustained high level of American agricultural production to feed their own people. But the present experience is only adding additional evidence to the old lesson that agricultural markets are basically unstable unless governments step in to buy reserves and dampen the swings in prices. The American government filled this responsibility for a generation, from the Depression until several years ago. But now, partly to save money and partly out of blind faith in a crude version of free market theories that, in this case, are inapplicable, two presidents have largely abandoned the stabilizers. The result is that American agriculture has now fallen into a period of great instability, in which both prices and supplies are continuously unpredictable. The administration appears not to have given much thought to the somber and dangerous implications of this kind of instability in the nation's food supply. But the latest effects of it are now visible at the meat counter of your supermarket.

[From the Wall Street Journal, June 30, 1975]

COMMODITIES: PER-CAPITA FOOD CONSUMPTION MAY HIT 6-YEAR LOW AS SHOPPERS BECOME CHOOSIER

At a Philadelphia supermarket, newlyweds Richard and Nora Brownstein move past the egg display without stopping. "I don't eat eggs because of the high cholesterol," says Mr. Brownstein, a medical student. "And I don't eat them because they're too expensive," adds his hospital-technician wife.

The Brownsteins are among the real people behind government statistics that show shoppers are being unusually selective in their food purchases these days. The Agriculture Department estimates that per-capita food consumption may drop nearly 1% this year, to the lowest level in six years. Reduced consumption of foods derived from livestock—such as pork, eggs and dairy products—will account for the bulk of the decline. But consumption of crop-related foods—such as processed vegetables, cereal products, sugar and coffee—isn't expected to rise much above last year, when such consumption fell almost 2%.

Tight supplies of certain items, such as pork, and higher prices are key factors in the declines, but talks with a number of consumers indicate that these are by no means the only reasons for the altered eating habits. Some people are repelled by what they consider the inferior quality of some foods. Some say they can eat less and still be adequately nourished. Still others are worried that certain foods might be damaging to their health.

CASE IN POINT

The eggs shunned by the Brownsteins are a case in point. Egg prices in the first three months of this year averaged 2.5% below the preceding quarter and were a hefty 11% under the year-earlier period, yet the long-term downtrend in use continues. In 1960, the average American consumed 334 eggs. Last year, the figure fell 2.7% from 1973 to 286 and for 1975 the Agriculture Department expects "another sharp drop."

Government forecasts for 1975 indicate less eating of red meat. Rebecca Jefferson, a 20-year-old Dallas bank teller, says she's trying to live on hamburger to save money." In the same store, Rhonda Johnson, a teacher, tells of switching from meat to other foods such as fish and poultry. "It isn't just the money; you don't need large quantities of meat for your protein," she says.

Chicagoan Ann Canna, who feeds 18 grandchildren on a small income, recalls how she used to economize by making her own luncheon meat from "hog feet, ears, snouts and stuff like that." But now, says the former Mississippi farm girl, even those ingredients are too expensive and she's relying on her home vegetable garden. "The good Lord's gonna have to be especially good to us," she says.

REDUCED PORK OUTPUT

In Philadelphia, housewife Donna Kahn declares: "I just don't eat beef. I do it for conservation and health reasons." But to Agriculture Department seers, Mrs. Kahn isn't representative. They say the decline in meat consumption this year will result because record beef consumption will be more than offset by reduced pork output. They think pork consumption could be down about 11 pounds a person from 1974 to 54 pounds, the smallest in 40 years.

Pork does seem to give many shoppers pause. In New York's Greenwich Village, Sall Illuzzi passes up the pork the first time around, after protesting loudly about the price, then relents and drops some in her cart. But in Philadelphia, Sylvia Udell has more will-power and a different objection. "I've been debating on this package of bacon because it has sodium nitrate. I think I'll put it back." She does.

Miss Udell's aversion to chemical additives apparently is shared by quite a few shoppers. In the same store, Barbara Arango, who combines the careers of mother, law student and probation officer, holds aloft a can of fruit drink. "Look at this! Sodium citrate, stannous chloride, artificial flavor. If you drink this all your life, it's going to take its toll."

NATURAL FOODS

Mrs. Shirley Maraj of La Canada, Calif., says she has switched to natural foods exclusively, as a result of her reading on the subject. "All I do in the grocery store now is read labels to find out if artificial ingredients are added," she says. And Mrs. Martin McRedman, a Dallas grandmother, says she, too, doesn't eat chemically preserved foods because she's "turned off by all the additives in them" and thinks they're "junk."

That word junk recurs frequently in the conversation of consumers and often refers to sweets. (The government says sugar deliveries are down for early 1975 despite price declines.) Mary Wagoner, a Los Angeles area shopper, asserts: "I no longer buy any junk foods" and says she eschews canned fruit and juice "because of all that sugar." In a nearby aisle, Mrs. Betty Halter says she's switched to hot cereals "to get away from the packaged stuff with all that sugar in it." Mrs. Halter also says she has cut back on chocolate "because it isn't good for the kids." Last year, per-capita cocoa consumption dropped to 3.7 pounds from 4.2 in 1973 and is expected to hit 3.5 this year.

THE NEED FOR NATIONAL ECONOMIC PLANNING

Mr. JAVITS. Mr. President, Senator Humphrey and I have been greatly pleased by the national debate that has been generated by the Balanced Growth and Economic Planning Bill which we recently introduced. The Wall Street Journal recently published an editorial against the bill, and in response to this I wrote a column on the need for national planning. The Wall Street Journal published my article on their editorial page today, so that both sides of the issue could be presented to their readers.

Mr. President, I ask unanimous consent that the article entitled "The Need for National Planning" in the Wall Street Journal of July 8, 1975, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Need for National Planning

(By Senator Jacob K. Javits)

The Balanced Growth and Economic Planning Bill has opened a great national debate on the American economy and its future.

It is this response that the planning bill seeks to engender and systematize with regard to national economic objectives. However, it is important to set the record straight in order to avoid an accumulation of misunderstandings and false labels, such as the "garden variety socialism" cultivated in The Wall Street Journal's own word patch. If the bill is to be considered on its merits, the journalistic coloring license should be exercised with restraint.

Indeed, The Wall Street Journal itself recently published a very interesting article by Timothy D. Schellhardt on the success of the tiny Council on Wage and Price Stability in inducing other government agencies to examine the economic impact of their rules and regulations on business and consumers. When one recalls the hue and cry raised among business interests when the Council was first established, it is interesting to find that its actions have since drawn praise from significant elements of the business community.

Just as business has discovered that the Council on Wage and Price Stability can be a flexible tool to make the operation of government more efficient, it is just possible that tomorrow's entrepreneur may come to similar conclusions about an Economic Planning Board.

One of the principal arguments against planning is premised on the view that people are now free to make a vast number of meaningful choices. That assumption is certainly open to challenge. It is undoubtedly true that people may make choices as to the types of razor blades they wish to use. We may also choose from among a vast assortment of deodorants, hair sprays, frozen food, tires, shoes and a long list of other consumerables. It is beneficial to be able to choose among these goods, and, as we are reminded *ad nauseam*, the Russians are not fortunate enough to be able to make such choices. What is lost in the obfuscation on this issue is that the Swedes can make the same choices, but also get a national health care scheme and a safe environment.

FREEDOM TO EXCESS

There are more fundamental choices that are somewhat more constrained by circumstances beyond individual control. They have to do with employment, housing, education and the use of leisure time. Many Americans are fortunate in the great scope of freedom they may exercise even in these significant areas, but there are occasions when one man's freedom seriously inhibits the rights of another. Before the Joint Economic Committee hearings on planning, a witness was incensed because the government imposed a minimum wage, which he said, "prevents the young and the unskilled from exercising the fundamental freedom of negotiating for a job on their own terms." I couldn't help but think that freedom for employers to manipulate the job market to their own ends is quite different than freedom for the millions of teenagers and unskilled workers to get badly needed employment under decent conditions and for decent wages.

At the most important level in our lives there are too few options from which to choose. The fact is that our system is not adequately equipped to deal with trade-offs between public and private services. There is a vast market for canned dog food, but too many of our elderly are forced to subsist on inadequate diets. The dogs are lucky to have owners who care for them—too many old people aren't as fortunate.

There are vast sums available for violent or simple-minded televisions programs, but in too many cases our education system produces virtual illiterates. Could we not strike some better balance?

Can we really choose between clear air and big, gas guzzling cars when someone else's choice pollutes the atmosphere?

Do we really need so much plastic packaging if it litters the landscape permanently?

Planning, especially the regional and local participation by citizens in every part of the nation, just might help break the stranglehold of pure commercialism and permit people to express their choices through other means than their wallets.

One can't help but observe that there is a school of thought which finds planning perfectly acceptable for corporations but quite unacceptable for government. The reason for this, as stated by The Wall Street Journal, is: "Unlike corporate planning, which generally leads to decisions with an eye to maximizing efficiency and profits, government economic planning is dictated by political goals that are often inimical to efficiency."

It is true that political goals may sometimes be inimical to efficiency but efficiency is neither the exclusive property of private enterprise nor necessarily the highest virtue in our society. Ours is not yet a corporate state.

It just may be that one source of our current economic difficulty is too great a concern with "efficiency" in government. In the name of efficiency millions of Americans would be consigned to the scrap heap of endemic unemployment in order to try to shave some mathematical fractions from the rate of inflation. Even if the trade-off works, our society has larger, more humane goals than efficiency alone.

It is likely that the development of a plan under our bill will require political compromise, and that is altogether proper. That is after all what the political system is about—to articulate and set in a legal framework the goals and means to achieve those for the society. Economic policies, to be accepted politically, must serve social ends, not vice versa. That does not mean, as The Wall Street Journal contends, that there is a direct causal link between political compromise and economic "boondoggling."

SLOWER ECONOMIC GROWTH

If corporations are to take a look at where their companies and the economy are heading, it seems appropriate for the government to do the same. In fact, it might just assist corporate leadership to plan effectively if they knew with greater certainty what government intended. Business Week recently ran a very thoughtful article on corporate planning, dealing with a slower rate of growth in the U.S. and its implications. Precisely the same issue ought to engage the Economic Planning Board, in considering the implications of slower economic growth on employment opportunities and the educational system. The manipulation of aggregate demand is inadequate to deal with such a problem.

There is a great potential for updating and harmonizing our information gathering system, for presenting this data to Congress and the people in a form useful for decision making, and for realizing that the planning process will help us choose with more wisdom what we wish to do and where we want to go. No planning mechanism can prevent Congress from acting in willful ignorance, but at least with planning of the type we propose, the people can see our shortcomings more clearly; and Congress, business and labor will see the nettles which have to be grasped if we are to achieve stable growth in a free and equitable society. Just as the new Budget Act holds our feet to the fire, so will the Balanced Growth and Economic Planning Bill.

Planning offers the American people a road map to national objectives but the planners themselves can't force us to take the road of their choice. The Economic Planning Board can present alternatives. But it is the American people, provided with the information they need to make rational decisions, who will determine where we go and how we get there.

GUN CONTROL

Mr. INOUYE. Mr. President, I would like to share with my colleagues an editorial entitled "Pragmatism in Gun Control" which appeared in the June 21 edition of the Washington Star.

Last week, I introduced S. 1975, a bill to increase the criminal penalties for any person who commits a crime of violence for which he may be prosecuted in a Court of the United States when armed with or having readily available, a firearm or other dangerous weapon. I stressed in my statement that "this is not gun legislation. This is a gunman legislation."

Since last April, Massachusetts has had in effect a gun control law which, while not identical with S. 1975, also does not interfere with the time honored constitutional right of all law-abiding citizens to bear arms. Rather, the Massachusetts law seeks to reduce gun-related crimes by making it illegal to carry a weapon in public without appropriate authorization. "The person who ventures into public armed and without the permits is subject to a mandatory minimum sentence of a year in jail with no probation, plea bargaining or suspended sentence." notes the editorial.

I think it is time for Congress to act in this controversial legislative area. The Massachusetts law hopefully marks an effective approach which is deserving of the attention of Members of Congress.

I ask unanimous consent that the Washington Star editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PRAGMATISM IN GUN CONTROL

The only way to control gun-related crime will be, ultimately, a comprehensive ban on manufacture, importation, sale and possession of handguns—exempting only police, military and licensed sportsmen. But that level of social sanity is far down the road. For the time, the attempt to restrict the illicit use of firearms must be pragmatic. Many law-abiding citizens who agree in principle with gun restraints fear they will become vulnerable to predators if they surrender their arms.

Our neighbors up the seaboard in Massachusetts recently put a law on the books that addresses this practical fear. The measure, which took effect in April, in no way interferes with keeping weapons in the home or place of business—if residents obtain a state firearms identification card, available to all except felons, minors and aliens. To carry the weapon outside requires a license to carry the firearm, issued either for protection of life or property or to permit hunters and target shooters to pursue their activities. The person who ventures into public armed and without the permits is subject to a mandatory minimum sentence of a year in jail—with no probation, plea bargaining or suspended sentence.

It is too early to determine if the Massachusetts law will reduce gun-related crime there. But the measure represents, in our view, a significant effort to define a middle ground. Approximately 100 arrests have been made so far and all the cases are in some stage of court action. The National Rifle Association, the most vociferous of those opposing gun control, has not yet taken a position on the law. That is mildly promising. But the organization suspects the statute is a devious, back-door attempt to impose gun registration, a violation of all ten of the NRA commandments.

Other states and federal law enforcement agencies are watching the operation of the Massachusetts law. We commend it to the District City Council, which now is considering a proposal that will read well and be impossible to enforce. The D.C. measure would ban manufacture, sale and possession of handguns and shotguns here—probably a futile device lacking similar laws in Maryland and Virginia.

The council's proposal in no way would allay the fears of private citizens that they, not criminals, would be disarmed. And, of course, their perception becomes the reality. The pending D.C. bill would be a gesture and, worse, with its clear confiscatory sweep it would intensify the ideological furor against any practicable gun control.

Another point must be noted. The NRA and others of the gun lobby contend that rigorous enforcement of present gun-violation statutes would cure the handgun virus. There is validity to this—except that so long as guns exist as profusely as they do in this society, they will be available one way or another to thugs and madmen.

Granted gun-control laws usually have been haphazardly administered. The District is an example. U.S. Attorney Earl Silbert recently told the House District Committee how erratic punishment is for gun offenses. In the six months ending June 30 of last year, 184 persons were prosecuted and convicted on first-offense misdemeanor weapons charges; 168 of these—91.3 per cent—were given suspended sentences, probation or fines. Only 14—7.6 per cent—were sent to jail by judges .

That is astounding. Silbert, asserting that D.C. gun laws are strict and are strictly enforced, questioned whether those laws could be considered deterrents in view of this sentencing record. His doubts are entirely to the point.

The judiciary has got to stop treating gun-violation cases as casually as jaywalking. A law like that in Massachusetts—with its guarantee of punishment, which is a prime element for any kind of deterrence—could begin to lead us out of the handgun jungle which daily threatens property and life.

A MEMORANDUM IN SUPPORT OF RESOLUTION TO DISAPPROVE HEW TITLE IX (SEX DISCRIMINATION) REGULATIONS

Mr. HELMS. Mr. President, as Senators are aware, on June 4, 1975, the Department of Health, Education, and Welfare published in the Federal Register its final regulations purporting to implement title IX of the Education Amendments of 1972 relative to nondiscrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

Because of numerous inconsistencies between the HEW regulations and the congressional enactment, on June 5, 1975, I submitted a resolution pursuant to section 431(d) of the General Education Provisions Act to disapprove the HEW regulations. That resolution—Senate Concurrent Resolution 46—is currently pending in the Committee on Labor and Public Welfare. Since the resolution, to be effective, must be considered by the Senate within 45 days following the transmission of the HEW regulations to the President of the Senate, I certainly hope that the committee will proceed to a consideration of the resolution.

The distinguished chairman of the Subcommittee on Education, Senator PELL, requested me to provide him with specific information indicating exactly which sections of the regulations are inconsistent with the congressional act, and pursuant to his request, I submitted to him a memorandum in support of Senate Concurrent Resolution 46. In order that I may share this material with my colleagues, I ask unanimous consent that the aforementioned memorandum, dated June 24, 1975, be printed in the RECORD.

There being no objection, the aforementioned memorandum in support of Senate Concurrent Resolution 46, dated June 24, 1975, was ordered to be printed in the RECORD as follows:

A MEMORANDUM IN SUPPORT OF S. CON. RES. 46, TO DISAPPROVE THE REGULATIONS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE RELATING TO NONDISCRIMINATION ON THE BASIS OF SEX IN EDUCATION PROGRAMS AND ACTIVITIES RECEIVING OR BENEFITING FROM FEDERAL FINANCIAL ASSISTANCE

PREFACE

While it is my purpose to indicate with some degree of specificity the extent to which I believe that the Title IX regulations exceed and are inconsistent with the authority granted by the Congress to the Department of Health, Education, and Welfare, I believe that a few initial observations and comments may be helpful.

Title IX of the Education Amendments of 1972 was made a part of that Act in the Senate by an amendment offered on the Senate Floor. Therefore, prior to the submission of S. Con. Res. 46, your Committee has not had an opportunity to formally review this legislation. And because the ordinary committee process was circumvented, we are now faced with the difficult task of considering that legislation in an atmosphere almost void of any substantive evidence of the Senate's intention as to its meaning and purpose.

While some might view this vacuum as providing the Department of Health, Education, and Welfare with a so-called "blank check" to seek their own basis for determining Congress' intention and purpose, I cannot agree. On the contrary, it is because of this inadequately developed record that I feel that Federal departments and agencies promulgating regulations purporting to implement the Act should exercise a proper level of judicial restraints befitting a body that is, indeed, acting in a quasi-law making role. This is not to say that HEW was in error in promulgating the regulations. The Department had a clear Congressional mandate to do that, for the second section of Title IX expressly directs the Department to do so. Additionally, Section 844 of the Education Amendments of 1974 expressly directs the Secretary of HEW to prepare and publish regulations implementing Title IX.

Therefore, by the submission of S. Con. Res. 46, I do not seek to challenge the authority of the Department to prepare, publish or enforce such regulations. Rightly or wrongly, Congress has directed that this be done. By S. Con. Res. 46, I seek only to determine the extent to which the Department has succeeded or failed in developing regulations which faithfully and consistently represent the meaning of Title IX.

Further, because of the lack of a fully developed record in the Senate, I believe that it will be useful both to the Department and the Congress for us to utilize this properly constituted procedure to give further elaboration of the Senate's purpose. The HEW regulations are broad, and if allowed to stand, they will have a very substantial impact on many aspects of education and extracurricular activities in the United States. I hope that the Senate will take this opportunity to do that which was not done in 1972 and to exercise more completely its proper role as representatives of the American people and attempt to discern what citizens want in this connection and reflect on how the public interest will be best served.

In the coure of this memorandum, the following plan of organization is observed. The memorandum is divided into two parts, appripriately labeled. In Part I, it is my purpose to address three relatively broad issues that pervade numerous provisions of the regulations. They are: (A) Whether the Department of Health, Education, and Welfare is justified in using racial discrimination cases and regulations as the prototype for the Title

IX regulations; (B) the meaning of an "education program or activity;" and (C) the meaning of a "program or activity receiving Federal financial assistance."

Then, in Part II, these broader issues are related to the specific sections of HEW's regulations, indicating on a section-by-section basis the extent to which it is felt that the regulations are consistent, or inconsistent with the Congressional Act.

In proceeding, the express language of the primary active clause of Title IX should be kept thoughtfully in mind. It provides as follows:

> No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance . . .

This clause, in its elemental divisions, may be viewed as follows:

(1) No person
(2) in the United States,
(3) shall, on the basis of sex
(4) be excluded from participation in, be denied the benefits of, or be subjected to discrimination under
(5) any education program or activity
(6) receiving Federal financial assistance

Of course, it is a fundamental legal principle that all of the above elements must be present before a violation of the statute occurs.

PART I

(A) RACIAL DISCRIMINATION: A PROPER PROTOTYPE?

In developing the Title IX regulations, it is uncontroverted that the Department used Federal court decisions and former HEW regulations pertaining to racial discrimination of an earlier era as a guide in their work. Additionally, when responding to inquiries from my office, representatives of the Department have cited Federal court decisions relative to racial discrimination as their authority in support of certain provisions of the regulations. For example, in a letter of October 25, 1974, Mr. Theodore A. Miles, Assistant General Counsel for Civil Rights, Department of Health, Education, and Welfare stated: "Since the language of Title IX so closely parallels that of Title VI (relative to racial discrimination), I believe it to be legally sound that interpretations as to the scope of coverage with respect to Title IX should also parallel interpretations of Title VI in similar areas."

Without agreeing, one can understand how it might be argued that a court decision relative to one form of discrimination may be cited in support of regulatory action pertaining to another form of discrimination. Presumably, this argument would contend that discrimination among human beings is essentially the same, and the principles are constant. In my view, it is important to dwell on this aspect of the underlying philosophy of the regulations before undertaking a more-detailed analysis of individual provisions, for this assumption by the Department is fundamental and pervades numerous specific provisions of the regulations.

SEX AND EQUAL PROTECTION OF THE LAWS

Therefore, let us consider the appropriateness of citing judicial precedents developed within the context of racial discrimination as support for certain HEW positions regarding nondiscrimination on the basis of sex. A discussion of this point, of course, involves an examination of the equal protection clause of the Fourteenth Amendment to the United States Constitution, which provides simply that "No State shall . . . deny to any person within its jurisdiction the equal protection of the laws." It is elementary that numerous court decisions have provided interpretation of that Constitutional language, and to fully appreciate its meaning, one must consider those cases. Law—the product of human efforts—is, by its very nature, less than perfect; and when a law attempts to ensure equality, its restrictive features impact upon some more than others. An absolutely perfect balance is never achieved, nor can it be. Thus, the Supreme Court, in interpreting the equal protection clause of the Fourteenth Amendment, has held that laws which differentiate among people are acceptable if the disparity in treatment is based upon a rational classification and all persons within that classification are treated equally. The Court's view is that the greatest level of equality is achieved when people who are similarly situated are treated equally, but with a frank recognition that situations vary.

The contention is that this recognition reflects realities of life inherent in the nature of humanity over which no court or government can gain effective control. For example, it is a fact of life that people, once young, grow old; and to require that all 10-year olds, 25-year olds, and 75-year olds be treated altogether as one class is neither the purpose nor the meaning of "equal protection of the laws." Rather, the Court has wisely stated that all individuals in each such classifications are to be treated equally, but to require similar treatment for the 10-year olds and the 75-year olds would benefit neither, and would unnecessarily restrict both. This is the meaning of the Constitutional guarantee of "equal protection of the laws." *McDonald* v. *Board of Election Commissioners*, 394 U.S. 802 (1969); *McGowan* v. *Maryland*, 366 U.S. 420 (1961); *Muller* v. *Oregon*, 208 U.S. 412 (1908).

In *Lindsley* v. *Natural Carbonic Gas Company*, 220 U.S. 61 (1911), the United States Supreme Court stated that, in determining the reasonableness of a statutory classification, the following criteria should be considered:

1. The equal protection clause of the Fourteenth Amendment does not take from the state the power to classify in the adoption of police laws, but admits of the exercise of a wide scope of discretion in that regard, and avoids what is done only when it is without any reasonable basis and, therefore, is purely arbitrary.

2. A classification having some reasonable basis does not offend against that cause merely because it is not made with mathematical nicety or because, in practice, it results in some inequity.

3. When the classification in such a law is called in question, if any state of facts reasonably can be conceived that would sustain it, the existence of that state of facts at the time the law was enacted must be assumed.

4. One who assails the classification in such a law must carry the burden of showing that it does not rest upon any reasonable basis, but is essentially arbitrary.

The Court went on to say that "the Classification must be reasonable, not arbitrary, and must rest upon some ground of difference having a fair and substantial relation to the object of the legislation, so that all persons similarly circumstanced shall be treated alike."

The foregoing definition was recited with approval by the Supreme Court in *Morely* v. *Doug*, 354 U.S. 457 (1957). Additionally, in *Reed v. Reed*, 404 U.S. 71 (1971), the Supreme Court, in striking down as violative of the equal protection clause an Idaho law giving preference to men over women when persons of the same entitlement apply for appointment as administrator of a decedent's estate, decided the case on the basis of the criteria established in *Lindsley v. Natural Carbonic Gas Company*. The Court said:

"In applying that clause (equal protection) this Court has consistently recognized that the Fourteenth Amendment does not deny to States the power to treat different classes of persons in different ways. (citations omitted) The Equal Protection Clause of that amendment does, however, deny to States the power to legislate that different treatment be accorded to persons placed by a statute into different classes on the basis of criteria wholly unrelated to the objective of that statute. A classification 'must be reasonable, not arbitrary, and must rest upon some ground of difference having a fair and substantial relation to the object of the legislation, so that all persons similarly circumstanced shall be treated alike'."

The Court felt that giving a preference to men over women in the administration of decedents' estates indeed was not reasonably and substantially related to a proper legislative purpose because there is no justification for treating women differently than men in that regard. However, the important lesson in this case is that the Supreme Court reaffirmed the test of classification enunciated in *Lindsley v. Natural Carbonic Gas Company*, and it did so in 1971, stating that the Court has "consistently recognized that the Fourteenth Amendment does not deny to the States the power to treat different classes of persons in different ways."

Therefore, it is clearly the general rule followed by the Supreme Court that it is permissible under the equal protection clause to establish rational classifications which bear a reasonable relationship to a proper legislative purpose, and to treat various classes so established differently, provided that all persons within a particular class are treated equally. The Court has obviously followed this long-established rule because it provides a means of offering an "equal protection of the laws" without unduly denying one citizen his rights unnecessarily in an overly zealous attempt to ensure another equality.

Additionally, the Court has recognized a presumuption which operates in favor of the reasonableness of legislative classifications. Under this presumption, if any state of facts can reasonably be conceived that would justify the classification, the existence of those facts will be assumed by the Court to be the basis for the classification, and the legislation will be upheld as not violating the equal protection clause. *Lindsley v. Natural Carbonic Gas Company*. Further, in *Muller v. Oregon*, 208 U.S. 412 (1908), the Court held that there are certain "natural classifications" which by order of nature and the being of humanity, are obviously rational, and therefore, acceptable. Such "natural classifications" the Court said include age, sex, weight, and height. Realizing the date of *Muller v. Oregon* (1908), it will be necessary to subsequently consider the validity of that decision in the light of more recent decisions and modern circumstances.

Exception: "Suspect criteria'

In fairly recent years, the Court has developed an exception to the general rule discussed above. This exception evolved out of the race discrimination cases of the 1960's and it provides, in essence, that where the classification is based on certain "suspect criteria," or where the classification restricts a "fundamental" right, a stricter test of the validity of the classification will be applied.

In *Shapiro* v. *Thompson*, 394 U.S. 618, the Court held that, where such "suspect criteria" or "fundamental" rights are involved, the classification must not only meet the standards of the traditional test of reasonableness, as indicated, but there must also be a compelling state interest served by the classification. Under this exception, little or no presumption is indulged in favor of the validity of the classification; but it must stand or fall on its own. *The Constitution of the United States, Analysis and Interpretation*, at page 1474 (1973). Of course, race has been held to be a "suspect criteria" and classifications based on race have been held to be violative of equal protection, absent a compelling state interest. *Brown* v. *Board of Education*, 347 U.S. 483 (1954); *Hunter* v. *Erickson*, 393 U.S. 385 (1969). However, even in this regard, the Court held in *Lee* v. *Washington*, 390 U.S. 333 (1968), that preservation of discipline and order in a jail might justify racial segregation there if shown to be necessary (and compelling to the interest of the state)." *The Constitution of the United States, Analysis and Interpretation*, at page 1474, footnote 4 (1973).

While race has been the primary application of the "suspect criteria" exception, nationally and alienage may also be included. *Graham* v. *Richardson*, 403 U.S. 365 (1971). But, while "suspect criteria" is directed to the reasonableness of the classification, the "fundamental" rights question involves the validity of the legislative purpose. Only a compelling state interest will justify the abridging of such rights. Examples of "fundamental" rights include the right to vote, *Dunn* v. *Blumstein*, 495 U.S. 330 (1972); the right to interstate travel, *Shapiro* v. *Thompson*, 394 U.S. 619 (1969); the right to be free of wealth distinctions in the criminal process, *Tate* v. *Short*, 401 U.S. 395 (1971); the right to procreation, *Shinner* v. *Oklahoma ex rel.* Williamson, 316 U.S. 545 (1942).

The application of this stricter test has been limited to criteria involving race, nationality, alienage and the Court has generally attempted to strike down efforts to structure classifications, however derived, which have the practical effect of classifying by race.

Private v. State Action

While the above discussion has been directed largely at state action, that is to say state laws establishing classifications, it is important to note that action in this regard may be of a private nature, as opposed to governmental. With regard to private action—that is to say, action by individual citizens, or private institutions—the Court has taken the position that the equal protection clause does not apply, and private established classifications, however unreasonable, do not constitute a violation. In *Shelley* v. *Kramer*, 334 U.S. 13 (1948), the Court said that: "The 14th Amendment erects no shield against merely private conduct, however discriminatory or wrongful." This, of course, is a frank realization by the Court that, while it can strike down and prohibit governmentally imposed discrimination, it cannot effectively control the minds of citizens which are ultimately answerable to a higher tribunal.

On the other hand, while the equal protection clause does not empower the Supreme Court to review private classification, Congress has acted in this regard, and the Court has upheld such Congressional enactments. For example, the Court did not have the authority to prohibit racial discrimination in public accommodation, but Congress enacted the Civil Rights Act of 1964 prohibiting such discrimination. In *Heart of Atlanta Motel v. U.S.*, 370 U.S. 241 (1964), that provision was upheld by the Court; and regardless of prior debate concerning Congress' authority to regulate such private action, it is clear that Congress may now do so. Of course, prior to 1972, Congressional limitations upon the right of private citizens and educational institutions to establish classifications of their own choosing had been limited primarily to matters pertaining to race, religion, color, national origin, and the like. And even with the enactment of Title IX of the Education Amendments of 1972 relative to discrimination on the basis of sex "under any education program or activity receiving Federal financial assistance . . .," Congress has only partly limited private or state classifications using sex as a criteria. To be sure, there are other Congressional enactments pertaining to equal employment opportunity, etc., but clearly, Congress has not chosen to directly pattern legislation relative to sex as a classification after the racial legislation of an earlier era. For example, under existing law, public accommodations may not be restricted on the basis of race, but they may be restricted on the basis of sex. It is not permissible to maintain any racially separate classes in public education institutions, but it is permissible to maintain certain separate classes for boys and girls, even under the extreme position advanced by the Department of Health, Education, and Welfare.

Is sex a "suspect criteria?"

But recalling that HEW is citing Federal court decisions and former HEW guidelines as authority for many of the provisions contained in the Title IX regulations, one is compelled to ponder the validity of such action in terms of legal scholarship and decisions of the United States Supreme Court. If HEW considers that there is no legitimate distinction between race as a classification and sex as a classification, so that they may be viewed collectively and a race discrimination case may be cited in support of a sex discrimination regulation, and vcie versa, one wonders if the United States Supreme Court has adopted this view. Having reviewed above the position of the Court regarding race as a classification, let us now continue our review of the decisions of the Court relative to sex as a classification. Surely, it is uncontrovertible that the United States Supreme Court, with its twenty years of history in striking down acts of discrimination, is uniquely qualified to determine the validity of HEW's contention that racial discrimination cases and regulations are an appropriate authority to support sex discrimination regulations which are supposed to implement a Congressional Act.

How then does the Court view sex as a criterion for establishing a rational classification under the equal protection clause? Does the Court, like HEW, view sex as a criterion on the same footing with the previously disapproved efforts to establish race as a criterion? Because of the HEW assertion of similarity, this question is clearly central to a consideration of the consistency of the Title IX regulations with the Congressional Act. Let us then briefly review what the Supreme Court has said about sex as a classification under the equal protection clause:

"Prior to November 22, 1971, the United States Supreme Court has never invalidated any law or regulations discriminating between people solely on account of their sex. In a number of earlier decisions spanning almost a century—from *Bradwell v. Illinois*, 83 U.S. (16 Wall.) 130, in 1873 through *Hoyt* v. *Florida*, 368 U.S. 57, in 1961—the Court has uniformly rejected the argument that various sex-based state laws contravened certain guarantees of the fourteenth amendment." "Sex Discrimination and the Supreme Court—1971–1974," *New York University Law Review*, by John D. Johnston, Jr., Professor of Law, Vol. 40, No. 5 (Nov. 1974)."

As Professor Johnston points out, during the period 1971 through 1974, the Court heard and decided six cases dealing with this question. In *Reed v. Reed* (1971), previously discussed, the Court clearly applied the traditional "rational classification" test. Then, in 1972, the Court decided *Stanley v. Illinois*, 405 U.S. 645, which involved an Illinois statute declaring that the mother was the sole parent of an illegitimate child. The constitutionality of the statute was challenged by the father of the illegitimate child. In striking down the statute, the Court decided the case primarily on "due process of law" grounds, finding that the father had been denied custody of the child without the benefit of a hearing as to his fitness to be its guardian. While mentioning the "equal protection clause" within the context of married versus unmarried fathers, the Court, in resting the weight of the decision on the "due process clause," elected not to directly address the question of sex as a classification under the "equal protection clause."

In 1972, the Court heard *Frontiero v. Richardson*, 411 U.S. 677. The case involved an Air Force officer who attempted to claim her husband as a dependent in order to obtain housing and medical benefits. The statutes authorizing dependents' allowances for military personnel provided that married males were eligible to receive allowances without proof of their wives' actual dependency, whereas females were required to prove that their husbands were dependent upon them for more than one-half of their support. While the Court held the statute invalid as violative of the Fifth Amendment due process-equal protection standards, the majority of the Court declined to treat sex as a "suspect criteria" justifying the more-strict review test.

During the following term, the Court heard *Cleveland Board of Education v. Lafleur*, 414 U.S. 632 (1974). Before the Court was a challenge to the validity of mandatory pregnancy leave regulations imposed by two public school boards upon their female teachers. Deciding the case on due process grounds, the majority held that a regulation mandatory pregnancy leave four or five months prior to birth of the child was arbitrary, as were regulations prohibiting re-employment prior to a stated period following birth; but it upheld a rule making the teacher eligible for re-employment as soon as a physician certified her fitness, but deferring her resumption of responsibilities until the beginning of the next school year after such certification. The Court indicated that the latter rule served a legitimate state interest in preserving continuity of instruction; and it was sufficiently flexible to take into account individual differences among women as to when they could resume employment following childbirth. The decision did not indicate that pregnancy is not a condition unique to women, or that it is analogous to any other temporary disability. On the contrary, the Court upheld a rule requiring a certification of fitness by a physician before a woman who had given birth could resume employment. There was no indication of evidence that any such certification was required for men who had undergone any infirmity, or that it was required of women for any infirmity other than pregnancy. Hence, the Court approved the treatment of pregnacy as a condition unique to women, justifying a special rule of a distinct classification of teachers.

Three months after the *LaFleur* case, the Court decided *Kahn v. Shevin*, 416 U.S. 351 (1974). Under consideration was the constitutionality of a Florida statute which granted a $500 exemption from *ad valorem* property taxation to every "widow, blind person, or totally and permanently disabled person." The statute was challenged by a widower. The Court upheld the statute, and based its decision on the traditional "rational classification" test, citing the *Reed* case as authority. The Court said:

"It has been ably pointed out that the object of the legislation here in question is 'to reduce to a limited extent the tax burden on widows who own property to the value of $500 and . . . thereby to reduce the disparity between the economic . . . capabilities of a man and a woman . . .' . . . (W)omen workers as a class do not earn as much as men. Certainly this has a 'fair and substantial relation' to the ability of women property owners to pay taxes on property of even minimal value."

Whether the decision represents a view toward the inability of women to compete for salaries because of elements inherent in their being or because of social factors and attitudes is simply not stated. All that is stated is that the Court determined that the statute treating women differently from men is acceptable.

Finally, the Court heard *Geduldig v. Aiello,* 417 U.S. 484 (1974). The case arose out of a California statutory program providing benefits for employed persons unable to perform their usual duties because of physical or mental disability, but denying such benefits to pregnant women for loss of work due to pregnancy or any complications arising therefrom, during the pregnancy and/or 28 days after its termination. The *lower* Federal Court found that the pregnancy classification was a "suspect criteria" invoking the more strict review test, but *the Supreme Court reversed the lower court and refused to accept pregnancy as a "suspect criteria."* Interestingly, the Court denied that the classification was based upon "gender as such." It concluded that the classification was not on gender, but on the basis of pregnancy; and while only women can become pregnant, that fact alone was not held to be determinative. The Court said: "The program divides potential recipients into two groups—pregnant women and non-pregnant persons. While the first group is exclusively female, the second includes members of both sexes."

During the same period when the above six cases were being considered by the Supreme Court, another case was ascending through the Federal appellate process. Arising out of the State of Kentucky, *Ruth Robinson v. The Board of Regents of Eastern Kentucky University,* 475 F. 2d 707 (1973), was heard by the United States Court of Appeals for the Sixth Circuit, and a decision was rendered on March 28, 1973.

The case involved a class action by a female student to challenge dormitory curfew restrictions at Eastern Kentucky University which were applicable only to women students. The suit was dismissed by the United States District Court for the Eastern District of Kentucky, and the plaintiff appealed. It was expressly charged that "the University, by imposing dormitory hours for women, while granting self-regulated hours to all male students, regardless of age or permission from their parents, had violated her Fourteenth Amendment right to the equal protection of the law." This case clearly presented for judicial review the position advanced in the HEW regulations implementing Title IX. Section 86.32 of the HEW regulations provides that: "A recipient (educational institution) shall not, on the basis of sex, apply different rules or regulations . . . related to housing. . . ."

In upholding the University regulations, the Court of Appeals decided the case by the traditional "rational classification" standard. Citing numerous cases, including *Lindsley v. Natural Carbonic Gas Company* (1911) and *Reed v. Reed* (1971), both discussed earlier herein, the Court said that "The equal protection clause does not require identical treatment for all people. The states retain, under the Fourteenth Amendment, the power to treat different classes of persons in different ways." Continuing, the Court said: "Courts often have upheld state classifications based on sex."

Explaining the two standards that the Supreme Court uses in reviewing "equal protection" cases ("rational classification" v. "suspect criteria"), the Court of Appeals said:

"Two separate and distinct standards of review under the equal protection clause have emerged. The first, which has a much longer history, is the traditional or rational basis test. It requires that a state classification be upheld unless there is no rational relationship between the classification imposed by the state and the state's reasonable goals. Under this standard, "(a) statutory discrimination will not be set aside if any state of facts reasonably may be conceived to justify it." (citations omitted)

"The second alternative standard, the compelling state interest test ("suspect criteria"), is relatively recent in formation and provides a greater burden for the state to meet in justifying a classification in its statutes, or regulations. This test, which becomes applicable when a fundamental right of the aggrieved party is at issue or a suspect classification, such as race, is used, requires that to justify the classification, the state must demonstrate a compelling state interest."

Returning to the precise issue presented in *Robinson* v. *Board of Regents,* the Court said that "in this case we can find neither a fundamental right at issue nor a suspect classification being applied . . . (W)e conclude that the rational relationship or traditional standard of equal protection review is applicable here. . . . The goal of safety is a legitimate concern of the Board of Regents and this court cannot say that the regulations in question are not rationally related to the effectuation of this reasonable goal. . . . A classification having some reasonable basis does not offend the equal protection clause merely because it is not drawn with mathematical nicety." The judgment of the lower court, in dismissing the case, was affirmed.

On August 1, 1973, the plaintiff filed a writ of certiorari in the United States Supreme Court seeking review by that court of the question of whether sex is "suspect criteria" and whether she had been denied "equal protection of the law." Obviously, the Supreme Court was then presented with the opportunity to hear the case, and in its wisdom, establish sex as a "suspect criteria" for evermore. However, *Robinson* v. *Board of Regents* laid dormant, no action being taken by the Supreme Court on the writ of certiorari, while the Court heard and decided *Kahan v. Shevin* and *Geduldig v. Aiello,* both of which, as previously indicated, were decided on the basis of the traditional, rational classification standard; and, as noted, in *Geduldig* v. *Aiello,* the Supreme Court expressly overturned the lower Court's decision favoring pregnancy as a "suspect criteria."

What then did the Supreme Court do with *Robinson v. Board of Regents*? On May 13, 1974, the Supreme Court denied certiorari, 416 U.S. 982 (Supreme Court Docket No. 73–221). Clearly, the Supreme Court felt that, in reviewing six sex discrimination cases within four years and refusing to find sex to be a "suspect criteria," or even to strike down such a classification on equal protection grounds, the question had been decided. Thus, the decision in *Robinson v. Board of Regents,* favoring the right of a state-supported University to establish different dormitory curfew rules for women students than for men students, stands approved by the United States Supreme Court.

In conclusion, it appears that the Court has modified its historic position only slightly in that it will review alleged sex discrimination cases and possibly strike down a state law or regulation if it appears that the aggrieved party has been denied "due process of law." But, it appears equally clear that the Court has ample opportunity to consider the proposition of whether the question of sex discrimination is on the same footing with racial discrimination, as the Department of HEW contends. Clearly, the Supreme Court has responded in the negative and refused to follow its own precedents relative to race discrimination cases when deciding sex discrimination questions.

It is therefore submitted that, since the United States Supreme Court does not view race discrimination precedents as supportive of sex discrimination contentions, the Department of HEW is not justified in utilizing either race discrimination cases or race discrimination regulation as supportive of its regulations implementing Title IX.

(B) Education Program or Activity

Section 901 of Title IX provides that the prohibition relative to exclusion or discrimination on the basis of sex shall pertain to "any education program or activity. . . ." It is important to note that Congress did *not* say "any program or activity." It qualifies the term by prefacing it with the word "education." Therefore, the prohibition relative to discrimination on the basis of sex extends only to programs and activities that are a part of the education process.

However, the Department of Health, Education and Welfare in its regulations has elected to adopt an extremely broad definition of the term "education," and therefore, it is necessary to consider exactly what is considered to be an "education program or activity" under Title IX.

Even a superficial survey or reported Court decisions throughout the nation reveals that structured physical education, or physical training programs, which are a part of either the required or elective curriculum or an educational institution, are considered to be education programs and activities. Accordingly, there is no doubt of the inclusion of such programs within the meaning of the term "education" in section 901 of Title IX.

However, since the HEW regulations include "extracurricular" programs and activities in their coverage of applicable programs and activities (HEW section 86.31), it becomes pertinent to consider whether extracurricular programs and activities are properly within the purview of the term "education."

It is a fundamental rule of construction that, unless a contrary intent is expressly evidenced, words within a statute shall be given their common, natural, or customary meaning. *Sutherland's Statutory Construction,* fourth edition, Volume 2–A, § 46.01, pages 48 and 49; *Order of Railway Conductors of America v. Swann,* 329 U.S. 520 (1947).

Further, *Webster's New World Dictionary of the American Language,* second edition (1972) states that education involves "formal schooling of an institution of learning; systemic study of the methods and theories of teaching and learning." "Curriculum" is defined therein to mean "a fixed series of studies required, as in a college, for graduation, qualification in a major field of study, etc.; all of the courses, collectively offered in a school, college, etc., or in a particular subject." On the other hand, "extracurricular" is defined therein to mean "not a part of the required curriculum; outside the regular course of study but under the supervision of the school."

Clearly extracurricular programs and activities are not commonly and customarily considered to be within the term "education." This commentator is not aware of any United States Supreme Court decisions attempting to define the meaning of the term "education" in this context. Further, a constitutional lawyer in the American Law Division of the Library of Congress indicated the same conclusion.

However, in its recent decision in *San Antonio School District v. Rodriguez,* 411 U.S. 1 (1973), the Supreme Court held "that there was neither a suspect classification nor a fundamental interest involved" in the plaintiff's contention that he had been denied equal educational opportunity in violation of the equal protection clause of the Fourteenth Amendment, and "that the (educational) system must be judged by the traditional restrained standard, and that the system was rationally related to the State's interest in protecting and promoting local control of education." *Constitution of the United States, Analysis and Interpretation,* page S118 (1974 Supplement).

Additionally, the Supreme Court said that ". . . the importance of a service performed by the State does not determine whether it must be regarded as fundamental for purposes of examination under the Equal Protection Clause. . . . (T)he answer lies in assessing whether there is a right to education explicitly or implicitly guaranteed by the Constitution." The Court concluded that "A right to education is not expressly protected by the Constitution," and it was "unwilling to find an implied right. . . ." *Constitution of the United States, Analysis and Interpretation*, page S119, (1974 Supplement).

It is, therefore, evident that the Supreme Court has *not* been willing to extend the "suspect criteria" or "fundamental" right test under the equal protection clause to nonracial discrimination in educational opportunity. Further, the Court has concluded that there is no Constitutionally protected right to education. Applying the common, customary meaning of the term "education" and the term "extracurricular" cited above in the light of the Court's decision in *San Antonio School District v. Rodriguez*, it is obvious that the Supreme court has declined to follow its precedents relative to the "suspect criteria" test (racial discrimination) when assessing the availability of educational opportunity. It is, therefore, submitted that the Department of HEW is not justified in citing Supreme Court decisions involving racial discrimination or in using Title VI regulations as a prototype in extending the Title IX regulations to include extracurricular programs and activities, or other nonacademic services.

Therefore, the common, customary meaning should be given to the term "education" in section 901 of Title IX. That plain meaning, as previously indicated, does not include extracurricular programs and activities. It is equally obvious that the term cannot properly be extended to include student housing, medical services and benefits, and other such services offered by an educational institution.

(C) Program or Activity Receiving Federal Financial Assistance

In addition to the limitation of the applicability of Title IX to an "education program or activity" as indicated in the preceding section of Part I of this memorandum, section 901 of Title IX provides that the prohibition of exclusion, or discrimination on the basis of sex applies only to "education programs and activities receiving Federal financial assistance." Thus, it is clear that *not* all education programs and activities are included. The statute applies only to those which receive Federal financial assistance.

However, the Department of Health, Education and Welfare has extended its regulations to include every "education program or activity . . ." ". . . which receives *or benefits from* (emphasis added) Federal financial assistance." (HEW regulations, section 86.11). Obviously, Congress in its enactment of Title IX did not say "or benefits from Federal financial assistance." HEW added that.

Further, the word "benefits" is used three times in Title IX, once in subsection (a) of section 901, and twice in subsection (b) of section 901. In all three instances, the word is clearly used to modify "person," "persons," or "members of one sex." *At no time is it used to modify the phrase "education program or activity" as HEW's use of word suggests.*

Since the language of Title IX speaks in terms of "receiving Federal financial assistance," it is useful to consider the meaning of the term "receiving."

Realizing that this term has historically been employed in the drafting of legislation, in addition to its wide use throughout the law, the commentator believes that recourse to a more legalistic definition is appropriate (although application of the common, customary definition as contained in Webster would render the same result). *Corpus Juris Secundum*, Volume 74, "Receive," page 643, provides that ". . . 'receiving' necessarily implies consenting to receive, and that there is a receiving whenever there is a change of possession, as when one parts with the control of a thing and another takes and accepts it." Clearly, the act of "receiving" occurs and is completed when one entity delivers possession of a thing to another entity, which accepts it. There is no basis for believing that Congress intended by the enactment of Title IX that the meaning of this term should be extended so as to indirectly encompass remote benefits to some program or activity separate from the education program or activity to which the Federal financial assistance is given.

Further, HEW cites Federal Court decisions involving racial discrimination in support of the inclusion of the phrase "or benefits from" in connection with Federal financial assistance. As indicated, in Section (A) and Section (B) of Part I of this memorandum, the Supreme Court has declined to follow its own precedents relative to racial discrimination when deciding sex discrimination questions as well as when deciding questions pertaining to discrimination in educational opportunity. *Reed v. Reed*, 404 U.S. 71 (1971); *Robinson v. Board of Regents*, 475 F. 2d 707 (1973), Certiorari denied, 416 U.S. 982 (1974); *San Antonio School District v. Rodrigues*, 411 U.S. 1 (1973). Therefore, the citing of such cases in justification of HEW's provisions extending coverage of the regulations to programs and activities which do not themselves receive Federal financial assistance is rejected as not being properly supportive of such authority. The use of Title VI regulations as a prototype for the Title IX regulations is similarly rejected.

PART II—SECTION BY SECTION ANALYSIS OF THE HEW TITLE IX REGULATIONS

NOTE.—Where a section or part of a section of the HEW Title IX regulations is not mentioned, the same is not objected to as being inconsistent with the Act.

Note also that the various Subparts of Part II of this memorandum correspond to the Subparts of the HEW Title IX regulations. Additionally, for the convenience of the reader, the text of Title IX of the Education Amendments of 1972 appears at the conclusion of this memorandum.

SUBPART A—INTRODUCTION

Section 86.1. Purpose and effective date—This section provides that the purpose of these regulations is to effectuate title IX of the Education Amendments of 1972, as amended by Public Law 93-568. It is also stated that it is the purpose of these regulations "to effectuate section 844 of the Education Amendments of 1974, Public Law 93-380.

Comment: Section 844 of the Education Amendments of 1974 is not substantive law applicable generally to citizens of the United States. Rather, it is a directive from the Congress to the Secretary of the Department of Health, Education, and Welfare, and it is applicable only to the Secretary. Section 844 does not purport to amend title IX of the Education Amendments of 1972, nor does it do so. As such, it is not a delegation of authority from the Congress to the Secretary. As a directive from the Congress, it can properly be reviewed by the Congress, and it can be retracted, amended, or ratified. A proper means available to the Congress for such review is a Concurrent Resolution submitted pursuant to section 431 (d) of the General Education Provisions Act (20 U.S.C. § 1232, *et sequitor*).

Section 86.2. Definitions—Subsection (g), paragraph (ii) provides that "Federal financial assistance' means . . . (s)cholarships, loans, grants, wages or other funds extended to any entity for payment to or on behalf of students admitted to that entity, or extended directly to such students for payment to or on behalf of students admitted to that entity, or extended directly to such students for payment to that entity."

Comment: Title IX expressly states "programs or activities receiving Federal financial assistance." When a scholarship, loan, grant, wages, or other funds are paid to a person or other entity, who later pays such funds, in whole or in part, to an educational institution, the "Federal financial assistance" is *received* by the person or entity to whom the government check is made payable. When the check from the government is not made payable to the order of the educational institution, such institution does not *receive* "Federal financial assistance." Any other interpretation defies the clear language of the Act, and is contrary to reason. For example, under the HEW view, when a parent is an employee of the Federal government, and therefore receives wages from the government, from which the parent pays for a child's tuition at an educational institution, the institution would be receiving Federal financial assistance. Obviously, the institution would indeed benefit indirectly by the existence of the Federal program employing the parent (who might not otherwise be financially able to pay such tuition), but it is submitted that Congress did not say "receiving *or benefitting* from Federal financial assistance." Congress said "receiving Federal financial assistance." Had Congress intended "or benefitting from," Congress had ample opportunity to include that language.

Subsection (h) provides the definition of "Recipient." It states among other things that a "recipient" is in any public or private agency, institution, or organization, or other entity, or any person, to whom Federal financial assistance is extended directly *or through another recipient* (emphasis added) and which operates an education program or activity which receives *or benefits from* (emphasis added) such assistance, including any subunit, successor, assignee, or transferee thereof."

Comment: The phrase "through another" is objected to as being inconsistent with title IX for reasons stated previously. The phrase "or benefits from" is objected to for reasons stated in the preceding paragraph, and in Part I, Section A of this memorandum. For the balance of this memorandum the commentator will speak in terms of "educational institutions" rather than recipients. It is believed that the former term conveys a clearer and more graphic meaning to the average reader. It should be understood that as used in this memorandum "educational institution" may mean any elementary or secondary school, or any vocational school, professional school, college or university, whether for undergraduate or graduate study. The only exception is with regard to admissions to such school, in which case the term applies only to vocational schools, professional schools, schools of graduate higher education, and to public (but not private) undergraduate colleges and universities.

Subsection (o) of section 86.2 provides the definition of "Administratively separate unit." The term is defined to be "a school, department, or college of an educational institution (other than a local educational agency) admission to which is independent of admission to any other component of such institution."

Comment: The corresponding portion of title IX is as follows: ". . . an educational institution means any public or private preschool, elementary, or secondary school, or any institution of vocational, professional, or higher education, except that in the case of an educational institution (obviously, as just defined) composed of more than one school, college, or department which are administratively separate units, such term means each such school, college, or department." Section 901, subsection (c) of title IX.

The language of title IX does not preclude the possibility that a local educational agency could be or contain an administratively separate unit. Therefore, HEW has no license to preclude such possibility. Additionally, HEW requires that to qualify as an "administratively separate unit," admission to such unit must be independent of admission to any other unit of the institution. By this requirement, HEW has interjected a criteria not contained in and inconsistent with title IX, section 901, subsection (c).

Section 86.3. Remedial and affirmative action and self-evaluation—Subsections (a) and (b) provide for remedial or affirmative action on the part of an educational institution to enable affected persons to overcome the effects of supposed past discrimination.

Comment: Nothing in title IX grants HEW authority either to require remedial or affirmative action or to promulgate regulations requiring or indicating permissively the desirability of such action. One can only assume that HEW section 86.3 (a) and (b) are based on title VI regulations (relative to racial discrimination) and Supreme Court cases involving such discrimination. As indicated in Part I, Section A of this memorandum, the citing of such regulations and cases in support of provisions of the title IX regulations as well as the use of same as a prototype for the title IX regulations is objected to as being inconsistent with the Act and Supreme Court decisions.

Subsection (c) requires "self-evaluation" by educational institutions and correction of practices that are violate of title IX. Needless to say, it is inherent in the nature of any law that those affected must comply with it, and if they have not historically complied with a new law, it is incumbent upon them to determine the extent of their noncompliance, and rectify it. To the extent that these subsections state that truism, they are not objected to; however, paragraph (iii) requires "appropriate remedial steps to eliminate the effects of any discrimination which resulted or may have resulted from adherence to these (noncomplying) policies and practices."

Comment: In as much as this involves remedial or affirmative action, it is objected to for reasons stated in the preceding paragraph. Additionally, it is observed that paragraph (iii) requires such remedial action to eliminate the effects of discrimination which ". . . *may have resulted* . . ." (emphasis added) from adherence to noncomplying policies and practices. This phrase is too vague to place educational institutions on notice as to what is expected of them. It, therefore, is violative of any basic sense of fairness, and affords HEW an open-ended license to arbitrarily indicate that some well intended, seemingly harmless policy or practice "may have resulted" in some degree of discrimination, and the educational institution must compensate for that. Furthermore, under this "may have resulted" phrase, the educational institution, as a practical matter, will have no alternative but to assume that any policy or practice which, under any conceivable state of facts, could possibly have resulted in discrimination necessitates remedial or affirmative action. Otherwise, the educational institution would place itself in jeopardy of a possible finding by HEW that it failed to implement remedial or affirmative action as required by the "self-evaluation" provision. It is submitted that such a harsh result is not consistent with the purpose of title IX.

While paragraph (i) of subsection (c) is objected to, to the extent that it pertains to employees of an educational institution, comment regarding the inclusion of such employees is reserved to a subsequent portion of this part.

Subsection (d) requires that "Recipients (educational institutions) . . . maintain on file for at least three years following completion of the (self-)evaluation required . . . , and (requires educational institutions to) provide to the Director upon request a description of any modifications made pursuant to (the self-evaluation) and of any remedial steps taken pursuant to (such self-evaluation)."

Comment: HEW cites sections 901 and 902 of title IX as supportive of subsection (d). The only language in either section 901 or 902 which could conceivably bear on the requirement of subsection (d) appears in section 902, which provides in pertinent part that no "department or agency concerned" shall take any "action" relative to a possible violation of title IX until it has "advised the appropriate person or persons of the failure to comply with the requirements and has determined that compliance cannot be secured by voluntary means." This language obviously contemplates the situation where a violation of title IX has been determined to exist, and the remaining consideration is what to do about it. The Act, as above cited, requires HEW to make an effort to secure compliance by "voluntary means." However, section 86.3 of the HEW regulations requires the educational institutions to place themselves on trial, judge themselves, and after rendering a verdict, to implement their own judgment, and, under subsection (d), to report to HEW the results. There is nothing in title IX granting to HEW the authority to require that. Citations to title VI regulations or Supreme Court cases involving racial issues in support of such requirements is rejected for reasons stated in Part I, Section A of this memorandum.

Section 86.4. Assurance required—This section requires that each "application for Federal financial assistance for any education program or activity as a condition of its approval contain . . . an assurance from the applicant . . . that each education program or activity operated by the applicant and to which . . . (these regulations apply) will be operated in compliance with (these regulations)." The section goes on to state that such "assurance of compliance . . . shall not be satisfactory to the Director (of the Office of Civil Rights of HEW) if the applicant . . . fails to commit itself to take whatever remedial action is necessary in accordance with § 86.3 (a) to eliminate existing discrimination on the basis of sex or to eliminate the effects of past discrimination. . . ."

Comment: To the extent that this section relates to remedial or affirmative action to remedy the effects of supposed "past discrimination," it is objected to for reasons previously stated.

Section 86.5. Transfers of property—This section contemplates the sale or transfer or Federally financed (in whole or in part) property; and unless certain requirements are met, it indicates that both the transferor and the transferee shall be deemed to be recipients of Federal financial assistance, and therefore, subject to HEW's regulations.

Comment: While the necessity of some such provision is recognized to prevent "dummy transfers" simply for the purpose of avoiding liability under the HEW regulations, the phrase "the Federal share of the fair market value of the property is not upon such sale or transfer properly accounted for to the Federal Government, is too vague to convey a clear meaning and is, therefore, objected to. For example: does "accounted for to the Federal Government" mean "paid to the Federal Government," or does it mean a showing that the property was sold for a fair market value and was not a "dummy transfer?" Additionally, to which Department or agency of the Federal Government is the accounting to be made? Further, simple fairness requires that potential purchasers of property from educational institutions be more adequately placed on notice of this potential liability. If this is not done, one wonders of the extent to which educational institutions will suffer from an inability to sell property at a true fair market value because of a wariness of the part of potential purchasers regarding this unduly vague provision. One also wonders of the extent to which such "strings" on property will indeed inhibit its value to potential purchasers. Finally, it is felt that if HEW wishes to place such an encumbrance upon real property, the Department should duly record a lien to that effect in the Office of the Register of Deeds, or other appropriate official, in the county, or other appropriate political subdivision, where the real property is located in order that potential purchasers will be put on proper notice of such encumbrance. To do less is to deny to private citizens the kind of careful protection that HEW seeks for itself.

Section 86.8. Designation of responsible employee and adoption of grievance procedures—This section requires that each educational institution "designate at least one employee to coordinate its efforts to comply with and carry out its responsibilities under . . . (these regulations) . . . including any investigation of any complaint communicated to such recipient alleging its noncompliance. . . ." Notice to all students and employees of the name, address, and telephone number of such designated person is required. Additionally, educational institutions are required to "adopt and publish grievance procedures providing for prompt and equitable resolution of student and employee complaints alleging any action which would be prohibited by (these regulations).

Comment: There is no language in title IX granting to HEW the authority to require the designation of an employee as above indicated, nor is there any language in title IX granting to the Department the authority to require an educational institution to prepare and publish a grievance procedure, or to take action under such a procedure if prepared. Additionally, to the extent that such section pertains to employees, a further objection is interposed for reasons that will be stated subsequently.

Section 86.9 Dissemination of policy. This section places elaborate requirements upon educational institutions to give publicity to their policy to comply with title IX. For example, subsection (a) paragraph 2, requires that "Each recipient . . . make the initial notification within 90 days of the effective date of this part . . . which notification shall include publication in: (i) Local newspapers; (ii) newspapers and magazines operated by such recipient or student, alumnae, or alumni groups . . ." The list goes on. Additionally, notifications of such policy must appear in the institution's bulletin, catalog, etc.

Comment: There is simply no language in title IX granting to HEW the authority to make regulations including such requirements. Again, the use of citations to either title VI regulations or Supreme Court cases involving racial discrimination is rejected for reasons stated in Part I, Section A of this memorandum.

SUBPART B—COVERAGE

Section 86.11. Application—This section provides that except as provided in title IX regulations, the regulations apply "to every recipient (educational institution) and to each education program or activity operated by such recipient which receives *or benefits from* (emphasis added) Federal financial assistance."

Comment: The corresponding provision in

the Act is section 901, which provides for coverage under "any education program or activity receiving Federal financial assistance." Obviously, Congress did not say "or benefits from Federal financial assistance;" HEW added that. If Congress intended education programs and activities that benefit from such financial assistance to be included, Congress had ample opportunity to say so. Further, it should be noted that the word "benefits" is used three times in title IX, once in subsection (a) of section 901, and twice in subsection (b) of section 901. In all three instances, the word is used to modify "person," "persons," or "members of one sex." *At no time is it used to modify the phrase "education program or activity" as HEW suggests.*

Section 86.17. Transition plans—This section among other things contains a subsection [subsection (d)] which is entitled "Effects of Past Exclusion." Reciting a supposed need to overcome "the effects of past exclusion of students on the basis of sex," the subsection requires educational institutions to "implement, specific steps designed to encourage individuals of the previously excluded sex to apply for admission to such institution. Such steps shall include instituting recruitment programs which emphasize the institution's commitment to enrolling students of the sex previously excluded."

Comment: Subsection (d) is objected to because it is an "affirmative action program." As previously stated, there is no language in title IX granting HEW authority to require affirmative action programs, and citations relative to title VI regulations and Supreme Court cases involving racial discrimination are rejected as not being properly supporttive of such authority for reasons stated in Part I, Section A of this memorandum.

SUBPART C—DISCRIMINATION ON THE BASIS OF SEX IN ADMISSION AND RECRUITMENT PROHIBITED

Section 86.21. Admission—Subsection (b), paragraph (2) provides that an educational institution "shall not administer or operate any test or other criterion for admission which has a disproportionately adverse effect on persons on the basis of sex unless the use of such test or criterion is shown to predict validly success in the education program activity in question *and* (emphasis added) alternative tests or criteria which do not have such a disproportionately adverse effect are shown to be unavailable."

Comment: The above quoted provision merits a careful rereading. It states that an educational institution shall not use a test for admission on which members of one sex score less well than members of another sex; unless even though members of one sex score less well than members of the other sex, it is shown that the test validly predicts success in the education program or activity in question.

Thus far, the subsection, whether one accepts its consistency with title IX or not, is at least logically consistent within itself. But it goes on to say that an educational institution using a test on which members of one sex score less well than members of the other sex, and which test has been shown to validly predict success in the education program or activity, still cannot be used unless it is shown that alternative tests on which members of one sex do not score less well is not available. Note that there is no requirement that the latter test producing equal results be shown to validly predict success in the education program or activity in question. Therefore, if on a particular test, which has been shown to be a valid prediction of students' ability to be successful in a particular education program, members of one sex score less well than members of the other sex, then, that test cannot be used if there is another test available (which may even have been shown *not* to validly predict students' ability to be successful in a particular education program), if on the second test members of both sexes score equally. This is patently ridiculous!

Additionally, this provision places the burden on the educational institution to prove that a particular test, on which members of both sexes do not score equally, validly predicts students' ability to be successful in a particular education program or activity. Aside from the fact that HEW is placing the burden on the defendant to prove himself innocent, HEW is additionally requiring the institution to do the impossible. No reasonable person contends that any particular test is a perfect measure of ability. Tests are the product of human efforts and subject to human frailties. Surely, it is the duty of those who construct such tests to make them as nearly perfect as possible, and where a choice of several tests is available, it is the duty of the educational institution to select the one, or ones, that are most nearly perfect in validly predicting students' ability to be successful. But to require the school to prove the validity of the test is to require an impossibility. None of the tests are *completely* valid; therefore, under the HEW provision, the only test that could be used would be one that showed equal results between members of both sexes, even though it may have been established that such test was not the most valid measure of ability available. This provision goes beyond the authority granted to the Department in title IX.

Subsection (c), paragraph (1) requires that with regard to admission, an educational institution "shall not apply any rule concerning the actual or potential parental, family, or marital status of a student or applicant which treats persons differently on the basis of sex."

Comment: Under this provision, an educational institution cannot refuse admission to unwed, pregnant students. It is not asserted herein whether educational institutions should, or should not, adopt such a policy. It is however contented that they have a perfect right to do so if they choose, and neither the United States Constitution (see Part I, Section A of this memorandum) nor title IX prohibits them from doing so. Specifically, title IX prohibits "exclu(sion) from participating in . . . any education program or activity . . . on the basis of sex." In *Geduldig* v. *Aiello*, 417 U.S. 484 (1974), the United States Supreme Court refused to strike down a statute treating pregnant public school teachers differently from nonpregnant public school teachers. In doing so, the Court denied that classification was based upon "gender as such."

The Court concluded that the classification was not on gender, but on the basis of pregnancy and while only women can become pregnant, that fact alone was not held to be determinative. The Court said, "The program divides potential recipients into two groups—pregnant women and nonpregnant persons. While the first group is exclusively female, the second includes members of both sexes." Therefore, if any educational institution, in the exercise of its discretion chooses not to admit pregnant women, married or unmarried, while continuing to admit nonpregnant persons, according to this very recent Supreme Court decision, the institution would not be discriminating on the basis of sex. It would be discriminating on the basis of pregnancy, and in the Court's view, that is a valid criterion upon which to base a classification.

Paragraph (2) of subsection (c) of HEW section 86.21 provides that an educational institution "Shall not discriminate against or exclude any person on the basis of pregnancy, childbirth, termination of pregnancy, or recovery therefrom, or establish any rule or practice which so discriminates or excludes." Paragraph (3) provides that an educational institution "shall treat disabilities related to pregnancy, childbirth, termination of pregnancy, or recovery therefrom in the same manner and under the same policies as any other temporary disability or physical condition."

Comment: These paragraphs fly directly in the face of the Supreme Court ruling in *Geduldig* v. *Aiello* previously cited. The paragraphs are clearly inconsistent with title IX because title IX prohibits discrimination on the basis of sex, and the Supreme Court has held that differentiation on the basis of pregnancy is not discrimination on the basis of sex. Obviously, title IX does not mention pregnancy.

Paragraph (4) of the same subsection prohibits an educational institution from inquiring whether an applicant is "Miss" or "Mrs."

Comment: It's a minor point in the light of the totality of the regulations, but for a great many years, simple good manners have required that ladies be addressed either as "Miss" or as "Mrs." In recent years, the term "Ms." has evolved, apparently out of careless mispronunciation of the two former terms. This commentator welcomes the evolution of the term "Ms." because on many occasions he has been uncertain as to whether a particular female constituent to whom his staff was addressing correspondence was married or not. Therefore, it is now the policy of his office that when in doubt, use "Ms." The term, frankly, has utility. However, nothing in title IX prohibits an educational institution from inquiring into the marital status of applicants, and nothing in title IX requires that such an institution address its correspondence politely or crudely. In short, nothing in title IX gives HEW any license to effectively prohibit the use of "Miss" or "Mrs." under any circumstances. Additionally, since paragraph (4) of the subsection expressly allows inquiries as to the sex of an applicant, a perfect analogy exists between this situation and the Supreme Court ruling in *Geduldig* v. *Aiello*. The distinction is not on the basis of sex. The distinction is on the basis of whether a person is a married person or an unmarried person. Title IX does not prohibit discrimination on the basis of marriage or nonmarriage. It prohibits discrimination on the basis of sex. Both men and women get married, and presumably with some degree of mathematical correlation. The provision is clearly inconsistent with title IX.

Section 86.23. Recruitment—This section prohibits discrimination on the basis of sex in the recruitment and admission of students, and it indicates that an educational institution may be required to "undertake additional recruitment efforts for one sex as remedial action pursuant to § 86.3(a), and may choose to undertake such efforts as affirmative action pursuant to § 86.3(b)." Comment: To the extent that an educational institution's recruitment program does not involve admission preferences for members of one sex, it is not violative of title IX. Nothing in title IX prohibits recruitment of students on the basis of any criteria the institution elects to use. Title IX only prohibits preferential admissions practices on the basis of sex. Additionally, to the extent that this section of the regulations pertains to remedial or affirmative action programs, it is objected to for reasons previously stated.

SUBPART D—DISCRIMINATION ON THE BASIS OF SEX IN EDUCATIONAL PROGRAMS AND ACTIVITIES PROHIBITED

Section 86.31. Education programs and activities—Subsection (a) prohibits exclusion from, or discrimination under, "any academic, extracurricular, research, occupational training, or other education program or activity operated by a recipient which receives or benefits from Federal financial assistance."

Comment: To the extent that subsection (a) pertains to "extracurricular" programs or activities, and to the extent that it pertains to any programs or activities which are said to "benefit from", but which do not receive Federal financial assistance, it is objected to. The inclusion of "extracurricular" programs are objected to for reasons stated in Part I, Section B of this memorandum. However, to summarize briefly, the pertinent phrase in section 901 of title IX provides "education program or activity receiving Federal financial assistance." Clearly the word "education" modifies both the word "program," and the word "activity." Therefore, it is appropriate to read the phrase as "education program and education activity." The word extracurricular is an adjective as is the word "education" in the above context. Extracurricular is defined to mean "not part of the required curriculum; outside the regular course of study but under the supervision of the school." *Webster's New World Dictionary of the American Language*, page 497 (2nd ed. 1972). Clearly, a conflict in terms exists within the subsection of the regulations, as well as between the regulations and title IX. By its very definition extracurricular programs and activities are outside the scope of title IX. The use of the phrase "benefiting from Federal financial assistance" is objected to for reasons stated in Part I, Section C of this memorandum. Briefly, the objection lies in the fact that section 901 of title IX provides coverage for education programs and activities receiving Federal financial assistance. Congress did not say "or benefiting from" such assistance HEW added that, and that HEW addition is inconsistent with the Act.

Subsection (b) paragraphs (4) and (5) provide that except as otherwise provided in Subpart D of the regulations, an educational institution cannot, on the basis of sex, "subject any person to separate or different rules of behavior, sanctions, or other treatment; (or) Discriminate against any person in the application of any rules of appearance."

Comment: The broad sweeping nature of these two paragraphs deny any valid distinctions relative to behavior, treatment, or appearance between the sexes. Such a view flies in the face of the position adopted by the Supreme Court as discussed in Part I, Section A of this memorandum. Without attempting to imagine every possible instance when the above two paragraphs will result in regulating a result not intended by title IX, an obvious example is readily apparent. As will be noted subsequently, section 86.34 of the regulations requires that all classes including physical education classes (except to the extent that body contact is the purpose or a major part of the activity) must be taught in mixed classes of members of both sexes. Swimming is not generally considered a body contact sport, and it quite properly is not identified as such in section 86.34; therefore, when swimming is offered as a part of a physical education program, the swimming class must be conducted in mixed classes of members of both sexes. Since paragraph (5) of subsection (b) prohibits "the application of any rules of appearance" which discriminate on the basis of sex, an educational institution cannot prescribe different bathing suits for men and women. Without being unnecessarily specific, suffice it to say that because of obvious differences in the anatomy of the sexes, social mores in this country have for a number of year indicated that somewhat less revealing articles of apparel are necessary for women than for men when swimming. If it chooses to prescribe swimming apparel, unless an educational institution agrees that women may adopt the more revealing swimming apparel presently customary for men, it will be required to insist that men return to a form of bathing suit encompassing a shirt not unlike that worn by men in the early part of this century. Nothing in title IX grants to HEW the authority to restrict the ability of an educational institution to prescribe proper swimming apparel, or to limit the ability of an educational institution to establish rules relative to students' dress and appearance generally.

Subsection (c) of section 86.31 provides that where a person or other entity (not a governmental unit within the United States) provides to an educational institution "scholarships, fellowships or other awards . . . restricted to members of one sex, which are designed to provide opportunities to study abroad, and which are awarded to students who are already matriculating at or who are graduates of the recipient institution," the institution cannot accept same, unless the educational institution also, from whatever source, provides "opportunities for similar studies for members of the other sex."

Comment: When a person makes a bequest in a will that a certain sum of money shall go in trust to a particular educational institution, the income from which shall be used to provide fellowships for members of one identified sex to study abroad to the exclusion of the other, that is a private act of discrimination on the basis of sex accomplished through the use of private, as opposed to Federal, financial assistance. As indicated in Part I, Section A of this memorandum, such private acts of discrimination have never been the subject of Supreme Court decisions relative to sex discrimination and only to a limited extent have they been the subject of Congressional enactments. Nothing in title IX grants to HEW any authority to regulate such private acts of discrimination on the basis of sex. Title IX only pertains to education programs and activities receiving *Federal financial assistance*.

Subsection (d) of section 86.31 extends the coverage of the regulations to programs not operated by an educational institution, but participation in which is considered by the institution to facilitate one or more of its education programs or activities. The institution is required to "implement a procedure designed to assure itself that the operator or sponsor of such other education program or activity . . ." does not discriminate on the basis of sex in a manner not permitted under these regulations to the educational institution in question. Additionally, the subsection provides that an educational institution shall not "permit" students or employees to participate in such programs or activities if the institution considers the program or activity "as part of *or equivalent to*" (emphasis added) an education program or activity rated by the educational institution. The section does *not* indicate whether it contemplates the educational institution allowing academic credit for such participation; therefore, it is necessary to assume that such participation is proscribed whether or not academic credit is allowed, or allowable.

Comment: To the extent that such program or activity not operated by the educational institution and does not receive Federal financial assistance, subsection (d) is objected to for reasons stated in Part I, Section C of this memorandum. Additionally, to the extent that subsection (d) prohibits public educational institutions from "permit(ting)" students or employees to participate in such programs and activities not operated by the institution, when no academic credit or other benefit is granted by the educational institution for such participation, the subsection is objected to as being violative of the Fourteenth Amendment to the Constitution of the United States in that it forces such public educational institution to deprive its students and employees of "liberty . . . without due process of law."

Of course, neither the Department of HEW, nor any public educational institution can prohibit a student or employee from participating in a program or activity not operated by the educational institution, on such persons' own time and of such persons' own volition, simply because it is felt by such institution that such participation is "equivalent to an education program or activity operated by such institution." In *Meyer v. Nebraska*, 262 U.S. 390 (1923) the United States Supreme Court said that liberty under the Fourteenth amendment "denotes not merely freedom from bodily restraint but also the right of the individual to contract, to engage in any of the common occupations of life, to acquire knowledge, . . . and generally to enjoy those privileges long recognized at common law as essential to the orderly pursuit of happiness by free men." Though *Meyer v. Nebraska* is a fairly old case, one would hope that the meaning of liberty in the United States is no more restricted today than in 1923, and that case specifically included the acquisition of knowledge as a right protected by the Fourteenth amendment. How then, under the Constitution, can HEW require that a public educational institution receiving Federal financial assistance so limit the freedom of its students and employees as to proscribe their liberty to participate in educational programs and activities offered by some other entity simply because they are felt to be equivalent to those offered by such institution? If a student wishes to participate in a program of an entity separate and apart from the educational institution in question simply for such student's own edification, and the student is duly accepted for such participation, and it is for a lawful purpose, the Constitution protects the student's right to do so. HEW should do no less.

Section 86.32. Housing—This section pertains to student housing and provides that an educational institution "shall not on the basis of sex, apply different rules or regulations, impose different fees or requirements, or offer different services or benefits related to housing," except that an institution "may provide separate housing on the basis of sex."

Comment: As indicated previously, title IX only grants to HEW authority to issue regulations governing educational programs and activities receiving Federal financial assistance. While some dormitories may be built with Federal financial assistance, they clearly are not either an educational program or an educational activity. Therefore, they are not within the purview of title IX, and regulations pertaining to housing are inconsistent with title IX. Citation of title VI regulations and Supreme Court cases involving racial discrimination are rejected as not being supportive of sex discrimination questions for reasons stated in Part I, Section A. It should also be recalled that as recently as May 13, 1974, the Supreme Court refused to overrule a decision of the United States Court of Appeals for the Sixth Circuit, *Robinson* v. *Board of Regents*, 475 F. 2d 707 (1973), certiorari denied 416 U.S. 982, which held that differing dormitory rules for male and female students were permissible in a public educational institution under the equal protection clause. In approving separate classifications based on sex, the Court of Appeals said, "A classification having some reasonable basis does not offend the equal protection clause merely because it is not drawn with mathematical nicety."

Section 86.34. Access to course offerings—This section provides that an educational institution "shall not provide any course or otherwise carry out any of its educational program or activity *separately* (emphasis added) on the basis of sex. . . ."

Comment: While it is agreed that by the enactment of title IX, Congress intended to ensure equal educational opportunity to members of both sexes, the HEW requirement that all such programs and activities be taught in mixed classes is objected to as being inconsistent with the purpose and intent of title IX. Each educational institution, or school system, etc. is the proper unit to decide whether a particular class should be taught on a coeducational basis. The mandate of *Brown v. Board of Education* relative to race is rejected as not being supportive on the basis of sex, because as noted in Part I, Section A of this memorandum, the Supreme Court has refused to follow its own precedents relative to racial separation when deciding sex discrimination questions. References to title VI regulations are similarly rejected. There simply is no correlation between the relationship of one race of people to another race of people, and the relationship between men and women. To assert that the correlation is the same in order to seek support for the HEW regulations is simply another exploitation of minorities to achieve the arbitrary purposes evidenced in these regulations.

Subsection (c) provides that section 86.34 "does not prohibit separation of students by sex within physical education classes or activities during participation in wrestling, boxing, rugby, ice hockey, football, basketball and other sports the purpose or major activity of which involves bodily contact."

Comment: It is agreed that physical education programs offered as a part of the institution's curriculum are "education programs and activities" within the meaning and intent of section 901 of title IX. Indeed, there are numerous Court cases holding that physical training is within the meaning of the term "education." *Words and Phrases,* Vol. 14, "Education," pages 125–127. HEW's allowance of separate classes for contact sports in physical education programs is simply an admission on its part that valid, rational classifications on the basis of sex do in fact exist.

Subsection (d) provides that "Where use of a single standard of measuring skill or progress in a physical education class has an adverse effect on members of one sex, the recipient shall use appropriate standards which do not have such effect." Presumably this provision is intended as a caveat to subsection (b) of the same section which permits the "grouping of students in physical education classes and activities by ability as assessed by objective standards of individual performance developed and applied without regard to sex."

Comment: When the two subsections are read together, the inevitable conclusion is that an educational institution may use whatever standards it chooses to group students by ability in physical education programs, *provided* that a proportional balance of members of both sexes results in each group. Realizing that lifting barbells, doing push-ups, and chinning bars all are not body contact sports and under the regulations cannot be taught in separate classes, under subsection (d), if the teachers use muscular development as the objective standard for grouping students, and if the resulting groups consist of disproportionate numbers of male and female students, that standard for grouping must be discontinued, and the teacher must select other "appropriate standards which do not have such effect." One wonders what the other "appropriate standards" would be?

Clearly, it is not the purpose of title IX to require that boys and girls lift barbells together, in the same groups, and following the same pace of weight progression, but the HEW regulations say they must.

Subsection (e) of Section 86.34 provides that "Portions of classes in secondary schools which deal exclusively with human sexuality may be conducted in separate sessions for boys and girls."

Comments: It is noted that this allowance of "separate sessions" is permitted only in "elementary and secondary schools." Therefore, in institutions of post-secondary education, the HEW regulations require that "classes . . . which deal exclusively with human sexuality" be conducted in mixed groups of male and female students. It is not suggested by this commentator whether classes dealing "exclusively with human sexuality" should be taught, not taught, taught in mixed groups of male and female students, or taught in separate groups. It is suggested that the HEW provision requiring that such classes be taught in mixed groups on the post-secondary level is inconsistent with title IX.

Section 86.36. Counseling and use of appraisal and counseling materials—This section prohibits discrimination in counseling students, and it prohibits the use of different materials on the basis of sex in connection with such counseling. Additionally, it provides that educational institutions "shall develop and use internal procedures for ensuring that such (counseling) materials do not discriminate on the basis of sex. Where the use of a counseling test or other instrument results in a substantially disproportionate number of members of one sex in any particular course of study or classification, the recipient (educational institution) shall take such action as is necessary to assure itself that such disproportion is not the result of discrimination in the instrument or its application."

Comment: The above provision is objected to on essentially the same grounds as were stated in connection with Section 86.21, subsection (b), paragraph (2) relative to "test or other criterion" for admission to an educational institution. Briefly, the provision places the burden on the educational institution to prove that a particular "test or other instrument" on which members of both sexes do not score equally "is not the result of discrimination in the instrument or its application." Aside from the fact that HEW is placing the burden on the defendant to prove himself innocent, HEW is additionally requiring the educational institution to do the impossible. No reasonable person contends that any particular test is a perfect measure of ability, interest, or aptitude. Tests are the product of human efforts and subject to human frailties. Surely, it is the duty of those who construct such tests to make them as nearly perfect as possilbe, and where a choice of several tests is available, it is the duty of the educational institution to select the one, or ones, that are most nearly perfect in validly predicting students' ability, interest, aptitude, or other factor being measured. But to require the institution to provide assurance of the validity of the test is to require an impossibility. Nothing in title IX grants to HEW the authority to promulgate such a regulation. On the contrary, it is suggested that the regulation directly conflicts with title IX in that it could result in a denial of an equal educational opportunity for members of one sex if, as the Supreme Court suggests, valid classifications on the basis of sex do exist. For example, this commentator is not prepared to say categorically that women do not have a greater aptitude for verbal exercises, and that men do not have a greater aptitude for mathematical exercises. If that is the case, the HEW denial of the use of any test showing a need for remedial classes for men in verbal exercises and for women in math exercises would result in a denial of the availability of such classes. Thus, the HEW regulations may actually require a denial of equal educational opportunity. This is clearly inconsistent with title IX.

Section 86.37. Financial assistance—subsection (a), paragraph (2) provides that an educational institution shall not, "through solicitation, listing, approval, provision of facilities or other services, assist any foundation, trust, agency, organization or person which provides assistance to any of such recipient's students in a manner which discriminates on the basis of sex."

Comment: This provision is objected to because it seeks to limit the liberty of an educational institution to deal with entities and persons not receiving Federal financial assistance, and which are not covered by Title IX. In the above provision, HEW attempts to do indirectly that which it cannot do directly, to wit: Inhibit the ability of an entity or person not covered by the Act to differentiate on the basis of sex in the provision of assistance to students.

Subsection (a), paragraph (3) provides that an educational institution shall not apply any rule or assist in application of any rule concerning eligibilty for such assistance which treats persons of one sex differently from persons of the other sex with regard to . . . parental status."

Comment: This paragraph is objected to for reasons stated in Section A of Part I of this memorandum and for reasons stated earlier in Part II of this memorandum relative to Subsection (c), paragraph (1) of HEW section 86.21. Briefly, in *Geduldig* v. *Aiello* (1974) the United States Supreme Court refused to strike down a statute treating pregnant public schoolteachers differently from nonpregnant public schoolteachers. The Court denied that the classification was based upon "gender as such." The Court concluded that the classification was not on gender, but on the basis of pregnancy and while only women can become pregnant, that fact alone was not held to be determinative. The Court said, "The program divides potential recipients into two groups—pregnant women and nonpregnant persons. While the first group is exclusively female, the second includes members of both sexes." Therefore, differentiation on the basis of pregnancy or parental status, according to the Supreme Court, it is *not* a differentiation on the basis of sex. In short, pregnancy or parental status is a valid criteria upon which to base a classification. Neither the equal protection clause of the Fourteenth Amendment nor Title IX prohibits it.

Section 86.37, Subsection (b) provides an educational institution cannot "administer or assist in the administration of scholarships, fellowships, or other forms of financial assistance established pursuant to domestic or foreign wills, trusts, bequests, or similar legal instruments or by acts of a foreign government which requires that awards be made to members of a particular sex specified therein, "unless the institutions develop and use procedures to ensure nondiscriminatory awards of assistance, and under such procedures "students are selected for award of financial assistance on the basis of nondiscriminatory criteria and not on the basis of availability of funds restricted to members of a particular sex; (and) An appropriate sex-restricted scholarship, fellowship, or other form of financial assistance is allocated to each student . . ." thus selected; and "No student is denied the award for which he or she was selected . . . because of the absence of a scholarship, fellowship, or other form of financial assistance designed for a member of that student's sex."

Comment: When a person makes a bequest in a will, or other gift, of a certain sum of money providing that a certain sum of money shall go in trust to a particular educational institution, and the income from such sum shall be used to provide fellowships, scholarships, or other forms of financial assistance for members of one specified sex to the exclusion of the other, that is a private act of differentiation or discrimination, on the basis of sex accomplished through the use of private, as opposed to Federal, financial assistance. As indicated in Part I, Section A of this memorandum, such private acts of discrimination have never been the subject of Supreme Court decisions involving sex discrimination under the equal protection clause, and only to a limited extent have they been the subject of Congressional enactments. Nothing in title IX grants to HEW any authority to regulate such private acts of differentiation on the basis of sex. Title IX only pertains to "education programs and activities *receiving Federal financial assistance* (emphasis added)."

Subsection (c) of section 86.37. Athletic scholarships—This subsection provides that "To the extent that an educational institution awards athletic scholarships or grants-in-aid, it must provide reasonable opportunities for such awards for members of each sex in proportion to the number of students of each sex participating in interscholastic or intercollegiate athletics."

Comment: Subsection (c) is objected to for reasons stated in Part I, Section (B) of this memorandum. Of course, physical education programs which are a regular part of the curriculum of the institution and for which no special skill is required for participation are unquestionable "education program(s) and activity(ies)" within the meaning of title IX. However, it is equally obvious that athletic programs of an intercollegiate nature, for which a specialized or exceptional skill is required for participation, are not "education program(s) and activity(ies)" within the meaning of title IX. As indicated, reference is made to Part I, Section (B) of this memorandum and to Part I, Section (C).

Section 86.38. Employment assistance to students—Subsection (a) provides that an educational institution "which assists any agency, organization or person in making employment available to any of its students (s)hall assure itself that such employment is made available without discrimination on the basis of sex; and (s)hall not render such services to any agency, organization, or person which discriminates on the basis of sex in its employment practices."

Comment: This provision is objected to because it seeks to limit the liberty of an educational institution to deal with entities and persons regarding activities that are not "education program(s) or activity(ies)." It is further objected to because it similarly seeks to limit the liberty of an educational institution to deal with entities and persons regarding activities that do not receive "Federal financial assistance." Reference is made to Part I, Sections (B) and (C) of this memorandum and to comments relative to HEW regulations Subpart E regarding discrimination on the basis of sex in employment in education programs and activities.

Subsection (b) of section 86.38 prohibits the employment of students by an educational institution "in a manner which violates Subpart E."

Comment: This provision is objected to for reasons stated in connection with Subpart E.

Section 86.39. Health and insurance benefits and services—This section prohibits discrimination on the basis of sex in the providing of medical hospital, accident, life insurance benefits, services, or plans by an educational institution. Additionally, the same may not be provided to students in a manner that would be violative of Subpart E if it were provided to employees of the institution. Additionally, any institution which provides full coverage health service shall provide gynecological care. Further, the providing of family planning services to students is mentioned with approval.

Comment: This section is objected to for reasons stated in Part I, Section (B) of this memorandum. Briefly, the plain meaning of the term "education" in section 901 of title IX does not include extracurricular programs and activities. It is equally obvious that the term does not embrace medical services and benefits, nor can it be extended to include insurance policies. To do so defies reason, and it violates fundamental rules of legal construction requiring the common, natural and customary meaning to be given the term. *Sutherland's Statutory Construction,* fourth edition, Volume 2–A, § 46.01, pages 48 and 49; Order of Railway Conductors of America v. Swann, 329 U.S. 520 (1947). Additionally, to the extent that such services and benefits do not receive "Federal financial assistance," the section is objected to for reasons stated in Part I, Section (C) of this memorandum.

Section 86.40. Marital or parental status—Subsection (a) provides that an educational institution "shall not apply any rule concerning a student's actual or potential parental, family, or marital status which treats students differently on the basis of sex."

Comment: This provision is objected to for reasons stated in Part I, Section (A) of this memorandum. Under this section, an educational institutional institution is prohibited from applying any rule whatsoever, or making any differentiation at all regarding students who are pregnant regardless of whether such student is married or unmarried. If an unmarried, pregnant student insists, that student must be permitted to continue to attend classes and participate in other education programs and activities until a reasonable period prior to birth of the child. This commentator would not suggest whether an educational institution should adopt such a policy, nor would he suggest whether an institution should adopt a less permissive policy. Such a decision is properly the prerogative of the particular educational institution in question. However, in view of the Supreme Court decision in *Geduldig v. Aiello,* 417 U.S. 484 (1974) which held that differentiation, or discrimination, on the basis of pregnancy is not discrimination on the basis of sex, and in view of the Supreme Court decision in *San Antonio School District v. Rodriguez,* 411 U.S. 1 (1973) which held that there is no Constitutionally protected right to an educational opportunity, HEW is not justified in requiring that educational institutions not differentiate on the basis of actual or potential parental status.

Subsection (b) of Section 86.40 provides that an educational institution shall not discriminate against any student, or exclude any student from its education program or activity, including class or extracurricular activity, on the basis of such student's pregnancy, childbirth, false pregnancy, termination of pregnancy, or recovery therefrom, unless the student requests voluntarily to participate in a separate portion of the program or activity of the . . ." institution.

Subsequent paragraphs of subsection (b) further outline prohibitions and limitations of the institution relative to pregnancy, including the requirement that pregnancy, false pregnancy, termination of pregnancy and recovery therefrom be treated in the same manner and under the same policies as any other temporary disability with respect to medical or hospital benefits, services, plans or policies which such recipient administers, operates, offers, or participates in with respect to students admitted to the recipient's educational programs or activities."

Comment: Subsection (b) is objected to for reasons stated in Part I, Sections (A), (B), and (C) of this memorandum as well as for reasons stated in the comments relative to subsection (a) of Section 86.40 above. Subsection (b), as indicated, requires that termination of pregancy be treated in the same manner and under the same policies as any other temporary disability with respect to medical or hospital benefits, services, plans or policies. Therefore, HEW requires that the educational institution's medical cover students' abortions. Additionally, as noted earlier, the institution is not permitted to consider the marital status of the student. The institution's medical benefits must provide abortion coverage to both married and unmarried students. There is obviously nothing in title IX granting such authority to HEW. Further, in *Geduldig* v. *Aiello* (1974), cited previously, the Supreme Court has held that differentiation on the basis of pregnancy is not discrimination on the basis of sex.

Section 86.41. Athletics—This section provides that "No person shall, on the basis of sex, be excluded from participation in, be denied the benefits of, be treated differently from another person or otherwise be discriminated against in any interscholastic, intercollegiate, club or intramural athletics offered by . . . educational institutions," and no educational institution shall, except as allowed in subsection (b), provide any such athletics separately on such basis.

Comment: This entire section pertaining to athletics is objected to for reasons stated in Part I, Sections (A), (B), and (C) to the extent that such athletics are not regular elements of the physical education program within the curriculum of the institution. Clearly, athletics beyond the physical education class level are not within the meaning of the term "education" as used in section 901 of title IX. Additionally, to the extent that such programs and activities do not receive Federal financial assistance, they are not covered by title IX even if they were deemed to be within the term "education." It is noted that HEW, in addition to citing sections 901 and 902 of title IX, also cites section 844 of the Education Amendments of 1974 in support of the inclusions of athletics within the regulations. The citing of section 844 is rejected as not being supportive of such a grant of authority to HEW, because section 844 does not purport to amend title IX of the Education Amendments of 1972, nor does it do so. As such, it is not a delegation of authority from the Congress to the Secretary of HEW; and therefore, it is not substantive law applicable generally to citizens of the United States. Section 844 is a directive from Congress to the Secretary of the Department of Health, Education and Welfare, and it is applicable only to the Secretary. Further, as a directive from the Congress, it can properly be reviewed by Congress, and it can be retracted, amended, or ratified. A proper means available to the Congress for such review is a Concurrent Resolution submitted pursuant to section 431(d) of the General Education Provisions Act.

SUBPART E—DISCRIMINATION ON THE BASIS OF SEX IN EMPLOYMENT IN EDUCATION PROGRAMS AND ACTIVITIES PROHIBITED

This entire Subpart of the HEW regulations pertains to employment of individuals by the educational institution. While it is recognized that the phrase in section 901 of title IX respecting "participation in . . . any education program or activity . . . ." may arguably be interpreted to include those who teach such activities, it is the view of this commentator that such a conclusion is not mandated by the language of title IX.

Additionally, section 703 of the *Civil Rights Act of 1964* as amended by the *Equal Employment Opportunity Act of 1972* specifically provides that "It shall be an unlawful employment practice for an employer to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's . . . sex. . . ."

Section 705 of that Act created the Equal Employment Opportunity Commission, and section 706 of such Act empowers the Commission to prevent any person from engaging in any unlawful employment practice as set forth in section 703. . . ."

Clearly, the Equal Employment Opportunity Commission, not HEW, is the proper agency of the Federal Government to consider questions of possible discrimination on the basis of sex in employment. And, of course, its power and authority governs educational institutions as well as other employers. On April 5, 1972, the Commission published in the *Federal Register* regulations, or guidelines relative to discrimination because of sex. Those regulations are, of course, currently in effect.

In the light of the authority, jurisdiction and work of the Equal Employment Opportunity Commission, it is submitted that the better reasoned view is that Congress did not intend for title IX to be extended to cover employees of educational institutions. Rather, it is suggested that Congress intended the *Equal Employment Opportunity Act of 1972* to cover such matters. It is noteworthy that both Acts were enacted in the same year. Therefore, it is submitted that the proper agency of the Federal Government to promulgate regulations respecting discrimination on the basis of sex in employment is the Equal Employment Opportunity Commission, not HEW.

In the light of the two previously mentioned enactments of 1972, it would defy common sense to conclude otherwise. Further, simple principles of good management and economy in government require that competition among Federal agencies which have a duplicative effect not be permitted.

TITLE IX—PROHIBITION OF SEX DISCRIMINATION

SEX DISCRIMINATION PROHIBITED

SEC. 901. (a) No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance, except that:

(1) in regard to admissions to educational institutions, this section shall apply only to institutions of vocational education, professional education, and graduate higher education, and to public institutions of undergraduate higher education;

(2) in regard to admissions to educational institutions, this section shall not apply (A) for one year from the date of enactment of this Act, nor for six years after such date in the case of an educational institution which has begun the process of changing from being an institution which admits only students of one sex, to being an institution which admits students of both sexes, but only if it is carrying out a plan for such a change which is approved by the Commissioner of Education or (B) for seven years from the date an educational institution begins the process of changing from being an institution which admits only students of only one sex to being an institution which admits students of both sexes, but only if it is carrying out a plan for such a change which is approved by the Commissioner of Education, whichever is the later;

(3) this section shall not apply to an educational institution which is controlled by a religious organization if the application of this subsection would not be consistent with the religious tenets of such organization;

(4) this section shall not apply to an educational institution whose primary purpose is the training of individuals for the military services of the United States, or the merchant marine; and

(5) in regard to admissions this section shall not apply to any public institution of undergraduate higher education which is an institution that traditionally and continually from its establishment has had a policy of admitting only students of one sex.

(b) Nothing contained in subsection (a) of this section shall be interpreted to require any educational institution to grant preferential or disparate treatment to the members of one sex on account of an imbalance which may exist with respect to the total number or percentage of persons of that sex participating in or receiving the benefits of any federally supported program or activity, in comparison with the total number or percentage of persons of that sex in any community, State, section, or other area: *Provided*, That this subsection shall not be construed to prevent the consideration in any hearing or proceeding under this title of statistical evidence tending to show that such an imbalance exists with respect to the participation in, or receipt of the benefits of, any such program or activity by the members of one sex.

(c) For purposes of this title an educational institution means any public or private preschool, elementary, or secondary school, or any institution of vocational, professional, or higher education, except that in the case of an educational institution composed of more than one school, college, or department which are administratively separate units, such term means each such school, college, or department.

FEDERAL ADMINISTRATIVE ENFORCEMENT

SEC. 902. Each Federal department and agency which is empowered to extend Federal financial assistance to any education program or activity, by way of grant, loan, or contract other than a contract of insurance or guaranty, is authorized and directed to effectuate the provisions of section 901 with respect to such program or activity by issuing rules, regulations, or orders of general applicability which shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken. No such rule, regulation, or order shall become effective unless and until approved by the President. Compliance with any requirement adopted pursuant to this section may be effected (1) by the termination of or refusal to grant or to continue assistance under such program or activity to any recipient as to whom there has been an express finding on the record, after opportunity for hearing, of a failure to comply with such requirement, but such termination or refusal shall be limited to the particular political entity, or part thereof, or other recipient as to whom such a finding has been made, and shall be limited in its effect to the particular program, or part thereof, in which such noncompliance has been so found, or (2) by any other means authorized by law: *Provided, however*, That no such action shall be taken until the department or agency concerned has advised the appropriate person or persons of the failure to comply with the requirement and has determined that compliance cannot be secured by voluntary means. In the case of any action terminating, or refusing to grant or continue, assistance because of failure to comply with a requirement imposed pursuant to this section, the head of the Federal department or agency shall file with the committees of the House and Senate having legislative jurisdiction over the program or activity involved a full written report of the circumstances and the grounds for such action. No such action shall become effective until thirty days have elapsed after the filing of such report.

JUDICIAL REVIEW

SEC. 903. Any department or agency action taken pursuant to section 1002 shall be subject to such judicial review as may otherwise be provided by law for similar action taken by such department or agency on other grounds. In the case of action not otherwise subject to judicial review, terminating or refusing to grant or to continue financial assistance upon a finding of failure to comply with any requirement imposed pursuant to section 902, any person aggrieved (including any State or political subdivision thereof and any agency of either) may obtain judicial review of such action in accordance with chapter 7 of title 5, United States Code, and such action shall not be deemed committed to unreviewable agency discretion within the meaning of section 701 of that title.

PROHIBITION AGAINST DISCRIMINATION AGAINST THE BLIND

SEC. 904. No person in the United States shall, on the ground of blindness or severely impaired vision, be denied admission in any course of study by a recipient of Federal financial assistance for any education program or activity, but nothing herein shall be construed to require any such institution to provide any special services to such person because of his blindness or visual impairment.

EFFECT ON OTHER LAWS

SEC. 905. Nothing in this title shall add to or detract from any existing authority with respect to any program or activity under which Federal financial assistance is extended by way of a contract of insurance or guaranty.

AMENDMENTS TO OTHER LAWS

SEC. 906. (a) Sections 401(b), 407(a)(2), 410, and 902 of the Civil Rights Act of 1964 (42 U.S.C. 2000c(b), 2000c-6(a)(2), 2000c-9, and 2000h-2) are each amended by inserting the word "sex" after the word "religion".

(b)(1) Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended by inserting after the words "the provisions of section 6" the following: "(except section 6(d) in the case of paragraph (1) of this subsection)".

(2) Paragraph (1) of subsection 3(r) of such Act (29 U.S.C. 203 (r)(1)) is amended by deleting "an elementary or secondary school" and inserting in lieu thereof "a preschool, elementary or secondary school".

(3) Section 3(s)(4) of such Act (29 U.S.C. 203(s)(4)) is amended by deleting "an elementary or secondary school" and inserting in lieu thereof "a preschool, elementary or secondary school".

INTERPRETATION WITH RESPECT TO LIVING FACILITIES

SEC. 907. Notwithstanding anything to the contrary contained in this title, nothing contained herein shall be construed to prohibit any educational institution receiving funds under this Act, from maintaining separate living facilities for the different sexes.

MATHEWS TO HEW

Mr. SPARKMAN. Mr. President, President Ford has selected Dr. David Mathews, president of the University of Alabama, to join his Cabinet as Secretary of the Department of Health, Education, and Welfare. I am pleased with this selection by the President although it is with regret that I see Dr. Mathews leaving the presidency of the University of Alabama, a position that he has held since 1969.

Dr. Mathews is a historian. He once stated:

> I'm a teacher. A historian. That is my life's work.

He is a man of great ability and one who can be counted upon to handle well the many complex activities that are a part of the makeup of HEW.

In the Huntsville Times of Sunday, June 22, 1975, there was a very fine article about him entitled, "Mathews: A Profile," with one of his quotations as a subhead: "Government's first responsibility is to make the people self-reliant."

I ask unanimous consent, Mr. President, that this entire article may be printed in the RECORD together with an editorial from the Birmingham News of June 29, 1975.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Huntsville Times, June 22, 1975]

MATHEWS: A PROFILE

(By Peter Cobun)

TUSCALOOSA.—As he mounts the steps of the stockade-like administration building of the University of Alabama here, David Mathews says hello to two students in the close, morning heat of the Tuscaloosa summer.

The unsuspecting students jerk around, surprised at the pleasant acknowledgment from the university president in the faceless anonymity of the institution.

In the muted splendor of Mathews' second-floor office, he squints from the glare as he peers absently at the tree-shaded quadrangle which serves as the nucleus of the expanding university campus.

David Mathews has a great deal on his mind. In the next several days, President Ford will send to the Senate the nomination of Forrest David Mathews as secretary of the U.S. Department of Health, Education and Welfare.

Since news leaked of Mathews' pending nomination to the Ford Cabinet, the university president has refused to discuss HEW. "Just pretend HEW doesn't even exist," he says, smiling in a boyish grin which gives no hint of his 39 years.

But Mathews' thoughts provide a striking insight into the ideas he may have in administering the unwieldy bureaucracy with an annual budget of $118.4 billion.

"The political genius of the early American republic was the ability of Americans to do for themselves so many things that governments elsewhere sought to provide.

"The American people were thereby able to be free of the ultimate tyranny: that of bureaucracy. The basic principle for all public policy should be that the first responsibility of government is to make people self-reliant. That should be the meaning of government 'service.' "

If this statement is Mathews' precept of running the HEW, it is a precept which has been nurtured and influenced by his childhood and adolescent days in Grove Hill, the small (population 1,825) county seat of Clarke in southern Alabama.

David Mathews was taught the principle of self-reliancy until his graduation from Clarke County High School. But he was also taught the appreciation of the subtleties of human nature.

"Growing up in a small town can make you more sensitive to the subtleties of life," he says, visually enjoying the opportunity to look back on the foundations of his childhood.

"Things just don't whiz by you in taxi cabs or subways. Small towns are a particularly good tool in the subtleties of human relations. Maybe that's true because people aren't always changing. You have just a small number of people to deal with day in and day out.

"But most importantly," he says, "in a small town you get an incredible amount of support and reinforcement. You really don't have to be all that good to get your name in the county newspaper.

"In a small town, people are willing to believe you're better than you really are. It is often nothing more than just that—support and reinforcement—which makes people better than they really are—or otherwise would be."

Mathews will take his home-spun philosophy with him by summer's end to Washington, D.C., where he will attempt to take control of the largest chunk of the national budget.

Will he forget that philosophy?

"You will always move away," he says, "but you will never forget those principles you first learned."

In his Cabinet post, Mathews will be responsible for the nation's social, medical and educational programs—programs designed for the betterment of this country's peoples.

"Our greatest resource," he feels, "is in our people, in their capacity for caring and commitment, in their capacity for pride and hard work, and in the sense of community that they have preserved—and that preserves them.

"Our plans for progress must not destroy the ancient ties that bind our people into a human community."

Mathews' conversation is spiked with phrases such as "human community," "heritage," "tradition," "hard work" providing a key to his idealogy, yet still preventing pegging his politics.

Categorizing Mathews politically is difficult. He describes himself only as an independent, and has avoided embraces by both Republicans and Democrats. His distaste for the blunt, and unsophisticated politics of George Wallace is not a well-kept secret.

Just as Mathews has avoided political categorization, he has avoided discussion of his possible political future.

Speculation has often flowed and ebbed about when Mathews would shed the academic security of the presidency of the University of Alabama for the more tumultuous world of politics.

"I'm not interested in any sort of political office," he said with apparent conviction during a conversation four years ago.

Speculation of Mathews' imminent departure was at new heights that year, following the publication of a six-page cover story in the Saturday Review on Mathews and the university.

Yet David Mathews remained, plotting innovative courses for the university and shrugging at suggestions of a political career.

"I have no political base in Alabama," he said of the magazine profile.

"Anyway, I'm a teacher. A historian. That is my life's work. I may not always be at the University of Alabama. I just don't know. But I will always be a teacher."

Even in his six years as president of the university, Mathews has made time for teaching. His appointments calendar is left blank for his large sophomore history class, which he misses very infrequently.

"I do it because I enjoy it," he says, and he is one of the few college presidents in the country who insists on finding time to go back to the classroom.

Mathews received his undergraduate degree from the University of Alabama in 1958, majoring in history with a minor in classical Greek—a language study not even in the curriculum. By special arrangement with a professor, Mathews studied privately and intently, the university accepting his study as a minor.

A year later he was awarded a master's degree. After a brief hitch at Fort Benning, Ga., as an infantry officer, Mathews served as Alabama's assistant dean of men between 1960 and 1962. In 1965, he received a doctorate in the history of American education from Columbia University. Within a year he was named executive assistant to the president and in 1968 executive vice president of the university.

With the resignation of Frank Rose as president in 1969, Mathews was named his successor.

He chose the university presidency over several lucrative private offerings, including the chairmanships of the Encyclopaedia Britannica and the Saturday Review magazine empire.

Although Mathews isn't saying, it is doubtful that his HEW reign will extend past Ford's present term. Even if Ford is elected for his first full-term, most university officials expect Mathews back at the academic helm before January, 1977.

The material trappings of high office—the social fuss, the protocol, the limousines—don't appeal to the graduate of Clarke County High School.

When Frank Rose moved from the imposing white-columned president's Mansion in 1969, he left in the driveway for David Mathews a new Buick with a university chauffeur waiting in the wings.

Mathews immediately disposed of the chauffeur, reassigning him to more instrumental doings at the university, and relegated the auto to mere highway travel. Although Rose was often chauffeured between campus buildings, Mathews discarded the pretentious trappings of his presidency to walk with some of the university's 15,000 students between classes. He explained it as part of his efforts "to stay in touch."

It is that sense of "staying in touch" which has guided Mathews throughout his presidency of the university.

His idea of citizen roundtables—initiated after the years of campus turmoil in the late 1960s in an effort to bring together students, faculty, administrators, prominent representatives of education, business and government in an intellectual give-and-take—won praise from participants and resulted in the establishment of annual roundtable discussions.

These days he talks of his efforts "to enable the university to speak to a larger audience."

Mathews established the university's New College in 1970, a school unlike other "experimental colleges" in the nation. New College does not serve restricted clientele, but enrolls a student body from all walks of life. The college's students have included the past state president of the NAACP; the new black sheriff of Greene County; the white mayor of a small, south Alabama town.

Mathews has been instrumental in changes in procedures making the university more accessible to parttime students.

As a teacher, he has witnessed the dull, tedious teachings of his peers. As president, he has initiated programs to inspire creativity in the faculty. The Ford Foundation provided a $250,000 grant to Mathews' Venture Fund—a fund used to award, on a competitive basis, money to professors who propose new and better teaching techniques.

Mathews speaks unhesitantly about the problems facing education at the University of Alabama. His thoughts provide a clue to the concepts he will apply to education nationally when he takes over the helm at HEW.

"Education needs to be more responsive to a wider audience," he says. "As in our Venture Fund program, education needs to award creativity among the faculty.

"And education needs to be responsive to the public needs without being overwhelmed by fads. We need to involve the general public in education without being a mere giant public relations effort."

David Mathews was shaped significantly, he says, by the teachings of his grandfather, now 90 years old and a former superintendent of Clarke County Schools.

"When I think of my grandfather," says Mathews, "I think of an old Greek saying, 'Behold the man.' Roughly translated, it brings to mind the people whose vitality, whose intellectual vigor and whose personal integrity makes them monuments on the human landscape.

"My grandfather is one of those persons."

In nominating Mathews as secretary of HEW, Gerald Ford is looking at the University of Alabama president to bring his vitality, intellectual vigor and personal integrity to the federal bureaucracy.

MATHEWS TO HEW

When Dr. David Mathews was named to follow in the footsteps of the dynamic Dr. Frank Rose as president of the University of Alabama, a number of skeptics shook their heads suggesting that young David would never conquer the sprawling Goliath at Tuscaloosa.

But the 33-year-old David had a few wrinkles in his sling which since 1969 have made the job appear simple.

Not only has Dr. Mathews and the university survived, both have prospered and both have grown in stature.

Taking over at a time when student unrest was peaking, Mathews quietly mobilized the student, faculty and administration leadership and together drew up guidelines for what turned out to be peace and progress on the campus.

Among his talents which emerged as president were the ability to hear with his ears, see with his eyes and talk in terms which others could understand.

Now young David, as the youngest of President Ford's cabinet nominees, will have the chance to use these talents in a vastly larger arena as secretary of the Department of Health, Education, and Welfare. Managing that billion-dollar agency which touches the lives of every community in the nation and millions of personal lives, Mathews will have perhaps the toughest job in government next to the presidency.

The staff of this newspaper, which has had occasion to work closely with Mathews and his staff, has come to admire and trust him. Given even nominal support, he will do a grand job at HEW. President Ford could not have made a more propitious nomination.

While we wish him every success in Washington, we look forward to the time when he will have finished his task there and returns to Alabama.

Good luck, David; and keep your sling dry.

THE ENERGY CRISIS AND THE ROLE OF COAL

Mr. PERCY. Mr. President, I recently addressed the Senate on the energy crisis in this country and the imperative need to conserve our resources now before we find ourselves completely dependent on expensive foreign oil. For the longer term, I suggested to the Congress that we need incentives for coal production and for the development of alternate energy sources.

Therefore, I was pleased to receive recently from the Energy Research and Development Administration its first national energy plan. This message urges the development of usable forms of coal and uranium power at once. ERDA Administrator Robert C. Seamans, Jr. said:

> Only an aggressive program of technological development can expedite this process. It is urgent to begin now.

For this reason close to $425 million has been budgeted this year for fossil fuel research alone out of almost $2 billion in total energy research for ERDA.

The emphasis on coal research is particularly encouraging since the State of Illinois has the largest reserves of bituminous coal in the country, and Illinois has committed itself to the development of its coal. The Institute of Gas Technology in Chicago has been a leader in coal conversion research for many years. IGT has perfected the HYGAS process which completely converts coal to synthetic high Btu gas, as a supplement for use with pipeline natural gas. The IGT pilot plant recently completed a run on a self-sustained basis using this process.

Coal mining techniques are also important to develop if we are to double our production of coal in the next 10 years. Therefore, I was pleased that the Bureau of Mines recently announced the awarding of a cost-sharing contract with Old Ben Coal Co. of Chicago for commercial demonstration of the "longwall" coal mining method in Illinois. This method of mining, which mechanically "slices" coal off one end of an underground block, is considered a much more efficient and time saving method than the traditional "roof and pillar" method of mining normally used.

Because of the renewed interest in coal development in the United States, and particularly the State of Illinois contribution to this research, I think my colleagues will find the following article recently printed in the Capitol Hill Forum of particular interest. I feel it describes the situation and problems involved in coal research and development in a very clear and understandable way. Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COAL MAKES COMEBACK

(by Peter G. Miller)

As the US strives toward energy independence—or at least reduced dependence on back. But unlike much that is nostalgic, the subject of coal is neither sedate nor a passing fashion.

As the US strives toward energy independence—or at least a reduced dependence on foreign fuels—coal is clearly a keystone of the future. The US has the world's largest reserves of coal, the ability to mine it commercially, and the technology to convert it into high-energy liquids and gases. We are, in effect, the Arabs of the coal fields.

The electric utility industry is the nation's largest user of coal, consuming more than half of the approximately 600 million tons produced in the US each year. The second largest user of coal is the steel industry which, according to one source, derives 70 percent of its energy from coal and such by-products as coke and gases. Steel uses about 15 percent of our annual coal production. A third major source of coal consumption is steel mills overseas. Each year, we export more than 50 million tons—about 8 percent of our total production.

These uses of coal are all bulk areas of consumption. No one keeps a little coal in the backyard shed to run a lawnmower or an extra bucket to power a car. But the question arises, why not? Coal is a carbon-based fuel, chemically not much different from crude oil or natural gas.

Converting coal into more useful forms is a major area of research today, and will undoubtedly be an entire new industry tomorrow. Since 1936, when Germany first began to make synthetic gases from coal, the technology of fuel conversion has been known. About 15 conversion pilot projects are in various stages of completion at this time, many funded—at least in part—by the Office of Coal Research.

To convert coal into a synthetic gas, it is necessary to chemically separate carbon from the other components of coal. This separation process is a particularly good time to remove such pollutants as sulfur. The carbon is then combined with hydrogen, which is usually obtained from water, to form methane. Methane, in turn, is the principle building block of natural gas.

Coal, once converted into a gaseous state, can be shipped by pipeline or stored underground. In terms of energy value, synthetic gases can be manufactured to the exact specifications of natural gas.

Coal can be made into a cleaner product through a process of refining. A pilot plant, operated by the Pittsburgh and Midway Coal Company, first pulverizes coal and then mixes it with a solvent. This mixture is combined with hydrogen under great pressure, pollutants are removed, and a clean, high energy product is created. The plant, at Ft. Lewis, Wa., uses 50 tons of coal per day.

The purpose of coal conversion is not to trade a liquid substitute for crude oil but to offer a clean energy source for electrical production.

The coal conversion projects currently under study are designed to identify the most modern and efficient gasification and liquefaction concepts. Once the basic research is completed, enormous plants using thousands of tons of coal per day will be developed.

The plants being designed at this time will use as much as 28,250 tons of coal each day, or approximately 10 million tons each year. For each ton of coal used, it is expected that more than two barrels of synthetic liquid of 1,000 cubic feet of gas will be produced. Typical major plants are expected to produce 250 million cubic feet of gas daily and will create 2,300 jobs directly in mining and plant operations. An additional 1,600 jobs will be developed indirectly, according to gas industry sources.

How many plants will be constructed? The answer depends on many factors, but coal availability is not one. A study by the American Gas Association has identified 176 sites with sufficient coal to meet the needs of a major conversion facility. Of these sites, 35 are east of the Mississippi, while 141 are located in the West.

It is possible that within the next several years, a few major plants will be constructed, most probably in the Four Corners area of the Southwest, in several sites in Illinois, and in Montana. If the first large plants are successful, and the shortage of natural gas continues, it is likely that an entire new industry—one having perhaps as many as 120 giant plants directly employing more than 275,000 people—will be created.

Three factors strongly favor the development of the coal conversion industry. First, the United States is believed to have nearly half the world's coal. At current rates of consumption, we have enough readily available coal to last for at least 250 years. Most authorities regard that figure as grossly conservative and believe that we have a 600-year supply. An outside high estimate is that we will have coal for the next 2,000 years or better.

Second, compared to other energy resources in the United States, the supply of coal is virtually endless. At the present time, the US is believed to have a ten to 12-year supply of natural gas if we are able to limit consumption to about 22 trillion cubic feet per year. Through coal conversion, we could increase our proven gas reserves by 11,000 trillion cubic feet, according to the Institute of Gas Technology in Chicago. Most experts believe the United States will run out of crude oil within 20 years. The development of a synthetic oil industry would increase our reserves by trillions of barrels, many times the crude reserves held by the rest of the world combined. It should be noted that although current estimates of US reserves are, in themselves, a subject of controversy and conflicting claims, the concept of enormous coal resources and relatively limited natural gas and crude oil reserves is universally accepted in principle.

A third point concerns technology. Coal conversion means the removal of pollutants before they are burned as part of the fuel cycle. This technology exists today and can offer a significant environmental advantage over current pollution control practices.

While the backers of coal conversion offer a variety of arguments in support of their concept, conversion is opposed by many groups.

Coal conversion necessarily depends on the increased production of coal, a necessity that raises two questions: Where will the coal come from, and who will mine it?

Increased production invariably means more strip mining. Strip mining has stirred strong emotions, and some critics have suggested that only deep mining should be permitted in the future. The problem, however, is that strip mining is far more efficient than deep mining—thus producing cheaper energy.

Deep mining has traditionally been the most dangerous industrial occupation in the country. Arnold Miller, president of the United Mine Workers, has stated that nearly 80,000 miners have died since 1910, the year when such statistics were first recorded by the Bureau of Mines. While safety has improved substantially over the years, 132 miners were killed in 1974, and 15,000—nearly one in ten—had a disabling injury. Other problems, such as black lung disease, are difficult to identify on a current basis but may show up in future years.

Historically, strip mining has been far safer than deep mining. This siutation may be changing. The miners' union claims that in 1974, on a man-hour basis, strip mining and deep mining were equally dangerous. This statistic may be due, in part, to improvements made in deep mining conditions in recent years.

Critics of the coal industry are also bothered by the concentration and make-up of the major producers. It is estimated that there are more than 4,000 coal producers in the U.S. today but, of these, 15 firms produce approximately 50 percent of the coal mined, and the top 50 companies mine nearly two-thirds of the total U.S. production.

Of the 15 largest companies, only three are independent. The nation's largest coal producer, Peabody, is a subsidiary of Kennecott Copper. This relationship has been challenged, and there is some possibility that Kennecott may be forced to divest Peabody. In 1973, Peabody produced 69.9 million tons of coal, nearly 11 percent of the nation's output.

The second largest producer, Consolidated Coal, is a wholly-owned subsidiary of Continental Oil. It produced 60.5 million tons in 1973. Third, and far down the list, with 22.9 million tons of production, is Island Creek Coal, which is owned by Occidental Petroleum. Fourth is Clinchfield Coal, a part of the Pittston Company. The fifth largest producer is AMAX Coal, a subsidiary of American Metal Climax. The largest shareholder in American Metal Climax is Standard Oil of California.

Critics of the coal industry complain that not only is much production controlled by oil companies, but that coal reserves are even more tightly controlled. The miners' union believes that 70 percent of the nation's coal reserves are held by major oil firms.

The oil firms, for their part, note that an interest in coal is a natural outgrowth of diversified energy companies, that oil companies have brought huge amounts of capital into the coal industry, that much research into new uses for coal has been initiated, and that new techniques in land reclamation have been created.

The conflicts in the coal industry are substantial. While critics and supporters of the industry debate methodologies, most seem to support the general concept of coal conversion. Yet, if coal is to be a viable alternative to our growing energy dilemma, reasonable concessions must be made by all sides. At this point, there seems to be more interest in debate than in compromise.

FURTHER EVIDENCE OF FALSE BASIS FOR STRIP MINING VETO

Mr. METCALF. Mr. President, since President Ford's veto of the surface mining legislation, there has been a steady stream of evidence that stated reasons for the veto were based on false assumptions and grossly distorted and biased estimates of "adverse impacts." Two recent newspaper articles demonstrate that officials from the Federal Energy Administration and the Bureau of Mines, who supposedly analyzed the legislation, did not even know what the specific provisions of the bill were.

As chairman of the Subcommittee on Minerals, Materials, and Fuels of the Senate Interior Committee, I find it particularly distressing that the Bureau of Mines, which is supposedly the repository of the Government's expertise in mining matters, was apparently incapable of impartial professional analysis.

Mr. President, I ask unanimous consent that the newspaper articles from the Baltimore Sun and the Louisville Courier Journal be printed in the RECORD at the end of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, June 30, 1975]

COAL-VETO DATA HELD SLOPPY

(By Stephen E. Nordlinger)

WASHINGTON.—The figures on the loss of coal production cited by President Ford to justify his veto of the strip-mining bill appear to have been based on the roughest kind of estimates, verified in part by checking with state mining association officials who were known vocal opponents of the legislation.

Some of the material designed to substantiate the production losses was hastily assembled after the veto was announced, in preparation for a special congressional hearing called to examine the administration's figures.

A memo written at the Interior Department referred to some of the figures as "mushy" and said that supporting material might have to be assembled if they became subject to attack in Congress.

One Bureau of Mines official interviewed said that "a lot of guessing" had been done to compile the information to support the presidential veto.

Mr. Ford announced May 20 his veto of the bill to control environmental damage from strip-mining in Appalachia and in the Western fields. The House of Representatives by three votes failed to override the veto June 10.

The President's primary argument against the bill rested on a wide range of estimates of production losses going from 40 million to 162 million tons in 1977, when it was said the impact of the law would be felt by mine operators.

Although engineers and officials at the Bureau of Mines and the Federal Energy Administration developed this range, Mr. Ford and administration spokesmen emphasized the loss at the extreme upper end. Lobbyists representing the coal and electric utility industries ignored all but the top figure in their intense campaign to defeat the bill.

A three-week study of the methods used to compile the figures disclosed the following:

There was no economic analysis made of the small mines in Appalachia to determine their financial ability to comply with the bill's new requirements. An economic analysis would have studied the capabilities of the mines in light of expectations of high demand for coal and rising prices. The administration estimated that almost all small mines would be closed and few would be able to open as a result of the bill.

Thomas V. Falkie, director of the Bureau of Mines, promised at the special congressional hearing on the production figures to provide a list of the small mines that would be closed by the bill. In a later interview, Mr. Falkie said no such list exists, but that, if it did, he would keep it confidential on grounds that it contained proprietary information.

A chart submitted to the same hearing said that predicted tonnage losses from small mines were based on projections from examples "of approximately five operating mines" in seven states. The Federal Energy Administration refused to disclose the names of the mines, but John A. Hill, the deputy administrator, said a list would be made available using coded names for the mines. No such list has been provided.

Only an informal survey was made of state agencies, mining associations and mine operators, often by long-distance phone, in an attempt to verify the engineering estimates of the Bureau of Mines and the Federal Energy Administration. No fixed set of questions was used and no written responses were requested. The sheets noting the informal replies have been destroyed.

The check of mining association officials included B. V. Cooper, executive director of the Virginia Surface Mining and Reclamation Association, who organized the caravan of mine operators that demonstrated against the bill here April 9. Another official questioned, Keenus Bowling, represents the Interstate Mining Compact Commission that voted 5 to 2 in May, 1974, against the then pending strip-mining bill.

The professional engineers at the Bureau of Mines were directed to assume for their calculations of production losses a possible court-ordered ban on all strip mining that substantially affected the alluvial valley floors in the West. The resulting estimate, not based on any formal study of the degree to which the mines could adjust the operations to the bill, accounted for a major part of the production-loss figures.

The scheduling of a special congressional hearing shortly after the President's veto to look into the production figures apparently triggered some intense activity at the governmental agencies to develop new substantiating information. The witnesses were to testify under oath about the figures.

Walter N. Heine, associate deputy director of the Mine and Land Protection in Pennsylvania and a supporter of the strip-mine bill, and the "phones rang off the hook" with requests for new information concerning the impact of the bill.

"It really frosted me that they wanted to do it after the fact," said Mr. Heine, who said he was "not too co-operative."

The request for new material was confirmed by William Kebbish, of the Bureau of Mines in Harrisburg, who said he was asked to seek the information by James Paone, director of the Environmental Division at the headquarters of the Bureau of Mines here.

"Everyone was questioning the figures you have so we were rechecking," said Mr. Kebbish. Mr. Heine said, however, that the Bureau of Mines had not checked previously with him or his staff for the kind of material requested.

In the months preceding the final congressional action on the bill, staff members of the Federal Energy Administration called by phone or visited officials in seven states in the East and South to get their assessment of the bill, according to a list supplied by the agency and interviews with government officials. The complex provisions of the bill were described on the phone in some cases.

One of the officials contacted, John Roberts, chief of the Division of Reclamation in Kentucky, the largest coal producing state in Appalachia, said that Fred Brokaw, of the energy administration, visited his office and discussed the pending legislation during a "general type of conversation." Mr. Roberts said said that no formal questionnaire was submitted to his agency for information.

A list of seven industrial associations reportedly consulted by the Federal Energy Administration mentioned Ben Lusk, president of the West Virginia Surface Mining and Reclamation Association, but Mr. Lusk said in an interview that no one from Washington contacted him about the bill, although he said he opposed the legislation. In a report to association members last October 4, however, Mr. Lusk said he thought West Virginia miners could "adjust properly" to the then pending bill, which was weaker than this year's measure.

One of those on the same list, William Kelce, of the Alabama Mineral Producers Association, was selected by the coal industry to represent its views against the bill before the international executive board of the United Mine Workers of America in order to discourage union support of the legislation. The United Mine Workers of America later endorsed the bill.

Although the government relied on outside state and industry officials for appraisals of the lengthy, complicated bill and its consequences for coal production, apparently even the staff members of the Federal Energy Administration and the Bureau of Mines, presumably closest to compiling information entirely on the bill's impact, were not entirely conversant with the provisions.

During an interview last week, two officials, Daniel Jones, of the energy agency, and Buck Miller, of the mines bureau, said the legislation explicitly banned strip mining on slopes of 20 degrees or greater. No such provision existed in the vetoed bill, and, in fact, such a specific prohibition was deliberately omitted by Congress in Senate and House roll-call votes.

Both Mr. Jones and Mr. Miller were closely involved in assessing the impact of the legislation on coal production.

During two lengthy interviews with officials of the Federal Energy Administration and the Bureau of Mines, the production figures were strenuously defended, although the engineers indicated that they could not be responsible if only the most extreme tonnage loss calculations were cited by opponents of the bill.

According to Mr. Falkie, director of the Bureau of Mines, the figures were based "on our experience and the vast amount of data available." He said the bureau estimated that to qualify for a strip-mining permit the operator of a small mine would have to spend between $9,000 and $29,000 to meet the bill's mapping, hydrolic and other requirements, without assurance of receiving a permit.

This information was submitted to Representative Patsy T. Mink (D., Hawaii), chairman of the House Subcommittee on Mines and Mining, on June 17, but without an economic analysis of the ability of mines to cope with added expenses.

The report arrived a week after the veto-override vote in the House and almost a month after the President's veto.

Mr. Paone, of the mines bureau, said part of the projected production loss was based on an estimate of the number of mines the government thought might open by 1977 without a regulatory bill, although the mines are not operating now.

"We tried to make a judgmental evaluation," he said, based on the best available engineering experience.

[From the Courier-Journal, June 30, 1975]

DATA USED TO JUSTIFY STRIP-MINE BILL VETO QUESTIONED

(By Ward Sinclair)

WASHINGTON.—The lengthy, emotional congressional effort to put federal regulations on the strip-mining of coal was stymied last month when President Ford vetoed the bill on the grounds that it was too costly and too stringent.

The President made his case from a mountain of controversial statistics prepared to document the bill's impact. He said as many as 36,000 jobs would be lost and coal production in 1977 could be cut by 162 million tons if the bill became law.

The statistics were put together by engineers from the U.S. Bureau of Mines and the Federal Energy Administration (FEA). Mr. Ford's allies in Congress and industry relied heavily on the data and, on June 10, the House failed to override the veto.

One of the major environmental measures of recent years had gone down the tubes. And by putting heavy emphasis on eye-grabbing statistics and the "crisis" aspect of national energy needs, Mr. Ford and the industry were able to convert what had been essentially an environmental debate into a murky and heated conflict over jobs and tonnages.

During the past several weeks, numerous interviews and a review by this newspaper of procedures used by the engineers at FEA and the bureau produced some basic conclusions. Among them are these:

A systematic economic-impact study was not made to determine the mining companies' ability to pay for new costs the bill might cause. Bureaucrats "assumed" that companies, particularly small operators in Appalachia, simply could not pay and would go out of business.

Some impact figures were gathered after Mr. Ford had vetoed the bill. Some Bureau of Mines employes readily conceded that "a lot of guessing" was going on as the figures were prepared and that the data in some cases was "mushy."

Although most federal officials were cooperative after repeated requests for information, a pattern emerged: Background data was "destroyed," other material was "scattered" around the country, lists of names and mines became "unavailable" and officials complained openly about their figures not being taken on faith.

In other instances, statistics were drawn up from flatly erroneous starting points. For example, until last Wednesday, two key men in the data-gathering process thought the vetoed bill banned mining on slopes over 20 degrees. It didn't. In fact, both the House and Senate on roll-call votes specifically precluded any steep-slope bans.

Obscured in the debate, but crucial to the validity of the statistics, was the point that much of the projected "lost" production and many of the "lost" jobs do not exist today. The engineers estimated production goals for 1977 and then concluded the bill would prevent that future coal from being mined and, thus, the jobs from being created.

Given a near-impossible assignment to quantify losses that might occur, the bureaucrats came up with wide ranges of projections from which political figures—principally, Mr. Ford and FEA chief Frank Zarb—tended to emphasize the highest range of predicted losses.

Officials defended their projected impacts by saying they had carefully doublechecked with companies, trade association and state reclamation agencies. A survey of those sources found that many were among the most vehement opponents of the legislation, who in turn were guessing about impact; others reported only cursory contact with the federal people.

After Mr. Ford vetoed the bill on May 20, congressmen and environmentalists leaped to the attack, arguing that the President's statistics were inadequate. Major supporters of the measure, such as Reps. Morris Udall, D-Ariz., Patsy Mink, D-Hawaii, and John Melcher, D-Mont., and Sens. Henry Jackson, D-Wash., and Lee Metcalf, D-Mont., were among the most outspoken.

Faced with rapidly eroding support in the House as members became worried about economic and energy impacts of the bill, Udall postponed a May 21 veto-override vote and announced that an Interior Committee inquiry on the statistics would be held in June.

The day-long congressional hearing produced a welter of arguments, contradictions and partisan sniping—in part because of the administration's refusal to provide all the background data that Udall and Mrs. Mink had requested in advance.

Since the hearing and the unsuccessful override vote, an exhaustive investigation and a series of interviews brought out an array of contradictions and discrepancies. Some examples:

FEA and the bureau insisted that part of the impact was determined by an EEA field survey of state reclamation offices, trade groups and selected strip-mining companies. This was done to confirm and double-check their own findings, they said.

FEA's survey was anything but formal or scientific. Each of the trade groups already was on record opposing the federal legislation.

Some interviews were conducted by long-distance telephone, some in person. No set of standardized questions was used. In some cases, according to FEA engineer Dan Jones—the man who thought the bill banned steep-slope mining—answers were forthcoming only after FEA had read portions of the legislation to the interviewee and sought an expression of their impact on mining.

Jones' Alabama source was William Kelce. Kelce, of the Alabama Mineral Producers Association, in 1974 appeared before the United Mine Workers executive board to talk about why a similar bill pending then should be killed.

The FEA roll-call showed that a Kentucky source was Keenus Bowling, head of the quasi-government Interstate Mining Compact Commission, based in Lexington. In 1974 the compact voted 5 to 2 against the bill.

FEA's Virginia source was B. V. Cooper, head of the state's strip-mine operators who had organized and led a demonstration of miners and truck drivers in Washington in April—protesting passage of the bill.

According to FEA, its West Virginia source was Ben Lusk, head of the Surface Mining & Reclamation Association in Charleston. Lusk, contacted by telephone, said he had not been interviewed by FEA nor contacted for data. Had he been contacted, he went on, he would have "told them plenty."

Lusk publicly opposed the legislation. He praised President Ford after he pocket-vetoed a similar strip-mine control bill last December. Privately, in a newsletter to association members Lusk was assuring them that they could live with and comply with the bill.

Jones of FEA said he saw no conflict in that. Lusk, in the interview, reiterated his belief that passage of the bill would have been devastating to West Virginia strip miners.

Although the FEA contact list did not mention his name, Tom Duncan, president of the Kentucky Coal Association said he was contacted several times during recent months by government officials seeking the association's impression of the possible impact of the bill.

Duncan said the association believed the bill would be fatal to almost all small mine operators in hilly Eastern Kentucky. He said the impression was based on his group's knowledge of the industry and companies' financial resources.

"We felt by all logic anyone mining 100,000 tons or less in Eastern Kentucky could not survive," Duncan said. "As a practical matter we felt you could write off any production from mines of 50,000 tons or less. They couldn't survive, only a few tenacious ones could survive."

Duncan said the government officials who contacted the Kentucky delegation "were asking for honest answers and we tried to give them that . . . we don't want them to get their figures shot down. But there was no pressure of any kind on us to come up with anything."

As FEA and the bureau finally worked it out, they projected that of the 950 small mines in Kentucky they believed would be operating in 1977 without a federal law, 900 of them woud have to close down if the law passed. In 1973, 632 small mines (50,000 tons or less) produced 9.9 million tons of strip coal in the state. The 1977 production-loss projection: 18.3 million tons.

Officials at the state level expressed some perplexity over reports that they had collaborated with FEA in compiling an impact assessment.

For example, John Roberts, head of Kentucky's reclamation division, said he was visited by an FEA official "probably in February" but their conversation was "only in the most general terms. . . ."

Roberts said his greatest concern was that the pending federal bill might cause "paperwork problems" for the state and for mining companies, particularly with issuing permits. But beyond that, he said, the conversion dealt with few specifics.

Walter Heine, who directs the Pennsylvania reclamation program, said he had had no contact with FEA officials regarding potential impacts, although he said FEA might have talked to others in his state agency.

Heine said he was "really frosted" when he received a call from a bureau official asking for steep-slope mine data the day after Reps. Udall and Mink announced they would grill administration officials at a hearing. Heine said he felt the bureau was trying to put together data "after the fact" and he did not cooperate.

The bureau man who made the call, William Kebblish, based in Harrisburg, Pa., said he had indeed called Heine "about three or four weeks ago—when the congressmen were going to counteract the veto."

Kebblish said he had been directed by the bureau in Washington to make the contact "to recheck some of their statistics . . . everyone was questioning the figures, you know. I'm pretty sure this was when the committee was having their hearings."

Heine, after checking with staff assistants, said Kebblish had sought data about the number of steep-slope mines in the state and the number of mines producing 50,000 or less tons of strip coal yearly. Kebblish said he had sought the data.

Both FEA and the bureau said vital back-up data to document and justify the final tabulations were not available. Jones of FEA said his agency's notes of conversations with the state groups had been destroyed because he saw no need to retain them once the final tabulation was made.

The tabulation, applying to steep-slope mines in the Eastern United States, projected that a maximum of 52 million tons would not be produced from those operations in 1977 if the bill became law.

The same tabulation, delivered to Mrs. Mink after the June 3 hearing, indicated that "samples" of information had been obtained from "approximately five operating mines in each state."

The federal officials, both at the hearing and in interviews, have steadfastly refused to name the companies on the grounds that the data was collected on a confidential basis.

John Hill, deputy administrator of FEA, indicated to a reporter that he would authorize release of the economic data from those companies without naming any of them. Names were "proprietary," he said, and could not be given out.

But the list promised by Hill never was delivered. Queries to Hill's assistants at FEA failed to bring delivery of the data, although they continued to insist that the data exists.

There was more controversy and discussion of other lists. Bureau of Mines director Thomas V. Falkie told Mrs. Mink that his agency, along with FEA, had made a field survey that showed a mine-by-mine listing of companies that would not be able to comply with permit and bonding requirements of the proposed law.

At Mrs. Mink's insistence, Falkie told her he would supply the material to the committee. Different items have been sent to Mrs. Mink since the hearing, none apparently fitting the description of the data she sought.

Later, in an interview, Falkie said no such list exists and even if it did "we would not give it to you" for fear of jeopardizing the companies in some undefined future regulatory situation.

Falkie's bureau apparently had some of the same difficulty that FEA had in keeping records from its surveys. James Paone, head of the bureau's environmental division, which did the statistical work, said much of the back-up data was "scattered all around the country . . . in Spokane, in Pittsburgh and Denver." But some of it, he added, doubtlessly had been destroyed during the months since the study began.

The bureau and the FEA rejected several recent government-financed studies that indicate the cost of reclamation on steep slopes in Appalachia can be paid by small companies if current or higher coal prices prevail.

One such study was introduced in the Congressional Record last winter by Sen. Howard Baker, R-Tenn., who wanted the Senate to know that the Tennessee Valley Authority had found coal could be mined and the land reclaimed on steep slopes for less than $9 a ton.

Bureau engineers cast the report aside as inadequate. Another bureau-sponsored study by consultants, who found a slightly higher per-ton cost for similar mining, was discredited by engineers who thought the consultants wanted the bill passed into law to enhance their consulting business.

Lower-level employes at the Bureau of Mines said privately that at least one statistic, projecting minimum tonnage loss if the bill became law, was viewed as "mushy" and was revised downward to make it more immune from attack. Employes said the bureau, if need be, intended to come up with more specific statistics tailored to back up Falkie's public assertions about production losses.

In partial corroboration, Commerce Department counsel Ray Peck, lamenting public criticism of the statisticians' work, said that in at least one instance the administration told the engineers to come up with new figures because their calculations were "too high to be believed." Peck said they refused to do so—evidence of their professionalism.

Another bureau employe, minerals economist Walter Dupree, a recognized expert within the government, had a more straight forward view about the procedures used by the engineers and officials in coming up with statistics.

"A lot of guessing was going on," Dupree said, in explaining how they had come up with a projected coal tonnage loss between 40 and 162 million tons.

Although Dupree was a member of the statistical team and although colleagues good-naturedly hooted at him as he made the "guessing" remark, he was saying essentially the same thing Rep. Udall said as the congressional inquiry began June 3.

Udall accused administration officials of "guessing" that production would fall if the bill became law. Udall, predicting that production would increase, said he was "guessing too."

By then, minds had been set, opinions formed and votes committed. On June 10 the House failed to override the veto by four votes.

THE NEED FOR THE DEREGULATION OF NATURAL GAS

Mr. BROCK. Mr. President, the Senate will soon be considering S. 692, the Natural Gas and Production and Conservation Act of 1975. While I know that the members of the Commerce Committee have worked long and hard on this bill, I must express my deep disappointment in the result. As written, S. 692 would have an adverse effect on Tennessee. What is needed is less, not more, regulation. When S. 692 is considered, I shall vote for amendments which would phase in deregulation.

Mr. President, Gov. Ray Blanton of Tennessee has written me expressing his concern over the effects of S. 692 on Tennessee and urging the gradual deregulation of natural gas. I ask unanimous consent that his letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

State of Tennessee,
Nashville, June 12, 1975.

Hon. William E. Brock, III,
U.S. Senate, 254 Russell Building, Washington, D.C.

Dear Senator Brock: It has come to my attention that S. 692 has been reported out of committee, and is currently being considered by the Senate. I have supported the Interstate Oil Compact Commission's position of deregulation of natural gas prices at the well-head. However, I have suggested that this deregulation be accomplished over a period of five years. This would allow consumers to adjust to the increases gradually, and would allow investors to project the return on capital invested in exploration for new supplies of natural gas.

As modified by the Cannon Amendment, the Hollings-Magnuson natural gas deregulation bill establishes a multi-tiered pricing structure which may hinder rather than promote needed exploration.

Section 207(g) extends the Federal Power Commission jurisdiction such that both state and local governments in Tennessee would be forced to report natural gas exploration, production, development, conservation practices, and regulatory functions to the IOCC. Although the state currently supplies these types of data, our local governments do not. I feel that to ask local governments to supply such information would place undue burdens on them at a time when their revenues are inadequate, and their services stretched beyond the breaking point.

Section 208 of the bill could have disastrous effects on Tennessee if the FPC is given the authority to control the use of intrastate natural gas as boiler fuel. Over 80 percent of our elementary and secondary school boilers are fired with natual gas. Conversion to fuel oil, given the current price differential between gas and oil, and the problems of supply, is an unattractive alternative. Conversion to electric resistance heating would be extremely costly, and would require long lead times.

An FPC decision to cut natural gas boiler fuel usage would affect almost all of our public buildings and industrial concerns which use natural gas as a fuel stock. We have already seen the effects of partial curtailments of natural gas during the past twelve months.

Finally, Section 209(a)(2) requires the state to establish preferential or priority treatment for agricultural natural gas usage. Although such usage is extremely important, I find that health facilities, schools, and factories also deserve to be considered as priority users. Also, I do not wish to abrogate our responsibility in establishing state-wide priorities, if necessary, to the FPC.

In summary, I feel that this bill is not in the best interests of Tennessee, and urge you not to support it. Rather I would urge us to work to see the passage of a phased deregulation of natural gas.

If members of your staff wish to discuss the technical details of this complex subject, please contact Dr. Jack Thomas in the Urban and Federal Affairs section of my office.

Sincerely,

RAY BLANTON.

FRONTIER'S NEW FRONTIER, THE FLATHEAD VALLEY

Mr. METCALF. Mr. President, the current issue of Frontier, the magazine of Frontier Airlines, includes an article headed: "Frontier's New Frontier, The Flathead Valley."

Its author is George Ostrem, who identifiies himself as editor, publisher and janitor for the Kalispell, Mont., weekly News.

He describes the Flathead Valley of northwestern Montana as "Shangri-La, a place the natives take for granted and the outsiders do not believe."

I commend to the attention of my colleagues this excellent article about a part of America which must be seen to be believed. I am proud that George is an alumnus of my staff. Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FRONTIER'S NEW FRONTIER THE FLATHEAD VALLEY

(By G. George Ostrom)

Kalispell, Montana, is simply a dot in the extreme upper left-hand corner of a Frontier Airlines' air map, but when you make that flight into Glacier International Airport, the dot turns into Shangri-La, a place the natives take for granted and the outsiders don't believe.

As a Flathead Valley native who has seen almost too much of the outside world, I don't quite believe it either.

Can I really go water skiing, play golf, and go snow skiing on the same day here? Can I actually climb a mountain and look down into four or five huge primitive wilderness areas? Is it possible to photograph five to eight different free-roaming big game species in 24 hours?

The answer to the question is affirmative—I've done these things, and they are just samples of why the Flathead country is unique. It never quite dawned on me just how unique, until I spent some time talking to a fellow passenger on a Las Vegas to Denver flight a while back. As we were unloading, he turned to me and said, "Young fella, I'm sure your Flathead Valley is a nice area, but you are probably being over enthusiastic, because . . . there just ain't no place like that."

This article is being written late at night and I want to be brief because in the morning I'm going to the Nation Bison Range to get some shots of buffalo before they start shedding their old coats.

Look at your watch and imagine that its center area is a flat, fertile valley 3,000 feet above sea level, completely surrounded by mountain ranges of gradually increasing heights. Two and a half million acres of this encircling area is the Flathead National Forest. People in the valley raise wheat, vegetables and cattle. Rivers and streams run everywhere. Lakes are a dime a dozen.

We are circling high above Glacier International Airport!

Looking north at 12 o'clock we see Whitefish, the Holiday Village on a big lake, and right above it is the Big Mountain Ski Resort. Beyond stretch the forests to the British Columbia wilderness and the magic of names like Banff, Jasper and Lake Louise.

At one o'clock we see the North Fork River coming down through its twisting channels, offering a hundred miles of canoeing and fly-fishing adventure.

Two and three o'clock are both taken up by the million acres of Glacier National Park with 300 lakes, a thousand miles of hiking trails, rivers and streams, and of course . . . glaciers, whose melting ice waters flow north to Hudson Bay, west to the Pacific and southeast to the Gulf of Mexico.

At four o'clock is first the Columbia Range of mountains, then Hungry Horse dam and the big lake it forms, and beyond that the million-plus acres of the Bob Marshal, and San River Wilderness sitting astride the Continental Divide.

Five o'clock brings us to the Swan River Valley and the spectacular Mission Mountains Wilderness.

There's a dandy at six o'clock—beyond Kalispell is the huge Flathead Lake, 38 miles long, where eternally snowcapped peaks look down on an area of such mild temperatures that cherries are a major crop along its shores. South of the lake is the Flathead Indian Reservation and the U.S. National Bison Range.

Getting along towards seven and eight o'clock we hit the Clarks Fork River and the big Lolo National Forest, which drains to the Columbia outlet at Astroia, Oregon.

Nine o'clock is logging and cattle country where there are also great whitetail deer and trout areas along with the Thompson Lakes.

The peaks of the Cabinet Wilderness protrude at 10 o'clock, and linking up to 11 is the Kootenai River Country and the 90-mile-long Koocanusa Reservoir behind Libby Dam.

The plane lands and your biggest problem has to be, "Where do I start . . . to explore this last-new frontier?"

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I wish to report that, according to current U.S. Census approximations, the total population of the United States as of July 1, 1975, was 213,923,275. In spite of widely publicized reductions in our fertility levels, this represents an increase of 1,572,950 since July 1 of last year. It also represents an increase of 122,095 since June 1 of this year, that is, in just 1 month.

Thus, in this last year we have added enough additional people to fill more than two cities the size of Cleveland, Ohio. In just 1 short month, we have more than equaled the number of people in Raleigh, N.C.

KOREA AND U.S. POLICY

Mr. EAGLETON. Mr. President, in recent weeks the press has devoted considerable attention to the situation in Korea today. The collapse of South Vietnam has contributed to this renewal of interest and has led many to reflect upon the nature of our commitment to South Korea. A question being asked with increasing frequency is, "Will South Korea become another South Vietnam?"

In late June, the Washington Post carried two excellent and perceptive commentaries on the situation in Korea. These articles, "Korea: Progress and Danger," by Don Oberdorfer, and "Korea and Vietnam: The Nonparallels," by Edwin O. Reischauer, provide us with valuable insight into the problem South Korea poses for U.S. foreign policy. While both articles point up the urgent need for a comprehensive review of our Korean policy, they also stress the need to maintain our troops in Korea for the immediate future. I expressed this view in my floor speech of June 3 on the American military posture in Asia. I also expressed great concern about the internal situation in South Korea and the apparent paradox created by our commitment to the Park regime.

Former U.S. Ambassador to Japan Edwin Reischauer recognizes the deterrent effect of our forces in Korea and the dangers a precipitous withdrawal of those forces would pose. And he deals with the paradox by tying future troops withdrawals to the easing of restrictions by the Park government in South Korea. He explains this interesting proposal as follows:

> We should before long have a clear program to present to Park of measured withdrawals of American troops and reductions of military aid until both are entirely gone within a few years—unless the South Koreans find it possible in the meantime to change course again and start moving back to a freer, more democratic system that would better win the loyalties of their own people and the support of the American public.

Mr. President, I commend these articles to the attention of my colleagues and hope that the Senate will continue to address itself to this problem in the coming weeks. I ask unanimous consent that the articles by Mr. Reischauer and Mr. Oberdorfer be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 28, 1975]

KOREA AND VIETNAM: THE NONPARALLELS

(By Edwin O. Reischauer)

False analogies between Korea and Vietnam originally helped get us into a fundamentally worse situation in Vietnam. Let us not now reverse the process and panic over Korea because of analogies mistakenly drawn with Vietnam.

South Korea simply is not vulnerable at present to the two basic ills that destroyed South Vietnam—the uncertain loyalty of its people, and the resultant possibility for easy penetration and subversion by the North. At present it would require a massive external flow to overthrow the South, and there seems no sign of this happening.

Kim Il Sung, the northern dictator, is trying to take advantage of the sudden collapse in Vietnam to intimidate South Korea, but despite repeated cries of warning, the situation along the border in Korea is in actuality less menacing that at most times during the past two decades. Pyongyang does have more than twice the air strength of Seoul, but this advantage is offset by the presence of American air power in the South, while in ground forces the South outnumbers the North by about 600,000 men to 400,000, with reserves and paramilitary units that give an overall balance of 3 million to less than 2 million.

These figures reflect the facts that the South has more than twice the population of the North (in Vietnam it was the North that was the larger,) and both regimes are as completely militarized as any in the world. Pyongyang could not risk war without the strong support of China or the Soviet Union, and both of these seem much more eager to avoid a conflict in Korea than they were in the past.

This may sound reassuring, but it concerns only the false crisis derived from mistaken analogies with Vietnam. Back of this, however, is a real danger that is escaping adequate attention, in part because of the red herring of Vietnam.

It is not an immediate crisis, but rather a situation that over a longer time span may produce conditions like those that proved fatal to South Vietnam. In other words, an ultimate, Vietnam-like debacle may be in the cards for us in Korea unless we start to do something about it soon.

The experiences of the Korean War made the South Koreans the most bitterly anti-Communist people in the world and therefore insured their loyalty to Seoul. But this shows signs of eroding.

There has always been much popular dissatisfaction with the government in South Korea. Despite rapid economic growth in recent years, the discrepancies in wealth were severe and seemed to be growing worse. Corruption in government and business—recently highlighted by the admission of a $4 million bribe to government authorities by the Gulf Oil Corp.—has always drawn much criticism. Except for a brief period in 1960–61 of ineffective Democratic government, Korea's Democracy has always been imperfect and incomplete. Individual rights and freedoms were often curtailed.

But at the same time, there was enough individual liberty and democratic participation in government to make people feel that there was sufficient difference from the completely repressive regime of the North to make the South worth fighting to preserve.

This situation, however, has been changing of late. In October, 1972, President Park Chung Hee declared martial law and followed this with a new constitution, which, by giving him the right to appoint one-third of the members of Parliament, reduced that body and all electoral politics to a sham.

He followed this by Draconian measures seriously limiting individual freedoms, including those of political criticism and self-expression, and enforced these with brutal police controls. The opposition forces have been cowed into virtual silence, but hostility and tensions run deep.

Especially among the city dwellers and the better educated, including the bulk of the influential Protestant and Catholic groups, there is a sense of desperation. Student activism may have been successfully repressed; but probably at the cost of creating secret student revolutionaries. Step 1 has been taken toward the making of a Vietnamese situation.

South Korea has recently suffered another blow, this one not of its own making. Korea's dazzling economic record of recent years was based on industrialization and world trade—an incipient replica of the Japanese economic miracle—and therefore the oil crisis that started in the autumn of 1973 dealt Korea a serious blow.

It is particularly dependent on markets in and investments from Japan and the United States, and both these countries have themselves been in recessions. In addition, the picture of an increasingly repressive South Korean regime makes both Japanese and Americans more critical of conditions in Korea, more dubious about its future and less willing to invest there, thus adding to Korea's economic woes. A serious economic downturn could further erode South Korean loyalties.

The deterioration of the political situation in South Korea has also increased doubts about the American commitment to help defend the country. The post-Vietnam mood in the United States is reason enough for such doubts, but they are greatly increased by a picture of a dictatorial and cruelty repressive regime in Seoul, which is repugnant to Americans.

The American commitment is hedged by the phrasing that "In case of an external armed attack" each nation "would act to meet the common danger in accordance with its constitutional processes." Still, the presence of about 40,000 American soldiers as a sort of trip-wire near the border has always made American involvement in a renewed Korean War seem almost automatic.

But this may well not be true, given the popular mood in the United States, as strengthened by the distasteful political actions of Park's government. In other words, the United States has made a commitment reinforced by a military presence that the American people would very possibly be unwilling to live up to. This is indeed a perilous position for the United States to be in.

Park or his successors have only two paths they can follow.

On the one hand, they can smother all political criticism and ruthlessly eradicate all sources of opposition. North Korea, North Vietnam and China itself show the viability of this sort of regime in an East Asian setting though it may be much more difficult to create one on a rightist rather than a leftist ideological basis, as the experience of the Chinese Nationalists suggest. Of course, this road would ultimately lead to the forfeiture of the American military commitment, and probably much of Japanese and American economic support.

The other road would be a return toward a more open society with a growing role for democratic political institutions. High educational levels make such a course perfectly feasible in Korea, and in my judgment it would be by far the better bet, even in stark military terms.

But what should the United States do? The tendency is to sweep the problem under the rug—to leave things alone and pretend the problem does not exist, counting in the improbability of war, at least in the near future, to see us safely through until some still unknown but, it is hoped, better situation develops later on.

In the very short run, this policy is understandable. The shock of the sudden collapse in Vietnam for Americans, Koreans and the world at large makes it wise to let the dust settle a bit before making any decisive new moves in Korea. But such a do-nothing policy cannot be allowed to continue indefinitely, as South Korean loyalties wither and popular American distaste for Korean dictatorship grows.

The defense of South Korea regardless of the nature of its systems, is not vital to American interests. A defense line in the straits between Japan and Korea has always made more military sense than one in the middle of the peninsula. Aside from our emotional involvement in the well-being of the brave and talented people of South Korea, our only major concern in the area is the adverse impact its fall to North Korea would have on Japan, a nation of very great importance to the United States.

A sudden collapse resulting in part from an American refusal to live up to its commitments might start a nervous Japan back on the road toward remilitarization, or might frighten it into a stance of much less cooperation with the United States on vital shared problems of economics and world order.

If, however, the United States had disengaged militarily from Korea by slow and well understood steps prior to a collapse, the impact might be quite negligible.

Now is the time, while the Vietnam dust is settling, to start thinking through this problem. We should before long have a clear program to present to Park of measured withdrawals of American troops and reductions of military aid until both are entirely gone within a few years—unless the South Koreans find it possible in the meantime to change course again and start moving back to a freer, more democratic system that would better win the loyalties of their own people and the support of the American public.

To avoid damaging shocks both in Korea and Japan, such a program would have to be spread over several years. Although the crisis is not an immediate one, we must start very soon if we are to complete the maneuver before the situation does reach crisis proportions.

The present is also a good time to start forming a longer-range Korean strategy. Korea has all along been a more dangerous threat to world peace than Vietnam, not just because it is a larger and more effectively militarized country, but because of its more strategic location between three of the largest nations of the world—Japan, China and the Soviet Union—with the fourth, the United States, deeply involved in the peninsula for historical reasons.

The surrounding great powers should move toward an agreement to isolate this danger spot from other issues.

What is needed is a four-power agreement between the United States, the Soviet Union, China and Japan that they will not allow disturbances in Korea to spill over to involve them in their relations with one another.

The distrust and hostility between China and the Soviet Union stand in the way of such an agreement today, as does also the presence of American forces in the South. Such an agreement will not be easy to achieve but it is an obvious goal that the United States should be working toward now.

When achieved it will not only neutralize one of the most dangerous trouble spots in the world, but may also take some of the tensions out of the situation in Korea itself. It could lead to agreed military limitations between the two Korean regimes, which would be an economic boon to both, and possibly might open the way for ultimate reunification, which is of course the dream of all Koreans.

KOREA: PROGRESS AND DANGER

(By Don Oberdorfer)

SEOUL.—My first impressions of Korea were those of a U.S. Army lieutenant who arrived two weeks after the 1953 armistice was signed and stayed for eight months in an artillery unit near the Demilitarized Zone, spending much time scribbling in the diary which is excerpted on this page. In 1966 I returned for a brief look at the country and my old U.S. unit, which I found on the same hillside where I had left it a dozen years before. Since August, 1972, I have made more than two dozen trips here as Washington Post correspondent in Northeast Asia.

Today Korea is headlined in the world press as rarely before in the 22 years since the armistice was signed. Yet it remains to Americans only a wartime memory or another little known Oriental country. For those who know it, Korea is a particularly fascinating and affecting place—a raw-boned, gusty frontier country with garlic on its breath, where even the newsprint has a peculiar musty smell and the people are elbowing, clawing and—occasionally—politely bowing their way through a hazardous century. It is about as subtle as kimchi, the fiery pickled cabbage which is the national dish, and as sophisticated as a taekwondo (Korean karate) chop.

The war-torn South Korea of yesterday has given way to gleaming skyscrapers in the capital of Seoul, where I write this from a 16th-floor room of an elegant hotel and look out at several higher buildings around me. Today's Korea has 265 miles of expressways between Seoul and Pusan, 12 flights a day by domestic airliner and a streamline train which makes a trip in 4½ hours. The gross national product is the highest in East Asia outside of Japan and China. There is one radio per household, one television set for every five households and one telephone for every eight households.

The other afternoon I paid a call on President Park Chung Hee, the authoritarian and sometimes rough-and-ready ruler who took over in a military coup and perpetuated himself in office via martial law. He is a surprisingly small man, almost frail at close range. Playing gently with a toy-sized Chihuahua puppy in his presidential office, he said Seoul may well be attacked within the coming months by a large force of North Korean troops in a lightning attack across the DMZ only 25 miles away. Park asked me not to write the number of divisions which, he said, South Korean intelligence estimates might be used in such an attack on the capital. But it is larger than the total number in the North Korean army in June of 1950 when the war began. If war comes again, he said, South Korea will fight to the last man.

A few weeks from now I will be ending my service as a correspondent in this part of the world, and so this is a final attempt to sum up the past and the probable future in the turbulent "land of the morning calm." Summing up is difficult, for in the past three years alone I have witnessed many strange and unexpected things: The spontaneous embrace of North Korean and South Korean Red Cross delegates in reunion at the demarcation line, army tanks drawn up beside Seoul's "freedom monument" in enforcement of Park's martial law, the sudden lunge of a secret police goon at a Korean Catholic bishop who was denouncing political oppression, the explosive violence of an assassin firing at Park and killing his wife last August, the cool damp sides of a North Korean tunnel blasted from solid rock 50 yards beneath the Demilitarized zone.

Though I have interviewed North Koreans in Tokyo and elsewhere, I have been unable to visit Pyongyang—no American news correspondent has been permitted in the North during my three years in Asia. Therefore, this report will necessarily focus in greater degree on the South than on the North.

STRATEGIC LOCATION

The place to begin is with the country, its history and its people for they—as in the case of Vietnam—are much underrated factors in the great power struggles swirling around them. Like Indochina, Korea is in relative terms a pimple on the mainland of Asia—but a very old one geologically and culturally. Because of its strategic location, Korea has been fought over many times. In the modern age, struggle for Korea was the cause of the first Sino-Japanese War (1894–5) and the Russo-Japanese War (1904–5) as well as the 1950–53 war involving the United States and China.

Despite its history of invasion, domination and enslavement, Korea has managed—almost miraculously—to maintain an independent, district and homogeneous culture which traces its roots back 24 centuries before the time of Jesus. Though ancient tribal groupings existed earlier, Korea was totally unified from 1392 A.D. until the U.S. and Soviet Union drew a "temporary" demarcation line at the 38th parallel in August, 1945, to accept the surrender of the defeated colonial Japanese, It is a curosity of history that one of the two U.S. War Department colonels who drew the line was Dean Rusk.

Korea's homogeneity and its long struggle for sovereignty and independence from an important background factor in the present situation. Though many South Koreans abhor the regime in the North—and vice versa—the Koreans think of themselves as one people temporarily and unjustly divided by cruel circumstance. I can never forget the stunning moment when the rival Red Cross delegates embraced at Panmunjom in September, 1972, even though later they found little ground for agreement and their talks ended in deadlock.

It seems likely that Korea will be unstable, insecure and dangerous as long as the country remains divided. It follows that mere maintenance of the status quo is a dubious and perhaps impossible policy in the long run.

One Korean state has a "Communist" regime and the other a "democratic" regime, but both are Korean and there are striking mirror images. Their mutual tendencies to imitation seem to have been reinforced by personal contact during the recent and unsuccessful efforts at detente. Having isolated itself for many years, North Korea has recently seen the advantages in greater diplomatic and economic contacts with the world outside and is pursuing them along lines pioneered in Seoul. Meanwhile, South Korea's leaders have seen the advantages of national mobilization and control along Pyongyang lines and are moving in this direction.

After agreeing to constitutional limits on presidential authority in the 1960s, Park Chung Hee declared martial law in October, 1972, and instituted a new constitution which assures him unlimited power and tenure as president. Kim Il Sung, who already had unlimited power, announced a new constitution in December, 1972, giving him the title of "president" like Park.

Pyongyang built a 13-story building for its showcase Children's Palace; Seoul erected an 18-story building as a children's center. Pyongyang put up a 600-foot concrete television tower as a landmark in the city; Seoul erected a 774-foot concrete television and observation tower on the most prominent hill in town. South Korea built a showcase highway from Panmunjom to Seoul; North Korea built a showcase highway from Panmunjom to Pyongyang. A diplomat who has dealt recently with both states was stunned by some similarities of style and operation of their foreign offices. "There is the nice guy across the table, and in the next room and at the next appointment you meet the tough guy. You could change the names and the rhetoric and guess what is coming next."

The leadership circles of North and South Korea revolve around two interesting and authoritarian rulers. In some respects the patterns seem to be curious mirror images.

Kim Il Sung is a peasant son from the Pyongyang area. He was educated largely in Chinese schools in Manchuria and trained as a guerrilla fighter in the 1930s in the Northeast Anti-Japanese United Army (NAJUA). It is widely believed that he served for a time in the Soviet Army during World War II. In any case, the Russians facilitated and probably arranged his rise to power soon after their occupation of North Korea in 1945.

Most of the top-ranking figures in North Korea today are former colleagues of Kim's from NAJUA of about 40 years ago. The leader's son, Kim Jung Il, is considered the rising star within the leadership. The husband of the president's niece, Kim Byung Ha, is head of the powerful national security and political affairs bureau—in effect, the secret police.

PEASANT'S SON

Park Chung Hee of South Korea was born to a landless peasant near Taegu in the South and educated at local schools and a teachers college. Later he was trained in the Japanese Military Academy in Manchuria and served there in the early 1940s as a Japanese army lieutenant. He attended the second class of the post-war Korea Military Academy and later the U.S. Army artillery schools. Park was arrested, tortured and sentenced to death in connection with a Communist-tinged rebellion in the South in 1948 but managed to survive by cooperating with the authorities and was rehabilitated. He and a group of fellow officers seized power in a military coup in May, 1961, with the reluctant acquiescence of the United States.

Many of the most sensitive positions in South Korea are held by former coup colleagues or other long-time associates of Park. Kibm Jong Pil, who is married to Park's niece, was an architect of the coup, later the organizer of the powerful KCIA (secret police) and is now prime minister. The national assembly speaker (and former prime minister), Chung Il Kwon, helped save Park from execution in 1948. Former KCIA chief Lee Hu Rak was the first spokesman for the coup. Park's chief of the presidential bodyguards, his predecessor in that job and the present mayor of Seoul were all close junior associates of Park in the coup days. The new deputy ambassador to the United Nations—named to the post as South Korea prepares to enter a critical debate this fall—is married to Park's daughter.

Having said all this, one must add that there are very important differences between the two Koreas as they presently exist. Three of these strike me as of particular importance:

South Korea begins with far more tolerance for individual choices than rigid collectivism of the North, and at the moment is working back toward an authoritarian state. Freedoms which are unknown in the North—freedom of the press and private expression, freedom to move one's residence at will—are being eroded but they are far from snuffed out. And they remain the "right way" in the minds of large numbers of people.

South Korea has been a creature of the United States. The American connection, while by no means as benign as one might wish, has left a heritage that has proven difficult to eradicate.

The North has an ideology, which the South does not (unless it be the vague notion of betterment through economic growth). The North is also—in Korean terms—on the right side of the unification issue. Two years ago Park moved to an openly expressed "two Koreas" policy. This is realistic for the present and it is diplomatically expedient. But nationalism is a powerful force and Kim Il Sung is in better position to harness it.

The South is outward looking economically, highly involved in and dependent on external trade and foreign capital. The North has glorified self-reliance, though it may be in the early stages of a turn toward the outside.

With few natural resources and little historic industry, the South has become a factory on the Japanese model—taking in raw materials, processing them and selling to the world. Exports account for about 70 percent of its industrial manpower. The new five-year plan envisions foreign trade of about 80 percent of total GNP (compared to an impressive 65 percent now) and the vast sum of $2 billion per year in foreign capital pouring into the country. Thus South Korea must live in and with the world, with no chance to shut its gates to be again "the hermit kingdom" of traditional Korea. This extreme external involvement has meaning in every field—political, diplomatic and military as well as economic. The South Korean strategy offers great rewards if the world economy and its own management are sound—and eventual crisis if they are not.

As much of this implies, the armistice line at the DMZ and the regular—and—sterile meetings of the armistice commission drawn from both sides are among the few things which have remained frozen since the 1950–53 war. With fierce antagonisms and with the frontier remaining firmly in place, vital changes have been taking place on both sides.

GROWING PAINS

Economically the North started with a better base of industry and resources but has been outdistanced by the South in many respects—the cutoff of Soviet aid in the mid-'60's turned the North inward for a decade in search of self-reliance. Though her economy grew and the living standards of her people improved, the rate of change was slow. The emphasis was on heavy industry and military strength.

Recently, Pyongyang made a disasterous guess about world market prices for its metal exports, holding them off the market for price leaps—it turned out there was a big price decline due to worldwide recession. This caused an unprecedented and unexpected trade deficit in 1974 of about $500 million with non-Communist sources alone. There is also a large trade deficit with Russia. Worsened by the North's refusal to pay its bills or even show up to talk to creditors, Pyongyang's international credit standing has collapsed. At the moment, for example, it is reported to have a fleet of Swedish Volvos which have not been paid for, but no spare parts for them either. North Korea will have to work its way out of its present embarassment—and probably will.

In the South the economic and social changes have been dramatic, if often uneven, from the villages to the burgeoning city of Seoul. Some of the U.S. war veterans coming back to Seoul last week could hardly believe this is the Korea they left.

The physical changes—mushrooming cities, gleaming expressways and other signs of modernization—are only part of the story. Since the end of the Korean War, life expectancy at birth has shot up from 50 years to 65 years—almost an additional year for every year that has passed. The number of primary school graduates has doubled, high school and college graduates have increased more than six times. The adult literacy rate of 92 percent is one of the highest in the world.

Since the '50's—and particularly since Park took power in 1961—South Korea has entered a period of rapid and sustained economic growth on a different scale from most other developing nations. GNP growth of 10 percent per year in real terms was the rule until the setback of the oil crisis. Total GNP in real terms has quadrupled since 1955, and exports have increased more than 40 times. U.S. aid, which sustained the South in the early post war years, is now paltry compared to the total economy. Today Korea makes steel super-tankers, petrochemicals and electronics for sale to the world—and its plans are big. By 1981—only six years from now—it expects to export $2.4 billion in textiles and garments alone—more than its total GNP in 1961. Huge increases in production and export are planned for other industries, as well.

GNP per capita has shot up to $513, but due to inflation and low wage policies geared to export, South Korean workers took pay cuts in real terms mounting to 5 to 10 per cent last year. There was little protest—partly because protest is banned and the workers powerless, partly because people are still better off than they were a few years ago.

Still, the workers' pay scales and living standards are very low. A survey by the government-controlled Federation of Korean Trade Unions last year reported that more than 60 per cent of organized workers were paid less than 30,000 *won* monthly (about $60). A city family's minimum living cost was estimated at nearly 50,000 *won* ($100) in the same period. In a very large number of families, several people are working—just to get by. At the same time, a middle class is being built, a few are becoming very rich.

CONSTITUTION JETTISONED

Politically, South Korea has taken a turn toward authoritarianism under Park's 14-year rule. Park took power as a general in a military coup and reluctantly shifted to civilian clothes as an elected president with a limited term under strong American pressure. He extended his hold on the presidency from two terms to three terms by means of a disputed constitutional amendment. Even so, he would have had to step down this year had he not unilaterally—and probably illegally—jettisoned the constitution under martial law in last 1972. Now he is elected president by an easily-controlled council rather than by popular vote. And, while his present term under the new constitution will end in 1978, there is no reason why he cannot continue in office for as long as he wishes—and his strength permits.

With the constitutional limitation to which Park agreed in the 1960s, South Korea had the machinery to transfer power from one leader to another with order and legitimacy—and Park made noises about grooming a successor and stepping down. In 1972 he destroyed the means of passing power as well as the strength of the principal competing institution, the National Assembly. The political instability and recurrent upheavals of the past two years flow from this.

While his strength and some of his achievements are admired, Park is not a truly popular figure. There is no consensus in South Korea that he should be president forever—my guess is the consensus is quite the opposite— but under the present system the only way to oust him is by revolt, coup or assassination.

One wonders why an all-powerful leader has been accepted with so little known trouble in the North and so strongly resisted in the South. "Though it certainly wasn't perfect we had 25 years of open politics, while the North simply continued and expanded the oppression of the (pre-war) Japanese colonial system," one of my South Korean friends explained. Even Park gives lip-service to democracy, though he calls it "Korean-style democracy." It does not go down easily.

Ham Sok Hon, the white-bearded and respected senior freedom fighter, has been jailed by the Japanese, the Communists and the Rhee regime and shadowed and interrogated by Park's ubiquitous secret police. He sees little difference between them so far as tyranny is concerned and goes on fighting and speaking without respite.

Since independence from the colonial Japanese in 1945, two vivid experiences have deeply affected the thinking of South Koreans. One is the 1950 North Korean attack and the war which followed, an anti-Communist lesson which has never been forgotten. The other experience was the 1960 student revolution which led to the overthrow of President Syngman Rhee, who had grown tyrannical and unpopular. This national consciousness—almost a national myth—of student power explains why the campuses are perennially the focus of dissent and why a heavily-armed grovernment so fears a few unarmed young men and women waving placards and shouting slogans in the streets.

Until the collapse in Vietnam gave sudden credibility to the North Korean threat, it seemed likely that Park and his growing list of domestic enemies—including large sections of the various churches as well as many students and intellectuals and much of the press—would interact with one another until the president or his apparatus finally went too far and Park was overthrown.

But Park has the upper hand for as long as the Northern threat seems truly pressing, and right now he is playing that hand fully to silence all competing voices and mobilize Korean society for the long haul.

But should threat of attack recede or North Korean military action be tried and fail, Park may well be faced again with an internal problem which will not go away. "I hate it," (the internal suppression and mobilization of today) an apolitical Korean said in conversation a few days ago, "but it is inevitable in these circumstances." When circumstances change, he will probably hate it more and accept it less.

Interaction with the North has worked in almost uncanny fashion for Park in recent years. His martial law constitution was accepted because hopes for detente were high at the time; Park sold his unchecked authority as the only way to negotiate with Kim Il Sung. When the detente faded, so did Park's support.

Last August Park's heavy-handed roundups and suppression had landed him in serious trouble at home and abroad, and Seoul seemed near to an internal explosion or a whispered coup. The bullets of an assassin, who has been linked to North Koreans living in Japan, bounced off Park's bulletproof lecturn but killed his wife. The political tension was released in the national mourning and Park was saved.

Again, early this year, he faced serious trouble when fearless former political prisoners told of torture in prison. Their words were trumpeted by the country's leading newspaper, which was then in open revolt against Park's secret police. But the fall of Indochina saved Park, making the threat from North Korea more credible than in years. Kim Il Sung helped by flying to Peking. Now Park's stern measures and possibly his continuance in power are buttressed by the threat of war rather than the possibility of peace.

Of politics in North Korea, virtually nothing is known. Kim Il Sung, "the great leader," has perhaps the greatest personality cult in history. But behind this, human beings—passionate, vivid Koreans—must somewhere exist, out of sight.

MILLIONS OF ARMED MEN

Militarily, both Koreas have been piling up armaments and increasing and modernizing their forces with characteristic industry and zeal for the past quarter century. Today the Korean peninsula is one of the most heavily armed areas of the world bristling with powerful weaponry in the hands of more than 1 million men in regular armies on the two sides plus active and armed reserves of about 5 million more and mobilized defense corps of additional millions. This in a peninsula of about 50 million people in all—two-thirds of them residing in the South.

South Korea's regular force is the third largest standing army in the non-Communist world, behind the United States and India. It is larger than that of France or West Germany and about twice as large as that of Egypt or Britain. North Korea's regular force almost matches the South's in manpower, but on a per capital basis the North is more heavily armed.

Should a second Korean civil war break out, it could make the first one seem like a game with toys even if direct participation of the three great powers could be avoided. The 1950–53 conflict was bloody enough—roughly 3 million Koreans of both sides were reported killed or missing, of a total population then of 30 million.

On June 25, 1950, according to military historians, North Korea had about 200,000 men in its regular forces including 10 army divisions, armed with 550 howitzers, 242 tanks and a few lumbering airplanes. Today it is reported to have regular forces of 467,000 men, including 23 army divisions armed with 15,000 artillery pieces, Soviet Frog missiles, more than 1,000 tanks, 600 combat aircraft including 300 MIG fighter-bombers, helicopters, submarines, high-speed patrol boats armed with Styx missiles and much more.

North Korea is said to be manufacturing tanks and helicopters as well as naval craft and to be preparing to manufacture jet aircraft. It was extensive underground facilities designed to thwart an expected attack by U.S. tactical nuclear weapons. Commando units have recently been given parachute training for possible drops behind southern lines.

Twenty-five years ago, South Korea was reported to have 105,000 men in its regular forces including 8 army divisions, 91 howitzers, no tanks and a few light observation planes. Today it has a standing armed force of 625,000 men including 23 infantry divisions, 40 artillery battalions, 2,000 heavy guns up to 203 MM, Honest John surface-to-surface missiles, 1,000 tanks, 210 combat aircraft plus destroyers, minesweepers and patrol craft.

South Korea is manufacturing M–16 rifles, ammunition and military radios and preparing to produce high-speed patrol boats and jet aircraft with U.S. help. In 1974 it bought twice as much weaponry with its own foreign exchange ($169 million) than it actually received in U.S. military assistance grants. Given the development of the economy, some senior Koreans believe that within a few years the country will cease receiving U.S. military aid and may even begin paying part of the costs of U.S. troops stationed here, as is done now by West Germany. The end of aid and the beginning of payments presumably would reduce potential U.S. congressional leverage on the issues of human rights and repressing internal policies.

The 40,000 American troops remaining here are unimportant in the manpower scale when compared to the vast numbers of armed Koreans on two sides. Despite all the talk of rigorous infantry training, only about one-third of the Americans are combat forces. Most U.S. troops are assigned to logistical and headquarters duties. When I made an extensive tour of U.S. forces here two years ago, I found that many of them had little or nothing to do.

U.S. warplanes have a major role in compensating for North Korea's airpower advantage over the South, but this is to some extent a planned imbalance. The U.S., heavily committed to Seoul, maintains the imbalance in order to keep some control of the South Korean military situation.

The real importance of American troops is political and strategic. They are a "tripwire"—a virtual guarantee that the U.S. will be quickly involved in any major Korean conflict. The extensive stockpiles of U.S. nuclear weapons here—reported to number well into the hundreds, including bombs, artillery shells and buried nuclear land mines—are a clear and present threat against the North. But should they ever be used, the world would be plunged into its first "tactical nuclear war" which would greatly increase nuclear proliferation and bring dangers almost beyond imagination.

MUST WAR COME?

Given the nature of the Korean people, the two regimes and their economic and military strengths, what are the chances of armed conflict sometime within the next few years? A sensitive observer here would have to say that today the chances seem reasonably good. The situation is fluid. Koreans are unpredictable. Tension in Korea can be dangerous because Koreans, under certain circumstances, can be explosive people.

The "scientific methods of aerial observation" mentioned to me by Park are said to disclose a gradual forward repositioning and build-up of North Korean forces near the 38th parallel. This could be either for defensive or offensive purposes—but appears to be more likely offensive. Recently South Korea has reinforced and repositioned its military power in forward areas north of Seoul.

The possible lightning strike which worries Park and the U.S. command would require a lightning response. Korea is thus a hair-trigger from explosion at any time. It might all happen so fast, or by such contrivance, that the U.S. might for a long time be unable to learn who did what to whom.

While recognizing the dangers, reason impels one to believe that the worst will not occur. Kim Il Sung has built a showcase capital in Pyongyang with wide boulevards, attractive parks and amenities for the people. He is building his country's industry. He has much to protect and defend. To take the chance of losing it all within a few hours in order to gain a devastated South would seem irrational beyond the scale of human thought.

Park has even more to lose because Seoul is so very vulnerable. Park benefits internally from tension, but the real thing would be a disaster. Just as Kim Il Sung probably cannot fight a long war in the South without Soviet or Chinese help—and thus must have their concurrence—so—Park would not fight a long war in the North without the American logistical tail and U.S. acquiescence.

Korea is one of the world's danger spots because major strategic interests of the United States, China and the Soviet Union overlap in this peninsula. These powers have conflicting and even irreconcilable interests in many respects, but right now they seem to have a common interest in averting an outburst in Korea which could cost each of them far more than it could gain.

American and other diplomats in Peking believe China told Kim Il Sung on his recent visit to be cautious at least for the present. The Russians wouldn't even see Kim, and the fraternal Communist leader flew many hundreds of miles out of his way to avoid Soviet airspace on his way to Eastern Europe. But diplomats with contact in Pyongyang expect Kim to go to Moscow sometime within the next two months.

Over the middle distance the great powers may have less community of interest and also less influence on their heavily-armed Korean clients. And unless some solution or modus vivendi can be found, tension will persist and the dangers of accidental or deliberate explosion will wear away at the actuarial tables.

Until now the powers have given little priority to constructive discussion or even consideration of Korea, except for an occasional backroom dialogue and at least one accommodation with respect to the complex Korean question at the U.N. The priority for consideration may be upgraded now, but given all the complexities, the chances for a big power agreement on the long-term future in the peninsula seem slim.

When American withdrawal from Thailand is completed a few months from now, South Korea will be the only U.S. military foothold on the mainland of Asia. In the wake of the Indochina collapse, the United States has redoubled its verbal commitments to Korea and substantially upgraded its threats of counterstrike should the North move. But a U.S. trip-wire posture involving two unpredictable Korean states, nuclear weapons, the fate of Japan and the strategic interests of China and the Soviet Union seems much too risky for permanent policy. About the best thing that can be said for it is that any sudden change could be even riskier.

South Korea is a creature of the United States to a greater degree than any faraway state in the world. Dean Rusk drew the line on the map. The U.S. kept the line intact by suppressing Korean leftists and installing a conservative separatist power in the immediate aftermath of World War II. The U.S. arranged to breathe legitimacy into the Southern regime through UN-supervised elections in the South only. The U.S. prevented the South from being annexed by Kim Il Sung in 1950, at enormous cost all round. The U.S. brought the country back from rubble with economic aid, built its armed forces with military assistance and provided most of the markets and capital for Korea's economic takeoff.

That the U.S. has responsibilities to Korea and its people is evident. The question is how those responsibilities can be harmonized with Korea's past and future, with U.S. national interest and with what the American public will support over a long period of time. This question has hardly begun to be addressed here or in Washington.

In the meantime, the situation in Korea and by extension the peace of Asia and the world will continue to rest to a remarkable extent on Korean leaders who have their own interests and inclinations. Hang on to your hat. Korea is a land of surprises.

FEDERAL REGULATION

Mr. GARN. Mr. President, the news Americans watch in the evening frequently is not news any more. You can almost guess that the commentator is going to tell you about high gasoline prices, or high unemployment or street fighting in Beirut or Ireland or a new conflict in the Middle East or another terrorist attack somewhere or something that you have heard before.

I have had a recurring theme which I have sounded continually since my election to public office which decries the size of the Federal Government bureaucracy and denounces Federal laws which supersede those of State and local governments and which criticizes endless regulatory agencies and redtape. I feel like the newscaster who must report the bad news each time I sound my theme.

But, recently, I heard a very good newscast. On July 2, in a commentary on CBS News, Eric Sevareid discussed the "luxuriant growth of Federal regulations which has now reached tropical proportions." The size of the Federal Government is still bad news. The good news is that a distinguished television commentator has so accurately called it to the attention of many Americans. I commend Mr. Sevareid for his remarks and ask unanimous consent that the commentary be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

[From CBS Evening News, July 2, 1975]

Federal Regulations

Next year's election could be interesting after all. We could have the Democrats, led by Mr. "X", promising that government will do more for the people, and Republicans, led by Mr. Ford, promising that government will do less for people, on the argument, first put by Jefferson, that government with the power to do things for people also has the power to do things to people.

There are some signs that an increasing number of people are having so much done to them that they're feeling done for—small businessmen, for one group. Mr. Ford told them that he hears their cries of anguish as they flounder in the growing net of federal rules and regulations. He says he'll do something about this, but nobody quite sees how. Government regulatory programs are like wars, easy to start, terribly hard to stop.

What we are seeing, as one noted scholar points out, is a second managerial revolution. The first was a shift from the true entrepreneur, the owner-manager in bigger businesses, to phalanxes of salaried business executives. The second is the shift to corporate management by people outside the corporations, the phalanxes of government regulators.

Business is just one area where the luxuriant growth of federal regulations has now reached tropical proportions. They all begin with benign intent and, indeed, few argue with many of them concerning health and safety, gross discrimination and gross economic imbalances. But the alarm now spreading centers on the edicts that affect what were traditionally private, local, and institutional processes and dealt with by individuals, voluntary associations, and local government. The most dramatic case is school busing for racial balance—working in some places, becoming such a counter-productive nightmare in others that various leading advocates of desegregation, both black and white, are turning against busing.

This winter, by a one-vote margin, the Supreme Court ruled that school children cannot be suspended without new formalities, including hearings—further reducing the authority of school principals to protect the rights of the majority, that is, their rights to order and learning. Edicts from Washington bureaus will now determine in thousands of schools what sports boys and girls will play together or separately and just how, instead of leaving this to the desires and common sense of parents and school boards.

The affirmative-action program to end hiring discrimination in colleges has become another nightmare, frequently resulting in a new form of discrimination—against brains.

The basic drive is for equality, not just equality before the law and in opportunity but equality of result. Inevitably, this means the rise in power of central government; inevitably, the rise of uniformity; inevitably, the loss of variety and choice by private and community initiatives.

AMERICAN INTERESTS IN THE MIDDLE EAST

Mr. ABOUREZK. Mr. President, Senator J. W. Fulbright has been recognized throughout the world for his thorough understanding of our foreign policy. During the many years he served as chairman of the Foreign Relations Committee his counsel and advice was invaluable to the Senate and the Nation. We are fortunate to have his insight and analysis shared with us again.

On July 7, 1975 the Washington Post carried an article by Mr. Fulbright which presented a thorough analysis of the possibilities for peace or for crisis which lie ahead of us in the Middle East. It is our policy from this day forward that will largely determine which possibility shall become reality.

Secretary of State Kissinger has recently stated that the United States "must do its utmost to protect all its interests in the Middle East."

The status quo, it is pointed out by Mr. Fulbright, is not doing the job of reconciling and protecting all of these interests. His feeling is that a less open-ended support of Israel and a position promoting a settlement based on Israeli withdrawal to the 1967 borders, with certain insubstantial variations possible, could in fact reconcile and protect all our interests in the Middle East, as well as provide perhaps the greatest security for Israel since "the only secure borders are those which are accepted by one's neighbors."

Mr. President, I ask unanimous consent that Mr. Fulbright's article be printed in the Record and urge that each Member of the Senate make careful reading of this article and give deep thought to its implications.

There being no objection, the article was ordered to be printed in the Record, as follows:

American Interests in the Middle East

(By J. W. Fulbright)

In his speech at Atlanta on June 24, Secretary of State Kissinger pointed to the range of vital American interests in the Middle East—the security of Israel, access to Arab oil, the strain on the Western alliance posed by each successive crisis, the threat to the world economy of a new oil crisis, and the chronic danger of confrontation with the Soviet Union. The Secretary emphasized that the United States "must do its utmost to protect *all* its interests in the Middle East."

Having recently returned from an extended tour of the Middle East, I am filled with a strong sense of both the import and urgency of the Secretary's observations. Time is working against us, and against our interests.

To see why, it is necessary to consider *all* of our interests in the Middle East. The Arab-Israeli conflict and the oil problem are not only related but inseparable. Israel is largely a creation of the conscience of the West, particularly that of the United States; for that reason alone, her survival qualifies as an American national interest. At the same time we have a most vital interest in access to Arab oil—all the more as the Gulf States account for a steadily rising portion of our imports and Congress shows little inclination to enact measures for meaningful energy-conservation. Logic suggests that if we are to give all-out support to current Israeli policy, we should be taking drastic measures of energy conservation against the inevitable embargo; or if we are to allow our dependency on Persian Gulf oil to continue to increase at its present rate, it would be prudent to draw back from our financial and political support of continued Israeli occupation of Arab lands.

The problem of statecraft is to avoid this unpalatable choice by reconciling our Israeli and Arab interests, surely not to allow ourselves to drift, or be maneuvered, into a position in which one must be sacrificed to the other. The only way to reconcile these interests is by bringing the Arab states and Israel to a settlement.

The status quo is not benign. It is not allowing tensions to abate; on the contrary, it fosters a steady and accelerating slide toward war. The Secretary was, if anything, understating the matter when he said at Atlanta that "we are now at a point where there must be a turn either toward peace or toward new crises." Virtually every Arab leader I met on my trip expressed not just apprehension but certainty that if significant progress toward a settlement does not come soon, war will follow within a year or so, and with it a new oil embargo.

The principal Arab countries—including Egypt, Syria, Jordan and Saudi Arabia—are all led by moderate and responsible men. These leaders are united in a consensus for making peace with Israel on the basis of the 1967 borders. All of them say so, explicitly and without qualification, and the head of the Palestine Liberation Organization, Yasser Arafat says so, too, guardedly and by indirection but, to my ear, unmistakably. The emergence of this consensus for the acceptance of Israel is the most important and promising development in the Arab world since the 1967 war. It has created what Arab leaders describe as a "golden opportunity" for peace.

Emphatic as they are in pointing to this "golden opportunity," Arab leaders are no less emphatic that, if not seized upon now, the opportunity will soon be lost, perhaps irretrievably. As in our own politics, no approach to a problem—especially a risky and controversial one—can be pressed indefinitely if it does not bring results. The continued occupation of Arab lands is a threat not only to Arab moderation but to the moderate leaders themselves. Mr. Arafat hints that he could be more forthcoming if he had something to show for it and also warns that if he does not succeed he will be replaced by extremists. One also hears—with disturbing frequency—warnings that President Sadat himself may be in trouble if he does not soon achieve some progress toward peace.

The stakes are high, either for disaster or, as is not always sufficiently recognized, for great good. If there is another war, it may well bring on difficulties with the Soviet Union, and it will surely bring an embargo, which in turn could precipitate the disintegration of our alliances with Europe and Japan.

On the other hand, Saudi Arabia, with one-fourth of the world's oil reserves, has offered the United States a degree of cooperation and assured access to its oil that arouses the envy of all other industrialized countries. The Saudis do not propose, nor would we desire, privileged or discriminatory access to their oil, but they do offer us—and it is entirely proper that we should accept—a unique relationship based upon assured oil supply, large-scale investment of oil revenues in the United States, and primary reliance upon American technology for the development of Saudi Arabia. A Saudi-American association of this kind could also serve as an economic nucleus that would be highly beneficial to the rest of the world, including the developing countries. Also of great importance is the fact that almost all of Saudi Arabia's vast oil reserves are explored and extracted by a highly efficient American company with excellent relations with the Saudi government. It is staffed primarly by Americans, is American in its orientation, and qualifies thereby as a solid asset to the national interest.

There are two basic problems with respect to our reliance on Arab oil: supply and price. The problem of supply—which is to say, the threat of embargo—is wholly a function of the Arab-Israel conflict. If that is resolved, there is no further threat of embargo. The problem of price is also related to the Arab-Israel conflict. A settlement could not be expected to result in an immediate, sizable price rollback, nor would it detach Saudi Arabia from OPEC. It would, however, eliminate the only outstanding issue between the United States and Saudi Arabia—especially if provision were made for the restoration of East Jerusalem to one form or another of Arab sovereignty. Under these circumstances, Saudi Arabia would almost certainly draw closer to the United States and become more amenable to our influence, making the problem of oil prices far more susceptible of reasonable accommodation.

Except from Israel herself, there is a virtual world consensus as to the main outlines of a Middle East settlement: an Israeli withdrawal to the borders of 1967 with insubstantial variations; a Palestinian state comprising the West Bank and Gaza, either separate or in association with Jordan as the Palestinians may choose; the permanent or indefinite demilitarization of the Golan Heights, of much or all of Sinai including Sharm el-Sheikh, and of much or all of the West Bank; the stationing in the demilitarized zones of U.N. Forces which could not be removed except with the consent of both sides; and great power guarantees of the settlement, preferably under the aegis of the United Nations Security Council, supplemented if necessary by a solid and explicit American guarantee of Israel.

A settlement along these lines has been endorsed by the principal Arab parties and also by the Soviet Union. The Arab consensus for the acceptance of Israel has been repeatedly signaled by the Arab leaders. King Khalid put it this way: "The Arabs have learned to be moderate, reasonable. Gone are the days of Nasser's period when the Arabs threatened to exterminate the Israelis." No less significant is the Soviet declaration of willingness to guarantee Israel. As Foreign Minister Gromyko put it at a dinner in Moscow on April 23 for Syrian Foreign Minister Khaddam: "Israel may get, if it so wishes, the strictest guarantees with the participation—under an appropriate agreement—of the Soviet Union." As noted, the Arab consensus will not survive indefinitely if it brings no rewards; nor can we count on the Soviets to renew their offer to cooperate if we do not hold them to it now.

The settlement would not need to be implemented at once. President Sadat and other Arab leaders indicate that they would be prepared to have it implemented over a period of years, step-by-step—*provided* it were understood that such a settlement, and nothing less, were the agreed objective.

A settlement of the kind described would redeem and reconcile the American interests at stake and, I feel certain, is in the best interests of Israel as well. Israel will be secure only when she gains acceptance as a normal state in the Middle East, in which event she would almost certainly become the scientific and technological leader of the region. The Arabs offer that—or a start toward that—now, but it is far from certain that they will continue to offer it as they gain in military and technological capacity. The advantage of Israel is transient: a population far more advanced than those of her neighbors in technology and organization. The Arabs, however, are advancing rapidly in education and technological skills, and when these are added to their vastly greater numbers and wealth, the balance of power will swing in their favor. In that eventuality, Israel will become less and less secure despite the retention of "defensible borders" and will of course be thrown into steadily greater dependence upon the United States.

As matters now stand, our commitment to Israel is open-ended: We are providing the material means for an Israeli policy that is beyond our control—a policy that, by all indications, is carrying both Israel and the United States toward a major new crisis. An American guarantee of an agreed settlement, on the other hand, would clarify an ambiguous commitment, bringing it clearly within the scope of our national interest, and at the same time provide Israel with the greatest possible security under the circumstances that exist in the area. As one thoughtful observer remarked: "The only secure borders are those which are accepted by one's neighbors."

TWO BILLS FOR FEDERALISM: GENERAL REVENUE SHARING AND INTERGOVERNMENTAL COUNTERCYCLICAL ASSISTANCE

Mr. BROCK. Mr. President, when Congress convened in January, I introduced S. 11, a bill to make general revenue sharing permanent and inflation proof, and declared that this would be one of my top legislative priorities. Revenue sharing is still my top priority, although that does not preclude my interest in all intergovernmental relations. Therefore, when it became apparent that the current recession would be a long term affair, I worked with my colleagues Senators MUSKIE and HUMPHREY to develop the Intergovernmental Countercyclical Assistance Act, S. 1359, designed to give special aid to State and local governments during the current recession.

Unfortunately, some of the debate over intergovernmental assistance has become confused over the purposes and designs of the two bills. Although they are both intergovernmental bills, the similarity stops there.

General revenue sharing is based on our original Federalist principles of solving problems at that appropriate level of government, whether it be National, State, or local. General revenue sharing was needed because the State and local governments' basic sources of income are either property tax or sales taxes which have both gone about as far as they can go. Only the Federal Government with its massive income tax capabilities is really able to raise the money needed by the local governments. The direction of general revenue sharing was then, toward localism in the decision process since virtually all governments, regardless of need received some funds, as they should under our Federalist principles.

Intergovernmental countercyclical assistance is based on Federalist principles also, but designed to meet the current and, heaven forbid, any future recessions this country might have. It is, then, an antirecession measure. State and local governments become eligible when and if they go above 6 percent unemployment and conversely automatically cut off once a locality falls below 6 percent. This cutoff is the "countercyclical" feature that I personally find so attractive.

The bills, incidentally, to further distinguish them, are under the jurisdiction of separate committees and subcommittees. Countercyclical is under the jurisdiction of the Intergovernmental Relations Subcommittee of Government Operations, while revenue sharing is under the Revenue Sharing Subcommittee of the Finance Committee. I am in the fortunate and unique position of being the only Senator on both subcommittees and committees.

Mr. President, I hope that this brief explanation helps to distinguish the two bills. Countercyclical should be measured not against revenue sharing, but rather against other antirecession bills. Revenue sharing should be measured not against countercyclical, but whether you believe in State and local government control versus centralized control in Washington.

In my opinion, both these bills are badly needed. To emphasize this point, today Senator MUSKIE and I have written the President calling for a bipartisan meeting of congressional leaders to discuss State and local problems, and specifically revenue sharing and countercyclical aid. The President has invited a representative of mayors from the recent mayors conference to meet with him this Thursday on revenue sharing. Senator MUSKIE and I have suggested that he expand this meeting to include the bipartisan group of Senators, and it might also be advisable to include representatives from the Governors, legislatures, league of cities and county associations.

Mr. President, this country was built on Federalist principles and I think that these two bills, general revenue sharing and intergovernmental countercyclical aid will strengthen those principles.

ANTIRECESSION AID TO STATE AND LOCAL GOVERNMENTS

Mr. MUSKIE. Mr. President, last April 7, I introduced legislation, along with Senator HUMPHREY and Senator BROCK, to provide emergency antirecession assistance to State and local governments which have been hard hit by the current recession. The bill, S. 1359, was introduced in response to growing evidence that the combined pressures of inflation and recession were taking a severe toll on local government budgets. These pressures have been detailed in countless newspaper articles, a survey by the Joint Economic Committee, and in testimony presented to the Subcommittee on Intergovernmental Relations, so I will not reiterate them here.

What I would like to speak to today is a subsequent development which concerns me very much—and one which I feel should be clarified for the entire Senate.

Since S. 1359 was introduced, there have been repeated efforts to portray it as a substitute for revenue sharing. These efforts have continued despite my own repeated statements that it was never the intention of this legislation to serve such a purpose. And I am sure that I can speak for my colleagues, Senator HUMPHREY and Senator BROCK, on this same point. In fact, Senator BROCK and I are both cosponsors of entirely separate legislation to extend the life of revenue sharing.

So I would like to take this opportunity to set the record straight.

First, revenue sharing and countercyclical assistance are simply not the same.

On the surface, there are some similarities between the two.

Both measures are government to government in nature. Both provide Federal assistance to State and local governments with relatively few strings attached. But there the similarity stops.

Revenue sharing arose in the context of debate over the merits of different types of permanent Federal grants, as to which kind was best suited to local needs. It was enacted as an attempt to decentralize decisionmaking over local priorities, recognizing that Washington does not always know best what needs at the local level are.

Revenue sharing has now become an important fixture in the overall mix of Federal grant-in-aid programs. Its merits must be judged and its future determined in the context of that same discussion.

Countercyclical assistance, on the other hand, has arisen in the middle of a very different debate—how to deal with the worst recession this country has seen in several decades. The proposal recognizes the preeminence of Washington in determining national economic policy, and asserts that there must be greater coordination between the various levels of government if such policy is to be effective. It is an antirecession measure only. Its merits can only be compared to those of other antirecession proposals, as to which contributes most to regaining a sound national economy.

I happen to believe that revenue sharing belongs in the mix of Federal grant-in-aid programs.

I also happen to believe that countercyclical assistance belongs in the mix of Federal anti-recession efforts.

But whichever way one comes down on either of these two issues, they simply cannot be equated. Those who try to do so are doing a disservice both to State and local governments and to the quality of public debate on two very important questions—how the Federal Government should share its revenues, and how the Federal Government should deal with recession.

A second point that needs to be made in the course of this debate is that revenue sharing and countercyclical assistance should not be considered mutually exclusive. The enactment of one should not preclude the enactment of the other.

There are those suggesting that if the countercyclical assistance proposal is adopted, then the future of revenue sharing will be in jeopardy. The reasoning behind this argument is not entirely clear.

Perhaps it stems from the President's well known opposition to any new Federal spending. If that is the case, countercyclical assistance must be voted up or down on its own on that question, regardless of the fate of revenue sharing. Countercyclical assistance would put new Federal spending into the economy immediately, when it is needed to help with local budgetary crisis. Hopefully, by early 1977, the economy will have improved, in which case outlays under S. 1359 would have been substantially reduced. Revenue sharing, on the other hand, would not commit any new Federal dollars until January, 1977, even if it were reenacted tomorrow.

Another possible explanation for this argument may be uncertainty about the workings of the new budget process. If this is the case, I would like to lay such fears to rest.

The argument is made that if countercyclical assistance is enacted this year, it will delay reenactment of revenue sharing until next year—why, I am not exactly sure—and that such delay would make is impossible for local governments to plan for revenue sharing in planning for their fiscal year 1977 budgets.

In the first place, it is worth pointing out that the reenactment of revenue sharing this year was in substantial doubt long before S. 1359 was introduced.

But more importantly, the plain facts of the budget process undercut this argument. The first concurrent budget resolution is required to be in place by May 15. It will include and endorse projected outlays under a renewed revenue sharing program for 1977 and beyond. State and local governments would continue to receive their current revenue sharing allocations under existing law until it expires in December 1976. Rather than State and local governments being faced with enormous uncertainty about planning their budgets, as has been suggested, the new budget process will in fact give much greater certainty about revenue sharing, at a much earlier date.

The U.S. Conference of Mayors, now holding its annual conference in Boston, is about to endorse resolutions calling for both a reenactment of revenue sharing and for emergency antirecession aid to the cities.

President Ford has invited about 100 mayors to meet with him on Thursday, to discuss the renewal of revenue sharing.

I am most hopeful that the President will use this opportunity to demonstrate his concern about the critical budget situation facing many of our cities—a situation which belies administration claims that the worst of the recession is over, and that we can now sit back and wait for things to get better.

Today, Senator Brock and I have written to the President, urging him to take the lead in a bipartisan effort to develop a national urban economic policy—one which will help our cities out of the trough of recession, and stabilize them over over the long haul as well.

The Senator from Tennessee and I believe that both revenue sharing and countercyclical assistance are essential ingredients for such a national policy.

RUSSIA HOLDS KEY TO MIDEAST PEACE

Mr. TAFT. Mr. President, I would like to bring to the attention of my colleagues a column from the Dayton Daily News of June 13.

I think this column makes an extremely important point, one that we should all recognize as valid: That is, the need to bring the Soviet Union into our attempts to find peace in the Middle East, as a constructive partner.

I concur with the fear expressed in this article that we have at times permitted a desire to inflict a diplomatic defeat on the Soviet Union to have priority over finding a peace settlement. Yet, in fact, it is highly unlikely that the parties in the Middle East would all accept a solution which is unacceptable to the Soviet Union. Thus, we find ourselves working at cross purposes; to the degree our peace efforts exclude the Soviet Union, to that degree they are also unlikely to be successful.

I believe that the Soviet Union could play a constructive role in finding peace in the Middle East, if we take the initiative in working toward a joint approach. The Soviet leadership is aware of the dangers of world peace inherent in any outbreak of conflict in the Middle East. The Soviets have expressed their desire for peace in this part of the world, and I believe that a joint program, taking proper account of both United States and Soviet interests and commitments in the area, would be possible. I certainly think we should attempt to develop such a program, and thus to bring the Soviet Union into our peace efforts as a partner, not as a rival.

Mr. President, I ask unanimous consent that this column from the Dayton Daily News be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

BRING HER INTO NEGOTIATIONS—RUSSIA HOLDS KEY TO MIDEAST PEACE

The spectacle of Israeli Premier Yitzhak Rabin in Washington, hat in hand, trying to shore up relations with his country's only remaining protector, is one that ought to make Americans ashamed, not proud.

President Ford and Secretary of State Henry Kissinger have been carrying on a well edvertised flirtation with President Sadat of Egypt and other Arab leaders as part of a deliberate pressure campaign against Israel.

The Ford administration believes Israel must make concessions in order to move the Middle East somewhere closer to peace. Basically, that's a matter of yielding the Abu Rudeis oil field and the Mitla and Gidi passes in the Sinai back to Sadat.

Israel, in the last round of Kissinger negotiations, was unwilling to give up these without assurances from Sadat that he would refrain from making war upon her. Sadat balked because he felt he could not pledge peace without the assent of his Syrian ally.

You can make a respectable argument that Israel ought to gamble by giving up the passes and oil field. Many Israelis believe that, though the majority supports the government position.

But the kind of pressure exerted on Israel by the United States represents a power play, not an appeal to logic or reason.

Israel is in an extremely difficult financial position. To maintain her defense forces at what she regards as an adequate level, she wants $1.9 billion in military aid from us in the next fiscal year. She needs another $600 million economic assistance.

All her requests have gone unanswered since the failure of the Kissinger mission. That's the real meaning of the foreign policy "reassessment" Ford and Kissinger talk about. It's simply a matter of bringing Israel to heel by cutting off aid.

Israel has nowhere else to go. Her former friends in Western Europe have pretty much deserted her, under the pressure of the oil embargo.

In the last analysis, she probably has no choice except to do as we wish. She is not without friends in the U.S. government, however, as the recent petition signed by 76 senators proved.

What makes all this doubly suspect is the fact that U.S. diplomatic efforts in the Middle East seem as much directed toward reducing Soviet influence as toward any search for peace.

Sadat finds favor with American officials because he seems to be keeping Russia at arm's length. From Egypt's point of view, this is shrewd policy. The United States can deliver Israel; Russia certainly cannot.

Russia, however, is supplying Syria, Iraq, Libya and other Arab countries with just about anything they want in the way of weapons. There is no indication that the Soviet Union is using any aid cutoff as a tool to make its clients more reasonable.

If we really want peace in the Middle East, we ought to be working to bring Russia more into the picture. Syria's warlike attitude is far more dangerous than any conceivable development in Israel. So is Egypt's, for that matter.

Many people forget that the Middle Eastern wars all have begun—since the first war of Israeli independence—when the Arab countries either attacked or conducted an extreme provocation such as closing the straits of Tiran or seizing the Suez canal.

A middle eastern settlement never will be possible as long as the Soviet Union wants to keep the area stirred up and is willing to supply the Arab countries with enough weapons to make war.

Until then, we have no honorable choice

except to give Israel the means to defend itself.

Viewed in that context, the flaws in current U.S. policy are easy to see. Instead of concentrating on isolating the Soviet Union, we ought to be making every effort to bring her in as a co-guarantor of a Mid-Eastern peace.

Is that possible? Maybe so. Maybe not. Russia fears a world war that could erupt there just as much as we do. In any event, we'll never know whether such a thing is possible until we give it a full-fledged try.

THE PASSAMAQUODDY TIDAL PROJECT

Mr. HATHAWAY. Mr. President, the Boston Globe magazine of June 29 had a very readable article on the Passamaquoddy tidal project on the Maine-Canadian border. Although the dream of harnessing Quoddy's potential power has fascinated many since the beginning of this century, soaring oil prices have resulted in a new interest by both Congress and by the Canadian Government in tidal power. Quoddy is not the only potential site for tidal power in the United States, but it is the site with the most prior study and potentiality.

In the early 1960's a review was done of the Passamaquoddy and the Dickey-Lincoln hydroelectric project at the request of President Kennedy. Both Dickey-Lincoln and Passamaquoddy were found to be cost effective in the August 1964 report of the Passamaquoddy-St. John River Study Committee to Interior Secretary Udall. Only in a supplementary report in July of 1965 from Secretary Udall to President Johnson was it determined that the Passamaquoddy part of the project had slipped just below unity primarily as a result of marked reduction in the cost of production of power by both nuclear and large conventional steam-electric plants and higher Federal interest rates.

These marked reductions in cost of power are no longer with us. We are striving to develop alternative energy sources as rapidly as possible to offset the tremendous energy price increases we have suffered in the past 2 years. It is time for us to look at Quoddy again and coordinate our efforts with those of Canada. The Energy Research and Development Administration was specifically directed last year in Public Law 93–577, the Federal Nonnuclear Energy Research and Development Act, to include in its program elements and activities an investigation of the technical and economic feasibility of tidal power for supplying electrical energy. ERDA, however, is apparently ignoring this congressional mandate. They plan to allot only $100,000 to ocean energy studies, the area which they inform me includes tidal power, and this amount is to be divided between at least two other more exotic and technologically distant research projects. The Army Corps of Engineers, however, in response to a request this spring from my colleague, Senator Muskie, estimated they would need $175,000 in fiscal year 1976 to undertake a reevaluation of Passamaquoddy alone. ERDA cannot plan to carry out any serious investigation of tidal power with only a portion of some $100,000.

In light of the Public Works Committee resolution last March to look at Quoddy again, as well as the directive to ERDA to investigate tidal power, I am hopeful that the appropriate committees of Congress will insure that funds are made available to carry out this congressional directive either through ERDA or another relevant agency such as the Army Corps of Engineers.

I ask unanimous consent that the Globe article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Dream of Harnessing the Tides of Maine

(By James G. Crowley)

In 1921, the summer he was stricken with polio and 10 years before his election to the Presidency, the late Franklin D. Roosevelt and his good friend Dexter Cooper, a hydraulic engineer, strode the shores of his favorite retreat, Campobello Island in Passamaquoddy Bay, and dreamed a great dream. Here, where the average tidal range is 18½ feet and the maximum a powerful 27, they would build the world's first great tidal power plant to generate electricity, thus harnessing a small fraction of the almost infinite power of the oceans which pound approximately 6000 miles of United States coasts challenging man to put their eternal ebb and flow and their sometimes savage surging to his own use.

It was one of a great President's greatest dreams, and he nursed it for 15 years until a hostile Congress blasted it with catcalls of "boondoggling" and cut off PWA funds for the start of construction on the ground that there was no market for the power that would be developed. The General Electric Company, at Mr. Roosevelt's request, made a rough survey and corroborated this curious finding, reporting, according to the legislative service of the Library of Congress, that "the project is of interest and well worth studying, but demand for power . . . does not justify anything further."

Now, after a succession of studies, including one at the behest of the late President John F. Kennedy in 1961 and another in 1963 by the Passamaquoddy-St. John River Study Committee, and after repeated findings that the project is both technologically and economically feasible, the dream is being dreamed again, prompted by the disastrous shortfall of other power sources in a power-hungry world. And this time, in consequence of a Senate resolution sponsored by Sen. Edmund Muskie (D-Maine) last March, the dream may be brought to fruition here as it already has been on the White Sea in the Soviet Union and at the mouth of the Rance River on the Channel in France. The latter can supply up to 670 million kilowatt-hours of electricity per year to the French power grid.

Before the coming of Christ, way back to the time of the ancient Arabian, Chinese and Icelandic scholars, man has pondered the mystery of the tides and the awesome power of the seas, especially when they are pounding the shores in a rage, and his pondering bore fruit even before he was aware of the phenomenon of electricity.

"Early records," according to F. L. Lawton, a Canadian engineer who has researched the phenomenon of tidal-power generation of electricity, "indicate that tidal mills were being worked centuries ago along the Atlantic coast of Europe, notably in Great Britain, France and Spain. One such installation in the Deben Estuary in Great Britain was mentioned as early as 1170 in the records of the Parish of Woodbridge. This is believed to be still in operation . . . Part of the water supply of London in 1824 was provided by waterwheels installed in 1580 under the arches of London bridge. A tidal power installation for pumping sewage was still in use in Hamburg in 1880 . . . A tidal mill in Rhode Island in the 18th Century used 20-ton wheels 11 feet in diameter and 26 feet in width . . . Devices have included waterwheels, weights, air compressors, water pressurization and many others. Between 1856 and 1939, some 280 patents dealing with the utilization of tidal energy were granted, all of them designed to extract a relatively small amount of mechanical energy (as distinguished from electric power) used at the immediate site."

In Chelsea, Massachusetts, Slade's Mill started grinding spices in 1734 with four waterwheels driven by the power of receding water trapped behind a dam at high tide. But it and all such devices of those times merely whetted man's eagerness to convert more and more of this virtually limitless power to his own use, even as he is now studying the sun and beginning to convert it, too, to his manifold power needs. The genius that has gone into some of today's sophisticated devices for converting sea power into electric power surpasses a layman's understanding, but there is, fortunately, an occasional prospectus written in intelligible language and an occasional engineer who has not forgotten how to communicate with lesser men. Thus, there has been some hefty learning here on the infinite patience of Richard Reardon and Malcolm Givens of the Army Engineers Corps, George Haber, associate editor of The Surveyor, published by the American Bureau of Shipping, and on reports of the International Passamaquoddy Engineering Board for data not only on the technique for converting tidal energy into electric power but on the technique, also, for generating electricity from the variance of ocean water temperatures (hot and cold running oceans); from the power of waves, as distinguished from tides; and even from the sweep of the Gulf Stream. Research on thermal energy (hot and cold running oceans) is now being conducted under National Science Foundation grants with prospects that just one such project, completed by 1980, may produce enough electric power to satisfy the continuing needs of a community of 50,000 persons. Worldwide production of thermal energy could produce almost one-fifth of US needs by the end of the century, according to The Surveyor, and 30 billion kilowatts may be extractable from waves, according to David Castle and Professor John D. Isaacs of the Scripps Institution of Oceanography at La Jolla, California.

An engineer's quick transfer of power measurements from megawatts, kilowatts and kilowatt-hours and then back again to be related to load and time factors gives the uninitiated the feeling that he is adding apples and oranges and then multiplying them by bananas. Boston Edison, however, has come to the rescue with data which make comparisons possible. Thus, the International Passamaquoddy Engineering Board's estimate that the Passamaquoddy complex would produce 3 billion kilowatt-hours per year can be compared with the 8 billion kilowatt-hours which Boston Edison supplies per year to Boston and 40 cities and towns in the area. One does not stop there, however, for it has been found that some 30 or more other tidal areas lend themselves to Passamaquoddy-type facilities.

The cost of Passamaquoddy-Rankin (including Dickey-Lincoln) was reckoned at about $896 million in 1964. It would cost more than that now, but it is also estimated that its operation would result in a saving of 64 million tons of coal or 585 million barrels of oil over the 50 years of the amortization of its cost.

Probably any one of us can tell others how, say, to build a box or even, although this may be stretching it a bit, how to make a kite. But when it comes to the intricacies of the borings and whatnot for a tidal hydroelectric plant where the velocity of hundreds of tons of water is as high as 10 feet per second at high tide, reliance will be wholly on official reports:

"Tidal hydroelectric power, similar to river hydropower (but with specific advantages) can be produced by a flow of water from a higher to a lower level through hydraulic turbines. A single pool equipped with gates may be built to trap water at high tide and discharge it through turbines to the ocean at low tides, or the pool may be emptied at low tide to receive turbine discharge from the ocean at high tide. Two separate pools equipped with emptying and filling gates may be used, one pool (Passamaquoddy Bay) filled at high tide and the other (Cobscook Bay) emptied at low tides, with the high pool discharging through the turbines into the low pool.

"A single high pool has the serious disadvantage of producing discontinuous power because no power can be generated without a sufficient difference between the level of the pool and the level of the ocean. Thus, no generation is possible until the ocean has receded sufficiently to obtain this difference in water levels, or power head; nor is generation possible on the rising tide after the level of the ocean becomes too high to provide the minimum necessary head. For similar reasons, a single low pool also produces interrupted power. This disadvantage is avoided in the two-pool plan, which generates varying but continuous amounts of power. Continuous power is achieved in the two-pool plan by operating emptying and filling gates so that the level of one pool is always sufficiently higher than the other.

"The advantages of a tidal power plant are that the tides, which can be predicted with accuracy for many years, can produce power unaffected by droughts, floods, ice jams or silting—adverse factors which decrease the output and limit the life of *river* hydroelectric plants. An inherent disadvantage of the tides as a source of power is that the tides, following the gravitational pull of the moon as it passes overhead every 24 hours and 50 minutes, are out of phase with the 24-hour solar day. The 50-minute daily lag is fundamental to the economics of tidal power for, inasmuch as power output varies with the tides, tidal power is completely out of step with the normal patterns of daily use of electricity. Therefore, unless the tidal plant is supplemented by an auxiliary power plant, such varying power would be of little value. (Hence, the Rankin Rapids auxiliary.)

"Tidal ranges, the height between high and low tides, determine the available head and thus govern the amount of power generated. Tides are caused by the changing relationship of the sun, earth and moon with respect to each other, and tidal range, which is affected primarily by the phases of the moon, also varies from day to day. The sun and moon appear on the same side of the earth approximately every four weeks, at the time of new moon. Two weeks later, at the time of full moon, the sun and moon appear on opposite sides of the earth. When either of these conditions occurs, gravitational attraction of the sun and moon reinforce each other and cause maximum, or spring tides. When the moon is at either quarter phase, the gravitational attraction of the sun and moon are approximately at right angles with respect to the earth, causing minimum or neap tides. When the moon is new or full and simultaneously in pedigree—the point in the moon's orbit closest to earth—the spring tide is particularly great.

"The height the tide will reach is also affected, sometimes to a high degree, by the coastline. On open, exposed headlands tides may range from four feet to five feet, while in nearby landlocked embayments like the Mediterranean tides are negligible. In the Gulf of Maine, however, which opens toward the deep areas of the Atlantic Ocean as the continental shelf drops off beyond Georges and Browns banks, the tides are greatly modified by the size and configuration of the shore and bottom. The mean tidal ranges become progressively greater as the tides move into the Gulf of Maine toward the mouth of the Bay of Fundy. The funnel shaped Bay of Fundy again amplifies the tidal range, producing the highest tides in the world at the head of the bay. To harness these tides for the economical production of uninterrupted power is the essence of tidal power engineering."

At Burntcoat Head in the Minus Basin at the head of the Bay of Fundy in Canada, the soaring tides reach an extreme range of more than 50 feet. The range of the tides in Passamaquoddy and Cobscook Bays near the mouth of the Bay of Fundy varies from a minimum of 11.3 feet at neap tide to a maximum of 25.7 feet at spring tide, averaging 18.1 feet. During each tidal cycle an average volume of approximately 70 billion cubic feet of water regularly enters and leaves Passamaquoddy and Cobscook Bays—at, to repeat, speeds of up to 10 feet per second.

There is one can of worms which there is no intention to open here all on my own. This is the question of comparative electric costs to the consumer. Suffice it to say, then, that there will be no dispute with those who say that their electric bills are as outrageous as are their bills for everything else. Beyond this, Senator Muskie makes the essential point:

"There has been no major review of the Quoddy project since 1965 . . . But in 1965 we enjoyed cheap, seemingly inexhaustible supplies of oil. We built oil-burning power plants to supply cheap electricity. Americans paid $6.5 billion more for electricity last year alone as a result of higher fuel costs. This dramatic jump in the cost of energy in the past two years is a more than sufficient reason to take a serious look at Quoddy.

"In addition, advances in technology, such as power storage and construction methods, could make Quoddy an even more attractive proposal now. Foreign governments, including Canada, the Soviet Union and France, are moving ahead on tidal power. It is time for the US Government to seriously re-examine this renewable power source. We need to know what problems, if any, block the way to completion of the project, and what it takes to solve those problems. Recent dramatic changes in the cost of fossil fuels for thermal generating plants and recognition of the need for a broader range of energy sources suggest the need for a thorough re-examination of Quoddy's potential for tidal power, recreation, economic development and related land and water resource purposes."

There is an obvious fallacy in the argument that the jobs that would be created are in all cases reason enough for any undertaking. But when and if all else is equal, the job creating potential cannot be ignored. Hence, a 1964 evaluation of the whole Quoddy and Dickey-Lincoln proposal by the then Secretary of the Interior, Stewart L. Udall, is worth at least some consideration especially now in a world power crisis.

Some excerpts:

"The Quoddy-Dickey Dam project, plus the backbone transmission line to Boston would provide nearly 15 thousand man-years of employment in direct construction alone, not counting the jobs created to supply the vast quantities of materials needed for these projects. The impact would be felt throughout New England. The list of jobs is long—transportation workers, surveyors, plumbers, pipefitters, electricians, steel construction workers, carpenters, crane and excavating machinery operators, painters, mechanics of many varied skills, warehousemen, clerks, secretaries, concrete finishers, welders, powerlinemen and many others. The factories of New England would be kept busy supplying the needed materials and equipment. . .

"The time is at hand for America to fulfill man's centuries-old dream of harnessing the tides. The Quoddy project is feasible from both the engineering and economic viewpoint. The benefit-cost ratio is 1.27 to 1, with the costs repayable within 50 years after each power unit becomes revenue producing . . . These units, without a doubt, will bring low cost power to the New England area . . . The average cost of electricity in New England today is the highest of any region in this country . . . Massachusetts offers all of the prerequisites for attracting and holding industry except one, reasonable electric power rates. It is important to remember that the tide is a perpetual energy source, fully predictable and dependable, and never in danger of drying up . . . Quoddy meets the needs of our time. We have moved almost overnight into a new area of engineering technology and growing demand for low-cost energy."

Quoddy proponents have a ready answer to critics who argue that such projects almost without exception are wasteful, nonfeasible boondoggles—the TVA, Hoover, Bonneville and Grand Coulee dams. Grand Coulee, especially, was blasted. Yet, its power features will be repaid with interest from power sales within another two decades. It is a major component in a cooperative public-private regional power system with the lowest electric rates in the nation, and it was once called, on the Senate floor, "the most colossal fraud in the history of America, a visionary, impractical and ruthless waste of public funds, impressive in the magnitude of its folly."

The name calling hasn't yet started in the current instance. But we won't have to wait long.

Ralph Owen Brewster, the Republican governor of Maine at that time, pulled no punches in tracing the sabotage of Passamaquoddy to Samuel Insull, the baron of power barons:

"Into my state came Mr. Samuel Insull. In the height of his power, he dominated not only two-thirds of the utilities in my state, but five of our newspapers through interests closely allied with him, 40 of our banking units—38 of which were subsequently closed—and many of the major industries of our state."

Mr. Roosevelt visited Campobello shortly after his dream had been blasted. To his summer neighbors he voiced the prophecy:

"Twice a day the water that flows in and out of these bays more than equals the flow down the Mississippi in two weeks . . . The tides never stand still. Day after day, night and noon, in and out, the tides at Passamaquoddy ebbs and flow. The dream of harnessing such might from the sun and the moon, to turn it to man's purposes, will not die. Quoddy will be completed. It may take time, for it is necessary to educate the people to its value and possibilities. But I believe in Quoddy, and I believe you do, too."

BRILLIANT TRIBUNE SERIES ON FHA MISMANAGEMENT

Mr. PERCY. Mr. President, I commend George Bliss, Chuck Neubauer, and the editors of the Chicago Tribune for the fine series "FHA: America's Slumlord." The series is by far the most well-researched and well-documented of the literally dozens of investigative reports on fraud and mismanagement in FHA's low-income homeownership programs which have appeared in cities across the Nation over the last 5 years. It is my fervent hope that it will lead to the fundamental changes in FHA's philosophy and operations which are long overdue.

I am a firm believer in the concept of homeownership for low- and moderate-income families. I am one of the principal authors of the provisions of the subsidized homeownership program which was enacted in 1968. But I am also one who believed then and still believe now that FHA was the wrong agency to run the program. I have been a constant critic of FHA's mismanagement of this and other housing programs, particularly those which operate in the central cities.

I fought against locating the homeownership program in FHA for over a year as a member of the Housing and Urban Affairs Subcommittee of the Senate Banking and Currency Committee. I introduced legislation cosponsored by every Republican Member of the Senate at that time and introduced in the House by former Congressman William B. Widnall and over 100 of his House colleagues, to establish a National Home Ownership Foundation. I felt this new structure, concentrating on close screening, supervision, counseling, and community action was required to deal with a different kind of housing problem. As I said at the time, entrusting the home ownership program to FHA would be comparable to directing the Cadillac Motor Division to build Volkswagens in its existing plant and with its existing personnel and organization.

In an analysis of my proposal for a National Home Ownership Foundation, I cited four major reasons for not establishing a homeownership program in the Department of Housing and Urban Development:

> (a) The first reason is philosophical, relating to the policy statement of the Housing Act of 1949. The government should be assigned a function only when the private sector cannot perform it.
>
> (b) FHA has not effectively spoken to lower income housing needs and, given human nature, probably never will. A private sector institution established expressly for the purpose of assisting lower income families to become homeowners, and over the policies of which local organizations concerned with this problem have some control, would afford a much more responsive tool.
>
> (c) All established bureaucracies tend to ossify, but government bureaucracies have been unusually notorious in this respect. Private business institutions can generally claim a substantially more efficient procedures than government bureaus.
>
> (d) This whole effort is founded on the need to mobilize private sector resources.

This can be done more effectively and efficiently by a private, or quasi-public institution.

At one point during the hearings in 1967 on the National Home Ownership Foundation, when witnesses were arguing for organizational neatness by putting the new program under FHA and HUD, I said:

> "I'll bet everything I know about human nature that you can try to regulate, rerun, and redirect an existing agency, and try to do their job for them—and fail.

As I remarked in a speech before the National Association of Building Manufacturers in April 1972:

> That is one bet I wish I had not won.

I also fought for a counseling program for low- and moderate-income families. In individual views on the 1967 housing bill I wrote:

> Merely installing lower income families in decent structures that they own may well not, absent other considerations, result in the achievement of the goals of this program. Lower income families need education and training that leads to decent jobs and advancements up the job ladder. They need instruction in the intricacies of mortgage financing, consumer buying, insurance and taxes, home maintenance, and community participation that accompany effective home ownership. Unless these factors are fully taken into account, the result may only confirm the fears of the skeptics in HUD and elsewhere that lower income families do not have the capacity to sustain home ownership . . .

In the report accompanying the 1968 Housing Act, I echoed the same theme:

> The credit assistance and counseling provided in the bill are essential to a successful homeownership program. It is vital that the Department of Housing and Urban Development recognizes the importance of these programs and administers them wisely.

As I noted on March 11, 1974:

> Counseling was authorized by the 1968 act, but tragically was never fully implemented by the Department. Evaluation studies of counseling programs where they have been in existence have shown them to be an exceptionally useful component of the homeownership assistance program.

Sufficient evidence had accumulated by 1971 to suggest that my worst fears about FHA were going to be realized. In a speech before the Metropolitan Housing and Planning Council of Chicago on September 13, 1971, I said:

> I regard the abandonment problem as one of the most critical we are facing today. The survival of our neighborhoods depends upon our ability to solve it.

During the last 3½ years I have been a persistent critic of FHA mismanagement of section 235 homeownership program and similar unsubsidized ones. I have also criticized on several occasions the failure to mount an effective counseling program. I regret to say that my warnings, in large part, fell on deaf ears:

On April 26, 1972, I said:

> Criticism of these (interest subsidy) programs is justified. No one can deny the body of evidence compiled by congressional committees, enterprising newspaper reporters, the United States Civil Rights Commission and HUD's own auditors. . . .
>
> The point I want to draw very sharply is this: The interest subsidy programs have provided many families with decent housing. Fraud and corruption and other abuses exist in these programs and certainly must be rooted out. They also exist in other FHA programs as well, and must be rooted out there as well. . . .
>
> I cannot condemn too strongly those members of the private sector—builders and developers, real estate speculators and brokers, mortgage bankers and fee appraisers—all of whom have wantonly and deliberately set out on a course of making an easy dollar by defrauding the poor and rifling the public treasury. This conspiracy against the poor and the public is a cancer in our free enterprise system which must be ruthlessly cut away by men of good will in both public and private life. . . .
>
> The (HUD) auditors trace . . . examples of mismanagement to these sources—the attitudes of HUD-FHA personnel, the excessive emphasis on quantity versus quality in FHA appraisals and inspections, and the absence of effective supervision and review of FHA appraisers. . . .
>
> In essence, what I am calling for is a complete restructuring of FHA into a consumer-oriented housing agency dedicated to providing quality housing and other supporting services for low- and moderate-income families. FHA must utilize existing authority and Congress must supply the necessary funds to activate a wide range of pre- and post-purchase counseling and training programs for the unsophisticated buyer.

On June 5, 1972, I said:

> Grand jury investigations in charges of fraud and corruption in the operation of such mortgage insurance programs as 203, 221(d)(2), and 235 are proceeding in several cities, including Chicago. . . .
>
> Every effort must be made to root out the unscrupulous operators and fast-buck artists who are defrauding the low-income family and robbing the public Treasury. Those guilty of wrongdoing, be they public officials or private businessmen, must be identified and, where appropriate, brought to trial.

On July 20, 1972, I said:

> It is a fact . . . that no one opposes homeownership counseling programs. From the day I first proposed the National Home Ownership Foundation to promote homeownership among low and moderate income families I have never heard anyone call into question the necessity for and efficacy of both pre- and post-purchase counseling. It is my firm belief that if the authorized programs had been fully and aggressively implemented from the outset, many of the problems we are witnessing today wtih our housing programs would have been avoided. It is regrettable that the NHOF which was to take the lead in encouraging these programs was never funded.

On January 3, 1973, I said:

> I have the firm conviction that we would have been spared much of this scandal and the subsequent foment about the interest-subsidy programs if the National Home Ownership Foundation authorized and specifically provided for by the Housing Act of 1968 had only been appointed by the President, funded, and made operational. . . .
>
> Congress as well as the Executive Branch . . . must share the responsibility for failing to fund this essential watchdog function. Dollars invested three or four years ago in activating this agency would have saved hundreds of millions in defaulted mortgages and reclaimed homes. . . .

I reiterated my concern about faulty administration of these housing programs on January 4, March 6, and April 3, of that year.

In 1972 and again in 1973 I introduced legislation which would have turned the FHA into a consumer oriented agency. My bill would have strengthened and expanded the section 518(b) program authorizing HUD to pay for correcting structural defects in FHA-insured properties. It would have created an Office of Consumer Assistance in HUD, authorized FHA neighborhood assistance offices, required additional broker/seller disclosures prior to closings, required annual reinspections for 5 years after initial insurance, and required a HUD-administered homeownership counseling program within 1 year of enactment.

On March 11, 1974, when the Housing and Community Development Act of 1974 was before the Senate, I said:

The administration saw fit to abandon the oversight authority delegated to the National Home Ownership Foundation to make certain beneficiaries would be properly counseled, to make certain that low income people, who had never owned anything of value in their lives, would be properly counseled, and to make certain that they would not be exploited by those who would attempt exploitation. The consequences of our inability to obtain a very modest amount of money for oversight and supervisory efforts, money which would have been matched by private foundation money if the Government had provided the original seed money and appointed the board of the Foundation, has now been testified to in the tragedy of grand jury investigations and indictments across the country for the very kind of abuses we knew might creep in if the program were not properly supervised. We spent millions and millions of dollars, which we were willing to spend, but we were not willing to spend the relatively few pennies required to oversee the program.

I am pleased that the Tribune series has prompted Senator STEVENSON to arrange for hearings by the Senate Housing Subcommittee in Chicago. As a member of that subcommittee, Senator STEVENSON will be in excellent position to advance the reforms which are so desperately needed.

In addition, I endorse Senator STEVENSON's call for a General Accounting Office study of the allegations of fraud and abuse in the operation of FHA's homeownership program in Illinois. I urge that all evidence related to possible violations of Federal law be turned over to the U.S. Attorney for study.

I ask unanimous consent that the Chicago Tribune series be printed in the RECORD.

There being no objection, the series was ordered to be printed in the RECORD, as follows:

FHA WASTES $4 BILLION AND CREATES CITY SLUMS

(By George Bliss and Chuck Neubauer)

It is a hidden disaster, manmade but more destructive to America's cities and towns than any tornado, hurricane, or earthquake on record.

In less than seven years it has cut a swath thru hundreds of communities the length and breadth of the nation, leaving $4 billion worth of housing destroyed in its wake.

It is a bureaucratic machine set up in Washington to provide housing for the nation's poor that has instead run off course and mangled the homes and lives of thousands of families.

Evidence of the destruction is easy to spot when you know where to look.

You can see it, for example, in the 7300 block of South Hoyne Avenue, once a neat, quiet, middle-class Chicago neighborhood.

In 1971, 14 families moved into new, brick, bilevel $24,000 homes on the block, purchased with federally insured mortgages in a program created by the 1968 National Housing Act for low and moderate-income families.

Today the street looks like desolation row. Seven of the homes are now mostly four-sided shells. In some the roofs are gone, the floors are broken, the walls smashed.

Front yards are cluttered with debris, back yards with the broken toys of children who have moved away.

Families who have managed to stay on the block and families in the surrounding neighborhood are terrified of the smashed and abandoned houses. The gaping windows and splintered doors are an invitation to vandals who set fires late at night.

"If one of the abandoned homes really gets going on fire, it will be goodby to the whole block," said John Bramwell, a disabled veteran who lives with his five children at 7329 S. Hoyne Av. The Bramwell home is sandwiched between two abandoned houses, both of which have had fires.

"I put in a patio to make my house look nice," said Bramwell, who moved in almost four years ago. "It was a nice neighborhood when we moved in. Now it is beginning to look like a ghetto.

"I want to get out of here. The neighborhood is just getting too bad."

The American taxpayers now own four of the houses, having paid more than $100,000 for the useless wreckage. They soon will own three more.

The taxpayers are paying for the same sort of wrecks in dozens of other Chicago neighborhoods—black and white, middle-class and poor.

Billions of taxpayers' dollars are buying wrecked homes in suburbs like Bolingbrook and Chicago Heights, in downstate towns like Champaign and Granite City, and in cities and villages in New York, Michigan, Texas, California, and a dozen other states.

The $4 billion hidden disaster has been the subject of a seven-month investigation of a team of Tribune reporters who set out to find what happened, how it happened, and who is to blame.

Traveling thru Illinois, they recorded the waste of hundreds of millions of dollars in this state alone.

Traveling to Washington, D.C., they found a bureaucratic monstrosity at the Department of Housing and Urban Development and the Federal Housing Administration, the agencies which authorized spending the wasted billions.

The reporters examined thousands of secret government reports, files, and investigations telling who is profiting from bureaucratic bungling by HUD and FHA.

"It is a national scandal," said James M. Alter, a wealthy Chicago businessman who, as chairman of the Governor's Commission on Mortgage Practices, has been fighting the programed waste and corruption.

"Outside of Watergate and Viet Nam, there is no greater scandal than in FHA and HUD housing," he said. "The cities are rotting and nobody seems to be responsible.

"Tens of thousands of people have been displaced, and we, the taxpayers, paid for it."

Revelations by Tribune reporters also startled many housing and congressional experts previously unaware of the extent of the waste, fraud, and deception caused by the housing fiasco.

The reporters found:

An entrenched coverup policy by the highest-ranking HUD and FHA officials in Washington, who refuse to talk about or reveal records in which the scandal is hidden to newsmen, local FHA officials, and other government officials.

A policy of blocking HUD and FHA local officials who are attempting to curtail the waste and rid federal housing programs of dealings with corrupt mortgage companies and real estate operators.

An unsettling relationship between mortgage companies that have made millions of dollars from the scandal and the highest HUD and FHA officials, several of whom were formerly executives of the profiteering mortgage companies.

That the federal government now owns 3,579 vacant and destroyed homes in the Chicago area at an average loss of $13,393 because of neglect by mortgage companies and the FHA. The loss totals more than $42 million.

That FHA's own predictions show that in the Chicago area alone another 5,000 to 7,000 similar homes will soon come into FHA possession.

In the Chicago region FHA estimates that its accumulation and sales of homes represent a loss of hundreds of millions of dollars.

Nationally the picture of waste and destruction is enormous. H. R. Crawford, assistant secretary of housing management in HUD, said that HUD now owns 74,000 single-family homes which cost the government $20 million a month just to maintain.

Another 127,000 single-family homeowners have defaulted on their FHA-insured mortgages and are in danger of foreclosure. Between 80 and 90 per cent of those 127,000 houses are expected to fall back into the government's hands, Crawford said.

Good intentions led to programs in which scandal took root and grew.

In 1968 Congress hurriedly passed the National Housing Act in response to unrest and rioting in major cities.

The bill was designed to provide hundreds of thousands of homes at low cost and easy terms for low- and moderate-income families to relieve the tensions of the overcrowded cities.

Under several programs set up by the act, families which normally would not have been able to afford homes could get private financing because the FHA insured their mortgages 100 per cent.

If the family missed payments to the private mortgage companies, the companies foreclose the mortgage, and collect all that was owed them from the FHA.

The system was attractive to mortgage companies, real estate operators, and the poor.

It soon became apparent to many mortgage companies and real estate dealers that they could make more money faster by selling homes to families that were not only poor but poor risks—unemployed persons who could afford only the first payments and were certain to default, for example.

"People were getting loans who should not have been," said Leonard Giblin, president of the Chicago Mortgage Bankers Association and a severe critic of the scandal. "And FHA officials are not correcting the abuses."

Once they foreclose for failing to meet payments, the mortgage companies collect full value for the homes after a year from FHA insurance rather than wait up to 30 years for the mortgages to mature.

HUD and FHA records indicate that the foreclosure rate of Housing Act homes in Illinois has reached seven times the rate of foreclosure of homes purchased thru conventional loans.

Homeowners, civic groups, and neighborhood organizations concerned about the scandal told Tribune reporters that some mortgage companies dealing with FHA-insured homes have systematically tried to vacate the homes.

If a family misses more than one payment, the mortgage companies often start foreclosure action immediately, hoping the family will drop even further behind, say the homeowners and community groups.

"Mortgage lenders eager to maximize their profits are now fast foreclosing on their FHA loans to get the federal insurance money," said Gail Cincotta, a leader of the Metropolitan Area Housing Alliance.

"The way the FHA-insured mortgage program works now, mortgage companies can make more profit by foreclosing."

Once a house is abandoned the unscrupulous mortgage companies go thru a quick flurry of activity to squeeze as much money as they can from the home.

When a mortgage company forecloses on an FHA-insured loan after one year, the annual profit can go as high as 14 per cent, against 6.7 per cent over the life of the loan.

During the one year of the mortgage, plus the one year, 3 month period generally required for foreclosure proceedings, a lender can make a profit of $5,263 on a loan of $18,500.

The mortgage companies contract—or at least are supposed to—with companies to board up the houses, winterize the plumbing, and do anything else to protect them from damage and keep them attractive.

But too often these protective services are never provided, or provided so inadequately that the homes are not protected. This doesn't prevent mortgage companies from collecting $400 to $2,000 from the FHA for work that is never done.

Tribune investigators discovered that hundreds of such bills were paid by the government, altho reporters and federal inspectors found that the work had not been performed, or even that the houses involved had long been destroyed, like those on South Hoyne Avenue.

Many HUD and FHA career officials who repeatedly tried to have this situation corrected were rebuffed by their Washington superiors. Some agreed to tell The Tribune what they knew to protect their own reputations.

One of the most outspoken critics of the situation within the government is John Waner, a former candidate for Chicago mayor who is now a district director of HUD and FHA.

In a letter Waner said he'd ordered his staff to investigate mortgage companies which were paid for unperformed protective work on vacant houses.

He collected photographs and records of damaged and destroyed homes on which the protective service payments had been made.

"I confronted a group of mortgage bankers with our findings and asked them if they indeed received payment from the government for cleaning and maintaining these buildings," Waner wrote to the inspector general.

"Without exception they all said they had."

Waner forwarded three cartons of evidence, including hundreds of pictures, to the inspector general's office for a more thoro investigation. He failed to get a response, he said.

He then had staff members contact Washington and request copies of protective service payments to mortgage companies for additional proof of criminal fraud against the companies. The requests were denied.

Waner's attempt to end the waste was only one of several he has made, and one of hundreds by HUD-FHA officials.

Field workers have repeatedly sought a change in the procedure in which Washington pays mortgage companies for foreclosed houses without inspections to see whether the houses have been damaged or destroyed.

William M. Miller, director of the housing management division of HUD in Chicago, has campaigned to get Washington to let his men see the houses before payments are made; so far he has failed.

Earlier this year Daniel F. Martini, an attorney in the general counsel's office in Washington, wrote Miller's office ruling against its request to inspect and certify houses before authorizing payment of claims.

Crawford, his boss in Washington, admits HUD and FHA have been lax in monitoring the mortgage companies, but said HUD never expected so many abandoned homes.

"We were not ready to take back houses," he told The Tribune. "We never thought we'd have this many, but we do check homes eventually."

However, Waner said HUD and FHA don't usually "check" Chicago homes until they have been destroyed and the mortgage companies have collected their money.

"This system is like closing the barn door after the horse gets away," he said.

Fred Pfaender, HUD director of loan management in Washington, insisted his agency has only a limited staff and can't possibly look at every foreclosed home in the nation. HUD's job is to make loans, not police the mortgage companies, he said.

"It is a matter of priorities as to what we should look at," Pfaender said. "We are not equipped for policing."

So the hidden disaster continues to churn across neighborhoods thruout the nation, and the government continues to buy up the damaged and destroyed houses left in its wake.

Shady real estate operators working with mortgage companies continue to reap millions of tax dollars with the quick turnover of property that rots the neighborhoods it was supposed to save.

And evicted homeowners are left with broken dreams, destroyed credit records, and anger toward a system that used them.

Study Tells Where Billions Went

A careful computation by the Metropolitan Area Housing Alliance of federal expenditures on insured mortgages has set the total amount of money wasted in the program at $4.2 billion.

M.A.H.A. used a study by the Committee on Government Operations issued Dec. 18, 1974, to make the computations.

The study pointed out that two Federal Housing Administration insurance-fund deficits totaled more than $1 billion as of June 30, 1974. If the funds continue to pay out money at the current foreclosure rates, the study said, the total deficit by June 30, 1975, will be more than $2 billion.

To compensate for these deficits and replace expended fund reserves, FHA was forced to borrow $3 billion from the United States Treasury on June 30, 1974. A M.A.H.A. spokesman said that from these and other statistics in the study, and taking the number of foreclosed homes disposed of by the Department of Housing and Urban Renewal and FHA, they reached the loss estimate of $4.2 billion.

Actually, the spokesman said, the estimate probably is low. It did not allow for money spent each month for holding costs of the homes [$20 million monthly], numerous insurance premiums, real estate taxes, foreclosure costs, advertising and publication of foreclosure notices, and attorneys' fees.

Hanging On in the Debris of Dream

George Conner still lives in the 7300 block of South Hoyne Avenue, but only because he can't afford to do otherwise.

Conner used a mortgage insured by the Federal Housing Authority to buy his $24,000 brick home in 1971. Thirteen other families moving into similar homes on the block did the same.

Today seven of the houses are abandoned, and Conner's house has vastly decreased in value because it is between two burned-out homes, one of which eventually was demolished.

Standing in front of his house, pointing out the debris-strewn wreckage along the block recently, he told about the agonies of trying to maintain his family in the neighborhood as vandals smash the homes of former neighbors.

"These all used to be nice houses," he said. "When the house at 7333 burned, it almost set my house on fire. The firemen told us to move our kids because the whole next-door roof was in flames."

The seven abandoned homes on the block are now beyond repair, and Conner and his neighbors live in constant fear that their children will get hurt or their own homes will go up in flames.

"I went around to all the abandoned houses and nailed the doors shut myself," Conner said. "What good it will do I don't know."

Conner's anguish is part of the immeasurable damage done by the scandal surrounding administration of the National Housing Act by the Federal Housing Administration and the Department of Housing and Urban Development.

Since the act's inception, mortgage houses, vandals, developers, and real estate operators have taken advantage of the unwieldy FHA and HUD bureaucracy and wasted more than $4 billion in tax money.

What the scandal has cost in terms of running tax bases of entire neighborhoods, lowering property values of homes left standing, and mental anguish for homeowners left living amid the destruction cannot be computed.

The scandal has caused physical, financial, and emotional turmoil in scores of Chicago neighborhoods and suburbs. Here are some of the results:

Zion, a community of 18,000 north of Waukegan—a town which never had housing problems—now has slums created by shoddy work in many of the 250 new homes built thru FHA insured mortgages, according to Zion's mayor.

At 5337 S. Emerald Av., Chicago, an abandoned FHA house is literally falling onto the house next door, and the man living there can't get anybody to do anything about it.

On the 5200 block of South Green Street, a woman resident started her own campaign to clean up abandoned homes surrounding her, but so many houses were vacated she had to give up and watch her own home drop in value.

On the 11600 block of South May Street, the entire neighborhood worked to save an abandoned FHA house for six months, only to wake up one morning and find vandals had wrecked it.

One neighbor, Mrs. Ethel Bey of 11640 S. May St., tracked down the mortgage company that owned the house and discovered the company wasn't aware it had been abandoned.

When the first FHA homes on the 5200 block of South Green Street were abandoned, Mrs. Marie Bryan of 5207 S. Green St. tried to protect the houses herself.

Finally, too many vacant houses became targets of vandalism and decay. She now stoically lives in a neighborhood of broken-down, abandoned houses littered with broken glass, battered doors, and other debris.

"I pay $506 a year in taxes, and I'm surrounded by abandoned FHA houses with their terrible mess," Mrs. Bryan said. "My property is worth next to nothing now."

Fred H. Anderson of 5339 S. Emerald Ave., is the man who has to contend with the vacant house next door falling piece by piece onto his home.

According to FHA inspection reports the yard of the vacant house is littered with junk, the interior presents "hazardous conditions," a rear stairwell lying on the ground, and trash litters the yard.

"I'm scared to death," Anderson said. "I'm nothing but a target for the FHA house.

"Nobody will do anything about it but it is endangering my home and an eyesore to the neighborhood. Somebody should be prosecuted for allowing a neighborhood to deteriorate like this and endanger other people."

Zion Mayor W. Bruce Dunbar watched the federal housing program move into his town and construct a "new slum" in a community that never had one before.

He blames developers for putting up shoddy housing, mortgage companies for financing families who couldn't afford to keep up with payments, and HUD and FHA for failing to ride herd on the other two culprits.

"It is a bad program," Dunbar said. "We have 250 of these homes, and they have created a huge blight area. The mortgage people murdered this program, and the developers, helped.

THE WAY IT OUGHT TO BE . . .

Under ideal conditions, the process of home buying under the 1968 National Housing Act should work this way:

Homes within the price range of the Housing Act program—either specially constructed or sound older homes—are located by real estate companies.

Real estate companies find buyers with good credit histories and about a $200 cash downpayment for the homes, match them with a house and mortgage company, and send applications to the Federal Housing Administration.

With FHA approval, the family gets a mortgage, moves into the home, and if all goes well pays off the mortgage over 30 to 40 years. If the family defaults on payments, the mortgage company forecloses.

During the long foreclosure process, the company boards up and protects the home from vandalism and the elements.

FHA eventually acquires title to the home, which is still in sound condition; the mortgage company gets its money back, and the home can go up for sale to another family.

. . . AND THE WAY IT REALLY IS

Under existing conditions the process of home buying under the 1968 National Housing Act has been abused in this way:

Shoddy new homes are slapped up to fall within the price range of the Housing Act program; or unsound, unsafe older homes are located by unsavory real estate brokers for use in the program.

The real estate dealers find buyers with poor credit risks, produce phony credit ratings for them, and often lend $200 for the necessary down payment while matching them with a cooperative mortgage company to make the Federal Housing Administration application.

With FHA approval, the family gets a mortgage, moves into the home, soon becomes disillusioned with its shoddy condition, or cannot make the payments. They abandon the house and the mortgage company forecloses.

During the foreclosure process, which lasts about a year, the mortgage company fails to board up and protect the home; vandals move in and start fires, natural decay sets in, and the house is destroyed.

FHA eventually takes possession of the house, which now is either a pile of rubble or otherwise unfit for human habitation.

Rather than pay to have it demolished, the FHA auctions off the house for $1, leaving the neighborhood with another slum building and the family which originally bought it displaced and angry with "the system."

FHA SCANDAL ENMESHED IN REDTAPE

(By George Bliss and Chuck Neubauer)

Periodically Chicago-area newspaper readers thumbing thru the real estate sections have to stop and blink at advertisements run by the Chicago office of the Federal Housing Administration.

Whole columns of homes are listed for sale, 50 or more at a time—minimum price: $0. Zero dollars. For a house and a lot.

It has to be the greatest real estate bargain in history.

Take for instance the $20,000 home at 5738 S. Sangamon St. that FHA almost gave away. In open bidding, the new owner paid only $501.

The buyer just went to an auction, took title to the house and property, and it was his. For next to nothing.

Of course, there were a couple of drawbacks. Vandals had knocked the doors wide open. All the windows were broken, fixtures were smashed; the sinks, bathtubs, toilets, and boiler had been stolen; and wet and stinking trash was littered thruout the house and yard.

The FHA said it had to give away the house because it was so badly damaged; the demolition costs were not much less than the worth of the lot the house was sitting on.

That happens a lot in Chicago. It has been going on for nearly seven years in the city, the suburbs, thruout the state—and in fact, thruout the country.

While this is an inexpensive way for an individual to acquire property—as in the case of the man who bought the dilapidated house and the lot at 5733 S. Sangamon—it cost the federal government (in other words, the taxpayer) about $20,000 to offer this particular bargain.

The average loss to the government on each FHA foreclosure is more than $13,000. It is all part of the hidden disaster that has cost the nation $4 billion, tens of thousands of destroyed houses, and the decay of hundreds of good neighborhoods.

The disaster is hidden in Washington, buried by red tape deep in the files of the FHA and the Department of Housing and Urban Development.

The billions wasted so far are lost, irretrievably squandered by a bureaucratic monstrosity created by HUD and FHA to administer the 1968 National Housing Act.

A team of Tribune reporters has investigated the housing scandal for the last seven months, obtaining thousands of documents never before made public showing how HUD and FHA wasted—and was defrauded of—the $4 billion.

The reporters found that the highest FHA and HUD officials in Washington have chosen to cover up the waste rather than reform Housing Act programs.

The investigation documented how high HUD and FHA officials in Washington have systematically thrown roadblocks in front of their own employes who have tried to stop the waste.

Part of the problem, local FHA and HUD officials admit, is that mortgage companies have so much influence in the HUD and FHA administration that it has become impossible to act against even the most unscrupulous companies.

The close proximity of high FHA and HUD administrators with mortgage companies was exemplified by Sheldon Lubar who, until he resigned last November, was FHA commissioner and undersecretary of HUD in Washington.

Before Lubar received his Washington appointment, he was chairman of the board of Mortgage Associates of Milwaukee.

According to FHA records, Mortgage Associates has turned over to the government more damaged and destroyed housing—after collecting FHA insurance on it—than any other mortgage company in the Chicago area.

Lubar, now president of the Midland National Bank in Milwaukee, insisted to The Tribune that as FHA commissioner he had no authority over how FHA handled dealings with mortgage companies in field offices like Chicago.

"I had zero authority and could not be effective," Lubar said. "I had no direct authority in the field."

He said his job with FHA was merely to provide policy studies to the HUD secretary, and he never had any dealings in which his former company, Mortgage Associates, came up.

"I never had a matter regarding Mortgage Associates before me," Lubar said. "If I did, I would send it to the secretary."

A spokesman in HUD and FHA strongly disputed Lubar's contention that he lacked authority. As FHA commissioner, he had both the authority and responsibility for all business conducted by FHA, the spokesman said.

Mortgage Associates was cited frequently in investigators' reports last year when William M. Miller, director of the housing and management division in HUD's Chicago-area office, cracked down on negligent mortgage companies.

Miller ordered his investigators to send back to the mortgage companies 60 badly damaged homes. They were homes purchased by poor families with FHA-insured mortgages who later defaulted on payments and lost their homes to the mortgage companies.

The investigators reported that the houses had been left badly damaged because the mortgage companies apparently ignored FHA regulations requiring protection of the vacant buildings.

The following are typical reports by Miller's investigators:

A three-story frame home at 1733 N. Rockwell Av. for which FHA paid $16,155.82 in mortgage insurance. Advance Mortgage Corp. of Detroit, the servicer, in turning the house over to FHA, said it was in "vacant, clean, and secured" condition.

In reality, the investigators said, the house had holes in the roof and floors, plaster walls had been battered in, and the plumbing had never been turned off and drained, causing warping and rot. Vandals who had free access to the house thru unlocked doors and open windows, had strewn garbage and trash thruout the house and yard.

* * * * *

Miller's report showed that Mortgage Associates of Milwaukee, Lubar's former firm apparently ignored regulations by not winterizing and boarding the house, and as a result vandals stole the radiators, furnace, and . . . the kitchen sink.

A home at 8809 S. Burley Av., inspected by Miller's men after being turned over to FHA, had been stripped by thieves of interior walls, plumbing, and electrical boxes, leaving only the carcass of a dead dog. Mortgage Associates had failed to secure and protect the property, according to FHA inspection reports.

Because of these conditions the houses were worthless.

"Stuff like this should be demolished," said Joe Jackson, one of Miller's inspectors. "It could burn up anytime. The house could fall in."

Miller sent letters to the companies responsible for the 60 houses telling them FHA would not accept the houses until they were repaired.

He didn't hear from the companies, but he did hear from his superiors in Washington very quickly.

His bosses told him he had no authority to act against mortgage companies; the only authority he had was to make recommendations to Washington.

After Miller was overruled, the mortgage companies responsible for the houses received from the FHA the mortgage money it had guaranteed. In addition, Advance Mortgage and Mortgage Associates were paid for security work they apparently never performed.

Miller and his staff were informed of the protective service payments made to Advance Mortgage and Mortgage Associates by Tribune reporters who obtained copies of documents from other sources.

The continuous frustration of his reform efforts by his superiors led Miller in March of this year to compile a list of such efforts made by his staff and includes a description of how Washington dealt with each request for action.

A copy of this secret "Miller Memorandum," intended for circulation only among federal housing officials, was one of the many documents used by Tribune reporters in their seven-month investigation.

The bureaucratic roadblocks it describes make it impossible for local HUD and FHA officials to crack down on unsavory businessmen profiting from poorly administered housing programs.

* * * * *

As a result, Washington has never taken action for inadequate servicing against any of the thousands of companies it deals with.

It was Sheldon Lubar's administration that told Miller and other local FHA officials to mind their own business, which apparently is to accept the FHA-insured homes in whatever condition they happen to be in and dispose of them in any way they can.

That leaves the Chicago office with the job of running advertisements in the newspapers virtually giving away damaged and destroyed homes.

The following is typical of the transactions that result from such ads:

For a four-flat building at 102–04 S. Central Av., FHA paid the mortgage company $34,312.71. The building was stripped of radiators, plumbing, and bathroom fixtures. The windows were broken thruout and interior paint was peeling.

FHA eventually got $10,000 for the four-flat in an auction; it would have cost $75,000 to duplicate such a structure.

"It was wide open when Mortgage Associates turned it over to us," Sol Dunlap said. "It cost us $700 just to board up the first floor."

Dunlap didn't know it, but Mortgage Associates had already been paid $699 by his own Washington office for "maintaining and protecting" the building.

Another home the FHA wants to get rid of is at 558 N. Leamington Ave., for which the government paid $15,677.66. The doors were left unlocked, the windows were broken, the house and yard was littered with lumber, paper, boxes, broken glass, rotting wood, and other trash, and all the heating registers had been stolen. FHA in Washington paid O'Brien & Pain, Inc., First National Plaza, $556.50 for maintaining and servicing the home.

This drainage of public money into the coffers of unscrupulous businessmen is a continuing process in Chicago, the suburbs, the state, and all over the nation, as tens of thousands of damaged and destroyed homes are bought by the federal government for billions in tax dollars and then sold for next to nothing.

Bureaucrats "Lose" Critical Study

One of the minor mysteries surrounding the $4 billion national housing scandal is why Washington housing bureaucrats commissioned and paid for a $180,000 two-year study they never read and now claim to have lost.

The study was commissioned by the Department of Housing and Urban Development to examine what went wrong with programs subsidizing housing for poor and moderate-income families authorized by the 1968 National Housing Act.

It was conducted by a team at the Law Center of the University of Southern California headed by Prof. George Lefcoe.

The report was the most thorough investigation ever made of HUD and Federal Housing Administration policies on home foreclosures connected with the Housing Act programs.

The study, known as the "Lefcoe Report," is extremely critical of the federal bureaucracy.

A few months ago, Tribune reporters investigating the housing scandal asked a spokesman for HUD and FHA in Washington for a copy of the report. The spokesman several weeks later said he had made a thoro search for the study, but it couldn't be found, even in HUD's own library.

FHA officials in Chicago said they have heard of the report and said it was designed to help them in their own operations, but they cannot obtain a copy of it.

Sheldon Lubar, FHA commissioner in Washington until he resigned on Nov. 30, 1974, said he not only had never read the Lefcoe findings but also had "never heard of it."

An aide to Sen. Stevenson [D., Ill.], who has been a constant critic of HUD and FHA, searched HUD and FHA headquarters for a copy of the report without finding one.

Joseph Luman, staff director of the Manpower and Housing subcommittee of the House Government Operations Committee, ran into the same stone wall when he asked HUD for a copy.

Tribune reporters finally saw the study after they contacted Prof. Lefcoe in California.

Lefcoe was shocked to learn that the report has not been made available to key HUD and FHA bureaucrats and their workers in district offices.

"I'm surprised to hear that Sheldon Lubar, when he was FHA commissioner, was not acquainted with the study," Lefcoe said.

Lefcoe's report was extremely critical of HUD's and FHA's failure to stop the practice of some mortgage companies of foreclosing on FHA families as soon as they miss a few monthly mortgage payments.

Quick foreclosures are the biggest factor in leaving so many homes vacant, he said. He was just as critical of the government's leniency with mortgage companies which fail to protect vacant homes from destruction by vandals, which has resulted in billions of dollars in lost housing.

FHA and HUD have been grossly negligent in failing to use their authorized powers to crack down on unscrupulous mortgage companies.

"Those [mortgage companies] who would knowingly violate or disregard HUD regulations certainly have no cause for worry, because the government never takes action against them," he said.

The Lefcoe Report is by no means the only study critical of the housing scandal, but the others have been ignored as well.

A 27-man commission appointed last year by Gov. Walker to study the limited availability of home financing in inner-city areas spent much time complaining that FHA housing is creating new slums.

The Commission blamed HUD and FHA for allowing mortgage companies, developers, and real estate dealers to abuse the Housing Act programs, and warned that the destruction caused by HUD and FHA is far from being over.

The commission predicted that 5,000 more FHA homes will become vacant in Illinois alone in the next few months, and said:

"The impact of these abandonments on the communities in which they are situated and on the balance of the Chicago metropolitan area is substantial, not only in terms of thousands of displaced, traumatized families, but also because of lost housing and the increased fire hazard, vandalism, and blight that accompanies scores of abandonments.

"HUD–FHA has done little to prevent abandoned FHA-insured homes from being vandalized."

Judge Nathan Cohen of Cook County Circut Court, enraged by the waste created by the housing scandal, scored HUD and the mortgage companies in a recent court ruling, calling their treatment of home buyers "tragic":

"We find HUD and its servicing [mortgage] companies engaged in a tragic charade [with the homebuyers]. HUD helps obtain a mortgage for one who would not otherwise qualify and promises that person a chance to share in the American dream of a decent home for his family, but at the first sign of any problem HUD abandons that homebuyer, who by definition does not have either a high or stable income. . . .

"The [mortgage company] has much to gain by a quick foreclosure. The mortgage is insured by a creation of the federal government, and the sooner the mortgage is foreclosed, the sooner the mortgage company gets its money which may be reinvested at a greater rate of return.

"The results of all of these foreclosures is not only causing struggling homebuyers to lose their homes—the ultimate result is to cause a substantial increase in blight in urban communities.

"There is no reason why the private mortgage company cannot operate profitably and still observe the intent of the contract by observing the spirit of the guidelines."

Order Senate Probe in Housing Scandal

(By George Bliss and Chuck Neubauer)

Sen. Adlai Stevenson (D., Ill.) announced Monday that a powerful Senate committee will hold hearings in Chicago this summer to investigate allegations of fraud and mismanagement in federal housing programs.

Stevenson, a member of the Senate Banking, Housing, and Urban Affairs Committee, said the hearings were called in response to a seven-month Tribune investigation of Federal Housing Administration (FHA) and Department of Housing and Urban Development (HUD) programs.

The Tribune disclosures "deserve immediate investigation and action," Stevenson said. "The Chicago Tribune deserves the thanks of all citizens."

In addition, Stevenson and Sen. William Proxmire (D., Wis.), banking committee chairman, have asked the General Accounting Office (GAO), the watchdog arm of Congress, to conduct a wide-ranging investigation of FHA and HUD.

The GAO and the committee will investigate the problems of abandoned houses left unprotected, fast foreclosures by mortgage companies, and unresponsiveness of HUD officials in Washington to complaints.

A likely target of the hearing is the Tribune disclosure that HUD officials in Washington refused to act on requests from the Chicago area office for disciplinary action against mortgage companies that ignore HUD guidelines, a Stevenson spokesman said.

Expected to be called to testify are representatives of HUD, FHA, the mortgage banking industry, and communities affected by federal housing programs.

The Tribune investigation has revealed that FHA now owns 3,579 vacant and destroyed houses in the Chicago area alone at an average loss of $13,393 and that thousands more foreclosures are imminent.

Nationally, the scandal has cost taxpayers $4 billion, as tens of thousands of abandoned houses have been destroyed and hundreds of good neighborhoods have thus deteriorated.

In addition to paying billions of dollars to mortgagers on foreclosed loans, FHA also has paid them millions for maintenance work apparently never performed, the Tribune found.

HUD officials in Washington said their job was to make loans not to police them.

"The evidence of fraud and neglect in the administration of federal housing programs is a disgrace," Stevenson said Monday.

"The consequences are tragic—fast foreclosures, abandoned homes and deteriorating neighborhoods. The toll in human degradation and taxpayers' expense is enormous.

"And once again, FHA and HUD don't appear to care. Last week in Senate hearings, I asked the Secretary of HUD what was being done to stop fast foreclosures by unscrupulous lenders. The answer I got was, essentially, nothing."

Altho no date has been set for the hearings, a Stevenson spokesman said that they would probably be in late July.

In their letter to GAO, Stevenson and Proxmire asked the agency to find answers to the following questions:

Are FHA-insured mortgage lenders complying with HUD requirements regarding their obligations to preserve and protect defaulted properties?

Do lenders in fact perform maintenance services for which they are paid and does HUD insure compliance?

Is liaison between HUD in Washington and in the field adequate to preserve and protect defaulted properties?

Does HUD take effective action against mortgage lenders to prevent fast foreclosure practices and to enforce forbearance regulations and guidelines?

Are HUD's verifications of income criteria for applicants seeking FHA-insured loans adequate to insure that the criteria are in fact being met?

Meanwhile, at a meeting of the Group Health Institute here, Mayor Daley, commented on FHA bungling:

"We'd like to have all the slums removed. But the mayor didn't create the slums. Conditions prevailed which shouldn't happen in our country.

"We don't agree with everything that emanates out of Washington, as tho they have all the talent and all the ability and the knowledge that exists in this country.

"All you have to do is look around you and see the terrible situation prevailing under the Federal Housing Administration and the boarding up of buildings all over our country when they have been unwilling to take the necessary steps."

Bilking the FHA—Way of Life to Some Mortgage Firms

For the last seven years, unscrupulous businessmen in this country have been making millions of dollars in federally insured mortgages with virtually no risk to their own pocketbooks.

All they have had to do is lie, cheat, commit forgery and fraud, and misrepresent themselves to the Federal Housing Authority and the Department of Housing and Urban Development.

It is done every day by numerous real estate dealers, developers, and mortgage companies that have been taking advantage of programs set up to provide cheap housing for low and moderate-income families.

They haven't had to worry about getting caught; FHA and HUD have been too busy shuffling paper to check up on them.

HUD and FHA administration of the programs, authorized by the 1968 National Housing Act, has resulted in the waste of 4 billion tax dollars so far.

The tax money has been used to finance the destruction of tens of thousands of good houses and the decay of hundreds of once stable, attractive neighborhoods.

It is a hidden disaster that has wreaked havoc across the nation but reaped rich benefits for unscrupulous businessmen. The government, the taxpayers, and low-income families are the main victims.

"It's like doing business in heaven, you can't lose money," said John Waner, director of HUD and FHA in the Chicago area and an outspoken critic of HUD's handling of the Housing Act programs.

Tribune reporters who spent seven months investigating the scandal found that while Congress passed the Housing Act to benefit the poor, HUD and FHA have administered the act mostly to benefit real estate and mortgage companies.

The reporters examined thousands of documents never before made public and talked to scores of public and private housing officials and concerned community groups. They found that HUD and FHA officials in Washington have taken a "hands off" policy in disciplining businessmen, particularly in mortgage companies, who have violated guidelines set up by the Housing Act.

The lying and cheating are present at each step of the process set up by the Washington HUD and FHA bureaucracy.

It starts with allowing ineligible home buyers to purchase houses thru the federally subsidized programs and ends in mortgage companies getting paid for criminally destroyed housing they were responsible for protecting.

Tribune reporters found that many real estate operators and mortgage companies actively seek out potential home buyers they know will not be able to handle mortgage payments.

The practice allows the mortgage companies to make a quick profit—as much as 14 per cent a year—by recovering the home a year or two after it is sold and collecting the full value of the building from FHA insurance, plus interest and mortgage closing costs.

Working with investigators of the Citizens Action Program, a Chicago community activist group fighting the housing scandal, Tribune reporters found a mortgage company executive willing to talk about how the "system" works.

A respected businessman in his community, he agreed to talk only with the assurance his name would not be revealed, fearing that the publicity could damage his business interests that have no connection with the government.

When a real estate broker takes a prospective home buyer to an unscrupulous mortgage company and it is found the buyer isn't financially stable. records are often falsified to show that he is, the banker said.

"I can say you work at a South Side restaurant, and nobody ever checks," he said. "Often the mortgage banker can get someone who is self-employed, like a hardware store owner, to say that the potential buyer works there."

When the FHA on rare occasions asks for W–2 forms from income tax returns to verify records, these are faked, he said.

From the government's and the reformers' point of view, the banker said, "the problem lies with the fact that the mortgage company does not feel any responsibility for the bad ones [the poor-risk homebuyers], because the company gets paid by the FHA whether or not the buyer defaults.

"You don't care whether the loans stay on the book or not. You have to understand the position the mortgage banker is in. If I tell a real estate broker 'no' on a buyer, he'll go to somebody else who will put the loan thru. We are always getting pressure to put loans thru."

Community groups such as CAP have been trying to force HUD and FHA officials to crack down on such practices and take more care of reviewing mortgage applicants.

"What is unusual about all this is to have FHA make any attempt at verification of the financial background of an applicant," CAP officials said.

"It is done very seldom. Usually the real estate dealers and bankers don't worry because the fraud is cleverly done and hard to detect. All they want is a body in the home so they can insure the home with FHA."

When a family is evicted or abandons a house, the unscrupulous mortgage companies begin a whole new charade with HUD and FHA regulations.

Under HUD and FHA guidelines set up by the Housing Act, mortgage companies are supposed to "preserve and protect" foreclosed homes in their possession while they wait to collect their FHA insurance, a procedure which takes at least a year under Illinois laws.

The guidelines call for them to secure doors and windows in the vacant homes, drain the plumbing to prevent bursting pipes, cut lawns, and remove all refuse.

The Tribune found countless homes for which mortgage companies were paid hundreds of dollars in maintenance fees, tho the companies did little or no maintenance work.

A. L. Grootemaat & Sons, a Milwaukee mortgage company, foreclosed on a home at 4238 W. Malpole Av. in Chicago when the occupant failed on his payments. After the foreclosure the Grootemaat firm charged FHA $1,491.41 for "total maintenance after fire loss."

After the mortgage company was paid and the home was transferred to FHA possession, the local FHA office sent an inspector to assess the house.

His report, which revealed that the FHA received little in the way of maintenance for the $1,491.41, said:

"Lawn, no care in many months. Hazardous conditions, evidence of fire in back-basement, open, littered, old furniture, refrigerator, etc. Unsafe structure: Can't be salvaged."

The house was later demolished, tho the maintenance charge paid to the Milwaukee firm wasn't challenged.

The oversight, inaction, and seeming indifference on the part of HUD and FHA in Washington has been, ultimately, the reason for the $4 billion in wasted tax dollars.

There are provisions written into the Housing Act to enforce regulation, but HUD and FHA rarely, if ever, use them.

"The regulators [at HUD and FHA] are scared of the people they regulate," the mortgage banker told reporters, "because there is a sleeping bed relationship between HUD and the mortgage companies.

"The mortgage industry is a source of good jobs for people when they leave HUD, and HUD employes are not about to attack a potential job source."

Even high-ranking HUD and FHA officials admit they have the power to punish unsavory mortgage companies for not following regulations.

"HUD always has the ultimate sanction of cutting off a mortgage company's insurance if they are not meeting guidelines," said Fred Pfaender, director of HUD's Office of Loan Management and an author of HUD guidelines.

But of the 35,000 mortgage companies licensed to do business with HUD, only 18 have been debarred by HUD since 1968. In most cases, HUD acted only after law enforcement agencies charged the firm.

"HUD has the right to decide who it wants to do business with," said Leonard Giblin, president of the Chicago Mortgage Bankers Association.

"They don't use the power to suspend a mortgage company as often as they should."

A study of the Mortgage Bankers Association of America charged, "The very disorganization, fragmentation, and confusion of HUD makes it difficult for the department to focus on the gravity, urgency, and organizational nature of its problems and inefficiencies."

High Washington HUD officials don't deny there are problems in their agency, but insist that most of the problems are beyond their power to change.

In the case of poor protection provided by mortgage companies on foreclosed homes, they say it is a "local problem" to be dealt with locally, even tho Washington has denied its local officers power to act.

"It would be hard to prove who did the damage—the mortgager, the mortgagee, or vandals," said H. R. Crawford, a HUD assistant secretary.

"The homes should be inspected before we take title," said Fred Pfaender. "But with our limited staff, we have to look at the million-dollar projects first. It is a matter of where you set your priorities."

But there is ample evidence that even when HUD concentrates its energies on policing big projects instead of single-family home programs it gets into trouble.

The House Committee on Government Operations discovered that HUD approved a loan for a $36-million St. Louis apartment project which, even with 100 per cent occupancy, would lose $500,000 a year.

HUD never realized this until congressional investigators studied the project.

In Long Beach, Cal., HUD sold an apartment project that was in arrears for $7.5 million for $4.1 million.

In Dallas HUD accepted a developer's price of $311,500 for a parcel of land the developer's son-in-law had purchased only a few hours earlier for $143,000.

If all that was wasted by mismanagement was the $4 billion, the problem would be bad enough. But along with the wasted money goes the disillusionment of home buyers who lost their homes and the terror of neighborhood residents who watch their own property values plummet as the FHA-insured homes disintegrate.

Several years ago a developer put up a series of townhouses in the 300 block of West 105th Place and 106th Street in Chicago. Attractive from the outside, the townhouses seemed at first a welcome addition to the neighborhood.

But soon after the low-income families moved into the new $24,000 homes, they began to complain of shoddy construction.

Wind, rain, and snow blew under huge cracks left in door jambs and between window sills, they said. Storm water backed up into the basements.

Toilet water backed up into washbasins and bathtubs thru faulty plumbing systems, residents complained. Thieves crept thru first-floor windows that had no locks.

It didn't take long for the residents to become disillusioned, stop their payments, and move away.

When the houses became vacant, neighborhood toughs started using them as hangouts and party sites. Fires were started in some houses, and an explosion ripped out the back of another, shattering windows thruout the neighborhood.

Tribune reporters found most of the homes destroyed with plumbing ripped out, interior walls smashed, fixtures stolen, basements flooded, and wrecked furniture strewn about.

Typical of the houses was one at 352 W. 106th St., where an FHA inspector reported:

"The house was not originally boarded when we got it. There was 18 inches of water in the basement, holes in the upstairs walls and ceiling. Not worth repairing. You would need all new electrical and plumbing fixtures."

In less than five years the house that had been a dream fulfilled for a low-income family and an asset to the neighborhood became a bitter example of HUD and FHA misadministration.

In addition to the developer and real estate agent, Crawford Savings & Loan Association, 6400 S. Pulaski Rd., benefited from the townhouse, having issued the original mortgage when it was constructed.

FHA in Washington already has reimbursed Crawford for unpaid expenses and the balance of the mortgage, amounting to $24,538.66.

Ronald Mitera, collection officer for Crawford, accused the FHA of "passing the buck" concerning damage in the vacated homes under the company's jurisdiction. Mitera said his company carefully follows guidelines in maintaining and protecting the properties.

He added that the company has consistently run into problems with "the neighborhood." Gangs tear down the boardings of vacant houses the day after they are put up, he said, and the company employs a man full-time to maintain vacated FHA homes.

LOAN FIRMS REAP WINDFALL ON FIRE-RAVAGED HOUSING

Mortgage companies have been collecting hundreds of thousands of dollars in mortgage insurance on burned out houses in Chicago that they have turned over to the government after certifying them "undamaged by fire."

Tribune reporters investigating the federal housing scandal used Chicago Fire Department records to accumulate evidence against the mortgage company claims.

The fire department records showed fires had damaged or destroyed houses in possession of the mortgage companies months and sometimes years before the companies inaccurately certified them as having no fire damage.

One congressional investigator called the records uncovered by The Tribune the most solid evidence ever produced to show how the mortgage companies have ignored federal guidelines on protecting the insured housing.

Fire damage has contributed heavily to the $4 billion wasted in the last seven years by mortgage insurance programs set up by the 1968 National Housing Act.

Bungled administration by the Department of Housing and Urban Development and the Federal Housing Administration has allowed the destruction of tens of thousands of homes the Housing Act provided for low-income families.

Tribune reporters who have been investigating the housing scandal for the last seven months inspected hundreds of destroyed homes turned over to the FHA after mortgage companies collected FHA mortgage insurance.

Curious about the number of houses that had been destroyed or heavily damaged by fire, the reporters found that many fires took place during the time mortgage companies were responsible for protecting the homes.

The fire department records indicated that the mortgage companies had not followed FHA regulations by periodically inspecting the houses and by maintaining and protecting them from vandals.

Unity Savings & Loan Association, 4242 N. Harlem Av., for example, adamantly disavowed any responsibility for fire damage done to an FHA-insured house at 522 N. St. Louis Av.

Last Oct. 25, United collected FHA insurance on the two-flat after turning it over to FHA. Unity had filed a report on Dec. 3, 1974, saying the two-flat was "undamaged by fire." Fire Department records told an entirely different story.

Tribune reporters who inspected the building found fires had charred all the interior walls of the house. The building was wide open, the walls in the upstairs apartment had been ripped down, the second-floor porch had collapsed, and the garage had fallen down.

Reporters found a report of a fire in the garage on Sept. 25, 1973, a year and a month before Unity turned over the property to FHA. On Dec. 5, 1973, 10 months before Unity gave up the house, somebody set the building on fire.

On Oct. 7, 1974, 18 days before Unity gave up the house, a fire of unknown origin burned one of the building's bedrooms. On Oct. 10, 1974, 15 days before the house went to FHA, vandals started a basement fire.

All told, The Tribune found documented proof of four fires in the house.

A Unity spokesman checking thru his company's records found that Unity discovered on Oct. 25 that the house had been completely vandalized and burned. "Burned enough to make it not reasonable to repair," the Unity report said.

The company spokesman told The Tribune he didn't know why the company had certified the building as undamaged by fire.

It wasn't the only house in which reporters found contradictions between Unity reports and fire department records.

At 2038 N. Wabansia Av., reporters found one of the most severely damaged houses they inspected thruout their seven-month investigation.

The garage had been burned to a shell. The floors of the two-flat were buckled several inches and littered with tree branches dragged in from the backyard.

Vandals found easy entrance thru an open back door, had smashed the house's windows, and painted graffiti on the interior walls.

The house's plumbing had not been winterized, and as a result the frozen pipes had burst.

Unity collected $12,339 in FHA insurance on the building and turned it over to FHA on Oct. 25, 1974, with a notation that the property was undamaged by fire.

Fire department records showed that fire had damaged the property on April 29, 1974, six months before the FHA took over the house.

Again, a Unity spokesman said he couldn't explain why the reports didn't show this home had had a fire. The company records showed that the house had been vandalized and used as a headquarters for a street gang.

Mortgage Associates, Inc., a Milwaukee firm, collected $20,793.82 from FHA insurance for a house at 3235 W. Division St., turning the property over to FHA on June 10, 1974. It was certified as having no fire damage.

Almost a year earlier, on June 29, 1973, fire department records showed that fire caused by suspected arson had started in the kitchen and had done considerable damage to the building.

An FHA inspector who visited the house after Mortgage Associates turned the house over to the Government found the condition of the building to be:

"Very bad. Should be demolished. A hazard to neighbors. Water not shut off or drained, water damage thruout the building. All radiators, bathroom and kitchen fixtures missing. Cement stoop falling. House boarded with cardboardlike material. Garage fire, one wall out, filled with bedsprings, rags, timber, and tires."

Mortgage Associates did concede that a house on which it held an FHA mortgage at 6735 S. Elizabeth St. had suffered fire damage.

What the mortgage company didn't say was that it had left the burned and heavily damaged building untouched for more than 18 months after the fire took place on March 6, 1973.

During that time the house presented a dangerous hazard to children attending St. Brendan's Catholic School next door.

The Rev. Robert Burns, pastor of St. Brendan's, said he and neighbors tried for months to have the house demolished or boarded up

When an FHA inspector went to see the building with keys supplied by Mortgage Associates, he found the keys were unnecessary because the house was a burned-out hulk.

"There were bedsprings visible inside the house, along with rags and other junk," the inspector said. "They never cleaned the place. The house is an open sore."

Mortgage Associates was paid $309 for screening and securing the home, then later $900 for having the house torn down, and another $112 for securing the demolition site.

Father Burns said the house next door to the school was not the only FHA-insured wreck in the neighborhood. In the last seven years, he said, the entire community—once a model, middle-class city neighborhood—had become dotted with open, abandoned, and wrecked houses.

Tribune reporters found dozens of instances where mortgage company claims about the condition of the houses they were turning in to FHA were at odds with fire department records. Among them were:

A house at 5218 S. Carpenter St., turned over to FHA on Oct. 22, 1974, by Percy Wilson Mortgage & Finance Co., 221 N. La Salle St., as undamaged by fire. Fire department records showed the house was gutted by fire on Feb. 22, 1974. Tribune reporters found no interior walls left, the back of the building burned out, and fire holes in the roof.

Richard Thoreson, assistant vice president and servicing manager for Percy Wilson, told The Tribune his company's records didn't show any fire damage on the house at the time it was turned over to FHA.

A house at 3011 W. Diversey Av., that cost the taxpayers $23,226 paid in FHA insurance to Percy Wilson, which turned the house over to the government on Sept. 2, 1974, certified as undamaged by fire. Fire department records showed a fire in the house on June 30, 1974. The building's garage, which had been heavily damaged by the fire, had collapsed to the ground, and the rest of the house was wide open for vandals.

Again, Thoreson said the company records did not show that a fire had damaged the house.

A house at 7339 S. Hoyne Av., which Bell Federal Savings & Loan certified as undamaged by fire, while fire department records showed it had burned on July 4, 1974, and on July 22, 1974, Bell officials later admitted to The Tribune that the house was so badly damaged they had it torn down, even tho they had told FHA there was no fire damage.

Inspectors Lose Cool in Describing Wrecked Homes

When a mortgage company turns over a foreclosed house to the Federal Housing Authority after collecting its mortgage insurance, a federal inspector is sent to the building to make an assessment of what the taxpayers have paid for.

The inspectors have seen some shocking destruction to the vacant homes while they were in the hands of the mortgage companies.

The inspectors often departed from their usual dry bureaucratic, form-filling language when filing reports on the houses they inspected, reflecting their personal reaction to the vandalism and waste.

The following are a few of the reports in the inspectors' own words.

THE "ON THE SITE" inspection reports have never been made public before despite demands of civic and other groups. Tribune reporters obtained copies of reports from sources in the FHA local offices.

The firms named in the reports are the companies that were supposed to provide the protective services, not necessarily the lenders who hold the mortgage.

House at 8809 Burley Av., Chicago, handled by Mortgage Associates Inc. of Milwaukee. "We should not accept this back from mortgage company in this shape. Should be demolished right away. This house could burn up at any time. House looks like it could fall in—has been completely stripped of everything. Rear yard, weeds five feet high. There is no plumbing, all gone. There are no electric fixtures, all gone.

Houses at 5659 S. Throop St., mortgaged by Bell Federal Savings & Loan Association. "Mortgage company used two table tops on windows [for boarding purposes], also on some windows used pressed paper and only three sides of building secured. Garbage in house. Basement stairs gone, if not for flashlight could have fallen in basement."

House at 11361 S. Morgan St., Percy Wilson Mortgage and Finance Corp. "House is littered with junk, furniture, cabinets, freezer, washing machine, mattress, dead cat, bugs. Open windows. I had to clean it out for sanitary reasons. Home never boarded, pipes not drained and water not shut off. Vandalized because it was wide open. High weeds surround the house."

House at 3235 W. Division St., Mortgage Associates. "Very bad—should be demolished, a hazard to neighbors. Water not shut off or drained—thruout building water damage. All radiators, bathroom and kitchen fixtures missing. Garage full of debris. A junk refrigerator in backyard. House boarded with cardboard-like material. Garage fire—one wall out, bedsprings, rags, lumber, and tire in garage."

House at 5501 Cleveland St., McHenry, Mortgage Associates. "Dead cat in middle of living room. House vandalized repeatedly, furniture chopped up. 60 cubic yards of debris in yard and house. 116 hours of labor to clean this house and yard. Grass is three feet tall."

House at 642 N. Spaulding Av., Unity Savings & Loan Co. Hazardous conditions. Structure in very bad condition—plaster, glass, and junk all over. Entrance unlocked. Chimney collapsing. Garage destroyed by fire—remains should have been cleaned out. Interior littered with glass and plaster. Fire damage to house."

House at 2021 Joanna St., Zion, Percy Wilson. "They just used fiberboard to board the place. They are not to use fiberboard. High weeds, graffiti. Never cleaned out. Pool table, couch left. In the basement, the wires pulled down. They stole the copper tubing. Pulled inside out of ceiling. Vandals also broke glass in windows."

House at 14722 Washington St., Harvey, Bell Savings & Loan. "Lady next door and children cleaned up yard and garage. Garage open and contained lumber, chairs, etc. Exterior, unacceptable. House open and loaded. Kids could get hurt inside."

Who Is Responsible? Agencies, Loan Firms Pass the Buck

Officials of the Federal Housing Administration and the Department of Housing and Urban Development are in a finger-pointing debate with mortgage companies, each blaming the other for the $4 billion federally insured housing disaster.

The mortgage companies maintain it is ridiculous that they would purposely allow FHA-insured homes in their posession to be wrecked by vandals and decayed by weather.

"Our money is involved; so we protect the property in every way that we can," said Saul Bass, president of Unity Savings & Loan Association, one of the largest FHA home mortgagers in Chicago.

Edmund Frank, vice president of administration at Unity, said the mortgage company doesn't deny that a large percentage of the FHA-insured homes have been wrecked by vandals and weather.

The damage done in FHA homes in possession of Unity, Frank said, is usually done either before Unity gets the home or after it turns the house over to FHA.

Bass attacked FHA's policy of demanding property be vacant by the time it gets the house.

"Vacant properties are preyed upon by unscrupulous persons who literally strip the property," Bass said, "thereby decreasing its value prior to conveyance to FHA.

"We cannot understand why the FHA insists upon vacancy, knowing that vacancies contribute to its obtaining property worth $2,000 or $3,000 less than it would have been worth . . . if the property were still occupied."

Tribune reporters found Bass' and Frank's criticism of FHA and HUD typical of the feelings in the mortgage industry.

Local FHA and HUD officials, however, charge that the companies successfully hide damaged houses from the government until after the FHA insurance is paid.

Richard Ice, property manager for the Chicago FHA office, said his investigation found many mortgage companies were not following FHA and HUD regulations.

The companies, Ice said, are supposed to notify the local FHA offices when they are turning over a house to FHA at the same time they notify the Washington office, which pays the mortgage insurance.

"They [the mortgage companies] deliberately stall sending conveyance reports to the district office until they get their money from Washington," Ice charged, "and then it's too late to do anything about a wrecked house."

"Our investigation found that most of the homes suffered extensive damage because there is little or, sometimes, no effort by the [mortgage companies] to serve them as required under HUD-FHA guidelines."

Investigating Ice's charges, Tribune reporters began to inspect houses the same day they were turned over by the mortgage companies to the local FHA office.

One such house at 5150 S. Union Av. had been purchased thru a mortgage from Unity Savings & Loan.

The reporters found the back door of the two-story frame building wide open. The house was filled with litter, the yard was overgrown with weeds and filled with debris, and vandals had knocked down some of the interior walls.

FHA documents showed that Unity Savings & Loan had notified it was giving up the house to collect FHA insurance on Feb. 11 but had waited until March 12, a month later, to tell the Chicago office.

Curt Hytinen, foreclosure manager for Mortgage Associates of Milwaukee, another mortgage company doing large volume business in FHA-insured homes in Chicago, also was critical of FHA procedures.

Hytinen said his company makes periodic inspections on foreclosed FHA homes it is handling and makes spot checks every 60 days on the houses to see if they are abandoned.

Often, Hytinen said, when his company, or independent servicers it hires, arrives to secure and protect an abandoned home, they find the house already has been vandalized and wrecked. When they board up a home, they sometimes return to find that vandals have broken thru, wrecked the house, and stolen fixtures.

Hytinen said FHA will often delay by several days or weeks sending its own inspectors to a home once it is in FHA possession, and the damage done in the intervening time is blamed on the mortgage company.

Ice denied Hytinen's charge, insisting his inspectors are at the homes as soon as they are notified by the mortgage company that the homes are coming into FHA possession.

Using a notification report from Mortgage Associates, reporters inspected a house at 1616 N. Paulina St., the same day it was received by Ice's office.

The front door was wide open. Cardboard that was used to board a basement window had been ripped away. The yard showed no signs of having been cleaned. A basement door also was open, and reporters found a broken pipe pouring water on the floor.

Leonard Giblin, vice president of Great Lakes Mortgage Corp. and president of the Chicago Mortgage Bankers Association, said FHA and HUD have not worked closely enough with mortgage companies in the past.

Great Lakes Mortgage, he said, usually hires an independent firm to protect its vacant FHA properties, and until recently FHA had not bothered telling his company the independent firms weren't doing their job.

The first time his company discovered some of the houses weren't being cared for, Giblin said, was in stories published by The Chicago Tribune late last year.

"We first found out about the bad condition of some homes that were being turned over to FHA on the front pages," he said. "Waner [John Waner, FHA and HUD district director for the Chicago area] had never said anything to us about the problem.

"We put in new controls and found that 20 per cent of the homes were not correctly done after our contractors had worked on them."

Giblin, too, said that it is virtually impossible to protect an abandoned house in inner city neighborhoods.

"Since the 1930s HUD has had a rule that all properties must be turned over to them vacant," he said. "This was all right when FHA was insuring loans in the suburbs but not when we got into the inner city."

If FHA allowed foreclosed houses in inner city communities to be occupied, the destruction caused by vandalism would stop, Giblin said.

"The life expectancy of a home in the inner city is not very long. "We can't keep pouring taxpayer money down the drain," he said. "It is too expensive to try to keep the property in the condition it would be in if the houses were occupied."

Carl Collina, a Chicago housing manager for FHA, disputes Giblin's innercity theory.

Collina said he has kept close tabs on foreclosed FHA houses in his South Side district, taking pictures inside and out to make sure the homes are maintained and protected properly, by the mortgage companies.

"They said it's impossible to protect a vacant home in bad neighborhoods," Collina said, "Well, of the 224 homes I boarded up and maintained after conveyance, only two were vandalized. I went back and reboarded them so that the damage wouldn't be extensive."

HUD and FHA officials both on the local and national level admit their administration is poorly prepared and trained to keep closer controls on the mortgage companies they do business with.

"Too many bureaucrats have looked at things thru rose-colored glasses," H. R. Crawford, an assistant secretary of HUD, said in Chicago last March.

"I've seen some things that are unbelievable. . . . Government is the only place where somebody (apparently) can make a million dollar mistake and get a promotion the next day.

"There's been limited monitoring of management (by HUD) and in some instances no management at all. In the past we emphasized production, full speed ahead, and to hell with management. Too often the feeling is that government has deemphasized management."

HUD's bookkeeping in its mortgage insurance programs has been so bad a congressional investigating committee found 9,000 FHA homes worth $100 million that had been demolished without HUD's even knowing of their existence.

HUD officials in Washington, using their own inventory records, estimate $8,000 in tax money is lost on each FHA's foreclosed home.

The congressional committee found those figures to be suspect, reporting: "On FHA homes that are demolished, HUD is probably losing in the neighborhood of $12,000 to $15,000 per house."

FHA Bungling Spreads Housing Blight to Small Cities

Last September Mrs. Theresa Fox stood in front of an empty lot in Granite City, Madison County, wondering what she had done wrong.

A realty specialist for the federal government, Mrs. Fox had been sent from her Springfield office to inspect a home taken over by the Federal Housing Authority, but all she found was a lot full of 7-foot weeds.

National Homes Acceptance Corp. of Lafayette, Ind., had foreclosed on the house and, she said, had assured FHA it was turning the house over "secured and vacant, keys will follow."

Mrs. Fox double-checked the transfer form for the address. Convinced she was indeed at 2132 Robert Av., she pushed thru the weeds until she stumbled on a discovery.

It was a small portion of a standing wall which once had been part of a house.

"The house had been completely stripped and torn down piece by piece," she said. "All that remained was a piece of junk and piles of debris."

Checking with neighbors, she was told the house had been destroyed for "a long, long time," even before National Homes Acceptance Corp filed a claim with FHA. Neighbors told Mrs. Fox that they had notified the mortgage company what was happening to the house, but the mortgage company had never done anything about it.

FHA had just paid for another worthless piece of property in the most pervasive housing scandal in the nation's history.

The scandal grew out of programs created by the 1963 National Housing Act, administered by the FHA and the Department of Housing and Urban Development and intended to provide homes for low-and moderate-income families.

Mismanagement by HUD and FHA burocrats has caused the destruction of tens of thousands of houses across the nation. Like rotten apples in a barrel, the destruction of the federally subsidized houses has caused the deterioration of hundreds of once-good neighborhoods not only in the cities but also in countless middle-class suburbs and small towns like Granite City.

It is a hidden disaster that has cost the taxpayers more than $4 billion in less than seven years.

Tribune reporters spent seven months investigating the scandal. They examined thousands of documents never before made public, talked to hundreds of housing officials, financial experts, community leaders, and home owners, and inspected scores of destroyed homes left in the disaster's wake.

Traveling to the small cities and towns in downstate Illinois, the reporters found mismanagement of the Housing Act programs had resulted in the same damage uncovered in Chicago, where hundreds of millions of dollars have been wasted.

The reporters also found local FHA and HUD managers in downstate communities trying to stop the destruction by tightening the programs, only to be rebuffed by their superiors in Washington.

Harlie Miller, chief property officer for the Springfield FHA office, oversees federally subsidized housing in many downstate towns.

The wrecked house Mrs. Fox found in Granite City was not unusual, he said, nor was the fact that the house had been neglected by the mortgage company once it was vacated.

He constantly sends notices to mortgage companies reminding them that to protect vacant houses they must follow federal guidelines, which require:

"Securing windows and doors to prevent unauthorized entry, boarding and screening them in areas where it is a common practice to do so; replacing broken glass to protect the interior against vandals and weather; protect plumbing and other operating systems against damage by freezing; temporary measures to protect interiors against damage from leaking roofs; removal of refuse; and care of lawns and shrubs to preserve neighborhood appeal."

It doesn't work, Miller said. Mortgage companies are doing a worse job of protecting the homes than they have ever done.

Conditions became so bad that Charles Walker, chief of management, and mortgage service for FHA's Springfield office, decided to "ride herd" on mortgage companies.

He ordered local FHA inspectors to make frequent visits to vacant houses for which mortgage companies were waiting to collect federal mortgage insurance. When the inspectors found the houses open and vulnerable to vandalism, they told the mortgage companies to abide by FHA regulations and board up the buildings.

"Before, 90 percent of the houses were not boarded up at all."

Lauritsen was especially critical of Percy Wilson Mortgage & Finance Corp., 221 N. La Salle St. which, he said, has constantly disregarded federal guidelines on homes it has mortgaged.

"I've never had a house from Percy Wilson that was cleaned or secured," Lauritsen said.

This is an opinion shared by Joseph Keber, Waukegan, building commissioner.

Keber said the city has had to pay its own crews to clean and board up homes which the mortgage company has neglected. The city pays the bills and tries to charge the Wilson company, he said.

"We write and call Percy Wilson, but they never return the call or write to us. We never hear from them," he said.

Lauritsen said some of the problems with Percy Wilson homes he has encountered in the Waukegan area include:

A house at 2525 20th St., Zion, for which Percy Wilson charged FHA $757 for protective and cleaning services. FHA had to board the property itself after finding the plumbing frozen. It cleaned nine cubic yards of rubbish out of the building and yard.

A house at 2103 W. 20th St., North Chicago, which Percy Wilson said it had winterized, charging FHA for the services. FHA found pipes had burst in the house after freezing, cracking two toilets in the process.

A house at 2021 Joanna St., Zion, for which a court-appointed receiver, told to secure the house for the Wilson firm, received $2,335 in fees. FHA inspectors found it filled with debris and old furniture. Basement wiring had been torn out and all the copper tubing had been stolen. The Firm used cheap, flimsy fiberboard to board up the house. FHA estimated it would cost at least $8,000 to return the house to a livable condition.

The Percy Wilson firm denies it has neglected FHA-insured property in its possession, and accuses FHA and HUD bureaucratic foot-dragging for much of the damage and waste.

Charges by Waukegan officials that the Wilson firm refuses to pay bills are false, too, said Richard Thoreson, assistant vice president and servicing manager for Percy Wilson.

"Actually, we are not supposed to do the mortgage company's work, checking on the homes constantly," Walker said. "We seldom get a response from a mortgage company on our inspection reports. They ignore us."

Walker hit on another plan to force mortgage companies to abide by federal regulations. He decided not to accept homes that had been badly damaged until the mortgage companies fixed the houses to meet regulations.

The plan might have worked except for unexpected interference from his own superiors in HUD and FHA offices in Washington.

"Washington refused to allow us to go ahead with the plan," Walker said.

"There's just nothing we can do but sit back and allow the mortgage companies to continue what they've been doing."

The result, he said, is that negihborhoods in Springfield and the surrounding communities deteriorate and suffer severe financial loss from the blight.

The same thing has been happening in the Peoria area, said Harvey Roberston, FHA property manager there. Time after time, he said, he has had to take possession of FHA-insured houses turned over by mortgage companies as total wrecks without any complaint from Washington.

One home he took over was at 164 Oaklawn Circle in Creve Coeur, a town of 6,400 that isn't used to slum conditions. Robertson said it was so "full, full, full of junk and garbage that you couldn't wade thru it."

The plumbing was wrecked, he said, and it cost $6,700 to get the three-bedroom house repaired. It was later sold for $8,500.

Another house, a few doors away at 120 Oaklawn Circle, cost FHA $6,527 to repair. FHA, he said, might be able to sell the house for $5,000.

Robertson bristles at the argument used by many mortgage companies that it is imposible to protect a vacant house from vandalism.

"Take First Federal Saving & Loan in Peoria," he said. "When they take possession of a home, they clean it out and secure the home immediately. We just don't get a bad home from First Federal, so I don't buy that argument."

The story, of Granite City, Peoria, and Creve Coeur is the same thruout the state. Small towns and cities unaccustomed to urban blight are watching it happen to their neighborhoods, underwritten by federal taxes.

Harold Moss, FHA manager for the Decatur area, has tried to save damaged homes turned over by mortgage companies, only to find he has to demolish them because they aren't worth the lots they sit on.

Frank Hetishee, manager of the Champaign FHA office, has kept a long list of houses he has had to clean and repair after mortgage companies turned them over to the FHA.

"If I didn't act, we would have eyesores all over good neighborhoods," Hetishee said. "I'm in the real estate business, and I know what an abandoned and wrecked home can do to other properties in the area."

Closer to Chicago, in the suburban towns and villages where urban blight once was unheard of, the scandal also has taken its toll.

Hary Lauritsen, FHA manager in Waukegan, described some of the houses in his area turned over to FHA.

A house at 913 Tomahawk St., Round Lake, for which Mortgage Associates Corp. of Milwaukee was paid $271 for protective services. FHA found the home unboarded, filled with 20 cubic yards of rubbish, surrounded with grass two feet high.

A house at 5501 Cleveland St., McHenry, also handled by Mortgage Associates. The house had been visited repeatedly by vandals who chopped up furniture and left a dead cat and 60 cubic yards of trash inside. It took 116 hours of labor, paid for by FHA, to clean the site. FHA also had to board up the house to prevent more vandalism.

A house at 1366 Ivy Lane, Crystal Lake, for which Northland Mortgage Co. of St. Paul charged FHA $262.50 for "trash removal." FHA later found the house littered with 20 cubic yards of trash.

A house at 1907 Gilboa St., Zion, for which FHA paid $23,834 in mortgage insurance and $108 in securing and winterizing fees to National Homes Acceptance Corp. of Lafayette, Ind. The house had never been boarded and vandals stripped out the walls, furnace, sump pump, and hot water heater. FHA eventually resold the home for $10,300.

A home at 2011 Carmel Blvd., Zion, that Howard Savings & Loan Association, 1325 Howard St., Evanston, told FHA had been cleared of personal property, FHA found the house filled with garbage and trash, the doors open, windows broken, and the kitchen sink and wash basin stolen.

"Since word got around that The Tribune was investigating the FHA," Lauritsen said, "the situation has somewhat improved."

"I was in Waukegan myself last August," Thoreson said, "and any bills we get from there, we pay for them."

Thoreson said his firm constantly watches over vacant homes to make sure they are protected, and said that if FHA officials have found negligence on the part of his company, they should file waste and damage reports.

"We have an office in Waukegan," he said, "and once a week we drive by the vacant homes to inspect them. Actually, we've never seen a waste and damage report from Waukegan. We move in on the homes right away [when they are abandoned], and we get 24-hour service if the property is vacant."

Robert Wilson, president of Percy Wilson, said, "Present laws governing mortgage foreclosure procedures must be overhauled in order to protect home owners and neighborhoods."

He called the laws "out of date."

"Illinois has the longest redemption period in the nation," he said, "which prohibits lenders from rehabilitating or reselling homes which have been abandoned."

The redemption period gives borrowers an opportunity to buy back their defaulted home, an opportunity that is rarely taken, he said.

Wilson also said that his firm has been trying to avoid foreclosures by carrying delinquent homeowners on their books or by restructuring loans.

Bureaucracy Stalls on Foreclosures of FHA Homes

For three years the three-bedroom ranch house at 279 Plymouth Dr., East Chicago Heights, has stood empty.

It was a new home, built for $22,000 with a federally insured mortgage in 1971. Now it is headed for demolition.

Since its abandonment within a year after it was built, the exterior siding has been ripped off, leaving only paneling to protect the interior from the weather.

The house and thousands like it thruout the nation have become targets of vandalism and decay because of a cumbersome bureaucracy in Washington, D.C. Their ownership in limbo, they sit vacant for years, while government officials shuffle paper.

They are called "secretary held" homes because they are held by the secretary of the Department of Housing and Urban Development, waiting for the day the government can gain title to them and either sell them or have them demolished.

Too often the houses have to be destroyed, like the one in East Chicago Heights, because they have been vacant too long and attacked by vandals once too often.

The "secretary held" homes were built as new houses under the 1968 National Housing Act's 235 Program which provided subsidized loans for low-income families that ordinarily could not buy a new house.

The homes were built mainly in suburban subdivisions.

The mortgage firms, which predicted a large number of defaults, at first balked at the 235 program. In an effort to attract lenders, the government agreed to handle foreclosures on abandoned 235 loans instead of having the mortgage companies foreclose.

But the government bungled the foreclosures so badly that a year ago it stopped accepting 235 homes unless the lender handled the foreclosure.

Still, thousands of "secretary held" homes remain rotting in the nation's cities, and the taxpayers will continue to pay for them for several years to come.

Developers who built the houses often did such a shoddy job the new owners had to abandon them, or they sold the houses to families who were bad financial risks and soon lost them because of defaulted payments.

The developers and mortgage companies which financed the 235 program houses didn't care. As soon as the houses became empty, they collected their money from the Federal Housing Authority without waiting for lengthy foreclosure proceedings.

Mortgage companies can complete a foreclosure on an abandoned house in a year to 18 months, but the HUD foreclosure system set up was so "hair-raisingly complicated," one federal official said, it often took more than four years to complete.

Some of the "secretary held" homes still in HUD's foreclosure system have been sitting abandoned and vulnerable since 1970.

During a seven-month investigation of the federal housing scandal, Tribune reporters found 200 "secretary held" homes in the Chicago area alone. They found documentation of thousands of others around the nation.

HUD has yet to gain proper title to most of the homes so they can be sold.

The homes have contributed heavily to the $4 billion in wasted tax money resulting from the poorly administered National Housing Act.

Each time one of the homes is foreclosed by HUD, it represents an average loss of $13,300 to the taxpayers. While they sit vacant, the houses cost the taxpayers as much as an additional $7 a day for each house.

The reason for the waste and the excruciatingly long delays in the foreclosures stems from the bureaucratic monstrosity created by HUD to handle the paperwork.

HUD officials in Washington insist on handling all foreclosures thru Washington even tho the foreclosure suits must ultimately be decided in local courts.

"Instead of us filing [foreclosure] suits here in Chicago, we must route all the paperwork thru Washington," said William Miller, HUD's chief of housing management in the Chicago area.

"We send the records to the controler in Washington, and he sends them to the loan mortgage department, who in turn sends them to the legal staff. Since the FHA legal staff by statute cannot enter into court battles, they must send homes over to the attorney general's office.

"The attorney general's office then sends the paperwork back to the United States attorney's office in Chicago, where such cases are not a high priority."

Once the U.S. attorney's office gets a foreclosure decree from the courts, the files are sent back to Washington. Eventually everything is returned to Chicago and the local HUD office gets title to the house.

What should have only taken months instead has taken a byzantine, cross-country circuit that lasts four or five years.

For example, an abandoned home at 1917 Galilee St., Zion, entered the HUD foreclosure circuit in December, 1971, and did not exit until March, 1975.

Local FHA officials are convinced they could cut the foreclosure time down to 18 months or less if they were allowed to file for foreclosure locally.

HUD officials who must handle the foreclosure process in Washington complain they are so understaffed they can't keep up with the volume.

"We were swamped with homes," said Robert Hollister, an assistant general counsel at HUD. "We had 5,000 homes sitting here at one time, and all I have is an office of five people."

Local FHA property managers complain that they could quickly resell homes if the foreclosure process was speeded up, thus reducing vastly the danger and expense of vacant homes being vandalized.

"I could sell the 14 homes that I have in a short time if I got FHA clearance," said Harvey Robertson, an FHA property manager in Peoria.

"A vacant home is just asking for vandalism."

The destruction of the vacant "secretary held" homes has angered community officials because of the blight they cause.

"The 'secretary held' homes are much more damaged than the regular FHA homes because they are vacant longer," said Mrs. Carol Benson, a village trustee in Romeoville where 22 such homes stand abandoned.

Mrs. Benson said the economic depression inflicted on the neighborhoods by the battered and abandoned houses causes the most problems.

"We have lost a lot of good people who were disgusted with the abandonments," she said. "If all you see is abandoned buildings, it is very depressing.

"If HUD could release 'secretary held' homes directly to us, we could have them all sold and in the process of rehabilitation within six months."

She became so concerned that last December she went to Washington at her own expense to try to get the bureaucracy at FHA and HUD to take action on the vacant houses in her village.

She said she wasn't very successful as burocrat after burocrat dodged responsibility, passing the buck down the line.

"We brought our list of 'secretary held' homes," she recalled, "as Washington was not aware that there were so many. When I showed the list to one official, he said the situation in Romeoville must be unique.

"They blamed the situation on the Justice Department."

Mrs. Benson said she returned to Romeoville empty handed, but in the months since, HUD obtained title to three of the 22 houses.

"A vacant home just doesn't stand very long," said Mayor Paul Schuler of Granite City. He said the community had several neighborhoods suffering from lowered property values because of the "secretray held" homes.

"They deteriorate and are targets for vandals," he said. "If FHA could only push the litigation so the homes could be sold, it would solve the problem."

Rep. George Shipley [D., Olney] said he is convinced that high-ranking HUD and FHA officials have been deliberately trying to sabotage the 235 program since it started.

The 235 program, he said, was foisted upon HUD and FHA thru the Housing act, and because it didn't meet the administration's housing philosophy they decided to let the program founder.

Shipley said he believes that it was basically a good program, but FHA and HUD burocrats left it in "absolutely a hell of a mess. They [the Nixon administration, HUD, and FHA] didn't want the program to work, and they were successful in terminating it."

The Nixon administration put a moratorium on the 235 program.

As the second-ranking member of the House Appropriation Committee's subcommittee on space, science, and housing and urban development, he said he intends to find out why the program was so badly bungled.

"I think we should get to the bottom of this, and I'm going to ask for a hearing by the subcommittee," Shipley said.

FHA Scandal Could Be Nipped—But Do Not Count on It

The continued waste of millions of tax dollars each week by federally insured mortgage programs could be stopped if federal and state governments would reform the 1968 National Housing Act.

That is the opinion of housing, real estate, financial, and government experts interviewed by Tribune reporters during their seven-month investigation of a $4-billion housing scandal growing out of the Housing Act.

Most experts agree that the intentions of the Housing Act were good and that with the right reforms the Act could be an invaluable tool to provide good housing for low- and moderate-income families.

The experts also agree that both the federal and state governments must crack down on the Department of Housing and Urban Development [HUD] and the Federal Housing Administration [FHA], the two agencies responsible for the housing disaster.

They must get tough with unscrupulous mortgage companies, which have contributed to the destruction of tens of thousands of houses and hundreds of neighborhoods across the country, the critics say.

Proposals for reform are not new, but they have been largely ignored by HUD, FHA, and state and federal authorities.

In 1972, the House Committee on Government Operations suggested several strong measures against unscrupulous mortgage companies:

That the FHA bar mortgage companies from dealing in FHA-insured mortgages if they accumulate a large number of houses thru defaulted mortgage payments.

That the Attorney General consider developing criminal fraud cases against persons who have defrauded the government thru abuses of federal housing program.

That the government institute urban housing strike forces modeled after organized crime strike forces, to investigate and prosecute persons dealing unscrupulously in federally insured mortgages in cities like Chicago where defaults and foreclosures are numerous. The committee recommended the strike forces be formed with personnel from the FBI, the IRS, the criminal division of the Justice Department, the United States Attorney's office, and HUD.

That the secretary of HUD take administrative action to protect the public by barring mortgage bankers under investigation for fraud from doing business with HUD during the inquiry.

Some of the suggested changes are beyond HUD and FHA powers and await federal, state, and local legislation. Others could be made thru simple changes in procedure by HUD and FHA. But critics say the two agencies refuse to make such changes.

Last year, for example, the local FHA office in Chicago asked for the right to inspect FHA-insured houses before mortgage companies collected their mortgage insurance.

That policy change would have allowed the local office to deduct from the insurance the cost of repairing damaged houses while they were in the possession of the mortgage companies.

That request was denied by Washington HUD officials, as was another from the local HUD office for copies of vouchers used to pay mortgage companies for protective work done on vacant, foreclosed buildings. The local office wanted the vouchers to prove criminal fraud where mortgage companies were paid for work they never performed.

In Illinois and the Chicago area, some of the problems with the mortgage insurance programs admittedly are beyond reform by federal authorities and must be dealt with locally.

Mortgage companies, HUD, and FHA, for example, have complained that Illinois has the longest redemption period—about one year—in the country for defaulting home owners.

Altho that appears to be beneficial to defaulting home owners, the Governor's Commission on Mortgage Practices in its study of the federal housing scandal, found it has had disastrous effects.

Rarely are the defaulting home-buyers able to raise the balance of unpaid mortgages plus court costs and legal fees necessary to take advantage of the redemption period. So it is seldom used.

"Such a lengthy period of redemption frequently . . . operates to impair the marketability of the property and may lead to its vandalization and general deterioration," the commission said.

As a result of the commission's recommendations, a bill has been introduced in the Illinois Legislature to shorten the redemption period on abandoned homes to one month.

The governor's commission also called for the state to begin licensing and monitoring mortgage companies doing business in Illinois.

Tho the state regulates such diverse groups as beauticians and blacksmiths, it has never required licensing of mortgage bankers who do a multibillion dollar business annually.

"This licensing and regulatory statute is one that will allow and must allow the state to monitor the federally insured mortgage lending prbograms, in light of the maladministration of these programs by HUD–FHA," the governor's commission said.

Acting on the commission's recommendation, the Department of Registration and Education recently conducted hearings on monitoring mortgage businesses in the state.

The proposals included state licensing of mortgage brokers and semi-annual disclosure of mortgages made in the state along with detailed discolsures of each foreclosure performed by the brokers.

The proposals also provide for suspension and revocation of broker licenses if brokers foreclose on an unreasonable number of FHA-insured homes.

The department's real estate examining committee probably will vote on the proposals at its July 16 meeting, a spokesman said.

The governor's commission added its voice to hundreds of others asking HUD and FHA to rescind a rule that all foreclosed FHA houses be vacant at the time of foreclosure.

"This reform would enable FHA or the [mortgage] company to rent the property in question and avoid the myriad problems accompanying the thousands of abandoned homes in the metropolitan area in Illinois," the commission said.

Critics of Housing Act programs all over the nation point to this rule as one of the major causes for destruction of FHA-insured houses, because while the houses sit abandoned they are often vandalized.

Currently, HUD will accept vacant homes only after foreclosure and generally refuses to allow local offices to rent abandoned homes already turned over to HUD.

"I think they should rent the homes during the foreclosure period," said Joe Jackson, a Chicago area HUD broker. "Renting holds down the vandalism and gives you a potential buyer in the house."

"We can't keep spending taxpayer money down the drain," said Leonard Giblin, president of the Chicago Mortgage Bankers Association and a vice president of Great Lakes Mortgage Co.

"It is too expensive to try to keep the property in the condition it would be in if it was occupied."

A growing number of critics and housing experts are beginning to believe that none of the programs set up under the Housing Act will succeed until mortgage companies have a financial risk built into the loans.

Under the present program, FHA insures each mortgage 100 per cent. If a homeowner stops his payments and the house is abandoned, the mortgage company gets back all of its loan no matter what condition the house is in when it is turned back to FHA.

Critics look at the Veterans Administration home loan program as a model. The VA guarantees only 60 per cent of the loan, and if a house is foreclosed and wrecked by vandals, the mortgage company shares the loss.

Because of the risk, critics said, the VA does not suffer the huge financial losses on destroyed housing that FHA and HUD have suffered thru the Housing Act programs.

"Let's tailor the regulations so that the mortgage companies have some economic vulnerability [in] foreclosing," said William

Miller, area director of housing for HUD's Chicago office.

"The regulations say that the mortgage companies should treat FHA loans like conventional loans, but they don't since they have no stake in the loan."

Part of the reason the Housing Act has been so disastrous, critics said, is that it was written by mortgage company executives to benefit the mortgage companies more than the low- and moderate-income families the Act was supposed to help.

"It is clear that the lobbying efforts of the mortgage lenders have had more impact than the legislation of the congressman," said the Rev. Jesse Jackson, head of Operation PUSH and long-time critic of HUD-FHA.

"It is not your congressman who is representing you, it is the builder, the banker, and the lobbyist," said Jackson.

And once the Housing Act went into effect, it was often administered by mortgage company executives who were on leave from their companies to work for HUD and FHA.

"HUD just uses guidelines which are for the best interest of the mortgage bankers," Jackson said.

Miller said he is not optimistic that reforms patterned after the VA program will ever be put into effect.

"The mortgage bankers are politically powerful," he said.

"They have successfully sold the idea that there could not be any FHA program without them."

A SICK WOMAN—TWO PAYMENTS SHORT—LOSES FHA HOME

Last year, a Chicago woman managed to make three mortgage payments on her house after spending a month and a half in a hospital, but the mortgage company took away her home anyway.

Part of her story was disclosed in a secret government audit completed May 30 that attacked mortgage company practices in dealing with mortgages insured by the Federal Housing Administration.

The audit was conducted by the Department of Housing and Urban Development's inspector general at the request of John Waner, head of HUD's Chicago office. The Tribune obtained a copy of the audit report from a congressional source.

The audit showed how Mortgage Associates Corp., of Milwaukee foreclosed on the woman even tho she had made her first eight payments on time before her hospitalization.

Altho she managed to cut her delinquency from five months to two months after getting out of the hospital, the company still took the house.

The audit used the case to illustrate how mortgage companies are often too eager to foreclose quickly on homeowners with insured mortgages.

"In deserving hardship cases, the [mortgage company] should take the initiative in suggesting forbearance agreement and payment plans" the audit report recommended.

Officials of Mortgage Associates said they would not comment until they received a copy of the audit from the federal government.

The audit examined the performance of several mortgage companies in the Chicago area, and uncovered numerous violations of federal guidelines.

They were the kind of violations that contributed to $4 billion in waste outlined in a series last week by a Tribune investigation of HUD and FHA administration of the 1968 National Housing Act.

Auditors examined 33 case histories of houses handled by Mortgage Associates, the company which has more defaulted FHA houses than any other in the Chicago area. The company services 65,000 mortgage loans, including 45,000 insured by FHA.

In seven cases, the auditors found that Mortgage Associates "failed to detect violations of the National Housing Act relating to minimum investments for mortgagors."

The audit showed one case in which records indicated a homebuyer had made a $1,200 down payment, yet the real estate agent received only $1,000.

In another case, a homebuyer was improperly given credit by Mortgage Associates for a $340 down payment supposedly for "sweat equity," or work he performed on the house before moving in.

The report also charged that Mortgage Associates failed to catch "erroneous and/or fraudulent statements on loan forms" by allowing financially unstable homebuyers to purchase FHA-insured houses.

The practice, the auditors said, contributes to large numbers of abandonments and foreclosures of the federally insured homes.

The auditors contended that cases where homebuyers had a temporary hardship which prevented them from making payments were "inadequately handled" by Mortgage Associates.

Altho several delinquent homebuyers tried to make partial payment of their debts, Mortgage Associates rebuffed their efforts, choosing to foreclose instead of working out new payment plans, the report said.

Critics of the insured mortgage program have accused mortgage companies of being too eager to foreclose quickly on homes.

"Since HUD loses an average of over $7,000 per home from foreclosures and transfers to HUD, any steps that can minimize unwarranted foreclosures can save enormous sums of money for the taxpayers," said Rep. Floyd Hicks [D., Wash.].

Not all mortgage companies are as quick to foreclose as Mortgage Associates.

For example, the Prudential Insurance Co. carries loans that have been delinquent for as long as one to two years, if the homebuyer makes any attempt to pay.

"One loan was $1,085 delinquent, and after seven months, even tho the payments were small, the loan is still carried and has not been recommended for foreclosure," one government review of Prudential foreclosure procedures showed.

"All loans are serviced in the same manner. There is no difference in handling FHA or conventional loans," the study said.

"Prudential does a type of patient servicing that is unique."

An audit was also done on Unity Savings and Loan Co., the company with the third largest number of defaults in the Chicago area. Unity was found to be "not in full compliance" with HUD rules.

Reviewing 35 randomly selected loan cases, the audit, released July 30, 1974, criticized Unity for allowing insufficient down payments and for not making an effort to avoid foreclosure in hardship cases.

One homebuyer, the audit showed, missed five payments because she had been in and out of the hospital for seven months after being beaten and robbed. Unity foreclosed her house.

Instead of foreclosing, the audit report said, Unity should have put a forebearance plan into effect to allow the woman to regain financial stability.

The auditors found several cases where Unity approved loan applications without detecting erroneous or fraudulent statements including:

A real estate sales office which made a down payment on a house to get a financially unstable buyer the loan. The buyer later missed payments and the mortgage was foreclosed.

A woman who claimed her name had been forged on HUD documents by her husband's girl friend in order to obtain a loan.

A borrower who obtained an owner occupation loan even tho he rented out the property.

A borrower who falsely certified he had never been foreclosed on even tho he had previously lost a house for defaulted payments.

At the time the Unity audit was issued, the company told HUD it would tighten its procedures when dealing with FHA-insured housing.

Among the measures, Unity intiated a spot check program to verify occupancy in an effort to keep the borrowers from renting out the properties.

MAJOR HOLDERS OF PRESENT FHA MORTGAGES IN DEFAULT (AS OF APR. 30, 1975)[1]

Mortgagee	Defaults in Chicago area[2]	Total in foreclosure
Mortgage Associates, Milwaukee	779	194
Percy Wilson, Chicago	544	167
Unity Savings, Chicago	530	169
Great Lakes, Chicago	429	85
Bell Federal, Chicago	383	201
Advance Mortgage, Detroit	288	129
National Homes, Lafayette, Ind	184	89
Northland, St. Paul, Minn	161	38
A. L. Grootemaat, Milwaukee	140	51
Modern American, Little Rock, Ark	119	68
Guild Mortgage, San Diego, Calif	97	41
O'Brien & Pain, Chicago	76	34
Total	3,730	1,266

[1] 3 or more payments past due.
[2] 2 counties under Chicago HUD office control.

Source: Department of Housing and Urban Development.

OFFSHORE OIL

Mr. MUSKIE. Mr. President, one energy related issue of special importance to the State of Maine is the planned exploration and development of petroleum resources off the coast of New England. Accompanied by much controversy and uncertainty, these plans have been met both with enthusiasm by the hopeful residents of an energy poor region and the articulate resistance of concerned environmentalists. It seems that the only thing all sides can agree on at this point is that many questions about OCS drilling still remain to be answered.

Among these unanswered questions are several that have yet to be addressed. What, for example, will be the effects on New England coastal towns of the rapid influx of people that must accompany any successful drilling venture. And on the other hand, what will be the effects on these towns should OCS drilling be found to be unfeasible, causing those who have come to the region to leave unexpectably. The answers to these questions and others must be found before any rational, comprehensive policy can be developed regarding OCS drilling off New England.

On Sunday, June 29, the New York Times magazine printed an article by Times editorial board member, Robert Bendiner, which defines several important policy considerations about OCS drilling off New England. So that my colleagues may read Mr. Bendiner's article, I ask unanimous consent that it be printed in its entirety in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAKING OIL OFF THE SHELF

(By Robert Bendiner)

Landing on the helicopter pad of an Exxon oil rig 27 miles out in the Gulf of Mexico on a recent gusty morning, I could not escape the thought that the platform and its operations looked in truth like those depicted in the company's colorful television commercials. The production platform itself was spotless. Accommodations for the 30-man crew, who work alternate seven-day weeks in a complicated welter of pumps, pipes, compressors, separators and sensing devices, were maintained with military neatness. Personnel were forbidden to throw so much as a paper cup over the side. Even rainwater falling on the platform was filtered before it was allowed to reach the surface of the Gulf.

Looking down some five stories through the open grill of a catwalk, I could see scores of bluefish darting about the structure's tubular steel legs, which extended downward 170 feet below the green surface. The fish are neither attracted nor repelled by oil for the simple reason that no oil is anywhere to be seen—either on the rig or in the adjacent water. It is the structure itself that is responsible for their presence. Like any topographical irregularity in the sea, it acts as a reef, attracting a food chain that starts with barnacles and works up through sea urchins and ever-larger marine creatures to the 400-pound shark that the crew had pulled in a few days before.

At least as significant as what could be observed in this casual way were data I had previously been shown by an official of the Louisiana Wildlife and Fisheries Department with a long record of vigilance against the incursions of the oil industry. His facts and figures proved that, after a history of drilling on and off the Mississippi Delta going back to 1927, the state's shrimp, oyster and fin fish were in as healthy a condition as ever.

Under the circumstances it seemed at least reasonable to take another look at the Federal Government's plan to lease 10 million acres of the outer Continental Shelf this year for the possible extraction of oil and natural gas—and at the determined opposition it has encountered.

One of the reasons the environmental movement remains vigorous, in spite of economic pressures and dire talk of energy shortages, is that people who care little about protecting the environment at a distance are vehement about protecting it close to home. Since seven of the 10 most populous states in the country are on the coasts, the Government's plan to lease immediately five times the offshore acreage ever leased before in a single year has aroused a volume of opposition surpassing the reaction to more localized threats of desecration, however serious. What is more, it is an opposition that comes as much from Governors, legislators and hard-headed men of business as from nature lovers.

Is all the uproar warranted? At the very least it is understandable, but curiously not for the reason usually cited—the fear of oil spills like those that marred a long stretch of coast on the Santa Barbara Channel in 1969 and threatened the Louisiana shoreline in 1970. The imposition of drastic liabilities for damage, the financial loss incurred in the waste of the oil itself, at fabulous current prices, and the dawning sensitivity of the companies to a sharp decline in public esteem—all have combined to hasten the development of a greatly improved technology in the extraction of offshore petroleum.

Automatic storm chokes, installed in the well itself below the seabed, react instantly to sudden rises in heat, pressure and rates of flow. These together with thicker pipe casing, electronic monitoring and a complicated group of blowout preventers on top, known as "Christmas trees," are designed to cut off and contain the oil in cases of emergency and reduce to a minimum the chance of blowouts. Practically all the big spills of the past occurred when companies deliberately neglected to use even the crudest preventers they had in order to cut costs.

Should even the new safety systems fail, as all things will from time to time, improved booms and skimmers are at hand to contain spills before they are very likely to get to shore. The ideal boom has been described as a vertical curtain or barrier so constructed and placed in the water that it can follow the motion of the waves, with its top never going beneath the top of the slick and its bottom never rising above it. As a result of considerable research and experimenting, much of it by the United States Navy, the newest booms come much closer to this ideal than those used in the past. But it should be said that what is effective in the usually calm waters of the Gulf may not do at all in the stormy Atlantic, much less in the coastal waters of Alaska.

The visitor to one of these impressive production platforms in the Gulf cannot overlook the possibility that he is being shown a specially tidied-up exhibit, but the likelihood is small. Too many observers have visted too many similar rigs in these waters and off the California coast for such trickery to work. A delegation of Federal and New York State environmental officials returned from one such inspection on the Pacific coast last fall with the conviction that "no casual spill was likely and that the chance of any substantial spill was fairly remote."

As long as pipes are used to carry the oil ashore, as they are in the Gulf, environmental danger at the source appears to be a matter for constant watchfulness rather than a decisive obstacle. Transfer to ships would be another matter, entailing a certain amount of chronic and unavoidable leakage. Among sources of oceanic pollution, spills from offshore drilling rank very far down on the list. Tankers and even normal shipping are far greater offenders, accounting, according to the Coast Guard, for 19 times as much oil on the waters as offshore production. River deposits and sewer drain-offs, including the discarded crankcase oil of thousands of gas stations, are much more significant sources. So, for that matter, is the natural seepage that is emitted from time to time from the oil seabeds of the world, that might indeed have been a sheen on the waters viewed by Columbus, Leif the Lucky or Ulysses.

Visual pollution by 2,700 rigs and wells is real enough in the Gulf, where the awkward-looking structures along with drilling ships, service boats and other attendant activity give the entire seascape a depressingly industrial look. But off the Atlantic coast the intention is to drill from 25 to 75 miles off the New Jersey, Delaware and Maryland shores. At 25 miles, the uppermost tip of the rig could just be seen from the shore on a clear day. Any distance beyond that would preclude all possibility of offending man's eye.

It is the shore itself where the great doubt lies. What happens on the Outer Continental Shelf is only the beginning of the threat. What drilling can do to the coast, unless it is carefully planned and controlled, is the real issue that has to be faced. This is the aspect of the question that received the least detailed attention in the Interior Department's environmental-impact statement on the great leasing program—not surprisingly in view of the position taken by Rogers C. B. Morton, who was Secretary of the Interior when it was promulgated. Responding to a flood of protests from Governors and Senators last year, Mr. Morton overrode their insistence on the need for preliminary coastal planning on the ground that both foreign policy and inflation forbade the country's continued dependence on foreign crude oil, leaving him no alternative. To let the state governments hold things up, he suggested, could "give an extremely important national decision to a very limited number of people."

Putting aside the question of how much of the Secretary's remarks were rhetorical, one may well consider at this point the possible consequences to the coast of what 20 United States Senators have jointly described as a "hasty and ill-conceived" proposal. Growing out of former President Nixon's Project Independence, the plan is to lease as much of the shelf in 1975 as has been leased in all the years since the Federal Government started the practice in 1953. As with the sea, these consequences do not appear to include much of a threat from the oil itself. Pipe carrying the offshore fuel could be brought in even under a beach and invisibly carried any number of miles inland. Indeed, if that were all that was involved, the environmental risk would probably be worth taking. The states affected would have only to stipulate that facilities for handling the oil in most areas, except on such narrow strips as Long Island or Cape Cod, be located in some already industrialized region. Oil found off the New Jersey coast, for example, could be brought, partly underground, to storage tanks or refineries in the Wilmington area or in the vicinity of Newark Bay. Distance is hardly a technical problem, though it could be a cost factor in a country that is already traversed by more than 200,000 miles of oil and gas pipe. New lines especially are heavily protected against corrosion and present little danger of rupturing.

The real difficulty, social as well as environmental, comes before any oil is produced, as the current boom in the North Sea has been demonstrating. After the first serious look at what is happening in those waters, a team sent out by the Conservation Foundation concluded that "while the risk of oil spills warrants public attention, the Scottish situation suggests that the United States would be unwise to continue focusing disproportionate attention on spill hazards to the neglect of onshore development impacts."

If the companies are required to locate storage tanks, refineries and petrochemical works well inland, and if laying the pipe itself can involve at most a very narrow corridor, what onshore impact is left? In good part, the answer lies with the oil rigs themselves. Gigantic structures, they must be assembled at points as near to their intended operating sites as possible. At these shore points they are placed side down on great barges and towed to sea. The leg section of the largest platform is by itself some 23 stories tall. Once in place, a series of decks is built on top of it, rising seven stories above landing pad, derrick, pumps and machinery, the surface of the water to accommodate monitoring equipment, repair shops, offices and living quarters. Concrete platforms, sometimes preferred for deep and turbulent water, are even more massive and difficult to assemble and put in place.

The building and siting of these towering "islands" inevitably requires an onshore task force to operate the essential fleet of boats and barges, to supply the daily needs of the crews but, above all, to assemble the platforms in the first place. Along with their families, this working force, swooping by the thousands on a small coastal community, creates monumental problems—both social and environmental, both immediate and long-range. These problems are at least being given serious consideration in Scotland, though conclusions are not always allowed to determine the course of events. But if the Department of the Interior has its way, they will hardly be considered at all before the oil companies are given a green light here.

While the production of offshore oil does not in itself employ great numbers of people, this onshore activity does. Without the most deliberate planning, a small seaside resort can suddenly find itself host to a regiment of platform construction workers, supplemented by other builders needed to put up housing for them and their families. Next come additional schools, stores, restaurants, professional office and entertainment establishments, with roads and sewers to serve them—in short, all the bustling expansion of a boom town, complete with the labor shortages, inflated land prices, soaring wages and social strains between natives and outsiders that everywhere characterize boomtown development.

But there are in this case several major departures from normal boom conditions that promise greatly to aggravate the difficulty. A small shore community is likely to be scenic and geared to the kind of pleasure activities that are especially vulnerable to a sudden upsurge of industry and construction. Even more, the fragile nature of coastal terrain leaves it open to irreparable damage from the heavy equipment that the building and hauling of oil rigs and heavy supplies requires. The Mississippi Delta below New Orleans has suffered visibly from this activity—to the extent of actual subsidence of the marshland in some areas. Oil executives concede the point and indicate that they would not do today, along the Atlantic Coast, what they did without objection on the Gulf coast before there was much consciousness of the environment and its vulnerability. But without detailed cooperation between states and companies, in advance, they cannot avoid doing it.

Above all, the boom can end as abruptly as it began. The leased acreage may turn out to have nothing like as much oil as expected. A field's potential is revealed only by actual drilling, and the odds are only one in seven that a given well will yield any oil or gas at all. Even if most of the wells on a given tract have been productive, moreover, the time comes—say, in 20 years—when the oil is gone, an inevitability with a depleting resource. Then the offshore activities cease: No more platforms are built; no more pipe is laid; no more crews and supplies have to be ferried out day after day. Workers drift away, perhaps to move on to some other spot on the coast. Stores close their doors, schools disappear, houses are boarded up as boomtown gives way to ghost town—all the worse because its preboom resort quality can never be recovered.

It is fear of just such a future along the North Sea that caused a tough official of the Shetland Islands to take a firm line with representatives of Shell Oil. When their exasperation at the Shetlanders' strict planning regulations took the form of a threatened withdrawal from the proposed site, the official's instant response was, "That's the best news we've heard since you arrived." It is the same fear that motivates some coastal-state Governors to demand more time for planning and laying down conditions such as the Shetlanders successfully forced on Shell. Maryland is even working out a plan to confine onshore oil facilities to certain designated tracts, which the state would then buy up for eventual sale to the companies.

At the same time, there is no doubt that many critics of outer-shelf development are motivated as much by a failure to share in the return as they are by fears for the environment. In the case of state and local officials, the attitude is not unreasonable, since the states and localities themselves, not the Federal Government or the oil companies, will sooner or later pay the price in whatever damage is done to resort business, fisheries, and tourist trade.

While the Supreme Court has decided that the states have no jurisdiction over waters beyond the three-mile limit, what happens to their coasts is another matter. No doubt the Federal Government has the right, for example, to lease drilling sites 50 miles from Long Island if it wishes, but it will fall to the state of New York to protect Montauk or the Hamptons or the Rockaways from the ravages of attendant onshore activities. It is on the basis of this wholly legitimate interest that the coastal states and their representatives in Congress are demanding not only a share of the income from what is, after all, a public resource but also a voice on where exploratory drilling is to be done—and even who is to do it.

The present arrangement for leasing the Outer Continental Shelf has a backward, almost Alice-in-Wonderland, character. The Interior Department's Bureau of Land Management leases the 5,760-acre tracts on the basis of sketchy estimates of their potential yield in oil and gas. The estimates are necessarily sketchy for the simple reason that the bureau is obliged to depend on information from the oil companies themselves in the form of seismic and geophysical data made prior to any exploratory drilling. This raw information is sold to the Government, but not the oil companies' interpretations of it. For competitive reasons these are claimed by the companies as "proprietary" and remain their secret.

On the basis of its own largely uneducated guesswork, the Interior Department is then free to consider financial bids from companies operating on at least somewhat educated guesswork. It is a kind of two-handed poker game in which only one of the players is permitted to see his own hand. Only after a lease has been awarded—and the Government has thereby lost substantial control of the tract—is the purchaser of its mineral rights given a permit to do exploratory drilling, the only real way to find out what the tract contains.

The result of this curious procedure is that the Government, eager for the revenue and inclined therefore to be modest in its evaluations, can innocently dole out a publicly owned treasure for a fraction of its worth. When competition among the companies for available tracts was high, the danger of this happening to any appreciable degree was not serious; even on the basis of their own fragmentary preliminary data, the companies would raise the prices they were prepared to offer the Government in the simple process of outbidding each other. But with the Interior Department now flooding the market with more than five times the normal annual acreage, competition is bound to be less.

It is this topsy-turvy system that is now the target of considerable legislative attention. Among others, Senators Ernest F. Hollings of South Carolina, Henry M. Jackson of Washington, Clifford P. Case of New Jersey and Alan Cranston of California want to separate exploration for oil and gas from their development and production, making the former either wholly or partly a function of the Federal Government.

Embodying recommendations of the Senate Commerce Committee's National Ocean Policy Study, proposed bills would have the Geological Survey conduct seismic, geomagnetic, geophysical, geochemical and exploratory deep-drilling activities in "frontier areas" of the shelf, where development has not yet occurred. In addition, the Interior Department would be required to prepare a 10-year leasing program based on the nation's projected energy needs and the coastal-zone management plans of the individual states, none of which will have time to do an adequate planning job if the present program goes into effect this year. Without any idea of where oil is to be drilled, they could do no more than hypothetical planning in any case.

The department is considering better methods of bidding, including a decreased reliance on the initial bonus payment and more on royalties after production has started, as well as the elimination of joint bidding by the big companies. But so far it is as firmly opposed to Government explorations as the oil companies themselves. The argument is that private industry can do the job more efficiently than Government and that the public ought not to pay—and pay dearly—for the risk taking involved in exploration. Though the efficiency argument is not overwhelming, because the Government would be hiring the same commercial survey experts who now serve the companies, there is some cogency in the contention that taxpayers would be forced to gamble. It can be just as convincingly argued, however, that the companies now pass their exploration costs along to the consumer anyway, so there would be nothing really new about what some company men criticize as "socialized" risk taking.

Overshadowing all such objections to the program, however, is the contention of Government and oilmen alike that the country needs the offshore oil now in order to avert dependence on foreign sources—needs it too desperately, in fact, to afford the luxury of delay. It is this contention which, in view of the damage that a hasty and poorly planned program can do, calls for serious consideration. The consideration given it so far—for example by the Federal Energy Administration, the National Ocean Policy Study and the General Accounting Office—has indicated such a lack of realism in the expansionist plans for the continental shelf that the Department of the Interior is already pulling in its horns and hinting, unofficially, of a somewhat scaled-down leasing program. The reasons for grave doubt are these:

Although nobody knows how sizable are the petroleum deposits to be found on the Atlantic Continental Shelf, the Geological Survey has drastically reduced its estimates from those it made in 1968. Instead of 48 billion barrels of oil and 220 trillion cubic feet of natural gas, it now figures 10 billion to 20 billion barrels and somewhere between 55 trillion and 110 trillion cubic feet. These figures are still significant, of course, but for a country that consumed 6.3 billion barrels of refined products in 1973 alone (2.2 billion of them imported), the hoped-for supply could not in any case offset present imports for more than four to nine years unless per capita use were, at the same time, quickly and drastically curtailed. To satisfy the assumptions of Project Independence, the General Accounting Office roughly estimates that 15 million to 28 million acres of the Outer Continental Shelf would have to be leased and drilled by 1985. For reasons to be considered next, that is clearly impossible.

Whatever reserves are discovered offshore, none of them will add significantly to the country's usable supply for something like a decade. Between the department's call for tract nominations by the companies, issued a few months ago, and the beginning of exploratory drilling, three years can be expected to be consumed in the bidding process, public hearings, impact statements and sale. After that four or five years are likely to pass under the most favorable conditions before such drilling is completed and production platforms are erected at the appropriate sites. Beyond that, it would be two years more before production could be brought to a peak.

What threatens to attenuate even this timetable considerably—aside from possible lawsuits—is acute shortages of mobile rigs for exploratory drilling, of equipment materials, highly skilled manpower and capital. According to the Government's Project Independence Report, drilling facilities will fall short of the requirements of an accelerated program by some 38 percent. Drill pipe, casing and tubing are all in short supply, and experts in both government and industry concede the serious shortage of engineers, geophysicists and other professionals—all needed in force for projects in the unfamiliar deep water and turbulent environment of the Atlantic shelf.

Not least among the factors to be considered in the current offshore plan is that the dumping of so vast a seabed area on the market at one time—with similar acreages planned successively in the years immediately to come—calls for a capital outlay that has even the oil companies staggered. Frank Ikard, president of the American Petroleum Institute, has been quoted to the point: "On one side, I say, 'Great; let's get on with offshore development.' On the other side, I say, 'Where are we going to get the money to bid?'"

Add to these formidable obstacles the fact that, under the terms of the leases, exploration must take place within five years after sale and you have some idea of why the Comptroller General's report to Congress found the program "hastily conceived by Interior under pressures exerted by the presence of the energy crisis and fears that the newly formed F.E.A. would assume responsibility for the shelf leasing program."

If that is the case—and the department's current hesitation is almost evidence enough that it is—the first order of business would seem to be a revision of the 1975 program before any tracts are parceled out. An interim schedule could then be worked out which could have several highly important advantages. The delay that will be caused by shortages in any case could be put to excellent use, to begin with, if the department were to take the advice of Russell E. Train, Administrator of the Environmental Protection Agency, and shift its focus to areas "where the resource potential is high and where the adverse environmental effects would be low."

While the reduced and selective program was being worked out—with the advice of the most skilled technicians the Geologic Survey could command—a broader kind of planning could be proceeding on both state and national levels. The states would have the time to complete their own coastal protection plans in accordance with the Coastal Zone Management Act of 1972. Once these are drawn up and approved by the Commerce Department, any future offshore leasing programs will have to conform as far as their onshore impacts are concerned. Now in the process of development, these plans should begin coming in sometime next year. They should assure a genuine role for the coastal states down to monitoring and surveillance where the standards they have set up for their own shore areas are potentially affected.

The same time could be used by the Federal Government to evolve a sensible method for joint exploration of the Outer Continental Shelf—if Congress fails to impose one—and to do the one great and obvious thing it has so far signally failed to do—that is, to frame an over-all energy policy for the nation. It is impossible to know how immediately essential offshore drilling really is (it could be, instead, rash waste of a valuable resource we will desperately want at a later date) unless we know how much energy we will need in the next few decades, how much can be conserved and what other potential sources exist for supplying it.

All energy taken from the earth exacts a price in environmental damage. Until there is an imminent prospect of harnessing the sun or fusing the atom, the crying need is for a panel of the nation's wisest heads—a Presidential commission of its leading scientists, industrialists, economists, environmentalists, and, yes, philosophers—to decide, all things considered, which is the best course to follow, whether that course is nuclear energy, coal or the last drop of oil from the Outer Continental Shelf. Only then will full concentration on any given source make sense. Only then will Congress be likely to feel both the pressure and the confidence to move ahead. Only then will the nation, including even its most ardent environmentalists, feel free to accept proposals perhaps questionable in themselves as the price demanded by a coherent energy policy—a policy that becomes more urgent with every passing month.

MADAM DICTATOR

Mr. TAFT. Mr. President, I have watched with shock and dismay the tragic unfolding of recent events in India. The coup d'etat of Mrs. Gandhi has been a severe blow to democracy and freedom in India. It is particularly tragic that the Indian people, who have so little, should be stripped of what little they have—their freedom.

The destruction of democracy and freedom in India by Mrs. Gandhi should cause us to consider again how important Pakistan is to the United States and to peace on the Indian subcontinent. Pakistan is an old and a firm ally. It is an important factor in preserving peace in Asia, because it is the only state in the area which can serve to thwart irrational ambitions for hegemony over the subcontinent. Mrs. Gandhi's actions inside India should leave no doubt concerning what irrational actions she may take in regard to the peace and freedom of those states which border on India.

It is thus very much in the interest of peace that the United States should give support to Pakistan, both in terms of diplomatic support and also in providing those items of military equipment which Pakistan must have to defend herself against the possible aggressions of a totalitarian Indian government. We should not delude ourselves by thinking we can pursue an "even handed" policy in that area, supporting neither India nor Pakistan. Pakistan is no threat to peace; but India, under Mrs. Gandhi, seems quite capable of taking irrational action, unless there is a concrete military deterrent to prevent it. Only Pakistan, among the neighboring states, can provide that deterrent.

I hope that the President, the Secretary of State, and the Secretary of Defense will make clear to all parties that the United States does support Pakistan, and that we will take firm steps to provide Pakistan with those materials she requires for her defense. We must not invite the tyranny of Mrs. Gandhi spread suffering beyond the borders of India. It is sufficiently tragic that the people of India must suffer the loss of their freedom.

Mr. President, I ask unanimous consent to have printed in the Record an editorial from the Baltimore News-American of June 28.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Madam Dictator

India, with its 550 million people, has prided itself on being the world's most populous democracy ever since it won freedom from British dominion in 1947.

That freedom and the democratic self-rule which came with it was the priceless heritage of a saintly little martyr named Mohandas Gandhi, who gave his life to the cause.

Today, almost unbelievably, all he worked for has been negated—at least for the time being—by decree of an arrogant woman who bears his name but is no kin either by blood or disposition.

Indira Gandhi, India's prime minister since 1966, has long evinced far more concern in promoting her own power than in advancing the cause of freedom and democracy.

She always has been ruthless with her political rivals. She has been consistently hostile to a generous United States, simultaneously flirting with the Soviet Union.

Developing and exploding a nuclear device at great cost was more important to her than the many pressing needs of her people.

Now the picture is complete—and unmistakable. Mrs. Gandhi, her power threatened by court action over basically trivial election law violations, has reacted openly like the dictator she always was at heart.

Dictator is a strong word, but none other fits the posture of Indira Gandhi in ordering the suspension of civil liberties, press freedom and the arrest of many hundreds of her political foes—all in the name of "internal security."

If it looks like a duck, quacks like a duck and waddles like a duck, then it's a duck. The same kind of definition is true of dictators, or possibly dictatoress in this astonishing case.

Muzzling the press, suspending civil liberties and jailing opponents are the primary initial steps in establishing any kind of dictatorship, anywhere.

It will be surprising if Mrs. Gandhi for long gets away with her anti-democratic dictums. Her willful assertiveness and over-reaction to a personal threat indicate an instability likely to prove self-destructive.

Still, one can never tell for sure. For the time being all that is guaranteed is that the long-suffering people of India somehow will survive their latest subjection to arbitrary political authority.

They always have.

NUCLEAR THEFT IN ARGENTINA?

Mr. RIBICOFF. Mr. President, an article in the July 7 issue of Newsweek states that:

> U.S. Intelligence sources reported last week that without IAEA detection, Argentina recently removed 50 kilograms of plutonium waste from its Atucha atomic station—potentially enough for 5 atomic bombs.

The article also quotes a statement I made on the Senate floor on June 3:

> The IAEA safeguard and inspection procedures amount to little more than accounting methods for verifying the efficiency of national or regional inspection systems. The agency is heavily dependent on the goodwill and cooperation of nations whose nuclear facilities it inspects and audits.

If the Newsweek report is confirmed, this is a very grave matter. It would be the first recorded instance of a diversion of weapons-grade material without detection by the IAEA. It would be proof positive that the inspection system on which we are depending to prevent the undetected spread of nuclear weapons does not work.

I am today writing Robert C. Seamans, Jr., Administrator of the Energy Research and Development Administration—ERDA—for a full report on this matter.

Under the Energy Reorganization Act of 1974, ERDA inherited the authority of the abolished Atomic Energy Commission over the export of 661,000 pounds of heavy water to Argentina, which was approved in 1969 to run the 319-megawatt Atucha nuclear powerplant. The export was made on a government-to-government basis, and apparently does not come under the authority of the new Nuclear Regulatory Commission, which ordinarily licenses exports of nuclear materials.

The Atucha facility is a Canadian-style heavy water reactor. It was built near Buenos Aires by West Germany and began operating in January 1974. The heavy water provided by the United States is needed to cause a fission reaction in natural, unenriched uranium. This reaction, in turn, produces heat to run the powerplant's steam turbines.

A heavy water reactor also produces about 40 percent more plutonium than an American-style light water reactor of comparable size, and it is more difficult to safeguard because spent fuel containing plutonium can be removed without shutting down and unlocking the reactor. The Newsweek report is apparently based on U.S. intelligence reports that a quantity of spent uranium was diverted from the Atucha reactor, without detection by the IAEA, for the purpose of separating 50 kilograms of plutonium.

The Argentinians are presently rebuilding and expanding a British-style reprocessing plant, and it is considered unlikely that plutonium has been extracted yet from the irradiated uranium. The alleged incident took place in March.

I ask unanimous consent that the text of this letter be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Committee on Government Operations,
Washington, D.C., July 8, 1975.

Dr. Robert C. Seamans, Jr.,
Administrator, Energy Research and Development Administration, Washington, D.C.

Dear Dr. Seamans: Enclosed please find a copy of an article from the July 7 issue of Newsweek in which it is reported that ". . . U.S. intelligence sources reported last week that without IAEA detection, Argentina recently removed 50 kilograms of plutonium waste from its Atucha atomic station—potentially enough for 5 atomic bombs."

I understand that the Atucha nuclear powerplant is using heavy water which was approved for export by the old Atomic Energy Commission in 1969. I also understand that because this export was made on a government-to-government basis, that it comes under the authority of the Energy Research and Development Administration rather than of the Nuclear Regulatory Commission. It was the intent of the Energy Reorganization Act of 1974 that all nuclear exports, whether controlled by ERDA or NRC, be made in the interests of public health and safety and common defense and security.

I am sure you will agree that if the Newsweek report is confirmed—and a strategic quantity of spent fuel has been diverted from the reactor without IAEA detection—this would be a grave matter requiring immediate remedial attention.

I would very much appreciate your looking into this matter and reporting to me within three weeks on the following:

1. Was there a successful diversion without detection by the IAEA of a quantity of spent fuel from the Atucha reactor?

2. Was any plutonium separated from the spent fuel without detection by the IAEA?

3. What is being done to recover any spent fuel or plutonium that was diverted?

4. What action, if any, would you take with respect to future shipments of heavy water by the United States to Argentina for the Atucha reactor?

5. What is the significance of your findings with respect to export approval policies and procedures of the United States, safeguards policies and procedures of the IAEA, and the outlook generally for preventing the conversion of peaceful nuclear technology to weapons purposes throughout the world?

I know you share my deep concern for insuring that U.S. nuclear exports are used for peaceful purposes only. Thank you very much for your cooperation.

Sincerely,

Abe Ribicoff.

Mr. RIBICOFF. Mr. President, the Newsweek report follows closely West Germany's decision to export a complete nuclear fuel cycle to Brazil—a uranium enrichment plant and a plutonium reprocessing plant in addition to several nuclear power reactors. West Germany has ignored U.S. objections that the deal would give Brazil the capability to produce weapons-grade material.

Brazil, which has not ratified the Non-Proliferation Treaty, would be required to place all the German facilities under IAEA safeguards, but it has refused to agree to accept IAEA safeguards on any facilities that it may build on its own.

Mr. President, for the sake of our own security and that of the world, we can ill afford to stand by while nuclear weapon capability is introduced into the Western Hemisphere.

It is better to find out sooner than later whether we can rely on the present system of IAEA safeguards to detect unauthorized removal of nuclear explosive materials.

If peaceful nuclear technology is to remain peaceful, there must be an international inspection system in place that can be relied upon to detect and report diversions of military significance. Some nuclear experts question whether IAEA safeguards are adequate to foil a nation intent upon secretly stockpiling plutonium. Hopefully, Chairman Anders' response will throw some light on the matter.

I ask unanimous consent that the July 7 Newsweek article, "Who's Going Nuclear?" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

WHO'S GOING NUCLEAR?

"'The Lord's our shepherd,' says the psalm,
But just in case we'd better get a bomb.
*Who's Next?"**

A decade has passed since satirist Tom Lehrer first sang of a mad world in which every nation—and maybe even the state of Alabama—would have a nuclear bomb. But Lehrer's vision comes closer to reality every day. Since India joined the atomic club in 1974, more and more countries have been trying to establish their own nuclear power plants. For the most part, this represents an economically sound response to mounting oil prices. The problem is that it is only a short technological step from generating nuclear power to building primitive nuclear weapons.

Last week, the most powerful nation in Latin America made a quantum leap toward the atomic era. In a controversial $4 billion deal with West Germany, Brazil became the first country in history to buy the "complete fuel cycle" needed for nuclear-weapons development. Under terms of the accord, Germany will build Brazil eight atomic power stations—each one of which will throw off spent fuel containing the bomb-making ingredient plutonium. Brazil will also get the sophisticated technology needed to separate the plutonium from the remainder of the waste. In addition, the Brazilians will receive facilities for enriching their vast native supply of uranium—another route to achieving nuclear weaponry.

FEARS

Two weeks ago the seven nations that export nuclear technology—the U.S., Britain, Russia, West Germany, France, Japan and Canada—held a top-secret meeting in London to discuss mutual problems. At that conference, Washington made no secret of its distress over the German-Brazilian deal. Under a self-imposed ban, the U.S. refuses to sell any technology for uranium enrichment or for reprocessing spent fuels, and it also requires the remains of the fuels it sells to be reprocessed in the U.S. or in third countries. Brazil's new German-supplied nuclear facilities will be inspected regularly by the Vienna-based International Atomic Energy Agency, but this did not meet the United States' objections to the deal. As one State Department expert put it: "What's to stop Brazil from using the technology it learned from the Germans to build its own plants without any IAEA controls?"

In its eighteen-year existence, the IAEA and its 67 inspectors have done a creditable job of monitoring the workings of atomic power plants. Nonetheless, experts say that the IAEA is in urgent need of tightening its standards, especially in regard to its watchdog role in waste reprocessing. "The IAEA safeguard and inspection procedures amount to little more than accounting methods for verifying the efficiency of national or regional inspection systems," says Connecticut Sen. Abraham Ribicoff, an advocate of stricter controls. "The agency is heavily dependent on the goodwill and cooperation of nations whose nuclear facilities it inspects and audits." As if to confirm that fact, U.S. intelligence sources reported last week that without IAEA detection, Argentina recently removed 50 kilograms of plutonium waste from its Atucha atomic station—potentially enough for five atomic bombs.

PRIVATE ENTERPRISE

In the U.S., virtually all processing of nuclear materials has so far been done by the government, but the Ford Administration has concluded that it would be both economical and safe to allow private industry to get into this business as well. Last week the President asked Congress for legislation permitting commercial producers to manufacture and sell enriched uranium for power stations, and Allied Chemical Corp. already has a reprocessing plant under construction in Barnwell, S.C. Some specialists have even begun to talk of the possibility of looser export rules. One of them is Dixy Lee Ray, a former chairman of the U.S. Atomic Energy Commission. "I'm worried," she says, "about our industry losing potential nuclear contracts because we require more rigid conditions than the IAEA or other countries."

Such thinking is what worries arms-control experts. According to their estimates, at least ten nations are on the threshold of joining the nuclear club within the next few years: Argentina, Brazil, Egypt, Israel, South Korea, Libya, Pakistan, South Africa, Spain and Taiwan. Along with sixteen other nations, these ten are building or operating 274 atomic reactors. Some, like Pakistan and South Korea, are currently negotiating to buy reprocessing plants from France, while others, like Argentina, are developing their own.

The non-nuclear nations make no effort to hide their restlessness with the status

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quo—and especially with the idea that they should pledge to remain nonnuclear in a nuclear world. A few want the bomb to enhance their prestige and gain political leverage over their neighbors. Others are genuinely interested in the possibility of using nuclear detonations for peaceful ends. Whatever their own plans, they see the 1969 international nonproliferation treaty (which more than twenty nations have not ratified) as elitist and discriminatory. While they have denied themselves the bomb, they say, the two superpowers are stockpiling nuclear weaponry at an ever faster rate.

PARTICIPATION

In the current issue of the quarterly journal Foreign Affairs, Massachusetts Institute of Technology Prof. Lincoln P. Bloomfield outlines a proposal to make the notion of nonproliferation more acceptable to such nations in the future. Bloomfield suggests that the nuclear powers "focus on tangible way to give the outsiders a far more genuine sense of participation in the system." Among the possibilities: (1) an international facility that will put any future benefits of peaceful nuclear explosions at the disposal of all countries, and (2) a series of regional, internationally controlled centers for reprocessing spent fuel. By the early 1980s, Bloomfield explains, "the present non-weapons countries will have available to them annually 26,000 or so kilograms of plutonium 239." And that, he warns, will be "enough to make 50 atomic bombs a week if they choose to." Fay Willey with Lloyd H. Norman and James Bishop, Jr., in Washington.

SUBSIDIZING OPEC OIL

Mr. PERCY. Mr. President, I wish to call my colleagues' attention to a recent column of Economist Dr. Milton Friedman which appeared in the June 23, 1975 issue of Newsweek. Dr. Friedman points out the astounding fact that through various domestic oil price regulations and guaranteed access to old oil, the U.S. Government ends up subsidizing the price of OPEC oil by $3 per barrel. I cannot think of a better example of how economic regulation can befoul the best intentions of our bureaucracy.

Mr. President, I ask unanimous consent that Dr. Friedman's column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

SUBSIDIZING OPEC OIL

(By Milton Friedman)

In a recent column (Newsweek, May 12), I argued that decontrolling the price of "old" oil (mostly that part of the oil from domestic wells which is less than 1972 output) would lower, not raise, the price of oil products to final consumers because it would give domestic producers an incentive to produce more oil and therefore would increase the total amount of oil available. The higher price to producers of "old" oil would, I argued, not raise the price to consumers but simply end the present bonanza to refiners and other intermediaries from being able to buy "old" oil cheaply.

MEA CULPA

A former student of mine, Michael Canes, now an economist with the American Petroleum Institute, has informed me that my analysis was incomplete and my final conclusion wrong. My mistake was in not realizing how perverse and irrational are the Federal Energy Administration's regulations for allocating the benefits of being able to buy "old" oil at the controlled price. These regulations in effect tax domestic producers of "old" oil and subsidize consumption of both "new" oil and imported oil.

President Ford has now imposed a tariff of $2 a barrel on imported oil. At the same time, *the FEA, an agency responsible to the President, is giving what amounts to a subsidy of roughly $3 a barrel to imported oil.* Was there ever a clearer case of the right hand not knowing what the left is doing? I know that the FEA is not in fact being run by secret agents of the Shah and sheiks. No need, when unwitting volunteers are so cooperative.

This absurd procedure means that, while decontrolling "old" oil would indeed increase domestic production, it would reduce imports even more by ending the current subsidy to imported oil. The final result would be a smaller total amount of oil and a higher product price.

I oppose subsidizing oil consumption. But surely, if a subsidy is to be given, it should be given to domestic oil production only, not to the producers in the OPEC cartel that we are exerting every device of diplomacy to berak. Still higher tariffs could have that effect—but what a confused and confusing way to achieve it.

This incredible result has occurred because the FEA has yielded to the pressure for statistical "equity" to oil refiners and marketers. A ceiling price of $5.25 for "old" oil, when the market price is more than twice that amount for "new" and imported oil, would favor those refiners who happen to have access to more than the average percentage of "old" oil. To avoid this outcome, the FEA distributes to all refiners (and marketers of imported refined products) "entitlements" to "old" oil proportional to the total number of barrels of oil that they use. Currently, "old" oil accounts for about 40 per cent of total oil consumption. Hence, for every 100 barrels of oil that a refiner uses he receives entitlements to buy 40 barrels at the controlled price of $5.25, which he may exercise himself or sell to another refiner. A refiner whose own production of "old" oil is more than 40 per cent of his total usage must buy entitlements to use his own oil from less-well-endowed refiners!

The entitlements are valuable. At a market price of crude oil of, say, $12.75 per barrel (including the tariff), an entitlement to buy one barrel of "old" oil is worth $7.50 ($12.75–$5.25). A refiner who imports one barrel at $12.75 gets an entitlement for .4 of a barrel worth $3 (.4x$7.50). In consequence, his *net* cost is $9.75. The result is the same as if control of the price of "old" oil were replaced by a tax on "old" oil of $7.50 a barrel and the proceeds used to give a subsidy of $3 to each barrel of oil produced in the U.S. or imported from abroad. The total sums involved are staggering: roughly $16 billion a year of taxes imposed by administrative edict on domestic producers of oil and redistributed to refiners and importers.

ABOLISH FEA

It is inconceivable that the President would recommend or that the Congress would enact such a tax-subsidy arrangement. Yet it now exists! Over a year ago, during the chaos that followed the oil embargo, I wrote in this space: "The way to end long lines at gas stations is to abolish FEO [now FEA] and end all controls on the prices and allocation of petroleum products." That is also currently the way to strike a major blow at the oil cartel and to take the power to tax and to spend away from appointed administrators and return it to elected representatives of the people.

CONSTANTINE DOXIADIS

Mr. PELL. Mr. President, the world lost a vital and creative force for good on June 28 when Constantine Doxiadis, the originator and energetic champion of "ekistics," the science of human settlements, died in Athens.

Dr. Doxiadis had a profound influence on all of us who are determined to improve the quality of life for all men. His vision of the "City of Man" was of a place in which the individual could enjoy privacy, beauty, comfort and quiet while living in close proximity with his fellow man.

Doxiadis, ever true to his vision, designed and built cities which sought to meet these specifications. As we see the crumbling of our own cities today, we can reflect how it all might have been different if we had followed his ideas more closely.

I know how important an influence he was on my work in developing the high-speed ground transportation legislation and in writing my own book, "Megalopolis Unbound." In fact, Constantine Doxiadis played a larger role than any other single individual in the development of many of my ideas.

In developing his science of ekistics, which brought together the ideas of the architect, engineer, planner, sociologist, psychologist, politician, and other professionals in approaching human settlement, he began the series of Delos Symposions. I had the pleasure of participating in one of these week-long cruises in the Greek Isles, along with such companions as Margaret Mead and Buckminster Fuller.

Throughout his life, Dr. Doxiadis was truly an activist, translating his ideas into actions. In politics as well as in his planning and design work, he did not compromise his ideals. During World War II while working in the Greek Ministry of Public Works, he was the leader of an underground force that battled the Nazis. He was active on the side of democracy in the Greek Civil War that followed the World War and during the years of the cruel Greek junta, he continued to act from his principles.

Constantine Doxiadis was a man I hugely respected and admired and whose death I much mourn.

Mr. President, I ask unanimous consent that an editorial about his accomplishments from the Washington Post and obituaries from the Post and the New York Times be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 5, 1975]

CONSTANTINOS A. DOXIADIS

As a young man, working for his doctor's degree in city planning at the Technische Hochschule in Berlin, Constantinos A. Doxiadis advanced a new theory about the design of the ancient Greek temple cities. Classicists, with their penchant for Renaissance symmetry, were startled by the cities' seemingly random layout. Mr. Doxiadis carefully measured nearly 50 of the sacred sites and offered as yet unchallenged evidence that they were meticulously planned according to precise mathematial formulas. The plan, he said, was to establish their relationship to nature and to man. Mr. Doxiadis, who died last week at his home in Athens at the age of 62, devoted his life to a search for a similar, all encompassing scientific formula for building humane settlements. He called his science "ekistics" and evolved, practiced and preached it on a global scale and with a dynamic flair and showmanship unmatched even among evangelists.

A brilliant organizer and, despite his brisk and reserved manner, a warm and most engaging person, Mr. Doxiadis distinguished himself in the Greek underground during World War II. His superb talent for attacking complex logistics with simple logic led to his appointment as chief coordinator of Greece's postwar reconstruction. His accomplishments were not always recognized by his own government, but they earned him an international reputation as a planner, particularly in the developing countries. From a sort of war room in his headquarters on Mount Lycabettus in Athens, and with a staff of 600 and branch offices in several countries, he directed the design and redesign of entire regions and countries around the world from Islamabad, the new capital of Pakistan, to the Georgetown waterfront, which he proposed to turn into an "urban park."

Urban planning, Mr. Doxiadis soon recognized, was much too serious a matter to leave to the city planners alone. To his center for Ekistics in Athens and to a series of Greek Island cruises he therefore invited an array of international, intellectual talent such as is rarely assembled in one place and for one cause. His guests would hear Arnold Toynbee lecture on urban civilization on Philopappou Hill in Athens as the sun was setting behind the Acropolis. The disciples of ekistics include Margaret Mead, Barbara Ward, Jonas Salk, Erik Erikson, Marshall McLuhan, Buckminister Fuller, to name just a few, along with their peers in other countries and continents.

A good part of Mr. Doxiadis' influence was due to his eclectic flexibility. He wanted to be right more than he wanted to be original. And in order to stay right, as he and his friends learned more about urban complexities, he made no bones about changing his mind. Having for years worked largely within Le Corbusier's concepts of settling people in lonely skyscrapers surrounded by parks, Doxiadis suddenly published his "confessions of a criminal." The gravest of his crimes, he said, was the construction of highrise buildings which spoil the scale of the landscape and isolate people who live in them. The other "crimes" to which he "confessed" were the design of unduly monumental buildings, the loss of human scale and the disruption of the balance of nature.

We are only beginning to master the science of human settlements. Surely Mr. Doxiadis would have carried this science much further. Now the search for order and livability in an increasingly crowded urban world must go on without his dynamic charm and charismatic intellect.

[From the New York Times, June 30, 1975]

CONSTANTINOS DOXIADIS, CITY PLANNER, IS DEAD AT 62

(By Wolfgang Saxon)

Constantinos Apostolos Doxiadis, the visionary city planner whose concepts touched the lives of millions of people around the world, died Saturday in Athens, where he kept his home and headquarters. He was 62 years old.

Mr. Doxiadis, who gained international prominence as one of the architects of Greece's postwar reconstruction, was the head of Doxiadis Associates, an urban-planning concern with offices all over the globe, including Washington.

His preoccupation with urban sprawl, generated everywhere by population growth, led him to develop "skistics," a multidisciplinary science of human settlement that brought together old and new methods for the sake of planning and rearranging cities. The term derived from the Greek word for house.

"Aristotle said the goal of the city is to make man happy and safe," Mr. Doxiadis once said. "I can't think of a better definition."

Regarding the city as the natural and eventually inevitable environment of man, he strived to make it into a civilized habitat. He recognized, for instance, that the car was a necessary tool for people but sought to keep it at a comfortable distance by putting roadways underground.

"I believe that in a generation we can reform even cities like New York and Los Angeles if we make the proper decisions now," Mr. Doxidis contended. "If we don't—well, I don't say man will die, but we may end up with a human animal deprived of his soul. If I am prevented from smelling flowers and am left to breathe only car exhaust, what will be left of me? I'm not sure—maybe a monster."

Mr. Doxiadis's ideas found expression in some vast construction projects such as a rural and urban renewal program for Iraq, the creation of the new Pakistani capital of Islamabad, near Karachi, and the Eastwick urban renewal project in Philadelphia, Doxiadis Associates served as consultants of cities, countries and private entities from Ghana to a five-nation regional grouping in South America.

Inevitably, many of the firm's costly and voluminous studies—backed with charts and computer printouts—came to grace a shelf in someone's office, and Mr. Doxiadis himself was regarded by some of his detractors as an evangelist of city planning offering salvation to a sinning world.

Mr. Doxiadis was born in Stenimachos, a Bulgarian town with a large Greek community. His family fled to Greece at the outbreak of World War I, and his father, a pediatrician, became the Greek Minister of Refugees, Social Welfare and Public Health in 1922.

The aspiring architect studied at Athens Technical University and earned a doctorate in civil engineering at the Berlin-Charlottenburg Technical University, which, even after the Nazi takeover in Germany, had remained under the influence of Bauhaus methods of architecture and town planning.

Mr. Doxiadis became the chief town planner of Athens in 1937 and during World War II served as department head for regional and town planning in the Greek Ministry of Public Works. While the country was occupied by the Italians and Germans he also headed a secret-service resistance group and was later decorated for his exploits.

The liberation of Athens in 1944 gave him the chance to put into practice the plans he had ready for his country's reconstruction. He became Minister of Development and Coordination and also served on the Greek delegation to the peace conference in San Francisco that set up the United Nations in 1945.

Those were the formative years of ekistics, the science he was developing for his field, and he was able to propagate his concepts at many international gatherings he attended in the ensuing years. Other outlets were numerous books and articles that made his name a household word throughout the non-Communist world.

In 1951—perhaps because of overwork or because of the kaleidoscopic changes in the Greek government—Mr. Doxiadis took his family to Australia. Lacking an Australian degree, he found himself unable to practice his profession and bought a farm, raising tomatoes and thinking out his ideas.

Mr. Doxiadis (his name is pronounced docks-e-AH-deese) returned to Athens in 1953 and, with four other specialists, formed Doxiadis Associates. His eight-story headquarters, designed by him and finished in 1958, offered sweeping views of the Acropolis and Mount Lycabettus—"The best products of man and nature," he noted.

Inside, he and his many associates hovered in their "study machine," featuring a movable cage that carried them over large scale-models of the projects they were developing for one country, or another.

Ekistics, as practiced by its originator, involved three planning stages, starting with an inventory of census figures, maps, population patterns, geological and ecological studies and surveys of existing structures. Analysis of the collected data represented the second step.

The final phase was synthesis, or the development of proposals that might range from sweeping recommendations on national conservation to specific design details for new housing.

As his firm began to take in millions of dollars yearly in fees, Mr. Doxiadis took to sponsoring annual cruises of the Greek islands, which he called Delos Symposia. The outings were junkets for prominent figures who would enjoy the sea and clean air while discussing the future of man and his habitat. Among his guests were Margaret Mead, Barbara Ward, Buckminster Fuller, Arnold Toynbee and René Dubos.

Mr. Doxiadis married the former Emma Scheppers in 1940. They had three daughters and a son.

[From the Washington Post, June 30, 1975]

CONSTANTINOS DOXIADIS, PLANNER, DIES

(By Jean R. Hailey)

Constantinos A. Doxiadis, internationally famous architect and city planner who worked on community designs not only in his native Greece but also in North and South America, Africa and Asia, died Saturday in Athens after a long illness. He was 62.

The noted head of Doxiadis Associates, Inc., maintained offices here at 1058 Jefferson Pl. NW, as well as in several other countries although his main headquarters were in Athens.

One of his last major consulting jobs here had involved a study on the Georgetown waterfront for the District highway department in 1966.

Mr. Doxiadis recommended then that the Whitehurst Freeway be put underground and that the waterfront be turned into an "urban park."

This would have consisted of a terraced pedestrian plaza along the Potomac River from Key Bridge to the Rock Creek Parkway and up to K Street. It would have been adorned with trees, lawns and gardens and filled with small shops, restaurants, art galleries, exhibits and outdoor recreational facilities.

The Georgetown Planning Council agreed that the elevated freeway should be removed but advocated "a pleasant hilltown" with squares, plazas and a waterfront promenade.

Mr. Doxiadis disagreed with the concept of residential development on the grounds that it might result eventually in pressure for high-rise apartments.

Whatever was built on the waterfront must be kept low to preserve the view of the Potomac, he said, adding that the urban park concept meant the grounds would be enjoyed by tourists and area residents alike.

Mr. Doxiadis, who at one time also had served as a consultant to the Redevelopment Land Agency here, compared his own city of Athens with Washington in an article published by The Washington Post in 1965:

"Athens and Washington—so different in setting, climate, culture, incomes and power—are suffering from the same difficulty: they are being choked to death by their own people and their own forces. Athens and Washington and all other large cities in the world are struggling for their survival.

"But at the same time, they are allowing the forces that cause their slow and painful death to continue developing all around them. More people and more cars use the same old roads, the same arteries which reach the point of improper functioning and eventually die of 'arteriosclerosis.' "

Mr. Doxiadis later in the article predicted that "many centers will be developed around Washington—the Pentagon, the Potomac, Dulles Airport—and the result will be a downtown Washington turned into a no-man's land, a crossroads of cars and a depressed area . . ."

"We badly need a New Washington and a New Athens as parts of a New City of Man everywhere, and not simply their present, unimportant, unreasonable extensions, which only kill Washington, Athens and the City of Man," he concluded.

In a later article that year, also published by The Post, he stressed the vastness of the future population growth and predicted that the Washington area would need 10 to 15 million people to enable the government of a country of 500 million population to operate properly.

He suggested remodeling Washington to serve 2½ million people efficiently and creating new nearby centers for 2½ million people each. These satellite cities, he said, must be sufficiently large from the start because if only minor centers were created their inhabitants would not be satisfied and would continue to exert pressure on the old city core, destroying it.

His concern for Washington and its surrounding area was only one small facet of Mr. Doxiadis' concern for rural and urban living throughout the world.

He developed and applied the concept of "ekistics," the science of human settlements. It brings together the architect, engineer, town planner, sociologist, geographer, psychologist and other specialists on an equal footing to meet the problems of the interrelationship of man and his environment.

To help carry out this concept, Mr. Doxiadis for 10 years, starting in 1963, held a so-called Delos Symposia, in which each summer he invited a number of prominent scholars, scientists and technicians from several countries on a weeklong cruise of the Greek Islands. The purpose was to call attention to the persistent and deepening crisis of urban planning.

Perhaps the most striking large-scale application of his principles of "ekistics" was made in the Middle East and this country.

In the late 1950s, Doxiadis Associates engaged in a massive rural and urban renewal program for Iraq, housing many thousands of families in new villages and rebuilding and expanding old cities like Baghdad.

He also undertook national housing projects in Pakistan, Jordan, Syria and Lebanon—in some instances in his capacity as a consultant to the International Cooperation Administrations, the International Bank for Reconstruction and Development and the Ford Foundation.

He also helped with planning in Ghana, the Sudan and Venezuela.

In the United States, Mr. Doxiadis demonstrated the principles of "ekistics" in several development programs, including those for the Reynolds Metals Company in Cincinnati and Louisville and the $400,000,000 Eastwick urban renewal projects, covering some 2,500 acres in Philadelphia.

Born in the Bulgarian town of Stenimachos, which had a large Greek population, Mr. Doxiadis fled with his parents and three older brothers to Athens at the outbreak of World War I.

He received a degree in architecture from the National Metsovian Technical University of Athens and studied further at the Berlin-Charlottenburg Technical University in Germany.

Returning to Greece, he became chief of the town planning office for the Athens area and in 1939 became head of the department of regional and town planning for all Greece in the Ministry of Public Works.

During the war, his job was to evaluate war damage and draw up plans for eventually rebuilding Greece. He also served in the Greek underground secret service as head of a resistance group.

After the war, he was able to carry out his plans as Permanent Secretary of Housing Reconstruction, a position later enlarged to Minister of Development and Co-ordination.

In 1945, Mr. Doxiadis attended the San Francisco conference on the organization of the United Nations. Later he headed the Greek delegation at the International Conference on Housing, Planning and Reconstruction.

In 1948, Mr. Doxiadis was elected chairman of the United Nations Working Group on Housing Policies in Geneva. As co-ordinator of the Greek recovery program, he was responsible for handling American aid to Greece under the Marshall Plan. He also held other United Nations positions.

Because of ill health, brought on by overwork, Mr. Doxiadis was hospitalized in 1950 and in early 1951 moved with his family to Australia. For lack of a degree from an Australian University, he was unable to practice architecture there, and he returned to Athens two years later, when he founded Doxiadis Associates.

During his career, he had served as a lecturer at the Technical University of Athens and a visiting lecturer at the Universities of Chicago, Yale, Princeton, Harvard and Southern California, Swarthmore College and the Massachusetts Institute of Technology.

Mr. Doxiadis was the author of many books, including "Urban Renewal and the Future of the American City." He belonged to numerous organizations associated with his field.

He held a number of awards, including one from the Industrial Designers Society of America and the Aspen Award in the Humanities, made by the Aspen Institute in Colorado.

REPLACEMENT OF AMERICAN FALLS DAM

Mr. McCLURE. Mr. President, during my absence from the Senate on official business, the Senate passed S. 1152, to amend the act of December 28, 1973 (87 Stat. 904) to clarify the relationship of the provisions of section 103 of title 26, United States Code.

Prompt consideration of this legislation is now necessary by the House of Representatives to assure the replacement of American Falls Dam as contemplated in the original legislation. The project has the support of essentially everyone in Idaho, and early construction is still the prime motivation. Many accomplishments have been attained since the bill was signed into law. The spaceholders are anxious to protect themselves from a possible economic disaster which could result from inadequate irrigation water supplies in the American Falls Reservoir.

When the authorization legislation was considered, Federal construction was considered as an alternative. The decision was made by Congress to allow private financing of the reconstruction of the Federal project. The completion of the project was contemplated to be accomplished in the exact manner which S. 1152 will now clarify. The question has been decided and this alternative is desirable and should be allowed.

It has been suggested that S. 1152 might create a precedent for other projects. In my judgment, S. 1152 would clarify the situation for only the American Falls Dam reconstruction and would not set a precedent for any other project. Any precedent that was set, was set when the original act was passed.

Construction of a new dam at American Falls is absolutely essential to Idaho. The economic well-being of the people of an entire region, their farms, their communities, and their industries, depend on abundant and available water. Without reconstruction of the American Falls Dam, there simply is not enough water to go around.

URBAN UNEMPLOYMENT

Mr. HUMPHREY. Mr. President, unemployment in America's cities is at a crisis level. If this is part of the administration's plan to combat inflation, it may well work. When people do not have jobs, they do not have money, and without money prices will come down—for those who can still afford to purchase anything. But many people will not be able to afford to buy the essentials they need.

There is another problem, the problem of lack of information about unemployment. America cannot know, by and large, just how far we have to go to full recovery and full employment in our cities until we know the full extent of unemployment. It is little consolation to "bottom out," knowing chronic unemployment, subemployment, and discouragement will continue into the 1980's—and this, at a minimum, the administration admits will happen if its policies are followed. Without knowledge of where we are, it is hard to plan where we should be, and how we will get there.

The Bureau of Labor Statistics of the Department of Labor is charged, under law, with the responsibility of compiling unemployment statistics in this country. Its figures are the barometer the country reads in good and bad times alike. But its figures are inadequate.

I have addressed, in other places, some of these inadequacies. Discouraged workers, who have given up out of frustration, are not counted in the labor force. Neither are part-time workers, who would prefer to work full time, counted as only partially employed. And those who have, out of financial necessity, accepted jobs utilizing less than their full potential productivity, are not considered subemployed. The BLS index is an index of minimums, and whether it serves the country as well as it could should be carefully examined.

Now another serious deficiency has come to my attention, and should be passed on for my colleagues' consideration. There is no central compilation of unemployment statistics for our major, our very largest cities. BLS does not keep them, at least not in a readily accessible, or frequently published form. And if some other organization or research group does, the Joint Economic Committee staff could not find it.

This alarmed me, so I asked the JEC staff to do the research themselves, which they did. They obtained their information from State employment services, all of which readily supplied what meager data they accumulated, usually kept to comply with Comprehensive Employment Training Act—CETA—requirements. The method of computation was usually inferior to standard Current Population Survey—CPS—techniques used by BLS, and relied upon historical relationships, often dating back to the 1970 census. But it is the best data available.

Mr. President, I ask unanimous consent that the table be printed in the RECORD, showing unemployment in April for several of our largest cities.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

URBAN UNEMPLOYMENT

[All statistics for April 1975: rates in percent]

	City	Associated SMSA (preliminary)
Atlanta	12.3	9.3
Baltimore	11.6	8.6
Boston	13.4	11.8
Chicago	10.2	8.2
Cleveland	13.0	7.7
Des Moines	6.2	5.7
Detroit	20.9	15.4
Hartford	12.0	7.9
Indianapolis	8.3	7.7
Los Angeles	11.1	9.9
New York City	10.8	10.6
Newark	16.6	9.5
Philadelphia	11.3	9.8
Phoenix	10.9	11.0
Providence	18.3	16.4
St. Louis	12.0	8.3
San Francisco	10.8	9.8

Source: JEC and BLS.

Mr. HUMPHREY. The SMSA figures in the table are kept by the BLS. SMSA refers to standard metropolitan statistical areas, defined somewhat subjectively and under constant review by the President's Office of Management and Budget—OMB. SMSA's typically include affluent and comparatively highly employed suburbs. For that reason, the above table also shows most cities have much higher unemployment within their city limits than within their respective SMSA's. This is not intended to deceive, but it certainly could mislead one who consults only the SMSA figures.

I hope BLS will start keeping these figures up to date. Such an undertaking would inform the American public, and, in times of crisis like today, would contribute to the realism necessary to tackle the monumental task of putting America back to work.

Finally, in my own State of Minnesota, youth this summer face dismal job prospects. This was highlighted in an editorial in the June 22 Minneapolis Tribune, entitled simply, "The Long, Jobless Summer." We have been relatively lucky back home, though, as the editorial points out. But still, in some of the most depressing and unfortunately true prose I have yet read, the article describes the likely plight of Minnesota youth:

> . . . middle-class youth are either ineligible for the government programs or have a low priority. Their situations may not be as critical as those of poor families, but nonetheless pose some difficult problems for many: the college student seeking funds next school year, the youngster whose parents would normally expect him to buy his own school clothes or otherwise ease the family budget, the high-schooler trying to earn money for purchases his family can't afford, the teenager seeking work experience, the youth whose idleness may lead him to trouble. For many of them, it could be an aimless summer of dissipated energies.

I urge my fellow legislators to read the entire editorial which I ask unanimous consent be printed in the RECORD. This editorial, and the figures on unemployment in our major urban areas, make a strong case for further action to reduce unemployment. I will continue to fight for such action.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LONG, JOBLESS SUMMER

It will be a long, jobless summer for many Minnesota youths. The unemployment rate for people aged 14 to 22 in the job market—that is, actively looking for work—is expected to be from 14 to 20 percent. And that doesn't include those of the 400,000 Minnesotans in that age group who aren't looking for work, many of them too discouraged by the prospects to keep trying. The Minnesota Department of Employment Services expects the situation to be dimmer this year than last, when fewer than half the youths who registered at employment offices were placed in jobs.

There is at least one consoling factor: Things could be worse. Minnesota is better off than many areas; last summer the state was No. 2 in the nation in summer-job placements per capita. The youth unemployment rate in Detroit, by comparison, is 30 to 40 percent—including more than 60 percent of the city's black youths. Furthermore, there is some help on the way. The summer-jobs provision was rescued from the employment bill vetoed by President Ford earlier this year, and now the president has signed a bill providing $473 million for 840,000 jobs nationwide.

Minnesota will get $5.5 million of this total, about half of it going to the Twin Cities area. Rep. Donald Fraser said it will mean about 3,000 jobs for young people in Minneapolis. Also, the Legislature this year passed the governor's Youth Employment Act, which provides $2 million this summer for 4,000 jobs in the state, about half of them in the metropolitan area. Another effort is Mr. Ford's "one for 40" plan that urges federal agencies to hire one temporary employee for every 40 people regularly employed. That could mean 300 to 400 extra jobs in the Twin Cities area this summer. There also are a number of private efforts under way, including those of the National Alliance of Businessmen and the YMCA.

Most of these jobs will go to youths from disadvantaged families—those on welfare or below poverty-level incomes. For many poor families, the income will be important; in some cases the youth may be the only person in the family with a job.

But middle-class youths are either ineligible for the government programs or have a low priority. Their situations may not be as critical as those of poor families, but nonetheless pose some difficult problems for many: the college student seeking funds for next school year, the youngster whose parents would normally expect him to buy his own school clothes or otherwise ease the family budget, the high schooler trying to earn money for purchases his family can't afford, the teen-ager seeking work experience, the youth whose idleness may lead him to trouble. For many of them, it could be an aimless summer of dissipated energies.

A RELIGIOUS FAMILY'S CHOICE FOR ABORTION

Mr. PERCY. Mr. President, I believe that many people earnestly feel that abortion is against God's will and that only people who shun religious principles believe that women should have the right to choose legal abortion. Many individuals also feel that support of a woman's right to choose legal abortion is commensurate with a disrespect for human life.

Anyone who holds these views should, in my view, be aware of the experience of a couple in New Jersey. The Office of Family Ministries of the National Council of Churches in New York has made available a sermon given by the Reverend Herbert B. Yeager, Minister of Parish Life, Union Congregational Church, Upper Montclair, N.J. Reverend Yeager relates how he and his wife, not in conflict with their strong religious beliefs but in accordance with them, chose abortion. I commend it to the attention of any individual who finds it difficult to reconcile legal abortion with reverence for God and human life. I ask unanimous consent that Reverend Yeager's sermon be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

"GIVE US OUR DAILY BREAD" MATTHEW 6:11

Prayer: May what we say, what we do, what we feel, express your love, O Lord. Amen.

"Give us our daily bread". How many times have you heard that expression? As a matter of fact, how many times do you think you have said that in daily speech or in prayer? If you really think about it, you might be overwhelmed, it is sort of awesome. I would guess that each of us has used that phrase thousands of times! Better yet, how many times have you heard minister preach on that phrase? Everyone in his or her right mind, and not in his or her right mind, has used it as a sermon title. Maybe you have heard it 50 times, or a 100 or even more. No, our sermon title this morning is certainly not one to be classed as unusual or radical; in fact, it is almost mundane. Yet, in spite of the number of times we have used that phrase, I wonder if we have ever thought very hard about it, I would suspect we would have many, many different interpretations of what it means.

Because of the events which have happened in Judy's and my life in the past couple of weeks, that phrase has taken on a new and clearer meaning for me. Last Fall, Judy and I discovered that we were going to have a baby. Since we were 39 years old, we asked our doctor about the advisability of having the process known as amniocentesis. For some reason, and doctors have never been able to completely figure out why, the older women get, the possibilities of producing an abnormal child increase. So at the age 39, there is a possibility of approximately 1 in 200 that the child might have what is known as "Downs Syndrome", that is, mongolism. The doctor agreed that it was indeed very advisable for us, at our age, to have amniocentesis.

The process has been most developed for general use in the past 5 years and is really very simple. A little bit of the amniotic fluid is taken and then the cells are grown. Genetic researchers are then able to look at and take pictures of the chromosomes of the child and discover any abnormalities.

What a fantastic world we live in! To actually be able, from this method, to see what a child's major characteristics for the rest of his or her life will be, even before birth!

Two weeks ago, Judy and I met with some of the top doctors in the country in the area of genetic research at the Mount Sinai Hospital Division of Medical Genetics in New York City. We were informed that indeed our potential child was not normal. A rather rare splitting of the initial cell had occurred, a split which occurs in about 1 in every 1200 of our age. What it meant was that the embryo had an extra chromosome. Often we think when we have something extra, that is good, but in the case of chromosomes, that is bad. There were 3 X chromosomes where there should have been 2. The meaning of this, from the research which has been done, is quite negative.

People in whom this abnormality has been found most, and where much of the research has been done, are untreatable persons in mental hospitals, and unrehabilitable prisoners in prison. We were told all the facts the doctors had, and they shared everything with us. At best, the child would be retarded with some anti-social behavior. But the chances were very high that the child would be either very retarded—that is, untrainable in any way—the child would be without a conscience. There would be no ability to distinguish right from wrong no matter how much love, support and help was given, because that potential for distinction would not be there. In either case, the child would probably have to be institutionalized from about the age of 5 or 6, for the rest of her life, which could be 70 or 80 years.

We had only a few days to decide what to do since there was only one week left when a termination of the pregnancy could be done legally. There was no advice that could be given to us, only all the facts. Judy and I were put in the position of making ultimate decisions. It certainly was several of the most agonizing and painful days of our lives. But as we talked with each other; as we talked separately with individuals; as we individually contemplated, meditated, sweated and prayed, we both came to the same unanimous conclusion—we could just not knowingly bring such a child into the world. In this case, for us, the loving thing to do was to terminate the pregnancy.

The decision having been made, and the arrangements set in motion, then we had to accept and experience the whole process of deep grief. Now we are on the other side of that experience, and strangely, in many ways it has been, in spite of the agony (or maybe it has been because of the human agony, the human feelings, the human experience) a beautiful experience. It has been an experience of growing awareness of daily bread.

I know that is a pretty heavy story to lay on you, as we say in the modern day, but that is "our story". Some of you may pick me up on using the pronoun "we"? After all, I cannot speak for my wife, I have to speak for myself. Well, in this case I can say "we". Judy doesn't usually read my sermons—she takes her chances like the rest of you—but in this case she did read it and she said "yes" to all the "we's" that are used, so I've covered myself on that.

One of the things which has struck us was that the ability to deal with, to confront, to work through this crisis, this situation, did not just automatically drop out of the blue. The strength to really confront, to live through, and come out on top of this experience came as a developing experience of daily bread.

We have consciously and unconsciously been growing in our lives, and we feel that growth; growing in our openness and sharing with each other; growing in our openness and ability to share with other people; growing in our ability to allow others to share with us. We have had to face difficult decisions before, just like everyone here—that is a part of life—that is life. We have felt pain and hurt before just as everyone here has felt pain and hurt, because that also is part of life which gives meaning to life.

But along the way we have also had many experiences of being loved—not people just "saying" it, but knowing and feeling being loved by people; experiences of being supported by people; of being concerned about by people without being judged; of feeling that God was working in many ways in our lives to help us become more loving persons. Through our daily bread, those kinds of support systems have come from many strange places. Strangely enough, even through committee meetings and institutionalized kinds of process; small groups and family groups. So, in many ways, daily support has come to us. All of these open, sharing, loving, God-experiences of the past were what ministered to us and gave us strength in this crisis.

We were faced with, and just could not escape, really looking at the meaning of life, the whole meaning of life for us, as our beliefs informed us. We discovered more fully that we believe life—let me say the right to life—does not mean having a heartbeat and being able to breathe. For us, life, as God has given it, means to be able to give and, as importantly, to receive love. It means to be free not to wrestle and fight with life as an enemy, but to live life, to flow with life. to accept all the experiences of life as meaningful. It means to be able to make decisions no matter how hard they may be. It means to see and experience the whole of life—the good, the bad, the warm, the cold, the whole thing.

I worked with people at Danvers State Mental Hospital in Massachusetts when I was doing my clinical training, who were, I realize now, the kind of persons that were the same as the person we would have brought into the world. That is not life! That is the existence (that's the best I can say for it)—a life of pain for us, the child, and for society—to which we would have condemned our child.

We discovered the amazing things happening in research. You always think of researchers as cold, hard and factual. Yes, they have to deal with facts and very precise and technical work. But, much to our wonderful surprise, we found the researchers at Mount Sinai to be some of the warmest, human-concerned, supportive people we have ever met. Do you know that it is possible for people with hereditary malfunctions to find out before the birth of a child if that child is carrying those hereditary malfunctions? In many cases, if the child is carrying a malfunction, it is often possible to do things even before the birth of the child, or at the time of the birth which can help the child who before would have had to live a sheltered, protective life, now live a full, active, whole-person life. Our minds were blown with the knowledge we have today to help people be whole and full persons.

We discovered again, and always with some amazement, the warmth, the love, the concern, the support of people when you share with them what the real story is and don't play games, and then, allow them to be warm, loving, concerned and supportive.

Then, in all of this, we faced the decision of what to tell you, the church. Some of our dear friends who were concerned for our feelings suggested that we could simply tell people we lost the child. But Judy and I couldn't do that, for that would be to deny what we had believed and preached for some time. We believe that God and the strength of God is often found as people share not only the joys of life, but as they share the sorrow and pain. We believe it is possible to confront and deal with anything with that kind of support. What would we have felt like to believe that, encourage people to be open, sharing, loving people, and then turn around and play games with the whole church? No, that just wasn't our style. Besides, by taking the less than truthful way out, we would also have taken away the opportunity of sharing the knowledge we have discovered.

Yes, we realize there will be some people who just don't want to hear and be a part of our story. We know there will be some people who will not be able to accept the decision that we made for ourselves. There will be some people who will tell us, "you were wrong". But we feel that our decision was right for us, based on what we believe. In no way could we ever say that our decision is The Right decision for all people at all times, because that position would be just as bad. Because belief is a very individual thing, and it grows and changes even as people, times and knowledge do, each decision, particularly these crisis decisions of life, must be made by the persons involved based on their beliefs, hopefully, with the love and support of the people around them. Therefore, we cannot sit in judgment on other people's decisions because someone in the same situation might tomorrow decide the opposite, and that would be right for them. No, we cannot sit in judgment on other people's decisions, we can only support and help them make the decisions which are right for them, based on their beliefs. Likewise, we do not feel the need to accept the judgment of others on us. We do accept their help, love and support.

"Give us our daily bread" is followed by another phrase, "and forgive us our trespasses (or debts) as we forgive those who trespass against us (or as we forgive our debtors)". That's grace, and that belief, that knowledge of forgiveness is very helpful and supportive. For it means that as long as you have really dealt with your faith; you have really dealt with your decision; you have confronted yourself, your belief, your situation, your God, and in a sense have agonized over them and not just flippantly made a decision, then God forgives whatever your decision may be and you can feel at peace with your life and your decisions. It is wonderful to realize and believe in God's Grace!

Not one of us could ever dare say that he or she has all knowledge; that he or she has all the answers; that he or she has the whole faith. For even if God dumped it all on us at one time, you and I would be incapable of receiving it. So how do we get our faith, our belief? How do we get the strength to deal with decisions? It is not all at once. It is through our daily bread which is given every day. Through daily bread our faith can grow.

Daily we receive the bread of God through prayer, through people's knowledge—and they have fantastic knowledge—through people's talents and abilities which God has given them and they have developed, through love which comes from God and can be expressed through us. Our daily bread can even come through a Governing Board meeting. It can come in this sanctuary. It can come in the coffee hour.

I do not believe it was the will of God that we should have an abnormal institutionalized child. I do not believe that it was the will of God that we should be tested and decide to terminate the pregnancy. I do believe that how we deal with the whole situation, how we share it, the good it may bring to others can express the will of God which is love.

Friends, God, I assure you, does give us our daily bread, not partially, but in an overwhelming abundance. If you want to see your daily bread, all you have to do is look around you. Look at the people right here, because the daily bread is coming through them. Look within yourself and you will discover and be amazed at the strength and spirit of God that is there. God gives to us our daily bread so we can face, deal with and affirm all things which come to us as part of life. God gives us our daily bread. Let us pray that we can allow ourselves to learn to receive and partake of it. Amen.

APPENDIX

Some Background on and Further Thoughts of Herb and Judy Yeager.

Herb and Judy Yeager have been married for 12 years. Herb is an ordained United Church of Christ minister; Judy is a trained librarian, especially in the area of children's literature. Herb and Judy did not have any children for 8 years, not by "design", but "nothing happened". They went through tests for fertility in both of them, but nothing was found which would prevent conception. Just before starting adoption procedures, they became pregnant (as often happens). They now have an "almost" 4 year old daughter, Jennifer who is a healthy, normal child.

At one point before the birth of Jennifer, Judy is quoted as saying, "I believe people should have the right to have an abortion, but I could just never conceive myself having one". Yet, faced with the situation, both Herb and Judy felt very "right" and "good" about having this abortion. Therefore, they are both very hesitant in making any "once and for all" pronouncements, since they believe that as people grow, as faith grows, as knowledge grows, as the revelation of God grows, we do change ideas and viewpoints.

As far as the future is concerned, if Herb and Judy wish to conceive and try to have another child, that is possible and they would be taking no more and no less chances than any other couple their age. They have not decided if they wish to or not. Both were delighted by the fact they were going to have a baby, but they did not feel that their being as persons and as a family hinged on having a baby or not. They have also considered adopting an "older" child.

One of the factors which fed into their decision to terminate the pregnancy was the fact of age. Under any of the possibilities for what the child might have been, at the age of greatest need, ie., in middle and late teens, they will be in their late fifties and would probably be less able to handle emotionally and financially the needs of the child. In this particular case it was the inability to receive love and a loving environment which had a lot of weight in their decision making. Other kinds of abnormal children do at least have the ability for feelings and love, but this particular "Trisomy triple X Syndrome" is without that kind of ability.

Both Herb and Judy do not feel that abortion is "right" nor do they feel it is "wrong", but they feel that people have to have the right to make decisions, to confront themselves, their beliefs, God, society, etc., and make decisions which they can feel right about and live with. They do not feel that the right to say what life means is the prerogative of a government or of a church, but God has given persons the ability and responsibility to make that kind of statement for themselves.

It is interesting, in public both tend to use the phrase "terminate pregnancy", since we have found that the word "abortion" carries a lot of baggage and emotion with it for most people, whereas the phrase does not. In private they talk about abortion, but in public talk about terminating the pregnancy.

Herb and Judy feel it is essential that more people find out about the kind of helps and research available to them today, for it does not cost a great deal, and with greater usage could cost even less.

As a closing note, the local church here has been tremendously supportive, concerned, and helpful. The response to the sermon was great appreciation for the sharing, and aided people to become more open in expressing and seeking help for situations of all kinds in their lives.

POSTAL SERVICE QUESTIONED

Mr. McGOVERN. Mr. President, there are few people in the United States today who are satisfied with the quality of our postal service.

In my State of South Dakota, for example, we are being told that the quality of service can be maintained by reducing the number of carriers and clerks and eliminating many third- and fourth-class post offices. This is simply not true.

The Postal Reorganization Act of 1970 contains one fatal flaw—that USPS become economically self-sufficient. That cannot be accomplished if we are to maintain adequate postal service for the American people. It cannot be done if we are to insure the free flow of information through newspapers, periodicals, and other publications at reasonable rates. It cannot be done if postal operations pivot around cost-cutting practices that disregard the service aspect of the dispatch and delivery of mail.

We must make appropriate changes in the present law to provide for a permanent, realistic, and adequate subsidy for postal operations from general funds. It is only in this way that we can secure and maintain the kind of postal service this country must have.

Some of the problems and challenges of the postal operations were discussed by Gerald Clarke in an essay in Time magazine. I ask unanimous consent that his essay be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

WHY THE POSTAL SERVICE MUST BE CHANGED

(By Gerald Clarke)

The Post Office, an organization older than the republic itself, went out of existence four years ago. Amid proud speeches and high hopes, the new U.S. Postal Service took its place. The Post Office's emblem, a galloping pony express rider from the 19th century, was replaced by a sleek 20th century eagle, and the Postal Service, a quasi-independent Government corporation, was expected to be equally up to date. Its assignment was not only to deliver the mail fast and efficiently but also to pay its own way within a few years, phasing out a 200-year-old subsidy from the American taxpayer.

So much for good intentions. Instead of combining the efficiency of private enterprise and the Government's concern for the public good, as its designers had anticipated, the Postal Service is increasingly unsuccessful as a business and hurtful to the public welfare. The new eagle has no wings. Today postal delivery is no better than it was under the old Post Office, and in some cases it is worse. The Postal Service, which has a current budget of $12.6 billion, is now running a deficit of more than $820 million, over and above a federal subsidy of $1.5 billion. Unless it receives a huge infusion of cash, it could face bankruptcy. (As a corporation, the Postal Service can actually go bankrupt, though the Government, of course, is always there to bail it out.)

Postal rates, moreover, have risen and are still rising so rapidly that many users will soon be priced out of the market. Major voices in America's free press, among the nearly 10,000 magazines and hundreds of mail-delivered newspapers, are threatened with extinction. Two questions must now be asked. What went wrong? And more important: What kind of postal service does the U.S. need?

The first question is the easier. Just about everything went wrong. To begin with, the top-management, recruited from business, was remarkably unbusinesslike. Elmer Klassen, who was Postmaster General from January 1972 to February 1975, always seemed uncertain about what the Postal Service should be. He let people go, and then, when operations deteriorated, hired others to take their place. The Postal Service, which spends 85% of its budget on labor, now employs 700,000, making it, after the Bell System, the nation's second largest corporate employer.

To raise its wages to the level of private industry and also to win valuable allies against congressional critics, the Postal Service in 1973 gave the seven postal unions an overly generous settlement: an increase that amounted to 23% in wages and benefits over two years. Postal employees now earn considerably more than comparable Government workers; a beginning postal clerk, for example, makes $10,898, while a Government clerk in a roughly similar area starts at $8,500. Most remarkably, if postal workers were paid at the same rate as Government employees, there would be no postal deficit at all this year. Moreover, postal employees have also written into their 1973 contract something quite unusual: a guarantee against their being laid off, a *quid pro quo* supposedly for their pledge never to strike. That promise, however, has not prevented them from threatening to strike when their present contract expires on July 20.

Inflation has hit the Postal Service even harder than most other enterprises. Just the increases in fuel prices—the Postal Service is the nation's biggest gasoline user—have added $162 million to its costs since January 1973. The only successful cost cutting that the corporation has managed has been at the expense of service—reducing the number of collections, for example, and putting mailboxes by the curb in new housing developments rather than by the door, so that the homeowner and not the mailman has to do the walking.

Faced with all these problems, Klassen's successor as Postmaster General, Benjamin Franklin Bailar, a former vice president for international relations at American Can Co., gives the promise of providing more efficient administration. He is young (41), analytical and decisive. Even if the Postal Service had had good management from the start, however, it would still be in deep trouble today.

The law that created it contains such glaring contradictions that the Postal Service is virtually destined to fail. On the one hand, it is expected to break even; Government subsidies are even now being phased out, with 1984 as a hoped-for cut-off date. On the other hand, it is expected to provide all kinds of public services—many of them money losing—that Americans have depended on for generations, and still depend on today. "The Postal Service," says the law, "shall have as its basic function the obligation to provide postal services to bind the nation together through the personal, educational, literary and business correspondence of the people." Yet "postal rates and fees shall provide sufficient revenues so that the total estimated income and appropriations to the Postal Service will equal, as nearly as practicable, total estimated costs of the Postal Service." The past four years have shown that no U.S. postal operation can be a true public service and at the same time break even on costs.

Until recently, U.S. postal operations were no more supposed to pay their way than were the Army, Navy or dozens of other federal departments set up to serve the people. The Second Congress in 1792 started the practice of subsidizing the Post Office, and succeeding Congresses continued it. Those early legislators realized that the Post Office was something quite different from a business; it was a means of uniting a sprawling, diverse country and holding it together.

For that reason, the Post Office encouraged newspapers by offering them low mailing rates. During Washington's Administration, a congressional committee explained: "The circulation of political intelligence is . . . justly reckoned among the surest means of preventing the degeneracy of a free government." The policy worked; the Post Office's cheap rates were the most important single factor in the development of the U.S. press. From 1801 to 1830, the number of newspapers in the country increased from 200 to 1,200.

The press was not the only beneficiary of inexpensive service. Almost everyone benefited in one way or another. From the days of Daniel Boone onward, for instance, the pioneers had mail service, at great cost to the Treasury. Postal deficits—and Government subsidies—were expected as a matter of course. From 1851 until 1971, when it went out of business, the Post Office made money in only 13 years. Before the turn of the century, its subsidy was far larger in proportion to the national budget than it was in 1970, and postal officials were constantly seeking ways to extend—not curtail—services.

Today the U.S. is the only major country that expects its postal operations to be in the black. All other major nations subsidize their post offices, either directly—or indirectly by transferring funds from government-owned, moneymaking phone and telegraph operations. The fact is that the Postal Service cannot be run from its own revenues. Consider the pricing upheavals and dislocations in service that a truly "businesslike" postal service would cause:

A letter, which now costs as much to travel only a block in Manhattan as it does from New York to Los Angeles or Anchorage, would have to bear its actual cost. The local letter might cost a nickel, but the long-distance letter might be a dollar.

Postmen, who now deliver mail to the Havasupi Indians at the bottom of the Grand Canyon just as they do to the densely populated cities, would find it too expensive to continue such deliveries. The Havasupis, as well as Maine loggers, Wyoming ranchers, Kansas farmers and any other Americans who live in sparsely populated areas, would have to pay a great deal extra for service. Or do without mail.

The Postal Service, which maintains 30,780 post offices—18,000 of them in small towns, hamlets and hollows—would have to shut offices wholesale.

Residential deliveries, which used to be two a day, would have to be cut back even more, perhaps to twice a week.

A truly "businesslike" operation, in short, would serve perhaps two-thirds of the American people one-third of the time. Financially, it might break even, but politically and socially, it would break many links connecting Americans.

To provide the services that are rightly expected of it and still try to hold down its deficit, the Postal Service has instead raised its rates again and again. Since 1971, the cost of sending a letter has gone up 67%, second-class (magazine and newspaper) rates more than 90%, third-class (bulk advertising) rates 57% and fourth-class (parcel post and books) rates 6% to 39%. The rises are continuing on a step-by-step schedule. Next year, for example, the total increase for second-class service will bulge to 175%. On top of all that, Seymour Wenner, the chief administrative law judge for the independent Postal Rate Commission, recently recommended that second-, third- and fourth-class rates be raised still higher. First-class postage would be reduced from 10¢ to 8½¢, but the saving for the great majority of people would be more than outweighed by higher costs for everything else. If Wenner has his way, second-class rates would go up to five times what they were in 1971. Nor is that all. The new postal workers' contract now under negotiation will almost certainly raise costs and rates yet higher. Time, whose postal costs jumped from $3.7 million in 1970 to $7.5 million in 1974, would have to pay an estimated $36 million in 1980; other publications would face proportionate increases.

The figures are particularly ominous for publishers of magazines and newspapers, from the *Wall Street Journal* to many hundreds of rural dailies and weeklies that depend on mail delivery, and for book and record clubs. The most prosperous publishers, such as Time Inc. and the Reader's Digest Association, Inc., would probably survive, though under great strain. To meet their costs, they would either charge their subscribers far more than they do today, raising prices beyond the reach of many, or they would try to find cheaper means of distribution.

But hundreds of smaller publications would die. Americans would be deprived of many of their sources of information: those small journals from left, right and center that vent ideas and minority points of view; religious journals; magazines for farmers, union members, children, hobbyists or anybody else with an unusual or special interest. Anything printed that is distributed by mail would suffer. The major loser would be the nation itself.

And for what gain? In dollars and cents for the Postal Service, very little. Magazines and newspapers now contribute only 3% of total postal income. If rates are doubled, the magazines' and newspapers' contribution to total postal revenues will rise to only 6% or less—and then quickly drop as many magazines and newspapers quit publishing while others lose subscribers or find other ways of delivering their issues. Already the *Wall Street Journal, McCall's*, the *Reader's Digest* and *Better Homes and Gardens* are experimenting with alternative systems, including private delivery companies. Time will soon join them. (By law, only the Postal Service can deliver first-class mail and have access to private mailboxes; with certain exceptions, the other three classes are open to competition, though private deliverers cannot use mailboxes.)

If private distributors are successful, the Postal Service will sink into much deeper trouble. The private carriers would take away business in cities and suburbs, where high volume makes it easier to turn a profit, and leave to the Postal Service the rural, low-population areas, which are gross money losers. The prospect would be a never-ending spiral of higher rates, lower volume and deteriorating service. As rates went up, more customers would flee, and rates would have to go up again.

Already the spiral is beginning. Since 1969, because of high rates and poor service, the Postal Service has lost about one-third of its parcel post business to private companies. This year, for the first time since the Depression, total mail volume—not just parcel post—is down. Reason: rising rates in a time of economic recession. Postmaster General Bailar, along with nearly everyone else who has studied the problem, warns that the vastly higher rates proposed by Wenner would shrink volume still further. Yet, adds Bailar, "the fixed costs of postal service would remain," and thus rates would have to jump even further.

What should be done? One suggestion in Congress is to turn the Postal Service completely over to private enterprise, making it either a regulated monopoly, like the telephone industry, or setting up several competing postal systems. Illinois Representative Philip Crane has even introduced a bill to end the Government monopoly of first-class mail and open it up to private competition. Such systems might work in heavily populated areas, but there would be no profit in serving the rest of the country. Congress would then have to provide big subsidies to serve less populated areas or allow the private postal systems to charge much more for mail delivery to those points.

Another proposal, put forth in a bill by Texas Democratic Representative Eligio de la Garza, is to kill the Postal Service and bring back the old Post Office under total Government control. The trouble with this idea is that it invites a return of the abuses and inefficiencies of the Post Office, which was inflexibly bureaucratic and ridden with politics. The virtue of a Government corporation is that it can make appointments on the basis of merit alone, transfer funds as it thinks best without bureaucratic controls, and plan ahead and borrow money for modernization.

Considering the alternatives, the quasi-independent Postal Service should be retained, but it must be changed—and quickly.

The solution lies with Congress. First, it should declare unmistakably that the Postal Service is in fact a service and not a business that should be expected to break even. It will always have to receive Government money if it is to do the job the public needs and wants. A bill now in Congress to provide the Postal Service with a subsidy of up to 20% of its operating expenses is a sensible recognition of this fact. Says New York Democratic Representative James Hanley, who is head of the House Postal Service Subcommittee and the sponsor of the bill: "There's no way the traditional concept and quality of the Postal Service can be maintained at a break-even level." Former Postmaster General Lawrence O'Brien agrees. Says O'Brien, who proposed the idea of a separate corporation in 1967 and who now feels that various changes have turned it into a monster: "At no time did we envision the Post Office as a profit-making entity. There has to be an equity, a balance in the service to allow communication with the American people. We had no idea that this would be inhibited or destroyed."

Second, Congress must take back the power to review rates. Postal rates are so enmeshed with the public service role that they should be responsive to the will of elected representatives and not left simply to an administrative law judge and a commission appointed by the President without customary Senate approval.

Beyond that, while respecting the Postal Service's independence, Congress must oversee its functions much more closely. In washing its hand of postal matters in 1971. Congress abdicated a responsibility for postal affairs that was set out for it in the Constitution. The lawmakers might well refer to the words of George Washington, who spoke of the Post Office as the indispensable chain binding Americans together.

DR. LILLIE M. JACKSON

Mr. MATHIAS. Mr. President, this week Baltimore mourns the passing of Dr. Lillie M. Jackson, a personal friend of mine and an indomitable force for progress who was for more than a generation at the very front lines of the civil rights movement in Maryland and the Nation. A review of some of her efforts—to desegregate public swimming pools, to put blacks on the Baltimore City Police Force, to open the University of Maryland to blacks—shows how great the changes in our society have been over the period of her career. Her vigor and her respect for the law, her political skill and her integrity, all made her in the words of the Baltimore Sunpapers "an inspiration to her family, her race and her community." I ask unanimous consent that the Sunpapers editorial and the Washington Post article reviewing her career be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Baltimore Sunpapers]

Dr. Lillie M. Jackson

The death of Dr. Lillie M. Jackson is a reminder of how far black Americans had to come, and of how far they have come within the lifetime of one of their pioneer leaders. When Dr. Jackson first became active in the Baltimore branch of the National Association of Colored People in the late Twenties, it was a moribund organization indeed. The local NAACP had been a force to contend with around 1911 and 1912, when Baltimore Negroes faced harsh resistance in their migration from the southern to the northwestern part of the city. But it fell into decline, becoming just a baker's dozen of well-meaning people who accomplished little and protested only feebly when Maryland was still suffering the shame of lynchings on the Eastern Shore. It was in this situation that Mrs. Jackson showed her mettle in a membership drive and became president of the Baltimore NAACP in 1935. Under her combative but vigorously constitutional leadership, this city and state moved to the forefront in the civil rights movement that was to transform America.

The Baltimore branch of the NAACP, or its state conference, instituted legal action that desegregated the University of Maryland Law School, fought restrictive convenants in sales of houses, pushed through equalization of teacher salaries for persons of all races, broke the color bar in librarian courses offered by the Enoch Pratt Free Library, decried discrimination against black customers in department stores, put blacks on the Baltimore police force and campaigned against swimming pool segregation. It is quite a list—a list of the various causes that finally culminated in the Supreme Court ban on school segregation and all the great legal turnings that followed from this decision. Dr. Jackson's role is instructive. It shows that the civil rights movement was not an impersonal, automatic phenomenon but a quest for human decency that required the fervent commitment of many individuals.

Dr. Jackson was one of these, and therefore one of our community's illustrious citizens. Her accomplishments provide an impressive record of things done and point the way to the many, many steps still to be taken if our society is to achieve its promise. Always constructive, always indomitable, always a seeker after the rights that should be guaranteed to all Americans, Dr. Jackson was to the end an inspiration to her family, her race and her community.

[From the Washington Post, July 7, 1975]

Lillie M. Jackson, of NAACP

(By Martin Weil)

Lillie M. Jackson, 86, one of Maryland's foremost civil rights advocates for decades as the longtime head of the NAACP in Baltimore and on the state level, died in her sleep Saturday at her Baltimore home.

An able organizer and impassioned orator, Mrs. Jackson headed the Baltimore chapter of the National Association for the Advancement of Colored People from 1935 to 1970, and led the civil rights groups Maryland conference from 1942 to 1962.

During her tenure in both these posts she played a leading role in efforts to open stores, schools, jobs, neighborhoods and voting rolls to blacks.

In winning her victories, Mrs. Jackson made use of lawsuits and legislatures and door-to-door organizing in Baltimore's black ghetto where she spent almost her entire life.

When she became president of Baltimore's NAACP branch it had fewer than 10 members. Mrs. Jackson built it to a peak membership of more than 20,000.

In 1935, in the first step in a long campaign to open then-segregated state universities to blacks, the NAACP brought suit in Baltimore to open the University of Maryland's law school there to a black student.

That suit was ultimately successful. Later suits opened the doors of other graduate units of the university. In at least one of them, Mrs. Jackson enlisted a member of her family as a plaintiff.

Shortly after World War II, Mrs. Jackson's daughter Juanita, Mrs. Clarence M. Mitchell Jr., recalled last night, "my brother-in-law wanted to go to graduate school (in sociology) at College Park."

Mrs. Jackson "got him to be a plaintiff. We went to court. He broke the barriers" against admission of blacks at the university's graduate division at College Park.

Mrs. Mitchell's husband is director of the Washington bureau of the NAACP. Her brother-in-law who holds a masters degree from the University of Maryland is Parren J. Mitchell, a U.S. congressman from Baltimore.

When her mother began her work, Mrs. Mitchell (a lawyer) said, Baltimore and Maryland were among the most thoroughly segregated jurisdictions in the nation.

"Mother believed in suing Jim Crow out of Maryland," Mrs. Mitchell said.

"We were all young people when mother started. She challenged all of us," Mrs. Jackson added. "We were challenged to work through the NAACP for our own liberation. Always within the law, but changing the law to get the corrections we needed."

In 1942 Mrs. Jackson's Baltimore NAACP chapter began the long struggle to register voters that eventually brought blacks to public office in the city and state.

At the time there was only one place to register, in a downtown courthouse basement. Registration was held only on working days, and ended at 4 p.m.

Mrs. Jackson organized campaigns to drive blacks downtown to the courthouse, which some found forbidding. Eventually the days, hours and number of locations were increased and so did the numbers of black voters.

During the first campaigns in which black sought office, Mrs. Jackson went from door to door in black neighborhoods, exhorting residents to "leave that washing, come on," and vote, her daughter recalled.

When tensions mounted in the wake of killings by the police in Baltimore in 1942, Mrs. Jackson led 2,000 persons on a march to the state capital in Annapolis.

It led then-Gov. Herbert O'Conor to set up the state's first Interracial Commission and to appoint Mrs. Jackson to sit on it. Dissatisfied with the panel's progress and concerned about her future freedom to protest, Mrs. Jackson resigned and resolved not to accept appointed office again.

"God opened my mouth," she said. "No man can close it."

Mrs. Jackson was born in Baltimore and graduated in 1908 from the Colored High and Training School, a combination secondary and teacher training school. After teaching for two years she married Keiffer Jackson, a traveling exhibitor of religious films.

After traveling throughout the South for eight years, the couple returned to Baltimore, where Mrs. Jackson established a reputation for speaking out at churches and mass meetings against racial discrimination, denouncing it as ungodly.

Among the acts of discrimination that angered her were the refusal of the Maryland Institute to admit her oldest daughter, and the refusal of the University of Maryland in 1929 to admit Mrs. Mitchell.

After taking the helm of Baltimore's then dormant NAACP chapter in 1935 she joined with the black churches and the Afro-American newspaper to organize community residents on a broad scale, her daughter said.

"She made them feel the NAACP was the channel through which God wanted us to work for our own liberation . . . within the Constitution."

Her efforts included programs to put blacks on the Baltimore police force and to desegregate local swimming pools.

Mrs. Jackson also traveled around the state or organize Maryland's first state conference of NAACP branches.

She received an honorary doctorate from Morgan State College in 1958.

On Mother's Day last year, Baltimore Mayor William Donald Schaefer proclaimed the occasion Dr. Lillie M. Jackson Day.

Asked for a message for the city's blacks, Mrs. Jackson said: "Get together children, in unity there is strength."

In addition to Mrs. Mitchell, survivors include two daughters, Virginia J. Kiah, of Atlanta, and Marion D. Smith, of Los Angeles, a son, Bowen K. Jackson, of Baltimore and 10 grandchildren and nine great grandchildren.

DEATH OF FREDERICK E. BATRUS

Mr. McGEE. Mr. President, a distinguished Federal executive, an attorney who served 27 years in the postal service and rose to the rank of Assistant Postmaster General in charge of some of the most complex facets of the old Post Office Department and the U.S. Postal Service, was recently taken by a heart attack at the untimely age of 60 years. I speak of Frederick E. Batrus, a man for whom I, along with thousands upon thousands of others who knew him, had great respect.

Mr. Batrus, a native of Pennsylvania and a graduate of the University of Pennsylvania and the Dickinson School of Law, entered the Post Office Department in 1946 after distinguishing himself in the Army of the United States during World War II. Enlisting as a private, he later was commissioned an Infantry officer and earned the Silver Star, Bronze Star and Purple Heart in Europe. Later, he was chief trial judge advocate for the Army in Paris.

As a member of the postal service, Fred Batrus served as an attorney in the office of the general counsel, as Assistant Postmaster General for transportation, Executive Assistant to the Deputy Postmaster General, and Assistant Postmaster General for engineering and logistics. In all those positions he served ably and was a fount of information, not only for his various superiors in the Post Office, but also for the Members of Congress concerned with postal affairs.

Mr. President, I know there are many members of the Senate who will join me in expressing deep sympathy to Mrs. Batrus, her son and daughters on the death of a very good man.

JOE D. HALL IS PROMOTED

Mr. BELLMON. Mr. President, since 1971 the Bureau of Reclamation's Oklahoma City Planning Office in the Southwest region has been ably headed by Joe D. Hall, a veteran of 14 years of Federal service. In his position, Joe Hall has been responsible for coordinating Bureau planning activities for the State of Oklahoma and portions of Kansas and Texas.

Joe Hall has been an effective spokesman for the Bureau's program and for coordinated water resources planning and development in the West. His dedicated and conscientious efforts have won him a multitude of friends and admirers of which I am one. Regrettably, Oklahoma is now losing his services since next week Joe Hall will assume duties as regional director of the Bureau of Reclamation's Lower Missouri region, headquartered in Denver.

As regional director, Joe Hall will be in charge of all reclamation activities in a region which encompasses eastern Colorado, southeastern Wyoming, northern Kansas and Nebraska.

This is a substantial promotion and Joe Hall is well equipped to handle the assignment. He has a varied background in Bureau construction and planning activities in the States of Oklahoma, Texas, and Kansas. He has demonstrated superior skills in working with the public, Members of the Congress, State and local officials, and other Federal agencies in coordinating complex water resource planning activities.

Mr. President, Joe Hall served my State well in the post he now leaves after 4 years. It is with the utmost sincerity that I wish him well in his new undertaking. He represents the highest type of Government official whose dedication to duty and technical competence vastly enhances the quality of service our Government delivers to its citizens.

TEACHER SALARIES AND THE U.S. ECONOMY

Mr. HUMPHREY. Mr. President, because of the serious inflation we have experienced in the last 4 or 5 years, wages in some occupations have not kept up with the rising costs of living.

An article has come to my attention by Parke B. Loren and Jeffrey M. Elliot dealing with this issue as it relates to teachers' salaries to economic growth as reflected by changes in per capita personal income. They believe this would be an equitable way for teachers to share in the rewards of economic growth.

I feel this article deserves serious consideration and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

TEACHER SALARIES AND THE U.S. ECONOMY

(By Parke B. Loren and Jeffrey M. Elliot)

Resolving the problems of school finance and teachers' salaries requires a glimpse into the future economy of the United States. Despite the current downturn, projections of economic growth in the U.S. over the next several decades anticipate a phenomenal expansion which can support extended educational programs and increased teacher salaries.

We are fully aware that altered economic conditions resulting from the energy crisis, ecological problems, and limitations of raw materials may have a modifying effect on the rate of U.S. economic growth. Furthermore, we realize that the economy of this country is affected significantly by the economic well-being of other nations. However, we believe that technological and scientific advances will reduce or counterbalance the adverse effects of current crises.

The January, 1975, issue of Money featured a discussion of future economic growth as projected by several leading forecasting firms. These forecasts suggest that the gross national product of the U.S., in constant dollars, will reach a growth rate somewhere between 2% and 6% by the end of 1975 and will continue at this level during 1976.

The April, 1974, *Survey of Current Business* reported that economic growth in total personal income (TPI) in the U.S., in constant 1967 dollars, rose from $313.5 billion in 1950 to $708.6 billion in 1970. The projected TPI for 1980 was $1,068.5 billion, and for 1990 was $1,517.2 billion. TPI will increase by 1990 to 2.14 times the 1970 purchasing power, according to this forecast. These projections assume an economic growth rate of 4.2% annually between 1970 and 1980 and of slightly less than 4% annually between 1980 and 1990.

While we believe that this growth rate is attainable, a reduction in the rate of economic growth will not alter the heart of our proposal: Educational funding and teachers' salaries should be tied to some valid index of economic growth so that those concerned will be able to participate equitably in the fruits of economic growth. We suggest that economic growth in the United States during the next two or three decades will support the educational services required for the leisure-oriented affluent, technology-based society which is currently emerging.

When these projected data are converted into per capita personal income (PCPI), we find a suitable justification for adequate salaries for teachers. The *Survey of Current Business* projects PCPI, again in constant 1967 dollars, of $4,780 in 1980 and $6,166 in 1990. Since the PCPI in this country was $3,188 in 1967, purchasing power should increase 49.94% from 1967 to 1980 and 93.41% from 1967 to 1990. Although a lower rate of economic growth would reduce these figures, we anticipate substantial economic growth prior to 1980 and 1990.

We believe that teachers' salaries should be tied to economic growth as reflected by changes in PCPI. We further propose that salary changes be determined by increases—or decreases—in the PCPI for the particular locale served by a school system. The average teacher salary in the United States in 1967 was $6,830. In 1971 the average salary had increased to $9,265 and by 1973 had reached $10,114. However, if the average salary had been bound to changes in the nation's PCPI, the average would have been $8,919 in 1971 and $10,599 in 1973. Note that our approach would have resulted in a reduction in the average salary in 1971 and an increase of $485 in 1973.

We offer the salary changes in the public schools of Dade County (Miami), Florida, as an example. In 1967 the average salary of Dade County teachers was $8,300. This average had increased to $10,435 in 1971 and to $11,886 in 1973. However, if these average salaries had been locked into the changes in PCPI in the United States, the average would have been $10,921 in 1971 and $12,881 in 1973. Furthermore, had the average salary been tied to the growth in PCPI in Florida, it would have been $11,933 in 1971 and $13,790 in 1973. Basing salary increases upon changes in the PCPI in the Miami, Florida, Standard Metropolitan Statistical Area would have resulted in an average salary of $12,074 for 1971. (Data for the Miami, Florida, SMSA for 1973 will not be available until May, 1975.)

If the average salary of U.S. teachers were bound to the nation's projected PCPI for 1980 and 1990, the $6,830 average for 1967 would increase, in constant 1967 dollars, to $10,240 in 1980 and to $13,209 by 1990. If the average salary of Dade County teachers were locked into the projected PCPI for the U.S. for 1980 and 1990, the $8,300 average for 1967 would increase, in constant 1967 dollars, to $12,445 in 1980 and $16,053 in 1990. However, if the average salary were tied to projections of PCPI in Florida, the average salary of Dade County teachers would increase, in constant 1967 dollars, to $13,200 in 1980 and to $16,995 in 1990. Naturally, adjustments for inflation would increase these salary figures.

We suggest that this approach to the determination of teachers' salaries would eliminate much of the friction which may adversely affect education. Since salaries in the private sector of the economy tend to change in concert wtih changes in the PCPI, the establishment of some fixed relationship between teacher salaries and the changes in the PCPI should provide some measure of fairness in the development of salary schedules. In such a system, educators would have to be prepared to accept the effects of possible downswings in the economy. However, such downswings would probably occur only in the event of pronounced economic dislocation which would affect the revenues of the school systems. Furthermore, these economic dislocations would also generate severe contractions in the private sector of the national economy.

Whatever the nation's economic future, educators must be prepared to play a central role in creating and preserving the stability of our society. Educators must become increasingly future-oriented in research, leadership, and service. Educational spending should be regarded as an investment in the future welfare of the nation—not as an expense to be avoided. We hope that educational leaders will accept this challenge.

THE AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

Mr. MATHIAS. Mr. President, the Administrator of the American Revolution Bicentennial Administration, John Warner, has a difficult job, often frustrating, but at the same time with the potential of a rich reward. He was handed a rudderless ship when the Bicentennial Administration was created from the wreck of the original commission in 1973 and he has done an energetic job. John Warner has traveled to 33 States in the past year to carry the Bicentennial message to cities and towns, Indian reservations and private foundations, enlisting their support and enthusiasm for the coming year. He has stretched very limited funds in an attempt to involve as many citizens as possible in our commemorative effort and he deserves our deep thanks.

Many worthwhile projects have been undertaken by the ARBA and by State and local Bicentennial commissions. In Maryland, Miss Louise Gore, chairperson of the Bicentennial commission for the State, has spearheaded a wide diversity of activities to celebrate Maryland's role in the founding of our Nation. Maryland can be extremely proud that the spirit and pride of the Revolution are being refreshed through historic studies, restoration and preservation of historic properties, exhibits and festivals which celebrate every facet of Maryland revolutionary history. We in Congress should encourage these efforts and hope that this spirit and pride can carry us succesfully into our third century. I ask unanimous consent that Maryland's county by county Bicentennial efforts be printed in the Record, together with a list of projects which the State Bicentennial commission has currently underway for the coming year.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COUNTY BICENTENNIAL PROJECTS IN MARYLAND

(1) Each county is preparing an update, revision and/or original county history at the request of Chairman Gore.

(2) Each county is participating in the Maryland Forest Service's "Tree Hall of Fame" program.

ALLEGANY

Heritage:

Historic Church Tour and Histories/United Church Women.

Restoration of Michael Cresap House, Oldtown/MHT.

Marking of Mason-Dixon Line, Rocky Gap Park.

Walking Tour of Washington Street/Operation Gateway.

Bicentennial Heritage Trail through Washington, Allegany, and Garrett Counties (200 points of interest).

Braddock's Trail—100 mile Hiking Trail.

Festivals:

Heritage Days—June 1975/Operation Gateway.

Bicentennial Theatrical Series—1975 (4 plays)/Frostburg State College.

Bicentennial Concert/Cumberland Choral Society.

Hospitality Days—September 11–14, 1975.

Bicentennial Book Teas/Allegany County Library.

Weekly Tours of History House.

Physical Fitness Gala/Physical Fitness Commission.

Bicentennial Half-Time—School Bands.

Christmas Caravan of Historic Homes—Lavale Century Club.

Dedication of Bicentennial Heritage Park—June 14, 1975.

Horizons:

Development of the Narrows.

Extension of C & O Canal to downtown Cumberland.

Fort Cumberland Interpretive Trail.

Bicentennial Information Center, Cumberland.

Replica of a C & O Canal Boat.

ANNE ARUNDEL

Heritage:

St. Anne's Church, Annapolis—Bicentennial Plans.

Chippendale Bench, Paca Gardens, Ark & Dove Chapter, Daughters of American Colonists.

Sundial, Paca Gardens, Peggy Stewart Chapter, DAR.

Completion of the William Paca House & Gardens with Interpretive Center containing exhibits illustrating 1776–86 events/Historic Annapolis, Inc.

Hancock's Resolution/Historic Annapolis, Inc.

Shiplap House (Harp & Crown Tavern)/Historic Annapolis, Inc.

Restoration:

John and George Barber's Store & Warehouse No. 2 (circa 1815)/MHT.

43 Pinkney Street (circa 1800)/MHT.

John and George Barber's Store & Warehouse No. 1 (circa 1800)/MHT.

Festivals:

"From Saddlebags to Satellites", Glen Burnie Improvement Association, 1976.

Commemorative "Peggy Stewart" Celebration.

Parades, July 4, 1976.

Bicentennial Program/Anne Arundel Community College.

Special Exhibitions/U.S. Naval Academy Museum.

Horizons:

Underground utility lines especially in historic districts.

Rehabilitation of blighted urban areas.

Graphic visitor information system/Historic Annapolis, Inc.

Community Park, Severna Park.

Information Centers.

Pilot Program—"Great Trees of Maryland."

BALTIMORE CITY

Heritage:

"My Maryland, 1776," & original musical focusing on underground railroad—Baltimore Actors Theatre.

Restoration of Taylor's Chapel.

Our Flag Youth Program.

Greenmount Cemetery brochures.

Baltimore Firsts.

John Hopkins Centennial Series.

Bicentennial Events/Community College of Baltimore.

American Freedom Train, Baltimore, August 1976.

Festivals:

Esto '76—July 5–11, 1976.

"Christopher Columbus," Yugoslavian Production, August 18–30, 1976.

International Doll Show, March 1976.

Indian Village, Baltimore Zoo Grounds, August 15–21, 1976.

Polish (July 4–September 30, 1976), Greek (August 1–7, 1976) & Italian Festivals (August 22–29, 1976).

Piper's Ball & Highland Games.

AAU Judo Tournament, April 23–24, 1976.

Sogetsu USA, May 1976.

Operation Sail, July 18–24, 1976.

Horizons:

Bicentennial Visitors Center, Fells Point.

Baltimore World Port Garden.

Pride in Baltimore, Guidebook/Events Calendar, Junior League of Baltimore.

BALTIMORE COUNTY

Heritage:

Museum projects, Essex, Catonsville & Lansdowne.

Restoration of Balleston Mansion, Essex.

Thumbnail sketches, newspaper series, Reistertown.

Historic film, Catonsville.

"Bicentennial Broadside", weekly articles on local events 200 years ago, Catonsville.

Community map, Catonsville.

Restoration & Dedication of Fort Garrison, Pikesville.

Timonium Mansions, restoration for community use, Timonium.

Mr. & Mrs. Black Maryland, tracing genealogy of 25 selected couples re contributions to family and community.

Written history of role of women in Maryland's history, AAUW.

Festivals:

"Spirit of '76 Bicentennial Ball", Eastwind, October 24, 1975.

Dundalk—May 1976.

Re-enactment of Battle of North Point—Film.

"One Nation Under God", ecumenical services—1976, Reistertown.

Period Costume Garden Party, July 1976, Reisterstown.

"21 Days Salute" to USA, June 14–July 4, 1976, Towson.

9 weekends of various events, July 4–Labor Day, 1976, Reistertown.

Collector's Display Day, March 8, 1975, Essex.

"Wake Up America" Relay Ride, 4-H Clubs on horseback through county, April 30 & May 1, 1975.

American Wind Symphony, Dundalk Passenger Terminal, June 7, 1976.

"Bicentennial Super Sunday", June 15, 1975, Essex.

Baltimore County Bicentennial Week-end, Towson—July 12–13, 1975.

"200 Houses to Signify 200 Years"—May 1–9, 1976, Pikesville.

Dundalk Community Fair—July 4, 1976, Dundalk.

Sunrise Service—Timonium Fair Grounds—July 4, 1976.

We Olde Woodlawn Crafts Festival, June 19–20, 1976, Woodlawn.

Horizons:

Time Capsule, Towson.

Bicentennial calendar illustrated w/historic prints.

"Franklin Woodland Trails," Reisterstown.

Furnishing "Reisterstown Room" in library, Reisterstown.

Historic Landmarks Tour Tapes, June 1975.

High School Art Contests, Bicentennial Logo, March 1975.

Tree Grove Planting, Towson.

Summer Language Camps, preparation of guides for foreign visitors, 1975.

Liberty Tree Grove, Towson.

CALVERT

Heritage & Festivals: Cavalier Days in Calvert County, Historical Folk Festival, May 30–June 1, 1975, May 29–31, 1976.

Horizons:

Visitors' Information Center, Prince Frederick.

Completion of Calvert Marine Museum, Solomons.

CAROLINE

Heritage: Goldsborough House, Greensboro-Caroline Co. Historical Society.

Festivals: Town celebrations and Commemorative "Spirit of '76" Youth Group.

Horizons: County-wide Community Center, Denton.

CARROLL

Heritage:

Bicentennial Source Books (4)/Carroll Co. Board of Education.

Book: "Just South of Gettysburg" by Dr. Frederick S. Klein.

18th century series of news articles.

Guide service for historic landmarks/MHT.

House Tour, Union Bridge.

Restoration of Pine Grove Chapel, Mt. Airy.

Festivals:

Flea Market, Union Bridge.

Town Day, Mt. Airy.

Flower Market, Union Mills Homestead, May 1975–6.

Maryland Folklife Festival—July 11–13, 1975.

Carroll County Farm Museum, Westminster.

July 1976 Celebration, Carroll County Farm Museum.

Easter Sunrise Services—April 18, 1976, Manchester.

Dedication of Bicentennial Oak Tree, April 18, 1976, Manchester.

Costume Ball—June 4, 1976, Manchester.

Crafts, Flea Market—June 6, 1976, Manchester.

Horizons:

Prominent Maryland Women/Carroll County AAUW.

Bicentennial Plaque at new County Office Building.

Bicentennial radio spots.

Annexation Plans, Union Bridge (Flood Control Diorama) Town Park, Mt. Airy.

Nature Trail, Carroll County Farm Museum.

CECIL

Heritage:

Restoration of Rodger's Tavern, Perryville.

Restoration of Paw Paw Building, Port Deposit.

Research history of Brick Meeting House.

History of 1st county jail, Charlestown.

Town History, Elkton.

Revolutionary Era Bicentennial Tour.

Restoration of Cooper's Shop, Flax Mill & Grist Mill at Bee Hive.

Restoration of Mitchell House, Fair Hill.

Stabilization & Interpretation of Carter's Mill.

Festivals:

Enlarge Charlestown Colonial Regiment.

North East Water Festival, North East—June 1975–6.

Chesapeake City Day—June 1975.

Charlestown Colonial Fair, Charlestown—May 1975–6.

Parades & celebrations, Elkton.

Fair Hill Steeplechase Races, May & September 1975–6.

Scottish Highland Gathering & Sheep Dog Trials, June 1975–6.

Creation of Point to Point Races, Elk Creek area—1976.

Market Day—July 5–11, 1976.

Horizons:

Town Beautification & razing of derelict buildings, Port Deposit.

Protection of land area & existing sites for the future, Fair Hill.

County Landmarks Survey & Brochure.

CHARLES

Heritage:

Lackey High School Memorial, Indian Head.

Black Cultural Center.

Restoration of Stoddert Cemetery.

Historical Markers program.

Rebuilding Friendship (circa 1680).

Identification of Revolutionary War Soldiers' Gravesites.

Festivals:

Flag Design.

Veterans Day Services.

Revolutionary War Days, Smallwood State Park—May 1–2, 1976.

July 4 Celebration, Fairgrounds, La Plata 1975–6.

July 4 Celebration 1976, Indian Head.

Horizons:

Pediatric Project, Physicians' Memorial Hospital.

Museum guide service.

Tourist Information Center, Port Tobacco Courthouse.

History Room—Charles County Community College Library—1975.

Waste Recycling Plant.

Bicentennial map and brochure.

Village Green project, Indian Head.

DORCHESTER

Heritage:

"Dorchester—1776-1976"—Historical site tableaus w/costumed participants staged for photography. Photography exhibit and book w/county map, photographs and narrative.

Fife and Drum Corps.

Antique cars.

Festivals:

Colonial costume Balls and Drum corps drills.

Horizons:

Johnny Horizon project, North Dorchester High School and Black Exhibit Center.

FREDERICK

Frederick's Foundations—Bicentennial News Feature.

Heritage:

Landmarks Inventory & Tour.

Revolutionary Era Research.

Jefferson Historical Bottle, Jefferson.

Festivals:

Bell & History Days, Frederick—June 1975–6.

Potomac River Festival, Brunswick—August 1975–6.

Catoctin Colorfest, Thurmont—October 1975–6.

Historical Society Ball, April 5, 1975.

Horizons:

Bicentennial Tour Guide:

Tour guide training program/Frederick Community College.

Feasibility study for future County Museum.

Identification & improvement of public facilities for handicapped.

GARRETT

Heritage: Bicentennial Heritage Trail (3 counties) and County Historical Museum, Oakland.

Festivals: Autumn Glory Festival—October 1975–6.

Horizons: Hiking Trail following Braddock's Route.

HARFORD

Heritage:

Open Hays House & Bicentennial Exhibits/Harford Co. Historical Society.

Henry Harford Historic Village.

Bicentennial Seal.

"Revolutionary Harford", Steppingstone Museum.

Teachers Guide/Harford County Board of Education.

Restoration of Susquehanna & Tidewater Canal Lock House.

1976 calendar w/12 historical illustrations.

Festivals:

Candlelite House Tour, Havre de Grace, December 1975–6.

Bush Declaration Celebration.

Arts & Crafts Show, Havre de Grace, August 17, 1975.

Parade & Fireworks, Havre de Grace, July 4, 1976.

County Fair, Fallston—Upper Crossroads, August 4–10, 1975.

"1776" Production..

Oldtime Arts & Crafts Days—June 7–8, 1975, June 5–6, 1976, Steppingstone Museum, Street.

River City Fair, Havre de Grace—June 7, 1975, June 12, 1976.

Lion's Club Regatta, Havre de Grace—June 18, 1975, June 13, 1976.

Horizons: Bush Park, Abingdon and Peoples Park, Havre de Grace.

HOWARD

Heritage:

Artifacts Poster.

Bicentennial Poster Contest.

Identify historic buildings (100 years or older).

Ellicott City Restoration.

1776 Landowners Map.

Festivals: Art Show, Ellicott City—June & October 1975–6.

200 plus 3 & 4 Balls—1975–6.

Crafts Show, Ellicott City.

Horizons:

Week-end rail excursions and bus tours.

Bicentennial program/Howard County Community College.

Bicentennial Scenic Tour—auto, bike & hiking.

KENT

Heritage:

"Gravesend Serene But Still Profound"/Rock Hall.

Tench Tilghman Ride—1976.

History of Rock Hall.

Festivals: Chestertown Tea Party—May 24 & 25, 1975 and 1976 and "Knee Deep in History," Rock Hall—1976.

Horizons: Civic Center expansion, Rock Hall and County Landmarks Survey & Brochure.

MONTGOMERY

Heritage:

Preservation of Casey Barns, Gaithersburg.

Montgomery County Film.

Montgomery County Tour Map.

Videotape Historical Vignettes.

Marking of Edward Braddock's Trail.

History of the People Project.

Heritage:

Restoration:

1801 Courthouse, Rockville.

Black Rock Lumber Mill, Darnestown.

Sandstone Quarry, Seneca.

Great Falls Tavern Garden.

Historical Society Federalist Garden.

Clarksburg 1909 Two-Room School.

Festivals:

Pen & Ink Drawing Contest—February 23, 1975.

Opening of County Hospitality Center—Spring, 1975.

Montgomery County "County Festival"—September 6–7, 1975.

Montgomery County's 200th Birthday Celebration—September 6, 1976.

Bicentennial Balls.

Youth Corps (12th–9th grades).

County-wide Newsletter.

Wave The Flag w/Flowers Project.

4th of July Celebration, Garrett Park, Rockville & Takoma Park.

Memorial Day Parade—1975–6, Rockville.

Bicentennial Ball, Kensington Armory.

Horizons:

Century III:

House of Future.

Transportation Exhibit.

Scientific Symposia.

Industrial Open House.

Identification of Remaining Natural Areas.

International Women's Year 1975.

Parks Development, Gaithersburg.

Armory Conversion to Cultural Center & Beautification of Grounds, Kensington.

PRINCE GEORGES

Heritage:

Restoration of Indian Queen Tavern, Bladensburg.

Restoration of Colonial Spring, Cheverly.

Historic Landmark Survey, Laurel.

Town History, Bowie, Cheverly & Laurel.

Colonial Garden at City Hall, New Carrollton.

Restoration of Woodward Mansion, Bowie.

Festivals:

History & Arts Festival, Laurel—June 27–July 4, 1976.

Bicentennial Band/PG County High Schools.

Costume Ball & Art Exhibit, New Carrollton.

Sports Exhibition.

Bicentennial Handicap/Bowie Race Track.

Cheverly Day, July 1975–6.

Bowie Heritage Day, Belair Mansion, Bowie—May 16, 1976.

Kick-Off Bicentennial Dance, Bowie—September 1975.

1976 Labor Day Festival, Greenbelt.

Horizons:

Compilation of Archives, University of Maryland.

Tourist Information Centers, Laurel.

Compilation on available transportation & parking facilities for 1976.

Bicentennial license plate resolution.

Art project, Laurel.

Establishing historic district, Laurel.

Metro Station, Cheverly & New Carrollton.

Park Beautification, Cheverly.

Air Pollution Control Station, Cheverly.

Senior Citizens Center.

Parks Development, Forest Heights.

QUEEN ANNE'S

Heritage:

Celebration of Queen Anne's Birthday, April 18, 1975, Sudlersville.

Marking historic sites such as Hanson's Tavern.

Recreate County Militia.

United Vesper Services, Crumpton—July 1975.

Restoration of early schoolhouse near Centreville.

Festivals:

Colonial Christmas, Centreville—December 1975–6.

William Paca Pageant.

Kent Island Colonial Homes Tour—June 1, 1975.

Recreation of Kent Island Landing & tribute to watermen—1976.

Horizons: Flag Contest and Queen Anne's County Day.

ST. MARY'S

Heritage:

Calendar of Events, "St. Mary's County in American Revolution."

Replica of the "Dove."

Identification of Revolutionary War Soldiers' Gravesites.

Festivals: "Wings of the Morning" Outdoor Drama and Battle of St. George's Island.

Horizons:

Recycling Plant.

Tourist Information Center.

Beautification Campaign.

SOMERSET

Heritage:

Etchings of Revolutionary Era Homes.

Tour of Old Churches.

Restoration of Samuel Chase's boyhood home.

Research on Rev. period naval barges & General John Gale/Maryland Line.

Skipjack Museum, Deal Island.

Festivals:

Olde Princess Anne Days, Princess Anne—October 1975-6.

Crab Derby, Crisfield.

Smith Island Festivals.

Skipjack Races, Deal Island.

Horizons:

Future of Somerset County & Eastern Shore/University of Maryland/Eastern Shore.

Tourist Information Centers.

County Parks & Recreation Survey.

TALBOT

Heritage:

Waterfowl Exhibit, Chesapeake Bay Maritime Museum, St. Michaels.

Restoration of 18th & 19th Century structures, Easton.

House & Garden Bicentennial Tour—May 1975.

City-wide Church Services, Easton—July 4, 1976.

Festivals:

St. Michaels Days—September 1975.

American Wind Symphony, Oxford, June 1976.

Flag Day program, Easton.

Costume Ball, Easton, February 1976.

Horizons:

New County Library.

Bicentennial County-wide Tours 1975-6.

New Town Flag, Oxford.

Brochure of historic places, Easton.

WASHINGTON

Heritage:

County library/museum conversion.

Bicentenial Heritage Trail/3 counties.

County Tour Guide w/map.

Commemorative Medal.

Festivals:

Bicentennial Pageant—July 2-5, 9, 10, 1976.

Bicentennial Mummers' Parade—October 30, 1976.

"1776," Potomac Playmakers, Women's Club, Hagerstown, 1976.

Fort Ritchie Celebration, Smithsburg—June 14, 1975 & July 1976.

Bicentennial Parade, Hagerstown—September 6, 1976.

Wagon Train—June 23, 1976.

Bicentennial Park Arts Festival, Hagerstown—June 26-27, 1976.

Jonathan Hager Frontier Crafts Day—July 18, August 15, 1976.

Historic Pageantry, First Maryland Regiment, Fort Frederick—June 28-29, August 30-31, 1975.

Governor's Firelock Matches, Fort Frederick—September 27-28, 1975.

Christmas at Miller House, Hagerstown—December 1976.

Boonesboro Days—September 4-5, 1976.

Horizons:

Bicentennial Bike Trail.

Johnny Horizon Program/Boy Scouts.

Volunteer Guide Service, Fort Frederick.

Fort Ritchie Library, Smithsburg.

WICOMICO

Heritage:

Revolutionary War Roundtable, April 1975-October 1981, Salisbury State College.

Reproduction of Maryland Colonial Currency.

Exhibit of American & British uniforms, lower Eastern Shore, (during the Revolutionary Era).

Bicentennial Cookbook, Delmar.

Art Portfolio.

Festivals:

Community Church Services, Delmar—Spring 1976.

Homecoming Day, Delmar—July 1976.

Freedom Festival—July 1976.

Sampler Contest.

Horizons:

Beautify Town Park & construct Bicentennial Pavilion, Delmar.

Rededication Week—July 4-10, 1976.

Architectural Study for Cultural Center, Salisbury.

WORCESTER

Heritage: County Museum Renovation and Brochure of 17th Century Building.

Festivals: Verrazzano Festival, Ocean Pines—October 1975-6.

Horizons: Landmarks tour survey of county & brochure and Tourist Information Center, US Route 13, Md-Va line.

COUNTY MILITIA GROUPS

Dorsey Independent Artillery Company (Anne Arundel County), William M. Showacre, 3 North Southwood Avenue, Annapolis, Maryland 21401.

Congress's Own Regiment—2nd Canadian Regiment (Baltimore City), James C. Dugent, 5252 Darien Road, Baltimore, Maryland 21206.

Maryland-Delaware Light Infantry Battalion (Baltimore County), Jason C. Rein, 28 N. Jerome Parkway, Glen Burnie, Maryland 21061.

Colonial Charlestown's Rev. War Regiment, 3rd Maryland (Cecil County), Box 1742, Charlestown, Maryland 21914.

CURRENT PROJECTS

1. Bicentennial Bookshelf/MBC.
2. Bicentennial Calendar of Events/MBC.
3. Bicentennial Communities Program—MBC/ARBA.
4. Bicentennial Council of the Thirteen Original States/MBC.
5. Bicentennial County Block Grants/MBC.
6. Bicentennial Flag/MBC.
7. Bicentennial Foundation of Maryland, Inc./MBC.
8. Bicentennial Highway Markers Program—MBC/Maryland Historical Society.
9. Bicentennial License Tags/Department of Transportation.
10. Bicentennial Medal—Calvert Seal Replica/MBC.
11. Bicentennial School Curriculum—MBC/State Department of Education.
12. Bicentennial Symbol/MBC.
13. Bicentennial Visitors' Center and Restoration of Seaport Area, Fells Point and Federal Hill—MBC/Historic Fells Point and Federal Hill, Inc.
14. Black History and Culture Pavilion and Exhibits—MBC/Commission on Negro History and Culture.
15. Catoctin Furnaces' Restoration—MBC/Department of Natural Resources.
16. County Histories/MBC.
17. Fifty State Bicentennial Medal Collection/Franklin Mint.
18. First Maryland Regiment/MBC's Official Historic Regiment.
19. Four Signers of the Declaration of Independence (Mobile Exhibit)/MBC.
20. Fort McHenry's "Our Country" Program/MBC.
21. Horizons '76 Assistance Program—MBC/Department of Economic and Community Development/BCTOS/ARBA.
22. Independence Park Camping Project (Montgomery and Prince George's Counties)—MBC/Maryland National Capital Park and Planning Commission.
23. Open House, USA/Baltimore Council for International Visitors/MBC/ARBA.
24. Maryland Academy of Science Exhibit—Passionate Explorers of Time and Space: Maryland Scientists, 1776-1976.
25. Maryland Spirit of '76 (Clean-Up and Beautification)—MBC/Maryland Jaycees.
26. Maryland Tree Hall of Fame—Maryland Forest Service/Department of Natural Resources.
27. National Bicentennial Debates—MBC/BCTOS/Maryland State Department of Education.
28. Notre Dame Intellectual Commemoration (1975-1976)/Notre Dame College, Baltimore (nine seminars on the Declaration of Independence).
29. Open Sail '76/Sail Training Association of America and London/ARBA.
30. Outdoor Drama/Amphitheater—MBC/Maryland Department of Natural Resources and Department of State Planning.
31. Ratification Day—1975—MBC/Maryland Department of Economic and Community Development.
32. Restoration of Fort Frederick—MBC/Maryland Department of Natural Resources.
33. Renovation of the "Frigate Constellation."

John Hanson Patriots Fife and Drum Corps (Charles County), Robert A. Painter, Indian Head, Maryland 20640.

Elkridge Militia (Howard County), Shelton E. Sewell, College Avenue, Ellicott City, Maryland 21043.

Kent County Militia, 13 Battalion, 9 Company, RR 2, Box 723, Chestertown, Maryland 21620.

Caroline County Militia, Colonel Archie Sinclair, Route #2, Fowling Creek (Harmony), Preston, Maryland 21655.

MANY GROUPS URGE RATIFICATION OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the most basic and fundamental of human rights is right to life. The American Declaration of Independence declared that the right to life, liberty, and the pursuit of happiness was inalienable and the colonists went to war with England to secure it.

As America enters its 200th year it seems sad that it should avoid rededicating itself to basic human rights. I refer specifically to the Genocide Convention, and the Senate's failure to ratify it 26 years after its introduction. Perhaps it would be appropriate to remind my colleagues of the many and varied groups in this country who have openly and actively endorsed the Genocide Convention.

They include: American Federation of State, County and Municipal Employees—AFL-CIO, National Conference of Christians and Jews, National Women's Conference of the American Ethical Union, Episcopal Church, NAACP, National Catholic Conference for Interracial Justice, Textile Workers of America—AFL-CIO, B'nai B'rith, United Church of Christ, American Federation of Teachers—AFL-CIO, American Humanist Association, United Automotive, Aerospace and Agricultural Implement Workers of America—UAW, National Council of the Churches of Christ, American Civil Liberties Union, United Methodist Church, United Presbyterian Church, American Jewish Congress, and the American Baptist Convention.

The appeals for ratification from this wide cross-section of the American people should not be ignored. The time for ratification of the Genocide Convention has arrived.

ROMANIA: TRADE AND EMIGRATION

Mr. HUGH SCOTT. Mr. President, an editorial in today's edition of the Washington Post draws an interesting parallel between congressional and Presidential responsibility concerning the pending request for Romanian most-favored-nation status. I do not inject here a personal opinion.

Hearings begin today in the Senate Finance Committee on Senate Concurrent Resolution 35. I believe that by printing this article in the Record we may all be reminded not to examine this matter in a strictly legal sense or consider it a duel between the President and Congress. Larger economic and international stakes are involved in the President's request for a waiver of section 402 of the Trade Act of 1974.

I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Romania: Trade and Emigration

Like it or not, the Jackson Amendment linking trade and emigration has made diplomatic partners of sorts of the Executive branch and Congress. For the practical effect of the law is to assign them joint responsibility to see to it that a foreign state seeking trade benefits moves towards a policy of free emigration. Last January the Soviet Union decided it would not accept what it regarded as the indignity of paying for trade benefits by legitimizing American interference into its emigration practices. But Romania, a small maverick Communist nation much more needful of tightening its links with the United States, is taking another tack. Whether the Congress in particular can respond in a responsible fashion is being tested now.

More than a third of a million Romanians, most of them Hitler-period Jewish survivors bound for Israel, have emigrated since the war—to the considerable diplomatic and financial profit of Bucharest. Just as the Trade Reform Act carrying the Jackson Amendment became law last January, however, the monthly flow of outbound Jews dropped near the vanishing point. Were Romanian officials following the Russian example, protesting in this way against the Amendment's interference in their affairs? It's a puzzle Romanians claimed only that there were "technical problems." Romania's President was, nonetheless, so eager to get the trade benefits that he made an extraordinary one-day stop in Washington last month to survey the scene. From both the State Department and Capitol Hill, he learned that the Jackson Amendment was a political reality and that to qualify for trade benefits, emigration would have to pick up. And as soon as he got home, it did, in respect both to Jews headed for Israel and to non-Jews wishing to join relatives in the United States.

It is now up to those legislators with a special interest in emigration, and to the spokesmen for the American Jewish organizations, to recognize the new shifts in Romanian emigration performance and to permit the trade changes which serve the overall American interest in promoting local nationalism on the Soviet frontiers. Romania, which needs the trade and the political contacts going along with it, is not Russia, which can do without the trade and which has other ways to conduct political relations. Those differences, however, should not be taken to justify the making of unreasonable demands on Bucharest. For the Romanians, if pushed too hard, could still conceivably do something like what the Russians did when—under the double kick of the Jackson Amendment on emigration and the Stevenson Amendment on credits—they not only turned tail on trade but squeezed emigration, too. The monthly average for emigration from Russia is now down by two thirds from the level achieved by "quiet diplomacy" before the Jackson Amendment was ever introduced. That fall is a measure of the responsibility which the Jackson Amendment imposes on Congress in this delicate policy area.

HOOSIER VOLUNTEERS IN ACTION SERVE OTHERS

Mr. HARTKE. Mr. President, since the establishment, in 1971, of ACTION, over 145,000 volunteers have been sent into the field to help people at home and abroad. I am proud that many of these selfless Americans are from my home State of Indiana. Although most of us are familiar with the successes of VISTA and the Peace Corps, these are only 2 of the 10 volunteer organizations within the ACTION program. Some of the others include the foster grandparent program, the senior companion program, the retired senior volunteer program, and the university year of action.

To review the facts and figures of these programs alone would be insufficient in determining their impact on people across the globe. I have received numerous letters from foreign governments and their citizens praising the accomplishments of the Peace Corps in their nations. Also, local leaders from many States and territories have informed me of the tremendous services of VISTA volunteers to their communities. These volunteers have made great personal sacrifice in an effort to better themselves and the world in which we all live.

Since cosponsoring the Peace Corps legislation of 1961, under the late President John F. Kennedy, I have actively supported all of the programs which are now under ACTION's jurisdiction. I would like, as a show of deep appreciation, to enter into the Record some examples of the accomplishments that volunteers from the State of Indiana have achieved.

Mr. President, I ask unanimous consent that five statements be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Building Trades Program in Kenya Aided by Peace Corps Couple From Crown Point, Ind.

To Peace Corps volunteer Paul E. Davis, 53, of Crown Point, Ind., the ideal break from his teaching assignment in Mombasa, Kenya was an occasional jaunt into the jungle. He and his wife, Margaret Jane, got a chance to take five such trips during their three years of service in East Africa.

During these "vacations", they say, they were charged by elephants and rhinos and held their breaths while nearby "lions roared, leopards coughed and wild buffalo glared" at them.

Before joining the Peace Corps in 1971 Mrs. Davis, 51, was a U.S. postmaster in Indiana for 22 years. A former vice president of the National Assn. of Postmasters of the United States (NAPUS), she served as a Peace Corps recreation director at the St. Augustine School in Mombasa.

The couple completed three years of Peace Corps service in Kenya this month. Davis, a member of the Kiwanis Club and the American Legion, was one of 30 Peace Corps volunteers who, since 1971, have taught in Kenya's technical education projects.

As the country pursues modernization, it has an increasing need for skilled laborers and technicians. To meet the growing demand, the Kenya government asked for Peace Corps volunteers to help train Kenyans. Although the effort is only four years old, more than 3,000 people have already been trained and upgraded in technical skills.

Davis has taught everything from math to construction at a Mombasa polytechnic institute, both in the classrooms and at construction sites.

"Believe me, I have taught everything I have ever done or seen done after many years in construction, industry and business," said Davis, a 1940 graduate of Crown Point High School who worked as a self-employed electrical contractor and real estate agent between 1948 and 1971.

His Kenyan students had little or no technical or mechanical training before he came. In a young, rapidly growing country like Kenya, "they must have these skills just to exist," Davis emphasized. "Today, you can't get by with a hoe and a handful of maize. You must improve to produce enough to have your own place in the sun."

Under his guidance, Davis' students built nine new classrooms which are now being used for classes in welding, pipefitting, plumbing, masonry, carpentry, auto mechanics, drafting and surveying.

Gaining the confidence and cooperation of students was easy, Davis admitted, because they are respectful of older persons and have high regard for Americans and the United States.

"At times it is difficult to remember you are not an all-powerful god, but just another working stiff," he declared.

At first, when Davis would ask his classes "Do I ever make a mistake?", they would answer "Oh no, Mwalimu (teacher)." Later, in answer to that question, they would grin and reply that the only man who makes no mistakes is one who does nothing.

"It was fun and good for me to have them catch me," conceded Davis.

Most of the students are very poor, and it sometimes takes most of their families' yearly incomes to pay their school fees. When schooling is completed, the pressure to find jobs is severe and the anxiety of graduates is great.

In one instance, Davis related, a very bright, able and reliable student could not find a job after finishing his training. Finally, Davis received a letter offering the young man a job and the opportunity for further training in the United Kingdom. When his former pupil saw the letter "tears came, his face exploded in a smile and he started running. He ran and smiled for the next two days," Davis recalled.

Mr. and Mrs. Davis lived in a third floor walk-up apartment in Mombasa. They chose to climb three flights of stairs, he said, rather than face snakes and crawling bugs at ground level. Instead, they were visited by bats, flying ants and termites.

"Our view of the sunrise and sunset was fantastic. We shared it with 40 to 60 nesting and roosting tiny birds called Bronze Manikins," Davis said. "Sometimes at night something would frighten them and they would come right into the room with us, lighting on our heads, furniture and wall decorations—pandemonium."

Davis taught mostly in English, the official language of Kenya. "If my kids wanted to stump me, they would speak their tribal language among themselves and have a good laugh at my dismay," he said.

On one occasion, he had each of his pupils recite a nursery rhyme in his own tribal language. One boy, the only Somali in the class, had always been shy, quiet and withdrawn. His public debut at reciting was agonizing for him, but he did it.

"What a language," Davis mused, "click-rattle-choke-guttural and roll. He brought the house down. He started to shine and blossom from that day. He is an open, bold young man now. I like him both ways."

The Davises have two children, Mrs. Suzanne Gierman and Mrs. Camilla Price, both residents of Crown Point.

The couple are two of 177 Peace Corps volunteers in Kenya. Currently, there are 7,700 Peace Corps volunteers serving in 68 developing nations around the world.

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Persons interested in ACTION programs can call 800–424–8580 toll free for more information.

As a Peace Corps Volunteer: Miami Man Provides Medical Care to Villagers on Pacific Island

Wene, Ponape District, Micronesia.—Robert G. Book has several years' experience as a cardiac technician at Mt. Sinai Hospital of Greater Miami and an advanced degree in environmental health, but he is not a doctor. Nevertheless, to the villagers on the southern tip of Ponape island in Micronesia, he's "Doctor Bob."

Book, 27, the son of Mr. and Mrs. Robert C. Book, Box 250, Valparaiso, Ind., is a Peace Corps volunteer who is helping to provide basic health care to residents of a tiny municipality on this lush, tropical Pacific island. Besides the local health aide with whom he works, "I'm the only medicine they've got here," he says.

In a complicated medical emergency a doctor can be summoned by radio from the main town of Kolonia on the island's northern tip, a one to two hour journey away by boat. Public health officials occasionally come by to conduct immunization drives and school health examinations. Otherwise, Book and the Ponapean health aide, a man with several years of nursing training, are indeed the only medicine the Wene residents have got.

Book's assignment in Wene is to help the health aide operate a small field dispensary and provide medical care to about 2,000 persons. The five-room dispensary, built in 1969 by a previous Peace Corps volunteer, is the primary health care facility for the villagers, most of whom live by fishing and gardening.

Book and several other Peace Corps volunteers are serving in such field dispensaries because the Ponape district, which takes its name from the main island of Ponape, does not have enough qualified health personnel of its own. Some of the volunteers were medics in the armed forces before they joined the Peace Corps; others, like Book, have experience or academic background in the health field.

The Ponape district is one of six administrative districts in Micronesia, "the land of tiny islands." Micronesia's 2,100 islands dot 3 million square miles of the Pacific Ocean, but their land mass amounts to less than half of Rhode Island's. Formally known as the Trust Territory of the Pacific Islands, Micronesia has been administered by the United States since 1947 under a trusteeship agreement with the United Nations.

About 20 patients a day visit the modest Wene dispensary, and more are seen by Book and the heatlh aide on their regular visits to outlying villages. Book and the health aide do their own diagnoses and spend most of their time on treatments for lacerations, asthma, internal parasites, ear and throat infections and colds. They also dispense medicines to the many tuberculosis patients in the area, and refer serious cases to the public hospital in Kolonia.

The two men live close to the dispensary and are on call 24 hours a day. Occasionally they must deal with life-and-death emergencies, as Book discovered his first day on the job.

His very first patient was a little girl who had struck her head in a fall. Her family had tried to treat her at first with local herbal medicines, and the child was comatose when she was finally brought to the dispensary.

"She died on the table," Book said. "It was not quite a severe shock for me, but it was sobering."

The dispensary has neither running water nor electricity. It has a kerosene-fueled refrigerator for storing medicines, kerosene lanterns and a concrete catchment on the roof to collect water. When a sick person stays at the dispensary, his or her family usually moves in too and stays in the patient's room.

"It's hard to keep things sterile," Book noted. Instruments are sterilized first by boiling and later by immersion in a cold sterilizing solution. The hospital in Kolonia provides the dispensary with medicines, which the health aide picks up every two weeks by boat.

Book joined the Peace Corps early in 1974 and went through ten weeks of intensive Peace Corps training before starting his volunteer assignment. His training included language and cross-cultural studies in Saipan, Micronesia's largest island, and five weeks of technical health training in Kolonia. He spent much of this time observing and working at the Kolonia hospital, including daytime duty in the out-patient clinics and night duty in the emergency room.

Book usually speaks Ponapean in his work and daily life. "Out of necessity the first thing I learned was to talk with sick people and find out what's the matter with them," he said. "I'm a little more fluent in doctor/patient talk than in socializing."

Born and raised in Valparaiso, Book graduated in 1965 from Valparaiso High School. He majored in biology and chemistry at the University of Miami in Coral Gables, receiving his bachelor's degree in 1969.

Book worked as a cardiac technician at Mt. Sinai Hospital of Greater Miami from August, 1969 through August, 1971, when he enrolled at the University of Cincinnati. He received his master's degree in environmental health there in 1973 and returned to Mt. Sinai Hospital for several months before joining the Peace Corps. He resided in Miami at 6841 SW 76th Terrace.

His Peace Corps assignment is both a challenge and a source of satisfaction for Book. "I derive a lot of satisfaction from helping people, especially on a face-to-face basis," he said.

Book is one of 210 Peace Corps volunteers serving in Micronesia in a wide variety of education, health and economic development programs. Around the world, about 7,300 Americans are serving as Peace Corps volunteers in 68 developing nations.

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Peace Corps Volunteer, 1967, Works in Central America To Advance Nutrition Education

For some people retirement means the opportunity to use the experiences of a lifetime in a new and different manner. For Annie L. Hamman, 67, of Evansville, Ind., it was a chance to bring her skills as a home economist and her knowledge of nutrition to people in developing countries.

In July of 1974, she joined the Peace Corps and was sent to the Central American republic of Belize to help raise the level of nutrition knowledge and practices in the country.

A professor home economist, whose last job before joining the Peace Corps was as food editor for the Evansville *Courier*, Mrs. Hamman received a master's degree in home management and food nutrition from Purdue University in Lafayette, Ind. in 1952. Her expertise in her field earned her the Carnation Company's award as nutrition writer of the year in 1971.

The mother of Henry L. Hamman, 28, of 1409 McDonald Ave., New Albany, Ind., she earned a teaching certificate from Oklahoma State University in Stillwater in 1927 and graduated from the University of Chicago in 1930 with a degree in English.

Combining her training as a teacher and a nutritionist in her assignment in Belize, formerly known as British Honduras, Mrs. Hamman teaches formal classes in basic nutrition at a local nursing school. In addition, she works on an informal basis with a voluntary group of young women and parents interested in nutrition.

Last year she prepared an outline for nutrition teaching in the elementary schools, which was presented at a conference on health education. Mrs. Hamman is currently working on a nutrition handbook for nurses.

"I expect that it will be printed by the government press for use in subsequent classes," she explains. "I have also been compiling a table of the nutrient content of locally used foods, using U.S. Department of Agriculture publications as source material. This too will be reproduced by the government press when I have reduced the 100 gram values to household terms."

"Each week I prepare and tape three short talks on nutrition to be used on Radio Belize," says Mrs. Hamman. "I believe these are rather widely heard because I get frequent comments about them. Also, one of the local priests has asked for copies that he can reproduce for distribution to mothers' groups."

With a seemingly unlimited amount of energy, Mrs. Hamman is also conducting a weight control program. "Overweight is a serious problem here, as it is at home," explains Mrs. Hamman. She has taught various classes in weight control and hopes to train local people to take over the classes when her two-year tour of duty is finished.

Her most visible successes have been in the weight control classes, where the average loss for participants was about two pounds a week. "Probably my most satisfying experience was a woman who said she had never been slender and had been putting on weight for all the 20 years of her marriage," she says. Following the regimen suggested, she had a steady loss of about 1½ pounds a week, until at the end of the course she had lost more than 30 pounds.

"With a new figure and new energy she now has a new job and pretty new clothes, and she is continuing to take off about two pounds a month. She says she has never felt better in her life!"

There are always disappointments. A woman who was exactly five feet tall and measured 59 inches around the hips came to one of Mrs. Hamman's courses. "Her food record showed that she was really eating very little, so I arranged for one of the doctors who is interested in the problem of overweight to treat her," she explains. "However, she didn't go to see him, she stopped coming to the class, and I have not been able to locate her. You win some and you lose some," says Mrs. Hamman philosophically.

Mrs. Hamman shares a second story apartment with another Peace Corps volunteer in Belize City. "It is really quite comfortable," she explains. "We even have hot water in our bathroom!"

Belize City is built on a swamp, and there are multitudes of flies and mosquitoes. Fortunately, their apartment is screened to keep out these insects, but ants and termites are a constant problem. "All we can do about the ants is feed them boric acid . . . and there is always a new crop! As one tourist remarked, Belize is full of carpenters building and termites chewing down," jokes Mrs. Hamman.

Although Mrs. Hamman lives close to the main shopping street and the municipal market, food is scarce and difficult to find. "Practically nothing is produced locally," she explains.

"My experiences with the people I deal with have been uniformly pleasant," says Mrs. Hamman. "I attend one of the Anglican churches and am a member of the hospital auxiliary through which I have made some good friends." Combining business with pleasure she has traveled to several towns in Belize and has made one trip to Guatemala.

The official language of the country is English, but Spanish is the mother tongue of about 40 percent of the population. Mrs. Hamman explains, "I speak English in my work and in most of my other activities. Occasionally I use a little Spanish, which I remember from school and from a year in Puerto Rico long ago."

Mrs. Hamman was a first lieutenant in the Women's Army Corps during World War II, assigned to the Signal Corps. She is a member of the American Home Economics Assn. and the American Business Women's Assn.

She is one of 54 Peace Corps volunteers serving in Belize. There are currently 7,300 Americans serving as Peace Corps volunteers and trainees in 68 developing nations.

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Peace Corps Volunteer From Gary, Ind., Teaches Vocational Skills to Iranian Village Youths

Tehran, Iran.—As part of its expanded effort in support of vocational education in Iran, Peace Corps officials and volunteers are working on ways to measure the effectiveness of their teaching programs.

But Ronald Smith of 1535 Taney Place, Gary, Ind., doesn't need a scientific study to see the results of his two years as a Peace Corps volunteer teacher in this Middle Eastern country.

One is Mohammad Mansure, a 14-year-old boy from a small village near Burojen where Smith taught in a rural vocational school for two years. Like tens of thousands of other villagers, Mohammad had dropped out of grammar school and, without a skill of any kind, was likely to spend his life in poverty as an unskilled laborer.

Last fall, however, Mohammad had a certificate as a welder and Smith had been instrumental in getting him a job at a salary of nearly $3.30 a day, at least four times what he would make as an unskilled laborer.

In fact, 11 out of the 35 young people in Smith's class had jobs when they completed the two-year vocational school course. The others were likely to return to their villages, where they now would be able to operate and maintain new farm machinery being introduced into Iranian agriculture.

Those results are exactly what the Iranian government hopes to achieve on a nationwide scale by teaching boys 12 to 16 years old to do auto repairs, welding, metalworking, plumbing and electrical wiring.

Vocational schools are being set up on the high school level. Many are located in remote communities to serve rural youth. Because of a critical shortage of Iranian vocational teachers, the Peace Corps has been asked to provide skilled volunteers to work in these rural schools.

When Smith, 26, first reported to Burojen, a mountain town in south central Iran, however, he was in for a major disappointment: the "school" consisted of a foundation ditch with two rows of bricks in place. Although he had hoped that the school would be completed and ready for classes to start, this was hardly the case.

So for nearly the entire year that followed, Smith and another Peace Corps volunteer teacher were involved in pleading with government officials to supply building materials and then badgering the contractor to get his men onto the job. Smith did some bricklaying himself, and later helped wire the shops.

At the same time, a makeshift vocational education program was put together. A room in another local school was used, but it lacked virtually any teaching materials. Smith recalls that year as one of frustration, discouragement and almost nothing resembling modern education.

But in the fall of 1973, the Burojen rural vocational school finally was completed and officially opened with speeches by community leaders. This past spring, the first class was graduated and Smith wound up his two-year Peace Corps tour in Iran.

He remained in Iran this summer to help train new Peace Corps vocational education volunteers at Mashad.

A graduate of Tolleston High School in Gary, Smith graduated in 1970 from Arkansas AM&N College, now the University of Arkansas at Pine Bluff. He worked for the Inland Steel Co. in East Chicago, Ind. for two years, then came to Iran as a Peace Corps volunteer in the summer of 1972.

His parents, Mr. and Mrs. Percy Smith, live at the Taney Place address in Gary.

Smith has been one of about 165 Peace Corps volunteer and trainees serving in Iran in a wide variety of programs. Around the world, about 7,300 Americans are serving as Peace Corps volunteers in 69 developing nations.

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Peace Corps Volunteer From Nashville, Ind. Trains Teachers in Island Kingdom of Tonga

Nuku'alofa, Kingdom of Tonga—Learning English is vitally important to a youngster in Tonga if he or she wants to make it through secondary school. Tongan-speaking children start learning it in the first grade, and by the time they reach secondary school all their classes are in English. Unless they are well prepared, they cannot understand their teachers or read their books.

One problem, however, is the Tongan teachers' ability to speak English, the country's official language, and teach it effectively to the children. Not all primary school teachers are proficient enough to transmit English language skills to their pupils. But Peace Corps volunteers like Hope Taggart Latu of Nashville, Ind. are working to remedy the problem through teacher training.

Mrs. Latu, 29, the daughter of Mr. and Mrs. Earl Taggart of Rt. 4, Nashville, is serving at a teacher retraining center in Mua, a community on the main island of Tongatapu in this tiny South Pacific island nation. For nearly two years, she has been training Tongan primary school teachers how to teach oral English and speak and use the language better themselves.

"We're basically teaching them how to teach English as a second language and trying to improve their own English," she said of her work at the retraining center, where she shares teaching duties with another Peace Corps volunteer. "You have to improve the teachers' English before you can get the students' English up to where it should be."

Mrs. Latu's students are teachers from both public and private primary schools who attend the in-service training course during the afternoons for one school term, or about four months. Working in groups of about 15, they study and work with the same workbooks and reading materials with which they teach English to their own pupils.

"We teach them the lessons like they should be taught," said Mrs. Latu. "They want to know how they should do it."

Mrs. Latu's volunteer assignment demands acting as well as teaching skills. The oral English method used in Tonga focuses on showing students what words mean and how they are used rather than giving lengthy lectures and explanations in Tongan. It is a method that emphasizes speaking and listening abilities instead of rote memorization and translation.

"You're supposed to teach by showing what you mean," Mrs. Latu explained. "You do the action. For example, I'll say 'I will go to the door' and then I'll go to the door. Of course there are some concepts you just have to explain in Tongan."

The teachers are eager students, Mrs. Latu said. "Their motivation is high. They really want to improve their English, and they work very hard. A lot of times they'll come early, or come up during the break to ask questions about words and usage. They work on their English all the time . . . which is more than I do on my Tongan!"

Three days a week, Mrs. Latu visits the teachers' schools to observe them teaching English, check their progress and find out where they are having problems. If several teachers are having difficulty getting the same lesson across, she can concentrate on the most effective methods of teaching that lesson in her retraining course.

The teacher retraining center in Mua is sponsored by Tonga's department of education. There are several such retraining centers in the island kingdom of 95,000 people, all of them staffed by Peace Corps volunteers.

A former British protectorate which became fully independent only four years ago, Tonga is a nation of 150 islands scattered over 150,000 square miles of the South Pacific ocean. The government is working to improve the quality of its school system, but it is short of qualified teachers, teacher trainers and curriculum development specialists. The Peace Corps is responding to Tonga's educational needs by providing volunteers skilled in these fields to help until enough Tongans are trained to take their places.

Mrs. Latu brought three years of teaching experience and academic credentials in elementary education to her teacher training assignment in Tonga.

A 1963 graduate of Brown County High School in Nashville, Ind., the former Miss Taggart received her bachelor's degree in history from Marion College in Marion, Ind. in 1967. After graduation she taught junior high social studies in the Madison-Grant schools in Fairmount, Ind., for two years. She also worked as a substitute teacher during the 1971–72 school year in the Brown County schools, and earned her master's degree in elementary education in 1972 from Indiana University in Bloomington.

Mrs. Latu entered the Peace Corps late in 1972. She began her volunteer assignment several months later following intensive Peace Corps training in the Tongan language, history and culture and in English teaching methodology.

In January, 1974, she married Viliami Latu, a Tongan citizen who teaches at a nearby private school. The couple lives in a small house provided by the department of education within a stone's throw of the retraining center.

Mrs. Latu is one of about 75 Peace Corps volunteers serving in Tonga in a wide variety of education, health and professional services programs. Around the world, about 8,000 Americans are serving as Peace Corps volunteers and trainees in 68 developing nations.

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PRESIDENT FORD'S NEW COMMAND

Mr. HUGH SCOTT. Mr. President, David Broder, writing in Sunday's Philadelphia Inquirer, cites the new command which President Ford is displaying in his approach to problem solving. It is an interesting column and one which I am sure my colleagues would enjoy reading.

Mr. President, I ask unanimous consent that this column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAKING OF A PRESIDENT: FORD IS CLEARLY IN COMMAND NOW

(By David S. Broder)

WASHINGTON.—Eight months have made a world of difference in the attitude, outlook and standing of Gerald R. Ford. Last November, when this reporter was invited to the White House for a conversation with the President, he seemed tentative, uncertain in his new surroundings and politically very much on the defensive.

It was a bad time for him. His party had just been shellacked in the mid-term elections, and the victorious Democrats were claiming a mandate to govern. The pardon of President Nixon had sent his own polls tumbling. The country was sliding into a severe recession, while he still lamely defended his ill-timed proposal for a tax increase. And after the experiences of the campaign, Mr. Ford sounded dubious about his ability to rally public opinion to his side.

Last week, on a return visit to the Oval Office for an hour-long interview with two other reporters, the contrast in Mr. Ford was almost complete. True, his personal demeanor is unchanged; just as he was not self-pitying in the earlier time of adversity, this President shows no signs of arrogance when he is on top.

What was newly present this time was the sense of his being in command—the palpable impression of a man who believes he is on top of his job and has mastered the political environment in which he is operating.

In some vital respects that confidence seems premature, if not misplaced. But in many others, Mr. Ford clearly has climbed out of the hole in which he found himself last November, three months after taking office.

The White House staff and the Cabinet are his now—not hand-me-downs from a discredited predecessor. The hand-me-down war in Indochina is also over. The controversial pardon of Mr. Nixon is now seen by more people as what Mr. Ford intended—a severing of his links with the Watergate President.

As for Congress, Mr. Ford has won four veto battles out of four and has seen his success disconcert and divide the Democrats. So long as the recovery from recession continues, he is likely to hold the whip hand in any economic policy showdowns.

That, in turn, makes it easier for him to meet his immediate political challenge—from the conservatives in his own party. Step by step, the White House is methodically playing on Ronald Reagan's indecisiveness, raising practical and psychological barriers against his challenging the President for the 1976 nomination.

Mr. Ford understands that the best way for him to deal with the conservative activists within the GOP is never to have to confront them. The costs of a civil war, even if he beat Reagan badly in the primaries, would be Republican disunity and the potential disaffection of some of the party's hardest workers.

Mr. Ford's "high visibility" summer is aimed at discouraging a Reagan candidacy, by exploiting the current upswing in the presidential fortunes to a maximum. By being active and out front, he gives Reagan reason to hang back. The challenger must be in the race by Labor Day to have a prayer of success, and already some of Mr. Ford's top lieutenants are betting that Reagan will never summon up the courage to announce.

If Mr. Ford can avert a Reagan challenge, then he can sit back for a year and let the Democratic infighting dominate the political news, while he stays "presidential." He says he no longer believes Sen. Edward Kennedy will run, and the implication is clear that he sees no other strong presidential challenger on the Democratic scene.

This summer's stop-Reagan offensive is made easier by the fact that the political mood of the country is surprisingly conservative, as Mr. Ford has been discovering. When a presidential speech on the dangers of inflation gets a friendly reception at the annual convention of the NAACP, it is a sign of the times.

As Mr. Ford told us in the interview, "Inflation affects everybody . . . including those out of work. Unemployment affects eight or nine percent."

Whether the same conservation will persist in the face of a new energy crunch is another question. Despite the rhetoric, Mr. Ford seems to have no concrete strategy for avoiding or cushioning another OPEC oil price increase in the fall. As he concedes, our dependence on their oil is increasing, not decreasing.

If—as some economists predict—his coming battle with Congress over decontrol of domestic oil winds up with yet more consumer dollars being drained off into higher oil prices, with no tax mechanism for recycling them into the economy, the recovery could be aborted—and the nightmare of inflation and still higher unemployment recur.

But those are tomorrow's problems. Today Mr. Ford is feeling more secure in his job than he ever has.

ANTITRUST ENFORCEMENT

Mr. PHILIP A. HART. Mr. President, at recent hearings before the Antitrust and Monopoly and Consumers Subcommittees on S. 1136, the Antitrust Enforcement Authorization Act of 1975, Senator MORGAN supplied for the RECORD a study by the National Association of Attorneys General detailing State antitrust enforcement activities. The Department of Justice cannot do it alone, and antitrust enforcement activities by the States are very important. Presently, all but seven States have antitrust statutes complementary to that of the Sherman and Clayton Acts, and their enforcement activities efforts are being increased substantially.

Mr. President, the attorney general of the State of Rhode Island, Julius C. Michaelson, has submitted a State antitrust statute for consideration by the Rhode Island General Assembly. A few of the other States also are considering enactment of State antitrust statutes. Hopefully, soon each of the several States of the Union will have an antitrust law on its books. I ask unanimous consent that the text of Attorney General Michaelson's message and the draft bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MESSAGE FROM ATTORNEY GENERAL JULIUS C. MICHAELSON TO THE GENERAL ASSEMBLY RE: ANTITRUST LEGISLATION

To the Honorable the General Assembly,

In 1890, when U.S. Senator Sherman was proposing the Sherman Antitrust Act, he stated that the purpose of the act was to complement the antitrust efforts of the states: ". . . It is to arm the Federal Courts within the limits of their constitutional power that they may cooperate with the *state courts* in checking, curbing and controlling the most dangerous combinations that now threaten the business, property, and trade of the people of the United States."

More recently, policy statements from the Division of Antitrust in the U.S. Department of Justice indicate that the U.S. government will no longer give equal attention to antitrust violations on a regional or state level and that their primary concentration will be on antitrust activities on a national level.

Since Rhode Island is one of only seven states that does not have a statute outlawing price-fixing and other antitrust activities, this means that Rhode Island can no longer hope that federal antitrust activities will be sufficient to protect its consumers and its businessmen against the ravages of illegal economic activities.

Federal antitrust law is based upon a

partnership with state antitrust enforcement efforts; and that is a partnership in which we cannot participate unless we move promptly to enact a state antitrust statute.

However, although we may find ourselves more than 80 years behind other states in enacting an antitrust statute, we can use the experience of other states in antitrust enforcement to our advantage by passing a law here in Rhode Island based on their experiences.

There are essentially three major reasons why Rhode Island should move promptly to enact a state antitrust act.

First, as I have mentioned, it is necessary to complement the activities of the federal government on a national level by activities here on a state and regional level;

Second, the state, as a major consumer, can be easily victimized by antitrust violations. Antitrust violations impact on the state budget to the extent that they cause higher costs for state purchases. This means that the taxpayer is getting less governmental services for his money. For example, the State of Wisconsin recently recovered over $600,000 from a group of contractors who conspired to restrain trade by submitting rigged bids on state projects;

The third reason that Rhode Island must move to enact a strong antitrust act is to protect the businessman and consumer from marketplace abuse against which they may be unable to protect themselves due to a lack of knowledge or of resources to defend themselves. The Attorney General, as the peoples advocate, has a responsibility to act on behalf of each and every consumer in the State of Rhode Island. However, the Department of Attorney General is limited in that role by the lack of well-developed common-law precedents and the lack of a strong antitrust statute which provides the necessary legal tools, such as per se violations and investigative power.

In view of the recession and the hard economic times facing our people, it is most important to the confidence that our citizens should have in the criminal justice system that they understand that we are giving equal time and attention to the problems of white collar crimes as we do to the usual street crime and property crime violations. Equal enforcement of the law demands no less. Unless the state has a strong antitrust law, we will not be able to maintain that balance.

For these reasons, I am urging the General Assembly to promptly enact a Rhode Island Antitrust statute which is based primarily on the recommendations of the National Association of Attorneys General. This act would:

Prohibit unlawful restraints of trade or commerce, the establishment, maintenance or use of monopoly power, price fixing, collusive bidding, concerted refusals to deal, and other unfair economic practices which reduce competition and cause higher prices to the consumer;

Provide for civil and criminal penalties, injunctive relief, treble damages, and forfeiture of corporate charters as a means of enforcement;

Create an antitrust enforcement fund to receive awards on behalf of the state and to pay for the state's cost of litigation; and

Would authorize a Division of Antitrust in the Department of Attorney General, establish procedures for antitrust enforcement; authorize the Attorney General to sue in federal courts and in other state courts, and allow federal and state attorneys from other jurisdictions with similar legislation to sue in Rhode Island under this Act.

This Act has a number of unique factors:

First, by the establishment of an antitrust enforcement fund, it would eventually pay for itself;

Second, by allowing the Attorney General to sue on the federal level and in other states and by allowing the U.S. Attorney General and other state Attorneys General to sue under the Rhode Island act if they have similar legislation, a regional approach to antitrust enforcement would be encouraged and a better division of labor and expertise would be promoted among the states and the federal government;

Third, by listing so-called *"per se"* violations, businessmen are given clearer notice of what activities would be illegal, and enforcement of the antitrust act would be simplified;

Fourth, by prohibiting price-fixing in the letting of public contracts, thousands of dollars might be saved by citizens and state government;

Fifth, thanks to the experience of attorneys general in other states, this law provides more modern investigative tools and more reasonable options for enforcement than other less modern laws.

Rhode Island has waited long enough for the passage of a state antitrust act. Rhode Island businessmen need to be protected against the unfair and predatory practices of illegal monopolies and other anti-competitive conspiracies. Consumers need to be protected against the high prices that result from continuing antitrust violations. Finally, our state budget needs to be protected from the impact of antitrust violations such as rigged prices.

I would urge your prompt consideration of the passage of the attached legislation.

An Act Curbing Monopolies and Outlawing Restraints of Trade

It is enacted by the General Assembly as follows:

Section 1. Title 6 of the general laws entitled "Commercial Law—General Regulatory Provisions" is hereby amended by adding thereto the following chapter:

"Chapter 33

"RHODE ISLAND ANTI TRUST ACT

"6–33–1. Short Title.—This chapter shall be known and may be cited as the Rhode Island Anti Trust Act.

"6–33–2. Purpose; rules of construction.—The purposes of this chapter are (a) to complement the laws of the United States governing monopolistic and restrictive trade practices and (b) to promote the unhampered growth of commerce and industry throughout the state by prohibiting restraints of trade or practices, inasmuch as these have the effect of decreasing competition. It is intended that as a result of the prices of goods and services to consumers will be fairly determined by free market competition in activities affecting trade or commerce in this State, including the manufacturing, distribution, financing and service sectors of the economy. The General Assembly intends to exercise fully its power to affect and regulate commerce in order to effectuate the purposes of this act.

"6–33–3. Definitions.—For the purposes of this chapter, the terms defined in this section shall have the following meanings:

(1) "Commodity" means any goods, merchandise, wares, produce, chose in action, land, article of commerce, or any other tangible or intangible property, real, personal, or mixed, for use, consumption, enjoyment, or resale;

(2) "Service" means any kind of activity performed in whole or in part for financial gain including but not limited to personal services, rental, leasing or licensing for use;

(3) "Contract, combination, or conspiracy" means any agreement, arrangement, collusion, or understanding. "Contract" includes, but is not limited to, a purchase, a contract to purchase, a sale, a contract to sell, a lease, a contract to lease, a license, a contract to license, a franchise, or a contract to franchise. "Combination" includes, but is not limited to, a trust, common selling or purchasing agent, pool, or holding company;

(4) "Department" means The Department of Attorney General of this State;

(5) "Investigative demand" or "Demand" means an investigative demand pursuant to section 6–33–10(b) of this chapter;

(6) "Public body" means the State of Rhode Island, any of its public agencies, cities and towns; its other political subdivisions, and other authorities;

(7) "Person" means any natural person or the estate thereof, or trust or association of persons, whether formal or otherwise, or any corporation, partnership, company, or any other legal or commercial entity;

(8) "Trade or commerce" means any economic activity of any type whatsoever involving any commodity or service, or business activity whatsoever;

(9) "Documentary material" means any original or copy of any book, record, memorandum, paper communication, tabulation, map, chart, photograph, mechanical transcription, or other tangible document or recording;

(10) "Consumer" means with respect to a particular commodity, service or tenancy in real property, a natural person who acquires such commodity, service or tenancy for use and enjoyment in his private or personal capacity and not for resale or for use in connection with the production of income; and

(11) "Antitrust Enforcement Fund" means the fund described in section 6–33–21 of this chapter.

"6–33–4. Unreasonable restraint of trade or commerce.—A contract combination or conspiracy in unreasonable restraint of trade or commerce is unlawful.

"6–33–5. Establishment, maintenance, or use of monopoly power.—The establishment, maintenance, or use of, or any attempt or conspiracy to establish, maintain, or use monopoly power over any part of trade or commerce in this state by any person or persons for the purpse of excluding competition or fixing, controlling, or maintaining prices is unlawful.

"6–33–6. Requirements and output contract; tying arrangements.—A contract for the supplying of commodities or furnishing of services, or for the fixing of prices charged therefor, or for the giving or selling of a discount or rebate therefrom, on the condition, agreement or understanding that one party shall not deal in the commodities or services of a competitor of the other party, is unlawful where the effect of such contract, or such condition, agreement, or understanding may be to lessen competition or tend to create a monopoly in any line of commerce in any region of this state.

"6–33–7. Price fixing; production control: allocation of markets; collusive bidding: concerted refusals to deal.—Without limiting this chapter, the following situations shall be deemed to restrain trade or commerce unreasonably and are unlawful:

(1) A contract, combination, or conspiracy between two or more persons:

(a) for the purpose or with the effect of fixing, controlling, or maintaining the market price, rate or fee of any commodity or service;

(b) fixing, controlling, maintaining, limiting or discontinuing the production, manufacture, mining, sale or supply of any commodity, or the sale or supply of any service, for the purpose or with the effect of fixing, controlling, or maintaining the market price, rate, or fee of the commodity or service; or

(c) allocating or dividing customer's territories, supplies, sales or markets, functional or geographic, for any commodity or service.

(2) Contract, combination, or conspiracy between two or more persons whereby, in the

letting of any public contract, (a) the price quotation of any bid is fixed or controlled, (b) one or more persons refrain from the submission of a bid, (c) contract specifications are drawn in such a manner as effectively to limit the submission of bids to number less than the number of otherwise qualified bidders who deal in the same commodities or services and who might, therefore, reasonably be expected to participate in the bidding process, or (d) competition is in any other manner restrained.

(3) A contract, combination, or conspiracy between two or more persons refusing to deal with any other person or persons for the purpose of effecting any of the acts described in subsections (1) and (2) of this section.

"6–33–8. Scope of chapter.—(1) This chapter applies to any contract, combination, or conspiracy, wherever created, formed, or entered into; any establishment, maintenance, or use of monopoly power; and any attempt or conspiracy to establish, maintain, or use monopoly power; whenever any of the foregoing has an impact on trade or commerce of this state.

(2) In deciding whether conduct restrains or monopolizes trade or commerce or may substantially lessen competition within this state, determination of the relevant market or effective area of competition shall not be limited by the boundaries of this state.

(3) No action or proceeding instituted pursuant to the provisions of this chapter shall be barred on the ground that the activity or conduct complained of in any way affects or involves interstate or foreign commerce.

"6–33–9. Exemptions. (a) No provisions of this chapter shall be construed to make unlawful:

(1) The activities of any labor organization, or of individual members thereof, which are directed solely to labor objectives that are legitimate under the laws of either the State of Rhode Island or of the United States;

(2) The activities of any agricultural, horticultural, consumer, or agriculture cooperative organization, or of individual members thereof, which are permitted under the laws of the United States or of the State of Rhode Island.

(3) The activities of any public utility, as defined by the State of Rhode Island, only to the extent that such activities are regulated by this State, or by any federal regulatory body or officer acting under the laws of the United States;

(4) The activities, including, but not limited to, the making or participation in joint underwriting or joint reinsurance arrangements, or any insurer, insurance agent, insurance broker, independent insurance adjuster or rating organization only to the extent that such activities are regulated by the Department of Business Regulation.

(5) The activities engaged in by securities dealers, brokers, or agents who are (a) licensed by the State of Rhode Island, or (b) members of any national securities association or national securities exchange registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, U.S.C., in the course of their business of offering, selling, buying and selling, or otherwise trading in or underwriting securities, as agent, broker, or principal, and activities of any national securities exchange so registered, including the establishment of commission rates and schedules of charges;

(6) The activities of any state or national banking institution only to the extent that such activities are regulated or supervised by this state or by any federal regulatory body or officer acting under the laws of the United States;

(7) The activities of any state or federal savings and loan association only to the extent that such activities are regulated or supervised by this state or by any federal regulatory body or officer acting under the laws of the United States; and

(8) The religious and charitable activities of any not-for-profit corporation, trust, or organization established exclusively for religious or charitable purposes, or both such purposes to the extent that such activities are solely related to charitable and religious functions;

(b) This chapter shall not apply to activities authorized or approved under any federal or state regulatory scheme only to the extent that such regulatory law as applied to these activities is so comprehensive that enforcement of this act would be either unnecessary to effect the purposes of this chapter, in light of the existing regulatory structure, or disruptive of that regulatory structure due to a plain repugnancy between this act and the regulatory provisions. Regulatory approval which does not include due consideration of possible anticompetitive effects of any activity shall not exclude such activity from the provisions of this chapter.

"6–33–10. Investigation by Attorney General.—(a) General Power of Investigation—Whenever it appears to the Attorney General, either upon complaint or otherwise, that any person has engaged in or engages in or is about to engage in any act or practice prohibited by this act, or that any person has assisted or participated in any plan, scheme, agreement or combination of the nature prohibited by this act, or whenever he believes it to be in the public interest that an investigation be made, he may in discretion either require or permit the complainant to file with him a statement in writing under oath or otherwise as to all facts and circumstances concerning the subject matter which he believes to be in the public interest to investigate. The Attorney General may also require such other data and information from the complainant as he deems relevant and may make such special and independent investigations as he deems necessary in connection with the matter.

(b) Investigative Demand—Whenever the Attorney General has reason to believe that any person may have knowledge or be in possession, custody or control of any documentary material, pertinent to an investigation of a possible violation of this act, he may issue in writing and cause to be served upon the person an investigative demand by which he may;

(1) Compel the attendance of such person and require him to submit to examination and give testimony under oath; and/or

(2) Require the production of documentary material pertinent to the investigation for inspection or copying; and/or

(3) Require answer to written interrogatories to be furnished under oath;

The power to issue investigative demands shall not abate or terminate by reason of the bringing of any action or proceeding under this chapter. The Attorney General may issue successive investigative demands to the same person in order to obtain additional information pertinent to an ongoing investigation.

(c) Contents of Investigative Demand—Each investigative demand shall;

(1) State the section or sections of this chapter, the alleged violation of which is under investigation and the general subject matter of the investigation;

(2) Prescribe a reasonable return date no less than twenty (20) days from the date of the investigative demand;

(3) Specify the time and place at which the person is to appear and give testimony, produce documentary material, and furnish answers to interrogatories, or do any or a combination of the aforesaid;

(4) Describe by class any documentary material required to be produced, so as to clearly indicate what is demanded; and

(5) Contain any interrogatories to which written answers under oath are required;

(d) Prohibition Against Unreasonable Demands—No investigative demand shall;

(1) Contain any requirement which would be unreasonable or improper if contained in a subpoena issued by a court of this State or;

(2) Require the disclosure of any material which would be privileged, or which for any other reason would not be required by a subpoena issued by a court of this state.

(e) Offer of Documentary Evidence—Where the information requested upon oral examination or written interrogatory pursuant to an investigative demand may be derived or ascertained from the business records of the person upon whom the demand has been served or from an examination, audit or inspection of such business records, or from a compilation, abstract or summary based thereon, and the burden of deriving or ascertaining the answer is substantially the same for the Attorney General as for the person from whom such information is requested, it is sufficient for that person to specify the records from which the answer may be derived or ascertained and to afford the Attorney General reasonable opportunity to examine, audit or inspect such records and to make copies, compilations, abstracts or summaries.

(f) Service of Investigative Demand—An investigative demand may be served by:

(1) Delivering a duly executed copy to the person to be served, or if the person is not a natural person, to its principal place of business in this state; or

(2) Mailing by certified mail, return receipt requested, a duly executed copy addressed to the person to be served at his principal place of business in this state, or if he has no place of business in this state, to his principal office.

(g) Motion to Quash—Within twenty (20) days after the service of an investigative demand or at any time before the return date specified therein, whichever period is shorter, the person served may file in a state Superior Court and serve upon the Attorney General a petition for an order of court modifying or setting aside the demand. The time allowed for compliance in whole or in part with the demand as deemed proper and ordered by the court shall not run while the petition is pending before the court. The petition shall specify each ground upon which the petitioner relies in seeking relief, and may be based upon any failure of the demand to comply with the provisions of this chapter or upon any constitutional or other legal right or privilege of such party. The provisions of this subsection (g) shall be the sole and exclusive means for challenging the requirements of a demand.

(h) Those Authorized to Examine—The examination of all persons pursuant to this section shall be conducted before an officer authorized to administer oaths in this state by the Attorney General or a representative designated in writing by him. The statements made shall be taken down stenographically or by a sound recording device and shall be transcribed.

(i) Rights of Persons Served with Investigative Demand—Any person required to attend and give testimony or to submit documentary material pursuant to this section shall be entitled to retain, or on payment of lawfully prescribed cost to procure, a copy of any document he produces and of his own statements as transcribed. Any such person may be accompanied and advised by counsel, but counsel may not, as a matter of right, otherwise participate in the investigation. The information and materials supplied to the Attorney General pursuant to an investigative demand shall not be permitted to become public and shall be used only for the purpose of antitrust enforcement as provided herein.

(j) Witness Expenses—All persons served with an investigative demand, other than those persons whose conduct or practices are being investigated or any officer, director or person in the employ of such person under investigation, shall be paid the same fees and mileage as paid witnesses in the courts of this state. No person shall be excused from attending such inquiry pursuant to the mandate of an investigative demand, or from giving testimony, or from producing documentary material or from being required to answer questions on the ground of failure to tender or pay a witness fee or mileage unless demand therefore is made at the time testimony is about to be taken and unless payment thereof is not thereupon made.

(k) Refusal of Witness to Testify or Produce Requested Documents—Any natural person who shall neglect or refuse to attend and give testimony or to answer any lawful inquiry or to produce documentary material, if in his power to do so, in obedience to an investigative demand pursuant to this section, shall be guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not more than five thousand dollars ($5,000.00), or by imprisonment for not more than one (1) year, or by both such fine and imprisonment. Any natural person who commits perjury or false swearing in response to an investigative demand pursuant to this section shall be guilty of a misdemeanor and upon conviction thereof by the court of competent jurisdiction shall be punished by a fine or not more than five thousand ($5,000.00), or by imprisonment for not more than one (1) year, or by both such fine and imprisonment.

(l) Duty to Testify; Immunity—

(1) If, in any investigation brought by the Attorney General pursuant to this section, any individual shall refuse to attend or to give testimony or to produce documentary material or to answer a written interrogatory in obedience to an investigative demand or under order of court on the ground that the testimony or material required of him may tend to incriminate him, that person may be ordered to attend and to give testimony or to produce documentary material or to answer the written interrogatory, or to do an applicable combination of these. The order as aforesaid shall be an order of court given after a hearing in which the Attorney General has established a need for the grant of immunity, as hereinafter provided.

(2) The Attorney General may petition any Superior Court Justice for an order as described in subsection (l) (1) of this section. Such petition shall set forth the nature of the investigation and the need for the immunization of the witness.

(3) Testimony so compelled shall not be used against the witness as evidence in any criminal proceeding against him in any court. However, the grant of immunity shall not immunize the witness from civil liability arising from the transactions about which testimony is given, and he may nevertheless be prosecuted or subjected to penalty or forfeiture for any perjury, false swearing or contempt committed in answering or in failing to answer or in producing evidence of failing to do so in accordance with the order. If a person refused to testify after being granted immunity from prosecution and after being ordered to testify as aforesaid, he may be adjudged in civil contempt by the Superior Court until such time as he purges himself of contempt by testifying, producing documentary material or presenting written answers as ordered. The foregoing shall not prevent the Attorney General from instituting other appropriate contempt proceedings against any person who violates any of the above provisions.

(m) Duty of Public Officials—It shall be the duty of all officials of this state and its public bodies, their deputies, assistants, clerks, subordinates or employees, and all other persons to render and furnish to the Attorney General when so requested, all information and assistance in their possession or within their power.

Section "6-33-11. Injunction against and civil penalties for violations of this chapter.—

(a) Jurisdiction of Courts—The Superior Courts of this State shall have jurisdiction to prevent and restrain violations of this chapter. In addition to granting prohibitory injunctions and other restraints for a period and upon terms and conditions necessary to deter the defendant from, and insure against, the committing of future violations of this chapter, the courts may grant mandatory injunctions reasonably necessary to dissipate the ill effects of the violation. The courts may issue appropriate decrees upon consent and stipulation by the parties. The courts may also issue restraining orders. Under no circumstances shall the state be required to post bond in any action hereunder.

(b) Attorney General; Right to Injunctive Relief—The Attorney General may institute proceedings to prevent and restrain violations of this chapter as provided in subsection (a) of this section.

(c) Other Persons; Right to Injunctive Relief—Any person, including the United States and sister states as provided by subsection 6-23-12 (h), may institute proceedings for injunctive relief, temporary or permanent, as provided in subsection (a) of this section, against threatened loss or damage to his property or business by a violation of this chapter. A preliminary injunction may be issued upon a showing that the danger of irreparable loss or damage is immediate and, within the court's discretion, the execution of proper bond against damages for an injunction improvidently granted. If the court issues a permanent injunction, the plaintiff shall be awarded reasonable attorneys' fees, filing fees, and reasonable costs of the suit. Reasonable costs for the suit may include but shall not be limited to the expenses of discovery and document reproduction.

(d) Civil Penalty—In addition to injunctive relief authorized pursuant to subsection (a) of this section, any person who violates this chapter may be liable for a civil penalty in a suit by the Attorney General of this state of not more than the greater of one hundred thousand dollars ($100,000.00) or five hundred dollars ($500.00) per day for each and every day of said violation. Such award granted in a suit by the Attorney General shall be paid into the state treasury for the use of the Antitrust Enforcement Fund.

"6-33-13. Enforcement.

(a) Action for Treble Damages—Any person or public body, including the United States and sister states as provided by subsection 6-33-12 (h), who shall be injured in his business or property by reason of a violation of the provisions of this chapter may sue therefore and shall recover threefold the damages sustained by him, together with reasonable attorney's fees, filing fees and reasonable costs of suit. Reasonable costs of suit may include, but shall not be limited to, the expense of discovery and document reproduction.

(b) The attorney general shall investigate suspected violations of the provisions of this chapter and, if he shall conclude that a violation is imminent, is occurring, or has occurred, he shall institute on behalf of the State of Rhode Island or any of its departments, subdivisions, agencies, or its cities and towns, a court action seeking appropriate relief. The attorney general may bring an action in federal court on behalf of the State of Rhode Island, or any of its political subdivisions or agencies to recover the damages provided for by the federal antitrust laws, and pursuant thereto, may undertake such measures as he deems necessary for the successful conduct of such action.

(c) Attorney General: Suits Parens Patriae—The Attorney General shall be permitted to bring suit under this act, and in a proper federal court for violations of the federal antitrust laws or of both this act and the federal antitrust laws, to recover damages and secure the other proper relief:

(1) as parens patriae of the citizens and residents of this State, for damages personally sustained by them, or, alternately if it finds that the interests of justice so require, as a representative member of the class consisting of the citizens and residents of this State who have been personally injured; and

(2) as parens patriae, respecting damages to the general economy of this State.

(d) Proof of Aggregate Damages—In any action brought under either subsection (b) or (c) (1) of this section or under both of them, the Attorney General may recover aggregate damages sustained by the public bodies and by the citizens and residents of this State as respectively their interests shall appear in the case, without separately proving the claims of each of them; and his proof of such damages may be based upon statistical sampling methods, the pro rata allocation of excess profits to sales of other transactions occurring wholly or partially within this State or of such other reasonable system of estimating aggregate damages as the court in its discretion may permit.

(e) The Attorney General shall pay the following into the State Treasury for the use of the Antitrust Enforcement Fund:

(1) An amount attributable to the recovery of the State and its public agencies, including the amount of any recovery pursuant to subsection (c) (2) of this section; and

(2) The greater of—

(i) any amount awarded to the Attorney General as attorney fees or

(ii) an amount equal to the expenses and costs of investigation, litigation and fund administration attributable to the case.

The Attorney General may distribute, allocate or otherwise pay out the remainder of funds received, in accordance with rules and regulations promulgated by him so as to afford the citizens and residents and the public bodies of this State (other than the State and its public agencies) a reasonable opportunity individually to secure the pro rata portions of said remainder which attributable to these respective claims for damages before the same is paid into the General Fund of the State Treasury for the overall benefit of the citizens, residents and political bodies of this State.

(f) Authorized Procedures—In any action brought by the Attorney General pursuant either to this chapter or to the Federal antitrust laws or both for the recovery of damages or other proper relief, the Attorney General may enter into agreements relating to the investigation and litigation of such action with any other party plaintiff who has brought a similar action and with whom the Attorney General finds it advantageous to act jointly, or to share common expenses or to cooperate in any manner relative to such action. The Attorney General may enter settlements with defendants which provide for the payment of money to plaintiffs.

(g) The Attorney General may cooperate with officials of the Federal government and of the several states in the investigation and enforcement of violations to the end that implementation of this chapter will be accomplished in the most equitable and efficient manner possible. The Attorney General, to the extent permitted by the laws of the sister states, may institute legal proceedings on behalf of this state and of its citizens in such sister states against the violation of similar antitrust laws whose violation may impact on the State of Rhode Island and its citizens.

(h) The Attorney General of a sister state or the United States Attorney General or his representative with the specific permission of the Attorney General of Rhode Island, when a violation of this chapter impacts either on such sister state which has a similar antitrust law or of the United States, may institute proceedings in the Superior Court of this State to prevent and restrain violations of the provisions of this chapter.

(i) The Attorney General may establish a division of antitrust within the Department of Attorney General to enforce this chapter and he may employ such assistant attorneys, special assistant attorneys general, economic analysts, investigators and clerical staff as may be required to support such division.

"6-33-13. Common law powers.—No provision of this chapter shall be construed to limit the common law powers of the Attorney General.

"6-33-14. Imprisonment and fines for violation of chapter.—

(a) Fine and penalties—Any person or corporation, or any officer or agent thereof, who shall knowingly violate any of the provisions of this chapter or aid in on advise such violation, or who, as principal, manager, director, stockholder owning ten percent (10%) or more of the aggregate outstanding capital stock of all classes of the corporation, agent, servant, or employee, knowingly does any act comprising part of such violation, is guilty of a misdemeanor and shall be punished by not more than five (5) years imprisonment or by a fine of the greater of two million dollars ($2,000,000.00) or one thousand dollars ($1,000.00) per day, or both imprisonment and fine.

(b) Disposition of Funds—All funds collected by the courts pursuant to this section shall be deposited with the Attorney General to be deposited in State Treasury to the use of the Antitrust Enforcement Fund.

(c) Consent Decrees—The Attorney General may petition the court of entry of a consent decree dismissing any criminal prosecution hereunder, but the court shall review the proceeding to determine whether entry thereof is in the public interest.

"6-33-15. Forfeiture of charter rights and privileges to do business.—(a) Upon the failure of any person to comply with the terms of a final judgment of decree rendered by a court of this state issued for a violation of the provisions of this chapter, or to comply with a consent settlement approved by a court of this state concerning an alleged violation of this chapter, the Attorney General may apply to the court:

(1) for the forfeiture of any charter rights, franchise privileges or powers of such corporation held by such person under the laws of this state;

(2) for dissolution, if the person is a corporation or limited partnership organized under the laws of this state; or

(3) for the suspension of the privilege to conduct business within this state.

The court, after giving due consideration to the public interest and to relevant competitive and economic circumstances, may grant so much of the requested relief as is deemed appropriate. A dissolution shall be conducted in accordance with the procedures specified by law for either voluntary or judicial dissolution of the particular type of corporation, association, firm or partnership.

(b) If any corporation, association, partnership, or limited partnership shall be dissolved or have its privilege to transact business in this state suspended or revoked as provided in subsection (a) of this section, no assignee, transferee, or successor-in-interest of such corporation, association, partnership, or limited partnership shall be permitted to incorporate or to transact business in this state without first applying to the court for and receiving an order permitting incorporation or transaction of business. No order shall be granted unless the applicant proves to the satisfaction of the court that it will conduct its affairs in accordance with the provisions of this chapter.

"6-33-16. Acts of officers, directors, representatives, or agents acting within the scope of their authority.—(a) A corporation, association, firm, partnership, or limited partnership is liable for the acts of its officers, directors, representatives, or agents acting within the scope of their authority, whether they are acting on their own behalf and for their own benefit, or acting for the corporation, association, firm, partnership, or limited partnership in their representative capacity. Proof of the acts of any such officer, director, representative, or agent shall be received as prima facie proof of the acts of the corporation, association, firm, partnership, or limited partnership itself.

(b) When a corporation, association, firm, partnership, or limited partnership violates this chapter, such violation shall be deemed to be that of the individual directors, members, officers, managers, employees, or agents of the corporation, association, firm partnership, or limited partnership who knowingly authorized, ordered, aided, abetted, or advised in the acts or omissions constituting in whole or in part the violation, whether the individuals acted on their own behalf and for their own benefit, or for the corporation, association, firm partnership, or limited partnership and in their representative capacity. The individuals, in their capacity as individuals, are subject to the provisions of this chapter and may be joined, if subject to personal jurisdiction, as additional parties defendant in the proceedings against the cooperation, association, partnership, or limited partnership.

"6-33-17. Rule of evidence.—In prosecution under this chapter, it shall be sufficient to prove that a conspiracy or combination exists, and that the defendant or defendants belong to it or acted for or in connection with it, without proving all members belonging to it, or providing or producing any article or agreement or any writted instrument on which it may be based, or that it was evidence by any writted instrument at all. General reputation may be given in evidence in all prosecutions of alleged conspiracies or combinations under the provisions of this chapter.

"6-33-18. Judgment in favor of State as prima facie evidence.—A final judgment or decree rendered in any civil or criminal proceeding under this chapter brought by or on behalf of the State of Rhode Island, any of its departments or agencies, or any of its political sub-divisions, to the effect that a defendant has violated this chapter shall be prima facie evidence against such defendant in any action or proceeding brought by any matters respecting which said judgment or decree estopped as between the parties thereto; provided, however, this section shall not apply to consent judgments or decrees entered before any testimony has been taken.

"6-33-19. Notification of civil action.—Upon commencement of any civil action by a person, other than the Attorney General, for a violation of this chapter, plaintiff shall mail a copy of the complaint to the Attorney General and shall file proof of service on the Attorney General with the court. The civil action may not proceed until such proof of service is filed.

"6-33-20. Attorney general: promulgation of rules and regulations.—The Attorney General shall, from time to time, promulgate rules and regulations prescribing procedures for the implementation and effectuation of his powers and authority under this chapter. Such rules and regulations shall include, but need not be limited to, procedures for the disposition of funds collected under the provisions of this chapter and procedures for the granting of a consent judgment and decree under section 6-33-14c of this chapter.

"6-33-21. Antitrust enforcement fund.—All money received by the State after July 1, 1975 as a result of actions by the Attorney General pursuant to this chapter or to the federal antitrust laws shall be placed in a separate fund by the State Treasurer, to be known as the "Antitrust Enforcement Fund," and shall be used solely for the payment of all expenses incurrd by the Department of Attorney General in connection with antitrust and consumer enforcement activities. All moneys in such separate fund, from time to time, are hereby specifically appropriated to the Department of Attorney General and may be expended for the aforesaid purpose; provided, however, that if at the end of any fiscal year the balance in the Antitrust Enforcement Fund should exceed one billion dollars ($1,000,000.00) the State Treasurer shall thereupon withdraw such excess from the Antitrust Enforcement Fund and deposit same in the General Fund.

Estimates of the amounts to be expended by the Department for antitrust and consumer enforcement activities shall be submitted to the Governor for his approval or disapproval as in the case of other appropriations made to administrative departments, and it shall be unlawful for the State Treasurer to honor any requisition for the expenditure of any money out of this appropriation by the Department of the Attorney General in excess of the estimates approved by the Governor. Subject to the foregoing provisions, the State Treasurer shall honor each requisition by the Attorney General for the amount specified in such requisition, not exceeding, however, the amount in the Antitrust Enforcement Fund available at the time of making the requisition.

"6-33-22. Limitation of action.—Any action brought to enforce the provisions of this chapter shall be barred unless commenced within four (4) years after the cause of action arose, or if the cause of action is based upon a conspiracy in violation of this chapter, within four (4) years after the plaintiff discovered, or by the exercise of reasonable diligence should have discovered, the facts relied upon for proof of the conspiracy. No cause of action barred on the effective date of this chapter shall be revived by this act. For purposes of this section, a cause of action for a continuing violation is deemed to arise at any time during the period of such violation.

"6-33-23. Suspension of limitation.—Whenever any civil or criminal proceeding shall be commenced by the State to prevent, restrain, or punish a violation of this act, but not including an action brought by the State under section 6-33-12 of this chapter, the running of the statute of limitations in respect of every private right of action arising under this act and based in whole or in part on any matter complained of in said proceeding shall be suspended during the pendency thereof and for one (1) year thereafter; provided, however, that whenever the running of the statute of limitations in respect of a cause of action arising under either section 6-33-11 or 6-33-12 or both shall be suspended hereunder, any action to enforce such cause of action shall be forever barred unless commenced either within the period of suspension or within four (4) years after the cause of action accrued, whichever is later.

"6-33-24. Remedies cumulative.—The remedies provided in this chapter are cumulative of each other and of existing powers and remedies inherent in the court.

"6-33-25. Construction of statute.—This act shall be construed in harmony with ruling judicial decisions based on the common law of this State and ruling judicial interpretations of comparable federal antitrust statutes insofar as practicable, unless the provisions of this act are clearly contrary to those rulings. The provisions of this act shall be interpreted to supersede the jurisdiction of all state regulatory agencies, commissions and bodies except where there is a plain repugnancy between this act and the regulatory scheme in issue. Such repugnancy exists only where the regulatory scheme is so pervasive that it indicates the General Assembly's intent to substitute governmental supervision for the regulatory effects of competition.

"6-33-26. Severability.—If any provisions or phrases of this chapter or applications thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or phrases or applications of the chapter that can be given effect without the invalid provision or phrase or application, and to this end the provisions and phrases of this chapter are severable."

Section 2. Section 42-9-1 of the general laws, as amended, in Title 42 entitled "Department of Attorney General" is hereby amended to read as follows:

"42-9-1. Head of department—assistants.—There shall be a department of the attorney-general. The head of the department shall be the attorney-general who shall have supervision over said department and shall appoint *such* assistant attorneys-general *as may be necessary*."

Section 3. This act shall take effect on July 1, 1975.

VETERANS AND SCHOOL LIABILITY

Mr. HARTKE. Mr. President, recently there have been newspaper reports and other accounts which suggest that in some cases there may be educational benefits overpayments occasioned by abuses of certain veterans enrolled in school. While it is my understanding that such overpayments constitute a minor part of the entire Veterans' Administration educational assistance program, I am in agreement with the recent House Appropriations Committee report to the fiscal year 1976 Veterans' Administration appropriations, which urged:

> Whatever action may be required to reduce the incidence and volume of overpayments to the lowest possible level, consistent with insuring timely payments of monthly educational benefits to veterans, and to reduce the outstanding overpayment balances through continued improvements in the collection process, in the collection procedures and operations.

Thus, I believe it is appropriate to restate existing law and VA regulations concerning school liability for overpayment. The Veterans' Administration recently issued a circular (DVB Cir. 20-75-54) concerning such school liability. I believe the circular may be of interest to institutions and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the circular was ordered to be printed in the RECORD, as follows:

SCHOOL LIABILITY

PURPOSE

This circular is to clarify and emphasize certain portions of the law and VA Regulations concerning school liability for overpayments. Institutions of higher learning (IHL) fall within the purview of these requirements, as do all educational institutions and job training establishments.

SCOPE

a. Both statutory and regulatory requirements exist concerning school liability when reports by schools result in improper payments of allowances to veterans and eligible persons. When an overpayment has been made to an eligible person or veteran as the result of (1) the willful or negligent failure of an educational institution to report, as required by law and applicable regulations, to the VA excessive absences from a course, or discontinuance or interruption of a course by the eligible person or veteran; or (2) false certification by an educational institution, the amount of such overpayment shall constitute a liability of such institution, and may be recovered in the same manner as any other debt due the United States (38 U.S.C. 1785). Any amount collected from a school shall be reimbursed if the overpayment is recovered from the eligible person or veteran. Also, under VAR 14202(B) (1) (2) (3), a school may be disapproved for further enrollments or reenrollments, and educational assistance allowance to veterans or eligible persons already enrolled may be discontinued when the school willfully and knowingly or through gross negligence submits false reports or certifications concerning a student or his or her course of education which has or could result in an improper payment of allowances.

b. In a similar manner there are both statutory and regulatory requirements concerning reports to be made by schools to the VA. Section 1784(a), title 38, U.S.C., and VAR 14203 emphasize the importance of schools promptly making reports to the VA. Specifically, concerning course changes, interruptions, and terminations, VAR 14203(C) and (D)(2) are not to be construed in a way that an IHL is relieved of the responsibility of providing and maintaining a recording and reporting procedure which results in proper reports to the VA.

CLARIFICATION OF IMPROPER REPORTING

a. The case of willfully and knowingly submitting a false report must be distinguished from the case of false certification. In the first case there is no question that the school is liable for any resulting improper payment of allowances.

b. In the second case, false certification, it is helpful to review VAR 14009. False certification is a certification which is contrary to the facts, and no consideration is given to the question of fraud because intent is not involved. However, occasional clerical errors will be closely reviewed before a determination of school liability is made.

c. The fact that a school has no system or method of detecting and reporting changes will cause the school to be considered to be willfully or negligently failing to report excessive absences from a course, or discontinuance or interruption of a course by the veteran or eligible person. However, an improper payment of allowances resulting from the initial prepayment or advance payment at the beginning of an enrollment period due to a valid enrollment certification will not result in the school being held liable for such payment if the student was in fact properly enrolled in and pursuing the program at the time the check was issued or delivered.

DETERMINATION OF SCHOOL OR ESTABLISHMENT LIABILITY

a. Discrepancies in school records which can result in overpayments will most likely be identified during compliance surveys. Scheduling of compliance surveys must be done in accordance with M22-2, Part VII, paragraph 1.04, which includes instructions to schedule surveys at institutions of higher learning. These instructions set forth minimum basic requirements and local discretion is to be exercised to increase the number of compliance surveys where the need is obvious.

b. When an overpayment is created, the case will be reviewed to determine whether liability exists under VA Regulation 14009. This determination should be made when the authorization creating the overpayment is prepared and should be made on the basis of evidence of record at that time.

(1) If it is determined there is prima facie evidence to establish that the school or training establishment is potentially liable, a statement on VA FL 22-123, Report on Overpayment of Educational Assistance Benefits (original and one copy), will be prepared for the signature of the Adjudication Officer. Authority to sign this letter may be delegated no lower than to a section chief (unit chief at reorganized stations). The copy will be filed in the claims or DEA folder and the original, along with the authorization action creating the overpayment, will be sent to the Finance activity.

(2) If it is determined that the school is not liable, the authorization action will be annotated to show that the question of school liability was considered and the school was found not liable. Authority for such action may be delegated no lower than to an adjudicator.

c. Documentation should be included on the authorization form (amended award or stop action) in the remarks section with identification of the error, the amount involved and citation of the applicable VA Regulation. When an OCR document is used, the file copy will be annotated as noted above.

d. In making a decision concerning prima facie evidence, the Adjudication Division should take into consideration all known facts about the school. By considering all known facts, Adjudication will avoid unnecessary reports of potential school liability, thereby eliminating the additional processing in the Finance activity and the Committee on Waivers and Compromises.

The guidelines which are outlined in this circular are for immediate implementation.

RUFUS H. WILSON,
Chief Benefits Director.

A NEW FARM RECESSION?

Mr. CLARK. Mr. President, at a time when the rest of the Nation's economy is emerging from the worst recession since the Great Depression of the 1930's it is important for us to realize that agriculture may not enjoy such good fortune. In fact, with farm production apparently set to break all records, there is a distinct prospect that bumper crops this year could mark the beginning of a new farm recession.

Yesterday Joseph M. Winski, writing in the Wall Street Journal, reported the strong possibility that this year's corn crop will break the 6 billion bushel barrier for the first time. While this is a tremendous testament to the efficiency and productivity of American agriculture, it also can mean a sharp decline in the price paid to farmers for their corn.

The same thing is happening with other crops, such as winter wheat with an estimated 17-percent increase over last year's production, according to the Department of Agriculture.

I think it is important that my colleagues be aware now of the problems which may lie ahead in this critically important sector of the American economy.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BACK TO SURPLUSES: BIG HARVEST IS LIKELY, AND SOME FARMERS SEE SHARP DROPS IN PRICES

(By Joseph M. Winski)

CHICAGO.—There was a report out of downstate Illinois about a week ago that a farmer had found his corn tasseling—a development normally not reached until well after the Fourth of July. Not to be outdone, another farmer said he went out in his field one humid, moonlit night and listened to his corn growing.

The latter claim can be written off as hyperbole, but crop watchers say the early-tasseling report isn't much of an exaggeration. Both stories indicate what's shaping up in the farm belt: *a banner year for crops.*

This year's corn crop has a strong chance of breaking the six-billion-bushel barrier for the first time. That would be up about 30% from last year. The winter-wheat crop, currently being harvested, has been estimated by the Agriculture Department at a record 1.62 billion bushels, up 17% from last year. Soybeans could come in at 1.5 billion bushels, up about 21% from last year and the second-largest crop ever. Trade estimates see barley and sorghum production rising more than 30%, spring wheat 16% and oats 7%.

DIFFERENT IMPLICATIONS

The expected bumper crops have far different implications for consumers and farmers.

For the consumer, they imply that stocks of the raw materials for meat, poultry, dairy and bakery products may be rebuilt to comfortable levels. They also should assure that food prices this year and probably next will rise much more slowly than in the past two years. And some key foods, such as beef, may drop in price.

But for the farmer, a big harvest may signal the end of a boom. Talk of an agricultural recession and a farm "price bust" is heard increasingly in farm country.

Except for the 50% of the winter wheat crop already harvested, the crops aren't in the bins, however. "There's no question they look very good, but we've got some critical months ahead yet," says Don Paarlberg, director of agricultural economics for the Agriculture Department.

Except for last week's downpours that caused flooding in parts of North Dakota and Minnesota, Mother Nature has been very kind so far. In some areas of the farm belt, heavy spring rains created a sense of deja vu among farmers remembering the rains that last year delayed much planting. But the rains lifted this year, and in an unprecedented burst of activity, farmers caught up. They got most of their crop into the ground early enough to obtain optimum yields.

LESS VULNERABLE CROPS

On-time planting raises the prospect that the crops will be more mature and therefore less vulnerable to a repetition of the summer drought and early frosts that slashed yields last year. Some weather forecasters still warn that a drought is possible. "But there aren't any signs of it so far," one observer says. "And the odds are against two killing frosts in a row."

So for now, the prevailing projection is for a bin-busting harvest. As a result, William Kuhfuss, president of the American Farm Bureau Federation, says, "Unless the law of supply and demand suddenly fails to work, we're going to see a moderation of prices."

The Milwaukee securities brokerage firm of Robert W. Baird & Co., which follows agriculture closely, has forecast the following average cash prices for the new crops after the harvest: corn, $2.10 a bushel in Chicago, down 28% from last Thursday's $2.93 and 40% from $3.50 around harvest time last year; wheat, $3 a bushel, down 28% from harvest-time last year; soybeans, $4 to $4.25 a bushel, compared to $5.24 last Thursday and more than $7 at harvest last year. The firm says oats will sell for 24% lower, barley 35% lower, and sorghum 34% lower than at harvest last year. Other analysts generally agree with these projections.

IMPACT AT RETAIL

Such prices would substantially slash costs for the nation's food companies and, in theory at least, processors would pass on the reductions to consumers. Recent experience suggests, however, that retail prices won't go down accordingly. That's because lower raw-material costs will be offset by higher processing and distribution expenses.

"About 50% of the cost of food is labor," says Ray Goldberg, professor of agriculture and business at the Harvard business school. "And they (labor) are still playing catch-up," he adds.

At May 31, the latest date for which figures are available, food prices as measured by the Labor Department's consumer price index were up 7.6% from year-earlier levels. Higher beef and pork prices, reflecting sharply lower marketings of cattle and hogs, accounted for much of the increase.

An early impact of the bumper grain crops may be to encourage more placements of cattle in feedlots to be fattened for market, since cattle feed will be cheaper; in recent months such placements have been running about 25% below last year, as many cattle were fed in pastures. But more cattle should be moving to feedlots, or directly to market, as pasture conditions undergo their normal deterioration during the summer and as grain prices decline. Especially in the Corn Belt, feeding grain to livestock will probably be more profitable than selling grain for cash.

The upturn in beef supplies that is likely to ensue should reduce retail prices late this year and in 1976. Poultry production also should increase. Pork supplies, however, are expected to remain extremely tight because of severe cutbacks by producers during the days of unacceptable high prices for corn, the key hog feed.

The Agriculture Department is sticking with its earlier projection of a 6% to 8% increase in food prices for all 1975. The department's Mr. Paarlberg says the bumper crops in fact may temporarily tend to raise meat prices later this year by encouraging pork producers to hold back sows for breeding rather than marketing them and perhaps by causing cattle feeders to keep their animals in feedlots longer. "If this happens, the outlook for lower beef and pork prices is good for 1976," Mr. Paarlberg says.

APPLAUDED BY PLANNERS

Even a 6% to 8% rise in food prices, though more than the 3% increases typical prior to 1973, would be welcome relief for consumers from the 14%-plus jumps of the past two years. And some analysts say the department's estimates may be too high. The bumper crops should mean that, for a change, "the pressure on food prices would be on the downside rather than the upside," Harvard's Mr. Goldberg says. This slowed rate of increase is good news for economic planners fearing that a rebound in the economy might re-ignite double-digit inflation.

But the news isn't good for farmers wondering what happened to the farm boom. In 1973, farmers' realized net income, the best aggregate measure of how well they're doing, reached a record of $32.2 billion, and disposable per-capita farm income topped that of the nonfarm population for the first time since records have been kept.

Last year, realized net income fell 16% to $27.2 million. Crumbling commodity prices along with still-rising production expenses may depress that net to about $20 billion this year. In dollar terms that's still above the $11 billion to $14 billion earned in the 1960s. But farmers, like everyone else, have to pay more for almost everything these days. "I wonder how the rest of us would react to what is in effect two pay cuts in a row," one nonfarmer muses.

AGRICULTURAL RECESSION?

"We could well be seeing the beginning of an agricultural recession," Mr. Kuhfuss of the Farm Bureau says, "especially if the farmer's expenses keep going up and up and up." Mr. Paarlberg concedes "it's going to be tougher—the price-cost squeeze is pinching harder." But the Agriculture Department doesn't anticipate "a real old-fashioned agriculture depression."

A squeeze is going to be hardest on new farmers and on farmers who overexpanded in the euphoria of recent years; they paid high prices for land, equipment and other production needs. "The farmer who inherited land or got into the business years ago can lay back and make it through," Thomas Nelson, a vice president for Robert W. Baird & Co., says. "But the recent entry has some very real cash obligations that he will find difficult to meet."

This view is shared by D. Gale Johnson, University of Chicago economics professor. "You take some poor guy down in Champaign County (in central Illinois) who paid $1,500 and $1,600 an acre for land last year—he just ain't gonna make it on $1.75 corn," Mr. Johnson says. Mr. Johnson was among the first observers who warned of a possible agricultural recession. Last September, when conventional wisdom held that the days of $2 corn and $4 soybeans were over, he predicted that it was "highly probable" that real farm-goods prices would return to their pre-1972 long-term downtrend.

"RETURNING TO NORMAL"

"In effect, we're returning to normal," Mr. Johnson says. The upshot, he says, is that "we'll start building up stocks (reserves of farm commodities) much faster than anybody thought we would." At first, he says, the rebuilding will be done privately, by farmers and exporters. "But by the end of next year, what people will again think of as 'the farm problem' will have returned, and we will be back in the storage business as a government policy."

That would vex the Ford administration and Agriculture Secretary Earl L. Butz. Mr. Butz has campaigned vigorously and, aided by booming foreign demand, successfully to reduce the government's role in agriculture. But the recession here and abroad has damped demand.

So have the too-rapid buildup and subsequent huge losses of the cattle industry in the U.S. and Western Europe. Another factor has been the generally good progress of crops in other countries. Brazil, increasingly a competitor in the export market, has harvested a record soybean crop. Despite recent reports of bad weather, grain crops in the Soviet Union and China, both potentially large customers for U.S. grain, also look good. "It isn't just bumper crops for the U.S., but for the world," Harvard's Mr. Goldberg says.

U.S. agricultural exports for the year ended June 30 are estimated by the Agriculture Department at a record $22 billion, up from $20.1 billion in fiscal 1974, but the department predicts that the value of fiscal 1976 exports will fall 18% to $18 billion because of lower prices.

CARRYOVER FORECASTS

The slump in demand for agricultural products probably is best reflected in the department's sharp boosts in forecasts of carryover stocks. At the annual Agricultural Outlook conference last December, the department projected corn stocks as of Oct. 1, 1975, at 265 million to 285 million bushels; it now says the carryover will be about 360 million bushels and could reach 860 million by Oct. 1, 1976. Soybeans stocks for this Sept. 1 were put at a scant 60 million bushels last December; now they're estimated at 225 million bushels and perhaps double that for Sept. 1 next year.

All this has produced rumors of a state of emergency at the Agriculture Department. That isn't so, Mr. Paarlberg says. He adds that he can't understand people getting worked up about possible surpluses "when the crop's barely in the ground and a few months ago people were worried about mass starvation."

He does say that the department is "constantly reviewing our options," including the power to liberalize the government's crop-loan program. He also is optimistic that demand will pick up as economies here and abroad improve and as new crops become available at "attractive " prices. "Stocks are being depleted and we may see some rebuilding," he says.

Most observers don't expect much government action this year. "They might be concerned (about farmers) at the Agriculture Department," says Wayne Moyer, a political scientist at Grinnel College in Iowa, "but elsewhere in the administration they're delighted at the prospect of bumper crops." As for the farmer, Mr. Moyer says, "all he can do is sit and watch his crops grow."

THE 5–D PROGRAM, A RESPONSIBLE APPROACH BY INDUSTRY

Mr. HUMPHREY. Mr. President, I am honored to have in my State of Minnesota the Hoerner Waldorf Corp., which makes a variety of paper products.

Hoerner Waldorf has developed what it calls the 5–D program, which is designed to recover dead, dying, defective, diseased, and down timber—wood that otherwise is not usable for the manufacture of its paper products.

This program is important environmentally because it uses material which was formerly wasted or burned, and it eliminates from the forest floor that slash which presents the greatest forest fire hazard.

Now about to begin phase two of the 5–D program, Hoerner Waldorf is anxious to acquire long-term cutting contracts with the Forest Service to acquire the 5–D wood that no one else wants.

I urge the Forest Service to give serious consideration to this proposal, if for no other reason than as a forest fire preventive measure.

I ask unanimous consent that an address by Alvin J. Huss, chairman of the board of the Hoerner Waldorf Corp., before the annual meeting of shareholders held February 25, 1975, in Saint Paul, Minn., be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ALVIN J. HUSS, CHAIRMAN OF THE BOARD OF HOERNER WALDORF CORP.

One year ago at this annual meeting . . . I illustrated my remarks with two charts which put into focus a major challenge facing your corporation during the current decade. One showed the rising curve of timber value in comparison to the other basic commodities involved in manufacturing. The other: "Upstream Resources and Downstream Marketing." The import is that downstream marketing is not secure unless upstream resources are protected . . . so the company is neither held ransom to a minimum supply base . . . nor made hostage to uncontrolled pricing.

This year . . . I am happy to report that your company has made measurable progress to free itself from these twin thralldoms. The answer lies in our 5D addition wood utilization program.

In essence . . . this involves harvesting the "Dormant Forest" to convert an environmental and aesthetic liability into an economic asset with a whole range of benefits for both the public and private sectors.

5D wood is wood that is Dead . . . Dying . . . Defective . . . Diseased . . . or Down. Wood that is otherwise unmerchantable . . . but wood that is perfectly adequate in every other respect for the manufacture of paper products.

Our Missoula mill was designed from the very start (in the mid-1950's) to run on forest residuals . . . the wood chips produced from the waste materials generated by the many lumber and plywood mills in the Western Rocky Mountains.

When the Missoula mill was built . . . large quantities of these residuals were routinely burned . . . the emissions discharged into the air. But today . . . all of that has changed. The burgeoning demand for wood fibre products has led to increased exports and skyrocketing chip prices. While at home . . . the comatose housing market has resulted in severe curtailments of lumber and plywood . . . and a consequent reduction in the supply of wastewood chips.

These economic conditions might have conspired to put your company into a severe material bind . . . were it not for this selfsame 5D wood program we began testing five years ago. In late 1969 . . . although there was no depression—per se—there occurred a housing downturn and companion reduction in the reservoir of residual chips from lumber and plywood mills.

Waiting for us in the forests of the Rocky Mountains were staggering volumes of slash—the 50 percent of each tree which—during logging operations—is left on the ground in the form of foliage . . . branches . . . snags . . . tops . . . stumps . . . or by-passed because of defects that preclude milling.

This leads to immense build-up of the biomass. In the Northern Region . . . near our Missoula mill . . . 110-thousand acres of slash are created annually on national forest lands.

The Forest Service reckons that each of these acres bears 100 tons of this residual debris . . . which means that 12 million tons of slash are created annually on public land within the buying area of our Missoula mill.

Since 1961 . . . one-point-two million acres of slash have been created on public lands in the same region . . . but only 500 thousand have been treated for regeneration . . . leaving a massive amount of biomass burden.

Although definitive data on the utilizable percentage of this resource is not available . . . one authoritative study says that there is now enough 5D wood in the non-reserved areas of the Bitterroot and Lolo National Forests to produce 737 thousand tons of pulp per year . . . for twenty years!

Because industry data shows that a kraft mill with a daily capacity of 500 tons consumes some 360 thousand tons of bone-dry chips per year . . . the 5D wood in these two national forests alone would support two or more 500-ton-per-day kraft mills for 20 years . . . and there are eleven national forests in Montana. So there is seen to be a plentitude of this raw material . . . with little other current utility.

Of course, while all of this 5D furnish is theoretically available in the western part of Region One . . . there are already three pulp mills in the area. And the economics of our industry would certaintly seem to preclude any "Oklahoma Land Rush" for this resource we have so assiduously cultivated as an alternate source of supply.

The other major cause of 5D wood is natural mortality . . . via insects and disease.

The Forest Service estimates that if all mortality could be salvaged . . . the annual timber supply would be increased by 45 percent.

The problem of wildlife is closely related to that of the massive amounts of 5D wood resulting from slash and mortality. It is largely a matter of fuel. Trees convert the sun's energy into chemical form via the process of photosynthesis. In the forest, the resulting increase amounts to the equivalent of the energy present in 300 gallons of gasoline per acre per year. Little of this material eventually decomposes . . . so intolerable fire hazards quickly build up in the biomass. Lightning or some mischance involving man releases all of that pent up energy in the form of a forest fire . . . fires which in a recent year destroyed timber in the Northern Rockies worth almost 15 million dollars . . . and made a blackened ruin of some of the finest woodlands in the world. Mother Nature is still the final ecologist.

And wildfire is sometimes lethal. In the parched autumn of 1893, fire feeding on the slash in Northern Minnesota and Wisconsin killed thousands of people and wiped out entire towns with names like Peshtigo . . . Moose Lake . . . Cloquet and Hinckley. It is devoutly hoped that we will never see wildfires of this magnitude again.

So . . . in addition to better resource utilization . . . we are convinced that our 5D wood program will also lead to reduced wildfire hazard. That is the backdrop against which we conceived our 5D wood project.

As stated . . . it began late in 1969 . . . when—faced with a somewhat depressed lumber market and increasing pulpwood exports—we began chipping in logged-over areas with a 20-inch Morbark Chipper.

The experiment occurred with the full knowledge and encouragement of the Forest Service . . . and in cooperation with Anaconda . . . which subsequently sold its timber rights to U.S. Plywood.

The next year . . . we mounted a similar chipper on a foundation in the Missoula millyard. Here we chipped 35 thousand tons of 5D wood during the "trough" of that down-market in lumber . . . proving that we could depend on 5D chips as a supplementary source of supply during lean times in the lumber and plywood mills.

With that encouragement . . . we went ahead and installed a 26-inch Nicholson Chipper at the mill . . . a machine with a rated annual capacity of 120 thousand cords. It was shut down late in 1971 . . . when the lumber market picked up and the supply of cheaper chips of residuals increased.

But we were again ready in the autumn of 1973 when the supply of wastewood chips dried up from a weakened lumber market. Because the experiment had stood the test of time . . . we made a long-term commitment to 5D wood in the middle of 1974. It is a six-and-one-half-million-dollar program which calls for the installation of two permanent chippers by the middle of 1975. One will be located at the mill . . . the other in Columbia Falls, Montana. Between them . . . they will have the capacity of 350 thousand cords per year. They will be temporarily augmented by six portable chippers which can be "spotted" around the area as the 5D wood accrues. Each will be capable of chipping some 4 thousand cords per month.

Thus . . . of the 790 thousand tons of chips our Missoula mill demands each year . . . the 5D program will soon have the capacity to generate 655 thousand tons per year . . . almost 80% of the raw materials required by the mill. This volume of material utilized in the 5D chipping program would remove the logging residuals from approximately 48 thousand acres per year . . . generating some 350 jobs for employees of the independent contractors from whom we purchase 5D wood.

The Forest Service endorses this salvage of dead material because it . . . puts growth and removals into better balance . . . increases fibre supplies without reducing growing stock inventories . . . reduces land and timber management costs via aid to regeneration . . . and compensates for a dwindling land base . . . assuring future generations of a fibre supply.

A Forest Service report recently stated a somber alternative. "If the current trend continues . . . the 2-point-7 million acres of non-stocked area awaiting regeneration will blossom into 4 million acres of non-stocked land by 1980. To prevent this kind of galloping desolation would take a regeneration program about six times the magnitude of the 1970 program." I submit that we offer genuine help with our 5D program!

Benefits to Hoerner Waldorf Corporation include total resource utilization. That is: Giving us a safe, cycle-proof supplementary supply of wood fibre . . . an extension of our timber base . . . the utilization of all of our corporate facilities . . . even during periods when other sawmills are down because of the lumber cycle . . . and the opportunity to provide more continuous employment despite the cyclic nature of the wood products industry.

We have, then, in the year just concluded taken a giant stride toward both broadening and deepening our fibre base: A step that encompasses five years of procurement and utilization expertise . . . measurable progress in the harvesting of the dormant forest from tens of thousands of acres to expand our material options.

Our next step (phase two of the 5D wood program, if you will) is to try to secure long-term cutting contracts with the Forest Service for this potent resource. Certainly, there are precedents for this in the industry: First, the 30-year sale of timber to one corporation from more than a million acres of public lands in the Southwest. Second, a large paper, pulp and plywood producer in the Northwest who was granted a 100-year working circle on federal land.

These long-term contracts are an absolute must to justify the dollar investment in the expansion of our Missoula mill, for which the permit has now been issued but expires in two years. No institutional investor will finance the debt of this mill without a secure timber base.

All of the elements for unparalleled benefits—both public and private—are present there in the immense quantities of 5D wood. We will press on 'til they are finally utilized.

UPPER MIDWEST GOVERNORS OPPOSE COAL SLURRY PIPELINE

Mr. McGOVERN. Mr. President, there is growing concern in the upper Great Plains States relative to the use of large amounts of water for coal slurry operations. Our part of the country is semi-arid and we need the water for irrigation, municipal, and agricultural uses, and to insure stability in power generation.

We simply do not have all the facts at this time to reach a reasoned judgment on the expenditure of a precious water resource for a coal slurry pipeline when it may be that existing rail carriers can perform that function.

The Governors of South and North Dakota, Montana, Wyoming, and Nebraska, meeting as the Old West Regional Commission, presented a statement in opposition to H.R. 1863—a measure pending in the House of Representatives dealing with the granting of eminent domain to carriers of coal by slurry pipelines. Their concern is, I am sure, reflective of the concern of the citizens of their respective States.

I ask unanimous consent that their statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by the Governors of the Old West Regional Commission

(In opposition to H.R. 1863, a bill to amend the Mineral Leasing Act of 1920 by granting eminent domain to carriers of coal by slurry pipelines)

With energy shortages unending in the foreseeable future, Congress will be faced with legislative proposals aimed toward overcoming immediate supply problems by increasing the development of domestic energy sources. Because energy producing areas of our nation, such as the Northern Great Plains, will bear the full brunt of this type of legislation, the Governors of the Old West Regional Commission consisting of North and South Dakota, Montana, Wyoming and Nebraska, have an obligation to examine closely each specific proposal before Congress to assure that it is compatible with the desires of our people and within the capabilities of our natural resources.

One such bill, HR 1863, a proposed amendment to the Mineral Leasing Act of 1920, would give eminent domain power to the carriers of coal by slurry pipeline. Though coal slurry pipelines may in the future become an acceptable means of transporting coal long distances, Congressional endorsement of such projects is premature at this time for the following reasons:

1. There is not sufficient data to adequately assess the potential impacts of removing large amounts of water from local aquifers and then exporting this water from water-short regions. Because of this concern, the Montana legislature prohibited the use of the states water for slurry to export coal.

This lack of knowledge is exemplified in the coal slurry pipeline planned from Wyoming to Arkansas which will use deep wells to take 15,000 acre-feet of water from the Madison limestone formation, a region-wide carbonate aquifer system. Yet the hydrology and geology of the Madison formation which underlies much of the Powder River Basin are virtually unknown. It is thought that Madison groundwater supplies shallower aquifers in Wyoming, Montana, the Dakotas and Nebraska; that major groundwater development of the Madison may exceed recharge and thereby lower the water level; and also that increased mineralization can be expected in areas of major water withdrawal. If these conditions, either singly or in combination, were to occur, then our local areas and states would seriously suffer.

A Northern Great Plains Resources Program report by Frank A. Swenson entitled *Possible Development of Water From Madison Group and Associated Rock in Powder River Basin, Montana-Wyoming* recommends:

"Much more additional data regarding the Madison are needed before location and spacing of major developments and their effects are known. At present there are no water wells in the central part of the Powder River Basin. Exploratory drilling and aquifer-performance tests in the parts of the basin where major strippable coal is found are required to determine if the hydrologic conditions are favorable for major water supplies before construction of facilities for energy development. Arrangements should be made whereby needed hydrologic data can be gained by close coordination between the planning, exploratory, and development programs."

2. The Western States Water Council predicts that giving pipeline carriers eminent domain for coal slurry pipelines would "greatly accelerate the implementation of pipeline construction." A thorough environmental analysis of the long-term impact of this probability should be accomplished before irreversibly committing a resource of such great importance to the region.

3. It does not appear that intensified construction of coal slurry pipelines is necessary. In a February 1975 report for the Montana Bureau of Mines and Geology prepared by Cameron Engineers, Inc., and entitled "Market Prospects for Montana Coal," the following observation was made concerning the ability of railroads to increase their capacity of coal shipments from Montana:

"Rail transportation capacity should not be a factor limiting Montana's ultimate coal production. Several times the present amount of Montana coal shipments could be hauled on existing lines by increasing the number of cars and traction units. With additional centralized traffic control, more than ten times present production could be hauled. Beyond this, the railroads will simply install the additional equipment and roadway necessary to move whatever quantity of coal they can be assured will continue to be required."

Since those railroads operating in Montana service the entire region, there would appear to be no urgency for alternative means of transporting coal.

In conclusion, H.R. 1863 and the resultant acceleration of construction of coal slurry pipelines in the Northern Great Plains could have a serious impact on the ground-water resource. More information and time is needed to fully understand the impacts of large water withdrawals. In the meantime, the railroads appear to be capable of transporting increased coal production. Therefore, we oppose passage of H.R. 1863.

Ed Herschler,
Governor of Wyoming.

FORD MORE COMFORTABLE IN JOB

Mr. HRUSKA. Mr. President, I am extremely pleased that President Ford today announced that he is a candidate for the Presidency of the United States. No man is more qualified to hold that position beginning in 1977 than the man who holds it now—Gerald Ford. I can assure my colleagues that I will do everything in my power to see that President Ford is elected in 1976.

President Ford came to his present position in difficult times. He did not take long to prove to the Nation that he was well qualified for the job. As the months of his Presidency have progressed, he has shown that he has the capacity for leadership this country needs. Not only has his popularity among the people increased in recent months, but he has taken the initiative in proposing workable, sensible programs that will solve some of the country's ills.

President Ford has recommended an energy program that will decrease our dependence on foreign sources and help make America an energy-independent Nation. He has taken the offensive against our twin enemies of inflation and recession and recent economic indicators are showing that the tide of battle is turning. The President has wisely determined that excess spending by the Federal Government is at the root of America's economic problems. His selective use of his veto powers to stop inflation-feeding legislation has won him many friends—not only in the Congress, but among all the people of the United States who realize that Federal money will not cure every ill.

President Ford has recommended to the Congress a plan that will, I believe, go a long way in freeing the citizens of this country from the ever-present fear of crime. The President's program if enacted by the Congress will restore a sense of "domestic tranquility."

In the past few days, the President has opened another front in his battle against the ever-encroaching powers of the Federal Government. He has asked that the Congress and the executive branch take a long look at the powers of the regulatory agencies with an eye toward doing away with those that are unnecessary and burdensome to the people of this country.

Mr. President, I have outlined just several of the many areas where President Ford has excelled during the months he has been in office. His record of accomplishment speaks for itself. I know the American people realize he has performed well in this toughest of all jobs in the world. They certainly will realize that he deserves another 4 years to put into effect some of the programs and actions he has started in the past few months.

It is my belief that he will be elected by the people of this country to the Presidency in 1976. They have been exposed to his honesty and decency and I know they like what they see.

Mr. President, the publication National Journal has an article in its July 5 edition, that accurately describes how Gerald Ford has grown in his job and has demonstrated his leadership capabilities.

I ask unanimous consent that the article, "Ford More Comfortable in Job," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the National Journal, July 5, 1975]

Presidential Focus—Ford More Comfortable in Job

(By Dom Bonafede)

Slowly, almost imperceptibly, Gerald Ford's presidential character is coming into focus.

Progressively since taking office Aug. 9, 1974, Ford has given the appearance of being more self-assured and comfortable in the job. He has stated repeatedly how much he enjoys it. He has demonstrated that he is equipped physically to handle the workload and that he likes even the ceremonial chores demanded of him.

Some disillusionments: Conversations with White House aides and academicians, which tend to support this view, also indicate that Ford has suffered some disillusionments.

He now is aware that the "working partnership" he had sought with Congress was an idealistic notion, and that national problems are infinitely broader in scope when viewed from the White House and considerably more difficult to solve than they seem from the outside. The analogy that Ford likes to make between sports, where there almost always is a winner and loser, and politics, where compromise often is the only achievable goal, seldom applies in the real world in which he lives. He is disheartened further by the extent of internal bickering, frequently motivated by personal ambition, that has prevailed among his personal presidential aides.

Comes to grips: Over-all, however, Ford seems to have come to grips with his internal and external problems, at least insofar as his personal approach and philosophical attitude is concerned.

"An accumulation of things came together in the spring—the American evacuation from South Vietnam, the Mayaguez affair, the European trip and the ability to sustain his congressional vetoes," said Robert T. Hartmann, counselor to the President. "He has demonstrated that he is taking hold and making decisions."

Hartmann reported that the White House's private polls on Ford's popularity consistently were higher than the public polls beginning early in 1975. "Our polls began to pick up in February, but for some reason the public polls were slow in reflecting this," he said.

While Hartmann understandably may be biased, others with a more objective viewpoint offered a similar assessment.

Presidential scholars: A nationally recognized presidential scholar, Prof. James David Barber of Duke University, told *NJR* that he would define Ford's presidential character as active-positive. "By active, I mean his day-to-day energy output, not his legislative success," Barber said. "It refers to the fuel he puts into his job. By positive, I mean the enjoyment he regularly feels in the job, his sense of humor and flexibility as a human being, and the vision he has to perceive the massive problems facing the country."

According to Barber's standard, Ford belongs in the same company as Presidents Franklin D. Roosevelt, Harry S Truman and John F. Kennedy and is the only Republican in the group.

In his book, *The Presidential Character* (Prentice-Hall, 1972), Barber stressed the significance of presidential behavior: "The presidency exists solely in the minds of men. The White House is not the presidency any more than the flag is the nation. This 'institution' is nothing more than images, habits and intentions shared by the humans who make it up and by those who react to them."

Along the same lines, Thomas E. Cronin, former Brookings Institution fellow and author of the forthcoming book, *The State of the Presidency*, said, "In marked contrast to Nixon, President Ford seems to be secure within himself. He doesn't need as much trumpeting for small achievements. He enjoys the job without being compulsive or driven. Maybe all this is routine, but it is not without importance."

Cronin noted a paradox in the public's view of the presidency, particularly as it related to Ford. "We want our Presidents to be decent, just and humane but yet there is something in us that prizes ruthlessness and toughness. In the Mayaguez affair, he was tough and ruthless and we admired him for it. Part of his problem is our problem."

Public figure: Commenting on Ford's performance as a public speaker, Robert Orben, a White House speech writer, said, "He has become much more at ease and in command of himself on the platform. He always had a self-confidence while speaking, but now he gives a feeling of oneness with the audience; he doesn't crowd it. If the audience applauds and laughs, he goes with it."

Orben also observed, "The President has a great built-in courtesy towards people. He sits and listens and hears you out. Most of us in speaking with people are concerned with our rebuttal. But the President gives you a fair shot at saying what you want. That is extremely rare in Washington."

Hartmann said that Ford does not try to evoke any imagery about the "awesomeness" of the Presidency or its "lonely splendor."

He said, "Although many on the outside see it that way, the fact is that there is simply a group of human beings here trying to solve certain problems. We deal with one problem at a time, concentrate our efforts and try to be more careful than usual because more people are affected."

That, of course, may be an understatement. In recognition of the White House mystique, even counselor Hartmann acknowledged that "the big difference is the location."

Less chit-chat: Both Hartmann and Orben suggested that one of the major changes in the President's behavioral pattern is the decreasing amount of time he has to chat freely with his aides.

"During the early months here," said Orben, "the President had more time to engage in a little small talk. But then the responsibilities and the problems began to pile up, or there was a briefing book that had to be studied, or someone was knocking on his door. All that means the private time he formerly spent with his staff was severely cut back."

Orben, a former television humor writer, commented on the White House's high visibility and fast tempo:

"There is no such thing as coasting; every speech is an event. Everything is serious. I'm here because of personal loyalty to the President and I wouldn't pass up the experience for anything in the world. If anything, it's the sense of zaniness in television that I miss."

DR. ARIS T. ALLEN OF ANNAPOLIS, MD.

Mr. MATHIAS. Mr. President, a friend of mine who is a distinguished citizen of Maryland, Dr. Aris T. Allen, was honored recently in his home community of Annapolis for more than 30 years of service to his fellow citizens. It has been my pleasure to know Dr. Allen for many of those years. The tribute paid to him by friends, neighbors, and associates reflects not only the gratitude of the community for his outstanding service, but the respect of the people of Annapolis for a popular person.

Mr. President, the Annapolis Evening Capital, in its editions of June 24 and 27, printed a news story and an editorial tribute to Dr. Aris T. Allen. I ask unanimous consent that they be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Annapolis Evening Capital, June 24, 1975]

Allen: Up by the Bootstraps

(By Fletcher Roberts)

Success has not come easy for Dr. Aris T. Allen.

The product of a broken home, he says he has always been determined that he would "accomplish something in this life," and believes the keys to his success to be the will and the drive to achieve.

Dr. Allen is being cited for his more than 30 years of service to the Annapolis community in a week-long salute that will culminate Saturday evening in a mammoth banquet at the Annapolis Hilton Inn.

Born in San Antonio, Texas, in 1910, Dr. Allen, a large, soft-spoken man, says of his early childhood experience, "I was never in a situation where both of my parents were together at any one time."

Much of his early life was spent with his mother in a small town outside of San Antonio. Then one day he was "placed on a train" and sent to live with his father in San Antonio where he stayed until a teenager.

Embarrassed by classmates because he wore his father's shoes to school, Dr. Allen left home at age 14 or 15.

He first travelled to Houston, Texas, then on to Chicago, Ill., where he survived the

Depression and attended high school at night.

Through a competitive examination, he obtained a government position in Washington, D.C., in 1936, where he worked eight hours a day while attending Dunbar High School, Howard University and Howard University Medical School at night.

In 1942, he resigned his government job to join the Army Specialized Training Program at Howard University, where he completed his medical training in 1944.

When the Army gave him the opportunity to resign his lieutenant's commission and set up medical practice in an area of his liking in 1945, he decided to hang up his shingle in Annapolis.

With the exception of two years spent as an Air Force surgeon during the Korean War, Dr. Allen has maintained his private practice here without interruption.

In 1947, he married his college sweetheart, the former Faye E. Watson, then a registered nurse. She has since become a physician and shares her husband's Cathedral Street office. They have two sons, Aris T. Jr. and Lonnie W.

"In this present day, says Dr. Allen, I believe that it is possible for a man to be the captain of his own ship . . . to determine his own destiny, once he makes up his mind. The opportunity is there."

Reasserting his belief in the existence of opportunities for all in Annapolis, he says, "(The young) have simply got to prepare themselves and be ready for these opportunities."

Having spent most of his life "making a living," Dr. Allen said he has had little time for "social life," and perhaps that he is "compensating now."

"I enjoy people, working with and working for people," he said. "More than that I enjoy seeing people improve. That's one of the rewards of the medical profession."

Asked about the future, Dr. Allen says he plans to continue practicing medicine (his "first love") and will open a larger, three-story office where he can better serve those of his community.

"I'd like to make my exit with my boots on," he said.

[From the Annapolis Evening Capital, June 27, 1975]

DR. ARIS ALLEN DESERVES TRIBUTE

Annapolis is honoring one of its most respected citizens this week—Dr. Aris T. Allen.

The week-long salute will end tomorrow night when more than 400 people will fill the Hilton Hotel ballroom to pay tribute to a man who has served his community in many ways over a 30-year span.

The product of a broken home, Dr. Allen was forced to work fulltime while completing high school, graduate school and medical school at night.

Dr. Allen's hard-working habits have stayed with him through life. Despite a busy medical practice, he still found time to devote countless hours for the betterment of his community.

Dr. Allen has served on the Board of Education, in the House of Delegates, on the board of directors of Anne Arundel Community College, the YMCA, the Community Chest and the American Red Cross.

In between he has found time to serve on the Board of Trustees of the Mt. Moriah Methodist Church, the board of directors of the Chamber of Commerce and as a member of the Annexation Charter Commission for the City of Annapolis.

The week-long tribute began on Sunday with a reception at Mt. Moriah Church. Dr. Allen was honored at a program at the Stanton Community Center on Monday, at a reception at Anne Arundel General Hospital on Wednesday and at another reception yesterday at the Board of Education building.

The fact that tomorrow night's dinner is a sellout is a tribute in itself to the popular physician.

Dr. Allen was a registered Democrat when he first came to Anne Arundel County but he switched parties more than 20 years ago because he felt Republicans were more conscious of the black vote than their Democratic counterparts. "Only as a Republican could I have made the political progress I have," he said recently.

And progress he did make. In addition to his service in the House of Delegates, he was chairman of the Maryland delegation to the GOP national convention in 1972, the only black delegation chairman.

We join his many friends in saluting him during this special week and thank him for the thousands of hours he has devoted to serving his community.

DEATH OF MERRILL WINSLETT

Mr. CHILES. Mr. President, it is with profound sadness that I offer these comments on the untimely death of Merrill Winslett in Bradenton, Fla., on June 25.

When I was elected to the Senate, Merrill was serving as administrative assistant to the late Senator Spessard L. Holland, whom I was elected to succeed when he announced he was not seeking another term; and Merrill stayed on with me for a time, assisting in the difficult transition period before he retired and returned to Florida.

Merrill came from the panhandle area of Florida, growing up in Chipley and later living in Marianna. He came to Washington in the early 1940's to serve as the top staffer of Congressman BOB SIKES until he left in 1956 to take over a similar spot with Senator Holland, remaining with him until the Senator retired in 1970.

In 1971 Merrill retired from a distinguished congressional service of almost 30 years and returned to Florida where he lived in Bradenton until his passing.

Merrill will long be remembered by the people on the Hill with whom he worked and came in contact, as well as by the people of Florida. He was always a tireless worker with the capacity to accomplish with ease a great many things at the same time. He truly was one of the leading administrative assistants on the Hill.

During his tenure here, Merrill received many honors. He is recognized as one of the founders of the Congressional Employees Federal Credit Union and of the Congressional Secretaries Club. In fact, in 1971 he was made of the first lifetime honorary members of the Congressional Secretaries Club, and he received Roll Call's annual award as Secretary of the Year.

Merrill will be sorely missed; and to his wife, Chrystelle, I extend deepest sympathy from all of us who knew and worked with him.

INCREASE IN WHOLESALE PRICE OF GASOLINE

Mr. BAYH. Mr. President, the increase in the wholesale price of gasoline instituted last week by more than a dozen of the major oil companies raises a number of important questions that demand the close attention of the Congress and the American people. Those questions generally fit into two major subject areas: The possibility of market manipulation by these companies and the economic implications of energy policy.

As a member of the Senate Subcommittee on Antitrust and Monopoly I am especially concerned about the timing of this price increase, the coincidence of similar action by a large number of companies within a 72-hour period, and the opportunity for the vertically integrated companies to control available gasoline supplies through their production and refining operations.

The imposition of price increases of up to 3 cents a gallon by at least 13 different oil companies at the onset of the peak driving period is a curious irony. Certain of the increased costs, including the price of crude oil and higher operating costs, would have permitted smaller price increases at an earlier date. For some reason those increases were not imposed; hopefully it was because for a short period of time there were competitive forces which deterred certain oil companies from raising the price of gasoline.

But no matter what caused the companies to forego smaller increases last month, it is obvious that the companies felt sufficiently insulated from competitive forces to proceed with a substantial price increase last week. The facts are that refineries have been operating at about 85 percent capacity in recent weeks and gasoline stocks have been permitted to drop to a level that created the spectre of a gasoline shortage later this summer. Under these circumstances, one may rightfully ask whether the timing of last week's increase in gasoline prices is associated with the deliberate creation of a supply-demand ratio which will guarantee that American consumers will have to accept the price increase to purchase the gasoline they need as they embark on their summer vacations.

There is ample historical evidence that the major oil companies have sufficient leverage within the industry, by virtue of their vertical integration and the percentage of each sector of the industry that they control, to manipulate the market for refined petroleum products. Examples include the use in the 1960's of gasoline price wars to drive independent retailers out of business and the gasoline shortage which preceded the Arab oil embargo in 1973.

I had previously discussed this overall problem with the distinguished chairman of the Subcommittee on Antitrust and Monopoly, Mr. HART of Michigan, and with his consent the subcommittee is planning to explore these questions in hearings in the coming months. It is my intention to probe deeply into the ability of the major oil companies to use their dominant position to restrict competition in the oil industry, and my concern about their market power has been reinforced by the timing and nature of last week's increase in gasoline prices.

The second set of questions prompted by the jump in gasoline prices center on the economic consequences of the administration's energy policy. After all, a major cause of this round of price increases is the $2 a barrel import duty levied by President Ford under authority he retained after vetoing a bill which would have enabled the Congress to stop the imposition of the import duty. With his action the President not only increased the price of all imported oil, he also effectively increased the price of the 40 percent of domestic oil production not subject to price controls. The President has deliberately sought to increase both foreign and domestic oil prices with the avowed—if futile—objective of using prices as a means of curbing demand for gasoline and other petroleum products. But gasoline consumption patterns are proving a point many of us in the Congress have made in opposing the President's tactics—gasoline demand is relatively inelastic, it cannot be easily curtailed through higher prices.

But the President persists in pursuing his ill-fated policy. Not only has he imposed the $2 a barrel import duty on foreign crude oil, he has proposed decontrolling the 60 percent of domestic oil production now subject to Federal price controls. It is important to bear this in mind while considering last week's increase of up to 3 cents a gallon in gasoline prices.

While the most recent price rise is an unfortunate jolt to the economy, with serious inflationary consequences, full execution of the President's proposals would mean substantially higher gasoline prices, probably as much as another 10 cents a gallon. The negative economic consequences of such a price rise are two-fold: First, there is the clearly inflationary consequence of a rise in oil prices, something felt not only in transportation and heating costs but throughout our economy; and second, there is the recessionary consequences of taking billions of dollars out of the economy, robbing Americans of significant purchasing power and hindering the long climb back from our worst recession since the Great Depression.

The President acknowledged with great irony the economic consequences of increased oil prices when he said in his last press conference that the threatened increase in the world oil price, to be considered by the OPEC nations in September, would be "unacceptable." I fail to understand why a price increase by OPEC is unacceptable, while even greater price increases brought about by the imposition of the import duty and the decontrol of domestic oil are acceptable. For my part I find all the direct and indirect increases in oil prices unfortunate. But I especially rue those increases which are within our ability to control; those proposed and instituted by the President. Rather than flail helplessly at the OPEC countries, the President might reexamine his own policies which pose even more disastrous consequences than an OPEC price increase.

THE PROLIFERATION OF NUCLEAR ENRICHMENT AND REPROCESSING FACILITIES

Mr. STEVENSON. Mr. President, in the energy debate attention has focused upon U.S. dependence on foreign sources of oil. A more sinister form of dependence is at work in a world searching for dependable alternatives to undependable oil supplies. The world is turning to nuclear sources of energy. And the United States which once monopolized the supply of enriched uranium for nuclear reactors is no longer viewed as a dependable supplier. The Europeans are developing their own uranium enrichment facilities, but by 1977 may be dependent on the Soviet Union for 60 percent of their enriched uranium requirements. Brazil recently entered a contract with the West Germans for a full fuel cycle. It might not have done so if the United States could assure enrichment and reprocessing. So the proliferation of nuclear reactors is accompanied by a proliferation of enrichment facilities. And, more serious, facilities for the reprocessing of spent uranium are spreading. Both enrichment and reprocessing facilities are capable of producing materials for the manufacture of nuclear weapons.

The security of the United States and the stability of the world require an urgent effort to create assured sources of enriched uranium. Responding to this need, President Ford has proposed to open the Government monopoly of uranium enrichment to a consortium of private companies. Such a plan could corroborate the prevailing attitude that the United States is not a dependable supplier. Industry will not be viewed as an assured means of making the necessary investment and supply commitments, and the proliferation will continue. To develop assured enrichment and reprocessing services the U.S. Government must take the lead in developing national and international agencies for the supply and control of enrichment and reprocessing. The hour is late. The danger is well described in an article by William Drozdiak in the European Community of June, 1975.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

US–EC URANIUM RELATIONS

ENERGY CRISIS SHIFTS FROM OIL TO NUCLEAR FUELS

(By William M. Droziak)

In its Promethean struggle to reduce Western Europe's dependence on Arabian oil through an expanded nuclear energy program, the European Community now faces a new set of worries over energy supply sources. This time the problems stem from renewed concern over the reliability of uranium shipments from the United States, and the troublesome prospect of turning to the Soviet Union for well over half the Community's requirements for enriched uranium by 1977.

The United States took EC Commission officials by surprise when the newly formed US Nuclear Regulatory Commission (NRC)—which, along with the Energy Research and Development Administration (ERDA), has split up the duties of the defunct Atomic Energy Commission—stopped issuance of export licenses of nuclear equipment and fuels while carrying out a full administrative review of licensing procedures.

That the latest misunderstanding in US-European relations should occur in the nuclear energy sector seems ironic. Until recent years, no Atlantic exchange enjoyed more stable, cohesive ties than American-European cooperation in the peaceful uses of nuclear energy. From the very beginning of its activities the European Atomic Energy Community (Euratom) established close links with the US Atomic Energy Commission (AEC).

In November 1958 a cooperation agreement was signed to form the Joint Nuclear Power Program. Under this program, the first three nuclear power stations of the light water type, developed in the United States, were built in the Community through substantial support of the AEC. In exchange for long-term guarantees of enriched uranium supplies to the Community, the AEC received a continuous flow of technical and economic data on the plants' operations.

Later, in June 1960, an additional cooperation agreement was signed, which provided Community reactors with nuclear fuels from the AEC under the same terms and conditions offered to American utilities. From that time until the early Seventies the Euratom Supply Agency concluded 46 contracts with the AEC for the purchase of enrichment services. For 1971 and 1972, when the last enriched uranium requirement pacts were signed, the Community paid $720 million—thereafter, the oil crisis and skyrocketing world demand for uranium would push the price of future deliveries into billions of dollars.

"SERIOUS CONCERN"

Immediately following the NRC action on export licenses this spring, EC Commission Vice President Henri Simonet, sent an official aide-memoire to the US State Department, complaining of the lack of consultation and noting the Community's "serious concern regarding the security of supply from the United States." Simonet is responsible for EC energy policy, nuclear safeguards, and the Euratom Supply Agency, which, under the Euratom Treaty, has exclusive right to conclude contracts relating to the supply of nuclear ores, source materials, and special fissile materials coming from both inside and outside the Community. Unless uranium deliveries were resumed quickly, Commission officials said, the American decision could seriously hamper the EC nuclear development program in its attempt, supported by the United States, to loosen the grip held by Arab oil exporters over the European energy situation.

American officials claimed that European protests were the result of a misunderstanding. The Americans emphasized that the NRC move was made for "purely internal administrative reasons" and no political malice was intended toward the Europeans. The NRC promised a quick review and said it would take into account the pressing needs of certain European reactors. That response neither fully satisfied the Europeans nor resolved the plight of several nuclear facilities whose stocks were running low.

Soon after announcing that it would give top priority to the most urgent contracts, the NRC approved the export of 1.1 million pounds of natural uranium ore for enrichment in the Soviet Union and eventual use in West German electrical power stations. Licenses were also granted for the delivery of slightly enriched uranium to be used in the Netherlands. However, export licenses for shipments of highly enriched uranium urgently needed for research and development remained in suspense.

To remind the United States of the grave threat posed to Europe's expanded nuclear program if more supplies were not forthcoming soon, Simonet met in Washington on May 15 with NRC, ERDA, and State Department officials. He was again reassured that American export licensing would be fully resumed once the administrative review was completed. Among other things, he was told, the United States simply wanted to ensure physical security in transporting and processing the sensitive materials with the objective to prevent diversion toward nonpeaceful uses. An EC official emphasized, "We [the Europeans] have at least as much interest in preventing terrorist theft on our soil as the United States does . . ."

Over the next 10 years, European plans for nuclear energy development, revised dramatically in the wake of the oil crisis, will require vastly increased supplies of nuclear fuels. Energy output from nuclear reactors in the nine EC countries will be 15 times greater than it is today, claim EC experts, as the number of reactors is scheduled to grow from 56 to 217 by 1985.

To meet its expanded uranium supply needs in a world of burgeoning demand for nuclear fuels, the Community, in a February 13 Council of Ministers resolution, has launched an active supply policy with four main objectives:

Economical and secure resources in the Community;

Establishment by European nuclear industries of sufficient capacities to meet a substantial part of EC requirements as well as to operate on the world market;

Research to encourage technological innovation;

Development of cooperation with countries producing natural uranium, to ensure long-term returns on investments made by EC nuclear industries.

The EC decision to diversify its uranium supply sources resulted from the rapid increase throughout the world of nuclear power stations, whose growing needs for enriched uranium have besieged the US Government. More and more nations are turning to nuclear energy, currently the cheapest available substitute for oil, to shore up electricity supplies. Fifteen countries now possess nuclear power stations; the number will double in five years and triple in 10 years.

WEAPONS OR GARBAGE?

With the US manufacturing capacity for enriched uranium strained to the limit, American energy officials last year requested approval to implement a recycling process for plutonium—a by-product of uranium processing whose rich atomic properties could increase current US nuclear export capacity by 10 per cent. But plutonium is a highly radioactive, toxic substance extremely difficult to manipulate safely. In addition, the chemical reprocessing technology that extracts the plutonium from spent uranium provides the key in developing atomic weapons.

If the United States decided to go the plutonium recycling route, it would soon be faced with a grave dilemma: Should the United States export reprocessing plants abroad, thereby aiding foreign countries (or even terrorist groups) in the construction of nuclear weapons? Or should the United States insist on reprocessing the world's plutonium by itself and become, in the words of one observer, "the world's biggest garbage dump for atomic waste?" For the time being the question is moot, as widespread public concern and unfavorable opinions from environmental groups and nuclear experts have forced the US Government to cancel any imminent plans to utilize plutonium recycling.

The only other large-scale producer of nuclear fuels capable of meeting Europe's needs is the Soviet Union. Having produced all the enriched nuclear fuel it probably needs, with the world's second largest atomic stockpile after the United States, the Soviet Union appears eager to enrich large quantities of uranium for civil purposes in Western Europe. Most observers feel the Russians can use bigger nuclear fuel contracts as a way to balance their trade with European countries, especially West Germany, which exports far more to the Soviet Union than it imports.

Currently the Community is still 100 per cent dependent on the United States for highly enriched uranium; while for slightly enriched uranium, the Community relies on the United States for 60 per cent and the Russians for the remaining 40 per cent. These ratios, however, will change rapidly in the next few years. By 1977, the Soviet Union will in all likelihood be providing the Community with nearly 60 per cent of its total enriched uranium supplies. This rather high degree of dependence will continue until the early Eighties, or at least until the two European nuclear consortiums, EURODIF and URENCO, begin large-scale production of enriched uranium once financial and technical obstacles have been overcome.

The Russians maintain huge reserve stocks of uranium and have enrichment plants that, unlike US facilities, are not heavily committed to the delivery of future supplies for domestic or foreign nuclear reactors. While the Americans have demanded 10-year contracts, the Soviet Union is offering spot sales, which could keep the Community amply supplied without cutting into the eventual European productive capacity. And Russian prices are roughly equivalent to, if not cheaper than, those of American suppliers.

After enriching uranium for a French utility in 1971, the Soviet Union opened up its supply capabilities to a broader group of Western countries in 1973. West Germany, Italy, France, Great Britain, Belgium—in cooperation with the Euratom Supply Agency—and Sweden, Austria, and Spain have signed long-term supply contracts since then, and bigger deals are expected soon. The crucial aspect of "the Russian connection" lies in the Soviet production specialty—"core" uranium, a vital element in the initial, or activating, phase of nuclear reactors. The greatest level of European dependence on Russian supplies will occur between 1977 and 1981, just when many of the new European reactors are scheduled to begin generating power. Privately, some EC energy officials harbor fears that this tantalizing opportunity to exert political-economic pressure will not escape the attention of Soviet leaders.

THE REAL MONSTER

With the ominous chance of another Arab oil embargo in case of a new Mideast war, with nagging insecurities about US uranium deliveries affecting European nuclear power plants, and the distinct possibility of future supply dependence on the Soviet Union, the cry is being heard more frequently and strongly in European circles for greater EC self-reliance in energy production. Directors of the Anglo-Dutch-West German consortium URENCO have recently launched an appeal for the accelerated development of European uranium enrichment plants.

Europeans had been torn between the URENCO centrifugal method of enrichment and the group's competitor—EURODIF (led by France and backed by Italy, Belgium, Spain, and now Iran), which uses the gaseous diffusion system. But following the fourfold increase in oil prices, booming world demand for nuclear fuel supplies and the erosion of the U.S. enriched uranium monopoly have opened up the market and forced both companies to revise their original production plans upward.

As with most investments in modern technology, however, the big problem is money. A new gaseous diffusion factory, for example, will cost at least $2.5 billion to build, plus another $1 billion to construct thermal power stations to feed the plant's own energy needs. American industry attempts to create private, additional enrichment capacities were stillborn due to the forbidding expense in a time of global recession.

Another fear is ultimate overproduction in the enrichment field. Besides the American and Russian capacities that currently dominate the nuclear fuel market, Canada and South Africa are soon expected to intensify the exploitation of their own substantial deposits of uranium ore and could build their own enrichment plants. The addition of new European nuclear enrichment plants, in competition with the entry of other foreign suppliers, could mean declining prices and profits when market outlets are less assured. Overproduction could also come in the development of the new technology of breeder reactors.

The chances of improving the technical process to quicken production appear dim, so the goal of European self-reliance for enriched uranium supplies during the critical period of 1977 to 1981 may only be reached by the costly route of building new factories or expanding the capacity of those now being constructed. Nuclear energy experts claim that only URENCO, in using the centrifuge process of uranium enrichment, can provide sufficient new capacity within the relatively short lead-time of four years. The gaseous diffusion method would take about six-to-eight years. According to a study conducted by the Exxon Corporation, the centrifuge method is also more economical.

But whatever the European decision to increase short-term production of enriched uranium may be, the days when the United States held a world monopoly in nuclear technology are long gone. The NRC and the US Senate, currently considering an export reorganization bill that would toughen safeguards criteria as a premise for US nuclear exports, appear to be making an honest effort to reduce the threat of nuclear blackmail. Atlhough various experts are divided on the wisdom of export controls, the ease with which plutonium, spilling forth from an increasing number of nuclear power stations around the world, can be applied to atomic weaponry clearly has everyone worried.

"The real monster down the road is nuclear proliferation," a State Department official said recently. "I think it is inevitable that there will be three or four new nuclear powers within the next 10 years." Without the rapid installation of neutral atomic fuel reprocessing plants multinationally owned and subject to public inspection, the race toward uranium may become the most dreadful legacy of the oil crisis.

PUBLIC INFORMATION ON SOCIAL SECURITY

Mr. HARRY F. BYRD, JR. Mr. President, I have recently received a letter from Mr. Frank Marston of Edinburg, Va. I have known Mr. Marston for many years.

Mr. Marston's letter is a thoughtful one. His thinking undoubtedly represents that of millions of our Nation's senior citizens.

The social security program is an important one, and it is vital that the Government handle, as a public trust, the money put into the social security funds by the working people and their employers.

Mr. Marston points out four areas of major concern.

Having obtained Mr. Marston's approval, I ask unanimous consent that the letter I received from Mr. Frank Marston of Edinburg, Va., be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EDINBURG, VA.,
May 9, 1975.

DEAR SENATOR BYRD: I am now 72 years of age and have been retired since April 30, 1967. Social Security payments, of course, provide an important portion of our income. It is natural, therefore, that I am concerned about the future of the system.

I am concerned because of:

1. The appalling lack of knowledge on the part of beneficiaries of the basic principles on which the system is established;

2. The reckless prodigality of Congress in constantly increasing the benefits, important as they are to couples in our modest circumstances;

3. By the soaring tax rate that is needed to support the Plan; and finally

4. By the belief that the plan, as it is presently administered, is actuarially unsound.

For example, I and perhaps other beneficiaries, would rather forego a cost-of-living increase in benefits to help assure the Plan's future stability than to have an increase that will add red ink to the ledger.

We have had a multiplicity of polls. However, I think it would be extremely interesting to know how others feel about the system and I have been wondering about the feasibility of a brief "Q and A" being distributed, possibly via your newsletter, prefaced, of course, by a brief explanation of the mechanics of the Plan. Such should include, in my opinion, a breakdown of age groups; employment status, etc.

I am rather firmly of the opinion that if the System is to survive, efforts to save it should commence now—not a year or five years from now. To assure this, I am convinced the initial step is to be sure we have an informed electorate and to achieve this in Virginia, your voice and influence are sorely needed.

Sincerely,

FRANK MARSTON.

REFORM OF FEDERAL SPENDING: INTERIM PROGRESS REPORT BY OFFICE OF FEDERAL PROCUREMENT POLICY

Mr. CHILES. Mr. President, the Government Operations Subcommittee on Federal Spending Practices and Efficiency is continuing its 2-year campaign to reform the Federal Government's $110 billion-a-year contract and grant spending.

We are currently engaged in a major set of hearings on system acquisition reform—both defense and civilian, CONGRESSIONAL RECORD, May 12, 1975, page 13812; CONGRESSIONAL RECORD, June 4, 1975, page 17104.

Pending legislation includes: S. 1259, Emergency Small Business Relief Act, passed committee June 18; S. 1260, multiyear computer leasing, passed committee June 18; S. 1437, Federal Grant and Cooperative Agreement Act, passed Senate (S. 3514) October 9, 1974, now pending before subcommittee.

A new consolidated Federal acquisition statute and a legal remedies bill are also being prepared for introduction shortly.

Oversight hearings this year have also included the efficiency of the food stamp program, social security, medicare part B; and the progress being made by the new Office of Federal Procurement Policy (OFPP) we created by law last year.

The OFPP is a critical lever in our future reform efforts, empowered with directive authority over all executive agencies' contracting policies, procedures regulations and forms. The paperwork savings alone we expect will be tremendous.

For the information of my colleagues, I ask unanimous consent that an interim progress report from the OFPP be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., June 19, 1975.

Hon. ABRAHAM A. RIBICOFF,
Chairman, Government Operations Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On February 26, 1975, I submitted a report to the President of the Senate on the activities of the Office of Federal Procurement Policy, as required by Public Law 93–400. I understand this report was referred to the Government Operations Committee. In the interest of keeping your Committee updated concerning these activities, I am forwarding a progress report on some of our more significant actions.

APPEARANCES BEFORE CONGRESS

Since the February report, I have testified before five congressional committees for the following purposes:

House—Legislation to provide emergency relief for small business concerns in connection with firm fixed price contracts.

House and Senate—FY 1976 budget request for the Office of Federal Procurement Policy.

Senate—Procurement and management of drugs and medical items by the Federal Government.

Senate—Oversight hearings on the Office of Federal Procurement Policy.

In addition, I have been asked to testify before Senator Lawton Chiles' Subcommittee on Federal Spending Practices, Efficiency, and Open Government in July concerning major systems acquisition.

OFFICE OF FEDERAL PROCUREMENT POLICY (OFPP) STAFFING

The heads of the six major organizational elements of the OFPP have been selected (see enclosure 1). Five of the Assistant Administrators are on board, and the sixth will report on July 7, 1975. Five professional positions remain to be filled. Personnel are being selected to provide a good mix of Federal Government and industry experience and expertise in the broad range of functions for which the OFPP is responsible. Approximately 250 applications were received for the 15 professional positions. As a consequence, we can be highly selective in our staffing.

MAJOR ACTIVITIES

Considerable effort has been expended on three high priority efforts—evaluation of COGP recommendations C–1 through C–12 concerning the acquisition of major systems; implementation of OMB Circular A–76, the Government's policy of reliance on the private sector; and development of legislative proposals regarding a consolidated procurement statute and legal remedies.

Major Systems Acquisition: Good progress is being made in the development of an executive branch position and implementation of the 12 recommendations of the Procurement Commission dealing with systems acquisition. Due to the outstanding cooperation of the Department of Defense, a common understanding has been reached on practically all of the actions that will be involved in implementing these recommendations. Additionally, a draft policy directive has been completed for use as the baseline for discussions with civil agencies. We anticipate that the Senate hearings on these recommendations during June and July 1975 will facilitate the early resolution of the problems associated with this important part of the Procurement Commission's report.

OMB Circular A–76: A detailed plan is being followed for improving the acceptance and implementation of the Government's policy to rely on the private sector for needed goods and services. A staff member was assigned to this function full-time on March 31, 1975. Since then, we have:

a. Met with each department and major agency across the executive branch to discuss the renewed emphasis on implementation of Circular A–76, and to review agency implementing instructions and procedures.

b. Requested a status report on agency implementation by June 30, 1975. This report will update the inventory of commercial/industrial activities, including the number, total capital investment and annual operating costs of these activities.

c. Worked with the Office of Telecommunications Policy and the General Services Administration on a new circular for the procurement of ADP requirements. This circular will maximize reliance on the private sector.

d. Investigated a number of agency practices where unwarranted Government competition with industry was reported.

Legislative Initiatives: A consolidated procurement statute has been developed to replace the Armed Services Procurement Act and Title III of the Federal Property and Administrative Services Act. The new statute has been coordinated with the major procurement agencies, and is now being processed within the Office of Management and Budget (OMB) for legislative clearance. We expect to propose this bill to Congress by the end of July 1975. This is our highest legislative priority and the key to the establishment of a modernized regulatory system, as required by Public Law 93–400.

Considerable work has been done on a legal remedies bill that would address recommendations G–1 through G–12 of the Procurement Commission. Public comment on these recommendations was due on May 26; however, in response to a number of private sector requests, this date was extended. Our plans are to evaluate all comments, revise the bill, complete the necessary coordination, and submit the bill to Congress as soon as possible. Many of the issues involved in this legislation are complex and controversial; therefore, an unusual amount of coordination and expert advice will be required to develop a bill that will improve the timeliness and equity with which contractual claims are resolved.

ADDITIONAL ACTIVITIES

The Office of Federal Procurement Policy has been engaged in a number of activities that reflect the broad spectrum of its responsibilities. A brief description of a selection of these activities follows:

Service Contract Act: As a member of an interagency task force working with the Department of Labor (DOL), the OFPP was the leading procurement spokesman in the development of a number of proposed changes in the DOL regulations pertaining to the Service Contract Act. The existing DOL regulations imposed administrative problems on contracting agencies and increased the cost of contracts for services. Criticism of the regulations by executive agencies, General Accounting Office, a Federal District Court, and industry groups led to formation of the interagency task force. This task force developed revised regulatory language that will significantly reduce procurement problems without reducing the worker protection intended by the Congress. I will testify in support of these changes at a public hearing to be held by the Department of Labor.

Energy Conservation Clause: The OFPP has opposed the use of an energy conservation compliance clause in Government contracts because we believe that energy conservation policies, to be most effective, should be applied equally to all contractors, rather than singling out Government contractors for special attention. In taking this position, the OFPP applied the principle that the Federal Government should not further burden the procurement process with implementation of socio-economic programs by administrative direction unless a determination is made that such action is compelling in the National interest. In the energy conservation area, we are working closely with the Procurement Policy Working Committee of the Multi-year Energy Conservation Program Steering Group to develop techniques for encouraging energy efficiency in Federal procurement.

Federal Assistance Program Study: The Procurement Commission made two recommendations for clarifying Federal assistance and procurement relationships. One of these recommendations called for a study of the feasibility of developing a system of guidance for Federal assistance programs. The Office of Federal Procurement Policy has participated in the evaluation of legislation introduced in the Senate concerning these Procurement Commission recommendations, and in the planning of an interagency study of the type proposed by the Commission. This study has been initiated under the joint leadership of the Deputy Administrator, General Services Administration, and the Associate Director for Management and Operations, Office of Management and Budget, with advice on the procurement aspects of the study to be provided by the OFPP.

Nonappropriated Fund Study: Public Law 93-400 requires that the Administrator, OFPP, undertake a study of procurements payable from nonappropriated funds, and submit a report to the Congress within two years after passage of the Act. The Department of Defense, with the predominance in procurements with nonappropriated funds, has agreed to accept lead agency responsibility for this executive branch study. Oversight guidance will be provided by the OFPP.

Promulgation of Procurement Policies: We have been studying methods and procedures by which procurement policies may be formally established by the OFPP and promulgated within the executive agencies. Discussions have been held with key agencies as to the best manner in which this objective can be met without serving as a deterrent to the expeditious issuance of such policies. An associated action on which we are working is the development of a procedure for soliciting the viewpoints of the private sector on policy issuances of the OFPP. Both of these matters are being given priority attention.

STATUS REPORT ON COGP RECOMMENDATIONS

Processing of the recommendations of the Commission on Government Procurement (COGP) within the executive branch is being accomplished under the leadership of the Office of Federal Management Policy (OFMP) of the General Services Administration. This effort is subject to the oversight and approval of the OFPP. As of June 16, 1975, the status of executive branch action on the recommendations was as follows:

Executive branch positions established	83
Accepted—68	
Rejected—15	
Referred to OFPP	51
In OFMP (GSA)	8
Awaiting agency-private sector views	3
Awaiting task group reports	4
Total	149

As we complete our staffing, progress on the recommendations referred to the OFPP will improve appreciably. This progress will be reflected in the establishment of executive branch positions, completion of implementation actions, and in the follow-up on the effectiveness of implementation actions.

I will welcome the opportunity to respond at any time to your interests concerning the activities of the Office of Federal Procurement Policy.

Sincerely,

Hugh E. Witt,
Administrator for Federal Procurement Policy.

CAMBODIA DEVELOPMENTS AND FREE WORLD RESPONSE

Mr. THURMOND. Mr. President, there appeared in the June 24, 1975 issue of the Charlotte News an article by Paul Greenberg titled, "The Silence on Cambodia Is Deafening."

This article points out the double standard which some apply to international developments by producing millions of words criticizing governments like those formerly in South Vietnam and Cambodia but practically ignoring the consequences which follow.

Mr. President, I ask unanimous consent that this editorial column be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Silence on Cambodia Is Deafening

(By Paul Greenberg)

Let's say it happened in Chile:

A right-wing junta seizes power. All freedoms are abrogated. The country is sealed off and foreign correspondents escorted to the border. The large cities, including the populous capital, are ordered emptied. Completely. To the point of rousting patients out of hospital beds at gunpoint.

By the hundreds of thousands, people from the cities are herded along the clogged roads deep into the countryside for resettlement. Those who start out with automobiles are forced to abandon them early, the tires slashed to make rubber sandals. Young and old, sick and well, they are prodded along by armed guards during the first stages of the long march. They begin to fall by the wayside. A mass exodus has begun that far outscales the Death March on Bataan.

Only scattered reports are available from those few who managed to get across the border in the confusion. The numbers of people involved are estimated at up to two million. There is no comment from the new regime itself, although aerial photographs reveal depopulated cities and empty marketplaces that once teemed with people.

There are reports that the stores along the roadside have proved inadequate. Some of those who escaped speak of children with swollen bellies, old people dying, epidemics of cholera and typhus.

The purpose of the long march, it is said, is to "purify" the people, to return them to the land and make honest peasants of them in accordance with their new rulers' vision of the country's destiny. But the people from the cities have no knowledge of agriculture. And once they arrive at their destinations—after a journey that may take weeks—they may find no agricultural tools. Many arrive too late for the planting and, without a good crop, starvation looms. They are forbidden to leave, even to go to the next village, without special permission.

One can imagine the reaction of the world if it happened in Chile, or Spain, or in any other right-wing dictatorship. The revulsion would be predictable, widespread and justified. There would be appeals and votes in the United Nations, marches and demonstrations in Europe, rallies in Washington, and what passes for moral pronouncements in Sweden. Jean-Paul Sartre would organize a trial in absentia. Anthony Lewis would make suffering on even this scale tiresome by going on beyond bearing in the New York Times.

But this isn't happening in Chile or Spain. No little rightwing dictatorship would be capable of either the merciless vision or the uncompromising determination of an atrocity on such scale. If the scheme were proposed, it would have been undermined by corruption long before it got off the ground. Nguyen Van Thieu or the Greek colonels of late and unlamented power would be incapable of carrying to so vast an experiment—for practical if not political reasons.

No, this is all happening in Cambodia—under the direction of an ordinary Communist regime repeating a pattern as familiar as the collectivization of Russian agriculture under Stalin, or the move to the communes in Mao Tse-tung's China.

And there is scarcely a murmur from the Red Cross, the United Nations, Amnesty International or Jane Fonda. Anthony Lewis is still weighing the live sailors rescued off the Mayaguez against the dead Marines lost, in a purely mathematical equation that will of course come out against the United States policy. The dribbles of news from Cambodia may be found alongside the bunion ads in the back pages. No pictures are available, so on television it isn't happening at all.

There seem to be two kinds of people portrayed in Medialand, those with whom it is mandatory for the sensitized reader to sympathize, and the anonymous others. Sometimes, as in the Cambodians' case, a people may be shifted from the first category to the second almost immediately. As long as Cambodians were killing Cambodians in a war in which the United States was peripherally involved, there was no lack of compassion for these gentle people. But if they are hounded to death or reduced to slavery or both by a Communist regime, attention wanders. It is as if compassion could be turned on and off like a tap. George Orwell would recognize the phenomenon; it is right out of "1984." The speed of it is frightening, if one stops to think about it. But of course that's the trick—not to think about it or be reminded of it. The Cambodians have become unpersons.

NEW HAMPSHIRE HOUSE RESOLUTION NO. 16

Mr. McINTYRE. Mr. President, I ask unanimous consent that House Concurrent Resolution No. 16, passed by the general court of the State of New Hampshire, and pertaining to the Occupational Safety and Health Act, be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

House Concurrent Resolution No. 16

Whereas, the Occupational Safety and Health Act (OSHA) as presently administered directly interferes with New Hampshire's right to regulate business activities carried on within the state; and

Whereas, such interference is in direct contravention to Article 10 of the United States Constitution; and

Whereas, OSHA representatives are required to levy immediately a fine for any violation of OSHA's regulations; and

Whereas, such fines were levied against 102 New Hampshire businesses from January 4, 1973 to June 22, 1973, in a total amount of $17,689.00; and

Whereas, the present economic condition of this state and of the nation as a whole requires that business activities be protected from harassment and be encouraged to expand; and

Whereas, the present OSHA practices discourage businesses by levying fines without notice of violations, or chance to remedy such violations; now, therefore, be it

Resolved by the House of Representatives, the Senate concurring:

That the Legislature memorialize the New Hampshire representatives to the Congress of the United States to:

I. Take such action as will repeal the present sections of the Occupational Safety and Health Act which act to the detriment of the businesses in this state and the nation; and

II. Have the Congress review present OSHA regulations to achieve a more workable balance between worker safety and the economic burden imposed on employers to insure such safety in view of the present economic climate.

That copies of this Resolution be forwarded by the secretary of state to the Washington office of each of the United States senators and representatives from the state of New Hampshire.

PLUMAS STANDS FIRM AGAINST WELFARE

Mr. GARN. Mr. President, one county in California—small, but with a deep tradition of rugged self-reliance—has recently decided that the State and Federal strings and lax administration of social services are just too much: and they have concluded that such programs can be best conducted if they go it alone. Plumas County, Calif., has observed that able-bodied individuals enter the county and almost immediately receive welfare and food stamps, while jobs go unfilled. The county officials are forced to accept liberalized eligibility criteria that they would never institute themselves—when they, as local administrators, are closest to the problem. They point out that their concern for the genuinely needy is as deep as the next man's, but that scarce resources are being drained off by persons who have no business living off public aid.

I ask unanimous consent that the article, "Plumas Stands Firm Against Welfare," published in the Sacramento Union be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLUMAS STANDS FIRM AGAINST WELFARE

(By Ted Thomas)

QUINCY.—"I'd starve to death before I'd take food stamps," an unemployed truck driver in the Quincy House bar told a visiting reporter over a bottle of beer.

"I got a .30-30 rifle and I'll go out and get me some doe meat."

"Hell, there ain't no deer left, the hippies ate 'em all," interjected truck owner-driver Marvin Haney from his bar stool.

Welfare versus self-reliance has dominated barroom and street corner conversations in mountainous Plumas County since the Board of Supervisors on May 27 voted to withhold money from social service programs mandated by the state and federal governments.

The state Wednesday obtained a preliminary court injunction barring Plumas County from its threatened fiscal boycott. The real showdown will come at an unspecified date when the county and state face each other in a full-fledged trial on the issue.

The man behind the antiwelfare movement is Leonard L. Ross, a tough-talking country politician addicted to cowboy hats and the American work ethic.

"My dad had 15 children and he never asked anyone for help," Ross explained as he sipped a highball in the Log Cabin restaurant in Portola. "We may not always have eaten steaks, but he always managed to put food on the table."

Ross, chairman of the Board of Supervisors, spent his early youth in a small Missouri town during the depression, learning economic independence at his family's crowded dinner table.

"Dad didn't raise us to depend on somebody else," Ross said.

Ross rebelled this spring when County Welfare Director Mona J. Green submitted a proposed social services budget of $1,172,173, including $314,317 in county money.

The welfare budget would have boosted the county's basic tax rate of $1.68 per $100 assessed valuation above the legal limit set by the state and threatened to scrap a jail that supervisors want to build.

Visions of able-bodied welfare freeloaders danced before Ross's eyes and he initiated the resolution stating the county would refuse after July 1 to financially participate with the state and federal bureaucracies in social service programs.

Supervisors on June 17 amended the resolution to specify that funds would be withheld from only eight service and referral programs. Ross said that essential services in all the programs can be provided by other departments of county government without increasing their budgets.

The original resolution and its amendments were adopted unanimously by the five-member Board of Supervisors.

Plumas County is becoming famous for its David versus Goliath attack on the welfare bureaucracy as newspapers and television networks gobble up Ross's homespun quotes almost as fast as he can speak.

Ross insists that all Plumas County is trying to do is force the state and federal governments to eliminate welfare waste, duplication and red tape.

"We don't want any kid to go without food or medicine or any aged to go without food or medicine or shelter," he said.

"But hell, now you can come into town on a freight train at 8 o'clock in the morning and be buying groceries on food stamps by lunch."

Ross said that only 10 per cent of Plumas County's 1,849 welfare recipients are truly needy and somebody should fight for the other 11,000 residents who have to foot the bills for public assistance.

Plumas County's mainstay industry of logging has suffered severe setbacks, driving the unemployment rate up to 23.7 per cent and forcing some longtime residents to leave their mountains and valleys for jobs in the city.

Many residents are angry at students and other newcomers they see living off welfare food stamps paid for by taxpayers and pulling down grants under what they consider to be the too-liberal Aid to Families With Dependent Children (AFDC) program.

The Board of Supervisors has not specifically attacked the AFDC or the food stamp programs, but Ross hopes to use the pressure of publicity over other funds to force the Legislature to overhaul all welfare spending.

Mrs. Green, county welfare director for 12 years, said she supports Ross "in principle so long as those people that are in need are not negatively affected."

Mrs. Green said the county would save only $21,000 to $24,000 by financially boycotting the welfare programs under attack by the Board of Supervisors. Asked if this was significant, she said:

"Costwise, no, but in principle and in relation to escalating costs for all government, you betcha. It's a beginning. It's symbolic of things to come nationally as well as in the State of California."

Mrs. Green is especially critical of the AFDC program, which allows welfare recipients to deduct such expenses as automobile travel and babysitting costs from their incomes.

"Nobody subtracted the cost of my transportation to work or the cost of my babysitters when I was raising kids," the welfare director said.

Even Plumas County welfare workers are rebelling against aspects of the welfare philosophy.

After being photographed by a Time magazine newsman, Mrs. Green hurried off to a farewell party for three members of her 22-person staff who had just resigned. She said at least one of those who quit was frustrated with the system.

"My staff objects strongly to having to give welfare assistance to only technically eligible people," Mrs. Green said.

A letter of resignation from one welfare eligibility worker said inequities in welfare regulations have the effect of "punishing the individual who is trying to do the right thing for his family according to the current standards of the community while, in many instances, rewarding those who are less concerned with the welfare of their offspring and other household members."

An example cited by the worker was the welfare wrinkle that cuts off aid to AFDC children as soon as their father, if he is married to their mother, finds employment for 100 hours or more a month. The family loses its welfare aid whether or not the father's job pays him enough to support his family, but the regulation does not apply to stepfathers, boyfriends or unmarried fathers who go to work.

The disgusted welfare worker said the system punishes honest men trying to meet their responsibilities and allows others to defraud the taxpayers.

Mrs. Green said Plumas County is sticking its neck out because under welfare law, the state will have to administer any welfare programs dropped by the county and bill the county for the full costs.

"I told them (state) I don't care how many bills you send us, just don't try to collect them," Ross said as he took a break from building a fence around his six-acre Portola home to talk with a reporter.

Mrs. Green said the county could go to court and indefinitely tie up state or federal government attempts to collect such welfare bills from local taxpayers.

Ross is grimly amused over speculation that the state would lose $245 million in federal funds if Plumas County dropped out of any welfare programs. The money would be lost because Washington demands that every California county participate in welfare activities according to prescribed plans, although it is possible that a state takeover of welfare would save the funds.

"You know what this whole thing is?" asked Ross. "It's flat out blackmail."

"It's not their money. It's the workingman's money," the supervisor said.

Most Plumas County residents apparently support the Board of Supervisors in its battle with the state, and moral support is pouring in from throughout the county.

"I'm delighted to see someone with the backbone and the spirit to do something about the welfare system," reads one of 182 letters received by Raynelle Slaten, clerk to the Board of Supervisors. All the letters support the county's welfare position, including one from a Los Angeles janitor who pledged $10 to help the county fight big government.

"There ain't no such thing as a free lunch," commented a writer from Canoga Park.

Even welfare recipients haven't been vocal in opposing the Board of Supervisors.

Mrs. Green said some recipients have expressed fear about losing their checks, but relaxed when she told them the state would have to take over welfare programs if the county opted out.

Students at Quincy's five-year-old Feather River Community College often are accused of being welfare bums. Ninety per cent of the college's 646 full-time students came from outside Plumas County, and there is informed speculation that the county liberally extended food stamps and other benefits to some of them to build up enrollment in the school's fledgling years. Fifty-five students were on the food stamp program and 70 had Medi-Cal cards last semester.

Robert G. Moon, manager of the Plumas County Chamber of Commerce, said the college is important to the county because the area has not attracted major new industries.

County Counsel Baird McKnight said he might raise constitutional questions in the upcoming welfare fund trial.

"I feel there are constitutional questions with their telling us that we have to tax people here to do things that we don't want to do."

McKnight will argue his case against the state attorney general's office and it is expected that the county would appeal an unfavorable court decision to a higher court. It is expected that the Superior Court trial will begin in August.

Quincy postmaster Berle Brents sees the welfare battle between Plumas County and the state as a rerun of David versus Goliath. "And if little David knocks big Goliath down, then there's going to be some changes made."

Kenny Thomas, one of the county's unemployed works, said the public should force welfare reform onto a state-wide ballot to clean up the mess once and for all.

Ross said the best welfare system would be to let cities or counties decide who needs public assistance and take care of them without state or federal interference.

"I've told them (state government) they can take their money and go home as long as they'll take their rules and regulations with them."

Still smarting because he couldn't talk any unemployed men into helping him dig post holes and stretch barbed wire, Ross said it would be easy to eliminate welfare abuse by the able-bodied.

"Hell, if you cut off the money and they got hungry, they'd go out and find a job."

Plumas County is trying to financially withdraw from welfare programs including family planning, health referral, day care for children, location of substitute homes for children and adults and assuring care for persons in need of professional help.

Repeating that such services can be provided elsewhere, Ross recalled that when he was elected to the Board of Supervisors three years ago, someone asked him why he didn't just tell the state to go to hell in general.

"I said I would if the right issue came up," Ross said. "Well, the right issue came up."

OLDER AMERICANS AMENDMENTS OF 1975

Mr. BAYH. Mr. President, shortly before the 4th of July recess the Senate took up and quickly passed S. 1425, the Older Americans Amendments of 1975. I did not have the opportunity to comment at that time, but I would like to take a moment now, if I may, to say how important I believe the Senate action in passing the bill was.

Congress committed itself to meeting the needs of our senior citizens some time ago. In 1965 we passed the Older Americans Act, which was the first comprehensive Federal legislation directed to the elderly beyond medicare and social security. Since that time, we have revised the act three times, with a major overhaul in 1973. I am very pleased that we have now extended our commitment again and further refined the law to improve and expand the administration of services for the aged.

Mr. President, S. 1425 accomplishes a number of things. To mention just a few, it extends authorizations under title III for funding State and area agency programs for another 2 years. We now have over 400 area agencies in locations populated by 70 percent of the elderly. These agencies serve as hubs for a comprehensive network of services, and it was most important that funding for them be continued. The bill also extends authorizations for the title V programs for senior community centers and title IX program for community service employment for older workers, and very importantly, increases authorizations for nutrition projects for the elderly under title VII.

Besides continuing these important programs which were established in the past, S. 1425 also takes some new directions. Most encouraging are its provisions for special emphasis on programs involving home service projects, legal counseling, and transportation.

Mr. President, these programs are directed to very real needs. Our senior citizens frequently spend more time than necessary in a variety of institutions simply because they cannot receive adequate care at home. The expenses and inconveniences of such institutionalization are great and can be lessened by programs such as those envisioned in the 1975 amendments.

Even when the aged are well and living at home they are often trapped by the costs of transportation which constitutes a major item in their budgets. Often it is difficult for them to take part in programs aimed at assisting them solely because they lack adequate transportation. It is imperative, Mr. President, that special transportation arrangements be made for the elderly whenever possible, and the new title III program contained in this bill will help us toward this goal by authorizing grants to the States, which will provide money to local agencies to establish new transportation services and improve existing ones.

Further, Mr. President, the Older Americans Amendments of 1975 provides for emphasis on programs of legal counseling. As a lawyer, I know how important such programs are. No sector of our population is so in need of legal assistance as the aged. Their lives are usually dependent on complicated regulations governing pensions, social security, medicare, and so on, which are confusing even to the most educated laymen. By providing proper legal counseling, we can take an important step in ensuring that our senior citizens are treated fairly and equitably and do not lose what is due to them in a maze of complex laws and regulations.

I will resist the temptation, Mr. President, to detail every provision of S. 1425. Instead, I will close my remarks with one further note regarding the bill's importance.

During the last year, the elderly have been having a particularly difficult time. Increased food, fuel, and medical costs have severely squeezed their budgets. Unemployment for persons over 55 has soared. Increasing property taxes have made it impossible for many senior citizens to keep their homes. On top of this, Mr. President, the Ford administration has been remarkably insensitive to the needs of the aged. Attempts have been made to reduce scheduled increases in social security, as well as benefits under medicare and the food stamp program. The President proposed cutbacks in the elderly manpower and nutrition programs. He continues to call for increased fuel prices without making special provisions for the 20 million older Americans who would be most injured by such increases.

The role of providing leadership for meeting the needs of the elderly has fallen to Congress as it has in so many areas.

It is crucial that we assure the aged that at least one branch of their government understands their problems and truly cares. The passage of S. 1425 gives that important assurance, and it was my pleasure to cosponsor and support the bill wholeheartedly.

NATIONAL TRANSPORTATION POLICY

Mr. CLARK. Mr. President, this country has reached a turning point in national transportation policy. Major railroads like the Rock Island are in very serious trouble and need some kind of emergency financial assistance just to keep running. Major airlines are losing millions of dollars each month. The trucking industry continues to be bound by antiquated and inefficient Government regulation. And, at times, it seems that the entire transportation system is stumbling from crisis to crisis—with no plans for the future. Given all the problems, it is remarkable the transportation system runs as well as it does.

In the months ahead, the President, the Congress, and State and local governments will have to make some very important decisions about transportation—about Government regulation and fare structures, about weight and length restrictions, about loans and subsidies. And those decisions will determine to a great extent whether this country has a transportation system that deserves praise—or scorn.

Much of the Nation's prosperity will depend on the outcome. This country's most pressing transportation concern today is the plight of the railroads, and in the Midwest, the condition of the Rock Island Railroad is of most immediate concern.

The Rock Island is in serious trouble. Although it filed for bankruptcy on March 17, the line is still running, and the railroad's court-appointed trustee has said he does not plan to halt operations in the foreseeable future. That prediction may be optimistic, but at least there is some hope that the Rock Island will be able to continue through the end of this year. So there is a short breathing spell to try to work out some permanent solutions to the region's transportation problems.

It would be hard to exaggerate the importance of the Rock Island. Altogether, over a thousand firms in Iowa alone rely on the Rock Island, and more than 90 percent of them do not have access to another railroad.

The economic costs to Iowa, the Midwest, and to the Nation as a whole, would be enormous if the railroad stops running: $2.5 billion in lost wages, 11,000 Rock Island employees out of work, and substantial layoffs in related industries. The movement of grain, not only in Iowa, but in the whole Midwest, would be disrupted, with a devastating impact on the entire farming community, the Nation's consumers, and the U.S. balance of payments. If the Rock Island shut down, more than 1,500 country elevators would be shut off.

That is the problem. What can be done about it?

The Rock Island's competitors have proposed to the Interstate Commerce Commission a plan to divide the Rock Island among themselves and continue service on some of its lines.

The plan has serious drawbacks. It would split up the important Des Moines-Houston corridor, with a resulting decline in service. There are very real fears that over half of the Rock Island's track might eventually be abandoned. Finally, a splitup of the Rock Island might seriously jeopardize chances of developing a long-range transportation plan for the Midwest, since the Rock Island's lines would have to be the keystone of any such plan.

As long as the railroad continues to run, however, the ICC cannot step in, and it is important that the time available be used to develop better alternatives than the one offered by the other railroads.

The stakes are high, and time is short.

In the time we do have, all of us—Congress, the ICC, the executive branch, the States, and the business community—must direct our efforts toward two goals: short-term measures to extend the operating life of the Rock Island network and a long-term solution to revitalize the region's rail transportation.

For the immediate goal—extending the life of the Rock Island's operation—Congress is considering several legislative approaches. Under the first, Congress would authorize Government loans to the Rock Island or enable the U.S. Railway Association to extend loans to bankrupt railroads, or provide Government guarantees for private loans. Iowa Congressmen NEAL SMITH and BERKLEY BEDELL have been very active with this financial aid legislation, and I favor it—but only as a temporary measure. Have no doubt about the usefulness of this approach—it is very limited. A loan to the Rock Island might improve its competitive position, but, in the process, it could push other regional railroads into bankruptcy—which would only produce more pleas for more Federal funds.

It is not surprising that there is considerable skepticism in Congress about the wisdom of federally financed loans to Midwestern railroads. This skepticism has been strengthened by the Government's painful experience with the Penn Central and other Northeastern railroads—where the first infusion of Federal funds has turned out to be only the first step in a continuing and growing Government involvement.

Another approach to extending the life of the Rock Island is for the Federal Government to help the railroads maintain and improve their facilities by financing public service jobs on the railroads. In return, the railroads would use this assistance on key sections of national or regional rail systems. The Senate has passed S. 1730 which would do just that, and I hope that the House will act promptly on that bill.

With the administration economists predicting that unemployment will stay at or above 9 percent through the end of this year, it is obvious there will be a continuing need for public service employment and this kind of legislation would provide jobs and help the railroads at the same time.

Those are some of the short-term approaches to the Rock Island problem but at best, they are only aspirins for a condition requiring major surgery. Finding a long term solution is far more urgent and far more difficult.

Right now, there is a desperate need for a comprehensive transportation plan for the Midwest and for the Nation. Iowa State University already has done a great deal of work on a plan for Iowa that could serve as a pilot project for the region. It is not possible to get into the technicalities of that kind of planning today—however, there are five points which should be considered in any transportation plan.

First, there probably are too many railroads and too much track in the Midwest and other regions today. By eliminating unproductive duplication of tracks and administration, there could be considerable economic benefit without a substantial reduction of service. Where it is economically advantageous, combined truck-rail service should be encouraged. In considering both short-term measures and long-term consolidation, however, everything possible must be done to prevent disruption of vital rail services. No area can be allowed to become isolated; too much is at stake for that.

Second, in some cases, a community's dependence on a rail line may justify some form of subsidy to keep the line open. In the case of the Rock Island, priority should be given to preserving its main north-south lines, and at least some of its east-west lines. In particular, the Rock Island's corridor connecting Des Moines with Houston is a vital artery that should remain intact.

Third, we must correct the railroads' competitive disadvantage, the result of years of Government indifference. The railroads are threatened today in part because they always have had to find private funds to match enormous Government expenditures in other fields of transportation. Trucks and buses, for example, run on a highway system in which Federal and State governments have invested over $300 billion. Barges use Government maintained waterways, and the airlines benefit from a vast complex of Government-supported airway and airport facilities. That kind of Government support has been necessary and worthwhile, but so far at least, railroads have not had comparable benefits.

In 1972, the Federal Government spent about $9 billion on transportation—the railroads got about 4 percent of it.

Railroads have had to build and maintain their own rights-of-way and terminals. As a result of this disadvantage, even the "prosperous" railroads cannot be assured of long-term health.

Railroad companies have deferred roadbed maintenance and maintenance of other facilities to try to make short-run savings. But this became a self-defeating effort. As conditions of the track and roadbed became worse, increasingly rapid deterioration occurred. The repair costs became increasingly formidable, and even minimal maintenance costs eventually became overwhelming. The Rock Island situation is the best example of that process.

Semipermanent "slow" orders where trains are forced to crawl over major segments of their routes due to the condition of track and roadbeds, as well as increasing numbers of derailments only exacerbated the financial situation of the railroads. The problem becomes a vicious circle, a circle which cannot be broken by routine efforts.

We must use the present crisis in national rail transportation to work out a long-term permanent solution to this problem. An efficient and effective rail system is essential. It is not something which should be dealt with on a piecemeal basis.

Most of the proposals for correcting the disadvantageous situation of the railroads involve establishing a government organization to acquire and maintain rights-of-way, charging railroads a "user fee." Such a system could be successful—if it is voluntary, allowing railroads capable of adequate maintenance to retain their own roadbeds. Government acquisition and maintenance of railroads rights-of-way may well be the key to a long-term solution. And, it is none too soon to start working out the details of such a plan. For that reason, I have cosponsored legislation providing for Government acquisition of railroad rights-of-way on a voluntary basis.

Yet another problem that cannot be ignored is discriminatory taxation. The railroads pay over 20 percent of their revenues for taxes while airlines pay only 3.3 percent. It is possible that a solution to the railroads' right-of-way problem also will help solve the tax problem, but if not, we must take separate action to lift the discriminatory tax burden.

Finally, a complete overhaul of the Interstate Commerce Commission is long overdue. Right now the ICC—like some other Government agencies—at times seems to be more interested in delay and obstructive regulation than in meeting the economic needs of consumers and businessmen. One expert estimates that ICC regulation has resulted in the loss of $1 billion in railroad traffic. There is a great deal of interest in reforming the regulatory agencies today, and the ICC is No. 1 on almost everyone's list of agencies in need of reform. At the very least, the ICC should allow greater rate flexibility in competitive markets, limit the right of carriers to set rates collectively, give prompt consideration to railroad requests for abandonment and mergers, and ease the restrictions on carriers entering new services and markets.

In May, the administration made a proposal for revitalizing the railroads, and it would push the ICC in these directions. In addition, it would provide $2 billion worth of loan guarantees to the railroads, encourage mergers, and prohibit discriminatory State taxation of the railroads.

While some of the administration's proposals are helpful—especially those concerning the ICC—I do not think that the administration bill provides an adequate long-term solution to our railroad crisis. It brings us no closer to the comprehensive national transportation policy we need.

In developing a coordinated policy for the region and the Nation, I hope that the initiative will not be left entirely to the Federal Government. The State of Iowa, like Congress, is considering short-term financial help to prevent disruption of rail service in the near future. It is also looking farther ahead, taking the lead in developing alternatives to the Rock Island's competitors' plan for dividing up that railroad. Other Midwestern States served by the Rock Island are engaged in similar planning.

These signs of growing local involvement in the search for a solution to our railroad problems are very encouraging—and very necessary.

Developing a comprehensive transportation plan will take everyone's help. It is that big a job—and that important a job.

VISIT TO THE MIDDLE EAST

Mr. KENNEDY. Mr. President, at the end of May I traveled to the Middle East for 10 days, visiting Saudi Arabia, Iraq, Iran, and Israel. During that time, I was privileged to meet with the leadership of each country, and engage in serious discussions of vital issues affecting the security of the Persian Gulf, the Arab-Israeli conflict, the economics of oil, the development of the global economy, and U.S. relations with each of these countries. I am pleased today to present to the Senate a summary of my findings from this trip—findings I have already reported to the Secretary of State.

These can be divided into three main headings, though of necessity they are all interrelated: problems of oil and the global economy; the security of the gulf; and the Arab-Israeli conflict.

PROBLEMS OF OIL AND THE GLOBAL ECONOMY

For more than a year, I have been concerned about attitudes expressed in this country toward the oil-producing countries that put confrontation ahead of cooperation. Yet it has seemed to me that the facts of world energy supply and demand provide no advantage to us in confronting the producers over price or levels of production. Until we decrease our oil consumption and drastically increase supplies of energy outside the OPEC states—a matter of many years—we will not have the necessary leverage to bring the price of oil down by any significant amount. In the meantime, we will become increasingly dependent on the OPEC states for energy. Nations of Europe, Japan, and the developing world are already vitally dependent on OPEC; and these nations have been counseling cooperation with OPEC, even when we choose not to listen.

Nor have I believed that the long-run interests of the United States—or of the global economy—would be served by an approach that tried to exclude these countries of new-found wealth and power from helping to make critical decisions that affect the structure of economic relations among states. Rather we must recognize that we are all in this together.

My trip to the Persian Gulf confirmed these views. It is clear to me, on returning from the center of the world's production of exportable oil, that there is a real basis for the oil-consuming states of the world—both rich and poor—to work with the oil producers.

In fact, I was told repeatedly—particularly in Saudi Arabia and Iran—of their sense of frustration in dealing with the industrial world; a sense that their interests and concerns are not being taken seriously, especially in the United States. Whether right or wrong, they feel that they have been thwarted in their attempts to open a real dialog with us.

Of course there is another point of view, that places emphasis upon the arbitrary rise of the price of oil during the past few years—that sees the breakdown of dialog as coming from the side of the oil-producing states. Yet whatever the merits of these contending views, I believe there is no value in opening a quarrel with the past. Both sides must recognize the perilous state of the world economy. Both sides must seek a firm basis for cooperation, a basis for working to secure mutual interests. Following my trip to the Persian Gulf, I believe such a basis exists.

First, in all three of the Persian Gulf states I visited, there is no doubt about a strong sense of purpose and dynamism. Leaders in all three countries are deeply interested in developing their economies and in providing greater opportunities for their people. These nations are leaping economically into the final quarter of the 20th century with vigor and purpose.

To be sure, each of these countries faces massive problems—economic, social, and political—in trying to achieve rapid development. All of them have far to go to become modern nations. I raised questions of human rights and liberties; questions which are only just beginning to reach the surface. Strains are beginning to appeal in social institutions, in traditional societies soon to be challenged to bring to their people what we take for granted in individual expression. But I am encouraged by efforts that are being made in the economic realm. And I realize that even we have something to learn, as a nation like Iran grapples with problems that we, too, have faced, as in the delivery of health care to its people. And in Saudi Arabia, I was impressed with the smooth and effective transition to new leadership following the tragic assassination of King Faisal.

Here, there are major opportunities for the United States and other industrial countries in working cooperatively with the Persian Gulf oil producers. In all three countries, I was told of their interest in the goods, services, and technology produced in the United States and other Western states, and of their strong interest in cooperative economic relations. Even in Iraq, a country with which we have no formal diplomatic relations, I was assured that American firms could compete for contracts on an equal basis with everyone else, and that American technology and know-how is highly valued and much in demand. In fact, last year's U.S. export sales to Iraq—a quarter billion dollars—should soon quadruple to a billion dollars a year, in both Iraq's interests and ours.

In this area of U.S. business sales, there is also broad scope for developing reciprocal involvements—as these countries become dependent upon the West for the products of modern life. It may be many years before their dependence on us and other industrial states will rival that of the oil-consuming states on the producers for their precious energy resource; but as economic ties develop, so too will the sense of close interdependence.

What is clear is that the policy of confrontation has been a spur to the decision of the OPEC countries to hike the price of oil as high as the traffic will bear, in an action that has worked with price increases of other products to cause serious economic dislocations in both industrial and developing nations. A policy of cooperation has not yet been tried. Now is the time to do so.

Second, we in the West are vitally concerned with the role that the oil producers will play in the management of the international monetary system. Because of the massive flow of petrodollars, it has become increasingly important that these be channeled to where they are most needed. In the West, we have been working on a number of efforts, including the $25 billion "safety net" of the OECD, and the special oil facility of the IMF. More effort is clearly needed, including a mechanism to insure that developing countries get their fair share of recycled petrodollars, and that increasing quantities of capital are made available, especially in the energy area.

The oil producers share this concern. For as surprising as it may seem, in country after country I was told of the need for the world to develop new energy resources, so that petroleum could be conserved to meet an even more important future demand: for chemicals, for petroleum, for manmade fibers, even for food needed by generations to come.

It was also the OPEC states, for example, which at last year's World Food Conference at Rome proposed an International Agricultural Development Fund, to help provide the buffer stocks and increase the agricultural yields in developing countries that will be so vitally needed in the years ahead. The United States has not yet made a contribution to this effort; doing so would be positive evidence of our willingness to follow the OPEC lead in an area where our interests and theirs are the same.

I was also told of an increasing interest on the part of these countries in helping the world's developing countries in other ways—a view most strongly expressed in Iran. These efforts can, of course, be improved upon—but that is most likely to happen if we continue to fulfill our own commitment to development assistance, most immediately through the fourth replenishment of the International Development Association. And we should consider other mechanisms for helping to stimulate the OPEC states to make more of their largess available to those developing countries hardest hit by the rise in oil prices.

In the gulf, I found a significant awareness of other aspects of the petrodollar problem, as well, and a strong commitment to seek answers in common with the oil-consuming states. I gained no sense of efforts to wreck the economies of the industrial world; rather I gained a sense of commitment to helping find common solutions to recycling problems.

But there is one critical ingredient. It is now essential for the oil-producing states, which are accumulating vast amounts of petrodollars, to have a greater say in decisions made by international financial institutions. I have already proposed that contributions to, and votes in, institutions like the World Bank and the IMF be changed to reflect the shifting realities of the economic world. Understandably, this proposal received strong backing in the three gulf states I visited. Even more important it is seen as an important step in working out cooperative relations in this critical area.

Because the interests of both oil-producing and oil-consuming states on this issue of recycling are so much in common—and expressions of remedy so similar—it is regrettable that there is still a failure of communication: We have an imperfect understanding of the concern of the oil-producing countries for the health and vitality of the global economic system; yet they fail to understand the degree of difficulty that energy price rises are causing in the United States and elsewhere.

Their misperception is understandable. It may be difficult for them, in a region of the world that is not experiencing economic crisis—where there is such economic buoyancy and optimism—to recognize that our economy can produce $1,400 billion a year and still be in trouble. Even more, there is deep suspicion about American declarations of difficulty, when the administration imposes a $2 a barrel tariff on the import of oil. In both Saudi Arabia and Iran, I was told quite pointedly that the administration's tariff belied its protests about the severe effects of oil price rises. And I received clear indications that the oil producers themselves may seek to claim that $2 at the next OPEC meeting this September. This attitude was no surprise to me. Many of us in the Senate foresaw such a reaction when we voted earlier this year to suspend the U.S. oil tariff.

Nonetheless, I tried to impress upon leaders in these three oil-producing states the potentially serious consequences for the industrial nations, the developing nations—and for the oil producers, themselves—of a further oil price increase.

At the same time, we need to begin working with the oil producers to achieve a common set of statistics—common reference points—about the trade in energy, the impact of changing prices of goods, services, and commodities in different countries, and the problems of recycling. In Iran, particularly, I was presented with statistics about the impact of oil on world inflation and about the erosion of the value of petrodollars that seemed to me clearly out of line. Yet we are failing to present the statistical picture, as we see it, in a clear and convincing way. This is one area in which there can and must be a meeting of the minds, as part of an open dialog.

Third, there is the question of the oil price, itself. Will it go up substantially this September? This appears increasingly likely, following the recent OPEC meeting in Gabon. But it is by no means a foregone conclusion. Attitudes varied in the three countries I visited. In both Iraq and Iran, two countries with extensive development needs, leaders expressed an interest in securing high return for oil. Iran is particularly concerned, because of limited oil reserves, and a desire to make best use of them before they begin to run out about two decades from now.

In Saudi Arabia, meanwhile, leaders stressed the role they have been playing to try minimizing price rises—a role for which they feel they have received too little credit in the United States, especially as public comment here refers to the OPEC states simply as "the Arabs". In fact, Saudi Arabia has greater latitude on price, because its high potential oil revenues and huge oil reserves are far greater than its capacity to spend current income on economic development. Even its new, ambitious 5-year plan to spend $150 billion will undoubtedly fall far short of the mark.

Of course, until we in the West adopt serious measures of conservation and begin producing significant quantities of additional energy, the short-term advantage in setting oil prices will remain with these Persian Gulf countries. This situation will be exacerbated when the industrial countries begin pulling out of their current recession—a factor that is well understood in the gulf.

Does this mean that there is nothing we can do about oil prices in the short run? Must we accept passively a continued rise? Based on my trip to the gulf, I am convinced that timely action by the United States and other Western states can, indeed, have some effect on the September decision of OPEC on oil prices.

In all of these countries—with strongest emphasis in Saudi Arabia and Iran—I was told repeatedly that the issue of oil prices would be seen in relationship to progress in overall producer-consumer relations. Will there be a genuinely cooperative approach on the part of the consumers? Will we join in a full and open dialogue? Will there be progress in relating the problems of oil-pricing to problems of other commodities and finished goods? Will there be a due recognition of the importance of the oil-producers in the world economy and in international economic institutions?

In Saudi Arabia, I was told that an affirmative response is necessary in order to strengthen the hand of those leaders who seek to have that nation continue acting as a restraining influence on the price of oil. And in Iran, I was told directly that the price of oil will be put up from between zero and thirty-five percent in September—depending chiefly on the attitudes displayed in the coming weeks by the industrial consumer states on the whole range of pressing economic issues.

In addition, I was told that Iran is prepared to be flexible in dealing with issues of other commodities and goods. In trying to protect the value of petrodollars, Iranian leaders said they do not insist that the price of oil be indexed to the price of other commodities and of goods produced in the industrial world. They said they do not insist on any particular formula: provided some fair and just formula were found. And they challenge us to make suggestions of our own.

To be sure, there are other factors that will influence OPEC decisions on the price of oil. To be sure, some of the statements made to me may not reflect settled government policy. But I return from the Persian Gulf convinced that the cooperative approach can and must be tried in our long-term interest, regardless of the short-term issue of September's OPEC price decision.

Because of the facts of energy supply and demand—and because of the long-term development of an interdependent economic world—it is in our interest in any event to begin drawing the oil producers more deeply into the workings of the global economy, recognizing in tangible ways the increasing role of these countries in making decisions that will inevitably affect the way we live.

Some may argue that what I was told by leaders in the gulf, concerning the relationship between OPEC's price decision and our attitude on cooperation, was simply a bluff. If so, let us call that bluff. Let us in the coming weeks demonstrate that we can, indeed, act in our own interest and that of the global economy, and redouble our efforts to work together with the oil-producing states on the critical economic issues we all face. In particular, we should increase our efforts to reconvene the Paris preparatory conference between oil producers and consumers. For the failure of that conference last April is a major symbolic issue in the gulf states; and our working to get it back on the rails could have an equal and opposite effect.

Sometimes in international affairs, symbols can count for as much as substance. And in this area, the symbolism has seemed to go in the wrong direction. Whether they are right or wrong, many leaders in the gulf see the U.S. role as unhelpful, unproductive, even querulous. Yet if this is simply a failure of communication on our part, we owe it to ourselves now to be completely clear that confrontation is behind us; that cooperation is our commitment.

I should add that I was in Iran when Secretary of State Kissinger spoke to the OECD and the International Energy Agency in Paris. His speeches were received in Teheran with enthusiasm, as positive, symbolic—and hopefully tangible—evidence that the United States is ready to adopt a creative and forthright stand towards the producing countries. In my view, with these speeches Secretary Kissinger did much to advance our central objectives in working with these countries. We can and must build on this hopeful beginning.

However, there is still skepticism in the Persian Gulf that this symbolic action will be followed with real substance. This scepticism is based in major part of the gap between policy and action that seems to them to exist within the United States Government—a gap between departments, and, yes, a gap between the Administration and Congress, too. "What can we believe," they ask, "when State says one thing, and Treasury something else? Who is in charge?" Furthermore, we in the Congress must also accept responsibility for not having done as much as we could, either to get our own energy house in order, or to press hard enough for effective cooperation between oil producers and consumers.

And so, Mr. President, I believe our agenda for action in the next few weeks, concerning relations with oil-producing states, is clear. This is a critical moment. I am convinced that if we do not act—and if there is a substantial increase in the price of oil this September—then this will be a very cold winter indeed.

It will be cold for the people of my region, New England, who depend on foreign imports of home heating oil. It will be cold for the millions of American jobless. It will be cold for businessmen, workers, farmers, and consumers throughout the world who are struggling against inflation, recession, and the poverty of the developing world. And it will be a cold, forbidding winter for the global economy itself, and for all nations—oil-rich and oil-poor. We cannot and must not fail to act—and in time.

One final point is important in this area; that in the gulf there is still a great reservoir of respect for the United States as a leader in the global economy. Just as there is a sense of wonder that a country with a $1,400 billion economy is in such trouble, so too, there is an expectation that we will continue to play a leading role in reshaping the world economy. I must say I share their bewilderment that we have not done more to propose both the ideas—now forthcoming in significant measure from the Secretary of State—and the actions required to get the global economy back on the right track.

To be sure, there is no single "grand design" that will suffice. It is clear that most efforts must be in the painstaking work of reaching particular agreements on particular problems; that there can be no single conference to restructure the global economy, comparable to Bretton Woods; that the United States cannot lead alone. But it is also clear that if the United States can, on a sustained basis, articulate a vision of the world economy that can provide benefits for all its members—rich and poor—then we will evoke a positive response in many countries around the world. At the very least, we will open the dialog that is so vitally needed. A positive response should be hardly less evident in the oil-producing states I visited than in the industrial nations of Western Europe and Japan.

Thus I return from the Persian Gulf even more convinced of the need for the United States to regain a sense of leadership, of ideas, of vision, that can be shaped and shared with others. We have begun to do so; now we must redouble our efforts.

II. SECURITY IN THE GULF

Mr. President, last February, I introduced legislation in the Senate to limit the flow of arms to the Persian Gulf. My legislation would impose a 6-month moratorium on the sale of arms and related services, unless the administration during that time provided a statement of overall policy toward these sales, and the Congress by joint resolution approved it. Recently, I reintroduced this proposal as an amendment to the Foreign Assistance Act, and deleted the 6-month provision.

I took this action for a variety of reasons, most importantly my concern that we are aiding and abetting an arms race in the gulf without first adequately understanding the nature of our interests there, and the best way in which they can be served. I fear an arms race, in a part of the world with traditional rivalries, and where distances are too short, the terrain too flat, and command and control arrangements too uncertain for there easily to be a stable balance of military power.

I am not concerned to shut off all arms going to the gulf, if they can be justified. I am rather trying to get for the Congress, for the first time, a clear expression of administration policy, and a clear indication of efforts to work with both selling and buying countries to gain some real arms control in the gulf area. So far, I have heard nothing from the administration to reduce my fears.

I raised my concerns in the gulf states I visited and spoke on the subject at length at the University of Teheran. In each of these countries, there is deep concern for security—for reasons that differ depending on their particular situations. In each of them, there is concern to continuing building up arms to secure what they see as their national interests. Of course, we must respect the definition that each country makes of its own security needs. We cannot discount their views out of hand; ignore the proximity of the Soviet Union; accept too soon, for example, that Iraq's relations with its neighbors will continue to improve; or deny all possibility of a threat to the flow of oil through the Straits of Hormuz—over which I flew while visiting Iran. Yet that is still no reason for us to abdicate responsibility for looking at the overall situation, and for assessing the risks to stability, the risks of conflict, the risks of our own possible involvement.

I should point out here that the concern of all these countries with their own security has been heightened by declarations made by U.S. officials during recent months, concerning possible invasion of the oil-producing states. I was in Riyadh when news of the statement on this subject by Secretary of Defense Schlesinger reached Saudi Arabia. In every interview I had with leading Saudi officials, this was a prime topic of conversation. They were bewildered that any American official could make such a statement, when they believe they are working to retain and build upon good relations with us. They were angry—an anger that understandably will spill over into their assessments of what they feel they must do in their own defense; and, indeed, what they do about the price of oil.

I received similar expressions of concern in Iraq and Iran. To my way of thinking—since the first such statement by the President and Secretary of State several months ago—even hinting at invasion of the Persian Gulf is the height of folly, and is more likely to lead to an accelerated arms race there than to the security of any U.S. interest in the gulf. Fortunately, President Ford wisely rejected the comment of the Secretary of Defense.

Yet, despite the individual concerns of these states with security and the role of arms, I gained little sense that their individual concerns and policies relate to one another. Each is planning on its own; each is wary of its neighbors—in varying degrees; and none has a clear understanding of how its own arms build-up relates to that of the others. There is a good deal of wishful thinking that all will go well, that somehow cooperation will occur before conflict erupts. Fortunately, at least in Iran, there is a sense that in time the arms issue must be faced in efforts to secure regional cooperation. Yet in one of these countries—Iraq—I was told quite simply that it was already too late to gain real arms control: the race, presumably, is on.

To be sure, there have been some hopeful developments in the gulf. In March, Iraq and Iran resolved their differences over boundaries and the Kurdish question. There has been an increase in consultation and conciliation between Iran and its Arab neighbors. Saudi Arabia has been seeking to resolve remaining differences with some members of the United Arab Emirates. And there is a large measure of common concern among gulf states with the continuing insurgency in Oman.

Yet if anything, this should induce us even more to think about the possible role of arms in the area. Either in time of incipient conflict—or in time of conciliation—can there be any value in pouring arms into a delicate political process? I do not believe there is. I believe instead that we can do more to promote stability and security in the gulf by stepping back from the current practice, and taking a hard look at our whole arms sales policy.

In this country, we are aware of the magnitude of arms sales to the gulf. It has increased by leaps and bounds. In fiscal year 1974, we sold nearly $8 billion worth of arms worldwide, $5.9 billion to the gulf alone; and through June 1 of this year—in figures that will almost surely be increased when updated—we sold $6.3 billion worth of arms worldwide; $3.75 billion to the gulf alone. Yet when I asked a group of Iran's leading students at the University of Teheran how large Iran's defense budget is—and how large its arms purchases are—not a single student knew either figure.

I also heard in these countries the classic argument we hear in this country: that it would not be possible to reach agreement on limiting arms—at least not now. And I was told of the difficulties of getting cooperation among either arms suppliers or buyers. In Iran, where there is a determination to proceed with the arms buildup, this observation was expressed as an important reason for its actions.

Yet my own observations lead me to believe that even Iran may find that its security is diminished in the future, if it does not find a way soon of joining with neighboring states—and with arms suppliers—in trying to work out a method of gaining some controls over the arms race. To be sure, Iran has deep concerns with the Soviet Union—and with what it seems to be a host of other threats, coming from every point on the compass. Indeed, if Iran could provide security for the entire gulf region—and have this role accepted by its gulf neighbors—then there might be a little problem. Also, at this point, Saudi leaders at least are prepared to wait and see what happens with the Iranian buildup.

Yet as we have found in so many other parts of the world, what one nation defines as "defense," its neighbors may come to define as a threat to their own security. If that situation develops in the area—as could happen particularly in the case of Iran and Iraq, despite their newly-improved relations—then there is a recipe for trouble. In any event, all these questions need to be examined seriously.

Thus I return from the gulf still troubled by unanswered questions. To begin with, I believe we need a clear indication from the administration of the sources of its policy in the Persian Gulf—and the alternatives to arms sales in developing good relations with countries there. For as we found in India, Pakistan, and Turkey, arms rarely buy influence; arms once sold can rarely be controlled. And there is little assurance, despite formal, legal commitments, that arms sold to one country will not end up in another—perhaps in Arab countries actively engaged in confronting Israel.

Furthermore, we must recognize another troubling possibility: that the arms race may not stop with the most modern and sophisticated conventional arms. Will countries in the region stop short of acquiring nuclear arms? I am not sure that they will. And I am concerned that we continue to supply advanced nuclear reactors to virtually any nation that wants to buy them—most recently Iran. How certain are we that any "safeguards" will be effective? How certain are we that a nation like Iran—which will be permitted to do its own reprocessing of nuclear material—will not go on to build the bomb? It is time to pause, now, and reassess this policy, too.

In addition, we have never seriously tried to join with other supplier-states—and with the arms consumer states themselves—to regulate the flow of arms into the Persian Gulf. The argument about laissez-faire in arms sales has no merit if we consistently fail to explore the alternative.

Clearly, we in the Congress should require that any administration statement of policy on the future of arms sales to the Persian Gulf will include a positive commitment to seek international agreement on regulating the flow of arms to the gulf. This is not an effort to impose the will of outside nations on the local states. Rather it should be an effort to work with these local states, in everyone's mutual interest of preventing conflict in that region.

Because of this problem, last year I introduced legislation, calling on the President to present a proposal for discussing worldwide control on arms sales, at the UN Disarmament Conference in Geneva. This approach, I believe, would for the first time bring to light all the conflicting interests in the arms trade. It would bring together the major arms suppliers, in an effort to regulate selling practices and to take due account of each nation's interests. Only four countries, after all—the United States, Britain, France, and the Soviet Union—control over 95 percent of the arms trade. And it would permit nations in different regions of the world, particularly the Persian Gulf, to begin seeking together ways of limiting arms races that are in no one's interests. This is a means of preserving sovereignty and national sensibilities, without sacrificing good sense. This effort may not succeed in every case—the Soviet Union or others may not work with us—but we must not miss the chance to try. Nor should we take evidence of failure as an excuse to reopen the floodgates.

We are still the largest suppliers of arms; and we still have an interest in trying to damp down an arms race in the gulf, even if we receive inadequate help from others.

It is also no coincidence that the arms buildup in the gulf is taking place at the same time that the revenues of the oil-producing states are increasing by leaps and bounds. Part of this reflects the ambitions of countries like Iran, which seek to turn economic potential into political and military power. But part of it clearly reflects a desire by the U.S. Government—and other oil-consuming states—to trade arms for oil.

This is the nub of the problem. Can we help solve the problem of high oil prices through selling arms? I doubt that we can. To be sure, it is important for us and other nations to increase our sales of goods and services to these countries. This will have a direct economic benefit; and it will also increase the dependence of these countries on Western goods and technology.

But there are grave risks in trying to increase the capacity of oil-producing states to spend their petrodollars through the sale of arms. Today, more than 10 percent of purchases by these countries are on arms. Does that mean we will have to continue selling large quantities of arms in order to balance our oil account? If so, then we must face the fact that we have not come to terms with the petrodollar problem.

We must also seriously calculate the value of arms sales to the U.S. economy, if the consequences are likely to be heightened tensions and a greater likelihood that the United States could be dragged into yet another foreign conflict. This possible "penny wisdom" is surely dollar foolishness.

Furthermore, I am deeply concerned by the argument that selling advanced weapons systems to developing countries will reduce the cost of these weapons to the U.S. Armed Forces. It does indeed help; and I could not help seeing, at every airport I visited in Iran, evidence of the massive arsenal of advanced aircraft we are supplying that country.

Yet it is critical for us that our armaments industries operate on a sound basis, reflecting our own needs for national defense. We must not seek to hide the economic burdens of a realistic national defense by contributing to arms races in other parts of the world, through sales designed to reduce our unit costs.

It would be a sorry day for the United States if the strength of our economy—or our ability to provide economically for our own defense—were dependent on such high-risk ventures.

How often have we seen that regional arms races take on a life of their own? In the Persian Gulf, as elsewhere, a buildup of arms in any country will almost inevitably lead to a buildup elsewhere. Based on my recent visit to the Persian Gulf, I am convinced that this is true.

Outside arms suppliers can only make the situation worse, either by their own example, or by sending military support personnel along with the weapons. Even in my Persian phrase book for visitors, there is an expression. "Which way to the MAAG mission?" Through these missions, and in other ways I have presented, we are only helping to hook these nations on the heroin of modern arms.

There is a congressional mandate. Section 511 of the Foreign Assistance Act states quite clearly that we must not furnish military assistance that contributes to an arms race, that increases the chances of war, or that prejudices the development of arms control. Surely this mandate applies with equal force to the sale of arms.

Clearly, we seek good relations with the oil-producing states of the Persian Gulf—just as I was told in each of them that they seek good relations with us. But just as clearly those relations must be primarily political and economic, not military. This does not imply a particular strategy for dealing with the high price of oil coming from the gulf. Also, this effort to take a hard look at our overall policies in the gulf should not be construed as an effort to confront the oil-producers. Quite the reverse; it is an effort to prevent making both their problems and ours even worse, through risking an increase in tensions in the area, or even an armed conflict.

For all the reasons I have mentioned, I return from the Persian Gulf deeply concerned, by a number of questions, which should be answered before the United States continues to sell arms on an apparently indiscriminate basis to nations of the Persian Gulf:

First, what are our overall strategic, political, and economic interests in the gulf?

Second, what is the projected level of arms sales to gulf countries during the next few years?

Third, what are the legitimate security interests of the local states, how are they defined, and what role do we play in that definition?

Fourth, what are the risks that arms sales will contribute either to conflict among states, or to violent changes within any of them?

Fifth, what are the prospects for creating a stable balance of military power? And what are the risks that indiscriminate arms sales will simply promote military instability?

Sixth, what are the risks that arms we sell to the Persian Gulf States will be diverted to third countries?

Seventh, what are we doing to counsel restraint in the flow of arms?

Eighth, what alternative means are we employing to develop and improve good relations with local states?

Ninth, what are we doing to work with other arms-selling countries—and the arms buyers—to regulate the flow of arms to the Persian Gulf?

Tenth, what is the impact of arms sales on the U.S. economy—and those of other supplier states—and what alternative means are there to achieve the same objectives?

These 10 questions cover my basic concern about U.S. arms sales policy toward the Persian Gulf. We in the Congress should expect clear answers before we permit the sale of U.S. arms to the Persian Gulf to continue. Based on my visit to the gulf states, I am convinced that seeking answers to these questions is in our interest, in that of other arms suppliers, and in that of the gulf states themselves.

III. THE ARAB-ISRAEL CONFLICT

Mr. President, I would like to conclude with a few words about a third vital issue. The focus of my trip to the Middle East was on oil, economics, and Persian Gulf security. Yet in these times it is impossible to visit that part of the world without getting involved in issues of the Arab-Israel conflict. Clearly, the course of that conflict will have an impact on other U.S. interests in the area. Furthermore, following talks in three important Persian Gulf oil-producing states, I felt it would be valuable for me to visit Israel—my fifth visit—to gain firsthand and up-to-date impressions of circumstances in that country. I was privileged once again to meet with Prime Minister Rabin and members of his cabinet; with young Israel academic leaders; with Soviet Jews concerned about their loved ones still in the Soviet Union; and with two Syrian Jews who had recently escaped to come to Israel.

I return from Israel with a renewed understanding that its Government and people retain their firm commitment to preserve their security, and to seek a just and lasting settlement to the Arab-Israel conflict. There is no flagging of the determination of that nation to achieve both goals. And as I indicated during my visit to Israel, I believe it is in the interest of the United States to affirm Israel's right to live at peace with its neighbors, within secure and recognized frontiers.

It is also in our interest, as well as that of Israel, for us to continue supplying those arms that will help maintain the military balance. For the arms situation there is very different from that in the gulf. There is a clear understanding of American purpose—on the part of our Government and the American people; there is an established military balance; and there is a context of political conflict to which these arms relate. To be sure, we all hope to see real arms control in this part of the Middle East, as well—but that must come primarily as part of a final peace itself. Arms we supply to Israel in this part of the Middle East do, indeed, help provide stability; yet in themselves they are no substitute for continued, urgent efforts to help secure the peace.

This peace is something that is increasingly important to all nations in the area. Nowhere on my trip did I detect any appetite for war. For there are no winners in war; there are only survivors. And that applies to the people of the Arab world—many of whom sincerely want peace—as it does to the people of Israel.

It is also important for us to minimize the impact of the Arab-Israeli conflict on the flow of oil. This is different from the problem of price—the one is essentially political; the other is essentially economic, and would continue to be a major difficulty even if the Arab-Israeli conflict were settled tomorrow. Among other things, I am happy to report that Iran continues to be committed to selling oil to all comers, regardless of politics.

As I have said many times in the past, we must not let our policies toward the Arab-Israeli conflict be determined by questions of oil. I believe that our commitment to Israeli's security—and to the search for peace—can and must exist independently of any use of oil to influence the course of politics in the region. Yet at the same time, we must press on with that search for a just and lasting peace for all, as a fundamental and vital objective of U.S. policy.

Mr. President, I return from the Middle East with mixed impressions of the future of the Arab-Israeli conflict. Just as we feel it here, there is a sense of danger in the area—danger that there will again be open conflict. There is a sense that efforts must be redoubled to try finding a way out of impasse—a way in the direction of a permanent settlement. Yet there is also a sense of expectation—in every country I visited—that something can be done to prevent a further round of war.

I wish that I could have brought back clear answers to the many problems that stand in the way of peace. But there are no easy answers. Rather there can only be our continuing, patient efforts to work for peace; to maintain our firm and established commitments; and to seek to work with anyone in the area who is genuinely committed to ending that region's many decades of suffering and insecurity.

I am hopeful that these efforts can succeed; but following my trip to the region, I have no illusions concerning the difficulties that lie ahead, or the depths of the feelings that help to sustain the conflict.

I believe that our best course lies in continuing support for step-by-step approaches to peace, beginning with the Israeli-Egyptian front. It offers, I believe, the best hope of breaking the current deadlock, and of supporting forces for peace in the Middle East, wherever they are found. Over time, there will have to be flexibility and increased understanding on all sides, as well as patience and deliberate effort. And there will have to be a continuing role of the United States in the search for peace.

As I have said before, we must also at some point recognize a role for the Soviet Union—while testing its intentions at each step of the way. For the Soviet Union is still in the position of blocking a final peace, and it cannot forever be excluded from a role of peacemaking—provided it is a role for peace, and not for a continuation of "no war, no peace." For that is surely to invite another war.

Mr. President, I would like to end my report by indicating, once again, my belief in the importance of what the United States does now in the Middle East, whether to help end the Arab-Israeli conflict, to secure oil at a reasonable price, to work with, rather than against, the oil-producing states, to seek cooperative efforts in restructuring the global economy, or to draft a sensible set of policies that will promote the security of the gulf. For that region is truly vital to us, from one end to the other; and what happens there in the coming months will have a major impact on life here and around the globe.

This is no time for American faintheartedness, or a turning away from the responsibilities—and opportunities—that lie ahead. Rather it is time for a sober understanding of developments in the Middle East, and for a serious commitment to play our part in the great events unfolding there. In this way, I believe we can make an important contribution to the future of the peoples of the region—to our own future—and to the future of mankind, itself.

MOBILE INDEPENDENCE DAY CELEBRATION REFLECTS SPIRIT OF AMERICA

Mr. ALLEN. Mr. President, all over America this Independence Day weekend, citizens gathered to reflect on the miracle of our democracy and to pay tribute to our Founding Fathers who made it all possible. There were many truly patriotic displays across this land, but as an Alabaman I am proud to note that 30,000 of my fellow citizens gathered on July 4 at Ladd Memorial Stadium at Mobile for what can only be described as a tremendously moving and spirited ceremony.

I am pleased that my colleague, JENNINGS RANDOLPH of West Virginia, traveled to Mobile to address this great gathering of Americans, and that his message describing the tribulations of the signers of the Declaration of Independence was received with enthusiastic applause. For the third consecutive year, the community leaders and organizers of the Mobile Independence Day celebration have created one of the greatest patriotic spectaculars found anywhere in this Nation. It reflects the real spirit of America.

A comprehensive report of the day-long activities was written by Reporter Royce Harrison of the Mobile Press Register, and I ask unanimous consent that this article, together with a Fourth of July editorial appearing in the combined Mobile Press Register, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Mobile Register/Mobile Press]

KATHY TAYLOR WINS USS ALABAMA TITLE

(By Royce Harrison)

The announcement of the new Miss USS Alabama for 1975 and a host of guests gave Mobilians one of the greatest Fourth of July Celebrations yet to be seen in this part of the country during a two hour long commemoration Friday night at Ladd Stadium.

Kathy Taylor, the only blond haired competitor among the five finalists chosen over a month ago in the Miss USS Alabama crewmate selection pageant, was announced as the winner. She and the other four crewmates, Kim Mixon, Hope Mixon, Hope Patterson, Pam Manson and Cindy Hill, will represent and promote the famed battleship as a tourist attraction during the year.

But many other performers and speakers helped make a "fabulous event," according to many of the nearly 30,000 Mobilians who turned out. It was, by far, the largest crowd that has assembled for the affair since the city fathers decided three years ago to begin sponsoring a July Fourth commemoration.

Highlights of the evening included an inspiring patriotic and humorous speech by special guest Sen. Jennings Randolph (D-W. Va): a brilliant performance by internationally known saxophone player Boots Randolph and his band; a mammoth fireworks display; a 500-voice choir composed of area church members who provided a musical background for a parade of floats depicting "Great Moments in American History"; and many other actors in a tremendous cast.

Pre-show activities included three University of South Alabama sky divers who almost landed inside the stadium in spite of windy conditions; a fly-over by Coast Guard helicopters for which thousands of people waved the small American flags handed out as they walked in; and a country music show by 16-year-old Mobile recording artist Jackie Blackmon and the American Heritage band.

To officialy open the celebration, members of the 1st Airborne Division at Fort Campbell, Ky., fired dozens of rounds of 105 Howitzer cannons. Immediately following that deafening sound came opening addresses by Mayor Robert B. Doyle, posting of colors and singing of the Star Spangled Banner led by Mrs. Tony Malinauskas.

A patriotic parade of floats followed, and City Com. Mims called for a moment of silence in memory of servicemen Missing or Killed In Action.

Earlier in the day, Sen. Jennings Randolph, who noted that he isn't related to Boots Randolph, held a press conference in which he echoed some of the same ideas he presented during the night's gala celebration.

Randolph stated that Americans must focus their attention on a "renewal of individual responsibility" because "that's really what the Bicentennial is all about."

"You know, one of the original signers of the Declaration of Independence was ill when they placed the pen between his fingers. I'm talking about Stephen Hopkins. He said, 'My hand trembles, but my heart does not.' Now, that's the kind of spirit we need to focus on when observing the Bicentennial," Randolph stated.

Asked his comment of the future of the country, Randolph agreed that there are some Americans who predict a much "rockier road" in the next decade.

"I believe we will be able to lick our problems. I do not go to the wailing wall. I do not push the panic button. I believe that this generation has, in degree, the spirit and strength of our forefathers. We are a sturdy people."

Also present at the press conference were Col. Drake Wilson, who is in charge of the Mobile office of the U.S. Army Corps of Engineers, and Marion Wilkins, who is in charge of the Mobile area office of the State Highway Department.

Wilkins asked the senator about a fractionalization of federal highway funding that, in recent years, has caused "quite a number of problems" by setting up some 30 different categories of funding.

Randolph said, "We are trying to reduce it (the number of categories) to a reasonable number. Frankly, it is another incidence of bureaucracy. Our efforts are geared to keeping the program from being overregulated."

The senator also noted that the status of several billion dollars in highway funds impounded by President Ford is changing. He stated that Ford has released $2 billion recently, and that the Senate voted to release $8.7 billion more.

"I feel that the way to come out of the recession is to have people gainfully employed both in public and private sectors. In Washington there was a feeling that this was more money for roads. Well, yes, it was more money for roads, but there also is money in it for mass transit, urban roads, access roads, farm to market roads, primary and secondary roads, and more."

"We want to see an orderly construction program move forward," he stated, referring to Senate Public Works Committee members over which he is chairman.

The July Fourth Celebration ended with a gigantic fireworks display that lit the sky over Mobile with star-spangled brilliance.

[From the Mobile Register and Press, July 4, 1975]

FOURTH OF JULY—A TIME FOR REFUELING THE FLAME

Today is Independence Day, a time for refueling a patriotic flame that has often flickered but never died. And it is a time to pay homage to the gallant colonial leaders who boldly signed the Declaration of Independence 199 years ago.

Every man who put quill to paper could have been signing his death warrant on that historic day, and most of them thought they were doing just that.

The act was viewed by King George III as clear and open treason. But to the men who signed that document, which was written in the flowery literary language of the time, the act was a split with oppression, an acorn from which a great oak was to grow.

Their bravery cannot be questioned. Their idealism cannot be surpassed.

The great oak has weathered many storms in the past two centuries, but it did grow until its branches spread from the Atlantic to the Pacific.

The "times that try men's souls" that Thomas Paine wrote about during the Revolutionary War didn't end with that conflict and weren't intended to. The United States has undergone numerous trials and tribulations since then, including the Civil War when brother fought against brother.

Today we have 10 million Americans unemployed and the atom bomb hangs over our heads like the sword of Damocles.

Yes, these too are times that try men's souls. But we can and will weather them if we unite under a common flag with a common purpose.

That is what the Fourth of July is all about—faith in ourselves, faith in our nation, and respect for the flag that George Washington handed to us so many years ago.

COMPLEX PUBLIC HEALTH PROBLEMS

Mr. BAYH. Mr. President, during hearings before our Appropriations Subcommittee on Labor-Health, Education, and Welfare, I became so impressed with the great importance of certain health matters being brought before us in testimony that I resolved then and there to call them to the attention of the entire Senate and to pursue them across this Nation.

I refer to the complex and pervading public health problems of alcoholism, drug abuse, and mental and emotional illnesses.

In listening to the testimony of the witnesses, my awareness of these problems was sharpened, my concerns newly honed. These witnesses were medical people, private citizens, and representatives of concerned groups and organizations. Included were the Government authorities who work with these problems day in and day out.

On the basis of all that I heard in our hearings and that which my own subsequent research uncovered, I must share with you my deep conviction that alcoholism, drug abuse, and mental illness are among the most stunningly destructive health problems we face today as a people. And yet they are among the least understood and most frequently ignored health issues.

These problems are destructive to our homes, to our families, to individuals, to the productivity of our economy, to the very quality of American life. They are problems which we can solve; if we respond thoughtfully, scientifically, continually, and—most importantly—with adequate resources.

I fully realize, Mr. President, that we must always be on guard in our Federal programs for all potential signs of economic bulge or untoward strain. We have even been admonished to weigh most carefully the impact on inflation of healing the hurt, the alienated, the addicted, the emotionally torn.

However important it is that we right our ailing economy, we must also attend to the problems of alcoholism, drug abuse, and mental illness. I say that because those problems not only cause great human suffering but they also erode our economy with enormous financial drain.

Consider, if you will, these figures: There are approximately 9 million alcoholic men and women in our country today. Alcoholism and problem drinking not only cause great suffering—with countless innocent victims involved—they waste untold human potential. The economic drain on our country is an estimated $25 billion annually.

In round numbers, this is the alcoholism impact profile: Lost production due to alcoholism, more than $9 billion; health and medical costs, more than $8 billion; motor vehicle accidents, more than $6 billion; alcohol programs and research, more than half a billion dollars; criminal justice costs, a half billion; and social welfare costs, $14 million. Yet, in the face of these staggering figures, the President has actually proposed spending $32 million less in the current fiscal year to deal with alcoholism than the Congress appropriated for fiscal 1975.

Now consider, if you will, the scope of other drug-abuse problems in the United States. Last year 725,000 Americans actively used narcotics. Some 12.4 million Americans were using marihuana regularly, a drug whose long-term effects still elude medical understanding. An estimated 6.8 million Americans were abusing stimulants, and 5.3 million were estimated to be using sedatives regularly for nonmedical purposes.

The economic impact profile on the abuse of these drugs shows a total estimated cost in 1974 of $10.1 billion. Of this amount, the cost in health resources was $204 million; criminal justice costs were $600 million; costs in productivity reached $1.9 billion; direct program costs were $1.1 billion; and property losses due to crime were a remarkable $6.3 billion.

What can we do with these figures? Do they help us comprehend the addict's panic, their crimes to support their habit? Do we decide to write them off, along with those they leave behind along their trail of desperation? Similarly, are we to let up on our concerted drive to deal with the human problem of alcoholism? Or are we to press on, to accelerate our search for scientific treatments, scientific answers?

Another case in point in which any cutback in our ongoing effort is totally inappropriate and shortsighted is the Federal mental health program. The Congress has responded well, in the past, to the needs of our mentally ill citizens, and to the needs of the millions upon millions of Americans who at some time during their lives require some degree of help during a special crisis.

The estimate is that approximately 20 million Americans—men, women, and children—suffer mental or emotional problems. Of this number, more than 1½ million are seriously ill, or psychotic.

And as if this human cost were not enough to impress us, we are also given a profile of the estimated cost of mental illness to the economy. In 1971—the latest estimate—the total was $26.2 billion. Of this amount, direct care accounted for $10.1 billion; indirect costs were $14.1 billion; construction and management of facilities cost $1.4 billion; research $0.4 billion; and training for manpower, $0.2 billion.

It occurs to me that these three major public health problems—alcoholism, drug abuse, and mental illness—have one critical element in common. It is that they all are too often swept under the rug and ignored.

It is a situation of some irony. On the one hand, we have three multibillion dollar public health problems, affecting in some real way millions upon millions of Americans, and on the other hand, we hope that they will not grow any worse or embarrass us further. Some, I suspect, try to wish them away.

I must ask—when I see these Federal programs being whittled down gradually—whether the administration is not in fact engaging in the same shadow-dancing on a national scale which some are inclined to do, with the same problems, at a more personal level. Someone must have the notion that if appropriations are whittled down ever so gradually, year by year, no one will take much notice, least of all, the victims accustomed to second-class existence, oblivious, perhaps, to what might have been.

Our annual budget hearings in the Labor-HEW Appropriations Subcommittee become something of a litany. The problem is postulated. Progress gained under Federal programs is recounted. We hear of the present and future needs.

This year we heard that despite a general decline in the population of in-patient facilities in the country, the number of children under 18 in mental institutions is on the rise. We heard that suicides are increasing among young people, and is now the third greatest cause of death among American youth. We heard that drinking alcohol is growing more and more prevalent among younger and younger Americans, and that narcotics use is up.

We hear the problems stated; and then—from Government witnesses—we hear the weak justifications for remarkably decreased budget requests.

It is not that these Federal programs have been idling away. As authorized by the Congress, the efforts being undertaken against alcoholism, drug abuse, and mental illness have resulted in significant achievements in both research and treatment.

In testimony by representatives of the Alcohol, Drug Abuse, and Mental Health Administration, we were informed of progress being made in all three areas. Across the country, alcohol treatment programs are moving ahead through formula grants to the States and through direct Federal funding of worthwhile programs. The Agency's National Institute on Alcohol Abuse and Alcoholism has also undertaken a high-priority attack on alcoholism as it affects public safety, and is also now engaged in developing service programs to meet the specific needs of all minorities. Other new programs are being aimed at alcohol problems found among certain other segments of our society, such as persons in the criminal justice system. The thrust—particularly among youth—is on prevention, with the aid of grassroots organizations and agencies. School systems, too, are beginning to become involved. Through research, our knowledge of alcohol problems is advancing.

Similarly, the drug abuse program has reported considerable gains. The Agency's National Institute on Drug Abuse has undertaken a wide range of activities aimed at strengthening the national capacity to treat drug abusers and to help prevent drug abuse. Currently, federally funded community drug abuse service programs are able to treat 95,000 persons a day, and 161,000 annually. These programs are monitored for quality, and the Institute works with the States on personnel training. On the research front, too, gradual but steady advances are reported in further knowledge of drug abuse phenomena, and in the search for new techniques of treatment.

Concerning gains in mental health, one of the indicators we have been watching is the number of patients confined to State and county mental hospitals each year. By last June—due to advances in treatment and in the availability of alternative services—the number of patients in mental institutions had decreased from a peak of 559,000 25 years ago to 216,000, a 60-percent drop.

The most successful alternatives to hospitalization rest largely in or are an indirect result of the community mental health centers programs initiated by Congress in 1963. There are today 591 centers in operation across the country and territories, available to serve some 40 percent of our population. Under the leadership of the National Institute of Mental Health, a community-based mental health care system in this country is well on its way. In its research efforts, too, the National Institute of Mental Health has administered a program which makes our scientific explorations in mental health and illness second to none in the world.

I have remarked that these public health problems have one critical element in common: that they tend to get swept under the rug. Yet another common element is that they will not go away. Despite all of these efforts, all of these achievements, reported to us annually, alcoholism, drug abuse, and mental illness simply will not disappear. It is not like finding a vaccine to wipe out smallpox or polio. The most crucial characteristic of these problems with which our Nation must deal, Mr. President, is that each requires of our society a continuing, an ongoing, a relentless, and even an accelerated attack.

In alcoholism and alcohol abuse, our specialists do not have all the scientific answers needed to devise more effective treatment and prevention programs. We do not have enough of the relatively effective treatment programs already developed and proved. We do not have sufficient alcohol education programs nor other means of preventing alcohol abuse.

In abuse of other drugs, we still lack the research knowledge and understanding needed to mount more effective treatment and prevention programs. The vital work of State and local drug treatment programs under Federal aegis must go forth with standards of high-quality care.

In mental health, the still mysterious forces which combine to cause breakdown and illness—whether environmental, biochemical, or hereditary—must be better understood if we are to provide more effective treatment for those in need. The gains in community services must be consolidated, and expanded. The great national need for further demonstrations of alternative care facilities must be addressed.

Is this, then, a time to diminish these essential Federal programs? Is this a time to reduce the needed research, to decrease our support for training of researchers, to phase out support for the training of mental health professionals? Is this a time to reduce support for mental health centers, to cut back on alcohol community programs? Yet, all of these actions are being proposed. I confess, that I cannot prophesy accurately when the time to reduce these programs might appropriately come—given the persistent nature of these public health problems. But I am thoroughly convinced the time to diminish these essential programs is certainly not today. We are in a battle with mankind's habits, with mankind's weaknesses, and ills. Any reductions in appropriations which fail to recognize the many vital underpinnings of a concerted public health drive—such as the training of sufficient manpower—are totally out of step with the real needs of the American people.

Mr. President, as a member of the Labor-HEW Appropriations Subcommittee it is my intention—working with our able chairman, Mr. MAGNUSON, who has shown such forceful leadership in medical research and health service programs—to resist the proposed cutbacks in these important areas.

It is my intention to present a number of amendments to the subcommittee in this regard. To begin, I have focused—as the foregoing indicates—on the Alcohol, Drug Abuse, and Mental Health Administration, and proposed to the chairman specific increases in funding for the National Institute of Mental Health. To conclude my remarks today I ask unanimous consent to have printed in the RECORD my letter to the chairman on funding for NIMH, with the promise that this will be followed by similar proposals for adequate funding levels for other medical research and health services programs.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
July 2, 1975.

Hon. WARREN MAGNUSON,
Chairman, Subcommittee on Labor/Health, Education and Welfare Appropriations, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In the past, even before I had the privilege to serve on the Labor-HEW Appropriations Subcommittee, you and I corresponded on the repeated inadequacy of certain budget requests for important medical research and health services programs. Fortunately, under your able leadership, our Subcommittee and the Senate were able in previous years to restore some of the needed funds to these vital programs.

Once again the budget requests for the Department of Health, Education and Welfare for fiscal 1976 demonstrates a glaring insensitivity to the importance of the Department's programs. Among those programs jeopardized by excessively low budget proposals are the programs of the National Institute of Mental Health. The recommended spending levels for fiscal 1976 would constitute substantial cutbacks from the fiscal 1975 levels in the crucial areas of mental health research and training.

As you know, I had an opportunity to probe the administration of these mental health programs earlier this year when I chaired a hearing of the Subcommittee on this very subject. On the basis of that hearing and my further examination of this problem, I would like to propose amendments, for consideration during Subcommittee mark-up, to provide fiscal 1976 funding for NIMH at these levels: Research—$99 million; Training—$87 million; and Management and Information—$23 million.

While these proposed spending levels would require an increase of approximately $33.7 million in the House-passed appropriation, I want to emphasize that the spending levels I am proposing would constitute less than a $3 million increase over the actual fiscal 1975 expenditures for these programs. In other words, Mr. Chairman, I am proposing an increase of slightly over one percent from last year's expenditures of $206.3 million for these mental health programs. In real terms, given the excessively high rate of inflation, this would actually constitute a slight drop in spending.

Yet it appears that amendments of this nature will invite criticism and the threat of a veto from the Administration because they propose spending in excess of the budget requests. It is true that I am recommending we exceed the budget; but I do so because of the gross inadequacy of the budget request, and the importance of research and training programs in this area.

Mental illness extracts an immense and immeasurable cost in human pain and suffering every year. It is estimated that almost 10 percent of the population—approximately 20 million men, women and children—suffer mental or emotional problems.

To this cost in human terms must be added the real economic cost of mental and emotional illness It is estimated that in 1971—the last year for which figures are available—mental illness cost the American economy more than $26 billion. Direct care accounted for $10.1 billion, indirect costs were $14.1 billion, construction and management of facilities cost $1.4 billion, and research and training cost $.6 billion.

While research and training are far less costly than the other economic costs of mental illness, they are also the means by which we can ultimately reduce all the costs associated with mental illness. Through research and the training of personnel we can eventually reduce the number of individuals who must be institutionalized for mental illness and, at the same time, increase the numbers of individuals who can hold productive jobs while undergoing medical treatment for mental or emotional illnesses. In other words, a reasonable investment in research and training today will pay substantial dividends tomorrow. And such an investment is not inflationary; indeed by reducing the long-term costs of mental illness it will actually help fight inflation. Money spent for research and training thus makes good economic sense, in addition to dealing constructively with this tragic human problem.

Mr. Chairman, I very much appreciate your consideration of these amendments to bring funding for NIMH to an adequate level in fiscal 1976.

Sincerely,

BIRCH BAYH.

BEGINNING OF BICENTENNIAL YEAR BRINGS VARIED EXPRESSIONS OF PATRIOTISM—MOBILE, ALA., JULY 4 PROGRAM PRAISED

Mr. RANDOLPH. Mr. President, this past weekend it was my pleasure to participate in one of the finest Fourth of July celebrations I have ever experienced. At Mobile, Ala., approximately 30,000 citizens gathered for a 2-hour spectacle that was both thrilling and colorfully conducted. There was enjoyable entertainment by Boots Randolph and his band and spectacular fireworks. The ceremonies were highlighted by a patriotic parade depicting "Great Moments in History" and the singing of combined church choirs in a beautiful presentation of patriotic music. The large audience of children and adults observed a moment of silence in memory of those missing and dead in Vietnam, while a replica Liberty Bell intoned a heart-stopping message and thousands waved flags. The 197th Infantry Brigade Choral Group from Fort Benning, Ga., raised their vibrant voices. The program was an inspired and inspiring celebration.

The committee members were dedicated in organizing and carrying forward the volunteer effort. Mayor Robert B. Doyle and Commissioners Gary A. Greenough and Lambert C. Mims deserve special commendation. O. C. Lockett of the Downtown Improvement Association, was a key leader in the event. Rev. Jerry Vines gave the prayer of hope and faith.

I have observed that across our great Nation, such expressions of patriotic emotion are not confined to organized gatherings. During the Fourth of July period, I read well-written editorials and newspaper columns marking the beginning of our Bicentennial year. I especially note an editorial entitled "The Glorious Fourth," which appeared in the Washington Post on Independence Day. It recounts the political and economic trauma our Nation has experienced this past year, but pointedly reminds the reader that "American democracy has survived the past 12 months," as an example of the underlying strength of system. Also appearing in the Washington Post was a thoughtful analyses of the Watergate episode and the legacy of Thomas Jefferson. The article was excerpted from an essay by Edmund Wolf in "Suddeutsche Zeitung," of Munich, Germany. The fundamental message of this Nation's underlying greatness is portrayed in a syndicated article produced by Newspaper Enterprise Association and in an excellent column by Jack Anderson. Even as the glow of the truly glorious Fourth just past fades in our memories and we return to more practical matters, I recommend to my colleagues the reading of these articles and perhaps the preservation of their vital messages for another day.

Mr. President, I ask unanimous consent that the four articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 4, 1975]

THE GLORIOUS FOURTH

Today the nation is not just marking the 199th anniversary of the signing of a historic document. It is celebrating the endurance of an audacious idea: that ordinary people have the right and capacity to govern themselves, to promote their own safety and prosperity, and to hold their rulers accountable. It is an idea that gained force in the American colonies when July 4 was still an ordinary day. And it has been sustained over two centuries less by the eloquence of statesmen than by the effort of common citizens.

American democracy has been severely tested in the past decade, and especially in the last 12 months. Since last year's fireworks faded from the sky, the greatest political scandal in our history has culminated in the resignation of a President who faced impeachment. Almost every month has brought new allegations of abuses of power by officials and agencies entrusted with protecting the nation's security. A costly and traumatic war has ended in defeat. The economy has been staggered by inflation, recession and energy problems. Any one of these difficulties would have been challenging by itself. Scandals and slumps of lesser dimensions have brought down other democracies. And as the comments reprinted elsewhere on this page suggest, the collapse of the American effort in Vietnam and the Watergate crimes have caused many abroad, as well as here, at least to ask whether the nation can any longer sustain the strength and spirit that made a younger, more confident America an example and inspiration for the world.

But the fact is that American democracy *has* survived the past 12 months. That alone would be good reason to celebrate today. The more encouraging fact is that the republic has survived not as an aging giant managing to draw a few more breaths, but as a nation that is emerging from its trials quite battered but much more mature. Casual confidence in some aspects of government has been destroyed. But the basic faith in the Constitution and the people has been justified.

For every official who has misused the public trust, there are many who have acted firmly and courageously to disclose and deal with those abuses. In foreign and domestic policy, the doctrines of the past are being reexamined. More open forms of government and politics are being essayed. And while a worrisome amount of suspicion and anxiety does exist, the country has not been torn apart by recriminations or violence.

This is not to say that the future is as sunny as an ideal Fourth of July. Mr. Nixon's resignation did not solve all the problems Watergate revealed. The departure from Vietnam did not define the future course of foreign policy. National debate on these questions, and on economic and energy policy, seems likely to continue inconclusively for too long a time. But that is almost always the case; Lord Bryce observed that American public opinion "is slow and clumsy in grappling with large problems. It looks at them, talks incessantly about them, compains of Congress for not solving them, is distressed that they do not solve themselves. Yet they remain unsolved." That, written 70 years ago, is true today.

Yet Lord Bryce also wrote, "We must remember how much is gained as well as lost by the slow and hesitating working of public opinion in the United States." The signers of the Declaration of Independence knew this very well; there was more than tactical cause for them to emphasize "the patient sufferance of these Colonies" under British misrule. Years of argument and uncertainty preceded the agreement to rebel; and that moment of eloquence and decisiveness was followed by more years of experimenting, mumbling and dissent. That is the nature of the democratic process. Self-government is a continuous process of debate, accommodation and unsystematic change. And it is when people seem most frustrated and confused that holidays are most timely. For it is immensely refreshing to forget, just for a day, the more taxing aspects of freedom and to indulge in some uncomplicated fireworks and faith.

ON INDEPENDENCE DAY

No one can understand Watergate without realizing that to Americans the Constitution is something sacred, as is perhaps no other such document in the world. Not that all Americans know it by heart, but all know that it is there and that it places a limit on the power of government. Watergate and its aftermath represented in large measure an effort to preserve Thomas Jefferson's legacy. More than all the rest of the founding fathers Jefferson attempted to insure for the American future not only a political but also an ethical underpinning. Yet, it is paradoxical that during his terms in office Jefferson, that paragon of American democracy, was accused of more breaches of the Constitution than those that toppled Richard Nixon.

In truth, when it suited his purpose Jefferson, in violation of his own Bill of Rights, authorized the search and seizure of persons, property, papers, and effects; permitted the jailing of political opponents; and used the army in peacetime to enforce his laws. Here was the champion of free speech signing a law that made punishable defamatory or disrespectful utterances about the President or Congress. Jefferson said that an officer must be prepared to ignore the law when the preservation of public order was at stake. It was Jefferson too, who forged the tradition of the "strong presidency." He insisted on the principle of executive privilege, the very right that Richard Nixon invoked in vain.

His human arguments, however, were of little use to Richard Nixon because he had destroyed the basis for mutual trust. Yet how is it possible that Jefferson, who violated the Constitution, survives as the almost mythical embodiment of American democracy? Possibly because during his time he personified the American tension between conservatism and revolution. Would he, should he return today, be ashamed of the country that developed from his dreams?

Jefferson would fight to this day for the rights and integrity of the "little man." One might speculate that he might have joined the student protests against the Vietnam War rather than siding with the "silent majority." He once wrote that a rebellion here and there is a good thing. He could understand that the man in the White House would from time to time place his personal responsibility above the letter of the law. But it is doubtful whether he would have tolerated abdicating this privilege to a palace guard. Such an incipient dictatorship of faceless functionaries would have triggered the revolutionary in him.

Would he be proud to claim paternity of this republic of immigrants who came here obsessed with their rights to life, liberty, and the pursuit of happiness? He was often told that his Bill of Rights was an illusion and many, in saying so, pointed to the plight of blacks. Jefferson had cited slavery as the greatest evil and the greatest danger to the republic. He once wrote that he feared for his country when he considered that God was just and that His justice could not forever sleep. He never forgave those who edited out of the Declaration of Independence his denunciation of slavery. Yet the lord of Monticello maintained slaves of his own and was unable to set them free because the laws of Virginia required him to leave the state should he have done so.

Possibly the problems faced by Mr. Ford in the White House would fill him with pity rather than envy. But that is not certain. Even in his days nothing was easy—it is never easy to rule in a democracy. It is entirely possible that Jefferson would find in today's America the inner vitality that marked the small band of revolutionaries 200 years ago. He might recognize the essence of his spirit, an irrepressible optimism that despite everything moves toward a solution of all problems. Europeans might find it hard to share in this optimism but a returning Jefferson would sense it and might just be envious of the power and the opportunities Mr. Ford holds in his hands.

[From Newspaper Enterprise Association]

DECLARATION OF INDEPENDENCE

Not many Americans could recite the Declaration of Independence if called upon to do so. Nor should they be expected to, for it speaks of many things that are so much dead history.

But it must be a rare person who has not made its salient phrases a permanent part of his memory: "We hold these truths to be self-evident—all men are created equal—endowed by their Creator with certain inalienable rights—life, liberty and the pursuit of happiness."

The bulk of the Declaration, all the many "he has's" listing the numerous grievances the colonies had against George III, holds little interest for us today. It was not that way in the beginning, though, as Donald Barr Chidsey reminded us a few years ago in a fascinating book about the document, "July 4, 1776."

When the Declaration was first published, he wrote, and for some years afterward, the opening paragraphs caused little comment one way or another. Philosophy was the fashion in 1776 and it was taken for granted that there would be a flowery and a high principled apologia before the real argument was gotten to.

The colonists were interested in more immediate matters. Philosophy was for the intellectual, an appropriate decoration, but in itself without significance. The men on the street, or in the field, wanted sterner stuff, noisier, a specific hammer-and-tongs attack upon an actual physical being, namely King George."

Today, it is just the opposite. We couldn't care less about this section of the Declaration. We are no longer angry at King George. It is the philosophical introduction, as Chidsey noted, that the world has come to love.

Indeed, to most Americans, it *is* the Declaration of Independence.

Being such a fundamental part of the American credo, it is something we cannot be neutral about. We are still arguing—perhaps more today than ever before in our history—about what it really means to say that "all men are created equal" and how such a belief is to be translated into action. It is no trouble at all to get a controversy going as to whether there is even a Creator, much less one who created men with "certain inalienable rights."

As a scientific treatise, as a statement of provable fact, the Declaration of Independence leaves much to be desired. But as a testament of the human spirit, as a guide and a goal—and a goad—for posterity, as a dream and a faith we are still dismally far from realizing, yet cannot let go of, there is nothing to compare with it.

No nation ever had such a birth certificate as this cherished piece of parchment, our Declaration of Independence.

[From the Washington Post, July 4, 1975]

To Be 199, Something Must Be Right

(By Jack Anderson and Les Whitten)

So routinely does it come upon us each year disguised as a holiday, so prosaic are its trappings of beach frolic, ball games, picnic baskets and backyard sparklers, so complacently sure are we it will return that we forget what we once knew: that the annual reappearance of this day is the marvel of the political ages.

This year, the Fourth of July finds us with our fingers burnt, our ambitions deflated, our parameters narrowed.

Even as the American Empire retracts and the American Dream loses a little rosiness, events in India, Chile, Portugal, the Philippines and elsewhere—where democracy, after billowing brightly on a puff of hope and idealism, fell to the dust—show us how fragile is the seed we planted on this day 199 years ago; how epochal is our achievement in keeping it alive; how majestic is the resulting tree that shelters us.

Whatever hope exists in the world that men and women may pursue their individual destinies, enjoy the fruits of their labors and partake of the liberty, diversity and humaneness that is found only under rule by the consent of the governed, hangs upon the annual return of this day.

The grasping of dictatorial power by Indira Gandhi, and the acquiescence in this travesty by the Indian establishment, threatening the extinction of democracy in its largest and most challenging setting, will strike thoughtful Americans as a catastrophe of the most mournful kind.

Yet it touches a chord of pride in us, too. Under similar circumstances, Richard Nixon, whatever the sins on his head, never attempted what the sanctimonious Mrs. Gandhi has stooped to. Had Nixon done so, no one of significance would have obeyed his orders.

During Nixon's last year as President, as he was pushed into the corner by Watergate, there was some fear here that he might resort to force against Congress and the courts.

We looked into this possibility and found a framework of emergency laws existed that an embattled President might pervert into a springboard to a coup.

There are more than 500 separate federal laws delegating extraordinary authority to the President during a national emergency. Theoretically, Nixon could have fabricated an emergency; he could have put Washington, D.C., under martial law and manipulated all those wires to put down his accusers.

We talked to some of the generals, admirals, law enforcers, cabinet officers and White House aides who would have to enforce such orders if an unscrupulous or demented President issued them. We became convinced that no such orders would be obeyed.

As it turned out, after Nixon admitted his complicity, his actual power vanished. Had he not resigned, we concluded that most of the loyalists remaining on his staff were prepared to walk out, leaving him alone and unable to act.

Something unique in human history is visible here, and we must try to grasp it. More than a century ago, a private citizen named Abraham Lincoln speculated about such matters in a Fourth of July speech to an audience of farmers.

Why, he asked, did Thomas Jefferson and the others put the Declaration of Independence in such bold and sweeping words? "We hold these truths to be self-evident," they wrote, "that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness—that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. . . ."

Why, asked Lincoln, did the founding fathers have to say "all men are created equal," instead of putting it in some qualified way? Didn't they know all men were created unequal, too, and that overstating things plays into the hands of cynics and critics?

Lincoln concluded that the founding fathers feared, in the generations to follow, there would arise men and classes and religions who would want to subjugate less powerful Americans, take away their liberties and set up special rules for themselves.

"That old Declaration," as Lincoln called it, had to have unequivocal words in it that would choke in their throats. It had to be "a hard nut to crack" for would-be usurpers, had to instill in every heart a simple picture of what America aimed at, said Lincoln—a picture worth fighting for and dying for.

At age 199, we are entitled to say that some of that message came across. So run up the flag today. Ring the bells and sing the old songs. For all our boners and blunders, we have done something right.

Footnote: This is an appropriate time to remind Americans of our search for a bicentennial slogan. A few months ago, we suggested that the people, rather than the government should produce the right words for 1976. So we invited our readers to tell how they feel about their country on her 200th birthday. Almost a million letters have poured in, together with offers of prizes. So mail your slogan to Slogans USA, Box 1976, Washington, D.C. 20013.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. The Senate tomorrow will meet at 10:30 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. TAFT will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate will take up the legislative appropriation bill, on which there is a time agreement. Senators may expect rollcall votes on amendments thereto and/or on final passage of the bill.

At the hour of 3 p.m. tomorrow, the 1 hour under rule XXII will begin running on the motion to invoke cloture, with the automatic quorum call to occur at 4 p.m. and the automatic rollcall vote to occur upon the establishment of a quorum, or at about 4:15 p.m.

Upon the disposition of that cloture motion, depending upon the outcome, if the motion is not agreed to the Senate may proceed to the consideration of other business, or it may continue on the New Hampshire dispute tomorrow.

Senators might be interested in taking a look at the workload which, it is hoped, can be consummated during the month of July. These are in addition to various other measures which are on the calendar or which may be placed on the calendar for floor debate.

They will not necessarily be called up in the order stated, but they will be on the calendar and ready for action at some point, hopefully, during the month of July.

The New Hampshire election dispute, of course.

The Energy Allocation Act extension, S. 1849.

The Fuel Efficiency for Automobiles measure, S. 1883.

The Outer Continental Shelf Act.

The Elk Hills measure.

Coal leasing and coal conversion legislation.

ERDA.

The Energy Production Board.

Reregulation of natural gas, S. 692.

The extension of the Voting Rights Act, H.R. 6219.

Senate Resolution 160, which has to do with Diego Garcia.

S. 349, a bill to amend the Federal Trade Commission Act.

S. 670, a bill to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes.

S. 644, a bill to amend the Consumer Product Safety Act to improve the Consumer Safety Commission, to authorize new appropriations, and for other purposes.

H.R. 4222, an act to amend the National School Lunch Act and the Child Nutrition Act.

S. 963, a bill to amend the Federal Food, Drug, and Cosmetic Act.

Various appropriations bills and conference reports.

In view of the very heavy work load that is facing the Senate, I have been authorized by the distinguished majority leader to state that it may be necessary for the Senate to be in session on Saturdays during the month of July in anticipation of the month of August, which, according to the previous schedule that has been laid out, would be utilized for purposes of meeting constituents back in the home States and conducting committee meetings, committee hearings, et cetera, with no Senate floor sessions.

There is a pretty rough-looking road ahead, with several measures in the offing, especially energy measures; so I should think that Senators will want to contemplate the possibility of Saturday sessions and arrange their schedules accordingly.

It may be necessary also to have some late sessions during July, with the Senate coming in early and working late, and with rollcalls occurring daily.

RECESS UNTIL 10:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10:30 a.m. tomorrow.

The motion was agreed to, and at 6:35 p.m. the Senate recessed until tomorrow, Wednesday, July 9, 1975, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 8, 1975:

MISSISSIPPI RIVER COMMISSION

Brig. Gen. Charles Irving McGinnis, Corps of Engineers, to be a member of the Mississippi River Commission under the provisions of section 2 of an act of Congress approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642), vice Maj. Gen. Harold R. Parfitt, reassigned.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Devol Brett, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

Messages received July 1, 1975, under authority of the order of May 26, 1975:

NATIONAL MEDIATION BOARD

George S. Ives, of Maryland, to be a member of the National Mediation Board for the term expiring July 1 (reappointment).

SECURITIES AND EXCHANGE COMMISSION

Irving M. Pollack, of Maryland, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1980 (reappointment).

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. William J. Evans[redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. George Rhodes, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

Messages received after adjournment on Monday, July 7, 1975:

LEGAL SERVICES CORPORATION

Marlow W. Cook, of Kentucky, to be a member of the board of directors of the Legal Services Corporation for a term of 2 years commencing upon the date of the first meeting of the board (new position).

J. Melville Broughton, Jr., of North Carolina, to be a member of the board of directors of the Legal Services Corporation for a term of 3 years commencing upon the date of the first meeting of the board (new position).

WITHDRAWALS

Executive nominations withdrawn from the Senate July 7, 1975:

William L. Knecht, of California, to be a member of the board of directors of the Legal Services Corporation for a term of 2 years commencing upon the date of the first meeting of the board, which was sent to the Senate on April 28, 1975.

Edith Green, of Oregon, to be a member of the board of directors of the Legal Services Corporation for a term of 3 years commencing upon the date of the first meeting of the board, which was sent to the Senate on April 28, 1975.

HOUSE OF REPRESENTATIVES—*Tuesday, July 8, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

In every nation he who fears God and does what is right is acceptable to Him.—Acts 10:35.

Eternal God, our Father, above us and within us, in spirit we kneel before this altar of prayer set up by our fathers at our Nation's birth that we the leaders of our people may receive from Thee strength sufficient for every need, good will to motivate every endeavor, and grace adequate for every experience.

In these days which test our souls and try our spirits help us to maintain our integrity, to be hospitable to the highest we know, to serve our country as best we can, and to be faithful to the faith of our Founding Fathers.

Thus may our country be blest with wise leadership by worthy leaders for the highest good of our wonderful land.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the following titles:

On June 27, 1975:

H.J. Res. 499. Joint resolution making continuing appropriations for the fiscal year 1976, and for other purposes.

On June 28, 1975:

H.R. 4221. An act relating to the operation of certain education laws; and

H.R. 6698. An act to amend section 1113 of the Social Security Act to make permanent the program of temporary assistance for U.S. citizens returned from abroad, subject to specific limitations on the aggregate dollar amount of such assistance which may be provided and on the period for which such assistance may be furnished in any particular case, and for other purposes.

On June 30, 1975:

H.R. 6900. An act to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes;

H.R. 7709. An act to continue for a temporary period the existing suspension of duty on certain istle; and

H.R. 8030. An act to increase the temporary debt limitation until November 15, 1975.

On July 1, 1975:

H.R. 8109. An act to amend title XIX of the Social Security Act to extend the protection against the loss of medicaid because of the 1972 increase in social security benefits, and to extend the exemption of Puerto Rico, Guam, and the Virgin Islands from certain requirements relating to choice of providers.

On July 2, 1975:

H.R. 37. An act to authorize appropriations to carry out the Standard Reference Data Act;

H.R. 5398. An act to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions; and

H.R. 6387. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 3 months.

On July 3, 1975:

H.R. 6054. An act to authorize further appropriations for the Office of Environmental Quality, and for other purposes.

On July 7, 1975:

H.R. 1388. An act for the relief of Guadalupe Villegas-Cantu;

H.R. 1556. An act for the relief of Hendrika Koenders Lyne;

H.R. 2109. An act for the relief of Capt. George Moore, Jr., of the U.S. Air Force;

H.R. 3382. An act for the relief of Raymond Monroe; and

H.R. 5217. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House to the amendment of the Senate to a bill of the House of the following title:

H.R. 5398. An act to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3922. An act to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such act, to prohibit discrimination on the basis of age, and for other purposes;

H.R. 5901. An act making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and

H.R. 7405. An act to amend section 3620 of the Revised Statutes with respect to certain disbursements to be made by banks, savings banks, savings and loan associations, and credit unions.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3922) entitled "an act to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such act, to prohibit discrimination on the basis of age, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EAGLETON, Mr. CRANSTON, Mr. KENNEDY, Mr. RANDOLPH, Mr. WILLIAMS, Mr. PELL, Mr. NELSON, Mr. BEALL, Mr. SCHWEIKER, Mr. TAFT, and Mr. STAFFORD to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5901) entitled "An act making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period September 30, 1976, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. STENNIS, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. MONTOYA, Mr. HOLLINGS, Mr. EAGLETON, Mr. BAYH, Mr. CHILES, Mr. MCCLELLAN, Mr. BROOKE, Mr. CASE, Mr. FONG, Mr. STEVENS, Mr. SCHWEIKER, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 41. An act for the relief of Mr. Angelo B. Cortes;

S. 51. An act for the relief of Mr. Andres B. Pasion;

S. 52. An act for the relief of Miss Rosario Y. Quijano, Walter York Quijano, Ramon York Quijano, Tarcisus York Quijano, Denis York Quijano, and Paul York Quijano;

S. 55. An act for the relief of Dino Mendoza Pascua;

S. 92. An act for the relief of Victor Henrique Carlos Gibson;

S. 128. An act for the relief of Leonor Lopez;

S. 173. An act for the relief of Miss Lisa Maria Potter (also known as Lisa Maria Verest, Mary Alice Verest, and Mary Alice Epiphanio);

S. 223. An act for the relief of Angela Garza;

S. 270. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Elkhart, Kans., for airport purposes;

S. 381. An act for the relief of Ludwik Kikla;

S. 447. An act for the relief of Jesus Cortez Pineda;

S. 485. An act for the relief of Dr. Jesus Fernandez Tirao and his wife, Benylin-Lynda Obiena Tirao;

S. 533. An act for the relief of Jiri Emanuel Huebner;

S. 606. An act for the relief of Mr. Joselito S. Arca and Dr. Corazon I. Arca;

S. 738. An act to authorize Robert L. Rausch to accept an office or position in a university maintained by the Government of Canada;

S. 844. An act for the relief of Dr. Benedicto Principe and his wife, Erlinda Madula Principe;

S. 866. An act for the relief of Patrick Andre Tasselin and his wife, Fabienne Francoise Tasselin;

S. 1152. An act to amend the act of December 28, 1973 (87 Stat. 904) to clarify the relationship of the provisions of said act to the provisions of section 103 of title 26, United States Code;

S. 1622. An act to authorize an additional Assistant Secretary of Commerce;

S. 2017. An act to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes; and

S.J. Res. 100. Joint resolution to authorize the Secretary of the Senate to pay compensation to Phan Thi Yen.

PERMISSION FOR SUBCOMMITTEE ON ENVIRONMENT AND ATMOSPHERE TO SIT DURING HOUSE SESSION TODAY

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Environment and the Atmosphere be permitted to sit this afternoon while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE A REPORT

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file its report on H.R. 7014, the energy bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

UNSATISFACTORY ENERGY POLICY OF PRESIDENT FORD

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, I think it is appropriate that we recognize the totally unsatisfactory policy of this administration and of our President Ford regarding energy which came to its summit over the Fourth of July weekend. Virtually every oil company in this Nation, coincidentally and without any faint conspiratorial motivation, of course, raised the price of gasoline for the patriotic citizens celebrating our 199th anniversary from 2 to 5 cents a gallon. It is an unfortunate result of the $1 per barrel tax which began this policy: It is most unfair to increase this burden upon millions of citizens least able to pay the additional price for this necessity of life, now affected with a public interest. This Congress should inquire into this unsatisfactory policy of this administration.

PRESIDENT'S PROPOSAL CONCERNING THE HIGHWAY TRUST FUND

(Mr. TAYLOR of North Carolina asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. TAYLOR of North Carolina. Mr. Speaker, in my opinion, the proposal made by President Ford to dismantle the highway trust fund and place one-half of it in general revenue is unwise and not in the national interest. Once this money gets it to the general fund to compete with various social and welfare programs, little of it will be used for highway improvements.

The President's proposal that one-fourth of the fund remain with the States collecting it, in my opinion, deserves study and consideration.

This fund is financed by highway users through gasoline and diesel fuel taxes to provide safer and more adequate highways and the fund should be continued until the purposes for which it was established are achieved.

Highway users pay gasoline tax to finance highway improvements, not to place money in the General Treasury for various Federal programs. The President's proposal of limiting Federal highway spending to the interstate road system would be especially bad for States like North Carolina which did not receive its share of mileage when the interstate road program was established.

This trust fund, like other trust funds, was created for a specific purpose. When the highway trust fund was established in 1956, the people were given a moral commitment that their gasoline taxes would be used to improve highways. Destruction of the fund would be breaking faith with the American people. If the gasoline tax is not to be used for highway improvements, then the tax should be repealed.

APPOINTMENT OF CONFEREES ON H.R. 5901, APPROPRIATIONS FOR EDUCATION DIVISION AND RELATED AGENCIES

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5901) making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees: Messrs. Flood, Natcher, Smith of Iowa, Casey, Patten, Obey, Roybal, Stokes, Mahon, Michel, Shriver, Conte, and Cederberg.

CHANGE IN LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I take this time to announce that we will not call up the first suspension, H.R. 5512, national wildlife refuge system amendments. I understand the chairman will seek a rule on the bill and it will be scheduled at a later date.

We will continue with H.R. 5608, acquisition of wetlands, and H.R. 49 petroleum reserves (Elk Hills), under an open rule with 2 hours of debate.

JUSTICE DOUGLAS SHOULD STEP DOWN

(Mr. WAGGONNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAGGONNER. Mr. Speaker, the unfortunate New Year's Eve stroke suffered by Justice William O. Douglas not only left the 76-year-old Supreme Court Justice severely paralyzed, it also crippled the operations of the High Court itself.

The workload, shifted to the other Justices as a result of Mr. Douglas' absence, has strained the Court's ability to function properly and efficiently.

In the 7 months from the time of the stroke which hospitalized him, Mr. Douglas has issued only two majority opinions, one in a case heard before he was stricken, and a handful of dissents and occurrences.

I cannot in all honesty say that I miss his caustic and constitutionally questionable opinions from the bench. Over the years I have often found myself at odds with Mr. Justice Douglas' controversial positions.

But aside from my personal feelings about Mr. Douglas' politics, I feel that for the good of the country and the judicial process he should step down from his high position before the Supreme Court begins its next term in October.

Had Justice Douglas been a strict constructionist, there is no doubt, in my opinion, there would have already been a loud and continued clamor by the press for his retirement. But, even as his physical condition worsens, there has not been a peep from the liberal press.

Mr. Speaker, it has been reported that one of the factors affecting Justice Douglas' decision to hold on to his judicial power as long as he can is that he hopes to stay in office until after the 1976 Presidential election. Should a Democrat win that election, presumably someone of his own political persuasion would be appointed to fill his position.

While I can readily understand his desire to pass the torch to another liberal, Justice Douglas should do what is clearly in the best interest of this Nation, and that is resign.

SECRETARY CALLAWAY AND SENATOR BENTSEN SPEAK TO FORT WALTON BEACH CHAMBER

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, the Fort Walton Beach Chamber of Commerce and Florida's first and finest district were privileged to have as guest speakers the Secretary of the Army, Howard H. "Bo" Callaway, and Texas Senator Lloyd Bentsen at the annual chamber meeting on June 27.

It was an outstanding occasion, attended by about 400 of the civic and business leaders of Fort Walton Beach and their ladies and representatives of the nearby chambers.

The presence of these distinguished officials speaks well for the recognition Fort Walton Beach and Florida's First District enjoys in Washington. Secretary Callaway has had a distinguished career as Secretary of the Army, a post which he is now vacating to become national campaign manager for President Ford in the next election. Senator Bentsen is recognized for his sound views in National Government and he is one of the ranking contenders for the Democratic nomination. Their speeches were well received. It was my privilege to introduce both.

The meeting marked the completion of Clifford Long's presidency of the chamber. Under his guidance the chamber has made excellent progress. It continues to demonstrate the "can do" spirit which typifies Fort Walton Beach. He has been succeeded as president by LeDon Anchors, a member of an old, leading local family. He has rendered distinctive service to the community as a rising young Fort Walton Beach attorney.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
June 27, 1975.

Hon. Carl Albert,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the permission granted on June 26, 1975, the Clerk has received this date the following message from the Secretary of the Senate:

"That the Senate agree to the Report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H.R. 6900, entitled 'An Act to provide an additional thirteen weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for one year, and for other purposes.' "

With kind regards, I am,
Sincerely,
W. Pat Jennings,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
June 27, 1975.

Hon. Carl Albert,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the permission granted on June 26, 1975, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed H.R. 8109, entitled "An Act to amend title XIX of the Social Security Act to extend the protection against the loss of medicaid because of the 1972 increase in Social Security benefits, and to extend the exemption of Puerto Rico, Guam, and the Virgin Islands from certain requirements relating to choice of provider; and

That the Senate agree to the amendments of the House of Representatives to the amendments of the Senate to the bill (H.R. 5398) entitled "An Act to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions."

With kind regards, I am,
Sincerely,
W. Pat Jennings,
Clerk, House of Representatives.
By Benjamin J. Guthrie.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted on Thursday, June 26, 1975, the Speaker pro tempore did, on June 27, 1975, sign the following enrolled bills of the House and an enrolled joint resolution of the Senate:

H.R. 1387. An act for the relief of Raul Alvarez Rodriguez;

H.R. 1388. An act for the relief of Guadalupe Villegas-Cantu;

H.R. 1393. An act for the relief of Jacinta Roque Armstrong-Perez;

H.R. 1408. An act for the relief of Joseph Hoffman;

H.R. 1410. An act for the relief of Samuel T. Ansley;

H.R. 1421. An act for the relief of Stephanie Kahn and Barbara Heyman;

H.R. 1510. An act for the relief of Steve P. Reese;

H.R. 1556. An act for the relief of Hendrika Koenders Lyne;

H.R. 1649. An act for the relief of Howard D. Harden;

H.R. 2109. An act for the relief of Capt. George Moore, Jr., of the U.S. Air Force;

H.R. 2119. An act for the relief of Maria Gilda Haro;

H.R. 2946. An act for the relief of Mrs. Dorothy Hinck;

H.H. 3382. An act for the relief of Raymond Monroe;

H.R. 3526. An act for the relief of Randall L. Talbot;

H.R. 5217. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize the Coast Guard average military student loads, and for other purposes;

H.R. 6900. An act to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes.

H.R. 7709. An act to continue for a temporary period the existing suspension of duty on certain istle; and

S.J. Res. 98. Joint resolution to provide that the flag of the United States of America may be flown for 24 hours of each day in Valley Forge State Park, Valley Forge, Pa.

And on Monday, June 30, 1975, sign enrolled bills of the House as follows:

H.R. 5398. An act to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions; and

H.R. 8109. An act to amend title XIX of the Social Security Act to extend the protection against the loss of medicaid because of the 1972 increase in social security benefits, and to extend the exemption of Puerto Rico, Guam, and the Virgin Islands from certain requirements relating to choice of provider.

COMMUNICATION FROM THE COMMITTEE ON AGRICULTURE

The SPEAKER laid before the House the following communication from the chairman of the Committee on Agriculture; which was read and, together with the accompanying papers, referred to the Committee on Appropriations:

WASHINGTON, D.C.,
June 26, 1975.

Hon. CARL ALBERT,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture on June 26, 1975, considered and unanimously approved the following works plans for watershed projects, which were referred to the Committee by Executive Communication 800:

Bayou Bonne Idee, Louisiana.
First Capitol, Wisconsin.
Newman Lake, Washington.
Spring Canyon, Wyoming.

Attached are Committee resolutions with respect to these projects.

With every good wish, I am,
Sincerely,
THOMAS S. FOLEY,
Chairman.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

June 27, 1975.

Hon. CARL ALBERT,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:10 P.M. on Friday, June 27, 1975, and said to contain a message from the President wherein he transmits the Second Annual Report of the Director of the National Lung Institute, as required by the National Heart, Blood Vessel, Lung, and Blood Act of 1972.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.

SECOND ANNUAL REPORT OF THE DIRECTOR OF THE NATIONAL LUNG INSTITUTE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I am transmitting herewith the Second Annual Report of the Director of the National Lung Institute, as required by the National Heart, Blood Vessel, Lung, and Blood Act of 1972. This report was prepared in consultation with the National Heart and Lung Advisory Council, and it is accompanied by a program plan for the next five years.

The five-year resource allocation projection proposes two levels of expenditures for fiscal years 1977 through 1981, both of which are in excess of what has been requested in the 1976 budget. The report states that these projected expenditures are based on scientific judgment of these particular research areas, but correctly recognizes that the allocation of national resources for the program must be determined in relationship to other competing national needs and in accord with the total resources available for Federal programs.

The report describes encouraging progress. Since 1969, deaths caused by the number one killer—coronary heart disease—have shown a decline of about two percent, or 14,000 deaths, per year. Deaths from stroke, hypertension and rheumatic heart disease are continuing their downward trend, and the death rate from emphysema and chronic bronchitis, after years of sharp increases, has leveled off.

Investments in the National Heart, Blood Vessel, Lung, and Blood Program are showing results. I am hopeful that this momentum will be maintained and, through successful research and its application in medical practice, loss of lives from heart, blood vessel, lung, and blood diseases will be further reduced.

GERALD R. FORD.
THE WHITE HOUSE, *June 27, 1975.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
June 27, 1975.

Hon. CARL ALBERT,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:10 P.M. on Friday, June 27, 1975, and said to contain a message from the President wherein he transmits the third President's report on the occupational safety and health activities of the Federal Government carried out under the Occupational Safety and Health Act of 1970.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.

THIRD PRESIDENT'S REPORT ON OCCUPATIONAL SAFETY AND HEALTH ACTIVITIES OF FEDERAL GOVERNMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–115)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor and ordered to be printed, with illustrations:

To the Congress of the United States:

I am submitting today the third President's report on the occupational safety and health activities of Federal Government carried out under the Occupational Safety and Health Act of 1970.

This report—covering programs of the Department of Labor, the Department of Health, Education, and Welfare, and the Occupational Safety and Health Review Commission for calendar year 1973—indicates significant progress toward the goal of a safe and healthful work environment for all Americans. It also points to the tasks ahead.

Government efforts in occupational safety and health began to show significant results in 1973. Increased public attention was focused on the problems of workplace hazards. This awareness was reflected in a number of areas—collective bargaining agreements, union and industry safety and health program activities, and industry association and journal articles, among others.

Another achievement in 1973 was the development of State occupational safety and health programs. The Department of Labor approved twenty new State plans marking important progress toward development of an integrated Federal-State partnership in occupational safety and health.

During 1973, the National Institute of Occupational Safety and Health (NIOSH) in the Department of Health, Education, and Welfare—which has responsibility for occupational safety and health research—significantly increased knowledge of toxic substances and other causes of unhealthy working environments. It also further developed detailed criteria for use by the Department of Labor in establishing standards governing the use of hazardous substances in the workplace.

This report contains results of the first full-year occupational injury and illness survey, covering 1972. This survey by the Bureau of Labor Statistics will become the base for the future measure of progress in reducing deaths, injuries, and illnesses caused by workplace conditions.

The 1973 report is another step in providing a record of our Government's efforts in behalf of a safe and healthful work environment for all Americans. All of us share this goal of improving the welfare of the working men and women of our country.

GERALD R. FORD.

THE WHITE HOUSE, *June 27, 1975.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
June 27, 1975.

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:10 P.M. on Friday, June 27, 1975, and said to contain a message from the President wherein he transmits the 1974 annual report on the administration of the Radiation Control for Health and Safety Act (Public Law 90-602).

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.

1974 ANNUAL REPORT ON THE ADMINISTRATION OF THE RADIATION CONTROL FOR HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce.

To the Congress of the United States:

I transmit herewith the 1974 annual report on the administration of the Radiation Control for Health and Safety Act (Public Law 90-602), as prepared by the Secretary of the Department of Health, Education, and Welfare.

The report's only recommendation is that the requirement for the report itself, as contained in P.L. 90-602, be repealed. All of the information found in the report is available to Congress on a more immediate basis through congressional committee oversight and budget hearings. The Department of Health, Education, and Welfare has concluded that this annual report serves little useful purpose and diverts agency resources from more productive activities.

GERALD R. FORD.

THE WHITE HOUSE, *June 27, 1975.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *July 7, 1975.*

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:45 P.M. on Monday, July 7, 1975, and said to contain a message from the President transmitting a draft bill entitled "Federal-Aid Highway Act of 1975," a section-by-section analysis of the bill and a Department of Transportation Environmental Impact Statement on the proposed legislation.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.
By W. RAYMOND COLLEY.

A DRAFT BILL ENTITLED "FEDERAL-AID HIGHWAY ACT OF 1975," WITH ANALYSIS OF THE BILL AND AN ENVIRONMENTAL IMPACT STATEMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-204)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Public Works and Transportation and to the Committee on Ways and Means and ordered to be printed.

To the Congress of the United States:

Twenty years ago, President Eisenhower sent to the Congress a landmark report on our Nation's highways. That report, and the legislation it inspired, launched the Nation on one of the most ambitious public works programs in history—construction of the 42,500-mile Interstate Highway System.

Today, eighty-five percent of the Interstate system is open to traffic, and the system has proven vital to the Nation's commercial prosperity and to the individual mobility of millions of Americans.

The Highway Trust Fund which has financed this remarkable program is scheduled to expire on October 1, 1977. I am today recommending legislation to extend the Trust Fund but limit its use to completion and improvement of the Interstate system itself. Other highway projects receiving Federal assistance would be funded through the general treasury.

In addition, I am recommending that income to the Fund be reduced by transferring two cents of the current Federal gasoline tax from the Trust Fund to the general treasury. At the same time, I am recommending that the Federal gasoline tax be reduced by one cent per gallon in those States which increase their State gasoline tax by an equal amount.

In this way, the ability of State and local governments to deal with their own transportation problems will be improved, but costs to the highway user will not be increased.

Top priority in this legislation will go to completion of those segments of the Interstate System which will make the system truly national in scope.

I am also proposing consolidation of Federal highway programs under three broadly-based categories, combining some thirty narrow grant-in-aid programs now in existence. The three programs will deal, respectively, with urban and suburban transportation, rural transportation and highway safety improvements.

The highway program is a classic example of a Federal program that has expanded over the years into areas of State and local responsibility, distorting the priorities of those governments.

The legislation I propose will refocus the Federal attention on the Interstate System, which is clearly of national significance, and provide flexible aid for other highway construction in a manner which fully respects State and local decision-making roles.

This is consistent with my general philosophy that we should not, at the Federal level, extend our influence into areas which other levels of government can handle better.

As we near our 200th birthday as a Nation, we must select with care the great national efforts we undertake, reflecting the responsibility we all have to preserve the integrity of our Republic. We must limit the Federal role to national concerns, strengthen the authority and resources of State and local governments, and protect the prerogatives of individuals.

I believe this legislation is the most responsible and effective means of meeting the Nation's transportation needs. I urge the Congress to give it prompt and favorable consideration.

GERALD R. FORD.

THE WHITE HOUSE, *July 7, 1975.*

EIGHTH ANNUAL REPORT OF UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-205)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed.

To the Congress of the United States:

I am pleased to present to the Congress the Eighth Annual Report of the United States-Japan Cooperative Medical Science Program. This bilateral research effort in the biomedical sciences was successfully implemented in 1965 following a meeting between the Prime Minister of Japan and the President of the United States.

During 1974, this Program has continued to direct attention to the study and prevention of a group of significant diseases which influence the health status of the people of Asia: cholera, environmentally induced diseases, leprosy, malnutrition, parasitic diseases (filariasis and schistosomiasis), tuberculosis, and viral diseases (rabies, dengue-hemorrhagic fever and other selected arboviral diseases).

The accomplishments attained during the past year are highlighted in the report of the Program which I am submitting to Congress today. I look forward to strengthening further the valuable and productive relationships provided by this model of cooperative international endeavor for the health benefits of our fellow man.

Gerald R. Ford.

The White House, *July 8, 1975.*

CALL OF THE HOUSE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 362]

Abdnor
Abzug
Alexander
Anderson, Ill.
Andrews, N.C.
Biaggi
Bonker
Brown, Mich.
Butler
Chisholm
Clawson, Del
Collins, Ill.
Conyers
Cotter
Diggs
Dingell
Drinan
Edwards, Calif.
Eshleman
Evins, Tenn.
Fulton
Gibbons
Hannaford
Harsha
Hinshaw
Johnson, Colo.
Jordan
Krueger
Matsunaga
Meyner
Montgomery
Moss
Patten, N.J.
Quie
Rangel
Reuss
Rhodes
Rosenthal
Ruppe
Scheuer
Shuster
Stuckey
Sullivan
Symington
Teague

The SPEAKER. On this rollcall 388 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TRIBUTE TO THE LATE RICHARD W. HOFFMAN, FORMER CONGRESSMAN

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, it is my very sad duty to announce the death last Sunday of the former Congressman Richard W. Hoffman who at the time of his passing resided in Riverside, Ill.

Dick represented the 10th Congressional District, which is now largely encompassed by my own 6th Congressional District, for four terms, the 81st, 82d, 83d, and 84th Congresses having been elected in 1948, and retiring in 1956.

Dick began his political career when he was elected as the reform president of the board of education of Morton High School District and continued to serve the residents of the district for more than 20 years.

For many years he was the owner-operator of a radio station in Cicero and also owned an interest in LIFE Newspapers, a chain of newspapers in the west suburbs.

I speak for every Member of this House in extending our condolences to his sister, Mrs. Lillian Prugh.

CONSUMER PROTECTION AGENCY NEED DEMONSTRATED IN VEPCO SERVICE AREA

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, the need for an Agency for Consumer Protection is no where more amply demonstrated than in the area served by Virginia Electric & Power Co.

Power outages in McLean, Va., leave hundreds of families shivering in the winter and roasting in the summer. For 8 years I have listened to them explain with condescending courtesy that they are working on the problem.

Instead of providing service, VEPCO seems to be investing all of its efforts toward seeking additional rate increases—$98 million last October and $40 million more right now.

Mr. Speaker, the consumers in Virginia, as elsewhere, desperately need a voice.

EXTENSION OF WETLANDS LOAN ACT

Mr. OBERSTAR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5608) to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisitions of wetlands, and to increase the maximum amount of such authorization, as amended.

The Clerk read as follows:

H.R. 5608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat, and for other purposes", approved October 4, 1961 (Public Law 87–383, 16 U.S.C. 715k–3) is amended by striking out "fifteen-year period" and all that follows thereafter and inserting in lieu thereof the following: "period beginning on July 1, 1961, and ending at the close of September 30, 1983, not to exceed $200,000,000.".

Sec. 2. Section 3 of such Act of October 4, 1961, is amended—

(1) by striking out "with fiscal year 1977," and inserting in lieu thereof "on October 1, 1983,"; and

(2) by striking out "prior to the end of the aforesaid fifteen-year period," and inserting in lieu thereof "before October 1, 1983,".

Sec. 3. The first section of the Act entitled "An Act to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the Migratory Bird Treaty Act and regulations thereunder, and for other purposes", approved March 16, 1934 (48 Stat. 541; 16 U.S.C. 718a; commonly known as the "Migratory Bird Hunting Stamp Act") is amended by inserting after "hunting" in the first sentence the words "and conservation".

Sec. 4. (a) The first sentence of section 2 of such Act of March 16, 1934 (16 U.S.C. 718b) is amended to read as follows: "The stamps required by section 1 of this Act shall be issued and sold by the Postal Service and may be sold by the Department of the Interior under regulations prescribed jointly by the Postal Service and the Secretary of the Interior: *Provided*, That the stamps shall be sold at all post offices of the first- and second-class and at such other facilities or locations as the Postal Service and the Secretary of the Interior shall direct: *Provided further*, That the moneys received for such stamps sold by the Department of the Interior shall be deposited in the migratory bird conservation fund in accordance with the provisions of section 4 of this Act.".

(b) The fifth sentence of such section 2 of such Act of March 16, 1934 (16 U.S.C. 718b), is amended to read as follows: "The Postal Service, pursuant to regulations to be prescribed by it, shall provide for the redemption, on or before the thirtieth day of June of each fiscal year, of blocks composed of two or more attached unused stamps issued for such year that were sold on consignment to any person, including, but not limited to, retail dealers for resale to their customers, and that have not been resold by such persons, including such retail dealers.".

Sec. 5. The first sentence of section 4 of such Act of March 16, 1934 (16 U.S.C. 718d), is amended by inserting immediately after "Postal Service" the following: "or the Department of the Interior, whichever is appropriate,".

Sec. 6. Section 2 of the Migratory Bird Conservation Act (16 U.S.C. 715a) is amended by adding at the end thereof the following new sentence: "For purposes of this Act, the purchase or rental of any area of land, water, or land and water includes the purchase or rental of any interest in any such area of land, water, or land and water.".

Sec. 7. The matter contained in section 4 (b) (3) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668 dd(b) (3)) which precedes the first period is amended to read as follows:

"(3) to acquire lands or interests therein by exchange (A) for acquired lands or public lands, or for interests in acquired or public lands, under his jurisdiction which he finds to be suitable for disposition, or (B) for the right to remove, in accordance with such terms and conditions as the Secretary may prescribe, products from the acquired or public lands within the System.".

The SPEAKER. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. OBERSTAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, originally in the 48 States there were an estimated 127 million acres of wetlands; but by 1955, this total acreage had been reduced to some 74 million acres. Of that amount, an estimated 22.5 million acres were of significant value for migratory waterfowl use. The Interior Department anticipated that 10 million acres would remain in private ownership, with 12.5 million acres to be acquired for public control. Of this amount, 5 million acres would be secured by the States, and 7.5 million acres would be purchased by the Secretary of Interior from the migratory bird conservation fund. By 1961, 2.5 million acres remained to be acquired under the original goal. Since that time, only 1.9 million acres have been acquired in both fee and easement, leaving 600,000 acres still to be acquired under the original goal.

Under present law, the proceeds from the sale of duck stamps—which currently sell for $5—are required to be set aside into a special fund in the Treasury known as the migratory bird conservation fund. To provide additional funds to expedite the purchase of migratory waterfowl habitat, Congress in 1961 enacted the Wetlands Loan Act, which authorized an advance appropriation, without interest, to the migratory bird conservation fund of up to $105 million over a 7-year period beginning with fiscal year 1962. In 1968, Congress extended that act for an additional 8 years at its original level of funding. This act expires next year, June 30, 1976. To date, only $85.9 million has been appropriated under the act.

Now, if Congress does not act, does not take the action we propose in H.R. 5608, beginning with fiscal year 1977 all sums advanced to the fund under this act from the original legislation will have to be repaid out of duck stamp sales at a rate of 75 percent of the net receipts from the sales each year. In other words, we will be repaying the loan before we have achieved the wetland acquisition goal.

Therefore, the purpose of this legislation, H.R. 5608, is to extend this program for an additional 7 years, from June 30, 1976, to September 30, 1983. In addition, this legislation would increase the amount of funds authorized to be appropriated from $105 million to $200 million and would delay the date when repayment of the advance loans would begin from July 1, 1976, to October 1, 1983.

Mr. Speaker, from information the Department of the Interior has pulled together recently, it is clear that we urgently need this legislation. New departmental estimates show that the Nation should acquire an additional 1.3 million acres of prime waterfowl habitat. Added to the original 2.5 million, this gives us a new total of 3.8 million acres and more nearly reflects the realities of the needs as identified by the Department of the Interior and the Migratory Bird Conservation Commission. This habitat is vital to continental waterfowl and is the most vulnerable to destruction or severe adverse modification over the next decade. For example, in my own State of Minnesota, wetlands have been drained at an increasing rate, with 40 percent of the wetlands lost in the last 10 years.

Mr. Speaker, although the majority of the remaining 1.9 million acres which need to be acquired are located primarily in North and South Dakota and Minnesota, a substantial portion of the balance of the acreage is located in a good number of States scattered throughout each of the four flyways.

Mr. Speaker, another purpose of H.R. 5608 is to make additional funds available—other than by advance loans—for acquisition of wetlands.

To help raise those additional funds, the bill would change the name of the stamp from the "Migratory Bird Hunting Stamp" to the "Migratory Bird Hunting and Conservation Stamp."

The purpose of this change is to attract those who are not necessarily hunters but who are interested in conservation of migratory waterfowl to acquire stamps and thereby to contribute to the preservation of the wetlands. The bill would also authorize the sale of duck stamps at places other than post offices; for instances, they could be bought at wildlife refuges and other appropriate and convenient places which may be designated by the Secretary of the Interior and the Postal Service.

Finally, Mr. Speaker, the bill would expedite acquisition of the additional waterfowl habitat acreage we need by allowing the Secretary of the Interior to use easements to acquire or exchange partial interests in areas suitable for migratory bird refuges.

Mr. Speaker, this legislation was unanimously ordered reported by the Committee on Merchant Marine and Fisheries, and in general has the unanimous support of sportsmen and conservationists throughout the country.

Mr. Speaker, I think it is vitally important for the House to approve this legislation today, and that the funds authorized under this act be obtained expeditiously so that the wetlands can be acquired before they are drained, destroyed and diverted to other uses.

Mr. Speaker, I also want to take this opportunity to commend the chairman of the full committee, the gentlewoman from Missouri (Mrs. SULLIVAN) for her interest and concern in wetlands, and the chairman of the subcommittee, the gentleman from California (Mr. LEGGETT), who conducted exceptionally fair, extensive, and exhaustive hearings into this subject, and who is personally well acquainted with the issues and who has a genuine and persisting deep interest in conservation. Those of us who are committed to the cause of conservation are grateful for his strong, forceful leadership.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, simply stated, the basic purpose of H.R. 5608 is to make additional funds available for the wetlands acquisition program. However, the simplicity of my last sentence belies the importance of this legislation.

This Nation's wetlands represent a unique and important natural resource far beyond their necessity for the survival of the 46 different species of waterfowl native to the continental United States. Wetlands play an essential but often unappreciated role in flood control and water purification. They reduce the flow of water from land, moderate flood crests and help purify water by absorbing silt and nutrients that would otherwise degrade downstream water supplies, irrigation reservoirs, estuaries, and other waters. Wetlands also play a significant role in maintaining and recharging underground water supplies so vital to agriculture, local communities, and industry. Hardwood timber production depends on wetlands ecosystems in many areas, and their importance to the participation of both sport and commercial marine fisheries is undisputed. In fact, approximately 90 percent of all marine finfish and shellfish depend on coastal marshes and estuaries during some portion of their life cycle. Likewise, fresh water marshes are critical to species inhabiting inland waters. Wetlands also provide vital habitat for a variety of other wildlife, including a multitude of shore birds.

Unfortunately, the traditional view of wetlands is one of wasteland, and as such they have been drained or filled for agricultural industrial and residential development, degraded and polluted by pesticides, and used simply as the Nation's dumps. As a result, more than 40 percent of the estimated 127 million acres of wetlands that originally existed in the United States have been lost. Of the remaining 70 to 75 million acres, less than 20 million may be considered of prime importance to waterfowl.

Mr. Speaker, I do not consider, and I do not think this Congress should consider, wetlands as waste lands. These lands have an important place in our Nation's ecosystem, and to protect a significant portion of this resource I urge the adoption of H.R. 5608.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I rise in support of this bill.

Mr. Speaker, I thank the gentleman for yielding, and I rise to join the gentleman from New Jersey in support of H.R. 5608, which extends the Wetlands Loan Act until 1983, and makes available additional appropriations for the purchase and acquisition of wetlands for migratory waterfowl.

In 1955, the Secretary of the Interior embarked on a program to place 12.5 million acres of wetlands under public control. Today there are some 600,000 acres of wetlands remaining to be purchased by the Federal and State Governments, with approximately 7 million acres having already been purchased.

The Wetlands Act, which has been staunchly supported by our sportsmen, conservationists and environmentalists, has districtly benefited by district in enabling the State of New York to acquire approximately 3,000 acres of the Basha Kill Wetlands in Orange County, N.Y.

An important amendment to this act, now before us, encourages the sale of duck stamps which are the principal sources of funding for wetland acquisition. The act specifies that the duck stamps may be purchased in local post offices, that unused stamps can be redeemed by anyone and changes the name of the "Migratory Bird Hunting Stamp" to the "Migratory Bird Hunting and Conservation Stamp" to encourage stamp purchases outside the hunting community.

By extending the Wetlands Loan Act, our increasingly threatened wetlands will be preserved for all times, thereby ensuring that endangered migratory waterfowl will be protected for our future generations.

Mr. FORSYTHE. Mr. Speaker, I have no further requests for time.

Mr. OBERSTAR. Mr. Speaker, I yield such time as he may consume to the chairman of the subcommittee, the gentleman from California (Mr. LEGGETT).

Mrs. SULLIVAN. Mr. Speaker, H.R. 5608 was unanimously reported by the Merchant Marine and Fisheries Committee and I wish to congratulate the sponsors of the bill—Mr. OBERSTAR, Mr. LEGGETT, and Mr. DINGELL—for introducing this legislation, and I join my colleagues in urging its prompt passage.

Under the original goal established by the Secretary of the Interior in 1961, it was estimated that 2.5 million acres of waterfowl habitat—better known as wetlands—needed to be acquired by the Federal Government if we were to adequately provide for migratory waterfowl. At that time, the Congress enacted the Wetlands Loan Act which authorized an advance appropriation to the migratory bird conservation fund of $105 million.

The need for this legislation arises from the fact that of the $105 million authorized to be appropriated, only $85.9 million has actually been appropriated. Because of the delay in appropriating these funds and because of the severe increase in the price of these lands, only 1.9 million acres—of the original 2.5 million acre goal—have actually been acquired.

This situation is further complicated by the fact that these lands are rapidly being diverted to other areas, such as for agriculture, urban, and industrial purposes. Also, the Department of the Interior has recently revised its 1961 goal and identified for Federal acquisition an additional 1.3 million acres of prime waterfowl habitat that needs to be acquired.

Mr. Speaker, H.R. 5608 would extend this program for an additional 7 years—from June 30, 1976, to September 30, 1983—and increase the amount of funds authorized to be appropriated from $105 to $200 million.

Mr. Speaker, if we are to acquire this habitat that is so vitally needed for the conservation and propagation of migratory waterfowl, then it is imperative that this legislation be enacted into law at the earliest possible date.

Mr. LEGGETT. Mr. Speaker, I would like to commend the author of this bill, the gentleman from Minnesota (Mr. OBERSTAR), for bringing this legislation to the attention of the committee, along with the prior chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL). It is critically important legislation. I have just returned from Saskatoon, Saskatachewan, with several members of the subcommittee, where we reviewed what an unrelated private organization, Ducks Unlimited, is doing with our Fish and Wildlife Service and the official Wildlife Service of the Government of Canada on the question of habitat and wetlands.

We acquired about 80 percent of our target for wetlands acquisitions prior to 1961. We have a way to go yet, with about 1.9 million acres yet to be acquired. This is a program that pays for itself. We get some advance loans from the Treasury, but a majority of the funds for acquisition of wetlands comes from duck stamp sales. It is a very sound program and I commend the gentleman on his foresight for the need to extend this program, which will expire, as was indicated, at the end of the current fiscal year.

Mr. OBERSTAR. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. DINGELL), who has been a leader in the conservation field in years past and who has provided the spearhead leadership needed for this legislation.

Mr. DINGELL. Mr. Speaker, I thank the gentleman for yielding.

I want to commend the gentleman for this bill. I urge my colleagues to support it.

Mr. Speaker, I point out that it has the endorsement of all of the nationwide conservation organizations.

Mr. Speaker, speaking as the former chairman of the subcommittee and also as a member of the Migratory Bird Conservation Commission, I point out this will provide the impetus to continue the acquisition of wetlands for our migratory bird refuges, which is necessary to meet the national goals established in this regard by the Department of the Interior.

Mr. Speaker, I urge my colleagues to support this. I commend my colleague, the gentleman from Minnesota (Mr. OBERSTAR), for his vigor and his leadership in this matter, and also my good friend and colleague from California (Mr. LEGGETT), the chairman of the subcommittee, for his very fine leadership on this matter.

Mr. BAUMAN. Mr. Speaker, I want to congratulate the chairman of the subcommittee on reporting H.R. 5608, which extends the Wetlands Loan Act for 7 years and increases the total loan authorization from $95 to $200 million.

This law has worked very well in preserving land and water areas which are essential to the needs of conservation and the propagation of waterfowl. The fact that these loans are repaid over a period of time by the purchase of duck stamps makes the program both useful and fiscally sound, a principle which other governmental programs might well imitate.

I am particularly pleased because during the consideration of the bill in committee there was underscored a fact which I have always appreciated, that good hunting practices are as much a means of conservation as any other methods of preserving wildlife. In recent years zealous groups have resorted to the courts in an attempt to block entirely the hunting of migratory waterfowl. Fortunately, these attempts have been so far unsuccessful.

This bill again points up the well-established axiom that the very best conservationists are usually the hunters themselves. In this program, which we extend today, the hunters literally are financing the very important job of assuring the continued propagation of migratory waterfowl. I am happy to support H.R. 5608, and I commend the gentleman from Minnesota (Mr. OBERSTAR) for his initiative in this matter.

Mr. CONTE. Mr. Speaker, I rise in support of H.R. 5608, to extend the Wetlands Loan Act. This bill continues for 7 years the wetlands acquisition program established in 1961, and is desperately needed to protect our vanishing waterfowl habitat. It also increases the total loan authorization of the migratory bird conservation fund, which must be repaid to the Government through receipts from the sale of migratory bird stamps, from $105 to $200 million.

The Migratory Bird Conservation Commission, on which I have been proud to serve as a member since 1965, reviews and approves national wildlife purchases proposed by the Department of the Interior with moneys from the migratory bird conservation fund. These funds are comprised of the annual duck stamp sales, supplemented by advance appropriations against future receipts. Since passage of the 1961 Wetlands Loan Act, 1.9 million acres of prime waterfowl habitat have been purchased and set aside as waterfowl refuges.

Without passage of H.R. 5608, the authority for the advances will expire at the end of fiscal year 1976, and all duck stamp revenues—currently $10 to $11 million per year—will be diverted to repayment of funds already advanced. This will leave the wetlands acquisition program only partially complete and will insure the destruction of the few remaining unprotected wetland wildlife habitats.

There is not much time left. Massive wetland destruction has occurred already, particularly within the coastal estuaries and flood plains of our major rivers. The tremendously productive marshes of the glaciated prairie pothole regions continue to be drained, converted to cropland or subdivision and destroyed from the standpoint of wildlife production. The western Minnesota wetlands have almost been eliminated except for a few preserved by State, Federal, and private conservation efforts. Marshes in North and South Dakota are receiving the same treatment, and the trend is rapidly moving into Canada.

The point is that action has to come now or not at all. The next 10 to 20 years will largely determine the fate of our North American waterfowl resource.

During the 10 years I have been on the commission, I have seen the broad public support for this program. At every commission meeting we are asked to reapprove tracts because the price has gone up. It only makes sense to complete acquisition of approved areas before the price goes up further. The current recession offers a unique opportunity to achieve this goal before land prices again soar.

We have a commitment to all Americans to preserve our rapidly diminishing wildlands and wildlife. I urge my colleagues to join with me in supporting H.R. 5608. The return on this modest investment will be priceless, for, once lost, our wetlands and the wildlife they support are irreplaceable.

Mr. WIRTH. Mr. Speaker, I rise in support of H.R. 5512 and H.R. 5608, and strongly urge my colleagues to support these measures vital to the protection of the Nation's wildlife refuge system, and the conservation of the Nation's disappearing wetlands. At a time when development of land, water, and timber resources is posing a threat of destruction to our environment, measures must be taken to preserve the habitats of our native animals. Equally important is the identification and preservation of our wetlands. These areas, the habitats of our migratory waterfowl, are vanishing at an alarming rate. Protection of our existing areas as well as acquisition of new wetland areas is vital to the preservation of these beautiful creatures.

GENERAL LEAVE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that all Members may be permitted 5 legislative days in which to revise and extend their remarks on the subject of this legislation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. OBERSTAR. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota (Mr. OBERSTAR) that the House suspend the rules and pass the bill (H.R. 5608), as amended.

The question was taken.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were yeas 400, nays 0, voting "present" 1, not voting 32, as follows:

[Roll No. 363]

YEAS—400

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

VOTING "PRESENT"—1

Madden

NOT VOTING—32

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Biaggi
Bonker
Brown, Mich.
Butler
Clawson, Del
Collins, Ill.
Cotter
Dickinson
Diggs
Evins, Tenn.
Fulton
Harkin
Hinshaw
Johnson, Colo.
Jordan
Meyner
Mitchell, Md.
Montgomery
Moss
Quie
Reuss
Rhodes
Ruppe
Scheuer
Stuckey
Sullivan
Symington
Young, Alaska

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Fulton with Mr. Bonker.
Mrs. Meyner with Mr. Hawkins.
Mr. Biaggi with Mr. Brown of Michigan.
Mr. Mitchell of Maryland with Mr. Andrews of North Carolina.
Mr. Cotter with Ms. Jordan.
Mrs. Sullivan with Mr. Anderson of Illinois.
Mr. Stuckey with Mr. Quie.
Mr. Moss with Mr. Ruppe.
Mr. Diggs with Mr. Scheuer.
Mr. Evins of Tennessee with Mr. Hinshaw.
Mr. Alexander with Mr. Del Clawson.
Mrs. Collins of Illinois with Mr. Abdnor.
Mr. Montgomery with Mr. Young of Alaska.
Mr. Reuss with Mr. Dickinson.
Mr. Symington with Mr. Butler.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes.".

A motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF THE INTERIOR TO ESTABLISH ON CERTAIN PUBLIC LANDS OF THE NATIONAL PETROLEUM RESERVES THE DEVELOPMENT OF WHICH NEEDS TO BE REGULATED IN A MANNER CONSISTENT WITH THE TOTAL ENERGY NEEDS OF THE NATION AND FOR OTHER PURPOSES

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 416 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 416

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 49) to authorize the Secretary of the Interior to establish on certain public lands of the United States national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes. After general debate, which shall be confined to the bill and to the amendments made in order by this resolution and which shall continue not to exceed two hours, one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, and one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment, and said substitute shall be considered as having been read for amendment. Immediately after general debate is concluded, it shall be in order to consider the text of the bill H.R. 5919 if offered as an amendment in the nature of a substitute for the amendment recommended by the Committee on Interior and Insular Affairs. If said amendment in the nature of a substitute is rejected in the Committee of the Whole, it shall then be in order to consider en bloc the amendments recommended by the Committee on Armed Services now printed in the bill to the amendment recommended by the Committee on Interior and Insular Affairs. At the conclusion of the consideration of H.R. 49 for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 416 provides for an open rule with 2 hours of general debate on H.R. 49, a bill authorizing the establishment of national petroleum reserves. House Resolution 416 provides that 1 hour of debate shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, and 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services.

House Resolution 416 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment and the substitute shall be considered as having been read for amendment. Immediately after general debate is concluded, it shall be in order to consider the text of the bill H.R. 5919 if offered as an amendment in the nature of a substitute for the amendment recommended by the Committee on Interior and Insular Affairs. If the amendment in the nature of a substitute (H.R. 5919) is rejected in the Committee of the Whole, it shall then be in order to consider en bloc the amendments recommended by the Committee on Armed Services now printed in the bill to the amendment recommended by the Committee on Interior and Insular Affairs.

H.R. 49 authorizes the Secretary of Interior to establish national petroleum reserves on certain public lands of the United States. It authorizes the Secretary to prepare plans for development and production of oil and gas on such reserves in the lower 48 States, subject to Congressional acceptance of any production plan, and directs the Secretary to explore for oil and gas on the 22 million-acre Naval Petroleum Reserve No. 4 in Alaska and to report his findings annually to Congress.

Mr. Speaker, I urge the adoption of House Resolution 416 in order that we may discuss and debate H.R. 49.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from California (Mr. SISK) has explained this very complicated rule. This is the first rule we have considered on a bill which has been referred to one committee, reported by that committee, and then sequentially referred to another committee which also has acted on the same bill. Before the July 4 recess the House acted on a measure that was jointly referred to two committees at the same time, the ERDA bill, but this is a different procedure under the revised rules of the House. This rule provides an appropriate method for considering the bill H.R. 49.

This Nation faces a terrible and critical energy crisis. It seems that any deposits we have in the ground should be developed, should be made available to the American people rather than have us go abroad and be dependent on foreign oil. I am sure the matter will be resolved, when the bill comes up for discussion, between the Interior Committee and the Armed Services Committee. With that in mind, Mr. Speaker, I would urge adoption of the rule and consideration of the measure making it possible to fully develop the reserves owned by the Government of the United States and particularly those at Elk Hills.

Mr. Speaker, I have no requests for time but I urge the adoption of the rule.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MELCHER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 49) to authorize the Secretary of the Interior to establish on certain public lands of the United States national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Montana (Mr. MELCHER).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 49) with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Montana (Mr. MELCHER) will be recognized for 30 minutes; the gentleman from Arizona (Mr. STEIGER) will be recognized for 30 minutes; the gentleman from Louisiana (Mr. HÉBERT) will be recognized for 30 minutes; and the gentleman from Tennessee (Mr. BEARD) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Florida (Mr. HALEY).

Mr. HALEY. Mr. Chairman, as the Members of the House know, H.R. 49 has been a matter of considerable concern before the Committee on Interior and Insular Affairs.

While it is not my intention to go into detail concerning the provisions of the two approaches I do want to lend my strong support to H.R. 49 as reported by the Interior and Insular Affairs Committee on May 7.

I believe that everyone agrees that this Nation must do everything reasonably possible to reduce our dependence on foreign sources of supply for our basic energy requirements. If H.R. 49 is enacted, as recommended by the Interior Committee, plans would be forthcoming from the Secretary of the Interior which would enhance the exploration, development and production of oil and gas within the 48 contiguous States and which would enable the Secretary to explore Naval Petroleum Reserve No. 4 in Alaska.

Mr. Chairman, as recommended H.R. 49 authorizes the Secretary of the Interior, with the approval of the President, to establish national petroleum reserves on certain public lands owned by the United States.

Under this provision, the naval petroleum reserves may be transferred to the Department of the Interior for administration after consultation with the Secretary of Defense. This makes sense because the Department of the Interior is the agency which has the expertise and the responsibility for developing our natural resources in a manner consistent with national needs and sound conservation practices.

Naturally, we want a strong and secure defense. H.R. 49 does not interfere with any provisions of law which assure our Armed Forces of an adequate supply of fuel when emergency conditions exist. I am confident that the members of the Armed Services Committee of this House will see to it that our military needs are satisfied now and in the future.

Mr. Chairman, I am pleased to add my voice to those supporting H.R. 49, as recommended by the Committee on Interior and Insular Affairs, and I urge the House to reject the amendments which will be offered in behalf of the Committee on Armed Services.

Mr. Chairman, this is a very important bill, as everyone knows. I want to call attention to the fact that the Committee on Armed Services has had general legislative supervision over this program for a long, long time, but there has been little production. Here, when we have this reserve set up for an emergency situation, and when we have in this country an emergency situation, the Committee on Armed Services continues to hold on to this oil and say, "Let's hold it in the ground."

In 1912, when this was transferred to the Navy, that might have been a very good idea. But, today if the naval forces need this oil, it is not going to do them any good in the ground. I think that what we need to do is to develop this field, get the oil above ground, or whatever we need above ground, so it will be available when it is needed. We can save it if we want to take care of the emergency at that particular time, but certainly with the situation that we have, and with the methods of warfare which prevail in this day and time, oil in the ground is not going to do the Navy or anybody else any good.

So, let us go ahead and adopt this bill, H.R. 49, so, that we can get some oil out of the ground and get it into the hands of the people. If the Navy and the Armed Services Committee wants to build tanks, then let them go ahead and do that, but let us get out our oil where it is available.

Mr. STEIGER of Arizona. Mr. Chairman, I yield 5 minutes to the ranking Republican member of the Committee on Interior and Insular Affairs, the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Chairman, 30 years of my life have been spent on Capitol Hill. Frankly, I know of few major national problems that have received more attention and consideration than has the subject of oil imports and the impact oil imports has upon the domestic oil economy and the national security of this country.

Perhaps—those of us—who come from oil-producing States—and serve on the Interior Committee—have been more concerned about the health and future of domestic oil production.

If it were true in Napoleon's time that the Army moved on its stomach, it is equally true in this modern age that the modern defense posture moves on oil. That our industries, our transportation system, our social and economic life are dependent upon oil.

As far back as 1949 the National Petroleum Council was established. It was to serve as the advisory board to our Government.

The first fundamental principle that it enunciated was that "the national security and welfare required a healthy domestic industry."

That petroleum imports should not be permitted to enter this country to the extent that it would weaken our oil industry and thus threaten our national security.

Following the Suez crisis we established a voluntary import program. It did not work, and within 20 months the President, on March 10, 1959, by Presidential proclamation announced the establishment of a mandatory oil import program.

The basic change in policy was necessary because of the impact that foreign imports were having upon our domestic oil industry.

When oil serves as 20 percent of our industrial fuel, 40 percent of our home heating fuel, and practically all of the fuel used for the movement of people and goods, it is hardly necessary for me to point out that the destruction of our domestic industry and dependence on foreign imports would be the height of folly—if not stupidity.

But the mandatory oil import program had hardly been announced until the "chipping away" process began.

First came the President's proclamation—3693—on December 10, 1965, permitting the Secretary of the Interior to make allocations to Puerto Rico and the Virgin Islands in the amount of 110,000 barrels of foreign crude a day with full permission to send 54,000 barrels of gasoline into the United States. Two years later an additional grant was given to Puerto Rico. The reason for the permit was not in the interest of national security, but to help create jobs and help the economy of Puerto Rico and the Virgin Islands.

Prior to 1965 allocation of crude was made only to refineries who processed oil. By Presidential proclamation allocations were now to be made to petrochemical plants.

Then came exemptions for fuel oil.

Now, all the while, the Secretary of the Interior stated that controlled imports had been held to 12.2 percent of our production. What he ignored was that uncontrolled imports had raised the level to 26 percent of our domestic production.

We were becoming more and more wedded to import oils at the expense of our domestic industry.

In 1970 press reports stated the President's Cabinet task force was going to scrap the mandatory oil program and institute a new approach, namely, the use of a tariff plan to drive down the price of domestic crude first to $3, then $2.50, and finally $2 a barrel.

The program has announced with full knowledge that it would depress the domestic market and drive the stripper and small independent out of business. The House Interior Committee again scheduled hearings in response to questions.

The Defense Department and the Treasury pooh-poohed the effect such action would have on unemployment, the domestic and allied industry, or the national security.

Not so, the Secretary of Commerce and the Secretary of the Interior, in their minority report, both pointed out that it would: Introduce instability and uncertainty, seriously impair the position of the small independent refinery, jeopardize the national security, reduce the available supply of natural gas, and cause major investment losses to American producers.

During the hearings, Congressman Edmondson asked an interesting question of Assistant Secretary of Defense, Mr. Shillito:

> Suppose the Arab countries decide they are going to raise the prices of oil. Suppose they expropriate U.S. and British holdings. What would that do to your theorizing about benefits we have under this program?

Secretary Shillito's answer was also interesting:

> Well, Mr. Chairman, if that were to happen we are constrained to no more than 10 percent of our usage from the Mideast—and should that happen—the Western Hemisphere oil would be adequate to meet our needs.

One might add now—what Western Hemisphere oil? What about the needs of the rest of our society when the military drains its share off the top?

Congressman Wohl asked a similar question of General Lincoln:

> What would happen if the price of oil (domestically) goes down to $2 a barrel—and these countries see us skimming off a dollar a barrel tariff—might these not be an inducement to them to raise the prices.

General Lincoln's reply was also equally interesting:

> After all, these countries are not highly organized people who are able to do that at the present time—if the situation really began to develop—I think this administration or any succeeding administration would have the finesse and the guts to do something about it.

Well, there you have it, the Arabs did get together. They first placed an embargo on oil shipments, raised the price to $13 a barrel—and we have not had the finesse, or the guts, to do something about it.

We have gone the full circle: voluntary controls, mandatory controls, no controls, now back to a slogan—energy freedom by 1985. That is fine, but most of us are interested in energy to keep our homes warm, our industries moving, our transportation going, come November 1975, 1976, and 1977.

To date we have not done a thing to produce oil. The Ways and Means committee came forth with a plan to conserve energy—it presented a plan—it went hunting for an elephant—it ended up with a wounded mouse.

The bill before us today is the first concrete effort to do something about more production.

I think we can agree that the question is not, "Should Elk Hills be opened." That point has been established.

The question now is who shall develop it, the Navy or Interior, and second, shall it go into the marketplace or into storage?

When the oil embargo created shortages in 1973, the President urged that Elk Hills be opened. The administration's proposal passed the Senate.

When it reached the House, it was referred to the House Armed Services Committee, and there it died. This is the committee that now recommends that the development of Elk Hills be carried out by the Navy, not for the marketplace, but for storage.

To me, it makes about as much sense to have the Navy get into the oil production business as it does for Interior to get into the business of developing our fighting machine.

The Navy knows nothing and cares less about the production of gas which is closely allied to oil production.

Here at Elk Hills are known gas reserves totaling 1 trillion 200 billion cubic feet of gas for which the Navy has little or no use, yet desperately needed by homeowners and industry.

Who should develop it? The department who has the knowledge and expertise to do the job—and that is the Interior Department.

Mr. Chairman, between 1912 and 1924 four tracts of oil were set aside, not for the exclusive use of the Navy, not for the exclusive use of the Defense Department, but for the national security.

I submit that national security is more than national defense against an aggressive nation.

National security encompasses the protection of the economy of home—our homes, industry, transportation.

Certainly, a country can be destroyed from within—just as easily as it can be destroyed from without.

I know no better way to destroy us than to permit the Arabs to get away with its proposed $15 a barrel oil.

The testimony presented our committee indicates 130 million barrels of oil can be moved within 90 days—it will take 2 years to produce 300,000 barrels.

In wartime, 300,000 will meet about one-sixth of our military requirements—

but remember the military has first call on all oil in wartime.

On the domestic scene, some 300,000 barrels of oil will go a long way toward reducing our need for Arab oil—and at $11 a barrel it would offset our balance-of-payment deficit by $1.2 billion annually.

Mr. Chairman, the Committee on Interior and Insular Affairs has sent to the floor of the House, a bill—H.R. 49—authorizing the Secretary of the Interior to establish national oil and gas reserves on the public lands and to submit to Congress proposed plans for the development of the reserves in any of the contiguous 48 States.

The Secretary is also directed to explore naval reserve No. 4 in Alaska and report his findings annually to Congress.

The main usable reserves are at Elk Hills. Despite all we hear about them they have remained largely undeveloped. In the case of the Alaskan reserves, it remains largely unexplored.

In terms of a ready reserve for defense, these reserves have small value. As a result, the military takes its necessary supplies of fuel directly from the civilian economy.

There is a real question, in my mind, whether petroleum reserves are actually necessary for purely military and essential civilian uses even during a shooting war.

The military can protect its fuel by simply asking the President to meet its needs first from available supplies. It would draw down any available domestic fuel supplies. The entire burden of any shortage would simply be allocated or spread over the civilian economy.

And all this time the military would be sitting on up to 1.5 billion barrels of proven oil reserves, largely undeveloped, located in Elk Hills, and an estimated 10 to 30 billion barrels of unexplored and undeveloped reserves in Alaska.

This is an unnecessary burden to place on the civilian economy when all forms of energy are short.

A strong military posture really does not come from planes and ships and tanks and guns and ICBM's—it comes out of a strong, vital, producing, and balanced economy.

When you wash away all of the political jargon—and this is just what the American people should be doing—both the problem and what some of the first steps to do something about it are reasonably clear.

The facts are: First, this country consumes about 17 million barrels of oil and 63 billion cubic feet of natural gas each and every day—in other words, oil and natural gas make up about 77 percent of our total daily energy consumption;

Second, domestic natural gas production has been declining since about 1970;

Third, we produce here at home only about 60 percent of the oil we use which means we import about 40 percent or 6 million barrels a day—and our imports have been increasing as production here at home declines and consumption increases: and

Finally, the price of foreign oil has been raised by the Arabs and others in the Organization of Petroleum Exporting Countries—OPEC—from about $3 per barrel to over $13 per barrel.

What does this mean? It means that the cost of buying 6 million or more barrels of oil every day has almost tripled. It means that our balance of payments is being driven increasingly into the red ink. It means that the basic wealth and strength of the United States is being transferred to the OPEC nations.

It means that more and more of the income and wealth of each and every one of us goes to pay for higher bills for electricity, heating oil, gasoline, plastic products, and the hundreds of other things we use every day.

I say let is get moving on the development and exploration work and quit the political jockeying.

Mr. MELCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have a rather involved type of rule with an involved type of consideration of two bills at one time.

Mr. Chairman, the need to get more domestic oil produced in this country is evident.

Our quickest and best source is the naval petroleum reserve at Elk Hills with 1.3 billion barrels of proven reserve, which figure will quite likely be increased as more drilling at deeper levels occurs.

The maximum efficient rate of production of the field at this time is set at 300,000 barrels per day and at that rate it will produce in excess of 12 years and perhaps 20 years or longer.

The country needs the oil, the oil is there. Eighty percent of it belongs to the Federal Government and 20 percent of it to Standard Oil of California in this naval petroleum reserve which was set aside in 1912 with intermingled private land and private oil along with the Federal land and the Federal oil.

Why the delay and why the controversy over developing this oil field at this time? In this regard there are a number of strawmen that need to be knocked down.

Strawman No. 1 says that this oil should be reserved for military use in case of war. Oil in the ground "waiting to be pumped" in case of emergency would hardly serve the military purposes in case of emergency. Three hundred thousand barrels per day is a very small quantity during an emergency so production should be started now. Then if Congress and the administration find that it is in the Nation's best interest to set up a strategic storage reserve this oil or some of it can be put in storage in salt domes that make it readily available for use in large quantities as would be required in emergencies.

Strawman No. 2 is used to lure the Congress and the Nation away from the positive approach to producing oil from Elk Hills and hold the oil for military use only. The Defense Production Act of 1950 and the Emergency Petroleum Allocation Act of 1973 both specify that the military needs for petroleum products come first. While that need is now set at 500,000 barrels per day, present law would require a greater allocation at any time the demand increased. So the argument that somehow this is special oil needed for military use ignores the present law. That ends Strawman No. 2.

Strawman No. 3 is a sly, suspicious type who whispers that production of oil at Elk Hills will lead to scandal, graft, and enrichment of private oil companies at the expense of the public interest. Mention of Teapot Dome suggests that Congress and the Nation should remain paralyzed on the proposition of producing the Elk Hills oil or at least retain a partial numbness by limiting production to an amount less than the efficient rate.

Strawman No. 3 would channel the oil produced through an outdated, noncompetitive type of mechanism in which only the military could use the product refined from this crude oil. Our committee held hearings on Elk Hills in 1973, 1974, and 1975 and we became convinced that production from Elk Hills could be honest and straightforward in the public interest with antitrust safeguards and could help alleviate the country's desperate shortage for domestic oil. Such is the Interior Committee's bill H.R. 49 which the House will have an opportunity to endorse if we vote down the proposals made by the Armed Services Committee.

The fourth Strawman is of a timid nature which says that we may need the oil from this reserve at a later time. The efficient rate of production at Elk Hills will be helping continuously, as I have said, for 12 years or perhaps even up to 20 years or longer. Its production can be put into strategic storage if that is the will of Congress and such storage is available, but there is another aspect to be considered at this time.

What other prospects have we got for domestic oil production in the entire U.S. energy program? Alaskan crude oil will start flowing through the pipeline in late 1977 and can reach an amount close to 2 million barrels per day to be shipped from Valdez to refineries in the lower 48 States by sometime in 1978. Efforts for secondary and tertiary recovery from old oil fields may give us added domestic production within the next 4 years. Offshore production may be increased but that takes 5 years or longer. It seems prudent to me to use Elk Hills oil now and to produce it at the efficient rate of production of the field and get it into the marketplace in an honest and effective method as is called for in the Interior Committee's H.R. 49. We have very diligently protected the independent refiners and they hope that you vote down the Armed Services' bill and pass the Interior Committee's bill.

Strawman No. 5 is propped up to cause confusion on which parts of the country would benefit by the production of oil at Elk Hills. The answer is that the entire Nation will benefit because we will have increased domestic production of oil which will help our balance of payments as it offsets purchases of imported oil by providing domestic oil to supply the demands of the country. If the Armed Services' bill is voted down by the House, the entire country would benefit by placing more petroleum in our domestic economy for use by the public rather than the military and providing that all of the money from the sale of the crude oil will go to the U.S. Treasury thereby benefiting every taxpayer in the country.

Mr. Chairman, the crucial vote will come concerning this bill at the time we vote on the substitute as offered by the Committee on Armed Services, H.R. 5919.

I encourage every Member of the House to consider and weigh the issues involved and to contrast the differences between the two bills. I think a judicious, a temperate, and a rational viewpoint by each Member of the House will then lead to a vote in favor of the approach of the Committee on Interior and Insular Affairs.

It will also lead to a vote in favor of the committee approach because we have guaranteed that this oil will be produced in the public interest; that it will be sold for the maximum amount under the competitive system; that no oil company or no major oil company could dominate securing the oil that is for sale there; that the independent oil refiners will get a fair shot at it; and that, lastly, the country, under our bill, will have a yardstick to measure the production cost, the cost of transportation, and the cost of sale completely under Federal control, to make sure that all of it is done legitimately and as efficiently as possible. Now, using that as a yardstick, we can determine whether the major oil companies in our competitive system are really giving the consumers of this country the best break they could on petroleum products that are produced and sold in the United States.

Mr. STEIGER or Arizona. Mr. Chairman, I would like to yield 5 minutes to the gentleman from California (Mr. KETCHUM), the gentleman in whose district Elk Hills resides.

The gentleman's understanding of that activity is matched only by his basic ability.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman from Arizona (Mr. STEIGER) for yielding this time to me.

Mr. Chairman, I am pleased to rise in support of H.R. 49 as revised by the Interior Committee. I am pleased because this is a good bill which will aid our energy independence, and pleased because legislation I have supported for so long has finally reached the House floor.

As most of my colleagues know, I have the honor of representing the Elk Hills area. I have visited the reserve often, and I am thoroughly familiar with its history, operations, and capacity. There is absolutely no doubt in my mind that the opening of the reserve will be in the best interests of the American people, and will not be prejudicial to their defense. I am also convinced that the Interior Committee's approach in opening the reserve is preferable to H.R. 5919, the bill presented by the Armed Services Committee.

There has been overwhelming public support for opening Elk Hills for some time. It has been nearly 2 years since I first introduced legislation that provided for a limited opening. Later in the 93d Congress, I sponsored House Joint Resolution 838, which over 125 of my colleagues in this Congress joined in cosponsoring. The House appropriated funds to allow drilling to take place, and the Senate passed both authorization and appropriation for the reserve's opening. Now at last, we can pass legislation to bring up to 300,000 barrels a day of desperately needed petroleum to the Nation's markets.

Both the Interior Committee bill, and that offered by the Armed Services Committee, recognize the principle that Elk Hills should be opened. The most compelling reason is, of course, our desperate need to increase America's domestic energy supply. Considering that the energy bill recently passed by this House fails to address this goal, it is fortunate that we have H.R. 49 before us today. The known reserves at Elk Hills are in excess of 1 billion barrels, but only about half of the 17 miles by 5 miles wide preserve has been explored and developed. Obviously, maximum efficient drilling of oil from Elk Hills represents the best short-term means to increase domestic supply and lessen our dependence upon foreign oil.

The essential difference between the two bills is that the Interior Committee creates a uniform national petroleum reserve system, while the Armed Services Committee maintains Navy control of Elk Hills, with limited oil production to be used for military purposes. I question the necessity for the latter approach.

It seems to me that if we entrusted the Interior Department with offshore drilling and the development of shale oil, it is only logical that we entrust it with all of national petroleum reserves. The Interior Department has the expertise and the experience in oil to do the best possible job in operating Elk Hills as a functioning field. A unified national petroleum reserve system will also improve our knowledge of the actual extent of America's total petroleum capacity.

I realize that a number of our citizens are properly concerned that drilling from Elk Hills will endanger the military position of the United States. I do not believe this is true for several reasons.

In the first place, we have been lulled into believing that in the event of an emergency, the taps could be turned on and hundreds of thousands of barrels a day could be directly delivered to the military. That is simply not true. I wish that my colleagues could come out to Elk Hills with me and see the state of unreadiness that the field is in. The Navy does not even have a pipeline out of the field, and the existing Standard Oil pipeline has a capacity of only 12,000 barrels a day. The actual truth is that in the event of a full-scale conventional war, such as World War II, which seems unlikely, it would take months to bring Elk Hills into full production. If we are going to maintain naval reserves, or national petroleum reserves, we should at least be able to use them. The rationale for the present system is that the Navy will have oil in the event all other domestic oil is gone. It seems to me that there is small comfort in this, since the country could not very well survive with zero petroleum, even if its Navy were fully supplied.

The Defense Petroleum Act of 1950 and the Emergency Petroleum Allocation Act of 1973 insure that our military will receive first priority on oil in the event of a crisis. That is the procedure which was used during the Arab oil embargo, since Elk Hills is too underdeveloped to meet needs and necessary authorization to open it was blocked in Congress. I believe it is unfair that the military be permitted to benefit from the Defense Production Act and siphon fuel from the civilian sector, while it sits on totally undeveloped reserves in California and Alaska.

As a veteran of World War II and Korea, I yield to no one in my desire for the strongest national defense possible. I do not believe that H.R. 49 weakens our defense one iota.

I remind my colleagues that we have before us legislation that will actually bring more oil to our citizens in a short time. It is thus somewhat different from the pious hopes we have had served up to us previously. To my mind, a national petroleum reserve system makes sense, as does the complete drilling and exploration of Elk Hills. That is what the Interior Committee version of H.R. 49 does, and that is why it should be passed. I urge my colleagues to vote against the limited Armed Services Committee bill, H.R. 5910, and then vote for H.R. 49.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HÉBERT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today the House is involved in perhaps one of the most unique proceedings in its history. We have before us legislation which has been considered sequentially in two standing committees, from which have come the emergence of two separate bills and two separate reports, and which were in turn considered by the Committee on Rules.

Keep in mind here is the procedure in which the bill comes to the Members today. Under the existing rules of the House, legislation before this body is referred to the committee of primary jurisdiction.

When the President sent down his energy bill, consisting of some 36 or 37 titles, with title I involving the petroleum part of the energy program, the Speaker very properly referred title I to the Committee on Armed Services. Why? Because on three different occasions in the last 2 years the House has rejected the intent of the Committee on Interior and Insular Affairs to take away from the Committee on Armed Services the jurisdiction over Naval Petroleum Reserves 1, 2, 3, and 4. This is history. This is a factual statement.

The bill was sent to the committee, and we considered it. Then a new bill was brought out of the Committee on Interior and Insular Affairs, again attempting to take away from the Committee on Armed Services its jurisdiction. This is H.R. 49. When they concluded their consideration of H.R. 49 under the new house rules, the bill was then referred to the Committee on Armed Services. The Armed Services had its committee hearing with the original bill referred to it under the President's Energy Act, and was then sent for consideration H.R. 49 on which the committee held both hearings and reported out in accordance with the Rules of the House the Committee on Armed Services' bill. That is the way this bill comes to the floor today.

H.R. 49 reported by the Committee on Interior and Insular Affairs would provide for the unbridled production of Naval Petroleum Reserves 1, 2, and 3, and attention focused on Naval Petroleum Reserve No. 1 at Elk Hills, which has an estimated reserve of at least 1 billion barrels of oil and could be considerably larger. Thus, we are dealing with oil worth between $10 and $30 billion on the commercial market.

The Committee on Interior and Insular Affairs' bill would authorize production for unidentified commercial use and would make no provision for controls over any straight storage in the interest of national security.

In a few words, the bill would give the Department of the Interior, as the custodian replacing the Secretary of the Navy, a blank check. In its action on H.R. 49, as amended, the Committee on Armed Services sought to establish an orderly blueprint for production of Naval Petroleum Reserves 1, 2, 3, and 4 that would also be of some aid to the stability of the economy, to the import oil problem, and also provide some safeguards against depletion of the reserves until more definite data was available on the status of Petroleum Reserve No. 4 in Alaska, which is the big question mark at the moment.

Committee action would:

Provide and allow production from the naval petroleum reserves of not to exceed 200,000 barrels per year for a period of 3 years. This is the Armed Services bill. In that instance I may say that the committee has subsequently adopted an amendment raising that to 300,000 barrels.

Sell or exchange the oil produced for the exclusive use of the armed services. There will at a proper time be offered an amendment which will clarify that situation in order to erase any doubt in anybody's mind that the commercial interests in the situation may enter the action, and at the same time a detailed plan for production in 4 will be made.

As far as establishing the feasibility, this will be clarified further as we proceed in the matter before the House.

I was pleased to hear the gentleman from California mention the fact that last year the Appropriations Committees of both the House and Senate authorized money for production at Elk Hills. When did it do that? It did that only after the Armed Services Committee held hearings under the direction of the gentleman from New York (Mr. OTIS PIKE) and on a subject which we delved into and explored and ventilated in every manner, shape, and form.

The Armed Services Committee has not been derelict; the Armed Services Committee has not been docile; the Armed Services Committee has not been reluctant to protect the national interest, as again it is doing in this particular case, and again it has come forward with its own armed services bill in accordance with the times and in recognition of the fact that Elk Hills will be opened for production.

This talk about let us go in there and get the oil out—how silly can we get. We cannot get it out within 5 years. And this talk about let us store it now—store it where? Nobody knows. They have not found the places. It is the most fantastic and irrational and irresponsible misrepresentation of a situation I have ever heard of in my life.

All I ask the members of the committee and of the House is, when we do offer the substitute under the rules of the House, that the Members consider exactly what the situation is and what lies behind the motives, because three times before this attempt has been made and three times the House has rejected the attempt, but they never give up. They want to get their hands on this oil, for what purposes I know not.

I can say only this. In hearings before the Armed Services Committee, when we got right down to answering the question, I asked the gentleman representing Standard Oil Co. of California this: "If you want to go out and produce, where would you go and how would you start?" His reply, paraphrasing it, was that he would get the best known people he knows of, experienced people.

I revealed the fact to him that the Department of the Interior has never produced a drop of oil, not a drop. They have no experience. They only lease to others. And then I revealed this fact to him and I asked him this question: "You would have to go to the Navy, would you not?" His head went this way. That does not show in the written record. I said: "Does your nod mean assent?" And he said: "It does."

So that was the best evidence I had from the gentleman from the Standard Oil Co. of California.

It is an amazing thing we are going through here today. I hope the Members will stand solidly behind the Armed Services Committee which has conducted the business of Elk Hills since 1912, from the days of the old Naval Affairs Committee and through the Armed Services Committee. There is no substitute for success. We have given that success, we have given that protection to our petroleum reserves, and there is not a thing in H.R. 49 that the armed services bill does not accomplish and accomplish better.

Mr. BEARD of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am in total agreement with the comments of my subcommittee chairman, the gentleman from Louisiana, with particular reference to the requirement for an orderly, well planned approach to production of our naval petroleum reserves with a requirement—and I think this is a key point—that we pause at the end of 3 years to reexamine the direction in which this country must go in looking after its national security.

My personal reaction has been that we should hold on to our petroleum reserves for national defense purposes in these critical times when foreign sources of petroleum could be cut off at a moment's notice. However, I have agreed to compromise with the approach taken in H.R. 5919 and the Armed Sevices Committee amendments to H.R. 49 is a reasonable one and certainly it is infinitely better than the open-ended, unregulated, and unsupervised commercial production approach taken under H.R. 49, as reported by the Committee on the Interior.

In my view, it hardly behooves the Congress at a time when the confidence of the public in it is at a new low, to charter the uncontrolled commercial production of our military petroleum reserves under a blank check arrangement with the Department of the Interior. It seems to me that this only invites a serious depletion of our military oil reserves and would serve no one but the oil companies and possible certain States which could benefit under leasing arrangements.

Ironically, the actions of the old Naval Affairs Committee and later the Armed Services Committee preserved the reserves from earlier attempts at unnecessary production, and but for those efforts there would be no Elk Hills or no Teapot Dome for us to debate today.

I urge my colleagues to support the Armed Services Committee amendments, not only to show affirmatively that this House has a conscience, but also to show that it has some regard for the welfare of this country and its national security.

Mr. Chairman, to me it is absolutely horrifying that H.R. 49, as amended by the Committee on Interior and Insular Affairs, that would seek to devour the national petroleum reserves without at least inviting some comment on this proposal from the Joint Chiefs of Staff. While it is true that the Joint Chiefs of Staff have vacillated somewhat in their views, it seems that at the very least they support maintaining some form of strategic reserve that would be available during a national emergency. The proponents of H.R. 49 lean heavily on the Defense Production Act of 1950, which proved to be a dismal failure in December of 1973 when our services were in dire need of petroleum to maintain even a modest defense posture. This National Defense Act of 1950 we keep hearing about as a cure-all for the armed services, but it did not work in 1973. At that particular time in 1973 the armed services were only able to get 40 percent of their allocation under this particular act. Thus, Mr. Chairman, I feel that the resolution of all the problems through the actions taken by the Committee on Armed Services are sensible ones and again I call upon the House to display some conscience and a regard for our national security by substituting the language of H.R. 5919 for the language of H.R. 49, as reported by the Committee on the Interior.

Mr. HÉBERT. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I am no petroleum expert. All I know about petroleum is what I have learned sitting in on the hearings of this committee as we have been concerned about these matters over the past few years.

I think that maybe this is a good thing, because what I have found out is that this is an extremely complicated subject. For a simple farm boy from upstate New York, it has been difficult to absorb it, but I think I have finally understood, in simple words of one syllable, what is involved. To me, the issue is a fairly straightforward one. I hope perhaps I can explain it here in those simple terms.

I do not think there is any question about the fact that what we all overwhelmingly want here in the House and in the Congress is to open up as much as possible the naval petroleum reserves of the United States, so that they can help meet our urgent civilian needs during this energy crisis and reduce as much as possible our dependence on costly imported oil.

I think probably most—maybe not all of us—have just one proviso, and that is that in opening up these reserves, we do not impair the ability of the armed services to have access to all of the oil that they might need in the event of an emergency or another embargo.

Now, the Interior Committee bill, H.R. 49, would open up the existing reserves, primarily the one at Elk Hills, to provide this oil. Elk Hills is located in California down here on this chart, Reserve No. 1. There are a couple of other reserves, too. No. 2 is at Buena Vista in California, and we have the Teapot Dome of infamous fame up here in Wyoming, Naval Petroleum Reserve No. 3. But, actually in terms of oil, the only reserve that really has enough oil in reserve to have any impact at all on our civilian economy is Elk Hills.

Our committee substitute bill is also in favor of opening up Elk Hills. We have no quarrel there. Some people have said, "Well, Elk Hills has not been opened up and the Navy has been sitting on it." The Navy has been sitting on it because the law has specifically prohibited the Navy from opening up its reserves. That was the law adopted in the wake of the Teapot Dome scandal.

But, our committee has recently been pushing the Navy to open up that reserve. We are for it; but we are in favor of a reasonable and responsible approach to opening up Elk Hills. We provide, as does the Interior Committee bill, for production of 300,000 barrels a day, and we provide for using the money that we get from selling that 300,000 barrels a day to finance the further development of Elk Hills so that we can get oil out of there immediately if we should need it in an emergency. This we cannot do now. But we cannot develop Elk Hills and build the necessary wells and pipeline facilities without money; so we propose to use this money for developing Elk Hills to provide the ability to produce 300,000 barrels a day.

But the important point that this House needs to understand is that Elk Hills is not an infinite reservoir. It is a very limited kind of reservoir for many of the needs that we might have. The fact of the matter is that if we do get production up to 300,000 barrels a day, as has been suggested, then we would only be able to proceed at this rate for a very limited amount of time.

I believe the chairman of the subcommittee, the gentleman from Montana (Mr. MELCHER), suggested earlier that this rate could continue for 20 years. The fact of the matter is that there are only 1 billion barrels of oil left in Elk Hills. That may sound like a lot of oil, but if you will do the arithmetic, you will find that if we were to extract oil out of Elk Hills at the rate of 300,000 barrels a day, it would last for only 10 years at the most, probably less.

As a matter of fact, to try to give the Members some idea of how limited this 1-billion-barrel reserve is, the need of the United States for oil to replace our current foreign imports is 6 million barrels a day. If we were somehow able to take all of the oil out of Elk Hills to meet those requirements, we would have only enough to last for 5½ months. So obviously, Elk Hills is not a lasting, long-range solution to our present energy shortage.

Let me give Members an example here on this rather crude chart of exactly what the reserve situation is. Here you see the daily U.S. requirement of 17 million barrels per day. Here is shown the daily U.S. production of 12 million barrels a day, a daily shortage of nearly 6 million barrels per day. Here is shown the top production which we can get from Elk Hills, only 300,000 barrels a day. The solution actually, is not to concentrate on Elk Hills, which can provide only a very small part of the total gap, but to look instead to Alaska's Naval Petroleum Reserve No. 4, Pet 4, which really has a major capability and which could produce at the rate of 3 million barrels a day, if present estimates prove correct.

There is another important factor which we also need to understand. Although it is possible to get Elk Hills up to the production of 300,000 barrels a day, we simply cannot maintain it at that rate for even the 10 years that I mentioned earlier because, as anybody knows who understands production, you can product a well at the maximum rate for only a short period of time.

We propose to get it up to 300,000 barrels a day in about 3 years. But from then on, even pumping as hard as you can, what you actually get out comes back down along the curve shown on this chart. It turns out to be much less than 300,000 barrels a day, and it obviously does not meet the 300,000 barrel requirement. At the same time, of course, you are steadily draining Elk Hills, and you end up with no reserve left for the armed services.

So what do we propose? We propose to take a close look at this Naval Petroleum Reserve No. 4. Where does Naval Petroleum Reserve No. 4 stand? Well, Elk Hills has 1 billion barrels of oil in reserve. Pet-4 has an estimated 10 to 30 billion barrels of oil. There is the place where, if we really want to rely on our military reserves of oil to help the civilian economy, we must go. That reserve has not really been explored as yet, but it is estimated that we have from 10 to 30 billion barrels there. That is an estimate. Nobody knows.

But how do you explore Pet-4? How do you develop Pet-4? You have to get the money. So our bill says: Let us take the money from 3 years of production from Elk Hills and use that money not only to promote further development of Elk Hills, but to begin full exploration of what is up here in Pet-4 and find out exactly how much we do have; and then we would stop at the end of 3 years and see whether we have enough reserve in Alaska to make a meaningful contribution to the civilian economy and enough to provide a reasonable reserve for our Armed Forces. Then we can proceed to develop that reserve if the figures do prove to back up our estimates and, at the same time, keep enough oil available in Elk Hills to meet any emergency that might come along, at the same time that we open up Pet-4.

That is a very reasonable approach. We are not going to milk Elk Hills dry and then say that maybe there will be enough oil available somehow somewhere in the event of an emergency. At the same time, we are focusing attention properly on the area where the only military reserve that could really help us achieve energy independence lies.

Mr. Chairman, let me make one final point. A lot has been made about the fact that in our substitute bill the oil that comes out of Elk Hills will go to the armed services. Some people have said, "You can expect that, with the Committee on Armed Services, the heck with the civilian economy, they just want to give the oil to the armed services and so it is not going to do the civilian economy any good at all."

That is utter and complete nonsense, and Members ought to be aware of it because, obviously, if 300,000 barrels of oil are going to go to the armed services out of Elk Hills, that is 300,000 barrels of additional oil that are going to be available to the civilian economy. So it does not make a single bit of difference whether the oil goes to the armed services or to the civilian economy; it still benefits the civilian economy and relieves part of our shortage.

Mr. Chairman, I urge the support of the substitute of the Committee on Armed Services.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HÉBERT. Mr. Chairman, I yield whatever additional time the gentleman requires.

Mr. STRATTON. Mr. Chairman, I think I have made my point, and will be glad to yield to anyone who wishes me to do so.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I will be glad to yield to the gentleman from California.

Mr. LEGGETT. I thank the gentleman for yielding. Mr. Chairman, I would like to commend the gentleman on his statement. I think the compromise which has been developed by the Committee on Armed Services is in the interest of development of resources that we so critically need in the West and in the country.

If I understand the bill from the Committee on Armed Services, we do use the profits, so to speak, from the Elk Hills production to beef up the exploratory program in Navy Pet-4; is that correct?

Mr. STRATTON. The gentleman is absolutely correct.

Mr. LEGGETT. Mr. Chairman, I further understand that, as the gentleman has indicated, we have the capability in Navy Pet-4 of producing maybe 30 billion barrels. I have had an estimate of maybe 60 billion. We actually do not know.

Mr. STRATTON. Right.

Mr. LEGGETT. But if we do get up in the range of 60 billion barrels, that is oil reserves in the Iran magnitude, and it is obviously something, it seems to me, that we should go after rather aggressively.

This bill from the Committee on Armed Services does target it in so that the Navy Department can carry on a rather vigorous program of exploration in that area; is that not right?

Mr. STRATTON. That is absolutely correct.

Mr. Chairman, they have taken my

charts out, so I cannot demonstrate it, but if our estimates with regard to Pet–4 are accurate, as Members will recall, we said Pet–4 could produce 3 million barrels a day. That amounts to half of our current oil imports. That would make a real, material contribution to the civilian economy.

Mr. LEGGETT. Mr. Chairman, the difference between an Interior-managed program and a Navy-managed program of Navy Pet–4, which I think is a lot of the nuts and bolts we are talking about, is this: The Interior program today has been guilty of a geese-in-the-blind, front-end load kind of a program, with the lucky driller taking all. The program which the Committee on Armed Services has in mind, as I understand it, amounts to this: The Navy right now has a 400-million-barrel-plus exploratory program, and the program is to last for the next 5 years, and this augment in this bill would allow perhaps an even more ambitious program of exploration in the area.

Mr. STRATTON. Mr. Chairman, the gentleman is absolutely correct.

I would like to say this also, because I think another point needs to be made. As a matter of fact, the distinguished gentleman from Louisiana made it a moment ago. The bill from the Committee on Interior and Insular Affairs is a kind of a jury-rigged bill. The only thing they had when they started out was an effort to take control of the naval petroleum reserves, away from the Navy and give it to the Interior Department.

As the gentleman from Louisiana has said, we held some detailed hearings. We heard from people from the executive department, we heard people from the oil industry, we heard antitrust experts, and we heard environmentalists, and they all pointed out the serious deficiencies in H.R. 49. So after the Committee on Interior and Insular Affairs had the benefit of all the wisdom which our committee had developed, they went back and rewrote their bill in order to try to put in as much of our bill as they could, but without really having an understanding of the serious problems to which our bill was addressed.

As I say, if you want a reasonable, rational approach, ours is the bill. If you want a bill made up on a catch-as-catch can basis, copying as many of the points as possible that appeared in the original Armed Services bill, then take the bill from the Committee on Interior and Insular Affairs.

Mr. Chairman, I do not mean to be hard on my colleague, but I am sure he will admit that is exactly what his committee has done.

Mr. MELCHER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Montana.

Mr. MELCHER. Mr. Chairman, I thank the gentleman for yielding.

I am sure the gentleman would want the record to reflect the statement of Jack L. Bowers, the Assistant Secretary for Installations and Logistics, U.S. Department of the Navy. He made his statement before our subcommittee this spring, and he pointed out that the proven reserves in Alaska's Petroleum No. 4 is 100 million barrels, and that any talk about the 10 billion barrel reserve, the 30 billion barrel reserve, or the optimistic 60 billion barrel reserve, at that Alaskan Naval Petroleum Reserve is simply just talk—just speculation.

Mr. STRATTON. Mr. Chairman, I cannot yield any further to the gentleman.

Mr. MELCHER. Mr. Chairman, I yield 1 additional minute to the gentleman from New York (Mr. STRATTON) so that we will not use up too much of his time.

Mr. HÉBERT. Mr. Chairman, that time will come out of the time of the gentleman from Montana?

Mr. MELCHER. The gentleman is correct.

Mr. Chairman, will the gentleman yield now?

Mr. STRATTON. I yield to the gentleman from Montana.

Mr. MELCHER. Mr. Chairman, I think the gentleman also regretfully knows, as I know, that the well just completed by the Navy in Pet-4 was dry, and that while we would like to think that Pet-4 does contain the vast amounts of oil that have been referred to, all we can rely on is the proven reserve at this time, and that is 100 million barrels. That is only a tiny fraction of what the gentleman has indicated may be present. I hope it is there, but we do not know at the present time.

Mr. STRATTON. Mr. Chairman, it is true that the only fully proven reserve is 100,000 barrels, but that is only because no real effort has been made to explore Pet-4. The experts estimate that the reserve amounts to anywhere from 10 billion to 30 billion barrels. But what we have to do is prove those figures before we go ahead and pump Elk Hills dry.

Mr. BEARD of Tennessee. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, I would like to commend the gentleman from New York (Mr. STRATTON) on the excellence of his presentation. I would like to associate myself with his statements.

This debate today by supporters of H.R. 49 would almost convince anyone that production of the Elk Hills Naval Petroleum Reserve would solve all the energy and economic problems of our Nation. Nothing could be further from the truth.

We have been told that Elk Hills would produce at a rate of 300,000 barrels per day and return more than $1 billion per year. Well, it is true that the field has the capability of producing at that rate. In fact, if the Navy's 5-year development plan for Elk Hills is completed, the field will be capable of producing even more than that, some 400,000 barrels per day. But, at the present time, there are facility deficiencies which place a practical limitation on production. Those deficiencies are in the availability of excess pipeline capacity and excess refining capacity.

Testimony during our subcommittee hearings reflected that at present there is only enough pipeline capacity to transfer or transport 30,000 barrels per day. Through installation of additional pumps and other pipeline connections, that capability could be increased to 130,000 barrels per day within a 2-month period. However, it would be another 18 months, Mr. Chairman, before another pipeline could be constructed to increase the capacity to 155,000 barrels per day, and it would be another 3 years before another pipeline could be constructed that would increase the delivery capacity to 355,000 barrels per day, no matter who administered the program. Therefore, unless we propose to spill oil on the ground or set up some kind of bucket brigade, it will be nearly 3 years before another 300,000 barrels per day could be delivered under the best of conditions, no matter who administers the program.

Our hearing testimony also reflected that at present the refineries in California have excess capacity which would permit them to refine only 139,000 barrels of Elk Hills production daily.

Thus, the excess capacity of both pipelines and refineries would place a practical limitation of about 130,000 barrels per day on Elk Hills production for about a year and a half. Moreover, it would be 3 years before facilities would exist to permit production of the magnitude mentioned by supporters of the Committee on Interior bill.

I submit, my colleagues, that unrestricted Elk Hills production would not be the panacea which has been discussed here. All it would provide is an opportunity for the oil companies to exploit this great field for their profit motives at the expense of the U.S. taxpayers.

Mr. Chairman, I urge the Members to vote for the amendment of the Committee on Armed Services, which would protect the interests of the taxpayers and of national defense by retaining the reserves under congressional control and within the management of the Navy.

Mr. MELCHER. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, what I have to say here is perhaps not directed to the point before us, but it is to serve as a kind of warning to Secretary of Defense, the Secretary of Interior and to us in the Congress that many financial interests have had a great interest in Elk Hills, or have in the past.

I have listened to the debate. I have read the bill. I have read the record of some of the hearings. It seems to have been overlooked that the Navy leased Elk Hills back in World War II to Standard Oil of California.

At that time I was new here, just out of the position of district attorney, and was on the subcommittee which handled the Navy appropriations.

At the time a witness by the name of Adm. Harry Stuart, head of Navy oil, testified about the Elk Hills Oil Reserve. There was mention of an item of $2 million to consummate a contract with Standard Oil Co. Just about all questions had been asked, so I said, "What is this item?" He started looking a little odd. From that point, he got more and more evasive: This item was in a request for a supplemental appropriation. I asked that we postpone the hearing so that we could get a copy of the contract. This was done. Then it seemed to me that nearly everyone I knew came to tell me that I was wrong; that there were nothing wrong with the contract. This made us determined and we got that contract which provided that Standard Oil which had 18 percent of the land, would receive 36 percent of the oil. The Government had 82 percent of the land area, but it would receive only 64 percent of the oil. Further, Standard Oil would receive all the oil for the first 5 years. The contract called for Standard Oil to repay the Navy for its agreed share, 64 percent of the oil, but at a rate far less than interest on the value of the Navy's oil to be received by Standard Oil during the first 5 years. Not only are these facts true but the contract would remain in effect in perpetuity, forever.

I raised all these points in the record. We refused the appropriation and called the matter to the attention of the Department of Justice. The former chairman of the Committee on Naval Affairs, my good friend, Carl Vinson, said I was all wrong. The Secretary of the Navy, Mr. Knox, said I was all wrong, but the Department of Justice said I was right, and the contract was set aside.

All this is shown by the hearings of our committee and by the CONGRESSIONAL RECORD of 1943 and 1944.

So I am saying to the membership, do not forget that this oil is big, big business, and whichever one of these bills passes, we are going to have to keep our eyes open to see who is going to benefit, and see that real competition exists before any contract is made and that Government's proper share is received by the Government.

I am proud that last year my subcommittee did provide money to make an all-out study of eight major oil companies as to possible violation of the antitrust laws. There was ample reason for our action. I repeat we had better make sure as to who will be the beneficiaries of any development.

But in addition to that, Mr. Chairman, I am telling the Members that I have the highest regard for both committees and for my friends who are chairmen of these committees.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Louisiana.

Mr. HÉBERT. Mr. Chairman, I thank the gentleman from Mississippi.

Mr. Chairman, I appreciate the fact that the gentleman from Mississippi has made the statement that he has just made, because I believe that it proves beyond the shadow of a doubt that the Committee on Armed Services should have the complete jurisdiction and oversight of the Navy on petroleum reserves, because it was after the additional facts which were brought to the attention of Mr. Vinson that the former Committee on Naval Affairs moved in and took over, and we want to keep it that way.

Mr. WHITTEN. I do not want to deprive my colleague from any credit, the gentleman personally deserves all the credit in the world, but it is true—and the record will show it—that Mr. Vinson said that I was wrong and Mr. Vinson was in favor of the contract, but the Department of Justice had to declare it illegal.

Mr. HÉBERT. Mr. Vinson was for condemnation.

Mr. WHITTEN. When I appeared before that committee Mr. Vinson told me I was wrong in my views about the contract, but when the Department of Justice declared the contract illegal then he was for condemnation.

Mr. HÉBERT. Of course, the gentleman from Mississippi knew Mr. Vinson as well as I did, and always knew that Mr. Vinson changed when he found he may have been in error.

Mr. WHITTEN. That is right, and he did on that occasion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEIGER of Arizona. Mr. Chairman, I yield 8 minutes to the gentleman from California (Mr. BELL).

Mr. BELL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, as we start this debate I think it might be wise for me to review for you briefly what I believe to be our Nation's position in regard to our petroleum reserves and needs.

I am doing this only because I think it points up the importance of the role that Elks Hills development and production plays in our total Nation's petroleum requirements. This energy crisis requires, I believe that we view the Nation's entire petroleum needs, not the needs of one or two agencies of Government.

The total Nation's daily production approximates 10 to 11 million barrels per day, more or less.

This represents, then, our current domestic supply.

Our demand on a daily-barrel basis is approximately 17 million barrels per day, leaving us a shortfall of about 6 to 7 million barrels per day.

Obviously there is nowhere in the United States that we can in a very short time put our hands on 7 million barrels per day of production.

Finding oil and gas is a long, slow, difficult, and now a very expensive process.

No one oil and gas field discovery by itself will ever come close to making us self-sufficient.

This must be done, then, by many discoveries of many oilfields.

It is very late and we had better get started.

Now, if we find some major oil or gas discoveries and we keep coming up with reasons why they should not be developed or produced, it is very obvious that we will continue for many years paying exorbitant prices for Arab oil. Also, seemingly not cognizant of our immediate needs. Our lack of development and production of petroleum has the effect of encouraging Arab countries to increase their prices.

I believe we can reach close to energy self-sufficiency in this Nation by exploring for energy within the limits of U.S.-controlled territory.

This can be done by:

First. A thorough exploration effort in Alaska proper. That is all the potential petroleum reserves in Alaska.

Second. Drilling and exploring for petroleum in many of our offshore oil and gas structures. A large number of them look very favorable, both off the east and west coast and off the coast of Alaska.

Third. By encouraging secondary and tertiary methods to scrape the last possible barrel of oil recoverable from old oil and gas fields.

Fourth. By the development and production of our coal resources.

This must include new methods of liquefaction and gasification of coal.

It is my understanding that there are reserves of energy in coal amounting to the equivalent of 2 or 3 trillion barrels of oil.

Fifth. By the development of oil through the use of oil shale.

It is my understanding that there also is the equivalent of 2 trillion barrels of oil reserves in this shale.

This Nation has enough coal and oil shale to last for roughly 400 years.

Sixth. By the development of solar energy, geothermal energy, and nuclear energy, and other more exotic methods.

ERDA recently estimated that the new nuclear breeder reactor "could provide an almost inexhaustible energy source by prolonging the U.S. uranium supply for the equivalent of 1,000 years."

Clearly, in the long term, with some luck and not uncostly effort and a cutback in consumption, we could be well on our way toward self-sufficiency in 10 to 15 years from now.

Our difficulty then, is in the next 5 to 10 years. While we are awaiting, first, on our exploration and production from Alaska; and second, our development of substantial production from offshore.

In the meantime, however, our economy is suffering due to our energy shortage and the exorbitant dollars we are paying for Arab oil.

There is only one place we can go in the whole United States to pick up within 2½ to 3 years at least 300,000 barrels per day and make a difference of $1 billion on our balance of payments.

I might add, that under H.R. 49 the money would flow to the Treasury to the tune of approximately $1 billion per year, which should not be too hard to accept for some of our more irate taxpayers.

The passage of H.R. 49 is the most significant thing that any one of us here in Congress can do to make an immediate impact upon our energy needs.

You can go home from here tonight and tell your constituents that you have played a role in the passage of the first major energy legislation to ever come out of the Congress.

There may be those that say that Elk Hills production is insignificant when you view our Nation's total energy demands or needs.

I say to you, what is significant?

Do any of you think that by some magic act of Congress or the administration we are going to suddenly put our hands on the equivalent of 6 or 7 million barrels per day of energy through saving or production overnight?

And that anything less is not worth bothering about?

Let me remind you that this House recently debated an energy bill for 3 or 4 days that will probably have little or no effect on our energy needs.

Originally, the maximum effect that this legislation could have had on consumption would be something like 600,000 or 700,000 barrels per day.

The President's proposal was certainly no more than this.

Elk Hills will produce 300,000 to 400,000 barrels per day, more than one half of that import cutback of the so-called energy bill.

There is much yet to be known about the Elk Hills field.

It is now considered to be the second biggest oilfield in the continental United States.

It is not fully developed or explored.

Who knows, it is not beyond the realm of possibility that it could reach nearly the amount of production that we are trying to cut back in imports.

Would it then be worth considering?

For some strange reason, some Members say, Oh, yes, we must go ahead and develop production in Alaska and OCS—or Outer Continental Shelf production—with which I completely agree, but let us not develop and produce Elk Hills.

I say what is the logic of that?

What possible kind of reasoning is this?

I am sure you all know now why the Navy does not need a petroleum reserve, but just in case you do not:

Under the Defense Production Act and Petroleum Allocation Act, the military gets first call in case of an emergency on all the Nation's petroleum production and reserves.

So, why should the Navy have their own petroleum reserve all to themselves?

They obviously do not need it.

The reason why Elk Hills should be put into production right now is because the country needs it right now.

Also, it should be put into production because:

First. It is the biggest field available, that the Nation can put to use;

Second. It is the fastest possible method we can use to start solving our energy problems;

Third. It is the most efficient;

Fourth. It is the cheapest expenditure of Government's money for the greatest return on its investment; and

Fifth: It is potential for finding additional oil reserves is immense.

So what are we waiting for?

Remember, produced at its maximum efficient rate, Elk Hills will last for at least 25 to 30 years.

Some of the opponents of H.R. 49 charge that this is not the time "to deplete our remaining petroleum reserves."

They contend that our bill sets out to produce the reserves "to the point of exhaustion."

What they are obviously overlooking, or are unaware of, is that Elk Hills, if produced at its maximum efficient rate, will last for at least 25 to 30 years—long enough to put us into the 21st century.

And, if the Navy's estimates are accurate, Pet-4 in Alaska would last much longer than that if produced.

Long before either of these reserves is ever depleted, we will have other oil reserves and other sources of energy developed.

Mr. HÉBERT. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. Pike).

Mr. PIKE. Mr. Chairman, I have listened with great interest to the remarks of my good friend, the gentleman from California, who preceded me in the well. I have heard him on this subject before many, many times. The gentleman from California is a good man, a fine man, an honorable man, and an oilman.

There has never been a day in the history of this Nation when the oil people have not been trying to get their mitts on the naval petroleum reserves. And it is just as simple as that. Why? Because they are there. Why are they there? Because the Navy has preserved them. That is why they are there. And that is the only reason they are there.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, I do not object to the remarks the gentleman made about me except the remark that I am an oilman, although that is a funny remark to make. But at any rate let me discuss with my good friend one point he made.

He said the reason they are there is because the Navy has not produced them.

Mr. PIKE. That is right.

Mr. BELL. When one does not produce that oil in that field one must remember it is being produced from some other oilfield.

Mr. PIKE. They are not saving anything. We must not kid ourselves. We are not saving a bloody thing.

Mr. BELL. Mr. Chairman, will the gentleman yield further?

Mr. PIKE. I did not interrupt the gentleman during his 8-minute speech and I have only 4 and the gentleman has had part of that already.

What we have done in this country is we have created mentally these magnificent fictitious "needs."

The gentleman from California says we "need" this, we need it so badly. What do we need it for? We need it for snowmobiles and we need it for luxury yachts and we need it for gas-guzzling cars and we need it for all of the things that we are wasting energy on every single day of our lives. The very last thing we need it for, obviously, is national defense. We do not need it for national defense. Use it now, pump it out now, drain them dry and then some day in the future we may have something else we could use for national defense.

Mr. Chairman, we know it is very difficult to fly an aircraft on electric energy or solar energy. The technology thus far is simply not there. We had a subcommittee of the Committee on Armed Services that spent literally weeks last year looking into all of the ramifications of the naval petroleum reserves. Our country is now in its 200th year and it is almost as if in those 200 years we have learned absolutely nothing. We have been down this route before in our 200 years. The Interior Department got control of these reserves once before in our Nation's history. What they did with them amounted to the greatest scandal, let us say, until the last decade that this Nation had ever seen. That is what happened the last time we went down this route.

Now, the reserves are there. They have been preserved. They have not been developed the way they should have been developed and the reason they have not been developed the way they should have been developed is because under both Republican and Democratic administrations, the administration refused to give the Office of Naval Petroleum Reserves the money it needed to develop it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BEARD of Tennessee. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. PIKE. Mr. Chairman, last year we got the money needed to develop Elk Hills. Under the Armed Services Committee bill the proceeds from the sale of a limited amount of oil will go into developing the Pet-4, not back in the Treasury to be used for anything, but go to develop Pet-4. If this Nation is going to see a 250th anniversary, we have to do something about cutting down on wasteful use of energy. Let us stop calling our gas guzzlers and snowmobiles necessities. Let us pay attention to what our real necessities are and let us hope for the sake of future generations that national defense is one of them.

Mr. BEARD of Tennessee. Mr. Chairman, I have no further requests for time.

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield 2 minutes to the gentleman from Alaska (Mr. Young).

Mr. YOUNG of Alaska. Mr. Chairman, we have had a lot of statements made today concerning the two bills with which we are presented. We have heard a number of unsubstantiated statements concerning the amount of oil that is in NPR–4. This naval reserve is in my State. The proven reserves in NPR–4 are 100 million barrels, and that is all. There has been very little other exploration done. The last well that was drilled was dry. Many of us may not know that NPR–4 was picked, immediately after the Teapot Dome scandal, without any exploration work at all, because it was as far away from Teapot Dome as they could find a reserve. I am saying today that if we want to develop NPR–4, then we had better first explore and catalog it and then lease it, as it should be leased, to private industry so that the money can go to the Treasury and all Americans can share in the wealth.

We have heard about the Navy producing its oil. The Navy has never produced any of its oil. The oil it is trying to produce now is produced by a private company with tax dollars from the American people.

I say to the members of the committee that if we want to get this Nation into Project Independence, then we go the route we should go by legitimate, easy means, but not until, as under H.R. 49, we can catalog, explore, and find out what we have in NPR–4. At that time, we can know what we get from that exploration. Under the Navy's program, we will not have that. We will have the U.S. Government, under the Navy, involved in the development of energy.

If we want to have a reserve, then I say to the members of this committee that they can amend the bill and say that so many barrels shall be set aside, but if they want this development, then we should go the route we have gone in the past—that is with private industry, not with the Federal Government.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, if the gentleman is correct, there is only 100 million barrels in Pet-4——

Mr. YOUNG of Alaska. Proven reserves. Potentially there are more, but on the basic statistics, on the reports we have got now, and which I have read, say that the pockets in NPR-4 are far apart and they are in small pools. Until we can identify those areas, we are barking up the wrong tree. Let us identify the areas and pools, and let us then, as we should, turn to private industry so that we can get this Nation back on to the road to energy independence.

Mr. STRATTON. If the gentleman is correct, then we should not be pumping Elk Hills dry.

Mr. YOUNG of Alaska. I am not talking about Elk Hills. I am talking about NPR-4. That is my State, not California.

Mr. MELCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Wyoming (Mr. RONCALIO), a member of the committee.

Mr. RONCALIO. Mr. Chairman, I would like to take just a minute of my allotted time to pay tribute to my young colleague from Montana, the floor manager of H.R. 49, and chairman of our Public Lands Subcommittee. I think the gentleman from Montana (Mr. MELCHER) has done more work and devoted more time on more subjects in the interests of wise management of American resources in his role as Interior Committee member, than any man I have known. My years go back to some of the great names of bygone years, of Burton K. Wheeler, of Senator Murray and others of the gentleman's great State of Montana.

Mr. Chairman, I rise in support of the revised substitute of the Committee on Interior and Insular Affairs, H.R. 49. I also feel that it is a sad occasion when two eminent committees of this body find themselves quarreling as we are today. I think we should, if at all possible, remove the team spirit which motivates many of us just to support the committee nearest to us, and try to subjectively examine the merits of this bill. I am going to forsake my prepared text in order to rebut some of the argument I have heard, even, as I say, at the cost of disagreeing with some of my good friends on the Armed Services Committee.

First, we heard that the Department of the Interior has never produced oil; the Department of the Interior has never produced a barrel of oil. Well, I think that is the way it is supposed to be in a free enterprise society. I would yield to no man in tribute of the great job the Department of the Interior has done since the Oil and Gas Leasing Act of 1920 in providing machinery for the production of billions of barrels of oil from the public domain of our country. I think there is a splendid balance of interest between the people's one-eighth interest, and the seven-eighths interest for free enterprise. The present BLM policy of simultaneous filings, or drawings, on oil and gas leases on lands without known geologic structures has worked very well for all concerned.

Second, we have heard it stated that the "oilmen" are trying to get their hands on the naval reserve. History will prove to us that oilmen have had their hands on these reserves for the last 40 years. I come from a State that has to admit shamefacedly that we have living proof of it. It is called Teapot Dome, Navy Pet No. 3. In the years of Navy management of Teapot, oil has been drained away, away to the periphery, in every direction. For 30 years commercial interests have drawn the oil away from the Teapot reservoir, and produced it.

I believe this should be proof that the Navy should not be charged with managing an oil patch.

I believe the fact is that if we are going to assume orderly production of our own oil resources, we have no alternative but to accept H.R. 49, and I hope that we will.

Mr. Chairman, I would like to offer one amendment, and that is on page 2. Instead of public notice of not less than 30 days on terms and conditions of contracts, we should recognize oil people can hardly get geologists teamed up to go somewhere and examine anything in 30 days, let alone interpret their geology, prepare and submit complex bids. I shall amend that to be 90 days for terms of the notice, and I hope it will be accepted.

Mr. MELCHER. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Ohio, a member of our committee (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I rise in support of the Interior Committee substitute to H.R. 49, which is sound legislation from the energy standpoint and from the antitrust standpoint.

Mr. Chairman, I was interested to hear one of the members of the Committee on Armed Services, the gentleman from New York, I believe, say that the Committee on Armed Services had heard testimony from the Department of Justice on antitrust aspects of the bill.

That is interesting, because apparently they did not pay much attention to the Antitrust Division. The provisions of the Armed Services Committee's bill are so weak as to be almost nonexistent. You all received a recent letter from a majority of the members of the Subcommittee on Monopolies of the House Judiciary Committee in which they indicated their preference for the antitrust provisions of the Interior Committee substitute over those of the Armed Services Committee bill.

The House should indeed give careful consideration to the antitrust implications and protections of each proposal for development of petroleum reserves. As a lawyer who has spent many years advising and defending corporations on antitrust matters, and as a supporter of vigorous competition and of vigorous enforcement of the antitrust laws, I can tell you that the antitrust provisions of the Interior Committee substitute are well conceived, they are creative and workable, and they will minimize the possibility that the development of the petroleum reserves will be done in such a way as to have an adverse effect on competition.

I recognize that the oil industry is an industry where competition is soft, at best. But the very least we can do is provide some very strong provisions in the bill to make sure that competition is enforced as effectively as possible in the development of Elk Hills oil.

The Armed Services Committee bill, unfortunately, contains none of the vital antitrust protections. Most important would be the provision in the Interior Committee substitute, but not in the armed services bill, requiring consultation with the Attorney General at every stage of the formulation and promulgation of plans for the development of the reserves. The Interior Committee substitute would also require that all plans for the development be submitted to Congress for possible disapproval, and each plan would contain a report by the Attorney General on the expected effects upon competition.

In addition, the Interior Committee substitute expressly provides that nothing in the bill shall be deemed to convey antitrust immunity or to create any defense under the antitrust laws.

Mr. Chairman, let us take a moment to review some of these provisions.

The Armed Services bill would require that Elk Hills be developed in a manner consistent with the public interest, but it provides no guidelines as to what is the public interest. The Interior Committee substitute contains substantive rules to insure that the development required be in the public interest, that sales be made not only to highest bidders, as in the Armed Services bill, but that there be blocks of a size suitable to enable small companies to make viable offers.

The Armed Services Committee versions would require that dispositions of production be so arranged as to give full and equal opportunity for acquisition by all interested companies, including major and independent refineries alike. The Interior Committee substitute to H.R. 49 requires the opportunity for full and equal participation in the sale or exchange of oil or gas by both major and independent producers and refiners, and by large and small companies. The Armed Services Committee version has no provisions requiring full and equal participation by small companies.

As I mentioned earlier, the most important, in my opinion, is the requirement that the Secretary of the Interior consult with and give due consideration to the views of the Attorney General at every stage in the formulation and promulgation of plans for development, rules and regulations, and contracts and operating arrangements. Since the Secretary of the Interior is not an authority on antitrust matters, this provision insures that he will receive the advice of the Department which is charged with enforcement of the antitrust laws. Not only should the Attorney General be given the opportunity to advise the Secretary of the Interior on how the plans and contracts should be structured so as to avoid antitrust problems, but he should be able to advise the Secretary on ways to stimulate competition and to minimize concentration.

The Attorney General is given the authority, by the Interior Committee substitute, to challenge proposed contracts or operating arrangements if he believes that they would result in any situation inconsistent with the antitrust laws. Similar provisions are in the Atomic Energy Act and the Federal Nonnuclear Energy Research and Development Act, which we enacted last year. This will be especially useful in permitting the Attorney General to make a timely challenge to a contract which he believes would result in monopolization or restraint of trade.

Even if the Attorney General did not challenge a proposed contract, he would later be able to bring a civil or criminal action based on that contract. The Interior Committee substitute explicitly states that the bill shall create no immunity or defense for any corporation. This means that neither the United States nor any private party would be estopped by any action or lack thereof on the part of the United States. This provision will prevent corporations from litigating the issue of whether the bill conveyed some implied immunity or defense.

Competitive bidding is required under the Interior Committee substitute, for contracts for exploration, development, and production as well as for sale or exchange of petroleum. The Armed Services Committee bill requires competitive bidding only for the sale or exchange.

The Interior Committee substitute requires that the disposition and transportation of the oil and gas be consistent with the public interest. The substitute specifies one of the ways the transportation shall be consistent with the public interest, namely by requiring that pipelines from the reserves be treated as common carriers. This will require that the owners of the pipeline—right now Standard Oil of California, in the case of Elk Hills—permit access to all users and refrain from discriminating against any user in rates or services. Without this procedure, SoCal would have a tremendous competitive advantage by virtue of controlling the pipeline. The Armed Services Committee bill contains no such protections.

Under the Interior Committee substitute, SoCal would also be prohibited from making contracts with the United States for the exploration, development, and production of Elk Hills. Again, SoCal would have otherwise been able, because of its established position, to exercise a significant competitive advantage over any potential competition. This advantage would have allowed SoCal to effectively eliminate competition.

The Interior Committee substitute also prohibits any company from controlling more than 20 percent of the oil or gas produced in Elk Hills in a single year, except to maximize income to the United States. Furthermore, the Justice Department could challenge a contract calling for more than 20 percent ownership if the Department felt the contract was inconsistent with the antitrust laws.

Finally, the Interior Committee substitute would require, as I mentioned earlier, that the Secretary of the Interior submit all plans for development of the reserves to Congress for possible disapproval. The Attorney General's report accompanying each submission will be very useful to Congress in determining whether to disapprove of the plan. We would expect such reports to review in detail past plans and reports and the actual effects upon competition of those past plans, so that Congress will have a basis on which to evaluate any pending proposal for development.

Mr. Speaker, I believe that the Interior Committee substitute provides meaningful and effective safeguards against anticompetitive effects occurring in the development of Elk Hills and the other petroleum reserves. Comparable safeguards are not contained in the Armed Services Committee bill. I urge the Members to support the Interior Committee substitute to H.R. 49, which, I believe, best protects the public interest.

Mr. STEIGER of Arizona. Mr. Chairman, I yield myself such time as I may consume.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I will be glad to yield to the gentleman.

Mr. BELL. It has been mentioned that the Department of the Interior has not managed an oil field. Neither has the Navy. The Standard Oil Co., with a 20-percent interest, was chosen to be the operator.

I would like to know if any Member who has ever been in business would assign management to a 20-percent interest holder in an oil field in which he had an 80-percent ownership. I think that is the fox watching the chicken coop, and it sort of speaks to the Navy's incompetence.

Mr. STEIGER of Arizona. Mr. Chairman, I thank the gentleman for his observation. I would like to say I appreciate his analogy of the fox watching the chicken coop. I wish I had thought of that.

I will say to my friends that if there is any questions as to why the public has some concern over the efficacy of the Congress, I suspect our contest here this afternoon would supply the best answer to that. We have but to glance at the press box to notice the few occupants of those chairs up there, with the exception of the fully ensconced representative who covers me as the second string of the press up there.

We have to recognize that every Member in the House who is listening to my voice now is committed one way or the other on this issue. The fact is that all the public wants is some oil.

What we really have here is this: What we have here is just a plain, parochial battle, and it really saddens me to see brother turned against brother, if you will, since we all have the same goal in mind and the only real concern is how we get it.

The fact is, very simply, by any yardstick, we have only one goal. It is not the fault of the chairman of the committee and it is not the fault of anybody else, but the fact is that the Navy has seen it as its role in the past to sit on the oil. That is their role.

The gentleman from New York (Mr. PIKE) has said, "We do not need the oil anyway. It is only for snowmobiles." That is the attitude of the committee. The attitude of the committee is that all the oil produced up there will only be used for snowmobiles anyway.

Mr. Chairman, the fact is that we do need the oil. There is no magic to the management by the Interior Department, but one thing they do have is a record of development of public land. The one record the Navy has a record of nondevelopment of public land.

Really that is the issue. It is a very simple issue. If we look at the specifics of the two bills, we ought to be concerned because there really is a difference there. In the bill from the Committee on Armed Services, there is an absolute prohibition of 200,000 barrels a day. That is 200,000. We hear about 300,000, and the Members probably thought they were talking about 300,000 all the time. It is not so. It is 200,000. It is fantastic how we could be deceived.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Louisiana.

Mr. HÉBERT. Mr. Chairman, the committee has adopted a rate of 300,000.

Mr. STEIGER of Arizona. Is that true?

Mr. HÉBERT. The figure is 300,000.

Mr. STEIGER of Arizona. I thank the gentleman. That is not in my copy of the bill.

Mr. HÉBERT. No. We made only 1 or 2 changes in our original bill; we did not go to 35 or 40 amendments; we just put in those 2.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, will the gentleman point out that the 300,000 barrels a day is just for 3 years?

Mr. STEIGER of Arizona. Mr. Chairman, I was getting to that point, I will advise the gentleman.

This has an absolute limit of 300,000 barrels a day, and with the confession that nobody knows how much oil is there. Yet there is an arbitrary limit put in. I call that the "military syndrome." If we do not know what it is, put a ceiling on it; if we do not understand it, lock it up.

Then they have the prohibition of 3 years. That is right out of "Alice in Wonderland." None of the Members involved in this bill can forecast what we need in 30 days, much less than 3 years.

I think the spookiest thing of all is something that nobody is talking about. Read H.R. 5919, and you will be amazed at this, because the fact is that the Navy under this bill is going to build a pipeline.

I have the greatest respect for the Navy. I like the uniforms of the Navy; I like its record. I think they do some magnificent things. Their band is particularly good. But the one thing I must confess is this: I must confess to a great deal of uncertainty as to the competence of the Navy in building a pipeline. In fact, I would have to believe that almost every maladministration of any other agency would be preferable to having the Navy build a pipeline.

I will simply tell my friends this: It is a shame that this has happened. I came here today and I joined with the gentleman from Montana (Mr. MELCHER) when he started this because we have a mutual concern in seeing the oil produced. That was our concern, and it was my naive notion that if we introduced the bill in the Committee on Interior and Insular Affairs and it moved, it would force the Committee on Armed Services to respond. I am sure that is not why they responded. They responded because they saw the things we did, and the movement of the bill from the Committee on Interior and Insular Affairs had no impact on their decision to move, but the fact is that is what happened. Then when they did move, they moved with the same archaic reasoning that these reserves have to stay in the ground at Elk Hills.

Members of the House, there have been 199 years in this Nation's history, and we have yet to use 1 gallon of naval petroleum reserves in a combat situation.

The fact is, of course, that the President's emergency powers permit him to seize any existing oil reserves at any time that the emergency indicates.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I am not going to yield because I was the most disturbed of all with his rationale that Elk Hills is going to be the source of development of Pet 4. I must confess that that was so illogical as to shake my faith in the gentleman's judgment.

With that unfair attack on the gentleman, I am going to continue to refuse to yield on my time.

Mr. STRATTON. Mr. Chairman, I just wanted to say this to the gentleman.

Mr. STEIGER of Arizona. I am sorry. I have not yielded, and I know that the gentleman would not want to violate the rules of the House by imposing his language upon us on my very valuable time. I thank the gentleman for his courtesy in remaining silent.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. No. I am going to press on now to some other viable point.

Really, this is a question of brother against brother. It is that simple. With the exception of the gentlewoman from New Jersey, who is always openminded to the last minute, the rest of us are committed.

Mr. Chairman, will someboly help the gentleman from New Jersey with his newspaper? He has it upside down.

Mr. Chairman, I simply want to advise my friends that: First, the public really is concerned about the production of oil; second, we, the Congress, have really done very little about it; and third, this is a real opportunity to do something about the shortage of oil in this country, contrived or otherwise.

Mr. MELCHER. Mr. Chairman, I yield 3 minutes to the gentleman from New Mexico (Mr. RUNNELS), a member of the committee.

Mr. RUNNELS. Mr. Chairman, again today, as on many days in this Chamber, I have been amazed at what I have heard. I do not say that to be ugly, but many of us in this Chamber, I believe, have become oil and gas people, having oil on our head and gas on our stomach.

We have heard of the great estimated reserves that we supposedly have. When we discuss the depletion allowance and anyone brings up the words "estimated reserves," everybody seems to pose this question: "Where do you get the estimated reserves?"

I will tell the Members what they are. They are just a wild guess. Next, we have a scientific guess, using the best knowledge available.

Let us go back on these two bills. I have good friends—I hope they are my friends because I am their friend—who are concerned with both of these bills.

Mr. Chairman, I think that it is time that this Congress and this Nation get about its business of doing something about an energy shortage that we have in America.

Over the Easter break I went to Africa, a backward continent, so to speak, compared to America. What did I find in Africa? I found Sasal I and the building of Sasal II in Africa, in a backward nation which will be producing 37 percent of their total country's need of gasoline from coal.

Do we produce one drop of gasoline in America from coal today? No.

What else did I find in Africa, in a backward nation compared to us? Again, I found that its people have taken their abandoned coal mines and where the seams and cracks are in these coal mines, they plastered the walls. They pumped water into them. They checked to make sure that they would hold water, and they pumped the water out. As a result, what have they on hand today in Africa? Three years' supply of crude oil, of their total needs for 3 years.

We have not been very smart in America.

Do we have a 3-year supply of crude oil available on the surface, or underneath the surface that we could pump out with centrifugal pumps? No.

I think it is time we quit arguing over whether the Navy or the Department of the Interior or the executive branch of the Government or the legislative branch of the Government is going to cure all of the ills of the energy shortage in America.

Let us go back in time and let me point out that the Teapot Dome was a scandal in this country, and if the Members check the record, the man who was involved in it was from the State of New Mexico, which I now represent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MELCHER. Mr. Chairman, I yield 1 additional minute to the gentleman from New Mexico.

Mr. RUNNELS. Mr. Chairman, let me say that what this House needs to do is to figure out what it wants to do. Those wells need to be drilled. They need to be worked over. Pipelines need to be built. I think even the admission on the floor of the House today wherein it was stated that it would take 5 years to get Elk Hills into production is something to consider. If we had a crisis could we afford to wait 5 years?

Let us take Pet 4. If the Members will check the records they will find that the Navy dug wells outside of Pet 4 and sold those wells to private enterprise. They dug them outside of where Pet 4 was. We need to do exploration work. The Department of the Interior has proved its point when they could sell $1 billion worth of oil leases off the coast of Florida, and they have not found a drop of oil there yet, they are pretty good salesmen.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BEARD of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this has been an extremely interesting event for me inasmuch as it is the first time I have helped handle a piece of legislation on the floor of the House.

I have heard different sides and different stories, all of which have been conflicting.

I have heard about how the Department of the Interior has been the agency that has the expertise necessary to handle the oil reserves. Yet I remember back when the Assistant Secretary of the Interior testified before our Committee on Armed Services and stated that the Navy would be the more qualified and had more expertise to handle the oil reserves for the Elk Hill project.

So I keep wondering why the members of the Committee on Interior and Insular Affairs keep citing the expertise of the Department of the Interior. The only reason possibly is because of the numerous, in fact, many, many men who have been high executives of oil companies for many years, and who are working there now.

I have been hearing about the fact that we have a perfected bill, but yet I believe there are some 35 amendments that are now proposed to try to correct the bill presented by the subcommittee from the Committee on Interior and Insular Affairs, 35 amendments. If I am not mistaken, I do not believe they are published in report form as of yet. So apparently the bill that they presented to us, H.R. 49, to the Committee on Armed Services, was not in very good shape at the time it was presented to that committee, and apparently it is not in very good shape right now because they have still many amendments, and for those amendments not to be published as a report I think it is another very serious question.

Also I hear, and I keep hearing, about the emergency situation in this country. Well, I think once again that the Congress is finding the gutless and easy way out in facing the energy crisis.

Go to any filling station, and one can see any number of campers, families with two cars, and you hear the people discussing their trips, and then you can see the snowmobiles that have been referred to. Yet I keep hearing about the energy crisis.

Yet we keep hearing "energy crisis." Go back home and try to convince anybody that we have an energy crisis. It is a bunch of bull. The fact is that Congress has not been able to show the guts to come up with any type of bill that is constructive enough to have a long-range cure-all for our energy crisis.

No; the answer is look at that nasty Navy. I have been very disturbed about some of the remarks I have heard about the Navy. They are not perfect, but, for gosh sakes, they are a lot better than some of the agencies handling the food stamp program, or whatever it may be.

I hear the fact pointed out that it was 200,000 barrels a day. The gentleman from California points up and says that that is only for a 3-year period as projected by the Committee on Armed Services. But I think for a change the Committee on Armed Services was trying to do something that the whole body of Congress should do, and that is review it at the end of 3 years. If it is not working, then do something about it. If it is working, then continue on. But, no; Congress does not do things that way. They leave it open ended.

Let us go ahead with no oversight hearings, no reexamination, so here we go once again. We have an emergency.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

I am glad the gentleman is making that point again, because the gentleman from Arizona (Mr. STEIGER) who declined to yield to me a moment ago, made the flat statement that the bill of the Committee on Armed Services would keep all the oil in Elk Hills. That, of course, is just not true. What we are providing for in fact is to open up Elk Hills and to get production up to 300,000 barrels a day, but assess the situation again at the end of 3 years and see what our proven reserves are at that time.

A great deal has been made on the other side that there are only 100 million barrels in Pet 4 in Alaska. Well, if that is really the case, then certainly we do not want to drain Elk Hills dry and be left with no reserves at all.

Mr. BELL. Mr. Chairman, will the gentleman yield inasmuch as he mentioned my name?

Mr. BEARD of Tennessee. I did not know I mentioned the gentleman's name, but I will yield.

Mr. BELL. I thank the gentleman for yielding.

I would like to point out that the Navy has had Elk Hills since 1912, and up to the present time what have they done about providing for a pipeline outlet?

Mr. BEARD of Tennessee. I would like to point out the Congress has had the Navy for just as long, and Congress has not done a thing. So let us throw it off on the Navy.

I refuse to yield any further. I get fed up with the hypocrisy of "the Navy this and the Navy that," when it is Congress that dictates to the Navy. Let us not go that route.

Mr. BELL. Mr. Chairman, will the gentleman yield further?

The CHAIRMAN The gentleman declines to yield further.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

Of all the people on this floor, I represent the area that Elk Hills is in. I have never made a derogatory comment about the Navy. It is not the Navy's fault it has not been developed; it is Congress' fault. There would not be an Armed Services bill on the floor today if the Committee on Interior and Insular Affairs had not taken the bull by the horns and started to do something about it.

Mr. BEARD of Tennessee. I will say this, that I am glad the Committee on Armed Services did develop some action, because I do feel it needs to be developed without any question, but I think there needs to be a limit. There needs to be some contingency for military reserves. In H.R. 49 there is no contingency. We are living in a dream world. They say we can get it through the Military Production Act. We did not get it in 1973 when we needed it. As a matter of fact, we got 40 percent of our requirements.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. MITCHELL of New York. I thank the gentleman for yielding.

The gentleman from Arizona in his remarks mentioned that this was just a plain parochial battle. The battle may be plain, and it may be parochial, but the weapons of the two groups are vastly different. The vehicles with which they are going to try to solve the problem are vastly different also. One is a good and operating machine, and the other is quite faulty. If I could just touch upon three or four of the comparisons between the two; bill H.R. 49 has the inexperienced Department of the Interior in charge. The Armed Services bill has the experienced Navy Department in charge. The Navy has been handling the program for years.

There is no provision for military fuel reserves under H.R. 49. We know that when the Defense Production Act was tried it was found faulty. There is provision for military fuel reserves in the Armed Services bill.

Under H.R. 49 a few States will benefit greatly. Under the Oil Leasing Act 37.5 percent of revenue would go to California whereas under the Armed Services bill all States are treated the same.

There is also a chance that there will be a big problem with H.R. 49 in that the bill originally was a very different package. But the present H.R. 49 is a greatly revised edition. I would like to hold up H.R. 49 as revised and point out there are more than 35 amendments to the bill, many of which did not have the benefit of hearings. There is more language in amendments than there was in the bill to start with. This is a poor way to proceed, although this is the way we seem to handle energy matters.

As to the charge the Navy has done a poor job, it is not the fault of the Navy. It is the fault of the Congress because we have been niggardly with appropriations. I hope Congress will wake up and pass a viable bill and not pass a patchwork quilt bill in this haphazard manner.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Arizona (Mr. STEIGER).

Mr. STEIGER of Arizona. Mr. Chairman, one thing I would like to point out actually is the absolute limitation with which the Armed Services bill imposes the 300,000 barrels a day for 3 years. I will tell my friend I do not know if we can produce more than 300,000 barrels a day but I know the Federal Establishment has been wrong before in those kinds of quantitative judgments.

One thing the 3-year limitation will do, I will predict, fearlessly, is to inhibit investment in research and development, because at the end of 3 years there may be a chance to be shut off.

Mr. BEARD of Tennessee. By the same token does it not concern the gentleman at all that there is no limitation in H.R. 49? Does it not concern him that there is no limitation or any sensitivity toward national defense in this country?

Mr. STEIGER of Arizona. I would submit to my friend that the Department of Interior has been in the development business since 1832. There are many thousands of people in the Department of Interior who do nothing but that and there are only 35 people in the Department of Defense who do that. They do not always do it well, I agree, but the fact is that it is their field.

Mr. BEARD of Tennessee. I can only go by what the Secretary of the Interior told our committee, that the Navy was more qualified in the Elk Hills situation.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Missouri.

Mr. RANDALL. Mr. Chairman, the gentleman from Arizona never responded to whether they would deplete this reserve. They would. Maybe Interior has had more in depletion experience to deplete and can use up the reserves quicker. What we are talking about is trying to save some of this reserve for national defense. That is the central issue of this debate.

Mr. BEARD of Tennessee. That is my point. Congress is going again the politically expedient route—I am sure the press releases are ready that we have all the reserves ready to go to help relieve this terrible crisis—because right now the national security is not a critical issue and maybe 2 years from now it will be, and then we will have to go back and try to react day by day with some other legislation, as Congress is so good at.

But my point is today we have to make a decision as to what direction we are going to go. The Armed Services Committee, which has been responsible for a strong national defense, has agreed to make a compromise and start to help to develop Elk Hills. We were prodded, without any question, but as a result of the prodding, 200,000 to 300,000 barrels a day will be made available, to be reviewed in 3 years to see if it is depleting too quickly, or if it is not being depleted quickly enough then we can go for more than that.

That is sincere action which takes account of our national security needs. That is also critical.

This is not going to be the answer to all our energy problems, but this is just today's answer as far as we can look now.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, why is it not possible for the Armed Services Committee and/or the Navy to establish a reserve in other areas that are known to hold quantities of oil offshore. Why could not they establish reserves there? We know for instance off the shore of California, off the coast there are substantial reserve areas. At least, it appears there are on the basis of initial tests. Why could not those reserves be established there because it takes very long periods to develop those areas anyway?

Why could we not utilize those as a reserve; is that a possibility?

Mr. BEARD of Tennessee. That is the first I have heard of that suggestion; but the Navy is familiar with the Elk Hills project. So why should the Navy turn it over? It is set up for reserves for emergencies and that is all.

Mr. ROUSSELOT. These areas would have substantial oil reserves. My understanding is that there has been discussion on setting aside substantial oil reserve areas off our coasts, because first of all they cannot be developed that fast. There is hesitation as to how fast the leases should be given, anyway. Why would it not be a good idea to have the Navy establish those areas as reserves?

The gentleman from Missouri (Mr. RANDALL) raised that question as one of the basic considerations of establishing adequate reserves. Why can we not utilize that?

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Louisiana.

Mr. HÉBERT. Mr. Chairman, President Truman did establish the California offshore areas as naval reserves. President Eisenhower canceled it.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. BEARD of Tennessee. I yield to the gentleman from California.

Mr. ROUSSELOT. That is not our fault today. My point is that there are substantial reserves off the coast of California and in other States. Why can we not utilize those and establish them as reserves?

Mr. RANDALL. If the gentleman will yield further, it is quite obvious we cannot move a defense base. We cannot make a transfer of a unit of troops from one port or one camp to another until we first get the environmental impact. These reserves existed long before the EPA came into existence. They are here. They should be preserved. We are going to have all manner of environmental objections if we seek anything of this kind.

I suggest further, and I think the gentleman will agree to this, I feel he would feel better talking about something as important as national security.

Mr. BEARD of Tennessee. Mr. Chairman, I would like to close my remarks and reserve the balance of my time; but I hope we will see the implications of national defense and support H.R. 5919, that would not cost the taxpayers anything, inasmuch as the revenue from that oil would go to construct pipelines and further development. It is to me the most sane, sensible way to do it, rather than trying to pass a bill that still has 35 amendments pending; so I urge that we support H.R. 5919 and I reserve the balance of my time.

Mr. MELCHER. Mr. Chairman, this country does not give a tinker's dam about jurisdiction. They do not care whether an Armed Services Committee bill passes or the Interior Committee bill passes. What they want is action on energy matters and they want a good bill.

Now, for those members of the Committee on Armed Services who very sincerely, I am sure, seemed to indicate this afternoon that there is somehow some rapport, some similarity, some likeness about their bill and our bill. Let me say that that is not true. Their bill is vastly different than the Interior Committee bill and we will get into the very nuts and bolts of it in the ensuing minutes when we go into the 5-minute rule for amendments; but our Interior Committee bill has a string of endorsements that include Ralph Nader's Congressional Watch, the AFL–CIO, the American Gas Association, the Environmental Policy Center, the Independent Oil Refiners of California, and the Consumer Foundation of America.

How do we put that broad range of support together? We only do it with a sound bill, one that is in the public interest, one that this country wants and one this House ought to vote for today. I say vote down the armed services bill, get to our bill, a tried, true, and sound bill, backed by all these groups and what the country wants and needs today.

The Interior Committee's bill, H.R. 49, has received a broad range of endorsement over the Armed Services Committee for a broad variety of reasons. Here are some of them:

Congress Watch and a great number of Members of Congress and the American public believe a Federal yardstick is necessary to determine the cost of production, transportation, and sale of crude oil. H.R. 49, as finally worked out by the Interior Committee, can provide that yardstick to determine what the actual cost of development, production, transportation, and selling of crude oil is to make sure that the public benefits as much as possible from oil that is federally owned. Rather than produce Elk Hills oil and put it on the market as we do in our bill, the military approach to Elk Hills production is much different and very involved.

Now hear this—under the Armed Services Committee bill which perpetuates the existing law enacted several decades ago, this is how they would have us set up the sale of Elk Hills oil:

An oil company would get Elk Hills oil with a timelage of at least 60 to 90 days for payment with refined product. No cash payment is required, for settlement with the Armed Forces for the crude oil they obtained from Elk Hills.

How do the oil companies pay for the crude oil they get on credit? They would deliver within the following 2 or 3 months the refined product—jet fuel for military aircraft, gasoline or diesel to military motor pools, or heating oils to military installations—and be credited at the going rates per gallon of fuel, assuring them of a neat profit without ever putting out any cash. Doing business in this way with the U.S. Armed Forces might be appealing to the oil companies—that is, the big oil companies—because the independent refiners are pretty well blocked out since they have only limited opportunities to deliver refined products in their area to the U.S. Armed Forces.

Major oil companies with a variety of refineries and outlets all over the country and some of them all over the world have a much better opportunity to sell jet fuel, gasoline, or heating oils to the military. The independent oil refineries located in California have only a limited military market and therefore under the Armed Services Committee bill are pretty much excluded from the Elk Hills oil. That is why they support the Interior Committee bill and encourage the House to vote down the armed services bill.

For much the same reason, the Consumer Federation of America and Nader's Congress Watch, after reviewing our bill, strongly believe that the public interest will best be served by Interior's bill and that the average American would benefit more from Interior's bill as compared to the military-armed services restricted bill. There was not much contest.

If this Federal oil in Elk Hills is going to be produced, it should be made available to the public—to the average American citizen—rather than contriving a peculiar system of reserving it only to the military. The Interior Committee's bill is careful to have strong antitrust safeguards and, in addition, prohibits any major oil company from purchasing more than 20 percent of the oil produced. Then, too, all money goes into the U.S. Treasury to the benefit of all the taxpayers of the United States.

Increasing production in domestic oil means more jobs, and for that and the above reasons, the AFL–CIO advocates our bill in preference to the Armed Services Committee's bill as being more in the public interest.

The Environmental Policy Center, the Sierra Club, the Wilderness Society, and Friends of the Earth all have recognized that Alaska Petroleum Reserve No. 4, with the vast 23 millions acres it is comprised of on Alaska's North Slope, has surface values that must be protected while exploration is going on for whatever oil or gas may be there. Included in the petroleum reserves are seven native villages. There is an extremely important wildfowl nesting area and one of the principal caribou calving areas also is located within this petroleum reserve. The Natives, the State of Alaska, as represented by the distinguished gentleman from Alaska, DON YOUNG, a member of our committee, are very determined that proper evaluation of the land surface of these 23 million acres be undertaken before there is development or production of any oil or gas in the area. For that reason, our committee and our bill limits activity in this Petroleum Reserve No. 4 in Alaska to exploration only.

In the meantime, we advocate that the House accept an amendment to have a joint study made by the Natives in the area, the State of Alaska, by the Fish and Wildlife Service and the Office of National Petroleum Reserves to make sure that the environment is protected, that the critical areas I have mentioned and others not be damaged, and that sustenance for the Natives not be interfered with. Since there is no opportunity to transport oil or gas from this area for the next 5 or 6 years, we firmly believe that this is a key point, and we hope the House will endorse this concept by rejecting the Armed Services bill and passing our bill. Of all issues connected with this dual consideration of two House bills, this is by far the most critical long-term environmental issue involved. Alaska's North Slope is touchy and tender. A pell-mell disruption of that fragile environment cannot heal in our lifetime.

Careful planning is essential. The Interior Committee prescribes that planning. The Armed Services bill ignores it. For that reason, the blue ribbon group of environmental organizations recommends that you reject the Armed Services bill and adopt H.R. 49 by the Interior Committee.

The American Gas Association also endorses the Interior Committee's bill because there is natural gas involved in Elks Hills and the chances are good for also finding substantial natural gas in Petroleum Reserve No. 4 in Alaska. The Armed Services bill fails to allow for a plan to produce, transport, and sell the natural gas that will be produced from Elk Hills. In contrast, the Interior Committee's bill utilizes sound procedures with safeguards to protect the public interest by providing antitrust protection as it does for the production, transportation, and sale of Elk Hills crude oil. The military has very little use of natural gas. The natural gas produced there should be put on the market for use and sold to the general public with the money going to the U.S. Treasury. The Armed Services bill fails to do that. The Interior bill does it efficiently, effectively, and honestly. That is why the American Gas Association endorses our bill over the Armed Services bill, and hopes that the House will vote down the Armed Services bill and pass a much better and stronger bill—ours, H.R. 49.

Mr. DRINAN. Mr. Chairman, I rise in support of the National Petroleum Reserves Act, H.R. 49, which would provide for the development of energy resources found on Federal public lands.

H.R. 49 seeks to accomplish three major objectives in bringing about the utilization of gas and oil on Federal properties. First, the Secretary of the Interior is authorized to establish national petroleum reserves on public lands. Second, the Secretary is authorized to prepare plans for the development and production of oil and gas on reserves in the original 48 States, subject to congressional acceptance of any production plans. And third, the Secretary is directed to explore for oil and gas on the 22 million acre petroleum reserve in Alaska, reporting the findings to Congress on an annual basis.

Mr. Chairman, the Petroleum Reserves Act is specifically targeted at four major energy fields in the United States, including Elk Hills and Buena Vista in California, Teapot Dome in Wyoming, and the North Slope of Alaska. Of these reserves, Elk Hills promises to be the largest short-term source of oil, with a potential for 300,000 barrels per day of production, replacing a like amount of imported crude oil.

I support this legislation in view of the fact that H.R. 49 should make a significant contribution toward reducing our dependence on foreign oil supplies and imports. By opening up the naval petroleum reserve at Elk Hills, production of 160,000 barrels per day could be obtained in less than 6 months. Production could then be upped to the 300,000 barrel figure within 1 year. According to the Committee on Interior and Insular Affairs, this amount represents approximately 40 percent of the President's goal of reducing U.S. dependence on foreign crude imports by 800,000 barrels per day within 1 year.

These impressive figures are not just significant from an energy viewpoint Mr. Chairman, but from an economic view as well. At current prices, a substantial return would flow into the U.S. Treasury from sales of the newly drilled gas and oil, amounting to $1 billion per year. In addition, our international balance of payments would benefit, reducing the U.S. deficit by about $1.3 billion on an annual basis.

Opponents of H.R. 49, those who prefer the Armed Services version of the Petroleum Reserves Act, H.R. 5919, maintain that opening up our country's energy reserves for commercial development could cause military fuel shortages during national emergencies. Although this argument does seem to be persuasive at the outset, closer examination reveals that an untapped and undrilled oil reserve would be largely useless in time of war or national crisis. In such a situation, the country would need oil stored in tanks or underground caverns from which it could be pumped at very high speed. But oil in its original reservoirs, as at Elk Hills, can only be produced relatively slowly, and a faster extraction process damages the oilwells and leads to waste. Therefore, it is important to develop these important sources so that they can be quickly utilized in time of emergency or military needs.

Mr. Chairman, I would even go further than this in arguing that, while I do feel emergency and military needs are important, the military should not lock up these petroleum reserves. It is critical to develop the reserves to help meet total U.S energy requirements in light of present energy shortages and to help lessen our dependence on foreign oil. Present demand for petroleum is about 17 million barrels per day, with domestic production averaging only 8.5 million barrels per day. By adding 300,000 barrels a day from the Elk Hills site, an immediate reduction in foreign imports could be brought about. And neither should we feel that a serious depletion of energy will occur in the short term, as the total reserves in Elk Hills alone are estimated to be 1.5 billion barrels of oil and over 1.2 trillion cubic feet of natural gas.

I think it is also important to note that while H.R. 49 does tap Elk Hills' enormous potential, the Secretary of the Interior is directed to do no more than explore the even greater potential of the Alaskan North Slope. The bill expressly prohibits any leasing, development, or production from this Alaskan reserve until further action is taken by the Congress. The reasoning behind this is based not just on transportation problems, but on the necessity to carefully develop these highly scenic and untouched lands. To those who would maintain that America must at all times maintain a major oil field in reserve, though, I think that it could easily be argued that the North Slope represents such a reserve.

Mr. Chairman, the one aspect of the Petroleum Reserves Act which I might find potentially troublesome has been admirably dealt with by the Interior Committee in H.R. 49's thorough antitrust provisions. In contracting with major oil companies the Federal Government must insure that the interests of the consumer and the independent producers are adequately protected. In this regard, H.R. 49 provides for potential antitrust and monopoly problems by providing that oil and gas supplies obtained from national reserves be available in small units, in order to enable small energy companies to obtain these supplies. Additionally, the proposed bars any firm from bidding to purchase more than 20 percent of the oil and gas produced from the Elk Hills reserve.

The legislation continues on in this important antitrust area, specifying that the Secretary of the Interior consult with the Attorney General concerning contracts for the development of reserves. The Attorney General is given the right to challenge any contract or proposed arrangement which might result in monopolization or a restraint of trade. The bill also mandates competitive bidding on contracts and requires the full and equal participation in the sale or exchange of oil and gas by major and independent producers and refiners.

Mr. Chairman, it is time that the Federal Government tapped its vast energy resources to help alleviate the Nation's energy shortages. I believe that H.R. 49 represents an important first step in this regard, and it is for this reason that I urge the enactment of the Petroleum Reserves Act.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in support of H.R. 5919, an amendment in the nature of a substitute to H.R. 49.

While I agree in principle with my distinguished colleagues on the Interior Committee on the need to utilize, where possible, national energy reserves to close our energy supply gap, I do not believe that this House should adopt H.R. 49 simply to indicate that we are "doing something" about the energy problem. The "something" we will be doing by adopting H.R. 49 would be to transfer the management of public resources into a department that violated the public interest once before in our history in the handling of those resources. Can my colleagues imagine the public outrage if we followed Watergate with another Teapot Dome scandal? And yet, this is precisely what we are inviting if we adopt H.R. 49. H.R. 49 would result in the delivery of close to 2 billion barrels of oil to the major oil companies.

The existing pipeline and price posting situation at Elk Hills has been the subject of a 5-year antitrust probe by the Justice Department. Justice witnesses before the Armed Services Committee flatly stated that this situation remains unchanged, and that there is "absolutely no provision in H.R. 49 for protection of public interest against the totally dominant position presently held by Standard Oil of California at Elk Hills." I understand that the report of the Justice Department on this matter will be issued in the very near future. I am sure my colleagues will agree that it seems imprudent to rush into adopting legislation that will mandate a competitive advantage to a major oil company that has been the subject of such an exhaustive probe. My colleagues should also be aware that certain serious charges have been leveled against the company by the attorney general of the State of California—charges that should compel us to take a much closer look at the record of this corporation in the handling of public energy resources.

There is a second point that my colleagues should consider, and that is the vulnerability of our military retaliatory capability to a protracted oil embargo. My calculations indicate that under maximum production conditions, the Elk Hills field could be exhausted in as little as 4 to 5 years. If, by that time, we have not developed other petroleum resouces or converted a substantial number of our naval vessels to nuclear power, we would be in a most disadvantageous position if we were forced into a confrontation situation with any of our adversaries. Now, some of my colleagues will claim that the Defense Production Act will take care of this contingency, and that domestic petroleum supplies could be quickly channelled into military use should the need arise. I must ask these colleagues to look at the abysmal record of the Defense Production Act in reacting to the Arab oil embargo. As my colleagues may recall, Navy and Air Force operations were curtailed, and when we had to dip into civilian aviation fuel supplies to maintain our readiness position, there were screams of anguish from the airlines. There was further evidence of the lack of patriotic spirit when it was revealed that certain fuel contracts with the Department of Defense were not filled by U.S. oil companies operating abroad because those companies did not want to upset the delicate sensibilities of Arab oil producers.

Mr. Chairman, I also believe my colleagues must consider the fact that in the time it will take to work up to maximum production levels at Elk Hills, the Alaska pipeline will be delivering nearly 2 million barrels of oil a day to the west coast. How will the California market handle this potential glut? Will it be auctioned off to the Japanese or other foreign buyers? And what of the needs and interests of oil consumers on the east coast?

Mr. Chairman, it has been said that those who do not learn the lessons of history are doomed to relive them. I, for one, do not want a repeat of the Teapot Dome scandal, nor do I want to see our national military response capability jeopardized to satisfy the zeal of some private oil company to further enlarge its bulging coffers.

The Armed Services Committee substitute provides an orderly, intelligent plan for immediate maximum development and production, while guaranteeing oil to our Armed Forces in time of emergency. I strongly urge my colleagues to join with me in supporting H.R. 5919, and retain jurisdiction of these public reserves in a department whose record of management has been free of scandal and which cannot be criticized for conflicts of interest at the expense of the public.

Mr. Chairman, I urge my colleagues to join me in supporting H.R. 5919, and urge them to reject H.R. 49.

Mr. JOHNSON of California. Mr. Chairman, as a member of the House Committee on Interior and Insular Affairs, I have had the opportunity to review the Elk Hills Naval Petroleum Reserve legislation extensively. During this time of energy shortages and increasing dependence on foreign oil, this legislation carries a particular significance for the Nation. There have been many suggestions on what this legislation should contain and after careful review of many of the alternatives, I believe the Interior Committee has drafted legislation which would best serve our Nation and our citizens.

As drafted by the Interior Committee, H.R. 49 would be of particular significance to consumers. The antitrust provisions contained in this legislation are of particular interest to us during this time of energy shortages. Today, consumers are increasingly put at the mercy of a small number of major energy companies which are continuing to increase their prices and thus reduce the size of the consumer's pocketbook. They are able to do this through their ability to control precious petroleum supplies. I strongly believe that any proposal to open the naval petroleum reserves on our public lands must provide for protection of the public from industry monopolization.

The antitrust provisions of the Interior Committee bill provide for the consultation with the Attorney General on contracts for the development of these reserves. This allows the Attorney General to determine whether such contracts would create a situation in compliance or not with the antitrust statutes. Furthermore, the Interior bill in no way provides immunity from antitrust regulations for any organization.

The legislation reported by the House Interior Committee also treats the subject of potential antitrust and monopoly problems by providing that oil and gas supplies obtained from national reserves on public lands must be available in small units. Once again, this assures that small energy companies have a realistic chance of obtaining the petroleum supplies. To insure this, the Interior proposal prohibits any firm from purchasing more than 20 percent of the oil and gas produced from the Elk Hills Naval Petroleum Reserve.

The Standard Oil Co. of California, which presently owns 20 percent of the interest in the Elk Hills Reserve, would automatically be prohibited from further purchases. Thus, the 20 percent limit effectively would prevent exploitation of the reserves by major oil companies.

To assure future protection for the country in the field of energy, the Interior version of H.R. 49 would permit the President to place up to 25 percent of the oil from the national reserves into a strategic oil reserve. This oil would be available for all national emergency uses and would not be available only to the military.

In treating this problem as a national situation, the committee has taken a positive step by establishing an Office of National Petroleum Reserves within the Department of the Interior. In this way, civilian public control of energy reserves on public lands is retained.

Today's American citizens are carrying a particularly heavy burden due to our current economic climate and our national energy shortages. Since practically every American citizen is a consumer, I am confident that the American people will be looking to the Congress to protect consumer interests as we plan for the future use of the Elk Hills Naval Petroleum Reserve and other public reserves.

I call on my colleagues in the Congress to recognize the needs of the consumers and support the Interior version of this legislation.

Mr. LAGOMARSINO. Mr. Chairman, the issue before this House today is simple. Either we favor adequate, responsible production from Elk Hills or we do not. If we favor it, then H.R. 49 is the proper vehicle.

Mr. Chairman, I believe we need to start producing the oil at Elk Hills. This House has just spent the better part of 2 weeks working on an energy bill. We struggled mightily, but came forth without the answer we need. This fall, only 3 months from now, we will no doubt be facing another increase in the cost of imported oil. For the last two winters, we have been favored with mild weather. We are pushing our luck to hope for three in a row. We are going to need that 1 billion barrels of proven reserves at Elk Hills. And unless we pass H.R. 49, we are not going to be able to get to it.

H.R. 5919 is not the answer. It gives the Navy 3 years in which to complete the necessary pipelines for producing oil at Elk Hills. And at the end of 3 years, the authorization for production expires. Let us face it, we all know the Navy has not been interested in producing that oil. They would just as soon keep it in the ground. The Navy knows it has first call along with all the Armed Forces on any oil produced in this country, so they are not worried. But I am.

I am worried about what is going to happen when those long lines start forming at gas stations. What is going to happen when the first long cold spell hits us. What is going to happen to our economy when foreign oil prices start rising again. Mr. Chairman, our worst enemy in this situation is failure to take responsible action. H.R. 49 is that action. It provides the necessary safeguards against exploitation, it gives everybody a fair crack at the oil. And it gives us a needed chip in our negotiations with the producing nations. I urge an "aye" vote on H.R. 49.

Mr. DON H. CLAUSEN. Mr. Chairman, I strongly support the position taken by the Interior Committee of which I am a member and I will be voting accordingly in the amending process.

I particularly endorse the concept of establishing much needed strategic reserves. Our country needs a reserve supply of oil. Not one that is still locked underground but one that is rapidly accessible.

The existence of such a reserve would be a deterring factor in the minds of any foreign power which might consider imposing an embargo on our Nation. The immediate availability of the reserve would prevent the disruption of business and would guard us against the damaging effect the 1973 embargo had on our economy. An adequate reserve would permit us to carry on unharmed for up to 1 year. The key issue here is security and I believe we must move decisively and quickly in this area.

I intend to support the amendment being offered to insert a provision for the establishment of a strategic reserve.

Our committee's position is also superior in its protection for the consumer. The bill as reported from the committee provides for stronger antitrust measures, and greater competition in the energy industry.

Mr. HARRIS. Mr. Chairman, I rise in support of the substitute offered by the Interior Committee to H.R. 49. This final version of the bill contains significant improvements from an antitrust standpoint, and represents an important departure from the way we have approached the development of public petroleum resources in the past.

First, the bill provides that any plan of development submitted to Congress under the act must be accompanied with a report by the Attorney General assessing any anticompetitive situation or action in restraint of trade which could result under the plan. Congress would then have 90 days to disapprove the development plan. The bill prohibits any oil company from obtaining more than 20 percent of the contract work at a reserve, and specifically prevents Standard Oil of California from doing contract work at the Elk Hills site. The Interior Department is directed to give access to the oil produced under this act to small and independent refiners and producers.

H.R. 49 specifically prohibits the leasing of the naval oil reserves to private oil companies. Rather, it gives the Secretary of the Interior the ability to go into production on behalf of the Government, or to contract out with private companies to extract the oil. The lease system is anticompetitive and must be phased out altogether. The bill also enables the Government to purchase or build its own pipelines so that the transportation and disposal of oil from the national reserves will be in the public interest. This will be particularly important at Elk Hills where Standard owns the only pipeline leaving the reserve.

This procedure for the development of of our public petroleum reserves offers an excellent opportunity for the Government to become more involved in oil production. Several committees of the Congress are currently considering the establishment of a public interest corporation to produce oil on public lands, and on the OCS, and to provide an additional competing force in the oil industry. H.R. 49 is compatible with that idea, and I hope we can proceed with that approach in this session of Congress. The experience of the oil companies in competing among themselves for the operating contracts on public lands should also produce a better idea of what the actual cost is for producing a barrel of oil.

Mr. PRICE. Mr. Chairman, events surrounding the emergence of H.R. 49 make it clear that the true purpose of the bill is not to create a national petroleum reserve but rather to remove the naval petroleum reserves from the jurisdiction of the Department of Defense, turn them over to the Department of the Interior, and open them up for commercial exploitation.

H.R. 49, as reported by the Interior Committee, is vague, indefinite, and contains no protective constraints as to the production of oil in Reserves Nos. 1 and 2 at California and Teapot Dome.

Reserve No. 1 at Elk Hills, Calif., has a proven reserve of 1 billion barrels of oil. The most ardent proponents of H.R. 49 claim there could be 5 billion barrels of oil in Elk Hills. At today's prices that represents possibly $50 billion which could be put up for speculation by private oil interests under the provisions of the Interior Committee proposal.

The Armed Services Committee proposal would provide a clear-cut blueprint for the production of Naval Petroleum Reserves Nos. 1, 2, and 3 under the management of the Department of Defense for a period of 3 years. Production would flow to defense needs which, in turn, would relieve the civilian economy of the requirement for supplying that oil. Significantly, every penny from the proceeds of the oil would be placed in a special fund of the Treasury for use to further develop the reserves, including the highly valuable Reserve No. 4 in Alaska. That reserve could contain upwards to 30 billion barrels of oil, most of which would be earmarked for the civilian economy. Such funds under strict control would be subject to the annual congressional appropriations process.

The Interior Committee proposal has no provisions for the financing required to develop our most likely source of domestic oil—Petroleum Reserve No. 4 in Alaska.

The next few years are critical and I feel it would ill behoove this Congress on its own motion to open Elk Hills to almost assured drainage with no thought for the requirements of national security. When that oil is gone it will be gone forever, and if we want to replace it we will have to look to the Middle East, and that is just what we want to avoid. We saw the tragic results of that course of action during the oil embargo when our military training programs were reduced to a dangerously low level—a level from which we are still recovering.

It may sound attractive to drain the naval petroleum reserves and satisfy an urge to somehow solve our energy problems on an ad hoc basis by some magic formula that has no basis in fact, but we must repel that temptation.

The Armed Services Committee proposal will provide all the oil that can reasonably be produced in the short term and concurrently finance the development of long-term sources of oil without any new cost to the Federal taxpayer.

The Interior Committee proposal would have the Congress endorse a blank check for billions of dollars in these critical days when the regard of the country for its legislative process is in serious question. I ask for your support of our proposal to provide a prudent and definitive program for the development and production of our petroleum reserves over the next 3 years, particularly at this critical time when the Congress is having difficulty formulating a workable national energy program

Mr. UDALL. Mr. Chairman, I rise in support of H.R. 49, the bill reported by the Committee on Interior and Insular Affairs. This is significant, carefully drafted and amended legislation which will provide for the production of vitally needed oil and gas from our publicly owned reserves.

We have ignored for too long these domestic oil and gas reserves which have been left in the ground for use by the Navy in the event of a military emergency. The arguments offered by the Department of Defense for leaving this oil for possible future use by the military are simply not valid. Moreover, the Arab boycott and the energy crisis have demonstrated that it is time we developed these resources and used at least some of our own oil to create a strategic reserve to meet any similar emergency in the future. The question now before the House is how best to go about it.

The bill reported by the Interior Committee has a number of provisions which I think make it far preferable to the substitute measure proposed by the Armed Services Committee.

First and foremost, it should be clear to the Members that this bill does not detract from nor interfere with the needs of our military forces. Other laws, including the Emergency Petroleum Allocation Act, adequately protect the fuel needs of the military for national defense purposes. The oil in Elk Hills and the other reserves is needed, and should be developed to provide an important measure of energy independence in the next few years. This is one very clear step the Congress can take which will lead to more oil and less dependence on imports.

Moreover, H.R. 49 contains important protections for both the American consumer and the independent producer. At a time when the President's program is sending gas prices sky high and allowing the big oil companies to reap bigger and bigger profits, these provisions are critically important. The oil from the reserves, with the exception of Reserve No. 4 in Alaska, will be produced for commercial use with the public receiving the benefits from the increased supply and the revenue produced from the sale of the gas and oil which will go into the Treasury.

The Judiciary Committee has examined and endorsed the provisions in this bill which protect the public interest and safeguard against any exploitation by big oil companies. The bill calls for a full review by the Attorney General of any contracts for antitrust implications, it limits the percentage of ownership of this oil by any one company, and it provides that pipelines must be operated as common carriers. These are only several of the consumer and competitive safeguards incorporated in H.R. 49.

In addition, this bill does not provide for production for Pet-4 in Alaska, but only for the exploration of its potential. A decision involving Pet-4 should not be made at this time due to the uncertainty of this potential field, the fact that it will be several years before thorough exploration is complete and because of the serious environmental questions involved in any such development. H.R. 49 wisely settled on authorizing exploration of this reserve but left the larger questions for a later date.

Perhaps most importantly, H.R. 49 will create a strategic storage reserve and authorize the President to channel 25 percent of the oil produced from these reserves into this storage program. A national strategic stockpile of petroleum stored and readily accessible to deal with future shortages or other boycotts is essential and this bill takes the first important step in that direction.

In short, the Interior Committee bill seeks to set the framework for producing some of our untapped domestic and publicly owned resources and to protect the public interest in those resources. The Congress can take a major step toward energy self-sufficiency by approving this bill with the committee amendments. It will provide us more than a billion barrals of oil and save us billions in our balance of payments. The President should welcome this kind of response by the Congress to our energy problems and I am puzzled by his apparent lack of interest. We have delayed consideration and action on this bill long enough. I urge my colleagues to support H.R. 49.

Mr. ANDERSON of California. Mr. Chairman, I rise in strong support of H.R. 49, as reported and revised by the Committee on Interior and Insular Affairs.

If the United States is to become less dependent on foreign sources of energy, we must realize that conservation, while important, is not enough. Our Nation must also increase domestic production of crude oil.

This can be accomplished in many ways. Exploration and production on the Continental Shelf, secondary and tertiary recovery from existing wells, and development of oil shale reserves. These all offer some hope that in the future we can achieve a national energy independence.

However, there is one large source of oil which is already proven, and can be made available for almost immediate production. This source is our Elk Hills naval oil reserves.

In 1974, the United States imported approximately 2.2 billion barrels of oil—over 6 million barrels a day. This represents well over a third of our total annual consumption.

And at the same time, our domestic production has decreased at an annual rate of 1.7 percent since 1971.

H.R. 49, if adopted, will go far in reversing this trend of increased imports and declining domestic production.

The Elk Hills Reserve, in my own State of California, will alone prove to be a valuable addition to productive domestic oil fields. Within 6 months, a production rate of 160,000 barrels a day can be obtained if the reserve is opened up.

In a year's time, Elk Hills could produce as much as 300,000 barrels of crude oil daily. This represents about 40 percent of President Ford's request that U.S. demand for foreign oil decline by 800,000 barrels a day by the end of the year.

As reported by the Interior and Insular Affairs Committee, H.R. 49 represents the most comprehensive approach to developing our naval oil reserves. Antitrust provisions contained in this legislation will prevent large corporations from dominating the oil which will be produced, and will guarantee the small, independent refiner an equal chance to share in these new sources. Additionally, revenues derived from the sale of oil from the reserves will be a welcome addition to our Nation's Treasury.

I urge my colleagues to join me in support of this vitally important legislation.

Mr. GUDE. Mr. Chairman, I favor H.R. 49, which would permit commercial development of the Elk Hills Naval Petroleum Reserve and the development of two other naval reserves, as well as permitting exploration of Naval Petroleum Reserve No. 4 in Alaska.

The exploration and development of those three naval reserves, and the commercial sale of the production therefrom, is most definitely the preferred course of action. I do not believe the Navy requires the full production of the Elk Hills and other reserves, as would be provided for under H.R. 5919. There is no national security reason for this limitation, especially since there is an amendment to H.R. 49 which would place a portion of the reserves in any strategic storage facility as may be established by the Congress. If it were needed for the national security, the military has traditionally had the first rights to any domestic production and would certainly have first rights to these reserves.

H.R. 49 would permit exploration of Naval Petroleum Reserve No. 4 on Alaska's North Slope, but would not permit development of that reserve. I find this a far more satisfactory condition both on national security grounds and on environmental grounds than that provided for in H.R. 5919, which would also permit development of that reserve.

The antitrust amendment to H.R. 49 is a very valuable provision since it would prohibit any single corporation from bidding on more than 20 percent of the total reserve. This would establish a very competitive market condition for the production in the three reserves.

Therefore, I find H.R. 49 to contain many good provisions which would provide for a far superior approach to the Naval Petroleum Reserves than would H.R. 5919. I encourage my colleagues to join me in voting for H.R. 49, with the amendments as proposed by the Interior Committee.

The CHAIRMAN. All general debate time has expired.

Pursuant to the rule, the substitute committee amendment printed in the reported bill of March 18, 1975, by the Committee on Interior and Insular Affairs, is considered as having been read for amendment, and it shall be in order to consider the text of the bill H.R. 5919 if offered as an amendment in the nature of a substitute for the substitute committee amendment recommended by the Committee on Interior and Insular Affairs; and if the amendment in the nature of a substitute H.R. 5919 is rejected in the Committee of the Whole, then it shall be in order to consider en bloc the amendments recommended by the Committee on Armed Services now printed in bold print in the bill H.R. 49, as reported by that committee on April 19, 1975, to the amendment recommended by the Committee on Interior and Insular Affairs.

The substitute committee amendment reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to develop petroleum reserves of the United States which need to be regulated in a manner to meet the total energy needs of the Nation, including but not limited to national defense, the Secretary of the Interior is authorized to establish national petroleum reserves on any reserved or unreserved public lands of the United States (except lands in the National Park System, the National Wildlife Refuge System, the Wild and Scenic Rivers System, the National Wilderness Preservation System, areas now under review for inclusion in the Wilderness System in accordance with provisions of the Wilderness Act of 1964, and lands in Alaska other than those in Naval Petroleum Reserve Numbered 4).

SEC. 2. No national petroleum reserve that includes all or part of an existing naval petroleum reserve shall be established without prior consultation with the Secretary of Defense, and when so established, the portion of such naval reserve included shall be deemed to be excluded from the naval petroleum reserve.

Upon the inclusion in a national petroleum reserve of any land which is in a naval petroleum reserve on the date of enactment of this Act, any equipment, facilities, or other property of the Department of the Navy used in operations on the land so included and any records, maps, exhibits, or other informational data held by the Secretary of the Navy to the Secretary of the Interior who shall thereafter be authorized to use them to carry out the purposes of this Act.

The Secretary of the Interior shall assume the responsibilities and functions of the Secretary of the Navy under any contract which now exists with respect to activities on a naval petroleum reserve to which the United States is a party.

SEC. 3. The oil and gas in the national petroleum reserves in the contiguous forty-eight States established pursuant to this section may be developed under terms and conditions prescribed by the Secretary of the Interior. The Secretary of the Interior shall use competitive bidding procedures with prior public notice of not less than thirty days of the terms and conditions for any contract, lease, or operating agreement for development and production of oil and gas from a national petroleum reserve. Such terms and conditions and also plans for the development of each area of the national petroleum reserves shall be published in the Federal Register, but shall not become effective until sixty days after final notice has been published and submitted to the Congress (not counting days on which either the House of Representatives or the Senate is not in session for three consecutive days or more) and then only if neither the House of Representatives nor the Senate adopts a resolution of disapproval. Each proposed plan of development and each amendment thereof shall explain in detail the method of development and production proposed, shall provide for disposal and transportation of the oil consistent with the public interest, and shall give full and equal opportunity for development of or acquisition of, or exchange for, the oil and gas by qualified persons including major and independent producers or refiners alike. Each proposed plan of development by the Secretary shall also explain the relative need for developing the oil and gas resources in order to meet the total energy needs of the Nation, compared with the need for prohibiting such development in order to further some other public interest.

(b) Any oil or gas produced from such petroleum reserves, except such oil or gas which is either exchanged in similar quantities for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across ports of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any oil or gas subject to this section may be exported under the limitations and licensing requirement and penalty and enforcement provisions of the Export Administration Act of 1969 the President must make and publish an express finding that such exports will not diminish the total quality or quantity of oil and gas available to the United States and are in the national interest and are in accord with the Export Administration Act of 1969.

(c) The Secretary of the Interior is authorized to enter into contracts for the sale of oil and gas which is produced from the national petroleum reserves and which is owned by the United States. Such contracts shall be issued by competitive bidding, they shall be for periods of not more than one year's duration, and in amounts which, in the opinion of the Secretary shall not exceed those which can be effectively handled by the purchasers.

(d) The Secretary of the Interior is hereby authorized and directed to explore for oil and gas on Naval Petroleum Reserve Numbered 4 and he shall report annually to Congress on his plan for exploration of such reserve: *Provided*, That no development leading to production shall be undertaken unless authorized by Congress.

(e) Any pipeline which carries oil or gas produced from the national petroleum reserves shall be subject to the common carrier provisions of section 28(r) of the Mineral Leasing Act of 1920 (41 Stat. 449), as amended (30 U.S.C. 185), regardless of whether the pipeline crosses public lands.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HÉBERT

Mr. HÉBERT. Mr. Chairman, I offer the text of H.R. 5919 as an amendment in the nature of a substitute for the amendment in the nature of a substitute to H.R. 49 recommended by the Committee on Interior and Insular Affairs.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. HÉBERT:

That (a) chapter 641 of title 10, United States Code, is amended as follows—

(1) Immediately before section 7421 insert the following new section:

"§ 7420. Definitions

"(a) In this chapter—

"(1) 'national defense' includes the needs of, and the planning and preparedness to meet, essential defense industrial and military emergency energy requirements relative to the national safety, welfare, and economy, particularly resulting from foreign military or economic actions;

"(2) 'naval petroleum and oil shale reserves' means the naval petroleum and oil shale reserves established by this chapter, including Naval Petroleum Reserve Numbered 1 (Elk Hills), located in Kern County, California, established by Executive order of the President on September 2, 1912; Naval Petroluem Reserve Numbered 2 (Buena Vista), located in Kern County, California, established by Executive order of the President on December 13, 1912; Naval Petroleum Reserve Numbered 3 (Teapot Dome), located in Wyoming, established by Executive order of the President on April 30, 1915; Naval Petroleum Reserve Numbered 4, Alaska, on the north slope of the Brooks Range, established by Executive order of the President of February 7, 1923; Oil Shale Reserve Numbered 1, located in Colorado, established by Executive order of the President of December 6, 1916, as amended by Executive order of June 12, 1919; Oil Shale Reserve Numbered 2, located in Utah, established by Executive order of the President of December 6, 1916; and Oil Shale Reserve Numbered 3, located in Colorado, established by Executive order of the President of September 27, 1924;

"(3) 'petroleum' includes crude oil, associated gases, natural gasoline, and other related hydrocarbons, oil shale, and the products of any of such resources; and

"(4) 'Secretary' means the Secretary of the Navy.".

(2) Section 7421(a) is amended—

(A) by striking out "for naval purposes" and inserting in lieu thereof "for use of the Armed Forces"; and

(B) by striking out "section 7438 hereof" and inserting in lieu thereof "this chapter".

(3) Section 7422 is amended by adding at the end thereof the following new subsection:

"(d)(1) In order to place certain naval petroleum reserves in a proven state of readiness to produce petroleum, the Secretary is authorized—

"(A) to explore, develop, operate, and produce petroleum, from Naval Petroleum Reserves Numbered 1, 2, and 3 at a rate consistent with sound oilfield engineering practices up to two hundred thousand barrels per day for a period not to exceed three years commencing ninety days after enactment of this legislation; and

"(B) to construct or procure pipelines and associated facilities for transporting oil, associated liquids, and gases, from Naval Petroleum Reserves Numbered 1, 2, and 3 to the points where such production will be refined or shipped.

Such pipelines at Naval Petroleum Reserve Numbered 1 shall have a combined delivery capability of not less than three hundred and fifty thousand barrels per day, and shall be fully operable by three years after the date of enactment of this subsection.

"(2) The production authorization set forth in paragraph (1)(A) of this subsection is conditioned upon the Secretary reaching an agreement with the private owner to continue operation of Naval Petroleum Reserve Numbered 1 under a unitized plan contract which adequately protects the public interest.

"(3) The production of petroleum authorized under this subsection is not subject to the provisions of subsection (b)(2) of this section relating to Presidential approval or congressional authorization.".

(4) Section 7423 is amended by inserting "(a)" immediately before "The Secretary"; and by adding at the end thereof the following new subsection:

"(b) During the three-year period of production authorized by subsection (d) of section 7422 (during which three-year period the consultation requirements of section 7431(3) are waived), the Secretary shall submit annual reports to the Armed Services Committees of the Senate and the House of Representatives detailing—

"(1) the status of the exploration and development program at each of the naval petroleum reserves;

"(2) the production which has been achieved at each of the naval petroleum reserves pursuant to that authorization, including the disposition of such production and the proceeds realized therefrom;

"(3) the status of the pipeline construction and procurement authorized by such subsection (d);

"(4) any need for modification of the production levels authorized by such subsection (d), including any recommendation for continuing production beyond the three-year period provided in such subsection; and

"(5) the plans for further exploration, development and production at Naval Petroleum Reserve Numbered 4.".

(5) Section 7430(b) is amended to read as follows:

"(b) Notwithstanding any other provision of law, each sale of the United States share of petroleum, gas, other hydrocarbons, oil shale, or products therefrom, shall be made by the Secretary at public sale to the highest qualified bidder at such time, in such amounts, and after such advertising as the Secretary considers proper and without regard to Federal, State, or local regulations controlling sales or allocation of petroleum products.".

(6) Section 7430 is further amended by adding at the end thereof the following new subsection:

"(c) Any disposition of the United States share of the production authorized by section 7422(d) shall be conducted in such a manner as to insure that an amount of petroleum products equal in value to the crude oil and associated gases and liquids supplied from the naval petroleum reserves shall be made available exclusively to the armed forces of the United States. Any disposition of that production shall be so arranged as to give full and equal opportunity for acquisition of the petroleum and associated products by all interested companies, including major and independent oil refineries alike.".

(7) Section 7432 is amended to read as follows:

"§ 7432. Naval petroleum and oil shale reserves special fund

"(a) There is hereby established on the books of the Treasury Department a special fund designated the 'naval petroleum and oil shale reserves special fund'. There shall be credited to such fund—

"(1) all proceeds realized under this chapter from the disposition of the United States share of petroleum or refined products, oil and gas products, including royalty products;

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of Defense of refined petroleum products accruing to the benefit of any component of that Department as the result of any such sales or exchanges; and

"(3) such additional sums as have been, or may be, appropriated for the maintenance, operation, exploration, development, and production of the naval petroleum and oil shale reserves.

"(b) Funds available in the naval petroleum and oil shale reserve special fund shall be available for expenditure in such sums as are specified in annual congressional appropriations Acts for the expenses of—

"(1) exploration, prospecting, conservation, development, use, operation, and production of the naval petroleum and oil shale reserves as authorized by this chapter;

"(2) production, including preparation for production as authorized by this Act, or as may hereafter be authorized; and

"(3) the construction and operation of facilities both within and outside the naval petroleum and oil shale reserves incident to the production and the delivery of crude petroleum and derivatives, including pipelines and shipping terminals.

"(c) The budget estimates for annual appropriations from the naval petroleum and oil shale reserve special fund shall be prepared by the Office of Naval Petroleum and Oil Shale Reserves and shall be presented by the President independently of the budget of the Department of the Navy and the Department of Defense.

"(d) Contracts obligating only such funds as are appropriated and made available annually may be entered into by the Secretary for periods of not more than five years renewable for a like term.".

(8) Section 7433(b) is amended by adding immediately before the period at the end thereof the following: "and credited to the naval petroleum and oil shale reserve special fund".

(b) The analysis of such chapter 641 is amended—

(1) by inserting immediately before

"7421. Jurisdiction and control."

the following:

"7420. Definitions.";

and

(2) by striking out

"7432. Expenditures: appropriations available."

and inserting in lieu thereof the following:

"7432. Naval petroleum and oil shale reserve special fund."

SEC. 2. (a) The Secretary of the Navy shall establish a study group which shall investigate the feasibility of creating a national strategic petroleum reserve (military) (hereinafter in this section referred to as the "reserve"). Any such reserve should include petroleum stored at strategic locations, or available for delivery to such locations, and include facilities for storage, transportation, or processing thereof. In computing the amount of petroleum to be stored in such reserve, the peacetime operating stocks and prepositioned war reserve stocks of the Department of Defense shall not be included. Such reserve should be in addition to any national strategic petroleum reserve (civilian) which may be otherwise provided for.

(b) The investigation required under subsection (a) shall include, but need not be limited to, determinations with respect to the size, scope, objectives, and all cost factors associated with the establishment of the reserve. In arriving at its findings and recommendations, the study group shall consult with, and seek, the position of the Joint Chiefs of Staff relative to the overall posture of the reserve.

(c) Not later than one year after the date of the enactment of this Act, the Secretary of the Navy shall report to the Congress the findings and recommendations of the study group.

Mr. HÉBERT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HÉBERT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman and members of the committee, as was suggested before by the ranking minority member of the Committee on Interior and Insular Affairs, we really get down to the nuts and bolts right now as to what this is all about. I disagree with the gentleman's statement that the country does not care about the jurisdiction. We can put a period there.

Perhaps the country does not care about the jurisdiction of any legislation, but I am sure that the House of Representatives concerns itself a great deal with its jurisdiction and its rules and regulations. As I indicated before during open debate, three times the House has said that the House Armed Services Committee has the jurisdiction over the Navy oil petroleum reserves—three times. Nobody can deny that this is not a challenge and a determination upon the part of another committee to walk into the legislative arena and take away from it the jurisdiction which has been given to it by the House.

Under the rules of the House and under the rules of the Democratic caucus, each committee sets up its own subcommittees and designates the jurisdiction of that subcommittee. Under those rules and following those directions and those guidelines, the House Armed Services Committee set up a subcommittee with jurisdiction over the Navy's petroleum reserves.

Now, what do we find happening here today? Another committee comes in and tells the Armed Services Committee, "You cannot have that committee. We have decided to usurp its legislative responsibilities. We are not on your committee, we are not your committee, we are going to ignore your committee's legislative jurisdiction.

Is that justice? Is that fair? Is that consistent with the rules? I do not think so, so let us face the facts of life.

Let me tell the Members another very interesting thing. This rule was reported out 2 months ago. We were ready to come to the floor with it on the following Tuesday after it was reported out, and the Armed Services Committee came to the floor prepared to offer its bill. Did the Armed Services Committee delay? Who delayed? The individuals who support so-called H.R. 49; they refused to bring the bill up. Why? A good question. It took them 2 months to write a printed confession which they have inserted on the floor today concerning 35 different amendments in an attempt to bring the bill into consonance and conformity with what the Armed Services Committee offered.

Now what situation do we find ourselves in? I agree with the statement that we both have the same objectives.

Mr. MELCHER. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. Yes, I yield to the gentleman.

Mr. MELCHER. Mr. Chairman, I thank the gentleman for yielding.

The distinguished gentleman from Louisiana has again repeated what several other Members have mentioned this afternoon, and I want to reassure the House that when we get to H.R. 49, if we vote down the Armed Services Committee bill, we will not be offering 35 amendments to H.R. 49. We will be bringing it up as a substitute amendment in one package, so the House need not fear that we will be toiling here with individual amendments. We had published in the RECORD on June 26 all of the amendments that we seek to offer except one. They are contained in one package. So the House will not be burdened for hours considering one amendment at a time. We have printed in the RECORD the complete text of our bill, and we have available at the desk and in the rear of the Chamber the complete text, all mimeographed out.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent, Mr. HÉBERT was allowed to proceed for 5 additional minutes.)

Mr. HÉBERT. Mr. Chairman, I appreciate the gentleman's statement, and I will say to him that we will cross that parliamentary bridge when we get to it. There are certain parliamentary things that have to be conformed with, and we will discuss that matter at the proper time. Whether it can be considered or not, I am not ready to admit that right now at all. There are certain procedures we have to go through, and if those procedures are not followed, then we do not consider it. So we will cross that bridge when we come to it. As a matter of fact, what we have here is the most simplified form we can follow. Here we have a bill. It conforms. It has the objectives. It tries in every way. It is a compromise bill.

We have indicated we want to meet our goals, protecting our national security, protecting the national interests, by authorizing daily production not exceeding 300,000 barrels per day.

The President's Commission on Energy is the one that offered that. That is an area where we have compromised. As the gentleman from Tennessee said, the Members can look that over.

But let me not stand here and build phrases and use pretty words and reexamine and repeat things that have been said. Let me confine myself to what the issue is. Are we going to throw the Armed Services Committee out on its ear, or are we not? Are we going to stand up for what the rules of the House are, or are we not? Are we going to tell the Armed Services Committee that it is going to be superseded by another committee, or are we not? And if you are prepared to say that to the Armed Services Committee, some other committee is going to tell you that you cannot have your committee, it is another committee, tomorrow.

The pattern has been set. Let us get over with this business. We can get over it very quickly. The author of the amendment is here, proceeding under the rules. And I repeat and underscore and emphasize the phrase, "under the rules."

Mr. Chairman, I urge adoption of the amendment so that we can go home with our goal accomplished.

Mr. STEIGER of Arizona. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it is time to point out that the king has no clothes. I think it is time to reveal once and for all that there is no such thing as a viable Naval Petroleum Reserve.

That is my deep conviction. I have the greatest respect for the gentleman from Louisiana (Mr. HÉBERT), who was the chairman of the committee, and others who have defended their position so sincerely, but that reserve just does not exist. We do not have in its present form a reserve that is usable by any standards of modern warfare.

It is just as simple as that. We have in place of that the authority of the President in an emergency to commandeer whatever he needs for the defense of this country. He should have that authority, and the military services should have the benefit of whatever is commandeered. But it is absolutely out of Alice in Wonderland to talk about a naval petroleum reserve in terms other than identification.

Mr. Chairman, that does not even offend me. I have been here long enough to understand the value of cosmetics. But what does offend me is the apparent insistence that somehow the security of the country is jeopardized by our recognition that there is no naval petroleum reserve in the sense that we have been talking about here today. The fact is, of course, that the Department of the Interior is the public agency that is responsible for the development of natural resources on Federal lands. The fact is that Elk Hills qualifies in this respect, and the fact is, very simply, that the Navy has proven itself not competent to develop it, and yet it is now going to go on and further demonstrate its incompetence in the development by getting the oil involved in the civilian oil market, for which it has no expertise, and it is going to compound the problem by building a naval pipeline for civilian oil. It is ridiculous.

All this is just to preserve the jurisdiction of a House congressional committee. The gentleman from Louisiana (Mr. HÉBERT) is concerned that we are bludgeoning the committee and taking away its responsibility. He knows that is not the case. The fact is that the Congress gave the committee the authority in the first place, and the Congress is now getting ready to take it away. I will tell the gentleman from Louisiana that it is going to take its authority away.

I say this not out of any lack of affection for the former chairman of the committee or out of any failure to recognize the problems of national security, but for an ironic reason, and that is this: The gentleman knows that his amendment is going to be rejected by Members who automatically reject anything the Committee on Armed Services sponsors. That is patently unfair, but that is going to be the effect.

The "bongoes" are going to vote against it, not for the reasons I am pointing out, but the great majority of Members or "bongoes"—and I hasten to add that I define them as "bongoes"; nobody else thinks of them as "bongoes" but me—will vote against it for a different reason. I will point out to the gentleman that that is not based on reasoning and that is not based on logic. I am sorry for that, I will say to the gentleman, but this is a jurisdictional fight. I am sorry that this could not have been resolved in some fashion to the satisfaction of everybody concerned, instead of having to air it out on the floor and seeing the position of the gentleman from Louisiana go down to defeat on grounds other than the merits, because I think the gentleman's position could have been defeated on the merits. However, it is going to be defeated out of pure emotion.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to speak, but I am chairman of the Subcommittee on Seapower and Strategic and Critical Materials, and think I should speak from that experience. I do know the reluctance of the Office of Management and Budget to allow for adequate numbers of nuclear ships. I do know our stockpiles are in many cases insufficient.

This is a matter of grave concern to this country. We do need petroleum defense reserves under present and forseeable conditions.

I do not see here a very complicated issue. It seems to me the major difference between these two bills is simply that the bill which comes out of the Committee on Armed Services is one that does retain a reserve for the Navy—it is just as simple as that—and the one that comes from the Committee on Interior and Insular Affairs does not.

The Interior bill does provide that there can be consultation between the Secretary of the Interior and the Secretary of Defense. Many of us have been confronted with an opportunity for consultation in life, like the consultation opportunity of a private to discuss with his captain whether or not he may have the weekend off, and things like that.

Consultation is a nice thing to have, but if at the end of it, a decision is made by the other party, it often does not make any difference. Really, that is the only difference between these two bills, as far as the two printed bills are concerned.

Mr. Chairman, I do not remember ever being presented with an entirely new mimeographed bill during a debate. Maybe it has happened before, but I do not remember it. I was astounded just a few minutes ago to realize that the printed Interior bill which I was reading and making notes on is not the bill that we are going to vote on. The bill that we are going to vote on is apparently a mimeographed packet, hostily constructed, a revised substitute bill 49.

The issues, however, are fairly simple. They are simple because the only major difference between these two bills is that one—the armed services one—does preserve a naval reserve, and the other one does not have a naval reserve.

There is another point that I think is worth mentioning, and that is that the bill of the Committee on Armed Services is less exploitable by large oil interests.

Why is it that we now have Navy control over oil reserves? Because there was a Secretary in the Cabinet who served time some years ago, in the Interior Department, not in the Navy Department, who proved to be a tool of the oil interests. So we moved into this situation so that the Navy's defense interests in the oil could be preserved. That is exactly why we have the reserve today.

Mr. Chairman, if we accepted the bill from the Committee on Interior, it would move us back to that situation in which we had that evil kind of experience. I do not think we are ever likely to have that kind of experience under the Navy Department.

Some people feel that the Navy Department should have used more fully the oil it had. Perhaps it should and perhaps it should not. Congress could have ordered it at anytime. At least, we did know, at the end, that there was a naval reserve of oil, and that is something. That is something more than we are going to know if we pass the bill of the Committee on Interior.

There have been a lot of other things said on this floor, some of which are quite distressingly inaccurate. I presume they were said for humor's sake primarily. It was said for instance that this matter has been in the hands of the Navy for 199 years and not 1 gallon has come out for combat. Of course, that is not true. That is not factual at all.

It has been implied that the Navy has no way to build a pipeline. If that be so why are we spending the millions of dollars we spend for our Seabees, a wonderful organization. The Navy does have that capacity. As a matter of fact, they have a great deal of capacity for construction. Of course the Navy would have to be ordered to do this by law. That we have not done.

Mr. Chairman, I think we can just summarize this whole matter by saying that the major difference between the bills is the fact that there will be a naval reserve for the protection of our ships and our country if we use the bill of the Committee on Armed Services. That is important. The second important thing is that the Armed Services bill will not allow the exploitation by big oil interests in the way in which it can be done under the Interior bill.

This discussion is not a question of haggling between two committees on their jurisdiction. It is a question of whether we want to abandon the naval oil reserve and to open the door to big oil interests to come in and do what they did two decades ago. I do not think the Members want to do that. We have had no scandals since the Navy has been handling this matter.

The major point is, of course, that we have a naval reserve of oil and we should not abandon it. I think that is important and in the interest of national defense.

Mr. Chairman, I think, therefore, that the Committee on Armed Services bill is a better bill, and I urge the Members to vote for it.

Mr. BELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Hébert substitute, H.R. 5919.

The substitute bill reported by the House Armed Services Committee pretends to aim at helping our energy situation—but we will never see any meaningful production under their bill, if enacted, due to several serious and glaring deficiencies in it:

First, the Hébert substitute allows for production up to a maximum of only 200,000 barrels per day. They say it will be amended to 300,000 barrels per day for a period of only 3 years, but it in no way requires any production.

Even if the Navy moved quickly to produce the maximum allowable under the substitute bill, of which we would have no guarantee, the Nation would see only a very minimal level of production. And for only a short time.

Besides, it would take at least 3 years to get Elk Hills up to 300,000 barrels per day—so we would not even start seeing that amount of production for at least 3 years.

In other words, most of the 3-year time limit in the Hébert substitute would be spent just getting the reserve up to that level of production.

The Navy itself has estimated that total production under the substitute bill—given the inevitable delays—would total only 122 million barrels over the 3-year period, which averages out to a little over 100,000 barrels per day. This is not even one-half of the goal set by H.R. 49.

This would effect our balance of payments by less than half of what the Interior Committee's bill would, and for only 3 years.

Second, the Hébert substitute is deficient in that its provisions dovetail in upon themselves:

Subsection A (page 3, line 25) of H.R. 5919 allows for production for "a period not to exceed 3 years," yet the following subsection (page 4, line 11) provides for construction or procurement of pipelines "to be fully operable by 3 years after the date of enactment."

I see all kinds of potential here in H.R. 5919 for the Navy to stall off producing until the pipelines are ready, which very conveniently happens to coincide with the expiration of their authority to produce under the provisions of the substitute. Besides the Navy itself admits that it will take them 3 years to construct adequate pipeline facilities at Elk Hills.

Third, H.R. 5919 limits disposition of production from the reserves exclusively to the Armed Forces, and would totally eliminate any other options for the U.S. Government in attempting to deal with our critical energy situation.

Finally, Mr. Chairman, the most serious deficiency in the Hébert substitute is that it permits the Navy to retain control over this Nation's oil reserves—which I see as completely illogical and anachronistic.

This is 1975, Mr. Chairman, not 1912. The time has long passed since there was a need for special reserves for the exclusive use of the Navy—you know that as well as I do.

Our oil reserves were established more than 60 years ago when the Navy was converting its ships from coal to bunker oil, to assure a fuel source in time of war, but the Defense Production Act, enacted by Congress in 1950, and the Petroleum Allocation Act, now guarantee the Navy and the other branches of our armed services top priority over all oil and gas supplies and production in America.

In time of national emergency, the military has first call on all oil in America.

They can, by law, get whatever they need right off the top of all our supplies and production.

Current domestic production totals 10 to 11 million barrels per day.

By the military's own estimates, the most oil they could ever need in time of war would be 3 million barrels per day.

Mr. Chairman, they need never worry about getting sufficient oil and their continuing claims to need a special naval reserve become more preposterous and anachronistic every year.

This Nation, and this Congress, must look to formulating a sensible, overall energy policy if we are to maintain our position of prominence and power in the world—H.R. 49, if enacted, would represent a significant, major step in that direction—and I strongly urge my colleagues to soundly defeat the weaker, ineffectual substitute bill.

Mr. Chairman, I would like to point out one other point, and to do so I would like to quote from an editorial from the Washington Post:

> Elk Hills does not belong to the Navy, but to the U.S. Government and the people of this country. The oil under the sea, beneath our Outer Continental Shelves, also belongs to the government. Current offshore production is around 1.4 million barrels per day, almost five times the maximum potential flow from Elk Hills. Since the Offshore Oil and Elk Hills both belong to the same owner and are dedicated to the same nation's welfare, why should they be developed according to totally different rules and standards? It doesn't make much sense to keep Elk Hills away from Interior Department's jurisdiction, on the alleged grounds that Interior is irresponsible, while leaving that same department fully in charge of the development of the vastly more important resources offshore.
>
> It is not a proper classification nor is it right or proper for such an organization as the Navy to have a multi-billion dollar public energy asset under its control. It is only right that one agency should have public policy control over such important assets of this nation as energy. To do otherwise clouds the nations overall thrust in achieving energy self-sufficiency. Particularly this is true where you have one agency thinking in terms of matters that benefit the entire nation and another agency thinking in terms of only how it helps its individual agency policy rather than how it helps the country as a whole. This is particularly true when we have in this nation an approximate 6 million barrel a day shortfall and we are trying desperately to make up domestically some of that difference.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I join the gentleman in the well and compliment him on a fine, very good presentation here today, a very convincing presentation.

Mr. Chairman, I rise to add my voice in support of H.R. 49.

For more than 2 years, I have been calling for stepped-up oil production from the Elk Hills Naval Petroleum Reserve.

Early in 1973, along with my distinguished colleagues from California (Messrs. Bell, Ketchum and Corman), I initiated a discharge petition on the House floor to force an Elk Hills bill out of the Armed Services Committee.

Then in December 1973, I succeeded in having a supplemental appropriations bill (H.R. 11576) conference report recommitted just 2 days before Christmas recess so that $64.5 million could be added to speed up development of Elk Hills.

The United States needs the oil from Elk Hills, and H.R. 49 seems the best way to get it. This is the only bill that promises to provide full production at the earliest opportunity.

H.R. 49 would also be a superior bill—as it would provide for antitrust safeguards, a national strategic petroleum reserve, and wildlife conservation in petroleum reserve No. 4 in Alaska. I support these amendments and urge my colleagues to join with me.

The antitrust safeguards in the Interior Committee's bill are threefold. First, H.R. 49 would require the National Petroleum Reserve Office to consult with the Attorney General regarding any contract provision relating to the development of the naval petroleum reserves. Second, the Interior Committee's bill provides that the passage of the act cannot be interpreted as giving immunity for prosecution from the antitrust laws. And third, the Interior bill provides, in specific language, that independent oil producers and refiners shall have access to the oil produced from the national petroleum reserves.

From an environmental point of view, the Interior Committee's bill is superior because it would require a developmental plan for petroleum reserve No. 4 before oil production could be launched. In light of the enormous population of wildlife in this area, thoughtful consideration of conservation and environmental values is mandated before full-scale production operations are started.

I also support the Fraser-Dingell amendment that proposes to funnel revenues from the sale of Elk Hills oil into a "National Strategic Petroleum Reserve Special Fund," which will be available to insure that a strategic reserve program will become reality.

The Interior Committee's bill is a good bill, and it is superior to the Armed Services Committee's bill. I ask my colleagues to pass the Interior bill.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the chairman of the Committee on Interior and Insular Affairs urged the House to vote for a good bill and then characterized, of course, the Interior bill as a good bill. So we have to ask ourselves which Interior bill? We have one that the committee itself has already abandoned by a vote of the committee: H.R. 49. Then we have a series of amendments yet to be adopted to form the No. 2 bill. So I would say we are not in a very good position to cast judgment on the Interior bill that is being offered this afternoon.

It would be honest to indicate that this is a committee jurisdiction fight, and it is. It has been admitted here on the floor the jurisdiction is being taken away from the Committee on Armed Services over the Elk Hills and naval petroleum reserves. Our friend, the gentleman from Arizona (Mr. Steiger) indicates that is perfectly proper. We do that by act on the floor. Even in that manner it is not proper because if we want to amend the rules of the House, we do that first by party caucus and then by a vote in the House where amendments of the rules are in order. It is certainly not in order during deliberations or debate on a pending bill, a legislative bill.

My friend, the gentleman from California (Mr. Bell) mentioned that he questioned the ability of one agency to administer this legislation or the petroleum reserves. I do not question the ability of that agency at all. I think it has plenty of ability to do it, but I do know that when we did transfer the jurisdiction of Federal land to a certain agency under circumstances very similar to what we might be doing here, the Teapot Dome resulted. So I think we have to be extremely careful when we do things like this, and I think we ought to think about these things before we do them. We may have some reason why we want to take the jurisdiction away from some committee, but if we want to do that, let us do it in the proper fashion and have a session for amendment of the rules of the House.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. BELL. I thank the gentleman for yielding.

The gentleman, whom I respect very much, I think has to recognize that the Teapot Dome scandal which he continues to raise took place 50 years ago, nearly 60 years ago. The Navy has had control of the Elk Hills field now since 1912, and yet they have not even seen fit to develop a pipeline, to develop the production of this field, that is supposed to be the intent of the law, which is to have it for emergency use, and it is not prepared for emergency use. They have had since 1912 to develop it for emergency use.

Mr. PRICE. But at least there has never been any Teapot Dome scandal in the meantime.

I think the field could be readily reserved for emergency use. I think the Department of the Navy would have done it any time we would have required it to be done at the will of the Congress. The problem is that not until the last 2 years has the world and the United States ever thought we would have any energy problems, so nobody did anything about any of these things. Now we want to put the whole blame on the back of the U.S. Navy. I do not think we will get away with that.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. I simply want to point out that in my comment with regard to jurisdiction I simply meant the Congress gave the Navy the responsibility of Elk Hills, and Congress without any reference to the Rules Committee is simply entitled to remove that responsibility from the Navy to the Department of the Interior. It is not a violation of any legislative prerogatives since the Navy Department still remains under the Armed Services Committee.

Mr. BELL. Mr. Chairman, will the gentleman yield since he uses my name?

Mr. PRICE. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, the very reason the gentleman states is the very reason the Navy should not be troubled with this field, because of the very fact that the Navy does have other priorities. The Armed Services Committee has other priorities. It has responsibilities for the Navy and for the Navy ships and for the Navy missiles and other exciting prospects for the budget. The development of Elk Hills comes to something mundane. I am trying to put a round peg in a round hole rather than a square peg in a round hole.

Mr. PRICE. I have had at least two occasions in which to have an opportunity to mention this legislation to the President and each time he was concerned about getting on with this legislation and he stated he was talking about the bill from the Armed Services Committee. I do not remember his ever mentioning H.R. 49. From the nature of the conversation it was the Armed Services bill he was concerned with and anxious that we get on with.

I hope we will settle our jurisdictional problem here this afternoon and settle it in a way that would expedite the legislation we are all interested in by supporting the bill from the House Armed Services Committee.

AMENDMENT OFFERED BY MR. STRATTON TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HÉBERT

Mr. STRATTON. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Stratton to the amendment in the nature of a substitute offered by Mr. Hébert:

Page 8, line 2, strike "and".

Page 8, line 7, strike the period and insert "; and ".

Page 8, after line 7, insert the following new paragraph:

"(4) the establishment of a National Strategic Petroleum Reserve (military)."

Page 9, line 4, through page 10, line 4, delete Section 2 and substitute therefor the following:

Sec. 2(a) a It is hereby declared to be the policy of the United States that a National Strategic Petroleum Reserve (military) shall be established in order that the energy requirements of the U.S. military will be met in the event of any disruption of supplies of petroleum or petroleum products or any military emergency.

(b) Upon enactment of this Act, the Secretary of the Navy shall commence a search for suitable storage facilities within which the strategic petroleum reserve (military) may be stockpiled. The search shall be conducted under the assumption that storage will be needed for 300 million barrels of military stockpiles.

(c) At such time as suitable storage facilities, either in or above ground, become available, the Secretary of the Navy will stockpile up to 25 percent of the daily production of petroleum from the naval petroleum reserves.

(d) Commencing one year after enactment of this Act, the Secretary of Defense, after consultation with the Joint Chiefs of Staff, shall provide Congress with a plan recommending the amount of petroleum to be stockpiled on an annual basis in such military strategic petroleum reserve.

Mr. STRATTON (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Chairman, this amendment would provide for a strategic reserve of military oil to be established with up to 25 percent of the production from Elk Hills under this bill. The subject has been brought to the attention of a number of the Members of the House over the past few months as the subject of Elk Hills has been discussed in various "Dear Colleague" letters we have received from time to time.

As I said earlier, we in the Armed Services Committee wanted to proceed with caution because we did not want to eliminate any oil reserve that might be needed in an emergency, particularly as the gentleman from New York (Mr. Pike) has pointed out, for military operations in case they should be required. That is why we want to proceed cautiously on Elk Hills and why we want to find out just what is actually available in Pet 4 before we completely pump Elk Hills dry.

But some Members of the House have felt that the Armed Services Committee is not proceeding cautiously enough and they have suggested that any legislation dealing with this matter should provide for a specific reserve, not in the ground and available to be pumped out when the emergency came, but located above the surface in tanks and storage areas and immediately available for use.

I think that, although they are more cautious than we are, there is something to be said for that point of view, and so I want to offer that kind of amendment as a part of our bill. What it would do is simply provide that up to 25 percent of the pumpage from Elk Hills during this period be deposited into a national strategic reserve military, with a report to be received later on from the Secretary of Defense recommending the total amount of oil that should be contained in that reserve.

My proposal would be to tentatively

set that total at 300 million barrels of oil. Incidentally, that is three times as much as the gentleman from Montana and the gentleman from Arizona have been trying to tell us is located in the Naval Petroleum Reserve No. 4. If that is all that is really up there in Alaska, 100 million barrels, then we certainly should not be pumping Elk Hills dry without any limitation.

So that there should be no concern over what we have in reserve, I believe this amendment ought to be added to the committee substitute.

Let me also point out, particularly to those who are quoting the Washington Post with such elation, including Members who do not usually quote it with any great elation, that if we want to play that game then I will read to the House an editorial that appeared in the very conservative New York Times on the 23d of May this year. This is what the New York Times concludes:

> But since it is desirable to keep alive the concept of a petroleum reserve for the Armed Forces, the more cautious approach of the Armed Services Committee bill is preferable. Once a long-range national energy program has gradually taken shape, the relative importance of production from the Naval Reserves can be better assessed after three years of experience.

That, I believe, is wisdom from the New York Times. And that is precisely what our bill is trying to do and the amendment that I offer here simply enhances the appeal to the House of our version of the bill. I urge its adoption.

Mr. PIKE. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. Yes, I yield to the gentleman from New York.

Mr. PIKE. Mr. Chairman, as my colleagues will recall, I headed the Special Subcommittee on Department of Defense Energy Resources and Requirements, which held hearings during January through May 1974 to look into the effect upon the Department of Defense of last year's energy crisis. During those hearings we focused a considerable amount of attention on the naval petroleum reserves, but also looked carefully into the overall defense fuel supply problem, the invocation of the Defense Production Act and the effect the fuel crisis had on operational readiness and training.

Unhappily, the Department of Defense has never seen fit to seek the necessary funds for the reserves, and as a result, exploration and development of Elk Hills has been slow and much remains to be accomplished to sharpen its reaction time in case of an emergency. As we put it in our report, administration after administration strangled the development of the reserves over the years by severely slashing budget requests. Due to our efforts last year, the Appropriations Committee approved a substantial budget for the reserves and Elk Hills is in the process of being fully developed to fulfill its mission.

Basically, our findings were that the Petroleum Reserve No. 1 must be brought to a condition of full readiness for wartime, that work should go forward at Naval Petroleum Reserve No. 4 to complete its exploration and development, and that production of Elk Hills was not warranted. In other words, its oil should be kept as money in the national security bank.

To indicate what a fuel shortage can do to military readiness, our inquiry found that at times the military did not have enough fuel to maintain minimum essential readiness. We were procuring 50 percent of our military fuel stocks from overseas sources, but in certain areas such as the Pacific Command, 91 percent of the stocks were foreign procured and in the European Command, 69 percent of the stocks were so procured. With the oil embargo, supplies dried up to the tune of 265,000 barrels a day out of a requirement of 637,000 barrels per day that had been set at that time. Emphasis had to be placed on conservation rather than readiness, which resulted in cutbacks of 25 percent in fuel allocation. There were drastic cuts in training. Air Force flight hours were cut in some elements by 33 percent and across the board all aircraft operations were reduced by 18 percent and ships operations by 32 percent. Flight training in some cases was set back a full year.

This led to a request for invocation of the Defense Production Act of 1950 in order to provide minimum fuel stocks for national security purposes. Although the request for invocation of the act was made on August 27, 1973, by the end of December only 40 percent of the allocation had been delivered and it was not until April that all of the deliveries was completed. In that connection, in a development that could almost be classified as comical if the times were not so serious, the Federal Energy Office on December 20, 1973, without consulting with the Department of Defense, announced that 1½ million barrels of jet fuel allocated to the Department of Defense under the act would be diverted to U.S. international airlines.

So, Mr. Chairman, although the argument has been made that we do not need the reserves since we can rely on the Defense Production Act in an emergency, because of our experiences I have vigorous exception to any such assertion, for the evidence collected in our hearings regarding a critical period of military fuel shortages presented a classic example of Rome burning while Nero was fiddling.

Let me assure you that our state of readiness was in serious jeopardy during the 1973–74 fuel crisis and I would not want to see it happen again, particularly during a national emergency or war.

Accordingly I lend my support to the Armed Services Committee amendments before the House today.

Mr. RANDALL. Mr. Chairman, I rise in support of the substitute amendment and in support of the amendment of the gentleman from New York. The gentleman from New York has made a fine statement. In our judgment he has hit the nail on the head. The issue today is not a question of solely jurisdiction of committees. There is something that transcends jurisdiction. We are talking about a strategic reserve of petroleum. Our only quarrel with the gentleman from New York's amendment is that it did not go far enough; instead of 25 percent, it should have been 50 percent.

In any event, with the Interior bill all we have is a grant of power or authority—to the President, if he seeks to use it, simply allowing the President to set up a reserve. There is no strategic reserve required by law. That is why it is so important that the amendment of the gentleman from New York (Mr. STRATTON) be adopted.

When we consider a strategic reserve, we are considering only 10, 15, or 20 days, just a little buffer against an impact that may come in the future with foreign embargoes. When we get ready to vote on the substitute amendment, let us think seriously over what would happen if all foreign petroleum supply is cut off.

There are two or three other differences between the armed services substitute H.R. 5919 and H.R. 49—the Interior Committee proposal, H.R. 49, allows—note this word—only exploration of Pet 4. Pet 4 means petroleum reserve No. 4, Alaska slope, whereas H.R. 5919 continues the present status which permits or authorizes development—and note the difference between exploration and development.

A lot has been said about the Navy; that Navy has done this or has failed to do something. We should all know that the Navy is entirely dependent upon the appropriations of this Congress for what it can and cannot do. So if there has been any failure of the Navy, it has been because of the failure of this House and the other body to provide appropriations to do very much at Elk Hills.

While we are on the subject of whether the Navy has been guilty of any mismanagement, let me advise you there has been a GAO report which completely exonerates the Navy from any charges of mismanagement.

Now let us take a look on the other side of the coin. The Interior Department has been involved in some kind of mismanagement or other going all the way back to Teapot Dome. In fact, there is a field right next door to Elk Hills managed by Interior, and what has happened there? They are drilling that field virtually dry by offset or angular drilling and Interior has made no protest. That is the record of management of the Interior Department on management of oil reserves and the record is not good.

Then, in comparing the relative merits of H.R. 49 and H.R. 5919, there is another standout difference. It is the difference between the positive and negative on the matter of congressional oversight. On the one hand under H.R. 49 the administration must submit a plan and the Congress has 90 days to veto it. On the other hand, under H.R. 5919, there must be affirmative, positive approval of any kind of a plan that is going to take affect that might or could impair these long-range development plans of reserves which are so important to national security.

The gentleman from California made note the organizations who were for H.R. 49. It is not difficult to understand why the independent oil refiners of California would be for the Interior approach, or the American Gas Association. When we come down to "Congress Watch" if there is any doubt as to who we are talking about, it is Ralph Nader. Someone said that he is unpredictable except when defense is the issue and then, he is always going to be for some type of social welfare program rather than national defense.

When we see the AFL–CIO has endorsed H.R. 49, I do not know what individual in labor made the endorsement, but that great organization has always been for a strong national defense and I will wager if the executive board were polled they would be for the concept of a strategic reserve. Who can forget the AFL–CIO were for vigorous prosecution of the Vietnam war. Finally one of the most important endorsements has already been, alluded to, that of the New York Times, and I shall not repeat all of that editorial, but simply read a few words or excerpts. On May 23, 1975, the New York Times said editorially:

> Until such time as we get ready to discard the concept—

Note that—

> get ready to discard the concept of a strategic petroleum reserve. It is a more positive approach to follow the Armed Services approach or Navy management rather than the management by Interior Department. The former is sound—the latter unsound.

Under H.R. 5919, we can better assess after 3 years of experience where we are and where we are going, which is certainly not possible with the Interior approach on H.R. 49. I urge again support of the gentleman from New York's amendment. I wish it were more than 25 percent. Certainly the substitute, of the gentleman from Louisiana should be adopted.

Mr. STEIGER of Arizona. Mr. Chairman, I move to strike the last word and rise in opposition to the gentleman's amendment.

In two views with limited rhetoric, hopefully, the gentleman wants us to reserve some 65,000 to 70,000 barrels of oil a day, and he has not the first idea where to put it, so there is simply no facility for it. If we needed a specific amount of oil as a reserve, why has not the Navy done that now? If we need it only so that the Navy can control jurisdiction, we should not permit it.

Second, the gentleman from Missouri, I am afraid, demonstrates very clearly why the cobbler ought to stick to his last. That is a literary reference, and I will explain to the gentleman later. The fact is that if we were to waive a wand—as the gentleman I know is capable of doing, having served loyally at his seat for many years—if we were to waive a wand and develop all the oil in Pet 4, we could not do a darned thing with it now, so there is no way to get it out.

I know the gentleman was not aware of that, and I know the gentleman is interested only in the security of this country, but I will tell my friend, since I am addressing myself to the amendment offered by the gentleman from New York, we do not have any place to put 65,000 or 75,000 barrels of oil a day.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. Yes, I yield to the gentleman.

Mr. STRATTON. I would like to point out to the gentleman that on page 19617 of the CONGRESSIONAL RECORD of June 18, appears the text of the gentleman's own bill. This is section 3(d), and it appears in the first column.

Mr. STEIGER of Arizona. Is the gentleman telling us that he is adopting our bill?

Mr. STRATTON. This section reads as follows:

> Pursuant to any program hereafter authorized by the Congress, the President may, in his discretion, direct that not more than 25 percentum of the oil produced from such national petroleum reserves shall be placed in strategic storage facilities.

That is precisely what the amendment which I am offering would do.

Mr. STEIGER of Arizona. No, no, no. I will say I do not have the advantage of having the written document, since it was not provided to us. What is provided in the Interior bill is the discretion of the President to authorize any of the reserves if they are needed. And if there are storage facilities, obviously this is implied. In the gentleman's amendment he is saying 25 percent of Elk Hills. And there is not any place within 1,500 miles of Elk Hills to store it.

Mr. STRATTON. Will the gentleman yield further?

Mr. STEIGER of Arizona. Yes, I will yield to the gentleman.

Mr. STRATTON. There will not be any produced the first few years except from Elk Hills, and we are suggesting that up to 25 percent of that total be placed in a strategic reserve facility if storage facilities are available. This is exactly what the administration urged on the committee. They came before the committee, and said they had salt domes available, that we could rent storage space, or anything of that kind. They were most insistent. And we are giving them the discretion they desire in my amendment.

Mr. STEIGER of Arizona. I will tell the gentleman that he did not suggest it. He mandated it. That is No. 1. It is nondiscretionary in the gentleman's amendment, and the bill is discretionary. If the gentleman wants to bring in the Dingell dome theory, I will have something to say about that.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. I had planned to offer, and I may still offer, an almost identical amendment to that which has been offered by the gentleman from New York. My amendment will only vary in that it will also provide for civilian strategic storage and would have different figures so far as percentage of oil production to be set aside and the amount of storage.

I do not come from the Interior Committee or the Armed Services Committee. I have been trying to stand aside and look at this bill, and see what we can do to make it the best bill. I will have similar amendments to the Interior bill or the Armed Services bill. The important thing is to get the best bill out and do the things that are necessary to help our country.

I think it is important to remember why we had originally set aside the Elk Hills reserves for this country. We anticipated that some time we would have an emergency, an emergency which would require petroleum in order to maintain our military status. We have had a change in circumstances, circumstances which require a change in the law. First, our civilian population has become very dependent upon oil. We have tremendous uses for oil, which makes it necessary, in view of the policies of the OPEC countries, to have available reserves.

Second, times have changed, and we cannot wait months or weeks for oil to come to us. It must be there immediately.

Third, we have a balance-of-payments problem which was created by the OPEC countries. I think we should remember that. True, we could take this oil from Elk Hills and use it. But how should we use it? It should be remembered, as has been pointed out, there is only 1 billion barrels there, not enough to take care of the civilian problems, but enough to give us a kind of storage we need in the event it becomes necessary to use it.

Mr. Chairman, I think the amendment is a good one. I would prefer some changes in it, but it does provide that we can set aside reserves in salt domes. I know that my own staff has obtained evidence that there are sufficient salt domes available to store large quantities of oil, so we would have enough available to live up to our commitments which we now have under the International Energy Agreements and to provide the kind of storage necessary to assist our allies in the event of OPEC interference. I think it is essential that we do that.

The administration has negotiated a safety oil-sharing agreement if imports drop by a factor greater than 10 percent of average demand—in this case, we are supposed to help Europe out in case of such supply disruptions. But the administration has not consulted Congress on this agreement so our European and Japanese friends have good grounds to doubt the seriousness which we regard the agreements as a nation. I suggest that if we set in place the beginning of an interim stockpiling program, along with prototype storage, while a study group comes forth with a well-thought-out permanent plan within a year, we will have gone a long way in giving much-needed confidence in our allies as to our seriousness to help them out during another embargo.

There has been much talk about the value of American commitments, because of Vietnam. The value of our commitments in the energy field would be enhanced, I believe, if we started some storage program now. If we began even a very modest stockpiling program, we would be well repaid in an upsurge of confidence on the part of our allies.

Such stockpiling would, furthermore, develop confidence in our own people that their Government is planning ahead for a possible repitition of the embargo. And if we show an example of conservation through stockpiling, perhaps our people will take voluntary conservation programs more seriously.

These psychological considerations should not be underestimated. The need for such reassurance is now and we in the House are in a position on this legislation to help fill that need.

I urge you to support the amendment.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, will the gentleman tell me where the salt domes are located for the storage of this petroleum?

Mr. JEFFORDS. Mr. Chairman, we have had correspondence from Morton Salt, and they tell us they have available salt domes for storage purposes. I do not have all the details before me.

Mr. BELL. Mr. Chairman, I can tell the gentleman where they are. They are in Texas, and it would cost us $2 a barrel to ship 70,000 barrels of oil a day to Texas. That is $2 per barrel to ship this oil down to Texas, and that is a long ways. Those are the only facilities available, and they are in Texas and off the coast of Louisiana.

Mr. JEFFORDS. Mr. Chairman, I am not familiar with the exact language of the amendment, but it is obvious that we could take funds provided from the sale of Elk Hills oil and utilize those to purchase oil and place it in salt domes and without having to transport it any great distance. It does not make any difference whether the oil comes out of Elk Hills or from Iran, if we pay the set price for it and substitute one for the other. I do not think that is important.

It seems to me this amendment is wise, and I know the administration supports this kind of an amendment. It amazes me to see my good Republican colleagues opposing the President's position in the consideration of such an amendment.

Mr. Chairman, I would hope the rest of the body would recognize the need for some strategic storage and would adopt this amendment or one similar to it.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the comments by our recent speakers, I think, are coming close to the heart of the problem with respect to both versions of the bill before us.

The Elk Hills Reserve in its present status is not of much value because we can only produce at best from that source some fraction of 1 percent of our daily domestic consumption. And if we drain the oil out—that is what some people call the "Drain America First" policy—and it is gone, we are not really any better off in the end.

The gentleman from Vermont, the gentleman from New York, and the gentleman from Missouri have all put their fingers on what the real value of Elk Hills can be—a way of establishing a usable strategic oil reserve, one that can be drawn out at the rate of 3 million barrels a day rather than 200,000 or 300,000 barrels a day.

The problem with this amendment, frankly, is the same problem I find with the 25-percent provision in the bill from the Committee on Interior and Insular Affairs. Under the 25-percent provision and under the amendment offered by the gentlemen from New York, with the best of motives it would take over 20 years to reach a goal of 500 million barrels of strategic reserve. The other body has a bill on the floor today that would set a strategic reserve of around a half a billion barrels with a fluctuating ceiling. Here in the House the Committee on Interstate and Foreign Commerce has reported a bill which would set a strategic reserve of 1 billion barrels.

It is on this order of magnitude that we should be considering the building of a strategic reserve. If we can get such a reserve, it would be more important to the security of the United States and to protection against embargoes, than would almost any other action we could take.

So what I am saying, in sum, is that while this amendment is a modest step starting in this direction, standing alone it would not go very far and it would not do very much.

The gentleman from Michigan and I will offer an amendment which would provide that the proceeds of production from Naval Petroleum Reserves 1, 2, and 3 should be set aside in a special account in the Treasury which can be used to fund the procurement of crude and product. As a national strategic reserve, it would serve both civilian and military needs.

Mr. Chairman, this is the recommendation of the National Petroleum Council. They say that Elk Hills is the logical source from which to fund the strategic reserve which this country very badly needs. We need to get moving on it. It has been 2 years since the embargo, and we have not lifted a finger. We ought to move. The Federal Energy Administration has studied this, and they are prepared to move.

Mr. Chairman, I hope, whether or not this amendment is adopted, that we will come to provide an effective earmarking of Elk Hills oil in order to change this reserve from an unusable status to a fully usable one, in our goal of protecting the country.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. FRASER. Yes, I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I appreciate the gentleman's yielding. I want to express my appreciation for his remarks.

The problem that the gentleman, I think, overlooks is that we have to finance the development of Elk Hills and we have to finance the development of Pet 4, which is basically and ultimately our great strategic reserve. Therefore, we cannot take all of the oil from Elk Hills and put it in reserve. We would have nothing left to develop Elk Hills itself further and we would have nothing left to explore Pet 4. We cannot expect to get that kind of money from general revenues.

Mr. FRASER. Mr. Chairman, let me respond to the gentleman.

In the first place, our amendment will provide that the sale of oil from Elk Hills can be used to finance the development of Elk Hills, along with NPR 2 and NPR 3.

On Pet 4, I think we ought to have separate legislation to deal with the way in which we go about the exploration and development of this potentially vast Alaskan reserve. That is a separate problem.

We provide, however, that out of the production at Elk Hills will come the roughly half billion dollars of additional pipeline and other facilities that are needed to fully develop 1, 2, and 3.

Mr. STRATTON. If the gentleman will yield further, we are not going to have any money available unless the reserve we set aside for storage is somewhat less than 100 percent of total production. Maybe we could quibble over whether we would set it at 25 percent or 50 percent; but the money for that is going to have to come from somewhere. We are also going to have to have money to pay for the strategic storage as well.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRASER) has expired.

(By unanimous consent, Mr. FRASER was allowed to proceed for 1 additional minute.)

Mr. FRASER. Mr. Chairman, I agree with the gentleman.

The point is that under the terms of our amendment, we would pay for the cost of developing 1, 2, and 3; and as that production comes on line, and the Navy estimates that it would be up to 140,000 barrels a day at the end of 90 days, as that comes on the line and after the payment for the development costs to bring those three reserves up to maximum effective production, then the money would begin to accumulate in the Treasury and be subject to appropriation for the purchase of crude to put into this strategic reserve.

It seems to me that this is exactly the recommendation of the National Petroleum Council. It is also consistent with the administration's position which favors a strategic reserve.

Mr. STRATTON. What percentage does the gentleman propose?

Mr. FRASER. The money goes into a special account, subject to annual appropriation. We would feed the money out at the rate necessary to fill storage capacity. As it happens, there is some storage capacity available now.

Mr. MELCHER. Mr. Chairman, I move to strike the requisite number of words.

It is not my intention to get in the way of the Committee on Armed Services in improving its bill by amendment. Reluctantly, however, I must oppose this amendment.

It continues this basis of holding oil in separate groups, some for civilian use, some for the military use.

That is not necessary. The military has the highest priority with respect to all of the oil and petroleum products that this country has.

Under the Defense Production Act and under the Emergency Petroleum Allocation Act of 1973, the Defense agencies get whatever oil or whatever petroleum products they need at any time, in any amount. However, to set up a national strategic petroleum reserve—which, granted, this country needs—on the basis of so much civilian and so much military, I am sure is the wrong road to go.

Mr. Chairman, I urge that the amendment be defeated, and I hope that we can reach a vote very quickly.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I will be delighted to yield to the gentleman from Louisiana (Mr. Hébert).

Mr. HÉBERT. Mr. Chairman, the gentleman has mentioned, and it has also been mentioned several times on the floor, that under the National Defense Production Act, the military gets whatever it needs. The fact is that the military did not get what it asked for with respect to the OPEC countries last year, and that was brought out.

Mr. MELCHER. I thank the gentleman for his time-worn argument, but I must point out to him and to the House that the dean of this House, the gentleman from Texas (Mr. Patman), who is sitting right in front of me here, has been close to the proposition described. He has served as the able chairman of the Joint Committee with oversight with respect to this particular act and has found that not only does the Defense Production Act guarantee to the armed services all of the petroleum products they need, but he has also found that it can be delivered to countries anywhere in the world, to wherever the Defense Establishment needs it.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield further?

Mr. MELCHER. In a moment I will yield to the gentleman.

Mr. Chairman, I think that the high priority given the military is extremely reassuring to our national defense.

Now I yield to the gentleman from Louisiana.

Mr. HÉBERT. Mr. Chairman, I appreciate the fact that our beloved dean of the House, the gentleman from Texas (Mr. Patman), has said that it guarantees, that it guarantees this, and it will do that, but it did not do this. As a matter of fact, the military did not get what it asked for.

Mr. MELCHER. In addition, Mr. Chairman, let us think about the Emergency Petroleum Allocation Act of 1973, which allocates right off the top all the petroleum products the military needs. It is set now at 500,000 barrels per day, but at any time they need more that act provides that they get it.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I appreciate the gentleman yielding.

The position the gentleman takes reminds me a little bit of the statement the late Jesse Jones made during World War II, when some of our strategic rubber reserves burned up in a warehouse, and the newspaper reporters came to Jesse Jones and they said, "Aren't you upset at having lost all of this rubber?"

And Jesse said, "No, it is all insured."

The point is that the statement is made that the military will get all they need, but if the oil is not there, and is not available for our Armed Forces when they need it, then all of the Defense Production Acts and all the emergency and other special orders will not get it for them. And that is exactly what happened in the emergency in 1973.

Mr. MELCHER. I thank the gentleman from New York for his remarks.

I will remind the gentleman and the House again that wherever we have the oil that it need not be called specifically military oil. Sure, we ought to have some strategic storage reserves, as recommended by the gentleman from Minnesota, but we do not have to say that part of that oil is military oil and part of it is civilian oil.

It is a comfort to me that under our existing law that whatever the civilian and whatever the military needs are, the military needs come first. It does not have to be said that it is a military petroleum product, because they will get it first.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from California.

Mr. SISK. Mr. Chairman, I would like to call attention to my good friend concerning his statement regarding December of 1973, that at that time we were in the toughest position possible so far as the west coast was concerned, regarding oil, and the military made a call for 17 million barrels of oil, and they got it immediately. No one says they did not get it or that they could not get it, and to say that is just as phony as a $3 bill. They have gotten it. They got it in December of 1973, they got 17 million barrels of oil. I believe that a lot of it came out of the needs of the people on the west coast. The point is the military got it, and they will get it in the future.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, the gentleman from Louisiana gave the point away. The gentleman said the military did not get what they asked for. But what they asked for is not necessarily what they need. The civilian branch of this Government is deciding what the priorities are.

I would like to point out to the gentleman from Louisiana that industrial and civilian uses in this country were drastically curtailed at that time, and if the military should end up with no industrial base to support them, then they will not be able to function very long. So it is a matter of who is going to decide what they need as opposed to what they ask for.

Mr. KETCHUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I shall not use my full 5 minutes. I have listened here for some time to rather acrimonious debate which really affects two committees. I am really sorry about that because I do not think this should be a debate on parochial issues insofar as one committee over another committee.

The fact is that the Navy has been condemned over and over by various people, and that is a mistake. I am wholeheartedly in support of H.R. 49, but I would say to the Members: Do not allow yourselves the luxury of feeling that the Navy did anything wrong at Elk Hills. They did not. They did exactly what the Congress told them to do, and they did it rather well.

I have been in contact with these people for the past 4 years, and I have found everything out there, just as the Congress has instructed them to operate it. So let us get off the Navy's back. It is not the Navy's fault; it is the Congress fault.

We have heard a lot today about the Teapot Dome. The Teapot Dome happened a long time ago, and if the Teapot Dome was the reason for turning it over to the Navy, then let us turn oil shale over; let us turn over all of the other natural resources under Federal control; let us turn over the offshore oil, turn it all over to one jurisdiction. The fact is that the Department of the Interior has not done all that bad a job in their field of endeavor, and, in my opinion at least, Elk Hills should be under their jurisdiction as well.

We have heard comments about exploring and developing Pet 4 in Alaska. I would submit—and I certainly am no expert on Pet 4; I am sure that the gentleman from Alaska would concur, however—that exploration is one thing, but development is quite another. Certainly, we want to explore Pet 4 and find out what we have in reserves. We do not know. But to develop it? It is ridiculous. We would have to go back and double-barrel the Alaska pipeline, for one thing, and then build a little spur beyond.

Let us really get with the program here today. Let us not sit here and castigate one department over the other. Let us try to do what we really feel is the right thing to do for the American public. I concur with H.R. 49. The right thing to do is to turn it over to the Department of the Interior. The right thing to do in the case of a national emergency is as we have always done: Let the military services have anything they need right off the top.

The gentleman from California (Mr. Sisk) was exactly correct when he said that the Navy did just that during the last energy crisis, and they will again, I am sure.

I implore the Members to turn back this amendment, turn back the Armed Services Committee substitute. The amendment offered here on the naval strategic reserve or the military strategic reserve is not all bad, but we cannot mandate it because we do not have the place to store it. If someone talks to me about those salt domes, remind himself of that $2-a-barrel figure for oil transport. If we are going to do that, Mr. Chairman, we might as well leave all the oil right where it is.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

The statement was made by one of the proponents of the amendment that the Committee on Interior and Insular Affairs' substitute bill also mandates 25 percent. That is incorrect. The Interior Committee bill authorizes up to 25 percent to be set aside, but obviously if the country does not have places to store it, there is no sense in mandating it.

Mr. KETCHUM. My friend, the gentleman from Ohio, is entirely correct.

Mr. Chairman, I yield back the remainder of my time.

MOTION OFFERED BY MR. STEIGER OF ARIZONA

Mr. STEIGER of Arizona. Mr. Chairman, I move that all debate on this amendment is the nature of a substitute offered by the Committee on Armed Services, and all debate on the Stratton amendment and all amendments thereto, end at 10 minutes to 5 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Arizona.

Mr. DINGELL. I demand a recorded vote.

Mr. GIAIMO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-three Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and six Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

At the time the quorum call was requested, there was pending a motion offered by the gentleman from Arizona (Mr. Steiger) to limit all debate on the Hébert amendment and all amendments thereto to 10 minutes to 5. The request of the gentleman from Michigan was also pending for a recorded vote.

Does the gentleman still insist upon his request?

PARLIAMENTARY INQUIRY

Mr. DINGELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. Mr. Chairman, would it be possible for me to withdraw my demand if a unanimous-consent request were made by the chairman of the subcommittee handling the legislation to limit time solely on the amendment offered by the gentleman from New York (Mr. Stratton)?

The CHAIRMAN. The Chair advises the gentleman that first we must dispose of the motion.

PARLIAMENTARY INQUIRY

Mr. HÉBERT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HÉBERT. May I inquire as to what the gentleman's motion was?

The CHAIRMAN. The motion of the gentleman from Arizona was to limit debate on the amendment of the gentleman from Louisiana and all amendments thereto to 10 minutes to 5.

Does the gentleman insist on his demand for a recorded vote at this point?

Mr. DINGELL. Mr. Chairman, I have no choice but to insist on it unless someone will make another request.

Mr. STEIGER of Arizona. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MELCHER. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment cease within 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana to limit debate on the Stratton amendment?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Stratton) for 5 minutes.

Mr. STRATTON. Mr. Chairman, I do not propose to take the entire 5 minutes, but I think it is important that before we vote we fully understand what this amendment does. I might point out that in spite of some of the strong statements that have been made on the floor earlier in opposition to my amendment, this amendment provides, and I quote, that—

> Upon enactment of this act the Secretary of the Navy shall commence a search for suitable storage facilities within which the strategic petroleum reserve (military) may be stockpiled.

In addition section (c) says that—

> At such time as suitable storage facilities become available, the Secretary of the Navy will stockpile up to 25 percent of the daily production of petroleum.

So, if there are no resources available for storing this oil, either in salt domes or empty storage tanks or whatnot, no storage will take place. It will only take place when the available storage capacity has been discovered and then the Secretary is directed to stockpile "up to" 25 percent.

If he only wants to stockpile 5 percent, that is not forbidden under my amendment. There is really no essential or fundamental difference between this and the provisions of section 3(c) in the Interior Committee bill. In fact, the gentleman from Arizona (Mr. Steiger), who is so critical of the use of salt domes was, if my recollection is correct, the very person who suggested their use before our committee.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. ROUSSELOT. So the gentleman's amendment does not mandate, as has been claimed in the past, that it be at absolutely 25 percent?

Mr. STRATTON. No, it is up to the discretion of the Secretary of the Navy.

Mr. ROUSSELOT. And second, it would not go into effect until the storage capacity was made available?

Mr. STRATTON. That is absolutely correct.

Mr. ROUSSELOT. I appreciate the gentleman's comments.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. Yes, I will be glad to yield to the gentleman.

Mr. WIRTH. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman is aware the amendment which will be offered by the gentleman from Michigan (Mr. Dingell), a member of the Subcommittee on Energy and Power, and by the gentleman from Minnesota (Mr. Fraser), creates a much stronger amendment relating to the strategic reserves, and is much more consistent with H.R. 7014, the bill recently reported out of the Committee on Interstate and Foreign Commerce, in terms of its relation to storage of strategic reserves and in terms of the costs the public will have to bear one way or another for that strategic reserve.

I think the amendment offered by the gentleman from Michigan (Mr. Dingell) and the gentleman from Minnesota (Mr. Fraser) provides a better mechanism for providing a lower cost for the taxpayers. I think the Members should be aware of that amendment after the Stratton amendment is voted on.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Stratton) to the amendment in the nature of a substitute offered by the gentleman from Louisiana (Mr. Hébert).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. STRATTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. EVANS OF COLORADO TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HÉBERT

Mr. EVANS of Colorado. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Evans of Colorado to the amendment in the nature of a substitute offered by Mr. Hébert: Page 8, lines 6 and 7, after the word "national" on line 6, strike out the balance of line 6 and the portion of the word "particularly" appearing on line 7, and insert in view thereof the word "security".

Mr. EVANS of Colorado. Mr. Chairman and members of the committee, I have supplied copies of the amendment to both sides of the aisle. It concerns the portion of the substitute on page 2 which deals with defense. On line 4 it is stated that, "in this chapter, 'national defense' "—that is the term we are defining—"includes the needs of, and the planning and preparedness to meet, essential defense industrial and military emergency energy requirements relative to the national safety, welfare, and economy, particularly resulting from foreign military or economic actions."

My amendment would define "national defense" as follows:

National defense includes the needs of, and the planning and preparedness to meet, essential defense, industrial and military emergency energy requirements relative to national security resulting from foreign military or economic actions.

It seems to me that the definition contained on page 2(a)(1), is terribly broad. It could read as follows, by leaving out a few words, because the words that are included in the definition are independently capable of being treated without relation to the others. You could read it this way: the definition of "National defense" includes the needs of, and the planning and preparedness to meet, essential industrial emergency energy requirements relative to the national safety, welfare, and economy, not solely related to but particularly—and that is the word that is used—particularly resulting from foreign military or economic actions.

Mr. Chairman, if we are going to talk about national defense or national security, let us talk about national defense and let us talk about national security and not make it possible to broaden the definition to invoke this definition when actually we are not talking about military emergencies; we should not be talking about essential industrial welfare.

I think my amendment tightens the definition. I think it is appropriate at this point, and I ask for approval of the amendment by the Committee.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from New York

Mr. STRATTON. Mr. Chairman, I would like to ask the gentleman the purpose of his amendment. The definition that is included in this bill and which the gentleman seeks to amend was a definition that was purposely designed to be broad enough so that we could take into account the point made, for example, a moment ago by the distinguished gentleman from Ohio (Mr. SEIBERLING) that unless we have a strong economy we would not have a strong defense. We feel our defense posture covers more than military forces alone.

The gentleman is seeking how to eliminate these words and is seeking to have a definition which is strictly limited to national security.

Is the gentleman from Colorado trying to help the bill or make it less palatable when the final vote comes along?

Mr. EVANS of Colorado. Mr. Chairman, what I am trying to do is to make it perfectly clear that when we define "national defense," we are not defining a situation where we are including the needs and the planning and preparedness to meet essential industrial emergency requirements relative to the national safety, welfare, and economy.

In other words, it seems to me if we are going to accept the definition as included in H.R. 5919 appearing on page 2, lines 4 through 10, that the broadness of the definition of "national defense" goes far beyond what we traditionally have considered as national defense. It is for this reason that I would strike out the words on lines 8 and 9, "safety, welfare, and economy," and then the word particularly on line 9, and in lieu thereof, substitute the word, "security," so we are talking about national defense or national security that results from a foreign military or economic action.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield again, may I ask the gentleman whether this amendment makes the substitute of the Committee on Armed Services more palatable to him if his amendment were adopted?

Mr. EVANS of Colorado. Mr. Chairman, I would not offer it unless it did.

Mr. STRATTON. Do I take it that is a "yes" answer?

Mr. EVANS of Colorado. Yes, that is a "yes" answer.

Mr. STRATTON. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. EVANS) to the amendment in the nature of a substitute offered by the gentleman from Louisiana (Mr. HÉBERT).

The question was taken; and on a division (demanded by Mr. EVANS of Colorado) there were—ayes 8, noes 14.

So the amendment to the amendment in the nature of a substitute was rejected.

Mr. HÉBERT. Mr. Chairman, I ask unanimous consent that my amendment in the nature of a substitute be modified, and I ask that the Clerk read the modification.

The CHAIRMAN. The Clerk will read the modification.

The Clerk read as follows:

Page 4, line 1, delete "two hundred thousand" and substitute "three hundred thousand".

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana (Mr. HÉBERT)?

There was no objection.

AMENDMENT OFFERED BY MR. DINGELL TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE, OFFERED BY MR. HÉBERT

Mr. DINGELL. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. DINGELL to the amendment in the nature of a substitute, offered by Mr. HÉBERT: Page 3, strike out lines 18 and 19 and insert the following:

(3) Section 7422 is amended—

(A) by adding at the end of subsection (c) the following new sentence: "The surface rights to the lands and waters comprising naval petroleum reserve numbered 4 shall be administered as a unit of the National Wildlife Refuge System by the United States Fish and Wildlife Service in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd-ee), such administration of such surface rights shall be subject to such terms and conditions as the Secretary of the Navy shall from time to time prescribe in order to assure that the primary use of the lands and waters within naval petroleum reserve numbered 4 for purposes consistent with this chapter shall not be adversely affected."; and

(B) by adding at the end thereof the following new subsection:

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, this is an amendment about which my colleagues have received communications in the last few days from the Sierra Club and from other nationwide conservation organizations. It is an amedment which the Department of the Navy in hearings before the Subcommittee on Fisheries and Wildlife Conservation and the Environment indicated it had no objection to. It is one to which, in a statement cleared by the Office of Management and Budget, witnesses on behalf of the Department of the Navy said they had no objection.

Mr. YOUNG of Alaska. Mr. Chairman, I have a point of order to the germaneness of this amendment.

Mr. DINGELL. Mr. Chairman, I do not yield for the point of order. The point of order is too late.

The CHAIRMAN. The Chair rules that the point of order is too late.

Mr. YOUNG of Alaska. Mr. Chairman I have a parliamentary inquiry.

Mr. DINGELL. Mr. Chairman, may we have the regular order.

Mr. YOUNG of Alaska. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) refuses to yield.

Mr. YOUNG of Alaska. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. That could only be made before the gentleman from Michigan was recognized with respect to his amendment.

Mr. YOUNG of Alaska. Mr. Chairman, there were other amendments presented late by this gentleman, a number of times.

Mr. DINGELL. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) refuses to yield.

Under regular order, the gentleman from Michigan (Mr. DINGELL) is recognized.

Mr. DINGELL. Mr. Chairman, this is an amendment substantially identical to matters testified to by witnesses of the Department of the Navy in connection with legislation before the Committtee on Merchant Marine and Fisheries, H.R. 1520.

In that proposal the surface rights to the Naval Petroleum Reserve No. 4 would have been overlaid with a fish and wildlife refuge administered by the Fish and Wildlife Service.

I would point out that the amendment is very, very carefully drafted so as to preserve the purposes for which the petroleum reserve is set up; that is, that if authorized by law, production not be impeded by the amendment, and that if exploration is authorized by law, the Navy or the administrative agency could proceed to take the necessary steps to engage in all activities, exploration, development, or anything else, elsewhere authorized by law, but not specifically authorized by this amendment.

The idea is to do what appears to be urgently needed in connection with a very large tract of land on which the largest wild, native caribou herd and some of the largest collections of Arctic fauna move, wolves, caribou, and so forth, which could be protected under appropriate regulations by the Interior Department, subject to the wishes and the needs of the Nation for exploration, and, if authorized by law, development.

It is my view that this is an essential step toward preservation of an extremely precious natural resource.

The amendment has the specific endorsement of the Sierra Club and most of the other nationwide conservation organizations. It is a proposal which would protect areas of unique value insofar as history, insofar as wildlife, insofar as fishing resources, and insofar as fun are concerned.

I would point out that it does not intrude into the previously authorized Native Claims Settlement Act. It does not intrude into the rights of natives which are subject to adjudication under other statutes. It does not intrude into the rights of the Navy or other agencies to administer this reserve or to utilize its authority for the development, exploration, or whatever else would be elsewhere authorized by law.

Mr. Chairman, this area is almost unique in that it is large enough to serve as a single ecological system, one wherein there is sufficient room for the caribou herds to engage in the necessary migration and for other major species of migratory Arctic wildlife to exist in its natural state.

I would point out that the establishment of a refuge—and I want to make this very plain—does not prevent development of other resources where otherwise authorized by law, and that refuges at this time are open to mineral exploration, including oil.

Mr. Chairman, I would point out that the rights of native peoples in areas of this kind are set out and protected under the Native Claims Settlement Act. They are not inferred here. I would also point out that all of the rights of the Government to areas of this kind under other statutes, for other uses, are fully protected.

Therefore, Mr. Chairman, I would urge my colleagues to accept this amendment, which is endorsed by almost all the nationwide conservation organizations.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. KAZEN. What would the amendment do? What does it provide?

Mr. DINGELL. It sees to it that the surface rights are administered properly.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

Mr. KAZEN. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan be permitted to proceed for 2 additional minutes.

Mr. STEIGER of Arizona. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. KAZEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me ask the gentleman from Michigan (Mr. DINGELL) this question: Exactly what does the amendment do?

Mr. DINGELL. If the gentleman will yield, if he has received a communication from the Sierra Club and also from me, he would see that the area of naval petroleum reserve would be administered as a fish and wildlife refuge, as a unit of the National Wildlife Refuge System.

Mr. KAZEN. All 22 million acres of it?

Mr. DINGELL. All 22 million acres.

Mr. HALEY. Mr. Chairman, if the gentleman will yield, why, this is just absolutely nothing, nothing at all, only 22 million acres of wildlife refuge, just 22 million acres.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield further, I am delighted to hear the gentleman from Florida say that, and I hope the gentleman supports this amendment.

Mr. STEIGER of Arizona. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I will not take the full 5 minutes.

Mr. Chairman, I hope my colleagues will not be persuaded that this is what I believe has been called or known as a cheap environmental proposal because it most certainly is not cheap. Furthermore, as has been pointed out, this is a long way from an innocent bill in which unknown procedures are going to be allowed to be carried out.

This is a further attempt by the wildlife people to control areas in which they have no authority, no responsibility or expertise, and, indeed, they have not got sufficient personnel to handle. If we created this area we would have to triple the personnel in the Wildlife Service. Believe me, that would be disastrous, and not only could we not get them, but we would certainly create a new energy shortage just getting those people out there.

The fact is that Navy Pet 4 has as much business being a wildlife refuge as I do being an officer in the gentleman's local Sierra Club.

If the Members do not understand that, I will simply tell them that they have no business operating in Navy Pet 4.

If the Members think that the Interior Department bill is, as the Chairman, the gentleman from Louisiana (Mr. HÉBERT) says, is a security threat to the country, then this proposed amendment might well have been initiated by whatever enemies we have left who are clever enough to sabotage our petroleum reserves, and if so this is the fastest way to do so that was ever invented. Let us defeat this amendment.

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

We are presently in the process of studying, in the Committee on Interior and Insular Affairs, the lands in Alaska for their wilderness values, and what values exist for parks, forest lands, scenic rivers, and scenic forests. To take 23 million acres of land, which is opposed by the native groups affected, by the State of Alaska, and by every group of people that know this area, regardless of what the Sierra Club says. To do this without proper hearings would be a travesty. As a result, I say that what the gentleman from Michigan is trying to do by his amendment at this time, is to attempt to deprive this Nation of its ability to provide itself with the energy it needs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL) to the amendment in the nature of a substitute offered by the gentleman from Louisiana (Mr. HÉBERT).

The amendment to the amendment in the nature of a substitute was rejected.

Mr. EVANS of Colorado. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if I may have the attention of the distinguished gentleman from Louisiana (Mr. HÉBERT) I would like to ask the gentleman a question in relation to some of the language that appears on page 6 of the amendment in the nature of a substitute.

On page 6, beginning on line 10, the following language appears:

> (c) Any disposition of the United States share of the production authorized by section 7422(d) shall be conducted in such a manner as to insure that an amount of petroleum products equal in value to the crude oil and associated gases and liquids supplied from the naval petroleum reserves shall be made available *exclusively* to the armed forces of the United States.

Then, Mr. Chairman, I would call the attention of the distinguished gentleman from Louisiana to page 7, the top thereof, beginning at line 3, section (1) where the amendment refers to the naval petroleum and oil shale reserves special fund, I find the following language:

> (1) all proceeds realized under this chapter from the disposition of the United States share of petroleum or refined products, oil and gas products, including royalty products;

Shall be paid into the naval petroleum and oil shale reserves special fund. My question, which I will refer to the distinguished gentleman from Louisiana, is whether or not the Navy or Armed Forces are getting two things. Are they not getting petroleum products on page 6, and in addition thereto, proceeds at the top of page 7, so that we are not only getting an equivalent amount of petroleum products equal in value to the crude oil and associated gases and liquids supplied from the naval petroleum reserves, but we are also getting proceeds?

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman.

Mr. HÉBERT. I thank the gentleman for yielding.

Yes; I can understand that very readily. In reality, that is a bookkeeping process within the Department of Defense. In other words, it is the same product, but it is an arrangement simply involving the bookkeeping involved.

Mr. EVANS of Colorado. Then it would be true that on page 6 when we are talking about receiving an amount of petroleum products equal in value, that they would get that amount by paying for it by an appropriate bookkeeping entry?

Mr. HÉBERT. That is correct.

Mr. EVANS of Colorado. I thank the gentleman.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Louisiana (Mr. HÉBERT).

RECORDED VOTE

Mr. HÉBERT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 102, noes 305, not voting 26, as follows:

[Roll No. 364]

AYES—102

Annunzio
Armstrong
Ashbrook
Barrett
Beard, Tenn.
Bennett
Bevill
Boggs
Breaux
Breckinridge
Brinkley
Brown, Ohio
Burleson, Tex.
Carney
Carr
Casey
Cederberg
Chappell
Collins, Tex.
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Derrick
Dickinson
Downey
Evans, Colo.
Flynt
Flood
Ford, Mich.
Giaimo
Ginn
Gonzalez
Hébert
Henderson
Hicks
Hillis
Holt
Horton
Ichord
Jeffords
Johnson, Pa.
Kasten
Kazen
Kemp
LaFalce
Landrum
Leggett
Levitas
Long, La.
Lott
McDonald
McFall
McKay
Mahon
Mann
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Mollohan
Moore
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Nedzi
Nichols
Obey
O'Neill
Passman
Patten, N.J.
Pike
Poage
Price
Randall
Roberts
Robinson
Satterfield
Schulze
Shipley
Sikes
Slack
Spence
Staggers
Steed
Stephens
Stratton
Stuckey
Treen
Waggonner
Walsh
White
Whitehurst
Whitten
Wilson, Bob
Wylie
Young, Tex.
Zeferetti

NOES—305

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N. Dak.
Archer
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bowen
Brademas
Brodhead
Brooks
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carter
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conable
Conlan
Conte
Conyers
Corman
Cornell
Coughlin
Crane
Danielson
Delaney
Dellums
Dent
Derwinski
Devine
Dingell
Dodd
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Lagomarsino
Latta
Lehman
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Calif.
Moorhead, Pa.
Mosher
Murphy, Ill.
Natcher
Neal
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
Ottinger
Patman, Tex.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pressler
Preyer
Pritchard
Quillen
Railsback
Rangel
Rees
Regula
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Schneebeli
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Shuster
Simon
Sisk
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Wampler
Waxman
Weaver
Whalen
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.

NOT VOTING—26

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Bonker
Brown, Calif.
Clawson, Del
Collins, Ill.
Cotter
Diggs
Evins, Tenn.
Foley
Fulton
Hays, Ohio
Hinshaw
Meyner
Montgomery
Morgan
Moss
Quie
Reuss
Rhodes
Scheuer
Teague
Wright
Zablocki

So the amendment in the nature of a substitute was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mrs. Collins of Illinois against.

Mr. Moss for, with Mr. Diggs against.

The result of the vote was announced as above recorded.

COMMITTEE AMENDMENTS

The CHAIRMAN. Under the rule, it shall now be in order to consider en bloc the amendments recommended by the Committee on Armed Services now printed in the bill.

The Clerk read as follows:

Committee amendments:

Page 3, between lines 19 and 20, insert the following: "TITLE I".

Page 3, line 20, strike out "That in" and insert "Sec. 101. In".

Page 4, line 1, insert "the Naval Petroleum Reserves," immediately before "the National Park System,".

Page 4, line 6, insert a period immediately after "Alaska".

Page 4, strike out line 7.

Page 4, strike out line 8 and all that follows down through line 2, Page 5.

Page 5, line 3, strike out "Sec. 3." and insert "SEC. 102.".

Page 7, lines 10 and 11, strike out "on Naval Petroleum Reserve Numbered 4".

Page 7, line 12,, strike out "of such reserve".

Page 7, after line 20, insert the following:

TITLE II

SEC. 201. (a) Chapter 641 of title 10, United States Code, is amended as follows—

(1) Immediately before section 7421 insert the following new section:

"§ 7420. Definitions

"(a) In this chapter—

"(1) 'National defense' includes the needs of, and the planning and preparedness to meet, essential defense industrial and military emergency energy requirements relative to the national safety, welfare, and economy, particularly resulting from foreign military or economic actions.

"(2) 'Naval Petroleum and Oil Shale Reserves' means the naval petroleum and oil shale reserves established by this chapter, including naval petroleum reserve numbered 1 (Elk Hills), located in Kern County, California, established by Executive Order of the President on September 2, 1912; naval petroleum reserve number 2 (Buena Vista), located in Kern County, California, established by Executive Order of the President on December 13, 1912; naval petroleum reserve numbered 3 (Teapot Dome), located in Wyoming, established by Executive Order of the President on April 30, 1915; naval petroleum reserve numbered 4, Alaska, on the north slope of the Brooks Range, established by Executive Order of the President on February 27, 1923; oil shale reserve numbered 1, located in Colorado established by Executive Order of the President of December 6, 1916, as amended by Executive Order of June 12, 1919; oil shale reserve numbered 2, located in Utah, established by Executive Order of the President of December 6, 1916; and oil shale reserve numbered 3, located in Colorado, established by Executive Order of the President of September 27, 1924.

"(3) 'Petroleum' includes crude oil, associated gases, natural gasoline and other related hydrocarbons, oil shale, and the products of any such resources.

"(4) 'Secretary' means the Secretary of the Navy."

(2) Section 7421(a) is amended—

(A) by striking out "for naval purposes" and inserting in lieu thereof "for use of the armed forces"; and

(B) by striking out "section 7438 hereof" and inserting in lieu thereof "this chapter".

(3) Section 7422 is amended by adding at the end thereof the following new subsection:

"(d)(1) In order to place certain naval petroleum reserves in a proven state of readiness to produce petroleum, the Secretary is authorized—

"(A) to explore, develop, operate and produce petroleum, from naval petroleum reserves numbered 1, 2 and 3 at a rate consistent with sound oilfield engineering practices up to 200,000 barrels per day for a period not to exceed three years commencing 90 days after enactment of this legislation; and

"(B) to construct or procure pipelines and associated facilities for transporting oil, associated liquids and gases, from naval petroleum reserves numbered 1, 2, and 3 to the points where such production will be refined or shipped.

Such pipelines at naval petroleum reserve numbered 1 shall have a combined delivery capability of not less than 350,000 barrels per day, and shall be fully operable by three years after the date of enactment of this subsection.

"(2) The production authorization set forth in paragraph (1)(A) of this subsection is conditioned upon the Secretary reaching an agreement with the private owner to continue operation of naval petroleum reserve numbered 1 under a unitized plan contract which adequately protects the public interest.

"(3) The production of petroleum authorized under this subsection is not subject to the provisions of subsection (b)(2) of this section relating to Presidential approval or Congressional authorization."

(4) Section 7423 is amended by inserting "(a)" immediately before "The Secretary"; and by adding at the end thereof the following new subsection:

"(b) During the three-year period of production authorized by subsection (d) of section 7422 (during which three-year period the consultation requirements of section 7431(3) are waived), the Secretary shall submit annual reports to the Armed Services Committees of the Senate and the House of Representatives detailing—

"(1) the status of the exploration and development program at each of the naval petroleum reserves;

"(2) the production which has been achieved at each of the naval petroleum reserves pursuant to that authorization, including the disposition of such production and the proceeds realized therefrom;

"(3) the status of the pipeline construction and procurement authorized by such subsection (d);

"(4) any need for modification of the production levels authorized by such subsection (d), including any recommendation for continuing production beyond the three-year period provided in such subsection; and

"(5) the plans for further exploration, development and production at naval petroleum reserve numbered 4."

(5) Section 7430(b) is amended to read as follows:

"(b) Notwithstanding any other provision of law, each sale of the United States share of petroleum, gas, other hydrocarbons, oil shale, or products therefrom, shall be made by the Secretary at public sale to the highest qualified bidder at such time, in such amounts, and after such advertising as the Secretary considers proper and without regard to Federal, State, or local regulations controlling sales or allocation of petroleum products."

(6) Section 7430 is further amended by adding at the end thereof the following new subsection:

"(c) Any disposition of the United States share of the production authorized by section 7422(d) shall be conducted in such a manner as to insure that an amount of petroleum products equal in value to the crude oil and associated gases and liquids supplied from the naval petroleum reserves shall be made available, exclusively to the armed forces of the United States. Any disposition of that production shall be so arranged as to give full and equal opportunity for acquisition of the petroleum and associated products by all interested companies, including major and independent oil refineries alike."

(7) Section 7432 is amended to read as follows:

"§ 7432. Naval Petroleum and Oil Shale Reserves Special Fund

"(a) There is hereby established on the books of the Treasury Department a special fund designated the 'Naval Petroleum and Oil Shale Reserves Special Fund'. There shall be credited to such fund—

"(1) all proceeds realized under this chapter from the disposition of the United States share of petroleum or refined products, oil and gas products, including royalty products;

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of Defense of refined petroleum products accruing to the benefit of any component of that Department as the result of any such sales or exchanges; and

"(3) such additional sums as have been, or may be, appropriated for the maintenance, operation, exploration, development and production of the naval petroleum and oil shale reserves.

"(b) Funds available in the Naval Petroleum and Oil Shale Reserve Special Fund shall be available for expenditure in such sums as are specified in annual congressional appropriations acts for the expenses of—

"(1) exploration, prospecting, conservation, development, use, operation and production of the Naval Petroleum and Oil Shale Reserves as authorized by this chapter;

"(2) production, including preparation for production as authorized by this act, or as may hereafter be authorized; and

"(3) the construction and operation of facilities both within and outside the naval petroleum and oil shale reserves incident to the production and the delivery of crude petroleum and derivatives, including pipelines and shipping terminals.

"(c) The budget estimates for annual appropriations from the Naval Petroleum and Oil Shale Reserve Special Fund shall be prepared by the Office of Naval Petroleum and Oil Shale Reserves and shall be presented by the President independently of the budget of the Department of the Navy and the Department of Defense.

"(d) Contracts obligating only such funds as are appropriated and made available annually my be entered into by the Secretary for periods of not more than five years renewable for a like term."

(8) Section 7433(b) is amended by adding immediately before the period at the end thereof the following: "and credited to the Naval Petroleum and Oil Shale Reserve Special Fund."

(b) The analysis of such chapter 641 is amended—

(1) by inserting immediately before

"7421. Jurisdiction and control."

the following:

"7420. Definitions."; and

(2) by striking out

"7432. Expenditures: appropriations available."

and inserting in lieu thereof the following:

"7432. Naval Petroleum and Oil Shale Reserve Special Fund."

Sec. 202. (a) The Secretary of the Navy shall establish a study group which shall investigate the feasibility of creating a National Strategic Petroleum Reserve (Military) (hereinafter in this section referred to as the "Reserve"). Any such Reserve should include petroleum stored at strategic locations, or available for delivery to such locations, and include facilities for storage, transportation or processing thereof. In computing the amount of petroleum to be stored in such Reserve, the Peacetime Operating Stocks and Prepositioned War Reserve Stocks of the Department of Defense shall not be included. Such Reserve should be in addition to any National Strategic Petroleum Reserve (Civilian) which may be otherwise provided for.

(b) The investigation required under subsection (a) shall include, but need not be limited to, determinations with respect to the size, scope, objectives, and all cost factors associated with the establishment, of the Reserve. In arriving at its findings and recommendations, the study group shall consult with, and seek, the position of the Joint Chiefs of Staff relative to the overall posture of the Reserve.

(c) Not later than one year after the date of the enactment of this Act, the Secretary of the Navy shall report to the Congress the findings and recommendations of the study group.

Mr. MELCHER (during the reading). Mr. Chairman, I ask unanimous consent that the amendments en bloc may be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. HÉBERT. Mr. Chairman, I will not offer the amendments of the Armed Services Committee as described in the rule.

The CHAIRMAN. The Chair will advise the gentleman from Louisiana that under the rule the amendments are offered and presented en bloc. They have been presented.

Mr. HÉBERT. Mr. Chairman, if they have been presented, under the parliamentary situation I ask for a vote.

The CHAIRMAN. Does any Member wish to debate the committee amendments?

Mr. MELCHER. Mr. Chairman, I rise to explain to the House that the amendments that are now before us are almost identical to H.R. 5919, the Armed Services bill that we have just voted down. I would encourage the House to reject these amendments, so that then we could get on under the rule of to considering our Interior bill, H.R. 49, as presented by the Interior Committee.

The CHAIRMAN. The question is on the committee amendments.

The amendments were rejected.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MELCHER

Mr. MELCHER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. MELCHER: Strike out all after the enacting clause and insert:

That in order to develop petroleum reserves of the United States which need to be regulated in a manner to meet the total energy needs of the Nation, including but not limited to national defense, the Secretary of the Interior, with the approval of the President, is authorized to establish national petroleum reserves on any reserved or unreserved public lands of the United States (except lands in the National Park System, the National Wildlife Refuge System, the Wild and Scenic Rivers System, the National Wilderness Preservation System, areas now under review for inclusion in the Wilderness System in accordance with provisions of the Wilderness Act of 1964, and lands in Alaska other than those in Naval Petroleum Reserve Numbered 4).

SEC. 2. No national petroleum reserve that includes all or part of an existing naval petroleum reserve shall be established without prior consultation with the Secretary of Defense, and when so established, the portion of such naval reserve included shall be deemed to be excluded from the naval petroleum reserve.

Upon the inclusion in a national petroleum reserve of any land which is in a naval petroleum reserve on the date of enactment of this Act, any equipment, facilities, or other property of the Department of the Navy used in operations on the land so included any records, maps, exhibits, or other informational data held by the Secretary of the Navy in connection with the land so included shall be transferred from the Secretary of the Navy to the Secretary of the Interior who shall thereafter be authorized to use them to carry out the purposes of this Act.

The Secretary of the Interior shall assume the responsibilities and functions of the Secretary of the Navy under any contract which now exists with respect to activities on a naval petroleum reserve to which the United States is a party.

SEC. 3. (a) The oil and gas in the national petroleum reserves in the contiguous forty-eight States established pursuant to section 2 may be developed under terms and conditions prescribed by the Secretary of the Interior and approved by the President. The Secretary of the Interior shall explore, develop or produce the oil and gas or shall use competitive bidding procedures with prior public notice of not less than thirty days of the terms and conditions for any contract, or operating agreement for development and production of oil and gas from a national petroleum reserve. If the Secretary does not explore, develop and produce oil and gas from the areas known as Naval Petroleum Reserves Numbered 1, 2, and 3, these reserves shall only be explored, developed and produced by competitive bid contracts providing for the payment by the United States of a monetary sum rather than a share of production: *Provided*, That he shall not enter into any such contract with an owner of any part of Naval Petroleum Reserve Numbered 1, and he shall not authorize any production within Naval Petroleum Reserve Numbered 1 unless he has reached an agreement with the current owner of part of the Reserve to continue operations under a unit plan contract which protects the public interest. Such terms and conditions and also plans for the development of each area of the national petroleum reserves shall be published in the Federal Register, but shall not become effective until ninety days after final notice has been published and submitted to the Congress (not counting days on which either the House of Representatives or the Senate is not in session for three consecuitve days or more) and then only if neither the House of Representatives nor the Senate adopts a resolution of disapproval. Each proposed plan of development and each amendment, thereof shall explain in detail the method of development and production proposed and shall provide for disposal and transportation of the oil consistent with the public interest. Each proposed plan of development shall provide that the terms of every sale or exchange of oil and gas from a national petroleum reserve shall be so structured as to give a full and equal opportunity for the acquisition of, or exchange for, the oil and gas by all interested companies, including major and independent oil producers and refiners alike and shall be so structured as to include blocks small enough to permit small companies to offer viable bids on the oil tendered. Each proposed plan of development shall also explain the relative need for developing the oil and gas resources in order to meet the total energy needs of the Nation, compared with the need for prohibiting such development in order to further some other public interest. All geological and geophysical information collected and developed pursuant to the development and implementation of the plan shall be made available when the plan is submitted to Congress. Any additional information collected pursuant to the powers granted under this Act, whether in interpreted or raw data form, shall be made available to the public within a period of thirty days after its collection or interpretation.

(b) (1) At each stage in the formulation and promulgation of any terms and conditions, plans of development or amendment thereto, and rules and regulations, and at each stage in the entering and making of contracts and operating arrangements, under this Act, the Secretary of the Interior shall consult with and give due consideration to the views and advice of the Attorney General of the United States.

(2) All plans submitted to the Congress by the Secretary of the Interior under this Act shall contain a report by the Attorney General of the United States on the anticipated effects upon competition of such plans.

(3) No contract or operating arrangement may be made or issued under this Act until at least 30 days after the Secretary of the Interior notifies the Attorney General of the proposed contract or operating arrangement. Such notification shall contain such information as the Attorney General may require in order to advise the Secretary of the Interior as to whether such contract or operating arrangement would create or maintain a situation inconsistent with the antitrust laws. If the Attorney General advises the Secretary of the Interior that a contract or operating arrangement would create or maintain such a situation, the Secretary of the Interior may not make or issue that contract or operating arrangement unless he thereafter conducts a public hearing on the record in accordance with the Administrative Procedure Act and finds therein that such contract or operating arrangement is necessary to effectuate the purposes of this Act, that it is consistent with the public interest, and that there are no reasonable alternatives consistent with this Act, the antitrust laws, and the public interest.

(4) Nothing in this Act shall be deemed to convey to any person, association, corporation, joint venture, or other business organization immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

(5) As used in this section, the term "antitrust laws" means—

(A) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

(B) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1959 (15 U.S.C. et seq.), as amended;

(C) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(D) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; or

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

(c) Any oil or gas produced from such petroleum reserves, except such oil or gas which is either exchanged in similar quantities for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any oil or gas subject to this section may be exported under the limitations and licensing requirement and penalty and enforcement provisions of the Export Administration Act of 1969, the President must make and publish an express finding that such exports will not diminish the total quality or quantity of oil and gas available to the United States and are in the national interest and are in accord with the Export Administration Act of 1969.

(d) Pursuant to any program hereafter authorized by the Congress, the President may, in his discretion, direct that not more than 25 percentum of the oil produced from such national petroleum reserves shall be placed in strategic storage facilities or exchanged for oil and gas products of equal value which shall be placed in such strategic storage facilities.

(e) The Secretary of the Interior is authorized to enter into contracts for the sale or exchange of oil and gas which is produced from the national petroleum reserves and which is owned by the United States. Such contracts shall be issued by competitive bidding, shall be for periods of not more than one year, and shall be in amounts which will permit the attainment of the objectives for disposal and transportation set forth in subparagraph (a) of this section. Each bid offering shall be structured to include blocks small enough to permit small refiners to offer viable bids on the oil tendered. The United States shall not enter into any contract for the sale of oil and gas produced from the area known as Naval Petroleum Reserve Numbered 1 which shall result in any person, association, or corporation obtaining directly or indirectly, control over more than 20 percent of the oil produced from that Reserve during any single year. All proceeds from any such contract for the sale of oil and gas produced from areas designated as Naval Petroleum Reserves shall be deposited in the Treasury of the United States.

(f) The Secretary of the Interior with the approval of the President, is hereby authorized and directed to explore for oil and gas on the area designated as Naval Petroleum Reserve Numbered 4 if it is included in a National Petroleum Reserve and he shall report annually to Congress on his plan for exploration of such reserve; *Provided*, That no development leading to production shall be undertaken unless authorized by Congress. He is authorized and directed to undertake a study of the feasibility of delivery systems with respect to oil and gas which may be produced from such reserve; *Provided further*, That the Secretary of the Interior shall, through a Task Force, including representatives of the State of Alaska, the Arctic Slope Regional Corporation, the U.S. Fish & Wildlife Service and the Office of National Petroleum Reserves established by this Act, functioning cooperatively, study and review the values and best uses of the public domain lands contained in Naval Petroleum Reserve Numbered 4 as subsistence lands for natives, scenic, historical, recreational, fish and wildlife, wilderness or for other purposes, and, within three years, submit to Congress his recommendations for such designation of areas of those lands as may be appropriate and, *Provided further*, that oil and gas exploration within the Utukok River and Teheshepuk Lake areas and others containing significant subsistence, recreational, fish and wildlife, historical or scenic values, shall be conducted in a manner so as to preserve such surface values.

(g) Any pipeline which carries oil or gas produced from the national petroleum reserves shall be operated and maintained as a common carrier and shall accept, convey, and transport without discrimination and at reasonable rates oil and gas produced from national petroleum reserves. The Secretary of the Interior shall provide in every contract for the sale or exchange of oil or gas produced from such reserves that the contracting party, if owner or operator of a controlling interest in any pipeline or any company operating the pipeline which carries oil or gas produced from the national petroleum reserves, shall at reasonable rates and without discrimination accept and convey the oil and gas which is produced from the reserves of the Government or of any citizen or company not the owner of any pipeline subject to the provisions of this section. The Secretary of the Interior shall have the power to make rules and regulations for the purpose of carrying out the provisions of this section and shall have the authority to declare forfeit any contract, operating agreement, right-of-way, permit or easement held by any person or entity violating such rules or regulations. This section shall not apply to any natural gas common carrier pipeline operated by any person subject to regulation under the Natural Gas Act or any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality.

(h) With respect to pipelines and related input and terminal facilities in the vicinity of any national petroleum reserve, the Secretary of the Interior is authorized to obtain by purchase, including condemnation, such property interests as he may determine to be necessary to effectuate the transportation by purchasers of oil and gas from any national petroleum reserve to refinery points or points of interconnection with common carrier pipelines. The Secretary is further authorized to construct such pipelines and related input and terminal facilities as he determines to be necessary in order to effectuate disposals of oil and gas from national petroleum reserves in accordance with the objectives set forth in subparagraph (a) above.

SEC. 4. (a) There is hereby established in the Department of the Interior an Office of National Petroleum Reserves which shall have as its head a Director who shall be appointed by the President, by and with the advice and consent of the Senate. In carrying out the provisions of this Act, the Secretary shall delegate all functions and duties authorized by this Act to the Director. In addition to the Director, there shall be appointed by the Secretary subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter 3 of chapter 53 of such title relating to classification and general schedule pay rates.

(b) No person appointed to the Office of National Petroleum Reserves shall, during his term in office, be engaged in any business, nor have any financial interest in any business entity, which is engaged in the exploration, development, production, transportation or sale of gas or oil. Before accepting employment with the Office of National Petroleum Reserves, each employee must agree, for a period of two years after termination of employment, not to accept employment with, or receive any benefit, financial or otherwise, from any business entity which is engaged in the exploration, development, production, transportation or sale of oil or gas.

Mr. MELCHER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD. This is the same text as has been printed in the RECORD on June 26, and it is the text that has been available all afternoon on the floor.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. HÉBERT. Mr. Chairman, I reserve a point of order against the amendment.

Mr. DINGELL. Mr. Chairman, I also reserve a point of order against the amendment.

POINT OF ORDER

Mr. HÉBERT. Mr. Chairman, I have a point of order against the amendment on the basis that the amendment offered includes a sentence relating to strategic defense. The original bill, H.R. 49, had no such reference.

The CHAIRMAN. Will the gentleman specify the language he refers to?

Mr. HÉBERT. The language which I read, from section (d):

> Pursuant to any program hereafter authorized by the Congress, the President may, in his discretion, direct that no more than 25 percentum of the oil produced from such national petroleum reserves shall be placed in strategic storage facilities or exchanged for oil and gas products of equal value which shall be placed in such strategic storage facilities.

I point out, Mr. Chairman, that the original bill, as presented to the Committee on Rules, did not contain any such reference at all. Therefore, it is not germane.

The CHAIRMAN. Does the gentleman from Montana (Mr. MELCHER) wish to be recognized?

Mr. MELCHER. Mr. Chairman, I feel that the section that the gentleman from Louisiana (Mr. HÉBERT) has referred to is indeed germane to the bill. It involves the discretionary right of the President to designate a portion of the Elk Hills production for strategic storage reserves. It deals with production of Elk Hills oil, and all through the bill we were determining what we could do in the best interest of the Nation.

The CHAIRMAN. Does the gentleman from Michigan (Mr. DINGELL) wish to be heard on the point of order?

Mr. DINGELL. No, Mr. Chairman. I have a separate point of order.

The CHAIRMAN (Mr. SMITH of Iowa). The Chair is prepared to rule on this point of order.

The Chair would note that the language of the Melcher amendment referred to states "pursuant to any program hereafter authorized by the Congress."

The Melcher amendment does not set up a program nor authorize a program for strategic storage of petroleum; it merely refers to a program which may hereafter be authorized. If it did attempt to authorize a program not related to the committee amendment, then the decision on the point of order would be different.

However, since it does not, the point of order is overruled.

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. DINGELL. Mr. Chairman, I ask to be heard on the point of order.

The bill, H.R. 49, authorizes as follows:

> To authorize the Secretary of the Interior to establish on certain public lands of the United States national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes."

Mr. Chairman, if we refer to the bill in toto, nowhere will we find in that bill language relating to subsection (f) of the amendment submitted to us. I regret that I cannot give the Chair the precise citation.

I will state that the point of order goes to the section realting to the words,

> Provided further, That the Secretary of the Interior shall, through a Task Force, including representatives of the State of Alaska, the Arctic Slope Regional Corporation, the U.S. Fish and Wildlife Service and the Office of National Petroleum Reserves established by this Act, functioning cooperatively, study and review the values and best uses of the public domain lands contained in Naval Petroleum Reserve Numbered 4 as subsistence lands for natives, scenic, historical, recreational, fish and wildlife, wilderness or for other purposes, and, within three years submit to Congress his recommendations for such designation of areas of those lands as may be appropriated * * *.

Mr. Chairman, a fundamental rule of the House of Representatives is that the burden of establishing the germaneness of an amendment falls upon the offeror and does not fall upon the Member challenging the germaneness. I would point out that nowhere else in the bill is there a proviso for a provision for a study involving groups, and nowhere in the title of the legislation is there anything that would justify or authorize a study of the kind that is set forth here in the amendment.

As a matter of fact, nowhere in the amendment that was reported by the Committee on Interior and Insular Affairs to the House of Representatives is there anything which would relate to a study. A study of the kind that is before us is totally different and alien.

The purpose of the legislation is to establish a program of national strategic reserves and for the development of the petroleum reserves and not for the establishment of a study. It is not for the establishment of a study relating to fish and wildlife values, historical values, and matters of that sort.

So since the burden falls upon the offeror of the amendment, the gentleman from Montana (Mr. MELCHER), I would point out that he has assumed for himself a burden which is impossibly heavy, and that is to provide a study of such sweeping import relating to totally different matters than those which are contained in the bill.

For that reason, Mr. Chairman, the point of order should be sustained.

Mr. MELCHER. Mr. Chairman, I rise in opposition to the point of order.

Mr. Chairman, I think the point is covered in rule XVI at section 798c where it says as follows:

> * * * the test of the germaneness of an amendment in the nature of a substitute for a bill is its relationship to the bill as a whole, and is not necessarily determined by the content of an incidental portion of the amendment which, if considered separately, might be within the jurisdiction of another committee.

Mr. Chairman, I think that about settles the point.

The CHAIRMAN. The Chair is prepared to rule.

The proviso cited by the gentleman from Michigan (Mr. Dingell) is on page 8 of the mimeographed form of the Melcher amendment.

Had this proviso been presented separately, the germaneness would have been measured against the portion of the Interior Committee amendment to which offered. However, having been presented as a part of an overall substitute, the Chair would rule that the provision objected to is merely incidental to the fundamental purpose of the amendment, and that under the precedent cited by the gentleman from Montana (Mr. Melcher), in section 798(b) of the Manual the amendment is germane to the text when viewed as a whole.

The Chair therefore overrules the point of order.

AMENDMENT OFFERED BY MR. MELCHER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MELCHER

Mr. MELCHER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Melcher to the amendment in the nature of a substitute offered by Mr. Melcher: In section 3, amend the first sentence of subsection (f) by deleting after (f):

"The Secretary of Interior with the approval of the President, is authorized and directed to explore for oil and gas on the area designated as Naval Petroleum Reserve Numbered 4 if it is included in a National Petroleum Reserve"

And insert in lieu thereof:

"A national petroleum reserve is hereby established to include Naval Petroleum Reserve Numbered 4. The Secretary of the Interior shall commence exploration of such reserve"

The CHAIRMAN. Does the gentleman from Montana (Mr. Melcher) ask unanimous consent to amend the amendment in the nature of a substitute?

Mr. MELCHER. Yes, I do, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

The CHAIRMAN. The question is on the amendment to the amendment in the nature of a substitute offered by the gentleman from Montana (Mr. Melcher).

The amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. FRASER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MELCHER

Mr. FRASER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Fraser to the amendment in the nature of a substitute of**fered by Mr. Melcher: Strike paragraph (d)** of section 3.

At the end of the amendment add the following new section:

"NATIONAL STRATEGIC PETROLEUM RESERVE SPECIAL FUND

"Sec. 5. (a) There is established on the books of the Treasury a new account to be designated as the National Strategic Petroleum Reserve Special Fund (hereinafter in this section referred to as the 'Special Fund').

"(b) Except during any period in which there is an excess balance in the Special Fund, there shall be credited to such Special Fund—

(1) proceeds realized under this Act from the disposition of the United States share of crude oil and natural gas produced from the national petroleum reserves in the contiguous forty-eight states established pursuant to this Act; and

(2) the net proceeds, if any, realized from sales or exchanges within the Department of the Interior of crude oil or refined petroleum **products accruing to the benefit of any com**ponent of the Department of the Interior as a result of any such sales or exchanges.

"(c) The Special Fund shall be available in such amounts as may be specified in annual congressional appropriations Act for:

(1) the purchase of crude oil, refined petroleum products and residual fuel oil for storage in such national strategic petroleum reserve as may be authorized by law; and

(2) the development and production of oil **and gas in naval petroleum reserves num**bered 1, 2, and 3.

"(d) For purposes of subsection (b), there is an excess balance in the Special Fund if the balance in the Special Fund exceeds the **sum of the products of**

(1) the prevailing world market prices for crude oil, refined petroleum products, and residual fuel oil multiplied by

(2) the respective volumes of such crude oil, refined petroleum products, and residual fuel oil as may be authorized by law to be stored in a national strategic petroleum reserve less the respective volumes of such crude oil, refined petroleum products, and residual fuel oil actually stored in a national strategic petroleum reserve."

Mr. FRASER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MELCHER. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Montana (Mr. Melcher) reserves a point of order against the amendment.

Mr. FRASER. Mr. Chairman, this is an amendment which is offered on behalf of myself and the gentleman from Michigan (Mr. Dingell).

What it would do is provide that the proceeds from the sale of Elk Hills oil be set aside in a separate account with the Treasury and, subject to annual appropriations, be used to pay for the cost of development of Elk Hills and Reserves No. 2 and No. 3, part of which is in Teapot Dome. It would also be available to purchase crude or residual oil or oil products in order to fill a strategic reserve.

What the amendment provides is that only that amount of money that is necessary to fill the amount of strategic reserve that has been authorized by Congress be held in the special account. The rest would revert to the General Treasury.

Congress would retain control over this in two ways:

First, by determining how much money would be released each year to purchase the material to go into the strategic reserve and, second, by setting a ceiling on the strategic reserve itself.

Mr. Chairman, let me underscore the importance of this amendment. Without it, Elk Hills with its billion or perhaps billions of barrels of oil, could contribute roughly 1 percent of our domestic production each day. When this is gone it would be all gone, and we would have no reserve left. We would have nothing left. Under this amendment we, in effect, would take the reserve which Elk Hills represents, but which is unusable today because we cannot get it out fast enough, and, in effect, convert it into usable reserve for both military and civilian purposes.

One need not overstate the case of what would happen to the rest of the U.S. economy, not to mention our national defense, if we were subject to another oil embargo by the Middle East nations.

We remain vulnerable in our oil supply. It is essential that we take this oil and through its funding in effect translate it into a usable, strategic reserve which would give us immunity from further embargoes by some of the Arab oil-producing nations.

It may be argued that we do not know all of the places where the strategic oil reserve would be stored, but let me say that the Federal Energy Administration and the National Petroleum Council have been studying this matter and believe there are facilities immediately available which could be the beginning of our strategic oil reserve storage. Building up strategic storage would extend over a period of 5 or 6 or 7 years, but we can get started now by holding the money to purchase the oil for this strategic reserve.

If we do not do this, then we are faced with the problem of how we are going to fund the strategic oil reserve in the future when the money from Elk Hills has disappeared into the General Treasury, and has been spent, and there is no money forthcoming to fund the cost of the strategic reserve.

Mr. Chairman, the Committee on Interstate and Foreign Commerce has reported a bill which would create a strategic reserve of 1 billion barrels. In the other body they have under consideration, and it is on the floor today, another bill which would create a strategic reserve of roughly half that amount. In either case the amount of money generated by Elk Hills is needed to supply this strategic reserve.

The bill already contains 25 percent earmarked at the discretion of the President, but the fact is that 25 percent does not begin to deal with the funding of the strategic reserve we need. Twenty-five percent would mean it would be virtually decades before we would achieve the size of strategic reserve that we require. We need to use the full amount after we pay for the cost of development of reserves 1, 2 and 3, in order to support the strategic reserve. Any eventual balance would go into the General Treasury.

Mr. Chairman, I would add that this amendment is consistent with the policy of the administration of establishing strategic reserves. It has the support of the Environmental Policy Center, the Friends of the Earth, the Wilderness Society, and the Sierra Club.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FRASER was allowed to proceed for 1 additional minute).

Mr. FRASER. Finally, Mr. Chairman, I want to emphasize that there have been numerous studies of this. The National Petroleum Council has just issued a draft report, completed less than 2 weeks ago, which states that the appropriate source for the funding of a strategic oil reserve is the Elk Hills Naval Reserve No. 1. Everybody who has looked into this problem has concluded that first, we need a strategic reserve; second, that this now unusable reserve is the logical place to get the funds to convert it into a usable reserve, and, third, we need it for our national security, to prevent disruptions to our economy, and to enable us to go forward with sound progress in our total energy program.

The CHAIRMAN. Does the gentleman from Montana insist on his point of order?

Mr. MELCHER. I do not, Mr. Chairman.

Mr. Chairman, I move to strike the requisite number of words.

The gentleman from Minnesota is presenting an amendment to our bill which will earmark funds from oil produced and sold from Elk Hills. It would restrict those funds for strategic storage reserve purposes. The gentleman from Minnesota well knows that I am sympathetic to the idea and the concept of building up strategic storage reserves. However, I have explained to the gentleman from Minnesota that I felt that earmarking all of the funds was taking too broad and too bold a step at this time, since the authorizing legislation for strategic storage reserves has not been passed by the House yet, and since there are no available storage areas at this time. I think perhaps his amendment goes a little bit too far. Regretfully, I oppose the amendment in its present form. I would welcome a strengthening amendment to our own section of the bill, if some Members of the House so desire.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Virginia.

Mr. HARRIS. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to this amendment, and to every effort to place the largest share of our public oil reserves into stockpile. I believe this would be contrary to the goal of increasing domestic energy supplies, and holding the line on price.

Despite numerous statements in the press and out of the White House to the contrary, the fact is that this House has made major strides in enacting legislation to conserve this Nation's scarce fossil fuels. The Ways and Means Committee bill, H.R. 6860, contains a limitation on imports, mandatory fuel efficiency labeling and standards for cars, and incentives for energy conservation and conversion. Another extremely important energy bill, H.R. 7014, is awaiting floor action. The Oil Policy and Conservation Act will contain mandatory gasoline savings through allocation, price regulation, and additional conservation measures.

Today we have an opportunity to actually increase the supply of petroleum products in this country by increasing oil and gas production on public lands. These lands—including the naval petroleum reserves—represent the largest remaining domestic reserves of oil and gas in the United States. Their production, in a manner consistent with the public interest, should be a top priority of this Government. Only through positive action to increase the supply of energy can we hope to achieve a break on consumer prices.

H.R. 49 enables the President to earmark up to 25 percent of the oil produced or 25 percent of the revenues received from the sale of oil produced under this act, to be used in creating a strategic reserve of crude oil. This oil would be drawn upon in the event of a national emergency such as war or the possible renewal of an international oil embargo against the United States. I support that provision in the bill, but feel I must object to other attempts to earmark oil or revenues above the 25 percent for stockpiling.

The stockpiling of oil, even if done in the name of national security, amounts to squirrelling away an already scarce resource, and a massive "strategic" storage program will have the result of artificially restricting the supply and maintaining an artificially high price for oil.

We can expect to have oil from the North Slope of Alaska "on line" in about 2 years. Large scale production on the Outer Continental Shelf should be a reality by 1980 provided we can adequately guard against adverse impact to coastal areas. That is when we can expect a break in oil prices, when we have increased the supply. It makes no sense to delay or abort our efforts in this regard by hoarding the largest share of the oil production from Federal lands in a system of underground reserves. I urge the defeat of this amendment.

Mr. MELCHER. Mr. Chairman, I yield back the remainder of my time.

Mr. BELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I agree with the comments made by my friend, the gentleman from Montana. I think there are things we have to consider if we are going to set aside strategic reserves, which I think is very basically a sound idea. I think we should try to do it on the basis of our whole Nation's production, not just on the basis of the naval oil reserves. I think we have to recognize the situation we are in today. Today and for the next 5 to 7 or 8 years is when we are concerned about meeting the Arab increase in prices. Right now is when we need the production. Right now is not the time we need the storage. I think we will get that, and I think we should be working in that direction, but I think we should be working on a total basis, not on a piecemeal basis.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, as chairman of the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce, I can report to the House that we have just completed consideration of a bill establishing major portions of what I hope will become a congressional national energy policy. One of the parts of that bill, embodied at the request of the administration, is a proposal which would set up 1-billion-barrel national strategic reserve. This was embodied at the request of the administration, which pointed out through witness after witness, and Mr. Zarb, the Energy Administrator, and witnesses on behalf of the Department of State, that the establishment of a national strategic energy reserve is perhaps one of the most important things that we can do to protect this Nation from energy shutoffs and from future boycotts by members of the OPEC countries. We produce only about 60 percent of the oil consumed in the United States, so the establishment of an oil boycott could desperately impair not only the national defense but also the whole fabric of our American society.

One billion barrels of oil the administration has asked to have stored in salt domes or in other fashions throughout the United States. When asked about how this would be paid for, the administration said through witness after witness that they expected to make this payment from the proceeds of the sale of oil from Naval Petroleum Reserves 1, 2, 3, and 4, Elk Hills, Teapot Dome, Pet 4, and the other reserves.

Because of jurisdictional problems and because it is not the wish of the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce to intrude on this committee or the Committee on Armed Services, we left that portion out, that is the portion with regard to payment and establishment of a fund or something of that kind paid for this particular oil which would be stored.

Elk Hills contains 1 billion barrels of oil. The 1 billion barrels of oil is the amount the administration says is needed. This is enough for about 1,000 days use of oil by this country for essential purposes. At a cost for 1 billion barrels of oil at somewhere between $11.50 and $17.50, the cost is enormous. If we do not get that money through this device we may not be able to establish this.

What is the difference between production from Elk Hills and production from a national reserve leeched out of a salt dome? Elk Hills may produce 300,000 barrels a day. In terms of need that is a drop in the bucket. A national strategic reserve established according to the administration's program and according to legislation which I hope will be on the floor next week, according to plans the leadership is now developing, will produce 3 million barrels of oil a day for the foreseeable life of a major petroleum shortage created by the boycott.

That is the purpose of this amendment. It is to assure that we have an integrated congressional response to the requests of the administration and to meet in the fairest way possible the requests of the administration which were set forth before the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce.

This report has the support of most of the national conservation organizations and it has the support of many of the consumer groups and should have the support of every American concerned with having a viable and adequate supply of petroleum to meet the kind of shutoff with which we found ourselves faced before.

I would point out to my colleagues that in no fashion can Elk Hills deliver enough oil to meet the needs of the country but a national strategic reserve properly financed as the administration has requested will.

Mr. STEIGER of Arizona. Mr. Chairman, I rise to oppose the gentleman's amendment. I hope it will not take me 5 minutes but I would like to point out that, No. 1, the gentleman from Michigan has said the administration supports this amendment. That simply is not the situation. I would be happy to yield if I am not correct.

Mr. DINGELL. If the gentleman will yield, I have said they support this kind of proposal.

Mr. STEIGER of Arizona. The gentleman has said the administration supports this kind of proposal. I should hasten to point out that is simply not the situation. The administration is talking about reserves but not reserves that would be placed in salt domes or in whatever other place is available in some obscure area, not a mandatory setting aside of 1.3 billion gallons of fuel, thereby guaranteeing a shortage in the entire process of setting aside the reserve, which is a maniacal process, I would submit.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman.

Mr. FRASER. Let me be clear that this amendment in no way impairs the flow of fuel oil out of Elk Hills for domestic use. It does not touch that. It only earmarks the proceeds so we can replace that. The gentleman was right when he said earlier it is not a usable reserve and we should create a fund which would be a usable reserve.

Mr. STEIGER of Arizona. Mr. Chairman, I thank the gentleman. My point is—and I did state it badly—my point is that Elk Hills is not the vehicle to bear the burden of the entire reserve system that we need. If we need to set aside some oil for future problems, the President has the authority to do that right now under the emergency powers.

I will simply advise the House that the mandatorily earmarked 25 percent of the proceeds of this operation would guarantee a bureaucracy, it will be the oil reserve bureaucracy of the Fed and it will not solve any problem, except the employment of those bureaucrats who will be investigating the establishment of the reserve.

Now, any time in the past we have intended to establish a nonproductive bureaucracy, which we did with great regularity, we did not mean to produce a sulfuric acid factory, but they did when they put on the catalytic converter.

I submit what we are doing is directing the problem and creating a solution and the solution is far worse than the problem.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. BELL. I just want to point out in keeping with what the gentleman has said, that we have a capacity of 30 million barrels in Dow Chemical's facility in Freeport, Tex., currently used by Dow as a source of brine for chlorine, plus a capacity of 70 million barrels in salt mine caverns in Jefferson Island, La., currently being mined for salt. Storage there would require shutting down the salt mining operations.

An Interior Department official has estimated that the cost of transporting oil from Elk Hills to the gulf coast areas would be around $2 a barrel. The problem is the storage availability that the gentleman is pointing out and I think we should develop storage, but the difficulty with this amendment is that we do not include all the Nation's oil to do this. This should include the Interior Department oil offshore and all other federally owned oil and gas and then work it out on a total basis, rather than just pick on Elk Hills and the naval oil reserves.

Mr. STEIGER of Arizona. Mr. Chairman, I just want to point out that we have now resolved the most difficult problem that faces us in the opening of Elk Hills. I urge that we not burden the process of opening up Elk Hills with even the very worthy approach by putting the entire responsibility of the Nation's strategic reserves on Elk Hills. No. 1, we are deluding ourselves that Elk Hills can sustain that and, No. 2, we are creating administrative procedures that we cannot even anticipate. Let us confront this strategic reserve problem at another time.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Minnesota.

Mr. FRASER. I just want to make the point that under our amendment the money will first go for the development of Elk Hills, along with Reserves No. 2 and No. 3. During the time that those are being developed the Federal Energy Administration, or whatever agency is authorized to do so will manage the strategic reserve program, so there is no administrative problem.

Mr. STEIGER of Arizona. I thank the gentleman. I think the whole question is worthy of some hearings that we have not had.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am on both the committee the gentleman from Montana (Mr. MELCHER) is on and that the gentleman from Michigan (Mr. DINGELL) is on. We have considered the question of the reserves in the Committee on Interstate and Foreign Commerce. We have considered this question of Elk Hills in the Committee on the Interior.

I think there has been a little of a mistake on the part of those who oppose this amendment. This amendment does not require one drop of oil from Elk Hills to go into any salt dome or anywhere else. The oil from Elk Hills can flow directly to national uses now. There is not a jot in the amendment that requires oil be purchased immediately, for instance, at high rates. The only thing this amendment does is assure us that so long as the strategic reserve has not been met, that is, so long as there is not enough money to buy oil to supply the strategic reserve, that the receipts from Elk Hills oil that go to the Federal Government be held in a fund to be expended, not only on the judgment of the Administrator, but on the judgment of Congress by appropriations.

That will be at such time as we feel that the oil can be hauled. All that is done in this amendment is to assure that those funds are not used for another purpose. That is all.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the gentleman from Texas is emminently correct. The oil from Elk Hills would continue to flow into national use just as the committee would provide, but it would become the funding mechanism through its sale into the regular channels of commerce so that we can provide, as the administration has indicated it wishes, for the acquisition of oil to go into a national program of strategic reserve, a reserve to protect this nation from oil crises such as we saw in the Arab-Israeli war.

Mr. ECKHARDT. I thank the gentleman. I would only add this: This is not to say that Elk Hills will bear the whole burden of supplying the strategic reserve. It is only to say that funds from Elk Hills will be earmarked for that purpose. Ultimately, additional funds may be needed.

Conceivably, Elk Hills might produce enough to generate the funds in whole. If it does, the funds generated at Elk Hills will be used elsewhere as soon as a strategic reserve is supplied.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, I, too, serve on the subcommittee which drafted this bill, and I happened to be serving at the time this bill was written. We are going to keep a valuable reserve in oil. This amendment before us translates the reserve into dollars, and those dollars shall buy a strategic reserve above ground.

I think this amendment deserves adoption.

Mr. WIRTH. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I think the issue before us is not only where the oil is going to go, whether it is going to go into the bank and not be shipped someplace—we should keep that in mind. Second, we must commit ourselves to the notion of developing a strategic reserve. The administration proposal asked the Congress to approve a proposal for 1 billion barrels of strategic reserve. Extensive hearings were held on the issue in the subcommittee chaired by the gentleman from Michigan (Mr. DINGELL). There was very clear agreement by almost everybody, in discussion of the strategic reserve, that it must be developed.

It seems to me that this amendment must be approved in order to support the notion of a strategic reserve. If we do not have a strategic reserve in this country, we are open to extraordinary blackmail from the OPEC countries. With economic blackmail, they can make the boycott of the recent years look like kids' play.

It is absolutely essential that we have a strategic reserve and set up the funding mechanism for doing that. I would urge my colleagues to support the amendment offered by the gentleman from Minnesota (Mr. FRASER) and the gentleman from Michigan (Mr. DINGELL).

The question is on the amendment offered by the gentleman from Minnesota (Mr. FRASER) to the amendment in the nature of a substitute offered by the gentleman from Montana (Mr. MELCHER).

The question was taken; and on a division (demanded by Mr. FRASER) there were—ayes 72; noes 47.

So the amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. RONCALIO TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MELCHER

Mr. RONCALIO. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. RONCALIO to the amendment in the nature of a substitute offered by Mr. MELCHER: In section 3(a), in the second sentence, change "not less than thirty days" to "not less than ninety days".

Mr. RONCALIO. Mr. Chairman, all this very modest change in the 30 days to 90 days does is provide sufficient time for large companies who are asked to make bids with the Secretary of the Interior to do the reconnoitering and geographical interpretations of a particular area and gather their information together, collate it, and get their bids ready. Some of them cannot do it in 30 days.

Mr. MELCHER. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. Yes, I yield to the gentleman.

Mr. MELCHER. Mr. Chairman, we are prepared to accept the amendment. I think it has been accepted on the minority side. We accept it also.

Mr. STEIGER of Arizona. Mr. Chairman, I concur with the chairman and accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) to the amendment in the nature of a substitute offered by the gentleman from Montana (Mr. MELCHER).

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. JEFFORDS asked and was given permission to revise and extend his remarks.)

Mr. JEFFORDS. Mr. Chairman, I would like, if possible, to ask the subcommittee chairman, the gentleman from Montana, a question.

Mr. MELCHER. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. Certainly.

Mr. MELCHER. I would be delighted to answer any questions my colleague may have.

Mr. JEFFORDS. As the gentleman is aware, one of the original concerns about the original Interior bill dealt with the distribution of funds as the result of the sale of any leases or oil from the Naval Petroleum Reserve in Elk Hills and the other naval petroleum reserves. At present the Mineral Leasing Act specifically exempts funds from the Naval Petroleum Reserves from distribution under section 191 of title 30. My fears and concerns are alleviated to a great extent by the amendment just adopted which was offered by the gentleman from Minnesota (Mr. FRAZER). However, since money will pour over into the Treasury, I want it to be made clear as to the intent for the distribution and the use of funds which are deposited in the Treasury, after the Frazer amendment provisions are fulfilled. In other words, will these excess funds be distributed with percentages to the States, and as part of the reclamation fund, in accordance with section 191, or will they be exempt from such distribution and go to the Treasury for general use by the Treasury as general funds.

Mr. MELCHER. If the gentleman will yield, I will be happy to respond and in this manner make legislative history.

H.R. 49 that we have before us clearly prohibits the use of the Mineral Leasing Act in any shape or form as it affects Elk Hills or any other naval reserve that might become a national petroleum reserve. All of the proceeds of the sale of the oil produced will be deposited in the Treasury. There will be no distribution other than that except subject to the amendment that we have just accepted which is earmarking funds designated as a national strategic petroleum reserve special fund.

Mr. JEFFORDS. In other words, as I understand it, the money which is deposited in the Treasury will not be disbursed under section 191, title 30, but will be for the general use in the Treasury of the United States?

Mr. MELCHER. The gentleman is correct. It will not be disbursed under the title and section that the gentleman referred to. But the money, as the bill now reads and as amended by the recently accepted Dingell-Frazer amendment, will lodge in a strategic petroleum reserve special fund and be used for that special purpose.

Mr. JEFFORDS. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I want to commend the committee and the gentleman for bringing forth here a substitute bill which I think certainly takes care of many of my concerns, and with the strategic reserve provisions I think it is a good bill. I expect that later on we may wish to amend the bill to accomplish some of the provisions of the Armed Services Committee bill. I also wish to commend the Armed Services Committee. Their actions have prompted many improvements. The result we have here should be considered the results of their joint efforts. Thank you, Mr. Chairman.

Mr. MELCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this opportunity to enter into a colloquy with my colleague, the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I thank the gentleman very much for yielding.

I will ask the gentleman this: Would the language in section 3(a) of the Melcher substitute to H.R. 49 requiring that "all geological and geophysical information collected and developed pursuant to the development and implementation of the plan" be submitted to Congress also require that information regarding the environmental impact of development and production be submitted?

Mr. MELCHER. The answer to the gentlewoman's question is this: The language is broad enough to insure that not only information on aspects of whatever program the Secretary sets forth with direct bearing on oil development and production will be submitted, but also that important related information, such as the environmental impact, will be included in the report.

Ms. ABZUG. Does this language, then, require that an environmental impact study be performed and submitted to Congress at the same time that the plan is submitted.

Mr. MELCHER. The answer to the gentlewoman's question is this: The requirements of NEPA are quite clear in this regard, requiring the submission of such a study, and the language in this bill strengthens those requirements to insure that Congress be apprised of any and all effects that the oil reserve development and production will have on the environment.

Ms. ABZUG. I thank the gentleman.

AMENDMENT OFFERED BY MR. WIRTH TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MELCHER

Mr. WIRTH. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Wirth to the amendment in the nature of a substitute offered by Mr. Melcher: Section 1 is amended to read as follows:

"That in order to develop petroleum reserves of the United States which need to be regulated in a manner to meet the total energy needs of the Nation, including but not limited to national defense, the Secretary of the Interior, with the approval of the President, is authorized to establish national petroleum reserves on any reserved or unreserved public lands of the United States (except lands in the National Park System, the Naval Oil Shale Reserves, the National Wildlife Refuge System, the Wild and Scenic Rivers System, the National Wilderness Preservation System, areas now under review for inclusion in the Wilderness System in accordance with provisions of the Wilderness Act of 1964, and lands in Alaska other than those in Naval Petroleum Reserve Numbered 4)."

Mr. WIRTH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. WIRTH. Mr. Chairman, very simply, the purpose of this amendment is to add the Naval oil shale reserves to those areas which are excluded in the establishment of a national petroleum reserve.

The purpose of this is very simple. This bill is really focused on petroleum. The oil shale issue is a very separate issue. We tend on many occasions to get ahead, in the establishment of a reserve or in the establishment of a pricing policy, of a number of other issues that must be resolved.

The development of oil shale reserves raises many other issues, including environmental issues, agricultural issues, cultural and social issues, and economic and technological issues. Those issues were outlined in a "Dear Colleague" letter which the gentlewoman from Colorado (Mrs. Schroeder) and I sent around on June 18.

Mr. Chairman, I include at this point the letter I just referred to:

House of Representatives,
Washington, D.C., June 18, 1975.

Dear Colleague: This week, the House will be considering two bills dealing with the disposition of our Naval Petroleum Reserves. The Interior Committee has one bill, H.R. 49, and the Armed Services Committee has another, H.R. 5919. Both bills, however, also attempt to deal with a completely separate issue—the disposition of our Naval Oil Shale Reserves. For the reasons set out below, we believe it is a serious mistake to deal with Oil Shale Reserves in a bill considering petroleum reserves.

The Interior Committee Bill (H.R. 49), although highly ambiguous, apparently transfers the Oil Shale Reserves to the Interior Department. This would thwart the Navy's present attempts to develop oil shale products for its mission-related purposes.

The Armed Services Bill (H.R. 5919) to be offered as a substitute to H.R. 49, would set up a Trust Fund for both petroleum and oil shale development. This is even worse. If such a trust fund were authorized, the potential large revenues from petroleum sales might be kept from the benefit of the taxpayer and instead channeled into R&D for oil shale development; ERDA already has an extensive R&D budget devoted to oil shale, and further monies cannot be well spent at this time.

We believe both bills are unfortunate in the tacks they take. Shale development raises a series of complex and interrelated issues only now beginning to be addressed:

Environmental issues: Oil Shale developers have yet to solve the problems of spent shale disposal, revegetation of shale stripped lands, carcenogenic compounds found in shale, ground water effects, salinity concentrations, and air pollution.

Agricultural issues: The water requirements of large scale shale development could stunt the development of agriculture in shale regions at a time when it is well recognized that we must increase our food supplies.

Cultural and social issues: No policy has been set as to the "boom towns" which oil shale development would bring to sparsely developed regions of our country.

Economic and technological issues: The net energy produced from shale after the costs of digging it up, retorting it, and refining it, are disputed. It may take a barrel of oil to obtain just two barrels of shale oil, as opposed to the one barrel for twenty barrels we receive in petroleum drilling. Such oil would probably sell at $16.00 per barrel, far above OPEC oil prices or the per barrel price at which deregulated oil is currently selling.

We think that policy matters regrading oil shale development are distinct from and require far different kinds of information than the matter of opening up Naval Oil Reserves. A national oil shale policy must be developed, but we must have a policy before we have development and not vice versa. Pending such a policy, we urge your support for our amendments to exclude oil shale from these bills.

Patricia Schroeder,
Timothy E. Wirth.

Mr. Chairman, I have discussed this amendment with the gentleman from Montana (Mr. Melcher) and with the gentleman from Arizona (Mr. Steiger).

Mr. MELCHER. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Montana.

Mr. MELCHER. Mr. Chairman, I can say that we on the majority side have during the past 2 or 3 weeks reviewed the amendment offered by the gentleman from Colorado and by his colleague, the gentlewoman from Colorado (Mrs. Schroeder), and we find it acceptable.

We never envisioned in our bill that we would be dealing at all with the naval oil shale reserves, and so we are pleased to have the gentleman from Colorado add this specific exclusion to our bill.

Mr. WIRTH. Mr. Chairman, I thank the gentleman.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Chairman, I also have no problem with the gentleman's amendment.

I just wish that the gentleman from Colorado (Mr. Wirth) had allowed the gentlewoman from Colorado (Mrs. Schroeder) to ask me about it, but since he did not, I am perfectly willing to accept the gentleman's explanation and his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. Wirth) to the amendment in the nature of a substitute offered by the gentleman from Montana (Mr. Melcher).

The amendment to the amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended, offered by the gentleman from Montana (Mr. Melcher) for the committee amendment.

The amendment in the nature of a substitute, as amended, for the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Smith of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 49) to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes, pursuant to House Resolution 416, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. MELCHER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 391, nays 20, not voting 22, as follows:

[Roll No. 365]

YEAS—391

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield

Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Coughlin
Crane
D'Amours
Daniel, R. W.
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Haley
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—20

Beard, Tenn.
Bevill
Burleson, Tex.
Chappell
Daniel, Dan
Davis
Dickinson
Hébert
Hicks
Holtzman
Landrum
McDonald
Myers, Pa.
Nichols
Obey
Pike
Satterfield
Stratton
Treen
Waggonner

NOT VOTING—22

Abdnor
Alexander
Anderson, Ill.
Barrett
Bonker
Clawson, Del
Collins, Ill.
Cotter
Diggs
Evins, Tenn.
Fulton
Hinshaw
Jenrette
Meyner
Montgomery
Moss
Quie
Reuss
Rhodes
Scheuer
Teague
Wright

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Diggs for, with Mr. Moss against.

Mr. Montgomery for, with Mr. Teague against.

Until further notice:

Mr. Wright with Mr. Bonker.

Mr. Jenrette with Mrs. Collins of Illinois.

Mrs. Meyner with Mr. Evins of Tennessee.

Mr. Barrett with Mr. Fulton.

Mr. Cotter with Mr. Scheuer.

Mr. Rhodes with Mr. Alexander.

Mr. Quie with Mr. Reuss.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS AND CROSS REFERENCES IN H.R. 49

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers and cross references in the engrossment of H.R. 49.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

GENERAL LEAVE

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The Speaker laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 1, 1975.

The Hon. CARL ALBERT,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:25 A.M. on Tuesday, July 1, 1975, and said to contain a message from the President wherein he transmits the First Fiscal Year 1976 Special Message under the Impoundment Control Act of 1974 concerning rescissions and deferrals.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.
By W. RAYMOND COLLEY.

FIRST MESSAGE IN FISCAL YEAR 1976 UNDER IMPOUNDMENT AND CONTROL ACT OF 1974 CONCERNING RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–206)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I herewith propose three rescissions and report twenty-seven deferrals in accordance with the Impoundment Control Act of 1974. The rescission proposals total $123.7 million and the deferrals total $2,729.4 million for a total of $2,853.0 million in fiscal year 1976 budget authority.

Funds for two highway programs, one duplicating an existing system and one that could be funded through Federal-aid highway funds now available to the States, are proposed for rescission. The third rescission proposal reflects a recent Congressionally-approved change in program needs by requesting reduced funding for the Federal Law Enforcement Training Center. The deferrals are primarily routine in nature and do not affect program levels. The details of each rescission proposal and deferral are contained in the attached reports.

I urge the Congress to act promptly on the proposed rescissions.

GERALD R. FORD.

THE WHITE HOUSE, *July 1, 1975.*

AMENDING FOREIGN ASSISTANCE ACT

(Mr. WHALEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WHALEN. Mr. Speaker, I am introducing a bill to amend section 620(x) of the Foreign Assistance Act to permit the President to ship a limited quantity of defense articles to the Government of Turkey.

Section 620(x) suspends all military assistance and sales to Turkey effective February 5, 1975. It also prohibits the issuance of licenses with respect to the transportation of arms, ammunition, and implements of war—including technical data relating thereto—to Turkey.

Prior to the effective date of this section Turkey purchased certain defense articles from the United States which had been manufactured and were awaiting shipment to that country on the day that the embargo on the shipment of defense articles became effective.

This situation has been irksome to the Government of Turkey which considers this property to belong to that country through the rights of purchase.

My amendment would permit the President to remedey this situation by giving him the authority to make a one-time limited exception to the ban on delivering defense articles to Turkey.

According to the Department of Defense the value of this equipment is about $52 million. It includes 12 F-4 type aircraft, ground equipment, and spare parts needed to prepare the aircraft for flight.

It would not permit the shipment of defense articles valued at $132 million which are still in the pipeline for Turkey.

Mr. Speaker, I recognize that this is an emotional issue and that my amendment will satisfy neither those who want to resume the full shipment of defense articles to Turkey nor those who insist that the embargo remain in effect.

It would, however, remove an irritant between the United States and Turkey and quite possibly help to create a climate in Turkey which would enable that government to relax its position with respect to Cyprus. Furthermore, it would demonstrate to the Turkish Government that the United States is not completely unyielding on this issue and that with good will and commonsense on both sides it might be possible to work out a solution that is acceptable to all parties, the Greeks, the Cypriots, the Turks, and the United States.

JUDGE WENNER'S POSTAL RATE RECOMMENDATIONS—A DISASTER FOR THE AMERICAN PUBLIC

(Mr. HANLEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HANLEY. Mr. Speaker, one of the first lessons I learned in politics came from an elderly State senator I chanced to meet in a passenger train dining car. We were both seated at a small table for breakfast. When the toast was brought in and set before us, I noticed that the senator would steal a peek underneath before biting into it. I later asked him why, since it seemed a curious practice to me.

He said:

> Well, it's a lesson I learned back in the days when toasters—and politics—were more primitive. Back then you would sometimes be served toast that looked all golden and buttery on top. But when you bit into it, you found its taste bitter because, underneath, it was burned to a crisp.

He continued:

> Well, many things in public life are served up like that old toast. It may look tasty on top, but it's burnt underneath. And if you bite, you will find it a bitter experience.

So, this old senator treated his politics and his toast the same way. Before biting, he looked underneath, just to make sure the buttery surface appearance did not belie the possibility it was burnt and bitter underneath.

Mr. Speaker, the senator's lesson about toast and politics has seldom been better exemplified than in recent recommendations on postal rates by Seymour Wenner, an administrative law judge of the Postal Rate Commission.

For almost 2 years now, the judge has been hearing various parties in connection with postal rates put into force in March of 1974 on a temporary basis. These are the rates mailers and citizens are now paying.

With a flurry of press releases and political rhetoric, the judge has thrown much of the testimony and the law out the window. And instead has told the American people that the rates are all wrong. Further, he has recommended enormous increases in postage for publishers and parcel mailers, so much so, that it could well drive them away from their use of the Nation's mail.

Like buttery toast that is burnt underneath, the judge has told the American people that first class rates are too high and should be lowered from 10 cents to 8½ cents.

And what the unsuspecting public does not know, is that if the judge's rate proposals are accepted, whatever short-term savings they might conceivably gain from lower first-class rates would soon be lost in the economic shambles in which his rates would leave the Postal Service. I believe that his recommendations, if accepted, would ultimately lead to dramatically higher first-class rates and the destruction of much of the Postal Service.

First of all, Judge Wenner's recommendations falsely suggest to the public that citizens are subsidizing business mailers by excessively high first-class rates.

This is a highly misleading and inaccurate assumption.

In fact, if Judge Wenner's recommendations are accepted by the full Rate Commission, the long-range outlook would be far higher first-class rates.

Keep in mind that his recommendations do not reduce postal costs one iota. They simply redistribute costs that each class of service must shoulder. The total bill would still have to be paid.

This is so because the Postal Service is a unique institution. It must provide service throughout our Nation, calling on 75 million addresses 6 days a week, whether there is 50 billion pieces of mail or 90 billion pieces of mail a year.

No matter the volume, huge, fixed costs remain.

What Judge Wenner's proposed rates would do is drive away some volume mailers who help make inexpensive, universal mail service possible. And with a reduction in volume, and the accompanying loss in revenue, the result would soon be higher rates for everyone. And the financial health of the Postal Service would be threatened.

But even on a short-term basis, Judge Wenner's recommendations would hardly mean any savings at all to the average citizen.

Studies indicate that an average family mails 288 first-class letters and cards each year. This figure may be high, but if you accepted it at face value, it means that the average family would save $4.32 in first-class postage if Judge Wenner's recommendations were accepted.

Now let us take a look at the other side.

Because of the rate increases for magazines this family subscribes to, part of which would be passed on, the parcels the family sends during the year and at Christmas, and added costs for the family's book or record club membership, that $4.32 would soon be gobbled up.

Furthermore, because of subsidy formulas now written into the law to aid publishers and certain nonprofit mailers absorb the impact of already astronomical rate increases, the Federal Treasury would have to pay out an additional $370 million—that is $1.85 per American citizen.

Now I think any commonsense citizen would have to ask, "How could a reasonable man recommend such a thing?"

Frankly, I think it is a case of letting trees blind you to the presence of a forest.

The judge has permitted himself to become so bogged down in the technicalities of postal cost accounting that he has lost sight of a congressional imperative written into the law—that there must be sufficient flexibility in assigning postal costs that no one class of service would have its economic usefulness impaired, simply to suit some bookkeeper's notions about the way ledgers should be kept.

Let me illustrate.

If we applied Judge Wenner's views of attributing costs to various classes of mail to the theater industry, you would get the following kind of reasoning:

Now a theater with only a bottom floor, the orchestra seats, is obviously the least expensive to build; but when you add the balconies, the costs go up; and if you add a lot of balconies, it is really an expensive theater;

So, since the costs of the theater go up as you add balconies, obviously the most expensive seats are in the balconies, and the most expensive seats of all are those in the highest balcony;

This means that the Kennedy Center Opera House, instead of charging, say, $10 for an orchestra seat and $4 for a balcony seat, would charge just the opposite—$10 for the balcony and $4 for the orchestra.

Now with this reasoning applied to theaters, we would probably wind up with nothing but orchestra seats. But because the costs of theatrical productions would remain, the price tag would be far, far higher for the individual theater-goer than is now the case. There would be no $4 seats for anyone.

What the reasoning fails to grasp completely is economic value. There is obviously more value in sitting close to the stage than in sitting in the uppermost reaches of the balcony.

Time and again Congress has insisted that economic value must be taken into account by the Postal Service in determining rates. It is forthrightly expressed in the Reorganization Act and reflected time and again in the hearings before appropriate committees and in the remarks of Members.

Because of this insistence, the Postal Service over the decades has been able to open up new types of mail services that have contributed substantially to making inexpensive, universal mail service a feature of American life. These rates have helped create mail order, advertising, and publishing industries. And these industries have in turn been good postal customers, helping to underwirte a substantial portion of the fixed costs of this universal, inexpensive network of commerce and communications.

The judge's recommendations also subtly exploit a public misapprehension about the nature of mail. When he recommended an 8½-cent stamp rather than a 10-cent stamp for first class, the public reaction was favorable because people generally believe that first-class mail is personal correspondence, while the other classes of mail are strictly for business.

Of course, when people mail a letter or a Christmas card it goes first class. But personal mail—letters and greeting cards—represent only a small portion of first-class mail, perhaps one piece out of five, and much of that at Christmas.

The preponderant amount of first-class mail, like other classes of mail, is generated by business. So, do not be misled. When Judge Wenner recommended lower rates for first-class mail, the result would not shift mailing costs from individuals to businesses, it would primarily redistribute mailing costs among the various businesses and industries who generate more than 80 percent of the Nation's mail volume.

Judge Wenner proposes that publishers pay rates as much as three times what are now charged and that rates for parcel post be increased 67 percent, rather than the more modest 6.3-percent increase now temporarily in effect.

Publishers, such as Time Inc., are already seriously studying alternative sources of delivery, as are an increasing number of firms using third-class mail. The resulting loss of volume will mean that first-class customers may have to pick up a greater percentage of the tab for maintaining the buildings and personnel needed to deliver letters.

The impact on parcel post would be to drive the remaining portion of this volume into the hands of Postal Service competitors. Yet the Postal Service would still be left with the national requirement to provide parcel pick up and delivery in the difficult to serve reaches of our Nation, the rural countryside, the Caribbean, the Southwest Pacific, and Alaska.

By driving volume away with such an unconscionable rate increase, the Postal Service would still have to bear the cost of providing a universal parcel service. With lower volume to absorb these costs, the per unit cost would be forced up even more.

The result would be to take the Nation's parcel post service back to the turn of the century. In those days the only parcel delivery service people in the country could get was from private express companies. Prices were sky high and the service often went no farther than the train station.

That is why Congress created parcel post in 1911 and priced it for its economic value to the American people. The result was a good and popular package service for all Americans and the creation of the mail order industry.

Judge Wenner's recommendations would kill parcel post. And the remote Alaskan Villager and the Iowa farmer would both be left with prohibitively expensive parcel service.

Another factor often overlooked in the discussions about Judge Wenner's decision is its crushing impact on our Nation's charitable institutions, veterans organizations, churches, labor unions, and other nonprofit organizations. The judge's decision would pile another 154 percent average increase on to nonprofit publications—some of which have already suffered from as much as an 800-percent increase since 1970. Many of these publications will simply have to go out of business. Also, the cost of conducting fundraising will go way up, ultimately reducing the amount that they have for their good work.

Mr. Speaker, it is my fervent hope that the full Postal Rate Commission, upon reflection, will see that the will of Congress as expressed in the Reorganization Act of 1970 and that the Nation will be ill served by Judge Wenner's recommendations.

For all its superficial appeal, Judge Wenner's recommendations, if accepted by the Rate Commission, would be a bitter affliction on the American people.

EXTENDED COVERAGE NEEDED FOR FARM NATURAL DISASTERS

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr Speaker, in the largely agricultural area I represent, the 15th District of Texas, our farm producers periodically suffer severe losses due to natural disasters. The seriousness of this situation is intensified in times such as the present when commercial credit may be hard to obtain and is very costly when it can be obtained.

The existing emergency loan program of the Farmers Home Administration has been enormously helpful to agricultural producers in my area, as it has been elsewhere. This legislation proposes to make the program even more valuable by extending coverage in several significant respects.

This legislation would permit emergency loans to be made available not only to cover the actual loss sustained by the applicant for a loan but also to take into consideration his need to obtain credit for continuing production.

Loans for financing future operations could be made available for as long as 20 years in the case of disasters occurring after January 1, 1975, if the applicant's financial needs as a result of the disaster justify a longer payment term than 7 years and there is adequate security to protect the Government's interests. Provision also is made for subsequent emergency loans at commercial rates to help producers to recover fully from a disaster.

An important provision of H.R. 555 makes benefits of the emergency loan program available to persons engaged in aquaculture, such as shrimp and oyster producers, and fish farmers. These occupations are essential to the economy of my district and, of course, to other coastal areas of the United States. The U.S. fishing industry faces many grave problems. Emergency loans to producers suffering losses because of natural disaster will help to meet one of them.

This bill also would simplify Farmers Home Administration procedures in dealing with the effects of natural disasters. It eliminates the requirement in existing law that there be shown a general need for agricultural credit in an area before it can qualify for assistance. It would no longer be necessary for the Secretary of Agriculture to poll private bankers in an area to determine whether adequate credit is available before designating the area for emergency loans.

Mr. Speaker, H.R. 555 deals realistically with matters of vital importance to our producers of food and fiber—and therefore of importance to all consumers of their products. It is legislation in the national interest. I urge its approval.

VOLUNTEERS IN THE PARKS PROGRAM

(Mr. DON H. CLAUSEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DON H. CLAUSEN. Mr. Speaker, I would like to take note of action today by the Subcommittee on National Parks and Recreation of the House Interior and Insular Affairs Committee in the markup of legislation to increase the funding authorization for the volunteers in the parks program.

The original legislation, enacted in 1970, provides for funds to be used to reimburse the incidental expenses of persons who volunteer their services to the National Park Service. These volunteers give their time free to the Federal Government in the performance of such activities as giving information to park visitors, participating in living history demonstrations, and many other activites which are principally service, rather than product, oriented.

The National Park Service has to date obtained the services of about 5,800 persons annually in such volunteer activities. Payment is made to these volunteers only to offset their out-of-pocket expenses, such as their gasoline costs for transportation, occasional meals or lodging while on duty in the park, uniforms, and the like. The cost to the Federal Government for such services has averaged 28 cents per volunteer per hour. I can think of few Federal programs which reap such big rewards to the Government and to the public for such a small Federal investment. Moreover, the volunteers are very dedicated to their work and find great pride and enjoyment in it. Their contributions are most significant.

The original 1970 legislation initiating the program authorized a funding level of $100,000 per year. The subcommittee today reported to the full committee an administration-proposed bill which will increase the funding ceiling to $250,000 annually. This increase will be most timely in benefiting the National Park Service in augmenting its visitor service needs under the upcoming onslaught of visitation occasioned by our Nation's Bicentennial celebration.

I fully support this legislation and I hope my colleagues will likewise support this measure when it comes to the floor in the very near future.

SOLZHENITSYN VERSUS KISSINGER: A TALE OF TWO REFUGEES

(Mr. McDONALD of Georgia asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. McDONALD of Georgia. Mr. Speaker, it was indeed tragic to learn that President Ford has refused to meet Alexander Solzhenitsyn. News reports assert this is Secretary Kissinger's idea, other press reports attribute the refusal generally to the National Security Council.

Is it not ironic that a refugee from Nazi Germany has so soon forgotten what it is to flee from tyranny? Where is his compassion? When will he come out from under the fog of the Congress of Vienna and the spell of Metternich and enter the real world of 1975?

The reports in the news say that considerations of détente dictate Mr. Ford should not see Solzhenitsyn. Did Mr. Brezhnev worry about détente when Angela Davis was wined and dined in the Soviet Union? No, he did not.

A press account also suggests that seeing Solzhenitsyn would only be a promotion of Solzhenitsyn's books. What a supercilious argument. It is a well known fact the royalties collected and coming are more than enough. His books need no promoting.

The same article also suggests the question of Mr. Solzhenitsyn's mental stability. This is a cruel assertion. Is there an effort being made to discredit him because he speaks the truth about the oppressive rulers in the Kremlin and therefore this underhanded way is chosen to discredit him?

Is anyone so childish to believe that one meeting—a courtesy call—made by a Christian humanitarian speaking for millions of imprisoned human beings is a threat to détente and peace?

Our Presidents have entertained such bloodstained figures as Khrushchev, Brezhnev, and Castro. Solzhenitsyn is a universal human being, and a writer in great Russian tradition. Lest any of Mr. Ford's advisors forget or perhaps they do not know, how we treat people such as Solzhenitsyn counts for a great deal more than how we treat Brezhnev. Writers are more revered in Russia than any member of the Central Committee ever was or will be.

There is still time Mr. President, meet with Mr. Solzhenitsyn—a man whose spirit remains unbroken by a Soviet prison camp. Stand with a free man, Mr. President, not with the compromisers of your freedom and mine.

The July 3 article, "Ford Dodging Solzhenitsyn," which appeared in the Washington Star follows:

[From the Washington Star, July 3, 1975]

FORD DODGING SOLZHENITSYN

(By Philip Shabecoff)

A White House official says President Ford has refused to meet with Alexander I. Solzhenitsyn on advice from the National Security Council.

Ford, according to the White House source, felt that a meeting with Solzhenitsyn, a critic of the Soviet system who was exiled last year, would be inconsistent with the policy of detente with the Soviet Union.

Ford turned down an invitation from the AFL–CIO to hear Solzhenitsyn speak Monday at a dinner in his honor. And he rejected a request from two conservative Republican senators, Jesse A. Helms of North Carolina and Strom Thurmond of South Carolina, to meet with the writer during his visit to the United States.

Ronald Nessen, the White House press secretary, has treated the President's refusal to see Solzhenitsyn as inconsequential, but Ford discussed the matter with his aides for 20 minutes yesterday.

Several of the aides reportedly said Ford ought to see the author to placate those who admired him. But aside from the detente issue, aides were said to have raised questions about Solzhenitsyn's mental stability and some reportedly suggested that Solzhenitsyn was in the United States partly to promote the sale of his books and that the President should not be party to such commercial promotion.

THREE BANK FAILURES—WORST IN NATION'S HISTORY

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, we have just experienced the three worst bank failures in the Nation's history, namely, the closing on October 18, 1973, of the Nation's 86th largest bank, the $1 billion United States National at San Diego; the closing on October 8, 1974, of our 20th largest bank, the $5 billion Franklin National Bank in New York, and the closing on January 19, 1975, of our 68th largest bank, the $1.7 billion Security National in Hempstead, Long Island, N.Y.

Mr. Speaker, there is good reason to believe that if our banking agencies had been on the ball none of these failures would have occurred.

Without going into detail at this time, let me say that the trouble at the United States National in San Diego was due to President Nixon's friend, C. Arnholt Smith, who has just pleaded nolo contendere to a 25-count indictment that accuses him of misapplying $27.5 million and falsifying the bank records.

As long ago as 1962 a conscientious bank examiner accused Smith of similar acts and asked that his charges be referred to the U.S. attorney. Indeed, in 1969 the Wall Street Journal in a front page article detailed many transactions between the bank and Smith's companies, suggesting there might be insider profits in violation of the Federal securities laws.

It is hard to believe, Mr. Speaker, but neither the Comptroller, nor the Federal Deposit Insurance Corporation, nor the Federal Reserve took any action. Even when on May 31, 1973, the SEC filed a civil complaint against C. Arnholt Smith the three banking agencies did nothing.

Three successive Comptrollers of the Currency—Saxon 1961–66; Camp 1966–73, and Smith 1973 to date—either ignored or sidetracked the bank's problems. And, of course, Frank Willie at FDIC and Dr. Arthur F. Burns at the Federal Reserve did nothing.

In the case of the Franklin National Bank, its troubles began when it opened offices in Manhattan and became worse when in July 1972 control of the bank passed to Michele Sindona. On July 19, 1972, when Sindona bought Franklin I wrote Dr. Arthur F. Burns at the Federal Reserve and suggested to him that the Board consider subjecting Sindona's companies to the Bank Holding Company Act. Burns refused and said that because Sindona held only 18 percent of the stock instead of 25 percent that he was powerless.

Dr. Burns and his Board were the only ones in the United States that did not know that Sindona controlled Franklin. If he had acted on my letter instead of ignoring it there might never have been a Franklin failure.

The downfall of Franklin began when on May 1, 1974, after almost a year's study, the Federal Reserve said that Franklin could not afford to buy the Talcott National Corp., a factoring outfit. From its Talcott study the Fed either knew or should have known that Franklin, under Sindona, had produced—or more correctly manufactured—foreign exchange profits to meet its September 30, 1973, and March 31, 1974, dividends, and as sources have indicated, the bank examiner assigned to Franklin was saying, according to my interpretation, the bank was insolvent.

Many knowledgeable banking experts feel that the bank should have been closed by the supervisory authorities, but instead the three banking agencies approved an optimistic press release, which the SEC charges was false, and in which Sindona loosely promised to increase Franklin's capital by $50 million.

Although on May 12, 1974, trading in the stock of the Franklin New York Corp., the bank's holding company was suspended at its own request, in the press release the Federal Reserve assured the world that it would provide whatever funds Franklin needed, and it did to the tune of over $1.7 billion.

Needless to say this allowed Franklin to pay off in full uninsured advances by large banks of Federal funds, and over $1 billion in uninsured deposits in Franklin's overseas branches. Dr. Burns saw that all the big fellows here and abroad were paid in full at the expense of little fellows who bought stock and debentures in the holding company thinking it was as secure as the bank.

What was precisely the trouble at Security National I do not know, but with what I do know about what the three banking agencies did not do at the United States National and Franklin I fear the worst.

Bad as these failures were, the trouble was compounded when on October 18, 1973, the Federal Deposit Insurance Corporation sold United States National to the $10 billion asset Crocker National Bank, our 15th largest, and it sold Franklin on October 8, 1974, to the $2.4 billion European-American Bank & Trust Co., our 51st largest, operated as a joint venture by the Deutsche Bank, Germany's largest, and five other large European banks.

Under threat by the Comptroller of the Currency to appoint a conservator, the board of directors of Security National on January 19, 1975, sold itself to Chemical New York Corp., the holding company for the $22 billion Chemical Bank, our Nation's 6th largest bank.

Only 50 banks today own over half the deposits in our 14,500 banks. Selling these three banks to such large banks intensifies our already too great concentration.

But, Mr. Speaker, this is not all. Before Frank Wille at the FDIC sold either United States National or Franklin he met, in utmost secrecy, in a smoke filled room with his cronies James E. Smith, Comptroller of the Currency, and Dr. Arthur F. Burns, Chairman of the Federal Reserve Board, and decided upon the buyer. Thereafter they presented the buyer to the Justice Department on an emergency basis, assuring that no matter how flagrant the antitrust offense, Justice would go along on grounds akin to national security.

The candidates of Frank Wille at the FDIC to buy United States National were the following:

	Assets [1]	*Ranking, U.S.*
Bank of America	60.37	1
United California (Part of Western Bancorp)	18.7	10
Security Pacific	15.48	11
Wells Fargo	12.67	14
Crocker	10.29	15
Union	4.08	28
Bank of California (Part of BanCal Tri-State Corporation)	3.05	45

[1] Billions of dollars.

NOTE.—Values and ranks as of December 31, 1974 and as reported in Business Week, April 21, 1975.

To its credit the Antitrust Division at Justice advised against Bank of America, Security Pacific, and United California, so that only the others bid. The one FDIC selected was Crocker, the Nation's 15th largest bank with assets of $10 billion.

In the case of Franklin, Frank Wille of FDIC made an effort to interest some 17 banks, but in the end only these banks bid:

	Assets [1]	*Rank (U.S.A.)*
Citibank	44.7	2
Manufacturers	21	4
Chemical	17	6
European-American	2.5	51

[1] Billions of dollars.

NOTE.—Values and ranks as of December 31, 1974 and as reported in Business Week, April 21, 1975.

The three banking agencies agreed on European-American and this acquisition raises some extremely serious questions. It is a joint venture of these six European banks:

PARENT, ASSETS, AND STOCK IN EAB AND EAC

Deutsche Bank, Germany's largest, $24.5 billion, 20%+.

Societe Generale, one of France's 3 largest, $20.4 billion, 20%+.

Midland Bank Group, a major London clearing bank, $19.0 billion, 20%+.

Societe Generale de Banque, Belgium's largest, $9.1 billion, 20%+

Amsterdam-Rotterdam Bank, 3rd largest in the Netherlands, $9.6 billion %+.

Creditanstalt-Bankverein, Austria's largest, $4.2 billion, 2%+.

NOTE.—Assets and Ranks as of December 31, 1973, American Banker, July 31, 1974.

Under the statutes and Federal Reserve Regulation Y there is a rebuttable presumption of control from so little as ownership of 5 percent of the stock of a bank and, if need be, the Federal Reserve Board can hold a hearing and determine the question of control.

Accordingly, I wrote Dr. Arthur F. Burns on April 24, 1975, there was reason to believe that these joint ventures controlled European-American, suggesting to him that you measure control of a joint venture in a different day from control of the ordinary stock corporation. There is little chance that an interest adverse to that of a joint adventurer can find expression. In this the joint venture is quite distinct from the stock corporation.

Moreover, to the knowledge of the banking agencies at least four of these banks own interests in American investment banking firms, a practice outlawed for American banks by the passage in 1933 of the Glass-Steagall Act. In addition, these six banks also own the European-American Banking Corp. which, except for underwriting and taking commercial bank deposits, does a banking business.

Neither European-American Banking Corp. nor any of the six foreign banks are subject to reserve requirements. All do an unregulated banking business, not only in the State of New York, but throughout the United States in competition with our domestic banks which are subject to reserve requirements, and forbidden to do an interstate banking business.

Of course, Mr. Speaker, if our six largest American banks were to open a bank in the city of New York, or elsewhere in the United States as a joint venture, we would expect the Department of Justice to call it a per se antitrust offense in violation of the Sherman and Clayton Acts. Certainly that is the teaching of *Timken* v. *United States*, 341 U.S. 593 (1951); *Penn-Olin* v. *United States*, 378 U.S. 158 (1964), and *Topco* v. *United States*, 405 U.S. 596 (1971).

So much for the sale of Franklin to European-American.

You would not believe it, Mr. Speaker, but the Comptroller dictated the sale of Security National to Chemical which had been endeavoring to expand further on Long Island for some time. Acquisition of Security gave it 86 additional branches making Chemical, from the point of view of branches, the second largest bank in the State of New York.

Furthermore, as of December 31, 1974, Security National had assets of $1.7 billion and, in point of size, was our 68th largest bank. Chemical acquires it for $40 million. With approximately 5 million shares outstanding this comes to $7.50 per share. While the stock sold up to $33.50 in 1973, it sold down to $4 bid, $4.75 asked on January 14, 1975.

In sharp contrast, Crocker paid $89 million for United States National, a bank with only $1 billion of assets as of December 31, 1972, and European-American paid $125 million for the cream of Franklin's assets amounting to $1.37 billion at the time of purchase October 8, 1974.

It is no wonder, Mr. Speaker, that stockholders of Security National allege that the Comptroller gave their bank to Chemical at such a bargain price that it stands to make a quick $30 million.

It is interesting, Mr. Speaker, to observe how Security National was sold. It sold itself through action of its board of directors, with the Comptroller of the Currency certifying pursuant to section 181 of title 12 that an emergency existed, justifying his waiving the required statutory approval by two-thirds of Security's stockholders. On May 9, 1975, the stockholders did approve 4,004,111 to 221,233. A group of Security stockholders recently failed in an attempt in the courts to void the deal.

Coming to them as a completed transaction the stockholders had no alternative. Neither did the directors. The Comptroller told them either to approve a sale to Chemical or he would take over the bank and put in a conservator. He held a pistol at their heads.

In effect, Mr. Speaker, what the three banking agencies have been doing is rejecting our traditional methods of liquidating insolvent banks. Instead, they go together in a back room and decide to what bank they will give the troubled one.

Moreover, to induce bidding the FDIC offered to loan the purchasers—Crocker borrowed $50 million for 5 years at 7½ percent—European-American borrowed $100 million for 10 years at floating rates that average 10.03 percent and has a right to borrow $50 million more on the same terms for 8 years.

What is most disturbing, Mr. Speaker, is that the banking agencies are at liberty to act in secret without any supervision. The purchase, as we have seen, is a fait accompli and the Justice Department is asked to approve in an emergency situation. The court is in even a worse position. It is asked to approve what both the banking agencies and the Department of Justice have done.

It is very disturbing to me to have large banks handled in secret this way by the three banking agencies. In equity receivership, and now in chapters 10 and 11 proceedings in bankruptcy, we have modern methods by which to test plans of reorganization to make certain they are fair and equitable. The court in these traditional proceedings decides before the plan takes effect, not afterwards and on notice to the parties concerned.

For instance, because of the way the Comptroller handled the sale of Security National, there was no opportunity for the stockholders to question the price Chemical paid. It may well be that Chemical will make an unconscionable profit from this sale.

In the case of the Franklin sale, a very important consideration is whether FDIC has the right to reimburse the Federal Reserve for its advances, and obtain a priority over unsecured creditors and stockholders of the Franklin New York Corporation. A court might well have deep-rocked the $1.7 advance by Federal Reserve to Franklin (*Taylor* v. *Standard Gas and Electric Company, Claim of Deep Rock Oil Corporation,* 306 U.S. 307 (1939)) before it approved the FDIC sale to European-American.

In truth, for the reasons stated above, the Court might well have judged the sale to European-American improper, and the $1.7 billion advance to Franklin as beyond the powers of the Federal Reserve.

Mr. Speaker, the Congress needs to study how the three banking agencies handled the sale of United States National, Franklin, and Security National. Otherwise, we will see repeated the evils that at the turn of the century existed in equity receivership when the railroads were full of watered stock and in the hands of the investment bankers.

It may be we should recreate the Reconstruction Finance Corporation, or develop new legislation to meet this problem. What we need at the moment, however, is to ascertain whether what the three banking agencies did to dispose of United States National, Franklin, and Security National was proper. There is every indication it was not.

I attach a copy of my letter to Dr. Arthur F. Burns on April 24, 1975, and my two letters to Attorney General Levi on May 14 and May 27, 1975:

U.S. House of Representatives,
Washington, D.C., April 24, 1975.
Hon. Arthur F. Burns,
Chairman, Federal Reserve Board, Federal Reserve System, Washington. D.C.

Dear Dr. Burns: I have been concerned for some time by the problems inherent in the control of American banks through foreign holding companies which also control substantial nonbanking interests in the United States. These problems become even more complex when the controlled American bank is owned by an international joint venture. As I am sure you are aware, the parent/shareholders of the European-American Bank and Trust Co., which recently purchased the insolvent Franklin National Bank, include six of the largest banks in Europe:

PARENT, ASSETS, AND STOCK IN EAB AND EAC

Deutsche Bank, Germany's largest, $24.5 billion, 20% +.

Societe Generale, one of France's 3 largest, $20.4 billion, 20% +.

Midland Bank Group, a major London clearing bank, $19.0 billion, 20% +.

Societe Generale de Banque, Belgium's largest, $9.1 billion, 20% +.

Amsterdam-Rotterdam Bank, largest in the Netherlands, $9.6 billion, 17% +.

Creditanstalt-Bankverein, Austria's largest, $4.2 billion, 2% +.

Under the statute and your own Regulation Y there is a rebuttable presumption of control from ownership of so little as 5 percent of the stock, and, if need be, you are authorized to hold a hearing. Accordingly, there seems reason to believe that the four largest stockholders of the European-American Bank and Trust Company, and probably the fifth, should be adjudged to be bank holding companies and subject to Federal Reserve regulations.

I would also like to suggest that in making the factual findings necessary to determine "control", the individual influence of each stockholder *not* be measured by standards applicable to "control" in a large publicly held corporation. Different standards of "control" govern the conduct of a joint venture which, by definition, is a cooperative undertaking. While in a publicly held corporation with majority and minority shareholders and a whole range of interests in between it is reasonable to assume the existence of adverse interests, such an assumption is inappropriate in the case of a joint venture where the stock is not widely held, and each member holds approximately the same interest.

These same banks control also a sister institution called the European-American Banking Corporation which is organized under the New York Investment Company Act. That Act gives companies organized under it wide powers to buy and sell stock even though I understand they do not accept deposits nor underwrite.

Moreover, the American Banker in June 1974 reports that the Deutsche Bank has a 50% interest in an investment banking firm in New York called UBS–DB, and that Societe Generale, Societe Generale de Banque, and Amsterdam-Rotterdam have interests in undisclosed amounts in another New York investment banking firm called SoGen-Swiss International Corporation.

As you know the Glass-Steagall Act (12 USC 377) prohibits an American bank from being affiliated (12 USC 221(a) (b) (2)) "with any corporation, association, business trust or other similar organization engaged principally in the issue, flotation, underwriting, public sale or distribution at wholesale or retail or through syndicate participation of stocks, bonds, debentures, notes or other securities".

"Affiliate" is broadly defined by Glass-Steagall, and it would seem to me that your Agency should look into the business that European-American Banking Corporation actually does, and is empowered to do. Of course the ownership by four of these banks of investment banking firms seems to be a violation of, if not the letter, certainly the intentions of Glass-Steagall.

I am sure you will agree that we must not permit foreign banks, under the guise of a joint venture, to do what we forbid to our domestic banks.

Accordingly, I should be much obliged if you would tell me:

1. Whether the ownership, by way of a joint venture of European-American Bank and Trust Company, at least by the four banks with the 20%, and the one with a 17% interest, does not subject these banks to the Bank Holding Company Act?

2. Whether the European-American Banking Corporation is authorized under its state charter to engage in any of the activities forbidden to banks under Glass-Steagall?

3. Whether the European-American Banking Corporation is authorized under its state charter to engage in any of the activities forbidden to banks under Glass-Steagall?

4. Whether the European-American Banking Corporation, while not accepting deposits, or acting as an underwriter, is principally engaged in any of the other activities forbidden by Glass-Steagall?

5. Whether these six banks each have interests in investment banking firms, what the firms are, what they do, and whether such ownership does not make these firms "affiliates" under Glass-Steagall and in violation thereof?

Of course, if the present statutes are inadequate to meet this problem, please be assured I stand ready to consider such new legislation as may be necessary.

Sincerely,

Wright Patman.

May 14, 1973.

Hon. Edward H. Levi,
Attorney General,
Department of Justice,
Washington, D.C.

Dear Mr. Attorney General: I would like to request that your Department conduct an investigation to determine whether the European-American Bank and Trust Co. is being operated in the United States in violation of our antitrust laws. As you may know European-American Bank, a member of the Federal Reserve System is a joint venture, and its parent companies are:

PARENT, ASSETS, AND STOCK IN EAB AND EAC

Deutsche Bank, Germany's largest, $24.5 billion, 20%+.

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Midland Bank Group, a major London clearing bank, $19.0 billion, 20%+.

Societe Generale de Banque, Belgium's largest, $9.1 billion, 20%+.

Amsterdam-Rotterdam Bank, largest in the Netherlands, $9.6 billion, 17%+.

Creditanstalt-Bankverein, Austria's largest, $4.2 billion, 2%+.

I was dismayed to learn that the Department did not conduct a bank merger study in 1968 when this company was formed. Nor can I understand why such perfunctory consideration was given to the purchase of the insolvent Franklin National Bank by European-American in October of 1974.

Your so-called "Railroad Letter" of October 4, 1976, did not contain any discussion of the effect of this acquisition on the national and international wholesale banking markets, nor did it undertake to explain why the liaison of six competing banks for the purpose of dividing the American wholesale banking market between them is not a per se antitrust offense.

I am enclosing a short report which lays out these issues in greater detail, and a copy of a letter I addressed to Dr. Arthur F. Burns on April 24, 1975, which is self-explanatory.

I would appreciate your advising me whether your Department will look into the matter.

With kindest regards and best wishes, I am,

Sincerely,

Wright Patman,
Vice Chairman.

Congress of the United States,
Washington, D.C., May 27, 1975.
Hon. Edward H. Levi,
Attorney General, Department of Justice,
Washington, D.C.

Dear Mr. Attorney General: The New York Times of May 19, 1975, and the American Banker of May 20, 1975, report that an application is to be made to the Superintendent of Banks of the State of New York by the banks listed below to form a new bank named *United Bank, Arab and French* (UBAF–N.Y.), and to operate it as a joint venture similar to the European-American Bank of which I wrote you under date of May 14, 1975.

	(Billions)	*Ranking*	
	Assets	*USA***	*World**
Credit Lyannais Paris, France	28. 2		10
Bankers Trust, New York	17. 5	7	28
Security Pacific Bank of California, San Diego	13. 4	11	44
First National Bank Chicago, Illinois	14. 8	9	36

Banque Francaise DuCommerce Exterieur, Paris, France	3.6		129
Union deBanques Arabs et Francaises UBAF, Paris, France	.982***		328
Texas Commerce Bancshares, Houston, Texas	2.2	31	204

*American Banker, July 1974.

**Business Week, April 21, 1975.

***Deposits only. The American Banker states that UBAF "is 31.95% owned by the $23.6 billion deposit Credit Lyannais, 8% by the $2.6 billion deposit Banque Francaise du-Commerce Exterior, Paris, with the remaining shares held by about 24 Arab banks".

As I pointed out to you in my letter of May 14th with respect to the European-American Bank, there are fundamental antitrust objections to joint ventures of this type. Such a bank would doubtlessly do a retail as well as a wholesale banking business, an intrastate as well as an interstate business, and a national as well as an international business. If so, this would put the joint venture bank in direct competition with its parent banks and constitute a *per se* antitrust offense (*Timken* v. *United States*, 341 U.S. 593 (1951); *Penn -Olin* v. *United States*, 378 U.S. 158 (1964), and *Topco* v. *United States*, 405 U.S. 596 (1971)).

Moreover, once the Superintendent approves this joint venture there is no chance that any one of the many foreign banks will ever enter the New York market on its own.

As the Supreme Court held in *Penn-Olin, supra*, a joint venture is a merger subject to Clayton Seven and the Bank Holding Company Act compels you and the banking agencies, state and federal, to scrutinize its formation so as to avoid antitrust offenses.

In addition, because foreign banks are involved, Section 14(g) of the Federal Reserve Act (Title 12 USC 348(a)) gives the Board of Governors of the Federal Reserve System "special supervision" over "transactions of any kind" that Federal Reserve members have with foreign banks. Indeed, under the statute, officers of member banks are forbidden to negotiate with foreign banks "without first obtaining the permission of the Board of Governors" and, if permission be granted, "a full report" must be given the Federal Reserve Board.

There are of course solid reasons why the Federal Reserve Board should disapprove the organization of such a bank. In the first place, participation by any one of these four American banks in ownership of such a New York chartered bank would be interstate Banking in violation of the *McFadden Act* (12 U.S.C. 36), and the Bank Holding Company Act (12 U.S.C. 1842(d)).

Even if the foreign banks were to own the bank alone it is a joint venture, and a holding of five percent should raise a rebuttable presumption of control subjecting the foreign bank parents to the Bank Holding Company Act. It is unrealistic in joint ventures to measure control by percentage of stock ownership.

Investigation of the foreign banks may well reveal that they have interests in investment companies not permitted to our own banks under Glass-Steagall. The Superintendent of Banks of the State of New York should not issue a charter to such an organization not only because the foreign *parent banks* have real competitive advantages over our domestic banks in that they are not subject to the reserve and loan requirements of member banks of the Federal Reserve System, but also because under the above cited decisions of the Supreme Court of the United States the joint venture itself is a *per se* antitrust offense.

My information is that to date no notification has been filed of an intention to apply for a charter for this proposed bank, and if such notification be filed within four weeks, a plan of organization of the bank must be filed.

I trust you will promptly investigate the matter. If you conclude with me that the granting of such a charter be unwise and unlawful I trust that you will promptly communicate your conclusions to the Superintendent of Banks of the State of New York and, if necessary, take whatever legal action be appropriate to stop this bank before it begins.

With kindest regards and best wishes, I am,

Sincerely,

WRIGHT PATMAN,
Vice Chairman.

CONGRESS SHOULD INVITE ALEXANDER SOLZHENITSYN TO ADDRESS JOINT SESSION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. **KEMP**. Mr. Speaker, the attainment and preservation of a framework within which individual rights are safeguarded effectively against encroachments by either other individuals or the forces of government are among mankind's noblest achievements.

We know from our own national experiences that the attainment and preservation of liberty are difficult tasks. This has been at the core of the American Revolution and today's struggles to preserve the rights guaranteed to us by our heritage, our Declaration of Independence, our Constitution, and our system of laws.

In recent days, at a time when America was celebrating the Fourth of July and looking forward to next year's bicentennial observances, a perceptive and courageous voice—that of Alexander Solzhenitsyn—has reminded us of the grave realities of oppression in other lands and of the threats those realities pose to our own freedoms.

Freedom is a human value for which the aspirations of mankind should transcend borders, race, color, origin, and heritage. The laurels of freedom were never intended to be worn on the brows of those of our heritage alone. How arrogant it would be for those who now enjoy freedom to acquiesce in the enslavement of half the world's people. Yet this is not a strident cry of anticommunism. It is, rather, a reasoned expression that the ties of brotherhood should bind us together into common cause in behalf of freedom for those who desire it.

There is no more appropriate place for this Nation to rededicate itself to this task than here—in the Chamber of the elected Representatives of the people.

We work daily in these Chambers and in the committees on issues which affect the foreign policy of the United States. We debate frequently the important questions of the use of America's various strengths to achieve a more stable and less oppressive world.

A well-intentioned foreign policy designed to pursue détente with the Soviet Union—whether its attainment is possible or illusory—should never be allowed to place our leaders into an apparent or real posture of undercutting the hopes of the oppressed people of the Soviet Union.

Realities have not been changed through détente. The Soviet hierarchy remains an instrument of oppression. It still remains a means through which subversion of free societies is fostered throughout the world. By marked contrast, Alexander Solzhenitsyn offers a voice of freedom and hope.

America has historically identified itself with the voices of freedom and hope. We must side with the oppressed, not the oppressors.

That is why I was particularly disappointed to hear that the President, on advice from the Secretary of State, could not find time to meet in recent days with Alexander Solzhenitsyn. The rationale was that it would be provocative—that it might undercut commitments to détente.

It is interesting that Solzhenitsyn dealt with the inappropriateness of that rationale in his profound remarks before the AFL-CIO here in Washington on June 30:

WE BEG YOU TO INTERFERE

There is a Russian proverb: "The yes-man is your enemy, but your friend will argue with you." It is precisely because I am the friend of the United States that I have come to tell you: My friends, I'm not going to tell you sweet words. The situation in the world is not just dangerous, it isn't just threatening, it is catastrophic.

Something that is incomprehensible to the ordinary human mind has taken place. We over there, the powerless, average Soviet people, couldn't understand, year after year and decade after decade, what was happening. How were we to explain this? England, France, the United States, were victorious in the Second World War. Victorious states always dictate peace, they receive firm conditions, they create the sort of situation which accords with their philosophy, their concept of liberty, their concept of national interest.

Instead of this, beginning in Yalta, your statesmen of the West, for some inexplicable reason, have signed one capitulation after another. Never has the West or your President Roosevelt imposed any conditions on the Soviet Union for obtaining aid. He gave unlimited aid, and then unlimited concessions. Already in Yalta, the occupation of Mongolia, Moldavia, Estonia, Latvia, Lithuania was silently recognized. Immediately after that, almost nothing was done to protect Eastern Europe, and seven or eight more countries were surrendered.

And after that, for another 30 years, the constant retreat, the surrender of one country after another, to such a point that there are Soviet satellites even in Africa, and almost all of Asia is taken over by them, Portugal is rolling down the precipice.

During those 30 years, more was surrendered to totalitarianism than any defeated country has ever surrendered after any war in history. There was no war, but there might as well have been.

For a long time we in the East couldn't understand this. We couldn't understand the flabbiness of the truce concluded in Vietnam. Any average Soviet citizen understood that this was a sly device which made it possible for North Vietnam to take over South Vietnam when it so chose. And suddenly, this was rewarded by the Nobel Prize for Peace—a tragic and ironic prize.

This is very dangerous for one's view of the world when this feeling comes on. "Go ahead, give it up." We already hear voices in your country and in the West—"Give up

Korea and we will live quietly. Give up Portugal, of course; give up Japan; give up Israel, give up Taiwan, the Philippines, Malaysia, Thailand; give up ten more African countries. Just let us live in peace and quiet. Just let us drive our big cars on our splendid highways; just let us play tennis and golf in peace and quiet; just let us mix our cocktails in peace and quiet as we are accustomed to doing; just let us see the beautiful toothy smile with a glass in hand on every advertisement page of our magazines."

But look how things have turned out. Now in the West this has all turned into an accusation against the United States. Now in the West, we hear very many voices saying, "It's your fault, America." And, here, I must decisively defend the United States against these accusations.

I have to say that the United States, of all the countries of the West, is the least guilty in all this and has done the most in order to prevent it. The United States has helped Europe to win the First and the Second World Wars. It raised Europe from post-war destruction twice. For 10, 20, 30 years it has stood as a shield protecting Europe while European countries were counting their nickels, to avoid paying for their standing armies.

The United States has long shown itself to be the most magnanimous, the most generous country in the world. Wherever there is a flood, an earthquake, a fire, a natural disaster, disease, who is the first to help? The United States. Who helps the most and unselfishly? The United States.

And what do we hear in reply? Reproaches, curses, "Yankee Go Home." American cultural centers are burned, and the representatives of the Third World jump on tables to vote against the United States.

But this does not take the load off America's shoulders. The course of history—whether you like it or not—has made you the leaders of the world. Your country can no longer think provincially. Your political leaders can no longer think only of their own states, only of their parties, of petty arrangements which may or may not lead to promotion. You must think about the whole world, and when the new political crisis in the world will arise (I think we have just come to the end of a very acute crisis and the next one will come any moment), the main decisions will fall anyway on the shoulders of the United States.

Here I have heard some explanations of the situation. Let me quote some of them: "It is impossible to protect those who do not have the will to defend themselves." I agree with that, but this was said about South Vietnam. In one-half of today's Europe and in three-quarters of today's world the will to defend oneself is even less than it was in South Vietnam.

We are told: "We cannot defend those who are unable to defend themselves with their own human resources." But against the overwhelming powers of totalitarianism, when all of this power is thrown against a country, no country can defend itself with its own resources. For instance, Japan doesn't have a standing army.

We are told, "We should not protect those who do not have full democracy." This is the most remarkable argument of the lot. This is the *leitmotif* I hear in your newspapers and in the speeches of some of your political leaders. Who in the world, ever, on the front line of defense against totalitarianism has been able to sustain full democracy? You, the united democracies of the world, were not able to sustain it! America, England, France, Canada, Australia, together did not sustain it. At the first threat of Hitlerism you stretched out your hands to Stalin. You call that sustaining democracy? No!

And there is more of the same: "If the Soviet Union is going to use détente for its own ends, then we . . ." But what will happen then? The Soviet Union has used détente in its own interests, is using it now and will continue to use it in its own interests. For example, China and the Soviet Union, both actively participating in détente, have grabbed three countries of Indochina. True, perhaps as a consolation, China will send you a ping-pong team.

To understand properly what détente has meant all these 40 years—friendships, stabilization of the situation, trade, etc.—I would have to tell you something of how it looked from the other side. Let me tell you how it looked. Mere acquaintance with an American—and God forbid that you should sit with him in a cafe or restaurant—meant a ten-year term for suspicion of espionage.

During Nixon's last visit to Moscow your American correspondents were reporting in the Western way from the streets of Moscow. "I am going down a Russian street with a microphone and asking the ordinary Soviet citizen: 'Tell me please, what do you think about the meeting between Nixon and Brezhnev?' " And, amazingly, every last person answered: "Wonderful. I'm delighted. I'm absolutely overjoyed." What does this mean? If I'm going down a street in Moscow and some American comes up to me with a microphone and asks me something, then I know that on the other side of him is a member of the state security, also with a microphone, who is recording everything I say. You think that I'm going to say something that is going to put me in prison immediately? Of course I say: "It's wonderful, I'm delighted, I'm overjoyed."

The Soviet system is so closed that it is almost impossible for you to understand from here. Your theoreticians and scholars write works trying to explain how things occur there. Here are some naive explanations which are simply funny to Soviet citizens. Some say that the Soviet leaders have now given up their inhumane ideology. Not at all. They haven't given it up one bit.

Some say that in the Kremlin there are some on the left, some on the right. And they are fighting with each other, and we've got to behave in such a way as not to interfere with those on the left side. This is all fantasy: Left . . . Right. There is some sort of a struggle for power, but they all agree on the essentials. There also exists the following theory—that now there is a technocracy in the Soviet Union, a growing number of engineers and the engineers are now running the economy and will soon determine the fate of the country, rather than the party. I will tell you, though, that the engineers determine the fate of the economy just as much as our generals determine the fate of the Army. That means zero. Everything is done the way the party demands. That's our system. Judge it for yourself.

It's a system where for 40 years there haven't been genuine election but simply a comedy, a farce. Thus, a system which has no legislative organs. It's a system without an independent press; a system without an independent judiciary; where the people have no influence either to external or internal policy; where any thought which is different from what the state thinks is crushed.

And let me tell you that electronic bugging in our country is such a simple thing that it's a matter of everyday life. You had an instance in the United States where a bugging caused an uproar which lasted for a year and a half. For us it's an everyday matter. Almost every apartment, every institution has its bug and it doesn't surprise us in the least—we are used to it.

It's a system where unmasked butchers of millions like Molotov and others smaller than him have never been tried in the courts but retire on tremendous pensions in the greatest comfort. It's a system where the very constitution has never been carried out for one single day. Where all the decisions mature in secrecy, high up in a small, irresponsible group, and then are released on us and on you like a bolt of lightning.

So what are we to conclude from that? Is detente needed or not? Not only is it needed, it's as necessary as air. It's the only way of saving the earth—instead of a world war to have detente, but a true detente, and if it has already been ruined by the bad word which we use for it—"Detente"—we should find another word for it.

I would say that there are very few, only three, main characteristics of such a true detente:

In the first place, there would be disarmament—not only disarmament from the use of war but also from the use of violence. We must stop using not only the sort of arms which are used to destroy one's neighbors but the sort of arms which are used to oppress one's fellow countrymen. It is not detente if we here with you today can spend our time agreeably while over there people are groaning and dying and in psychiatric hospitals. Doctors are making their evening rounds for the third time injecting people with drugs which destroy their brain cells.

The second sign of detente, I would say, is the following: That it be not one based on smiles, not on verbal concessions, but it has to be based on a firm foundation. You know the words from the Bible: "Build not on sand, but on rock." There has to be a guarantee that this will not be broken overnight, and for this the other side—the other party to the agreement—must have its acts subject to public opinion, to the press, and to a freely elected parliament. And until such control exists there is absolutely no guarantee.

The third simple condition—what sort of detente is it when they employ the sort of inhumane propaganda which is proudly called in the Soviet Union "ideological warfare"? Let us not have that. If we're going to be friends let's be friends, if we're going to have detente then let's have detente, and an end to ideological warfare.

The Soviet Union and the Communist countries can conduct negotiations. They know how to do this. For a long time they don't make any concessions and then they give in a little bit. Then eveyone says triumphantly, "Look, they've made a concession; it's time to sign." The 35 countries (at the European Security Conference) for two years now have painfully, painfully been negotiating and their nerves were stretched to the breaking point and they finally gave in. A few women from the Communist countries can now marry foreigners. And a few newspapermen are now going to be permitted to travel a little more than before. They give 1/1000th of what natural law should provide. Matters which people should be able to do even before such negotiations are undertaken. And already there is joy, and here in the West we hear many voices, saying: "Look, they're making concessions; it's time to sign."

During these two years of negotiations, in all the countries of Eastern Europe the pressure has increased, the oppression intensified. And it is precisely now that the Austrian Chancellor says, "We've got to sign this agreement as rapidly as possible."

What sort of an agreement would this be? The proposed agreement is the funeral of Eastern Europe. It means that Western Europe would finally, once and for all, sign away Eastern Europe, stating that it is perfectly willing to see Eastern Europe be crushed and overwhelmed once and for all, but please don't bother us. And the Austrian Chancellor thinks that if all these countries are pushed into a mass grave, Austria at the edge of this grave will survive and not fall into it.

And, we, from our lives there, have concluded that violence can only be withstood by firmness.

You have to understand the nature of

Communism. The very ideology of Communism, all of Lenin's teachings, are that anyone is considered to be a fool who doesn't take what's lying in front of him. If you can take it, take it. If you can attack, attack. But if there's a wall, then go back. And the Communist leaders respect only firmness and laugh at persons who continually give in to them. Your people are now saying, "Power, without any attempt at conciliation, will lead to a world conflict." But I would say that power with continual subservience is no power at all.

From our experience I can tell you that only firmness will make it possible to withstand the assaults of Communist totalitarianism. We see many historic examples. Look at little Finland in 1939 which by its own forces withstood the attack. You, in 1948, defended Berlin only by your firmness of spirit, and there was no world conflict. In Korea in 1950 you stood up against the Communists, only by your firmness, and there was no world conflict. In 1962 you compelled the rockets to be removed from Cuba, and there was no world conflict. We, the dissidents of the U.S.S.R., don't have any tanks, we don't have any weapons, we have no organization. We don't have anything. Our hands are empty. We have only a heart and what we have lived through in the half century of this system. And when we have found the firmness within ourselves to stand up for our rights, we have done so. It's only by firmness of spirit that we have withstood.

I don't want to mention a lot of names because however many I might mention there are more still. And when we resolve the question with two or three names, it is as if we forget and betray the others. We should rather remember figures. There are tens of thousands of political prisoners in our country and—by the calculation of English specialists—7,000 persons are now under compulsory psychiatric treatment.

Let's take Vladimir Bukovsky as an example. It was proposed to him, "All right, we'll free you. Go to the West and shut up." And this young man, a youth today on the verge of death, said: "No, I won't go this way. I have written about the persons whom you have put in insane asylums. You release them and then I'll go West." This is what I mean by that firmness of spirit to stand up against granite and tanks!

We need not have had our conversation on the level of business calculations. Why did such and such a country act in such and such a way? What were they counting on? We should rather rise above this to the moral level and, say: "In 1933 and in 1941 your leaders and the whole Western World, in an unprincipled way, made a deal with totalitarianism." We will have to pay for this, some day this deal will come back to haunt us. For 30 years we have been paying for it and we're still paying for it. And we're going to pay for it in a worse way. One cannot think only in the low level of political calculations. It's necessary to think also of what is noble, and what is honorable—not only what is profitable.

Resourceful Western legal scholars have now introduced the term "legal realism." By this legal realism, they want to push aside any moral evaluation of affairs. They say, "Recognize realities; if such and such laws have been established in such and such countries of violence, then these laws must also be recognized and respected."

It is widely accepted among lawyers that law is higher than morality—law is something which is worked out and developed, whereas morality is something inchoate and amorphous. That isn't the case. The opposite is rather true. Morality is higher than law, while law is our human attempt somehow to embody in rules a part of that moral sphere which is above us. We try to understand this morality, bring it down to earth and present it in a form of laws. Sometimes we are more successful, sometimes less. Sometimes you actually have a caricature of morality, but morality is always higher than law. And this view must never be abandoned. We must accept it with heart and soul.

It is almost a joke now in the Western world, in the 20th Century, to use words like "good" and "evil." They have become almost old fashioned concepts, but they are very real and genuine concepts. These are concepts from a sphere which is higher than us—good and evil. And instead of getting involved in base, petty, short-sighted political calculations and games, we have to recognize that the concentration of world evil and the tremendous force of hatred is there and it's flowing from there throughout the world. And we have to stand up against it and not hasten to give to it, give to it, give to it, everything that it wants to swallow.

Today there are two major processes occurring in the world. One has been in progress more than 30 years. It is a process of short-sighted concession, a process of giving up, and giving up and giving up and hoping that perhaps at some point the wolf will have eaten enough. The second process is one which I consider the key to everything and which, I will say now, will bring to all of us our future: Under the cast-iron shell of Communism—for 20 years in the Soviet Union and a shorter time in other Communist countries—there is occurring a liberation of the human spirit. New generations are growing up which are steadfast in their struggle with evil; which are not willing to accept unprincipled compromises, which prefer to lose everything—salary, conditions of existence and life itself—but are not willing to sacrifice conscience, not willing to make deals with evil.

But this whole process of our liberation, which obviously will entail social transformations, is slower than the process of concessions. Over there, when we see these concessions, we are frightened. Why so quickly? Why so precipitously? Why yield several countries a year?

I started by saying that you are the allies of our liberation movement in the Communist countries. And I call upon you: let us think together and try to see how we can adjust the relationship between these two processes. Whenever you help the persons persecuted in the Soviet Union, you not only display magnanimity and nobility, you're defending not only them but yourselves as well. You're defending your own future.

So let us try to see how far we can go to stop this senseless and immoral process of endless concessions to the aggressor—these clever legal arguments for why we should give up one country after another. Why must we hand over to Communist totalitarianism more and more technology—complex, delicate, developed technology which it needs for armaments and for crushing its own citizens. If we can at least slow down that process of concessions, if not stop it altogether—and make it possible for the process of liberation to continue in the Communist countries—ultimately these two processes will yield us our future.

On our crowded planet there are no longer any internal affairs. The Communist leaders say, "Don't interfere in our internal affairs. Let us strangle our citizens in peace and quiet." But I tell you: Interfere more and more. Interfere as much as you can. We beg you to come and interfere.

I do not believe the Congress of the United States wishes either to acquiesce in the continued oppression of individuals and peoples within the Soviet Union or to acquiesce in those aspects of foreign policy in the past 6 years which have led to a strengthening—not a weakening—of Soviet resolve and influence in the world community.

It would be fitting for the leadership of the House and Senate, both majority and minority, to invite this courageous voice, Alexander Solzhenitsyn, to address a joint session of the Congress. The efforts begun through George Meany and the AFL–CIO—which I applaud—to give greater public exposure to the truth espoused by Solzhenitsyn ought to be here continued.

Toward that end, I have appealed today to the Speaker of the House to extend to Solzhenitsyn an invitation to address the jointly assembled Houses before the start of the August recess.

The text of that letter is, as follows:

CONGRESS OF THE UNITED STATES,
Washington, D.C., July 8, 1975.

Hon. CARL B. ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I was disappointed to hear that a courageous voice of conscience, Alexander Solzhenitsyn, is reported as not having been accorded a meeting with the President in recent days.

A well-intentioned foreign policy designed to pursue détente with the Soviet Union, whether its attainment is possible or illusory, should not be allowed to place our country into an apparent posture of undercutting the hopes of the oppressed people of the Soviet Union. The Soviet hierarchy remains an instrument of oppression. By contrast, Solzhenitsyn offers a voice of freedom and hope.

We work daily in these Chambers and in the committees on issues which affect the foreign policy of the United States. We debate frequently the important questions of the use of America's strengths to achieve a more stable and peaceful world.

It would be fitting for the Leadership of the House to invite this learned, perceptive, and courageous man to address a joint session of the Congress.

Solzhenitsyn's message the American public through their elected leaders in the Congress would be clear. It would demonstrate graphically some of the realities which we should consider as basic premises for our actions. Most importantly, it would be a symbol to the Soviet Union that we, the people and their elected Representatives, were hearing his voice in contrast with yet unfulfilled promises.

Very truly yours,

JACK KEMP,
Member of Congress.

Mr. Speaker, in mid-February of last year I addressed the Solzhenitsyn Symposium at the American University here in the Nation's Capital within hours before Solzhenitsyn was released—proudly expelled—from the Soviet Union. I ended those remarks with a sentence that I think it appropriate to restate for our consideration today:

> Let us never be asked what we were doing that we deemed more important than striving for the cause of human freedom.

ENERGY AND THE JURISDICTIONAL JUNGLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 10 minutes.

Mr. CLEVELAND. Mr. Speaker, the failure of the Congress to develop a comprehensive, consistent, and coordinated policy dealing with the energy needs of the country is rapidly becoming a national scandal.

The reasons for the failure are probably many and varied, but it has become increasingly obvious that a principal factor is the wildly fractured jurisdictional jungle in which energy issues have become enmeshed.

In an important editorial on Wednesday, June 25, the New York Times has stated this issue directly and bluntly. It identified 14 House committees and 28 subcommittees, 16 Senate committees and 30 subcommittees, and three joint committees and seven subcommittees as having—or claiming—some jurisdiction over the Energy Research and Development Agency, just one part of the executive branch occupied with the Nation's energy problems.

How, Mr. Speaker, can Congress force this hodgepodge of often rival claimants for a piece of energy action to view this complex issue as a whole and come up with consistently rational proposals?

How, Mr. Speaker, can the American people—or the working press, or individual Congressmen themselves—understand what is going on in energy on Capitol Hill, or how one part relates to any of the 97 other congressional parts?

How, Mr. Speaker, can responsibility be effectively imposed on so disparate and anonymous and confusing a jurisdictional structure?

And how, Mr. Speaker, can we expect top-level executives of energy agencies in the Government—no matter how capable or conscientious they may be—to do a half-way decent job of managing the energy crisis when they are forced to spend most of their time preparing for or appearing before congressional committees?

These are rhetorical questions, Mr. Speaker. The answers are apparent to all of us, just as all of us are personally aware of this wasteful, irresponsible, and unresponsive jurisdictional situation. The New York Times did not invent it nor was it the first to discover it. We confronted the question 4 years ago, but turned our backs on reason when a majority defeated a resolution to create a select committee to study all aspects of energy resources in the United States.

We faced the same issue against last year in the form of the recommendations of the Select Committee on Committees, but again a majority preferred a dab of cosmetic reform to a dose of genuine committee reorganization.

I deserve no credit for voting "right" on both those occasions; the need was too compelling and too clear. I regret only that so many of our colleagues—then as today—fail to see, or to accept personal responsibility for, the great damage our lack of discipline and our mushy committee structure are doing to the people we represent.

Legislation is pending, Mr. Speaker, and procedures are available with which to correct these conditions. We can establish a single House Energy Committee, or a Joint Congressional Committee on Energy, or, if these proposals are seen as too restrictive, we could divide up energy jurisdiction in Congress to parallel the divisions we have prescribed for the executive branch.

Alternative procedures are available if we do not like any of these ideas. Though it failed in any significant way to restructure the jurisdictions of House committees, the Committee Reform Amendments of 1974 did assign continuing responsibility for monitoring committee jurisdictions and workloads to the House members of the Joint Committee on Congressional Operations. The distinguished chairman of the committee, the gentleman from Texas (Mr. Brooks), will shortly solicit from committee and subcommittee chairmen—and ranking minority Members—their ideas and proposals for additional restructuring of committee jurisdictions.

These are opportunities, Mr. Speaker, to help pull ourselves out of the jurisdictional muck which has so frustrated our efforts to move forward and act decisively on the energy issues before us.

Whether it is a thicket or a swamp, a jungle or a jumble, we have overcome the obstacles of our institutional environment in the past and we can do so again—if we will.

Mr. Speaker, I include as a part of my remarks the New York Times editorial of June 25.

CONGRESS'S OIL JUNGLE . . .

The performance of the House Democrats in scuttling their own efforts at a coherent and equitable energy policy, including the key gasoline tax and rebate plan, reflects an extraordinary paradox. Few Congressmen have shown the political courage to impose a gas tax or other necessary belt-tightening on their constituents yet, instead of staying away from the issue, most have insisted on a piece of the action.

In the twenty months since the Arab oil embargo, energy has become the hottest game in Washington and a good way to get a politician's name into print. An amazing number of Senate and House committees and subcommittees have pushed themselves into the talkfest, taking up a vast amount of time of Administration policy-makers and many other experts—only to frustrate the kind of action that is needed.

So far this year, top officials of the Energy Research and Development Agency—and much the same is true of the Federal Energy Agency—have had to testify before eleven subcommittees of the House and a similar number in the Senate. They have had to appear before the House Appropriations Subcommittees on Defense, on Interior and on Public Works; the Armed Services Subcommittee on Seapower; the Government Operations Subcommittee on Conservation, Energy and Natural Resources; the Interior Subcommittee on Energy and Environment; the Commerce Subcommittee on Transportation and Commerce; the Public Works and Transportation Subcommittee on Surface Transportation; the Science and Technology Subcommittees on Energy Research and Development Demonstration, on Fossil Fuels and on Environment and the Atmosphere.

All in all, 14 House committees and 28 subcommittees, 16 Senate committees and 30 subcommittees, three joint Congresional committees and seven subcommittees claim some jurisdiction over E.R.D.A. alone, as Representative Rhodes of Arizona, the minority leader, has noted. The House committees, in addition to those above, include Agriculture, Budget, International Relations, Small Business and the Select Committee on Judiciary, Merchant Marine and Fisheries, Small Business and the Select Committee on Intelligence. Administration energy proposals have also been pending before such other House committees as Ways and Means, Banking and Currency, Housing and Rules.

This jurisdictional jumble undoubtedly is an important factor in the inability of the Congress to act comprehensively on one of the nation's most pressing problems. Mr. Rhodes' bill to establish a single House energy committee—or, even better, a joint Congressional committee for both houses—is one obvious solution. It already has the backing of the Senate majority and minority leaders. What is lacking is the agreement of the House majority leadership, which ought to be helping to clean up the mess at the Capitol that now is discrediting the Congress and injuring the country.

AN ACCURATE CONGRESSIONAL RECORD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Steiger) is recognized for 10 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, for the benefit of our colleagues considering House Resolutions 568, 569, and 570, mandating a more verbatim account of floor proceedings in the Congressional Record, I am introducing into the Record pertinent comments made by well-known authorities on Congress.

Today I recommend an excellent article by Howard Mantel, entitled "The Congressional Record: Fact or Fiction of the Legislative Process." It appeared in the Western Political Quarterly, in December 1959. Because of the length of this article, I am excerpting only portions and, at some disservice to the author, omitting the lengthy footnotes:

EXCERPTS FROM "THE CONGRESSIONAL RECORD: FACT OR FICTION OF THE LEGISLATIVE PROCESS"

This paper explores problems implicit in reporting the proceedings and debates of Congress, the value of the *Congressional Record* as an instrument of immediate political control and as a source of information, and its historic value as documentation of the legislative process, both to the scholar and (as illustrative of the problem generally) to the courts where the *Record* serves as evidence of legislative intent of statutes enacted by Congress. That the *Congressional Record* under present rules of publication is not altogether accepted by those who write it is evidenced by a speech on the floor of the House by Representative Thomas Curtis of Missouri and an article by Senator Richard Neuberger in the *New York Times*.

The *Congressional Record* is not the official record of the proceedings of the House and Senate, that function being fulfilled by the journal of each house in accordance with the constitutional requirement that "each house shall keep a Journal of its Proceedings, and from time to time publish the same, excepting such Parts as may in their Judgments require Secrecy. . . ." The *Record* is, by law, "substantially a verbatim report of proceedings," to be printed under control of the Joint Committee on Printing.

The daily edition of the *Congressional Record* is a formidable document, printed on newsprint and containing stapled pages measuring eight-and-one-half by eleven inches. A single issue may have upwards of 200 pages. Each day's proceedings follow a set pattern, the Senate debates preceding those of the House, which, in turn, are followed by a voluminous Appendix and the well-prepared and informative Daily Digest. A semimonthly printing of the daily *Record* is issued in limited edition together with an index for that period. Thereafter, the *Congressional Record* is "revised, printed, and bound promptly, as may be directed by the Joint Committee on Printing, in permanent form, for distribution during and after the close of each session of Congress."

The significant thing about the *Congressional Record* is that, by statute, it is not intended to be an exact reproduction of the remarks uttered on the floor. The language, "*substantially* a verbatim report on proceedings," reflects accurately what the *Record* is, the less-than-verbatim status being derived from custom and practice of the two houses: a member may revise his own remarks and, in the House of Representatives, may insert into the *Record* as a speech material never uttered on the floor of the House. The official reporters work in relays: one reporter takes down the debates for several minutes and immediately transcribes them, so that before the printing deadline a member has full opportunity, timewise, to revise his own remarks.

In the Senate, revision is done as a matter of course. Senator Neuberger in his *Times* article described one aspect of the process as follows:

"After a major debate in the Senate over an issue which stirs profound emotions . . . I have seen many Senators . . . virtually rewriting the speeches and retorts just delivered on the floor of the Senate. Some will totally expunge comments made in the heat of debate that may seem indiscreet or unwise in the cold, gray light of the next dawn and in the inflexible type of the *Congressional Record*. Others will be adding afterthoughts, which may furnish an extra filip to a reply that was flat or ineffective when uttered under the duress of argument in the Senate Chamber."

In a recent volume on Senate procedure and precedents, it is stated, "A Senator in making a revision of his remarks is not supposed to make any substantial changes therein. (He has no rule of the Senate for guidance.)"

In the House of Representatives it is customary and universal for a member to ask and to obtain unanimous consent to revise remarks made, usually with leave to extend. Revision, but not the right to extend, may be done without such express permission of the House, although the precedents speak of a necessary consent of the Speaker. The Joint Committee Rules do not, in terms, authorize revision, but speak of revision as accepted fact. Section 3 states, "When manuscript is submitted to Members for revision. . ."; Section 5 states, "Proofs of 'leave to print' and advance speeches will not be furnished the day the manuscript is received. . . "; and Section 6 refers to manuscripts returned too late for printing in the day's *Record*. House practice prohibits a member from changing the remarks of another member, nor can he alter his own remarks "in such a way as to affect the remarks of an opponent in controversy without bringing the correction to the attention of that Member." Representative Curtis of Missouri has pointed out that under present practice some far-reaching results are obtained: "This privilege has been abused to the extent that even in a colloquy which has occurred in debate the remarks of one of the debaters has been so changed as to render meaningless the printed remarks of his opponent which remain unrevised." Under permission of the House to extend remarks, a member may add to his own spoken remarks or have inserted as a speech statements never made on the floor. Some curious results follow: A member may ask and obtain leave for another member to extend even though such member is absent from the floor, where an authorized extension is submitted too late in the day to appear in the body of the *Record*, it will usually appear in the Appendix, but as a speech, not as an extension of remarks.

Senate procedure is more circumscribed. Speeches not actually delivered may be printed in the body of the Record or in the Appendix, but they must appear in "such manner as to indicate clearly that the contents thereof were not read orally by such Senator on the floor of the Senate." The difference between the two houses as to extension in the body of the Record stems directly from the size of each body. Time considerations are so precious on the House side that speeches made just after the House convenes, and before the business of the day—that is, while there is a sizable audience—are normally limited to one minute. Even during general debate either in the House qua House or when sitting as Committee of the Whole, time is scarce, and tempers have been known to rise to the height of fisticuffs over the question of allotment of time.

There are reasons for "fixing up" the Record, some of which, at least, deserve more than cursory attention. There is a real question of how best to facilitate the placing on record of the views of a member both as to current national issues and to more local ones. Questions of grammar and rhetoric involved in transcribing oral remarks, often delivered impromptu, to printed literature worthy of perpetual scrutiny, require that some minimum flexibility be allowed. Representative John W. McCormack of Massachusetts offers still another reason for favoring a broad revision policy:

"Sometimes in running debate, extemporaneous debate in the House and heated argument, I say things sharply that upon reflection I would not have said and did not mean . . . But I have always gone to the Member and said, "I just did not mean that; do you mind if I delete it" I do not want to have anything sharp in the Record unless someone is nasty with me, trying to smear me, but I find upon reading my remarks that unintentionally I had a sharper quality that I do not want to possess, but that in running debate I find occasionally I do possess."

The daily edition of the Congressional Record is not always completely accurate, hence the customary unanimous consent grants in both houses to correct the previous day's Record. The House has, on occasion, ordered the omission from the permanent Record of remarks made but not caught at the time of utterance. On rare occasions, remarks made during debate are excluded from the daily Record as being in violation of the Rules of House or Senate. A member of the House, for example, may be called to order for words spoken in debate and, under Rule XIV, Section 5, "the Member calling him to order shall indicate the words excepted to, and they shall be taken down in writing . . . and read aloud to the House; but he shall not be held to answer, nor be subject to the censure of the House therefor, if further debate or other business has intervened."

It is almost impossible to ascertain the accuracy of a Senate speech once printed since there does not appear in the Record any request for authority to revise, but it is possible at times to gain some slight insight into the revision and extension practices in the House. In the case of extensions in the body of the Record, a careful reading may disclose an individual request to extend, so, while the extension appears as a speech, it is obviously not a speech actually delivered. There are, however, many instances of leave to extend being granted across-the-board for all members of the House. It is the practice of the House for such permission to be granted immediately after passage of a bill and, in fact, this permission is given to extend remarks for five legislative days thereafter. There is no way of determining whether such remarks are uttered or inserted. In the case of an individual request to extend, if the extension is part of an actual delivered speech, there is no sure way of determining which portion was delivered and which inserted under the leave-to-extend privilege.

Professor Mantel continued at some length in this excellent 1959 article to examine Supreme Court cases that had relied upon the CONGRESSIONAL RECORD and other legislative documents to determine the intent of Congress. His conclusion was that the "extensive revision of uttered remarks lessens the efficacy of the legislative history offered to the judiciary."

How long this trend of accepting the *Congressional Record* as evidence of the debates in Congress will continue, is not too easily predictable, but certainly the fact that members of Congress themselves have become concerned about the practice of revision and extension is an indication that the situation is far from static. Attorneys have a knack of finding loopholes, and the practice of revision and extension may give one or more of them an opportunity to try and negate the use of legislative history by opposing counsel. The questions posed are whether such negating evidence can be presented to the courts, and if so, what use will the courts make of it? At the outset one must distinguish between questions of fact and of law. A question of law concerning the meaning of a statute may be raised in the trial court, but not as a factual issue triable by a jury. More likely, it is not raised until the trial has concluded. Procedurally, an attorney would be faced with the difficult problem of how to impeach the printed *Congressional Record*. If he makes the assertion in his brief, it would be nothing more than a self-serving statement and would, no doubt, be rejected by the court. He might, however, show as a general principle that the printed *Record* may not always record with accuracy remarks made on the floor, citing appropriate documentation. But such an argument, while having the possible effect of causing the court to refuse to accept any legislative history from the *Congressional Record*, would not prove whether the quoted statement of the congressman was or was not his actual oral remarks and, as such, accepted by the majority of the House or Senate. Testimony would be required from either the official reporter of debates or some officer of the House or Senate or, perhaps, the congressman himself or one of his colleagues. Thus counsel would be faced with task of arguing a legal point by the presentation of factual evidence—all of which would be subject to cross-examination. This is not an easy thing to do on the district court level—less so on the level of the court of appeals or the United States Supreme Court.

The settled practice of the House is that no member nor officer of that body may voluntarily or in answer to a subpoena testify in the ordinary courts of justice as to any matter pertaining to his official capacity. In practice, where the Clerk of the House is served with a subpoena *duces tecum*, he formally notifies the Speaker who lays such communication and the subpoena before the House. If there is no objection to his appearing, a resolution will be adopted which states: (1) that the privileges of the House preclude its documentation from being subject to the "process of the ordinary courts of justice . . . but by its permission"; (2) that where it appears that such documentation is needed for use in any court of justice, "this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House"; (3) that the Clerk may appear at the court but without the asked for papers; and, (4) that where the court "determines upon the materiality and the relevancy of the papers and documents called for," the court officers and parties may proceed to the House and make copies of the documents "except minutes and transcripts of executive sessions. . . ." This question has never been resolved in the Senate, but on one occasion during the Eighty-fifth Congress, Senator Eastland was subpoenaed to appear as a witness in a criminal case in a United States District Court. The case arose out of a contempt citation voted by the Senate in respect of conduct of the defendant when he was a witness before the Internal Security Subcommittee of the Senate Judiciary Committee which Eastland chairs. A vigorous debate ensued on the proprieties of allowing the Senator to respond to the subpoena, Senator Russell arguing that "the privileges of the Senate are involved. The Senate might be completely disorganized, so that it could not proceed as a legislative body, by reason of the abuse of the power of subpena. It could not function. It could be denuded of Senators by reason of irresponsible subpenaing." The entire matter and two proposed authorizing resolutions were dropped when Eastland announced that he would appear voluntarily as witness for the Government. There is little practicable chance of testimony questioning the accuracy of the debates reported in the *Congressional Record* being presented to the courts.

Then, too, there is the question of whether the courts will even sanction the raising of such an issue. In *Meyers* v. *United States*, the United States Court of Appeals, in affirming a District Court conviction for violation of a provision of the District of Columbia Code (Title 22 § 2501) on perjury and subornation of perjury, held that it was not error to allow the counsel of a Congressional committee, investigating the national defense program to testify as to what was said in the committee the indictment arising from certain statements therein alleged to have been made. The court ruled that the "best evidence rule" in federal courts is limited "to cases where the contents of a writing are to be proved. Here there was no attempt to prove the contents of a writing, the issue was what Lamarre had said, not what the transcript contained." In the Meyers case the conviction arose out of testimony in a committee, whereas in the situation we are discussing, impeachment of the *Record* is not to determine whether perjury or the subornation thereof, or contemptuous language was used, but whether a congressman did or did not make a statement on a given bill. I think the courts would refuse to inquire into the correctness of the *Record*, save in the very rare instance where the House or Senate itself adjudges a person in contempt. But while the courts may not allow impeachment of the reported debates, they may well come to a realization that the *Record* is not always a Record, to paraphrase the title of the Neuberger article, and think twice before using any such legislative history.

Professor Mantel has ably documented "the need for a rule against substantive changes in the CONGRESSIONAL RECORD and, in the case of the House, against extensions which appear as speeches. Changes for the sake of grammar, and perhaps rhetoric, should be allowed, with prudence the keyword to apprehensive Congressmen worried about the possible effects their unexpurgated remarks may have in home districts."

His conclusion must give all Members of Congress pause for thought. "A strong argument can be made for the gradual lessening of weight assigned in appellate cases to the floor debates as reported in the CONGRESSIONAL RECORD," Professor Mantel wrote, "unless and until revision and extension practices are radically revamped."

Mr. Speaker, I would like at this point to include a list of additional cosponsors of this amendment: Mr. TALCOTT, Mr. SARBANES, Mr. JEFFORDS, Mr. STUDDS, Mr. ANDERSON of California, Mr. SOLARZ, Mr. RIEGLE, Mr. BAUCUS, Mr. STEELMAN, Mr. CARR, Mr. STARK, Mr. MOSHER, and Mr. OBEY.

FORGOTTEN FUEL FOUND IN ARKANSAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, while in Arkansas over the July 4 recess, I was introduced to an energy discovery designed and built by Frank Angelo, Jr., at the facilities of the A. and P. Coop Co., Inc., at Jonesboro, Ark. Mr. Angelo has discovered and built a cheap, pollution-free energy recovery device capable of recovering 10 quadrillion Btu's per year from organic waste products. If commercially applied the energy recovery unit has the potential of an annual energy recovery equivalent of 1.3 billion barrels of oil, or 10.6 trillion cubic feet of natural gas. Originally designed to convert waste wood into salable charcoal with a pollution-free emission it was discovered that the heat generated is convertible to recoverable energy at the rate of 12 billion Btu's per hour. A larger capacity could be developed.

This invention is typical of what made America great. The machine is relatively simple to produce. In fact, it was made from a recycled railway tank car, oil boiler component, used grain auger conveyors, and old gasoline storage tanks. The machine requires only one operator per shift and operates best on a continual 24-hour basis which reduces thermal shock in the refractory caused by heating and cooling.

The following is a short explanation of the process which I urge my colleagues to consider:

ORGANIC WASTES A NATIONAL REVIEW OF QUANTITIES AND SOURCES—PRODUCING ENERGY POLLUTION FREE

(By Frank Angelo, Jr., and Elbert J. Stanley)

The energy crisis has not yet arrived, nor must it. The degradation of our surrounding does not have to be the price for increased energy production. A new awareness of and for the environment can promote the solutions to our energy problems.[1]

Technology exists today to greatly relieve the energy shortage. There is annually in the United States 700 million dry tons of organic waste representing 10 quadrillion BTU of energy. We import 6.6 quadrillion Btu of oil annually.[12] *Therefore, if all 700 million dry tons of organic waste were collected and utilized for energy we would not have to import any oil. The day of cheap energy is not necessarily over.*

The following report describes how a small Jonesboro, Arkansas Corporation, the A & P Coop Co., Inc. proposes to help beat the energy crisis, while solving one of the nations great pollution problems at the same time.

The A & P Coop Co., Inc. of Jonesboro, Arkansas was started in late 1951 by Mr. Frank M. Angelo, Sr., and Mr. Tommie Peeler. They made their first shipment of wooden chicken coops in February of 1952. The two partners made a very good team and developed the Company into a leader in its field. Mr. Peeler has since retired from the business and Mr. Frank M. Angelo, Sr., President is being assisted in the business by his son Mr. Frank Angelo, Jr., Vice President. They have continued to build the business and now have a combined sales of over two million dollars annually. Besides shipping to all states in the Union, they also export to 17 different countries and U.S. possessions.

Three years ago we were faced with a situation whereby we had approximately 80,000 lbs. of wood waste daily, sawdust, bark, chips, cut-offs, etc., green and dry, and also had a pollution problem because of our method of disposal. We were forced to shutdown a teepee-type disposal burner because of neighbors, and are now having to pay to dump the wood waste material from one of our three operations.

We sought to solve this problem, so we built and have in operation a new invention (patent serial No. 366,785, and also have international patents pending) whereby we are recycling our wood waste into a readily saleable substance, namely charcoal. The charcoal is industrial grade, or premium type, 70% carbon, 5% ash, and 5% moisture, the balance is volatile matter. Besides producing charcoal from wood waste, it operates pollution free and generates 12,000,000 Btu of energy per hour of operation.

We fully intend to harness this useable energy by converting it to steam. It can be used to heat, air condition, generate electricity, and even convert our charcoal into activated carbon. Carbon filters can be added to existing municipal waterworks and eliminate not only bad smells and tastes,, but many of the suspected cancer producing chemicals in the water.[2] We have, also, found that by reducing the wood waste to ash, which is a fertilizer,[3] we can greatly increase the Btu per hour of operation. We, also, learned that we can produce lower grade charcoal for briquetting by using such waste as cotton hulls, peanut hulls, rice hulls, etc. In fact, charcoal can be produced, pollution free, while creating energy from most any cellulose wastes.

We have also read that our Nation now has a solid waste load, annually of 3.5 billion tons.[4] We have determined that at least 880 million tons of this moisture and ash free organic material (dry organic solids) representing a potential energy source of significant magnitude that is not being utilized. Bureau of Mines Scientists have developed methods of converting these wastes into convenient energy forms and in view of the energy shortage facing our nation and the disposal problems created by organic wastes, we can and must look upon organic wastes as a new source for clean energy. The chief constituent of most organic wastes is cellulose; this material made by photosynthesis from water and atmospheric carbon dioxide, is the most abundant renewable raw material in the world.[5]

TABLE 1.—*Estimates of organic waste generated 1971–80* [5]

[In million tons/year]

	Actual	*Forecast*
Source:	*1971*	*1980*
Manure	200	266
Urban refuse	129	222
Logging and wood manufacturing residues	55	59
Agricultural crops and food waste	390	390
Industrial wastes	44	50
Municipal sewage solids	12	14
Miscellaneous organic wastes	50	60
Total	880	1, 061

Net oil potential (million barrels), actual 1971, 1,098; forecast 1980, 1,330.

Net gas for fuel potential (trillion cubic feet), actual 1971, 8.8; forecast 1980, 10.6.

Table 1 shows the makeup of the estimated burnable organic waste generated in the U.S. in 1971 and forecast for 1980. If it had been collected and used in our system, millions and millions of Btu and kilowatt hours of electricity could have been generated pollution free while recycling the organic waste into charcoal or fertilizer.

As Table 1 shows the net oil potential from organic wastes generated in 1971 amounted to 1,098,000,000 barrels and is projected to

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Footnotes at end of article.

1,330,000,000 barrels in 1980. The net gas for fuel potential was 8 trillion cubic ft. in 1971 and is projected to 10 trillion cubic ft in 1980.

TABLE 2.—*Lower heating values of various organic wastes*

Waste:	*Btu/Lb.*
Pine wood	8,420
Oak wood	7,990
Saw dust	8,000
Leaves	6,530
Brush	7,270
Grass	7,070
Street sweepings	5,520
Leather	8,140
Cotton seed hulls	7,910
Grain	7,130
Pecan shells	8,100
Coffee grounds	9,800
Corn cobs	7,540
Magazines	4,830
Waxed milk cartons	10,790
Tar paper	10,120
Brown paper	7,090
Corrugated boxes	6,830
Rags	7,390
Cotton batting	6,540
Rayon and cotton textiles	7,138
Uncured duck	8,600
Mixed refuse	4,450

Table 2 shows the lower heating values of various organic wastes. An article in the Jan. 1975 edition of the National Hardwood Magazine also states *"Tests comparing wood residues with fossil fuels show that a dry ton of wood residue can produce the same amount of steam as 92 gallons of fuel oil."* An article in the March 6, 1974 edition of the Poultry Times also states *"if all agricultural wastes from plants and animals were available, they could be converted to energy equal to one fifth of the petroleum or one fourth of our natural gas requirements."*

We were visited by Mr. Harold B. Hinchman, a Consulting Engineer with Horner & Shifrin, Inc., Consulting Engineers of St. Louis, Mo. The following are his comments: "The inspection of the prototype facility for making charcoal from waste wood, which has been designed and built by Frank Angelo, Jr., at the facilities of the A & P Coop Company, Inc., Jonesboro, Arkansas, demonstrated that the facility is capable of turning the waste wood into salable charcoal. Mr. Angelo, Jr., claims that the charcoal produced is "industrial" grade. From its appearance, there is no reason to doubt this.

The prototype facility is well built. The equipment arrangement is practical. The facility consists of a hog which reduces the waste wood to a relatively uniform, particle size, a chamber in which the raw wood is converted to charcoal and several pieces of auxiliary conveying equipment. The prototype is instrumented with recording temperature indicators. It has virtually no visible emission from the stack.

Charcoal, which is formed by pyrolizing the raw material (wood in this case), can be made from any substance which leaves a carbon residue. Heat must be used to convert wood to charcoal. In the process investigated, the heat liberated from burning a portion of the wood is used to pyrolize the remainder of the wood.

The energy from the wood gas is more than sufficient to provide the heat for the pyrolysis, only a small part of the heat generated is utilized in the conversion process. The balance of the heat, which according to Mr. Angelo, Jr., amounts to 12 million Btu per hour when the wood feed rate is 3,300 pounds per hour, goes up the stack at 1,500° F." (This amount of energy would double if the waste were reduced to ash). This is the energy which we intend to harness to help solve the nation's energy problem while recycling organic wastes, pollution free.

Over the past three years we have invested approximately $150,000 in our new invention. We have proven that it recycles cellulose waste into charcoal or ash (which is a fertilizer), pollution free, while generating a tremendous amount of energy, and we have been granted a patent.

A study must now be made to *determine optimum size, feed rates, improve the afterburner to make it more efficient, and design an energy recovery system.*

We are a relatively small woodworking company and we have approximately 80,000 lbs. of woodwaste per day to dispose of. There are many industries in the nation with pollution problems such as ours. Municipalities also have a tremendous problem in disposing of their solid wastes pollution free. In view of the drive on pollution control and the energy crisis, *we believe that our invention will make a valuable contribution to the Nation.*

The machine is relatively simple to produce, in fact, our machine was made from a recycled railway tank car, old boiler components, used grain auger conveyors and old gasoline storage tanks. The machine requires only one operator per shift and it is best to operate on a 24 hour basis in order to reduce thermal shock in the refactory caused by heating and cooling. This machine can easily be made portable and exportable. We have also determined that *we can prevent other annoying pollutions, such as emissions from rendering plants. There are many of these using natural gas, coal, or oil to produce steam, and during their process, emitting strong and offensive odors. These are gases that are combustible at 1300° F–1500° F. We could solve their energy and pollution requirements at the same time using any available cellulose waste in a machine such as ours.*

Waste pine bark and spent sulfate liquor, both major waste products from the manufacture of paper and paperboard products, can be converted to useable solids and gasses by pyrolysis. The bark pyrolized at 900° C, yielded 630 pounds of char per ton, with a heating value of 13,000 BTU per pound, and 20,154 cubic feet of gas.[6] Pyrolysis is the process of chemically decomposing an organic substance by heating it in an oxygen deficient atmosphere. Pyrolysis of most organic materials results in the formation of two classes of products:

1. A solid residue, char, composed of elemental carbon and ash.
2. A gas with some heating values.

Except for the ash, all the products can be used as fuels with minimal air pollution. The carbonaceous residue, if properly handled, also becomes a superior "activated charcoal".

Results of government and private investigations in the use of pyrolysis for solid waste disposal indicate that this is definitely a process to be considered by governments desiring to extend the life of their sanitary landfills, or replace open dumps and incinerators.[7]

An average ton of industrial refuse, consisting of paper, rags, and cardboard, can be converted to 618 to 838 pounds of residue, and 9,270 to 14,065 cubic feet of gas. The energy from the gas is more than sufficient to provide the heat for the pyrolysis. By pyrolysis at elevated temperatures, the wastes are converted into useable or more manageable solids and gaseous forms without contributing to land, air, or water pollution. Some possible uses of the solid residue are landfill (sites for sanitary landfill are becoming harder to obtain and this method of waste disposal is becoming increasingly suspect as a polluter of ground water), soil conditioner (fertilizer), briquetted fuel, and filter medium (water purification). A ton of municipal refuse, pyrolized at 900° C, can be converted to 154 pounds of solid residue, and 17,741 cubic feet of gas.[8]

Charcoal has many uses. The following is a partial list of them.

DOMESTIC AND SPECIALIZED FUEL

Citrus Growers
Foundries
Cook Outs
Incinerators
Meat & Fish Curing
Shipyards
Tinning & Plumbing
Tobacco Curing

METALLURGICAL

Aluminum Metal
Armor Plate
Case Hardening
Cobalt Metal
Copper, Brass, Bronze
Electro Maganese
Foundry Molds
Magnesium Metal
Mining
Molybdenum
Nickel
Powdered Iron
Pig Iron
Special Alloys
Steel

CHEMICAL

Activated Carbon
Water Purification
Black Powder
Brake Linings
Carbon Disulfide
Carbon Monoxide
Catalyst Reactor
Electrodes
Fertilizer
Galvanizing
Gas Cylinders
Glass
Blues
Graphite
Magnesium
Molding Resins
Nursery Mulch
Pharmaceuticals
Plastics
Poultry & Stock Feed
Potassium Cyanide
Sodium Cyanide

In 1970 the United States imported 38,964,577 pounds of charcoal valued at $1,223,890. At the same time we exported 23,509,042 pounds of charcoal valued at $1,107,392.

COMPLETE COMBUSTION MAKING POTASH FERTILIZER

1. 80,000 lbs. of oak chips available each 24 hrs. at 35% moisture by weight.
2. Efficiency of burning is 70%.
3. 18,000 BTU of heat required to produce steam, drive steam turbine, and electric generator to produce one KWH.[14]
4. 8,000 BTU/lbs. of oak chips at 8% moisture.

8,000 x 80,000 x .70=448,000,000 BTU/24 hrs.

448,000,000 BTU/18,000 BTU=24,888 KWH/24 hrs.

24,888 KWH x 30=766,640 KWH/mo.

The average home in Jonesboro, Arkansas consumes 750 KWH/mo.

766,640 KWH/750 KWH=1,022 Average Jonesboro homes could be supplied with electricity.

A & P Coop Company consumes 22,000 KWH/mo.

Angelo Mfg. Company consumes 6,000 KWH/mo.

Arkansas Dimensions consumes 11,000 KWH/mo.

Total 39,000 KWH/mo.

766,640 KWH/39,000 KWH=19 Plants the size of A & P Coop Co., Angelo Mfg. Co., and Arkansas Dimensions could be supplied with electricity.

WHILE MAKING CHARCOAL

The calorific value of charcoal is 7,690/lb. to obtain BTU/lb. multiply values given in

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Footnotes at end of article.

calories by 1.796 (pages 439 and 456, Chemistry of Cellulose and Wood by A. W. Schorger, Ph.D., First edition 1926).

$7,690 \times 1.796 = 13,793$ BTU/lb. charcoal

Efficiency of producing charcoal is approximately 20%.

$80,000 \times .20 \times 13,793 = 220,688,000$ BTU/24 hours.

$220,688,000 \text{ BTU}/448,000,000 \text{ BTU} = 0.49$

Therefore while producing charcoal reduce energy production by 49%.

CONCLUSION

We have shown the tremendous amount of energy being wasted each year by not properly utilizing the nations organic wastes. The 700 million dry tons of organic wastes represent 10 quadrillion btu of energy each year if properly collected and processed through inventions such as ours. The annual oil imports of the U.S. amount to 6.6 quadrillion btu, therefore, oil imports could be eliminated or reduced to a bare minimum so that no cartels could force their will on this nation by threatening to cut off our oil supply, or manipulate the western worlds economy.

We have mentioned agricultural wastes which constitute by far the largest and most readily recoverable source of waste derived energy. There is strong evidence that agricultural wastes energy recovery is close to economic viability, clearly research funding is now warranted.[12]

We believe that our invention will be of great importance to our nation in that it recycles organic wastes, pollution free, into saleable products, while generating a tremendous amount of energy. These machines as previously stated can be made portable and exportable. They can help the entire world solve its pollution and energy problems.

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[12] Poole, Alan, "The Potential for Energy Recovery From Organic Waste," November 20, 1974 (Unpublished Draft of the Ford Foundation).

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SECRETARY SCHLESINGER'S NEW STRATEGY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 20 minutes.

Ms. ABZUG. Mr. Speaker, delegates from Women Strike for Peace and from SANE in several cities went to the White House today to protest the new nuclear strategy outlined by Secretary Schlesinger. His pronouncement, reinforced by President Ford, that the United States would not rule out first use of nuclear weapons, is an alarming change, these organizations believe. Such a shift in strategy should not be undertaken without the most serious deliberation by Congress and the public. I share this concern and would like to insert into the RECORD some remarks I made at this morning's gathering at the White House:

REMARKS

Once again we are being asked to think the unthinkable. We are being conditioned to accept a nuclear first strike by our own country. The Secretary of Defense is advocating a kind of offense which could trigger humanity's final war.

Last week Secretary Schlesinger stated that the United States could "conceivably make a selective strike at the Soviet Union." This declaration drew strong criticism from the public and the Congress, but when the Secretary was asked to clarify his position, he did not withdraw the statement. Instead, he enlarged upon it. Mr. Schlesinger says we might respond with nuclear weapons to a Soviet attack with conventional weapons, in Europe. He says we might also strike in Korea. He claims a United States "commitment" to defend South Korea, possibly with first use of nuclear weapons—though he calls this "a very unlikely event." Unlikely? It should be unthinkable.

Such threats are in line with the new counterforce strategy which Mr. Schlesinger introduced last year. If this is intended to make the Soviets nervous, to impel them to hasten their own missiles program, it will surely have that effect. But do we want a war of nerves on both sides? This is extremely risky. And how can we conduct negotiations to limit and reduce nuclear weapons, in such an atmosphere?

Still more alarming is the fact that President Ford upholds this new strategy. In his press conference June 25, he would not rule out the possibility that we would be the first to use nuclear weapons, in Korea or elsewhere. It is misleading to call this a strategy for "limited" nuclear war. Once the first nuclear bomb is used, there will be no limits—all restraints will be off.

An editorial in this morning's *Washington Post* attempts to define the military difference between "first use"—i.e., during a war already underway—and "first strike"—i.e., a pre-emptive strike before outright war begins. I doubt that such distinctions are very meaningful to our adversaries or to the rest of the world. If the US is preparing to use nuclear weapons, the whole plan of deterrence is changing. It has prevented nuclear war for 25 years and should not be changed now.

This totally new policy should be emphatically rejected by the American people. Ours is the only country that has ever used the atomic bomb, to our everlasting shame. We should have been the first to pledge that we would never use it again. We should now be the first to urge a complete test ban treaty with all nuclear and potentially nuclear nations.

The Administration is trying to present its new stance as merely a minor variant on the old theme of "defense," when it is, in fact, a complete change of position which will have a direct effect on everyone's life. I have called upon my colleagues repeatedly to refuse to fund the new counterforce programs to review our overall nuclear strategy, and to support my resolution introduced in January of this year, which would renounce the first use of nuclear weapons by the U.S. A similar resolution, H.R. 533, is now before the House Committee on International Relations. I urge all of you to contact Chairman Thomas Morgan calling for hearings on these resolutions. We will succeed in these efforts when the public is sufficiently aroused to demand it.

The Congress must have the opportunity to impose restraints upon the development of this reckless new strategy, and the American people must have a chance to express their dismay at the needless, self-defeating bravado being tossed about by our nation's leaders.

CAPITOL CONFERENCE ON THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MCFALL) is recognized for 10 minutes.

Mr. MCFALL. Mr. Speaker, I congratulate the Speaker and the entire Democratic steering and policy committee for calling a new conference of distinguished economists from the private sector. When they meet here in the Capitol on July 24, these outstanding economists will review the performance of the economy and outline policies to attain rapid and strong economic recovery.

Last July, the Capitol Conference of Economists which the Speaker called provided the Congress with important guidance on legislation to deal with our economic difficulties.

I include in the RECORD today an article by Walter Heller published in the New York Times of June 30. Mr. Heller, who is one of the economists invited to the July 24 conference, sets out very sharply the contrast between a President who does not want to stimulate the economy and a Congress that is determined to provide jobs and to work for economic recovery.

[From the New York Times, June 30, 1975]

YOU WON'T HAVE UNCLE SAM TO KICK AROUND ANY MORE

(By Walter W. Heller)

MINNEAPOLIS.—The fear of inflation is still so dominant in Washington today that it is evidently destroying policymakers' faith in the recuperative powers of the American economy and blinding their sensitivity to the growing plight of the unemployed.

Transfixed by this fear, the White House and the Federal Reserve authorities are getting the early signs of modest recovery from this deepest of all postwar recessions as if prosperity were just around the corner, the hellfires of a new inflation were about to engulf us, and let the devil take the hindmost, the jobless.

If that somewhat inflamed statement of the case is not to be inferred from the words and actions of the Administration and the Federal Reserve, how are we to interpret the following actions and statements?

Item: President Ford justified his veto of the emergency jobs bill last month in good part on grounds that economic recovery would be well along by the end of 1975 and much of the bill's impact would not be felt until 1976. Yet, the White House itself expects unemployment to average just under 8 per cent in 1976—higher than the worst unemployment levels in any of the five previous postwar recessions.

Item: In his midyear budget review, the President nonetheless projects a dead stop to the tax cut at the end of this year and clips $9 billion off of the already-modest expenditure total approved under the new Congressional budget procedures. He would thereby turn budget stimulus into budget restriction.

Item: On Meet The Press on May 25, Arthur Burns, chairman of the Federal Reserve, suggested that "the thing to do now is to sit back for a little while. . . ." Subsequently, James Lynn, the budget director, and William Simon, Secretary of the Treasury, added their voices to this litany of little faith.

In other words, ignore the abysmal level of the economy, and look only at its upward direction—lean against the oh-so-gentle zephyrs of recovery as if they were harbingers of hot new blasts of inflation.

Ignore the 8 per cent in real G.N.P. from its late-1973 peak (twice as big a drop as in any previous postwar recession) and the 6 per cent growth of our productive potential in the meanwhile. That is, ignore the forces that have opened up a yawning chasm of $200 billion a year between what the U.S. economy is producing and what it could be producing.

Ignore the Administration's own projection of an anemic 6 per cent of G.N.P. recovery—versus 8.5 per cent in 1954–55; 9 per cent in 1958–59, and 7.5 per cent in 1960–61—and complacently settle for the weakest of recoveries from our deepest of recessions.

Ignore the nearly ten-million job-seeking and discouraged workers.

Ignore the clear evidence that inflation is abating.

Excess demand has long since been replaced by excess supply—far too few dollars are chasing too many goods.

Wages have not exploded, so cost-push is less than expected and is about to abate as productivity jumps and average wage increases slow down in the face of woefully weak labor markets.

External-shock inflation—the food and oil price explosions and dollar devaluations that accounted for some 60 per cent of the monstrous 1973–74 inflation—is subsiding. Except for the game of oil price leapfrog that the President and the Shah of Iran are playing, it should not rise to plague us in the mid-seventies.

In short, ignore the facts that inflation is clearly waning and that the fragile flower of economic rebound in the second half of 1975 has to be cultivated, nurtured, and fertilized lest it wilt or die in 1976.

It would be at least reassuring if one could believe that the White House and Federal Reserve were working toward a conservative but defensible goal like trading off fiscal restraint for an expansionary monetary policy, i.e., pursing a policy of expansion that would tilt the economy toward the easier money, lower interest rates, and lubricated capital markets needed to help revive housing and ease our longer-term capital and capacity pinches. No such thing. It's a policy of cry havoc on inflation and go slow on expansion of any kind.

What, then, should be done?

First, Mr. Burns and the Fed should firmly pledge to hold interest rates at or below present levels for the next six to nine months. That will still leave plenty of time to put on the monetary brakes before a new inflation threatens us.

Congress should speedily re-enact the $12 to $13 billion of the 1975 tax reduction that is not of a one-shot nature and quickly approve an expanded public service jobs program and new antirecession grants to hard-pressed cities and states, programs that would self-destruct as unemployment drops to tolerable levels.

Third, President Ford should declare his firm faith in the U.S. economy's capacity for long and sustained expansion and his determination to put recovery in high gear. He should promptly assure the country that he will not let oil-price increases refuel inflation and retard recovery.

After a year of robust recovery at, say, an 8 per cent clip under these policies, what will the policymakers see?

Unemployment still well over 7 per cent.

Excess capacity galore—perhaps one-quarter of our manufacturing capacity lying idle instead of today's one-third.

Inflation still subsiding or at least in check.

Budget deficits falling and interest rates remaining at moderate levels.

Then, in good season, they can take another look and see whether the fear of inflation justifies braking the recovery. But to retard the spark of recovery at its first gleaming, as we are now doing, is an exercise in the economies of fear, an act of little faith and less compassion.

FEDERAL RULES OF CRIMINAL PROCEDURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. STEPHENS) is recognized for 5 minutes.

Mr. STEPHENS. Mr. Speaker, in recent weeks the U.S. House of Representatives has been considering amendments to the Federal Rules of Criminal Procedure. The rising crime rate throughout our Nation is of great concern to all of us. President Ford recently sent us some legislative suggestions aimed at restoring domestic tranquility. I think the proposed amendments to the Federal Rules of Criminal Procedure will help us toward that goal. In this connection I am reminded of Justice Brandeis's opinion in the famous Olmstead case (277 U.S. 438) some 46 years ago when he said:

> Decency, security and liberty alike demand that Government officials shall be subjected to the same rules of conduct that are commandments to the citizens. In a government of laws, existence of the Government will be imperiled if it fails to observe the law scrupulously. Our Government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example. Crime is contagious. If the Government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy.

I am hopeful that the new criminal rules will strengthen the hand of Government officials in enforcing the law and reducing the crime rate, while at the same time strengthening the protection of the civil liberties of our citizens. One important feature of the new rules is to give greater discovery to both the prosecutor and the defense. When the late Supreme Court Justice Robert H. Jackson was Attorney General of the United States he delivered a talk entitled "The Federal Prosecutor" to a conference of U.S. attorneys, saying:

> The prosecutor has more control over life, liberty, and reputation than any other person in America. His discretion is tremendous. He can have citizens investigated and, if he is that kind of person, he can have this done to the tune of public statements and veiled or unveiled intimations.

With the proliferation of Federal regulatory agencies over the past quarter century, Congress has delegated enforcement authority and prosecutorial discretion to many persons in the Federal bureaucracy who are not subject to the checks and balances of appointment by the President and confirmation by the Senate of the United States. I am increasingly concerned with the potential abuse of prosecutorial discretion by administrative agency officials in the course of their enforcement activities. Justice Jackson reminded the Federal prosecutors in his talk that the power to prosecute "has been granted by people who really wanted the right thing done—wanted crime eliminated—but also wanted the best in our American traditions preserved." But, said Jackson:

> Because of this immense power to strike at citizens, not with more individual strength but with all the force of government itself, the post of federal district attorney from the very beginning has been safeguarded by presidential appointment, requiring confirmation of the senate of the United States.

It seems to me that the time is at hand when it may be desirable for Congress to inquire into the possible abuse of prosecutorial discretion by non-Presidential appointees in administrative agencies. We have Federal rules of criminal procedure applicable to Federal procedures, but we have no similar Federal rules applicable to administrative procedures. We owe much to the memory of Justice Jackson, a part of which is reflected in the talk he made 35 years ago and was repeated in volume 24, Journal of the American Judicature Society, as follows:

[From the Journal of the American Judicature Society]

The Federal Prosecutor

(By Robert H. Jackson[*])

"The qualities of a good prosecutor are as elusive and as impossible to define as those which mark a gentleman. And those who need to be told would not understand it anyway."

It would probably be within the range of that exaggeration permitted in Washington to say that assembled in this room is one of the most powerful peace-time forces known to our country. The prosecutor has more control over life, liberty, and reputation than any other person in America. His discretion is tremendous. He can have citizens investigated and, if he is that kind of person, he can have this done to the tune of public statements and veiled or unveiled intimations. Or the prosecutor may choose a more subtle course and simply have a citizen's friends interviewed. The prosecutor can order arrests, present cases to the grand jury in secret session, and on the basis of his one-sided presentation of the facts, can cause the citizen to be indicted and held for trial. He may dismiss the case before trial, in which case the defense never has a chance to be heard. Or he may go on with a public trial. If he obtains a conviction, the prosecutor can still make recommendations as to sentence, as to whether the prisoner should get probation or a suspended sentence, and after he is put away, as to whether he is a fit subject for parole. While the prosecutor at his best is one of the most beneficent forces in our society, when he acts from malice or other base motives, he is one of the worst.

These powers have been granted to our law-enforcement agencies because it seems necessary that such a power to prosecute be lodged somewhere. This authority has been granted by people who really wanted the right thing done—wanted crime eliminated—but also wanted the best in our American traditions preserved.

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[*] This address by the Attorney General of the United States was delivered at the Second Annual Conference of United States Attorneys held in the Department of Justice Building, Washington, on April 1, 1940.

Because of this immense power to strike at citizens, not with mere individual strength, but with all the force of government itself, the post of federal district attorney from the very beginning has been safeguarded by presidential appointment, requiring confirmation of the senate of the United States. You are thus required to win an expression of confidence in your character by both the legislative and the executive branches of the government before assuming the responsibilities of a federal prosecutor.

Your responsibility in your several districts for law enforcement and for its methods cannot be wholly surrendered to Washington, and ought not to be assumed by a centralized department of justice. It is an unusual and rare instance in which the local district attorney should be superseded in the handling of litigation, except where he requests help of Washington. It is also clear that with his knowledge of local sentiment and opinion, his contact with and intimate knowledge of the views of the court, and his acquaintance with the feelings of the group from which jurors are drawn, it is an unusual case in which his judgment should be overruled.

Experience, however, has demonstrated that some measure of centralized control is necessary. In the absence of it different district attorneys were striving for different interpretations or applications of an act, or were pursuing different conceptions of policy. Also, to put it mildly, there were differences in the degree of diligence and zeal in different districts. To promote uniformity of policy and action, to establish some standards of performance, and to make available specialized help, some degree of centralized administration was found necessary.

Our problem, of course, is to balance these opposing considerations. I desire to avoid any lessening of the prestige and influence of the district attorneys in their districts. At the same time we must proceed in all districts with that uniformity of policy which is necessary to the prestige of federal law.

Nothing better can come out of this meeting of law enforcement officers than a rededication to the spirit of fair play and decency that should animate the federal prosecutor. Your positions are of such independence and importance that while you are being diligent, strict, and vigorous in law enforcement you can also afford to be just. Although the government technically loses its case, it has really won if justice has been done. The lawyer in public office is justified in seeking to leave behind him a good record. But he must remember that his most alert and severe, but just, judges will be the members of his own profession, and that lawyers rest their good opinion of each other not merely on results accomplished but on the quality of the performance. Reputation has been called "the shadow cast by one's daily life." Any prosecutor who risks his day-to-day professional name for fair dealing to build up statistics of success has a perverted sense of practical values, as well as defects of character. Whether one seeks promotion to a judgeship, as many prosecutors rightly do, so or whether he returns to private practice, he can have no better asset than to have his profession recognize that his attitude toward those who feel his power has been dispassionate, reasonable and just.

The federal prosecutor has now been prohibited from engaging in political activities. I am convinced that a good-faith acceptance of the spirit and letter of that doctrine will relieve many district attorneys from the embarrassment of what have heretofore been regarded as legitimate expectations of political service. There can also be no doubt that to be closely identified with the intrigue, the money raising, and the machinery of a particular party or faction may present a prosecuting officer with embarrassing alignments and associations. I think the Hatch Act should be utilized by federal prosecutors as a protection against demands on their time and their prestige to participate in the operation of the machinery of practical politics.

There is a most important reason why the prosecutor should have, as nearly as possible, a detached and impartial view of all groups in his community. Law enforcement is not automatic. It isn't blind. One of the greatest difficulties of the position of prosecutor is that he must pick his cases, because no prosecutor can even investigate all of the cases in which he receives complaints. If the department of justice were to make even a pretense of reaching every probable violation of federal law, ten times its present staff would be inadequate. We know that no local police force can strictly enforce the traffic laws, or it would arrest half the driving population on any given morning. What every prosecutor is practically required to do is to select the cases for prosecution and to select those in which the offense is the most flagrant, the public harm the greatest, and the proof the most certain.

If the prosecutor is obliged to choose his cases, it follows that he can choose his defendants. Therein is the most dangerous power of the prosecutor: that he will pick people that he thinks he should get, rather than pick cases that need to be prosecuted. With the law books filled with a great assortment of crimes, a prosecutor stands a fair chance of finding at least a technical violation of some act on the part of almost anyone. In such a case, it is not a question of discovering the commission of a crime and then looking for the man who has committed it, it is a question of picking the man and then searching the law books, or putting investigators to work, to pin some offense on him. It is in this realm—in which the prosecutor picks some person whom he dislikes or desires to embarrass, or selects some group of unpopular persons and then looks for an offense, that the greatest danger of abuse of prosecuting power lies. It is here that law enforcement becomes personal, and the real crime becomes that of being unpopular with the predominant or governing group, being attached to the wrong political views, or being personally obnoxious to or in the way of the prosecutor himself.

In times of fear or hysteria political, racial, religious, social, and economic groups, often from the best of motives, cry for the scalps of individuals or groups because they do not like their views. Particularly do we need to be dispassionate and courageous in those cases which deal with so-called "subversive activities." They are dangerous to civil liberty because the prosecutor has no definite standards to determine what constitutes a "subversive activity," such as we have for murder or larceny. Activities which seem benevolent and helpful to wage earners, persons on relief, or those who are disadvantaged in the struggle for existence may be regarded as "subversive" by those whose property interests might be burdened or affected thereby. Those who are in office are apt to regard as "subversive" the activities of any of those who would bring about a change of administration. Some of our soundest constitutional doctrines were once punished as subversive. We must not forget that it was not so long ago that both the term "Republican" and the term "Democrat" were epithets with sinister meaning to denote persons of radical tendencies that were "subversive" of the order of things then dominant.

In the enforcement of laws that protect our national integrity and existence, we should prosecute any and every *act* of violation, but only overt acts, not the expression of opinion, or activities such as the holding of meetings, petitioning of congress, or dissemination of news or opinions. Only by extreme care can we protect the spirit as well as the letter of our civil liberties, and to do so is a responsibility of the federal prosecutor.

Another delicate task is to distinguish between the federal and the local in law-enforcement activities. We must bear in mind that we are concerned only with the prosecution of acts which the congress has made federal offenses. Those acts we should prosecute regardless of local sentiment, regardless of whether it exposes lax local enforcement, regardless of whether it makes or breaks local politicians.

But outside of federal law each locality has the right under our system of government to fix its own standards of law enforcement and of morals. And the moral climate of the United States is as varied as its physical climate. For example, some states legalize and permit gambling, some states prohibit it legislatively and protect it administratively, and some try to prohibit it entirely. The same variation of attitudes towards other law-enforcement problems exists. The federal government could not enforce one kind of law in one place and another kind elsewhere. It could hardly adopt strict standards for loose states or loose standards for strict states without doing violence to local sentiment. In spite of the temptation to divert our power to local conditions where they have become offensive to our sense of decency, the only long-term policy that will save federal justice from being discredited by entanglements with local politics is that it confine itself to strict and impartial enforcement of federal law, letting the chips fall in the community where they may. Just as there should be no permitting of local considerations to stop federal enforcement, so there should be no striving to enlarge our power over local affairs and no use of federal prosecutions to exert an indirect influence that would be unlawful if exerted directly.

The qualities of a good prosecutor are as elusive and as impossible to define as those which mark a gentleman. And those who need to be told would not understand it anyway. A sensitiveness to fair play and sportsmanship is perhaps the best protection against the abuse of power, and the citizen's safety lies in the prosecutor who tempers zeal with human kindness, who seeks truth and not victims, who serves the law and not factional purposes, and who approaches his task with humility.

ADMISSION OF FEMALES TO COAST GUARD ACADEMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, 2 months ago, by an overwhelming vote of 303 to 96, we approved an amendment to the military procurement authorization that will admit women to our military academies.

As the other body has adopted similar language, we should soon see women attending classes and receiving the fine education available at the U.S. Military Academy, the Naval Academy, and the Air Force Academy. The Merchant Marine Academy at Kings Point, N.Y., already has women in attendance.

Unfortunately, there was an oversight. Overlooked was an important service and a prestigious service school. Due to a jurisdictional matter, the amendment we approved last May did not include the U.S. Coast Guard Academy. I can think of no reason for excluding women from this academy and admitting them to all of the other service academies.

Accordingly, I am today introducing a measure that will mandate that action be taken to insure that women will be eligible for appointment and admission to the academy. It will also make specific changes in the law to clear up any possible ambiguities as to whether or not women can be admitted to the academy.

In the next few days, I will be seeking cosponsors for this measure. I hope that my colleagues will agree with me that this is a piece of commonsense legislation to correct an oversight in our laws.

At this point, I would like to insert a copy of my measure.

H.R. 8414

A bill relating to the admission of female individuals to the Coast Guard Academy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) sections 182 and 183 of title 14, United States Code, are each amended by inserting "or her" immediately after "his" each place it appears therein.

(b) Such section 182 is further amended by inserting "or herself" immediately after "himself" in subsection (a) thereof.

Sec. 2. In the administration of chapter 9 of title 14, United States Code, the Secretary of the department in which the Coast Guard is operating shall take such action as may be necessary and appropriate to insure that female individuals shall be eligible for appointment and admission to the Coast Guard Academy and that the academic and relevant standards for appointment and admission of female individuals shall be the same as those required for the appointment and admission of male individuals.

PROTECTING LABOR INTERESTS FROM THE ACP: A SHOCKING EXPOSÉ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Fuqua) is recognized for 30 minutes.

Mr. FUQUA. Mr. Speaker, we may never see the creation of an agency to advocate the interests of consumers if we continue to allow this bill to become the dumping ground for special interest provisions.

As one of the original supporters of this concept, I am very much concerned with what I have seen happen to the bills as they have developed. There is little doubt in my mind that Congress will send to the President a consumer agency bill. The President, however, has indicated that he will veto any such bill.

STRENGTHENING THE POTENTIAL VETO

The President's vetoes have had a remarkable resilience, considering the makeup of this Congress. In commenting on the President's veto strength in its June 29 editorial, the Washington Post pointed out that:

> In each case the Democratic leadership in Congress has been unable to prevent the committees from turning these (vetoed) bills into lobbyists' bonanzas.

The Senate recently passed a bill, S. 200, to create an Agency for Consumer Advocacy. When it went to the floor it contained totally unjustifiable protections for certain labor-related matters. Failure to get the so-called labor exemptions out of the bill in committee and on the floor led to a series of equally unjustifiable exemptions for equally important special interests.

These special interest exemptions have made the Senate bill a travesty of what was originally intended. I doubt that a veto of that Senate bill could be overridden. The bill no longer makes any sense.

Many of the proceedings which were given as major illustrations of a need for such an agency are now forbidden territory for the proposed Federal consumer advocate.

I stated my concern at the opening of hearings on the House bill, H.R. 7575. I focused on the fact that the House bill contains the very same unjustifiable labor exemptions which contributed to making the Senate bill a piece of Swiss cheese. I was told not to be concerned, that the labor exemptions were justified, and that a sufficient rationale for them would be issued.

THE DECEPTIVE RATIONALE FOR THE LABOR EXEMPTIONS

As promised, a rationale for the labor exemptions was distributed to me and other members of the subcommittee considering the consumer agency bills. In fact, it was later printed in the Record of June 12 at page 18781.

I asked my staff to review the rationale, with a view toward changing my position if it proved to be in the interests of consumers. The results of that review shocked me, and gave me further concern about the viability of any agency bill likely to be brought forth from this Congress.

WHY ARE CONSUMER GROUPS ADVOCATING LABOR PROTECTION?

The first disturbing factor associated with this rationale was that it was identical in all major respects to one previously distributed in the Senate under the names of two officers of well known consumer organizations, the Consumer Federation of America, and Ralph Nader's Congress Watch.

The implications of such advocacy are very troublesome. What possible reason could there be for consumer representatives on a tight budget to be advocating that labor-related matters should be protected from the new Federal consumer advocate? The consumers whom they represent could get absolutely no return from such endeavors.

Certainly no supporter of this bill would say that the labor exemptions were needed because the consumer agency will be imprudent and enter into matters where it did not belong. If we feared that the consumer agency were going to be a crazyman agency, wasting its resources on inconsequential or inappropriate matters, we would not create such a unit or at least not give it any discretion to determine for itself where consumer representation was needed.

Could it be that the consumer advocates share the view of Senator Javits, who stated during debate on the Senate bill that organized labor "will kill the bill" if it were not given a special exemption? If organized labor fears this bill so much, then we should address the reasons for such fear and modify the powers in the bill if the fears prove to be justified. After all, if labor has reason to fear, other equally important special interests must also have justification for alarm.

I also wonder whether these consumer groups spent their valuable time, energy, and money on preparing this lengthy rationale for the labor amendments. If they did, it would at least explain the gross inadequacies in the paper due to their unfamiliarity with the subject area. If they did not, I wonder why the source of the paper is afraid to come forward and why these consumer organizations would lend their names to a hidden special interest.

I shall now address, point by point, the rationale that is being offered for exempting labor-related interests from the consumer agency bills. As will be made quite apparent, this rationale was prepared either by someone totally unfamiliar with the consumer agency bills and labor law, or by knowledgeable persons who would deliberately attempt to deceive the Congress.

2. WHO FIRST SUGGESTED THE AMENDMENT; IS IT LIMITED?

The first statement of substance in the rationale is this:

> This provision has been misrepresented as a "labor exemption". In fact, this provision was suggested by business interests to clarify that the ACP Act would not change existing law or the existing principle that government not intervene in labor-management negotiations.

That statement contains four basic errors, three of them by commission, the third by omission.

First, the labor exemptions were not suggested by business interests as has been stated here. The first time that such an exemption was suggested was during hearings in the 92d Congress on a bill which contained no exemption.[1] I was questioning a witness for the AFL-CIO who expressed some concern and bewilderment over the prospect of having consumer advocacy at the National Labor Relations Board. At that point, Congressman Benjamin Rosenthal suggested that labor-management negotiations be exempted.

The reference to a business suggestion is an inaccurate reference to testimony of the Ford Motor Co., made 2 years after the original suggestion, and also involving a dialog with me.[2] The Ford witness testified against the creation of any agency, stating that it would be a disruptive, delaying force. He stated, as only one example, that labor-management negotiations would be disrupted.

Suggesting that we create no agency because it would be disruptive or a source of delay in many proceedings is hardly the same thing as suggesting that we go ahead and create an agency and exempt only labor-related proceedings. Yet, that is what this rationale states.

Second, that business testimony made no reference to any need "to clarify that the ACP—then Consumer Protection Agency—Act would not change existing law or existing principle that Government not intervene in labor-management negotiations."

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[1] Hearings on H.R. 16, etc., House Subcommittee, 82d Congress, 1st Sess., 260.

[2] Hearings on H.R. 14, etc., House Subcommittee, 93d Congress, 1st Sess., 251.

Third, there is, in fact, no such existing law or principle—the Government frequently gets involved in labor-management negotiations, in many ways—issuance of Taft-Hartley injunctions, adjudications of unfair labor practices, wage controls, "jawboning," and so forth.

Fourth, and most importantly, this statement commits a major sin of omission. It fails to point out that labor-management negotiations are only a very small part of what is exempted from the ACP's purview, thus leading an unknowledgeable reader to believe that the amendments were so limited. The only arguments made in the entire rationale are those relating to such negotiations, without even attempting to justify the vast remainder of the unjustifiable labor exemptions.

In fact, the rationale compounds this error of omission by one of outright commission several paragraphs later—

> In other words, this provision *only* continues the existing principle of law which disallows government involvement in labor-management negotiations. It does not prohibit *in any way* the ACP from involving itself in any other Federal activity involving labor and consumer interests." (Emphasis added.)

There is not a word of truth in the above statement, as anyone who has read and understood the labor exemptions would see.

3. WHAT THE LABOR EXEMPTIONS REALLY PROVIDE

The so-called labor exemptions appear in section 18 of H.R. 7575, and they are as follows:

> SEC. 18. This *Act shall not apply to* . . . a labor dispute within the meaning of Section 13 of the [Norris-LaGuardia Act] or of Section 2 of the [Taft-Hartley Act] or to a labor agreement within the meaning of section 201 of the [Taft-Hartley Act]." (Emphasis added).

The key words here are, "This Act shall not apply to." That is, no power or authority conferred in the entire bill can be used in relation to a labor dispute or labor agreement.

This is not a mistake, either. Other parts of section 18 only exempt specific functions within stated agencies. The identical labor exemptions in the Senate bill are alongside exemptions which only prohibit use of the consumer agency's advocacy powers within specifically named proceedings.

The labor exemptions go to all powers proposed for the agency wherever labor disputes or agreements occur. It is, at once, a total blindfold and gag on the consumer agency. The consumer agency could not gather or disseminate any information relating to labor disputes or labor agreements, even though the authors of the rationale admit that consumer interests may be involved. This admission will be discussed later.

Consider, for example, whether consumers might be interested in—at least—having the ACP gather and provide information to them on a nationwide dock or truck or rail or airplane strike which is driving prices up and reducing availability of consumer goods and services.

What principle of law precludes giving the ACP the same rights as any consumer or businessman or labor official to seek information on labor disputes under the Freedom of Information Act?

It is abundantly clear that: First, the labor exemptions apply to much more than ACP advocacy in labor-management negotiations; and, second, they intentionally do so. To state otherwise is to mislead.

4. WHO ACKNOWLEDGES WHAT?

The next statement in the rationale is one of several slippery sentences which do a disservice to those of us who support the concept of a consumer advocacy agency; it is as follows:

> During the last 40 years it has been acknowledged that labor-management bargaining would not work effectively unless the parties were left to negotiate without outside interference.

First, it is difficult to see how any supporter of the ACP concept could endorse such a statement which declares that the agency's advocacy is the equivalent of "interference." If ACP advocacy in NLRB adjudications of unfair labor practices would be nothing but interference, ACP advocacy in consent order proceedings at the Federal Trade Commission would also be nothing but interference. I cannot subscribe to such a statement.

Second, this implies that labor-management negotiations are private, not public interest matters, and that the consumer has only an "outside" interest in the outcome. This is clearly untrue. When the NLRB steps in, it is a public interest matter. In fact, the courts have consistently held that labor disputes are public interest matters which can affect consumers greatly, and that they specifically are not private interest concerns. See for example, *NLRB* v. *Fant Mill Co.*, 360 U.S. 301 (1959).

Third, even if we overlook the term "interference," this and other statements in the rationale imply that "outsiders" to the negotiations never attempt to influence the negotiating parties. Indeed, all the sentence quoted above says is that at sometime during the last 40 years someone has acknowledged that this is so. It cleverly does not say who would be so bold as to acknowledge something which is ridiculously wrong.

The fact of the matter is that outsiders, especially outsiders in government, frequently attempt to bargain with the bargainers. Presidents, Senators, Congressmen, Governors, and mayors often seek to find ways to settle touchy labor-management disputes which greatly affect their constituencies. And, they do so by advocacy with the collective bargainers—the same type of advocacy the ACP would use.

Fourth, and directly on point, the ACP would have no special powers, all it could do would be to present an expert consumer viewpoint for consideration and perhaps suggest ways to settle the problems. Are the sponsors of this provision attempting to say that mere presentation of an expert consumer viewpoint on matters greatly affecting consumers would be unwelcome by big business and big labor? If so, that is an argument for consumer advocacy, not against it.

5. MORE TOPSY-TURVY ARGUMENTS

Speaking of arguments which logically support the opposite view, consider the next statement in the rationale for the labor exemptions:

> Under existing law, the NLRB and the NMCS [what the author calls the National Mediation and Conciliation Service]—the only two Federal agencies which even touch on the bargaining process—may not determine or dictate in any way, shape or form the parties' demands or the terms of their settlement. Therefore, it would be contrary to existing law to permit the ACP to inject consumer issues into the proceedings of these two agencies.

First, the NLRB and the "NMCS" are not the only two agencies with activities that "touch on" the bargaining process,* and the correct title is FMCS—Federal, not National, Mediation and Conciliation Service. But that is of little concern in relation to the strange argument that is made here.

Second, and more importantly, if no Government agency can dictate the terms of collective bargaining, what is everyone afraid of? The ACP will merely assist in the resolution of a settlement by providing—perhaps for the first time in history—an expert assessment of the impact of proposals on consumers. The collective bargainers can take it or leave it, the same way that negotiators in government-supervised foreign trade bargaining could.

Third, anyone who can jump from the premise of inability to dictate terms of settlements to the conclusion that it would be unlawful to inject consumer issues into collective bargaining has the ability to defy both gravity and common sense. Consumer issues often form the very heart of collective bargaining proposals.

The old cut-your-own-throat argument is a standby for management: If wages get too high, prices will get too high and consumers will not purchase, thus forcing cutbacks in production and layoffs. The old we-can't-keep-up-with-inflation argument has become a standby for labor: If I cannot afford to eat or buy clothing, I cannot produce.

Fourth, and most importantly, there are situations where the Government's action is dependent upon a correct assessment of the consumer impact of a disputed action by labor or management—situations where an independent consumer advocate could provide a tremendous amount of assistance in helping formulate a proper public interest decision.

Consider just one such situation where this bill would prevent consumer representation by the ACP: Injunctions sought by the NLRB under section 10(1) of the Taft-Hartley Act to eliminate obstructions to the flow of goods and services to consumers. It was the express intent of Congress that the NLRB would be acting to protect and promote the interests of consumers in such situations, as this controlling statement from the Senate report makes clear:

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* See, e.g., the National Mediation Board and the Labor-Management Relations duties of the Department of Labor.

> [T]he desired objectives [are] the prompt elimination of the obstructions to the free flow of commerce and encouragement of the practice and procedure of free and private collective bargaining. Hence we have provided that the Board, *acting in the public interest and not in vindication of purely private rights*, may seek injunctive relief in the case of all types of unfair labor practices and that it shall also seek such relief in the case of strikes and boycotts defined as unfair labor practices." S. Rep. No. 105, 80th Cong., 1st Sess., 8 (1947). (Emphasis added.)

This passage of legislative history was very recently cited with approval by the Supreme Court. See *Muniz* v. *Hoffman*, 43 LW 4895, 4899 (1975).

Fifth, and almost as important, it was expressly the original intent of the Government Operations Committee and major supporters of the consumer bills that NLRB and FMCS proceedings involving labor disputes and agreements be subject to ACP advocacy.

The single most-used argument in support of a centrally located Federal consumer advocate over the years has been in reference to a study made by our Government Operations Committee which identified 33 Federal agencies whose approximately 400 activities affected consumer interests.* Continual reference to that study's having identified the areas in need of consumer advocacy has been made in our reports and by bill supporters.

For example, Congressman ROSENTHAL in hearings on a previous consumer agency bill stated that—

> There are some 33 agencies and about 400 purportedly consumer programs . . . we could make all of these programs and agencies work more in the consumer interest by having the independent advocate function with this power of intervention. (Hearings on H.R. 16, etc., House Subcommittee, 92d Cong. 1st Sess., 358–359.)

Among those 33 ACP target agencies and their proceedings which affected consumers were the following 2, as listed in our own much cited report:

> *Federal Mediation and Conciliation Service:* Avoidance or minimization of labor disputes by providing mediation services.
>
> *National Labor Relations Board:* Minimization or prevention or disruption to interstate commerce resulting from labor disputes.

Indeed, the NLRB, itself, filed a letter in that same report, saying:

> Manifestly any cutting down of the number of labor or industrial disputes, any settlement or adjudication of such disputes without stoppages, and the minimizing of industrial unrest or strife which obstruct the free flow of commerce will benefit consumers indirectly in one or more of the following ways:
>
> (a) Supplies, goods, articles, materials, or commodities will remain plentiful and available, and hardships resulting from a total lack or partial unavailability will be ameliorated. An example would be the free flow of coal or fuel oil in the winter time.
>
> (b) Prices tend to rise pursuant to common practices of the market whenever the supply shrinks or becomes nonexistent. Hence, the uninterrupted, free flow of goods in commerce will tend to prevent artificial rises in prices unconnected with a corresponding increase in value.
>
> (c) Drying up the flow of Commerce brings on a decrease in employment and wages, thereby causing a diminution in the consumer's purchasing power.

Sixth, the New York Times editorial of March 14, 1975, to cite another avid supporter of the ACP bill, severely criticized an identical set of labor exemptions in the Senate bill, calling them a "special interest exemption" which represents "politics at its most cynical." More to the point, the Times stated that:

> The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition. That the proposed Agency for Consumer Advocacy should not have the same freedom to speak for consumers in such situations that it would have in matters affecting business is indefensible on its face.

Seventh, although the Consumer Federation of America is now—for some reason—an advocate of these exemptions, they are on record warning us in strong terms not to insert them in the ACP bill. In specific opposition to granting any NLRB exemption, CFA testified that:

> It would be fatal to open [as an NLRB exemption would] the legislation up for a whole series of special interest exemptions which will only frustrate the objectives of this bill . . . if there, in fact, is a legitimate consumer interest pending before the NLRB, then perhaps it is appropriate for the consumer counsel to make his view known. (Hearings on H.R. 16, etc., House Subcommittee, 92d Congress, 1st Sess., 272.)

6. SELECTIVE QUOTES AND OTHER MISSTATEMENTS OF AUTHORITY

The remainder of the rationale for the unjustifiable labor exemptions consists of an attempt to cite or construct authorities for the proposition that the NLRB "under its law cannot consider any factors relating to economic or consumer-type issues, nor can it dictate any contract terms dealing with such issues."

The argument about the NLRB's inability to dictate contract terms is correct, but as already shown, this is an argument in favor of ACP advocacy, and against the exemptions. I need address this argument no further.

The argument about the NLRB being prohibited from considering "economic or consumer-type issues" is pure nonsense. I have already outlined areas where NLRB consideration of such issues is a dominant activity. See the reference to section 10(1) proceedings, above, for example.

The most disturbing aspect about this part of the rationale, however, is not the nonsensical nature of such arguments. It is the distortion of alleged authority for such arguments cited with the apparent hope that no one would care to read the full text of what is referenced.

For example, the rationale states that, "The point that under our national labor policy the ACP has no place in NLRB or NCMS [*sic*] proceedings could not be more forcefully put" than by the following argument:

> When the Congress learned of this fact [that the NLRB in 1935 had created a division to prepare economic data for its use] in 1940, it specifically abolished the Division. (See Senate Minority Report No. 105, pt. 2, 80th Cong., 1st Sess., p. 33.) Senator Taft and Congressman Hartley were so intent on assuring that the Board would not consider potential economic consequences, that in 1947 they added to Section 4 the proviso that "Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of . . . economic analysis."

Now you might consider it strange that a minority report is being cited as authority. And you might consider it even stranger for a 1947 minority report to be cited as authority for action taken in 1940. But the strangest part of all is the fact that the cited passage in the minority report does not in any way support the proposition for which the unknown drafter of the rationale says it "forcefully" stands.

Astoundingly, the cited provision of the minority report says that the NLRB, on its own, abolished the economic analysis division—and, therefore, citation of this report as authority for the allegation that "Congress . . . specifically abolished the Division" is 180 degrees contrary to what the "authority" really stands for. As a matter of fact, the minority report which is supposed to be a statement in support of the quoted section 4 states that that section is "meaningless."

After a bit of elementary probing, it was easy to find out apparently why the Board abolished its Division. Section 4 of the Wagner Act under which it was operating provided that the NLRB was not authorized to appoint individuals for statistical work "where such service may be obtained from the Department of Labor." In other words, the NLRB did not need to create a division to do work that it could get free from the Department of Labor.

7. ADMISSION OF CONSUMER INTERESTS; INCORRECT READING OF NLRA POLICY

The rationale admits that labor disputes may "impede the flow of goods in interstate commerce" or "impair the operations of an instrumentality of commerce", as found by Congress in section 1 of the National Labor Relations Act. Then, however, it attempts to dismiss this language by saying that "any casual student of the legislative process" would see that these findings were merely inserted by Congress to bring the NLRA within the constitutional bounds of the commerce clause.

I may agree that a casual student might consider the NLRA statement of congressional findings and policy to be mere boilerplate. But Congress and a serious student would not, however.

This section of NLRA expressly sets forth Congress findings that labor disputes can adversely affect consumers by obstructing commerce and materially affecting prices. Then this section states that, "It is declared to be the policy of the United States" to eliminate the causes of those obstructions.

Thus, if congressional findings and policy are mere boilerplate in the NLRA, the entire section 2 statement of findings in our bill, H.R. 7575, to create this ACP is boilerplate and should not be heeded. That section 2 provides:

> The Congress finds that the interests of consumers are inadequately represented and protected within the Federal Government; and that vigorous representation and protection of the interests of consumers are

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*House Report No. 1241, 87th Congress, 1st session.

essential to the fair and efficient functioning of a free market economy.

Would the same casual student who wrote the labor exemption rationale also determine that we did not mean what we said in this section 2? That it was mere boilerplate?

8. PRESIDENTIAL INJUNCTION EXEMPTED?

The final statement in the rationale is as follows:

> By exempting NLRB proceedings from ACP intervention, the Congress would not be prohibiting that agency [presumably the ACP] from calling on the President to issue [a Taft-Hartley] injunction.

First, as any reading of the bill will demonstrate, the labor exemptions do not merely prohibit the ACP from intervening in NLRB proceedings—NLRB, in fact, is never mentioned.

Second, the labor exemptions say that "This Act"—the one under which the ACP is to be granted any and all authority—"shall not apply to labor disputes."

That is, the ACP cannot advocate that the President seek to cool off a labor dispute any more than it can advocate that the NLRB seek an injunction to do the same thing. The ACP cannot even issue a press release on a strike which is affecting the health and welfare of consumers—if it did, it would be acting without authority.

Finally, it is inconceivable that anyone with more than an eighth grade education could interpret the labor exemptions to mean anything else. This type of deliberate misstatement of the issues is disgraceful.

CONCLUSION

Mr. Speaker, I apologize for the length of this statement. But the inadequacies and obvious attempted deceptions in the rationale for the labor exemptions are extensive beyond belief. I have only cited the major ones.

FOREIGN POLICY COMMISSION RECOMMENDATIONS ON ACDA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

Mr. ZABLOCKI. Mr. Speaker, 2 years of dedicated effort concluded on June 27 when the Commission on the Organization of the Government for the Conduct of Foreign Policy presented its findings and recommendations to President Ford. As a member of the Commission I was pleased to have taken an active role in its deliberations and honored to join with its other members in presenting our report to the President. Certainly, special commendation is due the Commission Chairman, the Honorable Robert D. Murphy, for his selfless and dedicated role in heading the Commission.

The mandate of the Commission as established by Public Law 92–352 was to provide a more effective system for the formulation and implementation of the Nation's foreign policy. In several specific and important areas that objective has been met. Indeed, the Commission's full report merits the careful reading of our colleagues in the Congress and all those interested in achieving a more effective procedure for formulating and implementing U.S. foreign policy.

Of particular and timely significance is the Commission report section dealing with the Arms Control and Disarmament Agency. Since many of the Commission's findings and recommendations on ACDA are embodied in H. R. 7567, legislation scheduled for House consideration tomorrow, July 9, I am pleased to insert that section of the report in the RECORD at this point and recommend it to the consideration of my colleagues.

The material follows:

THE ARMS CONTROL AND DISARMAMENT AGENCY

Arms control will continue to be an important element in U.S. national security policy in the years ahead. Not only will the strategic arms limitation talks (SALT) continue to be a major element in our relations with the Soviet Union, but a growing range of related issues will require expanded activity and expertise. These include nuclear proliferation, mutual and balanced force reductions in Central Europe, a threshold nuclear test ban, peaceful nuclear explosions, chemical weapons, the use of environment modification techniques in warfare, and better control of the world arms trade.

Effective arms control can improve national security. To insure that it does so will take action in several arenas, all under the guidance of the President. One important resource for such action is the Arms Control and Disarmament Agency.

ACDA's creation in 1961 marked a conscious decision to emphasize and institutionalize arms control as a component of U.S. national security policy. Though administratively related to the State Department, ACDA is an independent agency and its Director is charged with serving the President and Secretary of State as their principal advisor on arms control matters. ACDA's role was defined in its enabling legislation to include: the conduct, support and coordination of research for arms control policy formulation; the preparation, operation and direction of control systems which become part of U.S. arms control and disarmament activities.

ACDA has played a useful role. We believe, however, that the agency should be further strengthened and upgraded in a number of respects. These include:

INNOVATION IN RESEARCH IN ARMS CONTROL

ACDA's research structure should emphasize both servicing on-going negotiations and long-term planning. The recent establishment under the Agency's Counselor of a Policy and Planning staff to undertake long-term planning studies was a desirable development. We believe both types of research are fundamental and can be further strengthened. Accordingly, we recommend that:

ACDA's external research program should be expanded, focusing on longer term problems and possibilities for arms control.

This work should address such issues as conventional arms control; regional limits on arms purchases and force levels; and the impact of future technologies on existing agreements.

ASSESSMENT OF U.S. DEVELOPMENTS

The basic responsibility for U.S. weapons development and acquisition policy lies with the Department of Defense and the new Energy Research and Development Administration. But it is important that ACDA have a systematic opportunity to review defense plans for their arms control implications. We have therefore earlier proposed that:

The Director of ACDA should become a member of the proposed National Security Review Committee (NSRC).

Through the NSRC, the Director of ACDA should advise the Secretaries of State and Defense and the President of any arms control implications in the planned defense program.

ASSESSING THE IMPACT OF MILITARY ASSISTANCE AND ARMS TRANSFERS

The agency has not in the past played a fully satisfactory role in the review of U.S. arms sales and assistance. Yet, arms control considerations and the impact of security assistance on local and regional balances should be central considerations in U.S. security assistance policy. ACDA should therefore contribute importantly to the making of that policy. Accordingly, we propose that:

The Director of ACDA should become a member of the proposed NSC Arms Transfer and Security Assistance Committee, and should enlarge ACDA's capability to assess the arms control implications of U.S. security assistance policy and arms sales.

PUBLIC EDUCATION ON ARMS CONTROL

Public understanding of arms control issues is extremely limited, partly as a result of ACDA's restraint in providing information and stimulating debate. ACDA must not become a sponsor of propaganda, but within that constraint should be enabled to contribute fully to public education on arms control issues. We propose that:

ACDA should provide public information on arms control and disarmament matters, much as State is charged with explaining U.S. foreign policy

ACDA should enlarge its program of publications, and develop a more active program of liaison with universities and research centers, stimulating studies and course developments relevant to arms control. If statutory change is required to permit such activities, it should be sought.

In order to facilitate these strengthened roles of ACDA, we propose that the Director of ACDA be established as principal adviser to the NSC on arms control and disarmament matters.

We believe such changes can strengthen ACDA's ability to carry out its responsibilities. Implementation may require an increase in personnel and budget, but we note that ACDA's budget has never significantly exceeded the $10 million originally appropriated in fiscal 1964. A substantial increase in ACDA's small budget over the next few years would be a small price to pay for its potential returns to the national security.

THE PERPETUATION OF OIL COMPANY LOOPHOLES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, I am a subscriber and reader of U.S. Oil Week, an independent source of petroleum-related data which is widely circulated within the oil industry. This is a useful publication and I have been particularly interested in following the story of the apparent price fixing conspiracy among certain east coast refiners and distributors of gasoline.

However, I was shocked to find notice in a recent issue of a special conference on "financial problems" of the oil industry, to be held in Canada July 28–29. Among the topics to be discussed, according to the meeting's announcement, are "How to get cash from your company at capital gain rates," "How to obtain a guaranteed tax shelter," and "How to avoid income taxes while 'siphoning off' corporate profits."

The entire announcement will be inserted in the Record at this point as a reminder to the Congress and the public of the need to be on guard against the abuse of the tax code by the major oil companies. This remembrance is particularly timely as the Ways and Means Committee begins work on general tax reform.

The announcement follows:

Announcement

Dear Friend of U.S. Oil Week:

Every marketer should benefit from the answers to these 22 questions on sound business and family financial planning. How many can you answer?

Do you know . . .

How the Internal Revenue Service will permit you to provide income tax relief for your family.

How to get cash from your company at capital gain rates.

How to make your life insurance premiums deductible and obtain estate tax free life insurance.

How to help your key employees buy your stock.

How to obtain a guaranteed tax shelter.

How to take advantage of IRS approved techniques to favor highly paid stockholder employees.

How to obtain a double deduction for stockholder employees equal to annual salary.

How to reduce the cost of your pension plan by 25% without reducing benefits.

How to repay a loan at one half the price.

How to acquire another corporation with deductible dollars.

How to sell your stock without giving up control.

How to recapture prior corporate federal income taxes.

How to shelter your assets from creditors—legally.

How to reduce your estate tax liability.

How to use the Social Security law to reduce your pension or profit sharing contributions—but not for yourself.

How to avoid income taxes while "siphoning off" the corporate profits.

How to avoid the confiscatory penalty tax on retained corporate earnings.

How to avoid ordinary income taxes when your stock is redeemed.

How to reduce the cost of funding stockholder buy-out agreements.

How to handle "flash profits".

How to solve the new problem of related business entities.

How to solve a stockholder redemption problem when a corporation has a negative surplus.

For the solutions to these and other important financial problems, join me at U.S. Oil Week's seminar July 28–29 in Quebec, Canada.

We'll be at the world renowned Chateau Frontenac, the magnificient 18th century castle turned deluxe hotel.

Three New York financial consultants provide the solutions for you in a day-long workshop.

The experts, Melvin Maisel, Henry Deppe and Andrew Fair, recently set up a complete financial plan for a satisfied big midwest Texaco jobber.

The second day speakers will have ideas for increasing profits in a zero growth market.

Among the advisers who will be making presentations and answering your questions is Jim Wilkins, Marathon Oil's frank, skillful marketing forecaster. Jim will bombard you with innovative marketing ideas thought up by him and his team of specialists at Marathon.

Dick Vind, vice president of Pan Nova, Inc., the big west coast self service pioneer, will use an audio-visual presentation to tell you everything you ever wanted to know about self-serve marketing and equipment.

Dr. Floyd Brandt, the Harvard PhD who has been advising jobbers on up-to-date ways to make their businesses more efficient, will report on a study of three actual jobberships . . . how they've reacted during the stresses of marketing in the mid-70's.

Gorman Smith, FEA top policy maker, is to give his no-nonsense views on government regulation of the industry and offer insights into what you can expect next from FEA. Smith is ideally suited to speak on the subject. He heads the FEA branch charged with writing and enforcing price and allocation regulations.

To benefit from these opportunities, just drop us a check for $180 for registration including two luncheons, a cocktail party, continental breakfasts and working materials. If you're bringing your wife, add $35 for her registration.

When we hear from you, we send you a confirmation and a reservation card for the Chateau Frontenac, but you'd better hurry since we've booked a fixed number of rooms.

Hoping to see you there,

George Spencer,
Publisher.

P.S.—When you register for the seminar, use the back of the registration form to list additional questions on financial planning you'd like answered by our three consultants! I'll pass your questions on to the consultants so they can have answers ready for you in Quebec.

BACK TO THE SOIL: PART I

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I am alerting my colleagues in the House that over the next few weeks I intend to submit for the Record a wide variety of articles relating to the boom in home vegetable gardening. Reports of successful home gardening ventures are proliferating like the very seeds themselves. The articles will range from individual efforts, such as those experienced by many of us who have cultivated our green thumbs and some pretty plump tomatoes on our balconies, to expansive community gardening programs now underway in my own home State of Massachusetts.

It is no secret in this body that I am advocating the distribution of free seeds to the public, and if this body is truly interested in what it has been preaching on the stump and in this Chamber over the past few months—conservation, independence, and helping financially strapped families—I think the wisdom of this program is immediately apparent. This is not a multibillion dollar program that I am advocating. For $6 million a year, we could truly make a difference in the quality and quantity of food for millions of American families. I think I read the other day that the food stamp program is now costing the American public $5 billion annually, and it is riddled with flaws. Even the Department of Agriculture, recently directed to undertake a study of the program, cannot figure out what is wrong with it. My program is simple, direct, requires no means test, and importantly, will make every American family that cares to participate feel that its Government is willing to help that family help itself. Just ask my colleague from California, George Brown. George has been distributing seeds in California. Ask George what the response has been. I think he is still in shock.

As I have mentioned many times in the past, the benefits of home and community gardening go beyond the financial. I hope you will carefully read the article I am submitting today from the Christian Science Monitor concerning a gardening program in the Cleveland schools that has helped troubled teens. Listen to what its director has to say:

> It is really the child who grows in the garden. He develops character, many of the so-called "old-fashioned" virtues that still are valid today—patience, perseverance, and an ability to cooperate with others. He develops good work habits, too . . . and becomes more self-reliant. There are many documented cases that show that feelings of self-worth readily replace feelings of inadequacy in such a program.

The article follows:

Students "Grow" in a Garden—Cleveland's School Gardening Program Helps Troubled Teens Adjust

(By Peter Tonge)

Cleveland.—George, we'll call him, was one of the worst discipline problems in the Cleveland school system. As "rebellious as they come," to quote one administrator. Frank, another student, was quiet but mean, and Jane was constantly aggressive toward her fellow students.

Yet all three now are looked on as well-adjusted youngsters, able to get along with their colleagues and their teachers. Naturally their grades have improved as well.

What helped bring about the change? The small plots of vegetable- and flower-producing land that were their individual stakes in the Cleveland school system's long-established and highly successful gardening program.

In recent years there has been a flurry of new school gardening programs. Fully half of them have failed—most because they merely provided the children with an opportunity to garden and little else; others because they were conceived too late in the season and planned too hurriedly to be effective.

In contrast the Cleveland school system has run a successful gardening program uninterruptedly since 1904. Last year the 21,000 students in the program grew $622,000 worth of food, which went to their individual families. The value of the flowers grown was not calculated.

But, stresses Peter J. Wotowiec, supervisor of horticultural education in Cleveland "it is really the child who grows in the garden." He develops character, many of the so-called "old-fashioned" virtues that still are valid today—patience, perseverance, and an ability to cooperate with others.

He develops good work habits, too (nothing is achieved in a garden without direct physical involvement), and becomes more self-reliant. There are many documented cases that show that feelings of self-worth readily replace feelings of inadequacy in such a program.

Take the three students mentioned earlier. George, who rebelled against every order he was given, found that his garden was something he could call his own, it was a place where he could call the shots.

So readily did he take to gardening that he now is a student assistant with the authority and competence to help and direct others. With a confidence born of his own success, authority is no longer the affront to his dignity it once was.

The "mean" youngster developed a greater appreciation of others as his success in the garden boosted his own self-esteem. Now he actively encourages others to join the program.

Likewise the once aggressive Jane has lost her hostilities and improved to the point where she, too, is being considered as a student assistant.

A garden is one of the most practical learning laboratories there is, says Mr. Wotowiec. "In the classroom you learn how to do something; in the garden you actually do it. Children aren't just shown how to grow plants, they grow them, they cultivate them, they harvest them."

OPPOSITION TO MILITARY AID TO TURKEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. BEARD) is recognized for 15 minutes.

Mr. BEARD of Rhode Island. Mr. Speaker, I have just returned from a visit to the embattled island of Cyprus where I had a chance to see some of the results of the illegal invasion of the island by troops of the Turkish Government. The experiences I had during that short stay convince me that continued military aid by the United States to the Turkish Government will only perpetuate the repression and cruelty visited upon the Greek Cypriots by the Turks. The division on the island of Cyprus grows deeper by the day. Refugees from the area daily confirm the allegations that Turkish soldiers are cultivating poppies in their sector for the sole purpose of selling them to producers of hard drugs. The whole occupied area is being transformed into a Turkish province—they are even operating on Istanbul time, 1 hour ahead of the time on the rest of the island.

There is no question in my mind that Turkey intends to consolidate its position on Cyprus and further, intends to accomplish what it had accused the Greek Government of doing: Union of Cyprus with the mainland. The military invasion and conquest by Turkish forces was accomplished almost entirely with arms supplied to Turkey by the United States. The invasion was carried out in violation of a specific agreement between Turkey and the United States that these arms would not be used for aggression of any kind. To me, the Turkish action was barbaric and I will not be a party to any congressional action that calls on the taxpayers of my district or the taxpayers of the Nation to pour hundreds of million of dollars more into an autocratic regime such as Turkey.

When I arrived in Nicosia, I informed the U.S. Embassy of my desire to see a portion of the occupied area. Now, remember that this is the Embassy of the United States talking to a Member of this House. They said take a taxi to the checkpoint near the headquarters of the United Nations force and present your passport to the Turkish soldiers on their side.

Five hundred feet from that point was the Turkish borderline, bristling with machineguns mounted on jeeps and submachineguns on the shoulders of dozens of Turkish troops. Despite my proper identification and credentials, I was told I would have to apply for a visa. We exchanged a few words at that point and notably, I informed this officer that the Congress of the United States would soon consider a bill to authorize additional funds for military aid to Turkey. The response was the pointing of an automatic weapon at me and just a few feet away, a Turkish soldier swung a machinegun in my direction. Realizing I had no immunity from these weapons—even though they were American-made—or from the murderous intent of the Turkish soldiers, I turned back to the Greek Cypriot area. Indelibly etched on my mind were the American arms everywhere, the American-made fatigues worn by the Turkish soldiers, the army vehicles made in Detroit, even the telephones used by those Turkish officers were American-made.

I had no illusions about the consequences of this incident. On my return to Nicosia, I asked the U.S. Embassy to provide a security officer for the balance of my stay but was turned down. On making a similar request to the office of Archbishop Makarios, special agents were immediately assigned to my hotel and they remained with me until I had boarded the plane to return to Athens.

I met with President Makarios for nearly an hour in his summer home, the entire discussion about Cyprus and its problems. And those problems are as serious as any country has ever had to contend with. More than 200,000 Greek Cypriots are refugees in their own country. Thousands more are prisoners in the Turkish-occupied area, many of them stripped of their homes and businesses. The tragedies among these people are appalling. The Turkish soldiers, during and after the invasion, exhibited behavior comparable to that of the Pakistani troops who ravaged Bangladesh with brutality and rapine. I saw a young girl in a Nicosia hospital who had been raped by 40 Turks. An old woman showed me the stump of her arm—it had been cut off by rampaging Turkish troops.

I know what course I intend to take in connection with our impending debate on military aid for Turkey. I have communicated with the Turkish Government through its embassy in Washington with particular emphasis on their preposterous charges, made to the press, that the incident was cooked up by Archbishop Makarios and myself.

Mr. Speaker, strong representations will be made to this Chamber by those who say our relationship with Turkey has much to do with the eventual destiny of the Middle East and that penalizing Turkey for its transgressions would be tantamount to penalizing the foreign policy of the United States. I say here and now that Turkey has wantonly violated the basic human and civil rights of an entire nation of people and Turkey right now is holding a gun to our heads in connection with American bases in Turkey, with Turkish membership in NATO, and with authorization for more U.S. aid in the form of military hardware.

I am on the side of human freedom in this matter and I urge the Members of Congress to strike a blow for human rights and against this horrible display of 20th century barbarism.

ADMINISTRATION TO TESTIFY AT HOUSE-SENATE HEARINGS ON CHILD AND FAMILY SERVICES BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I take this time to announce that on Tuesday, July 15 at 9 a.m. in room 2261 of the Rayburn House Office Building, the Subcommittee on Select Education, which I have the honor to chair, and the Senate Subcommittee on Children and Youth, which is chaired by the distinguished senior Senator from Minnesota, the Honorable WALTER MONDALE, will conclude their joint hearings on H.R. 2966 and S. 626, the child and family services bill of 1975, as well as other related child care legislation.

Mr. Speaker, the child and family services bill is designed to meet the critical needs of millions of young children who presently have serious deficiencies in such areas as health, nutrition, and education.

I should also note, Mr. Speaker, that the child and family services bill will do much to strengthen the family unit, the fundamental social unit of our society.

During the 9 days of hearings we have held thus far, the members of both subcommittees have heard a great deal of excellent testimony on all of the major aspects of the child and family services proposal, and I am confident that our final hearing next Tuesday will be most helpful.

Mr. Speaker, our primary witness on Tuesday will be the Honorable Caspar Weinberger, Secretary, Department of Health, Education, and Welfare. Mr. Weinberger will be accompanied by the following assistants: Stanley Thomas, Assistant Secretary for Human Development; John Young, Assistant Secretary/Comptroller; and Stephen Kurzman, Assistant Secretary for Legislation.

ANNOUNCEMENT OF HEARINGS BY WAYS AND MEANS OVERSIGHT SUBCOMMITTEE ON IRS ADMINISTRATIVE PROVISIONS TO BE CONSIDERED IN TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the Oversight Subcommittee of the House Ways and Means Committee will hold the first of three July hearings on proposals for changes in administrative provisions in the Internal Revenue Code. The first hearing will be this Thursday, July 10 at 3 p.m. in room 2118.

This first meeting will concentrate on amendments relating to limits on disclosure of tax returns and on the issue of private rulings.

The witnesses will include the Honorable Jerry Litton, Member of Congress from Missouri, the Honorable Lowell Weicker, Senator from Connecticut, Randolph Thrower, former Commissioner of Internal Revenue Service, Richard Appert, chairman, section of taxation, American Bar Association, Prof. L. Hart Wright of the University of Michigan Law School, Prof. Peter Weidenbruch, of the Georgetown University Law School, and Mr. Tom Field, executive director of tax analysts and advocates.

Mr. Speaker, the full Ways and Means Committee has begun work on a major tax reform bill. Hopefully, this legislation will increase the justice of our Nation's tax system.

Equally important, however, are proposals to increase the fairness and justice by which our Nation's taxes cannot succeed if the public views the IRS as a politically motivated, arbitrary, and capricious agency. I am hopeful that this year's tax reform bill can include a number of administrative changes designed to insure the integrity of the IRS and to guarantee that it is indeed an agency of service to the American public.

At the present time, additional hearings are scheduled for July 18 from 10–12 a.m. in H–208 on the issue of declaratory judgments for tax exempt organizations and John Doe summons. A hearing is also scheduled for July 25, from 10–12 in H–208 on tax return preparers legislation and jeopardy and termination assessments.

Those interested in testifying or submitting statements on these and other administrative issues are invited to contact the Oversight Subcommittee, 1539 Longworth House Office Building, Washington, D.C. 20515. Telephone 202–225–2743.

TREATY MAY GIVE AWAY PANAMA CANAL

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I submit for reprinting in the Congressional Record a significant statement on the proposed giveaway of the Panama Canal. It gives important details which generally are not known to the American public, yet the public is genuinely interested in this subject. It is important that there be full understanding of all that is involved in the proposed changes of the treaty and the prospective loss of U.S. jurisdiction over the canal and the Canal Zone. This informative article appeared in the Rising Tide of June 9, 1975:

New Treaty May Give Away Panama Canal—Torrijos Accuses the United States of "Colonial Servitude"

(By Toni Muller)

Congressional observers expect that a proposal for a new Panama Canal Treaty will reach the Senate by late August.

The new treaty, based on the 1974 Joint Statement of Principles, would give the Panamanians complete control of the operation and maintenance of the Canal, now under US sovereignty.

This treaty would have to be ratified before the '76 US election campaign begins as most legislators would be hesitant to support such a move in an election year.

Panama's claim has been fueled by increased radical criticism of "American imperialism" and Panama's "maximum leader," Omar Torrijos, has declared US sovereignty of the Canal, "colonial servitude" and demanded a more "equitable" share in the Canal.

The US presently pays Panama an annual $2 million land fee and the country has received over $500 million in military and economic aid programs. An additional $200 million is generated through the wages paid the Canal workers plus their increased purchasing power, thus making the country the fourth ranking per capita income in the Western Hemisphere.

Although Panama has every reason to be economically sound, the country, under dictator Torrijos, has suffered some serious economic setbacks. The Torrijos regime has encouraged little foreign investment, and while the labour unions have received increased benefits, many firms face bankruptcy because of higher costs and lower production output.

Torrijos became ruler in 1968 when the National Guard, unhappy with the military policies of President Arias, overthrew the government. A figurehead government was established, the press was censored, all political parties were banned, and in '73 Torrijos declared himself "maximum leader" for another six years.

Panama has steadily become a crossroad for international subversion of Central and South American countries, and the current issue over the Zone provides ample rhetoric for a "national peoples liberation."

EARLY TREATIES

Under an 1846 treaty the US received the right to preserve "free transit" across the Isthmus of Panama, then part of New Granada (Colombia). The 1859 Clayton-Bulwer Treaty between the US and Great Britain provided for joint support in building an interocean canal that would not be fortified and that would be open to ships of all nations on equal terms.

During the Spanish-American War (1898) the American government raised the question of canal defense, which the 1850 Treaty prohibited. The 1901 Hay-Paunceforte Treaty remedied the situation by permitting the US the right to build, control and fortify a canal as long as ships of all nations paid equal tolls.

This opened the way for Roosevelt and his Secretary of State, John Hay, to negotiate with Colombia for the right to build a canal through the Isthmus of Panama. The Spooner Act of 1902 authorized such negotiations and gave the President power to obtain "perpetual control" over any necessary land involving the future canal.

THE HAY-BUNAU-VARILLA

On November 3, 1903, the Panamanians rebelled and declared themsevles a Republic, which was recognized by the US on the 6th. Shortly thereafter the Hay-Bunau-Varilla Treaty was signed.

Clause Three of the 1903 Treaty states that Panama "grants to the United States all the rights, power and authority within the zone . . . which the United States would possess and exercise as if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority."

Since 1904 the US has exercised the rights of a sovereign in the Zone through a Canal Zone Code and a Federal Court, as well as other rights and responsibilities due a territory under US jurisdiction.

By 1914 the Canal had been completed. The total US investment of roughly $6 billion included payment to Panama for the land, purchasing private titles of ownership within the Zone, the actual construction, and its continued maintenance and defense.

Although amended in 1936 and 1955 the sovereign and perpetuity clauses of the 1903 Treaty remain intact. In 1936 the US renounced its right to interfere in Panama's internal affairs.

CURRENT DISPUTE

The 1960's were years of world-wide political change and turmoil, and Panama also sought to strengthen her political prerogative, which centered around the question of whether the Zone rightfully belonged to Panama, or if it was a "colony" of the US. In January 1964, two days and nights of rioting erupted along the border fence between Panama and the American Canal Zone. Both sides were held responsible for the deaths of twenty-one Panamanians and four Americans, but it was found that the National Guard had delayed in taking preventative action and that, among the rioters there had been some known Communist infiltrators.

The events of 1964 led to serious consideration by the Johnson administration to renounce U.S. sovereignty over the Canal, and by 1965 several agreements were reached in which the 1903 Treaty would be abrogated; a new treaty would effectively recognize Panama's sovereignty over the Zone, and the Zone would be integrated into the Republic.

In 1967 three treaty drafts were completed, providing for the bilateral administration of the Canal, new terms of Canal defense, and plans for enlarging the Canal. The treaties, however, were never signed.

Renewed attempts to give the Panamanians control over the Canal territory led in 1974 to the Joint Statement of Principles, signed in Panama City. Briefly, they state that: a) a new treaty shall abrogate the 1903 Treaty; b) the concept of perpetuity shall be eliminated, and the new treaty shall have a fixed termination date; c) the US shall promptly give over jurisdiction of the Panamanian territory and the Republic shall grant the US land, water, airspace rights for the operation and defense of the Canal during the term of the new treaty; d) Panama is to receive an equitable share of the benefits gained from the Canal operation; e) after bilateral administration Panama shall assume full responsibility for the Canal and there shall be bilateral participation in its defense; and finally, f) provisions for enlarging the Canal capacity shall be considered.

INSTABILITY BEGETS CHAOS

Many in Washington are worried that a dramatic change in Canal policy could easily undermine international trade exchange, and the need for open and stable shipping lanes remains vital for the conduct of international economics. The international flow of trade demands that countries governing the sea lanes maintain a stable policy safeguard world economy. Panama, under Marxist ideology, economic hardship and political repression does not offer consistent policy control of the Canal, a major trade artery.

The current question over sovereignty has prompted Russian and Chinese Communists groups in Panama to increase political unrest within the country, to promote embarrassment of the US, and to actualize long-range plans for Central and South America.

A rally of the All-China Students Federation as far back as 1965 specifically cited Panama for its joint struggle toward "liberation" and called upon them to join in the "victory against US imperalism".

The recent April visit of Rodriquez, Secretary-General of the Panama-Korea Association of Friendship and Culture, to Kim Il-sung, emphasizes the growing recognition of Panamanian Communists among their fellow Communists. It also demonstrates the continued need for proper control and security of the Canal Zone if international freedom of movement is to be ensured.

LEFTIST GROUPS SEEK TO UNDERMINE OUR GOVERNMENT

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Rising Tide of May 12, 1975, speaks out vigorously and strongly on the subject of the progress of leftist groups which seek constantly to undermine the Government of the United States and to destroy the traditions on which our Nation's strength was built. It is well to know these movements work beneath the surface to infiltrate recognized and often respected American groups.

I include the following:

LEFT REGROUPS FOR POST-VIET OFFENSIVE

AMERICAN RADICALS FOCUS ON CIA, RACE, ECONOMY, DEFENSE

(By Dan Holdgreiwe)

With the fall of Indochina, U.S. radicals no longer have the Vietnam issue through which to expand their activities. In the hope of creating another issue as effective as Vietnam, domestic Marxist-Leninist groups are putting energy into a wide range of issues with the potential to portray the United States as a fascist/imperialist society.

In recent weeks the Moscow-controlled Communist Party USA has shifted emphasis from its "anti-racist" front, the National Alliance against Racist and Political Repression, to criticism of the Central Intelligence Agency and of defense spending. The Socialist Workers Party (Trotskyite Communists) has added criticism of the current economic crisis to its ongoing efforts to aggravate racial strife over issues of forced busing and abortion and the various neo-Maoist groups continue to champion the third world (including oppressed minorities in the U.S.) as the nemesis of "Imperialism."

Four main issues seem to be developing as potential successors to the anti-Vietnam campaign: criticism of U.S. security forces, especially the CIA; campaigns against so-called "racism;" attempts to capitalize on the problems of inflation and unemployment; and attacks on the defense capabilities of the U.S. and on U.S. involvement in the world.

The issue of U.S. defense spending and world involvement appears to be shaping up as the best issue for co-operation among the various Communist groups, and also the best issue to exploit the momentum of Communist victory in Vietnam and Cambodia.

ATTACK ON U.S. INTERNAL SECURITY

This issue has been an object of the American left since the early attempts to abolish the House Committee on Un-American Activities which finally bore fruit this year. Recently, however, the campaign has aroused nationwide attention, sparked by still unsubstantiated charges reported by Seymore Herst in the New York Times. This together with the anti-CIA exposés written by disillusioned ex-agents Philip Agee and Victor Marchetti has given the anti-CIA campaign an instant facade of legitimacy, the like of which took years to create in the case of Vietnam.

Only last month the Communist Party USA took steps to establish a united front of far left critics of the CIA under cover of a conference on "The Central Intelligence Agency and World Peace" held in New Haven, Connecticut. In addition to some independent leftist groups which the CP hopes to influence by the conference, the attendees included numerous publicly identified CP members, the widow of Chilean dictator Salvadore Allende, a representative of the Khmer Rouge (Cambodian Communist insurgents who have since taken control of that country), and U.S. Congressman Michael Harrington, an outspoken critic of the CIA in recent weeks.

The Socialist Workers Party has been emphasizing criticism of the FBI, rather than the CIA. According to SWP propaganda, the Federal Bureau of Investigation harassed civil rights activists, labor organizers, and of course the SWP itself. The SWP has also put its support to the campaign to rehabilitate (posthumously) Julius and Ethel Rosenberg who provided details of U.S. atomic bomb technology to the Soviet Union. The SWP is trying to use the Rosenberg case to discredit the American legal system.

The FBI is also coming under attack for its response to the terrorist activities of the Symbionese Liberation Army. Under the Leninist double standard, the SLA's murder and kidnapping doesn't justify the "fascist response" of the FBI which, even in SWP propaganda amount to little more than tracking down and issuing subpoenas to reluctant witnesses.

In spite of the initial success of the anti-CIA-FBI-etc. campaigns, the lack of any corroborating evidence for the initial sensationalistic charges and increased sophistication in the response of the government to these charges seem to have dulled the potential of this issue for the immediate future.

THE ATTEMPT TO REVIVE RACISM

Mindful of the gains made by the left during the civil rights turmoil of the early 60's, and aware of how attacking racism can make a smokescreen for pronouncing classism, all of the major leftist groups have sought to establish "anti-racist" campaigns.

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This is clearly seen in the current racial unrest in Boston: Leninist groups are agitating on both sides of the pro-busing/ anti-busing controversy.

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In keeping with the party line, the SWP is attempting to portray right-wing terrorism as a major threat. A handful of American Nazis on the West Coast provide the excuse for the SWP to "discover" an emerging menace of rightist terror against "progressive" movements.

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NATIONAL DEFENSE AND FOREIGN COMMITMENTS

The economic crisis also provides a cover for attacks on the U.S. defense capacity through campaigns to cut defense spending. The U.S. defense budget has been steadily declining, both as a percentage of the GNP, and in "real dollars" (adjusted to discount the effect of inflation).

Inflation has caused defense spending to rise in dollar terms, however; and this is used by the left, especially the CPUSA, to push for further cutbacks in defense.

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The Trotskyists and neo-Maoists have focused on subversion within the Armed Forces and demanding amnesty for Vietnam-era deserters, servicemen convicted of subversive activities, etc.

* * * * *

Four areas figure prominently in Leftist propaganda at present: Portugal, Puerto Rico, Southern Africa, and Korea. It is unlikely that the U.S. will give much-needed aid to the democratic parties in Portugal who are being suppressed by the Portuguese Communist Party, with heavy funding from Moscow. In all likelihood therefore, Portugal will quietly become a Soviet satellite.

* * * * *

Rhodesia and South Africa have been perennial issues with the Communists, but there seems to have been minimal increase in their emphasis, possibly because they have been unreponsive to U.S. pressure in the past and have never caught the interest of the American public.

Where the propaganda of the radical left has indicated a new move is in Asia. The rest of Indochina will probably fall to the Communists without much notice being taken in the United States, and the pro-Chinese National Guardian has already published an editorial headlined "Korea Next" on the occasion of North Korean dictator Kim Il Sung's visit to Mainland China to meet with Mao Tse-tung.

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The President of Korea, Park Chung Hee, is presently suffering a bad media image in the U.S., while détente with China has led to an increasingly favorable image of Asian Communism.

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Korea together with the issue of defense budgets and America's role in the world, is also more important to the ultimate goal of isolation and encirclement of the United States which was laid down by the Comintern prior to the Sino-Soviet split.

AUTO EMISSIONS AND THE SULFATE ISSUE

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, during the congressional recess just ended the White House announced its latest recommendation on auto emission standards. It will be remembered that this is not the first recommendation the President has made on this subject; it is merely his latest, and I might add, his worse. The earlier recommendation that most are familiar with is contained in H.R. 2650, the bill that was the subject of a recent Presidential calendar tearing exercise. Well, now it appears the President has changed his mind on one of his major recommendations—auto emission standards. Other agencies of the Federal Government have had different recommendations all along, most notably the Environmental Protection Agency, which has enforcement responsibility over this issue.

There have also been new developments since the earlier recommendation. The Environmental Protection Agency decided that the catalytic converter was the producer of a sulfuric acid health risk that required a freeze in the auto pollution controls at the present levels for 2 years, and a subsequent EPA decision that determined that it was in the public health interest to not freeze auto emission standards in California at all. In addition to the EPA's decision to not delay auto emission standards in California, the National Academy of Sciences entered the picture again. This time the NAS convened the key people from their earlier studies to review all relevant data, and this past June they issued a short, but unambiguous report that said auto pollution control efforts should continue as scheduled, sulfuric acid problems can be prevented, and fuel economy goals can be achieved, all at the same time, and without any delays.

I mention this background mainly to bring this issue into focus. The President's most recent decision was based, not on the advice of the agency which is responsible for the public health, nor on the advice of the National Academy of Sciences, which has been studying this issue all along. The President actually does not make it clear on whose advice he is acting. His press release leads one to conclude that this policy is necessary to protect the public health and meet fuel economy goals. The public health issue is one that is of serious concern to me, and it is for this reason that I have scheduled hearings before my Subcommittee on Environment and the Atmosphere. The fuel economy issue hardly needs another hearing. The weight of the vehicle is the primary determinant in fuel economy. Other factors play a much smaller role in fuel economy, such as automatic transmissions, air conditioners, and pollution control devices. Not all pollution control devices cause losses in fuel economy, and even those that do only contribute a small percentage to the overall fuel economy of a car. A definitive statement was made on this subject in a joint report to the Congress which was prepared by the U.S. Department of Transportation and the U.S. Environmental Protection Agency, entitled "Potential for Motor Vehicle Fuel Economy Improvement" and submitted on October 24, 1974. This report clearly stated that both a 40-percent increase in fuel economy, the President's 1980 fleet average goal, and the auto emission standards could be met. In other words, no delay in auto emission standards was necessary in order to make fuel economy gains. Other studies since that time, including one by the National Academy of Sciences, have reinforced this conclusion. I might add that all studies have shown that the costs of achieving both goals simultaneously are small.

The sulfuric acid emissions problem is more serious, largely because there are, or appear to be, more unknowns. Among the unknowns are the health effects of given levels of aerosol sulfates, especially when compared to the much better known health effects of oxidants, nitrogen oxides, and carbon monoxide, all pollutants which should be reduced by the use of the same device that causes the formation of sulfuric acid mists, the catalytic converter.

Mr. Speaker, I made a rather detailed statement on this issue on March 10, on pages 5952–5953 of the RECORD, and rather than repeat that statement here, I wish to refer my colleagues to it. My basic point was that because of the increased formation of acid sulfate aerosols with the use of the catalytic converter, and the fact that most new automobiles already have catalytic converters; gasoline should be desulfurized beginning now.

In another statement on the issue of auto emissions, I inserted in the RECORD on June 9, page 17963–17965, conclusions of the most recent Academy review. Given the extraordinary nature of the President's recent recommendation to the Congress, which is as nearly opposite as one can get from what the Academy experts recommended, and since the President claimed that "we have carefully surveyed this matter with many scientists and other qualified authorities," I believe it is appropriate to find out just who did advise this course of action, and why. The hearings before the Environment and the Atmosphere Subcommittee, which began today, will attempt to do just that.

Mr. Speaker, the importance of this issue is sometimes obscured by the vast array of problems that confront the Nation. It is only because the health of millions of Americans is at stake that I am asking your indulgence and your attention to this issue. Automobiles still account for more than half of all of the air pollution in this country. In the major cities the problem is much worse. We have made some progress, but only because in previous years, previous Congresses refused to be blackmailed by the auto industries. I urge every Member of this body to consider the future before they decide that they will support delays in auto emission controls. I understand from press reports that many formerly adamant defenders of the Clean Air Act are now making compromises and supporting a 2-year delay, in contrast to the President's current proposal for a 4-year delay. I would urge my colleagues to carefully review the background on this issue before they agree to even a 2-year delay. In 1970 we agreed, over the strenuous objections of Detroit, to clean up auto exhausts by 1975. This is 1975, but the deadline has been pushed back to 1978. That is a 3-year delay. An additional 2-year delay would mean 10 years, versus the original 5 years, for the auto companies to clean up. It is significant that foreign manufacturers had, or demonstrated that they could have met this goal, on schedule. If anyone has any questions about this issue, I would suggest that they review the relevant documents, or contact me and I will try to provide answers to your questions.

I do not mean to imply that I have all of the answers, I have many questions myself. Others who have spent more time on this subject than myself also have questions. But there are also many more answers than there were in the past. I hate to harp on this, but the most recent Academy recommendations, which were made with the best available advice, are nearly opposite to those made by President Ford a few days ago. The National Academy of Sciences listed the participants in its proceedings and the names of those who endorsed their conclusions. This is a distinguished list, one that President Ford should have consulted before he made his recommendations. I intend to find out, if at all possible, who President Ford did consult, but at this time I would like to insert in the RECORD the names and identifications of the Academy people, who prepared this report:

REPORT OF THE CONFERENCE ON AIR QUALITY AND AUTOMOBILE EMISSIONS, MAY 5, 1975

The report has been reviewed and approved by the NRC in accordance with its procedures.

Gordon J. F. MacDonald, Chairman, Commission on Natural Resources.

Herbert A. Simon, Chairman, Coordinating Committee on Air Quality Studies.

J. Ross Macdonald, Chairman, Committee on Motor Vehicle Emissions.

Herschel E. Griffin, Chairman, Committee, on Medical and Biological Effects of Environmental Pollutants.

CONFERENCE PARTICIPANTS

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James E. A. John, University of Toledo.
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Ian C. T. Nisbet, Massachusetts Audubon Society.
Ellen Quackenbush, Arthur D. Little Company.
Robert F. Sawyer, University of California, Berkeley.
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William Robertson IV.
Theodore Schad.
James Wright.

Mr. Speaker, at this time I would like to place in the RECORD the hearing schedule of the Subcommittee on Environment and the Atmosphere, along with a statement of purpose that should put the issue of sulfates in the proper perspective. In addition, I would like to announce that the Science and Technology now has available, as a committee print, a Congressional Research Service report on the issue of sulfates which should be helpful to anyone who is interested in this important issue.

The hearing schedule and statement follow:

SULFATES—HEARINGS ON RESEARCH AND DEVELOPMENT RELATING TO SULFATES IN THE ATMOSPHERE

The purpose of these oversight hearings is to find out whether and how EPA's research program is developing the information base needed for rational regulatory action. Put another way, does EPA have a research strategy with respect to sulfates, and is this strategy consistent with the goals and provisions of the Clean Air Act? Is EPA moving to close the gaps in our knowledge?

There are several specific considerations. Ultimately standards should be based on health and welfare effects. If harm could be demonstrated clearly there would be less divisive controversy and wasteful delay in meeting clean air goals. What is EPA doing to elucidate health and welfare effects? Effects must be expressed in terms of exposure, or air quality, which is difficult to measure.

What is EPA doing to improve its monitoring ability? Air quality is controlled by controlling emissions. What are EPA's research efforts in control? What are the unanswered questions in emission control? What tradeoffs must be made in deciding on control strategies?

HEARINGS ON RESEARCH AND DEVELOPMENT RELATED TO SULFATES IN THE ATMOSPHERE

Tuesday, July 8—Automotive Emission—1:30 p.m., 2318 Rayburn House Office Building:

Professor Joe Hightower, Rice University, "Catalyst Technology."

Mr. John Moran, Environmental Protection Agency, "Sulfate Emissions."

Dr. Steven Miller, AVRAM, "Auto Emissions in Perspective."

Mr. Ernest S. Starkman, Vice President of Environmental Activities Staff, General Motors.

Mr. Herbert Misch, Vice President of Engineering Staff, Ford Motor Company.

Mr. Max Teague, Chief Research Scientist, Chrysler Corporation.

Wednesday, July 9—Background and Effects—10 a.m., 2325 Rayburn House Office Building:

Dr. George Hidy, General Manager, Western Technical Center, Environmental Research & Technology, "Atmospheric Formation of Sulfates."

Professor Ellis Cowling, North Carolina State University, "Ecological Effects."

Dr. Carl Shy, University of North Carolina, "Health Effects."

Friday, July 11—Stationary Source Emissions—10 a.m., 2325 Rayburn House Office Building:

Mr. Carl Beard, West Virginia Air Pollution Control Commission, "Use of Intermittent and Tall-Stack Control Strategies."

Professor Howard Hesketh, Southern Illinois University, "Control Technology."

Mr. Donald G. Allen, Vice President, New England Electrical Systems, "Power Plant Emissions."

Mr. Stanley Greenfield, Greenfield, Attaway and Tyler, "Power Plant Emissions."

Monday, July 14—Research Strategies—10 a.m., 2325 Rayburn House Office Building:

Mr. John Hill, Deputy Administrator, Federal Energy Administration.

Dr. John Finklea, Director, NIOSH, "Research Strategy."

Dr. Wilson K. Talley, Assistant Administrator for Research and Development, Environmental Protection Agency, "EPA Research Strategy."

HOUSE RESOLUTION 552, REQUESTING THE PRESIDENT TO PROVIDE INFORMATION RELATING TO THE SALE OF HAWK AND REDEYE MISSILES TO JORDAN

(Mr. MORGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MORGAN. Mr. Speaker, on June 26, 1975, the Committee on International Relations met in open session to consider House Resolution 552.

By voice vote, the committee approved a motion to lay the resolution on the table on the grounds that it is not a bona fide "privileged resolution of inquiry" under the House rules.

House Resolution 552, requesting the President to provide to the House of Representatives certain information relating to the sale of Hawk and Redeye missiles to Jordan, was introduced by the Honorable BENJAMIN S. ROSENTHAL on June 18, 1975, and referred to the Committee on International Relations.

On the following day, the Chair forwarded the resolution to the President of the United States requesting his prompt comments. A reply from the White House was received on June 25, 1975.

At the outset of the meeting, the committee heard a statement from the sponsor of the resolution, Mr. ROSENTHAL, in which he asserted that the executive branch response to the resolution was inadequate.

During the committee's consideration of House Resolution 552 the privileged status of the resolution, under the House rules, was questioned on the grounds that it requires investigation on the part of the President with respect to certain information sought in the resolution.

According to the Rules of the House of Representatives, a resolution of inquiry may not be accorded privileged status if it requires investigations—paragraph 857.

It appears that the information sought in the following instances in House Resolution 552, would require an investigation on the part of the President in order to furnish the requested information.

Example: Paragraph I inquires as to "how and when the sale to Jordan of the Hawk missile system was initiated." This would require an investigation by the President to determine where and when the idea of the sale originated, and how the whole sale procedure was set in motion. The sale might have been initiated from within the private sector in the United States or abroad or within the Government of the United States or within a foreign government.

The second clause of paragraph 1 confirms this interpretation as it describes the information sought as "including the date, nature, and substance of the first approach of the Government of Jordan to any agency of the United States." Thus the request for information in paragraph 1 is not limited to that information which would not require an investigation to develop.

Example: Paragraph 2 inquires what military equipment, in addition to the Hawk missile system, "was sought by Jordan." It would be difficult if not impossible for the President to advise the Congress if Jordan was trying to obtain military equipment—rifles, machineguns, ammunition, and so on—from any non-U.S. source or even from U.S. commercial channels. Initial inquiries could have been made without the U.S. Government knowing anything about them.

Example: Paragraph 9 requests "any reactions" of the Government of Jordan to any letter of offer. The reaction of the Government of Jordan to such a letter could take many forms. Any such reaction may or may not be made known to the U.S. Government. Therefore, the President might be forced to conduct an investigation to determine such reactions.

Example: Paragraph 10 inquires about the "details of any financing arrangements made by Jordan" for the Hawk sale. This, too, would inquire an investigation. Our Government may not be privy to such information. Some of it may involve confidential arrangements between Jordan and some other government or a private financial institution.

Example: Paragraph 18 seeks "the relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all contacts, in person or otherwise, between personnel of the executive branch, including employees of the State and Defense Departments, and any representatives of private industry with respect, directly or indirectly, to the Hawk missile sale." The information sought in this paragraph is so widely diffused through the executive branch that its collection would clearly require an investigation.

Mr. Speaker, I am making this statement in order to apprise the House of what transpired in the Committee on International Relations on June 26, 1975, and to draw attention to the reasons which motivated the committee to table House Resolution 552.

At this point, I include in the RECORD the texts of the resolution and the Chair's exchange of correspondence with the White House:

H. RES. 552

Resolved, That the President is requested to provide, not later than ten days after the adoption of this resolution, to the House of Representatives, the following information:

(1) How and when the sale to Jordan of the Hawk missile system was initiated, including the date, nature, and substance of the first approach of the Government of Jordan to any agency of the United States.

(2) What military equipment, if any, in addition to the Hawk missile system was sought by Jordan at or about the time of this approach.

(3) Whether and when the request was referred to the office of the Assistant Secretary of Defense for International Security Affairs, and any recorded conclusions made by that office with respect to the significance, potential impact, and purpose of the proposed sale.

(4) Whether and when the request was referred to the Bureau of Politico-Military Affairs of the Department of State, and any recorded conclusions made by the Bureau with respect to the potential impact of the requested sale upon United States foreign policy in general, and with respect to the Middle East, in particular, including the potential impact of the requested sale on the balance of power in the Middle East, relations with Israel, the defense of Israel and Israeli-administered territory, relations between Jordan and the other Arab States, relations between Jordan and the Soviet Union, relations between Jordan and the Palestinians, the political stability of Jordan, including the maintenance in power of the Hussein regime, and the economic conditions in Jordan.

(5) Whether and when the request was referred to the systems project manager of a military service, and any recorded conclusions of that manager with respect to the sale, including conclusions as to price, delivery date, and private industry production needs, together with any record of the factors and considerations that manager brought to bear in making those conclusions.

(6) Whether and when a price and advisability statement was prepared by the systems project manager with respect to the requested sale, and the contents of that statement.

(7) Whether the statement referred to in paragraph (6) was presented to the Government of Jordan, and any reactions of that Government to the statement.

(8) The identity of any other person or persons in the executive branch, including the President, the Secretaries of State and

Defense, and any member or members of the Interagency Security Assistance Program Review Committee, who evaluated the request, when each such evaluation was made, and any recorded conclusions of each evaluating person as to the potential impact of the requested sale on the balance of power in the Middle East, relations with Israel, the defense of Israel and Israeli-administered territory, relations between Jordan and the Arab States, relations between Jordan and the Soviet Union, relations between Jordan and the Palestinians, the political stability of Jordan, including the maintenance in power of the Hussein regime, and the economic conditions in Jordan.

(9) The contents of any letter of offer prepared with respect to the requested sale, and whether such a letter of offer was presented to the Government of Jordan, together with any reactions of that Government to any such letter so presented.

(10) The details of any financing arrangements made by Jordan for such sale, including sources of funds, cash, and credit terms, and any other explicit or implicit conditions of financing.

(11) At what point, if any, the sale is to be referred to the Congress pursuant to the provisions of the Foreign Military Sales Act, as amended.

(12) The detailed substance of the communication (and its date) of the favorable disposition of the Government of the United States toward the requested sale, and whether any conditions were placed by the United States on the making public of the fact or substance of such communication.

(13) The date and substance of the first announcement by the United States Government of the sale, and the recorded conclusions, if any, of the executive branch as to the effect of such announcement on United States relations with Israel and Jordanian relations with the United States, the Soviet Union, other Arab States, and the Palestinians.

(14) A description of the function, purpose, mode of operation, and offensive and defensive capabilities of each of the principal components of the Hawk missile system.

(15) The identities of those nations to which the United States has furnished, or to which the United States has made a commitment to furnish, directly or indirectly, each of the components referred to in paragraph (14).

(16) The relevant portions of all agreements documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all precautions being taken to insure that access to the Hawk missile system, and to technical information about its components, whether sold or given to Jordan, does not extend, directly or indirectly, beyond Jordanian personnel.

(17) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all precautions being taken to insure that neither the Hawk missile system nor any of its components falls under the command, directly or indirectly, in whole or in part, of other than Jordanian personnel, including any steps which are being or which shall be taken to prevent the conclusion of agreements for joint military command between Jordan and any other country.

(18) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all contacts, in person or otherwise, between personnel of the executive branch, including employees of the State and Defense Departments, and any representatives of private industry with respect, directly or indirectly, to the Hawk missile sale. "Representatives of private industry" includes, but is not limited to, all Raytheon Company employees and agents, all employees and agents of manufacturers of components of the Hawk missile system, and all employees and agents of any finance institution (including finance institutions controlled or affiliated with any foreign government).

(19) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all sales commissions or fees related, in whole or in part, to the Hawk missile system sale, payable by any entity involved in the sale to any person.

(20) With respect to the Redeye antiaircraft missile system, all of the information sought by this resolution with respect to the Hawk missile system.

Committee on
International Relations,
June 19, 1975.

Hon. Gerald R. Ford,
The White House,
Washington, D.C.

Dear Mr. President: I am writing to request your comments on a resolution of inquiry which was introduced in the House on June 18, 1975, and referred to the Committee on International Relations.

Enclosed are two copies of the Resolution, H. Res. 552, requesting the President to provide to the House of Representatives certain information relating to the sale of Hawk and Redeye missiles to Jordan.

As you know, the Committee must act on this resolution within seven (7) legislative days beginning today. We will appreciate receiving your comments as soon as possible, but no later than June 25, 1975.

Sincerely,

Thomas Morgan,
Chairman.

The White House,
Washington, June 25, 1975.

Hon. Thomas Morgan,
House of Representatives,
Washington, D.C.

Dear Mr. Chairman: In response to the request for information stated in H. Res. 552 in the House of Representatives, I am happy to provide information to the Committee to clarify the sale to Jordan of both the HAWK and REDEYE anti-aircraft missile systems. Answers to the specific questions posed in House Resolution 552 are attached.

Both sales were undertaken after the most careful consideration by appropriate agencies and officials of the Government and after carefully weighing all factors bearing on U.S. interests in the area and our relationship with Jordan. This particular transaction was not taken in isolation, but was considered in the overall perspective of past, current, and projected events throughout the Middle East, and the policies of other states toward the Middle East.

Our relationship with Jordan has for many years been mutually beneficial. Jordan has supported our broader goals in the Middle East, has encouraged moderation, and has contributed significantly to the peace of the region. The length of the boundary between Jordan and Israeli-administered territory on the West Bank and at Jordan's geographic location between Israel, Syria, Iraq and Saudi Arabia makes clear the importance of a moderate Jordan with close ties to the United States as a major contributing factor to regional stability and tranquility.

An essential element in the maintenance of such a relationship has been the ability of Jordan to protect itself from attack and the willingness of the United States to provide reasonable assistance in enabling it to maintain such an ability. For this reason we have collaborated closely in helping Jordan meet its legitimate defense needs since 1970, in the wake of Jordanian actions to repel outside attack, suppress Palestinian Fedayeen activity internally and generally establish security. Since that time, the U.S. Government has undertaken to replace combat losses and assist in the modernization of the Jordanian armed forces. There have been regular meetings at least once a year since 1970 between top level representatives of the U.S. and Jordanian military establishments. Congress has supported this policy by appropriating the following security assistance funds:

Grant materiel (millions):

1970	$.2
1971	28.9
1972	38.0
1973	33.5
1974	39.0
1975	59.9

FMS credits:

1970	0
1971	$30
1972	10
1973	0
1974	0
1975	30

Jordan's need for an air defense capability and its supply by the United States have been the subject of discussion between the two countries since that time. The October 1973 war in the Middle East gave particular urgency to this question. Jordan, alone among its neighbors, has no viable air defense system and its interest in improving its air defense capabilities grew as a result of increasing quantities of sophisticated aircraft in the inventories of neighboring states and the offers to Jordan of air defense weaponry manufactured in the USSR and Western Europe. The U.S. supply of some type of air defense system for Jordan thus became a gauge of our relationship to that country and our support for its moderate policies during a period when it was increasingly under pressure and isolated from other Arab countries precisely because of its moderate stand.

Within this framework, in principle in Februrary 1975, the Jordanian request was reviewed comprehensively within the U.S. Government during 1974, and in early 1975 the Defense Department conducted a study based on in-country review of Jordanian air defense requirements. The findings of the study team, together with comments by the Departments of State and Defense, and further specific requests by the Jordanians were reviewed by the President prior to reaching a decision in principle in February 1975, which was communicated to King Hussein of Jordan on April 29. Agreement was reached on a modest air defense system and training package, to be phased over a period of several years. The details of the agreement, including the Letter of Offer, are now being worked out.

In providing the Committee with information on these two arms sales we have done our best to be responsive to the requests contained in H.R. 552. As I am sure the Committee will recognize and appreciate, many of the questions seek information which is related to the security posture of a friendly country with which we have had a long and extensive military supply relationship. Unauthorized exposure of certain details might jeopardize the security of Jordan, as well as our close relationship with that country. Other questions seek information about a contracting process which is not yet complete. Still other questions touch on the nature of advice and recommendations provided to the President and are directly related to Executive Branch internal decision processes.

Nevertheless, we have made every effort within these constraints to provide the Committee with the information we believe adequate to an understanding of the purposes and policies underlying the President's decision to provide HAWK and REDEYE missiles to Jordan. Therefore, we believe H.R. 552 is unnecessary.

Sincerely,

MAX L. FRIEDERSDORF,
Assistant to the President.

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(1) How and when the sale to Jordan of the Hawk and Redeyes missile system were initiated, including the date, nature, and substance of the first approach of the Government of Jordan to any agency of the United States? and

(2) What military equipment, if any, in addition to the Hawk and Redeye missile systems were sought by Jordan at or about the time of this approach?

ANSWER

The Armed forces of Jordan have felt a need for an air defense system since the 1967 war. This need was clearly stated in 1970, at the time of the Syrian incursion into Jordan and was confirmed in the findings of the U.S. officials who conducted an analysis of Jordanian military needs at that time. However, at that point the degree of severity of the air threat, and the defensive capabilities of air defense missile systems were not fully recognized. A higher priority and urgency was placed on ground equipment, such as tanks, and Jordan had tight budgetary restraints. For these reasons, Jordan did not press its request, although it had communicated to the USG its desire for air defense weapons, including Hawks and Redeyes.

Subsequently, in March 1973, the United States was asked to reevaluate the military requirements for Jordan. Again the need for an air defense system was stated by the Jordanian military, understood by the U.S. analysts, but relegated to a lesser priority. Air defense was not included in subsequent arms transfers stemming from the early 1973 analysis.

The October 1973 Mideast war clearly demonstrated the vulnerability of Jordanian ground forces to air attack. As a result, Jordanian pressures to obtain air defense became intense. These concerns were clearly stated to the United States on many occasions by many representatives of the Jordanian Government.

The extensive arms request list which Jordan submitted in December 1973 included a mix of anti-tank weapons, armor, artillery, and aircraft and three types of air defense weapons in addition to the Hawk: the Redeye missile, the Chaparral missile, and the Vulcan anti-aircraft gun. This represented the point in time when very serious consideration began on providing air defense systems. At a conference held in 1974, the US and Jordanian representatives agreed to consider only a much reduced version of the December request as the basis for a grant aid and FMS credit program to be funded in FY 1975. The resulting abbreviated list included no air defense weapons; however, Jordanian representatives indicated their continued interest in obtaining such equipment.

(3) Whether and when the request was referred to the office of the Assistant Secretary of Defense for International Security Affairs, and any recorded conclusions made by that office with respect to the significance, potential impact, and purpose of the proposed sale.

ANSWER

The Office of the Assistant Secretary of Defense for International Security Affairs, as well as all other appropriate and concerned portions of the Executive have been involved in constant evaluation and analysis of all aspects of arms transactions with the Government of Jordan since the inception of our close military supply relationship in 1970. The analysis has been under constant review and modification to reflect the realities of the Middle East situation, and the objectives of United States foreign policy in the region. Conclusions and assessments from that office have been integrated into other studies and are reflected in the final decisions in the matter.

(4) Whether and when the request was referred to the Bureau of Politico-Military Affairs of the Department of State, and any recorded conclusions made by the Bureau with respect to the potential impact of the requested sale upon United States foreign policy in general, and with respect to the Middle East, in particular, including the potential impact of the requested sale on the balance of power in the Middle East, relations with Israel, the defense of Israel and Israeli-administered territory, relations between Jordan and the other Arab States, relations between Jordan and the Soviet Union, relations between Jordan and the Palestinians, the political stability of Jordan, including the maintenance in power of the Hussein regime, and the economic conditions in Jordan.

ANSWER

The Department of State, including the Bureaus of Politico-Military Affairs and Near Eastern and South Asian Affairs considered thoroughly the potential impact of the Jordanian request upon United States foreign policy in general and with respect to the Middle East. The absence of even a nominal air defense system for Jordan had become, by late 1974, a matter of considerable importance to the Government of Jordan and its army, their attitudes toward the United States and the overall policy which Jordan would pursue in the future. Morale among the Jordanian Armed Forces had deteriorated as a result of their vulnerability to air attacks, yet a loyal, effective army is clearly an indispensable support for King Hussein and his policies. Neighboring countries such as Syria and Iraq had excellent air defense weapons supplied by the USSR, while Israel, Iran and Saudi Arabia had air defense weapons supplied by the United States.

At the Arab summit meeting in Rabat in November, 1974 subsidies were pledged for the purpose of Jordanian military purchases, thus removing a major obstacle to the acquisition of air defense weaponry. In the absence of a positive response from the United States on the supply of air defense weaponry, alternative sources of supply became real possibilities. Missiles manufactured by other countries were offered to Jordan. King Hussein and his advisors did not accept these offers, reiterating their preferance for a continuing close military relationship with the United States. At the same time, the King also made clear the importance he attached to the early conclusion of a deal with the U.S. for air defense weaponry.

The Department of State concluded in December 1974 that the dispatch of an air defense survey team to Jordan would be in the national interest of the United States, strengthening Hussein's internal position and reinforcing Jordan's policies of moderation at a time when Jordan was under heavy political pressure from outside forces (including the PLO) and when the morale of its armed forces was suffering from the absence of any air defense. The sale of Hawk and Redeye missiles, it was judged, would not alter the overwhelming military superiority which Israel enjoys vis-a-vis Jordan, but should contribute significantly to the confidence of the Jordanian military in their ability to deter attack on their country from any direction, thus helping to support a moderate and responsible government and maintain its close ties to the U.S. The President approved the State Department recommendation for the dispatch of the air defense survey team to Jordan.

(5) Whether and when the request was referred to the systems project manager of a military sevice, and any recorded conclusions of that manager with respect to the sale, including conclusions as to price, delivery date, and private industry production needs, together with any record of the factors and considerations that manager brought to bear in making those conclusions.

Because of its complexity, the Jordanian request for air defense weapons was evaluated on the technical level by a team of experts from the Services under the auspices of the Office of the Joint Chiefs of Staff. The team was required to conduct an analysis based on in-county examination of Jordan's air defense posture to assist in reaching decisions on appropriate US assistance to Jordan in this area. The team, representing all Service views, surveyed the Jordanian requirements, analyzed the nature and adequacy of air defenses in Jordan in February 1974, and outlined options for an air defense system. The team's report described the estimated price and availability of the pertinent US weapons, the military impact of each option on neighboring countries, and the requirements for training and follow-on maintenance. In developing this information the team maintained contacts and obtained requisite information from appropriate logistical agencies and systems managers within the military Services.

(6) Whether and when a price and advisability statement was prepared by the systems project manager with respect to the requested sale, and the contents of that statement.

ANSWER

Price and availability data, and suitability of Hawk, Redeye and other weapons systems were considered by appropriate Service representatives, including project managers. Some changes in price and availability have taken place since the original analysis.

(7) Whether the statement referred to in paragraph (6) was presented to the Government of Jordan, and any reactions of that Government to the statment?

ANSWER

During the regular conference between US and Jordanian military representatives held in early 1975, US official briefed representatives of the Jordanian Armed Forces on the findings of the air defense team. As a result of this discussion the Jordanians made some minor refinements in their proposed air defense package, and confirmed their desire to purchase Hawk, Redeye and other air defense weapons.

(8) The identity of any other person or persons in the Executive Branch, including the President, the Secretaries of State and Defense, and any member or members of the Interagency Security Assistance Program Review Committee, who evaluated the request, when each such evaluation was made, and any recorded conclusions of each evaluating person as to the potential impact of the requested sale on the balance of power in the Middle East, relations with Israel, the defense of Israel and Israeli-administered territory, relations between Jordan and the Arab states, relations between Jordan and the Soviet Union, relations between Jordan and the Palestinians, the political stability of Jordan, including the maintenance in power of the Hussein regime, and the economic conditions in Jordan.

As noted in the reply to question number four, factors such as balance of power in the Middle East, relations with Israel, etc., were all considered as part of the process of reaching a final decision on the offer of air defense weaponry to Jordan. These factors were analyzed by the appropriate governmental agencies. The President made the final decision on the offer of air defense weapons to Jordan based on the comments and recommendations of his principal national security advisers.

(9) The contents of any letter of offer prepared with respect to the requested sale, and

whether such a letter of offer was presented to the Government of Jordan, together with any reactions of that Government to any such letter so presented.

ANSWER

The Letter of Offer will consist of the standard legal Conditions which outline the liabilities and agreements between the purchaser and the United States Government pursuant to the Foreign Military Sales Act, as amended. The Letter of offer will also list major items together with all supporting equipment necessary for making the system operational by quantity, estimated price and delivery commitment time frame and technical information essential for complete understanding of the implementation phase of the case after acceptance. The Letter of Offer has not yet been completed and has not been presented to the Congress or the Government of Jordan. Therefore no reaction to its contents has been received.

(10) The details of any financing arrangements made by Jordan for such sale, including sources of funds, cash, and credit terms, and any other explicit or implicit conditions of financing.

The financial arrangement between the United States Government and the Government of Jordan will be entered on the Letter of Offer as a dependable undertaking in accordance with Chapter 2, section 22 of the Foreign Military Sales Act, as amended. Under these terms the Government of Jordan makes a firm commitment to pay the full cost of the contract and to make available all necessary funds in such amounts and at such times as demanded by the Department of Defense. Jordan has not requested and the USG has not offered either grant or credit assistance for the purchase of air defense weapons. The Administration understands that Jordan can expect assistance from friendly Arab governments in financing the Hawk and Redeye purchases.

(11) At what point, if any, the sale is to be referred to the Congress pursuant to the provisions of the Foreign Military Sales Act, as amended.

The Letter of Offer is currently being staffed within the Executive Branch. It is anticipated that this staffing will be completed in time for the proposed Letter of Offer to be reported to Congress sometime late in July or early August.

(12) The detailed substance of the communication (and its date) of the favorable disposition of the Government of the United States toward the requested sale, and whether any conditions were placed by the United States on the making public of the fact or substance of such communication.

On April 15, the President approved the recommendation of the Department of State and Defense that the US agree, in principal, to sell the HAWK system, as well as other air defense weapons, to Jordan. Our Ambassador in Amman communicated this decision to King Hussein prior to his visit to Washington.

By the time of King Hussein's visit to Washington in April 1975, the Jordanians had submitted their final requirements to the Department of Defense. The President took the Jordanian assessment of its requirements into account in making the final decision to provide air defense equipment and training to Jordan, including the HAWK and REDEYE. This decision was communicated to King Hussein during his visit on April 29.

The USG placed no conditions upon making it public (see question 13).

(13) The date and substance of the first announcement by the United States Government of the sale, and the recorded conclusions, if any, of the executive branch as to the effect of such announcement on United States relations with Israel and Jordanian relations with the United States, the Soviet Union, other Arab States, and the Palestinians.

The air defense decision was not announced, since we do not as a matter of general policy announce decisions to proceed with preparation of a Letter of Offer. In early May the Department of State did respond to questions from the press about the sale of air defense weapons to Jordan by noting that, in the Department's view, the sale of such weapons would not upset the balance of power in the region.

(14) A description of the function, purpose, mode of operation, and offensive and defensive capabilities of each of the principal components of the Hawk and Redeye missile systems will be provided separately, on request, in classified form.

(15) The identities of those nations to which the United States has furnished, or to which the United States has made a commitment to furnish, directly or indirectly, each of the components referred to in paragraph (14).

The following countries have been provided with the Hawk Missile System: Israel, Greece, Iran, Korea, Taiwan, Japan, Kuwait, Spain (under Foreign Military Sales procedures); Saudi Arabia, Belgium, the Netherlands, Federal Republic of Germany, France, Italy, Sweden and Denmark (under commercial contract).

The United States has agreed to furnish the Redeye system to the following countries besides Jordan: Israel, Australia, Sweden, Greece, Federal Republic of Germany and Denmark.

(16) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all precautions being taken to insure that access to the Hawk missile system, and to technical information about its components, whether sold or given to Jordan, does not extend, directly or indirectly, beyond Jordanian personnel.

The proposed LOA for the Hawk missile system will contain a standard provision which carries out the intent of section 3(a) of the FMSA. This provision states that none of the defense articles, components, associated equipment, or technical information provided under the sales agreement can be transferred to any person, organization, or other government without the written consent of the USG.

Moreover, DOD carefully evaluates a potential recipient country's ability to maintain the security of US-supplied equipment, and the ability to provide such security is required before sales are made.

(17) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all precautions being taken to insure that neither the Hawk missile system nor any of its components falls under the command, directly or indirectly, in whole or in part, of other than Jordanian personnel, including any steps which are being or which shall be taken to prevent the conclusion of agreements for joint military command between Jordan and any other country.

The no-transfer provisions described in question (16) would prohibit Jordanian air defense equipment supplied by the US from coming under the command of other than Jordanian personnel. There is, of course, no way to ensure absolutely that Jordan will comply with US laws under all conditions. However, the Jordanian record of compliance has been excellent. At this moment we know of no plans for the establishment of a joint military command between Jordan and any other country, and our decision to provide air defense weapons to Jordan reduces that possibility.

(18) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all contacts, in person or otherwise, between personnel of the executive branch, including employees of the State and Defense Departments, and any representatives of private industry with respect, directly or indirectly, to the Hawk missile sale. "Representatives of private industry" includes, but is not limited to, all Raytheon Company employees and agents, all employees and agents of manufacturers of components of the Hawk missile system, and all employees and agents of any finance institution (including finance institutions controlled or affiliated with any foreign government).

The Department of the Army has not entered into any agreement with Raytheon Company (the manufacturer of Hawk) relative to sale of the system to Jordan. Raytheon Company and other contractors have furnished proposals for hardware in support of this sale, and the data is included in the U.S. Government's offer. Only upon acceptance of the Letter of Offer will the Department of the Army negotiate a contract with representatives of private industry. There has been no discussion with U.S. financial institutions. As discussed earlier, the Letter of Offer, if accepted, will be signed by the Government of Jordan which will then be held committed to meeting the financial obligations of the contract. We do not anticipate USG involvement in Jordan's negotiations to secure funds to meet these obligations.

Since the supply of Redeye missile system to Jordan would be from existing US Army assets, there would be no need for discussions with or transmission of documents to private industry.

(19) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all sales commissions or fees related, in whole or in part, to the Hawk missile system sale, payable by any entity involved in the sale to any person.

According to the Raytheon Company's proposal of June 9, 1975, it was stated that the company has agreements with representatives of Jordanian nationality to pay a fee of 2 percent of the contract price. This fee is included in the proposal as 2 percent of the "not to exceed" price. The names of person or persons acting as representatives on behalf of the Raytheon Company have not been furnished by the company. The question of whether these costs are properly allowable or will be disallowed will be resoved by the contracting officer during contract negotiations in accordance with appliable Armed Forces Procurement Regulations.

There are no fees involved in the Redeye missile transaction.

(20) With respect to the Redeye antiaircraft missile system, all of the information sought by this resolution with respect to the Hawk missile system.

Data on the Redeye system has been answered in the preceding paragraphs with that pertaining to Hawk.

INTRODUCTION OF THE OFFICIAL ACCOUNTABILITY ACT OF 1975

(Mr. KASTENMEIER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KASTENMEIER. Mr. Speaker, in 1973 I was joined by a number of my colleagues in introducing the Official Accountability Act, the result of substantial research into how to adequately provide a means of monitoring and controlling the acts of our civilian officials who were responsible for those activities in Southeast Asia which gave rise to worldwide protest as being outside the acceptable conduct of war.

Today, I am again introducing this proposal with the hope that its passage would fulfill the pledge that our Government has made to hold its own officials responsible for their role in the conduct of our foreign policy and in our role in military conflicts as we have done to officials of other nations, most notably after World War II.

In the last year or two it has become clear that this measure would also apply to situations which have come to the forefront of national concern—it would outlaw the kind of activities attributed to the Central Intelligence Agency which have recently come under serious scrutiny—subversion of foreign governments with which we were not at war and attempted assassinations. Just recently, the CIA's role in the overthrow of the Allende government in Chile has become all too painfully clear. This act would subject those officials responsible for ordering or actually committing acts of subversion or assassination to criminal sanctions and imprisonment.

It is a strong bill and one which is based on the premise that we need a method of forcing the individual officials within our Government to assume a greater and more carefully defined responsibility for their acts and for the policies they advance in the name of the people of the United States. We must relearn the lesson our forefathers taught us—that unchecked power leads to arrogance and arrogance to tyranny.

The recent history of U.S. involvement abroad illustrates the necessity for a reassertion of legal limitations on civilian and military officials in matters of war and peace.

The United States, historically, has been in the forefront of efforts to fashion legal limitation on recourse to war by nations. After World War I this concern was expressed in the Kellogg-Briand Pact which outlawed war as an "instrument of national policy," and which sealed the fate of the Nuremberg defendants. At the end of World War II, the Congress, the Executive, and the public insisted that violations of the laws of war be tried and punished in courts of law. The Nuremberg and Tokyo trials, the charter of the United Nations, the attempts to enact a code of war crimes—all reflected an impetus provided by American leaders.

These efforts were undertaken by some of the most experienced statesmen and politicians. Although critics charged that idealism and vengeance were the primary motivations, the fact was that our leaders were guided by the most pragmatic considerations. They realized that if war were to be proscribed, leaders and bureaucrats would have to be held responsible for their acts. Robert Jackson, the Chief Counsel for the United States at the Palace of Justice in Nuremberg, summarized this view:

> The ultimate step in avoiding periodic wars which are inevitable in a system of international lawlessness is to make statesmen responsible to law.

This tradition was only interrupted by the cold war and the creation of the national security system.

This bill establishes a code of legal responsibility for civilian officials charged with the operation of national security policy. It does so by incorporating the international laws and customs of war—to which this Nation already subscribes—into the Federal Criminal Code, and by establishing an institutional mechanism for the investigation and prosecution of violations of those laws. It, in essence, reiterates and strengthens our national commitment to lawful international behavior. To the international community, it upholds the principle of symmetry—declaring that the standards to which the United States has held the leaders of other nations accountable shall be equally applicable to the policymakers of this Nation. To the American public, it asserts the principle of official accountability—insuring that executive officials are responsible to the limitations of laws passed by the Congress.

There are at present no operative legal mechanisms by which civilian officials may be clearly charged with and prosecuted for violations of the laws of war. Members of the Armed Forces are held responsible under the Uniform Code of Military Justice, but civilian officials remain legally unaccountable. In an era in which civilian strategists increasingly plan a more active role in devising and directing military operations, this imbalance can result in the conviction of an enlisted man for implementing an illegal plan devised by an unaccountable civilian official. This bill would meet the pledge made at Geneva and redress this basic imbalance. It would make it far more likely that the United States would once again practice the restraints which its international treaties proclaim.

The weapons and strategies the military employed in Indochina were determined by the legally constituted heads of our civilian Government. We carpet-bombed North Vietnam, blasted forests, jungles, rice paddies, towns, and villages in South Vietnam and Cambodia, spewed flaming napalm on both friend and foe, defoliated hundreds of square miles of Asia, herded millions of people about the country like cattle, and crushed and made governments at will, because the Presidents of the United States either initiated or approved the use of these strategies of war in that land. Rarely has there been any evidence that the military of the United States violated any instructions of the administration in power regarding limitations on the use of weapons or the strategies to be employed.

As I noted, there is no operative legal standard at present by which civilian strategists—bureaucrats and officials—are clearly accountable. When no one is accountable for a crime, crime does pay. And in the last 10 years, war crimes in Indochina paid off daily in promotions for managers at all levels of the U.S. bureaucracy of death while the only payoff for the citizens of Southeast Asia was death and devastation. Clearly, the time is past due when we should lay out a very different framework within which our officials operate—one that insists that certain things are, indeed, not permissible. We must insure that we will no longer face situations where the practices of war would be affected most profoundly by what a military commander or a civilian strategist could get away with at a particular time.

This bill seeks to take a first step to a return to accountability. It amends title 18 to provide for national security crimes—taking as its guide those standards to which this country is already committed and which it has already applied to the behavior of others. The provisions prohibit the waging of aggressive war, and the commission of war crimes—murder, torture, destruction not justified by military necessity, and bombing of civilian populations. The bill establishes an independent legal office for national security affairs—modeled after the General Accounting Office—which is empowered to investigate and, if necessary, prosecute violations of this act.

This Nation was founded on the principle that every citizen and official is responsible to law. To be free entails that one must also accept responsibility for his actions. To be freely governed, we must hold strictly accountable those entrusted with leadership. Either there will be a rule of responsibility or there will be a rule of irresponsibility—by officials who feel themselves beyond the law, and above the law.

It is time to return to our traditions, to search for moral guidelines and legal principles which will reassert the notions of law, personal responsibility and peaceful relations upon which our Nation was founded. We in the Congress must now begin a slow process of postwar reconstruction.

It is to strengthen that principle that I introduce this bill which simply requires what every American must demand that no person be above the law because of the loftiness of their position, the depth of their wealth, or the stealth of their actions.

Mr. Speaker, I would like to take this opportunity to include at this point a memorandum in explication of the bill which offers a more detailed analysis of its background and contents:

Memorandum in Explication of the Official Accountability Act

Section 2

Section 2 outlines the purposes and justifications for the proposed bill. The primary function of the bill is to reassert a national commitment to lawful international behavior by incorporating the international laws and customs of war into the federal code, and establishing an institutional mechanism for the investigation of, and possible prosecution of, violations of those laws.

Historically, the United States has led the attempt to fashion legal limitations on recourse to war as an instrument of national policy. After World War II, this historical tradition found expression in the insistence of the Congress, the President, and the American public that violations of the accepted norms of international behavior be punished in courts of law. The post-war tribunals were convened not merely in a spirit of vengeance, but in the hope that lawful behavior could be enforced upon national policy-makers in the future. Robert Jackson, at the time Chief Counsel for the United States at the Palace of Justice in Nuremberg, stated the prevailing sentiment that, "(t)he ultimate step in avoiding periodic wars which are inevitable in a system of international lawlessness is to make statesmen responsible to law." He therefore announced that it was the view of the United States that "(w)hile this law is first applied against German aggressors, if it is to serve any useful purpose it must condemn aggression by any other nations, including those which sit here now in judgment."[1]

This historic initiative was stalled by the obstacles of the Cold War. For the United States, the post-war years featured the growth of Executive license in the management of foreign and military policies. A result of this internal lack of accountability was an increasing disregard for restraints of international laws, most of which were Congressionally mandated.

With this bill, the Congress would reassert its power to pass laws which regulate the behavior of Executive officials, and would reiterate the national commitment to lawful international behavior. Substantively, the bill expresses two fundamental principles. To the international community, it upholds the principle of symmetry—declaring that the standards to which the United States has held the leaders of other nations accountable shall be equally applicable to the policy-makers of this nation. To the American public, it asserts the principle of official accountability—insuring that Executive officials are responsible to the limitations of laws passed by the Congress.

The necessity for such legislation is clear. The Geneva Conventions of 1949 which have been ratified by the Senate contain the common pledge that:

"The High Contracting Parties undertake to enact any legislation necessary to provide effective penal sanctions for persons committing, or ordering to be committed, any of the grave breaches of the present Convention defined in the following Article.

"Each High Contracting Party shall be under the obligation to search for persons alleged to have committed or ordering to be committed, such grave breaches, and shall bring such persons, rgardless of their nationality, before its own courts. . . ."[2]

In spite of this pledge, there are at present no operative legal mechanisms by which civilian officials may be clearly charged with and prosecuted for violations of the laws of war. Members of the Armed Forces are held responsible under the Uniform Code of Military Justice, but civilian officials remain legally unaccountable. In an era in which civilian strategists increasingly play a more active role in devising and directing military operations, this imbalance can result in the conviction of an enlisted man for implementing an illegal plan devised by an unaccountable civilian official. This bill would meet the pledge made at Geneva and redress this basic imbalance. It would make it far more likely that the United States would once again practice the restraints which its international treaties proclaim.

TITLE I

Section 2551. Persons subject to this part

This section defines the class of persons covered by the proposed bill. Under its provisions, all civilian federal employees would be covered. Moreover, persons receiving compensation from the U.S. under contract or subcontract are also covered.

Section 2552. Prohibitions

Section 2552 outlines the laws and customs of war to which officials will be held accountable. The general language of 2552(b) incorporates the laws and customs of war which the United States recognizes as a member of the international community. The listing of some violations with specificity in 2552 (b)(1–2) and (c)(1–5) is therefore not intended to be comprehensive. The bill assumes, as the post-war tribunals assumed, that the conventional and customary laws of war are sufficiently clear to make specific drafting of every standard unnecessary. This position was affirmed by the Supreme Court in the case of *in re Yamashita* 327 U.S. 1. In taking an oath of allegiance to the laws and Constitution of the United States, federal employees already pledge themselves to follow such norms.

Section 2552(a) proscribes wars of aggression and wars in violation of international treaties or agreements. The language parallels that of Principle VIa(1) of the Nuremberg Principles, and adheres to the fundamental distinction between wars of aggression and defensive wars.

Modern American support for this principle may be traced to a Senate Resolution introduced by Senator William Borah, formerly Chairman of the Senate Foreign Relations Committee. The resolution declared that "It is the view of the Senate of the United States that war between nations should be outlawed as an institution or means for the settlement of international controversies by making it a public crime under the law of nations. . . ."[3] The direct result of this resolution was the Kellogg-Briand Pact of Paris of 1928 which outlawed war as an "instrument of national policy," and specified that such war is "illegal in international law."[4]

In the aftermath of World War II, the distinction between aggressive and defensive war was once again asserted. Fifteen German leaders and twenty-four Japanese leaders were found guilty of waging a war of aggression and held criminally liable.[5] At the initiative of the United States in 1945, the General Assembly of the United Nations unanimously affirmed "the principles of international law recognized by the Charter of the Nuremberg Tribunal" in Resolution 95 (I). At the direction of the membership of the United Nations, the International Law Commission formulated the principles of Nuremberg in 1950. One of them summarized the proscription against wars of aggression, declaring such war to be a "crime against peace."[6]

The same fundamental commitment to peaceful resolution of international conflicts is reflected in the United Nations Charter. Article 2(4) of the Charter provides that "All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations."[7] Article 51 declares that "Nothing in the present Charter shall impair the inherent right of individual or collective self-defense, if an armed attack occurs against a Member of the United Nations. . . ." Section 2552(a) therefore merely codifies a distinction and standard to which the United States is already committed, and to which it has already held others accountable.

The Section forbids planning of or preparation for a war of aggression as well as its initiation or waging. This follows the Nuremberg standard which outlawed "planning, preparation, initiation or waging of a war of aggression." This standard is crucially important in deterring wars. Plans or preparations for an aggressive war create a threat to which the target state must respond if its leaders are responsible. That response sets in motion the deteriorating spiral of threat and counter-threat which often results in war. The state which undertakes the initial planning or preparation must therefore be held legally responsible. Needless to say, the section does not outlaw contingency planning for defensive reactions to the aggressive acts of other states.

Section 2552(b) proscribes violations of the laws and customs of war, enacting the standards which govern behavior once armed conflict has been initiated. As demonstrated in the post-war trials, this generic category is a term of art in international law defining war crimes generally recognized by the international community. All such crimes are prohibited under this paragraph even if not included in the listing of 7002(b)(1–3). Under Article I, Section 8, Clause 10, of the Constitution, Congress is empowered to "define and punish . . . offenses against the law of nations." This does not mean that in every case Congress must codify that law or mark its precise boundaries before prescribing punishments for infractions thereof. In *Ex parte Quirin*, the Court found that by a reference in the Fifteenth Article of War to "offenders or offenses that . . . by the law of war may be triable by such military commissions" . . . Congress had "exercised its authority to define and punish offenses against the law of nations by sanctioning . . . [the trial of persons] for offenses which, according to the rules and precepts of the law of nations, and more particularly the law of war, are cognizable . . ." 317 U.S. 1, 28 (1942).

Section 7002(b)(1) prohibits inhumane treatment of prisoners of war or civilian populations in other nations. Protection of civilian persons in time or was is governed primarily by the provisions of the Geneva Convention Relative to the Protection of Civilian Persons in Time of War of 12 August 1949 (hereinafter referred to as the Geneva Convention Civilians).

Article 3 of that convention—an article common to all of the conventions of 1949—mandates humane treatment for all "(p)ersons taking no active part in the hostilities." In furtherance of this standard, the article proscribes the following actions among others: "Violence to life and person, in particular murder of all kinds, mutilation, cruel treatment and torture; taking of hostages; outrages upon personal dignity . . ." This guarantee extends to all noncombatants "at any time and in any place whatsoever."

Article 49 of the Geneva Convention-Civilians prohibit "individual or mass forcible transfers as well as deportation," from the "occupied territory to the territory of the Occupying Power . . ." Article 147 defines as "grave breaches" numerous acts including, *inter alia*, "wilful killing, torture or inhuman treatment, . . . unlawful deportation or unlawful confinement."

Principle VIb of the Nuremberg Principles defines the following acts among others as war crimes: "murder, ill-treatment or deportation to slave-labor or for any other purpose of civilian populations of or in occupied territory . . ."

These provisions are recognized as governing the actions of American forces in the field, as illustrated by the Department of Army's *Field Manual on the Law of Land Warfare*.[9] Section 7002(b)(1) thus merely summarizes conventional laws already applicable to the United States.

Section 2552(b)(2) prohibits pillage and unjustified destruction of public or private property. Pillage has been specifically outlawed in Articles 28 and 47 of the Hague Convention No. IV of 18 October 1907 Respecting the Laws and Customs of War on Land, and the Annex, embodying the Regulations Respecting the Laws and Customs of War on Land (hereinafter referred to as the Hague Regulations).[10] Article 33 of the Geneva Convention-Civilians reiterates the proscription; paragraphs 47, 272 and 397 of the Field Manual reflect American recognition.

The general prohibition of destruction not justified by military necessity is based upon immediate and human level. Such service will rid him of the insulation and arro-

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Footnotes at end of article.

both the distinction between unlawful and lawful objectives and the principle of proportionality. The former is derived from the declaration of Article 22 of the Hague Regulations that "the belligerents have not an unlimited right as to the means they adopt for injuring the enemy," an assertion which applies both to weapons used and methods of fighting adopted.[11]

Essentially, the distinction between lawful and unlawful objectives seeks to protect civilians and institutions of a civilian nature from destruction during time of war. Thus, Article 25 of the Hague Regulations prohibits the "attack or bombardment, by whatever means, of towns, villages, dwellings or buildings which are undefended." American recognition of the distinction is illustrated by the Army Field Manual which provides that bombardments from the air of combatant troops, defended places, or other legitimate military objectives are not prohibited.[12]

It has been suggested that the massive bombing and devastation wrought during World War II, the Korean War and the Vietnam War erased the distinction in practice. However, in each of these conflicts, the belligerents on both sides continually reasserted their adherence to this fundamental distinction, and sought to justify their actions within its limitations. It is now generally accepted that international practice since World War II has demonstrated that the *opinio juris* concerning the legal distinction between lawful and unlawful objectives is indeed permanent.[13]

The distinction between lawful and unlawful objectives is important because it limits the notion of military necessity. There can be no attacks upon unlawful objectives even if justified by the most dire military straits. As the Nuremberg Military Tribunal stated:

"It is an essence of war that one or the other side must lose, and the experienced generals and statesmen knew this when they drafted the rules and customs of land warfare. In short these rules and customs of warfare are designed specifically for all phases of warfare. They comprise the law for such emergency. To claim that they can be wantonly—and at the sole discretion of one belligerent—disregarded when he considers his own situation to be critical, means nothing more or less than to abrogate the laws and customs of war entirely.[14]

The notion of military necessity therefore is acceptable only within the limitations of law and refers only to the destruction of lawful targets. Lawful objectives may be destroyed in accord with military necessity. This limit of proportionality seeks to lessen unnecessary human suffering and material destruction. Thus, Article 23g of the Hague Regulations prohibits the destruction or seizure of "the enemy's property, unless such destruction or seizure be imperatively demanded by the necessities of war." Article 53 of the Geneva Convention-Civilians prohibits any destruction of real or personal property belonging to "private persons, or to the State, or to other public authorities or to social or cooperative associations . . . except where such destruction is rendered absolutely necessary by military operations." This principle of proportionality is also incorporated in the Army Field Manual.[15] Principle VIb of the Nuremberg Principles defines as a war crime, the "plunder of public or private property, wanton destruction of cities, towns or villages, or devastation not justified by military necessity." Thus 3(b)(2) also would enact a principle to which the United States already subscribes and to which it has already held other officials of other nations accountable.

Section 2552(b)(2) also prohibits inhumane treatment of prisoners of war. Both the Hague Regulations and the Geneva Convention Relative to the Treatment of Prisoners of War (hereinafter referred to as the Geneva Convention-Prisoners) have extensive and detailed provisions concerning the treatment of prisoners of war. The language of this paragraph is intended to incorporate those provisions.

It should be noted that under the Geneva Convention, even those members of resistance movements and insurgencies who violate the standards of military organization (e.g., wearing a distinctive uniform or sign recognizable at a distance) are accorded the minimum protections of Article 3. This article prescribes humane treatment for all persons "taking no active part in the hostilities, including members of armed forces who have laid down their arms . . ."

In the post-World War II trials, moreover, American authorities defined as a major offender in post-war Germany anyone who "is responsible for outrages, pillaging, deportations or other acts of brutality, even if committed in fighting against resistance movements."[16] A student of this period has noted that the American representatives "promulgated the view in Germany that resistance movements had to be treated with the same attention to rules of war as armies in 'proper' insignia and badge."[17] Thus the provisions of Section 2552(b)(2) reflect the standards enforced by American authorities in post-war Germany.

Section 2552(c) lists specific acts as violations of the laws and customs of war and of this bill. The section does not purport to be comprehensive, but merely to indicate some acts which should not be condoned under this bill.

Paragraph 1 of Section 2252(c) prohibits the bombing of civilian populations for the purpose of terrorizing. Paragraph 2 of Section 2552(c) prohibits the destruction of crops or livestock or natural habitat unless imperatively demanded by the necessities of war.

Both of these paragraphs elaborate the distinction between lawful and unlawful objectives which was discussed in reference to 2552(b)(2). Needless to say, bombings of civilian populations for the purpose of terrorizing are unlawful objectives in armed conflict.

The limitation on the destruction of property has two major applications. First, it limits the property which can be expropriated, converted or destroyed in the conduct of military operations (e.g., troop maneuvers, construction of bases, placement of air strips), requiring that such usage be held to a strict and imperative minimum.

Second, it limits targets which may legitimately be destroyed in an enemy country. Enemy crops and livestock are not legitimate military targets. To include them as such would legitimatize the mass starvation of civilian populations. Agriculture is therefore considered a civilian occupation (in which prisoners of war may lawfully be put to work) under Article 50 of the Geneva Convention-Prisoners. Any destruction of the natural habitat must be imperatively demanded by a military necessity, a standard which at the very minimum requires a close connection between the "destruction of property and the overcoming of the enemy's army."[18]

Section 2552(c)(3) prohibits the overthrow of the leadership of another nation by force, violence or bribery. Nonintervention in the internal affairs of other states has been a principle constantly supported by American leaders. While one may question the desirability of total nonintervention, this paragraph prohibits only unilateral intervention by force or bribery for the purpose of overthrowing the leadership of another nation, it is well within the minimally accepted international principle of nonintervention. The Charter of the United Nations provides that "All Members shall refrain in their international relations from the threat or use of force against the territorial integity or political independence of any state, or any manner inconsistent with the Purposes of the United Nations."[19] The unilateral use of force, threat of force, or bribery to overthrow a government may be considered an act of war. Therefore, Section 2552(c)(3) falls well within the limitations of the international rule.

Section 2552(c)(4) prohibits the use of biological weapons in any form. The use of weapons is governed by the general interdiction of the Hague Regulations that "the right of belligerents to the conflict to adopt means of injuring the enemy is not unlimited." Biological weapons were included in the prohibitions of the Geneva Protocol of 1925 which was signed on behalf of the United States but has not yet been ratified by the Senate. By December 1969, eighty-four states had ratified it.[20] In December, 1969, the General Assembly of the United Nations passed a resolution declaring that the Geneva Protocol "embodies the generally recognized rules of international law prohibiting the use in international armed conflicts of all biological and chemical instruments of warfare."[21] Indeed, virtually every student of the law agrees that the prohibitions formulated in the Protocol have been transformed into a rule of international customary law. No state has ever claimed the right to use biological or bacteriological weapons. The United States has repeatedly affirmed its agreement with the objectives of the Protocol. In November, 1969, President Nixon announced that "The United States shall renounce the use of lethal biological agents and weapons and all other methods of biological warfare." Section 2552(c)(4) merely reaffirms this pledge and associates the Congress with it.[22]

Section 2552(c)(5) proscribes agreements between federal officials and private individuals or associations to achieve indirectly what is prohibited in the bill. This prohibition of the use of civilian deputies adheres to the standard applied in the post-war tribunals.[23]

Section 2552(d) lists the sources of international laws which are incorporated into the criminal code by this bill. The list reflects a commitment by the United States to adhere to and enforce those standards which the United States and the international community as a whole have established for international behavior. It also expresses a willingness to apply the laws enforced in the post-war period on officials of other countries to American officials.

Section 2253. Defense of superior

Section 2253(a) provides that superior orders are not a defense to the commission of a war crime. The wording here simplifies the Army Field Manual's elaboration on the Nuremberg Principle, but retains its concern for an objective standard of knowledge and responsibility.[24]

Section 2253(b) reiterates Principle III of the Nuremberg Principles, incorporated in paragraph 510 of the Army Field Manual, and removes official immunity from those officials who commit war crimes.[25]

Section 2254. Sanctions

The sanctions reflect the need to punish those who violate minimal standards of behavior in the management of national security policy. Crimes against the peace and war crimes are among the most fundamental violations of the social order proscribed by the law. The seriousness of the defense need not be measured by the severity of punishment. Rather the enforcement process itself should serve the purpose of publicly condemning such acts.

Therefore the penalties listed here are not severe. Provision is made for offenders. Such a sentence seeks to reintegrate the offender with the social order at a different level. An offender might be sentenced to serve as a health aide in a hospital. He becomes reacquainted with social ties and norms at an

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Footnotes at end of article.

gance which led him to ignore the fundamental dictates of humanity.

TITLE II: ADMINISTRATION AND ENFORCEMENT

Section 3101 and 3102 establish the Legal Office of National Security Affairs which, like the General Accounting Office, is to be independent of the executive departments.

The National Security Solicitor and Assistant Solicitor are to be appointed by the President with the advice and consent of the Senate as mandated by Article II, Section 2 of the Constitution. Their term of office mirrors that of the Comptroller General. Section 3102(b)(3) provides that either may be removed by a concurrent resolution which cannot be vetoed by the President. This provision is intended to protect against the selection of a Solicitor who feels indebted and responsible to the President. It seeks to increase the Solicitor's independence from the President and emphasize his responsibility to the Congress. The Congress has an unquestionable power to pass an act which permits repeal of an action by the President (in this case the appointment) by concurrent resolution. Section 3102(c)(1) and (2) make provision for the pay and retirement of the Solicitor and Deputy Solicitor, making these similar to that of the Comptroller General and the Assistant Comptroller.

Section 3103 outlines the authority of the Solicitor to make the appointments and establish the regulations necessary to manage the Legal Office.

Section 3104. Powers and duties of solicitor

Section 3104 outlines the powers and responsibilities of the National Security Solicitor. The Solicitor shall be responsible for enforcing the provisions of this bill upon enactment. Enforcement may be sought by criminal prosecution and injunctive proceedings. The Solicitor replaces the Attorney General in enforcement of the crimes listed in this bill.

Section 3104(b) provides for periodic open hearings at which citizens may provide information germane to the provisions of this bill to the Solicitor and to the public at large. It is hoped that such hearings will help inform and educate the public about the nature of such issues.

Section 3104(c) provides that the Solicitor may provide advice and opinions on proposed programs or activities to the President or the Congress. Such opinions may forestall the initiation of programs which violate the provisions of the bill and thus avoid unnecessary criminal or civil proceedings. By their nature, such opinions are merely advisory and do not foreclose later action by the Solicitor. Publication of the Solicitor's opinions must adhere to classification regulations. It is hoped that the publication of various opinions will stimulate the education of the legal community and the bureaucracy in such matters.

Section 3104(d) mandates the Solicitor as a matter of first priority to prepare a detailed code of war crimes which includes recommendations for up-dating the laws to which the United States subscribes. This code, modeled perhaps on the form of the Army Field Manual, can then be considered in detail by the Congress for passage into law. Enforcement of the provisions of this bill does not depend on subsequent passage of such a code.

Section 3105. Injunctions

Section 3105 outlines the procedure for civil proceedings to enjoin programs in violation of the act. Injunctive relief is a supplementary remedy to normal criminal prosecution under the act. The Section provides the standard procedure for seeking injunctive relief before a three judge court. A three judge court is provided for because it is assumed that such suits will be of utmost gravity and importance.

Section 3106. Miscellaneous rules

Section 3106(a) empowers the Solicitor to collect information necessary to enforce the provisions of this bill. The Solicitor is empowered to collect information normally unavailable because of the exemptions and privileges which have been developed and espoused by the Executive in the post-war period. As with other Executive officials, the Solicitor must make a showing of "his need to know" such information if it is classified. The language quotes that used in Executive Order 11652. The power delineated here is similar to that given to the Comptroller General in 31 U.S.C. 54.

Section 3106(b) provides for protection of persons who disclose information to the Solicitor. The intent is to protect employees who fulfill their legal obligation under the Nuremberg Principles and reveal information to the Solicitor concerning the commission of violations of this act.

FOOTNOTES

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[1] Opening Statement at Nuremberg by Robert Jackson, 1945, Department of State Document No. 27833, 1947.

[2] See e.g., Article 146, Geneva Convention Relative to the Protection of Civilian Persons in Time of War of 12 August 1949, *TIAS* 3365.

[3] As quoted in Raskin, Marcus, *Being and Doing* (1972) p. 52.

[4] 94 *League of Nations Treaty Series* 57.

[5] Taylor, *Nuremberg and Vietnam* (1971) p. 32.

[6] For a discussion of the role of the United States see Asamoah, *The Legal Significance of the Declarations of the General Assembly of the United Nations* (1968) p. 122f.

[7] See Falk, *Legal Order in a Violent World* (1968), p. 63f.

[8] *Op. cit.* n. 2.

[9] Department of Army, *The Law of Land Warfare*, Field Manual FM 27–10 (1956).

[10] 36 *Stat* 2277: *Treaty Series* 539.

[11] See Bindschelder-Robert, *The Law of Armed Conflicts*, Carnegie Endowment for Peace (1969), pp. 14–27.

[12] *Opt. Cit.*, Army Field Manual, par. 42. See also pars. 33, 39 and 56.

[13] See *e.g.* Oppenheim, *International Law*, 7th ed. (1952), p. 524: Schwarzenberger, Self-Defense Under the Charter of the United Nations and the Use of Prohibited Weapons, *International Law Association Report* (1962), p. 214; Spaight, *Air Power and War Rights*, 3d ed. (1947), p. 277: Adler, Gerald L., Targets in War: Legal Consideration, in Falk, in Viet-Nam War and International Law, vol. 3, p. 296.

[14] *Trials of War Criminals Before the Nuremberg Tribunal*, Vol. 9: The Trial of A.F.A. Krupp, Halback and Eleven Others (1950) p. 1347.

[15] *Op. Cit.*, Army Field Manual, par. 56.

[16] Department of State, *Occupation of Germany—Policy and Progress 1945–1946*, p. 13.

[17] Raskin, Marcus, "The Case for Legal Action on War Crimes," *University of Chicago Magazine*, November 1972, p. 25.

[18] *Op. Cit.*, Army Field Manual, par. 56.

[19] Article 2(4) of the United Nations Charter.

[20] General Assembly Resolution 2603A (XXIV), 16 December 1969.

[21] See *e.g.*, Schwarzenberger, *op. cit.*, p. 219.

[22] The President's statement is quoted in *Falk et al., The Crimes of War* (1971) p. 62.

[23] *Trials of War Criminals Before the Nuremberg Tribunal*, The Trial In re List and Others (1950).

[24] *Op. Cit.*, Army Field Manual, par. 509.

[25] *Ibid.*, par. 510.

THE BURN FACILITIES ACT OF 1975

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am introducing legislation today, that is designed to aid the 300,000 Americans that are scarred and injured by fire each year, and the 50,000 individuals that are hospitalized for periods lasting from 6 weeks to 2 years.

The striking aspect of the Nation's fire problems is the indifference with which Americans confront the subject. The statistics quoted above are impressive in their size, though perhaps not scary enough to jar the average American from his confidence that "It will never happen to me." In a Washington hearing the National Commission on Fire Prevention and Control heard testimony from the parents of a 3-year-old boy who caught fire after playing with matches. They described the horror of the accident, the anxiety while awaiting the doctors' reports, the long weeks of seperation during painful treatment, the remaining scars, and the many operations that lie ahead. Multiply that experience by the 300,000 Americans who are injured by fire each year, and the Nation's fire problem becomes very immediate and very fearsome.

Mr. Speaker, at present, fewer than 100 of the 6,000 general hospitals in the United States provide specialized care that is needed to provide adequate treatment to burn victims. Together these few hospitals treat only 8 percent of the Nation's patients to serious burn injuries. In 1973, there were only 20 hospitals in the Nation with burn units—that is, specialized facilities of at least four beds used only for burn victims. In addition, only 46 hospitals are known to have burn programs—a staff of burn injury specialists but not separate facilities.

I would like to take this opportunity to honor the firefighters from Westchester County, N.Y., and the New Rochelle firefighters in particular, who have led the community in working to establish a burn center at the Westchester Medical Center, which is associated with the New York Medical College. They have done a yeoman's job in organizing a Burn Center Committee, which over the past 2 years has been engaged in raising funds, and informing the public of the need for a specialized burn center in the Westchester County area.

There is obviously a great need for additional burn centers in the United States, and also less elaborate facilities to handle less serious cases. Therefore, Mr. Speaker, I am introducing legislation that initiates the immediate establishment of 12 additional burn centers, 24 additional burn units, and the upgrading of existing burn programs to more adequately meet the serious need for burn treatment facilities.

The text of the legislation is as follows:

H.R. 8438

A bill to assist the construction and operation of burn facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Burn Facilities Act of 1975."

SEC. 2. (a) The Congress finds—

(1) that The National Commission on Fire Prevention and Control, established pursuant to Public Law 90-259, has made exhaustive and comprehensive examination of the Nation's fire problem and has made detailed findings as to the extent of this problem in terms of human suffering and loss of life due to fire;

(2) the United States today has the highest per capita rate of death from fire of all major industrialized nations in the world (57.1 deaths per million versus only 29.7 deaths per million for the industrialized nation with the next to the worst record);

(3) fire kills twelve thousand and scars and injures three hundred thousand Americans each year, including fifty thousand individuals who must be hospitalized for periods lasting from six weeks to two years;

(4) firefighting is the Nation's most hazardous profession, with a death rate of 15 per centum higher than that of the next most dangerous occupation;

(5) the unacceptably high death and injury losses from fires can be reduced if the the Federal Government establishes a coordinated program to initiate the establishment of new, and upgrading of existing, burn centers, burn units, and burn programs.

(6) The National Commission on Fire Prevention and Control concluded that the fire problem is exacerbated by—

(A) "the indifference with which Americans confront the subject";

(B) the Nation's failure to undertake significant amounts of scientific research and development into fire and fire related problems; and

(C) the limited number of places in the United States that have burn treatment centers which are properly equipped and staffed to save lives and rehabilitate the victims of fires.

(b) The purposes of this Act are to direct the Secretary of Health, Education, and Welfare to establish an expanded program on the treatment of burn injuries, research on burns and the rehabilitation of burn victims. To this end the Secretary shall—

(1) sponsor and encourage the establishment of 12 additional burn centers which shall provide specialized burn treatment and include research and teaching, and 24 additional burn units which shall comprise specialized facilities in general hospitals; and sponsor and encourage the upgrading of existing burn programs in general hospitals;

(2) provide training and continuing support of specialists to staff the new and existing burn centers, burn units, and burn programs;

(3) provide special training in emergency care for burn victims;

(4) augment sponsorship of research on burns and burn treatment;

(5) administer and support a systematic program of research concerning smoke inhalation injuries; and

(6) sponsor and support other research and training programs in the treatment and rehabilitation of burn injury victims.

SEC. 3. The Secretary of Commerce is directed to obtain information on burn treatment facilities and programs now in existence, on the frequency and severity of burn injuries both nationally and by region, through the National Fire Date System, and to provide guidance and assistance to the Secretary of Health, Education, and Welfare in designating those areas where burn care is deficient.

SEC. 4. As used in this Act—

(1) The term "burn program" means a program (a) in a hospital that has no specialized facilities or areas for burn care; (b) which contain a consistent plan for the management of burn patients, and (c) is implemented by an interested and experienced physician (or jointly by several physicians).

(2) The term "burn unit" means a burn program being conducted in a specialized section of a hospital which is used only for burn victims.

(3) The term "burn center" means a larger burn unit, with special emphasis on research and teaching as well as patient care, which provides very intensive burn care which requires the support of the research and teaching staffs.

SEC. 5. (a) For the purposes of Section 3, there are authorized to be appropriated such sums as may be necessary.

(b) For the general purposes of this Act, (other than Section 3) there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1976; $30,000,000 for the fiscal year ending September 30, 1977; and $40,000,000 for the fiscal year ending September 30, 1978, and such funds that are necessary to continue the program thereafter.

NUCLEAR WEAPONS PROLIFERATION

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, just before the July 4 recess, I introduced a resolution together with 88 other Members which would declare it to be the policy of the United States to renounce the first use of nuclear weapons. Recent statements by the administration have appeared to escalate this country's apparent willingness to make first use of nuclear weapons.

It is my strong conviction that our No. 1 international goal must be to try to avoid—at all costs—a nuclear holocaust. In that connection, an issue related to my weapons resolution involves the spreading of weapons-making nuclear technology.

The deals being negotiated between Germany and Brazil on the one hand, and between Canada and Argentina on the other, by which Brazil and Argentina will come into possession of nuclear equipment which may ultimately enable those nations to make and use nuclear weapons, are of great concern.

We should not forget that when Canada sold a nuclear reactor—for supposedly peaceful purposes—to India a few years ago no one thought that India would so quickly become a member of the "nuclear club" by testing an atomic bomb.

We are at a crucial juncture now, on the verge of seeing proliferation of weapons and weapons technology throughout the world. It is imperative that we act quickly to stop the spread of this terrible technology which contains the means to destroy mankind.

Therefore, I am introducing today a resolution that is almost identical to one introduced in the Senate on June 26 by Senator MONDALE and others. The resolution expresses an urgent sense of the House that the President should seek agreements with other suppliers of nuclear equipment and technology to suspend the transfer of nuclear fuel enrichment and reprocessing facilities to other nations, and calls on the President to seek to prevent any further transfer of nuclear equipment and technology to nations which have not ratified the Treaty on the Nonproliferation of Nuclear Weapons.

As David Lilienthal, the first chairman of the Atomic Energy Commission, put it in a June 20 New York Times article:

> The world should be made aware that any nation that sets out to extract plutonium from the ashes of an ostensibly innocent electric atomic reactor, is on its way to making bombs.

Text of the resolution follows:

H. RES. 579

Whereas the Senate of the United States ratified the Treaty on the Nonproliferation of Nuclear Weapons (NPT) in recognition of the devastation associated with a nuclear war and of the need to make every effort to avert the dangers of such a war;

Whereas the parties to the Treaty expressed a common belief that the proliferation of nuclear weapons would seriously increase the danger of nuclear war;

Whereas the United States and other parties to the Treaty pledged to accept specified safeguards regarding the transfer to non-nuclear weapons States of special nuclear materials and facilities for the processing, use, or production of such materials;

Whereas the proposed sales of nuclear enrichment and reprocessing plants to non-nuclear weapons States cast serious doubts on the scope and comprehensiveness of existing safeguards over the proliferation of nuclear weapons capability;

Whereas the House of Representatives of the United States is particularly concerned about the consequences of transactions that could lead to the production of plutonium and other special materials by non-nuclear weapons States;

Whereas the House believes that improved safeguards are urgently needed to prevent the theft or diversion of plutonium and other special nuclear materials to weapons manufacture: Now, therefore, be it

Resolved that it is the sense of the House of Representatives of the United States that the President should immediately seek, through the highest level, consultations with other suppliers of nuclear equipment and technology, an immediate suspension of the transfer of nuclear enrichment and reprocessing facilities and technology to permit time for the negotiation of an agreement regarding additional safeguards to substantially reduce the risk of diversion or theft of plutonium and other special nuclear materials to military or other uses that would jeopardize world peace and security: And be it further

Resolved that it is the sense of the House of Representatives that at the very least the President should, with utmost urgency, seek agreement from other nations capable of supplying nuclear equipment and technology not to transfer any such equipment or technology to nations which have not ratified the Treaty on the Nonproliferation of Nuclear Weapons.

INDIRA GANDHI: MAHATMA SHE IS NOT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, Indira Gandhi still maintains that there is democracy in India. Such an assertion insults the intelligence of anyone vaguely familiar with the situation. Mass arrests, press censorship, and repression of political opponents, even within the ruling Congress Party, are certainly not the cornerstones of a democracy. But one must really wonder if Indira Gandhi actually accepts the basic tenets of democratic government. Witness one of her recent statements:

> In India, democracy has given too much license to the people. Whether it were newspapers or opposition, they were trying to misuse it and weakening the nation's confidence.

Surely the Prime Minister of the "world's largest democracy" realizes that the test of a democracy comes when the strain is greatest. What little faith in the democratic process she must have.

Mrs. Gandhi has been grossly critical of the United States. Whatever our internal problems, our faith in the constitutional process showed itself and was vindicated by the investigation into Watergate and the resignation of Richard Nixon under threat of impeachment. On the other hand, hopes for a return to democracy in India are fading. The supreme court's decision on whether Indira Gandhi may remain in power is the next crucial step. If she is legitimized by the court, perhaps she will permit democracy to return until the next crisis. I have my doubts. But if the court rules against her, I fear that she will flout the decision as she has flouted all other democratic institutions.

Mr. Speaker, I voted to deny aid to India in the last session of Congress because I did not believe that we should continue to provide aid to a country while it spends millions on nuclear development. The case against aid to India is very much stronger now. Perhaps this Congress will reconsider aid to a country whose leader so flagrantly violates her espoused democratic principles. Such behavior labels her nothing less than a supreme hypocrite.

What many of us fail to remember is that Indira Gandhi is not Mahatma Gandhi; indeed she is not related at all to that martyr for democracy. She only bears a similar name, and by her actions has defiled that name.

DOD ESTABLISHES ADDITIONAL DISCHARGE REVIEW BOARDS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am pleased that the Defense Department announced today their plan for the establishment of additional discharge review boards to be effective November 1, 1975, and I commend them for this significant action to improve the appeal procedure for thousands of Vietnam-era veterans who have been discharged from the Armed Forces with nonpunitive, less-than-honorable discharges, and are applying to have them upgraded.

Under the existing system, servicemen who receive less than honorable discharges—except those resulting from general court martials—may file applications before the appropriate service's review board to have their discharges upgraded. At present, the boards are all located in Washington, D.C., which makes it extremely difficult for veterans from other parts of the country to plead their own cases. Regional review panels will make the procedure more accessible for veterans and hopefully will encourage more of them to apply for a discharge upgrading.

Senator George McGovern and I introduced companion legislation in 1973 calling for the establishment of regional review boards and again this year we are seeking these and other changes in review procedures.

I am delighted that one small measure which will alleviate great hardships and which should have been put into effect a long time ago will now be implemented by the first of November. There are so many more things that the Pentagon should be doing—changing the entire discharge ssytem, allowing the court review of denied veterans claims and changing their policy on the automatic discharge of homosexuals as for example the case of Sergeant Matlovich.

The four Army boards will be located at Port McPherson, Ga., Fort Benjamin Harrison, Ind., Fort Carson, Colo., and the Presidio of San Francisco; the three Navy boards will be at Great Lakes, Chicago, Ill., New Orleans, La., and Treasure Island, San Francisco, Calif. The Air Force boards will be located at the Veterans' Administration facilities in St. Louis, Mo., Houston, Tex., and San Francisco, Calif.

PRESIDENT FORD'S REMARKS AT FORT McHENRY IN BALTIMORE

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, the President of the United States led the Nation in observing the 199th birthday of our Nation last week by making a stirring and thought-provoking address at Fort McHenry in Baltimore.

In that historic setting, and at the twilight's last gleaming, he recalled the moment in 1814 when Francis Scott Key wrote the words that were to become our national anthem.

The President, however, looked not only to the past, but also to the future. "Our third century," he said, "should be an era of individual freedom."

That is a great goal, and if it is to come true, it will require a specific commitment by those of us in the Congress, as well as other leaders and the American people. For the great danger to individual freedom is massive government. As the President said:

> A Government too large and bureaucratic can stifle individual initiative by a frustrating statism.

I salute President Ford for his remarks, and urge my colleagues and all our citizens to follow his lead so that we may be sure that upon its 300 birthday America will still be the land of the free.

The President's remarks follow:

Remarks of the President at the Fifth Annual Our Country Celebration, Fort McHenry

Governor Mandel and Mrs. Mandel, Senator Beall and Mrs. Beall, Distinguished Members of the House of Representatives, Congressman Long, Congressman Gude, Congressman Holt, Congressman Bauman, Congressman Spellman, Congressman Sarbanes, Mayor Schaefer, our country's newest citizens, and all of you wonderful people from Baltimore and the great State of Maryland:

We meet here tonight at the twilight's last gleaming. The casement walls and the silent cannons of the Fort McHenry bear a very quiet testimony to the Nation's travail on another night in another age.

We all know that Francis Scott Key enshrined forever those events in 1814. The patriotism and the national pride surrounding our flag, our country, and their defense, that night our heritage, in a song and a verse.

The Star Spangled Banner is an expression of our love of country. We must not be so sophisticated, so blase that we ignore those simple but eloquent moments of our history.

We need to remind ourselves that America is really the land of the free and the home of the brave, and we should be proud of it.

We are honored, every one of us, by those who earlier this evening became our newest citizens, and we should give them a special round of applause right now.

They have chosen what is often taken for granted among many of us. The hallmark of our first century was the establishment of a free Government. In the face of the greatest odds, 13 poor struggling colonies became a fledgling nation.

Its future, in those dark days and weeks and months, was insecure and in the first 100 years the western movement accelerated, vast territories were acquired, States joined the Union and Constitutional issues were raised. Wars were fought, none more devastating than the one that turned American against American.

Yet, through that horrible ordeal, it was resolved that this Nation would not endure half slave and half free. The Union was preserved.

By our Centennial in 1876, the American Republic had been securely established. Of this, there was no doubt, either at home or abroad.

Our second century has been marked by the growth of the great American free enterprise system. The pioneer spirit which carried us West turned us to new frontiers. Railroads spanned the Continent and became a web of steel linking city to city, region to region, town to town.

The automobile and its assembly line changed forever transportation and our manufacturing process in America. The Wright brothers mastered powered flight at Kitty Hawk. The age of flight was born.

From the first Atlantic crossing by the lone eagle, Charles Lindbergh, to the American astronauts who announced that the Eagle had landed, when touchdown on the moon, America's latest ship was again established.

The telegram. The telephone. The television. All are a great part of the communications revolution of our second century. Science, medicine, agriculture, production, marketing, these have been just a few of the modern frontiers since 1876.

But now our third century, I believe, should be an era of individual freedom. The mass approach of the modern world places a premium on creativity and individuality.

We see mass production, mass education, mass population. They must not smother individual expression or limit individual opportunity. Individualism is a safeguard against the sameness of society. A Government too large and bureaucratic can stifle individual initiative by a frustrating statism.

In America, and never forget it, our sovereign is the citizen. Our sovereign is the citizen, and we must never forget it.

Governments exist to serve people. The State is the creature of the populus. These propositions are the foundationstones of our

Bicentennial. Today, in the 199 years of our independence, we stand on the threshold of a new American experience.

Let us make the coming year a great year on America's agenda of achievement. As we move to the Bicentennial of American independence, let us think where we will be and what we can achieve by next July 4, by the next decade, by the 200th anniversary of our Constitution and by the year 2000.

Let us resolve that this shall be an era of hope rather than despair. Let us resolve that it shall be an era of achievement rather than apathy. Let us resolve that it shall be a time of promises rather than regret.

The Bicentennial should be a time for each of us for self-examination and individual accomplishment. Quality and permanence should be the measurement of your life and my life and the life of 214 other million Americans in 50 States and our territories.

Let us pursue truths and values that will enhance the quality of life, of you and your fellow Americans. To form a more perfect Union—and that is what we want—we need to learn more of our country and more of our good people.

Americans must appreciate the diversity of our lands and the diversity of our citizens. There is a quotation that I learned in my early days in Sunday school that the beauty of Joseph's coat is its many colors, and that is the strength of America.

Boundaries of regionalism and urbanization must dissolve before our will to be one Nation and one people. In the coming year, the Bicentennial must become a true national experience. The American Revolution and its legacy belong to each of the States and our far-flung territories. It belongs to every county, to every city, to every church, to every club and to each and every American citizen.

At every school where the American flag flies, it is my hope that there will be, in the coming year, a concentrated effort in the classroom to study, discuss and portray these past 200 years of our history.

I would urge that every community seek to make its program as meaningful as possible to as many as possible—old, young, in every walk of life.

This should stress the history, culture and the achievements and the basic values that are so important that we associate with our way of life.

Yes, the ideas that were forged and fought for in the 13 colonies crossed the Appalachians. They followed the wagons and rode with the Pony Express. They crossed the Mississippi and the Missouri, spanned the plains and the American desert.

They belong as much to the West as they belonged to the East, wherever the American flag has gone.

So went the concepts of this great Republic. American Clipper ships that probably sailed in part from this great Baltimore harbor, took the story of America to the far corners of the earth with pride and with success. American jet liners carry it every day across the skies to distant lands. Indeed, this event does not belong just to Americans. This is a celebration of liberty, freedom, democracy, wherever they exist, and we want them to exist on a global basis at some time in the world's history.

While we cherish the many heritages that enrich our land, we of all people, have no history except what we have written for ourselves. We are not Americans alone, by birth or blood, by oath or creed or compact among princes. We are Americans because we deliberately chose to be one nation, indivisible, and for 199 years, with God's help, we have gone forward together, and we will in the future.

Two centuries of sacrifice and struggle, of conflict and compromise, have gained for us an unprecedented measure of political and economic independence.

We have, on this Independence Day of 1975, a free government that checks and balances its own excesses, and a free economic system that corrects its own errors, given the courage and the constructive cooperation of a free and enlightened citizenry. This is the amazing history Americans have written for themselves, you and your forefathers, as we begin our bicentennial celebration.

The Young Republic of yesteryear is today a strong and very great Nation. It is. It still lives the values of the Declaration, the Constitution, and the Bill of Rights. It influences the destiny of millions beyond our shores. It still remains, in Lincoln's words, "The last, best hope of earth."

Let us, this fourth of July, continue to be a nation of hope. The American people believe in Tomorrow—that by dawn's early light our flag will still be there. Let us be one nation and one people indivisible, for our flag is one and our destiny is one. Let us be people of values, of liberty, equality and justice, no matter what the cost. That has been our history and we are proud of it. We have never counted the cost of freedom and I don't think America ever will.

Let us in the final analysis be true to ourselves for then we can be false to no nation or to no people, and let us live, not only for our own progress, but also in harmony and hope for all other men, women and children everywhere in this great globe. In so doing the United States and its people serve and honor the promise of Francis Scott Key's words: "land of the free, and home of the brave."

Thank you and good night.

OSHA—UNNECESSARY GOVERNMENT PROFIT MAKER?

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, in reviewing the President's Report on Occupational Safety and Health I was struck by the section outlining violations, citations, and penalties under the Occupational Safety and Health Act of 1970. The workingman must have protection on the job, but everytime the Federal Government begins to regulate, they go overboard. In the case of OSHA, the intent was to give protection to the workingman—not to make money from fines. OSHA has saddled the small businessman with additional penalties to the point where OSHA seems to be attempting to show a profit. For the information of my colleagues, I wish to include the following section from the President's Report:

Violations, Citations, and Proposed Penalties

The 67,153 inspections, conducted in 1973, alleged 224,786 violations—3,223 of them serious—resulting in 43,099 citations, proposing a total of $6,341,590 in penalties. Of that amount $4,559,759 has been remitted to the Treasury. The balance represents funds not collected, plus penalties in cases appealed to the independent Occupational Safety and Health Review Commission and penalties reduced or vacated by the Review Commission. Penalties not collected by the area or regional director within the established time frames are referred to the regional solicitor for further attempts at collection without resorting to litigation. If this course of action fails, the regional solicitor decides on the appropriate means by which collection can be achieved.

Since April 1971, OSHA has conducted 117,745 inspections, resulting in 76,533 citations alleging 386,060 violations, with proposed penalties totaling $10,118,451. Of that amount, $7,225,597 has been remitted.

Of the 43,099 citations issued in 1973, 1,566 or 3.6 percent, were appealed to the Review Commission.

BILKING THE FHA—WAY OF LIFE TO SOME MORTGAGE FIRMS

(Mr. MURPHY of Illinois asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MURPHY of Illinois. Mr. Speaker, I included in the June 23 Record the first two articles in a Chicago Tribune series about HUD and FHA inefficiencies, mismanagement, and waste. Reporters George Bliss and Chuck Neubauer spent 7 months making some sense out of a situation whose complexity boggles the mind. They outlined the parties involved and concluded that a serious dimension of the problem is that no mortgage company, HUD official, or community organization claims responsibility for the program's obvious failures.

These reporters investigated the problems associated with mortgage companies located hundreds of miles away from their properties. They leveled a disturbing charge of a "sleeping bed relationship between HUD and the mortgage companies." They quoted HUD and FHA officials who said they failed to exercise their given authority to punish unscrupulous mortgage companies which ignore HUD regulations.

We have all heard about the damage to homes abandoned after foreclosure but these reporters' eyewitness accounts of plumbing fixtures ripped out, collapsed walls, boarded-up windows, and fire damage help us to understand the blind panic of the neighbors forced to live with these conditions.

The mistakes, fraud, and neglect are not restricted to the city limits of Chicago, however. The reporters uncovered the same problems on a smaller scale in downstate Illinois.

I commend the June 24, 25, and 26 articles to my colleagues and trust they will give them thoughtful attention and evaluation:

[From the Chicago Tribune, June 24, 1975]

Bilking the FHA—Way of Life to Some Mortgage Firms

For the last seven years, unscrupulous businessmen in this country have been making millions of dollars in federally insured mortgages with virtually no risk to their own pocketbooks.

All they have had to do is lie, cheat, commit forgery and fraud, and misrepresent themselves to the Federal Housing Authority and the Department of Housing and Urban Development.

It is done every day by numerous real estate dealers, developers, and mortgage companies that have been taking advantage of programs set up to provide cheap housing for low and moderate-income families.

They haven't had to worry about getting caught; FHA and HUD have been too busy shuffling paper to check up on them.

HUD and FHA administration of the programs, authorized by the 1968 National Housing Act, has resulted in the waste of 4 billion tax dollars so far.

The tax money has been used to finance the destruction of tens of thousands of good houses and the decay of hundreds of once stable, attractive neighborhoods.

It is a hidden disaster that has wreaked havoc across the nation but reaped rich benefits for unscrupulous businessmen. The government, the tax payers, and low-income families are the main victims.

"It's like doing business in heaven, you can't lose money," said John Waner, director of HUD and FHA in the Chicago area and an outspoken critic of HUD's handling of the Housing Act programs.

Tribune reporters who spent seven months investigating the scandal found that while Congress passed the Housing Act to benefit the poor, HUD and FHA have administered the act mostly to benefit real estate and mortgage companies.

The reporters examined thousands of documents never before made public and talked to scores of public and private housing officials and concerned community groups. They found that HUD and FHA officials in Washington have taken a "hands off" policy in disciplining businessmen, particularly in mortgage companies, who have violated guidelines set up by the Housing Act.

The lying and cheating are present at each step of the process set up by the Washington HUD and FHA bureaucracy.

It starts with allowing ineligible home buyers to purchase houses thru the federally subsidized programs and ends in mortgage companies getting paid for criminally destroyed housing they were responsible for protecting.

Tribune reporters found that many real estate operators and mortgage companies actively seek out potential home buyers they know will not be able to handle mortgage payments.

The practice allows the mortgage companies to make a quick profit—as much as 14 per cent a year—by recovering the home a year or two after it is sold and collecting the full value of the building from FHA insurance, plus interest and mortgage closing costs.

Working with investigators of the Citizens Action Program, a Chicago community activist group fighting the housing scandal, Tribune reporters found a mortgage company executive willing to talk about how the "system" works.

A respected businessman in his community, he agreed to talk only with the assurance his name would not be revealed, fearing that the publicity could damage his business interests that have no connection with the government.

When a real estate broker takes a prospective home buyer to an unscrupulous mortgage company and it is found the buyer isn't financially stable, records are often falsified to show that he is, the banker said.

"I can say you work at a South Side restaurant, and nobody ever checks," he said. "Often the mortgage banker can get someone who is self-employed, like a hardware store owner, to say that the potential buyer works there."

When the FHA on rare occasions asks for W-2 forms from income tax returns to verify records, these are faked, he said.

From the government's and the reformers' point of view, the banker said, "the problem lies with the fact that the mortgage company does not feel any responsibility for the bad ones [the poor-risk homebuyers], because the company gets paid by the FHA whether or not the buyer defaults.

"You don't care whether the loans stay on the book or not. You have to understand the position the mortgage banker is in. If I tell a real estate broker 'no' on a buyer, he'll go to somebody else who will put the loan thru. We are always getting pressure to put loans thru."

Community groups such as CAP have been trying to force HUD and FHA officials to crack down on such practices and take more care of reviewing mortgage applicants.

"What is unusual about all this is to have FHA make any attempt at verification of the financial background of an applicant," CAP officials said.

"It is done very seldom. Usually the real estate dealers and bankers don't worry because the fraud is cleverly done and hard to detect. All they want is a body in the home so they can insure the home with FHA."

When a family is evicted or abandons a house, the unscrupulous mortgage companies begin a whole new charade with HUD and FHA regulations.

Under HUD and FHA guidelines set up by the Housing Act, mortgage companies are supposed to "preserve and protect" foreclosed homes in their possession while they wait to collect their FHA insurance, a procedure which takes at least a year under Illinois laws.

The guidelines call for them to secure doors and windows in the vacant homes, drain the plumbing to prevent bursting pipes, cut lawns, and remove all refuse.

The Tribune found countless homes for which mortgage companies were paid hundreds of dollars in maintenance fees, tho the companies did little or no maintenance work.

A. L. Grootemaat & Sons, a Milwaukee mortgage company, foreclosed on a home at 4138 W. Maypole Av. in Chicago when the occupant failed on his payments. After the foreclosure the Grootemaat firm charged FHA $1,491.41 for "total maintenance after fire loss."

After the mortgage company was paid and the home was transferred to FHA possession, the local FHA office sent an inspector to assess the house.

His report, which revealed that the FHA received little in the way of maintenance for the $1,491.41, said:

"Lawn, no care in many months. Hazardous conditions, evidence of fire in back-basement, open, littered, old furniture, refrigerator, etc. Unsafe structure: Can't be salvaged."

The house was later demolished, tho the maintenance charge paid to the Milwaukee firm wasn't challenged.

The oversight, inaction, and seeming indifference on the part of HUD and FHA in Washington has been, ultimately, the reason for the $4 billion in wasted tax dollars.

There are provisions written into the Housing Act to enforce regulation, but HUD and FHA rarely, if ever, use them.

"The regulators [at HUD and FHA] are scared of the people they regulate," the mortgage banker told reporters, "because there is a sleeping bed relationship between HUD and the mortgage companies.

"The mortgage industry is a source of good jobs for people when they leave HUD, and HUD employes are not about to attack a potential job source."

Even high-ranking HUD and FHA officials admit they have the power to punish unsavory mortgage companies for not following regulations.

"HUD always has the ultimate sanction of cutting off a mortgage company's insurance if they are not meeting guidelines," said Fred Pfaender, director of HUD's Office of Loan Management and an author of HUD guidelines.

But of the 35,000 mortgage companies licensed to do business with HUD, only 18 have been debarred by HUD since 1968. In most cases, HUD acted only after law enforcement agencies charged the firm.

"HUD has the right to decide who it wants to do business with," said Leonard Giblin, president of the Chicago Mortgage Bankers Association.

"They don't use the power to suspend a mortgage company as often as they should."

A study of the Mortgage Bankers Association of America charged, "The very disorganization, fragmentation, and confusion of HUD makes it difficult for the department to focus on the gravity, urgency, and organizational nature of its problems and inefficiencies."

High Washington HUD officials don't deny there are problems in their agency, but insist that most of the problems are beyond their power to change.

In the case of poor protection provided by mortgage companies on foreclosed homes, they say it is a "local problem" to be dealt with locally, even though Washington has denied its local officers power to act.

"It would be hard to prove who did the damage—the mortgager, the mortgagee, or vandals," said H. R. Crawford, a HUD assistant secretary.

"The homes should be inspected before we take title," said Fred Pfaender. "But with our limited staff, we have to look at the million-dollar projects first. It is a matter of where you set your priorities."

But there is ample evidence that even when HUD concentrates its energies on policing big projects instead of single-family home programs it gets into trouble.

The House Committee on Government Operations discovered that HUD approved a loan for a $36-million St. Louis apartment project which, even with 100 per cent occupancy, would lose $500,000 a year.

HUD never realized this until congressional investigators studied the project.

In Long Beach, Cal., HUD sold an apartment project that was in arrears for $7.5 million for $4.1 million.

In Dallas HUD accepted a developer's price of $311,500 for a parcel of land the developer's son in law had purchased only a few hours earlier for $143,000.

If all that was wasted by mismanagement was the $4 billion, the problem would be bad enough. But along with the wasted money goes the disillusionment of home buyers who lost their homes and the terror of neighborhood residents who watch their own property values plummet as the FHA-insured homes disintegrate.

Several years ago a developer put up a series of townhouses in the 300 block of West 105th Place and 106th Street in Chicago. Attractive from the outside, the townhouses seemed at first a welcome addition to the neighborhood.

But soon after the low-income families moved into the new $24,000 homes, they began to complain of shoddy construction.

Wind, rain, and snow blew under huge cracks left in door jambs and between window sills, they said. Storm water backed up into the basements.

Toilet water backed up into washbasins and bathtubs through faulty plumbing systems, residents complained. Thieves crept through first-floor windows that had no locks.

It didn't take long for the residents to become disillusioned, stop their payments, and move away.

When the houses became vacant, neighborhood toughs started using them as hangouts and party sites. Fires were started in some houses, and an explosion ripped out the back of another, shattering windows throughout the neighborhood.

Tribune reporters found most of the homes destroyed, with plumbing ripped out, interior walls smashed, fixtures stolen, basements flooded, and wrecked furniture strewn about.

Typical of the houses was one at 352 W. 106th St., where an FHA inspector reported:

"The house was not originally boarded when we got it. There was 18 inches of water in the basement, holes in the upstairs walls and ceiling. Not worth repairing. You would need all new electrical and plumbing fixtures."

In less than five years the house that had been a dream fulfilled for a low-income family and an asset to the neighborhood became a bitter example of HUD and FHA misadministration.

In addition to the developer and real estate agent, Crawford Savings & Loan Association, 6400 S. Pulaski Rd., benefited from the townhouse, having issued the original mortgage when it was constructed.

FHA in Washington already has reimbursed Crawford for unpaid expenses and the balance of the mortgage, amounting to $24,538.66.

Ronald Mitera, collection officer for Crawford, accused the FHA of "passing the buck" concerning damage in the vacated homes under the company's jurisdiction. Mitera said his company carefully follows guidelines in maintaining and protecting the properties.

He added that the company has consistently run into problems with "the neighborhood." Gangs tear down the boardings of vacant houses the day after they are put up, he said, and the company employs a man full-time to maintain vacated FHA homes.

Distance Makes Home Decay Easy

Worthon Bank & Trust Co. of Little Rock, Ark., is 650 miles from Chicago, and what remains of a house it mortgaged is at 324 W. 48th Pl.

Five years ago, when the house was sound and intact, a family moved in with a loan from the Worthon Bank insured by the Federal Housing Authority.

The family defaulted on payments and moved out, and the bank applied to collect its federal mortgage insurance. While the bank waited for its money it hired L. E. Lay & Co., also of Little Rock, to clean up the house and protect it from decay and destruction.

Nobody from L. E. Lay or the bank ever traveled the 650 miles from Little Rock to see that the protective work was done. Instead the Lay company contacted its Chicago agent, Ronald Bryant, to look after the house.

Bryant apparently never got to the house either.

That is not hard to understand because Bryant, Lay's only employe in the area, estimates he has to handle foreclosures, maintenance, protection, and mortgage collection for 1,300 to 1,500 homes around Chicago.

He is so busy trying to keep up with all those houses, he said, that he really isn't sure when a house becomes vacant.

His erratic system of checking for empty houses hadn't worked in the case of the 48th Place home. Vandals had got to it before he did.

One room was burned out, the interior walls had collapsed to the floor, and the house was full of debris.

It didn't matter to the federal government. FHA officials in Washington sent Worthon Bank a $23,580.41 check for the house.

Such long-distance business dealings are common in the $4-billion federal housing scandal Tribune reporters have been investigating for seven months.

The reporters found dozens of cases in which mortgage companies handled sales of houses that were hundreds and even thousands of miles away without having the resources to maintain or protect the properties.

The FHA's policy of allowing such long-distance supervision has been a major factor in the wreckage of hundreds of homes, said William M. Miller, an FHA division director in Chicago.

Guidelines set up by the 1968 National Housing Act forbids the practice, Miller said, but FHA and the Department of Housing and urban Development officials in Washington refuse to enforce them.

George Lefcoe, a University of California law professor who conducted a two-year study on federally insured housing mortgages, found instances of Philadelphia firms being hired to service FHA houses in California.

Lefcoe said he found evidence that HUD and FHA officials in Washington blocked attempts by their own employes to stop the practice.

A blue-ribbon commission appointed by Gov. Walker to investigate federal housing program in Illinois attacked mortgage companies that do business in the state but do not "maintain servicing offices within a reasonable distance of their borrowers."

The Commission said this practice works a hardship on borrowers who cannot keep up with payments or maintain the homes, and leads to their abandonment and destruction.

Part of the problem is that the Federal National Mortgage Association, a quasi-governmental corporation, works to the advantage of the mortgage companies instead of home owners and taxpayers, the commission said.

FNMA buys up federally insured mortgages of homes from mortgage companies, then appoints the same companies to service the mortgage and protect the houses from damage by vandals and decay—even tho the firms may be hundreds of miles from the properties.

Therefore, much of the blame for the poor administration of FHA-insured housing programs must fall on FNMA, the Walker commission said.

The same sort of geography lesson was taught to the Greater Roseland Community Organization earlier this year when it tried to track down mortgage companies owning abandoned buildings in its area.

Last March the community organization asked Miller to find out who was responsible for an abandoned home at 313 W. 116th St.

Miller said he found that the house was being handled by Associated Mortgage Corp. of Washington, D.C., 700 miles away. He tried to call a Chicago office of Associated Mortgage, but only got an answering service operator who said the corporation's Chicago representative hadn't been in town for weeks.

Calling Associated Mortgage headquarters in Washington, he was told by a company official that they had hired another firm to protect and clean up the house—a company in Cleveland, 350 miles from Chicago.

"If I could not get thru to the mortgage company," said Miller—a frequent critic of his own agency—"think about the poor, unsophisticated home buyer who wants extra time to make his loan payment; or the neighbor who wants an abandoned house next door boarded up."

The Greater Roseland group has had a good deal of experience with out-of-town and out-of-state companies dealing in its neighborhoods' housing.

Recently it intervened for a group of angry residents trying to find a mortgage company that owned a decaying vacant home at 11624 S. May St.

The community organization finally tracked down the company that owned the mortgage, Citizens Mortgage Co. of Southfield, Mich. A spokesman at the Citizens mortgage branch office at 9730 S. Western Av. told The Tribune he had no knowledge of the May Street house.

By the time Citizens Mortgage did learn of the vacancy, it was too late. Tribune reporters found the front door wide open, rain pouring thru broken windows, warped floors, collapsed walls, and rooms full of debris.

[From the Chicago Tribune, June 25, 1975]

Loan Firms Reap Windfall on Fire-Ravaged Housing

Mortgage companies have been collecting hundreds of thousands of dollars in mortgage insurance on burned-out houses in Chicago that they have turned over to the government after certifying them "undamaged by fire."

Tribune reporters investigating the federal housing scandal used Chicago Fire Department records to accumulate evidence against the mortgage company claims.

The fire department records showed fires had damaged or destroyed houses in possession of the mortgage companies months and sometimes years before the companies inaccurately certified them as having no fire damage.

One congressional investigator called the records uncovered by The Tribune the most solid evidence ever produced to show how the mortgage companies have ignored federal guidelines on protecting the insured housing.

Fire damage has contributed heavily to the $4 billion wasted in the last seven years by mortgage insurance programs set up by the 1968 National Housing Act.

Bungled administration by the Department of Housing and Urban Development and the Federal Housing Administration has allowed the destruction of tens of thousands of homes the Housing Act provided for low-income families.

Tribune reporters who have been investigating the housing scandal for the last seven months inspected hundreds of destroyed homes turned over to the FHA after mortgage companies collected FHA mortgage insurance.

Curious about the number of houses that had been destroyed or heavily damaged by fire, the reporters found that many fires took place during the time mortgage companies were responsible for protecting the homes.

The fire department records indicated that the mortgage companies had not followed FHA regulations by periodically inspecting the houses and by maintaining and protecting them from vandals.

United Savings & Loan Association, 4242 N. Harlem Av., for example, adamantly disavowed any responsibility for fire damage done to an FHA-insured house at 522 N. St. Louis Av.

Last Oct. 25, United collected FHA insurance on the two-flat after turning it over to FHA. United had filed a report on Dec. 3, 1974, saying the two-flat was "undamaged by fire." Fire Department records told an entirely different story.

Tribune reporters who inspected the building found fires had charred all the interior walls of the house. The building was wide open, the walls in the upstairs apartment had been ripped down, the second-floor porch had collapsed, and the garage had fallen down.

Reporters found a report of a fire in the garage on Sept. 25, 1973, a year and a month before United turned over the property to FHA. On Dec. 5, 1973, 10 months before United gave up the house, somebody set the building on fire.

On Oct. 7, 1974, 18 days before United gave up the house, a fire of unknown origin burned one of the building's bedrooms. On Oct. 10, 1974, 15 days before the house went to FHA, vandals started a basement fire.

All told, The Tribune found documented proof of four fires in the house.

A Unity spokesman checking thru his company's records found that Unity discovered on Oct. 25 that the house had been completely vandalized and burned. "Burned enough to make it not reasonable to repair," the Unity report said.

The company spokesman told The Tribune he didn't know why the company had certified the building as undamaged by fire.

It wasn't the only house in which reporters found contradictions between Unity reports and fire department records.

At 2038 N. Wabansia Av., reporters found one of the most severely damaged houses they inspected thruout their seven-month investigation.

The garage had been burned to a shell. The floors of the two-flat were buckled several inches and littered with tree branches dragged in from the backyard.

Vandals found easy entrance thru an open back door, had smashed the house's windows, and painted graffiti on the interior walls.

The house's plumbing had not been winterized, and as a result the frozen pipes had burst.

Unity collected $12,339 in FHA insurance on the building and turned it over to FHA on Oct. 25, 1974, with a notation that the property was undamaged by fire.

Fire department records showed that fire had damaged the property on April 29, 1974, six months before the FHA took over the house.

Again, a Unity spokesman said he couldn't explain why the reports didn't show this home had had a fire. The company records showed that the house had been vandalized and used as a headquarters for a street gang.

Mortgage Associates Inc., a Milwaukee firm, collected $20,793.82 from FHA insurance for a house at 3235 W. Division St., turning the property over to FHA on June 10, 1974. It was certified as having no fire damage.

Almost a year earlier, on June 29, 1973, fire department records showed that fire caused by suspected arson had started in the kitchen and had done considerable damage to the building.

An FHA inspector who visited the house after Mortgage Associates turned the house over to the government found the condition of the building to be:

"Very bad. Should be demolished. A hazard to neighbors. Water not shut off or drained, water damage thruout the building. All radiators, bathroom and kitchen fixtures missing. Cement stoop falling. House boarded with cardboard-like material. Garbage fire, one wall out, filled with bedsprings, rags, timber, and tires."

Mortgage Associates did concede that a house on which it held an FHA mortgage at 6735 S. Elizabeth St. had suffered fire damage.

What the mortgage company didn't say was that it had left the burned out heavily damaged building untouched for more than 18 months after the fire took place on March 6, 1973.

During that time the house presented a dangerous hazard to children attending St. Brendan's Catholic School next door.

The Rev. Robert Burns pastor of St. Brendan's, said he and neighbors tried for months to have the house demolished or boarded up.

When an FHA inspector went to see the building with keys supplied by Mortgage Associates, he found the keys were unnecessary because the house was a burned-out hulk.

"There were bedsprings visible inside the house, along with rags and other junk," the inspector said. "They never cleaned the place. The house is an open sore."

Mortgage Associates was paid $309 for screening and securing the home, then later $900 for having the house torn down, and another $112 for securing the demolition site.

Father Burns said the house next door to the school was not the only FHA-insured wreck in the neighborhood. In the last seven years, he said, the entire community—once a model, middle-class city neighborhood—had become dotted with open, abandoned, and wrecked houses.

Tribune reporters found dozens of instances where mortgage company claims about the condition of the houses they were turning in to FHA were at odds with fire department records. Among them were:

A house at 5218 S. Carpenter St., turned over to FHA on Oct. 22, 1974, by Percy Wilson Mortgage & Finance Co., 221 N. La Salle St., as undamaged by fire. Fire department records showed the house was gutted by fire on Feb. 22, 1974. Tribune reporters found no interior walls left, the back of the building burned out, and fire holes in the roof.

Richard Thoreson, assistant vice president and servicing manager for Percy Wilson, told The Tribune his company's records didn't show any fire damage on the house at the time it was turned over to FHA.

A house at 3011 W. Diversey Av., that cost the taxpayers $23,226 paid in FHA insurance to Percy Wilson, which turned the house over to the government on Sept. 2, 1974, certified as undamaged by fire. Fire department records showed a fire in the house on June 30, 1974. The building's garage, which had been heavily damaged by the fire, had collapsed to the ground, and the rest of the house was wide open for vandals.

Again, Thoreson said the company records did not show that a fire had damaged the house.

A house at 7339 S. Hoyne Av., which Bell Federal Savings & Loan certified as undamaged by fire, while fire department records showed it had burned on July 4, 1974, and on July 22, 1974. Bell officials later admitted to The Tribune that the house was so badly damaged they had it torn down, even tho they had told FHA there was no fire damage.

WHO'S RESPONSIBLE? AGENCIES, LOAN FIRMS PASS THE BUCK

Officials of the Federal Housing Administration and the Department of Housing and Urban Development are in a finger-pointing debate with mortgage companies, each blaming the other for the $4 billion federally insured housing disaster.

The mortgage companies maintain it is ridiculous that they would purposely allow FHA-insured homes in their possession to be wrecked by vandals and decayed by weather.

"Our money is involved; so we protect the property in every way that we can," said Saul Bass, president of Unity Savings & Loan Association, one of the largest FHA home mortgagers in Chicago.

Edmund Frank, vice president of administration at Unity, said the mortgage company doesn't deny that a large percentage of the FHA-insured homes have been wrecked by vandals and weather.

The damage done in FHA homes in possession of Unity, Frank said, is usually done either before Unity gets the home or after it turns the house over to FHA.

Bass attacked FHA's policy of demanding property be vacant by the time it gets the house.

"Vacant properties are preyed upon by unscrupulous persons who literally strip the property," Bass said, "thereby decreasing its value prior to conveyance to FHA.

"We cannot understand why the FHA insists upon vacancy, knowing that vacancies contribute to its obtaining property worth $2,000 or $3,000 less than it would have been worth . . . if the property were still occupied."

Tribune reporters found Bass' and Frank's criticism of FHA and HUD typical of the feelings in the mortgage industry.

Local FHA and HUD officials, however, charge that the companies successfully hide damaged houses from the government until after the FHA insurance is paid.

Richard Ice, property manager for the Chicago FHA office, said his investigation found many mortgage companies were not following FHA and HUD regulations.

The companies, Ice said, are supposed to notify the local FHA offices when they are turning over a house to FHA at the same time they notify the Washington office, which pays off the mortgage insurance.

"They [the mortgage companies] deliberately stall sending conveyance reports to the district office until they get their money from Washington," Ice charged, "and then it's too late to do anything about a wrecked house."

"Our investigation found that most of the homes suffered extensive damage because there is little or, sometimes, no effort by the [mortgage companies] to service them as required under HUD-FHA guidelines."

Investigating Ice's charges, Tribune reporters began to inspect houses the same day they were turned over by the mortgage companies to the local FHA office.

One such house at 5150 S. Union Av. had been purchased thru a mortgage from Unity Savings & Loan.

The reporters found the back door of the two-story frame building wide open. The house was filled with litter, the yard was overgrown with weeds and filled with debris, and vandals had knocked down some of the interior walls.

FHA documents showed that Unity Savings & Loan had notified it was giving up the house to collect FHA insurance on Feb. 11 but had waited until March 12, a month later, to tell the Chicago office.

Curt Hytinen, foreclosure manager for Mortgage Associates of Milwaukee, another mortgage company doing large volume business in FHA-insured homes in Chicago, also was critical of FHA procedures.

Hytinen said his company makes periodic inspections on foreclosed FHA homes it is handling and makes spot checks every 60 days on the houses to see if they are abandoned.

Often, Hytinen said, when his company, or independent servicers it hires, arrives to secure and protect an abandoned home, they find the house already has been vandalized and wrecked. When they board up a home, they sometimes return to find that vandals have broken thru, wrecked the house, and stolen fixtures.

Hytinen said FHA will often delay by several days or weeks sending its own inspectors to a home once it is in FHA possession, and the damage done in the intervening time is blamed on the mortgage company.

Ice denied Hytinen's charge, insisting his inspectors are at the homes as soon as they are notified by the mortgage company that the homes are coming into FHA possession.

Using a notification report from Mortgage Associates, reporters inspected a house at 1616 No. Paulina St., the same day it was received by Ice's office.

The front door was wide open. Cardboard that was used to board a basement window had been ripped away. The yard showed no signs of having been cleaned. A basement door also was open, and reporters found a broken pipe pouring water on the floor.

Leonard Giblin, vice president of Great Lakes Mortgage Corp. and president of the Chicago Mortgage Bankers Association, said FHA and HUD have not worked closely enough with mortgage companies in the past.

Great Lakes Mortgage, he said, usually hires an independent firm to protect its vacant FHA properties, and until recently FHA had not bothered telling his company the independent firms weren't doing their job.

The first time his company discovered some of the houses weren't being cared for, Giblin said, was in stories published by The Chicago Tribune late last year.

"We first found out about the bad condition of some homes that were being turned over to FHA on the front pages," he said. "Waner [John Waner, FHA and HUD district director for the Chicago area] had never said anything to us about the problem.

"We put in new controls and found that 20 per cent of the homes were not correctly done after our contractors had worked on them."

Giblin, too, said that it is virtually impossible to protect an abandoned house in inner city neighborhoods.

"Since the 1930s HUD has had a rule that all properties must be turned over to them vacant," he said. "This was all right when FHA was insuring loans in the suburbs but not when we got into the inner city."

If FHA allowed foreclosed houses in inner city communities to be occupied, the destruction caused by vandalism would stop," Giblin said.

"The life expectancy of a home in the inner city is not very long. We can't keep pouring taxpayer money down the drain," he said. "It is too expensive to try to keep the property in the condition it would be in if the houses were occupied."

Carl Collina, a Chicago housing manager for FHA, disputes Giblin's inner-city theory.

Collina said he has kept close tabs on foreclosed FHA houses in his South Side district, taking pictures inside and out to make sure the homes are maintained and protected properly by the mortgage companies.

"They said it's impossible to protect a vacant home in bad neighborhoods," Collina said. "Well, of the 224 homes I boarded up and maintained after conveyance, only two were vandalized. I went back and reboarded them so that the damage wouldn't be extensive."

HUD and FHA officials both on the local and national level admit their administration is poorly prepared and trained to keep closer controls on the mortgage companies they do business with.

"Too many bureaucrats have looked at things thru rose-colored glasses," H. R. Crawford, an assistant secretary of HUD, said in Chicago last March.

"I've seen some things that are unbelievable. . . . Government is the only place where somebody [apparently] can make a million dollar mistake and get a promotion the next day.

"There's been limited monitoring of management [by HUD] and in some instances no management at all. In the past we emphasized production, full speed ahead, and to hell with management. Too often the feeling is that government has deemphasized management."

HUD's bookkeeping in its mortgage insurance programs has been so bad a congressional investigating committee found 9,000 FHA homes worth $100 million that had been demolished without HUD's even knowing of their existence.

HUD officials in Washington, using their own inventory records, estimate $8,000 in tax money is lost on each FHA's foreclosed home.

The congressional committee found those figures to be suspect, reporting: "On FHA homes that are demolished, HUD is probably losing in the neighborhood of $12,000 to $15,000 per house."

Inspectors Lose Cool in Describing Wrecked Homes

When a mortgage company turns over a foreclosed house to the Federal Housing Authority after collecting its mortgage insurance, a federal inspector is sent to the building to make an assessment of what the taxpayers have paid for.

The inspectors have seen some shocking destruction to the vacant homes while they were in the hands of the mortgage companies.

The inspectors often departed from their usual dry, bureaucratic, form-filling language when filing reports on the houses they inspected, reflecting their personal reaction to the vandalism and waste.

The following are a few of the reports in the inspectors' own words.

The "on the site" inspection reports have never been made public before despite demands of civic and other groups. Tribune reporters obtained copies of reports from sources in the FHA local offices.

The firms named in the reports are the companies that were supposed to provide the protective services, not necessarily the lenders who hold the mortgage.

House at 8809 Burley Av., Chicago, handled by Mortgage Associates Inc. of Milwaukee. "We should not accept this back from mortgage company in this shape. Should be demolished right away. This house could burn up at any time. House looks like it could fall in—has been completely stripped of everything. Rear yard, weeds five feet high. There is no plumbing, all gone. There are no electric fixtures, all gone."

House at 5659 S. Throop St., mortgaged by Bell Federal Savings & Loan Association. "Mortgage company used two table tops on windows [for boarding purposes], also on some windows used pressed paper and only three sides of building secured. Garbage in house. Basement stairs gone, if not for flashlight could have fallen in basement."

House at 11361 S. Morgan St., Percy Wilson Mortgage and Finance Corp. "House is littered with junk, furniture, cabinets, freezer, washing machine, mattress, dead cat, bugs. Open windows. I had to clean it out for sanitary reasons. Home never boarded, pipes not drained and water not shut off. Vandalized because it was wide open. High weeds surround the house."

House at 3235 W. Division St., Mortgage Associates. "Very bad—should be demolished, a hazard to neighbors. Water not shut off or drained—thruout building water damage. All radiators, bathroom and kitchen fixtures missing. Garage full of debris. A junk refrigerator in backyard. House boarded with cardboard-like material. Garage fire—one wall out, bedsprings, rags, lumber, and tire in garage."

House at 5501 Cleveland St., McHenry, Mortgage Associates. "Dead cat in middle of living room. House vandalized repeatedly, furniture chopped up. 60 cubic yards of debris in yard and house. 116 hours of labor to clean this house and yard. Grass is three feet tall."

House at 642 N. Spaulding Av., Unity Savings & Loan Co. "Hazardous conditions. Structure in very bad condition—plaster, glass, and junk all over. Entrance unlocked. Chimney collapsing. Garage destroyed by fire—remains should have been cleaned out. Interior littered with glass and plaster. Fire damage to house."

House at 2021 Joanna St., Zion, Percy Wilson. "They just used fiberboard to board the place. They are not to use fiberboard. High weeds, graffiti. Never cleaned out. Pool table, couch left. In the basement, the wires pulled down. They stole the copper tubing. Pulled inside out of ceiling. Vandals also broke glass in windows.

House at 14722 Washington St., Harvey. Bell Savings & Loan. "Lady next door and children cleaned up yard and garage. Garage open and contained lumber, chairs, etc. Exterior unacceptable. House open and loaded. Kids could get hurt inside."

[From the Chicago Tribune, June 26, 1975]

FHA Bungling Spreads Housing Blight to Small Cities

Last September Mrs. Theresa Fox stood in front of an empty lot in Granite City, Madison County, wondering what she had done wrong.

A realty specialist for the federal government, Mrs. Fox had been sent from her Springfield office to inspect a home taken over by the Federal Housing Authority, but all she found was a lot full of 7-foot weeds.

National Homes Acceptance Corp. of Lafayette, Ind., had foreclosed on the house and, she said, had assured FHA it was turning the house over "secured and vacant, keys will follow."

Mrs. Fox double-checked the transfer form for the address. Convinced she was indeed at 2132 Robert Av., she pushed thru the weeds until she stumbled on a discovery.

It was a small portion of a standing wall which once had been part of a house.

"The house had been completely stripped and torn down piece by piece," she said. "All that remained was a piece of junk and piles of debris."

Checking with neighbors, she was told the house had been destroyed for "a long, long time," even before National Homes Acceptance Corp. filed a claim with FHA. Neighbors told Mrs. Fox that they had notified the mortgage company what was happening to the house, but the mortgage company had never done anything about it.

FHA had just paid for another worthless piece of property in the most pervasive housing scandal in the nation's history.

The scandal grew out of programs created by the National Housing Act, administered by the FHA and the Department of Housing and Urban Development and intended to provide homes for low- and moderate-income families.

Mismanagement by HUD and FHA burocrats has caused the destruction of tens of thousands of houses across the nation. Like rotten apples in a barrel, the destruction of the federally subsidized houses has caused the deterioration of hundreds of once-good neighborhoods not only in the cities but also in countless middle-class suburbs and small towns like Granite City.

It is a hidden disaster that has cost the taxpayers more than $4 billion in less than seven years.

Tribune reporters spent seven months investigating the scandal. They examined thousands of documents never before made public, talked to hundreds of housing officials, financial experts, community leaders, and home owners, and inspected scores of destroyed homes left in the disaster's wake.

Traveling to the small cities and towns in downstate Illinois, the reporters found mismanagement of the Housing Act programs had resulted in the same damage uncovered in Chicago, where hundreds of millions of dollars have been wasted.

The reporters also found local FHA and HUD managers in downstate communities trying to stop the destruction by tightening the programs, only to be rebuffed by their superiors in Washington.

Harlie Miller, chief property officer for the Springfield FHA office, oversees federally subsidized housing in many downstate towns.

The wrecked house Mrs. Fox found in Granite City was not unusual, he said, nor was the fact that the house had been neglected by the mortgage company once it was vacated.

He constantly sends notices to mortgage companies reminding them that to protect vacant houses they must follow federal guidelines, which require:

"Securing windows and doors to prevent unauthorized entry, boarding and screening them in areas where it is a common practice to do so; replacing broken glass to protect the interior against vandals and weather; protect plumbing and other operating systems against damage by freezing; temporary measures to protect interiors against damage from leaking roofs; removal of refuse; and care of lawns and shrubs to preserve neighborhood appeal."

It doesn't work, Miller said. Mortgage companies are doing a worse job of protecting the homes than they have ever done.

Conditions became so bad that Charles Walker, chief of management and mortgage service for FHA's Springfield office, decided to "ride herd" on mortgage companies.

He ordered local FHA inspectors to make frequent visits to vacant houses for which mortgage companies were waiting to collect federal mortgage insurance. When the inspectors found the houses open and vulnerable to vandalism, they told the mortgage companies to abide by FHA regulations and board up the buildings.

"Actually, we are not supposed to do the mortgage company's work, checking on the homes constantly," Walker said. "We seldom get a response from a mortgage company on our inspection reports. They ignore us."

Walker hit on another plan to force mortgage companies to abide by federal regulations. He decided not to accept homes that had been badly damaged until the mortgage companies fixed the houses to meet regulations.

The plan might have worked except for unexpected interference from his own superiors in HUD and FHA offices in Washington.

"Washington refused to allow us to go ahead with the plan," Walker said.

"There's just nothing we can do but sit back and allow the mortgage companies to contitnue what they've been doing."

The result, he said, is that neighborhoods in Springfield and the surrounding communities deteriorate and suffer severe financial loss from the blight.

The same thing has been happening in the Peoria area, said Harvey Robertson. FHA property manager there. Time after time, he said, he has had to take possession of FHA-insured houses, turned over by mortgage companies as total wrecks without any complaint from Washington.

One home he took over was at 164 Oaklawn Circle in Creve Coeur, a town of 6,400 that isn't used to slum conditions. Robertson said it was so "full, full, full of junk and garbage that you couldn't wade thru it."

The plumbing was wrecked, he said, and it cost $6,700 to get the three-bedroom house repaired. It was later sold for $8,500.

Another house, a few doors away at 120 Oaklawn Circle, cost FHA $6,527 to repair. FHA, he said, might be able to sell the house for $5,000.

Robertson bristles at the argument used by many mortgage companies that it is impossible to protect a vacant house from vandalism.

"Take First Federal Savings & Loan in Peoria," he said. "When they take possession of a home, they clean it out and secure the home immediately. We just don't get a bad home from First Federal, so I don't buy that argument."

The story of Granite City, Peoria, and Creve Coeur is the same thruout the state. Small towns and cities unaccustomed to urban blight are watching it happen to their neighborhoods, underwritten by federal taxes.

Harold Moss, FHA manager for the Decatur area, has tried to save damaged homes turned over by mortgage companies, only to find he has to demolish them because they aren't worth the lots they sit on.

Frank Hetisee, manager of the Champaign FHA office, has kept a long list of houses he has had to clean and repair after mortgage companies turned them over to the FHA.

"If I didn't act, we would have eyesores all over good neighborhoods," Hetishee said. "I'm in the real estate business, and I know what an abandoned and wrecked home can do to other properties in the area."

Closer to Chicago, in the suburban towns and villages where urban blight once was unheard of, the scandal also has taken its toll.

Harry Lauritsen, FHA manager in Waukegan, described some of the houses in his area turned over to FHA:

A house at 913 Tomahawk St., Round Lake, for which Mortgage Associates Corp. of Milwaukee was paid $271 for protective services. FHA found the home unboarded, filled with 20 cubic yards of rubbish, surrounded with grass two feet high.

A house at 5501 Cleveland St., McHenry, also handled by Mortgage Associates. The house had been visited repeatedly by vandals who chopped up furniture and left a dead cat and 60 cubic yards of trash inside. It took 116 hours of labor, paid for by FHA, to clean the site. FHA also had to board up the house to prevent more vandalism.

A house at 1366 Ivy Lane, Crystal Lake, for which Northland Mortgage Co. of St. Paul charged FHA $262.50 for "trash removal." FHA later found the house littered with 20 cubic yards of trash.

A house at 1907 Gilboa St., Zion, for which FHA paid $23,834 in mortgage insurance and $108 in securing and winterizing fees to National Homes Acceptance Corp. of Lafayette, Ind. The house had never been boarded and vandals stripped the walls, furnace, sump pump, and hot water heater. FHA eventually resold the home for $10,300.

A home at 2011 Carmel Blvd., Zion, that Howard Savings & Loan Association, 1325 Howard st., Evanston, told FHA had been cleared of personal property. FHA found the house filled with garbage and trash, the doors open, windows broken, and the kitchen sink and wash basin stolen.

"Since word got around that The Tribune was investigating the FHA," Lauritsen said, "the situation has somewhat improved."

"Before, 99 percent of the houses were not boarded up at all."

Lauritsen was especially critical of Percy Wilson Mortgage & Finance Corp., 221 N. La Salle St. which, he said, has constantly disregarded federal guidelines on homes it has mortgaged.

"I've never had a house from Percy Wilson that was cleaned or secured," Lauritsen said.

This is an opinion shared by Joseph Keber, Waukegan building commissioner.

Keber said the city has had to pay its own crews to clean and board up homes which the mortgage company has neglected. The city pays the bills and tries to charge the Wilson company, he said.

"We write and call Percy Wilson, but they never return the call or write to us. We never hear from them," he said.

Lauritsen said some of the problems with Percy Wilson homes he has encountered in the Waukegan area include:

A house at 2525 20th St., Zion, for which Percy Wilson charged FHA $757 for protective and cleaning services. FHA had to board the property itself after finding the plumbing frozen. It cleaned nine cubic yards of rubbish out of the building and yard.

A house at 2103 W. 20th St., North Chicago, which Percy Wilson said it had winterized, charging FHA for the services. FHA found pipes had burst in the house after freezing, cracking two toilets in the process.

A house at 2021 Joanna St., Zion, for which a court-appointed receiver, told to secure the house for the Wilson firm, received $2,335 in fees. FHA inspectors found it filled with debris and old furniture. Basement wiring had been torn out and all the copper tubing had been stolen. The Firm used cheap, flimsy fiberboard to board up the house. FHA estimated it would cost at least $8,000 to return the house to a livable condition.

The Percy Wilson firm denies it has neglected FHA-insured property in its possession, and accuses FHA and HUD bureaucratic foot-dragging for much of the damage and waste.

Charges by Waukegan officials that the Wilson firm refuses to pay bills are false, too, said Richard Thoreson, assistant vice president and servicing manager for Percy Wilson.

"I was in Waukegan myself last August," Thoreson said, "and any bills we get from there, we pay for them."

Thoreson said his firm constantly watches over vacant homes to make sure they are protected, and said that if FHA officials have found negligence on the part of his company, they should file waste and damage reports.

"We have an office in Waukegan," he said, "and once a week we drive by the vacant homes to inspect them. Actually, we've never seen a waste and damage report from Waukegan. We move in on the homes right away [when they are abandoned], and we get 24-hour service if the property is vacant."

Robert Wilson, president of Percy Wilson, said, "Present laws governing mortgage foreclosure procedures must be overhauled in order to protect home owners and neighborhoods."

He called the laws "out of date."

"Illinois has the longest redemption period in the nation," he said, "which prohibits lenders from rehabilitating or reselling homes which have been abandoned."

The redemption period gives borrowers an opportunity to buy back their defaulted home, an opportunity that is rarely taken, he said.

Wilson also said that his firm has been trying to avoid foreclosures by carrying delinquent homeowners on their books or by restructuring loans.

TESTIMONY BY THE AMERICAN ALLIANCE FOR HEALTH, PHYSICAL EDUCATION, AND RECREATION

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr Speaker, recently testimony was offered by the American Alliance for Health, Physical Education, and Recreation in support of the regulations on title IX of the Education Amendments of 1972 which prohibits discrimination on the basis of sex in programs and activities receiving Federal financial assistance at educational institutions.

HEW has finally promulgated regulations to title IX. These are under discussion now by the House Committee on Education and Labor.

I believe my colleagues would be pleased to note the strong endorsement these regulations have received from this national association of physical education teachers, coaches, athletic directors and others in sports and recreation.

TESTIMONY OFFERED BY AAHPER IN SUPPORT OF THE TITLE IX GUIDELINES, JUNE 20, 1975

The 50,000 men and women of the American Alliance for Health, Physical Education and Recreation (AAHPER), the national association concerned with the organization, administration and study of health, sport, physical education, recreation, dance and safety for our country, strongly support the proposed guidelines signed by President Gerald Ford which implement the interpretations of the Title IX of the Higher Education Act of 1972. The AAHPER has among its constituency 11,000 coaches, 3,200 athletic directors, 7,000 intramural directors, 5,000 athletic trainers and 4,000 officials. In addition, AAHPER is concerned with both national and international sports and is the largest association in the United States to be involved in the athletic interests of our Nation.

The AAHPER, believing in equal opportunity for all people, endorses the intent of the guidelines to insure the disadvantaged sex the same opportunities in physical education, athletics, health, recreation and dance programs as those provided for the advantaged sex. The Alliance believes that social custom has created a history of unequal opportunity between the sexes and supports the intent of Title IX to rectify this situation. Activities which are an integral part of the program of education (including athletics) utilize public funds and facilities and as extensions of education must be subject to legal regulations which will guarantee equality.

The proposed guidelines are a significant beginning for the assurance that all people will be treated fairly. The disadvantaged sex will have many more opportunities to participate in quality programs of athletics, dance, physical education, recreation and health. Such an extension of equality will enhance the meaning of democracy in education, even as the concept continues to support opportunities for the advantaged sex.

The AAHPER is hopeful that the legislative body of the United States will continue to affirm its belief in equal opportunity for all people in our democratic republic.

THE MINERAL LEASING ACT OF 1975

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, today I have introduced legislation, the Mineral Leasing Act of 1975, which proposes substantial revision to the existing systems of access to minerals on the public lands. These systems have developed on a piecemeal basis over the past 100 years. They tend to reflect the philosophies and problems of the time in which they were enacted. There is great need to modernize the existing laws to reflect the significant changes which have occurred since their initial passage.

The primary objective of the legislation I am introducing today is the achievement of the greatest production of energy and mineral resources from the public lands consistent with the management of those lands for environmental and other values. We are all keenly aware of the Nation's burgeoning needs for energy and mineral resources. We are also keenly aware of the growing shortfall between these needs and our domestic supply capability. Clearly, the public lands have an important role to play in meeting the Nation's need for these resources.

At the same time there is growing concern about the tremendous impacts which the process of finding and developing these resources has had on the other values and uses of the public lands. These lands serve not only as a storehouse for mineral wealth but also as a source of timber, recreation, rangeland, wildlife refuge, wilderness preservation, and many other important values and uses. While it is essential that we develop the mineral resources of these lands, it is equally essential that we do so in a rational, carefully considered manner in order to minimize unnecessary adverse effects of these efforts. Mechanisms in the existing laws for assuring that mineral activities are conducted in an environmentally compatible manner are either nonexistent or inadequate. This serious shortcoming must be remedied.

Moreover, it is becoming increasingly obvious that the existing systems of access to minerals on the public lands encourage speculation by allowing the holding of lands at minimum cost with no real development or production requirements. Whatever the reasons that justified this uncontrolled approach to development of the public mineral resources in the past, clearly they are no longer supportable at this critical point in our Nation's need for these important resources. Instead the utmost diligence must be required of all those who would seek to develop the public resources.

The legislation I am introducing today will repeal the Mining Law of 1872, a venerable piece of legislation providing access to so-called "hardrock" minerals that has served its country well in its more than 100-year existence. Enacted at a time when rapid development and settlement of the West was a primary objective of Congress, its provisions largely recognized the mining practices that already had become well entrenched on the public lands following the discovery of gold in California in 1848. It is now widely agreed that this law is greatly in need of revision. Our policies with respect to the public lands have radically changed since 1872. Instead of rapid disposition into private ownership, the policy now is to retain these lands in public ownership while managing them for multiple uses. Moreover, the nature of mining itself has changed greatly. As a result the system established by the 1872 law imposes significant impediments to the using industry as well. Clearly the time for change has come.

My bill would also repeal the Mineral Leasing Act of 1920. This law has been amended and supplemented many times since its initial passage. As a result there is little apparent rationality or consistency among many of its provisions. Many of the leasable minerals may be leased for indefinite terms and may be held by making minimal payments. The lack of development and production requirements and the minimal charges for most leases encourages speculation and a concomitant lack of diligent activity. Environmental controls are administratively imposed and largely inadequate.

This legislation which I am introducing today proposes a comprehensive revision of the existing systems to modernize and rationalize them. It covers all minerals except coal and geothermal resources on the onshore Federal lands.

Coal is covered in another bill introduced by me, H.R. 6721. The major changes from the existing law include the extension of the leasing system to hardrock minerals, the institution of a system of general prospecting permits allowing surface reconnaissance which does not involve significant environmental disturbance, the integration of mineral activities into the multiple use management of the public lands, and the integration of environmental considerations into matters of access to minerals as well as conduct of mining activities.

The leasing systems already in existence have been substantially modified to expand the coverage of competitive bidding, to require that all activities be diligently prosecuted, to establish very strong economic incentives for achieving production as rapidly as possible, and to generally make them more consistent.

The bill is divided into five titles. The first title contains provisions which are applicable to all the systems of mineral access established in the remaining titles of the bill. Designation of the suitability of the public lands for mineral activities is required and a process is established for considering the compatibility of proposed activities with other values and uses of the lands.

Exclusive rights to explore for, develop, and produce specified minerals on portions of the suitable Federal lands may be obtained by means of a lease. The nature of the lease and the method by which it is obtained varies depending on the mineral.

Title II sets out the system for oil and gas. Title III deals with oil shale, calcium, magnesium, sodium, potassium, sulfur, and other bedded minerals. Title IV is concerned with construction minerals such as sand and gravel. Title V establishes the system of access to hardrock minerals.

All activities under the various leases must be conducted pursuant to an operation and reclamation plan. Prior to taking any action on the public lands which might cause a significant disturbance of the environment, the lessee must have obtained approval of his plan. The bill requires the Secretary of the Interior to establish an extensive set of environmental regulations as well as performance standards for reclamation. The information which the operation and reclamation plan must contain is set forth including the manner in which the environmental regulations and reclamation standards will be met.

NATIVE HAWAIIANS UNDER CETA

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, I am introducing legislation today to include Native Hawaiians as a group eligible for assistance under the Indian Manpower Programs of the Comprehensive Employment and Training Act of 1973—section 302 of Public Law 93-203.

Congress recognized the serious unemployment and economic disadvantage which exist among members of the Native American community when it enacted this special Federal manpower program to provide job training and employment programs for members of those communities.

Though the law states that such programs shall be available to Indian and Alaskan natives and to other groups and individuals of native American descent, the Department of Labor has stated that Native Hawaiians are not eligible for assistance because they are not mentioned in the law or legislative history of the Act.

I regret that the Labor Department has interpreted section 302 as to exclude Native Hawaiians. I must submit that ancestors of the native or aboriginal inhabitants of the Hawaiian Islands make up this State's "native community" in the same way Indians and Alaskans make up the native communities of certain other States. Hawaiian natives constitute a group of Native Americans who were inhabitants of the Hawaiian Islands before the islands became part of the United States. Native Hawaiians face similar problems of high unemployment and subemployment common among other Native American groups.

My bill simply amends section 302 by extending coverage to Native Hawaiians. My definition of Native Hawaiians is identical to that definition contained in the Hawaiian Homestead Act, which is a person with 50 percent or more aboriginal native Hawaiian blood. It is this group, living on lands set aside for them by an act of Congress in 1920, which is the most disadvantaged and in need of assistance.

The Department of Labor has said that

it has no objections to extending coverage to Native Hawaiians under section 302.

I urge speedy consideration and passage by this House on my bill.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Anderson of Illinois (at his own request), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Patman, for 30 minutes today and tomorrow, July 9, 1975, and include extraneous matter.

(The following Members (at the request of Mr. Goodling) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 15 minutes, today.

Mr. Cleveland, for 10 minutes, today.

Mr. Steiger of Wisconsin, for 10 minutes, today.

Mr. Del Clawson, for 3 minutes, today.

(The following Members (at the request of Mr. Mazzoli), to revise and extend their remarks, and to include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Alexander, for 60 minutes, today.

Ms. Abzug, for 20 minutes, today.

Mr. Rosenthal, for 60 minutes, today.

Mr. McFall, for 10 minutes, today.

Mr. Stephens, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Fuqua, for 30 minutes, today.

Mr. Zablocki, for 5 minutes, today.

Mr. Dodd, for 10 minutes, today.

Mr. Harris, for 5 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

Mr. Beard of Rhode Island, for 15 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Morgan, and to include extraneous material notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $973.

Mr. Kastenmeier, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $973.

Mr. Murphy of Illinois, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,459.50.

Mr. Michel, and to include extraneous matter.

Mr. Yates, and to include extraneous matter.

(The following Members (at the request of Mr. Goodling) and to include extraneous material:)

Mrs. Pettis in two instances.

Mr. Findley in five instances.

Mr. Kemp in three instances.

Mr. Steelman in two instances.

Mr. Crane in two instances.

Mr. Cederberg.

Mr. Michel.

Mr. Collins of Texas in three instances.

Mr. Walsh.

Mr. Gude in two instances.

Mr. Sarasin.

Mr. Derwinski in two instances.

Mr. Bell.

Mr. Pritchard.

Mr. Young of Alaska.

Mrs. Holt.

Mr. Hagedorn in five instances.

Mr. Frenzel in three instances.

The following Members (at the request of Mr. Mazzoli) and to include extraneous material:

Mr. Sisk.

Mrs. Lloyd of Tennessee in five instances.

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. McFall.

Mr. Richmond.

Mr. Rangel in 12 instances.

Mr. Harris in 10 instances.

Mr. Brodhead.

Mr. Aspin in 10 instances.

Mr. Rosenthal in 10 instances.

Mr. Eilberg in 10 instances.

Mr. Dingell.

Mr. de la Garza in 10 instances.

Mr. Jacobs in two instances.

Mr. Charels H. Wilson of California.

Mr. Brinkley.

Mr. Johnson of California.

Mr. Nowak in 10 instances.

Mr. McDonald of Georgia in five instances.

Mr. Jones of Oklahoma.

Mr. Risenhoover.

Mr. Edwards of California in two instances.

Mr. Zablocki in two instances.

Mr. Rogers in five instances.

Mr. Brooks.

Mr. Simon.

Mr. Fraser in 10 instances.

Mr. Mottl.

Mr. Zeferetti.

Mr. Ford of Michigan.

Mr. Addabbo.

Mrs. Keys.

Mr. Traxler.

Mr. Obey in six instances.

Mr. Wirth.

Mr. Thompson.

Mr. Russo.

Mr. Drinan.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 41. An act for the relief of Mr. Angelo B. Cortes; to the Committee on the Judiciary.

S. 51. An act for the relief of Mr. Andres B. Pasion; to the Committee on the Judiciary.

S. 52. An act for the relief of Miss Rosario Y. Quijano, Walter York Quijano, Ramon York Quijano, Tarcisus York Quijano, Denis York Quijano, and Paul York Quijano; to the Committee on the Judiciary.

S. 55. An act for the relief of Dino Mendoza Pascua; to the Committee on the Judiciary.

S. 128. An act for the relief of Leonor Lopez; to the Committee on the Judiciary.

S. 173. An act for the relief of Miss Lisa Maria Potter (also known as Lisa Maria Verest, Mary Alice Verest, and Mary Alice Epiphanio); to the Committee on the Judiciary.

S. 223. An act for the relief of Angela Garza; to the Committee on the Judiciary.

S. 270. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Elkhart, Kans., for airport purposes; to the Committee on Public Works and Transportation.

S. 381. An act for the relief of Ludwik Kikla; to the Committee on the Judiciary.

S. 447. An act for the relief of Jesus Cortez Pineda; to the Committee on the Judiciary.

S. 485. An act for the relief of Dr. Jesus Fernandez Tirao and his wife, Benylin-Lynda Obiena Tirao; to the Committee on the Judiciary.

S. 533. An act for the relief of Jiri Emanuel Huebner; to the Committee on the Judiciary.

S. 606. An act for the relief of Mr. Joselito S. Arca and Dr. Corazon I. Area; to the Committee on the Judiciary

S. 738. An act to authorize Robert L. Rausch to accept an office or position in a university maintained by the Government of Canada; to the Committee on International Relations.

S. 844. An act for the relief of Dr. Benedicto Principe and his wife, Erlinda Madula Principe; to the Committee on the Judiciary.

S. 866. An act for the relief of Patrick Andre Tasselin and his wife, Fabienne Francoise Tasselin; to the Committee on the Judiciary.

S. 1152. An act to amend the act of December 28, 1973 (87 Stat. 904) to clarify the relationship of the provisions of said Act to the provisions of section 103 of title 26, United States Code; to the Committee on Interior and Insular Affairs.

S. 1622. An act to authorize an additional Assistant Secretary of Commerce; to the Committee on Interstate and Foreign Commerce.

S. 2017. An act to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1387. An act for the relief of Raul Alvarez Rodriguez;

H.R. 1388. An Act for the relief of Guadalupe Villegas-Cantu;

H.R. 1393. An act for the relief of Jacinta Roque Armstrong-Perez;

H.R. 1408. An Act for the relief of Joseph Hoffman;

H.R. 1410. An act for the relief of Samuel T. Ansley;

H.R. 1421. An act for the relief of Stephanie Kahn and Barbara Heyman;

H.R. 1510. An act for relief of Steve P. Reese;

H.R. 1556. An act for the relief of Hendrika Koenders Lyne;

H.R. 1649. An act for the relief of Howard D. Harden;

H.R. 2109. An act for the relief of Capt. George Moore, Jr., of the U.S. Air Force;

H.R. 2119. An act for the relief of Maria Gilda Haro;

H.R. 2946. An act for the relief of Mrs. Dorothy Hinck;

H.R. 3382. An act for the relief of Raymond Monroe;

H.R. 3526. An act for the relief of Randall L. Talbot;

H.R. 5217. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes;

H.R. 5398. An act to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions;

H.R. 6900. An act to provide an additional 13 weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for one year, and for other purposes;

H.R. 7709. An act to continue for a temporary period the existing suspension of duty on certain istle; and

H.R. 8109. An act to amend title XIX of the Social Security Act to extend the protection against the loss of medicaid because of the 1972 increase in Social Security benefits, and to extend the exemption of Puerto Rico, Guam, and the Virgin Islands from certain requirements relating to choice of provider.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 98. A joint resolution to provide that the flag of the United States of America may be flown for 24 hours of each day in Valley Forge State Park, Valley Forge, Pa.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on June 27, 1975, present to the President, for his approval, bills of the House of the following title:

H.R. 1387. An act for the relief of Raul Alvarez Rodriguez;

H.R. 1388. An act for the relief of Guadalupe Villegas-Cantu;

H.R. 1393. An act for the relief of Jacinta Roque Armstrong-Perez;

H.R. 1408. An act for the relief of Joseph Hoffman;

H.R. 1410. An act for the relief of Samuel T. Ansley;

H.R. 1421. An act for the relief of Stephanie Kahn and Barbara Heyman;

H.R. 1510. An act for the relief of Stave P. Reese;

H.R. 1556. An act for the relief of Hendrika Koenders Lyne;

H.R. 1649. An act for the relief of Howard D. Harden;

H.R. 2109. An act for the relief of Captain George Moore, Jr., of the U.S. Air Force;

H.R. 2119. An act for the relief of Maria Gilda Haro;

H.R. 2946. An act for the relief of Mrs. Dorothy Hinck;

H.R. 3382. An act for the relief of Raymond Monroe;

H.R 3526. An act for the relief of Randall L. Talbot;

H.R. 5217. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes;

H.R. 6900. An act to provide an additional thirteen weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for one year, and for other purposes;

H.R. 7709. An act to continue for a temporary period the existing suspension of duty on certain istle; and

H.R. 8030. An act to increase the temporary debt limitation until November 15, 1975.

And on July 1, 1975:

H.R. 5398. An act to authorize temporary assistance to help defray payments on homes owned by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions; and

H.R. 8109. An act to amend title XIX of the Social Security Act to extend the protection against the loss of medicaid because of the 1972 increase in Social Security benefits, and to extend the exemption of Puerto Rico, and the Virgin Islands from certain requirements relating to choice of provider.

ADJOURNMENT

Mr. MAZZOLI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 44 minutes p.m.), the House adjourned until Wednesday, July 9, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1293. A letter from the President of the United States, transmitting a draft of a proposed joint resolution approving the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" (H. Doc. No. 94–207); to the Committee on Interior and Insular Affairs and ordered to be printed.

1294. A letter from the Secretary of Agriculture, transmitting the second annual report on rural development goals, pursuant to section 603 (b)(4) of Public Law 92–419; to the Committee on Agriculture.

1295. A letter from the Under Secretary of Agriculture, transmitting a report on a study of the food stamp program, pursuant to Senate Resolution 58, 94th Congress; to the Committee on Agriculture.

1296. A letter from the Assistant Secretary of Agriculture, transmitting a draft of proposed legislation to repeal certain requirements relating to notice of animal and plant quarantines, and for other purposes; to the Committee on Agriculture.

1297. A letter from the Assistant Secretary of Defense, transmitting an interim report for fiscal year 1975 of the administration of the Aviation Career Incentive Act of 1974, pursuant to 37 U.S.C. 301a(e); to the Committee on Armed Services.

1298. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 73 (survivor benefit plan) of title 10, United States Code, to clarify provisions relating to annuities for dependent children to the Committee on Armed Services.

1299. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to permit persons from selected foreign countries to receive instruction at the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy, and for other purposes; to the Committee on Armed Services.

1300. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize the Commandant, Defense Intelligence School, to award the degree of master of science of strategic intelligence; to the Committee on Armed Services.

1301. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend sections 5202 and 5232 of title 10, United States Code, relating to the appointment to the grades of general and lieutenant general of Marine Corps officers designated for appropriate higher commands or for performance of duties of great importance and responsibility; to the Committee on Armed Services.

1302. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend section 6956 of title 10, United States Code, to eliminate the dates for submission of nominations to the U.S. Naval Academy; to the Committee on Armed Services.

1303. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to repeal sections which impose certain restrictions on enlisted members of the Armed Forces and on members of military bands; to the Committee on Armed Services.

1304. A letter from the Assistant Secretary of the Air Force (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend Public Law 92–477, authorizing at Government expense the transportation of house trailers or mobile dwellings, in place of household and personal effects, of Members in a missing status, and the additional movements of dependents and effects, or trailers, of those Members in such a status for more than 1 year, to make it retroactive to February 28, 1961; to the Committee on Armed Services.

1305. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for the entry of nonregional members, and the Bahamas and Guyana, in the Inter-American Development Bank, and for other purposes; to the Committee on Banking, Currency and Housing.

1306. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during May 1975 to Communist countries; to the Committee on Banking, Currency and Housing.

1307. A letter from the Mayor of the District of Columbia, transmitting a copy of his response to the Comptroller General's report entitled "What is Being Done About Individuals Who Fail to File a District Income Tax Return?" pursuant to section 736 (b)(3) of Public Law 93–198; to the Committee on the District of Columbia.

1308. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council act No. 1–19, "To amend the Air Quality Control Regulations of the District of Columbia relating to the operation of Solid Waste Reduction Center No. I," pursuant to section 602(c) of Public Law

93–198; to the Committee on the District of Columbia.

1309. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council act No. 1–20, "To repeal the law requiring every male high school student to participate in the cadet corps of the senior high schools in the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1310. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council act No. 1–21, "To repeal the law in the District of Columbia authorizing the District of Columbia Board of Education to accredit junior colleges operating within the District of Columbia; to the Committee on the District of Columbia.

1311. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council act No. 1-22, "To extend the provisions of the District of Columbia Campaign Finance Reform and Conflict of Interest Act, relating to contributions by corporations and labor unions, until the Council of the District of Columbia can hold hearings and issue a public report on the conduct of the 1974 elections in the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1312. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of act No. 1–23, "To define certain terms for all acts and resolutions of the Council of the District of Columbia, to provide for an enacting clause for those acts and resolutions, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1313. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of act No. 1–26, "To amend certain provisions of Title 44 of the District of Columbia Code in order to regulate public conduct on public passenger vehicles," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1314. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Randolph-Sheppard Act Amendments of 1974 to extend the date for promulgation of standards for the use of set-aside funds and the date for completion of the evaluation of the method of assigning vending machine income; to the Committee on Education and Labor.

1315. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed rulemaking for grants to State educational agencies for programs to meet the special educational needs of migratory children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1316. A letter from the Chairman and members, Equal Employment Opportunity Coordinating Council, transmitting the fourth annual report of the Council, pursuant to section 715 of the Civil Rights Act of 1954, as amended; to the Committee on Education and Labor.

1317. A letter from the Director, National Commission for Manpower Policy, transmitting an interim report entitled "Public Service Employment and Other Responses to Continuing Unemployment"; to the Committee on Education and Labor.

1318. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the Commission on Revision of the Federal Court Appellate System entitled "The Geographic Boundaries of the Several Judicial Circuits: Recommendations for Change," dated December 1973, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–208); to the Committee on Government Operations and ordered to be printed.

1319. A letter from the Secretary of the Interior, transmitting a report on a review of the need for a national system of transportation and utility corridors across Federal lands, pursuant to section 28(s) of the Mineral Leasing Act of 1920, as amended (87 Stat. 582); to the Committee on Interior and Insular Affairs.

1320. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to promote a more comprehensive national program of water resources research and technology development to reorganize certain functions in the Department of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

1321. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the transfer by the Government of Iran to the Government of the Sudan of certain military equipment sold under the Foreign Military Sales Act, without the prior approval of the United States as required by section 3(a) of the act, and the subsequent acceptance by the United States of the transaction; to the Committee on International Relations.

1322. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on efforts to provide African countries with an equitable share of development economic assistance administered by the Agency, pursuant to section 49 of the Foreign Assistance Act of 1974; to the Committee on International Relations.

1323. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

1324. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting a copy of an international agreement, other than a treaty, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

1325. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles and services to the Government of Spain, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1326. A letter from the Chairman, U.S. Advisory Commission on International Educational and Cultural Affairs, transmitting the 11th annual report of the Commission, pursuant to section 107 of Public Law 87–256; to the Committee on International Relations.

1327. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the administration of sections 304, 305, 314(a), 314(b), 314(c), 314(d), 314(e), and title IX of the Public Health Service Act for fiscal years 1973 and 1974, pursuant to former section 310B of the act; to the Committee on Interstate and Foreign Commerce.

1328. A letter from the Chairman, National Mediation Board, transmitting the 40th Annual Report of the Board, including the report of the National Railroad Adjustment Board, covering fiscal year 1974, pursuant to sections 4, second, and 3, first, (w), respectively, of the act of May 30, 1926, as amended; to the Committee on Interstate and Foreign Commerce.

1329. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares for petroleum products during the months of January 1975, and February 1975, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1330. A letter from the Administrator, Federal Energy Administration, transmitting copies of a report on the Nation's oil and gas resources, reserves, and capacity to produce petroleum products, pursuant to section 15 (b) of the Federal Energy Administration Act of 1974; to the Committee on Interstate and Foreign Commerce.

1331. A letter from the Attorney General, transmitting a draft of proposed legislation to provide for interim designation of U.S. marshals by the Attorney General, and for other purposes; to the Committee on the Judiciary.

1332. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to protect Federal mine inspectors in the performance of their official responsibilities; to the Committee on the Judiciary.

1333. A letter from the Commissioner, Immigration and Naturalization Services, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act [8 U.S.C. 1182(a)(28)(I)(ii)(b)]; to the Committee on the Judiciary.

1334. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d)(6) of the act [8 U.S.C. 1182(d)(6)]; to the Committee on the Judiciary.

1335. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) (or(2)) of the Immigration and Nationality Act, as amended, together with a list of the persons involved, pursuant to section 244(c) of the act [8 U.S.C. 1254(c)]; to the Committee on the Judiciary.

1336. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens under the authority contained in section 13(b) of the act of September 11, 1957, pursuant to section 13(c) of the act [8 U.S.C. 1255b(c)]; to the Committee on the Judiciary.

1337. A letter from the Counsel to the Pacific Tropical Botanical Garden, Inc., transmitting a report of the audit of the Corporation for calendar year 1974, pursuant to section 10(b) of Public Law 88–449; to the Committee on the Judiciary.

1338. A letter from the Executive Director, Reserve Officers Association of the United States, transmitting a report on the audit of the Association for the year ended March 31, 1975, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

1339. A letter from the Secretary of Commerce, transmitting the report of the Department of Commerce on its administration of the Marine Mammal Protection Act of 1972 for the period May 1, 1974, through March 31, 1975, pursuant to section 103(f) of the act; to the Committee on Merchant Marine and Fisheries.

1340. A letter from the Chairman, Federal Maritime Commission, transmitting the 13th

Annual Report of the Commission, covering fiscal year 1974, pursuant to section 208 of the Merchant Marine Act, 1936, as amended [46 U.S.C. 1118]; to the Committee on Merchant Marine and Fisheries.

1341. A letter from the Chairman, Civil Service Commission, transmitting the 52d Annual Report of the Board of Actuaries of the Civil Service Retirement System, pursuant to 5 U.S.C. 8347(f) (H.Doc. No. 94–203); to the Committee on Post Office and Civil Service and ordered to be printed.

1342. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a report on visitor protection services at Corps of Engineers lakes, pursuant to section 75 of Public Law 93–251; to the Committee on Public Works and Transportation

1343. A letter from the Chairman, U.S. Water Resources Council, transmitting the annual report on progress in the preparation of level B plans for river basins, pursuant to section 209(b) of the Federal Water Pollution Control Act Amendments of 1972; to the Committee on Public Works and Transportation.

1344. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Kansas City, Mo., Federal Building, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1345. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Columbus, Ohio, Federal Building-U.S. Courthouse (New), pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1346. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Portland, Oreg., U.S. Customhouse, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1347. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Amarillo, Tex., U.S. Post Office and Courthouse, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1348. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing lease acquisition of space to be occupied by the Federal Trade Commission in Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1349. A letter from the Administrator, Energy Research and Development Administration, transmitting notice of a delay in the submission of the comprehensive solar energy program definition required by Public Law 93–473; to the Committee on Science and Technology.

1350. A letter from the Administrator, Energy Research and Development Administration, transmitting a comprehensive national plan for energy research, development, and demonstration, pursuant to section 6(a) of Public Law 93–577; to the Committee on Science and Technology.

1351. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to improve the old-age, survivors, and disability insurance program, and the program of health insurance for the aged and disabled; to the Committee on Ways and Means.

1352. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report covering the 6 months ended June 30, 1975, on reviews and hearings arising from complaints of unfair trade practices by foreign governments, pursuant to section 301(d)(2) of the Trade Act of 1974; to the Committee on Ways and Means.

1353. A letter from the Chairman, U.S. International Trade Commission, transmitting the second quarterly report on trade between the United States and nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

1354. A letter from the Chairman, U.S. International Trade Commission transmitting a special report on the impact on U.S. imports of granting most-favored-nation treatment to Romania, pursuant to section 410 of the Trade Act of 1974 (H. Doc. No. 94–209); to the Committee on Ways and Means and ordered to be printed.

1355. A letter from the Chairman, East-West Foreign Trade Board, transmitting the Board's first quarterly report on trade between the United States and nonmarket economy countries, pursuant to section 411 (c) of the Trade Act of 1974 (H. Doc. No. 94–210); to the Committee on Ways and Means and ordered to be printed.

1356. A letter from the Administrator, Energy Research and Development Administration, transmitting a draft environmental impact statement concerning expansion of U.S. uranium enrichment capacity in the United States, pursuant to section 102 of the National Environmental Policy Act of 1969; to the Joint Committee on Atomic Energy.

1357. A letter from the Administrator, Energy Research and Development Administration, transmitting an analysis of the inflationary impact of proposed action to expand U.S. uranium enrichment capacity, pursuant to Executive Order 11821; to the Joint Committee on Atomic Energy.

RECEIVED FROM THE COMPTROLLER GENERAL

1358. A letter from the Comptroller General of the United States, transmitting the initial report on standard terminology, definitions, classifications, and codes for Federal fiscal, budgetary, and program-related data and information, pursuant to section 202(a)(2) of the Legislative Reorganization Act of 1970, as amended (H. Doc. No. 94–211); to the Committee on Government Operations and ordered to be printed.

1359. A letter from the Comptroller General of the United States, transmitting a report on using numerically controlled equipment to increase productivity in defense plants; jointly, to the Committees on Government Operations, and Armed Services.

1360. A letter from the Comptroller General of the United States, transmitting a report that the balance of payments deficit for fiscal year 1974 attributable to maintaining U.S. Forces in Europe has been offset; jointly, to the Committees on Government Operations, and Armed Services.

1361. A letter from the Comptroller General of the United States, transmitting a report on improvements needed in the Department of Housing and Urban Development's mobile home park mortgage insurance program; jointly, to the Committees on Government Operations, and Banking, Currency and Housing.

1362. A letter from the Comptroller General of the United States, transmitting a report on improving federally assisted business development on Indian reservations; jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

1363. A letter from the Comptroller General of the United States, transmitting a report on improvements needed in determining where to lease Outer Continental Shelf oil and gas and at what dollar value; jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

1364. A letter from the Comptroller General of the United States, transmitting a report on actions required to improve management of United Nations development assistance activities; jointly, to the Committees on Government Operations, and International Relations.

1365. A letter from the Comptroller General of the United States, transmitting a report on the need for legislation requiring that both the pay and benefits of Federal employees be assessed and adjusted on the basis of comparability with the pay and benefits received by non-Federal employees; jointly, to the Committees on Government Operations, and Post Office and Civil Service.

1366. A letter from the Comptroller General of the United States, transmitting a report on the continuing national problem of preserving the Nation's beaches and shorelines; jointly, to the Committees on Government Operations, and Public Works and Transportation.

1367. A letter from the Comptroller General of the United States, transmitting a report on the Federal Highway Administration's progress in identifying, improving, and replacing unsafe bridges on the Federal-aid highways; jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on June 26, 1975, the following reports were filed on June 27, 1975*]

Mr. NEDZI: Committee on Armed Services. H.R. 3954. A bill to amend title 10 of the United States Code, to provide for an exclusive remedy against the United States in suits based upon medical malpractice on the part of active duty military personnel, and for other purposes; with amendment (Rept. No. 94–333). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5512. A bill to amend the National Wildlife Refuge System Administration Act of 1966, and for other purposes; with amendment (Rept. No. 94–334). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5608. A bill to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, and to increase the maximum amount of such authorization; with amendment (Rept. No. 94–335). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted June 8, 1975*]

Mr. NEDZI: Committee on House Administration. Supplemental report to accompany H.R. 6673. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes (Rept. No. 94–273, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CORMAN:

H.R. 8366. A bill to amend the Federal Unemployment Tax Act to require States to extend coverage to State and local employees, domestic and agricultural workers; to provide at least 52 weeks of regular unemployment compensation, to provide for Federal financing of one-half of the additional costs attributable to such requirement, to provide a minimum weekly benefit amount; to increase the amount of wages subject to the Federal unemployment tax; and for other purposes; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. Murphy of New York, Mrs. Boggs, Mr. Wolff, and Mr. Biester:

H.R. 8367. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. ANDREWS of North Dakota:

H.R. 8368. A bill to amend section 2412 of title 28, United States Code, to provide in a condemnation proceeding the discretionary award of fees and expenses of attorneys to the condemnee; to the Committee on the Judiciary.

H.R. 8369. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 8370. A bill to amend titles 10 and 14, United States Code, and certain other laws, to modernize the retirement structure relating to members of the uniformed services; to the Committee on Armed Services.

By Mr. BOWEN:

H.R. 8371. A bill to amend the Internal Revenue Code of 1954 to avoid duplication of tax imposed under the Federal Insurance Contributions Act and the Federal Unemployment Tax Act in the case of employers of the same employee; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 8372. A bill to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration; to the Committee on Banking, Currency and Housing.

H.R. 8373. A bill to amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes; to the Committee on Ways and Means.

H.R. 8374. A bill to premit either House of Congress to disapprove certain rules proposed by executive agencies; jointly to the Committees on the Judiciary, and Rules.

By Mr. CARNEY:

H.R. 8375. A bill to amend title XVI of the Social Security Act to provide that support and maintenance furnished in cash or kind to an eligible individual by members of his or her immediate family shall be disregarded (and shall not serve to reduce his or her supplemental security income benefits) to the extent that it does not exceed $250 a month; to the Committee on Ways and Means.

By Mr. CLEVELAND (for himself, Mr. Wright, Mr. Carr, Mr. Cederberg, Mr. Hanley, Mr. Henderson, Mr. Maguire, Mr. Michel, Mr. Mikva, Mr. Mitchell of New York, Mr. Moorhead of Pennsylvania, Mr. Railsback, and Mr. Rooney):

H.R. 8376. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification; to the Committee on Public Works and Transportation.

By Mr. CONTE:

H.R. 8377. A bill to amend title 5, United States Code, to provide that law enforcement service performed while in the Coast Guard shall be included in determining whether an individual qualifies for immediate retirement as a law enforcement officer or firefighter under section 8336(c) of such title; to the Committee on Post Office and Civil Service.

By Mr. CRANE (for himself, Mr. Fish, Mr. Collins of Texas, Mr. Kemp, Mr. Milford, Mr. Devine, Mr. Symms, Mr. Lujan, Mr. Duncan of Tennessee, Mr. McDonald of Georgia, Mr. Hyde, Mr. Treen, Mr. Lent, Mr. Robinson, Mr. Jenrette, Mr. Waggonner, and Mr. Mosher):

H.R. 8378. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

By Mr. DICKINSON:

H.R. 8379. A bill to authorize the President of the United States to present, in the name of Congress, a medal to Brig. Gen. Charles E. Yeager; jointly to the Committees on Armed Services, and Banking, Currency and Housing.

By Mr. DINGELL (for himself, Mr. Leggett, Mr. Reuss and Mr. Nolan):

H.R. 8380. A bill to amend the National Wildlife Refuge System Administration Act of 1966, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. EILBERG:

H.R. 8381. A bill to amend the Federal Water Pollution Control Act, amended, to define the term "navigable waters" as it applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Works and Transportation.

By Mr. FINDLEY:

H.R. 8382. A bill to authorize a program to alleviate siltation problems at Quincy Bay and Broad and Triangle Lake areas, Ill.; to the Committee on Public Works and Transportation.

By Mr. FLORIO:

H.R. 8383. A bill to amend the Social Security Act to improve the survey and certification process, ratesetting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FREY (for himself and Mr. Steiger of Arizona):

H.R. 8384. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. HEFNER:

H.R. 8385. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amounts of certain loans canceled under the Consolidated Farm and Rural Development Act as the result of disaster losses; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 8386. A bill to amend the Internal Revenue Code of 1954 to deny electric and gas public utilities a deduction for amounts paid or incurred by such utilities to advertise or promote the sale or use of electricity or gas; to the Committee on Ways and Means.

By Mr. JOHNSON of California:

H.R. 8387. A bill to authorize the President of the United States to present, in the name of Congress, a medal to Brig. Gen. Charles E. Yeager; jointly to the Committees on Armed Services, and Banking, Currency and Housing.

By Mr. KASTENMEIER (for himself, Mr. Badillo, Mr. Brown of California, Mr. Phillip Burton, Ms. Chisholm, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Drinan, Mr. Edwards of California, Mr. Harrington, Mr. Helstoski, Mr. Koch, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Rangel, Mr. Rees, Mr. Reuss, Mr. Rosenthal, Ms. Schroeder, Mr. Seiberling, Mr. Stark, and Mr. Stokes):

H.R. 8388. A bill to amend title 18 of the United States Code to provide a code of accountability and liability for Government officials engaged in making and implementing national security policy; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.R. 8389. A bill to amend title 5, United States Code, to remove the requirement of 5 years of employee service immediately before retirement for an annuitant to be eligible to continue health benefits coverage after retirement; to the Committee on Post Office and Civil Service.

By Mr. MIKVA:

H.R. 8390. A bill to amend section 207 of title 18, United States Code, in order to prohibit former Federal employees who participated in a contract formulation from being employed, for a period of 2 years, by anyone who has a direct interest in the contract; to the Committee on the Judiciary.

By Mr. MILLER of Ohio (for himself and Mr. Jenrette):

H.R. 8391. A bill to amend title 39, United States Code, to extend the period during which preferential mail rates shall apply with respect to certain publications mailed by veterans organizations; to the Committee on Post Office and Civil Service.

By Mr. NIX (for himself and Mr. John L. Burton):

H.R. 8392. A bill to amend title 39, United States Code, to provide for the mailing of correspondence to Members of the Congress free of postage, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NOWAK:

H.R. 8393. A bill to authorize the President of the United States to present in the name of Congress, a medal to Brig. Gen. Charles E. Yeager; jointly to the Committees on Armed Services, and Banking, Currency and Housing.

By Mr. O'HARA (for himself, Mr. Simon, Mr. Mottl, Mr. Hall, Mr. Quie, Mr. Erlenborn, Mr. Esch, Mr. Eshleman, Mr. Buchanan, Mrs. Smith of Nebraska, and Mr. Biaggi):

H.R. 8394. A bill to amend title IX of the Education Amendments of 1972, and for other purposes; to the Committee on Education and Labor.

By Mr. O'HARA (for himself, Mr. Simon, Mr. Mottl, Mr. Hall, Mr. Quie, Mr. Erlenborn, Mr. Esch, Mr. Eshleman, Mr. Buchanan, Mrs. Smith of Nebraska, and Mr. Biaggi):

H.R. 8395. A bill to amend title IX of the Education Amendments of 1972, and for other purposes; to the Committee on Education and Labor.

By Mr. PATTERSON of California:

H.R. 8396. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. PEPPER (for himself and Mr. Smith of Iowa):

H.R. 8397. A bill to amend the Internal Revenue Code of 1954 to provide 5-year amortization for coal-burning equipment; to the Committee on Ways and Means.

By Mr. PRICE (by request):

H.R. 8398. A bill to amend the Atomic Energy Act of 1954, as amended, to revise one of the bases for establishing prices for enriching services provided by the Atomic Energy Commission; to the Joint Committee on Atomic Energy.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 8399. A bill to amend Public Law 92-477, authorizing at Government expense the transportation of house trailers or mobile dwellings, in place of household and personal effects, of members in a missing status, and the additional movements of dependents and effects, or trailers, of those members in such a status for more than 1 year, to make it retroactive to February 28, 1961; to the Committee on Armed Services.

H.R. 8400. A bill to amend section 4346(d) of title 10, United States Code, to permit the Secretary of the Army to prescribe the oath to be taken by appointees to the U.S. Military Academy; to the Committee on Armed Services.

By Mr. PRICE (for himself and Mr. Anderson of Illinois) (by request):

H.R. 8401. A bill to authorize cooperative arrangements with private enterprise for the provision of facilities for the production and enrichment of uranium enriched in the isotope 235, to provide for authorization of contract authority therefor, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. PRITCHARD:

H.R. 8402. A bill to allow a credit against the Federal income tax for State and local real property taxes, or an equivalent portion of rent, paid on their principal residences by individuals who have attained age 62; to the Committee on Ways and Means.

By Mr. PRITCHARD (for himself and Mr. Hicks):

H.R. 8403. A bill to amend title II of the Social Security Act to assure the continuation of the present practice under which payments by States with respect to coverage of State and local employees under section 218 of that act, are made on a quarterly basis; to the Committee on Ways and Means.

By Mr. ROONEY:

H.R. 8404. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to require the promulgation of minimum safety standards for schoolbus external warning devices; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHNEEBELI:

H.R. 8405. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide an exemption from coverage under the social security program, through a tax refund procedure, for employees who are members of religious faiths which oppose participation in such program, and to provide a similar exemption on a current basis (pursuant to waiver certificates filed in advance) for employers engaged in farming and their employees in cases where both are members of such faiths; and to make the existing exemption for self-employed members of such faiths available to certain additional individuals; to the Committee on Ways and Means.

By Mr. TEAGUE:

H.R. 8406. A bill to amend title 38 of the United States Code to set a termination date for veterans' educational benefits under chapters 34 and 36 of such title, to extend the maximum educational benefits to 45 months under chapter 34 of such title, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. THOMPSON:

H.R. 8407. A bill to amend the National Labor Relations Act, as amended, to include supervisors; to the Committee on Education and Labor.

H.R. 8408. A bill to amend the National Labor Relations Act, as amended, to improve the administration and procedures of the National Labor Relations Act; to the Committee on Education and Labor.

By Mr. THOMPSON (for himself and Mr. Aspin):

H.R. 8409. A bill to amend the National Labor Relations Act, as amended, to strengthen the remedial provisions of the act against repeated on flagrant transgressors; to the Committee on Education and Labor.

By Mr. THONE (for himself and Mr. Bergland):

H.R. 8410. A bill to amend the Packers and Stockyards Act of 1921, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. UDALL:

H.R. 8411. A bill to provide for the extension of certain Federal benefits, services and assistance to the Pascua Yaqui Indians of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WHALEN:

H.R. 8412. A bill to authorize the shipment to Turkey of defense articles which were awaiting shipment to such country on February 5, 1975; to the Committee on International Relations.

H.R. 8413. A bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 8414. A bill relating to the admission of female individuals to the Coast Guard Academy; to the Committee on Merchant Marine and Fisheries.

By Mr. ANDERSON of California (for himself, Mr. Nix, Mr. Yatron, Mr. Roe, Mr. Hechler of West Virginia, Mr. Brown of California, Mrs. Burke of California, Mr. Ginn, Mr. Ford of Tennessee, Mr. Ottinger, Mr. Hyde, Mr. Carney, Mr. Hinshaw, Mr. Conyers, Mr. Blouin, Mr. Esch, Mr. Roybal, Mr. Bell, Mr. Waxman, Mr. Harrington, Mr. Pepper, Mr. Won Pat, Mr. Riegle, Mr. Jenrette, and Mr. Mitchell of Maryland):

H.R. 8415. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of California (for himself, Mr. Drinan, Mr. Flood, and Mr. Edgar):

H.R. 8416. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. BEARD of Rhode Island (for himself, Mr. Bedell, Mr. LaFalce, Mr. Solarz, Mr. Brademas, and Mr. Moffett):

H.R. 8417. A bill to prohibit discriminatory employment practices with respect to physically handicapped persons; to the Committee on Education and Labor.

By Mr. BEARD of Rhode Island (for himself and Mr. Roe):

H.R. 8418. A bill to require unannounced State inspections of public and private extended care facilities, skilled nursing homes, and intermediate care facilities and to require State enforcement of guarantees of rights of the patients in such facilities; to the Committee on Interstate and Foreign Commerce.

H.R. 8419. A bill to require State inspections of public and private extended care facilities, skilled nursing homes, and intermediate care facilities and to require State enforcement of guarantees of rights of the patients in such facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRON (for himself, Mr. Stratton, and Mr. Biester):

H.R. 8420. A bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land (rather than at its fair market value), and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. CARR:

H.R. 8421. A bill to prohibit the individual holding the position of Secretary of State from holding simultaneously the position of Assistant to the President for National Security Affairs; to the Committee on Armed Services.

By Mr. EDWARDS of California:

H.R. 8422. A bill to authorize the President of the United States to present in the name of Congress, a medal of Brig. Gen. Charles E. Yeager; jointly to the Committees on Armed Services, and Banking, Currency and Housing.

By Mr. FORD of Michigan (for himself, Mr. Butler, Mr. Emery, Mr. McHugh, Mr. Edwards of California, Mr. Eilberg, Mr. Lloyd of California, Mr. Flood, Mr. Symington, Mr. Gilman, Mr. Thompson, and Mr. Krebs):

H.R. 8423. A bill to amend title 39, United States Code, to provide that certain publications of institutions of higher education shall qualify for second-class mail rates; to the Committee on Post Office and Civil Service.

By Mr. GAYDOS:

H.R. 8424. A bill to amend title 39, United States, to provide that certain publications of institutions of higher education shall qualify for second-class mail rates; to the Committee on Post Office and Civil Service.

H.R. 8425. A bill to create a national system of health security; to the Committee on Ways and Means.

H.R. 8426. A bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act to provide for the administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes; to the Committee on Ways and Means.

By Mr. HAMILTON:

H.R. 8427. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and for other purposes; to the Committee on Ways and Means.

By Mr. HASTINGS (for himself, Mr. Pepper, Mr. Broyhill, Mr. Walsh, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Won Pat, Mr. Ottinger, Mr. Florio, Mr. Rodino, Mr. Preyer, and Mr. Cornell):

H.R. 8428. A bill to amend title XIII of the

Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN (for herself, Mr. Rodino, Mr. Matsunaga, and Mr. Stokes):

H.R. 8429. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Mr. JONES of Alabama (for himself and Mr. Harsha) (by request):

H.R. 8430. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of th United States Code, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Ms. KEYS (for herself and Mr. Corman):

H.R. 8431. A bill to amend chapter 23 of the Internal Revenue Code of 1954 (relating to the Federal Unemployment Tax Act) to provide for the eligibility of school teachers for unemployment insurance under the unemployment insurance program; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 8432. A bill to amend the act of June 9, 1906, to provide for a description of certain lands to be conveyed by the United States to the city of Albuquerque, N. Mex.; to the Committee on Interior and Insular Affairs.

By Mrs. MINK:

H.R. 8433. A bill to amend the Comprehensive Employment and Training Act of 1973 to extend the coverage of certain manpower programs contained in such act to native Hawaiians; to the Committee on Education and Labor.

By Mrs. MINK (for herself, Mr. Mineta, and Mr. Pattison of New York):

H.R. 8434. A bill to provide Federal programs of educational, employment, and other assistance to areas with heavy concentrations of foreign-born persons; to the Committee on Education and Labor.

By Mrs. MINK (for herself, Mr. Udall, Mr. Seiberling, and Mr. Vigorito):

H.R. 8435. A bill to reform the mining and mineral leasing laws, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOFFETT (for himself, Mr. Cotter, Mr. Dodd, Mr. Giaimo, Mr. Lent, Mr. McKinney, and Mr. Sarasin):

H.R. 8436. A bill to amend section 5(a) of the Wild and Scenic Rivers Act; to the Committee on Interior and Insular Affairs.

By Mr. NEDZI:

H.R. 8437. A bill to amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 8438. A bill to assist the construction and operation of burn facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 8439: A bill to amend the Railroad Retirement Act of 1974 to provide that any railroad employee may retire on full annuity at age 55 with 30 years' service, and to provide for payment of full spouse's annuities at age 55 (or reduced spouse's annuities at age 52); to the Committee on Interstate and Foreign Commerce.

By Mr. RINALDO:

H.R. 8440. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

H.R. 8441. A bill to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways; to the Committee on Interstate and Foreign Commerce.

By Mr. SATTERFIELD:

H.R. 8442. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

H.R. 8443. A bill relating to collective-bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. SLACK:

H.R. 8444. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mrs. SPELLMAN:

H.R. 8445. A bill to regulate commerce by authorizing the Federal Trade Commission to protect consumers against unfair or deceptive advertising, promotion or sales practices and by providing for full, accurate and clear disclosure of price and other information needed for consumers with respect to certain insurance policies, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BELL (for himself, Mr. Carr, Mr. Brown of California, Mr. Koch, Mr. Patterson of California, Mr. Mazzoli, Mr. Patten, Mr. Dominick V. Daniels, Mr. LaFalce, Mr. Dellums and Mr. Rosenthal):

H.J. Res. 539. Joint resolution to save the great whales from extinction by amending the Fishermen's Protective Act of 1967 to impose an embargo on the products of all foreign enterprises engaged in commercial whaling; jointly to the Committees on Merchant Marine and Fisheries, and Ways and Means.

By Mr. SIMON (for himself, Ms. Schroeder, Mr. Rousselot, Mr. Lehman, Mr. Neal, Mrs. Spellman, and Mr. Brodhead):

H.J. Res. 540. Joint resolution to require the American Revolution Bicentennial Administration to establish a committee to report to the Congress ways to significantly commemorate our Nation's Bicentennial; to the Committee on the Judiciary.

By Mr. WHITEHURST (for himself and Mr. Florio):

H.J. Res. 541. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

Mr. DERWINSKI (for himself, Mr. Jacobs, Mr. Maguire, Mr. James V. Stanton, and Mr. Walsh):

H. Con. Res. 328. Concurrent resolution expressing the sense of Congress concerning recognition by the European security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. O'HARA (for himself, Mr. Simon, Mr. Hall, Mr. Quie, Mr. Erlenborn, Mr. Esch, Mrs. Smith of Nebraska, and Mr. Biaggi):

H. Con. Res. 329. Concurrent resolution disapproving certain regulations submitted to the Congress on June 4, 1975, for the implementation of certain sections of title IX of the Education Amendments of 1972; to the Committee on Education and Labor.

H. Con. Res. 330. Concurrent resolution disapproving certain regulations submitted to the Congress on June 4, 1975, for the implementation of certain sections of title IX of the Education Amendments of 1972; to the Committee on Education and Labor.

By Mr. WIRTH (for himself, Mr. Harkin, Mr. Badillo, Mr. Phillip Burton, Mr. Carr, Mr. Harrington, Mr. Rodino, Mr. Roe, Mrs. Schroeder, Mr. Solarz, Mr. Stark, Mr. Charles Wilson of Texas, and Mr. Weaver):

H. Con. Res. 331. Concurrent resolution calling for a fair and equitable allocation of restricted-use outdoor recreation resources; to the Committee on Interior and Insular Affairs.

By Mr. MIKVA:

H. Res. 577. Resolution on impact of imports on unemployment investigation; to the Committee on Education and Labor.

By Mr. NEDZI:

H. Res. 578. Resolution designating January 22d of each year as Ukrainian Independence Day; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER:

H. Res. 579. Resolution relative to nuclear weapons proliferation; to the Joint Committee on Atomic Energy.

By Mr. ROYBAL:

H. Res. 580. Resolution creating a select committee to conduct an investigation and study of the alleged gasoline shortage and recent and anticipated price rises in the price of gasoline; to the Committee on Rules.

By Mr. STEIGER of Wisconsin (for himself, Mr. Eckhardt, Mr. Cleveland, Mr. Fraser, Mr. Frenzel, Mrs. Keys, Mr. Erlenborn, Mr. Sisk, Mr. Bolling, Mr. Frey, Mr. Sarbanes, Mr. Jeffords, Mr. Studds, Mr. Anderson of California, Mr. Solarz, Mr. Riegle, Mr. Baucus, Mr. Steelman, Mr. Carr, Mr. Stark, Mr. Mosher, and Mr. Obey):

H. Res. 581. Resolution to amend the Rules of the House of Representatives to provide that the Congressional Record shall contain a verbatim account of remarks actually delivered on the floor, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

215. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the use of chlordane; to the Committee on Agriculture.

216. Also, memorial of the Legislature of the State of Maine, relative to equalizing deposit rate ceilings in the State of Maine; to the Committee on Banking, Currency and Housing.

217. Also, memorial of the Assembly of the State of New York, relative to declaring the South Bronx a disaster area; to the Committee on Banking, Currency and Housing.

218. Also, memorial of the Legislature of the State of California, relative to the Salton Sea; to the Committee on Interior and Insular Affairs.

219. Also, memorial of the Legislature of the State of California, relative to American servicemen missing in action; to the Committee on International Relations.

220. Also, memorial of the Legislature of the State of California, relative to limitations on food advertising to children; to the Committee on Interstate and Foreign Commerce.

221. Also, memorial of the Legislature of the State of New York, relative to the eligibility of refugees entering the United States under a parole status to obtain Federal assistance through the guaranteed student loan and basic education opportunity grant programs; to the Committee on the Judiciary.

222. Also, memorial of the Legislature of the State of California, relative to veterans'

cemeteries; to the Committee on Veterans' Affairs.

223. Also, memorial of the Legislature of the State of California, relative to the establishment of a national cemetery on Federal land at the site of San Luis Dam, Los Banos, Calif.; to the Committee on Veterans' Affairs.

224. Also, memorial of the Legislature of the State of Oregon, relative to the establishment of a veterans' hospital in Bend, Oreg.; to the Committee on Veterans' Affairs.

225. Also, memorial of the Legislature of the State of Michigan, relative to the establishment of more stringent policies for securing a social security card; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 8446. A bill for the relief of the Continental Chemiste Corp.; to the Committee on the Judiciary.

Mrs. BOGGS:

H.R. 8447. A bill for the relief of Airlift International, Inc., and Slick Corp.; to the Committee on the Judiciary.

By Mr. HANNAFORD:

H.R. 8448. A bill for the relief of Jae Chul Choi and Myung Ja Choi; to the Committee on the Judiciary.

By Mr. HICKS:

H.R. 8449. A bill for the relief of the heirs of Anne E. Scarborough; to the Committee on the Judiciary.

By Mr. KEMP:

H.R. 8450. A bill for the relief of Roman G. Lopez, M.D.; to the Committee on the Judiciary.

By Mr. McHUGH:

H.R. 8451. A bill for the relief of Jung Shik Yang; to the Committee on the Judiciary.

By Mr. PRITCHARD:

H.R. 8452. A bill for the relief of Maria Lisa R. Manola and Rogena R. Manola; to the Committee on the Judiciary.

By Mr. REES:

H.R. 8453. A bill for the relief of Miladin Radenko Radicevich; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

162. By the SPEAKER: Petition of the city council, Toledo, Ohio, relative to the rehabilitation loan program; to the Committee on Banking, Currency and Housing.

163. Also, petition of Mayor Antonio Ca. Atalig, Municipality of Rota, Marina Islands, Trust Territory of the Pacific Islands, relative to Commonwealth status for the Northern Marianas Islands; to the Committee on Interior and Insular Affairs.

164. Also, petition of Mr. Stan McCaffrey, Freeport, N.Y., and others, relative to continued U.S. sovereignty over the Panama Canal Zone; to the Committee on International Relations.

165. Also, petition of Vietnamese refugees, Dodwell's Ridge Camp, New Territories, Honk Kong, relative to obtaining admission to the United States under parole status; to the Committee on the Judiciary.

166. Also, petition of Mr. Gary L. Carlson, Fort Bragg, N.C., relative to repealing Federal income tax laws; to the Committee on the Judiciary.

167. Also, petition of the Independent Cattlemen's Association, Inc., Goliad, Tex., relative to the importation of livestock; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6706

By Mr. JONES of Oklahoma:

Strike out all after the enacting clause, and substitute the following:

That section 103 of title 3, United States Code, relating to travel expenses of the President, is amended by deleting "$40,000" and inserting in place thereof "$100,000".

SEC. 2. (a) Section 105 of title 3, United States Code, is amended to read as follows:

"§ 105. Assistance and services for President and Vice President

"(a) Without regard to any other provision of law regulating employment and pay of persons in the Government Service, the President is authorized to appoint and fix the pay of—

"(1) fourteen administrative and staff assistants in the White House Office at the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5, and such other administrative and staff assistants as may be necessary in the White House Office at rates less than the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5, and

"(2) assistants, clerical, and other personnel in the White House Office at respective rates not more than the maximum rate of basic pay then currently paid under the General Schedule of section 5332 of title 5; who shall perform such official duties as the President may prescribe.

"(b) The President is authorized to procure and provide within the White House Office services, as described in and in accordance with section 3109(b) of title 5, but at respective daily rates of pay for individuals not more than the daily equivalent of the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5.

"(c) The President is authorized to provide for the procurement of goods and services (other than services authorized to be procured and provided under any other provision of this chapter) necessary in connection with the performance of his official duties (including, without regard to any other law, care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting including electrical fixtures, operation, and preservation of the executive residence, for which purposes the President may procure services as described in and in accordance with section 3109(b) of title 5).

"(d) There are authorized to be appropriated each fiscal year and for the period July 1, 1976, through September 30, 1976—

"(1) to the President, when specified in regular appropriations acts, such sums as may be necessary to pay official reception, entertainment, and representation expenses, to be expended at the discretion of the President and accounted for solely on his certificate, and

"(2) such sums as may be necessary for allocation within the Executive Office of the President for official reception and representation expenses.

"(e) Without regard to any other provision of law regulating employment and pay of persons in the Government service, there are authorized to be appropriated each fiscal year and for the period July 1, 1976 through September 30, 1976, such sums as may be necessary to enable the Vice President to provide assistance to the President in connection with the performance of functions specially assigned to the Vice President by the President in the discharge of Executive duties and responsibilities, including the use of such funds to—

"(1) establish the basic pay for one position at a rate not more than the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5, and such other administrative and staff assistants as may be necessary at rates less than the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5; and

"(2) procure and provide services as described in and in accordance with section 3109(b) of title 5, but at respective daily rates of pay for individuals not more than the daily equivalent of the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5.".

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by deleting—

"105. Compensation of secretaries and executive, administrative, and staff assistants to President.".

and inserting in place thereof—

"105. Assistance and services for President and Vice President.".

SEC. 3. (a) Section 106 of title 5, United States Code, is amended to read as follows:

"§ 106. Assistance to President for unanticipated needs

"There are authorized to be appropriated to the President each fiscal year and for the period July 1, 1976 through September 30, 1976, such sums as may be necessary to enable the President, in his discretion, without regard to any other provision of law regulating employment and pay of persons in the service of the Federal Government or regulating expenditures of Federal Government funds, to respond to and deal with unanticipated needs for furtherance of the national interest, security or defense, including personnel needs; services as described in and in accordance with section 3109(b) of title 5, but at respective daily rates of pay for individuals not more than the daily equivalent of the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5; and administrative expenses related thereto.".

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by deleting—

"106. Administrative assistants."

and inserting in place thereof—

"106. Assistance to President for unanticipated needs."

SEC. 4. (a) Chapter 2 of title 3, United States Code, is amended by adding the following new section at the end thereof:

"§ 112. The Domestic Council

"There are authorized to be appropriated each fiscal year and for the period July 1, 1976, through September 30, 1976, such sums as may be necessary to enable the Domestic Council, without regard to any provision of law regulating employment and pay of persons in the Government service, to provide assistance to the President in connection with the performance of functions assigned to the Council by the President in the discharge of Executive duties and responsibilities, including the use of such funds to—

"(a) establish the basic pay for such administrative and staff assistants as may be necessary at rates less than the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5; and

"(b) procure and provide services as described in and in accordance with section 3109(b) of title 5, at respective daily rates of pay for individuals not more than the daily equivalent of the maximum rate of basic pay then currently in effect under the General Schedule of section 5332 of title 5 for grade GS-18.".

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by adding—

"112. The Domestic Council."

By Mr. SOLARZ:

Page 2, strike out line 10 and all that follows down through line 13 on page 3 and insert in lieu thereof the following:

"(b) For the fiscal year 1976—

"(1) an amount not to exceed $11,708,000 is authorized to be appropriated for purposes of subsection (a) of this section, and

"(2) not more than 575 employees are authorized to be appointed under such subsection (a), each of whom may be paid at a rate of pay fixed by the President which is not in excess of the rate of basic pay then currently in effect for level II of the Executive Schedule of 5313 of title 5."

H.R. 7567

By Ms. ABZUG:

Page 2, line 15, to page 4, line 13, strike out all and insert in lieu thereof:

"SEC. 36. (a) Not less than thirty days prior to requesting an authorization for any program of research, development, testing, engineering, construction, deployment, or modernization with respect to armaments, ammunition, implements of war, military facilities, or military sales to foreign nations, for which the total program cost is estimated to exceed $50 million, or for which the proposed annual appropriation exceeds $10 million, the department or agency of the United States making the recommendation shall prepare and submit to the Director a detailed statement on the nature, scope, mission and impact on arms control and disarmament policies or negotiations of the proposed program and on the alternatives to the proposed action. Within thirty days after such statement is submitted to him, the Director shall submit to the department, or agency making the recommendation or proposal a report on his review and appraisal of such program as it might affect arms control and disarmament policies and negotiations. A copy of such statement and the report of the Director shall be furnished to the National Security Council, to the Office of Management and Budget, and to the Congress.

"(b) After informing the Secretary of State, the Director shall make recommendations to the Congress with respect to any programs which are being undertaken which have been the subject of consideration under subsection (a) of this section."

Page 6, line 2, strike out "$23,000,000." and insert in lieu thereof "$24,000,000," and add at the end of such line the following: "Of the amount appropriated for fiscal year 1976 under the amendment made by this section, $1,000,000 shall be used by the Director of the Arms Control and Disarmament Administration to conduct a study of the impact of a mutually agreed upon reduction of military expenditures by the United States and the Soviet Union. The Director of the Arms Control and Disarmament Administration shall submit to Congress every three months reports on the research conducted pursuant to the preceding sentence.".

By Mr. EDGAR:

Page 6, strike out lines 4 through 8 and insert in lieu thereof the following:

SEC. 106. Section 49(d) of the Arms Control and Disarmament Act (22 U.S.C. 2589(d)) is repealed.

By Mr. SIMON:

Page 4, strike out the close quotation mark and the final period at the end of line 18 and insert immediately after such line the following:

"Reports on sales to foreign countries of nuclear materials

"SEC. 37. No agreement between the United States and any foreign country providing for the sale or other transfer to such country of any nuclear material may be entered into, and no license for the sale or other transfer to any foreign country of any nuclear material may be issued, unless the Director has submitted a report analyzing the impact of such sale or other transfer on arms control and disarmament policies and negotiations to the National Security Council, the Administrator of the Energy Research and Development Administration, the Nuclear Regulatory Commission, and the Congress.".

EXTENSIONS OF REMARKS

ST. PETERSBURG TIMES LAUDS BETTY AND SUSAN FORD

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. YOUNG of Florida. Mr. Speaker, previously, I shared with my colleagues in the Congress an account of the launching of a Bicentennial project by Miss Susan Ford—the President's daughter—which will be one of the more spectacular events during our 200th birthday celebration. The event is Operation Sail, which got underway with Miss Ford's christening of *Op Sail '76*, a 41-foot Morgan out-islander catch, on June 27, 1975. *Op Sail '76* is now visiting as many other ports along the Gulf and Atlantic coasts as possible before July 4, 1976, after making my city of St. Petersburg the first port of call following the christening ceremonies.

Miss Ford's visit to St. Petersburg and her participation in the christening of *Op Sail '76* generated a lot of enthusiasm and excitement—not only over one aspect of our Bicentennial celebration—but also over Miss Ford herself.

Mr. Speaker, I wish to share with my colleagues the impressive editorial tribute to the two women in President Ford's life, by the St. Petersburg Times in its issue of July 2, 1975:

THE FORD WOMEN

Judging from Susan Ford's recent visit to St. Petersburg and other observations, the President's 17-year-old daughter holds promise of capturing the public imagination more than any woman of the White House since Jacqueline Kennedy.

And her mother, despite the physical and emotional debilitation of cancer, chemotherapy and osteoarthritis, already has shown a willingness to speak out on controversial issues not seen since Eleanor Roosevelt.

The first news stories about Susan after her father became President quoted her boyfriend praising her for not having "some fancy career in mind like nursing" and believing with him that a woman's place is in the home.

In recent months, though, Susan has taken on a monthly column for Seventeen magazine, started taking lessons in photography as a possible career, been helping out with the ceremonial functions of the presidency—and broken up with her male chauvinist boyfriend.

While the Johnson and Nixon daughters were attractive, Susan's naturalness—coupled with her highly photogenic classic features and statuesque figure—suggest that here is a viable cover girl candidate.

Betty Ford has shown that she offers more than the dutiful portrayal of the role of First Lady. Scarcely a month after her husband was sworn in, Mrs. Ford earned a standing ovation from the National Council of Negro Women with her pledge to stump the country on behalf of the rights of women and blacks.

As nearly as she could, despite the considerable limits of her health, Mrs. Ford has kept this pledge. With commendable openness she acknowledged that her children "probably have experimented with marijuana" and volunteered that the strain of being a political wife once had caused her to see a psychiatrist. She has spoken out also on such controversial issues as abortion and amnesty.

She herself has speculated that the frankness with which her mastectomy was treated had saved many lives. Beyond that, her frequent appearance in graceful, form-fitting dresses has shown women that they need not fear that loss of a breast means loss of femininity.

And despite the fact that she announced early in her husband's presidency that she would wear moderately priced clothes by American designers, she was named to the international best-dressed list this year.

The Ford women appear to be giving the White House the pizazz it needs.

GINSENG FESTIVAL TO BE HELD AT WORLD TRADE CENTER

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. BELL. Mr. Speaker, I wish today to call attention to an event to be held in Los Angeles, July 15-17, which will be the first program produced by Korean Americans in our U.S. Bicentennial Observance.

The first annual U.S. Ginseng Festival will be held at the Los Angeles World Trade Center. Ginseng is one of the major exports of Korea and is being used more and more in the United States.

There are 90,000 residents of Los Angeles of Korean extraction. They head more than 350 businesses in Los Angeles, and there are more than 1,000 American firms who have branches in the Republic of Korea.

The official trade promotion organization of the Republic of Korea is the Korea Trade Promotion Corporation—KOTRA—headed by the Honorable Kwang Ho Ahn of Seoul, Korea.

The Honorable Mr. Ahn, former General Counsel to Nairobi, Minister to Great Britain, Ambassador to Japan and Tunisia, and one of the internationally recognized trade authorities, is now in the United States to attend the Ginseng Festival and to continue his contacts with top American trade leaders.

Mr. Ahn and his organization, along with the Korean Trade Center in Los Angeles, have been tireless over the years in expanding trade and understanding among free nations.

It is for these reasons, Mr. Speaker, that I call your attention to the outstanding achievements of the Honorable Kwang Ho Ahn, the President of the Korea Trade Promotion Corp., and wish him success in this, his most recent visit to the United States.

THOMPSON WITH COMMONSENSE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. COLLINS of Texas. Mr. Speaker, Most of the bureaucrats in Washington live up in the clouds of outer space. I was most encouraged to read about the practical down to earth position of Commissioner Mayo Thompson of the FTC. The editorial page in last week's U.S. News & World Report summed up redtape as viewed by Editor Howard Flieger.

When I talked around last week to my neighbors back in Texas, I heard many of them discuss bureaucratic redtape. They require forms 15 pages thick. They have inspectors out to call all too frequently. They issue new rules every week. Small Businessmen have had it right up to here.

I was proud to see Mayo Thompson sound off again in the FTC. He is as refreshing as a cool breeze in July from all the hot air we have in Washington.

We have some great Commissioners on these Boards, but we need more with commonsense. We are losing Mayo Thompson in a couple of months as he returns to the private practice of law. Thompson was recognized as one of the best lawyers in the South when he came up here. I am glad to see he is still just as smart as ever.

Here is what Flieger said in the U.S. News & World Report:

Now and then somebody high in the councils of Government gets fed up to here with the bureaucracy's tendency to run everything.

In a quiet way, that must have erupted one day recently at the Federal Trade Commission, the giant agency charged with enforcing regulations governing "free and fair competition" in the conduct of business.

What happened was this:

The Commission ordered an industry-wide investigation of growers, wholesalers and retailers of plants to find out if they are "failing to provide toxicity and care information concerning the plants they sell."

The intention is to determine whether a Government-approved label should be attached to every house and garden plant giving the buyer instructions on care and feeding.

That apparently was too much for two of the five Commissioners, Mayo J. Thompson and Stephen Nye. Mr. Thompson wrote a dissent, to let the record show how silly, if not actually stupid, he judged the whole proposition.

Wrote Commissioner Thompson:

"Believing as I do that a decorating of the nation's plant life with a set of bureaucratically ordered 'care' tags will have about as much usefulness to the Amercian public as a pair of socks on a rooster, I cannot join in this decision, and must therefore respectfully dissent."

The Commissioner conceded that a lot of house plants undoubtedly die before their time. But, in his opinion, the Federal Trade Commission has more important things to do than undertaking to "tell the country's greenthumbers how often their plants need watering, how much and what kind of fertilizer they need, the kind of soil they require, the amount of sunshine they thrive best on, and—one trembles to say it—perhaps the kind and amount of personal 'talking to' they would find most pleasant and gratifying."

What the agency's legal staff envisions is a small label, about the size of a 50-cent piece, attached to every plant sold, explaining how to keep it healthy.

Again, quoting from the dissent:

"Alas, only a dedicated city-dweller could believe that the knowledge necessary for the successful growing of living things can be legibly printed in a space the size of a half dollar, even an inflated one.

"As this investigation progresses and this agency's staff attorneys begin to enlarge upon the agricultural education they received at Cambridge and New Haven, the size of the writing space needed to comply with their rules will doubtless expand at something of geometric rate, with the $1 potted plant now sold in drugstores and supermarkets ultimately bearing the burden of a disclosure label billowing upward like a Spanish galleon under full sail.

"One shudders to say it, but can the FTC-mandated 'owner's manual' for greenthumbers be far behind? And if for plants, why not for the other few thousand products sold in the American economy?"

NATIONAL AWARENESS WEEK

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. STEELMAN. Mr. Speaker, I would like to bring to the attention of my colleagues the recent observance of National Awareness Week, June 30–July 6, cosponsored by the National Easter Seal Society for Crippled Children and Adults and the National Paraplegia Foundation.

The objective of National Awareness Week is to bring to the attention of the public the difficulties posed by barriers for the 24 million Americans with limited mobility. Americans must recognize that disability is not a respector of persons, it can strike anyone, anyplace, at any time. During National Awareness Week, cities throughout the country emphasized the benefits that come from the removal of architectural barriers, this emphasis taking on many forms, some of which included: highlighting handicapped people who profit from accessible schools, transportation, housing, and public buildings and services. Many cities focused on businessmen and builders who have barrier-free facilities and building commissioners who are amending their building codes to provide accessibility.

As National Awareness Week coincided with the 4th of July, it was realized that 1 in 10 Americans is still striving for his "Independence through Awareness." In observance of this struggle for a "new" independence, the Dallas city council and other Dallas, Tex., officials spent Monday, July 30, confined to wheelchairs in order that they could witness firsthand those barriers faced each day by the handicapped.

I would like to take this time to congratulate the National Easter Seal Society for Crippled Children and Adults, the National Paraplegia Foundation, and those Dallasites and others across the country for the major steps taken this past week toward removing the existing barriers which confront those of limited mobility.

H.R. 5546 SCHEDULED FOR CONSIDERATION THURSDAY OR FRIDAY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. MICHEL. Mr. Speaker, as you are aware, H.R. 5546, the Health Manpower Act of 1975, is currently scheduled for consideration Thursday or Friday of this week. Over the recess, Minority Leader RHODES received a letter from HEW Secretary Weinberger detailing the Department's opposition to that bill. In order to share this information with our colleagues in the House, I am inserting Secretary Weinberger's letter in the RECORD and urge all Members to review the Secretary's communication:

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., June 30, 1975.

Hon. JOHN RHODES,
Minority Leader,
House of Representatives,
Washington, D.C.

DEAR MR. RHODES: We anticipate that H.R. 5546, the Health Manpower Act of 1975, as reported by the Interstate and Foreign Commerce Committee will be under consideration on the floor of the House in the near future.

The issues regarding the appropriate Federal role in health professions education are some of the most fundamental and far-reaching in the entire health field. Although the Administration and the Congress have reached some agreement on the problems that the proposed legislation purports to address, particularly with respect to medical specialty, geographic distribution and service scholarships, we have grave concerns regarding the scope and character of certain of the programs—and the proposed Federal role and responsibilities—proposed in H.R. 5546.

Furthermore, H.R. 5546 would authorize a number of new categorical activities, as well as substantially revise certain previously existing authorities in health professions education. As you know, the President has announced the Administration's objection to enactment of any new spending program this year. The President has stated "that no new spending programs can be initiated this year, except those for energy. Furthermore, I will not hesitate to veto any new programs adopted by the Congress."

RESIDENCY REGULATION

We strongly oppose the regulatory mechanism provided in Title VIII that would control the number and types of medical residency training programs. The bill would require that by 1980 either the Coordinating Council on Medical Education or HEW would limit the national total number of first-year residency positions to 125% of the previous year's graduating class, and to determine, within that total, the number, type, and location of residencies to be allotted to each residency training program. We believe that the Administration's proposals for solving existing maldistribution problems and providing access to medical education—embodied in H.R. 4717—are much preferable and more appropriate for the Federal government.

The regulatory mechanism proposed has ostensibly two major purposes: first, to restrict the number of foreign medical graduates (FMGs) providing services in this country and, second, to achieve better distribution of medical specialities by restricting residencies in oversupplied specialities and authorizing more residencies in primary care. To the extent that the restriction is aimed at what some observers believe to be the problem of poorly qualified FMGs, it is inappropriate, because it does nothing to address the basic issue of assuring that the FMGs entering this country are as qualified as U.S. graduates. The Department believes that FMGs should be subject to testing requirements comparable to those imposed upon U.S. graduates. We are actively exploring with the appropriate professional groups the desirability of changing the tests for FMGs to accomplish this, and we intend to explore changes in the immigration laws which would be tied to these improved tests. Such changes may well result in a smaller flow of FMGs into this country; but this would be the result of sound quality standards, not arbitrary numerical ones.

The bill's regulatory mechanism would also seek to increase the number of primary care residencies and, hopefully, to correct the imbalance between primary care and nonprimary care specialties, an imbalance which we agree should be addressed. However, the regulatory mechanism in the bill would go far beyond the primary-nonprimary care problem. The bill regulates the number and distribution of all residencies. In other words it directs that numerical limitations and geographic locations be determined for all medical and surgical specialties, examples of which are dermatology, urology, and thoracic surgery. Our first objection to such a far-reaching regulatory scheme is simply that no one knows how fairly to distribute residencies by specialty and by location.

Moreover, regulation in this area can be justified only when positive incentives fail, and they have not yet failed. The specialty maldistribution problem has resulted in large part because of inadequate financing for primary care residencies. The bulk of the revenue to meet the cost of residencies has come from third party payments. While insurance coverage has been adequate to support inpatient oriented residencies, such as surgery, it has been generally inadequate to support the primary care residencies.

Specialty maldistribution can be, and has been, dealt with by using corrective financial incentives. The 1971 health professions education legislation recognized and supported the burgeoning specialty of family medicine. Of the 220 institutional programs which have been approved in the past five years, 140 were supported by DHEW at a total cost of $33 million. More importantly, the percentage of U.S. medical school graduates has increased from 1 to 10 percent, making this the fastest growing specialty.

We are convinced that if Federal support continues to be available to rectify inadequate financing for family medicine residency training, the percentage of U.S. graduates entering family medicine can reach 25% by 1980. With this growth plus the residencies in other primary care specialties, we will have over 50% of our first-year residencies in primary care by 1980, a level widely felt to be the proper percentage for primary care residencies. I stress that all this can be achieved without a regulatory apparatus.

The Administration is strongly committed to achieving these goals. The President's 1976 Budget requests appropriations for the development of family practice and primary care residency training programs of $39 million, a four fold increase over the $9.5 million available in 1975 under authority of continuing resolution.

In summary, since it is clear that a regulatory body would have great difficulty defending one residency allocation decision over another, and since positive incentives are effective, we find it most difficult to understand why the Committee has accepted such a far-reaching regulatory action at this time.

Title VIII of the bill also provides a mechanism for determining the quality of residency training programs. This arrangement would authorize HEW to designate an organization to make these quality determinations. The Department recognizes and acknowledges the role of accrediting bodies in higher education in many different ways, but we are unaware of any other statutory requirement for us to designate such an accrediting body for a particular discipline. We do not believe that there are serious problems with regard to the quality of graduate medical education programs; the vast majority—more than 90%—of residency programs are in hospitals affiliated with accredited medical schools. Thus, we oppose this provision of H.R. 5546 as being essentially unnecessary as well as inappropriate.

PROHIBITION ON DECENTRALIZATION

Another aspect of the bill which we strongly oppose is the limitation on HEW's capacity to delegate authority to the HEW Regional Offices. We believe that the ability to delegate authority is essential to proper management. Health professions education programs have been decentralized since July 1973, and the proposed legislation would unduly disrupt present methods of operation and force recentralization of activities and personnel, a costly expense in terms of dollars and program effectiveness in these times of fiscal stringency. Such interference by the Congress in the internal management of programs by the Executive Branch cannot help but obscure accountability for operating program effectiveness.

EXCESSIVE AUTHORIZATIONS

The investment in health professions education proposed in this bill—in excess of $2.71 billion through FY 1978—would unwisely utilize scarce Federal health dollars. Moreover, such authorization levels would raise expectations which are unlikely to be fulfilled. The President's budget request for health professions education, exclusive of nurse training, is $312 million for FY 1976, and a like amount is projected for FY 1977 and FY 1978. The bill would exceed the FY 1976 level by $177 million and the estimated FY 1977 and 1978 levels by approximately $241 million and $297 million, respectively.

CAPITATION

The proposed capitation program alone exceeds the President's FY 1976 budget request of $101 million for this activity by over $115 million. Under the bill, capitation would continue as the Federal government's primary tool for the support of health professions education. We oppose capitation because it is an inherently rigid allocation formula, artificially set, not targeted on an assessment of need, and it results in windfalls for certain schools and shortfalls for other schools. Capitation for health professions schools inequitably singles out some schools for Federal subsidies from many graduate and undergraduate programs in other fields. Moreover, in the bill, the professions covered by capitation and the amounts to be provided lack logical explanation. Expanding capitation to include schools of public health only further complicates this unwieldy and inefficient mechanism and perpetuates the program inequities inherent in selective capitation programs. The appropriateness of Federal support has not even been related to the actual need for the health professions which are covered, nor has an attempt been made to differentiate between support for undergraduate and postgraduate education, e.g., as between pharmacy and medicine.

The funds provided through capitation would unduly subsidize education for many students who are capable of assuming a larger share of their own educational costs. There is no justification for the public taxpayer to foot so much of the bill for a physician's education when physician income is among the highest of any profession.

The capitation payback provisions are in effect deferred tuition arrangements. As such it requires the continuation of substantial appropriations for capitation and does nothing to induce necessary cost consciousness on the part of health professional schools.

The conditions upon which capitation grants may be made under the bill are so liberal that in many if not most cases the institutions will be eligible with little or no added effort, thus confirming our belief that the funding will be largely wasted in terms of solving critical health problems of the American people.

The Administration has proposed that capitation be phased down over the next three years and that the major manpower problems of our country be addressed by flexible, specially targeted projects mounted through negotiations with individual training institutions, and by student assistance tied to service responsive to the public need for provision of health care in underserved areas. We believe this response a sound program approach.

TEACHING FACILITY CONSTRUCTION

The provisions of the bill that would continue the authority for teaching facility construction are simply no longer needed. Existing facilities are generally adequate, and the needs of some selected institutions do not justify Federal expenditure. Future outlays for this purpose would, like capitation, amount to further inequitable subsidization of the health professions over other equally necessary careers.

ALLIED HEALTH PROFESSIONS

With respect to Title VII, Public and Allied Health Personnel, we believe it would be far more effective to adopt our proposal to support physician extender and other allied health programs through a flexible and comprehensive special projects authority. Among other things, this would allow concentration on primary care, particularly those training programs that emphasize the training of physicians with physician extenders, and it would facilitate needed curriculum changes, particularly the reorientation of pediatrics and internal medicine programs toward primary, rather than specialized care.

We believe it is unnecessary and undesirable to perpetuate categorical funding authorities in these fields.

NATIONAL HEALTH SERVICE CORPS

With respect to the National Health Service Corps provisions, the Department favors extension of the program, but we strongly oppose a number of the provisions calling for program expansion and excessive authorization levels. We particularly oppose the section which would authorize adjusting the salaries of the Civil Service and Commissioned Corps dentists and doctors in the NHSC to a level comparable to income received by experienced physicians in established practice. The Commissioned Corps physicians are already receiving Variable Incentive Pay under P.L. 93–274 of between $12,500–$13,000, and special pay in addition to their base salary. This proposed section is inconsistent with current Federal pay policies designed to make military and PHS Commissioned Corps service more attractive and with Title 5, U.S. Code, which limits Civil Service employee pay to a maximum of $36,000 per year. Moreover, the proposal could result in compensating Corps physicians and dentists at a higher level than others serving in the Public Health Service such as those in the Indian Health Service or at Public Health Service hospitals. Consequently, there is no need or justification for an additional bonus.

The proposed authorization for FY 1976 is $30 million, far in excess of the President's proposed budget of $12.5 million. The $25,000 maximum for grants to communities for establishing medical practice management systems is excessive; a $10,000 maximum would be reasonably sufficient to accomplish the intended purposes. The requirement that NHSC sites do everything possible to secure reimbursements on behalf of those entitled to coverage is necessary and removal of the provision is unsound. We object to a statutory mandate for technical assistance to designated communities to which Corps personnel are not assigned. Such assistance has been rendered where possible, but making it mandatory would strain the NHSC's resources and detract from its essential mission.

H.R. 5546 would also write into statute provisions which would have the effect of restricting program flexibility. Some of these reflect existing administrative practice to which we do not object on programmatic grounds, but which we do oppose because of the administrative inflexibility which is created when they are written into law. Examples of such provisions are:

Specifying the criteria which the Secretary must use in designating area eligibility;

Requiring the Secretary to match characteristics of the assignees and the community to which the assignment is made;

The allowance of a waiver of reimbursements for Corps assignees' pay and allowances, scholarships, and loan assistance, and start-up grants where the community uses the funds to expand or improve the provision of health services, or to recruit or retain health professionals;

The elimination from current law of the Secretary's responsibility to assure collection from State, local, other Federal agency or third-party payments for services rendered by the National Health Service Corps.

We also oppose the provisions expanding reporting requirements because they impose unrealistic demands for information and the continuation and modification of the NHSC advisory committee.

We also oppose the advance funding provision in H.R. 5546. Even if such authority were enacted, we would not at this time propose advance appropriations for this authority and would oppose attempts to make such appropriations.

In summary, the authorizations in H.R. 5546 are excessive, the management implications onerous, and the proposed regulatory solutions to existing problems disproportionate to their extent and to the real power of the Federal government to effect change. Consequently, the Department strongly opposes enactment of H.R. 5546 and instead urges enactment of its bill, H.R. 4717.

We are advised by the Office of Management and Budget that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

CASPAR WEINBERGER,
Secretary.

AMERICAN CHURCHMEN PAY OFF AFRICAN TERRORISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, I am sure it would shock churchgoing Americans who believe in the Ten Commandments to learn that some of the money they put in their collection-plates is sent to some of the most bloodthirsty criminals at large in the world today. Since at least 1969, the World Council of Churches, at a meeting chaired by our own Senator GEORGE McGOVERN, began the practice of granting large amounts of church money to African terrorist organizations. In the course of the past 7 years, more than $1 million has been given, by alleged Christians, to men who have distinguished themselves only for their bestiality. The atrocities committed by terrorists supported by the World Council of Churches are nauseating—as they are intended to be, since that is the essence of terrorism. Nothing reveals more clearly the degenerate nature of the World Council of Churches as a Christian leadership organization.

On June 4, the Review of the News published a brief summary of these terrorist grants, and the type of activity which they support.

The article follows:

(From an article in the Christian Century for May 14, 1975)

LIBERATION MOVEMENT IN AFRICA

The World Council of Churches has allocated $479,000 from its Special Fund To Combat Racism. More than half of the sum will go to liberation movements . . . .

Correction: The Christian Century realizes it would raise the ire of many of its readers if it had explained that these so-called "liberation movements" in Africa are in fact Communist terrorist groups. Let us look at some of the World Council beneficiaries.

As far back as September of 1966, nationally syndicated columnist Henry J. Taylor described one of the recipients of the World Council's largesse as follows:

For the first time, terrorist cadres of the so-called Popular Movement for the Liberation of Angola have attacked from Zambia. They are directed from Leipzig, (Communist) East Germany, which is the true headquarters of this insurrectionist organization . . . . Once back in their homeland they pillage the helpless people, exactly as the Viet Cong have in South Vietnam . . . . Then the pillaged are left moribund, terrified and ruined by the treachery of their own countrymen. According to U.S. News & World Report for June 10, 1968, "the Popular Movement for the Liberation of Angola (MPLA) is the best-equipped, best-trained, and most indoctrinated of the rebel groups. Clearly, the MPLA is Communist supported. Many of the rebels have been trained in Cuba. The Russians have provided material support. Peking prints much of the propaganda literature."

When guerrilla activity in Mozambique is discussed later in the same article we read: "Politically, the principal rebel organization is FRELIMO—Front for Liberation of Mozambique." An Associated Press story dated June 12, 1965, says: "The Mozambique Liberation Front has an office in Dar-es-Salaam. The pictures on the wall of the waiting room include Mao Tse-tung, Fidel Castro and Lenin We learn from the "Liberal" New York Times for February 12, 1967, that FRELIMO's "liberation front forces have been taught guerrilla tactics by cadres trained in Algeria, the United Arab Republic, North Vietnam and China (all Communist countries). Its arms are supplied by the Organization for African Unity, the Soviet Union, Communist China, Czechoslovakia and several other Communist countries."

All this was public information when the W.C.C. sponsored a conference in London in May of 1969, chaired by Senator George McGovern, at which the Special Fund To Combat Racism was created. The initial grant at that time was $200,000, half of which went to the World Council's terrorist project from the United Methodist Church of the U.S.A.

The Associated Press reported in September 1970 that the World Council of Churches was specifically supporting: "four groups fighting in Angola against the Portuguese," as well as "the FRELIMO group, fighting for the independence of Portuguese-owned Mozambique." The A.P. also revealed that the World Council of Churches "will exercise no control over how the grants actually are spent." In short, the W.C.C. was making money available for terrorist activities.

In 1974 the World Council of Churches published a report about the first five years of the Special Fund To Combat Racism. It was written, under Communist supervision, by Elizabeth Adler, head of the Evangelical Academy in Communist East Berlin. Miss Adler states in that Report: "It was deemed imperative that the churches no longer concentrate attention on improving race relation at an individual level but on striving for racial justice and a new balance of power at the level of institutions." Which is Communist doubletalk for "we intend to foment race warfare between whites and blacks."

The Moderator of the Dutch Reformed Church in the Cape Province of South Africa, Dr. J.S. Gericke, makes this analysis of the terrorism financed by the W.C.C.: "This is a true account of an incident which occurred in northern Mozambique. Freedom fighters crossed the frontier from Tanzania and 'liberated' a black man's village. Before his 'liberators' riddled him with a Chinese machine-gun, they tied him to a tree and made him watch his wife and two teenage daughters being raped and killed. His two sons were nailed to a nearby tree to die, somewhat like Christ. . . . I suppose before he died, the man must have looked across the jungle in the direction of the Geneva headquarters of the World Council of Churches to thank the WCC for its aid towards his 'liberation.' "

Yet, W.C.C. approval of such slaughter reaches to the very top of the organization, as the *Manchester Union Leader* reported on March 26, 1973: "The W.C.C. now has a new leader (a black Methodist minister from the British West-Indies) named Phillip A. Potter. When Dr. Potter was asked how he felt about being called 'the Red Pope,' he replied, 'I object to being called a Pope,' but had no objection to being called Red 'if Red means radical.' Larding his remarks with pious allusions to his Christian faith, Dr. Potter revealed that he had learned much from Marxism but was 'more radical' than most Marxists. He backed the African terrorists, but he preferred to call them 'liberation movements.' Naturally he preferred this phrase since it is the officially approved Com-

munist designation of the murder gangs in question."

If your church supports the World Council of Churches it is supporting terrorism. What do you think Jesus Christ would have you do about it?

STATEMENT OF U.S. REPRESENTATIVE PAUL FINDLEY—BUILDER AUTHORIZED CORPS OF ENGINEERS DREDGING OF QUINCY BAY, MISSISSIPPI RIVER, ILL.

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. FINDLEY. Mr. Speaker, the Congress of the United States should authorize a program to be undertaken by the U.S. Army Corps of Engineers to alleviate siltation problems at Quincy Bay and in the area of Broad and Triangle Lakes on the Mississippi River adjacent to Quincy, Ill., upstream of mile 300, Mississippi River.

The Quincy Bay, Broad and Triangle Lakes and Willow Slough areas in the Mississippi River have provided unparalleled recreational opportunities for people in west central Illinois for over a hundred years. Unfortunately, these areas have been damaged gradually over the years by siltation, filling in slowly at first but more rapidly in recent years to the point where waters previously used for water sports are so shallow that they cannot be traversed even by shallow-draft watercraft.

In the interest of navigation, environmental quality, water quality, recreation, fish and wildlife, and other water resource needs, the U.S. Army Corps of Engineers should be authorized to undertake a program of dredging to save this splendid recreational area from eventual total destruction.

Gravel and rock washed down from hilly regions above and silt from the river form mudbars and have already deposited 3 to 4 million cubic yards of material. The lower Broad Lake area that was dredged some years ago for fill for a new railroad bridge was originally 25 to 30 feet deep but is now less than 15 feet deep in most parts.

The Illinois Water Pollution and Water Resources Commission has noted the slow destruction of the Quincy Bay area in a letter to me dated March 6, 1975: "It should be recognized that Quincy Bay provides an excellent recreational area and because of the siltation, much of the environmental value and recreational facilities is being destroyed." State Senator Robert Mitchler, the chairman of the commission went on to say:

> You no doubt have previous correspondence and communication from members of the Two Rivers Resource Conservation and Development Group in Quincy and I believe that you recognize the need for Congressional approval for the U.S. Corps of Engineers to assume the responsibility of dredging of the Quincy Bay and Broad and Triangle Lakes area.

The dredging of the Quincy Bay area coupled with other conservation and hydraulic engineering changes, should preserve Quincy Bay and the surrounding area for the recreational use of generations to come. For this reason, I am today introducing a bill to provide the Army Corps of Engineers authority to commence dredging in these areas. I hope the Congress will act with dispatch on this measure.

STEELMAN FIGHTS AGE DISCRIMINATION

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. STEELMAN. Mr. Speaker, it is critical that we as Members of Congress continue our efforts to end all discrimination resulting from age, race, and sex. One pressing area of concern is the problem of job discrimination based on age. H.R. 2589 which removes the maximum limitation of 65 years of age for the application of the Age Discrimination in Employment Act of 1967, which I cosponsored, is a partial remedy to this problem.

Nevertheless, it is increasingly evident that many highly-qualified persons currently in the job market cannot find employment due to preference given to younger applicants. I would like to insert into the RECORD a letter from a constituent which describes first-hand the extent and effects of such discriminatory practices:

> 3617 SYRACUSE DRIVE,
> *Garland, Tex., June 8, 1975.*
>
> Congressman ALAN STEELMAN,
> *437 Cannon House Office Building,*
> *Washington, D.C.*
>
> DEAR SIR: I have enclosed under this cover the form with the "question of the month." However, there is another problem that I would like to make you aware of and I feel that it is of equal importance in addition to the fact it is a growing one.
>
> The problem is discrimination in hiring because of age. There are many ways of practicing age discrimination but after numerous misses and subsequent checking shows the successful applicant to be at least ten years younger than yourself, you begin to get the idea. This is especially so when some of the head-hunters advise you (off of the record) that the biggest thing against your getting an interview and consideration is your age. I am 48 and find myself on the job market. I am a college graduate, have an accounting major and have a considerable successful track record for office management and internal auditing. The Company I used to work for closed their Dallas office and I was unable to transfer because of family problems at that time.
>
> Since a man (regardless of background and qualifications) appears to be dead after passing the magic age of 40, we should probably vote out of office any and all congressmen and senators that are over 40. After all they are dead men and just don't know it. This is the practice of private enterprise in their hiring practices and it is even so with our own government so far as the civil service jobs are concerned. I phoned the local office in Dallas and asked what the magic age limit was for consideration in regard to an accounting or audit position with most government departments. I was informed that "35" was about it—dead there also.
>
> I may sound a little bitter and I probably am. I have grown just a little sensitive about my age since the very first question that the interviewer asks is, "are you really 48? You sure don't look that old."
>
> I have gotten to the point where I have started asking myself some real searching questions about our whole system, our whole way of life that we call "freedom and all that." To be quite candid, I am having some very serious doubts about all of those precepts that I held so dear when I was a bit younger. I am not real certain that system really is the best way; it might be for those still under 35 but it is a different story after that point.
>
> Sincerely yours,
> LAWTON V. BAUGH.

STORY OF THE ERIE CANAL IS BICENTENNIAL YEAR REMINDER OF THE GREATNESS OF OUR COUNTRY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. MOTTL. Mr. Speaker, this Bicentennial year offers us all an opportunity and incentive to recall the multitudinous historic achievements of the American people.

It also offers an opportunity to honor the historians who have kept the memory of our past fresh and vivid.

One of my constituents, George E. Condon of Fairview Park, Ohio, has done a magnificent job of reconstructing the epic digging of the Erie Canal in his new book, "Stars in the Water," published by Doubleday.

Mr. Condon, by the way, is a columnist for the Cleveland Plain Dealer who is known throughout our community as a witty and brilliant toastmaster and master of ceremonies.

I would like to call the attention of this body to the following brief review of Mr. Condon's book from the Detroit Free Press. I highly recommend reading "Stars in the Water" for anyone who wishes to understand the capability of our Nation to conceive and carry out a gigantic project. The review reads:

> STARS IN THE WATER
>
> It was a hole only 40 feet wide and four feet deep but it changed the face of America.
>
> That hole was the Erie Canal that stretched 363 miles from Albany on the Hudson River to Buffalo on Lake Erie.
>
> Completed in 1825, it opened up what was then a wilderness and funneled a tremendous stream of humanity to new homes in the Great Lakes country.
>
> Author Condon, a columnist for the Cleveland Plain Dealer, has blended intensive, scholarly research, a keen sense of history, masterful characterization and good sense of humor to make a highly entertaining and informative book.
>
> There are little-known insights into many of the famous men who were instrumental in the planning and construction of the canal.
>
> Condon also makes it clear that the Erie Canal brought about the unification of America and played a leading role in the Union victory in the Civil War.
>
> It is interesting to note that the canal planners of 150 years go were blessed with the foresight that makes the successor to the Erie Canal, the New York State Barge Canal, a busy trafficway to this day.

UNITED STATES FOR THE ORGANIZATION OF AFRICAN UNITY

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. GUDE. Mr. Speaker, on June 26, Representative Ralph Metcalfe reintroduced House Concurrent Resolution 272, which concerns U.S. foreign policy with respect to southern Africa. I was very pleased to be one of the cosponsors of this bill that, if passed, would show the support of the United States for the Organization of African Unity and, even more important, for the idea of a just and peaceful solution to the problems of freedom and independence in southern Africa.

This bill is an admirable addition to our country's position on the issues of human rights, freedom, and equality, but it is only a beginning. I feel it is very important that the United States concern itself not only with the plight of victims of apartheid in southern Africa, but with violations of human rights over the entirety of Africa as well. I have in mind specifically President Idi Amin's misrule of Uganda.

President Amin has been in the news many times in recent years; very few of the reports on his activities have been complimentary, and I believe this is rightly so. Mr. Amin's catalog of offenses against basic human rights is quite long, and I feel it would be hypocritical of the United States to ignore him and concern itself with southern Africa alone; issues of human dignity and freedom are not restricted to one or two countries only.

A recent editorial in the Washington Post discusses President Amin's actions quite well, and I would like to bring it to my colleagues' attention at this point:

Outrage in Uganda

Idi Amin, the ex-sergeant who runs Uganda, continues to earn the contempt of people everywhere, especially in Africa. His latest outrage is to threaten the life of a British teacher who, in an unpublished manuscript, criticized his misrule. A civil court threw out the case against the teacher, but he was then tried and sentenced to death by a military court. He will be executed, President Amin now declares, unless Britain sends its foreign secretary for talks within 10 days, provides spare parts for Ugandan army equipment and expels Ugandan exiles living in Britain.

Mr. Amin is the kind of fellow who could revive the gunboat as an admirable instrument of diplomacy. But that era is past, and the circumstances do not encourage British resort to the methods so recently employed, with mixed results, in the matter of the Mayaguez. One can hope that the urgent negotiations now under way will spare the life of the teacher. It seems fair to ask, however, why other Africans have not taken more interest over time in the indignities and atrocities perpetrated by Idi Amin. Perhaps they cannot find a politic way to intercede in a dispute between Uganda and its former colonial master, but there is no similar reason why they should have remained aloof from, for instance, Mr. Amin's liquidation of an estimated 50,000 to 90,000 of his own citizens in the last few years. Africans will have trouble gaining a full hearing for their complaints against racial practices in South Africa as long as they do not also raise their voices against egregious offenses committed by blacks.

Privately, Africans profess to be embarrassed in particular by the prospect that Uganda will host the annual chiefs of state meeting of the Organization of African Unity in July. Mr. Amin himself is due to become the organization's chairman. It is in fact shocking that Africans should bestow their highest public honor for a year on a man who represents what they themselves concede to be flagrant African misrule. Are the members really prepared to accept this humiliation?

IMPROVEMENT WHICH I FEEL SHOULD BE MADE ON THE COMMITTEE ON RESETTLEMENT OF SOUTHEAST ASIAN REFUGEES

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. BRODHEAD. Mr. Speaker, I recently wrote a letter to the President regarding improvements which I feel should be made on the Committee on the Resettlement of Southeast Asian refugees.

I would like to share that letter with you and with my colleagues in hopes that any who share my views on this matter would also communicate with the White House.

July 2, 1975.

Hon. Gerald R. Ford,
The President, The White House,
Washington, D.C.

Dear Mr. President: On May 19, 1975, you announced the appointment of a seventeen member Committee on the Resettlement of Southeast Asian Refugees. This was a most admirable effort to enlist the advice and assistance of leaders representing a broad spectrum of the American people in helping the government to provide for the welfare and assimilation of thousands of unfortunate victims of the war in Viet Nam.

After discussion with Asian-American constituents of mine, I have come to the conclusion, and am making the recommendation to you, that the Resettlement Committee could be improved by the addition of two additional persons. First, I believe that it would be a good idea to include someone from among the 2 million Asians already in the country. Mr. Theodore C. Marrs of your staff met at the White House in October 1974 with a delegation from the Pacific/Asian Coalition, a national organization of Asian-Americans and Pacific Islands peoples. It would seem to me that a representative of P/AC would be a valuable addition to the committee.

I also believe that it would be well to include on this committee a person from among the recently arrived refugees. This person could contribute important insights on the problems the refugees are having, and could provide a direct link between the committee and the refugees the committee is seeking to help.

I believe that these two additions which I am recommending to you would make a good committee even better. Thank you for your kind attention to this matter.

Sincerely yours,

William M. Brodhead,
Representative in Congress.

REDUCING RAUCOUS ROAD ROAR

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. FRASER. Mr. Speaker, the Minnesota Highway Department has decided to embark on a $12 million noise abatement program for Twin City area freeways.

The program uses Federal money made available through an amendment which I offered to the 1973 Highway Act. The amendment broadens the authority of the Secretary of Transportation to fund noise control projects along existing freeways, and authorizes construction of noise barriers, acquisition of noise buffer zones, landscaping and resurfacing.

Additional revenue for the Minnesota project is being provided by a new State law which earmarks 1 percent of the State's gasoline tax for noise abatement programs.

Mr. Speaker, I am confident that this project will help reduce freeway noise pollution, and improve the quality of living along Twin City freeways.

I insert into the Record an article describing Minnesota's noise abatement program.

[From the Minneapolis Star, June 26, 1975]

$12 Million Yearly To Be Spent on Noise Barriers

(By Betty Wilson)

The Minnesota Highway Department is getting ready to build $12 million worth of noise barriers a year along Twin Cities area freeways.

A new state law requires the department to spend 1 percent of the money it gets from the state gasoline tax for acoustical barriers or other sound-abatement programs along highways in residential parts of the metropolitan area.

The federal government pays 90 percent of the cost of any noise abatement project on interstate freeways, and up to 70 percent of their cost on state highways.

Noise barriers cost about $1 million a mile for both sides of a freeway, said William Quirin, assistant highway commissioner.

If the Highway Department builds about 12 miles a year, it will take five or six years and $60 million to $70 million to line sections of freeway in residential areas where traffic noise is unacceptable, he said.

After work on interstate highways is completed, he said, the department will build walls on noisy state highways.

Quirin said the department probably will build walls in outstate areas, too, because outstate people are going to say, "What about us?"

Traffic noise in residential areas should not exceed 70 decibels more than 10 percent of the time, according to federal highway standards. A decibel is a unit of measure of noise, and the standard is measured on the "a scale," which is the noise heard by the human ear. A 10 decibel increase on the scale is a doubling of the noise level.

The noise made by a dishwasher, a hair dryer or a vacuum cleaner is about 70 decibels. A power lawn mower without a muffler may produce 80 or 85 decibels.

Quirin said the department is making a study of noise levels along Twin Cities area freeways. Highway officials will present a proposed construction program with priorities to a meeting of four Minnesota Legislature committees by the end of July, he said.

He said areas with more than 80 decibels get first priority; those with 75 to 80 decibels get second priority and those with 70 to 75 decibels, third priority.

Quirin said California is the only other state in the United States to undertake such a massive noise abatement program. The law requiring the program was proposed by Rep. Linda Berglin, Minneapolis DFLer.

Noise barriers are expensive, Quirin said. "In some cases it would be cheaper to buy the property," he said, "but you can't get federal funds to buy the houses."

There will be some problems, he said, in carrying out the law, which says the program is to start in the fiscal year beginning July 1. Quirin said design takes a substantial amount of time. He said it will take 20 people to design the program when the department is under orders from the Legislature to cut back its employees.

Environmental impact statements will have to be prepared, and in some cases the noise walls may have an adverse environmental impact, he said.

For instance, building walls can cause drainage problems. Some communities may object to what they consider unsightly walls.

Public hearings will have to be held on plans and right of way may have to be bought in some cases.

FAMILY GUNS

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. GUDE. Mr. Speaker, unless the sale and use of handguns is controlled in this country, our homicide rate will continue to rise. Fatal shootings take place every day and, according to the National Coalition to Ban Handguns, 54 percent of all murders committed in 1972 were carried out with handguns.

It is another tragic statistic that about 25 percent of murders occur within families. This can only happen where a gun is within easy reach at home. In a house where a gun is available, a bullet is more likely to stop an argument.

Legislators such as myself who support gun control must applaud an editorial that was broadcast over WMAL-Radio on Wednesday, April 30, concerning this subject:

Tuesday's triple shooting in Alexandria points up one tragic fact: Handguns are more likely to be used on a loved one than a criminal.

Vivian Glover was angry . . . and he had a handgun. The combination of the two was tragic for Vivian Glover and his two daughters.

Most handguns are purchased with cool logic. They are to be used only for protection . . . only in an emergency and only on criminals. But more often than not that handgun bought with cool logic will be used in a moment of passion.

Tuesday's shootings took place in an atmosphere of passion. The victims were not criminals . . . they were the man's daughters and finally, the man himself.

A neighbor, Patricia Clark, heard the shootings . . . and saw the bloody aftermath. She knows handguns are not only meant for criminals . . . they are often used to settle arguments among friends.

Human nature is frail . . . the handgun is not. Keep the two from coming together and the innocent will gain much more than the criminal.

RESOLUTION TO RESTORE CITIZENSHIP TO GEN. ROBERT E. LEE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. DERWINSKI. Mr. Speaker, an editorial which appeared in the June 29 edition of the Homewood-Flossmoor (Ill.) Star Tribune is a very appropriate and certainly timely commentary on the pending resolution to restore citizenship to Confederate Gen. Robert E. Lee.

Since this resolution is scheduled to reach the floor of the House, I believe this editorial, which was carried in a respected publication outside of the boundaries of the Confederate States, to be of special significance and worthy of thorough review.

The article follows:

AS WE SEE IT—R. E. LEE: AMERICAN

"With malice toward none, with charity toward all."—Abraham Lincoln.

The original thoughts contained in these famous words are being put to the test in an unusual resolution before the U.S. Congress. Introduced by Sen. Harry Byrd of Virginia, the resolution would restore "full rights of citizenship" to Robert E. Lee, general-in-chief of the Confederate armies.

As punishment for taking part in the rebellion, Lee and other key figures in the Confederacy were no longer considered to be U.S. citizens unless they first applied for a pardon from the Union government. The next step was for the rebels to sign an oath of allegiance to the United States.

Most of the former Confederate leaders followed the two-step process. So did Lee. In June, 1865, two months after the surrender at Appomattox, he sent an application for pardon to Gen. Ulysses Grant. The Union general forwarded the application to President Andrew Johnson with his "earnest recommendation" that it be granted.

Lee also urged other Southerners to follow his example, stating: "I believe it to be the duty of every man to reunite in the restoration of the country and the re-establishment of peace and harmony."

Lee regained some rights of citizenship, such as the right to vote, at Christmas in 1868, when Johnson declared a universal amnesty for former Confederate officials. Action on a full pardon for Lee, however, never took place apparently because the White House never received from him a separate oath of allegiance. The presumption for many years was that Lee had simply changed his mind about the pardon. A gentleman to the end, he did not press the matter. He died in 1870. Lee's application for pardon passed through a number of hands, finally winding up in a museum at the Illinois State Historical library in Springfield. The matter of a signed oath, however, remained a mystery.

Then dramatically, in 1970, a researcher at the National Archives in Washington, D.C. found Lee's oath, properly executed, in an old cardboard box containing State department documents. It is dated October 2, 1865.

Sen. Byrd says action to make Lee a citizen again should have been taken a long time ago. Lee, he points out, was not only a military hero who served his country well in the Mexican war, but by his dignified conduct after the Civil war he helped greatly in bringing the North and the South closer together.

We favor Byrd's resolution. Gen. Lee may have been a rebel at one time, but when he lost the good fight he tried to make amends by living an exemplary life during the few years that remained to him. A clue to the philosophy of the man is contained in his statement: "Duty is the sublimest word in our language. Do your duty in all things. You cannot do more. You should never do less."

He was a soldier, and one of the best. Yet he also could say: "It is well that war is so terrible, or we should get too fond of it."

We submit that the United States could profit by the addition of such a citizen.

IVY BAKER PRIEST

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mrs. PETTIS. Mr. Speaker, on Monday, June 23, the 37th District of California, as well as the rest of the Nation, lost one of its most distinguished women, Ivy Baker Priest. Those of us who knew Mrs. Priest feel a deep sense of personal loss at the news of her death.

It is with the deepest gratitude and respect for her long and distinguished career, and the deepest sorrow for her death, that I ask now to take a few moments to pay Ivy (Maude) Baker Priest a few words of tribute.

Mrs. Priest is the only woman ever to have been elected treasurer for the State of California. She won election to that post in 1966 and was reelected in 1970; ill health prevented her from seeking a third term.

She also has the distinction of being the second woman to ever serve as U.S. Treasurer. She served in this capacity from 1953 to 1961.

Mrs. Priest began her political career many years ago. From her first days in party politics with the Young Republicans in 1932, Ivy Baker Priest was dedicated to making the political system work.

President of the Utah State Young Republican Organization—1934–36—Mrs. Priest went on to serve—1937–39—as president of the Utah State Women's Legislative Council.

She was actively involved in Utah political affairs and was a leader in the movement which resulted in the first minimum wage law for working women in Utah.

In 1948, Mrs. Priest, a delegate of the National Committee on Women from Utah, attended the Republican Party National Convention in Philadelphia. Always actively interested in involving women in governmental affairs, Mrs. Priest often publicly stated that women should seek elective positions.

After running unsuccessfully for Utah's Second Congressional District seat, Mrs. Priest became the GOP national committeewoman and later on headed the women's division of the GOP national committee in the Eisenhower campaign.

In 1952, President Eisenhower appointed Mrs. Priest as Treasurer of the United States.

Although busy in political affairs, Mrs. Priest was always a devoted mother and wife, and spent many hours working with the American Red Cross.

Ivy Baker Priest will indeed be missed. Her presence on earth has enriched us all, and we shall never forget her.

INFLATION AND OVERTAXATION—THE NEED FOR TAX INDEXING

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. CRANE. Mr. Speaker, inflation has a dramatic impact upon every American family. Initially, it lowers the purchasing power of the dollars we earn. It is a form of taxation without representation, for it is the result of Government's artificial increase in the supply of money to pay for programs which legislatures enact but which they do not wish to pay for through the unpopular vehicle of higher taxes.

There is another way in which inflation does us serious harm. During the past 10 years, the consumer price index has more than doubled. Inflation has risen by more than 11 percent in the last year alone. Owing to the present tax structure, inflation forces the American taxpayer to pay a steadily higher effective tax resulting in what is, in effect, a windfall to the Federal Treasury.

Figures compiled by the Joint Economic Committee show that real income tax rates for middle-income families last year rose 26.5 percent—whereas the inflation rate averaged 12 percent. This increase is directly attributable to the relocation of taxpayers' dollars income into new, distorted taxable income levels.

What is needed is a tax system which taxes real income, and not the inflated values which may have been assigned to inventory and property. Such a system of tax indexing has been proposed and would require adjustments to reflect changes in the cost of living as measured by the consumer price index in: First, income tax rates; second, the standard deduction; third, personal exemptions; fourth, depreciation; and fifth, the interest rate on U.S. savings bonds, saving certificates, and certain other U.S. obligations.

In a recent article in the Wall Street Journal, Dr. William Fellner, resident scholar of the American Enterprise Institute and former member of the President's Council of Economic Advisers, expresses support for this approach. He writes that, "As long as inflation continues to cause overtaxation, which in turn invites economic stagnation, neither the administration nor Congress can improve matters if their efforts to boost the economy through tax reduction are so unrelated to the root problem. As an alternative to crude aggregate reductions in tax liabilities, a cleaner approach would be to separate inflation-correction from modification of the basic tax structure, doing so with specific indexing operations that do the former task automatically."

Dr. Fellner concludes that, "Constancy of the price level is not in sight for the periods for which we can plan our fiscal procedures and the tax distortions caused by inflation become cumulative. Allowing our tax structure to become disfigured by inflation and adjusting disfigured structures periodically 'by feel' clearly illustrate the kind of bad practice to which we need to put an end."

Clearly, the time for tax indexing has come. I hope that my colleagues will carefully consider this thoughtful article entitled "Inflation and Overtaxation," which appeared in the Wall Street Journal of July 3, 1975, and I insert it into the RECORD at this time:

INFLATION AND OVERTAXATION

(By William Fellner)

During the recent steep inflation, individuals and corporations have become sharply aware that their tax liabilities are rising faster than their money incomes. Often this happened as their "real" incomes were actually declining. Individuals have lost purchasing power as inflation has pushed them into higher tax brackets and businesses have been taxed on amounts which were not real profits but rather represented costs of recovering the real value of their capital used in production.

Overtaxation shows clearly in the fact that from 1973 to 1974 the 12% increase in federal tax intake was appreciably greater than the rise in money incomes (money GNP rose merely by 8%). During a recession, one of the cushioning effects normally results from a decline of tax payments relative to money income at given tax rates. In 1974, the tax-raising effect of inflation outweighed the "automatic stabilizing effect" of the budget and statutory tax reductions were needed to achieve a result that normally comes about without such changes.

Operating by feel, Congress and the administration actually came quite close to correcting for the inflationary overtaxation of 1974. The enacted $8 billion rebate of 1974 individual income tax liabilities is the equivalent of overtaxation caused by 12% inflation, only slightly more than the general price increase from 1973 to 1974.

Even if we consider jointly the 1974 rebate and the further reductions for 1975, we obtain no more than the cumulated effect of three to four years' inflation on current personal tax liabilities, a period during which no tax cuts had taken place. The reduction of business taxes involved in the recently enacted temporary increase of the investment tax credit corrects merely for the overtaxation caused by a very moderate amount of inflation.

STEPS IN THE DARK

But we must not limit our attention to aggregates. The question arises what the structure of the tax reductions would have been which would have eliminated the inflationary distortions. How does this structure compare with that of the reduction actually enacted or with that of the reductions initially proposed by the administration? Posting this question does, of course, not imply that the initial structure should merely have been purified of inflationary distortions and that the resulting structure and the corresponding total tax yield should thereafter have been regarded as immutable. But decision makers are moving in the dark and are keeping the public in the dark if they do not see and explain clearly on what kind of mixture if inflation-correction with other changes they are passing judgment.

In 1974 taxpayers from $20,000 adjusted gross income (AGI) upward paid close to 52% of the total federal income-tax bill. Because inflation does hit upper income taxpayers a bit less, correcting for inflation-caused overtaxation would have implied giving these taxpayers 43% of the total reduction.

The difference between 52% and 43%—a calculation made with the assistance of the U.S. Treasury—expresses the "regressive" character of the inflationary tax distortions. Distortions hit the low-income groups more than proportionately. This is so because inflation causes individuals who pay no taxes to move into tax brackets while the progressivity of the tax schedule flattens out at the highest level; once in the 70% bracket, an individual can move no higher. Yet the regressive character of the tax-distortion was significantly over compensated by the Tax Reduction Act. The act gives the group from $20,000 AGI upward merely 15% instead of 43% of the total 1974 rebate, and it allocates to the same groups 14% of the reduction of 1975 liabilities.

This disfigurement to the tax structure can also be seen by observing that the size of the rebate is defined not in relation to AGI classes but to tax payments. If the Congress wanted to shift the tax burden from those who have low incomes to those who have high incomes they should have related the rebates to income classes. Instead, it related the rebate to tax payments, thereby penalizing those who in fact paid the highest taxes. According to the provisions, 1974 liabilities up to $100 are fully refunded. Beyond that, 10% of the liabilities are refunded up to the level where the rebate reaches a $200 ceiling. Moving further up the scale, the $200 ceiling is phased down to $100.

The administration's initial proposal was conceptually the same although different in details. Taxpayers would have gotten a 12% refund on their liabilities up to $1,000. Those above the $1,000 ceiling would have gotten one-half of what would have been required to correct for inflation-caused overtaxation.

The problem with this conceptual approach is that it merges a correction for inflation with modifications of the basic tax structure: income is redistributed, but without careful attention to the effects on incentives, national income and economic growth. No one can, of course, hold it against the Administration or Congress that they were guided by more objectives than one. But two entirely different components of a legislative program need to be defended and appraised separately. Instead, a subsequent research effort was needed to disentangle the components.

Even so, while Congress came close to at least correcting individual income taxes for inflation in the aggregate it did almost nothing to correct the taxation of gross revenues needed for recovering the real value of capital, the mere replacement of used up plant and equipment.

In 1974, the domestically originated taxable book profits of the non-financial corporations amounted to $110 billion. This figure calls for a downward correction by as much as $50 billion—about $35 billion for the inventory valuation adjustment (IVA) and an additional $15 billion for the difference between depreciation at replacement cost and depreciation at historical cost.

The $50 billion includes a large component representing merely nominal (inflationary) revaluation gains of corporations. But it also includes nominal gains that showed in the tax returns of creditors rather than in the returns of investors in physical goods. The $50 billion implies an overtaxation of more than $20 billion, but this figure must be adjusted down sharply for a number of reasons. One is that in 1974 the average price of the goods in inventories rose by much more than the general price index, almost 20%, and the difference constitutes real, not nominal inventory gains. That is, if the inflation rate were zero, but goods held in inventories rose in value, inventory gains would be real.

Those enterprises that opt for FIFO accounting on inventories (first-in, first out) are overtaxed by the general inflation component of that $35 billion IVA adjustment, and an indexation method should only correct for that component. Enterprises that opt for LIFO accounting (last-in, first out) normally suffer no overtaxation through inflated inventory gains.

Although there are several other calculations that need to be made to avoid an exaggeration of inflation's tax effect on capital recovery, it would be very difficult to go through these data in detail without arriving at the conclusion that from 1973 to 1974—in one year alone—inflation added at least $14 billion to the tax-base of non-financial corporations, and about $6 billion to their tax bill, by taxing amounts that were needed for recovering the real value of the physical capital that these corporations used up in production. Roughly, $1 billion in overtaxation was felt by the remainder of the business sector. Thus, the provisions of the Tax Reduction Act not only fall quite a bit short in the aggregate amounts in offsetting the unintended taxation of capital recovery, but they also fail to address themselves to this problem specifically.

A CLEANER APPROACH

As long as inflation continues to cause overtaxation, which in turn invites economic stagnation, neither the administration nor Congress can improve matters if their efforts to boost the economy through tax reduction are so unrelated to the root problem. As an alternative to crude aggregate reductions in tax liabilities, a cleaner approach would be to separate inflation-correction from modifications of the basic tax structure, doing so with specific indexing operations that do the former task automatically.

What should be indexed? For the individual income tax, there should be automatic, formulated inflation corrections to exemption limits, the standard deduction and the bracket intervals to which the specified rates apply. A further indexation operation would be needed to assure that the realized capital gains on which taxes are levied should be real gains rather than mere reflections of inflation.

It is equally important to dispense with the valuation at historical cost of the expenses caused by using up physical capital in productive processes. This, too, would involve indexing, with the result that the current-dollar equivalent of these deductible expenses would rise in proportion to inflation. Because inflation bears unequally on debtors and creditors, these relationships should be taken into account in the formulation of the provisions.

Constancy of the price level is not in sight for the periods for which we can plan our fiscal procedures and the tax distortions caused by inflation become cumulative. Allowing our tax structure to become disfigured by inflation and adjusting disfigured structures periodically "by feel" clearly illustrate the kind of bad practice to which we need to put an end.

TRIBUTE TO JOHN KIRKLAND

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mrs. HOLT. Mr. Speaker, we have lost a friend, John H. Kirkland, who was dedicated to the Christian faith and to his duties as an officer of the U.S. Capitol Police.

John Kirkland passed away on June 26 after long and devoted service to the Nation and his community. He served 23 years in the Air Force before joining the Capitol Police more than 8 years ago.

He was a well known and respected figure on Capitol Hill, performing his job with professional skill and human understanding. You will recall his genial and helpful approach to people at the front entrance to the Longworth Building.

John Kirkland had a true instinct for the important things in life. He was devoted to his family, his community, and his church. He was also a 32d degree Mason and vice president of the Capitol Hill Shrine Club.

Our friend, and my constituent, John Kirkland, represented the qualities of good citizenship which sustain our Nation.

I ask the House of Representatives to share this tribute to a fine man and this expression of my profound sympathy to his wife Dorothy, his son Neil, and his daughters Peggy and Carol.

OPERATION SAIL LAUNCHED

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. YOUNG of Florida. Mr. Speaker, on Friday, June 27, 1975, in St. Petersburg, Fla., Miss Susan Ford, our President's daughter, broke a bottle of champagne over the hull of a 41-foot yacht, and christened the ship *Op Sail '76*. Through this action, Miss Ford launched the executive flagship of a bicentennial project which will be one of the most spectacular events in this Nation's 200th birthday celebration—Operation Sail.

The yacht, a Morgan out-islander catch, was donated by the Morgan Yacht Corp. of St. Petersburg, Fla. It was therefore, appropriate that St. Petersburg was the site for the christening ceremonies and that the "Sunshine City" was designated as *Op Sail '76's* first port of call. The yacht has now sailed to visit as many other ports as possible along the Gulf and Atlantic coasts before July 4, 1976—to introduce people, especially our youth—to the principles and pleasures of sailing. Moreover, *Op Sail '76* will be promoting the Bicentennial extravaganza involving a large assemblage of sailing ships from all over the world. These ships, including four-masted windjammers, will help to honor America's maritime history, with their visit culminating in a marine parade in New York Harbor on July 4, 1976.

Mr. Speaker, it was indeed a pleasure for me to have been called upon to participate in the christening of the *Op Sail '76* with Miss Ford. I was especially pleased to have noted the enthusiastic response the President's daughter and *Op Sail '76* received from the large crowd of spectators which included hundreds of young Americans. America's Bicentennial is an event to be shared by all, and it is with great pride that I wish Operation Sail success and thank the Morgan Yacht Corp. for making it possible for my city of St. Petersburg to play such a prominent role as the U.S.A. celebrates our Bicentennial year.

LIVE PLEASANT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. PICKLE. Mr. Speaker, last summer many of us were studying closely a logical and important statement on impeachment by Charles Lund Black, Jr., Luce Professor of Jurisprudence at Yale University Law School. Charles Black has a long career of influence on American jurisprudence, in the fields of admiralty and constitutional law. Many of his writings will be reprinted many times, and many a law student will read them repeatedly.

But often, some of the best thoughts by outstanding thinkers go unnoticed, as they are given on an occasion which is not noticed except by those privileged to be there. And I would observe, that more often than not such remarks are brief and precisely stated.

On May 17, 1975, at the University of Texas, Austin, such remarks were delivered by Charles Black.

My earnest desire is that every Member of Congress, every person in public life, read carefully the next to last paragraph of Black's remarks: "Live Pleasant."—"The cultivation of kindness is a valuable part of the business of life."

No words are more important in this body.

I ask that Prof. Charles Black's speech of May 17, 1975, be placed in the RECORD. On the occasion of this address, Professor Black was named the first distinguished alumnus of the University of Texas College of Humanities. It was fitting that Charles Black received this accolade for he is a genuine Renaissance man: being a poet, a painter, and a musician, in addition to being a scholar.

The speech follows:

LIVE PLEASANT

Dean Werbow, Dean Wheelock, Professor Galinsky, my distinguished fellow occupants of the stage, parents, and friends of what I still stubbornly think of as "The University"—and finally those to whom, with apologies to the others, I principally speak, graduates of the class of 1975, just forty years after my own:

Dr. Johnson said once that every man has a lurking wish to be thought of consequence in his native place. Austin is the place of my birth in the literal sense, and here in this great University I was born to the higher learning—to the classics, which I still read with my children, to geology, which I still study as an amateur, and to all that makes a mind as open and liberal as it is capable of becoming. I know it would be the conventional thing for me to speak of my humility on receiving this inexpressibly appreciated award, but somehow I cannot do so just now. I guess that protestations of humility do not come as naturally or as automatically to my tongue as they do those of men in political life, who so continually assure us how humble they are. Right now, humility is crowded out of my mind by pride and pleasure and a sense of being honored. I shall wait to be humble until tomorrow, on the plane back to New Haven.

I speak to you across what a few years

ago it was a fashionable to call the "generation gap". I never believed in the total reality of a gap between parents and children, between persons travelling the same road from birth to death, even though some are further along that same road than others. Between our particular generations, there stands, however, one great difference. Growing up here in the thirties, I grew up, as did all my contemporaries, in a world in which nothing was expected to happen. There was in Germany in the year I graduated, an obviously insane man, a posturing man, named Hitler, but what did that have to do with us? Some scholars might have then foreseen atomic weaponry, pollution in its many kinds, and overpopulation, but we didn't know about any of that. We lived in the condemned playground, with no sense of its condemnation, and much sense of its playfulness.

You, on the other hand, have grown up in a world—and I know this, because I have children not far from your ages—in a world that at last has eaten of the bitter fruit of the tree of the special knowledge that the human world can destroy itself. As you will know when you have children, this matters as much to me as it does to you.

Now I am not ready by a long shot to bequeath anything to anybody, or to hand on any torches. Not yet. For now, I will keep on in the fight with you. But I am desirous of saying one thing, which you may take as advice if you like. These problems, these hideous problems that have come into being in the forty years since my graduation, while the very pebbles in the walk in front of the Union Building have remained in place, are soluble by intellect and will, by realistic engineering and by charity. We are not dealing at last with the atom bomb or with the depletion of ozone. We are dealing with ourselves.

I add only two things: Edmund Burke, Johnson's friend, said one of them in two words: "Live pleasant." Johnson used a few more to say the second: "The cultivation of kindness is a valuable part of the business of life." The pleasantnesses and the kindnesses of life are not at war with serious attention to serious problems; on the contrary, they strengthen us for the work.

May you then live pleasant, cultivate kindness, shape the intellect yet further, have courage—and if you do these things I for one have faith—to use words that can never become trite, because they were uttered by St. Juliana of Norwich—that all will be well—indeed, that all is already well.

CONGRESSMAN WILLIAM HUNGATE TO RETIRE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. SIMON. Mr. Speaker, I read with real regret the story in the newspapers over the weekend that our colleague and friend, Congressman WILLIAM HUNGATE, will be retiring.

As a new Member I have not had the privilege of knowing him as well as many of the rest of you, but I have sensed in his record, his character, and his demeanor that here is a man of above average traits, who has brought honor to this House and to this Nation by his service.

In his neighboring—and native—State of Illinois a Congressman also once retired, after one term here and 8 years in the Illinois House of Representatives. He later was persuaded to run for the U.S. Senate, and then became our 16th President.

Abraham Lincoln and BILL HUNGATE have more than story-telling in common. There is a strength of character, an ability with words, a warmth toward people, that set both apart.

I hope the day will come when BILL HUNGATE will be called upon to accept higher office. This House will be poorer without him, as will public service.

AN ATTEMPT TO CLOSE FORT DIX

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. ZEFERETTI. Mr. Speaker, it has recently been proposed that all basic and advanced infantry training units at Fort Dix be transferred to Forts Benning, Ga., and McClellan, Ala. I sincerely hope that the House Appropriations Committee, Subcommittee on Military Construction sees it fit to reject this proposal; the resulting adverse effects on both our military and economic structure by such a transfer would be too numerous and great to warrant our support.

I believe it is important to try to strike a fair balance between essential and nonessential military expenditures. In recent years, a number of military facilities around the country have been closed in the interest of economy and efficiency. I do not question some of these actions. However, some of them have been counterproductive. And this, I feel, will be the case with the transfer of all units from Fort Dix to Forts Benning and McClellan, and the eventual closing of Fort Dix.

For many years, Fort Dix has served as a strategically located base of basic training for the entire northeastern United States. It has had a long and honorable history. However, more important reasons for its retention as a major Army installation are that not only does Fort Dix have the strategic advantage of being located near major transportation centers and McGuire airbase, but this location could be invaluable to our country in terms of meeting NATO commitments if emergency action is required.

Furthermore, since between 60 and 70 percent of the Nation's population is located in the triangle represented by Boston, Cleveland and the District of Columbia, large numbers of trainees from this area have been automatically sent to the fort most convenient to them, Fort Dix. However, if this proposed transfer of Fort Dix to our forts in the South be adopted, these recruits from the Northeast and Midwest, as well as the Mid-Atlantic States would have to be sent to the deep South for training. If only in these terms, the proposed restructuring of the Army by closing Fort Dix seems to me to be not only unnecessary, but inefficient as well.

The closing of Fort Dix would also have an adverse effect on Army recruiting efforts, endangering the volunteer Army concept, since the Northeast is expected to provide 21 percent of all male Army recruits during 1975. Young men from the Northeast, those who ordinarily would volunteer their services to the Army, will surely be forced to rethink their decisions when faced with the possibility of being shipped over 1,000 miles away from family and friends. They would surely rethink their decision to volunteer when faced with the possibility of being stationed in the South during the long, hot summer months.

Regrettably, some regional discrimination is evident in this proposal. For years, now, military facilities throughout the Northeast and Midwest have been systematically pruned and closed while southern facilities have remained intact or been enlarged. It is, therefore, obvious that this proposal would only increase this existing imbalance, increase it to the point of leaving the entire Northeast without a single major Army installation for basic and advanced training.

The economic impact of the closing of Fort Dix is also worthy of our consideration. The jobless rate in New Jersey is already over 13 percent. Losing a $20 million payroll and an annual infusion of $350 million into the area's total economy will only serve to compound this situation.

I am urging the committee's rejection of the proposal to transfer all training units from Fort Dix for another and equally important reason; the Army's previous decision to realine Fort Hamilton as a subinstallation of Fort Dix. I, along with the other members of the New York delegation who expressed concern over reduction in staff and positions at Fort Hamilton as a result of the fort's realinement, was assured by the Secretary of the Army that many of these positions would be transferred to Fort Dix. Now that Fort Dix faces the possibility of having its functions transferred to Forts Benning and McClellan, am I to explain a further move to those, many of whom lived within my own 15th Congressional District in New York, who have already been forced to relocate themselves and their families at Fort Dix? I think not.

Therefore, it is my sincere hope that this counterproductive proposal concerning the fate of Fort Dix will not be approved by the House Appropriations Subcommittee on Military Construction, and that, instead, this vital facility be retained to further serve the people of our country.

THE 17TH OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. SARASIN. Mr. Speaker, I would like to bring to your attention this the 17th observance of Captive Nations Week, July 13–19. It is a fitting time to remind ourselves that there are still millions of people in this world who live under a government not of their own choosing, in full denial of their human rights to self-determination and freedom.

Particularly with the upcoming Conference on Security and Cooperation in Europe, it is imperative that the Congress reaffirm the aspirations of independence that exist in the Baltic nations and refuse to recognize Russian hegemony over them. To this end, I have cosponsored House Concurrent Resolution 165 which expresses the sense of the Congress that the Conference on Security and Cooperation in Europe not recognize the Soviet Union's annexation of Estonia, Latvia, and Lithuania.

The present spirit of détente must not weaken our resolve to stand by oppressed nations who continue to struggle for their freedom and independence. Clearly, the recent additions of South Vietnam, Cambodia, and Laos to the list of captive nations should tell us that the struggle for control of small countries continues unabated. In this the 17th observance of Captive Nations Week, we can work to restore public confidence in our leadership as a great free Nation, and also review our foreign policy to reaffirm our basic principles and values.

FIELD HEARINGS ON TAX REFORM

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. JONES of Oklahoma. Mr. Speaker, during our July 4th recess, I conducted field hearings on tax reform in the First District of Oklahoma. Citizens from all walks of life came forward to share their ideas on how to improve the Internal Revenue Code.

These hearings were timed to coincide with the beginning of hearings before our Ways and Means Committee. Our chairman, AL ULLMAN, has encouraged this type of grass-roots citizen participation, and I feel certain he will be duly impressed by the caliber of the recommendations, and the substantive nature of the proceedings.

The first day of hearings focused on the individual income tax. State Senator Bob Funston, chairman of the State Democratic Party, led off by recommending indexing of deductions and exemptions. Senator Funston noted that if Congress had to pass a tax increase equal to the "automatic" increase caused by inflation, it would be most reluctant to do so.

Representatives of organized labor criticized taxes based on "the color of your collar." They supported increasing the minimum tax on preferential income, eliminating the tax exemption for the interest on municipal bonds, and ending incentives for investment overseas.

The Common Cause representative chose to direct her attention to procedural reforms affecting the Ways and Means Committee. Open rules for tax bills, record votes in committee, and open meetings in the main hearing room were among the proposals that I could report were already in effect, and producing a more accountable, responsive Committee. Additional recommendations included open conferences, increased disclosure of lobbying activities, and easier public access to committee transcripts.

Reverend Alvan Johnson called for "commonsense," and advocated the closing of the "loopholes that the rats run through." The main recommendation here was to eliminate deductions, and reduce rates to perhaps 10 percent, to assure that everyone paid a fair share of taxes.

The American Association of Retired Persons focused on what proved to be a popular topic, the need for ending the discrimination against single persons. Many of AARP's members are widowed or divorced, maintaining a home, but having already raised their family. These taxpayers must pay at the rate for a single person, which are considerably higher than the rates for a head of household or married couple.

This apparent inequity was mentioned by a number of witnesses, young and old, single and divorced mothers. Their message was the same, it was a unanimous criticism of unfair tax rates.

An educator by the name of Lanny Reed testified to his personal experience with a strange quirk in the Tax Reduction Act of 1975. Mr. Reed started construction of his own house in August 1974, and completed work this March. If he had sold the house, the buyer would have been eligible for a tax credit. If Mr. Reed had purchased a similar home, he would have been eligible for the tax credit. But because he served as his own contractor, he is ineligible. As he described it:

> Every time there is a catch in the tax law, it catches me.

Mr. Reed also discussed another area of the tax code relating to the deduction allowed for professional expenses incurred by an employee. The concern was over a tentative decision that would have eliminated this deduction for the first $200 of such expenses. The change would not have affected the deduction for self-employed professionals. Thus employees would be singled out, and teachers particularly hard hit.

Throughout the first day of hearings, there was also a constant theme discussed, unrelated to the tax laws, but definitely related to revenue collections. The theme was simple and direct: cut down on spending, and cut out wasteful spending. The logic is irrefutable, if you want to pay lower taxes, reduce the level of Federal spending.

This theme for a return to fiscal responsibility was expressed not only at the hearing on individual income tax reform, but also by businessmen and attorneys who testified at our second day of hearings on corporate income tax reform.

The Metropolitan Tulsa Chamber of Commerce began our second session. The MTTC has established an ongoing Task Force on Federal Tax Legislation. This task force recommended that tax reform should be designed to encourage investment, foster capital formation, and defend against the inequities of inflation. Among the MTTC's specific recommendations were a proposal for a more rapid cost recovery system on capital investment, a permanent increase in the investment tax credit to 10 percent, and a phased-in increase of the corporate surtax exemption to $100,000.

On the question of double taxation of dividends, the MTTC Task Force recommended a change in the code allowing companies to be taxed on net income remaining after distribution of dividends.

On the energy front, Mr. Hal Gibson of the Oklahoma Independent Petroleum Association, came down strongly for a stable, long-term fiscal policy that will allow proper planning in the private sector. Mr. Gibson also cited the need for capital investment in energy, offering the proposal for an energy development investment credit to provide additional incentive for energy investments. Addressing himself to the proposal some have made to eliminate the deduction for intangible drilling costs, Mr. Gibson urged that this provision be left intact, and cited it as the most important remaining tax incentive for the exploration of new oil and gas.

The Common Cause representatives on this second day were critical of the tax laws that foster multinational corporations. In terms of domestic corporations, a proposal was made to allow only the first 25 percent of entertainment expenses as business deductions. They also supported tax shelters which encourage low-income housing, and strengthening the minimum tax.

Several foundations and charitable institutions were represented, including the Mabee and Warren Foundations, Hillcrest Hospital, and the YMCA.

The foundations were concerned about the 4-percent tax on income, and the payout requirements. They felt that the 1969 law made important changes which corrected abuses, but perhaps went too far in restricting legitimate foundation efforts.

Hillcrest Hospital and the YMCA representatives were concerned about proposals to eliminate the deduction for charitable contributions. They cited the tremendous work done by charities in our area, and their tremendous reliance on private contributions.

I found our 2 days of hearings to be educational and informative. Those participating took great time to prepare their statements, and I will be working to see that their ideas are given the weight and consideration they deserve by our committee.

We have taken one additional step to learn what the citizens of the First District feel about tax reform. In our June newsletter, we asked the following question: "If you could make one change in the Internal Revenue Code, what would it be?" We have received numerous ideas, and I plan to share these with you when all of the responses are in.

The point of all of this can be put this way. Taxpayers in this country are ready, willing and able to make a substantive input into our tax reform effort. It is absolutely essential that we listen to these experts, the taxpaying public.

FEDERAL HIGHWAY TRUST FUND WILL LEAVE RURAL AMERICA IN MUD

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. RISENHOOVER. Mr. Speaker, the President's proposal to limit the Federal highway trust fund to the Interstate System will leave rural America in the mud.

There are death traps, narrow roads, mud holes and killer bridges off the Interstate System which the President now proposes to ignore.

Mr. Speaker, this decision is a major setback to balanced rural development and adds to the problems of farmers who are suffering most because of ill-advised decisions by this administration.

In a larger sense, such regressive thinking depicts a President who is backing away from a great national need instead of driving ahead to solve great problems.

The highway trust fund—which is built from a 4-cent per gallon tax on motor fuel—is the principal resource which this Nation has to build a system of secondary and rural roads.

That money should be expeditiously spent to provide a modern transportation system far beyond the Interstate System. There are bridges in Oklahoma where workers and schoolbus children actually risk their lives, according to our State highway officials, in order to reach their jobs or to get their education. That is an unfortunate crisis which can—and should—be corrected.

At a time when our economy is weak, we should be rapidly expanding public works to provide more jobs and to build the necessary roads and bridges which will enrich our future.

Instead of expanding in the crowded urban areas of our country, American industry should be moving into small towns and rural areas where there are labor supplies, plenty of room, fewer problems of pollution and a great need for balanced industrial economy intermeshed with farming and other traditional rural businesses.

Only with good roads for efficient transportation can this be possible.

One of the most attractive industrial parks in America—Mid-America Industrial District of Pryor, Okla.—is served by a narrow, two-lane road. When opting for rail transportation, Mid-America Administrator Gene Redden told me, "The railroad lead tracks throughout the area are in such poor condition that cars are being derailed, resulting in product loss and great inconvenience." So, these manufacturing plants must use the roads to ship their products to the cities.

Throughout the Second Congressional District of Oklahoma, there are bumpy, two-lane roads and wobbly bridges. These are a menace to travelers and a disgrace to a nation which calls itself "modern." The national benefits of fixing those roads and replacing those bridges are manifold: increased tax revenues, greater employment, industrial expansion opportunity and welcomed prosperity.

Instead of channeling the money into these products, we are met with a Presidential proposal to cutback Federal spending on secondary and country roads. This is an exact opposite direction than we should be moving.

When I learned of President Ford's decision to abandon these needs and to shun this challenge, I was disappointed and outraged. I urge the Public Works Committees and this Congress to overrule the President and demand that we move boldly to correct these problems and meet these challenges.

Our highway construction workers, their employers and our State highway departments are ready to move ahead with this work They are can-do people who lack only the necessary capital.

In Oklahoma, there is a $2.3 billion backlog in unmet highway needs. In recent years, the State has raised its own taxes and to finance a vigorous rural roads, bridges and highway deathtrap elimination program which—coupled with the orderly release of highway trust fund moneys—could bring a new breath of progress to the countryside of our dynamic land.

Verne Bradley, Oklahoma's highway planner, says:

> Some $2.1 billion of the $2.3 billion backlog is in the rural areas. If we had all the money we needed, it would take 20 years to bring all of Oklahoma's roads up to an adequate level. Instead of our present program of $100 million a year, it would take $313.4 million annually for 20 years to meet those needs.

"Our needs are accruing faster than we are able to take care of them," Bradley told me today.

Oklahoma has led the Nation in completing its share of the interstate system. Under the President's new program, it appears that we now will be penalized for this progress and suffer more under the realinement of Federal highway trust fund allocations. That is a shame.

Okahomans feel that the President's proposal would mean less money for rural areas and more money for the cities. On the surface, that may appeal to the financially pressed urban areas. But, in fact, it is regressive.

Before I can go along with building urban mass transit systems with Federal funds, I demand that farm-to-market roads be built so that we can ship food to the people in our cities. This is basic and it is a must.

There is overwhelming evidence that even large amounts of money would not solve the great problems of crowding, crime and pollution. Instead, we should be providing job opportunities to keep people in the rural areas and to attract industry from the cities into the country. Transportation is the key—because the other factors are already present.

This Congress, by overriding the President's ill-advised action on highway trust funds, can start this change.

On last February 4, I introduced the "emergency off-system bridge replacement program" which would provide $200 million a year for the next 5 years in solving the greatest and most expensive problems of rural roads. I urge the Public Works Committee to move ahead in authorizing this program which was designed through close cooperation with the Oklahoma Highway Department.

We must build rural America—and the starting place is good roads.

WMAL SUPPORTS MODIFICATION OF HATCH ACT

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. CLAY. Mr. Speaker, the Subcommittee on Employee Political Rights and Intergovernmental Programs, of which I am chairman, has been actively considering a bill to bring the Hatch Act in line with modern day reality. H.R. 3000 enjoys the cosponsorship of 64 of my colleagues in the House. The subcommittee recently concluded 11 days of extensive public hearings on H.R. 3000 and related legislation gathering comments from some 100 witnesses. I am pleased to say that there is overwhelming support for amending the repressive Hatch Act.

WMAL, a Washington radio station, recently made its position known in an editorial. WMAL has come out in support of passage of legislation to permit Federal workers greater freedom in the political arena. I want to share WMAL's comments with my colleagues. The editorial follows:

THE HATCH ACT NEEDS REVISION

MONDAY, MAY 12, 1975.

> The Hatch Act of 1939 is restricting. It severely limits Federal employees in the executive branch from engaging in partisan politics . . . whether it be campaigning for a favorite candidate or running for office.
>
> The Hatch Act is vague. In one paragraph it put into law more than 3,000 separate civil service rulings. As a result, no one seems to know what can and can not be done under the Hatch Act.
>
> The Hatch Act is dated. Many of the abuses which prompted passage of the original act are no longer serious problems. Federal employees are now protected by unions and the courts as well as their own sophistication.
>
> Congressman Clay has introduced a bill which would amend the Hatch Act in three ways. It would grant Federal executive employees greater political freedom while at the same time protecting them from coercion and political nepotism. But most importantly, the Clay amendment would clarify an act which has needed clarification for almost 40 years.
>
> More than 350,000 people in this area are denied basic political rights under the Hatch Act. There was a time when such paternalistic protection was needed but times have changed. We weel confident those Federal employees could handle the responsibility of political participation the Clay amendment would give them.

ATTEMPTING TO STRENGTHEN THE ARAB LOBBY THROUGHOUT THE UNITED STATES

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. McFALL. Mr. Speaker, recently, my attention was directed to an article in the June 8, edition of the Baltimore Sun titled, "Attempting to Strengthen the Arab Lobby Throughout U.S.," by Mary A. Barberis of Washington, D.C.

Miss Barberis is a native of Modesto, Calif., a community I am privileged to represent with Representative B. F. SISK.

For several months last year, as she was pursuing post graduate studies with Johns Hopkins University's School of Advanced International Studies here in the Nation's Capital, Miss Barberis was a part-time member of my staff. She performed a wide range of tasks and her work—as is evident by the following article—displayed a keen mind and willingness to look at matters presented to her in depth. Her findings were always presented to me in an intelligent manner. I am encouraged that she is making progress toward achieving her goals and look forward to her establishing a solid career in the years ahead.

Miss Barberis' article follows:

ATTEMPTING TO STRENGTHEN THE ARAB LOBBY THROUGHOUT UNITED STATES

(By Mary A. Barberis)

On questions of Middle East policy there is often what can be called a "coincidence of interests" between broad sections of the U.S. Jewish community and Israel, with no need for blatant string-pulling. While the Embassy may approach the White House and Department of State on behalf of Israel when a reassurance of U.S. support is needed, the American Israel Public Affairs Committee, as "the" Jewish lobby on Capitol Hill, reads the same signs, and intensifies its contact with Congress.

The political involvement that can be aroused on behalf of Israel speaks well for the cohesiveness of the Jewish community as well as the efficiency of AIPAC and other groups. In fact, the backbone of AIPAC's power is its ability to use the organization's extensive mailing list, compiled over the years, to back up its Washington efforts with the "snowballing" effect of grass-roots support.

When comparing—both numerically and in terms of political activity—the Arab and Jewish communities in the United States, one gets a lopsided picture.

Take, for example, the fact that the 6 million Jewish people in America have always had a highly developed communal charity system and have a record of giving generously to Israel. This was especially noteworthy during the period surrounding the October, 1973, Yom Kippur war, when the network of Jewish philanthropic organizations raised more than $130,000 million in just five days, and went on to collect record amounts for Israel.

On the other hand, the 1.6 million people of Arab heritage in the United States so far have been less passionately tied to the Mideast cause. This has been reflected, say observers, in their lobby effort.

"About Arab lobbying on the Hill, there is no comparison with the Jewish effort," according to a congressional committee aide. "Only several of the Arab embassies make any direct contact, and as for Arab-American groups, their contact is on an arms-length basis—letter-writing, mailing flyers and literature—with no consistent personal meetings. If there's a coordinated Arab effort, I don't see it."

Arab leaders themselves concede that they have not been effective in changing congressional views, blaming the overwhelmingly pro-Israel sentiment in the U.S. and the divisions among themselves. Yet, since 1972, the efforts of the National Association of Arab Americans have given rise to the first stirrings of change.

The broad goals of the NAAA are to neutralize what is said to be a bias in the American government and media in favor of Israel, and to attempt to prevent further U.S. military involvement in the Mideast and military aid for Mideastern countries. Not surprisingly, NAAA is especially eager to cut off military aid to Israel. This relatively new group now holds the most potential for the development of a viable Arab lobby.

Working through conventional channels, NAAA's explicit purpose is to involve Americans of Arab extraction—especially professional people—more actively in the U.S. political scene. Frustrated by the strength of the highly organized and effective pro-Israel lobby, NAAA has launched an effort to make known the Arab point of view through appearances before Congressional committees, maintaining a dialogue with officials at the White House, State Department and Department of Defense, monitoring of news media (biased or unfavorable pieces bring a prompt reaction of phone calls, letters or cables from NAAA officials, and perhaps also a number of "letters to the editor" from members), talks before political clubs, and attempts to impress upon individual lawmakers (especially those who do not have Jewish constituencies) that changes in Washington's Middle East policy are imperative.

Around the country, the NAAA provides moral, financial and political support for Arab-Americans who seek office at the local, state, and national level. With a current affiliated membership of about 200,000, the group is striving to provide the coordination for pro-Arab associations in cities with a significant number of Arab-Americans such as Detroit, Chicago, New York, Los Angeles and Boston. The goal is to become an umbrella organization for the 800 or so Arab-American groups that exist in the U.S.

To counter the general predisposition in this country toward Israel, the NAAA tries to show that current U.S. aid-to-Israel policies are detrimental to the long-range interests of the United States in the Middle East. They do this by deliberately refraining from charges which may be construed as anti-Zionist, instead making maximum use of the "America first" argument.

For example, on October 25, 1973, members of both Houses received a flood of telegrams in opposition to the proposed $2.2 billion aid appropriation to Israel (in wake of the Yom Kippur war). These telegrams kept away from anti-Israel criticisms, citing instead concern about possible U.S. military commitments abroad as well as the arguments that U.S. money ought to be used to help its own citizens at home.

"No Vietnam in the Middle East" is a common theme. "We're an all-American organization," says Peter Tanous, NAAA's founder.

Another example of the NAAA's political sophistication is that it explicitly declines to solicit funds for use in Arab lands. In fact, Mr. Tanous, who was president of NAAA at the time of the October war, spoke out to discourage donations. This was in marked contrast to the massive drive of the United Jewish Appeal.

Said Mr. Tanous: "We are first of all Americans. Any money given should remain in the U.S. The Jewish Appeal is bound to upset our balance of payments. Hundreds of millions of tax-free dollars are leaving the country at a time when the U.S. government is trying to keep dollars at home."

NAAA's campaign has stirred at least some public response. Helen M. Haje, who single-handly runs NAAA's Washington office on a full-time basis, notes a significant rise in inquiries and requests for literature—plus growing membership files. On other fronts, Arab-Americans appeared to be gaining a greater share of news coverage than in past years, including more frequent appearances by Arab spokesmen on syndicated television interview programs.

There has been more of a tendency to seek out the roots of the conflict over Palestine, and Arab leaders discern more "objectivity" in media coverage of events in that area.

With regard to Arab contact with the executive branch, progress is being made on the "cocktail circuit." In August of 1974, NAAA president Richard Shadyac was invited to represent his organization at a dinner party given by the Secretary of State, Henry A. Kissinger, for certain Arab ministers. This was the first time an association representing Arab-Americans had been included in a State Department invitation.

But even the NAAA, which, of all the pro-Arab groups represents the most promising rival to AIPAC, faces a herculean task. Despite the small increase in public sympathy for the Arab side in the Mideast dispute, and a reluctance to sanction American military involvement, Israel still has a majority of U.S. opinion behind it.

Of both Jewish and Arab pressure groups acting to influence American foreign policy, there is little doubt that the former are the more highly organized, the more coherent, and, in the end, the more effective in pressing their points of view.

Yet, it is easy to overemphasize the impact of the Jewish lobby—after all, Congress's role in the shaping of foreign policy is not paramount. And should there be a further outbreak of fighting in the Middle East, coupled with another painful oil embargo, American opinion may waver in its support for Israel, particularly if the latter is perceived as the aggressor.

You may be sure that if such a situation arises the NAAA and other Arab groups will be poised to make the most of their opportunity, and the real war will be matched by an equally fierce battle for the hearts and minds of the U.S. public.

WESTERN EUROPE IS CONCERNED ABOUT SOVIET NAVAL EXPANSION—WE SHOULD BE AS WELL

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. CRANE. Mr. Speaker, at the present time, we seem to be entering a period in which the Soviet Union and the Western Allies speak in the rhetoric of détente and peaceful coexistence while meaning radically different things.

The West has permitted itself voluntarily to become weaker than the Soviet bloc in almost all major weapons systems. NATO is at a severe disadvantage, and is becoming weaker each day. Writing in the Hannoversche Allgemeine, Wolfgang Wagner notes that—

> NATO is fraying at the edge, on its southern flank to be exact. First Greece withdrew from military cooperation within the North Atlantic Pact. Now Turkey is threatening to

follow suit. The repercussions are most unfortunate. Western defenses in the Eastern Mediterranean are already called into question, although this worrying fact has yet to be admitted to the general public.

Americans often tend to think of their country as the most powerful in the world. Not too long ago, it was. That situation, unfortunately, is now in the process of change. In a recent Washington talk, for example, Adm. Elmo R. Zumwalt, retired Chief of Naval Operations, declared that the U.S. Navy has been allowed by Congress to decline in strength to the point where today it is questionable whether the Navy can fulfill its mission.

At the same time, the Soviet Navy is growing, and is, in the view of many experts, today the most powerful in the world. The Frankfurter Rundschau, a leading West German newspaper, recently reported that, "Moscow is continuing its all-out efforts to make the Red fleet the world's largest and gain naval supremacy in the Mediterranean and on Western supply routes from the North Atlantic to the Persian Gulf. Were the Soviet Union to achieve its ambitions, pressure could be brought to bear on Western Europe whenever the Kremlin saw fit."

While some Europeans seem less than concerned about the need to keep sea routes open, others clearly understand the validity of the bilateral agreements made by the United States with such important strategic nations as Spain and the Republic of South Africa.

In this regard, the Frankfurter Rundschau, in its editorial of May 27, 1975, declares that:

> When Washington concludes bilateral agreements with Madrid and Pretoria it does so for sound and logical reasons. Western Europe would do well not to carp. If it wants to retain its independence of Moscow it ought at least not to make life difficult for Uncle Sam.

It is essential that the United States once again achieve the naval superiority which Americans at one time took for granted. If the Congress persists in cutting the defense budget in the face of this serious need, it will be responsible for the results. Similarly, if our NATO allies want the United States to be in a position to fulfill its commitments, they should encourage and not discourage actions which make this possible.

I wish to share with my colleagues the thoughtful editorial from the May 27 issue of the Frankfurter Rundschau and insert it into the RECORD at this time:

SOVIET NAVAL EXPANSION THREATENS EUROPEAN SUPPLY LINES

Moscow is continuing its all-out efforts to make the Red Fleet the world's largest and gain naval supremacy in the Mediterranean and on Western supply routes from the North Atlantic to the Persian Gulf.

This prospect was one of the main topics at the two-day talks conducted by NATO Defense Ministers in Brussels.

Were the Soviet to achieve its ambitions pressure could be brought to bear on Western Europe whenever the Kremlin saw fit. Western Europe imports more than sixty percent of its energy requirements in the form of Middle East and North African oil.

Moscow's naval expansion increases Western European dependence on US safeguards. For the time being only Washington is willing and able to compete with the Soviet Union for naval supremacy.

This is why the position of European NATO members was a weak one in the context of the second major topic debated by the Brussels gathering, the share-out of defence contracts between the two sides of the Atlantic.

In principle NATO is agreed that arms deliveries should not be a one-way traffic from North America to Europe. Contracts should be awarded to Western European manufacturers too, although competition for tenders is bound to be fierce.

Were Western Europe to aim at independence from both Washington and Moscow it would have to step up its naval development programme—certainly as long as industry is dependent on imports of raw materials from the southern hemisphere.

Moscow's naval expansion lobs the ball firmly into Western Europe's court. A threat to Soviet interests in Central Europe is irrelevant. Maritime supply lines have come to represent an Achilles heel.

Despite this maritime threat NATO has no plans as an alliance to forge links with the current regimes in either Spain or South Africa.

Whatever is considered strategically necessary is being left to the United States. When Washington concludes bilateral agreements with Madrid and Pretoria it does so for sound and logical reasons.

Western Europe would do well not to carp. If it wants to retain its independence of Moscow it ought at least not to make life difficult for Uncle Sam.

ADOLPH T. SAMUELSON, ONE OF THE EARLY PIONEERS OF MANAGEMENT AUDITS OF GOVERNMENT PROGRAMS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. BROOKS. Mr. Speaker, Mr. Adolph T. Samuelson's retirement from Federal service marks the conclusion of an outstanding career. Mr. Samuelson joined the General Accounting Office in 1946 and was appointed Assistant Comptroller General in 1972. He received the GAO Distinguished Service Award in 1957 and the Comptroller General's Award in 1971.

During the 16 years he served as Director of the Civil Division of GAO, Mr. Samuelson was responsible for directing the audit work leading to more than 1,500 reports sent to the Congress. His long interest in the efficiency and economy of government at all levels has been particularly helpful to the Government Operations Committee, to which most of the GAO's audit reports are directed.

Mr. Samuelson was one of the early pioneers of management audits of government programs. Important work was done to establish review techniques for examining into the effectiveness of Federal programs, such as the early OEO programs and the Federal-aid highway program. Under Mr. Samuelson's direction, GAO staff reviewed many Federal agency internal audit activities and assisted in developing improved accounting systems at many Federal agencies.

Mr. Samuelson has devoted his entire working career to improving Federal programs.

Mr. Samuelson was instrumental in establishing many programs within GAO to develop a professional staff. He strongly believes in and practiced improving the quality of GAO reviews and reports by improving the quality of the staff. He was a stickler for quality work and sincerely practiced teaching the staff to perform such work. Many of the staff members that he helped develop and train are now leading accountants, auditors, and financial managers in GAO and other Government agencies.

Mr. Samuelson's departure from GAO will be noted with genuine sorrow by his many friends and associates. His many contributions to improved government will remain with us as a landmark.

DR. KENNETH B. CLARK DESCRIBES THE AMERICAN DILEMMA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. RANGEL. Mr. Speaker, Dr. Kenneth B. Clark is a rare human being. Over many years of teaching and public service, from doing research on the psychological impact of segregation, which was cited by the Supreme Court in Brown against Board of Education, to serving as New York's only black member of the State Board of Regents, Clark has retained the warmth, sympathy, sensitivity, and sense of justice usually associated with those who have remained isolated from the rough and pragmatic world of politics and social change.

This year, Clark resigned from his positions as professor of psychology at City College of New York and president of the Metropolitan Applied Research Center. Also this year, he wrote a column for the op-ed page of the New York Times which reflects the passion and concern that characterized his career. Because Clark is among the "critical minority of human beings who insists upon being unrealistic" and "remain concerned about moral and ethical values, and justice in the affairs of men," the article that he himself wrote describing the plight of such human beings serves as the ideal tribute to Kenneth B. Clark.

The article follows:

THE AMERICAN DILEMMA

About seven years ago, I accepted an invitation to participate in a seminar on the ethical and moral problems of American society that was sponsored by the Aspen Institute in Colorado. Among the other invited guests were business executives, college presidents, judges, government officials, managing editors, professors and theologians.

Although there was no conflict or controversy in the discussions, one of the presentations has had a profound, almost obsessive, impact upon my own thoughts about the character and quality of American life.

In a rather quiet voice, a recently retired vice president of one of the largest corporations in America told the group that one of the persistent problems faced by his office was how to keep the accounting records of the corporation in such a way that they would be accurate and would also obscure the fact that regular operating expenses were payoffs to municipal officials to expedite the installation of new construction in the large cities throughout the U.S. Casually, this participant cited this as just another example of a prevailing functional immorality with which big business had to come to terms.

When none of the other participants raised a question about the ethical implications of this practice, I eventually asked why this powerful corporation did not bring this matter to local and Federal law-enforcement officials. My colleagues clearly considered my question naive. They reacted to my persistent questions as if I were an unrealistic child who did not understand the economic and political rules of the great American game.

Now I was shocked not only by the disclosure but equally shocked at the fact that my fellow seminar participants were not shocked. They thought themselves realistic in not permitting an academic discussion of ethical and moral values to be confused by "minor" specific examples of generally accepted institutionalized immorality.

In assessing the social, political and human strength and potential of America, one can concentrate on such large issues as America's role in Southeast Asia and such other international problems as its fluctuating relations with its economic and ideological allies and adversaries; the persistent and manifold and overtly cruel forms of racism; the more subtle manifestations of inter-ethnic conflicts and the rejection of the poor, the aged and the infirm in a nation that prides itself on its affluence; and the fact that a highly developed technological society that has pioneered in space exploration continues to tolerate large-scale decay of the residential portions of its inner cities, deterioration of public education and accelerated pollution and wastage of its natural and human resources.

What is the basic systemic problem—the fundamental problems of perspective value and character—that seems to be inherent in the chronic crises plaguing American society? Obviously the answer to this question is not to be found in deprivation and poverty of resources.

The paradoxical problem of American society is that it has been too successful; it is affluent and efficient even as it has legitimized and accepted pervasive dishonesties as the price of apparent success. When dishonesty appears to work, it is difficult to argue persuasively for honesty.

So far, America has been able to have its democratic ideals and pursue the cruelties of racism. Today the majority of Americans will vote yes in favor of desegregation of the public schools—but a greater majority will vote against busing of students to obtain desegregated schools. Many Americans under the banner of democratic egalitarianism will argue and insist upon their right to keep less desirable, "less equal," Americans out of their communities and schools.

These and related inconsistencies could be explained as examples of the nonrationality of the human species. On the basis of my Aspen experience I do not believe that this is a logical or rational problem. The crisis of inconsistence in American life—the American dilemma—is primarily a crisis of moral ambivalence. It is an honesty-dishonesty dilemma that pervades all dimensions of our social, economic, political, educational and indeed, our religious institutions.

This systemic dilemma within American society is complicated and probably made all the more virulent because it is inextricably entangled with status striving success symbols, moral and ethical pretensions and the anxieties and fear of personal and family failures.

The conflicts in the American character structure and social system—conflicts intensified by the frequently fulfilled promises of upward mobility—must be resolved if the individuals are to continue to pursue the goals of status and success.

Reality, efficiency and morality are defined as if they were synonymous; That is real and moral which leads to success. If this is found to be too abstract an approach even for a pragmatic morality, then outright moral cynicism and hypocricy are available as alternative approaches to personal success and effectiveness.

These devices for the resolution of the pervasive moral conflicts of our society can place tremendous stresses and strains upon some sensitive human beings. These individuals—probably a minority—are required continuously to measure the desire to function in terms of ethical and moral principles against their desire to avoid personal failure and ineffectiveness.

In a pragmatic, efficiency-dominated society, it is difficult for an ethically sensitive person to be taken seriously in the making of "touch-minded," "hard-headed" decisions. Promotions don't come easily to them. They are not likely to survive the severe "realistic" screening process that selects candidates for office.

American democracy, with its divergent and competing racial, ethnic and class groups cannot afford to elect to high office individuals who genuinely place ideals and ethical values above personal advantages and "realistic" moral compromises.

Indeed, the concern with honesty and human values becomes the sign that an individual is not practical enough to be entrusted with the responsibilities of making realistic political and economic decisions.

The virulence of this ethical and moral sickness is indicated by the fact that the symptoms, flagrant or subtle, are accepted by sophisticated realists—the controllers, policy-makers and decision-makers of our society—as normative, competitive, and necessary for efficiency, affluence and effectiveness.

In short, they are interpreted as signs of health.

Those who insist that they are signs of a severe social disease can be dismissed as starry-eyed moralists, sentimentalists and understandably without influence or power. At a matter of fact, the few serious moral critics of our society do not have constituents. Intellectually and temperamentally they cannot appeal to the masses. Neither can they expect support from radicals of the right or the left because they tend to be as much concerned with methods as they are with ends; they cannot accept moral ends through immoral means.

The moral schizophrenia pervasive in the American society appears to be no more curable by words than is personal schizophrenia curable by psychotherapeutic preachments. Political, religious, civil-rights panaceas have been tried and found palliative at best and cruelly disillusioning at worst.

The essential for hope is to be found in the critical minority of human beings who insist upon being unrealistic, who for some still unknown set of reasons continue to argue that human beings are somehow capable of the possibility of empathy, compassion and sensitivity even as cruelty and hostility and insensitivity and rationalized dishonesty now dominate.

Fortunately for the future of a civilized society there exist these human beings who, while they are not nominated for high office and if nominated are not elected, nonetheless remain concerned about moral and ethical values and justice in the affairs of men.

They also seem to have the courage to risk the repeated expressions of their concern and thereby serve as a gnawing and irritating conscience to those who have attained success.

In the final analysis only these individuals provide the hope for that ultimate type of realism that is defined by the capacity of a society to survive rather than to be destroyed eventually on the altar of human barbarity.

BILLS TO REVISE THE BANKRUPTCY ACT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. EDWARDS of California. Mr. Speaker, the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary plans to continue its series of hearings on H.R. 31 and H.R. 32, bills to revise the Bankruptcy Act.

A hearing is scheduled for Thursday, July 10, 1975, at 10 a.m. in room 2141 of the Rayburn House Office Building. Witnesses on that date, representing the National Conference of Bankruptcy Judges, will be: Judge Robert B. Morton of Wichita, Kans., president of the conference; Judge John T. Copenhaver, Jr. of Charleston, W. Va., first vice president of the conference; and Judge Joe Lee of Lexington, Ky., immediate past president of the conference.

The subcommittee has prepared a tentative schedule for the remainder of this series of hearings, beginning immediately after Labor Day, and continuing through March of next year, with an average of 6 hearing days per month. I would like to include this schedule in the RECORD at this point.

Persons interested in submitting statements for the Record may address their inquiries to the House Committee on the Judiciary, room 2137 of the Rayburn House Office Building, Washington, D.C. 20515:

THE PROPOSED BANKRUPTCY ACTS

SEPTEMBER 8, 12, 15, 19, 22

The purpose of these hearings will be to examine and discuss the larger philosophical and systemic issues that the Subcommittee will consider and decide before it begins to design the bankruptcy system. Questions discussed will include:

Purpose of bankruptcy, for individuals, small business and large businesses.

Purposes and difference between liquidation, reorganization, arrangements (compositions and extensions) and wage earner plans.

What does the Constitution mean by "uniform system" or by "bankruptcy"?

What is the role of credit in the economy?

What impact does bankruptcy, the form of the system and the bankruptcy rate have on the economy?

The history of bankruptcy.

The history of bankruptcy acts in the United States, and the various philosophies behind them.

Should the bankruptcy system be conducted in a judicial, administrative, or private (state law) context?

What are the geographical differences in bankruptcy administration, and should they be maintained, eliminated or modified?

Why do certain people who are qualified

and in need of bankruptcy not use the system?

What are the moral issues in bankruptcy, the impact of morality on the bankruptcy rate and vice versa?

Who should pay for the bankruptcy system?

What should the extent of the bankruptcy courts' jurisdiction be?

Witnesses for these hearings will include those with broad outlooks on the bankruptcy system, such as academics, and practitioners or lobbyists who represent a broad section of the bankruptcy practice. The Subcommittee hopes to hear from Grant Gilmore, Vern Countryman, Frank Kennedy, Peter Coogan, Conrad Cyr, Daniel Cowans, representatives of the Brookings Institution such as David Stanley, Patrick Murphy, Richard Heese, and George Treister, among others.

SEPTEMBER 26, 29; OCTOBER 3, 6

These hearings will concentrate on structural issues. Questions will include:

Should consumer and business bankruptcies be separated?

What form should the bankruptcy court take?

What staff should the court have?

The status of bankruptcy judges.

The appellate process.

Should the system include an administrative agency or a department within the judicial branch that services only the bankruptcy courts, and if so, what should its functions be?

Should the system be left as is, with totally private administration?

What should be the role of the trustee, counsel, and creditors?

Who will be covered by the Act? Farmers? Banks? Insurance companies? Railroads?

OCTOBER 20

Hearing on the role of the administrative agencies in the bankruptcy process. Witnesses will include representatives from the Department of Justice, the S.E.C. and the I.C.C.

OCTOBER 31; NOVEMBER 3, 7, 10, 14, 17

This series of hearings will examine consumer bankruptcies. Questions and issues include:

What form of relief should consumers get from bankruptcy?

The abuse by consumers of the bankruptcy process, including abuse for the discharge of student loans.

Accessibility of the process to consumers.

Voluntariness of the process, and standards for involuntary petitions.

Discharges, exceptions to discharges, and grounds for denial.

Exemptions.

Priorities.

Preferences and fraudulent transfers.

The position of lien holders and secured creditors.

The postion of inside creditors.

The position of guarantors.

Shap practices by cerditors, and reaffirmation problems.

Discriminatory treatment of consumer bankrupts after bankruptcy.

DECEMBER 1, 5, 8

These hearings will focus on the use and form of wage earner plans or plans for individuals with regular income. Issues and questions include:

Should individual debtors be forced into wage earner plans?

Who should pay for the administration of the plan?

DECEMBER 12, 15

These two days of hearings will cover miscellaneous issues generally applicable, and certain specific subject areas. Probable witnesses and subject matter areas include:

Department of the Treasury: the dischargeability of taxes.

William Plumb: the interaction of the bankruptcy and tax laws.

Egon Guttman: Stockbroker bankruptcies and SIPC.

S. Riesenfeld and K. Nadelman: Conflict of laws provisions in the bankruptcy act.

Marital property, such as community property, tenancies by the entireties, and joint tenancies.

JANUARY-MARCH, 1976

Approximately twenty hearing days, divided as follows:

Business bankruptcies—7 days.

Reorganizations and Arrangements—7 days.

Railroad reorganizations—2 days.

Municipalities—2 days.

Transition provisions—2 days.

APRIL-MAY, 1976

Mark-up of the bill by the Subcommittee.

HAS THE KILLING STOPPED IN CAMBODIA?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, remember the critics who said if we stopped our bombing in Cambodia, the killing would stop. Then they said if we stopped our aid, the killing would stop. The results are plain for everyone to see. Genocide on a massive scale is taking place due to starvation and continued fighting between various Cambodian factions, to say nothing of Cambodians fighting Thais and Vietnamese. These critics really brought peace to Cambodia. A Communist peace in Cambodia may result in one of the world's larger graveyards. In this connection, I commend two recent articles from the London Daily Telegraph of June 25, 1975, to the attention of my colleagues:

CAMBODIA POWER STRUGGLE ERUPTS INTO FIGHTING

(By Bruce Loudon)

Fighting has broken out in Cambodia between the Khmer Rouge and a force loyal to Prince Sihanouk, the former ruler who was nominated Head of State after the Communist victory but who has failed to return from exile.

Reports reaching Bangkok yesterday said fighting is going on around Phnom Penh and the towns of Kompong Som, Kompong Speu and Svayrieng.

A combined resistance force of about 2,000 guerrillas is said to have been formed to fight the Khmer Rouge.

It is led by the popular Prince Chanrangsai, an uncle of Prince Sihanouk, Prince Narathippu, Sihanouk's son by his third wife, and Kong Hok Tranh, leader of the Khmer Seri, a long-established guerrilla group that once opposed Sihanouk.

Reports say it is expected that Prince Chanrangsai will receive support from people being oppressed and humiliated by the Khmer Rouge.

THAILAND FORCE

It is suggested that a small anti-Communist army gathered in Thailand by In Tam, the former Cambodian Prime Minister, may join the resistance movement.

In Tam has been in Thailand since the Communist takeover.

Khmer Rouge units from Poipet, the heavily-guarded principal crossing point into Thailand are said to have been hastily withdrawn and sent to the areas where the resistance movement is operating.

Mr. Vao Chareewong, a former Cambodian diplomat who has just arrived in Thailand said fighting was going on just outside Phom Penh.

Observers believe that if the Sihanouk family goes into opposition against the Khmer Rouge it will pose a major problem for the hardline Communist regime.

Prince Sihanouk is widely popular in Cambodia, and his failure to return has caused considerable anguish.

He was reported yesterday to be in North Korea where he has been for the past month. Friends say he can have little, if any sympathy with the harsh Khmer Rouge regime.

Reports of internal resistance to the Communists follows intelligence accounts of increasing clashes between Khmer Rouge forces and neighboring South Vietnam.

Heavy fighting has been reported between the Cambodians and the South Vietnamese, over offshore islands which are claimed by both and said to be in the middle of large oil deposits.

SERIOUS CLASHES

The clashes have become so serious that a Cambodian mission has gone to Hanoi to try to resolve the dispute.

A Radio Phnom Penh broadcast said Cambodia would defend its territories at all costs.

The radio comment seems to reflect mounting Khmer Rouge concern.

Meanwhile, observers are speculating that the North Vietnamese 320B Division which was moved from South Vietnam into Southern Laos at the weekend could, in an emergency, be used to discipline the Khmer Rouge.

Certainly, the North Vietnamese are apparently not much in tune with the leadership in Phnom Penh, which has aligned itself totally with Peking.

If the need arose there seems little doubt that Hanoi would be prepared to use its forces.

[From The Daily Telegraph, June 25, 1975]

KHMER ROUGE EXECUTE RETURNING REFUGEES

Cambodians who have returned to their country voluntarily since the Communist victory have been 'massacred" by Khmer Rouge troops, according to reports published in Bangkok.

The reports, attributed to sources among refugees at the Thai frontier town of Aranyaprathet, give the first eye-witness accounts of the famine that is now said to be widespread in Cambodia.

Mr. Khaw Pasit, a Thai who says he has arranged for the escape of many refugees from Cambodia, reports that food has become so scarce in Cambodia that "a cat for eating is now worth two pairs of trousers, while a dog is worth about 1,000 babt (about £22) on the black market."

The accounts of the killing of "homesick" former Lon Nol officials who returned to Cambodia at the end of May are even more chilling.

WORKING FOR CIA

Estimates are that between 100 and 300 were summarily shot by Khmer Rouge firing squads after they had been hauled before "People's Courts" and charged, among other offences with "working for the Central Intelligence Agency."

Bangkok newspapers have reprinted photographs taken when the group of more than 300 "homesick" refugees, saying they were prepared to accept whatever fate awaited them at the hands of the Communists, crossed back into Cambodia from Aranyaprathet on May 30.

The photographs show them receiving handshakes from heavily-armed Khmer Rouge border guards. Many of the returning Cambodians were Air Force officers who had been in Thailand on training courses.

The report say that 13 of the original group of refugees have now fled back to Thailand and that many of those who returned to Cambodia were immediately taken before "People's Courts" and summarily shot by Khmer Rouge firing squads.

It is said that among those shot was Squadron Leader Long Lach, who led the returning group. Some of the killings are said to have taken place at Po Samton about 12 miles inland from the Cambodian frontier town of Poipet, which is opposite Aranyaprathet.

A Cambodian woman who arrived recently in Aranyaprathet said her brother was tending water buffalo near Po Santom and knew that 87 people were killed there.

The English-language daily *Voice of the Nation* says that those who witnessed the "trial" and killing of some of the victims immediately fled, but only 13 managed to get back to Thailand.

Bangkok's other English-language daily, the *Bangkok Post,* also quoting refugee sources in Aranyaprathet, says that Communist soldiers are claiming women. "No woman may resist their demands. All they have to do is present a letter to a girl and she has to marry them."

THE ROLE OF WOMEN'S COLLEGES

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. WALSH. Mr. Speaker, in this, the International Women's Year, it seems fitting that we discuss the part that higher education must play in preparing this country's women for an equal and productive role in our society.

In the 33d Congressional District of New York, Keuka College, a small, vocationally oriented, liberal arts college is currently playing that part and playing it well. In my opinion, the programs, methods and spirit at Keuka College could serve as a model for similar institutions across the Nation.

In his recent inaugural speech, the new president of Keuka College, Dr. William L. Boyle, Jr., captured that spirit and I would like to share the address with my colleagues:

INAUGURAL ADDRESS OF DR. WILLIAM L. BOYLE, JR.

Relatively few occasions on a campus are likely to generate less innate enthusiasm than a college president's inaugural address. But few generate greater excitement, at least on this campus, than May Day. Hence, you can understand why I asked that my formal inauguration be woven into today's May Day program. I thank our students for the courtesy.

This particular inauguration is very much a family affair. Deliberately low key, it is meant for our entire Keuka College family, here present and soon reached throughout the country via the written word. I am mindful of the meaning and sentiment which generations of Keukonians attach to May Day. It is on this occasion that we traditionally reaffirm appreciation for our Keuka College heritage, which extends back almost a century.

May Day itself is a day on this lovely campus for moving up the members of the college classes. The very words "moving up," in fact, suggest momentum and progress. I frankly like the idea of an inauguration linked to movement and to progress. I like the forward-looking theme of "moving up."

While I have actually been in office since February 17, today I officially "move in." I have formally received the symbolic key to the College. This means, I presume, that I may now get into my office or the Lucina without borrowing a key from someone else. I hope it will mean much more than this for all of us who care for Keuka.

Notably, May Day is a day of good will, good spirit, and good fun when we here join parents and friends for festive occasions, for crew races, and for traditional good fellowship. Surely I hope my presidential service to Keuka College may also be characterized throughout by good will, good spirit, good fun—and lasting achievement.

Turning to Keuka herself, let me observe the obvious: even on May Day in this year of 1975, all higher education, and particularly its private sector, has well-publicized and strikingly similar problems. Problems—of various sorts—have always been with us. But as industrialist Henry J. Kaiser used to put it, "Problems are only opportunities in work clothes." Problems present challenges, and we here at Keuka are meeting them squarely—and successfully. This includes attracting substantial new financial resources.

As Keuka's formally inaugurated chief executive officer, let me briefly share with you how I see our college now, and where I see her "moving up" in the next few years. We are and will stay an excellent, deliberately small, residential, vocationally oriented liberal arts college for women. We are going to continue ever onward in varying ways along these basic points of reference.

Keuka College's single-sex status itself provides us a definite uniqueness, something quite useful for private institutions these days. In 1968, there were an estimated 250 women's colleges in the United States. Today there are only 105 left. Remarkably, this shift has come about in a current enrollment market which reflects a notable return in the popularity and appeal of women's colleges, very much including our own. Also, broadening opportunities for meaningful professional, corporate, and varied other work with a real future for educated vocationally-oriented women have never been greater than now. Such opportunities will grow in the years ahead. Keuka is in a strong position to render real service as it shares in this exciting growth.

A key to the Keuka of the present and the future may be found too in reading just one of our official pronouncements: "The keystone fact about Keuka College is that it has a clear-cut educational mission as well as programs carefully designed to fulfill that mission. The College is dedicated to education for women, education for values, and education for work."

Keuka College does a truly excellent job in uniquely preparing women for both rewarding lives and meaningful work. The College has few peers in this regard anywhere. I include the esteemed "seven sisters" and every other college for women in America in this comparison We will do even better in the future.

Specific steps taken already in my presidency include the establishment of four new academic majors: Management, Fine Arts, American Studies, and European Studies. A long-awaited program in Medical Technology has made it over many hurdles, and awaits only final approval in Albany. Further, a new series of campus appearances by successful women from the professions and various aspects of business has been launched. More and more, I want our Keuka women to see the many options in life and work now open to them.

Let me stress that all this in no way denigrates the essential liberal arts at Keuka College. They are the core of our being. But as the current U.S. Commissioner of Education stated just a few weeks ago: "I feel that the college that devotes itself totally and unequivocally to the liberal arts today is just kidding itself. Today we in education must recognize that it is our duty to provide our students with salable skills." And here Keuka leads the way for women.

On more than one occasion in the past our faculty and students asked the hard questions concerning whether Keuka should remain a single-sex college. Their recommendations were examined and discussed by the Board of Trustees, which concurred—and I think wisely—that Keuka's greatest contribution and distinctiveness lies in our complete commitment to the education of women. This commitment must be one of deed as well as word. Action steps have been taken here too since my arrival. More will be done.

At Keuka College a carefully planned curriculum and program emphasize the greatly enlarged and ever-expanding opportunities of women in our dynamic society. Here women can learn to respect themselves as women and prepare intellectually and psychologically to do battle if need be in behalf of their womanhood in a society that gives far too much lip service to women. Women in the Keuka family are given opportunities to develop leadership in curricular and extracurricular activity. Here women are neither tolerated, patronized, or cast in the role of second-class citizens. They are urged to "move up," and prepared to do so.

I am confident that the reason why such a large number of our alumnae hold influential positions in widely diverse areas of endeavor all over the country is because Keuka College, long before the advent of women's liberation, provided the milieu in which women became proud of the promise of their womanhood.

Moreover, on this campus exciting innovative educational ideas and programs have long flourished. I want this leadership to continue, along with excellence in teaching. Almost two generations ago our Field Period was introduced. It pioneered relating the world of work to that of germane academic pursuit. We won wide praise nationally for this, as well as emulation. Also, nearly a generation ago KWES (Keuka World-Emphasis Service program) was introduced, and hundreds of our students have traveled, studied, and filled meaningful service roles on every continent. This educational progress has continued, and many other examples could be cited. Among them is Keuka's unique current program of tying in life-work planning and education for values, which I hope can be substantially enlarged for our students. I have formulated a new committee of faculty volunteers to stimulate and augment further such projects in the future.

Here at Keuka College, because of foresight and energy, innovative curricular experimentation has been introduced or even re-introduced without apology (such as our new General Education requirement) and on occasion abandoned without embarrassment. Progress reflecting such an imaginative approach, by the way, helped Keuka be included among "41 Colleges That Are Different," published nationally by the Kiplinger organiaztion in its prestigious "Changing Times" for April, 1975.

Let me say a word about Keuka's physical location. We are indeed a college for women situated in one of the areas of greatest natural beauty to be found in America. The sense of loyalty-building isolation cherished—and I am sure criticized—by Keuka students of earlier generations has been abated by automobiles and airplanes, and by radio and television. We here are not only within the mainstream of American higher education, but we are also within the mainstream of all human experience. Yet we have kept beauty around us. Also, we have a physical plant for our size equal to the finest anywhere. And we try to give our women something they can hold on to all their lives: a positive May Day attitude.

Surely one of the real glories of American higher education generally—and of American life—is our rich pluralism and diversity. There is a responsive role and function in our educational system for the great research centers, state universities, varied private colleges, and other types of institutions of higher learning. Within this pluralistic freedom Keuka College has, as I have tried to indicate, a distinctive, significant role and basic philosophy. We have a vision, in a word, to which I am energetically committed as we face the future together.

Keep in mind too that within the Keuka family, because of the intentionally modest size of our number, each student, faculty member, and administrator can and will be an individual whose name is soon known, whose face is recognized, and whose aspirations are important. This is a very human place—where we really get to know others—and ourselves. No person here is expendable. I intend to keep it that way.

In closing, I today accept the duties and responsibilities of the College presidency at a time of opportunity and challenge for not only Keuka but also for all American higher education. I do not have pat answers to every nagging question, but I am optimistic and confident that—in large part through good will, good spirit, and a commitment to cooperative effort—the concept of education embodied in Keuka College will not only endure but prevail. I am proud of Keuka. I know you are too. As an institution we are now lean and streamlined. We know where we are, and where we are going, hopefully in the lasting spring-like spirit of May Day. I hope our entire Keuka College family, binding itself together as never before, will share in a continuing "moving up," now and in the years ahead.

MRS. PEARL WILLIAMS: 106 YEARS OLD AND GOING STRONG

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, today I am pleased to honor a very beautiful lady, Mrs. Pearl Williams of Compton, Calif., who is a person deserving of every recognition this great country can bestow upon her.

Born on May 22, 1869, in Jefferson County, Ala., Mrs. Williams celebrated her 106th birthday this year. And to what does she attribute this amazing longevity? In her own words, her long and peaceful life derives from clean Christian living and a philosophy of treating others as she herself wishes to be treated.

To this day, she will not rest and let others do for her. Busily caring for other people, she daily travels to Pepperdine University in Los Angeles to help students who need her. It is a small wonder they have named her the Official Foster Grandparent to the entire student body at Pepperdine.

Her charity work and activities with the youth of her community are performed with great good spirit and tireless energy. Her many selfless acts of good will have been valued and appreciated by all who have the pleasure of knowing her. In 1973, Pearl was named the Senior Citizen Queen of the city of Compton.

Her many, many friends and neighbors love and honor Pearl. Among these have been the infamous Jesse James and that talented actress, Cicily Tyson. Yet she values the less widely known just as much as those who have achieved fame.

God has rewarded her many good works. She has been blessed with three daughters, Betty Williams Stafford, Jessicia Moore, and Beatrice Williams; five grandchildren; and 13 great-grandchildren.

On August 2, 1975, her many friends and relatives are gathering to pay honor to Pearl Williams. I would like to add my voice to the chorus which praises her as I am proud to represent people such as Mrs. Williams in the U.S. Congress. May God always keep her safe.

ADOLPH D'AMBROSIO—A EULOGY

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. ADDABBO. Mr. Speaker, I regret to inform my colleagues that an outstanding community leader, Adolph D'Ambrosio of South Ozone Park, N.Y., has passed away. It was my personal privilege to know Adolph for many years. We were childhood friends and, more recently, I worked with him on local community problems which he so vigorously fought in his capacity as president of the Citizens of South Ozone Park Civic Association.

Adolph D'Ambrosio was also a veteran fireman whose passing occurred immediately after a courageous effort to search a burning building in Queens. His untimely death came during one of his many activities for the benefit of others in our community.

I am inserting in the RECORD at this point the Long Island Press article on Adolph D'Ambrosio's career and the circumstances of his passing for the information of my colleagues. We will miss this selfless leader and I join his many friends in extending sympathies to his wife, Marie, and son, Anthony.

The article follows:

FIREMAN DIES—NOTED CIVIC LEADER SUCCUMBS AFTER FIRE

A veteran South Ozone Park fireman, noted for his long and dedicated years as a civic leader, collapsed and died early yesterday after battling a house fire in Corona.

Fireman Adolph D'Ambrosio, 54, of 122–04 150th Ave., was pronounced dead at St. John's Queens Hospital, Elmhurst, about 2 a.m. He was to retire next year, a spokesman said.

The spokesman said D'Ambrosio, a firefighter for 19 years and a member of Ladder Co. 151 at 111–02 Queens Blvd., Forest Hills, responded to an all-hands fire at 11:08 p.m. Thursday at 59–23 Xenia St. He rushed into the building and performed ventilating and search operations in the basement.

The blaze was brought under control at 11:40 p.m., and the unit returned to the firehouse. But as he started to shower, he collapsed of an apparent heart attack. Fellow firefighters administered mouth-to-mouth resuscitation en route to the hospital.

D'Ambrosio, in his off-duty hours, was president of the Citizens of South Ozone Park civic association. He had long been affiliated with the organization.

His civic achievements included battles for street lights, baseball diamonds, sewers and traffic lights. He also fought vigorously against the rumored sale of Aqueduct Race Track and several alleged blockbusting real estate agents in his community.

But perhaps his longest battle was against low-flying aircraft at Kennedy Airport. He organized several mass rallies at the airport to protest the low-flying craft and meticulously logged each and every case on both film and tape recordings. He filed several official complaints against the airlines with Federal Aviation Administration officials.

He most recently had offered to give eyewitness testimony at hearings into the crash of the ill-fated Eastern Airlines jet which crashed and killed 113 of 124 passengers aboard while attempting to land at Kennedy.

Mass for D'Ambrosio, a much-decorated World War II Air Force veteran, will be offered Monday at 9:30 a.m. at St. Anthony's Catholic Church, South Ozone Park. Burial will follow at Maple Grove Cemetery, Kew Gardens. Funeral arrangements are under the direction of the Cassese Funeral Home, Ozone Park.

He leaves his wife, Marie, and a son, Anthony, 9.

CHILD SUPPORT COLLECTION

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. FRASER. Mr. Speaker, on August 1, 1975, child support legislation, signed into law last January, is scheduled to take effect. Several House Members, aware that this legislation was a Senate addition to the 1974 Amendments of the Social Security Act, never debated in the House, have expressed concern over components of this law. These Members are requesting the Ways and Means Public Assistance Subcommittee to initiate procedures to postpone the effective date while corrective legislation is developed.

On June 26, Congress did enact a 1-month postponement. The intention, however, is to rectify administrative problems that, while serious, do not deal with the punitive and harsh provisions of the law. These also require attention before the law takes effect.

The following letter indicates congressional support for postponement of the effective date of this law so we can develop and introduce corrective legislation.

The letters follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 25, 1975.

Hon. RICHARD H. FULTON,
Chairman, Subcommittee on Public Assistance, Committee on Ways and Means, 2305 Rayburn Building, Washington, D.C.

DEAR MR. CHAIRMAN: On July 1, 1975 Part B of Public Law 93–647 is scheduled to take effect. Part B, involving child support collection procedures, requires cooperation of all AFDC recipients in the establishment of paternity and the location of fathers for child support collection at the risk of losing AFDC eligibility. All child support payments to women receiving AFDC are transacted through the State regardless of voluntary arrangements made between parents.

This provision, not considered in the House, will seriously disrupt ongoing Public Assistance programs. Postponement of the effective date of the law is necessary so problems involved in the administration of the program can be worked out.

The key issues to which consideration should be given are the following:

(1) the impact of upsetting child support arrangements voluntarily made by the absent father and the AFDC mother.

(2) the interpretation of mandatory cooperation and possible exemptions from mandatory cooperation in circumstances where cooperation is destructive and not in the best interests of the child.

(3) the advisability of using the Federal courts for family law and the IRS as the collection agency for non-Federal debts.

(4) the accessibility of welfare records to public officials from a variety of Federal and State agencies.

(5) the impact of not allowing States to set their own priorities for collection consistent with what they know is feasible to administer and possible to collect.

Until these problems can be studied and resolved, the effective date of Part B should be postponed. We urge the subcommittee to initiate postponement while amendments are developed that will deal with the questions raised responsibly.

Sincerely,

DONALD M. FRASER,
JONATHAN B. BINGHAM,
BROCK ADAMS,
ROBERT F. DRINAN,
SHIRLEY CHISHOLM,
PATSY T. MINK,
MARTHA KEYS,
ELIZABETH HOLTZMAN

Mr. Speaker, when signing the bill into law the President stated that:

> Certain provisions of this legislation go too far by injecting the Federal Government into domestic relations—raising serious privacy and administrative issues.

Along with the concern evidenced among Members and by the President, various individuals and organizations have indicated several areas requiring study and correction to insure the protection of individual rights. One such indication, a letter from the AFL–CIO to Congressman FULTON, chairman of the Subcommittee on Public Assistance which will be considering the corrective legislation, follows:

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
Washington, D.C., June 24, 1975.

Hon. RICHARD H. FULTON,
Chairman, Subcommittee on Public Assistance, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The AFL–CIO is concerned about the child support provisions of the Social Security Act which are scheduled to be implemented on July 1, 1975.

In our statement submitted to the Senate Finance Committee on September 25, 1973, we stressed the paramount right of a child to support from his or her parents. However, when the parents are unable to provide adequate support for their children, the state and Federal governments must accept this responsibility through the AFDC program.

We expressed our strong support at that time for leaving child support as a function of the state under its traditional police powers. While there is admittedly unevenness in the way states have carried out this function, there are also many advantages to keeping the welfare, prosecuting and court functions related to child dependency at the same decentralized level of state or local jurisdiction. At this level a more realistic judgment can be made as to whether support action is warranted in a particular case.

Studies have documented, and many state welfare directors concur, that collecting support for AFDC children is simply not a fruitful process—not because penalties aren't severe enough but because many of the absent fathers have so little money. A staff report of the Subcommitte on Fiscal Policy of the Joint Economic Committee recently revealed that welfare officials in a number of states do not believe the rate of return justifies the investment in staff time and effort. Few fathers in this group are financially able to support two families so a question arises as to whether a currently self-supporting family should be forced onto assistance in order for the father to make support payments in behalf of older children by a different mother. In the case of liens against social insurance or any other Federal payment, an individual could likewise be reduced to such penury as to require assistance.

The implementation of this bill is likely to be an administrative nightmare, especially for the Department of Justice where the central responsibility is lodged. Potentially, the Department and its investigative arm, the FBI, would be responsible for assuring the identification of fathers for three and one-half million children, locating those individuals, bringing a support action or assuring that one is brought, receiving the payment from the Internal Revenue Service as collecting agency, and bringing criminal charges in the case of non-payment. This is a huge task which can only distort the primary functions of the Department of Justice for the enforcement of law and order.

The law and HEW's proposed regulations reflect the haste with which Congress acted. This is a very complex and sensitive problem which requires the most careful consideration. Instead, Congress acted hastily, adding a little-noticed Senate amendment to the popular social services legislation. The Ways and Means Committee never held hearings on the measure, and there was no debate on these provisions in either the House or Senate. As a result, the law is unworkable and repressive.

We urge you to enact a one-year delay of the effective date of the child support provisions (Part B or Public Law 93–647), to allow time for your subcommittee to give proper consideration to the problem and to make the necessary changes in the legislation to accomplish the purposes for which it should be intended.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

Also addressing these problems is an editorial which appeared in the Washington Post on June 26, 1975. I would like to place it in the RECORD for the benefit of my colleagues:

DADNET

In the adjournment rush of last Christmas, Congress sent the President what appeared to be a routine Social Services bill. Tucked within its many folds, however, was a provision with far-reaching implications for family life in the United States. Under the innocuous heading of Child Support Program, this provision requires the Department of Health, Education and Welfare to create a new bureaucracy to track down absent fathers of children on welfare. It requires each state to have its own unit, possibly attached to the state attorney's office, and it would bring to bear all the force of federal, state and local government on the father of every child not paying child support. It sanctions and encourages the use of the Internal Revenue Service and Social Security Administration as part of the dragnet, which could be better called the DadNet. It would put the already overburdened federal court system into the business of enforcing child support agreements and it mandates HEW to set up blood laboratories all over the country for the purpose of trying to establish paternity in disputed cases. Mothers who, in the opinion of the local or state welfare agency, are not cooperating fully in the DadNet would lose their grants. The burden of proof of cooperation would be on the mother.

All this might have a familiar ring. This particular version of a solution to an old problem is the handiwork of Chairman Russell Long of the Senate Finance Committee, but it is very much the same idea as had been advanced—and legislated—by the House Ways and Means Committee in the middle of the last decade. The Johnson and Nixon administrations, after careful examination, both concluded that the DadNet approach would yield little while costing a great deal. Because of that cost, both fiscal and social, the idea was abandoned by both administrations. Now, because of the manner and timing of its passage—there was not even a debate in the House—the idea is very much alive. In fact, it will go into action on July 1, unless Congress has the sense to call a temporary halt in order to give the problem a little more careful scrutiny.

Gilbert Y. Steiner of the Brookings Institution made an interesting observation about the previous incarnations of this approach. "States and localities, Steiner wrote not long ago, "found that tracking down a deserting father is expensive. They found, too, that even if he can be found, a deserting father is unlikely to be able to support his family, which is often why he deserted in the first place." He observes also that "In too many cases, those fathers were likely to be unskilled and low-paid or already supporting another family, or both."

Amazingly, the conference report on this bill contains the assertion of a Rand Corporation team, unsupported by a single claimed fact or piece of statistical evidence, that there is a growing number "of well-off physicians and attorneys whose families ultimately are forced onto welfare because of insufficient mechanisms for enforcement . . ." Where? How many? How do they manage to be visible enough for their clients or patients to find and simultaneously invulnerable to the lawful orders of family courts? Mr. Long doesn't say.

Ordinarily, those who take a hard-line against the welfare system are also strong defenders of the rights of the states to conduct their state businss as much as possible according to their understanding of their needs. Here, the federal government is being pushed into an enormous undertaking, one that will cost in excess of $40 million and put the state and federal governments in the middle of every family relationship in which any amount of welfare assistance is involved. That this is certainly unwarranted intrusion of the federal government we have little doubt. The benefits to be derived are minimal at best. The dangers to be encountered are incalculable.

Several of the states, most notably Massachusetts and Washington State, have developed programs that appear to work very well. If the federal government wishes to assist other states in following the lead of those states with good programs for recovering funds from absent fathers, that would be sensible. But the DadNet is an excessive exercise of federal power. The whole problem of child support is quite sufficiently controversial and complex to justify a longer look at the merits of an ill-conceived plan that was slipped hurriedly through Congress in the Christmas rush.

RETIRING THE SENORITY SYSTEM

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. PRITCHARD. Mr. Speaker, a constituent in my district, Alfred Schweppe, has been concerned and trying to deal with the same type of issues that a piece of legislation I am sponsoring is also dealing with. This bill, H.R. 2871, would reduce the retirement benefits of a Member of Congress by 25 percent if that Member did not retire by the end of a term in which he or she reaches the age of 70.

An article which Mr. Schweppe wrote for the American Bar Association Journal received widespread attention and I believe compliments the intentions of this piece of legislation. For the interest of my colleagues I submit Mr. Schweppe's views as expressed in this article:

RETIRING FEDERAL OFFICIALS AT 70

In 1970 Senator John J. Williams of Delaware, now retired, proposed a constitutional amendment to impose a 70-year age limit on service in Congress and the federal judiciary. The amendment would have barred anyone 65 and over from running for the Senate and anyone 68 and over from running for the House.

Congress in 1920 imposed mandatory retirement on federal administrative employees, but it has never put an age limit on its own members. Under present law, federal employees must have a Presidential waiver to stay on the job beyond 70 (5 U.S.C. § 8335).

According to John H. Averill, writing for the Los Angeles Times-Washington Post Service (June 4, 1972), "Senators who are 65 or over are running again for another six-year term. Five are in their 70s and one is 81. In addition, two former Senators, aged 71 and 68 are attempting comebacks. In the House, 48 Congressmen 68 and older are seeking another two-year term. Twenty are 70 or over and of those three are in their 80s."

It is obvious that it may never be possible to get a two-thirds vote of all the members of both houses of Congress to impose a constitutional limit on themselves, although, with the consent of three fourths of the states, they have imposed a two-term limit on the Presidency and may be prepared to impose limits on the federal judiciary. However, I propose a remedy that can be approved by the majority vote of both houses and is thus within range of ready accomplishment. The plan will be relatively painless in its effect, except possibly to the ambition and pride of a few individuals.

The simple remedy is amendment of the retirement or pension provisions now applicable to members of Congress, the federal judiciary and federal employees generally. Congressmen now have liberal pensions; so do federal judges, as well as the other federal public servants. The amendments would provide in substance:

1. Any member of Congress would lose his pension if he did not retire within six months after attaining age 70.

2. Any member of the federal judiciary would lose his pension if he did not retire within six months after attaining the age of 70.

3. Any other federal employee would lose his pension if he did not retire within six months after attaining the age of 70.

4. As to present incumbents, the plan would provide for retirement within one year after the effective date of the amendatory legislation or, as a more generous alternative for an over-70 incumbent, not until the end of the term for which he is in office.

5. Since the President has a constitutionally limited period in office, he and the Vice President and any others in the line of succession would have pension rights attached only at the end of the constitutional term. Pension rights of the Presidential incumbent earned in other federal official capacities would not be affected. President Truman was 69 when he finished his second term. President Eisenhower was 70.

6. Any person electing to give up his pension by overstaying the time limit would be allowed to recover contributions made to the retirement plan. Federal employees and members of Congress now contribute a percentage of their salaries, which is matched by an equal amount by the Government, 5 U.S.C. § 8334. The amount so deducted and withheld, together with the amounts contributed are deposited in the treasury in the Civil Service Retirement Fund. Federal judges make no contribution, but judges who qualify continue to receive for life the salary received at the time of resignation, or the salary at any time paid to the office in case of retirement. 28 U.S.C. § 371.

The retirement plan proposed here appears to have the virtues of simplicity, fairness and ready achievability. Any Representative or Senator can run for the two- or six-year term as often as he wants to, but his pension rights terminate if he overstays age 70 by more than six months. The same pension limitation would apply to the life-term of federal judges and of other federal officials.

The plan gives each person affected the option of staying in office or giving up his pension. He alone can evaluate which is more important to him. It should go a long way toward eliminating abuses of the seniority system in Congress and the recurrent criticism of over-70 judges and other federal officials, like the late J. Edgar Hoover, who, with Presidential dispensation, held office until his death at 77.

Federal pensions are considered an inducement to and reward for long-term service, and as compensation for giving up other employment opportunities. Since Congress grants these pensions, it may constitutionally set the conditions. As outlined above, the return of any contribution, there would appear to be no impairment of any constitutional right. *Continental Illinois National Bank & Trust Company* v. *Chicago, Rock Island & Pacific Railway Company*, 294 U.S. 648, 680.

This plan could be made effective by the next Congress. Younger Congressmen who oppose the abuse of the seniority system and officeholding beyond the age of 70 should have enough political muscle to bring about this result. The pressure of the plan is indeed gentle, because it enables the affected individual to choose whether he prefers substantial post-70 active public office to the pension or retirement benefits otherwise provided.

There may be some federal officials in the three departments of government who believe that they should continue to serve beyond the allotted period even with loss of pension, but they are likely to be very few and probably, in most cases, persons of independent wealth. However, even those few, in pondering with reasonable detachment the policy of the plan, will realize that while there are isolated exceptions of high-quality, full-time performance after the age of 70, the great weight of opinion and human experience supports the limitation as reasonable and wise. There will probably be few indeed who will flaunt their wealth and independence in the face of a sound public policy so pointedly expressed.

In the case of the federal judiciary, it is, of course, recognized that they hold office for life so long as exemplified by good behavior, but in their case also the choice of retirement or pension is relatively painless. They may retire, receive their pension and still perform judicial duties as their health and circumstances permit.

No doubt this plan will arouse opposition. But if the concept is accepted (and most people do accept it) that after 70 the very great majority of persons no longer function with the full effectiveness that public duty requires, there should be no great difficulty in getting the Congress, still preponderantly populated by persons under 65, to adopt the plan, effective immediately.

After the effective date, the plan would apply to all persons elected or appointed. From a constitutional standpoint the plan probably could be made operative as to incumbents within a short time after the effective date, let us say, after one year. However, with the protection of incumbents by use of a so-called grandfather clause, namely, not making the plan effective as to a person in office on the effective date, though aged 70 or beyond, until the end of the term for which that person was elected or appointed, would allay most opposition. This clause would be quickly effective as to members of the House, within six years or less as to members of the Senate, and within a reasonable time in the case of the federal judiciary, as well as in the case of other federal officers with statutory terms.

This statutory approach appears to offer a solution worthy of consideration, since remedial action by constitutional amendment requiring a two third vote of each House approved by three fourths of the states seems remote indeed.

EPA VERSUS LOCAL PLANNING AGENCIES

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mrs. PETTIS. Mr. Speaker, I am sure that every Member of this body has been contacted by constituents from time to time about the lack of consistency of Federal agencies' rules. As you know, the district which I represent is very arid and, for that reason, obtaining and transporting water is one of the most critical activities of Government. In California, prime responsibility for water programs rests with the county water districts.

I know from personal contacts that the directors and officials of these county water districts are trying to develop comprehensive plans and to make these plans a reality as soon as possible. Unfortunately, Mr. Speaker, Federal agencies are not providing the kind of aid they should. I would like to bring to the House's attention some correspondence which water districts in my area have recently received from the Environmental Protection Agency. You will note that on May 5, 1975, EPA approved the permits for Riverside and Imperial Counties. On June 20, 1975, the same EPA official reversed his position. How can local planning officials do their job if Federal officials are as inconsistent as EPA?

No doubt, EPA has an explanation for this change of mind. But what we need are responsive, consistent policies, not explanations. The letters follow:

U.S. ENVIRONMENTAL PROTECTION
AGENCY,
San Francisco, Calif., May 5, 1975.

Mr. BILL B. DENDY,
Executive Officer, California State Water Resources Control Board, Sacramento, Calif.

DEAR MR. DENDY: This is in response to your letters of March 24, 1975, which transmitted petitions of the Department of Fish and Game requesting a review of the NPDES permits numbered CA0104710, CA0104434, and CA0104701 adopted by the California Water Quality Control Board, Colorado River Region.

We conclude that, as adopted, these permits are consistent with Environmental Protection Agency, Region IX policy for irrigation return flow permits. Any action taken to modify these permits must be approved by the Regional Administrator prior to adoption pursuant to the provisions of Section III(7)(d) of the Memorandum of Understanding.

A representative of the Environmental Protection Agency will be present at any hearing regarding this matter and will be available for testimony if required.

Sincerely,

R. L. O'CONNELL,
For FRANK M. COVINGTON,
Director, Enforcement Division.

U.S. ENVIRONMENTAL PROTECTION
AGENCY,
San Francisco, Calif., June 20, 1975.

Mr. BILL B. DENDY,
Executive Officer, State Water Resources Control Board, Sacramento, Calif.

DEAR MR. DENDY: This is in response to your letters of March 24, 1975 transmitting petitions of Fish and Game for review of NPDES Permit Nos. CA0104710, CA0104434, and CA0104701 adopted by the California Water Quality Control Board, Colorado Basin Region. Since our previous response of May 5, 1975, we have undertaken an extensive reevaluation of these permits, and the Fish and Game petitions. Since these permits were issued prior to approval of the Basin Plans, the permits, in our opinion, do not now adequately address the problems indicated in the Basin Plans.

We are concerned that the self-monitoring data required by these permits may not be sufficient to develop a program which will protect the designated beneficial uses of aquatic and wildlife habitat, and recreation. This concern applies to the agricultural drains and to all affected downstream waters.

For all three permits, in question, we would have no objection if additional monitoring were required for the following parameters:

1. Ammonia-N, pH, and Temperature. So that un-ionized Ammonia may be calculated and reported, pH and temperature measurements should be taken simultaneously with sample collection for Ammonia-N analysis.

2. Dissolved Oxygen *or* Total Nitrogen and Total Phosphorus.

3. A limited in-situ bioassay program designed to determine both acute and chronic toxic effects of pesticides and heavy metals.

Alternatively, points 1. and 2. above could be accommodated through a more intensive bioassay program, wherein if test organism survival is found to be critical, timely intensive field monitoring would be initiated for the critical parameters, as well as follow-up biopsy of the dead test organisms for pesticide and metal concentrations in the critical organ(s).

In addition, we have the following permit-specific recommendations:

1. The Coachella and Imperial permits (CA0104701 and CA0104434, respectively) should include Suspended Solids monitoring of return flows.

2. The minimal monitoring frequency for all physical and chemical parameters should be monthly (all three permits), and should proceed throughout the life of the permit.

For your information, we have enclosed Part III of Environmental Protection Agency, Region IX's language for NPDES irrigation return flow permits. We appreciate the opportunity to make these comments.

Sincerely,

R. L. O'CONNELL,
Director, Enforcement Division.

Enclosure.

COMMENTS ON H.R. 7068

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. PRESSLER. Mr. Speaker, I would like to comment today on H.R. 7068, the Holtzman-Rodino bill which would impose civil and criminal penalties on those business enterprises that exert pressure on others to engage in boycotts against American firms that do business with Israel and which are owned by or employ people of the Jewish faith and also penalize firms that yield to such pressure.

The need for this legislation is painfully obvious. The Arab countries have effectively mixed their economic and political objectives. They have imposed boycotts of over 1,500 U.S. companies because of their ownership by Jews or business relationship, which in many cases is highly tenuous, with Israel.

The targets of the boycott include the products of Lord & Taylor, Coca-Cola, the services of Hertz, and the movies of actors Paul Newman, Elizabeth Taylor, and Danny Kaye. It is a wide-ranging boycott which has successfully denied European markets to such well respected firms as Lazard Freres, N. M. Rothschild, and S. G. Warburg.

In a recent observation by the Wall Street Journal, it was noted that "the blacklisting of these firms appears less to be an attempt to undermine Israel than an attempt to insert anti-Semitism into Western business practice." This practice cannot be tolerated. The fact that it is currently enjoying such success is sufficient indication that present legal safeguards are simply not doing the job.

Immediately is the moment to add the teeth with which to enforce the intent of section 3(5) of the Export Administration Act of 1969 which declares it to be U.S. policy to oppose boycotts fostered by foreign countries against countries with whom we maintain friendly relations.

By favorably considering the legislation prepared by the gentlewoman from New York (Ms. HOLTZMAN), we have an opportunity to bring substance to principle. It is easy to talk of the repugnancy of discriminatory practices; and, it is not difficult to porously structure the law so that these practices are discouraged. A serious examination of the law reveals to us that many statutes are simply nonenforceable legalese. If we are to remain a strong country rooted in the law, we must not allow our law to be riddled with pretense. Let us get serious and lend more than rhetoric to our principles.

If the dangers of this Arab practice of influencing businesses to discriminate are not already obvious to you, please read the following article from this morning's Washington Post, which I ask permission to include with this statement. This article illustrates how easily the Arabs goals have been accomplished as well as how increasingly difficult it will become to thwart their efforts unless we act now.

The article follows:

STRANGE PARTNERSHIP

The controlling shareholders of a thriving Lebanese business called Intra Investment Co., are a curious mix.

The tiny sheikdom of Qater is a shareholder. So is the government of Lebanon. The oil-rich kingdom of Kuwait is the largest single stockholder, and the second largest is the U.S. Department of Agriculture.

Now in its ninth year of ownership in Intra, the Agriculture Department has a man on the board of directors of this $280 million company, which controls 55 subsidiaries. These include the busy Middle East Airlines, a booming shipyard in Marseilles known as La Ciotat, and a spectacular Beirut gambling casino at the edge of the Mediterranean Sea called Casino du Liban.

Intra also owns real estate in Geneva, parts of the port of Beirut, the Lebanese national television network, the largest refrigerated warehouses in the Middle East and a pair of banks called Almashrek and the Bank of Kuwait and the Arab World.

Intra's business is now so good and so widespread that Agriculture finds itself involved in affairs that have nothing to do with farming and feeding.

In March, Rep. William M. Brodhead (D-Mich.) wrote Secretary of State Henry A. Kissinger asking him to explain why the United States owns a piece of an investment firm that boycotts companies doing business with Israel. Broadhead asked Kissinger if it were true that Intra had a hand in freezing out a group of boycotted banks from a 25 million underwriting for Air France last February.

Broadhead says Kissinger denied any U.S. role in a boycott. One Agriculture official with close ties to Intra said that if there were a boycott Agriculture would never know it. He called Agriculture's board seat "powerless . . . We never get involved in anything to do with management."

Intra senior vice president Robert Fast acknowledges that Intra went into the Air France underwriting with reservations about doing business with Lazard Freres, a French-American investment firm that has done a lot of business with Israel.

"We did not demand that Lazard be kept off," Fast told Washington Post correspondent Jonathan Randal in Beirut, "but we said if you invite them (as co-managers) then don't invite us."

Fast insists that Intra has "no choice" about doing business with blacklisted banks, but points out the arbitrariness of the boycott that blacklists Rothschilds and Lazard Freres in Paris but not London. Fast also said that Intra does business in New York with Salomon Brothers and with Goldman Sachs, whose Gustave Levy is chairman of the United Jewish Appeal.

"We're not anti-Semitic," Fast told Randal. "We work with Jewish banks, but not with Jewish banks on the Arab League boycott list."

Recently, Agriculture Secretary Earl L. Butz was asked by Sen. James L. Buckley (Cons.-R-N.Y.) for an accounting of the scope of Intra's affairs and of U.S. involvement in those affairs.

Agriculture became a holder of Intra shares nine years ago when Intra's predecessor, Intra Bank, went bankrupt, leaving its assets to its creditors. The creditors included Agriculture's Commodity Credit Corp., which had been paid for $22 million worth of wheat and butter and letters of credit from Intra Bank.

Originally, Agriculture's shares amounted to 14 percent of Intra's stock but were reduced to half that six years ago when Agriculture received more than $11 million from the sale of the Intra Bank building in New York City.

Buckley's interest was triggered by reports that go back over the nine years of U.S. participation, to 1966, when Intra went bankrupt.

The reports involve the mysterious disappearance, reappearance, and death of Youssef Beidas, onetime managing director of Intra Bank. They involve Marcel Paul Francisi once manager of Intra's gambling casino and identified by a congressional committee as one of Europe's leading traffickers in narcotics.

Finally, the reports involve fugitive financier Robert L. Vesco, who tried four years ago to buy his way into Intra using his influence at the Nixon White House.

Documents on file at the Agriculture Department show Vesco's role in the Intra affair started Nov. 16, 1971, when he called on the American embassy in Beirut, to discuss dealing himself into Intra. A month later, two of Vesco's associates discussed such a deal with Agriculture officials here.

The terms were that Vesco would make a cash loan of $20 million to Intra that Vesco could convert into Intra stock five years later. In the five-year interim. Vesco would offer the management expertise of his International Controls Corp. to help guide Intra.

The documents show that Vesco and his associates had at least six meetings with Agriculture officials in Beirut and Washington, in which they urged Agriculture to recommend that the rest of Intra's directors accept Vesco's offer.

At one point in the discussions, a cable from the agricultural attache in Beirut asked for instructions on how to treat Vesco "because of alleged White House interests through Ehrlichman."

One Agriculture official who asked to remain anonymous said White House domestic adviser John D. Ehrlichman never pressured Agriculture on Vesco, but that Vesco and his associates implied that the White House was supporting Vesco's attempt to buy his way into Intra.

"They'd always be a half hour or an hour late for our meetings," the official recalled. "Then when they arrived they'd apologize for the delay with the explanation that they'd run overtime in their meeting with Ehrlichman."

Just after it was reported in 1972 that Vesco was under investigation by the Securities and Exchange Commission, the then Attorney General, John N. Mitchell, cabled U.S. Ambassador to Lebanon William Buffum that Mitchell and the White House "had the utmost confidence in the integrity of Robert Vesco," who was in Beirut to seek Buffum's help.

But Buffum refused to see Vesco, ignoring Mitchell's cable. The Intra board rejected Vesco's offer, partly because Intra felt it did not need Vesco's $20 million, partly because of the terms that would have been so favorable to Vesco, and partly because of Vesco's growing troubles with the SEC.

A prominent concern of Buckley's is Intra's control of the Casino du Liban in Beirut, now one of the three biggest casinos in the world and possibly the most profitable.

Agriculture officials who have served either as Intra directors in Beirut or backstage directors in Washington say they know little of the casino. One official says only that the casino has a good floor show, which he said he saw once during a trip to Beirut. And onetime attache William Horbaly said, "We had to be above reproach over there."

No one in Agriculture with any Intra ties said he recognized the name Marcel Paul Francisi. A report in "The Heroin Trail," a book based on a Pulitzer-Prize winning series in Newsday, identified Francisi as the concessionaire who once ran the gaming tables at the casino. The book identified Francisi as a drug trafficker and said, "He is a millionaire many times over . . . He is also the dominant figure of the French-Corsican underworld . . ."

The details of how Francisi managed his way into the casino may have died almost eight years ago with Youssef Beidas, the man who was managing Intra Bank at the time of its collapse nine years ago.

When the bank failed, Beidas disappeared. He was indicted for bank fraud in Lebanon, France, and Switzerland, where Intra held property and owed sizable sums to creditors. Beidas reappeared in Brazil, which refused to extradite him to any of the three countries.

In November, 1967, Beidas showed up in Switzerland and was arrested for a traffic violation. He was driving a large American car with New Jersey license plates and was carrying a forged Brazilian passport. Swiss police discovered the passport was forged when he was unable to reply to an interpreter speaking Portuguese.

At the time, Beidas was carrying $37,000 in cash and traveler's checks, plus the keys to safe deposit boxes in several European countries. He was released from prison on bail, but never lived to go to trial. One report is that he died of cancer in a Swiss hospital, another that he committed suicide in a Swiss hotel.

Agriculture officials say they would love to extricate themselves from Intra, but apparently there is no easy way for them to do it.

A little over a year ago, Agriculture went so far as to advertise in The Wall Street Journal that its 7 per cent share in Intra was up for sale. Four bids came in, one from an owner of a supermarket chain in Wichita, another from the First Arabian Corp., a third from a Lebanese millionaire named Michel Elie Doumet and the fourth from a Saudi named S. S. Olayan living in Beirut.

Doumet bid $7.7 million, Olayan $10.2 million. The other two made no firm cash offers. But Agriculture quietly withdrew its offer, never bothering to answer any of the bidders for its shares. A Washington lawyer who represented Olayan said he assumed that one of the other controlling stockholders had exercised an option to buy out the Agriculture Department.

One of the key factors in Agriculture's continued holdings in Intra is that the other major stockholders, Lebanon, Kuwait and Qatar, have first refusal rights to any sell offer. Last year, Lebanon voiced its intention to exercise that right, which is the reason Agriculture never seriously considered any of the four outside bids.

But Lebanon then quietly let its option expire. Lebanon, Kuwait and Qatar appear content to let things stand the way they are. Not only in the Agriculture Department a solid board member, but its $10.2 million investment in the equivalent of an interest-free loan of at least the same size.

The Intra Investment Co. today is one of the great success stories of the Middle East. Profits jumped to more than $6 million in 1973, then more than doubled a year ago to $16 million.

The casino went from a $1 million loss in 1970 to a $3 million profit last year. The shipyard had accumulated losses of $16 million up to 1972, reported a profit a year ago and now expects earnings of $100 million over the next four years. Among the things that helped the shipyard turn the corner was an order from Kuwait for four large tankers.

The plus in Intra's pie is Middle East Airlines, long considered one of the world's richest. Its fleet of jetliners is paid off. Its routes through the oil rich Middle East now make its "load factor" the highest in the world, triggering an explosion of profits that went from $2 million in 1970 to $12 million in 1973.

So well off is Intra today that it plans to begin paying dividends this year, which is one more in the long list of ironies that confronts the Agriculture Department.

The agreement that Agriculture signed nine years ago when it entered the Intra partnership states that it cannot accept any dividends or recover any more than its original claim against Intra Bank. So any dividends paid to Agriculture will go right back to Intra Investment Co.

THE ARTS AND THE HUMANITIES

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. RICHMOND. Mr. Speaker, on Thursday, June 26, I introduced legislation which would provide an opportunity to individuals to make financial contributions, in connection with their income taxes, for the advancement of the arts and the humanities. The arts and humanities in the United States are on the brink of disaster and unless drastic action is taken thousands of museums, symphonies, and community theatrical groups will be forced to shut down.

The bill, H.R. 8274, seeks to utilize the Federal income tax returns as a conduit to substantially increase public support to both the National Endowment for the Arts and the National Endowment for the Humanities. The bill would provide for space on the first page of the Federal income tax returns for contributions to the national endowment which would be made in addition to income tax payments and in lieu of refunds. The funds raised by the checkoff would be used for direct subsidies of institutions, organizations, community groups, and artists, and not for administrative costs of the national endowments.

According to a recent Harris Poll called Americans and the Arts, conducted by the National Research Center of the Arts, a checkoff provision such as this could generate more than $1 billion annually for the cultural community. The poll showed that 64 percent of the adult public would be willing to pay an additional $5 a year for support of the arts and cultural facilities, 47 percent would be willing to pay an additional $25 a year while 36 percent would pay an additional $50. Utilizing these statistics and projecting them over 80.7 million taxpayers, one could reasonably assume that $1,743,120,000 would be contributed to the national endowments should this legislation be enacted.

During the past few years numerous symphonies, operas, museums, and community cultural organizations have been forced to either close down or cut back their programs because of dwindling revenues. It is a sad fact of life for the arts and humanities that revenues from tickets, royalties or related services result in only half of the necessary expenditures. Other nations such as

England, Germany, Sweden, and even the Soviet Union strongly support their arts and humanities through government subsidies, while our Nation's artists continue to scrounge for every penny. The Federal Government has allocated close to $140 million for the National Endowment of the Arts and Humanities, but that is not enough, not at a time when close to $1 billion is necessary.

It is indeed ironic that the United States which boastfully considers itself the center of Western culture has permitted the arts and humanities to deteriorate to the point where each day more and more time and energy is devoted not to the development of the creative potential but in a fight for financial survival.

This legislation would substantially increase taxpayer participation in the financing of the arts and humanities insuring their continued growth, vitality, and strength while increasing participation and enjoyment. The affects of this bill would be felt not only on the large institutions such as the Metropolitan Opera and the Metropolitan Museum of Art but on the small community groups like the Phoenix Theater, Brooklyn's Project Grow and artists and writers across the Nation.

During the past several weeks I have received various statements from Arts and cultural representatives on H.R. 8247. Since these persons more than adequately describe the benefits of this legislation, and the present troubles experienced by the cultural community, I would like to insert their comments into the RECORD:

COMMENTS BY ARTS AND CULTURAL REPRESENTATIVES ON H.R. 8274

Congressman Richmond's Bill to enable taxpayers to use their tax forms for making voluntary contributions to the National Endowment for the Arts and Humanities represents a major new approach that not only benefits the nation's cultural life but heralds the unique method for forging a closer partnership between the national government and the individual citizen.

If the Richmond Bill is enacted the tax payer will for the first time be able to indicate his support for cultural development in our country in a most direct way. The theatre in America and indeed all of our arts will survive, grow and benefits most people only if they receive the support of individuals and government at all levels.

All recent surveys indicate that many millions of Americans are quite willing to contribute more and strengthen America's role in the arts. The Richmond Bill give them a simple, effective vehicle for which they can express their support. It is truly an ingenious measure encouraging as it does a unique American spirit to voluntarism for the mechanics of government.

I sincerely hope that this Congress will grant its speedy approval—Theodore Bikel, President, Actors Equity Association.

I am in favor of the Richmond Bill which portends to make available more money for the arts. However, it is my feeling that the National and State Agencies set up for giving money to the arts on a matching fund basis are basically discriminating against Jazz and Black cultural organizations that have no tradition or facilities for raising money other than to receive the funds that are made available through Federal and State Agencies. This legislation hopefully will be a major step toward alleviating that injustice—George Wein, President, New York Jazz Repertory Company.

I join other members of New York's cultural community in lauding Congressman Richmond's Arts and Humanities Bill as a means of relieving the intense financial difficulties of the nation's cultural institutions.—Thomas Hoving, Director, Metropolitan Museum of Art.

The Associated Actors and Artistes of America and all of its affiliated bodies wish to express their full support for Congressman Richmond's Bill. Among its values is the opportunity it gives to citizens to express in terms of genuine interest and support their concern for the arts and humanities. It will also give the individual patron a sense of closeness and participation in those cultural elements that make the greatest contribution to a civilized society.—Frederick O'Neal, International President, Associated Actors and Artistes of America.

As President of the New York Shakespeare Festival, one of the oldest non-profit theaters in the United States, I foresee a sorely needed increase in revenues resulting from the enactment of Congressman Richmond's proposal.

It should prove to be a most important contribution toward encouraging gifts in support of the Arts and establish an ever broadening popular base for the National Endowment.

I strongly urge the widest support for this measure.—Joseph Papp, President, New York Shakespeare Festival.

Anything that will get more money into the hands of the arts institutions is terrific. I don't see how this could fail to do so since it creates increased visibility for the arts while assuring their stability.—Harvey Lichtenstein, Executive Director, Brooklyn Academy of Music.

It will channel more money into the art world. And of all the disadvantaged people the least spoken about is the artist. The fact is that all great ages of art history have been ages where the artists were quite heavily subsidized. This particular legislation will help in the process and all of us will be assured of a better life.—Alton Tobey, President, Artists Equity of New York.

Congressman Richmond has just presented a Bill which could be of enormous benefit to the arts. Not only does it dramatize the simple and curiously overlooked fact that the arts are eligible for tax deductible contributions but it would do so on one of the most carefully read documents in America—the income tax return.

These are hard times for everyone. They are particularly hard for the labor-intensive arts which are paradoxically in greater demand by larger audiences and yet cannot produce more events in less time with fewer people to escape the killing effects of inflation.

The Richmond Bill could go a long way to help the arts through one of the Federal Government's most highly regarded agencies, the National Endowment for the Arts. It would do so through tax deductions which have traditionally been this nation's most significant form of patronage for the arts.—John Hightower, President, Associated Council of the Arts.

I strongly favor this Bill since it will give an opportunity to all Americans to contribute toward the enrichment of their lives and especially in a time of economic crisis. The arts are indeed a part of everyday life which affect every person in every community be it through community theater, workshop, dance, murals, beautification of neighborhood. They are a common denominator which improves the quality of life of all Americans.—Charlene Victor, Executive Director, Brooklyn Arts and Culture Association.

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For too many years, performing artists in the United States have subsidized the arts by working for substandard salaries and under the most insecure conditions. Meaningful public financial support for the arts is long overdue in the United States. Congressman Richmond's bill would provide the means for making secure the financial assistance of our prized musical arts institutions, making it possible to bring to millions of American people, in all parts of the U.S., the best performances of symphony, opera and ballet.—Irving Segal, Chairman, International Conference of Symphony and Opera Musicians.

Congressman Richmond's bill is an innovative provision and a significant first step in the importance of the arts in this country. It would undoubtedly strengthen the National Endowment of the Arts enormously.—Martin Oppenheimer, Chairman of the Board, City Center.

FREEDOM WEEK AND POLISH PLAY

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. EILBERG. Mr. Speaker, with all of the United States Bicentennial celebrations occurring throughout our country this year and next, I would like to point out one particular celebration which occurred just last week in my city of Philadelphia, Pa. I refer specifically to "Freedom Week," 7 days of commemorative happenings organized by the office of the city representative. It ran from June 27 to July 4, 1975.

Throughout the week there were parades with the Colonial Fife & Drum Corps, militia musters, plays, puppet shows, other children's activities, and candlelight guided tours of the Independence Hall complex.

On Sunday, June 29, a horseman from Charlotte, N.C., completed the reenactment of the famous ride made by a tavern owner named Capt. James Jack in 1775. He rode the 610 miles on horseback from Charlotte to Philadelphia to deliver the Mecklenburg Declaration of Independence and the Mecklenburg Resolves to the North Carolina delegation at the Second Continental Congress at Independence Hall. These documents were the first explicit written desires for independence presented by the colonists to their representatives. They preceded the United States Declaration of Independence by 13 months.

The culmination of "Freedom Week" involved the traditional Independence Day ceremonies, along with a few special events. These special events included the Festival of Fountains parade, the showing of the Budweiser Clydesdale horses, the presentation of the President's Freedom Medal to entertainer Bob Hope, and the reading of the Declaration of Independence by singer-actor Joel Grey. All of these events took place on July 4 in front of Independence Hall.

In addition to all this, on July 1, 1975, the Copernicus Society of America sponsored the premiere of a musical drama based on the life of General Thaddeus Kosciuszko. The play is entitled "Thad: Polish, Yankee Warrior." It honors one of the most noteworthy Polish heroes of the American Revolution.

At this time Mr. Speaker, I would like to place in the RECORD the following description of this literary work which serves as a testimony to a great man and a great fighter for freedom:

"Thad: Polish, Yankee Warrior," a musical drama based on the life of General Thaddeus Kosciuszko, premiered during Freedom Week at the Visitors Center, 3rd and Chestnut Streets in Philadelphia, Pennsylvania on Tuesday, July 1, 1975.

Written by Frank M. Dineen, of the Philadelphia Actors' Theatre the play runs 40 minutes and is available free to public and parochial schools. The cast includes: Don Shannon, playing "Thad," Maris Clement, Bob LaMarra, Jim Roberts and Ken Becker.

The play describes Kosciuszko's arrival in America in 1776. As Colonel of Engineers in the Continental Army, he contributed to the victory over British General Burgoyne at Saratoga. He also designed the defensive units at West Point. In 1783, he was made Brigadier General of the Continental Army.

After the Revolutionary War, the Polish Patriot lived in a house at 3rd and Pine Streets, in Philadelphia, which is now being renovated as a national memorial. He was often visited there by his good friends, Thomas Jefferson and Dr. Benjamin Rush.

Free to the public, "Thad" is sponsored by The Copernicus Society of America and as a corporate cultural project of Mrs. Paul's Kitchens. Edward J. Piszek is executive producer and John Wydra is the producer of the show.

PRESIDENT SENGHOR SPEAKS OF THE ROOTS OF THE BLACK EXPERIENCE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. RANGEL. Mr. Speaker, for American blacks, the search for the roots of their identity has carried them from the South to the African Continent to the particular circumstances of their own individual heritage. This process of increasing awareness is a subtle and gradual one, a process of combining southern, African, and individual elements to forge a uniquely American, black sensibility.

A recent and distinguished visitor to the United States, President Leopold Sedar Senghor of Senegal, commented eloquently on this transformation in a speech he delivered at Morehouse College in Atlanta. I believe his observations are provocative and insightful, and I therefore call the speech to the attention of my colleagues.

THE RETURN TO THE ROOTS

I shall not hide my emotion. Morehouse College, Atlanta, Georgia! For about forty years, those names have held more than geographical significance for me: names of flesh and blood, but especially names of soul. They are linked with the struggles waged back in the thirties, in Paris, in the heart of the Latin Quarter, by a handful of West Indian and African students, firmly intent on proclaiming their Negritude—their Blackness, as you would say—but, above all else, intent on assuming it by living it.

Before continuing, however, I should like to thank the President and the officials of Morehouse College, without forgetting my friend, Dr. Edward A. Jones, honorary Consul of Senegal in Atlanta.

By conferring on me an honorary doctorate, you are returning to the roots of Negro-African civilization, to that civilization of exchange and shared emotion, which was indeed the generator of the world. In fact, as Pierre Teilhard de Chardin wrote, "From Homo habilis to Homo sapiens, Africa was the fountainhead of human progress."

To return to Atlanta and to Morehouse College, it was during the thirties that my old friend, Professor Mercer Cook, who taught French at Atlanta University, also at Spelman and Morehouse, began to talk to me about your city and Georgia. And I became a regular reader of Opportunity magazine, and the name of Morehouse College became familiar to me. Not only the name, but the reality as reflected by such eminent figures as John Hope and Benjamin Griffith Brawley, among others, and further along, the charm of the "deep South".

Since those fruitful years in the Latin Quarter, I have never stopped following the evolution of American life, particularly, the life of Black Americans. I noted, during the memorable campaigns of Martin Luther King—one more Atlanta name!—the Blacks were returning from the North to the South, more numerous each year. "Carry me back", I, too, formerly learned to sing as a prophetic chant. It could not be by accident that the prophecy is now being fulfilled.

At first, one gave the phenomenon a materialistic, almost a mechanistic explanation: the South is being industrialized. To be sure, it is necessary to live, and the satisfaction of "animal needs" is man's first aspiration, his first requirement. But those needs are quickly satisfied in the United States and, as Marx has said, it is after those primordial exigencies have found their solution, and only then, that man can indulge in his "generic activity", which is to create works of beauty.

The return of Blacks to the South first struck me, as being a return to the fatherland, if not to one's native land, but especially toward a chosen land, where the living is good: because the climate is gentle and the soil more generous, but also, in short, on account of the people. The advances toward integration, here, attest to this, while, in the North, race riots multiply. I speak on the testimony of Negro-Africans living in America, and whom I know well.

Once again, this is no accident. In fact, in the South, the osmosis between ethnic groups had been realized, despite appearances, more rapidly, more deeply, favored moreover by the climate and life in common, but also, in part, by the fact that the South was peopled by a more Mediterranean white population. As indicated, in many words, the Southern writers, the Blacks, living close to the Whites, have influenced them in their way of life, in their style, and they have also influenced them—morally.

One of my hobbies is to translate into French, authors who write in English, especially poets, preferably those of Celtic origin. Thus, during recent years, I have translated, among others, William Faulkner and T. S. Eliot. What has impressed me has been to find, in both of these Southerners, a certain style, especially the Negro rhythm, made up of asymmetrical parallelisms, with its contra tempo and syncopation, in short, its repetitions that do not say exactly the same thing.

The Negro style, but also Negro virtues. Sterling Brown and Irving Howe have shown this in their studies on Faulkner. The more he advanced in his life and works, the more William Faulkner discovered the Negro virtues: work—the French also say "work like a Negro"—endurance, fidelity, and dignity. These virtues are found, symbiotically, in the character of Lucas Beauchamp in Intruder in the Dust. Better still, in his speech accepting the Nobel Prize, Faulkner praises some of these Negro virtues. Speaking of man, he affirms: "He is immortal, not because he alone among creatures has an inexhaustible voice, but because he has a soul, a spirit capable of compassion and sacrifice and endurance." So, forcefully, the climate of the South acts on its children of all colors.

It is to breathe that physical and moral climate, to be warmed by it and to create, that so many Southerners, especially the intellectuals, return to the deep South. Morehouse College is the best evidence of this. In this connection, there is significance in the large number of Black graduates who leave the great universities of the North to come and teach in Black institutions, less prestigious, but located in the South.

As I said earlier, this return bears witness, first of all, to the attachment to this soil, to this atmosphere of the South, humid and warm: tropical, like that of Mother Africa. Although the struggle for equality and integration has not yet ended, or because of that very fact, the return also attests to a certain confidence in the ability of white Southerners to understand their darker brother, precisely because they are from the South and spiritually relatives. But above all, this return bespeaks the confidence of the Black man in the virtues of Negritude.

Were you to ask me, "What is that French word: Negritude?", I would answer: "It is your Blackness". It was your thinkers, your writers and your artists of the Negro Renaissance, back in the thirties, who inspired us to return to the roots, on the black continent, to un-veil our truth there—like a-letheia of the ancient Greeks—and discover the Negro-African values. I refer to the gift of being thrilled by imagery and, consequently the vision in depth of the world, but also the gift of rhythm, which informs a new order; finally the gift of communion, which goes as far as identification and which, through the grass, the cow or the moon, unites us with God: to create a truer world, because it will be better and more beautiful, I mean, more adjusted to our human nature. In my native tongue, Serer, jag means, at the same time, "adjusted", "beautiful" and "good".

It is these virtues, and many others—for I have not exhausted the list—that you come to seek in the South, and that prove the existence of Negro humanism: to make them bear fruit within and for the benefit of American society. Indeed, if the Blacks are still fighting for equality, I get the impression, from reading your authors, that they are struggling less for integration than for the affirmation of their ethnic self. What they are seeking is primarily the discovery of their identity. Nothing is more revealing than the evolution of the young Negro American poetry, which I read, moreover, much less easily than I read Langston Hughes, Countee Cullen and their emulators. Less easily because it is more American—which makes me understand it less readily—although it is more Negro.

Back in the sixties, it was what I would call the "poetry of Black Power": a poetry of resentment, highly politicized, burning with "antiracist racism", to quote Sartre. Now, the trend is toward a more pcetic poetry, I mean more creative, in which the Negro American is less concerned with the Other than with himself, lest concerned with defying or destroying the Other than with discovering himself, creating himself and expressing himself as a Black Man. And in singing, as a black man, for black men, in a Negro style, the universal, eternal themes of love, of solitude, alienation, death, but also of hope. While awaiting brotherhood is a real, essentially cultural integration, the Blacks will bring—more exactly, will reveal—their contribution to Americanite. An Americanity that is still to be forged for it to become truly American, that is to say a symbiosis of complementary contributions, with the Black contribution not the least fruitful, quite the contrary.

So it is that the young Negro American literature moves significantly forward, toward its sister: Negro African literature. Significantly, because the return of which I spoke, a few moments ago, is not only to the deep South, but, at the same time, to Mother Africa. This is the testimony of the African Studies Centers, which become more numerous each year in American universities.

That is where I should like to conclude, beginning by noting that this double return of the young Negro American poetry is also a return to the themes of the Negro Renaissance. "What is Africa to me?" With those words, Countee Cullen began his famous poem: "Heritage". But today, for the young generation, Africa is no longer a far away, romantic place. It is a continent nearby, which soon will be but three hours distant by plane, a continent known physically, intellectually and, above all, spiritually. By its art.

For since Negro art conquered the world, in the first half of the twentieth century, it has transformed that world. One neither paints nor sculpts as one used to, before; one neither sings nor dances as one used to, before; soon one will no longer walk, cry nor laugh, because one will no longer feel as one used to, before. All that, thanks to the virtues of Negritude, which, in certain fields, will have borrowed the road and the voice of America.

AMERICAN RELIGIOUS LEADERS IGNORE SOVIET PERSECUTIONS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, one expects religious leaders to be men of principle, strong in faith and wedded to truth. One expects them to exert moral leadership based upon these qualities. We who still enjoy religious freedom are perhaps less aware of how little moral leadership they actually manifest. A Rumanian Christian, Sergiu Grossu, has recently had his book, "The Church in Today's Catacombs," published by Arlington House. This book lets us see what Western religious leaders look like to persecuted believers suffering under communism. Simply in order to worship God, they must resist every pressure of a merciless totalitarian state which permits no rival loyalties, even to God. Yet, as they look to the West, they see ministers, priests, rabbis, and religious officials of high rank toadying to the K.G.B. officials disguised as churchmen who Moscow sends among them.

A review of Mr. Grossu's book appeared in "The Review of the News" on June 4:

> The suicidal compulsion of the West was poignantly illustrated recently when the Synagogue Council of America honored a group of visiting Communist functionaries, one of whom proclaimed that "no one is denied his religious rights" in the Soviet Union. Accounting to a *New York Times* story, not a single rabbi vigorously protested this outrageous lie by Metropolitan Filaret, a high-ranking official in the state-controlled Russian Orthodox Church. Finding his audience willing to suffer a general fabrication, the metropolitan utter a more specific, thus claiming "our Jewish brethren" also enjoy religious freedom in the U.S.S.R.
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> More distressing than the polite acquiescence by the rabbis in the metropolitan's deceit was the initial decision to provide Kremlin propagandists with a respected podium from which to spew beguiling falsehoods. The meeting, combined with the rabbis apparent silence, can serve only to confuse the American public about the brutal Communist campaign against religion and to demoralize those behind the Iron Curtain persecuted and tortured for their faith in God.
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> To believe that the rabbis are ignorant of Communist infiltration and subversion of the Russian Orthodox and other established churches in the U.S.S.R. is to denigrate their intellectual curiosity. There is an abundance of readily available evidence to prove that the K.G.B. controls the organized church hierarchy in the Soviet Union. Orthodox leaders, according to the *New York Times*, "give sermon endorsing or praising social and economic policies, and they have defended the Soviet government against accusations from abroad of suppression of religion and of civil rights." According to the *Times* those accusations are true. "Under Nikita S. Khruschev the campaign against the church was particularly severe, with up to 10,000 Orthodox churches reported closed." And today, "In areas of traditional religious strength, congregations are pressed to close."
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> Aside from persecution, surely the rabbis do not believe that the Kremlin allows true men of God to travel into the Free World. Just a month before the meeting with the Soviet apologists, a Baptist leader in Moscow was condemned for his religious beliefs to five years in prison and another five years in exile. The *New York Times* carried that story, too.
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> The decision of the rabbis to honor Soviet propagandists camouflaged in religious garb appears to be another example of what the persecuted themselves perceive as the moral cowardice that afflicts much of the leadership of organized religion in the Free World. "While the church of the free world accepts compromise and continues to sleep, satisfied with its moral lethargy, it obtuseness and unforgiveable silence toward the believers who suffer behind the Iron and Bamboo Curtains, the Church of Silence continues to live, to fight atheism and to testify to Christ, despite persecution and the daily threat of police, despite the assault of Red propaganda against the spiritual resistance of the children of God, despite prisons and hard-labor camps."
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> That harsh condemnation comes from Sergiu Grossu, a religious refugee from Romania and editor of this new book, *The Church In Today's Catacombs*. His book combines documentation of religious persecution and miracles behind the Iron Curtain along with evidence of Western collaboration with the enemies of religion.
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> Probably the most notorious of these collaborators is the World Council of Churches, a radical Left organization. Grossu repeats the less-than-secret fact that, as general secretary of the World Council of Churches, Eugene Carson Blake "never ceased to minimize the persecutions" of religious believers in Communist countries, claiming that "any possible intervention on his part would only make matters worse." One of Grossu's contributors adds that the World Council of Churches offered "not a word of support for the 17,000 Lithuanian Catholics who have just made known their suffering and despair in a public appeal. Not a word of encouragement for the millions of Protestants, Baptists, Unitarians. Orthodox, Moslems, and Jews from suffering, secret, persecuted churches and religions."
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> Contrary to the World Council's contention, the persecuted themselves cry out in anguish for vocal Western support. In June of 1972, for example, a group of Russian believers sent a letter to the United Nations asking the Free World governments to urge the Soviet regime to permit parents to instruct their children in religious principles, and to help "obtain freedom for those who have been been locked up in prisons, concentration camps, or 'special psychiatric asylums' for declaring the word of "God."
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> There was not a word of support for the religious, but plenty of backing for their enemies. According to Bishop Monrad Nordeval, president of The Mission Behind the Iron Curtain, the World Council of Churches in 1970 set aside $200,000 to subsidize Marxist revolutionaries. The World Council, it seems, interferes in the internal affairs of our allies, never our foes, a practice of recent Administrations in Washington as well. President Ford and Secretary of State Henry Kissinger, for example, oppose the Jackson Amendment because it ties expanded East-West trade to increased emigration from the Soviet Union. But the White House does attempt to meddle in the domestic policies of Rhodesia and South Africa and has considered legislation to reimpose the American embargo on Rhodesian goods. The White House objects to the racial policies of those two countries but leaves unmentioned the fact that the Kremlin has wiped out entire racial minorities and periodically unleashes pogroms against non-Russian nationalities in the Soviet Union. An indication of the relative discrimination in white-ruled Africa and the Soviet Union is that blacks are trying to get into the former while people are trying to flee the latter.
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> The Blake-Ford contention that Western action only increases Communist repression contradicts recent history. Long before the Jackson Amendment was considered by Congress, the Kremlin tightened its thumb screws on both religious and political dissent, convinced that the West does not care about the fate of Communism's victims. As East-West trade has increased, so have arrests of dissidents in the Soviet Union. More and more protesters and believers are being sentenced to hard labor or secretly incarcerated in K.G.B. insane asylums where doctors, in Nazi emulation, perform biological experiments on their "patients."

According to excerpts from an underground publication, printed in the Grossu book, "If they do not give in and renounce their convictions, the doctors subject them to physical torture, injecting them with huge doses of aminasine and sulphasine, which cause depressive shock. . . . Sulphasine raises one's temperature to 40 degrees centigrade [*104 degrees Fahrenheit*] and causes extreme weakening, articular rheumatism, violent headaches, and pain in the places where the injections are given. . . . Intramuscular injections of aminasine prevent the sulphasine from dissolving and cause very painful abscesses that must be surgically lanced." One victim was crushed under a pile of other people until his abdominal muscles gave way and he excreted in his clothes. When he refused to eat his own excrement, his tormentors "pounded his head on the floor and against the wall, they dragged him across the floor by his feet until the blood started to pour from his mouth. Finally, he gave in to their demands. . . ."

But despite almost sixty years of frenetic and horrendous persecution, the Communists have failed to uproot religious convictions. *Pravda* has even acknowledged "a notable increase" in religious interest of young people. Atrocities cannot overwhelm the miraculous. As evidence, Grossu's book relates the story of nuns in the gulag who refused to sign a false confession. The commandant, "in blazing fury, released the dogs. Barking ferociously, they bolted toward the sisters, who continued to sing. The prisoners were frozen in terror. Suddenly the animals, six feet away and set to attack, stopped and quietly lay down on the snow like sheep."

Filled with hate for religion because it insists there is a higher law than human dictation, the Communists grind believers under their heels. And Western churchmen lick the blood from those boots.

THE SPIRIT OF COOPERATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. FRENZEL. Mr. Speaker, in recent weeks there has been much congressional gnashing of teeth over the use of the veto by President Ford. There have even been some silly suggestions that, for nonelected Presidents, the requirement for overriding a veto be changed from two-thirds to 60 percent. Cooler heads will, I am sure, prevent the consideration of such a scheme.

It is true that President Ford is our first nonelected President. But that does not make him any less of a President. President Ford is as much of a President as John Kennedy, Harry Truman, Franklin Roosevelt, Dwight Eisenhower, or any of his predecessors, with the same constitutional powers—no more and no less.

I can understand that some in the majority party are frustrated by their inability to override Presidential vetoes. It is pretty hard to get two-thirds of the votes here. It is especially hard to get two-thirds for programs of limited merit, but almost unlimited cost.

But, I am frustrated too. I have not been able to support much of what this House has attempted to accomplish this year, mainly because the majority has refused to deal, not only with the White House, but even with the minority Members in the House of Representatives. Instead of changing the requirements to override a veto, perhaps we should legislate against the arrogance of a tyrannical majority.

Now that the President has proved his ability to make vetoes of extravagent programs stick, the country really needs a constructive, cooperative spirit at both ends of Pennsylvania Avenue. We need teamwork. We do not need a change in the rules, or a change in the Constitution. We need a change in attitude.

The minority is anxious to cooperate. The minority leader has repeatedly asked for, and offered cooperation, conciliation, and compromise. We are, as a group, willing, even determined, to support vetoes of wasteful or ineffective programs, but we would much rather be restored from our condition of second-class citizenship in the Congress to one of full partnership. We do not expect to dominate the legislative process, but we are tired of being left out completely.

If the Congress and majority persists in its "my way or nothing" attitude, the country is likely to get nothing. But, if the Democrat Congress will disabuse itself of its delusions about a 1974 "mandate" and begin working cooperatively on thoughtful programs for 1976, the people will be rewarded by good legislation.

There were some encouraging signs last week. The unemployment bill, the debt ceiling bill, and the housing bill all were examples of cooperation, both within the Congress and between the Congress and the Executive. I fervently hope that this timid beginning will blossom into a real spirit of cooperation.

UNEMPLOYMENT INSURANCE TO TEACHERS

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mrs. KEYS. Mr. Speaker, I am introducing legislation that will extend unemployment insurance protection to teachers and other employees of educational institutions. I am pleased to be joined by Congressman JAMES CORMAN of the Unemployment Compensation Subcommittee of the Ways and Means Committee, in introducing this bill.

Under my bill, teachers would be entitled to unemployment insurance benefits identical to that provided other workers, with one important exception. A professional employee of an educational institution would not be entitled to collect unemployment insurance during the period between academic terms if he or she has a contract for the subsequent academic term. This prohibition was also included in the 1970 law that extended coverage to college teachers.

A Federal law enacted in 1970 required the States to extend unemployment insurance coverage to college teachers and other employees of institutions of higher education. Existing law allows States the option to cover elementary and secondary level teachers as well as other State and local government employees; however, only eight States have elected to extend coverage to elementary and high school employees.

In response to the extraordinarily high unemployment rates the Nation was experiencing, Congress enacted in December of last year the temporary special unemployment assistance program which extended limited unemployment compensation benefits to unemployed teachers and other workers not covered under the permanent unemployment insurance program. Last month Congress passed a bill extending this temporary program through 1976 and increasing maximum benefits from 26 to 39 weeks. Under current law, workers protected by the permanent unemployment insurance program, can receive up to 65 weeks of benefits.

There is no reason why elementary and high school teachers and other school employees, should be excluded from the unemployment insurance protection that is provided for the rest of the Nation's wage and salary workers, including college employees. The bill I am introducing today would simply extend to elementary and high school employees the same protection that is provided other covered workers in each State. An employed teacher would have the security of unemployment insurance. Teachers who become unemployed would be entitled to the same benefits available to other jobless workers, provided he or she meets the State eligibility requirements.

The Unemployment Compensation Subcommittee will begin hearings on proposed changes in the unemployment insurance program on July 15. I am introducing this bill today so that the witnesses who appear before the subcommittee will have a chance to comment on its provisions and provide the subcommittee with any recommendations they might have regarding the long overdue extension of unemployment insurance protection to teachers.

VASSAR, MICH., HOUSE NAMED NATIONAL HISTORIC SITE

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. TRAXLER. Mr. Speaker, I am pleased to learn that the National Park Service has entered the R. C. Burtis House, located in Vassar, Mich., into the National Register of Historic Places. This historic structure is unique in several respects and I would like to share its story with my colleagues.

Mr. Richard C. Burtis was born in Troy, N.Y., in 1824 and emigrated to Vassar in 1857, trained in the shoemaking trade, Mr. Burtis eventually opened a chain of general stores selling groceries and dry goods in the Vassar area. A typical local entrepreneur, Mr. Burtis also served as local postmaster for a number of years.

Mr. Burtis built his unique home in 1879. The Michigan History Division of the Department of State says the house is the "finest example of a Second Empire (Victorian) style house in the Thumb region of Michigan." Patterned after designs popular in mid-19th-century Paris, the house was designed locally, made with local materials and features elaborate craftsmanship, especially the interior woodwork and gingerbread or wedding cake exterior trim.

The two-story house, which has not been altered since it was built, has brick walls a foot thick and features a slate mansard roof, an excellent example of the Second Empire style. Originally built on a 40-acre plot, which Mr. Burtis operated as a small farm, the house is still located on its original foundation, but much of the original land has been sold, although enough remains to accommodate a carriage house and barn which were built shortly after the house was constructed.

The exterior features a turreted gable over a bay on the right side of the facade and a covered porch on the left. The trim of the gable, porch, and windows features elaborate Italianate wood carvings. There is also an elaborate system of gutters on the roof which feed a huge cistern used to store water.

The interior features high-ceilinged rooms. The front parlor contains multicolored wooden scrollwork and an Emerald-green marble fireplace. The dining room contains a rich wood floor with alternating bands of light and dark wood. The woodwork, which the history division calls excellent, is a fine example of the craftsmanship found in many Michigan homes of the period when lumbering was king of Michigan.

The history division has informed me that there are several more structures in the vicinity which are of equal historical value and interest. I am pleased that the U.S. Government sponsors a loan grant program to historical sites so that they may be maintained providing everyone an opportunity to view the important cultural and structural mementos of America's past.

Mr. Speaker, I cordially invite you and my colleagues to view the R. C. Burtis House the next time you are in the vicinity of Vassar, Mich. This national historic site is located at 2163 South Ringle Road and is owned by Mrs. Victoria Bettinger.

CONGRESS NEEDS TO RECOGNIZE CERTAIN INEQUITIES IN PRESENT OSHA LAW

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. HANNAFORD. Mr. Speaker, I agree with the need to exempt the small businessman from certain provisions of the Occupational Safety and Health Administration until Congress has had an opportunity to correct certain inequities in the present law.

The problem is that the law presently requires an OSHA compliance officer to issue citations on first-instance inspection even for minor and often innocent violations of vague regulations.

For the small businessman who is unable to hire a consultant to review the numerous and complex regulations this can result in expensive and inequitable fines.

Extensive communications with citizens of my district, both the small businessman and their employees, have convinced me of the validity of exempting the small firms from the issuing of first-instance citations.

I think that it is the responsibility of Congress to correct the present inequity and to recognize that these otherwise desirable regulations often impose an enormous burden on the small businessman.

Mr. Speaker, I believe that the best manner to provide adequate safety for our employees is to appropriate adequate funds to provide onsite consultation and to allow sufficient time for an employer to make the necessary correction.

SENATE—*Wednesday, July 9, 1975*

(Legislative day of Monday, July 7, 1975)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. JAMES ABOUREZK, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

The Lord is nigh unto all them that call upon Him, to all that call upon Him in truth.

He will fulfill the desire of them that fear Him: He also will hear their cry, and will save them.—Psalms 145: 18, 19.

Eternal Father, as we draw near to Thee, do Thou draw near to us, not only in the moment of prayer but in each thought and act of our lives. Thou knowest us better than we know ourselves. Without Thee our judgments are frail and our spirits weak. But in Thee we would live and move and have our being. Give us here a passion for wisdom above winning, a concern for truth which is more than proof, a patriotism above party, a prayer which emanates from a pure heart. Help us now and always.

We pray in the name of Him who is the Light of the world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 9, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES ABOUREZK, a Senator from the State of South Dakota, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ABOUREZK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, July 8, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today until the New Hampshire contest is once again taken up.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, I assume all committees and subcommittees will be so notified.

Mr. MANSFIELD. Yes.

ORDER OF BUSINESS

Mr. HUGH SCOTT. Mr. President, all is quiet in the Chamber, and I wish to keep it that way; therefore, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Ohio (Mr. TAFT) is recognized for not to exceed 15 minutes.

COMMITTEE ON COMMERCE INVESTIGATORS' VISIT

Mr. TAFT. Mr. President, I bring up a matter this morning that I mention reluctantly, but something that I think ought to be called to the attention of the Senate. Hopefully action will be taken to correct the situation that has arisen.

Last week I received a very disturbing letter from the Sandusky, Ohio, area chamber of commerce. This letter outlined very serious charges relating to Senate Committee on Commerce investigators making an unannounced visit to Sandusky, Ohio, to investigate a newspaper ad which ran in a Sandusky area newspaper. I shall ask unanimous consent to have a copy of this advertisement printed at the end of my remarks.

The ad was signed by 10 business leaders in the Sandusky area urging their two U.S. Senators to support legislation to deregulate natural gas. They argued in this ad that deregulation was necessary to save up to 8,000 jobs in the Sandusky area.

Apparently the Senate Commerce Committee sent out two investigators, W. Donald Gray and Craig Cartwright, allegedly to solicit support for the Senate bill S. 692. What came out during the trip by these two investigators to Ohio indicates that this was really an effort, on the other hand, to undermine general support for the position of deregulation of natural gas.

The two investigators who came to Ohio came completely unannounced and were not experts on the energy bill. In fact, when the investigators met with the representatives of the business community they were unable to answer the simplest questions regarding the bill.

The two investigators met with some of those who signed the open letter ad to Senator Glenn and myself. Mr. Jerome P. Stein, general manager of Grill Meats, Inc., was the first office to be visited and he was asked if notes and tape recordings could be made of his remarks. Mr. Stein agreed to this and gave the investigators his full cooperation. On leaving Mr. Stein's office the investigators visited the plant manager for the General Motors installation in Sandusky. At the end of their visit with Mr. Rowley, he noted taping devices in the briefcases of the investigators but was uncertain whether or not his conversation had been taped. At no point in the conversation was he advised that his visitors had tape recording devices.

While the investigators allegedly came to solicit support for the bill, S. 692, they only had one copy of this mammoth legislation to show to the businessmen. They admitted that they were not staff members of the committee who worked on energy matters, and were unable to answer questions on the bill during a session that was arranged with the business leaders.

At my request, Mr. Art Pankopf, chief minority counsel of the Commerce Committee, has called on the majority staff to obtain a report of this visit to Ohio by Commerce Committee investigators.

Mr. Pankopf was told that the reason for the investigation was that the committee wanted to make sure that the ad was not a manufactured ad similar to the mailgrams that flooded the Senate offices over no-fault insurance last year. The majority staff also stated to minority staff that the meeting with community leaders was at the request of the local chamber of commerce following their arrival in Sandusky and that they had notified the office of my colleague, Senator Glenn, about the investigation. This was not the case as I have confirmed with Senator Glenn.

I note that Senator Glenn is present and I am sure may wish to make his own comments upon the situation in a few moments when I complete mine.

I know my office was never contacted.

The facts of the matter are that this ad was not manufactured but a project of the local chamber of commerce, the investigators were not invited by the chamber but came completely unannounced, and the meeting was only a courtesy to the Senate investigators. The chamber states it sent a copy of the advertisement to Senator Glenn but had not received a reply from the Senator's office and, as far as I can ascertain, was never called by Senator Glenn's office concerning this entire matter.

I know we had received a copy of the ad, also, and I think had made no reply to it at that point.

It appears to me that the majority side of the Commerce Committee has a staff that is running away from the supervision of the Senators and what we have may be a legislative version of the plumbers' operation of Watergate days.

There simply can be no legitimate reason for the Senate to investigate ads run in papers merely because they express an opinion which is counter to those held by the committee chairmen or staff. The plain effect is to threaten free expression of opinion by private citizens on national issues of the deepest significance.

I think that there are some very serious ramifications to the idea of Senate committees trying to intimidate local community leaders by sending out investigation teams. Even if this ad had been manufactured, which it was not, the local community still has the right to run the ad without questioning by big brother investigators.

I would hope that the chairman of the Commerce Committee would provide me with a complete report of this investigation in Ohio, that he would provide me with any transcripts that are made of the various interviews, and that this practice can be stopped here and now.

I supported legislation to provide additional staff help to the Senators; however, it was never my intention that we would be establishing Senate plumber teams to go out and harass citizens who are trying to participate in the legislative process. I am confident that this activity must have gone on without the knowledge of the chairman and that he and the leadership of all of the committees of the Senate will insure that this kind of action stops, and stops today.

Mr. President, I ask unanimous consent that a copy of the advertisement to which I made reference earlier from the Sandusky Register of Thursday, June 12, 1975, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

An Open Letter to the Honorable John H. Glenn and to the Honorable Robert Taft, Jr., U.S. Senate, Washington, D.C.

Dear Senators: We are deeply concerned about the energy situation facing Ohio. Here are some facts we ask you to consider as the Senate prepares to vote on the decontrol of oil and natural gas in the coming weeks.

Fact: We have already been informed by Columbia Gas of Ohio that a 60% curtailment will be imposed on our operations effective November 1, 1975. This follows an initial 40% cutback last fall which rose to 55% this past winter.

Fact: A number of our major employers are vitally dependent on natural gas to process their various products. Furthermore, we are competing with many firms in Southern states that have an abundant supply of gas because they are purchasing INTRAstate gas, gas which is exempt from federal price controls. Our gas is INTERstate gas, whose price is being kept at unnaturally low level by the Federal Government and the Natural Gas Act passed in 1938.

Fact: As long as price controls exist on INTERstate gas, our supply of gas will continue to diminish. We must be able to compete with Southern industry for the abundant supplies of gas found in those states, and remove the unfair advantage they currently enjoy over Ohio. A sampling of the seriousness of our problem is as follows:

"Our fastest growing product lines are pre-cooked foods; and we are dependent on gas for our roasting, broiling, frying, and kettle-cooking operations. Currently there is no technology available which permits us to use any other fuel besides natural gas for broiling operations. Five hundred thirty (530) employees representing an annual payroll in our community of over $7,000,000 will be affected by our ability to obtain natural gas. Any new plants we build in the future will be located where we can be assured of an adequate supply of natural gas."

Jerome P. Stein,
General Manager, Grill Meats/Chefs Pantry.

"In the final analysis, the most important consideration must be jobs. Unless there is an adequate amount of natural gas, there is no way that layoffs and plant closings can be prevented. I encourage all those interested in their job—and the job of their neighbor, to write to our Senators and Congressman."

Frank Pelehach,
President, Union Chain.

"Natural gas is needed for our manufacturing operations since every one of our bearings has to be heated to a red-hot 2300 degrees, then cooled, reheated to temper, and recooled. Without the availability of gas we cannot make bearings. I am very much concerned about the shortage of natural gas and I personally visited both Senators Taft and Glenn to discuss this problem with them. Every area citizen should contact our Senators and let them know they too are concerned about their jobs."

Philip B. Zeigler,
General Manager, New Departure Hyatt Division-GM.

Fact: We realize that decontrol of prices will mean an increase in the price we must pay for this precious energy. For example, it is estimated the annual increase in residential gas bills because of deregulation of new gas would average nationwide only about $13. The preservation of jobs and continued operation of our plants is worth the price.

Fact: Unemployment is not a partisan issue. Our Erie County labor force is largely dependent on the jobs we provide, and we are very dependent on an adequate supply of energy to stay in business.

Fact: Members of Congress passed the Natural Gas Act, and it is up to the present Congress to act again. Only you, and your colleagues in the Congress can act to deregulate the wellhead price of new natural gas. Your utmost consideration is urged as you determine how your vote will be cast . . . jobs and our businesses may depend on the outcome of this vital issue . . .

Signed:

American Crayon Company, Max L. Smith, Vice President and General Manager.

Bay-Con Corporation, Marshall G. Browne, President.

Farrell-Cheek Steel Company, John O. Bossart, President.

Ford Motor Company, Roy L. Cummings, Plant Manager.

Grill Meats, Inc., Jerome P. Stein, General Manager.

Industrial Nut Corporation, J. B. Springer, President.

New Departure-Hyatt Division, General Motors Corporation, Philip B. Zeigler, General Manager.

Scott Paper Company, James D. Murphy, General Manager.

Union Chain Company, Frank Pelehach, President.

Westvaco Corporation, E. J. Kiddie, Plant General Manager.

AREA RESIDENTS AND JOBHOLDERS

Won't you join with us in conveying to our Ohio Congressional Delegation the need to act on the crucial energy situation we face. Help us save our plants and preserve your jobs by writing to the following and urging them to vote for deregulation of gas prices:

Honorable John H. Glenn, United States Senate, Suite 1203, Dirksen Senate Office Bldg., Washington, D.C. 20510.

Honorable Robert Taft, Jr., United States Senate, Suite 405, Russell Senate Office Bldg., Washington, D.C. 20510.

(A vote for deregulation is a vote for jobs in Ohio.)

(These 10 firms alone represent over 7,000 jobs in Sandusky and Erie County.)

Mr. GLENN. Mr. President, will the Senator yield?

Mr. TAFT. I am glad to yield to the Senator from Ohio.

Mr. GLENN. Mr. President, I do have some comments on this. I do not have a formally prepared statement, but I do have a couple of remarks.

I start off by saying that we were not notified in advance of the investigation that was to be conducted in Sandusky. The only contact with my office prior to the investigating team's going to Sandusky was, apparently, when they called our office to find out if we had received other ads through our clipping service which would indicate that this was part of a general statewide, or more than one State, campaign. We had received no such ads, but we did at that time alert our clipping service to give us such ads as might be published in places besides Sandusky.

I think the concern of the committee staff investigators at that time, at least, was generated by some of the ad and letter-writing campaigns on previous legislation that had backing from undisclosed sources which should be brought to public and Senate attention.

We had no indication that that was the case, but I can only presume that was their motivation at that time, from questions they asked my office. We did not have any indication then that they were planning a trip to Sandusky. We were not notified of that at all.

I want to do two things in following up this matter. No. 1, I have asked for a copy of the report of the investigators, so that I will know exactly what their intent was; also, what the results of their investigation have shown. We have been promised a copy.

I have been informed, too, that the Committee on Commerce is scheduling an executive session to be held on this specific subject so that we will know exactly what transpired and what actions the staff members took when they were in Ohio. I will follow up on that, also.

I share the concern of my senior colleague from Ohio that we cannot have people going around, whether they are on a legitimate mission or not, using techniques which indicate in any way, shape, or form that we have our citizens under some kind of surveillance because they may happen to be placing ads in the newspapers that are not in complete harmony with the actions of a committee of the Senate or of the House, here in Washington. I detest this type of activity as much as anyone else and if the allegations that such techniques were used here are confirmed, I will be the first to condemn them.

Putting this one incident in terms of a Senate plumber team, I thought, might overstate the problem considerably; but my senior colleague has chosen to put it in those terms. I would not have chosen terms quite that harsh, although I certainly do believe that extremely important civil liberties questions are involved. It certainly does confidence in Government no good, confidence in the Senate no good, and confidence in those of us who represent the people of Sandusky no good if staff representatives are leaving this impression, whether it is intended or not.

I think we might follow up, and I am sure that my senior colleague will join me in this, to get a copy of the investigators' report, to read it, and to get it back to the people of Sandusky. We should follow up, also, with the outcome of the investigation of the Committee on Commerce, the executive session which will be held. We want to get to the bottom of this and make sure we are not leaving the impression with citizens in Ohio, or other places around the country, that undue pressure is being brought on local organizations or groups not to express themselves fully with regard to issues before Congress.

I have taken great pains to invite all the citizens of Ohio, on whatever measure is before Congress, to express themselves and write me with their opinions. Hopefully, we can get some dialog going again, a more meaningful dialogue, between the people and their elected representatives here, that will help us to know how people feel on these vital measures.

Residents of northwestern Ohio are going to be particularly hard pressed this winter with regard to natural gas. I have been working almost full time in the energy field since I came to the Senate. The field of natural gas, of regulation or dergulation, or whatever legislation is necessary to get natural gas back into pipelines for the people of northwestern Ohio, is absolutely mandatory.

We have had repeated meetings with the Federal Power Commission and authorities in Ohio, with pipeline officials, with natural gas experts, in trying everything we know to make sure that we get adequate supplies of natural gas. These people are legitimately concerned, because it means jobs in northwestern Ohio—in areas like Sandusky, in particular—for this coming winter. That is the reason they are so concerned, and we are working on this problem. I share those concerns, as I am sure my colleague does. We want to get to the bottom of this incident. We can do that best by getting the committee report and reviewing the outcome of the Commerce Committee executive session. Then we will be able to make a judgment as to why staff went out there, what their operation consisted of, whether it was conducted properly, and make a full report to the people of Sandusky and Erie County.

I thank the Senator for yielding.

Mr. TAFT. I concur in what the Senator has said.

This situation does not apply only to Sandusky but to the entire State as well. It is a sensitive issue. I think this is a misuse of Senate authority by staffers who are involved, because they are dealing with a tremendously sensitive issue.

Judging by the communications I have received from around the State, there is a very broad and widespread and grassroots feeling growing that deregulation and other steps to try to assure more natural gas in the State must be taken.

Mr. President, I have communicated with the ranking minority member of the Committee on Commerce, and I have advised the chairman that I was going to make this statement this morning. I know that the ranking minority member is pursuing the matter with the committee.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

Mr. MANSFIELD. Mr. President, does the Senator desire additional time?

Mr. TAFT. I thank the distinguished majority leader, but I have completed my remarks.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

Mr. ALLEN. Mr. President, the Senator from Alabama, on the floor of the Senate and in the Committee on Rules and Administration, of which he is a member, has sought to decide every question coming before the Senate or the committee on the basis of principle and not on the basis of political expediency.

Pursuant to that policy, the Senator from Alabama owed a duty to honor the certificate of election held by Mr. Wyman, issued by the duly constituted authorities of the State of New Hampshire, and voted to seat Mr. Wyman provisionally, subject to a determination by the Senate of the outcome of the November election in New Hampshire for the office of United States Senator, which was contested or objected to by Mr. Durkin.

The Senator from Alabama has felt that under article I, section 5, of the Constitution, it is incumbent upon the Senate to judge the election returns and qualifications of its Members, and to that end he has consistently voted against sending this question back to the people of New Hampshire. The Senator from Alabama feels, though, that this power given to the Senate to judge the election returns and qualifications of its Members is a power that must be used within limits of what is reasonable, what is proper, what is sound, what is for the best interests of the Senate and the best interests of the country.

We have been considering this matter for more than 5 months and have reached very little in the way of progress toward a conclusion of the matter. The compromise, so-called, that has been offered and which has tied the resolution up, and which must be acted on before other matters are considered, is no compromise at all. As the Senator from Alabama said on yesterday, this so-called compromise is illogical, is cynical, is grotesque, because it throws out the window the law of the State of New Hampshire and would have the election decided on the basis of which candidate received the fewer so-called skip-candidate votes. If that is the way the Senate is going to approach this problem—not decide who got more votes, but decide who got fewer votes of a given type—the Senator from Alabama feels that the Senate is not acting with due regard for reaching a proper decision in this matter and coming to a certain conclusion.

SENATE RESOLUTION 202—SUBMISSION OF A RESOLUTION TO DECLARE A VACANCY IN THE OFFICE OF U.S. SENATOR FOR STATE OF NEW HAMPSHIRE FOR TERM COMMENCING JANUARY 3, 1975

Mr. ALLEN. Mr. President, the Senator from Alabama feels that the time has now come to send this matter back to the sovereign people of the sovereign State of New Hampshire and, with the parliamentary situation at the present time such that this motion could not be offered, the Senator from Alabama sends to the desk a resolution and he asks unanimous consent for its immediate consideration.

Before the question is put, the Senator from Alabama understands that the distinguished majority leader is going to object to the immediate consideration of the resolution. It will be carried over, under the rule, and, hopefully, will be reached in the next day or so.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I yield the Senator my time.

Mr. ALLEN. I thank the distinguished majority leader.

The time has now come for the Senate to judge this matter, that judgment being that the Senate cannot, without an undue use of political power, without the creation of animosities and bitterness that will last for many years, reach a decision that is reached with a reasonable degree of certainty. I challenge any Member of the Senate to say, after this thing has been disposed of, "I can say with reasonable certainty that Mr. Wyman or that Mr. Durkin was elected."

What is wrong with letting the people speak? The Senate has had its opportunity. It has a right to judge that the matter should be sent back to New Hampshire. That is the way that I believe that this matter, at this time, should be resolved.

Mr. HUGH SCOTT. Will the Senator yield without losing his right to the floor?

Mr. ALLEN. Yes, I am glad to yield.

Mr. HUGH SCOTT. I wish to express my congratulations to the distinguished Senator from Alabama for the statement he has just made. He has reached the opinion which is held now by a good many Senators and by virtually the entire press of the United States, that the Senate cannot decide this; it can only be decided by the people of New Hampshire.

The work of the distinguished Senator in the Committee on Rules should be especially noted, because his position there, as I recall it, consistently was that if there is any way by which the Senate can do justice to its constitutional responsibility, if there is any way in which the Senate can find out who won, it ought to do it. The Senator from Alabama has taken the position that he was not then ready to say, go back to New Hampshire, until he had exhausted all the possible remedies.

Now, months have passed. We are tied up here with what looks to be a hopeless tangle. I think the fact that the Senator has come to a conclusion of this kind indicates that, as with other reasonable men, it is now clear that we have tried every way we can to find a fair solution. At all times, I have said that we had one of two choices: either to go back to New Hampshire or to arrive at a solution which would not give an undue advantage to either side, but would leave the tally up to whatever the ballots themselves show once they are returned to the committee for that purpose, assuming that certain elements which we believe to be unfair to one or the other candidate are correctly determined by the Senate. It is pretty obvious now that those are not going to be determined.

I ask the Senator if he feels that the people of the United States will ever be satisfied that the New Hampshire election was actually determined in favor of anybody under the present situation?

Mr. ALLEN. I have, over the last 5 months, finally come to that conclusion. I should hate, and I believe it would be a travesty, if the Senate decided this matter on the basis of which candidate got fewer "skip candidate" votes cast with reference to his total. I thought we were supposed to decide this on who got the most votes.

I think it would certainly be improper to throw out legal ballots in arriving at who got more votes. That is what this compromise would seek to do, throw out votes that, admittedly, are good under New Hampshire law, and then decide who got the fewer of such votes. We would not be deciding it on the basis of who got more votes, but who got fewer votes. I do not believe that is a decision that the Senate will want to live with in history. That is the judgment of the Senator from Alabama.

Mr. HUGH SCOTT. I thank the Senator from Alabama.

The ACTING PRESIDENT pro tempore. The time has expired.

Mr. ALLEN. I offer the resolution and ask that it be immediately considered.

Mr. MANSFIELD. Mr. President, I object.

Mr. ALLEN. Mr. President, I ask unanimous consent that the resolution be stated.

The ACTING PRESIDENT pro tempore. The Chair did not hear the request.

Mr. ALLEN. I asked first that the resolution be stated. Then I am going to ask unanimous consent that it be immediately considered.

The ACTING PRESIDENT pro tempore. The clerk will state it.

The assistant legislative clerk read as follows:

S. RES. 202

A resolution to declare a vacancy in the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975.

Resolved, by the Senate that the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975 is hereby declared vacant.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. MANSFIELD. Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. ALLEN. Parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. ALLEN. What is the status of the resolution, in order that the Senator from Alabama may act accordingly?

The ACTING PRESIDENT pro tempore. The resolution will go over under the rule.

Mr. ALLEN. A further parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. ALLEN. If there is an adjournment, or the first day that there is an adjournment of the Senate rather than a recess, this matter will be brought up in the period from the end of the period set aside for the transaction of routine morning business and the close of the morning hour; is that not correct?

The ACTING PRESIDENT pro tempore. There is already a resolution that has gone over under the rule, and this resolution will take a second priority, a second status.

Mr. ALLEN. I thank the Chair.

The ACTING PRESIDENT pro tempore. Is there further morning business? The Senator from Michigan is recognized.

THE CONTESTED SENATE ELECTION IN NEW HAMPSHIRE

Mr. GRIFFIN. Mr. President, the Washington Star has spoken editorially a number of times on the matter of the contested Senate election in New Hampshire, and today's Washington Star contains another editorial comment which I should like to read. It is entitled "Ridiculous Senate Spectacle."

I read it, I say, because it accords quite closely with some of the things that the junior Senator from Michigan said on the floor yesterday.

The editorial reads:

A RIDICULOUS SENATE SPECTACLE

It should be obvious by now that if the New Hampshire election dispute is pursued to a conclusion in the U.S. Senate, the seat will be awarded on the basis of politics rather than fairness or objectivity. There is no way that 61 Democrats and 38 Republicans can put aside their partisanship on an issue that has become so inflamed.

Republicans, feeling with considerable justification that the Democrats are out to steal the seat, have dug in their heels. Democrats, while finally making some concessions to try to end the GOP filibuster, have not made a persuasive argument against the notion that they mean to have the seat by fair means or foul.

Is it any wonder that garbagemen get a higher rating than members of Congress in public opinion polls, when the self-styled "world's greatest deliberative body" engages in such a partisan spectacle? While the nation waits for legislative action on energy and other pressing problems the Senate haggles full time over a political issue that it should have disposed of months ago. Moreover, it has for more than six months deprived New Hampshire of its right to be represented by two senators in the U.S. Senate.

The Democrats in the Senate are being uncommonly slavish to a constitutional provision that says the Senate shall be the final judge of the qualifications of its members. They insist that members would be shirking their duty if they don't decide the issue on the Senate floor.

There is nothing in that constitutional provision that says the Senate can't send a disputed election back to a state for a rerun. The race in New Hampshire between Republican Louis Wyman and Democrat John Durkin was so close that the sensible thing would have been for the Senate to have declared the seat vacant last January and asked the state to conduct another election.

It's still the sensible thing to do.

Mr. President, I also ask that an article which appeared in the London Economist on July 5, 1975, indicating much the same view from a country abroad about the situation here in the Senate be printed in the RECORD. I will refer to one particular paragraph in here which, I think, is the impression, unfortunately, that so many people have gotten out of this spectacle. It says:

(One Midwestern Democrat was heard to remark, however, that his philosophy was that "we should count the ballots, debate the issues fully and fairly, and then vote to seat the Democrat".)

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHENANIGANS IN THE SENATE

The United States Senate is not without its pretensions. "The greatest deliberative body in the world" it likes to call itself, and political differences notwithstanding, most Senators are agreed that they are fortunate indeed to belong to such an exclusive club. With few exceptions—a recent one was Mr. William Saxbe, who did not enjoy his seat from Ohio and happily left it to become first Attorney General and then ambassador to India—they can imagine no other job they would prefer to have. The Senate's superiority complex towards the House of Representatives is notorious, and frequently nurtured by the press and public; whereas ordinary Representatives in the House are often portrayed as inarticulate stumblebums, the 100 Senators are presumed to dedicate themselves to penetrating and lucid discussion of the highest matters of state.

Just now, alas, there are only 99 Senators, and therein lies the problem—and the current subject of a discussion that is not very statesmanlike. Last November, while Democrats were sweeping to a landslide victory in most parts of the country, the voters of New Hampshire divided almost evenly in selecting a successor to Mr. Norris Cotton, the Republican who had held one of the state's two Senate seats for 20 years. The first count of the 220,000 votes cast awarded victory, by a slim margin of 355 votes, to Mr. Louis Wyman, the Republican candidate, who had already served five terms in the House. But his Democratic opponent, Mr. John Durkin, a former state insurance commissioner, objected. A recount by the New Hampshire secretary of state showed him to be the winner by 10 votes. Mr. Wyman in turn appealed to the Ballot Law commission, which, after reviewing 400 disputed ballots, declared that there was actually a Republican edge of two votes. Before Mr. Wyman could be seated, however, Mr. Durkin appealed about the entire matter to the Senate itself.

The Constitution provides that "each house (of Congress) shall be the judge of the elections, returns, and qualifications of its own members", and that is a power which the Senate has always taken seriously. More than 25 times this century it has been called upon to resolve election challenges, usually based on charges of corrupt practices or election law violations, and once in the 1920s a Pennsylvania seat lay vacant for nearly three years while a disputed vote was reviewed. But those were simpler days when the Senate, very much a club, met for only a few months a year, and hardly anyone noticed when there was a vacancy. Today Congress has year-round sessions, and whether or not it plays a crucial role in the formulation of public policy—the point is much in dispute—it is highly visible. The public is often aware of, and remembers, how the Senators divide on hotly contested issues. One empty seat out of a hundred is an embarrassment to the Senate and a source of anger to some citizens of New Hampshire. The bicentennial consciousness being what it is, they have been heard to argue that they are being subjected to taxation without equal representation.

As it happened, the dispute between Mr. Wyman and Mr. Durkin came along just when the Senate was polishing up its image as a body of statesmen. Having gained a reputation in recent years for talking endlessly—filibustering—while urgent problems festered, the Senators opened this year's session with a discussion of rule 22, which governs the procedures for cutting off debate. After devoting more than seven weeks to the subject, the Senators voted in March to permit cloture—the end of discussion—in the future by a vote of three-fifths of the entire membership (60 Senators) rather than two-thirds of those present and voting (potentially 67 Senators). Then it went about its other business, while the New Hampshire election dispute was referred to its committee on rules and administration.

The rules committee held hearings and debates—212 hours' worth, to be exact. But on 35 separate matters, including 27 individual disputed ballots and eight procedural issues, its eight members split evenly. Generally voting on the side that favored Mr. Durkin were four of the committee's Democrats, and on the side favorable to Mr. Wyman were the three Republicans and Mr. James Allen, a Democrat from Alabama who fancies himself a new "conscience of the Senate". Unable to solve the problem definitively, the committee asked the full Senate to resolve these disputes and then send it back to work counting ballots with more precise instructions. That was what Mr. Mike Mansfield, the majority leader, had in mind when he scheduled the New Hampshire election on the Senate calendar for mid-June. The timing seemed ideal and, even better, limited, what with a Fourth-of-July holiday recess scheduled two weeks later and with 14 Senators planning to use that occasion for an official visit to the Soviet Union.

PARTY GAMES

How should the New Hampshire Senate election be resolved? Somehow, after the floor debate began, agreement was not immediately forthcoming. It depended on how you looked at things, and how you looked at things depended on what party you happened to belong to. Republicans, citing the highest constitutional principles and an unwavering regard for the wishes of the voters, insisted that the only fair way to settle the matter would be to declare the seat vacant and send the whole issue back to the state for a new vote. Democrats, invoking the same statesmanlike concerns, said that would be shirking a constitutional responsibility to count the ballots already cast: "There has been an election, and all we have to do is figure out who won it." Each side piously disavowed any partisan motive. To hear the Republicans talk, it made no difference that New Hampshire is a traditionally Republican state with a Republican governor who would try to dominate the new election; the Democrats seemed hardly aware of their own majority of 61 senators (as against 38 Republicans) in any ultimate vote on how to count the existing ballots. (One midwestern Democrat was heard to remark, however, that his philosophy was that "we should count the ballots, debate the issues fully and fairly, and then vote to seat the Democrat".)

The decorous and dignified Senate deteriorated rather quickly. Republicans withdrew their consent for standing Senate committees to meet while the full body was in session (a standard procedure). Democrats repeatedly voted against proposals by the Republicans and by Mr. Allen to hold a new election if neither candidate was seated before August 1st. A Saturday session, convened by Mr. Mansfield as a sort of punishment for a group of bad boys, fell apart when the Senate was unable to muster a quorum and the Republicans would not agree to proceed without one. Most other business was suspended, and at one stage it was uncertain whether the Senators would vote to extend the national debt ceiling in time to permit the federal government to meet its payroll.

The Senate was at its rhetorical best. Mr. Hugh Scott, the Republican leader, contending that the Democrats were trying to steal an extra seat, said that "If this Senate can take a seat away from New Hampshire, it can take a seat away from Delaware, it can take a seat away from New York, a seat away from Alabama, and a seat away from any other state". Mr. Robert Byrd, the Democratic whip, remarked that "at this day no man on God's footstool can say who won that election". All the while, Mr. Durkin and Mr. Wyman sat at tables in the back of the Senate chamber, on the Democratic and Republican sides respectively—unable to speak, collecting no salary, but each coaching his supporters on. Several times the Democrats attempted to invoke the new cloture rule, but fell a few votes short, as Mr. Allen and three other southern Democrats opposed in principle to the cutting off of debate on any issue voted with the Republicans. Eventually Mr. Mansfield relented and let the Senate go on holiday and that junket to the Soviet Union, with the understanding that the New Hampshire Senate race would be the first item on the agenda when it returns on July 7th.

The House of Representatives, for its part, was not about to be outdone. The chairman of the elections subcommittee of the "lower body" announced that 3,916 disputed ballots for a House seat from the state of Maine would be flown to Washington in early July so that a challenge to that election could be considered. He did not say to what extent the House was planning to emulate the Senate.

Mr. Wyman's name came into the news in another connection this week, when it was revealed that Mrs. Ruth Farkas, the American ambassador to Luxemburg, had told a grand jury that he was the intermediary in her purchase of her ambassadorship with a $300,000 contribution to Mr. Richard Nixon's reelection campaign in 1972. Mr. Wyman dismissed the allegation as a political one intended to "besmirch my integrity".

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

PROPOSED LEGISLATION BY THE PRESIDENT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. ABOUREZK) laid before the Senate a message from the President of the United States transmitting a draft of proposed legislation entitled the "Comprehensive Oil Pollution Liability and Compensation Act of 1975," which, with the accompanying papers, was referred jointly, by unanimous consent, to the Committee on Commerce, the Committee on Interior and Insular Affairs, and the Committee on Public Works. The message is as follows:

To the Congress of the United States:

I am transmitting today proposed legislation entitled the "Comprehensive Oil Pollution Liability and Compensation Act of 1975."

This legislation would establish a comprehensive and uniform system for fixing liability and settling claims for oil pollution damages in U.S. waters and coastlines. The proposal would also implement two international conventions dealing with oil pollution caused by tankers on the high seas.

I consider this legislation to be of high national importance as we seek to meet our energy needs in an environmentally sound manner. Those energy needs require accelerated development of our offshore oil and gas resources and the increased use of tankers and deep water ports. This proposal would provide a broad range of protection against the potential oil spills necessarily associated with these activities.

In recent years, we have taken significant steps to limit and control oil pollution in the waters of the United States. Yet, in 1973 alone, there were 13,328 reported oil spills totalling more than 24 million gallons. One-third of the oil spilled is from unidentified sources, where compensation cannot be obtained under existing law. The ability of claimants damaged by spills to seek and recover full compensation is further hampered by widely inconsistent Federal and State laws. Various compensation funds have been established or proposed, resulting in unnecessary duplication in administration and in fee payments by producers and consumers.

This legislation would help protect our environment by establishing strict liability for all oil pollution damages from identifiable sources and providing strong economic incentives for operators to prevent spills. Equally important, the bill will provide relief for many oil-related environmental damages which in the past went uncompensated. For example, State and local governments will be able to claim compensation for damages to natural resources under their jurisdiction.

This legislation would replace a patchwork of overlapping and sometimes conflicting Federal and State laws. In addition to defining liability for oil spills, it would establish a uniform system for settling claims and assure that none will go uncompensated, such as in cases where it is impossible to identify the source of the spill. The legislation provides for a fund of up to $200 million derived from a small fee on oil transported or stored on or near navigable waters.

This legislation would also implement two international conventions—signed in 1969 and 1971—which provide remedies for oil pollution damage from ships. These conventions provide remedies for U.S. citizens under many circumstances where a ship discharging oil that reaches our shores might not otherwise be subject to our laws and courts. Protection of the international marine environment is basically an international problem since the waters, currents, and winds that spread and carry ocean pollution transcend all national boundaries.

In proposing implementation of the conventions, I am mindful of the fact that the Senate has not yet given its advice and consent to either of them. I urge such action without further delay. The 1969 convention came into force internationally on June 19, 1975, without our adherence, and the continuing failure of the United States to act on such initiatives may weaken or destroy the prospects of adequate international responses to marine pollution problems.

GERALD R. FORD.

THE WHITE HOUSE, *July 9, 1975.*

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that a message from the President transmitting proposed legislation entitled "The Comprehensive Oil Pollution Liability and Compensation Act of 1975" be referred jointly to the Committees on Commerce, Interior and Insular Affairs, and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 1:28 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed without amendment the joint resolution (S.J. Res. 100) to authorize the Secretary of the Senate to pay compensation to Phan Thi Yen.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 7405) to amend section 3620 of the Revised Statutes with respect to certain disbursements to be made by banks, savings banks, savings and loan associations, and credit unions.

The message further announced that the House has passed the bill (H.R. 5608) to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (H.R. 49) to authorize the Secretary of the Interior to establish on certain public lands of the United States national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes, in which it requests the concurrence of the Senate.

At 3:45 p.m., a message from the House of Representatives by Mr. Hackney announced that the House disagrees to the amendment of the Senate to the bill (H.R. 3922) to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such Act, to prohibit discrimination on the basis of age, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PERKINS, Mr. BRADEMAS, Mrs. MINK, Mr. MEEDS, Mrs. CHISHOLM, Mr. LEHMAN, Mr. CORNELL, Mr. BEARD of Rhode Island, Mr. ZEFERETTI, Mr. MILLER of California, Mr. HALL, Mr. QUIE, Mr. BELL, Mr. PEYSER, Mr. JEFFORDS, and Mr. PRESSLER were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

At 5:30 a message from the House of Representatives delivered by Mr. Hackney announced that the Speaker has signed the enrolled bill (S. 1462) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. ABOUREZK).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. ABOUREZK) laid before the Senate the following letters, which were referred as indicated:

APPROVAL OF LOAN BY THE RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Administrator of the Rural Electrification Administration transmitting, pursuant to law, a survey in connection with the approval of a commitment to guarantee a non-REA loan in the amount of $265,553,000 to Alabama Electric Cooperative, Inc., of Andalusia, Ala. (with accompanying papers); to the Committee on Appropriations.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE AIR FORCE

A letter from the Assistant Secretary of the Air Force transmitting a draft of proposed legislation authorizing at Government expense, the transportation of house trailers or mobile dwellings, in place of household and personal effects, of members in a missing status, and the additional movement of dependents and effects, or trailers, of those members in such status for more than 1 year, to make it retroactive to February 28, 1961 (with accompanying papers); to the Committee on Armed Services.

REPORTS OF THE ASSISTANT SECRETARY OF DEFENSE

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, reports on the number of rated members by pay grade who (1) have 12 or 18 years of aviation service, and of those numbers, the number who are entitled to continuous monthly incentive pay under the law; and (2) are performing operational flying duties, proficiency flying, and those not performing flying duties (with accompanying reports); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF DEFENSE

A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to permit persons from selected foreign countries to receive instruction at the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy, and for other purposes (with accompanying papers); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE NAVY

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to repeal sections imposing certain restrictions on enlisted members of the Armed Forces and on members of military bands (with accompany papers); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE NAVY

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to eliminate the dates for submission of nominations to the United States Academy (with accompanying papers); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE NAVY

A letter from the Secretary of the Navy transmitting a draft of proposed legislation relating to the appointment to the grades of general and lieutenant general of Marine Corps officers designated for appropriate higher commands or for performance of duties of great importance and responsibility (with accompanying papers); to the Committee on Armed Services.

REPORT OF THE SECURITIES AND EXCHANGE COMMISSION

A letter from the Chairman of the Securities and Exchange Commission transmitting, pursuant to law, the annual report of the Commission covering the fiscal year July 1, 1973 to June 30, 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

PROPOSED LEGISLATION BY THE SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to extend for two years the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE FEDERAL MARITIME COMMISSION

A letter from the Chairman of the Federal Maritime Commission transmitting, pursuant to law, the annual report of the Commission (with an accompanying report); to the Committee on Commerce.

REPORT OF THE FEDERAL POWER COMMISSION

A letter from the Chairman of the Federal Power Commission transmitting a report entitled "Hydroelectric Plan Construction Cost and Annual Production Expenses" (with an accompanying report); to the Committee on Commerce.

REPORT OF THE DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce transmitting, pursuant to law, a report of the Department on the administration of the Marine Mammal Protection Act of 1972 (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to improve the old-age, survivors, and disability insurance program, the supplemental security income program, and the program of health insurance for the aged and disabled (with accompanying papers); to the Committee on Finance.

REPORT OF THE ADVISORY COMMISSION ON INTERNATIONAL EDUCATIONAL AND CULTURAL AFFAIRS

A letter from the Chairman of the Advisory Commission on International Educational and Cultural Affairs transmitting, pursuant to law, the annual report of the Commission (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF THE EAST-WEST TRADE BOARD

A letter from the Chairman of the East-West Trade Board transmitting, pursuant to law, the first quarterly report of the Board covering the first quarter of the calendar year 1975 (with an accompanying report); to the Committee on Finance.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

REPORT OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

A letter from the Administrator of the Agency for International Development reporting, pursuant to law, on efforts to provide African countries with an equitable share of development economic assistance administered by the Agency for International Development; to the Committee on Foreign Relations.

PROPOSED LEGISLATION BY THE SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to provide for the entry of nonregional members, and the Bahamas and Guyana, in the Inter-American Development Bank, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

REPORTS OF THE COMPTROLLER GENERAL

Seven letters from the Comptroller General of the United States transmitting, pursuant to law, reports of the following titles: "Report to the Congress As Required by the Legislative Reorganization Act"; "Balance of Payments Deficit for Fiscal Year 1974 Attributable to Maintaining U.S. Forces in Europe Has Been Offset"; "Improvement Federally Assisted Business Development on Indian Reservations"; "Unsafe Bridges on Federal-Aid Highways Need More Attention"; "Outer Continental Shelf Oil and Gas Development—Improvements Needed in Determining Where To Lease and at What Dollar Value"; "Need for a Comparability Policy for Both Pay and Benefits of Federal Civilian Employees"; and "Improvements Needed in the Mobile Home Park Mortgage Insurance Program" (with accompanying reports); to the Committee on Government Operations.

SOLAR ENERGY PROGRAM DEFINITION

A letter from the Administrator of the Energy Research and Development Administration proposing a delay in the submission of the final report setting forth a comprehensive solar energy program definition until mid-July; to the Committee on Interior and Insular Affairs.

REPORT OF THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

A letter from the Administrator of the Energy Research and Development Administration transmitting, pursuant to law, a report entitled "A National Plan for Energy Research, Development, and Demonstration" (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Secretary of the Interior transmitting, pursuant to law, a report on the need for a national system of transportation and utility corridors across Federal lands (with an acompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, a report on the status of the Colorado River Storage Project and Participating Projects (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to protect Federal mine inspectors in the performance of their official responsibilities (with accompanying papers); to the Committee on the Judiciary.

REPORT OF THE NATIONAL MEDIATION BOARD

A letter from the Chairman of the National Mediation Board transmitting, pursuant to law, the annual report of the National Mediation Board, including the report of the National Railroad Adjustment Board (with accompanying reports); to the Committee on Labor and Public Welfare.

REPORT OF THE NATIONAL COMMISSION FOR MANPOWER POLICY

A letter from the Director of the National Commission for Manpower Policy transmitting, pursuant to law, a report entitled "Public Service Employment and Other Responses to Continuing Unemployment" (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report to the Congress on the administration of Sections 304, 305, 314(a), 314(b), 314(c), 314(d), 314(e), and Title IX of the Public Service Act for fiscal years 1973 and 1974 (with an accompanying report); to the Committee on Labor and Public Welfare.

PROPOSED REGULATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a notice of proposed rulemaking for grants to State educational agencies for programs to meet the special educational needs of migratory children (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to amend the Randolph-Sheppard Act Amendments of 1974 to extend the date for promulgation of standards for the use of set-aside funds and the date for completion of the evaluation of the method of assigning vending machine income (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the Equal Employment Opportunity Coordinating Council

A letter from the members of the Equal Employment Opportunity Coordinating Council in the nature of the Fourth Annual Report of the Council, pursuant to law; to the Committee on Labor and Public Welfare.

Report of the Water Resources Council

A letter from the Chairman of the Water Resources Council in the nature of the third annual report required by section 209 of the Federal Water Pollution Control Act Amendments of 1972; to the Committee on Public Works.

Columbus, Ohio, Federal Building

A letter from the Administrator of General Services transmitting, pursuant to law, a prospectus for alterations at the Columbus, Ohio, Federal Building—U.S. Courthouse (with accompanying papers); to the Committee on Public Works.

Report of the Energy Research and Development Administration

A letter from the Administrator of the Energy Research and Development Administration transmitting, pursuant to law, a draft environmental impact statement concerning expansion of U.S. uranium enrichment capacity in the United States (with an accompanying report); to the Committee on Public Works.

Proposed Legislation by the Attorney General

A letter from the Attorney General transmitting a draft of proposed legislation to provide for interim designation of United States marshals by the Attorney General (with accompanying papers); to the Committee on the Judiciary.

Proposed Legislation by the Department of Defense

Two letters from the General Counsel of the Department of Defense transmitting drafts of proposed legislation to clarify provisions relating to annuities for dependent children; and to authorize the Commandant, Defense Intelligence School, to award the degree of Master of Science of Strategic Intelligence (with accompanying papers); to the Committee on Armed Services.

Proposed Acts by the Council of the District of Columbia

Six letters from the Chairman of the Council of the District of Columbia each transmitting a copy of a proposed act, as follows: An act repealing the law requiring every male high school student to participate in the cadet corps of the senior high schools; an act amending the Air Quality Control Regulations of the District of Columbia; an act amending certain provisions of Title 44 of the D.C. Code; an act repealing the law authorizing the Board of Education to accredit junior colleges operating within the District; an act extending the provisions of the D.C. Campaign Finance Reform and Conflict of Interest Act; and an act defining certain terms for all acts and resolutions of the Council of the District of Columbia (with accompanying papers); to the Committee on the District of Columbia.

Report by the Mayor of the District of Columbia

A letter from the Mayor of the District of Columbia responding, pursuant to law, to a Comptroller General's report entitled "What Is Being Done About Individuals Who Fail To File a District Income Tax Return?"; to the Committee on the District of Columbia.

Alterations of Certain Public Buildings

Four letters from the Administrator of General Services each transmitting, pursuant to law, a prospectus for alterations at the Kansas City, Missouri, Federal Building; the Portland, Oregon, U.S. Customhouse; the Amarillo, Texas, U.S. Post Office and Courthouse; and the lease acquisition of space to be occupied by the Federal Trade Commission in Washington, D.C. (with accompanying papers); to the Committee on Public Works.

Report of the Export-Import Bank

A letter from the Chairman of the Export-Import Bank of the United States reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during May 1975 to Communist countries; to the Committee on Banking, Housing and Urban Affairs.

Report of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Actions Required To Improve Management of United Nations Development Assistance Activities" (with an accompanying report); to the Committee on Government Operations.

Reports of the International Trade Commission

Two letters from the Chairman of the International Trade Commission each transmitting, pursuant to law, a report; the first referring to the impact on U.S. imports of granting most-favored-nation treatment to Romania; and the second reporting on trade between the United States and the nonmarket economy countries (with accompanying reports); to the Committee on Finance.

Report of the Civil Service Commission

A letter from the Chairman of the Civil Service Commission transmitting, pursuant to law, a report of the Board of Actuaries of the Civil Service Retirement System (with an accompanying report); to the Committee on Post Office and Civil Service.

International Agreements Other Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, an international agreement (with accompanying papers); to the Committee on Foreign Relations.

Report of the Secretary of the Army

A letter from the Assistant Secretary of the Army transmitting, pursuant to law a report of the Secretary of the Army relating to visitor protection sevices at Corps of Enginees Lakes (with an accompanying report); to the Committee on Public Works.

Reports of the Immigration and Naturalization Service

Four letters from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered by the Commission and lists of persons involved in such orders (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

S.J. Res. 102. An original joint resolution amending section 5(c) of the Home Owner's Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts (Rept. No. 94–266).

By Mr. TUNNEY, from the Committee on the Judiciary, with amendments:

S. 565. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes (Rept. No. 94–267).

By Mr. HOLLINGS, from the Committee on Commerce, with amendments:

H.R. 5447. An act to amend the Act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder (Rept. No. 94–268).

H.R. 5522. An act to give effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966, by the United States of America and other countries, and for other purposes (Rept. No. 94–269).

By Mr. HOLLINGS, from the Committee on Commerce, without amendment:

H.R. 5709. An act to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, and for other purposes (Rept. No. 94–270).

H.R. 5710. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such Act for fiscal year 1976 and for the transition period following such fiscal year, and for other purposes (Rept. No. 94–271).

By Mr. CANNON, from the Committee on Rules and Administration, with amendments:

S. Res. 196. A resolution to amend rule XXXIII.

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Res. 203. An original resolution to pay a gratuity to Harold R. and Frances K. Weitzel.

By Mr. LONG, from the Committee on Finance, without amendment:

H.R. 83. An act to exclude from gross income gains from the condemnation of certain forest lands held in trust for the Klamath Indian Tribe (Rept. No. 94–272).

H.R. 7710. An act to amend the Tariff Schedules of the United States to provide duty free treatment to watches and watch movements manufactured in any insular possession of the United States if foreign materials do not exceed 70 percent of the total value of such watches and movements (Rept. No. 94–273).

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 7728. An act to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam (Rept. No. 94–274).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Public Works:

Stanley W. Legro, of California, to be an Assistant Administrator of the Environmental Protection Agency.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. LONG, from the Committee on Finance:

Sidney L. Jones, of Michigan, to be an Assistant Secretary of the Treasury.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILL REFERRED

The bill (H.R. 5608) to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BIDEN:

S. 2067. A bill to limit the period of authorization of new budget authority and to require comprehensive review and study of existing programs for which continued budget authority is proposed to be authorized by committees of the Congress. Referred to the Committee on Government Operations.

By Mr. METCALF:

S. 2068. A bill to provide for public disclosure of lobbying activities to influence decisions in the Congress and the Executive Branch, and for other purposes. Referred to the Committee on Government Operations.

By Mr. MOSS (for himself, Mr. TUNNEY and Mr. MAGNUSON):

S. 2069. A bill to regulate commerce by establishing national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes. Referred to the Committee on Commerce.

By Mr. DOLE:

S. 2070. A bill to amend the Act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes. Referred jointly, by unanimous consent, to the Committee on Agriculture and Forestry and the Committee on Commerce.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 2071. A bill to authorize appropriations for the repair of highways in the State of Alaska, and for other purposes. Referred to the Committee on Public Works.

By Mr. DOMENICI:

S. 2072. A bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe. Referred to the Committee on Interior and Insular Affairs.

By Mr. ABOUREZK:

S. 2073. A bill to authorize the American Indian Policy Review Commission to accept voluntary contributions of services and for other purposes. Considered and passed.

By Mr. BEALL:

S. 2074. A bill to amend the Bankruptcy Act with respect to the priority of contributions to pension plans and employee benefit funds. Referred to the Committee on the Judiciary.

By Mr. BAYH:

S. 2075. A bill to amend the Internal Revenue Code of 1954 so as not to allow a deduction for amounts paid under certain disability compensation plans if such plan reduces disability benefits to compensate for increases in social security benefits paid to disabled employees. Referred to the Committee on Finance.

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

S.J. Res. 102. An original joint resolution amending section 5(c) of the Home Owner's Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts. Ordered to be placed on the Calendar.

By Mr. NUNN (for himself and Mr. TALMADGE):

S.J. Res. 103. A joint resolution to authorize the Secretary of the Interior to designate the site of the Battle of Savannah of 1779 as the "Savannah Battlefield National Memorial." Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON THE INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

By Mr. BIDEN:

S. 2067. A bill to limit the period of authorization of new budget authority and to require comprehensive review and study of existing programs for which continued budget authority is proposed to be authorized by committees of the Congress. Referred to the Committee on Government Operations.

Mr. BIDEN. Mr. President, these are hard times for many Americans. The Congress must do what it can now to meet their problems. However, while doing that, we must never lose sight of the longer range effort to reform our legislative and fiscal processes in order to prevent such things from happening again. We must accept the fact that, to some degree, it has been our failure in the past to impose adequate budget control that has led to our present situation. As economic conditions improve, we must strive to bring the Federal budget into balance. In particular, we must continue our efforts to bring the growth of Federal expenditures under control, that was begun in the summer of 1974 with the passage of the Budget Reform Act of 1974.

It is not just the size of our budget that is staggering, but even more the rate at which it is increasing. We cannot long continue such growth rates in expenditures. Just to illustrate the severity of the problem, it took this country 185 years to reach an annual expenditure from the Federal budget of $100 billion. Just 9 years later, we had reached the $200 billion level, and after 4 more years, we have exceeded $300 billion.

To look at the problem from another perspective, consider the fact that from 1955 to 1965, Federal expenditures increased at roughly 6 percent per year. From 1965 to 1974, however, Federal expenditures reached a 10-percent annual growth rate. At these rates, it will not take even another 4 years to add another $100 billion. This is intolerable.

One thing that we must do is to begin reviewing existing programs to determine whether they are still effective, and whether they are worth the money that we are putting in them. We must eliminate the wasteful ones. One thing that we have all observed is that once a Federal program gets started, it is very difficult to stop it, or even change its emphasis, regardless of its performance in the past. It is time for us to require, on a regular and continuing basis, that both the administrators of these programs and we legislators who adopt the programs, examine their operations with care and detail.

This bill proposes to require such an evaluation of existing programs.

In brief, this bill limits to 4 years the length of any spending authorization for a program. Furthermore, it requires that each committee make a detailed study of the program before renewing it for another 4-year period. The purpose is to assure a uniform scrutiny of all programs on a regular basis.

First, this bill would limit the authorization of funds for any program to not more than 4 years. The 4-year period was chosen carefully. It is long enough so that each committee will have sufficient information about the operation of each program before it is required to evaluate its continuation. On the other hand, it could cut off a wasteful program within a relatively short time after its wastefulness becomes clear. On grant-in-aid programs to State and local governments, 4 years would assure them of reasonable program stability.

Second, this bill applies to all authorizations for spending, not just to "major" expenditure programs. It does this, because I am concerned that many small spending programs might otherwise automatically be continued without careful scrutiny. Because there are so many of these, the total dollars wasted could be large, even though each individual program may not cost much. In other words, a lot of bad small programs could add up to a lot of wasted money.

Finally, the bill provides for a careful analysis of the success of each Federal program, including an evaluation by the agency that administers the program. While the exact matters to be considered are left to the discretion of each committee, among the items suggested for consideration are whether the program, in fact, has adhered to the original purpose; whether the program has made any substantial progress toward meeting the original objectives; the feasibility of alternative programs; and whether further benefits to the country would be achieved by the continuation of the program.

This bill is not a cure-all. But it does add one essential building block to our fiscal controls. It requires that every program be looked at freshly at least once every 4 years. The examination is not just of the increased cost of the program, but of the worthiness of the entire program. I am convinced that a process such as this will greatly enhance the soundness of the budget and will slow its growth. In this way, the budget will become a much more effective instrument in preventing both inflation and recession.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2067

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) no law enacted after the effective date of this Act which authorizes new budget authority may authorize such new budget authority for a period of more than four fiscal years.

(b) All provisions of law in effect on the effective date of this Act which authorize new budget authority for a period of more than four fiscal years, beginning with the first fiscal year which commences after such date, shall cease to be effective at the end of the fifth fiscal year beginning after such date.

(c) All provisions of law in effect on the effective date of this Act which authorize new budget authority for an unspecified number of fiscal years shall cease to be effective at the end of the sixth year beginning after such date.

SEC. 2. (a) No Committee of the Senate or House of Representatives shall report legislation authorizing new budget authority for an existing program for which authorization has previously been enacted until it shall have conducted a comprehensive review and study of the existing program for which continued budget authority is proposed to be authorized. If the authorizing legislation for any program is enacted for periods of less than four fiscal years, the comprehensive review and study of that program required by this Act need only be conducted prior to reporting legislation that would extend the authorization for budget authority for the fifth fiscal year commencing after the effective date of this Act and each four years thereafter.

(b) The results of such comprehensive study shall be included in the committee report on the authorizing legislation.

(c) Whenever a committee of the Senate or House of Representatives is conducting a comprehensive review and study of a program, the head of the department or agency of the Government which administers the program or any part thereof, shall submit to the committee, upon its request, an evaluation and analysis of the program.

(d) The committees of the Senate and House of Representatives having jurisdiction may conduct jointly the comprehensive study and review required by subsection (a) of this section and may conduct joint hearings.

(e) The report of a committee on a comprehensive review and study of a program shall contain an analysis of the program and the committee's evaluation of the effectiveness of the program, and may include the following matters:

(1) Whether the program objectives are still relevant.

(2) Whether the program has adhered to the original and intended purpose.

(3) Whether the program has made any substantial progress toward meeting the objectives originally intended.

(4) The impact of the program on the economy.

(5) The feasibility of alternative programs and methods for meeting the objectives of the program under consideration and their cost effectiveness.

(6) The relation of all other Government and private programs dealing with the objectives of the program under consideration, including tax expenditure programs.

(7) An examination of proposed legislation pending in either House seeking to achieve the same objectives.

(8) Whether the program should be extended and the further benefits that may be achieved thereby, in the light of previous experience.

SEC. 3. It shall not be in order in either the Senate or the House of Representatives to consider:

(1) Any bill or resolution which authorizes the enactment of new budget authority for any fiscal year beginning four years after the effective date of this Act, until the committee which has jurisdiction has submitted the report thereon required by Section 2, or

(2) Any bill or resolution which authorizes the enactment of new budget authority for a period of more than four fiscal years.

SEC. 4. This Act shall take effect on the first day of the first regular session of the Congress which begins after the date of the enactment of this Act.

SEC. 5. Sections 2 and 3 of this Act are enacted by the Congress—

(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

By Mr. METCALF:

S. 2068. A bill to provide for public disclosure of lobbying activities to influence decisions in the Congress and the executive branch, and for other purposes. Referred to the Committee on Government Operations.

FEDERAL LOBBYING DISCLOSURE ACT OF 1975

Mr. METCALF. Mr. President, today I am introducing, for appropriate reference, a bill that will provide for meaningful public disclosure of lobbying activities without in any way inhibiting the exchange of information between citizens and public officials.

It is no secret, of course, that existing law in this area is seriously flawed. The language of the improbably named Federal Regulation of Lobbying Act is ambiguous, at best. Its "principle purpose" threshold requires a subjective judgment on the part of whoever is engaged in attempting to influence the legislative process. Its scope has been severely limited by court action to those activities involving direct communication with Members of Congress. And its administration is the responsibility of the Senate secretary and House Clerk, who have no corresponding authority to monitor its reporting requirements and to investigate their fulfillment.

All things considered, Mr. President, the Federal Regulation of Lobbying Act can only be described as "inoperative." It promises what it cannot deliver—disclosure. Even if it could be enforced, we would gain little meaningful information about who is attempting to influence what kind of decisions.

Certainly, we have lived with this legal anomaly for years. But we can ill-afford to do so any longer. The citizens of this Nation have made it clear they need to know—and want to know—how decisions are made on their behalf. They need to know—and have a right to know—which groups they may happen to be associated with are actively speaking for them, and on what sort of issues.

Moreover, in the aftermath of Watergate, the existence of a statute which is both unenforced and unenforceable is harmful to our democracy. Because this act is blithely ignored, because lobbying is widely misunderstood to be a sleazy activity, because it is also widely believed that public officials benefit either financially or in other tangible ways from the status quo—for all these reasons, the present situation contributes to the general decline in confidence in governmental institutions and elected public officials.

The time has come to replace this unworkable act with one that can and will work. In doing so, however, we must be entirely clear as to that our objectives are. And we must insure that the methods we employ in achieving them do not have any unanticipated, adverse consequences or impinge on the first amendment rights of any citizen to petition the Government.

I mention this, Mr. President, because there is a tendency in the present climate of distrust and skepticism to overreact, to justify—at least politically—the establishment of rigorous controls in the name of reforms that somehow will prevent another Watergate scandal. And in my judgment, overreacting in this context—to cover every contingency identified in connection with what was a historicaly unique situation, a brief hiatus in the responsible use of power by officials at the highest level—could be far more costly to our democracy than a failure to correct a flawed lobbying law.

Let me spell out what I am convinced should be the basic objectives of a new statute:

First, the emphasis should be on public disclosure and reporting of expenditures for those lobbying activities which are not now readily identifiable as to their source;

Second, filing and reporting requirements should be limited in their application to the larger interest groups and corporations which are actively engaged in lobbying and can be presumed to exert significant influence in the making of national policy decisions;

Third, notification, recordkeeping, and reporting requirements should provide the decisionmaker and citizen with necessary information but should not be so costly, burdensome, or detailed as to constitute a mechanism for regulation or punitive action.

And, fourth, the responsibility for administering the act must be accompanied by the authority to monitor filing and reporting requirements, to conduct investigations, and to hold hearings on complaints.

Throughout, we must recognize that a disclosure net cast too broadly—with correspondingly extensive recordkeeping and reporting requirements—can only have a chilling effect, freezing the smaller, less well staffed citizen's group or the public spirited individual out of the process of decisionmaking.

Surely all of us are acutely aware that, as public officials, we need to know far more, not less, about what concerns the people of this Nation. Surely we are equally aware that a healthy representative democracy requires that citizens have the freest possible access to both factual information and a diversity of opinion on pending and proposed national policy decisions.

Mr. President, the bill that I am introducing carefully balances the need for disclosure against the need for free and open communication. It will not tell us everything we always wanted to know about lobbying but were afraid to ask. It will, however, disclose what the public interest requires that we know, without restricting in any way the exchange of information and opinion between the citizens and the public officials who must act in their behalf.

I have had prepared a description of the reporting provisions of this bill, the Federal Lobbying Disclosure Act of 1975, and ask unanimous consent that this material appear in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF REPORTING PROVISIONS OF FEDERAL LOBBYING DISCLOSURE OF 1975

DEFINITION OF LOBBYING

For purposes of this Act, lobbying is broadly defined as a communication—or the solicitation or employment of another to make a communication—with a Federal officer or employee intended to influence a decision of that officer or employee.

Activities which are not subject to the Act's notification of representation, recordkeeping and reporting requirements, however, include communications by:

1. Any individual acting solely on his own behalf for redress of his grievances or to express his own opinion;
2. Any person upon request by Congress its Members, committees or officers;
3. Any person in an appearance before a committee of Congress, or the submission of a written statement thereto;
4. Any person to an Executive agency at the request of such agency, or the submission of a written statement to an executive employee or officer which becomes a part of the record.
5. A Federal officer or employee, or similar official of a state or local government acting in his official capacity;
6. A candidate for local, state or Federal office, or by a local, state, or national party committee;
7. A newspaper, book publisher, magazine, other periodical publication, and by radio and television broadcasts, in the form of news articles, editorial views, advertising—except where an advertisement expressly solicits lobbying activity—letters to the editor, and the like.
8. Any person relating only to the status, purpose, or effect of a decision.

Influence means to attempt to promote, effectuate, delay, alter, amend, withdraw from consideration, or oppose any decision by a Federal officer or employee. Decision is defined to include any action taken with respect to any pending or proposed bill, resolution, amendment, nomination, hearing, investigation, or other action in Congress, or with respect to any pending or proposed rule, adjudication, hearing, investigation, or other action in any Federal agency.

Solicitation is narrowly defined, to cover oral or written communications urging, requesting, or requiring another person to make a communication intended to influence a specific decision in a specified manner.

WHO MUST FILE AS A LOBBYIST

Lobbyist is defined to include both the person employed to communicate with Federal officers or employees, and the person or organization which solicits or employs others to make such communications. But the income and expenditure thresholds, beyond which those who engage in lobbying must file notice of representation, are relatively high, covering persons who either:

1. Receive $250 or more for lobbying during a quarterly filing period (or $500 in one year), whether such income is the prorated portion of total income attributable as compensation for lobbying or is received solely for lobbying; or,
2. Spend the same amount or more for the solicitation or employment of another person to engage in lobbying.

Payment for or reimbursement of actual transportation costs for travel within the U.S., plus a limited per diem allowance for meal and lodging expenses, are excluded from these income and expenditure thresholds.

NOTICES OF REPRESENTATION, MAINTENANCE OF RECORDS, AND REPORTING REQUIREMENTS

Within five days after reaching the income and expenditure thresholds, a lobbyist must file a notice of representation, in accordance with the form and at a level of detail specified by the Federal Lobbying Disclosure Commission, including the following information:

1. An identification of the lobbyist (the name, address, occupation, place of business, and position held, if an individual, or the name of the firm, corporation, or association, etc., the principle place of business, officers, and board, if other than an individual);
2. The financial terms and conditions under which the lobbyist is employed or retained, and an identification of his or her employer;
3. A description of each decision, insofar as practicable, on which the lobbyist is engaging or is to engage in lobbying.

Voluntary membership organizations, which are defined to include only organizations which require regular dues payments as a condition of membership, must also state:

1. The approximate number of individual persons who are members;
2. The name and address of each person, other than individuals, who is a member; or,
3. A combination of the above, if applicable.

If the lobbyist's circumstances or conditions of employment change, the lobbyist must file appropriate amendments within five days with the Commission.

Moreover, the lobbyist must maintain records, in the form of books of account (in accordance with generally accepted accounting principles and standards), preserve these for at least two years after the quarterly filing period, and make them available to the Commission upon request.

The records must include the following:

1. The total income attributable to lobbying received by the lobbyist;
2. An identification of each person from whom income for lobbying is received, and the amount received from that person;
3. The total expenditures of the lobbyist attributable to lobbying.

Where expenditures are concerned, the Act also requires the lobbyist to itemize any amount of at least $50 for:

1. Employment of lobbyists (and the amount received by each lobbyist employed or retained);
2. Solicitation (and the amount expended for travel and lodging, advertising, addressing, postage and mailings, telephone and telegraph, and publications); and
3. Research (and staff, office space, entertainment, travel, telephone and telegraph, postage and mailings, and publications, which are not otherwise attributable to solicitation).

Upon request, the Commission is to furnish lobbyists with assistance in the development of accounting procedures and practices to meet the reporting requirements of the Act. And the Commission may permit and prescribe regulations for joint filing.

The lobbyist must file a report describing specified activities with the Commission within 15 days after the close of the quarterly filing period. The Commission is empowered to prescribe the form and detail of these reports, but they must include the following:

1. An identification of the lobbyist;
2. An identification of each person by whom the lobbyist is employed or retained;
3. A description of each decision on which the lobbyist is engaged in lobbying.

Additionally, these reports must include all of the information contained in the records the lobbyist is required to maintain under the Act, with these exceptions:

1. A lobbyist need not identify any person from whom less than $100 in income is received during the filing period but must only state the number of such persons together with the aggregate of such income.
2. And in the case of a voluntary membership organization, the organization need not identify any member whose payments in the filing period to the organization for lobbying purposes did not exceed five per cent of the organization's total expenditures for such purpose.

In both instances, in determining whether the income received is $100 or more or the payments by a member exceed the five per cent threshold, a member shall be treated as having paid to the organization for lobbying purposes an amount which bears the same ratio to the total dues, subscriptions, or other sums he paid as a condition of membership as the total expenditures by such organization for lobbying bears to its total expenditures for all purposes.

However, voluntary membership organizations which are excluded by this formula from identifying their membership and dues structure, must report the number of members involved and the aggregate amount received from them.

In the case of all lobbyists reporting, if any item of income or expenditure is attributable in part to lobbying and in part to other purposes, the lobbyist, in accordance with regulations prescribed by the Commission, may either report the item:

1. By a reasonably accurate allocation setting forth the portion of the item received or expended for lobbying, and the basis on which the allocation is made; or,
2. By showing the amount of the item together wtih a good faith estimate of that part of the item reasonably allocable to income or an expenditure for lobbying.

Mr. METCALF. Mr. President, there are those who argue that reporting requirements should remain limited to lobbying activities involving direct communication with Members of Congress.

I believe that such a limitation is unrealistic, however, since a major part of any lobbying effort—perhaps even the lion's share of all lobbying activity—is directed toward the executive departments and the Executive Office of the President. I also believe that within the legislative branch we must cover communications with staff employees, whose number has grown steadily and whose activities have become increasingly important in the legislative process in recent years.

Accordingly my bill closes these loopholes in the Federal Regulation of Lobbying Act, covering lobbying—a concept that is carefully defined—in the executive and legislative branches, and extending the coverage to employees of both branches at whatever level.

Both the person hired to communicate with and influence Federal officers and employees, and the person who retains a lobbyist or solicits others to engage in lobbying are required to file notices of representation, to keep records, and to report quarterly.

But to make sure that we do not amass a mountain of irrelevant information about tens of thousands of people whose activities in this area are infrequent or inconsequential—in the sense of their impact on national policy decisions—the income and expenditure thresholds at which a person who engages in lobbying must file are relatively high. Filing, recordkeeping, and reporting will be required only those who either—

Receive $250 or more for lobbying during a quarter—or $500 in 1 year; or,

Spend the same amount or more for the solicitation or employment of another person to engage in lobbying.

Travel and limited meal and lodging costs are excluded in both instances, so that we do not bring the reporting requirements into force for the individual who, for example, might be making one or two trips across the country each year to see his Congressman or someone in an executive agency and who otherwise would have to file a notice of representation.

Certain other activities also are exempted from reporting, either because of their relationship to first amendment rights or because they are by their nature conducted openly and already are readily identifiable as to their source.

For instance, any individual speaking solely on his own behalf—exercising his right of petition and seeking redress of his grievances, or using his own money to express his own opinions—will not be subjected to my bill's disclosure provisions. And to insure the free flow of information and opinion to Federal officers and employees, its provisions exempt, among others, communications by anyone appearing before or submitting a statement for the record of a congressional committee, or by anyone making an "on the record" presentation to an officer or employee of any executive agency.

With one important exception—advertising expressly soliciting others to engage in "grassroots" lobbying—my bill also exempts all communications appearing in regularly published newspapers and periodicals.

I am well aware that this blanket exemption raises a number of questions, particularly as it applies to the publications of the various voluntary membership organizations and trade associations. There is every reason, however, to encourage the type of lobbying activity that places the positions of the various lobbying organizations on the record, where there are readily available to anyone who wants to see them.

What I am suggesting is that an exemption in this area is a positive benefit, making it more convenient for interest groups to maintain regular publications that let all of us—the public official as well as the members of the group involved—know precisely where they stand. And, at the same time, we require full reporting on the one-shot, fly-by-night, and sometimes anonymously published circular.

As I said a moment ago, my bill contains an exception to the exemption for publications. Reporting will be required for advertising which conveys, not a general position on policy issues or problems, but a specific request for the reader to communicate with a Federal officer or employee to influence a specific decision in a specified manner.

Clearly, a compelling case can be made for distinguishing between the kind of communication that describes a factual situation and expresses an opinion regarding it, leaving it up to the citizen to decide how or whether to act on this information, as opposed to the communication that attempts to tell him what to think, what to do, and perhaps gives him a form letter to send along to Washington. Such "ready made" opinion devices add little where general public understanding of public policy questions is concerned. Nor do they do much for the dialog between the citizen and public official, who as often as not gives stimulated form mail short shrift.

Thus, advertising as well as other facets of "grassroots" lobbying—such as mailings, irregular publications, and payments for travel and lodging—are treated as covered communications, requiring full disclosure of the money spent for them.

Mr. President, in developing new legislation in this area, we must recognize that an all-encompassing filing requirement, covering even the citizen who makes a few telephone calls, plus massively detailed reporting, will inevitably choke off the flow of information to Federal employees and officials.

Some citizens, of course, because of their professions or business interests simply cannot afford to be identified publicly as a "lobbyist," a designation that, unfortunately, suggests a less than honorable occupation in the minds of many.

Other citizens—as well as smaller organizations—simply cannot afford the out-of-pocket costs of extensive recordkeeping and reporting.

As is indicated in the materials accompanying my remarks today, my bill requires filing, recordkeeping, and reporting by those individuals, firms, and groups which have the necessary administrative base to meet such requirements without undue hardship.

The requirements themselves are carefully limited to essentials, to tell us what we actually need to know without imposing an onerous and unnecessary burden on those engaged in lobbying. They cover those whose lobbying activities are extensive and continuing. The agent who receives substantial income for speaking on behalf of others, the corporate, union, or trade association executives who engage in lobbying, along with their employers, and the individual, firm, or other organization whose business it is to solicit others to engage in lobbying—all are subject to these requirements.

What my bill will not do is to require filing by the citizen who spends his own money and time to advance his own opinions, or by the ad hoc group of citizens who chip in nominal amounts to send one or several of the number to Washington to see their Congressman or to talk to someone in one of the executive departments. Nor will it require, under most circumstances, filing by the small businessman or private university president who may come here seeking a contract or grant of one kind or another.

Mr. President, we need more than a new statute to alleviate citizen concern and cynicism.

Strong and equitable administration of lobbying disclosure is essential, and enforcement must be given prominent attention. We must not only make certain that the law is observed, we must do everything possible to let the American people know that lobbying disclosure is working.

Assigning this responsibility to an existing Federal agency, where it will have to compete for attention with other well established and unrelated activities, is not the answer. The General Accounting Office, for example, is frequently mentioned in this context, as is the Federal Election Commission.

But in my judgment neither agency would be likely to give lobbying disclosure the necessary prominence. GAO already has a wide range of functions, perhaps too many in areas that are not closely related. And the FEC is just getting under way. Adding on lobbying disclosure, a distinct and essentially unrelated activity, might well detract from this commission's ability to carry out the vitally important responsibilities it has with regard to Federal elections.

I do believe, however, that the approach taken in setting up the FEC is the best alternative for lobbying disclosure. We need an independent Federal Lobbying Disclosure Commission, equipped for and devoted entirely to this activity.

As envisioned in my bill, the commission will be similar in structure and will have somewhat the same powers as the FEC. I recognize, of course, that the FEC is facing a serious challenge in the courts. But I am convinced that the basic design of such a bipartisan commission—with the Senate President pro tempore, the House Speaker, and the President each appointing two Members—is sound. And, while I am not wedded to the necessity of giving the commission control over civil enforcement, I am including this concept to stimulate further discussion of the issue.

Additionally, the commission is empowered to receive and investigate complaints, initiate its own investigations, hold hearings, and render advisory opinions at the request of lobbyists who are concerned with aspects of their operations that may require reporting and disclosure. The commission also is directed to formulate and issue regulations, monitor compliance with the act's filing and reporting requirements on a continuing basis, and report quarterly to Congress and the American people on the activities of lobbyists.

Finally, Mr. President, I believe that lobbyists themselves can do more to make the average citizen aware of the informational and representational service they perform in our democratic system.

Those of us in public life know that the reputable lobbyist—the professionals who faithfully reflect their group's interest, who present their case truthfully, who openly and vigorously advocate their position—are indispensable. Their contribution to our work seldom is recognized, however.

I have dealt with lobbyists for many years, calling upon the business groups and the labor groups equally for factual information and opinion on every conceivable kind of legislation. Certainly, I have been deliberately misinformed on occasion—but only infrequently, and then never more than once by any particular lobbyist.

In the overwhelming majority of instances, I have found lobbyists to be informed and informative, helpful to the point of supplying information useful in knocking down their own arguments. These professionals have one asset which they guard jealously—their reputation for truthfulness.

To recognize the importance of their function, and to assist them in improving general public understanding of their profession, my bill authorizes the Federal Lobbying Disclosure Commission to cooperate with an organization or association of lobbyists in developing a code of professional conduct and maintaining a registry of those whose activities are in conformance with its provisions.

Let me emphasize this point: The code will be developed by lobbyists, not by Federal employees, and compliance will be subject, not to the judgments of the Commission, but to the determination of an organization of lobbyists which presently exists or may be created by lobbyists to undertake this responsibility. And, finally, the registry feature will be entirely informational, indicating only that a lobbyist has been deemed by his peers to be conforming to the code, and will not be a condition for engaging in lobbying.

Mr. President, the time has come to provide for meaningful disclosure of lobbying activities in both Congress and the executive branch. I believe that my bill will accomplish this, and ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2068

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Lobbying Disclosure Act of 1975".

TITLE I—DISCLOSURE OF LOBBYING ACTIVITIES DEFINITIONS

SEC. 101. As used in this title, the term—

(a) "person" includes an individual, corporation, company, association, firm, partnership, society, or any other organization or group of persons;

(b) "decision" means any action taken by a Federal officer or employee with respect to any pending or proposed bill, resolution, amendment, nomination, hearing, investigation, or other action in Congress, or with respect to any pending or proposed rule, adjudication, hearing, investigation, or other action in any Federal agency;

(c) "Federal agency" means an Executive agency (as defined in section 105 of title 5, United States Code), the United States Postal Service, the Postal Rate Commission, and government-controlled corporations now in existence or which may be created in the future, the Executive Office of the President, and any regulatory agency of the Government which is not otherwise an Executive agency;

(d) "Federal officer or employee" means an officer or employee of any Federal agency, of the Senate or the House of Representatives, or of any agency in the Legislative branch, and includes a Member of, or Delegate to, the Congress, and the Resident Commissioner from Puerto Rico;

(e) "income" means—

(1) a salary, gift, donation, contribution, payment, fee, loan, advance, service, or other thing of value received; and

(2) except for purposes of applying sections 103 and 104, a contract, promise, or agreement, whether or not legally enforceable, to receive any item referred to in paragraph (1)(f) "expenditure" means—

(1) a salary, gift, donation, contribution, purchase, payment, fee, distribution, loan, advance, service, or other thing of value made, disbursed, or furnished; and

(2) except for purposes of applying sections 103 and 104, a contract, promise, or agreement, whether or not legally enforceable, to carry out any transaction referred to in paragraph (1).

(g) "congressional committee" means a standing, select, or special committee of the Senate or the House of Representatives, a joint committee of the Congress, and a duly authorized subcommittee of any such committee or joint committee;

(h) "voluntary membership organization" means an organization composed of persons who are members thereof on a voluntary basis and who, as a condition of membership, are required to make regular payments to the organization;

(i) "identification" means, in the case of an individual, the name of the individual and his address, occupation, principal place of business, and position held in the business, and, in the case of a person other than an individual, the name of the person and its address, principal place of business, officers, and board of directors;

(j) "lobbying" means a communication to, or the employment or solicitation of another to make a communication to, a Federal officer or employee in order to influence a decision of that officer or employee, but does not include—

(1) a communication by an individual, acting solely on his own behalf, for redress of his grievance or to express his own opinion;

(2) a communication to a congressional committee in an open hearing or which becomes a part of the record of any such hearing;

(3) a communication to the Congress or either House thereof, a Member of, or Delegate to, the Congress, the Resident Commissioner from Puerto Rico, or an officer of the Senate or the House of Representatives, made at the specific request of the body or individual to whom such communication is made;

(4) a written communication to an officer or employee of a Federal agency which becomes part of the record upon which a decision is made;

(5) a communication to a Federal agency made at the specific request of such agency, or in the exercise of a right to petition granted by section 553(e) of title 5, United States Code;

(6) a communication or solicitation by a Federal officer or employee acting in his official capacity or by an officer or employee of a State or local government acting in his official capacity;

(7) a communication or solicitation made in the normal course of business by—

(A) a newspaper, magazine, or other periodical available to the general public in the form of news, editorial views, advertising, letters to the editor, or like matter;

(B) a radio or television broadcast station in the form of news, editorial views, advertising, editorial response, or like matter; or

(C) a publisher or author in a book published for the general public;

(8) a communication or solicitation by or authorized by a candidate (as defined in section 591(b) of title 18, United States Code) made in the course of a campaign for Federal office;

(9) a communication or solicitation by or authorized by—

(A) a national political party or a national, State, or local committee or other organizational unit of a national political party regarding its activities, policies, statements, programs, or platforms;

(B) a political party of a State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States, or a committee or other organizational unit of such a political party, regarding its activities, policies, statements, programs, or platforms; or

(C) a candidate for political office of a State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States, or a committee or other organizational unit acting on behalf of such candidate, regarding the activities, policies, statements, programs or platforms of such candidate;

(10) a communication by an attorney of record on behalf of any person made in connection with any criminal investigation or prosecution of such person;

(11) a communication which relates only to the status, purpose, or effect of a decision;

(k) "lobbyist" means, with respect to a quarterly filing period, a person—

(1) whose income from lobbying during such period is $250 or more, or whose income from lobbying during such period, when added to his income from lobbying during the three preceding quarterly filing periods, is $500 or more, or

(2) whose expenditures for the solicitation or employment of another person to engage in lobbying during such period are $250 or more, or whose expenditures for the solicitation or employment of another person to engage in lobbying during such period, when added to such expenditures during the three preceding quarterly filing periods, are $500 or more, except that exempt travel expenses shall not be taken into account;

(l) "Commission" means the Federal Lobbying Disclosure Commission established by section 201 of this Act;

(m) "influence" means to attempt to institute, promote, effectuate, delay, alter, amend, withdraw from consideration, or oppose any decision by a Federal officer or employee;

(n) "exempt travel expenses" means any payment or reimbursement of expenses for travel solely from one point in the United States, or its territories or possessions, to another point in the United States, or its territories or possessions, but only if such payment or reimbursement does not exceed the actual cost of the transportation involved plus a per diem allowance for other expenses in an amount not in excess of the maximum applicable allowance payable under section 5702(a) of title 5, United States Code, for Government employees;

(o) "quarterly filing period" means a calendar quarter; and

(p) "solicitation" means to urge, request, or require another person to make a communication to any Federal officer or employee to influence, in a specified manner, a specific decision by such officer or employee.

NOTICE OF REPRESENTATION

SEC. 102. (a) Each person who is a lobbyist on the effective date of this section shall file a notice of representation with the Commission not later than 5 days after such date. Each person who becomes a lobbyist after such date shall file a notice of representation with the Commission not later than 5 days after he becomes a lobbyist.

(b) Each notice of representation shall be in such form and detail as the Commission shall prescribe by regulations and shall include, but not be limited to, the following information:

(1) an identification of the lobbyist;

(2) the financial terms and conditions under which the lobbyist is employed or retained by any person for lobbying, and an identification of that person;

(3) insofar as practicable, a description of each decision with respect to which the lobbyist is engaged, or is to engage, in lobbying; and

(4) in the case of a voluntary membership organization—

(A) the approximate number of individuals who are members of the organization, and

(B) the name and address of each person, other than an individual, who is a member of the organization.

Nothing contained in this subsection shall be construed to require the disclosure of the individual members of or the organizational dues structure of a voluntary membership organization.

(c) If, at any time, the information contained in a notice of representation filed by a lobbyist is not completely accurate and current in all respects because of any change in circumstances or conditions with respect to such lobbyist (including termination of his status as a lobbyist), such lobbyist shall file with the Commission, within 5 days after such change has occurred, such amendment or amendments to such notice as may be necessary to make the information contained in such notice completely accurate and current in all respects.

(d) Each lobbyist, subsequent to filing a notice of representation, shall include in any written communication in which the lobbyist is engaged in lobbying the following statement: "Notice of representation is on file with and available from the Federal Lobbying Disclosure Commission."

RECORDS

SEC. 103. Each lobbyist shall maintain records, for each quarterly filing period, in accordance with generally accepted accounting principles and standards and with regulations prescribed by the Commission. The records for each quarterly filing period shall—

(1) be preserved for a period of not less than two years after the close of the period;

(2) be available to the Commission for inspection; and

(3) include, but not be limited to, the following information:

(A) the total income from lobbying, or to be used for lobbying, received by the lobbyist during the period;

(B) an identification of each person from whom income from lobbying, or to be used for lobbying, is received during the period, and the amount received from each such person; and

(C) the total expenditures of the lobbyist incurred in or for lobbying and paid during the period, including but not limited to an itemization of any expenditure of at least $50 for—

(i) employment of lobbyists (and the amount paid to each such lobbyist);

(ii) solicitation (including amounts expended for travel and lodging, advertising, addressing, postage and mailings, telephone and telegraph, and publications attributable to solicitation); and

(iii) research, staff, office space, entertainment, travel, telephone and telegraph, postage and mailings, and publications, which are not attributable to solicitation.

REPORTS

SEC. 104. (a) Each lobbyist shall, not later than 15 days after the last day of each quarterly filing period, file a report with the Commission concerning his activities during that period. Each such report shall be in such form and detail as the Commission shall prescribe by regulations and shall include, but not be limited to, the following information:

(1) an identification of the lobbyist;

(2) an identification of each person by whom the lobbyist is employed or retained for lobbying;

(3) a description of each decision on which the lobbyist engaged in lobbying during the period;

(4) all of the information contained in the records required to be maintained under section 103 for the period, except that—

(A) a lobbyist shall not be required to report the name and address of (or otherwise identify) any person from whom income from lobbying, or to be used for lobbying, of less than $100 is received during the period, but the report shall contain the number of such persons together with the aggregate of such income;

(B) in the case of a voluntary membership organization—

(i) the organization shall not be required to report the name and address of (or otherwise identify) any member whose payments during the period to the organization to be used for lobbying did not exceed 5 percent of the total expenditures of the organization in the period for lobbying,

(ii) the Commission shall waive the requirement that the organization report the name and address of (or otherwise identify) any member whose payments during the period to the organization to be used for lobbying exceeded 5 percent of the total expenditures of the organization in the period for lobbying if the Commission determines that the waiver of such requirement will not impede the purpose of this Act, and

(iii) the organization shall report the number of members referred to in clause (i) and the number of members referred to in clause (ii), together with the aggregate of the amounts received from the members referred to in each clause; and

(C) if any item of income or expenditure is attributable in part to lobbying and in part to other purposes, such item may be reported, at the option of the lobbyist and in conformity with regulations prescribed by the Commission—

(i) by a reasonably accurate allocation which sets forth that portion of the item received or expended for lobbying, and the basis on which the allocation is made, or

(ii) by showing the amount of the item together with a good faith estimate by such lobbyist of that part of the item reasonably allocable to lobbying.

(b) In determining—

(1) for purposes of subsection (a) (4) (A), whether a member of a voluntary membership organization is a person from whom income to be used for lobbying of at least $100 is received in any quarterly filing period, and

(2) for purposes of subsection (a) (4) (B), whether payments by such a member during any quarterly filing period exceed 5 percent of the organization's total expenditures during the period for lobbying,

a member of a voluntary membership organization shall be treated as having paid to the organization during the period, to be used for lobbying, an amount which bears the same ratio to the total dues, subscriptions, or other sums paid by such member during the period to the organization as a condition of membership as the total expenditures during the period by such organization for lobbying bears to the total expenditures during the period by such organization for all purposes.

EFFECT ON TAX STATUS

SEC. 105. An organization shall not be denied exemption under section 501(a) of the Internal Revenue Code of 1954 as an organization described in section 501(c)(3) of such Code, and shall not be denied status as an organization described in section 170 (c)(2) of such Code, solely because such organization complies with requirements of sections 102, 103, and 104.

CRIMINAL PENALTIES

SEC. 106. Any person required—

(1) to file a notice of representation under section 102,

(2) to keep records under section 103, or

(3) to make a report under section 104,

who knowingly and willfully fails to file such notice, keep such records, or make such report, or files a false notice, keeps false records, or makes a false report, shall upon conviction therefor, be fined not more than $5,000 or imprisoned not more than 2 years, or both, for each such offense.

TITLE II—FEDERAL LOBBYING DISCLOSURE COMMISSION

ESTABLISHMENT OF COMMISSION

SEC. 201. (a) (1) There is established a commission to be known as the Federal Lobbying Disclosure Commission (hereafter in this title referred to as the "Commission"). The Commission shall be composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and six members appointed as follows:

(A) two shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the President pro tempore of the Senate upon the recommendations of the majority leader of the Senate and the minority leader of the Senate;

(B) two shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the Speaker of the House of Representatives, upon the recommendations of the majority leader of the House and the minority leader of the House; and

(C) two shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the President of the United States.

A member appointed under subparagraph (A), (B), or (C) shall not be affiliated with the same political party as the other member appointed under such subparagraph.

(2) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

(A) one of the members appointed under paragraph (1) (A) shall be appointed for a term ending on the April 30 first occurring more than 6 months after the date on which he is appointed;

(B) one of the members appointed under paragraph (1) (B) shall be appointed for a term ending 1 year after the April 30 on which the term of the member referred to in subparagraph (A) of this paragraph ends;

(C) one of the members appointed under paragraph (1) (C) shall be appointed for a term ending 2 years thereafter;

(D) one of the members appointed under paragraph (1) (A) shall be appointed for a term ending 3 years thereafter;

(E) one of the members appointed under paragraph (1) (B) shall be appointed for a term ending 4 years thereafter; and

(F) one of the members appointed under paragraph (1) (C) shall be appointed for a term ending 5 years thereafter.

An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds. Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

(3) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment and shall be chosen from among individuals who, at the time of their appointment, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Government of the United States.

(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. No member may serve as chairman more often than once during any term of office to which he is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman, or in the event of a vacancy in such office.

(b) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to this Act. The Commission has primary jurisdiction with respect to the civil enforcement of its provisions.

(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this Act shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his vote or any decisionmaking authority or duty vested in the Commission by the provisions of this Act.

(d) The Commission shall meet at least once each month and also at the call of any member, and all such meetings shall be open to the public.

(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

(f)(1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he considers desirable.

(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–15 of the General Schedule (5 U.S.C. 5332).

(3) In carrying out its responsibilities under this Act, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of other agencies and departments of the United States Government. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

POWERS OF COMMISSION

SEC. 202. (a) The Commission has the power—

(1) to require, by special or general orders, any person to submit in writing such information and answers to questions as the Commission may prescribe; and such submission shall be made within such a reasonable period of time and under oath or otherwise as the Commission may determine;

(2) to administer oaths or affirmations;

(3) to require by subpena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

(6) to initiate (through civil proceedings for injunctive, declaratory, or other appropriate relief), defend, or appeal any civil action in the name of the Commission for the purpose of enforcing the provisions of this Act, through its general counsel;

(7) to render advisory opinions under section 203 (b);

(8) to make, amend, and repeal such regulations pursuant to provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act;

(9) to formulate general policy with respect to the administration of this Act;

(10) to develop prescribed forms for notices of representation and amendments thereto under section 102 and reports under section 104; and

(11) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Commission, in case of refusal to obey a subpena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

(d)(1) Whenever the Commission submits any budget estimate or request to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

DUTIES OF COMMISSION

SEC. 203. (a) The Commission shall transmit a report to the President and to each House of the Congress not later than January 20 of each year. Each such report shall contain a detailed statement with respect to the activities of the Commission in carrying out its duties under this Act, together with recommendations for such legislative or other action as the Commission considers appropriate.

(b) (1) Upon written request to the Commission by any person, the Commission shall render an advisory opinion, in writing, within a reasonable time with respect to—

(A) what specific action is required of such person to comply with the provisions of section 102, 103, or 104, or

(B) whether any specific action, or failure to act, by such person would constitute a violation of section 106.

(2) Notwithstanding any other provision of law, any person with respect to whom an advisory opinion is rendered under paragraph (1) who acts in good faith in accordance with the provisions and findings of such advisory opinion shall be presumed to be in compliance with the provisions of title I with respect to which such advisory opinion is rendered.

(3) Any request made under paragraph (1) shall be made public by the Commission. The Commission shall, before rendering an advisory opinion with respect to any such request, provide any interested party with an opportunity to transmit written comments to the Commission with respect to such request.

(c) Upon written request, the Commission shall furnish lobbyists with assistance in the development of appropriate accounting procedures and practices to meet the recordkeeping requirements of section 103 and the reporting requirements of section 104, and the Commission may permit and prescribe regulations for the joint filing of reports under section 104.

(d) In carrying out its duties under this Act, the Commission shall—

(1) develop and by regulations prescribe forms and standards for notices of representation and amendments thereto, required under section 102 and reports required under section 104;

(2) compile and summarize, in a manner reflective of the disclosure intent of this Act, information contained in such notices, amendments, and reports, with respect to each quarterly filing period, and transmit such information to Congress within 45 days after the end of each such period or if Congress is not in session, then as soon as possible after Congress reconvenes;

(3) make available for public inspection and copying at reasonable times in the Commission office, for a period of two years following the date of filing, all such notices, amendments, and reports, and, at the request of any person, furnish a copy of any such notice, amendment, or report upon payment by such person of the actual cost of making and furnishing such copy, but no information contained in any such notice, amendment, or report may be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(4) have each notice of representation and amendment thereto published in the Congressional Record within three days after such notice or amendment is received by the Commission, or if Congress is not in session when such notice is so received, then as soon as possible after Congress reconvenes; and

(5) ascertain whether any person required by section 104 to file a report has failed to file such report, or has filed an incomplete or inaccurate report, and promptly notify such person to file or amend such report.

ENFORCEMENT

SEC. 204. (a) (1) Any person who believes a violation of section 106 has occurred may file a complaint with the Commission.

(2) The Commission, upon receiving any complaint under paragraph (1), or if it has

reason to believe that any person has committed a violation of section 106, shall notify the person involved of such apparent violation and shall—

(A) report such apparent violation to the Attorney General; or

(B) make an investigation of such apparent violation.

(3) The Commission shall, at the request of any person who receives notice of an apparent violation under paragraph (2), conduct a hearing with respect to such apparent violation.

(4) If the Commission determines, after investigation, that there is reason to believe that any person has engaged, or is about to engage in any acts or practices which constitute or will constitute a violation of this Act, it may endeavor to correct such violation by informal methods of conference, conciliation, and persuasion. If the Commission fails to correct the violation through informal methods, it may institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order, in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, the court shall grant a permanent or temporary injunction, restraining order, or other order.

(5) The Commission shall refer an apparent violation to the appropriate law enforcement authorities if the Commission is unable to correct such apparent violation under the authority given it by paragraph (4), if, upon request by the Commission, the Attorney General is unable to correct such apparent violation under the authority given him by paragraph (6), or if the Commission determines that such referral is appropriate.

(6) Whenever in the judgment of the Commission, after affording due notice and an opportunity for a hearing, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 106, upon request by the Commission the Attorney General on behalf of the United States shall institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.

(7) In any action brought under paragraph (4) or (6) of this subsection, subpenas for witnesses who are required to attend a United States district court may run into any other district.

(8) Any party aggrieved by an order granted under paragraph (4) or (6) of this subsection may, at any time within 60 days after the date of entry thereof, file a petition with the United States court of appeals for the circuit in which such order was issued for judicial review of such order.

(9) The judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(b) In any case in which the Commission refers an apparent violation to the Attorney General, the Attorney General shall respond by report to the Commission with respect to any action taken by the Attorney General regarding such apparent violation. Each report shall be transmitted not later than 60 days after the date the Commission refers any apparent violation, and at the close of every 30-day period thereafter until there is final disposition of such apparent violation. The Commission may from time to time prepare and publish reports on the status of such referrals.

TITLE III—CODE OF PROFESSIONAL CONDUCT AND REGISTRY

CODE OF CONDUCT

SEC. 301. The Federal Lobbying Disclosure Commission shall have authority to cooperate with lobbyists and organizations of lobbyists in the development of a code of professional conduct for lobbying. Any such code shall be maintained and published by such lobbyists and organizations and shall include, but not be limited to, provisions that a lobbyist shall—

(1) conduct his professional activities with respect for the public interest;

(2) not intentionally disseminate false or misleading information; and

(3) not engage in any practice which tends to corrupt the integrity of communications between citizens and Federal officers and employees.

REGISTRY

SEC. 302. The Federal Lobbying Disclosure Commission shall have authority to enter into an agreement with lobbyists and organizations of lobbyists to establish, maintain, and publish a registry of lobbyists containing an identification of those lobbyists who agree to conform, and are determined to be in compliance, with the code of professional conduct described in section 301. No person convicted of a violation of section 106 shall be listed in such registry for a period of at least five years from the date of such conviction.

TITLE IV—MISCELLANEOUS

REPEAL OF FEDERAL REGULATION OF LOBBYING ACT

SEC. 401. The Federal Regulation of Lobbying Act (60 Stat. 839; 2 U.S.C. 261 et seq.) is repealed.

EFFECTIVE DATES

SEC. 402. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on the date of its enactment.

(b) Sections 102, 103, 104, 105, 106, 204, and 401 shall take effect on the day on which the first regulations prescribed by the Federal Lobbying Disclosure Commission to implement sections 102, 103, and 104 become effective.

By Mr. MOSS (for himself, Mr. TUNNEY, and Mr. MAGNUSON):

S. 2069. A bill to regulate commerce by establishing national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes. Referred to the Committee on Commerce.

CONSUMER CONTROVERSIES RESOLUTION ACT

Mr. MOSS. Mr. President, today I am introducing, together with Senators MAGNUSON and TUNNEY, the Consumer Controversies Resolution Act. This legislation is a reformed and redrafted version of bill we introduced last year, and on which hearings were held at several locations. The Senate Commerce Committee favorably reported this legislation, but in the closing days of the 93d Congress there was insufficient time for the Senate to consider it.

Mr. President, enactment of this legislation will make substantial gains in one of the most important areas of consumer protection—the resolution of controversies. At this time, a number of statutes have been enacted which were designed to help protect the consumer—such as the Consumer Safety Act. A number of laws have also been enacted which are designed to help bring fair play to the marketplace, such as the Magnuson-Moss Warranty Federal Trade Commission Improvement Act. I might add that the warranty bill also includes provisions designed to assure that consumers injured by unfair warranty practices have adequate redress mechanisms. Aside from the limited attempt to create more adequate consumer redress mechanisms in the warranty bill, there has been no comprehensive treatment of the problems in the consumer redress area generally. That is the area to which this legislation is addressed.

Mr. President, unfortunately it is true that for the majority of Americans redress of grievances is at best a theoretical concept. The utilization of the legal system in general, and small claims courts in particular, is in most cases too expensive. Although the total amount of money involved each year in consumer controversies in the United States is tremendous, the amount involved in any single controversy may be quite small—less in many cases than the cost of legal representation for the affected consumer.

When the small claims court movement began in the early 1900's, it was geared to provide speedy and inexpensive justice for litigants who could not afford a lawyer. Now, many small claims courts serve only as collection agencies for professionally represented creditors. Even those who may dispute this claim concede that small claims courts have not been any panacea to resolve consumer controversies. In many cases, forms, rules, and procedures are frequently complex; courts are not available for resolution of controversies during hours and on days that consumers can easily utilize them; and jurisdictional limitations are often far too low.

There has been some experimentation with other mechanisms for resolving consumer controversies. There have been experiments with arbitration procedures. While there have been a few successful arbitration programs, and several more have been initiated recently, there is also a great deal of difference of opinion about the usefulness of arbitration. Business sponsored mechanisms have not yet met with a great deal of proven success, but we have encouraged the use of such devices where they are fair, both in the Magnuson-Moss Warranty Federal Trade Commission Improvement Act, and in this proposed legislation.

Mr. President, the Federal Government has, to date, for the most part neglected its responsibilities in this important area. While a small claims tax court has been created, and the National Highway Traffic Safety Act has encouraged the reform of traffic courts, for the most part, effective methods to resolve grievances of this nature are absent. Furthermore, there is not any agreement on the optimum type or types of grievance redress mechanisms best suited to help consumers and citizens.

The legislation I am proposing today would go a long way toward developing meaningful consumer resolution mechanisms. It is largely based on a 2-year comprehensive study conducted by the National Institute for Consumer Justice. The Institute explored the adequacy of existing procedures for resolving disputes arising out of consumer transactions. It grew out of President Nixon's consumer address of February 24, 1971, and was funded by a $150,000 research grant from the Office of Economic Opportunity. The Institute's final report offers 21 suggestions for upgrading small claims courts throughout the United States. Most of these recommendations—and others concerning arbitration and business sponsored redress mechanisms—have been incorporated, either directly or indirectly, in this legislation.

Mr. President, the legislation I am introducing would establish a new bureau in the Federal Trade Commission which would administer a program of aid to the States so that they can formulate and effectuate ways in which the disputes of their citizens can be resolved effectively, fairly, inexpensively, and expeditiously. It is entirely possible that the programs that the individual States develop will vary considerably. The needs of New York, for example, may be quite different than the needs of my State of Utah. Any program which tends to effectuate the goals of the act could be approved by the new bureau within the Commission so long as the State has an administrator and a plan and it meets the requirements set out in the act and rules promulgated by the Commission. Furthermore, the Commission would be authorized to make demonstration grants for a wide variety of purposes. The bill would direct the bureau to conduct experimentation and exploration into ways to improve dispute resolution.

Insofar as small claims courts may be involved in the improvement of the resolution of consumer controversies, I would like to point out that the legislation specifically adopts a number of recommendations from the National Institute of Consumer Justice. For instance, on page 30 of the Institute's report entitled "Redress of Consumer Grievances," it is recommended that Congress allocate funds for payment to the States to stimulate the establishment and maintenance of effective small claims courts. The Institute stated:

> A comparatively modest infusion of funds from the federal government, either on a non-recurring or a continuing basis, can stimulate states that do not now have small claims courts or that have only ineffective ones to establish efficient systems.

There is one important aspect of increasing the availability of redress to consumers that is not contained in this legislation. Because of various rulings by the Supreme Court, consumers are presently unable to bring class actions in Federal court. The Commerce Committee has worked on this issue in the past, but has been faced with a widely differing view on the advisability of allowing consumers to utilize the class-action device in Federal courts. Because of the various charges and countercharges surrounding the consumer class-action issue, we tried to get some hard information on this subject but discovered that there is none available. This led the committee to initiate its own study regarding the use of the class action in Federal courts, and I am pleased to note that this study was published last year. The information that we have developed, in conjunction with President Ford's increasing reliance on antitrust actions and other legal mechanisms to increase competition in the marketplace, should help to promote legislation designed to remove existing roadblocks and to use the consumer class-action device. We are attempting to develop this legislation right now.

Mr. President, I am looking forward to quick consideration of this legislation. Last year, the predecessor bill, S. 2928, was endorsed by a variety of business and consumer groups. This is reflective of the wide support for this type of reform. I am sure that the Commerce Committee will move rapidly on it this year.

Mr. President, I ask unanimous consent that the text of the Consumer Controversies Resolution Act be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2069

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Controversies Resolution Act".

DECLARATION OF POLICY

Sec. 2. (a) Findings.—The Congress finds and declares that—

(1) For the majority of American consumers, mechanisms for the resolution of controversies involving consumer goods and services are largely unavailable, ineffective, unfair, or invisible.

(2) The total amount of money involved each year in consumer controversies in the United States exceeds $100,000,000, but the amount involved in any single controversy is apt to be small, less in many cases than the cost of legal representation for the affected consumer.

(3) The enormous volume of controversies involving consumers is adjudicated, settled, or handled inadequately, if at all, by the existing mechanisms for consumer controversy resolution.

(4) There is substantial nonavailability, for most consumers, of—

(A) meaningful remedies in cases of fraud, deception, and manipulation;

(B) adequate representation of the interests of consumers;

(C) meaningful protections in cases of overreaching and unfair repossession of goods and products;

(D) effective barriers against sewer service, abuse of default judgments, and other unconscionable practices; and

(E) readily available and adequate forums for the fair, effective, and efficient resolution of controversies involving consumer goods and services.

(5) A major and inseparable portion of the goods and services which form the underlying subject matter of such controversies flow through interstate and foreign commerce, the circumstances of their sale and distribution to consumers affect interstate commerce, and almost all of the consumer controversies involving the more than forty million Americans who live in the thirty-one metropolitan areas which encompass more than one State arise out of interstate commerce. The unavailability of effective, fair, inexpensive, and expeditious means for the resolution of such controversies constitutes an undue burden on commerce.

(6) While there have been substantial efforts on the part of the business community to resolve consumer disputes and such efforts must be encouraged and expanded, effective consumer redress will be brought about only through a cooperative functioning of both public and privately sponsored mechanisms.

(b) Purpose.—It is therefore declared to be the purpose of the Congress in this Act to assure all consumers convenient access to consumer controversy resolution mechanisms which are effective, fair, inexpensive, and expeditious, and to facilitate better representation of consumer interests.

DEFINITIONS

Sec. 3. As used in this Act, the term—

(1) "Bureau" means the Bureau of Consumer Redress;

(2) "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A);

(3) "Commission" means the Federal Trade Commission;

(4) "Director" means the Director of the Bureau;

(5) "local" means of or pertaining to any political subdivision within a State;

(6) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands;

(7) "State Administrator" means the individual or government agency which is designated, in accordance with State law, to direct, coordinate, or conduct a State system; and

(8) "State system" means all of the State sponsored mechanisms and procedures within such State for the resolution of controversies involving consumers, including, but not limited to small claims courts, arbitration, and other mechanisms and procedures set forth in the State plan under section 6 of this Act.

BUREAU OF CONSUMER REDRESS

Sec. 4. (a) General.—The Commission shall establish, within 30 days after the date of enactment of this Act, a new Bureau to be known as the Bureau of Consumer Redress. The Commission shall appoint a Director of the Bureau.

(b) Duties.—The Commission, through the Director shall, consistent with the purposes and goals of this Act—

(1) enter into or renew cooperative agreements with the States;

(2) allocate and pay to the State funds appropriated for financial assistance to States under cooperative agreements;

(3) issue, from time to time, such regulations as are necessary to carry out the provisions of this Act, in accordance with the provisions of section 553 of title 5, United States Code;

(4) encourage and assist the development and implementation of innovative concepts and approaches, including but not limited to, adapting or expanding the mechanism of the unsatisfied judgment fund in the field of automobile compensation law to satisfy all unsatisfied judgments;

(5) investigate and award discretionary grants;

(6) determine whether a State plan is in accordance with this Act;

(7) review the operation and effectiveness of each State plan for the resolution of controversies involving consumers which has been approved under this Act;

(8) articulate and evaluate the goals for a model State system of consumer controversy resolutions, including the formulation and promotion of Model Small Claims Court Acts and ordinances which may be adopted by the several States. The Model Acts and ordinances shall be formulated within the 12 months after the date of enactment of this Act and shall be revised from time to

time as is deemed appropriate by the Director;

(9) coordinate and integrate the functioning of both public and business sponsored mechanisms; and

(10) take such other actions as are appropriate to fulfill the purposes of this Act.

COOPERATION WITH THE STATES AND PRIVATE ENTERPRISE

SEC. 5. (a) GENERAL.—In carrying out its functions under this Act, the Director and the Commission shall cooperate, to the maximum extent practicable, with the States and the business community. In addition to any other enumerated obligation, the Director shall consult, from time to time, with the State Administrator, if any, in each State.

(b) FINANCIAL ASSISTANCE TO STATES.—The Commission, through the Director, is authorized to enter into a cooperative agreement to provide financial assistance to any State which establishes and maintains a system approved by the Commission for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers or to assist any State to develop such a system. Before a State shall be deemed eligible to enter into or renew a cooperative agreement for the development or maintenance of a State system, the Director shall make, justify, and publish in the Federal Register a finding that such agreement would further the purpose of this Act and that such State has developed, or in the case of an initial grant has developed or is developing, a system under which—

(1) the State has a State Administrator and such State Administrator is authorized under the law of the State to receive and disburse moneys, to submit required reports to the Director, including assembling copies of the rules and regulations covering each redress mechanism within such State, to conduct studies pursuant to section 5(b) (2) of this Act, and to supervise, direct, coordinate or conduct the State system;

(2) a comprehensive survey of the State system and major business-sponsored mechanisms within the State has been or will be conducted which discloses (A) the nature, number, and location of all consumer controversy resolution mechanisms within the State; (B) the annual expenditure and operating authority for each such mechanism; (C) the existence of any program for informing the potential users of each such mechanism of its availability; and (D) statistical data on the following factors with respect to each such mechanism, to the extent practicable and appropriate; annual caseload; jurisdiction limit, if any; number of cases filed by corporations or partnerships and their disposition; number of cases filed by individuals and their disposition; availability and nature of legal or para-legal assistance which is available to low-income consumers during preparation, at settlement during arbitration, or at trial; and number of defaults each year, by category of plaintiff and method of service.

(3) funds expended pursuant to such system for the development and maintenance of consumer controversy resolution mechanisms within the State for which application for a cooperative agreement is made are distributed in accordance with need and in a manner which would further the policies of this Act;

(4) the State Administrator has submitted a 4-year plan for the development or maintenance of consumer controversy resolution mechanisms within such State for which the application for a cooperative agreement is made and such plan is designed to meet or exceed the goals set forth in section 7 of this Act; and

(5) provision is made for participation by consumers, including low-income consumers, in developing and commenting upon such plan or plans, which comments become part of any application for a cooperative agreement.

(c) ALLOCATION OF FUNDS.—Moneys appropriated for financial assistance pursuant to this section shall be available to the Director for allocation to the States under cooperative agreements. Such agreements shall have a duration of no more than 4 years. The purposes for which such funds may be used include, but are not limited to—

(1) compensation of personnel engaged in the administration, adjudication, conciliation, or settlement of controversies involving consumers, including personnel whose function it is to assist private citizens in the preparation and resolution of their claims and the collection of judgments;

(2) recruiting, organizing, training, and educating personnel described in paragraph (1) of this subsection;

(3) public education and publicity relating to the availability and proper use of consumer controversy resolution mechanisms and settlement procedures;

(4) improvement, purchase, or lease of buildings, rooms, vehicles, and other facilities and equipment needed to improve the settlement of controversies involving consumers;

(5) continuing supervision and study of the mechanisms and settlement procedures employed in consumer controversy resolution within the State;

(6) research and development of more fair, less expensive, or more expeditious mechanisms and procedures for consumer controversy resolution; and

(7) sponsoring programs of nonprofit organizations to accomplish any of the provisions of this subsection.

The Director shall consider population density when allocating appropriated funds to the States under cooperative agreements. The proportion of the Federal share of the estimated cost of a cooperative agreement shall not exceed 70 per centum of the total cost of such agreement. The aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for such purposes shall be maintained at a level which does not fall below the average level of such expenditures for the last 2 full fiscal years preceding the date of application for a cooperative agreement.

DEMONSTRATION PROJECTS

SEC. 6. (a) GENERAL.—The Director, in accordance with the purposes and goals of this Act, shall promote, develop, encourage, and assist in the development of consumer controversy resolution mechanisms through research and demonstration projects or other activities that will encourage innovation or effectuation of the policies of this Act.

(b) PROJECTS.—Notwithstanding the provisions of section 5(b), the Director is authorized to make discretionary grants, in a total amount each year not to exceed 25 per centum of the financial assistance appropriated under this Act.

(c) ELIGIBILITY FOR GRANTS.—The Director shall establish criteria for awarding grants for research or demonstration projects which are consonant with the purposes and goals of this Act. These grants may be made to units of local government, combinations of such units, or nonprofit organizations, under established criteria and such terms and conditions as may from time to time be established by the Director. No discretionary grant shall be made to any professional organization whose consumer controversy resolution mechanisms do not fairly represent the consumers of the services provided.

APPLICABILITY WITHIN STATES

SEC. 7. (a) STATE PLAN.—By the end of 6 months after the date of enactment of this Act, a State may establish and submit a plan in accordance with this Act for the resolution of controversies involving consumers. A plan is in accordance with this Act if it is designed to meet or exceed the requirements set forth in section 5 of this Act, responds to the goals set forth in section 7 of this Act, and represents an effective response to the Nation's need for fair, expeditious, and inexpensive resolution of such controversies. Upon the establishment of such a plan, the State Administrator shall promptly transmit a certified copy to the Commission.

(b) DETERMINATION.—Within 90 days after the Commission receives a certified copy of a State plan established under subsection (a) of this section, the Director shall make a determination whether (1) the State is eligible to receive financial assistance under section 5(b) of this Act and (2) such State has established a plan which is in accordance with this Act. Unless the Commission determines, within 30 days after the Director determines that a State plan is in accordance with the Act, that such plan is not in accordance with this Act, the Director shall, to the extent resources are available, enter into a cooperative agreement designed to effectuate such plan. A State may submit a revised or improved plan designed to better effectuate the goals of this Act at any time.

(c) REVIEW.—The Director shall periodically, but not less than once every 2 years, or may at any time upon complaint of affected consumers, review any State plan or any discretionary grant for the resolution of controversies involving consumers which has been approved and for which there is (1) experience to determine whether such plan or grant is still in accordance with the goals of this Act, and (2) to evaluate the success of such plan or grant in terms of the policies and purposes of this Act. In addition to the data required under sections 5(b)(2) and 9(a) of this Act, reports must be submitted on each mechanism showing the extent to which it has met the applicable goals of section 8, including results of random sample surveys of attitudes of consumers who have actually used the services of the organization. Any plan or grant which is found not to be in accordance with such goals or which has not been successful shall be terminated in accordance with the procedures set forth in subsection (d) of this section. To facilitate such review, the State Administrator in each such State shall submit to the Director, not later than March 15 of each year, an annual report containing all relevant information requested by the Director and comments of consumers, including low-income consumers, on the effectiveness of mechanisms funded under this Act.

(d) PROCEDURE.—Before making any determination under subsection (b) or (c) of this section, the Director shall cause a notice and a summary of the plan under consideration to be published in the Federal Register and shall afford the affected State and all interested parties a reasonable opportunity to present their views by oral or written submission, and to propose amendments, if any, to such plan or grant program. The Commission, through the Director, shall notify the affected State or grantee of any determinations made under this section and shall publish these determinations with reasons therefor in the Federal Register. Any final determination by the Director under this section shall be subject to judicial review in accordance with chapter 7 of title 5, United States Code, in the United States Court of Appeals for the circuit in which is located the State whose plan or grant is the subject of such determination or in the United States Court of Appeals for the District of Columbia. Any such review shall be instituted within 60 days from the date on which the determination of the Director is published in the Federal Register.

GOALS

SEC. 8. (a) FOR STATE SYSTEM.—A State is responsive to national goals if—

(1) there are sufficient numbers and types of readily available consumer controversy resolution mechanisms responsive to the

goals set forth in subsection (b) of this section;

(2) a public information program is effectively communicating to potential users the availability and location of consumer controversy resolution mechanisms and consumer complaint offices in such State; and

(3) each such mechanism and unit thereof files an annual report with the State Administrator in such form and with such content as is prescribed by him in consultation with the Director, including not less than the information required in section 5(b)(2) of this Act.

(b) For Consumer Controversy Resolution Mechanism.—A consumer controversy resolution mechanism is responsive to national goals if—

(1) its forms, rules, and procedures are, so far as practicable, easy for potential users to understand, free from technicalities, and it is inexpensive to use;

(2) it is designed so that assistance, including paralegal personnel, where appropriate, is provided to consumers and other persons in pursuing claims and collecting judgments;

(3) it is open and available for the adjudication or resolution of controversies during hours and on days that are convenient for consumers, such as evenings and weekends, and that a fair proportion of controversies are scheduled to be resolved at such times;

(4) it provides for adequate arrangements for translation in areas with substantial non-English-speaking populations;

(5) it is governed by reasonable and fair rules and procedures which are approved by the State administrator. Such rules and procedures shall:

(A) facilitate the early resolution of consumer controversies by means in addition to the adjudication of claims;

(B) encourage the fairest and most effective use of the services of attorneys in the resolution of such controversies;

(C) encourage the finality and conclusiveness of the resolution of such controversies;

(D) provide for the qualification, tenure and duties of persons charged with resolving or assisting in the resolution of such controversies;

(E) prohibit the use of consumer controversies resolution mechanisms by assignees or collection agencies in any manner inconsistent with the policies of this Act;

(F) provide for the maintenance of thorough and complete records of each grievance submitted to it and each complaint filed with it together with a notation as to and the disposition of each such grievance or complaint;

(G) insure that both sides to a dispute are directly involved in the resolution of such dispute;

(H) insure that the results of dispute settlement efforts are actually carried out;

(I) assure that the consumer is informed of the status of his case; and

(J) provide useful information about other available redress mechanisms in the event that dispute settlement efforts fail or the controversy does not come within the jurisdiction of such mechanism; and

(6) it provides for the identification and correction of product design problems and patterns of service abuse by—

(a) maintaining public records on all closed complaints;

(b) bringing substantial authority and meaningful influence to bear on complainee to correct patterns of product or service deficiency; or

(c) providing information to Government agencies responsible for the administration of applicable laws so they can perform their remedial deterrent tasks more effectively.

(c) For Small Claims Courts.—A small claims court is responsive to national goals if, in addition to meeting the requirements of subsection (b) of this section, it—

(1) is part of the regular court system maintained by the State;

(2) has a jurisdictional limit which is adequate to permit all, or substantially all, consumer controversies in its area to be resolved therein;

(3) provides methods for assuring that process served is actually received by defendants, including, but not limited to, procedures for supplemental notification after service of process;

(4) provides an easy way for an individual to determine the proper name in which, and the proper procedure by which, any person may be sued;

(5) provides informal means for the resolution of controversies through conciliation, mediation, arbitration, or other means: *Provided*, That such informal means (A) are required to be used in good faith by persons other than individuals, before a date may be set for trial involving a claim initiated by such person; and (B) involve the presence and approval of, or decision by a disinterested third party or the participation of a representative for both parties with judicial approval of the term of any proposed resolution; and

(6) discourages the entry of judgments by default by requiring, as a prerequisite thereto, that the appropriate judge find, after a proceeding in open court, that—

(A) the defendant was given adequate notice of such claim. If any person other than the defendant accepted service on behalf of the defendant, the judge must find that there was a business, family, or personal relationship between that person and the defendant sufficient to assure that the defendant in fact received notice of such claim;

(B) the defendant understood the nature of the claim and the proceedings;

(C) the plaintiff established a prima facie case demonstrating entitlement to judgment; and

(7) provides effective means for insuring that judgments awarded to aggrieved individuals are paid promptly.

RECORDS, AUDIT AND ANNUAL REPORT

Sec. 9. (a) General.—Each recipient of assistance under this Act shall keep such records as the Commission, through the Director, shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the project or undertaking supplied by other sources, and such other records as will facilitate an effective financial and performance audit. This provision shall apply to all recipients of assistance under this Act, whether by direct grant or contract with the Commission through the Director or by subgrant or subcontract from primary grantees or contractors of the Commission, through the Director, or from any State Administrator receiving financial assistance under this Act.

(b) Audit.—The Commission or any of its designated representatives shall have access for purpose of audit and examination to any relevant books, documents, papers, and records of the recipients of grants and financial assistance under this Act.

(c) Comptroller General.—The Comptroller General of the United States, or any of his duly authorized representatives, shall, until the expiration of 3 years after the completion of the program or project with which the assistance is used, for the purpose of financial and performance audits and examinations, have access to any relevant books, documents, papers, and records of recipients of financial assistance under this Act.

(d) Annual Report.—The Commission, through the Director, shall submit an annual report to the President and the Congress simultaneously by June 15 each year. Such report shall include, but need not be limited to—

(1) A summary of any reviews undertaken pursuant to section 7(c).

(2) The results of financial and performance audits conducted pursuant to section 9.

(3) An evaluation of the effectiveness of the Bureau and the Commission in implementing the purposes of the Act, together with any recommendations for additional legislative or other action.

AUTHORIZATION FOR APPROPRIATION

Sec. 10. For purposes of this Act, there are authorized to be appropriated to the Commission not to exceed $500,000 for the fiscal year ending June 30, 1976, and not to exceed $20,000,000 for the fiscal year ending September 30, 1977: *Provided*, That not more than 10 per centum of the amount authorized to be appropriated under this Act shall be used for Federal administrative expenses.

Mr. TUNNEY. Mr. President, it is a pleasure for me to join my colleagues Senators Moss and Magnuson in reintroducing today the Consumer Controversies Resolution Act. In the last Congress we introduced this bill (S. 2928), which was unanimously reported by the Commerce Committee and favorably reported by my Subcommittee on Representation of Citizen Interests. Unfortunately, due to the pressing demands of legislative business at the end of the last session, the bill was not voted on by the full Senate. I urge now that the Senate act to assure its speedy passage.

In this day and age, few consumers who desire to air a legitimate grievance have effective access to redress mechanisms: courts, small claims courts, arbitration, mediation and conciliation services, informal business mechanisms. In many cases, the consumer is caught in the bind of the solution being more expensive than the problem.

In joint hearings last year, two subcommittees addressed this problem in depth. We found that the present formal and informal redress mechanisms are almost universally inadequate. Existing avenues of redress are not widely publicized, have limited hours, inconvenient locations, and often hostile judges, arbitrators, and supporting personnel. The costs of counsel to aid the hapless consumer are prohibitive in view of the small monetary claim at issue.

In recent years, expanded use of informal business procedures—money-back guarantees, consumer complaint divisions—has improved consumer satisfaction. But the 1973 report of the National Institute for Consumer Justice showed that business-sponsored mechanisms met only a small percent of the need, and recommended expansion of both informal and formal redress mechanisms.

The bill, which Senators Moss, Magnuson and I reintroduced today, would set up a program of matching Federal grants, administered by the Federal Trade Commission, to States that formulate a system of consumer redress, the total result of which is effective, fair, inexpensive, and expeditious resolution of consumer controversies. These mechanisms would include such things as increased use of arbitration, small claims courts, consumer complaint bureaus, and better use and access to already existing grievance mechanisms. It will help bring speedy and inexpensive relief to the consumer.

The Federal money will be conditioned on adequate assurances that the redress mechanism involves forms and procedures which the average consumer can understand and which protect his interests, and that it will be accessible at times when working people can utilize it. There must be assurances that assistance is provided the citizen in pursuing his claims from start to finish, and that information about the availability and the workings of these mechanisms are widely disseminated. Except for these conditions, the bill is otherwise designed to give maximum flexibility to States in fashioning their own programs.

During the last session, both the Commerce Subcommittee on Consumers and the Judiciary Subcommittee on Representation of Citizen Interests held a joint hearing to receive the report of the National Institute of Consumer Justice, established by former President Nixon. While the Institute looked at several models, including the Los Angeles Small Claims Court which bans attorneys except on their own behalf, and made several specific recommendations, under this legislation each State will be free to design its own program as long as the system furthers the goals set forth in the bill.

Mr. President, this bill has received overwhelming support, both in and out of Congress. Eighteen major business, consumer and governmental organizations now support the Consumer Controversies Resolution Act, S. 2928. Among these organizations are: National League of Cities, U.S. Conference of Mayors, U.S. Chamber of Commerce, National Urban League, Federal Trade Commission, Council of Better Business Bureaus, American Retail Federation, Sears, Roebuck & Co., National Home Furnishing Association, Consumers Union of the United States, and Consumer Federation of America.

Additionally, following a White House-sponsored conference on "Consumer Complaints—Public Policy Alternatives," Virginia Knauer, Special Assistant to the President for Consumer Affairs, wrote that:

> Over three-fourths of the conference participants surveyed agreed in whole or in part with these recommendations and findings (including business support for S. 2928), and 36 per cent indicated a decision to actively support such a program. (Only four per cent stated active opposition.) Additionally, there was strong agreement with many of these recommendations in the public policy clinic dealing with 'Feasibility of Complaint Handling Systems.' Strong support for S. 2928 was also evidenced in the legislative clinic. We think that these and other reactions and conclusions of the conference are highly significant to effective public policy in the area of complaint handling.

The legislation gives States incentive, flexibility, and freedom to experiment and adopt programs appropriate to their needs. At the same time, it precludes unfair, ineffective, or collection-agency dominated grievance machinery. The net result of the limited Federal expenditures involved will be, as one witness at the hearings testified, "a considerable savings to taxpayers all over the country."

Both the input and the support of business groups such as the Council of Better Business Bureaus, Sears, Roebuck & Co., the American Retail Federation and such consumer and community groups as the League of Cities, the National Urban League, Consumers Union, Consumers Federation of America, and many others, coupled with the recommendations of the NICJ and many other witnesses have helped develop the legislation, and I am deeply appreciative.

It is my hope that this legislation will be promptly considered by the Senate and will make, in the area of consumer redress, the humblest and the most powerful peers before justice.

Mr. MAGNUSON. Mr. President, I am pleased to join with my colleagues today in reintroducing the Consumer Controversies Resolution Act. This significant legislation was introduced for the first time on January 31, 1974. The Senate Commerce Committee held several hearings, as did the Subcommittee on Representation of Citizen Interest of the Senate Judiciary Committee. While the Senate Commerce Committee was able to give favorable consideration to this legislation and report it to the floor of the Senate, there was insufficient time during the remainder of the 93d Congress for the Senate to pass the bill.

I hope and expect that the Senate Commerce Committee and the full Senate will be able to favorably consider this legislation during the 94th Congress.

The need for this legislation was pointed out by the excellent report and studies done by the National Institute for Consumer Justice, which made their final report to the Congress in late 1973. This bipartisan Presidentially appointed commission vividly pointed out the shortcomings of the currently available mechanisms for the resolution of disputes. The Institute recommended a number of reforms in consumer redress, and I am pleased to note that many of these reforms would be incorporated and effectuated by the enactment of this legislation.

Mr. President, the essence of the Consumer Controversies Resolution Act is the creation of a framework to encourage the development of improved grievance handling procedures through the collection and dissemination of information and through a carefully administered program of financial aid. This program will be run by the Federal Trade Commission. The bill would not prescribe or mandate any particular kind of claims settling procedure; rather, it is intended to discourage diversity and experimentation to make certain that all avenues for the fair, inexpensive, expeditious and effective resolution of disputes are explored. Given the great diversity of communities within our Nation, it is probably impossible to mandate a single format for dispute resolution which would be applicable to the many varying situations which are encountered. For instance, the procedures followed in the highly successful Harlem Small Claims Court in New York City may not be applicable to small communities in western Kansas. The legislation is designed to permit productive experimentation in disputes.

Mr. President, there is growing realization that many communities in the United States lack adequate mechanisms for settling small consumer controversies. For instance, the small claims court movement, which was a nationwide movement of reform which began in 1913, has not fulfilled its purpose. Many small claims courts today are little more than centralized collection agencies. Arbitration mechanisms have been little utlized, and both industry and consumer groups have been unable to fill the void with voluntary mechanisms. This legislation will encourage voluntary mechanisms by assuring both sides that resorting to a mandatory dispute settlement mechanism is available should voluntary efforts fail.

The existing situation hurts both businessmen and consumers. Neither side can get the kind of fair, inexpensive, and conclusive dispute settlement necessary for orderly business relations and consumer confidence. The consumer loses because he or she is left without any effective recourse at all in many cases. The businessman loses because he or she is often forced into a costly and inconclusive court battle over a relatively minor matter. Indeed, the costs of enforcing one's rights in many of these small disputes is frequently greater than the amount in dispute.

The current lack of swift and inexpensive dispute settlement mechanisms results in the loss of millions of dollars in terms of direct losses that are left uncompensated. Even more loss is represented by the costly delay and erosion of valuable goodwill. There is no question that the inability to secure redress without hiring expensive legal representation contributes to a feeling of alienation and mistrust, particularly in many inner-city areas. Numerous instances of this phenomenon were pointed out by a book authored by myself and Jean Carper entitled, "The Dark Side of the Marketplace."

Mr. President, these direct and indirect losses to our economy will not be stopped until we improve the way in which we handle consumer complaints. This legislation can be a key step in this direction. It will provide for the creation of the kind of consumer dispute resolution mechanism that will save tremendous costs.

By Mr. DOLE:

S. 2070. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes. Referred jointly, by unanimous consent, to the Committee on Agriculture and Forestry and the Committee on Commerce.

ANIMAL WELFARE ACT AMENDMENTS OF 1975

Mr. DOLE. Mr. President, today I am introducing the Animal Welfare Act Amendments of 1975. This legislation, if enacted, would help reduce the number of abuses in the transportation and handling of pets. This legislation would also prohibit dog fighting and other forms of animal fighting.

This legislation is especially relevant and important to the State of Kansas.

According to the most recent tabulations by the Department of Agriculture, there are 1,444 licensed pet dealers in the State. That gives Kansas the largest number of pet producers of any State in this country with over 28 percent of the total licensed pet dealers.

The vast majority of these pet dealers are vitally dependent upon the interstate shipment of dogs, cats and other pets, primarily by air. These producers depend on humane and careful treatment of their animals to get pets to the customers in other States that want and enjoy these animals as pets. As a group, these pet breeders are probably more concerned about the welfare of their animals than the vast majority of the public—both as a matter of respect for the animals they raise and also as a matter of their livelihood.

So I hope, as do the pet producers of Kansas and other States as well, that this legislation will provide for more careful and humane treatment of dogs, cats and other small animals.

This bill has previously been introduced in the House of Representatives by the distinguished chairman of the House Committee on Agriculture, Congressman Foley, together with a number of cosponsors. Hearings were held on this legislation last year in the House Agriculture Committee and I believe several improvements have been made in the bill as a result. In communicating with producers in Kansas and with the Departments of Agriculture and Justice, it is my understanding that a number of provisions in this bill may need further scrutiny and possible improvement. However, I believe it is useful to introduce this legislation in the Senate at this time so that it can be discussed and possible improvements identified. If necessary, these improvements can be submitted subsequently as amendments to the bill. Hopefully, the end result of this process will be a well-balanced, effective, and meaningful bill that will improve treatment of small animals while permitting the substantial economic activity of producers and dealers.

This legislation has arisen from the observation that while the great majority of pets and small animals shipped in interstate commerce are given adequate and humane treatment, there has continued to be some cases of unnecessary suffering for these animals. Consequently, this legislation was created to provide additional protection for these small animals.

During my tenure in the Senate Agriculture Committee and earlier in the House Agriculture Committee, I have sponsored and supported animal welfare legislation. I believe that we should protect all animals from any unnecessary suffering. For that reason, I introduced last year, S. 3559, a bill to prohibit the use of dogs in research and experiments which would result in needless or excessive suffering by the animals. This legislation was subsequently incorporated in the military procurement bill of 1974. In addition, I have cosponsored legislation to increase the protection for dogs, cats and other animals, including four such bills in the 93d Congress. Hopefully, this legislation will be another meaningful step in this area.

IMPROVEMENTS MADE

As a result of the hearings on this legislation in the House Agriculture Committee last year a number of improvements have been made in this bill that were matters of concern for pet producers. Three areas in particular were of great concern to producers in Kansas and as a result of efforts by them and producers in other States, improvements have been made in this legislation.

Earlier versions of this bill included a prohibition of cash-on-delivery type transactions. A more moderate approach has been incorporated in this bill that would allow c.o.d. deliveries where producers guarantee in writing that they will pay for return transportation charges and expenses incurred in the care, feeding and storage of animals in cases where the consignee or recipient refuses to take delivery. This provision would prevent dogs from being abandoned and left uncared for at airports when pet shops or other purchasers fail to pick up the animals they have ordered. Such failure to collect the animals after they reach their destination has been a major source of unnecessary abuse and suffering for small animals. By allowing shippers to guarantee return transportation charges and expenses, producers can continue to follow their normal trade relationships by using c.o.d. deliveries.

There has also been concern expressed that this provision places the entire burden on producers and that in the interest of equality and fair treatment, some burden might also be placed on those who requested the shipment of such animals. By placing some fine or some burden on pet shops and others that in good faith place orders with producers but refuse to take delivery, it would seem that the responsibility for picking up and caring for animals that reach their destination after air shipment would be more equitably shared. In addition, it has been called to my attention that a substantial number of individuals that ship pets in interstate commerce would not be subject to the provision presently in the bill. It would seem equitable that all persons shipping and selling dogs and other small animals in interstate commerce should be subject to this legislation just as pet breeders who sell to retail outlets. Hopefully, additional improvements along these lines can be made subsequently.

The certification of animals by veterinarians prior to shipment was also a matter of concern in earlier forms of this bill. The question arose as to how a veterinarian might certify that fish and other similar animals are in adequate conditions to withstand the rigors of transportation. The practical difficulty of completing an individual certificate on each animal in a shipment of hamsters or mice, for example, was also raised. I believe we have subsequently provided adequate flexibility in this provision so as to make the requirements in this provision realistic.

Pet producers have also expressed concern that the bill might not allow shipment of pets at an age younger than 8 weeks as provided in section 10(c) of this bill. However, provision has been made so that the Secretary of Agriculture may prescribe by regulation a younger age such as 7 weeks in the case of certain large dogs when such a younger age for shipment is adequate to assure humane treatment during the transportation.

POSSIBLE IMPROVEMENTS NEEDED

There may be a need for further improvements and changes in this legislation. It is my hope that by introducing this bill in the Senate, it can be further circulated and discussed in the pet industry and other pet organizations so as to achieve a balanced and meaningful bill.

In addition to the possible improvement I mentioned earlier, the section prohibiting the shipment of animals in interstate commerce for fighting purposes may have some practical problems. While the suffering of animals in fighting ventures is clearly a problem that should be addressed, it is my understanding that the designation of the Department of Agriculture as the enforcement agency may overtax the resources of the animal and plant health inspection service so as to result in an overall detriment to our disease and pest control programs. In addition, as indicated in testimony presented before the House Agriculture Committee last year, the Department of Justice strenuously opposes the Federal role projected in this legislation to replace the local and State jurisdiction that has traditionally existed in this area.

While the concerns of the Departments of Agriculture and Justice are understandable, no positive suggestions have been made. Hopefully, some improved language in this area can be created during further consideration of this legislation so that more meaningful law enforcement can be accomplished in the area of animal fighting.

Mr. President, I ask unanimous consent that a summary of this legislation and the bill be printed in the Record.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 2070

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Animal Welfare Act Amendments of 1975".

Sec. 2. The Federal Laboratory Animal Welfare Act of August 24, 1966 (80 Stat. 350, as amended by the Animal Welfare Act of 1970, 84 Stat. 1560; 7 U.S.C. 2131–2155) is hereby further amended by adding the following at the end of the first section thereof: "It is also essential for humane reasons to prohibit certain animal fighting ventures. The Congress hereby finds that animals and activities which are regulated under this Act are either in interstate or foreign commerce or substantially affect such commerce or the free flow thereof, and that regulation of animals and activities as provided in this Act is necessary to prevent and eliminate burdens upon such commerce, to effectively regulate such commerce, and to carry out the objectives of this Act.".

Sec. 3. Section 2 of such Act is amended by deleting paragraph (d) defining "affecting commerce"; and by amending paragraph (c) defining "commerce" by changing the last clause to read "or within any State, territory, or possession, or the District of Columbia, or the Commonwealth of Puerto Rico.".

Sec. 4. Such Act is further amended by deleting the term "affecting commerce," from paragraphs (c) and (f) of section 2 and sections 4, 11, and 12, wherever the quoted term appears therein, and by substituting therefor the term "in commerce,"; and by deleting, from paragraph (h) of section 2, the phrase "or the intended distribution of which affects commerce, or will affect commerce," and substituting therefor the phrase "or are intended to be moved in commerce,".

Sec. 5. Section 2 of such Act is further amended by adding thereto two new paragraphs to read:

"(i) The term 'intermediate handler' means any person (other than a dealer, research facility, exhibitor, any person excluded from the definition of a dealer, research facility, or exhibitor, an operator of an auction sale, or a carrier, who is engaged in any business in which he receives custody of animals in connection with their transportation in commerce.

"(j) The term 'carrier' means the operator of any airline, railroad, shipping line, or other enterprise, which is engaged in the business of transporting any animals for hire.".

Sec. 6. Section 6 of such Act is amended by inserting after the term "research facility", a comma and the term "every intermediate handler, every carrier,".

Sec. 7. Section 9 of such Act is amended by inserting after the term "Section 12 of this Act,", the term "or an intermediate handler, or a carrier,", and by deleting the term "or an operator of an auction sale as well as of such person" at the end of section 9 and substituting therefor the following term: "operator of an auction sale, intermediate handler, or carrier, as well as of such person.".

Sec. 8. Section 10 of such Act is amended by deleting the phrase "upon forms supplied by the Secretary" from the first sentence and by adding after the second sentence a new sentence to read as follows:

"Sec. 10. Intermediate handlers and carriers shall make and retain for such reasonable period of time as the Secretary may prescribe, such records with respect to the transportation, receiving, handling, and delivering of animals as the Secretary may prescribe.".

Sec. 9. Section 13 of such Act is amended by designating the provisions thereof as paragraph (a) and by adding, after the second sentence therein, a new sentence to read: "The Secretary shall also promulgate standards to govern the transportation in commerce, and the handling, care, and treatment in connection therewith, by intermediate handlers, air carriers, or other carriers, of animals consigned by any dealer, research facility, exhibitor, operator of an auction sale, or other person, or any department, agency, or instrumentality of the United States for transportation in commerce. The standards shall include such requirements with respect to containers, feed, water, rest, ventilation, temperature, handling, adequate veterinary care, and other factors as the Secretary determines are relevant in assuring humane treatment of animals in the course of their transportation in commerce.".

Sec. 10. Section 13 of such Act is further amended by adding at the end thereof new paragraphs (b), (c), and (d) to read:

"(b) No dogs or cats, or additional kinds or classes of animals designated by regulation of the Secretary, shall be delivered by any dealer, research facility, exhibitor, operator of an auction sale, or department, agency, or instrumentality of the United States, to any intermediate handler or carrier for transportation in commerce, or received by any such handler or carrier for such transportation from any such person, department, agency, or instrumentality unless accompanied by a certificate issued by a veterinarian licensed to practice veterinary medicine, certifying that he inspected the animal or animals on a specified date, which shall not be more than ten days before such delivery, and, when so inspected, the animal or animals were sound and healthy. Such certificates received by the intermediate handlers and the carriers shall be retained by them, as provided by regulations of the Secretary in accordance with section 10 of this Act.

"(c) No dogs or cats, or additional kinds or classes of animals designated by regulation of the Secretary, shall be delivered by any person to any intermediate handler or carrier for transportation in commerce except to registered research facilities if they are less than eight weeks of age, or such other age as the Secretary may by regulation prescribe. The Secretary shall designate additional kinds and classes of animals and may prescribe ages different than eight weeks for particular kinds or classes of dogs, cats, or designated animals, for the purposes of this section, when he determines that such action is necessary or adequate to assure their humane treatment in connection with their transportation in commerce.

"(d) No intermediate handler or carrier involved in the transportation of any animal in commerce shall participate in any arrangement or engage in any practice under which the cost of such animal or the cost of the transportation of such animal is to be paid and collected upon delivery of the animal to the consignee, unless the consigner guarantees in writing the payment of transportation charges, including, where necessary, both the return transportation charges and an amount sufficient to reimburse the carrier for all out-of-pocket expenses incurred for the care, feeding, and storage of any live creatures.".

Sec. 11. Section 15 of such Act is amended by inserting after the term "exhibition" in the first sentence, a comma and the term "or administration of statutes regulating the transportation in commerce or handling in connection therewith of any animals", and by adding the following at the end of the sentence: "Before promulgating any standard governing the air transportation and handling in connection therewith, of animals, the Secretary shall consult with the Secretary of Transportation who shall have the authority to disapprove any such standard if he notifies the Secretary, within thirty days after such consultation, that changes in its provisions are necessary in the interest of flight safety.".

Sec. 12. Paragraph (a) of section 16 of such Act is amended by inserting the term "intermediate handler, carrier," in the first sentence after the term "exhibitor," each time the latter term appears in the sentence; by inserting before the period in the second sentence, a comma and the term "or (5) such animal is held by an intermediate handler or a carrier" and by deleting the term "or" before the term "(4)" in the third sentence.

Sec. 13. Section 19 of such Act is amended by adding at the end thereof the following new paragraph (d):

"(d) Any intermediate handler or carrier that violates any provision or section 13 of this Act of any standard promulgated thereunder may be assessed a civil penalty by the Secretary of not more than $1,000 for each such violation. Each violation shall be a separate offense. No penalty shall be assessed unless such person is given notice and opportunity for a hearing with respect to the alleged violation, and the order of the Secretary assessing a penalty shall be final and conclusive unless the affected person files an appeal from the Secretary's order with the appropriate United States court of appeals. Such court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the Secretary's order, and the provisions of sections 2341, 2343 through 2350 of title 28, United States Code, shall be applicable to such appeals and orders. Any such civil penalty may be compromised by the Secretary. Upon any failure to pay the penalty assessed by a final order under this section, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which such person is found or resides or transmits business, to collect the penalty, and such court shall have jurisdiction to hear and decide any such action.".

Sec. 14. Section 24 of such Act is amended by inserting a comma and the term "intermediate handlers, and carriers" after the term "dealers" in the third sentence; and by adding a comma and the following provisions before the period at the end of the first sentence: "except that the regulations relating to intermediate handlers and carriers shall be prescribed no later than nine months from the date of enactment of the 'Animal Welfare Act Amendments of 1975'.".

Sec. 15. Section 25 of such Act is amended by inserting after subsection (3) the following new subsection:

"(4) recommendations and conclusions concerning the aircraft environment as it relates to the carriage of live animals in air transportation."

Sec. 16. (a) Such Act is amended by adding at the end thereof the following new section:

"Sec. 26. (a) It shall be unlawful for any person to knowingly sponsor, or exhibit an animal in any animal fighting venture to which any animal was moved in interstate or foreign commerce.

"(b) It shall be unlawful for any person to sell, buy, transport, or deliver to another person or receive from another person for purposes of transportation, in interstate or foreign commerce any dog or other animal for purposes of having the dog or other animal participate in an animal fighting venture.

"(c) It shall be unlawful for any person to knowingly use the mail service of the United States Postal Service or any interstate instrumentality for purposes of promoting or in any other manner furthering an animal fighting venture. Section 3001(a) of title 39, United States Code, is amended by adding immediately after the words "title 18" a comma and the words "or section 26 of the Federal Laboratory Animal Welfare Act".

"(d) Any person who violates subsection (a), (b), or (c) shall be fined not more than $5,000 or imprisoned for not more than one year, or both, for each such violation.

"(e) The Secretary or any other person authorized by him shall make such investigations as the Secretary deems necessary to determine whether any person has violated or is violating any provision of this section, and the Secretary may obtain the assistance of the Federal Bureau of Investigation, the Department of the Treasury, or other law enforcement agencies of the United States, and State and local governmental agencies, in the conduct of such investigations, under cooperative agreements with such agencies. A warrant to search for and seize any animal which there is probable cause to believe was involved in any violation of this section may be issued by any judge of the United States or of a State court of record or by a United States commissioner within the district wherein the animal sought is located. Any United States marshal or any person authorized under this section to conduct investigations may apply for and execute any such warrant, and any animal seized under such a warrant shall be held by the United States marshal or other authorized person pending disposition thereof by the court in accordance with this paragraph (e). Necessary care including veterinary treatment shall be provided while the animals are so held in custody. Any animal involved in any violation of this section shall be liable to be proceeded against and forfeited to the United States at any time on complaint filed in any United States district court or other court of the United States for any jurisdiction in which the animal is found and upon a judgment of forfeiture shall be disposed of by sale for lawful purposes or by other humane means, as the court may direct. Costs incurred by the United States for care of animals seized and forfeited under this section shall be recoverable from the owner of the animals if he appears in such forfeiture proceeding or in a separate civil action brought in the jurisdiction in which the owner is found, resides, or transacts business.

"(f) For purposes of this section—

"(1) the term 'animal fighting venture' means any event which involves a fight between at least two animals and is conducted for purposes of sport, wagering, or entertainment;

"(2) the term 'interstate or foreign commerce' means—

"(A) any movement between any place in a State to any place in another State or between places in the same State through another State; or

"(B) any movement from a foreign country into any State,

"(3) the term 'interstate instrumentality means telegraph, telephone, radio, or television operating in interstate or foreign commerce;

"(4) the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States;

"(5) the term 'animal' means any live dog or other mammal, except man; and

"(6) the conduct by any person of any activity prohibited by this section shall not render such person subject to the other sections of this act as a dealer, exhibitor, or otherwise.

"(g) The provisions of this Act shall not supersede or otherwise invalidate any such State, local, or municipal legislation or ordinance relating to animal fighting ventures except in case of a direct and irreconcilable conflict between any requirements thereunder and this Act or any rule, regulation, or standard hereunder.".

Sec. 17. If any provision of this Act or of the amendments made hereby or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and the remaining amendments and of the application of such provision to other persons and circumstances shall not be affected thereby.

Summary: Animal Welfare Act Amendments of 1975

Sec. 2: Extends the Federal Laboratory Animal Welfare Act of 1966 to prohibit animal fights being conducted through and involving interstate or foreign commerce.

Sec. 3: Extends jurisdiction to commerce *within* a state in addition to commerce between states.

Sec. 4: Technical conforming amendments.

Sec. 5: Defines "intermediate handlers" and "carriers" as those who are engaged in the shipping and handling of animals in commerce.

Sec. 6: Requires intermediate handlers and carriers to register with the Secretary of Agriculture.

Sec. 7: Technical conforming amendments.

Sec. 8: Requires intermediate handlers and carriers to keep prescribed records of all transactions relating to the handling, shipping, and delivering of animals.

Sec. 9: Gives the Secretary of Agriculture the proper authority to set standards to govern the transportation of animals by intermediate handlers and carriers. Included therein shall be requirements with respect to the containers, feed, water, rest, ventilation, temperature, handlings, adequate veterinary care, and other factors as the Secretary shall determine to be relevent to the health of the animals.

Sec. 10: Requires that:

1. Any intermediate handler or carrier may not handle or ship animals without an accompany veterinarian certificate proving that the animal was inspected within 10 days and was found to be in good health at that time.

2. Animals may not be shipped by any handler or carrier if less than 8 weeks old, or such other age as the Secretary may prescribe as adequate to assure the health of the animal.

3. Intermediate handlers and carriers are prohibited from transporting animals sent C.O.D. unless the sender guarantees in writing the payment of all transportation costs in addition to the costs of adequate care for the animals incurred by the carrier or handler.

Sec. 11: Provides that any standards set by the Secretary of Agriculture governing the transportation in commerce of animals must be agreed to by the Secretary of Transportation, who, within 30 days, may disapprove the standards set in the interest of flight safety.

Sec. 12: Gives the Secretary of Agriculture the authority to investigate and inspect intermediate handlers and carriers to determine violations of this Act. In addition this permits the Secretary's inspectors to confiscate or destroy in a humane manner animals suffering at the hands of intermediate handlers and carriers in violation of this Act.

Sec. 13: Assesses a civil penalty of not more than $1,000 per violation. The Secretary may not assess any penalty unless the accused is given proper notice and an opportunity for a hearing. Civil action in a United States court may be initiated by the Secretary upon failure to pay the penalty.

Sec. 14: Provides that the regulations derived from this Act be in operation within nine months of the enactment of the Animal Welfare Act Amendments of 1975.

Sec. 15: Requires that no later than March of each year, the Secretary of Agriculture must submit to the President of the Senate and the Speaker of the House of Representatives a full report with respect to recommendations and conclusions concerning the aircraft environment as it relates to the carriage of live animals in air transportation.

Sec. 16: Inserts the following:

1. It is illegal for any person to sponsor or exhibit an animal in any animal fighting venture when the animal was moved in interstate or foreign commerce.

2. It is unlawful for a person to sell, buy, transport, or deliver to another any animal to be used in a fighting venture.

3. It is unlawful to knowingly use the mail service or any interstate instrumentality to promote or further an animal fight.

4. There shall be a fine or not more than $5,000 and imprisonment of not more than one year, or both, for each violation.

5. The Secretary may investigate any time there is reason to believe a violation of this section is being committed. Warrants may be issued for the search and seizure of any animal believed to be involved in a violation of this section. Animals are to be cared for by the United States and are liable to be forfeited to the United States when violations of this section are found. Costs incurred for the care of the animals is recoverable from the owner.

6. Definitions of "animal fighting ventures," "interstate or foreign commerce," "interstate instrumentality," "State," and "animal" (any live dog, or other mammal, except man).

7. This Act is not to supersede or invalidate any local or state statutes.

Sec. 17: Provides that, in the event that any part of this Act or its amendments is found invalid, the remainder will not thereby be affected.

Mr. DOLE. Mr. President, I understand that animal welfare legislation in the past has been commonly referred to the Senate Committee on Commerce. In view of the issues relating to interstate transportation in this legislation, I believe that such referral is appropriate. However, this legislation also substantially involves the Department of Agriculture and the activities of various branches of the Department. Therefore, I request unanimous consent that this bill be jointly referred to the Senate Committees on Commerce and Agriculture. I believe this has been discussed with the leadership of the Commerce Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. GRAVEL (for himself and Mr. Stevens):

S. 2071. A bill to authorize appropriations for the repair of highways in the State of Alaska, and for other purposes. Referred to the Committee on Public Works.

ALASKA EMERGENCY HIGHWAY REPAIR AND REBUILDING LEGISLATION

Mr. GRAVEL. Mr. President, at a time when a worsening energy supply and price problem is demanding much of our attention, there is good news from Alaska.

Construction is going extremely well at this point on the oil pipeline project which offers the best and brightest hope for an early easing of the Nation's domestic petroleum shortage.

But there is also bad news, too.

The same construction activities which are pushing the pipeline toward reality are wreaking havoc on much of the State's highway system.

Roads in the project support areas are being forced to carry an unprecedented volume and weight of truck traffic far in excess of anything for which they were designed and engineered.

The result has been little short of catastrophic in some sections and extremely serious throughout the system.

Many sections of roadway have collapsed under the strain despite reduction of weight and speed of traffic to the degree possible.

There was no way the problem could be avoided without seriously impairing construction progress and even jeopardizing the project to a significant degree.

Highways have had to bear the traffic brunt since the Alaska Railroad links with the pipeline route only at Fairbanks. Much of the construction material is of such a type that it cannot be broken down into lighter loads.

While inevitable, the consequences have nonetheless been disastrous for Alaska.

Road repair and maintenance demands of the most rudimentary type and designed just to keep the routes open at all have strained the financial and manpower resources of the Alaska Highway Department far beyond capacity and the situation continues to deteriorate.

In short, the situation has created a

burden which Alaska cannot continue to bear alone.

Reason and equity, in any event, dictate that she should not be called upon to do so.

The problem stems from an activity which is clearly in the national interest and one which will benefit the entire country.

Justice demands that the Nation—not just Alaska—pay the initial price for securing those benefits.

That is my purpose in appearing here today.

I am introducing at this point a bill calling for allotment of Federal funds other than those to which the State is otherwise entitled to finance emergency repairs to the affected road system now and for the remainder of the pipeline construction period.

I am advised that it will require $70 million for that purpose and I am asking that amount initially.

My bill also provides for a study by the Secretary of Transportation to determine the probable cost of rebuilding the roads to reasonable standards after the construction is complete, and it allots $200,000 for that investigation.

There is ample and persuasive evidence available to support such legislation and the fact that there has been serious damage is already acknowledged by the Secretary of Transportation in testimony before the Senate Appropriations Committee as well as in consultation with Alaska authorities.

The concept of my bill is endorsed by a resolution of the Alaska Legislature. It has the full backing of the Governor.

I have every confidence that data produced in hearings which I will request on the measure in connection with the Federal Highway Act later this month will insure your backing as well.

I will welcome the privilege of bringing that record to you when it is complete.

By Mr. DOMENICI:

S. 2072. A bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe. Referred to the Committee on Interior and Insular Affairs.

Mr. DOMENICI. Mr. President, I send to the desk, for appropriate reference, a bill providing that certain lands be held in trust by the United States for the Ramah Band of Indians in New Mexico.

All the lands involved are administered by the Bureau of Indian Affairs under Public Land Order 2198 of August 26, 1960. These lands are located adjoining the Ramah Navajo Reservation and for many years have been used by the Ramah Navajos for livestock grazing. The people have cared for the lands if they were their own. The Ramah Navajos now desire that title to the lands be in the United States in trust for the Ramah Band of the Navajo Tribe.

The Bureau of Land Management and the Bureau of Indian Affairs in New Mexico have indicated that they have no objection to this legislation.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2072

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That on and after the date of the enactment of this Act, title to the following described lands shall be held by the United States in trust for the Ramah Band of the Navajo Tribe:

Township 7 north, range 15 west, New Mexico principal meridian: sections 7, 19, and 31.

Township 7 north, range 16 west, New Mexico principal meridian: sections 1, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, and 35.

By Mr. BEALL:

S. 2074. A bill to amend the Bankruptcy Act with respect to the priority of contributions to pension plans and employee benefit funds. Referred to the Committee on the Judiciary.

Mr. BEALL. Mr. President, today I am introducing a bill to amend the Bankruptcy Act with respect to the priority of contributions to pension plans and employee benefit plans.

It has come to my attention that, while in the last few years there has been an emphasis on worker pension and welfare benefits including medical benefits, life insurance, and other items, these benefits are not protected if the employer becomes bankrupt.

In many cases during negotiations for wages, workers have agreed to reduced salaries, and in turn employers have agreed to pay specified amounts into pension and welfare program funds. For example, as Mr. Jerry Menapace, President of the Meat Cutters Local No. 117, wrote me in a letter concerning fringe benefits:

> In many of our larger contracts, the employer is obligated to pay over $200.00 per month per employee.

Presently under the Bankruptcy Act, unpaid wages—for up to 3 months prior to bankruptcy—will be paid prior to the settlement of any general creditor debts. However, amounts paid into pension and welfare funds do not receive this treatment and are therefore often lost when there are insufficient funds to pay general creditors. It appears to me that this is inconsistent with the concept that wages should receive priority consideration in payment of the debts of a bankrupt party. These benefits are negotiated for as wages, are considered wages by employers and employees, and should be so treated under the law. The effect of the definition change that I am proposing will do exactly that. Pension and welfare benefits would receive the same treatment as wages. Specifically, if fund contributions have not been made, any outstanding amount equal to up to 3 months' payment, would have to be paid prior to the payment of general creditor claims, along with outstanding wages.

This bill is required in light of the case, *United States* v. *Embassy Restaurant, Inc.*, 359 U.S. 29, 37 (1973) which held that contributions to be paid to the trustees of a union welfare fund, according to a collective bargaining agreement, were not wages within the meaning of the Bankruptcy Act. I completely agree with Justice Black when he said in his dissenting opinion:

> It is hard for me to see how they could not be wages. Payments are certainly not gifts. As was stated less than a year ago by a Senate committee which had made an extended study of plans such as those here involved, "Regardless of the form they take, the employer's share of the costs of these plans or the benefits the employers provide are a form of compensation."

Therefore, I am today proposing that we change the law so that contributions that should be made to employee benefit funds, within the 3 months prior to bankruptcy, can receive the same treatment as wages. If all parties involved consider these wages, and commonsense leads to the same conclusion, they should be treated as wages. Since employers cite these as fringe benefits in bargaining with employees, and they often emphasize these concessions to prospective employees, the law should recognize that these benefits are wages. My bill would do precisely that, nothing more, nothing less. Since the law is inconsistent with market practices, it must be changed.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2074

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision (a) of section 64 of the Bankruptcy Act, as amended (11 U.S.C. 104), is amended by adding at the end thereof the following sentence: "For the purposes of clause (2) of the preceding sentence the term 'wages and commissions' shall include, with respect to each claimant, any amount due to a pension plan or employee benefit fund or to any person for the benefit of the claimant as a result of the claimant's employment."

Sec. 2. The amendment made by the first section of this Act shall become effective ninety days after the date of enactment of this Act, and shall govern proceedings in cases pending when it becomes effective and in cases instituted thereafter.

By Mr. BAYH:

S. 2075. A bill to amend the Internal Revenue Code of 1954 so as not to allow a deduction for amounts paid under certain disability compensation plans if such plan reduces disability benefits to compensate for increases in social security benefits paid to disabled employees. Referred to the Committee on Finance.

Mr. BAYH. Mr. President, today I am introducing legislation to correct an abuse in our society against those who are least able to withstand such abuse. I am referring to several hundred thousand disabled Americans who have seen the benefits from their private long-term disability compensation plans dissipated because they also receive social security disability benefits. This shockingly cruel situation is legal because of the so-called "offset" provisions of the plans under which workers receive a fixed monthly insurance payment in addition to social security. In taking out these private insurance plans, employers sought to supplement the still inadequate social security benefits their employees would receive under existing law. There are various kinds of offset features in these long-term disability compensation plans. One type of offset provides that the amount of the private payment is decreased dollar-for-dollar as social security benefits increase.

Although these private long-term disability plans have been utilized in increasing numbers since the mid 1960's, it has only been with the acceleration of inflation in recent years that the inequities of the offset provisions have come to the fore.

Generally, there are on provisions under the long-term disability compensation plans provided by employers for adjusting benefits of current beneficiaries as prices rise. Since a disabled employee's social security benefits will rise in response to cost of living increases, he is faced not only with having his original social security benefit offset against the private disability benefit, but then also having the offset apply to the incremental increases he receives over the years in social security benefits.

The Wall Street Journal of January 21, 1975, illustrated the effects of one type of offset plan in the case of Gary Bierman, a 31-year-old former warehouseman, who in 1972 had to leave his job in Watsonville, Calif., when he was disabled by advance arteriosclerosis. At the time he left his job, he was entitled to monthly benefits totalling $433, including $177 from his private disability insurance and the balance from social security. During the 6-month mandatory waiting period before the benefits under the private plan were payable, an increase in social security benefits reduced the private insurer's portion of the total to $125. Since that first payment, Mr. Bierman's social security benefits increases another 31 percent, and the private insurer reduced its payment to only $91. Thus instead of receiving the needed cost-of-living adjustment, Mr. Bierman's total income, of course, remained static.

Offset provisions are prohibited by law or by regulation in some States. It is high time for the Congress to take action at the Federal level to see to it that its intent in enacting cost-of-living increases in social security benefits has meaning for every recipient.

To accomplish this objective, my bill would amend the Internal Revenue Code of 1954 to provide that no deduction would be allowed for amounts paid or contributed to or under a disability compensation plan by the employer maintaining that plan if under the plan the benefit payable to an individual are reduced, or any scheduled increase in benefits is omitted, on account of any increase in monthly insurance benefits to which the individual is entitled under title II of the Social Security Act if such increase occurs after the individual begins to receive benefits under the plan. The term "disability compensation plan" means a program—including a program of insurance—established by an employer under which employees receive periodic payments or a lump-sum payment in compensation for physical or mental disability resulting from their employment.

There are few long-term disability compensation plans which are designed to help stabilize the real value of disability benefits throughout an inflationary period. Some plans provide periodic adjustments based on certain cost-of-living increases. Others stipulate an increase in benefits based on some stated percentage each year.

Still others freeze the dollar amount of the offset at the amount the individual receives at the time of disablement. Naturally, these plans are more expensive, and there has been very little interest shown on the part of the employers in shifting from the cheaper offset type. By denying an employer a deduction for the purchase of the offset plan, my proposal will make this type of plan considerable less desirable vis a vis plans providing greater benefits.

This proposed legislation does not seek to provide additional benefits to undeserving recipients. Entitlement to disability benefits under title II of the Social Security Act is based on strict requirements. To be eligible for disability benefits, an individual must have a physical or mental impairment that is expected to result in death or which has lasted or can be expected to last at least 12 months. In addition, the medical condition must be so severe that the disabled person can no longer engage in substantial gainful employment.

Also, this proposal is not specifically aimed at those private qualified pension plans which have a disability retirement feature providing the same type of benefits offered through long term disability compensation plans. The difference is that the private pension plan in order to qualify for certain tax benefits must abide by the provisions of Internal Revenue Service Ruling 71-446 which includes an offset freeze for private disability benefits which are integrated with social security benefits. Once the offset is applied under the private pension plan, the dollar amount of the offset cannot be increased by subsequent increases in social security benefits.

As we are well aware, increases in the cost of living affect us all. But these increases to those living on disability benefits can be literally a matter of life and death. It is one thing to deny yourself a new car because you cannot quite stretch your budget to include it. It is quite another thing to deny yourself medicine or the needed trip to the doctor because you can no longer pay the bills. These are not choices in the realm of the imagination. These are real choices being forced on the disabled as their purchasing power shrinks day by day.

The burden of being disabled is difficult enough. The least the Congress can do is to assure that this burden is not increased by needless financial worries. I believe that the passage of this measure will alleviate many of these worries and will also restore the original intent of the Congress in enacting cost of living increases for those who are dependent upon social security benefits.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2075

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 264 of the Internal Revenue Code of 1954 (relating to certain amounts paid in connection with insurance contracts) is amended by adding at the end thereof the following new subsection:

"(d) Certain Disability Compensation Plans.—Notwithstanding the provisions of sections 162, 212, and 404, no deduction is allowed for amounts paid or contributed to or under a disability compensation plan by the employer maintaining that plan if under the plan the benefits payable to an individual receiving benefits under the plan are reduced, or any scheduled increase in such benefits is omitted, on account of any increase in monthly insurance benefits to which such an individual is entitled under title II of the Social Security Act if such increase occurs after such individual begins to receive benefits under such plan. For purposes of this subsection, the term 'disability compensation plan' means a program (including a program of insurance) established by an employer under which employees receive periodic payments or a lump-sum payment in compensation for physical or mental disability resulting from their employment.".

(b) (1) The caption of section 264 of such Code is amended by inserting after "CONTRACTS" the following: "OR UNDER CERTAIN DISABILITY COMPENSATION PLANS.".

(2) The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 264 and inserting in lieu thereof the following:

"Sec. 264. Certain amounts paid in connection with insurance contracts or under certain disability compensation plans.".

SEC. 2. The amendments made by this Act apply to taxable years beginning after the date of enactment of this Act.

By Mr. NUNN (for himself and Mr. TALMADGE):

S.J. Res. 103. A joint resolution to authorize the Secretary of the Interior to designate the site of the Battle of Savannah of 1779 as the "Savannah Battlefield National Memorial." Referred to the Committee on Interior and Insular Affairs.

Mr. NUNN. Mr. President, as we begin the celebration of our Nation's Bicentennial, I believe it is appropriate to acknowledge in a tangible manner the important contributions made to the ultimate success of the American Revolution by France. It was the French Government, in the person of King Louis XVI, which was persuaded by our Nation's first ambassador, Dr. Benjamin Franklin, to grant the first formal recognition of our fledgling Republic, thereby enabling us to join the Family of Nations. Prior to that historic moment, however, the French played an important role in our military efforts to achieve independence, one of the most significant of which took place in Savannah, Ga.

In addition to the arms and supplies they made available to the struggling American patriots, the French Government supplied military manpower. At Savannah the combined French and American forces unsuccessfully confronted the British in a battle which produced the second highest number of casualties in our war for independence and which proved to be a turning point in that war. Count Charles-Henri d'Estaing, ancestor of the current President of French, Giscard d'Estaing, was among those who were wounded, and hundreds of valiant French and American soldiers gave their lives in this noble effort.

The Savannah battle site is among the least commemorated of all our Revolutionary battlegrounds, and, in an effort to establish a permanent memorial there, I sponsored legislation with Senator TALMADGE in the 93d Congress which was also proposed in a companion bill in the House of Representatives by Congressman GINN to achieve that purpose.

The joint resolution I am introducing today differs from the earlier version in that it proposes that we give national recognition to a local effort to establish an appropriate memorial in commemoration of the allied French and American effort to achieve independence in our land. Upon completion of such a memorial, the Secretary of the Interior is authorized to designate the structure and associated property as the "Savannah Battlefield National Memorial," whose maintenance will be entrusted to the people of Savannah.

I believe this proposal reflects the finest spirit of American civic action, and is especially significant during our Bicentennial celebration because it encourages the participation of individual citizens and local municipalities in the commemoration of our national history. Such efforts are to be commended, for they utilize local and private funds for the preservation of individual segments of our heritage, which is in the greatest tradition of the Nation whose birthday we are celebrating.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 103

Whereas the approaching bicentennial celebration of the War of the American Revolution is a fitting time to give belated recognition to the memory of the hundreds of valiant French and American soldiers who gave their lives on October 9, 1779, in the unsuccessful assault on the British lines at Savannah; and

Whereas the bicentennial is likewise a fitting occasion for proper although belated recognition of the importance of that assault in the later course of events of the Revolutionary War; an assault in which the second largest number of casualties occurred of all the battles in the war for independence, including the immortal General Pulaski and Sergeant Jasper, and, among the many wounded, the French general, Count Charles-Henri d'Estaing; and

Whereas the site of the assault in Savannah is the least commemorated and marked of any major Revolutionary battleground; and

Whereas the ground over which part of the main attack of the American and French forces on the British lines was made and across which the British defensive works lay in 1779 is available for private acquisition as a permanent memorial and reminder of one of the bloodiest and most significant battles in our struggle for independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That upon the completion of a memorial structure in a suitable setting, located upon property associated with or in the vicinity of the October 9, 1779, Battle of Savannah, Georgia, in a manner satisfactory to the Secretary of the Interior, and which in his opinion appropriately memorializes the significance of the Battle of Savannah in the American war for independence, and upon conclusion of a cooperative agreement with the owner thereof, the Secretary of the Interior may designate such structure and associated property as the "Savannah Battlefield National Memorial". Such designation may be withdrawn by the Secretary at any time upon a finding by him that the owner has breached such cooperative agreement, or has operated or is about to operate such memorial in a manner inconsistent with its designation as a national memorial or with the public interest.

SEC. 2. The Secretary of the Interior is authorized to provide technical and historical counseling and advisory services to public and nonprofit private organizations engaged in the development of an appropriate area proposed for designation as the memorial pursuant to the first section of this resolution, but the Secretary shall not acquire, develop, operate or maintain such memorial.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 19

At the request of Mr. DOLE, the Senator from Connecticut (Mr. RIBICOFF), the Senator from Wyoming (Mr. MCGEE), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Idaho (Mr. CHURCH), the Senator from Maryland (Mr. MATHIAS), the Senator from Tennessee (Mr. BROCK), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 19, a bill to amend title XVI of the Social Security Act so as to provide for the referral, for appropriate services provided by other State agencies, of blind or disabled children who are receiving supplemental security income benefits.

S. 988

At the request of Mr. KENNEDY, the Senator from Maryland (Mr. BEALL) was added as a cosponsor of S. 988, the National Heart and Lung and Research Training Act of 1975.

S. 1598

At the request of Mr. MORGAN, the Senator from Vermont (Mr. LEAHY) and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of S. 1598, a bill to amend the Omnibus Crime Control and Safe Streets Act.

S. 1685

At the request of Mr. RIBICOFF, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 1685, a bill to amend the Social Security Act for States to continue payments on a quarterly basis.

S. 1746

At the request of Mr. BELLMON, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1746, a bill to provide additional facilities for farmers and other rural residents.

S. 1926

At the request of Mr. SCHWEIKER, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 1926, the Health Maintenance Organization Amendments of 1975.

S. 1927

At the request of Mr. BIDEN, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 1927, the Equal Credit Opportunity Act Amendments of 1975.

S. 1956

At the request of Mr. MONDALE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1956, a bill to amend the Federal Crop Insurance Act to extend crop insurance coverage under such act to all areas of the United States and to all agricultural commodities, and for other purposes.

S. 1961

At the request of Mr. BIDEN, the Senator from Utah (Mr. MOSS) and the Senator from Michigan (Mr. PHILIP A. HART) were added as cosponsors of S. 1961, the Consumer Leasing Act of 1975.

S. 1989

At the request of Mr. STONE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1989, a bill to direct the preparation and submission to the President of information to assist in negotiations with oil-producing countries.

S. 2038

At the request of Mr. BARTLETT, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2038, a bill to amend the Internal Revenue Code of 1954, to increase the exemption for purposes of the Federal estate tax and to provide an alternate method of valuing certain real property for estate tax purposes.

S. 2040

At the request of Mr. ABOUREZK, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 2040, the Judicial Salary Act.

SENATE RESOLUTION 144

At the request of Mr. BURDICK, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of Senate Resolution 144, to urge the restoration of the status of amateur athlete for the late Jim Thorpe, and for other purposes.

SENATE CONCURRENT RESOLUTION 28

At the request of Mr. MONDALE, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of Senate Concurrent Resolution 28, to authorize the commissioning of a statue or bust of Dr. Martin Luther King, Jr., to be placed in an appropriate place in the U.S. Capitol.

SENATE JOINT RESOLUTION 3

At the request of Mr. KENNEDY, the Senator from California (Mr. CRANSTON) was added as a cosponsor of Senate Joint Resolution 3, a joint resolution to require the submission and approval by the Congress of fees on oil imports.

SENATE JOINT RESOLUTION 101

At the request of Mr. BURDICK, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of Senate Joint Resolution 101, a joint resolution to authorize the President to issue annually a proclamation designating that week in

November which includes Thanksgiving Day as "National Family Week."

SENATE RESOLUTION 203—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following original resolution:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Harold R. Weitzel and Frances K. Weitzel, parents of Mary Ann Weitzel, an employee of the Senate at the time of her death, a sum to each equal to one and one-half months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMENDMENTS SUBMITTED FOR PRINTING

ENERGY CONSERVATION AND CONVERSION ACT OF 1975—H.R. 6860

AMENDMENT NO. 676

(Ordered to be printed and referred to the Committee on Finance.)

Mr. PEARSON. Mr. President, I am submitting today an amendment to H.R. 6860, the "Energy Conservation and Conversion Act of 1975," as approved by the House of Representatives. I ask that this amendment be printed and referred to the committee of jurisdiction for consideration.

The PRESIDING OFFICER. The amendment will be received and printed, and appropriately referred.

Mr. PEARSON. Mr. President, on June 12 I proposed amendment No. 586 (in the nature of a substitute) to S. 692, the "Natural Gas Production and Conservation Act of 1975." I am gratified and pleased that 17 of my colleagues have, as of today, joined as cosponsors of amendment No. 586 which provides for phased decontrol of the wellhead price of natural gas. At the time I offered amendment No. 586, my introductory remarks contained the following comment:

> Mr. President, concern has been expressed within the Committee on Commerce about the possibility of windfall profits to energy companies if wellhead price regulation is phased out. Personally, I would support an excess profits tax, with a reasonable "plowback" feature, to ensure that capital generated by sales of new natural gas is reinvested in America's energy future. Of course, such legislation under the Constitution must originate in the House of Representatives, or be offered as an amendment during Senate consideration of a House-approved tax bill.
>
> When the appropriate opportunity presents itself, I will be working with those who seek to promote the maximum possible reinvestment of energy revenues in new energy supplies.

Mr. President, the Senate now has before it H.R. 6860. The amendment which I today propose to that bill would provide for a windfall profits tax, with a plowback feature, on production of old oil—assuming controls over such oil are phased out—and on sales of natural gas which would be decontrolled pursuant to my amendment No. 586—in the nature of a substitute—to the Commerce Committee's natural gas pricing legislation.

The windfall profits-plowback tax proposal which I am submitting today is in two parts: First, it incorporates legislation proposed by the distinguished Representative in Congress from New York (Mr. CONABLE) to impose a tax on decontrolled old oil, assuming such oil is decontrolled. Mr. CONABLE's proposal was introduced as separate legislation in the House, and referred to the Committee on Ways and Means as H.R. 7686. Second, the amendment I am offering today expands Mr. CONABLE's bill to include a windfall profits-plowback requirement on the production of "new natural gas" as defined in title III of S. 594, the administration's omnibus energy bill, and in my natural gas proposal, amendment No. 586.

Under the terms of the windfall profits-plowback proposal as it relates to natural gas, my amendment would provide that 90 percent of all revenues in excess of 51 cents per thousand cubic feet—the current FPC ceiling price—received by producers from sales of natural gas available in interstate commerce after the expiration of a contract by its own terms would be subject to tax unless such revenues are "plowed back" in new energy production. My amendment further provides that all revenues in excess of a 20-percent rate of return on investment in the production of natural gas from wells commenced after January 1, 1975, will be subject to the 90 percent tax unless "plowed back" in specified activities designed to stimulate new energy production.

Mr. President, I do not suggest that this tax amendment, as submitted, is in final form. I would solicit a review of this draft amendment by the appropriate tax experts in the Department of the Treasury, as well as the respective staffs and Congressmen on the Joint Committee, the House Committee on Ways and Means, and the Senate Committee on Finance.

I am submitting this amendment today primarily to ensure that a draft windfall profits tax, with a plowback feature, is squarely before the Committee on Finance, and the full Senate, when the provisions of H.R. 6860 are taken up for consideration.

I personally remain committed to promoting a wellhead pricing policy which attracts capital to energy production in America. I believe that energy production, in the impersonal marketplace, must be permitted to compete with other investment opportunities. Finally, I believe that the additional revenues generated by production of new natural gas, as defined in my amendment No. 586, should be reinvested in America's energy future. The proposal which I am offering today, after it is refined and improved by Senators on the Finance Committee, would accomplish this final objective.

In conclusion, Mr. President, my amendment to the tax bill must be considered separately from Senate consideration of phased wellhead price decontrol of new natural gas. Nevertheless, I believe it to be an essential aspect of a rational national energy policy designed to accelerate domestic production of natural gas and to overcome the current shortage conditions.

I urge my colleagues on the Finance Committee to consider the amendment which I am today offering to the House-passed tax bill at the earliest practicable time.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 586

At the request of Mr. PEARSON, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of amendment No. 586, intended to be proposed to the bill (S. 692) the Natural Gas Production and Conservation Act of 1975.

NOTICE OF CHILD AND FAMILY SERVICES HEARING

Mr. MONDALE. Mr. President, the Senate Subcommittee on Children and Youth, in conjunction with the House Select Subcommittee on Education and the Senate Subcommittee on Employment, Poverty, and Migratory Labor, is holding the final day of hearings on the Child and Family Services Acts of 1975, S. 626 and H.R. 2966, on July 15, 1975 at 9:30 a.m. in room 2261 of the Rayburn House Office Building.

The hearing will focus on the administration's position on child and family services. Mr. Caspar W. Weinberger, the Secretary of the Department of Health, Education, and Welfare will testify at this hearing. Mr. Weinberger will be accompanied by Mr. Stanley B. Thomas, the Assistant Secretary for Human Development, Mr. John C. Young, the Commissioner of the Community Services Administration, Division of Social and Rehabilitation Services, and Mr. Stephen Kurzman, Assistant Secretary for Legislation.

I urge my colleagues and members of the public to attend this important hearing.

ANNOUNCEMENT OF HEARINGS ON S. 495

Mr. RIBICOFF. Mr. President, the Committee on Government Operations is today announcing hearings on S. 495, the "Watergate Reorganization and Reform Act of 1975," for July 21, 29, and 30 in room 3302, Dirksen Office Building. This legislation would enact the reforms recommended by the Senate Select Committee on Presidential Campaign Activities in their momentous report. I am delighted to announce that our lead-off witness will be the eminent constitutional lawyer and distinguished former Senator from North Carolina, Sam J. Ervin, Jr.

Two of the major provisions of S. 495 are the establishment of a permanent Office of the Public Attorney and the creation of a Congressional Legal Counsel. The Public Attorney would be independent of the Justice Department and would have jurisdiction to investigate and prosecute allegations of corruption in the executive branch, conflicts of interest, and violations of election laws. The Congressional Legal Counsel would be available to render legal opinions as to whether a President's actions are within the bounds of his authority and would represent the Congress before the Federal courts.

These provisions, as well as the numerous other provisions of S. 495, raise basic constitutional and policy questions which must be thoroughly discussed before any bill of this significance can be enacted into law. During the past several months, the Government Operations Committee has been closely analyzing the various issues raised by the bill and has solicited and received a number of excellent commentaries from constitutional scholars, distinguished individuals, and former presidential assistants.

The committee welcomes any additional statements or comments on this legislation. Interested parties should direct their comments to the Government Operations Committee, 3306 Dirksen Senate Office Building, Washington, D.C. 20510.

BUDGET COMMITTEE TO HOLD ENERGY, ECONOMY SEMINARS

Mr. MUSKIE. Mr. President, next Tuesday, the Senate Budget Committee will begin 2 weeks of public seminars on the budgetary and economic implications of recent or anticipated actions in the energy field. Consideration of these issues is essential both to our committee's report of a second concurrent resolution on the fiscal year 1976 budget and its preliminary work on the budget for fiscal year 1977.

These seminars will be held within the context defined in the first report of the Congressional Budget Office entitled "Inflation and Unemployment."

Senator Moss, who serves as chairman of the Committee Task Force on Energy, will chair several of our seminars. I believe Senator Moss' background and interest in environmental protection, technology, minerals development and consumer affairs will be particularly useful in our efforts.

All seminars will begin at 10 a.m. in the committee hearing room, 357 Russell Senate Office Building.

On Tuesday, July 15, the committee will consider the economic outlook as the context for examining energy policy. Alice M. Rivlin, Director of the Congressional Budget Office, Robert W. Hartman, of the Brookings Institution, and Albert T. Sommers of the conference board will testify.

On Thursday, July 17, the committee will look at the internal aspects of the world energy problem. Discussion will focus on the balance-of-payments situation, the petrodollar buildup, the impact of energy price increases on developing nations and the need for new financial institutions to deal with these problems. Witnesses will include Robert Roosa of Brown Bros., Harriman & Co., William Branson of Princeton University, and a representative of the Overseas Development Council.

On Tuesday, July 22, the committee will look at the impact of the energy situation on production. We will consider the increased need for capital by various industries as well as the proposed incentives to encourage such capital formation. Issues to be discussed include price controls, excise, and windfall profits taxes, the development of production frontiers such as Alaska and the Outer Continental Shelf, and the development of new technological frontiers such as oil shale, synthetic fuels, and solar power. Witnesses expected to participate are C. Howard Hardesty of Continental Oil, Kenneth Hill of Blyth, Eastman, Dillon & Co., Paul Davidson of Rutgers Unversity and Harry Perry, National Economic Research Associates.

On Wednesday, July 23, the subject will be energy consumption. The discussion will focus on proposed incentives for energy conservation either through controls or price increases. Witnesses will include Lee White of the Consumer Federation of America, Herman Kahn of the Hudson Institute, and Lester Lave of Carnegie-Mellon University.

On Thursday, July 24, the committee will consider the impact of alternative energy policies on employment and inflation. The committee will consider the various fiscal and monetary actions which might be required to offset the adverse impact of such policies. Witnesses include George Perry of the Brookings Institution and Phillip Cagan of the National Bureau of Economics Research, Inc.

On Tuesday, July 29, the committee will study the various energy policy "packages" which have been proposed for dealing with the problems of energy, inflation and unemployment in an integrated fashion. Charles Schultze will participate with others.

These 2 weeks of seminars could not be more timely. Anticipated developments in the energy area threaten to reverse the apparent trend toward improved economic conditions. Dealing with significant problems of chronic unemployment and potentially rising inflation rates without recognizing the impact of energy developments cited by the CBO's June 30 report raises obstacles to recovery.

It has become obvious that the problems of unemployment, inflation and energy must be dealt with in a coherent fashion. To address one problem, while ignoring others, is self-defeating. Our solution to the employment problem must reflect our policy judgments as to inflation and energy. Likewise, our solution to the energy situation must reflect our judgments as to appropriate action for dealing with unemployment and inflation.

Recognition of these basic and inevitable trade-offs is critical.

As we begin the following 2 weeks of seminars, our committee will examine the long-term energy challenge, balanced against the twin goals of a prompt, sustained economic recovery and reasonable price stability.

NOTICE OF HEARING

Mr. SPARKMAN. Mr. President, the Subcommittee on Foreign Assistance will hold hearings on legislation to authorize appropriations for the Peace Corps, H.R. 6334, on July 11, 1975, at 10 a.m., in room 4221 Dirksen Senate Office Building. The hearings will be chaired by Senator HUMPHREY.

Anyone wishing to testify on the above bill should contact Mr. Arthur M. Kuhl, the Chief Clerk of the Committee on Foreign Relations.

NOTICE OF HEARINGS

Mr. MORGAN. Mr. President, the Subcommittee on Small Business of the Banking, Housing and Urban Affairs Committee will hold hearings on July 21, 22, and 23 to consider S. 197, S. 545, S. 648, S. 1124, S. 1547, S. 1792, S. 1952, H.R. 4888, and such other bills as may be introduced and pending before the committee on the above dates.

Anyone wishing to appear to testify on these measures should contact Miss Donna Costlow on 224-7391.

NOTICE OF HEARINGS ON CONGRESSIONAL OVERSIGHT OF FEDERAL ADMINISTRATIVE AGENCIES

Mr. ABOUREZK. Mr. President, as chairman of the Subcommittee on Separation of Powers of the Committee on the Judiciary, I am pleased to announce the scheduling of hearings before the subcommittee on the subject of congressional oversight of the Food and Drug Administration and the Environmental Protection Agency. These hearings are the continuation and extension of hearings on oversight of Federal administrative agencies held by the Subcommittee on Separation of Powers in prior sessions of Congress under the direction of Senator Sam J. Ervin, Jr. The purpose of the subcommittee in holding these hearings is to examine the operations of both of these agencies in light of the Separation of Powers formula.

The hearing on the Food and Drug Administration will be held July 17, 1975, in room 2228 of the Dirksen Senate Office Building commencing at 10 a.m. The hearing on the Environmental Protection Agency will be held July 23, 1975, in room 2228 of the Dirksen Senate Office Building commencing at 10 a.m. also.

Those who wish to testify or submit a statement for inclusion in the record should contact Irene Margolis, staff director, telephone 224-4434, or write to the Subcommittee on Separation of Powers, 1418 Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

ARMS AND MEN IN THE PERSIAN GULF

Mr. KENNEDY. Mr. President, the current issue of the magazine Present

Tense carries a particularly noteworthy article by Mr. Tad Szulc on the subject of U.S. arms sales to the nations of the Persian Gulf. Reviewing the astonishing escalation in the past several years of the sale of military equipment and technical assistance to the newly rich oil States—particularly Iran and Saudi Arabia—Mr. Szulc argues that:

> This massive (American) effort to arm every nation there, must in the long run create a most destabilizing situation in terms of regional and even world peace.

I recently visited the gulf, and I returned convinced that we can do more to promote stability and security in the gulf by stepping back from current practice, and taking a long, hard look at our whole arms sales policy there.

For these reasons, I introduced legislation in the Senate last February to limit the flow of arms to the gulf. My legislation would impose a 6-month moratorium on the sale of arms and related services, unless the administration during that time provided a statement of overall policy toward these sales, and the Congress, by joint resolution, approved it. Recently, I reintroduced this proposal as an amendment to the Foreign Assistance Act, and deleted the 6-month provision.

As Mr. Szulc concluded in his article:

> The time has come to review the wisdom of this policy, or we may live to regret it.

Does the administration have a policy toward the future of the gulf? Can it justify the massive influx of arms and advisers to these countries? Can it show the Congress, conclusively, that in proceeding with this course of action, it is not causing a serious and intense arms race in that region? Can it guarantee the American people that this flood of arms pouring into the region would not be used in the event of a conflict in the Middle East? These are serious questions that need to be answered before we continue pursuing a policy so loaded with dangers.

In urging passage of this legislation, I ask only that we give ourselves in the Congress the chance to understand exactly what is happening, and to play our constitutional role in the making of U.S. foreign policy in this area.

Mr. President, I ask unanimous consent that the article by Tad Szulc be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMS AND MEN IN THE PERSIAN GULF—WHO'S DOING WHAT TO WHOM AND WHY?

(By Tad Szulc)

Since early 1973, arms, military equipment and ammunition, including some of the world's most advanced and technologically sophisticated hardware, have poured at an astounding rate into the hands of governments in the crucial and volatile area of the Persian Gulf. The value of this war materiel is estimated at $15 billion to $20 billion. It is being followed by advisers and training teams, in and out of uniform, to mesh men and weapons together into great new armies. No area in the world, not even Indochina at the height of the war, has been so intensively and thoroughly militarized by the United States—and, to a lesser extent, by other Western powers and the Soviet Union.

Much has been made of the fact that Britain's military withdrawal from the Persian Gulf in 1971 created a vacuum that the nations of the area simply had to fill. But this is only a partial explanation for the Gulf arms race. With their sudden oil wealth, chances are that Iran, Saudi Arabia and their neighbors would, in any case, have embarked on their militarization programs. Neither King Faisal nor his successors have had much patience with political experimentation. The same holds true of other Gulf rulers.

The extraordinary spectacle of jet fighter-bombers, helicopter gunships, naval vessels, tanks, missilery and artillery, and ancillary equipment descending massively on the Persian Gulf leads to the inevitable conclusion that this massive effort to arm every nation there must, in the long run, create a most destabilizing situation in terms of regional and even world peace.

These dangers have, of course, become even more accentuated with the assassination on March 25 of Saudi Arabia's King Faisal, and the deep uncertainties surrounding the political future of the kingdom which is the world's largest oil exporter. There are unanswered questions about the ability of the new king, Khalid Ibn Abdul Aziz, to preserve Saudi Arabia's internal stability, and it is widely assumed that the real power is in the hands of Crown Prince Fahd. Prince Fahd may well turn out to be more militant than the late king in the context of the Middle Eastern conflict centered on Israel. Conceivably Saudi Arabia could become a "confrontation state" in this conflict rather than remain simply the banker for others. Likewise, the possibility of a takeover by the newly armed and trained Saudi military, repeating the radical coup in Libya, cannot be ruled out.

The collapse, also in March of Secretary of State Kissinger's Middle Eastern peace mission adds to the perils. If another Arab-Israel war should erupt, some of the new weapons acquired since 1973 by Saudi Arabia and Kuwait could be used against Israel. The new understanding between Iran and Iraq, seemingly ending their long period of hostility, is another element of uncertainty in the Persian Gulf as well as in the Middle East in general. Ironically, this development may not only free Iraqi forces for actions in a new war against Israel, but also bring Iran closer to the Arab cause.

Such profound changes have occurred in the Persian Gulf in the first quarter of this year—and so great are the new perils—that one may well ask whether the U.S. has not committed a major policy error in allowing the Gulf countries to become so over-armed. After all, against whom are these great arsenals to be used?

But before this question can be answered, assuming that it is rationally answerable, it is necessary to define what actually constitutes the Persian Gulf area and to analyze geopolitical, economic and military equations existing there. The real or perceived interests of the great powers in and around the Persian Gulf as well as the interests of the littoral nations also require consideration.

In geographic terms, the Persian Gulf is a more or less oblong body of deep water covering an area of 92,000 square miles, the nearest thing to an inland sea. Because of its oil wells, it may be the most strategic and valuable 92,000 square miles in the world. The Gulf stretches from the estuary of the Euphrates and the Tigris, in the north, to the Strait of Hormuz, in the southeast. Past the Strait, a strategic passage only thirty-five miles in width, are the Gulf of Oman, the Arabian Sea and the Indian Ocean.

The Persian Gulf states are Iran in the east; Iraq atop the Gulf's northernmost reaches; Kuwait, south of the Iraqi border; Saudi Arabia, occupying the vast swath of the Gulf's eastern coast; the island of Bahrain, Qatar, jutting out into the Gulf east of Bahrain; the six United Arab Emirates (of which Abu Dhabi and Dubai are the most important); and finally Oman, guarding the southern shore of the Strait of Hormuz, then curving southwest and south along the Gulf of Oman and the Arabian Sea.

In a very broad sense, the Persian Gulf has a strategic meaning that transcends its formal boundaries. Looking north, northwest and west, it is clear that the power relationships developing in the Gulf have an impact on the Middle East. Iraq, a radical Arab state which has a friendship treaty with the Soviet Union, borders on Syria, another Soviet military client, and on Jordan. During the 1967 Arab-Israel war, Iraqi units moved into Jordan in support of the King and remained there for about two years. Iraq, then, is part of both the Persian Gulf and Middle Eastern strategic equation. So is Saudi Arabia with its western coast on the Red Sea and its northern borders contiguous with Jordan and Iraq. The Saudis play a major role in the Mideast conflict, exercising important political influence through their financing of Arab armies and the Palestine Liberation (PLO). A conservative, religious state, Saudi Arabia is concerned with Soviet and Communist inroads in Southern Yemen and even in Somalia (another country with a Soviet friendship treaty) across the Gulf of Aden. But one should bear in mind that Saudi Arabia's international outlook may change should Faisal's death be followed in time by a radicalizing movement.

In the northwestern corner of the Gulf, there is long-standing animosity between Saudi Arabia and Iraq, which share a common border. In the north, above the Gulf, Iran and Iraq are natural rivals despite their formal reconciliation earlier this year. Two years ago, Iraq fought a brief war with Kuwait. In the north and northeast, the Soviet Union looms large over Iran. In the southeast, Iran maintains an alliance with Pakistan to protect its Indian Ocean flanks. Should India ever overrun Pakistan, the Iranians would feel encircled, for it, like Iraq, has a friendship treaty with Moscow. For this reason, Iran shares with Pakistan a concern over Soviet influences in Afghanistan, the mountain kingdom northwest of Pakistan, and alleged Soviet meddling in Baluchistan, a tribal area shared by Iran and Pakistan. The Shah is so concerned about unrest in Baluchistan that he has formed a virtual alliance with the Pakistanis to protect this region. Iran's strategic interest therefore extends to the Indian Ocean just as Saudi Arabia's strategic interest is projected toward the heart of the Middle East.

The U.S., likewise aware of Pakistan's importance in the area between the Gulf states and the South Asian land mass, finally lifted last February the ten-year-old embargo on arms sales to the Pakistanis (the embargo on India was also lifted, but the Indians have long relied on the Soviet for their modern hardware).

Inasmuch as tankers carrying Persian Gulf oil to Western Europe, the United States, South America and Japan must cross the Strait of Hormuz before entering the Indian Ocean, this strategic concept is further broadened. As far as the West and Iran and Saudi Arabia are concerned, the Strait must remain in friendly hands. The fact that the Soviets have a naval and an air base on the island of Socotra in the Arabian Sea (Socotra belongs to left-wing Southern Yemen) worries the West because the Hormuz Strait is now within Soviet operational reach. There are Soviet installations in Aden, Southern Yemen, and Berbera in Somalia, which signed a friendship treaty with Moscow last year. Theoretically, Soviet warships and planes could interfere with oil-tanker routes around the South African Cape.

Soviet flights from home bases to its facilities in Southern Yemen and Somalia are routed over Iraqi territory and, presumably, over the Persian Gulf. The Russians are also building a naval base for their Iraqi friends at Umm Qasr at the apex of the Persian Gulf. When the Suez Canal is opened to traffic, the Soviet Mediterranean fleet will be able to move units down the Canal, the Red Sea, the Gulf of Aden, the Arabian Sea, the Gulf of Oman, and, if unchallenged, into the Persian Gulf through the Strait of Hormuz to put in at Umm Qasr. From the military viewpoint, this would save the Soviet Navy the immense delays of sailing from Vladivostok and other Pacific ports to reach the Arabian Sea and the Indian Ocean.

The United States, not surprisingly, also wants a foothold in the area. In addition to the naval facility on Bahrain, where the tiny Middle East Task Force is based, Washington, in 1974, obtained base rights on Britain's Diego Garcia island in the center of the Indian Ocean below the Persian Gulf. More recently, it negotiated landing rights with Oman on Masirah island, where the British retain a base. Masirah is off the coast of Oman on the Arabian Sea, guarding the approaches to the Strait of Hormuz. Diego Garcia and Masirah would hopefully become crucial air and naval support points in the Indian Ocean. As matters now stand, the U.S. Navy can support its Indian Ocean operations only from the east coast of the United States or from the Philippines.

Considering Soviet and U.S. interests in the Middle East and the Indian Ocean, it may validly be argued that strategically the ramifications of what is happening in the Persian Gulf extend from the Caspian Sea to the Suez Canal and from the African coast to Pakistan. The Persian Gulf's military politics can thus only be understood in this extremely wide strategic context. This is the way the Shah of Iran, the mightiest warrior of the region, explains his need for his steadily growing army, navy and air force. He sees himself as the supreme protector of the Strait of Hormuz. To assure continued control by the Sultan of Oman of the southern shore of the Strait, the Shah sent his troops to help put down (not yet wholly successfully) leftist guerrillas of the Popular Front for the Liberation of the Occupied Arabian Gulf (PFLOAG). Early in 1975, his attention increasingly riveted on the Indian Ocean, the Shah gave Pakistan at least fifty F–5 American-built jet fighters that he had held for a number of years.

The conflict between Iran and Iraq seemed to come to an end when the Shah withdrew his military support for the rebel Kurdish tribes in Iraq that have been fighting the Baghdad government for fourteen years. In return, the Iraqis agreed that their border with Iran would run along the middle of the Euphrates-Tigris estuary so that oil tankers from Iran's huge refinery at Abadan would not have to navigate through Iraq's territorial waters. Prior to the settlement, significantly worked out by Algeria's radical president, Houari Boumedienne, the Iranians used American arms to aid the Kurds while the Iraqis depended on Soviet equipment. On at least one occasion in 1974, Iranian antiaircraft missiles (supplies by the U.S.) fired on Iraqi MIG jet fighters.

Under normal circumstances, the ending of a dispute in the Persian Gulf would be greeted with satisfaction. But a mystery surrounds the Shah's decision to betray the Kurds—they certainly consider themselves betrayed—in exchange for a relatively minor border adjustment. Many diplomats believe that major political considerations entered this decision, including the Shah's receptivity to Boumedienne's pressures for greater Moslem solidarity in the Gulf.

From Israel's viewpoint, the Baghdad-Teheran agreement seemed to bode ill. Iraq, which remains militantly anti-Israeli, is now free, if it so desires, to send its troops to Israel's northern front. And it does not follow that the apparent end of the Kurdish rebellion will mean a lesser Iraqi dependence on Soviet military aid. The Shah, on the other hand, may abandon his past neutrality toward Israel. In a new war, or even without it, Iran may halt vital oil shipments to Israel. The U.S., needless to say, has no leverage in Teheran to assure Israel of an uninterrupted flow of petroleum.

Oil is inevitably the overwhelming factor in the Persian Gulf equation. Virtually all the Persian Gulf countries are oil producers, and their new and spectacular wealth is based on the quadrupling of its prices since 1974. Oil pays for the extraordinary arms purchases by the Gulf nations and the control and protection of oil colors all Gulf politics.

But this, too, has different meanings to the various Gulf rulers. Their common economic denominator is their membership in the Organization of Petroleum Exporting Countries (OPEC), which also includes Algeria, Libya, Indonesia, Nigeria, Venezuela and Ecuador. The powerful oil cartel still determines much of the fate of global economies. Thus far specific ideologies and domestic politics have been kept out of OPEC, for it brings together the Iranian, Saudi and other Gulf political conservatives with the radical regimes of Iraq, Algeria and Libya. Kings and sheiks work side by side with Socialists and leftists of various persuasions. Predominantly Moslem but non-Arab Iran cooperates with the Arab Saudis, Iraqis, Libyans and others. That Iran sells oil to Israel (it continued doing so during the 1973 Arab-Israeli war and promises to make up for production losses if the Israelis return their Abu Rudeis fields in the Sinai to the Egyptians) was never a problem with the Arabs in the OPEC context. They are too realistic to blacklist Iran in any way for dealing with Israel.

Yet, aside from OPEC solidarity in terms of protecting its members' oil resources, why do the Gulf countries deem it necessary to arm themselves to the teeth, apart from the protection of their oil? A close look at their situations—and their actions—suggests that they might have other individual and often contradictory reasons for gorging themselves on jet fighter-bombers and tanks.

Iran, as we have seen, invokes broad strategic reasons for its military attitudes and acquisitions. Considering that between 1972 and early 1975 the Shah invested more than $8 billion in armaments and logistic support, the Iranian claim cannot be taken entirely at its face value. Realistically, direct threats to Iranian oil could come only from the Soviet Union for no other state in the region can successfully take on the Shah's very powerful military establishment. But there is no visible reason why Moscow would risk a major war in the foreseeable future to grab the Iranian oil or even to revive its postwar claims to the northern province of Azerbaijan. The Russians made no such moves even when Iran was relatively weak in the pre-bonanza days. Should Moscow decide someday to attack Iran, chances are that it would run over the Shah's military establishment in a matter of days or weeks, despite the new Iranian arsenal. Besides, a Soviet assault on Iran would be certain to set off a confrontation with the United States, possibly leading to a nuclear war. The Russians are unlikely to act quite so madly—and the Shah must know it. Despite his great regional strength, he would have to depend in the crunch on the American "nuclear umbrella." Even if (as India did, with Canadian nuclear fuel) Iran develops its own atomic bomb by secretly transforming spent uranium fuel from nuclear power plants the Shah plans to buy from the United States, to produce plutonium for a bomb, it would be no match for Soviet strategic power.

Essentially, Iran is the superpoliceman of the Persian Gulf and certainly its dominant power. In regional terms, of course, the new Iranian power has its uses. By sitting astride the Strait of Hormuz, Iran can effectively control and block this strategic passageway against hostile naval movements. Still, Hormuz is an international waterway and the Shah might have a problem if he should seek to prevent the passage of Soviet or other warships from the Arabian Sea to UmmQasr in peacetime. And there is the valid argument that if Oman were to be overrun by the PFLOAG guerrillas, there could be a danger to the innocent passage of tankers bound for the West from the Gulf, and that the radicalization of Oman and the United Arab Emirates which would undoubtedly result would endanger the stability of both Iran and Saudi Arabia. In this sense, then, the Shah has a stake in maintaining the status quo on the western shore of the Gulf and his military buildup can be thus justified. One may even argue that Iran's regional strength is a deterrent to whatever adventures Iraq and its Soviet friends may think up some day.

The other overwhelming danger to Persian Gulf—and Iranian—oil would be an intervention by the United States and Western European nations to avoid what Secretary of State Kissinger described as oil "strangulation" of the West. Considering the distances involved in carrying out such an operation, the Iranians could have some success in defending themselves and the Gulf from Western attack, should such an act of folly ever be contemplated. Whatever Kissinger may have had in mind when he made his "hypothetical" warning last December, it would seem insane for the United States to keep arming and training the armies of the Persian Gulf if it really planned an invasion.

If we discard imminent Soviet or American invasion threats as a rationale for the Iranian buildup, we are left with only the superpoliceman role the Shah is playing in the Gulf. This being the case, one may well ask whether this is not an overkill situation. Does the Shah really need the most modern F–15 jetfighters and the other highly sophisticated products of the United States defense establishment to police the Gulf against guerrillas and radicals? The F–15s are now on order in the U.S.

This question leads to the next one. Is Iran using the existing situation in the Gulf to establish its hegemony in the area? Is the Shah, who openly speaks of re-creating the great Persian empire, embarking on expansionism that in turn may set off opposing forces and destabilize the whole region? Which leads in turn to another question: whether the countries of the Persian Gulf are not, in the long run, arming themselves against each other rather than against outsiders? A case can probably be made for this interpretation, for the Shah is far from alone in this militarization process.

Saudi Arabia, second only to Iran in the extent of its military acquisitions in recent years, is engaged in building a powerful army and air force. In Saudi Arabia's case, however, the rationale is different. A direct Soviet attack on Saudi Arabia is even less likely than an attack on Iran. The Gulf policeman theory does apply, however, to the Saudis as well, to a large extent. Faisal was obviously uncomfortable with radical movements on the fringes of his kingdom. In the early 1960's, he dispatched troops to support Yemenite royalists against Egyptian-backed rebels as part of a long but unsuccessful effort to extirpate radicalism in his backyard. Today, his successors are concerned with stability in the Emirates and Oman, just as is the Shah.

There is still another element in this equation. King Faisal regarded the eastern shore of the Gulf as Saudi preserve and he is known to take a dim view of Iranian activities there. Significantly, the Saudis refer to the Gulf as the "Arabian Gulf," and this has a meaning transcending geography or semantics. There were Iranian-Saudi tensions around Oman in the 1960s, and even now there is less than pure love between the Shah and the Saudis. Without predicting a Saudi-Iranian conflict, a most unlikely event given the community of their other interests, it is safe to suggest that Saudi Arabia tries to keep pace with the Shah's military expansion.

The same general reasoning probably inspired the weapons purchases by such states as Kuwait, Abu Dhabi, Qatar, Dubai and Oman. Kuwait has its own special reasons for wanting to be strong because of territorial disputes (which led to some fighting in the early 1970s) with Iraq. But, by and large, the feeling in the smaller Persian Gulf countries is that they need military strength to maintain their territorial and political integrity in the face of the growing Iranian and Saudi power. The local rulers surely know that nature abhors a vacuum and presumably they do not wish to whet the appetities of their stronger neighbors. Oman, for example, must remember the loss of its Hormuz Strait islands to Iran. And in the case of Abu Dhabi, against whom does it plan to use its antiaircraft Hawk missiles and its new jet fighters?

In Saudi Arabia's case, the Middle Eastern question looms importantly. The new leadership—King Khalid and Prince Fahd—may not share the late Faisal's religious fervor over Jerusalem's mosques, but from what is known they are equally committed to Israel's eradication in its present form. Before his death, King Faisal was very much involved in Kissinger's peace negotiations. It is virtually certain that Saudi Arabia's new rulers would again apply the oil weapon in the event of a new war (which is why Kissinger had developed his relationship with Faisal) and no prudent strategist in Washington can rule out the possibility that the Saudis might feel impelled at some point to join their Arab brethren in combat.

U.S. laws forbid a country buying arms here to transfer them to "third countries" without Washington's permission. But, as a practical matter, there is little the U.S. can do to prevent Saudi Arabia from "lending" or donating aircraft or other modern weapons to Egypt or Jordan. Besides, the Saudis are also buying French and British equipment. With the U.S. actively training the Saudi army and air force (there are thousands of Saudi airmen, officers and technical specialists being trained in this country, while the National Guard is being rebuilt to U.S. Army specifications by a "private" American corporation under a Pentagon contract), the kingdom's forces could play a significant role in another war.

This, of course, raises the disturbing question of whether Kissinger and the Pentagon, so ready to sell arms to Saudi Arabia, have given adequate thought to the possibility that the strategic balance in the Middle East may be broken through a Saudi involvement, direct or indirect, against Israel. Thus Prince Fahd declared on March 31 that Saudi Arabia would continue its military buildup in order to be "a force in the defense of the Arab nation and of the Arab cause."

The Saudis participated in the 1948 Arab-Israel war, but, at the time, they were a minor military factor. Today, the combination of their new armed establishment with the threat of a new oil embargo against the West places the Saudis in a highly significant position in the context of the Mideast crisis.

The military buildups in the Persian Gulf make military adventures around and beyond its borders and subsequent international destabilization distinct future possibilities. But one more dimension, suggesting that the whole armament effort might become self-defeating, should be added at this juncture.

This is the threat of radicalization within the new Persian Gulf military establishments. It must be borne in mind that all the Gulf governments (with the possible exception of Kuwait) are highly authoritarian, if not downright absolutist. In March 1975, for one example, the Shah turned Iran into a one-party state—and even before this move the Iranians lived under a system that not even remotely approached democracy.

Iranian, Saudi and other young officers could develop radical tendencies, leading them to the kind of coup that Colonel Qaddafi carried out against King Idris in oil-rich Libya. Even more than Libyan officers at the time, military officers in the Gulf countries are increasingly exposed to outside ideas about social justice and political freedoms as they undergo training in the United States and elsewhere in the West. They may well import such "subversive" ideas as they return home, setting in motion conspiracies and coups. With their new weapons and modern organizational training, they could be a lethal peril to their sovereigns. The results of such actions are unpredictable, but they could result in havoc in the already so volatile Persian Gulf—with the Russians and their Iraqi friends cheering from the sidelines.

The possibility leads one to wonder what thought the United States government is giving to the future in the Persian Gulf as it insouciantly provides these countries with just about everything they want militarily—short of nuclear weapons. Actually the Administration is split over the wisdom of selling vast quantities of arms to the Gulf nations, though those who advocate this course are obviously in the driver's seat.

Among the various explanations heard in Washington is that stability in the Persian Gulf is essential to United States interests, and that in order to achieve it such countries as Iran and Saudi Arabia must be militarily powerful beyond challenge. Nobody opposes the first part of this argument, but there are many doubts, especially on the working level in the State Department (i.e., officials who are not part of Kissinger's small policy-making group) about its corollary. In other words, what is being questioned is whether the concept of a strong Iran or Saudi Arabia hasn't gone beyond the realm of reason and thus become a danger.

No serious strategist regards Iran or Saudi Arabia (certainly not the latter) as a United States surrogate power in the Middle East in the context of a major confrontation with the Soviet Union. In the case of Iran, the United States quietly welcomed the Shah's support for Pakistan. The two countries are allied with the United States (which has observer status) in the Central Treaty Organization (CENTO), and Washington considers the Iranian-Pakistani ties important in terms of Indian Ocean security. The United States also believes that a strong Iran is conducive to the preservation of the Persian Gulf status quo. But these are limited objectives that do not seem to warrant politically the kind of immense military programs that the United States supports in the Gulf. The rationale for arming Saudi Arabia is even harder to understand than the case of Iran, particularly in light of the implications should there be a new round of Arab-Israel fighting. Strategically, then, the United States seems to be conducting a perilous balance-of-power game in the Persian Gulf.

Aside from the "strategic" arguments offered in Washington, there is a potent economic consideration which seems to overshadow rational political judgments. The rationale advanced by the Treasury and Commerce Departments with the Pentagon's blessings is that Iranian and Arab arms purchases in the United States are vital for our balance of payments at a time when we are confronted with painful trade deficits resulting from the world price of oil. In the simplest terms, the United States is "recycling" arms for oil—a process that is probably both greedy and short-sighted.

With unemployment growing and recession deepening, there is another argument: that Persian Gulf arms orders help to keep the United States defense industry afloat and thus are required for our economic health. (There is, indeed, evidence that these orders, including hefty pre-payments, have bailed out much of the aircraft industry.) This may well be true, but is it in the long-term interest of the United States—and its defense industry—to become so dependent on Persian Gulf money?

The final reason, principally advanced by the Pentagon, is that if the United States fails to fulfill every arms request from Persian Gulf clients, they will turn to other sources of supply, such as France or Britain. This, of course, is specious. Neither France nor Great Britain is equipped to provide the volume of arms demanded by such countries as Iran or Saudi Arabia—though they sell planes and tanks whenever those two governments decide they need to supplement their American purchases. The likelihood of a turn to Soviet sources is virtually nil in light of the political implications involved.

The United States has become the world's leading arms merchant. The major countries of the Persian Gulf thirsting for more and more weapons, are its principal clients. The time has come to review the wisdom of this policy, or we may live to regret it. And the first test may well come in the Middle East if a new war erupts and Israel bears the brunt of attacks by Arabs armed with weapons Made in the USA.

NATURAL GAS DEREGULATION

Mr. BARTLETT. Mr. President, at the recent midyear meeting of the Independent Petroleum Association in San Francisco, Calif., Mr. Rush Moody, a past FPC Commissioner, commented on the Commerce Committee's natural gas bill, S. 692.

Inasmuch as this legislation may soon be debated by the Senate, my colleagues and their staffs should find Mr. Moody's remarks especially appropriate and enlightening.

I ask unanimous consent that this speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF RUSH MOODY

A Trojan Horse has been rolled out from Washington. Bearing beautiful garlands labeled "deregulation", brightly decorated with painted slogans of "constructive reform" and "reasonable compromise" and "up with the Independents", this most remarkable horse is offered as a gift of great value. On its brow is stamped the insigne "S. 692," and upon its massive flanks ride the hopes of those who, only a few short years ago, told us there was no gas shortage, and who now tell us that if there is a shortage, the cure is more regulation, not less.

That, of course, is what is concealed within the Trojan Horse labeled S. 692. The secret cargo is more federal regulation, reaching producer, pipeline, distributor, consumer, and state government to an extent heretofore unknown.

Despite a little opening rhetoric, just to let you know I miss writing dissents, I am not here to debate the merits, or the demerits of S. 692 or any other piece of gas legislation. I am not here to urge your support of, or your opposition to, any piece of legislation. On the contrary, if I can be of any assistance to you and to my State at this time, it will be in an analysis of some of the legislation which, I trust, will finally come before the Senate later this month.

If, in discussing these bills, I say anything which offends your common sense, ignore what I say. Follow your own judgment. Put aside the cloak of self-interest and weigh these bills on the scale of national interest. We all know there is a problem; how do we best solve that problem, in a socially and economically acceptable manner?

I suggest to you that you can reach a decision only if you know what is contained in this legislation. You cannot reach a valid decision if you take my word, or the media's word, or the word of the proponents of this legislation as to what it does, and what it does not do. You are intelligent men and women; take the time to read this legislation. Form your own judgments.

When you consider my opinions, you must bear in mind that I hold certain views which necessarily color the way I feel about gas legislation. I am not, and cannot be, wholly objective about these issues—just as I suspect Mr. Freeman and those he works with—are not completely objective. We all carry the imprint of the education and experiences which have shaped our lives, and you must, therefore, listen critically to what I say. You need to know that my views are influenced by certain convictions which I hold as part of my basic beliefs; I believe for example that the natural gas shortage is very real and very serious. I believe that a principal cause of the shortage has been a Federal regulatory structure which priced natural gas in such a way that demand was stimulated while supply efforts were discouraged. I believe that there is no realistic probability of solving the gas shortage unless federal regulation is terminated. I believe the American consumer is the victim of federal regulation, now faced with higher and higher prices for less and less gas if controls continue. And I believe that the Federal government has no beneficial role to play as an oil and gas explorer or developer.

Now quite obviously you may agree with some, or all, or none, of my personal beliefs. But you are entitled to know what I believe so you can test what I say with appropriate skepticism. I do not preach the Gospel. I offer one man's opinions, and you, after your homework is complete, should form your own opinions based upon your own good judgment.

I will be the first to recognize that many in this country will see S. 692 as a progressive piece of legislation. Those who believe that an expansion of Federal regulation of producers is essential will endorse S. 692; those who believe that industry has been withholding gas from market to force deregulation will endorse S. 692; those who would eliminate the intrastate gas market will endorse S. 692; those who believe that SNG should be subsidized by pipeline rate payers will endorse S. 692; those who believe that the gas industry should open all reserve figures and all financial records to public inspection will endorse S. 692; those who believe that the Federal government should allocate natural gas supplies will endorse S. 692; and those who believe Federal controls should replace local controls over retail gas rates will endorse S. 692.

S. 692 is a special piece of legislation; it unmistakeably embodies the notion that more stringent producer controls will conquer a gas shortage which may not be real. Because it is so clearly a piece of legislation tied to a philosophy of greater regulation, it will have, in today's America, many adherents. And they will know precisely why they support S. 692. It is a piece of legislation which operates from the premise that private enterprise cannot, and must not, be trusted with the important business of findings, developing and producing energy.

In talking about S. 692, I labor under a certain handicap that does not afflict Mr. Freeman—and that is, most simply put, that S. 692 seems to change from day to day and time to time without any action by the U.S. Senate. The bill labeled S. 692 which was approved by a 10–8 vote of the Commerce Committee on May 6, 1975, may not be the same S. 692 which is formally printed and offered to the entire U.S. Senate. I don't quite understand how legislation gets changed, substantially, without Committee vote, but I am sure there must be some rational explanation for why the original S. 692 was abandoned after it was voted on, and how it is that a substantively different bill is now being circulated as S. 692.

Perhaps the *real* S. 692 will be shared with the public some time soon. I genuinely hope so, for now about all I can do is offer the Governor advise on what I think S. 692 is and what it does. And that's the best I can do with you.

S. 692 was reported by portions of the media as a bill which deregulates new onshore production for independent producers. I do not think that is accurate. To me, at least, "deregulation" means a removal of regulation—a lifting of existing controls—a return to the free market.

S. 692 does not accomplish this result.

Price is not deregulated, nor are the terms and conditions of sale deregulated.

S. 692 does, clearly, extend regulation to sales not heretofore regulated, and expands regulation where it already exists.

For examples of extensions of jurisdiction:

Intrastate sales have not been regulated; under S. 692 they will be.

Gas produced from federal lands and consumed within the same state has not heretofore been in interstate commerce; under S. 692 it will be.

And as examples of new regulatory controls:

The producer is told to whom he must sell his onshore federal lands production.

The producer is told for how long he must contract.

The producer is told how, and when, he must develop his leases of federally controlled lands.

Let us look at the rate regulation aspects of S. 692 first, and then turn to other facets of regulation which the bill affects.

In order to discuss the pricing aspects of S. 692, you need to understand first that this is an extremely complex piece of legislation, and that the regulatory pattern which it mandates is extremely complex.

For example, if you ask "for what rate will I be able to sell new gas?", I cannot give an answer until I know:

1. What is your FPC classification? Are you a producer, a small producer, a producer who qualifies as an independent, or an affiliate producer? Each of these is a term of art; each does not mean what you might guess without reading the bill; but you cannot know what your rate structure will be until your classification is determined.

2. Before I can tell you what your rate will be, I must know whether your gas will be classified as "old" gas, "new" gas, "exempt" gas, or "intrastate' gas. Again, the definitions are technical, and will, in my judgment, require rulings from the FPC before anyone knows where he stands.

3. Before telling you what your sales rate will be, I must know whether your gas is associated or non-associated.

4. Before telling you what your sales rate will be, I must know whether your gas is produced from lands controlled by the Federal government or from private lands.

5. Before telling you what your sales rate will be, I must know the length of your contract term.

6. Before telling you what your sales rate will be, I must know when your gas was discovered, and by whom; and I must know when it was dedicated to commerce.

Now, if you furnish all this information to me, still I can give you no concrete assurance as to what your sales rate will be—except in those cases where you are marketing gas from acreage previously dedicated to interstate commerce. Then, as I read S. 692, you will receive the old FPC ceiling price for flowing gas in the area. As to this gas, irrespective of when you incurred the cost of drilling and development, your gas price is frozen in perpetuity at existing rate levels, and can be increased only if you individually go to the Commission and prove either that your costs justify a higher rate, or that your situation is identical to some other producer who has attained a cost-based rate for similar production.

I suspect that there are some of you who might question the wisdom of a perpetual price freeze on flowing gas, with the applicable rates having been determined by the Commission five years ago on the basis of 1962 costs. There may be some who question the legality of, and the wisdom of, a legislative enactment which has the effect of declaring that the cash flow generated by sales of flowing gas is unimportant to the search for new supplies. To those of you who raise these questions I can respond only that Sec. 205 of S. 692 is clear and unambiguous; it requires a perpetual freeze on flowing gas rates; it permits the Commission no discretion in raising these rates except as necessary to cover additional costs; and accordingly, it precludes the use of an E and D component in flowing gas rates to help finance future operations.

I wish I could be sure of the operation of S. 692 on other well-head rates as I am sure of its operation on flowing gas rates. There are, however, few hard and fast answers that I can offer on the pricing structure as it relates to new gas.

In general, I suggest that you might try to analyze the S. 692 regulatory structure, as it relates to rates, in these terms:

1. In what instances can you change your contract rate, without review by federal authority?

2. In what instances will your contract rate be subject to change by action of the federal government?

Unfortunately, as I read S. 692, there are *no* instances where your gas sales rate is or will be unregulated. In every situation that I have been able to analyze, your rate is subject to government regulation and government-dictated change.

Very clearly, S. 692 mandates FPC rate regulation in every instance except those sales which fall within the terms of the Cannon amendment, which is now set forth in Sec. 203(L) of S. 692. These provisions, heralded by some as deregulating new onshore gas sales by independents, will not, I submit, result in deregulation of anyone.

First, as to rate regulation. Sec. 203 (L) says that *if* you qualify for use of 203 (L), and *if* your gas qualifies for use of 203 (L), then you may charge up to a BTU equivalency rate based upon the average price of new domestic crude oil. If you exercise this option (assuming you and your gas are eligible), you are subject to FPC control over all of your revenues over 50¢/Mcf; if you do not spend that revenue at times and for purposes acceptable to the FPC, then you must pay to the FPC the number of dollars that the FPC says you owe because you did not spend your revenues properly.

It is impossible for me to equate an honest definition of "deregulation" with a bill that gives a Federal agency—the Federal Power Commission—control over ¾ of new gas revenues. This strikes me as an extension of regulation, rather than a retraction.

But, leaving all considerations of plow back obligations aside, I suggest that the basic rate provided in Sec. 203 (L) is not an unregulated rate. Your rate will be regulated by the FEA, rather than the FPC.

As you no doubt know, the Temporary Emergency Court of Appeals has recently held that the FEA did not lawfully decontrol new oil prices. As you no doubt know, there is legislation pending in Congress to rollback new oil prices. As you know, the U.S. Senate has twice recently passed legislation that will freeze new oil prices at Jan. 31, 1975 levels. I am suggesting that the price of new domestic crude is presently subject to control by FEA, by the Courts, and by Congress. Any change in new oil prices will operate on new gas prices if S. 692 is enacted. Accordingly, if you sell under Sec. 203 (L) of S. 692, you will be selling at rates controlled by FEA, and any downward revision in new crude prices will, automatically, result in downward revision of gas prices.

Other than the obvious problem of substituting price regulation authority in the FEA for price regulation authority in the FPC, and calling it "de-regulation", Sec. 203 (L) of S. 692 may well create other problems and uncertainties.

For example, how will the FPC administer the plow-back provisions? Can you safely assume that the FPC will in the future agree that your expenditures (already made at the time the FPC passes upon the matter) were reasonable and prudent when made? Giving the FPC control over ¾ of your gas sales revenues may prompt some to wonder whether this FPC authority will be exercised any more realistically, or any more knowledgeably, than the FPC has historically exercised existing producer regulation powers. And, to me at least, the real crux of the problem is that no one knows how the FPC will approach this problem, and will not know, until after exempt gas revenues have already been spent.

I wonder also, in reading S. 692, how it is that any producer can know whether he is eligible, and whether his gas is eligible, for the Sec. 203 (L) BTU equivalency rate unless he gets an advance determination from the FPC. The Act speaks in terms of "a producer who qualifies as an independent", and only one who so qualifies can use Sec. 203 (L). Who determines qualification, and where? Does the producer do so, on his own, at the risk of being wrong and held in criminal violation of the Natural Gas Act if he sells at a contract rate based on BTU equivalency when he should have collected only the FPC ceiling rate?

And I must ask also how the question of qualification for a BTU equivalent rate will be decided, by the FPC or by the Courts, when the term "affiliate" is defined and construed. If you are an affiliate of a pipeline, distributor, or major integrated petroleum company, you are not eligible for the BTU equivalent rate. But S. 692 says, in Sec. 202, that the FPC will decide who is an affiliate, and the FPC is told that it "shall consider . . . direct or indirect legal power or influence . . . arising through . . . contractual relations . . . or leasing arrangements." If this means what it says, it seems to me that every independent is in danger of being held to be an affiliate of the pipeline with which it contracts, and an affiliate of a major from which it takes a farm-out or with which it contracts for joint-interest or unit operations.

Because of questions and considerations such as these, I cannot read Sec. 203 (L), or any part of S. 692 as deregulating anyone, anywhere. The basic sales rate will be regulated by FEA. The FPC has control over ¾ of the revenues generated. You will probably have to go to the FPC before making a sale for a determination that you are a qualified seller, and that your gas is a qualified commodity. If you sell under 203 (L) you will have special reporting requirements imposed upon you. In Sec. 203 (L) (2) it is stipulated that the FPC "shall collect data . . . from producers . . ." who use Sec. 203 (L) sales procedures ". . . on gas exploration, development, production and reserves on an annual basis."

Somehow, this does not add up to deregulation to me.

Now I would emphasize that it is Sec. 203 (L) that is being touted as the avenue for independents to follow to escape Federal rate regulation. Everyone concedes that all other sales procedures in S. 692 represent full regulation. If, therefore, Sec. 203 (L) is not deregulation, then S. 692 is not deregulation. Perhaps 203 (L) fits your criteria for the end of Federal controls; it does not meet mine.

If you conclude that the sales procedures of Sec. 203 (L) are unacceptable, either because of the FPC control over your revenues, or because of the uncertainty of FEA controlled price levels, or because of the danger that you may end up being held to be an affiliate of someone else because of your contracts, or because of the annual reporting requirements, where then can you turn if S. 692 is passed?

1. You can sell "new" gas—that not dedicated to Commerce prior to Jan. 1, 1975—at a rate set by the FPC between 40¢ and 75¢/Mcf.

2. If you qualify as a small producer, you can sell at 150% of the FPC set rate, if your gas was not originally "discovered" by a major (whatever that means).

3. The FPC may—but is not required to—establish a higher price for special cost and depth situations; so, possibly, your "new" gas may ultimately qualify for a special, higher price some day.

As to "new" gas, these appear to be your only rate options under S. 692. And please understand that when the FPC sets that 40–75¢ rate for new gas it will be that rate for your new gas until depleted; the Commission is precluded by law from changing that rate at any time in the future—no matter what happens to costs. Under S. 692, your protection against cost changes exists only through Sec. 203 (L) which permits the FPC rate to change, upward or downward, with changes in the "implicit price deflator for gross national porduct," and Sec. 203 (C) which permits a producer to contract for an annual escalation not to exceed 2 percent per year, and which permits the FPC to grant special rate relief to cover costs of production and provide a reasonable rate of return.

As I understand S. 692, that about covers your rate options:

For exempt gas, and if you qualify, you can sell under 203(L) at an FEA regulated rate and let the FPC control roughly three-fourths of your revenues.

If you decline Sec. 203(L) and have new gas to sell, you can sell at an FPC-set price which must no exceed 75¢ Mcf.; or

If you qualify as a small producer and if your gas qualifies, you can sell at 150% of the FPC-set rate.

All gas sold in interstate commerce which is not "new" gas must be sold at existing FPC ceilings for old gas.

With respect to what now exists as an intrastate market, S. 692 works enormous changes in the rate structure. In the stead of free market pricing, S. 692 says, in Sec. 203(J)(2) that "all dedications of natural gas in intrastate commerce must comply with the provisions of this Act concerning new natural gas." S. 692 thus, very simply and very clearly, extends Federal regulation to the whole of the new gas market.

Up until now I have been attempting to pick my way through this enormously complex maze of price regulation which S. 692 establishes. Now let us turn for a moment to other considerations.

Price regulation is only one component of regulation. Regulation is also exercised through control over contract terms, control over conditions of service, control over operations, and control over reporting requirements. For you to assess the impact of S. 692 on the national interest and on your operations, you should, I think, look to see what S. 692 does in areas of regulation other than price regulation.

You may find some surprises.

Did you know that S. 692 requires you to sell your new gas for a term of at least 10 years? Did you know that if you sell your new gas for more than 10 years but less than 20 years (and remember that this applies to intrastate sales as well as interstate sales), you can get only 75% of the price that you would otherwise be entitled to? Read Sec. 202(11).

Did you know that all new or exempt gas produced from lands controlled by the Federal government, whether onshore of offshore, must be sold to an interstate pipeline? Read Sec. 207(F). It is difficult to envision a more sweeping legislative direction that a monopoly on the purchasing side in gas transactions is a national objective.

Did you know that all new gas production from federally-controlled lands onshore, even if produced and consumed in the same state, will be, upon enactment of S. 692, in interstate commerce? Read Sec. 202(G). What this means to the Rocky Mountain States, and California, and anywhere else onshore where there is or may be gas production from Federal lands is that existing intrastate transmission and distribution systems are probably precluded from buying new gas unless they are willing to become interstate pipelines subject to the full sweep of FPC jurisdiction. Obviously, because of the *Lo-Vaca* and *Florida Parishes* decisions, commingling of intrastate and interstate gas carries with it certain consequences. This aspect of S. 692 has little impact on Texas, where we have but little Federal lands, but I suspect the impact of S. 692's redefinition of intrastate commerce will have profound consequences elsewhere.

Did you know that S. 692 requires you to sell gas found on Federal lands within two years of the date of discovery of such gas? Read Sec. 207 (I).

Did you know that S. 692 requires that *all* agreements pertaining to oil or gas development on Federal lands shall require the operator to "design and immediately implement an exploratory and development program to obtain maximum efficient rates of production as soon as practicable, and requires submission to and approval of the Secretary of the Interior? And that S. 692 requires an operator to notify the FPC "immediately" of any gas discovery on Federal lands, and, within 90 days, submit to the Commission "a timetable for commercial development"? Read Sec. 207 (D).

Did you know that S. 692 directs the FPC to "secure and keep current information" on the ownership, operation and control of all production and gathering facilities; on the total gas reserves of fields or reservoirs; on the cost of production and gathering; and that the Commission is authorized to publish its studies of matters such as these? Read Sec. 207 (G).

Did you know that Sec. 207 (L) of S. 692 tells the producer that he may commence a sale in interstate commerce without a Sec. 7 (C) certificate, but that S. 692 does not eliminate the "no abandonment without FPC permission" requirement of Sec. 7 (L) of this Act? Okay, you can begin a sale without any red tape if S. 692 passes, but watch what happens if you want to discontinue deliveries upon expiration of your contract!

In reading through S. 692, I can find

nothing but expanded regulation. Not only are producer rates not de-controlled, S. 692 indicates, for the first time, Federal controls over contracts, operations, terms and conditions of service, and production and gathering, reporting. Gone is the intrastate market, gone is the freedom to contract with whom and for what term you choose. Added are production and reporting controls. If this is a deregulation bill, then night is day, and daylight is dark.

In attempting to tailor my remarks to the issues I thought might interest you the most, I have ignored other aspects of S. 692 which will work tremendous changes in our energy structure. I have omitted discussion of such provisions as those of Sec. 206 (A) which dictates retail gas rate structures, and Sec. 206 (B) which requires State officials to enforce Federal standards. I have left unmentioned the provisions of Sec. 207 (C) which converts pipelines into common carriers, and the provisions of Sec. 209 (B) and (C) which give the FPC the power to allocate gas supplies among interstate pipelines. I have left untouched the provisions of Sec. 208, which extends FPC jurisdiction into end-use controls in the intrastate market, and mandates an end to the use of natural gas as a boiler fuel. I have omitted the provisions of Sec. 203 (d)(2) which subjects SNG facilities and sales to the jurisdiction of the FPC.

This is, to understate a bit, one of the more far-reaching pieces of legislation to come before Congress in many a year. It does something to everyone remotely connected with the gas business, and, in my judgment, it will profoundly affect all gas consumers, all gas producers, and all gas transporters and distributors.

As the people of this country look at S. 692 in the weeks that lie ahead, it seems to me that there is really only one basic question to be answered: Is this legislation likely to produce a reliable and adequate supply of gas at a reasonable cost to the consumers? If it will not, then the bill cannot meet the publicly stated goals of its proponents.

I do not believe S. 692 will alleviate the gas shortage, or hold down consumer prices. I cannot see the massive commitment of capital and resources to gas exploration and development that we must have, as a response to S. 692. It is too complex, too cumbersome, too impractical to work.

The so-called on-shore deregulation promises of Sec. 203(1) strike me as a snare and a delusion. This new form of rate regulation will be years in litigation before anyone knows where he stands under it, and I would be greatly surprised if Sec. 203 (1) gets used except by the most brave and trusting.

The perpetual freeze on old gas demanded by S. 692 will cut the financial legs out from under expanded gas activity. A prospective new gas price of 75¢/Mcf, also frozen in perpetuity after once being established, will not, in my judgment generate new gas capital commitment.

If, therefore, as I believe to be the case, S. 6392 will not expand new gas supplies, the American consumer has been sold a bill of goods. He will pay more for less reliable supplies, for he must pay higher unit costs to defray the fixed costs of pipeline transportation and distribution. He will pay higher prices for SNG. And he will end up with greater curtailments.

Can S. 692 be patched up to become an effective piece of legislation? Can its terms be negotiated through amendment so that a positive gas supply response is made likely?

In my judgment, the answer is no. This bill has as its under pinnings a commitment to more regulations as a cure for the shortage. That philosophic briar colors all of S. 692.

I know you are here out of concern for your own enterprises and that of your industry. I have confidence that you are here, and active, also because of your concern for your country and its future.

This is a time for each of us to lay aside selfish concerns and search for the national interest. The energy decisions that we must soon make, may be more important than our defense decisions and our fiscal decisions when the future of this country is measured. And so I return to my opening: Make your own judgments about this, and other, energy legislation. Then try to help get something accomplished. If S. 692 is a good bill, if it will produce energy supplies at reasonable costs, work like hell for it. If you have a better bill, work for that with dedication and conviction. Our enemy is time. We must, as a nation, act.

You have been most kind in extending an invitation to me; most generous in your patience and attention. Whether you agree or disagree with me is unimportant; what is important, and perhaps the good we accomplish here today, is that we think—we study—and then we act.

I thank you.

FUND CUTS AFFLICT LEGAL AID GROUPS

Mr. PELL. Mr. President, the Washington Post of Monday, July 7, 1975, carried an account of the financial problems currently encountered by legal services offices throughout the country.

I find this report particularly discouraging, Mr. President, in view of the inclusion of my own State's federally funded legal services program on this list. Rhode Island Legal Services, Inc. has, since its 1969 inception, functioned ably and with commendable zeal on behalf of more than 35,000 low-income Rhode Islanders. That agency's ability to meet the present needs of these citizens is being severely restricted by inflation and budgetary restraints.

The statistics from Rhode Island are staggering. Rhode Island has suffered unduly because of the economy's stagnation, with the unemployment level now at 15.8 percent, a figure double that of 1 year ago. Concurrently, the local legal services staff has been reduced by 30 percent, two offices have been closed, and client intake drasticaly reduced. It is tragic that, at the very time when unemployment has soared, the one Federal Government agency dealing with legal problems of the poor and the unemployed has been cut back.

The number of those eligible for legal services representation has swelled dramatically in 1 short year. Many of these individuals are faced with legal problems unforeseen until now. They face mortgage foreclosures, personal property repossessions and creditor harassment, and these conditions create terrible pressures on their family lives. Obligations which they could meet during better times, they find impossible to fulfill on an unemployment or welfare check. Due to the enormous demand for legal services resources it is difficult for these individuals to have access to legal services attorneys, even though they are eligible. Yet to pay for private counsel is beyond their means.

As the nominess to the Legal Services Corporation Board of Directors are considered by the Senate, let us be mindful of the critical need for an amply supported legal services program, one which can broaden its already successful record of effective representation of the poor.

Mr. President, I ask unanimous consent that the article from the Washington Post of July 7, 1975 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 7, 1975]

FUND CUTS AFFLICT LEGAL AID GROUPS

(By Jane Bryant Quinn)

NEW YORK.—In this terrible recession, when people need free legal help more than ever, it has become less available. Federal penury is starving out the programs of legal aid societies around the country.

There are increased cases of eviction, wage garnishment, repossession and unjust refusal of unemployment benefits—yet legal aid offices are being closed down and lawyers dismissed for lack of funds. Here are some examples of what's happening, according to Jim Flug, executive director of the National Legal Aid and Defender Association.

In Rhode Island, where the size of legal aid's federal grant has remained virtually unchanged since 1969, inflation has severely curtailed what the program can do. Thirty per cent of the legal staff has been dropped this year, two offices have been closed and the remaining three have taken no new clients for a two-month period (except for emergency cases) to catch up on their backlog.

California Rural Legal Assistance recently cut the pay of all its employees making more than $10,500 by 6 to 12 per cent, and reduced employee health benefits. In effect, the staff is giving money from its own pocket to keep the program alive.

In New York City, legal aid is turning down 100 phone calls a day and referring non-emergency matters to other agencies (which may or may not help). Many clients are now giving only telephone consultation, for lack of time.

In Milwaukee, two out of five offices have been closed, and this year's budget drops eight attorney slots out of 25. They're also having difficulty meeting non-personnel costs, such as telephone and heating bills.

Nationwide, the number of attorneys in federally funded legal aid programs is down 20 per cent since 1972; the number of neighborhood offices is down 41 per cent.

It's not only legal aid offices that are up against it. Other legal assistance programs funded primarily by the Office of Economic Opportunity also are suffering. For example, the Neighborhood Legal Assistance Foundation in San Francisco has had its budget frozen since 1971. They've dropped many attorneys, and cut back the salaries of those remaining.

Hard as the diminished number of legal aid attorneys work, they cannot provide the amount and quality of service offered in former years. To begin with, lower salaries mean a loss of senior attorneys; more cases are handled by graduates right out of law school who have little courtroom experience.

To save money, San Francisco's NLAF has had to quit questioning opponents before trial, "something no private attorney would accept," says program head Tom Mack. "It means we go into trial not knowing what facts the other side has, which makes it much harder to do a good job."

Other ways various legal aid offices are cutting back include: (1) accepting no non-emergency cases, not even bankruptcies; (2) setting more rigid eligibility standards—for example, families making $15,500 a year may no longer be accepted (and since these people can't afford private counsel, the remedies of the law become effectively closed to them); (3) referring welfare and employment matters to other agencies (which may not really be equipped to handle them).

Many public officials shrug off legal aid as just another handout for the poor. Yet many of the cases won by legal aid have important implications for the middle classes as well as the poor.

In New York City, for example, legal aid established everyone's right to a hearing before Con Edison could turn off their electricity for non-payment; they also established as unconstitutional in New York the clause in leases waiving tenants' rights to a jury trial in a dispute with the landlord.

The budget strangulation has been most severe for civil cases (those in which defendants don't face jail sentences). Criminal cases have reecived increased support in the past two years from the Law Enforcement Assistance Administration.

But says Marshall Hartman, head of NLADA's Defender Services, "LEAA only provides start-up funds. Ongoing programs have to be picked up by states or counties, and many of them can't afford to do it. I just had calls from the defender offices in Little Rock and Baton Rouge, saying that they'd lost their funding." Many of these offices may have to close.

Everyone associated with public legal assistance is looking to the new National Legal Services Corp. for help. Established last year as a corporation independent of the executive branch of government, it is slated to take over the disbursement of federal legal aid funds. The board of directors should be appointed soon, after which NLSC should be able to distribute the first increase in funding for the civil division of Legal Aid since 1972.

But it's going to take a lot of money to rebuild the tattered structure of legal assistance in this country. Until Congress votes substantially more funds, many of you will continue to find the harried legal aid lawyers too busy to help.

FEA "INFORMATION SURVEY"

Mr. METCALF. Mr. President, on June 13, the President of the United States released the text of his Labor-Management Committee's recommendations to increase electric utility construction and output.

Under the heading of "Administrative Action" was the recommendation that:

> The Federal Government should establish a small task force of experts, with assistance drawn from labor and management with experience in the field of utility construction, to serve as troubleshooters, to discover the impediments to the completion of electric utility plants and to take steps to relieve the particular situation wherever possible.

I am told that this task force is to be established around the first of next month.

Meanwhile, the Federal Energy Administration, in preparation for establishment of the task force, has a bunch of people running around the country doing an "information survey" on the problems.

A pair of their people flew into Montana last night and will leave there tonight. They came from Idaho, where they met with officials of the Idaho Power Co. and are spending the day with officials of the Montana Power Co., whose president announced that they were coming. According to information from FEA, their people are meeting with 45 utilities this week.

Neither State officials nor local groups, who are interested in the problem of strip mining and coal gasification, were notified that the FEA was doing an "information survey." FEA did not notify either Senator MANSFIELD or me.

Asked about this today, an FEA public affairs spokesman said they "have a press release coming out now." The FEA "survey" crew will have come and gone by the time those most directly concerned are notified of the visit.

Mr. President, as I have further information on the Federal Energy Administration working in the dark, I will share it with my colleagues.

INFLATION IN HEALTH SERVICE COSTS

Mr. HUMPHREY. Mr. President, price inflation in certain goods and services continues to strike with particular cruelty where the country can least afford it.

President Ford has told the Nation that we all suffer general inflation while only those 8 or 9 million without jobs suffer unemployment. With that political rationale in mind, the President has chosen to foster a myth of legislative-executive dichotomy: Congress worries about the recession, while he works to end inflation. Well, it just is not so. This country must move toward policies to end both the immoral burden upon the innocent victims of joblessness, and the effects of an inflation which so often hits hardest those least fortunate in the first place.

If ever there was a necessity that the poor simply cannot do without, it is adequate health care. And what has happened? A recent article in the Washington Post reminded us of what those who have become ill learned the hard way: prices of medical services, in the past year, have risen much faster than general prices. In the year since health service price controls ended on April 30, 1974, the cost of health care has increased 40 percent faster than the Consumer Price Index, while hospital care cost has outstripped the CPI by 70 percent. An average day at a hospital now runs an astounding $126, up from $108 a year ago—and it is much higher in many areas of the country.

Now I am happy to see that some members of the administration are expressing concern about this trend, and in fact, attempting to do something about it. But, as a close reading of the Post article will show, the direction of the action offers more reason for skepticism than optimism. The Department of Health, Education, and Welfare has applied a number of bandages, but as the Post points out, "these are all piecemeal measures." And Secretary of HEW, Caspar Weinberger, has said, "piecemeal cost containment cannot work."

Consequently, HEW is now trying to get individual States to undertake the good fight. But only 10 States have responded to the call, and even they find holding the line hard to accomplish. Maryland, in particular, will consider itself lucky if it holds health costs increases to those of general prices. "If we cannot make State regulation work," the Director of the Maryland Health Cost Review Commission Harold Cohen said, "I do not think any State can."

Mr. President, the administration's handling of health care is another example of Government mismanagement that leads to inflation. We have seen it in food, energy, and now we are seeing it in health care. The truth of the matter is that we are going to get health costs under control only when we develop a comprehensive health policy, including national health insurance. I have supported such efforts, as have other Members of Congress, because we are concerned about the escalation of health costs.

I ask unanimous consent that the Washington Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEALTH CARE COSTS SOARING

(By Victor Cohn)

The price of being sick is rising so fast that Ford administration health officials are speeding up a drive to help states set advance limits on spending in all of the nation's 7,000 hospitals.

In the first full year since price controls ended, the cost of health care rose 40 per cent faster than the consumer price index, federal figures compiled late in June show.

The cost of hospital care rose 70 per cent faster than the index.

Secretary of Health, Education and Welfare Caspar W. Weinberger in an interview last week called hospital costs "the main driving force" in health prices, and "one we must control."

Among the reasons for all the rises, according to public and private health officials:

Hospitals have been catching up on rate boosts after a period of federal controls that failed to control all the things that they buy.

Doctors have raised rates in anticipation of controls accompanying national health insurance—and raised them whenever they read that it is "imminent," which has been the case for some years.

Medical care has been getting more expensive, in part justifiably, in part because hospitals have been buying complex equipment before they too are controlled by new measures.

With hospitals claiming 39 per cent of every health dollar, the administration is moving to encourage hospital cost regulation by every state, Weinberger said. He said such state systems would be required under the administration's health insurance plan, which he predicted will be submitted next year.

But Dr. Stuart Altman, HEW's deputy assistant secretary for planning, said the slow movement so far toward health insurance is "forcing us to rethink. We are in the process of doing that now."

Weinberger said he is "somewhat encouraged" because in the past few months the rise of health costs has slowed down. This follows a year in which costs "went bananas," in the phrase of Joseph Eichenholz, a HEW health economist.

Price controls ended April 30, 1974. From mid-May, 1974, to mid-May, 1975, the last year surveyed by the Bureau of Labor Statistics, total health costs rose 13.3 per cent and hospital charges 16.2 per cent, while all prices rose only 9.5 per cent.

This May, finally, health and hospital costs rose 0.6 per cent over April, an annual rise of 7.5 per cent compounded.

"But this is still 2 points above general inflation," Eichenholz said. "We're still very worried.

"Between January and March hospitals were still spending 16 per cent more than the year before. So we're afraid their charges are going to start up again."

"We're praying," said Altman, who has forecast hospital increases of as much as 20 per cent without tighter controls.

The average daily cost of hospital care at the end of March (the latest figure available) was $126 a day, compared with $108 a year before.

In the Washington area the figure was $184 a day, up 19 per cent from $154 a year earlier. The lowest figure was Suburban Hospital's in Bethesda, $131 a day; the highest, Children's Hospital, $363.

Neither administration nor private health officials foresaw the kind of increases that have occurred since May, 1974. John Alexander McMahon, president of the American Hospital Association, forecast that hospital prices would level off at no more than general price increases, after a period of catch-up.

But in late March, McMahon expressed "surprise" that the leveling off was so slow in coming. He maintained that the cost of the "hospital market basket," the supplies and services hospitals buy, was higher than general prices.

But administration officials say 52 per cent of the hospital increases can be blamed on rises in wages and prices, with 48 per cent caused by "increases in numbers and kinds of services"—meaning more care and more expensive care per patient.

Eichenholz also said, "We can't overlook doctors' fees. And they're the ones in the driver's seat at the hospitals."

Doctors' fees were up 13.2 per cent in mid-May over mid-May, 1974, and still rising at a faster rate than general inflation.

A main problem, Altman said, is that "we have very limited authority to do anything. We can take only piecemeal measures."

Weinberger this year ordered four such measures effective July 1 to apply to federal Medicare and Medicaid payments:

A limit on most hospital payments of no more than about 90 per cent of an area's average. Medical colleges are seeking an injunction to block enforcement, claiming that teaching hospitals that use many more doctors would be badly underpaid.

An end to an 8½ per cent bonus for nursing care for Medicare patients, because they are older and need more care. HEW says new payment methods make this no longer needed. The American, Protestant, Catholic and commercial hospital associations disagree and are sueing to block this change.

A start of compulsory "utilization review" of all hospitals' patients to make sure their admissions are justified. The American Medical Association won a preliminary injunction May 27 against this rule.

A mild limit on doctors' fees, tying any increases to a new national index.

This is the only one of the four measures on which HEW is not being sued, though all four would still save only $250 million a year when fully applied.

"I am disappointed that we have to fight foot by foot for these necessary measures," Weinberger said in the interview. "I think these challenges represent an outmoded kind of resistance."

But even these are all piecemeal measures, he said, and "piecemeal cost containment can't work. This is why we are now helping states develop their own variations of prospective reimbursement for hospitals."

This means laws or agreements to permit state approval of hospital budgets once a year, in advance—in effect, telling a hospital that it may spend and be repaid only so much.

State hospital budgeting systems are being aided by several HEW grants and more will be added, partly under a new health planning law. Various kinds of systems are at least in partial operation or in the planning stage in New York, New Jersey, Rhode Island, Indiana, Connecticut, Wisconsin, Colorado, Pennsylvania and Ohio—and Maryland, with the first state commission with power over all hospital rates.

Maryland's Health Cost Review Commission has been controlling rates since last July. In the first year, it estimates, hospitals have increased prices 4.6 per cent compared with the nationwide 16 per cent, though their costs have gone up an estimated 9 to 13 per cent.

"We're going to have to let rates go up," said Harold Cohen, director of the Maryland agency. "But our target is to hold them to average inflation, and I think we can do it if hospitals, Blue Cross and Medicare cooperate with us."

Weinberger said, "We prefer state to federal regulation because it will be closer to hospitals' and patients' needs." A labor-backed health insurance bill before Congress would allocate money to hospitals by national regions.

"If we can't make state regulation work," Cohen said, "I don't think any state can."

"What we're talking about," said Eichenholz, "are all pretty dry figures. Unless you're paying the bills."

SENATOR NELSON ON SMALL BUSINESS

Mr. SPARKMAN. Mr. President, I would like to join in the remarks made by the Senator from Wisconsin (Mr. NELSON) in calling attention to the article in U.S. News on small business.

It is gratifying to see this kind of recognition of the small business community which is such a vital part of the economy of this country and of my own State of Alabama.

The article notes that small business accounts for more than 95 percent of the number of U.S. businesses, and that these firms account for more than half of all private jobs, and one-third of the gross national product.

Senator NELSON, who has done a fine job since assuming the chairmanship of the Select Committee on Small Business within this year, aptly remarked that smaller businesses cumulatively have been a "sleeping giant" and that their recent meeting in the Nation's Capital has been a milestone in recognizing their existence and their problems. This statement was made in the keystone address at the beginning of the convention of the National Federation of Independent Business, an organization with 420,000 members across the country, and which is still growing.

I feel that Senator NELSON's remarks on this occasion deserve to be circulated further, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT TO THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS

(By Senator GAYLORD NELSON)

Mr. Chairman, Members of the Federation: It is a pleasure to welcome to Washington the membership of the Nation's largest small business organization.

The Senate Small Business Committee was founded in 1950, and I have served for 10½ of those 25 years. On the basis of that experience, I can observe that your convention is a milestone of the small business movement.

After being known as a "sleeping giant" for many decades, the small business community has begun to make the public, and the Congress, aware that it exists and that it accounts for

Over 95% of all businesses, by number,
52 to 53% of all private employment,
43% of the business output of the country,
One-third of the entire gross national product.

Part of the new awareness arises from the steady and effective work of your association and others from year to year. However, it seems to me that this 1975 convention, with its splendid program, symbolizes the "coming of age" of small business on the Washington scene.

Now that you "have arrived," as the saying goes, I am charged with offering you some words of advice.

During the spring of each year, it has been traditional for the small business organizations and other groups to gather in Washington, where the cherry blossoms and the azaleas are blooming. Over these years, I have heard considerable flowery rhetoric about the importance of small business. However, too often those words are not translated into results.

As leaders of your own businesses, you know full well that if you were only concerned with drawing a pay check, there would soon be no bank balance to cash it. Your convention program reflects this concern with the nation's economic problems, and I urge your thoughtful participation in these sessions.

The economic problems facing our country are tough and complicated, or we would have disposed of them already.

The energy issue is complex because our supplies depend to a high degree upon decisions of other sovereign nations including questions of war and peace.

The course of our economy is a question about which economists disagree. If any man living had a full knowledge and a clear vision of how to manage the U.S. economy, we would not be in the middle of:

The worst recession since the 1930's;

The sharpest and most sustained fall in profits in a generation; and

An unemployment rate of over 9 percent.

I happen to believe that small and independent business, which has accounted for the predominant share of the innovation in the U.S. economy, a substantial share of the capital formation, and an undoubted source of competition and dynamism, can be a large part of the solutions to our problems.

But, we must prove this to skeptics in the Congress and in the Executive branch. This will take a great deal of painstaking and hard work, such as is going forward in the Senate Small Business Committee and elsewhere, in such fields as tax reform for small business, financing, helping firms adjust to environmental and consumer initiatives, economic concentration, and various specific industry problems.

For example, this week our Committee will be conducting, jointly with Senator Bentsen's Subcommittee of the Finance Committee, three days of public hearings on small business tax reforms. Your own highly thought-of association will be featured as the lead-off witness at the Wednesday session.

Fortunately, our Committee was able to bring about significant tax reduction benefits of up to $7,000 for 1975, for some smaller firms in the emergency Tax Reduction Act earlier this year. Now we must tackle the larger questions of general tax reform from the viewpoint of the smaller and medium-sized corporation and millions of unincorporated businesses which have so often in the past been neglected when the Congress sits down to write tax legislation.

We are looking forward to continued close cooperation of your Federation in this vital area.

However, I caution you to judge our actions by the standard which we propose for others. I urge you to judge us most severely by the results which we produce.

In my view, history will surely judge us in public life by that objective standard, in the same way your businesses are tested by the impersonal forces of the market.

If the small business community cannot succeed in gaining equitable treatment for free enterprise under the manifold aspects of government regulation, taxation, and reporting, then there may not be a convention such as this to celebrate the third centennial of this Republic. If the advocates of small business enterprise do succeed, and perhaps largely to the extent that we do, the future achievements of our economy and our democracy can be as glorious as our past.

REPORT FROM GENEVA

Mr. KENNEDY. Mr. President, since it was negotiated 7 years ago, the Non-Proliferation Treaty has come to symbolize a significant effort by mankind to place firm controls over nuclear weapons. It is especially encouraging that in recent months new nations have ratified the NPT. But it would be self-delusion to believe that the NPT has solved the central problems of nuclear proliferation. The treaty is one substantial step in the right direction, to bring sense and sanity into discussions and decisions about nuclear weapons.

It has been nearly 30 years since the atom bomb was used in war—30 years in which man's memories of the twin holocausts of Hiroshima and Nagasaki have lost the force of immediacy; but the fact of atomic weapons remains.

During the past three decades, the power of the largest bomb has increased by 4,500 times. The arsenals of the major powers have increased to staggering size, so that now the United States and the Soviet Union deploy the equivalent of more than a million Hiroshimas—more than 7,000 times the explosive power used by all sides in World War II.

And the secret is out. There are now five declared nuclear powers—and a sixth that has set off a nuclear explosion. But even more important, the technology of these deadly devices is easy to come by. We are now even worried that nuclear weapons will be in reach of hijackers and others who might be able to divert nuclear material from peaceful uses, or obtain access to weapons storage sites themselves.

During the same three decades, the United States has focussed its attention on relations with other nuclear weapons states—especially the Soviet Union. And it is a great success that there has been no nuclear war; that there is a doctrine of deterrence accepted on both sides; that it is possible to work seriously on controlling the nuclear arms race.

The Strategic Arms Limitation Talks—the arms control process itself—must be considered one of mankind's great political triumphs—one of the great testaments to man's ability in crisis to reach out for sense and sanity.

But in a very real way, what has been done at SALT helps to obscure new dangers—dangers which may in time prove just as deadly, just as threatening to our future on this planet.

As the two superpowers focussed on their direct nuclear relations, they tended to lose sight of the ease with which other nations can build nuclear weapons.

In building up their own nuclear power—in bidding potential rivals out of the nuclear sweepstakes—they forgot that it does not take a million "Hiroshima bombs" to wreak vast destruction: it takes just one. One bomb in the hands of a nation or group disposed to use it would still raise unacceptable dangers. It would still threaten the lives of tens of thousands of people somewhere in the world.

Today, in both Moscow and Washington, emphasis is on the "fine tuning" of nuclear relations. It is on newer, larger, more accurate, and more powerful weapons. It is on providing insurance against accidents, through highly-controlled systems. It is on new devices to increase target-coverage, to introduce greater flexibility, or to seek control in fighting a nuclear conflict if one should break out.

But instead of focussing so much of their attention on these third and fourth generation problems, the superpowers should give much greater thought to the impact these developments might have on other nations. Otherwise, I believe that both the United States and the Soviet Union would be ignoring one of the most important issues of nuclear weapons. They would be ignoring one of the most important threats to the future of mankind from the atom. Neither superpower gains from continuing the nuclear arms race; they will both lose if their own actions call forth nuclear arms races among other nations.

Let us therefore then challenge both superpowers to break the old habit of seeing problems of nuclear weapons solely in terms of United States-Soviet relations; let us seek to break the cycle of arms competition that feeds upon itself—to no benefit for either side—while helping to foster an even more deadly danger.

Unless all nations act, today, this will in time become a world of many nuclear powers—a world far more dangerous and uncertain than it is now—a world in which the security provided by superpower deterrence will not suffice:

This is the first lesson of the new era of nuclear power. Yet it will be of value only if there is a shared view that the dangers of nuclear spread outweigh the value of nuclear arms to any individual nation. It is too late for any nation or group of nations to impose control of proliferation on the rest of the world.

The world community must gain greater control over the technical possibilities for building nuclear weapons. This means that we must all reassess policies for peaceful uses—in particular the generation of electricity. We must recognize the inherent dangers of spreading nuclear materials—in increasing quantities—to the far corners of the of the globe. Already, more than 20 countries have the fissionable material that could technically be diverted to arms manufacture; and the number of countries—and quantities of material—will grow inexorably as the demand for nuclear reactors also grows. Yet few countries have controls as strict as those of the United States—and even its controls need to be improved.

It is also important to improve safeguards administered through bodies like the International Atomic Energy Agency. We must protect shipments of nuclear material to reduce the risks of hijacking or other diversion. Together, we must develop the strictest controls on the reprocessing of spent fuel from nuclear reactors. These were all subjects of primary concern during the recent NPT Review Conference in Geneva.

The NPT itself remains a keystone of any nonproliferation strategy. But too many nations near the threshold of a nuclear capability have not signed the NPT; too many others have not ratified it.

Yet even as there is an effort to bring more nations under the NPT—as there is an effort to seek technical means to help limit the spread of nuclear weapons—more will be needed.

Too great a reliance on these functional steps could lead us to ignore the basic reasons impelling nations to acquire nuclear weapons. These reasons are largely political.

No technical safeguard that is now possible will long stop a nation from building the bomb if it is determined to do so. No signature on the NPT will have decisive effect, unless the signatory is convinced for other reasons to renounce nuclear weapons.

I believe that there are six political and economic steps—beyond those I have mentioned—that must be taken.

Each of the six steps must have a common premise: that trying to limit the spread of nuclear weapons is not something that the nuclear powers want to do to the non-nuclear states. Rather it must be something that all nations do together in their common interest.

This has been a weakness of the NPT. Too often it has seemed in practice to be a device for the nuclear nations to retain some sort of hegemony. Whether that view is right or wrong, the policies adapted now—by individual nations and by the world community—must above all seek to dispel it through the sincerity of our actions. We must do everything possible to avoid an atmosphere of discrimination on the part of the nuclear weapons states. This principle is in the NPT. It must be respected.

First, the United States and the Soviet Union must press for the early conclusion of a treaty banning the testing of all nuclear weapons. It will not be enough to rest with the threshold test ban treaty already negotiated, which many observers—myself included—believe must be taken much further before we have a truly meaningful effort to deal with this critical issue.

It is my view, supported by most knowledgeable observers, that the United States could accept a comprehensive test ban without undermining its nuclear deterrent or security. While we cannot know precisely what attitude the Soviet Union will adopt on this issue—particularly on regulation of peaceful nuclear explosions—there have long been promising signs that negotiations on this subject could bear fruit.

The superpowers must provide real incentive to any other nuclear or non-nuclear power to refrain from its own developments. And the best way to do this is through a CTB.

In the context of a CTB, particularly we must also come to terms with the problem of peaceful nuclear explosions.

In the United States, we may have concluded that these are not worth the effort, the risks, the costs, and the dangers of proliferation. But this view is not shared everywhere; "education" by American lights will not suffice; and sovereign nations may make different calculations about the economic value of peaceful nuclear explosions.

The United States and the Soviet Union should take the lead in agreeing to a ban on peaceful nuclear explosions by them, hopefully as part of a CTB. At the very least, this subject should be a prime topic for negotiations in the current talks on the threshold test ban.

Together, we should also seek an international agreement banning peaceful nuclear explosions—but one that does not discriminate against nuclear have-not nations.

At the very least all nations—nuclear and nonnuclear—should seek to create an international regime for the firm control of these explosions in all countries. In itself, such a regime could help to remove some of the incentive for peaceful nuclear explosives. It would remove any basis for the charge that this is another example of modern technology which the superpowers seem to want to keep out of the reach of the have-nots.

Sharing the benefits of peaceful nuclear technology has already been promised in the NPT. This principle must be respected—particularly in areas of direct benefit to mankind. And by creating an international regime on PNE's, there would be added incentive for all nations to rely on an internationally agreed means of conducting any peaceful nuclear explosion. Efforts could then continue for ending the use of PNE's altogether.

Second, the superpowers themselves must demonstrate their willingness to halt their own arms race, and to begin real reductions. A real halt has been achieved in the building of defensive nuclear arms. But in offensive arms, they have managed only to regulate forward movement.

In addition to gaining further limits on offensive weapons, we are faced with the real problem of halting the qualitative race in nuclear arms. This arms race is just as much a matter of "vertical" proliferation as the race upwards in numbers. Yet if the superpowers will consent to stop this vertical proliferation, and begin to roll it back, they will be far better placed in seeking to limit it "horizontally."

The commitment to restrain is clear, and is contained in article 6 of the NPT. To this end, last January, I joined with other Senators—now numbering 42—in sponsoring a Senate resolution designed to link the Vladivostok Agreement firmly to the future. We have supported that agreement, and further negotiations between the superpowers begin "as soon as possible" to gain mutual restraint on new developments and deployments; to seek to lower the Vladivostok numbers; and to negotiate limits on other nuclear systems. We believe this approach could help meet the need to demonstrate superpower restraint in the arms race, leading to reductions partly as a way of supporting other efforts to limit the spread of nuclear weapons.

Halting the superpower arms race will in itself be enough to limit the spread of nuclear weapons. But such a critical step—in everyone's real interest—is an essential part of the effort.

Third, the superpowers must also begin to play down the importance of nuclear weapons in assessments and assertions of their own national power. They must try to pursuade other nuclear nations to take the same view, while seeking to involve France and China in the vital work that is being done here.

During the uncertain days of the 1950's, before the onset of mutual assured destruction, there was a strong temptation in both the United States and the Soviet Union to emphasize nuclear weapons, as the critical indicator of national power. Yet today, the great powers increasingly recognize nuclear weapons to be impractical; they are concerned about the control of nuclear weapons; while détente has helped bring other factors—primarily economic might—more to the fore in determining the political power of nations in world politics.

Thus there is little value for either the United States or the Soviet Union in continuing to emphasize the size and power of its nuclear arsenal as a coin of national political might and influence. Certainly, these nuclear arsenals have less effect in political relations with other states than in days gone by.

Continuing to emphasize the link between nuclear power and political influence merely increases the desire of smaller nations to follow suit. No one can ask nuclear have-not nations to foreswear these weapons—for whatever reason—if the superpowers continue to overplay the bomb's importance for political power or prestige.

The stronger and the more entrenched this attitude against nuclear weapons becomes, the safer will be the nonnuclear weapons states from nuclear threats. We must strengthen the worldwide conviction that these weapons are never to be used as instruments of foreign policy. For 30 years now, the bomb has never been used in war. We must all keep it that way.

Fourth, all states must join together—nuclear and nonnuclear—to encourage the extension of nuclear free zones to new areas of the globe. This concept now applies to Latin America and Antarctica. It could usefully be extended as a measure of mutual self-denial—a form of collective security—to other areas, beginning with the Middle East, the Indian Ocean, and Africa. At the same time local states should be encouraged, working together, to seek other means of guaranteeing their mutual security—including the Indian subcontinent despite India's nuclear test.

It is difficult in advance to assess the value of such efforts, but they should be encouraged, not retarded.

Fifth, all major suppliers and consumers of conventional arms should work together to seek restraint on the supply of these arms to volatile areas of the world such as the Persian Gulf. In some areas, conventional military strength will reduce ambitions for nuclear arms. But in others, new arms races will provide the most fertile soil for the seeds of escalation to nuclear power. The nuclear danger rarely lies in restricting the flow of conventional arms, through mutual agreement; rather it lies in fostering the cast of mind that security is more a matter of military power than of political effort and agreement.

The major nuclear powers should also be among the most vocal in support of initiatives for regional arms control efforts, such as that endorsed by the Andean countries at the Ayacucho conference last December.

Sixth, nations working together must recognize and meet the most fundamental reason of all for building nuclear weapons: the needs of national security. There will be little value in adopting the foregoing steps to limit the spread of the bomb, if individual nations feel their own security to be threatened without it.

Clearly, we have passed beyond the time when a few nations with nuclear weapons can convince all other countries either of the risks of having a nuclear capability, or the benefits of foreswearing it. Just as clearly, some nations will judge it in their national interest to build the bomb for reasons of security, unless that security can be gained in other ways.

For the United States, this means a continued affirmation of its political, military and economic commitment to critical allies.

And there must also be efforts by many nations in particular cases to help damp down conflict—and to held resolve sources of conflict—in parts of the world where the temptation to build nuclear weapons might otherwise be great. Today, this is certainly true in the Middle East; it is also true in the Indian subcontinent.

No nation, seriously interested in reducing the risks of a nuclear war can be unconcerned with the reduction of local conflict. No nation will be able to rest easy, once the next nuclear weapon is used.

As a world civilization, all of us share a common interest in avoiding nuclear war—not just because of the terrible destruction it would wreak—the terrible tragedy—but also because of the awesome precedent this would set for the conduct of relations between states and peoples. In this very real sense, "no man is an island; entire of itself . . ."

I believe that these six steps—along with the NPT, technical efforts, and a new look at the side effects of nuclear reactors—can help us build a sound strategy for limiting the spread of nuclear weapons. They can help achieve that goal—but, again, only if the nuclear powers consistently and scrupulously work to remove any hint of discrimination.

Only if limiting the spread of nuclear weapons is seen by all as in the common interest—only if today's nuclear powers will voluntarily give up certain political advantages—can we hope to succeed.

Most important, before we may otherwise have to face a world of many nuclear powers, we must work to increase awareness of the dangers of proliferation. The superpowers must lead by reducing their emphasis on the "fine-tuning" of the United States-Soviet nuclear arms race, and placing that emphasis squarely and clearly where it belongs: on the dangers of a world overgrown with the atom bomb.

Mr. President, the Non-Proliferation Treaty Review Conference ended in Genevia in late May. I had the privilege of addressing the delegates to the conference during a stop there on my way to the Middle East. In speaking with them, I stressed the same concerns that I have focussed on here, and the urgency with which they must be dealt. While I was unfortunately not able to attend any of the formal sessions of the conference, Mr. Thomas Halsted, Executive Director of the Arms Control Association did attend each session as an observer for the Carnegie Endowment for International Peace. On his return, he published a summary of the proceedings and his assessment of its performance in coming to grips with the issues in the growing dangers of nuclear proliferation. I ask unanimous consent that his report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT FROM GENEVA

(By Thomas A. Halsted)

The Non-Proliferation Treaty (NPT) Review Conference which took place last month at the Palais des Nations in Geneva, Switzerland, ended the evening of Friday, May 30, after four weeks of debate. The Conference was convened in compliance with the Treaty's Article VIII, which called on parties to meet five years after the Treaty's entry into force to examine whether "the purposes of the Preamble and the provisions of the Treaty are being realized." The conferees concluded their discussions by adopting a compromise declaration, drafted by Conference President Mrs. Inga Thorsson (Sweden) after a drafting committee had failed to reconcile divergent views. The declaration reaffirmed the conferees' support of the Treaty's purposes, called on the parties—particularly those possessing nuclear weapons—to do more to meet their treaty obligations, and proposed that a second Review Conference be convened in 1980. In two hours of discussion which followed the adoption of the resolution, a number of the delegates delivered final statements to the Conference, many of them expressing dissatisfaction about the outcome of the talks; it is a foregone conclusion that the disputes aired then and earlier at the Review Conference will be raised again in other forums in coming months.

Almost on the heels of the Conference came the unwelcome news that West Germany (which had just completed ratification of the Treaty) was about to conclude a multi-billion dollar deal to provide all the elements of the nuclear fuel cycle (enrichment, reactors, and plutonium fuel separation facilities, adequate to make nuclear weapons if desired) to Brazil, a conspicuous non-party to the NPT. That such a transaction was completely legal under the Treaty demonstrated at a most unfortunate time how easily and dramatically its intent could be circumvented.

But even without this depressing punctuation mark, the Conference was disappointing. Not that anything really unexpected occurred; I had supposed that there would be a month of fairly inconclusive debate over the rights and obligations of treaty parties, coupled with some progress toward solving some of the more urgent technical obstacles standing in the way of providing the benefits of the peaceful atom to as many consumers as possible. What I, and perhaps a few other optimists were less prepared for, was the degree of acrimony and discord that permeated much of the discussion, chiefly of the more political problems, and that may in some subtle ways make the NPT regime less stable in the future.

Considering that speaker after speaker at the Conference referred to the meeting as the most historic disarmament conference to be held in thirty years, it was remarkably poorly attended and generated almost no attention from the world press. Of the 96 nations eligible for full participation only 58 bothered to show up. Before the Conference all Parties had been invited to attend; several had been unaware of the meeting. One asked if it were a party to the Treaty; one eligible party (Iraq) requested and obtained permission to participate as an observer rather than a full party, thereby exempting itself from the obligation to pay a share of the $645,000 budgeted for the month-long session.

In addition to the 58 parties, 7 signatories not yet parties attended, and 7 additional non-signatories attended as observers. (See box, p. 2.)

ASSESSING THE REVIEW CONFERENCE

Was the Conference a success? Opinions ranged from the assertion that the fact that over 90 states have ratified the Treaty proves the smashing success of the Review Conference to the charge that if the nuclear superpowers do not immediately negotiate a comprehensive test ban, undertake immediate and major reductions of strategic arms, and vow never to use nuclear weapons against anyone not possessing them, it will have been a catastrophic disaster.

There is some validity in both of these extreme positions. Considering the worst that might have happened in the past seven years, the fact that the Review Conference took place at all is a plus. That there are as many as 96 parties to the Treaty is a credit both to the original concept of the Treaty and to the confidence that new parties have placed in it, no matter what its apparent shortcomings. That none of the parties that have subscribed to the NPT has subsequently withdrawn from it has probably significantly strengthened the Treaty.

It must be remembered, however, that those 96 states that have ratified the NPT still do not include in their number the half dozen or so most likely to retain an interest in acquiring nuclear weapons—the problem the Treaty was intended to solve in the first place.

The Treaty cannot stop proliferation, only make it a little harder to facilitate. The way the Treaty has been implemented to now was reflected in the development of the debate in the two main committees of the Review Conference—one dealing with disarmament and other security problems, the other with technical issues related to the orderly growth of peaceful nuclear industry. As expected, it turned out easier to come up with promising or at least acceptable solutions to the technical problems than to solve the essentially political ones.

PROGRESS ON PEACEFUL USES

In the technical area, the Conference gave renewed stimulus to some promising concepts: to the idea of regional or multinational fuel cycle centers, for example, and perhaps to a more careful appraisal of the real prospects for and problems of peaceful nuclear explosions.

The Conference will undoubtedly also help to encourage development of improved safeguards systems, heighten concern about security of nuclear materials and facilities, and, hopefully, lead to less discriminatory supplier policies. In short, the Conference underscored the fact that for the most part the Treaty has been an effective instrument for facilitating access to the peaceful uses of nuclear energy.

SECURITY QUESTIONS STAY UNANSWERED

Where the Treaty—and the Review Conference—continue to fall short remains in the harder questions of security, chiefly those of implementing Article VI, dealing with the obligations of the nuclear-weapons parties (the U.S., Britain, and the U.S.S.R.) to do more about disarmament and arms control. These problems were made more difficult to grapple with at the Conference by the hard-nosed approach the nuclear powers chose to take. No one realistically expected the U.S. and U.S.S.R. to "take the pledge" at the Review Conference and give up the arms race entirely, but neither did it seem reasonable for them to react to criticism of their behavior by asserting that the scope and peace of their bilateral arms control negotiations were nobody's business but their own. A Soviet delegate called such criticism "unacceptable interference."

If non-proliferation means the less nuclear weapons the better, the nuclear powers must set a better example. They can and must do more than they have so far been willing to do, toward ending nuclear tests, reversing the qualitative and quantitative strategic arms race, and adopting some form of commitment not to use nuclear weapons against those who have agreed to forswear them.

These are steps they should take even if there were no Non-Proliferation Treaty. Having in their hands the ability to destroy the world, they have the obligation to do as much as they can to reduce their capacity to do so and the likelihood that they might.

But even if the superpowers took these necessary steps tomorrow, their action would still leave unresolved the immediate security concerns of the potential sixth, seventh, or eighth nuclear-weapons powers, whose decisions to acquire nuclear weapons will not be based on concerns about attack from the United States or Soviet Union but rather from their neighbors.

In this area, it is events and undertakings outside the scope of the Treaty and beyond the responsibility of the Review Conference that will most affect the future of nuclear weapons proliferation.

Regional political solutions to regional conflicts, including serious consideration of nuclear-weapon-free zones in those few areas where they seem feasible, will do far more to remove incentives for "going nuclear' than any imaginative technological fix, however laudable, which might make it more difficult to obtain the means to do so. Furthermore, the suppliers of conventional arms are certainly not doing their part to aleviate these regional tensions, or to lessen the likelihood that appetites for nuclear weapons will be diminished by continuing to dispense their lethal largesse so abundantly to troubled parts of the world. A Non-Proliferation Treaty for conventonal arms could do a great deal to bolster the nuclear NPT.

SUMMING UP

What, then, did the Review Conference accomplish? That it took place at all, reaffirming a commitment to the Treaty, may turn out to have been its most significant achievement. If it also served to underscore the many grave problems nuclear weapons and nuclear power have posed for the world, and to stimulate creative thinking toward their solution, it will have been well worth holding. Even the widespread dissatisfaction expressed by many of the non-nuclear powers present could turn out to be beneficial if it finally prods the nuclear powers to faster and better progress in disarmament.

The Review Conference provided a forum for a careful reassessment of the risks and benefits of the peaceful atom. If some day it will also be possible to start thinking seriously about fewer nuclear-weapons powers rather than merely congratulating ourselves that there are no additional ones, the Review Conference could signal the beginning of a welcome step toward international sanity.

Some of the non-governmental observers present at Geneva felt the Conference had been a failure. They aparently saw it as an occasion for the nuclear weapons states, suitably chastised, to get religion, to realize that they had to mend their ways and could no longer set such a bad example.

I take a different view. One could hardly expect in thirty days to bring about solutions that had not been found in five years. The Non-Proliferation Treaty is a complicated instrument—an amalgam of political and technological commitments and half-promises, a bargain between states with very different objectives and approaches, both to their security and to solving the problems facing a world of nuclear energy. The Review Conference was not a forum for major new developments, only a check point at what—hopefully—is an early stage in the life of the NPT and a broader international concern about the many problems of the Nuclear Age.

SENATOR CLARK SPEAKS BEFORE THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

Mr. HUMPHREY. Mr. President, last Sunday, July 7, the American School Food Service Association held their 29th annual convention in Chicago, Ill. The convention brought together over 2,500 people to discuss the future of the child nutrition programs, and I was pleased to note that my good friend and colleague, Dick Clark, was their keynote speaker.

Over the years, the American School Food Service Association has earned a reputation for their outstanding leadership in improving the child nutrition programs. In much the same manner, Senator Clark has become one of the strongest advocates in the Senate for these programs, and he deserves our special thanks for his hard work. I serve with Senator Clark on the Senate Agriculture Committee where the child nutrition legislation is written, and he always can be counted upon to bring to that committee the kind of sensitivity and awareness that are vital to the continued prosperity and success of these important programs.

Mr. President, the child nutrition legislation will be considered in the full Senate shortly. I ask unanimous consent that Senator Clark's excellent speech before the 29th annual American School Food Service Association be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech by Dick Clark

Thank you very much for your warm welcome. It's a pleasure and a great honor for me to join you this evening, and I especially appreciate Helen Walker's kind introduction and the invitation that was extended to me on your behalf by my good friend, Vern Carpenter. In Iowa, Vern has earned a reputation for being one of the most effective administrators of any statewide program. Next year, when Vern takes over the chairmanship of the association's legislative committee, I'm confident that he will bring the same kind of leadership to that position that has characterized his years as director of Iowa's child nutrition programs. I have depended upon him a great deal and he will certainly have my support in his new position.

For the past 2½ years, I've had the opportunity to work with your national organization on a number of critically important issues, most recently the new authorizations for the child nutrition programs.

You're part of an incredibly active, energetic and dynamic group—with almost 60,000 members nationwide. The Congress is very aware of your growing strength and importance and so are many of the Federal agencies, especially the U.S. Department of Agriculture. In fact, I've found from first-hand experience that the Senate Agriculture committee and many other Congressional committees depend upon the association and its members to supply the kind of vital information and technical assistance that consistently have helped improve the status of the child nutrition programs.

You've made an important contribution to this country's well-being, and with your continued efforts, I'm confident that some day in the future, a truly comprehensive child nutrition program will be realized—one that provides every child with a nutritious meal each and every day. We ought not to accept anything less. Surely, that isn't asking too much. Food is the most basic staple of life—it's not a luxury, it's a necessity.

You've come together for the 29th annual convention during a most crucial time.

The domestic economy is in the depths of a recession, more than eight million people still are out of work. One out of eleven Americans is without a job. And, they're having a very difficult time right now feeding their families the food they need. We are quite aware of what malnutrition does to children. So you have an additional responsibility as you meet here this week.

In the next few months, we have some very difficult choices to make, and determining the direction of the child feeding programs is the best illustration because many questions remain unanswered. Will we expand the child nutrition programs to truly reach all children? Or will we focus on just reaching a part of America's children?

Will we continue economic segregation in the lunchroom when we have long since banned it in the classroom?

These and many other questions need to be answered, and we are looking to you to help solve them.

In the past, we have accomplished a great deal. We have achieved goals that once we thought were impossible. We have moved forward and we have witnessed these changes because you and your association have worked very hard and demonstrated our children's needs.

Let's take a moment to briefly review just a few of our most recent gains:

Reimbursement rates for all lunches have increased from 4 cents to about 12 cents.

Free and reduced-priced lunches reimbursement rates have risen; and there are automatic escalator clauses on all reimbursement rates;

Non-food assistance has been funded for needed equipment;

The school breakfast program has been implemented;

Free milk provisions were added to the special milk programs;

Outreach efforts have encouraged many children into the various child feeding programs.

All of these very basic measures began as part of the legislative recommendations of your association.

You can take special pride in their implementation. But the agenda of unfinished business is equally important.

This year, these gains will be augmented when congress gives final approval to legislation to reauthorize, revise and expand the present child nutrition programs. The House of Representatives has passed a good bill, and the Senate Agriculture Committee has reported substantially the same bill to the floor for consideration by the full Senate.

Under the Senate bill, the school breakfast program will be upgraded so that every school and every child who attends them gets the kind of nutritionally balanced breakfast that's essential. We have not yet met the potential of this program, and not very long ago, State child nutrition directors indicated their concerns about this trend in a survey conducted by the U.S. Senate Select Committee on Nutrition and Human Needs. In the future, the school breakfast program should be given more attention. Hopefully, this legislation will help us meet that objective.

The renewed school lunch program provided in this legislation will continue to include reduced price lunches so that then inflation won't make it impossible for the children of many middle and low income families to eat nutritious meals.

There are two problems with the Senate bill in my judgment, which make it inferior to the House-passed bill and they must be corrected before final passage in the Senate.

First, the Senate Committee on Agriculture did not include a provision to offer reduced price lunches to children who are at 200 percent of the income poverty index. Thus, if the Senate bill was adopted, reduced price lunches would continue to be optional at 175 percent of the income poverty index. Because of the importance of including this provision in the legislation, I plan to cosponsor an amendment to the committee bill during debate on the Senate floor. In my judgment, there is a good chance that the Senate will act favorably of this amendment, and since the House included it in their bill, there would not be a problem getting it approved in a Joint House Senate Conference Committee.

The second problem is that the Senate Agriculture Committee bill—unlike the House-passed bill—does not provide an additional 5 cent reimbursement for each lunch served to children who do not qualify for free or reduced priced meals. Clearly, we should provide this. There's no doubt that this extra nickel would help prevent the loss of paying children from participation in the lunch program. We must attempt to restore these funds, otherwise, more and more children will "brown bag" it or not eat at all.

The summer feeding program and the child care food program both have been upgraded in the Senate bill, and they will be put on an equal footing with school lunch and school breakfast. As a result children who attend day care centers will be eligible for nutritional assistance, and every child who attends a summer feeding program will receive a free meal. It also means that the summer feeding program and the child care food program will be eligible for commodities, for reimbursement rates fixed in the law, and for non-food assistance. We are proud of these new provisions—they will help improve our children's nutrition.

Most importantly, this legislation recognizes the school lunch program as a model after which to fashion other child nutrition programs. You have helped build that confidence, and it is our job in Congress to help you maintain it, and to continue to expand our nutrition programs until every child in America receives nutritious meals. In a nation as affluent as ours, in a nation that has $20 billion to spend going to the moon, in a nation that can spend $100 billion on weapons for destruction and death, certainly we ought to be able to feed our own children.

I'd like to specially mention the W.I.C. program:

The program that was developed to provide nutritious supplemental food to women, infants and children. Under the Senate legislation, administrative costs would be increased to 20 percent, and nutrition education would be specifically mandated as a condition for participation in the program. Hopefully, these improvements, and an authorization level of $250 million a year, will prevent mothers and their children from further malnourishment.

Finally, it's time we face up to the fact that one of our greatest challenges is the development of a comprehensive national nutrition program that includes an education component. It isn't enough to simply feed children. We must teach them about nutrition as well. That is why we have introduced the National Nutrition Education Act of 1975, additionally, I have introduced the Comprehensive Health Education Act to make the school lunchroom a laboratory for learning. Children must be taught more about nutrition, taught what foods are good for them—what to avoid.

Taken together, these provisions of the legislation which I have been discussing will help ensure the future integrity of the child nutrition programs. And they will help enforce our mutual goals: to increase participation in the programs as well as to continue the high quality of meals that are served.

Unfortunately, one roadblock does remain: the administration has opposed the legislation which is about to pass Congress. As you know, President Ford asked the Congress to approve a "block grant" proposal to vastly change the child nutrition programs. That proposal was summarily rejected by the House, and the administration couldn't even find one Senator to introduce it in the Senate.

Under the administration's plan, all the child nutrition programs now in effect would be consolidated, and they would only attempt to assist this Nation's most needy children.

Under the President's proposals, the following would be completely eliminated:

Diet supplementation for 650,000 low-income women, infants, and children in 48 States;

2½ billion individual school lunches for children from middle-income homes;

Milk for tens of millions of young schoolchildren;

All meals in day care centers, head start centers, and

All school breakfasts, taking food away from over 1½ million young children each day.

What makes this action particularly unfortunate is that it comes at a time when these programs, tried and proved, could be a real help to the people of this country when they are most in need.

At a time when food costs are rising over 15 percent a year, when unemployment is hitting record-breaking numbers, when we're in the depths of a recession, the Federal nutrition programs are in a unique position to help our people.

Should the President veto the child nutrition legislation, we will need your help. It takes a two-thirds majority in each House of Congress to override a veto. And so far this year, the Congress hasn't had a very good track record in overriding vetoes.

Anticipating a Presidential veto may be premature, but it is a very real threat. President Ford has promised to veto every new spending program approved by the Congress, and the Department of Agriculture myopically has placed the child nutrition programs in that category.

In order to avoid a Presidential veto and to ensure enactment of the child nutrition legislation, first and foremost, you must let the President know about your continued support for the programs. In Congress, we'll show our support for them by approving the legislation by an overwhelmingly favorable vote. I believe we will pass the bill and send it to the President by the end of this month. You can help by sending a letter or telegram to the President telling of your support, and it also would be good to again write to your Senators and Congressman to let them know about your concerns. Let's resolve right here and now, to write these letters just as soon as this conference comes to a close. Your effort may make the difference.

One thing is certain: you must remain well organized in our efforts. It's no secret that those people who are the best organized, those who can effectively communicate with their Congressmen and Senators, are the people who can get the legislative process to work for them. It's easy to say, let somebody else do it. But if you don't speak out, no one else will. Your track record over the years is excellent, so let's continue to work together to keep it that way.

As long as it's necessary, we must let this administration know that the nutrition programs enjoy a broad base of public support—from every segment of our society. Another point, we must let the Congress and the administration know that we do not approve of any efforts to transfer the child nutrition programs from the U.S. Department of Agriculture to another agency.

The U.S.D.A. is the one agency that's intimately familiar with food and nutrition. It has more expertise than any other agency. Transferring the child nutrition programs to another Federal agency wouldn't save any money. It wouldn't improve the programs' efficiency, and most importantly, neither would it help any of this Nation's children.

On another issue, commodities contributions should remain a part of the child nutrition programs. We are well on our way to surpluses in many commodities again, and that's why the structure for purchasing and distributing commodities should remain intact.

Finally, I know that many of you are concerned about the quality of meals served to Junior High and High School students. We need to maintain the nutritional integrity of the meals, and it will be important to continue serving nutritionally complete type "A" meals. This will ensure the continued quality of the programs, and I note with great pleasure that the legislation that's been adopted by the House of Representatives and the Senate Agriculture Committee will allow you as administrators to fulfill this objective.

Again, I want to thank you for inviting me and I look forward to working with you to improve the nutrition of our children all over America.

THE UNITED STATES AND HUMAN RIGHTS CONVENTIONS: A REVIEW BY A COMMITTEE OF THE WISCONSIN STATE BAR ASSOCIATION

Mr. PROXMIRE. Mr. President, the June 1975 issue of the Wisconsin Bar Bulletin contains a particularly interesting and succinct summary of the U.S. record in ratifying the major human rights treaties which have been submitted to the Senate. It was prepared by the Committee for World Peace Through Law and presents a dismal view of this body's dedication to human rights.

They found that the U.S. Senate had not ratified a single human rights treaty since 1968. Not one. And there are at least eight major treaties awaiting action. These include conventions relating to forced labor, freedom of association, equal remuneration for men and women, the political rights of women, racial and education discrimination, and a treaty outlawing the crime of genocide.

The committee concluded that—

> It is as though the United States suddenly, following World War II and after years of leading the way, had decided to become not only a follower but in fact the last straggler. When one considers that Americans often claim authorship of most human rights documents adopted by the United Nations or its affiliated agencies, it is deplorable to learn that our country has not signed some of those treaties which it once so enthusiastically and publicly fathered. Most Americans cannot believe the United States is a prime foot-dragger on this score. It is inconceivable that the United States has even failed to ratify the Genocide Convention. But the history of the Genocide Convention provides a good example of the usual treatment accorded to human rights treaties by the United States.

Their brief but excellent review of the history of the Genocide Convention is painfully familiar to the Members of this body who have supported efforts to secure ratification of this treaty.

It demands the attention of the Members of the Senate.

I ask unanimous consent that this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUMAN RIGHTS TREATIES

Many individuals and organizations throughout the world have consistently supported the recognition of human rights as a necessary basis for achieving world peace. For example, at its most recent biennial world conference at Abidjan, Ivory Coast, in August, 1973, the World Peace Through Law Center again expressed its long standing position by adopting the following resolution:

"We urge ratification of covenants which constitute the Human Rights Treaties, such as the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights; the Convention on Genocide; the Conventions on Abolition of Slavery and on Slave Trade; and the various international and regional Conventions against Racial and other forms of discrimination."

More recently there was introduced into the House of Representatives (93rd Congress) Resolution #557 urging the Senate to give its advice and consent to some of the important human rights conventions adopted by the United Nations. The Resolution was referred to the Committee on Foreign Affairs; and after extensive hearings, its Subcommittee on International Organizations issued a report recommending approval by the Senate of the Genocide Convention and early attention to other human rights treaties, including the one on Racial Discrimination. The status of the United States with respect to these treaties has been one of delay and inconsistency. This brief report (based largely on testimony of this Committee's chairman, in his individual capacity, before the House Subcommittee) is an attempt to review the history of how this country reached its present puzzling position.

By its Declaration of Independence in 1776, the United States inspired renewed hope throughout the civilized world for recognizing the dignity of man. A decade later it spelled out individual rights through the Bill of Rights. During the ensuing generations this country moved forward, step by step, to advance the rights of the individual, suffering through a tragic Civil War to give meaning to the words "all men are created equal." During these first 200 years, the United States not only furthered recognition of human rights for its own nationals, but it also constantly made its sympathies known and its influence felt for individual rights on the international scene. This American attitude reached a high point of self-sacrifice when we entered World War II, partially in self defense but spiritually because our country could not exist as the great humanitarian nation of the world and do nothing to prevent the crimes against humanity being committed by the Nazi government. When the war finally ended, the United States was not only the most materially powerful nation in the world, but it was the world leader for the ideals expressed in the United Nations Charter. The Charter specifically sets out as one of its purposes the furtherance of "respect for human rights and fundamental freedoms." Through ratification of the U.N. Charter, all members pledged themselves to achieve this noble objective.

At the San Francisco conference in June, 1945 when the Charter was adopted, President Truman, speaking for the United States, said:

"Under this document we have good reason to expect the framing of an International Bill of Rights, acceptable to all the nations involved. That Bill of Rights will be as much a part of international life as our own Bill of Rights is a part of our Constitution. The Charter is dedicated to the achievement and observance of human rights and freedoms, and unless we can attain these objectives for all men and women everywhere—without regard to race, language or religion—we cannot have permanent peace and security."

Thereafter, under the leadership of the United States, on December 10, 1948, the United Nations formulated and adopted the Universal Declaration of Human Rights. Although this was not the International Bill of Rights which many at San Francisco had envisioned, nevertheless it was the first time in history that the community of man spelled out those basic rights to which every human being is entitled. That Declaration has now taken on a unique position throughout the world; and from its guiding principles have flowed a series of United Nations treaties covering specific rights.

The first and probably best-known of these treaties is the Genocide Convention, adopted by the U.N. General Assembly during the late 1940's. Almost as well known is the treaty on Elimination of Racial Discrimination, adopted in 1965. However, the most inclusive of the conventions are the group of treaties adopted by the General Assembly in 1966 usually referred to as the International Covenants on Human Rights. These are what President Truman had in mind at San Francisco and include the Covenant on Economic, Social and Cultural Rights and the Covenant on Civil and Political Rights. When the General Assembly declared 1968 as International Year for Human Rights (being the 20th Anniversary of the Universal Declaration of Human Rights), it urged that special efforts be made to secure ratification by member states of nine human rights treaties:

1. The Supplemental Convention on slavery.
2. The I.L.O. convention relating to forced labor.
3. The I.L.O. convention on discrimination in employment.
4. The I.L.O. convention on equal remuneration for men and women.
5. The I.L.O. convention on freedom of association.
6. The UNESCO convention against discrimination in education.
7. The treaty on political rights of women.
8. The Genocide convention.
9. The treaty against racial discrimination.

Prior to this time, the United States had ratified (in 1967) only one of these nine treaties, viz. the Supplementary Convention of the Abolition of Slavery, Slave Trade, and Institutions and Practices. Since 1968 not even a single human rights treaty has been ratified by this country. It is as though the United States suddenly, following World War II and after years of leading the way, had decided to become not only a follower but in fact the last straggler. When one considers that Americans often claim authorship of most human rights documents adopted by the United Nations or its affiliated agencies, it is deplorable to learn that our country has not signed some of those treaties which it once so enthusiastically and publicly fathered. Most Americans cannot believe that the United States is a prime footdragger on this score. It is inconceivable to them that the United States has even failed to ratify the Genocide Convention. But the history of the Genocide Convention provides a good example of the usual treatment accorded to human rights treaties by the United States.

When President Truman in 1949 sent the Genocide Convention to the U.S. Senate for its advice and consent, approval by the required two-thirds of that body was considered more or less routine. As the President pointed out in his letter of transmittal:

". . . by the leading part the United States has taken in the United Nations in producing an effective international legal instrument outlawing the world shocking crime of Genocide, we have established before the world our firm and clear policy toward that crime."

However, to almost everyone's surprise, opposition to the treaty arose, and its spokesman was the American Bar Association.

Although the ABA was usually regarded as conservative, on questions of international law it had taken a forward-looking position, contrary to the isolationist philosophy that was reappearing as part of the then-developing cold war. However, in September, 1949 the Bar Association adopted a resolution opposing ratification of the Genocide Convention on the ground that it "involves important constitutional questions and raises important fundamental questions but does not resolve them in a manner consistent with our form of government." This position was primarily based on an alleged threat to the sovereignty of states within the United States. There were even those who seemed to believe that if a citizen of a southern state were accused of the crime of lynching, he would be subject to arrest by a foreign power and could be tried before a foreign court. It was clear from a reading of the Convention that the usual crime of murder, including lynching, was not covered by the treaty. It was also clear that any persons charged with genocide were to be tried by a court of the nation in which the act was committed. Trial by an international penal tribunal, if one were ever created (and none has been), was possible only for citizens of those nations which had accepted such international jurisdiction.

The hearings before a subcommittee of the Senate Foreign Relations Committee in 1950 were lengthy. Eventually the subcommittee filed a report supporting ratification but, in order to satisfy real or imagined fears of the objectors, recommended certain clarifications (which, among other things, would resolve doubts of the Convention's applicability to a single lynching). Nonetheless, the full Senate committee delayed action. By that time the chilling winds of McCarthyism began to be felt, the cold war had attained a sub-zero level, and anything which seemed to favor cooperation with foreigners became suspect. (It was ironic that McCarthyism should have had such an effect because Senator McCarthy subsequently announced his support for ratification.) The matter was ultimately tabled and the Genocide treaty remained in the deep freeze for 20 years. From 1950 to 1963, although various citizens' groups urged ratification of other human rights treaties, none were sent to the Senate for its advice and consent and no further serious effort was made to force action on Genocide.

Finally, recognizing the importance to our national interest of ratification of these treaties, in 1963 President Kennedy did send three new conventions to the Senate. They were the Convention on the Political Rights of Women, the Convention on Forced Labor, and the aforementioned Supplementary Convention on Slavery; and each had been considered sufficiently non-controversial as to insure favorable action. The U.S. Constitution long ago made slavery and forced labor unlawful and granted political rights to women. Nevertheless, a number of lawyers, including many of those who had originally opposed the Genocide treaty, still expressed strong opposition to ratification. Beginning in January, 1967 Senator William Proxmire began issuing a series of statements on the floor of the Senate demanding action on these treaties, and a special subcommittee of the Foreign Relations Committee was appointed to hold hearings. After a lengthy debate within the ABA's House of Delegates in August, 1967, the Association resolved to oppose the womens rights treaty, to withhold support of the treaty against forced labor, but to support ratification of the slavery convention. Thereafter the Senate did approve the Slavery treaty, which seemed particularly significant because it deals with certain phases of marriage, traditionally considered a mater of local, domestic concern. It was felt that the Senate had adopted the legal proposition that the United States has the constitutional power to enter into human rights treaties. Nevertheless, the subsequent history of our failure to ratify the Genocide Convention and all other treaties indicates that many still refuse to recognize this fact.

In February, 1970 President Nixon urged the Senate "to consider anew this important convention [Genocide] and to grant its advice and consent to ratification." The ABA House of Delegates, upon the recommendation of several of its sections and committees, then reconsidered its 1949 position but by a very close vote declined to change that position. Meanwhile the Senate Foreign Relations Committee, acting upon the President's request, held several meetings and recommended ratification. The matter did not reach the Senate floor for a vote that session. In 1971 the Senate Committee held further hearings and again reported the Convention favorably to the Senate, subject to the previous understandings and declarations. However, no vote was taken by the Senate at that session either. No further hearings were held in 1973, because (in the words of the Senate Committee) ". . . in view of the already voluminous record made on the treaty, the committee . . . ordered the convention report favorably to the Senate without a dissenting vote." The matter was placed on the Senate calendar for early action in 1974; but once again a vote was prevented, this time through a threatened filibuster. At present, under the Senate rules of procedure the matter has again been referred to the Foreign Relations Committee.

Justice Tom C. Clark (retired), chairman of a Special Committee of Lawyers of the President's Human Rights Year Commission, stated in his letter of transmittal dated August 20, 1969:

"I would like to reiterate here, however, our finding, after a thorough review of judicial, Congressional and diplomatic precedents, that human rights are matters of international concern; and that the President, with the United States Senate concurring, may, on behalf of the United States, under the treaty power of the Constitution, ratify or adhere to any international human rights convention that does not contravene a specific Constitutional prohibition."

From a practical standpoint, in 1971 the President's Commission for the Observance of the Twenty-Fifth Anniversary of the United Nations (the "Lodge Commission") reached a conclusion similar to that of the earlier "Harriman Commission" when it stated:

"The United States would be in a far stronger position to play its historic role as champion of individual rights and to take a leading part in consideration of alleged violations of international standards if it ratified the instruments it has helped to develop."

This Committee fully supports both of the above findings and calls upon the State Bar and all lawyers and other citizens to endorse ratification of the human rights treaties, with whatever reservations and understandings the Senate may deem appropriate. But we cannot continue to ignore this essential subject.

Respectfully submitted:
Bruno V. Bitker, *Chairman*, Milwaukee.
Richard A. Bilder, Madison.
George A. Evans, Jr., Milwaukee.
Forrest D. Hartmann, Baraboo.
Paul A. Hibbard, Watertown.
Malcolm P. Mouat, Janesville.
Robert J. O'Connell, Chicago.
John W. Reynolds, Jr., Milwaukee.
Aaron L. Tilton, Milwaukee.
Ralph von Briesen, Milwaukee.

Mr. PROXMIRE. Mr. President, I would also like to take this opportunity to commend the members of the Wisconsin State Bar Association's Committee on World Peace Through Law for their tireless efforts to keep these important human rights issues before the public and the Senate.

This committee is chaired by one of Wisconsin's most distinguished citizens, Bruno Bitker, a Milwaukee attorney, who has long been active in the crusade for human rights. He is currently serving as chairman of the Governor's Commission on the United Nations and has long been one of the most outstanding supporters of the Genocide Convention.

RETIREMENT OF ADOLPH T. SAMUELSON, ASSISTANT COMPTROLLER GENERAL

Mr. RIBICOFF. Mr. President, Mr. Adolph T. Samuelson, Assistant Comptroller General of the United States, elected to retire from the Federal service effective June 27, 1975. This date marks the conclusion of an outstanding career in the public service which warrants recognition.

We have increasingly come to recognize the valuable service rendered to Congress, its committees, and Members by the General Accounting Office and members of its fine professional staff. Through its reports, as well as testimony and briefings, the GAO provides us with much valuable and objective information to help us reach better decisions and carry out our oversight responsibilities.

As we know, building and maintaining a capable professional institution, such as the GAO has become, requires the dedicated efforts of competent leaders. In this regard, Mr. A. T. Samuelson has served the GAO and his Govrenment exceptionally well during his long career. He joined the GAO in 1946 after having spent more than 8 years in the practice of public accounting and served more than 4 years in the Navy, rising to the rank of commander.

Serving first in the former Corporation Audits Division and then in the Division of Audits, Mr. Samuelson played an important part in professionalizing the work of the GAO, moving beyond checking on fiscal matters and into the appraisal of the management of Federal programs and agencies. In 1956, he was named Director of the then recently established Civil Accounting and Auditing Division, later called the Civil Division, by then Comptroller General Joseph Campbell. He served in this capacity for 16 years, directing the work of hundreds of professional accountants and auditors in evaluating the management and effectiveness of the agencies and programs of virtually all of the Federal civilian establishment. During this period he was responsible for the studies and audits which resulted in more than 1,500 reports to Congress dealing with diverse subjects ranging from the progress and adequacy of management of the interstate highway program to the effectiveness of the many programs which comprised the war on poverty.

In 1972, the present Comptroller General, Elmer B. Staats, appointed Mr. Samuelson an Assistant Comptroller General with responsibility for overseeing the work of three of GAO's major operating divisions which were established as part of a general reorganization of the agency designed to enhance its service to Congress.

Throughout his career Mr. Samuelson provided outstanding leadership in developing competent professional staff dedicated to carrying out GAO's responsibilities with the highest degree of integrity, dedication, and objectivity. He also found time to contribute generously, through membership and active participation in several professional associations and contributions to professional journals, to the development of the accounting profession generally.

Mr. Samuelson is a recipient of the GAO Distinguished Service Award and in 1971 received GAO's highest award, the Comptroller General's Award.

Having devoted virtually all his working career to outstanding public service, Mr. Samuelson leaves the GAO with our gratitude for his contributions to improving the Federal Government and our wishes for a long and productive retirement.

CONSUMER PROTECTION AND VETERANS EDUCATIONAL TRAINING PROGRAMS

Mr. HARTKE. Mr. President, as chairman of the Senate Committee on Veterans' Affairs, I have for some time been concerned that Veterans' Administration educational assistance benefits be paid only for the purposes that Congress intended and that veterans obtain the educational and vocational objectives they seek. While the current program for Vietnam-era veterans has, I believe, been a successful one which has and will continue to return high dividends to the Nation, a number of problems have been encountered during the past several years, which have occasioned amendments first, in Public Law 92-540 and subsequently in Public Law 93-508, the Vietnam-Era Veterans' Readjustment Assistance Act of 1974. I might add that these problems continue as a recent series in the Chicago Tribune concerning certain vocational schools has revealed.

Among the amendments adopted unanimously by the House and Senate last year, were provisions disapproving veteran enrollment in any institution which utilizes advertising sales, or enrollment practices of any type which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation. Also as a condition of continued eligibility schools offering vocational objective programs must demonstrate that at least 50 percent of their available course graduates in a preceding 2-year period have obtained employment in the occupation for which trained.

Because there has been considerable interest expressed recently concerning these provisions and their legislative history, I believe it appropriate and useful to insert in the RECORD relevant excerpts from the Senate committee report to these provisions, the report of the committee of conference, and those provisions of title 38, United States Code, concerning the subject which were amended by Public Law 93-508. Accordingly, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

[Excerpts from Senate Report No. 93-907 of the Senate Committee on Veterans' Affairs, to accompany S. 2784, June 10, 1974]

* * * * *

BACKGROUND AND DISCUSSION

* * * * *

Controls to prevent abuses

S. 2784, as reported, contains a number of safeguards to prevent abuses of the veterans' educational assistance program. The Committee is aware of and shares the deep concern of certain senior and influential members of Congress about abuses of the G.I. bill program in general and the anticipated problems associated with the payment of a partial tuition assistance allowance. In response to these concerns, a number of specific controls with respect to the tuition payment system were adopted to reduce the possibility of abuse. Additionally, ample discretionary authority is granted to the Veterans' Administration to prescribe such rules and regulations as are "necessary to implement and prevent abuses of the program for payment of partial tuition assistance allowances." There are also a number of Federal criminal statutes presently in existence which would be applicable to any person or institution which acted to abuse the program.

At the same time, it should be noted that while it is true that any increase in the amount of Federal funds a veteran has available to purchase services will serve as a strong economic incentive for certain schools to seek out and enroll these veterans, the Committee believes that the basic problem is *not* in the level or manner of payment of Federal funds. Rather, the fundamental problem rests either with the quality of services offered or with deceptive erroneous or misleading advertising, sales, or enrollment practices. In the first instance, lack of effectiveness in the basic approval process to qualify institutions for VA payments can result in Federal expenditures for inferior services. An example would be vocational objective courses which do not qualify the veteran to obtain the job for which he trained. In an extensive investigative reporting series concerning the vocational school industry, the Boston Globe's Spotlight Team concluded, for example, that:

> [T]he career-training field has been cornered by a profit making school industry which is dominated by a fast-buck mentality that sees students as dollar signs.
>
> This highly profitable, publicly subsidized market has exploded in the past five years spawning a plethora of unscrupulous correspondence and resident "career" schools that take the money and ignore the student.
>
> . . . [T]he Spotlight Team . . . found the private correspondence and resident trade schools surveyed to be selling expensive, virtually worthless courses.

In the second situation illustrating the basic opportunity for abuse, institutions or their employees which utilize advertising, sales, or enrollment practices making oral or written claims which are erroneous, deceptive, or misleading—either by actual statement, omission, or intimation—deny the veteran accurate, useful information necessary for him to compare and make an informed judgment about possible enrollment in a course.

The Committee believes that the recent proceedings of the National Invitational Conference on Consumer Protection in Post-Secondary Education, the long investigative series on vocational schools conducted by the Boston Globe, the draft report of the Brookings Institution Study for the Office of Education entitled "Private Accreditation and Public Eligibility," and the Federal Trade Commission's File No. 722–3149 covering practices and performance of the proprietary vocational and correspondence school industry to which the Committee was granted access, all chronicle the problems mentioned and confirm the foregoing analysis.

The Brookings study, like the 1972 Newman Report on higher education which preceded it, raised important questions concerning the reliance upon "accreditation" as a key to eligibility for public funds. The preliminary draft study quotes an unidentified Federal official as saying:

> Direct and indirect Federal financial support . . . has played a major role in the growth of the private vocational school industry with only the most minimal safeguards . . . Thus, the Government itself has underwritten the development of school abuses and has a major responsibility to ensure that the abuses of the industry are reformed.

As a consequence, the reported bill clarifies and extends VA authority consistent with the objective of avoiding abuses. Statutory authority has been tightened and generally made applicable to schools regardless of whether they are "accredited or non-accredited." In this connection, the Committee concurs with the 1970 testimony of the Veterans' Administration on the Federal Trade Commission's proposed guides for private vocational and home-study schools, which concluded:

> There is a need for guidelines to be established which would control the content and the operation of the courses of education which are offered by the schools, accredited and non-accredited. *These guidelines should be over and above those established by the National Home Study Council and National Association of Trade and Technical Schools.*

Additionally, the reported bill clarifies and strengthens the law with respect to the Administrator's authority to disapprove enrollment of veterans in institutions which utilize advertising, sales, or enrollment practices which are erroneous, deceptive, or misleading and provides for greater coordination with the Federal Trade Commission.

* * * * *

Veterans' training by correspondence

As part of its continuing legislative oversight activities, the Committee requested the General Accounting Office to examine the implementation and operation of amendments to the title 38 provision governing training programs by correspondence made in 1972 (Public Law 92–540). Those amendments provided for full disclosure of the obligations of both the institution and the veteran as well as a 10-day mandatory cooling-off period following which there must be a written affirmation by the veteran before he becomes financially obligated in any way. Public Law 92–540 also required correspondence schools to refund tuition to veterans who terminate prior to course completion on a lesson-completed basis rather than time-elapsed basis.

At the request of the Committee, the General Accounting Office examined the implementation of these provisions at eight correspondence schools. These schools (all accredited by the National Home Study Council) as of December 31, 1973, had a combined veteran enrollment of 180,000 or 63 percent of the 288,000 veterans enrolled in correspondence training nationwide under the GI bill. In addition to talking with school officials and examining student files, the General Accounting Office also contacted on a random selection basis, 160 veterans or 20 from each school, evenly divided between current enrollees and veterans who had discontinued the training before course completion. In its report to the Committee, the General Accounting Office found that the schools they visited were:

> . . . generally adhering to the major provisions of Public Law 92–540. For the most part contracts and refund policies have conformed to the requirements of the law.
>
> In summary, we did note the following:
>
> Certain actions by the schools did not appear to fully comply with the spirit and intent of the law.
>
> The VA could take action in some instances to facilitate compliance with the law.
>
> There is confusion as to how to precisely compute the ten day period for reconsideration of enrollment.
>
> The wording on the VA affirmation forms seems to be confusing.
>
> At two of the eight schools, veterans had to notify the schools of their intent to cancel at least twice before refund would be made.
>
> At one school collection letters were sent to the veterans indicating the refund provision would be canceled unless tuition payments were made.
>
> 13 percent of the veterans we talked to stated they were not aware the VA would pay for only 90 percent of the cost of the course.
>
> 20 percent of the veterans indicated they did not fully understand the school's refund policy.

A good number of the problems just noted are, according to the General Accounting Office, directly connected either with "unclear wording on the affirmation form" or in the "methods of delivery of affirmation forms to the veterans." The official affirmation form developed and distributed by the Veterans' Administration is as follows:

> I have read and I understand the enrollment agreement that I entered into with the above named school and the date indicated in item four. I hereby affirm such enrollment agreement and certify under penalty of law that I have not signed this affirmation until after the expiration of 10 days from the date I signed the aforesaid enrollment agreement. (VA form 22–1999 C).

Investigators found two schools used exact copies of the VA form while the other six were using their own forms (apparently in contravention of VA regulations). In its report to the Committee the General Accounting Office observed:

> The wording of both the VA and school designed form may confuse the veteran. Neither form states that the purpose of the affirmation is to allow veterans time to reconsider their decision to enroll. One-third of the veterans were contacted who remembered signing affirmation forms told us they did not understand the purpose of the document.

Thus, in order to clearly effectuate the intent of the law the Committee (based upon the information supplied by the General Accounting Office) directs that the Veterans' Administration rewrite the affirmation form and ensure that it is utilized by all correspondence schools enrolling eligible veterans, wives, or widows. The affirmation form should clearly reflect the intent of the law that the veteran has at least 10 calendar days after signing the contract to reconsider his decision to enroll in the correspondence course, and further that the veteran is not financially obligated in any way unless he reaffirms those intentions following the 10-day "cooling-off" period.

The Veterans' Administration should also take appropriate steps to ensure that sales representatives do not distribute or secure the veteran's reaffirmation when he *initially* signs the enrollment agreement (*or shortly thereafter*). The affirmation form should be executed only following the expiration of the ten-day period.

Additionally, in light of the fact that a significant number of veterans were not aware that the VA paid for only 90 percent of the cost of the course or did not fully understand the schools' refund policy, the Committee also strongly believes that readily understandable information concerning both of these matters should be included on the affirmation form.

The Committee is particularly disturbed by the report of the General Accounting Office which indicates that schools were slow in making refunds to those who terminated the course and in certain circumstances would not make a refund to a non-affirmed veteran upon the receipt of the first notification to cancel. These schools required at least two notices to cancel and if the veterans did not respond, enrollment was canceled but no refund was made. Thus, the committee has found that the affirmation notice should clearly indicate the conditions under which refunds are made and that the Veterans' Administration should take necessary administrative steps to ensure that all institutions promptly refund monies within 30 days following receipt of notification to cancellation or nonaffirmation by the veteran.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF S. 2784, AS REPORTED

* * * * *

SECTION 204

Clause 1 amends section 1673(a)(2) to expand the provisions of the section to apply to all courses with a vocational objective the existing minimum 50-percent placement requirement. This amendment is consistent with current VA authority and administrative practice which requires, as a condition of initial or continued approval for VA payment, that a substantial number of vocational course graduates obtain employment in the occupation for which the course trained them. A "program of education" is defined in section 1652(b) as a course of study or training "which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional, or vocational objective." The Veterans' Administration, Department of Veterans' Benefits, Program Guide for the Implementation of Regulations under title 38 states in pertinent part that:

> Any program not leading to a high school diploma, a college degree, or a postdoctoral certificate from an accredited college or university must lead to a vocational or professional objective. A vocational or professional objective is a recognized occupation that is listed in the Dictionary of Occupational Titles or one that is subject to listing therein. . . . A vocational school course may be authorized for an occupational objective if graduates of the course generally qualify for employment in the stated job objective. If there are licensing requirements in the State for the occupation, completion of the course must meet the requirements for taking the licensing examination. If completion of the course will not meet the requirements for taking the licensing examination, the vocational course should not be authorized as a program of education. If there are no licensing requirements, completion of the course must be generally recognized by prospective employers as qualifying for employment in the State occupation. If graduates of the course can not obtain employment in the community where the course is given because they are not considered qualified, the vocational course should not be authorized as a program of education.

In order to determine whether a school offering a course in fact fulfills the requirement for attainment of an occupational objective, the Veterans' Administration has for a number of years instructed the State approving agencies to require that a school demonstrate that a substantial portion of its students who complete the course has in fact obtained employment in the jobs for which the course trained them. Instructions covering State Approving Agency reimbursement contract for fiscal year 1975 issued by the Veterans' Administration on March 27, 1974 (DVB CIRC 22-74-2) state for example:

> 8. *Program of Education—Vocational:* We continue to receive complaints from veterans concerning some vocational courses. The complaints generally are centered around course content, quality of the course, the instructional materials, and the fact that completion of the course is not generally recognized by industry as meeting the vocational requirements for the occupation for which the course purports to train the veteran. The State Approving Agency, in approving a course or in reviewing a course already approved, should be certain (a) that the curriculum is adequate to accomplish the training objective for which the course is designed, (b) that the quality of the instructors assure competent and complete training for the vocational objective, and (c) that the course completion by itself is generally being accepted by the industry for employment purposes. For example, courses may have as their stated vocational objectives, insurance adjuster, motel-hotel manager, or computer programmer. A course leading to any one of these objectives, or any other vocational objective, should not be approved, or the approval continued unless the school can demonstrate that a substantial number of its graduates are thereby able to obtain employment in the occupations for which trained by the course.

The foregoing has been a longstanding concern of the Veterans' Administration, and, in an appearance before the Federal Trade Commission on proposed guidelines for proprietary vocational home study schools in 1970, VA officials testified that:

> A common complaint of the veterans is that of not obtaining a job upon completion of the course. They claim that it has been part of the salesman's routine to promise the veteran that the school would find him employment after he had successfully completed the course. . . .
>
> For vocational courses, employment opportunities play an important role in a student's decision to take a particular course. Students upon completion of a course in most instances are under the impression that they would then qualify for a job in their field of training. . . .

The continued complaints noted by the VA in its instructions issued pursuant to the Fiscal Year 1975 State Approving Agency contracts indicates that the requirement of substantial placement is not in fact being met.

In this connection, a recent outstanding investigative series concerning proprietary vocational institutions conducted by the Boston *Globe* found, for example, that the Massachusetts State Approving Agency was not following VA requirements concerning substantial placement. According to the *Globe:*

> In a bulletin to all its State agents in charge of approving the schools to train veterans, the VA directed the institutions show "substantial placement" of its graduates in jobs before being cleared.

In Massachusetts, VA Approval Agent James E. Burke said he "just never received the bulletin" and approved 130 schools without checking for substantial placement.

Veterans' complaints persisted and in May 1971, the VA sent State agents a second bulletin, again requiring information from the schools about jobs obtained. Burke got this bulletin and "immediately implemented it by requiring 50 percent placement."

Burke's records show, however, that he misrepresented the VA directive, completely nullifying its effect. Instead of requiring a school to show that half of its entire graduating class were placed in related jobs, Burke only asked the school to submit the names of half the graduates who had found jobs. This sometimes meant that the names of three placed graduates won approval for a school and, even then, the school's word was taken on faith.

The *Globe* further found that claims of high job placement by school salesmen for many vocational schools were at considerable variance with the actual facts. While the *Globe* found that area public vocational schools consistently had high job placement ranging from 62 percent to 95 percent, many profit-making vocational schools had very poor placement rates. The series cited a proprietary school offering courses which trained dental assistants in which only 22 percent of its students had found jobs. The *Globe* also quoted a knowledgeable former employee of another school as saying that a survey by a proprietary vocational school found that 70 percent of the graduates of the school's medical and dental assistants courses and over 95 percent of its broadcasting graduates had *not* found employment.

This contrasted with Northeastern University's dental assistant course in which 83 percent of its students received employment as dental assistants. Another former employee of a computer school is quoted as saying that only 50 percent of the school's enrolled students graduated and of its graduates only 10 percent had gotten "decent jobs." Again, by contrast, a public regional technical school in the same area revealed that 82 percent of the students who enrolled had completed its data processing course and that, of that number, 95 percent were placed in jobs for which they were trained.

The Committee believes that reputable public and private institutions offering vocational objective programs should not encounter any difficulties with the amendments made by this section. Information obtained from the fiscal year 1972 annual reports of the States to the Office of Education pursuant to the Vocational Education Act of 1963, as amended, reveal that 62.6 percent of the graduates of those public post-secondary vocational schools utilizing Federal funds under that 1963 act secured full-time employment in the field for which they were trained. It should also be noted that the completion rate for all these courses exceed 70 percent. The following table shows placement percentages for such public post-secondary vocational schools in various specific occupational categories grouped by broader generic classifications:

TABLE 14.—FISCAL YEAR 1972 PLACEMENT OF STUDENTS COMPLETING POST-SECONDARY VOCATIONAL EDUCATION PROGRAMS UNDER THE VOCATIONAL EDUCATION ACT OF 1963, AS AMENDED

Occupations	Completions	Employed full-time	Placement percentage
Agriculture	8, 622	5, 446	63. 2
Distributive education	26, 070	15, 891	60. 9
Health	64, 173	44, 998	70. 1
Home economics	8, 688	4, 752	54. 8
Office	88, 916	53, 625	60. 3
Technical	40, 990	23, 985	58. 5
Trade and industry	89, 641	55, 951	62. 4
Total	327, 100	204, 948	62. 6

Similarly, a 1972 in-depth study of students in the Texas Community College system enrolled in post-secondary vocational education conducted by the Specialty Oriented Student Research System found that 75.3 percent of its graduates were employed in training-related jobs. The following table shows the results of the survey (which was taken 7 months following completion of training) broken down by veterans and non-veterans:

TABLE 15.—PERCENTAGE OF EMPLOYED GRADUATES OF TEXAS PUBLIC VOCATION EDUCATION PROGRAMS IN TRAINING-RELATED JOBS, 1972

Student	Number	Percentage
Veterans	288	69. 5
Nonveterans	1, 019	76. 8
Total	1, 247	75. 3

The new provision in the reported bill would thus require evidence that at least half of the veterans completing the course within the most recent two-year period were in fact employed in a specific occupational category for which the course was designed to provide training. Obviously, a course which purports to train veterans to become operators of large earthmoving equipment with high paying salaries will not fulfill this requirement if a graduate obtains employment at a much lower salary in which the only earthmoving equipment he utilizes is a hand shovel as a manual laborer. To cite other examples, there are large differences in specific occupational categories (as well as in salaries) between "computer programmers" and "key punch operators," between large diesel semitruck operators and local delivery men. As the Veterans' Administration Veterans' Benefits Program Guide currently directs:

> School officials, applicants, and job establishment officials sometimes state the occupational objective at a higher level than it is possible for the trainee to reach as a result of completing the program. A Certificate of Eligibility should not be issued for an objective unless the program outlined will qualify the eligible veteran or person for employment in the occupation without additional training.

The Veterans' Administration Liaison Representative and the State approving agency officials should assist schools and establishments in identifying the appropriate vocational objective for each approved program. When a program does not provide sufficient training to qualify a person for a skilled journeyman job, it may be that a lower level job can be established as the objective. An example would be "Electrician Helper, DOT Code 829.887" for a lower level course and "Electrician DOT Code 824.281" for a higher level course.

Thus, it is intended that the amendment in the reported bill provided for in this section should accomplish two results. First, to ensure that the school would be approved only if it could demonstrate that at least one-half of its graduates have in fact obtained employment for the specific vocation for which the course had trained them. Second is to ensure that the institution accurately states to the prospective veteran enrollee what in fact is the actual and reasonably anticipated vocational objective of the course.

The Committee also wishes to emphasize that, as a supplement to the amendments made by this section, the VA should continue to exercise its general authority to ensure that any course offered qualifies as a "program of education" under section 1652(b). To do so, the course must be generally accepted as necessary to fulfill requirements for the attainment of a vocational objective.

To be "generally accepted," a course must be recognized by government or industry as providing the quality and quantity of training to furnish the skills needed to perform the job, and the course must be a proven means of acquiring such skills. If, for example, the customary method of training in a geographical area for a particular job is by apprenticeship, a school's course purporting to lead to the same objective may not be considered as "generally accepted" unless there is clear evidence that the course definitely qualifies the trainee for a specific occupation.

If training for a particular job is customarily furnished by the employer and little or no weight is given school training for such job by employers in the industry, such a school course may not be considered as "generally accepted."

If a job requires a license, the course must satisfy all of the educational requirements for licensure before it may be considered "generally accepted." If licensure is by examination, the course must have any approval required for the examination. For example, the only school courses that qualify an individual to take an aircraft mechanic license examination are those certificated by the Federal Aviation Administration. A noncertificated course may not be considered as "generally accepted" under section 1652(b).

Any prerequisite to obtaining the job other than the training itself must be a prerequisite to or part of taking the course. For example, if employers customarily require a high school diploma for a particular job, any course purporting to train for that job must include a high school diploma as an entrance requirement.

A course must fulfill requirements for the attainment of the objective. This means that it must fulfill all requirements. The course must be complete and must provide all of the training needed, so that a graduate will be qualified to perform the job for which he is trained. On the other hand, if a job requires little or no training, a course leading to that job objective is not "generally accepted" as necessary.

Additionally, the VA should ensure that the State Approving Agency actually do determine that a course is in fact generally accepted as necessary by *prospective employers*. Employers should be asked specifically what weight, if any, they would give the course in considering an application for employment.

Clause 2 would amend paragraph (3) of section 1673(a) to provide that the Administrator shall not approve the enrollment of an eligible veteran in any course if he finds the advertising for the course contains significant avocational or recreational themes. Section 1673(a)(3) currently directs the Administrator not to approve for VA payment the enrollment of veterans in "any type of course which the Administrator finds to be avocational or recreational in character" with certain exceptions if the eligible individual can submit justification that the course will be of "bona fide use in the pursuit of his present or contemplated business or occupation." Among the courses which the Veterans' Administration currently "presumes" to be avocational or recreational in character are any photography or entertainment course, any music course, instrumental or vocal public speaking courses, and courses in dancing or sports or athletics (such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, sports officiating or other sport or athletic courses).

Given the foregoing, the Committee has been quite concerned about the recent proliferation of extensive two-page color advertisements in national magazines by institutions seeking to enroll veterans which stress recreational or avocational themes. Certain correspondence schools (accredited by the National Home Study Council) enrolling eligible veterans advertise "home entertainment electronic" systems courses in which veterans are told, among other things, that "you'll be dynamite" and "do it for fun."

In order to gain approval by a State Approving Agency and to avoid the statutory prohibition of section 1673(a)(3), these correspondence courses assert they are designed to equip the veteran with a particular vocational skill in order to earn his livelihood, such as a TV repairman, for example. While the courses offered may, in fact, furnish the skills needed to obtain that vocational objective (although completion rates are distressingly low and there is little available specific information as to the subsequent employment history of its students) the advertising for these courses is often at variance with its stated intent. These advertisements suggest in a variety of subtle and not so subtle ways that enrollment in the course (which typically costs about $1,500), will enable the veteran to obtain valuable merchandise such as a 25-inch color television set which the veteran can assemble in his spare leisure time, and which is principally to be paid for by the Veterans' Administration. In addition, the advertising will often typically note that the veteran can acquire skills that will enable him to repair his personal electronic equipment or will present an "opportunity" to obtain part-time (i.e. avocational) income.

Of course, the Committee wishes to emphasize that there is nothing intrinsically wrong with avocational or recreational objectives. But, if that is an intended purpose of the course, then it is clear that payment by the Veterans' Administration to enrolled veterans is not authorized under title 38, United States Code. It is further evident to the Committee that even if the course is not avocational or recreational in character the Administrator should not approve enrollment of veterans in the course if the advertising or enrollment practices contain significant avocational or recreational themes. In those cases, either the advertising is misleading, deceptive, or erroneous as to the true nature of the course offered or it accurately reflects the avocational or recreational character and intent of the course. In either even, the Committee believes that the expenditure of Federal funds would be at variance with the intent and purpose of this program.

The Veterans' Administration is unable to estimate the prospective savings that would result if this provision is enacted.

Clause 3 would amend section 1673(d) to extend to accredited courses the statutory prohibition in certain circumstances against VA approval of enrollment of eligible veterans in nonaccredited courses not leading to standard college degrees. Currently, subsection (d) directs the Administrator not to approve the enrollment of any veteran (not already enrolled) in any nonaccredited course below college level offered by a proprietary profit or proprietary nonprofit educational institution where more than 85 percent of the eligible students are wholly or partially subsidized by the VA or the institution.

This section, which was first enacted by Congress when it authorized the Korean Conflict GI Educational Assistance Program in 1952 under Public Law 82-550, was an outgrowth of recommendations of the House Select Committee To Investigate Educational Training and Loan Guarantee Programs Under the GI Bill which issued its report in February 1952. The House Select Committee, chaired by the Honorable Olin E. Teague, looked extensively into the abuses and problems which plagued the World War II GI bill program in concluding that "a new act should be written extending educational benefits to veterans who served during the Koeran conflict." It recommended in part that:

4. Enrollment of veterans in institutional training should be limited to courses offered by public schools and colleges, or to courses in private schools which have been in successful operation for at least one year and which maintain an enrollment of at least 25 percent nonveteran students.

The result of this recommendation was the enactment of section 1673(d). Reviewing the legislative history and intent of this section, it is evident to the Committee that Congress was concerned about schools which developed courses specifically designed for veterans with available Federal monies to purchase such courses. At the time that section was enacted the veterans educational assistance program was, of course, the prime (if not sole) source of Federal funds that could be utilized by students who enrolled in such courses. The ready availability of these funds obviously served as a strong incentive to some schools to enroll eligible veterans. The requirement of a minimum enrollment of students not wholly or partially subsidized by the Veterans' Administration was a way of protecting veterans and allowing the free market mechanism to operate. That is, the price of the course was also required to respond to the general demands of the open market as well as to those with available Federal monies to spend. A minimal number of nonveterans were required to find the course worthwhile and valuable or the payment of VA funds to veterans who enrolled would not be authorized. As originally enacted in 1952, the 85–15 rule applied only to "nonaccredited" courses not leading to a standard college degree.

It should be noted that the use of "nonaccredited" reflected the fact that at that time few, if any, proprietary below college level courses were accredited. The subsequent proliferation of accrediting agencies, such as the National Home Study Council (NHSC), the National Association of Trade and Technical Schools (NATTS), and the Association of Independent Colleges and Schools (AICS—formerly the Association of Business Schools), which have granted accreditation to the majority of proprietary below-college-level schools whose courses are approved for the enrollment of veterans, has effectively removed almost all schools from the purview of section 1673(d). For example, it is estimated that the vast majority of all veterans enrolled in courses not leading to a standard college degree offered by proprietary institutions are enrolled in "accredited" courses.

The amendment made by clause (3) of this section to include accredited as well as nonaccredited schools will once again allow the intent of this section—which the Committee approves—to be realized for more than just a small minority of the schools whose courses are approved for veteran enrollment. In this connection, it should also be noted that it has been the experience of the Committee that problems and abuses encountered under the current program are generally as prevalent among accredited as nonaccredited courses not leading to a standard college degree which are offered by proprietary institutions.

Courses offered under subchapter IV for the educationally disadvantaged and under subchapter VI for PREP are exempted from the operation of this revised section since by their very nature they are, pursuant to congressional direction, designed for enrollment of veterans and other eligible persons under this title.

As originally introduced in S. 2784, the amendment would have included in addition to counting veterans and other eligible persons subsidized by the Veterans' Administration in computing the 85-percent total, those students enrolled in the same course whose educational charges are paid by the Department of Health, Education, and Welfare under provisions of the Higher Education Act of 1965, as amended.

While the Committee believes that the inclusion of other students receiving Federal assistance is consistent with the general intent of this section as previously discussed, it believes further study of the full impact of such a revision is called for prior to further action on such an amendment. Accordingly the Committee expects the Veterans' Administration to explore jointly with the Office of Education in some detail the full impact and ramifications of this proposal or some modification thereof.

The Veterans' Administration has informed the Committee that it is unable to estimate the cost impact of section 204 because it does not currently have any information as to veteran enrollment in accredited courses which may exceed 85 percent of the total course enrollment. Accordingly, the Committee is unable to estimate the prospective savings that would result if this provision is enacted.

* * * * *

SECTION 215

Clause 2 adds a new section 1795 entitled "Limitations on certain advertising, sales, and enrollment practices" which clarifies and expands current VA authority. Existing law contained in section 1776(c)(10) provides that a nonaccredited course offered by an institution may be approved for the enrollment of veterans only if the appropriate State Approving Agency has "found upon investigation" that:

(10) The institution does not utilize advertising of any type which is erroneous or misleading, either by actual statement, omission, or intimation. The institution shall not be deemed to have met this requirement until the State Approving Agency (A) has ascertained from the Federal Trade Commission whether the Commission has issued an order to the institution to cease and desist from any act or practice, and (B) has, if such an order has been issued, given due weight to that fact.

The amendment made by clause (2) would direct the Administrator not to approve for VA payment, the enrollment of any veterans under chapter 34 or eligible persons under chapter 35 in a course offered by *any* institution (accredited or nonaccredited) if it utilizes erroneous, misleading, or deceptive advertising, sales, or enrollment practices.

The concern over advertising, sales, and enrollment practices of various institutions where courses are approved for the enrollment of veterans has been a continuing one and has grown more widespread in recent years. The Veterans' Administration in testimony before the Federal Trade Commission in 1970 noted that it was "particularly pertinent to the problems encountered by the Veterans' Administration" to "assure that the prospective student will not be deceived or otherwise deprived of vital information when choosing a course. . . ." The Committee received testimony in 1972 from the Veterans' Administration outlining a number of "various questionable sales tactics or false claims." Amendments subsequently adopted by the Committee and enacted into Public Law 92-540 provided for a mandatory 10-day "cooling-off" period for prospective veteran enrollees in correspondence courses to enable the veteran a period of time absent any "high pressure" sales tactics to decide, after adequate reflection and with full knowledge of the provisions of the agreement, whether he in fact still desired to pursue that course of study. In addition, amendments in the 1972 act provided that the enrollment agreement shall "fully disclose" the obligations of the school and the veteran and that it shall "prominently display the provisions for affirmance termination, refunds, and the conditions under which payment of the allowance is made. . . ."

In hearings this year, consideration of a partial tuition assistance allowance (adopted in the reported bill) focused Committee attention on ways to avoid or reduce possible abuses. In this connection, Chairman Hartke directed a lengthy 11-page letter on March 25, 1974, to the Administrator requesting detailed information on the administration of VA benefits and on the course approval/disapproval process. The voluminous answer which was prepared by all VA Regional offices has proved helpful to the Committee in consideration of, and adoption of various amendments. The Committee was also granted access by the FTC to information and material contained in the Federal Trade Commission File No. 722-3149 which bears on the practices and performance of the proprietary vocational correspondence school industry. Finally, the investigative series on vocational schools which appeared in the Boston *Globe* has also proved helpful in documenting problems which are confronted by veterans utilizing their GI bill benefits.

As a result, the Committee has concluded that amendments to clarify and expand the law concerning the limitations on certain advertising, sales, ad enrollment practices are necessary and appropriate. The Committee wishes to make clear that these provisions apply to all schools, private or public, accredited or nonaccredited. Reputable institutions should welcome the amendments made by this section, since these amendments are designed to protect veterans against enrollment in just those schools engaging in improper practices. The business standards of the National Homes Study Council for example, provide in pertinent part:

An advertisement or piece of promotional literature used by an accredited school must be completely truthful and must be prepared and presented with dignity and in such a manner to avoid leaving any false, misleading, or exaggerated impressions with respect to the school, its personnel, its courses and services, or the occupational opportunities for its graduates.

In a paper submitted to the National Invitational Conference on Consumer Protection and Postsecondary Education in Denver, Colorado on March 18, 1972, entitled "Suggested Advertising and Guidelines for Educational Institutions", William H. Goddard, the Executive Director of the National Association of Trade and Technical Schools (NATTS), suggested the following as a basic advertising policy for educational institutions:

In the solicitation of students, a school should not directly or by implication, misrepresent the services it renders. All advertisements and promotional literature used should be truthful, informative and constructive and avoid conveying any false, misleading or exaggerated impressions with respect to the school, its personnel, its courses and services or the occupational opportunities for its graduates. The true purpose and nature of a school's offerings should be evident in all advertising. Every advertisement should constitute to the reader a clear statement of a bona fide offer or announcement made in good faith. It should be written to its anticipated readership, normally persons unsophisticated in the traditional word usage of the education industry. Therefore, words and emphases must be truthful and selected with extreme care.

All advertising should forthrightly disclose the purpose of the advertising—that education or training, not a job, is offered, and that the advertiser is a school. If training for employment is advertised, the name and nature of the occupation for which the training is offered, as well as current and anticipated conditions and opportunities at the school and in occupational areas, may not be obscured or exaggerated.

Goddard also noted that:

Clarity is an important element of school advertising. Advertising should be directly relevant to student solicitation and is to be written to its anticipated readership, normal persons, unsophisticated in the traditional language used in education. Therefore words must be selected with extreme care. Advertising claims that might be construed as literally true, must be literally true. If there is doubt, the burden will be on the advertiser to document the claim and prove the point. Schools should avoid the use of sensitive words that might mislead, confuse, offend, or which might be subject to easy misunderstanding or considered to have a double meaning.

The Committee believes that the amendments adopted in the reported bill are thoroughly consistent with the foregoing. A more detailed discussion of new section 1795, as added by clause (2) of section 215, follows:

§ 1795. Limitations on certain advertising, sales, and enrollment practices

Subsection (a). This subsection provides that advertisers shall not approve the enrollment of any eligible veteran or eligible wife, widow, or child in any course offered by an institution if that institution utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation. It would not be productive, nor possible to catalogue all the possible violations that could occur under the section and the deceptive practices that have occurred in the past.

The Committee is particularly concerned, however, about a number of matters which bear further discussion. One involves the misrepresentation of the nature and quality of the training or facility or of the qualifications of the instructors. In this category fall claims about the size or experience of the school, its affiliation with well known companies or training programs, the availability of expert instructors or guest lecturers, the size of its teaching faculty, and the source and quality of its instructional materials. Deceptive practices may occur when a school indicates that the objectives of its course are one thing when in fact those graduates of the school who get jobs may get jobs that are less prestigious with less salary and with less chance for ultimate advancement than the job for which they thought they were training. Such problems are not uncommon. In response to Chairman Hartke's March 25 letter on the administration of GI bill benefits, one VA regional office reported disapproving—until the terminology was dropped—a course which was inadvertently advertised as a "Journeyman Electrician" course. In fact such objective could not be obtained without on-the-job experience after completion of the course. The Committee agrees with the Executive Director of the National Association of Trade and Technical Schools who has suggested that:

> Impressions and objectives as read in advertising must be consistent with the schools stated objectives as based on the reasonably expected attainment of typical graduates. . . . Catalogues and other brochures published by the school should clearly disclose, in advance of enrollment, normal and traditional limitations and restrictions, if any, on admissions and employment opportunities, such as medical requirements, licensing, internship, apprenticeship, union age, education, examination and experience requirements.

A second Committee concern is about misrepresentation of the availability of placement services and employment opportunities. As part of its analysis of a comprehensive vocational school questionnaire, the Chicago regional office of the Federal Commission found that earnings and "opportunity" advertisements were present in all 74 types of vocations surveyed. In this connection, a recent internal staff memorandum to the Federal Trade Commission, concerning trade regulation rules for the proprietary and home-study school industry, made the following observations:

> Vulnerability caused by the lack of a definitive career goal is compounded by the fact that the consumer is often unemployed or unable to find acceptable employment and not sufficiently knowledgeable to assess the present and future job market for a particular skill. As a result, he often relies solely on the statements of the proprietary school itself; statements that tell him that the particular vocational field is an "expanding industry" or has a "big job demand". However, these statements are either misrepresentations or gross inflations of the school's ability to place its students.
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> * * * * *
>
> With few exceptions, the proprietary schools' advertising campaigns create the impression that: (1) employment demand or particular earnings levels exist for trained or skilled persons; (2) consumers who enroll will be qualified for the indicated job or salary upon completion of the course; and (3) completion of the course will enable the typical consumer to get the job or earn the salary. These advertisements are particularly troublesome because they surround their claims with an aura of authority. Consumers are confronted with trade names which erroneously imply employment connections with large employers. Testimonials from former students are used to convey the impression that typical students obtain jobs or high earnings.
>
> This form of advertising is not only deceptive in many cases but is unfair as well. Under the *Pfizer* doctrine [*Pfizer, Inc.*, 81 FTC 23 (July 11, 1972)], an advertising claim is "unfair" if the advertiser has no reasonable basis for his claims at the time of their publication. An unfair ad, whether or not it proves to be false, can be enjoined because the injury to consumers would be great if the ad were false. [see *H. W. Kirchner*, 63 FTC 1282 (1963); *National Dynamics Corporation*, Docket No. 8803, aff'd 2nd Cir., Docket No. 73–1754 (March 6, 1974)].

As the Executive Director of the National Association of Trade and Technical Schools has also noted:

> An affirmative claim should not be used unless there is a reasonable basis for making such a claim. Advertising claims are to be used only when they are supported by previously documented factual data or research that are available on the school premises for review by interested persons. A relatively insignificant number of cases should not be used as a basis for advertising claims. The incidental achievements of a few persons, while perhaps providing an aura of great promise, are not sufficient grounds for embellishments in advertising.

Finally, the Committee wishes to emphasize that advertisements, sales, or enrollment practices can be erroneous, deceptive, or midleading by *omission* as well as by the actual statement or intimation. Such omissions might well include the failure to disclose to the veteran any other material facts concerning the school and program of instruction or course which are reasonably likely to affect the decision of the veteran to enroll therein. Again, as William Goddard has noted:

> A prospective student is entitled to sufficient data to make an informed decision on training opportunities in institutions. A school is therefore obligated to provide sufficiently detailed data in advance of enrollment to enable prospective students to clearly understand their opportunities, limitations and obligations. . . . Although it is recognized that advertising space limitations might restrict desirable explanations, the text should avoid abbreviated claims that might tend to be easily misunderstood. If an item is considered important enough to be included in advertising, it should be presented in a manner clearly understandable to anticipated readers. A school may not claim space limitations as a reasonable excuse for limited disclosure that could tend to obscure, conceal, mislead, omit, deceive, confuse, distract or otherwise contrive to create substantial misunderstanding or criticism.

Subsection (b). This subsection provides that the Administrator, in carrying out investigations and making determinations under subsection (a), shall utilize, where appropriate, the services and facilities of the Federal Trade Commission (consistent with its available resources) pursuant to an agreement entered into under authority of present section 1794. The preliminary findings and results of any investigation of any case which the Federal Trade Commission in its discretion accepts is to be referred back to the Administrator for appropriate action by him within 90 days after such referral. This subsection is not intended to supplant but only to supplement the authority and responsibility of the Administrator under title 38. It is intended to provide a more formal structure and framework to existing authority in order, hopefully, to promote a greater coordination of activities and exchange of information between the VA and the Federal Trade Commission than currently exists. In this connection, the Committee is at a loss to understand the continued reluctance of the Veterans' Administration to include in its packet of materials on educational benefits, which it mails to recently discharged veterans, the FTC Buyers Guide No. 11, entitled "The Pocket Guide to Choosing a Vocational School", as suggested by Chairman Hartke in a letter to the Administrator dated September 26, 1973. The Committee strongly urges the Veterans' Administration to reassess its position on this matter.

The Committee further believes that greater coordination and information interchange should occur at both the Central Office and Regional Office levels between the VA and the Federal Trade Commission.

It is not contemplated that comparatively minor problems, such as improper use of the term "VA Approved," would be referred to or accepted by the Federal Trade Commission. Such cases are routinely resolved expeditiously at the VA regional office level. On the other hand, cases involving situations with large, or potentially large, VA enrollments (with resulting large expenditures of Federal tax dollars) would be appropriate cases for referral. Similarly, unique questions concerning specific advertising sales or enrollment practices which may or may not be widely utilized by other institutions where courses are approved for VA payment could also be properly referred.

The Committee wishes to emphasize that nothing in this subsection is intended to diminish or relieve the Administrator of any authority or responsibilities he may otherwise have under this section or elsewhere under title 38.

Subsection (c). Provides that the Administrator shall treat as "conclusive evidence" for the purposes of subsection (a) whenever the Federal Trade Commission has entered any final order (excluding consent orders) entered by the Federal Trade Commission in an adjudicative proceeding pursuant to part 3.11 of the Federal Trade Commission's Rules of Practice. Such final orders are both quite rare and serious, and for this reason the Committee believes that discretion should be limited in such situations.

In addition to the foregoing however, the Veterans' Administration should continue to exercise its present discretionary authority with respect to enrollments of eligible veterans in institutions against the procedures followed once so informed. Some of the regional offices surveyed this past April (pursuant to the Chairman's March 25 letter) revealed variations in both the awareness of FTC proceedings and in the procedures followed once so informed. Some of the regional offices which were aware of cease and desist orders issued by the Federal Trade Commission often simply referred this information to the State Approving Agency (SAA) and apparently attempted little if any followup thereafter. Other regional offices entered into "negotiations" with the institution in question in an attempt to resolve the matter giving rise to the "cease and desist" order. Other regional offices utilized what the Committee believes to be the better practice, by taking immediate action to withhold the issuance of further certificates of eligibility and the award of educational benefits. Following this action the regional offices then proceeded to attempt to resolve the problems which gave rise to the order. If the school was not brought into compliance, the regional office then took steps to have approval withdrawn.

When a cease and desist order is issued, the Committee believes that the above-described latter procedure should be the normal practice of the Veterans' Administration. The Committee believes there should be close liaison and coordination of policies between the Veterans' Administration and the Federal Trade Commission, both as cease and desist orders and as to consent decrees entered into.

Subsection (d). Provides that, not later than 60 days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section. The report to be submitted should be sufficiently detailed and organized to permit Congress an opportunity for thorough oversight and review of the operation and administration of this section. In this connection, the Committee also understands that most questions concerning abuses are currently handled at the regional level. While the Committee does not undertake to question this procedure, it does believe there must be a more adequate and informative reporting system to the VA central office, so that such problems may be examined in an overall perspective and so that more uniformity of interpretation and enforcement may be achieved. Many institutions where courses are approved for payment of VA benefits do business in several States throughout the country. As a consequence, regional office directors in one State faced with certain questionable practices are often unaware of similar problems in other States either by the same or different institutions. Accurate and detailed reporting to the central office, and dissemination of appropriate information by central office to regional offices, should enable these trends and problems to be spotted more readily and dealt within an evenhanded fashion nationally.

Clause 3 amends the table of sections at the beginning of chapter 36 to reflect the repeal of the current section 1795 and the creation of a new section under the same number concerning certain advertising, sales, and enrollment practices.

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Excerpts From Senate Report No. 93-1107 of the Committee on Conference, To Accompany H.R. 12628, August 19, 1974

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Joint Explanatory Statement of the Committee on Conference

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TITLE II. EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

* * * * *

The Senate Amendment clarifies and strengthens certain administrative provisions governing chapters 34 and 35 educational assistance program in order to prevent and mitigate against abuses by requiring that courses with vocational objectives must demonstrate a 50-percent placement record over the preceding two-year period in the specific occupational category for which the course was designed to provide training; by prohibiting enrollment in courses which utilize significant avocational or recreational themes in their advertising; and by providing that not more than 85 percent of eligible students enrolled in proprietary below-college level courses may be wholly or partially subsidized by the Veterans' Administration or the institution. The House bill contains no comparable provisions. The conference agreement includes these provisions, clarifying that the 50-percent placement requirement does not apply where it is clear that the individual graduate is not available for employment or trained during active duty. Situations in which a graduate could be regarded as not available for employment would include a graduate who becomes disabled, is continuing schooling, is pregnant, or undergoes a change in marital status which compels the graduate to forego a new career. In addition, a graduate who unreasonably refuses to cooperate by seeking employment should not be counted in determining whether the placement percentage has been attained. Such a lack of cooperation can include unreasonable demands as to job location, remuneration, or working conditions (The "reasonableness" of graduate cooperation should be tested, in part, against normal expectations created by the nature of the training offered by the institution and the advertising, sales, or enrollment practices which it utilizes.)

In addition, the conferees have agreed to add a parenthetical provision so as to exclude from the computation of the 50-percent placement requirement those numbers of persons who receive their vocational training while on active duty military service. The purpose of this modification is merely to avoid imposing an unreasonable requirement on such vocational institutions to follow such servicemen throughout their period of military service—which might be a matter of several years—in order to determine whether appropriate job placement had been secured following release from active duty. On the other hand, the conferees do not intend by this modification to manifest any less concern about the quality of training which active duty servicemen obtain under the GI bill, and the conferees continue to expect, as expressed in connection with consideration of Public Law 92-540 in 1972, that the base education officers and education program of the Defense Department will generally continue adequately to counsel active duty servicemen and to monitor closely the utilization by such servicemen of their GI bill entitlements.

The conference agreement also deletes the word "specific" in modification of the term "occupational category". This deletion was agreed to in order to permit the Veterans' Administration somewhat more latitude in writing regulations to carry out this requirement. The conference has been made aware that use of the Dictionary of Titles is in some cases obsolete or unduly restrictive. Accordingly, as defined by VA regulations, closely related employment obtained by course graduates could also qualify in determining placement figures. In providing for this flexibility, however, the conferees stress that it is still their intention that this requirement be interpreted in light of the very specific discussion and examples contained in the Senate committee report (No. 93-907) on pages 64 through 72.

The conferees are aware of the inherent difficulties in locating all course graduates and intend that a statistically valid and reliable sample approved and verified by the Veterans' Administration will satisfy the requirement of this section without necessitating that the institution secure information about each course graduate. The conferees would also anticipate that, in implementing the placement requirement under this section, the Veterans' Administration will allow schools a reasonable period of time to collect and submit the required data.

* * * * *

The Senate amendment provides that the Administrator shall not approve the enrollment of any eligible veteran or dependent in any course offered by an institution which utilizes erroneous, deceptive, or misleading advertising, sales, or enrollment practices of any type and provides that a final cease and desist order entered by the Federal Trade Commission shall be conclusive as to disapproval of such a course for GI bill enrollment purposes. The House bill contains no comparable provision. The conference agreement contains the Senate provision without the above described FTC-order-conclusiveness provision.

* * * * *

CHANGES IN EXISTING LAW MADE BY H.R. 12628 AS AGREED TO IN CONFERENCE AND SUBSEQUENTLY ENACTED INTO PUBLIC LAW 93-508

For the information of the Members of Congress, changes in existing law made by the bill (H.R. 12628) as agreed to in conference, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Title 38—United States Code

* * * * *

PART III. READJUSTMENT AND RELATED BENEFITS

* * * * *

Chapter 34—Veterans' educational assistance

* * * * *

Subchapter III—Enrollment

* * * * *

§ 1673. Disapproval enrollment in certain courses

(a) The Administrator shall not approve the enrollment of an eligible veteran in—

(1) any bartending course or personality development course;

(2) any sales or sales management course which does not provide specialized training within a specific vocational field, *or in any other course with a vocational objective,* unless the eligible veteran or the institution offering such course submits justification showing that at least one-half of the persons [completing] *who completed* such course over the preceding two-year period, *and who are not unavailable for employment,* have been employed in the [sales or sales management field] *occupational category for which the course was designed to provide training* (*but in computing the number of persons who completed such course over any such two-year period, there shall not be included the number of persons who completed such course with assistance under this title while serving on active duty*); or

(3) any type of course which the Administrator finds to be avocational or recreational in character (*or the advertising for which he finds contains significant avocational or recreational themes*) unless the veteran submits justification showing that the course will be of bona fide use in the pursuit of his present or contemplated business or occupation.

(b) Except as provided in section 1677 of this title, the Administrator shall not approve the enrollment of an eligible veteran in any course of flight training other than one given by an educational institution of higher learning for credit toward a standard college degree the eligible veteran is seeking.

(c) The Administrator shall not approve the enrollment of an eligible veteran in any course to be pursued by open circuit television (except as herein provided) or radio. The Administrator may approve the enrollment of an eligible veteran in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through the medium of open circuit television, if the major portion of the course requires conventional classroom or laboratory attendance.

(d) The Administration shall not approve the enrollment of any eligible veteran, not already enrolled, in any [nonaccredited] course [below the college level] (*other than one offered pursuant to subchapter V or subchapter VI of this chapter*) *which does not lead to a standard college degree and which is* offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans' Administration under this [chapter or chapter 31, 34, or 36 of this] title.

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Chapter 36—Administration of Educational Benefits

* * * * *

Subchapter II—Miscellaneous Provisions

* * * * *

§ 1796. Limitation on certain advertising, sales, and enrollment practices

(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

(b) The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.

(c) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section.

* * * * *

Mr. HARTKE. Finally, Mr. President, the continuing need for this legislation which Congress approved so overwhelmingly last year is, I believe, further strengthened by a recent investigative series which appeared in the Chicago Tribune between June 8 and June 15.

These articles like the career school investigative series which appeared last year in the Boston Globe and the Washington Post, make a strong prima facie case that serious problems continue to plague the career school industry. If any institution or person mentioned in the series believes there are serious errors in these articles, I would appreciate receiving complete and specific details from them.

Because I believe these articles will be of interest to my colleagues, and because they bear on the issues I have just discussed, I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, June 8, 1975]

CAREER SCHOOLS—PROMISE SELDOM EQUALS DREAM

TASK FORCE REPORT

Thousands of students each year rely on correspondence and trade schools' promises of a better job thru education. Some get it. Others find themselves with a broken dream, poorer from feeding the coffers of unscrupulous operators in the $3 billion industry. This is the first in a series detailing the findings of a three-month investigation of the industry by the Tribune Task Force, directed by Pamela Zekman and including reporters William Crawford, William Gaines, and James A. Jackson.

The correspondence school sales executive was giving his staff a pep talk on peddling travel and airline careers to young women when it occurred to him that a spicy anecdote was in order:

"The girls get all dressed up . . . they are tripping over their high heels," said John Rhode, Illinois district sales manager for Associated Schools. "Sometimes it's really funny, like when she's overweight, or something, but I can't laugh. I just keep thinking about that $100 commission and I keep a straight face.

"Then, when I get back to my car, I roll up the windows and just lay back and roar."

Fortunately for the consumer, Rhode resigned his position several weeks ago in the midst of the Tribune Task Force's investigation, when it became apparent that both his sense of humor and business tactics had become one of the targets of a three-month investigation of 13 privately-owned correspondence and trade schools operating in the Chicago area.

But the departure of Rhode from a single school is small consolation to the consumer in an industry filled with fast-buck operators preying on men and women who believe education is the best way to a secure future.

Countless persons seeking to become airline stewardesses, nurses' aides, TV repairmen, truck drivers, cashiers, and interior decorators are spending $3 billion a year for correspondence and residence school courses. Many are worthless or of questionable value.

It is an industry that is booming while the nation's economy sags and, until recently, Rhode was around to collect his piece of the action.

Rhode's so-called sense of humor emerged during a pep talk attended by a Task Force reporter posing as a newly hired salesman. And as Rhode also reminded his staff that day in the storefront office at 1925 N. Harlem Av.:

"We have to act like executives of an airline school who are giving these kids an opportunity."

This was the posture Rhode adopted at the home of a woman reporter he believed was interested in signing up for the $1,295 travel agents' course he was selling. First he asked that she walk around the room. Then she was told to read an essay for diction so Rhode could "see how you present yourself to the public. We want to test your poise.

"In our last two classes we placed 80 per-cent of our graduates within 90 days," Rhode said. "There is lots of demand. Right away you should start out with $10,000 or $12,000 a year."

State records show that of the 1,037 Associated students enrolled in Illinois in 1974, 686 dropped out and only 9 were placed.

And while Associated geared its pitch to suggest that young women are being considered for airline stewardess jobs, all the women really get is 53 home-study lessons and five weeks' training at Coral Gables, Fla.

The courses involve information on becoming a ticket agent, reservations agent, Teletypist, ramp agent, ground hostess, and travel agent.

Students complained that the home study lessons were so easy they could take the tests without reading the text. They said much of their time in the Florida residence school was spent "calling each other up and pretending to make reservations."

"They had some machines down at the school, but we never got to touch those," said Joe Carranza, 2056 W. 21st Pl. "We just looked at pictures of the system."

When it's all over, they discover their diplomas are anything but a ticket to employment. Art Jackson, a spokesman for American Airlines, put it this way:

"We have our own training programs. We don't use the schools as a basis for hiring. If they had 10 years of operations school, we would still train them our way."

United Airlines spokesman Marc Michaelson said correspondence schools "are of no value whatsoever."

And Rex Fritsche, president of the Midwest branch of the American Society of Travel Agents, reacting to Rhode's promise of starting salaries of $10,000 to $12,000, said:

"Don't be silly, That's laughable."

John Miles, president of Associated Schools, Inc., defended the value of the school, even tho the airlines train their own employes.

"Every job you get they are going to train you their own way," he said. "What we give the students is a basic, complete course to better prepare them for the job," Miles said.

"This school business is the best selling item there is," Shelly Richmond, a La Salle Extension University salesman, said to a Tribune reporter posing as a sales trainee.

"Whenever the job market is bad people want education, and that's what you got to sell."

Salesmen boast $40,000-a-year commissions selling courses for Illinois-based schools, which have a current enrollment of 450,000 students.

Prospects learn of the schools thru ads in matchbook covers, girlie magazines, comic books, veteran publications, or "take one" displays in gas stations, liquor stores, and barber shops.

Reports of widespread abuses in some of the 250 Illinois-based correspondence schools were brought to The Tribune's attention by Gov. Walker's consumer advocate, Celia Maloney, after state investigators conducted a preliminary investigation.

She said a bill to curb deceptive sales practices in the industry was beaten down by lobbyists when it was introduced in Springfield. The bill, authored by her office, would have forced schools to inform prospective students and the state where school graduates are placed, who they are, and the salaries they receive.

It would also have required updated information on dropouts, and would have increased the cooling-off period after signing a contract from 5 to 10 days, to bring the state law in line with Federal Trade Commission guidelines.

Correspondence schools range in ownership from the financial giants of the country—Bell & Howell, Montgomery Ward, Macmillan Publishing Co.—to fly-by-nighters who operate cattle-buying schools out of the back seats of Cadillacs on the back roads of Indiana.

The public's first—and often only—contact with these schools is the slick salesman who appears at the door one day, peddling education like a vacuum cleaner.

A three-month investigation by Tribune Task Force reporters documented a number of abuses in the industry, including the following:

Reporters seeking employment as sales persons were never screened, and several schools sent them into people's homes selling courses they knew nothing about. They were never asked to obtain state required permits.

Government regulation is so ineffective, and frequently conflicting, that Commercial Trades Institute, a Montgomery Ward affiliate, can sell a $995 motorcycle repair course here that is not acceptable in Minnesota; and Florida-based Universal Training School, which lost its license to operate here a year ago, is still selling eight home study courses in Chicago.

Students spend hundreds of dollars to earn diplomas that are useless in obtaining employment. Automation Academy, for example, sells a $295 nurses' aide course that is not certified by the Chicago Board of Health, and graduates must be retrained elsewhere to get jobs.

Salesmen working strictly on commission are under pressure to enroll many students who will never get jobs they study for or even finish the course. More flagrant examples include a youth with a record of traffic violations enrolled in a truck-driving school and a Cuban who can neither speak nor read English taking a mail-order course written in English.

Students are told to "register here" on contracts misrepresented as enrollment applications, and schools are circumventing cancellation laws to avoid paying refunds to dropouts.

A Veterans Administration survey shows that a staggering 93 per cent of veterans who take high school home-study courses fail to complete them. The dropout rate for other courses is 86.4 per cent in the computer field, 79.2 per cent in electronics, 69.8 per cent in radio and TV repair, 51.8 per cent in airline courses, 49.8 per cent in air conditioning, and 46.5 per cent in hotel-motel management.

The Federal Trade Commission said in a May, 1974 report that "with an industrywide dropout of over 50 per cent and a virtually nonexistent placement record for a vast number of schools," at least half of the $3 billion spent by consumers in the industry each year is "totally wasted."

And postal authorities report that the loss due to mail fraud [where the government obtained convictions for phony advertising claims] more than tripled from $1,378 million in 1973 to $4,174 million last year.

The National Home Study Council [N.H.S.C.] and the National Association of Trade and Technical Schools [N.A.T.T.S.], groups that represent the industry of privately owned, for-profit schools, say they have attempted to control the fast-buck operators.

"These people over the years have given us a black eye, and we try to identify the worst of them," said Michael Lambert, assistant director of the N.H.S.C. "We are in favor of tough state laws and adequate state personnel to control this kind of thing. It's hurting us."

Yet when legislation was introduced in Springfield to curb abuses, more than 50 industry lobbyists—some of whom were members of N.H.S.C. and N.A.T.T.S.—descended on the House Committee on Elementary and Secondary Education to oppose it.

Several firms, including Bell & Howell and La Salle, took corrective measures when they learned of The Tribune investigation, and without waiting for its completion, they fired salesmen or forced them to resign.

But perhaps the best warning to anyone considering a correspondence or trade school course, is to repeat the sales philosophy of John Rhode, the man who thinks it's funny when young girls trip over their high heels.

"Never let them [the customers] know you are a salesman. And, try to have a young woman's parents present during the interview.

"After I've pitched them, I sit back and ask if anyone has any questions. Have I overlooked anything? I haven't discussed the cost, so they probably bring it up. That means we are at the close [contract signing].

"I hand them this slip and say the cost is $1,295. 'Now which payment do you find more comfortable?' Then I don't say anything. The first person to speak loses."

Rhode also offered this bit of advice:

"When you describe the jobs with the airlines, you don't overplay it and say, 'Oh, it's wonderful.' You just tell them about it as if it meant nothing at all, and you tell them about the benefits—all the travel—glamorous places they would want to go. Hawaii. Puerto Rico.

"Not Cincinnati or Columbus.

"Remember, you are selling a dream."

[From Chicago Tribune, June 8, 1975]

YOU, THE TAXPAYER, PICK UP THE BILLS FOR PHONY COURSES

(By Pamela Zekman)

The largest single investor in the correspondence and trade school industry is you—the taxpayer.

Your agents are the Veterans Administration and the Federally Insured Study Loan [FISL] program. Each year they spend $500 million on home study programs they cannot control and know little or nothing about.

"We are in an odd position," said David Heath, education benefits specialist for the VA. "We issue the money, but we are prohibited by law from initiating any control or regulation over the school."

The National Advisory Council on Education Professions Development, in an April, 1975, report on abuses in the nation's educational system, had this to say about correspondence and trade schools:

"When a grateful nation enacted the G.I. Bill of Rights, it sought to make a monthly stipend available to veterans, not to have the money diverted into schools for bartenders, correspondence schools with dropout rates as high as 90 per cent, or to sharp operators, hiding behind quasi-educational trappings."

The report said educational abuses are on the rise, with students being defrauded, both financially and educationally, and added: "The federal government has not done enough to alleviate or prevent existing problems."

The VA relies on state agencies to accredit schools. The accrediting agency here is the Illinois Veterans Commission, which has a $234,000 contract with the federal government to perform this function.

But Eugene Duff, commission director, has only 10 employees to monitor more than 4,000 schools of all types approved for veterans' benefits. His office mainly makes sure there is an actual school, tangible lessons, and a teacher, he said.

"It's kind of incongruous," he said. "We supposedly are the approving agency, but we just don't have the staff. We don't have the readers or the expertise.

"We send a lesson or course to Washington and someone there in the Veterans Administration is supposed to have the people that are experts in home study. They read it before they accept it for publication."

However, Myron Wolowitz, assistant deputy director of program administration for the VA, told The Tribune:

"It's Duff's job to review courses. He is saying he doesn't have the staff or expertise . . . well, the staff for the District of Columbia consists of one person. I can't accept that. If he doesn't have the expertise, he can refer to outside experts."

Asked whether courses are reviewed in Washington, he said, "Absolutely not. There is at least one state approving agency in each state, and that's their job."

Duff said the VA bulletin for March showed the number of veterans enrolling for the first semester under the GI Bill was the highest in history—an increase of 24 per cent over last spring.

"And we don't have the increased personnel," Duff said.

Heath said: "Veterans fall for a sales pitch as fast as the next guy. And they are sought out because they can more easily afford it, because of the educational assistance."

The VA pays 90 per cent of home study fees for veterans.

Many schools, such as American Truck Driving, 7750 S. Cicero Av., have their entire payment program geared to get the maximum GI benefits. American features a $1,980 course, which includes $1,680 for 60 read-at-home lessons, with Uncle Sam paying 90 per cent, and only $300 for actual in-the-cab training.

Ed Fry, regional sales manager for the Bell & Howell schools, which have 78,000 veterans among their 120,000 students, tells his salesmen, "I'll bet every gas station in the city has at least one veteran who would rather be doing something else."

The General Accounting Office, a federal watchdog agency that reports to Congress, has determined that 75 per cent of all veterans enrolled in correspondence courses fail to complete them, and these veterans pay more than $24 million a year to schools for uncompleted lessons.

"Many correspondence schools have over 90 per cent of their students failing to complete their courses," the GAO said in an October, 1974, report to the Federal Trade Commission.

While the National Advisory Council on Education Professions Development report on abuses was critical of VA money unwisely spent, it also came to this conclusion regarding the FISL program:

"When Congress passed the Federally Insured Student Loan program, it intended the guarantee and the interest subsidy to help deserving students. The program has been exploited by salesmen on commission and by advertising brochures which deceive and distort."

The Department of Health, Education, and Welfare (HEW) administers the FISL program, in which the government guarantees students' loans for educational purposes. If the student defaults on the loan, the government has to pay.

Federal budget requests to cover defaults under the program have risen from $89 million to $115 million for the 1975 fiscal year, the report said.

Kenneth Kohl, associate commissioner for the Guaranteed Student Loan Program, said HEW entered the regulatory arena just this year.

But, Kohl points out, the task is an enormous one. Since 1965, HEW has been guaranteeing FISL loans for schools it never checked and leaving accreditation to the industry's own trade organizations.

"We're almost building a new dike. The important thing is the program gets a million loans out to students a year, and we can't let less than scrupulous people in the programs so Congress kicks the whole thing out the door."

[From Chicago Tribune, June 8, 1975]

YOU DON'T NEED TO KNOW ABOUT TRUCKS . . . JUST SELL

(By William Gaines)

The walls are decked with pictures of trucks. Some are torn from magazines, others are posters from trucking companies, and there is a calendar from a truck manufacturer. This could be the office of a trucking firm.

Actually it is the headquarters of American Truck Driving Schools, Ltd., 7750 S. Cicero Av., where I had been hired as a sales trainee.

During four days as an "admissions representative" I saw pathetically hopeful truck-driving applicants lied to, laughed at, bullied, conned, pressed for any amount of money they might have in their billfolds, and led down the primrose highway with indirect promises of good-paying jobs that don't exist.

"These are hard times, and all businesses are suffering, but not here," Larry Peterson, admissions director, told me. "We are selling jobs when people need jobs. The big money in franchising or freezer sales is over. This is where the action is."

The bigger the down payment a salesman can get on the $1,980 truck-driving course, the healthier his commission—a $30 commission on an $80 down payment, $50 commission on a $125 down payment, and $100 on $228.

The salesmen are so desperate for the down payments they harass applicants to beg and borrow the money from relatives and friends. Peterson, refusing to believe that one prospect had no money with him for a down payment, grabbed the man's wallet from his hands and searched it. It came up bare.

"I don't care what they do back there [in the school]," Peterson said to me. "I'm interested in getting that front money."

There is a constant flow of applicants, up to 30 a day, who saw TV commercials about the school or received phone calls made at random. And like most fast-buck schemes, this one is aimed at those who can least afford it.

"We are making these calls in the black area mostly," Peterson told his sales staff. "This is the high unemployment area and these people need jobs. "We may also hit the low-income white areas in the city and some of the suburbs where guys are laid off."

Calls are made from a prepared script:

"Hello Mrs.-Mr.—I am with American Truck Driving and I'm calling to see if there is any young man in the household, employed or unemployed, who would be interested in a good paying job making anywhere from $250 to $350 a week to start [pause] . . . driving a tractor trailer."

No mention is made that the caller represents a school, but once lured to the office, the interested party is told the job has been filled, tho there is an opening in the next training class.

The salesmen dress like truck drivers. They swear with the customers and at one another to create what they think is the proper atmosphere for a trucking company.

When a prospect asks to read a contract, Peterson keeps distracting him with questions like "Do you smoke? Do you drink?" until the man gives up and signs, without realizing he is committing himself to pay $1,098 before he ever gets into a truck.

I spent my entire first day with Peterson, who introduced me to customers as the "overseer of the entire program . . . here to see that I don't enroll the wrong kind of people."

Peterson told me: "You don't need to know anything about the school or truck driving. I've never been in a truck." But to a prospective student, he said, "I'd still be driving myself, but it's my eyes. I can't do the night driving no more."

Peterson's sales pitch begins "I'm going to be honest with you and I want you to be honest with me. Are you willing to go to work immediately after we train you?" [The unemployed applicant readily agrees.]

This tactic gets him thinking about the placement without committing the salesman, Peterson told me.

"Will your wife let you be a truck driver? Some wives don't like it because they heard about all the young girls that hang around truck stops." (The applicant says he makes the decisions at home.)

This tactics gets him thinking about the glamor of truck driving and removes the "but I want to talk it over with my wife" objection when the salesman asks him for money.

"Do you want short haul or over-the-road driving? We've got a company wants a driver to go to L. A. and back. It only pays $525 a week. Some guys don't want it because they're used to making more."

Suddenly the phone on Peterson's desk rings. He tells the caller: "You don't have to worry about that slot. I've got a guy here who is willing to take a job right after we train him and his wife don't object."

I know the call is routine with every sales pitch—a well-timed ring from the salesman in the next office. For the customer, this sounds like his big break.

On my third day I watched as Peterson had an applicant sign a stack of papers, including a blank form certifying to the Veterans Administration that a certain number of lessons had been completed. This could enable the school to collect VA benefits regardless of whether the student took a lesson.

I was also present when a fellow reporter, James A. Jackson, posing as a student, was given a sales pitch by salesman Arthur Thomason, tailored just for blacks:

"The trucking companies are looking for black drivers because some are below quota, and if they don't make an effort to get qualified blacks they can lose their ICC [Interstate Commerce Commission] license."

Thomason showed Jackson a list of trucking companies the school said hired American graduates. But spokesmen for 15 of the firms checked told The Tribune they never hire drivers from truck-driving schools.

When a student asked to drive out and get his money back, a salesman talked him into taking a few more home study lessons, at $28 each, to insure getting enough money to cover his commission. The salesman then turned to me, in the student's presence, and quipped, "Do you know what it means to be bushed?" It's a term they use for conned.

H. Donald Overbey, school director, defended the school's program in a subsequent interview, but conceded he has "a hard time controlling the salesmen. There's no way I can do it. The salesman is in the office with a man and I can't always tell what he is saying.

"But every two or three weeks I hold an orientation. That's how I keep myself clean. I ask the students if they were promised a job by my salesmen, and if they say yes, I tell them we can't promise them a job.

"There is a certain amount of 'blue sky.' Every company does that in sales."

At American the "blue sky" is an orgy of selling. Peterson, to show his extreme confidence, one day put on the following performance as I watched him pitch a customer sitting across the desk:

"Okay, now I'm going to pitch this one and close [sign the contract] without giving any information. Are you ready?" I nod. "Are you ready?" The customer responds with a confused look.

Then Peterson whips into his sales talk: "I'm going to be honest with you. . . ." Not once in the 30-minute pitch does he mention the $1,980 cost of the course.

At one point he turns to me and says, "Okay, this is where I start to close."

And he does.

[From Chicago Tribune, June 9, 1975]

For $2,000, Trade School Students Get Little Assistance

TASK FORCE REPORT

Practical training with modern equipment is the promise. Obsolete equipment and poor instruction often are the return for many students in the $3 billion correspondence and trade school industry. This, the second in a series, tells of abuses by residence schools uncovered in a three-month investigation by the Tribune Task Force. Pamela Zekman directs the Task Force, which includes reporters William Crawford, William Gaines, and James A. Jackson.

There is a snap, a flash of blue light, and a curl of black smoke wafting up from behind an air conditioning unit.

Four students at Greer Technical Institute in Norridge spent most of the day wiring a thermostat to the air conditioner and furnace blower, and they just switched the thermostat to the "on" position.

Tho they methodically followed the instructions of their teacher, Paul C. King, all they have to show for their efforts is one more blown fuse.

Frustrated, one of the students, Edward Nolan, 25, turns to King:

"Look! You've got me so confused I don't know what I'm doing. Why don't you just stay there and explain it to us, step by step? I've got so many wires coming out of this thing, I'll never remember tomorrow what I did today."

"Do it yourself," answers King, restudying his diagram to see what might have gone wrong. Then he discovers he's been working from the wrong sheet.

Blown fuses and erroneous wiring diagrams are only part of the learning story at Greer, a resident trade school owned by Ryder Systems, Inc., of truck driving fame.

A Tribune Task Force reporter attended class at Greer as part of a three-month investigation of the $3 billion a year correspondence and trade school industry. The investigation was undertaken after complaints of abuses by some of the 250 privately owned schools in Illinois were brought to the newspaper's attention by Gov. Walker's consumer advocate office, and after the state conducted a preliminary investigation.

At resident trade schools, such as Greer, students take courses on the premises, using the school's equipment. Home study students take courses thru lessons that arrive by mail.

In Greer's refrigeration, heating, and air conditioning course, the Tribune found all 24 students demoralized, holding little hope of getting jobs upon graduation. To a man, they contributed $25 to retain a lawyer to take action against the school for a full refund of their tuition.

Each student in the class paid nearly $2,000—mostly government money, veterans subsidies or federally-backed loans—in hopes of walking out of the class a fully trained technician.

They were the remains of a class of 32, minus the one-fourth that dropped out.

During the first half of the 30-week course, they went thru five instructors—some of whom quit, while others were fired by the school for incompetence.

The students discovered that one of their instructors, A. C. Fitzgibbons, was himself taking a night school course at Greer to stay one lesson ahead of the people he taught during the day.

One student, who dropped out of grade school at the age of 12 because of a learning disability, and who can neither divide or subtract, was unable to understand the course.

He told The Tribune that he pointed out his shortcomings to Larry Brown, administrative assistant to the director of the school, before he signed for the course. But "he told me to go buy a pocket calculator, and pushed a contract across the desk and asked me to sign it."

A frequent complaint of Greer students: never enough tools to go around. Thruout the day students interrupt one another asking, "Who's got the wire cutters?" or "Who's got the masking tape?"

Nor does Greer have a parts department, so students must stop off at a nearby junkyard to buy their own spare parts for projects.

At one point in his course, King instructed students on how to install a defective thermostat in an old heater, because the only thermostat available was broken. "But remember, this would be illegal . . ." King cautioned. "You'd have to buy a new one."

Maurice Quinn, 33, an ex-Marine taking the course, told The Tribune, "I could not believe the school had the gall to supply us with such equipment. The equipment was old. It was outdated. It was beyond repair. Everything was broken. The refrigerators didn't work, the compressors didn't work. We all felt and hoped that somehow things had to get better."

George W. Cates, Greer's director, told The Tribune that Greer has no teacher evaluation because "vocational teachers are hired on their credentials and thru their backgrounds." He said there is no testing of students because "all students are high school grads. If not, they have GEDs [high school equivalency] or work experience."

He said he was "aware" that some students had complained to the state's attorney's office and retained an attorney.

Greer in 1974 received $25,000 in federal funds administered by Mayor Daley's Office of Manpower under the Comprehensive Employment Training Act.

The Greer story is but one in the $800-million-a-year vocational school business, in which thousands of students find their aspirations of a solid future hopelessly shattered thru false job promises, marginal instruction, and inferior training equipment.

Such schools offer hundreds of courses ranging from auto repair to broadcasting, truck driving to nursing care, and how to work a cash register.

"We provide an education gap filler," said Phillip Taylor, a spokesman for the National Association of Trade and Technical Schools. "In many instances we can provide training in areas no private school can offer.

"The trade and technical schools have opened up new avenues for a much wider range of persons wanting to get into a given field."

While there are many legitimate schools, not every one of the 13 Chicago-area schools investigated by the Task Force passed the test.

Automation Academy, 22 W. Madison St., advertises in the Yellow Pages that you can "Train Now and Pay Later" for its $295 nurses' aid course or $395 keypunch class.

"We teach you what you need to know to get a job," Al Roberts, director, told a reporter who inquired about nurses' aide training.

He said jobs paid $150 a week, and flashed a list of hospitals he said hired Automation graduates. A check by The Tribune, however, showed that five of them either trained their own nurses' aides or required several years of hospital experience.

Christell Williamson, 28, who took the course, told The Tribune:

"I feel as tho I was cheated. I believed

I was paying for something and I got nothing. They didn't teach you a darn thing. You get this so-called diploma, but it's not worth anything."

She learned the certificate she received on graduation is not recognized by nursing homes here because the course is not approved by the Chicago Board of Health.

She was hired by a nursing home and was told she would have to take another course approved by the Board of Health and offered for free by the Board of Education.

"I thought I already had my certification because I had my diploma, but the nursing home said no. So here this new course was free and I gave the man at Automation $295 for nothing," she said.

Curtis H. Knight, owner of the school, told The Tribune he was unaware until recently of the ordinance requiring nurses' aides to attend board-approved schools and was attempting to get approval.

"Had we known this thing existed, we would have gotten into compliance immediately," Knight said.

A Board of Health spokesman said a representative of the school "came down here once," to inquire about the ordinance, but the board never heard back from the school again until after the Tribune investigation.

Another graduate of the school, who found the course was not certified, Lillie Lee, 32, said she is now working as a punch press operator because no hospitals would accept her certificate.

A former director of Automation, Gerald Vargas, now directs the Chicago office of New York-based General Training Services, which sells two-week, $200 courses in operating a cash register at 6 W. Randolph St.

He told a reporter who inquired about the two-week course:

"We have all models of cash registers here for you to learn on so you will be prepared, no matter what you face. We have a free placement service. You know, a lot of stores are now offering 24-hour-a-day service. To stay open like that they need lots of cashiers and checkers. Stores like National and Jewel are doing that all the time."

Task Force checks with major supermarket chains in Chicago, including A&P, Jewel, and Dominick's, revealed that all have their own training programs.

Johnnie Mae Bell is one of several graduates listed by the school in records filed with the State as having been placed on a job, but she was not.

"They promise to find one a job, but they just out and out lied to me," she said.

Anthony Venzara, executive vice president of G. T. S. in Woodbury, N.Y., told The Tribune, "There is a need for people who can operate a cash register, and merely because an employer retrains the student who has taken our course is irrelevant."

Some resident schools have unique ways of making sure their graduates pass any required tests. Graduates of the Institute of Broadcast Arts, a Milwaukee-based school with offices at 75 E. Wacker Dr., take a written exam in order to get a Federal Communications Commission license to help get jobs as announcers or disk jockeys.

Graduates said students are provided with answers to memorize, some with a 50-word sentence; the first letter of each word, going down the line, will be the answer to multiple-choice questions on the exam.

Daniel Baran, assistant director of the school, said he did not know about a 50-word sentence, but admitted the students memorized sets of questions and answers.

"Schools all over the country memorize the answers to get the licenses," Baran said. "The people who give the tests know."

A spokesman for the FCC said the government is indeed aware of the procedure, and rearranges test answers often to beat it.

[From Chicago Tribune, June 9, 1975]

Trade School Housing Like Army—But Worse

(By William Crawford)

"It was like a barracks, and the only thing that kept out the draft was a canvas. Some days it was cold, and they had this canvas hanging from the ceiling.

"The bathroom had no floor. The place was a mess. There was only one heater for the whole building—50 of us in there—and the wall didn't go up to the ceiling.

"Ten of us got lice and they refused us medical care."

An ex-GI telling about the rigors of Viet Nam?

No. Ex-GI John Carpentieri, Jr., 28, of Massapequa, N.Y., telling about the American School of Heavy Equipment, Inc., at Morristown, Ind.

At some vocational trade schools, learning takes a back set to simple survival—getting something to eat, finding a place to sleep, and fighting disease.

In a resident school, such as American, students take the course on location, using school equipment, and stay in quarters provided by the school if they live too far away to commute.

Carpentieri heard about American on TV, and decided he'd like to become a heavy construction equipment operator.

"They sent out a salesman, Ira Kane, and he showed me a bunch of phony stuff . . . pictures of machines that were bigger and newer than what they had, and he said there would only be two of us to a room and two of us in a machine."

The course cost $1,300 plus $600 for expenses.

Carpentieri said he "never should have done it."

"When I got there I was just sick. The school was utter chaos. There were eight machines and 34 students. And the machines were always breaking down so we had to wait around for them to be repaired. One machine didn't have brakes—it was lucky there was no accident. And that was discovered right after they showed us safety films," he said.

"They had inadequate food, and there was no drinking water except in the bathroom."

On April 10, Joseph Clark, head of the Indiana Private School Accrediting Commission, sent investigators to talk to Carpentieri and 13 other veterans who had complained about conditions at the school.

"They were stranded out there with no jobs, and no money," he said. "They had been promised jobs and were unable to get any, and they had no way to get home."

Clark also sent a team of fire and health inspectors who found 29 "major violations" of health and fire codes at the school. On April 15 he ordered it closed.

Just ten days before the veterans complained, The Tribune advised Clark of questionable sales tactics of the school's Chicago office.

Gerald Vargas, director of the Chicago office, told a reporter who asked about the course, "You'll be making between $8 and $12 an hour."

Vincent Gartlan, a salesman, said, "We place 90 per cent of our graduates," and shoved the reporter a contract marked "enrollment application" for a $1,190 course, which would include 60 home-study lessons followed by four weeks at Morristown, with the Veterans Administration paying all but $29 of the cost.

Clark said state records show American claims to place 60 per cent of its graduates. William Martin, president of the Operating Engineers Local 150, told the Tribune:

"I'll sum up one word what those schools are: fraud. We have found thru practical experience that they have not turned out one qualified man. They ought to be closed."

Anthony Venzara, executive vice president of General Training Service, Woodbury, N.Y., American's parent company, said he was "surprised" anyone had tried to sell a reporter the heavy equipment course, and added:

"We have not for some period done any soliciting of students for that course."

Clark said that after he ordered the school closed, Richard Carlton, president, arranged for students to be put up in a hotel, and for classroom instruction to be held in a local high school.

He said he permitted the school to resume operations May 8, but American has been banned from soliciting veterans, and a hearing will be scheduled to determine whether the school should be closed permanently.

Carpentieri, who said he is consulting an attorney in addition to pressing his complaint with the VA, will be invited to appear, according to Clark.

"They had old books, old equipment, old films . . . and they called it a school," Carpentieri told The Tribune. "It was just a ripoff. I felt like I got beat. I didn't get beat—the government got beat. There were 14 veterans there."

[From Chicago Tribune, June 10, 1975]

Thirty Dollars Down Buys Pie in the Sky, Lessons in Frustration

TASK FORCE REPORT

Thousands of students each year send their money away in hopes that the return mail will bring an education, leading to a better job. But what many of them get is something less. This, the third in a series, relates the frustration and abuses common in some quarters of the correspondence school industry uncovered in a three-month investigation by the Tribune Task Force. Pamela Zekman directs the Task Force, which includes William Crawford, William Gaines, and James A. Jackson.

Universal Training Service, a Miami-based correspondence school, is traveling the streets of Chicago in the head of 77-year-old Louis Carpenter, as he cruises around in a late-model Cadillac making house calls.

Universal, boasting 50,000 home-study students, advertises "Eight Exciting Careers" in the Yellow Pages, and operates openly in Illinois, though it is illegal.

The school, whose Orland Park phone number turns out to be an answering service, is unlicensed in Illinois but operates without apparent restriction, making job promises it cannot fulfill, preying on young people's dreams of a better tomorrow through education.

The grandfatherly Carpenter, with his promises of a glorious future—for $30 down and X easy lessons—was encountered repeatedly by Tribune Task Force reporters during a three-month investigation of the $3-billion-a-year correspondence and trade school industry.

One reporter met him when he called at her home to pitch her on a $995 course for an airlines ground hostess job, saying: "We train for 40 or 45 airlines in the country. They have no training program for themselves."

Another met him when he called at the reporter's apartment to tell him about Universal's heavy equipment school: "You can put $30 down today and that will help you to get signed up right now," he said. "There are 30,000 construction jobs opening in Illinois this spring."

And to another reporter, Carepnter pitched an insurance adjusters' course, which he hinted would earn its taker $50,000 a year. "We place 96 per cent of our graduates," he said.

A check with major airlines revealed that all have their own training programs, and anyone hired from a correspondence school would have to take the airline program regardless.

Construction union officials said a heavy equipment operator cannot get a job with only correspondence school training. Operating Engineers' business manager Wilfred Dewalt of Local 649, Peoria, said:

"We have our own training program, and it's state approved—and free! We put in a nickel an hour for the training, and the course runs five years. These schools are ripoffs and don't do a thing but take a man's money and make him promises they can't keep."

Last year, before its license was dropped, Universal submitted a 1974 placement list of students to the state. Of 13 checked at random, only one said he obtained a job thru the school. Several others were not employed where the school said they were, and others said they attended the school five years ago.

The Minnesota Department of Education has refused to license Universal because of noncompliance with Minnesota laws. Universal is no longer licensed to operate in Illinois because of failure to place the required surety bonds for itself and any agents operating in the state.

Carpenter boasted to reporters that he had 65 salesmen working for him in this area. However, a check uncovered only one Universal salesman in addition to Carpenter.

Thomas Richardson, assistant to the director of postsecondary education in Illinois, said:

"As far as I am concerned, Universal is no longer licensed to do business in Illinois. If they are operating in the state, they are in direct violation of state law. No school can operate without that surety bond on the school and on its agents.

"Maybe you have some knowledge that they are in operation. But how would I know that? We have to assume in these cases that the schools are complying with state law."

Charles Craig, head of Universal operations in Miami, said, "I think that is outside the purview of the media to investigate the operations of private business like that. We have people that are always complainers. They complain about everything, and you can't please them."

Abuses in the correspondence and trade school industry were first brought to The Tribune's attention by Gov. Walker's consumer advocate's office, after it conducted a preliminary investigation. Universal was one of the extreme cases uncovered in the Task Force's subsequent investigation of 13 Chicago area schools.

But even with the most reliable schools, students are taking a risk in signing up for mail-order courses. Standard courses are sold to anyone who can come up with a down payment, regardless of educational background, talent, or ability to learn.

For example, of three students who took the identical mail-order auto mechanics course from Advance Schools, Inc. 1840 W. 79th St., one said the course was "just tremendous," another described it as "too simple," and a third said he could not understand it.

Charles Chase, assistant to the president of Advance, a school that filed for reorganization under the federal Bankruptcy Act in May, said:

"We get complaints. You have to get complaints. You have to get complaints from some people. We sell one course in each subject, and it has been carefully prepared and geared to help most people. But there are always some who will not be able to understand it, or who will know too much to get anything out of it."

Thomas Pekras, assistant director of postsecondary education in Illinois said there are 250 such privately owned schools based in the state—78 per cent of them in the Chicago area—and the department has only five people to monitor them.

"Quite frankly, in evaluating courses we many times know very little about the course itself," he said. "We've learned a lot as time goes by."

The utter frustration of trying to learn a career by mail was described by Lee Smith, 50, an unemployed construction foreman from Alderson, W. Va., who took Bell & Howell's $1,400 course on TV repairing:

"Volume two of the course arrived nine days ahead of volume one. For the next several months, the lessons continued to arrive out of sequence, and parts and equipment for one lesson often came with the test for another.

"When I signed up they told me there was a toll-free number in Chicago I could dial if I ever had any trouble. Sometimes I would call the school every 20 minutes, all day long, trying to get thru to them. The line was always busy."

After six months, Smith ran up the white flag, saying, "They had me so fouled up there was nothing I could do."

He demanded his money back, and after a flurry of letters to the Better Business Bureau and various consumer affairs organizations, the school agreed to settle with him for $400.

A recent study by the Veterans Administration determined that 69.8 per cent of all veterans who take radio and TV repair courses by mail do not complete them. The dropout rate runs as high as 93 percent for other courses.

A typical dropout is Dennis Loren, 25, of Amity Harbor, N.Y., a Viet Nam veteran who enrolled in Bell & Howell's TV repair course, but found himself not educationally equipped to handle it.

"By the fifth lesson it just became too advanced," he said. "It was all formulas. It was the math I couldn't understand. I was just happy to call it quits."

William Carson, executive vice president of Bell & Howell's home study division, said Smith studied three times faster than normal and that he took the course at a time when "there were a couple of problems," including mailing and other technical difficulties.

He said Loren did not complain about his difficulty with math until after the school sent him a bill.

Another drawback in taking home study courses is that the same course is mailed to every student who signs up for it, even tho the material may not apply to his part of the country.

Commercial Trade Institute, 1400 W. Greenleaf Av., a division of M–W Education Corp., a Montgomery Ward subsidiary, offers a 100-lesson course in building construction for $695. Patrick Maddalino, 24, of Miami, Fla., signed up for the course, with the VA picking up $625.50 of the cost.

"The salesman told me that, when I graduated, that was all I needed to start working and get a job as a contractor," he said. "He didn't tell me anything about testing and licensing by the county. In fact, Dade County (Fla.) doesn't even accept this as an accredited school.

"And the course was geared for the northern or central states, and nothing like we have in Florida. They tell you how to build a building with a certain kind of block we don't use here. That means the architecture is different, and the stress will be different."

Robert Nottenburg, C.T.I. education director, said, "We offer a nationwide program. This man in Miami believes the zoning information is old because the laws there have been changed, but what we teach is typical of most other areas."

C.T.I. also offers a $995 motorcycle repair course that its salesmen say will teach a student how to become a motorcycle repairman. Minnesota says the course doesn't fill the bill. Illinois can't seem to make up its mind.

The state of Minnesota refused to accept the course after three experts determined it was worthless. A Chicago official of the Illinois Department of Education told the Tribune:

"Actually, the engine the student got in the course should not have been approved, but next thing we knew, we got a letter from Springfield saying it had been approved."

The absolute futility of some home study courses often doesn't hit home until after the mailman comes and a student discovers he is paying good money for lessons he could get free elsewhere or for common-sense information he already knew.

For example, American Truck Driving Schools, 7750 S. Cicero Av., offers 60 home study lessons for $1,680 on how to become a truck driver, which students must complete before they can qualify for the $300 course in actual driving.

Six of the lessons, at $28 each, are mere reprints of a free publication of the United States Department of Transportation.

Another two lessons, also at $28 each, consist of a few sentences informing the student he should take the Department of Transportation's written test, which is required of all drivers.

And another lesson, five pages on "Importance of Driver Training to the Industry," lists only statements of praise for the school but costs $28 just the same.

H. Donald Overbey, director of the school, said:

"I think these lessons are well designed, and there is no way you are going to make me apologize for them. These home study tests are pretty effective. We found that people who finish home study do well in resident training. They have a good chance of finishing resident training if they get thru the home study part. In fact, 90 percent of those who finish home study get thru resident training."

Two of his students take a somewhat different view of the school.

Charles Vesely, 22, of Burbank, called the 60-lesson home study course "a joke." All Mickey Mouse.

"When we got to the actual driving course, I'll bet you I spent no more than 15 minutes a day behind the wheel of a truck. The rest of the time, I would sit and watch while others took their turns.

"I couldn't even come to class because there was nothing to do but stand around. The owners didn't care, because they were getting their money from the VA. They would even fudge my attendance records, just so they could get their hands on the VA money."

Richard Schulz, 32, of Hickory Hills, who took the $1,980 two courses, said:

"Before I signed up, I said to the salesman, 'How is it with jobs?' He said there were more jobs than students. I thought: 'Oh great! This will be tremendous.'

"I signed up, and they told me I would have a job for sure. I was so happy about it. I went home and told my family I would be driving a truck and making lots of money.

"All the while we were going to school the salesman would give us this big pep talk about how there were those jobs out there. Overbey would tell us there weren't enough students to fill all the jobs. In my opinion the school was a ripoff!

"The school couldn't place me. Finally I went out on my own. I hit every trucking company south of the Eisenhower. Each time they would look at me and laugh when I told them I had graduated from the school. They wanted men with at least two years' experience.

"Luckily I'm a veteran and didn't have to pay for the course out of my own pocket."

A former instructor for American, John Davis, who quit after one month, told The Tribune:

"I've worked all my life and just couldn't stand the thought of taking another man's money and giving him nothing but dreams. That's the only thing these schools do. They hold out a slice of pie in the sky—and it just ain't there."

[From Chicago Tribune, June 10, 1975]

You, Too, Can Be an "Educator"

(By James A. Jackson)

You can even take a correspondence school course in how to start your own correspondence school—or anything else you can think of.

William Goehring, head of Pioneer Schools, Covina, Cal., sells the mail-order course for $35. After you have taken it, he says, "People will look up to you as an educator, and as an asset to the surrounding community."

Altho California authorities have denied Goehring permission to sell his course, a Task Force reporter who sent him a $35 check got the seven-lesson package by return mail.

After reading the lessons, and learning how to make enrollments, place graduates, and get Veterans Administration approval on a shoestring investment, the reporter decided he was ready to become an asset to his community.

The most preposterous subject he could think of to teach thru home study lessons was skydiving. He disclosed his plan in a letter to Goehring.

Goehring wrote back enthusiastically, "I would welcome the opportunity of writing a course for you on the subject of 'Skydiving.' I believe . . . that seven lessons would suffice."

His writing fee would be $30 a lesson, and the reporter-turned-educator could sell the course for $395. Goehring even suggested offering such inducements as a parachute or a discount ticket to go up in a plane to promote the course.

The reporter then telephoned Goehring, disclosed his true identity, and said he didn't really want to start a school. Goehring was unabashed.

"Anyone can start a correspondence school with proper guidance," he said.

[From Chicago Tribune, June 11, 1975]

Fast Talkers Sell Dotted Line and Little Else

TASK FORCE REPORT

Some salesmen boast they can sell anything. This article, the fourth in a series, describes finely honed sales pitches, used by some salesmen in the correspondence school industry, heard during a three-month investigation by the Tribune Task Force. Pamela Zekman directs the Task Force, which includes William Crawford, William Gaines, and James A. Jackson.

Arnold [Arne] Fabrikant has just tricked a Puerto Rican who has difficulty understanding English into signing a contract for a correspondence course in interior decorating.

Outside the victim's house Fabrikant turns and winks at his companion, a Tribune reporter posing as a sales trainee.

"Some are easier than others," he chuckles.

Fabrikant, 30, a salesman for La Salle Extension University for more than two years, is eager to move up the corporate ladder.

"See, I want to sign up a lot of students because promotion time is coming up and I want to look good on the books," he explains.

With unemployment across the nation at a 34-year-high, the $3-billion-a-year home study and trade school business is booming. And the salesman, with his finely honed pitch, is often the only personal contact the student ever has with the school.

Fabrikant has just worked his pitch on Juan Ortiz, 29, a $130-a-week factory worker who wanted to learn to "paint and panel walls." He had answered a La Salle magazine ad offering "free information."

"You know, interior decorators make lots and lots of money. They are very professional people," Fabrikant told him. "You will be respected and admired. You can get a good-paying job or open a business for yourself. You can get started in one of those big department stores, like Wieboldt's or Libby's. They need people who speak Spanish.

"We have to make sure you are qualified to take the course. La Salle doesn't just take anyone. Puerto Ricans think education is important. They take pride in their education, and that's good."

Fabrikant got Ortiz to sign a contract by filling it out as he talked, pointing to the dotted line and saying, "Now, you register here."

Tho the school requires a minimum $30 down payment, Ortiz's wife, Lena, who speaks no English, could find only a $10 bill. Fabrikant took the ten "to hold a place in the class for you" and paid the rest of the down payment from his own pocket.

Fabrikant, who speaks several languages and prides himself in his knowledge of ethnic traits, tells the reporter on leaving the Ortiz home:

"Did you see how I waved my hands around a lot? That's what they do. They talk with their arms. It makes them feel more comfortable."

Several days later the mailman arrives at 1719 W. Morse Ave., and Juan Ortiz finds himself surrounded by $600 worth of home-study lessons he did not know he had signed a contract for. He has now turned to the Legal Aid Society for help.

Reports of misleading sales tactics by some of the 250 privately owned correspondence and trade schools in Illinois were brought to The Tribune by Gov. Walker's Consumer Advocate Office after the state conducted a preliminary investigation.

During a three-month investigation of 13 Chicago-area schools, Task Force reporters posing as sales trainees and students found:

Salesmen making phony job placement claims. Edward F. Cihak of Bell & Howell home study schools said the school placed "100 per cent of graduating electronics students," while the school officially reported 8.4 per cent to state officials in Minnesota.

Operators claiming unlimited job opportunities. Gerald Vargas of American School of Heavy Equipment said Gov. Walker's construction program made chances of getting a job in the Chicago area "excellent." Actually the state legislature rejected the program, and the operating engineers union currently reports 2,100 members out of work.

Salesmen offering tuition discounts and cash kickbacks. Fabrikant knocks $10 off the tuition fee and offers a $10 bounty to any student who refers him to another who signs up. Bell & Howell fired one salesman who admitted offering a $20 discount to a reporter.

Salesmen operating out of storefronts or their automobiles, their income depending solely on commissions, often know nothing about the courses but a lot about selling. And their approaches are as varied as their claims.

La Salle, a subsidiary of MacMillan Publishing Co., leans heavily on the "qualifying interview," which Fabrikant described as aimed at "getting that great inner dream out in the open."

"The qualifying interview is a powerful tool in the hands of someone who knows how to make it work," Fabrikant said during a meeting of sales trainees. Salesmen are instructed not to deviate from the time-proven company interview that Fabrikant said is designed to get a commitment from the prospect.

"Psychologically you have him following your orders right thru the qualifying interview so by the time you get to signing the contract he can't go against you," said Fabrikant.

Salesman Gary Hoffman, 36, demonstrated the approach on a Greek immigrant who had written the school for information. A reporter posing as a sales trainee accompanied him.

The man, who owns his own refrigeration business, looked over the La Salle course, shook his head negatively, and muttered in broken English, "Basic. All too basic. I don't think I need."

Undaunted, Hoffman brought out the "qualifying questionnairs" and led the Greek—"You don't mind if I call you Steve?"—thru a list of questions such as:

"Why have you waited so long to decide to increase your education?" "Do you think you can make decisions quickly?" "Do you think you will be happy with your job in five years if you don't increase your earnings?"

In the end the Greek immigrant surrendered and Hoffman pocketed a $30 down-payment. Outside the home the salesman quipped:

"He didn't need that course. It's too simple for him. He won't learn anything. And he writes like a child. I had to help him fill out the application because he couldn't understand it. Did you see that?"

La Salle salesmen also urged prospective students to act fast before the price goes up. George Walters, who was selling courses without the required state permit, told a reporter posing as a prospect that the $675 hotel-motel management course would cost $1,000 or $1,200 in another month, and added:

"We'll finance you for 5.5 per cent, way below market, but if you wait, it'll double."

A La Salle attorney termed the practice "unauthorized and surely improper."

Salesmen for Commercial Trades Institute, a Montgomery Ward subsidiary—calling themselves "veterans' counselors"—use a number of gimmicks to encourage men with GI benefits to enroll in the school, where 72 per cent of the 60,000 home study students are veterans.

They distributed official looking red, white, and blue "Attention All Veterans" cards that can be sent to the school for information and wear "Help Out A Veteran" buttons on their lapels.

"Sometimes I go all the way thru a pitch and people think I'm from the VA," said James L. Lyons, state manager of C. T. I. "I never tell them that, but if that's what they want to think, I'm sure not about to tell them otherwise."

He embellishes on the role by informing prospective students about other benefits under the GI Bill, including death benefits and $125 for a cemetery plot.

A C. T. I. district manager, Angelo Lomonaco, trying to sell a home-study course to a reporter, told him:

"I always say, if you can use someone else's money and not your own, then use that other person's money. The VA is picking up 90 per cent of the cost. If you don't use your benefits . . . the government will spend it on another country."

C. T. L.'s Edward Kelly, executive vice president, said in an interview that posing as a VA representative was a "cardinal crime." He said the school did not provide the "Help Out A Veteran" buttons and said he found them as offensive as a "help the blind" badge on a person who can see.

Some schools rely on what the trade calls "hardware" to induce students to sign for courses. It may be an expensive set of tools one gets to keep [paid for by the government if you are a veteran], the motor one builds, or—in the case of Bell & Howell's home-study schools—a television set.

Salesman E. F. Cihak, in attempting to encourage a reporter to take Bell & Howell's television repair course, told him he would get to keep the 25-inch TV set as part of the deal, and explained:

"Now, the total program is $1,795—but the TV set alone is worth $735, and you get $500 worth of equipment. If you have VA benefits you might as well use them, right?"

Cihak, the same man who claimed Bell & Howell placed 100 percent of its electronics graduates, was fired by the school after The

Tribune brought his sales tactics to the attention of Bell & Howell officials.

Bell & Howell's own placement figures do not hold up either, the Task Force found.

Bell & Howell provided a list of former students of the home-study electronics school it said were situated in electronics-related jobs by the school's placement service.

Of 24 persons on the list located by The Tribune, 22 said they found work without assistance from the school and 7 said they are not even working in the electronics field.

One of them, David McDivitt, a veteran from Wakefield, Neb., is listed as having been placed in a "maintenance technician's" job by the school. Actually, he said, he is working as a janitor, sweeping egg shells in an egg-processing factory.

William Carson, executive vice president of the school, admitted that many of the names checked by The Tribune "perhaps should not have been included on the placement list." He blamed some of the errors on a shift of files from one office to another.

At Advance Schools, Inc., 1340 W. 79th St., which recently filed a bankruptcy petition, students were pitched to take advantage of two government financial programs, the GI Bill and Federal Insured Student Loan (FISL).

Joyce Skowronski, an Advance representative, told a reporter posing as a prospective student that he could bank his GI benefits and draw interest on them while paying for the course with federally guaranteed FISL funds, which would not have to be repaid until 33 months after he enrolled in the school.

An official of the Department of Health, Education and Welfare, which administers the FISL program and is investigating the Advance operation, termed the sales tactic a "sharp practice" that was never anticipated by Congress.

About 95 per cent of Advance's 70,000 students nationwide were using the FISL program when the school filed bankruptcy petitions in May. Charles Chase, assistant to the president of the school, denied that the school had abused the intentions of the FISL program but said the school had to constantly police "recruiting abuses."

The latest wrinkle in correspondence school sales pitches is offering students a rebate, such as those auto dealers devised to help combat the recession.

International Correspondence Schools of Scranton, Pa., in April came up with an "official cash discount certificate" worth $100. Daniel Kerne, an I.C.S. salesman trying to interest a Task Force reporter in an airline course, told him:

"The program costs $995, but because you are a veteran [the VA pays 90 per cent of the cost and the students pays 10 per cent], it will cost you nothing. You will get the $100 rebate, and you will be ahead a little bit."

Richard W. Baker, information service officer for the VA regional office in Philadelphia, advised by The Tribune of the new program, said the government is looking into it.

"If the school were to submit the full cost of the course before the discount, and the VA were to pay it, it would constitute fraud," he said.

Vincent Termini, an I.C.S. spokesman, said the VA had been informed of the rebate program, but not until long after it had begun.

Many salesmen never see the schools whose courses they peddle and either operate from storefront offices or from the cluster of motels around O'Hare International Airport.

A reporter enlisted as a salesman for I.C.S. took his training at the Flying Carpet motel on Mannheim Road. When calling on prospects, he was advised by James Barksdale, I.C.S. district manager:

"Act professional. Hand him your coat, never say please and thank you, or you are not living up to your image. Refuse refreshments. People are basically friendly, but if you lose your air of formality, you lose everything.

"And never say International Correspondence School," Barksdale continued. "Say I.C.S. school.

"Avoid the word 'correspondence." It has a bad name."

[From Chicago Tribune, June 12, 1975]

Regulation of Career Schools Usually Too Little, Too Late

TASK FORCE REPORT

Each year, 3.3 million consumers gamble their money on promises of a better life thru education. Some win. Others lose at the hands of some unscrupulous operators in the correspondence and trade school industry. This, the last in a series, looks at the lack of adequate laws and regulation found in a three-month investigation by The Tribune Task Force. Pamela Zekman directs the Task Force staff of William Crawford, William Gaines, and James A. Jackson.

Ellen Trapp suddenly discovered she owed $244 to a home-study school, even tho she had never completed a lesson.

The 19-year-old aspiring airline hostess from Chicago signed up for an airline personnel training course with Associated Training School, and did not discover until after putting her name on the contract that all major airlines insist on training their own personnel.

Then she lost a race to cancel her contract within the five-day cooling-off period set by Illinois law and learned she owed the school a percentage of the $1,295 tuition.

"I sent a letter to the salesman at his Chicago office, but it was returned marked 'unclaimed,'" she said. "Then I read in the contract that the notice had to be sent to the home office in Miami. I tried to call Florida, but the office was closed for the day. They are in a later time zone."

By the time she finally reached the school's office, she had become the victim of a $244 delay. For Miss Trapp and the other 3.3 million consumers who enroll in correspondence and trade schools every year, there is little protection in instances such as this.

Regulation within the industry is a classic case of too many agencies doing too little. There are at least four federal and four state agencies with regulatory roles in protecting the half-million students enrolled in Illinois' 250 privately owned schools.

Reports of widespread abuses within the $3-billion-a-year industry were brought to The Tribune by Gov. Walker's Consumer Advocate's Office after the state conducted a preliminary investigation.

During a subsequent three-month investigation of 13 Chicago-area schools, Tribune Task Force reporters posing as sales trainees and students documented numerous irregularities. In the area of enforcement they found:

The State Office of Education spends only $205,000 a year from its $14 million operating budget for six employes to license, inspect, and handle complaints about any of the Illinois-based schools.

Dr. Michael J. Bakalis, who headed the state agency until this year, said "budgetary restrictions" prohibited adequate monitoring of the schools but admitted that "proprietary [for-profit] schools were far down the line in my interest."

Bakalis was interviewed soon after he left the post. He was replaced by Joseph Cronin, who had been in office only a few weeks at the time of the interview.

Rules and regulations governing operations of Illinois schools are not only inadequately enforced but also John D. Keller, who wrote them during the Bakalis administration, conceded the laws are probably unconstitutional and unenforceable anyway because of conflicts with statutes and vague language.

Recent attempts by the Federal Trade Commission to strengthen rules have cemented an alliance between the National Association of State and Private School Administrators (a group of government officials) and the industry it is supposed to regulate.

At the request of Bernard H. Ehrlich, attorney for the two largest trade organizations, N.A.S.P.S.A. has threatened to file suit against the FTC challenging its authority in regulating schools, if the agency continues to act independently of local officials, and not inform them about federal investigations.

The proposed FTC rules would add a 10-day cooling-off period after contract signing, during which time a student would have a chance to withdraw from the deal; better consumer protection from phony sales and placement claims; and a pro-rata system under which a student would be charged only for lessons actually taken.

"We see these new proposals as a real threat to states' authority," said Joseph A. Clark, president of N.A.S.P.S.A. "What is needed is a better working relationship between the states and the federal government."

Bakalis, who himself prefers less federal control, said:

"We don't want to emasculate a growing industry. Private and vocational schools are going to be a much more important option after high school. This section of the education scene is going to take on more importance. But I don't mean we want it to go wild."

Illinois law does not contain any of the proposed FTC provisions. And the Illinois Office of Education has only two men known as "generalists" to evaluate courses.

"Too often courses are approved in Springfield, and they should not have been," said Thomas Pekras, assistant director of post-secondary education.

Illinois Office of Education regulations provide that agents for schools must be licensed, and that no enrolments can be sold without a permit.

Since it takes up to three weeks to process such permits and obtain identification cards, however, some schools push salesmen onto the street, peddling education like aluminum siding without bothering to obtain the legal documents.

La Sale Extension University advertises regularly for new sales personnel. Three Tribune reporters who answered the ads were advanced to the front lines immediately, with neither permits nor background checks.

"Under no circumustances should a salesman be on the street selling courses without a permit," said Thomas Richardson, assistant to the director of post-secondary education. "Without that element of control, an individual could pretend to be a salesman from a given school, sign somebody up, and take the person's money and leave the state."

State regulations also prohibit certain sales tactics and make the schools responsible for what their salesmen say.

"But I don't think that is enforceable," said Keller.

He said there are conflicts between the regulations and statutes "that would be impossible to sort out in court."

Keller, who wrote the rules, now operates a paralegal trade school in partnership with Bakalis' brother, George.

Another regulation requires schools to make sure a student is qualified or is capable of understanding a course. They may give qualifying aptitude tests, but the exams must be approved by the state.

The absurdity of this became apparent after a 3d grade pupil, the son of a reporter, took a 30-minute multiple choice test offered by a travel agency school, filling out the answers in 19 minutes. The school notified the reporter, who sent in the test in her name, that her answers showed she had the "required skills and knowledge of world geography to become a travel agent."

Schools are also required to submit information relating to their present instructors, courses, and placement. But overburdened state employes can do little but stuff the data in appropriate files and assume it is correct. Task Force checks determined that job placement statistics filed by many schools were false, misleading, or outdated.

One of the more creative abuses of Illinois regulations is a device many schools use to take advantage of state refund laws to get the maximum profit from students who do not finish courses.

State regulations require a student to pay a percentage of the tuition based on the actual number of lessons finished in a course, and pay the whole tuition if more than 50 per cent of a course is completed before dropping out.

Thru a device known in the trade as "front-end loading," courses are set up so a student takes more than 50 per cent of the lessons early in the learning program.

For example, Mark Hiller, 17, tried to cancel at La Salle after completing less than two years' worth of lessons in a four-year high school correspondence course. The school told him he had to pay for the entire course—62 lessons—because he had finished 51 of them, well over half.

He discovered the school crams 35 lessons into the first study year. One of the books in the first year is 179 pages long and contains 15 home-study lessons, for example, while a 321-page book for the next year contains only one.

Another La Salle student, Thomas Dever, 17, of Prospect Heights, signed up for a course described in a brochure as "32 lessons." After completing seven, he dropped out and asked for a refund.

But the school advised him, "While our complete course does include a total of 32 lessons, recent revisions have been made and this course now contains 17 lesson submissions."

Using arithmetic Dever still can't understand, the school told him he had completed half the course, and thus owed the school money.

"I never realized seven was half of 32, or even 17," he said.

La Salle officials refused to be interviewed about complaints from students. However the school commented in writing that students need more lessons in the early stages of a course to keep their attention.

Keller condemned front-end loading as "an abuse of the law."

One solution to the front-end loading abuse is a proposed FTC pro-rata regulation, under which a student would pay only for what he gets—paying the full tuition only if the course is completed.

Minnesota is one of the few states that has instituted a similar procedure, which requires full payment of tuition only after 75 per cent of a course is taken.

Minnesota, which actively polices correspondence schools doing business in that state, also requires that a school prove it can prepare people for employment before being approved.

Kenneth Hatampa, vocational administrator for Minnesota, said the state just budgeted his office $6,000 to have outside specialists evaluate courses in which special knowledge is needed.

Public hearings on the FTC's new proposals, including the national pro-rata law, will be held this fall.

Len Dunlop, president of Bell & Howell schools in Chicago, termed the proposed FTC regulations "a simplistic solution . . . like using an elephant gun to shoot a mouse.

"People think this industry is populated by avaricious, undereducated redneck ripoff artists who victimize defenseless, undereducated people. That just isn't true," he said.

"You may need more regulation. The industry isn't perfect. Or, perhaps you need better administration of the regulations that exist."

The Federal government until recently relied solely on the trade organizations themselves to accredit home study schools for participation in the department of Health, Education and Welfare's student loan program.

The trade organizations, however, inspect schools only once every five years, and accreditation requires that a school belong to the trade association and pay it a percentage of its annual sales.

As a result of growing concern over industry abuses, HEW has issued its own regulations. But Kenneth Kohl, commissioner for the Guaranteed Student Loan Program in Washington, said enforcement will be difficult.

"Congress never anticipated the ingenuity of a lot of the entrepreneurs in this industry," he said. "The student loan program gets a million loans out to students a year, and we can't allow less than scrupulous people in the program, or Congress will kick the whole thing out the door."

The Veterans' Administration also is tightening regulations, but officials here agree that, in the end, it is the buyer who must beware.

Jerome Laemet, assistant regional director for the FTC in Chicago, said:

"The victims of this are you and I—the taxpayers. Taxpayers are pouring millions of dollars into these schools."

[From the Chicago Tribune, June 12, 1975]

He Wrote the Rules—Now He's Selling

(By William Gaines and William Crawford)

"When you graduate from our program, you will know more about real estate than a lawyer coming out of law school," John D. Keller, owner of Chase Professional Center, told a Tribune Task Force reporter posing as a student.

"When you get all thru, you'll be able to take depositions for lawyers, close out real estate transactions . . ."

Keller, the operator and salesman, is the same man who designed rules and regulations to protect aspiring students from misrepresentation by school salesmen, when he was a $16,000-a-year assistant legal adviser to Michael Bakalis, then state superintendent of public instruction.

After resigning from Bakalis' staff, Keller went into the trade-school business with Bakalis' brother George, who also served as a $16,000-a-year legal adviser to Michael Bakalis.

"As I recall, 33 per cent of those who graduate from our program go on to law school and become lawyers," Keller told a reporter in the center, at 188 W. Randolph St. Actually:

The Illinois Real Estate Broker-Lawyer Accord states that no one, other than an attorney and the parties involved, is allowed to close a real estate transaction.

Legal assistants cannot take depositions to be used in court as sworn statements.

The "33 per cent" who went to law school consisted of two persons, members of the school's first graduating class of five.

Keller painted a picture of a long-established, well-equipped school, claiming it had 12 classrooms. It was later determined it had one. Keller said he could contract for more if needed.

He told The Tribune the idea of owning his own school came after he and George Bakalis left the state office, and added:

"I never thought I'd own a school in my life. It was a brand new field and an area where we thought we could make money."

Keller is also legal adviser to the National Association of State Administrators and Supervisors of Private Schools. In that position, he may be called upon to advise on a policy that could affect his own school or United Systems, a truck driving school he also represents.

A Chase faculty member, Leo Athas, also worked for the state Office of Education. He served as director of legal services under Michael Bakalis and held the same position under the present superintendent, Joseph Cronin, until he resigned May 31.

"If ever Chase were involved in a case I would have disqualified myself as a representative of the state," Athas told The Tribune.

After Michael Bakalis left office, he was asked about the partnership of his brother and the man who wrote the Illinois law in their own trade school.

"It's a dilemma," he said. "Should my brother's rights as a citizen be denied because his brother is in office? The school fulfilled all the requirements. Extra caution was given the processing of the application because of the knowledge that someone would think otherwise."

[From the Chicago Tribune, June 15, 1975]

United States, State Push Trade School Quiz

(By Pamela Zekman and William Crawford)

Five new State and federal investigations have been ordered into the correspondence and trade school business as a direct result of The Tribune's Task Force series detailing abuses in the $3-billion-a-year industry.

The latest probes, ordered Friday, bring to seven the number of investigations in the wake of the Tribune series. They are:

A Federal Trade Commission investigation of several of 13 schools listed in the Tribune articles last week, to determine whether they are using fraudulent and deceptive sales tactics and advertising.

A Veterans Administration probe to determine whether there is enough evidence of fraud to justify withdrawing GI benefits from the schools.

An Illinois Veterans Commission review of the approval of a number of the 250 Illinois-based schools, with the possibility that VA approval of several may be revoked.

A Department of Health, Education, and Welfare investigation into whether approval of several of the schools for the guaranteed student loan program should be continued.

An Illinois Office of Education investigation of the feasibility of filing civil or criminal charges against unlicensed or fraudulently operated schools.

The actions follow a proposal for major changes in the industry Thursday by Dr. Joseph M. Cronin, state superintendent of education, who said he would push for more stringent regulation of home-study schools within the state.

On Friday, Secretary of State Michael Howlett ordered an investigation into questionable sales tactics and operations of the American Truck Driving Schools, Ltd., 7750 S. Cicero Ave., where a Tribune reporter worked as a sales trainee.

Charles Cooke, special assistant to the secretary for student financial assistance of HEW, said in Washington that a number of the schools approved for the student loan program may have violated new regulations which the agency intends to "rigorously enforce."

"Some of the practices described in the series are of such great magnitude that they could result in approval being withdrawn," Cooke said. "We intend to develop our own evidence and will take appropriate action."

The new regulations require schools to disclose accurate placement and dropout information.

A major thrust of the FTC probe will be the training procedures for salesmen.

During the three-month investigation by The Tribune, reporters worked as sales trainees at La Salle Extension University, American Truck Driving Schools, and Associated Schools. At Associated a reporter was instructed to deceive young women into believing they were being judged on poise and beauty for training as airline personnel.

Tho not identifying particular schools,

Jerome Lamet, assistant regional director of the FTC, said:

"We are gearing into looking more closely now at how the schools supervise the salesmen. The articles really did show the commission that one of the major problems is the salesmen in the home, and that a much more extensive investigation of verbal representations must be made."

He said the FTC also intends to use new power under the Restitution Act, which gives the commission authority to seek tuition refunds for students who are victimized by unscrupulous operators.

Claude Gillam, the director of the Chicago regional office of the Veterans Administration, said his office is attempting to determine "whether there is sufficient evidence to support administrative action by the VA [the withdrawal of benefits]."

Gillam said if his office uncovers evidence of fraud, it will be turned over to the United States attorney's office and the Federal Bureau of Investigation.

He also said he plans to meet with Eugene Duff of the Illinois Veterans Commission to determine whether he needs a larger staff to supervise the operations of correspondence schools in the state.

Duff, who said he is asking to add four more people to his 11-man staff, said American Truck Driving Schools will be one of his initial targets. The school currently has 470 veterans enrolled in its home-study course, and 11 taking driver training.

"It's really a can of worms, tho, for a guy who wants to take a course. You pull the approval, and then what does he do about continuing his studies? We have to find him another school."

Thomas Richardson, assistant to the director of post secondary education in the Office of Education, asked anyone having complaints about correspondence or training schools to send complaints to his staff at the Illinois Office of Education, Room 607, at 188 W. Randolph St., Chicago.

NAVY SHIP CONSTRUCTION

Mr. **MUSKIE**. Mr. President, I recommend to the attenton of my colleagues two Navy shipbuilding issues presently in disagreement between the Senate and House conferees on H.R. 6674, the 1976 military procurement authorization bill. These issues pose an important test of the willingness of Congress and the executive branch to conform to the concepts of budgetary responsibility underlying the Budget and Impoundment Control Act of 1974. In both cases, the Senate has adopted a position which is consistent with the letter and spirit of the Budget Act, while the House position departs from the intent of that act in significant fashion. And on one of these issues, Mr. President, the executive branch is, it seems to me, guilty of encouraging a departure from sound budgetary practice.

As my colleagues are aware, the 1974 Budget Act is intended to bring more certainty into the budgetary process, increase the predictability of the costs of Federal programs, provide for more complete submission of budgetary information by the executive branch, and achieve greater congressional control over Federal expenditures. Among the declared purposes of the act, the first is the congressional determination "to insure effective congressional control over the budgetary process."

Among the abuses which the act seeks to control is the approval of new programs in the absence of the best available information on their lifetime costs. Too often, in the past, we have approved modest sounding but open-ended programs, only to discover through painful experience how far their true costs exceeded our expectations and distorted our priorities.

It is for this reason that the act requires 5-year budget projections, and requires that requests for the authorization of new programs be submitted to Congress a full 18 months before the beginning of the fiscal year in which they are proposed to take effect. Last-minute amendments to the budget are not ruled out, so that emergencies may be covered. But the act demands that most programs be requested far enough in advance to permit the fullest possible exposure and assessment by Congress of their costs.

Mr. President, the House of Representatives, in its version of the military procurement authorization bill, recommends two shipbuilding provisions which contravene these principles.

The first of these would authorize $60 million in procurement funds for long lead time nuclear propulsion components for a new nuclear-powered "strike cruiser." This would be an entirely new class of ship, of great expense. I am informed that the first ship of this class, if budgeted in the 1977 defense program, will cost $1.2 billion. I repeat, $1.2 billion. This ship was not included in the President's February budget submission either for 1976 or for 1977, the Department of Defense has offered no testimony to Congress that defines the ship, and the Senate did not consider the question either in the Armed Services Committee or on the floor of the Senate. Yet if authorized and appropriated, the $60 million item would to all practical purposes commit the Congress to approval next year of this $1.2 billion ship.

The nuclear-powered strike cruiser, Mr. President, raises fundamental questions about the future of the Navy, and about future Navy budgets and defense priorities, which ought not to be decided without careful examination. It was, therefore, with considerable regret that I learned that the executive branch, on June 24, submitted to Congress a budget amendment requesting authorization and appropriation in 1976 of the $60 million item for advance procurement related to the strike cruiser. This last-minute amendment, submitted less than a week before the beginning of the fiscal year and proposed for a bill that is already in conference, is totally inconsistent with the intent of the 1974 Budget Act, and displays a total disregard for sound budgetary practice.

In my view, the substantive objections to the amendment are at least as serious as the procedural ones. Not only does it commit the Congress by a kind of backdoor approach to the approval of an incompletely defined major new class of ships, but it also attempts to foreclose the answer to questions with very large consequences for the national defense and for defense budgets.

One immediate question concerns the mix of nuclear-powered and conventional escort ships that will carry the proposed new antiair warfare missile system known as Aegis. I am informed that an Aegis fleet large enough to offer protection to all 12 attack carriers will cost approximately $30 billion to build and operate for 30 years. This cost will be significantly affected by the propulsion system chosen for Aegis ships. Last year the Navy proposed to build eight nuclear-powered Aegis ships and 16 conventional ones. Now, according to the House Armed Services Committee report on the military procurement bill, the Navy would like to drop all the planned new conventional escorts and build 18 nuclear-powered ships armed with Aegis and designated as "strike cruisers."

The Department of Defense has established through various "life-cycle cost" studies that the nuclear-powered Aegis ship will cost 50 percent more to build and operate than the conventional version, while offering roughly comparable capability as an air defense escort. Thus, it would appear that the new Navy plan will provide less capability than the mix earlier proposed, at a higher cost. The Congress, however, has not been presented with the costs and capabilities of the various Aegis options.

It may be argued that the offensive capability planned for the strike cruiser—to include tactical cruise missiles and possibly one or two vertical takeoff and landing aircraft—justifies the additional cost. It is presently estimated that the first conventional Aegis ship would cost $800 million in 1977 budget dollars or about $400 million less than the strike cruiser.

However, the Congress has not been presented with an assessment of the requirement for this added offensive power, nor with an assessment of alternative ways of investing these funds to obtain the most effective increments of striking power. For example, it would be possible to buy both a conventional Aegis ship and another nuclear attack submarine of the SSN 688 class for less than the cost of the nuclear strike cruiser. Until the Congress has had an opportunity to make such comparisons, I believe it would be unwise to authorize the nuclear strike cruiser.

A broader question raised by the House action and the President's amended budget request concerns the application of title VIII of the 1975 military procurement authorization law—Public Law 93-365. This title requires that all new "major combatant vessels" for the Navy, including escorts designed to operate with carrier task groups, shall be nuclear powered unless the President decides that such construction is not in the national interest. The costs associated with an all-nuclear Navy are staggering. Considering the question of carrier escorts alone, I am informed that the Navy now has 84 ships which will require replacement over the next 30 years. It will cost 50 percent more, or well over $20 billion in additional costs, to build all these escorts as nuclear ships instead of all as conventional ships. If we retain the presently planned mix of nuclear and conventional escorts, the costs would be $19 billion less than an all-nuclear escort program.

A basic question which the Congress has not had an opportunity to consider is who will pay for the cost of these new Navy programs? I am reliably informed that the proposed all-nuclear Aegis fleet is not included in the 5-year budget projections for defense submitted to Congress this year under the provisions of the 1974 Budget Act. If these costs are added to the defense budget, then other parts of the Federal budget must suffer. If the defense budget remains within the 5-year parameters established by the administration—and in my view, even these may be too high—then which service is going to give up something so that the Navy can have a fleet of strike cruisers?

Will the Army give up its new divisions? Will the Air Force give up the B–1? Or will the nuclear Navy advocates sacrifice the size and strength of the fleet, by canceling urgently required new construction programs such as the Patrol Frigate? It is plain to me that if the Navy hopes to maintain and increase its present number of escort ships the most feasible and cost effective route is to pursue the patrol frigate program and similar conventional ships, not to sacrifice such programs on the expensive and arbitrary altar of the nuclear propulsion provisions of title VIII.

I cannot stress too much the importance of this question of priorities. For example, had we been given the information regarding the strike cruiser and the Aegis program at the appropriate time, it is entirely possible that the Budget Committee would have recommended a different set of priorities to the Senate in the first concurrent resolution. For all these reasons, I urge the Senate conferees on the military procurement bill to hold firm to the Senate position, which excludes the $60 million requested for the nuclear strike cruiser, and I urge the Congress to give serious attention to the fundamental questions concerning the future of the Navy in preparation for next year's budget.

The second shipbuilding issue now in conference which concerns me as chairman of the Senate Budget Committee relates to the longstanding policy of full funding Navy ship construction programs. Full funding requires that the Congress be asked to authorize and appropriate the entire sum required to complete construction of a ship, including an allowance for anticipated inflation, before a contract can be let for that ship. The House version of the military procurement bill would abandon full funding and authorize a new policy of incremental funding. This approach would undermine both the predictability of shipbuilding program costs and congressional control of the budget. In effect, it would authorize the issuance of blank checks for Navy shipbuilding programs, which the Congress would be called upon to honor in the future.

I am informed that the Senate conferees on H.R. 6674 are adamantly opposed to the incremental funding approach proposed by the House. The Senate position on full funding of Navy ships is fully consistent with the Budget and Impoundment Control Act of 1974, and I commend the Senate conferees for their stand. I would like to add that the Bath Iron Works, one of the Nation's premier shipbuilding firms which, I am proud to say, is located in my State, completely endorses the concept of full funding. I commend the management of the Bath Iron Works for their forward-looking and responsible approach to the financial management of our Nation's shipbuilding program.

ECONOMIC IMPACT OF A 35-PERCENT—$4 PER BARREL—INCREASE IN OPEC PRICES

Mr. HUMPHREY. Mr. President, the administration and Congress are irresponsibly drifting toward economic disaster. In the next 3 months, if a spirit of compromise cannot be nurtured, we face complete abolition of price control on so-called "old" oil and an OPEC price increase of uncertain magnitude.

While there is some disagreement regarding the exact economic impact of these energy price hikes, there should not be disagreement that our recovery will be severely retarded. As noted in my statement carried in the RECORD on June 27, pages S11801–S11803, real economic growth will be curtailed, while both unemployment and inflation will remain above otherwise anticipated levels.

It is vital that the administration face in a responsible fashion the need to emphasize continued economic recovery over the next year, rather than the narrow goal of higher and higher energy prices to slash consumption.

Because the economic stakes are so great, the administration and Congress must act within the next 3 weeks to continue price controls on old oil and to consider appropriate steps to ameliorate the massive impact of the predicted OPEC price increase promised for October 1—an increase which could be as much as 35 percent.

Dr. Warren E. Farb, with the Congressional Research Service of the Library of Congress, has evaluated the economic impact of a 35-percent OPEC price hike—an evaluation I now share with my colleagues and hope is overly pessimistic.

He found that such an increase—which would be about $4 per barrel—would have a significant impact fairly quickly on prices, tapering off after 1976. For example, this price hike would raise the rate of increase in wholesale prices by almost 100 percent in early 1976, and would add at least 1 percent to the consumer price index through the second quarter of 1977.

The major longer run impact of such an OPEC price increase, however, is on real output and unemployment. By the first and second quarters of 1977, the rate of increase in real industrial output is cut in half by the OPEC action—and the growth in real GNP is cut by one-third. As a result, unemployment is projected to be almost 1 full percent higher than without the higher energy prices at least through the end of 1977—and that is 900,000 lost jobs.

The Joint Economic Committee will hold hearings on July 10 and July 14 to evaluate the economic impact of this and other possible OPEC price increases as well as the impact of old oil price decontrol. The committee will be particularly interested in steps Congress and the administration can take to ameliorate the impact of these higher energy prices.

To provide background information for that hearing, I ask unanimous consent to have printed in the RECORD Dr. Farb's evaluation with an abbreviated summary table.

There being no objection, the material was ordered to be printed in the RECORD. as follows:

ANALYSIS OF ECONOMIC IMPACT OF 35 PERCENT INCREASE IN OPEC PRICES

(By Walter E. Farb)

The most efficient way to determine the economic impact of a 35 percent increase in OPEC prices is to stimulate this change in an econometric model of the U.S. economy. While this does not lead to foolproof projections of the future level of the various economic variables it does yield reliable estimates. Moreover, the models are particularly useful in determining the direction and magnitude of change from a specific given action holding all other factors constant. Unfortunately, the models have performed least well over time in projecting the future path of inflation. Numerous changes have been made, however, so that hopefully their reliability today is better than over the past several years.

The CRS simulations of the U.S. economy reported below were performed using the Data Resources, Inc. (DRI) quarterly model of the U.S. In the attached tables the first line represents CRS's best estimate of the future path of the U.S. economy given constant OPEC prices. These results are based on the DRI control solution of May 27, 1975, which assumes a 15 percent OPEC price rise. The second line shows the most likely impact on the economy of a 35 percent increase in OPEC prices. The remaining two lines show the absolute and percentage differences between the two CRS simulations. It is important to note that while economic forces, such as a more rapid expansion of bank reserves or money supply, may affect the level of the reported variables the differences between these two simulations should remain constant. These results of course do not take into consideration the possibility of fiscal or monetary adjustments that may occur in response to a rise in the cost of oil that would not occur if these prices remained stable or increased more modestly.

Overall, the attached tables[1] show that the primary effect of the price rise would be to significantly slow the rate of recovery from the current recession and to slow the projected decline in the rate of inflation. In conjunction with these developments the unemployment rate and interest rates would also be higher as a result of the higher OPEC prices.

Assuming that the OPEC price increase is not imposed until October of 1975, the economic ramifications during 1975 would be minimal. The most notable early impact, however, would be in the inflation rate, particularly as measured by the wholesale price index (see attachment page 2). This increase would be directly related to the weight given the wholesale price of crude oil in the composite index. Net exports would also quickly reflect the oil price increase since like wholesale prices they are directly affected by the price being paid for crude oil, and because OPEC oil imports represent a substantial portion of all imports (see attachment page 1). Secondary effects of the price increase, by and large, would not become apparent until 1976.

Real GNP, measured in 1958 dollars, would increase at a rate about 1 percentage point lower in 1976 and nearly 2 percentage points lower in 1977 indicating that the OPEC price rise would have a substantial impact on the strength of the incipient economic recovery. This lower level of production would not be able to support as high a level of employment causing the unemployment rate to fall less rapidly than would otherwise be the case. According to the DRI model by the end of 1977 the OPEC price rise would result in a full percentage point being added to the unemployment rate. As a check on the DRI model, GAO was asked to simulate the OPEC price rise on the Wharton model which tends to project a less robust recovery from the current recession than DRI. While the general results of the Wharton model are similar in direction to those projected using the DRI model, because of the greater degree of pessimism incorporated in the Wharton control solution the price rise simulation results in an increase in unemployment of less than half of 1 percentage point. Both models, however, project unemployment rates in the 7.8 percent to 8.0 percent range for 1977 after the 35 percent rise in OPEC prices.

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[1] Calendar year averages of these variables begin on attachment page 13.

As would be expected from an increase in crude oil prices the impact on the wholesale price index (WPI) is much stronger than any of the alternative measures of inflation. After the initial shock to the economy which causes the WPI to increase at an average annual rate in excess of 10 percent in the first half of 1976 the inflation rate resumes its downward trend. As the price increase works its way through the economy over time the inflation rate after the OPEC price increase approaches the rate projected with stable prices. According to the DRI model the average annual rate of increase in the WPI would be 5 percentage points higher than with stable OPEC prices in the first quarter of 1976, but less than one percentage point higher by the end of 1977. The Wharton model which initially assumes a weaker economy, and therefore lower inflation rates, also projects an increase of about 5 percentage points due to the OPEC price rise in the first quarter of 1976 and an increase of less than one percentage point by the end of 1977, but from a significantly lower base than the DRI model.

For additional information the attached tables summarize the economy as a whole in some detail, including the areas discussed above. If you have any questions regarding the remaining variables, please let us know.

ECONOMIC IMPACT OF A 35 PERCENT INCREASE IN OPEC PRICES IN ANNUAL RATES FOR EACH QUARTER 1975:4 TO 1977:4

		1976				1977			
	1975:4	1	2	3	4	1	2	3	4
Real GNP:									
Baseline	7.3	7.5	7.5	6.7	7.5	6.4	5.2	4.6	3.1
OPEC	7.2	6.4	6.2	4.3	5.0	4.1	3.5	3.6	2.6
Difference (percent)	−1.6	−15.2	−18.1	−36.1	−33.6	−35.0	−33.3	−22.0	−13.5
Real industrial production:									
Baseline	10.4	11.5	11.5	9.8	12.1	9.1	6.7	5.1	3.4
OPEC	9.9	10.5	10.0	6.4	7.7	4.8	3.3	3.1	2.6
Difference (percent)	−5.0	−8.6	−13.1	−34.2	−36.4	−47.8	−51.1	−39.5	−25.3
Unemployment:									
Baseline	9.0	8.7	8.4	8.0	7.7	7.4	7.1	6.9	6.8
OPEC	9.0	8.7	8.5	8.3	8.1	8.0	7.9	7.9	7.8
Difference (percent)			+1.4	+3.1	+5.3	+8.3	+11.2	+13.5	+15.3
Wholesale price index:									
Baseline	4.2	5.1	6.6	5.7	5.8	6.3	5.9	5.6	4.9
OPEC	6.9	10.0	10.5	8.8	8.4	8.2	7.4	6.8	5.8
Difference(percent)	+6.3	+97.5	+58.2	+55.9	+44.2	+31.1	+26.1	+21.7	+18.7
Consumer Price Index:									
Baseline	5.7	5.3	5.5	5.2	5.2	5.2	5.4	5.3	5.4
OPEC	6.4	6.5	6.5	6.2	6.3	6.2	6.2	5.7	5.7
Difference (percent)	+11.6	+22.5	+18.4	+18.2	+20.2	+18.9	+13.9	+9.2	+6.2
Duplicit price deflator:									
Baseline	6.2	4.9	5.1	4.8	5.4	4.4	4.5	4.5	5.5
OPEC	6.8	6.1	5.7	5.6	6.4	5.6	5.5	5.3	6.1
Difference (percent)	+8.9	+25.5	+11.0	+16.8	+18.3	+27.1	+22.3	+16.8	+9.4

FOR A JOB WELL DONE

Mr. CULVER. Mr. President, some of the most faithful and inadequately recognized public servants in the United States are county and municipal officials. In county courthouses, in city and town halls of Iowa I have met a legion of wonderful people who make our democracy work, day in and day out, at the grass roots level. When one of these conscientious local government servants is singled out for the contribution that he or she has made, over the years, to the public weal, it is an occasion worth noting.

Earlier this year, a crowd of more than 200 persons gathered at Westmar College in Le Mars, Iowa, to pay tribute to an outstanding woman, Mrs. Marie Jahn, whose 38 year tenure as Plymouth County Recorder is the longest period of service by any popularly elected woman public official in Iowa history.

Among the hundreds of persons who came to honor Mrs. Jahn were former Georgia Governor Jimmy Carter and a host of northwest Iowa political leaders from both parties. Honorary chairperson was Helen Hansen who succeeded Mrs. Jahn as County Recorder in 1969.

Although I was unable to be present for the Le Mars dinner, it was my privilege to be with Mrs. Jahn more recently in Des Moines when she was recognized with a standing ovation by over 500 guests at the New Frontier dinner of the Iowa Democratic Party.

In addition to the recollection of 18 consecutive election victories, Mrs. Jahn has a host of delightful memories of Iowa politics and history. She was present at the county courthouse when, during the farm holiday movement of the 1930's, a group of irate farmers kidnapped a Le Mars judge from his courtroom and made noises about lynching him. She remembers that she told them: "You boys don't know what you're doing." They told her to get back into her office. She says: "I did—fast."

"Political campaigning has changed considerably through the years," noted Mrs. Jahn, recalling that office seekers used to be expected to attend chicken dinners at churches throughout the county. "We went to 27, one fall," she laughed. "Sometimes there would be two dinners in the same evening. At the first one we would go easy on the desert, and next we would go easy on the chicken."

Mrs. Jahn now has 10 grandchildren and 5 great-grandchildren and, needless to say, a multitude of friends. She also has those satisfying memories of many years of faithful public service in local government—the level closest to the ultimate decisionmakers, the people.

SPRUCE BUDWORM

Mr. MUSKIE. Mr. President, an article in today's Wall Street Journal points out dramatically that despite extensive spraying this spring, supported in part by a Federal appropriation, the spruce budworm infestation in Maine continues to be a serious problem which threatens the economic health of our most forested State. To bring this article to the attention of my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOSING BATTLE—AS MAINE DEBATES HOW TO SAVE ITS TIMBER FROM BUDWORMS, PESTS KEEP THE UPPER HAND

(By Susan Margolies)

PRESQUE ISLE, MAINE.—It is 4:30 a.m. here, and scores of pilots climb into the cockpits of vintage World War II aircraft, preparing for yet another attack on the spruce budworm, an insect that threatens to denude Maine's nearly eight million acres of spruce and fir forests.

Trailing a spotter plane, the aircraft fly in staggered formation past potato fields, beaver dams and black-spruce bogs, finally releasing a fine white mist of insecticide over infested areas. In the planes' wake, millions of budworms spin down to the ground and die.

This scene was repeated day after day for several weeks this spring. Yet despite the considerable money and scientific know-how Maine has applied to the problem, the bugs still have the upper hand. Maine spent $7 million this year to do battle with the budworm, enough to wipe out the pests in only about a two-million-acre area. Thus, millions of the golden caterpillars were left free to bore their way into the buds and needles of much of the 100 million acres of spruce-fir forests that extend from northern Canada to southern Maine. (Canada, too, is spraying, but in only a fraction of the afflicted area.) Next year, the insects will control an ever larger territory, because this year's survivors—now moths—are currently laying a new generation of eggs that will perpetuate the cycle.

Unless checked somehow, the budworm epidemic could have disastrous consequences for the pulp and paper industry and the people of Maine. Between 1972 and 1974, the budworm destroyed approximately 822,000 cords of wood, valued at about $102 million, in a three-million-acre area, according to the Maine Forest Products Council. For the paper industry, the current, much larger, epidemic raises the spector of a serious paper shortage. Since it takes 40 to 50 years for a forest to renew itself, "you would essentially have to put the pulp and paper mills in mothballs for that length of time," says Vaughan McCowan, a member of the U.S. Forest Service who is helping tackle the Maine budworm problem.

For Maine, where wood products represent 39% of all industry, such a prospect is unthinkable. The Maine Department of Conservation estimates that the epidemic could destroy enough wood by 1980 to have built 1.9 million dwellings or enough paper to have kept 123 million Americans in newspapers, tissues and wrappings for a year. And while paper prices haven't yet been affected, they almost certainly will rise if the epidemic continues out of control, experts say.

Lest these dire predictions become realities, Maine launched a full-scale spray program this spring. Banned from using DDT in 1967, the state has turned to short-lived biodegradeable pesticides that "don't have detrimental effects on wildlife," according to Walter R. Gooley Jr., information director for Maine's Department of Conservation. But because these pesticides are expensive and in short supply, the spraying was confined to only the most heavily infested areas. (Hardwoods—or some 10% of Maine's forests—aren't vulnerable to the budworm.)

The sprayers also must reckon with huge swarms of moths driven south into Maine by cold fronts emanating from Canada. Last year the U.S. Weather Service's radar operators tracked one cloud of insects measuring 64 miles long by 16 miles wide, Mr. Gooley says. Though the budworms manage to satisfy their voracious appetites while in the caterpillar state, they are also troublesome as moths. Attracted by car headlights to roads and bridges, the moths are killed by the thousands. Their crushed bodies leave a slick film on the asphalt that last year caused a number of automobile accidents.

Eradication of the pest might seem like a clear-cut issue around which everyone in the state would rally. Yet here, even budworms can create something of a political storm.

Maine residents, for one thing, are divided over who should pay for the spraying. Currently, the federal government pays half the cost, while the state and the paper industry each finance about 25%. Some critics would like to see the industry pick up a bigger portion of the tab. "When you look at the profits those paper companies are making, you know they can afford to contribute a whole lot more," complains Phyllis Austin, a reporter for the Maine Times, a newspaper with a strong environmental orientation. Morris Wing, International Paper's regional woodlands manager in Maine, disagrees. "The forest benefits everyone—not just the paper companies," he says. "It just doesn't make sense for us to assume the entire burden."

Maine forestry officials don't care where the money comes from—as long as they get it in time. "This year we went right down to the wire wondering whether or not we'd get the money," Mr. Gooley says. The Maine legislature finally passed emergency legislation allocating $3.5 million for this year's spraying, and federal officials came up with approximately $3 million more. But waiting for the eleventh-hour appropriation made it difficult to obtain planes and equipment, Mr. Gooley says. "Although no one wants to be responsible for Maine's losing half her forests we can't be certain from year to year that the money will actually be allocated," he adds.

Nor can the people of Maine agree upon the best way to lick the budworm problem. Some environmentalists worry that insecticides will have long-term harmful side effects, and a few charge that if state and industry officials had practiced proper timber management rather than relying solely on spraying, the budworm infestation wouldn't have reached epidemic proportions.

There isn't any controversy, however, about how much havoc the budworm can inflict. All agree it can be immense. Epidemics have been reported as far back as 1770. The most recent serious scourge, lasting from 1910 to 1919, destroyed over 27 million cords of spruce and fir equivalent to about 40 million cords by today's standards. (The idea of what is usable timber has changed; trees are cut today that would have been left standing a generation ago.)

Though Maine conservation officials killed an estimated 95% of the budworms in the areas sprayed, the insect remains untouched in vast areas of the state's forests. And time—and numbers—are on their side. Some 30,000 budworms can often be found on a single tree. Most trees can't withstand more than two years of defoliation before succumbing. Acres of dead trees are already evident. "When a spruce or fir dies, the needles turn red," Mr. Gooley says. "Last year it was just awful. In some places the forest looked like an endless red sea."

Maine forestry officials says the annual spraying will probably continue indefinitely until weather conditions change or the budworm runs out of food. Meanwhile, they say they will try other methods of control, including the gradual replacement of fir trees with the hardier spruce.

LIGHT RAIL TRANSIT

Mr. TAFT. Mr. President, I would like to call to the attention of my colleagues an article from the New York Times of Wednesday, July 9, entitled "Trolley Staging Comeback Over Nation."

What the Times says is true: America is getting back on its trolley. Interest in light rail transit is growing rapidly in all parts of the country. Increasing numbers of urban officials and planners are becoming aware of the great advantage of light rail: On the one hand, it is comparatively inexpensive to build and operate, and on the other hand it is highly attractive to potential riders. It also alleviates the noise and air pollution problems associated with the main existing mode for urban transit, the bus.

Dayton, Ohio, is the first city in the United States to apply for UMTA funding for a new Light Rail System. The lead Dayton has set will soon be followed by cities from many other States; and I am certain interest here in Congress in light rail will grow, as interest grows in the cities we represent.

Mr. President, I recently addressed the Light Rail Conference in Philadelphia. I ask unanimous consent that the remarks I made at that time be printed in the Record. I think their import—that the main obstacle facing light rail is institutional, not technical or economical—will be of interest to my colleagues.

I also ask unanimous consent that the Times article, "Trolley Staging Comeback Over Nation," be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

SPEECH BY SENATOR TAFT FOR LR CONFERENCE

Let me say to begin that I am certain most of you know as much or more than I do about the light rail project which interests me most: the DART project in Dayton, Ohio. DART is, of course, the first and to date, the only, application to the urban mass transit administration for funding of a light rail system. As I will note later, I have followed the gestation of DART with great interest, and I believe it will be of great benefit and utility not only to Dayton, but, as a demonstration of what light rail can do, to many other cities throughout the country, as well.

I am compelled, as a Senator representing more than half a dozen metropolitan areas and especially as a resident of Cincinnati, to begin this look at the most promising solution to our urban transportation problems of today with a brief glance back into the past. As many of you know, Cincinnati was a terminus of one of the most highly-developed light rail lines in the world—the Cincinnati and Lake Erie interurban. The famous "red devil" cars of the C & LE—the cars that raced airplanes, and won—would compare with what has been discussed in this conference, in terms of light rail vehicles. The Bullett cars here in Philadelphia were modeled on those C & LE cars. I am carrying coals to Newcastle saying this at this conference, but when I sit stuck in traffic on our interstates, and I think of the abandonment of the C & LE, I wonder how we could have been so shortsighted.

Light rail is certainly a promising answer to many of our urban transportation problems. To the layman, it looks very much like rapid transit; it uses electrically-powered cars running on regular steel rails, and it draws its power from overhead wires. And it offers what many people see as the advantages of rapid transit; the dependability of rail operation, and the quiet, fume-free ride of electric power. In fact, when we call it light rail, we refer mainly to the maximum carrying capacity in persons per hour—although we should stress that it is also light in the important areas of environmental impact and cost. Its real difference from rapid transit is that it does not require grade separation—just as its basic difference from the streetcar is that it does not run in mixed traffic, fighting with automobiles for the right of way.

This conference has thoroughly examined the technical aspects of light rail. Perhaps the most interesting technical aspect—to me anyway—is that it is a thoroughly proven technology. Light rail does not involve "Captain Zoom" technology, and that is an enormous plus. We need only look at debacles such as Maglev in Canada, PRT in Morgantown, or Skybus in Pittsburgh to see what a tremendous advantage proven technology gives.

The conference has also examined numerous aspects of light rail's greatest advantage: That is, that it resolves the dichotomy between the expense of rail and the undesirable service characteristics of busses. This dichotomy has been a serious problem in our urban transportation planning. It has appeared to force us to choose between enormous expense—the Washington Metro is a classic example of what rapid transit can cost—with official estimates now up to $4.5

billion from the original $3 billion—and poor service. Light rail now gives us the option of high-quality service—service of the type that can attract those who have a choice of modes—at a price low enough to make it an option even for low-density urban areas. As one who is involved daily with trying to hold down Federal expenditures, and at the same time provide the services the Nation needs, I cannot overemphasize the importance of light rail's capabilities in this regard.

It is, in fact, because the technology of light rail is well-proven, and because we know it may be what we need to resolve much of our urban transportation dilemma, that the remaining question is the most critical of all. That question is, can we get light rail adopted (or at least examined) as a policy by the determining institution, the Urban Mass Transit Administration?

There are, within UMTA, many persons who realize the potential importance of light rail transit. I was pleased to see the remarks of Mr. Kenneth Orski, the associate administrator of UMTA, in the May issue of Transit Journal, on this score. He noted, "while the technology of the LRT is quite conventional (an asset rather than a liability), the level of service is superior to anything obtainable from a streetcar or a bus . . . the LRT concept represents a promising alternative in these days of spiraling costs, energy shortages and growing environmental consciousness." However, the fact is that there is, to date, no UMTA policy on light rail.

I have arrived at this conclusion reluctantly. It is hard to believe that the agency responsible for urban mass transit would not have a policy on light rail. Unfortunately, the evidence clearly points to such a judgment—that there is no UMTA light rail policy!

I note that I have never ever received answers to my letters to the administrator regarding the DART light rail project. I wrote on January 13, requesting that the administrator personally see the DART presentation. I wrote again on March 6, noting that "the potential for light rail in other Ohio cities makes it imperative that the DART project begin as soon as possible", and renewing my request that the administrator see the DART briefing. I have had no response to either of those letters; nor, as far as I know, has the administrator seen the briefing. If UMTA had a policy on light rail, would it not be able to make the statements necessary to reply to my letters?

The most important piece of evidence, however, is DART. The simple fact is that if UMTA had a policy on light rail, it would be jumping for joy at a chance, with DART, to fund a model light rail demonstration project.

I know most of you are familiar with the details of Dayton's DART project. Let me just make two points about the project itself:

1. It is a technically sound project.

2. Dayton, Ohio, is a model site for testing light rail. You could not find a city more typical of the urban transit needs we hope to meet with light rail. Dayton is one out of 56 urbanized areas with a population between one-quarter million and one million. It is in the heartland of the population center of the country. It has the tenth largest 90-minute market in the U.S. Dayton has long been used as a test market by large numbers of manufacturers and for government programs as well, because it is so typical of so many of our urban areas.

As I said, if UMTA had a light rail policy, they would already have seen that the DART application constitutes a tremendous opportunity. They would have stated, publicly, that they are seeking the opportunity DART provides—to fund a light rail project in a typical American city. They would have made clear their enthusiasm over DART as a test.

But UMTA does not have a light rail policy. And what has been their reaction to DART? It is my impression that, to the degree there has been any reaction at all, it has been a model of the way institutions avoid responding to new ideas. It is my impression that, in the absence of a light rail policy, DART is in danger of being nibbled to death, nit-picked to death, by middle-echelon bureaucrats who justify their own existence by a "body count" of niggling objections to whatever is put before them.

With any project of any kind, regardless of the overall merit, there are always nits to pick. And any institution which wishes to avoid responding to a new idea—an idea that requires a policy decision—can always take the nit-picking route to delay, to obfuscate, to eventually kill with inertia that idea. That is what bureaucracy is too often all about—avoidance of decision, avoidance of responsibility, and ultimately, avoidance of the actions needed to solve the problems for which the bureaucracy was originally created. That is, in my view—and I come to that view reluctantly, and I hope for nothing more than the evidence I would need to revise it—what is now happening to DART in UMTA. What it shows is not any deficiency in DART, certainly not any deficiency serious enough to counterbalance the opportunity DART offers, but rather it shows, quite simply, that UMTA has no policy on light rail.

The fact is—as those in UMTA who fear to make a policy decision well know—that DART is *the* test case for all this conference has studied. It is the test case, the demonstration project, for new light rail systems in America. It is, the *first* application to UMTA for a light rail system. Its cost will not be high—$37 million in 1973 dollars, total.

I have followed the development of the DART project with great interest right from its beginning. I am familiar with the transportation problems it is designed to solve. I am confident that it will prove all that has been said here, at this conference, about the ability of light rail to meet many of the critical needs of our transportation systems.

Just as DART is the test case for light rail, so is it also the test case for UMTA. It will test whether UMTA, as an institution, can respond to new ideas. It will test whether UMTA will develop a policy on light rail, and regard DART as an opportunity, or whether it will prove institutionally incapable of developing a policy and strangle DART in red tape.

There is no further way that DART is going to be a test case—because I am prepared to *make* it a test case. That is in the willingness of congress to tolerate a lack of institutional response to new ideas on the part of government departments and agencies. If there is no forward motion on DART in FY 1976—motion that will show UMTA *has* adopted a policy on light rail—I am going to make DART the Billy Mitchell case of the urban mass transit administration. I believe my colleagues in congress are as tired as I am of bureaucratic delay and indecision. I know for a fact many of them represent cities interested in light rail. I think we could put together a coalition on this issue—on light rail, with DART as the symbol that it is—a coalition to make an example of what congress can do in bringing about institutional response to new ideas in transportation. I hope that this will not be necessary, that UMTA will adopt a policy favoring light rail, and that FY 76 will see the DART project moving ahead at full speed with full UMTA support. Either way, FY 76 will be an interesting year for light rail—just as either way, we *are* going to have DART in Dayton, Ohio.

TROLLEY STAGING COMEBACK OVER NATION

(By Ralph Blumenthal)

A desire named streetcars is growing—a desire for the return of one of America's oldest forms of urban public transportation.

Decades after the nation succumbed to the internal combustion engine in city after city the electric trolley is being called back to service in an advanced form as an answer to demands for cheap, pollution-free mass transit.

Seeking a bright, new image as "light rail transit," the mode combines elements of the trolley car of yore, including on-street boarding and surface passage under overhead power lines, with features of modern rapid rail transit, such as speedy, smooth travel on restricted rights of way that separate the vehicles from other traffic.

A new appreciation of light rail has been evident in the cities that have retained trolley service. Among them are Boston, San Francisco, Philadelphia, Pittsburgh, Shaker Heights, Ohio, Newark and New Orleans, home of the original (and now defunct) streetcar named Desire of the Tennessee Williams play.

In addition, Dayton, Ohio, has become the first city to develop a plan for a comprehensive new light rail system, and Rochester and among other municipalities, are considering installation of such a system.

Heralding the phenomenon, the Boeing-Vertol Company has begun turning out, for Boston and San Francisco, 275 of the first trolley vehicles to be produced in this country since 1952. Other smaller cities across the nation are planning on upgrading older street-car service or building new systems.

The trend was strikingly evident last month in Philadelphia, where 600 transit planners and officials from around the country, Canada and Europe—twice the number expected—converged for a national conference on light rail transit.

"This has to be the largest gathering of trolley-jollies since World War II," Frank C. Herringer, just-departed urban mass transportation administrator, told the participants, drawing a roar of delight. "It's really amazing."

"It might be we are witnessing what someone called the second coming of the trolley," said William J. Ronan, chairman of the Port Authority of New York and New Jersey, in another keynote address.

The conference—sponsored jointly by the United States Urban Mass Transportation Administration, the Transportation Research Board of the federally aided National Research Council, the American Public Transit Administration and the University of Pennsylvania—was not an exercise in nostalgia for the trolley car or faddism, officials took pains to explain. Rather, they said, the meeting represented recognition of the vital role light rail transit could play in cities today.

"This is a technology that currently demonstrates its effectiveness as part of the total urban transport system in more than 300 cities worldwide," said Lee H. Rogers of the Institute of Public Administration, a transit expert identified at the conference as "the James Bond of the light rail vehicle."

Basically, the difference between the streetcar that was driven into extinction by the auto and bus in most American cities more than a quarter century ago and today's evolved, upgraded version is not so much in the car itself but rather in the manner of its use.

The old streetcar wound through the heart of downtown, mostly down the very center of the street. With the growing number of motorists and bus drivers feeling they owned the streets, a confrontation of interests developed in the nineteen-twenties and thirties that ended with the streetcar's demise at the nands of the more powerful auto and bus forces.

ELEVEN BILLION RIDERS IN 1917

In 1917, near the peak of trolley travel in the United States, 80,000 electric streetcars were plying 45,000 miles of track, carrying 11 billion passengers a year. At that time one could travel from eastern Wisconsin to central New York—more than 1,000 miles—on inter-urban street cars—provided he had enough nickels.

Yet by 1939, there remained only 2,700 miles of inter-urban line in the country, according to a paper presented at the conference June 23–26 by James R. Mills, president pro tem of the California State Senate.

And today, transit experts said, there remains less than 500 miles of operational track.

Under the new concept, the light rail vehicle runs on its own right of way, generally separated from other traffic. It is thus able to maintain a higher and steadier speed than its predecessors and to keep out of the way of other traffic.

However, the system was still flexible enough to allow divergence of the rail vehicles into mixed traffic if desired. Moreover, the vehicles can load both on the street and in stations like conventional rapid transit systems.

But because a light rail system does not involve tunneling, it is far cheaper to build than a subway system.

According to figures presented at the Philadelphia conference, the construction cost of a double-track light rail route might range from $4-million to $8-million a mile, not including land acquisition. The rail cars cost about $500,000 each. Subway construction, on the other hand, might now run a $50-million a mile and in some congested urban areas, may soon approach double that.

"Conventional rail has just priced itself out of the market," said C. Kenneth Orski, associate administrator of the mass transportation agency. "People are beginning to ask themselves: 'Can any city afford that kind of cost?' There will be very few starts of conventional rapid transit systems of the kind Washington and Atlanta are building."

UPWARD AND UPWARD

Atlanta's rapid transit system, projected to cost $1.3-billion in 1971, is now priced at $2.1-billion with further upward adjustments likely. Washington's Metro project is now projected at more than $4-billion. New York recently indefinitely put off a planned new Second Avenue subway line because of spiraling costs.

Yet the light rail systems, like the old streetcars, remain dependent on the blighting web of overhead wires carrying the 600 to 750 volts of DC current that powers the vehicle through the overhead pantograph. The old hookup called "trolley" gave the vehicles their name. While the overhead hookup may have been esthetically unacceptable several years ago, the energy crisis has tempered esthetic concerns with economic and other needs.

"It's important to keep the environment in perspective," said Mr. Herringer, who left as mass transit administrator June 30 to take over operation of the mechanically ailing Bay Area Rapid Transit system in San Francisco.

"Sure, it's intrusive," he said referring to the wires, "but compared to what? What's more intrusive than a highway? Compared to that, a few overhead wires is not much to put up with."

As now conceived by transit planners, the new light rail systems would be most applicable to cities of under a million population with requirements of moving from 5,000 to 20,000 passengers per track per hour. Demands of from 20,000 to 40,000 passengers an hour are considered more appropriate to conventional rapid transit systems running on higher speed exclusive rights-of-way, often underground.

Thus, light rail transit would have little appeal to New York City, for example, where the subways carry 3.7-million people daily. Light rail might, however, prove feasible in carrying riders from the suburbs or other boroughs to certain points in Manhattan, although surface lines criss-crossing mid-town would undoubtedly be too disruptive of other street traffic under current patterns and would repeat the jams and controversy of a half century ago.

NEW ORDERS FOR CARS

Among other leading cities, however, Boston is upgrading its existing light rail lines and has on order from Boeing Vertol for 175 of the first new cars to be produced in America since the St. Louis Car Company manufactured the last new trolley cars in 1952. San Francisco has ordered 100 more of the cars.

The new cars, under construction at the Boeing Vertol converted helicopter plant outside Philadelphia, are 71 feet long with three doors and with a center-articulated joint to facilitate sharp turns. The car which is air-conditioned, can hold 219 passengers with seats for 52 or 68 passengers, depending on the city's needs.

The vehicle bodies are imported from the Tokyo Car Company of Japan, the brakes are Italian and other systems are manufactured by other domestic and foreign manufacturers.

The first new Boeing Vertol vehicle, destined for San Francisco, is now being tested on the Boston system. The other vehicles are scheduled for delivery later this year.

Other cities that have maintained or recently upgraded trolley vehicle service include Newark; Shaker Heights, Ohio; New Orleans; Pittsburgh and Philadelphia.

Plans for new light rail service are under way in Rochester and Dayton, Ohio, among other communities. Dayton applied in January for a $48-million capital grant from the mass transportation administration to begin building a 12.2-mile model light rail system and has been waiting with increasing impatience for a reply. Mr. Herringer said it was still under consideration and had not reached his desk.

In addition, the mass transportation agency has asked Buffalo to study the feasibility of building a light rail system instead of a far more expensive subway to connect the downtown area with the new campus of the state university about 11 miles away in suburban Amherst.

At the same time, Mr. Herringer said, the urban mass transportation agency can have no bias toward or against any particular type of transport, whether light rail, buses or rapid transit.

Light rail, he said, "is not U.M.T.A.'s latest fad. It's merely something to consider. We can't say it often enough. We don't favor any mode."

Nevertheless, he said, he was "impressed" with the new light rail car. "In the long run though," he said, "it will need exclusive rights of way. This will demand great political courage. The future of light rail," he concluded, "is brighter than it's been in years."

DEATH OF FRANK J. McMAHON

Mr. WILLIAMS. Mr. President, it was with deep regret that I learned of the passing on July 1 of Frank J. McMahon. As chief investigator for the Humane Society of the United States, Mr. McMahon was one of the Nation's foremost authorities on animal welfare. His investigative efforts were instrumental in the passage of the Animal Welfare Act and, more recently, in calling public attention to the widespread practice of dog fighting. His testimony was invaluable to me in formulating legislation to bring an end to this cruel "sport."

Mr. McMahon will be sorely missed by all those who care about animal welfare. His devotion to humane causes will serve as a lasting reminder of man's responsibility for his fellow creatures.

Mr. President, I ask unanimous consent that the Washington Post article on the occasion of Mr. McMahon's death be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIELD INVESTIGATOR FOR HUMANE SOCIETY

Frank J. McMahon, 48, chief of field investigators for The Humane Society of the United States, died Tuesday at the Veterans Administration Hospital in Martinsburg, W. Va.

Mr. McMahon, who lived in Georgetown, had suffered a serious of strokes over the past six months.

With the Humane Society since 1961, he was best known for his investigations of dog dealers, laboratories and the transportation of animals.

Born in Peabody, Mass., Mr. McMahon began working with local humane groups investigating cruel conditions at local riding stables while he was in his teens.

He served in the U.S. Navy from 1945 to 1949 and then came to Washington, where he was associated with the real estate business before joining the Humane Society.

Many of Mr. McMahon's field investigations, raids and testimony before state, local and federal government organizations helped to make the fledging society known.

In February, 1966, accompanied by writers and photographers of Life magazine, Mr. McMahon conducted a raid on a Maryland animal dealer.

An article "Concentration Camps for Dogs," brought more than 80,000 letters to members of Congress. Hearings were held in both the Senate and House in which Mr. McMahon played a leading role.

As a result, a federal law was passed that regulates the transportation of dogs, cats and certain other animals to be used for purposes of research.

The late President Lyndon B. Johnson presented Mr. McMahon with a pen he used to sign the law.

Mr. McMahon's investigations took him to rodeo arenas, slaughter houses, stockyards, cockfights, dog fights and animal auctions. He was shot at and physically threatened and he was tough.

"Actually, I spend my life trying to get rid of the image of the little old lady in tennis shoes. I'm really trying to teach kindness," he said of his career spent fighting for the protection of animals.

Once, when the Agriculture Department wouldn't allow a load of African animals destined for American zoos to dock in the U.S., Mr. McMahon rented a small boat and met the freighter outside the 3-mile limit.

He threatened to humanely destroy the animals at sea, but they eventually were permitted to land.

Mr. McMahon helped many humane societies and animal welfare groups to get started throughout the country.

He is survived by his mother, Victoria Middleton, of Lynn, Mass., and a sister, Mary Ann Rudzinsky, of Winthrop, Mass.

The family suggests that expressions of sympathy may be in the form of contributions to the Frank J. McMahon Memorial Fund of The Humane Society of the United States.

JUDGE WALSH OF MARYLAND

Mr. MATHIAS. Mr. President, one of Maryland's most distinguished citizens, William C. Walsh, of Cumberland, died June 17 at the age of 85. Judge Walsh, a native of Cumberland, was a jurist, attorney general of Maryland, a leader of the State bar, and a major political figure. His contributions of service to his community and the State were substantial and significant. He will be sorely missed. Accounts of Judge Walsh's outstanding career were published in all the daily newspapers of the State.

The widespread recognition of Judge Walsh's contributions in many fields is a measure of Maryland's loss of his personal, moral, and professional leadership.

I ask unanimous consent that the articles that appeared June 18 in the Cumberland News and June 20 in the Baltimore Sun be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WILLIAM C. WALSH DIES IN CUMBERLAND

CUMBERLAND.—A mass of Christian burial for William C. Walsh, former judge, attorney general and a major Democratic party figure in Maryland for a number of years, will be offered at 10 A.M. today at St. Patrick's Catholic Church here.

Mr. Walsh, who was 85 and lived at 824 Windsor road, died Tuesday night at Sacred Heart Hospital after a long illness.

Born and raised in Cumberland, the eldest son of William E. Walsh and the former Mary Concannon, he became the first man from Allegany county to be elected state attorney general in 1938. He held the post until 1945 when he resigned to return to private law practice.

He received a bachelor of arts degree in 1910 from Mount St. Mary's College in Emmittsburg, where he was later awarded an honorary doctor of laws degree in 1930, and a law degree from Catholic University Law School in 1913.

Mr. Walsh served in G Company of the Maryland National Guard in General Pershing's 1916 campaign against Pancho Villa in Mexico. He also was a first lieutenant in a machine gun company in the 113th Infantry Regiment, of the 29th Division, in France during World War I.

A lifelong Democrat, he began his political career in 1920 when he was appointed city attorney of Cumberland, a position he held until he was appointed associate judge of the Fourth Judicial Circuit of Maryland the following year.

Mr. Walsh served as chief judge of the court, which encompasses Western Maryland, from 1924 to 1926. He was also a member of the Maryland Court of Appeals at the same time.

From 1931 to 1935, he was state insurance commissioner. He was also associated in the 1930's with the prestigious Baltimore law firm, Tydings, Walsh, Levy and Archer, along with the late former Senator Millard E. Tydings.

After leaving the attorney general post, Mr. Walsh was a member of another Baltimore law firm, Miles, Walsh, O'Brien and Morris. In later years, he worked with his son, William, in a family law firm, Walsh & Walsh, in Cumberland.

Throughout his lifetime, he was active in Democratic politics from the precinct to national levels. He served as a Maryland delegate to the Democratic National Convention in 1924, 1928, 1932, 1940, 1944 and 1964.

In 1960, Mr. Walsh was one of the few Americans granted entry into the People's Republic of China, where he visited his brother, Bishop James E. Walsh, a Maryknoll missionary who was finally released in 1970 after being held captive by the Communists for 12 years.

The former judge was instrumental in arranging for his brother's release.

While president of the Maryland Bar Association from 1948 to 1949, Mr. Walsh was a member of the House of Delegates of the American Bar Association. In addition, he held the post again from 1952 to 1955.

He was a member of the board of regents of the University of Maryland in the late 1950's and the early 1960's. In 1960, he became president of the Liberty Trust Company of Maryland and later, chairman of the board.

Mr. Walsh was a member of the Maryland Historical Society, the Maryland Club, the St. Thomas More Society of Maryland, the Knights of St. Gregory in addition to numerous organizations in the state.

He is survived by a son, William Walsh, of Cumberland; a daughter, Mother Elizabeth, R.S.C.J., of New Orleans; a brother, Bishop Walsh, of Ossing, N.Y.; four sisters, Mary Walsh and Mrs. Julia Werner, of Cumberland, Sister Mary Joseph, S.S.N.D., of Baltimore, and Sister Rosalia, M.H.S.H., of Towson, and five grandchildren.

[From the Cumberland News, June 18, 1975]

JUDGE WALSH EXPIRES IN HOSPITAL

William Concannon Walsh, 85, one of Cumberland's leading citizens, died last night at Sacred Heart Hospital, where he had been a patient for several weeks.

Born here April 2, 1890, he was a son of the late William Edward and Mary (Concannon) Walsh.

Through a long life he filled many positions of importance, serving as attorney general of Maryland from 1938 until 1945, when he resigned. In 1921 he was appointed an associate judge of the Fourth Judicial Circuit of Maryland. From 1924 until 1926 he was chief judge of the Fourth Judicial Circuit and in that capacity also was a judge of the Maryland Court of Appeals.

Judge Walsh has served as president of both the Allegany County and State Bar associations. In politics he served many positions in the Democratic party and was a delegate from Maryland to six Democratic conventions—in 1924, 1928, 1932, 1940, 1944 and 1964.

He became president of the Liberty Trust Company in 1960 and the following year became chairman of the board. He also formerly served as a member of the Board of Regents of the University of Maryland.

He was married in 1929 to the former Miss Sara Elizabeth Nee and she died two years ago. They had two children, William Walsh, a local attorney, and Elizabeth, who is a member of the Religious of the Sacred Heart and is now located in New Orleans; and five grandchildren.

Among other survivors is a brother, Bishop James Edward Walsh, who was released in 1970 after having been a prisoner in Red China. Also surviving are four sisters including Miss Mary Walsh, Mrs. Julia Werner, both of Cumberland and Sisters Mary Joseph, SSND, and Sister Rosalia, Mission Helpers of the Sacred Heart.

Judge Walsh obtained an A.B. degree from Mt. St. Mary's College in Emmitsburg in 1910, and in 1913 received his bachelor of law degree from Catholic University Law School in Washington.

FALLACIES OF DÉTENTE

Mr. HARRY F. BYRD, JR. Mr. President, the exiled Soviet author, Alexandr Solzhenitsyn, who is visiting the United States, recently spoke to an American audience about the fallacies of détente.

I found Mr. Solzhenitsyn's remarks most thoughtful, and I believe it could serve us all well to consider the speech carefully, and heed Mr. Solzhenitsyn's warnings.

I agree with Mr. Solzhenitsyn that we cannot allow wishful thinking about the prospects of détente to cloud the Nation's judgment about the goals of the Soviet leadership.

While we should always stand ready to negotiate and seek peaceful solutions to the problems of the world, I believe we should never lose sight of the fact that Russia has not changed her goals.

If we forget this central fact, we imperil ourselves. Soviet theorists constantly reiterate that no matter what course may be dictated by the opportunities of the moment—and Moscow has changed course often—the ultimate goal remains the same.

Chairman Brezhnev made this clear in June 1972, when he said:

> Détente in no way implies the possibility of relaxing the ideological struggle. On the contrary, we must be prepared for this struggle to be intensified and become an ever sharper form of the confrontation between the two systems.

The United States cannot afford to accept a détente which leaves open the way for global domination by the Soviet Union.

We must, therefore, recognize as Mr. Solzhenitsyn argues, that détente without democratization—in effect a détente by Russia's rule of the game—such a détente will not solve the problems of peace now facing the world.

The United States must, therefore, be prudent in its dealings with Russia, and we must make clear that we have certain principles and interests that we will not allow to be compromised.

At this point, Mr. President, I request unanimous consent to have printed in the RECORD a United Press International article from the Virginian-Pilot which highlights Mr. Solzhenitsyn's speech, and an article from the Washington Post which presents more extensive excerpts from that address.

There being no objection, the Articles were ordered to be printed in the RECORD, as follows:

AUTHOR CALLS ON UNITED STATES TO RESIST COMMUNISM

WASHINGTON.—Exiled Soviet author Alexandr Solzhenitsyn Monday denounced Soviet communism as a system of genocide and oppression and declared that the West has been duped about the prospects of detente.

In a fiery speech, the Soviet dissident called on the United States to stand firm against Soviet repression at home and interference abroad and stop what he called "this senseless process of endless concessions to aggressors."

"I tell you interfere more and more, interfere as much as you can," he told an overflow audience of 2,500 at the Washington Hilton Hotel.

Secretary of Defense James R. Schlesinger, Labor Secretary John Dunlop, and former Secretary of State William P. Rogers were among the many notables who attended Solzhenitsyn's first major address since being expelled from Russia in early 1974.

Solzhenitsyn declared: "The situation in the world is not just dangerous or threatening, it is catastrophic."

In the course of his hour and a half address, Solzhenitsyn detailed a wide variety of Soviet repressive actions that he said amounted to genocide in liquidating millions of citizens and subjecting others to serfdom.

He cast scorn on Western leaders who believe in a policy of detente with the current Soviet leaders.

Real detente, he said, should consist of three elements:

Disarmament that would include an end to violence aimed at destroying "fellow countrymen."

A relaxation of tensions between the Soviet Union and Western countries based on a solid foundation and guaranteed by the emergence of democracy in Russia.

An end to ideological war and "inhumane propaganda."

Solzhenitsyn called for the United States to show firmness until these conditions are met and resist the temptation to make concessions to the Russians.

He said that in Moscow there was a "concentration of evil" that was flowing throughout the world, and he urged the United States "not to give into it, not to give it everything it asks for."

Solzhenitsyn did have some kind words for the United States, saying America had been "least guilty" of all Western countries in bowing before Soviet pressures.

It was Solzhenitsyn's first major public address since he arrived in the United States to tour old Russian settlements in Alaska, research archive materials for his next book, and collect a series of honorary academic degrees.

The bearded Nobel Prize-winning author arrived in Washington Friday as the guest of AFL-CIO President George Meany, but he is reportedly exhausted from his travels and has largely remained in seclusion.

He canceled scheduled weekend appearances at the University of North Carolina and at Wake Forest University because he said he felt "bewildered and tired."

The AFL–CIO sponsored Solzhenitsyn's appearance at the downtown Washington Hilton Hotel.

The Soviets forcibly deported Solzhenitsyn early in 1974 after he authorized publication in the West of his documentary work on the Soviet prison camp system, "The Gulag Archipelago." The book won critical acclaim and became a best seller.

Before his exile, Solzhenitsyn had long complained of harassment by Soviet secret police.

Only one of his major novels, "One Day in the Life of Ivan Denisovich", was ever published in his homeland.

We Beg You To Interfere

The words of Alexander Solzhenitsyn, no doubt, lose something in translation from Russian, but perhaps they lose more without the presence of the man himself.

When he spoke last week before a huge banquet hall of American labor leaders and Washington dignitaries, assembled by the AFL–CIO, Solzhenitsyn talked ad-lib from notes, his voice audible in Russian but overtracked in volume by the interpreter delivering a simultaneous version in English.

Despite these handicaps of communication, the Russian novelist conveyed, by his voice and body, the presence of a giant, a poet with a sense of life so strong and uncompromised that normal mortals blush for him or draw back. His message was political, of course, but the experience of seeing him belonged to literature.

Solzenitsyn is a shocking figure, standing on an American podium, speaking to an audience which, though friendly, is conditioned by the cool style of modern political speeches. Solzhenitsyn insisted upon his right to deliver an oration in the classical meaning of that form, though it is now nearly dead in this country.

A portable microphone was draped around his neck, so that he could roam freely on the platform, away from the rostum. He spoke, not in orderly cadence, but in bursts of language, waving his arms in heroic gestures to mark an exclamation point, to plead for a sympathetic reaction.

The content of Solzenitsyn's address was, if anything, more disconcerting than his delivery. Like an old Chatauqua lecturer, he endeavored to enlighten his audience, to teach some history. But his perspective is so unlike ours. His outrage focused on events so distant in the past, crucial decisions which Americans have long forgotten, if they ever knew about them. Is it possible for a man to be still so angry today over what happened in 1937 or 1914? For Solzhenitsyn, it is.

Like a stormy character in a great Russian novel, his passion sweeps aside all the doubt and ambiguity in modern life. The moral choices, he insists, are simple and clear, requiring only great courage. Like a 19th Century evangelist, he summoned his audience to a great awakening and, like those earlier gatherings in revival tents, they went away fatigued and puzzled by his powerful presence.

The following is excerpted from that address.

There is a Russian proverb: "The yes-man is your enemy, but your friend will argue with you." It is precisely because I am the friend of the United States that I have come to tell you: My friends, I'm not going to tell you sweet words. The situation in the world is not just dangerous, it isn't just threatening, it is catastrophic.

Something that is incomprehensible to the ordinary human mind has taken place. We over there, the powerless, average Soviet people, couldn't understand, year after year and decade after decade, what was happening. How were we to explain this? England, France, the United States, were victorious in the Second World War. Victorious states always dictate peace, they receive firm conditions, they create the sort of situation which accords with their philosophy, their concept of liberty, their concept of national interest.

Instead of this, beginning in Yalta, your statesmen of the West, for some inexplicable reason, have signed one capitulation after another. Never has the West or your President Roosevelt imposed any conditions on the Soviet Union for obtaining aid. He gave unlimited aid, and then unlimited concessions. Already in Yalta, the occupation of Mongolia, Moldavia, Estonia, Latvia, Lithuania was silently recognized. Immediately after that, almost nothing was done to protect Eastern Europe, and seven or eight more countries were surrendered.

And after that, for another 30 years, the constant retreat, the surrender of one country after another, to such a point that there are Soviet satellites even in Africa, and almost all of Asia is taken over by them, Portugal is rolling down the precipice.

During those 30 years, more was surrendered to totalitarianism than any defeated country has ever surrendered after any war in history. There was no war, but there might as well have been.

For a long time we in the East couldn't understand this. We couldn't understand the flabbiness of the truce concluded in Vietnam. Any average Soviet citizen understood that this was a sly device which made it possible for North Vietnam to take over South Vietnam when it so chose. And suddenly, this was rewarded by the Nobel Prize for Peace—a tragic and ironic prize.

This is very dangerous for one's view of the world when this feeling comes on: "Go ahead, give it up." We already hear voices in your country and in the West—"Give up Korea and we will live quietly. Give up Portugal, of course; give up Japan; give up Israel, give up Taiwan, the Philippines, Malaysia, Thailand; give up ten more African countries. Just let us live in peace and quiet. Just let us drive our big cars on our splendid highways; just let us play tennis and golf in peace and quiet; just let us mix our cocktails in peace and quiet as we are accustomed to doing; just let us see the beautiful toothy smile with a glass in hand on every advertisement page of our magazines."

But look how things have turned out: Now in the West this has all turned into an accusation against the United States. Now in the West, we hear very many voices saying, "It's your fault, America." And, here, I must decisively defend the United States against these accusations.

I have to say that the United States, of all the countries of the West, is the least guilty in all this and has done the most in order to prevent it. The United States has helped Europe to win the First and the Second World Wars. It raised Europe from post-war destruction twice. For 10, 20 30 years it has stood as a shield protecting Europe while European countries were counting their nickels, to avoid paying for their standing armies.

The United States has long shown itself to be the most magnanimous, the most generous country in the world. Wherever there is a flood, an earthquake, a fire, a natural disaster, disease, who is the first to help? The United States. Who helps the most and unselfishly? The United States.

And what do we hear in reply? Reproaches, curses, "Yankee Go Home." American cultural centers are burned, and the representatives of the Third World jump on tables to vote against the United States.

But this does not take the load off America's shoulders. The course of history—whether you like it or not—has made you the leaders of the world. Your country can no longer think provincially. Your political leaders can no longer think only of their own states, only of their parties, of petty arrangements which may or may not lead to promotion. You must think about the whole world, and when the new political crisis in the world will arise (I think we have just come to the end of a very acute crisis and the next one will come any moment), the main decisions will fall anyway on the shoulders of the United States.

Here I have heard some explanations of the situation. Let me quote some of them: "It is impossible to protect those who do not have the will to defend themselves." I agree with that but this was said about South Vietnam. In one-half of today's Europe and in three-quarters of today's world the will to defend oneself is even less than it was in South Vietnam.

We are told: "We cannot defend those who are unable to defend themselves with their own human resources." But against the overwhelming powers of totalitarianism, when all of this power is thrown against a country, no country can defend itself with its own resources. For instance, Japan doesn't have a standing army.

We are told, "We should not protect those who do not have full democracy." This is the most remarkable argument of the lot. This is the *leitmotif* I hear in your newspapers and in the speeches of some of your political leaders. Who in the world, ever, on the front line of defense against totalitarianism has been able to sustain full democracy? You, the united democracies of the world, were not able to sustain it! America, England, France, Canada, Australia, together did not sustain it. At the first threat of Hitlerism you stretched out your hands to Stalin. You call that sustaining democracy? No!

And there is more of the same: "If the Soviet Union is going to use détente for its own ends, then we . . ." But what will happen then? The Soviet Union has used détente in its own interests, is using it now and will continue to use it in its own interests. For example, China and the Soviet Union, both actively participating in détente, have grabbed three countries of Indochina. True, perhaps as a consolation, China will send you a ping-pong team.

To understand properly what détente has meant all these 40 years—friendships, stabilization of the situation, trade, etc.—I would have to tell you something of how it looked from the other side. Let me tell you how it looked. Mere acquaintance with an American—and God forbid that you should sit with him in a cafe or restaurant—meant a ten-year term for suspicion of espionage.

During Nixon's last visit to Moscow your American correspondents were reporting in the Western way from the streets of Moscow. "I am going down a Russian street with a microphone and asking the ordinary Soviet citizen: 'Tell me please, what do you think about the meeting between Nixon and Brezhnev?" And, amazingly, every last person answered: "Wonderful. I'm delighted. I'm absolutely overjoyed." What does this mean? If I'm going down a street in Moscow and some American comes up to me with a microphone and asks me something, then I know that on the other side of him is a member of the state security, also with a microphone, who is recording everything I say. You think that I'm going to say something that is going to put me in prison immediately? Of course I say: "It's wonderful, I'm delighted, I'm overjoyed."

The Soviet system is so closed that it is almost impossible for you to understand from here. Your theoreticians and scholars write works trying to explain how things occur there. Here are some naive explanations which are simply funny to Soviet citizens. Some say that the Soviet leaders have now given up their inhumane ideology. Not at all. They haven't given it up one bit.

Some say that in the Kremlin there are some on the left, some on the right. And they are fighting with each other, and we've got to behave in such a way as not to interfere with those on the left side. This is all fantasy: Left . . . Right. There is some sort of a struggle for power, but they all agree on the essentials. There also exists the following theory—that now there is a technocracy in the Soviet Union, a growing number of engineers and the engineers are now running the economy and will soon determine the fate of the country, rather than the party. I will tell you, though, that the engineers determine the fate of the economy just as much as our generals determine the fate of the Army. That means zero. Everything is done the way the party demands. That's our system. Judge it for yourself.

It's a system where for 40 years there haven't been genuine elections but simply a comedy, a farce. Thus, a system which has no legislative organs. It's a system without an independent press; a system without an independent judiciary; where the people have no influence either on external or internal policy; where any thought which is different from what the state thinks is crushed.

And let me tell you that electronic bugging in our country is such a simple thing that it's a matter of everyday life. You had an instance in the United States where a bugging caused an uproar which lasted for a year and a half. For us it's an everyday matter. Almost every apartment, every institution has its bug and it doesn't surprise us in the least—we are used to it.

It's a system where unmasked butchers of millions like Molotov and others smaller than him have never been tried in the courts but retire on tremendous pensions in the greatest comfort. It's a system where the very constitution has never been carried out for one single day. Where all the decisions mature in secrecy, high up in a small, irresponsible group, and then are released on us and on you like a bolt of lightning.

So what are we to conclude from that? Is detente needed or not? Not only is it needed, it's as necessary as air. It's the only way of saving the earth—instead of a world war to have detente, but a true detente, and if it has already been ruined by the bad word which we use for it—"Detente"—we should find another word for it.

I would say that there are very few, only three, main characteristics of such a true detente:

In the first place, there would be disarmament—not only disarmament from the use of war but also from the use of violence. We must stop using not only the sort of arms which are used to destroy one's neighbors but the sort of arms which are used to oppress one's fellow countrymen. It is not detente if we here with you today can spend our time agreeably while over there people are groaning and dying and in psychiatric hospitals. Doctors are making their evening rounds for the third time injecting people with drugs which destroy their brain cells.

The second sign of detente, I would say, is the following: That it be not one based on smiles, not on verbal concessions, but it has to be based on a firm foundation. You know the words from the Bible: "Build not on sand, but on rock." There has to be a guarantee that this will not be broken overnight, and for this the other side—the other party to the agreement—must have its acts subject to public opinion, to the press, and to a freely-elected parliament. And until such control exists there is absolutely no guarantee.

The third simple condition—what sort of detente is it when they employ the sort of inhumane propaganda which is proudly called in the Soviet Union "ideological warfare?" Let us not have that. If we're going to be friends let's be friends, if we're going to have detente then let's have detente, and an end to ideological warfare.

The Soviet Union and the Communist countries can conduct negotiations. They know how to do this. For a long time they don't make any concessions and then they give in a little bit. Then everyone says triumphantly, "Look, they've made a concession; it's time to sign." The 35 countries (at the European Security Conference) for two years now have painfully, painfully been negotiating and their nerves were stretched to the breaking point and they finally gave in. A few women from the Communist countries can now marry foreigners. And a few newspapermen are now going to be permitted to travel a little more than before. They give 1/1000th of what natural law should provide. Matters which people should be able to do even before such negotiations are undertaken. And already there is joy, and here in the West we hear many voices, saying: "Look, they're making concessions; it's time to sign."

During these two years of negotiations, in all the countries of Eastern Europe the pressure has increased, the oppression intensified. And it is precisely now that the Austrian Chancellor says, "We've got to sign this agreement as rapidly as possible."

What sort of an agreement would this be? The proposed agreement is the funeral of Eastern Europe. It means that Western Europe would finally, once and for all, sign away Eastern Europe, stating that it is perfectly willing to see Eastern Europe be crushed and overwhelmed once and for all, but please don't bother us. And the Austrian Chancellor thinks that if all these countries are pushed into a mass grave, Austria at the edge of this grave will survive and not fall into it.

And, we, from our lives there, have concluded that violence can only be withstood by firmness.

You have to understand the nature of Communism. The very ideology of Communism, all of Lenin's teachings, are that anyone is considered to be a fool who doesn't take what's lying in front of him. If you can take it, take it. If you can attack, attack. But if there's a wall, then go back. And the Communist leaders respect only firmness and laugh at persons who continually give in to them. Your people are now saying, "Power, without any attempt at conciliation, will lead to a world conflict." But I would say that power with continual subservience is no power at all.

From our experience I can tell you that only firmness will make it possible to withstand the assaults of Communist totalitarianism. We see many historic examples. Look at little Finland in 1939 which by its own forces withstood the attack. You, in 1948, defended Berlin only by your firmness of spirit, and there was no world conflict. In Korea in 1950 you stood up against the Communists, only by your firmness, and there was no world conflict. In 1962 you compelled the rockets to be removed from Cuba, and there was no world conflict. We, the dissidents of the U.S.S.R., don't have any tanks, we don't have any weapons, we have no organization. We don't have anything. Our hands are empty. We have only a heart and what we have lived through in the half century of this system. And when we have found the firmness within ourselves to stand up for our rights, we have done so. It's only by firmness of spirit that we have withstood.

I don't want to mention a lot of names because however many I might mention there are more still. And when we resolve the question with two or three names, it is as if we forget and betray the others. We should rather remember figures. There are tens of thousands of political prisoners in our country and—by the calculation of English specialists—7,000 persons are now under compulsory psychiatric treatment.

Let's take Vladimir Bukovsky as an example. It was proposed to him, "All right, we'll free you. Go to the West and shut up." And this young man, a youth today on the verge of death, said: "No, I won't go this way. I have written about the persons whom you have put in insane asylums. You release them and then I'll go West." This is what I mean by that firmness of spirit to stand up against granite and tanks!

We need not have had our conversation on the level of business calculations. Why did such and such a country act in such and such a way? What were they counting on? We should rather rise above this to the moral level and say: "In 1933 and in 1941 your leaders and the whole Western World, in an unprincipled way, made a deal with totalitarianism." We will have to pay for this, some day this deal will come back to haunt us. For 30 years we have been paying for it and we're still paying for it. And we're going to pay for it in a worse way. One cannot think only in the low level of political calculations. It's necessary to think also of what is noble, and what is honorable—not only what is profitable.

Resourceful Western legal scholars have now introduced the term "legal realism." By this legal realism, they want to push aside any moral evaluation of affairs. They say, "Recognize realities; if such and such laws have been established in such and such countries of violence, then these laws must also be recognized and respected."

It is widely accepted among lawyers that law is higher than morality—law is something which is worked out and developed, whereas morality is something inchoate and amorphous. That isn't the case. The opposite is rather true. Morality is higher than law, while law is our human attempt somehow to embody in rules a part of that moral sphere which is above us. We try to understand this morality, bring it down to earth and present it in a form of laws. Sometimes we are more successful, sometimes less. Sometimes you actually have a caricature of morality, but morality is always higher than law. And this view must never be abandoned. We must accept it with heart and soul.

It is almost a joke now in the Western world, in the 20th Century, to use words like "good" and "evil." They have become almost old-fashioned concepts, but they are very real and genuine concepts. These are concepts from a sphere which is higher than us—good and evil. And instead of getting involved in base, petty, short-sighted political calculations and games, we have to recognize that the concentration of world evil and the tremendous force of hatred is *there* and it's flowing from *there* throughout the world. And we have to stand up *against* it and not hasten to give to it, give to it, give to it, everything that it wants to swallow.

Today there are two major processes occurring in the world. One has been in progress of short-sighted concession, a process of giving up, and giving up and giving up and hoping that perhaps at some point the wolf will have eaten enough. The second process is one which I consider the key to everything and which, I will say now, will bring to all of us our future: Under the cast-iron shell of Communism—for 20 years in the Soviet Union and a shorter time in other Communist countries—there is occurring a liberation of the human spirit. New generations are growing up which are steadfast in their struggle with evil; which are not willing to accept unprincipled compromises which prefer to lose everything—salary, conditions of existence and life itself—but are not willing to sacrifice conscience, not willing to make deals with evil.

But this whole process of our liberation, which obviously will entail social transformations, is slower than the process of concessions. Over there, when we see these concessions, we are frightened. Why so quickly? Why so precipitously? Why yield several countries a year?

I started by saying that you are the allies of our liberation movement in the Communist countries. And I call upon you: Let us think together and try to see how we can adjust the relationship between these two processes. Whenever you help the persons persecuted in the Soviet Union, you not only display magnanimity and nobility, you're defending not only them but yourselves as well. You're defending your own future.

So let us try to see how far we can go to stop this senseless and immoral process of endless concessions to the aggressor—these clever legal arguments for why we should give up one country after another. Why must we hand over to Communist totalitarianism more and more technology—complex, delicate, developed technology which it needs for armaments and for crushing its own citizens. If we can at least slow down that process of concessions, if not stop it altogether—and make it possible for the process of liberation to continue in the Communist countries—ultimately these two processes will yield us our future.

On our crowded planet there are no longer any internal affairs. The Communist leaders say, "Don't interfere in our internal affairs. Let us strangle our citizens in peace and quiet." But I tell you: Interfere more and more. Interfere as much as you can. We beg you to come and interfere.

WOMEN'S VIEW OF HEW SEX DISCRIMINATION REGULATIONS

Mr. **HELMS**. Mr. President, I have a copy of a statement by Miss Martha Rountree, chairman of Leadership Action, Inc., an umbrella group affiliated with women's organizations representing 30 million women across America. Miss Rountree has expressed her great concern regarding the HEW regulations purporting to implement title IX of the Education Amendments of 1972 relative to nondiscrimination on the basis of sex in education.

Like an increasing number of Americans, she feels that the Department of HEW has exceeded the intention of Congress, and that the regulations are inconsistent with the Congressional Act. Miss Rountree points out that the regulations go far beyond the proper goal of insuring educational opportunity, and as such they constitute another example of arrogant bureaucrats usurping the proper functions of the elected representatives in the Senate and House of Representatives. She notes that women do not want their daily lives to be further frustrated by additional regulations from Washington.

Leadership Action, Inc., of which she is chairman, is a nonprofit, bipartisan, national organization established for the purpose of involving citizens in active government participation, and to effect legislative action that bears on the quality of life in the United States. In this connection, Miss Rountree has urged that Congress act swiftly to adopt Senate Concurrent Resolution 46, disapproving the HEW sex discrimination regulations.

In order that I may share Miss Rountree's comments with my colleagues, I ask unanimous consent that a statement dated July 9, 1975, entitled "Women's View of HEW Title IX Regulations," by Miss Martha Rountree, chairman, Leadership Action, Inc., be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WOMEN'S VIEW OF HEW TITLE IX REGULATIONS

(A statement by Miss Martha Rountree, chairman, Leadership Action, Inc.)

In 1972, Congress passed an Education Amendments Act. Title IX of that Act prohibits discrimination on the basis of sex in *education* programs and activities *receiving Federal financial assistance*. The obvious intention and purpose of this legislation was to ensure that women are afforded an equal educational opportunity. Of course, we heartily approve of that.

On June 4, 1975, however, the Department of Health, Education and Welfare published its final regulations implementing Title IX. These HEW regulations go far beyond the proper goal of ensuring educational opportunity, and they go far beyond the authority granted to HEW by Congress. As such, they constitute another example of arrogant bureaucrats usurping the proper functions of our elected representatives in the Senate and House of Representatives.

For example, by its clear language, the Act applies only to education programs and activities; but HEW has extended the regulations to apply to extracurricular programs and activities such as athletics and to services such as the infirmary and health insurance. Additionally, while the Act is limited to only those programs and activities which receive Federal financial assistance, HEW has drafted its regulations so as to cover programs and activities which receive "or benefit from" Federal financial assistance. Obviously, the Department has no license to attempt, in this way, to regulate activities not receiving Federal funds.

Examples of the harmful effect of this HEW action upon education for both women and men come immediately to mind. The regulations require that all classes, except sex education and body contact sports in physical education programs, be taught in mixed groups of both sexes. In our view, the decision of whether a particular class should be offered on coeducational basis should properly be left to local school officials. These professional educators who know the students are in the best position to understand their real needs, as well as their wishes. The local teachers, who are in the classroom on a daily basis, know best whether a particular physical education program, not involving a contact sport, serves the students' needs better when offered on a coeducational basis. The same is true of home economics, shop, or a multitude of other areas of academic endeavor.

HEW requires that pregnancy and abortion be treated just as any other temporary disability. Schools cannot take into consideration whether their students or teachers, married or unmarried, are pregnant, having abortions, and the like. Additionally, they mention with approval, the offering of family planning services by a school to its students and prohibit "discrimination" in this regard between married and unmarried students.

Further, HEW's regulations prohibit colleges and universities from establishing different dormitory rules and services for women and men students. If a college does not provide security guards for the men's dormitories at night, they may not provide them for the women's dormitories. Women students may not be required to return to the dormitory by a stated hour at night, even if their parents decline to give them permission for self-regulation of hours, if the same rule is not applicable to men. Living conditions in dorms must be comparable for both sexes and must evidence similar bathroom facilities, closet space, etc

The regulations even go so far as to prohibit a school from inquiring as to whether a woman student is "Miss" or "Mrs.". By this regulation, HEW is effectively requiring schools to adopt the term "Ms." Thus, HEW seeks to regulate every aspect of the educational experience of women, right down to the way their mail is addressed.

We do not want the lives of women in education to be further menaced by additional regulations from Washington. These edicts from HEW will affect schools that primarily have existed for the benefit of women. By requiring equal services and opportunities in such schools for men, they will contribute to a decline in the availability of academic forums for women, and thereby to a denial of an opportunity for women to realize their full potential. We fear that this unwise action by HEW will signal the demise of institutions that for many of us have given direction and meaning to our lives.

However, there is one ray of hope in this abuse of Federal power. A recent law now provides that such regulations relative to education can be disapproved by a concurrent resolution passed by Congress. Such a resolution would not change the law. It would not alter the Act of Congress ensuring equal educational opportunity for women. It would simply say to HEW that it has gone beyond the intent of our elected representatives and that HEW must rewrite the regulations in a manner consistent with the Act.

Senator Jesse Helms of North Carolina has introduced such a resolution (Senate Concurrent Resolution 46). It has been introduced in the House of Representatives as House Concurrent Resolution 310. In our view, Congress should act swiftly to adopt this resolution as a much needed step to ensure that the integrity of our democratic, representative process is maintained and not subjected to unelected bureaucrats who obviously seek to extend more Federal controls over the daily lives of our young women and men.

HEALTH CARE AND INCOME SECURITY: BASIC NEEDS OF THE ELDERLY

Mr. BENTSEN. Mr. President, at no time in our history have America's elderly citizens been so well organized, so articulate, and so persuasive as they are today. That is in large part the work of the National Council of Senior Citizens, which does an excellent job of representing interests of the elderly in Washington and throughout the country.

But it is more than that. Individual older Americans throughout this Nation have begun to stand up and be counted. They have said to us in Washington: "We will not tolerate being given the leftovers in this society; we have devoted our time, our energy and our knowledge to building this country. And you shall not cast us out now with inadequate retirement security, substandard institutions, and a lack of dignity in our final years."

The voice of the elderly is being heard in Washington. It was heard in the establishment of a Federal Administration of Aging to oversee programs related to the elderly; it was heard in the 68 percent rise in social security benefits in the last 3 years; it was heard in Federal statutes which outlaw age discrimination practices in private and now in public employment.

But, we cannot afford to rest on what we have done.

One of our most fundamental problems is the question of health security.

Four and one-half years ago, in January of 1971, former President Nixon told the Nation that we were in the midst of a health crisis in this country and said that he would present a program "to insure that no American family will be prevented from obtaining basic medical care by inability to pay."

Those were strong words and eloquent words. Unfortunately, they were only words. After 3 years of proposals, the administration fell silent on national health insurance. There have been no new proposals, and the President this year has indicated he would veto any major health insurance program as being "inflationary."

I do not know who is advising the President on this matter, but I think it is important that we keep in mind that the Nation's health bill is over $100 billion; that is up from $53 billion in 1970.

It accounts for 7.8 percent of our gross national product.

It represents roughly 1 month's wages for every man, woman, and child in this country.

And it is growing far more rapidly than increases in the cost of living.

When we speak of inflation, we cannot just look at one side of the picture. The hard fact is that we are already experiencing rampaging inflation in the health field.

So, you see, I cannot accept the President's decision to delay action on health insurance. A crisis does not disappear when you ignore it. It just continues to build, and that is what we are seeing in health care today.

I want to see a health care program that attacks the problems of health care delivery as well as health care costs.

I want to see one that insures accessibility to health coverage to the millions of Americans who do not now have it.

I want to see catastrophic coverage for all of those below a certain income level; I want to encourage efficiency in hospital accounting procedures. And I do not want to see the insecurity that millions of elderly Americans confront today as they contemplate illness after the age of 60 or 65.

In all of our discussions about health policy, I believe we have to keep in mind one overriding point—and that is, how do we cut down on the distorted incentives for people to be placed in nursing homes or hospitals rather than being treated in their own homes or in outpatient facilities.

Must all older Americans be cared for by institutions? I do not think so. Many patients in hospitals or nursing homes could just as easily be cared for in their own homes or those of their children. In addition, there are many others who require institutional treatment during the day but who can return to their homes at night.

There is something wrong with a health care system that spends hundreds of millions of dollars keeping people in institutions when many of them could just as easily be at home.

We should start promoting home health care.

We can cut out some of the unreasonable restrictions in the medicare laws that restrict coverage of home health care.

We can look into day care programs for the elderly, which have professional aides visit them in their homes for a few hours a day to see that their needs are taken care of.

We can encourage minor surgery in facilities that do not require expensive hospitalization.

I am presently developing a comprehensive home and family services health act, which will, for the first time, offer a national strategy to encourage home health services. That legislation should be ready for introduction in a matter of weeks.

Health care is a basic need that must be addressed. But there is another issue even more basic—income security.

We hear a lot these days about the social security system and its flaws, and how it has to be overhauled. Perhaps that is inevitable given the size of the system and the number of people enrolled in it. But in my view, we don't hear enough about the other side of the question.

Social security is today responsible for keeping some 12 million Americans out of poverty; more than 100 million people will contribute and receive credits under its provisions this year. This is a benefit to society that cannot be dismissed.

No doubt there are problems with the system, and we should not turn our backs on them.

I sit on the Social Security Subcommittee, and I will participate in a review of any changes in the system.

But I will reject efforts to turn social security into a political football. I will not let that happen to the elderly of this Nation.

Of course, all of the questions of income security depend, to a large extent, on the Nation's economy. And this recession has been particularly cruel to the elderly.

In fact, the recession has created a new generation of elderly poor. As businesses cut their payrolls, more older workers are laid off and begin standing in unemployment lines. In the last 6 months of 1974, the unemployment among workers over 40 increased by an alarming 75 percent.

Since I came to Washington, I have been concerned about employment opportunities for older workers. Many middle-aged workers do not want to retire, they want to work. They want to remain productive.

They must have that right and that opportunity.

Even though my age discrimination legislation is now the law of the land, all of you know that job bias against older workers persists. Senior citizens are the victims of a phenomenon called ageism, the belief that once a man or woman passes a certain age, they are no longer suitable for hiring.

I would like to see a special mid-career development program established in the Department of Labor to provide special help to the unemployed worker over the age of 40, and I have introduced legislation to do just that.

In this age of early retirement, there are still those who would choose to work, and they are a national resource we cannot afford to waste.

Franklin Roosevelt once said:

> The test of our progress is not whether we add more to the abundance who have much: it is whether we provide enough for those who have too little.

For too long, the older generation in America has enjoyed too little of the fruits of this Nation's abundance.

We owe it to them as their earned right—and we owe it to ourselves as a civilized people—to guarantee them something better, so that those older years can be more attractive, more fulfilling and stimulating, and rewarding—a fitting climax to a busy life in a decent, civilized society.

SOVIET SECRECY IN GRAIN PURCHASES

Mr. DOMENICI. Mr. President, in the summer of 1973, the Governments of the U.S.S.R. and the United States concluded an Agreement for Cooperation in the Field of Agriculture. An important part of this agreement is the provision contained in article II which provides for the exchange of agricultural information including the exchange of data on production, consumption, and international trade in agricultural products. The agreement provides not only for the exchange of historical data but also for the exchange of forward estimates on agricultural production, consumption, and trade.

Despite the Soviet agreement to work with the United States toward developing a supply-and-demand data system for grains, the USDA has continued to experience difficulty and frustration in getting the Soviet Union to provide adequate information on forward estimates and to inform us in advance on intended purchases of U.S. grain. There can be no doubt that this lack of cooperation is continuing, as we have reports in the press today that the Soviet Union is possibly moving into our grain markets again without prior notification. In fact, one article quotes Richard Bell, a Deputy Assistant Secretary of Agriculture, as saying that U.S. officials were aware of the reports, but had not been able to confirm them.

Once again, the Russians are trying to keep their purchasing efforts secret. We must remember the administrative structure responsible for purchasing grain imports in the Soviet Union meets the economist's definition of a monopsony buyer. A monopsony buyer has the power to influence the price that it pays for a product. When we have a situation where monopsony power is buttressed by secrecy, the potential price influence is enhanced. What has happened in our markets since these reports became public? September-delivery wheat rose the 20-cent-a-bushel limit; September-delivery corn rose the 10-cent-a-bushel limit; and September-delivery soybeans rose the 20-cent-a-bushel limit.

Mr. President, if it is the policy of the United States to promote expanded trade in agricultural products with the Soviet Union, and if this policy is to continue, we must demand a more predictable and orderly access to U.S. markets by the Soviets. The Soviets should not be allowed to enjoy the benefits and advantages of dealing with our free and open capitalist system to the detriment of those who maintain its freedom and openness—the people and merchants of the United States.

Mr. President, I ask unanimous consent that articles on the subject be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 9, 1975]

REPORTS OF WHEAT BUYING BY RUSSIA GAIN CREDENCE; GRAIN FUTURES RISE

The possibility that Russia had already bought or was buying large amounts of grain in Canada and the U.S. gained greater credence yesterday, although confirmation still was lacking.

Grain industry sources, market analysts and traders put together related information, such as reports of Russia chartering vessels and of buying attributed to exporters in wheat futures markets, as a basis for believing there was substance to the reports of Russian grain purchases.

Wheat, corn, soybean and soybean oil futures prices rose their respective daily limits in active trading. The gains in the grain and soybean markets sparked sympathetic buying of contracts in some other U.S. commodity futures, brokers said.

According to one report, Soviet negotiators are exploring the possibility of purchasing 30 million tons of American wheat over the next three years.

A source close to the negotiations said the Soviet Union is in the second year of a three-year contract with Canada that calls for an estimated two million tons in annual purchases, part in wheat and part in flour.

Commodity indexes

	Close	*Net Chg.*	*Yr. Ago*
Dow Jones Futures	259.66	+7.72	314.78
Dow Jones Spot	282.80	+9.07	354.81
Reuter United Kingdom	1083.5	+6.3	1231.3

However, because of projected shortages in the Russian wheat crop, indications are the Soviets are trying to buy an additional 10 million tons a year from the U.S. over the next three years, while attempting to renegotiate Canadian contracts to obtain larger quantities, the source said.

An Agriculture Department source said the Russian request wouldn't be extravagant and that, based on anticipated U.S. crop production this year, the U.S. easily could handle such a transaction.

Richard Bell, Deputy Assistant Secretary of Agriculture, said he didn't know about any such pact with Russia nor that Soviet negotiators were in this country seeking to make such purchases. He did say, however, that he was aware the Soviet Union was chartering vessels to ship grain from North America to the Baltic and Black seas.

While London shipping sources said the Russians were thought to have chartered as many as 19 bulk carriers to transport up to four million tons of Canadian and U.S. grain, one New York export source said he knew that Russia chartered 14 vessels and possibly more, mostly for eight to 18 months use. "This will appear in the Baltic Register in London tomorrow," he said.

He said each ship can carry 25,000 to 30,000 tons and can make at least 10 trips during the charter time, so conceivably they can transport up to five million tons during the period.

The Canadian Wheat Board refused to confirm or deny reports of wheat sales to Russia. "I am not at liberty to say anything one way or another about the reports," a board spokesman said.

In Winnipeg, Leo Fink, manager of the commodity department of James Richardson & Sons, grain merchants, said, "It would appear that a deal between Canada and Russia has definitely been done, but it's impossible to put a finger on the actual size of the grain purchases."

He added that rumors of Russians booking cargo space for seven million tons of U.S. wheat and three million tons of Canadian wheat "might be a little high," although "not impossible," as the 10-million-ton figure "might include flour or other grains."

Mr. Fink said the main reason for the current secrecy by the Russians and U.S. and Canadian grain officials "could be that the Russians want to firm up all necessary cargo space" before announcing the purchases. He added that "maybe ocean freight rates would jump if it was known" how much shipping tonnage the Russians needed. Lining up cargo space before announcing a major commodity purchase is "quite often done in the export business," he said. "The Russians are simply using the capitalist marketing system to the full extent."

Russia was thought to be buying wheat in the world market because of insufficient rains for its spring crop, which accounts for the major portion of total Russian output.

One of three U.S. Agriculture Department economists who returned Monday night from a three-week trip to the Soviet Union to assess grain crops said that he visited five agriculture districts and that winter crop yields were down from last year. "In the spring wheat areas of the lower Volga, the climatic conditions are worsening. The weather is very hot and dry. It doesn't look good for the Russian spring grain crop." He said grain procurement wasn't discussed in talks with Russian Agriculture Ministry officials.

Wheat that is needed over the next three years will be bought in the world market, mainly from the U.S., Canada and possibly Australia, according to one source. However, he said that the U.S. has the price edge and will get most of the business. The Russians want good grades of wheat and will use their own grain for livestock feeding, he said.

London gold dealers said rumors recently circulated that the Soviet Union was selling gold to finance grain imports. One knowledgeable London dealer said there's a "strong possibility" that the gold sale rumors are true.

The reports of Russian purchases were making U.S. wheat farmers reluctant to sell new crops because of expectations that exporter buying would boost market prices, brokers said. This was thought to have contributed to firmness in futures prices.

Precious metals: Futures prices for silver, gold, platinum and silver coins were higher. Market sources said that speculative buying developed on the rise in London gold prices. There were also rumors that the Soviet Union had withdrawn from selling gold in European markets after recent sales to finance grain purchases, brokers said.

Cocoa: Futures prices rose as much as the daily limit of two cents a pound for a cumulative gain of almost four cents since Monday. Demand for contracts continued because shipping delays and reluctant selling policies by producers are keeping cocoa bean supplies from reaching consuming countries, brokers said.

Sugar: Higher prices paid in the world marekt for refined Indian sugar created buying of world futures, with prices rising the daily limit of one cent a pound, brokers said.

Meat and livestock products: The current July frozen pork belly futures rose more than 1¼ cents a pound at one point to a high of 84 cents—the highest price paid for a pork belly contract since trading started in 1962. Deferred pork belly contracts ended lower. Shortages of cash supplies available for delivery and a stronger cash quotation spurred buying of the contract, brokers said. Cattle and hog futures were mixed.

[From the New York Times, July 9, 1975]

SOVIET SAID TO SEEK U.S. GRAIN SUPPLY: REPORTS IN LONDON ARE FOR EXPORT OF 7 MILLION TONS

WASHINGTON, July 18.—The Soviet Union, suffering from drought, is preparing to purchase large quantities of grain from the United States and Canada, according to reports in two London newspapers today.

Neither Government officials here nor spokesmen for major American grain companies could confirm that any such sales were in the offing, but one Department of Agriculture official said that the Russians "are chartering vessels for shipment of grain from North America to the Baltic Sea and Black Sea."

The reports come just three years after huge Soviet grain purchases, negotiated in secret, that led to shortages and high prices in the United States, as well as severe domestic transportation tie-ups.

Prices for wheat, corn and soybeans in American commodity market jumped in reaction to the Soviet rumors by their daily permissible limits.

According to the reports, in the Times of London and The Financial Times, the Russians are trying to keep current purchase efforts secret, negotiating through third parties for ships to carry grain to Soviet ports.

The Times of London said the Russians were trying to get up to 3 million metric tons (of about 2,200 pounds each) from Canada and up to 7 million metric tons from the United States. The paper identified one of the third-party shippers as Glenas, a Panamanian-registered concern equipped with Swiss bank guarantees working through Paris brokers.

Richard E. Bell, a Deputy Assistant Secretary of Agriculture, said United States officials, aware of the Soviet reports, were still trying to confirm them.

Noting the chartering for North American-Soviet port runs, he said American exporters are required to report sales of 100,000 tons or more within 24 hours of concluding the deal, but also that the Russians are known to charter ships before making grain purchases final.

Spokesmen for two of the largest American grain dealers, Cargill and Cook Industries, said they knew of no major Soviet export transactions.

Mr. Bell said that lack of rainfall is known to have affected spring wheat production in parts of the Soviet Union, while a bumper crop is expected for the United States.

As is traditional, neither Soviet officials nor the press has made mention of harvest shortfalls, but the nation is known to have had one of its driest, warmest winters on record this year and little rain has fallen since then.

After a disappointing harvest in 1972, the Soviet Union went all-out to increase grain output and in 1973 produced a record 225.5 million metric tons, up from 168 million the year before. The goal for this year was 215 million tons, but American officials have estimated that output would actually total 200 million and could be cut further if drought conditions were not relieved.

It was on July 8, 1972, that then-President Richard M. Nixon announced a $750-million credit arrangement to enable the Soviets to buy United States wheat and feed grains. Although the loan, financed through the Agriculture Department, was thought then to have met the Soviet Union's needs, it turned out to be only the tip of an export iceberg.

Within a month, it was disclosed that the Russians had secretly negotiated large cash purchases of United States grain, mainly wheat, amounting to more than $1 billion. The sales, of 19 million metric tons, took about one-fourth of the 1972 United States wheat crop.

SOME CREDIT UNUSED

Those transactions, carried out in secret with a number of private grain companies, led to soaring United States grain prices and triggered an unprecedented export surge, contributing to rising grain and meat prices for American consumers in the last two years.

According to Department of Agriculture officials, the Russians did not use all the $750 million line of credit, and terms of the agreement, the $200-million that remains must be drawn down by July 31.

Kennard O. Stephens, director of the Agriculture Department's export credit program said the Soviet Union had used about $550 million of the initial credit, and, as of June 27, had repaid $383 million plus about $53 million in interest.

Soviet Dollar Interest Cited

London, July 8.—Signs of growing Soviet activity in Western currency, Eurodollar and gold markets provide evidence that the nation may be seeking substantial dollar balances for North American grain purchases, London bankers report.

Soviet sales of gold, which have been detected in Zurich for several weeks, have at times appeared to approach the amount of gold deliveries from current South African production, according to Swiss banks. Bankers here calculate that sales on this scale could create a dollar income of up to $100 million weekly.

Corn, Soybean and Wheat Prices in Chicago Climb

(By Elizabeth M. Fowler)

Amid reports that the Soviet Union is about to buy grains in the United States, prices for wheat, corns and soybeans jumped by their daily permissible limits yesterday on the Chicago Board of Trade.

As one analyst put it, the factor to watch now until the Soviet harvest is completed in late August is temperatures over the Soviet growing areas. At latest report the temperatures ranged from 90 to 110 degrees and the analyst said that "would be much too high for South Dakota wheat."

To traders, key indications of heavy foreign buying included reports, recently confirmed, that the Soviet Union had chartered at least a dozen ships for carrying grains from Great Lakes ports and the fact that wheat prices at New Orleans, one of the major Gulf of Mexico export centers now run more than 40 cents a bushel above the current quotes for July wheat at Kansas City.

"Traditionally the premium at this time of year is about 18 to 22 cents," an analyst explained.

With all the talk about Soviet grain buying, there is little doubt grain farmers will hold supplies away from the market, hoping for higher prices, which in itself tends to push prices ahead.

September delivery wheat closed at $3.28¼, up the 20-cent-a-bushel limit; September corn ended at $2.66¼, up the 10-cent-a-bushel limit, and September soybeans finished at $5.26½, up the 20-cent-a-bushel limit.

In New York there was a rumor that the Soviet Union might also be buying sugar. This combined with the current high-demand season for ice cream and sugar-filled soft drinks, helped lift sugar prices for September delivery to 15.23 cents a pound, up from 14.20 cents, on the New York Coffee and Sugar Exchange.

Silver prices, a laggard recently, showed a sizable gain on the Commodity Exchange, apparently inspired by the general strength in commodity prices, which can spell inflationary pressures. Traders like silver as an inflation hedge. August delivery silver closed at $4.64 4/10 an ounce, up from $4.51 6/10.

BURDENSOME BLACK POWDER REGULATIONS WITHDRAWN BY TREASURY

Mr. BAYH. Mr. President, in March 1973, I introduced S. 1083, a bill known as the "black powder bill." It was designed to eliminate serious hardships for many thousands of Americans who use commercially produced black powder for recreational, cultural, and sporting purposes. After chairing full Judiciary hearings on behalf of Chairman Eastland, the committee unanimously reported my bill to the Senate. I was pleased on July 13, 1973, when the Senate, by a vote of 78 to 8, passed the measure.

Under then applicable Federal law, the purchase, possession, storage, and transportation of commercially produced black powder in amounts larger than 5 pounds as well as certain igniters were subject to extensive regulations. My bill exempted these items from Federal regulations for recreational, cultural, and sporting purposes. In removing these burdens, however, the bill did not alter in any way the strict criminal penalties for the misuse of explosives, including black powder and igniters. These penalties adopted by the Congress in 1970, are designed to prevent unlawful damage of property, intimidation, personal injury, and loss of life through the use of explosives. I believe that these terrible crimes must be punished swiftly and severely, as provided by present law.

In my testimony before the House Judiciary Subcommittee on Crime on November 26, 1974, I explained the purpose of S. 1083 in part as follows:

> The use of antique firearms and replicas of antique rifles and cannons is an integral part of the sporting, cultural, and recreational life of this country. Muzzle-loading rifles are used at meets throughout the nation by organizations such as the National Muzzle Loading Rifle Association and the North-South Skirmish Association. These include both team and individual competitions using various types of Civil War weapons and other antique firearms. Antique or replica muzzle-loading cannons are also used nationwide by various civic, Boy Scouts, and veterans groups in a variety of ceremonies, including flag-raising, centennial, sesquicentennial, and Fourth of July celebrations. Some 500,000 people are involved with the increasingly popular sport of muzzle-loading, collecting and shooting antique and replica firearms. Moreover, they are used by symphony orchestras in the performance of classical music, such as Tchaikovsky's *1812 Overture*. In addition, replicas are manufactured for historical groups and associations for use on historical restorative projects throughout the country. Thousands gather at numerous competitive target shooting events all over the country. In my own State of Indiana, organized competitions using antique muzzle-loading weapons are an important part of our recreational and sporting tradition. In fact, Friendship, Indiana attracts over 15,000 participants and spectators each year at muzzle-loading events.
>
> I have never shot an antique cannon in my life, but I am not about to say that there is not a place for antique cannons, particularly as we approach our 200th birthday. If someone is firing antique cannons, are we going to say he is not performing a useful, recreational or cultural purpose? I am not about to say that.
>
> Mr. Chairman, the purpose of S. 1083 is relatively simple. First, it is designed to remove the rather significant burden which has been imposed on those sportsmen, on those symphony directors, on those community directors who are today utilizing black powder for wholesome recreational and cultural purposes. The second point I want to emphasize is that this bill is in no way designed to jeopardize law enforcement efforts to prevent illegal activity using any kind of explosive, and it is not designed to prevent punishing those terrible deeds which bring destruction, pain, suffering, and loss of life.
>
> I respectfully urge the members of the House Judiciary Committee to expeditiously approve S. 1083 in order to allow the House of Representatives to consider this important measure in the 93d Congress.

Eventually, the House of Representatives passed a version that was identical in purpose, but with somewhat altered provisions. My bill would have removed all burdens for those engaging in the use of these materials for recreational, cultural and sporting purposes. S. 1083, as amended by the House, however, limited access for such purposes to 50 pounds.

I was informed that nearly all who desire to use these materials for recreational, cultural, and sporting purposes would be greatly assisted by the passage of this version. In view of the rather considerable length of time that elapsed before the House of Representatives took this measure under consideration and since we were in the final hours of the 93d Congress, there was little doubt that this bill was the most that could be achieved during this Congress.

The bill was sent to the White House on December 18, 1974, amid rumors that the President might subject it to a veto. I was never persuaded of the merits of the administration arguments against my bill, but I knew that its representatives were lobbying hard and strong against its passage. Fortunately President Ford reconsidered and expressed his support for our approach when he signed the measure—Public Law 93-634—on January 4, 1975.

Then for more than 4 months Treasury Department officials worked on regulations ostensibly to carry out the will of Congress as expressed in S. 1083. Namely, that purchasers of black powder be alleviated of the burden of redtape and regulations regarding purchase of 50 pounds or less. Finally, the proposed regulations were published on May 20, 1975 (40 FR pages 21961–65).

The regulations concerned me for several reasons. First, those interested in commenting were permitted only a minimal period to submit their views and suggestions. What had taken Treasury "experts" 4 months to develop could not be fairly responded to by otherwise full-time employed, interested citizens within the 2 weeks allotted. Thus, on May 30, 1975, I wrote Director Rex Davis, Bureau of Alcohol, Tobacco, and Firearms, Department of Treasury, requesting an extension of at least 30 days for comments on the black powder regulations. I was pleased that the Director agreed to my request and agreed to permit comments for an additional 30 days for a total of 6 weeks.

At least equally bothersome was the breadth and impact of the regulations. Rather than ease the burden of legitimate black powder enthusiasts the proposed regulations in many respects subjected them to more redtape and regulation than had been the case prior to passage of S. 1083. For example, even percussion caps were included under the regulations and thus subject to more restrictive control than those for modern reloading components. Rather than providing an extended exemption for purchases of black powder and a clarification of the exempt status of ignition components as intended by the law, it appears that Treasury desired to achieve an opposite result.

Whatever the explanation for the abberent direction these proposed regulations took, I am pleased to announce that Director Davis has informed me that ATF has withdrawn the maldrafted regulations. He will carefully reassess what the Bureau intended to accomplish—consistent with the intent of S. 1083 of course—and republish the proposal later this year.

I will review the new regulations with a fine tooth comb and undertake every effort necessary to assure that the intent of this law is fully and fairly implemented.

Mr. President, I am indebted to a number of individuals who worked very hard to obtain passage of the black powder bill and who are still in their "spare time" endeavoring to see to it that the intent of Congress is not emasculated in the regulatory process.

The Indiana Sportsmen's Council has been especially helpful in this regard and I ask unanimous consent that correspondence from their vice president, north, Mr. J. P. Barnett, appear in the RECORD at this point.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

INDIANA SPORTSMEN'S COUNCIL,
Bloomington, Ind., May 30, 1975.

Hon. BIRCH BAYH,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BAYH: The Indiana Sportsmen's Council welcomes the opportunity to comment on the newly-proposed ATF regulations governing transactions and transportation of commercially manufactured black powder as delineated in the Federal Register, Volume 40, No. 98, of Tuesday, May 20, 1975, pages 21961 to 21965.

While recognizing the very good intentions of the Bureau of Alcohol, Tobacco, and Firearms in their formulation of the proposed regulations, we do initially find it necessary to point out that despite statements by many ATF officials in 1970 and shortly after about ATF recognition of and sympathy with the plight of antique firearm sportsmen, the ATF spent substantial amounts of time afterward attempting to demonstrate that no difficulties related to the five pound exemption for black powder, then in force, existed.

The specifics of related arguments, pro and con, are well recorded in testimony by the Indiana Sportsmen's Council and other organizations, before Congress and elsewhere. We hope, in light of the foregoing, that the feeling of need for caution prior to any concurrence with presently proposed ATF regulation of antique ammunition components will be understood.

We must also point out that with regard to the presently proposed regulations, the ATF Bureau has spent some four salaried months formulating them, to our knowledge without consulting established representatives of persons most affected by them, yet now allows us two unsalaried weeks to study the proposed regulations, confer, and prepare a response, without benefit of answers to questions, examination of forms in reference, or allowances for customary time of mail delivery.

Our present examination of the overall regulations proposed, we confess to having somewhat the feeling of the fabled farm lad who with some difficulty extracted a promise from a leprechaun not to disturb a marker tied to a tree indicating presence of discovered gold, only to find, on his return to the woods with digging tools, that the leprechaun had kept his promise—but at the same time had tied identical markers to all the other trees in the woods, keeping the gold no less concealed.

The overwhelming weight of legislative history with regard to PL 93–639 is that Congress, in rare unanimous action, intended to raise the old five pound exemption for "black powder" to fifty pounds of "commercially manufactured black powder," and to clarify existing legislative, regulatory, and de facto exemptions for antique ignition implements.

Now we find that the ATF Bureau proposes to allow powder *poundage* per purchase to be increased, but with decreased *exemption;* and at the same time, to now *regulate* antique ignition implements whose mention in S. 1083 was for the very purpose of clarifying *previous* exemptions, and was not at all for the purpose of subjecting those items to regulation.

In greater detail, we very respectfully point out the following areas of concern with regard to the proposed regulations:

1. We feel that the terms "limitation" and "exemption," however marginally overlapping, need separation and clarification.

Under the old law and regulations, it was many times pointed out by ATF officials that the five-pound *exemption* was not a five-pound *limitation:* i.e., that the exemption could be successively invoked in purchasing five pound quantities, with possession of greater quantities unquestioned, provided that violations of storage and transportation requirements were not made, and so on.

Yet in the presently proposed regulations, the term "exemption" seems diminished in value, with weight of emphasis shifting toward "limitation," as in the line "The user is limited to purchases of . . . fifty pounds."

While we presently see no great and immediate cause for alarm in that seeming shift of emphasis, we do wish to point out that the purpose of your bill was to raise a five pound exemption to a fifty pound exemption; not to create a fifty pound ceiling on the purchase of black powder which might later come to be administratively regarded as a fifty pound possession limit, which in a minor but significant number of situations, as in isolated rural areas, would cause new problems while alleviating old ones.

We should like to see some verification that a person who meets established storage criteria for over fifty pounds, may possess quantities consistent with his safe storage facilities.

2. We readily concur with the new non-exempt status of homemade black powder, and welcome ATF concurrence with our long-standing observation that the old law and regulations invited the exempt use of it in terrorist bombs, under wording whose approach paralleled prohibiting good whiskey while exempting moonshine.

3. While purchaser-identification on government forms is mentioned in a House Judiciary Committee report pertaining to PL 93–639, we note that no such recommendation appears in related Senate reports on your bill. We also note that the context of the Committee statement seems to convey an impression that records of non-exempt quantities were not previously required, when in fact they were.

We also note in the statement an indication that the ATF "could" require affidavits—not "shall"—which we feel is less a mandate than the proposed Form 5400.3 requirement seems to assume. And of course the Committee statement in reference speaks solely of powder: not powder and ignition implements.

With respect to powder, we hardly envision a necessity for a known antique sportsman purchasing an exempt quantity of powder to ritually identify himself and provide and affidavit regarding his intentions. We feel that Form 5400.3 is not mandated, and is excessively valued in the proposed regulations, in that respect.

But in its proposed application to ignition implements, we feel that Form 5400.3 falls simply beyond reason. Aside from that application surely not having been intended by Congress, we ask that the following matters be considered as matters of fairness and practicability:

a. The secondary point of S. 1083 was to clarify the exempt status of antique ignition implements, not to regulate them.

b. Percussion caps were, and we believe still are, exempt from regulation. If they were given to regulation, then a strong case could be made for requiring grocers and so on who sell toy paper caps, which are a real and functional type of percussion cap usable, for instance, in the Maynard tape system of ignition, to obtain federal licenses.

c. Regulations pertaining to the old law wisely exempted 3/32" diameter safety fuse, whose ready availability contribute to safety in proof testing various antique and new muzzleloaders, and which is commonly used for ignition in some types, especially during familiarization, and which is also frequently used for ignition among model rocketeers. Safety fuse is no more explosive than a safety match, and federal regulation of it would create far more harm than it might ever correct.

d. There are no dealers in quills, match-cords, and friction primers. Since their attainment of antiquity, those items have always been made by users themselves. Quills are commonly made of soda straws filled with black powder; match-cords are string or cotton rope, variously treated to control speed of combustion; and friction primers are usually assembled from a short piece of small tubing, a small priming charge, a rough piece of wire, and a friction-sensitive activator: commonly the head of a kitchen match.

We do not see what productive application of Form 5400.3 could be made to those items, or in a world full of rope, soda straws, and kitchen matches, what the point would be.

The point of specifically exempting those items was to ensure, under the old wording of "all fuses but electrical circuit breakers," that a person innocently possessing those bona fide antique ignition implements would not be inadvertantly jeopardizing himself under the law.

Lastly in regard to Form 5400.3, we should like to see a clarification to the effect that a person who on occasion picks up a couple of cases of powder for the purpose of supplying himself and sporting associates, is not in danger of finding himself suddenly defined as a "dealer," and therefore subject to a battery of federal regulations and/for criminal prosecution. The primary purpose of S. 1083, we will all recall, was to ease the distribution of black powder among participants in the antique shooting sports, who are not really a criminal bunch.

We feel that the broadly-proposed use of Form 5400.3 should be narrowed to any genuinely productive application that might exist. But considering the many state and local laws applying to black powder purchases in areas where regulation is needed, we question the need for Form 5400.3 at all. There are limits to what regulation can be expected to accomplish, and reference in the proposed regulations is made to economy of expenditure, and impeding meaningful enforcement.

4. The term "small" is inserted, in the proposed regulations, in at least two places before the term "muzzleloading cannons." In the legislative history of PL93–639, "small" was once casually dropped into the record, apparently in oversight, much like the ATF Bureau's own misidentification of black powder as a detonating, rather than deflagrating, substance. Elsewhere, in context and content, ample reference to *other* than "small" antique and antique/replica ordnance, exist throughout the law's developmental history.

As a practical matter, original muzzleloading guns may weigh anywhere from a few pounds up to 50,000 pounds or more. The Senate record contains specific reference to one weighing about 9,000 pounds. Historical replicas in weights up to several thousand pounds are now commonly being produced for public and private restorations and living history programs, and many various sizes, original and replica, are legitimately possessed by individual students of the field. The historical research, dissemination of knowledge, and in one particular case, direct contribution to present Merchant Marine safety that have all attended that part of the field are well known.

Least somebody later, unaware of the legislative history of S. 1083, might attempt to attach some specific definition to "small," or somehow equate it with the troublesome term "miniature," we believe that references to the casually-injected term "small" should be removed from the final draft of the regulations.

We thank you for your invitation to respond to the proposed regulations, and hope the foregoing comments are of use in your own study of them.

Very sincerely,

J. P. Barnett,
Vice-president (North) Indiana Sportsmen's Council.

P.S.—Further objections to the proposed regulations, pointed out by muzzleloading sportsmen after the attached (May 30) letter was drafted, are as follows:

1. The basic problem that inspired S. 1083 was that "courtesy" dealers who maintain small stocks of powder for friends and/or a few customers, or obtain it on special request, had largely disappeared in the face of ATF requirements and red tape, and the fear of prosecution for inadvertent error and so forth.

The proposed regulations would worsen, rather than lessen, that problem.

2. Hoarding amounts of powder beyond one's near-future needs was a shortage-related temptation stemming directly from supply disruptions caused by the law in its pre-amended form.

The proposed regulations would revive, rather than alleviate, that concern. Persons needing only small quantities would be purchasing larger quantities simply to avoid repetition of purchase procedures.

3. Most of the people affected by the proposed regulations are extremely busy earning livelihoods, and simply do not have time to make detailed analytical responses as described by Mr. McConnell in the attached article. Nor do they have time or money to go on trips to Washington to testify about their valid objections. Nor is there time, save in one small weekly publication, to even notify the misleading fraternity at large that the proposed regulations exist.

Our resources for response are simply not comparable to those used by the ATF during formulation of the proposed regulations.

Mr. BAYH. Mr. President, I am hopeful that we will soon reach our objective in this area. The more realistic limit on black powder purchases will allow sportsmen and other users, such as those who will be reenacting historical events for the Nation's Bicentennial, to enjoy their hobby and celebrate our 200th birthday without posing any added danger to the public safety.

THE AMERICAN LEGION ESSAY CONTEST

Mr. MATHIAS. Mr. President, among the numerous reports of our Nation's disaffected youth there sometimes appears an item to indicate that the Nation's ideals can still find continued support among the young. The essay contests sponsored by the American Legion have been one evidence that the young can still examine, and approve, these ideals. The St. Mary's Enterprise in its July 3 issue reprinted two prize-winning essays, by Becky Griffin of Hollywood, Md., and Montgomery Wood of Mechanicsville. I ask unanimous consent that the essays and the accompanying article be printed in the Record.

There being no objection, the essays and article were ordered to be printed in the Record, as follows:

Two Countians Top Winners In Americanism Essay Contest

Two St. Mary's County youths recently were cited as top winners in the American Legion Auxiliary's Americanism essay contest, "I'm Proud to Be An American."

Becky Griffin, daughter of Mr. and Mrs. David Griffin of Hollywood, won first place in the State of Maryland in the contest category for 6th to 8th graders. Her speech has been forwarded from the State to the national contest level.

She is a 7th grade student at Leonardtown Middle School and is active in school activities and an active member of the Tudor Hall 4–H Club and the Hollywood Methodist Church Choir.

Becky was sponsored in the contest by the American Legion Auxiliary Southern Maryland Unit 221 of Avenue. She won the County contest sponsored by Unit 221 in March and received a Bicentennial pin and certificate.

She then advanced to the Southern Maryland District of the American Legion which included six counties and took top honors there. She was presented a $50 savings bond by her principal, Francis Bodine.

Then June 25, she won first place in the American Legion Department of Maryland contest in Cheverly and received a $100 savings bond and an Americanism medal.

Montgomery F. Wood, son of Mr. and Mrs. Sidney Wood of Mechanicsville, also took top honors in the County and district contests in the category for 4th and 5th graders. He then advanced to the State level and won the second place prize there.

Montgomery is 11 years old and is a 5th grader at Banneker Elementary School.

Linda Cross and Ann Kesting were cochairpersons for the Americanism program and contest for Unit 221.

Following are Becky's and Montgomery's winning essays:

I Am Proud To Be an American

(By Becky Griffin)

I am proud to be an American when I remember the generations of Americans who lived before me and overcame many problems to establish a strong nation.

The first settlers who came to America faced a long voyage in a small boat over the unknown sea. When they arrived they had to make a life for themselves in a new place. They had to build homes, clear fields and plant their crops. They had to protect themselves and provide for their own needs. By hard work they were successful.

Later it became necessary to unite the colonies and fight for their freedom. They were small and weak and did not have trained soldiers. They fought hard and won.

Less than 100 years after our country began it was divided. A civil war broke out. Many people were killed and many people lost all their money and possessions. But the country survived and remained united. The people worked to rebuild.

A great depression once again tested the people's ability to overcome great problems. Two world wars caused lost lives and required all the people to give up their personal desires and work together to win. They did.

More recently our government has been upset by having one President killed and another President resign. Each time the change to a new President was made without any great problems.

I am proud of the way our country and people have overcome these difficulties. It makes me believe that we will overcome the many problems which we face now.

I am proud to be an American.

I'M PROUD TO BE AN AMERICAN

(By Montgomery Wood)

I'm proud to be an American because of our American heritage. America is the richest country in the world. We have an abundance of natural resources such as fertile soil, navigable waterways, adequate rainfall and water supply, forests, petroleum, natural gas, iron and coal.

Many hard fought freedoms that I love were won in our War of Independence and saved in other conflicts. The freedom which I love most is the freedom to speak out my thoughts and ideas as long as I don't lie about someone. I can also worship in any church as I please. When I get older I will be able, as a registered voter, to vote for whomever I want to regardless of the party.

I like the idea that we can own property and live where we want to and move when we want. We are given equal education and have fine public schools and colleges. Our fire and police departments give us protection if and when we need it.

We are lucky to have privileges such as a trial if we are accused of a crime and have legal counsel of our choice. We do not have to testify against ourselves. We can bear arms according to state and local laws and petition our government if we don't like something. No one can search our homes or property without a search warrant. Our Constitution helps to protect us as citizens of the United States.

When I look up at our American flag and place my hand over my heart and say the Pledge of Allegiance my heart swells for I'm proud to be an American, for men left their homes and marched in the cold and suffered on the battlefields to help to maintain our freedom. I think it's wonderful that Americans are willing to fight. Our Army, Navy and Air Force are always ready in a moment's notice to maintain the security of the country.

Our government helps to protect the rights of its people and help them to enjoy liberty and freedom. They also help people to secure wholesome food, healthful living conditions, improved conditions of work, for recreation, and opportunities to enjoy peace of mind and personal security. The government has a program to help people who are not physically able to work, or mentally ill.

I appreciate our democracy and will continue in the coming years to do all I can for my country and pray that I might make my country just a little better as my forefathers before me have done.

I wish I could share some of the things I have with boys and girls in other countries who are homeless and hungry and cold for this is the land of the free and the home of the brave.

THE TRADE POLICY STAFF COMMITTEE HOLDS PUBLIC HEARINGS ON TRADE NEGOTIATIONS AT PHOENIX, ARIZ.

Mr. GOLDWATER. Mr. President, on July 1, the Trade Policy Staff Committee of the Presidential Office of the Special Representative for Trade Negotiations held a full day of public hearings in Phoenix, Ariz., in accordance with the public information and consultation provisions of the Trade Act of 1974. In attendance on the panel were representatives of at least eight different offices and departments of the Federal Government.

As described by the Senate Finance Committee in its report on the Trade Act, "this interagency committee—is—made up of representatives from the departments who will be actively engaged in the negotiations in order that the views of interested groups would be heard by those who have negotiating responsibility."

In other words, the public hearings conducted by the interdepartmental committee is a means for providing direct access to high-level officials in the local community or region where U.S. producers and consumers are located who are in the best position to assess the effects of trade proposals on their particular products and interests.

In the words of Mr. Allen Garland, chairman of the committee, at the Pheonix sessions, the hearings are not adversary proceedings. They are to obtain information for our trade negotiators in the easiest possible way for the local citizen.

In this spirit, Mr. President, I was happy to present a statement, by counsel, to the trade committee covering all the major aspects of the State of Arizona's connection with and interests in international trade.

The primary points discussed in my brief included the following:

First. U.S. negotiators must seek to maintain a high level of U.S. agricultural exports in order to help offset the trade deficit resulting from oil imports.

Second. The United States has a special interest in safeguarding the agricultural exports of Arizona and the other Western States because of the large Federal investment in agricultural irrigation projects in these States of over $3.87 billion.

Third. Arizona exports to foreign countries exceeded half-a-billion dollars in 1974, with $300 million of farm exports and $240 million of manufactured exports.

Fourth. A thriving export market could help to restore some of the lost jobs in Arizona's electronics industry.

Fifth. The U.S. duty on imported copper should be maintained at its present level for times when copper is in excess supply in the world markets, and tariff preferences should not be given by the United States to developing countries who are already major producers of copper.

Sixth. Cotton accounted for one-third of Arizona's crop cash receipts and 60 percent of Arizona's farm exports in 1974. Continued access to overseas markets is vital to Arizona cotton farmers.

Seventh. The survival of Arizona's citrus industry depends upon keeping and increasing exports, which require the dismantling of illegal trade barriers erected by the European Economic Community and Japan.

Eighth. The Meat Import Act of 1964 should not be negotiated away at a time when the American cattle industry is in serious jeopardy.

Ninth. U.S. negotiators should not propose international commodity agreements with fixed prices and quotas which will put our producers at an unnecessary disadvantage and replace the competitive market wtih arbitrary rules.

Mr. President, in order that the information contained in the brief, as extended during oral testimony, may be available to the Senate, I ask unanimous consent that the full text of the paper be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

HEARINGS RELATING TO INTERNATIONAL TRADE NEGOTIATIONS AND THE GENERALIZED SYSTEM OF PREFERENCES

I. INTRODUCTION

This brief is filed for Senator Barry Goldwater by counsel in response to the published announcements of May 1 and 30, regarding public hearings by the Trade Policy Staff Committee as to U.S. participation in international trade negotiations being held at Geneva, Switzerland, under authority of the Trade Act of 1974.[1] In order to supplement the Committee's information about U.S. articles generally which are being considered for inclusion in multilateral talks, this brief includes specific information with respect to barriers maintained against U.S. exports of agricultural and industrial items produced in Arizona and to the authority of the President to grant generalized tariff preferences to imports from developing countries.

II. IMPORTANCE OF INTERNATIONAL TRADE

America is a trading nation. In calendar year 1974, total United States exports and imports exceeded 200 billion dollars on a c.i.f. import value basis.[2] United States exports amounted to 98 billion dollars and the c.i.f. import value, swollen with over 27 billion dollars of foreign fuel,[3] was 108 billion dollars.

Putting fuel imports aside, imports generally can contribute to a healthy competition, and lower costs, in the importing country. Also, many American firms have much to gain from an open access to materials needed as components of their own production.

Of course, to the extent that imports are a consequence of unfair competition, such as foreign governmental subsidies or dumping, unnatural distortion of U.S. sales and employment occurs which is unacceptable and must be corrected.

Looking at the other side of the trade coin, American exports not only account for sales valued at 98 billion dollars, but also provide jobs for almost 4 million American workers. According to the U.S. Bureau of Labor Statistics, export markets created 3,600,000 jobs at home in 1972 and about 3,775,000 jobs in 1973.[4]

III AGRICULTURE

Agriculture holds a special position in the United States trade picture. The U.S. exported $22.2 billion of agricultural products in 1974 and imported only 11.2 billion dollars (c.i.f. value) of agricultural commodities.[5] In Arizona alone, farm exports represent 46% of the value of total crop production.[6] These exports contributed to the plus side of the U.S. trade ledger by 11 billion dollars in 1974 which helped offset 41% of U.S. fuel imports.

In addition, agricultural exports provide approximately 1 million jobs involving the production and export of farm commodities. According to latest unpublished data of the U.S. Bureau of Labor Statistics, about 556,000 agricultural workers were employed in export-related production in 1973. To this employment can be added approximately 450,000 non-farm jobs which were directly or indirectly related to the assembling, processing and distribution of agricultural commodities for export.

Moreover, it is important to note that agricultural exports have almost eliminated

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Footnotes at end of article.

government farm payments. The period of large agricultural exports has been followed by a sharp decline in U.S. farm program costs. In the 1974 fiscal year alone, direct payments to farmers declined by over $2 billion, down to $500 million from $2.6 billion in 1973 This factor is a saving to all consumers, as taxpayers.

Finally, there is a particular reason why the United States should strive to maintain the agricultural exports of the 17 Western States, including Arizona, at a high level. This is because of the total Federal investment in irrigation projects which exceeds $3.87 billion.[7] In Arizona alone there are at least 15 water-user organizations that receive Federal funding or benefits, the Salt River Project and the Central Arizona Project being among the best known.

Through fiscal year 1974, the Federal Government has allocated $866,388,136 for reclamation projects in Arizona, and the total estimated Federal obligations for construction totals $2.1 billion in Arizona.

Arizona crop agriculture is almost entirely irrigated, but for a small acreage where dry farming is practiced in northern Arizona. With controlled moisture through irrigation, the Arizona desert land becomes the most productive area of the world because of land rich in native fertility and a reliable climate with an abundance of sun energy.

Thus, the United States has virtually a vested interest in preserving the huge capital investment it has made in nurturing this desert agriculture by seeking to obtain fair and equivalent access for its production in the markets of the world.

In summary, the importance of agriculture should not be overlooked or pushed into the background as it was in the Kennedy Round. This time the United States should adopt a negotiation strategy for the multilateral trade talks that seeks to obtain the maximum possible gains for agriculture as well as for industry. Such a bargaining process would be consistent with the overall negotiating objective set forth in section 103 of the Trade Act of 1974, which specifies that agricultural and other industrial matters must be considered "in conjunction."[8]

IV. BACKGROUND ON ARIZONA TRADE

A. Overview

Arizona has 34 manufacturing establishments in nine industry groups which reported export shipments in 1972. The value of these manufactured exports was 240 million dollars, with principal export shipments being of machinery, electrical equipment and supplies, and processed food.[9]

The estimated value of Arizona argicultural exports for the 1974 crop year is 297.8 million dollars.[10]

The chart below shows principal data about major Arizona industries having a direct interest in multilateral trade negotiations:

ARIZONA.—GENERAL STATISTICS BY MAJOR INDUSTRY GROUP

Industry	1974 value of shipments (millions)	1974 employment	1974 exports (millions)
Manufacturing	$2,270.0	111,500	$240.0
Mineral production	1,520.0	27,100	
Copper	(1,300.5)	(25,000)	
Agriculture (cash receipts)	1,232.3	23,200	297.8
Crops	(603.5)		
Livestock and products	(628.8)		

Source: Valley National Bank, Economic Research Department; Arizona Crop and Livestock Reporting Service; Arizona Department of Economic Security.

B. Electronics industry

The United States electronics industry is marked by leadership in the development of high technology around the world. Among leading elements of this industry are semiconductors and computers. We started ahead and we stayed ahead in these fields.

In view of the demand for state-of-the-art products, the American electronics industry has been able to achieve a positive export balance in the area of these high technology products. In semiconductors alone, of which there is a major industry in Arizona, the United States enjoyed a trade surplus of over $258 million in 1974.[11] Arizona alone has over $90 million of semiconductor export sales.

The electronics industry is one of the largest civilian employers in Arizona, and still employs over 34,000 workers, but recessionary pressures have caused the layoff of over 8,000 employees in this part of our State's economy.[12] A growing export market could help to restore some of these lost jobs.

In this connection, it must be noted that the American industry is encountering stiffer trade barriers abroad, both in the form of tariff and non-tariff barriers.

The electronics industries of other developed nations have relatively free access to our market. For example, $4.7 billion of electronic products were imported into the United States in 1974.[12a] At the same time, foreign nations are sealing off their home grounds to some United States sales.

As to semi-conductor products, the United States maintains a specific duty rate of 6%, but numerous foreign countries keep a duty far above our own. These duties should be reduced to at least the level of equivalent duties in the United States.

The chart below identifies many of the high duty restrictions on semiconductor items which should be included in the negotiating concessions sought by the United States in the multi-lateral talks.

FOREIGN TARIFFS—SEMICONDUCTORS

Classification TSUS 68760: Product description	Importing country	Percent rate [1]
Transistors and microcircuits	EEC	17
Piece parts and unfinished		9
Microcircuits	United Kingdom.	18.2
Do	Denmark	8
Do	Spain	26
Transistors and microcircuits	Argentina	90
Unfinished		15
Transistors and microcircuits	Brazil	55
Unfinished		15
Transistors and microcircuits	Mexico	25
Unfinished		15
Mounted transistors, microcircuits	Israel	25
Microcircuits	Australia	35
Do	Canada	17.5
Do	Japan	15

[1] U.S. rate on all TSUS 68760 articles, 6 percent.

But tariff concessions alone will not assure fair market access of U.S. electronics products in the developed countries, and our negotiators should strive to eliminate non-tariff barriers which damage the market accessibility of American products.

A principal U.S. goal with respect to the electronics industry should be the correction of "Country of Origin Rules" in the European Community. These rules are tied to agreements which reduce the internal duties on trade between the European Community and one of its preferential trade partners or among European Free Trade Association countries. More specifically, the "Rules of Origin" defined the contents-criteria products must meet in order to qualify for reduced preferential rates between the EC and its preferential partners (including the seven EFTA countries) and to trade between the EFTA countries themselves.

These rules may mean that as duties are reduced to zero within the EC/EFTA trade blocs, users will want to obtain their components from local sources, instead of using components produced by U.S. companies, in order to receive preferential duty treatment for their products. The 3% transistor Rule of Origin will have an especially severe impact on U.S. electronic firms.

This rule is so unfair that a German radio, for example, which contains nearly 97% local source parts, must sell in an EFTA country, such as Sweden, at the full external duty rate, rather than at a zero or other preferential rate, if the small remaining portion of the value consists of U.S. transistors.

By 1977, when duties will go to zero between the EC and EFTA nations, the differential caused by the 3% rule will be greater than the value of the transistors used in some of the products concerned. For example, a $200 communications receiver with only $7 of transistors in it will be taxed $17 to $20, or more, if those transistors are American made.

Unless this rule is eliminated or substantially modified, European subsidiaries of U.S. companies will be forced to take advantage of this obstacle to trade themselves, which can affect their ability to be substantial purchasers of U.S. parent company products Or U.S. firms may decide to pull out of one of the largest market blocs in the outside world and thereby cut the related flow of earnings to America from abroad.

C. Copper mining

The health of the copper producing industry is of vital concern to the State of Arizona and to the nation. In 1974 Arizona copper mine production of over 852,000 tons constituted more than half of domestic mine production. Arizona production alone accounted for over 12% of free world mine production.[13] The copper industry in Arizona provides direct employment to over 25,000 persons and indirect employment to many more.[14] The industry makes large expenditures in Arizona for equipment, fuel and supplies and is a major source of revenue to the state and its political subdivisions.

Several non-manufactured copper items in the tariff schedules are included in the President's list of articles published on January 14, 1975, on which he will consider granting tariff concessions in international trade negotiations. These items are also included in the list published on March 24, 1975, which will be considered by the President for designation as eligible articles for purposes of the Generalized System of Preferences.

The copper duty was initially levied in 1932 at a rate of 4c per pound when copper was selling at 9–12c a pound. By executive action taken under the Reciprocal Trade Act and the Trade Expansion Act these duties have, over the years, been substantially reduced to the present rate of .8c per pound. When copper has been in short supply, as it was in 1974, the duty has been suspended by Congress.

In late 1974 and continuing into 1975, world demand for copper dropped dramatically as Europe, Japan and the United States experienced economic recessions. As demand for copper slackened, there was an accompanying drop in copper prices. On the London Metal Exchange the price declined from a record high of $1.52 per pound on April 1, 1974, to approximately 53c per pound currently. In the United States, the price charged by New York metal merchants fell from a high of $1.44 in May, 1974 to a low of 52.8c per pound in January, 1975 and is presently close to 53c per pound.[15] In June, 1974 the U.S. producer price was 85c per pound. A year later, in mid-June, 1975, it was 63c per pound. On June 17 one of the major companies announced a price cut to 60c and on June 18 another major producer announced a similar reduction in price.

Although the duty has been suspended

Footnotes at end of article.

when copper was in short supply, the continuance of this duty is needed when copper is in excess supply in world markets, as it is today. In 1974 free world production of refined copper outside the United States exceeded consumption by some 616,000 tons.

The United States imported approximately $200 million of copper from Chile last year and approximately $160 million from Peru, at a time when the duty was suspended and during a recession, which is a clear indication of the potential of these countries to exceed the $25 million export ceiling put on articles entering from beneficiary developing countries.

At least eleven foreign copper producing nations have been designated beneficiary developing countries and five more are being considered for such designation. The $25 million import ceiling would thereby permit a total of $400 million of imports from these countries combined, which represents about 15% of total U.S. consumption, and if multiplied to take account of each of the 7 non-manufactured copper items now on the preference list, would allow possible imports of over $2.8 billion.

In this connection, it should be noted that four countries eligible for tariff preferences, Chile, Peru, Zambia and Zaire, produced 2.5 million tons of copper in 1974, or 49% of the total non-U.S. free world production.[16] If a country is already an efficient producer, as these statistics indicate, negotiations of MFN concessions in Geneva would be more appropriate than providing them with tariff preferences for purposes of copper imports to the United States.

Major exports of excess foreign copper production to the United States during the next few years could seriously damage the domestic copper industry at a time when this nation's economy and its national security require that a healthy domestic copper industry be maintained. The ability to impose the present duty when the economic situation demands will, to some extent, offset the cost advantages that foreign producers have, without impeding any copper imports that may be needed.

D. Agricultural production

1. General

Cash receipts from sales of Arizona's farm and livestock products grossed $1.23 billion in 1974. This is 12% more than in 1973. Crop receipts were up 42%, but livestock receipts fell 6%. Most of the increase in crop cash receipts was a result of higher production, not higher prices.

The total value of agricultural exports in the 1974 crop year was $297.8 million.

The following table contains the significant statistics:

ARIZONA AGRICULTURAL MARKETING AND EXPORTS 1974 CROP YEAR

	Value of farm production [1]	Farm exports [2]
(1) Crops (total cash receipts) [3]	603.5	
Cotton lint	251.0	175.0
Cottonseed	65.8	7.0
Wheat	48.9	42.0
Feed grains (sorghum, barley, corn)	62.8	13.0
All hay, including alfalfa	86.1	
Protein meal		.1
Safflower	5.5	
Sugar beets	5.0	
Vegetables and melons		9.2
Cantaloupes	13.4	
Lettuce, other	24.9	
Lettuce, yuma	27.6	
Potatoes	11.7	
Other	13.3	
Fruit:		
Grapes	9.0	
Lemons	18.1	11.1
Oranges	10.0	6.7
Grapefruit	4.2	3.3
Other		12.0
(2) Livestock and products (total cash receipts) [3]	628.8	
Meats and products		4.0
Hides and skins		6.4
Lard and Tallow		8.0
Total cash receipts [3]	1,232.4	297.8

[1] Source: Arizona crop and livestock reporting service.

[2] Source: Economic Research Service, USDA; College of Agriculture, U. of A.; Arizona Cotton Growers Association.

[3] The total cash receipts figure is different than the total of farm production figures because not all production is sold in the calendar year in which it is produced.

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2. Cotton

As shown on the table above, cotton is Arizona's principal crop, providing over one-third of all Arizona crop cash receipts in 1974, or $251 million.

Sixty percent of Arizona's total farm exports was accounted for by cotton and cottonseed oil. This statistic is based upon surveys made by Arizona growers which show that over 70 percent of their production is exported. The exports are made from California and show up in government figures for that State, but the cotton is actually grown in Arizona.

Currently, producers are facing inceasing costs of production and declining demand, both domestically and abroad. While domestic consumption of raw cotton has declined since the mid 1960's, from about 9.5 million bales to 6.0 bales annually, world-wide consumption of cotton had increased, until this year, in the Pacific, Africa, and the Communist countries.[17]

Exports of U.S. cotton had gone up with this rise in world consumption. In fact, the United States achieved a trade surplus of $1.3 billion in raw cotton during 1974. But this year exports are declining, from 6.1 million bales in 1973–74 to an estimated 3.9 million bales in 1974–75.[18]

From this, it is clear that exports have been and remain vital to the success of the cotton industry. Thus, a high priority goal of the United States at multilateral talks should be protection of our continued access to foreign markets.

On a related matter, congratulations are due to the joint U.S. State-Agriculture Departments negotiating team which apparently has been successful in solving about 90% of the cotton contract default problem which arose in four Asian nations. Our government's strong action in support of the fundamental principle of honoring forward contracts entered into by textile mills in these four countries may save the United States farmer up to $200 million in income.

It is also recommended that the rate of duty on extra-long staple cotton not be further reduced. About half of domestic extra-long staple cotton is grown in Arizona and the Arizona Cotton Growers Association believes the small wall provided by the remaining duty of 1¾¢ per pound is needed to prevent our becoming dependent on foreign producers for this commodity.

A matter which is becoming of growing concern to the domestic cotton industry is the dramatic rise of imports of palm oil.

The current projection is that palm oil imports will reach 700 million pounds in the crop year ending September 30—this is double the imports of last year and an increase of seven times the imports over 1970. Current imports of palm oil will be equal to 60% of U.S. cottonseed oil production. To make this worse, while imports have gone up, domestic consumption of food oils has gone down—with total U.S. consumption of fats and oils off 700 million pounds in the eight months since October of 1974.

Extensive oil palm plantings are now underway in Malaysia and other equatorial belt producing nations. Unless our government makes an investigation of this matter and comes up with some solution, sales of U.S. cottonseed—and soybean—oil may be seriously displaced in the U.S. market. In addition, U.S. exports of cottonseed oil will likely be injured. Arizona exported about $7 million of this article in 1974.

This situation may offer a good and proper test of the President's basic authority to increase duties pursuant to section 101 of the Trade Act because at present there is no column 1 or column 2 duty at all on U.S. imports of palm oil.

3. Citrus

i. Arizona production

Arizona is the second largest fresh citrus exporter in the United States. In all, Arizona growers received $32.3 million for marketings of citrus during the 1973–1974 season.[19] Arizona packing houses shipped over $45.4 million of fruit to juice and by-products.[20] About one-half of the lemons produced in the United States are grown in Arizona.

In 1974, Arizona exported 2.5 million cartons of oranges, 1.8 million cartons of lemons, and 1.2 million cartons of grapefruit.[21] The combined dollar value of these exports was $21 million,[22] which represents about half the value of all shipments from Arizona citrus packing houses. In addition, about $2.5 million of processed Arizona citrus was exported.

Total citrus-related employment in Arizona exceeds 7,000, including about 1,000 growers, 1,420 employees of sixteen packing houses, 3,450 citrus pickers, and 1,275 full-time farm workers. In addition, there are two processing plants in Arizona which employ 110 workers. The combined 1974–1975 payrolls of Arizona growers, packing houses and processing plants, is over $20 million.[23]

As competition on the world market for fresh citrus is intense, any change in access given by any consuming country will have a significant effect on the flow of trade in citrus. For this reason, it would be harmful to the United States' interest if our duties on citrus items were to be cut unilaterally without first reaching world-wide agreements on tariff schedules and other aspects of the citrus trade.

ii. European Community

Certainly, it should be a precondition to the granting of any U.S. concessions on citrus that existing barriers to our exports which are illegal should first be removed. One of these practices is the preference system operated by the European Community.

Since August of 1969, Tunisia and Morocco have enjoyed an 80% reduction, or preference in the rate of duty of fresh oranges and lemons. Spain and Israel have received a 40% preference in some months of each year beginning with September of 1969, and in December of 1972, the EEC signed a 40% preferential agreement with Lebanon, Cyprus and the United Arab Republic. Most agreements include a 40% reduction on grapefruit as well.

On the basis of information received by this office during two investigations in Europe, it is believed the European Community has renegotiated these earlier agreements with a view to 1) increasing the preferences of all countries now having less than an 80% preference and 2) extending the preferences to citrus fruit juices and canned citrus fruit, as well as to fresh fruit. F.A.S. data shows that the value of U.S. exports to the E.C. of orange juice alone totaled $14.3 in fiscal year 1974.

United States officials have repeatedly protested these preferences:

(a) In their statements before the Senate Subcommittee on Agricultural Exports in March of 1971, spokesmen for the Department of Agriculture, Department of State, and Office of the Special Representative for Trade Negotiations, each testified to the effect that the preferences "discriminated against U.S. citrus in violation of the most-favored nation provision of the GATT."[24]

(b) The inter-agency Trade Information Committee, after public hearings, determined that the citrus preferences fall within the conditions enumerated in section 252 of the Trade Expansion Act as an unjustifiable import restriction.[25]

(c) The United States Senate has gone on record as to the illegality of the citrus preferences, by agreeing without objection to Senate Resolution 89, on April 1, 1971.[26]

(d) The report of July, 1971, by the Presidential Commission on International Trade and Investment Policy, contains at least 15 different criticisms of the EC preferential trade arrangements.[27] Typical of that Commission's statements is its conclusion that "the spread of such regional preference schemes endangers the multilateral fabric of the entire trading system."[28]

An additional factor contributing to the illegality of the preferences, which was noted by the "Williams" Commission, is that these arrangements "usually contain reverse preferences by the developing countries in favor of the Community."[29] According to this practice, the LDC's receive special preferences from the Community only if they, in turn, grant reciprocal preferences to EC products.

Another destructive trade practice used by the European Community in connection with its preference system is the "reference price." By this practice, the Community requires that prices for fresh citrus be kept at or above a certain reference level. If a nation's fruit falls below the reference level, that producer is penalized by losing the preference. The Community plans to extend this practice to citrus juices.

The practice causes unnatural diversions of exports by preference-receiving nations to other markets which they would not penetrate, except for the desire to maintain the reference price. In this regard, it should be noted that the Mediterranean producers are fully as capable of marketing across the Atlantic as we are. Thus, the extention of the EEC–type preferential system will promote encroachment by foreign producers on a large scale in our home market.

The adverse effect of this overall system upon U.S. trade was immediate and sharp. For example, U.S. exports of fresh oranges to the Community in 1972 were down by 51% from the last pre-preference season of 1969.[30] The injury was especially severe during the early shipping season when Arizona fruit is at the peak of its quality. From March through May of 1972, all U.S. fresh orange shipments to the Community were *two-thirds* less then in the same months of 1969.[31]

A U.S. trade team was able to get a substantial reduction in the tariff rates on fresh oranges and grapefruit entering the EC, effective last Summer, and citrus farmers and workers are grateful for this success. But the complete effects of the illegal preference system have not been removed and its impending extension will continue to injure the United States by further encouraging the development of competing commercial citrus industries, by placing U.S. exports at an unfair price disadvantage, and by causing an irregular diversion of exports to the United States by Mediterranean producers and by foreign producers who will attempt to make up lost sales in the Community, with sales to the United States.

iii. Japan

Japan, also, maintains an illegal practice restricting imports of fresh oranges and orange and grapefruit juices. The problem is with quantitative import restrictions inconsistent with Japan's GATT obligations.

The United States has shipped over 4 million dollars worth of fresh oranges to Japan despite the quota, but if there were no restrictions, our market potential could exceed $50 million.[32]

As an interim step during the multilateral talks, Japan could be asked to remove its import quota restrictions from April through September, which would allow it to protect 88% of its domestic production from any additional competition.

iv. Generalized system of preferences

In accordance with section 502(c)(4) of the Trade Act of 1974, the President should not designate fresh or processed citrus products as eligible articles from any citrus producing country which maintains significant tariff on nontariff barriers restricting imports of United States fresh or processed citrus and thereby fails to "provide equitable and reasonable access to the markets . . . of such country." In the words of the Senate Committee on Finance relative to section 502(c)(4): "The Committee feels strongly that beneficiary developing countries should reduce and eliminate their own barriers to U.S. commerce before they should be granted preferential treatment in the U.S. market."[33]

Accordingly, citrus-producing countries which effectively exclude, or impose excessively high duties on, United States citrus should not be given preferential tariff treatment for purposes of their own citrus products. Since the developing countries which so discriminate against citrus exports of the United States constitute almost all the major foreign citrus producers of the world, the simplest way of meeting the requirements of the Trade Act of 1974 would be to remove citrus entirely from the list of articles which may be eligible for duty-free preferential treatment.

Congress accepted this part of the President's Trade Bill only after writing safeguards to prevent U.S. producers from suffering serious injury. One of the expectations of Congress, which is spelled out in section 502(c)(4), is that the U.S. would receive equitable and reasonable access to the markets and resources of a beneficiary country before it should be granted preferential treatment in the U.S. The President's authority to withdraw or limit the preference with respect to any individual article is provided in section 504(a), and logically, if the President can withdraw or limit the preference as to any particular item, he can remove that article from the list of articles being considered for designation as eligible articles at any time prior to the issuance by the President of a valid Executive order under section 503(a).

4. Livestock Production

Meats and products, primarily beef, accounted for more than half of Arizona's billion dollar agricultural industry in 1974.

But the Arizona and American beef industry today is in a condition approaching chaos. This spring, for example, it was costing cattle producers in Yavapai County over 40c per pound to produce their product—calves—and they were being forced to sell calves for 28 to 32c per pound.[34] There has been a recent boost in livestock prices, but this change is the result of fewer grain-fed cattle and does not involve the grass-fed cattle that is in surplus. Also, a big question mark in this illustration is whether or not the rancher has grass available to carry both the yearlings and his basic cow herd.

As of January 1, 1975, the value of cattle on farms, ranches, and feedlots had declined by fifty percent in the United States over the one year span since January 1 of 1974, from $41 billion to $21 billion.[35] Although cattle *numbers* declined in Arizona in 1974, by 16%, the total *value* of cattle fell 57%.[36] Thus, the value decrease primarily reflects a sharp drop in cattle prices and a sharp increase in industry losses.

The financial condition of the livestock industry today makes the Meat Import Act of 1964 even more important to cattlemen now than when it was enacted. This law, allowing restrictions on imports, is needed as a reasonable defensive measure to protect United States sales from the effects of subsidized foreign production and of foreign non-tariff barriers, such as what amounts to an embargo on beef imports in the European Community and Japan. If it were not for the protection offered by the Meat Import Act, the United States could now be flooded with foreign beef diverted to America from the EC and Japan.

In other words, there is absolutely no justification at this time for going above the present trigger level in the Meat Import Act.

Also, Arizona cattle growers ask for a study of transportation subsidies on exported grain that are available to foreign buyers. These subsidies apparently enable foreign purchasers to outbid United States' buyers and artificially increase domestic prices of feed grains.[37]

Arizona cattlemen understand the importance of agricultural exports, but insist that all buyers play by the same rules—which means they should not have to compete with foreign buyers subsidized by their governments.

Your efforts to eliminate present trade barriers for U.S. beef would not only assist an industry which itself consists of 1.9 million full and part-time operators engaged in cattle production and feeding, but 2 million other Americans who have jobs involved in supplying these producers and feeders. It should be noted that the U.S. beef cattle industry purchased more than a quarter of all feed grains used domestically last year and that farmers and ranchers involved in cattle production and feeding also purchase a quarter of the nation's truck output. Each dollar of the industry's $22 billion of annual sales directly generates an additional five to six dollars of business in the supply and processing industries.[38]

E. International commodity agreements

In closing, this brief will raise a subject which should be an official subject of these hearings. This is the matter of Government policy positions in the GATT negotiations which are reported to be already decided upon, but which could have a direct bearing on many of the issues raised at these hearings.

Specifically, reference is made to the announcements in Kansas City and Paris 1) that the United States "will propose that the Multilateral Trade Negotiations now underway in Geneva develop new rules and procedures on [the] promotion of mining and processing industries" and 2) that "we are prepared to discuss new arrangements in individual commodities on a case-by-case basis as circumstances warrant."[39]

If these proposals represent firm negotiating policies, they should be defined and explained to the American public, particularly to the U.S. producers who will be affected. There must be a full opportunity for private comment on the proposals or these hearings will be incomplete to that extent. The private sector advisory committees for industry, labor, and agriculture will be bypassed and the entire system of Congressional procedures that has been created with respect to obtaining public advice and information will be evaded.

For example, public statements imply that United States aid will help foreign nations produce certain minerals and commodities. What minerals and commodities? Will these arrangements include articles for which U.S. producers are finding a declining demand?

Will the agreements only extend to the promotion of commodities in an amount sufficient to serve the needs of home consumption in the beneficiary country? Or will the

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Footnotes at end of article.

agreements cover the development of foreign industries to the point where they are able to compete with U.S. products in third country markets?

Will the agreements be coupled with tariff preferences and other concessions in the United States, such as an exemption from countervailing duties, so that a foreign producer, whose industry has been brought to a commercial level by American aid, can then compete with American products in our own domestic market?

Will commodity agreements include fixed prices and quotas which will put U.S. producers at an unnecessary disadvantage and will replace the competitive market system with arbitrary rules and an increased bureaucracy?

These proposals should be fully explained in advance so that there may be adequate input from U.S. producers who are in the best position to assess the effects of such agreements.

FOOTNOTES

[1] Public Law 93-618 (Jan. 3, 1975).

[2] *Highlights of U.S. Export and Import Trade,* U.S. Bureau of the Census, at 9 (Dec. 1974).

[3] *Id.,* at 106.

[4] Unpublished data, Division of Economic Growth, Bureau of Labor Statistics.

[5] *Highlights of U.S. Export and Import Trade,* U.S. Bureau of the Census, at 30, 77 (Dec. 1974).

[6] See chart on page 12.

[7] U.S. Bureau of Reclamation, U.S. Soil Conservation Service, Agricultural Stabilization and Conservation Service.

[8] During consideration of the Trade Act of 1974 in Congress, the Senate added a new section 103, which mandates that: "To the maximum extent feasible, the harmonization, reduction, or elimination of agricultural trade barriers and distortions shall be undertaken in conjunction with harmonization, reduction, or elimination of industrial trade barriers and distortions." No such section was contained in the House-passed version of the bill.

[9] *Survey of the Origin of Exports of Manufacturing Establishments in 1972,* U.S. Bureau of the Census (Nov. 1974).

[10] See chart on page 12.

[11] *1975 Electronic Market Data Book,* Electronic Industries, Assoc., Table 91, at 101.

[12] Arizona Department of Economic Security.

[12A] *1975 Electronic Market Data Book, supra,* note 11.

[13] *Mineral Industry Survey,* Copper, U.S. Bureau of Mines (Dec., 1974).

[14] Arizona Department of Economic Security.

[15] Bureau of Domestic Commerce, USDC.

[16] *World Metal Statistics,* World Bureau of Metal Statistics (May, 1975).

[17] Trade estimates, Cotton Council International, and see *Report to the President on Investigation No. 22-37,* U.S. Tariff Commission (March, 1974), at A-92.

[18] *Id.,* at A-88; *Highlights of U.S. Export and Import Trade,* U.S. Bureau of the Census (Dec. 1974), at 40, 106; and based upon unpublished estimates of the Department of Agriculture.

[19] Arizona Crop and Livestock Reporting Service.

[20] *Agricultural Prices,* Statistical Reporting Service, USDA.

[21] *Citrus Fruits,* Statistical Reporting Service, USDA.

[22] *Agricultural Prices, supra,* note 20.

[23] Agricultural Labor Producers Committee; 1969 Census of Agriculture, Arizona, vol. 1, at 23, 277; *Farm Labor Report LA 1* (Jan. 1975) USDA.

[24] *Hearing on Problems Incurred in Exporting Fresh Citrus Fruits to European Economic Community Countries,* Senate Subcommittee on Agricultural Exports (March 18, 1971), at 109-111; 114-115; 125.

[25] *Id.,* at 127.

[26] See 117 Cong. Rec. 9358-9360.

[27] *United States International Economic Policy in an Interdependent World,* Commission on International Trade and Investment Policy, at 11, 13, 110, 157, 165, 201, 206, 209, 213, 241, 290, 291, 292, 302, 303.

[28] *Id.,* at 157.

[29] *Id.,* at 241.

[30] Foreign Agricultural Service, USDA.

[31] Unpublished letter from the Honorable Carroll G. Brunthaver, Assistant Secretary, USDA, to Senator Barry Goldwater, Aug. 14, 1972.

[32] Foreign Agricultural Service, USDA.

[33] Report of the Senate Committee on Finance on Trade Reform Act of 1974, at 222.

[34] Unpublished letter from E. Wade Allgood, President, Yavapai Cattle Growers to Senator Barry Goldwater, June 25, 1975.

[35] Cattle Inventory Analysis, American National Cattlemen's Association.

[36] *1974 Arizona Agricultural Statistics,* Arizona Crop and Livestock Reporting Service, at 45, 46.

[37] Unpublished letter from Bill Davis, Executive Vice President, Arizona Cattle Growers Association, to Senator Barry Goldwater, Feb. 26, 1975.

[38] Testimony of Gordon Van Vleck, ANCA, before Senate Committee on Agriculture and Forestry, Feb. 19, 1975.

[39] Speeches of Secretary of State Kissinger before the Kansas City International Relations Council on May 13, 1975, and before the Organization for Economic Cooperation and Development on May 28, 1975.

CONCLUSION OF MORNING BUSINESS

Mr. HOLLINGS. Mr. President, is there further morning business?

The PRESIDING OFFICER (Mr. Morgan). The time for morning business has expired.

LEGISLATIVE APPROPRIATIONS, 1976

The PRESIDING OFFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 6950, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (H.R. 6950) making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. HOLLINGS. Mr. President, pending the arrival of my distinguished colleague from Pennsylvania, the ranking member on the Legislative Appropriations Subcommittee, I intend to put in a call for a quorum. But at this time I make the usual unanimous-consent request that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, beginning with line 1, insert the following:

TITLE I

SENATE

Compensation and Mileage of the Vice President and Senators and Expense Allowances of the Vice President and Leaders of the Senate

COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS

For compensation and mileage of the Vice President and Senators of the United States, $4,809,240.

For "Compensation and Mileage of the Vice President and Senators of the United States" for the period July 1, 1976, through September 30, 1976, $1,205,000.

EXPENSE ALLOWANCES OF THE VICE PRESIDENT AND MAJORITY AND MINORITY LEADERS

For expense allowance of the Vice President, $10,000; Majority Leader of the Senate, $3,000; and Minority Leader of the Senate, $3,000; in all, $16,000.

For "Expense allowance of the Vice President, $2,500; Majority Leader of the Senate, $750; and Minority Leader of the Senate, $750"; in all, for the period July 1, 1976, through September 30, 1976, $4,000.

Salaries, Officers and Employees

For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions and longevity compensation as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows:

OFFICE OF THE VICE PRESIDENT

For clerical assistance to the Vice President, $584,065.

For "Office of the Vice President" for the period July 1, 1976, through September 30, 1976, $146,000.

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For offices of the Majority and Minority Leaders, $239,000: *Provided,* That, effective July 1, 1975, the Majority and Minority Leaders may each appoint and fix the compensation of an executive secretary at not to exceed $24,160 per annum in lieu of $20,838 per annum and a clerical assistant at not to exceed $20,838 per annum in lieu of $17,818 per annum.

For "Offices of the Majority and Minority Leaders" for the period July 1, 1976, through September 30, 1976, $60,000.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For offices of the Majority and Minority Whips, $185,440: *Provided,* That, effective July 1, 1975, the Majority and Minority Whips may each appoint and fix the compensation of a legislative assistant at not to exceed $34,881 per annum.

For "Offices of the Majority and Minority Whips" for the period July 1, 1976, through September 30, 1976, $46,360.

OFFICE OF THE CHAPLAIN

For office of the Chaplain, $30,200.

For "Office of the Chaplain" for the period July 1, 1976, through September 30, 1976, $7,600.

OFFICE OF THE SECRETARY

For office of the Secretary, $3,064,575, including $216,530 required for the purpose specified and authorized by section 74b of title 2, United States Code: Provided, That, effective July 1, 1975, the Secretary may appoint and fix the compensation of a clerk, legislative information, at not to exceed $18,120 per annum and five clerks, stationery room, at not to exceed $12,382 per annum each in lieu of four clerks, stationery room, at not to exceed $12,382 per annum each; and the Secretary may fix the per annum compensation of the editor, digest, at not to exceed $33,522 per annum in lieu of $28,992 per annum; a clerk, digest, at not to exceed $14,194 per annum in lieu of $11,778 per annum; a bill clerk at not to exceed $18,120 per annum in lieu of $15,402 per annum; an assistant bill clerk at not to exceed $12,080 per annum in lieu of $10,872 per annum; an assistant journal clerk at not to exceed $18,120 per annum in lieu of $15,402 per annum; a special assistant at not to exceed $15,402 per annum in lieu of $14,194 per annum; a deputy special assistant at not to exceed $14,194 per annum in lieu of $12,080 per annum; seven clerks at not to exceed $11,778 per annum each in lieu of $10,268 per annum each; a delivery clerk (office of the printing clerk) at not to exceed $10,872 per annum in lieu of $10,268 per annum; an assistant messenger at not to exceed $10,268 per annum in lieu of $9,966 per annum; an assistant messenger at not to exceed $9,966 per annum in lieu of $8,758 per annum; an assistant messenger at not to exceed $9,966 per annum in lieu of $7,852 per annum; and a chief reporter of debates at not to exceed $36,089 per annum in lieu of $36,000 per annum: Provided further, That the position of chief elections investigators at not to exceed $28,690 per annum is hereby abolished.

For "Office of the Secretary" for the period July 1, 1976, through September 30, 1976, $775,000, including $55,000 required for the purpose specified and authorized by section 74b of title 2, United States Code.

COMMITTEE EMPLOYEES

For professional and clerical assistance to standby committees and the Select Committee on Small Business, $8,934,592.

For "Committee Employees" for the period Judy 1, 1976, through September 30, 1976, $2,235,000.

CONFERENCE COMMITTEES

For clerical assistance to the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, $185,425 for each such committee; in all, $370,850.

For "Clerical assistance to the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee", $46,250 for each such committee; in all, for the period July 1, 1976, through September 30, 1976, $92,500.

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For administrative and clerical assistants to Senators, $45,642,178.

For "Administrative and Clerical Assistants to Senators" for the period July 1, 1976, through September 30, 1976, $11,450,000.

LEGISLATIVE ASSISTANCE TO SENATORS

For legislative assistance to Senators, $3,500,000.

For "Legislative Assistance to Senators" for the period July 1, 1976, through September 30, 1976, $900,000.

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For office of the Sergeant at Arms and Doorkeeper, $13,095,160: *Provided*, That effective July 1, 1975, the Sergeant at Arms may appoint and fix the compensation of the following positions (a) in the computer center: a director, computer center, at not to exceed $32,616 per annum and three computer specialists at not to exceed $19,328 per annum each in lieu of four computer specialists at not to exceed $19,328 per annum each; (b) in the Senate post office: sixty-seven mail carrier at not to exceed $10,570 per annum each in lieu of sixty-three mail carriers at not to exceed $10,570 per annum each; (c) in the service department: twelve messengers at not to exceed $8,758 per annum each in lieu of ten messengers at not to exceed $8,758 per annum each; (d) seven detectives, police force, at not to exceed $13,288 per annum each in lieu of four detectives, police force, at not to exceed $13,288 per annum each; sixteen technicians, police force, at not to exceed $12,382 per annum each in lieu of twelve technicians, police force, at not to exceed $12,382 per annum each; and 409 privates, police force, at not to exceed $11,476 per annum each in lieu of 389 privates, police force, at not to exceed $11,476 per annum each; (e) a clerk at not to exceed $16,308 per annum in lieu of a clerk at not to exceed $13,892 per annum; and (f) in the janitor's department: five laborers at not to exceed $4,530 per annum each in lieu of six laborers at not to exceed $4,530 per annum each: *Provided further*, That, the two positions of special employee at not to exceed $1,510 per annum each are hereby abolished.

For "Office of Sergeant at Arms and Doorkeeper" for the period July 1, 1976, through September 30, 1976, $3,275,000.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For offices of the Secretary for the Majority and the Secretary for the Minority, $296,245: *Provided*, That, effective July 1, 1975, and each fiscal year thereafter, the Secretaries for the Majority and Minority may each appoint and fix the compensation of an assistant during emergencies at rates of compensation not exceeding, in the aggregate at any time, $20,234 per annum, for not more than six months in each fiscal year.

For "Offices of the Secretaries for the Majority and Minority" for the period July 1, 1976, through September 30, 1976, $74,100.

AGENCY CONTRIBUTIONS AND LONGEVITY COMPENSATION

For agency contributions for employee benefits and longevity compensation, as authorized by law, $4,750,000.

For "Agency Contributions and Longevity Compensation" for the period July 1, 1976, through September 30, 1976, $1,200,000.

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the office of the Legislative Counsel of the Senate, $584,110.

For "Office of the Legislative Counsel of the Senate" for the period July 1, 1976, through September 30, 1976, $147,000.

CONTINGENT EXPENSES OF THE SENATE

SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $369,055 for each such committee; in all, $738,110.

For "Senate Policy Committees", $92,200 for each such committee; in all, for the period July 1, 1976, through September 30, 1976, $185,000.

AUTOMOBILES AND MAINTENANCE

For purchase, lease, exchange, maintenance, and operation of vehicles, one for the Vice President, one for the President pro tempore, one for the Majority Leader, one for the Minority Leader, one for the Majority Whip, one for the Minority Whip, for carrying the mails, and for official use of the offices of the Secretary and Sergeant at Arms, $40,000.

For Automobiles and Maintenance", for purchase, lease, exchange, maintenance, and operation of vehicles, one for the Vice President, one for the President pro tempore, one for the Majority Leader, one for the Minority Leader, one for the Majority Whip, one for the Minority Whip, for carrying the mails, and for official use of the offices of the Secretary and Sergeant at Arms for the period July 1, 1976, through September 30, 1976, $10,000.

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, as amended, including $570,180 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, and Senate Resolution Numbered 140, agreed to May 14, 1975, $17,654,500.

For "Inquiries and Investigations", including $143,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, and Senate Resolution Numbered 140, agreed to May 14, 1975, for the period July 1, 1976, through September 30, 1976, $4,415,000.

FOLDING DOCUMENTS

For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $3.88 per hour per person, $86,575.

For "Folding Documents", for the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $3.88 per hour per person, for the period July 1, 1976, through September 30, 1976, $40,000.

MISCELLANEOUS ITEMS

For miscellaneous items, $14,184,200.

For "Miscellaneous Items" for the period July 1, 1976, through September 30, 1976, $3,550,000.

POSTAGE STAMPS

For postage stamps for the offices of the Secretaries for the Majority and Minority, $320; Chaplain, $100; and for air mail and special delivery stamps for the office of the Secretary, $610; office of the Sergeant at Arms, $240; and the President of the Senate, as authorized by law, $1,215; in all, $2,485.

For "Postage Stamps", for the offices of the Secretaries for the Majority and Minority, $80; Chaplain, $25; and for air mail and special delivery stamps for the office of the Secretary, $155; office of the Sergeant at Arms, $60; and the President of the Senate, as authorized by law, $305; in all, for the period July 1, 1976, through September 30, 1976, $625.

STATIONERY (REVOLVING FUND)

For stationery for the President of the Senate, $4,500, and for committees and officers of the Senate, $24,750; in all, $29,250.

For "Stationery (Revolving Fund)", for the President of the Senate, $1,125, and for committees and officers of the Senate, $6,200; in all, for the period July 1, 1976, through September 30, 1976, $7,325.

ADMINISTRATIVE PROVISIONS

Sec. 101. For the purpose of carrying out his duties, the Secretary of the Senate is authorized to incur official travel expenses but such expenditures shall not exceed $5,000 during any fiscal year. The Secretary of the Senate is authorized to advance, in his discretion, to any designated employee under his jurisdiction, such sums as may be necessary, not exceeding $1,000, to defray official travel expenses in assisting the Secretary in carrying out his duties. Any such employee shall, as soon as practicable, furnish to the Secretary a detailed voucher for such expenses incurred and make settlement with respect to any amount so advanced. Payments to carry out the provisions of this paragraph shall be made from funds included in the appropriation "Miscellaneous Items" under the heading "Contingent Expenses of the Senate" upon vouchers approved by the Secretary of the Senate.

Sec. 102. Effective July 1, 1975, the first sentence of section 105(d)(1)(A) of the Legislative Branch Appropriation Act, 1968, as amended and modified, is amended to read as follows: "The aggregate of gross compensation paid employees in the office of a Senator shall not exceed during each calendar year the following:

"$392,298 if the population of his State is less than 2,000,000;

"$404,076 if such population is 2,000,000 but less than 3,000,000;

"$432,464 if such population is 3,000,000 but less than 4,000,000;

"$469,006 if such population is 4,000,000 but less than 5,000,000;

"$498,904 if such population is 5,000,000 but less than 7,000,000;

"$530,312 if such population is 7,000,000 but less than 9,000,000;

"$564,438 if such population is 9,000,000 but less than 10,000,000;

"$590,712 if such population is 10,000,000 but less than 11,000,000;

"$625,140 if such population is 11,000,000 but less than 12,000,000;

"$651, 414 if such population is 12,000,000 but less than 13,000,000;

"$684,936 if such population is 13,000,000 but less than 15,000,000;

"$718,458 if such population is 15,000,000 but less than 17,000,000;

"$751,980 if such population is 17,000,000 but less than 19,000,000;

"$777,050 if such population is 19,000,000 but less than 21,000,000;

"$802,120 if such population is 21,000,000 or more."

SEC. 103. Section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58), is amended—

(1) by striking out "actual transportation expenses incurred by employees" in subsection (a)(8) and inserting in lieu thereof "travel expenses incurred by employees"; and

(2) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) In accordance with regulations prescribed by the Committee on Rules and Administration, an employee is a Senator's office including employees authorized by S. Res. 60, 94th Congress and section 108 of this title shall be reimbursed under this section for per diem and actual transportation expenses incurred, or actual travel expenses incurred, only for round trips made by the employees on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within the State (other than transportation expenses incurred by an employee assigned to a Senator's office within that State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). However, an employee shall not be reimbursed for any per diem expenses or actual travel expenses (other than actual transportation expenses) for any travel occurring during the sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator, in whose office the employee is employed, is a candidate for public office, unless his candidacy in such election is uncontested. Reimbursement of per diem and actual travel expenses shall not exceed the rates established in accordance with the seventh paragraph under the heading 'Administrative Provisions' in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment.".

SEC. 104. Notwithstanding any other provision of law, the Committee on Government Operations is authorized, during fiscal year 1976, and the transition period, July 1, 1976, through September 30, 1976, to employ one additional professional staff member at a per annum rate no to exceed the rate for one of the four professional staff members referred to in section 105(e)(3)(A) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

SEC. 105. The Secretary of the Senate, the Sergeant at Arms and Doorkeeper of the Senate, and the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $40,000. The Secretary for the Majority (other than the incumbent holding office on July 1, 1975) and the Secretary for the Minority shall each be paid at an annual rate of compensation of $39,500. The Secretary for the Majority (as long as that position is occupied by such incumbent) may be paid at a maximum annual rate of compensation not to exceed $39,500. The four Senior Counsels in the Office of the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $39,000. The Assistant Secretary of the Senate, the Parliamentarian, and the Financial Clerk may each be paid at a maximum annual rate of compensation not to exceed $39,000. The Administrative Assistant in the Office of the Majority Leader and the Administrative Assistant in the Office of the Minority Leader may each be paid at a maximum annual rate of compensation not to exceed $38,000. The Assistant Secretary for the Majority and the Assistant Secretary for the Minority may each be paid at a maximum annual rate of compensation not to exceed $37,500. The Administrative Assistant in the Office of the Majority Whip and the Administrative Assistant in the Office of the Minority Whip may each be paid at a maximum annual rate of compensation not to exceed $37,000. The Legislative Assistant in the Office of the Majority Leader, and the Legislative Assistant in the Office of the Minority Leaders, the Assistant to the Majority and the Assistant to the Minority in the Office of the Secretary of the Senate may each be paid a maximum annual rate of compensation not to exceed $36,500. The two committee employees referred to in clause (A), and the three committee employees referred to in clause (B), of section 105(e)(3) of the Legislative Branch Appropriations Act, 1968, as amended and modified, whose salaries are appropriated under the heading "Salaries, Officers and Employees" for "Committee Employees" for the Senate during any fiscal year, may each be paid at a maximum annual rate of compensation not to exceed $38,000, except that the Committee on Commerce is authorized to pay two employees, in addition to the two employees referred to in clause (A) of such section, at such maximum annual rate of compensation during the fiscal year ending June 30, 1976, and the transition period ending September 30, 1976. The two committee employees, other than joint committee employees, referred to in clause (A) of section 105(e)(3) of such Act whose salaries are not appropriated under such heading may each be paid at a maximum annual rate of compensation not to exceed $37,500, except that the two employees of the majority policy committee and the two employees of the minority policy committee referred to in clause (A) of section 105(e)(3) of such Act may each be paid at a maximum annual rate of compensation not to exceed $38,000. The one employee in a Senator's office referred to in section 105 (d)(2)(ii) of such Act may be paid at a maximum annual rate of compensation not to exceed $38,000. Any officer or employee whose pay is subject to the maximum limitation referred to in section 105(f) of such Act may be paid at a maximum annual rate of compensation not to exceed $37,500. This paragraph does not supersede (1) any provision of an order of the President pro tempore of the Senate authorizing a higher rate of compensation, and (2) any authority of the President pro tempore to adjust rates of compensation or limitations referred to in this paragraph under section 4 of the Federal Pay Comparability Act of 1970. This section is effective July 1, 1975.

SEC. 106. (a) Section 3 under the heading "Administrative Provisions" in the appropriation for the Senate in the Legislative Branch Appropriations Act, 1975, is amended by inserting "(1)" immediately before the text of subsection (c) and by adding immediately below subsection (c) the following:

"(2) The aggregate amount that may be paid for the acquisition of furniture, equipment, and other office furnishings heretofore provided by the Administrator of General Services for one or more offices secured for the Senator is $20,500 if the aggregate square feet of office space is not in excess of 4,800 square feet. Such amount is increased by $500 for each authorized additional incremental increase in office space of 200 square feet."

(b) The amendment made by subsection (a) of this section is effective on and after July 1, 1975.

SEC. 107. Section 3 under the heading "Administrative Provisions" in the appropriation for the Senate in the Legislative Branch Appropriations Act, 1975, is amended by inserting "(1)" immediately before the text of subsection (a) and by adding immediately below subsection (a) the following:

"(2) The Senator may lease, on behalf of the United States Senate, the office space so secured for a term not in excess of one year. A copy of each such lease shall be furnished to the Sergeant at Arms. Nothing in this paragraph shall be construed to require the Sergeant at Arms to enter into or execute any lease for or on behalf of a Senator.".

SEC. 108. (a) Pursuant to section 2 of Senate Resolution 60 (94th Congress, 1st Session), and subject to the requirements of this section, each Senator serving on a committee is authorized to hire staff for the purpose of assisting him in connection with his membership on one or more committees on which he serves as follows:

(1) A Senator serving on one or more standing committees named in paragraph 2 of Rule XXV of the Standing Rules of the Senate shall receive, for each such committee as he designates, up to a maximum of two such committees, an amount equal to the amount referred to in section 105(e)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(2) A Senator serving on one or more standing committees named in paragraph 3 of Rule XXV of the Standing Rules of the Senate or, in the case of a Senator serving on more than two committees named in paragraph 2 of that Rule but on none of the committees named in paragraph 3 of that Rule; select and special committees of the Senate; and joint committees of the Congress shall receive for one of such committees which he designates, an amount equal to the amount referred to in section 105(e) (1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(b)(1) Each of the amounts referred to in subsection (a)(1) shall be reduced, in the case of a Senator who is—

(A) the chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a) (1);

(B) the chairman or ranking minority member of any subcommittee of either of such committees that receives funding to employ staff assistance separately from the funding authority for staff of the committee; or

(C) authorized by the committee, a subcommittee thereof, or the chairman of the committee or subcommittee, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee,

by an amount equal to the aggregate annual gross rates of compensation of all staff employees of that committee or subcommittee (1) whose appointment is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or to the amount referred to in section 105 (e) (1) of such Act, whichever is less.

(2) The amount referred to in subsection (a) (2) shall be reduced in the case of any Senator by an amount equal to the aggregate annual gross rates of compensation of all staff employees (i) whose appointment to the staff of any commitee referred to in subsection (a) (2), or subcommittee thereof, is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or an amount equal to the amount referred to in section 105(e) (1) of such Act, whichever is less.

(c) An employee appointed under this section shall be designated as such and certified by the Senator who appoints him to the chairmen and ranking minority members of the appropriate committee or committees as designated by such Senator and shall be accorded all privileges of a professional staff member (whether permanent or investigatory) of such committee or committees including access to all committee sessions and files, except that any such committee may restrict access to its sessions to one staff member per Senator at a time and require, if classified material is being handled or discussed, that any staff member possess the appropriate security clearance before being allowed access to such material or to discussion of it.

(d) An employee appointed under this section shall not receive compensation in excess of that provided for an employee under section 105(e) (1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(e) The aggregate of payments of gross compensation made to employees under this section during each fiscal year shall not exceed at any time during such fiscal year one-twelfth of the total amount to which the Senator is entitled under this section (after application of the reductions required under subsection (b)) multiplied by the number of months (counting a fraction of a month as a month) elapsing from the first month in that fiscal year in which the Senator holds the office of Senator through the end of the current month for which the payment of gross compensations is to be made. In any fiscal year in which a Senator does not hold the office of Senator at least part of each month of that year, the aggregate amount available for gross compensation of employees under this section shall be the total amount to which the Senator is entitled under this section (after application of the reductions required under subsection (b)) divided by 12, and multiplied by the number of months the Senator holds such office during that fiscal year, counting any fraction of a month as a full month.

(f) This section is effective on and after July 1, 1975.

On page 23, line 19, insert "TITLE II";

On page 32, at the beginning of line 5, insert "Sec. 201.";

On page 32, line 16, insert "TITLE III";

On page 32, in line 22, strike "$1,283,800" and insert "$1,084,615";

On page 32, in line 24, strike "$320,950" and insert "$271,150";

On page 33, beginning with line 11, insert the following:

AMERICAN INDIAN POLICY REVIEW COMMISSION

For salaries and expenses of the American Indian Policy Review Commission necessary to carry out the provisions of Public Law 93-580, $1,500,000.

For "American Indian Policy Review Commission" for the period July 1, 1976, through September 30, 1976, $300,000.

On page 34, in line 13, strike "$835,000" and insert "$635,000";

On page 34, in line 16, strike "$208,750" and insert "$158,750";

On page 37, in line 11, strike "$540,225" and insert "$564,820";

On page 42, in line 11, strike "$368,450" and insert "$374,350";

On page 42 in line 15, strike "$91,700" and insert "$93,600";

On page 43, line 6, insert "TITLE IV";

On page 43, in line 11, insert "including rental of space in the District of Columbia for meetings,";

On page 43, in line 12, strike "$5,600,000" and insert "$6,500,000: *Provided*, That not to exceed $435,000 of the funds remaining unobligated as of June 30, 1975, shall be merged with and also be available for the general purposes of this appropriation.";

On page 43, in line 17, strike "$1,400,000" and insert "$1,625,000";

On page 43, in line 18, insert "TITLE V";

On page 44, in line 17, strike "$113,000" and insert "$120,000";

On page 44, in line 24, strike "$28,250" and insert "$30,000";

On page 45, in line 15, strike out "preservation of historic drawings through use of document conservation laboratory facilities of the Library of Congress on a reimbursable basis;";

On page 46, in line 1, strike "$4,189,800" and insert "$4,144,500";

On page 47, in line 1, strike "$1,686,700" and insert "$1,685,000";

On page 47, in line 19, after the comma, insert "and the Legislative Branch Appropriations Subcommittees of the House and Senate,";

On page 48, beginning with line 12, insert the following:

SENATE OFFICE BUILDINGS

For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel, and for personal and other services; for the care and operation of the Senate Office Buildings; including the subway and subway transportation systems connecting the Senate Office Buildings with the Capitol; uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902), prevention and eradication of insect and other pests without regard to section 3709 of the Revised Statutes as amended; to be expended under the control and supervision of the Architect of the Capitol in all $8,000,000, of which not to exceed $783,600 shall be available for expenditure without regard to Section 3709 of the Revised Statutes, as amended, and shall remain available until expended for consulting services, design, testing, evaluation, and procurement of office furniture, furnishings, and equipment under a pilot program devised to provide guidelines and criteria for future procurements for such items for the Senate Office Buildings Complex: *Provided*, That the second proviso under the head "Senate Office Buildings" contained in the Legislative Branch Appropriation Act, 1972 (85 Stat. 138) is amended by adding at the end thereof, before the colon, the words "and, in fixing the compensation of such personnel, the compensation of four positions hereafter to be designated as Director of Food Service, Assistant Director of Food Service, Manager (special functions), and Administrative Officer shall be fixed by the Architect of the Capitol without regard to Chapter 51 and Subchapter III and IV of Chapter 53 of title 5, United States Code, and shall thereafter be adjusted in accordance with 5 U.S.C. 5307"

Not to exceed $225,000 of the unobligated balance of the appropriation under this head for the fiscal year 1975 is hereby continued available until June 30, 1976.

For "Senate office buildings" for the period July 1, 1976, through September 30, 1976, $2,050,000.

CONSTRUCTION OF AN EXTENSION TO THE NEW SENATE OFFICE BUILDING

No part of the funds appropriated for "Construction of an Extension to the New Senate Office Building" shall be obligated or expended for construction, either on, above, or below street level, or any additional pedestrian entrances to the Dirksen Senate Office Building on the side of such building that faces First Street Northeast, or for construction of additional underground pedestrian walkways extending from the Dirksen Building through the Russell Building, or for construction of any restaurants or shops on the first floor of the Dirksen Building.

SENATE GARAGE

For maintenance, repairs, alterations, personal and other services, and all other necessary expenses, $127,300.

For "Senate garage" for the period July 1, 1976, through September 30, 1976, $34,000.

On page 52, in line 8, strike "$2,050,000" and insert "$1,891,000";

On page 52, in line 8, strike out "$104,000" and insert "$78,000";

On page 52, in line 15, strike "$524,000" and insert "$485,000";

On page 52, beginning with line 16, insert the following:

ADMINISTRATIVE PROVISION

SEC. 501. (a) Whenever—

(1) the law of any State provides for the collection of an income tax by imposing upon employers generally the duty of withholding sums from the compensation of employees and remitting such sums to the authorities of such State; and

(2) such duty to withhold is imposed generally with respect to the compensation of employees who are residents of such State;

then the Architect of the Capitol is authorized, in accordance with the provisions of this section, to enter into an agreement with the appropriate official of that State to provide for the withholding and remittance of sums for individuals—

(A) employed by the Office of the Architect of the Capitol, the United States Botanic Garden, or the Senate Restaurant; and

(B) who request the Architect to make such withholdings for remittance to that State.

(b) Any agreement entered into under subsection (a) of this section shall not require the Architect to remit such sums more often than once each calendar quarter.

(c) (1) An individual employed by the Office of the Architect of the Capitol, the United States Botanic Garden, or the Senate Restaurant may request the Architect to withhold sums from his pay for remittance to the appropriate authorities of the State that he designates. Amounts of withholdings shall be made in accordance with those provisions of the law of that State which apply generally to withholding by employers.

On page 55, line 11, insert "TITLE VI";

(2) An individual may have in effect at any time only one request for withholdings, and he may not have more than two such requests in effect with respect to different States during any one calendar year. The request for withholdings is effective on the first

day of the first pay period commencing on or after the day on which the request is received in the Office of the Architect, the Botanic Garden Office, or the Senate Restaurant Accounting Office except that—

(A) when the Architect first enters into an agreement with a State, a request for withholdings shall be effective on such date as the Architect may determine; and

(B) when an individual first receives an appointment, the request shall be effective on the day of appointment, if the individual makes the request at the time of appointment.

(3) An individual may change the State designated by him for the purposes of having withholdings made and request that the withholdings be remitted in accordance with such change, and he may also revoke his request for withholdings. Any change in the State designated or revocation is effective on the first day of the first pay period commencing on or after the day on which the request for change or the revocation is received in the appropriate office.

(4) The Architect is authorized to issue rules and regulations he considers appropriate in carrying out this subsection.

(d) The Architect may enter into agreements under subsection (a) of this section at such time or times as he considers appropriate.

(e) This section imposes no duty, burden, or requirement upon the United States, or any officer or employee of the United States, except as specifically provided in this section. Nothing in this section shall be deemed to consent to the application of any provision of law which has the effect of subjecting the United States, or any officer or employee of the United States to any penalty or liability by reason of the provisions of this section.

(f) For the purposes of this section, "State" means any of the States of the United States.

On page 56, in line 3, strike "$1,208,600" and insert "$1,205,000";

On page 56, line 7, insert "TITLE VII";

On page 56, in line 19, strike "$57,096,000" and insert "$57,525,000";

On page 56, in line 21, strike $14,838,500" and insert "$14,976,500";

On page 57, in line 5, strike "$6,753,500" and insert "$6,883,000";

On page 57, in line 7, strike "$1,768,000" and insert "$1,800,500";

On page 57, beginning with line 8, insert the following:

NATIONAL COMMISSION ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS

SALARIES AND EXPENSES

For necessary expenses of the National Commission on New Technological Uses of Copyrighted Works, $337,000.

For "Salaries and Expenses" for the period July 1, 1976, through September 30, 1976, $114,000.

On page 57, in line 20, strike "$16,136,700" and insert "$17,050,000";

On page 58, in line 7, strike "$4,286,300" and insert "$4,584,000";

On page 59, in line 16, strike "$15,813,000" and insert "$15,941,000";

In page 59, in line 18, strike "$3,728,000" and insert "$3,760,000";

On page 60, in line 14, strike "$4,036,500" and insert "$4,100,000";

On page 60, in line 25, strike "$138,700" and insert "$145,300";

On page 61, at the beginning of line 14, insert "Sec. 701.";

On page 61, at the beginning of line 20, insert "Sec. 702.";

On page 62, at the beginning of line 5, insert "Sec. 703.";

On page 63, at the beginning of line 3, insert "Sec. 704.";

On page 63, at the beginning of line 9, insert "Sec. 705.";

On page 63, at the beginning of line 15, insert "Sec. 706.";

On page 63, at the beginning of line 22, insert "Sec. 707.";

On page 64, at the beginning of line 5, insert the following:

SEC. 708. Funds available to the Library of Congress may be expended to purchase, lease, maintain, and otherwise acquire automatic data processing equipment without regard to the provisions of 40 U.S.C. 759.

On page 64, line 9, insert "TITLE VIII";

On page 66, in line 20, strike "$36,765,700" and insert "$33,250,000";

On page 67, in line 4, strike "$9,191,400" and insert "$8,312,000";

On page 68, line 20, insert "TITLE IX";

On page 69, in line 19, strike "$136,565,000" and insert "$135,930,000";

On page 70, in line 13, strike "$35,955,000" and insert "$35,800,000";

On page 70, line 18, insert "TITLE X";

On page 70, in line 24, strike "$1,642,000" and insert "$1,635,000";

On page 71, line 3, insert "TITLE XI";

On page 71, in line 8, strike "102" and insert "1101";

On page 71, in line 11, strike "103" and insert "1102";

On page 71, in line 23, strike "104" and insert "1103";

On page 72, in line 5, strike "105" and insert "1104";

On page 73, in line 17, strike "Committee on Appropriations" and insert "Secretary of the Senate";

On page 73, in line 23, strike "106" and insert "1105";

On page 74, beginning with line 22, insert the following:

SEC. 1106. Section 106 of the Legislative Branch Appropriation Act, 1975 is repealed.

SEC. 1107. Section 40 of the Revised Statutes (2 U.S.C. 39) is repealed.

SEC. 1108. Section 638a of Title 31 of the United States Code shall hereafter not be construed as applying to the purchase, maintenance, and repair of passenger motor vehicles by the United States Capitol Police.

SEC. 1109. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein, except as provided in Section 204 of the Supplemental Appropriation Act, 1975 (P.L. 93–554).

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HOLLINGS. The time to be mutually agreed upon, equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, on behalf of the Committee on Appropriations I am pleased to present to the Senate our recommendations of the appropriations for the legislative branch for the fiscal year ending June 30, 1976, and for the 3-month transition period to the new fiscal period beginning October 1, 1976. Inasmuch as the amounts for the transition period are generally a straight 25 percent of the appropriations recommended for 1976, I will confine these remarks to the committee's actions on the 1976 estimates.

When the bill passed the House of Representatives on May 21 it contained $698 million for fiscal 1976. However, in accordance with long-standing custom, the House did not make provision for budget estimates totaling $127 million for the Senate and Senate items under the jurisdiction of the Architect of the Capitol. By sheer coincidence, the amount of the increase recommended by the committee to the House bill happens to be slightly more than $127 million, so that the amount we recommend for fiscal 1976 is $825,372,685.

The committee has reduced the budget estimates by almost $12.9 million, and a summary of our actions appears on page 4 of our report. The level for 1976 exceeds the previous fiscal year by $57.7 million, of which 36 percent is for the House of Representatives that the committee has not changed in accordance with long-standing custom.

With that background, I will now highlight the major items in this bill.

SENATE

For the Senate, the committee recommends $118,836,775 an increase of $11,403,206 over the 1975 appropriations and $270,110 under the budget estimates. More than one-third of the increase for the Senate relates to the full year cost of the 5.52 percent pay raise effective October 1, 1974, that was largely absorbed in fiscal 1975.

At the request of the majority and minority leaders, the committee recommends salary increases for 181 top officials and employees of the Senate. The Senate took similar action last year but this year's proposal is more restricted. The salaries proposed permit a maximum salary of $40,000 in the case of the Secretary of the Senate, the Sergeant at Arms, and the Legislative Counsel so that their salaries will finally match comparable positions in the House. The proposed salaries for the other officers and high level employees are staged in increments ranging downward from $39,500 to $37,500.

The committee has also inserted several administrative provisions designed to improve the operations of the Senate. An increase is recommended in the allowance for furniture and furnishings supplied by the General Services Administration for Senators home State offices, another provision authorizes travel expenses of office staff of Senators.

The committee is well aware of Senate Resolution 60 which passed the Senate on June 12 and changed rule 25 of the Senate to entitle Senators to legislative assistants in connection with their committee business. Senate Resolution 60 provided two ways to fund the cost of the additional legislative assistants authorized. It could be left to operate as a rule and be funded from the contingent fund of the Senate. However, section 2 of Senate Resolution 60 stipulates that if a legislative assistance clerk-hire fund is established and funded, the rule would be suspended. However, the clerk-hire fund must provide for assistance to Senators serving on committees at rates not less than those provided in the rule and subject to no more conditions and no greater limitations than those provided in the rule. The committee recommends funding of Senate Resolution 60 by establishing legislative assistance clerk-hire appropriation of $3.5 million. An administrative provision has been inserted in the bill to conform with the requirements of section 2 of Senate Resolution 60, but the committee has slightly liberalized the application of Senate Resolution 60 in answer to problems that have come up since its passage. These liberalizations permit a Senator to aggregate the entitlement instead of it coming to him in separate pots of money and place this fund on the accrual bases so that a Senator will have the same flexibility in the use of this money as he does with his administrative and clerk-hire fund.

Before leaving this particular item I should also note that the committee has merely provided for a straight continuation of the level of inquiries and investigations. There is pending before the Committee on Rules and Administration requests by the committees to raise the level by approximately $6 million. During the floor debate of Senate Resolution 60 it was indicated that the additional legislative assistance would obviate in large part the need for the additional $6 million. The Appropriations Committee looks forward to the action of the Committee on Rules and Administration and the Senate on the resolutions for inquiries and investigation.

The committee recommends the establishment of new statutory positions for the offices of the Secretary and Sergeant-at-Arms that reflect the increased workload of these offices, including 27 additional officers for the Capitol Police. The committee has also allowed the funds requested by the Secretary to set up a Senate Historical Office to collect and disseminate information on the vast amount of Senate documents that are stored in nooks and crannies throughout the Senate. I am also pleased to note that we have abolished a total of five statutory positions in these offices that are no longer needed. We have also established a new legislative assistant for each of the whips, funded two additional attorneys and a secretary for the Legislative Counsel, provided for emergency assistance to the secretaries of the majority and minority, and made temporary arrangements in the high level positions of the Committees on Commerce and Government Operations.

Before going further, I want to acknowledge the helpful assistance and cooperation of our new ranking minority member, the junior Senator from Pennsylvania (Mr. SCHWEIKER). We share a common goal of equipping the Senate with the most up-to-date tools available to do our legislative duties.

A considerable portion of our hearings this year were devoted to availability of computerized legislative information to Senators. We found that almost everyone had the information except Senators. The Sergeant-at-Arms has responsibility for the Senate Computer Center and he receives direction from the Committee on Rules and Administration. There has been much well-intentioned effort over the last few years, but Senators are still without the promised direct access to a legislative information system.

In our opinion the pace has been far too slow. At the committee's urging, arrangements have been completed to the legislative information system developed by the Library of Congress into each Senator's office via a dial-up computer terminal. By next year this temporary expedient will be replaced by the Senate's own telecommunications network that will bring a comprehensive legislative information system to a terminal in the Senator's offices, and to the committee offices, the Secretary of the Senate, and the offices of the secretaries for the majority and minority. The Senate system will go far beyond what the Library has in that it will provide status on amendments, committee action, and cover the purely Senate functions of approving treaties and nominations.

JOINT ITEMS

With respect to the joint items the committee recommends $54,712,310, or $1,131,310 more than allowed by the House, chiefly due to the inclusion of $1,500,000 for the American Indian Policy Review Commission. This is a new Commission headed by Senator ABOUREZK and their estimate came too late to be heard by the House. This Commission is charged with making a comprehensive review of the historical and legal developments underlining the American Indians unique relationship with the Federal Government and they are to make a report to the Congressional Interior Committees by December 1976.

The committee has provided only $100,000 over the continuing level for the Joint Economic Committee, a reduction of $199,000 from the amount allowed by the House, and has also not allowed the $200,000 that the House appropriated to the Joint Committee on Congressional Operations for two activities that the subcommittee does not consider appropriate for joint items.

OFFICE OF TECHNOLOGY ASSESSMENT

The committee recommends the full budget estimate of $6.5 million for the Office of Technology Assessment plus the reappropriation of $435,000 of the unobligated 1975 appropriations. There is a growing awareness of the capability of the OTA as a service arm of Congress and the committee was highly impressed by the projects outlined in the budget presentation. More than 60 requests have been received from committees on problem areas to be assessed and with the funds received, only half of these requests can be fulfilled.

ARCHITECT OF THE CAPITOL

The committee has allowed $40,285,000 for the numerous activities of the Architect of the Capitol. I am happy to report that this year the other body has seen the light and appropriated $350,000 for a master plan for Capitol Hill, an action which our committee has advocated for the last 2 years. The Architect assured us that the development of the long overdue master plan will not include the extension, full, partial, or otherwise of the West Front, and the committee expects the public, particularly our Capitol Hill neighbors, to be afforded an opportunity to comment during the plan's development. A new item that the committee fully supports is $2.7 million to make alterations and improvements to the buildings and grounds to provide facilities for the physically handicapped. The committee has also provided for a special research project to design, test and evaluate work station type office furniture and equipment in connection with the Dirksen extension. Excavation is scheduled to begin on the Dirksen extension in September and occupancy is now planned for early 1978, so it is essential to begin consideration of the furniture for the extension.

LIBRARY OF CONGRESS

The committee recommends a total of $117,135,600 for the Library of Congress. The committee's recommendations include restoration of 37 of the 83 positions denied by the House in the basic salaries and expenses appropriation, and full restoration of the amounts that the House cut for the books for the blind and physically handicapped. However, the two primary recommendations of the committee with regard to the Library pertain to the Congressional Research Service and the new National Commission on New Technological Uses of Copyrighted Works. In the case of the CRS we have restored 60 of the 107 positions denied by the House, primarily to expand the vital policy analysis and research activities to improve the services to Members and committees.

The National Commission on New Technological Uses of Copyrighted Works was authorized by Public Law 93-573 to study and compile information concerning the unprecedented problems arising from the use of copyrighted works by means of photocopy, computer storage and retrieval, and other new means of information processing and transfer.

GOVERNMENT PRINTING OFFICE

The committee had no choice but to go along with the $108,500,000 requested for printing and binding by the Government Printing Office. This is an increase of $28,500,000 over the appropriation for 1975, but $23.4 million of the increase is to cover deficiencies incurred in fiscal year 1973, 1974, and 1975 because of greater than estimated physical volume. For instance, the daily CONGRESSIONAL RECORD pages are up 11 percent and there seems to be no letup in the ever-increasing amount of hearings, reports, and other congressional printing. The committee has reduced the amount for the Superintendent of Documents by $3.5 million by denying a special subsidy requested for the Federal Register program. This program consists not only the Federal Register, but the Code of Federal Regulations, the Weekly Compilation of Presidential Documents and in the opinion of the committee the users of these publications are able to and should pay the full cost of producing them.

GENERAL ACCOUNTING OFFICE

The General Accounting Office is a major staff arm of the Congress in evaluating the effectiveness, economy, and efficiency of Federal programs. The Comptroller General estimated savings directly attributable to GAO recommendations totaling $562 million in fiscal year 1974, of which approximately $166 million is estimated to recur annually. In fiscal year 1974 the GAO submitted 553 reports on audits or special studies to the Congress, committees, and Members. This compares with 504 for the preceding year, and during the first 9 months of the current fiscal year 508 reports have been issued, more than the entire amount of 1973, and at a rate over 20 percent greater than fiscal 1974.

The committee has reviewed the additional staff-years allowed by the House of Representatives as allocated by the Comptroller General. The amount allowed by the House nets to half of the 260 additional staff years requested, but, when consideration is given to certain internal offsetting amounts, the increase is approximately two-thirds of the requests for the various Divisions and activities. The committee is in general agreement with the amounts allowed by the House as allocated by the Comptroller General except for an additional reduction of 28 staff years pertaining to GAO's responsibilities in connection with the Budget Act and the Office of Special Programs.

The committee's examination of the budget found that the General Accounting Office had assigned 104 staff years in the current fiscal year to budget and program analysis, congressional information services, and congressional budget support activities. This 104 consisted of 55 staff years already available and 49 staff years released by the phaseout of the former GAO campaign finance activities. An additional 61 staff years were requested for these functions. This internal reprograming included the establishment of an Office of Program and Budget Analysis, that has since been redesignated as the Office of Program Analysis.

A major and essential part of the new congressional budget operation will be the Congressional Budget Office. The committee was informed that the CBO will be presenting their budget estimates for consideration in the supplemental appropriations bill. The committee believes that there should be no further increases in GAO staffing in this area, and that the resources reassigned in 1975 for these functions are adequate for the responsibilities assigned the Office, until the total requirements of the Congressional Budget and Impoundment Act of 1974 can be completely assessed. Accordingly, the committee has allocated a total of 104 staff years to these responsibilities.

The committee is also concerned about the GAO's involvement in technology, particularly the possible overlap with the work of the Office of Technology Assessment. The Congress in establishing the Office of Technology Assessment specifically authorized that Office to give to the Congress a "new and effective means for securing competent, unbiased information concerning the physical, biological, economic, social, and political effects" of technological applications. Clearly, the Congress expects the OTA to take the lead role in assessments of the impact of technology applications. GAO is authorized to provide support to the OTA and is currently providing administrative services under an agreement between the two agencies. GAO is also confronted with technology in carrying out its examination of Federal programs, but the committee is concerned that there is some overlap with the OTA in the projects of the Office of Special Programs. The committee has reduced the House allowance for that Office by 6 staff years so that a total of 50 are funded.

The committee expects any personnel reductions necessary to carry out these recommendations to be accomplished through attrition.

COST-ACCOUNTING STANDARDS BOARD

The last agency in the bill is the Cost-Accounting Standards Board. Ths Board, which is chaired by the Comptroller General, was authorized by Public Law 91–379. Since the Board began operation in January 1971, 10 standards have been promulgated and nine are in effect and are required to be included in negotiated defense contracts. These standards improve the negotiation, administration, and settlement of defense contracts. Contractors who have more than $10 million in negotiated defense contracts must also file with the procuring agencies and the Board a full disclosure statement of their cost accounting practice which insures consistent application of those practices by defense contractors.

GENERAL PROVISIONS

There are several new general provisions at the end of the bill that I should comment on before concluding these remarks. First of all, the House added a provision that makes the reporting requirements of travel expenditures to interparliamentary groups conform with other foreign travel expenses reporting. This is a follow on to the amendment that the Senator from Iowa placed in the bill last year. The committee has modified the House language to have these reports filed with the Secretary of the Senate, where there are facilities for handling the reports, instead of having them filed with the Committee on Appropriations.

The committee has made three other changes to the general provisions. First of all we recommend repeal of language inserted last year to allow the Senate to hire an alien that is no longer required. While we are on the subject of repealing unnecessary laws, the committee also recommends the repeal of 5 U.S.C. 39 which provides for deductions by the Secretary of the Senate and the Sergeant-at-Arms of the House, from the monthly salary payments of each Member or Delegate, of the amount of his salary for each day that he is absent from the Senate or House, respectively, unless such Member or Delegate assigns as the reason for such absence the sickness of himself or some member of his family. This law has been in effect since August 1856, but has not been applied in the Senate since 1867 and it is high time it was repealed. The committee has also inserted language to exempt the vehicles of the U.S. Capitol Police from the price limitation on the purchase of police type vehicles.

Mr. President, in yielding to my distinguished colleague from Pennsylvania, once again let me point out that Senator SCHWEIKER has been a loyal supporter and a tremendous help to the entire Appropriations Committee in bringing this bill to the floor.

It is a tedious matter, getting all the housekeeping items, listening to all the complaints and ideas and suggestions. I do not know how many hours we have had in hearings, but many days, and an unusual amount this particular year.

Senator SCHWEIKER has been in attendance and has been cross-examining and trying to bring a reasonable solution to the many problems we have in the legislative branch in trying to really perform our duties in an increased fashion, on the one hand, and being totally mindful of the inflation and unemployment and restrictions on spending on the other.

I am delighted now to yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SCHWEIKER. Mr. President, I commend my distinguished chairman of the Legislative Appropriations Subcommittee (Mr. HOLLINGS) for the leadership and intensive investigation that this committee has spent on a number of the items before us.

I have been on the committee several years and this represents one of the most thorough and intensive oversights of the whole legislative appropriations budget which I have seen and I think it is because of Chairman HOLLINGS' leadership and interest in this area that this thorough job was done. I commend him for it.

Mr. President, the distinguished chairman of the Subcommittee for Legislative Appropriations (Mr. HOLLINGS) has provided a detailed overview of this bill before us today. I support his comments and would like to make a few brief remarks to highlight certain features of the bill. They will not be very long.

This bill provides the funds that are necessary for the Congress to function, as well as the Library of Congress, the Government Printing Office, and the General Accounting Office. All of these activities in conjunction with the Architect of the Capitol have experienced the effects of inflation similar to other activities of Government and the private sector. This simply means that, although this bill as reported by the committee is $12,892,740 below the budget estimate, it is $57,679,857 over the 1975 appropriation. This is a fact of life growth to this appropriation and necessary if we are to continue the activities of 1975 and support improvements in 1976.

The committee has recommended salary increases for the top officials and staff positions of the Senators and the committees of the Senate. This increase will bring the salaries of these offices into line with those of the House of Representatives. Funds have also been included to bring a computer terminal providing legislative information into each Senator's office. This system should assist all of us in developing needed information on bills to be considered by the Senate on an at-once, need-to-know basis. The committee has also recommended funds to provide for the legislative assistants clerk hire authorized by the recently approved Senate Resolution 60, which the chairman just described.

The subcommittee reviewed all of the budget request in detail and believes that the bill as reported by the committee represents the real requirements of the Senate and the other agencies. I urge the support of all of our colleagues in approval of this bill as reported by the committee.

I thank the Senator for yielding at this point.

Mr. CURTIS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> On page 23, between lines 18 and 19, insert the following new section:
>
> SEC. 108. Notwithstanding any other provision of law appropriated funds are available for payment to an individual of pay from more than one position, each of which is in the office of a Senator and the pay for which is disbursed by the Secretary of the Senate, if the aggregate gross pay from those positions does not exceed the amount specified in section 105(d)(2)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

The PRESIDING OFFICER. Will the Senator from Nebraska advise the Chair if this is the amendment for which 1 hour was set aside?

Mr. CURTIS. It is the same amendment referred to.

Mr. President, I do not believe it will take an hour unless some controversy arises that calls for considerable discussion that we do not anticipate.

I hope to present my part of it in 5 or 10 minutes.

The PRESIDING OFFICER. There will be 30 minutes to the side.

Mr. CURTIS. I thank the Chair.

Mr. President, here is what this amendment does. It permits two or more Senators to employ the same individual and each of the participating Senators pays a portion of the salary from his allocation.

Let me say to those who feel that this invites complications, it is a practice that the House of Representatives has carried out for a long time.

We are called upon to legislate on many complex subjects. Sometimes we want to reach out for some unusual talent and experience to help us. Perhaps we do not have enough money in our allowance to hire such a person full time.

There are also situations where even if we had the money we would not have need of such an expert full time. Consequently, it is in the interest of efficiency and economy that several Senators hire a particular professional with a particular expertise, with a particular training and experience.

Mr. President, may I say it is being done right now, but it is being done in a most awkward way. There are cooperating activities that take place here, where Senators are interested in the same subject and they rely upon the help of one individual. At the present time, however, one Senator has to put that individual on the payroll for a month or so, and then he is removed from his payroll and somebody else has him on their payroll.

This causes complications. It is awkward. It requires additional bookkeeping and accounting.

Also, Mr. President, sometimes it is impossible to do that because sometimes a Senator would not have an allowance adequate to pay the full salary for a short period of time when, at the same time, he could pay a fractional part of such a salary.

Mr. President, this matter was not presented in formal hearings of the committee. However, it was presented to the committee and I explained it.

I took this matter up with the legislative counsel. They prepared language that would do what we desire to do. I took that language to the distinguished chairman of the subcommittee (Mr. HOLLINGS) and the distinguished ranking minority member (Mr. SCHWEIKER), and presented it to them, together with the argument as to why this should be done.

The bill is here without the amendment. I am not critical of that because it is a new departure for the Senate. As I understand, there was a question or two raised in the minds of some that they did not take action on.

Mr. President, if I may have the attention of those in charge of the bill, I went back to the office of the legislative counsel. I told the counsel that I understand that certain technical questions have been raised about the amendment that we offer in that the amendment would be in conflict with two prior statutes. The counsel had informed me when he originally prepared the language that the language in this bill would do the job. Consequently, I asked him for a statement. I have it here and it is signed. I shall read it.

> MEMORANDUM TO SENATOR CURTIS
>
> This amendment to the Legislative branch appropriations bill for 1976, is designed to override any provision of law prohibiting the use of appropriated funds to pay an individual for serving in more than one position provided that such service is in the office of a Senator and the total pay of the individual does not exceed the maximum that a Senator may currently pay an employee referred to in section 105 (d) (2) (1) of the Legislative Branch Appropriations Act, 1968, as amended and modified (currently $34,881). The only provision of law currently imposing a limit on this type of employment is contained in section 5533 of title 5 of the United States Code. A similar provision appears in the Legislative Branch Appropriation Act, 1957 (70 Stat. 356, 360); however, the dual compensation limitations of title 5 would appear to have superseded the language of the Appropriation Act. In any event the language of the amendment is sufficient to override the limitation.
>
> Respectfully submitted,
>
> WILMER R. TICER,
> *Assistant Counsel.*

Now, Mr. President, it is my hope that on the strength of this statement of the legislative counsel this amendment will be accepted. I am sure if there is any afterthought of some technical problem it can be resolved in conference, but I do not think that will be the situation. I think we can rely upon the legislative counsel's office.

Mr. President, I hope that the committee will accept the amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I have the greatest respect for our distinguished colleague from Nebraska. I know he is very genuine in stating the purpose of this amendment is to permit the employment of a single Senate employee by two or more Senators. He characterizes it in the light of an expert who would be available to a group of Senators who would not be available within the amounts available to a single Senator. I can understand that.

Let me state right here and now it is not the technicality of the amendment, namely, that I would question whether or not this would be a legal amendment if it was adopted by the Senate. I oppose its adoption. The reason I oppose its adoption on behalf of the committee and the subcommittee is that as we have looked into all the requests, generally speaking, we have tried to adhere in the legislative branch, those practices that we exact upon the Executive.

It is always good to legislate generally with respect to Federal employees. But when it comes down to our club, namely, the congressional plant, then somehow or the other we seem to forget about all of these great principles.

Just the other day there was a subpena, and it was properly rejected under the law, but there was a subpena, for the confidential filings of Senators. There have been Senators running around here for the last 18 months referring to the secrecy of the executive branch, why did they not furnish tapes, why did they not furnish records, why were they exacting executive privilege.

The law states yes, the Select Committee on Standards and Conduct can see those confidential filings—that is six Senators, a bipartisan group—but no one else. We exacted legislative privilege, just as we had been complaining about executive privilege.

We are always talking about the Occupational Safety and Health Hazards Act. How you have in your particular business, so many rest rooms, so many fire extinguishers, and everything else. I have always wondered what would occur if we had an Occupational Safety and Health Act inspection of the office of the Senator from Pennsylvania, my distinguished friend. I know he takes this in the right tenor. They could cart him off to jail. He would be a violator.

That is good for the businesses of America, it is good for the executive branch and everything else, but do not bring OSHA on us.

Or, again, on equal employment opportunity. If we brought the Equal Employment Opportunity Commission—we run it all over the country, to every business, but if we brought it around to every Senator's office, I wonder how many would pass the test.

This is the point that the Appropriations Committee is speaking to. We have a general law against dual compensation. It has been on the books for over 40 years. The Senator from Nebraska has cited it: it is title V, section 5533. The best historical references there pointed out the fact that this was a prohibition against any particular member of the executive branch, for example, serving more than one master, on the one hand, or accumulating salaries from various offices, on the other hand, to exceed certain levels. And while there have been practices, and I readily admit it, over on the House side, there is also a practice ongoing within the Senate, or just taking a particular expert and in fact employing him just as the employee of one Senator on his payroll for 1 month, and then transferring him to the next Senator's payroll for the next month. I am not saying that this is not to get around it, but, Mr. President, we do not want to confirm into law here, in a legislative appropriation, a substantive amendment to employee practices in the Government.

This is not a matter of legal opinion. It is not some little technical thing we could take to conference. We oppose this way of doing business with respect to Federal employees.

With that said, we did bring it up before the Subcommittee on Legislative Appropriations. I promised my friend—I talked with the Senator from Nebraska and I talked with the minority members as well as the majority members when we met and marked up the bill. I pointed out that Senator CURTIS felt very strongly about this, and if there were some way we could reconcile it I would be glad to do it, but that if I had my facts correctly I opposed it, and the subcommittee went along, and the matter was not raised in the full committee.

We will have to ask for the yeas and nays later when we get a quorum of sufficient Members to second the request, because we do have to oppose the amendment, Mr. President.

I reserve the remainder of my time on this side, and yield to the Senator from Pennsylvania if he wishes, or to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I would just like to make a little further statement.

Mr. SCHWEIKER. Surely.

Mr. CURTIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 20 minutes remaining.

Mr. SCHWEIKER. Mr. President, I will be glad to yield the Senator additional time.

Mr. CURTIS. For the moment, I yield myself 3 minutes.

The Senator has made a very stirring speech on OSHA and the Committee on Standards and Conduct. I hope he will repeat both speeches some time when we have something before us that is relevant to what he has said, because it has no relevance to what is to be done here today.

There is no question of ethics. There is no question of violating the law. We are making a law. There is no ethics involved if we want to change a law written some time back. There is ethics involved when we try to deviate around it. There is not any matter of ethics involved when we want our procedure to conform with the House of Representatives, where several Members can join in hiring an accountant or a lawyer or a researcher, or any other professional.

This is a matter of economy and efficiency. It will not add $1 to the expenditures, because it all has to be done within the limitation of the total allocation to each Senator, and all the rules as to how much can be paid would apply in this case.

I believe that the position of the committee is without any foundation whatever, and I believe that the adoption of the amendment will produce both efficiency and economy in the operation of the Senate, and will enable a number of Members to be better prepared on various items of legislation.

I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, in using the confidential filings to the Comptroller General, it was not the intent of the Senator from South Carolina to say that it was particularly an ethical question. Rather, I was trying to emphasize the fairness. I would characterize this as the amendment for unfair practices.

If you believe in this amendment, put in a bill and make it with respect to all Federal employees, and then we can debate it with respect to its merits as it affects Government workers in the legislative branch, in the judicial branch, and in the executive branch.

Every one of the arguments my friend makes for his experts and everything else could apply to everyone. But we have found it expedient to adhere to this particular law, particularly on the Senate side. As pointed out in this memorandum, regarding the Legislative Branch Appropriations Act of 1957—at that particular time we affirmed that no employee shall exceed a salary of $9,680. We said there shall not be dual compensation or dual employment, period, on the Senate side, because it had become burdensome to keep up the records, the allocations between Senate offices and committees for retirement, and the other employee benefits under all the particular categories.

I have the letter and the record and historical background on that, if it is of particular interest to anyone. It has not only been adhered to, but reaffirmed, on the Senate side, and there was no vote for the proposed change in the Appropriations Committee.

I think there was no vote for it in the Appropriations Committee because they felt that if we were going to start changing the dual employment provision in the law, we should do it not only for the legislative branch, but the other branches as well; and that is why we would still oppose this provision in this particular bill.

Mr. CURTIS. Mr. President, I yield myself 1 additional minute.

There is no request to change it for the executive branch. There is no particular need shown. We do have a need for it in the Senate, and everyone knows it.

This is no special privilege for Congress over the Executive. This is the Senate. The Senate is one body, and just as we have committee people who are assigned to a group, they are still employees of the Senate, and the committee is the agent of the Senate.

If the Executive have a need for this, let them come in and present their case. There is a need for it here. It is logical, it is right, and any idea that it is special privilege for the Senate is just ridiculous.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. CURTIS. I reserve the remainder of my time.

Mr. SCHWEIKER. Mr. President, I would like to ask any distinguished colleague how the procedure works now that he was describing a moment ago.

At the present time, I gather that when one Senator's time is terminated, another letter is written and the employee is put on for, what, a month or two? Could the Senator describe a little bit less technically what the procedure is now?

Mr. CURTIS. Yes, I think there are groups operating in the Senate that are working on projects that are not promotions, necessarily, of more Government projects or more expenditures, and balancing the budget, where the employees are put on the payroll by one Senator. He agrees to do it for a month. He writes a letter terminating the employment, and another Senator writes a letter putting the same employees on the roll. It is awkward and it is cumbersome. This is an easier way that we propose to do it.

Mr. SCHWEIKER. What I would like to propose to the Senator as a way out of our dilemma here is that if we were to get a determination from the financial clerk that instead of writing a new letter each month, which is tedious and quite bureaucratic in nature, whether it might help the Senator's objective and still meet the legal concern of the chairman if we were to have an understanding with the financial clerk to the point that he would accept a letter, one letter a year from the Senators involved just specifying that work and no further follow-up for the year would be needed. One letter a year from the Senators involved would mean one letter, and automatically then followed up, it would accomplish the purpose of the Senator and still not, in essence, upset the dual compensation feature.

Mr. CURTIS. I appreciate the willingness of the distinguished Senator to compromise on it, but that would not meet the need for this reason:

I or any other Senator might be able to allocate from his funds $400 or $500 toward the employment of an individual, but it just would be totally impossible within his allowance to pay even that one-twelfth of the total salary in one month. If the total salary were $25,000, he would not have enough allowance to pay that full salary for a month. That is a problem that would not be met by just cutting down the number of letters.

Mr. SCHWEIKER. I do not think there is any limit as to how long you can keep a Senator's staff on the payroll. In other words, if the proviso were requested on a 2-week basis, I would think the financial clerk would still have to do the transferring on that basis.

Mr. CURTIS. But the problem is, suppose a Senator's regular staff takes most of his allowance and he just does not have enough money there to put a new staffer on for the full amount?

Mr. SCHWEIKER. I see, for that period of time.

Mr. CURTIS. For that period. But he is able to pay a fractional part of it for several months.

What disturbs the Senator from Nebraska is this: I believe the entire notion of the committee is erroneous. This dual compensation they have been talking about implies some sort of conflict of interest which I just cannot understand.

But I thank the Senator for his willingness to consider some compromise.

Mr. SCHWEIKER. Under the new procedures now, last year we changed the fact that a Senator can accrue his allowances. Up to last year, I guess it was, a Senator could not accrue his allowances, and so the amount of allowance he had for his staff in any one month was very critical. If he did not spend it that month, he lost it. Under the procedures we now have, which our committee changed, the allowance stays with a Senator the whole calendar year. So I do not think it would really be a problem under the accrual procedure, except possibly the first week, since there is the option of picking any number of Senators to take that first time frame. I am not sure it would be a mechanical problem just because we have the accrual right now where we did not have the accrual right before. I just throw it out as possibly a way out of the dilemma.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I am prepared to vote. I would ask for the yeas and nays, but, first, we would have to get one more Senator.

While we are presently getting the one more Senator, might I add—and I do not want to provide further discussion—but looking into this particular situation in January, 1973, I say to Senator SCHWEIKER we allowed the Senators to use his funds on an accrual basis rather than on a day-to-day basis. Prior to that particular time, if a Senator did not spend it today, he would not have it tomorrow.

During the debate on Senate Resolution 60, in the Chamber of the Senate, if my memory serves me correctly, Senator CANNON, the chairman of the Rules Committee——

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, completing that thought—prior to that time if the clerk-hire was not expended one day it went by the board.

Now we have accrued funds. Rather than forthrightly employing a legislative assistant to handle the committee work or legislation that the Senator may be working on, we now have a new group of employees pursuant to Senate Resolution 60 so that we have money left on our office clerk-hire allocation. As I remember, Senator CANNON pointed out that over a majority were returning moneys. I know this particular Senator returned over $20,000.

With these moneys lying around what is occurring is that people are breaking off into caucuses with the very intriguing and inviting idea of, "Why don't we get together, we think alike, and we will employ one or two fellows here and they can write us speeches, and they can do a little lobbying for us, preparing us, and everything else."

I happen to resist that particular practice. I think we are too fragmented now.

I was glad to see, as a Member from the South, that we are not having, I say to the distinguished chairman from Arkansas, southern caucuses any more. We are meeting generally as U.S. Senators on the Nation's problems.

I am very proud of our stand in this particular area. I do not believe we have had those caucuses or meetings for the last 3 or 4 years.

What is really being said is, "Let us instead of returning the funds for regular and State employees on the staff"—and it is hard to resist when somebody comes around—"let us all put in five, let us all put in ten rather than giving it back to the Government, and we have our little office and our little staff and we will start our little movement." That is what is going on. That is what this amendment is to provide for.

I resist that, but I particularly oppose the idea of providing this for the legislative branch and not for the executive and judicial branches.

My distinguished friend says there is no request from the other branches. I would think the common dictates of fairness would make that request in the Senator's mind. If we want to really change this basic law, it should be introduced, referred to the Committee on Post Office and Civil Service, and let it be debated in the Chamber for all Federal employees. We should not come around in an appropriations bill, having seen fit to keep the statutory provisions against dual compensation for at least 40 years on the books of the U.S. Government for all employees, but say: "With respect now to us we have a little proviso, and we can go ahead and do as we wish and compile and get the salaries together. We have amended the law for us but not for you."

I oppose the amendment, and I am prepared to yield back the remainder of my time, unless the Senator wishes to speak further to the amendment. I will hold the remainder of my time.

Mr. CURTIS. It is apparent we are going to have a rollcall on this amendment. I think when we get a quorum here I will have something further to say about it. So I reserve my time.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, does the distinguished Senator intend to call for a live quorum? We can put in a call for a quorum and divide it equally between both sides.

Mr. CURTIS. I do not think I will have any time remaining if I do that.

Mr. HOLLINGS. If I have any time, I am willing to divide that time with my distinguished friend.

Mr. CURTIS. Mr. President, I ask unanimous consent we have a quorum call and that it be charged to the debate on the bill.

The PRESIDING OFFICER. Is there objection?

Is that to be both sides equally on the bill?

Mr. CURTIS. Yes.

Mr. HOLLINGS. That is right.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 49 Leg.]

Allen
Byrd,
  Harry F., Jr.
Cranston
Curtis
Garn
Helms
Hollings
Hruska
Huddleston
Long
Mansfield
McClellan
McIntyre
Morgan
Schweiker
Sparkman
Tower
Young

The PRESIDING OFFICER. A quorum is not present.

Mr. HOLLINGS. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Magnuson
Mathias
McClure
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott,
  William L.
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

Mr. GRIFFIN. I announce that the

Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

Who yields time?

Mr. CURTIS. Mr. President, I yield myself five minutes.

Mr. President, this amendment—may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CURTIS. This amendment would permit two or more Senators to employ the same individual on their staff. It would permit each of the participating Senators to pay a fraction of the salary. It would meet many needs of the Senate which would result in efficiency and economy.

There are situations where the two Senators from the same State are now operating joint offices back home. This would enable them for reasons of efficiency and economy to put one or two people in charge, and the salary could be paid by both Senators.

There are many other situations. Now and then there is a river basin that has special problems and where it is important that the Senators from that area have some expertise on that particular type of public works, just using this for an example. It is being done right now.

What we do is we put a person on the payroll for a month, then he goes off that Senator's payroll and somebody else has to take him on.

This would enable groups that have area problems, whether it is Appalachia or West Trails—is that the title of it?—a number of States or whether it is the two Senators from a State who want to hire one individual, this would permit them to do it. Or it may not have anything to do with geography or States. It may be that some Senators are involved in some legislation on a particular subject, and they have no need as individuals for a full-time expert, or maybe they cannot afford it because of the limitations and the needs of the rest of their staff.

Mr. President, this is something the House of Representatives has been doing since the year 1. They have never been accused of having special privileges. No one has ever risen on the floor there and said that the House is engaged in a questionable practice or that it is unfair to the executive branch. As a matter of fact, when title V was recodified, the House added some language preserving the thing that they have done all through the years, and that was done by a legislative committee.

Mr. President, there are other important matters for this body to look after. If it is the will of the Senate to deny this operation that has been going on in the House all the time, to deny the right of a group of Senators to act in an efficient and economical way to get something done, why, the Senator from Nebraska will accept that verdict. But I believe what is being asked for here is reasonable and fair. I do not think any argument has been presented against it that is valid or pertinent.

I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, assuming everything that the distinguished Senator from Nebraska has pointed out is the case, you still come down to the fundamental question, and the reason we oppose this particular amendment is, what is sauce for the goose is sauce for the gander.

If the Senator believes in what he says—and this was suggested at the time he presented it—then why not change the basic law that prohibits dual compensation? That has been on the statute books of the U.S. Government for all Federal employees for over 40 years. There has been no effort to change that; the reason for it being that no Federal employee should serve more than one master, that he should not be able to accumulate salaries and otherwise, which has been the basic consideration that has adhered to this particular law over the many years, and was reaffirmed in 1957, because the general law said not to exceed a salary level of $9,080. So the appropriations bill of 1957 in the U.S. Senate said, "We forbid dual payment of salary rates," and that is the policy in accordance with the law.

I am only saying to my distinguished colleague if all of these things are so desirable, so equitable, and so efficient, and everything else, then submit it to the Committee on Post Office and Civil Service as a general practice for Federal employees. This is the wrong way, the wrong bill, and we considered it so in the Subcommittee on Legislative Branch Appropriations. No one even raised it at the full committee because we felt this way about it.

Again, as we pointed out, and I know how my distinguished colleague feels about OSHA—he and I both together—but we are always requiring everything, I say to the Senator from North Carolina, for businesses, for everybody else, but not for us. How would you like to have an Occupational Safety Health Accident fellow come around to the office of the Senator from North Carolina—they would cart him off to jail as a violator because it is unsafe. You do not have enough extinguishers; the place is cluttered with desks; there are too many employees. You would be a violator. Yet we continue to pass that and exact it from and place it upon American industry.

How about the Fair Employment Practices Act? Come around to the Senators' offices. How many Senators are complying with that? "Oh, that is for the executive branch, that is for business in America," but not for a Senator. I just resist that approach to legislating in this body. I think it is wrong. I think it is absolutely wrong to come here and talk in these particular terms that really would promote loose practices rather than efficiency.

What has really happened is that we have gone to an accrual basis. Up until January 1973, may I say to the Senator from Nevada, if a Senator did not spend the money it was returned to the Treasury. But we changed that in January 1973. We have gone on to an accrual basis.

I pointed out that the debate on Senate Resolution 60 revealed that a majority of Senators are sending money back. If I recall one analysis correctly, some 53 Senators still in office refunded more than $20,000 each. Well, this is a movement that says, "Look, why give it back to the Government? Let us give it to old Joe, and he will set us up a conservative caucus; he will set us up a southern caucus or a northern caucus or an eastern caucus or a gas caucus, but get him a little office, we will get him a telephone, he can write speeches."

I do not think that is the way to run a Senate operation. That is just my personal thought, but I have to express it.

I hate to be told that this amendment is in the idea of efficiency when it is to promote inefficiency in the Senate accounts.

But mainly, I think, the Appropriations Committee rejected those ideas because if we thought everything that the Senator from Nebraska contends for is right and appropriate, then we ought to change the fundamental law that has been on the books for 40 years or more.

Mr. CURTIS. Mr. President, I yield myself 5 additional minutes.

Mr. President, I realize I am repeating some things here, but I have a greater audience and I cannot resist the temptation, I might convince more than I did. There may be some doubt about that, but I want to take the chance.

Mr. President, I think we have a pretty strong case here because the opposition is all over the whole lot in opposing it.

We do not have a single law that prohibits dual compensation on business or any branch of private enterprise. Yet, why liken this to OSHA? I could think of a better way to confuse.

Mr. President, this is not a special privilege for the Senate. This is a move to conform what the House has been doing for years and a right that they have preserved in all of the legislation. I resent the idea that this is hatched so that if we have some money left in our allowances we could pool it together and hire some nice person.

I think it is much more efficient if two Senators are operating offices back home if both offices want to participate in employing one person and that person having responsibilities to both Senators, that that should not be prohibited.

I also think that if there is a regional problem, such as a river basin, where the Senator is involved and wants to hire somebody with some particular expertise and they all pay a fraction, that that should not be prohibited.

I do not think the Senate exceeds the House in purity. There is not any ethical problem involved here. The House has been doing this for years. Furthermore, it is not compulsory, it is permissive.

Mr. President, I am ready to yield back the remainder of my time if the distinguished Senator from North Carolina will do so.

Mr. HOLLINGS. South Carolina.

Mr. CURTIS. I apologize to everybody involved.

Mr. HOLLINGS. I am always complimented to be associated with my colleagues from North Carolina.

Mr. President, this would be one of the House practices that we could find some merit in.

I am a good enough politician to not be critical of House colleagues, but taking that as an argument of their practices, giving 36 trips in cash, to walk up to a window and get it, of stationery amounts, and get a personal check. It was in my campaign I had to answer for the Congress last year and they said that I had gotten a $10,000 increase and there were all the stories about the House practices in the closing days.

Let us not use that as a basis for loose practices here on the Senate side, specifically for amending a basic law, title V, section 5533, applying to the Federal employees in the Pentagon, the Senate, the executive branch, the judiciary, and everywhere, that has been the policy with respect to the Federal employees.

I say that if the Senator wishes to amend it, to change it, let us do it for all Federal employees, not just for the club. I hate for us to pose in that position, for the club we can see merit, but we never see merit anywhere else.

I think this is what is causing the lack of confidence in the legislative branch and that is why we oppose this amendment, to try to build up confidence in the Congress to show them we are treating all employees fairly.

Yes, fair employment practices. If I had to characterize the amendment, this would be known as the amendment on unfair employment practices.

Simply stated, over in the Senate, if one is a Federal employee, one can get moneys for the several payrolls, but if one is in the executive or judicial branch of this Government, only one payroll.

On that basis, we have to oppose the amendment.

I am prepared to yield back the remainder of my time.

Mr. CURTIS. I yield back the remainder of my time.

Mr. HOLLINGS. The yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

The result was announced—yeas 44, nays 50, as follows:

[Rollcall Vote No. 264 Leg.]

YEAS—44

Abourezk
Allen
Baker
Byrd,
  Harry F., Jr.
Culver
Curtis
Dole
Domenici
Fong
Garn
Glenn
Goldwater
Griffin
Hansen
Hatfield
Bartlett
Beall
Bellmon
Hathaway
Helms
Hruska
Javits
Johnston
Laxalt
Long
McClure
Morgan
Nelson
Packwood
Percy
Roth
Bentsen
Brock
Brooke
Scott,
  William L.
Stafford
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—50

Bayh
Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Eagleton
Ford
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hollings
Huddleston
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nunn
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stennis
Stone
Symington
Tunney

NOT VOTING—5

Buckley
Eastland
Fannin
Humphrey
Williams

So Mr. CURTIS' amendment was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Texas (Mr. TOWER) proposes an amendment as follows:
>
> On page 11, line 2, strike "$14,184,200." and insert in lieu thereof "$14,184,018.80."

Mr. TOWER. Mr. President, on June 9 of this year, two of my constituents—Paul and Nancy Campbell of Houston, Tex.—sent me their tax rebate check and asked that it be used to reduce our national debt.

In his letter, Mr. Campbell said:

> Since I do not subscribe to deficit spending, but have no recourse but my vote, I am anxious to return my tax rebate and ask that it be applied to our national debt. I believe it is extremely important to reduce our debt and return this country to a sound fiscal policy.

It has long been my conviction, Mr. President, that the average American is willing to make the sacrifices that need to be made in order to resolve our current economic problems. My conviction was confirmed by the selfless, patriotic gesture of Paul and Nancy Campbell, who returned their tax rebate check of $181.20 to diminish by that amount our $70 billion budget deficit.

I returned their tax rebate check to the Campbells. The problem posed by the budget deficit is not that taxpayers are taxed too little, but that politicians spend too much. The solutions to the problems posed by a $70 billion budget deficit can be found right here, in the Senate and in the House. It is we who authorize the spending programs that are now running virtually out of control. It is our responsibility to trim them back.

Even though it is the Congress, and not the Campbells, who must resolve our financial problems, I feel that this generous and patriotic gesture should not go unrecognized or be without effect.

In my reply to the Campbells, I promised that I would move to reduce an upcoming appropriations bill by $181.20—the amount of the Campbells' tax rebate.

In view of my correspondence with the Campbells, I think the timing could not be more appropriate as far as this particular bill is concerned. Like charity, spending cuts should begin at home, and the legislative branch appropriations bill directly affects all of us who serve in this body.

What my amendment will do, quite simply, is reduce spending under the "miscellaneous items" section of this bill by $181.20. More specifically, I move that we reduce funding for this section from $14,184,200 to $14,184,018.80.

Mr. President, I have proposed amendments of more substantive import than this during my service here in the Senate, but none, I think, of more symbolic import. The Senate, by approving what I hope will be known as the Campbell amendment, will first—albeit in a very small way—be striking a blow for fiscal responsibility. Hopefully, much heavier blows will follow.

Second, the Senate will be demonstrating its responsiveness to heartfelt desire of the American people: The Senate will provide proof positive that we do listen to what the people have to say.

I am hopeful that my amendment will be accepted, Mr. President, and I ask consent that the letter Mr. and Mrs. Campbell sent to me and my response to them be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
June 23, 1975.

Mr. and Mrs. PAUL C. CAMPBELL,
Houston, Tex.

DEAR MR. AND MRS. CAMPBELL: It has long been my conviction that the American people are not getting the kind of government that they deserve, and certainly not the kind of government they have been paying for. Your letter proves me correct.

The lobbying groups who have lined up to feed at the public trough claim they speak for "the people," and that the people are demanding more and more spending programs from Big Government.

I believe the average American is willing to make the sacrifices that need to be made in order to resolve our current economic crisis. Your letter strengthens me in that belief. I hope the example you have set by your unselfish action will cause some freespending members of the Senate and House to face up to the threat posed to our economy by a $70 billion budget deficit.

I must return your check. It is your money, and you are entitled to it. The problem posed by the deficit is not that taxpayers are taxed too little, but that politicians spend too much. The solution to the problem can be found only here, in Congress.

I want you to know, however, that you have not made this noble gesture in vain. I will propose an amendment to the very next spending bill that comes before Congress that will reduce its appropriation, whatever it may be, by $181.20, the amount of your tax rebate.

Best regards to you and your family. I am proud to have you both as constituents.

Sincerely,

JOHN TOWER.

JUNE 8, 1975.

Senator JOHN TOWER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR TOWER: At the time Congress passed the 1975 tax rebate law, I was somewhat disappointed that once again our Federal Government insisted on deficit financing to answer a "crisis". My personal belief is that this type of logic has put our country in the present inflation "crisis." This inflation has brought about, in large part, the recession, I believe. Since I do not subscribe to deficit spending, but have no other recourse but my vote, I am anxious to return my tax rebate and ask that it be applied to our National debt. I believe that it is extremely important to reduce our debt and return this country to a sound fiscal policy.

I agree that we should have compassion for the less fortunate people, but the large outlays of public funds is a detriment to us all rather than a favor for a few.

I have thought about this for some time, and even though my family and I could use the money, I firmly believe that we must all reduce our spending for the long time good of this country.

Because this is my first time to write a Senator of the United States, which is a fault for which I must apologize, I would like to quickly offer the following:

1. Urge President Ford to release to the American Public all CIA data available regarding domestic problems. Even though there might be short term eruptions due to such releases, the consequences would certainly be less than Watergate.

2. Recommend to the Congress that all lobbying be eliminated in Washington. Since the individual has limited access to our Congressmen, I believe that Special Interests should be limited to letter writing, especially when much of the expense of maintaining lobbying personnel in Washington is tax deductible through company expenses.

I want to thank you for your efforts, for I know that your minority position in the present Congress must be frustrating at best.

I pray you and our Country good health. May God Bless you and us all.

Yours truly,

PAUL C. CAMPBELL.

Enclosure: Treasury check No. 68,038,656, $181.20.

Mr. TOWER. Mr. President, I hope that the managers on the part of both the majority and the minority will be willing to accept my amendment.

Mr. HOLLINGS. Mr. President, we want to accept this amendment. However, I wonder if I could ask our distinguished friend from Texas if he would just round it out at $14,184,000. While we are trying our best to save the $181.20, they tell me that carrying that $18.80 on the end through the computer will cost the Government more than $18.80.

Mr. TOWER. I think the Senator from South Carolina has a point well taken, and I am willing to knock off the other $18.80 and round out the figure. I accept the modification proposed by the Senator from South Carolina.

Mr. HOLLINGS. Is the amendment so modified? On that basis we would be willing to accept it.

The PRESIDING OFFICER. The amendment is so modified.

Mr. HARRY F. BYRD, JR. Mr. President, before we vote, I commend the Senator from Texas for his amendment.

I commend Mr. and Mrs. Campbell. I think that attitude which they show toward their Government is one which should be recognized by the Senate of the United States as is being proposed today by the able senior Senator from Texas.

The Senator from Virginia had a similar letter from a gentleman from Sandston, Va., recently, in which he attached his check for $200, the refund that he received from the Government. In his letter to me he asked that his name not be used. Therefore, I will, of course, comply with his wishes, but in his letter to me he stated that that represented 30 percent of his total savings account, and yet he felt that he wanted to return that to the Government, because he is deeply concerned as an American citizen by the deficit financing policies of the Government of the United States.

I take this occasion to commend my fellow Virginian, who sent me that check to be returned to the Treasury, which I have done.

I commend also this very fine couple, Mr. and Mrs. Campbell, from Texas, who likewise have returned their refund.

I think that it dramatizes that there are a great many American citizens who are deeply concerned with what I consider to be reckless spending policies of the Federal Government. They want some responsibility brought back into the handling of the tax funds of our Nation.

I commend the Senator from Texas for presenting this amendment and am pleased that it will be approved by the Senate.

Mr. TOWER. I thank my good friend from Virginia for his comment. He has always in his career in the Senate, I know, reflected the concern of the citizens of his State for fiscal responsibility. I appreciate his joining in this discussion.

Mr. SCHWEIKER. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Pennsylvania.

Mr. SCHWEIKER. First, I commend the distinguished Senator from Texas for this amendment. I think it points up the problem we have in Government today, and I think it is very appropriate.

I certainly, on our side of the aisle, am willing to accept this amendment and commend him for it.

Mr. TOWER. I thank the Senator from Pennsylvania and the Senator from South Carolina.

Mr. HOLLINGS. We are prepared to accept the amendment. We are ready to vote.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment, as modified, was agreed to.

Mr. BARTLETT. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Mr. BARTLETT, for himself and Mr. HELMS, proposes an amendment, as follows:

At an appropriate place in the bill insert the following:

SEC. . The Architect of the Capitol shall study and submit his recommendations to the Congress within three months of a plan to reduce by at least 50 percent the number of persons operating automatic elevators within the Capitol complex.

Mr. BARTLETT. Mr. President, at a time when the Nation is looking to Congress to take out a very sharp pencil and cut back, they have been disappointed in some areas where they have not seen this kind of action.

I think here is an opportunity to take a good look at an area that is definitely under the control of Congress, which appears to many people with whom I have talked as an excess use of personnel to operate the elevator complex that we have in the Capitol area.

This amendment would require study and a submission of a plan to reduce by at least 50 percent the number of persons operating automatic elevators within the Capitol complex.

I do not know exactly what percentage of the elevators are automatic, but I think it is safe to say that at least 50 percent, and so we are talking about at least a quarter of the elevators for the Senate itself. The salary of the elevator operator is $7,715. There are 70. That amounts to $540,000.

There are some people who think that that figure I have may be just the starting salary and it may be a higher figure. So we are talking something about a savings in the Senate alone of $200,000, and for the House of Representatives it would be presumably even a higher figure.

I believe that this is a small step but, nonetheless, a step in the right direction of the Congress action in their own backyard to cut down on spending at a very crucial time economically and fiscally for this Nation.

Mr. HOLLINGS. Mr. President, the committee is ready to accept this particular amendment. As the Senator from Oklahoma presented it, it seems to me under that wording it could be construed that we as a body were finding that there should and could be economically a 50-percent saving in Senate elevator employees. I do not know. As the Senator from Oklahoma himself has stated, he does not know how many self-operating elevators we have. They are under the Architect, in all of our buildings and on both sides.

I certainly accept the spirit of his amendment that we should economize where we can, and in that vein we are prepared to accept the study and recommendations from the Architect. He well could recommend that it would be false economy. He could well recommend rather than just a 50-percent reduction, it be 80 percent, even more, or some less. But that is the way we are inclined to accept this amendment, that a study and recommendation should be made by the Architect on this particular matter.

Mr. PASTORE. Mr. President, I certainly have no objection to this amendment. But I am a little bit astonished. I realize that this establishment has been slipping. I am wondering how far we are going to fall before we begin to impress the people of this country as to the responsibility and integrity of this great body.

Only 3 weeks ago we peddled out a new assistant on several committees to every

Member of the Senate—jobs that were absolutely unnecessary. Senators felt that they had to have it because they cannot attend the hearings, so they want someone else to go there and come back and report.

I am telling you, frankly, the trouble with the Senate today is overstaffing and not understaffing.

But now here we are, we are picking on these young boys and these young girls who are going to college, and we are trying to impress the people of this country that here we are, the Senate is going to save $200,000 when we spent over $4 million to accommodate the Senators only a few weeks ago.

I am not going to raise any fuss over it, Mr. President. But how far are we going to go—How far are we going to go before we begin to act like Senators?

Mr. SCHWEIKER. Mr. President, I support the amendment of the Senator. I think that we should look everywhere we can to do it and to make sure the dollars we are spending are utilized. I think this is a question of when we have an automatically operated elevator how we are going to use it effectively, whether it is college, noncollege, or high school personnel, or what.

I think we should apply the same test we do downtown and as we do in industry. I think this is a good place to take a hard look, and I am willing to accept the amendment.

Mr. BARTLETT. Mr. President, I express my appreciation to the distinguished floor manager, the Senator from South Carolina, and the distinguished Senator from Pennsylvania. I know I share their interest in economizing in our operations as well as other operations of Government, and I understand this is acceptable.

I yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PASTORE. Mr. President, I should like the Record to indicate that the senior Senator from Rhode Island voted against the amendment.

The PRESIDING OFFICER. The Record will so indicate.

Mr. GOLDWATER. Mr. President, I should like the Record to show that the junior Senator from Arizona voted against the amendment.

The PRESIDING OFFICER. The Record will so indicate.

The bill is open to further amendment.

Mr. HELMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. Helms) proposes an amendment:

At the end of the bill insert the following: Notwithstanding any other provision of this Act all monetary figures herein are cut by 10 percent.

Mr. HOLLINGS. Mr. President, will the Senator yield, so that we can get the yeas and nays on the passage of the bill?

Mr. HELMS. Mr. President, I ask unanimous consent that we get an order for the yeas and nays on the amendment, also.

Mr. HOLLINGS. All right.

Mr. HELMS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I am going to make the briefest speech of the day in the U.S. Senate.

This amendment will give the Senate an opportunity to put up or shut up on economy in Government. That is my speech.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, if I recall the amendment correctly, as I heard it read—this is the first it has come to our attention—it provides that we have a 10-percent cut to every appropriation in this bill. It is put in the category of "put up or shut up."

I am sure that my friend, who is for law and order, does not want to cut the appropriation for the Capitol Police officers by 10 percent. We have an increased burden, an increased duty. In fact, going into the latter half of fiscal year 1976, for which this bill provides, we are going to have the Bicentennial, and the police are going to take on increased duties.

I could list everything, with respect to the Library of Congress we have the books for the blind and physically handicapped. We also have the General Accounting Office, and with this amendment we would have 10 percent less oversight and auditing of the functions of Government.

I cannot go along with my distinguished friend on the idea of "put up or shut up," as though one is either for or against economy. I think that economy is a penny wisely spent, and that is the way this bill has generally been submitted to the Senate. If we could have had a 10-percent cut, I would have been for it.

On that basis, I oppose the amendment.

Mr. HELMS. Mr. President, I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Mississippi (Mr. Eastland), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from Arizona (Mr. Fannin), and the Senator from Nebraska (Mr. Hruska) are necessarily absent.

The result was announced—yeas 19, nays 74, as follows:

[Rollcall Vote No. 265 Leg.]

YEAS—19

Allen
Bartlett
Byrd, Harry F., Jr.
Curtis
Goldwater
Hansen
Helms
McClure
Nunn
Percy
Proxmire
Roth
Scott, William L.
Stafford
Stone
Talmadge
Thurmond
Tower
Weicker

NAYS—74

Abourezk
Baker
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Tunney
Young

NOT VOTING—6

Buckley
Bumpers
Eastland
Fannin
Hruska
Williams

So Mr. Helms' amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HOLLINGS. Mr. President, for the information of the Senate, we have three housekeeping amendments, some technical amendments. The three amendments refer to the Vice President's office, the Office of Technology Assessment, and one placing a limitation on pages' salaries, exempting them from any cost-of-living increase which might be promulgated by the President later on in October.

I hope we can adopt these amendments. The yeas and nays have been ordered on final passage, and if we can adopt these by voice vote we can move here to final passage in the next 10 minutes.

Mr. SCHWEIKER. Mr. President, I just want to say the minority has looked over these amendments, and they are acceptable to us.

The PRESIDING OFFICER. Are they at the desk?

Mr. HOLLINGS. Yes, they are and I call up first the Vice President's office salary amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

On page 18, line 8: strike the figure "$37,500" and insert in lieu thereof "$38,000".

Mr. HOLLINGS. Mr. President, this was an oversight. When we provided for the administrative assistants to the Senators and for the top staff positions of the standing committees, we forgot the relationship that we have maintained with respect to the Office of Legislative Counsel and the Vice President's office.

I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. HOLLINGS. I now call up the amendment on the Office of Technology Assessment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

On page 43, line 12, strike: "for meetings" and insert in lieu thereof: "in the North Capitol Plaza Building at 400 North Capitol Street, N.W."

Mr. HOLLINGS. Mr. President, just yesterday it was brought to my attention by the Chairman and Vice Chairman of the Technology Assessment Board that there is an opportunity to rent critical needed space for the Office of Technology Assessment in a building adjacent to the Capitol Grounds at 400 North Capitol Street NW.

At the current time the OTA staff and the assessment panels are located in four widely separated locations on Capitol Hill. By allowing the OTA to lease space in the North Capitol Plaza Building, all of OTA's activities could be brought together under one roof. As I indicated, the North Capitol Plaza Building is at 400 N. Capitol Street NW which is just across the street from the Capitol grounds and is therefore hardly any further away than their present main location in the Immigration and Naturalization Building.

The North Capitol Plaza Building was originally constructed to provide additional space for the Securities and Exchange Commission whose headquarters is immediately adjacent. As the Senate will recall, the Securities and Exchange Commission is moving to another location so the Office of Technology Assessment can acquire this space at a fair rate.

It is estimated by OTA that they will require 38,000 square feet of space and the realtor is charging $7.50 per square foot so the annual cost of the space will amount to $285,000. This space will be altered to OTA's specifications and should be sufficient to house the OTA's staff for several years in the future. The committee expects the OTA to consult with the officials of the General Services Administration who are experts in real estate transactions of this sort in order to derive the best possible deal in this transaction.

In addition to the annual leasing costs there will be one time costs in fiscal year 1976 to replace the furniture that OTA must return to the Superintendent of the Senate Office Buildings and for miscellaneous costs involved with the move. These one time costs are estimated at $250,000. We have made no additional provision in the bill for this move.

Both Senator SCHWEIKER and I serve on the Technology Assessment Board and we are familiar with the present working conditions of OTA. There is a great need to provide sufficient and suitable space and we regard this as an excellent opportunity to satisfy this need.

Mr. President, this has been checked with the minority and with the chairman of the Rules Committee, the distinguished Senator from Nevada (Mr. CANNON). The Rules Committee says they need the space OTA now occupies for other purposes. I move the adoption of the amendment, and I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. I call up the amendment relative to the pay of pages of the Senate and the House of Representatives.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

On page 75 after line 9 insert the following new section:

SEC. 1110. Not withstanding any other provision of law, none of the funds in this Act shall be used to pay Pages of the Senate and House of Representatives at a gross annual maximum rate of compensation in excess of that in effect on June 30, 1975.

Mr. HOLLINGS. Mr. President, this would—I used the word "exempt"—but at least avoid the pages from being included in the comparability pay raise. Under the law, the executive branch of Government will submit to Congress in October a comparability pay raise which will account for the cost of living since the last increment was presented to this body.

Yesterday we conferred with the chairman of the House Legislative Subcommittee on Appropriations, Mr. CASEY, of Texas, and he suggested that this amendment be included.

I, in turn, have checked with the leadership on both sides; I have checked with the Sergeant at Arms, the Secretary for the majority and the Secretary for the minority, and there is a general feeling that the salary of the pages presently at a salary not to exceed $9,060 in the case of the Senate—is sufficient. There are 30 Senate pages with some 13 in the summertime at the rate of $500 per month for a 2-month period. That is a pretty good level of pay, and we do not want that just to go up automatically with any kind of incremental pay increase submitted by the executive branch later on in October.

We have a fine group of pages, all young leaders, serving the Senate excellently. However it would cause us some concern to see their salaries increase by 5 to 9 percent so that they would be receiving salaries in excess of people who are grown and who are supporting families. We wanted to limit that salary, and that is why we submitted this amendment.

Mr. SCHWEIKER. Mr. President, I support the amendment for the reasons the chairman stated.

I want to emphasize that this is merely setting a ceiling. It does not preempt a right from time to time to review the ceilings and raise them.

There is no intent to permanently freeze, but simply so that it shall not be a matter of automatic increase.

I want to make the RECORD show it does not preclude us from changing the ceiling, but just limits the automatic escalator from applying this year.

I yield back my time.

Mr. HOLLINGS. I yield back my time.

The PRESIDING OFFICER (Mr. STONE). The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, in reviewing the bill I have found a few minor technical typographical errors and I ask that these technical amendments be considered and approved en bloc.

The amendments are as follows:

On page 14, line 17: strike "S. Res." and insert "Senate Resolution"

On page 14, line 18: after "Congress" insert a comma and "agreed to June 12, 1975"

On page 15, line 17: after the period insert the following: "This section shall be effective July 1, 1975."

On page 18, line 9: strike the word "paragraph" and insert in lieu thereof "section"

On page 19, line 20: after the figure 60 delete the parenthesis and "1st Session" and insert after the comma "agreed to June 12, 1975"

On page 50, line 6: strike the word "or" and insert in lieu thereof "of"

On page 74, line 24: strike the word "Statues" and insert in lieu thereof "Statutes"

Mr. HOLLINGS. Mr. President, along the same line of the technical amendments, it has been determined, subsequent to the committee's reporting the bill, that an additional reduction of $70,000 can be made to the estimate for Library Buildings and Grounds, Structural, and mechanical care. Accordingly, I have included an amendment with the technical amendments to make that change.

The amendment follows:

On page 52, line 8: strike out the figure "$1,891,000" and insert in lieu thereof "$1,821,000"

Mr. HOLLINGS. One amendment has to do, for example, with the per diem. It was our hope that the bill would be approved so that it would commence at the beginning of the fiscal year, July 1. That, of course, is not the case, so the July 1 effective date has to be written in.

The others so listed have been checked with the minority.

I ask that they be considered and adopted en bloc.

Mr. SCHWEIKER. Mr. President, I support the request of the chairman of the committee and am in accord with that.

I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the technical amendments are agreed to en bloc.

Mr. HOLLINGS. Mr. President, I have no further amendments.

We can go to third reading. The yeas and nays have been ordered.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MUSKIE. Mr. President, pending before the Senate is the Legislative Branch Appropriations Act for 1976. This bill provides funding for the entire legislative branch of the Government, including the Senate, House of Representatives, the Office of Technology Assessment, the Library of Congress, the Government Printing Office, and the General Accounting Office. Commencing next year, this bill will also include appropriations for the Congressional Budget Office, which was created by the Congressional Budget and Impoundment Control Act to provide Congress for the first time with independent, bipartisan, and objective information on the economy, spending, taxes, and the budget.

It is worth noting that this bill, which provides for the cost of an entire branch of the Government, represents less than two-tenths of 1 percent of the entire cost of Government for the next year. The distinguished Senator from South Carolina, Senator Hollings, chairman of the Legislative Appropriations Subcommittee, has done his usual craftsmanlike job of analyzing, criticizing, and holding the line on expenditures within the legislative branch. I am pleased to be able to report that the bill, as reported, is about $12 million under the budget target for this bill contemplated in the congressional budget resolution passed in May. The entire Appropriations Committee is to be commended for its work.

One function of this bill of special importance to the budget process is its provision for the General Accounting Office. Until the enactment of the Budget Reform Act, the General Accounting Office and the Library of Congress were literally the only sources available to the Congress within the Government for independent judgment on fiscal and economic matters. The role of the General Accounting Office was quite limited in this regard. That role was clarified in the Budget Act. The Budget Act gave the General Accounting Office clear responsibility for program review and analysis and clarified a number of its duties regarding technical features of budget procedures. An important provision of the budget act clarified the General Accounting Office responsibility for program review and evaluation. The act authorizes a new office of program review and evaluation in the office of the Comptroller General. That office is intended to assist Congress by monitoring Government programs to assure that they are carried out at the lowest possible cost and in the manner the Congress intended when it enacted them in the first place.

The Congressional Budget Office, on the other hand, was created by the Budget Act to perform all of the fiscal and economic analysis required by the budget committees and the Congress in the execution of their responsibilities under the Budget Act. Inevitably, some overlap will occur between the clarified responsibilities of the General Accounting Office and these new responsibilities assigned to the Congressional Budget Office. The committee report on the legislative appropriations bill reflects the sensitivity of the Appropriations Committee to this evolution of responsibilities between the CBO and the GAO.

I fully endorse the approach taken by the committee. As chairman of the Budget Committee, which has the statutory responsibility for overseeing the activities of the Congressional Budget Office, I have worked closely with Senator Hollings on this question. I am aware of the diligence and attention with which he pursued this matter in the development of the Legislative Appropriation Act. I commend him for that effort and on the wisdom reflected in the solution arrived at in this legislation. Basically, as the report indicates, the committee takes the position in this bill that there should be no further increase in GAO staffing for program review and evaluation beyond that already reached until the implications of the Budget Act for both GAO and CBO can be completely assessed. This assessment will, of course, include not only the first appropriation for the Congressional Budget Office itself, which is anticipated this fall, but also experience gained by the Budget Committee, the Appropriations Committee, the General Accounting Office, and the Congressional Budget Office under the Budget Act.

I look forward to working on this question with Senator Hollings; with the Comptroller General, Elmer Staats; and with Dr. Alice Rivlin, the Director of the Congressional Budget Office. It is already quite clear that the success of the budget process will require the complete cooperation and integration of the efforts of the General Accounting Office and the Congressional Budget Office. In that connection, I want to take this opportunity to commend the efforts of a distinguished public servant whose judgment and wisdom have been extraordinary, not only in the development of the Budget Act, but in its implementation. Most Members of this body are well acquainted with Mr. Sam Hughes, who is the Assistant Comptroller General for Special Programs at GAO. We have and will continue to rely on his judgments and wisdom for the success of the new budget process. The General Accounting Office has an important role to play in the new budget reform process, and I am confident that, under the guidance of Comptroller General Elmer Staats and with the aid of Sam Hughes, its contribution to budget reform will be fully realized.

Mr. HOLLINGS. Mr. President, just one word of thanks and recognition to our distinguished chairman, Mr. McClellan, who served with us on this subcommittee, and the Senator from North Dakota (Mr. Young).

Mr. Schweiker and I being younger members trying to check through and get this bill moving as expeditiously as we have—I think this is the second appropriations bill we have passed this year—have been assisted all along and have gotten the best guidance from Chairman McClellan and Senator Young. I wanted to publicly acknowledge that.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STENNIS. Will the Senator yield to me for a one-sentence statement, just half a minute?

Mr. HOLLINGS. Yes.

Mr. STENNIS. I thank the Senator from South Carolina and the ranking minority Member, as well as these two others he named. I know by experience how much work there is in this bill and how troublesome it is. It is a year-round job itself.

Mr. HOLLINGS. That is right.

Mr. STENNIS. We all owe these Senators a debt of gratitude, and I hope there is real gratitude for them.

Mr. HOLLINGS. I thank my distinguished friend from Mississippi, and I appreciate it very much.

Mr. SCHWEIKER. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Mississippi (Mr. Eastland), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from Nebraska (Mr. Curtis), the Senator from Arizona (Mr. Fannin), and the Senator from Nebraska (Mr. Hruska), are necessarily absent.

The result was announced—yeas 86, nays 6, as follows:

[Rollcall Vote No. 266 Leg.]

YEAS—86

Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Long
Leahy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh

Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tower
Tunney
Weicker
Young

NAYS—6

Byrd,
Harry F., Jr.
Goldwater
Helms
Proxmire
Roth
Thurmond

NOT VOTING—7

Abourezk
Buckley
Curtis
Eastland
Fannin
Hruska
Williams

So the bill (H.R. 6950) was passed.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments to H.R. 6950.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. STONE) appointed Mr. HOLLINGS, Mr. MCCLELLAN, Mr. HUDDLESTON, Mr. SCHWEIKER, Mr. MATHIAS, and Mr. YOUNG conferees on the part of the Senate.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Mr. President, I make this inquiry concerning the business of the contested New Hampshire election that we are on. I am asking if my interpretation of rule XXII, paragraph 2, is correct where, in stating when the cloture motion shall be brought to the Senate's attention, it states, "the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the following calendar day but one," and so forth.

Am I to interpret that as meaning that if the motion for cloture were filed today, Wednesday, it cannot be acted on until Friday unless unanimous consent is granted?

The PRESIDING OFFICER. The Senator is correct.

Mr. GOLDWATER. I thank the Chair. I just want to make an announcement that I am going to object to any unanimous-consent request for the filing of a cloture motion today and having it acted on the next day. I think it is time we got back to the operation of the Senate under the rules, and not do it by unanimous consent such as has been going on.

Mr. ROBERT C. BYRD. Mr. President, may I say that no unanimous-consent request with respect to a vote on the motion to invoke cloture has been made, with the exception of setting the hour for the 1 hour under the rule to begin running.

Ordinarily, as the distinguished Senator from Arizona has pointed out, that 1 hour begins running 1 hour after the Senate meets on the second day after the motion to invoke cloture has been presented. So that is the only unanimous-consent request that has been made thus far in relation to these cloture motions, may I say to my distinguished friend. We have only made requests to set the beginning of the 1 hour at a later hour during the day than would have been the case under the ordinary operation of the rule.

Mr. GOLDWATER. I intended that to come under my objection, too: any unanimous-consent request concerning this matter.

What I want to end is this magazine loading of cloture motions to go on and on and on. I think this afternoon we will break the Senate's record, and I think day after day after day the Senate is looking sorrier and sorrier and sorrier.

Mr. ROBERT C. BYRD. Mr. President, I do not question the latter statement, but may I say that no unanimous consent is required to offer a cloture motion, as long as the business to which that motion relates is before the Senate. No unanimous consent request is required.

Mr. GRIFFIN. Mr. President, who has the floor?

Mr. GOLDWATER. Unanimous consent is required, though, to remove the 1 calendar day in between.

Mr. MANSFIELD. That has never been done.

Mr. ROBERT C. BYRD. That request has not been made.

Mr. GOLDWATER. It may not have been done, but I think this is the sixth cloture motion this afternoon that we are voting on. Somehow they got stuffed in the magazine, and I think the time has come to stop it.

Mr. MANSFIELD. There has always been a legislative day intervening.

Mr. GOLDWATER. Somehow we are going to stop it.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. GRIFFIN. I would like to correct the majority leader's statement that we have had a legislative day intervening. We have had calendar days intervening, because one of the things that has been going on is that the majority leadership has been asking and getting unanimous consent, instead of adjourning, to recess the Senate from day to day, and one of the reasons that has been going on, I suspect, is to prevent the ordinary operation of the rules.

For example, with respect to a resolution the Senator from Alabama introduced this morning, he sought to get unanimous consent for its immediate consideration. It was objected to. It goes over under the rule, and should come up tomorrow for consideration in the morning hour.

I think his resolution ought to be considered, because what it would do is send the New Hampshire election contest back to the people of New Hampshire.

I want to serve notice that because we think the resolution of the Senator from Alabama deserves consideration, if not as an amendment, because we have been blocked out——

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Senators will suspend, so that the pending business may be laid before the Senate.

Under the previous order, the Senate will now resume the consideration of Senate Resolution 166, which the clerk will state.

The legislative clerk read as follows:

> A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire.

The PRESIDING OFFICER. The pending question is on agreeing to the motion of the Senator from Michigan to postpone consideration of the resolution for 24 hours.

Mr. GOLDWATER. I will continue to yield to my colleague.

Mr. CANNON. Mr. President, who has the floor?

Mr. GOLDWATER. The Senator from Arizona has the floor.

Mr. MANSFIELD. The Senator from Arizona took his seat. Does he retain the floor if he takes his seat,

The PRESIDING OFFICER. The Chair has not recognized anyone under this order.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. I yield to the Senator from Michigan, with the understanding that I may do so without losing my right to the floor.

Mr. GRIFFIN. I merely want to finish my statement that not only on my own account, but on account of others who have so requested, there will be objections now to recessing or to taking up other business when it is going to interfere with the regular operation of the Senate rules and block out the consideration of such resolutions as that which has been offered by the Senator from Alabama.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. CANNON. I yield.

Mr. ROBERT C. BYRD. What the distinguished Senator from Michigan has now said is that the Senate will have to have a rollcall vote on a motion to recess rather than to adjourn. So all Senators are on notice that they can anticipate rollcall votes, because that motion can be made if a unanimous-consent request is objected to.

Mr. MANSFIELD. And it cannot be debated.

Mr. ROBERT C. BYRD. That is correct, it cannot be debated.

Mr. MANSFIELD. And it cannot be tabled.

Mr. ROBERT C. BYRD. That is correct, it cannot be tabled.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me again once more?

Mr. CANNON. Yes, I yield to the Senator.

Mr. ROBERT C. BYRD. I want to be sure that I clearly understand the intentions of the distinguished Republican whip.

Am I to understand that the Senate will not be granted unanimous consent to recess from day to day?

Mr. GRIFFIN. I suppose, if the distinguished majority whip wants to couple with his request the provision for the taking up of resolutions in the morning hour as would ordinarily be the case, that there would be no objection. But one of the results or the consequences of the procedure that has been followed here is to block out such matters.

Mr. ROBERT C. BYRD. That is correct.

Mr. GRIFFIN. In this case, it seems to me it is particularly offensive, because it is a resolution that deals with the subject of the New Hampshire election, and we want to have it considered.

Mr. ROBERT C. BYRD. As I understand it, we have voted on this question a number of times, and the Senator wants to vote on it again. There is absolutely no reason to couple that provision with the unanimous-consent request to recess. We can simply accomplish that by adjourning.

Mr. GRIFFIN. I say by unanimous consent, if the Senator wants to make sure that rights of Senators are not cut off for something, or some other reason for recessing, then that might be all right.

I say to the Senator from West Virginia that there is movement on this issue. The Senator from Alabama heretofore consistently in the committee and here in the Senate voted against all of those amendments to send this matter back to the State of New Hampshire. He has changed his mind now. I rather suspect there are some other Senators who might be on the verge of realizing that that is the proper way to handle this matter.

Mr. ROBERT C. BYRD. The Senators have a right to change their minds. I am not discussing that aspect of the matter. But I want to be sure that I understand the distinguished Republican whip.

Any unanimous consent to request without a coupling motion that would provide for consideration of a resolution offered under the rule would be objected to.

Mr. GRIFFIN. We will listen to each one of them as presented, but I just want to make the purpose and concern apparent in the event there are objections.

Mr. ROBERT C. BYRD. Very well.

Mr. CANNON. Mr. President, first I say to my distinguished colleague from Michigan that some people are trying to delay votes on some of the issues before the Senate. We have now been on the matter some 19 days, and we have had 26 rollcall votes through July 8, and we have still not been able to vote on any 1 of the 35 issues that the Senate Rules Committee reported unanimously to the Senate. So I find it rather strange for the distinguished minority whip to suggest that we are trying to delay action on this matter when the only thing we have been trying to do is to get a vote on the 35 issues that are posed here by the resolution.

I say to my colleague that I have offered on numerous occasions to agree to unanimous-consent agreements for time limitations on any of the issues, on any amount of time from 30 minutes on up, even though I think at one time we proposed in the neighborhood of 60 hours overall, and still we have not been able to get agreement on it.

Mr. ROBERT C. BYRD. And we have spent more than 60 hours now without having reached a resolution of a single issue.

Mr. CANNON. I think with 18 days it is obvious that we have spent over 60 hours, and a lot of time at the expense of a lot of other matters that are before the Senate.

I simply say that we ought to try to get to vote on some of these issues.

Mr. President, may I ask what is the pending business now before the Senate?

The PRESIDING OFFICER. (Mr. HANSEN). The pending business is the motion of the Senator from Michigan to postpone the pending resolution for 24 hours.

Mr. CANNON. That motion was filed at what time yesterday?

The PRESIDING OFFICER. The Presiding Officer does not have that information, but I understand it really does not matter anyway.

Mr. CANNON. I know it does not matter, but it may matter in my effort to try to move this procedure along.

The PRESIDING OFFICER. I am informed the time was 3:50 p.m.

Mr. CANNON. Then we have been an hour and 50 minutes less than 24 hours, so really the accomplishment of the Senator from Michigan has been achieved.

A moment ago I referred to the time that we had spent on this matter. It is now, I am informed, through Tuesday, July 8, 69 hours and 22 minutes, with 25 rollcall votes, and 23 live quorums.

In order that we can expedite matters, Mr. President, and move this matter along and try to get to the substance of the issues that we are still trying to vote on, I move to table the motion of the Senator from Michigan.

Mr. HUGH SCOTT. Mr. President, will the Senator yield for me to make one comment in view of his reference to time?

Mr. CANNON. Yes, I will withhold and ask unanimous consent that I be permitted to yield to the Senator from Pennsylvania without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. HUGH SCOTT. I thank the Senator.

I have asked to be informed of the number of times cloture has been voted upon for three or more times.

There have been four instances of four consecutive cloture votes on a single measure, namely:

Civil Rights Act of 1968, which succeeded;

Senate rule XXII of 1971, which failed;

The Consumer Protection Act of 1974, which failed; and

The Export-Import Act of 1974, which failed.

As of now there have been four cloture votes on the New Hampshire election with the fifth due today and the sixth tomorrow.

There have been no instances of more than four cloture votes on a single issue. Today will be the first time.

There were, in addition, five instances of three consecutive cloture votes:

The Lockheed aircraft loan bill of 1971, which failed;

The EEOC Act of 1972, which succeeded;

The Consumer Protection Agency bill, which failed;

The antibusing bill of 1972, which failed; and

The debt limit bill of 1974, which failed.

As a matter of interest, there were only two cloture votes on the modification of Senate rule XXII in 1975.

Also, there have been three more instances of three cloture votes, although these votes were not consecutive ones:

The right-to-work bill in 1965–66, which failed;

The Rhodesian Chrome Act, 1973–74, which succeeded; and

The Legal Services Act, 1973–74, which succeeded.

In summary, in the 12 instances of three or more votes on a single issue, cloture was invoked only four times.

I add, also, that this creates a new and unusual situation.

Never in the Senate have more than four cloture votes been called for or voted upon, and this has been done under a sort of a custom whereby those who are in favor of cloture have been given what is deemed to be a reasonable chance to invoke it. Three times has usually been deemed reasonable. Four times in exceptional circumstances has been deemed reasonable.

Beyond this, it seems to me that the action of continually invoking cloture is an action to impose unusual, cruel, and inhumane punishment on some of the Senators; that it is from now on a sheerly political move and should be so designated.

I will rise from time to time to point out that there is no purpose for this except to find means of taking the election away from the people of New Hampshire, notwithstanding the overwhelming press support.

I hope we can come to some period when it will become evident to the Senate that cloture votes are no more than a form of harassment hereafter, that pending at the desk is the Allen motion, which should be voted on. Senator ALLEN has changed his mind after months of careful consideration, in his belief and his effort to make it possible for the Senate to determine the result of the election.

It seems to me that a continual attempt to invoke cloture under these circumstances is really no more than an unnecessary action on the part of the Senate. I hope we can reach a point at which we do not have to do it. Once the cloture votes are set aside, I hope the parties on each side will meet and discover other possibilities which exist, other means by which we may solve this problem: sending it back to New Hampshire, recounting all the votes, or a solution of the 35 issues. Other things can be done in this case. The Republicans are ready to do it.

We believe that the press of this country, with a unanimity rarely observed in this Nation, has condemned the Democratic Party for its attempt to defy the will of New Hampshire, for its avoidance of democratic principles, for its failure to recognize the sovereign rights of a sovereign State. Therefore, we strongly feel that this tactic is one which at some point or another needs to be terminated. Otherwise, I am afraid we are not going to get anywhere. If it is terminated, I believe we are going to get somewhere. I can see some daylight, and I can see some ways we can do it.

I thank the distinguished Senator from Nevada.

Mr. CANNON. I thank the Senator.

I may say that that was a rather long "briefly yielding." However, I yield briefly to the Senator from West Virginia.

Mr. HUGH SCOTT. Well, I do not talk very much.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Republican leader has outlined in great detail the various issues which, from time to time over the years, have occasioned cloture vote. He attempts to make quite a point of the fact that on no issue has there been more than four cloture votes.

I think we should keep in mind that the issue before the Senate today is a constitutional issue. It is a duty that is placed upon the Senate specifically by the Constitution. It differs in that regard from the other issues mentioned.

The Constitution does not say that the Senate shall pass a consumer protection act. It does not say that the Senate shall pass a civil rights act. But it does say that each House shall be the judge of the elections returns and qualifications of its own Members. This is an issue that stands upon a higher plane and imposes a higher duty upon the Senate—a very specific one, under the Constitution—than does any of the other issues on which cloture votes have been occasioned.

Mr. CANNON. If the Senator will permit me, I inquire as to whether or not there has been any other situation in history in which all the members of one party have voted unanimously on the same side, against cloture, to prevent the Senate from coming to grips with the problems then before the Senate. I know of none.

Mr. ROBERT C. BYRD. I know of none.

Mr. CANNON. Mr. President, I continue to yield to the Senator.

UNANIMOUS-CONSENT REQUEST THAT THE SENATE RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock tomorrow morning.

Mr. HATFIELD. Mr. President, I object.

The PRESIDING OFFICER (Mr. LAXALT). Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, what is the number that has been given to the resolution submitted by the distinguished Senator from Alabama (Mr. ALLEN)?

The PRESIDING OFFICER. Senate Resolution 202.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately after the cloture vote today, the Senate proceed to vote on the resolution by Mr. ALLEN.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object—and I shall not object—would there be a limit on time for debate?

Mr. ROBERT C. BYRD. I am in a very good mood today. [Laughter.]

I will go either way the Senate wishes, just so we can have a vote today. I want to accommodate the distinguished Republican whip.

Mr. GRIFFIN. The distinguished Senator from Alabama is in the Chamber. Whether he wants any time for debate is up to him.

Mr. ROBERT C. BYRD. The Senator from Alabama is agreeable. He always is in an agreeable mood.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the resolution by Mr. ALLEN.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays on the resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The Senate continued with the consideration of the resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. ALLEN. Might provision be made for 1 hour of debate with respect to the resolution?

Mr. ROBERT C. BYRD. I say, first, to the distinguished Senator from Arizona that there is no intention on the part of the leadership today to offer a cloture motion, which we could do, without unanimous consent, and which would require a cloture vote on Friday.

Mr. President, I ask unanimous consent that there be 1 hour of debate on the resolution by Mr. ALLEN, that the hour be equally divided between Mr. CANNON and Mr. ALLEN, and that the 1 hour begin running immediately upon the disposition of the cloture vote today.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, will the Senator further stipulate that there will be an up and down vote on the resolution and that there will be no amendments, just a vote on the issue itself;

Mr. ROBERT C. BYRD. The Senator is very gracious, in that he offers the leadership an opportunity to have an up and down vote, rather than approach the matter through the tabling route.

I ask unanimous consent that no amendments be in order that no tabling motion be in order.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CANNON. Mr. President, in order that we might expedite the business of the Senate now at hand and try to arrive a moment closer to some of the 35 issues that have been pending before us 69 hours and 35 minutes, I move to lay on the table the motion of the Senator from Michigan.

I ask for the yeas and nays.

Mr. GRIFFIN addressed the Chair.

Mr. CANNON. I withhold that request.

Mr. GRIFFIN. Does the Senator want a rollcall vote? I am willing to have a voice vote.

Mr. CANNON. Mr. President, I withdraw my request for the yeas and nays, temporarily.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment by the Senator from Montana to the amendment of the Senator from Navada.

Mr. CANNON. Mr. President, do I correctly understand that the Mansfield amendment is in the second degree at the present time?

The PRESIDING OFFICER. That is correct.

Mr. CANNON. And the prime amendment is that of the Senator from Nevada?

The PRESIDING OFFICER. That is correct.

Mr. CANNON. Mr. President, I withdraw my amendment.

SEVERAL SENATORS addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, the situation now before the Senate, as I understand it, would permit the offering of an amendment from this side, which is an opportunity we have not had for a little while.

Yesterday, there was a determined effort to place before the Senate an alternative to the so-called Mansfield compromise, which I must say is not a compromise at all. It was discussed with the leadership on this side or anyone on this side, and it is very difficult to know how one can compromise if one does not negotiate with the other side. But it was labeled as a compromise here on the floor and in some of the news stories.

We do have a suggestion. It seems to me to be an alternative and about the only thing that is fair and reasonable if we are not going to send this matter back to the people of New Hampshire. This Senator believes, and I think most of the people in the country and an overwhelming percentage of the people in New Hampshire believe, that the proper way to resolve this matter would be to have a new election. But if the determined position of the Senate is not to do that, then it seems to me that we ought to recognize that we have pretty well demonstrated in the Senate, over a 6-month period, that we do not seem to be able to deal with this matter on a nonpartisan, objective basis.

The Senator from Rhode Island (Mr. Pell), during the course of the committee deliberations, put forth an approach which, it seems to me, had a great deal of merit. He briefly outlined his views in connection with the report that was filed. His individual views state:

> I remain of the view that the actual counting of the New Hampshire ballots, and as much as possible of the procedural decision-making relative to the New Hampshire Senate election contest, should not be done by elected individuals, but should have been deleated to a neutral body chosen from a panel recommended by the American Arbitration Association or other impartial source and agreed upon by the contestants.
>
> Such a procedure would have permitted the Committee and the Senate to have fulfilled its clear Constitutional responsibility in regard to the election by reviewing the work of the impartial panel. I do not believe, however, that we, as Senators, were chosen by our constituents to spend 212 hours

Now, the number, of course, would be much, much larger—

> in the course of 46 days—

And the number of days now is much, much larger—

> on ballot-counting and procedural questions, to the detriment of our other responsibilities. Multiply the days and hours by eight—the number of members serving on the Committee—and the result is a tremendous amount of time and effort and expense.
>
> Although my motion to engage an independent panel did not prevail, I would hope that if another contest should arise in the future such a source might be followed.

And so on.

Senator Pell's idea was that each of the contestants would designate some distinguished judge, perhaps a retired judge, or someone who is a member of the American Arbitration Association, and the two of them agree on a third member of the panel. While he does not say so and in connection with some of its votes the committee did not seem to take the view, which it would be my view, that such a panel should be charged by the Senate with the obligation of applying New Hampshire law to the questions that come before them. The argument that is made that this could not be done because it would be a delegation of constitutional responsibility that the Senate has. I do not think that is necessarily a valid argument. The Senate does not have to delegate the final decision to such a panel. The panel can be instructed to count the ballots, and then come back with its recommendation which the Senate could either adopt or reject.

It seems to me that if such an objective, judicial type of panel were to perform that function, the weight of public opinion would move the Senate to adopt its recommendations unless there were obviously something wrong with it.

It seems to me that that is a plausible alternative. If, instead of throwing New Hampshire law out the window, which is what the so-called Mansfield compromise would do, then the appropriate compromise, if that is the word that we are going to use around here, might well be this approach which was first suggested by a Member on the other side of the aisle.

I realize that something similar to this was offered—earlier in the debate by the Senator from Alaska (Mr. Stevens), and at that time the Senate voted it down. But I believe that it is worth reconsidering as an alternative to a new election, if we are looking for alternatives.

The Senator from Michigan believes that this would be the kind of solution that would be acceptable to the people of the country in the light of the very sorry demonstration which the Senate has made here during this extended period of time. I believe it is too bad, as I said yesterday, trying—we should be helping them, the people of this Nation—to recover their confidence in the processes of government in the wake of Watergate. I do not assert that this particular matter has any relationship to Watergate except insofar as the Senate's conduct undermines the confidence of the people in the processes of the Government.

At the appropriate time, I shall offer this amendment on behalf of Mr. Scott along the lines I have suggested.

Mr. DOLE. Will the Senator yield?

Mr. GRIFFIN. I yield for a question without losing my right to the floor, if I may get that permission.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. He yields without losing his right to the floor.

The PRESIDING OFFICER. That is correct.

Mr. DOLE. The Senator from Kansas asks a question that may or may not be covered by the amendment. In the event that the amendment were adopted, would the recount take place under the laws of the State of New Hampshire? Would that be implicit in the amendment, or would this tribunal or board or whatever be able to make its own rules; in fact, override the law of New Hampshire as was done in the Senate?

Mr. GRIFFIN. I would say that the particular wording I have in mind here would say that it would be the sense of the Senate that a three-member arbitration panel composed of members of the American Arbitration Association, one to be designated by Mr. Durkin, one to be designated by Mr. Wyman, and a third to be designated by the first two would recount and review all ballots and protests heretofore made by either party, applying New Hampshire law thereto, with the purpose of determining the winner of the election in New Hampshire on November 5, 1974, and making an appropriate recommendation to the Senate.

Mr. DOLE. So it is clear that New Hampshire law would apply.

Mr. GRIFFIN. Yes, it would be clear by the instruction of the Senate that such a panel would be expected to apply New Hampshire law.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield if I may do so without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Without the Senator from Michigan losing his right to the floor, I think the Senator has made a good suggestion, and I hope in due course of our deliberations he will advance what we can call the Pell approach.

I am convinced that this body is not going to come out of this affair in any great light at all unless we allow this matter to go back to the people of New Hampshire. As I have said on the floor previously, whether we are talking about 1 vote or 10 votes it does not matter, and if we allow this to become established as a precedent, would it not be possible to have a future Senate decide that a 1,000 or 10,000 or 1 million vote margin did not elect a person?

I have asked the Senator that question before so I know his answer, but I did want to keep within the bounds of propriety and pose a question, and it is already answered, and that solves the problem.

I think what is happening here—and I have said this on the floor before, and I say this with all charity to my friends on the other side of the aisle—we Republicans should actually be rejoicing because there is an election coming up in 1976. There are many Members of both sides of the aisle who are going to be up for reelection and, frankly, if I were a Democrat I would hate to have to go out and defend my participation in the establishment of the record that this Senate has been establishing.

I think the Philadelphia Inquirer editorial, while it has already been put in the Record, very much expresses what I have been feeling about this, and I would like to read it.

Mr. ROBERT C. BYRD. Mr. President, I will not ask for the regular order. The Senator from Michigan was supposed to yield only for a question. I am not going to ask for the regular order against my friend from Arizona.

Mr. GOLDWATER. I was just going to say I was going to ask the Senator if he had read this editorial in the last half hour. [Laughter.]

Mr. GRIFFIN. I was going to respond that if the Senator would read it I would answer the question because I was not sure what editorial he referred to.

I yield for that question.

Mr. GOLDWATER. I ask the Senator to pay particular attention to the editorial so that he can answer it.

LET NEW HAMPSHIRE DECIDE

> "The world's greatest deliberative body," otherwise known as the United States Senate, is bogged down again. For six months now, it has been trying to decide—first through its Rules Committee, more recently on the Senate floor—who the junior senator from New Hampshire should be. Any progress toward a decision is indiscernible.
>
> All this goes back to the elections last Nov. 5, when Republican Louis S. Wyman defeated Democrat John Durkin by 355 votes for the New Hampshire seat. A recount produced a 10-vote margin for Mr. Durkin. But then the state's bipartisan Ballot Law Committee examined disputed ballots and unanimously ruled that Mr. Wyman was the winner by two votes.
>
> Thus Mr. Wyman, armed with a valid certificate of election from his state, was prepared to take his seat. But Mr. Durkin appealed to the Senate, which refused to seat Mr. Wyman pending an investigation. And there—eight months after the election—the matters rests today.
>
> The Rules Committee, often deadlocked 4 to 4, has asked the full Senate to decide 27 disputed ballots and eight procedural matters. But after 12 days of debate amid Republican charges that the Democrats are using their majority to try to "steal" the election, the Senate hasn't even been able to agree to bring the questions to a vote.
>
> The arguments over the disputed ballots are complex and are compounded by the fact that some of the ballots have now been destroyed. But the whole business was summed up well by Sen. Hugh Scott when he told his colleagues before their July Fourth recess that "this is such a hashed-up mess that it really ought to go back to New Hampshire."
>
> That would be the tidiest and fastest way to settle the question and permit the Senate to get on with its other business. All the Senate needs do is declare the seat vacant and then let the people of New Hampshire make the decision in a new election.
>
> The Republicans in the Senate have already demonstrated their unanimous support for such a solution. If the Democrats are not indeed trying to exploit their numerical advantage in the Senate, then why do they insist on deciding the question there instead of sending it back to New Hampshire's voters?

I repeat my question to my friend from Michigan, has he read that editorial in the last half hour?

Mr. GRIFFIN. I respond to the distinguished Senator from Arizona by saying I have not read it in the last half hour. But I had read it, and it is certainly consistent with what seems to be a wave of editorial opinion all over the country. In fact, every editorial of a major newspaper that has come to my attention in the last several weeks seems to be in line with the general thrust of that editorial, and with one which appears today in the Washington Star. I referred to it earlier when only one or two Senators were on the floor, and I think it is worth repeating.

The editorial is in today's Washington Star, entitled "A Ridiculous Senate Spectacle"—and when I finish, if I may do so without losing my right to the floor, I will ask the Senator from Arizona whether he has read this one.

A RIDICULOUS SENATE SPECTACLE

> It should be obvious by now that if the New Hampshire election dispute is pursued to a conclusion in the U.S. Senate, the seat will be awarded on the basis of politics rather than fairness or objectivity. There is no way that 61 Democrats and 38 Republicans can put aside their partisanship on an issue that has become so inflamed.
>
> Republicans, feeling with considerable justification that the Democrats are out to steal the seat, have dug in their heels. Democrats, while finally making some concessions to try to end the GOP filibuster, have not made a persuasive argument against the notion that they mean to have the seat by fair means or foul.
>
> Is it any wonder that garbagemen get a higher rating than members of Congress in public opinion polls, when the self-styled "world's greatest deliberative body" engages in such a partisan spectacle? While the nation waits for legislative action on energy and other pressing problems, the Senate haggles full time over a political issue that it should have disposed of months ago. Moreover, it has for more than six months deprived New Hampshire of its right to be represented by two senators in the U.S. Senate.
>
> The Democrats in the Senate are being uncommonly slavish to a constitutional provision that says the Senate shall be the final judge of the qualifications of its members. They insist that members would be shirking their duty if they don't decide the issue on the Senate floor.
>
> There is nothing in that constitutional provision that says the Senate can't send a disputed election back to a state for a re-run.

I would interject that the Senate has done that twice before.

The editorial goes on:

> The race in New Hampshire between Republican Louis Wyman and Democrat John Durkin was so close that the sensible thing would have been for the Senate to have declared the seat vacant last January and asked the state to conduct another election.
>
> It's still the sensible thing to do.

Mr. President, if I may do so without losing my right to the floor, I would yield to the Senator from Arizona to ask him whether he has read that editorial.

Mr. GOLDWATER. I might reply to my distinguished whip that I had read that editorial just an hour or so ago, and I was prepared to put it in the Record, but I was informed that it had already been placed in the Record.

I would ask unanimous consent, Mr. President, that I might ask the distinguished whip another question relative to another editorial.

Mr. GRIFFIN. I would be glad to have the Senator do so.

Mr. GOLDWATER. Without his losing his right to the floor.

The PRESIDING OFFICER. That is understood.

Mr. GOLDWATER. Mr. President, during this colloquy the Senator from Michigan observed the fact that this should be obvious to all of us that editorially the press of this country is very much against this procedure. He said this country. Is the Senator from Michigan aware of a rather lengthy paper that appeared in the Economist on July 5 in London? Has he read that or heard of it, say, in the last hour?

Mr. GRIFFIN. If the Senator would identify it more fully perhaps I could answer the question.

Mr. GOLDWATER. I will do that without wasting the time of the Senate. I will not go clear through it, but this has been written in London, "The World-American Survey"—"Shenanigans in the Senate" is what is the title in London.

I realize that we should not allow any influence outside of our borders to affect what goes on on this floor, but I suggest that when our mother country, after whose legislature this body is more or less patterned, begins to take cognizance of the misdoings of one of its children, we had better pay attention.

I remind my friend from Michigan, the writer starts by saying:

> The United States Senate is not without its pretensions. "The greatest deliberative body in the world" it likes to call itself, and, political differences notwithstanding, most Senators are agreed that they are fortunate indeed to belong to such an exclusive club. With few exceptions—a recent one was Mr. William Saxbe, who did not enjoy his seat from Ohio and happily left it to become first Attorney General and then ambassador to India—they can imagine no other job they would prefer to have. The Senate's superiority complex towards the House of Representatives is notorious, and frequently nurtured by the press and public; whereas ordinary Representatives in the House are often portrayed as inarticulate stumblebums, the 100 Senators are presumed to dedicate themselves to penetrating and lucid discussion of the highest matters of state.
>
> Just now, alas, there are only 99 Senators, and therein lies the problem—and the current subject of a discussion that is not very statesmanlike. Last November, while Democrats were sweeping to a landslide victory in most parts of the country, the voters of New Hampshire divided almost evenly in selecting a successor to Mr. Norris Cotton, the Republican who had held one of the state's two Senate seats for 20 years. The first count of the 220,000 votes cast awarded victory, by a slim margin of 355 votes, to Mr. Louis Wyman, the Republican candidate, who had already served five terms in the House. But his Democratic opponent, Mr. John Durkin, a former state insurance commissioner, objected. A recount by the New Hampshire secretary of state showed him to be the winner by 10 votes. Mr. Wyman in turn appealed to the Ballot Law commission, which, after reviewing 400 disputed ballots, declared that there was actually a Republican edge of two votes. Before Mr. Wyman could be seated, however, Mr. Durkin appealed about the entire matter to the Senate itself.
>
> The Constitution provides that "each house (of Congress) shall be the judge of the elections, returns, and qualifications of its own members", and that is a power which the Senate has always taken seriously. More than 25 times this century it has been called upon to resolve election challenges, usually based on charges of corrupt practices or election law violations, and once in the 1920s a Pennsylvania seat lay vacant for nearly three years while a disputed vote was reviewed. But those were simpler days when the Senate, very much a club, met for only a few months a year, and hardly anyone noticed when there was a vacancy. Today Congress has year-round sessions, and whether or not it plays a crucial role in the formulation of public policy—the point is much in dispute—it is highly visible. The public is often aware of, and remembers, how the Senators divide on hotly contested issues. One empty seat out of a hundred is an embarrassment to the Senate and a source of anger to some citizens of New Hampshire. The bicentennial consciousness being what it is, they have been heard to argue that they are being subjected to taxation without equal representation.
>
> As it happened, the dispute between Mr. Wyman and Mr. Durkin came along just when the Senate was polishing up its image as a body of statesmen. Having gained a

> reputation in recent years for talking endlessly—filibustering—while urgent problems festered, the Senators opened this year's session with a discussion of rule 22, which governs the procedures for cutting off debate. After devoting more than seven weeks to the subject, the Senators voted in March to permit cloture—the end of discussion—in the future by a vote of three-fifths of the entire membership (60 Senators) rather than two-thirds of those present and voting (potentially 67 Senators). Then it went about its other business, while the New Hampshire election dispute was referred to its committee on rules and administration.
>
> The rules committee held hearings and debates—212 hours' worth, to be exact. But on 35 separate matters, including 27 individual disputed ballots and eight procedural issues, its eight members split evenly. Generally, voting on the side that favoured Mr. Durkin were four of the committee's Democrats, and on the side favourable to Mr. Wyman were the three Republicans and Mr. James Allen, a Democrat from Alabama who fancies himself a new "conscience of the Senate". Unable to solve the problem definitively, the committee asked the full Senate to resolve these disputes and then send it back to work counting ballots with more precise instructions. That was what Mr. Mike Mansfield, the majority leader, had in mind when he scheduled the New Hampshire election on the Senate calendar for mid-June. The timing, seemed ideal and, even better, limited, what with a Fourth-of-July holiday recess scheduled two weeks later and with 14 Senators planning to use that occasion for an official visit to the Soviet Union.

Then they come to a little heading, Party Games. If my friend from Michigan could give his attention to this subtitle, "Party Games," I am not going to ask any specific question about it because this pertains to the entire paper, but I would hope he might answer this question in addition to the other when I have finished.

> PARTY GAMES
>
> How should the New Hampshire Senate election be resolved? Somehow, after the floor debate began, agreement was not immediately forthcoming. It depended on how you looked at things, and how you looked at things depended on what party you happened to belong to. Republicans, citing the highest constitutional principles and an unwavering regard for the wishes of the voters, insisted that the only fair way to settle the matter would be to declare the seat vacant and send the whole issue back to the state for a new vote. Democrats, invoking the same statesmanlike concerns, said that would be shirking a constitutional responsibility to count the ballots already cast: "There has been an election, and all we have to do is figure out who won it." Each side piously disavowed any partisan motive. To hear the Republicans talk, it made no difference that New Hampshire is a traditionally Republican state with a Republican governor who would try to dominate the new election; the Democrats seemed hardly aware of their own majority of 61 senators (as against 38 Republicans) in any ultimate vote on how to count the existing ballots. (One midwestern Democrat was heard to remark, however, that his philosophy was that "we should count the ballots, debate the issues fully and fairly, and then vote to seat the Democrat".)

Now, I will stop and check if the Senator recalls reading that particular part of the London column.

Mr. GRIFFIN. I respond by saying that I have read it and certainly it is interesting, but most of all disturbing, I think, that such a distinguished press organ in Great Britain as the Economist would find it necessary to write about the greatest deliberative body in the world in such language as that. But it is a fact.

So, we are seeing this deterioration—I guess we would call it—of the image and the prestige of the Senate not only being noticed here in our country by our press, but by the press abroad, which is very, very unfortunate.

Mr. GOLDWATER. I would agree with the Senator. I ask unanimous consent that the Senator from Arizona be allowed to further question the Senator from Michigan because I have a few more statements to read from this editorial from London that I believe the Senate should hear, but particularly my party whip, who has a great responsibility in this proceeding.

Mr. GRIFFIN. I thank the Senator.

Mr. GOLDWATER. I ask unanimous consent that I might question him without his yielding his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. This column brings up some other questions. It is kind of hard to read a little bit of it. Maybe it is such a bad subject to discuss, the ink has sort of rotted since it was put on the paper:

> The decorous and dignified Senate deteriorated rather quickly. Republicans withdrew their consent for standing Senate committees to meet while the full body was in session (a standard procedure). Democrats repeatedly voted against proposals by the Republicans and by Mr. Allen to hold a new election if neither candidate was seated before August 1st. A Saturday session, convened by Mr. Mansfield as a sort of punishment for a group of bad boys, fell apart when the Senate was unable to muster a quorum and the Republicans would not agree to proceed without one. Most other business was suspended, and at one stage it was uncertain whether the Senators would vote to extend the national debt ceiling in time to permit the federal government to meet its payroll.
>
> The Senate was at its rhetorical best. Mr. Hugh Scott, the Republican leader, contending that the Democrats were trying to steal an extra seat, said that "If this Senate can take a seat away from New Hampshire, it can take a seat away from Delaware, it can take a seat away from New York, a seat away from Alabama, and a seat away from any other state". Mr. Robert Byrd, the Democratic whip, remarked that "at this day no man on God's footstool can say who won that election". All the while, Mr. Durkin and Mr. Wyman sat at tables in the back of the Senate chamber, on the Democracic and Republican sides respectively—unable to speak, collecting no salary, but each coaching his supporters on. Several times the Democrats attempted to invoke the new cloture rule, but fell a few votes short, as Mr. Allen and three other southern Democrats opposed in principle to the cutting off of debate on any issue voted with the Republicans. Eventually Mr. Mansfield relented and let the Senate go on holiday and that junket to the Soviet Union, with the understanding that the New Hampshire Senate race would be the first item on the agenda when it returns on July 7th.
>
> The House of Representatives, for its part, was not about to be outdone. The chairman of the elections subcommittee of the "lower body" announced that 3,916 disputed ballots for a House seat from the state of Maine would be flown to Washington in early July so that a challenge to that election could be considered. He did not say to what extent the House was planning to emulate the Senate.
>
> Mr. Wyman's name came into the news in another connection this week, when it was revealed that Mrs. Ruth Farkas, the American ambassador to Luxemburg, had told a grand jury that he was the intermediary in her purchase of her ambassadorship with a $300,000 contribution to Mr. Richard Nixon's reelection campaign in 1972. Mr. Wyman dismissed the allegation as a political one intended to "besmirch my integrity".

I wonder if the Senator from Michigan recalls having read the latter part of that column.

Mr. GRIFFIN. I will respond to the Senator from Arizona by saying that I have.

Mr. GOLDWATER. Would the Senator feel a bit shocked to learn that ambassadorships are sold by Presidents of the United States, including Democratic ones?

Mr. GRIFFIN. Yes.

Mr. GOLDWATER. He would be shocked?

Mr. GRIFFIN. Certainly.

Mr. GOLDWATER. I do not have the time nor the inclination to go through the long list of ambassadors, that I can remember, good ambassadors, illustrious ambassadors, who obtained their posts not under Republican but under Democratic Presidents, and who had no other backing for the post than a lot of money.

Mr. GRIFFIN. I guess I would take issue with the use of the word "sold" used by the Senator.

Mr. GOLDWATER. I think that is proper.

I do want to thank my friend from Michigan for yielding to me. I know it has been a long question. I did not want to detain the Senate unduly, but I was so interested in his comments on the Pell suggestion. I think we ought to call it that because it is consistent with the gentleman's thinking, with his fairness, with his even-mindedness, that he would come up with a suggestion like this. I would only hope that his colleagues on the other side of the aisle would listen more to him.

Mr. GRIFFIN. I thank the Senator from Arizona.

Mr. President, I received in the mail the other day a letter from a citizen of New Hampshire. I do not know the gentleman at all. Perhaps he wrote to other Members of the Senate and other members of the committee. His name is Michael Dingman from Kensington, N.H., and he writes:

> KENSINGTON, N.H.
> *June 30, 1975.*
>
> DEAR SENATOR GRIFFIN: Please take a few minutes to read the substance of the attached Boston Globe article regarding the New Hampshire Senate controversy.
>
> In essence, it says that 3 out of 4 citizens of my State want to elect their own senator, regardless of political affiliation. However, New Hampshire voters also believe that once again, we are going to be "taken" by our big leaders in Washington. Simply stated, the American people do not trust business or government and this controversy has all the fuel necessary to reinforce that feeling.

The people of our country must be assured that *they* elect their government, not the reverse.

I am certain this is not a big issue for you, merely partisan politics. However, if we do not get down to restoring the faith of our fellow Americans in our leadership, there will be no future for partisan politics. As I see it, we have a great deal more at stake in your decision on this issue than you possibly realize.

Please choose some other issue for petty political fighting. This issue has only one answer. If you believe in the democratic system, give the people of New Hampshire a new election.

Sincerely yours,

Michael Dingman.

Mr. President, I ask unanimous consent to have printed in the Record at this point the article referred to in the letter as it appeared in the Boston Sunday Globe of June 29, 1975.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Boston Sunday Globe, June 29, 1975]

Senate Deadlock No Surprise to New Hampshire Voters

(By Jack W. Germond)

Durham, N.H.—If you ask Peter Barnes, who is 82, what he thinks about the way the Senate is handling the New Hampshire election controversy, he will get red in the face and give you a real earful.

"Those people in the Senate are a bunch of plain damned fools," he says. "We're entitled to another election if we want one and the way they're behaving is the most palpably outrageous thing I've ever seen."

But if you ask Peter Barnes if he and his friends spend much time talking about the controversy, he calms down, shrugs and replies: "As a matter of fact, we never even discuss it. What's the use. We can't do anything about it anyway."

This is a common attitude here as New Hampshire ends six months without a second senator because no one can decide whether Republican Louis C. Wyman or Democrat John Durkin won the election last November.

The voters are unhappy with the Senate's refusal to allow them to settle the question with another election. But they are not really excited about it because they seem to expect nothing more from Washington these days.

The Republican notion that the solution is another election has an obvious following that is not limited to Republicans here. A reporter questioned almost three dozen New Hampshire voters at random and found three of every four in favor of a new election. Half of them said they were Democrats.

In Manchester, Jeanette Boudreau, a factory worker, asked: "Why isn't that fair? The Democrats say it isn't fair but they want to take advantage because they've already got control. That's one-party government just like Russia."

An appliance salesman in Concord said: "I'm sick and tired of all that high-falutin' talk about examining all the ballots. It's obvious there's room for honest disagreement on some of them, and it's just as obvious that the Democrats are going to have their own way. There's no way to tell what some of those people (who cast disputed ballots) meant to do."

The complaints of Democratic partisanship in the Senate ignore the fact that the original certification of Durkin as the winner, based on a recount, was overturned by an obviously partisan Republican agency, the State Ballot Law Commission, here. And the fact that this has been lost in the shuffle is a kind of tribute to the effectiveness of the state's vociferous right-wing leaders, Gov. Meldrim Thomson and publisher William Loeb, whose Manchester Union Leader suggests almost daily that there are "61 thieves" in the Senate trying to do dirt to the Granite State.

Tom Gerber, editor of the Concord Monitor, has argued in favor of a decision in the Senate but concedes that "the drumbeat from Thomson and Loeb" probably has generated a majority position.

"There is nothing subtle about the Union Leader crusade. Daily there are front page reprints of articles from conservative publications warning of a Democratic "steal" or special reports that, for example, the Wisconsin Republican organization has passed a resolution calling for a new election.

Except for the politicians and the newspapers, however, the people are not very interested in the issue because it does not touch their lives in any way they can identify. And they clearly have little faith in the politicians in the Senate.

In Northwood an old man minding a store cackled at a reporter's question.

"You came all the way up here to ask me about something like that?" he chortled, beside himself at the folly of it.

"I don't think you've got enough to keep you busy. You know the answer as well as I do. The Democrats run things and that's the way it's going to turn out."

Outside Manchester, Jeanne Reese, a housewife, was more politic. "It's all just a charade," she said, "and I think you know that just as well as I do. They don't listen any more and they don't care what we want up here."

A Manchester businessman professed not to be influenced by Loeb's Union Leader.

"I read the Boston Globe, not this rag," he said, "but Loeb is right about one thing. Once they get to Washington they don't give a damn about the people who sent them there. With the shape this country is in it's criminal for the Senate to be spending all that time arguing about Louis Wyman and John Durkin. They should either make a decision up or down on those ballots or send the whole thing back here."

Mr. GRIFFIN. Now, Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 12, insert the following: after the word "Gilford" add the following, "but notwithstanding any other provision of this resolution, the contested seat in the United States Senate from the State of New Hampshire is hereby declared vacant as of July 11, 1975".

Mr. ROBERT C. BYRD and Mr. GRIFFIN addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ROBERT C. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The rollcall was resumed and concluded, and the following Senators answered to their names:

[Quorum No. 50 Leg.]

Allen
Baker
Brock
Byrd, Robert C.
Cranston
Goldwater
Griffin
Hansen
Hatfield
Helms
Laxalt
Mansfield
McClure
Pell
Ribicoff
Sparkman
Symington
Thurmond
Weicker

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Case
Chiles
Church
Clark
Culver
Curtis
Dole
Domenici
Fong
Ford
Garn
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Percy
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Tunney
Williams
Young

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion to lay on the table Mr. Griffin's amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland) and the Senator from Georgia (Mr. Talmadge) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley) and the Senator from Arizona (Mr. Fannin) are necessarily absent.

The result was announced—yeas 54, nays 41, as follows:

[Rollcall Vote No. 267 Leg.]

YEAS—54

Abourezk
Bayh
Bentsen
Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston

Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Stone
Symington
Tunney
Williams

NAYS—41

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Byrd,
  Harry F., Jr.
Case
Curtis
Dole
Domenici
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Mathias
McClellan
McClure
Metcalf
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Stafford
Stennis
Stevens
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—4

Buckley
Eastland
Fannin
Talmadge

So the motion to lay on the table Mr. GRIFFIN's amendment was agreed to.

Mr. CRANSTON. Mr. President, a number of efforts have been made on this side of the aisle to meet concerns that have been expressed in one way or another about the way this matter has been approached.

One of the first was when the Senator from West Virginia (Mr. ROBERT C. BYRD) in response to editorials and other news stories, made very plain that there was no intention, if it turned out that this election was decided in a way that seated Mr. Durkin, to change the committee ratios in any way that would result in the removing of any present members from those committees.

Yesterday another effort was made through the proposal by Senators MANSFIELD and LONG, which dealt with the major issue, that is the "skip-Louie" or "skip-John" ballots that involve more votes than any other issue. It took the Wyman contentions at face value, and met a demand that there be a search for "skip" ballots among the 180,000 ballots that are in the control of the committee.

If the allegations and affidavits submitted by Mr. Wyman and his supporters are correct, that one move would result in the seating of Mr. Wyman because several hundred "skip-John" Durkin ballots allegedly, according to those affidavits and allegations, were seen by those observing the count.

Under the Mansfield-Long proposal those ballots would be discounted, and John Durkin would lose those 200 or 300 votes.

However, Senator BROCK raised what seemed to be a legitimate objection to that proposal yesterday when he noted that the amendment offered by the Senators MANSFIELD and LONG included within it a denial of the Wyman demand that 10 specified precincts be recounted or looked at once again in New Hampshire.

In order to meet that objection, another effort now will be made to meet legitimate objections that have been raised in efforts to resolve this matter.

I am going to offer an amendment that would have the effect of moving four disputed multiple-skip ballots to Mr. Wyman and giving one to Mr. Durkin. It would mean, if approved, a net exchange of three votes in favor of Mr. Wyman.

I send this amendment to the desk and ask for its immediate consideration.

AMENDMENT NO. 678

The PRESIDING OFFICER (Mr. PEARSON). The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page 1, line 7, insert "(A)" after "(1)" and below line 12 add the following:

"(B) Notwithstanding the direction to vote separately on the issues posed in subsections (6) and (7) of this section and the direction to vote separately on the four more-than-single-square-skip-Wyman ballots and on the one skip-Durkin ballot listed in section 2 of this Resolution, it is the sense of the Senate and the Senate hereby determines that the four ballots listed in clauses (20) through (23) of section 2 of this Resolution as more-than-single-square-skip-Wyman ballots shall be counted for Wyman and the ballot listed in clause (24) of section 2 of this Resolution as a skip-Durkin ballot shall be counted for Durkin."

Mr. CRANSTON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 677

Mr. MANSFIELD. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

At the end of the material proposed to be added by the amendment of Mr. CRANSTON add the following new paragraphs:

"(C) Notwithstanding the direction to vote separately on the issues posed in subsections (6) and (7) of this section and the direction to vote separately on the eight single-square-skip-Wyman ballots listed in section 2 of this resolution, it is the sense of the Senate and the Senate hereby determines that (i) the eight ballots listed in clauses (12) through (19) of section 2 of this resolution as single-square-skip-Wyman ballots shall not be counted for any candidate and (ii) every other single-square-skip-candidate ballot among all of the ballots in the custody of the Senate shall be found and separated and shall likewise not be counted for any candidate. For the purpose of this paragraph, a 'single-square-skip-candidate ballot' shall mean a ballot (i) which is marked for voting (as distinguished from counting) only with either a cross or a check in one party circle and either a cross or a check in each candidate square in the column below the party circle so marked but on which there is no cross, check, or any other mark in the candidate square on the U.S. Senate line in such column, and (ii) on which there is no other mark or writing for voting in any other place on the ballot.

"(D) In order to execute the determination made in paragraph (C) of this subsection, (i) the Comptroller General of the United States is hereby directed to assign such investigators employed by the General Accounting Office, and such other professional employees of such Office, as are necessary to find and separate, from among all of the ballots in the custody of the Senate, any single-square-skip-candidate ballot and such investigators and any professional employees so assigned shall forthwith undertake to carry out expeditiously such functions and no other, and (ii) Dr. Floyd M. Riddick shall affix to any ballot so found and separated an attachment indicating that such ballot is not to be counted for any candidate and shall place any such ballot so designated in the box containing the ballots voted upon by the Committee on Rules and Administration on which such Committee did not cast a tie vote: *Provided*, That in the course of the execution of the procedure directed to be carried out in this sentence the ballots in the contested election for a seat in the United States Senate from the Sate of New Hampshire shall remain at all times in the continuous custody of the Senate under the supervision of the Sergeant at Arms of the Senate and access to the proceedings, and any information arising therefrom, directed to be carried out in this paragraph shall be restricted to such investigators and other professional employees assigned by the Comptroller General pursuant to this sentence and to Dr. Floyd M. Riddick. For the purpose of this paragraph, a 'single-square-ski-candidate ballot' shall mean a ballot (i) which is marked for voting (as distinguished from counting) only with either a cross or a check in one party circle and either a cross or a check in each candidate square in the column below the party circle so marked but on which there is no cross, check, or any other mark in the candidate square on the United States Senate line in such column, and (ii) on which there is no other mark or writing for voting in any other place on the ballot."

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, as I understand the procedures for this afternoon, at 4 o'clock there will be a live quorum preparatory to the cloture vote, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WEICKER. Mr. President, I would only comment very briefly in relation to the amendments proposed by the Senator from California and the Senator from Montana. If this is right now it should have been right last week, it should have been right several months ago.

That is the entire difficulty with trying to wheel and deal as among ourselves on the New Hampshire election. We can compromise, we can go ahead and settle differences when it comes to various and sundry issues, but when it comes to preserving the integrity of the election process, I do not think this is the place to start standing inflexible and——

Mr. LONG. Will the Senator yield?

Mr. WEICKER. Not right now, but I shall yield in a few minutes.

Mr. President, I would like to comment, if I might, on the matter of cloture before us because I do not think we should be permitted to allow such a historic occasion to go by unnoticed.

I say historic because this will be the first time in the history of this body that such a rapid-fire series of cloture votes came to pass in the number that have occurred here. Specifically, we are now about to enter upon the fifth cloture vote.

Keep in mind, I say historic because never before relative to any other issue have so many "rapid-fire" cloture votes taken place. Not in the cause of housing, ever. Not in the cause of civil rights, ever. Not in the cause of health legislation, ever. Not in the cause of transportation or job opportunities, ever.

A first for the U.S. Senate. Five rapid fire cloture votes in the name of political greed, pure and simple.

Amazing that we have never gone through this procedure for all the great causes that have arisen in the land during the course of our 200 years, and especially those that demand solution today.

The cutoff came, usually, at three votes. Sometimes it went to four, but usually stretching a point at three, and I would say the norm is probably two attempts to invoke cloture. But in this particular instance when it is the political ox that is being gored, by whatever side, then we go ahead and go through the exercise of cloture upon cloture upon cloture.

I find this to be an extraordinary commentary on our priorities here in the U.S. Senate.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. Res. 166, relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

Mike Mansfield, Lee Metcalf, William Proxmire, Robert C. Byrd, Vance Hartke, Wendell H. Ford, John Glenn, Richard (Dick) Stone, Alan Cranston, James Abourezk, John V. Tunney, Joseph R. Biden, Jr., Walter D. Huddleston, Jennings Randolph, William D. Hathaway, Gaylord Nelson, Dale Bumpers.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 51 Leg.]

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. (Mr. PEARSON). The question is, Is it the sense of the Senate that debate on the resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EASTLAND) and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

The yeas and nays resulted—yeas 57, nays 38, as follows:

[Rollcall Vote No. 268 Leg.]

YEAS—57

Abourezk
Bayh
Bentsen
Biden
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Stone
Symington
Talmadge
Tunney
Williams

NAYS—38

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Case
Curtis
Dole
Domenici
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Mathias
McClure
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—4

Buckley
Eastland
Fannin
McClellan

The PRESIDING OFFICER. On this vote there are 57 yeas and 38 nays. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the cloture motion is rejected.

Mr. CANNON and Mr. WEICKER addressed the Chair.

SENATE RESOLUTION 202—TO DECLARE A VACANCY IN THE OFFICE OF U.S. SENATOR FOR STATE OF NEW HAMPSHIRE FOR TERM COMMENCING JANUARY 3, 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now turn to the consideration of Senate Resolution 202, with a time limitation of 1 hour to be equally divided.

The resolution will be stated by title.

The legislative clerk read as follows:

A Resolution (S. Res. 202) to declare a vacancy in the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975.

The PRESIDING OFFICER. The Chair advises that the unanimous-consent agreement of time is 1 hour on this matter to be equally divided between the Senator from Nevada (Mr. CANNON) and the Senator from Alabama (Mr. ALLEN), and under the order no amendments or motions to table are in order.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

Mr. PASTORE. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CANNON. Mr. President, first, I say to the distinguished Senator from Connecticut, who pointed out earlier that the Senate had established and was establishing a record for the number of cloture votes on a particular issue, that the Senate has established another record. It is the first time in history that any political party has remained unified in voting so many times against cloture, to avoid voting on issues on a particular subject.

Second, concern was evidenced yesterday about the fact that in the form of the original Mansfield amendment, it would settle the issue of——

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order.

Mr. CANNON. There was objection yesterday to the fact that the original Mansfield amendment as presented would settle the issue of whether or not we go back and recount the 10 precincts set forth in section No. 1 of the resolution, which I pointed out on numerous occasions were waived, after investigation, by Mr. Wyman before the ballot law commission.

I point out now to my colleagues, for their benefit, in connection with that concern, that if the Cranston-Mansfield amendment, as now before the Senate, is approved, at that time I will offer a motion to table lines 7 through 12 of section 1, which would eliminate the question of those 10 precincts as a part of the so-called "skip-ballot" issue.

Further, with reference to the "skip-ballot" issue, I simply point out to my colleagues that there has been a great effort on the part of some people to try to reach an agreement and accommodation of this matter, so that we can vote on the issues—not to settle the issue in a certain way, but so that we can vote on the issues that are before the Senate. I find, in reviewing the Record, that 10 of my colleagues on the minority side of the aisle have suggested during the course of this debate this type of procedure. I simply point that out. The Record is replete with discussion of the Senate approving action which would provide that a search be made to retrieve all ballots in the skipped-candidate category, which is what the Mansfield-Cranston amendment would do, limiting it to a single skip.

Senator William L. Scott said on June 16:

> Would it not be reasonable to have a search made of all of the ballots to see how many skip ballots there were for both of the candidates and to apply to the same rule . . .?

That is exactly what is proposed here, to retrieve all single skips and to apply the same rule to them.

Senator Hatfield said on June 16:

> I would reject all of the skipped ballots, in a discussion of the issue of the skip.

Senator Griffin said on June 16:

> It seems to me we have to go back into all the ballots, take out all the skip-type ballots for either party and count them by using the same rule.

That is exactly what the Mansfield amendment proposes.

Senator Beall said on June 16:

> . . . The Senate should go out and get these ballots in and see that they are treated in the same way.

Again, an endorsement of the Mansfield proposition.

Senator Hugh Scott said on June 16:

> But we have the affidavit of the former Governor of N.H. that there are hundreds of such ballots "skip-Louie" and skip-John not counted.

Senator Hugh Scott said on June 16:

> We know we can go back and get them. We can do it in a morning's transaction, and then we would go back and we would look at the "skip-Louie" ballots so-called.

Senator Garn said on June 16—I am sorry that I do not see him in the Chamber to listen to this:

> In all fairness and equity, it would not make much difference which way they ruled, whether they are going to throw them out or not, if we had all the skip-Louie and all the skip-Durkin ballots before us.

The PRESIDING OFFICER. The 5 minutes of the Senator have expired.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. CANNON. I will yield in a moment. I should like to finish my statement:

> Go ahead and let the committee count them any way they want or throw them out if they would seek out all the Durkin-Wyman ballots.

That was Senator Garn's statement, and that is precisely what is proposed in the Cranston-Mansfield amendment.

Senator Griffin said on June 17:

> It seems inconceivable that the Senate would adopt such a position, particularly in light of undisputed evidence in the record that "hundreds" of similar skip-type ballots were counted for Mr. Durkin.
>
> Surely, if it decides not to count the skip-type ballots for Mr. Wyman before us, the Senate will also order that all 180,000 paper ballots be canvassed to separate and retrieve all other skip-type ballots that have heretofore been counted.

Senator Domenici said on June 18:

> Go back and find out how many skip-Durkin ballots there are and apply the same intent rule to those.

Senator Stevens said on June 20:

> What is the harm of looking? What is the harm of going back and counting them all?

Senator Weicker said on June 23:

> I stated before what I have recommended to the Senate is that the "skip-candidate" ballots in the possession of the committee be retrieved, and that a uniform procedure be applied to all of them.

Again, that is precisely what is proposed in the Cranston-Mansfield amendment. Senator Brock said on June 23:

> My original temptation was to amend his resolution to require a search of all ballots and to throw out all skip-candidate ballots be they for Durkin or for Wyman.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CANNON. I promised to yield to the Senator from South Dakota.

VOLUNTARY CONTRIBUTIONS OF SERVICES TO THE AMERICAN INDIAN POLICY REVIEW COMMISSION

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2073.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. I yield such time as may be necessary.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota?

Mr. BROCK. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. BROCK. I do not object.

There being no objection, the Senate proceeded to consider the bill (S. 2073) to authorize the American Indian Policy Review Commission to accept voluntary contributions of services and for other purposes, which was read the first time by title and the second time at length.

Mr. ABOUREZK. Mr. President, I shall take just 30 seconds.

This is simply a housekeeping measure, to be added to the American Indian Policy Review Commission measure, to entitle the Commission to have the mailing privilege and to accept volunteer services from the Government and from private sources.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2073) was ordered to be engrossed for a third reading, read a third time, and passed, as follows:

S. 2073

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the joint resolution entitled "A Joint Resolution to provide for the establishment of the American Indian Policy Review Commission," approved January 2, 1975, Pub. L. 93–580 (88 Stat. 1912), is amended by adding at the end thereof the following new subsections:

"(e) The Commission is authorized to accept and use donations of money, property (whether real or personal), and uncompensated services from any person whether public or private for the purpose of carrying out the provisions of this Act.

"(f) Matter mailed by the Commission may be mailed under the frank of any Member of Congress who is serving as the chairman of the Commission.".

Sec. 2. Section 6(b) of such Act (88 Stat. 1914) is amended to read as follows:

"(b) (1) In carrying out its functions under this resolution, the Commission is authorized to utilize the services, information, facilities, and personnel of the executive departments and agencies of the Government with or without reimbursement, and the head of any such department or agency is authorized to provide the Commission such services, facilities, information, and personnel to the Commission.

"(2) The Commission is authorized to procure the temporary or intermittent services of experts or consultants or organizations thereof by contract at rates of compensation not in excess of the daily equivalent of the highest per annum rate of compensation that may be paid to employees of the Senate generally.".

Sec. 3. Section 6 of such Act is further amended by adding at the end thereof the following new subsection:

"(c) A person who provides voluntary and uncompensated services to the Commission shall not by reason of such service be deemed to be an employee of the United States. Any such person may be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their service to the Commission upon the approval of the chairman.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The Senate continued with the consideration of the resolution—Senate Resolution 166—relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. LONG. Mr. President, I regret to hear a statement that I think the Senator from Connecticut will regret, when the Senator said something about political greed on behalf of those offering an amendment to treat all these ballots the same.

I stood here and put into the Record some time ago the position of Mr. Durkin, whereupon Mr. Wyman gave me a brief to explain his side about the "skip" ballots. Having said that, I talked to my Democratic colleagues and said I thought Mr. Wyman was making a better argument.

I read all the cases, and I was creating quite a bit of dissension among the Democrats by saying there is a better case for counting the "skip" ballots than for not counting them. I said, "If you are going to count the 'skip' ballots, you should proceed to count all the 'skip' ballots the same way, and throw all out if you are going to throw any of them out."

I walked into the Chamber and found Mr. Brock offering an amendment that provided for counting the "skip" ballots, and I voted for it. I was dismayed to see that so many people who would vote against cloture would not vote for Mr. Brock's amendment. Mr. Eastland would not vote for it. Mr. Stennis would not vote for it. Mr. McClellan would not vote for it. They would not vote for it, even though they will not vote for cloture. It was defeated by a vote far greater than anything I expected.

So if the Senate would not go that way, the only thing this Senator thought could be done within reason was to count them the other way, to say if the voter skipped one slot on the ballot, you would not count that vote for either one.

I then proceeded to insist that we should go back to the 180,000 ballots and pick out every ballot where, according to the affidavits that Mr. Wyman and his people have, there are a bunch of "skip-Durkin" ballots.

All right, go back and go through them and take them out. So my Democratic colleagues were persuaded, over a period of time to go with that. After I voted first to let Mr. Wyman have it his way, I found that we could not get enough votes to do it that way. Even those voting against cloture, not enough of them would vote to do business that way. I said, as far as I am concerned, I would be willing to abide by the Senate's judgment and do it the other way. We will just treat them all alike and go back and pull out the whole 180,000. Here was Mr. Scott proposing to do it that way; here was Mr. Griffin proposing to do it that way. As far as I am concerned, I would almost be willing just to flip a coin and let whoever calls it right be the Senator. But it ought to be resolved one way or the other and we ought to have them try to count these ballots by some ground rules before this question is resolved.

But, no, there is still going to be a filibuster.

I have tried to do business the way Mr. Griffin wants to do busines; I have tried to do business the way Mr. Scott wants to do busines. But there is still going to be a filibuster. I guess the only way we can avoid a filibuster is just to let our friends on the Republican side either send it back to New Hampshire, which has been voted down now several times, or else figure out some way to agree to their compromise, which must necessarily mean their man is going to be seated.

If they will not agree to this, let them tell us what they will agree to, which they will not tell us. If they want to send it back to New Hampshire, that has been voted down six times. They ought to show enough imagination to suggest something else.

We have tried several ways. One, count "skip" ballots. That failed by an overwhelming vote. We said, when that failed, if we are not going to count the "skip" ballots, go back to the whole 180,000 and see if Mr. Wyman's affidavits are correct. If that is so, he will be the Senator. Now they do not think their affidavits are correct so they do not want to do business that way.

It seems to me, Mr. President, if on some basis, they do not want to go along with this, they ought to say what, in the spirit of compromise, they are willing to do.

I wanted to do it Mr. Wyman's way. The Senate did not want to do it that way. So on our side of the aisle, we could not get a vote for cloture. I said, then let us do it this other way. A number of Senators opposing cloture said it sounds fair.

It sounds fair until the leadership on our side of the aisle is willing to agree to it.

If Senators will not do business this way, I think the burden is on them either to make us a proposition or quit filibustering.

Mr. CANNON. Mr. President, I say to my colleague, I certainly agree with him on that general proposition. I find difficulty with this proposal that has been offered by Mr. Mansfield and Senator Cranston because it immediately awards all of the multi-skip ballots to the person who had the X or the check up in the circle. The New Hampshire law—we have heard a lot about it, but they have not said an awful lot about the New Hampshire law that says it is up to the body counting the ballots to try to determine the intent of the voters. It says the legislature can prescribe how the person shall vote, but they cannot prescribe how the ballots shall be counted. The duty on this body is to try to determine what that voter intended.

You cannot tell me that in ballot 262, where the man put an X up at the top and went down and put an X in every other one except 3, had an X in Mr. Wyman's square at one time and then went back and erased it—you cannot tell me there is any plainer intent of the voter in the world than that erasure mark on that ballot with the original X showing through. That ballot would be given to Mr. Wyman under this proposition. I find difficulty with that. I think the Senate ought to look to all of them and try to determine the intent of those voters. But certainly, the intent of that voter is absolutely crystal clear. But under the Mansfield-Cranston proposition and that of the Senator from Louisiana, that ballot would be awarded to Mr. Wyman, because it is a multi-skip ballot.

I am reluctantly willing to go along on this proposal. As I said earlier, if the Mansfield-Cranston proposition, the amendment now before us, is approved, I intend to move to table lines 7 through 12 of section 1 of the original resolution, to get out of that one particular issue the Senate would be considering any other side issue. On just the simple issue, we will award those four multi-skip ballots to Louis Wyman, we will award the one multi-skip ballot to John Durkin—the single "skips" will be thrown out—and have the GAO go through and retrieve every single "skip" and throw them out and apply to those the rules of the ballot law commission.

Mr. President, on the subject matter at hand, Senate Resolution 202, I do not think I need to say anything more. We have voted on this same issue in one form or another six times so far. This will make the seventh. I think that the Senate has pretty well expressed its will.

Mr. President, I reserve the remainder of my time.

Mr. GRIFFIN. Will the Senator from Nevada yield for a question?

Mr. CANNON. Yes.

Mr. GRIFFIN. Just as a matter of clarification, really, I wish to know if the amendment offered by Mr. Mansfield today, as on yesterday, provides for no observers of the 2 candidates?

Mr. CANNON. Yes, it provides for—I think it does. I have not read it very carefully with that thought in mind, but I am told that it provides for no observers by the candidate.

This is a mechanical process.

Mr. GRIFFIN. I wonder—everything else that we have done, especially when it was a matter of going back and checking ballots and so forth, was always done with the candidates themselves present or with their representatives present, just as observers. Is there any particular reason why that has been eliminated?

Mr. CANNON. The Senator would have to ask the authors of the amendment, not me. I have been told that we have already found that where we have observers of each side there, they cannot agree on the time of day. They can look at the clock up there and if there were one of Mr. Wyman's observers there and one of Mr. Durkin's there, they would not agree that it is now 13 minutes to 5 by that clock. One would say it is 12 and the other 12½.

Mr. GRIFFIN. I sort of found that to be true of the Committee on Rules, too.

Mr. CANNON. That was their position before the Committee on Rules. They were advocating their respective clients' positions.

This procedure spells out, as I understand it, a very precise set of circumstances, a set of ballots to be retrieved to apply the mechanical count to.

Mr. GRIFFIN. If that is the case, and I realize that is the intention, why would there be any concern about having observers from both sides just to be there? It does not matter whether they agree or not. It is just a matter of their watching the procedure.

Mr. CANNON. I suggest that the Senator had better wait to address those questions to the authors of the amendment rather than to myself.

I reserve the remainder of my time.

Mr. ALLEN. Mr. President, I yield myself 10 minutes.

Mr. President, I do not anticipate that this resolution will be agreed to. At the time it was offered this morning by the Senator from Alabama, the parliamentary situation with respect to Senate Resolution 166 was such that there was no way to offer an amendment to Senate Resolution 166 embodying this principle of declaring a vacancy in the office of United States Senator from the State of New Hampshire, and sending the issue back to the people of New Hampshire. Later, the Senator from Nevada withdrew his amendment, resulting in the falling of the Mansfield amendment, and it did become subject to amendment. The Senator from Michigan offered an amendment which would have declared a vacancy as of July 11.

At the time the Senator from Alabama offered this resolution——

Mr. HELMS. Mr. President, may the Senate be in order? I cannot hear the Senator.

The PRESIDING OFFICER. The Senator will suspend.

The Senate will be in order.

The Senator may proceed.

Mr. ALLEN. At the time the Senator from Alabama offered this resolution then it was not possible to amend Senate Resolution 166. The Senator from Alabama offered the amendment as a declaration of independence on his part from the legal fiction that the Senate under article I, section 5 of the Constitution must declare a winner in this election contest. That is obviously not true because the Senate does have the power to send the election back to New Hampshire by the declaring of a vacancy.

The Senator from Alabama in the Rules Committee and on the floor of the Senate has tried to decide these questions on a matter of principle and not on a partisan basis or not on the basis of political expediency, feeling that the certificate of election that was issued to Mr. Wyman by the duly constituted authorities in the State of New Hampshire should have been honored by the U.S. Senate. The Senator from Alabama voted to seat Mr. Wyman provisionally subject to action by the Senate on the hearing of the contest.

In retrospect, I still feel that that is the action that the Senate should have taken because during the past 6 months at least the State of New Hampshire would have had two U.S. Senators. But it does not seem they are going to have two Senators any time soon.

So, Mr. President, as I see this matter, the U.S. Senate should make a good faith effort to decide this issue, and decide it with reasonable certainty. We have been discussing the matter for almost 6 months now, and we are not much farther toward a solution than we were on January 14 when the matter first came before the Senate.

I do not believe that at the end of our deliberations, whichever one of the candidates is seated, the Senate will be able to say with any degree of certainty that that person, whichever one he might be, actually received more votes than did his opponent.

Now, Mr. President, the issue that tipped the scales in the mind of the Senator from Alabama as to what course he should pursue by sending this matter back to the voters of New Hampshire was the so-called compromise offered by the distinguished majority leader and the distinguished Senator from Louisiana (Mr. LONG).

Mr. LONG said just a moment ago that he felt that these "skip" ballots should have been counted, and he voted that way. Yet the compromise throws out all the "skip" ballots.

So, as I see this compromise—and it is a compromise only on the part of those who have been voting for cloture, I might say—as I see this so-called compromise, it is certainly illogical, it is cynical, and it is a grotesque effort to indicate that there is some degree of compromise here.

But actually that is not true. It throws New Hampshire law out of the window. It disregards New Hampshire law, and it makes a decision as to who shall be the Senator from New Hampshire based not on who got the most votes but on which of the candidates received the fewer of the skip-candidate-type ballots.

I do not believe that a decision based on that line of reasoning would stand the scrutiny of history. I do not believe that is a decision that the Senate wants to make, to have this election contest determined on the basis of which candidate received not the most votes but the fewer votes of a given type.

Mr. President, there is not too much unanimity, it would seem, as to the wisdom of the approach of the Mansfield compromise. The rug was jerked out from under it twice yesterday and today, once by the Senator from Alabama when he withdrew his amendment in the first degree, and the Mansfield amendment fell.

Then the distinguished Senator from Nevada (Mr. CANNON) had an amendment in and there were two Mansfield amendments added to that; one, an amendment in the second degree, and the other, a perfecting amendment, and the Senator from Nevada withdrew his amendment, and the Mansfield amendment fell again.

Well now, this amendment that they have put in as the Mansfield compromise, all that is is a division, it is a dismembered Mansfield amendment is what it is.

I might say the way they put the amendment in, they cut it half in two, and for the basic amendment it was giving Mr. Wyman four of the more than one "skip ballots," and Mr. Durkin one; but, significantly, the amendment to that amendment is withholding eight of the "skip-Wyman" type ballots, and that issue would be voted on first.

So actually this effort now is more cynical than the other because it makes the first decision to be to throw out eight ballots that the law of New Hampshire says should be counted. What sort of decision is that on the part of the U.S. Senate to initially knock out as the first vote that would come eight votes that the law of New Hampshire says should be counted for Mr. Wyman? That would be our first step if the Mansfield-Cranston route is pursued.

You will note, of course, that the one was standing here and one over there, and they got recognition simultaneously so that no other amendments could be offered. You are locked in, and you have to vote first to knock out the first eight Wyman votes, and then if that is adopted, you would have a decision on the four votes for the "skip-Wyman" votes and one "skip-Durkin" vote.

So, Mr. President, this cynical approach is what finally determined the Senator from Alabama that the Senate cannot come to a certain decision in this matter and that the matter should be referred to the people of the sovereign State of New Hampshire.

Who is afraid of the people of New Hampshire? Why should they not make this decision? The Senator from Alabama is sufficiently a believer in State's rights, the right of the people of the State to choose their own officers, and weigh that, weigh the choice of the people of New Hampshire making the decision, weigh that against the guidelines and the blueprint that has been set here for deciding this issue contrary to the law of the State of New Hampshire, throwing New Hampshire law out the window where New Hampshire law would say these eight ballots should be counted for Mr. Wyman, and where the Senate says they should not be counted for Mr. Wyman, and all other single "skip" ballots should be thrown out also.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ALLEN. For 1 minute, yes.

Mr. LONG. May I say to my distinguished friend that I voted to say that you would construe the law so that the "skip" ballots would be counted for both sides.

Mr. ALLEN. I know that that is just the law. The Senator recognized that was the law. How he could now espouse an amendment that would disregard that law and throw the ballots out when they ought to be counted is something I cannot understand.

Mr. LONG. How can the Senator quarrel with the Senator from Louisiana, having voted to say, "All right, you will count the 'skip-ballots' the way the Senator from Alabama would like to count them," and when the Senate votes that down overwhelmingly it means, so far as that Barr decision is concerned, I would think that that means, they do not quite agree with that. It does not fit on all fours, and it does not make much sense for them to count it that way, so it would look like the Senate would count it the other way.

Mr. ALLEN. I appreciate the Senator's position.

Mr. LONG. If you are going to count them the other way, then you should go through the whole 180,000 ballots. So far as I am concerned, I want to settle it any way that is fair.

Mr. ALLEN. I know that the Senator is fair.

The PRESIDING OFFICER (Mr. CULVER). The Senator's time has expired.

Mr. ALLEN. One further thing I would like to point out, the Senator from Nevada read from the CONGRESSIONAL RECORD something about some 10 or 12 speakers on this issue as to going back and getting all of these "skip-candidate" ballots and bringing them in and applying the same rule.

I noted that they did not produce anything said by the Senator from Alabama on this subject because the Senator from Alabama has felt from the very start what we ought to do. One of his amendments which was tabled, I might say, provided just for going out and getting 11 of these "skip-candidate" ballots to offset the "skip-candidate" ballots that were before the committee and then applying the same rule as to those ballots, feeling that under New Hampshire law all of the ballots would have been counted. But he noted with a great deal of interest that the Senator from Nevada did not have any quotations from the Senator from Alabama even though the Senator from Alabama has spoken on this subject a number of times.

Mr. CANNON. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. CANNON. I just simply say, I was trying to point out to my colleagues on the other side of the aisle who had spoken.

Mr. ALLEN. I give the Senator permission to produce any of my remarks on that subject.

Mr. President, I reserve the remainder of my time.

Mr. CANNON. If the Senator is ready, I am prepared to yield back the time.

Mr. ALLEN. No, there are others who wish to speak.

How much time does the Senator from Connecticut desire?

Mr. WEICKER. Two minutes.

Mr. ALLEN. I yield the Senator 5 minutes or such portion as he should use.

Mr. WEICKER. I thank the distinguished Senator from Alabama, and I rise in support of his amendment.

I want to say to the distinguished Senator from Louisiana, as much as I admire his eloquence, his precision leaves something to be desired.

My comments relative to political greed were directed at the fifth cloture motion, it had nothing to do with the Mansfield amendment, and I will repeat the fact that this has been a very unusual activity of the Senate to engage in, a fifth cloture motion.

I might add, since we are expecting one tomorrow, No. 6 is on the horizon.

All the rules have been changed for this game, that is the difficulty, not just the number of cloture votes taken. But in the sense of not seating Mr. Wyman without prejudice to Mr. Durkin, again the rules have been thrown out the window.

Go right down the list, there has been a rather unusual handling of this matter. It is for that reason that the Nation as a whole feels that the decision is far better arrived at in New Hampshire than on the Senate floor.

Now, to compliment the distinguished Senator from Louisiana, he was shocked when his very logical approach to the matter was overwhelmingly turned down by the Senate, and well he might be, because logic has not prevailed at all in the arguments on this floor when it comes to New Hampshire.

What I am saying is, and what others have said on both sides of the aisle, I might add, that rather than have this situation wallow in a mire of partisanship and illogic and throwing out of the rules, let us arrive at a decision which is clearly in tune with these times, which is to let the people of New Hampshire decide.

I repeat what I said earlier, I just cannot let a moment like this go by in silence. The people of the country should know the U.S. Senate is doing something it has never done before. When we finally vote a sixth cloture motion tomorrow, that will be the first time in the history of this body that such an activity has taken place.

I could understand going to these extremes on behalf of our fellow Americans that are in need, in housing, in health, in civil rights, or whatever. But can I see us going to these extremes in a political quest? The answer is no.

I do not care whether we call it political greed, I do not care whether we call it avarice, I do not care whether we call it ambitious yearning. Call it whatever we will, all reason has left this floor; all reason has left this floor and all decorum has left this floor.

Mr. CANNON. Will the Senator yield?

Mr. WEICKER. All ascribing to tradition has left the floor, and for one Senate seat.

What I say is that if we are going to go through these extraordinary efforts, for God's sake, let us do it in some magnificent cause, not in a display of outright partisanship.

We can all be off the hook—nobody will have won, nobody will have lost. We will just have exercised good sense by sending it back to New Hampshire.

Mr. CANNON. Will the Senator yield?

Mr. WEICKER. Yes, indeed.

Mr. CANNON. Would the Senator not agree that there are a number of issues posed by the resolution that could and ought to be voted on by the Senate? And we cannot come to a solitary vote. I would agree to vote on them in any single order. I do not care which one. Go to one of the ballots. Go to one of the ballots and let the Senate speak on it.

We voted 4 to 4 and the committee voted 8 to 0, report it up here, let the Senate decide—and we cannot vote on it.

If we would even vote on some of these issues like we are doing something, and then if the Senator and his colleagues want to filibuster one particular issue, that is a different thing. But this is filibustering even coming to a vote on any one of those issues, the 35 issues. Some of them are just as clear as some of my colleagues on the Senator's side of the aisle have come and said, there could not be any question about how that ballot ought to be considered, when they saw how they were marked.

Mr. WEICKER. First of all, I would remind the distinguished Senator from Nevada, we have probably discussed every single issue contained in the resolution and, indeed, in one manner or another we have voted on them, and this has transpired during the past several weeks the debate has continued.

What I am saying here is that we cannot wheel and deal a solution to this problem. That is exactly what the difficulty is when it comes to the image of the Senate, or House, or politicians in general, in the mind of the American people.

We are talking about the election process. This is not the highway trust fund, Cambodia, this is not a matter of the SST. This is the integrity of the election process.

It seems to me, in order to preserve that integrity, these matters are best resolved by the people of New Hampshire, Democrats, Republicans, Independents alike. That is why any of these compromises arrived at, in fact, they are not compromising the position of either Mr. Durkin or Mr. Wyman, they are compromising the election process, and that is what the American people do not want any more of.

Rather, they want decisions which will enhance, elevate, the integrity of what goes on in politics in this Nation.

Mr. HATFIELD. Will the Senator yield?

Mr. WEICKER. Yes, I yield to the Senator.

Mr. HATFIELD. I wonder if the chairman would yield for a question.

Mr. CANNON. Certainly.

Mr. HATFIELD. I would like to make sure I heard the chairman correctly when I believe the chairman just stated he would be willing to go to a vote on any of the issues, any single issue, in any order?

Mr. CANNON. If I said that, I meant to say, any one of those vote issues, of the vote issues.

I think we already had a ruling from the Chair that the other matters would have to come in regular order.

Mr. HATFIELD. Will the Senator yield for a further question?

Mr. CANNON. Surely.

Mr. HATFIELD. Would the chairman be willing to move to issue No. 1 on the question of the precincts?

Mr. CANNON. I tried to get a vote on issue No. 1 for days.

Mr. HATFIELD. I thought the Senator had indicated earlier to the floor he planned to table, or move to strike and table that?

Mr. CANNON. Oh, the Senator has misunderstood what I said.

What I said was that if the Mansfield and the Cranston amendment is approved, and that is the pending amendment now on which the yeas and nays are ordered, both of them, they carry with it issue No. 1. It is part of it.

Senator CRANSTON yesterday raised objection to tying that in, that issue in with this so-called skip-Louie issue, and I said, to try to alleviate his concerns, that I would be willing, if the Mansfield-Cranston amendment is approved, to at that time move to table lines 7 through 12 of section 1, which is issue No. 1.

Now, if the Mansfield-Cranston amendment were not pending right now, I would agree to a vote on issue No. 1 in 5 minutes, with $2\frac{1}{2}$ minutes to a side.

I have said all along I would agree to a time limit on issue No. 1, and I would agree to any reasonable time limit on it.

Mr. HATFIELD. Will the Senator yield further?

Mr. CANNON. Certainly.

The PRESIDING OFFICER (Mr. PEARSON). The time has expired, the time allotted to the Senator from Alabama.

Who yields time?

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time on this issue and get a vote on the issue.

Mr. HATFIELD. Could I make an inquiry as to how much time——

Mr. ALLEN. Has all time of the Senator from Alabama expired?

Mr. CANNON. How much time have I remaining?

The PRESIDING OFFICER. The Senator from Nevada has 10 minutes remaining, and the Senator from Alabama also has 10 minutes.

Mr. ALLEN. I thank the Senator.

Mr. CANNON. I yield 1 minute for a further inquiry.

Mr. HATFIELD. I would like to further pursue this for just a moment. If I understand the chairman correctly, then, if we were not locked in to this particular pending motion as presently worded, the Senator and chairman of the committee would be willing to move to issue No. 1; namely, the precincts, contested precincts, the question of the precincts?

Mr. CANNON. I would agree if the sponsors—I do not know whether they will—if the sponsors of the amendments that are pending would withdraw them. I would be willing to agree to move to issue No. 1 with a 30-minute time limit. I have been trying to get a vote on issue No. 1 for 15 days now. I am at the point where I would agree to vote on anything, if the Senate would just let us vote. I did not say how I would agree to vote, but I would agree to vote if we could just get to vote on some of these issues.

Mr. HATFIELD. I believe the Senator has already made the point. We have already had a number of rollcall votes. I would agree with the chairman, and I want to say to the chairman, I would like to get to the issues, too. But, I believe the chairman has already indicated very clearly that the issues are pretty well enmeshed and confused as far as being able to extrapolate an issue out and let an issue stand on its own feet and be debated on the merit of that single issue.

Mr. CANNON. The Senator is correct, particularly with reference to issue No. 1. The sole reason is because issue No. 1 is the first issue pending. Some vehicle had to be used to try to get a resolution. That is what it has been used for. I have said at least 10 times and maybe more—I can check the Record—that I would agree to any kind of a reasonable time limit on these respective issues and vote on them. I would agree on a reasonable time limit on any of the vote issues and vote on them.

Mr. HATFIELD. Let me say to the Senator I would be very happy to give whatever assistance I might be able to lend in supporting the chairman in reaching the objective of having us consider issue No. 1 solely as a single issue, debate the merits of that particular issue, and have a vote on that issue.

Mr. CANNON. May I suggest to my colleague that he check with some of his colleagues, then, and maybe we can work out a unanimous-consent agreement. I would be willing to work out an agreement on every one with a time limit.

Mr. HATFIELD. I am not sure it would carry with a unanimous consent, but I certainly can say to the Senator that we would undertake in good faith to have an understanding of reaching a conclusion on that issue in a very reasonable period of time. We have certain people on our side who are going to object to any unanimous-consent agreements on time on any of these issues.

Mr. MANSFIELD. Will the Senator yield?

Mr. HATFIELD. Yes.

Mr. MANSFIELD. Why? We have not faced up to one issue yet. If you are going to keep on objecting and objecting—and I am not talking of the Senator from Oregon who is most reasonable—I think we will have to adopt a new attitude and undertake a new tack. I am putting the Senate on notice that if we do not reach an agreement to enable us to vote on the issues—we have not voted on 1 of the 27 or 35—action will be taken which may not be agreed to by a good many Senators. This has gone on long enough, 15 days or 16 days.

How many votes have there been, may I ask the distinguished chairman of the committee, in how many days and on how many issues?

Mr. CANNON. As of July 9, as of this date, we have had—now it is more—25 rollcall votes, 23 live quorums, 5 cloture votes, 6 of those rollcall votes to declare a vacancy and return the case to New Hampshire, and we have spent over 69 hours.

Mr. MANSFIELD. What we tried to do in the beginning was to reach an agreement which I thought was a reasonable one, which would take up 2 weeks, provided we could get television. We tried to get television all of the first week but we could not work it out with the companies. They said they would have to have much more light and they did not have enough time. They had all kinds of excuses.

Then we raised the question of 70 hours. Well, television is out as far as this issue is concerned, though I hope it is not out as far as the Senate's future is concerned. Seventy hours is out. I think we have been most patient. I think we have been most considerate. Senators can laugh all they want about the compromises which have been offered, but they were offered in good faith and with good heart. This thing is going to be faced up to shortly, or we will have to adopt other forms of procedure.

Mr. BROCK. Will the majority leader yield?

Mr. HATFIELD. May I respond?

Mr. MANSFIELD. The Senator has the floor.

Mr. HATFIELD. I would like to respond in this way: I cannot find fault with any effort the majority leader has made in an attempt to get this resolved. I believe the record will show that. I would also say I think there is more than one way to reach an agreement than just a unanimous consent. I am saying to the majority leader and to our chairman that if we can some way extrapolate this first issue, and let is be debated within a reasonable period of time, then we can reach a vote on that issue. I am persuaded that the people on this side of the aisle, the minority, even those who may not agree to a unanimous consent procedure, will agree to other procedures by which we can achieve the same objective. That may be only a technicality, but in many instances this Senate moves on technicalities.

All I am saying is that we are willing to get to that issue, No. 1, debate it on its merit, and get a vote. But it is now enmeshed, as the chairman has recognized. I believe the best approach is to take each issue and get to a vote on it.

Mr. MANSFIELD. For how long will we do that? How much time will we spend on each of the 35 issues?

Mr. HATFIELD. I would say to the majority leader that in my opinion—and I cannot speak for other than myself but I would certainly lend any kind of assistance that I could to reaching some kind of gentleman's agreement—we could discuss this matter perhaps with an hour to each side and get to a vote, or a half-hour to each side and get to a vote.

Mr. MANSFIELD. Would the Senator and his associates consider the possibility of a time agreement not to exceed 20 hours at the conclusion of the vote on the Allen resolution so that we can wrap this matter up one way or the other?

Mr. HATFIELD. No; I would have to reply in the negative, based on my own conversations with other Senators. The Senator now is asking for a total time agreement. I am suggesting that we get to the first issue, as the chairman was talking about, and vote on the first issue.

Mr. MANSFIELD. I was suggesting 20 hours in addition to the 70 hours which will have been consumed on this matter up to this time without a vote on a single one of the 28 or 35 issues involved.

Mr. HATFIELD. I would say to the majority leader I think that proposal would be entertained after we agree or can reach an agreement on voting on issue No. 1.

Mr. MANSFIELD. I see in the Chamber the distinguished Senator from Connecticut, the distinguished Senator from Idaho (Mr. McClure), and there may have been others with whom the Democratic leadership met in the Republican cloakroom just prior to the start of the debate on the pending business 70 hours ago. At that time, it appeared that we might, under certain conditions, be able to finish it within a 2-week period. The Senator from Oregon was in the meeting and so was the Senator from Nevada. Here we are on our third week, I believe, with no end in sight. The Senate just cannot and will not go on in this fashion. That is all I have to say.

Mr. HATFIELD. Will the Senator yield 3 minutes?

Mr. CANNON. Mr. President, I do not know how much time I have left. We have been using my time without me being involved.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. CANNON. I reserve the remainder of my time.

Mr. HATFIELD. May I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Alabama has 10 minutes.

Mr. ALLEN. Does the Senator from Oregon want some time?

Mr. HATFIELD. Will the Senator yield 3 minutes?

Mr. ALLEN. Yes; I yield 3 minutes. I will yield the remainder of my time. I am through talking. I have 10 minutes. I yield my 10 minutes to the Senator from Oregon.

Mr. HATFIELD. I thank the Senator.

Mr. President, I would like to comment on two or three items.

No. 1, I would like to follow through for just a moment on the subject on which the majority leader and I have engaged in colloquy.

I wish to again emphasize the point that I am anxious, and I am sure that the majority of my colleagues on the minority side are anxious, to resolve this issue. I do not know of a soul whom I have talked to, or heard speak or express himself, who has expressed anything other than a desire to move ahead and obtain a resolution of this problem.

I think, having said that, I ought to spell out the point that we are not going to resolve it at any cost. I do not believe we have to adopt political expediency or any other kind of compromise that gets to the basic principles involved here in order to get rid of the issue; and I think we have to bear that in mind.

As I indicated yesterday, and I think it is worth briefly repeating at this time, that the forefathers of this country thought they were resolving the slavery issue by ducking the principle and compromising—two things, ducking and compromising—and they did not resolve it. I do not think the minority side is going to be put into any position of having participated in compromise or any other action that will have violated basic principles, and that is the purpose upon which we have been debating this issue.

Now let me reply, if I can, to the comments made by the chairman of the committee a moment ago, because I really feel that it is required to clear the record.

I think the record should show that, unlike what the chairman advised when he said that the 10 precinct questions had been waived by the Wyman forces in New Hampshire and before the ballot law commission hearing, that this is simply not true. It is not borne out by the facts before the committee at all.

The case is simply one in which the ballot law commission refused to rule on certain issues, and the record will show that the attorneys for Mr. Wyman reserved their rights and did not abandon their protest in that situation. The record will show that the ballot law commission did indicate that a number of these matters, which they did not feel capable of ruling on, or felt that they were not required to rule upon, would be passed through to the Senate. That is the fact of the case.

I think the record ought to show also what else was said when there was a quotation made of my statement. I would like to read my full statement, or at least enough of it to give a more accurate representation of what was said; and I think Senators will find the record is replete with this evidence throughout the committee hearings as well as in the debate here on the floor.

The chairman said, quoting me, from the debate on June 16, that I "would reject all of the skip ballots."

That implies, in effect, that I would throw them out. That is not the case.

The case is that the Senator from Virginia (Mr. WILLIAM L. SCOTT) and I were engaged in a colloquy, in which the record shows Mr. SCOTT had indicated the same rule should apply to all skip ballots, and I responded as follows:

> I would respond to the Senator that if I had my preference as to what I think would be the most just and equitable, I would go back to the basic New Hampshire law.

That is what the minority position has been throughout all of this debate. Let me repeat, the issue, as far as the minority is concerned, is not Louie Wyman; it is the issue of whether we are going to subscribe to law, basic New Hampshire law.

Then the record shows I went on to say:

> This is the law upon which this election was held. I would reject all of the skipped ballots.

Now it is in context. That is not an issue that I would even consider, because the skip ballots are clearly a matter of New Hampshire law, and are to be counted.

Then the record shows I went on to say:

> Then if we are not going to follow New Hampshire law on that basis under that precedent of New Hampshire law and if we are setting up, in effect, a new criteria, let that new criteria be applied to all the ballots that were cast in the November 1974 election in New Hampshire.

And then:

> I think it is proper to defend every single voter of New Hampshire who went out to the polls, and to defend his right to have his vote cast under the same rules.

Mr. President, if that were the only statement made on this subject, that would be one thing. But it was stated throughout the committee hearings. The committee said, "We know what the New Hampshire process is," and we even quoted Mr. Durkin, who said he wanted us to skip one-holers, but then, when asked the question, he said, "My case would be weakened if it were two-holer, and it would collapse in my lap if it were a three-holer."

Yet the committee then went on to count a four-skip ballot, a four-holer.

I think that is set forth very clearly both in the committee hearings and in the debate here on the Senate floor.

I would hope we should consider consistency to be a virtue in politics, though certainly there was a great range of inconsistencies expressed. We heard today from the chairman that the new proposal is that we are to go back and search out from the 180,000 ballots all the skip ballots.

I am sure Senators will remember on this floor—and let me say this was also argued in the committee—that there was a question of ballot security. When it was asked that we go back to the key issue and consider counting all those ballots, the chairman of the committee raised the question of ballot security. Somehow there was a great cold snap up there in New Hampshire and the door was frozen shut. He argued that there was not good security on those ballots, therefore, we were endangering the rights of the people of New Hampshire if we went back and tried to recount all of the ballots.

Now where is this great issue of ballot security? Somehow it melted along with the spring snows of New Hampshire that held those doors shut.

There were various proposals of various kinds before the committee, and each time they were either voted down by the majority or the issue ended in a tie vote.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HATFIELD. I am in a time limitation situation. I would be happy to yield, but until I have a chance to answer all these matters, I will not yield.

Mr. President, I think we have reached the point where people are very much aware of the basic issues at hand. The majority has today challenged the committee procedurally by saying we have not yet reached the point of a vote on a single issue. I cannot deny that, but that does, it seems to me, also imply that we have not been debating the issues. We have been debating the issues. I think it is very clear that there are some basic issues here that will be represented by the various parts of the resolution when we get to the vote on them, and so I do not think it has been a matter of dilatory tactics as a way to avoid the issues. We have used ways and methods to debate these issues which are protecting the rights of the minority.

I was also interested in the chairman's comments about that this is the first time in the history of the Senate that a party has exercised such discipline as to have all of its members voting this number of times on a question of——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATFIELD. I lost my best line.

The PRESIDING OFFICER. The Senator from Nevada has 1 additional minute.

Mr. CANNON. Mr. President, I would simply say, as to the first issue, that I placed in the RECORD not once but at least three times the exact statement of the lawyers for Mr. Wyman before the ballot law commission when they waived, on December 4, 1974, at pages 21 and 24—for the benefit of my colleague, who, I am sure, has already read it—and on December 20, 1974, on pages 111, 112, and 126. That constituted a complete waiver with respect to all 10 of those transactions.

But I have changed my position about going back at all. I have always been opposed to going back beyond the 3,500, but the Senator from Louisiana has convinced me that if anyone was going to try to do something to those ballots, they would not try to do it in this kind of complicated way; they would do it in a very simple way, rather than on this skip type of issue. Otherwise, I would not be willing to go beyond those 3,500 that were before the ballot law commission.

The PRESIDING OFFICER. The Senator's time has expired.

The question now recurs on agreeing to the resolution of the Senator from Alabama. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND) and the Senator from Montana (Mr. METCALF) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

The result was announced—yeas 42, nays 53, as follows:

[Rollcall Vote No. 269 Leg.]

YEAS—42

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Byrd, Harry F., Jr.
Case
Curtis
Dole
Domenici
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Mathias
McClellan
McClure
Nunn
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—53

Abourezk
Bayh
Bentsen
Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Stone
Symington
Tunney
Williams

NOT VOTING—4

Buckley
Eastland
Fannin
Metcalf

So the resolution (Senate Resolution No. 202) was not agreed to.

S. 2066—UNANIMOUS-CONSENT REQUEST

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be discharged from further consideration of S. 2066, a bill to amend the Federal Non-Nuclear Research and Development Act of 1975; that the bill be referred to the Committee on Interior and Insular Affairs.

I further ask unanimous consent that if and when S. 2066 is favorably reported to the Senate by the Committee on Interior and Insular Affairs, it be referred to the Committee on Banking, Housing and Urban Affairs for a period not to exceed 30 days.

Mr. GRIFFIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

ORDER FOR MESSAGE ON H.R. 49 TO BE HELD AT THE DESK TEMPORARILY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the message on H.R. 49 be held at the desk temporarily, until further action.

Mr. HANSEN. Mr. President, reserving the right to object—and I do not intend to object—my understanding is that the Senate is working on proposed legislation and is trying to work out an arrangement with the Committee on Armed Services which would deal with the petroleum reserves. I anticipate that it is intended that those two committees can come up with a solution that would obviate the necessity of acting upon this bill. Is that correct?

Mr. MANSFIELD. The Senator is correct. This is just temporary.

Mr. HANSEN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE RESOLUTION 173 TO BE PLACED ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the other side.

I ask unanimous consent that Senate Resolution 173, a resolution coming over under the rule, be placed on the calendar.

Mr. JAVITS. Mr. President, what is Senate Resolution 173?

Mr. ROBERT C. BYRD. It is a resolution to discharge the Committee on Rules and Administration from further consideration of credentials relating to the New Hampshire senatorial contest.

Mr. GRIFFIN. What is the request?

Mr. ROBERT C. BYRD. That it go on the calendar.

Mr. HUGH SCOTT. Simply to put it on the calendar, and for no other purpose?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 1849

Mr. MANSFIELD. Mr. President, first let me say that in a colloquy with the ranking members of the Committee on Interior and Insular Affairs before the July recess—I am referring to the distinguished Senator from Arizona (Mr. FANNIN)—it was informally agreed that we would take up Calendar No. 215, S. 1849, the Energy Allocation Act extension on Thursday or Friday of this week. Since that time, I have been informed that Senator FANNIN is in Rochester, Minn.; that he will not be back until this weekend; but that he is willing to allow the Senate to consider—and I see the next ranking Member, the distinguished Senator from Wyoming (Mr. HANSEN) on the floor—a time allocation of 8 hours on S. 1849, with 1 hour on all amendments and one-half hour on amendments to amendments, motions, appeals, and the like, under the regular procedure. This would not be taken up until early next week, at which time Senator FANNIN will be back and in good shape, we all hope and pray and expect. I make that request at this time under the regular order, in the usual form.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, in view of the fact that the resolution coming over under the rule has been placed on the calendar, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MORGAN AND SENATOR GRIFFIN TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order, Mr. MORGAN be recognized for not to exceed 15 minutes, and that after Mr. MORGAN is recognized, Mr. GRIFFIN be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for routine morning business of not to exceed 15 minutes after the consummation of the two orders previously entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that statements under that period be limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR DEBATE ON CLOTURE MOTION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, at the conclusion of routine morning business, the 1 hour on rule XXII, the motion to invoke cloture, begin to run.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. Will the Senator from West Virginia indicate to me what time that means when we proceed again with the act of futility or supererogation known as the cloture amendment?

Mr. ROBERT C. BYRD. May I say that it is within the distinguished Senator's power, certainly within the power of those on the other side of the aisle, to make it not an exercise in futility.

To answer his question, the 1 hour would begin running at about 11:45, in the event Mr. GRIFFIN takes his 15 minutes and in the event the 15 minutes for morning business runs its course.

Mr. HATFIELD. Will this be equally divided?

Mr. ROBERT C. BYRD. I ask unanimous consent that the time for the 1 hour under the cloture rule be equally divided between Mr. CANNON and Mr. HATFIELD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there is no disposition to have any other rollcall votes tonight. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order. The Senators conversing will take their seats or retire to the cloakroom.

The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, the request of the distinguished Presiding Officer has not been adhered to, so I do not wish to proceed until that request by the Presiding Officer is obeyed.

The PRESIDING OFFICER. Will those few remaining Senators who are still conversing kindly withdraw?

The Senator from West Virginia is now recognized.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

LEGAL SERVICES CORPORATION

The legislative clerk proceeded to read sundry nominations in the Legal Services Corporation.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF STATE

The legislative clerk proceeded to read nominations in the Department of State.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

U.S. ADVISORY COMMISSION ON INTERNATIONAL EDUCATIONAL AND CULTURAL AFFAIRS

The legislative clerk proceeded to read sundry nominations in the U.S. Advisory Commission on International Educational and Cultural Affairs.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations placed on the Secretary's desk in the Foreign Service.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

Mr. JAVITS. Mr. President, I ask unanimous consent that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I wish to say that the confirmation today of the nominations to the Legal Services Corporation marks a real milestone in the progress of our country. Though this is a recent program, it has been an absolute revelation in what it has meant to the poor, the breaking of the syndrome of poverty, and so on. We have had a very hard time with this. It has been almost 2 years before this Corporation could get underway. It is now, hopefully, underway with the Board confirmed.

While many of us, including myself, have had a lot to do with the Legal Services Corporation in its final stages, in order to get the last two nominees confirmed and to unravel what was really a can of worms with respect to these nominations, bedeviling what was already a sadly deferred situation, Senator CRANSTON of California has rendered us all a distinct service by, in a sense, just taking it upon himself to put all the pieces together, calling upon any of us that he thought could help, including myself, to help, and, finally, swallowing very hard at the last two nominees and concurring because he knew it was the way to get the job done. I think we would all be remiss if I did not, as I know the facts so intimately, call these facts to the attention of the Senate.

Mr. HELMS. Will the Senator yield?

Mr. JAVITS. Of course.

Mr. HELMS. Will he tell the Senator from North Carolina why the Senator from California felt disposed to swallow real hard with respect to the nominee from North Carolina?

Mr. JAVITS. I can. He felt that the board should have a mix, including women and including nonlawyers. As these were the last two nominations left, he had hoped that that would be the nature of those appointments. There was no aversion to the individuals. On the contrary, he considered the character of those finally nominated here, one of whom was our own ex-colleague, Marlow Cook, to be so high that it was a great influence in causing him to, as I say, swallow hard. But he had a very strong conviction about the mix of the board, which he had to forego.

Mr. HELMS. Will the Senator from New York and the Senator from California be willing to acknowledge that both of the last two nominees are excellent men. Is that correct?

Mr. CRANSTON. If the Senator will yield to me for a moment, I want first to thank the Senator from New York for his generous words and even more for his wonderful cooperation in this whole long struggle in which we have been engaged. We have had the help of many Senators from both sides of the aisle in the committee and on the floor. It is great that we have finally reached the point where the Legal Services Corporation can start to do the work it was created to do, very important work in our society.

On the matter of the final nominations, I am delighted that, in the absence of having as nominees a nonattorney, a woman, and a member of the client community, we have such worthy people nominated as Mr. Broughton of North Carolina and Marlow Cook with whom we served in this body. They will serve with great distinction, and I have expressed no reservations about either of them or any other nominees for the Board when the committee has favorably reported. They will all do their work well, I am convinced.

I just hope sometime in the future we will see a nonattorney, a woman, and a person from the client community on the Board, more than one.

Mr. HELMS. As I gather, the Senator did not swallow too hard just considering their names?

Mr. CRANSTON. Concerning Mr. Broughton I did not have to swallow hard at all so far as his own capacities are concerned. They are fine, and whatever role Senator HELMS played in bringing his name forward was a real service to the country.

Mr. HELMS. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. CRANSTON. Yes, I yield.

Mr. ROBERT C. BYRD. May I add to the statement made by the very distinguished Senator from New York on behalf of the effort made by Mr. CRANSTON, I think for the last 2 or 3 days I have been pushed and pressed and put upon in a very nice way by the distinguished Senator from California and the Senator from New York to proceed as expeditiously as I possibly can with the consideration of these nominations, and so I would say that the fact that these nominations are being brought up today at this late hour is because of the efforts of the Senator from California and of the Senator from New York.

As a matter of fact, I had a motion, I was half-way through, it was my motion to adjourn when the Senator from California almost fell over the chair to my right here getting to me in time to stop me.

So I think he is to be congratulated, whatever his feelings may be at the moment.

Mr. CRANSTON. I thank my good friend from West Virginia. I am glad I did not push too hard, and I am glad I did not knock him down.

Mr. ROBERT C. BYRD. I am glad he did not fall over the chair.

CONFIRMATION OF LEGAL SERVICES CORPORATION BOARD OF DIRECTORS NOMINEES

Mr. CRANSTON. Mr. President, I am elated indeed that we have come to the end of what has been a long and rather difficult process of establishing the Legal Services Corporation. On Monday, the President submitted to the Senate nominations for the remaining two positions on the Board of Directors: the Honorable Marlow Cook, former Senator from Kentucky, and J. Melville Broughton, Jr., Esquire, of North Carolina. Concurrently, the President withdrew the nomination of William B. Knecht of California in consideration of the unanimous vote of the committee—on June 12—to postpone indefinitely consideration of his nomination. Senator Cook's nomination was submitted in place of Mr. Knecht's.

Over the course of the last 6 weeks or so the committee has voted to report favorably 9 of the President's nominations for the 11 Board positions.

Mr. President, in my opening statement at yesterday's final confirmation hearings, I noted that all indications were that Senator Cook and Mr. Broughton would be, and should be, promptly confirmed. So, without in any way reflecting on the qualifications of Senator Cook and Mr. Broughton, or their sensitivity to the needs of the client community and the other groups not represented among the pending 11 nominees for membership on the Board of Directors, and with the full expectation that they would be promptly confirmed, I reiterated my strong conviction about the importance of having women, non-attorneys, and representatives of the client community on the Board of Directors.

In my opening statement at the confirmation hearing of May 14, I stated and I quote:

> Mr. Chairman, that brings me to what I see as one principal deficiency in the overall slate of nominees. That is the lack of a person who can legitimately be said to be a representative of the client community. I think that this is a major deficiency. I also believe that there is an underrepersentation of minority groups and women among the nominees.
>
> The withdrawal of the nomination of Edith Green, therefore, affords the President and the Senate an opportunity to redress this imbalance. I very much hope that the President will take into account these areas of underrepresentation and will submit the name of a non-attorney individual who will be seen as a true representative of the poverty community; I think this individual should be a woman and, if possible, be from a minority group.

Mr. President, as I indicated in my colloquy just now with Senator JAVITS and Senator HELMS, I continue to believe that it is important to have representatives of these groups on the Board. Thus, I proposed that the members of the Labor and Public Welfare Committee express themselves in this regard, in connection with the committee's favorable consideration of the remaining two nominations.

Mr. President, the committee yesterday did adopt a resolution expressing these concerns, and I ask unanimous consent, Mr. President, that the resolution of July 8, 1975, adopted by the Committee on Labor and Public Welfare, be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE

Resolved, That the Committee on Labor and Public Welfare, in voting to report favorably the last two of eleven nominations by the President to the Board of Directors of the Legal Services Corporation (nine nominees already having been favorably reported by the Committee), does hereby express its concern, without in any way reflecting on the qualifications of any of the eleven nominees already favorably considered, that the Board will now apparently be constituted solely of lawyers and solely of males and no members of the client community; and does hereby express its belief that the Committee has a responsibility to advise as well as consent in nominations submitted by the President and does therefore hereby express it strong belief that future nominations should take account of the need for inclusion on the Board of non-lawyers, women, and members of the client community.

LEGAL SERVICES CORPORATION

Mr. TUNNEY. Mr. President, I am pleased to vote to confirm the nominations to the Board of Directors of the Legal Services Corporation, and would hope that full funding of the Corporation can be secured promptly.

In my view, this Nation took a big step forward in the mid-sixties by creating the legal services program in the Office of Economic Opportunity. For the first time, millions of citizens at the low end of the economic spectrum became legally enfranchised.

Unfortunately, the early seventies saw the systematic devastation of that important program, and had it not been for the vigilant effort of scores of legal services attorneys, segments of the private bar, public representatives, and many dedicated client groups, the program would have been lost.

We all vividly remember the tortuous battle to enact the present legislation which establishes the Corporation whose directors we confirm today. The legislation is a bare minimum, but with strong leadership it can be enormously important. I believe the nominees we have confirmed today have the capability to exert that leadership, and pledge my efforts to aid them in every way I can.

Let me highlight a few tasks which I believe to be of utmost importance here.

First and foremost, independence of the program.

In section 1001 of the act we included the following key provisions:

> (5) to preserve its strength, the legal services program must be kept free from the influence of or use by it of political pressures; and
>
> (6) attorneys providing legal assistance must have full freedom to protect the best interests of their clients in keeping with the Code of Professional Responsibility, the Canons of Ethics, and the high standards of the legal profession.

Further, in section 1006(b)(3) the act states:

> The Corporation shall not, under any provision of this title, interfere with any attorney in carrying out his professional responsibilities to his client as established in the Canons of Ethics and the Code of Professional Responsibility of the American Bar Association (referred to collectively in this title as 'professional responsibilities') or abrogate as to attorneys in programs assisted under this title the authority of a State or other jurisdiction to enforce the standards of professional responsibility generally applicable to attorneys in such jurisdiction. The Corporation shall ensure that activities under this title are carried out in a manner consistent with attorneys' professional responsibilities.

The spirit of these provisions is intended to insure vigorous, forthright, and personal representation of the highest caliber, independent of political or outside influence, in keeping with the traditions and principles of the American bar. It is my hope that the Board, the officers and the attorneys of the Corporation will remain mindful of the intent of Congress that success will be found in the vigorous representation of their clients' interests.

Second, adequate funding. The legislation authorizes $100 million annually. The delays in the nomination process have interfered with the orderly appropriations process for this fiscal year. Nonetheless, I believe that full funding can and must be secured before the August recess. Few questions that even more funds than now authorized could be usefully absorbed. Should the data indicate this as the program gets underway, I would hope that next year more money can be made available.

Third, broad interpretation of the mandate in the legislation. As chairman of the Senate Judiciary Subcommittee on Representation of Citizen Interests—now merged with the Subcommittee on Constitutional Rights—I spent the past 2 years investigating the adequacy of legal representation for average Americans. Our hearings and studies made clear that most Americans—at least 70 percent of the population—have no effective access to legal counsel. Indeed, a recent American Bar Association study shows that two-thirds of the population has never or seldom ever used a lawyer in their lives. This is despite the fact that most people encounter "legal" problems like the need to draft or probate wills, real estate transactions, divorce, traffic violations, and so forth.

In this respect, I was very pleased to note that this legislation provides for a 2-year study of new low-cost ways to deliver legal services. I would urge that this study be broadly focused, and include a look at all of the mass delivery techniques—prepaid and group legal service plans, legal clinics, paralegal assistants, standardization—now being tried, as well as altogether new techniques. In ddition, the Board should be encouraged to collect data and experiment with techniques that could make needed services more available to all citizens.

Fourth, most people recognize that the income limits in the legislation are unrealistically low. Time and again, the Citizen Interests Subcommittee heard about all the low-income people who were "caught in the cracks"—too rich to qualify for legal services and too poor to afford a lawyer at market rates. The legal profession should loosen its own restrictions on lawyer competition in order to lower the costs of legal services. But the Congress will also have to reassess the severe limits in this legislation.

This legislation highlights many of the changes that must take place if our promise of "equal justice for all" is to become more than empty rhetoric. Last week, an important meeting took place at the impressive new facilities of the Stanford Law School in Palo Alto, Calif. Entitled "Law in a Changing Society II," it was the second meeting of the prestigious American Assembly to focus on the changes in our society and their necessary impact on and challenge to the legal profession.

The hundred participants of that meeting agreed to a "final report" or consensus statement which embodies a number of important themes and directions for the legal system and the legal profession. Some of them are specifically directed at the legal services program we set in motion today, and others look more generally at the legal care system in this country.

Mr. President, I ask unanimous consent to have printed the document I have just referred to in the Record.

There being no objection, the final report was ordered to be printed in the Record. as follows:

Final Report

This American Assembly on Law and a Changing Society has met on the eve of the two-hundredth anniversary of the founding of this Nation. Since its birth our society has experienced profound demographic, economic, technological and social changes, and, with varying success, the basic legal structures and institutions have responded and adapted to those changes.

This Assembly meets as well some seven years after an American Assembly with the same title and on the same themes. That Assembly opened its final report with the assertion: "Our changing society now faces challenge to public order and to the realization of American ideals greater than any since the Civil War—the cluster of problems known as the urban crisis."

We are impressed with the conclusions of that earlier group on those issues we have considered. We recognize, however, that the problems they addressed are still with us and that new problems have arisen. We reaffirm their principles and urge a rededication to the implementation of their recommendations.

Today we face developments in practically every aspect of our lives portending changes within the next quarter century as great as any we have experienced.

Illustrations of such changes are:

Changes of birthrate, family size, population migration, ethnicity and age of population;

Diminution of availability of raw materials and energy which will make more difficult the expansion of the economy;

Instant, pervasive communications which simultaneously expand our information frontiers yet test our ability to understand and utilize the information conveyed to us, and which encroach upon our privacy yet also open possibilities of more equitable distribution of knowledge;

Changes in basic social attitudes toward the work ethic; toward equality of opportunity, treatment and result; toward sex and the role and status of women; and toward and by minorities who have lacked effective communication and access, for whatever reason, including language, to the systems of government, control, resources and power;

Continued decay of the cities;

Concentration of ethnic and racial minorities in impoverished areas;

Increase in quantity and intensity of expectations of fairness and justice.

None of these developments is necessarily of a different order from those we have experienced throughout our existence as a nation. What is different about our current condition are several factors:

Our ability to perceive the advent of these changes before they are fully upon us;

Our recognition, on the basis of prior experience with change, of the importance of early intervention;

The pervasiveness of momentous change in practically every sphere of our lives; and

The rate at which these changes develop and affect us.

Because of these differences from the past, system and structures must be made sufficiently flexible to change with the changing environment, augmenting desirable aspects while assuring that traditional values, like freedom and equality, are preserved.

LEGAL INSTITUTIONS AND CHANGE

Our constitutional framework has permitted great change but we have not yet created procedures to anticipate and deal with rapid change. Such a system is not only desirable; it is imperative; and it is feasible Our institutions must be made to preserve desirable values and to provide us with the mechanisms to cope with change on a sustained rather than an ad hoc basis.

To the extent that planning mechanisms exist, they should be redirected so that they are both required and given the capacity to consider the impact of impending changes upon our legal institutions and structures and to make appropriate recommendations to our law-making bodies. Where no such mechanisms exist, they should be created, as, for example, a National Council of Social Advisors, performing functions in the social area similar to those performed by the Council of Economic Advisors in the economic area. Such an agency should receive substantial and effective research support, affording it access to comprehensive information and providing it with methodological techniques from various disciplines.

Of prime importance as a national goal is the development of democratic and representative procedures by which we can order our national requirements and aspirations—our priorities.

Every effort should be made to reduce unwarranted regulation of human affairs by government. Planning should be broad-gauged, comprehending the various significant facets of society. Support of planning should not necessarily imply expanded or continued concentration of regulatory control at the national level. Within broad national policy guidelines, responsibility for the development and implementation should be placed at the most feasible level permiting effective citizen participation.

Mass solutions to major social problems of the future seem inevitable, but there is danger of tyranny in mass solutions. A national policy goal should be to provide every possible protection of minority rights, and to strengthen the values of individuality, dissent, privacy and effective individual decision-making. These minority rights include the unique character and origins of the legal rights of Native Americans, as well as those deriving from the difference of language and ethnicity of other groups.

In addition, the juvenile and adult criminal justice systems require continued reexamination and improvement in order to protect not only the individuals accused of crime, but also the victims of crime and the public as a whole. Special consideration is particularly essential with regard to: the range of punishable offenses; the absence of guidelines for the exercise of discretion by officials at every level, including police, prosecutors, defense attorneys, judges, probation and parole officers and correction officials; the purposes and effects of sentencing; incarceration; and the treatment of ex-offenders. Resources sufficient to accomplish necessary improvements must be made available.

An equally fundamental national goal is the provision of genuine access for all persons to effective education, adequate nutrition, decent housing, proper medical care—and, now, effective legal services.

So, too, there is need to assure an adequate income for all individuals. Methods like the use of the government as the employer of last resort and a negative income tax should be intensively considered and explored.

The size and power of some private corporations and labor unions means that they, as well as governmental agencies, have profound influence on the public interest. Means must be found to insure the further accountability of private as well as public institutions.

LAW AND THE PUBLIC INTEREST

Essential to the solution of future problems is the assurance of fair representation in the decisionmaking process—vindication of the "public interest" in the public and private sectors—and representation of persons and causes who have previously not been effectively represented. These principles have been established and generally accepted. We must complete their implementation.

"Public interest law" is an important recent development. While there may be ambiguity of definition and scope, a serious void in our legal institutions is being filled by the activities of lawyers who engage in representation of groups and interests that would otherwise be unrepresented or underrepresented. Such public interest law activities are major responsibilities of the legal profession. Adequate support measures should be adopted, including:

1. Encouragement of public interest lawyers to engage in a broad range of activities, including litigation, research, presentation of matters and lobbying before administrative agencies and other decision-making bodies, and public education and information activities;
2. Removal or lessening of unreasonably restrictive procedural and jurisdictional obstacles to the practice of public interest law by all lawyers;
3. Revision of the Internal Revenue Code to eliminate impediments to the funding of public interest law;
4. Encourage increased funding of public interest legal services by lawyers, bar associations and other individuals and organizations concerned with social justice;
5. Enactment of legislation permitting courts and administrative agencies to award attorney's and expert witness' fees to parties who vindicate significant public interests in court or administrative proceedings;
6. Endorsement and continuation of the work of the American Bar Association-sponsored Council on Public Interest Law so that the concept of public interest law may be fully accepted nad made a permanent part of the legal process.

Maintenance of effective public interest law activities should not, however, obscure the obligation of lawyers and the organized bar to assure that legal services are available for all.

This bi-centennial is an opportune time to review the functions of governmental operations. Reviews of the functioning of the Federal Government since the reports of the first and second Hoover Commissions in 1949 and 1955 have been restricted and only partially implemented. Since that time, government programs have substantially expanded and the federal budget has tripled; there has been a continuous growth of demand for government services. In the light of the need to gear government to the needs of the future, a new commission should be created to review the planning, organization, direction and administration of government agencies and to make recommendations designed to improve performance and eliminate waste, and to review, as did the Federalist papers in that earlier time, the nature and inter-relationships of the three branches and various levels of our government.

The growth and power of administrative agencies has been noted by many. Administrative policies, rules and processes have proliferated and extend to many aspects of our lives. The time has come to undertake a comprehensive review and overhaul of administrative procedures to bring about greater responsiveness and accountability. Additional objectives of that overhaul should include removal of unwarranted regulation of human affairs by government, reduction of costs of meaningful participation in administrative proceedings by all interested persons, and assuring that administrative decisions are fairer, thereby decreasing the volume of judicial review.

In any such overhaul, specific attention should be paid to making the administrative process more open and simple, requiring that major administrative decisions be accompanied by an articulation of reasons, subject to judicial review of the fairness and reasonableness of the decision, and affording interested persons access to relevant information within the agency so that they may have an opportunity to develop an adequate record for agency decisions. In particular, administrative agencies should be required to formulate, publish and periodically review guidelines for the exercise of discretion.

In a democracy, the legislature stands as the primary law-making body. And the best purposes of a democracy are served when legislative bodies have the capacity to entertain and evaluate all significant, diverse viewpoints. At all levels of government there must be an intensification of efforts to augment the effectiveness of the capacity and decision-making processes of legislative bodies.

1. Professional, technical support and evaluative services should be provided in fuller measure;

2. Legislators should receive compensation commensurate with the necessary time commitments;

3. A major review of actual and potential conflicts of interests of legislators at all levels should be undertaken including their representation or intervention on behalf of constituents before executive administrative agencies;

4. A comprehensive overhaul of laws governing campaign financing and expenditures at all levels of government.

Where they do not exist, law revision commissions should be created to work complementarily to legislative bodies. Such commissions should see as their primary functions the elimination of obsolete, duplicative and contradictory laws and making laws as simple and uniform as possible.

The example of "impact statements" with respect to proposed actions which will affect the environment should be replicated with respect to the impact of rule-making and legislative action, so that the law-making bodies will deliberately consider the consequences of proposed enactments upon the legal system and the ability of citizens to vindicate their rights under the enactments.

Above all, we urge that legislative bodies function more aggressively in their representational law-making capacities. Too often, legislative passivity or inaction has led to law-making by the other branches of government.

LEGAL REPRESENTATION OF THE CITIZENRY

The ability of many American citizens to obtain legal assistance is severely hampered by the cost of those services and by the lack of information about the competence and types of practice of individual lawyers. Actual and proposed innovations in structures and methods of delivery of such services offer significant promise of ameliorating the current problems. These efforts should be continued and augmented.

1. Procedures should be established to assure continuing competence of lawyers;

2. Certification of specialization should be encouraged both to assure specialized competence and to aid the public in locating an appropriately skilled lawyer at a reasonable cost;

3. The initiation and development of group legal services and pre-paid legal insurance programs should be encouraged;

4. Lawyer referral services, with identification of areas of special competence of attorneys on referral panels, should be encouraged, improved and expanded so that all persons seeking access to a lawyer can find one;

5. Use of paraprofessionals should be encouraged to reduce the price of legal services to the public;

6. Publicly financed ombudsmen for the representation of individuals and groups with grievances about official conduct and decisions should be appointed;

7. Consideration should be given to the adoption of a system of governmental subsidy of the costs of legal services in inverse relationship to the ability of the client to pay so that all citizens, regardless of income, may have access to legal services;

8. Consideration should be given to permit the tax deduction of legal expenses, including lawyer's fees, similar to medical and dental expenses.

As litigious as we may have been in the past, it is likely that we are becoming even more so. Increased expectations among greater numbers than ever before, growing awareness of the role of the courts, as well as other social and economic factors, may produce greatly increased use of the legal system for the resolution of disputes. Serious attention should be accorded by legislative and professional groups to the kinds of institutional mechanisms that might be created, at least on an experimental basis, to process fairly and expeditiously disputes among our people and with their government.

1. Experience with small claims courts has differed. Some have fulfilled their original purpose of providing a simple, expeditious forum for the resolution of disputes involving relatively small sums of money; others have apparently turned into collections agencies. Current reviews of such courts, as well as additional studies, should be fully supported and their conclusions carefully considered to assure that the original purpose of such courts is fulfilled.

2. Experiments should be tried in the creation of other types of local or neighborhood courts. Such courts should be designed to dispense with formalities to the maximum extent. Devices which might be dispensed with are pleadings, discovery, extensive appeal rights, and some or perhaps all participation by lawyers. Such a court might consider controversies involving significantly higher amounts than those within the present jurisdictional limits of small claims courts, using judicially-trained presiding officers, with the availability of process and injunctive relief.

3. Informal techniques of dispute-resolution, including arbitration, mediation and conciliation, should be institutionalized. In developing these informal techniques, the use of nonlawyers to provide dispute-resolving assistance in a variety of categories should be permitted.

4. The legislative and executive branches should supply sufficient judges—carefully selected on merit and adequately compensated—as well as supporting personnel and equipment to permit courts to deal expeditiously with growing caseloads and to maintain their strength and independence. Courts should improve their administration and better utilize the available resources.

The organized bar should engage in a comprehensive review and revision of the professional rules and practices which appear to inhibit the free flow of information about the ability, cost and type of legal services or may maintain the price of legal services at an artifically high level.

The most dramatic way of reducing the cost of legal services is to reduce the need for those services. For example, in this post-industrial society dominated by service delivery rather than the manufacture of goods, the system of tort liability as now structured is hard pressed to meet the tasks of controlling the quality of services delivered by professions and equitably compensating victims of malpractice for their injuries. New systems, possibly of peer review with non-professional membership, and compensation plans to make victims whole should be considered.

We commend the recognition, first in the Legal Services Program of the Office of Economic Opportunity and now in the Legal Services Corporation Act, of both the need of the poor and their right to legal services. But the problems have not been solved: the needs of the poor are not being met in sufficient quantity or quality. Those needs should be met wherever the poor are found—in the depressed areas of the cities, in rural areas, in the prisons, in mental institutions, on Indian reservations.

1. The organization of the Legal Services Corporation should be completed immediately;

2. The Board should be encouraged, while fulfilling its mandated duty to provide legal services to the poor, to collect data and to experiment with techniques which may be applied to make legal services more available to all citizens;

3. Congress should make available to the indigent the same range of legal services available to those who can pay for them; sharply increased Congressional funding of legal services is imperative if equal justice for the indigent is to become a reality;

4. Categorical restrictions on the provision of legal services in existing federal legislation should be removed;

5. The Corporation should continue the full range of functions previously carried out by independent back-up centers.

THE ROLE AND RESPONSIBILITY OF THE LEGAL PROFESSION

Our legal system depends upon the legal profession for implementation. Lawyers and the organized bar have a special obligation for the proper functioning of that system, for its improvement and for assuring that its benefits are extended equitably to all citizens. Each of the recommendations previously set forth carries with it the implicit corollary that lawyers should undertake its accomplishment in appropriate forums and through appropriate mechanisms. If, for example, the public interest demands, as it does, that legal services be provided for the poor or that certain business of the bar be eliminated through changes and simplification in substantive and procedural law, the legal profession has the primary responsibility to see to it that these objectives are carried out.

Our principal system of adjudication is the adversary system. In that system, the truth, in the sense of relevant facts accurately determined, is vitally important for the rational administration of justice. Too often our adversary techniques conceal or distort the truth rather than promote its discovery. The legal profession should consider and explore appropriate modifications of adversary procedures for the purpose of better determining the truth, and should formulate ethical prescriptions embracing a higher professional duty to seek the truth.

Lawyers are administrators of justice as well as advocates of clients. Lawyers and those training for the practice of law have an affirmative responsibility to nurture justice and truth.

There are special difficulties with defining the professional responsibilities of the "public lawyer," e.g., prosecutors, attorneys general, those representing public boards, and public interest lawyers. These are important questions which have been too long ignored. The bar and other interested and affected groups should undertake a serious inquiry into the proper definition of these responsibilities.

EDUCATION

Legal education in the United States varies little from law school to law school. Yet the relationship between current legal education and that which would be best for the training of lawyers of the future needs additional study. A thorough, overall study of legal education, including the post-graduate education of bench and bar, should be undertaken by an independent panel.

If they are to fulfill their function of educating future lawyers to contribute to the solutions of the problems here presented, law schools should give greater emphasis to problems of cost, quality and delivery of legal services, to developing better systems of public legal health and justice, and to the broader responsibilities of lawyers to the society as a whole.

In legal education, the standards for approval of law schools and the qualifications for admission to the bar should permit experimentation with approaches to legal education, such as a broad variety of types of training of lawyers and of preparation for limited specialization in shorter periods of time. Substantial additional financial resources are needed to support adequately legal education of desired quality and innovative development. Title XI of the Higher Education Act, which authorizes funding for clinical legal education, should be implemented by appropriation.

Law schools should be encouraged to continue special programs to stimulate the entry of members of minority groups into the profession. The Council on Legal Education Opportunity should be supported and its efforts expanded. New forms of educational and financial assistance for minority students should be considered and developed.

Energetic efforts to recruit women and members of minority groups for the faculty and staff of law schools and throughout the entire justice system should be continued.

Examination should be made of the effectiveness of bar admission criteria in general as well as their impact upon minority groups.

In proposing and enforcing bar admissions criteria, examining authorities should fully recognize the mobility of law students and of lawyers across state lines, while maintaining standards that assure a standard of quality of legal service. Subjects on bar examinations should not be too parochial in scope.

Serious consideration should be given to the inclusion of nonlawyer members with voice and vote on governing boards and commissions of the organized bar, including those dealing with admission and discipline.

The bar should assist in providing education of the public in the role of law in society, not only for adult citizens but also as a regular part of the curriculum in elementary and secondary schools, not to indoctrinate but to create an understanding of how and why our institutions function and fail to function. Such education should include the Constitutional, legal and other mechanisms which make the society function, methods of problem solving and dispute resolution, basic rules of practical law, mechanisms available for assistance including use of lawyers, and the roles lawyers can and do play in society. Access to our legal system can be increased as a consequence of teaching of the techniques of participation and representation. We commend the efforts of educators and the bar to introduce these concepts of law at levels of education below that of the law school. Such an ambitious educational program requires substantial financial support. We urge that adequate resources be made available, either through new funding or reallocation of existing funds, to train the requisite teachers and disseminate appropriate materials.

Our recommendations do not purport to cover all the major problems of today and tomorrow. We do not mean by our omission to imply a relative ranking. Our agenda and time have not permitted consideration, for example, of international problems, the impact of new communication technology on the law, distribution and redistribution of wealth in the United States, and around the globe, and any detailed examination of the criminal justice system. Each of these topics and many others merit an American Assembly of their own.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 11 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, Mr. MORGAN and Mr. GRIFFIN will be recognized in that order, each for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

At the conclusion of routine morning business, the Senate will proceed under rule XXII to take up the motion to invoke cloture. After 1 hour has transpired, the automatic quorum call will ensue, and upon the establishment of a quorum, the Senate will proceed with the automatic rollcall vote on a motion to invoke cloture. That rollcall vote will occur somewhere in the neighborhood of 12:45 or 1 o'clock depending upon whether or not the special orders are fully consumed and on whether or not the period for the transaction of routine morning business runs its full course under the order.

What happens after the rollcall vote on the motion to invoke cloture is not yet clear.

I want at this time to state that the workload ahead is heavy and, for this reason, the necessity of Saturday sessions during this month of July is becoming increasingly apparent. There will be no Saturday session this week, however, in view of the agreement that was reached on the energy bill just a little while ago.

However, Senators will, perhaps, want to carefully consider their schedules throughout the remainder of the month of July and will act in accordance with the necessity for having Saturday sessions, especially in view of the fact that the August holiday is required under the law, and if the Senate is to transact the enormous amount of business that is ahead it will require long daily sessions and Saturday sessions. So I hope that Senators will be fully alerted now to the Saturday session aspect of the Senate's work.

Now, the following measures will be ready for action during the month of July. They will not necessarily be called up in the order stated, and the list is not, by any means, complete by virtue of just the following measures being stated:

The New Hampshire dispute on which future cloture votes at some point during the month of July may be anticipated.

The clean air amendment.

Appropriation bills and, among these I would include especially the Transportation appropriation bill, Treasury and Post Office appropriation bill, the HUD appropriation bill, the HEW appropriation bill, the State-Justice-Commerce appropriation bill, among others.

The energy allocation extension, S. 1849, which now will be called up during the early part of next week.

The fuel efficiency standards for automobiles, S. 1883.

The Outer-Continental Shelf Act.

The Elk Hills legislation.

Coal leasing and coal conversion legislation.

ERDA.

The Energy Production Board.

The reregulation of natural gas, S. 692.

Senate Resolution 160, which has to do with Diego Garcia.

S. 349, a bill to amend the Federal Trade Act.

S. 670, a bill to regulate commerce and prohibit unfair or deceptive acts or practices in commerce.

S. 644, a bill to amend the Consumer Product Safety Act.

H.R. 4222, an act to amend the National School Lunch Act and Child Nutrition Act.

S. 963, a bill to amend the Federal Food, Drug, and Cosmetic Act.

Extension of the Voting Rights Act, which is H.R. 6219.

Various conference reports.

May I emphasize that this list is not all inclusive necessarily.

The leadership would hope to have the understanding of all Senators as the Senate tackles this difficult schedule which it is imperative that we follow, with early and late sessions expected daily, and with rollcall votes to occur daily, including Saturdays, when the Senate meets on Saturdays.

Keep in mind that, call it whatever we will, we know that the media and the people are going to call it an August recess or an August holiday. So whatever it is called, it is the same thing.

We have a lot of work to do and in anticipation of the responsibility that is ours to complete this work I think each Senator will want to consider his own personal schedule in accordance therewith.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11 o'clock tomorrow morning.

The motion was agreed to; and at 6:10 p.m., the Senate adjourned until tomorrow, Thursday, July 10, 1975, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 9, 1975:

Legal Services Corporation

The following-named persons to be Members of the Board of Directors of the Legal Services Corporation for the terms indicated:

For a term of 2 years commencing upon the date of the first meeting of the board:

Marshall Jordan Breger, of Texas.

Marlow W. Cook, of Kentucky.

William J. Janklow, of South Dakota.

Rodolfo Montejano, of California.

Smauel D. Thurman, of Utah.

For a term of 3 years commencing upon the date of the first meeting of the board:

J. Melville Broughton, Jr., of North Carolina.

Roger C. Cramton, of New York.

Robert J. Kutak, of Nebraska.

Revius O. Ortique, Jr., of Louisiana.

Glee S. Smith, Jr., of Kansas.

Glenn C. Stophel, of Tennessee.

Department of State

John H. Holdridge, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Singapore.

James D. Theberge, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

U.S. Advisory Commission on International Educational and Cultural Affairs

The following-named persons to be members of the U.S. Advisory Commission on International Educational and Cultural Affairs for terms expiring May 11, 1977:

Eva T. H. Brann, of Maryland.

Richard T. Burress, of the District of Columbia.

Wiliam French Smith, of California.

James A. S. Leach, of Iowa, to be a member of the U.S. Advisory Commission on International Educational and Cultural Affairs for a term expiring May 11, 1978.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

In The Foreign Service

Foreign Service nominations beginning Louis Schwartz, Jr., to be a Foreign Service officer of class 3, a consular officer, and a secretary in the diplomatic service of the United States of America, and ending Doris E. Wilmeth, to be a consular officer of the United States of America, which nominations were received by the Senate and appeared in the Congressional Record on June 2, 1975.

HOUSE OF REPRESENTATIVES—*Wednesday, July 9, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Happy are they who act justly and do right at all times.—Psalms 106: 3. (N.E.B.)

Eternal Spirit, from whom all blessings flow, be Thou with us through the hours of this day as we labor for the welfare of our beloved Republic. Prosper us in our endeavors, support us in our needs, guide us in our difficulties and sustain us in our efforts to promote peace at home and abroad.

We pray for our country and for the people living in our land. Save them from calamity and chaos, from differences which divert them and from divisions which can destroy them. By Thy Spirit make this our Nation one in purpose and one in good will as together we seek for liberty and justice for all. May everyone of us be religious enough to exalt our Nation in truth and righteousness: to the glory of Thy holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1462. An act to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 677. An act to establish a Strategic Energy Reserve Office in the Federal Energy Administration, to create a strategic energy reserve system to minimize the impact of interruptions or reductions of energy imports, and for other purposes.

OUR GRAIN SUPPLY AND FARMERS ARE UNPROTECTED FROM FOREIGN EXPLOITATION

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, our grain supply and our farmers are unprotected from foreign exploitation. Six private grain corporations, several of which are foreign dominated, now handle our grain exports to foreign countries. In 1972, the Russians stole our entire grain reserves, and now the Russians are coming once again. They are in the market today. They are dealing in secret for our grain reserves. We could double, triple, ask any price for our grains if, as under my bill, H.R. 6546, we would have one Government agency to handle the sales to the Russians. Why should we spend billions arming ourselves against the Russians and then give them at low prices our most valued resource, our own food supply?

INVITATION TO SIP SOLAR TEA

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, I would like to announce that tomorrow Congressman GUDE and I will introduce two bills dealing with solar energy. The first, the solar energy low-interest loan bill, will provide loans through the Small Business Administration to individual homebuilders and companies for the purchase and installation of solar heating and solar cooling equipment. The other bill, the Conservation and Solar Energy Federal Building Act of 1975, will require that in any building financed with Federal funds the best practical measures be taken for the conservation of energy and the use of solar energy. Identical legislation is being introduced simultaneously in the Senate by Senators NELSON and HART.

In conjunction with the introduction of these bills we have arranged an exhibit of operational solar energy systems, and models of buildings which will incorporate solar energy in their basic design. This exhibit will be held tomorrow, June 10, on the south front of the Capitol from noon until 2 o'clock. Here is an opportunity to observe firsthand that solar energy can be successfully used today both for the heating and cooling of buildings. All Members and their staffs are invited to come up and sip solar-heated coffee and tea with us.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS PRESIDENT'S CAMPAIGN STRATEGY IS ALREADY CLEAR

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, after 9 months of announcing that he was going to announce his candidacy, President Ford finally did it yesterday; he announced his candidacy.

This Ford campaign took longer to crank up than a Model-T. I am sure you gentlemen remember the Model T, because that is the age in which you are still acting.

But his campaign strategy is already pretty clear: Do not do anything about unemployment, do not help the consumer, forget about the economy, keep right on blasting Congress and veto everything that provides jobs or stimulates recovery.

The unemployment rate for June is about the same as May—still 9 or 10 million unemployed people in this country.

The administration is still saying that the recession is over, that is, it is over for all practical purposes. But the President signed into law a bill extending unemployment benefits to 65 weeks. That is for the people out of work who have not yet heard that the recession is over.

Other than that, it must have been a dull recess for the President. He has not had anything to veto for at least a week.

AMENDING SECTION 3620 OF REVISED STATUTES WITH RESPECT TO CERTAIN DISBURSEMENTS BY BANKS, SAVINGS BANKS, SAVINGS AND LOAN ASSOCIATIONS, AND CREDIT UNIONS

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7405) to amend section 3620 of the Revised Statutes with respect to certain disbursements to be made by banks, savings banks, savings and loan associations, and credit unions, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, strike out lines 6, 7, and 8 and insert:

"(b) With respect to the Senate, the amendment made by subsection (a) shall take effect whenever the Secretary of the Senate determines the feasibility of compliance with the amendment, but in no event, later than July 1, 1976.

"(c) With respect to the House of Representatives, the amendment made by subsection (a) shall take effect whenever the Clerk of the House of Representatives determines the feasibility of compliance with the amendment, but in no event, later than July 1, 1976."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman tell us what the Senate amendment provides?

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I am delighted that my good friend, the gentleman from California, has asked the question.

Mr. Speaker, as Members may recall, on June 16 the House passed H.R. 7405 unanimously. The bill merely provided payroll deductions for savings accounts for employees of the House and Senate. It is a benefit that has been available to all Federal employees except those two groups since 1968. On Monday of this week the Senate passed H.R. 7405 with an amendment. The amendment merely gives each body until July 1, 1976, to implement the legislation. The House version provided a 90-day delay to implement the legislation.

The Senate amendment would still allow the House to implement the bill after a 90-day delay but would also provide for a delay if there were problems in reprograming.

The Senate amendment in no way weakens the bill and I strongly urge the Members to pass the legislation.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's explanation. I asked for it so we would understand what the Senate amendment provides.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

REQUEST FOR CONSIDERATION OF SENATE JOINT RESOLUTION 100 AUTHORIZING THE SECRETARY OF THE SENATE TO PAY COMPENSATION TO PHAN THI YEN

Mr. EILBERG. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 100) to authorize the Secretary of the Senate to pay compensation to Phan Thi Yen.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Pennsylvania whether there is any justification for this Senate joint resolution being called up in this manner.

Why is this needed?

Mr. EILBERG. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Pennsylvania.

Mr. EILBERG. Mr. Speaker, we have had a great many problems in our State in the handling of emergency matters. The Inter-Agency Task Force is attempting to find sponsors in the area of Pennsylvania and the Middle Atlantic States, and a great deal of pressure has been placed upon Senator SCOTT, the minority leader of the Senate, to find sponsors and to help relocate these people.

This lady has been appointed by the U.S. Government since 1963, as the letter states. She has had a passport from the office of the Embassy in Saigon since 1968.

She has been personally responsible for the safe evacuation of a great many Americans during the last days of the evacuation of Americans in South Vietnam.

I would say to the gentleman that this woman apparently has unique qualifications in being able to speak the Vietnamese language and in understanding their problems. The Senator from Pennsylvania evidently feels that she is very essential in trying to facilitate the finding of sponsors for these people.

I would also say to the gentleman, having visited Indiantown Gap last week, the movement is not in the direction of finding sponsors for relocation. It is not moving as rapidly as it should be. There have been delays.

By this bill the Senator from Pennsylvania would be able to speed up this process, and I think this Chamber should do all it possibly can—and I say this from a personal observation—to facilitate the process of moving these people to sponsors as rapidly as we can.

It appears that this woman is eminently qualified to assist in that program. That is why I would like to join the minority leader of the Senate in trying to make it possible for her to join the Senator's staff.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I certainly do not want to speak in derogation of the desire of the Senator from Pennsylvania or of the gentleman from Pennsylvania to expedite dealing with the problems of refugees, but this resolution, as I understand it, allows one Member of the other body, by special authority of both Houses of Congress, to add one person to his staff for a specific purpose.

With respect to these matters regarding refugees, 130,000 of them roughly, coming into this country, there was a great amount of money appropriated for that purpose. I supported that bill. Certainly, however, if we are going to set a precedent like this, any sort of excuse can be used to add one or two or three or more members to congressional staffs.

Unless the gentleman wishes to withdraw his request, I would be constrained to object because of the precedent involved.

Mr. EILBERG. Mr. Speaker, I would like to say further to my colleague that the problem is a very pressing one.

Mr. BAUMAN. Is the gentleman aware that they have problems in Arkansas and at Camp Pendleton in California? Will they deserve extra staff members to handle those problems? What about the Congressmen involved? Do they need extra staff, too?

Mr. EILBERG. We have not received any requests, and I would carefully consider, along with the members of the Immigration Subcommittee, what those requests might be.

I do personally know, because I visited Indiantown Gap within the last few days, about the pressing requirements of that particular area.

Mr. Speaker, I respect the gentleman's opinion with respect to the situation; but if I may say to the gentleman further, we want to get these people out of Indiantown Gap and have this program considered before the cold weather sets in. There is a great deal of work to be done.

If we have someone who can really facilitate this and bring it to a conclusion and also without any individual appropriations by the Congress, I am all for that. This is what it is all about.

I assure the gentleman that if the same problem arises as far as any of the other camps are concerned, we will do the same thing in consideration of any of those requests. However, in trying to find sponsors to relocate people as quickly as possible, if we find someone who is so uniquely qualified, we should not give up the opportunity to employ her.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. EILBERG. Yes, I will yield to the gentleman from New York.

Mr. FISH. Mr. Speaker, I thank the gentleman for yielding.

I would like to say that as a member of the subcommittee of which the gentleman from Pennsylvania is the chairman, several times the minority leader of the Senate talked to us in the past few days on this matter.

The Members might recall that Indiantown Gap was one of the most recent camps to open. It was still in the process of receiving people and filled up very quickly.

I think I can say that the rather elaborate and very sensible arrangements that made Camp Pendleton such a success were not possible here, and there was not the same talent available.

There is a problem of spreading too thinly the members of the volunteer agencies. This camp, in addition, has a very short life to it, about October of this year, as far as I have been informed as to when this camp will be closed.

The minority leader felt that this person who has given great service to the United States in Saigon would be a needed asset toward his functioning in Pennsylvania.

I do not know whether this has been gone into or not, but the reason for this legislation is not in any way to make an exception to the immigration laws of the United States, but rather the provisions that have come out of the Committees on Appropriations that have restricted the employment possibilities to the House and Senate to American citizens, and to very restrictive classes of aliens admitted for permanent residence which are listed in the application for employment. Inasmuch as this person does not fit any of those provisions there is a need to have congressional authorization to the Secretary of the Senate to pay the compensation.

Mr. BAUMAN. Mr. Speaker, I am sympathetic with the facts presented by both of the gentlemen who have spoken on this matter, but because of the precedent involved I do object.

The SPEAKER. Objection is heard.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF S. 555, EMERGENCY LOAN PROGRAM

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 527, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 527

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 555) to amend the Consolidated Farm and Rural Development Act. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Texas (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. Latta) pending which I yield myself such time as I may consume.

Mr. Speaker, H.R. 527 provides for an open rule with 1 hour of general debate on the Senate bill S. 555.

This bill amends the emergency loan program provision of the Consolidated Farm and Rural Development Act.

The bill eliminates the requirement that there be a general need for agriculture credit in an area before it could qualify for assistance. Requires that the program be made available in Presidentially declared emergency areas. Makes the program available not only to persons engaged in oyster-producing operations but to persons engaged in other forms of aquaculture. Makes it clear that the Secretary may delegate authority to State directors of the FHA to provide emergency loans in an area without formal designation from the Secretary, if the State director finds that a natural disaster has substantially affected 25 or less farming, ranching, or aquaculture operations in the area. Makes loans available for amounts in excess of the loss covered by the disaster so that an applicant could obtain financing for crop and livestock changes he deems desirable. Restricts the subsidized interest rate of 5 percent to loans for actual loss but not more than $100,000 per loan. Authorizes the Secretary to make an emergency loan for an operating type purpose for disasters occurring after January 1, 1975, for a period of up to 20 years. Makes annual subsequent emergency loans available to borrowers for up to 5 successive years if the borrower needs the credit to continue his operation and cannot obtain financing from other sources.

This bill also amends the act to require that there must be an authorization from the Congress before appropriations can be made for any purposes under the act for each fiscal year ending after September 30, 1976, and before the Secretary can utilize any funds from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund during each fiscal year ending after September 30, 1976.

The report contains a letter from the Acting Secretary of Agriculture on another bill. It also contains a statement of Assistant Secretary Erwin before the subcommittee in support of most of these changes except the proviso authorizing the Secretary to make emergency loans for an operating type purpose for up to 20 years for disaster occurring between January 1, 1975, and July 1, 1976.

The committee report states that the costs "would be minimal."

The report states that the bill would not have any inflationary impact on prices and costs in the operation of the national economy.

The bill was reported by the Committee on Agriculture by voice vote.

There are no minority views.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the statement just made by the gentleman from Texas (Mr. Young) and say that I not only agree with the gentleman's remarks, but with the legislation, which eliminates the requirement in the present law that a general need for agricultural credit in an area exist before the area qualify for assistance.

The bill also requires that the program be made available in Presidentially declared emergency areas.

It makes it clear that the Secretary may delegate authority to State directors of the FHA to provide emergency loans in an area, without formal designation by the Secretary, if the State director finds that a natural disaster substantially affects 25 or less farming, ranching, or aquaculture operations in the area.

Mr. Speaker, there was no opposition to this rule in the Committee on Rules. I have no requests for time and reserve the balance of my time.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5884, AUTHORIZATION FOR COUNCIL ON INTERNATIONAL ECONOMIC POLICY

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, on behalf of the gentleman from Illinois

(Mr. MURPHY), I call up House Resolution 504 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 504

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5884) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Texas is recognized.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. LATTA) pending which I yield myself such time as I may require.

Mr. Speaker, House Resolution 504 provides for an open rule with 1 hour of general debate on H.R. 5884, the authorization for the Council on International Economic Policy.

H.R. 5884 provides for an authorization of $1,657,000 in fiscal year 1976 and $1,670,000 in fiscal year 1977 for personnel, administrative and travel expenses for the Council.

The purpose of the Council on International Economic Policy is to advise the President on international economic issues. They also serve to coordinate the activities of certain departments as they pertain to international economic policy.

Mr. Speaker, I urge the adoption of House Resolution 504 in order that we may discuss and debate H.R. 5884.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, as explained by the previous speaker, House Resolution 504 provides for 1 hour of general debate on H.R. 5884, authorization for the Council on International Economic Policy, and that the bill shall be open to all germane amendments.

The primary purpose of this bill is to authorize $3,327,000 for personnel, administrative, and travel expenses of the Council—$1,657,000 of that amount is for fiscal year 1976 and $1,670,000 for fiscal year 1977. The purpose of the Council is to advise the President on international economic issues and coordinate the activities of various departments as they relate to international economic policy.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 7567, ARMS CONTROL AND DISARMAMENT ACT AMENDMENTS OF 1975

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 551 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 551

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7567) to amend the Arms Control and Disarmament Act, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 551 provides for an open rule with 1 hour of general debate on H.R. 7567, providing that the bill be read for amendment by titles instead of by sections.

The Arms Control and Disarmament Act Amendments of 1975 authorizes an appropriation of $23 million to fund the Arms Control and Disarmament Agency—ACDA—for fiscal years 1976 and 1977. This Agency was established in 1961 to play a role in the formulation and execution of U.S. arms control policies.

H.R. 7567 amends the act to improve the overall operation of the Agency. ACDA is given primary authority for arms control and disarmament matters under the direction of the President and the Secretary of State. The director of ACDA becomes the principal adviser to the National Security Council on arms control and disarmament matters. Thus the Agency's effectiveness will be increased allowing ACDA to give a greater input into U.S. arms control policy.

Second, the amendments require that essential information related to arms control and disarmament policies be reported by the agency to both the executive and legislative branches. ACDA's director will assess and analyze the impact of proposed defense programs, including this report with authorization and appropriation requests to Congress.

The agency's annual report will be expanded to include a more complete and analytical statement of arms control and disarmament goals, negotiations, and activities. An appraisal of the status and prospects of arms control negotiations and measures will also be added. This annual report should keep the Congress better informed and allow our membership to play a more substantive role in the formation of foreign policy.

H.R. 7567 also amends the Mutual Security Act of 1954, the Foreign Military Sales Act and the Foreign Assistance Act of 1961 requiring closer coordination with ACDA. The director will now be consulted on decisions regarding the issuing of licenses for the export of articles on the U.S. munitions list, the evaluating of proposed sales under the Foreign Military Sales Act and the furnishing of military assistance under part II of the Foreign Assistance Act.

Congress originally intended this agency to function effectively in the sensitive area of arms control and disarmament policy. Given the increased authority provided by the bill, ACDA should become an advisory agency that will both monitor and provide valuable input into our disarmament policy and arms control negotiations. This advisory unit would seem a wise investment in peace and an assurance of our security and future as a world power.

Mr. Speaker, I urge the adoption of H.R. 551 in order that H.R. 7567 may be considered.

Mr. LATTA. Mr. Speaker, as previously explained, this rule provides for 1 hour of general debate on H.R. 7567, Arms Control and Disarmament Act Amendments of 1975, and that the bill shall be open to all germane amendments. The rule also provides that the bill shall be read for amendment by titles instead of by sections.

The purpose of this legislation is twofold: First, it authorizes an appropriation of $23 million to fund operations of the Arms Control and Disarmament Agency for fiscal years 1976 and 1977; $11,050,000 is for fiscal year 1976 and $11,950,000 is for fiscal year 1977. Second, it amends previous legislation to make ACDA more effective in the formulation and execution of U.S. arms control policies, and to steer ACDA's activities more closely to original congressional intentions.

Mr. Speaker, I know of no opposition and I have no request for time.

I yield back the balance of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid upon the table.

TO AUTHORIZE THE SECRETARY OF THE SENATE TO PAY COMPENSATION TO PHAN THI YEN

Mr. EILBERG. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 100) to authorize the Secretary of the Senate to pay compensation to Phan Thi Yen.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to

the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, the gentleman from Pennsylvania was good enough to correct my misimpression. It was my impression originally that this resolution involved an addition to the staff of the minority leader of the other body. In effect it allows payment of compensation to a proposed employee who is an alien notwithstanding any provision of law, so that the foreign citizenship of the employee does not prevent paying compensation. It does not allow an additional employee to the minority leader, as I had originally thought.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 100

Joint resolution to authorize the Secretary of the Senate to pay compensation to Phan Thi Yen

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That not withstanding any other provision of law, the citizenship or nationality of Phan Thi Yen shall not prohibit the Secretary of the Senate from paying compensation, for a period not to exceed twelve months, to the said Phan Thi Yen while serving as an employee of the Senate.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 6706, WHITE HOUSE EMPLOYMENT

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 512 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 512

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6706) to clarify existing authority for employment of personnel in the White House Office, the Executive Residence at the White House, and the Domestic Council, to clarify existing authority for employment of personnel by the President to meet unanticipated personnel needs, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 512 provides for consideration of H.R. 6706, which, as reported by our Committee on Post Office and Civil Service, would provide legislative authority for staff support, administrative expenses, maintenance, and operation of the White House Office of the President, the Executive residence at the White House, the Executive Office of the Vice President, and the Domestic Council. The resolution provides an open rule with 1 hour of general debate, with the time being equally divided and controlled by the chairman and the ranking minority member of the Committee on Post Office and Civil Service.

After general debate, the bill would be read for amendment under the 5-minute rule. At the conclusion of such consideration, the committtee will rise and report the bill to the House with such amendments as may have been adopted, and the previous question will be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, H.R. 6706 is designed to meet a basic legislative requirement. In the past, legislative language was frequently included in annual appropriation acts authorizing the appointment of employees to the four organizational units involved. At other times, there was a complete absence of the basic legislative authority for a particular appropriation, as it was true with respect to the operating expenses for the Executive Residence, and the unanticipated needs of the President in the event of an emergency affecting the national interest, security, or defense.

As Members are well aware, the rules of the House provide that no appropriation may be reported in any general appropriation bill for any expenditure which has not been previously authorized by law.

It is also noteworthy, Mr. Speaker, that the proposed legislation also sets a ceiling on the number of employees in each of the four organizational units, a provision reflecting the sound judgment of the Committee on Post Office and Civil Service.

On April 1, 1975, there were 610 filled employee slots in the White House Office and the Executive Residence; H.R. 6706 would set a ceiling of 575 employees.

On April 1, 1975, there were 24 employees in the Office of the Vice President; H.R. 6706 would set a ceiling of 14.

On April 1, 1975, there were 33 employees who provided staff assistance to the Domestic Council; H.R. 6706 would set a ceiling of 15 employees.

Mr. Speaker, the total annual cost of personnel compensation in the four categories, based on the fiscal year 1976 budget, is $13,157,000. In addition, the proposed legislation would also authorize certain activities, the cost of which, again based on the fiscal year 1976 budget, is as follows:

The President's travel expenses, $100,000.

Assistance to the President for unanticipated needs, $1,000,000.

Maintenance of the White House, $1,826,000.

Mr. Speaker, I urge the adoption of House Resolution 512 in order that H.R. 6706 may be considered.

Mr. Speaker, I now yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, as has already been indicated by the gentleman from Hawaii, this is something new because in the past we have had an absence of authorization when we appropriated for the White House. I am surprised to note that the Committee on Post Office and Civil Service did amend this bill to put a limit of 480 on the number of the White House staff that can be hired at the GS–15 level and below.

In addition to another provision of this bill, it means the bill will allow the President a total White House staff of 575.

I just wish that this House, and perhaps the other body, would put such a limit on the total employees employed by the House and by the Senate. I think it would be a good idea. I think we are starting this approach at the wrong place. We do still have three branches of Government, and I think that the President of the United States, whether he is Republican or Democratic, is capable of indicating to this Congress and to the Appropriations Committee how many employees he—or she, perhaps, in the future—may need to run that office. To put a limit on the number that can be employed by the President of the United States seems just a little bit ridiculous to me.

We do have the opportunity in the Appropriations Committee to set the amount of money that can be expended, and we do that, but it is a little bit ridiculous to come along and say that, "You shall have x number of employees. We, the Congress, have determined how you shall run that office."

I think that is improper when we consider the fact that we are still a government with three independent branches.

Mr. Speaker, in order that we can debate this matter I am going to object to the passage of this rule, but it seems to me that this legislation should be amended during the amending process.

Mr. Speaker, I have no further requests for time, and reserve the balance of my time.

Mr. MATSUNAGA. Mr. Speaker, having no further requests for time, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 408, nays 2, not voting 23, as follows:

[Roll No. 366]

YEAS—408

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—2

Melcher
Wilson, C. H.

NOT VOTING—23

Anderson, Ill.
Archer
Bonker
Cederberg
Clawson, Del
Collins, Ill.
Diggs
Evins, Tenn.
Fulton
Giaimo
Hébert
Hinshaw
Jenrette
Jones, Ala.
Kemp
Meyner
Montgomery
Moss
Quie
Reuss
Scheuer
Smith, Nebr.
Symington

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Jones of Alabama.
Mr. Giaimo with Mr. Fulton.
Mr. Moss with Mr. Cederberg.
Mr. Montgomery with Mr. Del Clawson.
Mr. Bonker with Mr. Reuss.
Mr. Diggs with Mr. Scheuer.
Mr. Evins of Tennessee with Mr. Symington.
Mrs. Collins of Illinois with Mr. Kemp.
Mr. Jenrette with Mr. Archer.
Mrs. Meyner with Mr. Anderson of Illinois.
Mrs. Smith of Nebraska with Mr. Quie.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 3922, OLDER AMERICANS ACT OF 1965 AMENDMENTS

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3922) to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such act, to prohibit discrimination on the basis of age, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. PERKINS and BRADEMAS, Mrs. MINK, Mr. MEEDS, Mrs. CHISHOLM, Messrs. LEHMAN, CORNELL, BEARD of Rhode Island, ZEFERETTI, MILLER of California, HALL, QUIE, BELL, PEYSER, JEFFORDS, and PRESSLER.

EMERGENCY LOAN PROGRAM

Mr. BERGLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 555) to amend the Consolidated Farm and Rural Development Act.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota (Mr. BERGLAND).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 555), with Mr. RONCALIO in the chair.

The Clerk read the title of the Senate bill.

By unanimous consent, the first reading of the Senate bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Minnesota (Mr. BERGLAND) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. MADIGAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. BERGLAND).

Mr. BERGLAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the adoption of S. 555, a bill which amends the Consolidated Farm and Rural Development Act—an act administered by the Farmers Home Administration of the U.S. Department of Agriculture. The provisions of S. 555 relate principally to the emergency loan authority of FHA in the event of a natural disaster.

The bill strengthens and improves current provisions of law. It extends the coverage of the act in several important respects; it simplifies the ability of the Farmers Home Administration to deal with disasters. It is particularly important at this time to help in meeting the urgent credit needs of farmers in Minnesota and North Dakota who have suffered catastrophic losses as a result of torrential rains that have left entire counties inundated.

Under existing law, emergency loans are made by the Farmers Home Administration to farmers, ranchers, and oyster planters in counties where property damage or severe production losses have occurred as a result of a disaster, and the Secretary has found there is a general need for credit in the area after having polled private lenders.

The loans cover only the amount of actual losses resulting from the disaster and are for the purpose of enabling producers to continue their operations with credit from other sources, including the regular farm operating and ownership loan programs administered by the Farmers Home Administration.

Emergency loans are made primarily for financing farm operating needs. For losses of a physical nature, emergency loans are based on the cost of repairing, replacing, and restoring farm property and farm homes, including essential furnishings and personal possessions. Applicants may be reimbursed for expenses already incurred for such purposes. Loans that are based on qualifying production losses may include funds to repay applicants for production expenses which went into their damaged or destroyed crop and livestock enterprises.

Emergency loans bear interest at a rate not in excess of 5 percent per year and are repayable over periods not longer than the regular loans made by the Farmers Home Administration for similar purposes.

The extra burden of debts incurred because of actual losses makes credit from normal agricultural sources in many cases difficult to obtain—if it is available at all. Private sources of credit usually require a large equity. Furthermore, most private credit sources will only finance about 60 percent of the present market value of the security.

S. 555 would make needed changes in the emergency loan program as follows:

Section 2 of the bill amends section 321(a) of the act to require the Secretary of Agriculture to designate any area as an emergency area for purposes of the emergency loan program if he finds that a natural disaster has occurred in the area which substantially affected farming, ranching or aquaculture operations. It deletes the provision contained in existing law that the Secretary must find there is general need for agricultural credit in an area which is the result of a natural disaster before emergency loans can be made available to victims of the disaster. The effect of the amendment is to enable the FHA to move expeditiously to provide assistance when needed in a disaster or emergency area.

This section and section 3 also enlarge the beneficiaries of the program so that emergency loans can be made available to persons engaged in aquaculture. For purposes of the emergency loan program, aquaculture means husbandry of aquatic organisms—both plant and animal—under a controlled or selected environment and would include among other things oyster and shrimp producing operations, fish farming and hydroponics but would not include activities such as deep sea fishing which are outside of a controlled or selected environment.

Section 3 of the bill amends section 321(b) of the act to require the Secretary to make loans available in emergency areas declared by the President. Finally, section 3 amends section 321(b) of the act to add a requirement that the loan applicant must be unable to obtain sufficient credit elsewhere at reasonable rates and terms. The credit elsewhere test will help assure that the program supplements but does not supplant the usual and customary source of credit in the community.

Section 4 of the bill amends section 322 of the act to provide authority to finance any crop or livestock changes deemed desirable by the applicant and to authorize emergency loans for amounts in excess of the actual loss sustained as a result of the disaster.

This provision would enable persons affected by a disaster to obtain credit needed to help them overcome financial difficulties caused by the disaster. It would authorize forward financing to be made available without the constraints applicable to operating loans under subtitle B. Thus, credit could be made available to persons affected by the disaster, other than on family size farms, including corporations and partnerships engaged primarily in farming, ranching, and aquaculture, and loans could be made in excess of $50,000. The benefits of this provision would be available to persons in a disaster area who meet the requirements of the Consolidated Farm and Rural Development Act, as amended by S. 555, even though they may have obtained credit to cover the actual loss under the provisions of the Consolidated Farm and Rural Development Act before enactment of S. 555.

Section 5 of the bill amends section 324 of the act to provide that the maximum rate of interest for an emergency loan made for actual loss up to $100,000 would be 5 percent per year—the interest rate currently applicable to the emergency loan program. For any loans in excess of that amount—any amount covering actual loss over $100,000 per loan and loans to finance forward production—the interest rate will be the prevailing private market rate of interest for similar loans as determined by the Secretary. Under this provision, the Secretary could, if he wishes, establish a single rate for production type loans for the entire Nation in the case of insured loans. For guaranteed loans, the applicable rate would be as agreed upon by the lender and borrower as long as it did not exceed the rate established for insured loans.

Section 5 also amends section 324 of the act to authorize the Secretary—with respect to any disaster occurring after January 1, 1975—to make an emergency loan for an operating type purpose for not more than 20 years if it is determined that the applicant's financial need as a result of the disaster justifies a longer payment term than that normally extended for operating loans and there is adequate security to assure repayment over the longer period. This should enable relief to be provided to victims of such severe disasters as the January 1975 blizzard in the Midwest and those devastated by the recent torrential rains in Minnesota and North Dakota.

Section 6 of the bill amends section 325 of the act to state specifically that the Secretary may delegate to State directors of the Farmers Home Administration the authority to make emergency loans without a formal designation when 25 or less farming, ranching, or aquaculture operations in an area are affected by a natural disaster.

Section 7 of the bill adds a new section 329 to the act providing that in order to be eligible for emergency loan assistance based on a production loss, an applicant must show that a single enterprise which constitutes a basic part of his farming, ranching, or aquaculture operation has sustained at least a 20 percent loss of normal per acre or per animal production as a result of the disaster. In the case of a diversified producer the term "single enterprise" would apply separately to the production of cash crops, livestock operations, dairy farming operations, poultry operations, pork operations, but would not apply, for example, in the case of a vegetable farmer to each separate crop that might be produced during a growing season. Under this provision, a dairy farmer who also produces a cash crop would have two separate enterprises. Whether a single enterprise is a "basic part" of a farming operation would depend on the nature and extent of the operations. It would not be necessary in the case of a diversified farmer that a single enterprise would constitute a major portion of his farming operations in order for the applicant to qualify for an emergency loan. An enterprise which constituted 25 percent of the farming operation would, however, be considered a basic part of the operation.

Section 8 adds a new section 330 to the act authorizing the Secretary to make subsequent emergency loans on a 1-year repayment basis to a borrower, for up to 5 successive years, when he needs the credit to continue his operation and cannot obtain financing from other sources. Such subsequent loans are to be made at the prevailing rate of interest in the private market for similar loans, as determined by the Secretary. The benefits of this provision would be available to borrowers under the program even though the initial emergency loan might have been obtained prior to the effective date of this act. Each borrower, however, would be required to meet the provisions of the amended act, such as establishing that he could not obtain credit elsewhere, in order to qualify for a subsequent loan.

This section is intended to permit emergency loans for production purposes until the borrower can return to conventional credit sources.

Section 9 amends section 338 of the act to require that amounts authorized to be appropriated for the purposes of the act for each fiscal year ending after September 30, 1976, shall be the sums hereafter authorized by law. This would require an authorization from Congress before sums could be appropriated for any of the purposes of the Consolidated Farm and Rural Development Act, such as for restoration of losses previously incurred in the agricultural credit insurance fund and rural development insurance fund, appropriations for direct loans and grants under the act and appropriations for salaries and expenses of the Farmers Home Administration in administering programs authorized under the act.

Section 10 would add a new section 345 to the act to provide that the Secretary could utilize sums from the agricultural credit insurance fund and the rural development insurance fund during each fiscal year after September 30, 1976, only in such amounts as may be authorized annually by law. These revolving funds are used among other things to finance real estate loans, operating loans, emergency loans, water and facility loans, industrial development loans and community facility loans. Both this provision and section 9 will enable the Agriculture Committee to conduct more effective oversight of administration of the act.

The committee estimates the cost to be incurred by the Federal Government during the current and the five subsequent fiscal years as a result of the enactment of this legislation would be minimal. There could be a net savings to the Government.

The frequency and severity of natural disasters are, of course, unpredictable. While the average loan may increase in amount, the total number of loans should decrease substantially because of the inclusion in the bill of a "credit elsewhere" test. This should result in a lower volume loan program serving only those disaster victims who are unable to obtain private credit to continue their operations.

The bill may also result in Government savings of costs incurred under the Consolidated Farm and Rural Development Act by the requirements added that for each fiscal year ending after September 30, 1976, sums may be used from the agricultural credit insurance fund and rural development insurance fund and amounts can be appropriated for the purposes of that act only to the extent as may be authorized annually by the Congress.

This estimate of costs is in accord with the cost estimate furnished by the Department of Agriculture.

S. 555 is a good bill. It is a needed bill. I urge that the Members join me in voting in support of S. 555.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BERGLAND. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman from Minnesota for yielding.

During the course of subcommittee hearings on S. 555 and again during markup sessions, there were certain assurances made that the benefits of section 8 of this measure, which provides for subsequent emergency loans for up to 5 successive years, on a 1-year repayment basis, with the total amount of loans authorized by the Secretary of Agriculture under the emergency loan program permitted to exceed the actual loss resulting from the disaster, would be available to borrowers under this program even though the initial emergency loan had been obtained prior to the effective date of this act.

As you know, many farmers in my district are in the position of having applied for and received emergency disaster loans as far back as 1972 as a result of Hurricane Agnes. Current FmHA regulations bar my constituents from obtaining further subsequent emergency loans because the total amounts of their loan exceeds their actual loss.

In order to clarify the record and for the purposes of building a legislative history on this particular point, is it your understanding that section 8 of S. 555 would permit the muckland farmers in my district to apply for subsequent emergency loans in excess of their actual loss, provided that they would have met the credit elsewhere test and that they have not received five successive emergency loans as provided for by this act?

Mr. BERGLAND. Mr. Chairman, in response to the question propounded by the gentleman from New York, may I say that the answer to his question is "Yes." Those muck farmers would be eligible under this provision of the bill.

The committee considered the testimony by the gentleman from New York as we proceeded to mark the matter up and it is clearly the intention of the committee that those producers would be eligible as limited and outlined by the gentleman from New York.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. BERGLAND. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I would like to ask, we are talking about natural disasters?

Mr. BERGLAND. That is correct.

Mr. JOHN L. BURTON. What would be the definition of a natural disaster, a hurricane and flood?

Mr. BERGLAND. It could be a hurricane, flood, drought, pestilence, or any act of God.

Mr. JOHN L. BURTON. How about an act of say a herd of dairy cattle excreting into water creeks?

Mr. BERGLAND. No. That would not be regarded as a natural disaster under the terms of this act or this bill.

Mr. JOHN L. BURTON. In other words, there would be nothing within this bill that addresses itself to the credit problems farmers have in meeting environmental protection pure water standards?

Mr. BERGLAND. No. This bill addresses itself only to those farmers who have suffered as a consequence of a natural disaster. It does not treat the question of lending money for the purpose of meeting environmental standards.

Mr. JOHN L. BURTON. What assurance do we have if the Secretary of Agriculture will permit FHA to make loans under this program? It has been my experience that there are many laws available to the Department of Agriculture under FHA to help small farmers meet this type of disaster, water pollution and others, but Mr. Butz has seen fit not to implement any of these programs. I wonder if the Department has given any assurance that they will follow the direction of Congress and provide loans for this type of situation.

Mr. BERGLAND. Is the gentleman referring to loans or to producers who do not meet environmental standards?

Mr. JOHN L. BURTON. I am referring to almost every loan that is authorized under FHA.

Mr. BERGLAND. Well, under this bill if the President declares a county or counties eligible for assistance under his authority, the Secretary is required to make the loans available. In those counties where the problem is not of a magnitude to require Presidential proclamation, the Secretary himself may proclaim them eligible for the benefits of this program and one of the provisions of this bill is if there are 25 or fewer farmers in a county affected by a natural disaster, the eligibility can be granted by the State Director of the FmHA. We have no direct word from the Department that they intend to either deny or in any way frustrate the intent of Congress on this point.

Mr. JOHN BURTON. It would be an amazing thing if they did not frustrate the intent of Congress in regard to legislation concerned with farm credit rural development.

If I could proceed with just a few more questions, if I may.

Are the loan provisions from the direct loans of the Department or do they have the option of guaranteeing a loan at commercial rates, as a direct loan to the individual farmer?

Mr. BERGLAND. The authority here is to operate under the present authority in the loan program. Based on past experience, it is likely that the majority of these loans would be of the insured type where the field office makes the loans and the paper is sold by the agency. There is authority for what we call the operation of the guaranteed loan program where the money can be provided by a private lender and the FHA serves as the guaranteeing agency.

Mr. JOHN L. BURTON. But under the guaranteed loan, what happens is the farmer will go to a commercial bank, work out his or her own terms as far as lengths of the loan, interest on the loan, and all the Department will do is guarantee the bank repayment if the farmer goes belly up; is that correct?

Am I correct?

Mr. BERGLAND. That is correct, but there are certain constraints placed upon agreements reached between the farmers and bankers. For example, terms of the loan may not be beyond the limits as authorized by section 4 of this bill.

Mr. JOHN L. BURTON. Under the other loan provision the gentleman described, the Department in effect would provide the ability for the individual to get the loan at 5 percent interest for either the 5- or 7-year period?

Mr. BERGLAND. Up to $100,000, that is correct.

Mr. JOHN L. BURTON. And it is the intent of this legislation that the department provide this type of loan as against using the guarantee provision that really is not that much benefit to the small farmer trying to meet the problems caused by natural disasters.

Mr. BERGLAND. Historically, the great majority of these loans are of the insured variety. I think the percentage is something like 98 percent of all loans made are insured, made and serviced by the agents of the Farmers Home Administration in the field.

Mr. JOHN L. BURTON. Under the provisions of this bill, most of them are insured loans and not guaranteed loans?

Mr. BERGLAND. This bill would authorize the use of either of these mechanisms.

Mr. JOHN L. BURTON. It has been my experience during the 2,566 million hours I have put on this problem that the Secretary and the Department have spent more of their moneys and more of their direction and are going for the guaranteed loan, having the individual farmer go out and get his or her loan, and they provide the guarantee for it as opposed to providing a lower interest rate insured loan. That, I think, is more proper, and I think the committee feels that way also.

Mr. BERGLAND. The committee does feel it is more proper. As a matter of fact, the conventional operating loan programs are for the most part guaranteed loans with the moneys provided by private lenders and guaranteed by the Department of Agriculture, but in the case of emergency loans, they are nearly all of the insured variety.

Mr. JOHN L. BURTON. I thank the subcommittee chairman. Again, I would just hope that as this session of the Congress moves along, that we can provide some type of funding and some type of guarantee for small farmers in this country to get loans at the low interest rate, long term, to help meet the problems that are foisted upon them by the Environmental Protection Agency when they have to meet these pure water standards.

To date, the Secretary has been derelict to the point, I think, almost of malfeasance and misfeasance in office in trying to help people meet the standards by having limited definitions of what a small farm is and of using more of his efforts toward guaranteeing loans to see that the banks do not get burned, rather than trying to insure loans to see that these small farmers are able to meet federally imposed standards and are able to stay on their land and continue to farm and continue to ranch and provide us with clean water.

Mr. BERGLAND. The gentleman from California makes a very excellent point, and it is for that and other reasons that the committee has adopted section 9 to this bill which requires the Department to come before the Committee each year for an authorization prior to their request for an appropriation.

Policy in the past has been that we would authorize a program and seldom see the administrators again. We really lacked control in an oversight way. Now, we will have firm control on an annual basis, and if they are not operating the program as intended we have ways of restricting the money.

Mr. JOHN L. BURTON. I do feel that is very effective. I think it is also an indictment of the Department of Agriculture that Congress at this date feels that it must have them come back for annual or periodic authorization because they have not followed the mandates of the Congress in code section after code section where it deals with making loans to small farmers to help them out of their problems.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. BERGLAND. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I want to rise to associate myself with the expressed concerns of my friend and colleague from California (Mr. JOHN L. BURTON), and also to ask a question for clarification of the gentleman from Minnesota, the chairman of the subcommittee.

As I understand it, the basic device is twofold: First, the agency has the potential of declaring a disaster as well as a Presidential declaration of disaster under existing programs. Is this correct?

Mr. BERGLAND. That is correct.

Mr. DON H. CLAUSEN. I thank the gentleman.

Mr. Chairman, I rise in strong support of the emergency loan program which we are considering here today. A year does not go by that the dairy farmers and livestock ranchers in my district are not afflicted with excessive property damage and severe production losses resulting from natural disasters. This program has made it possible for these people who, for the most part, operate small family farms and ranches to get back on their feet and rebuild their property as well as their livelihood.

The list of natural disasters which plagues the Redwood empire is never-ending. Millions of dollars in homes, in farm and ranch property, and agricultural production are lost each year because mother nature takes her toll, and the path of destruction which is left affects each of the people who live in these areas as well as every American.

We must insure a steady stream of agricultural products to the American public, and the emergency loan program provides the foundation for this vital "insurance policy." Loans may be made for not only the actual loss sustained, but also for the credit which is needed by the farmer to continue his operations. And this provision—to allow funding for ongoing production—is imperative to maintain a viable agricultural economy throughout our country.

Furthermore, the shortage of credit at this time places an extra burden on producers hit by disasters. It is difficult, if not impossible, for the small rancher or farmer to obtain credit from normal agricultural sources, and this measure greatly eases the financial vacuum that is created when a disaster strikes.

In short, this legislation strengthens the guidelines under which the loan program is administered so that we are able to quickly respond to massive losses in agriculture production, and I urge each of you to support this worthwhile measure.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MADIGAN).

Mr. MADIGAN. Mr. Chairman, I think it would be redundant, in view of the explanation by the gentleman from Minnesota (Mr. BERGLAND) for me to try to explain the bill any further except in summary form. We have been privileged to hear a section-by-section in-great-length-and-detail explanation by the gentleman from Minnesota, the chairman of the subcommittee.

Mr. Chairman, I would at this point like to congratulate the gentleman from Minnesota (Mr. BERGLAND) for the fine work he has done on this bill. It does reflect work more by him than by anyone else. I think it is a very good product and especially timely in view of the natural events occurring in the Upper Midwest in the last 10 days or so.

Also, Mr. Chairman, I think it is important to acknowledge the efforts of the gentleman from Florida (Mr. KELLY), the gentleman from Iowa (Mr. BEDELL), and other first-term members of the subcommittee who worked very hard on this bill, and I think they need to be congratulated for the fine work they have done.

STATEMENT OF MR. MADIGAN ON S. 555

Mr. Chairman, I believe it is significant that the provisions of S. 555, which amends the Consolidated Farm and Redevelopment Act, will cover the losses suffered as a result of the recent rains and floods in North Dakota and Minnesota. The tragedy of the current situation is that, as I understand it, several of those who were victims of the "arctic hurricane," which hit the Midwestern States in January of this year, have now been the victims of the rains and floods in and about the Red River Valley.

The bill would permit loans for as long as 20 years if there is adequate security to protect the Government's interest.

This bill would permit the Secretary to delegate to the State director of Farmers Home Administration the authority to make emergency loans in an area provided that a disaster has affected 25 percent of the farming, ranching, or aquaculture operations in the area, and the credit referendum is done away with by the bill.

This bill would limit the 5-percent loan feature to the first $100,000 of the total loan with the commercially prevailing rate applying to loan amounts beyond $100,000. In addition, and very importantly, the 5-percent subsidized loans as well as those at commercial rates must meet the "credit elsewhere" test establishing that the applicant cannot obtain credit elsewhere at reasonable terms and conditions.

Under existing law, the House Agriculture Committee does not annually authorize funding for the emergency loan program. This bill would assure annually an effective oversight of the program through the de la Garza amendment.

The committee substitute makes the following main changes in S. 555 as adopted by the Senate:

It would make the program available to persons engaged in aquaculture such as oyster and shrimp producers and persons engaged in hydroponics and not only to oyster producers as provided in the Senate bill. It would require designation of an emergency area if the Secretary finds that a natural disaster has occurred in the area rather than making the designation discretionary as in the Senate bill.

Loans in excess of the amount covering the actual loss could be made for crop or livestock changes deemed desirable by the applicant and would not be restricted as in the Senate bill to changes resulting from changes in market demand since the occurrence of the disaster.

Operating loans for up to 20 years could be made for any disaster occurring after January 1, 1975, and would not have a cut-off date of July 1, 1976, as provided in the Senate version. The Committee substitute provides that an applicant must establish that a single enterprise which constitutes a basic part of his operations has sustained at least a 20-percent loss of normal per acre or per animal production as a result of the disaster. This liberalizes the provisions as adopted by the Senate for a person who maintains a diversified farming operation, so that it would not be necessary to establish that his entire farming, ranching, or aquaculture operation had sustained a 20-percent loss.

The committee added two provisions to the Consolidated Farm and Rural Development Act which were not contained in the Senate bill. These would require that beginning with any fiscal year after September 30, 1976, it would be necessary to obtain an authorization before sums could be appropriated for the act and that sums could not be used from the agricultural credit insurance and rural development insurance funds without a prior annual authorization. These provisions should enable the committee to exercise more effective oversight regarding activities undertaken pursuant to the act. The committee did not include in the bill a provision added by the Senate which stated that the Secretary may use funds from the agricultural credit insurance fund to pay for administrative expenses incurred under the emergency loan program. This section was not believed to be necessary since Farmers Home Administration already has that authority under current law and has in fact been using funds from the ACIF to pay such administrative expenses.

I believe that this bill is relatively free of controversy and has the support of your committee. I urge your support for its prompt passage here today.

Mr. Chairman, I would at this point yield further to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I rise today in support of S. 555, a bill to amend the emergency loan program of the Consolidated Farm and Rural Development Act. I commend the committee, and the gentleman from Minnesota and the subcommittee's ranking member, the gentleman from Illinois, for their expeditious consideration of this important measure.

Under existing law, in counties where property damage or severe production losses have occurred as a result of a disaster and which have been designated as an emergency loan area, emergency loans are made by the Farmers Home Administration to farmers, ranchers, and oyster planters.

Such emergency loans provide for only the amount of actual losses resulting from a disaster, requiring producers who seek to continue their operations to obtain credit from other sources.

However, the extra burden of disaster-related losses makes credit from normal agricultural sources extremely difficult to obtain—if available at all. Private sources of credit usually require pledges of substantial equity. Furthermore, most private sources of credit will only finance up to approximately 60 percent of the market value of the security.

To remedy this situation, S. 555 authorizes the Secretary of Agriculture to extend emergency loans for more than the actual losses sustained as a result of the disaster, restricting the present subsidized interest rate of 5 percent only to actual losses of up to $100,000, with amounts in excess bearing interest at the prevailing market rate.

In addition, section 8 of S. 555 adds a new section 330 to the Consolidated Farm and Rural Development Act authorizing the Secretary of Agriculture to make subsequent emergency loans at commercial rates for up to 5 successive years, on a 1-year repayment basis, when such credit is needed for continued operation and when it cannot be obtained from conventional sources. This provision extends sorely needed financing to borrowers under this program even though the initial emergency loan might have been obtained prior to the effective date of this act.

Finally, loans for forward financing would also be made available for as long as 20 years for disasters occurring after January 1, 1975, if the applicant's financial needs as a result of any disaster justifies a longer payment term than 7 years and if there is adequate security to protect the Government's interests.

My congressional district has a particular need for this type of relief. Orange County, in the 26th Congressional District of New York, includes an intensive vegetable growing industry normally producing nearly 8,000 acres of onions, 1,800 acres of lettuce, 1,200 acres of celery and 2,500 acres of sod. Most of the production is on less than 100 family-owned and family-managed farm operations normally funded with long-term and short-term credit provided by banks, PCA, the Federal Land Bank, and farm suppliers.

In 1972, Hurricane Agnes dealt a crippling blow to these farmers from which they never fully recovered; most of their anticipated production having been lost in the fields.

Following the devastation caused by Hurricane Agnes, in the winter of 1972–73, growers were directed to apply to the Small Business Administration—SBA—for emergency loans that would provide low—1 percent—interest long-term—20 to 30 years—loans covering the economic disaster loss of the farm business. However, after extensive conferences and paperwork preparatory to loan approvals, all of the farm applicants were informed that the Small Business Administration had no authority for providing farm disaster loans. Thereafter, in the spring of 1973, FmHA took over the farm loan applications from the Small Business Administration, treating them as operating loans under the emergency program, at 1 percent interest rates for 1 year, with the understanding that additional operating loans could be arranged subsequently on a year-to-year basis, not to exceed a 5-year period.

In 1973, our region's vegetable growers suffered another—this time undeclared—natural disaster to their onion crop as a result of the season-long adverse weather yielding an even poorer crop than the prior year and further preventing the Orange County growers from recovering from their 1972 disaster.

Because of the additional 1973 disaster, applications were made by our farmers to renew and extend their operating loans for the 1974 crop year. However, due to policy changes, based upon an internal legal opinion by the U.S. Department of Agriculture's Office of General Counsel, interpreting Public Law 93–237 adversely to the interests of the vegetable growers, these applications were allowed to be renewed for 1 year only.

The 1974 onion crop which produced a large crop, also produced resultant low prices. A major portion of our farmer's onion crop was moved at less than $3 per hundredweight, returning only some two-thirds of the estimated costs. Thus, this vegetable industry lost still another opportunity to recover from the 1972 hurricane disaster.

Presently, Orange County, N.Y., has over 10 percent unemployment. Family owned and operated farms, representing about 50 percent of the vegetable industry acreage and 80 percent of the hired worker jobs, are in desperate financial straits as they seek to arrange funding for the 1975 crop year. Due to their inability to recover from the 1972 losses, these farms have all of their available security committed through existing loans to banks, to PCA, Federal Land Bank, and FmHA. Accordingly, no collateral is available to them for any additional private credit.

Efforts to administratively resolve this financial dilemma faced by the farmers in my district have been to no avail. My constituents contend that without early action by the Congress, many of the large family farms in my district will go bankrupt.

S. 555, by providing for subsequent emergency loans for more than the actual losses sustained as a result of a national disaster, is a practical solution to the farmers' financial dilemma.

Mr. Chairman, while my district has had a particular need for this type of relief, this situation is not unique to my region. This legislation addresses itself to a nationwide problem—to any farm region that may be confronted with a natural disaster.

Our farmers are not seeking any doles or handouts, they merely seek to be treated in the same manner that we assist businessmen when they incur such disaster-related losses.

Accordingly, I urge my colleagues to join with me in supporting S. 555.

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to the ranking minority member of the committee, the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I wish to commend the gentleman from Minnesota (Mr. BERGLAND) chairman of the Conservation and Credit Subcommittee, which handled this legislation, and the gentleman from Illinois (Mr. MADIGAN) who is the ranking minority member of that subcommittee, both of whom have put considerable work and effort into this piece of legislation which is supported by the administration and introduces some needed improvements in the emergency loan program. I also wish to commend the other members of the subcommittee, such as Judge Kelly, who worked diligently in putting this bill together for your consideration.

It is particularly significant that this bill comes to the floor at a time when a rain and flood disaster has hit the Red River Valley area of Minnesota and North Dakota. No doubt this legislation will provide substantial assistance to the Red River Valley disaster victims, some of whom I understand have sustained devastating losses.

The committee substitute to S. 555, which is before you today, is an improvement, in my opinion, over the Senate-passed version of this bill. From the point of view of the House, the amendment to this bill, which would provide for the oversight of the funds utilized for these Agriculture credit programs, provides the committee with greater control over the program management of the various loan programs. Moreover, it will provide the oversight that was contemplated by the Budget Control and Impoundment Act of 1974.

In addition, the committee placed a cap on the 5 percent subsidized loan features of the emergency loan program so as to provide for broader participation in the program and to bring the program within controllable fiscal limits. Given the limitations on Federal funds that have been dictated by Federal budget constraints, the $100,000 cap on the 5 percent subsidized loan is a wise position to assume.

The provisions contained in this bill requiring applicants to indicate that they cannot obtain credit elsewhere is also a provision which will help insure that the emergency loan program is used by those who are in real need, not someone of substantial means who just happens to also be a victim of a disaster and might otherwise be eligible for assistance but for the "credit elsewhere test."

The administration of the program is also improved, in my opinion, by the elimination of the present requirement of "showing of a general need" for Agriculture credit in an area by the Secretary before it could qualify for assistance. Under the provisions of this bill, that procedure would be changed such that it would not be necessary for the Secretary to poll credit sources in an area to determine whether adequate credit is available for designating the area for emergency loans.

The bill also improves on existing law by providing forward financing to the victims of disaster such that loans made available to applicants may be in excess of the loss so that the borrower may obtain financing for planting crops and otherwise financing their operations due to financial difficulties caused by the disaster.

A further provision of the bill, which I believe to be an improvement in existing law, authorizes assistance for production losses if a borrower can show that a single enterprise which constitutes a basic part of his farming operation has sustained at least a 20-percent loss of present acreage or present annual production as a result of the disaster.

The foregoing are but examples of amendments to the Consolidated Farm and Rural Development Act contained in the bill before you which are improvements to existing law. They improve on the existing emergency loan program not only in a substantive way, but also in the administration of the program.

Mr. Chairman, I commend the subcommittee for its work. I wish to tell you that I intend to vote for this bill, and I urge all my colleagues to support it for final passage.

Mr. WAMPLER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this legislation. I think this is badly needed.

Mr. MADIGAN. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Chairman, I appreciate the gentleman's yielding.

I would like to engage in a colloquy with my friend and neighbor, the chairman of the subcommittee, the gentleman from Minnesota (Mr. BERGLAND).

It is my understanding that all funds provided eligible borrowers under this act are to be used solely to resume and continue normal farm operation and for no other purpose whatsoever. Is that correct?

Mr. BERGLAND. If the gentleman will yield, that is right.

Mr. ANDREWS of North Dakota. I want to put a stop to the ridiculous practice that has been going on in the past of permitting big operators to borrow big chunks of money under this program at low interest rates because they have the equity. Because they have not been damaged to the point of not having equity, they then use the additional funds to buy additional land which even further competes with the small farmers. The emergency loan program was never set up for this purpose. At least, it was not the intent of the Congress, as I understand it.

Mr. BERGLAND. If the gentleman will yield further, I do not know what the Congress intended at the time the program was authorized some years ago, but I do know that in the course of our hearings on the matter, we found there were well-to-do corporations and individuals who qualified under the disaster relief provisions and availed themselves of the 5-percent credit. In some cases, it was reported, they took the proceeds from that loan, deposited it in the local bank, and profited by doing so.

Mr. ANDREWS of North Dakota. That is as I understand it.

Mr. BERGLAND. We felt this practice was unacceptable and was, in effect, squandering the money of the taxpayers. Therefore, we are restricting the loans only to those persons who have a legitimate need. We think this will protect the integrity of the program and tighten it up in that regard.

On the other hand, we have broadened the authority to help those who really are in need.

Mr. ANDREWS of North Dakota. The committee shares the feeling, I am sure, of my colleague, the gentleman from Minnesota (Mr. BERGLAND) and myself, that we want to see the young and beginning farmers, the farmers who need credit the most, get a fair shake out of this program when they have been hit by a natural disaster over which they have no control and to which they are much more subject than a farmer who has been going on for 20 or 25 years.

Mr. BERGLAND. If the gentleman will yield further, that is the intention of the Subcommittee and the full Committee on Agriculture.

I would advise the gentleman from North Dakota (Mr. ANDREWS) that at the proper time, I intend to offer an amendment to this bill that would clarify the question of the starting farmers, many of whom had been wiped out by the disaster which has stricken part of his district and much of mine.

Mr. ANDREWS of North Dakota. Of course, this is why I have been referring to this in our discussion, because I intend to support the gentleman's amendment. In fact, we have worked together on it in a bipartisan way. I think it is an excellent amendment. While we have to recognize that the Federal Government must protect its money when it lends it under this program, in determining proper and adequate security, FHA officials will now have to consider not only the borrower's equity, but his loss and his potential repayment ability.

The practice of allowing small young operators only $2,500 in emergency loan funds is not even enough to cover the cost of seed for the next year's crop.

Therefore, under the amendment that I am aware my colleague and good friend, the gentleman from Minnesota, is going to offer, which I intend to support to the best of my ability, this will take this problem into account. The amendment will, in fact, require them to accept as security such collateral as is available, even if some of it may have depreciated in value due to the disaster; and the amendment goes on to say that the loan can be made if, in the opinion of the lender, he has sufficient confidence in the repayment ability of the applicant to assure repayment of the loan.

This means that the farmer who has been wiped out, who is a small farmer, or a new farmer, and who needs about 4 or 5 years to recover his capital loss, will be helped by this act we are now considering. This is the intent of the Congress, and it is spelled out in the amendment my colleague will offer, and that I will support. That amendment spells it out in specific detail so that there can be no slippage when the FHA begins to administer it out in the field.

Mr. BERGLAND. As usual, the gentleman from North Dakota is correct.

Mr. ANDREWS of North Dakota. Mr. Chairman, I thank the gentleman from Minnesota for engaging in this colloquy.

Mr. JOHN L. BURTON. Mr. Chairman, if the gentleman will yield, there is one question that I would like to ask, possibly of the gentleman from North Dakota, or the chairman of the Subcommittee on Credit Test. That is that I hope this will be done in such a way that it will not give the Secretary of Agriculture who, in my judgment, as I have said before, really has been guilty of malfeasance in this instance, the authority to make the individual farmers go through exhaustive course of proof to indicate that they cannot get credit elsewhere, and that this can be done in a simplified manner for the farmers in need so as to make an initial showing of proof, and that then it should be done.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADIGAN. Mr. Chairman, I yield 1 additional minute to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, that was basically the reason for the colloquy between my neighbor, the gentleman from Minnesota (Mr. Bergland) and myself, to point out the problems that have existed in the past, and to point out that that is not the way we want this program to operate upon the enactment of this bill. We want the loans to be made to the person who has the need. We want them to be made with compassion and understanding, recognizing the disastrous effect on the man's ability to borrow adequately so as to continue in farming operation.

The whole purpose of this bill, is to keep these farm families on the land producing the food and fiber this Nation needs.

Mr. BERGLAND. Mr. Chairman, if the gentleman will yield, the usual and customary practice of the Department of Agriculture in applying the credit test is that they must have been turned down by two banks. The farmer is not required to go chasing all over the country to examine every possible credit source. In many parts of the country there may be only one bank serving the credit needs of that community. If that farmer has been a customer of that bank, if that bank turns him down, and so states in writing, that will suffice so far as the practices of the credit test are concerned.

Mr. ANDREWS of North Dakota. I want to assure the Members, Mr. Chairman, in conclusion, that what we have here is a recognition of the ability of the farmer who needs the help to get it without going through a whole lot of redtape. The legislative history which has been set forth now is to preclude somebody getting a windfall out of a program designed to help a man who has been struck by a disaster.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield one-half minute to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I am aware of two problems. One is that a windfall emergency loan can be made available to somebody who may not need credit, but I am also familiar with extending credit to the small farmer who does need this credit, and who sometimes is put through the process of literally going on a merry-go-round, and that this is done too often, and that by the time they have gone all through that they find that they cannot qualify.

But, as I understand, it is the intention of this legislation to give loans to those farmers who meet the test by a basic showing of proof?

Mr. ANDREWS of North Dakota. Mr. Chairman, if the gentleman will yield, I might say that the amendment my colleague, the gentleman from Minnesota (Mr. Bergland) and I will support, spells that out clearly.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman from Minnesota, and I thank the gentleman from Illinois again for yielding me this time.

Mr. MADIGAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Chairman, I rise in support of this legislation. I think that the legislation involved, turned out by the subcommittee and then approved by the full committee, is needed; it answers a very specific purpose; and it does take a real step toward helping the family farmer. I think there is a great desire on the part of all of us to see the family farmer be able to survive, and to get the help from the Government that he needs when he needs it.

I would particularly like to mention my colleague, the gentleman from New York (Mr. Gilman). I visited the district he represents, and I looked at the problems that the farmers he spoke of were having, and these are real problems. He has fought this battle for several years, and I am very pleased to see at least some of their problems answered under this legislation.

I also am encouraged by the oversight that the committee will have in the continuing of this legislation. I would urge that all Members actively support this bill. I think that this is the kind of farm legislation that answers a need for the entire country and serves us in urban areas just as well as it serves the rural areas of this country.

Mr. Chairman, I urge a very strong vote of support. I yield back the remainder of my time.

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. Kindness).

Mr. KINDNESS. Mr. Chairman, I rise in support of the bill. I would like to commend the subcommittee and the committee for bringing the matter before us today.

There are two points on which I would like clarification in the Record. If the chairman of the subcommittee would respond to those questions, I would appreciate it. No. 1, is there any question about the act covering hail damage to crops? In a recent event in the area I represent in southwestern Ohio, there was a small area of crop damage due to hail, an unusually strong hailstorm, for a short period of time that affected probably under 25 farmers. But I would like to have the record show that hail damage is covered, or if there is any question about the coverage, what that question is.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Minnesota.

Mr. BERGLAND. I thank the gentleman for yielding.

A hailstorm is considered to be a natural disaster and, therefore, those who have sustained some losses as a consequence of such storm would be eligible. They must, however, as the gentleman knows, meet the credit-elsewhere test, and if they were able to obtain credit from any other source, they would not be eligible for this loan.

Mr. KINDNESS. I thank the gentleman. The other question on which I would like clarification for the Record is whether the person otherwise eligible, meeting the credit-elsewhere test, and so on, if he had Federal crop insurance which covered a portion of the loss, would be eligible under the provisions of this bill.

Mr. BERGLAND. If the gentleman would yield, he would be eligible for credit under the terms of this bill for such operating expenses as may have been dissipated as a consequence of the storm. The administration would, however, take into account any proceeds derived from any insurance coverage, and it is conceivable that with consideration of insurance benefits paid, he would not meet the credit-elsewhere provisions.

Mr. KINDNESS. Is it conceivable that they might become ineligible by not meeting the 20-percent-damage test?

Mr. BERGLAND. That is also correct.

Mr. KINDNESS. I thank the gentleman.

I would urge my colleagues to support this measure, the need for which has been demonstrated so clearly in so many cases over the years. Because of many recent series of incidents around the country, it is particularly timely.

Mr. MADIGAN. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

Mr. BERGLAND. Mr. Chairman, I yield to the gentleman from Mississippi (Mr. Bowen) such time as he may consume.

Mr. BOWEN. Mr. Chairman, I appreciate the opportunity to make a statement on the floor in behalf of S. 555 which would amend the Consolidated Farm and Rural Development Act to make the Farmers Home Administration more responsive to the needs of farmers who suffer natural disasters. On February 5 of this year I introduced H.R. 2866 which was identical to the original version of S. 555. Nineteen of my colleagues later joined with me in sponsorship of this proposed legislation.

The Conservation and Credit Subcommittee and the full Agriculture Committee have made some changes in the bill as originally introduced and as passed by the Senate, and I have no objections to those alterations.

As many of you are aware, bad weather had a devastating impact on crop production in a number of States last year. Conditions proved much worse than had been anticipated, with the result that many farmers have encountered formidable difficulties in obtaining financing. In such cases of extreme hardship Farmers Home Administration programs are simply inadequate, and this bill seeks to bring the needed relief. I would like to briefly discuss with my colleagues some of the highlights of this proposed legislation.

The Consolidated Farm and Rural Development Act now requires the Secretary of Agriculture to find in each county that a general need for agricultural credit exists before he can designate the county. This bill would eliminate that requirement and would require the Secretary to make the designation if he finds that a natural disaster substantially affected farming, ranching, or aquaculture production operations. This simplifies considerably the designation process and permits quicker designations and faster service to those affected.

This bill also deals with a problem which has been a thorn in the side of farmers for a long time. As you know, when the President makes an emergency declaration, the Small Business Administration is automatically "triggered" to make loans to business establishments and to assist owners of private homes in the cities and towns. However, a separate designation is required in order for Farmers Home to be "triggered" to provide services to people in rural areas. This matter has been rectified in section 3 by inserting "or emergency" following "major disaster."

Another important feature of the bill provides that the Secretary of Agriculture may delegate authority to any State director of the Farmers Home Administration to make emergency loans in any area without any formal designation being made, provided that the State director finds an emergency has substantially affected 25 or less farm operators in the area.

Now I would like to get into the heart of the bill. Under existing law emergency loans are only made for actual losses and must be adequately secured to protect the Government. It is recognized that many farmers, ranchers, and aquaculture producers who have suffered losses from a natural disaster will not be able to continue their operations because they have also suffered substantial economic injury as a result of such disaster. The extra burden of debts incurred because of actual losses makes credit from normal agricultural sources in many cases difficult to obtain or it is not available at all.

Specifically, private sources of credit usually require large equities and down payments which in some instances are held in the bank until the installment comes due in the fall. Furthermore, many private credit sources will only finance about 60 percent of the present market value of the security. Therefore, emergency loans are also needed for agricultural production during a recovery period following a disaster.

This bill provides that a production or operating loan could be extended at prevailing commercial rates by Farmers Home provided that conventional credit is not available after the $100,000 maximum disaster loan for actual loss at 5 percent is made. These loans could be made to all farmers who qualified on an annual basis and could be remade annually up to 5 years. This provision will enable farmers to recover sufficiently to return to their normal sources of credit.

Under the provisions of the bill a farmer would be enabled to obtain credit and make crop or livestock changes which he considers desirable. For example, a farmer would be afforded the opportunity to finance crop changes because of shifts in market demand that might develop following a disaster. Many producers need financing to enable them to change their operations because of economic conditions as well as to overcome the financial difficulties caused by the disaster.

In sum, the requirements in the bill that loans may be made only to disaster victims unable to obtain credit from other sources, coupled with the interest rate prevailing in the private market for similar loans for annual operating expense and financing changes in the operation, will overcome many of the difficulties now encountered by applicants in obtaining loans. Also the making of loans nearer the market value of the existing security and giving some value consideration to crops financed with the loans should provide adequate security for emergency loans.

I urge my colleagues to support this bill. It is legislation that is desperately needed by a multitude of farmers throughout the country who have suffered and who will suffer crop disasters.

Mr. BERGLAND. Mr. Chairman, I yield to the gentleman from Tennessee (Mr. JONES) such time as he may consume.

Mr. JONES of Tennessee. Mr. Chairman, I thank the gentleman for yielding. I want to commend the chairman of the subcommittee, Mr. BERGLAND, and its members for a job well done.

I rise in support of this legislation. I think it is the sort of legislation we need very much. It will bring a great deal of help in many areas of the country where our farmers are being hurt today.

Mr. BERGLAND. Mr. Chairman, I yield to the gentleman from Iowa (Mr. BEDELL) such time as he may consume.

Mr. BEDELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of S. 555, a bill which would amend the Consolidated Farm and Rural Development Act to make the Farmers Home Administration emergency loan program more responsive to the needs of farmers, ranchers and oyster planters.

The FmHA emergency loan program was originally established to help producers who suffer property damage or severe production losses as a result of a natural disaster. To be eligible for such loans, applicants must reside in an area which has been officially designated as an emergency loan area. The loans cover only the amount of actual losses resulting from the disaster and are for the purpose of enabling producers to continue their operations if credit is unavailable from other sources.

In the past, the FmHA emergency loan program provided invaluable assistance to disaster victims. However, current economic conditions and related developments have served to diminish its effectiveness. As a result, the House Agriculture Committee has drafted legislation that would make several changes in this program so that it may better serve the needs of the producers who suffer serious loss as a result of a natural disaster.

During consideration of this legislation, the committee was greatly concerned about the negative impact which the current credit squeeze is having on many producers. Current economic and market conditions have made credit from normal agricultural sources very difficult, if not impossible, to obtain. This problem is particularly acute for producers who suffer losses as a result of natural disasters. Many farmers and ranchers have suffered severe financial losses in the past year and a half as a result of low livestock market prices, the high cost of feed and other materials necessary to livestock production, or as a result of other factors over which they have no control. Thus, in many cases, the extra burden of debts incurred because of actual losses can be devastating, if not fatal. This picture of general economic uncertainty, declining profits and increasing risk, necessitates certain adjustments in the FmHA emergency loan program.

The bill we are considering today would simplify the administrative procedures under which loans are made to victims of natural disasters. It would also make additional credit assistance available to them.

Under existing law, emergency loans only cover the actual loss sustained by the producer. S. 555 will allow these loans to take into account the producer's need to obtain credit for ongoing production. The intent in either case is the same—to insure that farmers and ranchers suffering serious losses as a result of a natural disaster will be able to stay in operation.

S. 555 also includes a provision which gives the Secretary of Agriculture the authority to extend the loan repayment period for a period of not more than 20 years if he determines that the applicant's financial need, as a result of the disaster, justifies such extension, and if there is adequate security to assure repayment over the longer period. Under current statute, such loans can only be made for up to 7 years, with the possibility of a 5-year extension where warranted.

This section of S. 555 provides the authority and sets a time frame for the extension of the loan repayment period in cases where the Secretary of Agriculture determines that such an extension is justified. It does not make a permanent change in the repayment terms of the loan program. And, it does not mandate any extension of the loan repayment period. It simply adds some flexibility to the program in order to make it more responsive to the needs of the victims of natural disasters.

Before closing, I would like to emphasize my view that the legislation we are considering here today is both necessary and responsible. The farmers and ranchers of America are a strong and independent breed. They have contributed much to their Nation and its economy. After suffering the impact of a natural disaster, they do not want a handout, only an honest chance to get back on their feet. I think they should have that chance.

No one benefits from driving hard-working individuals like this out of business. S. 555 constitutes a reasonable attempt to allow them to survive and continue to contribute to the growth of our country. I hope that the House will recognize the importance of the prompt enactment of this legislation into law.

Mr. BERGLAND. Mr. Chairman, I yield to the gentleman from Minnesota (Mr. NOLAN) such time as he may consume.

Mr. NOLAN. Mr. Chairman, we are today considering a legislative step forward in the manner in which Government deals with massive agricultural losses inflicted by natural disaster. We are, I hope, beginning to recognize that just as all people share the benefit of a bountiful and high quality food supply, we must all share the danger of the heavy rains, high winds, drought, and snow which continually threaten farmers and our food supplies.

We all cannot work the fields, milk the cows, and mend the fences. But through a sensible and adequate emergency farm loan program, we can assure that fields will always be worked, cows milked, and fences mended. In short, we can solidify the link between those who produce the food and those who consume the food.

At the discretion of the Secretary of Agriculture, this legislation increases the eligible repayment period for operating loss loans to a maximum of 20 years. Here, we are recognizing that devastation of a farm may require substantial change in the way the farm operates—and that additional money is often needed to meet changing conditions and financial hardships over a long period of time.

By making subsequent emergency loans available for 5 successive years if the money is needed and unavailable from other sources, we are again recognizing the special needs of many who now face exorbitant losses and extremely tight credit. By restricting all loans to those unable to obtain enough money at reasonable rates elsewhere, we are recognizing that the emergency farm loan program is intended to help those with an immediate and critical need. We are helping to assure that an adequate supply of money will always be available for those who really need it and not be a financial bonanza for those who do not need it.

Mr. Chairman, midwestern farmers, especially those in Minnesota, South Dakota, and Iowa, have incurred, over the past 12 months, a series of devastating natural disasters. Heavy rains last spring preceded severe drought and early frost. That chain of events was to culminate on January 10, when the worst blizzard of the 20th century inflicted over $100 million in damage to the tri-State area.

Many farmers, already heavily in debt, were virtually wiped out. Prize dairy and cattle herds are gone, barns destroyed, and homes severely damaged. Now, heavy rains threaten more damage through floods.

No government can legislate the weather. But we can sensibly deal with its effect. No business approaches the family farm for efficiency, honesty, and production. Our farmers deserve and need the help this legislation will provide. And we need the nutritious, diverse, and ample food supply which will continue to be forthcoming as long as we realize our legitimate stake in an unbroken chain of production.

Mr. Chairman, this bill is an important link in maintaining that essential chain of food production.

I strongly urge its immediate passage.

Mr. BERGLAND. Mr. Chairman, I yield to the gentleman from California (Mr. DANIELSON) such time as he may consume.

Mr. DANIELSON. Mr. Chairman, the bill we have before us is a bill which I am going to support, which I am going to vote for, but it calls to mind a problem which has been on my mind for quite a long time and which I have sought to address through other legislation: the problem of what we should do in case of natural disasters.

Our farmers are subject to natural disasters, as we know. I have seen in my youth an infestation of grasshoppers. I presume that would be a natural disaster. We have high winds and tornadoes and hurricanes. We talk about aquaculture, so obviously flooding by fresh water, or salt water intrusion, would I suppose be a natural disaster. I suppose an infestation of red tide would apply in some areas. We have earthquakes which ought to apply, and landslides.

Natural disasters afflict not only farmers but also the urban areas, the homeowners and manufacturers and businesses. Everyone, almost all humans are subject to natural disasters. But I respectfully submit, although I am going to support this bill, that it follows an erroneous pattern that the Congress has been wont to follow for many years, namely, let the disaster occur and then have the victim come in and ask for some kind of recompense from the general funds. We have done this traditionally. It is part of our compassion and understanding, and until we come up with a better solution we are going to have to do it.

However, I respectfully submit this is not the proper course to follow. A far better method than relying upon the general fund, the taxpayers in your districts and in mine, to make up out of general funds the losses sustained by others, is simply this:

We should set up some form of Government-managed insurance to insure against natural disasters. The homeowner, the factory owner, the farmer, anyone else who is subject to natural disaster, should pay into this fund, for disaster insurance, a reasonable amount determined actuarially which will be enough to spread the loss among those who may be in the position to have a loss to sustain and then when the time comes that that person sustains the loss through natural disaster, just as with fire insurance on his home or farm, he can simply present a claim to be compensated for the loss sustained.

That would be the businesslike, the reasonable, the free enterprise way of handling natural disasters. And it would have a tremendously beneficial effect upon the person who sustains the loss.

What is going to happen to these farmers when they get their 5-percent loans? They have had a loss. Then they get a loan. Now they owe the money. True, it is subsidized. They pay only 5 percent and the rest comes out of the taxpayers' pockets. But they have to pay off the loan.

In my area of Southern California we have an earthquake once in a while. What happens? We come in with an emergency disaster payment, with largesse, a gift to help make these persons whole, plus low-interest disaster loans. Would they not be better off if they had disaster insurance which would make them completely whole in the form of an insurance benefit they did not have to repay? What does it serve a farmer to get a 5-percent loan? He still has to pay back the $50,000 or $75,000 or $100,000 with interest, whereas if he were insured the insurance benefit would take care of his loss, immediately, and would make him whole and he would not have the burden of the loan to carry for the next 5 or 10 or 15 years. At the same time the taxpayers would be relieved of the burden of subsidizing the loans and making the compassionate grants.

I respectfully suggest that the Congress must face this problem in a more realistic, a more effective, and a more efficient manner. We cannot afford to have every natural disaster followed as the night follows the day by a plea upon the floor to please make my people whole through some type of handout from the general fund.

Now, I am going to support the bill. It is well-intentioned. It will meet an urgent need; but, I respectfully submit, this is no way to solve this grave and annually recurring problem. We must have a responsible way to meet our disaster losses.

Mr. PRESSLER. Mr. Chairman, I strongly support the emergency loan program amendments which are incorporated in S. 555 under the Consolidated Farm and Rural Development Act. This bill is essential to the preservation of rural America, and to the achievement of rural development goals.

During the past year, more than half of the counties in my district have received emergency disaster designations. In some instances, more than one designation was necessary, due to a variety of emergencies. The Farmers Home Administration low interest loans have been invaluable in helping many of our farmers stay in business.

Currently, many farmers in the James River area of my State are being affected by serious flooding, some of which is related to the disastrous flooding in North Dakota. I sincerely hope that any disaster legislation which is considered by this body for our neighbors in North Dakota and Minnesota will be applied to South Dakota. The James River, which flows into South Dakota from North Dakota, is currently flooding the valley 2 miles wide in many places. Farmers have lost their crops and in some cases livestock has been drowned. I have advised them to seek emergency disaster designation.

This bill enacts into law a provision for the State director of Farmers Home Administration to make the emergency designation in natural disaster situations involving no more than 25 farmers or ranchers for emergency loans. I have sponsored legislation which would enact such a provision which had been administratively implemented previously and has generally worked well. However, in talking with Mr. Archie Gubbrud, State director of the Farmers Home Administration in South Dakota, I understand that there are some problems in administering this provision. For example, what is the status of a declaration by the director when at the time of the designation there are less than 25 farmers or ranchers affected, but subsequently more than 25 applications for emergency loans are received? I hope that some clarification can be made whereby this situation can be dealt with without going through the cumbersome process of seeking formal designation by the Secretary. The purpose of my comments is to bring this matter to the attention of the Farmers Home Administration so that this matter may be addressed in the regulations that are issued to implement the program.

Let me add that this bill is not a ripoff but is one which makes a positive contribution to maintaining a strong rural America. The high costs of farming today are staggering. A young farmer who loses a crop or some of his livestock may suffer irreparable damage unless we can provide him with low interest loans. This bill, I am glad to see, limits the subsidized interest rate of 5 percent to actual losses of up to $100,000. This is certainly in keeping with our concept of helping the family farmer who needs the help the most. The extension of the repayment period on emergency production loans to 20 years where demonstrated need exists is a positive step as well as the provision for up to five subsequent operating loans. Rural America will be strengthened as a result of passage of this bill, and I am encouraged that the administration is supporting it.

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Consolidated Farm and Rural Development Act (the Act) is amended as follows:

Sec. 2. Subsection (a) of section 321 of the Act is amended to read: "The Secretary shall designate any area in the United States, Puerto Rico, and the Virgin Islands as an emergency area if he finds that a natural disaster has occurred in said area which substantially affected farming, ranching, or aquaculture operations. For purposes of this subtitle 'aquaculture' means husbandry of aquatic organisms under a controlled or selected environment.".

Sec. 3. Subsection (b) of section 321 of the Act is amended as follows:

(a) in the first sentence after the words "major disaster" insert "or emergency", strike the words "oyster planters" and "oyster planting" and insert in lieu thereof the words "persons engaged in acquaculture" and "acquaculture", respectively; and

(b) delete everything after the first sentence, strike the period, and insert: "and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.".

Sec. 4. Section 322 of the Act is amended to read: "Loans may be made under this subtitle for any of the purposes authorized for loans under subtitle A or B of this title, as well as for crop or livestock changes deemed desirable by the applicant: *Provided*, That such loans may include, but are not limited to, the amount of the actual loss sustained as a result of the disaster.".

Sec. 5. Section 324 of the Act is amended to read: "Loans made or insured under this Act shall be (1) at a rate of interest not in excess of 5 per centum per annum on loans up to the amount of the actual loss caused by the disaster but not to exceed $100,000 per loan, and (2) for any loans or portions of loans in excess of that amount, the interest rate will be that prevailing in the private market for similar loans, as determined by the Secretary. All such loans shall be repayable at such times as the Secretary may determine, taking into account the purposes of the loan and the nature and effect of the disaster, but not later than provided for loans for similar purposes under subtitles A and B of this title, and upon the full personal liability of the borrower and upon the best security available, as the Secretary may prescribe: *Provided*, That the security is adequate to assure repayment of the loan: *Provided further*, That for any disaster occurring after January 1, 1975, the Secretary, if the loan is for a purpose described in subtitle B of this title, may make the loan repayable at the end of a period of more than seven years, but not more than twenty years, if the Secretary determines that the need of the loan applicant justifies such a longer repayment period.".

Sec. 6. Section 325 of the Act is amended to read as follows: "The Secretary may delegate authority to any State director of the Farmers Home Administration to make emergency loans in any area within a State of the United States, Puerto Rico, or the Virgin Islands on the same terms and conditions set out in section 321(a) without any formal area designation being made: *Provided*, That the State director finds that a natural disaster has substantially affected twenty-five or less farming, ranching, or aquaculture operations in the area.".

Sec. 7. At the end of subtitle C of the Act, add a new section 329 stating: "An applicant seeking financial assistance based on production losses must show that a single enterprise which constitutes a basic part of his farming, ranching, or aquaculture operation has sustained at least a 20 per centum loss of normal per acre or per animal production as a result of the disaster.".

Sec. 8. At the end of subtitle C of the Act, add a new section 330 stating: "Subsequent loans, to continue the farming, ranching, or aquaculture operation may be made under this subtitle on an annual basis, for not to exceed five additional years, to eligible borrowers, at the prevailing rate of interest in the private market for similar loans as determined by the Secretary, when the financial situation of the farming, ranching, or aquaculture operation has not improved sufficiently to permit the borrower to obtain such financing from other sources.".

Sec. 9. Section 338 of the Act is amended by striking the period at the end of subsection (a) and adding the following: ": *Provided*, That the amounts authorized to be appropriated for the purposes of the Consolidated Farm and Rural Development Act for each fiscal year ending after September 30, 1976, shall be the sums provided by law.".

Sec. 10. At the end of subtitle D of the Act, add a new section 345 to read as follows:

"The Secretary may utilize the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund during each fiscal year ending after September 30, 1976, in such amounts as may be authorized annually by law.".

Mr. BERGLAND (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AMENDMENT OFFERED BY MR. BERGLAND

Mr. BERGLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bergland: Page 6, line 19, immediately before the colon add the following: "; except that if such security is not available because of the disaster, the Secretary shall (i) accept as security such collateral as is available, a portion or all of which may have depreciated in value due to the disaster and which in the opinion of the lender, together with his confidence in the repayment ability of the applicant, is adequate security for the loan, or if no collateral is available because of the disaster, the loan shall be made if in the opinion of the lender he has sufficient confidence in the repayment ability of the applicant to assure repayment of the loan, and (ii) make such loans repayable at such times as he may determine, not later than that provided under subtitles A and B of this title, as justified by the needs of the applicant."

Mr. BERGLAND. Mr. Chairman, this amendment is offered to clarify a provision in the bill and in current law that is somewhat unclear and ambiguous as it affects farmer families who have recently started in the business of farming and have been essentially wiped out by a natural disaster.

More precisely, in the last few weeks my region of west central Minnesota as well as the district represented by my good friend, the gentleman from North Dakota (Mr. Andrews) have been devastated by rainfall, the likes of which we have never seen. This is in good country. These are good farmers. Their crops have been destroyed, through no fault of their own. We find there are literally hundreds of these farm families who have heavy debt on their land with a lending agency and heavy debt on their machinery and livestock at the bank. They have borrowed heavily to invest in seeds and fertilizer for this year's crop, only to have that investment in this year's crop destroyed by this flood. Many of these farm families have no equity left because of this disaster.

This amendment would authorize the Secretary to accept less than the hard collateral in those instances in which the prospective borrower has lost his collateral or parts of it due to the natural disaster. It leaves the option with the Secretary as to whether or not he wishes to grant the loan and he must take into account the character of the applicant.

determine whether or not he has confidence in the applicant's ability to repay the loan if the loan is needed due to the disaster even though the applicant does not have collateral to guarantee repayment of the credit in question.

So, Mr. Chairman, I urge the adoption of this amendment. I think it is very necessary if we are going to protect those whom we desperately need to maintain our agricultural needs, namely, the farmer families who have recently entered farming, have had no chance to build up much equity and have had all their hard work destroyed overnight.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. BERGLAND. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Chairman, I have a couple of questions, and again lest there be any inferring that I am opposed to the amendment, I am going to support the amendment.

As I understand the gentleman's amendment, there is a credit elsewhere test, I believe he calls it, is that right?

Mr. BERGLAND. If the gentleman would yield, there is no credit elsewhere test in this amendment. There is a credit elsewhere test in the bill S. 555.

Mr. DANIELSON. But it has no impact on this amendment?

Mr. BERGLAND. No, this amendment deals only with those people whose equity has been destroyed as a consequence of the disaster. They still must meet the credit elsewhere test, obviously.

Mr. DANIELSON. I guess my question does still apply. As I understand, with the amendment and with the bill, if an applicant for a loan is not able to obtain a loan through traditional credit sources, he can establish that as a fact, as sort of a means test. Then he can be eligible to obtain the subsidized loan, is that correct?

Mr. BERGLAND. That is correct.

Mr. DANIELSON. On the other hand, a farmer who is otherwise similarly situated but who does have equity which would serve as collateral and thereby enable him to obtain a commercial loan would not be able to obtain a loan, is that true?

Mr. BERGLAND. That is correct. If a prospective borrower has been doing business with a private lending institution, and even though the borrower has had heavy damage as a consequence of a disaster, if he has sufficient collateral and equity in real estate and other properties that the bank says, "We can extend him credit in the usual fashion; he has been hurt but not mortally wounded," he would not be eligible for any of the provisions of this bill.

Mr. DANIELSON. There are two points there, then. One is that if he can obtain credit elsewhere, commercially, he is not eligible for the subsidized loan.

Mr. BERGLAND. That is correct.

Mr. DANIELSON. No. 2, if he can obtain credit elsewhere, he will of course have to pay commercial rates, whatever they may be, 8, 9, 10 percent.

Mr. BERGLAND. Whatever the going rate may be.

Mr. DANIELSON. Whatever the commercial rate is. On the other hand, under the bill he can get the loan at 5 percent.

Mr. BERGLAND. Five percent on the first $100,000.

Mr. DANIELSON. We will stay under $100,000 for the purpose of discussion. Has the gentleman considered whether there are any problems in a bill which would extend Government benefit for disaster loss on the basis of one's credit standing, his means test? Is that constitutional under equal protection of the law?

And No. 2, do we have equal protection of the law insofar as compelling one person to pay 9 or 10 percent while someone else obtains a loan at 5 percent? I would urge, if the gentleman has not considered that question, that he do so.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent Mr. BERGLAND was allowed to proceed for 1 additional minute.)

Mr. BERGLAND. Mr. Chairman, there is a provision in law of long standing that applies the credit elsewhere test under farm ownership loan authority, and to my knowledge the matter has never been tested in the courts.

Mr. DANIELSON. I thank the gentleman for his very frank answers. I respectfully urge that the gentleman have his very able staff look into this, and I do urge support of the gentleman's amendment.

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in support of the amendment. As my colleague from Minnesota has pointed out, and pointed out earlier in our colloquy, this is needed to preserve the farm family's ability to stay on the farm.

I might point out that the language is quite close to the language that this House about a month ago put into the emergency livestock law, where we were talking about an economic disaster as compared with this natural disaster. The impact on the farm family is the same. In the natural disaster such as this is, however, the impact may be even more severe and the need for this legislation may be even greater.

I happen to be one of those farmers who lost half my crop. I know how it feels to see that river come up and up and up. I spent much of the recess digging and pumping and diking to save at least our feedlot and buildings from being inundated. It is not pleasant when you see the water slowly going down and smell the odor of the rotten grain, and it is even more of an impact on the people in the cities if the farm families who cannot find credit elsewhere are told that they are limited to $2,500 or $5,000. The beginning farmer, having paid a higher price for his machinery and for his land, simply cannot stand this type of disaster he has just gone through.

Many of the neighbors in the township to the south of me and many of my neighbors in my own township lost all of their crops, and there is no way without this legislation that they can obtain the funds needed to continue farming operations. It is not in the interest of this Nation that they be forced off of the farm, and the land then picked up by outside investors with all that entails for the community and farming potential of our Nation.

So I would hope this House would adopt the amendment. It strengthens this bill and makes it more responsive to the needs of the farm families in our area, and it is a very necessary addition to the bill.

Mr. JOHNSON of Colorado. Mr. Chairman, I move to strike the last word.

I would like to engage in colloquy with the gentleman from Minnesota, if I might, on this point.

With respect to the gentleman's amendment, the language "if in the opinion of the lender he has sufficient confidence in the repayment ability of the applicant" for adequate security for the loan, is this lender the Secretary?

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. Yes, I yield to the gentleman.

Mr. BERGLAND. In the instance of an insured loan, the lender would be the Secretary, his agents, or those who make and service the loan. In the instance of a guaranteed loan, it is made by the bank and guaranteed by the Secretary, the lender would be the bank.

Mr. JOHNSON of Colorado. What percentage of the loans under this particular program are made by the Secretary and what percentage of the loans are made by the bank, if the gentleman knows?

Mr. BERGLAND. If the gentleman will yield, I do not know the precise answer, but I am told it is somewhere in the high 90-percent range made under the insured authority. The instances of guaranteed loans are rare, maybe nonexistent, in many parts of the country, in fact.

Mr. JOHNSON of Colorado. Particularly with the 5-percent feature, the guaranteed loan program is not going to be a very large portion under this amendment; is that correct?

Mr. BERGLAND. That is correct.

Mr. JOHNSON of Colorado. If I may ask the gentleman then, when it says that "the Secretary shall accept as security such collateral as is available," what kind of a burden are we putting on the Secretary to make these determinations?

Mr. BERGLAND. The Secretary has to determine that he has confidence in the repayment ability of the applicant, and he has to determine that the loss of the security was due to the disaster.

Mr. JOHNSON of Colorado. How is the Secretary to make that determination?

Mr. BERGLAND. I presume he would delegate this to his field agents, as he does with the many other judgments he is obliged to make by law, and the decision would be vested with the county committee, who know the county and know the farmers and know the conditions, who are knowledgeable as to the applicants character and repayment ability.

Mr. JOHNSON of Colorado. As the gentleman will recall, I though that this language should be applied in the case of the emergency loan program for beef if the lender was going to be the bank who would also take a portion of the risk. But in this case I am wondering if we are not imposing a burden on the Secretary when we say he "shall accept as security." Are we not creating a possibility of making large loans with little or no security and with no further guidelines than just this statement? Should we not perhaps just clarify it a little bit more as to what kind of collateral we are talking about and the kind of confidence in the repayment ability of the applicant we are talking about?

Mr. BERGLAND. Mr. Chairman, if the gentleman will yield on that point, I share his concern in this regard. I did not, however, wish to encumber this amendment by loading it up with all sorts of restrictive language that would tend to inhibit the ability of the Secretary to exercise his discretion and his judgment in these matters. Obviously, we do not intend that a loan will be made to a person who has lost his equity, because of some mismanagement on his or her part. That is not intended as an eligible requisite for this purpose. It is intended that he would approve loans for people who have tried hard, whose equity has been washed out as a consequence of a flood, drought, fire, or something else. He is really betting on the family, that he knows that they will weather this storm, once they get over this hurdle.

There are some risks inherent in this, but I would trust the Secretary's judgment.

Mr. JOHNSON of Colorado. Mr. Chairman, would the gentleman say that the thrust of this amendment is to place reliance on the history of a man's operation and the history of what kind of a farm producer he has been?

If that is the thrust of the amendment, then I think it should be supported. Confidence in repayment ability must be on the basis of a history of reliable production and reliable credit and not one of caprice on the part of the Secretary. When we say, "shall," I think that is mandatory language which could be misinterpreted, and that could lead us to some bad results that would reflect back badly on this particular bill, which, of course, we all know we need.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. JOHNSON) has expired.

(By unanimous consent, Mr. JOHNSON of Colorado was allowed to proceed for 3 additional minutes.)

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I will respond to that point.

It is obvious that the Secretary would take into account the track record of the family. If they have been in business for a few years, are able managers and they are otherwise honorable and able people, he will certainly consider that in deciding whether or not to extend the loan.

There are those occasional instances in which a family may have just started this year, they may have rented a piece of land and heavily in debt, and they may have been wiped out. They have no track record, but he knows, through his agents, that the character of these people is fine and that if they are given a chance to weather the storm, they may make it. He may not have a track record from which to approve the loan.

I would not expect the Secretary to approve a loan to a family which has had a string of bad credit experiences, whose management has been less than average, and who are in big trouble financially, principally due to their own shortcomings. I would not fault the Secretary if he turned down a request of that sort.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for that clarification.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, in answer to the question that was asked as to how they will know whether the loan came about because of natural disaster or because of poor management, believe me, we can smell that flooded area 5 miles away downwind. The county committee is going to know who was flooded out and who was not; they are going to know other things about them, including whether errors in judgment rather than the natural disaster led to the problems.

The amendment uses the word, "shall," and then it says, "together with his confidence in the repayment ability of the applicant." Then it goes on further and says: "The loan shall be made if in the opinion of the lender he has sufficient confidence in the repayment ability of the applicant to assure repayment of the loan * * *."

So the language of the amendment as we drafted it is specific to the point our good friend, the gentleman from Colorado, just raised. If the man is an able operator, this will enable him to get back on his feet. His capability as an operator is part and parcel of the overall thrust of the amendment.

The amendment has to contain that language, we feel, because sometimes the Secretary and the Director of the Farmers Home Administration have been, shall we say, guilty of dragging their heels, and we want to speak firmly to the point that this is no time for heel-dragging, because these farmers need help now. That is the purpose for the amendment.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for his observations.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I congratulate my distinguished colleagues, the gentleman from Minnesota (Mr. BERGLAND), and the gentleman from North Dakota (Mr. ANDREWS), for their collaboration on this amendment. I hope it is swiftly passed.

The amendment provides a means whereby some of our young farmers, who have seen their equity devaluated by flooding, can qualify for disaster loans even though the disaster may have caused the loss of necessary collateral. The gentleman from Minnesota (Mr. BERGLAND) should be congratulated both for recognizing the problem, and also for his creative solutions which gives the Secretary of Agriculture the discretion to waive the collateral requirement in cases of proven worthiness and proven need.

The experience of Hurricane Agnes has shown the need for this amendment.

Mr. KINDNESS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will not take 5 minutes to deal with this question, but I do rise with reluctance and in the face of the necessity that the amendment needs to be examined a lot more closely.

I would certainly be a lot more favorably inclined toward support and I would urge the House or the committee to consider that it would be a lot more favorable for the purpose intended if we were to strike beginning at line 18 and running through the first third of line 19 the words, "*Provided*, That the security is adequate to assure repayment of the loan."

The amendment as offered here introduces a good deal of confusion. It is impossible of administration without exercising pure discriminatory standards. Those discriminatory standards, I think, have to be applied largely by the local lender, the bank, as has been brought out here in the preceding colloquy. I believe that with care the Secretary could reach the conclusion that he simply cannot do anything under this language.

Thus, I believe this would frustrate the stated purpose of the offeror of the amendment.

I would much rather see us—and I say this quite seriously—strike the language that says, "provided that the security is adequate to assure repayment of the loan," because I think we will have done about the same thing by adopting the language that is in the amendment, as proposed, except that the amendment, as proposed, offers the opportunity of confusion and thus inaction. It is that inaction that I would hate to see occur, and I am certain that is not intended by those supporting the amendment.

I must state that I am very much in sympathy with the purpose suggested here, but the interest of the taxpayers and of the Federal Government would be every bit as well protected by striking the proviso before which this amendment would be inserted.

Mr. Chairman, I, therefore, would somewhat reluctantly urge defeat of the amendment; and if that were to occur, I would offer an amendment to strike the language I referred to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. BERGLAND).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BEDELL

Mr. BEDELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BEDELL: Page 5, line 20, add the following: "The provisions of this subsection shall not be applicable to loan applications filed prior to July 9, 1975."

Mr. BEDELL. Mr. Chairman, this amendment is needed, because of something that only became apparent to me yesterday, actually; and I am sure it was not apparent generally to the committee.

In my talk with the Department yesterday, I found that the provisions of S. 555 would become applicable to all loans not yet processed as of the day of signing of the bill.

This "credit elsewhere" provision is in the present law, which says that after 2 years, the "credit elsewhere" restriction will apply. S. 555 makes it a requirement prior to the granting of a loan.

I support this change, and I certainly have done it all through, but I believe that we have to do this in a fair manner. In my district the Department has been very slow in processing a number of our loans, and unless this amendment is passed, it would say that if there were two farmers who had both applied on exactly the same day and could not get credit elsewhere and the Department had been slow in processing one of those applications but had processed the other, indeed, we would discriminate against the person whose loan had not been processed, through no fault of that person in any way. If their application had been made, this would happen simply because the Department had not processed their loan. Therefore, this amendment in no way changes our movement into a situation where we will require credit elsewhere. It simply says that if we are going to do it in a fair way, we are going to treat people fairly as we make our judgment. I think this is one thing we need to do in our society to show the people that we are trying to do things in a fair manner.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I certainly will yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of this amendment. It seems to me an eminently sensible and just amendment. It is a simple amendment to provide against the inevitable delays that some times happen in a bureaucracy in processing a loan, and I urge the adoption of this amendment.

Mr. BEDELL. I thank the gentlewoman for her comments.

Mr. MADIGAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa (Mr. Bedell). I do this reluctantly, but with a strong feeling about what I am going to do. As I say, I am reluctant to rise in opposition to the amendment offered by the gentleman from Iowa (Mr. Bedell) because I know how hard the gentleman has worked through all of the months of this calendar year so far in attempting to get some emergency loan assistance for the people in the area the gentleman represents for the problems they have had as a result of the Arctic hurricane there in the latter part of last year, and the first part of this year.

However, I wish to refer the Members of the House to the colloquy that occurred a little bit earlier between the gentleman from North Dakota (Mr. Andrews) and the gentleman from California (Mr. John L. Burton) in which they brought out that one of the things that we all have been concerned about is the application of people for these loans when those applicants are in no way actually in need of Government assistance, and do actually, in some instances, take the money that they obtain from the Government-subsidized loans and reinvest that money at a profit.

We had testimony before the Committee on Agriculture where the Department of Agriculture indicated that on programs like this, that only because they had slowed things down deliberately were they able to hold the emergency loan applications down to a total of $592 million and, further, they estimated that if they had allowed the thing to go into operation at a normal rate in processing the loans, the total would have exceeded $1.5 billion.

I think when we talk about the failure, if one would want to term it that, of the Department of Agriculture to act promptly in the processing of these loan applications to which the gentleman from Iowa (Mr. Bedell) refers, that we should consider that it is my belief that any delay there has its foundation in the fact that the Department of Agriculture also was aware that this bill was moving through the Congress, and were aware of the "credit elsewhere" provisions in this bill, and recognized the need for that kind of legislation, and hoped that the very instances to which the gentleman from Iowa (Mr. Bedell) refers, will be covered by this bill.

For that reason I would ask strong opposition to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. Bedell).

The question was taken; and on a division (demanded by Mr. Madigan) there were—ayes 17, noes 13.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF IOWA

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Smith of Iowa: amend S. 555 by adding at the end of Sec. 5 thereof, page 6, line 25, the following: "*Provided further*, That notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of this Act under sections 7(b) (1), (2), or (4) of the Small Business Act (15 U.S.C. 636(b) (1), (2) or (4)) shall bear interest at the rate determined in Section 7a(4) (B) of the Small Business Act (15 U.S.C. 636(a) (4) (b))."

Mr. SMITH of Iowa (during the reading). Mr. Chairman, I ask unanimous consent that the balance of the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, I might say that copies of this amendment have been distributed to both sides.

Mr. Chairman, the 93d Congress in 1973, in order to keep disaster loan interest rates consistent whether the loan was made by Farmers Home Administration to a farmer or by the Small Business Administration to a business or an individual, enacted section 9 of Public Law 93–24. Under this law, SBA's interest rate is controlled by section 324 of the Consolidated Farm and Rural Development Act which sets disaster loan interest rates at 5 percent.

Thus, under existing law, SBA is authorized to make 5-percent interest disaster loans to:

Homeowners and small businessmen whose property was destroyed or damaged by floods, riots or civil disorders, or other catastrophes (§ 7(b) (1));

Small businesses located in an area affected by such a natural disaster if they suffered substantial economic injury as a result of such a disaster (§ 7 (b) (2)); and

To small businesses who suffer substantial economic injury caused by disease or toxicity in the product they process or market, that is, contaminated meat (§ 7(b) (4)).

S. 555, which we are now considering, makes substantial changes in the disaster loan program administered by the Farmers Home Administration. Among the changes is an increase in the interest rate on Farmers Home Administration disaster loans from its present 5 percent on the entire loan to 5 percent on the first $100,000 of actual loss and the balance of the loan at the prevailing market rate.

This proposed change in interest rates would result in a considerable additional financial burden being imposed upon businesses who would be required to pay substantially more in interest as many SBA disaster loans are for more than $100,000. Information supplied by SBA shows that from 1973 through April 1975 they made 1,457 to businesses at an average of $340,000.

I have been advised that neither the Senate nor the House Agriculture Committee was aware that section 5 of this bill would change the interest rate on SBA disaster loans and that they did not intend to do so.

The Subcommittee on SBA and SBIC Legislation, which I chair, learned of the impact of this bill on SBA and met to discuss and consider it June 4. It was the consensus of the subcommittee that the hearings on amendments to the Small Business Act this year should include consideration of the interest rate on all SBA loans. Pending such consideration the subcommittee decided that the interest rate on SBA's disaster loans should be correlated to the cost of money to the Federal Government as is the interest rate on regular business loans made by SBA under section 7(a). It was unanimously decided that I would offer an amendment which would set SBA's disaster loan interest rate at the same rate provided for SBA business loans, thus providing an interim solution to the problem which will permit a review of the entire Small Business Act.

This matter was also discussed by the full Small Business Committee which unanimously endorsed the amendment.

I have also discussed my amendment with Bob Bergland who chairs the subcommittee which considered this bill and with Tom Foley who chairs the full committee. Neither has any objection to my amendment.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I am happy to yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I thank the gentleman from Iowa for yielding to me.

Mr. Chairman, when the subcommittee and the full committee considered this bill, S. 555, we frankly did not realize that it would affect the charter of the Small Business Administration. The matter was never discussed in the committee. It was an oversight on our part, and I commend the gentleman from Iowa (Mr. Smith) for his discovering this error in the bill. I certainly concur in his amendment. I discussed the matter with the Members on our side of the aisle, and we agree with and support his proposition.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. MADIGAN. I thank the gentleman for yielding.

I associate myself with the remarks of the gentleman from Minnesota for the minority side. I do believe that this is a good amendment and will support it.

Mr. SMITH of Iowa. I thank the gentleman.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. Smith).

The amendment was agreed to.

Mr. de la GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support this legislation, because it is very good legislation, and it is needed legislation. I am very happy with certain provisions of the bill that extend the financing for up to 20 years, so that once we establish credit and all of the other requisites are met, one can continue receiving the assistance. I am happy that it includes what is known as acquaculture operations: Oyster planting, fish farming, et cetera. I am most delighted with the provision concerning what quite often is the case in my area that the State directors of the Farmers Home can designate a disaster if 25 or fewer farmers are affected. We have not tornadoes, but we have small whirlwinds, for example, in my area that will hit into a small area, 5 or 10 or 15 farms, with as much devastation and as much destruction as a major disaster. I think that this will be very, very helpful.

Before I continue, I want to commend the gentleman from Minnesota and the gentleman from North Dakota (Mr. Andrews) very, very strongly because they are the two principal Members of this body who have an ongoing disaster at this time where they have had devastation, which I have seen, and it is unbelievable.

The trend heretofore had been to come in with massive legislation, with all kinds of forgiveness, emergency loans, without any requirements. It was very haphazardly handled, mostly on an emotional basis. The gentleman from Minnesota and the gentleman from North Dakota have adhered to the overall program. They have adhered to the long-range planning to take care of disasters and have not confronted us with massive grants of forgiveness or loans without requirement or reason, and for this I commend them.

Finally, Mr. Chairman, the bill says farmers, ranchers, oystermen, et cetera, but this is legislation for the people. This is legislation for all of the people in an affected area, because if one would examine the anatomy of a disaster, yes, the original one who is hurt is the farmer, but behind him come his farmworkers. Behind him come the supply agencies where he bought his seed, whom he owes for his tractor, whom he owes for his truck, the savings and loan association where he borrowed for his home. All of these people stand out on the peripheral area. My colleagues would be mistaken to think that they are helping the farmer per se on a loan by himself. They are not. They are helping all of the people who depend on that farmer, something that we cannot even see ahead.

The gentleman from North Dakota said the money is needed now. That is true. But one of the reasons it is needed now is that there are some migrant farmworkers in my district of south Texas thousands of miles removed from the Dakotas, but if those farmers do not have the funds now to reclaim their land and to have another sugar beet crop next year, those migrant workers in southern Texas are not going to have jobs to go to next year.

So this is not a farmers' bill or a ranchers' bill. This is a bill for all Americans who happen unfortunately to be in an area where a disaster occurs. It helps all of them, beginning with the farmer, but if there is no farmer, there is no food; if there is no farmer, there is no grain, there is no fiber, there are no jobs for farmworkers, there is no payment for the savings and loan associations, there is no payment for the industries, and there is no payment for anyone to whom the farmer owes money. So this is a help for all who happen to be in a disaster area.

I hope all my colleagues for these reasons will support this legislation.

AMENDMENT OFFERED BY MR. EMERY

Mr. EMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Emery: On line 6, page 5, amend Sec. 2 by adding at the end a new sentence to read as follows: For the purposes of this subtitle, natural disaster shall include, but not be limited to, the natural occurrence of certain biological organisms, including Gonyaulax tamarensis, Gonyaulax catenella, and Gymnodidium breve, that are commonly known as the Red Tide, harmful to certain commercially valuable marine species."

Mr. EMERY. Mr. Chairman, this amendment is very simple. It does one thing. It includes the "Red Tide" among the definitions of natural disaster in section 2 of this bill. The Red Tide is the appearance of any of three biological organisms that periodically cause extreme damage to shellfish stocks, not only in the State of Maine but also in the States of Florida and Maryland, and even along the west coast.

Very little is known about the Red Tide. No one knows why, all of a sudden, it blossoms into great proportions, and not a great deal is known about the disease it causes, known as paralytic shellfish poisoning. But this phenomenon threatens the livelihoods of Maine clam diggers and others engaged in similar shellfish aquaculture in other shellfish producing areas such as in Chesapeake Bay. It throws them out of work, it destroys their industry, and causes severe economic losses. This amendment would very simply make emergency funds available to the shellfish industry where it is threatened by the Red Tide.

I would point out that shellfish are the only species that are endangered by the Red Tide. It does not affect fin fish, crabs, shrimp, or lobsters. It affects only the soft shell clam, hard shell clam, oyster, mussel, and other bivalves.

I urge support of this amendment. It would greatly assist many areas throughout the country and especially those areas where shellfish aquaculture is beginning to grow.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I would like to ask a question of the gentleman from Minnesota, because the author of this amendment raises a question in my mind about the definition contained in the gentleman's substitute for the word "aquaculture."

Mr. EMERY. The gentleman is speaking to the wrong amendment. The amendment I offered does not make a change in the definition of "acquaculture."

Mr. BAUMAN. The gentleman is dealing with one particular natural disaster known as "Red Tide" and I certainly support his amendment. But the question I have concerns the very limited phrase contained in the substitute bill which reads—

> . . . "acquaculture" means husbandry of aquatic organisms under a controlled or selected environment.

That definition might rule out many disasters that seriously damage the taking of fish or shellfish within the waters of the United States.

Shell fishing in the Chesapeake Bay area, which is represented by myself and the gentlewoman from Maryland (Mrs. Holt) was severely damaged by tropical storm Agnes in 1972. A large amount of fresh water diluted the normally salty bay and literally wiped out the clam industry in Maryland for more than a year. Under the definition in this bill, would or would not such disasters be covered?

Mr. BERGLAND. Mr. Chairman, if the gentleman will yield, the gentleman is raising a question about which the committee had some difficulty in choosing the words that currently appear in this section. It was clearly the intention of our subcommittee that the Chesapeake Bay, for example, would be eligible under the terms of this provision.

In other words, the oystermen and other fishermen in the Chesapeake Bay are working in what we call a controlled or selected environment, an environment managed by the State and others clearly would be eligible for the benefits of this program.

We systematically precluded for example a party boat fishermen who goes off in the Gulf of Mexico but finds his clientele is diminished because they have not caught fish due to some reason beyond their knowledge. We do not intend that operator would be eligible for a disaster loan; but we clearly intend to include the Chesapeake Bay and those persons who derive their living from that area.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. EMERY).

The amendment was agreed to.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of S. 555, which will amend the emergency loan program of the Consolidated Farm and Rural Development Act. This legislation will be of substantial benefit to farmers struck by natural disasters.

As the law now stands, emergency loans may be granted only to cover the actual losses resulting from a disaster. Such a restriction places many farmers in a serious financial squeeze. Debts incurred because of actual losses make it difficult to obtain additional credit for ongoing production from private sources. The situation has been further complicated by a credit shortage throughout our economy.

Enactment of S. 555, however, will allow emergency loans to be granted not only to the extent of actual losses but also to include a farmer's credit needs for ongoing production. This will help farmers hit by disaster to continue their operations. It will also benefit our entire Nation by helping to maintain a stable and productive agricultural economy.

In addition, S. 555 will eliminate the requirement that the Secretary of Agriculture must find a general need for credit in a disaster area before loans may be made available. The bill instead provides that the Secretary designate an area eligible for the emergency loan program if he finds that a natural disaster has occurred in the area which substantially affected farming, ranching, or aquaculture. This amendment will make it easier for farmers to obtain needed loans.

S. 555 is not a Federal handout. It provides our Nation's farmers with a better opportunity to survive and rebuild after natural disasters. I urge its adoption.

The CHAIRMAN. If there are no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RONCALIO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the Senate bill (S. 555) to amend the Consolidated Farm and Rural Development Act, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the Senate bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 403, nays 0, not voting 30, as follows:

[Roll No. 367]

YEAS—403

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Mezvinsky
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—30

Anderson, Ill.
Bonker
Clawson, Del
Collins, Ill.
Conyers
Diggs
Evins, Tenn.
Ford, Mich.
Fulton
Hinshaw
Ichord
Jenrette
Jones, Ala.
Lott
McEwen
Metcalfe
Meyner
Michel
Mikva
Montgomery
Moss
Nichols
Patman, Tex.
Quie
Reuss
Rooney
Santini
Scheuer
Smith, Nebr.
Staggers

So the Senate bill was passed.

The Clerk announced the following pairs:

Mr. Patman with Mr. Bonker.

Mr. Rooney with Mrs. Collins of Illinois.

Mr. Santini with Mr. Conyers.
Mrs. Smith of Nebraska with Mr. Ichord.
Mr. Montgomery with Mr. Hinshaw.
Mr. Nichols with Mr. Anderson of Illinois.
Mr. Staggers with Mr. McEwen.
Mr. Jenrette with Mr. Del Clawson.
Mr. Diggs with Mr. Jones of Alabama.
Mr. Evins of Tennessee with Mr. Lott.
Mr. Ford of Michigan with Mr. Metcalfe.
Mr. Fulton with Mr. Mikva.
Mr. Moss with Mr. Reuss.
Mr. Quie with Mr. Scheuer.
Mrs. Meyner with Mr. Michel.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

ARMS CONTROL AND DISARMAMENT ACT AMENDMENTS OF 1975

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7567) to amend the Arms Control and Disarmament Act, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. Zablocki).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7567), with Ms. Jordan in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Wisconsin (Mr. Zablocki) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. Findley) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I rise in support of H.R. 7567, the Arms Control and Disarmament Act Amendments of 1975. I do so with the confidence of knowing that this legislation is the studied result of more than 1 year of exhaustive study, careful review, and with much serious thought.

H.R. 7567 is a bill deserving of wide bipartisan support—a fact demonstrated by the bipartisan cosponsorship and the unanimous endorsement it received from the International Relations Committee.

Before explaining its various provisions, I think it would be helpful to briefly outline the background to this legislation. That history began with the committee report on the ACDA authorization for fiscal year 1975 which recommended a thorough examination of ACDA. Such a major in-depth study and review of the Agency was deemed appropriate for several reasons.

First, throughout the 13 years of its existence the Agency had never been subjected to comprehensive review. In addition, there were indications that Agency activities had, in several instances, veered away from original congressional intentions. Further, there was growing concern that ACDA no longer played the role in the formulation and execution of U.S. arms control policies intended by the Congress.

The responsibility for this major oversight review was assigned to the Subcommittee on International Security and Scientific Affairs. Without belaboring the details, the subcommittee carried out an extensive review—including the hiring of a special expert consultant, a comprehensive staff study, and two separate sets of hearings totaling 7 days and involving 15 witnesses. In addition, the full committee also held hearings.

Throughout this extended procedure the subcommittee attempted to be comprehensive, fair, and balanced in every way. In large measure, I believe we have succeeded. The product of that effort is the bill before us today.

H.R. 7567 as two primary purposes. First, it authorizes an appropriation of $23 million to fund operations of the Arms Control and Disarmament Agency for fiscal years 1976 and 1977. Second, it amends in several ways the basic act of 1961 which governs the Agency.

Of the total $23 million authorization level sought by this legislation, $11,050,000 is programed for fiscal year 1976 and $11,950,000 for fiscal year 1977. This amount is $1 million more than the Agency's last 2-year authorization period of 1973–74.

The increase over previous fiscal periods is necessitated by rising costs, including inflationary price increases, and in some measure because of the Agency's basic operations—especially its statutory support responsibility for 12 different arms control and disarmament negotiations in which the United States is a participant.

In defense of these modest increases I would only note that the Agency's work has resulted in savings of millions of dollars over the years. Through its efforts in connection with various arms control and disarmament negotiations, U.S. national security has been preserved and costly arms programs reduced or eliminated. The Agency's authorization is, in short, a worthy investment in promoting peace.

The amendments to the basic act contained in H.R. 7567, are based on the fundamental principle that arms control and disarmament are basic components of national security. It is that fundamental principle on which the original legislation which created the Agency was built; it is the same foundation on which H.R. 7567 now adds.

Thus, these amendments can perhaps be more accurately described in terms of improvement rather than change. Taken together, they have but one simple objective—that of strengthening the Agency and enhancing the effectiveness of its operations.

For example, section 102 makes the Director of ACDA a statutory principal adviser to the National Security Council on arms control and disarmament matters. This amendment would place him in a position on the NSC comparable to that of the Chairman of the Joint Chiefs of Staff and the Director of the CIA. This provision assures full and proper consideration for arms control aspects of all issues considered by the National Security Council.

Section 107 offers another example of how this bill attempts to improve the effectiveness of Agency operations. Section 107 provides for an expanded Agency annual report to Congress, similar in nature to the annual "Posture Statement" of the Secretary of Defense. The report would be extended to include a complete and analytical statement of arms control and disarmament goals, negotiations, and activities. It would also include an appraisal of the status and prospects of various negotiations as well as arms control measures in effect.

In addition, and also in an attempt to upgrade the Agency and improve its operations, sections 201, 202, and 203 amend the Mutual Security Act of 1954, the Foreign Military Sales Act, and the Foreign Assistance Act of 1961. These revisions provide for coordination with ACDA and consideration of the Director's opinion as to the arms control implications of certain activities carried out under those acts. There is really nothing new in this authority. In fact, the coordination called for by these amendments is already required on an informal basis as prescribed by Executive orders. That procedure apparently has not been fully implemented. Thus, all we do here is formalize the activity and thereby lend greater assurance to it being carried out.

Finally, I come to what is undoubtedly one of the key sections of the bill—the so-called "Impact Statement" provision created by section 103 of H.R. 7567 which amends the arms control and disarmament basic act by adding a new section 36.

What the new section 36 does, in brief, is to establish a procedure of generating vital and necessary information for both the Congress and certain key offices of the executive branch. It provides for Agency participation in assessing and analyzing the impact of proposed defense programs on arms control and disarmament policy and negotiations. On the basis of that assessment-analysis, the Director would register his advice and recommendations to the National Security Council, Office of Management and Budget, and the initiating agency. In addition, on the basis of his assessment-analysis and resulting advice and recommendations, a complete statement assessing the arms control and disarmament impact of such programs would be included with authorization or appropriation requests to Congress.

I said at the outset, Madam Chairman, that in its extended and exhaustive efforts leading to this legislation the committee and the subcommittee attempted to be comprehensive, fair, and balanced in every way. I also said that in large measure we succeeded. I submit that the language of section 103 offers ample testimony to that fact.

Madam Chairman, there were many differences of opinion regarding the original language contained in an earlier version of this legislation. In a good faith effort to settle those differences we undertook extensive negotiations which resulted in the language before us today.

Despite that good faith negotiating effort the compromise language still did not receive complete executive branch endorsement. In keeping with our part of that good faith attempt, however, the language was offered in committee. More importantly, as a reflection of the wide bipartisan support this measure has received, the compromise was adopted unanimously.

One final word about the underlying purpose of what this legislation attempts to do. If we can for the moment set aside the superstructure of this bill we will see that it has one key goal. Briefly but accurately stated, the goal is that of providing Congress, and certain key offices within the executive branch, with information on proposed defense programs. That is what this bill is really all about—pure and simple, getting information.

Why, you may ask, do we need such information?

The Members of Congress need it if we are to responsibly fulfill our constitutional right and duty to share in the formulation of foreign policy. If we are to fulfill that responsibility properly we need information—more information than we now get—regarding the impact of defense programs on U.D. arms control and disarmament policy and negotiations.

What this assumes, of course, is that arms control and disarmament are seen properly as inherent and vital parts of our broad national security policy—not as adversary, negative activities. Balanced and meaningful policies and negotiations in this area can, in the same effective way that the latest sophisticated weapons program can, enhance this Nation's security. It also holds the real promise of dollar savings—a significant consideration in these days of inflation.

Madam Chairman, I would ask my colleagues to weigh their decision on H.R. 7567 within the context of whether or not they believe such information is desirable and necessary in their decision-making and voting. I am confident we all agree such information is not only helpful but necessary.

Undoubtedly all will agree that ACDA should be strengthened and its operations more effective. Surely we are all desirous to promote programs for peace. For these reasons, I urge the adoption of H.R. 7567.

Mr. LAGOMARSINO. Will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the chairman of the subcommittee for yielding. I take this time to express to him my appreciation of his efforts in behalf of this bill. As the gentleman knows, when this bill was first considered in the subcommittee I was, one might say, a violent antagonist and opposed to the bill and as a matter of fact I voted against the bill when it was reported from the subcommittee. But due to the efforts of the subcommittee chairman, the gentleman from Wisconsin (Mr. ZABLOCKI), the bill has been considerably amended and I think it has been made a much more practicable and workable bill and one which everybody can live with and I now support it.

But I would like to ask the chairman a couple of questions regarding the intent of this legislation.

As the gentleman recalls, one of my very strong concerns was whether or not by requiring this impact statement we were requiring some kind of litigation trap for ourselves and the Department of Defense. Is it true it is not our intent that we create any right on the part of anyone to engage in litigation concerning this bill?

Mr. ZABLOCKI. Before answering the question may I express my sincere appreciation for the gentleman's kind remarks. In reciprocation, and I mean it sincerely, may I also say there are few members of the committee who have been as diligent and who have contributed as much to the realization and finalization of this legislation as the gentleman from California.

In reply to the gentleman's question, it is the intent, and it is spelled out on page 4 of the bill, in section 103(c) that—

> "(c) No court shall have any jurisdiction under any law to compel the performance of any requirement of this section or to review the adequacy of the performance of any such requirement on the part of any Government agency (including the Agency and the Director).".

This is intended to prevent any litigation or any delays or to cause the impact statements that are required to in any way hamper necessary defense programs.

Mr. LAGOMARSINO. If the gentleman will yield further, another concern of mine and of the Department of Defense was the language referring to impact statements and research. As I understand it, our intent, specified during the hearings and also contained in the committee report, is that it is not the intention of the committee in approving this legislation to be concerned with what we might call initial research or pure research up until the time it became an active program or when congressional support was sought for that program.

Mr. ZABLOCKI. The gentleman is correct. The committee has been clear in its report. The gentleman from Illinois, having a similar concern, suggested and indeed we adopted the language in the report which makes it clear that in the requirements we are not including initial research, for example, programs of $5,000 or $10,000 or $15,000 or $20,000. It is the major research programs with which we are concerned—those at the stage of being transformed into important new systems.

Mr. LAGOMARSINO. I thank the gentleman.

Mr. BAUMAN. Madam Chairman, will the gentleman yield for a question?

Mr. ZABLOCKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Madam Chairman, this refers to section 106 of the bill which as I understand it repeals the existing prohibition in law that forbids the Arms Control and Disarmament Agency from engaging in domestic propaganda. I read the report on page 14, and particularly the last line of the paragraph explaining this proposed change:

> It should also serve to balance the extensive public information program carried out by the Department of Defense.

That statement indicates to me, at least it would on its surface, that by removing this prohibition against propaganda we are telling one agency of Government to make war on another agency of Government by the use of propaganda. I always understood propaganda to be a pejorative phrase, in which one tries to destroy or discredit the viewpoint of the other side.

Mr. ZABLOCKI. The gentleman from Maryland misreads the intent of the committee's report.

In the last sentence of the report on page 14, referring to section 106, we did not repeal section 49(d). Rather, we amended section 49(d) by striking the word "none" and inserting in lieu the language, "except as may be necessary to carry out the purposes of this act specified under section 2, subsection (c)." That is the restriction that is in the basic act.

The purpose of section 106 is to allow the Agency to inform and advise not only Congress, but also the public as to its activities in the area of arms control and disarmament. The Department of Defense has varied and numerous programs which might be classified in the propaganda category. Thus, this section should also serve to balance the extent of the public information program carried out by the Defense Department. Certainly, it is not intended in any way to generate a debate between the Department of Defense and ACDA. I believe the public should be advised of the activities of ACDA. The intent of section 106 is not what the gentleman seems to think.

Mr. BAUMAN. If the gentleman will yield further, it seems to me that the Agency now has the power of dissemination without amending the law to permit it to engage in domestic propaganda; it seems alien to our system of government to allow officially any agency to propagandize within the confines of the United States their position on different issues. That is really what gives rise to my concern.

Mr. ZABLOCKI. I regret that in the basic act the word "propaganda" was used in the law, because I think it was the wrong choice of a word.

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. My question is on the same issue. I would like to ask the gentleman from Wisconsin why in the redrafting of this bill, which is a good bill, the committee did not take the word out and delete that section which talks about propaganda in the United States?

Mr. ZABLOCKI. The reason we did not delete section 49(d) of the basis act, is because there is still some concern in some quarters, a lack of confidence I might say, in the activities of ACDA. It is that same concern which led to the creation of the General Advisory Committee which was formed to oversee ACDA activities. Essentially, the idea was that the GAC would prevent the Agency from going overboard.

Mr. EDGAR. Will the gentleman yield further?

Mr. ZABLOCKI. Let me just say, the reason we did not strike the word "propaganda" in section 49(d) of the basic act was that putting in a word with another connotation might create similar problems. Thus, we felt it was preferable that we amend it as we have in the bill. I think it does exactly what the gentleman from Pennsylvania wants and exactly as the gentleman from Wisconsin would desire, as far as allowing ACDA to advise and inform the Congress and the general public of its activities.

Mr. EDGAR. I guess my concern is a cosmetic concern with the word "propaganda." We looked up the word in Webster's dictionary and the definition in the dictionary is:

> Any systematic widespread deliberate indoctrination or plan for such indoctrination, now often used in a derogatory sense denoting deception or distortion.

Now realizing that words are always up for interpretation and review, it occurs to me that the word "propaganda" should not be used. I hope to offer an amendment later that would clarify this situation and give the Arms Control and Disarmament Administration the opportunity to have some public dissemination of information, factual information, about what it is about, but to try to clarify what that information is, rather than to leave it in a propaganda sense.

Mr. ZABLOCKI. I thank the gentleman for the Webster dictionary definition of "propaganda." What the committee intended by the way it has handled section 49(d) of the basic act was to make clear that we desired the agency to give information, basic information on its activities, without going to the extreme of propaganda under the definition. Therefore, we felt it was necessary to keep that section of the basic act, at the same time making clear that we wanted the agency to have the capability of disseminating information as is explained on page 14 of our report.

While we have not eliminated the prohibition against propaganda—and I do not think we want to—I do not think we should permit any agency to propagandize to the extent of the definition the gentleman from Pennsylvania has given, quoting from Webster. Indeed, we would prefer that no agency engage in such activity. At the same time, we want to make clear by section 106 that the agency should have the authority to inform the public.

Mr. BINGHAM. Madam Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. BINGHAM. Madam Chairman, I thank the gentleman for yielding to me. I would certainly like to join my other colleagues in complimenting the chairman of the subcommittee for an extraordinarily able job of bringing together the members of the subcommittee, as he has done in other legislative endeavors and has again shown that capacity here.

In response to concerns expressed by the gentleman from Pennsylvania, I call his attention to subsection (c) which appears at the bottom of page 17 in section 2 of the act, which makes it entirely clear that one of the principal purposes of the agency is the dissemination and coordination of public information concerning arms control and disarmament. That is the basic charge to the agency.

I have been one that has been critical of the agency for not doing enough under that section, and what we have tried to do with this amendment is to eliminate the kind of inhibition that they seem to feel because of the prohibition, flat prohibition that existed against propaganda. Perhaps the wording is not as artistic as it might be in the amendment, but I think the purpose of it is clear.

In terms of the points raised by the gentleman from Maryland, I would like to point out that the amount of money that the Defense Department spends on public information programs we have sought to limit in the past, unsuccessfully in this House, to $10 million. It is variously estimated to run now $20 to $25 million, which would be more than the total budget we are requesting for the ACDA.

Mr. ZABLOCKI. I thank the gentleman from New York, and I want to compliment him for his contribution during consideration of this bill. This particular section was drafted to accommodate his concern—and I hope he will agree with me that I am interpreting his concern correctly—that the agency not propagandize to an extreme extent. However, we should provide legislative authority for the agency so that it not be inhibited from disseminating information to the public of its activities, as he has quoted from section 2(c), dissemination, coordination of public information concerning arms control and disarmament. If I were the gentleman from New York, I would not apologize for the wording.

Mr. EDGAR. Madam Chairman, will the gentleman yield further?

Mr. ZABLOCKI. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Madam Chairman, I would like to speak to that point. I think that is precisely it, that in section 2(c) it does spell out the responsibility, one of the goals of the responsibility is dissemination and coordination of public information concerning arms control and disarmament. I personally feel that is enough, and I think in the legislative language we want to tell the agency to pursue its goal, both outside and inside the United States, on arms control.

Mr. FINDLEY. Madam Chairman, I rise in support of this bill, and I yield 3 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Madam Chairman, I emphasize that this particular bill is a truly bipartisan measure. As the chairman of the subcommittee pointed out, we did have an extensive 1-year study. If the Members will check the report, they will note we generally authorized the agency for 2-year periods.

The sum involved, $23 million for 2 years, is in keeping with the pattern of expenses over the years. From a fiscal standpoint, this is, therefore, a responsible bill and, notwithstanding the legitimate questions one may have as to the effectiveness and operations of any unit of government, in this particular case the legislation is certainly justified.

Madam Chairman, I would like to express my support for passage of H.R. 7567, which was the result of a strong bipartisan effort by the Committee on International Relations.

Like most Americans, I believe in the principle of arms control. Certainly if we can succeed in negotiating mutually beneficial agreements that will not be violated, such agreements will be to our advantage in terms of reduced defense costs and improved security.

However, I must say that, based upon my reading of the Soviet Union's record of upholding agreements, I do not have a great deal of faith that the Soviets will not violate an arms agreement if they think they can get away with it.

Many of you may have read the article by our former colleague and former Secretary of Defense, Melvin R. Laird, in the July issue of Reader's Digest. He charges that the Soviets have violated agreements to limit strategic weapons.

So we must keep our guard up. We need strong defenses and we need an effective Arms Control and Disarmament Agency that will diligently work to safeguard our security as it seeks to put restraints on the arms race.

Madam Chairman, I urge approval of the measure.

Mr. FINDLEY. Madam Chairman, I yield 3 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Madam Chairman, I rise in support of H.R. 7567, and I do so as a convert.

As a member of the Subcommittee on International Security and Scientific Affairs I have followed this legislation through its various stages of development. Although I agreed with many of the basic objectives of the bill, there were certain aspects which troubled me a great deal. One of the most serious of those shortcomings centered on what I felt was the prospect for involved and delay-generating litigation stemming from the impact statement procedure contained in section 103.

For the record, let me say at the outset that the problem I saw has now been largely corrected. That, together with other improvements which were effected in full committee markup, now lead me to endorse the measure.

However, let me explain briefly what the original problem was and how it has been solved. Hopefully that explanation may help to resolve similar doubts others here may still have.

As I said, my initial concern with the original language of section 103 in the subcommittee version of this legislation centered on the prospect that it would lead to litigation which would ultimately interfere with arms control and disarmament efforts and impede vital national security programs.

The problem, as I saw it then, was not one relating to the Freedom of Information Act but rather one of extensive litigation of the type engendered by the National Environmental Policy Act of 1969—NEPA.

In other words, if that original language had remained, one might have anticipated lawsuits by private persons or organizations challenging the adequacy of compliance by Government agencies with the impact statement preparation and review process. With such a right to bring suit, major defense programs might have been delayed for years. Clearly, that was unacceptable. I am sure many who voted for the original NEPA Act were surprised by the resulting litigation.

It was therefore reassuring to me when the committee adopted the amendment offered by Mr. Zablocki contained in subsection (c) of section 103 on page 4 of the bill.

As the committee report makes clear on the bottom of page 13:

> subsection (c) "expresses the Committee's intent that there be no judicial enforcement of these provisions nor any judicial review with respect to the adequacy of compliance with these provisions."

Additional report language—the first full paragraph on page 7—reinforces that prohibition on possible litigation.

Therefore, with the assurances provided both in subsection (c) and the report language which I have just cited, my earlier misgivings have been largely satisfied.

One other reservation I had concerned research. Obviously it is important for our national security that we maintain a vibrant technological base. This is necessary in order to diminish the risk of a major technological advance by our adversaries that could fundamentally subvert our defense posture. As our report indicates, however, our concern in this legislation is not with highly tentative exploratory research projects, such as those designated by DOD as group I.

With the changes made in the bill, and with the assurances and clarifications contained in the report and in my colloquy with Mr. Zablocki, the subcommittee chairman, I support the bill.

Mr. FINDLEY. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I wish to speak on behalf of H.R. 7567 and to commend the gentleman from Wisconsin (Mr. Zablocki) for his thoughtful and persuasive remarks and for the unexampled spirit of cooperation which he has displayed throughout our efforts on this and many other matters. I also compliment a new member of the subcommittee, the gentleman from California (Mr. Lagomarsino) who provided excellent support on the minority side.

The gentleman from Wisconsin has already spoken succinctly on the matter of the modest increase in funding. I can only add the observation that an increasing portion of ACDA's energy and resources is being devoted to the exceptionally serious question of the spread of nuclear materials and technology. In this regard, two important efforts deserve attention: First, the extensive support that ACDA is now providing to the Nonproliferation Review Conference; and second, ACDA's energetic and imaginative efforts in coordination with the International Atomic Energy Commission—IAEC—to develop physical safeguards and monitoring equipment, such as tamper-resistant surveillance devices. Improvements and innovations in this area are highly technical and incremental in nature. Often, they go unnoticed by wider audiences. They have an enormously important cumulative effect, however, upon international security.

Chairman Zablocki has already described the essential features of the impact report. He stated, quite properly, our objective of obtaining better information for the Congress on the arms control implications of new weaponry. Finding the mechanism to promote such information over the long-term has not been easy. Numerous concerns demanded our attention. Thoughtful modifications in the well-intentioned original language were required. All of this was necessary because of the twofold nature of the problem we faced.

First, we had to assure that truly useful information would be made available to the Congress. Second, we had to assure, as well, that other executive agencies would relate to ACDA in a timely and forthcoming manner. In short, ACDA's capability for shaping and affecting administration policy had to be protected. We realized that if the ACDA director was required to send his initial private evaluation to the Congress as well as to DOD and NSC, ultimately all three recipients would get a very watered-down assessment report. This would serve no single party's interest; it would be especially contrary to the public interest. We know that ACDA cannot supply sharp public assessment reports without losing or having greatly constrained its continuing access to important DOD materials. This reality has to be faced. We now believe that better, more incisive information can be secured by leaving open and flexible the nature of the ACDA Director's communications to the committee. What we in the Congress need first, of course, is a timely signal of the new weaponry deserving of arms control analysis. Beyond that, then, we need information to serve as the basis for our own independent evaluation of the system. This legislation provides the signal we will need, without in the process damaging our opportunities to get relevant information.

There is an additional and somewhat more subtle point that also needs to be considered. All of us know how difficult it is to assess properly the military and political impact of complex weaponry.

It is a highly tenuous and uncertain enterprise. Perhaps both ACDA and DOD will have an inadequate initial comprehension of the issues. In the past, certainly, an improved understanding has emerged only at the end of a long process of analysis and interagency review. In requiring an early but highly formal report by ACDA, as our initial language did, we might simply have invited a situation in which a flawed preliminary view was given great but undeserved status. This would have been misleading and would only have retarded our own efforts to make a wise judgment. As it now stands, the impact report will be based on the concluding reflections of both DOD and ACDA. This should yield a report of greater balance and thoroughness. Also, it should be noted that our compromise language leads to an explicit consideration of arms control questions by all of the principals of the national security community in the executive branch and not simply by ACDA alone. Surely this is to the good. Finally, I should add that our compromise amendment greatly minimizes the risk of litigation arising in connection with the implementation of the impact statement requirement. It achieves this, I think, with great force and clarity.

In conclusion, I reiterate the point made so effectively by Chairman Zablocki. The bill was painstakingly researched and drafted. It enjoyed the widest possible support both within the subcommittee and the full committee; it profited from the collective wisdom of both groups. We attended carefully to the concerns of many parties including Members of the Senate, and persons with broad executive branch experience; but the end result is a product of our subcommittee itself.

I am impressed with the end product for two important reasons. First, substantively, the bill is an effective vehicle for advancing the intelligent exploration of issues vital to our national security. Second, it is noteworthy for what it says about the prospects for effective and responsible bipartisan cooperation in the field of foreign policy. The creation of this legislation suggests powerfully that such cooperation is possible and that the results are certainly worth the effort. This gives me much pride and confidence.

Mr. GILMAN. Madam Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from New York.

Mr. GILMAN. Madam Chairman, I rise in support of this measure.

I thank the gentleman for yielding.

As a cosponsor of H.R. 7567, the Arms Control and Disarmament Agency Amendments of 1975, I rise to add my voice in support of this worthy measure which reflects the strong bipartisan effort of the Committee on International Relations.

One of the most urgent problems our Nation—and indeed the world—faces today is the terrible spectacle of a proliferating arms race. The economic burdens and the societal implications resulting from the spiraling arms race cry out for acceptable political and technical alternatives. To cite just one unforunate consequence of the arms build-up is the situation where money desperately needed for self-help programs in less developed nations is instead being channeled into costly and sometimes questionable major weapons systems.

This is not to say that we should allow our defense posture to fall into any state of eclipse. We must, indeed, be alert to our defense needs as we pursue the possibilities of mutually acceptable arms limitation agreements through forums such as SALT II and the ongoing mutual and balanced force reduction in Europe (MBFR) in talks.

The Arms Control and Disarmament Agency (ACDA) provides support for U.S. participation in 12 different disarmament negotiations including the SALT and MBFR talks, continued implementation of the Non-Proliferation Treaty, and operations of the Conference of the Committee on Disarmament.

Thus, by funding ACDA, we are supporting the ongoing efforts of our negotiating teams and, thereby, hopefully reducing the threat of a nuclear holocaust.

The funds requested by ACDA are modest when we consider past accomplishments of this agency. Seventy-five percent of the funds of the ACDA has been devoted to research activities, including development of the basic draft for the 1963 nuclear test-ban treaty and the first proposal for a U.S.-U.S.S.R. "hot line."

The improvements specified in H.R. 7567 will more adequately equip ACDA to serve the security interests of this Nation during the current arms negotiations and should enhance the prospects of a successful new arms limitation agreement.

Accordingly, Madam Chairman, I urge my colleagues to vote in favor of this measure.

Mr. VANIK. Madam Chairman, the House will today consider H.R. 7567, authorization for the Arms Control and Disarmament Agency. I urge my colleagues to support the bill.

Madam Chairman, the Arms Control and Disarmament Agency (ACDA) has suffered an unfortunate decline in the last several years—an eclipse is how the committee report describes it, but in any event it has not been given the trust and support it needs to be effective. It would seem to me that in this era of bigger bombs, tremendously increased international weapons sales, and exaggerated talk of first-strike capabilities and nuclear strategy, our leaders would give arms control a chance to work before we plunge ahead blindly with new offensive weapons systems.

Part of this problem, this neglect of a congressionally created agent intended to slow down or halt the arms race, I suspect is the result of our national leaders, including ourselves, holding an attitude that there is no problem, and that thus no solution need be considered. With more and more nations obtaining nuclear capability, United States-Soviet military expenditures apparently going on unabated, and international trade in conventional weapons going up at an alarming pace, it seems to me it should be clear that there is a problem, and the Congress and the administration must take steps toward ending the unending spiral upward.

The ACDA authorization today goes part of the way toward such a goal, Madam Chairman. In particular, I am encouraged by the new discretionary authority that the bill gives to the Director of the ACDA. Instead of being held to rigid cost guidelines, the Director now may, in his discretion, choose to make assessments of areas of spending or activity that would directly or indirectly reflect on the international arm races. In this context, I would think that such American decisions as Diego Garcia development, and the subtle and slow acquisition of parts of the U.S. Trust Territory of the Pacific Islands—Micronesia—may now be considered despite the fact that their initial costs are either below the cost limits allowed the ACDA or not in the direct consideration of arms or weapons sales or development. American involvement in Micronesia, for instance, is sure to lead to a situation whose implications we must analyze now, not later.

In connection with this new authority, Madam Chairman, I hope that the Director of the ACDA will use this discretionary authority—while they will inevitably be criticized by some, I hope they will not be reluctant to enter new areas that they see as affecting the world's arms race.

Madam Chairman, men can make our world a better and safer place to live, but only if they work together to achieve those goals. Building bigger and faster and more sophisticated weapons is not the way to give our children a legacy of peace.

Mr. BIESTER. Madam Chairman, I rise in support of H.R. 7567, the Arms Control and Disarmament Act Amendments of 1975, of which I am a cosponsor. This bill authorizes the appropriation of $23 million to maintain the operations of the Arms Control and Disarmament Agency for fiscal years 1976 and 1977, and amends the basic 1961 legislation to strengthen and improve ACDA in several significant ways.

It is an organizational fact of life that structure influences policy. H.R. 7567 attempts to strengthen the arms control input into the national policy process by putting the Arms Control and Disarmament Agency on firmer organizational footing. The bill clarifies ACDA's function and purpose and makes the ACDA Director a statutory principal adviser to the National Security Council on matters pertaining to arms control and disarmament. The bill also guarantees that ACDA will have an organizational input into important foreign policy issues by requiring other governmental departments to coordinate with ACDA decisions on issuing export licenses for articles on the U.S. Munitions List, proposed Foreign Military Sales Act transactions, and the furnishing of military assistance under the Foreign Assistance Act. A legal requirement that the opinion of the Director of the Arms Control and Disarmament Agency will be considered on these matters helps to insure that policy reflects a broad perspective of views, and in particular that arms control considerations are taken into account.

Moreover, this legislation introduces the impact statement concept into ACDA's governmental role. By so doing, this bill helps to guarantee that both Congress and the executive branch will be better informed about the arms control and disarmament implications of any proposal of research, development, testing, engineering, construction, deployment, or modernization of armaments, ammunition, implements of war, or military facilities.

An analysis of proposed programs in these fields by the Director of ACDA would greatly help those of us in Congress who labor to strengthen and improve the congressional role in the formulation of overall foreign policy. To meet its constitutional responsibility in setting foreign policy guidelines, Congress must have enough information to act wisely and judiciously. H.R. 7567 takes a significant step in that direction in the area of arms control and disarmament by the impact statement requirement and also by expanding ACDA's annual report to Congress to include an analytical statement of arms control and disarmament goals, negotiations, and activities, and an appraisal and evaluation of the status and prospects of existing negotiations and arms control measures.

In the latter part of the 20th century we are in danger of growing blasé about the dangers of proliferation and growing destructive capacity of various weapons of war. As more and more nations acquire the capacity to produce nuclear weapons, and as the destructive potential of conventional weapons increases, it is crucial that we take steps to improve the prospects of peace through arms control. By strengthening ACDA we improve the organizational capacity of the U.S. Government to consider arms control and disarmament factors in our foreign policy formulation process. That is a significant step to take, and I commend the distinguished chairman of the Subcommittee on International Security and Scientific Affairs, Mr. ZABLOCKI, for his very effective and wise leadership in this terribly important area.

Mr. FINDLEY. Madam Chairman, I have no further requests for time.

Mr. ZABLOCKI. Madam Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Arms Control and Disarmament Act Amendments of 1975".

TITLE I—AMENDMENTS TO ARMS CONTROL AND DISARMAMENT ACT

PURPOSES OF ACT

SEC. 101. Section 2 of the Arms Control and Disarmament Act (22 U.S.C. 2551) is amended by striking out "It must be able" in the second sentence of the third paragraph and inserting in lieu thereof "It shall have the authority, under the direction of the President and the Secretary of State,".

NATIONAL SECURITY COUNCIL

SEC. 102. Section 22 of the Arms Control and Disarmament Act (22 U.S.C. 2562) is amended by inserting ", the National Security Council," immediately after "Secretary of State" in the first sentence.

ARMS CONTROL AND DISARMAMENT IMPACT STATEMENT

SEC. 103. Title III of the Arms Control and Disarmament Act (22 U.S.C. 2571–2575) is amended by adding at the end thereof the following:

ARMS CONTROL IMPACT INFORMATION AND ANALYSIS

"SEC. 36. (a) In order to assist the Director in the performance of his duties with respect to arms control and disarmament policy and negotiations, any Government agency preparing any legislative or budgetary proposal for—

"(1) any program of research, development, testing, engineering, construction, deployment, or modernization with respect to armaments, ammunition, implements of war, or military facilities, having—

"(A) an estimated total program cost in excess of $250,000,000, or

"(B) an estimated annual program cost in excess of $50,000,000, or

"(2) any other program involving weapons systems or technology which such Government agency or the Director believes may have a significant impact on arms control and disarmament policy or negotiations,

shall, on a continuing basis, provide the Director with full and timely access to detailed information, in accordance with the procedures established pursuant to section 35 of this Act, with respect to the nature, scope, and purpose of such proposal.

"(b)(1) The Director, as he deems appropriate, shall assess and analyze each program described in subsection (a) with respect to its impact on arms control and disarmament policy and negotiations, and shall advise and make recommendations, on the basis of such assessment and analysis, to the National Security Council, the Office of Management and Budget, and the Government agency proposing such program.

"(2) Any request to the Congress for authorization or appropriations for—

"(A) any program described in subsection (a)(1), or

"(B) any program described in subsection (a)(2) and found by the National Security Council, on the basis of the advice and recommendations received from the Director, to have a significant impact on arms control and disarmament policy or negotiations, shall include a complete statement analyzing the impact of such program on arms control and disarmament policy and negotiations.

"(3) Upon the request of any appropriate committee of either House of Congress, the Director shall, after informing the Secretary of State, advise the Congress on the arms control and disarmament implications of any program with respect to which a statement has been submitted to the Congress pursuant to paragraph (2).

"(c) No court shall have any jurisdiction under any law to compel the performance of any requirement of this section or to review the adequacy of the performance of any such requirement on the part of any Government agency (including the Agency and the Director).".

SECURITY REQUIREMENTS FOR CERTAIN CONSULTANTS AND CONTRACTORS

SEC. 104. (a)(1) The second sentence of section 45(a) of the Arms Control and Disarmament Act (22 U.S.C. 2585(a)) is amended by striking out "The Director" and inserting in lieu thereof "Except as provided in subsection (d), the Director".

(2) The fifth sentence of section 45(a) of such Act is amended by striking out "No person" and inserting in lieu thereof "Except as provided in subsection (d), no person".

(3) Section 45 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The investigations and determination required under subsection (a) may be waived by the Director in the case of any consultant who will not be permitted to have access to classified information if the Director determines and certifies in writing that such waiver is in the best interests of the United States.".

(b) Section 45(b) of such Act (22 U.S.C. 2585(b)) is amended by adding at the end thereof the following: "Notwithstanding the foregoing and the provisions of subsection (a), the Director may also grant access to classified information to contractors or subcontractors and their officers and employees, actual or prospective, on the basis of a security clearance granted by the Department of Defense, or any agency thereof, to the individual concerned; except that any access to Restricted Data shall be subject to the provisions of subsection (c).".

AUTHORIZATION OF ADDITIONAL APPROPRIATIONS

SEC. 105. Section 49(a) of the Arms Control and Disarmament Act (22 U.S.C. 2589 (a)) is amended by inserting in the second sentence thereof immediately after "$10,100,000," the following: "and for fiscal years 1976 and 1977 the sum of $23,000,000,".

PUBLIC INFORMATION

SEC. 106. Section 49(d) of the Arms Control and Disarmament Act (22 U.S.C. 2589 (d)) is amended by striking out "None" and inserting in lieu thereof "Except as may be necessary to carry out the purposes of this Act specified under section 2(c), none".

REPORT TO CONGRESS; POSTURE STATEMENT

SEC. 107. Section 50 of the Arms Control and Disarmament Act (22 U.S.C. 2590) is amended by adding at the end thereof the following new sentence: "Such report shall include a complete and analytical statement of arms control and disarmament goals, negotiations, and activities and an appraisal of the status and prospects of arms control negotiations and of arms control measures in effect.".

TITLE II—CONFORMING AMENDMENTS TO OTHER ACTS

MUTUAL SECURITY ACT OF 1954

SEC. 201. Section 414 of the Mutual Security Act of 1954 (22 U.S.C. 1934) is amended by adding at the end thereof the following new section:

"(f) Decisions on issuing licenses for the export of articles on the United States munitions list shall be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account the Director's opinion as to whether the export of an article will contribute to an arms race, or increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements.".

FOREIGN MILITARY SALES ACT

SEC. 202. Section 42(a) of the Foreign Military Sales Act (22 U.S.C. 2791(a)), is amended by striking out "(3)" and inserting in lieu thereof "(3) in coordination with the Director of the United States Arms Control and Disarmament Agency, the Director's opinion as to".

FOREIGN ASSISTANCE ACT OF 1961

SEC. 203. Section 511 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321(d)) is amended by striking out the words "take into account" and inserting in lieu thereof "be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account his opinion as to".

Mr. ZABLOCKI (during the reading). Madam Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BINGHAM. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, in the full committee I had offered an amendment to this section which would have given, in effect to the Director of the ACDA, instead of to the National Security Council, the authority to decide whether a request for an arms program below the figure of $50 million should be submitted to the Congress as one having a significant impact on arms control.

In view of the remarkable job that the chairman of the subcommittee has done in bringing together the members of the subcommittee, although I think that my proposed amendment would strengthen the bill, I do not propose to offer the amendment at this time.

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMON: Page 4, strike out the close quotation mark and the final period at the end of line 18 and insert immediately after such line the following:

"REPORTS ON SALES TO FOREIGN COUNTRIES OF NUCLEAR MATERIALS

"SEC. 37. No agreement between the United States and any foreign country providing for the sale or other transfer to such country of any nuclear material may be entered into, and no license for the sale or other transfer to any foreign country of any nuclear material may be issued, unless the Director has submitted a report analyzing the impact of such sale or other transfer on arms control and disarmament policies and negotiations to the National Security Council, and the Congress.".

Mr. McCORMACK. Madam Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Washington (Mr. McCORMACK) reserves a point of order on the amendment.

Mr. SIMON. Madam Chairman, what this amendment does is to outline precisely what takes place right now, with the addition of a report to Congress.

What this amendment says is that no agreement may take place in which there will be nuclear material transferred to any foreign country without an impact statement and analysis by the Director of this Agency. This does not require the approval of this Agency, simply an analysis by this Agency, an analysis which takes place at the present time.

By putting it into the statute it, first of all, gives muscle to the informal practice that takes place right now. Second, it lets Congress know precisely what is happening. I think Congress should know this. Third, it lets the rest of the world, the other nuclear nations, know that we are acting responsibly and that we are acting with some caution. I think that is important.

I have speeches by the Director of the Agency which spell out the need for considerable caution in the exporting of nuclear material, and this is just one step, by statute, in making sure that we exercise some caution.

Senator SYMINGTON the other day in a speech in the Senate said:

> Soon there will not be two scorpions in the bottle, but 8 or 10.

We know there are problems with proliferation. In my years in the State legislature I learned gradually that you make progress not by one giant step forward, but by small steps forward. This amendment is a small step forward, but I think it is an important one.

I hope the Members of the Committee will find the amendment acceptable.

Ms. ABZUG. Madam Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentlewoman from New York.

Ms. ABZUG. Madam Chairman, I want to compliment the gentleman from Illinois. I think he has put his finger on a very important issue, and that is the Congress of the United States should have some knowledge of the impact upon the ever-increasing nuclear proliferation. If that is the intent of the amendment offered by the gentleman from Illinois, and I believe it is—is it?

Mr. SIMON. It is that, plus it mandates that this information go to the National Security Council also, which is done informally now, but there is no assurance it will take place.

Ms. ABZUG. I think that the Congress in many ways has expressed its concern that there be some effort made to control the spread of nuclear materials and weapons, and this kind of consideration as to the impact from the transfer of nuclear materials or weapons would be an extremely important contribution toward the need to contain the spread of nuclear weapons.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Washington (Mr. MCCORMACK) desire to be heard on his point of order?

Mr. McCORMACK. I do, Madam Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Washington.

Mr. McCORMACK. Madam Chairman, I make a point of order against the amendment. The amendment deals with agreements that provide for the transfer of nuclear materials to foreign countries. This subject is under the jurisdiction of the Joint Committee on Atomic Energy. In terms of legislation, such transfers come within the purview of the Atomic Energy Act.

H.R. 7567 deals with the Arms Control and Disarmament Agency, whose main purpose is to authorize appropriations for that agency for the fiscal years 1976 and 1977.

In addition, the bill deals with the functions of the Director of the Arms Control and Disarmament Agency, requires various executive agencies to submit information about weapons systems to the Director, and requires the Director to submit certain information to the Congress.

The bill, H.R. 7567, which is now before us, does not deal with nuclear energy or the transfer of nuclear materials to other countries.

The words "nuclear materials," Madam Chairman, includes not only weapons material, it includes all isotopes, all pacing materials for people's hearts, and military and research material, all industrial and agricultural isotopes, all fuel for nuclear reactors of the Western European countries, and Japan.

Thus the amendment is much broader in scope than the bill.

Finally, section 123(d) of the Atomic Energy Act requires that all major agreements made by ERDA go to the State Department and to the President, and then come to the Congress for 60 days for approval. They come directly to the Joint Committee on Atomic Energy. They lay on the House table for 30 days, and there is an automatic vote required on them within the last 5 days of that 30-day period.

For these reasons, Madam Chairman, I make the point of order that the amendment is not germane to the bill before the committee.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. SIMON. I do, Madam Chairman.

Madam Chairman, I have the deepest respect for the distinguished gentleman from Washington (Mr. MCCORMACK) and his knowledge.

This bill sets forth certain responsibilities for the Director of this Agency. In any bill setting forth responsibilities there will be overlaps, and there are overlaps with other agencies, as in section 36(a) in this bill. But clearly, we are defining the responsibilities of the Director of this agency. So that there will be no question of germaneness, so that the chairman may check this out, my amendment that I submitted—and I did this at the suggestion of the distinguished gentleman from Illinois (Mr. FINDLEY)—so that there will be no question whatsoever about the germaneness, I knocked out two lines in the amendment. I think it is clearly germane. It clearly sets forth the responsibilities for the Director in this Agency.

The CHAIRMAN (Ms. JORDAN). The Chair is prepared to rule.

The amendment offered by the gentleman from Illinois goes to an issue which is peculiarly and specifically within the jurisdiction of the Joint Committee on Atomic Energy. The question of agreements on export sales of nuclear material is not within the purview of this bill and is not germane to section 103 of this bill. Section 103 merely requires the furnishing of information regarding the development of defense systems, and it does not extend in any manner to a prohibition of exportation of all nuclear materials.

Some nuclear materials may be in different classes, as was pointed out by the gentleman from Washington. There may be some nuclear material exported for peaceful purposes. In that regard the amendment offered by the gentleman from Illinois is not germane to section 103, is much too all inclusive in its effect, and the point of order is sustained.

AMENDMENT OFFERED BY MS. ABZUG

Ms. ABZUG. Madam Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Ms. ABZUG: Page 6, line 2, strike out "$23,000,000," and insert in lieu thereof "$24,000,000," and add at the end of such line the following: "Of the amount appropriated for fiscal year 1976 under the amendment made by this section, $1,000,000 shall be used by the Director of the Arms Control and Disarmament Administration to conduct a study of the impact upon military expenditures of arms control measures mutually agreed to by the United States and the Soviet Union. The Director of the Arms Control and Disarmament Administration shall submit to Congress every three months reports on the research conducted pursuant to the preceding sentence."

Ms. ABZUG. Madam Chairman, I am offering an amendment to add $1 million to the ACDA authorization for fiscal years 1976 and 1977, to be expended for a study of the long range impact of a mutually agreed upon reduction of military expenditures by the United States and the Soviet Union.

This amendment also will require ACDA to submit, every 3 months, reports to Congress regarding the research conducted in pursuance of this study. The increased authorization will enable ACDA to examine the feasibility of bringing the arms race under control.

Weapons development continues to skyrocket while the SALT negotiations continue. We must have the type of evaluative effort which give us a clear picture of the real possibilities for weapons reduction and the actual implications of such a reduction.

Disarmament has been declared to be high on this Nation's agenda for over two decades. Once again, the Congress, through its vote in support of ACDA, has a chance to emphasize the importance we attach to that goal. At the same time, we can express our dissatisfaction with the progress achieved thus far, by voting for the authorization of a study dealing specifically with a reduction in weapons.

ACDA has been in existence for over a decade, and it has some modest agreements to its credit. But, as we all know, it has not come close to bringing the arms race to a halt. There are more arms in the hands of more countries, and more spending on new arms, than ever before. We are even further behind in our quest than when ADCA was created.

The Congress must give ACDA, and the cause it represents, its full support. But we also must give ACDA the resources with which it can adequately promote arms control.

The Agency must become an advocate for peace and arms reduction within the councils of the Government. Until now, it has been a comparatively weak voice, pushing marginal steps while the arms race rushes on.

I congratulate the committee for conducting the first comprehensive review of ACDA in its 13 years of existence.

However, ACDA's role must be strengthened further. I would only compare the $23 million authorization request for 2 years for this agency with the Defense Department's budget of $100 billion for 15 months, to see the relative importance that the administration attaches to the two agencies. We, in Congress, must therefore take the initiative in recognizing the critical role which ACDA could play.

ACDA must become a more forceful voice on all arms issues, advocating a return to sanity in this country's war-making capacity. It is about time that this really became an era of negotiation, and that our country turned from its policy of military pressure and armed might to one of international cooperation and the limitation of arms.

In this connection I would like again to urge my colleagues to examine critically the administration's dangerous new first-strike strategy, and to support research into alternatives to that strategy, such as that which would be authorized by my amendment.

I therefore urge your support for this amendment.

Mr. ZABLOCKI. The gentlewoman's amendment would not and should not and must not cut into operational funds of the Agency, as I understand it.

Ms. ABZUG. That is correct.

Mr. ZABLOCKI. So long as the amendment provides additional funds for the study and would not cut into the operational funds of the Agency, I am prepared to accept it.

Ms. ABZUG. I thank the chairman.

Mr. FINDLEY. Madam Chairman, I move to strike the last word.

As I understand the language of this amendment it would mandate an expenditure of $1 million for this purpose. It is not optional. It has no relationship to whether or not in the judgment of the Director of ACDA such as expenditure is timely and worthwhile. If this were revised to provide to the Director of ACDA the option of undertaking this study if in his judgment it was worthwhile, it would be an entirely different matter. But I do question the wisdom of adopting an amendment which mandates the study. It may be the Director would like to see this study undertaken, and perhaps our former colleague, the gentleman from Massachusetts (Mr. Morse) did offer an amendment similar to this. I do respect the objectives and the motives of the gentlewoman from New York in offering this. However, it was not before the subcommittee and it was not before the full committee. So far as I know no one in ACDA was asked for a reaction concerning this amendment and no one in DOD was.

It would seem to me imprudent in these times when the budget is under such very severe pressure for us to force upon an executive agency an expenditure of this magnitude unless the executive agency can make a case for the expenditure.

I would like to ask the gentlewoman from New York if she has had any reaction to this proposal from anyone in the executive branch.

Ms. ABZUG. No. My recollection is that there was testimony in connection with this matter on previous occasions. I do not think the situation has changed any. I think it is very critical as we participate in SALT negotiations and consider arms reduction that we do provide the funds whereby the Arms Control and Disarmament Agency can evaluate the impact of that.

I think there is ample testimony in the RECORD to substantiate the need for more than this $1 million. As a matter of fact I proposed just a million dollars because I realize we have to move that step forward and I am prepared to go slowly with it since there has been reluctance. But frankly as I have been following the testimony over the years it seems to me that this rather minimal increase in the authorization is warranted so we can show we are serious about our statements. Indeed I believe the gentleman from Massachusetts, now our representative at the U.N. previously urged more than this authorization for this purpose.

Mr. FINDLEY. I wonder if the gentlewoman has given any thought as to how the Director of ACDA would go about securing an evaluation of the Soviet Union's policies in this regard? Is that really a practical objective and one within reach?

Ms. ABZUG. It seems to me it is as practical and meaningful as our going into the SALT talks and negotiations with the Soviet Union and discussing reductions in armaments. There are plans that come forth as a result of those talks. There was a Vladivostok agreement. We should evaluate the impact of that agreement. It seems to me this is very pivotal to the work of the Arms Control and Disarmament Agency. It seems to me we have not had enough of that kind of work relative to SALT talks and arms reduction.

Mr. FINDLEY. It seems to me in just about every program and research work of the Arms Control and Disarmament Agency this point is touched upon. Those in ACDA surely are not blinded to this aspect of their work. If they are, they are really working in a wonderland.

So it is my assumption that much of this is being done on a current basis and I would much prefer that our committee delay until it has had a chance to examine the Director of ACDA and witnesses from the Defense Department on the need for an expenditure of this magnitude before it is mandated.

If the gentlewoman would amend her amendment to authorize the expenditure, instead of mandate the expenditure, it would be an entirely different question; but as it is drafted, I must regretfully oppose the amendment.

Mrs. FENWICK. Madam Chairman, I move to strike the requisite number of words.

Could I ask the gentlewoman from New York whether it will be satisfactory if the amendment reads "up to $1 million"?

My point is that I think it is splendid that Congress should receive these reports. Would the gentlewoman be satisfied if the amendment read, "not to exceed $1 million"?

Ms. ABZUG. That will be fine, "not to exceed $1 million."

I just want to point out, this is $1 million and we are spending billions of dollars; my God, we have $104 billion in the weapons program.

Mrs. FENWICK. A million dollars is a lot of money. Would that amendment be satisfactory to the gentlewoman?

Ms. ABZUG. That would be fine, yes.

Mrs. FENWICK. How do we go about that?

Ms. ABZUG. Madam Chairman, I ask unanimous consent that the amendment read, "not exceeding $1 million."

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York to modify the amendment to read, "not exceeding $1 million"?

There was no objection.

The CHAIRMAN. The Clerk will report the modification to the amendment.

The Clerk read as follows:

In the fourth line of the amendment, after "by this section," insert "not exceeding".

Ms. ABZUG. Madam Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentlewoman from New York.

Ms. ABZUG. Madam Chairman, I ask unanimous consent for a technical correction to the amendment. It seems my amendment states "Arms Control and Disarmament Administration," instead of "Agency." I ask unanimous consent that it read, "Arms Control and Disarmament Agency," instead of "Administration."

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The CHAIRMAN. The Clerk will report a further modification to the amendment.

The Clerk read as follows:

Line 5, after "Disarmament", change the word "Administration" to "Agency".

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. ABZUG), as modified.

The question was taken; and on a division (demanded by Ms. ABZUG), there were—ayes 15, nays 11.

So the amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR: Page 6, strike out lines 4 through 8 and insert in lieu thereof the following:

SEC. 106. Section 49(d) of the Arms Control and Disarmament Act (22 U.S.C. 2589 (d)) is repealed.

Mr. EDGAR. Madam Chairman, I would like to speak to my amendment for just a few moments. I think it is a clarifying amendment, and it basically does one simple thing.

On page 6 of the bill it strikes out lines 4 through 8 and inserts therein an emphasis on the purpose of the bill. On page 14 of the committee report, it says that the reason that the committee amended the existing law was so that it could focus on one of the purposes of the enacted law or legislation which is section 2(c)). That particular section reads:

The dissemination and coordination of public information concerning arms control and disarmament.

My amendment would simply strike out a section in the existing law which reads as follows:

None of the funds herein authorized to be appropriated shall be used to pay for the dissemination within the United States of propaganda concerning the work of the United States Arms Control and Disarmament Agency.

It is my opinion that the committee language does not clarify and does not focus on the purpose of this particular section, but rather it confuses this section by including the word "propaganda." I believe very strongly that we ought to focus very directly on the specific issue, which is the dissemination of information to the public, both foreign and domestic, on what the Agency does. I think that my amendment will do that.

Mr. BINGHAM. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New York.

Mr. BINGHAM. Madam Chairman, I would like to compliment the gentleman on his amendment. I think it probably is the cleanest way to deal with the problem. This language that the gentleman now seeks to strike was added, I believe, in 1963. I think it was opposed by the administration at that time.

The agency has sought to live within this restriction, but it has been confusing. It has inhibited the agency. Nobody knows exactly what it means, and while we tried to clarify it in the wording of the committee amendment, I think the gentleman's solution is the better one, just to get rid of that paragraph.

Mr. EDGAR. I thank the gentleman.

Mr. FINDLEY. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Illinois.

Mr. FINDLEY. Madam Chairman, as I understand the purpose of the amendment, it will take subsection (d) out of the basic statute?

Mr. EDGAR. That is correct.

Mr. FINDLEY. In light of the colloquy which occurred several minutes ago and the gentleman's excellent contribution to it, I think this is the best way to deal with the problem. Other details of the bill were brought to our attention, but we overlooked this defect.

While in times past there may have been some legitimate concern about propaganda emanating from this agency, I have heard no complaints recently and I do not expect them to arise. It would improve the statute to have the subsection stricken.

Mr. EDGAR. I appreciate the gentleman's remarks. I would like to conclude by saying that it is a good bill except for this section. I would urge the support of the Members for my amendment and then support for the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule the committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Ms. JORDAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7567) to amend the Arms Control and Disarmament Act, and for other purposes, pursuant to House Resolution 551, reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 382, nays 28, not voting 23, as follows:

[Roll No. 368]

YEAS—382

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gradison
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—28

Archer
Armstrong
Ashbrook
Bauman
Collins, Tex.
Conlan
Crane
Goldwater
Grassley
Hansen
Hutchinson
Kelly
Ketchum
Kindness
McDonald
Moore
Moorhead, Calif.
Roberts
Rousselot
Satterfield
Shuster
Skubitz
Snyder
Steiger, Ariz.
Symms
Taylor, Mo.
Teague
Young, Fla.

NOT VOTING—23

Anderson, Ill.
Bonker
Chisholm
Clawson, Del
Collins, Ill.
Diggs
Evins, Tenn.
Foley
Fulton
Hinshaw
Jenrette
Jones, Ala.
Landrum
Lott
Meyner
Montgomery
Moss
Quie
Reuss
Roncalio
Scheuer
Smith, Nebr.
Whitten

So the bill was passed.

The Clerk announced the following pairs:

Mr. Fulton with Mr. Roncalio.
Mrs. Meyner with Mr. Jones of Alabama.
Mr. Diggs with Mr. Foley.
Mr. Jenrette with Mr. Whitten.
Mr. Moss with Mr. Landrum.
Mr. Montgomery with Mr. Andreson of Illinois.
Mr. Bonker with Mr. Scheuer.
Mr. Reuss with Mrs. Collins of Illinois.
Mr. Evins of Tennessee with Mr. Quie.
Mrs. Chisholm with Mrs. Smith of Nebraska.
Mr. Lott with Mr. Del Clawson.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AUTHORIZATION FOR COUNCIL ON INTERNATIONAL ECONOMIC POLICY

Mr. NIX. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5884) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. NIX).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5884, with Mr. VANDER VEEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. NIX) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. WHALEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. NIX).

Mr. NIX. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 5884 was introduced as an executive request and was supported unanimously in the International Relations Committee as well as in the Subcommittee on International Economic Policy.

The bill amends the International Economic Policy Act of 1972—Public Law 92-412. This act created the Council on International Economic Policy, which is known as CIEP. Under the terms of the act, the council will go out of existence at the close of the 1977 fiscal year.

PURPOSES

H.R. 5884 has three basic purposes.

It provides the authorization for funds to carry out the purposes of the act for a 2-year period, that is $1,657,000 in fiscal year 1976, and $1,670,000 in fiscal year 1977.

It provides an exemption from the provision of the United States Code regulating the employment and compensation of persons in the Federal service, by section 208 of the International Economic Policy Act.

It provides an amendment conforming the 1977 fiscal year description in the legislation to that required by the congressional budget and Impoundment Control Act of 1974—Public Law 93-344, section 501.

THE FUNCTION OF THE COUNCIL

The council or CIEP is part of the Executive office of the President. It serves the President by bringing the views of various Federal agencies on International Economic Policy to the attention of the President. When Presidential decisions are made the Council represents the administration of these issues to Congress and the public. Each year the Council prepares for the President's signature, the "international economic report of the President" for transmission to the Congress. It has issued special reports such as the "special report on critical imported materials" and "U.S. Government data collection activities with respect to foreign investment in the United States."

The Council is chaired by the Secretary of the Treasury, other members include the Secretaries of State, Defense, Agriculture, Commerce, and Transportation, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the special representative for trade negotiations. The Deputy Chairman, L. William Siedman, Assistant to the President for Economic Affairs, who was appointed to the Council by the President. Other members are members of the Council under the terms of the statute.

The Council has met on five occasions this fiscal year, 1975, and a total of eight times in fiscal year 1974. It has met four times in calendar year 1975 and the last occasion was May 14.

The council is supported by a staff of approximately 45 persons. Eight of these have supergrade positions, that GS 16 through 18, and four executive level positions. The professional staff is made up of economic, legal, and international affairs experts. When additional help is needed individuals are detailed from the executive branch to service with the agency, and are paid from the CIEP budget.

THE COST OF THIS LEGISLATION

This bill authorizes $1,657,000 for fiscal year 1976 and $1,670,000 for fiscal year 1977. The present fiscal year authorization for the council is $1,600,000. This legislation would increase the fiscal 1976 amount authorized by $57,000, by $70,000 in fiscal year 1977, for a total increase for the next 2 fiscal years of $127,000.

No new hiring will be supported by these increases and one position will be eliminated.

SECTIONAL ANALYSIS

Section 1 of the bill provides that the staff of the council shall be appointed without regard to provisions of law relating to employment and compensation of persons in the Government service, but limits supergrade positions to 8.

Section 2 of the bill provides a conforming amendment to meet the Budget and Impoundment Control Act of 1974, by changing the date of the 1977 fiscal year from June 30, 1977 to September 30, 1977.

Section 3 of the bill authorizes the appropriation of $1,657,000 for fiscal year ending June 30, 1976 and $1,670,000 for the fiscal year ending September 30, 1977.

SUMMARY

I ask that the House support this legislation, without amendment. This agency is temporary and a small White House agency on which the President relies for advice and analysis. International economic policy is a complicated field. It is unique in that many Federal agencies will have differing views on these questions. There must be a White House agency to try and arrive at what questions must be settled by Presidential decision. In addition, this same agency is able and has brought together in one report and in special reports, the views of the President on these questions once they have been decided.

The increases asked for are small and due to inflation and personnel costs, this year's authorization increase will only amount to $57,000 and the 1977 fiscal year increase to $70,000.

We face great difficulties in the international economic policy field. The difficulties of other nations now become our own very quickly. The President needs this agency. I ask that the House support the bill.

Mr. WHALEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 5884. This measure authorizes funding for the Council on International Economic Policy—better known by its acronym, CIEP—for fiscal years 1976 and 1977.

As you recall, Mr. Chairman, CIEP became a statutory body when Congress enacted the International Economic Policy Act of 1972. The Council is charged with the responsibility of coordinating those executive branch decisions and actions having foreign economic policy dimensions.

As America's role in international affairs has expanded, the need for interagency economic cooperation, particularly in the economic realm, has become more obvious. Our international economic policies should be consistent with domestic objectives. Further, the foreign economic decisions of one Federal department should not contravene the efforts of other bureaus.

CIEP's mandate, then, is the attainment of these goals.

Every President should handle policy planning and coordination in a way which most suits his own needs and style. President Richard Nixon recommended

that international economic policy coordination be institutionalized by congressional establishment of a council whose duties and members are defined by law. President Ford, in expressing his support for H.R. 5884, has indicated a desire to retain this formalized mechanism.

We can only hope that the administration will utilize this instrument as Congress originally envisioned. CIEP, in my opinion, has not been effectively employed since its legislative creation. Until recently the Council was distinguished by its lack of meetings. In fact, from July 1974 to March 1975, CIEP's official membership held no formal sessions.

The position of Executive Director has been vacant for 6 months. Nor has the President nominated a successor to former Executive Director, William Eberle. Also, many informed observers question the Treasury Department's commitment to interagency cooperation. International monetary policy, for instance, has been excluded from CIEP discussions. The responses of administration officials to the aggressive pleas of developing nations for global income redistribution have been poorly orchestrated—the State Department has advocated one view, the Treasury Department another. The recent decisions to invoke economic sanctions against South Vietnam and Cambodia apparently was made without being aired at a CIEP meeting.

Mr. Chairman, despite these reservations I support H.R. 5884 and the continued statutory existence of CIEP. I do so not only because of President Ford's commitment to this body, but also because I see some "signs of life" in the heretofore dormant Council. For example, CIEP's full membership has met four times in the last 4 months. Its staff, in conjunction with the Economic Policy Board—EPB—has started to review overall foreign economic policy on a quarterly basis. These steps, hopefully, will galvanize CIEP into playing the role for which it was originally established.

Mr. Chairman, in order to mediate effectively, CIEP must have both a high caliber professional staff and bureaucratic clout. The $3,327,000 authorized in H.R. 5884 will continue to satisfy the former requirement. The latter aim, however, can only be attained if the President wills it.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I note that this bill provides for expiration of the Council on International Economic Policy at the end of the fiscal year 1977. Does the gentleman honestly believe that this council will actually go out of existence or is that merely a hopeful statement growing out of the length of the authorization?

Mr. WHALEN. Mr. Chairman, this, of course, would be subject to the action of Congress. Obviously the President at that time, whoever he may be, would certainly indicate to the Congress whether he wished to continue CIEP as a statutory instrument or whether he preferred to coordinate international economic policy in a manner that would suit his own requirements.

Mr. HECHLER of West Virginia, Mr. Chairman, will the gentleman yield further?

Mr. WHALEN. Yes.

Mr. HECHLER of West Virginia. Does the gentleman really feel that the work done by this council and the staff of 45, including 8 supergrade officials, cannot be done through the regular system of interdepartmental committees? Why is it necessary to have a financial structure which costs nearly $2 million a year in order to accomplish what this legislation does?

Mr. WHALEN. These 45 individuals perform a very special function. They would be retained under whatever way the President chose to operate with respect to international economic policy.

I think the basic question is, then, should they continue to operate under a statutorily imposed bureau or should they be in some other part of the executive branch?

As I say, President Ford has indicated his desire to continue with the present system and it is for this reason that I support this bill, plus the fact that CIEP, as I observed earlier, is beginning to show some life.

Mr. HECHLER of West Virginia. Are there any funds for representation allowances in this legislation?

Mr. WHALEN. Not to my knowledge. This is a high level group that is not involved in that kind of thing.

Mr. NIX Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman and Members of the Committee, I rise in support of this bill very reluctantly because I agree with the previous speaker that the Council on International Economic Policy has not been addressing itself to the most crucial issue of this country. I think at this time the most crucial issue has to do with the question of the domestic economy.

I looked up the report that the Council made for 1975, and I find to my amazement that the Council was concerned with the problem of foreign investment in the United States. I think the problem is the other way around, American investment in foreign countries. I think that it is not possible for us to be addressing ourselves to legislation in this body having to do with improving the internal economic conditions of this country without understanding the extent to which American businesses are investing in foreign countries and draining away very important parts of our resources.

For example, earlier this year there was a resolution that came up which had to do with the question of variable interest rates. At that time, I introduced into the record statistics which indicated that a very substantial amount of the money that American banks had available was invested in foreign countries and for that reason there was less money available for the American people here in the United States.

The question of the extent to which banks are investing in countries abroad, and thereby draining the money market of funds which are needed here and causing an increase in the interest rate, is a question that should be addressed by the Council on International Economic Policy.

Another example has to do with the multinational corporations which now have been going into the Dominican Republic and Hongkong and other parts of the world, and taking with them the jobs and the factories from the garment center in New York City and from other parts of this country. These are industries which are labor intensive, and since the work is now being done in other countries, we find that there are fewer jobs available in this country.

For example, the newspapers reported only last week that New York City lost 93,000 jobs in the last year, jobs that went in many cases outside of the country altogether. They are jobs which are transferred by decisions made by the heads of the multinational corporations. These jobs go to foreign countries and then no taxes are paid, and yet the finished products come back into the United States.

This is an issue which I think the Council on International Economic Policy should be studying.

Finally, in the Judiciary Committee, to which I now belong, we have been looking into the question of the need to strengthen the antitrust laws, but when the multinational corporations operate in other parts of the world, they are not subject to the antitrust laws. One of the questions is, To what extent should a company which produces goods and then distributes them in the United States be subject to our antitrust laws?

These are all kinds of issues which are important if we are going to appropriate the sum of money that the chairman talks about in his report for this group. These are the kinds of issues that would be helpful to us as Members of Congress to have analyzed by this particular body.

According to a 1973 survey by the Organization of Economic Cooperation and Development, 60 percent of the world's external direct investment was in American hands. Direct investment by American companies abroad nearly tripled between 1960 and 1970 and was valued at $86 billion. Significantly, despite economic problems and tight domestic cash flow, the growth of investment abroad has not slackened. By the end of 1974 it was valued at $107.3 billion.

Our national unemployment rate is presently at 8.6 percent. Construction industry levels have reached 21 percent. Minority youth unemployment, officially at 33.2 percent is, according to recently publicized Senate hearings, closer to 65 percent.

Library of Congress experts inform me that the 21 percent unemployment figure in the construction industry alone translates into $13½ billion of lost incomes, and into $1½ billion of lost Federal taxes. It makes little sense for Congress to vote public service employment programs if multinational corporations choose to transfer labor-intensive projects to foreign countries. Nor does it make much sense for Congress to struggle with severe revenue losses and unbalanced budgets while multinationals continue to evade taxes on profits earned abroad. We need American money and the jobs that that money could create here in this country. We must force the multinationals to do their share toward promoting the national welfare.

At the inception of the energy crisis, in 1973, there were several small firms in New York City that were being forced to close and lay off their employees because large corporations, eager for profit, continued to export the petrochemicals which they desperately needed for continued operations. I argued with the corporate giants then—to no avail. They were unconcerned about the loss of domestic jobs—they were ruled only by considerations of profit.

I support this bill. I support the continuation of this group, but I hope that they will address themselves to something that will be of real importance to the American people and to those of us who are charged with legislating for a better economic policy.

And to make doubly sure that the true interests of our country are protected, I hope that the hearings that the distinguished chairman of the Subcommittee on International Economic Policy, Mr. Nix, intends to hold, will probe deeply into all aspects of the activities of these corporate giants. Such data would be of tremendous assistance in developing meaningful responses to our economic crisis.

Mr. NIX. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. WHALEN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 5884

To authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 208 of the International Economic Policy Act of 1972 is amended by striking out the second sentence of paragraph (b)(1) and inserting in lieu thereof the following: "The staff of the Council shall be appointed and compensated without regard to the provisions of law regulating the employment and compensation of persons in the Government service: *Provided,* That, except for the officers provided for in paragraph (2) and for not to exceed eight persons who may receive compensation not in excess of the rate now or hereafter provided for GS–18, no staff personnel shall receive compensation in excess of the rate now or hereafter provided for GS–15."

Sec. 2. Section 209 of the International Economic Policy Act of 1972, as amended, is further amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1977".

Sec. 3. Section 210 of the International Economic Policy Act of 1972, as amended, is further amended by striking out said section and inserting in lieu thereof the following:

"Sec. 210. For the purpose of carrying out the provisions of this title, there are authorized to be appropriated $1,657,000 for fiscal year ending June 30, 1976, and $1,670,000 for the fiscal year ending September 30, 1977.".

Mr. NIX (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the Record, and open to an amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Are there any amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Boland) having assumed the Chair, Mr. Vander Veen, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5884) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, and for other purposes, pursuant to House Resolution 504, had directed him to report the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken.

Mr. HECHLER of West Virginia. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 345, nays 58, not voting 30, as follows:

[Roll No. 369]

YEAS—345

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conable
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Fuqua
Gaydos
Gilman
Ginn
Gonzalez
Goodling
Gradison
Green
Gude
Guyer
Hagedorn
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harsha
Hastings
Hawkins
Hays, Ohio
Hébert
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Ketchum
Koch
Krebs
Krueger
LaFalce
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Railsback
Randall
Rangel
Rees
Regula
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Roncalio
Rooney
Rose
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Schneebeli
Schulze
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—58

Anderson, Calif.
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Clancy
Collins, Tex.
Conlan
Conyers
Crane
Daniel, Dan
Devine
Dickinson
Duncan, Tenn.
Frey
Goldwater
Grassley
Haley
Hammerschmidt
Hansen
Harris
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Holt
Howe
Ichord
Jones, N.C.
Kemp
Keys
Kindness
Lagomarsino
McDonald
Martin
Moorhead, Calif.
Obey
Quillen
Robinson
Rogers
Rousselot
Runnels
Satterfield
Schroeder
Sebelius
Shuster
Snyder
Spence
Steiger, Ariz.
Studds
Symms
Taylor, Mo.
Waggonner
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—30

Anderson, Ill.
Bevill
Bonker
Clawson, Del
Collins, Ill.
Diggs
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fulton
Giaimo
Gibbons
Hinshaw
Jenrette
Jones, Ala.
Kastenmeier
Lott
Mann
Meyner
Montgomery
Moss
Quie
Reuss
Rosenthal
Scheuer
Smith, Nebr.
Teague
Wampler
Whitten

So the bill was passed.

The Clerk announced the following pairs:

Mr. Moss with Mr. Anderson of Illinois.

Mr. Jenrette with Mr. Edwards of California.

Mr. Fulton with Mr. Eilberg.

Mrs. Meyner with Mr. Hinshaw.

Mr. Montgomery with Mr. Kastenmeier.

Mr. Bonker with Mr. Evans of Colorado.

Mr. Reuss with Mr. Gibbons.

Mr. Evins of Tennessee with Mr. Whitten.

Mr. Diggs with Mr. Scheuer.

Mrs. Collins of Illinois with Mr. Wampler.

Mr. Teague with Mr. Jones of Alabama.

Mr. Rosenthal with Mr. Lott.

Mr. Mann with Mrs. Smith of Nebraska.

Mr. Bevill with Mr. Quie.

Mr. Giaimo with Mr. Del Clawson.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NIX. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

WHITE HOUSE EMPLOYMENT

Mr. HENDERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6706) to clarify existing authority for employment of personnel in the White House Office, the Executive Residence at the White House, and the Domestic Council, to clarify existing authority for employment of personnel by the President to meet unanticipated personnel needs, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. HENDERSON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6706, with Mr. HUNGATE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina (Mr. HENDERSON) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. HENDERSON).

Mr. HENDERSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, H.R. 6706 is based on an official recommendation of the President, dated March 26, 1975. The proposal was redrafted by the Post Office and Civil Service Committee and was ordered reported by our committee by a voice vote. The report includes dissenting views and, as indicated in the dissenting views, the Members who signed those views intend to offer amendments for consideration here today.

The purpose of this bill is to provide legislative authority for the staff support, administrative expenses, maintenance, and operation of the White House Office of the President, the Executive Residence at the White House, the executive duties and responsibilities of the Vice President, and the Domestic Council.

The legislative authority included in the bill is necessary to meet the requirements of clause 2 of House rule XXI, which provides that no appropriations shall be reported by the Appropriations Committee of the House in any general appropriation bill for any expenditure not previously authorized by law.

Chairman TOM STEED of the Subcommittee on Treasury, Postal Service, and General Government of the Committee on Appropriations, filed a statement for the record of our hearings. Both he and Mr. MILLER of Ohio, the ranking minority member of that Appropriation Subcommittee are cosponsors of this bill and they both agree that the authorizing legislation is necessary to meet the requirements of the House rule.

As you may recall, we processed similar legislation last year, but the bill (H.R. 14715) was not approved.

This authorizing legislation under H.R. 6706 will meet the requirements of the House rule in connection with five appropriations relating to the White House Office and the Office of the Vice President. These appropriations are, "the White House Office," "the Executive Residence," "special assistants to the President," "unanticipated needs," and "the Domestic Council."

The bill was reported by the committee, places ceilings on the number of employees for the White House Office and the Executive Residence, the Executive Office of the Vice President, and the Domestic Council. In the case of the White House Office and the Executive Residence, the bill provides for 12 positions at rates not to exceed the rate for level II, $42,500; 13 positions for level III, $40,000; 15 positions for level IV, $38,000; 25 positions for level V, $36,000; 30 positions for GS–18, $36,000; and 480 positions at rates less than the rates for GS–16, making a total of 575 positions. There currently are 610 positions in these offices which are filled and 16 positions which were vacant when our committee acted.

In the case of the Office of the Vice President, the bill authorizes 3 positions at not to exceed the rate for level II; 4 positions for level III; and 7 positions for GS–18, for a total of 14 positions. The bill contains no limitation on the number of positions that may be below GS–16. There currently is authority for 30 positions in this office, 3 of which are vacant.

In the case of the Domestic Council, the bill authorizes 1 position at a rate not to exceed the rate for level II; 1 position for level III; 4 positions for level IV; 4 positions for level V; and 5 positions for GS–18, for a total of 15 positions. The bill does not contain any limitation on the number of positions below GS–16. There is currently authorization for a total of 33 positions.

In addition,

First, the bill authorizes the President, the Vice President, and the Domestic Council to procure temporary or intermittent services of experts and consultants, or an organization thereof, at daily rates of pay for individuals not more than the daily equivalent of the rate for Executive level II, $42,500, in the case of the President, and not more than the daily rate of GS–18, $36,000, in the case of the Vice President and the Domestic Council;

Second, the President is authorized to request the head of an executive agency to detail an employee to the White House Office, to be on a reimbursable basis if the detail extends for any period beyond 6 months;

Third, the President is authorized to procure, as provided in appropriation acts, goods and services necessary in connection with the performance of his official duties, including maintenance and repair of the Executive Residence at the White House;

Fourth, authority is included for the official reception, entertainment, and representation expenses of the President when specified in appropriation acts, and allocation within the Executive Office of the President for official reception and representation expenses when specified in appropriation acts;

Fifth, travel expenses of the President is authorized in an amount not exceeding $100,000 per annum; and

Sixth, provision is made for an annual appropriation not to exceed $1 million for the President to meet unanticipated needs for the furtherance of the national interest, security, or defense, including personnel needs and administrative expenses relating thereto.

Mr. Chairman, as I have indicated the basic purpose of this legislation is to provide legislative authority for the staffing and maintenance of the White House Office.

It has been the policy of the Post Office and Civil Service Committee to provide legislative control over the number of positions in the supergrades and in the Executive schedule levels.

The President's proposal did not include such controls. The committee does.

In addition, the committee bill places a control on the number of positions below GS–16. Our committee has not recommended a limitation for positions below GS–16 before and I am not convinced that such a limitation should be imposed on any executive agency. I believe the number of employees at levels below GS–16 are more properly controlled by the availability of appropriations.

Mr. DERWINSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am happy to rise in support of H.R. 6706 which is good and basic legislation designed to correct an awkward situation. It will clarify the the President's legal authirty for staff support, administrative expenses, maintenance and operation for the White House Office of the President, the Executive Residence of the White House, the Domestic Council, and for the executive duties and responsibilities of the Vice President.

The need for this bill has arisen because for the past few years appropriation bills for the White House Office and related appropriations dealing with the President's personal staff have been subjected to points of order under clause 2, rule XXI of the House. As you know that rule provides that no appropriation shall be reported by the Appropriations Committee in any general appropriation bill for any expenditure which previously was not authorized by law.

To rectify that situation, the House Civil Service and Post Office Committee, in conjunction with the House Appropriations Committee and the White House, has developed language in the pending legislation which is in complete conformance with the rules of the House. Simply stated, this bill is an essential step we must take prior to consideration of the White House Office Appropriation for fiscal year 1976.

I know opponents of this legislation, relying on strangulating sophistry, will argue against what they regard as the centralization of power and the policymaking authority in the White House. It is a specious argument which conveniently overlooks structural changes in the Federal Government which have placed massive and awesome responsibilities on the President.

To deal with the overwhelming amount of legislation which hits his desk, the President has to have access to critical and analytical advice. Cabinet members, who are responsible for the operations of their own departments, are ill-equipped to provide such advice and counsel.

Former President Truman pointed up the complex and intractable problems facing the President when he said every important final decision is made at the President's desk. Mr. Truman went on to say:

> Nobody can do it for him, and his decisions affect millions not only in his own country, but throughout the world. No one man can really fill the Presidency. The President has too many and too great responsibilities. All a man can do is try to meet them. He must be able to judge men, delegate responsibility, and back up those he trusts.

I think it is interesting to note that five of our last six Presidents all had experience in one or both Houses of Congress. Perhaps this fact has animated the minds of some Members who have Presidential aspirations. Instead of making an honest appraisal of the pending legislation, they prefer to deal in quibbles which at best are of questionable entertainment value.

The bill supported and reported by the committee does, in fact, impose limitations on White House staff positions. I do not think this bill should become the vehicle to attempt to further restrict the flexibility of the President. As the Nation's Chief Executive, the President should have flexibility at least comparable to that enjoyed by Members in hiring and utilizing staff.

For the past several years, the appropriation acts for each of these units of the Executive Office of the President have included legislative language authorizing the staff support and some administrative expenses "without regard to the provisions of law regulating the employment and compensation of persons in the Government service," or authority was given to the President to expend money "notwithstanding the provisions of this or any other act."

Under such legislative provisions, the President was authorized to appoint the members of his staff and fix their rates of pay without regard to the specific rates specified in the Executive Salary Schedule or the General Schedule. The only limitations in this area currently in effect are the provisions of 3 U.S.C. 105 and 106, which authorize a total of not to exceed 14 positions for Executive level II.

As a general policy, this committee is responsible for legislation which authorizes specific numbers of positions for the various agencies in each of the Executive salary levels and a specific number of positions in the supergrades, GS-16, 17, and 18 of the General Schedule.

There are provisions in the bill authorizing each of the units to procure experts and consultants at the daily rate equivalent to the daily rate for Executive level II in the case of the White House, and at the daily rate equivalent to the rate for GS-18 in the case of the Vice President and the Domestic Council. The period of service for the experts and consultants is limited to a period of 1 year unless the President or the Vice President, as the case may be, determines it necessary to authorize a longer period of service.

Section 2 of the bill authorizes an appropriation of not to exceed $1 million each fiscal year to enable the President to meet unanticipated needs for the furtherance of national interest, security, or defense. The 1975 appropriation of $1 million has been utilized, as of the first of April, as follows: the Council of Wage and Price Stability, $18,500—to be reimbursed; the Presidential Clemency Board, $185,000; the Presidential transition, $50,000—subsequently reimbursed from appropriated funds; and the President's Commission to Review CIA Activities Within the United States, $150,000, for a total of $403,500.

Subsection (e) of the first section authorizes the appropriation of amounts to the President for the official reception, entertainment, and representation expenses, and requires the amount to be specified in appropriation acts. There are two items involved, one to be expended for White House entertainment at the discretion of the President and accounted for solely on his certificate, and the second for allocation to other units within the Executive Office of the President. We do not have the amounts allowed under the first item, since they are expended solely at the discretion of the President, but in the case of funds allocated within the Executive Office, the 1975 appropriation was for an amount not to exceed $10,000.

The appropriation acts have authorized care, maintenance, repair, and alteration of the Executive Residence to be provided for by the President as he may determine "notwithstanding the provisions of this or any other Act." Subsection (d) of section 1 includes similar authority for the President, but does not include the exemption from other provisions of law. The effect of the omission is to subject the authority under this subsection to the provisions of any other applicable law, including the Federal Property and Administrative Services Act of 1949, where applicable.

The general housekeeping duties for the White House under this provision are performed by the National Park Service under the supervision of the President. It covers the usual maintenance personnel, currently totaling 82 positions, all of which are below GS-16.

As I said before, this is good, basic legislation. I urge House support for H.R. 6706 without any harassing amendments.

Mr. HENDERSON. Mr. Chairman, I yield 5 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I think this issue is very, very important, and let us not lose sight of what we are really talking about here.

I was thinking just the other day about what a dinosaur I must be, because I recall being in school when we learned the names of all the Cabinet officers and who they were. That was a part of our schooling. That does not happen any more, and I think we can probably almost do a guessing game on the floor and find out how many Members know who all the different Cabinet officers are, and find out that some of us might fail the test. The point is that few people know who is in the Cabinet any more. And the reason is that it really does not make that much difference today.

What we are talking about is in the Constitution. We mandate Cabinet government, but we have not had it of late. I think that is very important, because we have seen the White House grow bigger and bigger and bigger. It is harder and harder to find out what goes on in the policymaking procedures of the White House because of Executive privilege. Executive privilege does not extend to all the Cabinet level, and so it is much more convenient to make the decisions in the White House and have the Cabinet people just become PR people for whatever the policy is after it has been adopted.

I think we have even recently heard one official who just left the Government give his views on that in a press conference which was really very interesting and I think eye opening, and should be rather alarming.

So, I think what this bill is saying is, we are not dictating who he hires. We are only saying, let us hold the limit to the limit of what it was last year. There has been a phenomenal increase over the past several years. Let us not keep it going almost forever. Let us not wink our eyes at it and continue saying, "We will scratch your back, you scratch ours."

We are saying, "Let us hold it at that level. You can hire whom you want within that limitation and do what you want and name the positions, but there will be a limit on the numbers."

I have heard people say that we do not do that to ourselves. We do. We have a limit on how many people we can hire. We do not tell Members of the House who to hire. We also have a limit on how much stationery we receive. We are also required to account for that stationery and what we do with those allowances, and I think there is nothing wrong with asking the President to show what he does with his allowances.

I suppose a lot of this depends on how one views government and government officials, but I view it as a public trust, a sacred public trust; that it is a privilege to be there. It is not anybody's duty; it is a privilege. That office belongs to the people and not to the man or woman who is in it. Because it belongs to the people, there is some obligation to make an accounting to the people. I think that is really what we are talking about.

In order to gain some perspective on the present situation, it should be noted that prior to 1939, the President's policies were developed and implemented almost exclusively through the Cabinet. In 1939, the Executive Office of the President was created to help make the executive branch more "efficient" but with the clear instruction that "In no event shall the administrative assistants be interposed between the President and the head of any department or agency."

I think we all know what has happened to that concept.

In recent years, virtually every President has pledged to cut back on the bureaucracy, and to run an "open" administration, with the decisionmaking process being accessible to various points of view. Without exception, each President has left behind a personal staff larger than when he took office—a trend which has increasingly isolated and insulated the President from dissenting opinions, and in some instances, from reality.

In addition, and equally ominous, the executive branch has become significantly less accountable and responsible for its decisions which are being made by individuals who are not subject to Senate confirmation, who are oftentimes cloaked in claims of "Executive privilege," and who are generally unknown and unaccessible. Meanwhile, the Cabinet has become a public relations institution with its members, with few exceptions, simply selling the programs that have been dictated by White House "coordinators."

The trend is extremely dangerous—and the danger is accelerating.

From 1940–69, the pace of growth for the White House operation was steady, but gradual. From 1970–73, the Executive Office of the President exploded to where the increase for those 3 years exceeded the total growth for the preceding 15 years.

It is now time to hold the line.

The White House staff is already bloated beyond all reasonable need, unless it is meant to duplicate and supplant the work of the Cabinet. Yet, H.R. 6706 would authorize almost double the number of top staff people at the White House. Simply put, what has changed over the past year to make it necessary or desirable to increase from 54 to 95, the number of slots equivalent to GS–16 and above at the White House?

In an interview last night, Donald Rumsfeld indicated that the White House did not really intend to fill all of the requested positions, but that the White House wanted the authority, just in case it became necessary.

I think it is time for the Congress to stop granting such open ended authority. I think we all know that these slots would be eventually filled once granted congressional approval, whether by Mr. Ford, or one of his successors.

If something unanticipated occurs, necessitating an increase in staff for a short time, the President has ample authority and funds to meet that contingency.

It is now time to hold the line.

Mr. Udall, Mr. Harris, myself and others will be offering a series of amendments to H.R. 6706 which are designed to bring some measure of control and accountability to the way our executive branch operates.

The House can reject these amendments in the traditional "spirit of comity" which has led us, in my opinion, to a form of "creeping imperialism and empire building" within our Federal Government. Everybody scratches everyone else's back, and everything gets bigger: "To get along, go along."

But, as I have outlined above, that philosophy is getting us in increasing trouble and unless something is done to assure that the most powerful positions in government are not filled by individuals who are virtually immune from public accountability, then the system—inevitably—will explode, or perhaps, simply dissolve.

This is not a partisan issue; it is not a question of whether we trust the present incumbent; nor is it a question of trying to tie the hands of the President.

And H.R. 6706 is certainly not simply a housekeeping matter. The question before us goes to the very essence of how our Federal Government operates.

The House has a chance to act on this issue, today, and I hope it will not be business as usual.

Mr. DERWINSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, I rise in support of H.R. 6706 for many reasons. One, it is a major attempt on the part of Congress to have some say and control of the number of personnel in the White House. This has been accomplished after many years of just allowing the Committee on Appropriations to do what our Committee on Post Office and Civil Service really should have done sometime ago.

I am pleased that the Committee on Post Office and Civil Service has at least addressed the issue. I am pleased to support this bill because I believe the President has made a reasonable request in the number of personnel that will be assigned to the White House.

The committee—and I did support this amendment—cut the ceiling to roughly 575 in committee. I did support that amendment. I think that was an appropriate and reasonable place to set the number of personnel. I know that there is some concern that the President will not absolutely use every single position under the allowances for the number of personnel concerned in this bill, but it is my belief that a President should have some flexibility. Since the committee cut the number that was originally requested to 575, I think that is a reasonable level of personnel. Since many of these positions are not at the higher levels—as a matter of fact, a substantial number are GS–15 and below—I think it is an appropriate level.

Mr. Chairman, I think it would be unfair to say that we will cut it back further when in fact in committee we did cut it back. Although Mr. Rumsfeld is saying he may not use every single one of these positions immediately, since the overwhelming majority are GS–15 and lower, I think that the flexibility should be left to the President since GS–15 is not a very major level of income pay. Since roughly 480 would be in that category, I think that is a reasonable place to establish what is needed at the White House.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield to the gentlewoman.

Mrs. SCHROEDER. Mr. Chairman, I think the issue was GS–16 and above, which is $36,000 and above. And the question to Mr. Rumsfeld was:

> Why do we need to go from 54 to 95 of people of that level and above?

We are not talking about GS–15 and below. We are talking about GS–16 and above. Why do we need almost a doubling of the number of people at that level in the White House?

The answer was:

> We are probably not going to fill all of the slots, but we would like to have them there.

To me, that is very significant. This is a very high level, people with big titles and power—and little accountability. They have an awful lot of power, and we do not even know if they are going to use them or need them. I do not want to get overly suspicious but why would they want to go to that many in 1 year?

Mr. ROUSSELOT. Let me just say, as I said before and which I will try to reemphasize, the overwhelming majority of personnel under this bill will be 480 at the GS–15 and below.

So that the overwhelming majority of listed personnel in this bill will be for lesser positions.

Now, the gentlewoman has asked: Why should we have more positions available in the category of roughly $32,000 to $36,000? I would say to my colleague that the White House has suffered the same kind of attrition with the problem of inflation in wages as many other Federal agencies. Many Members of this

House have supported all the cost-of-living increases, for instance, in the Post Office Department or other Federal agencies. I think we can say that the White House has had the same kind of problem in trying to attract the kind of talent we need in levels II through V in roughly 94 positions for White House staffing.

But that is not the overwhelming majority of positions that are being requested under this bill. As the gentlewoman knows, we did cut this back as far as the total requested ceiling is concerned. I supported that amendment because I felt that was a reasonable position.

I am sure that the gentlewoman knows that President Ford has operated judiciously as far as hiring personnel. He has not tried to gear up the hiring practices of the White House staff. He has been very accessible to our committee in answering the questions about White House staff. And even though Mr. Rumsfeld, who is being honest about it, answered very honestly that he would probably not immediately fill all the spots in the higher levels; he said further that he felt it might be necessary to have some of those available should other job positions in the White House be made necessary.

My belief is that by setting the ceiling at 575 we have put a stable ceiling on this, which, by the way, is much more definitive than it was under the Nixon administration, and that, I think, is proper. So this is a reduction from that previous position of the Nixon administration, and President Ford has said that he will live with that ceiling.

I believe that President Ford has made it clear that he will work with the Congress. He has stated his willingness to have a ceiling set. Even though Mr. Rumsfeld has been very candid in saying he probably will not fill every one of the top positions immediately, he said it may be necessary to do so at some time in the future. Therefore, this is a reasonable ceiling that we have set in this bill.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield further?

Mr. ROUSSELOT. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, the problem, I think, is that we are still talking about the higher positions, and I think I opened my remarks by saying that is the real crux of the issue. I think we are not so worried about GS–15 and below, including a lot of the gardeners and others in that category.

Mr. ROUSSELOT. The gentlewoman is not talking about the 480 positions in GS–15 and below?

Mrs. SCHROEDER. Well, we are talking about the very high and powerful positions, and I think that is the very concern of this 54 to 95.

Mr. ROUSSELOT. Mr. Chairman, I think the number of positions in these higher levels is relatively small compared to what it has been in the past. I am appreciative of the fact that Mr. Rumsfeld has been willing to say that he will not utilize every one of these higher positions immediately, although it may be necessary in the future.

This administration has done a good job in paring down and making sure the White House would not expand these positions as maybe it had under the Johnson or Kennedy administrations. President Ford has made substantial use of the Cabinet personnel, and he does not try to shuttle to the White House staff responsibilities that truly belong to the Cabinet. He is making full use of his Cabinet and their subordinate staff. He is trying to make sure that they accept those responsibilities that by law belong to the Cabinet, and he is not circumventing them by taking responsibilities to the White House staff. The President has done that. He has explained in detail his willingness to curb the growth of the White House staff. He has said he will live with the 575 ceiling we provide in this bill, which, by the way, is lower than the figure in the bill originally introduced in the committee.

So I believe this is a responsible bill and one we can support.

Mrs. SCHROEDER. Mr. Chairman, if the gentleman will yield further, I just want to remind him that I was the one who offered the amendment to limit this in committee, and which the gentleman so kindly cosponsored.

Mr. ROUSSELOT. I also supported the amendment in committee.

Mrs. SCHROEDER. I also want to say that I think we would be setting a very dangerous precedent in the House, because if we start authorizing slots that they have no admitted intention of using at the moment, suddenly we become the ones who gave them the authority to do it.

Mr. ROUSSELOT. The gentlewoman was not so conservative in the case of HEW. Maybe we can get the gentlewoman to be more conservative with respect to personnel in other agencies.

Mrs. SCHROEDER. I would be very happy to, if it is indicated.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I note that the gentleman from California (Mr. ROUSSELOT) mentioned 480 positions at the GS–15 level or lower. Can the gentleman tell me what the average salary is of those 480? How would that fall?

Mr. ROUSSELOT. My understanding is that the majority of the 480 are around GS–12 to GS–15.

Mr. HARKIN. And GS–15 is at about $36,000 a year, is it not?

Mr. ROUSSELOT. Yes, that is correct. As the gentleman knows, responsibility in the White House is fairly substantial, and I am sure it attracts the kind of people that the gentleman would like to have if he were there.

Let me ask the gentleman, How many of your staff are below the GS–12 level?

Mr. HARKIN. What does GS–12 pay?

Mr. ROUSSELOT. It is in the report, if the gentleman will look at it. GS–12 presently pays, at the first grade level, about $18,400, to a high of $23,988. The average pay of all white staff personnel together is about $14,000.

Mr. HARKIN. I have only one staff member.

Mr. ROUSSELOT. The gentleman has only one staff member at $23,000?

Mr. HARKIN. That is right.

Mr. ROUSSELOT. Outstanding.

Mr. HARKIN. Because I happen to be a fiscal conservative, as the gentleman from California well knows.

I would like to ask the gentleman from California this: Is there some dearth of talent in the White House? Are they having trouble with getting people below GS–12 rates? If they are, I would just like the gentleman to know that, as I know from my own staff positions, I hired about 16. We had 16 slots. The first year I had over 800 applicants. If President Ford is looking for well-qualified people who will work for less than $23,000 a year, I know where he can get them.

Mr. ROUSSELOT. I know something about the way money is spent, especially on the gentleman's side of the aisle, and the budget approach that is taken by your side of the Congress.

I would say to my colleague, the gentleman from Iowa (Mr. HARKIN), that I think that on the basis of the previous administrations, the Kennedy administration, the Johnson administration, and the Nixon administration, President Ford has been far more judicious in the use of White House personnel. Even one of his top administrators, Mr. Rumsfeld, has very candidly said that he may not use every single one of the top positions that are being projected in this bill.

Mr. HENDERSON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Yes, I yield to the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, I thank the gentleman for yielding.

At the request of the committee, the White House furnished to our committee the answer to the question that was just posed to the gentleman from California.

The average GS grade of personnel at the White House covered by the bill, based on last year's figures, was slightly above GS grade 8, and the average GS salary was $14,053.

Mr. ROUSSELOT. I appreciate the gentleman's comment. I did not have that exact figure.

Let me comment again so that the record is clear. The average salary in this grouping is $14,600, as the gentleman from North Carolina (Mr. HENDERSON), the chairman of the committee, has stated. In any event, I am sure that neither the gentleman from Illinois nor myself qualifies as the biggest spender in Congress.

Mr. HARKIN. If the gentleman will yield further, does that figure also include gardeners and everything like that, 75 gardeners included in White House personnel? I wonder what the level of pay would be in the House of Representatives if we included the waiters and waitresses and things like that.

I am talking about people equivalent to staff people on the congressional staffs, who are in a policymaking position. I am not talking about custodial-type help included in that 480 number.

Mr. ROUSSELOT. I would be glad to yield to the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, I really think that we ought to try to keep the record straight here, and I must add that that figure does not include gardeners and electricians, that is clerical staff.

Mr. ROUSSELOT. The $14,600 figure?

Mr. HENDERSON. That is correct.

Mr. ROUSSELOT. I would say to the gentleman from Iowa that I regret it does not include the gardeners and electricians.

Mr. HENDERSON. And the explanation for that is that that service is provided by the Park Service to the White House for this purpose.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Of course, I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Chairman, I appreciate the gentleman yielding. I just want to say, Mr. Chairman, that I am sick of hearing this old argument with the same old platitudes and whiplashes that are given to the Democrats because of their terrible spending record.

May I direct the attention of the gentleman from California to page 5 of the report, where it shows that in 1955 the White House office had 222 employees for their purposes. In 1965, following the Kennedy years, the figure had changed to 255. In 1970 at the beginning of the Nixon years it was 250, and then in 1971 that figure went to 533.

So I think it ill behooves to use the name of Johnson and Kennedy in contrast to Nixon.

As I have said, I do not feel that I should tell President Ford how many empolyees he needs but, regardless of that, I do not like anybody to be whiplashing and condemning the Democrats for not being responsible when the truth is that that is not correct.

Mr. ROUSSELOT. I was talking about the general Federal agencies and their level of employment compared to the President's staff. I think that the overall staffing that has occurred under President Ford is that President Ford has done a much more responsible job than has been done in the past.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I think we are accidentally getting a little far astray. If the gentleman from Wyoming (Mr. RONCALIO) would give me his attention, I will refer the gentleman to a report on the growth of the Executive Office which was prepared under the direction of the gentleman from Arizona (Mr. UDALL) which shows that in 1970 there were 250 positions in the White House office. But what it does not show is that in addition, in 1970, there were 273 personnel detailed from other agencies. At the moment there are just 20.

So I think what we are really saying is that when you take the detailed people that have previously been detailed for the White House, that you have had a White House staff twice the size that the record shows. What we now have is a totally accurate number. The report figures before us now are 535 in the White House. Then there were 548 in 1971. And the combined staff in 1970, detailed staff, as well as those actually employed there, was 576.

So that we understand what we are talking about here, for years, starting back in the 1940's, there were personnel detailed from the departments that in fact became nearly permanent White House personnel. Under the system of reporting that we now follow at the White House the actual people employed there are a matter of record. And that has been thoroughly analyzed by this subcommittee from the Committee on Appropriations.

And I am sure the Members there would support the interpretation I am giving these figures.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I will be glad to yield to the gentlewoman from Colorado in just one moment, but first I would merely like to say that the point my colleague, the gentleman from Illinois (Mr. DERWINSKI) has made, is a good one. This committee has gone into extensive hearings on this subject. The committee has taken steps in order to establish some kind of a ceiling which we believe would be reasonable. Because in the past the White House, no matter what administration, has made use of "detailed" personnel from various agencies and that has contributed, really, to far more personnel than actually needed.

Now I will be glad to yield to my colleague, the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague, the gentlewoman from Colorado.

Mrs. SCHROEDER. I thank the gentleman for yielding.

I think I would just like to point out that the table that was quoted from in the report on the growth of the Executive Office of the President also points out something that is very important when we are comparing figures, and that is that the White House is continually reorganized and has been able to bury people in new offices, so they can make it look like there are not so many people, but there really are.

For example, it points out in that case that they have had a reorganization in creating the domestic council which has not been in previous administrations, which has high-level people and an initial staff of—I think it was about 30 people originally, and it continued on. They also created a new Office of Telecommunications Policy with a staff of over 60, and they have been able to pull people out of the general pool and juggle figures. We know how they do that. We see figures every day. So I think quoting this report is really not fair unless one finishes and puts the qualifiers on it.

Mr. ROUSSELOT. Mr. Chairman, as the gentleman from Illinois has pointed out, President Ford has been far more candid than any other previous occupant of the White House in showing the personnel that he has borrowed from other agencies, and has been willing to live within the limitations we are talking about. I think that even though Presidents Kennedy, Johnson, and Nixon, who were all users of personnel from other agencies, have used that practice in the past. President Ford has been much more candid and now tells us that he has only 20 assigned from other agencies on a temporary basis. He has been willing to keep this committee informed as to what those assigned personnel actually are. So I believe on that basis we should support the legislation.

Mr. HENDERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. HARRIS), a member of the committee.

Mr. HARRIS. Mr. Chairman, the White House staffing bill (H.R. 6706) represents to this Congress an opportunity to take hold of a major policy issue facing our Government; to return policymaking to the Cabinet as the framers of our Government intended; and to require the President to fully disclose to the public how White House money is spent.

I strongly support a series of amendments to be offered today to H.R. 6706 to close many loopholes which have existed for years. The time for benign neglect and comity is over. The time has come for this Congress to take a close look at what has been going on behind the White House walls. The time has come for this Congress to face up to its responsibility and exert its rightful authority over our fundamental governmental processes.

H.R. 6706 represents progress toward exercising control over staffing and other expenses of operating the White House Office of the President. It is indeed commendable that the committee bill does not give the administration the open-ended, discretionary authority in hiring of top-level staff it requested. But this bill gives the President, any President, too much leeway in several areas:

First, number of personnel in high-level positions;

Second, accounting and reporting requirements;

Third, payment and reporting of White House consultants and employees detailed from other agencies; and

Fourth, funds authorized for the President's discretionary "Unanticipated Needs" and travel.

It is imperative that we hold to last year's level the number of high-level policymakers in the White House Office, the Vice President's Office, and the Domestic Council. I support an amendment that holds the number of GS-16's and above—people earning over $36,000—on the White House staff to last year's level.

H.R. 6706 would permit a 90 percent increase in top White House advisers as the administration requested. This bill gives unwarranted increases in the top, policymaking positions: $42,500, from 9 to 12, 33-percent increase, $39,000–$40,000, from 4 to 13, 225-percent increase, $37,500–$38,000, from 9 to 15, 66-percent increase, and $36,000, from 32 to 55, 70-percent increase.

The figures in H.R. 6706 at these levels are, I am told, "what the administration can live with." I want to go on record as saying I can not live with them. It is time that we remove major policymaking from a few cloistered, unknown, faceless special Executive assistants and associate counselors to the President behind the impenetrable walls of the Executive Mansion. This Congress, of all Congresses, must stop a burgeoning bureaucracy in the White House to assure that another Watergate will not be perpetrated on the American people. This Congress must return Government to the people, to our Cabinet officials where decisions should be made out in the open, and where top officials are accessible and accountable.

ACCOUNTING AND REPORTING

Several amendments will be offered today to require accounting and reporting of White House expenditures. Currently, there are layers upon layers of personnel and services available to the President. This Congress has never taken a hard look at what I call the "octopus-effect." In addition to the 500 or so employees in the White House, the President can hire any number of experts and consultants and can detail from executive agencies additional personnel. In addition to those who surround the President, there is the rest of the Executive Office of the President which has over a dozen special councils and groups. In addition, the budget contains other "funds appropriated to the President." On top of these are endless services or "indirect aid" available to the President. For example, the Defense Department provides travel and a communications network; the Treasury Department provides the Secret Service and the Executive Protective Service; the Interior Department provides grounds maintenance and vacation retreats; the State Department provides entertainment facilities and services; the General Services Administration provides furnishings, maintenance, and repair. The point is that under current law, there is no accounting, no public record of this proliferation of people serving the Chief Executive.

I fully support several reporting requirements to be proposed today to require a reporting to the Congress and the General Accounting Office of: First, full-time employees; second, detailed employees; third, experts and consultants to the White House; and fourth, expenditures for entertainment and travel.

REIMBURSEMENT FOR DETAILED EMPLOYEES

Furthermore, I intend to offer an amendment to require the White House to reimburse all agencies for all employees detailed from such agencies. If the President wants the expertise of individuals in Federal agencies, he should not expect the agency to foot the bill. He should not be able to swell his ranks and increase his power by calling over at his whim additional personnel. If a problem is serious enough to warrant additional employees, the President should come to the Congress and justify it. If it is justified, I am confident that the Congress will give to any President what is needed. As of April 1, there were 20 employees detailed to the White House Office from other executive agencies, only 2 of whom were on a reimbursable basis. Of course, this figure of 20—provided to the Post Office and Civil Service Committee by the White House—does not indicate how many employees were detailed over a period of a year or how many are detailed now or for how long. I believe the public should know who is detailed, for how long, and at what cost to the taxpayer.

LIMITING EXPERTS AND CONSULTANTS

I will also support an amendment to be offered today which will limit to 1 year the hiring of experts and consultants. As of April 1, there were 12 experts and consultants on the White House payroll. This is a moderate limitation in my view, since the President again has the leeway to swell his ranks with outside consultants, subject only to budget limitations.

DISCRETIONARY FUND AND TRAVEL

H.R. 6706 authorizes a special discretionary fund of $1 million for "unanticipated needs." This fund, which has been in existence for some time, enables the President "in his discretion, to meet unanticipated needs for the furtherance of the national interest, security, or defense, including personnel needs and needs for services." I agree that any President needs a "small" fund to use at his or her discretion, to meet the changing and emergency needs of the President that cannot be anticipated when the annual budget is formulated. However, I believe that the amount of $1 million is excessive, for two major reasons.

First, this fund in effect allows the President to add more staff on top of the 500 or so on his regular staff, the detailed employees, the experts and consultants and personnel in the Executive Office of the President. Second, in recent years, the maximum amount used was $655,000 in fiscal 1974. As of 2 months ago, the President had spent from this fund $403,500 for the following purposes: Council on Wage and Price Stability, $18,500; Presidential Clemency Board, $185,000; Presidential transition, $50,000; President's Commission to Review CIA Activities Within the United States, $150,000.

The previous legislative authority for this fund, Public Law 93–381, last year's appropriations bill, set the amount for this fund at $500,000. Though the final amount of course will be determined by the appropriations bill, the $1 million authorized in this bill symbolically represents a 100 percent increase which I believe is excessive and should be reduced.

H.R. 6706 increases the President's travel allowance authorization from $40,000 to $100,000. I support an amendment to hold this to $40,000. The administration requested $100,000 in this bill because "this is the amount that has been appropriated for this purpose for the last 2 years and (it) reflects the increased cost of travel." One source has estimated that the Department of Defense provided the White House with 5 Boeing 707's, 11 smaller executive jets, and 16 jet helicopters. With DOD available to carry the President and his staff across the country, I do not see the need for another $100,000.

POLICY QUESTION

I am frankly alarmed at the congressional "undersight" that has occurred in monitoring the White House operations. The agonizing Watergate experience should have convinced everyone that we should never again let Government slip away from the people and be concentrated in the hands of a faceless few in the White House. It is time to return Government to our Cabinet agencies where decisionmaking belongs. This is a fundamental policy question affecting the basic framework of our Government. The question before us today is, do we continue to condone it or do we reform?

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I want to correct one item that I am sure the gentleman inadvertently checked off. The present White House staffing of Executive-level positions is 14. The bill before us would reduce it to 12. The Udall amendment would reduce it to 9.

Mr. HARRIS. I am sorry but if my simply not correct. The authorization in colleague would forgive me that is just law presently is 14 positions up to Executive Level 2. That authorization never specified just Executive 2 levels. What we are doing now is changing that number of 12 to 14 to 95. I know if my colleague would read the authorization law—and I am sure he has once—he will realize it says up to Executive 2. Those were never all Executive 2 positions.

Mr. DERWINSKI. It says not to exceed.

Mr. HARRIS. Not to exceed, correct.

And these levels are, I am told, what this administration can live with. I want to go on record as saying I cannot live with them. It is time we removed the major policymaking from a few cloistered, unknown, faceless, special Executive assistants and consultants behind the impregnable walls of the Executive Mansion.

Mr. HENDERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma (Mr. STEED), chairman of the Appropriations Subcommittee that handles the White House appropriations.

Mr. STEED. Mr. Chairman, at the outset I do not intend to try to read this book which I show you but before I finish I hope to tell the Members something about it and I think you will find it quite interesting.

I want to say I am glad this bill is here today because I can assure the Members, as chairman of the subcommittee that funds this part of our Government, that this bill is badly needed legislation. We hope to take the appropriation bill containing funds for the White House before the whole Appropriations Committee on Friday morning, and without the guidance of this legislation we are going to be in the same trouble we were in last year when we did not have a bill of this kind. I congratulate the members of this committee for bringing this bill to the floor.

We worked closely with the members of the committee on this. I assure the

Members what is proposed here today has the urgent support of the White House and of the Appropriations Committee and I hope this House will support what the committee has done.

In the beginning let me point out about this personnel number. These figures are misleading on their face, but let me explain. My subcommittee, with myself as chairman, insisted, when President Johnson was President, that all these people borrowed from other agencies be carried on the White House payroll. Before President Johnson finished his term they were working on that but did not complete it before he left. When President Nixon came in we convinced him to go ahead and do it.

That was the first time our committee had had an opportunity to know who was working in the White House. So if these figures are misleading, the Members can blame us. We think they are the opposite of misleading—they are now factual.

In 1973 the White House request for personnel to the Congress was for 510 people; in 1974 the request was for 505 people; in 1975 the request was for 540 people; and the bill before us today is for 500 people, a reduction of 40 people. The amount of money this year is a little over $16.5 million.

About $1,700,000 of that goes for rent. They are paying that for the right to occupy the Executive Office Building.

There is close to $14 million for personnel. So I think these are very important things to be remembered.

Remarks have been made that they borrow people from other agencies. It might interest you to know that by act of Congress there are over 40 committees assigned to the President of the United States performing one function or another for him.

The President did not do this. The Congress did it. Every time we turn around Congress creates this or that function for the President. Every time some Member of Congress has an idea we create a commission and stick the President with it.

I think the House ought to take into account, if one were chairman of this subcommittee funding this item and needed information on what the President of the United States needs in terms of assistance to do his job, who would he look to for advice? Members of Congress who seem to know everything in the world put the responsibility on the only man that does know anything, the President of the United States. We have always taken the word of the President of the United States as the best evidence. I hope we will again leave the President of the United States some material to work with, because he has the toughest job on Earth.

I hope we will be almost as generous with the President of the United States as we have been with ourselves. I think we belittle ourselves when we dicker with the President whether he can have two, three or five people to do a job.

Now, about this book. This is a computer print-out of the acts of Congress imposing duties upon the President of the United States—it is about 6 inches thick. Do we think he does not need any manpower to carry out these mandates of Congress? We passed four bills today that put new work on the President of the United States. I do not think many Members have the slightest notion what the President of the United States is required to do. I think it is remarkable that he can take some of these chores that the Congress has put on him and do them. I think we should pass the bill and give the President the tools to do the job.

Mr. DERWINSKI. Mr. Chairman, I yield myself 1 minute.

I wish to read to the Members a one-paragraph summary of the testimony by Mr. Linder before our committee back in April when we had full hearings on this measure:

> In summary, the proposed bill seeks primarily to expedite the appropriation process by making permanent those authorizations which have been provided by the Congress on an annual basis. We urge that the Congress give due recognition to the fact that the staff is the personal staff of the President, that the practice of comity and the requirements of the office necessitate that the President have maximum flexibility in staffing this office. The size of the office and salaries of the staff would, of course, continue to be presented to the Congress annually in the request for appropriations for the Office, along with any back-up materials that the Congress finds necessary for a proper review.

We were provided with name, rank, serial number, salary, date of service commenced of everybody on the White House staff.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DERWINSKI. Mr. Chairman, I yield myself 30 additional seconds.

Mr. Chairman, the record is complete. We just cannot operate a Government of almost 3 million civilian employees, in addition to people in the military, with the budget running what it is, with the departments and agencies multiplying and have the staff of the President gutted. Given the necessary restraints which the Committee on Appropriations will maintain I again urge the Members to support the bill. It is a long overdue authorization.

Mr. HENDERSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I just want to associate myself with the remarks of the gentleman from Virginia (Mr. HARRIS).

Mr. Chairman, in recent years there has been an enormous proliferation of high level policymaking positions within the White House.

Each year the President routinely requests more and more money for the White House and Executive Office staff and each year Congress routinely approves these requests. As a result the number of top level advisers within the White House Office has swelled.

The bill before us today represents yet another increase in these top level positions. This bill provides authorization for unwarranted increases in all top level positions within the White House Office. When President Ford assumed office he cut back the bloated Nixon staff by about 10 percent, but this bill if passed unamended would resume the runaway growth of the White House Office. It would authorize a 33 percent increase in the number of individuals salaried at $42,500, a 225 percent increase in the number of individuals salaried between $39,000 and $40,000, a 66 percent increase in the number of individuals salaried between $37,500 to $38,000, and a 70 percent increase in the number of individuals salaried at $36,000. These figures represent an increase from 54 to 95 the number of individuals working in the White House Office at GS 16 or higher. Unless this legislation is amended the White House Office will continue to grow and grow.

I do not believe that there is an individual on this floor who would want to deny the President adequate staff to deal effectively with the problems of the Nation, but there is a point where the size of the White House staff ceases to contribute to the effectiveness of the executive operation. When it is possible for the President to suggest that his staff was successful in hiding evidence of a wide spread conspiracy from him, and to be believed, then that staff has grown too large. When Cabinet members and agency heads are insulated from the President by a miniature bureaucracy of aides and assistants, then that staff has grown too large.

Several aspects about the growth of staff are alarming. Much of the work which was previously done by the Cabinet is now down in the White House where it is hidden from public view. The Cabinet has been placed in a subsidiary position in the decisionmaking process. Because of Executive privilege, Presidential staff cannot be questioned by Congress without the approval of the President. This excludes Congress from discovering what policies are being considered. The President with so many important matters to attend to cannot possibly control this huge staff. As a result the discretion and authority which should be reserved for the President is often exercised by aides acting in his name.

The question is should we allow this runaway proliferation of White House staff to continue or should we place a lid on it. The amendments which we will consider this afternoon are not aimed at cutting the size of the White House staff, they are not aimed at cutting the effectiveness of the President, rather they are merely an attempt to hold the line on the growth of the staff of the President. None of the President's top advisers will lose his job as a result of these amendments. These amendments are designed merely to maintain the staff at its present level.

At one time the bureacracy of aides and assistants which now surrounds the President did not exist. In 1933, President Roosevelt fought the Nation's most crippling depression with only four civilian aides, two military aides, and 40 clerks, typists, and messengers. He was able to do this by relying on Cabinet Departments.

Today there are at least 610 employees of the White House Office not including those individuals detailed to the White House and temporary experts and consultants hired by the White House. There are an additional 2,300 persons employed by the Executive Office of the President. I question the need for the creation of this isolated bureacracy which insulates the President from the heads of the major Departments and Agencies of our country.

The Executive departments today employ close to 1.6 million individuals. The President can, and should, rely on the advise of the top officials of these departments rather than inflate the already isolated bureacracy within the White House.

I believe that it is time to return to the Cabinet form of government that our forefathers developed, it is time that Congress began to exercise its oversight functions with regard to the White House budget, and it is time that the President has an accountable and effective staff to assist him carry out his duties.

For these reasons it is essential that we maintain the number of White House employees at their current levels. I urge support of the amendments which will be offered this afternoon to hold the line on the White House budget.

Mr. HENDERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Chairman, this afternoon at an appropriate time I will offer a substitute for H.R. 6706. The reason for my substitute is straightforward. I firmly believe that any President should have the same flexibility and the same accountability for selecting and structuring his own staff as we, as Members of Congress, have with our own.

My substitute essentially reaffirms the present law affecting the White House staff. It continues 14 level 2 staff positions, and beyond that it permits the President to arrange his staff and salary schedules as he sees fit, subject to the upper limits previously mentioned and subject also to the annual review and approval of the two congressional appropriations committees.

Simply put, the substitute which I will offer would allow the President to hire the best people he or she can find without the constraints of specific GS requirements and classifications. The committee bill would require that the President classify and categorize these positions on the White House staff. It would require that a specific limit be placed on each GS level 16 through 18, and on each executive level 2 through 5.

The only restriction today and the only restriction in my substitute would be a ceiling of level 2's and the traditional appropriations and budget process restrictions. I continue to believe that our appropriations committees can monitor and review the White House personnel requests.

Now, some amendments will be offered to further restrict the President even more so than he is in the commitee bill, and to cut the number of top level staff assistants. I strongly oppose this type of amendment because I think it unfairly limits the White House and imposes a restriction and punishment on future Presidents for the abuse of at least one past administration. I do not feel that this kind of restrictive amendment or any other type of restrictive amendment will eliminate future abuses. Nor will it restrict the power of the Presidency; nor will it insure a cabinet type of Government. It will only make it, Mr. Chairman, difficult for the President of the United States to do his job. The way to prevent an imperial Presidency is to assure a responsive, active, Congress and to pass legislation such as the War Powers Act and Budget Control Act, both of which I supported. But, placing a straitjacket on the President and on his personal staff will not in anyway make this a more responsive or open Nation or Government.

There is one other major difference between the committee bill and the substitute which I will offer, and that relates to the unanticipated needs funds of the President. A review of the uses of these funds over the past 15 years will readily indicate that these funds have not been abused.

There is no reason to limit the President here, particularly when we look at the history of the use of this fund. While the committee bill would place a $1 million limit on this fund and an amendment will cut it to $500,000, my substitute would continue the historic practice of not imposing an arbitrary limit on these funds except the limitation imposed by congressional appropriations committees.

The reason, Mr. Chairman, that I will offer this substitute is based upon the experience I had as Chief of Staff of the White House in the last year of the Johnson administration. I have talked to my immediate predecessors, Marvin Watson of the Johnson administration and Kenney O'Donnell in the Kennedy administration. They both said that they would strongly support my substitute and strongly believe that the kind of flexibility allowed by the substitute I will offer should be allowed for any President.

I commend the committee for drawing a bill that does meet the requirements of this particular administration. However, it does not necessarily mean that it will meet the requirements of a future President any more than to put restrictions on my congressional office and to delineate how many levels of different employees I may have.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DERWINSKI. I yield the gentleman 2 additional minutes.

Mr. JONES of Oklahoma. It makes no more sense to delineate and put in a straitjacket the President in the way he can develop and structure his White House staff than it does to do the same thing to each of us as Members of Congress. What meets my style as a Member of Congress to structure my staff may not be at all good for another Member of Congress or my successor, and I think we should accord the President the same comity and same flexibility that we accord to ourselves.

I hope that when I offer my substitute the Members will be able to support it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HENDERSON. I yield the gentleman 1 additional minute.

Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman.

Mr. HENDERSON. I thank the gentleman for yielding, and I want to recommend to my colleagues serious consideration of the statement the gentleman has made. Not that I will be in a position to support the substitute that he offers, but I think the record ought to show that the gentleman served in the administration of President Johnson in a very responsible position, a position similar to the one now held by Donald Rumsfeld. With regard to White House authorization, he certainly speaks from his own experience and has previously conferred with the committee indicating a very sincere interest in the Congress doing the right thing for the President. I commend the gentleman for his statements and his efforts in this regard.

Mr. JONES of Oklahoma. I thank the gentleman very much.

Mr. HENDERSON. Mr. Chairman, I have no further requests for time.

Mr. DERWINSKI. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 105 of title 3, United States Code, is amended to read as follows:

"ASSISTANCE AND SERVICES FOR PRESIDENT AND VICE PRESIDENT

"SEC. 105. (a) Subject to the provisions of subsection (b) of this section, the President is authorized to appoint and fix the pay of employees in the White House Office and the Executive Residence at the White House, without regard to the provisions of title 5 governing appointments in the competitive service. Those employees shall perform such official duties as the President may prescribe.

"(b) The President, under the authority of subsection (a) of this section, may appoint and fix the pay of not more than—

"(1) twelve employees at rates not to exceed the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5; and in addition

"(2) thirteen employees at rates not to exceed the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of such title; and in addition

"(3) fifteen employees at rates not to exceed the rate of basic pay then currently in effect for level IV of the Executive Schedule of section 5315 of such title; and in addition

"(4) twenty-five employes at rates of basic pay then currently in effect for level V of the Executive Schedule of section 5316 of such title; and in addition

"(5) without regard to chapter 51 and subchapter III of chapter 53 of such title—

"(A) thirty employees at rates not to exceed the maximum rate of basic pay then currently paid for GS-18 of the General

Schedule of section 5332 of such title, and in addition,

"(B) such number of other employees as the President may determine to be appropriate, at rates not to exceed the maximum rate of basic pay currently paid for GS–15 of the General Schedule of section 5332 of such title.

"(c) The President is authorized to procure for the White House Office and the Executive Residence at the White House, as provided by appropriation Acts, temporary or intermittent services of experts and consultants, as described in and in accordance with the first two sentences of section 3109(b) of title 5, at respective daily equivalent for individuals which are not more than the daily equivalent of the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of such title. Temporary services of any expert and consultant described in such section 3109(b) may not be procured for a period in excess of one year unless the President determines it necessary.

"(d) The President is authorized to procure, as provided by appropriation Acts, goods and services (other than services authorized to be procured and provided under any other provision of this chapter) necessary in connection with the performance of his official duties (including goods and services necessary for the care, maintenance, repair, and alteration, refurnishing, improvement, heating and lighting including electrical fixtures, operation, and preservation of the Executive Residence at the White House).

"(e) There are authorized to be appropriated each fiscal year to the President—

"(1) such sums as may be necessary to pay official reception, entertainment, and representation expenses, when specified in appropriation Acts, to be expended at the discretion of the President and accounted for solely on his certificate; and

"(2) such sums as may be necessary for allocation within the Executive Office of the President for official reception, entertainment, and representation expenses, when specified in appropriation Acts.

"(f) In order to enable the Vice President to provide assistance to the President in connection with the performance of functions specially assigned to the Vice President by the President in the discharge of executive duties and responsibilities, the Vice President is authorized to—

"(1) appoint, without regard to the provisions of title 5 governing appointments in the competitive service, and fix the pay of not more than—

"(A) three employees at rates not to exceed the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of such title; and in addition

"(B) four employees at rates not to exceed the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of such title; and in addition

"(C) without regard to chapter 51 and subchapter III of chapter 53 of such title—

"(i) seven employees at rates not to exceed the maximum rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of such title, and in addition

"(ii) such number of other employees at rates not to exceed the maximum rate of basic pay currently paid for GS–15 of the General Schedule of section 5332 of such title as he may determine to be appropriate; and

"(2) procure, as provided in appropriation Acts, temporary or intermittent services of experts and consultants, as described in and in accordance with the first two sentences of section 3109(b) of title 5, at respective daily rate of pay for individuals which are not more than the daily equivalent of the maximum rate of basic pay then currently paid under the General Schedule of section 5332 of such title. Temporary services of any expert or consultant described in such section 3109(b) may not be procured under paragraph (2) of this subsection for a period in excess of one year unless the Vice President determines it necessary.

"(g) Notwithstanding any provision of law, other than the provisions of this chapter, no employee in the White House Office, the Executive Residence at the White House, or the Domestic Council, nor any employee under the Vice President appointed under subsection (f), may be paid a rate of basic pay in excess of the maximum rate of basic pay then currently paid for GS–15 of the General Schedule of section 5332 of title 5.".

(b) The authorization for appropriations applicable to fiscal years in section 105(e) of title 3, United States Code (as amended by subsection (a) of this section) shall also apply with respect to the fiscal period beginning July 1, 1976, and ending September 30, 1976.

(c) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by striking out—

"105. Compensation of secretaries and executive, administrative, and staff assistants to President."

and inserting in lieu thereof—

"105. Assistance and services for President and Vice President.".

Mr. HENDERSON (during the reading). Mr. Chairman, I ask unanimous consent that section 1 of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, lines 9 and 10, strike out "such number of other employees as the President may determine to be appropriate," and insert in lieu thereof "480 employees".

The CHAIRMAN. Does anyone wish to speak on the committee amendment?

Mrs. SCHROEDER. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count.

Fifty-five Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The committee will resume its business.

The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. UDALL: On page 2, strike out all of subsection (b) beginning at line 10 and down through line 13 on page 3 and insert in lieu thereof:

"(b) The President, under the authority of subsection (a) of this section, may appoint and fix the pay of not more than—

"(1) nine employees at rates not to exceed the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5; and in addition

"(2) four employees at rates not to exceed the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of such title; and in addition

"(3) nine employees at rates not to exceed the rate of basic pay then currently in effect for level IV of the Executive Schedule of section 5315 of such title; and in addition

"(4) twenty-five employees at rates of basic pay then currently in effect for level V of the Executive Schedule of section 5316 of such title; and in addition

"(5) without regard to chapter 51 and subchapter III of chapter 53 of such title—

"(A) seven employees at rates not to exceed the maximum rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of such title, and in addition,

"(B) 446 employees for employment in the White House Office, and 75 employees for employment in the Executive Residence at the White House, at rates not to exceed the maximum rate of basic pay currently paid for GS–15 of the General Schedule of section 5332 of such title."

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment, and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Chairman, there is a basic principle at stake here in these amendments that we are going to offer here this evening. I think any President ought to have an adequate staff to provide the services that he needs for carrying out his very important position. I think that the President ought to have flexibility. I do not believe we ought to tell him how to arrange his office, and I am willing to go a long way, but where I draw the line is when a President begins to destroy other values that are very important to our system of government.

One of these values that is so essential to our system of government is that if we are going to have a Cabinet system of government by Presidentially appointed advisers and those who make policy, that they be available to the Congress to testify, that they are confirmed by the Senate in their position, and that we do not have what we had in recent years, a growing number of second- and third-level White House assistants telling the Cabinet members what to do. So that is what is at stake here.

This amendment is a hold-the-line amendment. Let me emphasize that. We are not taking a single position or a single rank away from the President in this amendment. We are saying hold the line. We ought to be rolling back the levels of power at the White House. We ought to be rolling back the numbers of high-level positions at the White House. We do not do that in this amendment, but we say hold the line.

Let me tell the Members what the amendment does. Just let me give them one example: Executive level 2 is $42,500 a year. That is the pay of a Member of Congress. That is the pay of the chairmen of the great committees of the House and Senate. That is the pay level of the Federal appellate judges—not the district judges, but the appellate judges of our courts. That is the pay of the Under Secretaries of the great departments of our Government. Right now at the White House they have 13 level 2's and level 3's, 13 positions at the Member-of-Congress level. In this bill, if we pass it and if we vote down my amendment, we are not going to give them 13, we are going to give them 25.

We have heard a lot of talk about grade creep over at the Pentagon where they have got more admirals and generals now than they had at the height of World War II. The biggest grade creep we have had in modern times in both Democratic and Republican administrations has been at the White House. Let me give the Members just a couple of examples of the kind of thing we are trying to head off: The position of Press Secretary to the President. The President needs a press secretary. Traditionally this was a high GS–17 or GS–18 level position. Then it was made an Executive Level 5 or 4. Because of President Nixon's relationship to Ronald Ziegler, this suddenly blossomed out as an Executive Level 2. The Press Secretary to the President now has Executive Level 2 at $42,500, and he has a couple of Assistant Press Secretaries, one at $39,000, a Deputy at $38,000, and a whole flood of assistants at $36,000. The Press Secretary to the President is at the same level as the gentleman from Oregon (Mr. ULLMAN), chairman of the Committee on Ways and Means and the gentleman from Texas (Mr. MAHON), chairman of the Committee on Appropriations.

Let me give the Members another example. Larry O'Brien years ago had a very important position at the White House as Director of Legislative Liaison, the President's contact with the Congress. This was a GS–18 position and later an Executive Level 4 or 5. I have nothing against Max Friedersdorf, if he is very capable. This is now a level 2 position. Here is the President's lobbyist to the Congress who has the same pay and the same stature as the Members of Congress and the chairmen of congressional committees. He has two deputy assistants at $37,500, and three more special assistants at $36,000.

Let me emphasize I am not trying to roll back the Press Secretary. He can keep the same level he has. The legislative assistant can keep the same level he has. But I am asking in the amendment that we not give him 13 more of these positions down at the White House, and that is what the bill does. Do the Members know how many level 2's there are total in all of the departments? We have got about 25. The President is asking to have 25 at the White House alone. He is trying to double the number in 1 year.

Gerald R. Ford has been president less than 1 year, and he wants to double the number of Executive Level 2's and 3's on the White House payroll. This amendment would hold the line.

Let me make another point, if I may. This grade creep results in even bigger numbers of people at the executive level going in every year. In supergrades we have had the same problem. The White House now has 54 supergrades. Do the Members know what the bill gives them? not 54. The bill gives them 95.

They tell us, oh, yes, they are cutting out some spaces. What they are doing is moving up lower levels to higher levels and keeping the same number.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. UDALL was allowed to proceed for 3 additional minutes.)

Mr. UDALL. I am shocked at our old friends, President Ford, John Marsh, and Don Rumsfeld. If we could roll back the clock about 10 years and we had President Johnson or President Kennedy down there, a Democratic President who was trying to double the number of executives on the White House payroll, what would happen? With all of these objections we hear about overinflated bureaucracy, and so on, I wonder where my conservative Republican friends all are on this issue. This is not just for this President. We are writing permanent authorizations here. Are we going to say to the President he can continue to have as many of these executive levels as he desires to have?

It is not just a waste of money. There is a basic principle at stake here.

The present situation has another great evil I wanted to talk about. It causes a terrible imbalance in the system. Suppose for a minute we consider the Chief of the Forest Service. He has 200 million acres of valuable national resources. He has a budget of $660 million. He has a staff of 22,000 people. Or take the Commissioner of Education. He controls $6 billion, and he is the chief educational officer of the country. What is his pay? It is $36,000 a year, Executive Level 5. They look around and what do they see at the White House? They see the Deputy—I emphasize Deputy—Press Secretary is three grades above them, at $39,000. The President has a gag writer who gets the same thing as the chief of the Forest Service and the Commissioner of Education, at $36,000. The Associate Counsel to the President, someone these two men have never heard of, is at the same level or a level above them, at $38,000.

Some time ago they decided the President could not read the newspapers like the rest of us and that he ought to have somebody to clip things out and summarize the news. That has been built up to a big bureaucracy. The Deputy Editorial Writer, the Deputy man who clips the newspapers and writes the news service for the President, gets the same pay as the Chief of the Forest Service or the chief educational officer in the country.

We are not rolling back any of these White House levels. We are asking them to hold the line.

I could mention more and more of these positions as examples. The Chairman of the Civil Aeronautics Board and the Solicitor General of the United States, the Under Secretary of the Navy receive less. The Under Secretary gets less than a man by the name of Roderick Hills, who is the Third Assistant Counsel to the President, and the Under Secretary gets less than some special consultant to the President, and he gets less than or about the same as the Executive Editor of the Editorial Office for the White House. The Secretary of the Air Force, an important Cabinet position, is on the same level with the President's Press Secretary, the same level as the Legislative Liaison. And so it goes.

I emphasize in this connection, Mr. Chairman, I am not talking about a rollback. I am saying: Give Gerald Ford all he has got today. Let us leave in place all the past accretions over the past years but let us not let this continue.

Mr. HENDERSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would point out to my colleagues that to put the amendment in proper perspective I think we have to understand that the President by his communication earlier this year requested open-end authority to appoint the personnel that he needs to carry out his functions and to set their grade and level of pay on his judgment.

The responsibility of our committee was to bring to the floor a bill that would justify any specific request of the White House. So we requested the President and his staff to provide us with specific recommendations in terms of numbers of positions and grade levels.

The author of the amendment very accurately states he is not attempting to reduce the recommendations made by the committee based on a review of the recommendations by the President and his staff to carry out the responsibility of the office of the Presidency. However, the amendment has the effect of taking away vacancies or if you will, the flexibility that the President would have to carry out the tasks we in Congress may from time to time give him in the way of additional responsibility requiring additional personnel.

So the result of the amendment is to provide the same number of employees for the White House and the Executive Residence, but to reduce the authorized pay and grade levels of some of the vacant positions. It seems to me that we are putting our judgment above the President's as to the level of responsibility assigned to those people filling such positions. Similarly, we are substituting our judgment for the President's with regard to the level of requirements for recruiting the best people or the people that he feels are necessary to carry out assigned responsibility, placed upon him by law and by acts of Congress.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I am delighted to yield.

Mr. UDALL. The chairman knows my very high regard for the gentleman and I think he may have left a misimpression in his opposition.

Is it not true that the President has nine executive level-2 $45,000 position and my amendment gives him nine positions; so no one's salary would be cut to $42,500?

Mr. HENDERSON. I would respond by saying I think that is correct, but I think our committee bill would add 3, or a total of 12 at the executive level, which is the number that the President and his staff furnished to our committee as being the number that they felt if we were going to set specific numbers they should have, which gives the President the flexibility to increase from 9 to 3 if he sees it is necessary.

Of course, others have made the agreement and I think there is some validity to the fact that the President has been precluded in the use of the authority when he has not filled some of those high-level positions. We ought not to penalize the President in taking away those vacant positions that he has not filled until he sees the necessity to do so.

Mr. UDALL. If the gentleman will yield further, the gentleman left the impression that my amendment would call for somebody at the White House on the payroll to take a pay cut. I want the gentleman to tell the committee that is not the case.

Mr. HENDERSON. The gentleman is absolutely right and if I left that impression, I want to correct that impression.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, but I do so with some reluctance, recognizing that the author of the amendment might be the occupant of the White House in less than 19 months and I do not want to cut off my close ties, especially to the social secretary of the White House in the possible next administration; but let me point out what I think is happening. I think our dear friend, the gentleman from Arizona, is engaging in an unnecessary legislative overkill. The basic amendment that the gentleman offers would merely downgrade 41 White House positions by salary. Let us put aside the argument of titles. We have on our congressional staff people who give themselves titles. How many legislative assistants, press secretaries, research assistants, and on and on do we have? You cannot find a secretary or a file clerk or a typist on the Hill any more. Everybody is an assistant of some sort. So the issue whether the President has one, two, three, or five legal counsels is beside the point. Those are titles. What we are speaking about is that the amendment of the gentleman from Arizona (Mr. UDALL) would downgrade 41 White House staff positions in terms of pay.

It seems to me what the gentleman from Arizona is really doing, and I say this as an objective observer to the political scene, he is merely stealing a march on the other candidates for nomination of the Democratic Party, those who are in the other body and who are usually pontificating only on foreign affairs, or those former Senators and former Governors who have lost the feel of the Washington scene.

What the gentleman from Arizona is really doing is running ahead of his opposition, and I think in so doing he is really cutting off his nose to spite his face. What really happens is that the President is responsible for the people on his staff. He is responsible for their performance and he is obviously responsible, then, for any mistakes he may make in overpaying anyone.

I think that ought to be a responsibility of any President. It is the responsibility of this President. It is going to be the responsibility of the next President.

Stop to think that we have no restrictions on how we juggle our staffs salarywise. The Senate has few restrictions, if any, on how they juggle their staffs salarywise. Think of the monumental complications facing the President of the United States, and to think that we are going to start drawing a fine line as to exactly what he shall pay competent personnel, is really carrying the thought of controlling the executive branch just a little too far. Let us control the Executive by limiting the authority we give him under the basic laws of the land we are passing. But we are speaking about the President's personal staff. It is his personal responsibility; let him have the hot potato.

So, I say to the gentleman from Arizona if we accept his amendment, which I fervently hope we will not, he loses his one different campaign issue. After all, what else could he possibly say to the country that a dozen other Senators and Governors and former Senators are not saying? So, the one issue he has, is the White House staff, but if we adopt his amendment we have taken away his issue, so I say to the committee that any Member who thinks the gentleman from Arizona has any potential, help him by rejecting his amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I do not want to personify this debate because I feel very strongly about it. I have been talking this way for the last 5 or 6 years, as the gentleman well knows.

I want to correct this impression the gentleman seems to be leaving that the President now has nine $42,500 persons on the staff, and under my amendment he can keep nine $42,500 persons on the staff. Am I correct?

Mr. DERWINSKI. That is correct.

Mr. UDALL. The committee would let him hire three more at that level.

Mr. DERWINSKI. Correct.

Mr. UDALL. One more question. He now has four of his staff at $40,000, and the committee is going to let him hire nine more. My amendment keeps him at the four he now has, so nobody's pay is getting cut in that category. Is that correct?

Mr. DERWINSKI. The gentleman is correct, but this bill is not going to put into effect these higher salaries. The President has promised to hold the line. In fact, the President promised to cut the overall number of employees. He is the one who is responsible, the one who has to take the heat.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. DERWINSKI. Mr. Chairman, may I close on this high note? Yes, there is a great philosophical issue here. The great philosophical issue is whether or not the individual occupying the White House shall be responsible for his staff, his personal staff. It is fine to lecture the Congress on getting back to the Cabinet system, but that is not the way the Government has operated since the start of World War II.

There has been a pattern in which the President, more so than the individual Cabinet officer, is responsible. The President must be the responsible individual, and if we go back to the supposed structure of the Cabinet helping the President run the country, then we get back to the abuses that developed over the period of years when we had so many people delegated from departments working at the White House that we had no truly accurate picture of what was really going on there.

This is now an open White House. This bill would open it up to complete scrutiny by the Appropriations Committee. We can look again at the record they have and the thickness of their documents, and this is the way to keep it open, not by forcing any President to start to pull people in on details from departments of the Government.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, there are things that disturb me about the debate here, and I would like to cap it off by saying if it were not our Government, it would be funny. But I do not think it is all that funny. Let us really talk about what we hear here.

For some reason I hear that the President is not an ordinary person but that he is supposed to be treated a little bit differently, that if we act and ask to put any kind of restrictions on him we are treating him differently than we treat ourselves. I remind the Member that this is not true. We do have restrictions on our offices. I think that is important. There are things going on in this country, and people are really dismayed by politicians, whatever that might be—and I suppose we are whatever they are—and the reason the people are so dismayed by them is they all do and say the same thing. I have yet to hear of a President of either party run on the platform that "When I get in, I am going to increase the personnel in the White House. You are not going to believe what all it is going to be like. You are going to have to extend both of the wings." Nobody has ever said that.

I think everyone in this room campaigns on the fact that he or she is a fiscal conservative, and yet nobody really believes it, because we are a fiscal conservative in some areas but not a fiscal conservative in other areas. If consistency is something we should be held to, then I think we are in trouble. So I think the arguments of consistency, the arguments of what Presidents say they will do versus that which they do, I think that is irrelevant. We are talking about the constitutional system. There are three branches of Government that are coequal. We are talking about an authorization, which is a whole new, novel idea in this one area. We have not had it in the past. It is very important. It is very significant. We have had an incredible crisis in this Government in the past few years and there has been a tremendous concern about the power vested in the executive branch and a faceless Government, that we cannot even figure out who is making the decisions. The issue is the centralization of relatively unaccountable power in the White House at the expense of our Cabinet form of government.

I think it has gone far enough. I think the gentleman's amendment is excellent. It says that in 1975 we have gone far enough. We are not firing anybody, we are not cutting anybody's salary; we are holding it to the 1975 limit so there will be 54 people in the White House making $36,000 and above instead of 95.

They say, "We will not use the entire 95." But if we authorize it, eventually they will have it. Tell me of someone who is turning back in their salary, because they do not think it is enough. You give it to them, and they spend it. People just do not believe us. I think this is an important amendment. I think it is time when we really have to take these responsibilities seriously. And even this great comity issue we have had, it almost comes out as a comedy issue. It is something we are tired of. They say, "We will let you do what you want to do and not expose you if you let us do what we want to do and do not expose us."

We have voluntary exposed what we are doing. I am delighted the President has said how many people are on the White House detail. But there is no limit to how many can be detailed in the future. I have the list of 20. There is also no limit on White House consultants. They are making a lovely salary. We would all do well to quit and become a White House consultant.

The salary on this list runs from $153 a day down to $101 a day. That is not bad. We are only saying they should hold the personnel to the 1975 limit.

I hear everybody saying, "This is terrible. This is partisan. We are going after them." I do not think it is that at all. I think Ford has gone a long way to comity and to open this, and I think we can go further. It does not mean we have reached a panacea.

Mr. TAYLOR of Missouri. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think one of the points that has been made here about holding at 1974 levels is one that the Congress might well take a look at. I cannot help but believe that much of the need for the White House, as far as staff is concerned, is because of responsibilities that the White House must assume as a result of the programs that have been thrust upon the executive branch by this Congress.

I just wonder if the gentlewoman from Colorado (Mrs. SCHROEDER) is as interested in holding the spending level of this Congress back to 1974 levels as she is in holding the staff and expenditures of the White House at the same level. I know without a doubt there are certain correlations between the duties that have been thrust upon the White House and the spending that has gone on in this Congress.

Mr. Chairman, I certainly believe that this legislation has received proper hearing before the committee. I want to commend the chairman of this committee for the work he has done and for the thorough hearings that have been engaged in, in the consideration of this measure. The committee bill is both fair and frugal.

So I rise in opposition to this amendment, and I certainly think that it is ill advised. I think it is time that the Congress and the President should be pulling together, recognizing the responsibilities that are ours in this matter.

Mr. Chairman, I think we should vote down this amendment.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman and other fiscal fighters, it is time to get together again to fight the rise in the number of bureaucrats and the amount of money we pay them. I ask all good fiscal fighters in this body to join together in support of the Udall amendment.

This is not a political issue. It does not divide along party lines, but what it does divide along is the following two lines: Those of us who are fiscal conservatives and those who are fiscally irresponsible. This issue divides between those of us who want to stop the growth in bureaucracy and those who want more bureaucrats feeding at the public trough.

I know there have been former Members of this body who have made careers out of ranting and railing against the bureaucracy. But do we know what happened as soon as they were defeated? They became the first to join the ranks of the bureaucrats. So perhaps, as to those who might oppose the Udall amendment, maybe they are anticipating the day when they will no longer serve in this body and they, too, can become a "9 to 4 with 2 hours off at lunch" bureaucrat down the street.

Mr. Chairman, I was going to offer an amendment to actually cut these figures down, but then I came to my senses and remembered that I had forgotten the first commandment of any government, and that first commandment is: "Thou canst not abolish a bureaucrat."

You might end the job, but you just wait and see, the bureaucrat will pop up someplace else.

So if we cannot cut them down, the least we can do is hold the line, because the circular thing always happens: We get more bureaucrats who need more rooms, so we build more buildings; then when we build more buildings, we have too much room, and so they hire more bureaucrats. And that is the thing that is going to happen here.

This bill increases the number of bureaucrats who make over $36,000 from 54 to 95. That is a 225-percent increase in the $39,000 to $40,000 range.

The maximum amount that we are allowed to pay here in the House for our staffs is $36,000, and I refuse to believe that the President cannot get qualified people who make less than $36,000 a year.

Earlier I was asked how many people I had on my staff over GS–15, and I responded: "One." I think some people were surprised at that. A true bureaucrat might infer from that that I do not have qualified people. But the fact is that I have Ph. D.'s, I have people with master degrees, I have businessmen who could be making a heck of a lot more money in private industry, I have college graduates, I have clerical people who are not only eminently qualified, but who do not flee from their desks after 8 hours of work.

But perhaps the people in my State, the State of Iowa, look upon Government service differently. Perhaps they look upon Government service differently than do the bureaucrats. We see Government service as that—as a service. We see it as a duty, and we see it as a privilege and an honor. We do not see it as a way to lead the easy life.

We keep hearing that we have to pay more to get these people. I had over 800 applications for 16 slots on my staff, and if the President wants to find some qualified people, I will send him those résumés.

So in the final analysis, we simply cannot continue to burden our taxpayers and our businesses with more and higher paid bureaucrats.

I agree with the gentleman from Arizona (Mr. UDALL) that what we really should do is cut back, but if we cannot do that, the least we can do is hold the line.

I come from a rural district where we have many small towns and small, independent businesses. What we need is rural water systems and sewer systems, more housing for the elderly, more incentives for small businesses, and railroad upkeep. Our people need legislation enacted in support of our farmers. The one thing we do not need are more $40,000-a-year bureaucrats laying more redtape on us.

So let us give our constitutents, let us give our taxpayers, let us give our overburdened small businessmen a break. Let us give them all a treat, and not the "bureaucratic treatment." I urge your support for the Udall amendment.

Mr. HENDERSON. Mr. Chairman, I

ask unanimous consent that all debate on this amendment and all amendments thereto cease at 7 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for one-half minute each.

The Chair recognizes the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Chairman, I think Congress has to realize that this is really the first time in a number of years that it has had an opportunity to put through an authorization bill with regard to the White House staff.

What has happened in the White House is because of the failure and undersight on the part of the Congress to put through an authorization bill. We are fortunate that the vigilance in the past year to 2 years has caused this Congress to move to authorizing this expenditure and thereby limit it—which it should have done in the past.

Mr. Chairman, I urge that we adopt the Udall amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I rise in support of H.R. 6706 as reported by committee and against the Udall amendment. I congratulate the Committee on Post Office and Civil Service for a job well done on a very difficult problem.

Under the guise of congressional oversight, some would freeze White House personnel slots at the current level; both in number and distribution. Additionally, they would constrain the use of experts and consultants by the White House. Finally, critics would want tighter control over the $1 million discretionary fund for unanticipated needs for the furtherance of the national interest.

The size of the White House staff has grown enormously under our last four Presidents. At the same time the size of government has grown dramatically. I hasten to add that the staff support for the Congress has also mushroomed. Congress must have a control and oversight mechanism against unchecked growth of the White House staff. At the same time, we cannot allow the legitimate congressional need for oversight to become an excuse for a congressional straitjacket.

The committee bill authorizes upper limits at each grade level for White House employees. Positions can, of course, be filled at levels under the authorization. The net effect of the committee bill would be to cut the number of employees from present levels but to raise the authorized grade scale. There is also the appropriations process each year to further check any growth or abuse of White House personnel policy.

The use of part- and full-time experts and consultants provide the President, as well as others in the executive branch, much needed outside perspective and advice. I do not find merit in attempts to limit the use of these people to 1 year. While it is true that other agencies of the Government are so constrained, the nature of consultant work with the White House is that periods involved are unpredictable. Likewise, full White House reimbursement for employees detained from other agencies makes no sense. In one breath critics of this bill are saying that there is too much unaccountable power at the White House without contact with the various Cabinet officers and Government agencies. In the nest, they are advocating disincentives for the use of regular, accountable, career Government employees.

Finally, the $1 million discretionary fund should be left as is. While it is true the President and his predecessors have not used the entire amount authorized and appropriated, the expenditures have been for good causes. For instance, President Ford has used $403,500 in the past year for the Council on Wage and Price Stability, the Presidential Clemency Board, the Presidential Transition and the Rockefeller Commission on the CIA. Almost everybody would agree that these were worthy, emergency expenditures. The committee has provided for proper reporting. Any effort at forcing these infinitesimal amounts to go through the congressional process would lead to delays and waste. Need I remind this body that on important matters, such as an energy bill, our record is far from sterling. I hesitate to think what would have become of the President's clemency program if it was forced through the congressional process.

In conclusion, Mr. Chairman, my difference with critics of the committee bill is simple. They wish to treat the White House just like any other Federal agency. I strongly disagree. The President and Vice President are the only officeholders who receive a nationwide mandate. They must be given the latitude to make the staff decisions in a manner which suits their personal styles and philosophies. Congress has enough checks on abuse of personnel power through the appropriations process. The President needs discretion in the staff organization he wishes and the people he picks to fill the slots. The amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, I emphasize, in closing, that this amendment does not cut anyone's salary. It prevents the President from adding positions. He is going to add 12 level II and III positions. There are now 13 of them, and in 1 year at the White House he wants to double the total to 25.

(By unanimous consent, Mr. KETCHUM yielded his time to Mr. ROUSSELOT.)

The CHAIRMAN. The Chair now recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I want to point out that prior to 1970, we had hundreds and hundreds of people down at the White House on assignment, 273 at the peak. We now have an open White House staff record. All this bill does is to lay that open in the most positive fashion. The amendment is unnecessary.

(By unanimous consent, Mrs. SCHROEDER yielded her time to Mr. HOLLAND.)

PARLIAMENTARY INQUIRY

Mr. HOLLAND. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. HOLLAND. Did I understand the Chair to say that the debate on this amendment will end at 7 o'clock?

The CHAIRMAN. That is correct. It will end then, under the limitations of our arithmetic.

The Chair now recognizes the gentleman from South Carolina (Mr. HOLLAND).

Mr. HOLLAND. Mr. Chairman, I rise in support of the Udall amendment, in the same nonpartisan spirit that brought Mr. Ford to my district last year to campaign against me. The last time this Congress sent too much money over to the White House, a bunch of bureaucrats with nothing to do got together the "plumbers." They went around breaking in psychiatric offices. They broke into Watergate. They prepared "enemy lists." Let us cut down on the numbers and see that there is no idle time for those so inclined in the future.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I believe that this amendment is unnecessary. The committee did cut back the overall level of the staff for the White House in committee. I believe this is an adequate amount.

This Congress increased the number of congressional staff members by two this year, and also increased the staff allowance by $25,000, and most of the Members who are complaining about these White House levels voted for that House increase.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, last year when this bill was before the House I offered an amendment which was accepted by the House that required certain disclosures. That is, disclosures by the President about the number of employees, the amount they are paid, and their duties.

At some point in the debate I hope we have that amendment offered again.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, if some Members are demagoging today they had better look to see how they voted on striking the funds for the acquisition of the FBI Building.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. HENDERSON) to close debate.

Mr. HENDERSON. Mr. Chairman, I urge the defeat of the amendment offered by the gentleman from Arizona (Mr. UDALL).

I would point out that this is an authorization bill. The chairman of the Committee on Appropriations has an excellent track record of looking at the real requirement, and will insure that the money is not appropriated unless it is needed.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Arizona (Mr. Udall).

The question was taken; and on a division (demanded by Mr. Udall), there were—ayes 46, noes 46.

RECORDED VOTE

Mr. UDALL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 157, noes 234, not voting 42, as follows:

[Roll No. 370]

AYES—157

Abzug
Adams
Ambro
Anderson, Calif.
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Bauman
Bedell
Bennett
Bergland
Bingham
Blanchard
Blouin
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carney
Carr
Chisholm
Clay
Conlan
Conyers
Corman
Crane
Daniels, N.J.
Danielson
Dellums
Dingell
Dodd
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Ind.
Fascell
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Gaydos
Hall
Hanley
Hannaford
Hansen
Harkin
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Helstoski
Hightower
Holland
Holt
Holtzman
Howard
Howe
Ichord
Jacobs
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Krebs
LaFalce
Leggett
Lehman
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McCollister
McDonald
McKay
Macdonald
Madden
Maguire
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Mineta
Mink
Moakley
Moffett
Mottl
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pickle
Pressler
Rangel
Richmond
Riegle
Roe
Roncalio
Rose
Rosenthal
Roush
Roybal
Ryan
Santini
Schroeder
Seiberling
Simon
Smith, Iowa
Stark
Steelman
Stokes
Studds
Sullivan
Symms
Thone
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Wilson, C. H.
Wirth
Wolff
Yates
Yatron
Young, Ga.
Zeferetti

NOES—234

Abdnor
Addabbo
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashley
Bafalis
Beard, R.I.
Bell
Bevill
Biaggi
Biester
Boggs
Boland
Bolling
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burton, John
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dent
Derwinski
Devine
Dickinson
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Fenwick
Fish
Flood
Flowers
Flynt
Forsythe
Fraser
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hastings
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hillis
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Lagomarsino
Landrum
Latta
Lent
Levitas
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
O'Brien
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Rooney
Rostenkowski
Rousselot
Runnels
Ruppe
Russo
St Germain
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steiger, Ariz.
Stephens
Stratton
Stuckey
Talcott
Taylor, Mo.
Taylor, N.C.
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Whalen
White
Whitehurst
Wilson, Bob
Wilson, Tex.
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki

NOT VOTING—42

Anderson, Ill.
Beard, Tenn.
Bonker
Breckinridge
Clawson, Del
Collins, Ill.
Derrick
Diggs
Evins, Tenn.
Findley
Fountain
Fulton
Goldwater
Harrington
Harsha
Hébert
Hinshaw
Horton
Jenrette
Jones, Ala.
Jones, N.C.
Krueger
Lott
McKinney
Meyner
Mitchell, Md.
Montgomery
Moss
Quie
Reuss
Sarbanes
Scheuer
Smith, Nebr.
Spence
Steiger, Wis.
Symington
Teague
Thompson
Wampler
Whitten
Wiggins
Wright

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Mitchell of Maryland for, with Mr. Hébert against.

Mr. Diggs for, with Mr. Fountain against.

Mr. Thompson for, with Mr. Montgomery against.

Mr. Harrington for, with Mr. Whitten against.

Mr. Moss for, with Mr. Teague against.

Mr. Scheuer for, with Mr. Lott against.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Chaiman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Brooks: On page 4, delete lines 3 through 11, and substitute the following:

"(d) The President is authorized to procure goods and services for the care, maintenance, repair, alteration, operation, improvement, and preservation of the Executive Residence at the White House."

Mr. BROOKS. Mr. Chairman, I offer this amendment in order to limit the President's authorization for procurement of goods and services to those necessary to care, maintain, repair, alter, operate, improve, and preserve the White House.

As presently drafted, the authority contained in subsection (D) on page 4 of H.R. 6706 would authorize the President to procure goods and services, without limit, which he believes are necessary to perform his official duties. Such language is far too broad and open-ended. In effect, it would give the President practically unlimited discretion to acquire goods and services for any project or program which he desired.

As chairman of the Government Operations Subcommittee that looked into the gross misuse of Federal funds spent on former President Nixon's private properties at San Clemente and Key Biscayne, I believe the Congress should carefully restrict the use of Federal funds in this case to the White House residence.

I might add that administration officials failed to explain at the hearings before the Post Office and Civil Service Committee the reason or need for the broad authorization language. This is significant because the language contained in the bill passed by the House and Senate in the last Congress, and the language contained in the appropriations for the White House in the last Congress both were restricted to goods and services for the White House residence. My amendment merely conforms the provision contained in H.R. 6706 to that agreed to by Congress in past legislation.

Finally, the present language contained in subsection (d) could be interpreted to exclude the Federal Property and Administrative Services Act from applying to expenditures of such goods and services. This is unwise in my opinion since the Federal Property Act contains built-in safeguards over the use of Federal moneys to procure goods and services, including obtaining quality and fair prices, and avoiding favoritism.

Mr. Chairman, I urge adoption of the amendment.

Mr. HENDERSON. Mr. Chairman, will the gentleman from Texas yield?

Mr. BROOKS. I am delighted to yield to the distinguished chairman of the subcommittee.

Mr. HENDERSON. Mr. Chairman, I thank the gentleman for yielding to me.

We are prepared to accept the gentleman's amendment on this side. It is a matter within the jurisdiction of the committee which he so ably chairs, and I am pleased to accept the amendment on behalf of the majority.

Mr. BROOKS. I thank the gentleman.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, in the spirit of the objectivity which the House showed in rejecting the last amendment, we accept this amendment.

Mr. BROOKS. I thank the gentleman from Illinois.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BROOKS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOKS: On page 4, on lines 17 and 18, delete the words "and accounted for solely on his certificate", insert a comma after the word "President" on line 17, and insert in lieu thereof the following: "except that the Comptroller General shall be furnished information requested by him relating to the expenditure of such funds and access to all necessary books, documents, papers, and records, relating to any such expenditure, in order that he may determine whether the expenditure was for payment of official reception, entertainment, and representation expenses."

Mr. BROOKS. Mr. Chairman, the amendment here offered is designed to assure that funds authorized for White House reception, entertainment and representation expenses are properly accounted for through an audit by the Comptroller General.

After the experience the country has recently passed through regarding the abuse of power and misuse of Federal funds by a President, I am surprised that the administration would propose language giving the President authority to expend money on his own account without the Congress or the public knowing how the money has been spent.

Inclusion of this unlimited authority is directly contrary to that contained in the legislation agreed to by the House and Senate last Congress. The language of the amendment before the House is identical to that agreed to by Congress last year.

I urge adoption of the amendment.

Mr. HENDERSON. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, on behalf of the majority, we are pleased to accept the amendment offered by the gentleman from Texas.

Mr. BROOKS. I thank the gentleman for his comment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, we appreciate having this amendment in the bill. There will be several other bills relating to the General Accounting Office continuing these kinds of orders on many programs. I think it is a worthwhile amendment, and we accept it on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BROOKS).

The amendment was agreed to.

AMENDMENTS OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mrs. SCHROEDER:
Page 3, strike out lines 23 and 24.
Page 4, strike out lines 1 and 2.
Page 6, strike out line 8 and all that follows down through line 11.

Mrs. SCHROEDER. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, these are simple amendments. Their intent is to place the hiring of experts and consultants for the staffs of the President and Vice President under exactly the same limitation which applies to the employment of all other experts and consultants in the executive branch.

Section 3109(b) of title V states that experts and consultants cannot be hired for more than 1 year. Almost by definition, experts and consultants are meant to be temporary—and therefore the prohibition against hiring for more than 1 year makes absolute sense.

Yet, H.R. 6706 would allow the President and Vice President—for the first time—to hire experts and consultants beyond 1 year. My amendments delete this authority. It must be noted that presently, the staffs of President and Vice President come under the 1-year limitation, and it has caused no difficulty of which I am aware.

If the services of an individual are needed beyond 1 year, then that person should be placed on the list of permanent employees.

It has been alleged that there is a game of circumventing the provisions of section 3109(b) by contracting for services for 1 year, then waiting a few days or weeks, and then contracting for another full year.

I do not know if the procedure goes on. If it does, it certainly violates the spirit of the law. But, I am willing to trust that the present incumbents would not use such devices, and, in any case, the reporting requirements which will be offered in a subsequent amendment would bring this sham to light, if it exists.

In short, I can think of no reason why we should make an exception for the President and Vice President in this matter—their experts and consultants should be treated like every other person so hired.

The section follows:

(b) When authorized by an appropriation or other statute, the head of an agency may procure by contract the temporary (not in excess of 1 year) or intermittent services of experts or consultants or an organization thereof, including stenographic reporting services. Services procured under this section are without regard to—

(1) the provisions of this title governing appointment in the competitive service;

(2) chapter 51 and subchapter III of chapter 53 of this title; and

(3) section 5 of title 41, except in the case of stenographic reporting services by an organization.

Mr. HENDERSON. Mr. Chairman, this amendment should be considered in the light of what the committee did. The committee, by the language, requires the President to make a determination if it is necessary to extend beyond the 1 year, the employment of the consultants and experts. If the Members accept the amendment, the President could not extend the experts and consultants that he has on board. Even if he found they were necessary, he would have to at least terminate them, let those experts and consultants go for at least 1 day, and then be reemployed.

We think the committee position that the President make a specific determination of the necessity for extension is a reasonable requirement on the President. But it likewise gives him sufficient authority to conduct the business of his office.

Mr. Chairman, I urge the defeat of the amendment.

Mr. DERWINSKI. Mr. Chairman, I rise to oppose the amendment and to point out what little significance the amendment really has.

At the moment there are just 12 White House consultants, and that is probably a record low since the World War II period. There are 12 consultants to the President and just that number is being used by the President. Certainly they need flexibility. I think when you deal with 12 consultants that even if one serves 14 or 16 months, all you are doing is giving the President a little flexibility.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman.

Mr. ROUSSELOT. Mr. Chairman, is it not true under the amendment that passed previously, which was offered by the gentleman from Texas, there will be a complete accountability by the General Accounting Office, and the committee will know at all times how many consultants there are. It is really unnecessary to pass this amendment to put a control on the situation of consultants because the President has told us he will keep us fully informed and the committee will know at all times what the numbers are?

Mr. DERWINSKI. Mr. Chairman, the gentleman has genuinely recognized the situation, especially since the two amendments we just adopted in fact strengthen the procedure of public record and the reporting procedures, that there is no possibility of abuses. And the very limited number of people who would be affected is such that the President needs practical flexibility.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, whereas previously the amendment might have been needed, now we have adequate amendments to protect the House and make sure the Congressional Committees know at all times how many consultants there are, and the committee will have full access to that. It is really unnecessary.

Mr. DERWINSKI. It is unnecessary because the consultants are not being abused.

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The amendments were rejected.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. JONES OF OKLAHOMA

Mr. JONES of Oklahoma. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. JONES of Oklahoma: Strike out all after the enacting clause and insert the following:

That section 103 of title 3, United States Code, relating to travel expenses of the President, is amended by deleting "$40,000" and inserting in place thereof "$100,000".

SEC. 2. (a) Section 105 of title 3, United States Code, is amended to read as follows:

"§ 105. Assistance and services for President and Vice President

"(a) Without regard to any other provision of law regulating employment and pay of persons in the Government service, the President is authorized to appoint and fix the pay of—

"(1) fourteen administrative and staff assistants in the White House Office at the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5, and such other administrative and staff assistants as may be necessary in the White House Office at rates less than the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5, and

"(2) assistants, clerical, and other personnel in the White House Office at respective rates not more than the maximum rate of basic pay then currently paid under the General Schedule of section 5332 of title 5;

who shall perform such official duties as the President may prescribe.

"(b) The President is authorized to procure and provide within the White House Office services, as described in and in accordance with section 3109(b) of title 5, but at respective daily rates of pay for individuals not more than the daily equivalent of the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5.

"(c) The President is authorized to provide for the procurement of goods and services (other than services authorized to be procured and provided under any other provision of this chapter) necessary in connection with the performance of his official duties (including, without regard to any other law, care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting including electrical fixtures, operation, and preservation of the executive residence, for which purposes the President may procure services as described in and in accordance with section 3109(b) of title 5).

"(d) There are authorized to be appropriated each fiscal year and for the period July 1, 1976, through September 30, 1976—

"(1) to the President, when specified in regular appropriation acts, such sums as may be necessary to pay official reception, entertainment, and representation expenses, to be expended at the discretion of the President and accounted for solely on his certificate, and

"(2) such sums as may be necessary for allocation within the Executive Office of the President for official reception and representation expenses.

"(e) Without regard to any other provision of law regulating employment and pay of persons in the Government service, there are authorized to be appropriated each fiscal year and for the period July 1, 1976 through September 30, 1976, such sums as may be necessary to enable the Vice President to provide assistance to the President in connection with the performance of functions specially assigned to the Vice President by the President in the discharge of Executive duties and responsibilities, including the use of such funds to—

"(1) establish the basic pay for one position at a rate not more than the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5, and such other administrative and staff assistants as may be necessary at rates less than the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5; and

"(2) procure and provide services as described in and in accordance with section 3109(b) of title 5, but at respective daily rates of pay for individuals not more than the daily equivalent of the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5.".

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by deleting—

"105. Compensation of secretaries and executive, administrative, and staff assistants to President.".

and inserting in place thereof—

"105. Assistance and services for President and Vice President.".

SEC. 3. (a) Section 106 of title 5, United States Code, is amended to read as follows:

"§ 106. Assistance to President for unanticipated needs

"There are authorized to be appropriated to the President each fiscal year and for the period July 1, 1976 through September 30, 1976, such sums as may be necessary to enable the President, in his discretion, without regard to any other provision of law regulating employment and pay of persons in the service of the Federal Government or regulating expenditures of Federal Government funds, to respond to and deal with unanticipated needs for furtherance of the national interest, security or defense, including personnel needs; services as described in and in accordance with section 3109(b) of title 5, but at respective daily rates of pay for individuals not more than the daily equivalent of the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5; and administrative expenses related thereto.".

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by deleting—

"106. Administrative assistants."

and inserting in place thereof—

"106. Assistance to President for unanticipated needs."

SEC. 4. (a) Chapter 2 of title 3, United States Code, is amended by adding the following new section at the end thereof:

"§ 112. The Domestic Council

"There are authorized to be appropriated each fiscal year and for the period July 1, 1976, through September 30, 1976, such sums as may be necessary to enable the Domestic Council, without regard to any provision of law regulating employment and pay of persons in the Government service, to provide assistance to the President in connection with the performance of functions assigned to the Council by the President in the discharge of Executive duties and responsibilities, including the use of such funds to—

"(a) establish the basic pay for such administrative and staff assistants as may be necessary at rates less than the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5; and

"(b) procure and provide services as described in and in accordance with section 3109(b) of title 5, at respective daily rates of pay for individuals not more than the daily equivalent of the maximum rate of basic pay then currently in effect under the General Schedule of section 5332 of title 2 for grade GS-18.".

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by adding—

"112. The Domestic Council."

Mr. JONES of Oklahoma (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JONES of Oklahoma. Mr. Chairman, I offer this amendment as a substitute for the bill. Basically my amendment in the nature of a substitute gives the President the same flexibility in selecting and paying his White House staff that we as Members of the Congress have with our own staffs.

My substitute essentially reaffirms the present law affecting the White House staff. It seeks no new authority. What it does is to establish as present law the 14 Level II positions for the White House staff, and beyond that it gives to the President the flexibility to structure and to compensate his staff as he or she deems appropriate, subject only to the review and the approval of the Committee on Appropriations and the appropriations process in Congress.

I am very concerned that the restrictions which were written in the committee bill, primarily based on my experience as Chief of Staff at the White House in the last year of the Johnson administration, would unduly restrict a President of the United States.

I have also discussed this matter with my two immediate predecessors, Marvin Watson of the Johnson administration and Ken O'Donnell of the Kennedy administration. They both wholeheartedly agree with and support my substitute, and they believe that the present law and the present method of structuring the White House staff should be continued.

The point is that any President should be able to hire his personnel and structure his staff in a way similar to the way we do it.

Mr. Chairman, it has been mentioned in previous debate that if we do not put some kind of delineation on various positions and types of positions and levels of positions going on the White House staff, we are going to have uncontrolled growth of bureaucracy. The fact of the matter is that the White House staff has not grown in its bureaucracy to the same extent that the staffs of the Congress have grown. If we take, for example, the base period of 1960, we will see that House staffs have increased from 8 to 18 staff members per Member of the House—a growth of 125 percent. During this same period the White House staff growth has been a little less than 33 percent. In fact, if we look at the last 5 years, from 1970 to 1975, there has been an actual total decline in the White House staff of about 10 percent over the last 5-year period.

There has been some talk earlier in the debate today that we must delineate the number of positions for the White House staff and prescribe by law what positions the President can fill in order to get back to a Cabinet-type government. I submit that putting in the law the number of levels II, III, IV, and V positions and the number of positions in GS-16, 17, 18, and below, particularly as has been proposed in this bill and some of the amendments, will have no effect on getting back to a Cabinet-type government.

It will have no effect in restricting a President who wants to abuse his Presidential power. It will not clean up the morals of Government in any way.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. Yes, I yield to the gentleman from California.

Mr. JOHN L. BURTON. Referring to the remarks that the gentleman from Oklahoma (Mr. Jones) made detailing the different increases in staff levels, is it not true that an Executive can vary several staff positions and borrow several staff persons to work in the Executive Office from all sorts of executive departments, whereas a member of the legislative branch cannot go to any other bureaucracy and grab staff people to work on the legislative level?

Mr. JONES of Oklahoma. That is true.

When I referred to the decline in the last 5 years in the White House staff, I was referring to all of the people, those who were detailed as well as those who were part of the permanent staff.

Mr. JOHN L. BURTON. What the gentleman is saying is that it is not only those who staff the White House, but those who are budgeted under other executive departments, but detailed to the White House?

Mr. JONES of Oklahoma. That is correct. For example, in 1970 there were 250 full-time staff, 95 for special projects and 207 detailed from other departments. As of April 1, 1975, there were 535 full-time staff, no special projects, and 28 detailed from other Government agencies.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman.

Mr. HENDERSON. Mr. Chairman, I rise in opposition to the amendment.

I will take just a moment to point out to the House what the effect would be if the Members vote for the amendment offered by my good friend, the gentleman from Oklahoma (Mr. Jones). It will undo what our committee did to eliminate the open-end request of the President.

The committee felt that we ought to specifically authorize numbers and grade levels. Very obviously, if the Members followed the earlier debate and voted on the Udall amendment, they will realize that the committee gave the White House or the President what was requested by him in the way of specific numbers and grade levels. By their action here earlier this evening, the Members have agreed with the committee's position. However, if they vote for the amendment offered by the gentleman from Oklahoma, their decision would be to give the White House and the President a blank check, not only for his own staff, but also for office of the Vice President and the office of Domestic Council.

I will try as hastily as I can to point those out, but first let me say that it has been the policy of the House Committee on Post Office and Civil Service over the 15 years that I have served on that committee to oppose open-end authorization for personnel throughout the executive department on every occasion. I think that we are being consistent in our position on this bill here today.

The gentleman's substitute, however, which is the request from the President, would grant authority for the President to procure goods and services for the preservation and operation of the executive residence without regard to any other law, which is contrary to other action that we have already taken here today.

The authorization for the emergency fund under section 3 of the amendment contains no dollar limitation. The committee recommends that it be limited to $1 million.

I would remind the committee that last year both the House and the Senate rejected the broad authority proposed by the gentleman's amendment, and I would urge that the amendment be voted down and that the committee position be supported.

Mr. UDALL. Mr. Chairman, I did have a difference with my friend, the gentleman from North Carolina (Mr. Henderson) on the earlier amendment that I offered, but I stand with that gentleman firmly on this proposition that we should not go back to the same old way of no controls, no authorizations, put as many people on as you want to at $42,000 a year, put whoever you want at $40,000 a year, and then go and see Tom Steed once a year, and let him decide if he wants to put a rubber stamp on it. We must have limitations in this Government, everyone must have limitations. The judiciary system has limitations, the White House should have limitations, and this committee bill sets forth those limitations. It would be total irresponsibility to adopt this amendment.

Mr. HENDERSON. I thank the gentleman very much.

Mr. Chairman, I urge that the amendment be defeated.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I do not like to break a precedent, but there is a tendency that when a committee brings a bill to the floor they think of it as sacred, and therefore try to reject amendments. But, basically, I am a flexible individual, and when I recognize a work of legislative art I instinctively move in support of it.

Let me explain what this amendment offered by the gentleman from Oklahoma (Mr. Jones) does, and why it should be supported.

First of all, the Jones amendment is, in fact, the bill that was introduced in April by Messrs. Henderson, Derwinski, Steed, and Miller, which provided for the White House authorization in concurrence with those White House positions that have been covered by the annual appropriation for the Executive Office of the President.

As we all know, going way back before Lincoln—and when I mention President Lincoln I presume that he is, obviously, a man of history, and no longer a controversial political President—that going back as far as Lincoln that all the Congress did was to appropriate an annual sum of money for the Office of the President, and that was the control and that is the control.

A few years ago a pattern developed of raising points of order against the appropriation bill because it lacked the authorization. What happened then is that the Appropriations Subcommittee would get a rule waiving points of order, we adopted the rule, and then the Committee on Appropriations moved on, as they do annually.

All the Jones amendment does, in effect, is to authorize the procedure we have been following year after year after year through the appropriations process.

Let me add just one other comment: The gentleman from Oklahoma (Mr. Jones) is a very modest young man, and what he did not go into was the fact that he served in the White House on the staff under President Johnson. He recognizes the flexibility the President has to have in handling his staff. That is really the big debate today. The President should be responsible, to be responsible, the very least he ought to have is flexibility.

The Committee on Appropriations rides herd on the White House through a limitation of funding, and that is a good, solid approach to this whole issue of possible political misuse of the White House.

We now have passed the era of abuses. I think we have a President and I think that future Presidents are going to operate the White House staff in the most open manner possible. The only reason we did not follow through in the committee and bring out the original bill as we introduced it is because we did not have the votes in the committee. But it is in the hope of having the necessary votes on the floor this afternoon that I urge a statesmanlike vote for the Jones amendment.

Mr. HARRIS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I hope I will not take the full 5 minutes.

The basic question presented to us right now I believe I can express with regard to this bill, is whether we are going to be a nation of laws or a nation of men. I heard what my colleague, the gentleman from Illinois, said: Let us trust the President, and not worry about whether or not we have another staffing situation like we had 2 years ago or 4 years ago. Let us no longer worry about Congress taking responsibility of setting down the standards, specifying the parameters; let us just make sure that he gets plenty of money and hires as many Liddys and Hunts as he wants to, if he intends to do that.

All I am asking the Congress to do now is to recognize that we do have the responsibility to set the standards covering the staff in the White House, and if we do not do that then we are abdicating the responsibility of the Congress, we are saying that there is an imperial Presidency, go ahead and let it run itself.

AMENDMENT OFFERED BY MR. SOLARZ TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. JONES OF OKLAHOMA

Mr. SOLARZ. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Solarz to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma: Page 5, in line 18 of the Jones substitute insert immediately before the quotation marks the following:

"No amount may be allocated under any appropriation authorized under this section unless, prior to such allocation, the President has submitted to the Congress a report setting forth—

"(1) the specific purpose for which such allocation is to be made, and

"(2) that there has been a Presidential determination that the necessary delay which would normally occur in enacting appropriations for such purpose, or appropriation authorization and appropriations for such purpose, as the case may be, would be detrimental to the national interest, security, or defense.".

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

I have discussed this amendment with the gentleman. It is a good amendment, and I will certainly accept it.

Mr. SOLARZ. I would like to thank the gentleman.

I would also like to indicate to the members of the committee that this is an amendment which has been accepted not only by the author of the amendment in the nature of a substitute, but by the chairman of the committee, the ranking minority member of the committee, and I understand also by our distinguished colleague, the gentleman from Arizona (Mr. Udall). It is a small amendment. I think it is significant. It picks up language contained in the original bill which provided that, with respect to the unanticipated needs fund, the President could only use the money from that section if he first certified to the Congress that it was for a purpose which was genuinely in the national interest.

During the course of the hearings on this bill there was some testimony to the effect that in the past the White House had used the funds from this unanticipated needs fund for purposes—when one got right down to it—that really were not of an emergency character. He has used it, for instance, to fund the Presidential Clemency Board or the President's Commission on the CIA, both of which were really not of an emergency character. There was a feeling on the part of the committee that we really ought not to allow the unanticipated funds to be used by the President to end run the congressional process on the theory that if he wanted to fund a program or commission which had some merit, but which was not of an emergency character, that he ought to go to the Congress and ask for an authorization and then for an appropriation. At the same time the committee felt that the President should have the flexibility to deal with unanticipated needs and problems if they are of a genuinely emergency character.

All this amendment does is say while we give the President the resources to deal with unanticipated needs, we first require the determination that he needs that money for a real emergency, because if he were to go to the Congress and had to wait upon the delays which are necessarily attendant upon the authorization process, that would somehow compromise the national interest and the security of the country. So I think this is an amendment which somewhat strengthens the substitute. In view of the fact that it is conceivable the substitute might be adopted, I think it is important to have this language in it.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

I rise to advise the House that I believe that this is a very helpful perfecting amendment for the very strong amendment in the nature of a substitute, and we accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Solarz) to the amendment in the nature of a substitute offered by the gentleman from Oklahoma (Mr. Jones).

The amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. PICKLE TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. JONES OF OKLAHOMA

Mr. PICKLE. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Pickle to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma: add a new section at the end thereof to read as follows:

Sec. 5. (a) Chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new section:

"Statement of Expenditures for Employees

"Sec. 112. (a) The President shall transmit to each House of Congress, and make available to the public, reports with respect to expenditures for employees in the White House Office and the Executive Residence at the White House. Each such report shall be transmitted no later than sixty days after the close of each fiscal year and shall contain a detailed statement of such expenditures during the most recent complete fiscal year.

"(b) Each report required under subsection (a) shall contain—

"(1) the name of every individual detailed to or employed in (including any expert or consultant whose services are procured under this chapter), for the White House Office, the Executive Residence at the White House, the Vice President's Office, and the Domestic Council;

"(2) the amount of appropriated moneys paid to each such individual so employed;

"(3) the amount of reimbursements made by the White House Office for employees detailed to the White House Office under section 107; and

"(4) a general title and general job description for each individual detailed to or so employed in the White House Office or the Executive Residence at the White House.

(b) The table of sections for chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new item:

"112. Statement of expenditures for employees".

(c) The amendments made by the foregoing provisions of this section shall apply with respect to fiscal years beginning after June 30, 1975. For purposes of the preceding sentence and section 112 of title 3, United States Code, the period beginning July 1, 1975, and ending September 30, 1976, shall be treated as one fiscal year.

Page 12, line 24, strike out "Sec. 7" and insert in lieu thereof "Sec. 8".

Mr. PICKLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Chairman, I have discussed the gentleman's amendment with him. It is a good amendment and I certainly accept it.

Mr. PICKLE. I thank the gentleman from Oklahoma.

Mr. Chairman, this is the same amendment we adopted last year when this matter was before us. It is a disclosure matter, saying the President must publish the names and salaries of those people who work at the White House, and their duties. I hope it will be adopted.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, this is a very fine amendment, further perfecting the substitute before us, and we accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Pickle) to the amendment in the nature of a substitute offered by the gentleman from Oklahoma (Mr. Jones).

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. UDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had not intended to speak on the Jones substitute but as we are about to vote I sense maybe some people are taking it a little more seriously than I thought would be the case.

Let me tell the Members where we stand right now. We have already decided an increase in positions at executive level 2, the $42,500 level, the level of the Members of Congress. In the whole Government outside the White House there are less than 25 executive level 2 positions—we are saying although they already have nine of them down there right now and one of them is the Press Secretary and one of them is the executive liaison, and these positions used to be four or five levels below that, we are saying in rejecting the amendment I offered earlier that we are going to give them in addition to the nine positions, three more. We are going to let them have nine more at the $40,000 level. They will have 13. In addition to the $38,000 level positions they have, we are going to let them go to 15. We will keep the level 5 at 25. But in the total executive and supergrade positions we are going to say to the White House they can go from 54 to 95, but at least we have some control.

At long last we propose to write into law some authorization so the White House, like the Federal judges, and so the White House, like the Congress, and so the White House, like the Labor Department and every other department of the Government is going to have some statutory limitations and some accountability.

But the Jones amendment says to the White House that we are going to go right back where we used to be and they can appoint everybody at the $42,500 level if they wish. I have never seen a brigadier general who did not think he ought to be a major general and I have never seen a major general who did not think he ought to be a lieutenant general. You will never find a White House level IV who does not think he should be a III.

There is a principle at stake. If we adopt the Jones amendment we are going to go back to the old imperial Presidency where they can hire anybody they want at whatever salary they want and all they need to do is convince the Appropriations Committee once a year that all is lovely.

We are trying to establish an important principle of accountability. The majority of the committee is for this. Some of my friends on this side of the aisle voted against the amendment I offered that would have held the line at the present levels. We have already been very generous with the White House. If we go this way we will take off all limitations and go back to the same old system.

I hope the Jones amendment will be voted down.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I just want to be sure we understand what we are saying. This amendment merely provides for the White House staff as we have appropriated funds for year after year after year.

There is not anything in this amendment that lets an "imperial White House" develop. If that phrase is correct, then we have had an imperial White House since George Washington.

All we are trying to do with the Jones amendment—I remind the Members this is the original bill introduced by the gentleman from North Carolina (Mr. HENDERSON) and myself and the gentleman from Oklahoma (Mr. STEED) and the gentleman from Ohio (Mr. MILLER)—is provide through authorization the White House staff personnel that the Appropriations Committee has been consistently funding.

All the Committee on Appropriations has to do the moment they detect any abuse is cut that figure. We have accepted two amendments, that of the gentleman from Texas (Mr. BROOKS) and that of the gentleman from New York (Mr. SOLARZ) to further tighten up any abuse. We have a fine amendment here to support.

Mr. HENDERSON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, I thank the gentleman.

I think the committee should realize that the bill we earlier introduced was by request of the President and since that time there has been committee action here. I urge my colleagues to stay with the committee bill. If we do not do that, we very simply will do what the gentleman from Illinois said. We will be saying whatever the Committee on Appropriations does is the authority and not the committee.

I would hope we stay with the requirement of the House rule that the authorizing committee does authorize and the Committee on Appropriations appropriates.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended, offered by the gentleman from Oklahoma (Mr. JONES).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. JONES of Oklahoma. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 146, noes 242, not voting 45, as follows:

[Roll No. 371]

AYES—146

Abdnor
Addabbo
Alexander
Archer
Bell
Bevill
Biester
Boggs
Boland
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Clausen, Don H.
Cleveland
Cohen
Conable
Conte
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Delaney
Derwinski
Devine
Dickinson
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Fenwick
Flood
Forsythe
Frenzel
Ginn
Gonzalez
Goodling
Gradison
Guyer
Hammerschmidt
Hansen
Hastings
Heckler, Mass.
Heinz
Hightower
Hillis
Holt
Hubbard
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kemp
Ketchum
Kindness
Landrum
Latta
Lent
Long, La.
Lujan
McClory
McCloskey
McDade
McEwen
McKinney
Madigan
Mahon
Martin
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Moore
Mosher
Murphy, N.Y.
Murtha
Myers, Pa.
O'Brien
O'Neill
Patten, N.J.
Pettis
Pickle
Pike
Poage
Pritchard
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Risenhoover
Robinson
Rogers
Rostenkowski
Runnels
Ruppe
Satterfield
Sebelius
Shriver
Simon
Skubitz
Solarz
Stanton, J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Ga.
Young, Tex.

NOES—242

Abzug
Adams
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Bingham
Blanchard
Blouin
Bolling
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Broyhill
Burke, Calif.
Burke, Fla.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chappell
Chisholm
Clancy
Clay
Cochran
Collins, Tex.
Conlan
Conyers
Corman
Cornell
D'Amours
Daniels, N.J.
Danielson
Davis
Dellums
Dent
Dingell
Dodd
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fish
Fisher
Fithian
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Grassley
Green
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hicks
Holland
Holtzman
Howard
Howe
Hughes
Hungate
Ichord
Jacobs
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kelly
Keys
Koch
Krebs
LaFalce
Lagomarsino
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
McCollister
McCormack
McDonald
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Moakley
Moffett
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Passman
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pressler
Preyer
Price
Rangel
Rees
Richmond
Riegle
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shuster
Sisk
Slack
Smith, Iowa
Snyder
Spellman
Staggers
Stanton, James V.
Stephens
Stokes
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—45

Anderson, Ill.
Beard, Tenn.
Bonker
Breckinridge
Clawson, Del
Collins, Ill.
Derrick
Diggs
Esch
Evins, Tenn.
Findley
Fountain
Fulton
Goldwater
Gude
Harrington
Harsha
Hébert
Hinshaw
Horton
Jenrette
Jones, Ala.
Jones, N.C.
Krueger
Lott
Meyner
Mitchell, Md.
Montgomery
Moss
Patman, Tex.
Quie
Reuss
Roberts
Sarbanes
Scheuer
Schneebeli
Sikes
Smith, Nebr.
Spence
Symington
Teague
Thompson
Wampler
Whitten
Wright

So the amendment in the nature of a substitute, as amended, was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Thompson against.

Mr. Montgomery for, with Mr. Mitchell of Maryland against.

Mr. Whitten for, with Mr. Diggs against.

Mr. Teague for, with Mr. Moss against.

Mr. Gude for, with Mr. Harrington against.

Mr. Esch for, with Mr. Patman against.

Mr. Anderson of Illinois for, with Mrs. Meyner against.

Mr. Lott for, with Mr. Scheuer against.

The result of the vote was announced as above recorded.

Mr. HENDERSON. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The remainder of the bill is as follows:

Sec. 2. (a) Section 160 of title 3, United States Code, is amended to read as follows:

"ASSISTANCE TO PRESIDENT FOR UNANTICIPATED NEEDS

"Sec. 106. (a) There is authorized to be appropriated to the President an amount not to exceed $1,000,000 each fiscal year to enable the President, in his discretion, to meet unanticipated needs for furtherance of the national interest, security, or defense, including personnel needs and needs for services described in section 3109(b) of title 5, and administrative expenses related thereto, without regard to—

"(1) the provisions of such title governing appointment in the competitive searvice;

"(2) chapter 51 and subchapter III of chapter 53 of such title; and

"(3) section 5 of title 41.

An individual may not be paid under the authority of this section at a rate of pay in excess of the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5.

"(b) No amount may be obligated or expended under any appropriation authorized by subsection (a) unless, prior to such obligation or expenditure the President has submitted to the Congress a report setting forth—

"(1) the specific purpose for which such obligation or expenditure is to be made, and

"(2) that there has been a Presidential determination that the necessary delay which would normally occur in enacting appropriations for such purpose, or appropriation authorization and appropriations for such purpose as the case may be would be detrimental to the national interest, security, or defense.".

(b) In applying section 106(a) of title 3, United States Code (as amended by subsection (a) of this section), with respect to the fiscal period beginning July 1, 1976, and ending September 30, 1976, "$250,000" shall be substituted for "$1,000,000".

(c) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by striking out—

"106. Administrative assistants."

and inserting in lieu thereof—

"106. Assistance to President for unanticipated needs.".

Sec. 3. Section 107 of title 3, United States Code, is amended to read as follows:

"DETAIL OF EMPLOYEES OF EXECUTIVE DEPARTMENTS TO OFFICE OF PRESIDENT

"Sec. 107. At the request of the President, the head of any department, agency, or independent establishment of the executive branch of the Government shall detail, from time to time, employees of such department agency or establishment to serve in the White House Office. The White House Office shall reimburse each such department agency or establishment, for the pay of each employee thereof so detailed for full-time duty on a continuing basis, for any period of such detail occurring after the close of the sixth month following the date on which such detail first becomes effective.".

Sec. 4. (a) Chapter 2 of title 3, United States Code, is amended by inserting before section 109 the following new section:

"STAFF ASSISTANCE FOR DOMESTIC COUNCIL

"Sec. 108. In order to enable the Domestic Council to perform its functions, there is authorized—

"(1) to be appointed, without regard to the provisions of title 5 governing appointments in the competitive service, not more than—

"(A) one employee at a rate not to exceed the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of such title; and in addition

"(B) one employee at a rate not to exceed the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of such title; and in addition

"(C) four employees at rates not to exceed the rate of basic pay then currently in effect for level IV of the Executive Schedule of section 5315 of such title; and in addition

"(D) four employees at rates of basic pay then currently in effect for level V of the Executive Schedule of section 5316 of such title; and in addition

"(E) without regard to chapter 51 and subchapter III of chapter 53 of such title—

"(i) five employees at rates not to exceed the maximum rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of such title, and in addition

"(ii) such number of other employees at rates not to exceed the maximum rate of basic pay currently paid for GS–15 of the General Schedule of section 5332 of such title as may be appropriate; and

"(2) to be procured, temporary or intermittent services of experts and consultants, as described in and in accordance with the first two sentences of section 3109(b) of title 5, at respective daily rates of pay for individuals which are not more than the daily equivalent of the maximum rate of basic pay then currently paid under the General Schedule of section 5332 of such title.".

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by inserting before the item relating to section 109 the following:

"108. Staff assistance for Domestic Council.".

Sec. 5. Section 103 of title 3, United States Code, relating to travel expenses of the President, is amended by striking out "$40,000" and inserting in lieu thereof "$100,000".

Sec. 6. (a) Section 102 of title 3, United States Code, is amended by striking out "Executive Mansion" and inserting in lieu thereof "Executive Residence at the White House".

(b) (1) Section 109 of title 3, United States Code, is amended—

(A) by striking out from the section caption "EXECUTIVE MANSION" and inserting in lieu thereof "EXECUTIVE RESIDENCE AT THE WHITE HOUSE"; and

(B) by striking out from the text "Executive Mansion" each place it appears and inserting in lieu thereof "Executive Residence at the White House".

(2) The item relating to section 109 in the table of sections for chapter 2 of such title 3 is amended by striking out "Executive Mansion" and inserting in lieu thereof "Executive Residence at the White House".

(c) (1) Section 110 of title 3, United States Code, is amended—

(A) by inserting in the section caption, immediately before "WHITE HOUSE" the following' "EXECUTIVE RESIDENCE AT THE";

(B) by striking out "President's House" and inserting in lieu thereof the following: "Executive Residence at the White House"; and

(C) by striking out "White House" each place it appears and inserting in lieu thereof "Executive Residence at the White House".

(2) The item relating to section 110 in the table of sections for chapter 2 of such title is amended by inserting immediately before "White House" the following: "Executive Residence at the".

(d) Section 202 of such title is amended by striking out "Executive Mansion" and inserting in lieu thereof "White House".

Sec. 7. Any employee whose rate of basic pay would, but for this section, be reduced by reason of the limitations contained in section 105(b), 105(f), or section 108 of title 3, United States Code (as amended by this Act), may continue to receive basic pay at the rate in effect on the date of the enactment of this Act so long as such employee continues to perform the duties of the position the employee occupied on such date of enactment.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the remaining committee amendments.

The Clerk read as follows:

Committee amendments: On page 8, line 1, strike out "obligated or expended" and insert in lieu thereof "allocated".

On page 8, line 3, strike out "obligation or expenditure" and insert in lieu thereof "allocation".

On page 8, beginning in line 6, strike out "obligation or expenditure" and insert in lieu thereof "allocation".

The committee amendments were agreed to.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. Schroeder: Page 11, line 13, strike out the period and insert in lieu thereof a comma and the following: "and by striking out 'and accounted for on his certificate solely' and inserting in lieu thereof '; except that the Comptroller General shall be furnished such information relating to such expenditures as the Comptroller General may request and access to all necessary books, documents, papers, and records, relating to such expenditure in order that the Comptroller General may dedetermine whether the expenditure was for payment of traveling expenses of the President' ".

Mrs. SCHROEDER. Mr. Chairman, this is really a very simple amendment. In essence, all it does is ask the President to keep records of the travel expenses that are in this title.

It is very similar to the amendments that were accepted before, dealing with entertainment expenses and White House expenses.

Mr. HENDERSON. Mr. Chairman, will the gentlewoman yield

Mrs. SCHROEDER. Yes, I yield to the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, the gentlewoman is correct in her statement. This amendment is very similar to the amendment offered by the gentleman from Texas (Mr. Brooks), which we earlier accepted.

I am pleased to accept the amendment on behalf of the majority.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman.

I certainly hope the members of the committee will vote for this because it is very essential in what it basically involves.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to ask the gentlewoman from Colorado (Mrs. Schroeder) whether or not this makes any difference in the kind of certification that a Member of Congress makes as to his travel, as distinguished from the President. As I understand, when we travel, we simply self-certify that those travel expenditures are true and to the point. Why should we have a different standard for the President?

Mrs. SCHROEDER. If the gentleman will yield, my amendment does not deal with the House of Representatives. It deals strictly with the White House authorization. That is all we have in this bill.

When I travel, I present a voucher and a ticket, and I assume most Members do, but I do not think that is relevant to this issue.

Mr. MICHEL. Do we require the same general accounting information as the gentlewoman would require by her amendment?

Mrs. SCHROEDER. Yes, I think we do because I think this is a voucher system that is a standard procedure with such agencies as the IRS and with respect to almost everyone accounting for travel expenses.

Mr. MICHEL. Mr. Chairman, I thank the gentlewoman.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PICKLE

Mr. PICKLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PICKLE: Page 12, imediately after line 23, insert the following new section:

SEC. 7. (a) Chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new section:

"STATEMENT OF EXPENDITURES FOR EMPLOYEES

"SEC. 112. (a) The President shall transmit to each House of Congress, and make available to the public, reports with respect to expenditures for employees in the White House Office and the Executive Residence at the White House. Each such report shall be transmitted no later than sixty days after the close of each fiscal year and shall contain a detailed statement of such expenditures during the most recent complete fiscal year.

"(b) Each report required under subsection (a) shall contain—

"(1) the name of every individual detailed to or employed in (including any expert or consultant whose services are procured under this chapter), for the White House Office, the Executive Residence at the White House, the Vice President's Office, and the Domestic Council;

"(2) the amount of appropriated moneys paid to each such individual so employed;

"(3) the amount of reimbursements made by the White House Office for employees detailed to the White House Office under section 107; and

"(4) a general title and general job description for each individual detailed to or so employed in the White House Office or the Executive Residence at the White House.

(b) The table of sections for chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new item:

"112. Statement of expenditures for employees".

(c) The amendments made by the foregoing provisions of this section shall apply with respect to fiscal years beginning after June 30, 1975. For purposes of the preceding sentence and section 112 of title 3, United States Code, the period beginning July 1, 1975, and ending September 30, 1976, shall be treated as one fiscal year.

Page 12, line 24, strike out "Sec. 7" and insert in lieu thereof "Sec. 8".

Mr. PICKLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PICKLE. Mr. Chairman, this is the same disclosure amendment that the committee adopted earlier, and I am just restating it at this point.

Mr. HENDERSON. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, the gentleman's statement is correct. In addition to that, this provision was in the bill last year, and on behalf of the majority, I am glad to accept the amendment.

Mr. PICKLE. I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PICKLE).

The amendment was agreed to.

Mr. UDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think we have about reached the end of the amendments. I was going to offer one more amendment, if I could get any Member on the minority side to join in with me, but far be it from me to provoke dissent in the ranks of the Grand Old Party. But, Mr. Chairman, let me call attention of the Members to what we have done here. We have put very strong limitations on the number of top employees that the President of the United States can hire, but I would call the attention of the Members to the fact that in the section dealing with the Vice President we have not done so—and I direct this particularly to the attention of the gentleman from California (Mr. ROUSSELOT), who has not been one of the great fans of the current Vice President.

As I say, I was prepared to offer an amendment which would put some limitation on the amount of top highly paid staff in the Vice President's office.

Let me tell the Members what we have presently. We have three $42,500 positions, and that will be left in, but we are giving the Vice President three additional $40,000 positions. And in addition to that, while we have a limitation on the total numbers that the President can have on his staff, this bill has no limit whatsoever on what the Vice President can have on his staff.

If there is any support over there on that side of the aisle for an amendment to put some kind of limitation on the Vice President, I would be prepared to offer it.

Mr. DERWINSKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, even at this late hour the House is a great deliberative body, and I know the House prefers keeping the legislative record straight.

I am sure those Members who were here the previous session would have remembered that great moment in history when the gentleman from Arizona stood in the well supporting the bill which substantially restricted the previous occupant of the White House but making a great plea for no restrictions on the then Vice President, Mr. Ford.

Now, in the committee, and here on the floor, the gentleman from Arizona has made no effort to restrict the staff of the Vice President for two reasons: First we know that Vice Presidents really have no authority; they are really figureheads, and they are very frustrated people. Of course, that will change if the gentleman from Arizona revamps the Government in January of 1977.

But what the gentleman from Arizona fears is that if he attacks the staff of the Vice President, the present occupant of that office would merely buy Arizona, sell it to Mexico, and the gentleman would be ineligible to continue his campaign.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 7, line 8, strike out "$1,000,000" and insert in lieu thereof "$500,000".

Page 8, line 17, strike out "$250,000" and insert in lieu thereof "$125,000".

Page 8, line 18, strike out "$1,000,000" and insert in lieu thereof "$500,000".

Mr. HARKIN. Mr. Chairman, again all of we fiscal conservatives who would like to regroup and reconstitute ourselves after our recent defeat in the Udall amendment should be comforted in knowing that although we have kept all of the high-level posts at the same levels as last year, at least we can come to our senses and restrict the amount of money spent in the White House in one area, that of unanticipated needs, to $500,000 instead of $1 million.

This bill sets this at $1 million. My amendment would cut this down to $500,000. The appropriation for 1975 would then be $500,000.

The use of this money for unanticipated needs, as of April of this year, was $462,500. That went for certain things like the Council on Wage and Price Stability, the Presidential Clemency Board, the Presidential Transition, and the President's Commission to Review CIA Activities Within the United States. None of these can really be considered unanticipated needs.

They are things for which the President can come to Congress and in due course of time ask us to authorize and appropriate funds for these items. The most that has ever been used in recent years was $655,000 in 1974, and in 1975 there was not anything used. So I think that right now if we are talking about tightening our belts, if we are talking about cutting down some of this unnecessary spending we have, this is a good place to do it right here. One million dollars for funds for unanticipated needs means quite simply that the President anytime he wants to can hire more people at that $42,500 level. He can hire more people at lesser salaries, $36,000. He can hire consultants. Anything he wants to do up to $1 million, he can do.

I think it is too much. I think it is time that we put a level on it, a ceiling of $500,000. If he wants more money, he can come down to Congress just like anybody else has to do, ask us for it, have it authorized, and it can go through the proper appropriations procedures.

I ask the Members for their support for this amendment.

Mr. HENDERSON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment and ask for its defeat.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words. Just for the history, let me point out that all this is a contingency fund which all Presidents have had. For example, the Warren Commission was funded out of just such a contingency fund. I think the amendment is unnecessary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The question was taken; and on a division (demanded by Mr. HARKIN) there were—ayes 49, noes 148.

Mr. HARKIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. O'NEILL) having assumed the chair, Mr. HUNGATE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6706) to clarify existing authority for employment of personnel in the White House Office, the Executive Residence at the White House, and the Domestic Council, to clarify existing authority for employment of personnel by the President to meet unanticipated personnel needs, and for other purposes, pursuant to House Resolution 512, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. O'NEILL). Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill H.R. 6706.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

COMPREHENSIVE OIL POLLUTION LIABILITY AND COMPENSATION ACT OF 1975—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-214)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committees on Public Works and Transportation, Merchant Marine and Fisheries, and International Relations and ordered to be printed:

To the Congress of the United States:

I am transmitting today proposed legislation entitled the "Comprehensive Oil Pollution Liability and Compensation Act of 1975."

This legislation would establish a comprehensive and uniform system for fixing liability and settling claims for oil pollution damages in U.S. waters and coastlines. The proposal would also implement two international conventions dealing with oil pollution caused by tankers on the high seas.

I consider this legislation to be of high national importance as we seek to meet our energy needs in an environmentally sound manner. Those energy needs require accelerated development of our offshore oil and gas resources and the increased use of tankers and deep water ports. This proposal would provide a broad range of protection against the potential oil spills necessarily associated with these activities.

In recent years, we have taken significant steps to limit and control oil pollution in the waters of the United States. Yet, in 1973 alone, there were 13,328 reported oil spills totalling more than 24 million gallons. One-third of the oil spilled is from unidentified sources, where compensation cannot be obtained under existing law. The ability of claimants damaged by spills to seek and recover full compensation is further hampered by widely inconsistent Federal and State laws. Various compensation funds have been established or proposed, resulting in unnecessary duplication in administration and in fee payments by producers and consumers.

This legislation would help protect our environment by establishing strict liability for all oil pollution damages from identifiable sources and providing strong economic incentives for operators to prevent spills. Equally important, the bill will provide relief for many oil-related environmental damages which in the past went uncompensated. For example, State and local governments will be able to claim compensation for damages to natural resources under their jurisdiction.

This legislation would replace a patchwork of overlapping and sometimes conflicting Federal and State laws. In addition to defining liability for oil spills, it would establish a uniform system for settling claims and assure that none will go uncompensated, such as in cases where it is impossible to identify the source of the spill. The legislation provides for a fund of up to $200 million derived from a small fee on oil transported or stored on or near navigable waters.

This legislation would also implement two international conventions—signed in 1969 and 1971—which provide remedies for oil pollution damage from ships. These conventions provide remedies for U.S. citizens under many circumstances where a ship discharging oil that reaches our shores might not otherwise be subject to our laws and courts. Protection of the international marine environment is basically an international problem since the waters, currents, and winds that spread and carry ocean pollution transcend all national boundaries.

In proposing implementation of the conventions, I am mindful of the fact that the Senate has not yet given its advice and consent to either of them. I urge such action without further delay. The 1969 convention came into force internationally on June 19, 1975, without our adherence, and the continuing failure of the United States to act on such initiatives may weaken or destroy the prospects of adequate international responses to marine pollution problems.

GERALD R. FORD.

THE WHITE HOUSE, *July 9, 1975.*

COMPLEX FOREIGN POLICY PROBLEM RELATING TO DETERIORATING SITUATION IN EASTERN MEDITERRANEAN — COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following communication from the President of the United States; which was read and referred to the Committee on International Relations:

THE WHITE HOUSE,
Washington, July 9, 1975.

Hon. SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR MR. SPEAKER: I wish to share with you my concern about a complex foreign policy problem that relates to the deteriorating situation in the Eastern Mediterranean, the threat to our North Atlantic Alliance relationships, the plight of the people of Cyprus and the role of the United States. Both the Congress and the Executive Branch share a responsibility to reexamine this critical situation with care. This is not a partisan matter or one where the rights and wrongs of a decades-old dispute can easily be judged—particularly by outsiders. Our overriding objective must be to help in the peaceful settlement of a problem that involves two valued Allies and a people whose history as an independent nation has been riven by strife.

The strategic situation must also be weighed. At a time of uncertainty in the Middle East, we should consider carefully any action which could add to the tensions that already exist. Our facilities in Turkey and our mutual defense arrangements have played and continue to play a vital role in the security of the area and, more directly, in the security of our own forces. Mutual defense links that have stood us well for thirty years should not be lightly cast aside.

I have spent much time studying these issues and have talked in Brussels with the leaders of Turkey and Greece. I am convinced that U.S. and Western security interests require the urgent passage by the House of legislation enabling the resumption of our long-standing security relationship with Turkey. The Senate has already acted favorably on a bill to accomplish this purpose.

Existing legislation passed by Congress last December 18, with an effective date of February 5, 1975, has been in force for nearly five months. This action has: (1) called into question the ability of an Ally to continue to fulfill its essential NATO responsibilities, thus undermining NATO's strength in the Eastern Mediterranean; (2) jeopardized vital common defense installations which Turkey and the U.S. jointly maintain; (3) contributed to tensions which are not helpful to Greece; and (4) reduced American influence to move the Cyprus negotiations toward a peaceful conclusion acceptable to all parties.

The legislation voted against Turkey last December is sweeping in its effect. It is more extensive than similar legislation enacted in October, 1974, with which the Administration was in full compliance. The December legislation provides for not only a total embargo on grant military assistance, and cash and credit sales of defense items by the U.S. Government, but prohibits as well the issuance of licenses to permit the export of military equipment purchased from American firms. Practically all nations of the world can purchase in this country at least some items that are forbidden to Turkey. It is now impossible for Turkey to procure most items produced in third countries under U.S. license; nor can Turkey even take possession of merchandise in the U.S. which it paid for prior to February 5 and which is now ready for shipment. The result is that a relationship of trust and confidence with this important NATO Ally, built up over many years, has been seriously eroded. Continuation of the embargo risks further deterioration, jeopardizing our security interests throughout the Eastern Mediterranean area.

For all these reasons, it is my strong view that the Administration and the Congress must join in legislative action that will remedy the present situation. The form that legislation should take to achieve this end is for Congress itself to decide, but it is clear that only legislation can produce the actions which are necessary in this case.

I know that in the minds of many in the Congress there remains the issue of how American-supplied arms were used last summer. The Cyprus problem is one where neither moral nor legal judgments, on the arms issue or any other, can be easily or lightly made. Yet, the effect of the embargo is to ascribe blame totally to one of the parties in a dispute that has its roots in centuries of animosity and for which both sides must share some responsibility.

Where we can all agree, and where I believe we must all act together, is in our sense of anxiety and concern over the Cyprus problem and in a consensus that the only way to achieve what we all seek—a just and broadly acceptable settlement—is through negotiations in which we maintain maximum flexibility with all the parties. Unless some progress is made in the negotiations, the humanitarian plight facing the people of Cyprus, including particularly the refugee problem, cannot be solved.

The United States will continue to work, as it has done continuously since last July, as hard and as determinedly as possible to move the parties of the Cyprus conflict toward a negotiated settlement. Recent U.S. diplomatic activity in Ankara, Athens and Brussels has contributed to the start of a Greek-Turkish dialogue which has defused the tense situation and hopefully laid the groundwork for Greek-Turkish cooperation.

As we pursue our efforts, we want the continued friendship of both Greece and Turkey, and our sympathy and concern extend to all the people of Cyprus. We want an end to human suffering and misery, and the rebuilding of an island where all can live in freedom and security.

At present, our ability to urge this view persuasively is compromised by the erosion of our influence. I ask the Congress' cooperation and assistance, therefore, in enacting legislation which will assure that America's influence is not further weakened and U.S. interests further threatened at this time of critical concern in Cyprus and throughout the Eastern Mediterranean.

Sincerely,

GERALD R. FORD.

RESOLUTION OF INQUIRY—THE MISSING FACTS BEHIND A FUNDAMENTAL CHANGE IN FOREIGN POLICY

(Mr. ROSENTHAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and to include extraneous matter.)

Mr. ROSENTHAL. Mr. Speaker, I intended to call up for consideration today House Resolution 552, a resolution of inquiry requesting the President to provide to the House certain essential data on the administration's intended sale of two highly sophisticated mobile missiles to Jordan. The resolution of inquiry has only one purpose, and that is to gain information.

I have had a discussion with the distinguished chairman of the Committee on International Relations, and he has indicated that his committee is willing, under his distinguished guidance, to hold hearings next week. I think we can resolve this matter and not call the resolution up today.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I yield to the distinguished chairman of the committee.

Mr. MORGAN. Mr. Speaker, I agree with the gentleman from New York that the committee should get the facts regarding the proposed sale, and I will be glad to cooperate with him in making this happen. We will, as soon as possible, hold a hearing and refer this to the subcommittee and get started.

Mr. ROSENTHAL. I think that is perfectly satisfactory, Mr. Speaker.

Mr. MORGAN. Mr. Speaker, when the committee considered House Resolution 552 on June 26, it was tabled because the committee felt that the resolution involved an investigation and was not, therefore, entitled to privileged status.

At the same time, the committee is right now reviewing the whole military sales program—in the Oversight Subcommittee, in the Fascell subcommittee, and in the Hamilton subcommittee.

This review will go on.

I agree with the gentleman from New York that our committee should get all the facts regarding the proposed sale of Hawks—and I will be glad to cooperate with him in making sure that this happens.

We will, as soon as we are able, hold a hearing on this matter in the appropriate subcommittee and develop all the facts.

Mr. ROSENTHAL. Mr. Speaker, on May 5, 1975, the State Department announced an agreement in principle to sell the Government of Jordan two sophisticated antiaircraft missile systems: the surface-to-air Hawk and the shoulder-fired Redeye. As of today, the Congress still has not received formal notification of that decision, made at least 2 months ago and possibly much earlier.

Because this sale is in excess of $25 million—and probably will exceed $100 million—a letter of offer to sell the missiles must be submitted to the Congress.

Last year the Foreign Military Sales Act was amended to allow advance congressional veto of major military equipment sales abroad—section 36(b). Congress can make an intelligent decision on this important responsibility only if it has all the relevant facts.

On June 18, 1975, I introduced a resolution of inquiry (H. Res. 552) requiring the President to supply those facts to the Congress. On June 25, 1975, the White House sent a 23-page letter and comments to the resolution of inquiry to the chairman of the Committee on International Relations. The text of both documents appears at the end of this statement.

On June 26, the Committee on International Relations tabled House Resolution 552, thus clearing the way for action by the full House. Therefore, I intend to call up for consideration my resolution of inquiry on Wednesday, July 9.

It is my considered judgment that the administration's verbose and repetitious letter is not responsive to the questions in the resolution of inquiry and that the administration, in making such a reply, demeans the congressional right to assemble all the pertinent facts. Moreover, this sale represents a fundamental shift in U.S. policy in the Middle East, a change that is neither acknowledged nor defended in the letter. In addition, the Jordanian deal will bring about a significant change in the balance of power in that part of the world—changes that threaten not only the stability of the Middle East but world peace as well.

The Hawk and Redeye are by no means "modest" missile systems, as characterized by the administration. The Hawk is a highly sophisticated weapon on a par with the vaunted Soviet SA-6. It is the basic air defense missile system used by the U.S. Army and Marines, and by seven NATO countries. It can be speedily set up and fired from mobile carriers. The solid-propellant rocket, employing radar homing, is exceptionally effective at low altitudes, as well as at maximum tactical heights, to a range of 22 miles.

The Redeye is no less awesome. Having been provided to only a handful of our closest and more stable allies, the shoulder-fired Redeye antiaircraft system provides excellent coverage for advancing troops.

Hence, it is clear that neither system is a strictly defensive weapon. Both are designed to provide supplementary air cover in support of mobile offensive operations.

CONGRESS NEEDS FACTS

The Congress must have all the pertinent facts so that it may decide whether to support a resolution of disapproval pursuant to section 36(b) of the Foreign Military Sales Act.

The administration response is incomplete and inadequate and does not meet the standards required of a resolution of inquiry. This situation is best illustrated by the administration's treatment of the following:

First, joint Jordanian-Syrian command;

Second, balance of power in the Middle East;

Third, commitment of U.S. production capacity;

Fourth, control of access to weapons; and

Fifth, commissions and fees for arranging sale.

JOINT JORDANIAN-SYRIAN COMMAND

Clear proof of the deceptive nature of the administration letter can best be seen in the answer to question 17 on Jordanian joint military operations. The administration response states:

> At this moment we know of no plans for the establishment of a joint military command between Jordan and any other country, and our decision to provide air defense weapons to Jordan reduces that possibility.

That letter was dated June 25, 1975, a full 13 days after Jordan and Syria announced just what the White House said they would not do—establish a permanent Joint High Commission to coordinate political, economic, cultural and military policies.

This alliance rather than being prevented by the sale of U.S. Hawk missiles to Jordan was actually precipitated by the weapons deal. The sale was made public on May 5. Just 1 month and 1 week later, on June 12, Jordan and Syria sealed their alliance. The answer is not simply inaccurate, but it is a case of the White House deceiving itself, misleading the Congress, or being woefully out of touch with reality.

BALANCE OF POWER IN THE MIDDLE EAST

The resolution of inquiry calls for any written conclusions of the Departments of Defense and State with respect to the impact of the sale on the balance of power in the Middle East. It is essential that Congress have the views of both of these agencies. The administration response narrowly discusses the sale's role in military relations between Israel and Jordan alone. Surely the Defense Department considered the broader effect of the Hawk/Redeye sale. Many analysts are convinced that but for the decision to make such a sale, Jordan would have been unable to conclude an agreement for a joint military command with Syria. Jordan could not have participated in any plans for a united assault against Israel as long as its advancing armies lacked air defense. Moreover, the sale draws Jordan even further into the ranks of the Arab confrontation states as the price Jordan must pay for the Saudi Arabian funds necessary to finance the missile systems. It strains credence to believe that the administration failed to consider and provide for these frightening eventualities. The administration response is silent as to these basic issues.

COMMITMENT OF U.S. DEFENSE PRODUCTION CAPACITY

The resolution of inquiry requires the administration to furnish Congress with the amount of private production of the Hawk necessary to meet the terms of the sale contract. The Hawk is the principal surface-to-air defense missile of the U.S. Army and Marine and the armed forces of seven NATO allies. There is evidence that production of Hawks for Jordan would seriously impede such production for vital American security needs. The administration failed to respond at all on this critical point.

CONTROL OF ACCESS TO WEAPONS

House Resolution 552 calls for all written material pertaining to precautions being taken to insure that access to the missiles is restricted to Jordanian personnel.

In response, the administration merely recites that a provision will be inserted in the contract of sale which will have the effect of prohibiting the transfer of title or possession of the Hawk. And it then brushes that off by saying there is no way to insure absolute compliance. No material is provided with respect to any further precautions. Has the administration considered the possibility of a joint Arab military command under which control of the Hawk system would fall to Syrians or even Palestinians while title would remain with Jordan? Does the administration have a plan of action in the event Jordan violates the provisions of the contract and gives the hand-carried Redeye to terrorists who could thereby wreak unthinkable damage upon airports around the globe? What steps is the administration taking to assure that the Soviets are not permitted to examine and dissect the Hawk and its components as they sit on Jordanian soil? If there are answers to these essential questions, the administration's preliminary response does not provide them.

COMMISSIONS AND FEES FOR ARRANGING SALES

The resolution of inquiry requires the administration to provide all written material in the possession of the executive branch with respect to sales commissions or fees related to the Hawk and Redeye sales. In its preliminary response, the administration states that at least one such document exists—a proposal by the manufacturer of the Hawk dated June 9, 1975, that a 2-percent commission be paid to "representatives of Jordanian nationality." No copy of this proposal is supplied despite the fact that this comcommission could amount to well over $2 million on a deal that, according to the administration, was solely a product of government-to-government negotiations. Moreover, the administration claims ignorance as to the identities of these apparently well-compensated agents. Could American journalists be so much better informed than the administration? The Washington Post on June 7, 1975, suggested that two agents for the Hawk sale in Jordan were Adnan Khashoggi and Kermit Roosevelt. Khashoggi is the person who funneled almost $500,000 in bribes to Saudi Arabian officials in the service of another notorious client, Northrop Corp., and Roosevelt is the former CIA operative who figures prominently in any discussion of the assassination of Iran's President Mossedegh. On this as well as all other financial details of the sales, the administration is strongly silent.

FUNDAMENTAL POLICY SHIFT

There is more involved here than the sale of very expensive, highly sophisticated missile systems to the Kingdom of Jordan.

This sale represents a fundamental shift in U.S. policy in the Middle East. It will bring about a significant change in the balance of power in that part of the world. Moreover, the administration is attempting to institute this policy change without consultation with the Congress or the American people.

The White House has stated that the sale of these advanced weapons systems is a carefully considered decision designed to assure regional stability and tranquility in the Middle East. Yet, careful study suggests that the agreement may do more to expand and intensify the Arab-Israel conflict than to curb and defuse it.

Indeed, in just the 2 months since the missile sale was announced, we have seen a new militancy on the part of Jordan, which has concluded an agreement with its long-time antagonist, Syria, for a joint military commission against Israel. King Hussein is also strengthening his military positions on the border with Israel and improving his relations with the Palestinians.

All this hardly sounds like the moderation, stability, and tranquillity that the administration would have us believe are the benefits of selling sophisticated missiles to Jordan.

These missiles would provide the air cover vital for any offensive operation against Israel for they are designed to neutralize an enemy's air power.

QUESTIONABLE ASPECTS OF THIS SALE

JOINT JORDAN-SYRIA COMMAND

For Jordan to acquire this new missile capability now is particularly critical in light of the recent Jordanian-Syrian decision to establish a joint military command against Israel. Even if Hussein wanted to stay on the sidelines in the next round of fighting—as he did in 1973—he would be compelled to go to war if he has these missiles.

Having learned a painful lesson from its one-prong attack throughout the Golan Heights in 1973, Syria is believed to be planning in any future war a multifront attack through Lebanon's Arquob region and through the Yarmuk-Jordan Valley. This Syrian military option requires Jordanian involvement, a commitment that Jordan has signified in its agreement with Syria to coordinate military policies, and a commitment whch many analysts believe would not be possible without Jordan's acquisition of the Hawk missile system.

In fact, the decision to establish a joint command with Syria was not and could not be reached until after the United States agreed to provide Jordan with a Hawk missile umbrella. Without this remaining link in the Arab strategy, a three-front war against Israel would be out of the question.

RIFT WITH PLO HEALING

Another potentially serious political consequence of the Jordanian arms sale concerns the Palestine Liberation Organization. On June 23, the Christian Science Monitor reported that:

> King Hussein, seeing no early peace solutions with Israel, will again permit a limited Palestinian guerrilla presence in Jordan.

Significantly, King Hussein's new opening toward the Palestine Liberation Organization—PLO—would involve the release of Palestinian political prisoners in Jordan, the enlargement of the PLO office in Amman, and the stregthening of a contingent of the PLO's regular military wing. Palestinians already comprise a significant percentage of his Army. Thus, it appears that the "moderate" regime of King Hussein is swiftly moving to the Palestinians and is opening his border with Israel once again as a staging ground for future guerrilla activities and conflict.

Furthermore, these weapons in Jordan could easily fall itno the hands of still less responsible elements. Indeed, Redeye, a hand-carried, shoulder-fired missile, is the ideal weapon for airport terrorists and guerrillas.

NO CONTROL ON WEAPON USE

It is foolhardy to believe that the United States can provide arms and technical training to clients but then assume that these arms will not be used according to the decisions and needs of the client state. New Jordanian arms are new Arab arms. Whatever influence such sales of arms do provide is of little consequence when the purchaser decides its national interest is best served by the use of these arms contrary to its sales agreement with the United States. Close relationships did not prevent Turkey from ignoring such terms when it invaded Cyprus. Nor did our influence prevent the war between India and Pakistan.

VITAL U.S. POLICY QUESTIONS INVOLVED

ARMS SALES ABROAD

First, our worldwide arms sales:

The Hawk/Redeye sale symbolizes the chaotic and potentially disastrous nature of American arms sales policy. During the past few years, U.S. arms exports have been escalating at an unprecedented rate. We sell more than twice the amount of arms as our closest competitor, the U.S.S.R. Foreign orders for American-made arms have reached more than $8 billion a year—more than twice last year's level and about eight times the average level of the late 1960's—and defense experts believe that this surge in military sales will continue spiralling.

This trend has been particularly prevalent in the Middle East. In fact, of the $8.3 billion in foreign military sales last year, more than $6.5 billion were placed by Middle East countries, with the oil-rich Arab states accounting for the largest share. Moreover, in the first 7 months of fiscal year 1975, the United States contracted to sell $3.6 billion worth of weapons in the Middle East. This constitutes almost 80 percent of American arms sold to all foreign states during this period. Despite Israel's urgent need for weapons to restore the balance of forces in the Middle East, and the position of the United States as Israel's only major source of arms, less than 21 percent of this year's arms sales to the Middle East were made to Israel. Iran and Saudi Arabia, themselves potential opponents in a Persian Gulf conflict, contracted for over 75 percent of this total. Iran ordered $1.7 billion worth, chiefly 80 Navy F–14 jet fighters; Saudi Arabia contracted for $1.05 billion, including $750 million for 60 F–5 jet fighters; and Kuwait, which bought only $18.1 million worth of weapons in fiscal 1974, ordered new equipment costing $333.1 million.

Second, role of corporate agents:

The White House has revealed that unnamed Jordanian middlemen are receiving a 2 percent commission—$2 million or more—on the Hawk/Redeye sale. This is an especially puzzling development in this particular sale, which was intergovernmental and which both parties were anxious to conclude.

The Hawk missile system is manufactured by Raytheon Co. Raytheon's principle Mideast marketing agent and a major figure behind the sale of the system to Jordan is Adnan Khashoggi.

According to the Washington Post of June 7, 1975. Khashoggi is closely connected to the ruling family of Saudi Arabia and is the man who funneled almost one-half million dollars in bribes to Saudi Arabian officials in the service of another major client, Northrop Corp. The Senate is probing a $45 million "commission" paid by Northrop to Khashoggi for a new $750 million sale of about 50 F–5E's to the Saudis.

Another reportedly key figure in Raytheon's sales team in the Middle East and Washington is Kermit Roosevelt. Grandson of President Theodore Roosevelt and former CIA and State Department official, Roosevelt also participated closely in Northrop's discredited dealings in Saudi Arabia.

Third, no other source for missiles:

The suggestion that the sale of the Hawk and Redeye was necessary if Hussein was not to go elsewhere for his air defense system has been refuted by Hussein himself, who is reported as saying on his visit to the United States in late April that he never seriously considered purchasing surface-to-air missiles manufactured by any country other than the United States. Furthermore, this justification for selling arms is totally unacceptable as a policy principle. Should we sell anything simply because others might if we do not? This would elevate salesmanship to the level of first principles of foreign policy. Is Willy Loman to replace Thomas Jefferson and Benjamin Franklin as our model?

CONGRESSIONAL ROLE ABUSED

First, a question of timing:

How the Congress discovered this proposed missile sale indicates an abuse of the congressional role in foreign military sales. The information was leaked to the press, not formally announced. It was subsequently confirmed by the State Department's official spokesperson in response to "questions from the press" in early May. No attempt was made to inform the Congress about the sale in the past 2 months, and there would have been none were it not for the questions posed in House Resolution 552, the resolution of inquiry. In its response, the administration indicated that formal notice of the sale will "be reported to Congress sometime late in July or early August." As we all know, the Congress probably will be in recess at that time and unable to act on this very important arms sale and policy decision.

Second, making informed judgments on arms sales:

Last year, Congress enacted into law a requirement that it be notified of any proposed military sale in excess of $25 million. Congress then has a period of 20 calendar days in which to veto the sale by concurrent resolution disapproving the sale. In theory, this provision opens each major sale to congressional review. In practice, little has been accomplished. First, the review is piecemeal; it gives Congress no ready capacity to assess the whole program, to see each sale in the perspective of total proposed sales to each country and each region. Second, the notification need come only at such time as a letter of offer is prepared. Typically, the preparation of such letter is one of the last steps in the sale process, taking place only when the precise terms of the sale and the financing have been finalized. By such time, much effort has been expended by the United States and the proposed recipient in bargaining and planning; certain expectations have been engendered in the recipient State. Congress is understandably reluctant to upset the process at this late stage. Third, only Representatives and committee staff members are given access to the information about the proposed sale. Personal staff members, even those with top-secret clearances, are unable to view the classified data. Finally, much of the information necessary to formulate a reasoned opinion as to the sale, for example, the financing terms, is typically not made available.

Third, past sales unchallenged:

The history of the operation of the review process bears out the above criticisms. The Defense Department pursuant to the terms of the Foreign Military Sales Act, has notified Congress of 26 proposed sales. None has been challenged. With respect to the Hawk sale, most of the terms have been finalized. More than 2 months ago, the fact of the proposed sale was announced. Clearly, Jordan has relied upon the sale in concluding the agreement with Syria for a joint military command. Yet, Congress has still received no notification of the sale.

MIDDLE EAST POLICY REASSESSMENT

The Jordanian missile sale was announced at a time when deliveries of the Lance missile to Israel had been suspended and talks between American and Israeli officials over the purchase of the F-15 fighter had been placed in abeyance. Coming as it did during this period in which the White House announced there would be no new arms sales to any Middle East nation because it was reassessing its policy in that part of the world, the Jordanian deal can only be interpreted as further evidence of a new program of punishing Israel for the failure of American diplomacy in arriving at a Middle East settlement. This development undermines the credibility of the administration's so-called reassessment and runs counter to every expression of popular opinion in the United States which unswervingly favors a strong American commitment to Israel.

This tilt toward the Arabs is one more example of the administration's practice of placing pragmatism ahead of principle on its list of foreign policy priorities. When we stand on principle, we gain significant advantage for the United States, but when we practice pragmatic opportunism, we tarnish the reputation of the United States and harm the cause of democracy.

If that volatile region of the world is ever to be diffused and to know peace, the United States, for one, must begin putting principle ahead of expediency, peace ahead of petroleum and profits.

CONCLUSIONS

Mr. Speaker, the preliminary response of the administration to the request for information stated in House Resolution 552, the resolution of inquiry, is incomplete, inadequate, and inconsistent. It also contains statements with frightening implications with respect to stability in the Middle East and to world peace. The covering letter, from one of the President's aides, as you can see, sets the tone of the entire response—one of concealing more information from the Congress than it reveals. The superficial and slipshod nature of the response is an affront to the Congress and its constitutional responsibility as a partner in foreign policy.

The proper response to the administration's letter is the passage of the resolution of inquiry. The resolution seeks facts which the Congress needs to make its judgment. Unless those facts become available, we shall act in ignorance. Unless we pass this resolution, we shall never obtain those facts.

Mr. Speaker, I am inserting in the RECORD at this point the following documents: House Resolution 552, resolution of inquiry; brief in support of privileged status for House Resolution 552; White House letter and comments of June 25, 1974, to chairman of House Committee on International Relations; and descriptions of Hawk and Redeye missile systems:

H. RES. 552

Resolved, That the President is requested to provide, not later than ten days after the adoption of this resolution, to the House of Representatives, the following information:

(1) How and when the sale to Jordan of the Hawk missile system was initiated, including the date, nature, and substance of the first approach of the Government of Jordan to any agency to the United States.

(2) What military equipment, if any, in addition to the Hawk missile system was sought by Jordan at or about the time of this approach.

(3) Whether and when the request was referred to the office of the Assistant Secretary of Defense for International Security Affairs, and any recorded conclusions made by that office with respect to the significance, potential impact, and purpose of the proposed sale.

(4) Whether and when the request was referred to the Bureau of Politico-Military Affairs of the Department of State, and any recorded conclusions made by the Bureau with respect to the potential impact of the requested sale upon United States foreign policy in general, and with respect to the Middle East, in particular, including the potential impact of the requested sale on the balance of power in the Middle East, relations with Israel, the defense of Israel and Israeli-administered territory, relations between Jordan and the other Arab States, relations between Jordan and the Soviet Union, relations between Jordan and the Palestinians, the political stability of Jordan, including the maintenance in power of the Hussein regime, and the economic conditions in Jordan.

(5) Whether and when the request was referred to the systems project manager of a military service, and any recorded conclusions of that manager with respect to the sale, including conclusions as to price, delivery date, and private industry production needs, together with any record of the factors and considerations that manager brought to bear in making those conclusions.

(6) Whether and when a price and advisability statement was prepared by the systems project manager with respect to the requested sale, and the contents of that statement.

(7) Whether the statement referred to in paragraph (6) was presented to the Government of Jordan, and any reactions of that Government to the statement.

(8) The identity of any other person or persons in the executive branch, including the President, the Secretaries of State and Defense, and member or members of the Interagency Security Assistance Program Review Committee, who evaluated the request, when each such evaluation was made, and any recorded conclusions of each evaluating person as to the potential impact of the requested sale on the balance of power in the Middle East, relations with Israel, the defense of Israel and Israeli-administered territory, relations between Jordan and the Arab States, relations between Jordan and the Soviet Union, relations between Jordan and the Palestinians, the political stability of Jordan, including the maintenance in power of the Hussein regime, and the economic conditions in Jordan.

(9) The contents of any letter of offer prepared with respect to the requested sale, and whether such a letter of offer was presented to the Government of Jordan, together with any reactions of that Government to any such letter so presented.

(10) The details of any financing arrangements made by Jordan for such sale, including sources of funds, cash, and credit terms, and any other explicit or implicit conditions of financing.

(11) At what point, if any, the sale is to be referred to the Congress pursuant to the provisions of the Foreign Military Sales Act, as amended.

(12) The detailed substance of the communication (and its date) of the favorable disposition of the Government of the United States toward the requested sale, and whether any conditions were placed by the United States on the making public of the fact or substance of such communication.

(13) The date and substance of the first announcement by the United States Government of the sale, and the recorded conclusions, if any, of the executive branch as to the effect of such announcement on United States relations with Israel and Jordanian relations with the United States, the Soviet Union, other Arab States, and the Palestinians.

(14) A description of the function, purpose, mode of operation, and offensive and defensive capabilities of each of the principal components of the Hawk missile system.

(15) The identities of those nations to which the United States has furnished, or to which the United States has made a commitment to furnish, directly or indirectly, each of the components referred to in paragraph (14).

(16) The relevant portions of all agreements, documents, letters, memorandums and/or other written material in the possession of the executive branch which relate to all precautions being taken to insure that access to the Hawk missile system, and to technical information about its components, whether sold or given to Jordan, does not extend, directly or indirectly, beyond Jordanian personnel.

(17) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all precautions being taken to insure that neither the Hawk missile system nor any of its components falls under the command, directly or indirectly, in whole or in part, of other than Jordanian personnel, including any steps which are being or which shall be taken to prevent the conclusion of agreements for joint military command between Jordan and any other country.

(18) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all contacts, in person or otherwise, between personnel of the executive branch, including employees of the State and Defense Departments, and any representatives of private industry with respect, directly or indirectly, to the Hawk missile sale. "Representatives of private industry" includes, but is not limited to, all Raytheon Company employees and agents, all employees and agents of manufacturers of components of the Hawk missile system, and all employees and agents of any finance institution (including finance institutions controlled or affiliated with any foreign government).

(19) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all sales commissions or fees related, in whole

or in part, to the Hawk missile system sale, payable by any entity involved in the sale to any person.

(20) With respect to the Redeye antiaircraft missile system, all of the information sought by this resolution with respect to the Hawk missile system.

BRIEF IN SUPPORT OF PRIVILEGED STATUS FOR H. RES. 552

Resolution requesting the President to provide to the House of Representatives certain information relating to the sale of "Hawk" and "Redeye" Missiles to Jordan

FACTS

On June 18, I introduced H. Res. 552, a Resolution of Inquiry requesting the President to provide to the House of Representatives certain information relating to the sale of "Hawk" and "Redeye" missiles to Jordan. This is a resolution under Rule XXII sec. 5 of the Rules of the House of Representatives. As such, it is entitled to privileged status. The committee to which such resolution is referred is required to report the resolution back to the House within seven legislative days of the reference (VIII, 3368; Speaker Rayburn Feb. 9, 1950, p. 1755), exclusive of either the first or last day (III, 1858, 1859). If a committee refuses or neglects to report the resolution back, the House may reach the resolution by a motion to discharge the committee (III, 1865).

H. Res. 552 was referred to the Committee on International Relations, which tabled the resolution at a meeting held on June 26. As of the close of business Tuesday, more than seven legislative days will have elapsed since the resolution was introduced. I intend to move tomorrow before the full House to discharge the Committee and call up the resolution for House consideration.

Summary of the practice of the House as to the privileged status of resolutions of inquiry

Under the practice of the House, a resolution enjoys the privileged status of a resolution of inquiry if it meets certain criteria. The resolution should call for facts rather than opinions (III, 1872, 1973; VI, 413, 418–432; July 7, 1971, p. 23810–11). It should also not require investigations (III, 1872–1874; VI, 422, 427, 429).

To aid the Chair in determining the privileged status of particular resolutions, certain general principles of interpretation have developed. First, a presumption has arisen in favor of the privileged nature of a resolution drafted in the form of resolutions of inquiry. The reason for this presumption was ably stated by Speaker Gillett in overruling a point of order against a resolution of inquiry on August 12, 1919. The Speaker said:

"These resolutions of inquiry are part of the privileges of the House. A resolution of inquiry is an engine which the House uses to extort information from an administration, and it always indicates that the administration is unwilling to communicate certain facts which the House wishes to have; and so it seems to the Chair that the Chair ought, as a rule, in his decision to lean in favor of the privileges of the House." *Hinds' Precedents,* Chap. 189, para. 435.

Hence, objections to the form of a resolution of inquiry must be carefully scrutinized and only major and substantial defects in the resolution should be given any weight. *A person raising a point of order against the privileged status of a resolution of inquiry carries a great burden of proof that the resolution is not privileged.*

A second general principle adopted by speakers in ruling upon objections to resolutions of inquiry is that general and even vague language in such resolutions does not destroy the privilege. As Speaker Gillett said with respect to a particular resolution of inquiry:

"The Chair thinks that while the language here and there throughout the resolution is inaccurate . . . [or] somewhat indefinite and vague—yet after all when the House asks for instructions from the [executive] department it is not presumed to know the exact facts and can not be precise in its averments, because otherwise there would be no reason for asking the information, and therefore all that the House can do in the resolution is to make its inquiry so definite that the department shall know what is intended . . ." *Hinds' Precedents,* Chap. 189 para. 435.

Finally, if a resolution of inquiry on its face calls for facts, the Chair will not investigate the probability of the existence of the information requested (VI, 422). These three rules of construction demonstrate the great solicitude shown by the House towards resolutions of inquiry. They are designed to assure that this vital technique for getting essential information from the executive is not made unnecessarily cumbersome.

ARGUMENTS

I. H. Res. 552 is privileged in that it calls solely for facts.

To be privileged, a resolution of inquiry must call solely for facts and not opinions. Resolutions have been held not to be privileged where they called for rationales behind an executive action or asked why a particular step was taken. Even this, however, is not a hard and fast rule. Hence, one resolution asking why certain actions had not been taken was held entitled to the privilege. *Hinds' Precedents,* Chap. 189 para. 419. Likewise a resolution calling for the "cause of delay" behind a particular executive action was held to be privileged. *Id.* para. 420.

But, in any event, H. Res. 552 is not challengeable on this point. In no place does it require the Administration to formulate an opinion as to any matter. Nor does it call for a discussion of the rationale behind any executive course of action. H. Res. 552 calls upon the Administration principally to furnish specific documents already in existence. Of the 25 separate items addressed in the 20 questions of the resolution, nine require the production merely of already recorded documents and agreements.

The remaining items ask only for very specific factual material. Two require the identity of certain persons having a relation to the Hawk and Redeye sales. Eight ask when certain actions were taken. Finally, six request precise details of the events surrounding the negotiation and announcement of the Hawk and Redeye sales. Not one question contains the word "why." Nor does any inquiry require more than the assembling of documents or the furnishing of specific dates, names, and similar information readily available to or already in the hands of the President. H. Res. 552 is not challengeable as calling for the President to formulate any opinion as to any matter.

II. H. Res. 552 is privileged in that it does not call for an investigation.

H. Res. 552 requires the President to assemble certain documents and information and to prepare lists of people and places. Some of this material may not now exist in the precise form requested, but the tasks of compilation and list-making are not what is meant by the term "investigation" as that term has uniformly been interpreted in the context of resolutions of inquiry. The type of investigation which is inappropriate for a resolution of inquiry is one requiring a judgment. *Hinds' Precedents,* VI 427, 429. *But an inquiry calling for documents, lists or facts, no matter how detailed or complex, has, without exception, been held not to require the sort of "investigation" which would destroy the privileged status of the resolution. Deschler's Procedure,* Chap. 24, para. 3.4.

Following are recent examples of resolutions which have called for lengthy lists or detailed compilations but which were not held to call for an investigation because no opinion or judgment was required:

1. A resolution directing the Secretary of State to furnish "any documents containing policy instructions or guidelines given to the United States Ambassador in Laos . . . with regard to . . . covert Central Intelligence Agency operations in Laos." This resolution was reported as privileged by the House Foreign Affairs Committee on July 7, 1971. 117 *Cong. Rec.* 23212, 92d Congress, 1st Session.

2. A resolution directing the Secretary of Health, Education and Welfare to furnish a list of public school systems receiving Federal aid which bus schoolchildren to achieve racial balance and any documents indicating HEW's use of Federal funds for such busing. This resolution of inquiry passed the House on August 2, 1971. 117 *Cong. Rec.* 28863, 28869, 92d Congress, 1st Session.

3. A resolution directing the Secretary of State to supply all documents in the English language with respect to the Phoenix Program and the extent of United States involvement in such program. Mr. Morgan reported this resolution from the Foreign Affairs Committee as privileged on July 1, 1971. 117 *Cong. Rec.* 23212, 92d Congress, 1st Session.

Other resolutions of inquiry reported as privileged include one requesting photographs and other detailed information with respect to 196 Southeast Asian Villages and one calling for all documents and other pertinent information relative to the conduct of public opinion surveys financed by the United States in Vietnam.

III. It is not a valid objection to H. Res. 552 that some of the requested information may be unavailable to the President.

It is possible that some of the information sought from the President with respect to the Hawk and Redeye sales to Jordan may not be available to the President. For example, he may not know when the sale was initiated should the first approach of Jordan have been made to representatives of private industry. Likewise, the President may not be privy to all of the reactions of Jordan to the sales of the missiles to the extent such reactions were communicated to persons other than Government personnel. Finally, Jordan's financing arrangements may not fully have been discussed with the Administration.

But it must be emphasized that the mere unavailability to the President of some of the information called for under the broadest reading of the language of the resolution should not destroy the privileged status of the resolution. Where some of the information called for by a resolution of inquiry is unavailable to the executive department, precedents of the House uniformly hold that the proper remedy is for the executive to answer the resolution by stating such unavailability.

As stated in *Hinds' Precedents,* (VI, 410), "An inquiry for 'complete information' when only partial information was available, [has been] held not to constitute a request for an investigation, and to be privileged under the rule." In the instance therein cited, the resolution of inquiry called upon the Attorney-General to furnish a complete report with respect to a particular trial. A point of order was raised that the resolution was not privileged because the Attorney-General did not have such a report, only memoranda. In overruling the point of order, the Speaker aptly said: "The Attorney-General may or may not have that information; and if he does not have it, he can so respond. . . . It is true the Attorney-General may not have the information, but he may have, and that is as susceptible of an answer according to the facts as it would be if he did not have the knowledge."

The same conclusion should be reached here. The President may not have some of the information arguably called for by the resolution, reading its language most expansively. But whether or not he has the information, the President should be requested to supply what is available to him and to note what is outside his purview. The unavailability of some of the facts should not be a cause for denying to the House the vast majority of the vital facts which the President will be able to supply.

CONCLUSION

As these few examples show, it is not the detail or complexity of a resolution or the unavailability of certain of the requested information which destroys the privilege but the solicitation of a judgment or an opinion. H. Res. 552 is like the preceding examples in *calling only for hard facts*. Accordingly, I respectfully submit that it is entitled to privileged status and that a possible point of order against it should not be sustained.

THE WHITE HOUSE,
Washington, D.C., June 25, 1975.

Hon. THOMAS MORGAN,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: In response to the request for information stated in H. Res. 552 in the House of Representatives, I am happy to provide information to the Committee to clarify the sale to Jordan of both the HAWK and REDEYE anti-aircraft missile systems. Answers to the specific questions posed in House Resolution 552 are attached.

Both sales were undertaken after the most careful consideration by appropriate agencies and officials of the Government and after carefully weighing all factors bearing on U.S. interests in the area and our relationship with Jordan. This particular transaction was not taken in isolation, but was considered in the overall perspective of past, current, and projected events throughout the Middle East, and the policies of other states toward the Middle East.

Our relationship with Jordan has for many years been mutually beneficial. Jordan has supported our broader goals in the Middle East, has encouraged moderation, and has contributed significantly to the peace of the region. The length of the boundary between Jordan and Israeli-administered territory on the West Bank and at Jordan's geographic location between Israel, Syria, Iraq and Saudi Arabia makes clear the importance of a moderate Jordan with close ties to the United States as a major contributing factor to regional stability and tranquility.

An essential element in the maintenance of such a relationship has been the ability of Jordan to protect itself from attack and the willingness of the United States to provide reasonable assistance in enabling it to maintain such an ability. For this reason we have collaborated closely in helping Jordan meet its legitimate defense needs since 1970, in the wake of Jordanian actions to repel outside attack, suppress Palestinian Fedayeen activity internally and generally establish security. Since that time, the U.S. Government has undertaken to replace combat losses and assist in the modernization of the Jordanian armed forces. There have been regular meetings at least once a year since 1970 between top level representatives of the U.S. and Jordanian military establishments. Congress has supported this policy by appropriating the following security assistance funds:

[In millions]

Grant materiel:

1970	$.2
1971	28.9
1972	38.0
1973	33.5
1974	39.0
1975	59.9

FMS credits:

1970	$0
1971	30
1972	10
1973	0
1974	0
1975	30

Jordan's need for an air defense capability and its supply by the United States have been the subject of discussion between the two countries since that time. The October 1973 war in the Middle East gave particular urgency to this question. Jordan, alone among its neighbors, has no viable air defense system and its interest in improving its air defense capabilities grew as a result of increasing quantities of sophisticated aircraft in the inventories of neighboring states and the offers to Jordan of air defense weaponry manufactured in the USSR and Western Europe. The U.S. supply of some type of air defense system for Jordan thus became a gauge of our relationship to that country and our support for its moderate policies during a period when it was increasingly under pressure and isolated from other Arab countries precisely because of its moderate stand.

Within this framework, in principle in February 1975, the Jordanian request was reviewed comprehensively within the U.S. Government during 1974, and in early 1975 the Defense Department conducted a study based on in-country review of Jordanian air defense requirements. The findings of the study team, together with comments by the Departments of State and Defense, and further specific requests by the Jordanians were reviewed by the President prior to reaching a decision in principle in February 1975, which was communicated to King Hussein of Jordan on April 29. Agreement was reached on a modest air defense system and training package, to be phased over a period of several years. The details of the agreement, including the Letter of Offer, are now being worked out.

In providing the Committee with information on these two arms sales we have done our best to be responsive to the requests contained in H.R. 552. As I am sure the Committee will recognize and appreciate, many of the questions seek information which is related to the security posture of a friendly country with which we have had a long and extensive military supply relationship. Unauthorized exposure of certain details might jeopardize the security of Jordan, as well as our close relationship with that country. Other questions seek information about a contracting process which is not yet complete. Still other questions touch on the nature of advice and recommendations provided to the President and are directly related to Executive Branch internal decision processes.

Nevertheless, we have made every effort within these constraints to provide the Committee with the information we believe adequate to an understanding of the purposes and policies underlying the President's decision to provide Hawk and Redeye missiles to Jordan. Therefore, we believe H.R. 552 is unnecessary.

Sincerely,

MAX L. FRIEDERSDORF,
Assistant to the President.

ATTACHMENT

(1) How and when the sale to Jordan of the Hawk and Redeye missile systems were initiated, including the date, nature, and substance of the first approach of the Government of Jordan to any agency of the United States? and

(2) What military equipment, if any, in addition to the Hawk and Redeye missile systems were sought by Jordan at or about the time of this approach?

ANSWER

The armed forces of Jordan have felt a need for an air defense system since the 1967 war. The need was clearly stated in 1970, at the time of the Syrian incursion into Jordan and was confirmed in the findings of the U.S. officials who conducted an analysis of Jordanian military needs at that time. However, at that point the degree of severity of the air threat, and the defensive capabilities of air defense missile systems were not fully recognized. A higher priority and urgency was placed on ground equipment, such as tanks, and Jordan had tight budgetary restraints. For these reasons, Jordan did not press its request, although it had communicated to the USG its desire for air defense weapons, including Hawks and Redeyes.

Subsequently, in March 1973, the United States was asked to reevaluate the military requirements for Jordan. Again the need for an air defense system was stated by the Jordanian military, understood by the U.S. analysts, but relegated to a lesser priority. Air defense was not included in subsequent arms transfers stemming from the early 1973 analysis.

The October 1973 Mideast war clearly demonstrated the vulnerability of Jordanian ground forces to air attack. As a result, Jordanian pressures to obtain air defense became intense. These concerns were clearly stated to the United States on many occasions by many representatives of the Jordanian Government.

The extensive arms request list which Jordan submitted in December 1973 included a mix of anti-tank weapons, armor, artillery, and aircraft and three types of air defense weapons in addition to the Hawk: the Redeye missile, the Chaparral missile, and the Vulcan anti-aircraft gun. This represented the point in time when very serious consideration began on providing air defense systems. At a conference held in 1974, the US and Jordanian representatives agreed to consider only a much reduced version of the December request as the basis for a grant aid and FMS credit program to be funded in FY 1975. The resulting abbreviated list included no air defense weapons; however, Jordanian representatives indicated their continued interest in obtaining such equipment.

(3) Whether and when the request was referred to the office of the Assistant Secretary of Defense for International Security Affairs, and any recorded conclusions made by that office with respect to the significance, potential impact, and purpose of the proposed sale.

ANSWER

The office of the Assistant Secretary of Defense for International Security Affairs, as well as all other appropriate and concerned portions of the Executive have been involved in constant evaluation and analysis of all aspects of arms transactions with the Government of Jordan since the inception of our close military supply relationship in 1970. The analysis has been under constant review and modification to reflect the realities of the Middle East situation, and the objectives of United States foreign policy in the region. Conclusions and assessments from that office have been integrated into other studies and are reflected in the final decisions in the matter.

(4) Whether and when the request was referred to the Bureau of Politico-Military Affairs of the Department of State, and any recorded conclusions made by the Bureau with respect to the potential impact of the requested sale upon United States foreign policy in general, and with respect to the Middle East, in particular, including the potential impact of the requested sale on the balance of power in the Middle East, relations with Israel, the defense of Israel and

Israeli-administered territory, relations between Jordan and the other Arab States, relations between Jordan and the Soviet Union, relations between Jordan and the Palestinians, the political stability of Jordan, including the maintenance in power of the Hussein regime, and the economic conditions in Jordan.

ANSWER

The Department of State, including the Bureaus of Politico-Military Affairs and Near Eastern and South Asian Affairs considered thoroughly the potential impact of the Jordanian request upon United States foreign policy in general and with respect to the Middle East. The absence of even a nominal air defense system for Jordan had become, by late 1974, a matter of considerable importance to the Government of Jordan and its army, their attitudes toward the United States and the overall policy which Jordan would pursue in the future. Morale among the Jordanian Armed Forces had deteriorated as a result of their vulnerability to air attacks, yet a loyal, effective army is clearly and indispensable support for King Hussein and his policies. Neighboring countries such as Syria and Iraq had excellent air defense weapons supplied by the U.S.S.R., while Israel, Iran and Saudi Arabia had air defense weapons supplied by the United States.

At the Arab summit meeting in Rabat in November, 1974 subsidies were pledged for the purpose of Jordanian military purchases, thus removing a major obstacle to the acquisition of air defense weaponry. In the absence of a positive response from the United States on the supply of air defense weaponry, alternative sources of supply became real possibilities. Missiles manufactured by other countries were offered to Jordan. King Hussein and his advisors did not accept these offers, reiterating their preference for a continuing close military relationship with the United States. At the same time, the King also made clear the importance he attached to the early conclusion of a deal with the U.S. for air defense weaponry.

The Department of State concluded in December 1974 that the dispatch of an air defense survey team to Jordan would be in the national interest of the United States, strengthening Hussein's internal position and reinforcing Jordan's policies of moderation at a time when Jordan was under heavy political pressure from outside forces (including the PLO) and when the morale of its armed forces was suffering from the absence of any air defense. The sale of Hawk and Redeye missiles, it was judged, would not alter the overwhelming military superiority which Israel enjoys vis-a-vis Jordan, but should contribute significantly to the confidence of the Jordanian military in their ability to deter attack on their country from any direction, thus helping to support a moderate and responsible government and maintain its close ties to the U.S. The President approved the State Department recommendation for the dispatch of the air defense survey team to Jordan.

(5) Whether and when the request was referred to the systems project manager of a military service, and any recorded conclusions of that manager with respect to the sale, including conclusions as to price, delivery date, and private industry production needs, together with any record of the factors and considerations that manager brought to bear in making those conclusions.

Because of its complexity, the Jordanian request for air defense weapons was evaluated on the technical level by a team of experts from the Services under the auspices of the Office of the Joint Chiefs of Staff. The team was required to conduct an analysis based on in-country examination of Jordan's air defense posture to assist in reaching decisions on appropriate US assistance to Jordan in this area. The team, representing all Service views, surveyed the Jordanian requirements, analyzed the nature and adequacy of air defenses in Jordan in February 1974, and outlined options for an air defense system. The team's report described the estimated price and availability of the pertinent US weapons, the military impact of each option on neighboring countries, and the requirements for training and follow-on maintenance. In developing this information the team maintained contacts and obtained requisite information from appropriate logistical agencies and systems managers within the military Services.

(6) Whether and when a price and advisability statement was prepared by the systems project manager with respect to the requested sale, and the contents of that statement.

ANSWER

Price and availability data, and suitability of Hawk, Redeye and other weapons systems were considered by appropriate Service representatives, including project managers. Some changes in price and availability have taken place since the original analysis.

(7) Whether the statement referred to in paragraph (6) was presented to the Government of Jordan, and any reactions of that Government to the statement?

ANSWER

During the regular conference between US and Jordanian military representatives held in early 1975, US official briefed representatives of the Jordanian Armed Forces on the findings of the air defense team. As a result of this discussion the Jordanians made some minor refinements in their proposed air defense package, and confirmed their desire to purchase Hawk, Redeye and other air defense weapons.

(8) The identity of any other person or persons in the Executive Branch, including the President, the Secretaries of State and Defense, and any member or members of the Interagency Security Assistance Program Review Committee, who evaluated the request, when each such evaluation was made, and any recorded conclusions of each evaluating person as to the potential impact of the requested sale on the balance of power in the Middle East, relations with Israel, the defense of Israel and Israeli-administered territory, relations between Jordan and the Arab states, relations between Jordan and the Soviet Union, relations between Jordan and the Palestinians, the political stability of Jordan, including the maintenance in power of the Hussein regime, and the economic conditions in Jordan.

As noted in the reply to question number four, factors such as balance of power in the Middle East, relations with Israel, etc., were all considered as part of the process of reaching a final decision on the offer of air defense weaponry to Jordan. These factors were analyzed by the appropriate government agencies. The President made the final decision on the offer of air defense weapons to Jordan based on the comments and recommendations of his principal national security advisers.

(9) The contents of any letter of offer prepared with respect to the requested sale, and whether such a letter of offer was presented to the Government of Jordan, together with any reactions of that Government to any such letter so presented.

ANSWER

The Letter of Offer will consist of the standard legal Conditions which outline the liabilities and agreements between the purchaser and the United States Government pursuant to the Foreign Military Sales Act, as amended. The Letter of Offer will also list major items together with all supporting equipment necessary for making the system operational by quantity, estimated price and delivery commitment time frame and technical information essential for complete understanding of the implementation phase of the case after acceptance. The Letter of Offer has not yet been completed and has not been presented to the Congress or the Government of Jordan. Therefore no reaction to its contents has been received.

(10) The details of any financing arrangements made by Jordan for such sale, including sources of funds, cash, and credit terms, and any other explicit or implicit conditions of financing.

The financial arrangement between the United States Government and the Government of Jordan will be entered on the Letter of Offer as a dependable undertaking in accordance with Chapter 2, section 22 of the Foreign Military Sales Act, as amended. Under these terms the Government of Jordan makes a firm commitment to pay the full cost of the contract and to make available all necessary funds in such amounts and at such time as demanded by the Department of Defense. Jordan has not requested and the USG has not offered either grant or credit assistance for the purchase of air defense weapons. The Administration understands that Jordan can expect assistance from friendly Arab governments in financing the Hawk and Redeye purchases.

(11) At what point, if any, the sale is to be referred to the Congress pursuant to the provisions of the Foreign Military Sales Act, as amended.

The Letter of Offer is currently being staffed within the Executive Branch. It is anticipated that this staffing will be completed in time for the proposed Letter of Offer to be reported to Congress sometime late in July or early August.

(12) The detailed substance of the communication (and its date) of the favorable disposition of the Government of the United States toward the requested sale, and whether any conditions were placed by the United States on the making public of the fact or substance of such communication.

On April 15, the President approved the recommendation of the Department of State and Defense that the US agree, in principal, to sell the Hawk system, as well as other air defense weapons to Jordan. Our Ambassador in Amman communicated this decision to King Hussein prior to his visit to Washington.

By the time of King Hussein's visit to Washington in April 1975, the Jordanians had submitted their final requirements to the Department of Defense. The President took the Jordanian assessment of its requirements into account in making the final decision to provide air defense equipment and training to Jordan, including the Hawk and Redeye. This decision was communicated to King Hussein during his visit on April 29.

The USG placed no conditions upon making it public (see question 13).

(13) The date and substance of the first announcement by the United States Government of the sale, and the recorded conclusions, if any, of the executive branch as to the effect of such announcement on United States relations with Israel and Jordanian relations with the United States, the Soviet Union, other Arab States, and the Palestinians.

The air defense decision was not announced, since we do not as a matter of general policy announce decisions to proceed with preparation of a Letter of Offer. In early May the Department of State did respond to questions from the press about the sale of air defense weapons to Jordan by noting that, in the Department's view, the sale of such weapons would not upset the balance of power in the region.

(14) A description of the function, purpose, mode of operation, and offensive and defensive capabilities of each of the principal components of the Hawk and Redeye missile systems.

Will be provided separately, on request, in classified form.

(15) The identities of those nations to which the United States has furinshed, or to which the United States has made a commitment to furnish, directly or indirectly, each of the components referred to in paragraph (14).

The following countries have been provided with the Hawk missile system: Israel, Greece, Iran, Korea, Taiwan, Japan, Kuwait, Spain (under Foreign Military Sales procedures); Saudi Arabia, Belgium, the Netherlands, Federal Republic of Germany, France, Italy, Sweden and Denmark (under commercial contract).

The United States has agreed to furnish the Redeye system to the following countries besides Jordan: Israel, Australia, Sweden, Greece, Federal Republic of Germany and Denmark.

(16) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all precautions being taken to insure that access to the Hawk missile system, and to technical information about its components, whether sold or given to Jordan, does not extend, directly or indirectly, beyond Jordanian personnel.

The proposed LOA for the Hawk missile system will contain a standard provision which carries out the intent of section 3(a) of the FMSA. This provision states that none of the defense articles, components, associated equipment, or technical information provided under the sales agreement can be transferred to any person, organization, or other government without the written consent of the USG.

Moreover, DOD carefully evaluates a potential recipient country's ability to maintain the security of U.S.-supplied equipment, and the ability to provide such security is required before sales are made.

(17) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all precautions being taken to insure that neither the Hawk missile system nor any of its components falls under the command, directly or indirectly, in whole or in part, of other than Jordanian personnel, including any steps which are being or which shall be taken to prevent the conclusion of agreements for joint military command between Jordan and any other country.

The no-transfer provisions described in question (16) would prohibit Jordanian air defense equipment supplied by the US from coming under the command of other than Jordanian personnel. There is, of course, no way to ensure absolutely that Jordan will comply with US laws under all conditions. However, the Jordanian record of compliance has been excellent. At this moment we know of no plans for the establishment of a joint military command between Jordan and any other country, and our decision to provide air defense weapons to Jordan reduces that possibility.

(18) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all contacts, in person or otherwise, between personnel of the executive branch, including employees of the State and Defense Departments, and any representatives of private industry with respect, directly or indirectly, to the Hawk missile sale. "Representatives of private industry" includes, but is not limited to, all Raytheon Company employees and agents, all employees and agents of manufacturers of components of the Hawk missile system, and all employees and agents of any finance institution (including finance institutions controlled or affiliated with any foreign government).

The Department of the Army has not entered into any agreement with Raytheon Company (the manufacturer of Hawk) relative to sale of the system to Jordan. Raytheon Company and other contractors have furnished proposals for hardware in support of this sale, and the data is included in the U.S. Government's offer. Only upon acceptance of the Letter of Offer will the Department of the Army negotiate a contract with representatives of private industry. There has been no discussion with U.S. financial institutions. As discussed earlier, the Letter of Offer, if accepted, will be signed by the Government of Jordan which will then be held committed to meeting the financial obligations of the contract. We do not anticipate USG involvement in Jordan's negotiations to secure funds to meet these obligations.

Since the supply of Redeye missile system to Jordan would be from existing U.S. Army assets, there would be no need for discussion with or transmission of documents to private industry.

(19) The relevant portions of all agreements, documents, letters, memorandums, and/or other written material in the possession of the executive branch which relate to all sales commissions or fees related, in whole or in part, to the Hawk missile system sale, payable by any entity involved in the sale to any person.

According to the Raytheon Company's proposal of June 9, 1975, it was stated that the company has agreements with representatives of Jordanian nationality to pay a fee of 2 percent of the contract price. This fee included in the proposal as 2 percent of the "not to exceed" price. The names of person or persons acting as representatives on behalf of Raytheon Company have not been furnished by the company. The question of whether these costs are properly allowable or will be disallowed will be resolved by the contracting officer during contract negotiations in accordance with applicable Armed Forces Procurement Regulations.

There are no fees involved in the Redeye missile transaction.

(20) With respect to the Redeye antiaircraft missile system, all of the information sought by this resolution with respect to the Hawk missile system.

Data on the Redeye system has been answered in the preceding paragraphs with that pertaining to Hawk.

The following are descriptions of (1) the HAWK surface-to-air missile and (2) the Redeye portable anti-aircraft missile:

Source: 1972–73 Jane's Weapon Systems.

2640.131—HAWK SURFACE-TO-AIR MISSILE

HAWK (homing-all-the-way-killer) is a surface-to-air missile that can search out and destroy attacking aircraft traveling at supersonic speeds at altitudes as low as 30 metres and as high as 11,000 metres. Primarily designed to intercept low-flying enemy planes, the missile can also be used against both aircraft and incoming ballistic missiles at intermediate altitudes. The system complements other systems designed to intercept higher altitude incoming missiles and aircraft.

The missile has a solid propellant, two-stage propulsion system, a homing device and a conventional warhead. The complete air defence system is transportable—both the missile and its ground equipment can be airlifted by helicopter and medium-sized aircraft—and can maintain a high rate of fire.

Hawk ground support equipment includes a pulse acquisition radar, continuous wave acquisition, radar, a range-only radar, two illuminator radars, six three-missile launchers, a tracked missile loader-transporter and the battery control centre which is the operations nerve centre.

In operation, the acquisition radars sweep the Hawk battery's area of defence. When a target is detected, its position is relayed to the illuminator radars. These radars illuminate the target with electromagnetic energy which is reflected back to the missile's radar guidance system. Hawk tracks the target by following reflected electromagnetic energy.

Since reaching operational status in 1960, the system has undergone constant evaluation to ensure continued ability to cope with an advancing threat. The end result of this evaluation programme is an improved system of extended range, faster reaction time and the ability to handle higher speed targets. The improvements have been achieved primarily through the addition of an automatic data processor and an updated missile.

The improved Hawk system can be divided into four groups; the acquisition and fire control group, which includes an automatic data processor, the guidance group, the launch and handling group, and the test equipment group.

The missile has a dart-cruciform configuration, with control surfaces aft of the main lifting surfaces. It has been updated by providing a higher performance motor and an improved and smaller guidance package. The missile is divided into four sections:

1. The guidance section consists of the guidance electronics, the seeker antenna, the electrical and hydraulic power supplies and the radome:

2. The warhead section consists of a blast fragmentation-type warhead and a safety and arming device, which insures against detonation prior to launch and provides for in-flight arming:

3. The motor is a single chamber solid propellant rocket motor which provides two levels of thrust (boost and sustain):

4. The actuator and control section consists of the control valves, hydraulic actuators and elevons.

Like its predecessor, the improved system is highly mobile and can be rapidly emplaced at battery sites, military installations, or locations for the defense of cities. It can be transported on the highways or cross-country by conventional military vehicles, on the water by landing craft and in the air by transport aircraft or by helicopter.

ANTI-MISSILE ROLE:

The first known kill of one supersonic missile by another was achieved in January 1960 when, in a flight test conducted by Raytheon at the White Sands Missile Range, New Mexico, a Hawk Missile destroyed an Honest John ballistic missile. In later tests both Little John and Corporal missiles were destroyed.

CHARACTERISTICS:

Type: Mobile surface-to-air guided weapon system.

Guidance: Semi-active homing.

Propulsion: Two-stage solid-propellant motor.

Warhead: High-explosive, blast fragmentation type.

Missile Length: 5-12 metres.

Missile Diameter: 35 cm.

Span: 1-22 metres.

Weight: Approx 580 kg.

Speed: Supersonic.

Engagement Altitude Limits: From less than 30 metres to more than 11,000 metres.

Operation:

When a target is detected and evaluated as a threat, it is assigned to one of the two independent firing sections. The illuminator in that section is designated to the target. It then acquires and tracks. A missile is launched on command from the battery control centre and homes to intercept. After the intercept has been evaluated, another target may be engaged and the engagement sequence repeated as often as the situation requires. When launchers are depleted of missiles they are rapidly reloaded by the tracked loader in order to sustain a high fire rate.

Details of the functions of the units of the complete system are given below. In certain circumstances it may be necessary to bring missiles into action with less support equipment, and some notes on the way in which this can be done will be found later in this section.

BATTERY CONTROL CENTRE

Control of the battery is exercised by five operators in the battery control centre.

A Tactical Control Officer (TCO) makes all decisions to engage targets. He has an assistant to aid in detection, identification, evaluation and coordination with higher commands. The tactical control console gives these operators the necessary target and battery status information and the required controls. A second assistant has the sole mission of detecting low altitude targets from the separate CW acquisition radar display.

Targets selected by the TCO for engagement are assigned to the Fire Control Operators (FCO). Each operator has his own display and control console to perform rapidly the functions of target acquisition, missile launching, and intercept evaluation.

The electronic equipment and operating personnel of the battery control centre are housed in an air-conditioned, lightweight shelter that can be transported by truck, helicopter, or, for short distances, on its own dolly.

Pulse acquisition radar:

Volume radar coverage around the battery is provided by the Pulse Acquisition Radar. This is mounted on a pallet which can be separated from the trailer on which it is normally mounted, so that radar and trailer can be separately lifted by helicopter.

CW acquisition radar:

This radar provides for the earliest possible detection of low-altitude targets by employing continuous wave techniques. The rotation of its antenna assembly is synchronised with that of the pulse acquisition radar, so that the target data from both radars can be presented on composite displays for ease of correlation.

Range-only radar:

Operating in a different frequency band from the other acquisition radars, this is a quick-response range-measuring radar that is capable of being slaved in angle in either of the two target illuminators on demand. Target information from this radar is sent to the BCC where it is used by the FCO to generate range and range rate information for the illuminator.

GUIDANCE GROUP

The guidance group consists of the CW illuminator and the CW semi-active homing missile.

Continuous wave radar provides the clutter discrimination necessary for low altitude operation. The CW illuminator acquires, tracks, and illuminates targets. It searches automatically at the designated target azimuth until acquisition, and then automatically tracks the target as long as required. In addition, the illuminator also supplies a reference signal for the missile.

The missile contains a radar receiver with a tracking seeker antenna and a closed loop autopilot. Information obtained from received energy is used to direct the missile to home to intercept and detonate the warhead at the closest approach to the target.

Illuminator:

Primary functions of the illuminator are to illuminate the target and provide a reference signal to the missile. To do this it can search a designated sector for targets, lock onto the reflected energy and track the target in speed and angle. Aiming the launcher and providing target information to the battery control centre are secondary functions. Functionally identical illuminators of two radiated power levels have been developed. With the high power illuminator the range capability of both the missile and the illuminator are significantly increased in addition to providing a basic capability against targets of much smaller radar cross-section.

LAUNCHING AND HANDLING GROUP

The complete missile is received by the firing battery in a single tactical container. It is removed from the container by the tracked loader operating as a crane and placed on the storage and transportation pallet or on the launcher. The fully trainable launcher activates, aims and launches the missile upon a command from the BCC. When a launcher becomes depleted of missiles during a firing engagement, the loader brings ready missiles from the storage area and reloads the launcher, and can do this with sufficient speed to enable a high firing rate to be maintained.

Launcher:

The launcher carries three missiles and is trainable in azimuth and elevation. After illuminator lock, it is slaved to the illuminator in angle to aim the missile at the target. Upon receipt of a fire command from the battery control centre, the launcher selects a ready missile, activates the missile power supplies, enables stabilization of the missile antenna, and slews to the lead angle commanded by the illuminator. After the lead angle is inserted, the missile rocket motor is ignited and the missile is launched.

ASSAULT PHASE

In certain mobile operational circumstances—for example when establishing a beachhead in enemy territory—it may be necessary to bring the missile into action in less time and with less equipment than is necessary to set up the complete battery installation.

To meet this requirement an Assault Fire Command Console has been developed. This is a lightweight fire control unit capable of controlling a firing section, and a CW acquisition radar if available. For minimum equipment deployment, however, the acquisition radar may be omitted and the illuminator programmed to search a designated sector for targets. The minimum equipment configuration, therefore, known as an Assault Phase Firing Unit, comprises a single launcher, an illuminator, a generator, a loader and pallet, the assault fire command console and a supply of missiles. Once the missiles have been loaded onto the launcher the whole of this minimum system can be controlled by one man.

As the tactical situation allows, this minimum unit can be progressively augmented up to full battery strength: alternatively a series of such units can be "leap-frogged" to provide continuous air defense for an advancing army.

SP HAWK

Mobility of the Hawk system has been further increased by the introduction of the SP Hawk, a self-propelled system with the equipment mounted on XM-727 full-tracked vehicles. A self-propelled Hawk platoon comprises three such vehicles each with three ready missiles on a launcher and each towing a piece of ground support equipment.

Development history:

Developments of the Hawk began in 1954 and the system first became operational in 1959, the programme having been under the technical control of the US Army Missile Command. Engineering of the system was performed at Raytheon's laboratories at Bedford and Wayland, Massachusetts, and at White Sands, New Mexico. US production of the missile and radar equipment has been principally at Andover and Waltham, Massachusetts.

For European manufacture of the system a five-nation group of companies formed the Société Européene de Téléguidage (SETEL) in 1959. SETEL acts as prime contractor for the project and coordinates the activities of five individual companies (see below). The system is also manufactured under licence by Mitsubishi in Japan.

Hawk has been extensively deployed by the US forces—both the Army and the Marine Corps—in Europe, Vietnam and other theatres. It has been sold or supplied on grant aid programmes to Israel, Japan, Korea, Saudi Arabia, Spain, Sweden and Taiwan as well as to many NATO countries.

Improved Hawk has a new guidance package, a larger warhead and an improved solid propellant. In trials against Firebee drones in the Autumn of 1971, 16 hits were scored out of 17 trials with the improved missile. This was an improvement on the results achieved earlier in the year, and the trials were followed by Standard A approval in December 1971 and full production approval in January 1972.

Hawk is expected to remain operational for several years. At the present rate of progress US procurement alone will continue until 1976, and presumably phase-out from US operational units will not start until after procurement is completed. In due course, however, it will be replaced by SAM-D. Improved Hawk units will eventually be delivered to the US Army Reserve and National Guard forces.

Manufacturers:

Complete System and US Production: Raytheon Company, Lexington, Massachusetts.

Subcontractors:

Rocket Motors: Aerojet General Corporation, El Monte, California.

Wings and elevons: Northrop Corporation, Beverley Hills, California.

Warheads: Iowa Ordnance Depot.

SETEL Consortium: Belgium: ACEC.

France: CFTH.

France: Thomson-CSF.

Italy: Finnmeccanica.

Netherlands: Philips.

West Germany: Telefunken.

Japanese manufacture: Mitsubishi.

2784.131—REDEYE PORTABLE ANTI-AIRCRAFT MISSILE

Redeye is a shoulder-fired guided missile system designed to give a soldier an effective defence against low-flying aircraft. The missile's infra-red sensing device homes on the heat of an aircraft's engines. The Redeye carries a high-explosive conventional warhead and has a two-stage solid-propellant engine. The light launching tube is also a carrying case and can be borne through brush and over rough terrain where no other air-defence weapon can go.

Operation:

On sighting a hostile aircraft, the gunner tracks it in an optical sight. At the same time, he energizes the missile guidance system. A buzzer located in the launch tube gripstock informs the gunner when the missile is ready to fire. Upon firing, the booster charge propels the missile out of the launch tube. When the missile has cleared the launch tube muzzle by a distance sufficient to protect the gunner from blast effect (about 6 m), the main rocket ignites and propels the missile the rest of the way to its target.

Characteristics:

Designation: XMIM-43A.

Type: Man-portable, shoulder fired, surface-to-air guided missile.

Guidance: Optical aiming, Infra-red homing.

Propulsion: Solid-propellant booster and sustainer.

Warhead: High-explosive.

Missile Length: 1.2 metres.

Diameter: 76 mm.

Weight: 13 kg.

Speed: Supersonic.

Development history:

Development began in 1959 after a feasibility study in the previous year. An initial production contract was announced in 1964 and many thousands of the weapons have now been made. Extended trials have been carried out successfully both in tropical areas and in "forty-below" conditions in Alaska.

Redeye is employed in the forward battle area to protect combat troops against low-level aircraft. It can be fired in a matter of seconds after an enemy aircraft has been detected. The weapon is issued to Redeye teams, each made up of a gunner and assistant gunner. Varying numbers of these teams are assigned to a Redeye section at infantry battalion level.

Procurement of Redeye was completed in Fiscal Year 1970.

A proposed modification to make it suitable for helicopter launching is being studied by the US Army.

For details of the successor to Redeye that has been referred to as Redeye II see entry number 2805.131 (Stinger).

Manufacturer:

General Dynamics Corporation, Pomona Division, Pomona, California are prime contractors. The rocket motor is made by Atlantic Research Corporation.

CEREMONIES HELD HONORING SECRETARY OF THE ARMY, HOWARD H. (BO) CALLAWAY

(Mr. NICHOLS asked and was given permission to address the House for 1 minute, and to revise and extend his marks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, last week it was my honor to attend the retirement parade and ceremonies for retiring Secretary of the Army, Howard H. (Bo) Callaway at Fort Myer, Va. An outstanding parade was conducted by troops of the Army's 3d Infantry Regiment for an outstanding Secretary of the Army.

In my judgment Bo Callaway more so than any other one individual is responsible for today's all volunteer forces. I must say that I was skeptical when we moved away from the draft into an all volunteer concept. In the past 2 years since the draft ended more than 400,000 young men and women have volunteered for Army service. Seventy-seven percent of today's enlisted forces have a high school education or better, and the Army is more than meeting its recruiting objectives, and thanks to the untiring efforts of Georgia's Bob Callaway it is capable of accomplishing its mission.

When Secretary Callaway came aboard the Army had only three divisions judged to be combat ready. Today we are moving to 16 active combat ready divisions and have done this with the framework of the quota of 785,000 men allotted by Congress. Bo Callaway brought to the Army a positive attitude—a "We can do it" philosophy and we have a better Army today because of his enthusiasm and his dedication.

I am including remarks by Secretary of Defense, James R. Schlesinger, and Gen. Frederick Weyand, Chief of Staff of the U.S. Army, along with remarks by Secretary Callaway, which I commend to the reading of each Member of this body:

HOWARD H. CALLAWAY, SECRETARY OF THE ARMY

Howard H. Callaway was born April 2, 1927, at LaGrange, Georgia. He was graduated from Episcopal High School, Alexandria, Virginia, in 1944. In June of 1949 he received his BS Degree from the United States Military Academy, and was commissioned a second lieutenant in the Regular Army.

Mr. Callaway served in the Infantry during 1949–1952. He is a veteran of the Korean War where he participated in three campaigns while serving as a platoon leader in the 17th Infantry Regiment, 7th Infantry Division. He was awarded the Combat Infantryman's Badge. His last two years in the Army were spent as an instructor at the Infantry School, Fort Benning, Georgia. He was honorably discharged December 19, 1952.

He has long been active in a variety of business, political, educational, and civic enterprises. He was named Civilian Aide for the Third Army Area by former Secretary of the Army, Stanley R. Resor, December 18, 1970. He has served as Chairman of the Council of Trustees, Freedoms Foundation at Valley Forge; International President of the Young Presidents Organization; and Republican National Committeeman for the State of Georgia. He was the Republican candidate for Governor of Georgia in 1966. He served in the 89th Congress and represented the Third District of Georgia in 1965–1966.

Mr. Callaway is a former member of the Board of Regents, University System of Georgia; the National 4-H Service Committee, and Trustee of the National Recreation Association. Prior to assuming his present position he was President of Interfinancial, Inc. of Atlanta, and a Trustee of the Ida Cason Callaway Foundation of Pine Mountain, Georgia.

Mr. Callaway is married to the former Elizabeth Walton of Hamilton, Georgia. They have five children—Elizabeth, Howard, Edward, Virginia, and Ralph.

Mr. Callaway was sworn in as Secretary of the Army on 15 May 1973.

REMARKS BY GEN. FREDERICK WEYAND, CHIEF OF STAFF, U.S. ARMY

Secretary Schlesinger, friends of the Army, soldiers of the Old Guard and the United States Army Band—the Secretary of Defense has eloquently described the achievements of Secretary Callaway and all of us in the Army share Secretary Schlesinger's pride in those achievements. When the Secretary of Defense swore me in as Chief of Staff of the Army, he commissioned me that day to develop and articulate a vision for the Army. When I returned to my job as Chief of Staff I found that Secretary Callaway had already begun the developemnt and articulation of a vision for the Army—a ready, professional, disciplined, high quality Army; an Army that considered its most precious and valued asset its people. An Army that in concert with its sister Services was capable and is capable of successfully accomplishing any mission likely to be assigned to it. There is work to be done, but today this is a first-class Army. Thanks in large measure to the efforts and dedication of Secretary Bo Callaway.

You know we have never had a Secretary in my time named Bo. In fact, I've never had a Secretary that I've referred to by his first name. I'm really not sure of the derivation of that name, but in the Army we have come to consider it an acronym for bayonets on, because if you work along side of him you had better be prepared to charge. As a matter of fact, I have often thought that he would have made a fine Admiral because he only knows one speed and that's full speed ahead. We owe him a great deal and we'll miss him. He brought to the Army an attitude, positive, upbeat, heads up, innovative, and we have a better Army thanks to him.

My second home, as some of you know, is Hawaii, and in Hawaii good friends never say goodbye, they say "aloha". And so, that's what I'm doing at this moment to Bo Callaway. It is very difficult these days to reenlist in the Army, our standards are quite high, but Mr. Secretary if you should change your mind, I think we can find a place for you.

REMARKS BY THE HONORABLE JAMES R. SCHLESINGER, SECRETARY OF DEFENSE

Secretary Callaway, General Weyand, Members of the Joint Chiefs, ladies and gentlemen, and above all those of you who serve and love the U.S. Army—this is a day which we greet with mixed emotions.

Some few days ago Bo Callaway received an offer that he could not refuse. And so the Army today loses its coach, its triple threat, its blocking back, and above all and preeminently, its cheerleader. For two years Bo Callaway has been a strong, imaginative and enthusiastic leader of the U.S. Army during a period of some turbulence as it recovered from the effects upon it of our involvement in Vietnam. During that period of readjustment involving the transition to the all volunteer force, the President called upon an old Army man, West Point, '49, to serve as the civilian Secretary of the Army. It has been a period of accomplishment. It has been all too brief a period from our standpoint.

We wish, and I hope that Bo wishes, that he had had more time to complete some of the changes that are already under way in the U.S. Army. The most difficult change is that to the All Volunteer Force. When the all volunteer force goal was announced some years ago there were skeptics—in Congress, in the public. Bo regarded the All Volunteer Force not so much as an obstacle but as an opportunity, and he led the way toward the creation of this modern, 785,000-man strong force. He was its most enthusiastic supporter. And, in this area the accomplishment, I think, can be said to be largely his. He faced skepticism and, even in the Office of the Secretary of Defense, an "I'm from Missouri" attitude. But he proved that he was right.

In addition, it has been a rule of thumb of all bureaucracies never to identify any low priority areas or areas of so-called waste because "they" will take away the resources and one's incentive is to have smaller forces and smaller resources. Some years ago facing the fact that the Army had shrunk dramatically since 1968 and was three divisions smaller than it had been pre-war—and there was speculation that it would shrink still further—we proposed to the Army and to General Abrams and Secretary Callaway that they identify areas of low priority and transfer the resources into additional combat power. If implemented, that was an offer that Bo Callaway could not refuse. But there was some skepticism in the Army whether or not it would be implemented, or indeed the old bureaucratic rules of thumb would prove to be correct after all. Today, we have demonstrated that a Service that undergoes pain within itself to make adjustments can create greater combat power to meet the nation's needs and I think that both Bo Callaway and General Abe, as well as Fred Weyand subsequently, deserve great credit for those accomplishments. We are moving to 16 active combat divisions and we have done so without adding any manpower to the U.S. Army. We are still smaller in terms of divisional strength than we were in 1964, in the face of major qualitative and quantitative improvements on behalf of those who might become our foes.

We must recognize two things about the Army. There is no substitute for ground forces. There is no other capability that can take or retain land. Deterrence by itself, a free floating deterrence, will not do that. Airpower cannot do it. Seapower cannot do it. One must have those ground forces. Secondly, for effective deterrence, one must have a credible and implementable threat, not simply a stockpile of nuclear weapons for which there is inadequate doctrine or training for the exploitation of those weapons. Ground power is essential to the American role in the world, and under Secretary Callaway the role of the U.S. Army in providing that ground power has been reasserted and, in a doctrinal sense, expanded.

The Army's ability to achieve this dramatic increase in its combat power through greater efficiency will be a living tribute to Bo Callaway, to his dedication and to his determination to provide a strong, lean, and combat-ready force. His enthusiasm and his dedication during this difficult period of turbulence and transition have earned for him the admiration and gratitude of the Department of Defense, the American Congress, and soldiers everywhere.

Bo has considerable experience now in volunteer work and in his new calling he shall have an opportunity to demonstrate those acquired skills. We will not comment in this Department on the partisan activities to which he was called, but we assure that if his efforts at volunteerism are as successful in the future, as they have been in the past, the outcome is foreordained. Thank you for your service Bo. Godspeeed to you.

Remarks by the Honorable Howard Callaway, Secretary of the Army

To my good friend Jim Schlesinger who will certainly go down as one of the great Secretaries of Defense in our history, and I would say as an aside Jim, as a great supporter of the Army; to my close personal friend Fred Weyand who has brought a professionalism and a spirit of personal involvement to the Army that will certainly make him one of the great Chief's of Staff of the Army, to Julie Abrams who is representing Abe today, to the members of Congress that are here that I've worked so closely with, to my wife Beth who had intended to be here that I brought back from an accident in Georgia but is represented by our children, Edward and Virginia today, to Colonel Bob Clark, the Commander and the men of the Third Infantry, the Old Guard who will pass in review today with regimental colors which were presented to them about a year ago on the Army's 199th Birthday, to Colonel Sam Laboda and the U.S. Army Band, Pershing's own, distinguished guests, ladies and gentlemen.

I knew it was going to be hard to leave the Army. I didn't know it would be this hard. I'm going to abide by my own rule and not keep the troops standing in the sun today with a long speech. But I would be remiss if I did not say to my friends in the Department of Defense with whom I worked so closely, to those in the Army Secretariat under Secretary Norm Augustine who has done more to bring the Army's materiel acquisition program into fruition than any man in recent years, to the Assistant Secretaries who have worked so hard and loyally, to the Army Staff and to the action officers there who come to my office freely with a spirit of cooperation that warms my heart, to the civilians and men in the Army throughout the world, I want to say thank you.

Today's volunteer force is a success for one reason. The non-commissioned officers, the junior officers, company, battery and troop grade officers, as led by their field officers, had accepted the challenge to live up to the high standards of our best soldiers. To see that every man who is serving the Army today, because he wants to be in the Army, is challenged by a job that is important. And that the discipline which must make the soldiers of a free Army reliable in battle is a willing discipline following willing leaders who are able to impart the importance of the job that each soldier has.

When I first came as Secretary of the Army I used to obey orders. I don't have to anymore. I left the Army as a Lieutenant and I was very uncomfortable when I did not return salutes but I was told that a Secretary of the Army does not return a salute. I accepted that then but no more. When the Old Guard passes in review today, I'm going to salute you. You're the finest Army in the world.

PRESIDENT FORD HAS CONSISTENTLY REJECTED CONGRESSIONAL EFFORTS TO PUT PEOPLE BACK TO WORK

(Mr. OBEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. OBEY. Mr. Speaker, the administration has won no awards for its sensitivity or concern for the problems of the unemployed. Despite the worst joblessness since the Great Depression, President Ford has consistently rejected congressional efforts to put people back to work because he says it costs too much.

This record of callousness reached a new low this week when the administration announced that it was opposing a House-passed appropriation for a program that would increase the efficiency of the U.S. Employment Service.

The reason for this abysmal performance is twofold. First, although most Employment Service offices computerize job openings through the job bank system, they do not computerize the list of job applicants, so the matching of the two must be done by hand.

Second, while many job applicants may be capable of performing more than one type of work, their options are severely limited because the Employment Service lists just a single primary skill per applicant.

This antiquated method of job placement is appalling in itself, but even more distressing is the fact that the technology to change it is ready and waiting to be implemented.

Over the last 3 years the Employment Service has tested computerized listing and matching systems in nine cities with considerable success. In Milwaukee, for instance, the fully computerized system resulted in a 239 percent increase in placements in 2 years. In addition, 82 percent of those placements were made on the basis of a skill not listed as the worker's primary skill.

Aside from sparing countless workers the misery of prolonged unemployment, such efficiency could save millions of taxpayers' dollars. If the three-and-a-half million workers who will be placed by the Employment Service this year could simply be placed one day sooner, it would create as much employment as 13,000 public service jobs which would cost $125 million. In addition, that faster placement would reduce unemployment insurance payments by more than $50 million, and increase tax revenues by about $20 million.

In light of all these potential savings and benefits, the Labor-HEW Appropriations Subcommittee of which I am a member earmarked $20 million for the expansion of full computerization within the U.S. Employment Service. But in reviewing that House action, the administration opposed the appropriation, and recommended that it be eliminated from the Senate version of the bill.

As evidence of the shortsightedness and insensitivity of that recommendation, I refer my colleagues to an article by Robert Lindsay entitled "Jobs, Skilled and Unskilled, Go Begging in Many Cities." The article points out that in the midst of record high unemployment, countless jobs are going unfilled because workers with the necessary skills are not being matched with the openings.

And in many cases, because of the Employment Service's practice of listing just one skill per worker, qualified applicants do not even have a chance for these jobs. Even in Detroit, with an unemployment rate of 13.9 percent and 269,000 people out of work, 142 openings for salesmen and 99 for security guards went unfilled in a single week. Those are the kinds of inefficiencies a fully computerized placement system could help remedy, and I ask that this article be printed in the RECORD.

Jobs, Skilled and Unskilled, Go Begging in Many Cities

(By Robert Lindsey)

LOS ANGELES, June 30.—Help Wanted.

Tool and diemakers needed in Peoria, Ill. Licensed vocational nurses wanted in Phoenix, Ariz. Security guards wanted in Detroit. Engineers, draftsmen, machinists and accountants wanted in Houston. Welders, coal miners and short order cooks needed in Pittsburgh.

In a curious paradox of the nation's worst employment market since the nineteen-thirties, thousands of jobs are going begging.

While unemployment nationally is running at 9.2 per cent, employers in many cities say they are finding it impossible to fill some jobs. For the most part, the jobs require either special skills or few skills that offer little status.

For job hunters, the brightest spots in the nation, relatively speaking, are Texas and Oklahoma, where the petroleum industry is prospering. But compared with the nation at large, there are also relatively good prospects in other cities, including Richmond; Peoria, Madison, Wis., Jackson, Miss., and Sioux Falls, S.D.

"Even with this high unemployment, there are still many, many jobs to be found," said John Calderas, who heads the State Employment Development Department in Southern California.

The view was echoed by employers and manpower officials interviewed in 12 other cities.

Although the situation varies from community to community, jobs generally can be found by machinists, accountants, draftsmen, typists, auto mechanics, appliance repairmen, secretaries and medical and health specialists.

In addition, they said, there are chronic job openings in many cities in low-skilled jobs that usually offer low pay and lowly status—jobs as waiters, waitresses, domestics, janitors, retail store clerks, security guards, door-to-door salesmen and other pay-by-commission-only sales jobs.

SOME COAST OPENINGS

In Southern California, the unemployment rate is 10.2 per cent. But, at the state's Harbor Employment Office in Long Beach last week there were 32 openings for secretaries at salaries of up to $860 a month; 40 openings for cooks, up to $1,000 monthly; 37 openings for security guards, $2.10 to 3.10 an hour; 70 openings for machinists and mechanics, up to $7.50 an hour, and scores of other jobs for clerical workers, retail clerks, domestics, vocational nurses, waitresses and beauticians.

Dorothy Graves, manager of the Southwest Pennsylvania Job Bank, said:

"Anybody who is hard up and needs a job to eat can get work, even if they have no skills. There are sales jobs of all kinds. There are openings for retail clerks, short-order cooks and for people in food and beverage service in restaurants and fast-food outlets."

But in Pittsburgh as elsewhere, she said, many job-hunters tend to avoid such work, not only because wages in some cases are less than what they can get in unemployment or welfare benefits, but also because of a general nationwide retreat from jobs regarded menial or subservient.

In Detroit, where the unemployment rate is 13.9 per cent and 269,000 people are out of work, there were 142 unfilled openings last week for security guards, along with 99 job openings for salesmen.

Officials said such jobs were difficult to fill.

WAGES CALLED TOO LOW

"The restaurant, motel and food service businesses are crying for people in most parts of Georgia," which has a 9.3 per cent unemployment rate, said William Robinson of the State employment service in Atlanta. "The only trouble is that they pay minimal wages only, and most of the unemployed are looking for something more substantial."

Some cities, because they have a diversified job base or have been lucky enough to produce items or services that are in demand despite the recession, have been spared the worst of the national economic slump and are enjoying a degree of prosperity.

There are exceptions, but as a group, the best category of cities across the country appears to be state capitals.

In cities such as Richmond; Des Moines; Austin, Tex.; Jackson, Miss., and Columbus, Ohio, where government is a major local industry, unemployment is generally below 6 per cent.

There have been some freezes on hiring of government employees and some layoffs, but for the most part, cities heavily dependent on government have been much less affected by the recession than communities dependent on manufacturing.

Austin, whose 4.5 per cent unemployment rate is the lowest in the country among larger cities, also sharing in the state's oil prosperity. Richmond, with a 4.7 jobless rate, is buoyed by fairly stable employment in the tobacco industry and other fields.

PEORIA HAS JOBS

Although Peoria does not host the state government, it has only a 4.6 per cent unemployment rate thanks to five Caterpillar manufacturing plants that employ 34,000 people. The company has enjoyed strong overseas sales recently, despite the general worldwide economic slump.

An official of a Detroit job counseling center said: "I'm tired of hearing how few jobs are open. The jobs are there. What we're short is qualified people who don't set very restrictive limits on how far they'll drive or how long they'll work. Yes, employers are pickier. But many of the people looking for work are unrealistically picky."

Employment officials stressed that skills did not guarantee jobs. High unemployment among electricians, bricklayers, plumbers and other specialists in the depressed construction industry is evidence of this. But they said that people with special skills were the most likely to find jobs.

In New York City, where 11.5 per cent of the labor force is unemployed, fewer than 9,000 job openings have been listed recently by the state employment service, and of these, state officials said, more than 83 per cent required a specialty or skill.

While officials in most other cities said that they frequently had difficulty in filling unskilled jobs such as hospital orderlies, waitress, laborers and guards, New York officials said they had more applicants than jobs in these categories.

One group of workers considered to be short of skills by officials in virtually all sections of the country are recent college liberal arts graduates. As a result, they have been among the most affected by the shortage of job opportunities.

"The principal problems with young people is that most of those out of college are overqualified for the jobs available," said Gloria Miller of the Florida State Employment Office.

"Businessmen seldom want an employe who they know will leave the first opportunity he or she has. Maybe something good will come out of this.

"Hopefully, young people will realize that a college diploma is much overrated in our society, and there is a whole gamut of non-college careers like dental technicians, air-conditioning mechanics, shoe repairmen, and so forth, which pay well and are not demeaning."

Houston, hub of the Southwest petroleum boom, has a 4.6 per cent unemployment rate, and job opportunities still abound, if less so than in the recent past, according to officials.

"SHORTAGE OF PEOPLE"

"We have a shortage of people to fill occupations that take a great deal of training, education and experience, but we have an overabundance of people without training," said Lee Gruhlkey, director of the Texas Employment Commission office in Houston.

He said there was a serious need for draftsmen, computer programmers, heavy-truck drivers, secretary-stenographers, auto mechanics, diesel mechanics, waitresses, welders, accountants and medical technicians. Unlike most areas of the country, he said, there was still a need in Houston for construction workers.

"Graduates from all over pick up and come down to Houston in flocks," said Robert Milsted, director of the University of Houston's placement center. "You can look on the north freeway and practically count the number of U-Hauls coming in."

Mr. Gruhlkey said that even liberal arts graduates might be able to find jobs in and around Houston if they were willing to be flexible.

"If they'll accept training, such as a management training position with a company," he said, "we will be able to find work for them."

U.S. CONFERENCE OF MAYORS HONORS MAYOR RICHARD J. DALEY

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROSTENKOWSKI. Mr. Speaker, on last Monday, July 7, 1975, the U.S. Conference of Mayors awarded to Mayor Richard J. Daley of Chicago, its "Distinguished Public Servant Award."

It was the first time in the 43-year history of the Conference of Mayors that the award had been made to a fellow mayor.

Mayor Joseph Alioto, president of the Conference of Mayors, in presenting the gold medal, said:

> We honor Mayor Daley today because of the great credit that his administration of the City of Chicago has brought to all of us who strive to be good Mayors.

The presentation to Mayor Daley marked only the sixth time that the conference has presented the Distinguished Public Service Award. The first time was to Gen. George Marshall in 1949. General Marshall was presented the award for instituting the great plan which saved Western European cities after the devastation of World War II.

Mayor Daley was first elected mayor of Chicago in 1955 and has been reelected every 4 years since. He is now serving his sixth term. The Distinguished Public Service Award was made in Boston during the 43d annual meeting of the Conference of Mayors.

I would like to add my personal congratulations to Mayor Daley for a job well done.

Mr. Speaker, I have known Mayor Daley for most of my adult life. I have worked with him and for him. During this time, I have never ceased to be amazed how he continually manages to feel the pulse of the great city of Chicago. The main reason Chicago has escaped the many urban problems that are besieging other cities is because Dick Daley has worked full time all the time to assure that they do not.

Much as been written in the last few days about the mayor's outstanding performance in Boston. Of the many stories that I have read in the press, there is one from the Boston Globe of Tuesday, July 8, 1975, that particularly impressed me. It was written by Jeremiah V. Murphy.

Mr. Speaker, I would like to include in the Record, Mr. Murphy's conclusion to his article:

> Now it was late afternoon and the mayors and their wives hurried to their VIP reception at the Stewart Gardner Museum and then dinner and a ballet performance at Boston City Hall.
>
> The people stood around the inner courtyard and sipped drinks and listened to Ted Phillips lead the Ruby Newman Quartet playing "Cabaret" and a bunch of other songs.
>
> After a while the mayors and their wives started to arrive, and the question heard more often was, "What about Daley? Is he here yet?"
>
> Perhaps younger mayors hoped that they would discover his secret, but one thing is sure: Richard Daley would have been big in Boston politics. Very big.

Mr. Speaker, Richard Daley would have been very big in any American city.

INCLUSION OF PUERTO RICO, VIRGIN ISLANDS, AND GUAM IN SSI

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Puerto Rico (Mr. Benitez) is recognized for 30 minutes.

Mr. BENITEZ. Mr. Speaker, on June 24, 1975, I introduced H.R. 8178, a bill to extend coverage of the supplemental security income program to Puerto Rico, the Virgin Islands, and Guam. I am gratified, indeed, to have as sponsors of this bill the Delegate from the Virgin Islands, Mr. de Lugo, the Delegate from Guam, Mr. Won Pat, the chairman of the House Interior Subcommittee on Territorial and Insular Affairs, Mr. Phillip Burton, the chairman and the ranking Republican of the Subcommittee on Public Assistance of the House Ways and Means Committee, Mr. Fulton and Mr. Vander Jagt, as well as other members of the subcommittee: Mr. Corman, Mr.

RANGEL, and Mr. STARK. Mr. Speaker, support for H.R. 8178 is bipartisan, and I trust that it will receive favorable action by this and the other body during the 94th Congress.

I think it would be useful at this time to outline the background of the exclusion of Puerto Rico from supplemental security income. The Social Security Act amendments of 1972—Public Law 92-603—which created SSI failed to include Puerto Rico, the Virgin Islands and Guam. The aged, blind, and disabled citizens of the three jurisdictions remain to this day covered separately under the old Welfare-related provisions of the social security program, which was enacted in 1950, exactly 25 years ago.

What does this coverage mean in terms of the persons whom this bill is expected to serve? It means a $9 a month Federal contribution to the aged. It means a $7 a month Federal contribution to the blind and the disabled. Since Puerto Rico in turn matches the Federal contribution, this means a total aid of $14 a month for the blind and the disabled and $78.8 per month for the aged. How many persons all told are under these categories today in Puerto Rico? A total of 35,222 citizens.

How does that assistance compare with the Federal assistance accorded the same citizens if they reside in New York? In New York they receive $123 a month from the Federal Government. And in Tennessee? In Tennessee they receive $122 a month. And to illustrate further, in Louisiana an aged, disabled, or blind person receives $123 a month from the Federal program, while in California he receives a Federal contribution of $102 each month.

How has it happened that this discrepancy has been maintained and accentuated over the years? It is a long and distressing story of neglect, insensitivity and helplessness with which I shall not burden you at this point. I need not dwell upon the enormous difficulty of changing established patterns once they are sanctified into law.

Let it be said in fairness and in praise of the members of this newly created Subcommittee on Public Assistance of the House Ways and Means Committee, that when I raised this issue with them at oversight hearings, these subcommittee members unanimously expressed their support of the proposed rectification and as you have seen they had been understanding enough to cosponsor this bill. Let it also be said in justice to the full committee, to its previous leadership and to this House, that in the 92d Congress the measure was initially acted upon while it was in the other body that the exclusion of Puerto Rico was effected.

Mr. Speaker, I trust this House will take it upon itself to eliminate this particular discrimination which hurts so grieviously because it affects adversely those senior or helpless members of the citizenry who can no longer be their own keepers.

I happen to be a dyed-in-the-wool optimist, one who holds that justice will be done once the facts requiring that justice are known. It is in that spirit that I speak to you today. I hope that the Congress in its wisdom will see to it that full recognition will be given all senior citizens, whether they reside in Puerto Rico or elsewhere, and that in so doing, this Congress does justice to itself.

There are several other instances not covered in this bill where clear injustices against specially distressed persons in Puerto Rico are still outstanding. One of the most shocking has been the exclusion from the benefits of the so-called Prouty amendment, which provides assistance to persons over 72 years of age, who have not paid into the social security system.

In the case of Cintrón against Richardson handed down on April 7, 1975, the Federal district court in Puerto Rico sitting en banc, held that the Congress may not enact legislation which discriminates against American citizens on the basis of their residence in Puerto Rico and underscored the constitutional right of Puerto Ricans to receive benefits under the Prouty provision as do other U.S. citizens.

I have referred to the Cintrón against Richardson decision with some reluctance. My bill covers legislatively that particular injustice insofar the needy are concerned. I hope the aged, blind, and disabled in Puerto Rico will not have to depend upon the belated equity which might result from a final Supreme Court adjudication in a law suit which challenges the constitutional legitimacy of their congressional exclusion from beneficiary legislation.

Perhaps the legislative injustice and one which turns out to be significantly shortsighted is the one which limits the coverage of maintenance assistance to needy persons, including the ones I have referred to in this particular bill, to a total of $24 million.

At a different occasion and after taking the matter up with the appropriate committees, I will be prepared to examine the whole situation, the Puerto Rican contributions made at present and to be made in the future, and will recommend a basic common approach to this mutual problem. For now sufficient onto the day is the evil and the hope thereof.

At this point I wish to include a comparative table covering the Federal contributions to the blind, the aged and the disabled be printed at this point in the RECORD. The table demonstrates that under the SSI there has been a gradual increase over the years in Federal allocation—an allocation which does not require any matching—whereas in Puerto Rico both the 50-50 matching and the $7 or $9 Federal allocation per month have remained constant.

The table follows:

FEDERAL SHARE OF AVERAGE MONTHLY PAYMENT

	Aged			Blind			Disabled		
	March 1973	March 1975	Including interest payment	March 1973	March 1975	Including interest payment	March 1973	March 1975	Including interest payment
California	$56	$72	$16	$84	$102	$18	$75	$120	$45
Louisiana	48	82	34	53	123	70	39	114	75
Minnesota	36	65	29	59	100	41	53	93	40
New York	73	78	5	85	123	38	86	134	48
Tennessee	36	74	38	49	122	73	47	114	67
Puerto Rico	9	9	0	7	7	0	7	7	0

I also include in the RECORD an economic study done for my office by the government of Puerto Rico, entitled "Puerto Rico—Basic Economic and Social Data." The facts evidenced in this short study—a 17.2 percent official unemployment rate, a 50 percent cost-of-living increase in 7 years, a dramatic drop of 40 percent in the purchasing power of the dollar over the same period—all attest to the bleak economic picture in Puerto Rico:

PUERTO RICO: BASIC ECONOMIC AND SOCIAL DATA, APRIL 1975

I. UNEMPLOYMENT

Unemployment is a serious and crippling problem in the Commonwealth of Puerto Rico. The decades have witnessed a slight fluctuation of the unemployment situation: in 1940, 11%; in 1950 and 1960, 13%; in 1970, 11%. The highest rate of unemployment in the past thirty five years was recorded in January 1975, when 17.2% (149,000 people) of a labor force of 867,000 was unemployed.

These unemployment statistics reflect the number of people who were actively seeking work at the time of the particular survey. It has been estimated, however, that the real unemployment rate, which accounts for those who are willing and able to work but who have ceased looking for work, exceeds 30%. This estimate indicates a potential labor force in Puerto Rico of 1,128,000 of whom 718,000 are reported employed and 410,000 are without work. Unless the economy shows signs of improvement, an even higher rise in unemployment can be projected for the latter part of 1975.

In April 1975, the Government of Puerto Rico was forced to draw $10 million from the Unemployment Insurance Reserve Fund. According to the United States Department of Labor, Unemployment Administration, it is realistic to assume that there will be further substantial draw-downs from the fund during the calendar year 1975.

II. COST OF LIVING IN PUERTO RICO

The cost of living in Puerto Rico is considerably higher than in most areas of the United States. This is primarily due to the fact that Puerto Rico must import a very large percentage of its total goods for consumption and production. For example, in 1973, Puerto Rico imported consumer goods and raw materials totaling some $3.6 billion; and approximately 60% of all foodstuffs consumed in Puerto Rico in 1973, was imported. The United States Department of Labor surveys done for the U.S. Civil Service Commission consistently show higher costs than in the Washington, D.C., area. Based on the latest such survey, the Commission has established a 7.5% cost of living differential for federal employees working in Puerto Rico.

The Puerto Rican Department of Labor regularly collects and reports cost of living data for the Island. A recent report * provided dramatic evidence of the inroads inflation has made into the purchasing power of the dollar in Puerto Rico, particularly in the past year.

Cost of living index

(1967=100)

1971 (May)	113
1972 (May)	117
1973 (May)	123
1974 (May)	150
1975 (Feb.)	163

Purchasing power of dollar

(1967=$1.00)

1971 (July)	0.87
1972 (May)	.85
1973 (May)	.81
1974 (May)	.67
1975 (Feb.)	.61

The above figures show that there has been a 50% increase in living costs in Puerto Rico over the past seven years, with more than half of this increase occurring in the past year. Viewing this in terms of the effect of the value of the dollar in 1974, we can see that today the dollar in Puerto Rico buys less than two-thirds of what it bought in 1967.

The wage earner's families needed $16.25 in February 1975 to buy the goods and services which they bought with $15.01 in May 1974, $12.32 in May 1973 and with $10.00 in 1967.

The impact of inflation has been particularly severe on public welfare recipients. In 1967, the federal government provided a maximum of $9.8 million in welfare assistance to Puerto Rico, to be matched equally by the Commonwealth. In 1968, P.L. 90–248 raised this ceiling in steps to the present $24 million, still with 50–50 matching. This increase in federal assistance, however, did not permit the Commonwealth to keep pace with inflation, given the increase in the number of recipients resulting from burgeoning population and the expanded kinds of services required by the federal government.

III. BUDGET DEFICITS

Listed below are the estimated Fiscal Year 1975 budget deficits of ten selected states and the Commonwealth of Puerto Rico. This table demonstrates the disproportionately high per capita deficit of Puerto Rico as compared with the States listed in the table:

Puerto Rico and States	Fiscal year 1975 estimated budget deficits (millions)	1974 population (thousands)
Puerto Rico	$300	2,992
Connecticut	71	3,088
Florida	250	8,090
Maryland	50	4,094
Massachusetts	350	5,800
Minnesota	78	3,917
New Jersey	50	7,330
New York	800	18,111
Virginia	17	4,908
Virgin Islands	23	[1] 100
Washington	52	3,476

[1] 1972 population.

IV. FEDERAL OUTLAYS

The following table illustrates the difference in federal outlays to Puerto Rico as compared to federal payments to selected states on the mainland:

	Population (thousands)	Fiscal year 1973 Federal outlays (millions)	Per capita outlays	Comparison to Puerto Rico
Puerto Rico	2,992	$1,267	$423	
Iowa	2,855	2,848	998	+$575
Mississippi	2,324	3,669	1,579	+1,156
South Carolina	2,784	3,011	1,082	+659

V. DIRECT AND INDIRECT BENEFITS ACCRUING TO THE VARIOUS STATES BY VIRTUE OF PURCHASES BY PUERTO RICO

While Puerto Rico is a recipient of the assistance from the federal government, the relationship that exists between the United States and Puerto Rico is definitely not one that is of benefit to Puerto Rico alone. Puerto Rico is the 5th largest (after Canada, Great Britain, Japan and West Germany) purchaser of U.S. products in the world, and on a per capita basis, Puerto Rico provides the largest market. Approximately 75% of all imports into Puerto Rico come from the United States.

A detailed study undertaken by the Puerto Rico Economic Development Administration shows that for FY 1974, products with a value of $2.68 billion were shipped from the United States to Puerto Rico. These sales represent some $2.52 billion in gross income and 139,000 jobs in accrued benefits to the United States. Although impressive, these figures are nevertheless an extremely conservative estimate of the true economic impact of Puerto Rico's purchases on the United States economy. The study in question excluded from consideration the income and job generating effect of Puerto Rico's purchases from the United States of advertising, banking, insurance and shipping services. Furthermore, the reported benefits did not include any multiplier effect or cumulative effect of the spending and respending by U.S. residents of the initial income earned from sales to Puerto Rico.

The largest portion of Puerto Rico's purchases from the United States in FY 74 was in the category of miscellaneous manufacturers. This category accounted for 8.0% of the total income and 8.6% of the total employment (**$200 million and 12,073 jobs**) benefits generated to the United States. Motor vehicles and other transportation equipment, ($141 million in income and 7,436 jobs); fabricated metal products ($117 million in income and 5,586 jobs); and meat products ($115 million in income and 5,521 jobs), were the next most important product categories for Puerto Rico's purchases from the United States in FY 1974.

Considering broader groupings of products, however, Puerto Rican food purchases (which include meat products, grains, canned goods, beverages, etc.) in FY 1974 were overall the largest generators of income ($662 million) and employment (35,000 jobs) benefits in the United States. The textiles and apparel category was the second most important group, accounting for some $272 million and 19,000 jobs in benefits.

In terms of income and employment benefits derived, the ten states most affected were as follows:

[Income in millions, jobs in thousands]

	Income	Jobs
New York	$330	15.5
California	197	10.8
Illinois	153	8.0
Pennsylvania	145	8.8
Ohio	138	7.3
Michigan	119	5.7
New Jersey	114	5.5
Texas	114	6.1
Florida	97	5.1
North Carolina	81	5.5

VI. SALIENT FACTS ABOUT PUERTO RICO AS COMPARED TO THE UNITED STATES AND FIVE OTHER COUNTRIES

The following random statistics emphasize that Puerto Rico has made tremendous progress, partly due to its relationship with the United States, when compared to Latin America and Caribbean countries. However, we find it lagging far behind when compared to the States of the Union.

	Per capita income	Birth rate (per 1,000)	Death rate (per 1,000)	Infant mortality (per 1,000)	Life expectancy	Illiteracy (percent)	Inhabitants per physician
United States	$4,400	17.3	9.3	19.2	71	1.0	598
Puerto Rico	1,836	23.3	6.5	24.2	72	10.7	1,269
Colombia	324	44.6	10.6	78.3	52	40.0	2,286
Costa Rica	542	33.8	6.6	67.0	65	18.0	1,883
Dominican Republic	$360	48.5	14.7	61.9	58	51.0	1,980
Honduras	249	49.0	17.1	34.0	49	53.0	3,700
Jamaica	616	34.8	7.4	39.0	65	15.0	2,610

The birth rate in Puerto Rico is higher than that of the United States and its death rate is lower. In 1973, the birth rate was 23.3 per 1,000 and the death rate was 6.5 per 1,000, compared to the United States averages of 15.6 and 9.4 respectively. This dramatically compared with 48.5 and 14.7 for the Dominican Republic and 49 and 17.1 for Honduras. Puerto Rico's population as of July 1973 was 2,912,000 inhabitants, compared to 2,689,932 in June 1970, representing an increase of 223,000 in a three year period. This has resulted in a population density for Puerto Rico of 847 people per square mile today, as compared to 792 per square mile in June 1970. The current density level is exceeded only by two states, Rhode Island and New Jersey, with respective population densities of 927 and 987. To make Puerto Rico's density a more salient fact, the United States would have to reach a population of 2,995,716,185 in order to have a density of 847 people per square mile. The populations of 4,432,000 for the Dominican Republic and 2,781,000 for Honduras give those countries population densities of 242 people per square mile and 65 per square mile respectively.

By 1975, it is estimated that approximately sixty percent (60%) of Puerto Rico's population will be under age twenty-five (25), of which one-third will be less than thirteen (13) years old. At the other end of the age spectrum, life expectancy in 1971 was 72 years (U.S. National Average was 71.1), indicating a clear tendency toward an increase in the population of the aged (as opposed to 58 years life expectancy in the Dominican Republic and 49 years in Honduras). The growing size of these age groups in Puerto Rico will place increasingly greater demands on the financial resources of the Commonwealth Government to provide needed social services.

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* *Consumer Price Index for Wage Earner's Families in Puerto Rico* (Bureau of Labor Statistics, P.R. Department of Labor)

In the United States, the ratio of inhabitants per physician is 596.7, while in Puerto Rico it is 1,269; in the Dominican Republic it is 1,980 and in Honduras it is 3,700. Infant mortality in the United States is 19.2 per 1,000 births; in Puerto Rico it is 24.2; in the Dominican Republic, 26.9; and in Honduras it is 34.

According to the 1970 Census, there were 564,751 families in Puerto Rico with an average of 4.95 persons per family. Of these families, 336,622 (or 59.6%) had incomes below the federally defined poverty level of $4,500 urban; $3,870 rural per year for a family of 4. Of these families below the poverty level, there were 198,441 families with annual incomes of less than $2,000. Although Puerto Rico ranks 26th among United States jurisdictions in population, it ranks fourth in the total number of "poor people." Only California, New York and Texas (the three largest States) have higher totals of disadvantaged citizens. Puerto Rico ranks 40th in receipt of federal funds.

The large number of families below the poverty level results in a low per capita income for the Island. Puerto Rico's per capita income rose from $1,340 in 1970 to $1,836 in 1973, as compared to $3,933 to $4,918 in the continental United States and around $390 to $260 for the Dominican Republic and Honduras respectively.

Mr. RANGEL. Mr. Speaker, I am gratified indeed to be a cosponsor of H.R. 8178, a bill introduced by my colleague, Congressman JAIME BENITEZ, of Puerto Rico, to at long last bring equal treatment to our fellow citizens in Puerto Rico under the supplemental security income program.

Mr. Speaker, I find it a supreme irony that my Puerto Rican constituents in Manhattan are eligible for and receive full benefits under SSI, while the relatives of my constitutents who happen to live in San Juan or Ponce or elsewhere on the island are given a pittance under his Federal program.

It is as difficult and expensive to be one of the needy aged, blind, or disabled in Puerto Rico as it is in Manhattan. Yet the afflicted of Puerto Rico in those categories receive $7 and $9 respectively, from the Federal Government while my constitutents in Manhatten receive $133 per month as a Federal contribution.

In all humanity and justice, the American citizens in Puerto Rico who are needy and disadvantaged deserve equal treatment under Federal programs. I urge my colleagues to support H.R. 8178 when it reaches the House floor for a vote.

GENERAL LEAVE

Mr. HAYES of Indiana. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks and include extraneous matter on the subject of the special order today of the gentleman from Puerto Rico (Mr. BENITEZ).

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONFERENCE ON SECURITY AND COOPERATION IN EUROPE: WHAT DOES IT PORTEND?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 5 minutes.

Mr. ASHBROOK. Mr. Speaker, little attention has been given in this country to the Conference on Security and Cooperation in Europe. Little discussion has taken place in the Congress, and there has even been notice of this important conference in the press.

The Soviets desire a meeting of the conference by the end of July with an agreement to come out of the conference. The Soviets have placed great importance on such a conference for a number of years. The Soviets hope to attain a number of goals including Western acknowledgment of Soviet conquests in Eastern Europe. The Soviet view is that the document will ratify the existing frontiers of Europe and legitimize the Brezhnev doctrine of Soviet interference in the affairs of Eastern Europe—a la the invasion of Czechoslovakia.

In addition, the document would do nothing to prohibit Soviet intervention in Western democracies. V. K. Sobakin of the Soviet Foreign Ministry has written what the Soviet view of collective security is:

> . . . the concept of collective security deals only with the international aspect of the security of states, i.e., protection from external encroachments on their political independence, social system, and territorial integrity. Therefore, a European collective security system cannot and must not aim at giving the participating states the possibility to control the internal situation, to protect the social system of a member-state from actions of internal forces or to defend the territorial integrity of colonial powers against whom the peoples are carrying on a legitimate struggle for national independence.

From the above it is obvious that the Soviets view questions of collective security quite differently than does the West. Collective security translates into a license for the Soviets to fish in troubled waters like Portugal while Western countries through self-imposed restraints do not play upon tensions, nationalist feelings nor emotions within the Communist world.

Another problem arises from different meanings of terms in Socialist international law and conventional international law. As the Ambassador of Great Britain in a speech at the Preparatory Talks on CSCE at Helsinki, Finland, in 1972 said:

> There is no lack of solemn texts to which we are already committed. What is needed is a clear idea of how these principles should be interpreted, and applied in practice. Paper guarantees and statements of good intentions are no protection against military power.

To date the discussions that have taken place have not been open to public view. The Congress has had no opportunity to examine what has taken place. No hearings by either body of Congress have been held.

If the Soviets are to get recognition of current borders and legitimation of the Brezhnev doctrine what is the West to get? Will there be the allowance of a greater freedom of information and contact between the peoples and press of both Eastern and Western Europe? Will there be any advancement of human rights for the people of Eastern Europe?

Before any agreement is signed by the United States, it should receive the detailed attention that it deserves.

THE URGENT NEED FOR PROPERTY TAX RELIEF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, recently I introduced H.R. 8029, a bill to provide relief to a segment of our society that is increasingly in need of help. I am referring to the almost 22 million Americans who are 65 years of age or over. These citizens should be experiencing their "golden years." Instead, many are poor and afraid. Galloping inflation is turning life on a fixed income into a frightening nightmare. Many are being forced to give up their homes or are finding that in order to pay their property taxes or their increasing rents they are having to skimp on meals, neglect their medical needs, or forego the very simplest of luxuries.

In 1970, the 6.2 million elderly homeowners paid an average of 8.1 percent of their income in property taxes whereas the average nonelderly homeowner paid only about 3.4 percent of his income in property taxes.

Further, the harsh reality is that the lower the income the larger the slice of the elderly homeowner's budget is taken by property taxes. The official poverty level in 1973 for a two-person family unit headed by an individual 65 years or over was $2,662 and for a single person 65 or over it was $2,119. Real estate taxes in 1970 were 9.5 percent of income for elderly households with income between $2,000 and $2,999. For those elderly households with incomes below $2,000, property taxes amounted to 15.8 percent of income.

The solution to this problem is not for senior citizens to sell their homes because they are unable to pay their property taxes. Often they must pay a capital gains tax on all or part of the appreciated value of their home when they sell it. Moreover, it is frequently very difficult for them to find alternative housing at prices they can afford. And, perhaps most importantly, it is an emotional wrench for them to have to move away from the neighborhood in which they have friends and a sense of community.

The answer to this problem is to provide relief from the burden that property taxes impose upon them. My bill, H.R. 8029, which I have introduced with my good friend and Illinois colleague, PAUL FINDLEY, would accomplish this objective by providing to an individual who is 65 or over a tax credit against his Federal income taxes for the amount of real property taxes paid during the taxable year on property owned and used by him as a principal residence or for the amount of rent he paid which constitutes such taxes.

Under the bill, the amount of rent which would constitute property taxes would be an amount equal to 25 percent of the rent paid by the taxpayer during the taxable year exclusive of any charges for utilities, services, furnishings, or appliances provided by the landlord.

If the elderly individual pays no Federal income taxes, or if these taxes are less than the amount of property taxes he paid, he would be allowed a direct payment from the Treasury Department equal to the difference between the amount of the credit and the amount of property taxes paid. The total tax credit or direct payment cannot exceed $300—$150, in the case of a married individual filing a separate return. To assure that this credit is made available only to those who need it, my bill includes an income phaseout provision. The credit would be reduced by an amount equal to the amount by which the taxpayer's adjusted gross income for the taxable year exceeds $6,500—$3,250, in the case of a married individual filing a separate return. The credit allowed by my proposal would not affect the deduction for real property taxes already permitted under present Federal tax law.

Mr. Speaker, senior citizens have been as hard hit as any group in our society by the twin forces of inflation and recession. One out of six persons aged 65 or over exists on poverty level income. Medical costs for the elderly have increased to the point that only slightly more than 40 percent of their hospitalization costs are covered by medicare. The high cost of food has caused many of them to neglect their nutritional needs. The soaring cost of energy has had a particularly severe impact on them. Many live in older homes which are difficult and expensive to heat, and they can ill-afford to make the repairs necessary to conserve heating fuel. The elderly who live in apartments are faced with higher rents as the increased costs of running the building are passed on to them. Those who have tried to fill in the widening gap between their pension income and the cost of living by trying to get a job now find themselves in competition with younger workers who are unemployed because of the recession.

We cannot let inflation force elderly Americans to give up their homes or go on welfare. We have heard far too many horror stories of senior citizens eating dog food after paying the monthly rent. As inflation increases the assessed value of their homes and thus the property taxes they must pay, senior citizens are being confronted with even more hard choices as to which necessities to budget for. The long planned for "ample" pension is shrinking before their eyes.

Legislation is clearly needed to relieve the excessive burden of property taxes on our senior citizens. Otherwise, the intent of other Federal programs—such as social security—which are designed to provide minimum income security for the elderly will be undermined.

Mr. Speaker, there are approximately 16 million senior citizens with incomes $6,500 or below. The passage of H.R. 8029 could bring much-needed relief to most of them, and I urge the bill's immediate and favorable consideration.

STUDY OF SRS QUALITY CONTROL PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, after consultations this spring with Ways and Means Public Assistance Subcommittee Chairman RICHARD FULTON, staff members of the Oversight Subcommittee began a study of the AFDC quality control program initiated by HEW's Social and Rehabilitation Service.

This is an in-depth study, conducted under the supervision of the Public Assistance Subcommittee staff. The inquiries may lead to hearings later this year, the issuance of a report, or legislative recommendations.

I am taking this opportunity to announce this on-going study so that interested parties can provide suggestions for study areas. Following are some of the issues of concern to the subcommittees:

First, what progress is being made in reducing the error rate in the AFDC program?

Second, how effective is HEW guidance in the quality control program?

Third, which States are most successful in reducing error rates? Why? Is there an adequate exchange of information on successful quality control procedures among the States?

Fourth, under present laws, how low can error rates realistically be reduced?

Fifth, which States will incur fiscal sanctions for failure to reduce error rates? How large will these fiscal sanctions be?

LEGISLATION TO AMEND INTERNAL REVENUE CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, I am today introducing legislation that would amend the Internal Revenue Code with respect to the type of flavors which may be used on bonded wine cellar premises in the production of special natural wines. The need for this legislation was brought to my attention by the Mogen David Wine Co. of Chicago.

An important segment of the wine industry is composed of special natural wines, such as vermouth, sangria, and other flavored wines, which are produced on bonded wine cellar premises. The Internal Revenue Code provides that natural flavors must be used in the production of special natural wines. For many years, the Bureau of Alcohol, Tobacco, and Firearms and its predecessors have recognized that said statute permitted the use of trace quantities of other flavors in order to replace the effect of flavor lost in the processing of fruits. Although the quantity of such flavoring has consisted of less than one-tenth of 1 percent of the flavoring material, its use is essential in most such wines in order that the finished flavor have the characteristic taste of the fresh fruit from which the flavor is made; that is, that a strawberry flavor tastes like a fresh strawberry.

Trace amounts of other flavorings in alcoholic beverages have been used in Europe and other foreign countries over a long period of time, and in most cases, in greater quantities than the trace amounts American producers use. It is the worldwide consensus of opinion of winemakers, enologists, and flavor manufacturers that a satisfactory flavor, for use in most flavored wines, often cannot be produced without the addition of these trace amounts of other flavorings.

The provision of the Internal Revenue Code which I am seeking to amend, 26 U.S.C. 5386(a), does not apply to wines produced in other countries. It applies only to wines produced in the United States.

26 United States Code 5386(a) deals only with the production of special natural wine on bonded wine cellar premises. It does not concern itself in any way with the labeling of wine. However, a recent proposed change in the regulations for the food industry by the Food and Drug Administration, scheduled to become effective on June 30, 1975, would establish a highly restrictive definition of the term "natural flavor" and would require flavor manufacturers to state on the containers of flavors shipped to their customers that any flavor, even though it contained less than one-tenth of 1 percent of other flavorings, would have to be labeled as a "Natural and Artificial" flavor, since the manufacture and distribution of flavoring materials falls within the jurisdiction of these FDA regulations.

The significance of the food and drug requirement dealing with labeling is that the American wine producer, unlike the producer of similar foreign products, cannot continue to produce on bonded wine cellar premises, vermouth, sangria, and other flavored wines of the quality to which its customers have become accustomed. Flavored wine producers would be forced to establish a distilled spirits plant at great cost and pay an additional rectification tax of 30 cents per proof gallon, in addition to the applicable wine tax, with the resultant higher cost to the consumer. However, foreign producers would not be confronted with these problems and would continue to pay only the applicable wine tax even though their product may contain greater quantities of other flavorings.

BATF, because of its long history of recognizing the high quality of these products, is cognizant of the plight of the American wine industry and has agreed to language that would amend 26 United States Code 5386(a) to continue to permit trace amounts of other flavorings in the production of special natural wines on bonded wine cellar premises.

I understand that the Department of the Treasury will interpose no objection to the enactment of this legislation, which is intended to permit the continuation of the production of special natural wines on bonded wine cellar premises. Said legislation is not intended to be determinative as to how these products will be labeled. I know of no objection to the enactment of this legislation.

Mr. Speaker, I request that the text of my bill be printed in today's RECORD after my remarks:

H.R. 8505

A bill to amend the Internal Revenue Code of 1954 with respect to the type of flavors which may be used on bonded wine cellar premises in the production of special natural wines

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 5386 of the Internal Revenue Code of 1954 (relating to special natural wines) is amended by striking out "essences, and other natural flavorings" and insert in lieu thereof "and essences, and other flavorings approved by the Secretary or his delegate,".

SERVICE EMPLOYEES INTERNATIONAL UNION SUPPORTS "BILL OF RIGHTS FOR NURSING HOME PATIENTS"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. BEARD) is recognized for 5 minutes.

Mr. BEARD of Rhode Island. Mr. Speaker, I rise today to tell you of an organization that has been in the forefront of the fight for better treatment of nursing home patients. That organization is Service Employees International Union, AFL–CIO, one of the 10 largest affiliates of the AFL–CIO and the single largest union of health care workers in the Nation.

The union's membership includes 13 local unions of practicing physicians, scores of health care technicians, and tens of thousands of nursing home employees from coast to coast. Because of its commitment to its own members in the health care field as well as the welfare of the patients those members serve, SEIU has time and time again stood on the side of progress in the nursing home industry.

SEIU has pledged full support for the "Bill of Rights for Nursing Home Patients," a measure I believe would correct the gross lack of care and decency so evident in many American nursing homes today. SEIU joins me in my belief that the shocking mistreatment of nursing home patients must not be allowed to continue. SEIU believes, as I do, that the unsanitary and unsafe conditions, improper use of drugs, and profiteering and cheating by nursing home operators must be put to an end. Our old people deserve better treatment: It is their right as human beings and as Americans.

While we in Congress pass resolutions and laws, the tens of thousands of SEIU members working in the nursing home industry daily do what they can to help the patients overcome what all too often are the greed and avarice of some nursing home operators.

I will cite you one brief example. At Los Amigos Hospital in Downey, Calif., SEIU Local 660 member Eugene Echanow is working hand-in-hand with an enlightened hospital administration to bring some joy and well-being into the lives of that rehabilitation center's patients. Mr. Echanow, as reported in the SEIU newspaper, Service Employee, has started a program of patient rehabilitation through plant therapy. After having taken a Colorado University course one summer at his own expense, Mr. Echanow returned to his job at Los Amigos Hospital to apply his learning. The therapy, Mr. Echanow says:

> Gets patients away from depressions by giving them the responsibility to look after and care for living things.

I think this is an admirable effort on the part of Mr. Echanow and the administrators of Los Amigos Hospital. I believe if American nursing homes would encourage this and similar activities, following the lead of Los Amigos Hospital and Mr. Echanow, our older citizens would be able to enjoy their retirement years without fear and want.

I believe Mr. Echanow is but one of thousands of members of this fine union who are working above and beyond the call of duty to overcome the disastrous conditions in many American nursing homes. In his case, Mr. Echanow is fortunate: His employers are anxious to do all they can to make their patients as happy and well cared for as possible, and they operate a commendable institution. But in countless other institutions, SEIU members must fight on their own, often against terrible odds and while suffering their own problems because of inadequate wages and staffing, to bring decent, concerned care.

Mr. Speaker, I rise in praise of Mr. Echanow and the thousands of other SEIU members across the country who are fighting for the well-being of America's sick and elderly. And SEIU joins with me in the fight for passage of the "Bill of Rights for Nursing Home Patients."

BACK-TO-THE-SOIL: PART TWO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, there are some people who are convinced that vegetables cannot be grown in cities. In fact, there are even some people convinced that vegetables cannot be grown in New England. Nothing could be further from the truth. In Massachusetts, city lots, once teeming with rubble and garbage, are now sprouting rutabaga and cabbage. City dwellers of all ages are tilling and hoeing, and all manner of crops are springing forth—crops far superior to anything offered in the supermarkets. Innercity residents are in the sun for the first time in years. They are working the soil, experiencing nature, and producing their own high quality food.

Mr. Speaker, there is a truly grassroots back-to-the-soil movement swelling up across this country. The success of this movement has been highly gratifying. Unfortunately, there are millions of people who, despite their eagerness to become involved, are shut out from any chance to raise their own food. These people are appealing to us for assistance. They are not asking for a massive Federal bureaucracy to be established, nor are they demanding large Government expenditures. They are simply asking for the opportunity to provide for themselves. This is the American heritage. The tradition of self-sufficiency, of providing for one's self, is stressed throughout our history. It is this quality which has made our Nation great. Certainly, this quality cannot be overlooked as we approach the celebration of our Bicentennial. As my colleagues know, I have introduced legislation, the "Bicentennial seed bill," which would provide for full participation by all those eager to join the back-to-the-soil movement. My bill would enable nonfarming Americans the opportunity to produce over $1 billion worth of high quality fresh food during the next 3 years.

A recent article by Stephen Curwood of the Boston Globe, along with a report in a recent special edition of the Massachusetts Department of Natural Resources Newsletter give a fine picture of the extent of community gardening in Massachusetts. I hope that my colleagues will read these extremely fine accounts, and that they will keep in mind the fact that this is only in Massachusetts, mostly eastern Massachusetts. If success of this type can be recorded in my own State, than surely the potential is great for every State in the Union from Maine to Hawaii.

The articles follow:

COMMUNITY GARDENING—THE RUSH IS ON

Everybody is going public gardening these days. Families, senior citizens, youngsters, rich and poor.

Behind the spirit of community farming is the urge to return to the land—and by necessity, in many cases, to public land. Whether motivated by economic need or by the sheer joy of growing fresh vegetables, the ultimate reward is a sense of participating with nature.

Imagine what a community garden can yield! The U.S. Department of Agriculture estimates that a single family can save $200 on its annual food budget by growing its own vegetables.

With citizen interest in community gardening growing daily, local and state agencies are now considering the best ways to make public land available for gardening. On the state level, the Farming and Gardening Act (General Law, Chapter 654, Acts of 1974) establish a Division of Agricultural Land Use in the Massachusetts Department of Agriculture. The Division, under the direction of Warren Shepard, is charged with promoting community gardening. One of its tasks is to compile a list of suitable public vacant lands that could be used for gardening and farming. Municipal conservation commissions have been asked to assist in locating lands for gardening groups to use.

Vacant lands could include open space lands of conservation commissions, a corner of a public park, grounds of state hospitals, urban renewal clearings, abandoned railroad rights-of-way, factory backlots, unusual parking areas, church or school yards, grounds surrounding sewage treatment plants—even cemeteries.

The Federal government is also getting into the gardening act. Under the Bureau of Outdoor Recreation's Land and Water Conservation Fund, money is available on a matching basis for the purchase and development of community garden projects. (For information on this Federal program contact the Division of Conservation Services in the Massachusetts Department of Natural Resources, 100 Cambridge St., Boston.)

THE GARDENERS' ARE COMING

The greatest push for community gardens is taking place in eastern Massachusetts where most of the people live and the last amount of open space lands is available. In Essex and Middlesex Counties, 12 out of the 85 cities and towns already have community gardens. Belmont, Wayland, Lexington, Harvard Ipswich, Woburn, Bedford and Cambridge all report heavy pressure to expand their community gardens, Danvers announced its first gardening program this year and was subscribed in two days.

Many communities play a variation on the gardening theme. Weston, besides its family gardens, has a commercial garden program, run by its Youth Commission, which produces free fresh vegetables for low income families in Boston Newton's community gardeners, under the auspices of the Highway Department, plant along the roadside with gardening supplies purchased from a local merchant at a 50 percent discount.

The most innovative community gardening program is in Lincoln. The philosophy of this bucolic town lying 15 miles west of Boston is that there should be more use of public land to grow food and timber.

To encourage this, Lincoln has set up a private corporation called the Codman Community Farm to manage 20 acres of town-owned land. One of the functions of the Codman Farm is to return idle land to its original farm use and give residents and nonresidents alike the opportunity to grow their own food.

The farm has been an instant success. When it was started two years ago, the farm had 40 family plots. This year, 160 plots are planned.

Codman Community Farm, however, provides more than just the opportunity for public gardening. Under the direction of Mrs. Paul Marsh, the farm aims to become self-supporting through revenue-producing projects. With the aid of a paid farmer, the corporation manages a small market garden, the produce of which is sold to local food co-ops and markets. Last year 20 sheep were raised, slaughtered and sold; and plans are underway to add five beef cattle to the farm. The farm also offers courses in gardening and food preserving.

(In each county, free gardening services are offered to all residents through their Cooperative Extension Service. In many cases field agents are available for evening or Saturday meetings with gardeners to help organize community gardens, teach gardening skills and help solve crop problems. The Extension Service also provides technical assistance and information on food preservation through agriculture and gardening courses.)

URBAN GARDENING

In the cities, however, gardening prospects are not so bright. Cities have greater difficulty locating garden sites because of population density, poor soil conditions and financing. The demand for gardening space often exceeds the supply. Nonetheless, there are some success stories.

Malden, a city of 56,000 people jammed into four square miles lying just north of Boston, has been in the process of urban renewal since 1961. As part of an overall effort to improve the quality of life in the city, the Municipal Planning Department responded to the request of an apartment dweller for a portion of land to garden.

Frank McHugh, City Conservation Coordinator, looked at the vacant lots in Malden and found none that afforded security and good growing conditions. Since there was no privately owned land to be rented, he spoke to the trustees of the Pine Banks Park, a reservation left to the residents of Malden and Melrose. The garden area was approved on the site of the old Melrose dump located in the park. With the help of his crew, McHugh applied loam, compost and fertilizer on the land, then laid out 20 plots, each 20'x30'.

Young and old citizens worked the plots, lugging water in buckets from barrels near the gardens. McHugh hopes to till and provide onsite water for some of the plots this year. There is a long waiting list for the gardens, but until the redevelopment of Pine Bank Park is complete, additional space will be limited. The city is seeking $3.5 million from the U.S. Bureau of Outdoor Recreation to rehabilitate the park. An integral part of the "new" park will be an expanded public garden.

Boston, too, has a success story. In Boston's Back Bay Fens Gardens, a unique city site because of its good soil and proximity to water, public gardening has flourished since World War II. But the Fens provides gardening space for only 200 of Boston's 600,000 residents.

In the search for more land to garden, Boston has turned to its nearly 3000 vacant lots. Unfortunately only a handful, maybe six or so of these vacant lots are workable in their present state. Most of these sites are covered with rubble and the soil is impoverished. To make them workable, a great deal of preparation is needed—but this costs money. Unfortunately, to date, little money has been found to fund the tilling, the laying of 9-12 inches of topsoil, fertilizer and water connections necessary to make these unused lots arable.

Yet there is hope. Money to purchase loam may become available from the city's Departmnet of Public Facilities which has some funds to distribute under the Community Development Revenue Sharing Program. Fertilizer may be available in the form of horse manure. The State Department of Agriculture is looking into the possibility of using manure wastes from Suffolk Downs Race Track to fertilize vacant lots.

Meanwhile, the Boston Parks and Recreation Department is moving ahead with its community gardening program. Last year the Department loamed and tilled eleven gardening sites; 17 sites are on tap for this year. (Any resident may apply this spring to the nearest Little City Hall for a garden plot. Plots are free; water is supplied by the city.)

But government can do only so much. Community gardening will flourish only in areas where there is vigorous local leadership. Citizens themselves must organize neighborhood gardening projects to take advantage of the land and services offered by local and state agencies.

The climate conducive for returning to the land is present. The rush is on. Hopefully, the next few years will see the greening of Massachusetts.—MARY ELLEN RIGANO, Freelance writer specializing in land use affairs.

[From the Boston Globe, Apr. 25, 1975]

VACANT LOTS TURNED INTO VEGETABLE GARDEN PLOTS

(By Stephen Curwood)

For years, weeds, junk and neglect ruled four vacant lots in the Highland Park neighborhood of Roxbury, something that inner-city residents say happens all too often to their open spaces.

But this year those four lots, and many others throughout Boston, have a new look. Gone are the brambles, beer cans and broken bricks, thanks to a recent city cleanup.

In their stead has come the concern of more than 50 neighborhood residents who are eagerly awaiting the delivery of topsoil by the city so they can begin planting their gardens.

"Everyone seems excited," said Robert Perry, property manager of the Roxbury Action Program, the neighborhood group coordinating the gardening effort. "People really haven't had a chance to grow anything before, and with the way the price of everything has been going up so high it will be a relief to go out to your garden to pick some tomatoes, cabbage and collard greens."

The Highland Park neighborhood's drive to replace eyesores with food-producing plots was made possible by recent state and city efforts to promote gardening by the public on government-owned land that would otherwise remain unused.

Yesterday, state and city land officials were brought together with gardening and other environmental activists at an inner-city environment conference sponsored by the vice chairman of the Boston Conservation Commission, Augusta Bailey.

The meeting at the Robert Gould Shaw community building on Blue Hill avenue, Roxbury, was attended by 150 persons, who soon found out that a major difference between the state's and Boston's programs is money.

Boston is spending a moderate amount of money on public gardening, but the state says it cannot afford to. For example, the newly created division of Land Use at the state Department of Agriculture has no money, one unpaid staff person, Warren Colby, and a borrowed division chief, Warren Shepard, whose salary is paid by the pesticide control division.

"What we can do is cut red tape," said Colby. "We can get the permission from the agencies involved—mostly Mental Health and Correction—for people to garden in appropriate places."

So far Colby and Shepard's office has inventoried about 6500 acres of state land for such use. There will be two basic programs, one for free use by community gardening groups and the other for rental use by commercial farmers.

"Of course not much land is in the city," Colby said. "But there is the Southwest Corridor under the DPU, MDC lands and the large Boston State Hospital complex."

It was suggested that persons who wish to take part in the program contact local gardening groups and conservation organizations or their little city hall.

The state secretary of environmental affairs, Evelyn Murphy, was keynote speaker at the conference. "We have to build the community priorities into the use of state land from the top," she said.

"That's why I selected the Metropolitan District commissioners that I did. The top man is a technical and economic expert in the field and highly capable of administration. The various associate commissioners were selected for the community involvement they will bring."

Boston's program is not wealthy by any means, but it does provide vacant lot cleanups, topsoil, and free roto-tillering of plots on city-owned land, said Larry Vignett of the Roxbury Little City Hall.

In addition, the city is willing to forgo the revenue and possible taxes resulting from the auctioning off of vacant lands for which gardening permits have been issued, said Tom Durouche of the Real Property Division.

"Some people are banding together on their blocks to buy these vacant lots," said a woman in the audience, "as they are frequently sold for $100 or $200."

Another person noted that one season's worth of garden produce was worth more than that.

FOREIGN POLICY COMMISSION ENDORSES JOINT COMMITTEE ON NATIONAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

Mr. ZABLOCKI. Mr. Speaker, you

know of my long-standing interest in the question of achieving effective congressional oversight on the activities of our intelligence community. As a matter of fact, my first bill to create a Joint Committee on Intelligence Matters was introduced in the 83d Congress on July 23, 1953. A revised and improved version of that legislation has been introduced in the last two Congresses and would establish a Joint Committee on National Security. My current bill, H.R. 54, is pending before the Committee on Rules. Identical legislation, S. 99, has been introduced by Senator HUMPHREY.

Against the background of that long history of interest and effort one can perhaps better understand my deep personal satisfaction over the endorsement this proposal has recently received from the Commission on the Organization of the Government for the Conduct of Foreign Policy. As a member of the Commission I know the thoroughness with which this and other suggestions were reviewed. I know, too, and deeply respect, the competence of Commission Chairman Robert D. Murphy, the distinguished members of the Commission, and its able and dedicated staff. Their collective expertise and competence makes this endorsement of the Joint Committee on National Security particularly satisfying.

In an effort to be of assistance to my colleagues in the Congress I am pleased to insert the Commission report section on "A New Joint Committee" in the RECORD at this point. In addition, I am pleased to insert a column on this same subject by Charles Bartlett from the July 4 Washington Star.

The materials follow:

A NEW JOINT COMMITTEE

However useful the recommendations above concerning committee jurisdictions may prove, and however powerfully they may be reinforced by the proposals made below concerning committee staffs and analytic support, those recommendations leave untouched at least two major problems. One is that since political, military and economic aspects of foreign policy have become interlocked—and since many foreign and domestic policy issues undoubtedly will become so—Congress should contain some forum in which those interrelations can be directly weighed. This is particularly true in time of crisis when specialized standing committees, pressed for action, might benefit from help in appreciating how particular aspects of policy decisions relate to those being considered by other committees.

The second is that the Congress is requiring increased consultation with senior foreign policy officials of the executive branch at the same time that an increasing number of specialized committees are necessarily concerning themselves with the foreign policy aspects of their responsibilities. The result is the potential for a burdensome and unsustainable demand on senior executive officials for multiple appearances before Congress—a problem particularly severe when fast-moving events require the full and direct attention of the same officials in the conduct of policy.

Neither speed nor policy coordination are Congress' particular strengths—nor can they be. The greatest strength of the legislative process is its unique ability to explore alternatives and to weigh and resolve widely disparate points of view. Its strength in deliberation however, does not relieve Congress of responsibility for reasonable efficiency and coordinating capacity. Indeed, if Congress is to play the greater foreign policy role which this Commission endorses, those capacities will increasingly be demanded of it. And as the staff survey of Congressional views indicates, most Members, while regarding policy coordination primarily as the responsibility of the executive, also favor changes to improve Congress' own efficiency in the coordination process.

With these problems in mind, the Commission considered a number of proposals. It concluded that a single innovation may be materially helpful.

"In the Commission's view, a Joint Committee on National Security should be established. It should perform for the Congress the kinds of policy review and coordination now performed in the executive branch by the National Security Council, and provide a central point of linkage to the President and to the officials at that Council. In addition it should take responsibility for Congressional oversight of the Intelligence Community."

We believe this Committee should serve as the initial recipient and reviewer of reports and information from the executive branch on matters of greatest urgency and sensitivity directly affecting the security of the nation. It should advise the party leaders and relevant standing committees of both Houses of Congress on appropriate legislative action in matters affecting the national security, and should assist in making available to them the full range of information and analysis needed to enable them to legislate in a prompt and comprehensive manner.

The existence and activities of such a Joint Committee should in no way substitute either for direct consultation between the President and Congressional party leaders, or for the regular legislative and investigative functions of the present standing committees in each House. Rather, it should supplement these—providing a more systematic and comprehensive exchange of information, analysis and opinion than has proved possible under the existing committee and leadership system.

For both operational and security reasons, the Joint Committee should be small—containing not more than 20 Members. It should include the leaders of the key foreign, military, and international economic policy committees from each House, and several Members-at-Large appointed by the party leaders to represent them and to enhance the Committee's representativeness of the Congress as a whole.

The Commission recommends that the Joint Committee be vested with the following specific jurisdictions and authorities:

Receipt, analysis and referral (along with any recommendations it may consider appropriate) of reports from the President under the War Powers Act.

"Receipt and review of analytic products of the intelligence community.

"Oversight (in conjunction with the executive branch) of the system of information classification discussed above.

"Establishment and maintenance of facilities and procedures for storage and handling of classified information and materials supplied to the Congress.

"Establishment of a code of conduct to govern the handling by Committee members of classified or sensitive information."

The successful experience of the Joint Committee on Atomic Energy illustrates the usefulness of legislative authority in helping assure a Committee's effectiveness. The Commission does not recommend that the proposed Joint Committee be vested with broad authority to report proposed legislation to the House and Senate. In general, any legislative recommendations of the Joint Committee should be reported to relevant standing committees for their consideration. The Commission finds, however, two narrow and specific areas in which the Joint Committee might usefully have authority to report legislation directly to the floor of each House just as the Joint Committee on Atomic Energy is empowered to do.

We propose that the Joint Committee:

"Consider the creation of a statutory system of information classification, and (if intelligence oversight is assigned to it),

"Be granted authority for annual authorization of funds for the intelligence community."

The Commission believes strongly that more systematic arrangements for Congressional oversight of the intelligence community are needed on a permanent basis. It believes that such oversight should be conducted by a Joint Committee of the Congress, and preferably one capable of assessing intelligence products and activities in the context of our total foreign policy. The Commission therefore believes the proposed Joint Committee on National Security would be the appropriate body for that task.

"In the event that this Committee is not established, however, the Commission recommends that a Joint Committee on Intelligence be established to assume the task of Congressional oversight of the intelligence community."

The Commission well understands that establishing a Joint Committee on National Security, and making it function effectively, would be difficult. While the Congressional survey indicates majority support among Members for greater joint efforts in Congress, it also suggests many doubts and practical problems. The Commission has carefully considered these difficulties. It concludes, nevertheless, that the likely impact of the Joint Committee upon Congress' capacity to play a more meaningful foreign policy role fully justifies the efforts and concessions necessary to create it and to make it work.

[From the Washington Star, July 4, 1975]

NEW APPROACH NEEDED ON FOREIGN POLICY

(By Charles Bartlett)

The irony of Congress' demands for an enlarged role in foreign affairs is underlined by the Murphy Commission's experiences with that great Montana Democrat, Mike Mansfield.

The Senate majority leader was an enthusiast for the move to create a commission to study the conduct of foreign policy three years ago. This was Congress' initiative and Mansfield was named, along with 11 other able citizens, to the panel. The initial meetings were held in his office to facilitate his attendance.

But the tug of Senate duties gradually eroded Mansfield's participation in the commission's strenuous inquiry. Finding it impossible to attend any of the meetings since Congress met in January, he missed all the final deliberations. He was represented by an aide, Donald Henderson, who was usually unaware of where the senator stood on the issues which came before the commission.

The other members of the commission were somewhat surprised, therefore, to receive, after their report had gone to the printer, a stinging dissent from Mansfield. Assailing the report as "thin gruel in a thick bowl," the Senator was particularly critical of the commission's lack of stress on Congress' role in foreign policy. The whole thrust of the report will work, he complained, to enshrine the "preeminence" of the executive branch.

This is not accurate. The report's greatest emphasis is on the fact that the foreign policy of the future is going to involve considerably more public and congressional participation. The public will be involved because foreign economic issues will bear heavily on domestic life. These issues will concern all members of Congress, the report asserted.

But the problem is how to get Congress involved in a constructive way. Nelson Rockefeller was blunt in declaring that Congress' recent contributions have "disorganized, fragmented, and often immobilized American foreign policy." He pointed out that domestic and foreign lobbies often exert great influences on foreign policy issues and that the disunity in Congress does not inspire confidence abroad that this country will hold a steady course.

The competition to get into the foreign policy act is intense today. One veteran in dealings with Congress on these issues is Ambassador William Macomber, who writes in his new book, "The Angel's Game," that the State Department must deal now "with all the Congress, committee by committee, group by group, individual by individual." In Macomber's view, the only hope is to find ways to make Congress and the executive "complement each other more and frustrate each other less."

This is the attraction of the Murphy Commission's advocacy of a Joint Congressional Committee on National Security Affairs. This could become a body with the potential to meet the need for an inner core of well-informed legislators, a group with whom the Secretary of State could touch base quickly and often. It could become a repository of the detailed information Congress will need to make valid judgments in times when the issues are complex.

Mansfield, faithful to his notion of a Congress in which every member is his own leader, complains that the joint committee will heavily intrude upon existing arrangements and deal the younger members out of these critical deliberations.

But it may be that Mansfield's spotty participation in the workings of the Murphy Commission points up the real weakness of the joint committee proposal. The committee's Senate members will perhaps be too busy to give it the time it deserves.

WHERE IS RUTH GAGE-COLBY AND WHY ARE THEY SAYING THOSE TERRIBLE THINGS ABOUT HER?

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on May 25 Ruth Gage-Colby, writing on the letterhead of the New York Metropolitan Branch of the Women's International League for Peace and Freedom, addressed a letter to the 75 Members of the Senate who had urged the President to stand firm with Israel. The letter criticized Israel's request for $2.5 billion in aid and took issue with the Senators' support of Israel.

Subsequent to that letter I have attempted to gain some clarification from the Women's International League and the Women Strike for Peace, which Ms. Gage-Colby said she represented, on the organizations' respective policies toward Israel.

While my original letter was addressed to Ms. Ruth Gage-Colby, I did not receive a response from her. It would appear that all correspondence on this matter has been taken over by the national office of the Women's International League and its executive director, Dorothy R. Steffens. Ms. Gage-Colby reportedly could not respond because she was in Mexico City.

In a letter of June 23, Ms. Steffens protested that the Gage-Colby letter was not authorized by either the New York or national branch of the WILPF. She went on to say, however, that the WILPF had issued a policy statement in April 1974 that included the following assertion:

> We urge Congress to vote down additional funds for arms and to investigate why our government is supplying such huge quantities of arms to these countries (mideast), at the same time offering so little in the way of food and constructive help to the underdeveloped countries in the U.N.

Needless to say, if the United States followed this policy it would leave Israel without its major, if not sole, arms supplier while the Arab States continued to receive arms supplies from the Soviet Union.

I now find myself the subject of attack by the Women Strike for Peace for my criticism and airing of the Gage-Colby letter. The attack appears in its July 1975 report; I am submitting it for reprinting in the CONGRESSIONAL RECORD with the other material on this matter. I also have requested that WSP provide me with its policy statements issued in the past on Israel. Almost every WSP member I have talked to has opposed arms aid for Israel. I would be pleased to learn that WSP's official policy is to the contrary.

In the meantime, I am wondering where Ruth Gage-Colby is and why she does not answer my inquiry on who supported the position advanced by her letter. Why are the WILPF and WSP now saying those terrible things about Ruth Gage-Colby, particularly when they used to love her so?

The correspondence to date relevant to this matter follows:

U.S. SENATE,
Washington, D.C.

DEAR MR. PRESIDENT: You will recall that last December a substantial majority of the Senate wrote you urging a reiteration of our nation's long-standing commitment to Israel's security "by a policy of continued military supplies and diplomatic and economic support".

Since 1967, it has been American policy that the Arab-Israel conflict should be settled on the basis of secure and recognized boundaries that are defensible, and direct negotiations between the nations involved. We believe that this approach continues to offer the best hope for a just and lasting peace.

While the suspension of the second-stage negotiations is regrettable, the history of the Arab-Israel conflict demonstrates that any Israeli withdrawal must be accompanied by meaningful steps toward peace by its Arab neighbors.

Recent events underscore America's need for reliable allies and the desirability of greater participation by the Congress in the formulation of American foreign policy. Cooperation between the Congress and the President is essential for America's effectiveness in the world. During this time of uncertainty over the future direction of our policy, we support you in strengthening our ties with nations which share our democratic traditions and help to safeguard our national interests. We believe that the special relationship between our country and Israel does not prejudice improved relations with other nations in the region.

We believe that a strong Israel constitutes a most reliable barrier to domination of the area by outside parties. Given the recent heavy flow of Soviet weaponry to Arab states, it is imperative that we not permit the military balance to shift against Israel.

We believe that preserving the peace requires that Israel obtain a level of military and economic support adequate to deter a renewal of war by Israel's neighbors. Withholding military equipment from Israel would be dangerous, discouraging accommodation by Israel's neighbors and encouraging a resort to force.

Within the next several weeks, the Congress expects to receive your foreign aid requests for fiscal year 1976. We trust that your recommendations will be responsive to Israel's urgent military and economic needs. We urge you to make it clear, as we do, that the United States acting in its own national interests stands firmly with Israel in the search for peace in future negotiations, and that this premise is the basis of the current reassessment of U.S. policy in the Middle East.

Respectfully yours,

Birch Bayh, Edward W. Brooke, Robert Dole, Jacob K. Javits, Edmund S. Muskie, Richard S. Schweiker, Lloyd Bentsen, Clifford P. Case, Hubert H. Humphrey, Gale W. McGee, Bob Packwood, Richard Stone.

Bill Brock, Frank Church, Henry M. Jackson, Walter F. Mondale, Abraham Ribicoff, Stuart Symington, Herman E. Talmadge, J. Glenn Beall, Jr., Hugh Scott, Roman L. Hruska, Thomas F. Eagleton, Thomas J. McIntyre, Robert Taft, Jr., Joseph M. Montoya.

William V. Roth, Jr., Barry Goldwater, Harrison A. Williams, William Proxmire, Vance Hartke, John V. Tunney, Lowell P. Weicker, Jr., John O. Pastore, Robert T. Stafford, Charles McC. Mathias, Jr., James B. Allen, George S. McGovern, Adlai E. Stevenson, Patrick J. Leahy.

Edward M. Kennedy, Jake Garn, James B. Pearson, Alan Cranston, Wendell H. Ford, Philip A. Hart, Mike Gravel, Frank E. Moss, Lawton Chiles, James L. Buckley, Hiram L. Fong, Robert Morgan, Warren G. Magnuson, Paul Laxalt.

Gaylord Nelson, Ted Stevens, Howard W. Cannon, John Tower, Gary Hart, Claiborne Pell, Sam Nunn, Daniel K. Inouye, Floyd K. Haskell, John C. Culver, William D. Hathaway, Strom Thurmond.

Robert C. Byrd, Dale Bumpers, Walter D. Huddleston, W. Jennings Randolph, Pete V. Domenici, John Glenn, Dick Clark, Lee Metcalf, Joseph R. Biden, Jr.

WOMEN'S INTERNATIONAL LEAGUE
FOR PEACE AND FREEDOM,
New York, N.Y. May 25, 1975.

Hon. JACOB K. JAVITS,
U.S. States Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for receiving the delegation of Women's International League for Peace and Freedom and the Women Strike for Peace from New York, who visited Washington to protest the military re-entry into Cambodia and the imminent vote on the 115 billion dollar defense appropriation. As you know, the appropriation has passed the House, and we call upon the Senators to give it their serious second thought. At a time of rapidly deteriorating economic stability of our country, the disproportionate amount of money being spent for "defense" is manifestly inflationary and dangerous. Additional needs for the people who are unemployed must become a matter of urgent consideration.

The request of Israel for two and one-half billion dollars in her search for peace is an example of allocation of American funds that cannot possibly serve the interests of Americans, and will not conceivably serve the Israeli people.

The request of seventy-six members of the Senate for the granting of so huge an amount to the little state of Israel is hard to understand. The processes of peace as provided in the Charter of the United Nations require no such outlay of funds. Israel should begin to obey the Charter as the only road to peace. Cooperation with the United Nations and implementation of the Charter remain the only certain road to peace for Israel and other members of the World Organization.

It is our urgent plea that *all* the members of the United States Senate join together using their influence to so strengthen the United Nations as to enable it to take the leadership for peace which our interdependent world has entrusted to it.

The granting of two and one-half billion dollars to Israel at this time would encourage her reluctance to comply with United Nations resolutions pertaining to a peaceful settlement in the Middle East.

Yours sincerely,

NEW YORK METROPOLITAN BRANCH, WILPF.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 9, 1975.

RUTH COLBY,
Women's International League for Peace and Freedom, New York, N.Y.

DEAR MS. COLBY: I have received a copy of your letter which you sent to Senator Jacob Javits on May 25, 1975 stating your opposition to providing Israel with the arms necessary for its defense and security. It comes as no surprise to me that that would be your position since the Women Strike for Peace has consistenly opposed arms for Israel and did what it could to prevent the sending of jets to Israel in 1968 and 1970. I am not in accord with your position on this matter. I believe that it is both in the national interest of the United States to provide Israel with all of the arms necessary to maintain its security as well as being a moral imperative. I deplore your point of view on this subject.

All the best.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 12, 1975.

Hon. EDWARD I. KOCH,
U.S. House of Representatives,
Washington, D.C.

DEAR ED: It has come to my attention that a letter was sent to Senator Jacob Javits, with copies to other Senators and House members, from the New York Metropolitan Branch of the Women's International League for Peace and Freedom opposing Israel's request for $2.5 billion in aid. The letter was sent on stationery that lists me as a national sponsor of WILPF.

As you know, I have consistently supported and voted for aid to Israel and totally disagree with the position taken by the WILPF New York Branch. I am on record supporting Israel's request for $2.5 billion in aid. At no time was I asked, informed or consulted by anyone in WILPF about this letter, and I saw a copy only by chance after it had been sent to you and other members of Congress.

Although I have been a national sponsor of WILPF, which has a long and honorable history, and share a belief in its goal of worldwide peace and a reduction in military spending, I believe the New York Branch's position opposing assistance to Israel is extremely onesided and ignores the reality of the military threat to the existence of Israel.

I am today resigning as a national sponsor of WILPF because, even though the national organization has not taken the position expressed in the letter from Ruth Gage-Colby, I cannot allow my name to be used without my consent, particularly in connection with positions that are diametrically opposite to my beliefs.

To the best of my knowledge, none of the other national sponsors listed on the WILPF letter sent to you was consulted or advised of the position taken by the New York Branch.

Sincerely,

BELLA S. ABZUG,
Member of Congress.

WOMEN'S INTERNATIONAL
LEAGUE FOR PEACE AND FREEDOM,
Philadelphia, Pa., June 12, 1975.

Hon. BELLA S. ABZUG,
House of Representatives,
Washington, D.C.

DEAR BELLA ABZUG: We can't tell you how sorry we are that a letter on a Women's International League for Peace and Freedom letterhead was sent to 76 Senators and members of the House of Representatives about aid to Israel. The letter was not an expression of the policy of the United States Section of the WILPF. It was sent by two individual members of one branch without the authorization of the branch.

We realize that whenever a major error like this is made, no amount of disavowal or claim to lack of responsibility really catches up with the original misstatement. You know the great respect and regard we have for you. We are angry that such a letter was written, and frustrated that we cannot totally undo the repercussions on you as a sponsor of our organization.

The enclosed letter will be sent to all legislators who received the original. We are anxious to do all we can, and would welcome any further suggestions on how we might convince them that the letter they received was not an expression of the policy of the Women's International League for Peace and Freedom, but that of individuals acting without proper authorization and in contravention of the policy of the national board.

The national board, meeting in Minneapolis on June 25, will investigate the matter fully and take appropriate steps to deal with the individuals involved.

Yours most regretfully,

MARII HASEGAWA,
President, U.S. Section.
DOROTHY STEFFENS,
Executive Director.

WOMEN'S INTERNATIONAL LEAGUE
FOR PEACE AND FREEDOM,
Philadelphia, Pa., June 13, 1975.

DEAR —: The recent letter which you received purporting to represent the policy of the United States Section of the Women's International League for Peace and Freedom on the Middle East was written by two individual members of the New York Metropolitan Branch of the League. This letter was not authorized either by the New York Metropolitan Branch or by the U.S. Section of the WILPF. In fact, it seriously misrepresents our policy on the Middle East.

We are taking steps to insure that this does not happen again.

Sincerely,

MARII HASEGAWA,
President, U.S. Section.
DOROTHY R. STEFFENS,
Executive Director.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 16, 1975.

Ms. RUTH GAGE-COLBY,
Women's International League for Peace & Freedom, 201 West 13th Street, New York, N.Y.

DEAR MS. COLBY: Since sending my letter of June 9 to you, responding to your letter of May 25 sent to Senator Javits I have received the enclosed letter from Congresswoman Bella S. Abzug. She states, "At no time was I asked, informed or consulted by anyone while in WILPF about this letter . . ." In view of that I would like to have a copy of the resolutions passed by the Women's International League for Peace & Freedom and the Women Strike for Peace, stating who on the respective boards voted for those resolutions and how they were recorded—aye or nay. I am sure you would not want to have members of the two organizations who did not vote for the resolution blamed unfairly by being associated with those who did.

I await your reply. All the best.

Sincerely,

EDWARD I. KOCH.

WOMEN'S INTERNATIONAL LEAGUE
FOR PEACE AND FREEDOM,
Philadelphia, Pa., June 23, 1975.

Congressman EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Your recent letter to Mrs. Ruth Gage-Colby in New York City, asking here for further information about WILPF policy on the Middle-East, was received by the New York Metropolitan Branch and opened in her absence. Mrs. Gage-Colby is now in Mexico City. Since you are inquiring about policy, we feel it is apropriate for the WILPF National office to respond.

The letter which you received from Mrs. Ruth Gage-Colby, dated May 25 we believe, was not authorized either by the New York Metropolitan Branch or by the U.S. Section of the WILPF. It does not represent our policy on the Middle-East.

That policy is constantly under careful review and will be a major topic at our Biennial Meeting which takes place this week. During the course of the past year, we ran a series of articles on the Middle East in our national publication, *Peace and Freedom* and both the Chair of our Middle East Committee and our Legislative Liaison person visited the area this spring, meeting with people in Israel and in Arab countries.

The most recent policy statement issued by the League was a resolution passed by our National Board in April 1974. Its text follows:

We urge Secretary of State Kissinger and the President to utilize the hopeful ideals of detente with their counterparts in the Soviet Union by urging a moratorium on arms shipments to the Middle East. The reported recent failure of the Soviet Union to act on the Egyptian request for arms delivery might predispose the Soviet Union to consider this proposal.

The U.S. government has just concluded a multi-billion dollar arms purchase plan with Saudi Arabia and, a year ago, concluded one with Iran. This is in addition to grants, loans, etc., to Kuwait, Israel and other countries in the Middle East.

We urge Congress to use its prerogative as it finally has in Indochina to examine closely and cut the Pentagon's budget for arms escalation in the Middle East. We urge Congress to vote down additional funds for arms and to investigate why our government is supplying such huge quantities of arms to these countries, at the same time offering so little in the way of food and constructive help to the underdeveloped countries in the UN.

We reaffirm our support for UN Resolution 242 and 338 as the beginning of disengagement and political settlement.

Our organization is gravely concerned about the possibility of war in the Middle East. We have Sections in Israel and Lebanon. We have been working toward reconciliation and peaceful settlement in the area and sincerely believe that, in the Middle East as well as elsewhere in the world, peaceful means can and must be found for resolving international problems. History has shown us that tensions are exacerbated, not alleviated, by armaments.

We sincerely hope that this clarifies our position and deeply regret this unauthorized use of our letterhead.

Peace and freedom,

DOROTHY R. STEFFENS,
Executive Director.

House of Representatives,
Washington, D.C., June 26, 1975.
Ms. Dorothy R. Steffens,
Executive Director, Women's International League for Peace and Freedom, Philadelphia, Pa.

Dear Ms. Steffens: Thank you for your letter of June 23rd responding to my letter to Ruth Gage-Colby of June 16, 1975. I am interested in the resolution to which you referred, passed by your national board in April, 1974. At that time you apparently took the position that "we urge Congress to vote down additional funds for arms and to investigate why our government is supplying such huge quantities of arms to these countries (mideast), at the same time offering so little in the way of food and constructive help to the underdeveloped countries in the UN." As you can appreciate, the implication of such a resolution would mean endangering the role of Israel's major, if not only, arms supplier, to wit, the United States, while the confrontation Arab States of Egypt, Syria and Iraq continue to receive arms supplies from the Soviet Union. The net effect of such a resolution would place Israel in an extremely vulnerable position. I would appreciate your comments on this aspect of your position on the Middle East.

On a related matter, I am still interested in receiving from Ms. Ruth Gage-Colby when she returns from Mexico City, a response to my question of her as to how the Board members of the respective organizations, New York Metropolitan Branch of the Women's International League for Peace and Freedom and Women Strike for Peace, voted on the position set forth in her letter of May 25th to Senator Javits. I make this point since in your letter of June 23rd you stated in referring to the May 25th Gage-Colby letter, only that "we *believe* (it) was not authorized either by the New York Metropolitan Branch or by the U.S. Section of the WILPF." I would therefore also appreciate having Ms. Ruth Gage-Colby's statement on that matter as well. It is necessary that the position of the Board members be clarified so that those who did not vote for the resolution will not be blamed unfairly.

Finally, I think it important to note that Ms. Colby's letter of May 25th had as its major subject the letter from 75 Senators to President Ford asking that he stand firm with Israel. A portion of the Senators' letter stated: "We believe that preserving the peace requires that Israel obtain a level of military and economic support adequate to deter a renewal of war by Israel's neighbors. Withholding military equipment from Israel would be dangerous, discouraging accommodation by Israel's neighbors and encouraging a resort to force." I take it from your letter of June 23rd and the position which you advanced that you are not in accord with those Senators. If I am wrong, do please let me know.

A number of my constituents have inquired concerning this subject and your position, and I would therefore appreciate having your response as soon as possible so that I may relate it to them.

Sincerely,

Edward I. Koch.

(Newsletter, Women's Strike for Peace, July 1975.)

ATTEMPT TO DESTROY?

An attempt to seriously damage politically both Bella and WSP, began when two individuals in Women's International League For Peace And Freedom wrote to 76 Senators and members of the House including Rep. Ed Koch, opposing military aid for Israel.

The unauthorized letter, sent on WILPF stationery, linked Bella and WSP with the anti Israel position of the two individuals.

Rep. Koch took it upon himself to circulate the WIL ltr. to Jewish organizations without checking the letter's authenticity.

The damage continued with the Daily Forward (p.1) story followed by a subsequent retraction—more destructive, if possible—restating the original misinformation and Bella's resignation from WILPF and WSP. (No Bella has not left WSP.)

We are outraged at this insidious attempt to destroy our movement (WSP and Bella) morally and politically.

WILPF has apologized and sent a disclaimer to all involved. WSP has issued a National statement to correct this reprehensible act.

We urge Rep. Koch's constituency to condemn his lack of integrity with calls and letters, and demand a public apology. Be sure to correct any misconceptions you hear relating to this.

House of Representatives,
Washington, D.C., July 7, 1975.
Women's Strike for Peace,
New York, N.Y.

Dear Women's Strike for Peace: I have received a copy of your most recent newsletter in which you mention my name and object to my having brought to public attention the letter of Ruth Gage-Colby dated May 25, and my response to it. As you know, Ms. Gage-Colby sent a letter on behalf of both the Women's International League for Peace and Freedom and The Women Strike for Peace. The letter which you state was unauthorized at least by the Women Strike for Peace states exactly the position of almost every member of The Women's Strike for peace that has ever expressed herself to me on the subject of Israel; to wit, they were opposed to U.S. arms to Israel. Indeed, when I was elected in 1968, I met with members of your Greenwich Village chapter who told me then how upset they were that I supported the sale of jets to Israel, while they opposed such sales by the U.S.

Now, if most of those who have expressed themselves to me on the subject were not expressing the position of Women's Strike for Peace, I'd be delighted to have that information. Indeed, it would be most helpful to me, and to others interested in your position on this subject if you were to provide me with any resolution taken by the Women's Strike for Peace in 1974, 1975 or whatever year you expressed yourself on the issue.

I await your reply with, I assure you, great interest.

Sincerely,

Edward I. Koch.

FROM MAINE TO CALIFORNIA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, yet another study of marihuana smoking has been completed which fails to confirm any seriously harmful effects. The federally-commissioned study conducted in Jamaica is being hailed as the most extensive study yet undertaken. The scope and results of the study should put to rest much of the scare talk about marihuana. I am appending an article concerning the study that appeared in the New York Times of July 9 for the information of my colleagues.

Progress has also been made in the effort to decriminalize the possession of small amounts of marihuana. On June 18, Governor Longley of Maine signed into law a bill which makes possession of up to 1½ ounces of marihuana subject to only a civil fine of up to $200. A similar bill has passed the California legislature and awaits the Governor's signature.

Now, from Maine to California, with but very few States in between, people will not be arrested and imprisoned for possession of small amounts of marihuana. Equal treatment under the law for all citizens is surely desirable. Does it make sense that an offender for personal use and possession of one ounce or more in New York can get 1 to 15 years, or in Indiana can get 1 to 10 years, to name just two bizarre situations, while a person in Oregon, California, or Maine receives at most a civil fine of $200? I believe that the Federal Government should lead the way on this issue and decriminalize possession of small amounts of marihuana under Federal jurisdictions. My bill H.R. 6108 would do just that.

The article from the New York Times follows:

MARIJUANA STUDY BY U.S. FINDS NO SERIOUS HARM

(By Walter Sullivan)

A federally contracted study of marijuana smoking in Jamaica, where the consumption by heavy users is said to be 10 to 25 times that of their American counterparts, has failed to confirm any serious adverse effects.

The only significant difference found between smokers and nonsmokers there was a slightly higher incidence of hypoxia, or reduced delivery of oxygen to tissues by the bloodstream.

It was suspected, however, that this may result from the use of tobacco, which is customarily mixed with the marijuana by Jamaicans.

The study was done for the Center for Studies of Narcotic and Drug Abuse of the National Institute of Mental Health. It was directed by Drs. Vera Rubin and Lambros Comitas of the Research Institute for the Study of Man at 162 East 78th Street in New York.

Participating as well were the University of the West Indies and 35 physicians, psychiatrists, other specialists and staff members.

The report of its findings, in book form, became available last week. At the same time the Drug Abuse Council, an independent, Washington-based organization, reported the findings of 19 experts who met in January to assess various attempts to determine the risks of marijuana use.

SIGNIFICANCE OF CHANGES

They agreed that smoking the herb can bring about certain bodily changes but said the significance of those changes was uncertain.

"Large-scale epidemiological investigations similar to those which established associations between smoking cigarettes and health hazards will be required to identify certain health consequences of chronic marijuana use," said a summary of the drug council's findings.

"Since these studies of intensive, long-term marijuana consumers have not been done," it added, "our knowledge of the drug's chronic effects is still limited." The council was set up in 1972 by the Ford Foundation and three other foundations to provide independent guidance in coping with drug abuse.

In a foreword to the Jamaican study, Raymond Philip Shafer, who headed President Nixon's National Commission on Marijuana and Drug Abuse, hailed it as "the first intensive, multidisciplinary study of marijuana use to be published."

He cited a comment by the late Oliver

Wendell Holmes, former United States Supreme Court Justice, that dragons in dark caves are far more fearsome than in daylight. It is therefore refreshing, he writes, to have "an objective study which not only exposes but demolishes many emotional and 'fright-symbolic' dragons" regarding marijuana use.

Mr. Shafer, a law school classmate of President Ford and former Governor of Pennsylvania, is now an aide to Vice President Rockefeller.

In 1973 his drug abuse commission recommended abolition of penalties for private use of and possession of marijuana, but this was not welcomed by President Nixon.

CONTRADICTIONS ARE NOTED

The Jamaican report is discussed by Dr. Erich B. Goode, associate professor of sociology at the State University of New York in Stony Brook, in the July 4 issue of Science. It is, he writes, "one of the most significant sets of findings on cannabis ever assembled in a single study."

Cannabis is the scientific name of the plant genus from which marijuana is derived. Dr. Goode is an authority on its effects and is clearly in sympathy with the report's findings. He notes that they contradict earlier reports of chromosome damage, loss of the ability to combat disease, brain damage from marijuana use.

On Tuesday, for example, this newspaper published a letter on the subject by Dr. Gabriel Nahas and several others at Columbia University's College of Physicians and Surgeons.

"Recent medical evidence," they wrote, "indicates that long-term marijuana smoking in amounts currently used in the U.S. is associated with the following hazards:

"Hormonal imbalance, inhibition of spermatogenesis, lung damage, impairment of immunity, increased formation of chromosome deficient cells with possible damage to the offspring, interference with memory and speech and impairment of driving performance."

The evidence for immunity impairment was reported in 1973 by Dr. Nahas and his colleagues in Science. Last April, in the same journal, a group from the Veterans Administration Hospital in Washington, D.C., reported findings that "differ completely" from those of Dr. Nahas.

In evaluating such research the Drug Abuse Council's summary states that marijuana "can impair" that component of the human immune response mediated by one type of white blood cell (the T cell). "But," it continues, "it is unclear what significance this alteration has or the total immune response and hence for the susceptibility to disease."

Jamaica was chosen for the study there because of the high rate of marijuana consumption in a sociological setting basically different from that in the United States. Instead of being socially frowned upon, it is generally accepted, with the nonuser being regarded as the nonconformist.

It is not used in a recreational context but as an "energizer" for those doing heavy work. Studies based on videotapes and other recording devices showed that workers performed better when using cannabis than when not doing so.

Fear in the United States that such use leads to lethargy "is not borne out by the life histories of Jamaican working-class subjects or by objective measurements," the report says. These, it adds, indicate that heavy use "does not diminish work drive or work ethic."

Furthermore, it says, "There is no evidence of any causal relationship between cannabis use and mental deterioriation, insanity, violence or poverty." The only medical differences found between smokers and nonsmokers were circulatory and lung effects that could be attributed to tobacco.

The Drug Abuse Council summary reflects a similar assessment. The experts found "no definite evidence" of mental illness, persistent loss of motivation or brain damage. However they gave more credence to evidence of an effect on the synthesis of DNA (the key substance of the genetic process).

This did not necessarily represent any threat to human genetics or reproduction, they said, but added: "Since marijuana easily crosses the placental barrier, the use of marijuana by pregnant women is especially unwise."

EFFECT ON SEX HORMONE

The summary also notes that "under certain conditions" use of the herb reduces levels of testosterone, the male sex hormone, but again, it said, the significance of this was unclear.

While further health hazards will probably be identified, the summary added, "Our present state of knowledge indicates that, although there are always ample reasons to be concerned about the use of any drug, there are no new reasons to be especially disturbed by the use of marijuana."

Nor was there evidence that the users tended to become inured and turn to other drugs. Hard drug usage is low. Furthermore Mr. Shafer suggests that the use of marijuana cuts down on alcoholism.

Alcoholics account for less than one per cent of mental hospital admissions in Jamaica, whereas in other Caribbean areas where the herb is little used, admissions of alcoholics run as high as 55 per cent.

In his review Dr. Goode says that "only by examining the use of a drug in a wide range of settings and environments can we piece together anything like a well-rounded picture of what it does to people."

"For most drugs," he adds, "What we know comes from studies on a narrow range of subjects—usually American, and usually "captive" prison, hospital or college populations." He says that, while marijuana is technically outlawed in Jamaica, its use is so widely accepted that the study could be done there far more readily than in the United States.

The Jamaican report is entitled "Ganja in Jamaica," ganja being the term for marijuana used on that island. It is a Hindi word as use of the herb was introduced by East Indian laborers in the nineteenth century. The Jamaican marijuana appears to be a more potent form than the Mexican variety familiar to Americans.

The report says that whereas the typical American user consumes only one or two marijuana cigarettes a week, a moderate Jamaican users smokes the equivalent of five to eight a day. A heavy Jamaican user was said to smoke in excess of eight a day. Because the Jamaican herb is more potent, the Jamaican user's intake of the active ingredient was said to be 10 to 25 times that of his American counterpart.

According to the report, the Jamaican users raised the suggestion that many of the effects reported by the American users may be subjective. Few of the Jamaicans reported the sensations described by American users, such as a sharpening of taste, enhanced hearing and appreciation of music or loss of a sense of elapsed time.

A variety of medical and psychological tests were performed on matched groups of 30 smokers and 30 nonsmokers. However, it was difficult to find as many as 30 who had never smoked cannabis. Chronic users were asked not to smoke while in a hospital for the tests, and no withdrawal symptoms were observed.

While in-depth medical examinations were given to each subject, some of the effects, such as allegedly impaired sperm production, were not tested as they had not been reported when the two-year project was begun in 1970.

The report, published by Mouton at the Hague in the Netherlands, is being distributed by MacFarland Publications of Scotch Plains, N.J.

Mr. Shafer did not contend that marijuana is entirely safe. "There are always risks inherent in the use of any 'drug,' including aspirin," he wrote. To what extent a harmful effect "is inherent in the substance and to what extent in the society or in the consumer is the research problem that must be divorced from spurious missuses, especially in the case of marijuana."

"Everyone agrees," he concluded, that "continuing research and evaluation are necessary."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ANDERSON of Illinois, for today, on account of illness.

Mr. FOUNTAIN (at the request of Mr. O'NEILL), after 7 today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GOODLING) to revise and extend their remarks and include extraneous material:)

Mr. ASHBROOK, for 5 minutes, today.

Mr. RAILSBACK, for 5 minutes, today.

Mr. RINALDO, for 30 minutes, July 10, 1975.

(The following Members (at the request of Mr. HAYES of Indiana) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr WOLFF, for 5 minutes, today.

Mr. BEARD of Rhode Island, for 5 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. ZABLOCKI, for 5 minutes, today.

Mr. BROWN of California, for 60 minutes, on July 14, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROSENTHAL, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $2,216.50.

Mr. KOCH, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $715.

Mr. JACOBS, and to include extraneous

matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,144.

(The following Members (at the request of Mr. GOODLING) and to include extraneous matter:)

Mr. SARASIN.
Mr. YOUNG of Florida in five instances.
Mr. GUDE.
Mr. ASHBROOK in five instances.
Mr. CRANE.
Mr. DERWINSKI in two instances.
Mr. MYERS of Indiana.
Mr. SNYDER.
Mr. SHUSTER.
Mr. WHITEHURST.
Mr. PEYSER.
Mr. GOLDWATER.
Mr. BAUMAN.
Mr. KETCHUM.
Mr. BELL in two instances.
Mr. RINALDO.
Mr. MICHEL.
Mr. STEIGER of Wisconsin.

(The following Members (at the request of Mr. HAYES of Indiana) and to include extraneous material:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. EARLY in three instances.
Mr. TEAGUE.
Mr. WON PAT.
Mr. FRASER.
Mr. KASTENMEIER.
Mr. JAMES V. STANTON.
Ms. HOLTZMAN in 10 instances.
Mr. YATRON in two instances.
Mr. McDONALD of Georgia.
Mr. WOLFF in 10 instances.
Mr. LONG of Maryland in 10 instances.
Mr. PATTEN in two instances.
Mr. ROUSH in two instances.
Mr. MOFFETT.
Mr. ADAMS.
Mr. KOCH.
Mr. MURTHA.
Mr. STEED.
Mr. CHARLES H. WILSON of California.
Mr. BADILLO.
Mr. ENGLISH.
Mr. RANGEL.
Mr. VANIK.
Mr. PREYER.
Mr. DE LUGO.
Mr. CONYERS.
Mr. EDGAR.
Mr. ROSTENKOWSKI.
Mr. DOWNEY of New York.
Mr. MAGUIRE.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 677. An act to establish a Strategic Energy Reserve Office in the Federal Energy Administration, to create a strategic energy reserve system to minimize the impact of interruptions or reductions of energy imports, and for other purposes; to the Committees on Armed Services and Interstate and Foreign Commerce.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1462. An act to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes.

ADJOURNMENT

Mr. HAYES of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 39 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, July 10, 1975, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1368. A letter from the President of the United States, transmitting a budget amendment for fiscal year 1976 for the Commission on Federal Paperwork (H. Doc. No. 94–212); to the Committee on Appropriations and ordered to be printed.

1369. A letter from the Deputy Assistant Secretary of the Interior, transmitting his approval of the application of the Redwood Valley County Water District of Redwood Valley, Calif., for a loan under the Small Reclamation Projects Act, as amended, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

1370. A letter from the President of the United States, urging the passage of legislation to enable the resumption of the United States' relationship with Turkey; to the Committee on International Relations.

1371. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Walter J. P. Curley, Jr., and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1372. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain military equipment to Morocco, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1373. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Navy to offer to sell certain defense articles and services to Iran, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1374. A letter from the Comptroller, Defense Security Assistance Agency, transmitting a quarterly report on foreign military sales letters of offer, pursuant to section 36(a)(1) and (2) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1375. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

1376. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting notice of a delay in the submission of the report on the nuclear energy center site survey required by section 207(a)(4) of the Energy Reorganization Act of 1974; to the Joint Committee on Atomic Energy.

1377. A letter from the Comptroller General of the United States, transmitting a report that the failure of the Office of Management and Budget to authorize the Youth Conservation Corps to spend $10 million added to its fiscal year 1975 rate of operations by Public Law 94–41, making continuing appropriations for fiscal year 1976, constitutes a deferral of budget authority which has not been reported to the Congress by the President, pursuant to section 1015(a) of the Impoundment Control Act of 1974 (H. Doc. No. 94–213); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITE: Committee on Post Office and Civil Service. H.R. 3650. A bill to clarify the application of section 8344 of title 5, United States Code, relating to civil service annuities and pay upon reemployment, and for other purposes; with amendment (Rept. No. 94–336). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 71. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II (Rept. No. 94–337). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 3350. A bill to amend title 38 of the United States Code in order to make certain technical corrections therein, and for other purposes; with amendment (Rept. No. 94–338). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 8240. A bill to amend title 38, United States Code, to provide special pay and incentive pay for certain physicians and dentists employed by the Department of Medicine and Surgery of the Veterans' Administration in order to enhance the recruitment and retention of such personnel, and for other purposes (Rept. No. 94–339). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7014. A bill to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes; with amendment (Rept. No. 94–340). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on the Judiciary. H.R. 6971. A bill to amend the Sherman Antitrust Act to provide lower prices for consumers (Rept. No. 94–341). Referred to the Committee of the Whole House on the State of the Union.

Mr. PEPPER: Committee on Rules. House Resolution 584. Resolution providing for the consideration of H.R. 5546. A bill to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Services Corps scholarship training program, and for other purposes (Rept. No. 94–342). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 585. Resolution providing for the consideration of H.R. 7108. A bill to authorize appropriations for environmental research, development, and demonstration (Rept. No. 94–343). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 586. Resolution waiving certain points of order against H.R. 8365. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94–344). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MORGAN (for himself, Mr. Broomfield, Mr. Zablocki, Mr. Hamilton, Mr. Buchanan, Mr. Findley, and Mr. Whalen):

H.R. 8454. A bill to promote improved relations between the United States, Greece and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance; to the Committee on International Relations.

By Mr. ASHLEY:

H.R. 8455. A bill to amend the Clean Air Act so as to assure that aerosol spray containers discharging chlorofluoromethane compounds in the ambient air will not impair the environmental ozone layer, to prevent any increased skin cancer risk, and otherwise to protect the public health and environment; jointly to the Committees on Interstate and Foreign Commerce, and Science and Technology.

By Mr. BIAGGI:

H.R. 8456. A bill to amend title XX of the Social Security Act to provide that no State shall be required to apply a means test, or limit benefits on the basis of federally prescribed income levels, in determining the individuals for whom education, transportation, recreation, socialization, or associated services may be provided thereunder, if such services are provided in a manner consistent with certain specified State programs; to the Committee on Ways and Means.

By Mr. BIESTER (for himself, Mr. Hamilton, Mr. Drinan, Mrs. Meyner, and Mr. Riegle):

H.R. 8457. A bill to provide for the participation of the United States in the African Development Fund; to the Committee on Banking, Currency and Housing.

By Mr. BROWN of Michigan:

H.R. 8458. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. BROWN of California (for himself, Mr. Hayes of Indiana, Mr. Drinan, Mr. Hicks, Mr. Roush, and Mr. Anderson of California):

H.R. 8459. A bill to authorize the Administrator of the Energy Research and Development Administration to undertake, in cooperation with the National Aeronautics and Space Administration, and other Federal agencies, a program of research, development, and demonstration of ground propulsion systems which would serve to reduce the current level of energy consumption; to the Committee on Science and Technology.

By Mr. BROYHILL:

H.R. 8460. A bill to amend the Food Stamp Act of 1964 to prohibit any individual enrolled in an institution of higher education from receiving food stamps if such individual receives at least one-half of his income from any other individual who is a member of another household which is ineligible for food stamps; to the Committee on Agriculture.

By Mr. BROYHILL (for himself, Mr. Matsunaga, Mr. English, and Mr. Solarz):

H.R. 8461. A bill to amend title XVIII of the Social Security Act to authorize payment under the suppementary medical insurance program for services furnished by physician extenders and clinical staff of community mental health centers; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H.R. 8462. A bill to amend the Internal Revenue Code of 1954 with respect to the estate tax deduction for charitable contributions; to the Committee on Ways and Means.

By Mr. DEVINE (for himself, Mr. Ashbrook, Mr. Ashley, Mr. Brown of Ohio, Mr. Clancy, Mr. Gradison, Mr. Guyer, Mr. Hays of Ohio, Mr. Kindness, Mr. Latta, Mr. Miller of Ohio, Mr. Mosher, Mr. Regula, and Mr. Wylie):

H.R. 8463. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. DODD:

H.R. 8464. A bill to amend title 38, United States Code, in order to entitle veterans to 45 months of educational assistance for all educational programs under chapter 34 of such title, to eliminate the time limitation within which educational assistance must be used, and to restore on behalf of certain veterans educational assistance benefits previously terminated; to the Committee on Veterans' Affairs.

H.R. 8465. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. HARRINGTON (for himself and Ms. Abzug):

H.R. 8466. A bill to amend the Food Stamp Act of 1964 to assure that recipients of assistance under that act will not have the amount of such assistance reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Agriculture.

By Mr. HARRINGTON (for himself, Ms. Abzug, Mr. Brodhead, Mrs. Collins of Illinois, Mr. Conyers, Mr. Downey of New York, Mr. Ford of Tennessee, Mr. Hechler of West Virginia, Mr. Hefner, Mr. Matsunaga, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. Scheuer, Mr. Solarz, Mr. Stark, Mr. Waxman, Mr. Charles Wilson of Texas, Mr. Wirth, and Mr. Zeferetti):

H.R. 8467. A bill to amend section 203 of the Social Security Act to liberalize the rate at which benefits are withheld thereunder by reason of outside earnings, and to provide that the amount of any social security taxes paid by an individual shall be subtracted from his or her outside earnings before determining the amount of the benefits to be withheld by reason of such earnings; to the Committee on Ways and Means.

By Mr. HARRINGTON (for himself and Ms. Abzug):

H.R. 8468. A bill to amend title XVI of the Social Security Act to assure that recipients of supplemental security income benefits will not have the amount of such benefits reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Ways and Means.

H.R. 8469. A bill to insure that recipients of aid or assistance under the aid to families with dependent children, child welfare services, and medicaid programs, and participants in the Headstart, Follow Through, and Foster Grandparent programs, will not have the amount of such aid or assistance reduced, or entitlement to such aid, assistance, or participation discontinued, because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. HUGHES:

H.R. 8470. A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid or assistance under the various Federal-State public assistance and medicaid programs, and recipients of assistance or benefits under the veterans' pension and compensation programs and certain other Federal and federally assisted programs will not have the amount of such benefits aid, or assistance reduced because of post-1973 increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. METCALFE:

H.R. 8471. A bill to authorize the President to prescribe regulations relating to the purchase, possession, consumption, use, and transportation of alcoholic beverages in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. METCALFE (for himself, Mr. de Lugo, and Mr. Won Pat):

H.R. 8472. A bill to provide cost-of-living adjustments in retirement pay of certain Federal judges; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland:

H.R. 8473. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. O'BRIEN:

H.R. 8474. A bill to amend title XVI of the Social Security Act to make it clear that the reduction presently made in an individual's SSI benefits, on account of State payments for inpatient care which such individual is receiving, shall not apply where the institution involved is a sheltered care facility whose residents are ambulatory and do not require nursing care or medical supervision provided by such institution; to the Committee on Ways and Means.

By Mr. PATTEN:

H.R. 8475. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBERTS (for himself and Mr. Hammerschmidt) (by request):

H.R. 8476. A bill to amend title 38 of the United States Code in order to expand the authority of the Administrator of Veterans' Affairs to extend medical services to veterans of World War I, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROONEY:

H.R. 8477. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. SANTINI (for himself, Mr. Abdnor and Mr. Breaux):

H.R. 8478. A bill to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products; to the Committee on Agriculture.

By Mr. STAGGERS:

H.R. 8479. A bill to authorize the President of the United States to present in the name of Congress, a medal to Brig. Gen. Charles F. Yeager; jointly to the Committees on Armed Services, and Banking, Currency and Housing.

H.R. 8480. A bill to amend the Federal Coal Mine Health and Safety Act of 1969; to the Committee on Education and Labor.

By Mr. James V. Stanton:

H.R. 8481. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; to the Committee on Ways and Means.

By Mr. TALCOTT:

H.R. 8482. A bill to amend the Internal Revenue Code of 1954 as it relates to the Federal estate tax, to increase the individual exemption, to provide an alternate method of valuing for estate tax purposes certain real property including that listed on the National Register of Historic Places, in order to encourage the preservation of open lands and historic places if they continue to be used as such for at least 5 years after the estate tax is applicable; to the Committee on Ways and Means.

By Mr. THONE (for himself, Mr. HYDE, Mr. MURPHY of Illinois, Mr. RIEGLE, Mrs. SMITH of Nebraska, and Mr. WRIGHT):

H.R. 8483. A bill to amend the Internal Revenue Code of 1954 to authorize a tax credit for certain expenses of providing higher education; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 8484. A bill to amend title 38 of the United States Code in order to provide hospital care and medical services in Veterans' Administration facilities to Commonwealth Army veterans for service-connected disabilities at such times as such veterans may require such care and services while within the United States; to the Committee on Veterans' Affairs.

By Mr. BARRETT:

H.R. 8485. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. BELL (for himself, and Mrs. PETTIS):

H.R. 8486. A bill to establish criteria to be observed by approving entities for federally assisted postsecondary education programs in order to protect students in such programs; to the Committee on Education and Labor.

By Mr. BEVILL:

H.R. 8487. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mrs. BURKE of California (for herself, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. EILBERG, Mr. FORD of Tennessee, Mr. FRASER, Mr. HAWKINS, Mr. MAGUIRE, Mr. METCALFE, Mr. MITCHELL of Maryland, Mr. NIX, Mr. PICKLE, Mr. RODINO, Mr. RYAN, Mrs. SPELLMAN, Mr. SOLARZ, Mr. STARK, Mr. WAXMAN, and Mr. CHARLES H. WILSON of California):

H.R. 8488. A bill to provide for the establishment of multipurpose service programs for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mrs. BURKE of California (for herself, Ms. ABZUG, Mr. BADILLO, Mr. BOLAND, Mr. CARR, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. CONYERS, Mr. COTTER, Mr. DOWNEY of New York, Mr. EDWARDS of California, Mr. FORD of Tennessee, Mr. KETCHUM, Mr. KREBS, Mr. LAFALCE, Mr. LEHMAN, Mr. MAZZOLI, Mr. MELCHER, Mr. METCALFE, Mr. MITCHELL of Maryland, Mr. NIX, Mr. OTTINGER, Mr. RANGEL, and Mr. RIEGLE):

H.R. 8489. A bill to amend the Public Health Service Act to provide for research information projects and programs respecting amniocentesis, to provide for research on other methods of detecting birth defects, to provide assistance for programs of genetic counseling, and to provide financial assistance for the performance of amniocentesis on women unable to pay therefor; to the Committee on Interstate and Foreign Commerce.

By Mrs. BURKE of California (for herself, Mr. RODINO, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. TREEN, Mr. WAXMAN, Mr. CHARLES H. WILSON of California, Mr. WINN, Mr. STOKES, and Mrs. SCHROEDER):

H.R. 8490. A bill to amend the Public Health Service Act to provide for research information projects and programs respecting amniocentesis, to provide for research on other methods of detecting birth defects, to provide assistance for programs of genetic counseling, and to provide financial assistance for the performance of amniocentesis on women unable to pay therefor; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAPPELL (for himself and Mr. PICKLE):

H.R. 8491. A bill to amend the Occupational Safety and Health Act of 1970 in order to provide for an advisory committee on safety in each congressional district; to the Committee on Education and Labor.

By Mr. CORMAN (for himself, and Mr. RANGEL):

H.R. 8492. A bill to amend title IV of the Social Security Act to make needed improvements in the recently enacted child support program; to the Committee on Ways and Means.

By Mr. DANIELSON (for himself, Mr. DERWINSKI and Mr. MAGUIRE):

H.R. 8493. A bill to amend section 204 of the Federal Water Pollution Control Act to authorize the use of ad valorem taxes to satisfy the user charge system requirement; to the Committee on Public Works and Transportation.

By Mr. DRINAN (for himself, Mr. BINGHAM, Mr. BRADEMAS, Mr. CORMAN, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FORD of Michigan, Mr. FRASER, Mr. HAWKINS, Mr. MCFALL, Mr. MCKINNEY, Mr. MATSUNAGA, Mr. MOSS, Mr. ROONEY, Mr. ROYBAL, Mr. SEIBERLING, Mr. VANDER VEEN, Ms. ABZUG, Mr. ANDERSON of California, Mr. BADILLO, Mr. BEDELL, Mr. BLANCHARD, Mrs. BURKE of California, Mr. CARNEY, and Mrs. CHISHOLM):

H.R. 8494. A bill to direct the Administrator of Energy Research and Development to establish a system of research and development of energy-conserving industrial technologies with due regard for the need to operate such a system in a manner which will stimulate depressed sectors of the American economy; to the Committee on Science and Technology.

By Mr. DRINAN (for himself, Mr. CONTE, Mr. CORNELL, Mr. DOMINICK V. DANIELS, Mr. DIGGS, Mr. EARLY, Mr. EDGAR, Mr. EILBERG, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HARRIS, Mr. HELSTOSKI, Mr. JENRETTE, Mr. KREBS, Mr. LAFALCE, Mr. MELCHER, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. NIX, Mr. OBEY, Mr. OTTINGER, Mr. PATTISON of New York, Mr. REUSS, and Mr. ROE):

H.R. 8495. A bill to direct the Administrator of Energy Research and Development to establish a system of research and development of energy-conserving industrial technologies with due regard for the need to operate such a system in a manner which will stimulate depressed sectors of the American economy; to the Committee on Science and Technology.

By Mr. DRINAN (for himself, Mr. ROSENTHAL, Mr. RYAN, Mr. SARASIN, Mr. SARBANES, Mr. SCHEUER, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. THOMPSON, Mr. TSONGAS, Mr. UDALL, Mr. VIGORITO, Mr. WAXMAN, Mr. WEAVER, Mr. CHARLES H. WILSON of California, Mr. WIRTH, and Mr. YATES):

H.R. 8496. A bill to direct the Administrator of Energy Research and Development to establish a system of research and development of energy-conserving industrial technologies with due regard for the need to operate such a system in a manner which will stimulate depressed sectors of the American economy; to the Committee on Science and Technology.

By Mr. EMERY (for himself, Mr. COHEN, Mr. ANDREWS of North Dakota, Mr. MAZZOLI, Mr. PRITCHARD, Mr. JENRETTE, Mr. LENT, Ms. ABZUG, Mr. KINDNESS, Mr. WHITEHURST, Mrs. HOLT, and Mr. MURPHY of Illinois):

H.R. 8497. A bill to amend the Internal Revenue Code of 1954 to encourage the use of methanol as an alternative fuel for motor vehicles by allowing the rapid amortization of facilities producing methanol and by providing that fuels which are at least 10 percent methanol will not be subject to the Federal excise taxes; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 8498. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. HELSTOSKI:

H.R. 8499. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers; to the Committee on Education and Labor.

By Mr. HELSTOSKI (for himself, Mr. MIKVA, and Mrs. PETTIS):

H.R. 8500. A bill to require the establishment, on the basis of decennial censuses, of congressional districts composed of contiguous and compact territory for the election of Representatives, and for other purposes; to the Committee on the Judiciary.

By Mr. McKINNEY:

H.R. 8501. A bill to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions and to provide for the maintenance of the existing interest rate differential between depository institutions with respect to individual retirement accounts; to the Committee on Banking, Currency and Housing.

By Mr. RIEGLE:

H.R. 8502. A bill to amend title 10 of the United States Code in order to make the Commandant of the Marine Corps a member of the Joint Chiefs of Staff; to the Committee on Armed Services.

By Mr. ROGERS:

H.R. 8503. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. ROGERS (for himself, Mr. DON H. CLAUSEN, Mr. LUJAN, Mr. PATMAN, Mr. PATTISON of New York, Mr. RAILSBACK, Mr. ST GERMAIN, Mr. SANTINI, Mr. SISK, and Mr. STUDDS):

H.R. 8504. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

My Mr. ROSTENKOWSKI:

H.R. 8505. A bill to amend the Internal Revenue Code of 1954 with respect to the type of flavors which may be used on bonded wine cellar premises in the production of special natural wines; to the Committee on Ways and Means.

By Mr. SHUSTER:

H.R. 8506. A bill to provide that the receipts from all Federal gasoline and automotive excise taxes shall be placed in the highway trust fund to be used for road improvement purposes only, to eliminate the State matching requirements in the Federal-aid highway program, and to provide Federal assistance for State and local highway purposes; jointly to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. TEAGUE:

H.R. 8507. A bill to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status; to the Committee on Veterans' Affairs.

By Mr. THORNTON:

H.R. 8508. A bill to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Camden, Ark., for airport purposes; to the Committee on Public Works and Transportation.

By Mr. MELCHER:

H.J. Res. 542. Joint resolution to authorize and request the President to issue a proclamation designating the fourth Sunday in September annually as National Good Neighbor Day; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Anderson of California, Mr. Anderson of Illinois, Mr. Archer, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Beard of Tennessee, Mr. Bevill, Mr. Boland, Mr. Brodhead, Mr. Broyhill, Mr. Burgener, Mr. Cederberg, Mr. Del Clawson, Mr. Collins of Texas, Mr. Conlan, Mr. Conte, Mr. Dan Daniel, Mr. Davis, Mr. Derwinski, Mr. Duncan of Tennessee, Mr. Eilberg, Mr. Erlenborn, Mr. Eshleman, and Mr. Fithian):

H.J. Res. 543. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Flowers, Mr. Frenzel, Mr. Fuqua, Mr. Gradison, Mr. Grassley, Mr. Guyer, Mr. Helstoski, Mrs. Holt, Mr. Horton, Mr. Howe, Mr. Hyde, Mr. Jacobs, Mr. Kemp, Mr. LaFalce, Mr. Lott, Mr. McHugh, Mr. McKay, Mr. Mazzoli, Mr. Michel, Mr. Mikva, Mr. Mitchell of New York, Mr. Montgomery, Mr. Moorhead of Pennsylvania, and Mr. Moorhead of California):

H.J. Res. 544. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Murphy of New York, Mr. Pepper, Mr. Perkins, Mr. Robinson, Mr. Roe, Mr. Sarasin, Mr. Schulze, Mr. Sebelius, Mr. J. William Stanton, Mr. Talcott, Mr. Thone, Mr. Treen, Mr. Vander Jagt, Mr. Walsh, Mr. Whitehurst, Mr. Winn, Mr. Wolff, Mr. Won Pat, Mr. Yatron, and Mr. Young of Florida):

H.J. Res. 545. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. PATTEN:

H.J. Res. 546. Joint resolution designating the song "Keep America Free" the Bicentennial song for 1976; to the Committee on Post Office and Civil Service.

By Mr. SKUBITZ (for himself, Mr. Don H. Clausen, Mr. Steiger of Arizona, and Mr. Ruppe):

H.J. Res. 547. Joint resolution to approve the "Convenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America", and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BIAGGI:

H. Con. Res. 332. Concurrent resolution expressing solidarity with Uri Podriachik and other Soviets Jews who are not permitted to freely emigrate from the Soviet Union; to the Committee on International Relations.

By Mr. MYERS of Pennsylvania:

H. Con. Res. 333. Concurrent resolution to create a Select Joint Committee on Servicemen Missing In Action; to the Committee on Rules.

By Mr. FRENZEL:

H. Res. 582. Resolution to amend rule XI of the Rules of the House of Representatives to prohibit voting by proxy in any committee or subcommittee; to the Committee on Rules.

By Mr. MIKVA (for himself, Mr. Frey, Mr. Frenzel, Mr. Baucus, Mr. Biester, and Mr. Moffett):

H. Res. 583. Resolution to amend the Rules of the House of Representatives to provide that House conferees may conduct business only at conference meetings open to the public; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

226. By Mr. ULLMAN: Memorial of the Legislature of the State of Oregon, relative to eligibility for food stamps; to the Committee on Agriculture.

227. Also, memorial of the Legislature of the State of Oregon, relative to the Federal Aid Highway Act of 1973; to the Committee on Public Works and Transportation.

228. Also, memorial of the Legislature of the State of Oregon, relative to Federal regulations governing day care centers; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HARRINGTON:

H.R. 8509. A bill for the relief of Magdelena Vargas; to the Committee on the Judiciary.

H.R. 8510. A bill for the relief of Manuel Vargas; to the Committee on the Judiciary.

By Mr. MOTTL:

H.R. 8511. A bill for the relief of Milton Karchin; to the Committee on the Judiciary.

By Mr. STAGGERS:

H.R. 8512. A bill for the relief of Thomas Harry Harford; to the Committee on the Judiciary.

By Mr. ULLMAN:

H.R. 8513. A bill for the relief of Willia Niukkanen (also known as William Mackie); to the Committee on the Judiciary

H.R. 8514. A bill for the relief of Hamish Scott MacKay; to the Committee on the Judiciary.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of June 27, 1975, page 21306.

H.R. 7100. May 19, 1975. Post Office and Civil Service. Amends the Fair Labor Standards Act of 1938 by declaring that rural letter carriers may be paid at a rate of compensation established by any collective bargaining agreement made between the Postal Service and any bargaining representative recognized under specified provisions of law.

H.R. 7101. May 19, 1975. Interstate and Foreign Commerce. Limits the authority of the Secretary of Health, Education, and Welfare, under the Federal Food, Drug, and Cosmetic Act, to regulate vitamins and minerals.

H.R. 7102. May 19, 1975. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to stipulate that daylight saving time shall begin on the last Sunday in May and shall end on the first Sunday after Labor Day.

H.R. 7103. May 19, 1975. Judiciary. Imposes criminal penalties on any United States citizen who marries an alien who is illegally in the United States for the sole purpose of establishing immediate relative status for such alien under the Immigration and Nationality Act.

H.R. 7104. May 19, 1975. Judiciary. Authorizes the Attorney General to approve funds to reimburse a medical facility for treatment of an alien unlawfully in the United States if the treatment was given for a medical emergency and the facility is unable to recover its costs in providing such treatment from any public assistance program.

H.R. 7105. May 19, 1975. Judiciary. Amends the Immigration and Nationality Act to prohibit any alien who has been illegally employed in the United States from obtaining permanent residence status.

H.R. 7106. May 19, 1975. Judiciary. Requires the Immigration and Naturalization Service to increase the staff of the United States Border Patrol.

H.R. 7107. May 19, 1975. Judiciary. Amends the Immigration and Nationality Act to increase the penalties for smuggling aliens into the United States. Increases the penalties for entering the United States at an improper time or place or through misrepresentation or concealment of facts.

Directs the Attorney General to confiscate any vessel, vehicle or aircraft used in the illegal entry of aliens.

H.R. 7108. May 19, 1975. Scienc and Technology. Authorizes appropriations to the Environmental Protection Agency for environmental research, development, and demonstration programs.

H.R. 7109. May 19, 1975. Armed Services. Authorizes scholarships for women to participate in the Army, Navy-Marine and Air Force Reserve Officers' Training Corps.

H.R. 7110. May 19, 1975. Post Office and Civil Service. Authorizes the head of any appropriate Federal agency to determine and fix the minimum and maximum age limits within which an original appointment may be made to a position as customs or immigration inspector.

Revises retirement regulations for such inspectors.

H.R. 7111. May 19, 1975. Judiciary. Allows a certain individual to file tort claims against the United States on her own behalf and as personal representative of the estates of her deceased children notwithstanding statutory limitations or the defense of res judicata.

H.R. 7112. May 19, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 7113. May 19, 1975. Armed Services. Authorizes the Secretary of the Navy to assign a certain individual, upon his retirement, to a command status as the Oceanographer of the Navy.

H.R. 7114. May 19, 1975. Merchant Marine and Fisheries. Authorizes the documentation of a specified vessel as a vessel of the United States with the privileges of engaging in coastwise trade.

H.R. 7115. May 19, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for household and personal goods destroyed by fire.

H.R. 7116. May 20, 1975. Ways and Means. Amends the Internal Revenue Code to allow a tax credit for expenditures paid or incurred with respect to intangible drilling and development costs and other related costs with respect to domestic exploratory oil and gas wells.

H.R. 7117. May 20, 1975. Interstate and Foreign Commerce. Directs the Secretary of Transportation to establish and enforce mandatory fuel economy standards for new motor vehicles. Authorizes the Secretary to adjust fuel economy standards in order to reflect changes in motor vehicle emission standards.

Requires automobile manufacturers to place a label on each new automobile indicating the estimated fuel economy and the estimated average annual fuel costs for such automobile.

H.R. 7118. May 20, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that every public bill or resolution introduced in either House of Congress contain an estimate of the average cost for each taxpaying family if the bill or resolution were enacted into law. Requires the Director of the Congressional Budget Office to keep tabulations on the average cost to each taxpaying family of the bills passed during each session and directs that the tabulations be printed in the Congressional Record.

H.R. 7119. May 20, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that every public bill or resolution introduced in either House of Congress contain an estimate of the average cost for each taxpaying family if the bill or resolution were enacted into law. Requires the Director of the Congressional Budget Office to keep tabulations on the average cost to each taxpaying family of the bills passed during each session and directs that the tabulations be printed in the Congressional Record.

H.R. 7120. May 20, 1975. Education and Labor. Directs the Economic Development Administration to establish a program of public service employment for unemployed individuals.

H.R. 7121. May 20, 1975. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to treat the Commonwealth of Puerto Rico as a State for purposes of minimum payments for State-operated programs under the Act.

H.R. 7122. May 20, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish a National Law Enforcement Heroes Memorial within the District of Columbia.

H.R. 7123. May 20, 1975. Agriculture. Authorizes, under the Agricultural Adjustment Act of 1938, the lease and transfer of burley tobacco farm marketing quotas to farms within contiguous counties in the same State, if approved by a majority vote in a referendum to be conducted by the Secretary of Agriculture.

H.R. 7124. May 20, 1975. Post Office and Civil Service. Requires Federal agencies, with certain exceptions, to employ a certain percentage of individuals on a part-time career basis for each grade.

H.R. 7125. May 20, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to classify procedure to consideration of applications for renewal of broadcast licenses. Extends the maximum time of license and license renewal for the operation of any class of station from three to five years.

H.R. 7126. May 20, 1975. Ways and Means. Interstate and Foreign Commerce. Requires every employees to offer qualified health care insurance to his employees and their families. Establishes a program of Federal participation to provide qualified health care insurance to nonemployed and self-employed individuals and their families. Requires the Secretary of Health, Education, and Welfare to pay the full premium for continuation of qualified health care insurance for individuals receiving State or Federal unemployment benefits.

H.R. 7127. May 20, 1975. International Relations. Amends the Export Administration Act to prohibit actions by domestic export concerns which would support restrictive practices of any foreign nation against another nation friendly to the United States, with certain limitations.

H.R. 7128. May 20, 1975. Agriculture. Amends the Federal Laboratory Animal Welfare Act to authorize the Secretary of Agriculture to promulgate standards for the transportation handling and care of certain animals in interstate or foreign commerce.

Prohibits the attendance at, promotion of, or supplying of, animal fighting ventures.

Sets forth regulations with respect to the transportation and handling of certain classes of animals.

H.R. 7129. May 20, 1975. Ways and Means. Interstate and Foreign Commerce. Requires every employer to offer qualified health care insurance to his employees and their families. Establishes a program of Federal participation to provide qualified health care insurance to nonemployed and self-employed individuals and their families. Requires the Secretary of Health, Education, and Welfare to pay the full premium for continuation of qualified health care insurance for individuals receiving State or Federal unemployment benefits.

H.R. 7130. May 20, 1975. Banking, Currency and Housing. Authorizes the Secreary of Housing and Urban Development to make loans to homeowners and builders to assist them in purchasing and installing solar heating or solar heating and cooling equipment, and directs the Secretary to provide individuals with all current information on such equipment upon request.

Defines the types of equipment qualifying for inclusion under this Act.

Directs the Energy Research and Development Administration to (1) establish procedures for inspecting and evaluating solar heating and cooling equipment, (2) review new equipment as developed, and (3) periodically review certifications of such equipment for validity.

H.R. 7131. May 20, 1975. Ways and Means. Amends the Internal Revenue Code to exempt cooperative housing corporations, condominium management associations, and residential real estate management associations from taxation on certain types of income.

H.R. 7132. May 20, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction with respect to the amortization of qualified solar heating and cooling equipment installed in nonresidential buildings and to allow an investment credit for such equipment.

H.R. 7133. May 20, 1975. Agriculture. Transfers all functions of the Secretary of Agriculture under the Food Stamp Act of 1964 to the Secretary of Health, Education, and Welfare.

H.R. 7134. May 20, 1975. Ways and Means. Amends the Internal Revenue Code to authorize real property to be valued for estate tax purposes at its value as farmland, woodland, or open land rather than at its fair market value.

Amends the estate tax provisions of the Internal Revenue Code to allow a limited deduction from the gross estate of the value of the decedent's interest in a family farming operation which passes to an individual related to him or his spouse.

H.R. 7135. May 20, 1975. Agriculture. Authorizes the Secretary of Agriculture to cooperate with the several States for the purposes of encouraging and assisting them in carrying out programs of animal health research at eligible institutions. Authorizes the Secretary to allocate any funds appropriated by Congress for such animal research programs.

H.R. 7136. May 20, 1975. Education and Labor. Amends the Child Nutrition Act of 1966 to continue the special supplemental food program through September 30, 1975.

H.R. 7137. May 20, 1975. Interstate and Foreign Commerce. Creates the National Power Grid Corporation to operate a national power grid system to supply electric power through regional bulk power supply corporations. Authorizes research and development in the area of electric power generation and transmission, with priority given to environmental protection and land use research.

Transfers certain existing Federal power facilities to the national grid system. Defines rights, powers, and duties of national grid system. Defines rights, powers, and duties of national and regional corporations and employees. Requires compliance with environmental standards.

H.R. 7138. May 20, 1975. Ways and Means. Amends the Social Security Act by expanding supplemental security income benefits to include a special housing allowance.

H.R. 7139. May 20, 1975. Public Works and Transportation. Establishes procedures for States to assume certain functions assigned to the Secretary of the Army and the Chief of Engineers with respect to intrastate waters.

H.R. 7140. May 20, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to construct, operate, and maintain the Mongollon Mesa reclamation project in Arizona.

H.R. 7141. May 20, 1975. Ways and Means. Amends the Tariff Schedules of the United States to allow duty-free entry of binder twine and baler twine of manmade fibers.

H.R. 7142. May 20, 1975. Ways and Means. Amends the Internal Revenue Code to prohibit the imposition of a tax on any aircraft owned and operated by the Civil Air Patrol if such aircraft are used in search and rescue missions by the Civil Air Patrol.

H.R. 7143. May 20, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax marital deduction. Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 7144. May 20, 1975. Merchant Marine and Fisheries. Authorizes the Secretary of Commerce to make loans to commercial fishermen whose vessels or equipment have been damaged or destroyed by foreign fishing vessels. Authorizes the Secretary to cancel repayment of such loan if his investigation reveals that the damage was caused solely by the foreign vessel, or to require repayment with interest when the owner of the United States vessel was partially or entirely at fault.

H.R. 7145. May 20, 1975. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 7146. May 20, 1975. Ways and Means. Amends the Social Security Act as it relates to Aid to Families with Dependent Children by (1) revising eligibility requirements for grants; (2) revising the procedure for adjusting the amount of grants; (3) authorizing Federal financial participation in the investigation and prosecution of fraud conducted by State agencies; (4) requiring States to provide evidentiary hearings; and

(5) imposing criminal sanctions for misuse of grants by recipients.

H.R. 7147. May 20, 1975. Interior and Insular Affairs. Designates the Mountain Park Reservoir in Oklahoma as the Tom Steed Reservoir.

H.R. 7148. May 20, 1975. Ways and Means; Interstate and Foreign Commerce. Prohibits the importation of petroleum into the United States after October 1, 1975 except in accordance with this Act. Directs the Administrator of the Federal Energy Administration to regulate petroleum importation and the allocation of imported petroleum among domestic refiners.

H.R. 7149. May 20, 1975. Judiciary. Amends the Copyright Laws of the United States with respect to works not reproduced for sale, and Copyright Office fees. Allows for delay in the delivery by an applicant of certain required materials to the Office when such delay is caused by disruption of postal or other transportation service. Directs the Register of Copyright to establish procedures by which copyright owners may authorize the reproduction of certain works in a form suitable for use by the blind.

H.R. 7150. May 20, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction from gross income for expenses incurred in connection with the adoption of a child by the taxpayer.

H.R. 7151. May 20, 1975. Education and Labor. Authorizes the Secretary of the Interior to make grants to Central Wyoming College to assist in the construction, maintenance, and operation of the Indian Act and Cultural Center within the Wind River Indian Reservation.

H.R. 7152. May 20, 1975. Judiciary. Permits the broadcasting, televising or mailing of lottery information and the transportation or mailing of lottery tickets or lottery equipment when such lottery is lawful in the State in which it is being conducted.

H.R. 7153. May 20, 1975. Merchant Marine and Fisheries. Amends the Coastal Zone Management Act of 1972 to establish a National Shellfish Advisory Committee to evaluate the impact of Federal laws on the shellfish industry. Authorizes the Secretary of Commerce to make grants to coastal States in order to assist the development and management of shellfish resources in the coastal zone.

H.R. 7154. May 20, 1975. House Administration. Authorizes appropriations to the Secretary of the Interior for the construction of a sculpture in memory of Doctor Robert H. Goddard, to be placed on the grounds of Clark University in Massachusetts.

H.R. 7155. May 20, 1975. Interstate and Foreign Commerce. Directs the Federal Trade Commission to conduct an investigation of all activities within its jurisdiction relating to the creation, marketing, sale, lease, use, operation and management of condominiums.

H.R. 7156. May 20, 1975. Judiciary. Declares that a certain individual shall be deemed qualified to receive Armed Forces disability benefits.

H.R. 7157. May 20, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to the estate of a certain individual in full settlement of such individual's claims against the United States arising out of the confiscation, destruction, and loss during World War II of his property in Lithuania.

H.R. 7158. May 21, 1975. Ways and Means. Amends the Social Security Act by revising the eligibility requirements for divorced women for wife's or widow's Old-Age, Survivors and Disability Insurance benefits.

H.R. 7159. May 21, 1975. Agriculture. Establishes, under the Rural Development Act of 1972, a Concerted Services in Training and Education Task Force, within the Department of Agriculture to coordinate Federal rural community development and assistance programs.

H.R. 7160. May 21, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that every public bill or resolution introduced in either House of Congress contain an estimate of the average cost for each taxpaying family if the bill or resolution were enacted into law. Requires the Director of the Congressional Budget Office to keep tabulations on the average cost to each taxpaying family of the bills passed during each session and directs that the tabulations be printed in the Congressional Record.

H.R. 7161. May 21, 1975. Ways and Means. Amends the Emergency Jobs and Unemployment Assistance Act of 1974 to make individuals performing services for an educational institution or agency ineligible for special unemployment compensation under the Act for periods between academic years or terms.

H.R. 7162. May 21, 1975. Ways and Means. Amends the Social Security Act to make certain aliens eligible for supplementary medical insurance benefits under the Medicare program.

H.R. 7163. May 21, 1975. Post Office and Civil Service. Prohibits collective bargaining agreements between the Postal Service employee labor organizations from containing any provision which would preclude Postal Service employees from being represented in grievance and adverse actions arising under the agreement by representatives of their own choosing. Entitles such representatives to be present during any proceedings upon such grievance or adverse action.

H.R. 7164. May 21, 1975. Small Business. Directs the Small Business Association to assume or suspend for a temporary period, repayment of loans made pursuant to the Small Business Act to certain business concerns.

H.R. 7165. May 21, 1975. Interstate and Foreign Commerce. Limits the authority of the Secretary of Health, Education, and Welfare, under the Federal Food, Drug, and Cosmetic Act, to regulate vitamins and minerals.

H.R. 7166. May 21, 1975. Judiciary. Increases the penalties imposed for the commission of a felony with a firearm or while unlawfully carrying a firearm.

H.R. 7167. May 21, 1975. Interior and Insular Affairs. Designates certain lands in Maryland and Virginia as the Assateague Island Wilderness, to be administered by the Secretary of the Interior.

H.R. 7168. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Badlands National Monument in South Dakota as wilderness, to be administered by the Secretary of the Interior.

H.R. 7169. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Bandelier National Monument in New Mexico as wilderness.

H.R. 7170. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Big Bend National Park in Texas as wilderness, to be administered by the Secretary of the Interior.

H.R. 7171. May 21, 1975. Interior and Insular Affairs. Designates certain lands in Colorado as the Black Canyon of the Gunnison Wilderness, to be administered by the Secretary of the Interior.

H.R. 7172. May 21, 1975. Interior and Insular Affairs. Designates certain land in the Bryce Canyon National Park in Utah as wilderness, to be administered by the Secretary of the Interior.

H.R. 7173. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Carlsbad Caverns National Park in New Mexico as wilderness, to be administered by the Secretary of the Interior.

H.R. 7174. May 21, 1975. Interior and Insular Affairs. Designates certain lands within the Cedar Breaks National Monument in Utah as wilderness, to be administered by the Secretary of the Interior.

H.R. 7175. May 21, 1975. Interior and Insular Affairs. Designates certain lands within the Chiricahua National Monument in Arizona as wilderness.

H.R. 7176. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Colorado National Monument in Colorado as wilderness, to be administered by the Secretary of the Interior.

H.R. 7177. May 21, 1975. Interior and Insular Affairs. Designates certain land in the Crater Lake National Park in Oregon as wilderness, to be administered by the Secretary of the Interior.

H.R. 7178. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Cumberland Gap National Historical Park in Kentucky, Tennessee, and Virginia, as wilderness, to be administered by the Secretary of the Interior.

H.R. 7179. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Death Valley National Monument in California and Nevada as wilderness, to be administered by the Secretary of the Interior.

H.R. 7180. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Dinosaur National Monument in Colorado and Utah as wilderness, to be administered by the Secretary of the Interior.

H.R. 7181. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Everglades National Park in Florida as wilderness, to be administered by the Secretary of the Interior.

H.R. 7182. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Glacier National Park in Montana as wilderness to be administered by the Secretary of the Interior.

H.R. 7183. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Grand Teton National Park in Wyoming as wilderness, to be administered by the Secretary of the Interior.

H.R. 7184. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Great Sand Dunes National Monument in Colorado as wilderness, to be administered by the Secretary of the Interior. Authorizes the Secretary of the Interior to utilize motorized vehicles within the area for certain specified purposes.

H.R. 7185. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Great Smoky Mountains National Park in North Carolina and Tennessee as wilderness, to be administered by the Secretary of the Interior.

H.R. 7186. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Guadalupe Mountains National Park in Texas as wilderness, to be administered by the Secretary of the Interior.

H.R. 7187. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Haleakala National Park in Hawaii as wilderness, to be administered by the Secretary of the Interior.

H.R. 7188. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Hawaii Volcanoes National Park as wilderness, to be administered by the Secretary of the Interior.

H.R. 7189. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Isle Royale National Park in Michigan as wilderness, to be administered by the Secretary of the Interior.

H.R. 7190. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Joshua Tree National Monument in California as wilderness, to be administered by the Secretary of the Interior.

H.R. 7191. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Katmai National Monument in Alaska as wilderness, to be administered by the Secretary of the Interior.

H.R. 7192. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Mesa Verde National Park in Colorado as wilderness, to be administered by the Secretary of the Interior.

H.R. 7193. May 22, 1975. Interior and Insular Affairs. Designates certain lands in the Mount Rainier National Park in Washington as wilderness, to be administered by the Secretary of the Interior. Authorizes the Secretary to utilize aircraft and scientific devices for volcanic and glacial research in the wilderness areas.

H.R. 7194. May 22, 1975. Interior and Insular Affairs. Designates certain lands in Washington as the North Cascades Wilderness.

H.R. 7195. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Olympic National Park in Washington as wilderness, to be administered by the Secretary of the Interior.

H.R. 7196. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Oregon Pipe Cactus National Monument in Arizona as wilderness, to be administered by the Secretary of the Interior. Authorizes the Secretary to utilize motorized vehicles for certain uses within the wilderness area. Repeals earlier law relating to disposition of such lands under mineral leasing laws.

H.R. 7197. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Pinnacles National Monument in California as wilderness.

H.R. 7198. May 5, 1975. Interior and Insular Affairs. Designates certain lands in the Point Reyes National Seashore in California as wilderness, to be administered by the Secretary of the Interior.

H.R. 7199. May 5, 1975. Interior and Insular Affairs. Designates certain lands in the Rocky Mountains National Park in Colorado as wilderness, to be administered by the Secretary of the Interior.

H.R. 7200. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Saguaro National Monument in Arizona as wilderness to be administered by the Secretary of the Interior.

H.R. 7201. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Shenandoah National Park in Virginia as wilderness.

H.R. 7202. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Sequoia and Kings Canyon National Parks in California as wilderness.

H.R. 7203. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Theodore Roosevelt National Memorial Park in North Dakota as wilderness, to be administered by the Secretary of the Interior.

H.R. 7204. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Yellowstone National Park in Idaho, Montana, and Wyoming, as wilderness to be administered by the Secretary of the Interior. Authorizes the Secretary to permit certain uses of lands within the wilderness areas.

H.R. 7205. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Yosemite National Park in California as wilderness, to be administered by the Secretary of the Interior.

H.R. 7206. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Zion National Park in Utah as wilderness, to be administered by the Secretary of the Interior.

H.R. 7207. May 21, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to further define the term "navigable waters" as it applies to the issuance of permits for dredged or fill materials by the Corps of Engineers.

H.R. 7208. May 21, 1975. Veterans' Affairs. Presumes a disability to have been incurred in or aggravated by service for the purposes of wartime disability compensation in the case of a veteran who served for ninety days or more during a period of war, and who incurs multiple sclerosis developing a 10 percent or more degree of disability within eleven years from the date of separation from such service.

H.R. 7209. May 21, 1975. Interior and Insular Affairs. Designates certain lands in the Pinnacles National Monument in California as wilderness, to be administered by the Secretary of the Interior. Revises the boundaries of the monument to include additional lands.

H.R. 7210. May 21, 1975. Interior and Insular Affairs. Designates certain lands in California as the Lopez Canyon Wilderness, to be administered by the Secretary of Agriculture.

H.R. 7211. May 21, 1975. Ways and Means. Amends the Social Security Act by requiring all individuals who are employed, self-employed, or seeking such employment to have an employee identification card issued by the Secretary of Health, Education, and Welfare. Stipulates that such cards may be issued only to United States citizens and aliens lawfully admitted to the United States and authorized to engage in employment or self-employment. Prohibits employers from employing an individual who does not have an employee identification card.

H.R. 7212. May 21, 1975. Armed Services. Lowers the age at which a member or former member of the Armed Forces becomes eligible for retired pay for non-regular service.

H.R. 7213. May 21, 1975. Judiciary. Incorporates the International Aerospace Hall of Fame.

H.R. 7214. May 21, 1975. Post Office and Civil Service. Prohibits the Postal Service from requiring the delivery of mail to single-family residential dwellings through the use of cluster mailboxes or curbside mailboxes unless the local government having jurisdiction over the area in which such dwellings are located approves the use of such mailboxes.

H.R. 7215. May 21, 1975. Judiciary. Requires establishment of a system for redress of law enforcement officers' grievances and acceptance of a law enforcement officers' bill of rights by the States and local government units as a condition to receiving grants under the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 7216. May 21, 1975. Education and Labor. Amends the National Foundation on the Arts and Humanities Act of 1965 by authorizing grants to the American Film Institute, and by authorizing grants-in-aid to qualified States for humanities programs.

Establishes within the Department of Health, Education, and Welfare an Institute for the Improvement of Museum Services to provide financial and technical assistance to museums.

Authorizes the Federal Council on the Arts and Humanities to indemnify against loss or damage works of art, manuscripts, and other artifacts or objects of educational, cultural, historical, or scientific value which are on exhibition in the United States.

H.R. 7217. May 21, 1975. Education and Labor. Amends the Education of the Handicapped Act to; (1) extend various provisions relating to programs for the handicapped; (2) add new requirements for the required State plans; and (3) revise provisions relating to the allocation and payment of funds, the application for grants, and the purposes of this Act.

H.R. 7218. May 21, 1975. Ways and Means. Amends the Social Security Act to include services furnished by a physician's assistant, Medex, nurse practitioner, and clinical staff of a community mental health center among the items covered under the Medicare supplementary medical insurance programs.

H.R. 7219. May 25, 1975. Judiciary. Requires that whenever any officer or agency of the executive branch of the Federal Government proposes to prescribe certain rules and regulations or to make changes in rules or regulations, such proposals must be submitted to each House of Congress with a report containing a full explanation thereof. Stipulates that such rule, regulation, or change shall become effective unless either House of Congress disapproves the same within 60 days.

H.R. 7220. May 21, 1975. Ways and Means. Amends the Internal Revenue Code to define the term "agricultural" with respect to the exemption from the tax on corporations.

H.R. 7221. May 21, 1975. Veterans' Affairs. Eliminates the time period in which a veteran has to use his educational benefits.

H.R. 7222. May 21, 1975. Post Office and Civil Service. Increases the contribution by the Federal Government to the cost of Government employees' group life insurance.

H.R. 7223. May 21, 1975. Atomic Energy. Prohibits the transfer of nuclear materials to countries which have not ratified the Treaty on Non-Proliferation of Nuclear Weapons, with certain exceptions.

H.R. 7224. May 21, 1975. Atomic Energy. Prohibits the transfer of nuclear materials to countries which have not ratified the Treaty on Non-Proliferation on Nuclear Weapons, with certain exceptions.

H.R. 7225. May 21, 1975. Armed Services. Repeals the Military Selective Service Act. Transfers the functions of the Reconciliation Service program of the Selective Service System to the Department of Justice.

H.R. 7226. May 21, 1975. Armed Services. Repeals the Military Selective Service Act. Transfers the functions of the Reconciliation Service program of the Selective Service System to the Department of Justice.

H.R. 7227. May 21, 1975. Interstate and Foreign Commerce. Declares that the Federal Communications Act shall not be construed to require the availability of broadcasting time to any person. Repeals the "equal time" provision relating to availability of broadcasting time to legally qualified candidates for public office.

Repeals the prohibition on political editorializing by noncommercial educational broadcast stations.

H.R. 7228. May 21, 1975. Ways and Means. Amends the Internal Revenue Code to permit devices other than stamps to be used as evidence of tax payment on containers of distilled spirits.

H.R. 7229. May 21, 1975. Interstate and Foreign Commerce. Establishes procedures and regulations concerning chemical substances, with the exception of drugs and pesticides, which the Administrator of the Environmental Protection Agency has determined represent, or may represent, an unreasonable risk to health or the environment.

H.R. 7230. May 21, 1975. Interstate and Foreign Commerce. Amends the Controlled Substances Act by imposing penalties for the robbery or attempted robbery of narcotics or other controlled substances from a retail pharmacy.

H.R. 7231. May 21, 1975. Science and Technology. Amends the Federal Nonnuclear Energy Research and Development Act to establish within the Energy Research and Development Administration a program to develop ground propulsion systems designed to reduce current levels of energy consumption and meet air quality standards.

H.R. 7232. May 21, 1975. Banking, Currency and Housing. Requires financial institutions to maintain and make available to the public certain information on real estate loans and savings accounts.

Directs the Federal Reserve Board to prescribe regulations to carry out the purposes of this Act.

H.R. 7233. May 21, 1975. Agriculture. Revises the formula for allocating Federal matching grants to State agricultural experiment stations for construction purposes. Authorizes the Secretary of Agriculture to make such grants to land grant colleges.

H.R. 7234. May 21, 1975. Judiciary. Establishes standards to be followed by organizations maintaining an information system containing personal information on private citizens.

Establishes a Federal Privacy Board to oversee compliance with this Act.

H.R. 7235. May 21, 1975. Banking, Currency and Housing. Authorizes the Secretary of the Treasury to strike gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration and to offer such coins for sale to the public.

H.R. 7236. May 21, 1975. Ways and Means. Amends the Social Security Act by revising the method of computing excess earnings for the purpose of determining the amount of Old-Age, Survivors, and Disability Insurance benefits to which an individual is entitled.

H.R. 7237. May 21, 1975. Interstate and Foreign Commerce. Defines the term "food supplement" as it appears in the Federal Food, Drug, and Cosmetic Act. Prohibits the Secretary of Health, Education, and Welfare from limiting the ingredients of any food in a food for special dietary uses if the amount recommended to be consumed does not render it injurious to health.

H.R. 7238. May 21, 1975. Judiciary; Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 7239. May 21, 1975. Judiciary. Incorporates the National Ski Patrol System, Incorporated.

H.R. 7240. May 21, 1975. Ways and Means. Amends the Internal Revenue Code to permit (1) a tax credit for the qualified savings and investment of an individual, (2) the exclusion from an individual's gross income of certain corporate dividends and the capital gains from the sale or exchange of securities, (3) a deduction from the value of the gross estate in the case of certain family farming operations, (4) the adjustment of the corporate normal tax rate, (5) the increase of the corporate surtax exemption and the investment credit, and (6) the deduction by an employer of the amount of certain dividends paid with respect to employer securities.

H.R. 7241. May 21, 1975. Ways and Means. Amends the Internal Revenue Code to permit (1) a tax credit for the qualified savings and investment of an individual, (2) the exclusion from an individual's gross income of certain corporate dividends and the capital gains from the sale or exchange of securities, (3) a deduction from the value of the gross estate in the case of certain family farming operations, (4) the adjustment of the corporate normal tax rate, (5) the increase of the corporate surtax exemption and the investment credit, and (6) the deduction by an employer of the amount of certain dividends paid with respect to employer securities.

H.R. 7242. May 21, 1975. Ways and Means. Amends the Internal Revenue Code to tax married and unmarried individuals at the same rate as married individuals filing jointly.

H.R. 7243. May 21, 1975. Banking, Currency and Housing. Amends the National Housing Act to prohibit Federal Housing Administration insurance of blanket mortgages on condominium projects, and Federal National Mortgage Association purchases of conventional condominium mortgages, where the developer retains a household interest in the common areas and facilities of the project involved.

H.R. 7244. May 21, 1975. Ways and Means. Amends the Internal Revenue Code to exempt from the income tax cooperative housing corporations and condominium housing associations.

H.R. 7245. May 21, 1975. Ways and Means. Amends the Internal Revenue Code to increase the investment credit for qualified property and to specifically increase the investment credit with respect to qualified automobile machinery or equipment.

H.R. 7246. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Directs the President to establish an annual ceiling on imports of petroleum products. Amends the Emergency Petroleum Allocation Act of 1973 to direct the President to establish a program for the mandatory allocation of petroleum products and to equalize the ceiling price of such products throughout the United States.

H.R. 7247. May 21, 1975. Agriculture. Amends the Federal Crop Insurance Act to authorize (1) the Secretary of Agriculture to designate the location of the principal office of the Federal Crop Insurance Corporation; (2) payment of compensation to the Board of Directors of such Corporation; and (3) reinsurance of private insurance companies which insure producers of agricultural commodities.

H.R. 7248. May 21, 1975. Agriculture. Directs the Secretary of Agriculture to establish and maintain a program whereby the Department of Agriculture collects, prepares, makes available, and distributes information regarding the establishment and operation of farmers' markets.

H.R. 7249. May 21, 1975. Agriculture. Directs the Secretary of Agriculture to establish and maintain a program whereby the Department of Agriculture collects, and prepares, makes available, and distributes information regarding the establishment and operation of farmers' markets.

H.R. 7250. May 21, 1975. Interior and Insular Affairs. Increases the authorized appropriations for the development of the Arkansas Post National Memorial.

H.R. 7251. May 21, 1975. Banking, Currency and Housing. Requires financial institutions to maintain and make available to the public certain information on real estate loans and savings accounts.

Directs the Federal Reserve Board to prescribe regulations to carry out the purposes of this Act.

H.R. 7252. May 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act to include services provided by intermediate care facilities among those covered under medicare.

H.R. 7253. May 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act to include services provided by intermediate care facilities among those covered under Medicare.

H.R. 7254. May 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act to include services provided by intermediate care facilities among those covered under medicare.

H.R. 7255. May 21, 1975. Ways and Means. Amends the Internal Revenue Code to allow the deduction of nursing home expenses paid by a taxpayer for an individual who would otherwise be a dependent of such taxpayer.

H.R. 7256. May 21, 1975. Ways and Means. Amends the Internal Revenue Code to allow the deduction of nursing home expenses paid by a taxpayer for an individual who would otherwise be a dependent of such taxpayer.

H.R. 7257. May 21, 1975. Ways and Means. Amends the Internal Revenue Code to allow the deduction of nursing home expenses paid by a taxpayer for an individual who would otherwise be a dependent of such taxpayer.

H.R. 7258. May 21, 1975. Ways and Means. Directs the Secretary of Health, Education, and Welfare to develop an alternative reimbursement formula which will allow payment to certain participating hospitals which provide long-term care under the Medicare program of the Social Security Act.

H.R. 7259. May 21, 1975. Ways and Means. Directs the Secretary of Health, Education, and Welfare to develop an alternative reimbursement formula which will allow payment to certain participating hospitals which provide long-term care under the Medicare program of the Social Security Act.

H.R. 7260. May 21, 1975. Ways and Means. Direct the Secretary of Health, Education, and Welfare to develop an alternative reimbursement formula which will allow payment to certain participating hopsitals which provide long-term care under the Medicare program of the Social Security Act.

H.R. 7261. May 21, 1975. Ways and Means. Amends the Social Security Act by authorizing payment of supplemental security income benefits to residents of certain nonmedical shelter care facilities.

H.R. 7262. May 21, 1975. Ways and Means. Amends the Social Security Act by authorizing payment of supplemental security income benefits to residents of certain nonmedical shelter care facilities.

H.R. 7263. May 21, 1975. Ways and Means. Amends the Social Security Act by authorizing payment of supplemental security income benefits to residents of certain nonmedical shelter care facilities.

H.R. 7264. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to retain a physician who visits each patient at least once every 30 days.

H.R. 7265. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the medicare program to retain a physician who visits each patient at least once every 30 days.

H.R. 7266. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the medicare program to retain a physician who visits each patient at least once every 30 days.

H.R. 7267. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to require skilled nursing facilities participating in the medicare program to employ at least one registered professional nurse 24 hours per day, 7 days per week.

H.R. 7268. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to require skilled nursing facilities participating in the medicare program to employ at least one registered professional nurse 24 hours per day, 7 days per week.

H.R. 7269. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to require skilled nursing facilities participating in the medicare program to employ at least one registered professional nurse 24 hours per day, 7 days per week.

H.R. 7270. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to require skilled nursing facilities participating in the medicare program to use only registered professional nurses or licensed practical nurses to administer or distribute medications.

H.R. 7271. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to required skilled nursing facilities participating in the medicare program to use only registered professional nurses or licensed practical nurses to administer or distribute medications.

H.R. 7272. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to require skilled nursing facilities participating in the medicare program to use only registered professional nurses or licensed practical nurses to administer or distribute medications.

H.R. 7273. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing homes participating in the medicare and medicaid programs to retain a medical director.

H.R. 7274. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing homes participating in the medicare and medicaid programs to retain a medical director.

H.R. 7275. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing homes participating in the medicare and medicaid programs to retain a medical director.

H.R. 7276. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the medicare program to have a minimum ratio of nursing personnel to patients and supervisory nurses to total nurses.

H.R. 7277. May 21, 1975. Ways and Means; Interior and Insular Affairs. Amends the Social Security Act by requiring skilled nursing facilities participating in the medicare program to have a minimum ratio of nursing personnel to patients and supervisory nurses to total nurses.

H.R 7278. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the medicare program to have a minimum ratio of nursing personnel to patients and supervisory nurses to total nurses.

H.R. 7279. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to provide medically related social services.

H.R. 7280. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to provide medically related social services.

H.R. 7281. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to provide medically related social services.

H.R. 7282. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to conclude a contract with each patient upon admission, such contract to cover the rights and duties of the patient and the facility.

H.R. 7283. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to conclude a contract with each patient upon admission, such contract to cover the rights and duties of the patient and the facility.

H.R. 7284. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to conclude a contract with each patient upon admission, such contract to cover the rights and duties of the patient and the facility.

H.R. 7285. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to comply with relevant provisions of the 1973 edition of the Life Safety Code of the National Fire Protection Association.

H.R. 7286. May 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to comply with relevant provisions of the 1973 edition of the Life Safety Code of the National Fire Protection Association.

H.R. 7287. May 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to comply with relevant provisions of the 1973 edition of the Life Safety Code of the National Fire Protection Association.

H.R. 7288. May 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to post certain information in an area accessible to patients, employees and visitors.

H.R. 7289. May 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to post certain information in an area accessible to patients, employees and visitors.

H.R. 7290. May 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to post certain information in an area accessible to patients, employees and visitors.

H.R. 7291. May 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to adopt procedures for the prevention and reporting of epidemic diseases and accidents.

H.R. 7292. May 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to adopt procedures for the prevention and reporting of epidemic diseases and accidents.

H.R. 7293. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to adopt procedures for the prevention and reporting of epidemic diseases and accidents.

H.R. 7294. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by (1) requiring State legislative and executive ratification of the State's plan; (2) requiring each State to make copies of its plan available to the public; (3) directing the Secretary of Health, Education, and Welfare to review and rate State plans annually; and (4) authorizing recipients to sue a State for specific performance of a State plan.

H.R. 7295. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by (1) requiring State legislative and executive ratification of the State's plan; (2) requiring each State to make copies of its plan available to the public; (3) directing the Secretary of Health, Education, and Welfare to review and rate State plans annually; and (4) authorizing recipients to sue a State for specific performance of a State plan.

H.R. 7296. May 21, 1975. Interstate and Foreign Commerce. Amends the Medicaid provisions of the Social Security Act by (1) requiring State legislative and executive ratification of the State's plan; (2) requiring each State to make copies of its plan available to the public; (3) directing the Secretary of Health, Education, and Welfare to review and rate State plans annually; and (4) authorizing recipients to sue a State for specific performance of a State plan.

H.R. 7297. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to establish a rating system for nursing homes participating in the Medicare and Medicaid programs.

H.R. 7298. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to establish a rating system for nursing homes participating in the Medicare and Medicaid programs.

H.R. 7299. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to establish a rating system for nursing homes participating in the Medicare and Medicaid programs.

H.R. 7300. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to make Federal payments to a State under its Medicaid plan conditional upon such State's establishing an ombudsman program to investigate and hold hearings concerning nursing home complaints.

H.R. 7301. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to make Federal payments to a State under its Medicaid plan conditional upon such State's establishing an ombudsman program to investigate and hold hearings concerning nursing home complaints.

H.R. 7302. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to make Federal payments to a State under its Medicaid plan conditional upon such State's establishing an ombudsman program to investigate and hold hearings concerning nursing home complaints.

H.R. 7303. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by establishing the office of Inspector General for Health Administration within the Department of Health, Education, and Welfare. Directs the Inspector General to review, investigate and audit the Medicare, Medicaid, and other health care programs established by the Social Security Act. Authorizes the Inspector General to suspend any administrative regulation, practice or procedure if such action will promote efficiency, economy, or achievement of the objectives of the health care programs.

H.R. 7304. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by establishing the office of Inspector General for Health Administration within the Department of Health, Education, and Welfare. Directs the Inspector General to review, investigate and audit the Medicare, Medicaid, and other health care programs established by the Social Security Act. Authorizes the Inspector

General to suspend any administrative regulation, practice or procedure if such action will promote efficiency, economy, or achievement of the objectives of the health care programs.

H.R. 7305. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by establishing the office of Inspector General for Health Administration within the Department of Health, Education, and Welfare. Directs the Inspector General to review, investigate and audit the Medicare, Medicaid, and other health care programs established by the Social Security Act. Authorizes the Inspector General to suspend any administrative regulation, practice or procedure if such action will promote efficiency, economy, or achievement of the objectives of the health care programs.

H.R. 7306. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Makes it a misdemeanor to offer or receive consideration for the referral of patients, clients or customers eligible for Medicare or Medicaid benefits under the Social Security Act.

H.R. 7307. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Makes it a misdemeanor to offer or receive consideration for the referral of patients, clients or customers eligible for Medicar or Medicaid benefits under the Social Security Act.

H.R. 7308. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Makes it a misdemeanor to offer or receive consideration for the referral of patients, clients or customers eligible for Medicare or Medicaid benefits under the Social Security Act.

H.R. 7309. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to keep accurate records of patients' accounts, moneys, and valuables and to take certain measures to safeguard patients' moneys and valuables.

H.R. 7310. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the Medicare program to keep accurate records of patients' accounts, moneys, and valuables and to take certain measures to safeguard patients' moneys and valuables.

H.R. 7311. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by requiring skilled nursing facilities participating in the medicare program to keep accurate records of patients' accounts, moneys and valuables and to take certain measures to safeguard patients' moneys and valuables.

H.R. 7312. May 21, 1975. Interstate and Foreign Commerce. Makes it a misdemeanor under the Social Security Act to solicit or accept any consideration over and above the rates established by the States as a precondition of admitting a Medicaid patient to a long-term care facility.

H.R. 7313. May 21, 1975. Interstate and Foreign Commerce. Makes it a misdemeanor under the Social Security Act to solicit or accept any consideration over and above the rates established by the States as a precondition of admitting a Medicaid patient to a long-term care facility.

H.R. 7314. May 21, 1975. Interstate and Foreign Commerce. Makes it a misdemeanor under the Social Security Act to solicit or accept any consideration over and above the rates established by the States as a precondition of admitting a Medicaid patient to a long-term care facility.

H.R. 7315. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to make reimbursement to a State for the cost of training personnel to inspect long-term care facilities participating in the Medicaid program conditional upon approval of such training program by the Secretary of Health, Education, and Welfare.

H.R. 7316. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to make reimbursement to a State for the cost of training personnel to inspect long-term care facilities participating in the Medicaid program conditional upon approval of such training program by the Secretary of Health, Education, and Welfare.

H.R. 7317. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to make reimbursement to a State for the cost of training personnel to inspect long-term care facilities participating in the Medicaid program conditional upon approval of such training program by the Secretary of Health, Education, and Welfare.

H.R. 7318. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to include a summary of the penalties for giving misinformation on the forms for payment for services under Medicare and Medicaid submitted by nursing homes.

H.R. 7319. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to include a summary of the penalties for giving misinformation on the forms for payment for services under Medicare and Medicaid submitted by nursing homes.

R.R. 7320. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to include a summary of the penalties for giving misinformation on the forms for payment for services under Medicare and Medicaid submitted by nursing homes.

H.R. 7321. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to pay to a State 100 percent of the sums expended by such State in developing new methods for enforcing nursing home standards under its Medicaid plan.

H.R. 7322. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to pay to a State 100 percent of the sums expended by such State in developing new methods for enforcing nursing home standards under its Medicaid plan.

H.R. 7323. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to pay to a State 100 percent of the sums expended by such State in developing new methods for enforcing nursing home standards under its Medicaid plan.

H.R. 7324. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to pay to a State 100 percent of sums expended by such State for auditing skilled nursing and intermediate care facilities participating in Federal programs.

H.R. 7325. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to pay to a State 100 percent of sums expended by such State for auditing skilled nursing and intermediate care facilities participating in Federal programs.

H.R. 7326. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to pay to a State 100 percent of sums expended by such State for auditing skilled nursing and intermediate care facilities participating in Federal programs.

H.R. 7327. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to inspect State inspection and enforcement programs regarding facilities participating in Medicare and Medicaid.

H.R. 7328. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to inspect State inspection and enforcement programs regarding facilities participating in Medicare and Medicaid.

H.R. 7329. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to inspect State inspection and enforcement programs regarding facilities participating in Medicare and Medicaid.

H.R. 7330. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by authorizing Medicare and Medicaid beneficiaries to sue any facility participating in the Medicare and Medicaid programs for specific performance of its provider agreement.

H.R. 7331. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by authorizing Medicare and Medicaid beneficiaries to sue any facility participating in the Medicare and Medicaid programs for specific performance of its provider agreement.

H.R. 7332. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by authorizing Medicare and Medicaid beneficiaries to sue any facility participating in the Medicare and Medicaid programs for specific performance of its provider agreement.

H.R. 7333. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to allow a State to incorporate financial incentives for good care in its formula for computing payments to skilled nursing and intermediate care facilities under such State's Medicaid plan.

H.R. 7334. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to allow a State to incorporate financial incentives for good care in its formula for computing payments to skilled nursing and intermediate care facilities under such State's Medicaid plan.

H.R. 7335. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act to allow a State to incorporate financial incentives for good care in its formula for computing payments to skilled nursing and intermediate care facilities under such State's Medicaid plan.

H.R. 7336. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make loans to any qualified church, church association, or nonprofit organization to meet all or a part of the cost of construction of a nursing home which will be owned and operated by such church, organization, or association.

H.R. 7337. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make loans to any qualified church, church association, or nonprofit organization to meet all or a part of the cost of construction of a nursing home which will be owned and operated by such church, organization, or association.

H.R. 7338. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make loans to any qualified church, church association, or nonprofit organization to meet all or a part of the cost of construction of a nursing home which will be owned and operated by such church, organization, or association.

H.R. 7339. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants for the planning, development, construction, and rehabilitation of nursing homes in black and minority communities.

H.R. 7340. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants for the planning, development, construction, and rehabilitation of nursing homes in black and minority communities.

H.R. 7341. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants for the planning, development, construction, and rehabilitation of nursing homes in black and minority communities.

H.R. 7342. May 21, 1975. Banking, Currency and Housing; Interstate and Foreign Commerce. Amends the National Housing Act to authorize the Secretary of Housing and Urban Development to make interest reduction payments to assist nursing homes in repair and renovation in order to comply with Federal standards.

H.R. 7343. May 21, 1975. Banking, Currency and Housing; Interstate and Foreign Commerce. Amends the National Housing Act to authorize the Secretary of Housing and Urban Development to make interest reduction payments to assist nursing homes in repair and renovation in order to comply with Federal standards.

H.R. 7344. May 21, 1975. Banking, Currency and Housing; Interstate and Foreign Commerce. Amends the National Housing Act to authorize the Secretary of Housing and Urban Development to make interest reduction payments to assist nursing homes in repair and renovation in order to comply with Federal standards.

H.R. 7345. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants and enter into contracts with appropriate colleges and universities for the purpose of developing graduate programs for nurses in geriatrics and gerontology.

H.R. 7346. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants and enter into contracts with appropriate colleges and universities for the purpose of developing graduate programs for nurses in geriatrics and gerontology.

H.R. 7347. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants and enter into contracts with appropriate colleges and universities for the purpose of developing graduate programs for nurses in geriatrics and gerontology.

H.R. 7348. May 21, 1975. Education and Labor. Makes it an unfair labor practice under the National Labor Relations Act for an employer to discharge or otherwise discriminate against an employee because such employee testifies before any Congressional committee or any Federal agency.

H.R. 7349. May 21, 1975. Education and Labor. Makes it an unfair labor practice under the National Labor Relations Act for an employer to discharge or otherwise discriminate against an employee because such employee testifies before any Congressional committee or any Federal agency.

H.R. 7350. May 21, 1975. Education and Labor. Makes it an unfair labor practice under the National Labor Relations Act for an employer to discharge or otherwise discriminate against an employee because such employee testifies before any Congressional committee or any Federal agency.

H.R. 7351. May 21, 1975. Appropriations. Makes a supplemental appropriation to the Department of Labor for youth summer employment programs pursuant to the Comprehensive Employment and Training Act of 1973.

H.R. 7352. May 21, 1975. Agriculture. Amends the Consolidated Farm and Rural Development Act to increase the amount that the Secretary of Agriculture is authorized to lend for operating loans under such Act.

H.R. 7353. May 21, 1975. Science and Technology. Establishes the United States Metric Board to devise and carry out a program of planning, coordination and public education with respect to the voluntary conversion of the United States to the metric system of measurement.

H.R. 7354. May 21, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to pay a supplemental tuition allowance to eligible veterans for their "excess tuition costs" as determined by deducting from the actual or estimated tuition costs for the veteran for that year an amount equal to the national tuition average for that year.

H.R. 7355. May 21, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs (1) to arrange for educational and vocational counseling for eligible veterans, (2) to accelerate the monthly educational assistance allowance of veterans who apply therefor, and (3) to authorize payment for nonaccredited courses which meet certain criteria.

H.R. 7356. May 21, 1975. Veterans' Affairs. Extends the entitlement of veterans and surviving dependents to educational assistance from thirty-six months to forty-five months.

H.R. 7357. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Establishes procedures whereby the Secretary of the Treasury may collect debts owed by individuals to a State for certain medical assistance benefits.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Act.

H.R. 7358. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Establishes procedures whereby the Secretary of the Treasury may collect debts owed by individuals to a State for certain medical assistance benefits.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Act.

H.R. 7359. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Revises conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Establishes procedures whereby the Secretary of the Treasury may collect debts owed by individuals to a State for certain medical assistance benefits.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Act.

H.R. 7360. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Establishes procedures whereby the Secretary of the Treasury may collect debts owed by individuals to a State for certain medical assistance benefits.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Act.

H.R. 7361. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to assist public or nonprofit private schools of nursing to meet the costs of developing short-term in-service training programs for nurse aides and orderlies in nursing homes, with emphasis on the special problems of geriatric patients.

H.R. 7362. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to assist public or nonprofit private schools of nursing to meet the costs of developing short-term in-service training programs for nurse aides and orderlies in nursing homes, with emphasis on the special problems of geriatric patients.

H.R. 7363. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to assist public or nonprofit private schools of nursing to meet the costs of developing short-term in-service training programs for nurse aides and orderlies in nursing homes, with emphasis on the special problems of geriatric patients.

H.R. 7364. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to assist schools of medicine in the establishment and operation of departments of geriatrics.

H.R. 7365. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to assist schools of medicine in the establishment and operation of departments of geriatrics.

H.R. 7366. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to assist schools of medicine in the establishment and operation of departments of geriatrics.

H.R. 7367. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants, upon application therefor by a school of medicine, to assist such school in the establishment and operation of continuing education programs in geriatrics for physicians.

H.R. 7368. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants, upon application therefor by a school of medicine, to assist such school in the establishment and operation of continuing education programs in geriatrics for physicians.

H.R. 7369. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants, upon application therefor by a school of medicine, to assist such school in the establishment and operation of continuing education programs in geriatrics for physicians.

H.R. 7370. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants and enter into contracts with public and nonprofit private entities for the purposes of developing or operating programs for the training of nurse practitioners, with special emphasis on nursing homes and the care of the aged.

H.R. 7371. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act to make grants and enter into contracts with public and nonprofit private entities for the purposes of developing or operating programs for the training of nurse practitioners, with special emphasis on nursing homes and the care of the aged.

H.R. 7372. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to schools of medicine to assist such schools in meeting the costs of developing and conducting special training programs to prepare qualified veterans of the Armed Forces to perform services as medical assistants in long-term health care facilities.

H.R. 7373. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to schools of medicine to assist such schools in meeting the costs of developing and conducting special training programs to prepare qualified veterans of the Armed Forces to perform services as medical assistants in long-term health care facilities.

H.R. 7374. May 21, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to schools of medicine to assist such schools in meeting the costs of developing and conducting special training programs to prepare qualified veterans of the Armed Forces to perform services as medical assistants in long-term health care facilities.

H.R. 7375. May 21, 1975. Interstate and Foreign Commerce. Enables the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants to appropriate colleges and universities to assist them in meeting the costs of establishing and operating programs for the training of physicians' assistants.

H.R. 7376. May 21, 1975. Interstate and Foreign Commerce. Enables the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants to appropriate colleges and universities to assist them in meeting the costs of establishing and operating programs for the training of physicians' assistants.

H.R. 7377. May 21, 1975. Interstate and Foreign Commerce. Enables the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants to appropriate colleges and universities to assist them in meeting the costs of establishing and operating programs for the training of physicians' assistants.

H.R. 7378. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to establish an experimental program under the Social Security Act of subsidization of families who care for elderly dependents who would otherwise require the services of a skilled nursing home.

H.R. 7379. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to establish an experimental program under the Social Security Act of subsidization of families who care for elderly dependents who would otherwise require the services of a skilled nursing home.

H.R. 7380. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to establish an experimental program under the Social Security Act of subsidization of families who care for elderly dependents who would otherwise require the services of a skilled nursing home.

H.R. 7381. May 21, 1975. Ways and Means. Amends the Medicare provisions of the Social Security Act by redefining "provider of service" to include day care centers for the elderly.

H.R. 7382. May 21, 1975. Ways and Means. Amends the Medicare provisions of the Social Security Act by redefining "provider of service" to include day care centers for the elderly.

H.R. 7383. May 21, 1975. Ways and Means. Amends the Medicare provisions of the Social Security Act by redefining "provider of service" to include day care centers for the elderly.

H.R. 7384. May 21, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants and enter into contracts with public and nonprofit private entities for the purposes of developing or operating programs for the training of nurse practitioners with special emphasis on nursing homes and the care of the aged.

H.R. 7385. May 21, 1975. Interstate and Foreign Commerce. Directs the Secretary of Housing and Urban Development to (1) solicit and review plans for the development of campus-style residential and health-care projects for the elderly; and (2) make interest subsidy payments to developers of plans selected from those submitted.

Amends the National Housing Act to authorize the Secretary to insure and to make commitments to insure mortgages on properties being developed under this Act.

Requires the evaluation of projects developed under this Act by a committee of members of both Houses of Congress, representatives of the medical profession, and administrators of health-care facilities.

H.R. 7386. May 21, 1975. Interstate and Foreign Commerce. Directs the Secretary of Housing and Urban Development to (1) solicit and review plans for the development of campus-style residential and health-care projects for the elderly; and (2) make interest subsidy payments to developers of plans selected from those submitted.

Amends the National Housing Act to authorize the Secretary to insure and to make commitments to insure mortgages on properties being developed under this Act.

Requires the evaluation of projects developed under this Act by a committee of Members of both Houses of Congress, representatives of the medical profession, and administrators of health-care facilities.

H.R. 7387. May 21, 1975. Interstate and Foreign Commerce. Directs the Secretary of Housing and Urban Development to (1) solicit and review plans for the development of campus-style residential and health-care projects for the elderly; and (2) make interest subsidy payments to developers of plans selected from those submitted.

Amends the National Housing Act to authorize the Secretary to insure and to make commitments to insure mortgages on properties being developed under this Act.

Requires the evaluation of projects developed under this Act by a committee of Members of both Houses of Congress, representatives of the medical profession, and administrators of health-care facilities.

H.R. 7388. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by requiring that each nursing home participating in a State medicaid program disclose the identity of persons holding a financial interest in such home.

H.R. 7389. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by requiring that each nursing home participating in a State medicaid program disclose the identity of persons holding a financial interest in such home.

H.R. 7390. May 21, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by requiring that each nursing home participating in a State medicaid program disclose the identity of persons holding a financial interest in such home.

H.R. 7391. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by (1) revising the method of determining a skilled nursing facility's eligibility for reimbursement and the method of computing payments and over payments to skilled nursing and intermediate care facilities under the Medicaid program; (2) requiring skilled nursing facilities to disclose the identity of persons with whom it does business; (3) further regulating business dealings between a skilled nursing facility and its owners; and (4) conditioning payment for certain services provided to a patient under the Medicare and Medicaid programs upon such patient's meeting certain criteria of need for such services.

H.R. 7392. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by (1) revising the method of determining a skilled nursing facility's eligibility for reimbursement and the method of computing payments and over payments to skilled nursing and intermediate care facilities under the Medicaid program; (2) requiring skilled nursing facilities to disclose the identity of persons with whom it does business; (3) further regulating business dealings between a skilled nursing facility and its owners; and (4) conditioning payment for certain services provided to a patient under the Medicare and Medicaid prorgams upon such patient's meeting certain criteria of need for such services.

H.R. 7393. May 21, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by (1) revising the method of determining a skilled nursing facility's eligibility for reimbursement and the method of computing payments and overpayments to skilled nursing and intermediate care facilities under the Medicaid program; (2) requiring skilled nursing facilities to disclose the identity of persons with whom it does business; (3) further regulating business dealings between a skilled nursing facility and its owners; and (4) conditioning payment for certain services provided to a patient under the Medicare and Medicaid programs upon such patient's meeting certain criteria of need for such services.

H.R. 7394. May 21, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 7395. May 21, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 7396. May 21, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 7397. May 21, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 7398. May 21, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 7399. May 21, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 7400. May 21, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.J. Res. 376. April 8, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit a school system which assigns pupils on the basis of neighborhoods to assign pupils in any other manner.

H.J. Res. 377. April 8, 1975. Armed Services. Prohibits equipment or personnel of any State National Guard from being utilized in Cambodia, Laos, or Vietnam.

H.J. Res. 378. April 8, 1975. Post Office and Civil Service. Designates April 24, 1975, as "National Day of Remembrance of Man's Inhumanity to Man" as a day of remembrance for victims of genocide.

H.J. Res. 379. April 8, 1975. Post Office and Civil Service. Designates April 24, 1975, as "National Day of Remembrance of Man's Inhumanity to Man" as a day of remembrance for victims of genocide.

H.J. Res. 380. April 8, 1975. Post Office and Civil Service. Designates November 11 as "Veterans Day".

H.J. Res. 381. April 8, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit a school system which assigns pupils on the basis of neighborhood to assign pupils in any other manner.

H.J. Res. 382. April 9, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit a public school student from being assigned to, or required to attend, a particular school because of race, creed, or color.

H.J. Res. 383. April 9, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 384. April 9, 1975. Post Office and Civil Service. Designates April 17, 1975, as "National Food Day".

H.J. Res. 385. April 9, 1975. Post Office and Civil Service. Authorizes the President to designate the first Saturday in October of each year as "National Jogging Day."

H.J. Res. 386. April 10, 1975. Interstate and Foreign Commerce; Ways and Means. Amends the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or refined petroleum products without congressional authority.

Prohibits the President from establishing such minimum prices under the Trade Expansion Act of 1962 or any other provision of law without congressional authority.

H.J. Res. 387. April 10, 1975. Interstate and Foreign Commerce; Ways and Means. Amends the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or refined petroleum products without congressional authority.

Prohibits the President from establishing such minimum prices under the Trade Expansion Act of 1962 or any other provision of law without congressional authority.

H.J. Res. 388. April 10, 1975. International Relations. Directs the President to seek international agreements establishing a wildlife preserve for humpback whales in the West Indies.

H.J. Res. 389. April 10, 1975. International Relations. Directs the President to seek international agreements establishing a wildlife preserve for humpback whales in the West Indies.

H.J. Res. 390. April 15, 1975. Judiciary. Proposes an amendment to the Constitution to limit the tenure of Federal judges to two ten-year terms of office upon appointment and reappointment by the President.

H.J. Res. 391. April 15, 1975. Interior and Insular Affairs. Authorizes the return of the remains of Pocahontas to the United States. Directs the establishment of the Pocahontas Memorial under the direction of the Secretary of the Interior.

H.J. Res. 392. April 15, 1975. Post Office and Civil Service. Designates May 1975 as "Older Americans Month."

H.J. Res. 393. April 15, 1975. Banking, Currency and Housing. Prohibits the Secretary of Housing and Urban Development from making certain grants to urban counties so that Congress may reexamine the distribution of grant funds under the Housing and Community Development Act.

H.J. Res. 394. April 15, 1975. Post Office and Civil Service. Authorizes the President to designate September 28, 1975, as "National Indian Day".

H.J. Res. 395. April 16, 1975. Post Office and Civil Service. Authorizes the President to designate the third week in May of each year as "National High School Band Week."

H.J. Res. 396. April 16, 1975. Interstate and Foreign Commerce; Ways and Means. Amends the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or refined petroleum products without Congressional authority.

Prohibits the President from establishing such minimum prices under the Trade Expansion Act of 1962 or any other provision of law without Congressional authority.

H.J. Res. 397. April 16, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 398. April 16, 1975. Post Office and Civil Service. Authorizes the President to designate the 4th Saturday of each September "National Hunting and Fishing Day".

H.J. Res. 399. April 16, 1975. International Relations. Directs the President to seek international agreements establishing a wildlife preserve for humpback whales in the West Indies.

H.J. Res. 400. April 16, 1975. Judiciary. Restores citizenship posthumously to General Robert E. Lee.

H.J. Res. 401. April 17, 1975. Post Office and Civil Service. Designates the week of May 12, 1975, as "National Hospital Week."

H.J. Res. 402. April 17, 1975. Ways and Means. Establishes a National Commission on Social Security to study and to submit recommendations for the improvement of the Social Security program.

H.J. Res. 403. April 17, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 404. Apri 17, 1975. Judiciary. Proposes an amendment to the Constitution to create four year terms for Members of the House of Representatives and to require the resignation of such Representative who becomes a candidate for the Senate.

H.J. Res. 405. April 18, 1975. Judiciary. Proposes an amendment to the Constitution to guarantee the right to life from the moment of fertilization.

H.J. Res. 406. April 18, 1975. International Relations. Directs the President to accept a certain statue of Abraham Lincoln and present it to Israel, on behalf of the United States.

H.J. Res. 407. April 21, 1975. Appropriations. Makes emergency supplemental military and reconstruction appropriations to the Republic of South Vietnam.

H.J. Res. 408. April 21, 1975. International Relations. Directs the President to initiate negotiations with major arms exporting countries with respect to limiting arms sales to countries in areas of potential conflict, especially the Persian Gulf countries.

H.J. Res. 409. April 22, 1975. Judiciary. Proposes an amendment to the Constitution to permit voluntary participation in prayer in public schools and public buildings.

H.J. Res. 410. April 22, 1975. Government Operations; Judiciary. Excludes from eligibility for contracts with the United States Government persons with major investments or affiliations with entities doing business in South Africa unless such business is in accordance with fair employment practices.

Directs the President (1) to extend Executive Order 11246 to such contracts and (2) to appoint an Advisory Board for the implementation of such policy.

H.J. Res. 411. April 22, 1975. Judiciary. Restores citizenship posthumously to General Robert E. Lee.

H.J. Res. 412. April 22, 1975. Post Office and Civil Service. Authorizes the President to designate the week of June 8 through 14, 1975, as "National Fraternal Week."

H.J. Res. 413. April 22, 1975. Post Office and Civil Service. Designates the week beginning with the 3rd Monday in February of each year as "National Patriotism Week."

H.J. Res. 414. April 22, 1975. Post Office and Civil Service. Designates November 11 as "Veterans Day."

H.J. Res. 415. April 23, 1975. Post Office and Civil Service. Designates July 20 as a legal holiday to be known as "United States Lunar Landing Day."

H.J. Res. 416. April 24, 1975. Ways and Means. Establishes a National Commission on Social Security to study and to submit recommendations for the improvement of the Social Security program.

H.J. Res. 417. April 29, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit Members of Congress or the Federal judiciary to continue in office after attaining 66 years of age.

H.J. Res. 418. April 29, 1975. Judiciary. Restores citizenship posthumously to General Robert E. Lee.

H.J. Res. 419. April 29, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 420. April 29, 1975. Ways and Means; Interstate and Foreign Commerce. Declares it the sense of the Congress that the President call a White House Conference on Long-Term Care in 1976 to be planned and conducted by the Secretary of Health, Education, and Welfare.

H.J. Res. 421. April 30, 1975. Interstate and Foreign Commerce; Ways and Means. Amends the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or refined petroleum products without Congressional authority.

Prohibits the President from establishing such minimum prices under the Trade Expansion Act of 1962 or any other provision of law without Congressional authority.

H.J. Res. 422. April 30, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 423. April 30, 1975. Post Office and Civil Service. Authorizes the President to designate September 8 of each year as "National Cancer Day".

H.J. Res. 424. May 1, 1975. Judiciary. Permits the appointment of members from the

New England States to the American Revolution Bicentennial Advisory Council.

H.J. Res. 425. May 1. 1975. Judiciary. Proposes an amendment to the Constitution to permit the States to allow, regulate, or prohibit the practice of abortion.

H.J. Res. 426. May 1, 1975. Judiciary. Proposes an amendment to the Constitution to allow prayer and religious instruction in public places, including schools.

H.J. Res. 427. May 1, 1975. Post Office and Civil Service. Authorizes the President to designate the first week in May of each year as "Be Kind to Animals Week".

H.J. Res. 428. May 5, 1975. Judiciary. Proposes an amendment to the Constitution allowing prayer in public buildings.

H.J. Res. 429. May 5, 1975. Post Office and Civil Service. Requests the President to proclaim October 1975 as "Hobby Month".

H.J. Res. 430. May 5, 1975. Post Office and Civil Service. Designates May 1975 as "Older Americans Month."

H.J. Res. 431. May 6, 1975. Judiciary. Proposes an amendment to the Constitution to extend Congressional representation to the District of Columbia.

H.J. Res. 432. May 6, 1975. Judiciary. Proposes an amendment to the Constitution to extend Congressional representation to the District of Columbia.

H.J. Res. 433. May 6, 1975. Judiciary. Proposes an amendment to the Constitution to extend Congressional representation to the District of Columbia.

H.J. Res. 434. May 6, 1975. Judiciary. Proposes an amendment to the Constitution to extend Congressional representation to the District of Columbia.

H.J. Res. 435. May 6, 1975. Judiciary. Proposes an amendment to the Constitution requiring representation of the District of Columbia in the Congress.

H.J. Res. 436. May 6, 1975. Judiciary. Proposes an amendment to the Constitution to extend Congressional representation to the District of Columbia.

H.J. Res. 437. May 6, 1975. Judiciary. Proposes an amendment to the Constitution to extend Congressional representation to the District of Columbia.

H.J. Res. 438. May 6, 1975. Judiciary. Proposes an amendment to the Constitution to extend Congressional representation to the District of Columbia.

H.J. Res. 439. May 6, 1975. Interstate and Foreign Commerce; Ways and Means. Amends the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or refined petroleum products without Congressional authority. Prohibits the President from establishing such minimum prices under the Trade Expansion Act of 1962 or any other provision of law without Congressional authority.

H.J. Res. 440. May 6, 1975. Post Office and Civil Service. Authorizes the President to designate February 16 as "Bataan-Corregidor Day."

H.J. Res. 441. May 6, 1975. Post Office and Civil Service. Authorizes the President to designate the third week in October of each year as "National Screen Printing Week" and to designate Tuesday of such week as "National Screen Printing Day."

H.J. Res. 442. May 6, 1975. Judiciary. Proposes an amendment to the Constitution to allow Guam and the Virgin Islands to participate in the election of the President and Vice President.

H.J. Res. 443. May 6, 1975. Judiciary. Proposes an amendment to the Constitution providing for the direct popular election of the President and Vice President of the United States.

H.J. Res. 444. May 7, 1975. Ways and Means. Directs the Secretary of the Treasury to place an embargo on the products of all foreign enterprises engaged in commercial whaling.

H.J. Res. 445. May 7, 1975. Judiciary. Restores citizenship posthumously to General Robert E. Lee.

H.J. Res. 446. May 7, 1975. Judiciary. Proposes an amendment to the Constitution (1) to prohibit compelling attendance in schools other than the one nearest a student's residence, and (2) to insure equal educational opportunities for all students.

H.J. Res. 447. May 7, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 448. May 8, 1975. Merchant Marine and Fisheries; Ways and Means. Amends the Fisherman's Protective Act of 1967 to direct the Secretary of the Treasury to place an embargo on the products of all foreign enterprises engaged in commercial whaling.

H.J. Res. 449. May 8, 1975. Judiciary. Proposes an amendment to the Constitution to allow the States to ratify proposed amendments to the Constitution by popular referendum.

H.J. Res. 450. May 9, 1975. Post Office and Civil Service. Designates the week beginning with the 3rd Monday in February of each year as "National Patriotism Week."

H.J. Res. 451. May 13, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at all stages of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother and requires every reasonable effort be made to preserve the life of her unborn child.

H.J. Res. 452. May 13, 1975. Post Office and Civil Service. Authorizes the President to designate the last week in June of each year as "National Autistic Children's Week."

H.J. Res. 453. May 13, 1975. Post Office and Civil Service. Authorizes the President to designate the last week in June of each year as "National Autistic Children's Week".

H.J. Res. 454. May 13, 1975. International Relations. Directs the Secretary of Defense to insure the continued military viability through certain foreign military credit sales.

H.J. Res. 455. May 13, 1975. International Relations. Directs the Secretary of Defense to insure the continued military viability of Israel through certain foreign military credit sales.

H.J. Res. 456. May 13, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to organize an international conference on heart disease, cancer, and stroke.

H.J. Res. 457. May 14, 1975. International Relations. Directs the President to insist, through the United States ambassador to the United Nations, that such organization (1) obtain an accounting of United States servicemen missing in Southeast Asia, and (2) call upon North Vietnam to comply with the Paris agreement.

H.J. Res. 458. May 14, 1975. Post Office and Civil Service. Designates "The Stars and stripes Forever" as the national march.

H.J. Res. 459. May 14, 1975. Interior and Insular Affairs. Authorizes the return of the remains of Pocahontas to the United States. Directs the establishment of the Pocahontas Memorial under the direction of the Secretary of the Interior.

H.J. Res. 460. May 14, 1975. Judiciary. Proposes an amendment to the Constitution allowing prayer in public buildings.

H.J. Res. 461. May 15, 1975. Banking, Currency and Housing. Calls for a solution to the financial situation of New York City with the cooperation of New York City, the New York banks, New York State, the Federal Reserve Board, and the Congress.

H.J. Res. 462. May 19, 1975. Interstate and Foreign Commerce; Ways and Means. Prohibits the President or his representative from entering into any international minimum pricing agreements for petroleum without Congressional approval. Declares it the sense of Congress that the President shall not enter any international agreement or adjust imports to establish a price floor for crude oil, residual fuel oil, or any refined petroleum product until Congress grants the authority to do so.

H.J. Res. 463. May 19, 1975. Post Office and Civil Service. Designates November 11 as "Veterans Day".

H.J. Res. 464. May 20, 1975. Appropriations. Makes supplemental appropriations for the 1975 fiscal year for Federal unemployment benefits and allowances and for advances to the Unemployment Trust Fund and other funds, under the Trade Act of 1974 and the Social Security Act.

Exempts any individual who served an educational institution in an instructional, research, or administrative capacity from special unemployment assistance between successive academic years or similar periods under the Emergency Jobs and Unemployment Assistance Act of 1974.

H.J. Res. 465. May 20, 1975. Judiciary. Permits the appointment of members from the New England States to the American Revolution Bicentennial Advisory Council.

H.J. Res. 466. May 20, 1975. Ways and Means; Interstate and Foreign Commerce. Prohibits the President or his representative from entering into any international minimum pricing agreements for petroleum without congressional approval. Declares it the sense of Congress that the President shall not enter any international agreement or adjust imports to establish a price floor for crude oil, residual fuel oil, or any refined petroleum product until Congress grants the authority to do so.

H.J. Res. 467. May 20, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 468. May 20, 1975. International Relations. Urges the President to return the crown of St. Stephen to Hungary.

H.J. Res. 469. May 21, 1975. Post Office and Civil Service. Designates the second Sunday in June of each year as "Children's Day."

H.J. Res. 470. May 21, 1975. Post Office and Civil Service. Designates June of each year as "Combat Huntington's Disease Month."

H.J. Res. 471. May 22, 1975. Judiciary. Proposes an amendment to the Constitution limiting appropriations to the amount of revenues, except during a national emergency.

H.J. Res. 472. May 22, 1975. Post Office and Civil Service. Authorizes the President to designate the last week in June of each year as "National Autistic Children's Week."

H.J. Res. 473. May 22, 1975. Judiciary. Proposes an amendment to the Constitution allowing prayer in public buildings.

H.J. Res. 474. May 22, 1975. Ways and Means; Interstate and Foreign Commerce. Declares it the sense of Congress that the President call a White House Conference on Long-Term Care in 1976 to be planned and conducted by the Secretary of Health, Education, and Welfare.

H.J. Res. 475. May 22, 1975. Ways and Means; Interstate and Foreign Commerce. Declares it the sense of Congress that the President call a White House Conference on Long-Term Care in 1976 to be planned and conducted by the Secretary of Health, Education, and Welfare.

H. Con. Res. 200. March 26, 1975. International Relations. Declares it the sense of Congress that (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union; and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 201. March 26, 1975. International Relations. Declares it the sense of Congress that (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union; and (2) should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 202. March 26, 1975. Ways and Means. Declares it the sense of Congress that no ceiling on social security cost-of-living benefits shall be enacted.

H. Con. Res. 203. April 8, 1975. Directs a joint session of the two Houses of Congress on April 10, 1975.

H. Con. Res. 204. April 8, 1975. Armed Services. Declares it the sense of Congress that the Purple Heart be awarded posthumously to members of the Armed Forces of the United States interred in the Tomb of the Unknown at Arlington National Cemetery, Virginia.

H. Con. Res. 205. April 8, 1975. International Relations. Declares it the sense of Congress that the President take certain steps in an effort to secure freedom of religious worship within the Union of Soviet Socialist Republics.

H. Con. Res. 206. April 8, 1975. International Relations. Declares it the sense of the Congress that (1) the United States should continue its role in the United Nations; and (2) the President should direct the Department of State to formulate proposals to improve the procedures and effectiveness of the United Nations.

Requests the President to report to certain Congressional committees regarding such proposals.

H. Con. Res. 207. April 8, 1975. Post Office and Civil Service. Declares it the sense of Congress that equality, integration of women into the social and economic development of all nations, and recognition of women's contributions toward world peace be reached during 1975, International Women's Year.

H. Con. Res. 208. April 8, 1975. Interstate and Foreign Commerce. Urges telephone and hearing aid industries to utilize technology to improve telephone communication for those with hearing loss.

H. Con. Res. 209. April 8, 1975. International Relations. Declares it the sense of the Congress that (1) evacuation and relief measures be taken by the United Nations in Indochina, and (2) the United Nation's Secretary General should call upon the Government of North Vietnam and the Provisional Revolutionary Government not to interfere with these efforts.

H. Con. Res. 210. April 9, 1975. International Relations. Demands the immediate withdrawal of Communist forces in Vietnam to the cease-fire line established by the Paris agreement. Calls upon the administration, other governments, and the United Nations to take action to assure asylum and resettlement of all Vietnamese who fear for their lives.

H. Con. Res. 211. April 10, 1975. Ways and Means. Declares it the sense of Congress that Federal income tax forms be simplified and that State and local income tax forms be modeled on the Federal forms.

H. Con. Res. 212. April 10, 1975. International Relations. Declares it the sense of the Congress that the designation of 1975 as International Women's Year is welcomed and full support is expressed for the goals for the year as proclaimed by the United Nations.

H. Con. Res. 213. April 10, 1975. International Relations. Calls for action by the United States to effect a regional conservation treaty for the protection of northern hemisphere pinnipeds.

H. Con. Res. 214. April 10, 1975. International Relations. Calls for action by the United States to effect a regional conservation treaty for the protection of northern hemisphere pinnipeds.

H. Con. Res. 215. April 10, 1975. House Administration. Directs that 472,000 copies of the House document, "The Capitol", be printed.

H. Con. Res. 216. April 10, 1975. International Relations. Declares it the sense of Congress that: (1), the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 217. April 10, 1975. International Relations. Condemns the violation of the Paris agreement and the aggression in Vietnam by Communist forces.

Questions the actions of the Soviet Union and the People's Republic of China in supplying arms to Communist client states. Calls upon the powers to persuade Hanoi to return to negotiation.

Calls upon the administration, governments of free nations, and the United Nations to assure asylum and resettlement of Vietnamese refugees.

H. Con. Res. 218. April 14, 1975. Determines and declares, under the Congressional Budget Act, (1) the recommended level of Federal revenues, (2) the level of new budget authority, (3) the level of budget outlays, (4) the amount of budget deficit, and (5) the public debt for the fiscal year 1976.

H. Con. Res. 219. April 14, 1975. International Relations. Declares it the sense of the Congress that the President evacuate all American nationals from Vietnam and Cambodia, within 7 days, utilizing civilian personnel and transport.

H. Con. Res. 220. April 15, 1975. International Relations. Condemns the violation of the Paris agreement and the aggression in Vietnam by Communist forces.

Questions the actions of the Soviet Union and the People's Republic of China in supplying arms to Communist client states. Calls upon these powers to persuade Hanoi to return to negotiation.

Calls upon the administration, governments of free nations, and the United Nations to assure asylum and resettlement of Vietnamese refugees.

H. Con. Res. 221. April 15, 1975. International Relations. Urges the President to request the Soviet Union to release Valentyn Moroz and Leonid Plyushch from prison and allow them to emigrate.

H. Con. Res. 222. April 16, 1975. International Relations. Declares it the sense of Congress that the President evacuate American citizens from Vietnam without the use of combat forces. Directs that Americans in Vietnam be informed that such forces will not be used to rescue those who refuse orderly evacuation.

H. Con. Res. 223. April 16, 1975. International Relations. Declares it the sense of Congress that the President evacuate American citizens from Vietnam without the use of combat forces. Directs that Americans in Vietnam be informed that such forces will not be used to rescue those who refuse orderly evacuation.

H. Con. Res. 224. April 16, 1975. Armed Services. Declares it the sense of Congress that John Adams should be known as the "Father of the United States Marine Corps".

H. Con. Res. 225. April 16, 1975. Interior and Insular Affairs. Declares that certain routes used by American and French forces to accomplish the victory at Yorktown should be known as "The Washington-Rochambeau National Historic Route".

H. Con. Res. 226. April 16, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 227. April 16, 1975. International Relations. Declares it the sense of Congress that the President evacuate all American citizens from Vietnam.

H. Con. Res. 228. April 16, 1975. International Relations. Calls for action by the United States to effect a regional conservation treaty for the protection of northern hemisphere pinnipeds.

H. Con. Res. 229. April 16, 1975. Science and Technology. Declares it the sense of Congress that the Federal Government eliminate the use of animals in research to the extent feasible.

H. Con. Res. 230. April 16, 1975. Interstate and Foreign Commerce. Recommends that the Secretary of Transportation reach an agreement with industry on a plan that would result in increased passive restraint usage on the road and defer a call for rule-making with respect to passive restraints.

H. Con. Res. 231. April 17, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 232. April 17, 1975. Post Office and Civil Service. Declares it the sense of Congress that no legislation be enacted imposing a ceiling on cost-of-living benefit increases for Federal retirees.

H. Con. Res. 233. April 17, 1975. International Relations. Declares it the sense of the Congress that (1) the United States should continue its role in the United Nations; and (2) the President should direct the Department of State to formulate proposals to improve the procedures and effectiveness of the United Nations.

Requests the President to report to certain Congressional committees regarding such proposals.

H. Con. Res. 234. April 17, 1975. Armed Services. Requests the establishment of a Presidential task force on the missing in action and their families (1) to achieve a full accounting, and (2) to make recommendations on Federal policies concerning the missing in action of the Vietnam conflict.

H. Con. Res. 235. April 17, 1975. International Relations. Declares it the sense of Congress that the United Nations (1) assist the evacuation and relief of Indochina refugees, and (2) call upon North Vietnam and the Provisional Revolutionary Government not to interfere with such efforts.

H. Con. Res. 236. April 17, 1975. International Relations. Declares it the sense of Congress that the United States should not lift its embargo against Cuba or enter into normal and friendly relations with Cuba until certain conditions are met.

H. Con. Res. 237. April 17, 1975. International Relations. Declares it the sense of Congress that the United Nations (1) assist the evacuation and relief of Indochina refugees and (2) call upon North Vietnam and the Provisional Revolutionary Government not to interfere with such efforts.

H. Con. Res. 238. April 17, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 239. April 18, 1975. International Relations. Condemns the violation of the Paris agreement and the aggression in Vietnam by Communist forces.

Questions the actions of the Soviet Union and the People's Republic of China in supplying arms to Communist client states. Calls upon these powers to persuade Hanoi to return to negotiation.

Call upon the administration, governments of free nations, and the United Nations to assure asylum and resettlement of Vietnamese refugees.

H. Con. Res. 240. April 18, 1975. International Relations. Declares it the sense of Congress that the President recall the United States Ambassador to South Vietnam.

H. Con. Res. 241. April 18, 1975. Inter-Congress that the President take immediate steps to evacuate all American nationals from Vietnam and Cambodia, utilizing civilian personnel and transport.

H. Con. Res. 242. April 18, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 243. April 21, 1975. Public Works and Transportation. Declares it the sense of Congress (1) that certain public buildings be surveyed for architectural barriers to the handicapped, (2) that such barriers be removed, and (3) that other governmental units be urged to take like action.

H. Con. Res. 244. April 21, 1975. International Relations. Declares it the sense of Congress that the President order Ambassador Martin to expedite an orderly evacuation of American nationals from Vietnam.

H. Con. Res. 245. April 21, 1975. International Relations. Declares it the sense of Congress that the President order Ambassador Martin to expedite an orderly evacuation of American nationals from Vietnam.

H. Con. Res. 246. April 21, 1975. International Relations. Declares it the sense of Congress that the President immediately take steps to evacuate American citizens from Vietnam.

H. Con. Res. 247. April 22, 1975. International Relations. Declares it the sense of the Congress that the President order Ambassador Martin to expedite an orderly evacuation of American nationals from Vietnam.

H. Con. Res. 248. April 22, 1975. Ways and Means. Declares it the sense of Congress that no ceiling on social security cost-of-living benefit increases shall be enacted.

H. Con. Res. 249. April 22, 1975. Armed Services. Declares that providing payroll support for commissionary stores operated by agents of the Department of Defense is appropriate.

Expresses Congressional disapproval of the elimination of this practice, proposed by the President in the budget for the coming fiscal year.

H. Con. Res. 250. April 23, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 251. April 23, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 252. April 24, 1975. Ways and Means. Approves the Presidential extension of nondiscriminatory treatment with respect to the products of the Socialist Republic of Romania.

H. Con. Res. 253. April 24, 1975. Ways and Means. Declares it the sense of Congress that certain amendments to the medicare program not be enacted.

H. Con. Res. 254. April 28, 1975. Budget. Determines and declares, under the Congressional Budget Act, (1) the recommended level of Federal revenues, (2) the level of new budget authority, (3) the level of budget outlays, (4) the amount of budget deficit, and (5) the public debt for the fiscal year 1976.

H. Con. Res. 255. April 29, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 256. April 29, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 257. April 29, 1975. Budget. Determines and declares, under the Congressional Budget Act, (1) the recommended level of Federal revenues, (2) the level of new budget authority, (3) the level of budget outlays, (4) the amount of budget deficit, and (5) the public debt for the fiscal year 1976.

H. Con. Res. 258. April 30, 1975. Interstate and Foreign Commerce. Recommends that the Secretary of Transportation reach an agreement with industry on a plan that would result in increased passive restraint usage on the road and defer a call for rulemaking with respect to passive restraints.

H. Con. Res. 259. April 30, 1975. International Relations. Declares it the sense of Congress that Mother Teresa of Calcutta be recommended for nomination for the 1975 Nobel Peace Prize.

H. Con. Res. 260. April 30, 1975. Budget. Determines and declares, under the Congressional Budget Act, (1) the recommended level of Federal revenues, (2) the level of new budget authority, (3) the level of budget outlays, (4) the amount of budget deficit, and (5) the public debt for the fiscal year 1976.

H. Con. Res. 261. April 30, 1975. Budget. Determines and declares, under the Congressional Budget Act, (1) the recommended level of Federal revenues, (2) the level of new budget authority, (3) the level of budget outlays, (4) the amount of budget deficit, and (5) the public debt for the fiscal year 1976.

H. Con. Res. 262. May 1, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 263. May 1, 1975. Post Office and Civil Service. Declares it the sense of Congress that equality, integration of women into the social and economic development of all nations, and recognition of women's contributions toward world peace, be reached during 1975, International Women's Year.

H. Con. Res. 264. May 5, 1975. International Relations. Declares it the sense of Congress that the President call upon the United Nations to assist in the resettlement of South Vietnamese refugees.

H. Con. Res. 265. May 5, 1975. Post Office and Civil Service. Declares it the sense of Congress that equality, integration of women into the social and economic development of all nations, and recognition of women's contributions toward world peace be reached during 1975, International Women's Year.

H. Con. Res. 266. May 5, 1975. International Relations. Declares it the sense of Congress that the United States should not lift its embargo against Cuba or enter into normal and friendly relations with Cuba until certain conditions are met.

H. Con. Res. 267. May 5, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 268. May 6, 1975. International Relations. Condemns the killing of whales by certain nations. Urges the President and Secretary of State to call upon whaling nations to cease commercial whaling.

H. Con. Res. 269. May 7, 1975. House Administration. Directs the printing of "Federal Election Campaign Law Relating to the United States House of Representatives" as a House document.

H. Con. Res. 270. May 7, 1975. Ways and Means. Declares it the sense of Congress that Federal income tax forms be simplified and that State and local income tax forms be modeled on the Federal forms.

H. Con. Res. 271. May 8, 1975. Interstate and Foreign Commerce. Recommends that the Secretary of Transportation (1) reach an agreement with the auto industry with respect to increasing passive restraint and (2) deter rulemaking with respect to such restraints.

H. Con. Res. 272. May 8, 1975. International Relations. Declares it the sense of Congress that the United States (1) comply with United Nations sanctions against Rhodesia and (2) that the United States facilitate justice and equality for residents of South Africa and cease support for such country until apartheid is abolished. Endorses the objective of the Dar Es Salaam Declaration of the Organization of African Unity. Calls upon the President to support the United Nations Security Council Resolution 366.

H. Con. Res. 273. May 8, 1975. International Relations. Declares it the sense of Congress that the President propose to the United Nations an investigation of the discharge of flurocarbon compounds into the air.

H. Con. Res. 274. May 12, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 275. May 12, 1975. International Relations. Declares it the sense of the Congress that (1) the United States should continue its role in the United Nations; and (2) the President should direct the Department of State to formulate proposals to improve the procedures and effectiveness of the United Nations.

Requests the President to report to certain Congressional committees regarding such proposals.

H. Con. Res. 276. May 13, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 277. May 13, 1975. International Relations. Declares it the sense of Congress that Mother Teresa of Calcutta deserves the Nobel Peace Prize and should be given consideration for such prize.

H. Con. Res. 278. May 14, 1975. International Relations. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 279. May 14, 1975. Interstate and Foreign Commerce; International Relations. Declares it the sense of Congress that (1) the President declare war on illegal drug traffic, (2) the National Security Council devise a strategy to halt this traffic, (3) the Drug Enforcement Agency report to the Congress and the President the status of importation of such drugs, (4) the Secretary of State negotiate to end such traffic, and (5) foreign assistance be terminated to nations continuing the export of such drugs.

H. Con. Res. 280. May 14, 1975. Government Operations. Declares it the sense of Congress that the Administrator of General Services study the practicability of a Federal Audiovisual Procurement Office to allocate film production for the Federal Government to private industry.

H. Res. 300. March 12, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that (1) not less than 50 per cent of the food which the President has budgeted for Cambodia under the Agricultural Trade Development and Assistance Act of 1954 be made available to Cambodia; and (2) any such food be administered by voluntary agencies already established in Cambodia.

H. Res. 301. March 12, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that (1) all signatory parties should comply with the Paris Agreement of January 27, 1975; and (2) the President and Secretary of State should determine the fate of Americans missing in Southeast Asia.

H. Res. 302. March 12, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that the United States should retain sovereignty and jurisdiction over the Panama Canal Zone.

H. Res. 303. March 12, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that the United States should retain sovereignty and jurisdiction over the Panama Canal Zone.

H. Res. 304. March 12, 1975. Sets forth the rule for the consideration of H.R. 25.

H. Res. 305. March 13, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that (1) not less than 50 per cent of the food which the President has budgeted for Cambodia under the Agricultural Trade Development and Assistance Act of 1954 be made available to Cambodia; and (2) any such food be administered by voluntary agencies already established in Cambodia.

H. Res. 306. March 13, 1975. Interstate and Foreign Commerce. Declares it the sense of the House of Representatives that the President submit to Congress a multiagency plan for correcting nursing home abuses.

H. Res. 307. March 13, 1975. Interstate and Foreign Commerce. Declares it the sense of the House of Representatives that the President submit to Congress a multiagency plan for correcting nursing home abuses.

H. Res. 308. March 13, 1975. Rules. Directs the House Commission on Information and Facilities to provide radio and television coverage of House sessions. Sets forth regulations limiting the uses of such coverage.

H. Res. 309. March 13, 1975. Appropriations. Expresses the disapproval of the House of Representatives of budget deferral D75-94 relating to the National Oceanic and Atmospheric Administration. Proposed by the President on November 16, 1974, under the Impoundment Control Act of 1974.

H. Res. 310. March 13, 1975. Sets forth the rule for the consideration of H.R. 4296.

H. Res. 311. March 14, 1975. Elects certain House members to the Joint Committee on Printing and the Joint Committee on the Library.

H. Res. 312. March 14, 1974. Rules. Creates a House select committee to investigate the fate of the missing in action and prisoners of war in Vietnam. Authorizes the committee to recommend to the President and Congress means to a resolution of this problem.

H. Res. 313. March 14, 1975. Foreign Affairs. Directs the President to provide the House of Representatives with information regarding the experiences of certain citizens of the United States while in the Republic of Mexico.

H. Res. 314. March 17, 1975. Confirms certain persons for appointment to the Federal Election Commission.

H. Res. 315. March 17, 1975. House Administration. Authorizes the expenses of the House Committee on Foreign Affairs to be paid from the House contingent fund.

H. Res. 316. March 18, 1975. Elects certain House members to the Committee on Banking, Currency and Housing, and the Committee on Interstate and Foreign Commerce.

H. Res. 317. March 18, 1975. Rules. Authorizes and directs the Speaker of the House of Representatives to implement a plan for audio and video broadcasting of the proceedings of the House of Representatives.

H. Res. 318. March 18, 1975. Rules. Authorizes and directs the Speaker of the House of Representatives to implement a plan for audio and video broadcasting of the proceedings of the House of Representatives.

H. Res. 319. March 18, 1975. Rules. Amends the Rules on the House of Representatives to prohibit a party caucus or conference from issuing binding instructions on a Member's committee or floor votes. Permits a Member so bound to raise a point of order.

H. Res. 320. March 18, 1975. Rules. Amends the Rules on the House of Representatives to prohibit a party caucus or conference from issuing binding instructions on a Member's committee or floor votes. Permits a Member so bound to raise a point of order.

H. Res. 321. March 18, 1975. Rules. Amends the Rules of the House of Representatives to require that the record of committee action be made available to the public, with certain exceptions.

H. Res. 322. March 18, 1975. Rules. Amends the Rules of the House of Representatives to require that the record of committee action be made available to the public, with certain exceptions.

H. Res. 323. March 18, 1975. Rules. Amends the Rules of the House of Representatives to prohibit the use of proxy voting in committees.

H. Res. 324. March 18, 1975. Rules. Amends the Rules of the House of Representatives to prohibit the use of proxy voting in committees.

H. Res. 325. March 18, 1975. Rules. Amends the Rules of the House of Representatives to require that all committee meetings be open to the public, with certain exceptions.

H. Res. 326. March 18, 1975. Rules. Amends the Rules of the House of Representatives to require that all committee meetings be open to the public with certain exceptions.

H. Res. 327. March 18, 1975. Rules. Amends the Rules of the House of Representatives (1) to allow any member in committee to demand a rollcall vote on any matter, and (2) to require a rollcall vote on any motion to report a bill or resolution of a public character from committee.

H. Res. 328. March 18, 1975. Rules. Amends the Rules of the House of Representatives (1) to allow any member in committee to demand a rollcall vote on any matter; and (2) to require a rollcall vote on any motion to report a bill or resolution of a public character from committee.

H. Res. 329. March 18, 1975. Rules. Amends the Rules of the House of Representatives to prohibit suspension of the rules for considering a matter reported from a committee unless the suspension is requested by the chair and ranking minority member of the committee, or a majority of the committee, in open session, with a quorum present, by rollcall vote.

H. Res. 330. March 18, 1975. Rules. Amends the Rules of the House of Representatives to prohibit suspension of the rules for considering a matter reported from a committee unless the suspension is requested by the chair and ranking minority member of the committee, or a majority of the committee, in open session, with a quorum present, by rollcall vote.

H. Res. 331. March 18, 1975. Rules. Amends the Rules of the House of Representatives to require (1) that all House-Senate conferences be open to the public and (2) that no conference report shall be in order for consideration unless all conference sessions be open.

H. Res. 332. March 18, 1975. Rules. Amends the Rules of the House of Representatives to require (1) that all House-Senate conferences be open to the public and (2) that no conference report shall be in order for consideration unless all conference sessions be open.

H. Res. 333. March 18, 1975. Rules. Creates a House select committee to investigate (1) the extent of reported and unreported natural gas and petroleum reserves of the United States; (2) the impact of such reserves on patterns of distribution and on price regulations; (3) methods for improving the reporting of such reserves; and (4) the potential for discovery of new reserves.

H. Res. 334. March 18, 1975. Agriculture. Declares it the sense of the House of Representatives that investments in agricultural research and technology be made for the purpose of increasing food production.

H. Res. 335. March 18, 1975. Rules. Creates a House select committee to investigate the fate of the missing in action and prisoners of war in Vietnam. Authorizes the committee to recommend to the President and Congress means to a resolution of this problem.

H. Res. 336. March 18, 1975. Rules. Establishes a select committee in the House of Representatives (1) to investigate the problem of United States servicemen missing in action, and (2) to recommend sending additional inspection teams to determine if these persons are prisoners of war.

H. Res. 337. March 18, 1975. Rules. Sets forth the rule for the consideration of H.R. 4485.

H. Res. 338. March 19, 1975. House Administration. Authorizes payment from the contingent fund of the House of Representatives of additional sums for continuance of necessary projects of each standing or select committee, subcommittee, force or system of the House of Representatives for April 1-30, 1975.

H. Res. 339. March 19, 1975. House Administration. Authorizes additional personnel in the office of the Speaker, the floor leaders, the whips, the chief deputy whips, the Democratic caucus, and the Republican conference of the House of Representatives. Specifies that such personnel shall be compensated from the House contingent fund. Equalizes the allocation for salaries and office expenses of the majority and minority floor leaders.

H. Res. 340. March 19, 1975. Rules. Sets forth the rule for the consideration of H.R. 37.

H. Res. 341. March 19, 1975. Rules. Sets forth the rule for the consideration of H.R. 3922.

H. Res. 342. March 19, 1975. Rules. Sets forth the rule for the consideration of H.R. 4005.

H. Res. 343. March 19, 1975. Rules. Sets forth the rule for the consideration of H.R. 4700.

H. Res. 344. March 20, 1975. Rules. Directs the House Commission on Information and Facilities to provide radio and television coverage of House sessions. Sets forth regulations limiting the uses of such coverage.

H. Res. 345. March 20, 1975. Rules. Directs the House Commission on Information and Facilities to provide radio and television coverage of House sessions. Sets forth regulations limiting the uses of such coverage.

H. Res. 346. March 20, 1975. Rules. Directs the House Commission on Information and Facilities to provide radio and television coverage of House sessions. Sets forth regulations limiting the uses of such coverage.

H. Res. 347. March 20, 1975. Rules. Directs the House Commission on Information and Facilities to provide radio and television coverage of House sessions. Sets forth regulations limiting the uses of such coverage.

H. Res. 348. March 20, 1975. International Relations. Requests the President to express the concern of the United States Government for the safety and freedom of Valentyn Moroz.

H. Res. 349. March 20, 1975. International Relations. Declares it the sense of the House of Representatives that (1) the President and Secretary of State determine the fate of all United States servicemen and civilians missing in Southeast Asia and (2) the United States Government should attempt to insure that all signatories comply with the Paris Agreement of 1973.

H. Res. 350. March 20, 1975. Post Office and Civil Service. Commemorates Amerigo Vespucci for his achievements as a navigator and explorer.

H. Res. 351. March 20, 1975. Rules. Sets forth the rule for the consideration of H.R. 4035.

H. Res. 352. March 20, 1975. Rules. Sets forth the rule for the consideration of H.R. 4222.

H. Res. 353. March 21, 1975. Elects certain Members to the House Committee on Ways and Means and to the Committee on House Administration.

H. Res. 354. March 21, 1975. Rules. Creates a select committee of the House of Representatives to study the ramifications of the United States Supreme Court decisions on abortion.

H. Res. 355. March 21, 1975. Sets forth the rule for the consideration of H.R. 4592.

H. Res. 356. March 24, 1975. Rules. Creates a House select committee to investigate the fate of the missing in action and prisoners of war in Vietnam. Authorizes the committee to recommend to the President and Congress means to a resolution of this problem.

H. Res. 357. March 24, 1975. Rules. Creates a House select committee to investigate the fate of the missing in action and prisoners of war in Vietnam. Authorizes the committee to recommend to the President and Congress means to a resolution of this problem.

H. Res. 358. March 24, 1975. Sets forth the rule for the consideration of H.R. 2166.

H. Res. 359. March 25, 1975. Interstate and Foreign Commerce. Declares that the Federal Communications Commission should refrain from considering policies and regulations regarding the televising of professional sports on cable facilities until the Congress completes its review and takes action on PL 93-107.

H. Res. 360. March 25, 1975. House Administration. Establishes 73 additional positions on the United States Capitol Police Force, for duty under the House of Representatives.

H. Res. 361. March 25, 1975. International Relations. Declares it the sense of the House of Representatives that (1) not less than 50 per cent of the food which the President has budgeted for Cambodia under the Agricultural Trade Development and Assistance Act of 1954 be made available to Cambodia; and (2) any such food be administered by voluntary agencies already established in Cambodia.

H. Res. 362. March 25, 1975. International Relations. Declares it the sense of the House of Representatives that (1) not less than 50 per cent of the food which the President has budgeted for Cambodia under the Agricultural Trade Development and Assistance Act of 1954 be made available to Cambodia; and (2) any such food he administered by voluntary agencies already established in Cambodia.

H. Res. 363. March 25, 1975. Interstate and Foreign Commerce. Declares it the sense of the House of Representatives that the President submit to Congress a multiagency plan for correcting home abuses.

H. Res. 364. March 25, 1975. Agriculture. Declares it the sense of the House of Representatives that investments in agricultural research and technology be made for the purpose of increasing food production.

H. Res. 365. March 25, 1975. International Relations. Declares it the sense of the House of Representatives that the United States should retain sovereignty and jurisdiction over the Panama Canal Zone.

H. Res. 366. March 25, 1975. Sets forth the rule for the consideration of H.R. 3786.

H. Res. 367. March 25, 1975. Sets forth the rule for the consideration of H.R. 4224.

H. Res. 368. March 25, 1975. Sets forth the rule for the consideration of H.R. 4723.

H. Res. 369. March 26, 1975. Elects Representative John J. McFall Speaker pro tempore of the House of Representatives during the absence of the Speaker.

H. Res. 370. March 26, 1975. Rules. Directs the House Commission on Information and Facilities to provide radio and television coverage of House sessions. Sets forth regulations limiting the uses of such coverage.

H. Res. 371. March 26, 1975. Rules. Authorizes the Speaker of the House to appoint a delegation to the International Women's Conference.

H. Res. 372. March 26, 1975. Rules. Amends the Rules of the House of Representatives to require that copies of any bill, resolution, or committee report be available to Members on the floor for at least four hours before it is considered.

H. Res. 373. March 26, 1975. International Relations. Declares it the sense of the House of Representatives that the United States should retain sovereignty and jurisdiction over the Panama Canal Zone.

H. Res. 374. March 26, 1975. Judiciary. Declares it the sense of the House of Representatives that the National Commission on Individual Rights be formed immediately, pursuant to the Organized Crime Control Act of 1970.

H. Res. 375. March 26, 1975. Rules. Amends the Rules of the House of Representatives to entitle the minority party, upon request, to up to one-third of a committee's investigative staff funds.

H. Res. 376. April 8, 1975. Agriculture. Declares it the sense of the House of Representatives that investments in agricultural research and technology be made for the purpose of increasing food production.

H. Res. 377. April 8, 1975. Rules. Establishes a House select committee to investigate (1) the problem of United States servicemen missing in Southeast Asia, and (2) the need for additional inspection teams to discover if there are servicemen being held as prisoners of war.

H. Res. 378. April 8, 1975. Rules. Establishes a House select committee to investigate (1) the problem of United States servicemen missing in Southeast Asia, and (2) the need for additional inspection teams to discover if there are servicemen being held as prisoners of war.

H. Res. 379. April 8, 1975. Rules. Establishes a House select committee to investigate (1) the problem of United States servicemen missing in Southeast Asia, and (2) the need for additional inspection teams to discover if there are servicemen being held as prisoners of war.

H. Res. 380. April 8, 1975. Rules. Establishes a House select committee to investigate (1) the problem of United States servicemen missing in Southeast Asia, and (2) the need for additional inspection teams to discover if there are servicemen being held as prisoners of war.

H. Res. 381. April 8, 1975. International Relations. Declares it the sense of the House of Representatives that (1) the United States should retain sovereignty and jurisdiction over the Panama Canal Zone and (2) no property or right be surrendered to Panama except as authorized by Congress.

H. Res. 382. April 8, 1975. Judiciary. Refers H.R. 5652 to the Chief Commissioner of the Court of Claims.

H. Res. 383. April 9, 1975. House Administration. Authorizes the Committee on House Administration to incur expenses for the maintenance and improvement of computer services for the House of Representatives.

H. Res. 384. April 9, 1975. Rules. Directs the House Commission on Information and Facilities to provide radio and television coverage of House sessions. Sets forth regulations limiting the uses of such coverage.

H. Res. 385. April 9, 1975. Sets forth the rule for the consideration of H.R. 46.

H. Res. 386. April 9, 1975. Declares that it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of H.R. 5398.

H. Res. 387. April 10, 1975. Judiciary. Requests the Department of Justice to investigate the Federal Energy Administration regarding possible conflicts of interest.

H. Res. 388. April 10, 1975. Judiciary. Requests the Department of Justice to investigate the Federal Energy Administration regarding possible conflicts of interest.

H. Res. 389. April 10, 1975. Post Office and Civil Service. Congratulates the cities of Chino, California, and San Juan del Rio, Mexico, on the 6th anniversary of their sister city program.

H. Res. 390. April 10, 1975. House Administration. Directs that 1,000 copies of the committee paper, "Report of the Special Subcommittee on the Middle East of the Committee on Armed Services, House of Representatives" be printed for the use of the House Committee on Armed Services.

H. Res. 391. April 10, 1975. International Relations. Directs the President to provide the House of Representatives with information regarding the experiences of certain citizens of the United States while in the Republic of Mexico.

H. Res. 392. April 10, 1975. Judiciary. Refers H.R. 5832 to the Chief Commissioner of the Court of Claims.

H. Res. 393. April 14, 1975. Rules. Directs the House of Representatives Committee on Public Works and Transportation to investigate the long-range needs of the trucking industry in the United States.

H. Res. 394. April 15, 1975. Rules. Directs the House Commission on Information and Facilities to provide radio and television coverage of House sessions. Sets forth regulations limiting the uses of such coverage.

H. Res. 395. April 15, 1975. Rules. Sets forth the rule for the consideration of H.R. 4111.

H. Res. 396. April 15, 1975. Rules. Sets forth the rule for the consideration of H. Res. 46.

H. Res. 397. April 16, 1975. Rules. Directs the House Commission on Information and Facilities to provide radio and television coverage of House sessions. Sets forth regulations limiting the uses of such coverage.

H. Res. 398. April 16, 1975. Post Office and Civil Service. Declares it the sense of the House of Representatives that July 4 is the foremost national holiday.

H. Res. 399. April 16, 1975. International Relations. Requests the President to express the concern of the United States Government for the safety and freedom of Valentyn Moroz.

H. Res. 400. April 16, 1975. International Relations. Directs the President to provide the House of Representatives with certain information regarding United States nationals in South Vietnam.

H. Res. 401. April 16, 1975. Rules. Establishes a House select committee to investigate (1) the problem of United States servicemen missing in Southeast Asia, and (2) the need for additional inspection teams to discover if there are servicemen being held as prisoners of war.

H. Res. 402. April 16, 1975. House Administration. Authorizes certain Members of the House of Representatives to employ one additional staff member to assist such Member exclusively with responsibilities arising from certain committee service.

H. Res. 403. April 16, 1975. Rules. Sets forth the rule for the consideration of H.R. 4975.

H. Res. 404. April 17, 1975. Post Office and Civil Service. Requests the President to declare January 22 of each year as Ukrainian Independence Day.

H. Res. 405. April 17, 1975. Rules. Establishes a House select committee to investigate (1) the problem of United States servicemen missing in Southeast Asia, and (2) the need for additional inspection teams to discover if there are servicemen being held as prisoners of war.

H. Res. 406. April 17, 1975. International Relations. Declares it the sense of the House of Representatives that (1) all signatory parties should comply with the Paris Agreement of January 27, 1975; and (2) the President and Secretary of State should determine the fate of Americans missing in Southeast Asia.

H. Res. 407. April 17, 1975. International Relations. Declares it the sense of the House of Representatives that (1) no further military aid should be appropriate for South Vietnam, (2) the President order the evacuation of American citizens from South Vietnam and take diplomatic initiatives to effect a cease-fire in South Vietnam, and (3) should the Thieu regime fall, the United States encourage peaceful negotiation in that country. Declares it the sense of the House of Representatives that funds be appropriated for humanitarian assistance to Vietnam and distributed by international agencies.

H. Res. 408. April 21, 1975. International Relations. Declares it the sense of the House of Representatives that (1) not less than 50 percent of the food which the President has budgeted for Cambodia under the Agricultural Trade Development and Assistance Act of 1954 be made available to Cambodia for humanitarian purposes; and (2) any such food be administered by voluntary agencies already established in Cambodia.

H. Res. 409. April 21, 1975. Rules. Sets forth the rule for the consideration of H.R. 6096.

H. Res. 410. April 21, 1975. Rules. Sets forth the rule for the consideration of H.R. 4510.

H. Res. 411. April 21, 1975. Rules. Sets forth the rule for the consideration of H.R. 5810.

H. Res. 412. April 22, 1975. Establishes a House ad hoc Select Committee on the Outer Continental Shelf to consider and report on H.R. 6218.

H. Res. 413. April 22, 1975. House Administration. Authorizes additional personnel in the offices of the Speaker, the floor leaders, the Democratic caucus, and the Republican conference of the House of Representatives. Specifies that such personnel shall be compensated from the House contingent fund. Allocates salaries and expenses for the offices of the Speaker, the whips, the Democratic caucus and the Republican conference. Equalizes the allocation for salaries and office expenses of the majority and minority whips and floor leaders.

H. Res. 414. April 22, 1975. Rules. Creates a House select committee to study certain aspects of natural gas and petroleum reserves within the territorial United States.

H. Res. 415. April 22, 1975. Rules. Amends the Rules of the House of Representatives to require House conferees to conduct business only at conferences open to the public, except where the House of Representatives has voted to close such meeting.

H. Res. 416. April 22, 1975. Rules. Sets forth the rule for the consideration of H.R. 49.

H. Res. 417. April 22, 1975. Rules. Sets forth the rule for the consideration of H.R. 4114.

H. Res. 418. April 22, 1975. Rules. Sets forth the rule for the consideration of H.R. 4115.

H. Res. 419. April 22, 1975. Rules. Sets forth the rule for the consideration of S. 1236.

H. Res. 420. April 23, 1975. Rules. Establishes a House select committee to investigate (1) the problem of United States servicemen missing in Southeast Asia, and (2) the need for additional inspection teams to discover if there are servicemen being held as prisoners of war.

H. Res. 421. April 23, 1975. Rules. Establishes a House select committee to investigate (1) the problem of United States servicemen missing in Southeast Asia, and (2) the need for additional inspection teams to discover if there are servicemen being held as prisoners of war.

H. Res. 422. April 23, 1975. Judiciary. Refers H.R. 6216 to the Chief Commissioner of the Court of Claims.

H. Res. 423. April 24, 1975. Appropriations. Expresses the disapproval of the House of Representatives of proposed budget deferral D75–160, as set forth in the special message of the President of April 18, 1975.

H. Res. 424. April 24, 1975. Rules. Establishes a House select committee to investigate (1) the problem of United States servicemen missing in Southeast Asia, and (2) the need for additional inspection teams to discover if there are servicemen being held as prisoners of war.

H. Res. 425. April 28, 1975. Rules. Sets forth the rule for the consideration of H.R. 6096.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5546

By Mr. CLEVELAND:

Page 85, insert before the semicolon in line 6 the following: "or such other period of clinical training as the Secretary determines is sufficient to carry out the plan".

H.R. 8365

By Mr. DUNCAN of Tennessee:

On page 15, after line 19, insert the following: "CUMBERLAND GAP NATIONAL HISTORIC PARK HIGHWAY AND TUNNEL"'

"For necessary expenses for further locational studies as may be necessary for the preliminary and final engineering design of the Cumberland Gap National Historic Park Highway and Tunnel, $2,500,000, to be derived from the Highway Trust Fund in accordance with Section 160 of the Federal Aid Highway Act of 1973 (PL 93–87) (72 Stat. 885), to remain available until expended."

By Mr. KOCH:

SEC. 315. (a) No part of any appropriation for the Interstate System contained in this Act shall be available for expenditure or obligation in any State within the boundaries of which the Interstate System may lawfully be used by vehicles with weight in excess of eighteen thousand pounds carried on any one axle, or with a tandem-axle weight in excess of thirty-two thousand pounds, or with an overall gross weight in excess of seventy-three thousand two hundred and eighty pounds, or with a width in excess of ninety-six inches, or the corresponding maximum weights or maximum widths permitted for vehicles using the public highways of such State under laws or regulations established by appropriate State authority in effect on July 1, 1956 (or in the case of the State of Hawaii February 1, 1960), whichever is the greater.

(b) Subsection (a) of this section shall take effect in each State on the 30th day after the 1st day of a regular session of the legislature of that State which session begins after the date of enactment of this Act.

(c) Nothing in this section shall be deemed to prohibit the payment of any contractual obligation of the United States entered into prior to the date of enactment of this Act.

By Mr. MURTHA:

Page 35, immediately after line 21, insert the following new section:

SEC. 315. (a) Except as provided in subsection (c), none of the funds provided under this Act shall be available to any State or local public body or agency to construct or operate any urban rail mass transportation system utilizing rapid transit or light rail vehicles which fails to comply with the specifications established by the Secretary pursuant to subsection (b).

(b)(1) The Secretary shall establish by regulation such specifications as may be necessary to provide for the standardization of urban rail mass transportation systems which utilize rapid transit or light rail vehicles.

(2) The regulations prescribed by the Secretary under paragraph (1) shall include specifications with respect to—

(A) vehicle height, width, and length;
(B) track gauge;
(C) power distribution;
(D) minimum track radius;
(E) platform and floor height; and
(F) signal and train control;

but shall not include specifications with respect to—

(i) seat arrangements;
(ii) interior and exterior trim and color; or
(iii) window and door size and other aspects of general design of such vehicles, except as provided in subparagraphs (A) and (E).

(c) The provisions of subsection (a) shall not apply to any State or local public body or agency if the Secretary determines that—

(A) such public body or agency is unable to comply with one or more of the specifications established under subsection (b) because of the characteristics of an existing urban rail mass transportation system operated by such public body or agency; and

(B) such public body or agency will comply, at the earliest practicable time, with such specifications to the maximum extent feasible.

By Mr. YATES:

On page 8, line 8, strike period, insert semi-colon and the following: "*Provided further*, That no funds appropriated by this Act for the operations activity 'Operation of Traffic Control System,' nor for the salaries and expenses of persons operating that system, shall be available for the control of civil supersonic aircraft engaged in scheduled or non-scheduled commercial service for landings within the United States of America, other than emergency landings."

EXTENSIONS OF REMARKS

DR. CHARLES EHRLICH: POLITICIAN IN BEST SENSE

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. THOMPSON. Mr. Speaker, it has become the fashion in these post-Watergate days to view those who served in public office with distrust and, unhappily, in some cases with disdain. And yet, there are those public servants who have served their fellow citizens with courage, with ability, and with good humor.

One such public servant was Dr. Charles Ehrlich, a man whom I was pleased and proud to call my friend. "Doc" Ehrlich, as we called him, epitomized the best that there is as a public officeholder. I could describe at length his many virtues and qualities, but the following editorial which appeared in the July 3 edition of the Burlington County Times does it much better than any effort that I might produce.

My sympathies and those of my wife go to his widow, Elsie, and his family.

The editorial reads as follows:

DR. CHARLES EHRLICH: POLITICIAN IN BEST SENSE

Not too long ago Delran resident Dollie DeFlece went before the board of chosen freeholders to plead for improvement of Creek Road. Mr. DeFlece lives on Creek Road and had come to complain about its potholes, some 300 of them by his count.

The freeholders listened attentively, shuffled the request around a bit getting advice from their solicitor and engineer, and concluded nothing could be done. Creek Road was not a county highway, so there was nothing the freeholders could do.

Why not have the county take it over, Mr. DeFlece suggested, noting that the townships involved would be glad to get rid of it.

That might be a solution, the freeholders acknowledged, but the federal government had already agreed to fund a major overhaul of the road sometime in the future (inasmuch as Creek Road had become a major feeder route for interstate 295). The county, the freeholders asserted, couldn't start working on a highway that the feds would soon be doing over.

Soon, DeFlece retorted, could be five years or more the way the federal government moves.

That's true, the freeholders sympathized, but . . . sorry, there's just no way.

The discussion seemed over, DeFlece defeated.

Then freeholder Charles Ehrlich spoke up.

We'll do it, Dr. Ehrlich said simply.

Two months later the county crews had come, the potholes were gone, and Creek Road had a new asphalt surface.

It was a typical Ehrlich performance.

The veteran freeholder, who passed away this week, was ever responsive to the needs of those he served.

"Doc" Ehrlich was a member of the old school of politics. He was no ideologue, no advocate of any particular philosophy or cause. He was a representative, and he saw it as his duty to protect the people he served and to help with their problems.

Indicative of the way he knew and responded to the wishes of the majority is the way he ran the office of the county clerk, a position he held from 1960 to 1970. During each of those years, the budget he submitted to the freeholders was less than the year before. It was no small feat. Inflation and rising taxes were with us then too.

His role as a watchdog for the people sometimes conflicted with his role as a loyal Democrat. "Doc" seemed always to be a member of the loyal opposition, no matter which party was in power.

When he first came on the freeholder board, the Republicans were in control, and he soon established a reputation as a barb in their side. He teased them, kept them on their toes, tore into them when he thought they were going astray.

When his own party took over, it seemed he couldn't quite adjust to being a member of the majority, and, in fact, he didn't. He continued to play the role of antagonist, watchdog, and became known as a "maverick." It was a role that got him into trouble with the powers to be in his party in the last few months.

He talked like he acted, straightforward and plain. He never attempted to mislead the press or the public.

He was not without a sense of humor, however, nor lacking compassion. The work he was most proud of was his drive to improve Buttonwood Hall, the county home for the aged, and to replace Evergreen Park, the county mental hospital.

There's much that can be written about "Doc" Ehrlich. He was born and raised in Riverside and never strayed further from that old industrial town than Delanco. He was a football star in high school and college and later with a semi-pro team. He was a practicing dentist all his working life. He served a plethora of charitable and service organizations over the years.

This newspaper by no means always agreed with "Doc" or thought his ways angelic.

But, in the balance, we saw him as a dedicated public servant, as a politician who genuinely cared about the people he served, not just his own career.

Not everyone keeps up with county politics nor knows the personalities involved. Not everyone, then will miss "Doc" Ehrlich.

But know it or not, his constituents have suffered a loss in his passing.

TIME TO ACT ON CANNING LID SHORTAGE

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. TRAXLER. Mr. Speaker, I am sure that many of my colleagues have received numerous complaints from their constituents, as I have, concerning the critical shortage of replacement lids for home canning jars. This is a problem that is particularly irritating to the 22 million home canners in this country because the canning season is upon us and they face the potential loss of their home-grown fruits and vegetables if they cannot get lids.

We should note that there is no shortage of new jar-and-lid combination units; in fact, manufacturers are planning to produce an excess of 100 million of these units this year. Likewise, if our home canners are willing to buy a case of instant coffee, they can get the lids they need. They cannot, however, find enough separate lids to use on their old jars. They are being forced to buy jars, and coffee, they do not need in order to get the lids they do need.

Mr. Speaker, we need to look further into this problem and I urge my colleagues who have received mail on this subject to get involved, too.

At this time I would like to share with my colleagues my testimony before the Subcommittee on Commodities and Services of the Small Business Committee as follows:

TESTIMONY OF THE HONORABLE BOB TRAXLER, U.S. REPRESENTATIVE FOR THE EIGHTH DISTRICT OF MICHIGAN

Mr. Chairman, I want to thank you and the members of this Subcommitee for this opportunity to speak on behalf of the home-canners of Michigan and my district on the critical shortage of canning lids. Your Subcommittee is to be commended for its inquiry into this most vexing of consumer problems, one that affects millions of households across the nation.

I know that a subject like "canning lids" may not capture the interest of sophisticated city people in Washington, but back home in Michigan it is the number one issue that I hear about when I visit with constituents. I think it is definitely time for the Congress to get more deeply involved in this problem.

Mr. Chairman, I represent a Congressional district with both urban and rural areas. The people of Snover and Wilmot and Bad Axe and Bay City are angry. They are angry because they cannot buy, at any price, canning lids for their jars. The canning season has begun for certain fruits, and other crops will soon follow. These crops will go to waste if they cannot be preserved.

Listen to the words of just a few of my constituents who have written me in the past week:

Mrs. Rittmueller of Frankenmuth says, "The strawberries are ripe and beautiful. Cherries are beginning to blush . . . and NO lids for our jars. Why?"

Mr. Lanczek of Pinconning writes, "Most Michigan housewives are very upset as there are still no lids available. Jars and lids, but no lids alone."

Mrs. Daenzer of Frankenmuth: "We all were taught to save and be conservative. As long as I can remember, our grandparents, parents, ourselves and our children have had a garden. Now as we would like to can, there is not one canning lid available in any store since January. The government tells us that we should all make a garden, but what should we do with the stuff we can't all eat. It's a sin to waste it. Is there *anything* you can do?"

And finally, Mrs. Tarkowski of Bay City summarizes the frustrations of many with her comments: "You tell me the companies are working 24 hours a day, seven days a week. That sure is a lot of B.S. I'll tell you one thing, if they worked that steady, they would make enough lids to pave Pennsylvania Avenue in Washington. Where are the canning lids? You tell me."

Mr. Chairman, last fall President Ford urged Americans to grow anti-inflation WIN gardens. Millions of Americans have responded enthusiastically and patriotically and the demand for canning supplies has increased.

Last year, the surge in new demand and the shortage of raw materials produced shortages of canning supplies that were explainable and understandable. But this year, the increased demand was clearly predictable. The shortage of raw materials has disappeared, and the industry has had a whole year to gear up production. Yet, we still have shortages.

There have been suggestions in these hearings that "consumer hoarding" and "panic buying" may be to blame for current shortages. I cannot speak for what is happening in other parts of the country, but let me tell you that in Bay City and Saginaw and Bad Axe and Caro, there is no hoarding. People cannot find lids, period. Retailers tell us they place orders weekly, but receive no lids. In this area of Washington, D.C., one of my staff members went to five separate retail concerns this past weekend to buy lids for a constituent back home. *She could not find one lid*. I don't think the consumer is to blame.

It is true that many gardeners may be trying to buy their supplies earlier in the season than they normally do, but this is entirely understandable after what happened to them last year. I have no evidence whatsoever that they are buying more than they need, however. To the contrary, most housewives who have talked to me can't get anywhere near the number of lids they can use. So let's not blame the consumer.

So who is responsible? Are we really to believe that the increase in demand is so sharp that 24 hours a day, seven days a week production for almost a year hasn't produced enough lids to meet that demand? Prices have almost tripled for these products, so the economic incentive certainly should be there. It is simply amazing to me that our free enterprise system has not been able to respond to this supply and demand problem more quickly and more adequately.

But perhaps if we look into this problem a little deeper we might find some things of interest. One point to remember is that there are no longer any raw materials shortages. *We also seem to have no shortage of jar and lid combinations*. Housewives in my district tell me they can purchase as many of these combinations as they want. In some cases, they are told they cannot buy lids alone, but will only be sold separate lids if they also buy some combinations. Testimony before this Subcommittee indicates that while demand for new jar and lid combinations will be about 300 million units this year, the companies involved plan production of about 400 million jar-and-lid combination units. Thus, we will have an *excess* of 100 million units. 100 million lids would be available if we simply could do some unscrewing!

At the same time that we have an oversupply of these combination units, the projected shortfall of lids alone could go as high as 1.2 billion units.

Mr. Chairman, many of my constituents believe that the oversupply of combination units, and the marketing practices that seem to be pushing these combination units, are an attempt by the companies to reap the higher profits of these combination units. People are being forced by the "shortage" to buy the jars and lids in order to get just the lids. They must buy jars they don't want and they don't need.

I thought it was interesting that a representative of one of these companies yesterday could not cite the profit margin on the jar and lid combinations as compared to the profit margin on just the lids alone, even though these products account for 30% of his company's business. This kind of information would seem to be very basic to the running of a business. I have the feeling that private enterprise in this case is very enterprising. It certainly is private.

The Federal Trade Commission in a letter to me has suggested that if manufacturers are consciously producing more jar and lid combinations in proportion to just lids alone in order to force the sale of more of the combinations at a higher profit to people who don't need the jars, that this is a marketing decision that does not violate any anti-trust laws. This may be so, but it would be a marketing decision that violates the public interest, violates the principles of competitive supply and demand, and violates our national policies of promoting conservation and recycling of precious resources. If these practices are in fact taking place, I believe that we in the Congress should take a hard look at the law and consider corrective action.

I know that this question has been raised before and inquiries have been made, but it seems that all inquiries seem to end up by simply asking the companies themselves whether they are doing this. They respond by saying, "I am not a crook" and everyone believes them. I think this Subcommittee should look further into these marketing practices to see if this "shortage" isn't somehow being exploited by either manufacturers or distributors to force the sale of jar and lid combinations to those who can't find lids alone.

Mr. Chairman, the canning lid shortage is a very real problem. Our constituents are demanding action and I am not satisfied that we yet have all of the answers we need. I thank the Subcommittee for this opportunity to present my thoughts and urge you to continue to explore this very important issue until it is finally resolved in favor of the American home-canner.

MAURICE B. MARKS—MR. FREMONT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. EDWARDS of California. Mr. Speaker, on Tuesday, July 29, 1975, 500 friends will gather at the Castlewood Country Club to honor and celebrate with Maurice Marks his 80th birthday.

There is probably no individual in the city of Fremont, Calif., that has given more of his time, talent, and devotion to building Fremont into the city it has become. Maurice and his wife Emma bought land and moved to Mission San Jose in January of 1946.

As head of the nomenclature committee, Maurice had a decided influence in the formation of the city of Fremont, and the bringing together of the five small communities, and has since worked diligently on every bond issue to improve Fremont, from the original formation of the city to the establishment of Ohlone Community College

One of the gifts of talent that Maurice Marks has given to the city is his "Living History of Fremont." Tapes of interviews with longtime residents of the area and individuals who had a part in building the city as well as sets of slides of the development of the city are on file and available at the Olone College Library.

Maurice Marks' civic activities are many and varied. He joined the Niles Rotary Club in 1950, and later began the Fremont Rotary Club, acting as its first president. He continues to be an active member in retired status. He has been a member of the Niles Congregation Church for many years. His support of the Boy Scouts, Boys Club, and youth organizations has brought him many awards. He is an active member of the Fremont Philharmonic and is serving presently on the executive board. He was also made an honorary member of the Fremont Chamber of Commerce.

Maurice has been married to his lovely wife Emma for 50 years. Together they have built a life dedicated to serving others. Emma Marks, through research, discovered the Fremontia flower, which has five petals, symbolizing the five small communities brought together to form the city of Fremont. It was adopted as the official city flower.

The numerous accomplishments of Maurice Marks in the short time of 80 years, are an example to us all. He should, indeed, be named Mr. Fremont.

It is an honor for me to be able to join with all of his friends in wishing Maurice a very happy 80th birthday, with the hopes he will have many more.

THE ETHICAL CHALLENGE TO AMERICAN BUSINESS AND EDUCATION

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. JOHNSON of California. Mr. Speaker, the graduates of the School of Business at California State University, Chico, received a special challenge from Dr. Lawrence B. Wilson, vice president and director of urban affairs for the United California Bank, at their commencement on May 25, 1975. Dr. Wilson, speaking on the past and future of the American business community, addressed the graduates on the theme of ethics in the American business and education communities.

Dr. Wilson has had wide experience in the field of education, Government service, and business. During his career he has served as a college instructor, a savings and loan executive, organizer and officer of Superior Escrow Co., a Foreign Service officer, and an official of the United California Bank. He has been active in many civic and community organizations, including Men of Tomorrow, the Los Angeles Urban League, the YMCA, the United Way, the ICBO National Conference of Christians and Jews, the Los Angeles Board of Traffic Commissioners, Dollars for Scholars, the Advisory Committee of the School of Business and Economics, California State University at Los Angeles. Dr. Wilson is also chairman of the Los Angeles County Overall Economic Development Commission, a member of the Urban and Community Relations Committee of the California Bankers Association, and a member of the Board of Trustees of Howard University.

In addressing the graduates, Dr. Wilson has outlined the serious problems which our country faces today. He gave special attention to the ethical and moral responsibilities of today's businessmen and educators. In discussing the moral climate which led to such problems as Watergate, which involved many businesses as well as Government officials, Dr. Wilson outlined the need for a stronger effort in emphasizing moral leadership in the field of education. He called on professors of our universities and colleges to help in teaching attitudes of strong ethical conviction so that tomorrow's leaders can help to keep the country the great nation that it has become over the years.

Mr. Speaker, I believe Dr. Wilson's comments have a message for us and for the American people. Therefore I take this opportunity to call them to the attention of my colleagues:

The Ethical Challenge to American Business and Education

(By Dr. Lawrence B. Wilson)

Mr. President, Dean Kinney, Members of the Faculty, Members of the Graduating Class, Parents, Relatives, Friends, Ladies and Gentlemen.

First, permit me to say how flattered I feel to have been invited to address this class this afternoon. I consider it a distinct honor, and I wish to thank you for your kind invitation.

Secondly, I would like to congratulate each of you on having successfully completed the requirements for the Baccalaureate Degree you will receive this afternoon. I am sure that many of your parents, relatives and friends who are present here this afternoon are justifiably proud of you and your educational accomplishments.

Some of you will be continuing your education at the graduate or professional level, and many of you will be entering the world of full-time work. Whatever your ambition or goal happens to be, I urge you to permit nothing to deter you in your efforts to achieve it.

During the Senate Watergate hearings last year, Senator Joseph Montoya asked Gordon Strachan what his advice would be to an honorable young man thinking of a political career. Stratchan thought for a moment, and said in a forceful manner, "Keep Out".

If someone in this class would ask me what advice I would give to an honorable young man or woman today thinking of a business career, I would say, without hesitation, "Come On In".

I would say this despite the fact that business today is being subjected to much criticism and abuse.

David Rockefeller put it rather succinctly when he said: "It is scarcely an exaggeration to say that right now American business is facing its most severe public disfavor since the 1930's. We are assailed for demeaning the worker, deceiving the consumer, destroying the environment and disillusioning the younger generation".

Within the past year a number of questionable legal and moral practices on the part of corporate executives have surfaced which serve to undermine the positive image of corporate America.

Item: Nineteen corporations, several of which are our largest and most prestigious, have pleaded guilty and have been fined for making illegal contributions to candidates for public office. Three of these corporations were found to be maintaining secret political slush funds:

Item: A. T. & T. in 1974 was ordered to make a first year settlement of approximately $45 million for discriminating practices in hiring and upgrading of minorities. Another $30 million, of which 60 percent went to women, was paid because of sex discrimination.

Item: This past February, the chief executive officer of United Brands plunged to his death in New York City, the apparent victim of suicide. This came soon after his involvement in a secret million dollar bribe to the then President of the Republic of Honduras for favorable export rates on bananas began to unravel.

On last Wednesday (May 21) the Wall Street Journal reported that three (3) former independent auditors of the scandal-ridden Equity Funding Corp. were found guilty on multiple criminal counts of securities fraud and filing falsified financial statements with the S.E.C.

I could go on ad infinitum and recite example after example of how a surprising number of America's finest companies and their executives seemed to have lost, along with Jeb Stuart Magruder, their moral compass. I think most of these companies and their executives now realize that they must amend their ways. If not, government regulatory agencies, consumer activist and public interest groups and others are going to make it extremely difficult for businesses not only to maintain any type of public image, but to operate profitably as well.

Thus, it is at a crucial cross-roads that many of you are about to launch your careers into the business world. Along with the difficulties of finding gainful employment in your chosen field during an economic slowdown, you must also contend, once you find that job, with what I refer to as the ethical challenge to American business and education.

The ethical crisis confronting American business is shared by the greater society. Our involvement in Vietnam and the Watergate debacle formed the backdrop for the moral dilemmas facing America's business-persons today. As we seek first to understand the moral lapse of our society and business, we soon find that this lapse is not the product of any one shortcoming in our immediate past. Indeed, one must look back over the last three decades—and do a good deal of historical browsing—to get an accurate fix on how we got to where we are now.

The past thirty years have witnessed a head-long plunge into uncertainties and dilemmas of the future. From a society that had just begun to adjust from a rural to an urban orientation, we were flung into World War II that permanently thrust us into our global community. Ending that war with a terrible bang of an atomic bomb, we have lived under radioactive, moral and psychological cloud from that event ever since. From a fairly simple people long-concerned only with our own nation-building we have had to contend in rapid-fire succession with the cold war, assassinations, a race to the moon, urban riots and protests, Vietnam, Watergate, and inflation. The national roller-coaster ride we have been on for the last three decades has hardly allowed for us to catch our collective breath. We have survived this torrent of events, but we have been seriously weakened. We are tired, confused, and possessed of a sense of doom and gloom that pervades our society from top to bottom, from President to unemployed porter.

Well, now you may ask—what does all of this have to do with me? With this fine university? Or with education in general? The answer to that query is that during this period of great social faulting, the schools, colleges and universities of our Nation did little to strengthen our lives, our values. Indeed, future historians may very well ask: Where were the teachers whose examples were to be ethical and moral guidelines? Some were overcome by the notion that the nuclear and space age were too demanding of their rarefied talents to permit them to be concerned with values. Rarely—during this period—did an advanced degree graduate ever have any kind of course in ethics or values. Academic leaders, especially the social scientists, armed themselves with the spirit of the rockets and computers and waded into the midst of the new behavioral fields, declaiming that it was wrong for educators to be teaching or talking about values. Sadly, many of their number became so entranced by the behavioral exploits of their subject—man—that they observed only what man did and never dared to ask what man might be able to do given sufficient guidance, inspiration and incentive.

Since World War II our academic communities have been quite upset by the rapid social changes in the Nation. They have retreated en masse from value-oriented teaching. They have generally developed such a fear of stating what is or may be a given value that they have been careful to make *no* value commitments at all. Teachers have received very little help from textbook publishers in obtaining value teaching and value clarification materials. In the absence of being able to teach religious guidelines, they have failed to teach the ethical values that are basic not only to *all major religions* but to a *free society* as well. Yet—it has *never ceased to be the obligation* of the educational system of a nation to be a transmitter of values.

An editor recently observed that a valueless education is apt to produce a valueless people: I fear that education without values may produce a people not only lacking values but actively deploring and despising them as well.

American education today is in the midst of crisis. No one is pleased with the way the education is being conducted. Trustees are troubled by spiraling costs, administrators are disturbed by declining enrollments, professors are concerned about the declining need for professional educators, students decry the abysmal gap between classroom pedagogy and real-life needs and hard-pressed mothers and fathers—and, yes, even grandmothers and grandfathers—are choking at the costs of it all and businessmen stand disappointed at the knowledge deficiency and ethical confusion of the men and women being sent their way via the American campus. Recent statistics from the Federal Department of Health, Education and Welfare tell us that this society is spending nearly $94 billion per year on education—yet NO ONE is genuinely pleased with the product of American education.

A recent article in TIME magazine indicates, in fact, that more than ill feelings or idle suspicions are at play here. It is a fact—however displeasing or disquieting it may be—a *fact* that U.S. public school students are learning *less* now than they did a decade or even a few years ago. That is the horrifying finding of not one but *three* separate national tests. Here is one example. Most college admissions offices use scoring on the Scholastic Aptitude Tests (SATs) to judge applicants. Would you believe that SAT scores *across America* have been falling every year since 1962! And the director of admissions testing for the prestigious College Entrance Examination Board—following long and careful study of these numbers—confesses that their conclusion is "real". Indeed, he states flatly that the reason for these lower scores year after year has nothing to do with the test—for it remains essentially unchanged. The reason is, he insists, a steady decline in the "developed reasoning ability" of our students.

A second study—one by the National Assessment of Educational Progress—reported within the last few weeks that American students knew less about science in 1973 than they did just three years earlier. And the results of a third study—sponsored by the Federal Government—show that public school students' reading levels have been falling steadily since the mid-1960's.

Turn these facts over in your own mind briefly—America spends $94 billion per year on all education. YET—the students produced by American education read less well than their parents or older brothers and sisters, know less science at a time when more scientific knowledge exists than at any previous point in human history and—perhaps more frightening than all others—are losing their ability to reason. Surely you will reach the same concluding question I do: WHY?

The answer is, I think, no mystery. The failures of American education—and, indeed, the failures of the American society from highest to lowest levels in the ethical sphere—can be traced along an arrow-straight path to the fateful decision to take a neutral, hands-off position in the classroom where questions of human values are concerned.

One educator has recently said that much of the blame for the decline in American education can be traced to television. This generation—your generation—he says, "Is the generation of students most affected by the media revolution." He may very well be right. It is a fact that many young men and women today argue vehemently that reading is passe, that we are in the midst of a knowledge revolution unlike anything every seen on this small planet before—and that it is our good fortune to be alive at a time when communications media can update our knowledge base instantaneously and even painlessly.

For far too many Americans, I fear—both young and old alike—the mass media has become the only real source of knowledge, information and learning. And there are chilling problems with that fact. Chief among these is the fact that whatever data television or radio imparts is, so far as the viewer is concerned—and to the degree that he is unable to watch all the media all the time—a jumbled mish-mash of sporadic, random, incoherent, inconsistent, uneven and even contradictory assertions and/or impressions. The media *never* conveys anything like a coherent, systematic body of factual knowledge. The same is true of *values*.

Where American educators have turned neutral on the question of teaching conclusions about right and wrong, the American media teaches everything—that right is wrong, that wrong is wrong, that right is right and on and on. Adam-12 for example, may leave the viewer with the hard and fast conviction that theft is wrong. But the movie of the week which immediately follows may celebrate a criminal conspiracy as not only successful and financially rewarding—but high adventure as well! And, when the late evening newscaster relates the details of the latest corruption in high places, what is the young and malleable mind viewing this kaleidoscope of values to conclude?

Unfortunately, so-called "value-free" learning—however imparted—is heavily laden with values; for the systematic negation of values—or the persistent absence of values—is itself a value system. Some call it nihilism—the complete negation of everything, of all value, even the inherent value of the human being. Those who are cowed by the preachments of value-free education are yielding up their young not to everything, as it contended, but to *nothing*. Can any human enterprise be built with confidence on *nothing?*

Now this seemingly-academic discussion of the failings of our educational system, and the importance of value-laden teaching to the restoration of our educational excellence, is not nearly as isolated as it appears. The Watergate tragedy made clear as nothing I could say would, the enormity of the ethical problem in America today. And the litany of ethics-related challenges to the corporation I began this address with, bring the Watergate scandal directly into the boardrooms and offices of corporate America—where many honored in this solemn assembly today may fairly soon be sitting.

Irving Kristol, the distinguished Henry Luce Professor of Human Values at New York University wrote recently in the Wall Street Journal about the ethical trauma now whipsawing corporate America. He said that "at a time when the reputation of business in general is low, when the standing in popular opinion of the large publicly-owned corporation is even lower, and when there is a keen post-Watergate concern for probity—(basic honesty)—among officials of all organizations public or private—at such a time one would expect corporate executives to be especially sensitive even to *appearances* of conflict of interest, or to the mildest deviations from strict standards of fiduciary behavior. "Yet," he sadly concludes, "This seems not, on the whole, to be the case."

Well, my friends, the corporate community—the educational community—the entire American community is badly in need, I believe, of what Vice President Rockefeller recently called—"a jolt". We need to be shaken to our senses, wrenched from our fantasies of a world without standards or absolutes, forced to concede that situation ethics means no ethics and, finally, that free men cannot live—or indeed survive—when the standards they live by differ in no way from those observed by men who are not free.

That jolt may well have started less than a month ago, last April 30 with the fall of Saigon to the Viet Cong. History may well record our involvement in Vietnam culminating in the rout of the army and government we once had sworn to support as the greatest repudiation of American international intent since our founding. The repercussions of that debacle are just beginning to be felt. We have already suffered the infamy of having one of our major allies in the Far East, Thailand, say publicly that they feel we are "lacking in morality." The past four weeks have seen other allies reassessing their foreign policy in respect to the United States. All ready talk has started about the unsoundness of any American investments in Asia, for fear that they could not be protected.

Perhaps this tremendous fall from international prestige, paralleling a similar domestic fall suffered by Richard Nixon last August, might cause us to reflect, as he surely must have, on where we lost our bearings.

I hope that the soul-searching will probe some of the thoughts I have shared with you already as well as the need to rekindle, as we begin to celebrate our Bicentennial, that essential moral vision that first founded this nation and captured, at that time, the hopes of the world. Imagine successful, well-educated men like Benjamin Franklin, Thomas Jefferson and John Hancock pledging their lives, their fortunes and their sacred honors to found a nation of laws and political freedom. Where are their counterparts today? Can we summon enough faith in ourselves and our moral judgments to match their ethics and their achievements? I believe we can and we must.

It will require that universities engage professors who are not afraid to venture forth in the ethical thicket and cut a path for students to follow. It will require that college view students not simply as physics majors or history majors but first and foremost "responsible human beings and citizens." It will require the development of commonly accepted concepts of what we want to be as a nation and as individual citizens. It will require that you as future managers of America's economic strength place a higher loyalty in your moral beliefs than in your company's goals, but knowing as well when the two are truly in conflict and when and when not to compromise.

And it will require that all of us as voting citizens continue to expect and demand the highest moral performance from our public leaders.

The ethical challenge to American business and education as well as to the greater society is to have no less than the foresight, the insight, the fortitude and the tenacity to do what is morally responsible and right. No less can be expected if we are to regain our bearings; no more could be asked if we are truly to fulfill what Abraham Lincoln once said of America: "last best hope of mankind".

FINANCING THE DEFICITS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. COLLINS of Texas. Mr. Speaker, money management is an issue that requires more decisive action than we give from Congress. Deficit financing caused by congressional spending has serious implications.

Eugene C. Zorn, Jr., the economist of the Republic National Bank of Dallas, wrote a paper on the trend. Bankers understand it. Secretary of the Treasury, Bill Simon, has told us where deficit financing leads. Arthur Burns speaks consistently about loose financing. But the public does not yet know the road they are being led down. I wonder how many in Congress anticipate what will happen to the money market in the next 5 years.

Congress should balance the budget now. We need to use more commonsense and stand behind Bill Simon at Treasury with a positive program. Here are some comments from Zorn:

> The impact on credit markets of the current and prospective heavy Federal deficits cannot be evaluated in the context of traditional business cycle responses. Rather, it should be considered in light of the serious distortions that now exist in various sectors of the economy and credit markets as a direct consequence of an inflation that has been unprecedented in modern times.
>
> The performance of the econometric models in the past couple of years, in their failure to forecast subsequent trends and levels of economic activity and financial market conditions, points up the marked departure of the current environment from the historical experience upon which such models are constructed.
>
> The size of the so-called "gap" of Federal deficit financing that might have to be financed by debt monetization through the banking system is not as critical or meaningful as is the effect of prospective large deficits upon the perpetuation or further aggravation of inflationary psychology, with its influence on the savings-investment process. Anticipations that deficits will generate further inflation have become increasingly significant.
>
> Financial markets tend to adjust to expectation of what lies ahead. If expectations are that Federal deficits will result in subsequent inflation, the effects on the cost and availability of funds will be experienced before the actual deficits have to be financed.
>
> Moreover, financial markets have become increasingly exposed to a political environment that gives rise to concerns that attempts might be made to legislate impediments to the functioning of market forces on both supply and demand sides of the market.
>
> If the foregoing analysis is accepted as valid, it may be stated that the problem of financing the heavy deficits, for at least the next year or two, will not be a crowding-out by the Treasury of private borrowers from credit markets, but rather the consequences

of the deficits for total credit demands generated by an inflationary economy. To the extent that the deficits feed the inflationary psychology, they will amplify the distortions and imbalances that already exist in private credit markets, including the propensity for liquidity and the interference with long-term savings-investment relationships. These effects are likely to be more significant than the influence of the level of economic activity on the current volume of bank loans outstanding.

The Federal Reserve can supply reserves through which the deficit can be financed. It can thereby add to the total supply of credit, as the reserves will support an additional volume of bank loans and investments. Since a new supply is created, Treasury borrowing will not be drawing funds away from private borrowers. The major concern, however, is that the Treasury borrowing will set in motion new inflationary forces that impact upon the supply and demand for funds in markets for private credit.

With growing concentration in bills and other short-term issues, private holders have used Treasury issues primarily as a source of liquidity. As additional debt is created in the period of heavy deficit financing that lies ahead, the preference for liquidity is likely to be reinforced.

It is the near-money character of the debt, including a recognition that it is not likely to be retired, that is more significant than whether it is "monetized." However, it would be expected that banks would seek to maintain a posture of liquidity if inflation is anticipated down the road, and therefore would confine their acquisitions to short maturities.

To the extent that the deficits are financed in the non-bank credit markets, the growth in the narrowly-defined monetary aggregates will be restrained. However, in view of the propensity of investors for liquidity in an environment of anticipated inflation, even the debt financed outside the banking system will assume near-money characteristics.

In the absence of a surplus, the Treasury is forced to search out new investors to replace those who are liquidating their debt holdings at the very time that the private credit demands are likely to be heavier. The task of the Federal Reserve in seeking to restrain the growth of inflationary demands for credit again becomes increasingly difficult. Some observers view these consequences as producing interest rates far beyond previous peaks.

One of the most serious consequences of protracted and heavy deficit financing is that, as a result of the continuance of inflationary forces and attitudes, growing compartmentalization of private credit markets will develop. Demand for credit for strong borrowers remains heavy.

The persistence of inflation—with its perverse effects on cost-price and income relationships—is likely to result in an inability of the weak borrowers to finance their requirements at the same time that credit demands of the stronger borrowers may escalate rapidly. The phenomenon is not primarily a matter of interest rate differentials, but rather one of credit-worthiness of borrowers adversely affected by the economics of inflation.

FREEDOM OF VALENTYN MOROZ

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. DINGELL. Mr. Speaker, communications from constituents and friends active in the Ukrainian Congress Committee of America, Inc., indicate to me that Valentyn Moroz, a Ukrainian patriot and now prisoner of the Soviet Union, has been removed from prison and transferred to a psychiatric ward, probably in the Vladimir prison.

After the hunger strike and expression of support and concern in behalf of this brave man from all over the world, it appears that the Soviet Union now seeks to use scientific methods and drugs in the disguise of hospitalization to destroy this leading Ukrainian intellectual, break his will, and to eliminate one of the few remaining voices of freedom in the Soviet Union and the Ukraine.

Public opinion in the United States and the world does not tolerate this. The outrage of free men must be heard demanding not only the emancipation of Valentyn Moroz but also returning to freedom the social dissenters everywhere behind the Iron Curtain.

INDIVIDUALISM AND THE "RIGHT TO READ"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, recently I chanced to read a statement by Dr. Joseph Kitchens, assistant professor of history, Georgia Southwestern College, relative to the decline in a student's ability to read and write. Dr. Kitchens points up that we have to face the fact that we are crippling our youth by not insisting they learn to read and write properly. As Professor Kitchens states:

> To be crippled in one's ability to communicate in writing is to be denied a freedom, creativity and privacy that should be the right of all.

I wholeheartedly agree and commend his article to the attention of my colleagues. The article is taken from the Georgia PTA Bulletin for June 1975:

INDIVIDUALISM AND THE "RIGHT TO READ"

(By Joseph Kitchens, Ph. D.)

In recent months, several news magazines and scholarly journals have carried articles expressing concern over a surprising phenomena—an apparent nationwide decline in literacy. A prestigious national testing service reports a decline in the verbal skills of students entering our colleges and universities. Many states, including Georgia, have instituted standardized testing procedures to insure that college graduates will possess a minimal knowledge of grammar and composition. In this day of "open door" admission to most public-supported institutions of higher learning basic language skills are no longer a prerequisite for enrollment and a growing percentage of the colleges' inflation-riddled resources are being diverted to finance remediation programs in the language arts. Colleges are increasingly assuming responsibility for equiping their students with skills the teaching of which was once thought to be the special domain of "grammar" schools. Why are we faced with this mounting concern over basic literacy in a nation that has long accepted the necessity of basic primary education and devoted its resources to provide it?

Explanations are available, if not completely satisfactory. Many point to the electronic media as the culprit. Television, radio, motion pictures, the telephone and the tape recorder have lessened for many the necessity of either reading or writing. I think it fair to say that most Americans are primarily informed through these media. Indeed, such media are often used to enrich the educational environment. At least one explanation for the widespread use of electronic media in the classroom is, I fear, that teachers turn to them in desperation when their students are unable to make effective use of the traditional educational medium—the written or printed word. Helpful as audio- and visual media are, their use may compound the problem which may have stimulated their use in the first place—their students' inability to profit from teaching/learning experiences based on reading and writing. Informed by non-literate media both in and out of class, the students' interest in, and ability to use the written language declines. Proponents of such methods point out with persuasiveness, that students should be taught with the tools by which contemporary society communicates. Maintaining interest, an important prerequisite to learning, is certainly important. And it is demonstrable that initially at least, this can be done more easily with electronic media than with conventional teaching tools.

Equally plausible is the contention that "democratization" of the public institutions of higher learning has brought about an inevitable decline in the preparedness level of entering students. As new elements of our society, formerly denied access to higher education because of cultural, racial, economic or academic disadvantages, were brought into the college setting, some short-term reduction in standards was inevitable and perhaps even desirable. Unfortunately, what began as a humanitarian compromise by well-intentioned educators may be generating a self perpetuating downward spiral in the quality of our college graduates. Several factors influencing the academic setting have made it difficult to return to rigorous standards. Among these are the "crunch" of inflation, the fading of social imperative for college education and the stabilization of the birth rate in the wake of the World War II "baby boom." These factors and others add up to a leveling off of college enrollment and in some instances, a disastrous decline. For administrators and faculty members, self preservation becomes a prime consideration. Academic standards are often the victim. Although some colleges have made a belated commitment to teaching the basic literacy skills that apparently went unlearned in the primary and secondary schools, the prospect for their being able to curb the decline in literacy are not bright. Too much contrary pressure is brought to bear on them by social, economic and demographic forces.

Observers, even professional ones, who favor more rigorous training in the communications skills not infrequently receive a cold shoulder from their colleagues and society at large. Often, they are accused of holding to an outmoded concept of education, or worse, of being elitists. Such scepticism seems to be based on the assumption that (a) they are hopeless traditionalists enamoured of Victorian rigor and propriety, (b) that they are snobs, who are determined to use literacy as an arbitrary bar to keep minority groups and the poor out of college, or (c) both. What real justification exists, they ask, for the primacy of reading and writing in the educational process?

I believe the answer is that reading and writing are such highly adaptable and versatile means of communication and expression. As such they assure our adapability as individuals and a fuller development of our interests. Electronic media alone do not provide the means for securing our own uniqueness. We are restricted in the pursuit of things which interest primarily ourselves when we rely on mass communications. This is, of course, true of books as well, but to a lesser degree. Written communication is still the most versatile resource for our own personal educational needs. To be crippled in one's ability to communicate in writing is to be denied a freedom, creativity and privacy that should be the right of all. The "Right to Read (and Write)" is no atavism. We need these capabilities now especially. Youth in the Sixties rekindled our desire for individuality and unique personal expression. Tragically, there is some evidence that this same generation is somewhat less literate than its predecessors. If we are to fulfill that generation's hope for a fuller life for its children, we must insure that they are able to secure it, at least in part, through reading and writing effectively. Support the primacy of literary skills in our public schools. We all will be the beneficiaries.

HUD VERSUS HOUSING ENFORCEMENT

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. RUSSO. Mr. Speaker, there is a national housing scandal in this country that has cost our Government billions of dollars, tens of thousands of destroyed houses, and the decay of hundreds of good neighborhoods. The true dimensions of the disaster are buried under the red-tape in the files of FHA and HUD.

The Chicago Tribune has conducted an outstanding 7-month investigation of the housing scandal involving FHA and mortgage companies, so thankfully the disaster is not as buried as it once was. Today I want to share with my colleagues a recent Tribune editorial on what Chicago housing administrators are up against when they are dealing with the Washington bureaucracy. I am afraid it is not an atypical situation.

I think my colleagues are as deeply concerned as the taxpayers who are, as usual, bearing the brunt of this ineptitude. Damaged and destroyed homes are bought by the Federal Government for billions in tax dollars and then sold for next to nothing.

Let me give you a specific example the Tribune reporters cited in their articles: A $20,000 home in Chicago was sold at auction by FHA for $501. Of course, there were some drawbacks for the buyer. Vandals had knocked the doors wide open. All windows were broken, fixtures were smashed, sinks, bathtubs, toilets and boiler had been stolen and wet and stinking trash was littered throughout the house and yard. So the taxpayer lost close to $20,000 on this deal. The average loss to the Government on each FHA foreclosure is more than $13,000.

In the instance cited above, the FHA said it had to give away the house, because it was so badly damaged; the demolition costs were not much less than the worth of the lot the house was sitting on.

There are FHA regulations requiring protection of vacant buildings by the mortgage companies, but they do not seem to carry much more weight than the paper they are written on as far as the mortgage companies are concerned.

In another example of the complete breakdown of the housing program the Tribune reported that a mortgage company in Chicago in turning over a house to FHA stated that the house was "vacant, clean, and secure." It was a house on which FHA had paid over $15,000 in mortgage insurance. The reality of the situation was far from "secure." There were holes in the roofs and floors, the plaster walls were battered in, plumbing was never turned off and drained, causing warping and rot. Vandals with free access to the house had strewn garbage and trash throughout the house.

Is this any way to run a housing program? And why are such abuses occurring? I think my colleagues will find this editorial a cogent and informative analysis of the situation, and I hope its message is heard loud and clear all the way at HUD. It is time to put an end to this waste and to construct a decent and responsive low- to moderate-income housing program that works:

HUD VERSUS HOUSING ENFORCEMENT

Leading burocrats of the Department of Housing and Urban Development in Washington have decided why their agency works so badly: The trouble is those local officials who keep trying to make it work better. To meet this problem, Washington has ordered such officials to lay off, stop trying to crack down on the easy-money housing racketeers, and become just as flabby as their superiors at protecting the public interest.

This take-it-easy policy is the more striking in view of The Tribune's investigative series which detailed the ruinous waste and deterioration—totaling some $4 billion over seven years—that have resulted from HUD's nonenforcement of its own rules.

The orders to lay off were received two weeks ago at HUD's regional offices in Chicago, and have led to a fascinating situation. Our local officials, to their lasting credit, say they're not going to obey them.

Within this giant federal agency, it seems, battle lines are being drawn between officials who want HUD to work as Congress intended and those who don't. The outcome may decide a fundamental question of government: whether federal agencies are primarily meant to benefit the public, or the payrollers who run them.

The orders came after a task force from Washington visited the Chicago offices of HUD and its subsidiary agency, the Federal Housing Administration, last May. The visit apparently was prompted by complaints to HUD in Washington from a mortgage company doing millions of dollars in FHA business here.

On June 16, the task force issued a report that supported the complaints and in effect criticized the Chicago office and its director, John L. Waner, for doing their job too conscientiously. It said Mr. Waner had been checking up too thoroly on mortgage companies, developers, and home buyers making use of FHA-backed mortgages, and had been taking excessive care to inspect FHA-insured homes for structural, electrical, plumbing, or heating defects. Hundreds of such homes in the Chicago area have been abandoned because of undetected defects which the buyer couldn't afford to repair. Yet the report said local requirements for certification inspections were "unfair" to mortgage companies and prospective sellers.

The report also criticized the Chicago FHA office for running stringent credit checks on applicants for FHA-insured homes. Its author, George O. Hipps of the national HUD office, conceded that the checks had turned up a number of fraudulent applications, but said the office was hampered by the large number of rejects. The "unnecessary" documentation required by the Chicago office, said Mr. Hipps, "slows the processing." He concluded:

"The attitude . . . is one of suspicion of the mortgagee, the broker, and the applicant. The noted deficiencies are indicative of processing in the Chicago office which causes dissatisfaction with the single-family housing program. In addition, it reflects a negative and suspicious attitude and a misunderstanding of outstanding instructions."

The source of this dissatisfaction seems clear. A highlight of the inspection tour was a meeting May 16 between task force members and 30 industry representatives, including mortgage bankers, builders, and developers. Local HUD and FHA officials were barred from this meeting, possibly for fear they might be tactless and show proof of consistent violations by some lenders.

The June 16 report, and the subsequent orders from Washington, leave little doubt that HUD's top echelons do not want to hear about the need for reforms; they want go-along people who won't make trouble for industry or their fellow burocrats. This throws some doubt on Mr. Waner's future. As we write, a new datachment from Washington is in Chicago grilling Mr. Waner and other local officials on where The Tribune got its information for the series on FHA scandals. Apparently HUD has its "plumbers" too, just like the Nixon White House.

In our view, Chicago area residents can be grateful that John Waner is in charge of federal housing programs here. In his four years in office, he has proved himself a tough, dedicated administrator willing to fight tirelessly to make things work—actually provide decent housing for those who need it. His record, under immense handicaps, is excellent.

If he and his able staff are now to be disciplined for trying to protect the public interest in definance of official policy, HUD and its leaders will have showed which side they're on. It isn't the public's, and the public can be expected to take note of it.

WEST POINT DAM

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. BRINKLEY. Mr. Speaker, the great American poet Robert Frost once said that "in order for a place to be great, you must start with a good piece of geography." What better way to salute the years of effort by those who made the West Point Dam and Reservoir on the Georgia-Alabama line a reality?

Indeed, they started with a good piece of geography and, through years of hard work and patience, built a landmark. I am proud it is part of my district. But I am even prouder to be so closely associated with the many people, both in Georgia and Alabama, who worked diligently to bring the West Point project to fruition.

Prior to the actual dedication of West Point, there was a ceremony during which the cornerstone was laid, on June 6, 1975. The speakers there were most appropriate, for the project meant much to them.

Former Congresswoman Elizabeth Andrews of Alabama, whose late husband, the distinguished Congressman George Andrews, put forth so much for the project, is a gracious lady whose fashion of dress complements the elegance of her being. And R. Shaefer Heard, who is known far and wide as "Mr. West Point Dam," has earned that title and can wear it with pride because his had indeed been a guiding hand since the conception of this massive project.

At this point in the RECORD, Mr. Speaker, I submit their remarks as a gesture of my own personal pride in West Point and a tribute to these two wonderful people:

WEST POINT DAM

(By Mrs. George Andrews)

My gratitude is as deep and as wide as the Chattahoochee today. First, let me thank you for allowing me to complete George's 14th term in Congress. I was able to complete some things near and dear to him, and for this I am most grateful. It was a great honor to George and to me. I also want to thank you, especially the committee, for remembering how much this project meant to George. As I scanned his scrapbook after Mr. Lanier called me, I realized again how long this project had been in the making. George praised it, pleaded for it and fought for it his entire 28 years in Congress.

Across the Archives Building—in Washington, D.C.—is inscribed these words:

"What is Past is Prologue".

I'm sure you've heard the joke about this that is supposed to be true:

A typical tourist asked the cab driver as he drove her up Pennsylvania Avenue, "What is past is prologue—what does that mean, driver?" Drawing from the wealth of knowledge that the cab driver always has, he replied: "It means you ain't seen nothing yet!"

I'm sure if we could look into the years ahead to the year 2000, we'd agree that we "ain't seen nothing yet!" We haven't seen yet the great progress that this great waterway will bring to our areas. However, we have come a long way since the project was begun with the Jim Woodruff Dam back in 1947.

Then came a long dry spell, money-wise, and the project was at a standstill. The Woodruff Dam could yield only a fraction of its benefits until the other dams were completed.

The President and the Office of the Budget insisted that no new projects could be started, and the Appropriations Committee would not build the other dams. However, friends of the Tri-Rivers project never gave up. They insisted that since the Woodruff Dam was nearing completion—it was a continuing project.

I'd like to quote from George Andrews' speech at the ground-breaking ceremony at what is now (and for this I am deeply grateful) the George Andrews Dam in 1955—20 years ago:

"GEORGE ANDREWS. Mr. Chairman, distinguished guests, ladies and gentlemen, I can truthfully say to you today that this is one of the greatest days I have ever known since becoming a member of Congress in 1944, 11 years ago.

"Long years, years that have been filled with back-breaking problems. One of the great desires that I had when going to Congress was to see the greatest natural resource that we have in this section of Alabama developed—the Chattahoochee River. I'm thinking today of the many hours of long, hard work that those who have advocated this project experienced through those years. I am thinking of the many trips that mayors, members of Chambers of Commerce, members of City Commissions made to Washington. I am thinking of the disappointments that they experienced—year after year having the Appropriations Committee and the Congress and the Budget Bureau say NO, no money for Fort Gaines. But you know anything worth having is worth fighting for. The fight has continued through those years and has grown with intensity.

"During the last session of Congress, I offered an Amendment in the Full Appropriations Committee which carried by one single vote, and that one vote will enable us today to blow the dirt to start construction of the Fort Gaines Lock and Dam. It seems to me that the best things that happened in my life have been by close, close vote. I went to Congress in '44 with 44 votes. We'll break ground today with one vote.

"But I like to think of the great benefits that will come to our section of the country when this great project has been completed—navigation, plenty of hydro-electricity, flood control, recreation. Let me read you briefly what General Itschner of the Engineers wrote me back on the 27th of May of this year, speaking of the navigation features of this project. 'It is now estimated that 1,277,000 tons of traffic will develop on the waterway when the system is complete, which is more than twice the previous estimate.' Navigation, hydro-electricity, commercial water. You and I know that unquestionably industry is coming South. Coming where? To Alabama, Florida, Mississippi, Georgia. Our project is right in the heart of that district. We have everything on this earth to offer an industrialist who is seeking a new site for his plant in the Chattahoochee Valley. We can say with confidence and without fear of contradiction to an industrialist who is seeking a new site, 'You tell us what you want; we have it in the Chattahoochee Valley'. With Camp Rucker becoming a permanent Fort, with the development of the Chattahoochee Valley, I say with a great deal of pride that we're on the go in Southeast Alabama and I predict with utmost confidence that 15 or 20 years from today, the Chattahoochee Valley will be one of the greatest industrial empires that can be found anywhere in these United States.

"And now, it gives me a great deal of pleasure to present to you my colleague from the 2nd District of Alabama, who has been of invaluable aid to us in this fight in Washington, Hon. George Grant. Come around, Mr. Grant."

Before I leave that ceremony in 1955 I'd like to quote from another speech that was made that day—by a great Georgian—the late Senator George. Quote: "My philosophy is that free government, representative government, must meet the test over and over again of translating into tangible form for the betterment of the people the natural resources of our several States—The great function of free government is to translate the bold declarations of purposes and the great natural resources into a better life for all the people. I hope to see personally at least one other dam on the Chattahoochee and that is a dam which will give adequate protection to West Point and will benefit the States of Georgia, Alabama, and Florida."

Neither Representative George (Andrews) nor Senator George were allowed to be here today—but their efforts along with hosts of others too numerous to mention here were the foundation upon which we shall continue to build into the future. By the year 2000 when this capsule is opened great changes will have occurred. The great States of Alabama and Georgia joined, not divided by the Chattahoochee and linked to the great State of Florida will have made great strides in the economic world. The system's contribution to recreation, flood control and the energy crisis will be tremendous.

In the great Chamber of the House of Representatives in our Capitol where the money for this great waterway was appropriated there is a marble plaque engraved with Daniel Webster's words: "Let us develop the resources of our land; call forth its power, build its institutions, promote all its great interests and see whether we in our day and generation may not perform something worthy to be remembered."

I believe that the patriots of the year 2000 will look back on this day with pride. We owe a great debt to those whose efforts have made it possible. Let us today rededicate ourselves to continuing service of our country so that by the year 2000 we will be judged "worthy to be remembered".

REMARKS BY: R. SHAEFER HEARD

Someone asked me why I got interested in river development. I have heard it talked ever since I was a boy about a flood control dam on the Chattahoochee above West Point. The flood of December, 1919 I was trapped on First Avenue from Monday afternoon until Friday afternoon upstairs in my Aunt's home on First Avenue, with 12 others. We had an oil stove, but not much food, and the City water main was broken on the river bridge which washed away and we had no water to drink. It was December and the weather was cold. We had to go to bed to keep warm, and we had to ration our food. We were thirsty so I went down stairs and dipped up the red river water—we strained it, boiled it, and made coffee on the oil stove. If you have never been without drinking water you do not know what it is to do without it. The coffee tasted pretty good.

From that experience I said to myself, "I wish I could do something to help the flooding in the Valley."

In 1928, the late Mr. J. Smith Lanier of West Point; Mr. W. B. Hardaway of Columbus; and Mr. F. H. McDonald of Atlanta, with the assistance of the late Mr. George H. Lanier, then President of the W. P. Mfg. Co., West Point, Ga., obtained a permit from the Federal Power Commission to construct a dam on the river above West Point. Land was purchased and in 1929 the permit and all the land was sold to the Georgia Power Company by the owner—W. P. Mfg. Co., with the understanding that the Georgia Power Company would build a dam in 1931. Following the 1930's was the great depression, and then World War II, which stopped all such projects. Of course the Georgia Power Company could not build a dam at that time. Things rocked along after the war and nothing was done, so in 1956 I brought it up before the City Council of West Point. (I was elected Councilman in 1955). Since Georgia Power Company owned the permit we took it up with them and they advised that they were not interested in building a dam on the Chattahoochee above West Point. After this was cleared I organized a group to go to Atlanta and contact the Chamber of Commerce with the idea of enlisting their help to obtain a dam. The group besides myself as chairman included the then Mayor of West Point, Tom Morgan; Councilman W. P. Jackson; Frank Davis and Davis Haines. We visited the Chamber and Mr. Frank Shaw sent us over to see Mr. Burton J. Bell, TLO of the South Atlantic Division of the Corps of Army Engineers. Mr. Bell was very cordial and he said "we have not heard one word from West Point about a dam in years". His next remark was "don't you know that the squeaky wheel is always the one that gets greased"? He further said that the "Engineers had not heard any one down the river squeaking". He then explained the procedure by which such a project for the Federal Government to undertake. Incidentially I had earlier written to our Congressman John J. Flynt, Jr., about a dam on the river above West Point. He advised that such a project as a multi-purpose dam on a river was a long and rough road, but he would be glad to investigate it.

When Mr. Bell said "the squeaky wheel is the one that gets greased" that gave me my cue. We started a squeaky campaign until we had a listening ear in Washington.

On February 7, 1957 Congressman Flynt introduced a resolution for the Engineers to study the feasibility of a dam above West Point for flood control, power, recreation, aid to navigation and other benefits. Congressman Flynt told me that to his knowledge it was the first resolution introduced in Congress for the Engineers to make a study of the middle reach of the river for a multipurpose dam above West Point. This resolution was approved. Congressman Flynt also told me to keep in close touch with the Engineers and when I mentioned it to Mr. O. G. Skinner he carried them to Crystal River, Florida on fishing trips several times, also he gave them a steak dinner at his recreation house. To make a long story short the first step was a public hearing and Congressman Flynt set the date December 3, 1958 and requested me to make the local arrangements. The Mobile District Engineer Colonel Love had charge of the hearing. In November just before the hearing we organized the Middle Chattahoochee River Development Association and I was elected president. I sent over one thousand names to the Mobile office to send invitations to the hearing. To say the hearing was a success is to put in mildly. We had nearly one hundred endorsements with only three opposing it. The Engineers in their report of November 30, 1961 stated that the study was sponsored by the MCRDA, Congress finally authorized the dam in October, 1962 and it was funded within two weeks when the late Senator Russell tacked on to the bill a request for $100,000.00 planning money. In my trips to Washington (about one to three times a year) I was active in the National Rivers and Harbors Congress and in the early part of 1962 I appeared before them and they endorsed the project which gave us a push up the hill. I was the only one there representing the Chattahoochee River. Ground was broken on April 16, 1966, and I had the privilege of helping General Walker, Congressman John J. Flynt, Jr., and the late Congressman George Andrews touch off the blast which started the construction of the dam. These two Congressmen helped more than anyone else in Washington in getting the dam.

The first concrete was placed on November 13, 1968 and again I had the privilege of helping the Savannah District Engineer Barnes and Congressman Flynt place the first bucket of concrete. In November, 1974 I had the privilege of pushing the button to open the first tainter gate. Now you see the finished product, a thing of beauty.

In the capsule is a brief history of the dam in more detail, a letter from the West Point Lions Club, the first organization to endorse the dam and have the first program on the dam at the Club, a letter from the MCRDA, the sponsors of the study by the Engineers, newspaper of the ground breaking and many other items of interest to be read in the year 2000. We thank every one that had a part of making the dream come true. Personally I am very proud of the dam and the benefits we will derive from it.

1984?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. MICHEL. Mr. Speaker, writing in the Chicago Tribune last month, columnist Joan Beck offered a thought-provoking and somewhat frightening article on a disturbing trend in America.

She notes that now, for the first time, more Americans are being supported by taxes than are working in the private sector of the economy.

If this trend is continued into the future as she posits, it is indeed frightening. But there is still time to reverse our direction, if those of us in the Congress have the courage.

So that we may all have a chance to think about it, I insert the column to be printed in the Record:

[From the Chicago Tribune, June 6, 1975]

The Year the Scales Tipped Toward 1984

(By Joan Beck)

Washington, 1984.—The tipping point came about mid-1975, altho few people recognized it as such at the time. And the tipoff was a study by economists at the Ford Motor Co., which showed that there were more people being supported by taxes in the United States [80,655,000] than there were people working in the private sector of the economy to pay the taxes [71,650,000].

Among those who were living on the tax dollars of others, the Ford economists counted the adults on various welfare and retirement programs, government employes, military personnel on active duty, and the disabled and unemployed.

For a while, it looked as if the statistics would be reported only in a few one-paragraph newspaper stories and then slip into oblivion. But there were some who understood that a new American majority was being created and began to exploit the fact for their own political and professional purposes. That tipped the balance more, slowly at first and then at an accelerating rate in the early 1980s.

Politicians mapping strategy for the 1976 elections were among the first to realize that tax beneficiaries now outnumbered taxpayers—and not only could, but would, outvote them. Most of the successful candidates that year based their campaigns on some variation of the theme that government must do more for the people as a matter of justice and right.

So there was little surprise when one of the first major pieces of legislation passed by the new Congress early in 1977 was a universal health care bill, much more liberal than any previously proposed. It not only provided free medical and dental care for everyone, but it also pulled millions of physicians, nurses, dentists, hospital workers, and other health care personnel out of the private sector of the economy and made them dependent on taxes.

With the health care people came professional organizations and lobbyists, almost as skilled in manipulating legislators as the military and determined to fare well on government largess. These became models for other pressure groups of tax beneficiaries (some starting on a small scale in the early 1970s) such as retirees, welfare recipients, government workers, and the unemployed, all under the banner of justice and constitutional right. It became impossible to cut back on any government program, and legislators, knowing they were adding to a growing new majority of voters, continued to create new social services.

Taxes increased, of course, in the late 1970s and early 1980s, especially with the impact of the new health care bill and increased Social Security benefits. Some corporations were compelled to cut labor costs considerably and others went out of business.

Many young people found it difficult to get a job. Those who did were appalled to experience first-hand the tax bite on their pay checks, and some quit working completely, adopting the increasingly popular no-work ethic. They learned to live on a combination of food stamps, subsidized housing, free medical care, and barter.

By 1980, a new Ford Motor Co. study showed that tax beneficiaries outnumbered taxpayers from the private sector of the economy by 121,590,000 to 41,392,000. There may be fewer than 21 million taxpayers left now, whose income is not derived from taxes paid by others; even the Ford economists themselves have become government employees, as Congress created first a national energy supply agency and then last year increased its regulation of the auto industry to the point of nationalization.

The national debt now stands at $13 trillion. The dollar is worth 11 cents in 1973 terms. The gross national product has declined for each of the last eight years. Real personal income has gone down for seven. And increasing numbers of troubled congressmen are wishing they had done more to nourish and protect the American taxpayer in the private sector of the economy before he became an endangered species.

REVENUE SHARING—A BLESSING FOR LOCAL GOVERNMENT

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. CEDERBERG. Mr. Speaker, I would like to call the attention of my colleagues to an editorial from the Midland Daily News, the largest paper published in my district. The editorial, entitled "Revenue Sharing No Disguised Blessing," enumerates the many benefits which this program has meant for Midland, Mich., and typifies the sentiments of many local government officials within my district.

We should take note of the wide spread support for revenue sharing which has been emanating from local government and most recently from the U.S. Conference of Mayors. We can greatly facilitate their future fiscal planning with early congressional approval of the State and Local Assistance Act of 1975 which I have cosponsored and which provides for a $5\frac{3}{4}$-year extension of general revenue sharing. In addition we should seriously consider expanding the program with more money and removing the restrictive measures which currently dictate how the funds must be spent.

Local government knows what measures will best serve the needs of its citizens at the local level. They should be the ones to decide how the money is spent.

The article follows:

[From the Midland Daily News, Dec. 23, 1974]

Revenue Sharing No Disguised Blessing

(By Phillip L. Schneider)

As 1974 mutters the last of its economic disasters and wheezes toward the finish line, and as the new year slinks closer with forbidding gloom, we find welcome relief by slipping behind one of the few financial blessings remaining.

As December folds, two years remain in the mammoth federal experiment called revenue sharing. It is time to start thinking about renewing the program and to closely study its track record. Since 1972 the Office of Revenue Sharing has funneled over $15 billion to nearly 39,000 units of government across America. When the trial program ends over $30 billion will have been spent. The money, earmarked from federal income tax payments, is returned to state and local governments on the theory that, since officials at these levels are closer to the people, they are more acutely aware of local needs.

Program administrators have done an extraordinary job funneling such large sums of money to grateful, efficient recipients. Graham W. Watt, director of revenue sharing, handles the massive funds with a total staff of less than 70 people—including professional and clerical workers. Unlike most government bureaucracies, where much of the money is wasted in a needless maze of personnel and paperwork, revenue sharing money gets maximum results with each dollar spent.

During the two years that revenue sharing checks have been arriving in cities like Midland, the funds have maintained essential public services and, in many cases, at the same time relieved pressure on local taxpayers. For example, in fiscal 1974–75, which began July 1, the city of Midland will receive about $476,785—a total of about $1.2 million. The money, like that before it, will pick up the tab for projects that ordinarily would have forced tax hikes, necessitated budget cuts in other areas or would have remained dormant.

Since the program began, city councilmen have designated revenue sharing funds for: a new municipal service center ($1.3 million); a northwest fire station and a new truck ($275,000); an economic development program ($50,000); and miscellaneous park improvements and developments ($99,000).

County commissioners have also invested wisely in: road equipment, leading to a 40 per cent increase in road restoration programs ($116,274); improvements in Veterans Memorial Park near Sanford ($58,000); additions to Pine Crest, the county nursing home (over $185,000); four parcels of land in the city for future county use ($208,177); and improvements at the county fairgrounds (over $50,000).

The list of projects for which revenue sharing money has either been spent or allocated goes on and on. Revenue sharing has obviously left a savory taste in the mouths of local budget tenders. The resulting programs have generated uncalculated benefits reaching far beyond the monetary amounts invested.

Across America cities big and small are harvesting the benefits of revenue sharing. Atlanta and Chicago are using the money to pay firemen's salaries. Houston bought 20 garbage trucks, a fire pumper, an air pollution helicopter and a police helicopter hangar. New Orleans' mayor says that without its $18 million annually, the city would be broke. Detroit would be in an equally desperate situation without its $43.1 million each year.

With the program spreading so many benefits from coast to coast, it is almost inconceivable that such a landmark among so many other foul-smelling projects would not be renewed. Yet, city officials across the nation are worried that Congress might not extend the program beyond its December, 1976 expiration date. Ready to cling to their funds to the bitter end, these officials are busy forming lobbying strategies and mounting an intense two-year pressure campaign.

As Midland Mayor Gene W. Holthofer noted in recent testimony before the Michigan Municipal League's Finance and Taxation Committee:

"Expanded and improved public service has been our key concern. Three decades of failure to provide proper facilities for the city's public works, traffic department, parks maintenance and water distribution is coming to an end . . . Without the capital represented by revenue sharing to invest in the public's future, the community level of public service would have deteriorated.

". . . Revenue sharing's continuation is important for each community to continue to address unmet public needs with the flexibility this program offers."

Fortunately, the local examples of this program's tremendous benefits are sure to have a strong impact on one of the politicians in a key place to influence the fate of revenue sharing. As ranking Republican on the House Appropriations Committee, Rep. Elford A. Cederberg, R-Midland, carries a lot of weight when he speaks of budgetary concerns. If he wisely lends his active support to the continued health of revenue sharing he will earn hearty thanks from thousands of city officials across America.

NORMAL "TWEED" WEBB

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. CLAY. Mr. Speaker, the pantheon of American Sports immortals contains a good many figures who have not become household names across this Nation. But national notoriety is never an accurate measurement of a dedicated sports enthusiast's contribution to his chosen field.

Mr. Speaker, one such sports great is Normal "Tweed" Webb, baseball player, organizer, reporter, and historian of unique and special talent, charter member of the Amateur Baseball Hall of Fame. "Tweed" has recently retired from active duty, but for all the many whose lives he enriched, from Elston Howard to Luke Easter to Sam Jethroe to all his anonymous readers and admirers in the St. Louis area, he shall always occupy a special niche in our memories.

Mr. Speaker, for the enrichment of my colleagues in the House, I commend to their attention material which describes a man they would be most fortunate to know, Normal "Tweed" Webb. I now insert these pages in the RECORD:

[From the St. Louis Globe Democrat]

ROBERT L. BURNES, THE BENCH WARMER

James "Cool Papa" Bell, star of the old Negro National League and inducted into the Hall of Fame of Cooperstown, N.Y., last August, will be honored by the Old Pros Unlimited of Chicago at their annual soiree June 28.

Sharing honors with Cool Papa that night will be his long-time buddy, Normal "Tweed" Webb, who is a member of the Amateur Baseball Hall of Fame.

Incidentally, black baseball historian Webb recently picked an all-time Negro all-star team . . . and we were prepared to go into deep argument with him . . . because his list omitted such names as Bell, Josh Gibson and Satchel Paige . . . but then we noted that Webb had said it's a team of players who are not in the Hall of Fame . . . Okay, Tweed, no arguments.

On his team are such famous names as Willie Wells and Mule Suttles of the old St. Louis Stars . . . Oscar Charleston of Pittsburgh, Ray Dandridge of Newark.

TWEED FORMING WRITERS' CAMPAIGN FOR RUBE FOSTER IN THE "HALL OF FAME"

Tweed has followed baseball since he was a boy for Rube Foster's team when they cavorted at Kuebler's Park over on North Broadway (1917). In 1926, Webb played shortstop for the Wayne Pirates in the Negro National League.

He was official scorer for the Black Big Leagues for some 17 years.

Webb, the moving force behind efforts to catapult the Cool Papa in the Hall of Fame in 1974 makes it crystal clear that he feels that Foster should be included with him. Said the man who has compiled data as it relates to Negro baseball for a period that spans in excess of a half-centry, "Andrew (Rube) Foster is the most brilliant figure the great national sport has ever produced. He should have entered the Hall of Fame behind Satchel Paige. . . . I feel that the special committee had better wake up!"

"Rube Foster was a great man, a truly outstanding athlete . . . to leave this man out of the Hall of Fame would be a big joke." The assertion is that of Normal (Tweed) Webb, renowned historian on black baseball history. The remarks were made in an interview.

He reeled off reasons for the support of Foster: "(1) He was greatest pitcher (up to 1910); (2) he was greatest manager . . . in the class with John McGraw of the New York Giants and Connie Mack of the Philadelphia Athletics; * * *

HOW GREAT WAS RUBE FOSTER, FORMER PITCHER, MANAGER AND PRESIDENCY?

(By Normal "Tweed" Webb)

'POP' LLOYD

In my "Hot Stove League" column on March 28, 1965 I wrote the following:

"Scores of old time baseball players and fans last week attended the funeral services for John Henry 'Pop' Lloyd, former slugging shortstop for such teams as the Bacharach Giants, Cuban Giants, Philadelphia Giants, New York Black Yankees, Hillsdale Stars, Leland Giants, Lincoln Giants and the Chicago American Giants, managed by the great Rube Foster.

"He played from 1905 through 1931 in the Negro Leagues. In 1942, at the age of 58, Lloyd retired from semi pro ball in Atlantic City as a manager and first baseman, still hitting the ball hard.

"He died in March 19, 1965 there. He was born in Palatka, Florida on April 25, 1884. He was 5'11 and weighed 180 pounds.

"One of baseball's immortals, Pop was born 50 years too soon. During his life he established all kinds of records but the goal he sought more, playing in the big leagues, eluded him.

"In 1912, the late John J. McGraw, Manager of the New York Giants, tried to get John Henry into the majors but was unsuccessful."

WILLIE WELLS

Willie "Devil" Wells, one of the greatest shortstops in the old Negro Leagues.

Wells made his debut here with the famous St. Louis Stars in 1924 and played with them through 1931 when they disbanded. The 5'7", 160 pounder was recognized as a masterful shortstop who possessed good speed, fine hands and an accurate (though not strong) arm.

He was especially adroit at going back and hauling in Texas Leaguer bids.

Wells broke in with San Antonio in 1923. He played in the winter league in Cuba for thirteen years with his travels taking him to Puerto Rico, Mexico and even in Canada.

After leaving St. Louis and the Stars he had tours of duty with the Kansas City Monarchs, Chicago American Giants, Indianapolis Clowns and the Newark Eagles. . . . all powers in the NNL.

Devil had a career mark of .320. He is weighing the possibility of coaching the Houston Tillotson College Baseball Team also.

Tweed Reflects 60 Years of Records Black Greats of Yesteryear

(By Normal "Tweed" Webb)

How great was the late "Rube Foster," former pitcher-manager and president of Negro baseball?

"Andrew (Rube) Foster was the greatest pitcher, manager and president we ever had in yesteryears, the era before Satchel Paige days. I have seen all the black greats of yesteryears since 1912 and have been a keen baseball observer for 55 years. Foster was the Father of Negro Baseball and organizer of the Negro National League in 1920."

Those were the words of Normal (Tweed) Webb, black historian and long time St. Louis Argus baseball reporter, made at the home of James "Cool Papa" Bell, 3034 Dickson last week. "Bell was the fastest player in black baseball history," Tweed added.

Tweed presented Black Big League Baseball in Review. His charts and old "Hot Stove League" column write-ups revealed historical dates, statistics and records. A lively discussion of "Hall of Fame" players before the Jackie Robinson days by "Cool Papa," Tweed and St. Louis Post-Dispatch Sports Editor, Bob Broeg, lasted 2 hours.

Broeg paid a tribute to Webb for his long time service to the Tandy League.

In Tweed's short talk, he chronicled many of the yesteryear black greats, Rube Foster, Satchel Paige, "Cool Papa" Bell, Smokey Joe Williams, Josh Gibson, Bizz Mackey, John Donaldson, John Henry Lloyd, Willie Mays, Jud Wilson, Bruce Petway, Bullet Rogan, Ben Taylor, Bingo DeMoss, Oscar Charleston, Bill Drake and Jelly Gardner.

"The Chicago American Giants under the management of Rube Foster from 1910 thru 1922 was the greatest black team I ever saw," said Tweed.

"The Giants regular line up was Leroy Grant, 1B; Bingo DeMoss, 2B; Bobby Williams, SS; Dave Malarcler, 3B; Jimmy Lyons, LF; Carlos Torrienti, CF; Jerry Gardner, RF; and Frank Duncan, C. However, Rube had under his wing, or had use for the services of other greats down thru the years, such as Oscar Charleston, John Beckwith, Pete Hill, John Henry Lloyd, Joe Mendez, Bruce Petway, Joe Green, Walter Ball, Jim Taylor, Jim Brown, Home Run Johnson, and many more."

Webb brought along score books and scrapbooks concerning more than 60 years of play, including a magazine from Sumner High School principal John D. Buckner. Broeg received an early History Book on major league baseball from Tweed—records up to 1910.

FEW HISTORICAL DATES

August 10, 1927, The St. Louis Stars played to the largest crowd that ever witnessed a regular Negro National League Baseball Game. Approximately 14,000 fans jammed the stands, including yours truly. We saw first baseman Willie Bobo knock a home run over the car—shed that beat Rube Foster's Giants, 1–0. Here!

May 30, 1944, during World War II, the Indianapolis Clowns and the Cuban Stars drew a record 31,000 fans.

July 4, 1941, the first all Negro game was held at old Sportsman park between the Chicago American Giants and the Kansas City Monarchs. Over 21,000 fans attended the game as the Monarch won, 2–1.

October 7, 1919, Smokey Joe Williams, greatest black fast ball pitcher, came East to pitch for the Lincoln Giants against John McGraw's New York Giants in an exhibition game. He hurled a no-hitter against the Giants' line up of Burns, Kauffmann, Young, Zimmerman, Fletcher, Doyle, Holke, and Kenney, with Savage Speed fanned 20, however, losing, 1–0, because of miscues by his infield.

In Tween's 44 years of service to Tandy Baseball League before he retired in 1966, he has had a hand in grooming such local big leaguers as Elston Howard, Big Luke Easter, Al Smith, Sam Pendleton, Quincy Troupe, Ted Savage, Sam Jethroe and Nate Colbert.

Normal "Tweed" Webb's Record Book

Normal "Tweed" Webb, long time St. Louis Argus Baseball Reporter and Scout, who campaigned for the admission of Blacks into the major leagues before the "Jackie Robinson Days' and whose effort led to James "Cool Papa" Bell's election to the Hall of Fame.

A prominent figure in amateur and Pro Circles, is one of the most admired and respected Black Baseball Historians in America. A self-employed Sign Painter, "Tweed" turned down many offers to be a professional baseball player!

Webb helped organize numerous baseball leagues in his distinguished career and was proud of having a hand in grooming major leaguers such as Elston Howard, Nate Colbert, Luke Easter, Al Smith, Sammy Jethroe, Quincy Troupe, Sam Pendleton, who got their start as sandlotters here! "Tweed" has followed baseball since he was a Bat Boy for Rube Foster's Chicago American Giants when they played at Knuebler's Park over on North Broadway in 1917, the home of the St. Louis Giants.

Our honored member is active in many baseball organizations. He is a charter member of the Amateur Baseball Hall of Fame, organizer of the Old Time Negro Baseball Players Association and Tandy Baseball League. He is researcher for Hall of Fame in Cooperstown, N.Y. and member of Society For American Baseball Research. In addition, he is public relation Board member of the Mathew-Dickey Boy's Club.

1974 BIG YEAR FOR TWEED

On March 21, he was among first 10 players inducted into the newly Amateur Baseball Hall of Fame. On July 29, he, "Cool Papa" Bell and Satchel Paige appeared on Joe Garagiola's Baseball World Show on NBC–TV. He saw "Cool Papa" inducted into the Hall of Fame. Another great Day Tweed talks about—July 12, 1964, then Captain Tom Brooks set up the "Normal 'Tweed' Webb Day" before 10,000 fans at Tandy Park's East-West game with over 200 old time baseball players in attendance.

Webb usually referred to as "Mr. Tandy League", started his Tandy career as a shortstop for the Old Black Sox, managed by his father, Sherman Webb and has held positions as Captain, Manager, Vice President, Secretary, Announcer and Official Scorer in 44 years of affiliation with the league. In 1934, "Tweed" refused the presidency. He ended his active amateur career with a .350 batting average—perfect bunter and hit and run man. Played with such championship teams as Broomer Tailers and Pullman Shop. In 1933, he managed the Harper Potter Roofers and later played on other Tandy Teams before retiring in 1936. In 1926, Webb played shortstop for the Fort Wayne Pirates in the Negro National League and was official scorer 17 years in Black Big Leagues.

In his retirement, he limits his baseball reporting to just special events: Deaths, Sickness, Mathew-Dickey Boys Club and Historical Dates, etc.

Tweed calls his neighbors of the 4500 and 4600 block of Enright Avenue, "the greatest people in the world."

A ROCKY JOB OF REPORTING ON ORGANIZED CRIME

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. CLAY. Mr. Speaker, if the Rockefeller Commission on CIA activities had any public credibility to begin with, it lost that when Vice President Rockefeller characterized its recent report as revealing of no major transgressions committed by the CIA. Certainly the first and essential step toward appropriate remedial action is a painfully honest and full public admission of what all ails our foreign intelligence apparatus. Instead of admission, we got a dose of gloss from the Vice President, gloss so transparent as to be inconsistent with his own commission's admittedly incomplete report.

Mr. Speaker, political satirist, Art Buchwald, recently published in the Washington Post a column that takes a well deserved poke at the Vice President and the Commission he headed. Though laughable, I deeply hope the serious underside of his humor is not lost on us or the American people. With that caveat in mind, I now insert Mr. Buchwald's column in the Record:

A Rocky Job of Reporting on Organized Crime

(By Art Buchwald)

The Don Corleone Commission has just handed in its report on organized crime to the President.

Don Corleone, the godfather of the report, told newspapermen, "We have done the most thorough and comprehensive job of any commission ever appointed by the President, and we have come to the unanimous conclusion that, while a few laws were broken by organized criminals, there were no massive violations.

"Organized crime in the United States may have done some things in contradiction to the statutes, but in comparison to the total Mafia effort they were minor."

Don Corleone was asked if his commission had investigated the close ties between the Mafia and the CIA.

"We have heard some witnesses who have testified that the Mafia and the CIA worked closely together on several projects. But it is our opinion that this was on a lower level and none of the Mafia chieftains had ever approved of an activity involving the CIA. We would never condone our soldiers trafficking with spies and the counterintelligence people."

A newspaperman wanted to know if the Mafia was aware of any assassination attempts involving CIA personnel.

"On occasion there was talk of assassination, but the Mafia bosses rejected it out of hand when they found out it was illegal. There have been charges in the media that organized crime worked closely with the CIA. What the average person does not understand is that, in order to do its job and protect the country's interest, the Mafia has to work with many unsavory people.

"We work with politicians, the police, informers and, I'm sorry to say, even legal businessmen. But you will never have a strong organized crime force in this country unless you can use every weapon at your disposal."

The next question Don Corleone was asked by a reporter was, "Did the Mafia promise the CIA anything in exchange for its co-operation in the illegal acts that were discussed?"

"I can say unequivocally that where we enlisted the CIA in our activities nothing was promised in exchange. Our feeling has always been that the CIA offered its help out of patriotism for the country, and it would have been a mistake to reward them by letting them in on any of our rackets."

Don Corleone held up the report to the newspapermen and said, "I think you are going to be surprised and pleased by the comprehensive nature of the material that is in here. We left no stone unturned to find out if organized crime figures in this country went beyond their mandate. We called 51 witnesses including the bosses of every major city in this country and, while a few of them admitted to minor traffic violations, we could not find one bit of evidence implicating any of them in gambling, drugs or white slavery."

"Will the information on the Mafia's connection with assassinations be made public?" the godfather was asked.

"It would be a mistake to release this information as it is confidential and not in the country's interest. If the President decides the people should know, he has it in his power to declassify the report. But great harm could be done to organized crime if its relation with the CIA was leaked at this time."

The final question asked was, "Don Corleone, do you think there is any conflict of interest in the fact that your commission was made up of people who have been involved with organized crime for years?"

"On the contrary, we're the only ones capable of understanding it. We leaned over backward to get at the truth and when you read the report you will be amazed at what a great job we did. This is not to say we haven't recommended any reforms. For one thing we have strongly urged that, if the CIA contacts any of our people in the future, the godfathers must be informed of it immediately."

GUERRILLA ACTIVITIES CHARGED AGAINST PUERTO RICAN SOCIALIST PARTY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on June 19, radio broadcasts from Santo Domingo, the capital of the Dominican Republic, reported that three Puerto Ricans had been arrested earlier in the month and were awaiting trial on charges of having smuggled three Dominican guerrillas into the island Republic from Cuba by boat.

The three men, all members of the self-proclaimed Marxist-Leninist revolutionary vanguard Puerto Rican Socialist Party (PSP), included Angel Gandia, a member of the PSP's elite Central Committee; Johnny Sampson and Raul Garcia. The three Dominican guerrillas, to date still at large, were identified as Claudio Caamano Grullon, Toribio Pena Jaquez and Manfredo Casado Villar.

The detained PSP members are being represented by three Puerto Rican lawyers—Noel Colon Martinez, Gilberto Concepcion Suarez and Carlos Gallisa—and David Scribner, an identified member of the Communist Party, U.S.A., long active in the National Lawyers Guild.

Dominican Armed Forces Secretary Maj. Gen. Juan Rene Beauchamps stated that the three men were under military custody, and alleged that they had confessed to having taken the three guerrillas, who formerly lived in Cuba, to the southern coast of the Dominican Republic. The team of lawyers held a press conference on June 20 and claimed their clients had been kidnaped from their boat.

Juan Mari Bras, secretary general of the PSP, issued a statement denouncing the action of the Dominican Government and asserting:

> We insist that our three comrades kidnapped by the Dominican Government have committed no crime, nor is there any truth in the confessions forced out of them. They have been kidnapped, jailed and tortured for being members of the Puerto Rican Socialist Party. Their captors are actually persecuting our continued activity for the independence and national liberation of Puerto Rico.

On Monday, June 30, David Scribner and Florencio Merced Rosa held a press conference in New York City. Florencio Merced, a member of the PSP Political Committee, is one of the PSP's more active international travelers. In January 1973, Merced was in Havana "to coordinate from Cuba an international campaign of solidarity with the Puerto Rican political prisoners." In June, Merced headed a PSP delegation to Communist North Korea.

Scribner described some of the measures he had taken to apply pressure on U.S. Embassy and consular officials to persuade Dominican authorities to release the three revolutionaries. Scribner leveled the usual charges of torture and U.S. "complicity" during the press conference.

Speaking for the PSP, Merced claimed the arrest of the three PSP members "is a conspiracy between the Balaguer regime and U.S. colonial authorities." Merced further charged that the detained men "practice fishing as a sport" and had become lost when taken into custody by Dominican authorities.

An atlas indicates it is some 50 miles across open seas from the Puerto Rican Island of Mona to the nearest point on the Dominican shore, and it is at least another 60 miles west along the shore to the city of La Romana where they were detained.

The Puerto Rican Socialist Party, a self-styled "revolutionary vanguard," has proclaimed it bases its "programs, organization, theoretical analyses and practices in Marxist-Leninist theory," and that it believes "a dictatorship of the proletariat will destroy the bourgeoisie and obtain control of the means of production to then organize the economic development of the country."

Furthermore, the PSP's political declaration at its 1973 U.S. Zone Congress stated:

> Of the third world, the Puerto Rican people are the principal classical colony of the U.S., its main prop and military fortress. The Puerto Rican people have the possibility—and responsibility of— . . . transporting the third world's war of liberation to the very heart of the North American cities.

In 1967, PSP founder and general secretary Juan Mari Bras said:

> Just as imperialism uses Puerto Rico as a bridgehead for its penetration into Latin America, so will the Patriotic Vanguard of Puerto Rico offer itself as a bridge over which world revolution can penetrate into the United States.

Throughout its 15-year career [first under the name Movimiento Pro Independencia (MPI)], the PSP leadership and membership have been involved in a wide variety of violent acts, ranging from antidraft riots at the University of Puerto Rico in which police officers and students were killed through bombings. arson and bank robbery.

The PSP has from the beginning placed itself under the tutelage of the Cuban Communists who have trained, according to FBI figures, more than 135 Cuban revolutionaries in guerrilla warfare, sophisticated sabotage and the use of explosives.

In this connection, the FBI is currently seeking one Filiberto Ojeda Rios, 41, characterized as a Puerto Rican-born Cuban-trained espionage agent, for questioning in the January 24th FALN bombing of the Fraunces Tavern in New York City in which four persons died and nearly 50 were injured. Rios has been sought by the FBI since he jumped $100,000 bail in San Juan, P.R., 5 years ago after his arrest in connection with the bombing of hotels and other institutions there.

Reporter Ronald Koziol reported in the Chicago Tribune of June 19, 1975, that:

> Rios is considered a major link to at least a half dozen Puerto Rican extremist groups seeking independence from the United States.

Koziol continued:

> Confidential U.S. intelligence reports, made available to The Tribune, traced Rios' alleged spying and terrorist activities back to 1961 when he was recruited by Cuba to spy on American military installations in Puerto Rico.

The PSP newspaper, Claridad, and Puerto Rico Libre, the monthly newsletter of the Puerto Rican Solidarity Committee, whose executive secretary is Alfredo Lopez, a member of the PSP U.S. Zone Political Committee, again charge that law enforcement surveillance of the PSP's revolutionary activities amount to "political repression."

Does Sr. Lopez seriously wish to suggest that it is improper for the FBI to take an interest in an organization which proudly proclaims its Marxist-Leninist revolutionary intent, which flaunts its cooperation with and dependence on the Cuban regime, and whose leader states that:

> Armed struggle as a sort of urban guerrilla is definitely present in the struggle for independence in Puerto Rico in an irreversible way.

Alfredo Lopez has devoted a column in the most recent issue of Puerto Rico Libre to my analysis of the Puerto Rican Solidarity Committee in the CONGRESSIONAL RECORD of June 2, 16573, in which he wrote:

> McDonald's report consists of a well-researched analysis of the Puerto Rican So-

> cialist Party's United States branch and a two-page rundown of the composition and activities of the Puerto Rican Solidarity Committee.
>
> McDonald identifies many of the Committee's National Board Members, lists our whole national staff and details many of our activities, including the very recent tour by Pedro Grant sponsored by our committee. It makes one start to think. * * *

Lopez continued:

> It's clear from McDonald's analysis, which spends many paragraphs saying that the importance of our committee, and the issue of Puerto Rico, is that it unified the left, that whoever did that analysis—the FBI perhaps—understands the dangers of the committee, and the dangers of left unity in this country.
>
> It is clear that they all understand the international importance of the issue of Puerto Rico as a fundamental point in the strategy against American imperialism when they speak of the International Conference in Havana.

One would in general expect the sort of unprincipled, elitist personal insults Lopez has gratuitously inserted elsewhere in his column from the PSP's ultra-militant rival, the Popular Socialist Movement (Movimiento Socialista Popular—MSP) rather than from PSP. After all, Lopez was not attacked personally in any way although the ideologies and activities of his groups were analyzed. No doubt such is to be expected of a man whose party has rejected the electoral process for Leninist conspiracy.

It is of interest to note that Alfredo Lopez, now a leader of the "nominally Maoist" Puerto Rican Socialist Party, has an extensive background of activity with pro-terrorist factions of the Socialist Workers Party (SWP), a rival Trotskyist Communist organization.

Lopez was formerly a member of the Proletarian Orientation Tendency (POT) of the Socialist Workers Party. The POT faction supported the militant pro-terrorism stance of the leadership of the United Secretariat of the Fourth International, the principal international coordinating body for Trotskyist Communists.

The POT faction, of which Lopez was a member, was defeated at the 1971 SWP national convention, the majority of the SWP leadership believing that at this particular time, and that under these particular conditions, the use of terrorist tactics and urban guerrilla warfare in the United States is unwise. However, the SWP leadership have made it clear that they reserve the option for terrorism in the future.

Many members of the POT tendency then left the SWP. Those POT members who remained within the SWP then organized into yet another pro-terrorist faction, the Internationalist Tendency.

Alfredo Lopez has retained his close associations with, curiously enough, both the present SWP leadership and the IT, to the extent that on March 24, 1974, he met with two IT leaders, Hedda Garza and William Massey, and questioned them as to decisions taken at the 10th Congress of the Fourth International held the previous month in Stockholm, Sweden. Massey had been a delegate.

At the 10th Congress of the Fourth International, the pro-terrorist leadership defeated all attempts to modify their position supporting the use of violence now as a revolutionary tactic. Massey supported the pro-terrorist resolutions at the congress.

Because the meeting between Lopez and the IT leaders had been organized outside the SWP chain of command and not through the executive committee of the SWP's New York local chapter—Lopez became one of the factors leading to the SWP's expulsion of many of his IT friends in July 1974.

Lopez had told Dick Roberts who had been assigned by the SWP to maintain contact with the PSP that he would be meeting with Massey and Garza. Lopez then later confirmed that the meeting had indeed taken place and the topics of discussion to an investigator from the SWP's security unit, the control commission.

It is interesting to note the criticism recently leveled at the PSP by its newest rival, the Popular Socialist Movement, at a heavily attended meeting on June 28th at New York City's Washington Square Methodist Church, site of innumerable leftist meetings.

The MSP delegation, headed by its secretary general, Luis Angel Torres, a member of the Puerto Rico Legislature, was sponsored by El Comite—Movimiento De Izquierda Nacional Puertorriqueno—a Maoist-oriented organization from New York City's Upper West Side; and other non-Puerto Rico Maoist groups including the Congress of Afrikan People—CAP; the October League—OL; and Workers Viewpoint.

Like most of the U.S. Maoist groups, the MSP is working toward the creation of a "genuine Marxist-Leninist party" in Puerto Rico. Among the points made by Torres at the meeting was that the "fundamental method" for achieving liberation is "armed struggle" and "protracted revolutionary war."

The Maoist weekly Guardian of July 9, 1975, reported:

> Torres characterized the strategy of the Puerto Rican Independence Party (PIP) as "militant pacifism" and charged that it relied principally on the election process. He characterized the strategy of the Puerto Rican Socialist Party (PSP) as being aimed as "insurrection," but without a coherent plan for making this into a protracted struggle.

Torres' Popular Socialist Movement was formed in November 1974, by a group of ultra-left dissidents from the Puerto Rican Independence Party (Partido Independence Puertorriqenal—PIP). The MSP is involved with the PSP-controlled United Workers Movement—MOU—and asserts that its main base is in the Puerto Rican working class.

The PIP's leader, Ruben Berrios, who has served in both the Puerto Rican House and Senate, obviously disagrees with Luis Angel Torres' dismissal of PIP's policies as "militant pacifism." In a speech at San Juan on November 24, 1974, shortly after the Torres faction had left PIP, Berrios described PIP as "a flexible, revolutionary mass party composed of and led by the working class of Puerto Rico." Berrios added:

> We believe in socialism but socialism with a human face.

It is noted that the PIP and PSP have exchange members on more than one occasion through factional splits. In January of this year, Carlos Gallisa, a Member of the Puerto Rican House of Representatives, formally joined the PSP. Gallisa had been elected to the legislature originally as a member of the PIP, but broke with Berrios in 1973. He remained in the legislature without party affiliation, but appeared at many PSP functions and presented the politics of the PSP in his legislative program. "El Caballo" is now one of the team of lawyers representing Angel Gandia and two other PSP members detained in the Dominican Republic for alleged guerrilla activities.

In his column, Alfredo Lopez expressed a "gut feeling" of rage brought on by public discussion of the public activities and statements of his "revolutionary vanguard" party. With self-righteous rhetoric he asked:

> Who the hell do these people think they are? What makes them think they have a right to spy on people * * *?

First, Mr. Lopez should be aware that the verb "to spy" means "to watch secretly or to obtain information in a clandestine manner." He must be well aware that my scrutiny and analyses of his organization's activities are very public.

Nevertheless, the appropriate agencies of the Federal Government, have not merely the right, but the duty, to keep a close watch on an organization which offers itself "as a bridge over which world revolution can penetrate into the United States," whether its activities be in Havana, Pyongyang, and Prague or in Hartford, Philadelphia, and Ponce.

In the words of former Supreme Court Justice Arthur Goldberg:

> The Constitution of the United States is not a "suicide pact." The Nation has the right and duty to protect itself from acts of espionage and sabotage and from attempts to overthrow the Government.

A TRIBUTE TO GEN. JOE BARTLETT

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. SARASIN. Mr. Speaker, I rise to add my voice to the many friends and admirers paying tribute to Brig. Gen. Dorsey J. Bartlett. His official "pinning" this Friday by Marine Corps Commandant Louis H. Wilson marks another milestone in what is one of the most exemplary public careers of which I have knowledge.

The public and official record of Joe's career—both with the U.S. Marine Corps and his 34 years of service to the U.S. House of Representatives—has been duly noted and deservedly praised, both here and in the other body.

Joe's ability, dedication, warmth, personality, and integrity have been widely praised, and rightly so. Men who have had the privilege of knowing Joe many times longer than I have described the unique accomplishments and attributes of which we are all aware. To all of these I would enthusiastically add my endorsement.

What I personally would like to mention is the quality of the assistance, counsel, and friendship that this busy man so freely offers to all, but particularly to the younger Members of this body. As one who first entered this Chamber in 1972, filled with great resolve but little knowledge of the customs, rules, and procedures, I have a great appreciation of what Joe Bartlett has done to ease the entry of a generation of new Members.

For this assistance I shall always be grateful and of his friendship I shall always be proud. On the occasion of this well-earned honor, I wish to add my congratulations and best wishes to "General Joe" Bartlett.

CHILD CARE

HON. WALTER F. MONDALE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 9, 1975

Mr. MONDALE. Mr. President, as is known, I have worked for a number of years to improve the quality of life for America's children.

Recently, Geoffrey Peterson, who is administrative assistant to Senator RIBICOFF, spoke in Stamford, Conn., about the need for comprehensive programs to meet the health, nutrition, and day care needs of children. Geoff has been working on Finance Committee legislation for Senator RIBICOFF and played a major role in our attempts to reform America's welfare programs.

I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

CHILD CARE CENTER OF STAMFORD

"America's children are the forgotten Americans of our time." On the 10th Anniversary of the Head Start program, the sad fact is that children in America do not have a head start. They are ignored.

Whether you look at health care, education, nutrition, or day care, children seem to fall at the bottom of our national priorities.

No wonder that America ranks below a dozen other countries in infant mortality.

No wonder that health programs fail to provide adequate protection for infants and for diagnosis and prevention.

No wonder that hundreds of thousands of youngsters must fend for themselves—their latchkeys the only day care they have.

No wonder 60,000 children each year are known to have suffered child abuse.

America's answer has been vetoes and cutbacks. Ex-President Nixon vetoed the Comprehensive Child Care Act in 1971, likening it to a plot to socialize America. This was nonsense. The tragedy is that 33 million children under 18 in America need care and supervision of some kind. And six million preschoolers need care. Unfortunately, there are little over 4 million available day care spaces nationwide and less than one million of these meet acceptable standards. This is a national disgrace.

"There are 13 million poor children eligible for the Early, Periodic Screening, Diagnosis, and Treatment Program under Medicaid which was enacted into law by Senator Ribicoff in 1967. Today, fewer than 3 million of these children have received this health care, despite our repeated prodding of the federal and state governments." There is no excuse for this. The need for such a program is overwhelming.

Look at the statistics:

According to a Presidential study—

Retardation is found in 3% of all births;

5 out of 7 physically and mentally handicapped children receive no help at all;

12 million children need special care for eye conditions;

50% of all children under age 5 have never been to a dentist; and

2 million children need special care for orthopedic handicaps.

Even the most callous budget-cutter must realize that an ounce of prevention is less costly than a pound of cure.

Let's look at nutrition. Millions of children go to bed hungry and go to school without food in their stomachs.

President Ford has an answer for them—in his 1976 budget. He wants to:

(1) eliminate diet supplementation for 650,000 low-income, women, infants and children,

(2) eliminate 2½ billion school lunches for children from middle income homes,

(3) eliminate the school milk program for tens of millions of young children,

(4) eliminate all meals for any child in a day care center or Head Start Center, and

(5) take away school breakfasts from over 1½ million children each day.

And the President has tried to cut back food stamps. But, Congress stopped him. And I hope they'll stop him in his other cutback efforts.

I think it's time to reorder our priorities drastically.

It's time for a comprehensive program for children. This is what I would propose.

First, we should create a children's trust fund to protect children's programs from the ups and downs of the federal budget process. Congress and the President could not cut these funds. Money deposited in the fund could be used only for a list of enumerated children's programs. The highway lobby has its fund, the airlines have their fund, and energy may soon have its fund. The needs of children certainly merit creation of a protected fund for their programs. Senator Ribicoff has introduced the Children's Trust Fund bill in Congress. But he stands alone.

Second, let's create a national health insurance program for children—a kiddiecare plan. This junior Medicare proposal would place heavy emphasis on diagnosis, early prevention and treatment of illness in children. It may be many years before America will have a full national health insurance program. Let's start the task with a first step—health care for children.

Third, enactment of an expanded version of the comprehensive day care legislation introduced by Senator Mondale and cosponsored by Senator Ribicoff to upgrade our child care programs. We need more day care but it must be high quality. Standards must be monitored and enforced.

Fourth, creation of a tax credit for the cost of day care. While the tax cut bill liberalized the child care tax deduction, it does little to help those who do not itemize their deductions. If a businessman can deduct his two-martini lunch, how can we justify denying a similar credit for those who must pay for day care? More and more people are in need of these services. Today, one out of three mothers are in the work force compared to one out of eight in 1948.

Fifth, expansion of nutrition, education, and Head Start programs now in existence with funds sheltered in the Children's Trust Fund.

Sixth, we need advocates for the cause of children.

Stamford and Connecticut are fortunate. They have Jeanne Ellis. She is a well-respected voice in Washington. But, the voice of big business and defense too often drowns out the Jeanne Ellises. All of you have a role to play in letting your Congressmen and Senators know how you feel.

You have friends in Washington. Senator Ribicoff is one of them. As his chief aide, I have worked on his child care legislation. I was proud that the first piece of legislation that I worked on that passed Congress when I came to Senator Ribicoff in 1971 would have set quality standards for day care. Unfortunately, it was vetoed by President Nixon. We have made some progress since then. But, it is not enough. Your help and support and the help of others like you throughout the nation can make a difference.

Let Senator Ribicoff and Congress hear from you. We are on your side.

HANDGUN DEATHS

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. GUDE. Mr. Speaker, according to a report by the National Coalition to Ban Handguns:

> The total number of gun deaths in all other free nations is exceeded by the number of gun deaths in the United States alone.

The report goes on to state that—

> More people are murdered by handguns every 39 hours in our own country than were murdered by all firearms in England throughout the year of 1972.

The reason for such startling statistics lies in the fact that the United States has failed to pass any effective legislation controlling the sale and use of small, concealable handguns. Despite the support for such a bill that I and others in the House and Senate have given, meaningful legislation has not yet been enacted, and the number of fatal shootings in which such guns are involved continues to rise at an alarming rate. An editorial broadcast over WMAL-Radio on April 22 illustrates the distance that America lags behind other countries in enacting effective gun control:

> We could learn a lesson from the Japanese.
>
> If you are still not convinced strict handgun control would cut the country's crime rate in general and our homicide rate in particular . . . consider this rather startling comparison.
>
> The population of Washington is less than 750,000. In 1974 there were 258 deaths caused by handguns. The City of Tokyo has almost 12 million people . . . 16 times the population of Washington and yet in 1974 there was not one single handgun death in Tokyo . . . not one.
>
> There is strict handgun control in Tokyo. Possession of handguns, except in very few cases . . . is forbidden. The laws have been on the books for almost thirty years . . . ironi-

cally, the result of post-war occupation by Americans!!

We have given to Japan what we cannot give ourselves. Here, the handgun is given free reign. One of the most civilized countries in the world has the most uncivilized attitude towards guns.

The Japanese have shown us gun control does work. Isn't it time we demanded it for ourselves?

TAX DEDUCTION FOR UTILITY TAXES

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. WHITEHURST. Mr. Speaker, each year, the residents of Norfolk and Virginia Beach, Va., pay millions of dollars in consumer utility taxes. These taxes, which are assessed by localities and collected by the utility companies, were once deductible from Federal income tax returns. The Revenue Act of 1964 substantially amended the Internal Revenue Code of 1954, making consumer utility taxes generally a nondeductible item. These taxes are by no means a pittance. Virginia Electric & Power Co., for example, collected over $9 million in consumer utility taxes for the city of Norfolk in 1974 alone. I might add, Mr. Speaker, that Vepco is not the only utility charged with the collection of these taxes.

We all feel the pinch of rising utility bills each month. This is the unfortunate consequence of our Nation's dependence on foreign sources of energy. What is equally unfortunate for the consumer is the fact that regressive utility service taxes rise as a function of utility bills. Since the bulk of State and local taxes is deductible from Federal income tax returns, it is difficult to understand why consumer utility taxes are treated differently. Mr. Speaker, it seems to me that the citizens of this country are entitled to some relief in this area. For these reasons, I have introduced H.R. 8133, which would allow Federal income tax deductions for State and local consumer utility taxes.

Aside from being regressive in nature, consumer utility taxes are levied on a service that is rising rapidly in cost itself. This presents a very real hardship for those citizens at the lower and middle portions of the income spectrum. The tax is further complicated by the divergence in local rates. The tax burden for public utility service in one community may be significantly higher than another community in the same State. The city of Norfolk, for instance, levies consumer utility taxes on residential properties at a rate of 25 percent of the first $50 and 15 percent of all beyond $50—with no ceiling—while Arlington County has no tax of this nature. Mr. Speaker, I am not suggesting that this tax should be repealed, only that a reinstitution of its status as a deductible item on Federal income tax returns would be prudent at this time. In this way, the average consumer could enjoy a certain amount of relief from spiraling utility expenses, while allowing localities to maintain their necessary revenue levels. It is my sincere hope, Mr. Speaker, that this Congress will see fit to act on H.R. 8133 favorably and with the speed the public deserves.

GOVERNMENT DATA PROCESSING POLICY

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. BELL. Mr. Speaker, at a conference on Federal Government Data Systems held recently here in Washington for members of government and industry, the keynote address was delivered by Dr. George E. Mueller, chairman of the board and president of System Development Corp. in my district in California.

As the former Associate Administrator of NASA's manned space flight program, Dr. Mueller has considerable experience in governmental information requirements, and in his current position with SDC, he is able to provide a valuable industry perspective on these same requirements.

I wish to call his address to the attention of my colleagues in the Congress, which I believe they will find particularly interesting and informative.

The text of Dr. Mueller's speech follows:

GOVERNMENT DATA PROCESSING POLICY CONSIDERATIONS

Good morning ladies and gentlemen. Mr. Newman, thank you for inviting me to open this milestone conference on the next decade in Federal Government Data Systems. I am both pleased and honored to be here.

During this conference, both the government's views as a major buyer and private industry's views as vendors will be discussed. My years at NASA as a buyer and more recently at SDC as a seller, have raised fundamental questions in my mind regarding our procurement system—and suggest some possible solutions. Let me first discuss several problems relating to the government/industry interface and then conclude with a suggestion for greater industry participation in the generation of the Federal Government's ADP-related policies and procedures.

During the past three decades, the Federal Government has been a primary support to development in the computer industry. Rapid technological improvements in hardware and software as well as increased industrial diversity and competition have resulted from the Federal role as major customer and funder of research. We all recall that within NASA, Houston contributed to the development of IBM's OS system, that Huntsville contributed to the EXEC 8, and that Kennedy helped develop the operating system for the GE 635—now known as GCOS. The effect which the Federal Government will have on the computer industry over the next decade, and whether it can continue to have a major positive influence on industrial growth are two of the important questions to be explored at this conference.

Federal influence—for good or bad—can result from its status as a key customer, by legal constraints imposed on the industry or on users, and through the support for research and development that will generate marketable products.

Today, the Federal Government represents 12% of the U.S. ADP market. It is a very large but no longer critical customer in most segments of the computer industry. Also, since government contract R&D is no longer the major source of funds in most areas of ADP technology, the Federal influence on basic ADP products and services is more likely to be shaped by legal constraints on users and suppliers than through positive contributions to progress. Recent privacy rules are an example of such an influence.

There are problem areas in procurement policy and procedures as well as aspects of the privacy area that require solutions. I suggest that one solution may lie in Data Processing professionals becoming more heavily involved in government policy development.

One problem area, Federal Government competition with the private sector, raises a very basic question: When should the government turn to industry to perform a job rather than performing it itself? OMB Circular A–76, which has been the policy guidance in this area, needs both further clarification and greater enforcement.

It states, "The guidelines in this circular are in furtherance of the Government's general policy of relying on the private enterprise system to supply its needs."

GSA's FMC–5 which establishes ADP procurement policies for equipment and services, states, "It is the general policy of government to rely on the private sector for its goods and services except when such action is not in the national interest."

OMB statistics show that only 17% of Federal ADP costs are for outside services and 31% for supplies and equipment, leaving 52% for in-house activities.

Circumstances have changed significantly during the last decade as the data processing industry's resources have expanded. Whole new service areas have grown in capabilities and size. Many of the regulations, laws and policies governing Federal ADP procurement were written many years ago in a period when this very volatile and expanding industry comprised a totally different mix of products and services. Today, a vast array of services outside of hardware are available within the commercial marketplace. I believe that both Federal and state governments should look at ways to use these capabilities to their fullest to improve government services.

For example, different Federal agencies with similar requirements and capabilities vary widely in their use of both facility managers for their computing centers, or software services contractors for their major development projects. In addition, the National 1974 report on Reliance on the Private Sector by the Federal Government for Data Processing Services, discusses instances where a governmental agency in direct competition with the private sector, acquired additional capacity in order to serve non-mission requirements for other agencies.

To increase usage of outside services I believe most procurements should be changed from component purchases to turn-key systems procurements based on requirements specifications. This is already a common practice in NASA.

We should set a reasonable and attainable goal of having 40% of governmental data processing activities performed by the private sector by 1980, through outside services.

Privacy requirements represent another difficult problem area. My own philosophy is somewhat different from that generally proclaimed by critics of data processing who emphasize the potential negative impact of computer-based systems on privacy. I maintain, that properly managed and designed, a large integrated computer-based data system approach, when compared with past manual systems, can and will protect the privacy of the individual while improving system efficiency. My optimism regarding the privacy aspects of large integrated systems is based on the simple fact that current decentralized. manual systems have not met privacy requirements. The costs of providing adequate safeguards for manual systems and monitoring their continuous application is too high to be practical.

Large, centralized, automated systems, in addition, provide benefits in the form of cost reductions and security levels that can be varied to meet user needs.

In a centralized, automated system environment it is relatively easy and practical to have separate privacy organizations to set security guidelines, provide required procedures and continuously monitor large installations. The requirements for notice, accuracy, relevance, access and purpose limitation can all be better controlled and screened in a properly designed large facility, with full-time security, privacy and audit staffs, than in small installations of manual or computer-based systems. Meeting these requirements on a routine level requires only an expansion of currently available data management and control systems using available software technology.

In the security area there are admittedly major unresolved technological problems. The prevention of accidental or intentional unauthorized disclosure, modification, or destruction of data requires very different procedures to protect systems from penetration by the sophisticated outsider than from the dishonest insider.

SDC's past work in security for the defense community, has always assumed that we were protecting against a skilled, technologically sophisticated penetrator with access to his own carbon copy of the system in question. Emphasis was placed on operating system controls, certifiably secure systems, and the like. In these areas we are still several years from satisfactory solutions. Protection against the sophisticated outsider for multi-access, communications-oriented computing is still a problem.

In the private and civil government sectors where the privacy regulations apply, a different set of assumptions is required. Experience has shown that in these areas the greatest threat is the dishonest, but authorized, user of the system. Today, the security levels possible through the use of newer data management systems and high quality password management are equal to those attainable in only a few of the highest quality manual systems.

This does not mean that skilled penetrators are not a threat. Rather, it means that skilled penetrators are not a highly probable threat. Justice Department statistics indicate that there were approximately 340 data processing related security violations in 1974 in the private sector. Of these, only two were committed by programmers both of whom were authorized to use the system. All of the violators misused that to which they were already authorized.

Incidentally, the average economic impact of each violation was over a half million dollars. More importantly, there was no reported major economic or operational impact in 1974 in the private sector resulting from a technically sophisticated attack on a computer system.

Certainly, there is a difference between the computer security problems of the private sector—in which impact is measured in dollars and those of the non-defense related government sector where the costs of disclosure are more often social. The solutions to both of these classes of problems are similar, however, in that both are targeted at the same class of penetrator—the insider. Against such insiders, current disclosure accounting and journalization methods can satisfy the requirements of the privacy legislation, as well as provide a level of security adequate for most civilian agencies.

Finally, there is the issue of Federal Government procurement procedures and their impact on both the buying agency and the selling company. In order to set a framework for the several agency speakers tomorrow, I would like to identify three levels of data processing product or service procurements—the standard item procurement, the custom item procurement, and the turnkey procurement—and mention a few key evolving problem areas.

GSA's present practice is to enter standard items into the GSA schedules and to utilize non-schedule GSA ADP procurement procedures for custom and turnkey items. Because of the effort and time required to utilize the general procurement procedures, GSA, user agencies and vendors have been expanding the products and services having GSA schedules and generating a rapidly increasing list of mandatory procurement contracts. For many established and standardized products, GSA schedules and mandatory contracts are clearly justified; what needs to be implemented is a mechanism for truly competitive periodic reevaluations so that improved items are quickly available to the user.

In the area of custom item procurement many of the proposed mandatory procurement contracts are for equipment and services having discrete and unique capabilities. Aside from shortening the procurement process and improving standardization there are few apparent benefits from mandatory contracts for these types of items. And there is a possible negative impact when agencies over-purchase technical capabilities or do not get the technical capabilities they need. With the advent in the marketplace of microprogrammable processors and flexible storage devices there is no reason that systems designed for the user's real needs should not be procured. Perhaps GSA should institute a schedule for "tailorable" systems where the basic components can be purchased from a schedule and the customizing can be supplied from a T&M fixed price schedule.

Use of the GSA non-schedule ADP procurement procedures for custom or turnkey items requires a great deal of effort on the government side for preparation of specifications, procurement, evaluator and selection. On industry's side, a great deal of effort is wasted in proposal writing and second guessing source selection boards. Additionally, turnkey procurements, which are becoming increasingly prevalent, are multi-technology and multi-function in nature. The complicated and lengthy procurement process for these complex systems separates the decision-making from the pool of technicians who could actually determine if the best-and-final configuration and services package will really produce an acceptable working system for the government.

As time passes, fewer and fewer companies will be able to afford these expensive proposal efforts, which only serve to raise the ultimate cost of their systems to the government. They will increasingly bypass government business, and competition will be reduced. Of particular concern is the requirement for "best and final" offers. In practice this results in an auction where the most knowledgeable contractor "wins" to the ultimate sorrow of both parties.

In conclusion, I would propose that the Executive branch establish a policy level post for data processing equivalent to the existing telecommunications policy post. This would help assure maximum effectiveness for the contributions made to our society and Federal Government operations from data processing.

The impact of recent Federal Government policies on data processing has not been fully realized. For example, last month's policy statement on Criminal Justice Information Systems' privacy and security by the Department of Justice requires dedicated equipment usage by the late 1970s. This is just about the time when secure new data processing equipment, software and procedures that will not require expensive dedicated equipment should be available. As a data processing executive, I look forward to the large State CJIS systems that will probably be created to meet this policy and the significant business it will create for the industry. But as a taxpayer, perhaps the money could be better spent.

My plea is, therefore, use the data processing professionals available in both government and industry. Use them as staff, for testimony and to produce impact studies on such matters as the effect of privacy regulations on data processing users and vendors.

As we look forward to the next ten years, during which it is estimated the Federal Government will spend $25 billion on data processing, we must work for a partnership in national service between the Federal Government and the extensive and growing resources of the computer industry—a partnership that will draw on the strengths of each.

"PEACE WITH HONOR" HAS BROUGHT NEITHER

HON. OLIN E. TEAGUE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. TEAGUE. Mr. Speaker, a recent editorial in the Oak Cliff Tribune of Dallas, Tex., by Ray Zauber points out some interesting ideas regarding this Nation's foreign policy. The times are ripe for a look at the United States' approach to foreign affairs.

Mr. Zauber's thoughts on the subject deserve careful consideration. I hope that each Member of Congress and the general public will read his words.

The editorial follows:

"Peace With Honor" Has Brought Neither

Peace with honor.

That phrase may often be evaluated in future years by historians. It could go down with Remember the Alamo, or Remember Pearl Harbor, in infamy.

Secretary of State Henry Kissinger's place in history will probably be subject of many colloquies as well. The erudite and idealistic, peripatetic and persuasive, arrogant and egotistical surrogate of Richard Nixon and Gerald Ford has made a monumental effort for peace.

Whether his long-range analysis of Communist intentions will stand the test of time must wait until history unfolds future chapters. The peace bought in Indochina by the Nixon-Kissinger formula has carried a ludicrous pricetag.

That we would evacuate our troops, withdraw our financial and military support, ground our bombers and leave enemy citadels unscathed when an armistice was being violated blatantly defies credibility.

After the lessons of Hungary and Czechoslovakia—and the futility of Korea—how could our negotiators possibly agree to a withdrawal which had no provisions for securing the terms?

The blood and treasure invested in Indochina to prevent the insidious spread of Marxism and new footholds for the enemy was a terrible price to pay. From all accounts of the debacles in Phnom Penh and Saigon, America merely walked away from the struggle leaving the Khmer Rouge and Vietcong to operate almost with immunity.

The Tribune has no answers for the solution to Southeast Asia or to the Arab-Israeli conflict. Citizens of this benevolent nation have long since wearied of this agonizing war.

Why American troops were committed to Asian soil—especially after Korea—was hard to comprehend. And why our politicians insisted on a limited confrontation which again provided sanctuaries for the foe was the ultimate cruelty to our fighting forces.

The United States had been warned since the 1930's that a land war in Asia would be disastrous because of the endless eastern manpower and the differences in human philosophy.

Life is abundant and cheap in Asia where the customs and mores are incomprehensible to the western world. The strange and rugged terrain which provided shelter to the native and living hell to our fighting forces also worked against our success.

While American soldiers and sailors have been extricated physically from the warfront, there will still be fiscal and humanitarian responsibilities to prevent starvaton and genocide.

The liberal politicians refer to the impending ascendency of Communists in Cambodia and Vietnam as liberation of governments. Liberation is a polite term for complete and abject surrender.

So the inexorable spread of totalitarianism in a world divided between tyranny and freedom continues.

America is apparently on a collision course to disaster.

CHILD CARE SCANDAL IN NEW YORK CITY EXPOSED—PART VI

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. BIAGGI. Mr. Speaker, I submit for the Record the last in a six part series done by the New York Daily News on the scandals associated with the private care agencies of New York City.

Today's article reveals how the private child care agencies have repeatedly refused to cooperate with a new organization, CS-Spaulding, whose sole aim is to place foster children in adoptive homes. These child care agencies appear to be intent on keeping these children under long-term foster care. Part of the blame is to be delegated to the city child care system itself which gives a daily reimbursement to these agencies for each child under foster care.

Various methods are employed for preventing adoption of these children. There are many cases of children who could have been made legally free as infants but are kept in foster homes until their age makes adoption difficult. Frequently, the agencies use the excuse of emotional and physical handicaps for not releasing these children for adoption. However, according to the State adoption exchange, the majority of their prospective adoptive parents have actually indicated a preference to adopt a handicapped child.

This article also points out how incredible stumbling blocks are placed in the way of couples attempting to adopt foster children. They are put through a rigorous and often embarrassing series of interviews which try to expose their innermost thoughts and sexual relations. Many times these couples are not informed of their status and are kept in suspense for months. Reasons given for rejection are oftentimes illegal ones, such as a woman being rejected because she was too fat or a middle-aged couple being turned down for being too old.

This deplorable situation again clearly cries out for reform. We have thousands of qualified adoptive parents who are prevented from adopting these needy children because of the present system. As one of the original sponsors of the Child Abuse Prevention and Treatment Act, I urge effective legislation on this grave problem.

Mr. Speaker, I now insert the sixth article entitled, "Adoption Agencies Work Hard—at Keeping Kids". I would like to add at this point that I intend to hold Congressional hearings on this subject during the upcoming recess.

HUNTINGTON, W. VA., ADVERTISER BACKS FINANCIAL DISCLOSURE LEGISLATION

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. KASTENMEIER. Mr. Speaker, I wish to call to the attention of my colleagues the June 3, 1975, editorial appearing in the Huntington, W. Va., Advertiser that supports the goals of H.R. 3249, the Financial Disclosure Act which Congressman Steelman and I have introduced and which has been cosponsored by 130 of our colleagues.

The editorial follows:

[From Huntington (W. Va.) Advertiser, June 3, 1975]

Time of "Glass Pockets" of Public Officials Here

Legislation is pending in both the U.S. Senate and the House which would require public officials to make full public disclosure of their finances.

The Senate has twice approved such legislation only to have the bill die in the House. This year, however, there are 132 co-sponsors for the House bill, including Rep. Ken Hechler of Huntington.

The bills would generally require all elected officials, candidates for office and high ranking civil service and military personnel to file annual reports of their assets, liabilities, and other holdings over $1,000 with the U.S. Comptroller General. The reports would be available to the public and the press.

Members of these persons' immediate family would also be required to file.

While many members of both the House and Senate have filed such reports voluntarily, it clearly is time to make such filings a requirement of service in any high government position.

Such a law would help determine cases where the personal interests of officials conflict with the interests of the public. It would also standardize the current tangle of guidelines and directives on disclosure in the various branches of government. And it would apply to many employes who do not normally come under public scrutiny and pressure concerning their finances.

A recent newsletter from Common Cause, a citizens lobby group, says a Government Accounting Office study found 42 employes of the U.S. Geological Survey had financial interests which conflicted with their official duties. The Geological Survey is the agency responsible for determining the value of natural resources for federal leasing purposes, and several of the employes had interests in mining companies.

Such conflicts ill-serve the public. We urge passage of the so-called "glass pockets" legislation on financial disclosure pending before both House and Senate.

HEYWARD DAVENPORT: MODEL CITIES ADMINISTRATOR

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. RANGEL. Mr. Speaker, a leading community activist in New York, Heyward Davenport, has been appointed Model Cities Administrator. Involved in a wide range of programs and organizations in Harlem, Mr. Davenport brings energy and commitment to his new post.

I am pleased to include in the Congressional Record a recent article from the New York Post on Mr. Davenport:

A Model View

Heyward Davenport has been in his new office such a short time, he said the other day, that he had not yet figured out just what was where in his panoramic view. "Now is that the Manhattan Bridge?" he asked. "Or the Brooklyn?" With the geography settled in his mind he returned to his desk, leaving his interviewer with the feeling that he is not a man who spends much time gazing out of windows.

Davenport has had his 17th floor office at 2 Lafayette St. for just three weeks since his appointment as Model Cities Administrator, and he is still spending some time at the Social Services Dept., where he was deputy commissioner and where he is completing a project he began months ago.

He began his career as a case worker at Social Services, worked for a time for the Urban League, and eventually became executive director of the antipoverty agency, HARYOU-ACT.

For a time he was an assistant administrator of the City Planning Commission, a job he left to return to Social Services. At Model Cities he will direct the administration of a number of anti-poverty programs, some in physical reconstruction of slums, others providing a variety of social services for the residents of the newly rebuilt neighborhoods.

Davenport was born 42 years ago near Newberry, S. C., the eldest of three children of Leo and Beulah Davenport.

The family owned a "substantial amount of land," "but it was not very profitable to farm and "we were not exactly prosperous," he says.

Young Heyward worked from the time he was 10, selling cosmetics door-to-door, farming an acre of cotton given him by his father, raising chickens. He walked four miles to school each day, and that memory makes him smile "whenever I hear about busing. We were passed every day by the white children in their buses."

He says now that the racism he experienced as a child was easier to bear because he was "in the wide open spaces. We had a lot of elbow room and I wasn't subjected to the daily sting of discrimination. I don't remember ever feeling embittered by it."

After graduation from an all-black high school in Newberry, he enrolled in Johnson C. Smith University in Charlotte, N. C., but left after two years to join the Air Force. "I thought I was going to see the world, but I didn't see much of it." In fact he spent almost the entire four years in Texas, save for one brief stay in Alaska.

He was discharged a technical sergeant and returned to college.

He did well in his classes and, in his senior year, became a leader in the sit-in movement in Charlotte, a period he says "was the high point of my life."

Charlotte was one of the first Southern cities to desegregate its downtown restaurants, and Davenport recalls the time with pleasure and verve. "It was a very complex operation. The students still had to go to classes and getting them into Charlotte and back for their classes meant that car pools had to be organized. We arranged with black-owned service stations for gasoline and we would issue yellow cards to certain students with cars so they could get a certain amount of free gasoline."

The Charlotte police department was more enlightened than those in other Southern cities and there was very little violence, and so little bitterness that Davenport for a time considered using the reputation he had built during the movement as the basis for a political career. "I only came to New York to go to Columbia [where he got an MA in psychology] and I intended to go back to Charlotte."

To support himself and his family—he had married Barbara Hausley while he was in college and their daughter was born in 1960—he worked as a caseworker for the Welfare Dept. and attended Columbia part-time.

He rose fairly quickly through the civil service system, becoming a vocational counselor and eventually supervisor of the department's program in rehabilitative counseling. He also became active in a Harlem Democratic club and abandoned his plans to go back to the South.

The Davenports now have four daughters and live in the middle class sector of Harlem that is called "Sugar Hill." Davenport is vice-chairman of the local planning board, and says, "there isn't much sugar left."

With his new administrator status, at $45,400 a year, comes a car and driver to bring him home to his office at about eight each morning and take him home again about seven in the evening. "I accept it as part of the role," he says.

In his spare time, which he says is scarce, he likes to read about foreign affairs. He has a lingering desire to write a book about experiences in the civil rights movement in Charlotte.

SYMBOL OF EXCELLENCE AWARD

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. PREYER. Mr. Speaker, recently five manufacturing firms in my district were awarded the Sears, Roebuck & Co. Symbol of Excellence Award.

This award is presented each year to recognize those manufacturers who maintain the highest level of product integrity and overall excellence in the manufacture and service of that product.

In a time when we hear too often of the bad news of our economy and have too much spotlight on the negative side of our free-enterprise institutions, I think it is important for us to give attention to the positive accomplishments of firms such as these five.

Therefore, I am pleased to take this moment to add by congratulations to those of the people in our district and to express our pride in the recipients of this award this year: Bates Nitewear of Greensboro, Kayser-Roth of Burlington, Adams-Millis Corp. of High Point, Burlington House Draperies of Reidsville and Slane Hosiery of High Point.

THE BEST AND THE BRIGHTEST

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, an article in the June 14 New Republic, "What To Make of *Mayaguez*" by Roger Morris, raises some very critical questions about the future conduct of our foreign policy. Mr. Morris' thesis, which I support, is that the handling of the *Mayaguez* crisis was consistent with the muddled and impulsive policymaking that marked U.S. involvement in Vietnam and was a throwback to Nixon era foreign policy with its "sudden swings to savage unpredictability."

In clear violation of the 1973 War Powers Act, the Ford administration's orchestration of the *Mayaguez* incident was, in Mr. Morris' words, "quite possibly its most irresponsible act in office." The U.S. response to the *Mayaguez* capture was characterized by diplomatic confusion, inaccurate military intelligence, and sheer capriciousness. Most importantly, the *Mayaguez* experience has obscured far more urgent international problems which cannot be solved by force.

Because I believe Congress should reappraise its acquiescence in the *Mayaguez* incident, I would like to share Mr. Morris' perceptive article with my colleagues:

WHAT TO MAKE OF MAYAGUEZ

The *Mayaguez* rescue seems one of those events destined to shrink from banner headline to footnote. It has been easy to see the raids in terms of the vulnerable psychology of the Ford administration in the aftermath of the final disaster in Vietnam. A frustrated President acts forcefully to shore up his sagging domestic constituency and the country's international credibility. "Our thirty seconds over Tokyo, and it felt pretty good for a change," as one senior State Department official put it.

The Congress, press and public, all with visibly mixed feelings about Vietcong flags flying over Saigon, were glad to share in the therapy. "The main thing that has happened . . ." explained James Reston in *The New York Times*, "is merely that Uncle Sam went out of Cambodia and slammed the door . . ." Three weeks later Washington is again preoccupied with a messy, inglorious battle over energy policy, defense budgets and a sick economy.

Yet if the *Mayaguez* affair was a fleeting thing, it did provide a vivid illustration of some more enduring realities of American foreign policy. As an exercise in crisis management and credibility, it was, on closer examination, scarcely the success it seemed. As a political event it was remarkable for what did *not* happen after nearly a decade of dissent and legislation against arbitrary presidential action in foreign affairs. And in a sense, seen against other, less publicized but far more serious crises, the raids were an ironic symbol of Washington's growing powerlessness to deal with the new international dangers of the post-Vietnam era.

Outwardly it was the way power is supposed to work. Shielded by fighters from the *Coral Sea*, a company of marines goes in, guns blazing, and the 39 hostages come out safe—an economy of force reminiscent of one of the more alluring Pentagon formulas of the 1960s, the "neat surgical strike." But was the operation neat or even surgical in the sense that it was the military force that extracted the crew? Running through the *Mayaguez* crisis was much of the muddled, impulsive policymaking that marked the worst and the most ineffectual of the US intervention in Southeast Asia over the last decade. Even taken on its own terms, the operation does not seem a reassuring demonstration of the force option in international politics.

As so often in the Vietnam war, there would be in the *Mayaguez* incident puzzling questions about Washington's ability or good faith in managing the delicate balance between diplomacy and force. Notes requesting the crew's release went to the Cambodian Embassy in Peking and to the Chinese government on the afternoon of May 12, within 12 hours of the seizure. Officials now say both notes were returned without response 24 hours later, though neither Secretary of State Kissinger nor President Ford apparently saw the return as a rejection of diplomacy. "It [the return] didn't mean anything," Kissinger subsequently told reporters off the record. "The Chinese have good Xerox machines."

Yet less than 24 hours later, on May 14—only two days after delivery of the notes and the same afternoon the US asked UN Secretary General Waldheim to intercede—President Ford ordered the raids. The assault began less than two hours before Phnompenh broadcast its "order" to the *Mayaguez* "to withdraw from Cambodian waters." Lengthy and propaganda-laden, the statement was obviously in the writing prior to the US attack. Four hours after the broadcast the crewmen were aboard the destroyer *Wilson*, having sailed in a small boat the 30 miles from Sihanoukville. Lost in the superfluous squabbles raging at the moment and in the later self-congratulation was the strong probability that the Cambodians had released the crew not under marine guns, but rather as a diplomatic decision.

After the crisis, however, the diplomacy of those two days was dwarfed by the details of the fighting. About the most important diplomatic communications presumably yet sent by the Ford administration, there was casual confusion. The President, said White House aides, had "no idea" whether the Cambodians had received the May 12 note. At the same time Kissinger was telling the press, without further comment or questions, that both messages got through and that the Chinese "counseled restraint" by Cambodia. It was not just a question of principle in giving diplomacy a chance. Even officials supporting the military action were worried that once a diplomatic solution was in process, the raids might have backfired disastrously. Had the crewmen not already been released, a Cambodian regime that had decided to give them up on its own initiative (or perhaps at Chinese prodding) might well have reneged under military coercion, particularly since the marine assault on Tang Island missed the crew entirely.

"It was almost a mini-Marigold," said one concerned official, referring to the code name of December 1966 secret peace negotiations that collapsed when US planes bombed Hanoi in the midst of promising diplomacy by the Poles. In any event, say several sources, Washington operated in the *Mayaguez* seizure with almost no diplomatic intelligence on the possible intentions of the new Cambodian regime. Lower level State Department officers with long experience in Cambodia were excluded from the center of crisis management, much as the handful of officials analyzing Hanoi or the Vietcong were absent from the critical decisions by Presidents Johnson and Nixon on the war. Gerald Ford in 1975, as his predecessors had so often before him, seems to have struck in Southeast Asia not as a last resort after exhaustive diplomacy, not in some genuinely informed calculus of the adversary's intentions, but by what must have been a largely intuitive judgment that he had no other choice.

Whatever the timing and motivation for the raids, the tactical military planning turned out to be as questionable as the diplomacy. For the umpteenth time in Indochina, in a bloody sequence from the Tonkin Gulf to the Tet Offensive, American forces were committed to battle with fatally inaccurate military intelligence. According to Pentagon officials the marine company landing to face savage resistance on Tang Island had only misleading, low definition satellite photos and no up-to-date reconnaissance. Whether Pentagon planners were inhibited by fears of alerting the Cambodians, or whether 48 hours was too short a time to organize the proper intelligence, the lesson for any observant government is that the United States is not especially adept at such operations. The precedent for *Mayaguez* in this respect was the futile Son Tay POW raid into North Vietnam. Like *Mayaguez*, Son Tay would have been "successful" only if the captors had decided to release the prisoners independently of the military action.

So too were there troubling doubts about Washington's command and control of the military strikes. Official sources are unanimous that communications between Washington and the task force in the Gulf of Siam were nearly instantaneous, with constant radio contact. Yet at perhaps the most critical point in such a crisis—the moment when the objective has been accomplished and operations must be carefully measured to avoid embroilment exceeding policy—the administration's simplest communications failed. Between the Pentagon's receipt of the news that the crewmen were returned and the relay of that crucial message to the President, who immediately ordered the strikes to cease, there was a lapse of 21 minutes. It was during those 21 minutes that the carrier planes bombed the Cambodian mainland at an airfield near Sihanoukville.

In the official version of the mainland raid was to protect the marines still on Tang Island, though the logic of those tactics would have dictated either a preventive strike timed with the initial landings more than three hours earlier, or simple surveillance of the field to attack any Cambodian T–28s attempting to take off. The bombing was obviously a punitive gesture. But the explanation for continuing the strikes well after the crew had returned seems far more disturbing. "The momentum of the operation was too strong," said one high official in words redolent of August 1914, "to turn it back at that point." It was as if military "momentum" had somehow carried US planes to attack, for good measure, the Russian vessels *after* they had turned back from the blockade of Cuba during the 1962 missile crisis, or President Eisenhower had allowed the bombing of the Suez Canal in 1958 to cover the marine landings in Lebanon. Whether indulgence of loose bombing plans or inadequate civilian control, the Ford administration's handling of the mainland attacks in the *Mayaguez* crisis may quite possibly have been its most irresponsible act in office.

But then apparently Washington barely averted a still more bizarre step—the use of B–52 bombers if strong headwinds had not brought the *Coral Sea* into position for the operation by May 14. Confided to reporters traveling with Kissinger to Vienna four days after the crisis, the strategy in deploying the B–52s would have been to "frighten" the Cambodian government away from making humiliating demands on the US. "It was the only means at our disposal [without the carrier]," Kissinger told the reporters, again off the record. Assuming this was more than posturing, the questions of objective and sense of proportion in such an option strain the imagination. How many B–52s? With what intensity on what targets, military, urban, rural? How long, in defiance of specific congressional prohibition, would it be before the Khmer Rouge, with their own hard-earned expertness in strategic bombing, surrendered the crew? Here it is 1975. The Indochina war is a bitter lesson learned. Yet we are suddenly back in June or December 1972, or February 1965, intent on intimidation beyond our interest and probably beyond our political capability to sustain.

All this must be fairly weighed, of course, against the administration's perspective on the crisis. The President and his advisers were no doubt in the grip of the *Pueblo* tragedy, whatever the differences between the two cases. They were anxious to avoid further "defeat" in Indochina, which they saw as demoralizing at home and emboldening enemies abroad. The operation was conducted, explained Secretary of Defense James Schlesinger in his baroque style, for "purposes necessary for the well-being of this society."

Moreover, the cultural gap inevitable in such encounters was probably deeper than ever; a Khmer Rouge reported to be emptying Phnompenh to create an isolated agrarian communism may well have seemed utterly irrational to a former congressman from Grand Rapids. And as always even the best and the brightest civilian officials are hostage in a crisis to the quality and candor of their military staffs.

But Washington's blunders, if thinly veiled by publicity, were neither academic nor excusable. To potential future players in the credibility and force option game—whether Arabs, Israelis, North Koreans, the Soviets or the Chinese, all of whom have to take a more precise view of such events than the American Congress or press—the demonstration may have been just the opposite of what was intended or is now widely supposed. Our crisis diplomacy can be seen as uncoordinated or hypocritical, our military intelligence chronically flawed, White House civilian command and control perhaps unreliable, escalation to B–52 strategic bombing an almost reflexive resort. These precedents might deter some governments with room to be cowed by our sheer capriciousness. More likely the *Mayaguez* presents a future adversary with the prospect of a diplomacy he cannot trust and a military operation neither side can measure, the ingredients not of credibility, but of catastrophe.

The loose control and excesses of the crisis were almost certainly easier amid the ready acquiescence of the Congress. Before it had basis to judge either the situation or US actions, the Senate Foreign Relations Committee unanimously endorsed the use of force. Except for Gaylord Nelson (D, Wisc.) and George McGovern (D, SD), who spoke out, and Edward Brooke (R, Mass.) who quietly sent the administration a list of questions, the Senate seemed generally prepared to be, as Sen. John Stennis (D, Miss.) put it, "as severe as necessary." The House followed suit, its bold freshmen for the most part suddenly mute in the mysteries of national security.

Few on Capitol Hill will quite say it, but President Ford violated the long-fought 1973 War Powers Act, the language of which expressly obligates the President to consult the Congress "*before* introducing US armed forces into hostilities . . ." "We were informed, not consulted," observed Majority Leader Mike Mansfield (D, Mont.). But the Congress shows no disposition to investigate the crisis either for its military-diplomatic implications or for the serious practical and Constitutional ambiguities it exposed in the war powers legislation.

The *Mayaguez* raids laid bare in that respect a reality in the politics of foreign policy that many liberals have denied or ignored. It is that the congressional majorities that produced the war powers and anti-bombing legislation of 1973–74 and even the broader assertion of foreign policy prerogatives in this session have not been anti-militaristic, or even anti-imperial in the sense of the gunboat politics of the *Mayaguez*. The specter haunting most of the Congress was not so much arbitrary presidential foreign policy as the great *faux pas* of that system—land embroilment in Indochina. Once that danger had receded, for most members the point was made.

"We took a bath in the Gulf of Siam," said one congressional aide about the *Mayaguez*. But the uncritical congressional acceptance of the crisis was only part of a larger surrender already in motion. The recent reversal of the Turkish military aid cutoff, the defection of liberals like Sen. Walter Mondale (D, Minn.) from support of the Mansfield amendment to reduce troops in Europe, the genteel co-opting of the Senate Special Committee on the CIA—all signal an abiding fear the Congress has of sustaining even its partial responsibility in foreign policy.

Perhaps the most insidious effect of the *Mayaguez* experience, however, was to obscure the far more urgent international problems facing the Ford administration, problems in which even efficient military force or good faith diplomacy appear increasingly useless. To the extent that the *Mayaguez* cast foreign policy in terms of US credibility, it slowed understanding that the real crises are mainly *within* rather than between nations, and therefore beyond our reach. Thus the collapse of NATO that *Mayaguez* was supposed to help forestall proceeds from political and economic instabilities in Portugal or Italy or Great Britain that not even Kissinger's brilliance can remedy. So also, the food and energy crises, which Kissinger flew off to Europe to address after *Mayaguez*, are at their core vast problems of domestic politics and social organization in both the industrialized and poor countries. No external force will bring the land reform or population control or technological transformations that will determine the shape of the world in the last quarter of the century. It was far more important for the future foreign relations of the United States, for example, that Kissinger recently proposed new concerted action in developing alternative energy sources and a one billion dollar world food reserve, even if his schemes cannot be imposed by Washington. But it was about the *Mayaguez* that columnist Joseph Kraft concluded "that the government can do some things and do them fairly well."

Even the Middle East, presumably a central audience for the lessons of *Mayaguez*, is becoming less amenable to such crisis management. The recent domestic turmoil in Lebanon, with far-reaching consequences for both the Palestinian guerrillas and Israel, is likely to be much more important than any demonstration in the Gulf of Siam.

Seen in a longer view the *Mayaguez* crisis still belongs to that Nixon era of foreign policy when sudden swings to savage unpredictability in using military force were thought necessary to maintain our security. Ironically it was a younger and more detached Henry Kissinger who warned in 1961 that, "to make of ambiguity a principle of conduct is to court disaster." But if the ghost of that earlier Kissinger pointed to the perils of the *Mayaguez* policy or cautioned against its self-deluding aftermath, no one seems to have heard.

RESOLUTIONS ADOPTED BY THE GENERAL COURT OF THE COMMONWEALTH OF MASSACHUSETTS

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. EARLY. Mr. Speaker, the General Court of Massachusetts has adopted two resolutions which I believe are worthy of note and may benefit Members of other States, since the subjects of the resolutions are areas of particular concern to this Congress.

The first, a resolution memorializing the Congress to allow greater immigration to the people of Ireland, urges the Members to review the immigration act enacted in July of 1968, to more equitably deal with visa requests from Irish citizens.

The second, a resolution urging the Congress to enact legislation providing economic incentives for users of alternative sources of energy, is certainly one which bears directly on legislation we have had and will have before us in the near future. The State of Massachusetts has born a tremendous burden in the energy crisis. All of New England has suffered considerably more damage from the combined and intertwined effects of energy shortages and the economic upheaval than most other areas of the country.

I hope that my colleagues in the Congress will read these resolutions with an eye toward legislative action, and I appreciate this time to include them at this point in the RECORD:

RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ALLOW GREATER IMMIGRATION TO THE PEOPLE OF IRELAND

Whereas, Unfortunately, there seems to be a part of the new U.S. immigration policy which is neither just nor equitable toward the Irish, and as a practical matter, the average Irish person who desires to come and settle here in the United States will no longer be allowed to do so; and

Whereas, If the present U.S. Immigration Law had been on our statute books one hundred and fifty years ago at least ninety per cent of the Irish in America would not have been allowed to enter the United States; and

Whereas, It is recognized that the old immigration law was unjust and unfair to some other nationalities but that the 1965 Immigration Act substituted a law which, now, is as unfair to Ireland as the old law was to these other nationalities; and

Whereas, Irish nuns and brothers have, for many years, staffed schools, hospitals, orphanages and rest homes for the aged in our nation and these religious groups, who desire to come here to continue this work, must now wait their turns because of this new Immigration Act; and

Whereas, In 1965, the Irish ranked fifth among the nationals immigrating to the United States and since then, she no longer ranks fifth or even tenth. Irish immigration is at an all time low. In 1967, 2,665 were admitted. Since the enactment of the new law in July, 1968, a total of 1,076 persons applied for visas and through November 30, 1968, only 72 were issued; therefore be it

Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact such legislation as may be necessary to allow greater immigration to the people of Northern Europe; and be it further

Resolved, That copies of these resolutions be sent forthwith by the Clerk of the House of Representatives to the President of the United States, to the presiding officer of each branch of Congress and to each member thereof from this Commonwealth; and copies also be sent to the Secretary and Vice President of the United States.

RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION PROVIDING ECONOMIC INCENTIVES FOR USERS OF ALTERNATIVE SOURCES OF ENERGY

Whereas, the residents of the Commonwealth of Massachusetts and other New England states pay the highest rates for electricity and oil in the nation; and

Whereas, the so-called energy crisis has caused a substantial increase in said rates; and

Whereas, the said crisis is causing individuals to consider the feasibility of alternate home-power energy sources; and

Whereas, the use of solar, wind, water or other innovative power sources would ease the energy crisis; now therefore be it

Resolved, That the General Court of Massachusetts hereby respectfully urges the Congress of the United States to enact legislation providing economic incentives through tax credits or other means deemed appropriate for users of alternative sources of energy; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, to the presiding officer of each branch of Congress and to each member thereof from the commonwealth.

DIRTY LINEN

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. TEAGUE. Mr. Speaker, an article in the June 19 edition of the Bowie News of Bowie, Tex. discusses the recent and forthcoming investigations into the activities of the Central Intelligence Agency. The article is written by Mr. Jim Winter, the editor of the Bowie News. His thoughts on the investigations deserve consideration by every Member of Congress and the general public.

The article follows:

Well, it looks like we are going through another orgy similar to the Watergate thing. The CIA has come under the guns of all the left wing congressmen and senators, along with all the radical groups in the country and I suspect before this is all over, anything the Reds didn't know about our intelligence system will be old hat. While your senators and congressmen are worrying about the CIA activities, they continue to stand by and in the space of about two years let the Soviet Union become the most powerful naval force in the world. It is our judgment that it would be extremely hard for the CIA to restrict its activities solely in foreign countries because of the widespread communists activities in this country and more especially in our nation's capitol. It is ridiculous to assume that we give blanket approval to everything they have done, but it is just as silly to wash ALL of our dirty linen in front of the world. This will surely destroy the agency that is entrusted to keep our country on relatively safe ground with our enemies.

QUESTIONNAIRE SURVEY

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. PATTERSON of California. Mr. Speaker, I recently sent out a congressional newsletter to my constituents. Included in the report was a questionnaire survey to determine my district's views on some of the major issues confronting the Nation. Copies of the questionnaire were mailed to about 160,000 homes and businesses in the district.

Over 5,500 responded to my questionnaire. The letters have been opened and the results tabulated. My office in Washington is still receiving returns, although the results herein were as of June 30.

I am pleased to share the percentage results with my colleagues, and I include them at this point in the RECORD:

1. Should I support economic recovery measures to stimulate employment even though such programs might temporarily increase the budget deficit?

(Amounts in percent)

Yes, 50; No, 50.

2. Which of the following do you feel would be most effective in stimulating the economy and reducing unemployment?

a. Public service jobs, 19.

b. Increased funding of housing and other construction programs, 25.

c. Business tax credits, 19.

d. Individual tax reductions, 33.

e. No answer, 2.

3. To combat inflation, which of the following do you prefer?

a. Increase in personal income taxes, 2.

b. Increase in corporate income tax rates, 17.

c. Increase in interest rates, 3.

d. Reduction in Defense Department spending, 18.

e. Reduction in other Government spending, 46.

f. Wage and price controls, 9.

g. None of the above, 5.

h. No answer, 1.

4. Do you think the size of the federal budget should be reduced? Yes, 93. No, 7.

If yes, which of these categories do you think should be cut?

a. Military construction, 6.

b. Weapons production, 5.

c. Military manpower, 3.

d. Health services, 3.

e. Education, 4.

f. Veterans assistance, 3.

g. Employment assistance, 3.

h. Public transportation assistance, 6.

i. Law enforcement assistance, 3.

j. Foreign economic aid, 21.

k. Foreign military aid, 19.

l. Revenue sharing funds, 6.

m. General government, 17.

n. No answer, 1.

5. Energy Options

Ever since those bad days last year of long lines at the gas station, the subject of oil and energy has been on everyone's mind. Regardless of whether the term "energy crisis" is appropriate, the Congress cannot ignore the subject on energy conservation. Congress must and will act on several energy proposals now before it. I have listed the major policy choices on which I will soon be voting. Please indicate which, if any, of the following you would support.

a. Gas rationing, 4.

b. Import tax on foreign oil, 6.

c. Increased gasoline taxes, 3.

d. Offer tax incentives for the purchase of smaller cars, 11.

e. Increase the use of nuclear power, 18.

f. Increase the use of coal gasification, 11.

g. Invest more money in solar energy technology, 16.

h. Require auto manufacturers to produce cars with 50% greater gas efficiency by 1980, 18.

i. Remove all auto emission standards now in effect, 6.

j. Make greater investment in public transportation, 9.

6. Are you in favor of limiting the amount of money an individual or group can contribute to a political candidate's campaign?

Yes, 82. No, 16. No Answer, 2.

7. Taking into account the high cost of communication with the voter via the media and the mail, would you favor?

a. Public funding of primary election campaigns, yes, 16; no, 28.

b. Public funding of general election campaigns, yes, 20; no, 27.

c. Partial public funding of primary election campaigns, yes, 29; no, 23.

d. Partial public funding of general election campaigns, yes, 34; no, 22.

e. No public funding, 3.

8. Do you support the President's plan to bring 50,000 Vietnamese Nationals to the United States and have them assimilated into our American society?

Yes, 49. No, 51.

9. Do you feel that we should continue to evacuate Vietnamese Nationals if the opportunity arises under the new government?

Yes, 32. No, 64. No answer, 4.

HALT AID TO INDIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. ASHBROOK. Mr. Speaker, arrests continue in India. Opposition leaders, students, and thousands of other Indians have been arrested. No one seems to know for sure how many have been arrested. Censorship is being exercised not only on the domestic press but also on foreign correspondents.

Is this a reaction by Indira Gandhi to the threat of imminent invasion? No, it is simply a move by the leader of India to stay in power after being found guilty of election irregularities.

The United States from fiscal year 1953 has given more than $9.3 billion to India. This does not include aid from multilateral sources of which the United States was the largest contributor.

This aid was usually defended by the rationale that while India might not always agree with us it was the largest democracy in the world and therefore we should give substantial aid. We have been giving substantial amounts of aid to India under this rationale. Now with the arrests and numerous other restrictions in India this rationale seems to be open to question.

With the present situation I call on the President to place an immediate halt on aid to India. Furthermore, I urge the House Committee on International Relations to begin immediate hearings on the question of human rights in India.

THE AGRICULTURAL RESEARCH STATION AT WOODWARD, OKLA.—A VITAL PARTNER IN AMERICA'S FOOD INDUSTRY

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. ENGLISH. Mr. Speaker, America has long been noted for the skill of its farmers, who through the years have found the skills and techniques to produce more and more food from each acre of American farmland.

When the land-grant colleges started cooperating with the U.S. Department of Agriculture on research to help farmers become even more productive, many stations across the country benefited from this working partnership.

One of these research stations is in Woodward, Okla.—and the Woodward station has made a number of dramatic advances in the years it has been in operation. And, more importantly, these discoveries have been made at a savings to Federal taxpayers, since Oklahoma State University provides numerous research personnel to the station at no cost to the Government.

Recently, the U.S. Department of Agriculture has announced that it has plans to close down the Woodward station. It seems to me that the USDA is ignoring the best interests of the American people in making this decision, since it is unlikely that the university will be able to support the station's vital efforts alone.

The Enid Morning News, on June 24, printed an excellent analysis of the importance of the Woodward station to America. Since it is important that this research continue without interruption, I include this article in the RECORD at the conclusion of my remarks for the information of my colleagues here in Congress, and for the use of the USDA:

BRAKING THE NATION'S FOOD TRAIN

The world is starving to death.

So what is the federal government doing about it?

The U.S. Department of Agriculture has announced its plans to close the agricultural experiment station at Woodward—a field station dedicated to *increasing* the world's food supply.

And it's not as if the Woodward station has been a failure in its efforts. Just the opposite is true.

During its years of service, the station has come up with scores of test results now being used daily by farmers and ranchers throughout the Great Plains—results which mean *more food* at *less cost* to feed the world's hungry.

The station has come up with such programs as:

Feeding out 700-lb. weaning calves compared with 400 to 500 lbs. elsewhere. That's MORE edible meat at no more cost.

A system for feeding cattle that takes far less of the rancher's time, so he can spend it raising other food to feed the world.

Better varieties of tomatoes, grapes and other foods.

The list could go on and on, enumerating the many experiments which have been successful and have proven results. Every one is being used by hundreds of agribusinessmen to produce MORE food at LESS cost . . . every one has resulted in dollars saved (or earned) for these men who have the responsibility of feeding the world.

(And, incidentally, every extra dollar these men make means more taxes they pay to support the federal government, including the USDA!)

Pat McIlvain, superintendent at the Woodward station, tells us the station's budget is only a quarter-million dollars annually. Instead of eliminating the station, he proposed adding another $210,000 which would support three more scientists . . . which would result in more practical test results . . . which would result in more food for the world.

If America is to meet its moral obligation of feeding a starving world let's not cut back on the USDA's experiment programs that result in more and better food!

Once a freight train is moving down the tracks at 50 MPH, the engineer can cut back the engines and achieve a heck of a saving in fuel costs—until the train gradually slows to a halt. But if the engineer wants to get to his destination, he's got to pour on the coal, not cut back.

If America is going to attain its goal of feeding a starving world, the USDA must *increase* experiments at the Woodward field station (and programs at other agricultural stations) and not cut them back. In the long haul, a cutback now will only result in a slowdown of the nation's food train.

KIWANIS CLUB SENIOR CENTER, FORT WAYNE, IND.

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. ROUSH. Mr. Speaker, the Kiwanis International Convention was held recently in Atlanta. One of the Kiwanis Clubs in the Fourth Congressional District of Indiana, which district I represent, was the recipient of an award for service to the community during the past Kiwanis year of 1973–74. I would like to take this opportunity to describe the activities of that Kiwanis Club of Fort Wayne, Ind.

The Kiwanis Senior Center won the award. This club is replacing the senior citizen recreation center that was condemned in 1972. They are being assisted by the efforts of the city of Fort Wayne and the park board, so it is a real community project. The city of Fort Wayne agreed to purchase the site of the center and participate in its funding.

To date, the Kiwanis Club of Fort Wayne has raised over $600,000 of the center's cost and completion of the center is expected in July 1976.

The new center will be located in the city of Fort Wayne's three-block senior citizens' complex that will also include a high-rise living unit and stores for elderly shoppers. The center, which will cost the Kiwanis Club $750,000, will include an auditorium, kitchen, pool room, card room, workshop and a Kiwanis Memorial Library. The Council on Aging and the Social Security Administration will also be housed in the complex.

I believe that the Kiwanis Club of Fort Wayne is to be congratulated, and I am especially pleased that completion is due for July 1976. I cannot think of a better way to celebrate our Nation's independence and unity.

HERMAN BADILLO INTRODUCTION OF BILINGUAL COURTS ACT

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. BADILLO. Mr. Speaker, on June 26, 1975, I introduced for myself and Mr. Roybal legislation which provides for more effective bilingual proceedings in Federal district courts of the United States. This bill, H.R. 8314, is identical to legislation recently reported out of the Senate Judiciary Committee and represents a modification of similar legislation which I cosponsored earlier in this session with Mr. Roybal and Mr. Edwards of California.

In recent years we have witnessed a national effort to make the benefits of our legal system available to all Americans, whether rich or poor, old or young, black, white or brown. Although our efforts to achieve the goal of equal justice for all has been marked by some successes, there is still an enormous amount of progress needed in this area. One of the most pressing problems confronting the movement for legal reform is the plight of our non-English-speaking citizens. Language minorities have been denied equal access to courts and are severely handicapped by their limited abilities with the English language in the courtroom.

When non-English-speaking individuals have to participate in legal proceedings, as the victim or the defendant, the legal proceedings are conducted in a language virtually alien to them. These circumstances have contributed to a serious unequal administration of justice. Justice must require that the people involved in legal proceedings understand what is taking place in the courtroom.

The legislation I introduce today will remedy this problem. The act spells out the responsibilities of the Federal courts and standardizes procedures to insure that competent interpreters will be available upon request in all cases involving non-English-speaking people.

First, the act provides that whenever a judge determines either the plaintiff, defendant or a witness does not speak or understand English adequately, the proceedings must be conducted in a court equipped for simultaneous language translation of the proceedings. In civil actions the judge is allowed more discretion as to when the proceedings must be translated simultaneously. In addition, the defendant in any criminal action, or a party in any civil action, who is entitled to translation may waive the translation in whole or in part. The waiver must be expressly made by the defendant or party and must be approved by his attorney and by the judge.

Second, the act provides for certification of interpreters, maintenance of an updated master list of all certified interpreters, requires that appropriate equipment and facilities for translation be available to each district court, and requires that a fee schedule for interpreters be devised in each district. The fees for interpreters may be paid either by the court or, in the court's discretion, by the parties involved as a part of the costs incurred in the court's action.

The intent of this legislation is to insure that language minorities are afforded the protections of the fifth and sixth amendments. The fifth amendment provides:

> No person shall . . . be deprived of life, liberty, or property without due process of law.

Can it be doubted that any legal proceeding, whether civil or criminal, which places a person or his property in jeopardy without insuring their full participation in the trial process is devoid of basic and fundamental fairness as to be contrary to the due process clause? The sixth amendment guarantees that in "all prosecutions the accused shall enjoy the right to be confronted with the witnesses against them; and to have the assistance for his defense." The fundamental rights of confrontation and counsel in criminal matters becomes an empty gesture to a defendant unable to comprehend the charges of his accusers or consult with counsel relative to his defense.

I urge my colleagues to review this vital legislation and hope that it will be enacted by this Congress.

PRESIDENT FORD WRITES REASSURING LETTER TO DAUGHTER OF AN MIA FATHER

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. KETCHUM. Mr. Speaker, a most reassuring letter from President Ford to the daughter of one of our men missing in Southeast Asia has been brought to my attention by Mr. E. C. "Bus" Mills. Mr. Mills, my good friend, is National Director of the National League of Families of American Prisoners and Missing in Southeast Asia. I know that my colleagues share my grave concern over the fate of our missing men, and feel they will all appreciate learning that the President has restated his firm commitment to securing a full accounting for our MIA's. Certainly, this letter, and its accompanying release, show plainly that our men have not been forgotten:

PRESIDENT FORD WRITES REASSURING LETTER TO DAUGHTER OF AN MIA FATHER

Miss Sherrill Standerwick, daughter of Colonel R. L. Standerwick, U.S. Air Force who was declared Missing in Action February 3, 1971 in Laos, received the following letter from President Gerald R. Ford. The letter is a personal one to Sherrill but she feels the families and the public should know of the Presidents firm commitment and determination to get an honorable accounting of each Missing American.

THE WHITE HOUSE,
Washington, June 11, 1975.

DEAR SHERRILL: Senator Dole brought to my attention your efforts to learn of your father's status since his plane was downed in combat over Laos in 1971. I want you to know that neither your father nor his valiant service to his country has been forgotten. He and our other men in the armed forces who are still missing in action in Southeast Asia have done their duty—and so much more—for our country, with great skill and courage. It is my duty—and my firm intention—to seek a full accounting for every one of these men who was not returned. I pledge to you that I will not stop these efforts until your father and every other missing American is accounted for.

I want you to understand that I do care about your father and share the concerns and frustrations of you and your mother in trying to obtain information about him. In an effort to learn the truth, I intend to continue efforts to obtain a full accounting on your father and the others still missing.

You are deservedly proud of your father's dedication and sacrifice. I share that pride and I will not break faith with him, with you, or with the many other missing men and their families in our common effort to determine the truth.

Sincerely,

GERALD R. FORD.

FEDERAL ELECTION COMMISSION

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. STEED. Mr. Speaker, in further compliance with my announced purpose of extending into the Record proposals of the Federal Election Commission as published in the Federal Register, I herewith include a new issue. My purpose is to give wider distribution to a vital matter and I suggest that some interested Members will find it useful to retain these materials in their office reference files. The material is as follows:

[Title 11, Federal Elections; Chapter II, Federal Election Commission, (Notice 1975–8)]

IMPLEMENTATION OF FEDERAL ELECTION CAMPAIGN ACT

Extension of time to comment on proposed rulemaking.

The time period within which written comments concerning any part of the Notice of Proposed Rulemaking (Notice 1975–2, 40 FR 23833, June 2, 1975) will be received by the Federal Election Commission is extended to July 15, 1975.

THOMAS B. CURTIS,
Chairman, for the Federal Election Commission.

Date: July 1, 1975.

[Title 11, Federal Elections; Chaper II, Federal Election Commission (Notice 1975–9)]

INTERIM GUIDELINE: COMPLAINT PROCEDURE

1. *Filing*. Any person who believes a violation of the Federal Election Campaign Act, as amended, 2 U.S.C. Section 431, *et seq.*, or of Sections 608, 610, 611, 613, 614, 615, 616, or 617 of Title 18, United States Code, has occurred may file a complaint with the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

2. *Form of Complaint*. There is no prescribed form for a complaint, but all com-

plaints must be typewritten or handwritten legibly in ink. The person making the complaint must sign the complaint, the complaint must be verified by the oath or affirmation of such person taken before an officer authorized to administer oaths, and include his or her address and phone number in the complaint. A complaint shall name the person complained against (respondent), describe in detail the alleged violation or violations and shall be submitted together with copies of evidentiary material available to the complainant.

3. *Notification of Respondent.* The Commission shall send a copy of the complaint to the respondent within a reasonable time after the complaint is received. Such notification of the respondent shall not be released to the public unless and until written permission of the respondent is expressly given.

4. *Reply by Respondent.* The respondent will normally be given ten (10) days after receipt in which to respond in writing to the allegations in the complaint except where, in the judgment of the Commission, a shorter or longer period of time is necessary. The response to the complaint shall be addressed to the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. The Commission shall send a copy of the response to the complainant within a reasonable time. The response must be typewritten or handwritten legibly in ink. The respondent or the authorized representative thereof shall sign the response and the response shall be verified by the oath or affirmation of such person taken before an officer authorized to administer oaths.

5. *Exchange of Information.* The Commission shall receive all documents and evidence submitted by the complainant and respondent and shall facilitate the exchange of such information by sending copies to the parties within a reasonable time.

6. *Investigations.* The Staff Director and the General Counsel shall proceed to direct the investigation of all duly filed complaints. A duly filed complaint is one which substantially complies with the form described by paragraph 2 above, is within the jurisdiction of the Commission and contains allegations of fact which, if proved, would constitute a violation of law. Investigations shall be conducted expeditiously and shall include an investigation of any reports and statements filed by the complainant, if the complainant is a candidate. Such investigations shall not be made public by the Commission or any other person without the written consent of the person under investigation.

7. *Hearings.* At the time the Commission notifies the respondent that a complaint has been filed, it shall notify the respondent that the respondent may request a hearing. The Commission will determine the manner and procedure for such hearings.

THOMAS B. CURTIS,
Chairman, for the Federal Election Commission.
Date: July 1, 1975.

[Notice 1975-10]

FEDERAL ELECTION COMMISSION: ANNOUNCEMENT OF PUBLIC RECORDS AVAILABILITY

The purpose of this announcement is to inform the public of the methods by which the Commission is presently making available for public inspection and for copying the information which the law requires to be made available. Sections 302-308 of the Federal Election Campaign Act of 1971, Public Law 92-225, as amended by sections 202, 203, 204, 206, 208 and 209 of The Federal Election Campaign Act Amendments of 1974, Public Law 93-443, provide that statements of organization of political committees, reports of receipts and expenditures of political committees and candidates, reports on presidential convention financing, other expenditure reports, advisory opinions, statements relating to Presidential Nominating Convention Fund provisions, and other information relating to financing of Federal elections shall come under the purview of the Federal Election Commission. Some of the aforementioned information was formerly required to be submitted to the Secretary of the Senate, the Clerk of the House, or the Comptroller General of the United States under Public Law 92-225. Public Law 93-443 provides that all such information shall either be filed with, provided to, or maintained by the Federal Election Commission.

The following guidelines shall apply to inspection and copying of the Commission's public records:

(a) Inquiries concerning the records available at the Commission's Public Records Division may be made in person, by mail, or by telephone. Inquiries should be directed to: Public Records Division, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. (Telephone, 202-382-7012). The Public Records Division is open Monday through Friday, excluding legal holidays, from 9:00 a.m. to 5:30 p.m. Extended hours may be provided for by the Commission to meet public needs.

(b) Requests for inspection of Commission records may be made in person at the time and place stated in paragraph (a). Requests for copies of records may be made in person at the time and place stated in paragraph (a) or by mail directed to the Public Records Division.

(c) Each request for Commission records or copies shall describe the records sought with sufficient specificity with respect to names, dates, and subject matter to permit the records to be located among the records maintained by or for the Commission. A person who has requested Commission records or copies will be promptly advised if the records cannot be located on the basis of the description given and informed that further identifying information must be provided before the request can be satisfied.

(d) A search fee (Appendix to this Announcement) will be charged when more than one-half hour of work is devoted to locating and making records available for inspection or for copying. No search fee will be charged if records adequately described cannot be located within a reasonable time. The Public Records Division shall promptly notify a requesting person if records adequately described cannot be located after a reasonable search. If such person requests and authorizes the search to continue, a search fee shall apply to time thereafter spent searching for the records.

(e) A current schedule of fees for record services, including locating and making records available, copying, and authentication, appears in the Appendix to this Announcement. Copies of the current schedule of fees also may be obtained upon request made in person, by telephone, or by mail from the Public Records Division.

(f) Upon receiving a request for inspection or copying of records, the Public Records Division shall promptly notify the requesting person of the estimated cost, if applicable, of locating and making the records available, of copying, and of any requested authentication. Only after receiving (1) authorization from the person requesting such services and (2) full payment in advance, if applicable, shall the Public Records Division proceed to fulfill a request for inspection or copying of records.

(g) The time actually required for locating and making records available for inspection or for copying in order to fulfill a request may exceed the amount of time estimated and paid for. In such circumstances, no work will be done that will result in fees beyond the amount estimated and paid for without further authorization from the person requesting the records or copies.

(h) In addition to any other fees or charges which may apply, a fee will be charged for record authentication as provided in the Commission's current schedule of fees. Authentication shall include an attestation that the document copied is a true copy of the original and a certification that the person who attests is in legal custody of the document. The Commission seal shall be affixed to such document.

(i) Copies of public records filed with or retained by the Commission, or portions thereof, will be provided subject to fees set forth in the Commission's current schedule of fees.

(j) Requested records shall be furnished without charge or at reduced charge whenever it shall be determined by the Commission that a waiver or reduction of the fee is in the public interest. Requests for a waiver or reduction of fees may be submitted with the original request for records and may state such facts as may be considered appropriate and necessary.

Any interested person or organization is invited to submit written comments to the Federal Election Commission concerning the manner and form by which public documents should be made available to the general public. Comments could include those relating to easy access filing systems, the use of photocopying devices, microfilm, microfiche, or any other retrieval systems. Comments should be mailed to: Federal Election Commission, Rulemaking Section, 1325 K Street, N.W., Washington, D.C. 20463.

THOMAS B. CURTIS,
Chairman, for the Federal Election Commission.
Date: July 1, 1975.

APPENDIX, SCHEDULE OF FEES FOR RECORD SERVICES

Locating and making available records requested for inspection or copying (including overhead costs): First one-half hour: No fee. Each additional one-half hour or fraction thereof: $2.50.

Authentication with Commission Seal (in addition to other fees, if any). Price per authentication: $2.00.

Facsimile Copies of Documents. Price per page: $.10.

Full payment for the above services shall be made in advance of records of copies being made available. Payments must be by check or money order made payable to: "Treasurer of the United States." Mailed payments must be addressed to: Director, Public Records Division, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

PERSONAL EXPLANATION OF CONGRESSMAN CONYERS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. CONYERS. Mr. Speaker, due to an unforeseen delay today I was unable to make the vote on S. 555, the Senate referred bill pertaining to farm and rural development.

As this bill would amend the emergency loan provisions of the Consolidated Farm and Rural Development Act to enable farmers in natural disaster areas to borrow money at reduced interest rates, I would have joined my 403 colleagues who voted "aye" on this legislation.

THE OLDER AMERICANS ACT AMENDMENTS OF 1975

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. PEYSER. Mr. Speaker, in April, the House of Representatives took a major step in responding to the pressing needs of the elderly in our society. The passage of the amendments to the Older Americans Act, H.R. 3922, which I cosponsored, will continue and expand vital community services that the Older Americans Act has provided since its inception in 1965.

This legislation will in fact make the Older Americans Act more responsive than ever to the special and varying needs of our senior citizens. Title VIII of the bill, the special service programs, represents the response of the Congress to the plight of the elderly as they face the current economic problems with limited resources. We have, with this bill, made a special effort to authorize programs designed to provide the means to help our older citizens lead more meaningful and independent lives.

Of special concern to me, and I know to many of my colleagues, is the section on homemaker and other services, part B of title VIII. The thrust of this section is to provide programs designed to enable the elderly to lead an independent life in a home environment without the need for institutionalization. Those who can remain at home as a result of these services will lead longer, more enjoyable and productive lives, and the cost to the Government will be far less than the cost of providing institutional care.

Recently my colleague from New York (Mr. Koch) citing both congressional studies and GAO reports, released figures showing that in New York City home health programs—averaging from $180 to $600 per month depending on the level of care—cost substantially less than the $15,000 to $20,000 per year or $1,500 per month or $50 per day that it takes to keep a patient in a nursing home.

These significant savings to the taxpayer, added to the substantial benefit to the patient, make a compelling argument for home health care, homemaker services, and the other home services which are authorized by this section of the bill.

It is my sincere hope that these programs of home health care and homemaker services will prove to the successful model that will result in Congress enacting legislation to provide the option of home health care and correlative services under medicare and medicaid for our elderly and disabled citizens as an alternative to institutionalization. In this regard, I want to reiterate my strong support for the home health care legislation introduced by my colleague, Mr. Koch, which I have also cosponsored. I fully believe that this is the direction in which we should be moving.

The other programs authorized by H.R. 3922 will provide similar beneficial services to the elderly. Counseling assistance will furnish legal, tax, and other counseling to elderly persons in need of assistance. Housing repairs, transportation programs, and mortgage interest reduction and insurance payments will all serve as useful resources for our senior citizens.

It is my hope, Mr. Speaker, that now that both Houses of Congress have passed versions of this bill, we can move quickly to pass a conference report that the President will sign into law. This legislation is of vital concern to senior citizens, and the sooner that the Congress acts on this legislation, the sooner we will be responding to the needs of our older Americans.

A THOUGHT-PROVOKING MESSAGE FROM MISS LAUREL BAKER

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. GOLDWATER. Mr. Speaker, recently I had the honor of addressing the graduating class of the Viewpoint School of Calabases, Calif., in my congressional district.

During the course of the ceremony, the award-winning entry of the American Heritage essay contest was read, and I would like to share it with my colleagues.

As was pointed out to me by Sally Jordan of the Viewpoint School, the award is made annually by Mr. and Mrs. Joseph Handley to a ninth grader who writes in class a 500–700 word essay on a previously disclosed subject. The student is allowed to receive background information on the subject a month prior to the class exercise, and to review a brief outline on a 3x5 card with Mrs. Jordan, but that is all. As Mrs. Jordan explained, many times people unfamiliar with the school find it difficult to believe that 14 and 15 years olds can write so well, but they obviously can!

The following is the winning essay, a thought-provoking message written by Miss Laurel Baker, a ninth-grade graduate:

THE CHALLENGE AND SIGNIFICANCE OF OUR AMERICAN BICENTENNIAL

The sombre silence of the still room is interrupted by the sound of a hand turning a door knob. It is Thomas Jefferson. Under his arm he clutches the final draft of the document which would soon be on its way to King George's court—the document that would declare the colonies free from England's tyrannical hand. It needs only the signature of his fellow patriots.

Soon they begin to assemble. John Hancock chuckles merrily over his friend Ben Franklin's last joke. John Adams sits pensive and quiet in the corner. The southern delegates talk among themselves of their colonies' likenesses and differences.

Suddenly, the hubbub is ceased by the sound of a gavel banging on a walnut desk. Mr. Jefferson slowly stands, and in his firm, clear, resonant voice, eloquently reads the product of their patriotism. A low murmur of voices follows, and all is agreed upon. The wording of their declaration of independence is the result of many weeks of arguing and disagreement. Now, they need only sign their names. One by one they grasp the elegant quill, and one by one they pledge their "lives, fortunes, and sacred honour." [1]

All are possessed by a spirit born out of their hunger for liberty, and appeased by their intense patriotism. It dominates them, guiding them through the intense turmoil of the troubled times. It will remain in them—and in their children and grandchildren. It becomes them.

We today are a product of our forefathers' strife—and still, deep within us, lives that spirit, but it lies sadly dormant at present. Can two hundred years of great achievements, of troubled times, and prosperous years awaken that vital ingredient within us to ward off the dark and heavy hand of tyranny that seems to be engulfing all around us?

The great love of the founding fathers for this country and for us, their unborn babes, has placed in us the ability to exist on our beginning principles for another 200 years. And in the children of that generation will be that same ability—but only if the responsibility to them is shouldered now. If not, then the enemy will lie not only in the fields, but in our hearts as well.

America's two hundredth birthday is a monumental event in the eyes of the world. She is a great lady, who grows older and wiser with the passing of years—all of it due to men like Washington, Adams, Jefferson, and Franklin. Through their struggle, they have attained the highest permanent standard of living anywhere in the world. It was all due to the spirit within them.

That small, inexplicable flame is the secret of the American people, and nothing can extinguish its everlasting light. Benjamin Franklin, who knew the souls and minds of the men intimately, guessed at its meaning. He was certain that the spirit was America herself:

"Like a Field of Young Indian Corn, which long Fair weather and Sunshine had enfeebled and discoloured, and which, in that weak State, by a Violent Thunder Gust of Wind, Hail, and Rain, seem'd threatened with absolute Destruction; yet the storm being past, it recovers fresh Verdure, shoots up with double Vigour, and delights the Eye, not of its Owner only, but of every observing Traveller," [2]

(The winning essay by Laurel Baker, Grade 9, Viewpoint School, 23620 Mulholland Drive, Calabasas, Calif. 91302.)

REPRESENTATIVE HAGEDORN WASHINGTON REVIEW

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. HAGEDORN. Mr. Speaker, under leave to extend my remarks in the Record, I submit the text of my recent Washington Review which was mailed to constituents of the Second Congressional District of Minnesota:

WASHINGTON REVIEW

HOUSE OF REPRESENTATIVES,
Washington, D.C., May, 1975.

DEAR FRIENDS: Greetings from Washington. This is the first of the regular newsletters I intend to send to my friends and neighbors in the Second District to give them a clearer picture of exactly what's going on in Washington.

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[1] The Declaration of Independence.

[2] From a letter by Benjamin Franklin to George Washington—March 5, 1780—*The Spirit of 1776*, 1971, p. 9.

While preparation and mailing of this newsletter had been one of my first priorities, I found that the job of settling in Washington, organizing a Congressional office, and maintaining close contact with my constituents took more time than I had anticipated.

You may be interested to know that Kathy and I have purchased a home in McLean, Virginia. McClean is a suburban community about ten miles due west of Washington, in the hills of northern Virginia. Although Kathy and the children are still living on the farm, they will be joining me here as soon as school is out this spring.

Since the new Congress was sworn in in January, I have made every possible effort to keep in close contact with the District. My weekly schedule usually includes arrival in Washington on Monday morning and departure for the District again on Thursday night or Friday morning. In addition to keeping a heavy schedule on the weekends, we have mailed a questionnaire to every household in the District and supplied every newspaper with a weekly column. (If your local newspaper isn't using the column, maybe you should ask them to do so.) From now on, this newsletter will also be a regular feature.

I am very pleased with the operation of our Washington office under the direction of my Administrative Assistant, Mr. George Berg. George is a veteran of 23 years on Capitol Hill and brings to our staff the expertise a freshman Congressman so vitally needs. I would urge all of you to consider this office and staff to be your office and staff, and to feel free to contact us at any time for assistance.

With warmest personal regards I am
Sincerely yours,

TOM.

FEDERAL DEFICIT OUT OF CONTROL—AND THE CONGRESS SPENDS ON

Nothing that is presently happening in Washington presents us with more long-range dangers than the rapidly increasing Federal deficit. President Ford has already raised his estimated Fiscal Year 1975 deficit from $52 billion to $60 billion, but this is only the beginning! Realistically, we cannot expect the liberal majorities in the Congress to hold the line on additional spending as President Ford has asked, and every penny they appropriate beyond his recommendations will be added to that $60 billion.

According to the recent estimates, the combined budget deficit for Fiscal Years 1975 and 1976 could reach as high as $156.6 billion. When the government is forced to finance a deficit of this size, it is bound to have serious economic repercussions. If the government finances the deficit by competing for available funds in the capital market, the private sector will be denied necessary capital and unemployment will result. If the government chooses, on the other hand, to finance the deficit by simply printing money and expanding the money supply, inflation will result. More than likely, the net result will be a combination of inflation and unemployment such as we are presently experiencing. I intend to keep fighting excessive government spending with every tool at my disposal, but I must admit that the outlook is not optimistic.

A FREE MARKET ALTERNATIVE TO RED-INK ECONOMICS

While many in Congress appear to have thrown economic sanity to the winds, I have joined with a group of Congressmen dedicated to the free enterprise system in proposing a comprehensive program for dealing with our economic dilemma. To summarize our program, we propose:

A tax indexing measure to assure that inflation does not push taxpayers into higher tax brackets while their purchasing power remains the same,

A balanced Federal budget, except in times of national emergency,

A reasonable cut in individual and corporate income taxes,

A percentage limitation on the level of revenue collected by the Federal government,

The enactment of capital formation inducing laws, and

The removal of anti-competitive Federal regulatory laws.

LANDMARK LEGISLATION INTRODUCED TO REFORM WELFARE SYSTEM

The next time someone asks you why they don't do something about the "welfare mess" you can tell them that someone is at least trying. Last month I joined a by-partisan group of Congressmen in introducing the National Welfare Reform Act of 1975. This bill is aimed at plugging the loopholes in our nation's Aid to Families With Dependent Children (AFDC) program.

AFDC is our nations most costly welfare program. Since 1954 its cost has increased from about $500 million to over $4 billion, and the number of children covered by the program has increased so rapidly that one child in eight is now under AFDC. The bill we have introduced is detailed and very complex, but in essence would reform the present system by establishing procedures to detect welfare "cheaters," and by tightening regulations so that only the truly needy are eligible for AFDC. If these reforms are enacted we can reasonably expect savings to the taxpayers, and greater benefits to the truly needy.

ACTIONS TAKEN TO AID FARMERS

As a member of the House Agriculture Committee, I have supported a number of measures designed to aid farmers and help revitalize the rural economy. Following are a few examples of areas I am working in to accomplish this:

Increased target prices and loan rates for agricultural commodities has been one of my chief aims. I intend to keep fighting in this area so that farmers can feel free to produce at maximum levels without fear of price-depressing over-production.

Elimination of the Department of Agriculture's practice of monitoring foreign grain sales would help open additional foreign markets to American agricultural commodities. Although this monitoring is theoretically voluntary, in practice it has been used as an effective means of export control.

Reform of Federal estate tax laws by increasing the exemption, increasing the marital deduction, and assuring that farmland will be assessed as farmland and not as commercial property will help our farms remain family held as they should be.

DR. JOE ROBERTS: A MAN FOR ALL SEASONS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. PICKLE. Mr. Speaker, yesterday, Dr. Joe Roberts was buried at Arlington Cemetary with full military honors. Dr. Joe Roberts was born and raised in San Marcos, Tex., and graduated from Southwest Texas State University in 1929. He was a friend and classmate of President Lyndon B. Johnson while at the San Marcos campus.

Through the years, Joe Roberts traveled far from San Marcos. He compiled a most distinguished record—as a physician, professor, author, military officer. Although he lived outside of Texas, his heart was still very close to San Marcos and central Texas. This was very evident to those of us who attended a gathering of SWT alumni here in Washington, March 20, 1975. At the meeting it was revealed that Dr. Roberts had become the first member of the Diamond Century Club by donating $1,000 to his alma mater. Dr. Joe captivated the audience with his humorous tales of his student days at "Friendly Campus on the Hill" in San Marcos.

Dr. Roberts received the Distinguished Alumnum Award from SWT in 1974. Graduates of the class of 1958 heard Dr. Roberts deliver their commencement address.

Dr. Joe made his mark and all who came into contact with him were better for the experience. I offer my deepest condolences to his widow, Mary, and his family.

I insert this story from the Washington Post about Dr. Roberts:

RESERVE COL. JOSEPH ROBERTS, PHYSICIAN, AUTHOR, LECTURER

Retired Army Reserve Col. Joseph T. Roberts, 65, a physician, author and lecturer, died Wednesday at his home, 4700 Levada Ter., Rockville, after apparently suffering a heart attack.

He had been associated with the Veterans Administration for nearly 30 years and at the time of his death was senior medical consultant to the rating schedule staff of the Compensation and Pension Service, Department of Veterans Benefits, at the VA central office here.

Col. Roberts earlier had been the medical member of its predecessor, the Disability Policy Board of the VA Department of Veterans Benefits.

He also had been assigned to the Physical Disability Agency, U.S. Army Central Physical Evaluation Board at the Walter Reed Army Medical Center.

He had served as chief of medical services, chief of professional services and deputy director of the Andrew Rader Army Clinic at Walter Reed and had been chief of professional and medical services for the Military District of Washington.

Col. Roberts had served in the Medical Corps of the Army Reserves from 1950 until retiring in 1970. He was a specialist in cardiovascular research.

Born in San Marcos, Tex., he was a graduate of Southwest Texas State Teachers College and later received a master of science degree, his degree in medicine and a doctorate from Tulane University.

In 1966–67, Col. Roberts was chief medical officer at the old Gallinger Municipal Hospital, now D.C. General Hospital. During that period, he also was adjunct clinical professor of medicine at Georgetown and George Washington Universities.

He joined the Veterans Administration in 1947 in Little Rock, Ark., where he was chairman of the dean's committee and a consultant in internal medicine at the VA Hospital in North Little Rock.

At the same time, Col. Roberts was a professor of medicine, dean of the school of medicine, head of the department of medicine and medical director of the hospital and clinic at the University of Arkansas.

He also was chief of medicine at the Arkansas State Hospital for Nervous Diseases and a consultant on medicine at the Army and Navy General Hospital in Hot Springs, Ark.

Col. Roberts moved from there to Batavia, N.Y., where he was chief of medical services at the VA hospital in 1949–50. He then became chief of the cardiology section of the

VA hospital in Buffalo, N.Y., a position he held for six years.

From 1949 to 1959, he was a lecturer on medicine at the University of Buffalo's School of Medicine, then served as assistant professor of medicine there until 1967.

In 1966-67, Col. Roberts was chief of medical services at the VA hospital at Ft. Howard, Md.

Col. Roberts was a Diplomate of the American Board of Internal Medicine and Cardiovascular Diseases and a Fellow of the American College of Physicians and the American Association for the Advancement of Science.

The many other organizations of which Col. Roberts was a member and in some instances an officer included the International Academy of Pathology, the American Registry of Cardiovascular Pathology, the D.C. and American Medical Associations, the American Heart Association, the American Federation of Clinical Researchers and the American Association of Anatomists.

He was the co-author of a number of books, including the "Encyclopedia of Heart Disease," "Pathological Physiology and Mechanisms of Disease" and "Progress in Arthritis." He contributed articles to numerous journals.

Col. Roberts received a number of honors including the Army's Meritorious Service Medal in 1970, when he also received a Certificate of Appreciation from the President.

He is survived by his wife, Mary Gertrude Goldston Roberts, of the home; four sons, Joseph T., of York, Pa.; Alton O., of Burlington, Vt.; James T., of Bolinas, Calif., and Charles E., of Rockville; his mother, Georgia Talmadge Roberts, of San Macos; a brother, George T., of Citrus Heights, Calif.; a sister, Alice Roberts Oliver, of San Marcos, and five grandchildren.

The family suggests that expressions of sympathy be in the form of contributions to the American Heart Association or the Walter Reed Medical Center.

PROJECT PREP—A SUCCESSFUL PILOT PROGRAM

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. BRODHEAD. Mr. Speaker, in recent months, much attention has been given to a variety of federally funded projects of dubious value. I would like to direct the attention of the Members to one federally funded project which, in its initial stages, has made exciting breakthroughs in early childhood education; and, in its later stages, has become a model copied throughout the Nation. This program, which I recently had the opportunity to inspect at close range, is called PREP. That is an acronym for Parent Readiness Education Project. It is funded under title III, section 306, of the Elementary and Secondary Education Act. PREP is centered in the Redford Union School District of Redford Township, a suburb adjacent to the city of Detroit, and is administered by a remarkably innovative and capable director, Diane K. Bert.

PREP began out of the concern of many educators that large numbers of children were entering kindergarten lacking in visual motor development and in the listening and language skills needed for subsequent academic success. It was felt that part of the problem was that many parents did not know how to assist a child with learning difficulties in developing the requisite skills for a successful school career. A series of meetings with young parents confirmed this hypothesis. Many of the parents pointed out that nothing in their past lives had prepared them adequately for the parental role in assisting a child who had learning difficulties.

With this as a starting point, it was felt that if a program could be developed that could identify pre-school children with potential learning difficulties, provide such learning experiences as would ameliorate skill deficiencies in the children, train parents to work with and relate to their children more effectively, and, simultaneously, prepare young adults for future roles as parents, it would indeed be a valuable and worthwhile venture. Under the leadership of Diane Bert and with the cooperation of the Redford Union School District, such a program was developed. Federal assistance in funding the program was sought and obtained. I would like to report to you on what this program does and how well it has worked.

Children are selected for the program after a series of tests and other prescreening devices have identified the child as one who might have a problem in learning. A total of 48 children are enrolled for each class. They are divided equally into four groups. Each child, and one of his or her parents, attends class one morning each week, Monday through Thursday. The children are provided extensive language, visual, auditory, and coordination exercises, as well as experiences aimed at improving the child's knowledge and appreciation of himself or herself. Parents observe the activities of the children through a one-way glass while a teacher explains what is happening and why. Later in the morning, the teacher meets with the parents and gives instructions for at-home activities the parents and their children can engage in. Such activities are designed to complement the exercises the children took part in at school. The materials required for the at-home activities are those materials commonly found in every home. These at-home activities require only a few minutes each day, but are an essential part of the program. PREP also makes additional, in-home counselling available for those families which need such individualized assistance.

During the second half of the year's work, senior high school students from a nearby school are brought into the program. These students, who are taking an elective course for credit, are each assigned a particular child to work with. Under the supervision of a qualified teacher, the high school students lead their assigned child through planned activities. Assignments given the children are geared to the unique needs of that child. One child, for example, may have coordination difficulties. Another may lack visual differentiation skills, while another is excessively shy and withdrawn. The older students keep logs of their observations of the children and the various interactions that take place. On Friday of each week, the high school students meet with teacher-supervisors and discuss general child development, teaching techniques, as well as the progress of each individual child.

Regularly, parents of the pre-school children meet as a group with the teachers and discuss those same subjects, exchange experiences and ideas, and evaluate the progress of their children.

At the conclusion of the first year, all of the children involved in the pilot group, along with a substantial control group of children who were not involved in the program, were adminstered the Caldwell cooperative pre-school inventory. This is a sensitive test for analyzing skill development in small children. Objective analysis of the results of these tests established that the experimental group was more advanced in skills than the control group, even though children in the experimental group had been initially identified as being deficient in such skills.

Beyond this objective evaluation, Mr. Speaker, I had the opportunity to talk at length with the administrator, the teachers, the high school students, and several of the parents. I sensed the enthusiasm, the commitment, and the feelings of satisfaction and accomplishment. I specifically asked several of the parents if they felt such a program justified the use of Federal funds. Unanimously they felt that it did. Moreover, the parents stated emphatically that as a result of the year's work, they now knew more about their children and more about themselves. Their relationship with other children in the family, they told me, had also improved. The high school students reported considerable growth in their knowledge of small children as a result of their experience, and felt it would be extremely beneficial if and when they had children of their own.

In addition to these documented gains, there is evidence of other benefits as well. For example, hundreds of Redford Township citizens have now experienced closer identification with community schools. Kindergarten and first grade teachers have increased their ability to plan for and deal with individual differences among small children, and siblings of the PREP children have benefited through what their parents have learned about helping children.

I might add that the PREP program of Redford Township has attracted considerable attention from communities in other parts of the country. Many other school districts are hoping to duplicate the PREP process, as well as its success. Diane Bert is much in demand to work with other communities in setting up similar projects.

Mr. Speaker, the total cost of administering PREP, including the salaries of the Administrator, the teachers—all of whom are extremely well qualified by virtue of their education, their experience, their temperaments and personalities, and their love of children—all teaching materials, and administrative expenses, has been no more than $349 per child per year. When we consider that each child has been diverted from a path of an unproductive school career, it is clear that this is money well invested. Prevention is always less expensive than later efforts to remedy the results of learning problems.

I feel very strongly that Redford Township and the Administrator and teachers of PREP in the Redford Union School District are to be congratulated for their initiative, imagination, foresight, and ability in making a valuable contribution to the Nation as a whole. And I think the Members of Congress can share some pride that a federally funded program has lived up to its potential and proven worth. PREP is an excellent example of the Federal Government working in partnership with a local community to produce results that neither, independently, would have been capable of achieving.

METROPOLITAN LIFE COMES TO JOHNSTOWN

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. MURTHA. Mr. Speaker, 2 years ago the death of Johnstown, Pa., appeared imminent. Bethlehem Steel—the area's largest employer—announced it would be forced to reduce the work force at its Johnstown plant and place 5,000 people out of work.

The community pulled together and with help from the State and Federal Government was able to save the 5,000 jobs. The community spirit did not dissolve when Bethlehem announced it would continue. The crisis had created the Johnstown Area Regional Industries (JARI)—an organization designed to improve the area's economic picture.

After several efforts and some smaller successes, JARI announced on July 1 that Metropolitan Life Insurance Co. has chosen Johnstown as the location of its mideastern office.

For the area this represents a significant diversification away from manufacturing and basic industrial type of plants that presently characterize our region to include a new, management-professional work force. Besides new jobs, the Metropolitan decision will stimulate more consumer spending in the area, provide a more diversified population that will change spending habits, and create the psychological boost needed to start a whole new era in the Johnstown area and in central Pennsylvania.

With the benefits come new burdens on our area schools, housing markets, public services, and sales outlets. The arrival of Metropolitan represents an opportunity and a challenge for everyone in the Johnstown area, and nearly every aspect of the community will face change.

I would like to take a moment, Mr. Speaker, to thank publicly some people who deserve praise for their work with this development.

First, let me mention the individuals within the community who are working hard to revitalize Johnstown. The major accomplishment with Metropolitan results largely from the hard work and as:

Charles W. Kunkle, Jr., chairman, JARI.

Frank J. Pasquerilla, chairman, Johnstown Area Economic Development Corp.

Howard M. Picking, JARI board member.

Also, in his remarks making the announcement, Mr. Kunkle mentioned the work and dedication of these individuals:

John Burkhard, Johnstown Chamber of Commerce.

Michael P. Flynn, executive director, JARI.

Jack Scheppner, Economic Development Corp.

Eugene Swetz, Greater Johnstown Committee.

Second, the project could not have been arranged without the help and cooperation of public officials. Besides their work in attracting Metropolitan, they now face a major task in providing the necessary Government assistance and services. Certainly deserving mention are:

Joseph P. Robert, chairman, Cambria County Commissioners.

Joseph Gorman, county commissioner.

Raymond Johnson, county commissioner.

And third, we certainly commend the efforts of officials at Metropolitan Life. They have shown great confidence in the people of our region, and took time to recognize the advantages of a smaller urban area. Their foresight is to be congratulated. I know they will not be disappointed in their site selection. Deserving recognition from the company are:

George P. Jenkins, Board Chairman.

Russell A. Baumann, General Manager of the Johnstown facility.

Edwin L. Barker, District Sales Manager.

Joseph J. Guiffre, vice-president.

Andrew R. Innocenzi, regional sales manager.

Charles E. Lanigan, vice president.

Robert F. Muller, assistant vice president.

Donald A. Odell, senior vice president and secretary.

Paul J. Pittinger, vice president.

Vincent Reusing, government relations associate.

Charles E. Snoddy, vice president.

It has taken a great effort to reach this point, Mr. Speaker, but I believe that through the efforts of these individuals and others, a new era has begun for the Johnstown area and central Pennsylvania.

NATIONAL FAMILY WEEK

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. MYERS of Indiana. Mr. Speaker, I am pleased to announce that 67 Members of the House join with me today in introduction of a resolution calling for a permanent "National Family Week" observance in November.

This resolution is similar to one approved by the 92d Congress and signed by the President in 1972 with the exception that this proposal calls for the establishment of an annual observance in honor of the family institution.

The Committee on Post Office and Civil Service to which this resolution will be referred has stated that only proposals with "national appeal and significance" will be considered for commemorative days or periods. I cannot think of a more significant institution with wider national appeal than the family and I am hopeful this Congress will act promptly to approve this resolution.

More than 40 Governors have endorsed State proclamations of Family Week in the past and dozens of organizations have expressed an interest in promoting a national observance once the resolution is approved.

The legislation calls for the 4th week in November, the week including Thanksgiving, to be designated as "National Family Week." It also encourages States and local communities to observe the week with appropriate ceremonies and activities.

No institution in our society has had more influence over the development of America during the last 200 years than the family. Our Nation's fredom was born in the families that formed the 13 colonies.

Our goal is to restore the family to its rightful place in society by enlisting the support of millions of Americans in this drive to understand and appreciate the significance of the family in the history of this Nation.

My hope is that Congress this year will renew its endorsement of national family week in order to assure the success of this annual observance. Many governors, mayors and organizations are awaiting an official proclamation before proceeding with their plans.

A national family week organization has been organized to promote this observance throughout the land. The following organizations have indicated their interest in helping:

American Home Economics Association, American Legion, American National Red Cross, Big Sisters of the District of Columbia, Black Silent Majority Committee, Center For The Family, Community Family Life Services, Inc., Community Group Health Foundation, Cub Scouting Division, Family Service Association of America, Future Homemakers of America, General Federation of Women's Clubs, Life Line, Lions Clubs of Northern Washington, Metropolitan Police Boys' Clubs, Mission of Community Concern, National Catholic Community Service, National Congress of Parents and Teachers, National Council of Jewish Women, National Exchange Club, National Society Daughters of the American Revolution, Salvation Army and Teen Corps, Inc.

Members of the House who join with me in sponsoring this measure are:

Mr. Anderson of California, Mr. Anderson of Illinois, Mr. Archer, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Beard of Tennessee, Mr. Bevill, Mr. Boland, Mr. Brodhead, Mr. Broyhill, Mr. Burgener, Mr. Cederberg, Mr. Clawson, Mr. Collins of Texas, Mr. Conlan, Mr. Conte, Mr. Dan Daniel of Virginia, Mr. Davis, Mr. Derwinski, Mr. Duncan of Tennessee, Mr. Eilberg, Mr. Erlenborn, Mr. Eshleman, Mr. Fithian, Mr. Flowers, Mr. Frenzel, Mr. Fuqua, Mr. Gradison.

Mr. Grassley, Mr. Guyer, Mr. Helstoski, Mrs. Holt, Mr. Horton, Mr. Howe, Mr. Hyde, Mr. Jacobs, Mr. Kemp, Mr. LaFalce, Mr. Lott, Mr. McHugh, Mr. McKay, Mr. Mazzoli, Mr. Michel, Mr. Mikva, Mr. Mitchell of New York, Mr. Montgomery, Mr. Moorhead of Pennsylvania, Mr. Moorhead of California, Mr. Murphy of New York, Mr. Pepper, Mr. Perkins, Mr. Robinson, Mr. Roe, Mr. Schulze, Mr. Sebelius, Mr. J. William Stanton of Ohio, Mr. Talcott, Mr. Thone, Mr. Treen, Mr. Vander Jagt, Mr. Walsh, Mr. Whitehurst, Mr. Winn, Mr. Wolff, Mr. Won Pat, Mr. Yatron, Mr. Young of Florida.

OIL'S "BATTLE OF THE BILLIONS"

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. MOFFETT. Mr. Speaker, the seemingly endless battle between the public interest and that of the administration aligned with oil company lobbies will continue in another arena over the next few weeks as H.R. 7014—the Energy Conservation and Oil Policy Act of 1975—comes to the floor of the House. This bill, reported out by the House Interstate and Foreign Commerce Committee, is a relatively comprehensive and equitable measure which features, most importantly, a price ceiling on uncontrolled domestic oil. The Commerce Committee has made it clear by the approval of this bill that it will not sit idly by as the administration permits the OPEC cartel to establish the price for our own resources and wreak havoc on our economy. Ralph Nader describes the motivations of the interested parties quite well in his column which appeared in the Washington Star on July 5, 1975:

OIL'S "BATTLE OF THE BILLIONS"

(By Ralph Nader)

The stage is set for a dramatic struggle between Gerald Ford and consumer forces in Congress over the price of energy in this country. As if to punctuate the onset of this "battle of the billions," the giant oil companies' recent price increases signaled the second lap in their drive for $1-per-gallon gasoline.

President Ford's energy policy would replace price controls by our government with OPEC-Exxon pricing of our domestic energy, including oil, gas and coal. That would be the direct result of his oil price decontrol plan.

No economist would deny that once controls go off, the price of domestic oil will rise to the level of the OPEC price for foreign oil.

Similarly, if President Ford achieves his deregulation-of-natural-gas objective through Congress, the price of domestic natural gas will more than triple, rising to the equivalent price of OPEC oil. Steam coal prices have doubled in less than two years, mysteriously reflecting similar upward pulls of the price of oil.

Under the Ford energy plan, stripped of its presidential television rhetoric, every time OPEC raises its price $1 per barrel, Americans will pay almost $6 billion more per year for domestic oil, gas and coal.

This country's domestic energy supplies provide our country with 80 percent of its energy consumption. So President Ford's decontrol scheme would let the price of the 20 percent of the energy we import determine the price of the 80 percent of the energy we produce in the United States.

The giant multinational oil companies, of course, like the President's program. In fact, they helped write it. Exxon, Gulf, Mobil, Arco, Shell and other oil giants are making more profits than ever before as the OPEC price goes up.

Moreover, as long as the OPEC price stays high or goes higher, the value of their oil, gas and coal reserves in this country and elsewhere increase by hundreds of billions of dollars.

If OPEC did not exist, the big oil companies would want to create it. Fortune magazine, in its May issue, described how the OPEC cartel depends on the multinational oil corporations to ensure that production cutbacks, needed to sustain cartel prices, are distributed equitably among the cartel members.

In a word, these oil companies are shoring up the cartel because they have a stake of billions in its continuance.

When representatives of the oil-producing countries visit this country, they must wonder how the oil industry's White House service station can publicly condemn OPEC while it and the large U.S. oil companies are doing everything to keep it going.

What will the Ford plan cost the American family? At least $600 a year from higher fuel, electricity and gasoline prices. In addition the ripple effect of higher food, clothing and other prices will add even more to the already strained family budget.

This means massive inflation, more unemployment and recession. And that is why members of Congress have been balking at the veto-threatening President Ford.

As a countermove to Ford, the House Commerce Committee has reported to the House of Representatives HR 7014, the energy conservation and oil pricing act of 1975.

Bitterly fought over between pro-consumer committee members and other Democrats like Rep. John Dingell, who want to weaken the bill in the oil industry's favor to avoid a presidential veto, HR 7014 represents probably the best provisions likely to get through to law in this era of the imperial presidency.

Led by Congressmen Bob Eckhardt, John Moss and Andrew Maguire, HR 7014 holds oil prices far below the Ford plan but still at a level amply sufficient to encourage exploration and production.

It provides for mandatory automobile fuel economy standards, industrial fuel efficiency goals and several other ways to reduce inflationary energy waste.

It also sets up a petroleum reserve and provides the General Accounting Office with subpena powers to get the facts about reserves, costs and other situations from the hidden recesses of the oil industry.

The congressional votes on HR 7014 will be coming up later this month and early August. If you're interested in more information, write to your representative and ask for a copy of the House Commerce Committee report on HR 7014.

COMMENCEMENT ADDRESSES TO WILSON HIGH SCHOOL CLASS OF 1975, READING, PA.

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. YATRON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following commencement address by the valedictorian, Mr. Glenn Troxel, of Wilson High School class of 1975, Reading, Pa., and the commencement address by the salutatorian, Ms. Catherine Dadamio, of Wilson High School class of 1975, Reading, Pa.:

YOUR TOMORROW IS BEING SHAPED TODAY

When we as students consider and evaluate ourselves we find that we are the sum total of our experiences. All that we have done has become part of us and we constantly draw from this reservoir of knowledge when we are faced with new problems and situations.

One of the many molding parts of this reservoir has been our parents. They have provided guidance when we needed it and whether or not we are willing to admit it, they have also given us the basis for our own morals. There has been much talk of a generation gap; but when you get right down to it, the basic rights and wrongs for both of us are still the same.

Another important molding part has been school and so far this has been provided in basically three phases:

In grade school we got to learn what school was all about; and we also made new friends, friends whom we have known and kept all of our lives. Our friends are the people by whom others judge us and they are usually the ones who influence us the most.

The next phase of schooling was junior high where we were basically separated into sections. Here we got to know mainly only those in our particular sections well.

Next came senior high school and here we found friends in fields that we enjoyed, extracurricular activities such as sports or clubs. By senior high school we have also pretty well determined what course of study we are going to embark upon and this decision is reflected by the quality of work and how we apply ourselves in school. High school has also been an experimenting time. It has been a time when we've gotten a chance to try out new things, things we could never do before or things that we read about in books. Along with this goes social affairs and here we learn self-control and to judge for ourselves what is right and wrong.

Wilson, as a high school, has also provided us with many opportunities and open doors. First and most importantly of all it has provided a means of education and this had come through competent members of the Wilson faculty staff. However, it has been up to us as students if we wanted to seize this opportunity.

For others, high school has provided a chance to get started in a career or business through the vocational technical and cooperative programs.

Wilson has also provided a chance to meet new people and friends and also a chance for athletic competition. Here those of us involved have learned how to take defeat and how to control our pride in victory. Sports in a way have helped to prepare us for life with all its downfalls and high spots.

As we look toward the future some of us will be going to college, some may be into business. Others may try to get a part time job for a while, and others will be starting families. I think that at the age of seventeen, eighteen, or nineteen we are by no means children anymore, yet we are now faced with a difficult decision; that is what field we will enter. This decision will be shaping the rest of our lives and eighteen is rather young in this perspective. This is why we must try to make decisions that will not limit us in the future, but rather open new doors to us. As we go on now we will probably meet whole new groups of people and we'll have to adapt to them, just as we have adapted before, except this time it should be an easier task since we have that reservoir to draw from.

With high school we have not just acquired knowledge. We have learned self-control and how to react to different situations.

In the future we will be facing many new challenges such as a job, marriage, and family. We'll also face new problems and these we will have to work out for ourselves because there will be no guidance counselors to help us. Again, these we'll be able to try to solve because we are the sum total of our experiences.

In conclusion I would like to leave each one of you with this message. You must go out in life and prove to yourself that you can have and do what you want because you can. Each one of you has some basic skill or talent; some know what it is already, others may have to search themselves for it. You must then go out and apply yourself with what you have and if you go with tolerance, with self-understanding, and with confidence, I think you will enjoy a happy, productive life.

YOUR ATTITUDE CAN DETERMINE YOUR FUTURE

In order to achieve anything it is important that we are able to face both disappointments and encouragements. To surmount what is merely possible, we must say to ourselves that we can do it.

Experience is the substance that makes up our lives; and achievement often requires tedious, long, harsh experiences such as competition, criticism, and even failure. But if we want to know achievement, we must have such experiences; and if we want to know experience, we must attempt achievement.

It is encouraging to know that even the greatest of men and women had approached seemingly unsurmountable obstacles, but with fortitude and perseverance they cleared their own path of difficulties. Tom Dempsey, the kicker of the Philadelphia Eagles, was born with half of a foot and three fingers on one of his hands. In spite of his physical handicap, he now holds the record for the longest field goal. In 1973 a Conrad Weiser High School senior and football player became paralyzed after a tragic trampoline accident. At that time he was confined to a high-back wheel chair and had to wear a four-poster brace. With the help of excessive therapy and faith, he now has the use of his arms and is able to operate an electric wheelchair. He is now planning to attend college, and he sees college as his chance to begin helping others.

Houston McTear, an eighteen year old sprinter from the backwoods of Florida, is one of the record holders in the 100 yard dash running it in 9.0 seconds. When he was fourteen years old he won the 100 yard dash in a junior high school track meet, running in sneakers, a T-shirt, and a worn pair of cut-off blue jeans. His father, mother, and seven brothers live in a squalid shack at the end of a dirt road. His father makes $400 a month. The school he attends lacks many facilities, including a track; but he is letting nothing stop him. He has potential, and most important of all, he has drive.

A few weeks ago I attended a luncheon and was privileged to hear the speech of Judge Lisa Richette of the Court of Common Pleas Court of Philadelphia. Judge Richette is the author of "Throwaway Children". She talked of how she and many women had to struggle for their positions in life not because they lacked intelligence or ability, but because society failed to recognize the liberated woman. Judge Richette, among others, never gave up despite the fact that everywhere they turned people claimed that they did not look like a doctor, a lawyer, a judge . . . or whatever the case may be. Society implied that therefore they could not become one.

Of course, not everyone can become nationally known or a "superstar"; but if we set goals within our own little world, we can strive to reach them. Our goals must be high enough so that we may look ahead but low enough so that we may someday reach them. We can expect failures, but failure will stir us to endure much more and keep aiming for our goals.

Here in the Wilson area we find that both the roles of men and women are changing in the fields of sports, leadership, and job opportunity. Many of us feel that we are hindered because these fields are lacking. We cannot, however, become discouraged because of the fact that it seems as though we have to fight so much for what we really want and need. As we learn to make our own decisions and strive for our own goals, we will become able to work together for the making of a better society. It is true that whatever I do for myself can only help myself; but if we, as a whole, retain the optimistic views each one of us has towards ourself, we can join with others and reach for America's goals. Optimistic individuals make an optimistic American society.

Here is a quotation by Walter D. Wintle that we should remember when we face these future challenges:

Life's battles don't always go
To the stronger or faster man,
But soon or late the man who wins
Is the one who thinks he can.

WE BEGIN TOMORROW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. DERWINSKI. Mr. Speaker, last Friday, the Fourth of July, we witnessed the national spirit of patriotism as we commemorated our country's independence, and marked the beginning of our Bicentennial year. This feeling of respect for our country and for the individual liberties that are ours as citizens of this great land, provide the solid foundation for our national strength.

In my judgment, this coming year is a time for Americans to reaffirm our national heritage and promote America and unity among all Americans. It is a time to encourage a massive expression of appreciation for the blessings and freedom of our country on her 200th birthday.

Therefore, I was especially pleased to see the editorial in the July 3 edition of the Suburban Life, an outstanding publication serving West Cook County, Ill., calling for all Americans to renew their patriotism as we honor our country's 200th anniversary. The article follows:

WE BEGIN TOMORROW

Tomorrow we enter into our 200th year as the United States of America, and we begin the one year Bicentennial countdown to the date which will launch us into our third century.

The Bicentennial is springing up across our entire nation as a spirit of participation and achievement. Western Springs and Darien have already had Bicentennial events. Many of our communities are flying the Bicentennial flag. We hope all will be doing so soon.

The La Grange Bicentennial Commission is putting forth a special effort for every resident to fly the American flag tomorrow. Again we hope this communitywide effort spreads throughout the area and nation.

We believe this country needs a return to good old fashioned patriotism. Getting involved in Bicentennial activities is the best way we know to achieve this goal.

In contrast to this nation's Centennial in 1876 which was celebrated in a single city, Philadelphia, the activities commemorating our Bicentennial will take place in communities throughout the U.S. Most area villages have committees hard at work on local celebrations. Any community not already involved is missing the boat.

Fireworks, parades and picnics are the traditional Fourth of July observances. With participation in these events tomorrow, we hope residents will renew the patriotism and spirit which has made this nation the greatest land on earth.

It is our hope that during this final year of our second century, all Americans will come together to remember how we came to be, celebrate what we are and to reflect on where we are going.

We hope that Americans will use this coming year to prepare a celebration befitting our great nation. Each community, in its own way, should be planning now to celebrate the Bicentennial in a manner best suited to its location, means and desires.

It should also be a day to break ground for a Bicentennial project that will help shape a better tomorrow so future generations can look back and know that the community of today cared about itself, about its nation and the principles which we honor.

We begin tomorrow, not with just a day off from work, with a reaffirmation of our faith and trust in the American way. Fly the flag and be proud you're an American.

THE WORLD IGNORES THE CAMBODIAN DEATH MARCH

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. CRANE. Mr. Speaker, for many months before the fall of Cambodia to the Communists many in the Congress and in the press urged a withdrawal of U.S. aid to the anti-Communist Government of Lon Nol. They argued, as in the case of the majority leader of the Senate, that stopping the aid was "in the best interests" of the Cambodian people. New York Times Columnist Tom Wicker said that there was "not much moral choice" between the Khmer Rouge and the Lon Nol government.

Now, we can review the results of the Communist takeover of Cambodia and decide whether or not it has really been in the best interests of the people of that country.

The fact is that the Khmer Rouge, shortly after their takeover, embarked upon a policy of genocide in Cambodia. Upon entering Phnom Penh, Khmer Rouge troops immediately ordered the entire population—some 2 million people—to move out of the city en masse. Women, children, old men—were all driven out like cattle, many of them totally unequipped or supplied to go for more than a few hours—toward an unknown destination said to be 65 miles away.

An intelligence memo prepared for the White House states that—

> . . . it is clear that the forced march out of Phnom Penh resulted in death for many of the young, old and weak among the city's 2 million inhabitants. . . . First-hand accounts from individuals caught up in the forced exodus—and who subsequently exited the country—paint a grim picture. One reported scores of bodies floating in a river near the capital. . . . The removal of the urban population to the countryside is clearly a deliberate and calculated policy of the new leadership. . . .

Denis D. Gray, an Associated Press reporter in Thailand, interviewed Cambodians who managed to escape. One former soldier said that he saw about 40 trailers with about 10 corpses piled into each being towed down a road. Two days later, after the Khmer Rouge had left, the soldier said he discovered arms and legs and other parts of bodies sticking out of shallow graves near the village of Phan Rong. Gray writes that—

> Another refugee said he had been a policeman. . . . He said he and 16 other police and military intelligence men were rounded up, stripped to their underwear and taken toward a pit surrounded by Khmer Rouge soldiers. They were beaten with shovels and bamboo clubs during their death march to the mass grave, the man said.

The brutality being inflicted by Communists in Cambodia has been largely ignored by world opinion. Columnist Jack Anderson writes that—

> The United Nations, collectively and separately, continues to ignore the forced evacuation of an estimated 3 milion Cambodians from the cities to the countryside. Yet this must go down in history as the greatest atrocity since the Nazis herded Jews into the gas chambers. The mass exodus was a death march. . . . An estimated 1 million people are expected to die from hunger and exposure . . .

Those who believe in the pleasant illusion of détente, that somehow the Communists have changed, should review events in Cambodia.

I wish to share with colleagues the article, "Cambodian Refuges Tell of Executions" by Denis D. Gray, which appeared in the Washington Star of June 24, 1975, and the column, "U.N. Ignores Cambodia Death March," by Jack Anderson, which appeared in the Washington Post of June 23, 1975, and insert them into the RECORD at this time:

[From the Washington Star, June 24, 1975]

CAMBODIAN REFUGEES TELL OF EXECUTIONS

(By Denis D. Gray)

SURIN, THAILAND.—Cambodians who escaped recently to Thailand report that mass executions have taken place in Cambodia since the Khmer Rouge victory more than two months ago.

The refugees say most of the victims were men of the former Cambodian army. They apparently were killed to eliminate elements thought to be potentially hostile to the new rulers of Cambodia, the sources said.

Two former soldiers said they saw Khmer Rouge soldiers beat about 40 officers and enlisted men to death with shovels and clubs in the northwestern province of Siem Reap at the end of April.

The victims, their hands tied behind their backs, screamed and begged to be shot as the Khmer Rouge pounded them to death.

The corpses were buried near the village of Phnom Prong, nine miles west of the provincial capital, the two men said. They said they watched the killings from separate hiding places in the jungle.

Another former soldier from the area said he saw about 40 trailers with about 10 corpses piled into each being towed down a road. Two days later, after the Khmer Rouge had left, the soldier said he discovered arms and legs and other parts of bodies sticking out of shallow graves near the village of Phan Rong.

Another refugee said he had been a policeman in the northwestern province of Oddor Mean Chey. He said he and 16 other police and military intelligence men were rounded up at the provincial headquarters during the second week of May, stripped to their underwear and taken toward a pit surrounded by Khmer Rouge soldiers.

They were beaten with shovels and bamboo clubs during their "death march to the mass grave," the man said. But he reported that he asked his captors for water and when they gave it to him managed to escape into the jungle as the Khmer Rouge fired after him. He showed scars on his wrists which he said came from the steel wire with which he was bound.

A former diplomat who escaped with his family reported that on May 31 a Khmer Rouge official stopped him about 30 miles from the Thai border and told him: "You are lucky. Three days ago we received instructions not to kill any more people of the old government."

The diplomat said the official told him 29 truckloads of soldiers and members of their families were executed in the area of Talork, a former military camp.

The former diplomat also said he was told that almost 3,000 army men were executed southeast of Phnom Penh about five miles off Highway 1 during the last week of April. He said he was told of this by persons who said they were wives or sons of the victims.

A former lieutenant colonel, driven from Phnom Penh in the forced exodus following the capture of the city, said he saw corpses strung together around coconut palms along a highway south of the capital.

"There were about 20 such groups, each with some 10 men lashed together," he said. "We dared not look too closely. But the men were naked from the waist up and had bullet holes in their backs."

[From the Washington Post, June 23, 1975]

U.N. IGNORES CAMBODIA DEATH MARCH

(By Jack Anderson and Les Whitten)

The United Nations, collectively and separately, continues to ignore the forced evacuation of an estimated 3 million Cambodians from the cities to the countryside.

Yet this must go down in history as the greatest atrocity since the Nazis herded Jews into the gas chambers. The mass exodus was a death march, with reports of bodies abandoned along the way. An estimated 1 million people are expected to die from hunger and exposure in the hinterland, where the food stocks simply aren't adequate to feed the city population.

The details, however, have been bottled up. As we reported in an earlier column, the Communists have sealed off Cambodia so that almost no information leaks out.

An intelligence memo, prepared for the White House, reports this much:

"Although the accounts are confused, and in many cases conflicting, it is clear that the forced march out of Phnom Penh resulted in death for many of the young, old and weak among the city's 2 million inhabitants."

Another million people from other towns were driven out of their homes and were forced to join the death march.

Continues the intelligence document: "First-hand accounts from individuals caught up in the forced exodus—and who subsequently exited the country—paint a grim picture.

"One reported scores of bodies floating in a river near the capital. According to doctors among the marchers, scores of people died from cholera, dehydration or hunger since the Communists provided no food, water or medicine throughout the long march.

"Having forcefully relocated the urban population, there is evidence that the leadership is having difficulty adequately caring for its new wards and the toll of human lives is likely to continue as the result of disease and famine."

Why did the Communists empty the cities? Declares the memo: "The removal of the urban population to the countryside is clearly a deliberate and calculated policy of the new leadership and appears to be aimed at furthering the Communists' plan to remake completely Cambodian society in the shortest possible time, relieving the strain on urban food supplies and facilitating consolidation of control over the cities and towns."

But the full "magnitude of human suffering caused by this policy," suggests the memo, "will probably never be fully known."

TRIBUTE TO AMBASSADOR EGIDIO ORTONA—END OF AN EXEMPLARY CAREER IN SERVICE TO ITALY AND AMERICA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. BIAGGI. Mr. Speaker. It is my distinct honor and privilege to take this opportunity to pay tribute to the distinguished Ambassador from Italy the Honorable Egidio Ortona who has announced his intention to retire after a distinguished 8-year career as Ambassador.

Actually his retirement marks the end of a career in the diplomatic service which stretched some 43 years. Ambassador Ortona before entering diplomatic service had compiled an outstanding scholastic record in some of the finest institutions of learning in the world. This included a law degree from the University of Turin and a degree from the prestigious London School of Economics.

Ambassador Ortona began his diplomatic service in 1932 and spent time in Cairo, Johannesburg and London. In 1940 he returned to Rome and served as the Chief of the Office of the Minister of Foreign Affairs. In 1945 Ambassador Ortona was first assigned to the Italian Embassy in Washington. In 1949 he was appointed as the head of the Italian technical delegation which gave him close dealings with the program of American economic assistance to Italy which served to reinvigorate their nation after the ravages of World War II.

In the 1950's Ambassador Ortona's diplomatic talents began to be better recognized and he was chosen as the minister-counselor for the Washington Embassy.

In 1958 he was given one of its highest honors when he was chosen to be the Italian Representative to the United Nations. He had the distinct and unforgettable privilege of presiding over the Security Council on two different occasions.

In 1961 Mr. Ortona was summoned back to Italy to serve as the Director General for Economic Affairs in the Ministry of Foreign Affairs. His economic expertise was called upon often in this period serving as chairman of a number of major international conferences. He was also chosen to be a member of the Italian delegation in the International Monetary Fund as well as a member of the Council of Ministers of the European Economic Community.

After this time he again returned to the diplomatic field and was appointed Secretary General of the Minister of Foreign Affairs.

In May of 1967 he culminated his brilliant career in public service by being appointed as the Ambassador of the Republic of Italy to the United States. In his tenure as Ambassador he gained the friendship and respect of the American and international diplomatic community. He has many friends in all walks of life both in America and in the world community. I have had the personal pleasure of knowing the Ambassador for a number of years and have found him to be a man of great intelligence and compassion dedicated to serving the people of Italy. The people of Italy have been fortunate to have a man of the caliber of Egidio Ortona as their Ambassador. We in this country have been fortunate to have had the services of Ambassador Ortona as he has proven himself to be an exemplary leader in the diplomatic world.

A successful diplomat is one who has a natural rapport with people. Ambassador Ortona throughout his long years in the diplomatic service has enjoyed his duties and his contacts with people. He has provided myself and the other Italian-American Members of Congress with inspiration and guidance in our work and has afforded us extensive courtesies at the famous embassy on 16th Street. He is a man who has lived life to the hilt and at an age when most men would be seeking a quiet life, Ambassador Ortona remains active in his work and his favorite extracurricular activities of swimming and horseback riding.

Mr. Speaker, the people of Italy, the Italian-American community, and the diplomatic world as a whole will sorely miss Ambassador Ortona. I know I speak for all these groups when I extend to the Ambassador my best wishes for a successful and healthy retirement and many more years with his lovely wife, Jiulia, and their three children, one of whom I might add is seeking to follow his father in diplomatic service. Ambassador Ortona is a man who deserves nothing but the best from life, for that is exactly what he gave to it.

POLITICIANS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the Record, I include my Washington Report entitled "Politicians":

Politicians

Given the deep mistrust of politicians, anyone—and especially a politician—who takes pen in hand, or opens his mouth, to defend politicians as a group should probably be prepared to duck fast. But I believe the defense needs to be made, so I'll ignore my own advice and give it a try.

You don't need to tell those of us who are politicians that we have a bad name and that people have become extremely cynical about us. Attacking politicians is, of course, a national sport, played enthusiastically year-round, in good weather and bad, in or out of doors.

What, then, can be said in defense of politicians? Believe it or not, a pretty good defense can be made, and it goes something like this: The role of the politician is to make the country work. John Gardner reminds us that in a country as big and diverse as America, worthy groups want mutually contradictory things. Without the aid of politicians in creating consensus and accommodation, the country would come apart at the seams. The politician promotes stability, accommodates different points of view, develops a consensus, tries to meet the needs of the people, and strives to achieve justice. On any scale of values, these are not unworthy tasks.

Most politicians are knowledgeable about the competing pressures in the country, and they learn to mediate among them. They know the flashpoints of contention on most subjects, and they try to work their way through conflicting arguments and pressures to workable solutions. Politicians are necessarily students of what will work and of what will keep all sides in a conflict, if not satisfied, at least not too unhappy. They will often blur the stark line between victory and defeat by making gracious overtures and even concessions when they win, and by putting the best possible face on defeat when they lose.

People often have exaggerated expectations of what politicians can accomplish. They want instant satisfaction, and when they don't get it, they experience instant disappointment. They often overestimate the ability of their favorite politician to solve a problem and they underestimate the difficulty of the problem itself. They become too quickly frustrated and disenchanted with the political process when politicians do not make the progress they think should be made. In fact, politicians often accomplish more than people realize. Too often, people become transfixed by the daily charges and countercharges, as the news media focus on personalities, differences, and generalities, that they miss, or forget, the progress made and the problems avoided.

Basically, politicians struggle for power; that is what their business is all about. In this country this struggle is out in the open, in a system in which politicians try to make the competing interests, the frustrations and desires of 215 million Americans and mold them into some kind of national policy. Politicians play an indispensible role in this vital process, although, admittedly, it is sometimes done rather crudely.

In a big, tough, sometimes cruel world, the politician also serves as an important buffer between individuals and their government. Any Congressman can tell you that he and his staff spend much time in obtaining social security benefits or unemployment compensation for constituents, and in many other ways politicians are able to make a harsh environment a little kindlier for individuals who encounter the sometimes appalling indifference of massive government bureaucracy.

The politicians' efforts to build a majority or a consensus are also essential in forging national unity. The forces of sectionalism are very strong in this country. We rightly pride ourselves on the diversity of class, race, creed, and region, but these things do have a divisive thrust, and on many questions the country needs all the unifying forces it can muster. Fence straddling, back-slapping, frustratingly ambiguous politicians may deserve more credit than you think for softening the rough edges of America's fabulous diversity. In the long view, the unity of the country is more important than winning or losing a particular fight over policy.

This defense of the politician may be a little one-sided, but the other side is heard so often that I hope it is in order. To paraphrase a prominent political scientist: There is no America without democracy; there is no democracy without politics; and there can be no politics without politicians.

REVOLUTIONARY VIOLENCE AND PUERTO RICO

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. McDONALD of Georgia. Mr. Speaker, violent revolutionary acts by organizations supporting the creation of a Cuban-style totalitarian Marxist state in Puerto Rico continue unabated. In at least two cities which have experienced these terrorist attacks, police investigations have reportedly been seriously hindered by a lack of intelligence files on revolutionary extremist groups and their members and supporters.

On June 14, 1975, 12 hours before the start of a Puerto Rico Day parade in Chicago, the Fuerzas Armadas de Liberacion Nacional (FALN)—(Armed Forces of National Liberation), a Puerto Rican terrorist organization previously active in Newark, N.J., and New York City, claimed responsibility for placing bombs in three downtown Chicago locations.

In the early hours of the morning, a woman phoned the Chicago offices of the Associated Press to announce, "This is the FALN speaking. We have planted three bombs at capitalist institutions in downtown Chicago." After directing reporters to a communique placed in a Union Station telephone booth, the woman concluded, "Free Puerto Rico now! Free all political prisoners!"

One bomb was never found. A second, a black powder, dynamite, and clock device, was discovered in a shoulder bag by two couples who thought they had found some abandoned camera equipment outside the First National Bank. They drove as far as the Mid-Continental Plaza Building before discovering the true contents of the bag. Thrown from the car, the bomb exploded almost immediately, slightly injuring the four persons.

The third bomb exploded outside the United of America Bank 7 minutes later at 12:52 a.m. This was the assembly point for the Puerto Rican Day parade. Press reports indicated that most of the damage was to glass windows.

The FALN communique, labeled "No. 5," provided the customary list of excuses for revolutionary terrorism—"repression" and "exploitation." Stating the bombings were in support of the Puerto Rican Day parade and of the protest contingent of radical groups within it, the FALN Communique No. 5 read:

> In solidarity with the protest contingency we have undertaken the following bombings of Yanki imperialist institutions: the United America Bank, First National Bank, and the United States Federal Building which houses various agencies of repression, ex. CIA, FBI, LEAA. Also, the Department of Immigration, which at this time is trying to blame the failing economic system on our chicano brothers and sisters. * * *
>
> These actions also demonstrate to the United States Government that the mobile guerrilla units of the FALN can hit anywhere in the United States.
>
> Once again, we demand the immediate release of the four Nationalist Prisoners being

> held in yanki jails, and the unconditional independence of Puerto Rico.

Just in case there may have been any doubts as to the political orientation of the FALN, the communique ended:

> We also want to express our solidarity with the four victorious people of Vietnam, Cambodia, and Laos. Their victory is our victory.

The revolutionary Marxist-Leninist Puerto Rican Socialist Party—Partido Socialista Puertorriquena—(PSP), whose activities the FALN has previously supported, held a press conference on the Chicago bombings in June 17. The activities of the PSP, whose leader, Juan Mari Bras, has expressed his approval of FALN bombings, have been the subject of previous reports to my colleagues on June 2, 1975, 16573–16575; June 6, 1975, 17747–17749; and June 10, 18248–18250.

The press conference featured David Santiago, secretary of the PSP, and Jesus Lopez, a member of the PSP's elite Political Committee, who stated, "We are enemies of indiscriminate terrorism," and that the PSP could not support acts that were not tied to "a strategic program toward our liberation."

In a written statement, Lopez said:

> Terrorism can only be justified in revolutionary practice when it is used in the context of a revolutionary mass struggle to destroy the enemy in the military field at a given moment.

These statements, consistent with Marxist-Leninist theory, do not by any means constitute an absolute condemnation of the FALN, nor has the PSP ordered its members to cooperate with law enforcement in tracking down the bombers whose previous revolutionary exploits include the boobytrap maiming of a young Puerto Rican police officer in New York City.

The PSP's founding program, released in November 1971, called upon its supporters "to respond to the repressive violence of the regime with revolutionary violence to the degree which conditions and circumstances require."

When the FALN first made news in October 1974, with five bombings of New York City financial institutions in support of the PSP's Puerto Rico Solidarity Day rally in Madison Square Garden, PSP Secretary-general Juan Hari Bras declared at the rally:

> There is a diversity of forms and means by which the Puerto Rican people struggle for independence and national liberation. This is one of the means.

Latest press reports indicate that law enforcement officials have announced no leads or suspects. Assistant Deputy Police Superintendent Edward Buckney was quoted by the Chicago Sun-Times as saying that the bombings "did not happen in Chicago before, when we had an effective intelligence operation. In the past, we could prevent these things and head them off [here] when they happened in other cities."

WEATHER UNDERGROUND BOMBERS SUPPORT PSP-LED STRIKE

Two days later, on June 16, a medium-sized pipe bomb exploded at about 5 a.m. outside a branch of the Banco de Ponce at 10 Rockefeller Plaza in New York City. Shortly afterward, a male speaking unaccented English phoned the New York Post while a female telephoned the Associated Press to claim that the Weather Underground Organization—WUO—had committed the bombing "in support of the cement workers strike in Ponce." This refers to a strike which began in January 1975, by the PSP-led Operators and Cement Workers Union—OCWU—against the Puerto Rican Cement Co. owned by the family of Luis Ferre, former governor of Puerto Rico.

Reporters were directed to a phone both at Greenwich Avenue and West 10th Street—the former location of the old Women's House of Detention, the site of innumerable radical protests—where a 3-page typed communique was discovered.

The Weather Underground denounced the owner of the Puerto Rico Cement Co., Luis A. Ferre, president of Ferre Enterprises and a former governor of Puerto Rico—1968–72—who is a leading member of the pro-statehood New Progressive Party which received 44 percent of the votes in the 1972 Puerto Rican elections. The Banco de Ponce was selected as the bombing target because Sr. Ferre's family has the controlling interest in that institution.

The Weather Underground communique concluded with a rhetorical attack similar in tone and content to material produced by the Puerto Rican Solidarity Committee—PRSC—a PSP-controlled united front support organization of several New Left revolutionary groups. The Solidarity Committee includes a number of persons who have expressed political commitment to the Cuban revolution, and who were formerly supporters of the Weatherman faction of SDS.

The Weather Underground indictment of the free enterprise system concluded:

> Since 1898, when the U.S. grabbed Puerto Rico as a colony, U.S. corporations have used Puerto Rico as a profit paradise while distorting and wrecking its economic life. U.S. investments return more profit per year than the entire annual budget of the Puerto Rican government. Those profits come from the super-exploitation of Puerto Rican workers, who work long hours under dangerous conditions and receive one-third the wages of U.S. workers, at comparable jobs. The recent wave of strikes by telephone workers, waterworks employees and the cement workers are threatening this system—and in the process shaking the very foundations of U.S. colonialism in Puerto Rico.

PUERTO RICAN SOLIDARITY COMMITTEE DEMONSTRATION

On June 2, 1975, Luis Ferre was the target of a noisy picket line of 30 demonstrators at the Massachusetts Institute of Technology graduation ceremonies at which Mr. Ferre, a trustee of MIT, was speaking. The Maoist weekly Guardian reported that the demonstration, on behalf of the strike by the PSP-led Operators and Cement Workers Union, and "organized by the Puerto Rican Solidarity Committee, was so loud it forced guards to close windows and doors of the building where the ceremony was being held."

The Guardian further noted:

> The strike is an important part of the growing struggle of the Puerto Rican labor movement and will strengthen the United Labor Movement (MOU)—(Movimiento Obrero Unido), a militant federation of independent trade unions.

The Guardian neglected to inform its readership that the MOU is the Puerto Rican Socialist Party's front for the eventual formation of a central labor organization of all workers under its Marxist-Leninist control.

The OCWU/PSP strike against the Puerto Rican Cement Co. has been marked by nearly three dozen bombings of company property. On April 9, Efrain Fernandez, OCWU president, was arrested in Puerto Rico and charged with violating the Federal Firearms and Explosives Act. On June 5, three bombs exploded in cement company trucks causing $16,000 in damages. At that time Fernandez felt compelled to state, "we did not do this, but we can understand it."

THE CUBAN COMMUNIST PARTY VIEW OF PUERTO RICAN CEMENT STRIKE

The Puerto Rican Socialist Party and Puerto Rican Solidarity Committee rhetoric, together with the "armed propaganda" provided by the FALN and the Weather Underground, has found a more significant backer.

The weekly review in English published by Granma, self-described as the "official organ of the Central Committee of the Communist Party of Cuba," on June 22, 1975, republished an earlier June 11, 1975, article entitled, "The Puerto Rican Cement Workers' Strike: An Example of Labor Unity," under a quotation from Fidel Castro, "Puerto Rico awaits the solidarity of all in its relentless struggle for freedom."

The article contains an announcement of the World Peace Council's international conference of solidarity with the independence of Puerto Rico to be held September 5–7, in Havana, and proceeds to a denunciation of "Yankee imperialism" in Puerto Rico.

Says the "official organ of the Central Committee of the Communist Party of Cuba," the Puerto Rican cement workers' strike is an example of the "class contradictions which pit workers against their bosses." "This," state the Cuban Communists, "prepares and strengthens the people, leading them to more organized forms of struggle."

COMPULSORY UNIONISM DOES NOT WORK IN PRO FOOTBALL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. ASHBROOK. Mr. Speaker, I read with interest a news report today which let the cat out of the bag as far as compulsory unionism is concerned. The National Football League—NFL—players union is $200,000 in debt and is doomed without a contract which forces the pros to join the union whether they want to or not.

For those of us who believe unions have a right to organize but workers have a right not to be forced to join a union, this article cut most fiction about compulsory unionism to the bone.

The pro's union head, Ed Garvey said that the membership in the player association has shrunk to about 750 dues-paying members.

Garvey admitted the reason was that there was no check-off for dues. The Washington Post reported him as saying "The player reps have to go around and collect checks from each member * * * and you know how that goes."

Yes, we know how that goes when a little freedom is involved. Is not freedom a terrible thing?

THE BINGHAM DICTATORSHIP

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. SNYDER. Mr. Speaker, the evils of monopolies are well known. So it is, that we rightfully have antimonopoly laws—and perhaps need stronger ones. Rightfully, too, public utilities are subject to legitimate regulatory agencies because of their monopolistic character in exclusively serving a given area.

Constitutional provisions for freedom of the press, however, allow monopolistic practices to develop to the point that a reckless disregard for the truth can prevail—by newspapers—particularly in regard to public officials.

In this connection, a daily newspaper in Jeffersonville, Ind., the Evening News, had a most pertinent front page editorial on June 24, 1975, which the people of neighboring Louisville and Jefferson County will probably never be privileged to read. For those who read the RECORD, that editorial is inserted herewith:

THE BINGHAM DICTATORSHIP

(Editorial Comment)

It is amusing that the publishers of the Louisville newspapers have become so upset by the increase in the size and in the circulation in Clark County of The Evening News. Your local daily newspaper is printing more pages than at any time, and its circulation has grown to a figure in excess of 16,000. With an average of four to five readers for every copy (the accepted standard in the newspaper business), this means 65,000 to 80,000 readers per day.

All this time that The Evening News has been expanding, the circulation of the Bingham newspapers in Clark County has been slipping.

As The Evening News grew the Bingham newspapers subscribed to, and paid for, more and more copies of The Evening News to be sent to their offices every day. They have now reached the point where those Bingham newspapers receive, and pay for, seven copies of The Evening News daily mailed to various members of their staff at the Bingham offices.

King Barry Bingham sits on his throne at 6th and Broadway in Louisville with Crown Prince Barry Bingham Jr. at his side.

The King and Crown Prince dictate to all of Louisville and most of Kentucky. Most public officials are dominated by the Binghams. Those that are not are constantly subjected to their attacks and smears.

One of the favorite targets of constant smears by the Bingham newspapers is U.S. Congressman Gene Snyder from the Fourth District of Kentucky. He is subjected to regular attacks in the Bingham newspapers, especially around election time.

Of course, Congressman Snyder is a conservative Republican who does not vote the Bingham line or do the Bingham bidding.

The Binghams follow the philosophy of the radical left, and woe be to the persons who do not follow it. Frequently called the "Kentucky pink sheets," no conservative ever gets a fair shake in the Louisville newspapers.

Businessman Al J. Schneider, the owner of The Galt House, The Executive Inn, The Executive Inn West and other properties in Louisville is another frequent subject of the Bingham smears.

It must be jealousy, Schneider has done more to promote Louisville than the Binghams ever have. In fact, it is hard to think of anything the Binghams have ever done to promote Louisville.

They have done a lot to tear down their community, but their main purpose is to dominate and preach the doctrine of the radical left.

Having Louisville, and most of Kentucky, almost under the complete control of their dictatorship, the Binghams now want to expand their domination to cover Southern Indiana.

With its large and growing circulation, The Evening News stands in the Bingham way.

Having failed to stop the slide in their circulation in any other way the Binghams have assigned a flunky to do a "hatchet" job. By doing this the Bingham newspapers hope to attract attention.

We do not believe the residents of Clark County want to be dominated.

We believe our local citizens are intelligent enough to make their own decisions.

We do not believe the people who live in Clark County want to be told what they must do, or how they must think.

The Binghams do that in Louisville for Louisville and Kentucky citizens. They tell them how to vote, what to think, how to act, and what to do. In fact, Louisville residents do not have to think at all for themselves. All they have to do is pick up a Bingham newspaper to learn.

The Binghams have already tried on numerous occasions to dictate to Southern Indiana people what to think and what to do.

On one recent occasion the Bingham newspapers told our courts the occupational tax on Kentucky residents enacted by the Indiana legislature and adopted in Clark County is probably unconstitutional. That is natural, for the Bingham prime interest lies in Kentucky.

In other words, the Binghams are already trying to tell our courts how to rule on a matter to come before them. The Binghams go so far as to cite a U.S. Supreme Court decision where a New Hampshire tax on nonresidents was held unconstitutional. In typical Bingham fashion they only give one side of the picture. The Bighams fail to mention that the U.S. Supreme Court has upheld taxes on nonresidents enacted by Connecticut and Oklahoma. The statutes enacted by Connecticut and Oklahoma are far more analogous to the law passed by the Indiana legislature than is the New Hampshire tax. Of course the Binghams do not bother to mention this. Their interest lies with Kentucky citizens. Their only interest in Indiana is to dominate.

In addition to its smears filled with untruths, half truths, and distorted statements, the Bingham newspapers do not mind engaging in hypocrisy.

The Binghams have their flunky write that The Evening News will not publish letters or news from persons with whom it disagrees.

On numerous occasions as recently as last month The Evening News published its standards on "Letters to the Editor." Those standards do not require the views of the writer to agree with the view of The Evening News. We are glad to publish letters from persons with whom we disagree. No letter is arbitrarily rejected.

On the other hand the standards for letters to the Bingham newspapers, when published, contain the statement the editors reserve the right to reject any letter (for no reason whatsoever). Such hypocrisy!

For the Binghams to be so distraught by the expansion of The Evening News is ridiculous. The whole thing is a joke.

The Binghams will never dominate and dictate to the people of Clark County. Our people are too self-reliant, and can think for themselves.

MEDWAY POLICE OFFICERS RECEIVE THE 1974 MEDAL OF HONOR FROM THE NEW ENGLAND ASSOCIATION OF CHIEFS OF POLICE, INC.

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. EARLY. Mr. Speaker, Patrolmen John A. Mill and Salvatore R. Spataro of the Medway, Mass., Police Department were honored by the New England Association of Chiefs of Police, Inc., for their extraordinary valor and bravery on the afternoon of January 4, 1974, when they both risked their lives to save two young children from drowning in a frigid pond.

I feel it is truly fitting to include in the CONGRESSIONAL RECORD the description of the events of that afternoon, and to personally convey my thanks and gratitude to Officers Mill and Salvatore for their devotion to their jobs and their community, as police officers and as men.

The text of the events as recorded by the Association of Chiefs of Police follows:

THE NEW ENGLAND ASSOCIATION
OF CHIEFS OF POLICE, INC.

N.E.A.C.P. HEROIC AWARDS PROGRAM

Several years ago, our Association established an awards program to recognize those police officers who rose beyond the normal call of duty and risked their lives to provide aid and assistance to citizens in immediate danger. While such acts may be duly recognized within the officers' community, it was the expressed judgment of our members that these extraordinary deeds should be recognized by the Association through a special program of awards.

I presently serve as Chairman of the Awards Committee which reviews nominations submitted by the various police departments throughout the New England states and selects recipients on an annual basis. On Wednesday, May 14, 1975, our Committee met at Brattleboro, Vermont to review the nominations submitted for 1974.

It is my pleasure to inform you that the 1974 Medal of Honor recipients are Patrolmen John A. Mill and Salvatore R. Spataro of the Medway (Massachusetts) Police Department.

On Friday, January 4, 1974, at approximately 3:15 p.m., an emergency call was received at Medway Police Headquarters regarding a possible drowning in a body of water located in West Medway Park. This call was immediately dispatched to Officers Mill and Spataro where were on routine patrol in separate cruisers. The weather that particular day was extremely cold with sub-zero temperatures.

Officer Mill was the first to arrive at the scene and observed two adult women standing knee deep in the frigid water and frantically pointing to a location approximately 80–100 feet from shore where two small children had broken through the thin ice and were floundering in the freezing water. The severity of the situation was compounded by the fact that the points at which the two children fell through the ice were merely 20 feet away from a dam where the water was flowing rapidly into an adjacent pond.

At this point, Officer Spataro arrived on the scene and the two officers grabbed a spare tire from one of the cruisers and charged into the water. Using their bare hands and the spare tire, Officers Mill and Spataro cleared the ice from in front of them as they desperately made their way to the two locations where the two youngsters had fallen through the ice.

Upon reaching the first location, the two officers pulled the conscious and crying boy from the icy water and placed him upon the floating tire whereupon they immediately began searching for the second boy who had disappeared beneath the surface approximately ten feet away from the first boy. Officer Spataro made his way to the second location and found the back of the boy's jacket floating on the surface. Officer Spataro reached under the surface and pulled the unconcious second boy from the water.

Both boys were taken ashore where the two officers immediately attempted to revive the unconscious boy, using mouth-to-mouth resuscitation and cardiac massage. At this point ambulances from Medway and Bellingham had arrived upon the scene to relieve Officers Mill and Spataro. However, the two officers were then notified that there was a possible third boy who had fallen through the ice. Officers Mill and Spataro rushed back into the icy waters only to find a short time later that the rumor of a third boy falling through the ice was unfounded.

The two young victims, Wayne Eliot (age: 4 years) and Keith Schwerker (age: 5 years) were rushed to the hospital in the ambulance. On the way to the hospital, the unconscious boy was finally revived. Upon arrival at the hospital, both boys were treated for immersion and exposure. The second boy, Keith Schwerker, was transferred to the Children's Medical Center, Boston, where he expired four days later. The two police officers were taken to Milford Hospital where they were treated for immersion and exposure and later released.

Officers Mill and Spataro, in spite of the sub-zero temperatures and in the face of immediate danger to themselves, risked their lives to rescue the two young boys from the ice-covered water. Their joint performance that particular wintry day was clearly above and beyond the call of duty and has brought great credit, not only to themselves, but also to the many thousands of other fellow police officers serving communities throughout New England. Both officers are 37 years old and are veterans of the Medway Police Department. Both officers are married and have families of three and four children respectively.

There were two other officers, Sergeant Orazio M. Celona and Patrolman Robert F. Sheehan of the Boston Police Department who performed an act of heroism on Friday, September 27, 1974, and were so close to receiving the top award, it was voted to present them with the Medal of Valor.

The number of nominations received by the Committee this year was gratifying and due to the outstanding nature of the acts performed by the various police officers, the Committee has also elected to present Distinguished Service Certificates. Presentations will be made to the recipients of the Medal of Honor and Medal of Valor, while the Distinguished Service Certificates will be mailed to the respective Chiefs of Police for presentation.

Sincerely yours,
W. Joseph Shea,
Executive Director, N.E.A.C.P., Chairman, Awards Committee.

Natick, Mass.

REJECT THE ADMINISTRATION'S RAPE OF THE HIGHWAY TRUST FUND

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. SHUSTER. Mr. Speaker, today the Surface Transportation Subcommittee of the Committee on Public Works and Transportation began hearings directed toward developing major transportation legislation. As the ranking minority member, it had been my hope that our efforts would include a focus on the positive steps we can take to make America's highways safer and more efficient.

The evidence overwhelmingly indicates that economic development—job creation—is directly tied to the existence of efficient highway systems.

Even more significantly, conclusive proof exists that the appalling accident and fatality rate on American highways—46,000 Americans killed and 1.8 million Americans injured last year alone—can be reduced by the thousands through the modernization of highways and implementation of safety standards. Additionally, in 1974, property damage alone exceeded a staggering $19 billion, according to the National Safety Council. The related human suffering is incalculable.

Much progress has been accomplished in the past 20 years, but unfortunately, the job is nowhere near completed.

The 1974 National Highway Needs Report, transmitted to this committee by the U.S. Secretary of Transportation, indicates that after, and I emphasize this, a scaling down to allow for 20 percent less travel as well as a 10-miles-per-hour reduction in speed, America's Federal-aid highway needs through 1990 amount to $314.9 billion in 1971 dollars. Inflation has increased that 1971 cost by 40 percent, so the price tag in 1975 approximates $440.8 billion.

A Senate report entitled, "Transportation in Rural America," dated February 10, 1975, indicates that the cost of alleviating rural road deficiencies in America, excluding local roads, is about $108 billion; that rural travel is expected to increase by more than 50 percent by 1990; and that the death rate on rural highways is twice that of urban areas. Against these scaled-down needs of over $440 billion in current dollars, the Highway Trust Fund, if continued in its present form, is projected by the Federal Highway Administration to generate approximately $118.5 billion through 1990.

The Interstate System is expected to cost an additional $48 billion Federal share to complete, assuming a 7-percent annual inflation rate, leaving about $70 billion in Federal funds to support approximately $400 billion in unmet Federal-aid highway needs. If the $400 billion in 1975 dollars is adjusted for inflation at a 7-percent rate through 1990, the needs escalate to well over $600 billion.

The sad but inescapable conclusion is that the Highway Trust Fund, even if continued in its present form, is woefully inadequate to meet America's Federal-aid highway needs.

In the face of these harsh realities, this administration, which happens to be of the same political party as I, proposed a national transportation policy on July 7 which turns the previous administration's raid on the Highway Trust Fund into a rape.

The U.S. Department of Transportation, by its ignominious announcement of July 7, has raised grave doubts about the seriousness of its commitment to our long-term transportation needs. They propose to take the heart of the trust fund, the 4 cents per gallon gasoline revenue, and syphon 2 cents off into the General Treasury where it could wind up paying for Federal spending programs totally unrelated to transportation; hand over as a gift 1 cent to States if they are willing to collect it, to be spent on whatever programs they choose; and keep the last cent for the interstate system. We are told that, under their plan, highway funds would come out of the General Treasury.

Stated another way, they propose to destroy the fairest form of taxation yet devised by man—the user tax, which in this case provides that those who use the roads pay for them. If the faceless, nameless bureaucrats who devised the administration's proposal simply wiped out the trust fund and returned the gas tax money to the people, at least that would be honorable. However, to take the gas tax money out of the pockets of people who depend on highways without assuring them that the money will be spent on their roads is unfair, if not duplicitous.

It is absolutely incredible that this administration, faced with a myriad of transportation problems including highways, mass transit and railroads, is attempting to demolish the most successful transportation funding mechanism in existence. In my judgment, it is ironic that another Ford is presenting us with another Edsel.

I can only conclude that our President, who strongly supported the Highway Trust Fund in the well of this House just 2 years ago, on April 19, 1973, has been ill-advised by those around him. On that date, Congressman Gerald R. Ford, in opposing an amendment which sought to divert trust fund moneys, quoted Secretary of Transportation Volpe, as follows:

> I believe that the integrity of the Highway Trust Fund must be preserved without question. This was the intent of Congress and the Chief Executive in framing the Federal Aid Highway Legislation of 1956 and subsequent acts. In my opinion, to divert highway use tax revenues to purposes other than the provision of highways would abrogate a long-standing moral commitment as well as a statutory provision.

Our President concluded by saying:

> We ought not break faith with the taxpayers in order to let this kind of diversion take place.

I agree with these words of Gerald R. Ford, and denounce this scheme as a colossal "rip off" on the American people. As the ranking minority member of the

Surface Transportation Subcommittee, I disassociate myself completely from this ill-conceived proposal and vow to oppose it with all the vigor I can muster.

I shall work with Chairman HOWARD and other members of our committee to develop sound transportation legislation which deals honestly and effectively with the transportation needs of the American people.

ST. PETERSBURG, FLA.—ONE OF AMERICA'S 10 MOST LIVABLE CITIES

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. YOUNG of Florida. Mr. Speaker, America has some very beautiful cities—cities that are fun to live in and be a part of and which are good places to raise a family.

Recently, the Christian Science Monitor embarked upon a project to discover which are the 10 most livable cities in the United States. According to the Monitor, several urban experts were consulted and as a result, the newspaper—

> Selected cities which in our view combine aesthetic appeal, attractive and comfortable downtown areas, good government, a sense of social and ethnic cooperation, easy commuting, pleasant suburbs, and wide access to cultural and recreational activities.

In the Christian Science Monitor issue of June 11, 1975, the largest city in my district—St. Petersburg—was pinpointed as one of "America's 10 most livable cities." I only wish that the beautiful pictures which accompanied that article could be reproduced in the CONGRESSIONAL RECORD for all of my colleagues to enjoy.

Mr. Speaker, I want to share this article with the Members of the House of Representatives and at the same time, invite each one to consider spending some future vacation time in St. Petersburg—"The Sunshine City."

The article by Staff Correspondent Judith Frutig, follows:

AMERICA'S 10 MOST LIVABLE CITIES—ST. PETERSBURG

(By Judith Frutig)

ST. PETERSBURG, FLA.—The last time Ralph and Doris Mullin went camping, they packed one grandmother and two teen-age daughters into the family van and headed south for Fort Desoto, a wilderness park.

Mr. Mullin went fishing from the pier, but he caught nothing. Mrs. Mullin collected shells on the beach. Their campsite was on the beach too, separated from their neighbors by tropical foliage.

In the evenings, they built a bonfire, cooked dinner, roasted marshmallows, sang, and watched the city lights of St. Petersburg shimmer across the bay.

They were 30 minutes from home.

The park—five connected islands and 884 acres of quietude and flamingoes—is one of five in Pinellas County, all within 50 miles of the city.

They help make St. Petersburg a very livable East Coast city that glories in its 38 miles of shoreline and its mile after mile of beaches as soft and as white as sifted flour.

St. Petersburg calls itself the "sunshine city." One local newspaper promises to give away its street editions every day the sun fails to shine for at least 15 minutes; the last giveaway day was Dec. 15. Since 1910, the paper has given away only 252 editions.

Summer in St. Petersburg is the monsoon season—it rains nearly every day from June through September. During the winter, temperatures get down to the forties; but even during the summer the average temperature is 82 degrees (about 13 degrees cooler than Miami).

St. Petersburg is neither so stylish as Boca Raton on Florida's East Coast, nor so commercial as Miami Beach. It lacks the aristocracy and old money of Palm Beach—or even Tampa. It is as much of an established vacation resort as Fort Lauderdale; in fact, the city's economic wellspring is tourism (2.5 million in 1974).

There was a time when Pinellas County was for tourists, senior citizens, and resident pelicans. This is changing, however.

No longer are green benches set up for elderly people to rest on. Lawrence Welk and Liberace still do landoffice business; local restaurants do offer "early bird specials" for the folks who prefer to retire early; "the world's largest shuffleboard and bridge club," located two blocks from City Hall, boasted 2,861 members this spring; last year social-security checks did bring $405 million into the county.

But senior citizens are no longer the dominant portion of St. Petersburg's population. They add up to 31 percent; young people 18 and under attending the city's three colleges account for 25 percent.

SUNSET WALKS ON THE BEACH

Inside the city limits are more than 28 miles of public beaches and water sports including fishing, swimming, power and sailboating, and skin diving. Golf courses, tennis courts, lush parks, hiking and bicycle trails abound. Maggiori Lake is the largest city park featuring Boyd Hill nature park, a wildlife sanctuary.

Cost of living is low; housing is inexpensive; electric rates are high; there is no state income tax. City taxes are 4 percent.

At home in suburban St. Petersburg, the Mullins enjoy walking along the public beach at sunset.

"Sometimes, it's enough to look out the window and see the sand and the ocean," says Mr. Mullin. "But to walk in it—to feel the sand between your toes—that's better than just about anything."

This is not a city without drawbacks, however.

It gets hot here—and it stays hot. Spring and summer temperatures hover near 100 degrees. The humidity is oppressive. From April through Christmas, people scurry from air-conditioned offices, restaurants, or the theaters.

Overall population growth has been rapid, up 20 percent between 1960 and 1970 (to 216,000). Pinellas County has become the most densely populated area in Florida. Tampa-St. Petersburg is growing twice as fast as Atlanta, and almost 60 percent as fast as Miami.

As a result, problems have developed with:

Water. A drought emergency has already been declared this year and lawn sprinkling is banned from 10 a.m. to 7 p.m. If the combination of rising population and dwindling rainfall continues, the people here and elsewhere in Florida may have to choose between raising their famed citrus fruits, which gulp twice as much water as people do, or stringent water rationing; they may even have to desalinate salt water for drinking at very high costs.

Pollution. In 1961, only Cheyenne, Wyoming, and Honolulu had cleaner air. Last year there were three "ozone alerts"; this year there has already been one. Smog comes from Tampa, but mostly from as far north as Chicago, carried south by high-pressure weather systems.

Transit. The city has no rapid transit system at all.

"We're surrounded by ocean on three sides," said Mayor Charles Schuh. "Some cities can grow to the suburbs. We can't unless we go out into Tampa Bay on stilts. The only way we can go is up, and people don't want to do that."

Concerned, the city is putting together a stringent land-use plan. And St. Petersburg voters in the last two years have approved five bond issues totaling $40 million for increased parkland, street repair, and storm drainage systems.

HOME BUILDING TURNS UPWARD

Other problems are slowly beginning to right themselves. The home building industry, which sank last year from its 1973 high, is just beginning to turn upward.

The city art commission has recently begun a program to beautify the city. In late May, members voted to censor a neon advertising sign on the waterfront, and commissioned a $45,000 laser beam sculpture also for the waterfront (pending a $20,000 grant from the National Endowment for the Arts). In so doing, the city becomes the first municipality to commission a piece of public art that requires both building permit and performance bond.

The city is largely white; only 12 percent of the population is black. The blacks live in three relatively small and ramshackle sections of the city. A limited program of cross-district busing is in effect.

The single instance of racial violence in St. Petersburg occurred in May, 1968, when the city's 211 garbage men angrily walked off their jobs. The issue began as wages, escalated into race. The initial tactic was strike, but soon generated into hymn-singing and handclapping civil-rights marches on City Hall.

In all the strike lasted 116 days, with thousands of dollars in property damage, dozens of firebombings, and many arrests. But concerned citizens formed a biracial group called the United Alliance Committee, and through the actions of the committee the grievances of the garbage workers were alleviated.

St. Petersburg, despite its restless, hot, and humid nights, has remained quiet since.

Meanwhile, people here continue to enjoy such St. Petersburg specialties as spectator sports: exhibition baseball (St. Petersburg is the winter home of the St. Louis Cardinals and the New York Mets) and local softball teams. There are professional golf and tennis tournaments, boat races, legalized gambling.

The National Football League has designated the Tampa-St. Petersburg area a league city; the team will be called the Buccaneers.

St. Petersburg's waterfront is unmatched by any other city. Twenty blocks have public access. The focus is the bay-front center, also the heart of St. Petersburg's cultural and entertainment district, municipally owned and operated. It seats more than 2,800 in its theater and more than 8,000 in its arena, offering nearly 200 events each year ranging from concerts to broadway shows to religious conventions and industrial exhibitions.

There is an $800,000 marina, a $1 million museum of fine arts, the pier, a sports arena, downtown airport, and the campus of the University of South Florida.

The Florida Gulf Coast Symphony shares a 10-concert subscription series between Tampa and St. Petersburg; this year for its fourth season the St. Petersburg series is sold out.

WEATHER ATTRACTED

William and Mary Hall moved here from Cincinnati in 1973. He retired from Proctor & Gamble, she quit her job as a first-grade school teacher, and they built their own house. They say they moved here for the weather.

"The biggest disappointment," says Mr. Hall, "has been my golf game."

While Mr. Hall fishes off their dock, practices on the putting green in their backyard, or plays a round of golf on one of the local public courses, Mrs. Hall has taken sewing and tennis lessons and worked as a volunteer in a local public library.

Recently they placed traps off their dock and ate the fresh crab meat—Mr. Hall for the first time. They enjoy watching porpoises swim up the channel. Together they are searching for new restaurants to replace their favorite haunts back home.

They miss their long-time Cincinnati companions. Most of all they miss the change of season. "I miss the fall colors," says Mrs. Hall wistfully.

"We sit out in the backyard in late afternoon," says Mr. Hall, "and the breeze comes in over the water, and you know, is doesn't feel as hot as Cincinnati summers. Besides, we have that beautiful sunset behind the palm trees. You don't get that in Cincinnati either."

SECONDARY BOYCOTTS AND THE CONSTRUCTION INDUSTRY—II

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. ASHBROOK. Mr. Speaker, on June 26 the Labor-Management Relations Subcommittee of the House Committee on Education and Labor approved H.R. 5900. This bill would legalize common situs picketing in the construction industry.

I voted against reporting the bill to the full committee. I do not believe that we should exempt the building trades from the legal prohibitions on secondary boycotts.

My position is receiving support from across the Nation. For the information of my colleagues I am including in the CONGRESSIONAL RECORD several newspaper editorials in opposition to H.R. 5900. Following are editorials from the June 14, Chicago Tribune, the June 8, Dallas Morning News and the June 9, Indianapolis Star:

THE BUILDING TRADES TRY AGAIN

With the building trade unions constantly pushing wages up to new records, and with unemployment in the construction industry already worse than in any other [thanks largely to those same high wages], the last thing the industry needs is greater clout in the hands of the unions.

Yet the building trades are at work once again, quietly but with determination, to exempt themselves from the laws that prohibit secondary boycotts.

As the law now stands, picketing is restricted at construction sites, where several crafts usually are working at the same time. When a union has a dispute with one or more subcontractors, pickets may not try to induce the employes of other subcontractors to go on strike in order to force the general contractor to stop doing business with the subcontractors involved in the original dispute. More and more unions have been violating the law and getting away with it. Some courts have even supported them—until two weeks ago the Supreme Court allowed a triple-damage suit against a Dallas union that had engaged in a secondary boycott.

This decision has given new impetus to the effort to change the law. The bill now before the House Education and Labor Committee, H.R. 5900, is sponsored by Rep. Frank Thompson, a Democrat, and 11 other union-oriented and generally union-financed congressmen. The bill describes itself, with misleading innocence, as "a bill to protect the economic rights of labor in the building and construction industry." It would do this—and a good deal more—by exempting these unions from the prohibition against secondary boycotts [also known as common situs picketing] in the Taft-Hartley law as amended by Landrum-Griffin.

It would thus expand the freedom from antitrust laws that unions already enjoy, and would do so at a time when the unions—and especially the construction unions—are wielding the same monopolistic power that the antitrust laws were designed to prevent on the part of business.

The proposed law would give the unions a stronghold over every contractor and every product used at a construction site. Every dispute would quickly lead to a walkout of all the workers engaged on a product; those who might resist would be left without work to do. Monopolistic unions would become more powerful than ever; small, independent unions would be forced to disband. Nonunion workers would find it harder than ever to get work.

The building trades have been seeking this exemption for themselves ever since 1953, when Secretary of Labor Martin Durkin (himself a plumber and a union official) tried in vain to get the Eisenhower administration to support it. The unions came close in 1959 and 1960, but again failed.

If the cost of building is to be held down and the industry revived, it will not be thru government subsidies as much as thru restoring competition and efficiency in the building trades. This will never be done as long as the unions themselves are permitted to make the rules. Instead of looking for ways to strengthen the labor monopolies, Congress should seek to undo some of the restrictions that the unions have imposed on the construction industry.

COMMON SITUS: A MALADY WE DON'T NEED

In the name of all that is just and reasonable, let us hope the nation never comes down with "common situs." Which ought not be mistaken for a communicable illness—it is a good deal worse than that.

"Situs" is the Latin for "location." "Common situs" is the legal description of a situation in which a construction union can shut down all work on a given construction location by striking against and picketing one—one!—subcontractor.

Such a situation, so clearly at variance with the dictates of fairness and public responsibility, is at present illegal. The construction unions chafe at their consequent lack of full leverage. They have gotten bills introduced in both houses of Congress, as indeed they have done for several years, to legitimize so overpowering a tactic as "common situs" picketing.

In past years, the bills have died. This year may be different. The present Congress is more strongly pro-labor than any Congress in a decade. As why not? Labor, in the past campaign, was extravagantly generous with its political spending. The members of the House Education and Labor Committee, for example, received a total of $429,632 in contributions from the unions.

As to the proposed legislation—what would it do? In broadest terms, it would allow the bullying of innocent bystanders in a construction labor dispute. Suppose the legislation to be enacted; suppose, additionally, there is a new public hospital going up in Anytown, Massazona. On the job are approximately two dozen different subcontractors, working for the general contractor. One of the subcontractors is a small electrical firm. The firm is involved in a wage dispute with the electrical workers' union. The union throws out a picket line—and, in so doing, shuts down the whole "situs"; the entire construction job.

What is fair about such a strong-arm tactic? How have the other subcontractors offended, and why should they be punished? Why should the public be punished by a delay in finishing the hospital?

Should the "common situs" bill pass, predictable effects will flow from it. The unions will use their new muscle to force the unionization of all employes on a given job. The contractor will deal no more with "open-shop" labor, lest his whole project be closed down. Accordingly, the right to work at one's trade without joining a union will be infringed. Then, too, union labor is ordinarily more costly than "open-shop" labor. The price of construction, already staggeringly high, will go still higher.

Ironically, in a landmark decision stemming from a Dallas case, the U.S. Supreme Court ruled just the other day that unions have no right to force a contractor to deal only with subcontractors whose workers are unionized. "Common situs" legislation would undo the court's decision—just when it looks as though an element of fairness may be restored to labor-management relations in construction. All the more reason to hope the "common situs" virus can be isolated—before the whole country starts sneezing.

SECONDARY BOYCOTT AGAIN

Being revived in Congress is a labor bargaining issue involving the construction industry that has been fought out three times before. Unions call it common situs picketing; employers call it secondary boycott.

Under existing law, namely the Taft-Hartley Act, a union engaged in a lawful strike against an employer can picket that employer, but cannot willfully picket or otherwise pressure other employers operating at the same site, as some would be on a construction job.

Thus a construction union striking against a subcontractor cannot shut down an entire construction project unless the involved contractor's operations hold the key to continuance of other work. The striking union is not allowed to spread pickets all over the site to stop others from working.

Now moves are afoot in both houses of Congress to exempt construction unions from this section of the law. Such an exemption would allow a union striking against even a minor subcontractor on a construction project to throw picket lines around the whole site and shut down the entire project, unless nonstriking workers were willing to cross the picket lines.

The power such an exemption would place in the hands of individual unions is obvious. Organizations of contractors and suppliers predict a rash of job shutdowns if the exemption is enacted. One result almost surely would be further escalation of costs in an industry already badly hurt by high costs.

One effect foreseen by Associated General Contractors of America is that unions would be in a position to dictate to the general contractor on a project which subcontractors he could or could not do business with.

On three previous occasions Congress decided that it would not be a good idea to legalize secondary labor boycotts in the construction business. The idea is not any better now.

THE PLIGHT OF URI PODRIACHIK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. BIAGGI. Mr. Speaker, since February of 1975, I have had a continuing interest in the plight of Uri Podriachik, a Soviet Jew whose application to leave the Soviet Union has been repeatedly denied and who is being detained by Soviet authorities in Riga. His mother, the actress Dina Roitkop Podriachik, now lives in Israel and is separated from her son.

It is my opinion that the United States cannot simply carry on "business as usual" with the Soviet Union while it denies its inhabitants basic human rights and in particular the right to escape oppression by leaving the country.

The Assembly of the State of New York recently passed a resolution of solidarity with Dina and Uri Podriachik, representing all oppressed Soviet Jews. The resolution requests Congress to call upon the Soviet Union to release Uri Podriachik, as well as other Soviet Jews, to emigrate from the Soviet Union to the country of their choice. I have made such calls in my own name on numerous occasions. Certainly this resolution merits the immediate attention and action of Congress. I am therefore today introducing a concurrent resolution modeled after the New York Assembly resolution.

Further, we must resist those who call for the weakening of the profree emigration provisions of the Trade Act of 1974 and the granting of valuable considerations to the Soviet Union. We as a nation cannot grant concessions to a country that is in such flagrant violation of the principles of human rights that we hold dear. At this point I insert for the RECORD the text of the New York Assembly resolution, together with biographies of Dina Roitkop Podriachik and her son, Uri Podriachik, and a letter that I have received from Mrs. Podriachik. I hope that my colleagues will take the time to study them, so that they can come to understand better the plight of those held captive in the U.S.S.R.:

STATE OF NEW YORK, RESOLUTION NO. 95, JUNE 16, 1975

Assembly resolution expressing solidarity with Dina Roitkop Podriachik in her plight representing all oppressed Soviet Jews and in particular her son Uri who has been detained in Riga by the Soviet authorities and urging the President and the United States Congress to implore the Soviet Union to permit Dina Roitkop Podriachik's son Uri and other oppressed Soviet Jews to emigrate freely from the Soviet Union

Whereas, In the Soviet Union men and women are denied freedoms recognized as basic by all civilized countries of the world and indeed by the Soviet Constitution; and

Whereas, Jews and other religious minorities in the Soviet Union are being denied the means to exercise their religion and sustain their identity; and

Whereas, The government of the Soviet Union is persecuting Jewish citizens by denying them the same rights and privileges accorded other recognized religions in the Soviet Union and by discrimination against Jews in cultural activities and access to higher education; and

Whereas, The right freely to emigrate, which is denied Soviet Jews who seek to maintain their identity by moving elsewhere, is a right affirmed by the United Nations Declaration of Human Rights, adopted unanimously by the General Assembly of the United Nations; and

Whereas, The government of the Soviet Union by allowing certain members of Soviet Jewish families to emigrate while prohibiting the emigration of other integral members of the family are engaged in a devious and unconscionable strategy to undermine the familial integrity of the Soviet Jewry; and

Whereas, This callous strategy is devoid of any sense of humanity and is calculated to rupture the time honored sanctity of the family unit adhered to by Soviet Jewry and all civilized people; and

Whereas, This subtle and effective separation and seclusion of loved ones from the joys of shared family experiences may only be condemned as acts of a surreptitious government bent upon the shattering of human emotions; and

Whereas, Dina Roitkop Podriachik is a well known and distinguished actress who recently emigrated to Israel from the Soviet Union; and

Whereas, Her son, Uri, is still detained by the Soviet Authorities and prohibited from emigrating; and

Whereas, Dina Roitkop Podriachik is in this country to tell of the oppression of Russian Jews and of her son in particular; now, therefore, be it

Resolved, That the Assembly of the State of New York, in the interest of justice and humanity, express its solidarity with Dina Roitkop Podriachik and her own son Uri and all other similarly affected Soviet families in their plight; and be it further

Resolved, That the Assembly of the State of New York urge the President and Congress of the United States to call upon the Soviet government to permit Dina Roitkop Podriachik's son Uri, as well as the other oppressed Soviet Jews to emigrate from the Soviet Union to the countries of their choice as affirmed by the United Nations Declarations of Human Rights; and be it further

Resolved, That copies of this resolution be forwarded to Dina Roitkop Podriachik as well as to the President of the United States and members of Congress of the United States.

By order of the Assembly,

CATHERINE A. CAREY, *Clerk*.

BIOGRAPHY OF URI PODRIACHIK

Uri Podriachik was born in Moscow in February 1949 and grew up in Riga. He graduated high school in 1966 and continued his studies at the Riga Technological Institute. Uri was a second year student when he was drafted into the army as private and was assigned work as a plumber. Upon completing his military service in 1969, Uri resumed his studies at the Institute.

He submitted his first application for an exit visa to Israel in 1971. That same year Uri left the Institute, when the authorities demanded an "academic ransom tax," for fear that his inability to pay might delay his emigration. Upon being denied a visa, Uri demanded his right to live with his parents who were allowed to leave for Israel. He appealed to the Ministry of Interior and was promised that his case would be reviewed. However, one week later he was called to the Riga OVIR and informed that his appeal was rejected by Moscow authorities on the grounds that he had been exposed to classified information while in the army. Uri's repeated appeals to the OVIR drew only denials.

During former President Nixon's 1973 visit to the Soviet Union, Uri attempted to ask for his personal intervention. He was subsequently called to KGB headquarters, accused of "anti-social behavior" and threatened with a prison sentence. Now, almost 5 years since his army discharge, he is still denied a visa. In February 1975, the Latvian Undersecretary of the Interior rejected once again Uri's appeal for a review of his case.

BIOGRAPHY OF DINA ROITKOP-PODRIACHIK

Born in 1922, in Rezekne, Latvia, Dina Podriachik received a traditional Jewish education and graduated from a Hebrew high school. As a member of the youth movement "Hashomer Hatzair," she took part in agricultural training and planned to emigrate to Israel. The Russian invasion of Latvia, however, prevented her from carrying out her plans.

In 1940, Dina moved to Riga, where she studied acting at the National Jewish Theatre until the German invasion of that city.

During the war, she continued her studies at a studio under the direction of Solomon Michoeles in Tashkent. In 1943, the theatre moved to Moscow where she met and married Eliezer Podriachik, a Jewish writer and scholar. In 1949, their son, Uri, was born. That same year the theatre, of which she was then a member, was closed and the family moved back to Riga. Ten years later she resumed her acting career with a Yiddish theatre and appeared with Nehama Lipshitz among others.

In 1971, Dina and Eliezer were permitted to emigrate to Israel, but were forced to leave their son behind. She is at present with Israel's Habima National Theatre. Uri is still in Riga. He has been repeatedly denied a visa and has been subjected to severe harassment.

[Translated from Russian]

Mr. MARIO BIAGGI,
The House of Representatives,
Washington.

DEAR MR. BIAGGI: It is probably not the first time that you have been receiving a letter from a mother whose troubles compelled her to appeal to you. I am one of these unfortunate mothers whose son had been separated from his family because of the ill will of some people. My husband, a writer, and I, an actress, have been separated from our son for about three and a half years now after we left the USSR for Israel. You could justly ask us: "What has made you leave your son and go alone?" Allow me to tell you briefly one of those stories which are so characteristic for the fate of our unfortunate people.

When the Nazis have occupied my native town of Rezhitsa, near Riga in Latvia, I was only seventeen. All alone, I found myself in Russia and found out later that all of the members of my once large family have perished in Auschwitz. Only one of my brothers remained alive and I met with him much later. My husband's fate is not much different from mine—a young man from Romania, he lost all his family in that terrible war and had also found himself in Russia. Fate had united our lives on the crossroads of the war.

After the war I studied in the Moscow Theatre Studio of the Jewish Theatre under the direction of Solomon Mikhoels. My husband worked in the Jewish literary field. We had a son. It seemed that things were settling down well. Yet, our happiness was shortlived—a new terror had befallen the Russian Jewry: the leaders of the Jewish culture have perished, the theatres and the publishing houses were closed. We had to look for shelter and for our daily bread and moved from Moscow to Riga.

After long years of trying to find someone from my husband's family we were successful in our efforts—we found that my husband's only sister was alive and living in Israel. She was waiting to see us, at last, in the land of our forefathers.

Yet, at the time of our receival of the visas our son had already finished his army service. He was not allowed to leave as, according to the Soviet law, he had to stay in the Soviet Union for three years after his discharge from the army. It was also stated that he allegedly had access to secret information—despite the fact that he served as a private, working as a sanitation technician.

We had to leave by ourselves as during our son's army service my husband was badly injured in a road accident and became an invalid for life. Deprived of any income, without work—I was the only breadwinner in the family and made the ends meet by working in embroidery, we left, hoping that our son will follow us after the "quarantine" period as it was promised to us by the authorities. Alas, we were deceived and cruelly punished for crimes which we never committed—we were separated from our son and no efforts on both our and his part have brought about any success. All the numerous letters sent by me to the leaders of the Soviet Union, to the OVIR offices, to the International Red Cross Organization, to Senator Jackson, to the Secretary of State, Mr. Kissinger and to many, many others have remained unanswered.

Now you are my last hope I have heard much about your understanding and about your active assistance to people who have found themselves in the same tragic situation as did our family. Do not judge me, a mother asking for help, harshly for bothering you. I am sure that you will understand how difficult it is for me to be separated from my only son.

My son, Uri Podryadchik, a simple labourer (he did not manage to receive an education) is residing in the USSR, Riga, Gorkogo St., No. 61, apt. 5; tel. 78315.

Please help us to achieve what all the parents have—the happiness of living with one's children in one's old age. Please help both him and us to become reunited in the land where every Jew can achieve national dignity.

Yours sincerely,
Mrs. D. Roitkop-Podryadchik.

DEATH SENTENCE LEVIED; URGENT ACTION NEEDED TO SAVE LEVIEV

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. BELL. Mr. Speaker, I wish to call to the attention of my colleagues the remarks of Mrs. Robin Gerber, chairwoman of the Women's Action Committee for Soviet Jewry, Community Affairs Committee, Women's Conference, which described the continuing plight of Mikhail Leviev. The text of those remarks follows:

Death Sentence Levied; Urgent Action Needed To Save Leviev

(This text has been prepared by Mrs. Robin Gerber, chairwoman of the Women's Action Committee for Soviet Jewry, Community Affairs Committee, Women's Conference.)

On December 8, 1974 Mikhail Leviev, 56-year-old Soviet Jew was sentenced to death by firing squad by the Municipal Court of Moscow for alleged "economic crimes." It was the first such sentence against a Soviet Jew on these charges in many years. As of this date, his last appeal has been denied and he is awaiting execution. The Women's Action Committee for Soviet Jewry is appealing to you to take action to save his life.

Lieviev was born in Bukhara in 1918. He left for Moscow where he received a law degree and served as a judge and a counselor to the Soviet Supreme Court. He also served as a judge in Samarkand and Dushanbe. In 1945, he returned to Moscow and was employed as a translator in a law office. In 1947, he was dismissed from his job because he was suspected of having "Zionist sympathies." After allegedly toasting the State of Israel during a circumcision ceremony in 1950, Leviev was sentenced to 10 years in prison. After Stalin's death in 1954 he was released from prison.

In 1971, Leviev applied for exit visas to Israel for himself, his wife and two sons. He resigned from his position as manager of a consumers cooperative store in Moscow when he received his visa application. At the time of his resignation—he had served 10 years as manager—there was a careful inspection of the books and store operations and no irregularities were reported. Six months later he received his exit visa and began necessary departure arrangements.

A few days before his anticipated departure, Leviev was arrested and placed under investigation. He was held for two years in prison awaiting trial, and on December 8, 1974 after an 11-week trial, Leviev, Soviet Jew, was convicted of taking bribes and given the maximum sentence of death.

It is urgent to wire: Soviet President Nikolai Podgorny, Kremlin, Moscow, Soviet Union, and plead for clemency and a commutation of the death penalty in the case of Mikhail Leviev. For more information, contact the Commission on Soviet Jewry, 663–8484.

KOREA AND VIETNAM: THE NON-PARALLELS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. FRASER. Mr. Speaker, during the recent Fourth of July congressional recess, the Washington Post published two of the most thoughtful statements about Korea that have come to my attention. Perhaps some of my colleagues missed one or both of these articles. Donald L. Ranard and Edwin O. Reischauer are men who have been intimately involved in the matters they discuss. Their views deserve our close attention.

The editorials follow:

[The Washington Post, June 28, 1975]

Korea and Vietnam: The Nonparallels

(Edwin O. Reischauer)

(The writer was U.S. ambassador to Japan from 1961 to 1966 and is now a professor of Asian studies at Harvard University)

False analogies between Korea and Vietnam originally helped get us into a fundamentally worse situation in Vietnam. Let us not now reverse the process and panic over Korea because of analogies mistakenly drawn with Vietnam.

South Korea simply is not vulnerable at present to the two basic ills that destroyed South Vietnam—the uncertain loyalty of its people, and the resultant possibility for easy penetration and subversion by the North. At present it would require a massive external flow to overthrow the South, and there seems no sign of this happening.

Kim Il Sung, the northern dictator, is trying to take advantage of the sudden, collapse in Vietnam to intimidate South Korea, but despite repeated cries of warning, the situation along the border in Korea is in actuality less menacing than at most times during the past two decades. Pyongyang does have more than twice the air strength of Seoul, but this advantage is offset by the presence of American air power in the South, while in ground forces the South outnumbers the North by about 600,000 men to 400,000, with reserves and paramilitary units that give an overall balance of 3 million to less than 2 million.

These figures reflect the facts that the South has more than twice the population of the North (in Vietnam it was the North that was the larger), and both regimes are as completely militarized as any in the world. Pyongyang could not risk war without the strong support of China or the Soviet Union, and both of these seem much more eager to avoid a conflict in Korea than they were in the past.

This may sound reassuring, but it concerns only the false crisis derived from mistaken analogies with Vietnam. Back of this, however, is a real danger that is escaping adequate attention, in part because of the red herring of Vietnam.

It is not an immediate crisis, but rather a situation that over a longer time span may produce conditions like those that proved fatal to South Vietnam. In other words, an ultimate, Vietnam-like debacle may be in the cards for us in Korea unless we start to do something about it soon.

The experiences of the Korean War made the South Koreans the most bitterly anti-Communist people in the world and therefore insured their loyalty to Seoul. But this shows signs of eroding.

There has always been much popular dissatisfaction with the government in South Korea. Despite rapid economic growth in recent years, the discrepancies in wealth were severe and seemed to be growing worse. Corruption in government and business—recently highlighted by the admission of a $4 million bribe to government authorities by the Gulf Oil Corp.—has always drawn much criticism. Except for a brief period in 1960–61 of ineffective Democratic government, Korea's democracy has always been imperfect and incomplete. Individual rights and freedoms were often curtailed.

But at the same time, there was enough individual liberty and democratic participation in government to make people feel that there was sufficient difference from the completely repressive regime of the North to make the South worth fighting to preserve.

This situation, however, has been changing of late. In October, 1972, President Park Chung Hee declared martial law and followed this with a new constitution, which, by giving him the right to appoint one-third of the members of Parliament, reduced that body and all electoral politics to a sham.

He followed this by Draconian measures seriously limiting individual freedoms, including those of political criticism and self-expression, and enforced these with brutal police controls. The opposition forces have been cowed into virtual silence, but hostility and tensions run deep.

Especially among the city dwellers and the better educated, including the bulk of the influential Protestant and Catholic groups, there is a sense of desperation. Student activism may have been successfully repressed; but probably at the cost of creating secret student revolutionaries. Step 1 has been taken toward the making of a Vietnamese situation.

South Korea has recently suffered another blow, this one not of its own making. Korea's dazzling economic record of recent years was based on industrialization and world trade—an incipient replica of the Japanese economic miracle—and therefore the oil crisis that started in the autumn of 1973 dealt Korea a serious blow.

It is particularly dependent on markets in and investments from Japan and the United States, and both these countries have themselves been in recessions. In addition, the picture of an increasingly repressive South Korean regime makes both Japanese and Americans more critical of conditions in Korea, more dubious about its future and less willing to invest there, thus adding to Korea's economic woes. A serious economic downturn could further erode South Korean loyalities.

The deterioration of the political situation in South Korea has also increased doubts about the American commitments to help defend the country. The post-Vietnam mood in the United States is reason enough for such doubts, but they are greatly increased by a picture of a dictatorial and cruelty repressive regime in Seoul, which is repugnant to Americans.

The American commitment is hedged by the phrasing that "In case of an external armed attack" each nation, "would act to meet the common danger in accordance with its constitutional processes." Still, the presence of about 40,000 American soldiers as a sort of trip-wire near the border has always made American involvement in a renewed Korean War seem almost automatic.

But this may well not be true, given the popular mood in the United States, as strengthened by the distasteful political actions of Park's government. In other words, the United States has made a commitment reinforced by a military presence that the American people would very possibly be unwilling to live up to. This is indeed a perilous position for the United States to be in.

Park or his successors have only two paths they can follow.

On the one hand, they can smother all political criticism and ruthlessly eradicate all sources of opposition. North Korea, North Vietnam and China itself show the viability of this sort of regime in an East Asian setting though it may be much more difficult to create one on a rightist rather than a leftist ideological basis, as the experience of the Chinese Nationalists suggest. Of course, this road would ultimately lead to the forfeiture of the American military commitment, and probably much of Japanese and American economic support.

The other road would be a return toward a more open society with a growing role for democratic political institutions. High educational levels make such a course perfectly feasible in Korea, and in my judgment it would be by far the better bet, even in stark military terms.

But what should the United States do? The tendency is to sweep the problem under the rug—to leave things alone and pretend the problem does not exist, counting on the improbability of war, at least in the near future, to see us safely through until some still unknown but, it is hoped, better situation develops later on.

In the very short run, this policy is understandable. The shock of the sudden collapse in Vietnam for Americans, Koreans and the world at large makes it wise to let the dust settle a bit before making any decisive new moves in Korea. But such a do-nothing policy cannot be allowed to continue indefinitely, as South Korean loyalties wither and popular American distate for Korean dictatorship grows.

The defense of South Korea, regardless of the nature of its systems, is not vital to American interests. A defense line in the straits between Japan and Korea has always made more military sense than one in the middle of the peninsula. Aside from our emotional involvement in the well-being of the brave and talented people of South Korea, our only major concern in the area is the adverse impact its fall to North Korea would have on Japan, a nation of very great importance to the United States.

A sudden collapse resulting in part from an American refusal to live up to its commitments might start a nervous Japan back on the road toward remilitarization, or might frighten it into a stance of much less cooperation with the United States on vital shared problems of economics and world order.

If, however, the United States had disengaged militarily from Korea by slow and well understood steps prior to a collapse, the impact might be quite negligible.

Now is the time, while the Vietnam dust is settling, to start thinking through this problem. We should before long have a clear program to present to Park of measured withdrawals of American troops and reductions of military aid until both are entirely gone within a few years—unless the South Koreans find it possible in the meantime to change course again and start moving back to a freer, more democratic system that would better win the loyalties of their own people and the support of the American public.

To avoid damaging shocks both in Korea and Japan, such a program would have to be spread over several years. Although the crisis is not an immediate one, we must start very soon if we are to complete the maneuver before the situation does reach crisis proportions.

The present is also a good time to start forming a longer-range Korean strategy. Korea has all along been a more dangerous threat to world peace than Vietnam, not just because it is a larger and more effectively militarized country, but because of its more strategic location between three of the largest nations of the world—Japan, China and the Soviet Union—with the fourth, the United States, deeply involved in the peninsula for historical reasons.

The surrounding great powers should move toward an agreement to isolate this danger spot from other issues.

What is needed is a four-power agreement between the United States, the Soviet Union, China and Japan that they will not allow disturbances in Korea to spill over to involve them in their relations with one another.

The distrust and hostility between China and the Soviet Union stand in the way of such an agreement today, as does also the presence of American forces in the South. Such an agreement will not be easy to achieve but it is an obvious goal that the United States should be working toward now.

When achieved, it will not only neutralize one of the most dangerous trouble spots in the world, but may also take some of the tensions out of the situation in Korea itself. It could lead to agreed military limitations between the two Korean regimes, which would be an economic boon to both, and possibly might open the way for ultimate reunification, which is of course the dream of all Koreans.

[From the Washington Post, June 30, 1975]

"TONGUE-TIED" ON HUMAN RIGHTS

(By Donald L. Ranard)

Respect for human rights was incorporated in all of the documents and laws which framed our government and which eventually made our country the leader of what we once were prone to call the Free World. I find it unbecoming to our heritage and to our role in world affairs that the United States should be tongue-tied in expressing its revulsion and distain for the violations of basic human rights that are taking place currently in Korea. To say the least, I find it morally contradictory that the leaders of the past two administrations should have spoken since 1968 of the importance of democratic institutions in our foreign relations—a recent example of which was the President's address to NATO—but in practically every instance where vigorous comment was called for, to have muzzled our public and private reaction both in Seoul and Washington.

When eight Koreans, whose guilt in a so-called conspiracy against the state was never established, were hanged recently, our State Department could only mumble its "regrets." From previous experience in the department I can only sympathize with the frustrations of my former colleagues in their unsuccessful efforts to get through the hierarchy a more forthright statement of the American sense of outrage at this miscarriage of justice. Why should the expression of convictions regarding human rights—principles which are embedded in our Constitution, and in the universal Declaration of Human Rights—be such an agonizing experience for men of conscience in our State Department?

The most frequently heard explanation for U.S. silence is "non-interference in the internal affairs of other governments." This is a sensible and time-honored doctrine but its application to Korea has too frequently been a convenient excuse for avoiding our responsibility to our own principles. Moreover, it is specious to state we are not involved in Korean affairs. We are involved to the extent of 40,000 troops, and some $150 million annually in military assistance. With Korea, the United States carries responsibilities which arise from a peculiar relationship, and these cannot lightly be brushed aside.

I may also say that I find it disingenuous that our leaders justify their reluctance to speak out in terms of the doctrine of non-interference, especially when we recall the extent to which our officials in Vietnam and Cambodia, with Washington sanction, if not actual instruction, were directly involved in the internal day to day affairs of those countries. In still another Southeast Asian country we financed in part her overseas representation. And in Latin America, we attempted to influence a national election. This is the sort of interference the doctrine sought to avoid. Surely comment about the illegal detention or trial of a Catholic bishop, a nationally prominent poet, a past president, and other honorable and respected men is not in the same category.

We are also told that the security of the Korean peninsula requires a cautious approach, and I concur. Yet for at least four years, the internal situation in Korea has been deteriorating, and relations between government and the people have been eroding. If there is one lesson we should have learned from Korea, it is that her people will not endure forever a government which denies them a right to participate. Unless the present course of events is arrested or reversed, there will be trouble in Korea. And should that occur, how much better for the United States that our role has been honorable and consistent with our ideals. Our conduct to date on human rights issues has not been so.

It may be argued that there are contradictions in criticizing Korea's conduct as reprehensible to democratic rule, while continuing to make possible to this same government military assistance and the protection of the American commitment. So be it. It is in the nature of the realities we face in Asia. But I see less contradiction in the position I have advocated than in the lip-service our foreign policy currently gives to those values which made ours a great nation.

ASHLEY INTRODUCES OZONE PROTECTION ACT OF 1975

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. ASHLEY. Mr. Speaker, I am today introducing the Ozone Protection Act of 1975, a bill to require intensive study of fluorocarbons by Federal agencies and to ban the manufacture of aerosol spray cans within 2 years unless specific evidence is discovered that they have no harmful effect on human health and the environment.

Fluorocarbon gases are compounds used chiefly in refrigeration, air conditioning, and as propellants in aerosol sprays. Current world production is estimated to be over 1.7 billion pounds a year, of which half are made and used in the United States. In 1973 about 3 billion aerosol units were sold in this country, mostly as hair sprays, deodorants, and similar personal cosmetic items.

The problem with fluorocarbons is that they have been found to remain chemically inert in the lower atmosphere and eventually make their way into the stratosphere where it appears they are contributing to the breakdown of the ozone layer. It is this layer which screens out harmful ultraviolet radiation from the sun, radiation which has been linked by scientific tests to skin cancer in human beings and animals. Though definitive proof as to the extent of the hazard posed by fluorocarbons is not presently available, last month the Interagency Task Force on Inadvertent Modification of the Stratosphere reported after a 4-month study that there is "legitimate cause for concern" over the release of fluorocarbons into the atmosphere.

When fluorocarbon compounds reach the stratosphere, they are decomposed by ultraviolet radiation and release free chlorine atoms which decrease concentrations of ozone by a chemical chain reaction. The task force report concluded that as much as 2 percent of the ozone shield has been broken down by interaction with fluorocarbons, and that eventually as much as 7 percent of this protective layer could be destroyed if fluorocarbons continue to be used at present levels.

If the ozone shield continues to deteriorate, Mr. Speaker, there are many possible hazards besides an increase in the incidence of skin cancer. Yields of agricultural products may be reduced, plant and animal species may show changes in growth characteristics, there will be disturbances in aquatic and terrestrial ecosystems, certain agricultural chemicals may lose their effectiveness and stability, and unpredictable changes may occur in worldwide wind patterns, temperature, and precipitation. Additional postulations—with little evidence to support them at this time—of the effect of increased ultraviolet radiation on human beings include early skin aging, increased incidence of eye damage, and excessive synthesis of vitamin D in the skin.

Mr. Speaker, the IMOS report sounds a warning that we would do well to heed. Manufacturers of fluorocarbons have claimed that solid scientific evidence of the aforementioned hazards has not been irrefutably developed. But the doubts are significant enough that I believe we should take precautionary measures immediately before we are confronted with an irreversible problem of great magnitude. The longer we delay, the more fluorocarbons will be released into the ambient air and begin their slow but inevitable progress toward the stratosphere. If we prolong action for the indefinite period needed to adduce final proof of the impact of fluorocarbons on health and the environment, we will have no way to arrest the effects of the billions of pounds of these gases that will have been used in the interim.

I believe, Mr. Speaker, that in dealing with a problem with so many unpredictable factors—but with potentially lethal and life-altering impact—it is sound public policy to err on the side of caution. There is no overriding public interest involved in the continued indiscriminate production of fluorocarbons. Rather our first priority must be the protection of human life and supporting ecosystems. If these compounds are eventually found to have little or no destructive effect on the ozone layer, their manufacture and use can go on as at present.

The legislation I am introducing today will require the National Academy of Sciences, NASA, and the Environmental Protection Agency to study the impact of fluorocarbons on the atmosphere and report back to Congress within 1 year. The bill also bans the manufacture and sale of aerosol spray containers using the suspect fluorocarbons within 2 years unless scientific proof is found that their continued use will have no adverse effects on human life.

The reasonable restrictions in this measure should enable us to get a more definitive grasp of the dimensions of this problem before the massive use of nonessential gases causes catastrophic damage to the protective capacity of the ozone layer of the stratosphere. I urge early consideration of this bill on behalf of the health and well-being of future generations who will have to live with the results of our irresponsibility if we fail to act now.

A MAN TO BE MISSED

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. WON PAT. Mr. Speaker, on July 2, 1975, Rear Adm. George Stephen Morrison retired from the U.S. Navy. For the past 3½ years Admiral Morrison's official title has been Commander, Naval Forces Marianas, Guam. But to the citizens of Guam, accustomed to military governors from 1898 to 1948, the admiral has been more than a commander of the U.S. Navy; he has been a friend to Guam.

A listing of Admiral Morrison's contributions to the civilian community would be as lengthy and distinguished as are his military citations and recommendations. In a successful effort to create an atmosphere of open dialog between the civilian and military populations Admiral Morrison created a full-time liaison office between the Navy Department and the Government of Guam; through his continuing efforts a civilian advisory board was formed, a beautification program with military participation instituted and regular meetings with the Governor and Guam Legislature initiated for coordination and effectiveness.

While such original and creative steps are to the administrative credit of Admiral Morrison, citizens of Guam know well that they are founded on his personal awareness of and sensitivity to the needs and pulse of the local community. And it is this sensitivity and human concern that has endeared the Admiral to a people who have seen so many admirals come and go that they are no longer unduly impressed by the gold braid. It is Admiral Morrison's friendship and sincere desire to work with the people of Guam which have made him such a favorite and enabled his last tour of duty to be such an outstanding success.

A crowning glory to his illustrious career came the past 3 months when he assumed overall command of Operation New Life, the care and resettlement of over 70,000 Vietnamese refugees on Guam. It comes as no surprise to us that great humanitarian effort was the admiral's finest hour simply because it called for the human traits and qualities which he so deeply possesses.

The Territory of Guam has said its farewell to Admiral Morrison; we have wished him fair wind and smooth sailing. Perhaps our feelings are best expressed in a recent editorial by Mr. Tom Brislin in the Pacific Dateline, June 24, 1975, and which I insert in the RECORD so that my colleagues may know the Guamanian peoples' respect and admiration for this naval officer.

A MAN TO BE MISSED

(By Tom Brislin)

The tributes will soon begin to pour in. As they do, I'd like to add my four-cents worth (inflation, you know). A week from tomorrow will end the tenure on the island for G. Steve Morrison, who will remove the rather cumbersome label of ComNavMarianas from his title and substitute instead RADM(Ret.).

Admirals come and go on this island, are well thought of and received while here, and then generally forgotten after they leave, unless they're the Nimitz type. Admiral Morrison may well fit into that category.

The problems that Morrison has faced, and the accomplishments made during his extended term here, could well be the subject of a text devoted to recent history.

Morrison certainly had his military problems to deal with—the massive evacuation of Indochinese refugees, their care and processing here; the cluttering of the harbor by the sunken Caribia. However, what Morrison will be most remembered, and admired for, are the inroads made into the strengthening of military-community relationships.

Morrison was the overseer of the erosion, slowly but surely, of much of the traditional animosity and distrust between military and civilian leaders. The mark of his performance is Sella Bay, an issue that could have closed the fence gates that separate the communities for many years to come. He rode the issue out with skillful negotiations and great amounts of patience to reach what looks to be the most equitable settlement.

Morrison has begun what hopefully will be a continuing trend—the opening up of "military" property, notably recreation areas, for "civilian" use.

He also instituted a community orientation program for military personnel stationed here, something that was long-needed, and apparently quite successful.

The crowning glory for Morrison will be Operation New Life, an operation that began with the end of a military conflict, and extended into the reaches of the first American community that the refugees experienced.

Perhaps Morrison succeeded so well in Operation New Life because, although massive, it was defined in human terms. It was an opportunity to reach out, to help, to cooperate, to smooth the flow between military and civilian.

It was what Morrison was best at, and it will be for what we will remember him best.

CONSUMER PROTECTION ACT: THE TOP CONSUMER PRIORITY FOR THE 94TH CONGRESS

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. JAMES V. STANTON. Mr. Speaker, the Government Operations Subcommittee on Legislation and National Security is once again embarking upon a well-traveled road in our consideration of H.R. 7575, the Consumer Protection Act of 1975. This piece of legislation has now been before the Congress for some 5 years. During the 93d Congress, nearly 300 Members of this House voted in favor of the establishment of a Consumer Protection Agency. At that time, we were thwarted in enacting this legislation by a small group of Senators who invoked a filibuster to prevent Senate passage of this bill, apparently believing that consumer's interests were adequately represented within the labyrinths of our administrative agencies. Now that the Senate has managed to approve this legislation, we are told that President Ford intends to veto it. I suspect that Mr. Ford hopes that this "warning" will somehow deter us from consideration of H.R. 7575. But Mr. Speaker, as you yourself know, the refusal of one branch of our Government to respond to the clear sentiments of a majority of Americans on this issue, is no reason for this body to emulate the negativism at the other end of Pennsylvania Avenue. As you yourself have demonstrated in your leadership on this legislation, Mr. Speaker, we, as the elected representatives of the American people, have a responsibility to act in a responsive manner on the needs of the American consumer.

In my brief comments, Mr. Speaker, I do not intend to set forth a justification for the establishment of this agency. This has been documented by the many witnesses we have heard and in the statements of other members of this committee and this House. Rather, Mr. Speaker, I wish to take a few minutes to explore several myths which have been advanced by opponents of this legislation.

One is that this legislation will create another onerous and superfluous regulatory agency. This argument preys upon the well-justified fears of many citizens and Members of this Congress that we presently have too much regulation by the Federal Government in the economic sphere. But even a cursory reading of this bill clearly establishes that the Agency for Consumer Protection is not actually another regulatory body. In fact, it has no regulatory powers at all. Its sole function is to assure representation of consumer interests in judicial and administrative proceedings. Unlike a regulatory body, the Agency for Consumer Protection has no power to hold hearings, to investigate, to issue rules and regulations, or to impose sanctions for the violations of statutes and regulations. By any sense of the term, the ACP is clearly intended to be a nonregulatory agency with representational functions only. Even in representing these consumer interests before judicial and administrative bodies, ACP is required to proceed, as any other party must, under and consistent with the rules and procedures of the particular body before which it seeks to appear.

A second myth which I would like to take a moment to explore is the assertion by some opponents of this bill that this legislation somehow creates a special labor exemption. This argument is intended to confuse those who as a matter of principle oppose special exemptions in legislation.

The truth of the matter, however, is that section 18 of this bill, the "special exemption" section to which critics refer, is actually a codification and reaffirmation of the law as it presently exists. For 40 years, Congress has maintained a policy, affirmed by the courts, of refusing to permit Federal agencies to become involved substantively in private labor-management negotiations. The job of the National Labor Relations Board is to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties. The NLRB does not have authority to influence the outcome of the process. The National Mediation and Conciliation Service, the second labor-related body before which the ACP is forbidden to appear under section 18, is merely a service organization. It was created to offer its services and expertise to parties in labor disputes. It has no regulatory powers and cannot impose its will upon the parties to a dispute.

In short, Mr. Speaker, this legislation, despite the efforts of its critics to confuse the public, is really very simple and yet fundamentally important. It establishes a Government agency to assure the fair and adequate representation of consumers before other governmental bodies. Our hope is that, given the additional information provided by ACP, our judicial and regulatory bodies can more capably resolve issues touching upon the interests of the buying public. For too long our national policy has been "let the buyer beware." I say it is time to make the companies beware—in cases where they are not being fair.

AN ACCURATE CONGRESSIONAL RECORD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, for the benefit of our colleagues considering House Resolutions 568, 569, and 570, mandating a more verbatim account of floor proceedings in the CONGRESSIONAL RECORD, I am introducing into the RECORD pertinent comments made by well-known authorities on Congress.

In Charles Clapp's classic, "The Congressman, His Work as He Sees It"—1964, there is a discussion of the RECORD which includes the views of some 36 congressional participants in the Brookings Institution round table conference on Congress. Relevant excerpts of Clapp's book follow:

THE CONGRESSIONAL RECORD

The Congressional Record is an important element in the legislative process. The congressman uses it to build a record, and, hopefully, a favorable image and to strengthen his position with selected individuals or groups. From it he gains ideas for legislation and for political survival. Further, its "Daily Digest" section provides him with a capsule record of current activities in Congress, enabling him to become aware of matters that might otherwise escape his attention. Citizens examine the Record as one means by which to gain understanding of Congress.

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The major portion of the *Congressional Record* constitutes a record of debates on the floor of the House and Senate, although it is by no means a true one, a fact of which many of its readers are not aware. Nor is it intended to be. Rather it is "substantially a verbatim" reproduction of proceedings. This causes concern to some congressmen who believe it *should* be a verbatim report except for allowances for minor grammatical revision. Complained one representative: "You have a record it is impossible to interpret on its face." Speeches never delivered in the Congress appear as though they had, indeed, been made there, and often there is no way to discover the truth of the matter. Other speeches have been substantially rewritten, the rule that only minor changes are to be made is occasionally flagrantly ignored. The inclusion of clever afterthoughts may sharpen the force of a member's argument, disguising his weak floor presentation and causing him to appear victor rather than vanquished in debate. Members have even been known to reverse their positions in revising copy. Deletions and additions may affect the relevance and meaning of the remarks of other members participating in a colloquy. Some congressmen have protested that their statements have been rendered meaningless by the alterations made in the presentations of those with whom they were jousting. Occasionally, according to House members, legislators hopelessly routed in debate will delay returning their revised remarks beyond the deadline for submission, so that they will appear in the appendix, rather than in the body of the *Record* adjacent to those of colleagues who have bested them.

Criticisms made in the heat of debate often are removed in the written record, but implied criticisms of colleagues never uttered on the floor may also appear in the written record within the context of remarks delivered. Protested one irritated member:

In a controversy with the Air Force, I

provoked an official of the Department of Defense to make a bitter attack on me. Later a colleague of mine made a speech on a bill under consideration. His remarks contained no reference to the controversy between me and that official. But when the *Congressional Record* appeared the next day, his speech repeated the personal attack the official had made. My colleague never made the statement on the floor.

Revise and Extend. The source of much of the difficulty is the practice of securing permission to "revise and extend" remarks. Although the occasional excesses are not condoned—they are in fact widely admitted and regretted though no concerted effort has been made to eliminate them—the right to "extend" is regarded as all but indispensable by most congressmen, and any attempt to eliminate it would be firmly resisted. Justification of the practice generally rests on two grounds: (1) it helps to conserve precious House time; and (2) it permits members to correct any grammatical errors and to modify impolitic statements made in the stress of debate. A third factor, which is sometimes advanced, is that it provides one more means by which constituents can gain insight into the thinking of their representatives.

Without the opportunity to "clean up" the *Record*, said one congressman, "it would be really sad reading the next day . . . the best comic book you ever saw." Said another: "It couldn't be used in an English composition class."

Much legislation is noncontroversial, involving no important issue that needs to be resolved. Yet because of the appeal of some such measures in their constituencies members may wish to be "on the record" with respect to them. Especially where roll-call votes are not taken, insertions become a convenient way of expressing an opinion without subjecting colleagues to the unhappy prospect of listening to testimonial after testimonial on subjects about which they are all agreed. If a roll call occurs, members may wish to provide an explanation of their vote or to demonstrate their special interest in the legislation, which, because of limited debate time they cannot accomplish by direct participation in the discussion.

On that crazy ——— bill, one of the toughest of the year, we had twenty minutes of debate on each side. Because of the brief time allotted, no one but the authors had much chance to say anything. One of the authors assured me he would get permission for every member to revise and extend his remarks so I prepared a brief statement and inserted it, so the *Record* would show what I would have said if I had been given time to say it. Congressmen also may wish to influence readers of the *Record*, including members of the "other body," though their own view has not prevailed in the House. If the contribution has no apparent effect on the current controversy, it may help prepare the way for victory in the future.

Those congressmen who have major objections to existing extension of remarks procedures generally do not suggest the practice be discontinued, but they are included to press for a distinction in the *Record* between statements delivered on the floor of the House and those inserted to appear as though they had been given there. On this question, it is interesting to note, the Brookings Democratic round table divided nine-to-five in favor of the present practice: no distinction. Commented one practical legislator who prefaced his remarks by urging rules to prevent "situations where people make speeches on one side of a question and when their remarks are printed are on the other side":

Yet suggestions that we change the system with regard to extension and do like the Senate does—if you don't actually deliver the speech it appears in different type—while correct in theory are not practical. It would be hard to avoid the time-consuming situation which would occur if everybody had to deliver statements and everybody would want to make sure his name was not applied to a mere extension. The work of the House would become very cumbersome. That is why the system has never been changed in the House—to conserve time.

As a reflection of round table opinion with respect to curtailment of practices currently followed in "revise and extend" remarks consider the following discussion:

Is there a consensus that one flaw in the system has been exposed in that you have in a sense a false record, that without going so far as to be restrictive some way could be found for the record to be more accurate so a person could interpret it better? [The answer was "no."]

This should be said for maintaining the present system. Although it is not the accurate record we wish, it is a deliberate record. It is the way the members want the record to read. In that sense, the sober second thoughts of people—the thoughts they have had a chance to reflect upon—may be more accurate.

This is a record of something, there is no doubt, but of what it is a record there is some question.

It is the record of the way each member wished himself to be recorded. I have found the right to revise and extend in general debate to be an invaluable aid. . . . Each of us owes it to the dignity of the House to make his expressions as good as he possibly can for posterity.

Perhaps the most serious indictment of present procedures rests on the charge that they could result in the marshaling of a false legislative history, a criticism often heard. In attempting to ascertain the true intent of Congress with respect to legislation, the courts examine the floor debates as set forth in the *Congressional Record* as well as committee reports. Said one representative:

I recall writing a paper, when I was in law school, on some legal matter which involved the interpretation of an act of Congress. I researched the *Congressional Record* to see what congressmen had said in order to get an interpretation of how the law should be construed. I considered that an important element of my case. I would have reservations now as to the authority of statements reported in the *Congressional Record* as a sound interpretation of what Congress intended.

A Republican expressed his position much more sharply:

Phony legislative histories are written all the time. Extension in the body of the *Record* appears as if the words had been spoken. Therefore the court or whoever is undertaking to interpret the legislative history might reasonably assume that the words influenced the debate and hence were part of the legislative history. These words might push the meeting of the statute one way or the other, yet they had no influence whatever on debate or vote. Nobody even saw them until the morning afterwards when they appeared in the *Record*. I have observed much skulduggery and the fraudulent making of legislative history by this means. Someone ought to look into this matter closely.

Although the congressman persisted in his contention that the failure to distinguish between delivered and undelivered remarks often sabotaged the possibility of providing a proper legislative history, the majority of his colleagues were not moved. An excerpt from the discussion reflects his inability to convince his colleagues of the logic of his position:

I agree that one ought to tidy up his grammar and improve his rhetoric. And I agree that a member ought to have the right, even though he didn't speak on the floor, to insert into the record a statement disclosing his stand on an issue. What I object to is that matter appears in the record as if it had been spoken. That has the effect of constituting legislative history, but in fact it isn't proper legislative history because it is boot-strap-lifting put in the day after. I suggest that this be designated as a statement in extension.

Yes, but it isn't as if it is possible to record the legislative history of a bill. The facts that make the House vote as it does or the real meaning of what the House does and wants isn't going to be shown by the debate.

Perhaps the rules of judicial construction of legislative acts are not the best rules that could be devised, but we know what the rules are. The rules are that committee hearings and reports, conference reports, and the floor debate are considered by the court, both in federal and state courts. As long as that is so, we kid the court when we make matter appear as if it were legislative debate when it is not.

If the record is distorted by something put in to appear as though it were said when in fact it wasn't, those who disagree with the distortion have recourse in the days that follow. They can point out the true situation.

Developing the legislative history of a bill is a matter with which relatively few members concern themselves, but it is an important part of the legislative process, and canny representatives alert to the possibilities can do much to influence the practical effect of legislation. In connection with noncontroversial bills, it often happens that floor managers will speak only briefly to the House but extend their remarks in the *Record* to reflect more fully the position and thinking of the committee majority and to complete the legislative history. Minority representatives may do the same thing. Major legislation is more likely to involve the development of congressional intent right on the floor. Sometimes legislators will deliberately set out to make legislative history by asking questions of the floor managers to ensure that certain points are clear. There is the danger, of course, that the procedure will not always result in the accurate reflection of committee intent, as one veteran legislator observes:

Making a legislative record by putting questions to a person handling a bill is a rather frequent occurrence. I have often thought that the chairman presumes what power he has in answering the questions addressed to him, in that he is supposed to be speaking for the entire committee. I have disagreed with my chairman when he has said "the committee feels so and so" in connection with an important point. Yet the only course is to rise and say, "I, for one, don't agree with my chairman in this interpretation," and only rarely will anyone get up and do that. That is the way legislative history is made in an interchange between the chairman and his questioner.

The Appendix. The appendix functions as a depository for materials that are not directly relevant to House or Senate proceedings but which members of Congress want placed in the Record.[1] These include editorials, reports, speeches, poems, essays, letters, recipes, and testimonials. Some legislators insert their own newsletters, voting records, and the results of questionnaires sent from their offices to constituents. In recent years, legislators have begun to overcome their reluctance to insert their own speeches given outside the Congress; formerly the speeches were nearly always placed in the Record by friendly colleagues, perhaps at the request of the member making the speech.

While most of the items in the appendix presumably have been submitted because of their purported general interest or educational value, many of them are, in fact, parochial in nature. Periodic attempts are made to exert more control over the nature of the materials incorporated in the appendix and to establish limits on the amount an individual legislator can insert in any one session. One congressman has estimated that 5 percent of the membership of the House use 80 percent of the space. And in a House speech in 1962, he estimated that the volume of material inserted by some members cost more to print than their annual salary of $22,500. There is general recognition that much of the matter is "very frivolous and of no real moment," but there is little disposition to be restrictive. One restriction provides that any insertion exceeding two pages in length must be accompanied by a statement from the public printer estimating its cost; as a deterrent this requirement is conceded to be a failure.

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[1] It should be noted that much extraneous matter finds its way into the body as well as the appendix of the Record.

Most of the items appearing in the appendix have in the first instance caught the eye of a member of Congress or his staff, but some have been forwarded to the legislator by a constituent or friend with the request or suggestion that they be inserted. These communications sometimes pose problems for the member, especially if the materials are of dubious merit. Constituent initiative usually reflects genuine interest in the outcome of the request; a congressman who declines to cooperate may find he has created an enemy. That some representatives hesitate to return material is evident by this comment:

In the past ten days I have had three letters asking me to put things in the *Record* which are extraneous to the business of the House. I took them home and worried about the problem for two or three days. Finally I wrote each of the persons involved a letter saying I had a rule against putting extraneous matter in the *Record* and didn't want to break it. I may have three enemies or three constituents who think I am a screwball.

Legislators reluctant to insert materials may point out to constituents that printing costs are $90.00 a page and that they do not want to add to the taxpayer's burden by submitting material not directly relevant to matters before Congress. But it is sometimes easier to ignore one's doubts and insert the material; constituents whose material has been returned may follow closely the insertion policies of their representative, seeking inconsistencies and heckling him with anything they discover. The dilemma is compounded, too, by colleagues who seem to exercise no discretion in what they place in the *Record*.

The political advantages of adroit use of the appendix are apparent to most members, just as they use extension procedures to advantage in connection with the body of the *Record*. Only rarely, as in the instance cited below, will a congressman err in anticipating favorable reaction from those whose material he places in the *Record*.

Most of the appendix materials are inserted by congressmen hoping for political gain. Some folks are sincere and believe the subject matter is worth printing and that their colleagues and public should read it. But much is political, trying to flatter newspaper editors, or something like that. A colleague from my state had an interesting experience in that connection. He inserted an editorial from the largest paper in his district prefacing it with a few remarks and sent it back to the paper. He expected gratitude, but the paper wrote a heck of a good editorial against the practice, saying they wished congressmen wouldn't print any of their stuff, that taxpayers' money shouldn't be spent on it.

Reprints of materials printed in the appendix are a means of subsidizing propaganda. They are obtainable at low cost, encouraging congressmen to use them for campaign or public relations purposes. In addition, legislators may strengthen their position with interest groups by inserting certain materials and making them available to the groups at cost. One private group is said to have obtained ten million pieces in this way. By distributing them to the general public under the frank of friendly congressmen, the organization saved an additional $300,000 in postage.

Far more common is the technique used by one practical congressman to consolidate support for him within various organizations in his district:

You can put something in the *Record* that you plan to reprint and send back to specific groups. During the campaign I had written a letter to all the REA people in my district—some 3,000 of them—saying that I would be for REA. It was a hot issue in my area. When the REA bill came before the House I put a statement in the *Record*, reprinted it, and sent it out to the same 3,000 people. This is standard operating procedure from what I have seen. It is a cheap way to campaign.

A substantial part of the material in the appendix is aimed directly at those who read the *Record*—colleagues, opinion leaders, students, and scholars—and is of high quality, attempting to influence them by bringing to their attention interesting and thoughtful materials which support the position of the person submitting them. Congressional colleagues are the main target of these efforts. That congressmen do read the *Record* is evident by the frequency with which they refer in conversation to provocative articles that have appeared there, and by their ability to cite examples of materials they feel should not have been inserted. One legislator who makes frequent use of the *Record* in an effort to reach his associates had this to say:

There are several reasons for insertions in the appendix. (1) You can satisfy constituent requests that way. (2) You may have a special interest group you want to reach to indicate your support of something which is of concern to them. (3) You may be inclined to use it to lobby your colleagues, because a lot of them do read the *Record*. I have discovered that when little things I have put in happened to strike someone's fancy he mentions it to me. It is an easy way to reach members and less direct than sending them a letter. When we feel keenly about things, we write our colleagues directly, but often you don't want to make that much of the matter.

It should not be forgotten either that the *Congressional Record*, including the appendix, forms a rich resource in connection with research for speeches and campaign statements. Many a congressional staff, required to prepare effective speeches on a wide range of subjects with very short notice, have been able to do so only because the *Record* is readily available and indexed.

CHURCH BODY CONDEMNS OPPRESSION IN ROMANIA

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. PATTEN. Mr. Speaker, the cause of human rights and religious freedom are close to the hearts of all Americans, especially in this Bicentennial period, for our forebears have taken to arms to realize their human rights and religious freedoms.

Today, many churches in the world are still deprived of their rights and the faithful are suffering various degrees of persecution. One of these countries is Romania, where especially the minority churches, Protestant Reformed, Roman Catholic, and Unitarian, are special targets for oppression.

On June 1–3, 1975, the Bishop's Council and the General Assembly of the Hungarian Reformed Church of America passed a resolution in this regard. The present bishop of the church is a man of outstanding intellect and character and a close personal friend of mine, as he had been, until recently, the pastor of Magyar Reformed Church of Perth Amboy, N.J., in my district. Bishop Desmond Abraham's signature under the resolution lends complete credence to the allegations.

The other signer is the bishop emeritus of the church, another oldtime friend of mine, the Right Reverend Zoltan Beky, D.D., who is at the present serving as the national president of the American Hungarian Federation, the national organization of American Hungarian churches, fraternal associations and societies since 1907, and as president of the Hungarian Reformed Federation of America, a fraternal insurance company. Bishop Beky's work on behalf of the American Hungarian community and also in the World Alliance of Reformed Churches and the World Council of Churches has provided him with a national and international reputation in church circles, and his signature under the resolution will necessitate serious discussion of the charges by national and international church bodies. Bishop Beky is planning to carry the resolution in person to Geneva to the General Secretary of both international church bodies mentioned above.

I include in the RECORD the text of the resolution of the Hungarian Reformed Church in America:

RESOLUTION

The Commissioners of the General Assembly of the Hungarian Reformed Church of America were shocked to receive information about a new wave of persecution of Hungarians in Transylvania by the Romanian Government, especially the 1.2 million members of the Hungarian Reformed Church.

The General Assembly therefore requests that the World Alliance of Reformed Churches, the President and the Secretary of State and the Congress of the United States should immediately undertake steps aiming at stopping this new wave of oppression and investigate the facts. We have news of medieval-type methods used and also of the confiscation of historical church archives and records by the Romanian Government. The intention is to eradicate the historical traces of the presence of Hungarians and Protestantism in Transylvania, amounting to cultural genocide.

ARGUMENTS AGAINST BINARY NERVE GASES

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. ASPIN. Mr. Speaker, the Department of Defense has renewed its request for funds to build a facility to produce a new generation of nerve gas weapons called binaries. These weapons would contain two nontoxic chemicals which become a deadly combination when mixed together. Last year Congress wisely voted to delete money for production of binary munitions; it should do so again.

One of the most convincing collection of arguments against development of binary nerve gases has emerged from a meeting of distinguished biological scientists in Atlantic City on April 16 of this year. Based on extensive discussion at the meeting, the scientist's committee on chemical and biological warfare has issued a statement opposing the Defense Department request. Three members of the committee, Robert Rutman of the University of Pennsylvania, J. B. Neilands of the University of California, and Philip Siekevitz of Rockefeller University were primarily responsible for the statement.

It reads as follows:

Statement

As scientists aware of the technical and political aspects of chemical warfare, we believe that present Department of Defense initiatives in binary nerve gases are an ominous threat to efforts to abolish chemical warfare. Our conclusions are based on the following considerations:

(1) The U.S. has been called upon to consider a disarmament treaty which would destroy existing CW stockpiles and ban CW research and development. Approval of the DOD binary nerve gas program can only provide responses from other nations which will make negotiations more difficult if not impossible.

(2) Once DOD development and production of binary nerve gases has begun, a vested military interest in a new form of weaponry will have been created which will act as a brake on disarmament efforts.

(3) Whereas the technology of existing agents (GB, VX) is relatively complicated and expensive, binary weapons are simple and economical and could be produced by any country with a munitions industry. Proliferation of these agents will greatly increase the technical problems connected with disarmament.

(4) To bring binary weapons to a militarily advanced state, open air testing will be essential, and it is logical to expect that this dangerous activity will be projected by DOD.

(5) DOD has already made clear its intention to develop binary nerve gases as part of multipurpose munitions suitable for overseas deployment. Such a move is bound to disturb NATO relations and create great distrust in Warsaw Pact members, slowing progress towards demilitarization of Europe.

(6) Nerve gases, of which the U.S. presently possesses stockpiles sufficient to kill every human on earth, like other war gases, are of limited tactical value but are dreadful threats to unprotected civilian populations. Commitment to these weapons, with their genocidal aspects, removes U.S. policy further from the humane objectives and the spirit of detenté.

In view of all these reasons, we regard the program for binary nerve gas weaponry as a distinct backward step which negates the spirit, if not the letter, of Congressional action in adopting the Geneva Protocol on CBW. We urge Congress to delete these DOD items and bar further development of these weapons."

NEW YORK STATE LEGISLATURE JOINT RESOLUTION ON SSI

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. DOWNEY of New York. Mr. Speaker, I submit for the Record a joint resolution of the Legislature of the State of New York. This resolution calls for a remedy to the existing deficiencies in the Federal supplemental security income program.

The problems with SSI are well known. But they have to be acted upon to provide adequate funding to the aged, blind, and disabled. One of the more distressing aspects of the program is that it fails to provide adequate provisions for emergency assistance.

Those SSI recipients who also receive social security have been denied cost-of-living increases. With the recent 8 percent increase in social security benefits, SSI recipients saw their checks decrease by the same amount of their social security increase.

The New York State Legislature recognizes its responsibility to New York SSI recipients and has asked us to respond. Accordingly I draw the attention of my colleagues to its resolution. The resolution is attached.

[New York State Legislature]

Resolution

Joint resolution of the Legislature of the State of New York memorializing the Congress of the United States to remedy the existing deficiencies in the Federal Supplemental Security Income program.

Whereas, The United States Congress acted to create a single, national supplemental Security Income program to replace more than eleven hundred fifty state and local programs of welfare for the aged, blind and disabled, effective January 1, 1974; and

Whereas, The Congress so acted with the express purpose of creating a minimum income program under which those too old and infirm to support themselves might live in dignity, free of dependency on the welfare system; and

Whereas, The wisdom of the Congress in so acting has been demonstrated in that nearly one hundred fifty thousand aged and disabled New York State citizens who might never have applied for "welfare" status have now been accepted into the SSI program; and

Whereas, The Congress, recognizing that the basic Federal SSI grant would be insufficient to meet the needs of many aged, blind or disabled persons, encouraged the states to provide supplemental payments by permitting states to do so and yet be forever "held harmless" at 1972 state and local costs for aid to the aged, blind and disabled regardless of how the SSI caseload might grow after January 1, 1974; and

Whereas, The Congress also encouraged the "cashing out" of the food stamp program for the SSI population by permitting the states to include the cash value of food stamp supplemental payments subject to the "hold harmless" limitation on state and local costs; and

Whereas, The state of New York, on behalf of its two hundred seventy thousand AABD beneficiaries, actively supported the creation of the SSI program, chose to supplement the basic Federal SSI grants, and elected to cash-out the food stamp program for the SSI population, with the latter decision grounded in the assumption that it was far better social policy to provide ten dollars monthly to all SSI recipients rather than provide the equivalent amount in food stamps to the less than half of the SSI population who would actually use them; and

Whereas, The Congress has failed to act on a number of critical issues which, if not remedied, threaten to undermine the promise of the SSI program for New York's aged, blind and disabled citizens, to wit:

The Congress has failed to modify the hold harmless mechanism so that the state of New York and a number of other states might pass along increases in the basic Federal SSI grant voted and funded by the Congress—increases which SSI recipients in those states without optional supplementation programs are now benefiting from;

The Congress has failed to provide federal funding for emergency needs of the SSI population—emergencies such as eviction, utility disconnection, loss of household goods due to fire or flood and loss or theft of checks and cash;

The Congress has failed to provide the means by which states providing the cash value in lieu of food stamps could increase the cash-out payment in the event the bonus value of food stamps is raised nationally;

The Congress has failed to create new definitions of disability for adults and children under the SSI program which would recognize the significant differences in needs and abilities of this population in comparison with those served by Social Security insurance programs;

The Congress has failed to make special provision for SSI beneficiaries in need of minimal supportive care and services either in non-medical congregate living facilities or in their own homes; now, therefore, be it

Resolved, That the Congress of the United States be and hereby is respectfully memorialized to remedy these deficiencies so that the full promise of the Federal Supplemental Security Income program will be realized for both the SSI beneficiaries and taxpayers of New York state; and be it further

Resolved, That copies of this resolution suitably engrossed be transmitted to the President of the Senate of the United States, the Speaker of the House of Representatives, and to each member of the Congress of the United States from the state of New York.

CRIME AND LAW ENFORCEMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the Record, I include my Washington Report entitled "Crime and Law Enforcement":

Crime and Law Enforcement

In spite of the billions of dollars which have been funneled into it, the war on crime has not worked well, and its central lesson is that we really don't understand crime or how to deal with it.

Last year crime registered the largest jump in serious offenses since the FBI began collecting nationwide crime data in 1930. In 1974 the crime rate increased by 15% in cities with populations over 25,000, by 20% in suburban areas, and by 21% in rural areas. Violent crime rose by 11% last year, and crimes against property rose at an even faster rate, with larcency up 20% and burglary up 17%. The actual increases are probably even greater because many crimes are never reported. An unprecedented 70% of Americans feel that crime has increased in their home area.

There has been a steady rise in crime since 1960 which was interrupted only in 1972 with a temporary 3% downturn. Between 1960 and 1973 the number of serious crimes increased by 158%, and the total cost of crime in the U.S. each year is estimated to be nearly $90 billion, about $420 for every man, woman, and child. One study concluded that an urban American boy is more likely to die by murder than an American soldier was to die in combat in World War II.

In recent message on crime to the Congress, President Ford was realistic about the limited role that the federal government can play in fighting crime, which is largely under state and local jurisdiction. He did propose mandatory minimum jail terms for those convicted of specified crimes and for repeat offenders, compensation for the victims of federal crimes for physical injuries, tighter gun control laws (without registration of firearms or licensing of gun owners) and a ban on "Saturday night special" handguns.

He recommended extending the Law Enforcement Assistance Administration, created in 1967 to develop new approaches to the problems of crime, through 1981 with a $50 million increase in spending over the present $1.25 billion LEAA budget for crime reduction programs in big city areas. Since its beginning the LEAA has channelled some $4.3 billion to state and local governments mainly for improving police equipment which, critics point out, has not reduced crime. The crime rate has risen undauntedly since the LEAA was created, and since then combined federal, state, and local spending to combat crime has grown from $4.5 to $14.5 billion a year with little positive impact.

The police have made improvements in stopping crime, yet the realization has grown that there is a limit to what they can do to control it on their own. The number of police officers nationwide has increased from 339,000 in 1967 to approximately one-half million, and police forces have adopted new techniques and have improved their training and education levels. They are, nevertheless, frustrated by a criminal justice system which deals ineffectively with the criminals they arrest.

The criminal justice system has become slow, overburdened, and is not doing its job of convicting and punishing those who break the law by providing swift and sure justice. As a result, too many criminals feel that the odds are in their favor and that crime does indeed pay. Only one-fifth of all serious crimes are cleared by arrests, and of the 5% which lead to convictions, a decreasing proportion of the convicted are sent to prison. Ninety percent of the nation's serious crimes are cleared by plea bargaining by which the defendant is allowed to plead guilty to lesser offenses and reduced sentences.

Repeat offenders commit almost two-thirds of all crime in this country. Over a third of all people awaiting trial are arrested for a second offense while out on bail, and many defendants already have a number of charges against them when they are arrested. Career criminals employ legal delaying tactics and, by making use of their anonymity in the criminal justice system, successfully postpone or minimize their prison sentences.

Although no breakthroughs are likely, a number of steps can be taken to bring down spiraling crime rates. The criminal justice system from the criminal code to prisoner release must be improved. The repeat offender must be taken off the street, and all criminals should face the likelihood of swift punishment for the crimes they commit. We must also pay greater attention to the victims of crime and less attention to those committing crimes for which there are no victims. Handguns must be taken out of the hands of criminals, and our prisons should be changed from universities of crime into institutions offering rehabilitation to prisoners who genuinely need and want it and confinement for hardened criminals. Innovative approaches of citizen participation and cooperation with local police have been fruitful and should be expanded. More judges will help, as will uniform and certain sentences and selective and flexible rehabilitation procedures.

Finally, all of us, weary as we may be from failed solutions and overblown rhetoric about law and order, must be unwilling to accept the crime rate and must work to understand the causes and the cures for crime and be prepared to support changes in our own communities, step by painful step, over an extended period of time toward a criminal justice system that is fast, firm, and fair.

RESTRUCTURING OF THE SOCIAL SECURITY SYSTEM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. MICHEL. Mr. Speaker, we are looking straight into the face of a crisis in the Social Security System.

The genesis of the crisis may be found in two separate and very different trends, which when combined mean that a drastic change in our social security policies is not only needed, but inevitable.

The first trend is political in nature; politicians, faced with the necessity to appeal to a powerful block of voters in the retired and soon-to-be retired categories, have found a continual expansion of benefits from the program to be politically irresistible. Thus, since 1949, the first year in which social security benefits were paid, benefits have increased 640 percent—over 2½ times the increase in the Consumer Price Index for the same period. Thus, through the political process, the concept of social security has changed from the original modest "provision of a floor" idea—to a massive system that is neither insurance, nor a pension plan, nor welfare.

But whatever it is, it is costly. Social security taxes have gone up even more dramatically than benefits; the maximum combined employer-employee yearly social security tax is 2,474 percent of what it was in 1947—seven times the growth in median family and individual annual income. Most Americans today pay more in social security taxes than they do in income taxes.

The only option is a massive reform of the system, one which would change dramatically its foundation and its premises.

I believe that an extremely valuable proposal in that regard has just been offered in a paper entitled "Retirement Security Reform" by Charles D. Hobbs and Stephen L. Powlesland.

The proposal does not deal with the ancillary benefits now administered through the Social Security System, such as medicare and life and disability insurance, but there is no reason to believe that adequate proposals for meeting the objectives of these programs cannot be implemented at the same time.

The bonded retirement security proposal is one of the most exciting new ideas of the year. It has received the backing of a number of distinguished economists, and deserves the careful attention of this body. In order that my colleagues might have a chance to review it, I would ask that excerpts of the Hobbs-Powlesland proposal be printed here in the RECORD.

RETIREMENT SECURITY REFORM

The purpose of this paper is to examine the genesis and implications of the problems of the Social Security System that are rapidly reaching crisis proportions—the excessive growth of Social Security taxes and the unfairness of its benefit structure—and propose solutions to those problems in the form of Social Security reforms that can be implemented through modifications to existing laws.

The future of this massive system is in jeopardy for the following reasons:

—unlike private insurance benefits, social security levels are determined politically—by vote of Congress. As a result benefits have been increased over and over again without regard to future ability to fund those benefits.

—Social Security taxes hit the middle and low income workers hardest. Rapidly rising tax rates are meeting increased resistance from young workers, who see no hope of receiving in retirement as much as they have been forced to put into the system.

The Social Security Trust Fund, once intended to grow until the benefit obligations were fully funded, has, in the face of increasing benefits, rapidly dwindled to a cash-flow account and, at the current rate of spending and income, will run out of money in 1980 or soon afterward.

Recent economic analysis shows that the Social Security System has had the effect of reducing total private savings—and hence investment in the American economy—by about 38%. The choices, then, for meeting the coming crisis in Social Security, short of fundamental reform of the system, are:

Increase the payroll tax rate and earning limit to raise the money to meet the obligations.

Abandon the already debilitated notion of social insurance, pour billions of general revenue dollars into Social Security and make it an outright welfare system.

Cut back on expected benefits.

None of these choices, or possible combinations of them, are appealing ones; and, of course, none of them deals with the capital investment drain caused by the system as it stands.

The proposal here advanced operates on the same basic premise as the present Social Security System: that it is in the public interest to compel individuals to provide for their retirement years. Unlike the present Social Security System, however, the proposal abolishes payroll tax financing; ensures that contributors will enjoy a predictable benefit level at retirement, that will always meet and usually exceed cost-of-living increases; creates an option for participants to invest in supervised individual retirement plans; reduces the serious impact of Social Security on private capital investment; and more equitably assigns the financial burden for the present system that has already been incurred.

The first step would be to end Social Security F.I.C.A. payroll tax deductions and employer contributions for all workers. The employer contributions, which are presently counted as a labor cost by employers would be passed on to each employee as an across-the-board annual pay increase of 5.85% of each employee's first $14,100 (if the proposal were enacted in 1975). The employee would also retain the 5.85% which he has previously withheld as an F.I.C.A. payroll deduction. Thus the initial increase in take-home pay for each employee earning gross wages of $14,100 or more, (if the proposal were enacted in 1975) would be $1,649.70, minus the small increase in personal income tax on the 5.85% pay increase resulting from the shift of employers' contributions.

The second step would be to require that each employed person over the age of 25 contribute each year either 10% of his gross earned income or $2,500, whichever is less, to a recognized individual or group pension program, or, in lieu of participation in such a plan, purchase an equivalent amount in a revised version of U.S. Retirement Bonds. First of all, any worker would purchase annually tax-deductible bonds worth, at time of purchase, up to $2,500 or 10% of his earned income, which ever is less. Second, the value of the bonds would grow until maturity at an annual rate of the highest of three indicators—the interest rate on U.S. Treasury Bonds, the growth rate of the Gross National Product, or the growth rate of the National Consumer Price Index. Upon maturity, which would be at age 65 or older at which the participant declares himself or herself retired, the bonds would provide a guaranteed annuity income for life based upon the accumulated value of the bonds and actuarially determined average life expectancies. During retirement the income would be adjusted annually to grow, as the value of bonds did prior to maturity, at the highest of the three previously mentioned indicators, and would be provided for the rest of the participant's life no matter how long he or she lived. Prior to maturity, the value of the bonds could be transmitted through inheritance upon the participant's death.

The third step would be to establish, under the regulatory and insuring authority of the recently-created Federal Pension Benefit Guaranty Corporation, a new and closely regulated series of privately-managed and federally insured pension programs in which holders of U.S. Retirement Bonds would invest, at any time prior to retirement and at each holder's option, any or all of their U.S. Retirement Bonds. The transferability of the bonds into private pension programs would allow a bond holder to choose between a guaranteed basic retirement income and the possibility of a higher income realized through the private programs.

The fourth step would be to provide each worker currently covered by Social Security with the new version of the U.S. Retirement Bonds in an amount equal in retirement annuity value to what he or she could expect to receive upon retirement under current Social Security law. This step will protect the investment and benefits of current participants in and beneficiaries of Social Security, and at the same time will clarify the annual amount of the national debt accumulated to date by the Social Security System.

The fifth step would be to pay the debt identified in step 4, first by proceeds from the sale of U.S. Retirement Bonds and, second, by increasing personal income and other taxes to meet the remainder of the payment requirements.

The final step, which must overlap all the others, is an educational program to inform the people of the true condition of Social Security, the benefits to be gained from the purchase of U.S. Retirement Bonds, the options, opportunities, and the risks of investment in the private programs, and the responsibilities and benefits associated with self-determination of a retirement program.

In summary, a restructuring along the lines proposed here seems essential if confidence in the Social Security System is to be preserved. The proposal would absolutely guarantee the retirement security expectations of all those now in the Social Security System as contributors and beneficiaries. Retirement benefits would be directly and predictably linked to an individual's lifetime contributions. Politically induced uncertainty and fiscal irresponsibility would be eliminated. Many of the troublesome problems in the present system, such as preferential treatment for retirees with dependents and benefit reductions for retirees who continue to work, would disappear.

The proposal would eliminate the regressive and increasingly burdensome payroll tax on employer and employee. More progressive broad-based taxes would be used to discharge the residual obligations of the present system over a period of seventy years. By creating numerous investment account options, the proposal would open the door to increased investment in productive private industry, thus mitigating if not eliminating the serious negative effects on private investment inherent in the present system. By linking the value of U.S. Retirement Bonds to three economic indices, the proposal guarantees that retirement benefits will correspond to the economic conditions when retirement occurs. Finally, the proposal would for the first time make clear the true amounts and incidence of the costs involved in a national retirement security program.

The proposal meets the coming fiscal crisis; does not disrupt or diminish the benefits and investments of present Social Security beneficiaries and participants; and provides for a wider range of individual choice than the present Social Security System. It is presented here as one way to make the vitally needed changes in the present approach to retirement programs and the Social Security System.

MRS. LILLIAN R. GREAUX AND MR. RAYMOND PLASKETT, TWO DEDICATED CIVIL SERVANTS

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. DE LUGO. Mr. Speaker, I would like to take this opportunity to recognize and commend two outstanding civil servants who have distinguished themselves in long and productive careers for the Virgin Islands. Mrs. Lillian R. Greaux, private secretary for three Virgin Islands Governors and Mr. Raymond Plaskett, Governor chauffeur and aide for nearly four decades, have unselfishly dedicated their working careers to the Government of the Virgin Islands.

At this time, I would like to share with my colleagues the following resolutions as passed by the 11th Legislature of the Virgin Islands, honoring these outstanding citizens:

RESOLUTION NO. 755

To honor Mrs. Lillian R. Greaux (nee Canton) for her long, able, and dedicated service as private secretary to three Virgin Island Governors

Whereas Mrs. Lillian R. Greaux (nee Canton) was born on the Island of St. Thomas on November 4, 1927, the daughter of Mr. and Mrs. Francisco Canton; and

Whereas Mrs. Greaux is a product of the Virgin Islands public school system, and graduated from Charlotte Amalie High School in June of 1945; and

Whereas shortly after high school graduation Mrs. Greaux joined the staff of the Office of the Government Secretary, where, with the exception of a three year reassignment to the Office of the Commissioner of Finance, she served with distinction and was rewarded by an appointment as private secretary to the Honorable John D. Merwin when he accepted the position of Government Secretary in 1958; and

Whereas Mrs. Greaux commenced a secretarial career at Government House which was to span a period of more than fourteen (14) years when she was appointed private secretary to the Honorable John D. Merwin upon his appointment as Governor of the Virgin Islands in April, 1959; and

Whereas Mrs. Greaux served as private secretary not only to Governor Merwin but also in that capacity for the Honorable Governors Ralph M. Palewonsky and Melvin H. Evans, and terminated her service at Government House in January of 1975; and

Whereas Mrs. Greaux has over the years gained general recognition as one of the most talented, accomplished and dedicated members of her profession in the Virgin Islands, being the first person in the Virgin Islands to earn the coverted rating of Certified Professional Secretary from the Institute for Certifying Secretaries, a Division of the National Secretaries Association· and

Whereas it is the sense of the Legislature that the dedication and accomplishments of Mrs. Greaux in her chosen profession should not go unrecognized: Now, Therefore, be it

Resolved by the Legislature of the Virgin Islands:

SECTION 1. That Mrs. Lillian R. Greaux, Certified Professional Secretary, is hereby cited, honored and congratulated for her considerable accomplishments in a distinguished and dedicated public service career as a private secretary to three (3) Virgin Islands Governors, a career spanning more than fifteen (15) years and covering a period in Virgin Islands history during which great strides were taken toward the achievement of greater self government for this Territory.

SEC. 2. That a perma plaque copy of this Resolution shall be prepared and presented to Mrs. Lillian R. Greaux by the President of the Legislature or his designee at an appropriate ceremony held for that purpose.

Thus passed by the Legislature of the Virgin Islands on June 26, 1975.

RESOLUTION NO. 756

To honor Raymond Plaskett, a chauffeur of Governors, on the occasion of his retirement after nearly four decades of government service

Whereas Raymond Plaskett was born on August 4, 1917, in Frederiksted, St. Croix, to Mr. and Mrs. Reginald Plaskett; and

Whereas Mr. Plaskett received his education at St. Patrick's School in Frederiksted, but moved to the Island of St. Thomas in 1934; and

Whereas Mr. Plaskett embarked upon a long, colorful and extraordinary career as a government chauffeur, a career which was to span nearly four (4) decades, when he was appointed chauffeur to the Commissioner of Public Works in 1936; and

Whereas Mr. Plaskett first became a Governor's chauffeur in 1950 when he was appointed part time chauffeur to then Governor Morris F. De Castro; and

Whereas Mr. Plaskett subsequently served as chauffeur to the Honorable Governors Archibald Alexander, John D. Merwin, Ralph M. Palewonsky, Melvin H. Evans, and Cyril E. King; and

Whereas in 1962 Mr. Plaskett was appointed to the position of aide to Governor Ralph M. Palewonsky, in which capacity he was responsible for receiving dignitaries from Washington, D.C. and elsewhere, a position he also held during the tenure of Governor Melvin H. Evans; and

Whereas Mr. Plaskett carried out his duties over the years with a competence, warmth and congeniality which has won him the lasting respect, admiration and friendship of all he has served and otherwise come into contact with over the years; and

Whereas Mr. Plaskett retired from Government service in January, 1975; and

Whereas for those Virgin Islanders who have become accustomed to Mr. Plaskett's pleasant smile and friendly greeting, the sight of the Governor's limousine will somehow never be the same; and

Whereas it is the sense of the Legislature that Mr. Plaskett's lengthy and rewarding public service career should be properly memorialized through the medium of this Resolution; Now, Therefore, be it

Resolved by the Legislature of the Virgin Islands:

SECTION 1. That Mr. Raymond Plaskett is hereby commended, honored and congratulated on the occasion of his retirement from a career in Government Service spanning nearly 40 years, a career which has been indelibly marked by the garcious warmth, kindness and easy friendliness of this true Virgin Islander.

Sec. 2. That a perma plaque copy of this Resolution be prepared and presented to Mr. Raymond Plaskett by the President of the Legislature or his designee at an appropriate ceremony held for that purpose.

Thus passed by the Legislature of the Virgin Islands in June 26, 1975.

YOU WILL NOT HAVE UNCLE SAM TO KICK AROUND ANYMORE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. HARRINGTON. Mr. Speaker, predictably, the economic recovery policies embraced by the Ford administration and embodied in the recently adopted budget resolution have failed to put a dent in the chronically high unemployment rate. As the Congressional Budget Office recently stated, "the economy is in the throes of the worst economic recession since World War II."

The outlook for the future is equally grim. The Congressional Budget Office forecasts that unemployment, which is currently at a level of "well over 10 percent," will remain in the 9 to 10 percent range through 1975, and drop only by 1 percent by the end of 1976.

Despite this dismal forecast, the administration, and to a degree the Congress as well, has chosen to pursue a policy designed to slow rather than stimulate economic recovery. The President has set a spending ceiling which prohibits a reduction in unemployment or an increase in economic growth. Every economic recovery program passed by Congress which exceeds this arbitrarily drawn spending limit is vetoed.

The President has attempted to justify these votes by claiming that stimulative programs would rekindle inflation. Nothing could be further from the truth.

According to many leading bankers, economists, and most recently the Congressional Budget Office, recovery programs such as the emergency jobs bill and the Emergency Housing Act would have no inflationary impact whatsoever. In fact, they are all in agreement that, while both a higher deficit level and an increase in the money supply are needed, neither would result in higher inflation. They caution, however, that, if we waited too long to institute such a policy, unemployment would continue to skyrocket to a point where even this approach would be doomed to failure.

It has become abundantly clear that a series of immediate steps must be taken to put the economy back on even keel. Some suggestions were recently offered by Walter Heller, former Chairman of the Council of Economic Advisers, in an article which appeared in the New York Times on June 30. I strongly recommend his thoughtful remarks to my colleagues.

The text of Mr. Heller's remarks follow:

YOU WON'T HAVE UNCLE SAM TO KICK AROUND ANYMORE

(By Walter W. Heller)

MINNEAPOLIS—The fear of inflation is still so dominant in Washington today that it is evidently destroying policymakers' faith in the recuperative powers of the American economy and blinding their sensitivity to the growing plight of the unemployed.

Transfixed by this fear, the White House and the Federal Reserve authorities are greeting the early signs of modest recovery from this deepest of all postwar recessions as if prosperity were just around the corner. the hellfires of a new inflation were about to engulf us, and let the devil take the hindmost, the jobless.

If that somewhat inflamed statement of the case is not to be inferred from the words and actions of the Administration and the Federal Reserve, how are we to interpret the following actions and statements?

Item: President Ford justified his veto of the emergency jobs bill last month in good part on grounds that economic recovery would be well along by the end of 1975 and much of the bill's impact would not be felt until 1976. Yet, the White House itself expects unemployment to average just under 8 per cent in 1976—higher than the worst unemployment levels in any of the five previous postwar recessions.

Item: In his midyear budget review, the President nonetheless projects a dead stop to the tax cut at the end of this year and clips $9 billion off of the already-modest expenditure total approved under the new Congressional budget procedures. He would thereby turn budget stimulus into budget restriction.

Item: On Meet The Press on May 25, Arthur Burns, chairman of the Federal Reserve, suggested that "the thing to do ow is to sit back for a little while. . . ." Subsequently, James Lynn, the budget director, and William Simon, Secretary of the Treasury, added their voices to this litany of little faith.

In other words, ignore the abysmal level of the economy, and look only at its upward direction—lean against the oh-so-gentle zephyrs of recovery as if they were harbingers of hot new blasts of inflation.

Ignore the 8 per cent in real G.N.P. from its late-1973 peak (twice as big a drop as in any previous postwar recession) and the 6 per cent growth of our productive potential in the meanwhile. That is, ignore the forces that have opened up a yawning chasm of $200 billion a year between what the U.S. economy is producing and what it could be producing.

Ignore the Administration's own projection of an anemic 6 per cent of G.N.P. recovery—versus 8.5 per cent in 1954–55; 9 per cent in 1958–59, and 7.5 per cent in 1960–61—and complacently settle for the weakest of recoveries from our deepest of recessions.

Ignore the nearly ten-million job-seeking and discouraged workers.

Ignore the clear evidence that inflation is abating:

Excess demand has long since been replaced by excess supply—far too few dollars are chasing too many goods.

In short, ignore the facts that inflation is less than expected and is about to abate as productivity jumps and average wage increases slow down in the face of woefully weak labor markets.

External-shock inflation—the food and oil price explosions and dollar devaluations that accounted for some 60 per cent of the monstrous 1973–74 inflation—is subsiding. Except for the game of oil price leapfrog that the President and the Shah of Iran are playing, it should not rise to plague us in the mid-seventies.

In short, ignore the facts that inflation is clearly waning and that the fragile flower of economic rebound in the second half of 1975 has to be cultivated, nurtured, and fertilized lest it wilt or die in 1976.

It would be at least reassuring if one could believe that the White House and Federal Reserve were working toward a conservative but defensible goal like trading off fiscal restraint for an expansionary monetary policy, i.e., pursuing a policy of expansion that would tilt the economy toward the easier money, lower interest rates, and lubricated capital markets needed to help revive housing and ease our longer-term capital and capacity pinches. No such thing. It's a policy of cry havoc on inflation and go slow on expansion of any kind.

What, then, should be done?

First, Mr. Burns and the Fed should firmly pledge to hold interest rates at or below present levels for the next six to nine months. That will still leave plenlty of time to put on the monetary brakes before a new inflation threatens us.

Congress should speedily re-enact the $12 to $13 billion of the 1975 tax reduction that is not of a one-shot nature and quickly approve an expanded public service jobs program and new antirecession grants to hard-pressed cities and states, programs that would self-destruct as unemployment drops to tolerable levels.

Third, President Ford should declare his firm faith in the U.S. economy's capacity for long and sustained expansion and his determination to put recovery in high gear. He should promptly assure the country that he will not let oil-price increases refuel inflation and retard recovery.

After a year of robust recovery at, say, an 8 per cent clip under these policies, what will the policymakers see?

Unemployment still well over 7 per cent.

Excess capacity galore—perhaps one-quarter of our manufacturing capacity lying idle instead of today's one-third.

Inflation still subsiding or at least in check.

Budget deficits falling and interest rates remaining at moderate levels.

Then, in good season, they can take another look and see whether the fear of inflation justifies braking the recovery. But to retard the spark of recovery at its first gleaming, as we are now doing, is an exercise in the economics of fear, an act of little faith and less compassion.

THE SACRED COW

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. EDGAR. Mr. Speaker, the Surface Transportation Subcommittee began hearings today on what may be the beginning of a historic reawakening of our national priorities with regard to transportation policy. The culmination of these hearings should be legislation which will undoubtedly reflect creative solutions by the Congress that will better balance our transportation system.

Since the inception of the highway trust fund in 1956, the concrete cloverleaf has been our national flower, and public mass transportation has received the care and affection which is reserved for a sentimental weed like the dandelion, admired from afar but pruned as a nuisance

This week, President Ford announced the administration's perspective, a view which has been constructively modernized from past offerings and merits careful study. I commend the President for his leadership in this vital area, and I trust that we of the Congress will be fine-tuning proposals advanced by both the administration and other sources during these hearings, and report a bill which will be for the people.

I wish to insert at this point an editorial which appeared yesterday in the Washington Star in response to President Ford's program:

MILK FROM A SACRED COW

President Ford has taken on a formidable task in asking Congress to cut back the lavish care and feeding of that sacred cow, the federal Highway Trust Fund.

He calls it "a classic example of a federal program that has expanded over the years into areas of state and local responsibility, distorting the priorities of those governments."

That is classic understatement. Nothing—not even the coming of the railroads more than a century ago—has so remade American geography as the interstate highway system, of which the trust fund was supposed to be a financial appendage. Few foresaw at its beginning in the Eisenhower years that the financial appendage financed by a 4 cent per gallon federal gas tax, would take on a life of its own.

Indeed the business can be explained only as a budgetary variation on those tedious genealogies of the Old Testament: The interstate system begat more automobiles, which begat more gas tax revenues, which begat an ever-swelling trust fund, which begat more highways, which begat more automobiles, which begat more gas taxes. And the begetting goes on unchecked. In this way, what was originally thought of as a plan to underwrite the system became an inducement to spend more and more money on highways, simply because the money was there.

The impoverishment and decline of public transportation, especially in the cities, may not be the direct result of the bias of the Highway Trust Fund. But this great concentration of funds and planning authority in Washington contributed to the awful imbalance typically reflected in this city, with its insane glut of rush-hour automobile traffic and its underfinanced and unconscionably delayed Metro system.

Mr. Ford's proposal is to transfer half the present gas tax from the Highway Trust Fund to the General Fund, there to be subject to normal competition for all purposes—including, one would hope, mass transit. One of the two remaining pennies would be available to states that raised their own gas taxes by a penny, the other left to finish the interstate system. States would be "encouraged," but not compelled, to use this extra penny of revenue for transportation of their own choosing.

There have been occasional attempts in Congress in recent years to lay rude hands on the sacred cow; but all that has been forthcoming is an occasional drop or two for mass transit from one of the hinder teats.

In the light of this history, President Ford's attempt to seize the beast more or less whole seems problematical. Already, the highway lobbyists are in full cry; and indeed one does not expect their captive congressmen to yield eagerly. But President Ford's case seems to us unassailable in principle. Like all inattentive centralizations of government funds and functions, the federal highway program has for years pre-exempted transportation planning for the entire country. We have forgotten that we do, after all, live in a federal system and that authority should be dispersed. There can be no dispersal of authority without substantial dispersal of funds. It is overdue.

ON THE AMENDMENTS OF THE FISCAL YEAR 1976 APPROPRIATIONS FOR STATE, JUSTICE, COMMERCE, AND THE JUDICIARY AND RELATED AGENCIES

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. EARLY. Mr. Speaker, three very important amendments were proposed during the floor debate on the State, Justice, Commerce and Judiciary Appropriations bill for fiscal year 1976, two of which were adopted to the bill, and all of which I voted against, namely, the amendment to increase the funding level for the Antitrust Division of the Justice Department, the amendment to increase the appropriation for the addition of 1,750 law enforcement officers to apprehend illegal aliens and the amendment to prohibit the use of funds to negotiate the surrender or relinquishment of any U.S. rights in the Panama Canal Zone. In light of the House's action, and my personal convictions in these matters, I feel it is necessary for me to detail my objections to these amendments so that there can be no question as to why I voted as I did.

First, the amendment offered by Mr. Heinz to increase the appropriation level proposed by the Subcommittee for the Justice Department's Antitrust Division by $26.2 million, adopted to the bill: It seemed clear to me during the hearings in the subcommittee, and in further discussion in markup that an increase of this nature, above those funds requested by the Department and OMB, was inappropriate and excessive. The facts are these: The Antitrust Division had funds in the original subcommittee bill for its current staff of 663, plus moneys for 52 slots currently vacant but authorized, plus additional moneys for 33 slots above the authorized number of 715 personnel. The floor amendment that is now a part of the bill provides an additional $26.2 million for additional personnel and salary increases. I will be interested to see what the Antitrust Division requests in the Department's supplemental.

It appears to me, Mr. Speaker, that we have misplaced our good intentions, and, perhaps more important, our priorities, by adopting this amendment. There is no question that the Congress must, and to my way of telling, it always has given the Antitrust Division its full support. The State, Justice, Commerce, and Judiciary Subcommittee has consistently given the Justice Department everything it has asked for for the Division. That is not the problem here. The problem is that, regardless of our interest in providing the Division with all the "muscle" it needs to operate at top efficiency, I am first of all not convinced that it has proven its efficiency with the money it has been given to date, although I am aware of the considerable increase in litigation cases it has engaged itself in this year, and second, I have not been shown, to my satisfaction, that the Division has the capability to use these extra funds to their best and most productive advantage.

Regardless of our interest and concern as a Congress in insuring the adequate machinery to protect the consumer and the free enterprise system against monopolies, pouring money into the Division, or any area of government or business for that matter, is hardly the answer. The most efficient use of the funds and machinery available is the answer. Increases in annual appropriations must be justified. I do not believe an increase of $26.2 million for Antitrust was justified. It was not to my satisfaction.

The most important thing we must learn in this Congress is that money is not a panacea. It does not automatically follow that increasing appropriations will mean increasing capabilities or efficiency. Before I give away tax dollars, I believe it is my obligation to my constituents to be convinced that they—as taxpayers—will get a return on their money.

I could not vote for the Heinz amendment because I was not convinced that the Antitrust Division could give them that return. I am still not convinced. I would like to be, and I hope that time proves me wrong. But, I doubt that I will ever be able to support an amendment of this nature because I have learned from experience that unjustifiable government spending is most often wasted spending. Certainly, my colleagues must agree that it is precisely that—wasted spending—by past Congresses that has contributed so greatly to our current economic situation.

The amendment offered by Mr. Biaggi to increase, by $45 million, the appropriation level for the Immigration and Naturalization Service, again falls into the category of spending for spending's sake. I cannot quarrel with the theory that additional law enforcement officers in the Service would increase its ability to operate more effectively. The subcommittee did increase the appropriation for new employees by 750. There are currently 285 unfilled positions in the Service. Surely, 1,035 additional personnel is an adequate increase for the next months.

I am pleased that the House voted to uphold the subcommittee's recommendations in this case.

Lastly, Mr. Speaker, the amendment prohibiting the use of any funds to negotiate the surrender or relinquishment of any U.S. rights in the Panama Canal Zone, is, in my view, an improper one.

I am vehemently opposed to our relinquishment of control in the Canal Zone. I believe we have a genuine and crucial interest in maintaining our position in Panama—both with respect to our economic investment and our international relations. However, I do not believe that the Congress should so limit the President's power to negotiate as to rob him of the legitimate courses made possible to his Office by the Constitution. Nor do I believe that it is appropriate or judicial for the Congress to legislate in an appropriation bill on an area of great controversy, when, to my way of thinking, the House has not heard adequate debate or given adequate consideration to this matter.

Before any agreement is reached regarding the Canal Zone, the Senate must ratify, and the House act thereupon, such an agreement. That safeguard is quite clear in the Constitution. There are other means, and certainly more customary means, of voicing the House's position with regard to Panama. I objected to this amendment because I believe it unduly limits the Office of the President and because I see it as an inappropriate amendment with questionable parliamentary roots.

I voted for passage of the fiscal year 1976 appropriations for State, Justice, Commerce and the Judiciary and related agencies because I believe the subcommittee bill is a product of the most thorough investigation, and because, despite my objections to these two amendments, I am confident that on the whole its enactment is justified.

THE $4 BILLION HOUSING DISASTER

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. ASHBROOK. Mr. Speaker, especially timely in connection with housing legislation is the current series of articles appearing in the Chicago Tribune charging that $4 billion have been wasted by, or defrauded from HUD and FHA since the National Housing Act of 1968. The Tribune investigation, extending over a period of 7 months, claims that HUD and FHA officials in Washington systematically frustrated efforts to stop the waste, and that mortgage companies have so much influence in the HUD and FHA that it has become impossible to act against even the most unscrupulous companies. The Tribune's chief investigative reporter, George Bliss, and reporter Chuck Neubauer, examined thousands of documents never before made public in their exhaustive review of the low-cost insured mortgage program for low- and moderate-income families.

In its lead editorial today, the Tribune observed:

> . . . it took only four years of the Federally insured mortgage program to reduce a neat, middle-class neighborhood into a shattered, decaying slum. And the same dismal history is being enacted in communities across the nation. No natural disaster on record has caused destruction on the scale of the government's housing programs.

Although the Senate will look into the Tribune's charges, one wonders whether this waste and fraud, if subsequently confirmed, would have continued but for the Tribune's investigation. This is again another example of the inadequacy of Congress' oversight review which is its responsibility over Federal programs. No wonder some Members of Congress have an inbuilt suspicion of vast, finely titled Federal programs.

The Chicago Tribune editorial follows:

THE $4 BILLION HOUSING DISASTER

The Tribune's current series on government and housing presents a nightmarish picture: a massive federal bureaucracy that uses billions of taxpayers' dollars to enrich swindlers and finance the ruin of urban neighborhoods. Nightmare or not, that is what we have in the Department of Housing and Urban Development and its subsidiary agency, the Federal Housing Administration.

They have been carrying out their work of destruction very effectively, if unintentionally. After seven months of studying the upside-down operations of HUD and FHA, Reporters George Bliss and Chuck Neubauer have summed them up consisely: a $4 billion disaster. In a "model" block they cited—the 7300 block of South Hoyne Avenue—it took only four years of the federally insured mortgage program to reduce a neat, middle-class neighborhood into a shattered, decaying slum. And the same dismal history is being enacted in communities across the nation. No natural disaster on record has caused destruction on the scale of this government's housing programs.

How did it happen? At the root of this national calamity are three main elements: good intentions, hastily-drawn laws, and near-total failure to remedy or even recognize errors in carrying out the intent.

HUD was created under President Johnson in 1965 to promote "sound development of the nation's communities and metropolitan areas." It consolidated most existing housing agencies, including FHA, with the goal of "achieving maximum coordination" within government, and between government and private lending institutions. Its powers were vastly broadened by the Great Society housing programs that followed: rent supplements, model cities, and—most sweeping of all—the National Housing Act of 1968. This 17-title package provided everything from home loans for the elderly to riot insurance, and included the mortgage insurance program involved in the Chicago scandal; yet it was passed with very little resistance from Republicans who had fought Mr. Johnson's previous housing programs. [One reason was that G.O.P. lawmakers had made a tactical blunder: They had hooted down an administration bill for rat control, and were being bitterly criticized for insensitivity about the needs of the poor.] The bill passed the Senate 67 to 4 and the House 294 to 114.

The housing bill has proved to be riddled with holes, especially in the area of enforcement and disciplinary action. Incredibly, the Washington officials who authorize payments to mortgage companies and real estate firms do not supervise their performance; they simply hand out the money for presumed services, with no knowledge of whether the services have been performed.

For slick operators, this has been a bottomless bonanza. They can, and do, sell federally insured housing to poor-risk families that cannot afford even these modest terms. Then they foreclose at the first default and get their money back from the government immediately, rather than waiting for the full term of the loan. Finally, they collect federal cash for "maintaining" the foreclosed property while letting it fall into ruin. The wasteland on South Hoyne Avenue is one small example of the results.

Instead of the decent homes and dignity envisioned by President Johnson in his housing message of 1968, thelaw has subsidized the creation of new slums.

Sen. Adlai Stevenson [D., Ill.] has announced that the Senate Banking, Housing, and Urban Affair Committee, of which he is a member, will hold hearings in Chicago this summer into the multibillion-dollar housing racket. We welcome the investigation, and can promise the senators plenty of material to work on.

HOUSE OF REPRESENTATIVES—*Thursday, July 10, 1975*

The House met at 11 o'clock a.m.

The Very Reverend James G. Bingham, vicar of St. Mary's Episcopal Church, Morgantown, N.C., offered the following prayer:

Almighty God, Father of Abraham, Isaac, and Jacob, God and Father of our Lord Jesus Christ:

We beseech Your presence among these Your humble servants assembled in the name of persons whom You have created and redeemed.

Give us grace to see that as we celebrate your festival of independence we must be drawn to view a world in which interdependence becomes a reality for all people.

Give us such a sense of Your sustaining presence that we shall have courage to become servants rather than masters.

Grant us such an awareness of our own personal poverty that we will respond to the cry for help of the weakest of our brethren that we hear from anywhere on God's good earth.

In the name of our blessed Lord Jesus Christ, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on July 8, 1975, the President approved and signed bills of the House of the following titles:

H.R. 1387. An act for the relief of Raul Alvarez Rodriguez;

H.R. 1393. An act for the relief of Jacinta Roque Armstrong-Perez;

H.R. 1408. An act for the relief of Joseph Hoffman;

H.R. 1410. An act for the relief of Samuel T. Ansley;

H.R. 1421. An act for the relief of Stephanie Kahn and Barbara Heyman;

H.R. 1510. An act for the relief of Steve P. Reese;

H.R. 1649. An act for the relief of Howard D. Harden;

H.R. 2119. An act for the relief of Maria Gilda Haro;

H.R. 2946. An act for the relief of Mrs. Dorothy Hinck; and

H.R. 3526. An act for the relief of Randall L. Talbot.

SOLAR ENERGY EQUIPMENT DISPLAYED AT CAPITOL TODAY

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, today we have a display of currently operational solar equipment on the south front of the Capitol. This is sponsored by myself, the gentleman from Maryland, Mr. Gude, the Senator from Colorado, Senator Hart, and the Senator from Wisconsin, Senator Nelson, in conjunction with legislation to promote solar energy we are introducing today.

The solar collectors we have outside are actually installed in buildings. They are available today for installation. What we are trying to demonstrate is that we can have solar energy and it can make a tremendous difference to the energy use and to the economy of this country at the present time.

There is also a television set that is run by photovoltaic cells from the Sun's light.

Solar energy is part of our energy picture that is critical. It is a completely pollution free source of energy, and once it is installed, of course, the fuel is forever free.

I hope all Members of the House and staffs will take the opportunity to look at this display.

PERMISSION FOR SUBCOMMITTEE ON EMPLOYEE POLITICAL RIGHTS AND INTERGOVERNMENTAL PROGRAMS TO SIT THIS AFTERNOON DURING PROCEEDINGS UNDER THE 5-MINUTE RULE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Employee Political Rights and Intergovernmental Programs be permitted to sit this afternoon during proceedings under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill making appropriations for agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. ROBINSON reserved all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. DELANEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 8365, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 586, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 586

Resolved, That during the consideration of the bill (H.R. 8365) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6 of rule XXI are hereby waived: In title I—"Department of Transportation"—beginning on page 2, line 3 through line 22; beginning on page 6, line 5 through page 7, line 9; and beginning on page 19, line 22 through page 20, line 20; and in title III—"General Provisions"—section 314 beginning on page 34 line 24 through page 35, line 21.

The SPEAKER. The gentleman from New York is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. Quillen) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 586 makes in order the consideration of H.R. 8365, the Department of Transportation and related agencies appropriation bill for fiscal year 1976.

House Resolution 586 provides that all points of order against the following provisions in the bill for failure to comply with the provisions of clauses 2 and 6 of rule XXI of the Rules of the House of Representatives are waived: In title I—"Department of Transportation"—beginning on page 2, line 3 through line 22; beginning on page 6, line 5 through page 7, line 9; and beginning on page 19, line 22 through page 20; and in title III—"General Provisions", section 314, beginning on page 34, line 24 through page 35, line 21.

The provisions beginning on line 5 of page 6 and ending on line 25 of page 6 provide for a reappropriation of funds and thus require the waiver of clause 6 of rule XXI. All of the other provisions listed above lack authorization and thus require a waiver of clause 2, rule XXI.

H.R. 8365 provides a grand total of $10,837,701,000 in new budget (obligational) authority in the bill.

Mr. Speaker, I urge the adoption of House Resolution 586 in order that we may discuss and debate H.R. 8365.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from New York (Mr. Delaney) has ably explained the provisions of the resolution.

It is an important resolution, Mr. Speaker; after it has been agreed on, we will go into the Committee of the Whole and discuss the bill.

I know of no objection to the rule. I would like to point out that the bill provides $220,561,000 less than the amount requested.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 372]

Adams
Ashley
AuCoin
Badillo
Blanchard
Brademas
Breckinridge
Brown, Ohio
Burton, Phillip
Butler
Chisholm
Clausen, Don H.
Clawson, Del
Collins, Ill.
Conyers
Coughlin
Diggs
Dingell
Drinan
Eckhardt
Edwards, Calif.
Eshleman
Evins, Tenn.
Florio
Flowers
Fraser
Fulton
Gibbons
Goldwater
Gude
Hayes, Ind.
Hébert
Heckler, Mass.
Helstoski
Hinshaw
Holland
Horton
Ichord
Jacobs
Jarman
Jenrette
Jones, N.C.
Karth
Kastenmeier
Kindness
Latta
Leggett
Lujan
McCollister
Macdonald
Matsunaga
Mazzoli
Meyner
Mitchell, Md.
Moakley
Montgomery
Morgan
Mosher
Moss
Nedzi
O'Hara
Ottinger
Patten, N.J.
Pattison, N.Y.
Pepper
Peyser
Pritchard
Quie
Railsback
Rangel
Rees
Reuss
Rooney
Rosenthal
Ruppe
Ryan
St Germain
Sarbanes
Scheuer
Seiberling
Shuster
Spellman
Stanton, James V.
Steed
Steiger, Ariz.
Stephens
Stratton
Symms
Teague
Thompson
Udall
Ullman
Wampler
Wiggins
Wilson, Tex.
Wolff
Wylie
Young, Ga.

The SPEAKER. On this rollcall 335 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, JULY 11, 1975, TO FILE CONFERENCE REPORT

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday, July 11, 1975, to file a conference report on the bill H.R. 5901 making appropriations for the Education Division and Related Agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERSONAL EXPLANATION

Mr. PATTEN. Mr. Speaker, we have been caught on the elevator for 5 minutes and could not get here in time for the rollcall. There are about 25 of us.

The SPEAKER. The Chair had no knowledge of this. The Chair apologizes. The Chair is very unhappy that the service to bring the Members of the House to the floor of the House did not function properly.

Mr. FLOWERS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 373]

Ashley
Bingham
Brademas
Breckinridge
Broomfield
Brown, Ohio
Butler
Chisholm
Clausen, Don H.
Clawson, Del
Collins, Ill.
Conyers
Diggs
Dingell
Downing
Drinan
Eckhardt
Eshleman
Evins, Tenn.
Fulton
Goldwater
Green
Hannaford
Hébert
Heckler, Mass.
Hinshaw
Holland
Jarman
Jeffords
Jenrette
Jones, N.C.
Lujan
McCollister
McCormack
Matsunaga
Meyner
Michel
Mitchell, Md.
Moakley
Montgomery
Morgan
Moss
Neal
O'Hara
Ottinger
Pike
Quie
Rangel
Rees
Reuss
Rosenthal
Roybal
Scheuer
Shuster
Smith, Nebr.
Solarz
Stanton, James V.
Stratton
Teague
Udall
Ullman
Van Deerlin
Wampler
Wiggins
Wilson, Bob
Wolff
Wright

The SPEAKER. On this rollcall 366 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

(Mr. THOMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMPSON. Mr. Speaker, on rollcall No. 372, the preceding quorum, I and approximately 50 other Members were unable to reach the floor because the middle elevator on the bank toward the West Front was jammed, and the public elevator went up to the third floor, back down to the second floor, where it stayed. It was, therefore, impossible for me and my colleagues to reach the floor.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding. Mr. Speaker, I would like the Record to show that I was one of those unfortunate enough to be caught in the malfunctioning elevator and was thereby prevented from making quorum call No. 372.

Mr. ST GERMAIN. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. Yes, I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Speaker, it is an unfortunate thing, a comedy of errors, downstairs with those elevators, because they were responsible for others and myself missing that quorum. Evidently the individual who is supposed to be in charge and is supposed to let the public know the elevator is stopped, was evidently off to coffee, or something of the sort. So I am hopeful that in the future there will be a practice established to notify the Speaker of an instance such as this.

Mr. THOMPSON. Mr. Speaker, I think the Record should show that probably we should be cautious about getting into an elevator with my colleagues, the gentleman from New Jersey (Mr. Patten) or the gentleman from Georgia (Mr. Stephens). The elevators can carry just so much weight.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding. Mr. Speaker, the thought occurred to me, as I was waiting to get on that stalled elevator, that perhaps when we have a quorum or rollcall in operation that the public elevator not go to the third floor, that we have that as a standing rule of the House. I have discussed this matter with the Speaker, and perhaps this will be taken under consideration in the future.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to state that he is taking steps to prevent the occurrence of such an unfortunate situation in the future. The Chair should be notified when the equipment transporting Members to the floor is not functioning properly.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO SIT TODAY DURING 5-MINUTE RULE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations may have permission to sit today while the House is proceeding under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION BILL, 1976

Mr. McFALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8365) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Massachusetts (Mr. Conte) and myself.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8365), with Mr. Murphy of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from California (Mr. McFall) will be recognized for 1 hour, and the gentleman from Massachusetts (Mr. Conte) will be recognized for 1 hour.

The Chair recognizes the gentleman from California.

Mr. McFALL. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we submit for your consideration today the bill, H.R. 8365, making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976.

Before discussing the specifics of the bill, I want to express my appreciation to the other members for their cooperation during the detailed hearings on the bill. This year we had three new members on the subcommittee, the gentleman from New York (Mr. Koch), the gentleman from Arkansas (Mr. Alexander) and the gentleman from Oregon (Mr. Duncan). They all brought new thoughts and made significant contributions to the deliberations of the committee.

My two other Democratic colleagues, the gentleman from Illinois (Mr. Yates) and the gentleman from Oklahoma (Mr. Steed) continued their excellent service to the committee, the Congress, and the country.

I especially want to thank the distinguished ranking minority member from Massachusetts (Mr. Conte) and the gentleman from Alabama (Mr. Edwards) for their active participation and support in developing this legislation.

The committee, I believe, has carefully reviewed the programs of the Department of Transportation and related agencies, and is recommending what we consider to be sufficient funds to allow these agencies to help meet the requirements of our Nation's transportation system.

SUMMARY OF THE BILL

For fiscal year 1976 the bill includes a total of $10,837,701,000, of which about $7.1 billion is liquidating cash and $3,744,413,775 is new obligational authority. This is $220,561,000 below the budget estimate of new obligational authority.

In addition, appropriations totaling $2,657,695,000 are recommended for the 3-month transition period from July 1, 1976, to September 30, 1976. This is about $57 million less than the budget requests considered.

The bill provides funds for about 131,000 positions, including nearly 38,000 military personnel for the Coast Guard. This is an increase of about 1,700 positions over fiscal year 1975.

SELECTED MAJOR RECOMMENDATIONS

I would call the attention of the members of the committee to the summary beginning on page 4 of the report. The major recommendations for fiscal year 1976 are as follows:

First, the appropriation of $1,522,000,000 for the operations activities of the Federal Aviation Administration, $23,000,000 less than the budget request;

Second, the appropriation of $714,230,000 for operating expenses of the Coast Guard;

Third, deletion of the $8,500,000 requested by UMTA for a high performance personal rapid transit demonstration project at Broomfield, Colo.;

Fourth, approval of the $36,000,000 request for Coast Guard aircraft procurement;

Fifth, an increase of $935,000 over the budget for additional personnel for the National Transportation Safety Board;

Sixth, the appropriation of $438,800,000 for Federal grants to Amtrak, including the full budget request for capital improvements;

Seventh, a liquidating cash appropriation of $5,432,800,000 for the Federal-aid highways program;

Eighth, approval of the $1,500,000 request to complete the research and development phase of the Morgantown personal rapid transit project;

Ninth, a reduction of $20,400,000 in the research, engineering, and development—trust fund—appropriation of the FAA; and

Tenth, a general provision providing for commitments of not to exceed $1,800,000,000 for urban mass transportation.

In discussing the specifics of the bill I shall refer only to our fiscal year 1976 recommendations. In most instances, the transition period appropriations are about one-fourth of our 1976 recommendations.

OFFICE OF THE SECRETARY OF TRANSPORTATION

Mr. Chairman, the bill provides appropriations of $61.3 million for the Office of the Secretary of Transportation. This includes $32,550,000 for salaries and expenses. We have provided some new personnel for the added safety responsibilities of the Secretary. But we have also transferred positions out of this office and made other personnel reductions, so that there is no net increase in personnel.

I am pleased to report that the new Secretary is working on a comprehensive statement on national transportation policy. He has indicated that this report should be available in the near future.

The bill also includes $27 million for the transportation research activities of the Office of the Secretary. This is $8 million less than the budget. We are concerned that some of the Department's transportation energy studies are very similar to those of ERDA. We feel there is a need to better coordinate the programs of these two agencies.

COAST GUARD

The Coast Guard is one of the finest organizations in our Government. It has a reputation for operating a trim ship and for being cost conscious. Most of the committee's $9,677,000 reduction in operating expenses is related to services provided to other agencies on a nonreimbursable basis and to GSA space rental payments.

For acquisition, construction, and improvements, we recommend $156.1 million, an increase of $47,724,000 over fiscal year 1975. Nearly all of this increase is to upgrade or replace old vessels and aircraft.

The major reduction in the Coast Guard's procurement program relates to the expansion of the Loran-C system. The committee's investigative staff report on this matter is discussed on pages 7 and 8 of the report. We felt that this funding could be deferred until the Department submits its national plan for navigation.

We have approved the full budget request for retired pay and have made only minimal reductions in the appropriations for bridge alterations, State boating safety, and reserve training. Mr. Chairman, I think it is significant that the Members know that Coast Guard reservists are now primarily engaged in supporting regular Coast Guard activities. We believe this is producing a more efficient utilization of resources.

The bill also includes $18.6 million for the research and development programs of the Coast Guard. This is about a 10 percent increase over fiscal year 1975 and includes the full amount requested for research under the Deepwater Port Act.

We have approved the $2 million requested to increase the capital of the Coast Guard supply fund. This is the first appropriation for the fund since 1943. It is necessitated by the rapid increase in the prices of the inventory items which are financed by this fund.

FEDERAL AVIATION ADMINISTRATION

Mr. Chairman, we recommend $1,522,000,000 in new budget authority for operations for the Federal Aviation Administration. This provides for all personnel engaged in the operation and maintenance of the air traffic control system, as well as all supporting services, administrative costs, and regulatory personnel in the FAA.

Our recommendation is $23 million less than the budget. We felt that the air traffic levels on which FAA's request was based were too high. Although FAA has revised its earlier forecasts, the fiscal year 1976 budget still assumed about an 8 percent increase in revenue passenger miles. The most recent data that we were able to obtain indicates that the projected growth, if any, will be substantially less than 8 percent.

We did not consider the $250 million request for facilities and equipment, as well as a portion of the request for airport development grants. These items are not authorized and will have to be considered in a later appropriation bill.

For the R. & D. programs of the FAA, the bill includes $60 million in trust funds and about $12 million in general funds. These appropriations should permit FAA to continue its research at a steady rate. We feel this research is essential to meet the projected air traffic demands of the next decade.

We have recommended the full budget request considered for airport development grants. Part of this request was not considered due to lack of authorizing legislation.

With respect to the National Capital airports, the committee recommends about $17.5 million for operation and maintenance and $11,625,000 for construction. Excluding interest and depreciation expenses, both of these airports are expected to generate revenues in excess of direct operating costs.

FEDERAL HIGHWAY ADMINISTRATION

Mr. Chairman, highways provide by far the largest portion of transportation services used in this country. About 86 percent of all intercity travel and 98 percent of all urban passenger trips are by the highway mode. The mobility provided by our highway network is a cornerstone of the American way of life.

To continue our highway program we recommend a liquidating cash appropriation of roughly $5.4 billion from the Highway Trust Fund. Of this amount, about $3 billion is to continue the construction of the interstate system.

For administrative expenses of the Federal Highway Administration, the bill includes a limitation of $141,480,000. This is a reduction of $4,335,000 below the budget.

The bill includes virtually the full amounts requested for motor carrier safety and highway safety research and development. The amounts recommended are $6.5 million for motor carrier safety and $9 million for highway safety R. & D.

For highway beautification, we recommend a $30 million liquidating cash appropriation. The bill also includes a limitation on highway beautification obligations for fiscal year 1976. The $40 million limitation represents nearly all of the funding presently authorized for this program.

We did not include any additional funds for the rail-crossings projects in the Northeast corridor. This program is still progressing very slowly, but not because of a lack of Federal funds. As of April 30, 1975, more than $20 million of prior-year appropriations still had not been obligated. With respect to certain railroad-highway crossing demonstration projects authorized by the Federal-Aid Highway Act and the National Mass Transportation Assistance Act we recommend a total of $16,620,000.

We recommend the sum of $12.5 million for rural highway public transportation demonstration projects. Since none of the last year's appropriation has been obligated, we felt that this amount should be sufficient for this program.

Under our recommendations, the full budget requests for territorial highways, off-systems roads, highway safety construction programs, and the right-of-way revolving fund would be approved.

For the Darien Gap Highway we recommend $4.9 million. This project is still being delayed somewhat because of the hoof and mouth disease problem in Columbia.

No funds have been recommended for either the Alaska Highway or the Baltimore-Washington Parkway. In both cases construction on these roads has been delayed and none of last year's appropriation has been obligated.

We have added funds over the budget for two highway programs, $500,000 for the Overseas Highway and $10 million for access highways to public recreation areas on certain lakes.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

In the field of highway safety, we recommend $66,850,000 for the traffic and highway safety program, a reduction of $5.3 million below the budget.

We did not approve the $1 million request to install crash recorders in automobiles. We did indicate that the Highway Safety Administration could use some of its funds to investigate alternative strategies for obtaining this data at a lower cost.

The other activity under this administration is a matching grant program for State and community highway safety. We recommend $71 million to pay obligations already incurred in this program, and, also, recommend a limitation of $100 million on obligations to be made in fiscal year 1976.

FEDERAL RAILROAD ADMINISTRATION

The bill provides $5.9 million for the office of the Administrator of the Federal Railroad Administration. We recommend the appropriation of $16.2 million an increase of $5.1 million over fiscal year 1975, for the railroad safety functions of the Federal Railroad Administration. Most of this increase is for an automated track inspection program. In addition, we have added 20 new safety inspectors which were not included in the budget. The bill also includes $1 million for grants to States for railroad safety. We reduced this appropriation somewhat, because they presently have more than $2.2 million of carryover funds.

For railroad research and development, we recommend $53.5 million, an increase of $5,250,000 over last year. The largest reduction recommended under this appropriation involves a costly intermodal freight system demonstration. We feel, if this concept is economically feasible, that private industry should be willing to proceed with it.

We have recommended $14 million to provide Federal subsidies of up to 70 percent of the costs to maintain light density railroad lines which do not become part of ConRail. Testimony indicates that this should provide funds for all branch lines which are not included in the final system plan for the Northeast and Midwest regions.

The bill includes a $438.8 million appropriation for Amtrak, an increase of $162.3 million over fiscal year 1975. Of this increase, $110 million is for capital costs which, for the first time, are being funded by a direct Federal grant. Our reduction is based on the fact that Amtrak's estimates of cost inflation were too high.

URBAN MASS TRANSPORTATION ADMINISTRATION

Mr. Chairman, we recommend $10.3 million for administrative expenses of the Urban Mass Transportation Administration. This is an increase of $4,340,000 over fiscal year 1975 and provides for 50 new positions.

For research, development, and demonstrations we are recommending $49 million, an increase of $3,950,000 over fiscal year 1975. Under our recommendation, no new funds would be provided for UMTA's so-called high performance personal rapid transit project. It is our belief that before starting another costly PRT demonstration, the Morgantown project should be completed and evaluated. We feel that the data developed at Morgantown should enable UMTA to determine what role, if any, PRT's should play in urban mass transportation.

We have included the full budget request of $890.3 million to liquidate obligations which have been made under the contract authority provided in the basic legislation. In addition, the bill provides for an obligation level of $1.8 billion for UMTA programs in fiscal year 1976. The breakdown of this amount is contained in the committee report.

RELATED AGENCIES

Title II of the bill provides $333,729,000 for six related agencies. This includes $11,110,000 for the National Transportation Safety Board. Because of the additional responsibilities assigned to the Board, we are recommending an increase of $935,000 over the budget. This should enable the Board to hire the additional personnel needed to meet its added responsibilities under the Independent Safety Board Act of 1974.

The sum of $18,995,000 is recommended for salaries and expenses of the Civil Aeronautics Board. We are recommending the full budget request for subsidy payments to local service carriers providing air transportation to communities which might not otherwise be served.

For the Interstate Commerce Commission, the sum of $49,130,000 is recommended. This will provide for all 40 requested new positions.

The bill provides the Panama Canal $59.8 million for operating expenses and $2,240,000 for capital outlay. Both of these amounts will be repaid to the Treasury.

Finally, we have approved the full budget requests of $10 million for the U.S. Railway Association and $121,759,000 for the Washington Metropolitan Area Transit Authority. All funds recommended for the construction of the Washingon, D.C., Metro system are within existing enacted authorizations.

Mr. Chairman, I believe we have brought a balanced and carefully considered bill to the Committee and I urge its adoption.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. McFALL. Yes, I yield to the gentleman from California.

Mr. ANDERSON of California. Mr. Chairman, in City of Los Angeles against Honorable William T. Coleman, the U.S. District Court for the District of Columbia ruled that:

> The language of Sec. 302 limits FAA "Administrative expenses" but does not directly purport to put a limitation on the previously established obligational authority. Interpreting Sec. 302 as a limitation on Administrative expenses, rather than obligational authority, is also consistent with the purpose expressed in the legislative history of the 1971 Amendments to preserve the Trust Fund for distribution to airport projects and to prevent the FAA from using it to pay for general expenses which were not connected with airport and airway development.

I certainly agree with this interpretation, and feel that the act of 1970—which permits funds to be available for 3 years—and the appropriations acts—which limit "administrative expenses"—are consistent.

Certainly, in the Airport and Airway Development Act of 1970, the Congress—in its wisdom—allowed apportioned funds to remain available to the designated airport sponsors for approved development projects for the fiscal year in which apportioned, and for the next 2 fiscal years. This provision was necessary in order to allow sponsors a reasonable assurance that funds would be forthcoming for expensive, long-term projects.

In fact, the 3-year limitation may be too short a period, and an even longer assurance may be necessary.

The Appropriations Committee, on the other hand, has limited "administrative expenses" in order to prohibit the Administration from "raiding" the trust fund for other expenses incurred by the FAA.

These provisions are consistent, and I feel that the court has upheld the intent of Congress in the Los Angeles decision.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Texas.

Mr. KAZEN. Is there any money in this bill for the continuation of the flight service stations?

Mr. McFALL. There is money in the bill for flight service stations.

I remember the gentleman's interest in flight service stations in the previous year, and I can assure the gentleman that there will be no large scale closing of flight service stations. There will be only five stations closed in an experimental program to try to work out the technology for this particular effort. It would not affect any of the gentleman's flight service stations at all.

Mr. KAZEN. In other words, they would continue to operate for the time being?

Mr. McFALL. That is correct.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I appreciate my colleague's yielding.

I call attention to the section on page 18 of the bill, in which funds are provided, $10 million, for access highways to public recreation facilities. I wish to thank the gentleman and the members of his committee for sponsoring this provision.

The bill as it reads provides:

> For necessary expenses not otherwise provided, to carry out the provisions of Section 115(a), "Federal Aid Highway Amendments of 1974."

I have checked with the legislative committee and others, and am advised that that language is proper and sound, but that it is exactly the same language as that contained in section 155, Title 53, U.S.C.

I would like to have the gentleman from California confirm that statement.

Mr. McFALL. Mr. Chairman, I am so advised by our staff, and the staff of the Committee on Public Works. The gentleman is correct.

Mr. WHITTEN. Mr. Chairman, I wish to thank the gentleman from California, and I am very proud of this action. In my area of Mississippi we have a road from Coldwater to Arkabutla in Tate County, Miss., including the Arkabutla Dam and reservoir. The public road goes right through the reservoir. We have had a series of automobile wrecks due to the condition of the bridges, primarily. There have been quite a number of deaths because of the conditions. I went before, the legislative committee and presented these facts including pictures. I pointed out that the traffic on the recreational roads is not local and the volume makes it impossible for the local people financially to keep the road and bridges up to required standards. That committee authorized a national program to be financed on a 70 percent national and 30 percent local basis.

I wish to thank the gentleman from California (Mr. McFALL) and his subcommittee for including these funds to implement this program. It means a whole lot to the entire country, and particularly to my district with its many recreational areas.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McFALL. Mr. Chairman, I yield myself an additional 5 minutes.

Mr. Chairman, I want to commend my friend, the gentleman from Mississippi (Mr. WHITTEN) for calling this very important matter to our attention so that we could include this in the report and in the bill. There was some confusion between the legislative committee and the administration as to what the language in the legislation which had previously been passed meant. However, by the action of the gentleman from Mississippi, we were able, I think, to resolve this conflict and provide money from a very important program, a program in which Members on both sides of the aisle are interested. Again I commend and thank the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, and I again thank the gentleman from California.

Mr. ALEXANDER. Mr. Chairman, history tells us that the more complex a society becomes, the more important efficient people and freight transportation networks are to the viability of the society.

Our society is one of the most complex ever evolved. Transportation networks are vital to the continued functioning of our civilization as we know it. Few of the normal routines we, as Americans, follow would be a part of our lifestyle if modern transportation systems were to cease to exist.

I have long been a supporter of the development of a national transportation policy which takes into account the interdependence and interrelationships of all regions of the Nation, of the great cities and the countryside, of the various transportation modes and uses those relationships and available technology in the most efficient and effective manner possible. It is significant to me that some appropriations for air, highway, railway, inland waterway, and oceanic transportation are included in this single bill.

While I feel we have serious flaws in transportation policy coordination in the Congress and in the executive branch, when we consider this appropriations legislation we ought to at least be reminded that there are important interactions between transportation modes which must be kept in mind at decision-making time.

Information available to me indicates that between 1972 and 1973 expenditures in nonmetropolitan areas by the Department of Transportation for programs influencing national development fell by nine percentage points—from 36.3 percent to 27.4 percent. DOT's spending distribution relationship between metropolitan areas and nonmetropolitan areas improved, to 31.2 percent in fiscal 1974, but was still slightly below what could be expected to be spent in nonmetropolitan areas if only a population criteria was used.

I fear that the metropolitan-nonmetropolitan distribution of these funds will undergo an unfortunate change adverse to countryside interests should the highway legislation recently proposed by the President be enacted. But that is a subject for discussion at another time. And, that is a discussion I intend to encourage in the very near future.

Let us pursue a bit further the distribution of DOT funds, and, in two cases, the nondistribution of them. In the case of the nonmetropolitan-metropolitan spending of DOT highway planning and construction funds, it would appear, for the past 3 fiscal years at least, the nonmetropolitan areas have gotten slightly more than their share. Let us face facts. Highways, nowadays, and interstate highways in particular, are built basically to move people from one city to another. If they serve the citizens of the countryside, well and good. That is a side benefit to the principal purpose of moving people and goods intercity. In the case of highway studies the countryside has gotten as much as 53.7 percent less than its share of the money spent in this activity.

The case of funding for public mass transportation is stunning. Since 1973 the Federal Highway Administration has been authorized and since August 1974 has had the money to carry on rural public transportation demonstration programs. They have failed to act on this. Since the signing into law in November, 1974, of the Federal Mass Transportation Assistance Act of 1974 the Urban Mass Transportation Administration has had specific authority to spend money, under this act, in nonmetropolitan areas. Not a penny is expected to be spent before late 1976, I am advised. And, UMTA is attempting to lay the blame for this footdragging on a bill now being considered in the Senate Banking and Currency Committee.

UMTA is no doubt taking its cue on this maneuver from the Federal Highway Administration which dawdled on the rural public transportation demonstration program until a liberalizing amendment was adopted, and then has used that to dawdle some more to avoid spending money to research and develop people transportation programs in the countryside.

In addition, UMTA's record for sensitivity and responsiveness under authority enacted prior to the 1974 law to nonmetropolitan area public transportation needs is miserable. Data available to me indicates that in fiscal year 1972 UMTA spent only 1.5 percent of its millions in nonmetropolitan areas. This figure went up all the way to 4.3 percent in fiscal year 1973. Then last year UMTA spending in nonmetropolitan areas nosedived to 2.7 percent of its development influencing outlays.

Now, when we were having hearings on this appropriations request UMTA told us that nonmetropolitan areas get only a smidgen of the public mass transportation millions because so few apply for aid. At the same time, UMTA said the same grant application redtape is required to nonmetropolitan areas as of metropolitan areas. This bureaucratic attitude exemplifies an appalling lack of understanding of the facts of life in nonmetropolitan areas and, unhappily, is not unique to UMTA. But, the fact that UMTA has company in its bad policy decisions is not an excuse for failing to mend its ways. I will be keeping an eye cast in their direction in the hope that they will improve their performance in so far as nonmetropolitan areas are concerned.

There is one final aspect of this bill I would like to mention. During consideration in full committee my esteemed and knowledgeable colleague from Mississippi (Mr. WHITTEN) proposed and the committee agreed that $10 million be added to this bill for use under the recreation area highway program authorized under section 155, chapter I, title 23 of the United States Code.

This is a modest sum. But these dollars can be very important to our national efforts to increase and improve access to public recreation areas. I was pleased to associate myself with this provision in full committee and am glad of an opportunity to mention its existence during this debate.

Mr. CONTE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before I begin to review the bill I would like to express my satisfaction for the manner in which the committee worked so closely together to prepare the bill, especially the wonderful relationship I have had with the chairman of the subcommittee, the gentleman from California (Mr. McFALL). Ever since I have been on this committee as the ranking Republican, the chairman of the subcommittee and I have worked not on a partisan basis but as a team hopefully for the betterment of the transportation system in the United States.

Also, we have been very fortunate in having an excellent team of counsel on our staff, headed by Tom Kingfield and the others who have done just a remarkable job in keeping us informed and working with us to bring this bill before the House.

During the last few weeks, we listened to both sides of the aisle speak of fiscal responsibility and fiscal restraint. Nevertheless, we were presented with bills often as much as $1 billion in excess of the budget. The bill we have here is a welcomed change.

I would first like to give a rundown of the general appropriation statistics in this bill. First, H.R. 8365 provides $3,744.4 million in new obligational authority. This figure is $220.6 million below the budget estimate. Further, this recommendation is only $25.9 million above the fiscal year 1975 level.

I am most pleased to advise that the budget cuts recommended by the committee were closely scrutinized to assure that none of the essential activities or programs at DOT or the related agencies would be affected.

I should now like to make a brief review of the provisions in this bill.

Title I provides $3,410.7 million for the Department of Transportation. This represents $219.1 million below the administration request.

Under the Office of the Secretary, the committee recommends $61.3 million. Of this amount $32.5 million is available for salaries and expenses of the Department. Incidentally, this provision recommends 32 additional positions which will be used predominantly in the area of environment, safety, and consumer affairs. The committee cut $8 million from the transportation planning, research, and development because of DOT duplication of programs being developed by the Energy Research and Development Administration and other Federal agencies.

The committee recommends $1,049.9 million for Coast Guard activities in fiscal year 1976. This figure represents an increase of $118.3 million above the fiscal year 1975 level. The bill provides $115.6 million in retired pay for 16,500 personnel, $31.2 million for Coast Guard Reserve training and $18.6 million for Coast Guard research, development, test and evaluation activities.

I could not agree more with the chairman. There is no finer agency in the Federal Government than the U.S. Coast Guard. It has been my privilege since coming to the Congress to serve on the Appropriations Committee for 17 years. I served first when the Coast Guard was under the Treasury Department, and then when the Coast Guard was transferred over to DOT I transferred from that subcommittee which was handling the Treasury Department over to the DOT subcommittee so I could be with the Coast Guard. There is no finer outfit. Down through many years the Coast Guard was something like a stepchild of the U.S. Government. It got all the hand-me-downs from the Navy and the Air Force. If the Navy had an old helicopter they did not want, they would give it to the Coast Guard. If the Navy had an old destroyer or an old destroyer escort they did not want, they would hand it down to the Coast Guard. But beginning with the former chairman, Vaughan Gary of Virginia, who also had a deep love and affection for the Coast Guard, we began to provide the Coast Guard with new equipment, with new helicopters, with new airplanes, with new ships, so that today we can be proud to say the Coast Guard is outfitted as well as anyone of our other branches of the service, and rightfully so because I have never found a group of men more dedicated than those who serve in the Coast Guard.

Also, the chairman mentioned the dual purpose that we have given the Coast Guard in time of peace. That was something that I conceived many years ago, being on the Treasury Committee when we were handling the Coast Guard budget. At that time I came up with the idea that many of the Coast Guard reserves should be doing more than going to weekly reserve meetings, that they should be given a peacetime purpose. I felt that in time of flood, disaster, hurricane, or tornado, the Coast Guard could be called in and put to use in helping people to be evacuated from the area and bringing their ships and boats and helicopters to a particular area and helping people in times of distress.

I might say, it has worked out very well. I am very pleased. Recently, after the severe hurricanes we had in Mississippi, the Coast Guard came in and did a very commendable job.

One of the largest provisions in the bill is the recommendation to provide $1.6 billion for the Federal Aviation Administration program. This figure represents a $115.1 million decrease from the funding level in fiscal year 1975.

The FAA budget was prepared in anticipation of an 8-percent increase in revenue passenger miles. Actually, there was a sharp decrease in revenue passenger miles over the past year. A substantial amount of new positions were required for fiscal year 1976. Because of newly commissioned facilities and an expected increase in passenger miles, the committee recommends approximately two-thirds of the additional 1,356 man-years.

I might mention with regard to the FAA that this year's presentation was one of the finest presentations that our subcommittee ever heard from FAA. As we know, the office of the Administrator of the FAA has been vacant now for some months and the Acting Administrator, Mr. James Dow, has taken over the FAA activities. He came before the committee and received the plaudits of all the members. The chairman of the committee, myself, and all the members agreed this year was one of the finest presentations that FAA ever made before our committee.

The bill also provides $66.8 million for the National Highway Traffic Safety Administration, which is approximately $5.3 million below the budget estimate. Reductions were made among various nonessential research programs. The committee is satisfied that none of the cuts will affect the basic programs and objectives of the National Highway Traffic Safety Administration.

For the Federal Railroad Administration, the committee recommends $529.4 million in fiscal year 1976. This figure is approximately $68.1 million below the budget request. Of the total funds, $438.8 million has been made available to the National Railroad Passenger Corporation—Amtrak. The committee recommendation for Amtrak is $21.2 million below the request. The reduced level of funding is in anticipation of lower cost levels in fiscal year 1976.

I might mention here that Mr. Hall who is Acting Director of the Federal Railroad Administration came up before our committee and made the presentation this year as the Acting Administrator and did an outstanding job. These two men, I believe, did one of the finest jobs we have had presented before the subcommittee.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am happy to yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, I am just delighted to agree with the gentleman concerning his comments about Mr. Dow and Mr. Hall. They have done an excellent job and I certainly agree that they ought to be continued as administrators, both in practice and in title.

Mr. CONTE. I could not agree with the gentleman more. The Federal Government and the administration certainly would do well to keep these men in office in their present positions, because I feel that they not only would do well for the morale of the agency, but they are capable men, some of the finest men we have had come before the DOT Appropriations Subcommittee.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Chairman, I would like to join with the gentleman in his recommendation of keeping Mr. Dow in FAA as the top man. Prior to coming to this body, I was a consultant in aviation, and I have seen Mr. Dow's work for many years.

I know of no individual anywhere in this country who would be better qualified to be Administrator of the FAA than Jimmy Dow.

Mr. CONTE. I appreciate the remarks of the gentleman from Texas.

Mr. Chairman, H.R. 8365 provides $59.3 million for the Urban Mass Transportation Administration which is $23.8 million below the budget request. I note with pleasure that the committee recommends that none of the $8.5 million requested for the Denver PRT—Personal rapid transit—be provided. It is the opinion of the committee that projects such as this must be thoroughly developed at our Pueblo, Colo., test site before placed in an urban environment. We learned this sad lesson from the Morgantown, W. Va., PRT fiasco. I had criticized the Morgantown project from its inception for this reason and other reasons set out in my minority views in the report accompanying H.R. 8365.

Title II of this bill provides $333.7 million for the various transportation related agencies.

With regard to the Morgantown PRT there is not very much I can say for it. I have written minority views in the report accompanying this bill concerning the Morgantown fiasco. Many Members have called me and asked me if I was going to offer an amendment today to cut it out. Actually, it is a fait accompli. It would not do very much if I did offer this amendment, even if I won, because UMTA has already agreed now to go ahead on completion of the PRT system at Morgantown.

Just to refresh the memory of the Members on the Morgantown PRT, the original estimate for this project was $13½ million from the Federal Government. Thus far, this Government has spent $63½ million for this program.

The original estimate for operating expenses was $700,000 per year. It is now clear that the expenses for operating will run over a million dollars per year. I have said many times that instead of spending this money at Morgantown, we should have given each student at Morgantown at least one golf cart, maybe two golf carts and maybe even three golf carts. Before this project is completed, it will cost over $100 million and I feel we will get very little benefit from it whatsoever.

What happened here is that we went ahead with an experimental program to set up this PRT system in Morgantown. Once we got in there with an experimental system, then we were locked in. We got into the position where the head of the university said to us, "You either finish this thing or come in and dynamite the guide rails, the cement guide rails and take it out." That was the predicament the Federal Government found itself in.

That is why the chairman and myself and other Members of the committee feel so strongly that if we are ever going to get into these things again, we should do them at Pueblo, Colo., test it out, and if it works out, then we can give a demonstration grant to one of our large cities.

For the National Transportation Safety Board, the bill provides $11.1 million for fiscal year 1976. The committee recommendation represents $935,000 above the budget request. These additional funds are provided in light of NTSB's new status as an independent agency and their increased legislative responsibilities.

The $79.7 recommended for the Civil Aeronautics Board represents approximately $19 million for salaries and expenses, and approximately $60.7 million for subsidy payments to qualifying aircarriers. The recommended funding level will allow CAB 30 additional positions.

I am pleased to note that the Civil Aeronautics Board is considering a trial deregulation of interstate air fares. It is my hope that the Civil Aeronautics Board will implement such a program. One of the major criticisms of the CAB is the fact that they are responsible for the continuing rise in air fares. Perhaps this trial will be the beginning of a new era in Federal regulation of transportation.

The bill provides $49.1 million for the Interstate Commerce Commission. The funding level will allow the Commission an additional 40 positions to aid with the increasing caseloads.

The Interstate Commerce Commission has continually been criticized for their tremendous backlogs in casework. It is my hope that these additional positions will enable the ICC to remedy this situation.

The committee recommends $62 million for the Panama Canal Zone Company and Government. This figure represents $7.4 million below the fiscal year 1975 level. The committee is satisfied that the cuts will not affect either the satisfactory operation of the canal or the local government.

The committee approved $10 million for the U.S. Railway Association. This depletes the authorized funding level for this Agency. The committee is satisfied that these funds, along with $5 million in emergency funds provided in the second supplemental for 1975, will enable USRA to complete its statutory responsibilities under the Regional Rail Reorganization Act of 1973.

Finally, the committee recommends $121.8 million for the Washington Metropolitan Area Transit Authority—WMATA. Of this total, $99.6 million represents the Federal contribution to the system.

Fellow Members, as you can see—the committee worked hard to report a bill that would both answer the transportation and safety needs of all Americans as well as exercise fiscal restraint and responsibility.

I strongly urge my colleagues to support this bill.

Thank you, Mr. Chairman.

Mr. McFALL. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. KOCH).

Mr. KOCH. Mr. Chairman, I thank my chairman for yielding me this time, and I also want to take this opportunity to thank him for the many kindnesses and courtesies he has extended to me personally on that committee and to tell him how much I appreciate serving with him on that committee.

In the course of the amending process, I will be offering an amendment. I am not going to take the time in general debate to go over the arguments, which obviously will be forcefully advanced by myself and others at that time, and I am sure strenuously opposed by others, and therefore I do not think I should impose on those of our colleagues now present the burden of hearing the same debate twice.

So, what I really want to do is simply make a few general points and not get into the specifics of my amendment, which will be an amendment to roll back the truck weights to their December 31, 1974 limits; to wit, from 80,000 pounds to 73,280 pounds.

My amendment is, in fact, simply just that—going back to the old law.

I want to point out that what it would do is give those few States—and there are some, approximately 20—the opportunity between now and the time their next legislature meets, and 30 days after that, within which the comply with my amendment, if it were to become law, without losing any benefits, without losing any moneys, if they do so.

If, on the other hand, after the legislatures had met and they decided that they still wanted to have the larger weight over and above the 73,280, then they would not be able to participate in the Federal payments made to the interstate system then unobligated for the balance of the fiscal year.

I call that to the Members' attention because there will be a number of arguments in opposition. I know they will be advanced with good faith, but they are spurious—not intentionally, I am sure, but they are spurious—that in some way or another States will be receiving competitive advantages one over the other that did not exist before. They may even be some comments about my own State, and I am happy to meet that issue—because it is not a problem—when that matter is raised, if it is. But the arguments which I will explore with the Members at a later time in the amending process relate as to why it is an absolute outrage that we have permitted those weights to be increased and the way it was done. I ask the Members during the course of the next several hours to do several things in order to acquaint yourselves with information which they might not now be privy to, and based on that information I am convinced that the Members will concur with my amendment.

Firstly, I ask the Members, during the course of the debate, to go outside into the Speaker's lobby, and you will see three charts there. Those charts relate to danger and cost. Danger and cost.

Take a look at them. The danger of additional debt arising from the increased weights, the direct correlation that exists, and the additional costs of multimillions of dollars to the cities, counties, and States of this country. The charts are out there. Take a look at them.

Secondly, I ask the Members to look at the committee's report and the supplemental views which I have filed. They will give you in detail the technical reasons which are not so easy to explain on the floor in the brief moments that are allotted for introducing an amendment. So please read that.

And I ask the Members to do something else. The Members received, I know, from the distinguished Committee on Public Works a letter dated July 8, 1975, in which that committee marshaled the arguments that it believes in good faith merit your opposing my amendment. I have responded to each of those arguments in a letter dated July 9, 1975, which was sent by inside mail and which is on your desks in the office, but I will have a supply here for you to look at during the course of debate.

I am appending the three documents I referred to.

Mr. Chairman, I am convinced that when the Members read the supplemental views, when they read the public works letter in opposition, and when they read my response, they will concur with me that there is no question but that there should be a rollback, and that this House ought to take that action today.

The material follows:

Supplemental Views of Representative Edward I. Koch

On August 20, 1974, the House adopted an amendment to the Federal Mass Transportation Assistance Act, 252–159, to strike a proposed increase in truck weights. However, on December 16 and 18, in the closing days of the 93rd Congress, the Federal Aid Highway Act Amendment was brought to the floor under suspension, thereby precluding amendments, which included a provision increasing allowable truck weights from 73,280 to 80,000 lbs. and increasing single and tandem axle weight allowances by 2,000 lbs. to 20,000 and 34,000 lbs., respectively. Neither house had a chance to consider increased truck weights as a separate issue in this vote. Members were forced to take or leave the entire bill, which had several good provisions, including a national 55 mile-per-hour speed limit.

Repeal is supported by the following professional organizations for safety, cost, and procedural reasons: the National Society of Profession Engineers, the American Society of Civil Engineers, the National Association of Counties (state, county, and local governments, not the federal government, must pay the increased highway maintenance costs), the National Highway Safety Advisory Committee (chartered by Congress to advise the Department of Transportation), the American Automobile Association, the Professional Drivers' Council for Safety and Health, the Association of American Railroads, the Brotherhood of Railway, Airline, and Steamship Clerks (AFL–CIO), and many others.

I intend to offer an amendment which would reduce the gross weights permissible on the Interstate System back to 73,280 lbs., and single and tandem axle weights to 18,000 and 32,000 lbs. So that the states which have enacted higher weight laws since the passage of PL 93–643 will have full opportunity to receive funds, the amendment includes a 30-day period after the first day of the next regular session of a state's legislature for states to bring weights back down. We have been informed by the House Parliamentarian in a preliminary ruling that the amendment is both germane and not subject to a point of order because it is a limitation and not legislation.

A summary of the main arguments concerning the need for lower truck weights follows below, drawn from testimony during the House Appropriations Transportation Subcommittee hearings and elsewhere.

SAFETY

Testimony of Doctor James B. Gregory, Administrator of the National Highway Traffic Safety Administration, before the House Appropriations Transportation Subcommittee on March 21, 1975 revealed:

"As you build up the weight of the trucks, you find the fatality probability continues to increase with the weight of the trucks. The probability of a fatality occurring in a collision between an automobile and a large truck, defined roughly as a truck in excess of a 10,000 lb. gross vehicle, is 10 to 1 (compared with lighter vehicles)."

While trucks are involved in fewer accidents than cars, the fatality rate, especially for the heaviest trucks, is far greater. Dr. Gregory admitted that, "From the standpoint of the chances of fatality, I was dead wrong," in his earlier view that the fatality rate for automobile passengers involved in truck-car collisions would be similar "whether it (the truck) weighs 70,000 pounds or 80,000 pounds." In a March 11, 1975 study, the National Highway Traffic Safety Administration concluded, "The number of nontruck fatalities per 100 car-truck accidents (based on a sample of 13,176 accidents) increases at the rate of 1.1 for each 10,000 pound increase in the loaded weight of the truck."

According to 1971 and 1972 Department of Transportation and Bureau of Motor Carrier Safety reports, large trucks have a fatal accident involvement rate of almost twice that for all motor vehicles. The fatality rate in accidents involving large trucks (Class I and Class II intercity carriers of property) in 1972 was 8.15 fatalities per 100 million vehicle miles of travel.

NHTSA testimony on March 24, 1974, before the Senate Public Works Committee, revealed that the 10% weight increase permitted by the law as passed would reduce the speed of the best performing trucks to 26–28 mph on hills where cars can easily maintain 55 mph (almost a 30 mph differential in speeds). According to reports by DOT, such wide differences in speed greatly increase the likelihood of accidents. The accident rate jumps 200 times—from 50 to 100 per million vehicles miles where traffic speed is uniform, to 10,000 per 100 million vehicle miles where a 30 mph speed differential exists. This danger from the heavier weights increases even more when poor visibility weather conditions prevent early recognition of the speed differential of slower trucks, or when the normal passing lane is not available for use, as in going around a curve.

According to the same NHTSA testimony, the chance of collision when trucks overtake cars on two-lane roads is four or five times greater than when cars pass trucks. Under the national 55 mph speed limit, the likelihood that the overtaking vehicle will be a truck—now, a dangerously heavier truck—is considerably higher than when truck speed limits were held to 5 or 10 mph below passenger cars.

BRAKE STANDARDS AND SAFETY STUDIES

"The stopping distance will be longer if you use the same brakes with a heavier weight," according to NHTSA testimony before the House Appropriations Transportation Subcommittee on March 21, 1975. NHTSA elaborated, "Everything being equal, the heavier truck will experience a greater fade problem than one of lighter weight."

In response to a request for information concerning any studies it may have conducted to determine the impact of the new weights on braking capacity, the National Highway Traffic Safety Administration of the Department of Transportation responded that it "has not made any such studies because of the absence of a requirement for their conduct in support of our motor vehicle rule making program." On Dec. 2 and 13, 1974, DOT issued two contract proposals for studies, one on "accident topology of larger trucks", the other relating to "the effect of larger trucks on traffic operations and their relationship to highway safety." On March 10, 1975 DOT told the House Appropriations Transportation Subcommittee that "these submissions are in a contracting process and have not yet been let." In the absence of such information, it was ill-conceived of DOT to support heavier truck legislation. Professional driver organizations oppose the heavier weights for such safety reasons.

Particularly disturbing is the fact that the heavier truck weights are allowed on both new trucks with the new, safer "121" brake standards, and pre "121" vehicles. The 121 brake standards apply only to new trucks, but old ones are still allowed on the roads carrying the new weights.

Driver safety organizations also point to blowouts, steering, acceleration, and maneuverability, and other factors as far more difficult and dangerous when driving the heavier trucks.

HIGHWAY DAMAGE

The $27 million American Association of State Highway Officials 1958–60 Road Test, the study which formed the basis for construction of the Interstate System, showed that a 2,000 lb. increase in single axle loads from 18,000 to 20,000 lbs, as now permitted in PL 93–643, brings about a 57% increase in wear and tear on pavement attributable to the movement of the heavier trucks. The same study revealed that an increase from 32,000 to 34,000 lbs. for tandem axles, as in the new law, brought about a similar increase of 33%.

American Association of State Highway and Transportation Officials, in testimony before the Senate Public Works Committee on February 21, 1974, confirmed that these weight increases could mean "an average loss of the remaining life of a facility of between 25 to 40%".

Subsequent to passage of PL 93–642, Federal Highway Administrator Norbert Tiemann stated in a speech that the highways in this country are wearing out at a rate 50% faster than they can be rebuilt. Where, then, is the logic of further accelerating their deterioration by permitting these increases in axle loads?

COST

On April 8, 1975, DOT provided the Appropriations Transportation Subcommittee what the Department called "a very conservative estimate" of an up to $100 million annual cost increase for maintenance due to the new weights. This figure was broken down into $34 million for state-administered highways, $30 million for counties, and $24 million for cities.

Even more staggering is DOT's cost projection for providing a complete road system capable of accommodating the higher weights at *$2.4 billion*. This figure, presented to the Senate Public Works Committee on February 20, 1974, represents:

"the increase in investment required to build a road system designed to accept maximum single and tandem axle gross loads of 20,000 and 34,000 pounds, respectively (as in PL 93–643) for 20 years, instead of one designed to accept existing gross axle loads of 18,000 and 32,000 pounds."

BRIDGE DAMAGE

The American Society of Civil Engineers' National Board of Directors on October 20, 1974 recommended:

"From an engineering point of view, no increase in vehicle size should be permitted until existing structures are put in order and the true effects of increased vehicle size on underground utilities are evaluated."

According to an ASCE position paper, "89,000 of the nation's 563,000 bridges are in critical condition," with "24,000 of the 89,000 on the federal highway system. Of the total of 563,000, ASCE reports, "407,000 bridges were built prior to 1935" at a lighter design load than currently required.

The National Society of Professional Engineers adopted a similar proposal recommending that Congress reconsider its action when its Board of Directors met in January, 1975.

These two societies represent essentially all of the civil and structural engineers in this country. Yet DOT Secretary Coleman testified before the House Appropriations Transportation Subcommittee on March 10 that most bridges "are capable of routine handling of the new weights."

NSPE and ASCE have pointed to examples like the Silver Bridge over the Ohio River at Point Pleasant, West Virginia, where an increase in pulsating live load, coupled with the steady dead load, caused a sudden collapse and the death of 46 people. Though sudden in its tragic culmination, the process took 30 years. The National Society of Professional Engineers argues that this may occur "even more frequently with the heavier axle loads in trucks allowed" in PL 93-643.

THE "TOLERANCE" ISSUE

The Federal Highway Administration told the House Appropriations Transportation Subcommittee on May 5, 1975 that the former truck weight law (23 U.S.C. 127) allowed "an up to 10% administrative tolerance". However, the word" tolerance" did not even appear in the old law, and the gross weight was established inclusive of any tolerance which a state chose to allow. A table of state weight limits in the American Trucking Association's own magazine, *Transport Topics* (Oct. 14, 1974, appended) clearly indicates that only seven states permitted a tolerance factor, which when added to the allowable weight in those states did not exceed the national limit of 73,280 lbs. in six of the seven states. Only one state, Ohio, was slightly above, and this was permitted because of "grandfathering" in the 1956 law.

While the Federal Highway Administration's testimony referred only to gross weight tolerances, even if the separate issue of axle tolerances is considered, only 12 of the 50 states allowed such axle weight tolerances to exceed the old law's limits, permissible only because the 1956 law allowed a state's rules in effect at that time to remain in effect. Yet PL 93-643 permitted increases in all 50 states. Our amendments would simply return the weights, tolerances, and grandfathering to the limits that the House confirmed on August 20, 1974.

THE EFFECT OF HEAVIER TRUCKS ON RAILROAD FREIGHT

An Association of American Railroads' study of May 16, 1975 reports that approximately 75% of rail traffic is truck-competitive. That is, approximately 75% of their $16 billion freight market is subject to truck diversion. Because of the higher truck weights, AAR projects an average reduction of 3 to 4% in what railroads could otherwise charge on twelve billion dollars of business, a reduction in their net revenue of 4 to 5 hundred million dollars per year.

It is generally recognized that the nation's railroads are already in serious difficulty. AAR estimates that to replace the railroads' capital and improve their maintenance, more than four billion dollars is needed. The truck weight legislation, by taking perhaps another half billion out of their incoming net revenue, will make their nearly untenable situation significantly worse.

STATE WEIGHT LIMITS AS OF SEPTEMBER 1974

[Prior to enactment of Public Law 93-643]

State	Single axles		Tandem axles		Gross weight	
	Interstate system	Other highways	Interstate system	Other highways	Interstate system	Other highways
Alabama	[4] 19,800	Same	[4] 39,600	Same	73,280	Same
Alaska	X	20,000	X	34,000	X	117,000
Arizona	18,000	Same	32,000	Same	76,800	Same
Arkansas	18,000	Same	32,000	Same	73,280	Same
California	18,000	Same	32,000	Same	76,800	Same
Colorado	18,000	Same	36,000	Same	76,000	85,000
Connecticut	[1] 22,848	Same	[1] 36,720	Same	[10] 73,000	Same
Delaware	20,000	Same	36,000	Same	73,280	Same
District of Columbia	22,000	Same	38,000	Same	73,280	Same
Florida	[4] 22,000	Same	[4] 44,000	Same	[4] 73,271	Same
Georgia	[5] 20,340	Same	[5] 40,680	Same	73,280	Same
Hawaii	24,000	Same	32,000	Same	80,800	Same
Idaho	18,000	20,000	32,000	34,000	76,800	105,500
Illinois	18,000	Same	32,000	Same	73,280	Same
Indiana	18,000	Same	32,000	Same	73,280	Same
Iowa	[2] 18,540	Same	[2] 32,960	Same	73,280	Same
Kansas	18,000	20,000	32,000	34,000	73,280	85,500
Kentucky	[3] 18,900	[3] 21,000	[3] 33,600	[3] 35,700	73,280	82,000
Louisiana	18,000	Same	32,000	Same	73,280	Same
Maine	22,000	Same	32,000	[9] 42,000	73,280	[9] 100,000
Maryland	22,400	Same	40,000	Same	73,280	Same
Massachusetts	22,400	Same	36,000	Same	73,000	Same
Michigan	18,000	Same	[8] 26,000	Same	+*	Same
Minnesota	18,000	Same	32,000	Same	73,280	Same
Mississippi	18,000	Same	32,000	Same	73,280	Same
Missouri	18,000	Same	32,000	Same	73,280	Same
Montana	18,000	‡20,000	32,000	‡34,000	76,800	†105,500
Nebraska	[3] 18,900	[3] 20,000	[3] 33,600	34,000	[2] 73,280	$95,000
Nevada	18,000	‡20,000	32,000	‡34,000	76,800	†128,250
New Hampshire	22,400	Same	36,000	Same	73,280	Same
New Jersey	[3] 23,520	Same	[3] 33,600	Same	73,280	Same
New Mexico	21,600	Same	34,320	Same	86,400	Same
New York	22,400	Same	36,000	Same	71,000	†80,000
North Carolina	[7] 19,000	Same	[7] 38,000	Same	[3] 73,280	[3] 79,800
North Dakota	18,000	20,000	32,000	34,000	73,280	82,000
Ohio	19,000	Same	32,000	Same	[3] 78,000	Same
Oklahoma	18,000	20,000	32,000	34,000	73,280	90,000
Oregon	18,000	†20,000	32,000	†34,000	76,000	†105,500
Pennsylvania	[2] 23,072	Same	[2] 37,080	Same	†73,280	Same
Rhode Island	22,400	Same	36,000	Same	73,280	Same
South Carolina	20,000	Same	32,000	[4] 39,600	73,280	Same
South Dakota	18,000	20,000	32,000	34,000	73,280	95,000
Tennessee	18,000	Same	32,000	Same	73,280	Same
Texas	18,000	Same	32,000	Same	72,000	Same
Utah	18,000	†20,000	33,000	†34,000	79,900	†125,000
Vermont	22,400	[3] 23,520	36,000	Same	73,280	Same
Virginia	18,000	20,000	32,000	34,000	70,000	76,000
Washington	18,000	†20,000	32,000	†34,000	76,000	†101,500
West Virginia	[3] 18,900	Same	[3] 33,600	Same	73,280	Same
Wisconsin	[6] 19,500	Same	32,000	Same	[3] 73,000	Same
Wyoming	18,000	20,000	36,000	Same	73,950	101,000

[1] Includes 2 percent tolerance.
[2] Includes 3 percent tolerance.
[3] Includes 5 percent tolerance.
[4] Includes 10 percent tolerance.
[5] Includes 13 percent tolerance.
[6] Includes 1,500-lb tolerance.
[7] Includes 1,000-lb tolerance for each axle.
[8] On designated highways, 1 pair of tandems permitted 32,000 lb. However, 2 pairs of 32,000-lb tandems permitted when gross weight does not exceed 73,280 lb.
[9] Subject to referendum.
[10] Plus 3-percent tolerance to 73,280 lb maximum.

*Practical max mum of 73,280 lb on typical 5-axle tractor semi-trailer combination.
†By special permit for regular operations.
$By long-term permit.
X=No interstate.
+=Sum of axles.

Note: Compiled by Department of Research and Transport Economics, American Trucking Associations, to show current State axle and gross weight limits on interstate and other highways. The table is footnoted to give the tolerances, exceptions, and regular permit operations on a State-by-State basis. From "Transport Topics," Oct. 14, 1974.

The Congress must be concerned with a strong, balanced transportation system, and rail freight is a major part of this system.

IMPACT BEYOND THE INTERSTATE SYSTEM

Some key proponents of the heavier truck law have said that "all the law did was say that the bigger trucks could go on the interstate roads in those states where they are permitted on the intrastate highways," and that the bill has not "encouraged the construction of heavier trucks that place a bigger strain on the nation's highways."

These are great misconceptions or misstatements of fact. PL 93-643 allows *all* states to increase gross weights on the Interstate System to 80,000 lbs., and single and tandem axle weights to 20,000 and 34,000 lbs., regardless of the state's local highway limits. In fact, state legislatures will now more likely be faced with pressure from shippers and truck owners to increase not only the Interstate limit, but the intrastate limit as well in order to match it. In spite of Federal Highway Administrator Norbert Tiemann's assurance to the Senate Public Works Committee in February, 1974 that he didn't "think the states will be under a great deal of pressure to increase weights", the American Trucking Association and its state affiliates have been working in numerous states seeking larger and heavier trucks.

In addition, it is unrealistic to assume that an 80,000 lb. truck will never leave the Interstate System in a state for eating, sleeping, loading, unloading, or some other purpose. When the gross limits were raised to 80,000 lbs. and the axle limits by 2,000 lbs., the leap-frog, two-tiered system of truck weights was further perpetuated.

Ironically, one of the reasons given to the Congress by DOT and others in support of the increase was to seek uniformity among the states that permitted heavier weights on their own highways. But in all of the state legislatures that have been presented with truck weight increase proposals, not one bill would limit the increased weights to Interstate highway systems only.

What is needed is a uniform national weight system for all Federal Aid Highways, not just the Interstates. However, in the absence of this policy, the new Interstate limits should be brought back down to where the House *voted* them on August 20, 1974.

EDWARD I. KOCH.

COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION,
Washington, D.C., July 8, 1975.

DEAR COLLEAGUE: We of the Committee on Public Works and Transportation earnestly ask you to join us in defeating a mischievous amendment relating to truck weights which Mr. Koch of N.Y. has announced that he will offer when the Department of Transportation Appropriations bill is considered this week.

Wholly aside from the fact that it is an obvious effort to enact legislation on an appropriations bill, the Koch amendment if adopted would injure numerous States and play havoc with the orderly flow of transportation throughout the country.

Those of us who serve on the legislative committee which has held numerous hearings and had this entire matter under careful analysis and review for the past 19 years urgently request your serious and thoughtful consideration of the following facts:

1. The Koch amendment would place a clear majority of the States in jeopardy of losing their Federal highway money. It would force a majority of States to change State laws in order to qualify for funds in the current fiscal year's appropriation.

2. The Koch amendment would require 37 of the States to enact lower and more restrictive weight limits on their very best highways (their sections of the Interstate) than those States legally allow on their lesser highways.

3. In Mr. Koch's own State of New York, loads of up to 105,000 pounds are legally permitted on certain highways. His amendment would require them to reduce this by about 30%—to 73,000 pounds on every segment of the Interstate.

4. The Koch amendment would have absolutely no beneficial effect on highway safety. It would *not* result in *smaller* trucks. It would result in *more trucks* on the road, since it would force many thousands of trucks to run *part empty*. If adopted, it would require *eight* trucks to carry the cargo which presently can be transported by *seven* in most of the country.

5. This obviously would force a *needless waste* of productive capacity, a needless *waste of fuel*, and a needless *increase* in transportation costs which undoubtedly would be passed on to the consumers of every transported commodity including food.

6. Please bear in mind that *nothing* in the present law *requires* any State to allow any limit above 73,000 pounds. Every State may enact as low a limit as it deems prudent and necessary for its own roads. Highway density, weather and topography vary widely throughout the country. The States clearly deserve a greater flexibility than Mr. Koch would permit them.

7. The provisions in the present law are supported by the Federal Energy Administration, the Federal Highway Administration, the Department of Transportation, and AASHTO (the American Association of State Highway and Transportation Officials).

Mr. Koch undoubtedly means well. But his appeal is quite superficial and fundamentally emotional. We are convinced that it has no rational basis. On the contrary, it could result in great unintended difficulty for the States and our nation's highway and transportation programs.

Sincerely,
ROBERT E. JONES,
Chairman,
WILLIAM H. HARSHA,
Ranking Minority Member, Committee on Public Works and Transportation.
JAMES J. HOWARD,
Chairman,
Subcommittee on Surface Transportation.
E. G. (BUD) SHUSTER,
Ranking Minority Member.
JIM WRIGHT,
Chairman,
Subcommittee on Investigations and Review.
JAMES C. CLEVELAND,
Ranking Minority Member.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 9, 1975.

DEAR COLLEAGUE: We know you are waiting with bated breath for our response to the recent letter of the Public Works and Transportation Committee urging the defeat of what they refer to as a "mischievous amendment relating to truck weights." Let us first give some background as to how we are where we are.

In August, 1974, the House by a vote of 252–159 defeated the attempt of the Public Works Committee to increase the then existing Interstate Highway truck weight limitation of 73,280 pounds. The Public Works Committee then undid that decisive vote through the use of flawless parliamentary procedures in December, 1974, by preventing any vote from taking place and through those same procedures, increasing truck weights to the new 80,000 pounds.

The Appropriations bill which we are considering on Thursday is an appropriate vehicle to seek the vote which the Public Works Committee denied to the House through its parliamentary devices last year. Legislation is not involved in this amendment. The amendment simply places a limitation on how the funds being appropriated may be used. Therefore, we can start from the premise that this amendment is doing what is perfectly appropriate to appropriation measures.

Having disposed of the "mischievous" charge, let us now address ourselves to the substantive allegations. First, we urge you to read the supplemental views which discuss in detail all of the reasons why a rollback in truck weights to the heretofore 73,280 pounds allowed is in the national interest. Those supplemental views are to be found in the Committee report which is now in your office. These same views will also be found in the *Congressional Record* of June 19 on page H 5804.

There are two fundamental aspects about this amendment that should be understood. The amendment will *not* reduce truck weights allowable on Interstate Roads prior to December 1974, including weight limits higher than the 73,280 lb. limitation allowable under the original law's grandfather clause. Second, the amendment does not affect higher weights allowed on non-interstate roads approved by state law either before or after December 1974.

Now, let us address ourselves to the arguments posed in the letter of our friends on the Public Works Committee.

1. The Koch amendment would place a clear majority of the States in jeopardy of losing their Federal highway money. It would force a majority of States to change State laws in order to qualify for funds in the current fiscal year's appropriation.

Answer. Not true. At the present time, according to the Library of Congress, less than 20 states have actually passed legislation to increase the weights allowable. Twelve states have rejected such legislation. The fact is that this amendment is absolutely necessary now in order to avoid a situation where state legislatures under the pressures of the truck lobby which, believe us, you and we know are enormous, pass legislation increasing the states' weight limits. We cannot wait until the next highway bill comes up to offer an amendment restoring the old limit. The pleas made today that states have already implemented the weight increases will only be louder tomorrow. In short, if we wait, we will find ourselves in the position of the magistrate confronted by the defendant who has killed his parents and pleads, "Have mercy, your honor, I am an orphan." In other words we want to avoid a situation where the plea is made at a later time, that most of the states have already taken irrevocable action and therefore, require a merciful response by the Congress.

2. The Koch amendment would require 37 of the states to enact lower and more restrictive weight limits on their very best highways (their sections of the Interstate) than those states legally allow on their lesser highways.

Answer. Not true. According to the American Trucking Association's own figures (their chart appears in our supplemental views), even before the enactment of the higher interstate limits in December, only 19 states allowed higher weights on their own non-interstate (primary) highways and 7 of the 19 allowed the heavier weights by special permits. The fact is that some of those highways pay for themselves, not out of the public treasury. The more basic fact is that as is the case in so many areas, state legislatures are not able to resist the lobbying pressure that the Congress has resisted on so many occasions and should on this occasion as well.

3. In Mr. Koch's own State of New York, loads of up to 105,000 pounds are legally permitted on certain highways. His amendment would require them to reduce this by about 30%—to 73,000 pounds on every segment of the Interstate.

Answer. Not true. We wish it were because then we could have the additional argument that one of us was asserting a point of view which notwithstanding its adverse impact on his own state, is worthwhile asserting because of the national interest. However, the fact is that the State of New York has not adopted legislation permitting an increase in weight on the interstate highway over the current 71,000 pound limitation. It is true that the primary non-interstate system is under a temporary permit granted by the prior Governor allowing increased truck weights. But again, this does not apply to the interstate system.

4. The Koch amendment would have absolutely no beneficial effect on highway safety. It would not result in smaller trucks. It would result in more trucks on the road, since it would force many thousands of trucks to run part empty. If adopted, it would require eight trucks to carry the cargo which presently can be transported by seven in most of the country.

Answer. Not true. The most damaging statement made by the Department of Transportation, actually helpful to this cause, is that of Director James B. Gregory, Administrator of the National Highway Traffic Administration, who testified before the Transportation Appropriations Sbcte. on March 21, 1975. In response to a question I posed, Mr. Gregory said, "From the standpoint of the chances of fatality, I was dead wrong." referring to his earlier view that the fatality rate for automobile passengers involved in truck-car collisions would be similar "whether it (the truck) weighs 70,000 pounds or 80,000 pounds." Also the Bureau of Motor Carrier Safety of DOT has provided a chart* which shows that there is a linear increase in the death rate for persons other than truck occupants in car/truck crashes. To illustrate:

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*1973 Figures.

Truck weights in pounds, 70,000–75,000; number of accidents, 1,982; persons other than truck occupants killed 281.

Truck weights in pounds, over 75,000; number of accidents, 371; persons other than truck occupants killed, 70.

The basic premise for the DOT's supporting the increase in truck weights was affirmed to us in a letter of June 16, 1975 from Secretary William T. Coleman, Jr. Secretary Coleman said, "The 55 miles per hour speed limit, while conserving fuel and thus lowering that aspect of trucking costs, results in decreased productivity for the trucking industry." In fact, even if that were true, every other sector of our economy has had to bear some impact of our having to conserve fuel. But the fact is that the 55 mile per hour speed limit is only temporary and probably will change as our energy situation changes. However, once the law allows each state to increase its truck weights on the federal highway system, it will be irreversible.

5. This obviously would force a needless waste of productive capacity, a needless waste of fuel, and a needless increase in transportation costs which undoubtedly would be passed on to the consumers of every transported commodity including food.

Answer. Not true. Not true because of the pejorative language, to wit, "needless waste." There is a need to limit the weight and size of trucks. Indeed, if the trucking industry had its way, not only would weights be increased but the size, including widths, would be increased as the trucking lobby has tried to legislate in the past. Let us talk of the real waste and the cost to the public. According to conservative estimates of the US DOT, the annual cost increase for highway maintenance due to higher permissible weight limitations is $34 million to the States, $30 million to the counties and $24 million to the cities, all unreimbursed. Furthermore, we have railroads for large loads and they should be put to greater use for such purposes.

6. Please bear in mind that nothing in the present law requires any State to allow any limit above 73,280 pounds. Every State may enact as low a limit as it deems prudent and necessary for its own roads. Highway density, weather and topography vary widely throughout the country. The States clearly deserve a greater flexibility than Mr. Koch would permit them.

Answer. Not true. But the special conditions the Committee cites call for lower limits not higher limits. Furthermore, it becomes nearly impossible to resist the trucking lobby, particularly when adjacent states have succumbed to pressures for higher limits. We repeat that the truckers and almost every other lobby has had greater success with the state legislatures than with the Congress and it is the Congress that the people must depend upon in this case, too.

7. The provisions in the present law are supported by the Federal Energy Administration, the Federal Highway Administration, the Department of Transportation and AASHTO (the American Association of State Highway and Transportation officials.)

Answer. True. But who is on the other side? Organizations supporting repeal include the AFL–CIO, National Society of Professional Engineers, the American Society of Civil Engineers, the National Association of Counties (state, county and local governments, not the federal government, must pay the increased highway maintenance costs), the National Highway Safety Advisory Committee (chartered by Congress to advise the Department of Transportation), the American Automobile Association, the Professional Drivers Council for Safety and Health, the Association of American Railroads, the Brotherhood of Railway, Airline and Steamship Clerks (AFL–CIO), the Oil, Chemical and Atomic Workers International Union, Common Cause, the General Federation of Women's Clubs and many others. And most important, YOU, if you are one of the 252 who voted in August to maintain the 73,280 lb. limit or if you are a new Member of Congress interested in a Congress which sees the public's interest as paramount to special interests.

Sincerely,

EDWARD I. KOCH.
GILBERT GUDE.
KEN HECHLER.

Mr. CONTE. Mr. Chairman, I yield 5 minutes to my good friend, the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I would like to congratulate the gentleman from California (Mr. McFALL) and the gentleman from Massachusetts (Mr. CONTE) and all of their colleagues on the committee and the subcommittee for producing what looks to me like an excellent bill. I think they should be particularly commended for bringing out a bill that is a quarter of a billion dollars under the budget. I hate to complain about any bill that comes to us in that condition.

However, my particular interest in this bill is in the Urban Mass Transit Agency, which is covered on pages 32, 33, and 34 of the committee report.

We have given to that agency in this bill about $49 million for mass transit research and development. However, most of this research money is devoted to what we might call conventional transit—a sort of a state-of-the-arts situation. For the new intriguing technologies which DOT now chooses to call high performance personal rapid transit, we have practically nothing in this particular bill.

All of us know that the crowded conditions and the environment forced us to look to mass transit long before our energy problem began, but the energy problem has given a new urgency to the need to develop mass transit in this country.

I think that the committee's bill pretty much guarantees that we are not going to make much progress quickly in mass transit, because we are ignoring the technologies that offer the greatest performance. In its appropriation request, the administration asked for $8½ million for an HPPRT demonstration in the Denver area. The committee has excised that amount, and there is virtually no money left in the bill for the development of this new technology.

I understand that the committee's objections related particularly to the fact that the demonstration was to be put into a system which would have to be developed immediately in an area of high population density. Therefore, the demonstration might not be all that we desired because of the demands of the public. I cannot fault the subcommittee. The lessons of Morgantown were learned at great expense.

But, I further understand that DOT has now agreed before other committees of this Congress that it is willing to move that demonstration project from Broomfield, in the Denver area, down to their test operation in Pueblo, Colo. I am further informed by members of the subcommittee that a demonstration at Pueblo would not get an objection from them. I would hope that this would be true.

Mr. Chairman, I think it terribly important that we not devote all of our research and development to one area. I think we are not spending an adequate amount of money to develop what seems to be the most interesting transit technologies.

I note that on this floor not too long ago we actually had an amendment offered which would have given $750 million to transit R. & D. The committee has given $49 million, and much of that cannot be spent in the most promising areas. As a result, we will continue to give away nearly a billion dollars a year for buses and for conventional subway developments, which are good and needed systems, but which have not proved to be attractive in the marketplace.

On the other hand, we have made little preparation here to develop the systems of the future that people will really want to ride as attractive alternates to the automobile.

I would like to ask the chairman of the subcommittee, noting that the bill does not have any disposition of about $4.4 million which is unspent from previous authorizations and appropriations, whether the committee would look unkindly toward the expenditure of that amount of money in this HPPRT area, and specifically, how they would feel disposed to the development of a HPPRT demonstration, say, in the Pueblo area?

Mr. McFALL. If the gentleman will yield, as I have told the gentleman in our previous conversation, we are considering this proposal, and the Office of Technology Assessment tells us that there is this $4 million-plus which is available and which could be used for this purpose.

We would like to have any such experiment carried on in the Pueblo area, where we would have some considerable control over it and where we think the funds could be expended better.

This PRT program, as the gentleman points out, could be a very important one. We think that there are some questions that have to be answered as to just what we are going to use the PRT for. I think we can use it very valuably in airports, in restricted areas, in downtown areas where we want to keep automobiles out and let the people in. I further think that the technology of PRT is something which is valuable to the country.

The project that was originally proposed for Denver, however, was one which I would consider grandiose, where they were going to use PRT's to practically supplant every other method of transportation in Denver. That is no longer being done.

If we can work out some kind of way in which to go ahead with this research in a reasonable way, I think that the subcommittee would be favorably disposed to it during this time. I hope that we can work this out in this session of the Congress, before we are finished with this bill.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

Mr. CONTE. Mr. Chairman, I yield 2

additional minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding, and I thank the chairman for his comments.

I do agree with him that no system, even the most exotic technology, is ever going to supplant everything that we have in place now. We have a variety of transit needs, and PRT, whatever its form, is only going to be a part of an overall system in any particular area.

It is of special interest to me because my area is one of low density. Probably a fixed rail system or a subway-type system will never be economical in my area, absent huge Federal operating subsidies. Therefore, for the time being, we are confined to transit and bus services, which are necessary and useful.

But, if we do know that experimentation and research such as the gentleman has described is being conducted, and that we may some day be able to have this kind of development, I think it will be very helpful, not only for my area, but for other parts of the country.

To recapitulate, Mr. Chairman, we will be spending less this fiscal year, 1976, on transit research and development than we spent 5 years ago. We will spend less than half on R. & D. this year than President Nixon requested in fiscal year 1972. Worse, we are spending next to nothing on the development of new attractive transit technologies.

Our lack of development means that we are forcing local governments and transportation authorities to consider only buses or obsolete, unattractive fixed rail systems. Buses are a worthy part of most integrated transit systems. Fixed rail—subway-type—systems are usable in some areas, particularly corridors, of high population density, but are generally not an attractive transit alternative, and are, moreover, frightfully expensive. We urgently, and desperately, need technologies to provide viable transportation alternatives.

It is my fervent hope that the other body will increase the R. & D. figure, specifically for HPPRT. I am pleased that our subcommittee has no objections to use of the unspent $4.4 million for this development.

The importance of this technology to my own area is illustrated by the following letter and statement from local leaders:

State of Minnesota,
St. Paul, Minn., July 7, 1975.

Hon. Bill Frenzel,
U.S. Congressman, Longworth Office Building, Washington, D.C.

Dear Congressman Frenzel: It is our understanding that the United States Senate's Committee on Appropriations is presently considering the budget requests of the Urban Mass Transit Administration for the next financial year.

The Twin City metropolitan area leaders who have signed the attached statement are united in their concern that the building of a proposed test track for High Performance Personal Rapid Transit (HPPRT) go forth as rapidly as possible. We hope that you take into consideration our united support for UMTA's research efforts in this field as your deliberations proceed in this important policy area.

I am also including a statement that provides details on the Twin City metropolitan area's overall transportation planning efforts and the part that High Performance Personal Rapid Transit plays in them.

Sincerely,

Robert D. North,
State Senator—District 62.

To: The Minnesota Congressional Delegation, UMTA, and appropriate U.S. Senate and House leaders

The following is a statement that the undersigned have reviewed and with which we agree. We feel that UMTA should proceed immediately with the planned construction of an HPPRT test track. We believe that funds for such a test track should be included in the fiscal year 1976 budget now being considered by Congress.

The Urban Mass Transit Administration has for several years been considering the construction of a test track for an HPPRT automated system. They have proceeded as far as letting contracts to three companies for preliminatry engineering on three alternative systems. The next step will be the selection of one system for a small test facility. There presently are no definite plans for the location of the facility.

There is general agreement in the Twin Cities metropolitan area that an HPPRT test facility should be built immediately by UMTA for the following reasons:

1. The facility is a natural outgrowth of various studies in which UMTA and the Minnesota taxpayer have invested large amounts of money, including the University Area Study, the Small Vehicle Study, and the Council's transportation planning.

2. Private industry will not assume the financial risk of building an HPPRT test facility.

3. Decision makers will want to know several years from now if the technical and environmental problems associated with HPPRT can be overcome.

4. There is a need for a genuine HPPRT research facility which is not forced prematurely into passenger service.

5. It is our hope that if a HPPRT test facility is built, the following factors will be taken into consideration:

a. There is a need to test small vehicle technology in the severe weather conditions found in northern areas of the country.

b. There is as much of a need for a research effort in the area of reducing guideway size and the aesthetics of guideway and station design as there is in the technical areas.

c. There is also a need for work on cost saving techniques for vehicle and guideway construction.

J. Douglas Kelm, Chairman, Metropolitan Transit Commission.

The Honorable Robert D. North, Chairman, Minnesota Senate Subcommittee on Operations and Structure (jurisdiction over transit matters).

The Honorable Wendell R. Anderson, Governor.

Stanley B. Kegler, Chairman, Metropolitan Council, Environment and Transportation Committee.

The Honorable Pete Petrafeso, Chairman, Subcommittee on Social and Economic Development (jurisdiction over transit matters).

John Boland, Chairman, Metropolitan Council.

Please find attached an agreed to statement on the background of the Twin Cities total transportation planning efforts and the portion of that effort of which HPPRT potentially is a part.

I thank the chairman and the ranking minority member.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas (Mr. Winn).

Mr. WINN. Mr. Chairman, I thank the gentleman from Massachusetts (Mr. Conte) for yielding the time.

I had intended to offer an amendment at page 18, line 15, which would have added $4.2 million to the $10 million already in that section, but I have talked to the chairman and minority member, and they have told me that they recognize the problem that I have been confronted with. As a matter of fact, the gentleman from Mississippi (Mr. Whitten) referred to it a minute ago, and I wonder whether the chairman could clarify their intentions.

Mr. McFALL. Mr. Chairman, if the gentleman will yield for that purpose, I will be glad to try to clarify the intention of the committee.

This matter was just brought to the attention of the committee the day that the bill was in full committee for action. The authorizing law, as we understood it, would provide contract authority up to $25 million for this important new kind of project. There was a difference of opinion, however, that developed between the Committee on Public Works of the House, and the administration, as to what the legislation as passed meant. So, in order to resolve this, we included $10 million as a direct appropriation for these projects. I have discussed this with the gentleman from Kansas (Mr. Winn). I know of that gentleman's interest in this. If the $10 million that we have provided in this bill is not sufficient to take care of the projects in this country for the coming year we will certainly be open to the consideration of additional funds to make certain that there is money available for these projects.

Mr. WINN. Mr. Chairman, I thank the gentleman from California.

The problem I refer to concerns funding for the access highways to the public recreational areas on certain lakes. In this case I am specifically referring to the Clinton Parkway, which is the proposed access road, and the only reasonable means of access, to the Army Corps of Engineers' Clinton Lake Project.

As the gentleman knows, this project was authorized by section 115 of the "Federal-Aid Highway Amendments of 1974." The conference report on that authorizing legislation specifically stated, and I quote,

> It is the intent and expectation of the conferees that projects initially approved under this section will include . . . a route from Lawrence, Kansas, to Clinton Lake.

It is expected that Clinton Lake will be ready for some recreational use by the summer of 1977. It is a large lake which will provide recreational opportunities for persons from several surrounding counties, including the metropolitan Kansas City area in both Kansas and Missouri. If the Clinton Parkway is not funded, increasingly large numbers of people will be forced to use wholly inadequate existing county roads to reach the lake. I understand that the Corps of Engineers estimates as many as 1 million persons annually will be traveling to Clinton Lake on these county roads by 1980. Such an increase in traffic flow on these old roads will create a very hazardous situation. If the Clinton Parkway is funded under this fiscal year 1976 appropriation, the project could be completed by the summer of 1978, in time to prevent much unnecessary inconvenience and injuries to which visitors to Clinton Lake would otherwise be exposed.

It has been a little confusing to the members of the committee, I might add, and to the Members of Congress who have been working on it, and also to the county commissioners who have come back here several times to make their presentation. Local officials are prepared to pledge the required 30 percent local share of the cost of this much needed access parkway.

I appreciate the explanation given by the gentleman from California, and hope that the Clinton Parkway will certainly enjoy a top priority along with some of the other projects out of the $10 million.

Mr. McFALL. If the gentleman will yield further, as one member of the subcommittee I would be very glad to cooperate with the gentleman in making sure that the money is available for this important project.

Mr. WINN. I thank the gentleman.

Mr. McFALL. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. MILFORD).

Mr. MILFORD. Mr. Chairman, I call the attention of the gentleman from California to page 9 of the committees' bill dealing with R. & D. activities of the FAA.

The committee is appropriating $60,000,000 to the FAA for research, engineering and development. I believe that this figure will not allow the FAA to conduct important programs of research and development. It is $20,400,000 less than the budget request and $25,400,000 less than the amount that our Committee on Science and Technology had authorized.

The Science and Technology Committee determined that the FAA R. & D. program should be funded at $85,400,000. This conclusion was the result of hearings and research conducted by the Subcommittee on Aviation and Transportation R. & D. of the Science Committee. The Aviation Subcommittee, which I chair, several members have had extensive experience in matters concerning aeronautical R. & D. It examines the NASA aeronautical R. & D. program as well as the FAA R. & D. program, making it the only body in the legislative branch that has jurisdiction over all civil aviation R. & D. This broad jurisdiction has given the subcommittee a unique perspective of the technological problems and opportunities associated with aviation in this country. Through this perspective, the subcommittee has concluded that safety and efficiency in air travel could be immeasurably improved by a moderate increase in aeronautical R. & D. efforts.

I want to emphasize this point because U.S. aviation has experienced several very tragic aircraft accidents with high loss of life and property in the past year or two. While our aviation safety record is outstanding in comparison to other countries and by measurement with other transportation modes, I am convinced that we may be able to avoid some of these tragedies in the future if we provide adequate resources for research and development because it is through research and development that we strive to increase the Nation's air vehicles' and systems' reliability, capacity, safety, and long-term economies. Mr. Chairman, let me cite a few examples. The automated flight data processing system provides capabilities for flight plan tracking, automatic updating of flight plan positions, and automatic handoff between control sectors. Development and test of additional en route automation improvements are proceeding at the National Aviation Facilities Experimental Center. These improvements will provide the en route controller with a safety backup by having the computer monitor the air traffic situation, project it into the immediate future, and generate alerts to the controller when predicted aircraft separations become less than a prescribed minimum.

Two other systems, known as automated radar terminal systems, or ARTS II and III, are intended to provide automation capabilities for radar tracking at air terminals.

Another program is aimed at improving the Air Traffic Control Radar Beacon System performance through better ground antennas at en route and terminal radar sites. There is also a proposed replacement for the current system known as DABS, or the Discrete Address Beacon System. DABS has been designed to provide greater surveillance accuracy, more timely data, and reduced garbling of aircraft transponder replies.

To aid in collision avoidance, the FAA is investigating the flexibility of proximity warning indicators as well as a collision avoidance system—CAS. The CAS not only warns the pilot of an approaching collision but provides commands on the correct maneuver to take. There is also a possibility to extend the DABS system to provide equipped aircraft with an on-board capability for collision detection and warning at minimal added avionics cost.

In the landing pattern, pilots will be aided by a new microwave landing system being developed jointly by the FAA, NASA, and the DOD.

The expected benefits include lower installed cost, increased performance capabilities, common military/civil usage and international standardization. Also, while in the landing position, pilots will benefit from wake vortex studies undertaken by the FAA. Wake vortices, especially from large jet aircraft, present a potential hazard to following aircraft, especially light aircrift. Increased aircraft separation between classes of aircraft have been imposed to provide for safe operations. To avoid these reductions in terminal air traffic capacity, a program has been initiated to reduce these spacings, while maintaining safety, by predicting the life and movement of the vortices.

En route, pilots will be aided by modernized flight service stations. An FAA plan envisions primary dependence on pilot self-briefing terminals at 2,500 locations connected to a central processing facility.

To improve safety on the ground, the FAA and ATA completed full-scale evaluation of the effects of a severe fuel-spill fire. Another joint project was undertaken with NASA to determine the crashworthiness of airplanes under varied circumstance and related passenger survivability.

To live within the dollar limits proposed by the Appropriations Committee would force FAA to delay development work on the microwave landing system and consequently affect U.S. leadership in this important area, the discrete address beacon system, intermittent positive control, and other programs which are directly related to improving safety and increasing capacity of the airspace system. Further progress, if any, within the levels recommended by the committee, would be negligible, and vital programs would be set back at least 1 to 2 years.

We must not be shortsighted and cast our eyes to tomorrow or next month or next year. We must provide FAA with the resources it needs to fulfill its statutory obligations, to maintain U.S. leadership in worldwide aviation and to further improve our safety record. To do otherwise would be folly—tantamount to the Congress closing its eyes to near- and long-term payoffs in the preservation of life and property by reducing aircraft accidents. The investment is small—the return very great indeed.

I apologize to the gentleman from California for not being able to make the record of our authorizing work available to him in time for his committee's consideration before acting on this bill.

I had considered introducing a floor amendment to increase the R. & D. amounts. However, I felt that this would be unfair to Members of the House and members of the Appropriations Committee because this matter is highly technical and we do not have the time here to go into the necessary technical details.

Would the gentleman from California be receptive to a joint conference increase in the amounts shown on page 9, line 17, if our Senate colleagues were to suggest this move? I hasten to point out that that the other body's authorizing committee was able to complete their work and develop the necessary record to responsibility support an increase in this category.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. MILFORD. I yield to the gentleman from California.

Mr. McFALL. I thank the gentleman for yielding.

I wish to commend the gentleman for his statement, and I welcome the gentleman's experience, expertise, and intelligence in this field of research and development in the FAA. The new responsibilities which his committee has, a subcommittee of the Science and Technology Committee, is certainly welcomed by our subcommittee. I believe he will augment the ability of the House to understand the R. & D. program of the FAA. Certainly, I am sure that it will advance the cause of aviation safety in the United States.

Mr. MILFORD. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McFALL. I yield 1 additional minute to the gentleman.

The gentleman has talked about some of the most important projects on which the FAA is now working. Hopefully, they might be able to save lives in aviation in the years ahead. We provided approximately the same level of appropriations which the FAA has had in the past year, some $60 million. Should the Senate decide to add more money after consultation with the FAA—and the FAA is requesting that—we will certainly consult with the gentleman and utilize the expertise and information which the gentleman will accumulate in hearings this year so that we can arrive at a reasonable level for FAA Research and Development to make certain that the safety of air travelers in this country will be protected in years to come.

I thank the gentleman for his contribution. I certainly appreciate his personal interest in this.

Mr. MILFORD. I appreciate the Chairman's consideration.

Mr. McFALL. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I rise in support of this legislation. I commend the chairman and the members of the committee for including funds for the reduced fares for the elderly and the handicapped, but hope that in the demonstration grant part of the bill there will be funds specifically allocated for a program to provide a pilot project on the feasibility of subsidies or reduced fares to the poor who are not elderly or handicapped.

For the first time since I have come to Congress, a transportation appropriations measure has reached the floor without bitter controversy about mass transit funding. I was so surprised by this pleasant change that I was tempted to support the bill in toto for this reason alone. However, as we all know, voting for legislation is not quite that simple.

H.R. 8365, the Department of Transportation and related agencies appropriations bill for 1976, contains some very good features, as well as some glaring oversights. An example of this is the provision setting aside funding for section 5(m) of the Urban Mass Transportation Assistance Act of 1974, which requires that an applicant for funds under section 5 grant programs agree to charge no more than half fares to elderly and handicapped persons during the nonpeak service hours. While I have commended the committee for including these funds, I am disheartened that no similar provision existed for meeting the transportation needs of the working poor, who are in many instances completely dependent on public transportation for getting back and forth to work.

Since the inception of the energy crisis in 1973, the cost of living has increased by more than 20 percent. A disproportionate share of these increases occurred in the areas of housing, medical care, transportation, and food, all items over which users have little or no discretionary control and without which they simply cannot continue to exist. Since even in the best of times the poor spend a larger share of their incomes on such necessities, our economic hardships had the impact of a full fledged depression as far as they are concerned. They desperately need our help.

The distinguished chairman of the Transportation Subcommittee, Mr. McFALL, just advised me that, while in the absence of specific authorizing legislation a nationwide program cannot immediately be undertaken in this area, some of the unearmarked research and demonstration funds could properly be utilized for pilot programs which could use whole cities as demonstration areas.

A front page article in the July 5 copy of the New York Times quotes Secretary of Transportation William T. Coleman on the desirability of establishing a two-tier fare system, with lower fares for low-income groups, on urban mass transit systems. Given this apparent willingness on the part of the Department of Transportation, I hope that the committee will indicate its interest in such research and demonstration programs and secure a commitment from the Department. I further hope that New York City, with its many special needs and large segment of needy population, will be included in such a program.

Naturally, we must also work on authorizing legislation. I have obtained two excellent charts from the Library of Congress which depict the special transportation needs of various segments of our population. They clearly indicate that, while the elderly and the handicapped need and should have assistance, they represent but a small portion of those with special needs. The poor, the unemployed, and the young also need help, and it is up to us to provide it.

For the information of my colleagues, I am inserting the article and the charts into the RECORD. I hope that they will serve as guides in developing relevant and responsive legislation.

[From the New York Times, July 5, 1975]

LOW TRANSIT FARES FOR POOR BACKED

(By Ernest Holsendolph)

WASHINGTON, July 4.—Hard-pressed urban transit systems should examine the possibility of installing a two-tier fare system charging higher fares to all but low-income passengers, William T. Coleman, Secretary of Transportation, says.

Some cities, including New York, already provide low rates to senior citizens who ride during off peak hours. "Relief recipients, job-seekers and others perhaps should be treated like senior citizens," Mr. Coleman said in an interview on Thursday.

"Most cities want to provide low fares to low-income people who have no alternative to the public transportation system," he said, "but fares for others should be decided on a different basis. The basis should be—what is the maximum nonprofit price you can charge and still not lose too many people to other modes of transportation."

Mr. Coleman, a lawyer from Philadelphia who has been on the job at Transportation for four months, said that cities also should renegotiate union contracts to permit part-time drivers to augment the driver force during peak hours. This could add to productivity, he said.

Most union contracts now require the transit authorities to give full pay and credit for eight hours of work to drivers who come to work in the morning, even though there is idle time after the peak period, which may last for only two or three hours.

"Young people, students and maybe even housewives might be able to work a peak period, and help cut down on the number of regular drivers needed," he said. "It really makes you wonder when you see all of those 55-passenger buses going around in the middle of the day with six passengers on them."

Mr. Coleman, whose department administers new legislation that helps cities buy new equipment, said that transit planners also should give more thought to buying smaller buses and jitneys for use during lulls.

The Urban Mass Transit Act of 1974 authorized the expenditure of $11.8-billion over a six-year period to assist cities with operating costs, the purchase of equipment and the cost of research.

The department has committed more than $1.4-billion in assistance under the act so far. The largest sums have gone to Atlanta and Baltimore, two of the three cities constructing new rail systems, Mr. Coleman said.

Federal help for construction programs is given on a matching basis, with the Government providing 80 per cent of the cost of projects.

Mr. Coleman said that the greatest need in the urban transit area was for "rethinking" of fares and other practices that might be leading to excess costs. And, as if to set an example, he said that he had ordered his staff to begin work immediately on a comprehensive determination of national transportation needs in the decade 1980-1990, with the study due July 1, 1976.

FEARS OBSOLESCENCE

"Most planners are so concerned about paying bills and raising money for next year, they are likely to have a system that nobody needs in 1980," he said.

Mr. Coleman said that it was a worthy goal to cut automobile commuting, but added, "You can't pass a statute abolishing cars, not unless you have a very good alternative."

"Some factors may ease people out of cars, such as higher gasoline prices, continuation of the 55-mile-an hour speed limit and education," he said. Closer cooperation in planning between community development specialists in the cities and transportation planners should also lead to better development specialists in the mass transit plans, he said.

Mr. Coleman said that he admired the reduced fare in Cincinnati and Atlanta, made possible by special local taxes to subsidize them, but he declined to recommend that approach for most other cities. He seemed more interested in having commuters pay a larger share of public transportation costs.

NOT BASED ON DISTANCE

"You can't make the differential in fares based just on the distance of the trip," Mr. Coleman said. "With plants moving out of the city, it is likely that lower-paid factory workers will also have long distances to travel daily."

In an attempt to encourage states to take up more of the cost of supporting urban transit, the Transportation Department is working on a new highway bill that would make the 4-cent Federal gasoline tax more flexible. One cent of the tax would be withdrawn in states where the state government agreed to charge its own one-cent tax for general purposes. The other 3 cents collected by the Federal Government would go to highway programs.

POPULATION SEGMENTS THAT MAY HAVE SPECIAL TRANSPORTATION PROBLEMS AND NEEDS

Area	Under 16 yr old		Over 65 yr old		Below poverty level		Unemployed	
	Number	Percent of SMSA population	Number	Percent of SMSA population	Number	Percent of SMSA population	Number	Percent of SMSA population
All SMSA's:								
Central cities	18, 116, 794	13.0	6, 862. 547	4.9	9, 256, 539	6.6	1, 251, 906	0.9
Outside central cities	24, 271, 552	17.4	6, 034, 391	4.3	5, 995, 149	4.3	1, 157, 774	.8
Total	42, 388, 346	30.4	12, 896, 938	9.2	15, 251, 688	10.9	2, 409, 680	1.7
SMSA's greater than 1,000,000:								
Central cities	9, 547, 765	11.8	3, 905, 325	4.8	5, 061, 961	6.3	733, 116	.9
Outside central cities	14, 539, 199	18.0	3, 668, 160	4.5	2, 998, 748	3.7	699, 864	.9
Total	24, 086, 964	29.8	6, 573, 485	9.3	8, 060, 709	10.0	1, 432, 980	1.8
SMSA's less than 1,000,000:								
Central cities	8, 569, 029	14.6	2, 957, 222	5.0	4, 194, 578	7.1	518, 790	.9
Outside central cities	9, 732, 353	16.6	2, 366, 231	4.0	2, 996, 401	5.1	457, 910	.8
Total	18, 301, 382	31.2	5, 323, 453	9.0	7, 190, 979	12.2	976, 700	1.7

Note: See sec. II, table 1–7 for individual city data.

Mr. McFALL. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. Murtha).

Mr. MURTHA. Mr. Chairman, the amendment I expected to introduce requires two changes in the Federal Government's mass transportation program. First, the Department of Transportation would have to adopt rules for standardization of mass transportation vehicles. Second, transit authorities would have to comply with these rules to be eligible for Federal assistance.

Congress has made a commitment of $11.8 billion over a 6-year period on mass transit, yet the Government sets no guidelines on construction of mass transit vehicles.

This results in a waste of taxpayer money. It may not seem like much of a difference if one city adopts a car 48 feet in length and another city a car 51 feet in length, but it means the company producing that car has to completely retool its machinery, change all its designs, and restructure its car. Standardization will mean taxpayer dollar savings because the cost of each car will be less as company costs per car drop.

Let me add two notes. First, this does not mean each car in each city will look identical. Inside and outside trim and color and front-end design would still be at the discretion of each city.

Second, this is not an idea being ignored by the Urban Mass Transportation Administration. In testimony before the Transportation Subcommittee, my distinguished colleague, Congressman Ed Koch of New York, asked Mr. Frank C. Herringer, then Director of UMTA, about standardization. Herringer replied they were working toward standardization on buses and in the light rail program. He placed the savings per car in Boston and San Francisco at $200,000 because of some effort toward standardization. He added:

> If there are any more systems built, hopefully we can be more forceful in early planning.

The proposed amendment, Mr. Chairman, places Congress squarely in favor of a more forceful push to standardization, and places the transit authorities on notice that standardization will have to be complied with for Federal funds to be available.

In deference to the chairman I am not going to introduce an amendment but I certainly would hope we would place Congress squarely in favor of a more forceful position toward standardization in place of mass transit and notice that standardization will have to be complied with in order for Federal funds to be available.

Let me ask what can be done by the Transportation Subcommittee during the next year to express the support of Congress for a standardization plan?

Mr. McFALL. Mr. Chairman, if the gentleman will yield, I am glad the gentleman has brought up this matter. It is a very important one.

We discussed this matter of rail transit car standardization during our hearings this year. UMTA has completed a project called a "Standard Light Rail Vehicle." This vehicle embodies the best transit car technology available today. This standardization has effected a cost saving of $200,000 per car for the Boston and San Francisco systems.

We have encouraged UMTA to continue this effort and I am sure we can achieve substantial additional savings through this UMTA effort.

I thank the gentleman for bringing this to our attention.

Mr. MURTHA. I thank the gentleman.

Mr. McFALL. Mr. Chairman, I yield 1 minute to the gentleman from Virginia (Mr. Harris).

Mr. HARRIS. Mr. Chairman, I want to commend my friend and colleague, the chairman of the subcommittee, for the excellent bill he has reported out.

The bill making 1976 appropriations for the Department of Transportation before us today is a mixed picture for residents of my district. It unquestionably addresses many of the complex transportation needs of our urban and suburban areas, and I am pleased to support it. However, it falls short in an area of great consequence to my district and the Nation—transportation planning for the Bicentennial celebration in the Washington metropolitan area.

MASS TRANSIT FOR THE WASHINGTON AREA

I am pleased that H.R. 8365 includes $99.5 million for 1976 and $90 million for 1977 for the Federal share of the rapid rail transit system to serve the National Capital area. The 1976 amount is a much-needed $12 million increase over the 1975 appropriation. It is also commendable that the bill includes funds for the design and construction of facilities for the handicapped and $22.2 million to provide a Federal interest subsidy for the revenue bonds issued by WMATA, as authorized by the National Capital Transportation Act of 1972.

I have long been a strong advocate of mass transportation as a long-range means of conserving scarce resources of land and fuel. Completion of the full 98-mile Metro system is one of my top priorities as a Member of Congress, a member of the House District Committee and a resident of the northern Virginia area served by the Metro system.

I urge quick passage of these amounts so that the Metro system can be completed to provide area residents and visitors to the Nation's capital a comprehensive and balanced system of transportation.

UMTA

I am also pleased that the Committee has recommended an appropriation of $12.8 million for administrative expenses of the Urban Mass Transportation Administration and $49 million for research, development, and demonstrations. Again, the Committee has recognized the growing and varied transportation needs of suburban-urban areas.

CUT IN BICENTENNIAL TRANSPORTATION NEEDS

As the chairman of the District Committee's Subcommittee on the Bicentennial, the Environment and the International Community, I am compelled to voice my concern over the $5 million cut from the $10 million budget request for a "Bicentennial transportation program for the National Capital area." This plan calls for a comprehensive and ambitious bus service and fringe parking program to be implemented next year. The Committee report maintains that the costs for this project should be borne by the Washington Metropolitan Area Transit Authority. The Committee also apparently believes that the jurisdictions surrounding the Washington area will generate sufficient additional revenues from Bicentennial activities to support these Bicentennial transportation needs.

Extensive hearings before my subcommittee last month with witnesses from all major national Bicentennial agencies and groups and local jurisdictions confirmed my contention that the money for the Bicentennial transportation program must come from the Department of Transportation. WMATA is strapped with its own budgetary problems. The influx of 15 to 20 million visitors into the Capital next year is a national problem. I am hopeful that the Senate will restore the full $10 million funds for this program. If the final amount should be the $5 million in this bill, we will see more congestion, pollution, and stranded tourists trying to celebrate the Nation's 200th birthday.

HALT THE CONCORDE

I support an amendment to be offered today to prohibit commercially scheduled or nonscheduled landings of supersonic aircraft—SST's—in this country. In March, I testified against the Federal Aviation Administration's proposal to allow British and French airlines to begin Concorde operations at Dulles airport. I am convinced that SST flights would have a severe environmental impact on the northern Virginia area. One FAA study released in March concluded that each flight would dump more than 800 pounds of carbon monoxide emission into the air, cause vibrations on buildings along the flight path five times greater than a regular jet, and raise noise in the airport area to a level HUD terms "normally unacceptable" for new residential construction. I believe this amendment will again tell the administration and the public that the SST is wrong.

We must take a hard look at the modern transportation needs of our country. This bill is an opportunity and I urge my colleagues to join me in supporting it.

There is one measure in the bill that gives me considerable concern. As the chairman of the Bicentennial D.C. Committee we have been very concerned about the preparation for the Bicentennial in the Capital area. We were pleased however to see that a transportation plan had been submitted with respect to fringe parking lots and express buses which would adequately take care of some of the transportation needs in the Bicentennial year.

That was the plan that was originally constructed at about a $21 million level. It was cut in half, to $10 million before being submitted to the Congress. I note the bill cuts that amount in half, to $5 million.

It gives me great concern that the one area in which there was proper planning and a viable program for the Bicentennial might be jeopardized by this cut, so I would ask the chairman if there was adequate consideration given to this and if there will be perhaps an opportunity to restore this money in conference so we can adequately prepare for the Bicentennial.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from California.

Mr. McFALL. The gentleman is correct that the subcommittee cut these funds in half. We have no desire however to impede transportation for the Bicentennial. We felt that $5 million would be adequate to provide for the parking lots. We felt that the additional funds for operating the buses should come from WMATA. If this is not possible, we certainly would be glad to work with the gentleman's subcommittee and the District of Columbia Committee to make certain that adequate funds are available to provide transportation for the Bicentennial.

Mr. Chairman, I now yield 5 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Chairman, in the bill before you today the Committee on Appropriations is making recommendations on funds for the operations of the Panama Canal Zone Government and the Panama Canal Company.

I, as a member of the Subcommittee on Transportation Appropriations, support the recommendations in this bill. The Panama Canal is, and has been since its opening, an extremely important link in our Nation's chain of international trade. This transoceanic transportation route is a major element in the route used to move food produced in the United States to the world's hungry people. The canal is especially significant to our effort to increase foreign sales of U.S. products.

Because of these facts, I have become increasingly sensitive to, and apprehensive about, the Department of State's efforts to surrender U.S. ownership and control of the canal and supervision of the Canal Zone. This proposal is particularly abhorrent to me because of the apparent costs to which we would be committed and the costs which State seems to have blithely, out of ignorance or total insensitivity, ignored.

Our Nation would be committed, under Secretary Kissinger's announced plan, to having the American taxpayers continue to pay costs of defense and support of the canal and possibly even replacement. What the Secretary's plan does not say, and indeed, the Department of State seems to have shut its eyes to, is who will bear the costs, and how much when the canal user fees rise dramatically, which I am convinced they will do under management by the Republic of Panama, or when the canal closes. A major burden for this bill will be settled squarely on the shoulders of the American public.

I have studied many reports available to the canal's operations and impact on our U.S. economy. Most of these reports were commissioned by the Panama Canal Company. Though they seem thorough and competent, they were prepared in very collective terms.

Economic impacts and dislocations resulting from a closure of the Panama Canal, or from very high tolls will not be distributed uniformly across the domestic economy. Some producers and shippers will probably experience little or no effects. Other producers and shippers will likely be gravely affected.

Because of the lack of specific information on these issues, I began early this spring to seek more data. The Subcommittee on Transportation agreed with my request that the Panama Canal Company and the Library of Congress work toward development of some specific answers to a number of crucial economic questions about effects closure of the canal, or a stiff increase in user costs, would have on various aspects of our national life.

Areas of inquiry being examind or to be examined include:

First, the short-run effects—6 months to 5 years—of toll increase, or a canal closure, on a selected and representative sample of producers, shippers, and carriers of the five major food commodities now going through the canal—corn, rice, sorghum, soybeans, and wheat;

Second, the percentage of firms dealing with these commodities which might be seriously adversely affected by Panama Canal closure or dramatically higher tolls;

Third, the potential unemployment which would result if operations of the firms identified as being seriously adversely affected were reduced or canceled and how this relates to the State and/or county unemployment levels in the area where this activity is located, and;

Fourth, the percentage of and tonnage of each of these commodities passing through the canal as it relates to the total U.S. commodity shipments of each product.

Additional inquiries in other areas are also anticipated.

It is essential that the Congress have some current information in more detail than presently available in order to better assess the future of the Panama Canal, and its value to the United States and important segments of the economy.

I was pleased to join last week in supporting an amendment to the appropriations legislation for the Department of State which is intended to prevent further action toward abandoning major interests of our Nation in the Panama Canal. Continuation of efforts in that direction must, I believe, cease until the information my inquiry will produce is available, has been thoroughly analyzed, and the Congress has had an opportunity to study the results.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. McFALL).

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding. I want to ask how many nations use the Panama Canal, and perhaps this should be addressed to the previous speaker, but what proportion of the traffic in the canal is represented by American ships and what proportion by other nations? I wonder if we could get a little fuller understanding of the traffic in the canal.

Mr. McFALL. If the gentlewoman will yield for the purpose of trying to reply to her question, I do not have the exact answer.

Most of the traffic, I am informed, is foreign ships largely because the merchant marine fleet of the United States is not that large.

Mrs. FENWICK. I see. The greater proportion of traffic going through the Panama Canal is not American?

Mr. McFALL. I believe so. It is in what we would call foreign bottoms, but some of the goods that are being transported are U.S. goods. As the gentlewoman knows, most of the commerce in the world in which the U.S. merchandise is transported, is transported in foreign bottoms. The merchant marine of the United States, flying the U.S. flag, is not very large in comparison with the number of foreign bottoms that carry merchandise around the world.

Mrs. FENWICK. But between two American ports, it has to be in American bottoms, does it not?

Mr. McFALL. My information indicates that the gentlewoman is correct.

Mrs. FENWICK. I thank the gentleman.

Mr. MIKVA. Mr. Chairman, I rise in support of the amendment of Mr. Koch, of New York, which would return the truck weight limit to the lower, safer, and less costly level at which they have been for the last 19 years.

I am not unmindful of the plight of many truckers who have been put in an economic bind because of recent increases in fuel costs. But creating safety hazards and wasting tax dollars is not the way to remedy that malady.

The higher truck weight limit is opposed by ordinary motorists and professional engineers alike. The reasons are clear: If 40-ton trucks are allowed to rampage across our highways they are bound to cause safety hazards and do considerable damage to roads and bridges. If this practice is allowed to continue, our highway system will become obsolete before its time.

As usual, it will be the taxpayer who foots the bill for the billions of dollars for additional repairs and maintenance.

I urge my colleagues to vote in favor of Mr. Koch's amendment.

Ms. ABZUG. Mr. Chairman, I wish to express my support for the amendment to be offered by the gentleman from New York. Requiring that allowable truck weights on our Nation's highways be limited to 73,280 pounds will eliminate a potential threat to the users of these facilities. Neither truck drivers nor passenger car drivers can be assured of the high standards of highway safety to which they are entitled, as the law now stands. The questions raised regarding safety on our roads, coupled with the anticipated costs of the maintenance and repair to our highways resulting from the stress placed upon them by heavier loads mandate that a change be made in the law.

Contributing to the safety hazards posed by the higher truck weights is the longer braking distance such heavily laden vehicles encounter. Driver safety organizations also point to blowouts, steering, acceleration, and maneuverability, as well as other factors making driving conditions far more difficult and dangerous on roads traveled by the heavier trucks.

The American Association of State Highway and Transportation Officials has stated that heavier truck loads could engender an average loss of the remaining life of a facility of between 25 and 40 percent. The Department of Transportation has also predicted substantial cost increases for the maintenance of these facilities due to the additional weight placed upon them by the larger truck loads. Conservatively, the Department has estimated that these additional costs could amount to over $100 million annually. DOT has also estimated that $2.4 billion, which would be required to provide a complete road system capable of accommodating these higher weights.

The erosion of our Nation's highways, bridges, and related facilities and the costs such wear will entail make the need for reductions of these weight allowances both economically rational and desirable. The question of the safety of the users of these facilities too, is reason enough to justify weight reductions.

Mr. McFALL. Mr. Speaker, I have no further requests for time, and ask that the Clerk read.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Thirty-eight Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and two Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will read.

The Clerk read as follows:

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development and for establishment of air navigation facilities, and carrying out the provisions of the Airport and Airway Development Act; purchase of four passenger motor vehicles for replacement only and purchase and repair of skis and snowshoes; $1,528,000,000, of which $6,000,000 is to be derived by transfer from the appropriation for "Civil supersonic aircraft development termination": *Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Yates: On page 8, line 9, strike period, insert semicolon and the following: "*Provided further*, That no funds appropriated by this Act for the operations activity 'Operation of Traffic Control System,' nor for the salaries and expenses of persons operating that system, shall be available for the control of civil supersonic aircraft engaged in scheduled or non-scheduled commercial service for landings within the United States of America, which aircraft do not comply with noise standards established for subsonic aircraft by the Federal Aviation Administration under Federal Aircraft Regulation (FAR) 36, presently in force and effect."

Mr. YATES. Mr. Chairman, this amendment is directed to the proposed operation of the Concorde supersonic aircraft into the United States from Paris and from London.

Originally, as I offered the amendment in the Committee on Appropriations, it barred the Concorde absolutely from landing within the United States of America. The reasons for that amendment were set forth in separate views in the report of the Committee on Appropriations.

Succinctly, the reasons are these: First, because of the outrageous, ear-splitting noise that the Concorde generates on takeoff, and, second, because of the contention of many of the most distinguished scientists in the country that fleets of SST's flying in the upper atmosphere would disturb and impair the ozone to a point where the incidence of skin cancer on Earth would be increased.

I still believe that second reason is a valid one. However, I think that it is not appropriate for an operation under which only a few flights are to be scheduled initially between Europe and the United States. Still, that leaves in full force and effect the first argument that we presented relating to the Concorde, and that is its enormous noise.

Mr. Chairman, why should the FAA permit operation into this country by an aircraft which is much noisier than the aircraft that now operate in and out of our airport?

By passage of Public Law 90–411 in 1968, the Congress said that the Federal Aviation Administration must make every effort to require the aircraft operating in our country to lower their noise level. Pursuant to that congressional direction, the Federal Aviation Administration passed what is known as FAR part 36, which establishes certain noise levels for subsonic aircraft. Admittedly, the regulation is not applicable to supersonic aircraft, but where the FAA has established a noise level for subsonic aircraft for the purpose of providing a lower noise level for the people who live in the vicinity of the airports, why should we permit aircraft to operate in and out of those airports, generating noise levels which far exceed the noise levels which the people are required to bear at the present time?

The Concorde is the world's noisiest aircraft. One has only to look at the letter of the Council on Environmental Quality, which appears on pages 44 and 45 of the report, to see the attitude of the Council. It says, under paragraph one, that the Concorde is a very noisy aircraft, that it generates, at its low frequency, noise that is 5 times greater than that produced by conventional aircraft.

Throughout its letter, the Council points out that in every respect the noise, the vibration, and the whine of the Concorde will cause increases in the noise levels much beyond those to which our people are subjected now if they live close to an airport.

Even the FAA admitted, under my questioning at the hearings before our subcommittee, that the Concorde on takeoff would generate such noise as to rattle the windows, rattle the property, and rattle the dishes of people who live in the vicinity of JFK Airport, which conditions do not exist at the present time with respect to subsonic aircraft.

For these reasons, Mr. Chairman, I suggest that the Congress ought to maintain or ought to insist upon maintaining the same standards that were outlined in the Act that was passed in 1968, and that we ought to provide that any planes which come into our country from abroad should comply with the same standards that are established for our aircraft.

Mr. Chairman, I believe the standard is a reasonable one, and I think that the amendment ought to be accepted.

Mr. McFALL. Mr. Chairman, I rise in opposition to the amendment.

I do not scoff at the intentions of the gentleman from Illinois and of those who have great interest in the environment of this country, who might want to limit the flights of the Concorde or any supersonic aircraft because of noise or because of environmental pollution.

However, I say to the Members that the law with respect to this is clear. The National Environmental Policy Act of 1969 requires an environmental impact statement.

There is testimony in the hearings, and it can be found on page 84 of part 3, that first there would have to be a final environmental impact statement filed. And Mr. Meister of the FAA said:

> We are in the public hearing procedure on the draft environmental statement.

He continued further, and said:

> Second, the local airport operators—in the case of Dulles, the Federal Government, and in the case of New York, it is the Port of New York Authority—would have to make a decision to let the Concorde in based upon the finding of the environmental impact statement.
>
> Third, I indicated that we have committed ourselves to separately evaluate the procedure at J.F.K. Those were not in a letter. Just the safety procedure was in the letter that I referred to.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. McFALL. Mr. Chairman, I would prefer that the gentleman from New York would permit me to finish my statement, and then I will yield to the gentleman.

Mr. Chairman, I say to the Members that what is being done by the FAA under the law will adequately address the environmental concerns raised by the gentleman from Illinois and others.

It would be premature at this time to short circuit the law and tell the FAA: No, do not go ahead with your procedure; we will decide this question for you.

In essence, we are conducting an ex parte hearing on this floor where we do not have all the information or all the facts which will be developed by the FAA.

Mr. Chairman, I will now be glad to yield to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, one point that I must make, the requirements that the Concorde meet the environmental impact statement of the FAA. The original EPA draft statement that was made was quite misleading; if I remember that statement it was indicated by the Council on Environmental Quality that the fine print in that original statement was quite misleading. All this amendment attempts to do is to see to it that the current regulations required of American aircraft are enforced.

I do not see any reason why the gentleman from California objects to the fact that what is good for American aircraft should not also be good for foreign aircraft entering our airspace.

Mr. McFALL. I would be very glad to tell the gentleman from New York why I disagree with him. I read the language of the amendment differently than the gentleman from New York. In my opinion, the language of the amendment would absolutely preclude the Concorde from landing in New York. It would effectively stop the current action by the FAA under the present law. This ex parte hearing would decide the question. We would be saying: No, we do not want the Concorde in this country. We will suffer whatever consequences there may be to our foreign relations, and you need not do what the law requires you to do because we say it will endanger the environment.

That is exactly what this amendment does.

Mr. WOLFF. The amendment is specific in that all that is required is that the Concorde meet the requirements of the FAA regulations.

If that is holding a hearing on this floor, I just do not understand it. If the gentleman from California is desirous that the Concorde not meet the standards, then I can understand his position.

Mr. McFALL. The gentleman from New York and I read the language in the amendment differently. As I understand it, it is shortcutting established review procedures in the law. And certainly the review should go ahead.

If it will just allow the Agency to do whatever they are supposed to do, then there is no need for the amendment at all, is there?

Mr. WOLFF. All it says is:

> Which aircraft do not comply with noise standards established for subsonic aircraft by the Federal Aviation Administration. . . .

Mr. McFALL. If the gentleman from New York would yield to me further, that is exactly the difference. FAA could comply with the environmental protection law without complying with that requirement. That is the difference.

Mr. WOLFF. If the gentleman would yield further, the point is it is noise that we are talking about.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McFALL was allowed to proceed for 7 additional minutes.)

Mr. McFALL. What the gentleman does in his amendment is to say: If they cannot comply with FAR 36, they cannot come into the country. That is not complying with the Environmental Protection Act of 1969, or subsequent amendments. It is a flat statement that if they cannot meet FAR 36, which we apply to subsonic aircraft, they cannot come into the country. I do not believe the Concorde can comply with that.

In other words, what this amendment says, really, is that they cannot bring the Concorde into this country.

Mr. WOLFF. Mr. Chairman, will the gentleman yield further?

Mr. McFALL. I am delighted to yield to the gentleman.

Mr. WOLFF. I thank the gentleman for yielding.

What the gentleman is saying, in other words, is that the Concorde cannot comply with the existing noise standards in this country.

Mr. McFALL. No, I am not saying that. I am saying that it cannot comply with FAR 36. But FAR 36 only applies to certain subsonic aircraft. I am saying that it may comply with the Environmental Protection Act of 1969, and that is what these hearings will determine. If it cannot, then, of course, it could not come into the country. What I am saying is that this amendment changes the review procedure.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

Is it not true that the Environmental Protection Act does not give the Environmental Protection Agency any control over noise? That control remains with the FAA.

Mr. McFALL. That is correct.

Mr. ADDABBO. And that if this amendment is not adopted, then we are willing to accept into these United States planes which we will not permit American airlines to fly?

Mr. McFALL. The gentleman is not correct.

Mr. ADDABBO. In what respect?

Mr. McFALL. There are many subsonic aircraft in the United States landing in airports every day that do not comply with FAR 36.

Mr. ADDABBO. FAR 36 speaks of new planes; is that correct?

Mr. McFALL. That is right, but FAR 36 deals only with new subsonic aircraft. In addition, there are older American aircraft that do not comply with the noise standard, just as the Concorde does not comply with that noise standard.

Mr. ADDABBO. Will all new American-built planes have to comply?

Mr. McFALL. All new subsonic planes have to comply. The gentleman is making the argument that the Concorde is a new plane and, therefore, it should comply. I would say to the gentleman it is not a new plane and it is not a subsonic plane. This amendment seeks to bar the Concorde without a full and fair hearing on the question.

Mr. ADDABBO. Will the gentleman yield further?

Mr. McFALL. I yield to the gentleman.

Mr. ADDABBO. Am I correct in stating that in this bill before us today there is $3.4 million for future noise suppression research for aircraft?

Mr. McFALL. Yes, that is substantially correct.

Mr. ADDABBO. So we are authorizing the spending of $3.4 million to require our own new American planes to meet our noise standards, but we are willing to accept a foreign plane which cannot meet the standards.

Mr. McFALL. I will reply this way to the gentleman. We are trying very hard to do the kind of research that is necessary to quiet these airplanes and get them down to this standard. It is not possible economically to do this with some of the presently flying aircraft fleet in this country. It can be done technically, that is true, and we can gradually do it over a period of years as new planes come into the fleet. When old planes go out of service, we will eventually get all of the subsonic aircraft in the United States down to FAR 36, but we are not going to do it for all airplanes in the country.

Mr. ADDABBO. We have a double standard: one standard for American-built aircraft, and another standard for anything that a foreign government has.

Mr. McFALL. I will respectfully disagree with the gentleman. I think there is a double standard in the amendment offered by the gentleman from Illinois (Mr. YATES). The gentleman has said that there is a possibility of having skin cancer. If we had a fleet of 120 supersonic aircraft flying 4 hours a day, nitrous oxide might have some effect on the ozone which would have an estimated perceptible effect on skin cancer in this country, and that would be equivalent to the natural difference between Baltimore and Washington.

Mr. YATES. Mr. Chairman, will the gentleman yield for a point on the ozone?

Mr. McFALL. Let me finish first.

There is sulfur in the emissions from a supersonic aircraft, and if there were 2,000 supersonic aircraft flying 4 hours a day then there would be a perceptible effect similar to the level I just mentioned. So there is in my opinion no possibility that a few Concorde flights are going to have any kind of skin cancer effect.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Illinois (Mr. YATES.)

Mr. YATES. Mr. Chairman, as the gentleman noted I did not raise the argument about the ozone in my address to the House because I thought it was minimally applicable insofar as the initial Concorde operation proposed is concerned. But perhaps I was wrong and perhaps I am wrong in not barring these airplanes completely. There is a danger. Authoritative research shows it. According to a study by the National Research Council—National Academy of Sciences—1975—375 Concordes would increase U.S. skin cancer cases by 22,000 per year.

What that means is that, each Concorde would produce 40 to 60 new cases of skin cancer annually within the United States.

But that argument is not applicable to the argument before the House now. The only argument before us now is whether or not we would permit the Concorde, with its ear-splitting sideline noise, to come into this country under a separate standard than that which we establish for our own aircraft, for our 747 for example.

Mr. McFALL. There are subsonic aircraft flying in the United States today that do not meet that standard.

If the gentleman and those who support this amendment feel the relationship we have with Great Britain and France and the permission that those countries give to our planes to land in London and in Paris should be interfered with by our action on this floor, I certainly can not agree.

Mr. CONTE. Mr. Chairman, I rise, but reluctantly so, against the amendment offered by the gentleman from Illinois. I say that advisedly because of my deep respect and admiration for him.

Let me say this, some of the older Members recall it was the gentleman from Illinois and I who joined together in defeating the SST. It was a long and arduous battle. It was an uphill battle but we finally won it. It was a good battle.

The reason I fought the SST at the time was based on economic grounds. I did not feel the Federal Government should be subsidizing a private industry to the tune of millions of dollars for the construction of an airplane which I felt would not be a viable airplane. I did not feel the Tupolev, the Soviet SST, was a viable plane and I do not feel the Concorde is an economically viable plane.

However, I think to come here today with this amendment is wrong. The measure is designed to remove from the FAA their statutorily delegated authority to determine such matters. We have not had the benefit of hearings on this particular proposal.

This amendment is clearly in the nature of an ex parte proceeding. There are many persuasive statistics which have been enumerated in support of this amendment. However, we must realize that they are but one side of the story. The fact remains that an issue such as this is not properly handled with 30 minutes or an hour of debate on the floor and then a vote.

DOT has received comments from over 2,700 individuals. They have compiled over 1,000 pages of testimony. Extensive hearings were held in New York City and in the Washington metropolitan area.

An affirmative vote on this amendment would render all these review efforts useless.

We have too many conflicting factors before us today. On the one hand we learn of the danger caused by the SST minimizing the Earth's ozone layer resulting in a higher incidence of skin cancer. However, on the other hand, we learn that we would need 4,000 SST's flying above a particular area for 4 hours per day to have an effect on the ozone layer.

On the one hand, we hear that the plane has a deafening noise. On the other hand we hear it can be retrofited and without retrofit is comparable to several American-made aircraft. We do not know what to be guided by. This is the very reason we must have a definitive judgment and evaluation by an agency who has the required expertise and the regulatory authority to handle such matters.

In addition, I should like to point out the questionable impact this amendment will have with American-European relations. Surely a ban of the SST after an hour's debate on this floor will not be taken lightly by our neighbors. After all, this plane was designed specifically for transoceanic flights.

Mr. Chairman, what will the French do? What will the English do to retaliate? Will they stop us from flying the 747 or 707 or will they put up some other barriers that we will not be able to commercially land our airplanes at their airports.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, they will establish the same standards for our planes as we do for theirs. We will have ours fly the kind of planes to meet their noise levels and we will comply. All we are asking them to do is comply with the noise standards we impose on our planes.

Mr. CONTE. That is fine if they operate that way, but they are not going to operate that way. We have seen it happen before. They will retaliate by proclaiming defects in our aircraft, if not on the noise factor, it will be something else and they are going to make it unbearable for American planes to fly over there.

I have here a letter from Transportation Secretary William Coleman. Let me read the letter.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for an additional 5 minutes.)

Mr. CONTE. Mr. Chairman, the letter is as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., July 7, 1975.
Hon. SILVIO O. CONTE,
Member, Subcommittee on Department of Transportation and Related Agencies Appropriations, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. CONTE: I would like to present my views on a proposed amendment that I understand is being considered for the Federal Aviation Administration's (FAA) appropriations bill. This proposed amendment would, in effect, be a decision to deny the Concorde operating rights into the United States.

As you are aware, a decision on this issue is being formulated within the Department of Transportation (DOT) in accordance with the mandates established by the Congress. In this process, we are giving due consideration to all factors concerned. The environmental considerations are being treated in accordance with the National Environmental Policy Act of 1969 and related administrative guidelines. These mandates clearly identify the Congressional intent, which we are following completely.

Since receipt of application from British Airways and Air France for amendment of their operations specifications, the FAA has been actively engaged in fulfilling the environmental assessment mandates. A Draft Environmental Impact Statement (DEIS) was made available to the Council on Environmental Quality and the public on March 3, 1975. Public hearings were held in Washington, D.C., on April 14 and 15; in Long Island, New York, on April 18, 19, and 24; and in Sterling Park, Virginia, on April 21. In addition to the public hearings, we received comments from over 2,700 individuals and have taken over 1,000 pages of testimony. All of the comments and testimony on the DEIS are being thoroughly assessed by the FAA. This involves additional in-depth analyses in several areas to assure that the Final Environmental Impact Statement will be as complete and objective as possible, covering all relevant environmental factors. No decision has been made upon the request, and it is clearly stated in the DEIS "that the acceptance of an application under the terms proposed did not constitute a decision by the FAA with respect to the proposed amendments; that a decision on the applications could be made only after the Environmental Impact Statement process was completed; and that the amendment, if any, finally effected by the FAA might not be in accordance with the terms of the application."

As stated above, the Congress has vested regulatory authority in the DOT/FAA. Accordingly, I think it would be premature for the Congress to take action prior to allowing the administrative process to run its course. The Congress should permit the Executive Branch of the Government to follow the mandated environmental procedures, consider all other pertinent factors, and make its determination; the process leaves ample time for further legislation if Congress deems it necessary. I do not believe it would be in our best interest to arbitrarily shut off full consideration of this vital issue by the proposed amendment to the FAA appropriations bill.

Sincerely,

WILLIAM T. COLEMAN, Jr.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding. Mr. Chairman, the gentleman from California (Mr. MCFALL) and the gentleman in the well alluded to the international agreements and international relationships with France and England if we should pass this amendment.

Were the Governments of France and England interested in the American air lines when they closed their airports at night, requiring preferential runways to protect their people on the ground? Are our people living around the airports less important to us than the people of England and France? They did not worry about international agreements when they placed limitations on landings and takeoffs at their airports.

Mr. CONTE. I have here a letter from Robert Ingersoll. Acting Secretary of State, and he says:

> However, the British and French Governments have on several occasions expressed to the United States Government their concern about possible discriminatory treatment of the Concorde. We have assured them at the highest levels that the Concorde would be treated fairly in all aspects of U.S. Government regulation. For the Congress to suspend existing procedures even now in progress without an administrative, judicial, or Congressional hearing and to ban the Concorde summarily would certainly provoke claims on the part of the British and French Governments that the Concorde, a project in which they have invested nearly $3 billion and which is of enormous significance to them, was being excluded discriminatorily and contrary to U.S. treaty and other international obligations.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, on the problem we are dealing with, there has been ample testimony which indicates that there is a harmful impact on the environment in terms, certainly, of the noise level. There has been a lot of debate on this issue today.

The fact is that not only does it violate present noise standards, but also two committees of this Congress are about to hold hearings with reference to these noise level standards, the Committee on Government Operations and Committee on Public Works, which may result in findings that it is even more serious than is already indicated.

Now, we find that noise on takeoff and landing from only four SST flights flying daily into JFK airport in New York City would place an additional 2,500 people under conditions which a Department of Housing and Urban Development report has described as unacceptable. I would, therefore, suggest that this amendment should be supported, since it is clear that we should not endanger our population for an SST that goes beyond the noise level which is presently in existence, and in the face of hearings which are going to be held, which I think will only reaffirm these facts.

The decision of whether or not to allow the supersonic to operate in the United States is a critical one, for it represents an opportunity for Congress to halt an insensitive technology which is rushing forward with little regard for its impact on those citizens most directly affected.

From the outset, the development and production of the supersonic transport has been a program for the wealthy few who will be able to afford the high fares necessary, at the expense of the rest of the public who must suffer the ill effects of the SST on their environment.

Even with fares of $1,200 or more, the SST's will not be profitable unless they are permitted to operate in the United States. This means that the thousands of people living near John F. Kennedy, Dulles, and other metropolitan airports will have to suffer so that the privileged few can eat lunch in New York and have dinner in Paris. I hardly think that this is an equitable tradeoff.

Tests have clearly demonstrated the harmful impact which SST operation will have on the environment. Not only have the Department of Housing and Urban Development statistics shown that noise on takeoff and landing from only four SST flights daily at JFK Airport in New York City would place an additional 2,500 people under conditions which the report described as unacceptable but 25 flights daily into that airport would place another 10,000 under the same unacceptable conditions. Though the structures in which these people live may be able to withstand these conditions, it is well documented that high noise and vibration levels can have a distressing and disorienting effect on individuals. The psychological damage to these people that will result is incalculable.

Not only noise pollution, but the emissions from the planes themselves will have a deleterious effect on our atmosphere. The depletion of the ozone layer by the oxides of nitrogen from the planes would remove our only protection from ultraviolet radiation. Climatic changes may also be brought about by the alteration of the ozone layer. The effects of these changes are only vaguely understood, yet with these threats to the environment the FAA is prepared to allow flights. It is, therefore, up to the Congress to prevent these damaging results.

Aside from these environmental concerns, energy considerations would also argue against permitting the operation of these aircraft. The Concorde SST, because of its small 100- to 125-seat capacity, would use two to three times as much fuel per passenger as the jumbo jets carrying 200 to 400 people. I hardly think that our energy shortage should be aggravated by the use of this luxury aircraft.

We must seriously ask ourselves if the few hours gained in flight time by the few people who can afford supersonic travel are worth the harm to our atmosphere and the waste of energy caused by the SST. We now have a rare opportunity to put a halt to blind, senseless technology which is applied at the expense of the general public. Putting both the airlines and the manufacturers on notice now that the environmental destruction which the Concordes cause is too great a burden for us to accept, will be an effective method for preventing the further construction and development of this wasteful machine.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Massachusetts. Obviously, this is a subject that should not be handled on an appropriation bill. I think it would be most unfortunate, with the appropriations procedure, to determine an issue as fundamental as this and with all kinds of ramifications internationally, domestically and otherwise. I think the House would be very unwise to try to deal with this matter on an appropriation bill.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

(On request of Mr. WOLFF and by unanimous consent, Mr. CONTE was allowed to proceed for 5 additional minutes.)

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I thank the gentleman for yielding to me. Much of what the gentleman has said about misleading facts in this entire matter is well taken. I cite the example of what has been said by the EPA in its environmental statement and then the statement that was made by the Council on Environmental Quality, which states very specifically that the report that was originally issued was misleading.

I bring to the gentleman's attention one more important fact. To talk about the international implications, there is information that is available at the present time that is going to be the subject of a hearing by the subcommittee headed by the gentleman from Missouri (Mr. RANDALL).

If that is what the gentleman is referring to in saying that it will cause strained relations between the two nations, then perhaps he is right. But perhaps he ought to check with the actor, Robert Morley, who is on the air every day inviting Americans to travel over to Britain.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Yes, I will yield to the gentleman from New York.

Mr. SCHEUER. Mr. Chairman, I represent the Kennedy International Airport area and the surrounding New York City communities of Laurelton, Rosedale, Lindenwood, Cambria Heights, Howard Beach, the Rockaways, and Canarsie, and I wish to tell my colleagues that the noise levels in these communities already makes normal life difficult, if not impossible.

Children have difficulty studying in these areas. There can be no normal conversation around the dinner table. And the impending threat of the Concorde, with its even greater noise levels, further destabilizes the lives of these people.

I visited the NASA Noise Laboratory at Langley, Va., recently where the engineers have simulated the noise emissions of the Concorde in a model living room. When the noise level of the Concorde hits the room, the dishes rattle, the windows shake, pictures rattle on the wall—needless to say, it is a terrifying experience. We are within the bounds of reason to insist that the developers of this new aircraft to conform to FAR–36 noise limits, a standard set by the FAA in 1969, of which these developers have had adequate notice. They have flaunted this regulation for the past 6 years. They could have taken it into account during the development of the Concorde, but they figured that somehow or other they could pull some sort of sleight-of-hand—and I think they have not come to us with clean hands.

Mr. Chairman, I want to remind my colleagues that later this afternoon the full House of Representatives will most likely approve legislation prepared by the Science and Technology Committee containing my amendment to provide $2 million next year in Federal funds to probe the effects of noise on our society. Through this research, we will be able to set additional Federal standards for acceptable noise levels, and to disseminate public information on the effects of noise. I do not expect that this research will result in conclusions to the advantage of the Concorde developers.

Regarding noise pollution, the intent of Congress is clear. The Noise Control Act of 1972 states that:

> It is the policy of the United States to promote an environment for all Americans (to be) free from noise that jeopardizes their health and welfare.

It was a long uphill battle to achieve what we have in the way of environmental legislation—and we cannot retreat from it now.

To allow the SST/Concorde to operate commercially into this country is to turn back the calendar. I have proposed legislation which would require all the airlines to install sound-absorbing material into all of their airplanes, most of them built before 1969, which do not meet the FAA noise standards which were written in 1969. The Concorde does not meet these standards—and it cannot be allowed into this country until it is equipped for compliance.

I am also upset by the recent argument of the Concorde manufacturers that low altitude turns by the Concorde would reduce the level of noise. Airline pilots tell me that such turns are an unwarranted safety risk. As a World War II flight instructor and a licensed commercial pilot myself, I am disturbed that such a proposal would be considered and tested with passengers aboard—especially over such a populous area as Kennedy Airport. In light of the recent airplane crash at Kennedy, the most tragic air disaster in our aviation history, I shudder at such a suggestion.

Mr. Chairman, I have been invited by the Director of NASA to return to the noise testing laboratory at Langley with about 20 selected community leaders and concerned citizens from the Kennedy Airport area to review the nose effects of the Concorde.

I believe we would be derelict in allowing this airplane to fly over these or any other communities until we have received and studied the input of the residents who must bear the burden of the awesome noise levels generated by the Concorde. The citizens of Laurelton, Rosedale, Lindenwood, Cambria Heights, the Rockaways, Howard Beach, and Canarsie will tolerate nothing less.

Mr. Chairman, I support this amendment and urge that the Concorde be banned from entering our country until it can comply with our national laws on noise levels.

Mr. CONTE. I might mention here that this thing about the rattling dishes and all of that, the Concorde, in all fairness, is not going to fly in supersonically. We agree on that, do we not, I will ask the gentleman from Illinois (Mr. YATES)?

Mr. YATES. If the gentleman will yield, that is true. It will not fly supersonically to create a sonic boom.

May I make a point with the gentleman?

Mr. CONTE. Yes.

Mr. YATES. The point I want to make is this: Does the gentleman believe that the six flights that are contemplated is all that is proposed for this airline? Six flights into the United States is obviously a very losing proposition. There will have to be many more flights that are going to follow this, and I believe we should keep that in mind, as well.

Mr. CONTE. I agree with the gentleman. It could be 6 flights, it could be 10 flights, it could be 12 flights. But the point we are losing sight of here in this debate is that there is no guarantee whatsoever that the FAA is going to approve the landing rights of the Concorde into Dulles or New York. There is no proof of it at all. The letter that Secretary Coleman sent to me is very, very explicit in saying they are having all of these hearings and they will give it all attention possible.

Let me finish the letter from Robert Ingersoll, Acting Secretary of State. In the last paragraph he says:

> A ban on Concorde operations, without due examination and consideration, could also do damage to the United States image as a supporter of a more liberal international trade regime. This in turn could affect American aerospace exports which for the last two decades have represented the largest manufactured components of United States foreign trade. From time to time, protectionist moves have been proposed in Britain and France to keep American aircraft out so that British and French aircraft industries could be maintained. The continued support of free trade elements in these countries would be threatened should the United States deny the Concorde access on a non-discriminatory basis.

That is what we are doing here today.

Mr. ALEXANDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when this Yates amendment was brought before our subcommittee and, later, before our full committee, I voted against the amendment, not because of the ozone argument and not because of the complaints from people who have purchased homes near airports; I voted against the Yates amendment, as it was originally composed, because it peremptorily barred in a summary judgment the opportunity for the Concorde to comply with the standards that have been established by our Government concerning noise levels.

I had prepared an amendment in the

nature of a substitute which would cure my objection, and I am happy to report that the gentleman from Illinois (Mr. Yates) has agreed to accept my language and has incorporated that in his amendment.

I, therefore, rise in support of the Yates amendment. I think that the Yates amendment as it now stands gives the Concorde the opportunity to fly in this country for the purpose of experimental flights in order to comply with the standards that we have established for new aircraft flying in this country.

Mr. Chairman, I would like to yield to the gentleman from Illinois (Mr. Yates) for the purpose of answering the question of whether or not under his amendment experimental flights of the Concorde can now be conducted or can be conducted after the enactment of this amendment for the purpose of complying with the standards and with the noise levels that have been established by our Government.

Mr. YATES. Mr. Chairman, if the gentleman will yield, the gentleman is correct. The amendment which I have offered and which incorporates the gentleman's recommendations about establishing American noise levels as being apropos as well for the Concorde is to be applied only for the commercially scheduled or nonscheduled operations of the Concorde into the United States. It does not exclude experimental flights of the Concorde. It relates only to regular service, and, therefore, the kind of operations the gentleman mentioned would still be possible for the Concorde.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, would the gentleman point out what language he is referring to?

Mr. YATES. Mr. Chairman, if the gentleman from Arkansas will yield further, one has only to refer to the amendment to know that it is made applicable to commercially scheduled or nonscheduled flights, and, therefore, flights by the Concorde not in regular service would be permitted in this country.

Mr. McFALL. Mr. Chairman, if the gentleman will yield further, what language is the gentleman from Illinois referring to?

Mr. YATES. Mr. Chairman, the gentleman from Arkansas asked me whether or not the language of my amendment would bar experimental flights by the Concorde into the United States. I replied to the gentleman and stated that under the terms of the amendment I have offered it is applicable only to supersonic aircraft engaged in scheduled or nonscheduled commercial service and, therefore, experimental flights which were not of the character described in the amendment would be possible.

Mr. McFALL. But under the language it would still apply that there would be no reason for the FAA to continue with its hearings under the law and accomplish the purpose for which the law of 1969 was designed?

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. ALEXANDER. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, there is no barrier in my amendment to any continued hearings by the FAA. The FAA may want to go into hearings to see whether or not the Concorde can comply with FAR 36 by the same kind of retrofittings that the FAA is recommending for domestic flights.

Mr. McFALL. Mr. Chairman, does the gentleman's amendment add "which aircraft do not comply with noise standards established for subsonic aircraft by the Federal Aviation Administration"?

Mr. YATES. That is right, it does.

Mr. McFALL. Mr. Chairman, the gentleman knows that many subsonic aircraft in the United States do not comply with FAR 36, and that there is no way that the Concorde could comply with FAR 36.

Mr. YATES. The gentleman does not know that.

Mr. McFALL. I will be very glad to advise the gentleman that that is correct.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. Alexander) has expired.

(On request of Mr. Yates and by unanimous consent, Mr. Alexander was allowed to proceed for 3 additional minutes.)

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Illinois (Mr. Yates) for the purpose of replying.

Mr. YATES. Mr. Chairman, I thank the gentleman for yielding.

May I say to my very good friend, the gentleman from California (Mr. McFall) that I attended the hearings on this as well as he and that the testimony I heard was to the effect that yes, there were subsonic aircraft that did not comply with FAR 36 at the present time but could comply with FAR 36 by retrofitting.

I think the hearings the gentleman read from will sustain that argument, that retrofitting has already taken place with numbers of subsonic aircraft, which prior to retrofitting did not comply with the regulation but which now, after the retrofitting, do comply with the regulation.

It seems to me that where the opportunity is afforded for the Concorde to meet those same standards, we do not bar the Concorde completely. We are establishing the same kind of standard for foreign aircraft at noise levels that we have established for our own aircraft, and I consider that to be fair.

Mr. McFALL. Mr. Chairman, will the gentleman yield for the purpose of my answering?

Mr. ALEXANDER. Yes, I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, I wish to point out to the gentleman that what the gentleman does with this amendment is that he changes the present regulation. The present regulation does not apply to supersonic aircraft.

Mr. YATES. That is correct.

Mr. McFALL. And the gentleman would change it so that the Concorde must comply with the regulation as it applies to subsonic aircraft in the United States.

Mr. YATES. If the gentleman will yield for a correction, there is no law on the books presently applicable to supersonic aircraft. The FAR 36 that is on the books applies to subsonic aircraft.

Mr. McFALL. Right.

Mr. YATES. I am not changing that law at all. All I am doing is saying that that law applies to this as well as to subsonic aircraft.

Mr. McFALL. The gentleman is adding something which does not exist at the present time.

Mr. YATES. I am saying that it applies to any Russian plane or any plane which does not comply with our standards.

Mr. McFALL. True, but it does not apply to subsonic aircraft in the United States which do not comply with the law at the present time.

Mr. YATES. Except that all I am asking by this amendment is that the Concorde do the same thing.

Mr. McFALL. Would the gentleman agree that the practical effect of what he is doing is that he is barring the Concorde?

Mr. YATES. The gentleman would not agree with that at all.

The gentleman is saying that there may be ways that he does not know and I do not know by which the Concorde may be able to get its noise level down. As a matter of fact, the Concorde previously had placed noise suppressors on its aircraft which reduced its noise levels, but to do it it had to cut down on the number of seats. Perhaps it could use noise suppressors, install those, to meet these standards now.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, with all due respect to my good friend and colleague of the subcommittee, the gentleman from California (Mr. McFall), he is in error on a simple point. He has said there is no standard that deals with supersonic aircraft on the books. That statement is not true at all. The hard fact is that there are Federal statutes relating to noise emissions from aircraft. I sat on the committee when that legislation was drafted, and I sat on the subcommittee, and the law and every amendment thereto apply to all aircraft, subsonic, supersonic, and however they might happen to move.

The fact that the FAA has not chosen to fairly apply that law or now seeks to exempt the Concorde and certain other aircraft from the provisions of that law does not make the gentleman's statement true. The hard fact is that the FAA is trying to let the Concorde come in, in defiance of settled congressional policy.

Mr. McFALL. If the gentleman would yield for that purpose, I am advised that FAR 36 does not apply to all subsonic or to any supersonic aircraft.

Mr. DINGELL. The answer to the

question is that it applies to all aircraft, subsonic and supersonic.

Mr. McFALL. Maybe I am incorrect.

Mr. DINGELL. It applies as to the noise levels of both. Maybe the regulation does not, but the statute does.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes, I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I want to associate myself with the remarks of the gentleman in the well, and I rise in support of his amendment.

It deals with the problems of jet noise. We in this Congress have taken strong action on behalf of the people of this country to try to protect them from jet noise.

Now we are having to act like we are helpless in the face of foreign jet noise where we are not helpless as far as jet noise of our own aircraft.

I think this is a very worthwhile amendment, and a reasonable amendment, and I ask for support of the amendment.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MILFORD, and by unanimous consent, Mr. ALEXANDER was allowed to proceed for 1 additional minute.)

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I am happy to yield to the gentleman from Texas.

Mr. MILFORD. Mr. Chairman, I thank the gentleman from Arkansas for yielding to me.

There is one point that I would like to make, Mr. Chairman. There seems to be some misunderstanding here. This business of double standards on noise simply does not exist. Keep in mind that the Concorde was designed in the early sixties, and was manufactured and flying prior to the 1969 noise standards established by the FAA. These same standards excepts aircraft designed before the regulations or gives them a reasonable period of time in which to go through the noise suppression procedures. And I might add that in connection with the supersonic transport, that aircraft is of a type wherein one does not simply run down to the harware store and buy a noise suppressor and put it on the airplane. The fact is that the Concorde is within our own laws and the exceptions made to our own aircraft but would not be if we forced them to comply with post-facto regulations.

Mr. WOLFF. Mr. Chairman, if the gentleman will yield, the gentleman from Texas may be right as to what he is saying as to the fact that the law does say that those aircraft designed prior to the particular period mentioned, but I think that is all the more important that the gentleman should support this amendment, because all it says is it should comply with the FAA regulations.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I find myself in a rather unique position on the amendment, because I agree with the objective of the gentleman from Illinois (Mr. YATES) who has offered the amendment. As a matter of fact, I agree with most of the debate of the proponents on the side of the amendment, but the unfortunate part of it is that the language of the arguments and the language of the debate will not be the language that will appear in the act, it will be the language of the amendment itself that will appear in the act. And that language Mr. Chairman does not go to environmental questions, or questions of the right to land or not to land, or overfly U.S. territory. All it specifically deals with is the air controller of civil supersonic aircraft.

If one were to carry this to a point imaginable, then suppose that there is a 747 loaded with Members of Congress approaching Kennedy Airport to land, and also there is a supersonic aircraft from somewhere overseas also approaching that same controlled zone, and the controller is not permitted to control that supersonic aircraft because he is being paid for by funds under this bill.

That is what the amendment says.

As I say, I agree with the objectives, but I am very much concerned about the specific language of the amendment, and the possibility of the creation of hazards at some time.

Mr. YATES. Mr. Chairman, if the gentleman will yield, I am not sure I understand the gentleman's question.

If I understood the gentleman correctly, the point the gentleman makes is that the FAA controller would not be allowed to control the supersonic aircraft, and that is correct. That is the point.

The reason for that is the fact that if they cannot control a supersonic aircraft, then those aircraft cannot land in the United States. It is that simple. That aircraft, if it is a supersonic aircraft, would have to find another landing zone. It would have to fly into Canada, or some other area which is not subject to the control by FAA controllers.

Mr. YOUNG of Florida. Mr. Chairman, I am very much aware of the situation the gentleman describes, but I am also aware of the fact that oftentimes when a plane is approaching a foreign nation, the communications are complicated, the rules and regulations are complicated, so that just flying through or near that controlled zone by an uncontrolled aircraft could create a traffic hazard. That is what disturbs me.

Again I say I agree with the objectives of the gentleman from Illinois and, as a matter of fact, I have introduced legislation to accomplish that very same thing, but I am very worried about the specific language of this amendment.

Mr. YATES. The gentleman will note that the prohibition upon the controllers is for landing in the United States. So if a plane is not going to land in the United States and is flying to another destination, I assume the controllers would give it assistance.

Mr. YOUNG of Florida. I have seen air traffic control operations, and I am sure many of our colleagues have also. We are very much aware of how much activity there is in these various control areas. For that controller to have to make a determination as to whether that approaching aircraft is approaching to land or approaching to fly over, or approaching just for sightseeing, is going to add considerably to a job that is already at best extremely difficult.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. YOUNG of Florida. I would be happy to yield to the gentleman.

Mr. YATES. I thank the gentleman for yielding.

First of all, every aircraft engaged in commercial service—and I assume many of those not engaged in commercial service—file a flight plan. That flight plan is made available for planes that are going to land in the United States. Presumably, the controller would have an authorized flight plan on all planes entering his airspace. A plane would not be permitted to land here if it did not comply with the requirements of the amendment. So I think the gentleman's concern is not valid.

Mr. YOUNG of Florida. Again I agree with the argument the gentleman made, but there is a famous quotation: Oftentimes the best laid plans of mice and men go astray.

Unfortunately and regrettably in our own recent history, many Americans have lost their lives because of aircraft that have gotten off course or have not been where they thought they were, or have gotten into areas they should not have been in, at altitudes they should not have been at. So mistakes are made. Air traffic control is extremely difficult. It worries me that, rather than specifically prohibiting a flight over our land, we are attempting to tie the hands of the controller. This is what disturbs me.

Mr. YATES. Only for landing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, regrettably, the debate seems to be getting off on a matter that is totally unrelated to the amendment. What the amendment says—and I say this for the benefit of the gentleman from Florida—is that there is no money for controlling these aircraft, and the supersonic aircraft will not be able to enter American airspace. That is what it says. If the gentleman's words are to be taken at face value, what that means, then, is that he would, on better understanding, support the amendment of the gentleman from Illinois.

Let us look at what we have before us. We have really before us the question of whether or not this Nation, our aircraft industry, our airlines—which are in a deplorable state of affairs—are going to be subjected to another race in production and manufacture of supersonic aircraft, and of the utilization of supersonic aircraft to the outrage of our constitutents. Once that race starts, there is going to be no stopping. Every airline in the United States, and every airline in the world, is going to be buying supersonic aircraft. We might just as well understand that the purpose of this amendment is to stop that situation right now.

I am not going into the environmental effects of the utilization of the SST. The environmental impact statement which was filed by FAA was found to be deficient by the Council on Environmental Quality because they did not tell all the facts.

Let us go a little further than that. Let us understand that the SST is going to create skin cancer in our people.

What is really important is that the Concorde is the noisiest, most inefficient, expensive gas-guzzling aircraft in the air today, with the exception of certain military types. It costs over twice as much per seat at least as do conventional aircraft. It carries far less than it was originally intended to carry. Its seat-mile cost is far in excess of what was originally projected.

There are doubts as to its safety. I saw on takeoff the crash in Paris just a few years ago of another one of these SST's.

Let us go a little further than that. Our airlines are in a desperate state of affairs. The happiest people in the United States when the Congress terminated the SST program a few years ago were the airlines. We have got at least two airlines which are in bankruptcy or near bankruptcy.

There are questions whether Pan Am is going to survive the year without massive Federal help. And it is equally doubtful that TWA is going to get through the year without a great deal of assistance. These are airlines which are international carriers. We are projecting them into a race with foreign airlines for the purchase of SST's, when these foreign airlines are subsidized by the foreign governments at a time when this Government will not subsidize our airlines.

Let us look further into this. The SST's were built with massive infusions of Government money. They do not meet the requirements of American law with regard to noise production. And in landing or takeoff of either the subsonic or the supersonic jet, they are highly offensive to anybody within miles of landing or takeoff.

The function of this amendment is to say once and for all that we are not going to have American SST's annoying our people and we are not going to have foreign SST's annoying our people on or over our surface. Is that too much to say?

It permits the SST's to continue for experimental purposes, and I do not think that is bad. For instance, if we experiment with these for a while we will find out how highly obnoxious they are and how utterly intolerable they are and then we will not permit them.

We have talked about how necessary it is for us to take care of our friends across the seas. I served for years on the Subcommittee on Transportation of the Committee on Interstate and Foreign Commerce before that committee was stripped from the jurisdiction over this matter. Let me tell the Members there is not a government in the world, neither the British nor the French nor anybody else that does not actively discriminate against our airlines. The CAB submitted to the Congress as the result of a request by our committee for a study of foreign discriminations against American airlines a report that the foreign countries impose currency limitations; they play games with landing hours; they impose heavy landing taxes; they compel us to submit to certain constrictions with regard to the utilization of their facilities; they sell us fuel at high costs; they discriminate against our people with regard to communications and communication carriers; they impose discriminations with respect to landing fees, times of landings, and costs of landings; and they sneakily refund to their people those same charges they impose on our people.

So do not let anybody tell Members we are dealing with nice folks. We are dealing with subsidized foreign airlines. We are dealing with governments that are sneakily taking care of their own airlines and are now discriminating against ours. They also are financing the costs of this SST to their airlines.

If we want to stop all this outrage the time to do it is now. Just say the FAA cannot spend any money for controlling these aircraft and, for the benefit of my friend from Florida, I will say they will not be allowed to enter our air space.

Mr. Chairman, I rise in support of the Yates amendment, which would prohibit the commercial operation of supersonic aircraft in this country.

It is a little over 4 years since the Congress put an end to the American supersonic transport program by cutting off funding for the Boeing SST. This was a wise decision, made for both environmental and economic reasons, and the passage of time has demonstrated its wisdom. Unfortunately, our friends in Britain and France did not see fit to follow our example. They have continued with the development of the Concorde, a money-losing, fuel-devouring, polluting, white elephant of an aircraft. The Russians also have continued to develop their TU–144, which is similar to the Concorde in virtually all respects.

The Concorde has now applied for permission to operate in this country beginning early next year, on the trans-Atlantic run from London and Paris to New York and Washington. The FAA, as usual following the dictates of the aircraft industry, appears ready to grant this permission. It not only is putting aside environmental considerations it is mandated by law to uphold, but burying the weight of accumulated scientific evidence which shows the grave risk the SST poses to human health and safety.

Why should the Concorde be stopped? The economic factors which entered into our decision on the American SST do not apply here, since this aircraft has been built by foreign governments and foreign taxpayers who must bear the burden of its crushing costs. But, certainly the environmental factors which applied in 1971 most emphatically apply today. The Concorde has been proven guilty of extreme noise pollution. It also stands accused of being a hazard to the protective ozone layer, which many in the scientific community warn would cause increased incidence of skin cancer and other health problems.

Let us first consider the noise problem. The Concorde, when and if it enters commercial service, will be the noisiest airliner in existence—far louder than the new, wide-body jets such as the 747 and DC–10, and even louder than the older, noisier generation of jets such as the 707 and DC–8. The current estimated noise levels for the Concorde, at the FAA's specified measuring points, are 115 decibels on approach, 118 on takeoff, and 113 for sideline noise. These noise levels are far in excess of the 108-decibel level with which all aircraft certified after 1969 must comply. They are also substantially higher than the noise levels for the older jets, for example the DC–8, which is rated at 117 decibels each for approach and takeoff noise, and only 103 decibels for sideline noise. As the older jets are retired, or are modified by retrofitting, the Concorde will be much noisier than anything else in the air.

Despite the FAA's attempt to minimize this impact of noise and its repercussions, the fact is that greater numbers of people will be subjected to higher noise levels than ever before. Adverse public reaction can be expected as well as impairment of the general health and welfare.

Then, there is the more speculative but potentially much more dangerous problem of the ozone layer. Laboratory calculations by experts show a real possibility of depletion of the ozone layer by high-flying aircraft. The ozone layer protects us from the harmful ultraviolet rays of the sun, and the removal of any part of that protection would allow more ultraviolet rays to penetrate to the ground. This increase in the ultraviolet radiation would cause catastrophic effects on the Earth, including damage to crops and vegetation and a rise in the incidence of skin cancer. To quote from the report on "Environmental Impact of Stratospheric Flight, recently issued by the National Academy of Sciences, our top scientific advisory group:

> It is concluded that an increase in the number of stratospheric airlines with present engines will diminish the amount of ozone in the stratosphere and consequently will increase the intensity of ultraviolet light at ground level. The potential harmful biological effects of an increase in the intensity of ultraviolet light at ground level are such that the burden of proof that these consequences can be accepted must lie with those proposing increased use of such aircraft. If additional aircraft are put into service in the stratosphere, one must be prepared for an increase in skin cancer unless appropriate international regulations having the effect of limiting the total emission of NO_x by stratospheric airlines, both subsonic and supersonic, are successfully negotiated and implemented.

Today, in making a decision and voting on this amendment we must ask ourselves why we are allowing so many environmental standards to be violated? Why we are willing to risk endangering public health? Why we are overlooking the criticisms of the draft, "FAA Environment Impact Statement," by various environmental groups as well as the academic community, merely to protect the financial investment of Britain and France in this aerospace venture?

Unquestionably, we should not inflict the noise of the Concorde's engines on our population and we should not inflict its dangerous emissions on the ozone layer that protects us all. I urge that this amendment be adopted.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(On request of Mr. Dodd, and by unanimous consent, Mr. Dingell was allowed to proceed for 1 additional minute.)

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Chairman, I associate myself with the remarks of the gentleman from Michigan. He has made the most salient point, that in addition to the noise factor we would make a mockery of the decisions that this Congress or the last Congress repeatedly has made with regard to the SST. If we allow the planes of the French to land, if we allow the Concorde to land after this Nation has repeatedly rejected that concept, I think it would be a mistake. I commend the gentleman for his remarks.

Mr. Chairman, I rise in support of the amendment submitted by my colleague, Representative Yates from Illinois, which would have the effect of banning the operations of supersonic transport-passenger planes, SST's, into the United States.

I believe that the commercial operation of supersonic aircraft into this country is unnecessary and poses a number of environmental problems. Funds to allow for it to land in this country should be excluded from the Transportation Department authorization bill before us.

The SST's noise problem and threat of destruction to the atmosphere ozone layer, which could lead to greater frequency of skin cancer, are more than enough reasons to prohibit their comings and goings to the United States.

Some might argue that there will be no noise problem with SST's, because they will not be allowed to fly at supersonic speeds over the U.S. landmass.

However, the President's Council on Environmental Quality has determined that even at subsonic speeds, the French-British SST, the Concorde, is, and I quote:

> At least twice as loud as most present subsonic aircraft.

The Environmental Council also has said, and I quote again, that—

> Concorde low frequency noise will be FIVE times greater than that produced by conventional airplanes.

There also is environmental evidence that this low-frequency noise could cause building vibration—which might threaten the safety of certain structures.

As regards the ozone layer, Mr. Chairman, the staff director of the Council on Environmental Quality has stated:

> It is clear that there would be a serious danger of increased incidence of skin cancer in humans if a large fleet of Concordes were to cause a depletion in the protective ozone layer.

While the money in this authorization measure would allow for a limited number of SST flights into the United States, I seriously question whether this step should be taken.

My colleagues and I all know how that this could represent just a first step toward increasing the frequency of SST flights into this country—because these things develop a momentum and inertia of their own.

I ask you, can we afford to take this potential risk to our health?

Is all this worth it to the United States, simply to allow supersonic aircraft to fly four flights daily into Kennedy Airport in New York and two flights daily into Dulles Airport near Washington, D.C.?

I have another major concern in connection with supersonic transport flights, Mr. Chairman.

Under the present plan, a number of airports have been designated as alternate landing sites for SST's in case of emergency situations. One of these alternate sites is Bradley International Airport in my home State of Connecticut.

Now no one can argue that there should not be alternate landing fields in case of emergency situations. That is only good commonsense.

What concerns me is that with supersonic transports, the "emergency" might become the "commonplace." This fear has also been expressed to me by the people who live near Bradley Field.

SST's have a very small fuel reserve because of their tremendous size and consumption rates, which also makes them energy gluttons in this time of energy scarcities.

Thus any "heavy air traffic" that would keep an SST in a holding pattern over Kennedy Airport in New York would necessitate the plane using Bradley as an "emergency" site. And we all know how often there is "heavy air traffic" at our major airports.

Also, Bradley Field is located in a rural-suburban area of Connecticut where the noise from approaching SST's would cause a great deal of disruption.

This too is of great concern to the people who live in the towns surrounding Bradley Field. It is a legitimate concern which I share.

The towns surrounding Bradley all have said they do not want SST's to land at the airport, and the Governor of Connecticut, the Honorable Ella T. Grasso has formally requested that SST's be prohibited from landing anywhere in the State.

Lastly, Mr. Chairman, I would remind my colleagues that the last Congress voted down continued development of an American SST. Yet now we are considering allowing a British-French plane to fly into this country.

To follow such a policy now would be a grossly contradictory action, and it would be a direct affront to the will of the American people, who effectively communicated to the 93d Congress, our predecessors, that they did not want commercial SST's in this country.

Mr. Chairman, I am well aware of the supposed benefit of allowing SST flight into this country. Those few people who could afford to ride the airplane would be able to travel across the Atlantic ocean in half the time it now takes.

I know that for many people time is money, Mr. Chairman, but I think that there is ample evidence, as I have presented, which clearly proves that this small benefit is far outweighed by the great environmental costs to this country of allowing SST flight here.

The aircraft is an unwanted menace, and the amendment offered by the gentleman from Illinois (Mr. Yates) is the only effective way to escape that menace.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, further on this international relations question, the aircraft itself does not have the range to safely carry it between Paris and New York.

In addition, the British Government is divided in its opinion as to whether or not they should support further the Concorde, because it will cost the British people a subsidy of an additional $60 million a year even under the maximum circumstances of almost a full load on each aircraft coming over here.

Mr. DINGELL. I thank the gentleman from New York. I think he has raised a very, very useful point and that is the simple fact of the matter that this aircraft has not yet been proven and the only market on which this aircraft can fly at this time is into New York or into New York and then Dulles. That is the market. That is where the money is. That is the most intensively overflown transportation route in the world and it is also the one where American air carriers and American-flag carriers are being most severely discriminated against through the mechanisms I have mentioned by the foreign governments, among some of whom are those who are trying now to fly the Concorde into this United States.

Mr. ADDABBO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield the the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I rise in unqualified support of the amendment offered by my distinguished colleague from Illinois (Mr. Yates) to preclude commercial flights of the controversial SST Concorde airplane into the United States.

This amendment is in response to the apparent plans of the FAA to allow up to six commercial SST flights a day to land at Kennedy Airport in New York and Dulles Airport in Washington. This plan must be stopped and in fact dismissed for good. It should be noted that this amendment will still allow for emergency landings of SST's in the United States, which must be provided for obvious safety reasons.

Our Nation does not need the SST and all of its potential and real problems. We are in a more authoritative position than ever before to confirm some of the fears about the SST which we expressed when the Congress voted down the American SST program in 1971. The FAA since then has sought to circumvent the intent of Congress by working to allow the French and British versions of the SST to land here. This amendment will serve to tell the FAA that we made ourselves clear in 1971 we do not want SST commercial flights into this Nation.

Let us discuss some of the problems with the SST. First and foremost is the noise problem. I have long advocated a responsible noise abatement program be adopted by this Nation. Congress has addressed itself to this issue to some extent, but the last major piece of legislation enacted in this area was 8 years ago with passage of Public Law 90–411.

The simple fact is that SST noise levels are dangerously high. It is estimated that the low frequency noise level alone of the Concorde will be five times greater than that produced by conventional airplanes. The impact of SST flights on those persons residing in areas surrounding Kennedy and Dulles Airports will be severe. The President's Council on Environmental Quality estimates that noise exposure levels for these people will be dangerously high. I wonder how many of you here live near a major airport. Part of my congressional district includes La Guardia Airport. I receive hundreds of calls and letters from constituents who relate harrowing experiences caused by low flights of conventional airplanes over their homes. These incidents include occasional structural damage and constant disruption of day-to-day living due to jet noise. Is this necessary? Should we not be more concerned with lessening noise pollution for these people instead of increasing it fivefold? I assure you that for these people there may be no more important legislative item before Congress than this amendment today.

Yet excessive noise is not the only drawback of the SST. The President's Council on Environmental Quality has established a direct relationship between the SST and a disruption of the ozone layer, thus risking increased incidences of skin cancer. We have learned a great deal about the hazards of disrupting the ozone layer during recent discussions about aerosol spray cans. The SST presents an equally dangerous hazard which must be eliminated for the safety and health of the American public.

The arguments in support of allowing SST flights to come to this Nation are weak in my assessment. It can even be boiled down to this basic question. Are we more concerned about honoring agreements with Britain and France than we are about the safety of our own people and their freedom from excessive noise? Let us put our priorities where they belong and passage of this amendment will do just that.

Mr. Chairman, I compliment the gentleman from Illinois (Mr. Yates) as well as my colleagues from New York (Mr. Abbaddo, Mr. Wolff, and Mr. Koch) for their efforts on behalf of this amendment. I consider it to me a critically important amendment with national not just regional significance. It is true that we are only dealing with two cities in the entire United States, but I am confident that I and other supporters of this amendment would feel the same no matter what cities were involved. It is the banning of the SST that we are concerned with. I feel it is time for the FAA to become more responsive to the overwhelming desires of the American people to be free from excessive and dangerous levels of noise pollution. I have been fighting the FAA to get them to implement proposals which would substantially reduce jet noise. These proposals include reduction requirements through jet retrofitting, restricted hours for operations for noisy planes, and changed approach patterns. I am sorry to say that these proposals have been largely ignored.

This proposal of the FAA is the most dangerous yet and must be squashed. We have the opportunity to go on record against unnecessary noise pollution and should do so. I urge the prompt adoption of this amendment today.

Mr. AMBRO. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. AMBRO. Mr. Chairman, there are a number of inaccuracies being bandied around with respect to the proposed landings of the SST. Rather than dealing with each—the environmental aspects, specifically with noise and ozone, with land use planning in and around major airports—it might be significant to point out that objectivity, with respect to this matter, is singularly lacking.

If one can believe a recent article in Newsday, written by a newsman of the highest professional caliber, Harry Pearson, we are told that foreign policy interests of this country will be severely jeopardized if the SST is not permitted to land and that this consideration is being used by the administration to twist the arms of the FAA to relax standards.

I draw my colleagues' attention to the following article carried by Newsday:

State Department and Security Council Press for SST Landings in United States

(By Harry Pearson)

The State Department and the National Security Council have pressured federal and state regulatory agencies in an effort to insure regular flights of the British-French SST, the Concorde, into the U.S.

In pushing for the supersonic transport, the department and the security council have cited secret assurances from the Nixon administration to the governments of Britain and France that it would not rule out approval for the Concorde to land at American airports. The State Department has repeatedly told New York State officials that banning the Concorde from Kennedy Airport would be "contrary to the foreign-policy interests of the United States."

The pressure has been applied to those federal and state agencies now drafting regulations that would determine whether the Concorde will use American airports. The economic future of the British-French aircraft, which has cost the two governments more than a billion dollars to develop, depends on access to American airports.

If such approval is granted, by 1978 there would be 17 landings of the Concorde a day at Kennedy Airport, six at Anchorage, four a Miami, three at Los Angeles, two at Boston, and one at Dulles International in Virginia, according to information submitted to federal agencies by British Aircraft, one of the plane's manufacturers. Critics of the plane say it should be banned from the United States because it is noisier than conventional aircraft and because pollution from regular flights would strip the protive layer of ozone from the atmosphere.

Pressures were applied in several areas:

Representatives of the National Security Council and the State Department met with officials of the federal Environmental Protection Agency in an effort to persuade EPA to propose noise regulations favorable to Concorde landings in the U.S. EPA's subsequent noise proposals, not yet law were favorable to the Concorde, whose noise levels have caused considerable controversy.

Two key assistants to Secretary of State Henry Kissinger have written at least three letters to state officials in New York and New Jersey in an effort to keep the Concorde from being banned at Kennedy Airport. Interference in local affairs by the State Department is considered highly unusual, a State Department spokesman said. Similarly, EPA sources said the agency had never before had to deal with the National Security Council in considering questions of policy.

Two former administrators of the Federal Aviation Administration and the former American ambassador to France gave verbal assurances to the British and French that the plane would be allowed to land in the U.S. In fact, Richard Nixon himself wrote a letter to British and French leaders promising White House support for Concorde landings in the United States.

The reason for the pressure, several high-level sources in the FAA and EPA theorize, is that the Ford administration wishes to revive development of an American SST, a project that would require federal funding. If the Concorde is allowed to land at U.S. airports, according to their theory, it would drain first-class fares from American carriers, thus forcing them to buy the $100 million British-French planes. Theoretically, that would increase pressure from airlines and the aerospace industry for an American plane to meet the foreign competition.

The FAA's now about six weeks away from its decision on whether to grant permission for daily Concorde landings at Kennedy and Dulles. The FAA's assessment of the plane's impact on the environment, which the agency has declared to be minimal, was found so deficient by the federal Council on Environmental Quality that, a source close to the council says "it appears to us that foreign-policy considerations had an undue effect on the FAA's thinking."

Roger Strelow, the No. 3 man in the EPA (he is assistant administrator for air and waste management), testified before a House subcommittee that his agency had been influenced by foreign-policy considerations in drafting a set of SST noise proposals that would allow the Concorde to land in the United States.

Strelow said: ". . . At the time we came on the scene, there had already been a fair amount of commitment, and, as I say, some degree of government assurances, at least executive branch assurances or statements, that would not absolutely preclude U.S. operations [of the Concorde]."

". . . It would have been much better had the issue of subsonic noise levels [generated by Concorde] been addressed far earlier than it has been," he added, "and the public could have made that decision at a point that the rules would have been clear to anyone who was considering investment [in an SST]. Certainly it is the case that the manufacturers . . . have assumed that they would at least have some ability to operate in the U.S. and have certainly made claims that [such flights] were really vital to the success of their [Concorde construction] program."

Strelow, in an interview last week, said, "There were discussions preceding our [noise] proposal in which the foreign-affairs community made us aware of their concern. These discussions included people from the

State Department and the National Security Council. They said, in effect, 'We don't feel we ought to impose any restrictions [on Concorde flights]. They wanted us to be aware there was some history of high-level assurances that they [the British and French] and equitable basis."

"There was mention made by the guy from the National Security Council of a specific letter from Nixon to the heads of state in England and France. It can be construed as an assurance from Nixon to them that the plane would be allowed to land in this country. I don't believe I've ever seen the actual text itself, which said, in effect, you can be assured we will treat this airplane on a fair and equitable basis."

There is evidence that some sort of assurances were given to the British and French when both governments were having second thoughts about whether to continue subsidizing construction of the controversial airplane.

John Shaffer went to London to meet with British officials in April, 1971, while he was FAA administrator, just after Congress had rejected a Nixon administration attempt to use federal funds in building a U.S. SST. Shaffer told the British that the Concorde "is not likely to be banned from the U.S. because of its take-off noise."

Shaffer, who now runs his own trucking firm in Maryland, confirmed last week that he had indeed told the Briitsh that. At first, Shaffer, an advocate of the Concorde, said he made the remarks as a private citizen. Later in the interview, he said he had spoken as FAA administrator.

Alexander Butterfield, who succeeded Shaffer as FAA administrator under Nixon, said in a speech two years later at the international air show in Paris: "There is no desire on the part of the U.S. government to hamper commercial exchange. We are opposed to discriminatory legislation. There are no noise rules applicable to SSTs, and there are no federal regulations that prohibit Concorde from flying into the U.S.A." In fact fact, no federal regulations of the Concorde's large noise and air-pollution levels were proposed until this year.

In January, 1973, Nixon wrote a letter to former British Prime Minister Edward Heath and the late French President Georges Pompidou saying he would do all he could to insure that the Concorde would not be discriminated against in America. Several U.S. government sources who said they have seen the letter said Nixon included a disclaimer, noting that the executive branch could not set noise levels and other environmental standards. The Environmental Defense Fund, the public-interest law firm that specializes in environmental problems, requested a copy of the letter from the White House last month, citing the Freedom of Information law. The White House refused.

Two State Department officials, Roger F. Ingersoll, Kissinger's deputy administrator, and James Lowenstein, deputy assistant secretary for European affairs, have written to state officials in New York and New Jersey to keep the governor of either state from banning Concorde landings at Kennedy Airport. Lawyers for the Port Authority of New York and New Jersey, which operates the airport, say that either governor could stop the Concorde landings by vetoing any Port Authority decision to allow them.

The April 4 letter from the State Department's Lowenstein was addressed to Ogden Reid, New York's commissioner of environmental conservation and a critic of the Concorde. Lowenstein wrote:

"The Concorde project represents a very considerable investment of public funds in both sponsoring countries in a high technology undertaking that gives rise to intense interest for financial and prestige reasons. Consequently, the project is followed closely at the prime minister and presidential level in both London and Paris, and the denial of admission of the Concorde would be interpreted by the British and French governments as a blow to the aerospace industry in those countries.

"As you know, the sponsors of the Concorde are increasingly concerned that even though the aircraft may meet the current noise regulations in effect at Kennedy Airport, those regulations might be altered specifically to exclude it. Any discriminatory action against the Concorde by the operators of Kennedy Airport would adversely affect our relations with two important allies and be contrary to the foreign policy interests of the United States."

Governors Brendan Byrne and Hugh Carey received letters from Kissinger's deputy, Ingersoll, shortly afterward. A spokesman for Byrne would not disclose the contents, but said the letter "makes the point that a negative decision on the Concorde might have some effects on our exports of civil aircraft." Carey's office would not release the text of Ingersoll's letter.

It would seem as a result of all of this that these standards already established cannot be met by the Concorde, thereby resulting in what, prima facie, will be a deleterious effect upon human life and the environment. Therefore, I urge that the amendment to the fiscal year 1976 transportation appropriations bill to prohibit commercial operation of the SST in this country be accepted.

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. KOCH. Mr. Chairman, I want to commend my colleague, the gentleman from Illinois (Mr. YATES), who has done a superb job in presenting the amendment which I support.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I rise in support of the amendment, too.

We have just wrestled for a month with a conservation energy bill. The SST, as pointed out by the gentleman from Michigan, is the most wasteful form of public transportation known to man in terms of energy and fuel consumption, three times as much fuel per passenger-mile as an ordinary commercial jet plane.

Mr. ADDABBO. Mr. Chairman, I represent the north portion of the area surrounding John F. Kennedy Airport. Just a little over a week ago I was called to New York just after the crash of the Eastern Airlines flight 66. The news pictures show how close to the runway that aircraft was at the time of the crash, but the crash pictures did not show that just to the rear of the crash, just a thousand feet away from this crash, there were homes.

Now, I have heard my colleagues say that if it is too noisy to live near the airport, move. Well, the people have paid good money for these homes and are entitled to peaceful existence. Seventy-five percent of these homes were there before JFK and these people are entitled to consideration and, let us hear the consideration that those who say bring in the Concorde will give to them.

In a letter we all received, it said that the FAA announces that indications are that 3,600 more residences of the area around JFK will join the 376,000 people already disturbed by existing traffic. So the question is can Britain and France too come over here to disturb only a mere 3,600 more people, beside the 376,000 who live closer in who will be twice as much disturbed. That is more people than many of the towns in some of congressional districts represented here today.

What they are tantamount to saying is, "Wipe out one town, you have more towns in your district." They say, "You 3,600 people suffer the consequence of noise, suffer your homes to be vibrated, suffer, because there are 96 people—in—each Concorde—96 passengers."

So the jet set, can have dinner in New York and lunch in London. More Americans must suffer the vibration and the environmental damage, because we are not going to say "no" to Concorde planes. We will let our people suffer for the convenience of a few. This is what we are being asked to do today. This is what we are being asked, to permit the Concorde to come in to do this to our people, our people that pay the taxes, that are going to pay $3.4 million to quiet American aircraft, but suffer the hazard of noise foreign-built planes.

This bill has $3.4 million for additional noise suppression for our aircraft, not foreign aircraft. The foreign aircraft can do what they want. They can make as much noise as they wish, but our American aircraft must comply.

That is what this amendment states—if the foreign aircraft can comply with our laws, then and only then let them come in. Let there not be two standards. Let not our people, the American people, be subservient to British or French or any other nation.

Britain and France did not, as I stated before, worry about our people when they closed their airports at night. Their airports are closed after 10 o'clock at night for the protection and benefit of their people. JFK Airport is open 24 hours a day—24 hours—and this Concorde, if permitted into the United States, will leave England not at night, but will leave during the daytime and will arrive here during the evening hours. We shall let just a few more thousands of people suffer for the delight of 96 people.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to my colleague from New York.

Mr. BIAGGI. Mr. Chairman, I would like to address myself to some remarks of the gentleman in the well with regard to the 3,600 families in the periphery of the airport who will be additionally disturbed. I was visiting London not too long ago, and the gentleman might like to know that it was reported in the press that the people who live in the periphery of Heathrow Airport objected vigorously. However, their government did not respond in the same fashion that this House has responded in the past. So that, when the gentleman is helping his own constituents, he is helping a number of Englishmen.

Mr. ADDABBO. I thank the gentleman.

Mr. ANDERSON of California. Mr.

Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment which would cavalierly discharge a complex, and complicated issue that deserves serious consideration by the Congress—namely, the move to ban the flight of SST's to this country.

At the outset, let me assure you that I am not a proponent of the British-French Concorde. The district that I represent lies just outside Los Angeles International Airport, and the people that I represent are inflicted with the noise emanating from that airport. I also represent most of the people of Long Beach who are also bombarded by the noise generated from that site. Believe me, I share the concern of the people of New York and Virginia who might be forced to live with the noise of the SST.

Secondly, McDonald Douglas Aircraft Corp., a prime manufacturer of aircraft, is within my area, and the British-French Concorde could very easily compete with a major employer in my district.

As a result, the people I represent have absolutely nothing to gain by the entry of the SST, but they may have much to lose. Then, why am I opposed to this amendment? I am opposed to this amendment because currently it can only be justified on emotion—not fact. It can only be defended by theory—not data.

In effect, we are taking a shot in the dark—a shot that could have very real and very serious ramifications.

Why are we banning this airplane? Because it is noisy?

Because it will alter the ozone layer?

Those allegations are probably correct. It is noisy but so is the Boeing 707, and the Douglas DC–8—so are our military aircraft—will the British and the French arbitrarily ban our civil and military planes?

The SST could alter the atmosphere—so could our planes—will they be banned?

This amendment is discriminatory because it applies only to supersonic aircraft. It would have no effect on subsonic aircraft which do not meet the part 36 noise levels of 108 PNdB.

And, as a result, it would be completely contrary to the international aviation treaties to which we are signatories, and could invite a collapse of the agreements which hold the international aviation community together.

Mr. Chairman, the Aviation Subcommittee, which I chair, has very serious concerns regarding the operation of a supersonic aircraft; we will fully examine this situation in plenty of time to bar its entry—if that is the desire of Congress.

We will give you a reason and a rationale that can justify your vote. We will give you the facts on which you can base your decision and we will allow interested parties to express their views—this is the way Congress has acted in the past, and this is the way we should conduct our business.

I pledge that we will give this matter a full hearing, and if I have my way, you will be given an opportunity to vote—up or down—on this matter.

But to adopt this amendment banning "civil supersonic aircraft"—is not in keeping with good commonsense.

I urge you to defeat this amendment—not because you support the SST—but, because full and complete action will be forthcoming which will be rational, based on fact, and will not be capricious. To do otherwise, to ban the SST—just because it is supersonic—is an insult to our credibility as a nation of laws.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I thank the gentleman for yielding. Mr. Chairman, I think the gentleman has made an eminently sensible statement. I think there should be a couple other things pointed out. We have been passing these kinds of amendments here. We passed one about Turkey. Now we are about to lose our airbase in Turkey. We passed one about the Russians, and they shut off the Jewish immigration from Russia. These things are counterproductive. If you want to go to Europe on a foreign airline, that is what will happen to the British and the French. They are not going to be stupid enough to allow TWA or Pan Am to land in Paris or London. Not for one instant are they going to be that stupid.

These counterproductive amendments, while they may satisfy some emotional feelings of the authors and they are in favor of them, they really do not work.

Let me say, further, about this business about the people around the airport. I remember when Dulles was built. There was not a single house around Dulles except for half a dozen farmhouses. That is why it was built there. As soon as it was built, communities began to spring up around it, and they had not been there 2 years until people who moved there, knowing it was a jet airport, were petitioning to have jets prohibited from landing there. It gets to be a little bit ridiculous. And this is almost like saying we ought to prohibit automobiles because they are a source of pollution or we ought to prohibit the horse and buggy because horses are sometimes a source of pollution.

Mr. WOLFF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in 1971 many of us in this House witnessed and participated in the debate on whether the people of the United States should continue to subsidize the development of a commercial supersonic passenger airliner for private industry. While the vote was close, it was nonetheless decisive, and both the House and our brothers in the Senate ruled that no further tax dollars should be wasted on technology brilliant in its conception, but economically and environmentally impractical.

The debate at that time centered on the economics of the project, but important and disturbing environmental questions were raised, and many of us felt that even if the American SST could have been economically viable, the environmental hazards represented by the present design supersonic aircraft were ample reasons to kill the project.

Today—indeed, just in the last 6 months, the fears of concerned environmentalists, scientists, and those of us who felt that supersonic aircraft could pose a threat to the ozone layer of the Earth's atmosphere, and that supersonic aircraft would be the noisiest aircraft ever produced—our fears have been completely and finally confirmed.

Tests and the results of years of study have culminated in the last 6 months to show that not only are the present design supersonic airliners up to twice as noisy as present jets—and I need hardly remind you that today's jets are already too noisy, and have prompted more than $30 million in noise damage suits across our Nation—but also these studies have proven that if a fleet of just 16 to 30 present-design supersonic aircraft were actually developed, thousands of cases of skin cancer would be caused every year in the United States and across the world.

In 1971 these fears were simply fears—no more. Now they are scientifically proven warnings that we must heed, and that we dare not ignore if we are to continue to protect the health and safety of our families, our constituents, and those who are to follow us.

The National Academy of Sciences, the Environmental Protection Agency, a few honest scientists working for the Department of Transportation, and just last month, the President's own scientific advisers in the Council on Environmental Quality, have all confirmed aspects of the work of distinguished researchers on the noise and ozone layer pollution which present-design SST's would produce.

Now, I raise all of this because today we are again being asked to subsidize the operations of a commercial supersonic airliner. Despite our votes of 1971, despite the overwhelming environmental, medical, and psychological evidence which has poured forth since 1971, we are again being asked to spend the tax dollars of our citizens on this project. But, Mr. Speaker, we are being asked to spend the people's money to help subsidize a foreign SST—the British-French Concorde SST, which has been proven in the past 6 months to be the noisiest, dirtiest, and most uneconomic aircraft ever built.

Many of us received this week a supposed fact sheet from a lobbyist hired to boost the Concorde. This sheet is a typical example of the deceptions, half-truths, and outright lies which have come to characterize supporters of the Concorde.

This is neither the time nor the place to go into an even more depressing aspect of this question, but I will point out that the shenanigans of the Nixon administration, and the present actions of the State Department, the National Security Council, and the FAA in behalf of Concorde have been sufficiently blatant that the Government Activities Subcommittee of Government Operations has scheduled hearings later this month to probe possible illegalities on the part of the executive branch in its efforts to foist off the Concorde on the American people.

Mr. Chairman, colleagues, are we going to let a foreign nation ram an aircraft down our throats which flies in the face of the National Environmental Policy Act, the Noise Control Act, and, indeed, in the face of commonsense and decency? Are we going to let our tax dollars be used in an underhanded fashion to aid the foreign competitors of our own aircraft industry?

I say let the British and French keep their aircraft where it belongs—on the other side of the ocean. I say that we cannot tolerate subsidizing this foreign aircraft by allowing our air traffic controllers to help this foreign aircraft defy our laws and our standards by landing in the United States. I urge you today to approve the amendment offered by my distinguished colleague(s) which would prevent our air traffic control system from being exploited by foreign competitors who would make a mockery of this House and of the will of the American people.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman.

Mr. YATES. The remarks of the gentleman from Ohio and, I believe, the gentleman from California were predicated on the original amendment rather than upon the amendment which was presented to the House. The amendment which was presented to the House requires that the foreign aircraft, the supersonic aircraft, adhere to the same standards for noise which we have promulgated for our domestic aircraft. I do not think that is the kind of amendment that the gentleman has raised here about Greece and Turkey and the other things he spoke about.

Mr. WOLFF. Mr. Chairman, I should like to respond to some of the statements made relative to the gentleman from Massachusetts, who, for a moment, would not leave the floor. He talks about our relations and the importance of our activities so far as our foreign neighbors are concerned. I would just like to refer the gentleman to the fact that Logan Airport has banned flights of the Concorde into the Massachusetts area.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman.

Mr. CONTE. The gentleman is absolutely right. That is the argument I am making. The New York Port Authority could ban the Concorde just like that.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman.

Mr. YATES. My amendment does not go that far.

It simply gives them the opportunity to fly in if they can meet the same standards as we have established for our own aircraft.

Mr. CONTE. Perhaps I will have an amendment to offer which will take care of it.

Mr. WOLFF. Mr. Chairman, I should also state that the FAA report on page 42 says the Concorde tests that were made in Alaska show the SST produces up to 500 percent more household vibration than present jets. We are talking about noise, and we also have to talk about the health standards of those people who live in houses near airports where they will take off and land.

It also should be noted that my colleague, the gentleman from New York, said that about 33,000 people would be subjected to some problems on takeoff and landing. However, the FAA did note that the guide path that the Concorde must hold is 3½ to 5 miles on a straight shot at the runway on landing, and there are estimates of 380,000 JFK area residents who will be subjected to noise levels that are unacceptable by HUD regulations. We are not flying just in the face of EPA regulations, but we are flying in the face of HUD regulations, which state very clearly that these noise levels that are produced by the Concorde are unacceptable.

I should also like to read into the RECORD a letter from the Governor of New York State, in which he says as follows:

> We have indeed been following closely the SST development, and the Federal Aviation Administration's draft Environmental Impact Statement is now under review by the New York State Department of Environmental Conservation and Transportation.

He states further:

> I have requested that Chairman William Ronan of the Port Authority advise British Airways and Air France that Concorde SST flights will not be permitted at JFK even under test procedures unless the environmental questions are fully resolved.

Which is what this amendment requests.

Mr. Chairman, according to the statements that have been made by the British Airways, they cannot make their flights into the United States unless they are able to land at Kennedy Airport. As of the present time, both the Governors of New York and the State of New Jersey have said that they will not permit these aircraft into their States.

I am thankful that the gentleman from California (Mr. ANDERSON) is going to hold hearings on this, but I feel that this amendment is necessary at the present time because I do not think any foreign government should be allowed this privilege.

We have not yet mentioned the fact that the Russians as well have a supersonic transport that is going to come into this area and they are going to avail themselves of the opportunity of landing both at New York and at Dulles.

Therefore, Mr. Chairman, I say that we should strongly support this amendment. Why should any other nation be able to circumvent U.S. law?

Mr. MILFORD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the proposed amendment offered by the gentleman from Illinois (Mr. YATES).

Four years ago, when this country was considering building an SST, there were 2 major factors inhibiting our undertaking of that program. One of these factors was economics. Today we are witnessing the economic factors taking a very unusual twist. The financial burden of building the SST has been shouldered by 2 other nations.

Our concern today is that if we do not permit the SST to land in this country, our own aerospace manufacturers will face direct retaliation.

Now, please observe this: We have built and supplied 95 percent of the aircraft flown by the world's airlines today, and we have built and supplied over 80 percent of all of the types of the world's airplanes.

The French Government has already exerted pressure on Air France not to buy U.S.-manufactured aircraft as replacements for its fleet. The possibility also exists that the French and the British might decide to bar U.S. airlines from landing 707's and DC-8's in their countries. These airplanes are comparable in noise generation to the Concorde. If these retaliatory measures are carried out, then thousands of Americans in our districts will lose their jobs and billions of export dollars will be lost.

Mr. Chairman, this brings me to the other major factor that was considered by Congress 4 years ago when it prohibited America from building an SST. That was the environmental factor. The ozone research has been insufficient to supply conclusions with respect to SST atmospheric emissions. However, preliminary data suggests that a fleet of 30 or so SST's, which is all that exist in Russia, Britain and France, would produce no detectable changes in the ozone layer.

It would take a very large fleet, a fleet larger than our world's collection of jet planes, to create any significant change.

With a fleet of Concordes, and adding to it the Russian TU-144's now planned, the danger is so small as to be totally nonexistent.

The other major environmental consideration, noise, has not been thoroughly researched. My Subcommittee on Aviation and Transportation R&D is planning to hold hearings beginning this month on aircraft noise abatement. I believe that until we have more time to study this problem and develop the necessary technology, it would be unfair to penalize the Concorde when its noise levels are no higher than those of a great many of the aircraft in our own commercial fleet.

I also point out that the Concorde will be within acceptable noise parameters on its takeoff from JFK. The British and French argue persuasively that they have invested millions of dollars in the Concorde and that it is unjust to require their aircraft to meet standards not in existence when it was planned, especially when it does meet the standards that existed at that time.

I will submit that it is unjust to single out any internationally certified aircraft and to deny funds to the FAA for handling this aircraft.

It is not only a strain on the delegated responsibilities of the FAA; it is also a heavy burden on international relations.

Mr. Chairman, I believe that this amendment should be defeated at this time and that further study into this matter will be necessary.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. MILFORD. I yield to the gentleman from New York.

Mr. WOLFF. Does the gentleman know that according to the current flight plan of the Concorde on takeoff, it must make a 26-degree turn at 100 feet off the ground? This is aerobatics, and any test pilot will tell the gentleman that.

It is not only dangerous in its procedure to the people who are flying in the aircraft, but to the people on the ground as well. This adds further to the question of the noise pollution that will be created by this aircraft.

Mr. MILFORD. May I answer the gentleman by saying that I myself have over 6,500 pilot hours, including flight time as a test pilot. Furthermore, the maneuver you described is not aerobatics in any shape, manner, or form. Such a maneuver would never be performed in any shape, manner, or form until it had been fully tested and proven safe to the Federal Aviation Administration.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MILFORD) has expired.

(On request of Mr. HAYS of Ohio and by unanimous consent, Mr. MILFORD was allowed to proceed for 2 additional minutes.)

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MILFORD. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I do not know what the gentleman from New York (Mr. WOLFF) is talking about. I have seen the SST take off and I have seen it land, straight off and straight in. There is no 26-degree turn, no 2-degree turn, no 1-degree turn; it is straight off.

I do not know anything about what it has to do in New York. If he has to make a 26-degree turn, so would every other airplane.

Mr. MILFORD. I would agree with the gentleman. I have flown the SST, and it is a perfectly safe aircraft.

Mr. HAYS of Ohio. If the gentleman will yield further, if there is something peculiar about the JFK Airport, then maybe we ought to get rid of it. If everybody felt the same way about JFK as I do, they would not fly tomorrow.

Mr. MILFORD. In any airport in this country, any commercial aircraft flight procedure has to be demonstrated and proven entirely safe to the satisfaction of the Federal Aviation Administration. Therefore, there is absolutely no danger either to the passengers or to the people on the ground. That is a fact.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. MILFORD. Yes, I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Chairman, I rise in support of the amendment by the gentleman from Illinois. It seems ridiculous to me that we would allow foreign airplanes to evade compliance with our environmental laws while enforcing those laws against our own airplanes. There just has to be timely decision to put a stop to the destruction of our environment. Too often we wait until vast sums have been expended and the matter has been made awkward from this, and from foreign relations matters, such as the gentleman from Ohio has alluded to. Sometimes a Congressman will alertly raise a question when the matter is not already out of hand. I believe, with the gentleman from Illinois, that his amendment is timely and proper. It is still a matter that can be handled. So I urge my colleagues to join me in voting for his amendment.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to compliment the gentleman from Illinois (Mr. YATES) for bringing up his amendment to prohibit commercial flights of the SST into John F. Kennedy and Dulles Airports. I rise in strong support of this amendment.

I would like to draw the attention of the Members of this Committee to an article that appeared in the Long Island newspaper, Newsday, respecting so-called commitments that were given to France and Britain. I am not sure why France and Britain went ahead with the construction of the SST. Was it perhaps because they were given certain assurances by President Nixon? What are these commitments, and why have they not been made public?

The Newsday article refers to a letter from President Nixon to the heads of state in England and France, assuring them SST's would be able to land. Why has this letter not been made public? I do not know why we in New York City who live close to the airport should still have to suffer under the long shadow of Watergate.

It is interesting that the U.S. Environmental Protection Agency has now recommended a noise waiver for any Soviet TU-144 supersonic jets now in production. How do we know what secret assurances have been made to the Russians in the name of détente?

There are strong environmental reasons against allowing the SST to land. First, there is the alarming possibility of an increase in skin cancer in people. This will result from the depletion of the ozone layer by the SST. The President's Council on Environmental Quality called attention to this problem as well as to the noise problem. The Concorde—SST—will be five times as loud as conventional planes, and twice as loud as most present subsonic planes. It will be a very noisy plane.

The Ford administration that turned a deaf ear to the critical financial needs of the people of New York should not now be permitted to impose additional intolerable burdens on our city.

The amendment should not be defeated.

Mrs. BURKE of California. Mr. Chairman, I rise in support of the amendment by Mr. YATES of Illinois to prohibit moneys appropriated in this bill from being used to control or otherwise support regularly scheduled flights of SST type aircraft. I am opposed to the scheduled operation of SST type aircraft for two principal reasons; air pollution generated by the aircraft, especially in the ozone level; and the incredible noise which this plane creates, especially in the vicinity of airports. These two major problems, essentially unique to the SST design, create a potential hazard to both the environment of the world at large, and to the safety of those on the plane and near the fields which they will use to land.

INTRODUCTION

When the Congress in March of 1971 refused to appropriate additional funding for an American SST effort to compete with those of the Soviet Union and the British-French joint venture, two principal arguments were used to justify curtailment of a program that had until that time been a classic extension of the search for "bigger and faster equals better" solutions to technological problems. The first argument centered around the dubious economics of an aircraft whose cost was even in those long ago days of 5 percent inflation and 17 cents per gallon aviation fuel dubious at best. The events of the past 4 years have certainly proven that the economics of the aircraft just will not add up to profitable operation. At a time when our international carriers are saddled with enormous subsonic debt loads and wavering at the brink of economic chaos, we ought to be thankful that the added costs of the SST were not added to their corporate debt service. A second argument, certainly more accepted now than it was then, is the potential for harm the aircraft presented to the ozone layer which protects the people of the Earth from ultraviolet radiation levels which may lead to an increase in the incidence of skin cancer.

OZONE DAMAGE

The ozone layer has been the subject of much recent discussion. The aerosol propellant fluorocarbons are suspected of depleting the ozone layer, and if the alarmed scientists and environmentalists are correct, the implications for society are alarming. Skin cancer incidence is expected to rise. Crop yields are expected to fall. A broad and damaging series of events may be the result of such ozone damage. There are those among us who insist that this is an overblown fear, that we can continue to spray deodorants and fly SST's with little fear for the future; but what if the fears are true? There is time now to study the problem, but unless such studies are undertaken, the "proof" that ozone is being harmed will be the after the fact realization that we have damaged something we need and cannot replace. Addressing the need for safety in the face of available data an editorial in the February 17, 1975, edition of Business Week noted:

> . . . Any scientific doubts remaining after three years of study should be resolved in favor of safety. Though this may seem harsh in a society where innocence is presumed and guilt must be proven, regulatory law is not the same as criminal law. Regulators have always had to balance risks against benefits when weighing scientific uncertainties.
>
> In the case of fluorocarbons, the benefits of spraying underarm deodorant or insect repellant do not come close to offsetting a risk that involves the basic question of keeping the earth livable.

A Business Week article in the same edition noted that the National Academy of Sciences is launching a one year study, after their preliminary tests indicated that a serious problem probably existed. The White House Council on Environmental Quality is also addressing this problem, as are scientists at Harvard, Michigan, and the National Center for Atmospheric Research.

OZONE FOLLOW-UP STUDIES

An article from the New Yorker, reprinted in the April 20, 1975, edition of the Washington Star noted that concern for the problem began at the University of Reading, in England, in 1970. Professor Sherwood Rowland of the University of California at Irvine launched follow up work intended to confirm the original thesis that the gases were present in the air, and that they were wreaking damage on the ozone. In November of 1973 new work was launched into the potential chain reactions between fluorocarbons and the ozone. The initial reports are that a single molecule of chlorine can turn 100,000 molecules of ozone into molecular oxygen, which is then eliminated from the stratosphere. This research was taken to Dr. Harold Johnson, of the University of California at Berkeley, who had first called attention to the threat the SST nitrogen oxides posed to the ozone.

Dr. Johnson confirmed the enormous potential for damage that the fluorocarbons posed, with the 100,000 to one molecular damage ration, and noted that studies by the Department of Transportation over a three year $22 million dollar program to study SST emissions and the ozone tended to confirm the problem with fluorocarbons.

These studies have been confirmed by the National Center for Atmospheric Research and the National Oceanic and Atmospheric Administration, both in Boulder, Colo.

The reaction of some nations has been swift. The Japanese have spent $25 million to impound aerosols, on the basis of their cancer generating traits in addition to their ozone damage potential. And this is the same ozone layer to which the SST poses a threat. The Department of Transportation estimates that a fleet of several hundred SST's would reduce the ozone layer 10 to 20 percent within 5 to 10 years. Fewer SST's will cause a reduced amount of damage. But how can we in the Congress condone even a modest amount of damage? Is it wise that since only a little skin cancer may result; or a little crop yield be affected; or that weather be changed just a mite; is it wise that we go ahead and approve flights that we know will cause damage?

The aerosol threat is greater than the SST, greater in that it damages us sooner rather than later. But it in no way mitigates the SST threat. Stories in the May 2 edition of the Wall Street Journal, June 2 edition of the Wall Street Journal, June 13 edition of the Wall Street Journal, June 13 edition of the Washington Post, and an editorial in the Washington Star on June 23, 1975 all were reporting on threats to the ozone. The Star editorial concluded:

> And the government had better stand ready for a hard crackdown on those expendable products if the necessary information (indicating safety) doesn't turn up within another year. We just cannot gamble with the ozone, for a little bathroom convenience.

Or gamble with the ozone for the convenience of travel to and from Europe that takes an hour or two less than currently needed. The SST is a threat to our safety for which there is no corresponding broad economic advantage to serve as counterweight.

NOISE GENERATED BY THE SST

The second objection I have to scheduled SST flights is the noise these airplanes will generate, most noticeably upon takeoff and landing. Hearings are currently being held on workplace noise levels, with the EPA contending that an 85 decibel exposure is all that can be termed acceptable. The OSHA feels that 90 db is a safe range. The SST, upon takeoff, will generate 117. Decibel counts are not arithmetic, but rather are logarithmatic. Thus the difference between 85 and 90 is far greater than 5 points on a 90 point scale. Current newly manufactured aircraft, such as the DC–10, generate 108 db on takeoff. The SST 117 count is twice as loud. 117 db will rattle windows and dishes in homes along the path of the take off.

ECONOMIC DAMAGE OF NOISE

Noise is more than a nuisance problem. Recent studies have concluded that emotional disorders, high blood pressure, and accidents are all more common in high noise environments. Workplace noise standards, if they remain as currently constituted, will cause about $12 billion in economic damage according to a new EPA study. Articles in the June 10 edition of the Washington Post, the June 23 edition of the Wall Street Journal, and the June 30 edition of Business Week all explore the economic costs of noise, and detail what the current hearings seek to accomplish. The literature available on costs of noise reach back farther. In an April 17 article, Engineering News Record pointed to the costs of noise control, highlighting the 85 and 90 dBa level as acceptable to workers. The May 1975 edition of "Constructor," the magazine of the Associated General Contractors, details experiences in New York.

COMPARATIVE NOISE LEVELS

The New York State Department of Environmental Conservation established noise level standards for construction sites. Maximum permitted exposures are as follows:

85 dBa, 8 hour exposure.
90 dBa, 4 hour exposure.
95 dBa, 2 hour exposure.
100 dBa, 1 hour exposure.
105 dBa, 30 minute exposure.
110 dBa, 15 minutes or less.
120 dBa, maximum impulse noise.

The study made by the NYDEC and the US EPA indicated that the following noise levels were generated by the indicated equipment:

81 dBa, air compressor.
87 dBa, bulldozer.
88 dBa, jackhammer.
88 dBa, scraper.
101 dBa, piledriver.

None of these is nearly as loud as the currently allowable noise limits for commercial jet aircraft.

Another comparison between the noise levels currently tolerated and that generated by the SST appears below:

117 dBa, SST at takeoff.
112 dBa, loud rock music concert.
110 dBa, chainsaw.
95 dBa, power lawn mower.
70 dBa, inside an auto at 60 mph.

It should be noted that hearing damage begins with a consistent exposure of 80 dBa.

Only loud rock music on the scale above is louder than the 108 dBa currently projected for all commercial aircraft. Only the SST is louder than the music. The SST is twice as loud as the newer commercial jets.

NOISE STANDARDS FOR OLDER SUBSONICS

What of the noise standards for the older commercial jets? Commercial planes are growing less noisy with each new model introduced. The early Boeing 707's, such as those in the 123–B class, were almost as noisy as the new SST. They were that noisy 15 years ago. The models currently in the fleet are being retrofitted with sound absorbing materials—SAM—and other noise control devices in order to meet the noise abatement standards. The Council on Wage and Price Stability recently announced opposition to the EPA noise standards for civil aircraft which they feel will cost about $800 million to implement. The COWPS feels that the steps at best are too expensive to justify, and at worst will lead to increased financial chaos at the airlines. Their opposition, reported in the April 8 edition of the Wall Street Journal, brought a quick response from the EPA. In the April 9 edition of Aviation Daily, EPA Assistant Administrator for Air and Waste Management Roger Strelow noted that in his opinion the COWPS's study was incomplete and inaccurate. The EPA feels that the $800 million figure is a bargain, compared with their estimate that to replace the current jet fleet to meet the new standards will cost $12.8 billion by 1980. It is important to note that these huge figures are being considered to make old aircraft less noisy; to make old aircraft about one-half as noisy as the new SST.

NEW JETS MAKE LESS NOISE

The newly manufactured aircraft, such as the McDonnell-Douglas DC–10, and the Lockheed L–1011, already meet the 108 dBa target. The newly manufactured SST's cannot possibly meet that target and still take off. It is thus important to note that those who compare commercial planes with the SST are comparing old technology subsonics with state of the art supersonics. It is a misleading and inaccurate comparison. To allow the SST to use American fields on a regular basis will be to repeal years worth of effort on the part of the Government and the airlines to lower noise levels. And the airlines, at a time when their earnings are forecast as poor for years to come, can be expected to ask why it is necessary to spend $800 million to silence their airplanes while the British-French SST is an exception to the rule.

THE CERTIFICATION PROBLEM

Page 75 of the Federal Aviation Administration hearings before the Transportation subcommittee of the House Committee on Appropriations contains testimony that indicates that the U.S. Government, under bilateral treaties, will not certify the SST as a safe aircraft. Foreign certification is acceptable. This does not appear to be a wise decision. Recent indications with the DC–10 certification, display clearly the temptation to compromise safety for the sake of expedient economics. Over 300 people paid for that shortcut with their lives. The economic pressures on Government certifiers for the government built Concorde can be expected to be even greater. And if one remembers the experience of the Comet, the cabin heaters of the DC-7, and the engine nacelle and engine mounts of the Electra, it is clear that even the most disinterested certification process is sometimes open to failure along some part of its path. The Concorde should be subject to the strictest certification process of the Government. Prior to such certification it should not be allowed to fly in scheduled service.

AIRCRAFT OPERATIONS AND SAFETY

I have discussed both environmental (ozone) and noise considerations thus far. I should also like to address the safety of the aircraft upon takeoff. Noise abatement procedures have long been considered a threat to the safety of aircraft by many pilots. Especially upon takeoff, any reduction in power, whether through lowered thrust, attitude changes, or outright power failure introduces an element of risk that most pilots consider unnecessary. They would rather engage in turn procedures at higher rates of airspeed and at greater altitudes. At low altitudes and low speeds the margin for error is almost nonexistent.

LOW ALTITUDE MECHANICAL FAILURES

On March 1, 1962, while the island of Manhattan was preparing to welcome then-Astronaut John Glenn with a record shattering ticker tape parade, an American Airlines 707-123B, tail number N-7506-A, plunged into Jamaica Bay, killing all 94 people aboard. The CAB report issued January 15, 1963—SA-366—file No. 1-001—identified rudder control problems as the probable cause of the crash. The plane was in a noise abatement turn at the time.

SST TAKEOFF AT KENNEDY AIRPORT

Noise abatement turns and "operating procedures bordering on the unsafe are being practiced" according to Chairman Glenn Anderson of the Aviation Subcommittee of the Public Works and Transportation Committee. An example of such an operating procedure is that which the SST will be required to make upon takeoff from one runway at Kennedy International in New York. The purpose of this procedure is not to reduce noise, but rather to avoid the noise being recorded on sensors mounted after the end of the runway. The aircraft, at an altitude of 100 feet, about the height of the Cannon Building, will begin a 26° bank angle turn heading change of 83° at a rate of 6° bank per second. Although a fairly slow turn, it represents a safety hazard which should not be necessary. The aircraft will be accelerating through the turn, something most subsonic jets could not do, and the turn has been performed with one engine shut down. It remains a procedure which adds an element of risk to what is already a busy time for the flight crew. The procedure will not reduce the SST noise. It will merely move the plane from the path of the noise microphones. Its purpose is to miss the mikes, not lower noise. The people in the vicinity of the airport will scarcely note the difference. Dishes will still be rattled. Nails will still be loosened. Plaster will still be weakened. But the microphones will not be in a position to register the noise.

LOW ALTITUDE WIND SHEAR

There is another consideration in such a takeoff maneuver, that being low altitude wind shear. The same field where the American Airlines crashed on take off during an abatement turn witnessed 113 deaths two weeks ago when Eastern Airlines N-8845-E, a 727-200 designated as flight 66 crashed into the light towers just short of the Kennedy runway. It is the worst recorded American single airplane crash. The preliminary indications are that at 4:06 p.m. e.d.t. Eastern 66 veered and dipped sharply and crashed into the towers below. The tower calmly waved off the next aircraft asking the pilot of the ensuing craft to "check the end of the runway for evidence of a burning airplane." It appears as though wind shear is a factor in this crash.

WHAT IS "WIND SHEAR?"

Wind shear is a condition where sharply contrasting directions of wind intersect with the aircraft, changing its relative speed. A pilot "riding" a tailwind to the point at the end of the runway may suddenly find himself facing a headwind. The net airspeed of the aircraft is thus diminished. The acceleration time needed to apply additional power on a jet is on the order of 20 seconds. Thus from the time the pilot comprehends the change in airspeed and pushes the throttles for takeoff speed, and the time that speed arrives in the form of thrust, 20 or so seconds have elapsed. This is a problem unique to jets. The older reciprocal internal combustion engines provided more or less instant throttle response.

If the change in wind direction is violent enough, the airplane may suddenly be plunged into a condition where a "stall," insufficient airspeed to retain current altitude, develops. The Eastern L-1011 that waved off and landed at Newark, faced this condition. Airspeed dropped 10 knots below what was necessary to maintain altitude, and dropped at a time when flap settings and aircraft altitude were set for landing. By the time the engines responded to the commands for takeoff power, the plane had less than 30 feet between its underbelly and the light towers that later wrecked flight 66. Thirty feet is about two floors of the Rayburn Building..

IS THERE A RISK TO WIND SHEAR?

Wind shear was blamed as a contributing factor in the crash of an Iberian Airlines DC-10 which was on an approach to runway 33-L—left—at Boston's Logan Airport of December 17, 1973. Wind shear is also suspected in a number of other approach crashes. This is difficult to measure and all but impossible to forecast condition. And yet it is proposed that the SST take off from Kennedy, the same field where 13 years ago 87 people plus the crew rode an American 707-123B to their deaths on take off during a noise abatement turn when the airplane suffered a mechanical failure, the same field where an Eastern 1011 narrowly missed destruction, and where flight 66 plunged into the ground less than a small stone's throw away from safety. They propose a maneuver which even in a plane of such enormous power and speed makes it more susceptible to disaster in the event of a mechanical malfunction, and more susceptible to the forces of wind shear, solely to move the plane away from the microphones which record the noise it makes.

THE MANEUVER DOES NOT REDUCE NOISE

American pilots have flown the Concorde through an identical maneuver without incident. American pilots have also landed many times on the Kennedy runway that Eastern 66 failed to reach. The point is that while both the Concorde and the 727-200 are regularly flown and landed safely, there are conditions that arise where the margin between safety and destruction grow slim and perhaps disappear. This maneuver reduces the margin which the pilots have available to them in the event of a problem. This maneuver does not reduce noise. Instead, by sacrificing climb and speed in the course of the turn, it guarantees that the SST remains closer to the ground for a longer period of time, thus increasing the noise exposure. And all to miss some sound sensors.

They need to miss the sensors because the airplane is too noisy. Many argue that to not allow this plane to land at our airfields will be a breach of international good will. Yet Europeans regularly close their fields at night, because of noise. We do not close ours from their aircraft. Even allowing for the time differential, it is obvious that there is a precedent for denying landing rights due to noise. And it is noisy. It is near the maximum limits the New York government will allow for even "spot" exposures on construction projects. It is twice as loud as a DC-10, or L-1011, and carries only one-third as many passengers. It is louder than a jackhammer, a piledriver, or the Rolling Stones in full concert. It is louder than anything else this Government is prepared to allow in the sky. And yet they want to land it here. Must the citizens of New York and northern Virginia pay for the refusal of the Concorde builders to recognize when Congress did that the commercial SST is an aircraft whose time has not yet come? Must we pay some of the price for their failure to realize, 4 years ago, as Congress realized, that the SST is a threat to the environment, offers little speed advantage in comparison to its enormous costs, and can never, under the most optimistic combination of passenger load factors and fee schedules, recover a significant portion of its production and operations costs. The airplane is noisy, it is a hazard to health we do not need to condone, and it is necessary to introduce unsafe flight maneuvers upon takeoff from Kennedy for the purpose of beating the meters.

TAKEOFF SAFETY MARGINS

It has been said that there are lies and statistics. The statistics indicate that most aircraft accidents occur during the landing approach, a factor which would seem to mitigate fears about take off accidents during the SST microphone avoidance maneuver. But most landing accidents are not the result of a mechanical failure, but rather involve perfectly sound aircraft slamming into hillsides, swamps, light towers, or bays. The majority of approach accidents involve some form of human error in judgment. A Pan American cargo jet, on fire, crashed on landing at Boston's Logan International. The fire was caused by incorrect packaging of hazardous materials which ignited in flight. An Eastern L–1011 was flown into the Everglades by pilots who apparently had not been paying full attention to their altitude readings. A TWA jet slammed into the hillside of Mount Weather during an ILS approach at Dulles International, the pilot having chosen to disregard approach plate warnings that a mountain stood between his aircraft and the safety of the runway. Time after time after time perfectly sound airplanes are flown into fixed objects through some combination of pilot or freight handler or controller error or misjudgment.

Mechanical failure is rare in landing approach crashes. The same is not true for takeoff crashes. Pilots need a level of concentration which is impossible to describe as they monitor the progress of their airship from the runway to the somewhat more forgiving skies above. Power failure, cross winds, shears, evasive turns to escape collisions, and a host of other maneuvers and conditions that may be easily handled with altitude can prove fatal near the ground. At this period of special concentration by the crew on the flight deck, it is proposed that an aircraft start a turn at 100 feet—about a fifth the height of the Washington Monument—that demands additional concentration, additional power, slows the speed of the aircraft relative to a straight line flight path, reduces the margin for safety pilots have to recover from any mechanical or human failure, subjects the plane to additional stress due to wind shifts—due to bank and attitude angle—and actually increases the duration of the noise cone to those on the ground. A straight takeoff would allow greater altitude sooner, safer, and thus actually reduce the amount of noise experienced by people on the ground. A straight takeoff would consume less fuel, result in lower rates of engine wear, avoid subjecting the airframe to an unnecessary turn stress, and would add safety factors removed by a low altitude attempt to steal by the microphones the city of New York installs to monitor aircraft noise.

SCHEDULED SERVICE SHOULD NOT START

The arguments against the SST are clear, the arguments in favor are not. The economics of operation are such that money will be lost with each passenger carried. The noise level is such that it makes more noise during a normal landing than a DC 10 or Lockheed L–1011, three times the size of the SST, makes during a takeoff. The ozone damage, though perhaps not enormous, is ozone damage nevertheless. The plane should not be allowed to commence regularly scheduled service into the United States.

AMENDMENT OFFERED BY MR. CONTE AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. YATES

Mr. CONTE. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE as a substitute for the amendment offered by Mr. YATES: In lieu of the matter proposed by said amendment, insert the following: "*Provided further*, That no funds appropriated by this Act for the operations activity 'Operation of Traffic Control System,' nor for the salaries and expenses of persons operating that system, shall be available for the control of civil aircraft engaged in scheduled or non-scheduled commercial service for landings at Fun City more specifically at John F. Kennedy or LaGuardia Airports."

Mr. CONTE. Mr. Chairman, New York City is plagued with problems. They had their Mayor down here recently, talking about their indebtedness, and the fact that the city is on the verge of bankruptcy.

If this amendment is adopted, there would be no landings at LaGuardia, and there would be no landings at Kennedy of any aircraft, and we could close up those airports. Then we could use the vacant airport to store all of the red ink in New York City—and they have plenty of red ink.

Also, the last time I was there, New York City was all cluttered up with garbage. Perhaps we could take all of the garbage and dump it at LaGuardia and at Kennedy.

Also, the last time I was there I found abandoned automobiles all over the highways in New York City. It was the most disgraceful sight I have ever seen. So we could have a big project, we could get the Boy Scouts to help take all of those abandoned automobiles and dump them at Kennedy Airport and at LaGuardia Field.

Further, I can imagine that with all of the crime that they have there, that we could round up all of those criminals in New York City, and build some nice prisons at Kennedy and LaGuardia, and get all of the criminals off the streets of New York.

By doing this we could make it the most quiet and peaceful little community, and restore it back where it was 30, 40, or 50 years ago, before they started running it down.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. And we could do that with O'Hare Field, too.

I yield to the gentleman from Illinois.

Mr. YATES. Is it the intention of the gentleman from Massachusetts to absolutely bar all Concordes from landing at Kennedy Airport?

Mr. CONTE. My intention is to close down Kennedy and LaGuardia for all aircraft.

Mr. YATES. For all aircraft?

Mr. CONTE. For all aircraft.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, the question has been raised as to why Great Britain and France went ahead with the supersonic aircraft. I suspect, without the documents being at hand, that it is by virtue of the treaties ratified by the Senate. The Chicago Convention, ratified in 1946 by the Senate, dealt with this subject.

I believe it is article 28, and I may be wrong about that, that says that any nation who is signatory to the treaty, including the United States, Great Britain and France, all of whom were signatories, that if their aircraft meet all of the criteria laid down, in our case by the FAA, then we have to render them flight service—to wit, provide air traffic controllers. In other words, if they meet all of the criteria and regulations on pollution and noise, and all that, under the treaty, then I think we are obligated to furnish air traffic controllers and other services prohibited by this amendment.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, the gentleman from Kentucky is referring to a whole series of treaties, I believe.

Mr. SNYDER. That is correct, but specifically the Chicago convention.

Mr. DINGELL. Mr. Chairman, the hard fact is that those treaties say we cannot discriminate against the signatory nations, but it does not say we cannot close our airports to certain types of aircraft.

Mr. YATES. Mr. Chairman, if the gentleman will yield, I think my friend, the gentleman from Kentucky (Mr. SNYDER) may have had reference to my original amendment, rather than the pending amendment, as I amended it, which would require the Concorde to meet the standards established by the FAA in FAR 36.

So my amendment does meet the terms of the treaty that the gentleman referred to.

Mr. SNYDER. Mr. Chairman, will the gentleman yield further?

Mr. CONTE. I yield to the gentleman.

Mr. SNYDER. I thank the gentleman for yielding.

I assume the gentleman had offered the original amendment we have heard talked about for several days, but, on the other hand, my understanding is that his amendment cuts off funds for the payroll of air traffic controllers and people of that nature. If, in fact, that is true, and if, in fact, that airplane does meet the criteria, we are obligated to render the service under the treaty.

Mr. YATES. If the gentleman will yield, only if the Concorde fails to meet the standards established by the FAA under FAR 36. That was added to my amendment.

Mr. CONTE. Mr. Chairman, I hope my amendment is adopted.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE) as a substitute for the amendment offered by the gentleman from Illinois (Mr. YATES).

The substitute amendment for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. YATES).

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 24; noes 34.

RECORDED VOTE

Mr. YATES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 214, not voting 23, as follows:

[Roll No. 374]

AYES—196

Abzug
Addabbo
Alexander
Ambro
Annunzio
Ashley
Aspin
Badillo
Baldus
Baucus
Bedell
Bennett
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boland
Bonker
Brademas
Brodhead
Brown, Calif.
Broyhill
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Carr
Carter
Chisholm
Clay
Conyers
Cornell
Coughlin
D'Amours
Daniels, N.J.
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey
Drinan
Early
Edgar
Edwards, Calif.
Eilberg
Esch
Evans, Ind.
Fascell
Fenwick
Fish
Fisher
Fithian
Florio
Ford, Mich.
Forsythe
Fraser
Fuqua
Gaydos
Gilman
Ginn
Grassley
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jeffords
Jones, Okla.
Karth
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lujan
McHugh
Macdonald
Madden
Madigan
Maguire
Matsunaga
Mazzoli
Melcher
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Peyser
Pike
Pressler
Rangel
Richmond
Riegle
Rinaldo
Rodino
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Sikes
Simon
Skubitz
Solarz
Spellman
Stanton, J. William
Stark
Stokes
Studds
Sullivan
Symington
Taylor, N.C.
Thornton
Traxler
Tsongas
Udall
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Wilson, C. H.
Wirth
Wolff
Wydler
Yates
Yatron
Young, Ga.
Zeferetti

NOES—214

Abdnor
Adams
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bevill
Biester
Boggs
Bolling
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Crane
Daniel, Dan
Daniel, R. W.
Danielson
Davis
Devine
Dickinson
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Findley
Flood
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Frenzel
Frey
Giaimo
Gibbons
Goldwater
Gonzalez
Goodling
Gradison
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hawkins
Hays, Ohio
Hefner
Henderson
Hicks
Hightower
Hillis
Holt
Howe
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Leggett
Lloyd, Tenn.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McKay
McKinney
Mahon
Mann
Martin
Meeds
Michel
Milford
Mills
Mollohan
Moore
Moorhead, Calif.
Morgan
Mosher
Murphy, N.Y.
Murtha
Myers, Ind.
Neal
Nichols
Nix
O'Brien
Passman
Patman, Tex.
Patten, N.J.
Pepper
Perkins
Pettis
Pickle
Poage
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Risenhoover
Roberts
Robinson
Roe
Rose
Rousselot
Runnels
Ruppe
Ryan
Santini
Sarasin
Satterfield
Schneebeli
Shipley
Shriver
Shuster
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Ullman
Van Deerlin
Vander Jagt
Waggonner
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki

NOT VOTING—23

AuCoin
Barrett
Breckinridge
Clawson, Del
Collins, Ill.
Diggs
Evins, Tenn.
Fulton
Hébert
Hinshaw
Jenrette
Jones, N.C.
McEwen
Mathis
Meyner
Mitchell, Md.
Montgomery
Moss
Quie
Reuss
Teague
Thompson
Wampler

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Hébert against.

Mr. Mathis for, with Mr. Breckinridge against.

Mr. Mitchell of Maryland for, with Mr. Montgomery against.

Mr. Barrett for, with Mr. Teague against.

Mr. Diggs for, with Mr. Evins of Tennessee against.

Mr. Moss for, with Mr. Fulton against.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TERRITORIAL HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, sections 215, 402, and 405, $4,000,000, to remain available until expended.

For "Territorial highways (liquidation of contract authorization)" for the period July 1, 1976, through September 30, 1976, $1,000,000, to remain available until expended.

AMENDMENT OFFERED BY MR. DUNCAN OF TENNESSEE

Mr. DUNCAN of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DUNCAN of Tennessee: On page 15, after line 19, insert the following: "CUMBERLAND GAP NATONAL HISTORIC PARK HIGHWAY AND TUNNEL."

"For necessary expenses for further locational studies as may be necessary for the preliminary and final engineering design of the Cumberland Gap National Historic Park Highway and Tunnel, $2,500,000, to be derived from the Highway Trust Fund in accordance with Section 160 of the Federal Aid Highway Act of 1973 (PL 93–87) (72 Stat. 885), to remain available until expended."

POINT OF ORDER

Mr. McFALL. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. McFALL. Mr. Chairman, I make a point of order against the amendment as follows, while I am sympathetic with what the gentleman is trying to do:

Clause 2 of rule 21 states that no appropriation shall be in order unless it is previously authorized by law. The authorization for the gentleman's amendment is contained in section 160 of the Federal Aid Highway Act of 1973. That section reads as follows:

> SEC. 160. (a) Notwithstanding the definition of parkways in subsection (a) of section 101, funds available for parkways shall be available through the Cumberland Gap National Historical Park, including construction of a tunnel and the approaches thereto, so as to permit restoration of the Gap and provide adequate traffic capacity.

This does not authorize funds to remain available until expended. The gentleman's proposed amendment would so authorize these funds. In addition, parkways are financed through contract authority provided in the basic authorizing legislation. There is no authorization to make a direct appropriation for parkways. These programs are financed through contract authority. The gentleman's amendment makes such a direct appropriation to remain available until expended without any authorization for this kind of appropriation. Therefore, I submit it is in violation of clause 2 of rule 21.

The CHAIRMAN. Does the gentleman from Tennessee (Mr. DUNCAN) desire to be heard on the point of order?

Mr. DUNCAN of Tennessee. Yes, Mr. Chairman, I do.

Mr. Chairman, as the gentleman from California (Mr. McFALL) said, this was authorized in section 110 of Public Law 93–87 and is contained in that law. But it is apparently in error, because the Interior Department or the National Park Service has an argument as to who should request the funds and from what.

This amendment clarifies the error, which has been one of long standing, for about 2 years.

The CHAIRMAN. Does the gentleman from Tennessee concede that there is no contract for this particular project at this particular time?

Mr. DUNCAN of Tennessee. There is no contract at this time, although it is in the public law, as the gentleman from California said. It has already been authorized.

The CHAIRMAN. Public Law 93–87 does authorize funds for the Cumberland

Gap National Historical Park Parkway, but only in such manner as funds are otherwise available for parkways under existing law. That law (23 U.S.C. 207) does not directly authorize an appropriation to be available until expended, but rather permits an appropriation from the trust fund to liquidate contractual obligations and for a more limited duration as provided for other Federal highway projects under title 23.

Mr. DUNCAN of Tennessee. Mr. Chairman, I think there is a contract. I do not admit there is not a contract. It was authorized in Public Law 93–87.

The CHAIRMAN (Mr. Murphy of New York). The only apparent authorization under that law is the liquidation of contract authority, and that is one point the gentleman from California (Mr. McFall) has pressed.

The Chair sustains the point of order.

Mr. DUNCAN of Tennessee. I thank the Chairman.

The CHAIRMAN. The Clerk will read.

Mr. McFALL (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there further points of order against the remainder of the bill?

The Chair hears none.

AMENDMENT OFFERED BY MR. KOCH

Mr. KOCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Koch: page 35, after line 21, insert:
>
> Sec. 315. (a) No part of any appropriation for the Interstate System contained in this Act shall be available for expenditure or obligation in any State within the boundaries of which the Interstate System may lawfully be used by vehicles with weight in excess of eighteen thousand pounds carried on any one axle, or with a tandem-axle weight in excess of thirty-two thousand pounds, or with an overall gross weight in excess of seventy-three thousand two hundred and eighty pounds, or with a width in excess of ninety-six inches, or the corresponding maximum weights or maximum widths permitted for vehicles using the public highways of such State under laws or regulations established by appropriate State authority in effect on July 1, 1956 (or in the case of the State of Hawaii February 1, 1960), whichever is the greater.
>
> (b) Subsection (a) of this section shall take effect in each State on the 30th day after the 1st day of a regular session of the legislature of that State which session begins after the date of enactment of this Act.
>
> (c) Nothing in this section shall be deemed to prohibit the payment of any contractual obligation of the United States entered into prior to the date of enactment of this Act.

POINT OF ORDER

Mr. CONTE. Mr. Chairman, I raise a point of order against the amendment on the ground it is legislation in an appropriation bill.

It imposes a tremendous amount of new duties on the Secretary of Transportation, the Administrator of the Federal Highway System, in order to enforce the law.

I, therefore, ask that the point of order be sustained.

Mr. WRIGHT. Mr. Chairman, I would like to be heard on that same point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. WRIGHT. Mr. Chairman, clearly the purpose of the rule prohibiting legislation in an appropriations bill is to prohibit the overt alteration of basic and fundamental law. That is prohibited even when the true effect of an amendment or provision might be thinly concealed by the subterfuge of pretending to come merely as a limitation upon spending.

Mr. Chairman, while the presently offered amendment might be so artfully drafted as to bear the superficial appearance of a simple spending limitation upon the appropriation for 1 fiscal year, its true effect would be to change the law, as I shall demonstrate.

This amendment, if adopted, would require a great number of the States—28 of them, if my information is current and correct—to amend or repeal their own basic laws, adopted in good faith and in total conformity with applicable Federal law, under pain of losing their Federal highway apportionments. If that is not changing the basic law, Mr. Chairman, it would be difficult, indeed, to conceive of a provision which would change basic law.

This amendment, if adopted, would impose upon the administrators in the Federal Highway Administration and the Department of Transportation the duty of ascertaining just which States had complied with this new directive, when they had come into compliance with the new directive, whether their individual statutes met the test herein prescribed, part of which test is totally new to Federal law, whether their individual legislative action had been timely within the meaning of this amendment, and precisely how much of their entitlements were to be withheld based upon their untimeliness or their total failure to comply.

Mr. Chairman, in considering whether a provision actually constitutes legislation, substance must be as important as form, if not more so. Reading this amendment alongside the established laws governing highway apportionments and standards of compliance will strip away any disguise of a simple limitation and reveal the naked form of overt legislation.

Moreover, the effect of the amendment would go far beyond the period covered by the annual appropriation. I invite the attention of the Chair to subsection (b) of the amendment as offered by the gentleman from New York, which reads as follows:

> Subsection (a) of this section shall take effect in each State on the 30th day after the 1st day of a regular session of the legislature of that State which session begins after the date of enactment of this Act.

Therefore, this would be applicable at different times in different States. Furthermore, it is a well-known and verifiable fact, Mr. Chairman, that in some of the States the next regular session of the legislature will not occur until the year 1977, and therefore, the applicability of this provision in the current 1976 appropriations bill, if it were adopted, would not occur in some of the States until many months after the expiration of the period for which this appropriations bill is written, almost 2 years from the present date.

An understanding of title 23 of the United States Code, which sets forth the basic highway laws of the Nation, makes it abundantly clear that the presently offered amendment, by its very terms, would profoundly affect not only the present appropriation, but future appropriations and apportionments under the law and the basic legal relationship which present law prescribes between the States and the Federal Government.

Mr. Chairman, if the Members will indulge me, I will briefly elaborate upon that.

Sections 104, 106, and 118 of title 23 set forth the manner of apportionment and obligation of funds among the States, including the approval of plans, specifications, and estimates for individual projects, and mandate advance contractual obligations on the part of the Federal Government.

They contain the declaration that—

> On or after the date the funds are apportioned, they shall be available for expenditure.

Section 104 requires that apportionments among the States be based upon a ratio concerning the estimated cost of completing the Interstate System within each such State. It also requires, Mr. Chairman, in the interest of orderly planning and continuity, that apportionments be made as far in advance of each fiscal year as possible and, in no case, less than 18 months prior to the beginning of that year.

So, if this amendment were adopted and were to go into effect in some States 18, 20 or 23 months from now, it would have a profound effect on the duties of the Administrator in that not only would he have to make ascertainments, he would have to make guesses in advance as to whether a given State were going to comply with this act, because the language compels him to make that apportionment 18 months in advance; and any apportionments withheld as a result of this amendment clearly would affect and even control appropriations and expenditures in future fiscal years.

If this amendment were held to be admissable as a simple limitation upon a current appropriation, it would create a precedent which not only would violate the jurisdiction of the legislative committee, but it would open the gate for incursions of the rankest sort upon the fundamental laws of the country.

If this amendment were admissable, then future appropriations bills could alter the legally established apportionment formulas of all Trust Funds. Appropriations bills could be used to alter the legally established criteria under the highway safety programs. They could rewrite the standards in the Highway Beautification Laws. They could subvert, alter, or simply abolish the rights of States or localities to utilize moneys in this title for mass transit projects.

In short, the ultimate analysis is that a precedent of this kind could permit the complete rewriting of the nation's highway and transportation laws and standards under the guise of limitations on appropriations bills. If that precedent were then extended to other titles of the United States Code, there is hardly any limit to the cavalier mischief that could be set in motion.

For each of those reasons, Mr. Chairman, I submit that this clearly, beneath the "sheep's clothing" of a limitation, reveals the lurking forbidden "wolf" of legislation which is prohibited under the rules on an appropriation bill.

Therefore I urge that the point of order be sustained.

Mr. KOCH. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from New York on the point of order.

Mr. KOCH. Mr. Chairman, first I must note that any time my good friend, the gentleman from Texas (Mr. Wright) takes the floor and speaks, whether it is in support of a substantive matter or a point of order, he comes out with iambic pentameter, and I salute the gentleman.

But let me get to the heart of the matter.

Mr. Chairman, the amendment is germane, and merely a limitation to an appropriation in the bill to obligations entered into hereafter under the Federal Aid Highway Amendments Act of 1974.

I call the attention of the gentleman to the precedent in Volume 4, Hinds' Precedents of the House of Representatives, section 3987, 52d Congress, 1892, 23 Congressional Record, pages 5003–04, wherein an amendment to the Post Office appropriations bill provided that:

> No part of the money hereby appropriated shall be expended in the carrying out of any contract or contracts made hereafter under the provisions of the act entitled "An Act to Provide for Ocean Mail Service Between the United States and Foreign Ports, and to Promote Commerce", approved March 3, 1891, was sustained as against a point of order.

As stated in Hinds':

> It is in order by a limitation on an appropriation bill to withhold the appropriation from a designated object, although contracts may be left unsatisfied thereby.

The underlying statute set forth the rate of compensation in that case to be paid under contracts for ocean mail service. No effort was made there as here to limit appropriations on obligations already binding.

The Chair rejected assertions that the amendment restricted the authority of the Postmaster General then on the statute books and that it indirectly repealed the underlying law. The Chair stated:

> The chair does not understand that the amendment offered . . . changes existing law, but simply attaches a limitation upon the expenditure of the money appropriated under this particular set.

Any limitation in whole or in part upon an expenditure is in order.

In addition, the amendment is a proper limitation because it denies the availability of appropriated funds to recipients not meeting certain qualifications—see, 118 Congressional Record 23364, 92d Congress, 2d session, June 29, 1972.

Nor does the amendment legislate to impose affirmative duties on or require new investigations of Federal officials. Its clear intent is to impose a limitation on the use of funds appropriated in the bill. It is a negative prohibition on the use of funds—see, 111 Congressional Record 11656, 89th Congress, 1st session, May 26, 1965—and although the amendment would require the comparison by Federal officials of different numerical maximums, the determination and comparison of those figures are readily ascertainable under existing law and under the existing authority of such officials.

The CHAIRMAN (Mr. Murphy of New York). The gentleman from Massachusetts and the gentleman from Texas make a point of order against the amendment offered by the gentleman from New York on the grounds that it constitutes legislation and is not in order on an appropriation bill.

The Chair would first state that it is well settled that the House may in an appropriation bill negatively deny the use or availability of funds for certain purposes or to certain recipients even though authorized by law, if the denial is limited to funds contained in the bill and if the limitation does not constitute new legislation.

The amendment offered by the gentleman from New York limits itself to appropriations contained in the bill for the Interstate System. The amendment denies the availability of such funds for expenditure or obligation within States wherein certain truck weights and widths may be lawfully used on the Interstate System.

The determination by the Federal Government, whether States would meet the test mandated by the amendment, would not require new affirmative duties. As Chairman Price ruled on December 11, 1973—the decision is noted in Deschler's Procedure, chapter 25, section 16.2—almost any limitation on an appropriation bill requires some determination to establish the fact whether the limitation would apply, and it is in order to restrict the availability of funds to recipients not meeting certain qualifications as long as the determination of those qualifications is readily ascertainable under existing law and facts. The Chair would note that under section 127 of title 23 of the United States Code, as amended by the Federal Aid Highway Amendments of 1974, the Federal Government has the authority and duty to determine the vehicle weights and widths which may be used in each State on the Interstate System.

It has been contended that the amendment constitutes legislation because it denies the availability of funds not only for expenditures but also for obligation. Yet the limitation is confined to the funds carried in the bill and would deny only their use for certain obligations entered into. The amendment reaches no funds which are not carried in the bill, and that goes to the point raised by the gentleman from Texas that some State legislatures are not in session on an annual basis. It has been held in order on an appropriation bill to deny the use of funds in the bill for the Export-Import Bank to guarantee the payment of certain obligations thereinafter incurred, as cited in Deschler's Procedure, chapter 25, section 16.5. Again Deschler's Procedure, chapter 25, section 17.1, indicates that an amendment to an appropriation bill may provide that none of the funds therein shall be available for payments on certain contracts, and 4 Hinds' Precedents, section 3987, lays down the principle that an appropriation may be withheld from a designated object although contracts may be left unsatisfied thereby.

The amendment in issue does not seek to directly change a formula, repeal a provision of law or require the use or allocation of funds contrary to law. It simply denies appropriation for a purpose which is authorized by law. For that reason the Chair overrules the point of order.

The Chair recognizes the gentleman from New York.

Mr. KOCH. Mr. Chairman, I want to say at this point that the high point of my congressional career to date was being elected. I enjoy this particular matter almost as well.

Let me try in a succinct way as best I can, while the charts are brought in, to outline where we are, what my amendment does, and why Members should support it.

First, why are we here? We are here because in August of last year this House voted by a vote of 252 to 159 not to permit an increase in the maximum allowable truck weight. This decision of the House was undone through flawless parliamentary maneuvers by the Public Works Committee which in December 1974, prevented a vote from taking place and then increased the truck limitation from 73,280 to 80,000 pounds again.

Why are those of us who oppose this increased truck weight so adamant in our position? The arguments are not difficult to advance or comprehend. They are basically three in nature. One is safety; two is the damage and cost to the municipalities; and three is the economic effect upon the railroads. And in fact my own priorities are in the order I gave the Members: safety, cost, and the railroads.

With respect to safety: When there have been prior discussions, whether it was on the Senate side or on the House side, the argument was advanced that when we increase the truck weights, what difference does it make if we get hit by a 73,000-pound truck or an 80,000-pound truck? And it sounds pretty good. The fact is that there is a direct correlation with each increase of 1,000 pounds in truck weight with the increase in fatalities to passengers of passenger vehicles on that same highway. One of the charts demonstrates this fact and that chart was, as the Members can see, drawn by the Library of Congress and based on information which is statistically factual. Dr. James Gregory of DOT in a presentation before our Transportation Appropriations Subcommittee, said when he was interrogated on the question of whether or not there is a difference in the increased truck weights, that he had been dead wrong when he said there was not. That is his language: "dead wrong."

The fact is there is a difference. One of the tables I have here, just to demonstrate that, contains 1973 statistics from the Bureau of Motor Carrier Safety which show that in 1,982 accidents involving trucks within the 70,000- to 75,000-pound weights 281 persons other than truck occupants were killed.

With trucks over 75,000 pounds, a much smaller category, in 371 accidents there were 70 deaths, many more proportionately, simply as a result of increased truck weight.

Why is that? It is because the brakes in these trucks are inadequate, that is, the older trucks that under this law can use the interstate highway. New trucks have to have better brakes—but if that law about brakes is not retroactive, then every old truck in this Nation can use that highway and carry 80,000 pounds while its brakes are inadequate. That causes the accidents. Those trucks are simply not able to stop within the same time.

Now, that is a major factor; but let me give some other factors. The bridges on the highways of this country are overwhelmingly inadequate to carry these additional truck weights.

Insofar as the cost is concerned, what most people do not understand is that while they get highway money to build and construct their interstate highways, they do not get the money to repair them, to maintain them. In testimony before our commitee the Department of Transportation said conservatively their estimate was that it would cost annually $34 million more for the States, $30 million more for the counties and $24 million for the cities, and I quote DOT that the estimate was "very conservative." That was the way that they put it.

Then the third argument is the economic effect on railroads. We are already paying the bills for the railroads in this country out of the U.S. Treasury and the estimate is that one-half billion dollars in net revenue will be lost to the railroads and diverted to the trucks with the new weights. Who is going to make up the difference? This Congress will have to come in and make up that difference in addition to the subsidies that we are providing.

Now, why did the Department of Transportation, against the advice of the National Highway Traffic Safety Advisory Committee, agree to it?

Well, I will tell this House what Secretary Coleman said. He said it was a trade-off, I quote his letter to me:

> The Department of Transportation is well aware of the trade-offs being dealt with here—the attempt to try to balance between fuel savings and consumer economies on the one hand, and the additional highway maintenance costs and safety-related factors on the other

The fact is that it is a terrible trade-off. What are they relying on? That the 55-mile-per-hour speed limit is somehow going to forever keep those big trucks from causing fatalities. Has anyone here been on an interstate highway since that legislation enacting the 55-mile-an-hour speed limit? Has anyone been on a highway and seen a truck limit itself to 55 miles an hour? I never have and I doubt that anyone here has.

Do the Members not understand, and I am sure many do, that the 55-mile limitation will not do the job—how long will that stay with us? Is that going to be with us a year or two or three? No. It will be changed, but the increase in truck weights never will.

Let me get to my conclusion and how the amendment affects your States. The fact is that those 22 odd States that have changed weight limitations since January 1, 1975, as they have—and 17 have rejected through their legislatures any increase, those 20 odd States will not be damaged. They are given the opportunity to repeal those increases and we take into consideration the fact that their legislatures may have adjourned and, therefore, they can continue as they are until the legislatures return.

But, what we are saying is that we want to safeguard this Nation's people. Sure, truckers would like bigger trucks; they would like longer trucks; they would like wider trucks; they would like a truck that would fill this very Chamber if they could get one. Should we submit to that? The answer is "No."

Who supports this amendment? Let me give the Members a short list:

The AFL–CIO,

National Society of Professional Engineers,

National Association of Counties,

American Society of Civil Engineers,

National Highway Safety Advisory Committe, which was chartered by this Congress,

The American Automobile Association,

The Professional Drivers Council for Safety and Health,

The Association of American Railroads,

The Brotherhood of Railway, Sailors and Steamship Clerks,

The Oil, Chemical and Atomic Workers International,

General Federation of Women's Clubs,

Common Cause.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Hechler of West Virginia and by unanimous consent, Mr. Koch was allowed to proceed for 5 additional minutes.)

Mr. MOTTL. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I yield to the gentleman from Ohio.

Mr. MOTTL. Mr. Chairman, I thank the gentleman for yielding to me, the gentleman from Manhattan. I would like to compliment him for his courage, his persistence, and his fine presentation. I would like to associate myself with his remarks here this afternoon.

I would also like to ask my colleagues, the members of the Committee, to vote affirmatively for this amendment.

Mr. Chairman, rarely does a piece of legislation come along which so clearly pits the vested interest against the public interest as does the Koch amendment to the transportation appropriations bill.

On one side is the powerful truckers' lobby and related vested interests. On the other is the motoring public.

I have chosen to cast my lot with the public and urge my colleagues in the House to do so also. I think it is incumbent upon this Congress to reduce the allowable weight limit of trucks on interstate highways from 80,000 pounds to 73,280 pounds. We must restore the lower weight limit which was in effect before the 93d Congress hastily increased the limit to 80,000 pounds last December.

The motoring public dreads the thought of monstrous vehicles traveling at breakneck speeds over our highways, apparently with little regard for the safety and well-being of automobile passengers. I share the concern of the motorist and urge my colleagues in the House to join with me in support of the Koch amendment.

Mr. KOCH. I thank the gentleman.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York (Mr. Koch).

In doing so I am also standing in support of the millions of American people who anticipate the adverse effects that will inevitably result from an allowable increase of truck weights from 73,820 pounds to 80,000 pounds. These individuals include motorists who have witnessed the rising threat of injury or death upon our Nation's highways; they are workers who foresee the reduction of many thousands of jobs at a time when increased employment is vital; they are the taxpayers who have felt a tightening of the inflationary grip resulting from increased highway maintenance costs. They are all people who have expressed their unalterable opposition to the continued existence of the increased truck weights.

Last year, on December 18, millions of concerned motorists, as well as thousands of oil and chemical truckdrivers, cringed as they observed a superbly executed parliamentary maneuver, which allows this weight increase to become law. Now, these people see an opportunity to reset the increased weight limits to their original level, thereby restoring some measure of safety to the treacherous situation on our Nation's highways.

The question of whether additional truck weight has an effect on the outcome of a car-truck collision was answered for us years ago with the discovery of the law of physics which states that force equals mass times acceleration. Despite this obvious conclusion, a recital of some very frightening statistics may provide clearer and more detailed proof of the increased hazards to motorists who confront the problem of heavier trucks on our highways.

Testimony by Dr. James B. Gregory, Administrator of the National Highway Traffic Safety Administration before the House Appropriations Subcommittee on March 21 of this year, revealed: The probability of a fatality occurring in a collision between a car and large truck—defined as a truck in excess of 10,000 pounds—is 10 to 1. Furthermore, the number of nontruck fatalities per 100 car-truck accidents increases at a rate of 1.1 for each additional 10,000 pounds in the loaded weight of the truck. Further data also shows that there is an in-

crease of 8 percent in the stopping distance of an average 55 foot, 5 axle tractor trailer, when the gross weight of the truck is raised from 73,820 to 80,000 pounds.

Mr. Chairman, the rising threat to personal safety is but one aspect of the intolerable situation caused by increasing the weight limitations. An increase in these limits from 73,820 pounds to 80,000 pounds effectively permits a 10 percent payload increase for trucks and has and will occasion the elimination of jobs at a time when unemployment is one of our country's most pressing problems.

At this time, it is estimated that it would take $4 billion to replace the capital and improve the maintenance of our Nation's failing railroad system. The truck weight legislation, by taking perhaps another half billion dollars out of our railroads' incoming net revenue, will make their nearly untenable situation significantly worse.

Is there a person in the country today who has not felt the binding grip of inflation? Where then is the rationale for maintaining increased weight limitations which result in an estimated $100,000,000 rise in maintenance costs for our Nation's highway system, and a staggering project of $2.4 billion for providing a complete road system capable of accommodating the higher weights.

The ultimate question, Mr. Chairman, appears to be one of priorities. Shall we further endanger the lives of our Nation's motorists, and allow an increase in unemployment, and an inflationary increase in highway maintenance costs, and further decline in rail transport, for the sake of increasing the freight capacity of the trucking industry? I trust that my colleagues will agree with me that the answer is an uncontestable "No."

Mr. KOCH. I thank the gentleman for his comments.

Mr. Chairman, let me conclude by reassuring those people who have been given erroneous information—unintentionally, I am sure—that this amendment does not give a preference to other States, and certainly not to the State of New York from which I come, because the State of New York, in fact, has not even gone to the 73,280 level. It is 71,000 pounds in New York State.

But States such as California, Ohio, Alaska, and Hawaii which were grandfathered in 1956 with weights higher than 73,280—for example, Ohio, which I believe, has 120,000 pounds under the old law—are not affected by this amendment. Whatever existed on December 31, 1974, continues in full force and effect, so the Members are not voting against their States' interests. Indeed, when they vote for this amendment, they are voting for the public interest.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I appreciate my friend yielding to me. I am sure he did not mean to leave the impression in his remarks earlier that the State of New York does not permit any trucks higher than 71,000 pounds on its roads. Is it not true that the State of New York allows trucks up to 105,000 pounds on some of its roads which are not even as good as interestates?

Mr. KOCH. I am so delighted that the gentleman brought that up. It comes as no shock that this question would be proposed.

Let me tell the gentleman why the State of New York's position in this matter is one that I can advance with great pride.

First, the State of New York has its weight figure on the Interstate System at 71,000 pounds. Governor Wilson in the last administration granted a temporary permit to go to 80,000 pounds on a truck-by-truck basis. I just happened to have called the secretary of transportation in New York this morning, because I knew that my good friend would do his homework and I said to Secretary Schuler, "Please give me the facts."

This is what he said:

> Our limitation is 71,000. We grant a special permit on truck-by-truck basis, giving the particular route that that particular truck has to take, and require in given cases special insurance where they can show the need for use of the highway, and on a temporary basis.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I yield to the gentleman.

Mr. WRIGHT. Mr. Chairman, will the gentleman's amendment permit them on the interstate?

Mr. KOCH. On the interstate, no. The State of New York does not permit a truck exceeding 73,280 on the interstate highways. It does not, absolutely does not. The gentleman is quite right, that on a toll road, the New York Thruway, paid for by the tax money of the people of New York, they do.

Mr. WRIGHT. If the gentleman will yield further, is it any safer there than it is on the interstate?

Mr. KOCH. What I am saying is that my amendment does not prevent any State in the Union from enacting its own weight limits on its own roads although I would disagree that they should permit any weight. However, on the interstate highways that we are paying for Congress decided we would have a weight limitation and such a law was enacted back in 1956, when I was not here. I think it was appropriate. We have lived with that. We have lived well with it, and the new law and increase will cause an increase in deaths.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. HECHLER of West Virginia, and by unanimous consent, Mr. KOCH was allowed to proceed for 2 additional minutes.)

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. KOCH. Yes, I yield to the gentleman.

Mr. HECHLER of West Virginia. Mr. Chairman, I would like to congratulate the gentleman from New York for his leadership on this amendment. I strongly support it for reasons of safety, for reasons of the increased costs which the bigger trucks impose on the taxpayers for the maintenance of these highways that are torn up. But above all, for the protection of motorists, motorists throughout the country, and their lives.

Mr. Chairman, I would like to ask the gentleman a question.

It has been contended that if the gentleman's amendment is passed, it will result in a lot more larger trucks spinning around the highways than smaller trucks. I would like to have the gentleman's firsthand rebuttal of that argument.

Mr. KOCH. Mr. Chairman, the fact is that it is not a question of a lot more trucks, or larger trucks getting on the highway today to take the place of smaller trucks. Today they will take an old truck that can carry 80,000 pounds but is not suited for that purpose because its brakes will not do the job. Those are the unsafe trucks that are going to be allowed on the highways. So the argument is a fallacious one.

In addition, I want to say that I so much appreciate the help that the gentleman from West Virginia (Mr. HECHLER) and the gentleman from Maryland (Mr. GUDE) have given me in this matter. They have been yeoman in this regard, and I am very grateful.

Mr. HECHLER of West Virginia. But the gentleman is the leader, I would say to the gentleman from New York, and I hope the committee will rally to the gentleman's support and adopt this amendment overwhelmingly.

Mr. KOCH. Mr. Chairman, I thank the gentleman for his remarks.

Mr. McFALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. There is no question that the issue raised by the gentleman from New York (Mr. KOCH) is an important one for our Nation's transportation system. Many Members of Congress, including myself, have received a great deal of correspondence on this issue since Mr. KOCH raised it in my subcommittee on June 11. But I believe this issue should be considered by the legislative committees as a separate matter, and not be included in an appropriation act. It was originally considered by the Public Works Committee in connection with Federal Aid Highway Amendments of 1974. The purpose of the funds to which this limitation would be attached is to build roads—not to regulate transportation economics. The appropriate place for consideration of this limitation is in connection with the highway legislation which the Public Works Committee will be handling later this year.

From a technical and safety standpoint, there can be and are differences of opinion on this issue even though each is sincere and earnest.

Among other things, the Department of Transportation has indicated:

First. Prior to the 1974 amendments, 19 States permitted gross weights of 80,000 pounds or greater on noninterstate roads.

Second. Prior to the 1974 amendments, 17 States permitted gross weights of 20,000 pounds or greater on the Interstate System, 32 States permitted such weights on other highways.

Third. Prior to the 1974 amendments, 17 States permitted tandem axle weights in excess of 34,000 pounds on the Interstate System, and 33 States permitted such weights on other highways.

Fourth. The increase in weights coincided with a reduction in speed to 55 miles per hour. From a safety viewpoint an 80,000-pound vehicle at 55 miles per hour will stop in two-thirds the distance of a 73,280-pound vehicle at 70 miles per hour.

Fifth. It has been concluded by DOT, after extensive study, that the changes in loadings will have little impact on the service life of bridges, or on increased highway maintenance costs.

The gentleman from New York (Mr. KOCH) does not agree with conclusions of the Department. The fact that there are these differences of opinion reinforces the point I made earlier that the appropriate place to deal with this issue is in connection with the highway legislation after full scale hearings have been conducted.

Finally, it should be remembered that the national speed limit of 55 miles per hour had a significant adverse effect on the economics of truck transport. We all know that these two issues—truck weights and speed limits—are closely tied together. The small increase in truck weights allowed by the 1974 act was part of a balanced package to address the concern for energy supplies while keeping the economic disruptions to a minimum. The proposed amendment seeks to alter this balance. I call your attention to the supplemental views on pages 47 through 53 of the report.

These views are addressed only to the question of the weights—the first paragraph is the only place where the new speed limit is even mentioned.

We all know these issues are important. And we also know that they were considered together as part of the continuing national discussion on energy policy.

For these reasons, Mr. Chairman, I urge my colleagues to vote "No" on this amendment.

Mr. ALEXANDER. Mr. Chairman, I rise today in oposition to the amendment offered by my friend and colleague, the gentleman from New York (Mr. KOCH). I believe the gentleman is sincere in his argument that he would like to propose an amendment to this bill for the purpose of creating better safety on the highways but I also believe he is in error in his judgment that the amendment would cost the taxpayers of this country less money in the maintenance of those highways.

Last winter I was traveling with my family on highway 81 north from Harrisonburg after a skiing trip on the way back to Washington. I was traveling at a rate of slightly over 50 miles an hour, and was continuously passed by a number of large trucks traveling in the same direction. Upon proceeding up the highway, I was stopped, along with other cars, by a radar net and given a warning ticket that we were exceeding the speed limit.

I asked the State patrolman why the trucks were allowed to proceed and the cars were stopped. He replied that the police were doing the best they could with the few men that they had to operate with.

I submit, Mr. Chairman, that safety can be created on the highways by enforcing the laws that are now in existence and that we do not need this amendment in order to create more safety on the highways.

I believe that this amendment, which would limit the amount of gross weight that could be carried in trucks on the interstate highways would cost the people in places like New York City and the other central cities of this Nation more money for the products which they need, food and supplies for manufacturing are transported. If the weight limits are lowered by this amendment it would also cost the people in States like Arkansas more money because we do not have the access to their modes of bulk transportation as do the central cities.

I do not know what the track record for the railroads is in New York City, but we simply cannot depend upon rail transportation in Arkansas. We do depend upon truck transportation for many of our needs, and we need to get the most efficient overland transportation that money can buy. The most efficient overland transportation that money can buy is on wheels, by trucks over the interstate highways that bring us our supplies and transport our manufactured and agricultural products to their markets.

Mr. Chairman, I urge my colleagues to vote down the amendment.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes, I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, could we at this time assess how many Members are going to be talking? I would not ask for a limitation at this time, but if we could see who is going to talk, we will be able to see about how much more time we will need. There seem to be about six or seven Members who are going to talk. Therefore, we can probably finish in about a half hour, giving everybody 5 minutes, and we would not need a limitation of time. We can just move right ahead.

Let us see how it goes, and perhaps we can finish this by about 4:30 without any limitation of time. In any event, we can aim for that.

Mr. Chairman, I thank the gentleman for yielding.

Mr. HARSHA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a large truck is, in a way, a scary thing. It is big and sometimes noisy. When we are on the highway and a truck is close to us, many of us sometimes feel uncomfortable; and as a result of that, we do not like trucks too well, and we are apt to believe, under those circumstances, just about anything that is said about trucks, regardless of the merits.

That is what has happened in this case. I think, because of that fact, it is necessary that we look very closely at the statistics.

I would like to comment on the charts the gentleman has confronted the committee with, especially with respect to the first one over there, about the $2.4 billion in increased cost for completing an entirely new highway system.

In the first place, the figures from which the information originated contemplated that there would be a rehabilitation program for city, county, and State highways. It intended paving over a 4-foot berm on each side of those roads. We are not talking about city, county, and State highways in this particular measure. We are talking about Interstate or Federal highways.

There may be some ruboff where the interstate runs through a city, but we are not talking about all of the roads in all of those jurisdictions. Yet, that figure applies to that.

None of those roads have 4-foot berms except the Interstate System.

In addition to that, 35 percent of that figure is based on the assumption that there would be this concrete paving on the shoulders. That accounts for 35 percent of the cost. In addition half of the States already permit axle loads equal to or greater than the limit now imposed by the Federal law which we are talking about. The Koch amendment will not reduce those costs. In fact a big portion of that cost is going to be incurred even with the adoption of the Koch amendment.

A final point is that the Interstate System is designed and constructed to carry load weights of 24,000 pounds on a single axle. It is the most highly sophisticated and designed highway system in the country. It is the most safely designed highway system in the country. It is far better able to accommodate these increased loads than are the primary and secondary and other highways which are now carrying this traffic throughout the Nation.

As to the second chart, Mr. Chairman, let me point out that it does not indicate whether the mileage derived in this case was intercity—urban, or just intercity, or just urban alone. So we do not know how much of that applies to the various segments and classes in the United States. We do not know how much of it took place on the Interstate System as opposed to the primary and secondary systems. We do not know how many of the trucks were loaded or empty. We do not know who was at fault in the accidents. We also do not know whether the trucks were parked, standing still, or moving.

As a matter of fact, according to figures we have received there were more accidents resulting in deaths which involved unloaded or empty trucks than involved loaded trucks. But that figure is not reported on that chart.

These figures not only are preliminary and incomplete they lead to erroneous conclusions unless all of the factors are given their proper consideration. Nor does the chart indicate that 64 percent of all of the automobile crashes are the result of the automobile driver's fault or failure, not the truck driver's failure. That is not reflected in that chart.

Mr. Chairman, I think that if we set aside the fiction and get to the facts, and realize what this amendment will do, we can have a better perspective. Let me list four points as to why I think the amendment should be rejected.

First, the effect of this amendment would be highly discriminatory to a number of States, forcing them to adhere to truck weight limitation far lower than those in effect in the gentleman's State right now.

Let me point out to the Committee that the State of New York permits on a single axle load on the Interstate System, 22,400 pounds; on a tandem axle it permits 36,000 pounds. On the New York Thruway, over 125,000 pounds gross are permitted—and that contains over 500 miles of the Interstate System or a third of the Interstate System in the State of New York.

Why is it that the gentleman from New York wants to deny the same flexibility that his State has to the other States throughout the Nation.

Second, an unavoidable side effect would be a severe blow to public transportation in many of our urban areas. By that I mean mass transit, because if one reads the gentleman's amendment, it says that no part of any appropriation for the Interstate System contained in this act shall be available for expenditure or obligation in any State within the boundaries of which the Interstate System may lawfully be used by vehicles——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. HARSHA was allowed to proceed for 5 additional minutes).

Mr. HARSHA. "May lawfully be used by vehicles"—that does not say trucks, that says vehicles—and, any vehicle that has a width in excess of 96 inches. What we are talking about now, Mr. Chairman, is buses providing mass transportation of people throughout the community on the Interstate System.

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. Not at this point.

Buses that are used for public transportation and mass transit. If one of those buses operates on the Interstate System, then that State is denied the right to interstate funds. Let me point out that there are some 29 States which permit 102-inch buses in intercity service, and the amendment limits that to 96 inches. If they travel on the Interstate System at any time, that State is precluded from receiving any interstate money.

A further check limited to the 50 largest urbanized areas in these United States shows that 35 metropolitan areas now use urban mass transportation provided by buses of 102 inches in width. Each one of those metropolitan areas, if the bus travels on the Interstate System, would then be denied interstate funds by virtue of this amendment.

It would result in higher costs to the consumer and a step backward certainly in our energy conservation measures. I would like to point out that the Federal Energy Administration supports this increase in truck weights as a conservation measure, and it pointed out a number of times to the committee the savings that will result from this modest increase in weights.

I would like to point out that the U.S. Railway Association has presented a preliminary system plan that calls for the abandonment of 7,000 miles of track in the Northeast quadrant of this country. This region contains almost half of the Nation's buses and 55 percent of our manufacturing plants. Shippers and receivers of freight need an efficient, economical substitute to replace all of this abandoned rail service. How are we going to get it there? What are we going to do? The answer is that we have to get it there by truck, Mr. Chairman, and if we drop the weight down from what we now have in the law to what the gentleman would prefer in his amendment, it would take eight trucks to transport the same quantity of freight that could be transported by seven trucks under the new weight limits.

What this is going to result in is a proliferation of trucks in the Northeast quadrant. There is where our safety factors come in. The safety factor depends less upon the weight of the truck than upon the number of trucks we might encounter. In other words, we are much more susceptible to becoming involved in an accident on a highly congested interstate system than we are on a less traveled interstate system.

The more opportunity we have to confront a truck, the greater opportunity we have for an accident. The same is true with the automobile. The more opportunity we have to confront an automobile, the greater likelihood there will be for an accident.

Why submit this as a safety measure when what we are doing is creating a safety hazard by requiring more trucks on the Interstate System and on our other systems than are necessary? I want it to be understood that all of these figures on these charts that are shown, for example, the two shown by the National Highway Traffic Administration, supposedly support the increase. Dr. Gregory, the head of it, supports the increase.

Here is a chart by the American Association of State Highway and Transportation Officials (AASHTO) supposedly showing the damage to roads when trucks use them. This AASHTO road test was done way back in the late fifties. It was done on highways designed to break down. Our interstate system is not designed to fail, it is designed to succeed. As a result of these tests, the adjustment and new thickness for the Interstate System which were brought about in the late fifties in thickness of the Interstate System is such that it will carry a 24,000-pound weight on a single axle, not a 20,000-pound weight. Therefore there is no real value in that chart to judge potential highway damage. It is past history—the history that led to today's updated design.

Mr. Chairman, I think that when we take everything into consideration and examine it carefully in proper perspective, separating fact from fiction, and controlling our emotions and personal likes and dislikes, of large trucks, we will come to one conclusion. That is, that the real meat of the thing is: For the sake of economy and for the sake of safety and for the sake of top fuel conservation this amendment should be defeated.

Mr. HECHLER of West Virginia. Mr. Chairman, I rise in strong support of the Koch amendment. I may have a little conflict of interest which I would like to confess to the committee. The only vehicle I own is a little red jeep. That jeep frequently is in competition with some of these big behemoths on the highway. For that reason I feel very strongly that the big trucks on the highways adversely affect millions and millions of motorists throughout the Nation.

For highway safety, from the standpoint of upkeep of our highways, and also for the protection of the average people throughout this country, this amendment should be adopted.

My good friend, the gentleman from Ohio, mentioned that adoption of the amendment would be discriminatory. I say failure to adopt it would discriminate against millions and millions of motorists by subjecting them to the pressures they would get on the highways by the increased size of trucks which are allowed.

Finally I think it is very, very unfortunate that through the rather sneaky parliamentary maneuver of last December, the House did not have a chance to have a straight-out vote on this question of increasing truck weight limits. The people of the Nation resented it when the Congress succeeded in covering up the vote for increasing truck weight limits on Interstate highways. We had a straight-out vote on August 20, 1974, when by a vote of 252 to 159, it was very clearly established as the will of the House that we did not want to support an increase in truck weight limit.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, but the gentleman is talking about the 90,000-pound truck weight limits; that is not what we are talking about here.

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from New York.

Mr. KOCH. Mr. Chairman, I was interested in the reference of my good friend, the gentleman from Ohio (Mr. HARSHA), to Dr. Gregory and the National Highway Safety Administration in his comments. I wonder whether the gentleman is aware of the study prepared by the National Highway Safety Administration from which I will quote one line and then I will quote Dr. Gregory from another line. First I will quote from the study:

> It is clear that the fatality rate from other than truck occupants, that is to say primarily increases as the weight of the truck increases.

I wonder whether my friend is also aware of that and I wonder whether my friend is aware of a second comment?

Mr. HECHLER of West Virginia. I have the time and I will yield to the gentleman from Ohio to reply if he will get me another minute later on.

Mr. HARSHA. I will be glad to. I would say Dr. Gregory gave that in support of his position on this legislation.

Mr. KOCH. I suggest the gentleman try to tell me why he says what he does. In an interrogation before the committee in which actually the gentleman from Illinois (Mr. YATES) interrogated Dr. Gregory:

> Mr. YATES. What do you mean you were surprised by the final legislation? That it was passed?

He was referring to the bill we were talking about last December.

The reply was:

> Dr. GREGORY. I was surprised that the older trucks were permitted to carry heavier loads after June 30, 1975. That was a personal observation.

Now, in view of that statement, and in view of the report by the National Highway Safety Administration, would not the gentleman agree the Congress was in error to increase those truck weights and at the same time not impose any new brake standards on the old trucks? That apparently is what Dr. Gregory is saying.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, is the gentleman asking if I would agree, or is that a rhetorical question?

Mr. KOCH. I am asking if the gentleman would agree, yes.

Mr. HARSHA. Iwould not agree.

Mr. KOCH. The gentleman quoted Dr. Gregory as an expert and now the gentleman is impeaching his testimony.

Mr. HARSHA. No, I am not impeaching Dr. Gregory, who is an expert, and has testified in favor of the weight limitations now in law. It is just that the facts and figures available to me lead me to disagree with him on this point.

Mr. KOCH. I concur with those two observations.

Mr. HECHLER of West Virginia. Mr. Chairman, I will never forget a cold day in December, December 15, 1967. Having just returned from the Christmas tree lighting ceremony at the White House, we got the shocking news that the Silver Bridge at Point Pleasant, W. Va., had collapsed with the loss of 46 lives. There were 37 trucks and autos on this bridge at the time of this disaster. As a result of that awful tragedy, a bridge replacement and inspection program was initiated by Congress.

I think it is very, very important, because of the weakened condition of some of the bridges in the Nation, not only on our secondary roads, but also on our interstate highways, that we not increase or allow an increase in truck weights to endanger these bridges.

Mr. Chairman, I would further say in conclusion that the people who know bridges best, the American Society of Civil Engineers and the National Society of Professional Engineers support the Koch amendment.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

(At the request of Mr. HARSHA and by unanimous consent, Mr. HECHLER of West Virginia was allowed to proceed for an additional 2 minutes.)

Mr. ZEFERETTI. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from New York.

Mr. ZEFERETTI. Mr. Chairman, I rise in support of the Koch amendment which would deny funds to States that have authorized increased weights on trucks to 80,000 pounds and fail to reduce them to 73,280 pounds, the limit in effect prior to new legislation that was slipped through during the waning days of the last Congress. The increases were maneuvered in December against the express will of the House.

Mr. Chairman, the roads were not built for this kind of truck—this is an antisafety measure. I would like to find a engineer who engineered a road system built 20 years ago for the size and kind of truck that we are talking about today.

A mandatory return to the old truck-weight limitation would save millions of dollars, up to $100 million a year and an unpredictable number of motorists' lives. I wonder how many of my colleagues in this Chamber today have the experience of being blown off the road by a truck when they were going along at 55 miles an hour and one of these 40-ton monsters went around them. We have all heard the facts; the statistics from the Bureau of Motor Carrier Safety, and I would not belabor them. But we should not ignore one glaring fact: the most frequent type of fatal accidents on interstate highways involves collisions between trucks and passenger cars. I do not care what anybody says—when you are maintaining a safe 55-mile-per-hour speed limit, these trucks go around you as though you were in reverse. There is not a truck in the country which is obeying the 55-mile-an-hour limit. Consider the results from the additional weight loads—the massive damage to our highways, the heightened severity of front tire failures, the second largest cause of truck accidents, and still more frightening is the direct relationship between increased tonnage and the longer braking distances needed.

Quite frankly, Mr. Chairman, it really concerns me that we are asking our constituent motorists to drive smaller and more economical cars and at the same time ask them to accept the likelihood that an overtaking vehicle will be a truck, now more dangerous and ominous than ever.

Mr. Chairman, let us look down the road before we go to the super, super truck—there is a responsibility in this body—I, for one, cannot go home and tell my constituency that I jeopardized their lives and caused the erosion of our highways by allowing the increased truck weights to stand. I hope you cannot either.

Mr. HARSHA. Mr. Chairman, will the gentleman yield further?

Mr. HECHLER of West Virginia. I yield to my friend, the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, the gentleman just referred to the Silver Bridge incident in an effort to indicate or at least to infer to this body that the Silver Bridge collapsed because of the trucks. Now, that is the kind of inflammatory misinformation that is the basis for this whole thing.

Mr. HECHLER of West Virginia. Mr. Chairman, I saw those trucks on that bridge.

Mr. HARSHA. Has the gentleman seen any studies that indicate that bridge fell by virtue of those trucks being on that bridge?

Mr. HECHLER of West Virginia. According to the official investigation, the bridge fell because of fatigue; but the presence of those trucks and autos on that bridge certainly contributed to its collapse on December 15, 1967.

I would say we are not going to protect the bridges in this Nation if we allow trucks to increase their weight from 73,280 to 80,000 pounds.

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from New York.

Mr. KOCH. Mr. Chairman, with respect to the bridges in this country, let me quote a report by the American Society of Civil Engineers, the metropolitan section:

> Eighty-nine thousand of the nation's 563,000 bridges are in critical condition, with 24,000 of the 89,000 on the Federal highway system. Of the total of 563,000, 407,000 bridges were built prior to 1935 at a lighter design load than are in current use, and 353,000 are located on county, secondary and rural roads.

The thrust of that comment is to indicate that while I do not know about that particular bridge, the bridges overwhelmingly on the highways of this country cannot take the new weights.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, that is precisely the point I want to make. The gentleman wants to take them off the interstate bridges which are safe and put them on the secondary bridges that are deficient. That is the problem. The gentleman is going to remove the trucks from the good bridges and put them on the deficient bridges.

Mr. HECHLER of West Virginia. Let me respond to the gentleman from Ohio.

I would simply say that I am not trying to take trucks off any system. I am just trying to make sure that their limit does not go above 73,280 pounds. To travel on the interstate highways, they have to use secondary and access roads.

Mr. Chairman, I now yield to whichever gentleman is the most urgently in need of having me yield.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Texas.

Mr. MILFORD. I would like to make just one quick point. We are mentioning the safety of bridges. This bill in no way mandates that these heavyweight trucks must run on secondary roads where the weak bridges are found. Any State can limit the weights of these trucks to any degree it wants to. This bill is permissive legislation primarily for the interstate system.

Mr. HECHLER of West Virginia. I do not know how we are going to get trucks onto the interstate system unless we let them go over secondary roads. How else are you going to get them onto the interstates; are you going to drop the trucks by helicopters onto the interstate highways?

Mr. MILFORD. They can, because many of the terminals are located right on the interstate, where they are transshipped.

Mr. HECHLER of West Virginia. We do not have them in West Virginia.

There are lots of secondary roads where one has to run around quite awhile before he can get on an interstate. The trucks have to pick up and deliver off the interstates.

Mr. MILFORD. I would submit to the gentleman, that this is a big country, and we are legislating for the entire Nation. If the gentleman does not want them in West Virginia, he can keep them out. We love them in Texas.

Mr. HECHLER of West Virginia. I would certainly hope that we are legislating for the millions of motorists of this Nation who are getting pushed around by these trucks. I am tired of seeing people pushed around by these big trucks, and I urge support of the pending amendment.

Mr. GUDE. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, this amendment of my friend from Manhattan has certainly been debated long and well, and I am not going to take the full 5 minutes. But I think there are several aspects which need to be repeated.

The majority floor leader said that this appropriately should be in a legislative bill, and I agree with him. The House spoke decisively last year by a vote of 252 to 159 against a legislative proposal to increase truck weight. It was only by a parliamentary maneuver, by a shell game, did the House lose the opportunity to insist on its position. So, we are forced to consider the measure in an appropriation bill, and I think under the circumstances it is appropriate.

Several have said that the States and municipalities can do whatever they want. Well, believe me, they are looking to this Congress, and if Congress increases truck weights, that is the signal for more pressure to increase the weight limitations in the municipalities and the States. If Congress holds the line, then it shows that we recognize the safety problem. But today we are just being shown the old shell game that would have us believe that heavier trucks are a bargain. They are a bargain if one is a truck operator, but if one is just a plain citizen and looks under the shell, he will see that it means an increased death rate.

In accidents involving trucks, the fatalities in car accidents and trucks over 75,000 pounds is one-third higher than in trucks under 75,000 pounds. It is as simple as that. Regardless of what State these people are from and where they are when they are killed, it does not make any difference—they are dead. Allowing this weight increase means an increase in the highway death toll.

I am not antitruck, but trucks have their place and their proper weight and proper widths.

For that reason I am also cosponsoring this amendment because I have facts and figures showing significantly higher maintenance costs result from 80,000-pound trucks than result from 73,820-pound trucks. I also believe there is a safety factor to be taken into consideration in allowing heavier trucks on roadways shared with passenger vehicles.

The 80,000-pound gross truck weight limitation also provided for increases in single and tandem axle weights to 20,000 and 34,000 pounds, respectively. The Highway Research Board has reported that a 20,000-pound, single axle wears out pavement nearly 50 percent faster than an 18,000-pound, single axle. Their report also shows that a 34,000-pound, tandem axle results in 33 percent less projected pavement life than a 32,000-pound, tandem axle load. These higher axle weights also reduce anticipated bridge life by about 30 percent.

Granted, these additional weights could be offset by building thicker pavements, but the pavement of the Interstate System was not designed to accommodate these heavier loads. Maintenance costs on the Interstate System are expected to increase by $50 to $100 million annually as a result of the 80,000-pound truck weights. The Highway Trust Fund provides funds for construction of Federal aid roads, but provides nothing for future maintenance. This damage being done by the heavier trucks will create a future financial burden upon the States as greater maintenance outlays become necessary.

On the safety front, the American Automobile Association, in testimony before the Senate Public Works Committee in early 1974, said:

> Combination trucks are probably the most visible and controversial of all trucks. Comprising only 0.8 percent of registrations with less than a million vehicles, they account for 3.7 percent of the miles driven. While they are involved in only 2.3 percent of all accidents, their involvement in fatal accidents is a surprisingly high 6.6 percent . . . the frequency with which they are involved in fatal accidents is 86.5 percent greater than the automobile.

The U.S. Department of Transportation has shown that passenger car fatalities increase at least proportionately with truck weight when auto-truck accidents occur. A DOT study in November 1974 of mechanically defect truck accidents revealed that tire failure, directly related to the weight tire carries, had surpassed brake failure as the leading cause of such accidents.

With the increased truck weight allowance, the same trucks that once carried a maximum of 73,280 pounds now carry 80,000 pounds with the same power system, the same braking system, and the same tires as they used under the lower weights. Anyone can simply realize that an extra 7,000 pounds will not move as rapidly, will not stop so quickly, and will cause additional wear and tear on tires. All of these factors are contributing factors to accidents and such impairments will cause a higher accident rate among those heavier trucks.

Heavy trucks in many cases are already making highway travel a bad dream. Let us not turn a bad dream into a nightmare of trucks that will further pound our highways to pieces and increase the tragic highway death rate.

I heartily urge all of my fellow Members of Congress to vote for this amendment. It will save the consumer less in maintenance and upkeep of the highway system and it will result in safer highways for all users.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word, and rise in opposition to the amendment.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, I would just like to point out to the Committee that the gentleman who just spoke in the well, the gentleman from Maryland, his State permits a single-axle load limit on the interstate of 22,400 pounds, 2,400 pounds more than we are asking for. It also permits on a tandem trailer 40,000 pounds. I thank the gentleman.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to my colleague from Texas.

Mr. MAHON. Mr. Chairman, before the gentleman begins his effective and eloquent remarks on this very important subject, I just want to express my support of the position which the gentleman from Texas (Mr. Wright) has taken with respect to the matter, and express my opposition to this amendment; further, to express the firm hope that it will be voted down.

I thank the gentleman for yielding to me.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman.

Mr. CEDERBERG. I thank the gentleman for yielding.

Mr. Chairman, I want to join the chairman of the committee on the statement he just made. I think this is another example of trying to do something on a legislative bill that should not be here at all. It properly belongs in the legislative committee, and I hope the House will recognize that.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. Wright was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. Mr. Chairman, I find myself in a very awkward position, in one sense, rising in opposition to an amendment offered by my delightful and charming friend the gentleman from New York (Mr. Koch). Trying to get into a battle of wits with Eddie Koch is like trying to get into a battle of quills with a porcupine. I do not relish the prospect.

However, as a member of the Committee on Public Works and Transportation, along with many of my colleagues on the committee I have had under review for the past 19 years this entire matter of truck weights on highways. We have had testimony before us from all of the experts, from all of the States, from the Department of Transportation, from the safety specialists, and from the Bureau of Public Roads which at our direction spent several years and many millions of dollars in a careful, detailed investigation of this very question.

Let us just look analytically at what the amendment would do. It would require some 28 States to change their laws or else lose their highway money. Those laws were enacted in complete compliance with the Federal law by the various States, those entities of the government deemed to be the best judges of what their individual roads are equipped to handle.

It should not make any difference whether we individually like trucks or do not like trucks. Trucks are a way of life in this country. About 80 percent of all the goods that move in interstate commerce in this country move by trucks. So whatever we do on this amendment is not going to do away with trucks.

The amendment offered by the gentleman from New York would reduce by about 10 percent, from 80,000 pounds to some 73,000 pounds, the allowable weight a State may permit to travel on its interstate highways. That is not going to make for smaller trucks. We have a large fleet of trucks constantly moving throughout the country. They are not going to get any smaller if this amendment should be adopted. They will not shrink in size. Those same trucks are going to be driving on the roads.

What would happen then? One or two things, perhaps a combination of both. First, the amendment would force some of those trucks off the interstate, the widest, safest, best-constructed highways we have, and onto the other routes where the States can permit heavier weights without any interference from Congress. Would that serve the purpose of safety? I am quite sure it would not.

What is the second thing it would do? As I say, it is not going to make for smaller trucks. It would make for more trucks, more trucks on the highway, because it would require that those trucks capable of carrying 80,000 pounds of cargo, must run part empty on the interstate. This would result in a needless waste of fuel, the most precious commodity we have, a needless waste in productive capacity, and a needless increase of the number of trucks on the highways. For every seven trucks that may be permitted under existing law, it would require eight trucks, an additional one for every seven, to carry the same amount of cargo on the interstate highways. This neither serves the cause of safety nor makes economic sense.

The interstate highways are, by statistics, the safest we have. The fatality rate on the Interstate System, measured in millions of passenger miles traveled, is only a little more than one-third of what it is on the rest of the Nation's road network. Does it make sense, from the standpoint of safety, to require States to force the larger trucks off the interstate, our safest highways, where there are more lanes for passing, and onto the other highways? I do not think so.

As sincere and well intentioned as I know my friend, the gentleman from New York, is, I just do not think his amendment serves the purpose of safety. I know it does not serve the purpose of fuel conservation. I am quite sure it does not serve the purpose of productivity.

Mr. Chairman, I urge my colleagues to vote against this well intended but misguided amendment.

Mr. RISENHOOVER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, not because I doubt the sincerity of my friends from New York and some of the States along the Eastern Seaboard that are opposed to these heavier trucks in their desire to represent their constituents, but because unfortunately, most of the time what is in the best interest of their constituents is not really worth a hoot to mine.

In my district in Oklahoma we have to depend on trucks. We do not have the rail facilities that they have in metropolitan areas and in some of the other parts of the country. We realize that we have to get the food and fiber out to the people as economically and as efficiently as possible. We also have to get the raw materials in and get the merchandise that is produced in the big cities in as cheaply as possible to our consumers.

The federally enforced 55-mile-an-hour speed limit and the increases we have seen in gasoline prices have forced up the price of freight and, consequently, have caused prices to consumers to increase.

The Oklahoma State Legislature and other State legislatures, I am sure, are capable of determining what weight trucks can best operate under on certain highways within their own States, not because the trucking industry controls those legislatures but because those leglatures know a little bit about economics.

Mr. Chairman, as far as safety is concerned, the drivers in Oklahoma and, I feel pretty sure, the drivers in most other parts of the country have sense enough not to be hitting trucks, whether they weigh 70,000, 80,000, or 180,000 pounds.

But, more than anything else, my taxpayers and, I suspect, millions of other taxpayers across this country are sick and tired of their tax money being used by the Federal Government to blackmail their State legislatures into passing legislation that these taxpayers do not need or want. What we need in the rural parts of America is more money to beef up our roads and bridges so we can get our produce to the people a lot cheaper. We do not need more legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Koch).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KOCH. Mr. Chairman, on that I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred thirty-one Members are present, a quorum.

The pending business is the demand of the gentleman from New York (Mr. Koch) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. McFALL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Murphy of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8365) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, he reported the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

MOTION TO RECOMMIT OFFERED BY MR. STEIGER OF WISCONISN

Mr. STEIGER of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. STEIGER of Wisconsin. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. YATES. Mr. Speaker, the gentleman is not a member of the Committee on Appropriations. As I understand the rule, a member of the Committee on Appropriations must offer a motion to recommit.

The gentleman who offered the motion is not on the Committee on Appropriations.

The SPEAKER. A member of the minority has priority over all the members of the majority, regardless of whether he is on the committee.

Mr. YATES. Mr. Speaker, may I continue with my statement on the point of order.

The SPEAKER. You may.

Mr. YATES. "Cannon's Precedents" states, Mr. Speaker, that if a motion is offered by a person other than a member of the committee, a member of the committee takes precedence in offering a motion to recommit.

The SPEAKER. A motion to recommit is the prerogative of the minority, and the Chair so rules and so answers the parliamentary inquiry.

Mr. YATES. Mr. Speaker, may I refer the attention of the Chair to page 311.

I am quoting from page 311 of "Cannon's Precedents."

> A member of the committee reporting the measure and opposed to it is entitled to recognition to move to recommit over one not a member of the committee but otherwise qualified.

And, Mr. Speaker, it cites volume 8, page 2768.

The SPEAKER. The Chair desires to call the attention of the gentleman on the question of the motion to "Deschler's Procedure" chapter 23, section 13. It provides that in recognizing Members who move to recommit, the Speaker gives preference to the minority Member, and these recent precedents are consistent with the one cited by the gentleman from Illinois.

What the gentleman is saying is that because he is a member of the Committee on Appropriations, he is so entitled. The Chair has not gone over all the precedents, but the Chair can do it if the gentleman desires him to do so.

The rule is not only that a member of the minority on the Committee on Appropriations has preference over a majority member, but any Member from the minority is recognized by the Speaker over any Member of the majority, regardless of committee membership.

Mr. YATES. Mr. Speaker, if the Speaker will permit me to continue——

The SPEAKER. The only exception is when no Member of the minority seeks to make a motion to recommit.

Mr. YATES. Mr. Speaker, in that respect may I say that "Cannon's Precedents" is clear on that point; that where none of those speaking, seeking recognition, are members of the committee and otherwise equally qualified, the Speaker recognizes the Member from the minority over the majority.

But the point is, Mr. Speaker, that I am a member of the committee where the gentleman offering the motion to recommit on the minority side is not a member of the committee.

I suggest, therefore, that under the precedents, I should be recognized.

The SPEAKER. The Chair will state that in order that there can be no mistake the Chair will ask the Clerk to read the following passage from the rules and manual of the House.

The Clerk read as follows (from section 788):

> Recognition to offer the motion to recommit, whether in its simple form or with instructions, is the prerogative of a Member who is opposed to the bill (Speaker Martin, Mar. 29, 1954, p. 3692); and the Speaker looks first to minority members of the committee reporting the bill, in order of their rank on the committee (Speaker Garner, Jan. 6, 1932, p. 1396; Speaker Byrns, July 2, 1935, p. 10638), then to other Members on the minority side (Speaker Rayburn, Aug. 16, 1950, p. 12608). If no Member of the minority qualifies, a majority Member who is opposed to the bill may be recognized (Speaker Garner, Apr. 1, 1932, p. 7327).

The SPEAKER. The Chair states that that definitely settles the question, and the Chair recognizes the gentleman from Wisconsin to offer the motion to recommit.

The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. STEIGER of Wisconsin moves to recommit the bill H.R. 8365 to the Committee on Appropriations.

Mr. McFALL. Mr. Speaker, I move the previous question on the motion to recommit.

The SPEAKER. Without objection, the previous question is ordered.

Mr. YATES. Mr. Speaker, I object.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. McFALL).

The motion was agreed to.

The SPEAKER. The previous question is ordered.

The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. EDWARDS of Alabama. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 392, noes 13, not voting 28, as follows:

[Roll No. 375]

AYES—392

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—13

Brodhead
Brown, Calif.
Crane
Hechler, W. Va.
Latta
Lent
McDonald
Mottl
Myers, Pa.
Steiger, Ariz.
Steiger, Wis.
Symms
Wydler

NOT VOTING—28

Barrett
Breckinridge
Clawson, Del
Collins, Ill.
Danielson
Diggs
Evins, Tenn.
Fulton
Hébert
Hinshaw
Howard
Jenrette
Jones, N.C.
Leggett
Mathis
Meyner
Mitchell, Md.
Montgomery
Moss
Poage
Quie
Reuss
Roybal
Teague
Thompson
Udall
Wampler
Wilson, Tex.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Del Clawson.

Mr. Mitchell of Maryland with Mr. Barrett.

Mr. Thompson with Mr. Danielson.

Mr. Mathis with Mr. Jones of North Carolina.

Mr. Breckenridge with Mrs. Collins of Illinois.

Mr. Moss with Mr. Diggs.

Mr. Teague with Mrs. Meyner.

Mr. Montgomery with Mr. Howard.

Mr. Fulton with Mr. Quie.

Mr. Evins of Tennessee with Mr. Udall.

Mr. Leggett with Mr. Hinshaw.

Mr. Roybal with Mr. Charles Wilson of Texas.

Mr. Jenrette with Mr. Reuss.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McFALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include pertinent extranous material on the bill (H.R. 8365) just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

HOUR OF MEETING ON FRIDAY JULY 11, 1975

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m., tomorrow, Friday, July 11, 1975.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING APPROPRIATIONS TO THE OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 585 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7108) to authorize appropriations for environmental research, development, and demonstration. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Georgia (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Tennessee (Mr. Quillen), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 585 provides for an open rule with 1 hour of general debate on H.R. 7108, a bill authorizing appropriations to the Office of Research and Development of the Environmental Protection Agency for fiscal year 1976 and the transition period.

H.R. 7108 provides for an authorization of $284,595,200 for fiscal year 1976, and $71,148,800 for the transition period.

The bill authorizes research and development and demonstration under the Noise Control Act, under the Federal Insecticide, Fungicide, and Rodenticide Act, under section 301 of the Public Health Service Act—providing for radiation research—under the Safe Drinking Water Act, under the Clean Air Act, under the Solid Waste Disposal Act, and under the Federal Water Pollution Control Act.

Mr. Speaker, I urge the adoption of House Resolution 585 in order that we may discuss and debate H.R. 7108.

Mr. Speaker, I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Georgia (Mr. Young) has ably described the provisions of the resolution. I am not aware of any objections to the rule at this time. I urge the adoption of the rule so that we can debate the merits of the measure.

Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. YOUNG of Georgia. Mr. Speaker, I have no requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BROWN of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7108) to authorize appropriations for environmental research, development, and demonstration.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7108, with Mr. Bingham in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. Brown) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. Mosher) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. Brown).

Mr. BROWN of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I regret very much the absence of the chairman of the full Committee on Science and Technology, the distinguished gentleman from Texas (Mr. Teague), who had intended to be present today but could not be here to handle the bill. He is also the author of the bill.

Under the terms of House Resolution 988, the charter of the Committee on Science and Technology was broadened to include, among other things, jurisdiction over environmental research and development.

The Environmental Protection Agency was established in December 1970 in order to consolidate responsibility for the Nation's environmental problems. The Office of Research and Development is a major division of EPA employing approximately 1,800 technical and support personnel in some 24 laboratories around the Nation. This office has an annual budget of almost $300 million supporting research activities pursuant to seven acts of Congress.

During the past year or so, the Office of Research and Development has been the subject of official criticism from several sources, including the National Academy of Sciences, essentially for weak management. We believe that comprehensive and coherent legislative oversight of the activities of that office is needed, and that one of the most effective ways of carrying out this new responsibility of the Science and Technology Committee is through the device of annual authorization of appropriations.

The bill we are considering today is especially timely, since EPA's Office of Research and Development is currently undergoing a substantial reorganization.

The work of this office is extremely important. It has the responsibility for producing valid scientific data upon which the standards and regulations of the Environmental Protection Agency are based. Those standards and regulations are specifically designed to protect and enhance the environment—EPA's basic mission.

H.R. 7108 authorizes a total budget for EPA's Office of Research and Development of $284,595,200 for fiscal year 1976. Although this amounts to $28.5 million above the administration's request, it is still slightly less than the EPA research and development budget for the current fiscal year—$284,642,200. In addition, the bill authorizes $71,148,800 for the transition period—July 1, 1976, to September 30, 1976. Our Subcommittee on the Environment and the Atmosphere, which I am privileged to chair has held extensive hearings on this bill, and we are convinced that the funding authorized by this measure is fully justified.

Mr. Chairman, I would like to indicate one other rather unusual circumstance with regard to the parliamentary situation on this bill.

The House has already acted on the appropriations for this office. In effect, we have determined by action of this House the amount that will be expended for this office in the current fiscal year. In a sense, this tends to reduce the importance of the legislation which we are considering here today, which I very much regret, but unfortunately there was no way that this could be avoided if we were to make the necessary progression with the appropriation bill.

Mr. Chairman, I make that point merely so that those Members present will understand the somewhat unusual nature of bringing up an authorization bill after the appropriation bill has already been passed.

Mr. Chairman, when one considers the impact of inflation, however, which we have every reason to assume will continue to erode the purchasing power of the dollar during the forthcoming 12 months, this bill actually authorizes a reduced level of effort by the Office of Research and Development.

H.R. 7108 does authorize appropriations at a somewhat higher level than reqeusted by the administration. After thorough consideration, the Committee on Science and Technology voted to increase the administration's request by a total of $28.5 million.

I would like to take a few moments to explain the actions of the subcommittee. This $28.5 million increase is applied to four of the line items of the bill in the following amounts:

Funding for research under the Noise Control Act of 1972 has been increased by $2 million. Officials of EPA testified to the effect that noise research was being phased out as of the end of fiscal year 1975 and that in the future EPA would simply coordinate the noise research efforts of other agencies of the Government. These officials admit that EPA has authority to conduct research under the Noise Control Act of 1972, but they contend that in order to effectively meet the research needs to support and/or revise existing environmental noise criteria and subsequent standards, a program with resources of approximately $2 million would be required. Although both NASA and the Department of Transportation have research programs dealing with noise control technology, a recent interagency study concluded that there are several areas of noise health effects research which are not receiving adequate attention at the present time. The Committee believes that EPA has a responsibility to conduct noise effects research, in addition to performing its function as coordinator of noise research conducted by other Federal agencies, and therefore voted to fund a minimum EPA research program at $2 million during fiscal year 1976.

Funding for research under the Clean Air Act has been increased by a total of $10 million. The Committee voted to restore $8 million proposed in EPA's initial submission to the Office of Management and Budget for dealing with the control of nonenergy-related hazardous pollutants, and effort which would have been delayed by the reduction imposed by OMB. The restoration of $8 million for fiscal year 1976 will provide funding at the same level as the current fiscal year for this important work.

In addition, the committee voted to provide specific funding for research on depletion of the ozone layer of the stratosphere, a matter of great public concern. Testimony by EPA officials revealed that the agency had plans to undertake a research program to study photochemical reactions bearing upon ozone formation and destruction, but that the program was intended to be financed by reprograming funds allocated to the base air research program in the amount of approximately $2 million during fiscal year 1976. The committee believes that the base program for air research should not be curtailed in order to accommodate an effort in ozone research and, accordingly, has voted to increase the air research program by $2 million during the forthcoming fiscal year to support a program of ozone research by EPA which will complement that being done by other agencies.

Funding for research under the Solid Waste Disposal Act has been increased by a total of $3.5 million for research on migration and effects of leachate and related problems associated with the more than 14,000 solid waste disposal sites around the Nation.

Funding for research under the Federal Water Pollution Control Act Amendments of 1972 has been increased by $13 million. In its original submission to OMB, EPA proposed an increase of $10 million to allow for the acceleration of programs relating to cost reductions in construction and operation of publicly owned treatment works, municipal soil treatment systems, and advanced treatment of sludges. The proposed increase was denied by OMB.

Mr. Chairman, billions of dollars are currently being spent for construction of municipal treatment plants. In our view, research which promises to help make such large investments of taxpayers' money more effective should be given top priority. To do otherwise would certainly be penny-wise and pound-foolish. For this reason, the committee voted to restore the $10 million reduction imposed by OMB.

Mr. Chairman, our committee also notes that, over the years, appropriations requested by the administration for research and development in support of water pollution control have been consistently below the funding levels authorized by Congress for this purpose. The committee wishes to emphasize the importance of this type of research, particularly in light of EPA's multi-billion dollar construction grant program for municipal treatment plants, and would like to see a more aggressive and more adequately funded water quality research and development program in the future. In this respect, we share the views of our colleagues on the Public Works and Transportation Committee.

Also, in connection with the water pollution control program the committee voted an increase of $1 million specifically for the improvement of technology transfer to State and municipal environmental authorities.

Finally, Mr. Chairman, EPA's original submission to OMB also included an additional $2 million to accelerate research on the ecological effects of ocean dumping during fiscal year 1976. The effects of ocean dumping is a matter of growing public concern, and the committee feels that research outputs on marine effects of ocean dumping should not be delayed because of inadequate funding. For this reason, the committee restored the $2 million reduction imposed by OMB for fiscal year 1976.

Mr. Chairman, let me reiterate that although the committee increased the administration's budget request by about 10 percent, this bill authorizes a funding level comparable to EPA's research and development budget for fiscal year 1975. When the effects of inflation are considered, this budget will support a reduced level of effort during fiscal year 1976. I consider this a cause for regret, and the national interest would seem to suggest that we should be moving in the opposite direction. We have learned a great deal about the adverse effects on human health caused by pollution, but there is much more to learn. And in today's circumstances, this is no time for complacency.

Because of the new emphasis on domestic energy production, especially the more extensive use of coal, this is the time to devote a larger effort to research so that the Nation's clean air goals are not sacrificed to the energy crisis.

Increased energy production using coal and the protection of citizens' health are not inconsistent objectives, but they can be reconciled only if research gives us a sound basis for proceeding. This is only one illustration of the many interrelated environmental, energy, and economics problems facing the Nation in which research will play an increasingly important role. In fact, the effectiveness of the work of EPA's Office of Research and Development is crucial to the adoption of rational public policy that impacts the health and welfare of the American people. For this reason, I encourage my colleagues to support this bill.

Let me conclude by pointing out that the bill before you contains two minor typographical errors. The dollar figures on page 2, line 8 should read $13,534,300—not 13,434,300—and on page 4, line 13, should read $3,383,575—not, $3,358,575. I shall offer a technical amendment to correct those errors at the appropriate time.

Mr. MOSHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is the first year that our Committee has authorized the EPA research and development budget.

I urge support for H.R. 7108, the bill which embodies our recommended authorizations in that area for fiscal year 1976 and the transition quarter.

I commend Chairman TEAGUE, Subcommittee Chairman BROWN, and ranking minority subcommittee member Mr. ESCH for their diligence in guiding this legislation to the floor. The Subcommittee Members had to make an extra effort in this initial exposure to the substantive functions and programs of EPA and this first review of its budget.

The thorough job which the Members did on H.R. 7108 should mean that our future relationship with EPA will be based on solid understanding.

H.R. 7108 authorizes $284,595,200 for fiscal year 1976 and $71,148,800 for the transition quarter. The total is $356,744,000 for the 15 month period.

EPA originally requested $256,095,200 for fiscal year 1976. The Committee increased this amount by $28.5 million, which represents about our 11 percent increase. In many instances the Committee's increases restore amounts which had been cut by OMB from EPA's original budget submission.

The committee believes this increase is warranted. All of us recognize that we must not fall into the habit of casually restoring amounts which the OMB has eliminated. The OMB is an integral part of the budgetary process and its judgment should not be disregarded. But in this case, a reversal of the OMB decision definitely seems timely and justified, on the basis of the committee's investigations.

The EPA R. & D. funding is divided among seven separate congressional acts: The Clean Air Act, $148,194,700;

The Noise Control Act, $2,110,000; The Federal Insecticide, Fungicide, and Rodenticide Act, $14,047,900; The Public Service Act, $2,115,000; The Safe Drinking Water Act, $12,789,000; The Solid Waste Disposal Act, $13,534,000; and The Federal Water Pollution Control Act Amendments of 1972, $9,804,100.

EPA's program in air pollutant research is directed to quantify the effect of air pollutants on man, animals, and plants; and to develop improved technology for preventing and controlling such pollution. In particular, EPA is studying the health effects of exposure to gases such as carbon monoxide, nitrogen oxide, sulfur oxide; and to trace metals such as lead and arsenic. It has expanded studies to determine the roadside levels of sulfates and the process by which atmospheric pollutants transport through the air. The plans for fiscal year 1976 call for these programs to be continued with expanded research on the problem of depletion of the ozone layer in the stratosphere. The urgency of the ozone depletion problem lead the Committee to provide an additional $2 million for this purope.

EPA's water quality program is designed to provide a scientific basis for standard setting and enforcement activities. This program includes the development of criteria for the safe treatment and disposal of wastewaters; research on the toxicological effects of water pollutants; and the development of improved techniques for monitoring effluent quality. EPA is stressing the study of the acute effects of metals, pesticides, and complex effluents on aquatic organisms. The better understanding which this research provides will allow us to cope with the excessive pollution currently plaguing many of our waterways and lakes.

For example, in the coming year EPA will issue a final report on the biological assessment of Lake Erie nutrient control programs. Besides lakes and rivers, EPA also is concerned with the ecological effects of ocean dumping. Because of growing public concern the committee decided to maintain the momentum of this work by adding $2 million for ocean dumping research.

Another phase of water pollution problem is the adverse effect which polluted water has on soil. Wastewaters from agriculture, mines, construction, and municipal sewage penetrate into the ground with harmful effects. The committee wished to accelerate programs related to municipal soil treatment so it increased the funding here by $10 million.

The program on solid waste research aims to develop improved management, disposal technology, and resource recovery technology. One important aspect concerns the environmental quality of landfill operations. The committee voted to increase funding for this area by $3.5 million.

The pesticide program is directed to determining human health and ecological effects, and developing comprehensive models of the ecosystem. A variety of toxicological studies are underway to determine the toxicities of pesticides in humans and animals. These studies provide the basis for instituting corrective action.

Other worthwhile EPA R. & D. programs include radiation, noise, and energy. Radiation effects from nuclear reactors are a serious concern and EPA is attempting to develop criteria to insure public safety. Noise pollution is the cause of hearing loss among many citizens. EPA is investigating the sources and control of noise as well as the physiological reasons for hearing loss. The energy program underway seeks to harmonize the need for optimum energy output along with adequate environmental guarantees. Topics here include the study of the health effect of fossil and waste fuel combustion; improved engine designs; and long-term effect of exposure to low level pollutants.

Mr. Chairman, I believe that H.R. 7108 will allow EPA to continue its R. & D. effort with modest increases in areas of special concern. It is a responsible bill which will permit us to maintain and improve the quality of our environment. I urge the Members to join me in supporting it.

Mr. BROWN of California. Mr. Chairman, I yield such time as he may consume to my distinguished colleague, a member of the subcommittee, the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I would like to congratulate both the chairman of our committee, the gentleman from Texas (Mr. TEAGUE), and particularly the chairman of our subcommittee, the gentleman from California (Mr. BROWN), for the tremendous job they have done in putting this authorization together. It was the basis for the appropriation bill that we already passed.

The gentleman from California devoted many, many hours to the formulation of this bill. He carried the ball for the whole subcommittee, and we are all very grateful to him.

Mr. Chairman, I very strongly support the bill. I think it is an environmentally significant bill. I would like to say a few words in particular about the very important toxic substance research that is provided for in it.

Mr. Chairman, all signs point to an increasing frequency of serious incidents involving adverse effects of chemicals on man and the environment. The widespread presence of such chemicals as vinyl chloride, lead from gasoline additives, mercury and asbestos in lake sediments and in drinking water, provide only a small sample of the current and potential problems.

Approximately 2 million chemical compounds are presently known to man, and close to a quarter of a million new chemicals are added to the list annually. Many of these exist only for very brief moments, or solely as laboratory curiosities, for which no uses have been identified. However, today there are about 10,000 synthetic chemicals in commercial production in amounts greater than 1,100 pounds annually. In addition, a somewhat smaller number of natural organic and inorganic chemical substances are commercially processed and used.

Tariff Commission data indicate that between 500 and 700 new chemical substances are introduced into commerce annually. These substances find a wide variety of commercial uses such as pesticides, drugs, food additives, industrial chemicals, and commercial products. More than 800 manufacturing concerns in the United States are currently engaged in the production of raw chemical materials and discrete chemical compounds.

Any substance has the potential to be "toxic," that is to have an adverse effect upon man or the environment if present in sufficient quantities under certain conditions. For example, too much oxygen can have damaging effects upon infants under prolonged exposure; similarly, too much water can harm human health and environmental systems. Clearly, in delimiting "toxic substances," the concentrations involved, the types of effects that are caused, and the circumstances surrounding the effects must be considered.

While it may be relatively easy to ascertain acute effects of a chemical substance which occur directly upon or shortly after exposure, it is considerably more difficult to determine effects which either are not manifested until a significant period has passed after exposure, or which occur only after repeated, long term exposure at lower dose levels than are needed to produce an acute effect. Research on toxic substances must deal with both types of effects, although major emphasis is given to chronic effects which are less well understood and almost always harder to detect or predict. In recent years this concern has focused upon effects such as carcinogenesis, teratogenesis, mutagenesis, behavioral changes, reproductive changes, and other biological effects.

A program of research of the effects of toxic substances and their metabolities on human health is essential to support the activities of EPA's Office of Toxic Substances. Protocols for premarket testing of toxic substances must be established and validated, and criteria must be established for deciding which substances should be declared hazardous to human health.

A program to determine the cological processes and effects of pollutants designated as toxic substances is under way within EPA. In fiscal year 1976, toxicology studies on substances of current interest will be continued, as will development of screening methods by which toxic substances can be identified. In addition, studies of the sources, transport, and biological effects of toxic substances in terrestrial and acquatic ecosystems are being developed and characterized for use in screening potential substances to isolate those which need concentrated attention.

Mr. Chairman, H.R. 7108 provides $1.2 million for research in this important field for fiscal year 1976. I urge passage of the bill.

Mr. BROWN of California. Mr. Chairman, I yield such time as he may consume to my good friend, the gentleman from Texas (Mr. CASEY).

Mr. CASEY. Mr. Chairman, I rise today to remark on H.R. 7108, the Environmental Protection Agency Research and Development Authorization. The bill provides over $285,000,000 for research and development under seven acts passed by the Congress. I am particularly concerned that the funding level, while adequate, does not provide specifically for research in vital areas of air pollution.

At the present time, research efforts have been minimal in areas which are of critical importance: Health effects of pollution, the formation and transmission of air pollution, and the means by which we detect excessive levels of dirt in our air. No issue in the field of air pollution is more basic than these items. They relate specifically to the health of our citizens and to the scientific certainty with which we measure air pollution.

The Clean Air Act itself provides for pollution abatement based on the impact of pollution on the public health. Yet we have seen few efforts toward reassessing the role of air pollution on the public health within recent years by the EPA.

Studies conducted on a major scale, such as the National Academy of Sciences Study commissioned by the Senate Public Works Committee, point out the need for additional research into each of the areas I have noted. Yet the agency has continued to procrastinate in its research efforts.

I can offer some personal insight into the consequences of such poor research efforts. In my home city of Houston, Tex., we have minor photochemical oxidant violations under the National Ambient Air Quality Standards. Readings for photochemical oxidant, or smog, exceeded the national standard approximately 3 percent of the time. Yet there are several questions which have arisen as to the actual health consequences of smog and there is recent evidence indicating that ozone, the criteria pollutant for the detection of smog, has no health consequences. Thus, we are measuring the presence of a dangerous substance by the presence of a harmless one. There appears to be little or no correlation here.

I should say, too, that debate has arisen over the manner in which smog is formed. The Agency has indicated that reduction in hydrocarbon emissions will result in a reduction in the presence of smog. This conclusion is called into serious question by recent findings of the Texas Air Control Bureau.

I can also state serious doubts as to the adequacy of the EPA's monitoring research efforts. In Houston, our monitoring procedures were modified only weeks before numerous discoveries of smog violations were known. Yet the new testing techniques have been called into question by chemical and environmental engineers familiar with them.

All of this shows the EPA has been proceeding on inaccurate data and the consequences have been serious in the Houston area. Based on their erroneous and unsupported figures the agency promulgated a plan for the State of Texas requiring gas rationing, limitations on industrial growth, and a 75-percent reduction in automobile traffic. I am pleased that they have since seen the shortsightedness of these policies and have redirected the substance of this plan. However, I am concerned that other communities in our Nation will confront the same problems because we have not directed the agency to conduct adequate research efforts in the areas I have noted.

Over half of the funds provided in the bill before us now are for our pollution research. Yet there is no direction indicated in the bill for any research into these vital areas. It is, therefore, essential that we earmark specific amounts for these research projects.

I should say that the agency, in its subcommittee testimony, indicated levels of research funding in these areas but no language in the bill requires such specific research. I, therefore, would propose that funds provided for health effects research should be $45,398,000 and to increase the funds allowed for research into formation and transmission of pollution should be $33 million.

Lastly, I think we must increase monitoring funds from $9,300,000 up to $10 million.

Such a specific authorization will require the agency to address areas it has neglected in the past and studies will result in a firmer foundation for EPA conclusions. The benefits will be spread among not only that agency but each State air pollution control office in our Nation.

This is an amendment which strengthens EPA by offering greater public faith in the facts and figures that agency provides. Without certainty in their calculations, they cannot continue to enjoy the support of the public or those of us here in the Congress. I hope that the obvious need for this amendment can be seen by us all.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. CASEY. Yes, I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I want to commend the gentleman on his statement. He has obviously devoted a great deal of time to examining the record, both the good points and bad points, with regard to the work of the Office of Research and Development.

As he has correctly pointed out, this office has been subject to criticism for the way in which some of its research is managed.

I want to assure him not only that we will maintain a very close scrutiny and oversight in the future with respect to the operation of ORD, but let me point out that we are currently in the midst of several days of hearings, which will resume tomorrow, dealing with several different aspects of ORD's program. The witnesses who have testified have substantiated the point that the gentleman made with regard to the inadequacy of much of the research data generated by ORD, and it is our hope that through this kind of oversight of the total program of this office, we can bring it together into a coherent whole which will provide the support for the regulatory action for which this agency was set up.

Mr. CASEY. Mr. Chairman, I want to commend the gentleman and his subcommittee in that regard because any action or proposed regulation based on inaccurate data is wrong.

In my city of Houston there are all sorts of things to look into, such as automobile traffic, gasoline rationing, et cetera.

I hope that the gentleman and the committee will see that they get into the real causes and real effects and that the right type of action will be taken.

Mr. Chairman, I thank the gentleman.

Mr. HAYES of Indiana. Mr. Chairman, I rise in support of H.R. 7108.

The role of research and development in EPA's water quality program is to provide the scientific information needed to support its standard setting and enforcement activities. To do this, a multifaceted research program has been established. The goals of this program include the development of inexpensive, efficient, and effective wastewater treatment technology for municipalities; useful and defensible monitoring methods; criteria for clean, safe, ecologically stable water in various aquatic environments; and the establishment of strategies for control of pollution from nonpoint sources such as farming, mining, and construction activities. An overall goal is to provide the scientific basis for economically and socially viable environmental management.

This program includes: first, the development of criteria for the safe treatment and disposal of wastewaters and sludges and the development of health-related criteria for fresh and marine recreational waters; second, research on the toxicological effects of water pollutants on aquatic organisms; third, research on the movement, transformation, degradation, accumulation, and fate of water pollutants; and fourth, the development of new and improved sampling and analytical methods and instrumentation for measuring water and effluent quality. The toxicological and fates research is directed toward development of water quality standards. The analytical methods and instrumentation development is directed toward providing new and improved techniques for water quality and effluent monitoring, and surveillance of standards compliance.

The construction grant program calls for alternative waste treatment management techniques and systems to implement section 201 of the Federal Water Pollution Control Act, as amended. One such technique is land disposal. However, many State agencies are reluctant to use land for the treatment and disposal of wastewater and sludge because of a lack of precise information on the health hazards associated with such a practice. Research on sludges is, therefore, of high priority to EPA's Office of Water and Hazardous Materials.

Broad epidemiological studies will be conducted to derive recreational water quality criteria based on scientific health effects data. Extensive studies will be conducted to determine the transport and health effects of contaminants resulting from the application of wastewaters and sludges to the land.

The committee authorized a requested increase of $1 million for the health effects program. This increase will support conduct of intensive studies on the health effects of the land application of wastewaters and sludges—spray irrigation, infiltration-percolation, and so forth. The possible transport of toxic substances and pathogens—especially virus—from wastewater and sludge to man's food chain and drinking water will be determined. Such studies will require extensive monitoring of waste components and waste breakdown products in air, water, and food and the determination of the effects of such contaminants on man through toxicological and epidemiological studies. Inadequate funding will result in delayed formulation of health-related criteria for the safe treatment and disposal of wastewaters and sludges. Such criteria are urgently needed by EPA to formulate regulations for alternative cost-effective waste treatment techniques.

The control technology activity covers the research, development, and demonstration of new, improved, cost-effective technology for the control and treatment of wastewaters and sludges from both urban and rural populations, as well as industrial sources, and the prevention, control, and management of wastewaters from agriculture, mining, construction, spills, and other sources.

Efforts are also being directed to the development and demonstration of treatment processes and control systems capable of removing organic and other pollutants from sewage, combined sewer overflows—sewage and storm water—and urban storm water discharges. This research directly supports the agency's multibillion-dollar programs for construction of publicly owned wastewater treatment works.

The industrial water pollution control technology program is aimed toward accelerating improved treatment practices and decreasing the cost of "Best Available Technology"—BAT—treatment. It provides the primary data base for the establishment of economically and technically feasible effluent guidelines and treatment parameters for industrial liquid waste discharge permits.

The control technology research program relating to mining, agricultural, and other nonpoint sources includes: development and validation of analytical methods to assess the magnitude and character of these sources and to verify effectiveness of source management procedures under local conditions; demonstration and documentation of the effectiveness, cost, and range of applicability of currently available pollution control or source management options; and the development and demonstration of new, cost-effective systems.

In its original submission to OMB, EPA proposed an increase of $10 million to allow for the acceleration of programs relating to cost reductions in construction and operation of publicly owned treatment works, municipal soil treatment systems and advanced treatment of sludges. This proposed increase was denied. In view of the multi-billion-dollar investments currently being made for construction of municipal treatment plants, the committee considers all related research extremely important, and believes it should be given top priority. Therefore, the committee has restored the $10 million reduction for fiscal year 1976, and authorized $2.5 million for the transition period.

Mr. Chairman, our colleagues on the Public Works and Transportation Committee historically have supported a more vigorous water quality research program. The Science and Technology Committee agrees with this approach and our report urges a more adequately funded R. & D. program in the future.

Mr. SCHEUER. Mr. Chairman, I rise in support of this legislation. As a member of the Committee on Science and Technology, I can testify to the extensive time and effort that the committee expended on this bill. The authorization of environmental R. & D. funds to EPA—a young but vital agency—is crucial to the health and welfare of our Nation. The intent of this bill is to provide the scientific groundwork for economical and socially viable environmental management.

One of the concerns covered by this bill is the pollution inflicted on the environment by noise. I am grateful that the committee accepted my amendment increasing funding in noise research to $2 million. This increase reflects the committee's realization that EPA must increase research on the effects of noise, in addition to coordinating all noise research conducted by other Federal agencies.

The coordination task is extensive. Federal agencies or departments having noise research activities include the Department of Transportation, NASA, the Department of Defense, the Department of Interior, the Department of Agriculture, the Post Office, and the Veterans' Administration. Major Federal efforts are underway in research on aircraft noise control, noise health effects, surface transportation noise control, stationary machinery noise control, and noise measurements methodology.

Despite the work being done by these agencies and departments, there are knowledge gaps and significant areas of disagreement which require a research effort. A recent interagency study concluded that there are several areas of noise health effects research which are not receiving adequate attention.

The effects of noise pollution may include hearing loss, potentially permanent health impairment, impaired learning capacity, increased annoyance, speech interference, sleep disturbance, and negative effects on wildlife and other animals.

Significant research on cause-effect relationships has been conducted only for hearing, annoyance, and speech interference and the knowledge that has been obtained in these areas is still of a limited nature. Research is needed to set standards assuring safe, productive work environments and to protect the quality of life in our communities.

EPA's research and development program would not duplicate or interfere with other agencies' research. Its noise research program is designed to determine the physical and psychological effects of noise, whatever its source. The research of other agencies is directed toward controlling the sources of noise.

Only in recent years has attention been given to the noise pollution problem. Doctors, psychologists, environmentalists, and world health organizations have determined that there are definite limits to the human tolerance of noise.

In the last 5 years, Congress has enacted two major pieces of legislation to protect man and his environment: the National Environmental Policy Act of 1969 and the Noise Control Act of 1972. Section 2B of the Noise Control Act states:

> The Congress declares that it is the policy of the United States to promote an environment for all Americans free from noise that jeopardizes their health and welfare.

Until now, however, noise research has been a low priority. EPA has never received a sufficient appropriation for research and development; last year's was $351,000.

Anyone living in or about an urban area is sensitive to the pervasive impact of noise on our daily lives. We must know more about the effects our clamorous environment has on us. By legally reducing noise to a tolerable level, we will be able to restore a measure of tranquility to our daily lives and enjoy an improved state of health.

Mr. DINGELL. Mr. Chairman, I am concerned about the adequacy of the sums authorized by H.R. 7108 in connection with this Nation's water pollution control program. As the committee's report (H. Rept. 94–270) notes:

> Over the years, appropriations requested by the Administration for research and development in support of water pollution control have been consistently below the funding levels authorized by Congress.

I might add that the appropriations have also been "below" the legislatively established levels.

I am concerned that by enacting this bill we are surrendering to the administration the right of the Congress to establish R. & D. priorities for this program. I understand the bill establishes an authorization level that parallels the administration's budget request for fiscal year 1976 and the transition period. But this level is below the authorization level established by Congress in the Federal Water Pollution Control Act of 1972. I do not like this one-way compromise.

I am further concerned that the bill auhorizes a lump sum amount for water pollution R. & D. with no reference to the various R. & D. provisions of the Federal Water Pollution Control Act, such as section 104(h)—lake pollution, section 104(i)—oil pollution, section 104(n)—estuaries, section 104(p)—agricultural pollution, and section 107—mine water pollution. Such a lump sum approach lets the administration, not the Congress, decide where funds shall be spent. This is unhealthy.

This lump sum approach is followed throughout the bill. I think it is not wise.

I will not oppose this bill today, because I have not had the time to delve into this matter deeply. I hope, however, that the other body takes a long look at this bill and substantially revises it so Congress, not the administration and the appropriations process, sets the priorities in needed pollution and environmental R. & D.

Mr. HECHLER of West Virginia. Mr. Chairman, I rise in support of H.R. 7108.

It is important that environmental research and development activities produce the scientific information and technical tools on which to base national policy and effective control strategies in the regulation, prevention and abatement of environmental pollution.

For example, the water processes and effects program provides for research on the effects of water quality on human health, and the development of analytical methods for assessing the quality of drinking water. The major objective of the water health effects program is to develop valid criteria for setting water quality standards for drinking water. This program will also provide for development of scientific knowledge necessary for establishing standards for organic, inorganic, and microbiological contaminants of drinking water.

The primary purpose of the water supply control technology program is to evaluate, improve, and develop new technology necessary to economically attain the standards for drinking water. Attainment of this goal involves both the adaptation of large-scale technology to small water supply systems, as well as, the development of new or special technologies.

It is the intent of EPA to issue drinking water standards or guidelines. Valid health effects data need to be developed for these standards to protect the public health without being unnecessarily stringent.

Many toxic and carcinogenic substances are of concern at concentration levels below one part per billion, requiring an increase in sensitivity of the methods of testing and monitoring now being applied. To meet these requirements, special concentration and separation techniques must be developed. For example, the present methodology for organics is applicable to volatile compounds only, thus detecting only about 2 percent of the total organics content. An increased research effort to develop methods for nonvolatile organics will be undertaken. Procedures for the identification of the sources of water supply contaminants will also be developed.

VIRUS DETECTION

There will be increased effort in the development of virus detection methods and rapid instrumental methods for detection of toxic elements.

Defensible health effects data will be developed for organic, inorganic and microbiological contaminants of drinking water through the conduct of short- and long-term toxicological studies and through comparative epidemiological studies of populations exposed to high and low levels of contaminants.

The water supply control technology program is developing technology for the removal and/or inactivation of a wide variety of contaminants including organics, arsenic, asbestos, barium, mercury, nitrates, cadmium, chromium, lead, radium, and bacteria. Water treatment methods are also being developed to prevent deterioration of water quality during storage and distribution of drinking water, for example, prevention of bacterial regrowth in water supply conduits, and prevention of lead dissolution from old lead pipings.

Mr. Chairman, every community in the United States should have safe drinking water. Such is not the case today. Only if we make available sufficient resources for research can we hope to achieve this objective.

H.R. 7108 includes slightly more than $12 million to underwrite this vital research during fiscal year 1976. I urge my colleagues to support this legislation.

Mr. AMBRO. Mr. Chairman, I rise in support of H.R. 7108.

EPA's research and development efforts in the solid waste program are directed toward the development of improved solid waste management, disposal technology, and resource recovery technology. Technological advances generated by this research should enable local governments to handle their solid waste problems in a more effective and more economical manner. In addition, the EPA program is increasing research efforts to develop the scientific base for the establishment of standards for hazardous wastes disposal, particularly on the fate and processes of leachates.

This research also encompasses identification and evaluation of potentially toxic and pathogenic products of solid wastes incineration, landfilling and recycling operations, and the assessment of their public health impact. Investigation of the pathogenic contamination of solid waste incineration and the movement of viruses and pathogens from disposal sites will lay the scientific foundation for the development of standards to protect the public.

EPA's program also involves the study of ground water contamination from sanitary landfill operations, and the study of the fate, in soils and ground waters, of heavy metals and other hazardous materials from sludge and industrial waste byproducts.

EPA's research plan for fiscal year 1976 provides for continued assessment and interpretation of effects data to support disposal standard-setting by responsible State and local authorities. There will be continuing investigation of the environmental protection afforded by landfill liners, encapsulation, chemical fixation of hazardous wastes, and other control techniques. Also, a continuation will be made of investigations on the effects of disposal of infectious and health care facility wastes. Finally, a continuing investigation will be conducted on transport mechanisms of hazardous waste disposal. Plans also include studies of soil retention of hazardous waste substances for up to 28 additional waste streams.

The control technology research program involves the development of control techniques and technology for the safe disposal of toxic and hazardous solid wastes. The effort supports the setting of meaningful and comprehensive standards and regulations and will provide the means for evaluating and fostering improvement of disposal practices for toxic and hazardous solid wastes. Initial emphasis will center on disposal techniques for materials exhibiting known hazardous effects. To a lesser extent, resources recovery and municipal solid waste disposal technologies, including studies of the combustion of solid waste to produce energy, will be developed and evaluated.

In view of the growing importance of problems associated with the disposal of solid wastes in landfill areas around the Nation, the committee voted to increase funding for research on solid waste disposal by a total of $3.5 million for fiscal year 1976 with suggested emphasis in the following categories: $1 million to study soils for the facilitation of treatment of solid wastes; $½ million to study liners for disposal sites to reduce transfer of leachate; $½ million to study treatment technology at solid waste disposal sites to reduce or prevent leachate; $1 million to study options for dealing with leachate problems at the more than 14,000 solid waste disposal sites in the United States; and $½ million to study the sources of solid waste aimed at reducing the amounts of such wastes by finding ways of extending product lifetime and encouraging produce reuse.

As the Nation's population increases, and becomes more concentrated in metropolitan areas, solid waste disposal presents more and more difficult problems. I urge passage of H.R. 7108 which authorizes almost $7.5 million for research designed to address these problems during fiscal year 1976.

Mr. WINN. Mr. Chairman, I rise in support of H.R. 7108, the bill authorizing appropriations to the Environmental Protection Agency (EPA) for its research and development programs.

The EPA has been in existence for only 5 years but its record of performance has been impressive. It has tackled head-on the complex environmental problems facing us today. While the regulatory actions of the EPA have received the most popular attention, the R. & D. program is its overall mainstay. A vigorous R. & D. program is essential to achieve the technology which will lead to a better environment. And in addition, R. & D. data is necessary to support the EPA's regulatory programs.

The recent focus of world attention on hunger and food underscores the need to maximize our agricultural yields. One means of accomplishing this is to control the insects and pests which waste precious food each year. The EPA has a comprehensive pesticide program underway which seeks to harmonize the need for effective pest control with the adverse side effects of some pesticides. Aspects of the program include human health effects and ecosystem models.

The EPA's energy R. & D. effort represents about 35 percent of its total R. & D. program. This reflects EPA's recognition of the energy crisis and its determination to achieve a better environment along with better energy efficiency and not at the expense of efficiency. For example, recent attention has been given to coal as a fuel to compensate for dwindling petroleum and gas reserves. However, the use of coal has well known adverse environmental effects which range from its extraction to its combustion. In addition to the combustion of coal in its traditional manner new projects are directed at coal liquefaction and gasification; and oil shale development. These new forms of fossil fuel exploitation offer us great promise but they also have their own special environmental effects. EPA is doing its part to cope with these problems. Other Federal agencies sharing in this effort are the Energy Research and Development Administration—ERDA—and the Department of Interior.

Part of the program involves the collection of baseline data on coastal and inland waterways. Several long-range energy programs deal directly with such bodies of water. Deepwater ports for supertankers, floating nuclear powerplants, and offshore oil drilling are several good examples of these programs. The collection of baseline data is essential if we are to have some reference point from which to measure the environmental effect of marine-related programs. Without a good base we might either inadvertently overlook environmental injury or else we might fail to fully exploit an energy source because of the erroneous belief that environmental damage was being inflicted. It would be wrong to err in either direction.

Mr. Chairman, a recent development has caught the attention of the Congress and the EPA, which they will pursue further in the coming year. I refer to the concern that fluorocarbons used in our aerosol sprays and refrigeration systems may be diffusing into the upper atmosphere where they act as a catalyst in the destruction of the ozone layer. The ozone layer of the stratosphere is responsible for shielding us from harmful ultraviolet radiation. The ozone layer thus acts as a screen to protect us. Several groups of responsible scientists have calculated that fluorocarbons may be migrating to the stratosphere where they trigger a chemical reaction which depletes the ozone concentration. While some ozone depletion and creation takes place as a natural course of events, the apprehension exists that the introduction of fluorocarbons will upset the natural equilibrium.

The ozone situation presents a dual problem. First, the theoretical calculations of the scientists must be subjected to some experimental verification. The initial studies contain many assumptions and simplifications which may or may not accurately predict what happens in the atmosphere. Thus we must corroborate some of the "paper" calculations lest we overreact to a nonexistent problem. At the same time, if a potential problem does exist then we should be ready to take firm action. Research studies could seek acceptable alternatives to fluorocarbons and also provide the scientific justification required to support any regulatory action. In this effort EPA is actively cooperating with the National Aeronautics and Space Administration—NASA—and the National Oceanic and Atmospheric Administration—NOAA.

Mr. Chairman, I believe that H.R. 7108 is a responsible bill which will permit the EPA to continue its R&D programs at a moderate level while addressing some new problem areas such as the ozone layer depletion possibility. The legacy of EPA's R. & D. programs will be clean water, fresh air, and clean skies. And it is a legacy for which we are all beneficiaries.

Mr. BROWN of California. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby authorized to be appropriated to the Environmental Protection Agency for the fiscal year ending June 30, 1976, for the following categories:

(1) Research, development, and demonstration under the Noise Control Act of 1972, $2,110,000.

(2) Research, development, and demonstration under the Federal Insecticide, Fungicide, and Rodenticide Act, $14,047,900.

(3) Research, development, and demonstration under section 301 of the Public Health Service Act, $2,115,000.

(4) Research, development, and demonstration under the Safe Drinking Water Act, $12,789,200.

(5) Research, development, and demonstration under the Clean Air Act, $148,194,700.

(6) Research, development, and demonstration under the Solid Waste Disposal Act, $13,434,300.

(7) Research, development, and demonstration under the Federal Water Pollution Control Act Amendments of 1972, $91,804,100.

(b) No funds may be transferred from any particular category listed in subsection (a) to any other category or categories listed in such subsection if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in subsection (a) from any other category or categories listed in such subsection if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, unless—

(1) a period of thirty legislative days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(2) each committee of the House of Representatives and the Senate having jurisdiction over the subject matter involved, before the expiration of such period, has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

(c) In addition to any transfers among the categories listed in subsection (a) which are authorized by subsection (b), not to exceed 10 per centum of the total amount appropriated pursuant to subsection (a) may be transferred to other authorized activities of the Environmental Protection Agency (except construction grants for waste treatment works and scientific activities overseas), and not to exceed 10 per centum of the total amount appropriated for such other authorized activities may be transferred to any category or categories listed in subsection (a).

SEC. 2. There is hereby authorized to be appropriated to the Environmental Protection Agency for the transitional period beginning July 1, 1976, and ending September 30, 1976, for the following categories:

(1) Research, development, and demonstration under the Noise Control Act of 1972, $527,500.

(2) Research, development, and demonstration under the Federal Insecticide, Fungicide, and Rodenticide Act, $3,511,975.

(3) Research, development, and demonstration under section 301 of the Public Health Service Act, $528,750.

(4) Research, development, and demonstration under the Safe Drinking Water Act, $3,197,300.

(5) Research, development, and demonstration under the Clean Air Act, $37,048,675.

(6) Research, development, and demonstration under the Solid Waste Disposal Act, $3,358,575.

(7) Research, development, and demonstration under the Federal Water Pollution Control Act Amendments of 1972, $22,951,025.

SEC. 3. Appropriations made pursuant to the authority provided in section 1 or section 2 shall remain available for obligation for expenditure, or for obligation and expenditure, for such period or periods as may be specified in the Acts making such appropriations.

SEC. 4. No appropriation may be made to the Environmental Protection Agency for environmental research, development, or demonstration, for any period beginning after September 30, 1976, unless previously authorized by legislation hereafter enacted by the Congress.

SEC. 5. The Administrator of the Environmental Protection Agency shall transmit to the Congress, within six months after the date of enactment of this Act, a comprehensive five-year plan for environmental research, development, and demonstration. This plan shall be appropriately revised annually, and such revisions shall be transmitted to the Congress no later than November 10 of each year.

Mr. BROWN of California (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENTS OFFERED BY MR. JONES OF ALABAMA

Mr. JONES of Alabama. Mr. Chairman, I offer two amendments.

The Clerk read as follows:

Amendments offered by Mr. JONES of Alabama: Page 2, line 11, strike out "$91,804,100" and insert in lieu thereof the following: "$148,800,000."

Page 4, line 15, strike out "$22,951,025" and insert in lieu therof the following: "$37,2000,000."

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I have discussed this amendment with the distinguished chairman of the Committee on Public Works, and I wanted to assure him of my own personal support for this particular amendment.

I think I should point out that he is quite correct that the Office of Management and Budget and the agency itself have consistently requested substantially less funds for research in this program than the Congress has authorized in the past.

What our committee did in the Committee on Science and Technology was to propose a modest increase in this program. In effect what we did was to restore to the agency the amount that they had requested that the Office of Management and Budget had cut. However, if it is the will of the House I can assure the Members that this agency is considerably underfunded for research and development in this area, and that it could use the funds to serve a very important public purpose.

As I say, the only problem would be to convince the executive agency, the Office of Management and Budget, to expend the money if the money were to be authorized in this bill.

So, Mr. Chairman, in conclusion I would just like to say that I commend the gentleman from Alabama, (Mr. JONES), for offering the amendment. I think the money would be well spent. I certainly have no personal objection to the amendment. I cannot speak for the remainder of the committee, since we have not had an opportunity to discuss the matter.

Again I wish to commend the gentleman from Alabama for offering the amendment.

Mr. JONES of Alabama. I thank the gentleman from California.

Mr. Chairman, I would like to say that we are indeed fortunate to have the leadership of the gentleman from California (Mr. BROWN) in the direction and in the purposes of the legislation that is now before this body. The committee is initiating a broad range of centralized effort in the field of research and development among the various agencies of the Government which I think will produce a more profitable, more uniform and more understandable research and development program. I think that the gentleman from California and the rest of the members of the committee are to be commended, and I again want to thank the gentleman for accepting my amendment.

May I explain my amendment.

The amendment I have offered to H.R. 7108 would amend section (1)(a)(7) to provide an authorization of $148,800,000 for fiscal year 1976 for the research, development, and demonstration programs authorized by the Federal Water Pollution Control Act Amendments of 1972. This is an increase of $56,995,900 over the level contained in the bill. In addition, my amendment would amend section (2)(7) of H.R. 7108 to provide an authorization of $37,200,000 for these programs for the transitional period beginning July 1, 1976, and ending September 30, 1976. This is an increase of $14,248,975 over the level contained in the bill.

The Committee on Public Works and Transportation has responsibility for the water pollution control program authorized by the Federal Water Pollution Control Act. The research and demonstration programs authorized by that act constitute the backbone of the Federal water pollution control program. It is vital that these research programs be directly related to the real needs of the program. However, under the authorization levels contained in H.R. 7108, important and urgently needed research programs would not be carried out.

Because of our continued responsibility for this program and our belief that the recent reorganization of Congress did not give the Committee on Science and Technology exclusive jurisdiction over research and development programs in this area, a letter was sent on June 12 to Chairman RAY J. MADDEN and Representative JAMES H. QUILLEN, the ranking minority member of the Committee on Rules, opposing the granting of a rule on Science and Technology's bill.

Following the transmittal of this letter, a series of conversations were conducted between representatives of the Committee on Public Works and Transportation and the Committee on Science and Technology which resulted in our sending a letter to the Rules Committee withdrawing our opposition to the granting of a rule.

The full text of the two letters follows:

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 12, 1975.

Hon. RAY J. MADDEN,
Rayburn House Office Building,
Washington, D.C.
Hon. JAMES H. QUILLEN,
Cannon House Office Building,
Washington, D.C.

DEAR SIRS: H.R. 7108, recently reported by the Committee on Science and Technology, contains provisions that we believe infringe drastically upon the jurisdiction of the Committee on Public Works and Transportation and could well interfere with the water pollution control program conceived, enacted, and overseen by the Committee on Public Works and Transportation.

Specifically this bill under section 1(a)(7) and section 2(7) authorizes research and development in the water pollution control area under the Federal Water Pollution Control Act Amendments of 1972. Historically the earliest water pollution bills revolved around research and development and led finally to the enactment of the programs now in effect. The research and development program must be related both in amount and in substance to the needs of the total water pollution program. Therefore, it is imperative that the Public Works Committee with its responsibility over the entire program be involved in any legislation that could affect that program.

We do not believe that the recent reorganization of Congress gave the Science and Technology Committee exclusive jurisdiction over this area. We do not believe that it transferred to that Committee existing programs of long standing under existing law. It is our understanding that this view is shared by at least one other committee whose program is involved in this legislation.

In view of this, we are expressing our opposition to a rule being granted to H.R. 7108 at this time and would solicit your assistance in resolving the matter among the committees involved.

Sincerely,

JIM WRIGHT,
WILLIAM H. HARSHA,
Members of Congress.

CONGRESS OF THE UNITED STATES,
Washington, D.C. June 24, 1975.

Hon. RAY J. MADDEN,
Hon. JAMES H. QUILLEN,
House of Representatives,
Washington, D.C.

DEAR RAY AND JIM: We are writing you in regard to H.R. 7108, a bill recently reported by the Committee on Science and Technology. Sections (1)(a)(7) and (2)(7) of this bill would authorize funds for fiscal year 1976 for water pollution control research and development programs authorized by the Federal Water Pollution Control Act Amendments of 1972 (P.L. 92-500). On June 12 you received a letter stating our opposition to the granting of a rule on this bill on the grounds that the recent reorganization of Congress did not give the Committee on Science and Technology exclusive jurisdiction over this area.

Since then, discussions have been held concerning our objections to H.R. 7108 and the broader issue of jurisdiction over water pollution control research and development programs authorized by P.L. 92-500. It is our understanding that Congressman George Brown, Chairman of the Subcommittee on the Environment and the Atmosphere of the Committee on Science and Technology, is personally willing to accept an amendment which would increase the authorization in the bill for water pollution control research under P.L. 92-500 by as much as $60 million for fiscal year 1976 and $15 million for the transitional period between July 1, 1976 and October 1, 1976. The amendment would be accompanied by a statement which indicates the manner in which this money should be distributed among program areas, as well as a clarification of sections (1)(b)(1) and (1)(b)(2) of H.R. 7108 concerning the Environmental Protection Agency's authority to transfer ten percent of the funds authorized for water pollution control research and development to research programs authorized by statutes other than P.L. 92-500. With the understanding that Mr. Brown will not object to such an amendment and statement, we withdraw our opposition to the granting of a rule on H.R. 7108.

The withdrawal of our opposition to the granting of a rule on H.R. 7108 should not be interpreted as an indication that the Committee on Public Works and Transportation does not have responsibility over the water pollution control research and development programs authorized by the Federal Water Pollution Control Act, nor should it be construed as a precedent concerning future legislation. We expect to continue to work with the Speaker and the Committee on Science and Technology to develop an agreement concerning the handling of future legislation affecting these programs.

Sincerely,

ROBERT E. JONES,
Chairman.
WILLIAM H. HARSHA,
Member of Congress.

If my amendment is accepted, it would make available $89,900,000 for the period July 1, 1975 to June 30, 1976 for the programs for which funds had been authorized by section 104(u)(1) of the Federal Water Pollution Control Act. These programs include various national programs for the prevention, reduction and elimination of pollution. H.R. 7108 would make available only $76,167,000 for these programs for Fiscal Year 1976 although $100,000,000 had been authorized for the period July 1, 1974 to June 30, 1975.

My amendment would make available $5,600,000 for fiscal year 1976 for the programs for which funding was authorized by section 104(u)(4) of the act. This section provided funding for a comprehensive study and research program to determine new and improved methods of preventing, reducing, and eliminating pollution from agriculture. Although $10,000,000 had been authorized for these programs for fiscal year 1975, H.R. 7108, in its present form would authorize only $2,800,000 for the period July 1, 1975 to June 30, 1976.

My amendment would make $2,000,000 available for fiscal year 1976 for the funding of basic research of fresh water aquatic ecosystems as authorized by section 104(u)(5) of the Act. $15,000,000 had been authorized for these programs in fiscal year 1975; H.R. 7108 would make no funds available for these programs in fiscal year 1976.

Twenty million dollars would be available for the conduct of continuing comprehensive studies of the effects and methods of controlling thermal discharges as was authorized by section 104

(u) (6) of the act. $10,000,000 had been provided in this section for fiscal year 1975. EPA has never utilized the funding provided for this important program and the net result of H.R. 7108 would be to condone this action.

My amendment would make available $24,700,000 for grants for research and development for fiscal year 1976. Section 105(h) of the act had authorized $75,000,000 for these programs in fiscal year 1975. H.R. 7108 would provide only $7,900,000 for fiscal year 1976.

In addition, the amendment would make available $4,600,000 for the mine water pollution control demonstration program authorized by section 107 of the Act and $2,000,000 for the Alaska village demonstration projects authorized by section 113 of the act.

Also, my amendment would provide sufficient authorizations for these programs to be maintained at the appropriate level of funding during the transition period July 1, 1976, to September 30, 1976.

With respect to the procedure established by section (1) (b) of H.R. 7108 for transfer of funds among the categories listed in section (1) (a), the Committee on Public Works and Transportation expects to be notified of proposed transfers for the research, development, and demonstration programs authorized by the Federal Water Pollution Control Act of 1972.

Mr. Chairman, I urge approval of my amendment.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I am happy to yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the amendments offered by my good friend, Mr. Jones, of Alabama.

One of the cornerstones of the Federal Water Pollution Control Act is an effective and expanding research program to support the growth in our technological capabilities needed to handle a most complex and difficult problem, the cleaning up of our Nation's waters. Our committee has been most unhappy with the failure of the Environmental Protection Agency to recognize that the research program must be expanded.

I will not repeat what has already been said so well by Mr. Jones. However, I must emphatically support this amendment. There are areas which must be reviewed to emphasize the need for this authorization increase.

I wish I could say that I was more confident about the level of our knowledge of the epidemiological effects of the disposal of sewage and sludge. What are the effects of the applications of sludge and effluents on land, a treatment process that our committee has pushed? How about the movement and persistence of pathogens and heavy metals? Our efforts in this area should be escalated by a factor of three or four. We know too little in this area.

We are concerned about the cost effectiveness of treatment processes. We are spending billions to construct treatment works utilizing technology developed in the last century. We have a program that will be operating at the $5 billion per year level. I submit that this research effort should be increased by a factor of two or three.

What is the fate of pollutants in our fresh waters and lakes and in our ground waters? This is where all of our municipal and industrial effluents finally end up. Research in this area could easily be doubled.

In 1972, we indicated clearly that we were not prepared to legislate nonpoint source controls. We could not. The technological base was not adequate to support our legislative program. We said at that time that there should be an extensive research and development effort on nonpoint sources to support, at the appropriate time, nonpoint source controls if they were necessary. Since that time our research and development program has not addressed this problem adequately. We must identify the sources, determine their significance, and develop and evaluate control alternatives. This program easily could be increased by a factor of four.

In the area of ocean dumping, I must point out that we are dealing with not one ecosystem, but a multitude of significantly different ecosystems which exist along our thousands of miles of shoreline. What are the effects and impacts? We do not know enough about our impacts on the mother of life, our oceans. Our effort should be increased.

One of our techniques for treatment of sewage is the use of chlorine. Are we adequately disinfecting our sewage? Are we damaging our streams because of this introduction of chlorine? Worse yet, what carcinogens are we creating? Are we doing more ham than good with chlorine? An expanded effort is clearly indicated.

Mr. Chairman, this is just a partial list of my concerns. Certainly, however, even this partial list justifies the increase which Mr. Jones amendment would authorize. By providing money, we obviously cannot legislate technological breakthroughs. But we can in a regular, reliable, and expanding fashion develop the technologies and scientific understandings that are necessary to protect our environment and our health and welfare.

I am pleased to note, Mr. Chairman, that possible ambiguities in section (1) (b) (1) and (1) (b) (2) have been clarified in our discussions today. The combined budgets at EPA are difficult to untangle. Congress must be in control and this clarification will help.

I urge your support for the amendments and I thank Chairman Brown for his understanding and willingness to work with the Committee on Public Works and Transportation.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Alabama (Mr. Jones).

The amendments were agreed to.

AMENDMENTS OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Chairman, I offer two amendments, and ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read as follows:

> Amendments offered by Mr. Foley: Page 1, line 10, before the period insert the following: ": *Provided*, That no part of any amount appropriated pursuant to this paragraph may be obligated or expended after September 30, 1975, and no more than $3,511,975 of such amount may be obligated or expended prior to that date, except to the extent hereafter specifically authorized by law: *And provided further*, That no part of any amount appropriated pursuant to this paragraph may be used for purposes related to the enforcement of such Act"; and
>
> Page 4, line 3, before the period insert the following: ": *Provided*, That no part of any amount appropriated pursuant to this paragraph may be obligated or expended except to the extent hereafter specifically authorized by law: *And provided further*, That no part of any amount appropriated pursuant to this paragraph may be used for purposes related to the enforcement of such Act".

Mr. FOLEY. Mr. Chairman, I rise to offer amendments to H.R. 7108 to take account of the recent action by the Congress in adopting a bill, H.R. 6387, which had been reported by the Committee on Agriculture and which provided a 3-month interim extension of the Federal Insecticide, Fungicide, and Rodenticide Act. In contradistinction to this recent action, H.R. 7108 would provide an authorization for EPA to continue research, development and demonstration under FIFRA for a 15-month period ending September 30, 1976. It also specifies the sum authorized for this purpose during the 15-month period.

The hearings on H.R. 6387 before the Committee on Agriculture gave rise to a number of controversial issues surrounding administration of the act resulting in a number of amendments being prepared by various members of the committee. When it became apparent the issues could not be resolved in time for adoption of a bill to cover the 2-year extension, as originally proposed, the committee acted to provide an interim extension of 3 months, authorizing a funding level at one-fourth the rate proposed for fiscal year 1976. The amount authorized to be appropriated for the 3-month period covered authorization for environmental research, development and demonstration activities.

We have discussed the matter with the gentleman from California (Mr. Brown) and have arrived at a compromise on the differences in the two bills. In the committee report on H.R. 6387 we incorporated the following statement:

> The Committee has also been working with the Committee on Science and Technology in an attempt to better coordinate EPA's overall research effort. Thus, under this authorization there would be available for such activities (but in no event for purposes relative to enforcement of the Act), an amount not to exceed $3,511,975, as provided for in H.R. 7108, reported by the House Committee on Science and Technology.

The amendments I am offering would provide that the amount that is authorized to be appropriated for environmental research, development, and demonstration under FIFRA only $3,511,975 could be obligated prior to September 30, 1975, and no money could be obligated after that date except to the extent hereafter specifically authorized by law. The figure of $3,511,975 is one-quarter of the amount provided for in H.R. 7108 for the 12-month period ending June 30, 1976.

There would be a further proviso that no part of the money appropriated for such purposes could be used for enforcement of the act so as to assure that the authorization could not be used for activities such as the hot line.

One of the most controversial issues that arose in the course of hearings on H.R. 6387 related to a hot line used to obtain information on incidents of pesticide misuse. EPA provided a grant to a contractor, the National Farm Workers Clearinghouse, which maintained a toll-free line on which it compiled information on so-called pesticide misuse obtained from informants. This contract apparently was justified as a research and monitoring activity by EPA, and the committee has under consideration a number of proposals to limit its use.

In a letter from EPA Acting Administrator Quarles, I was advised that EPA had decided to remove the contractor from the program and was considering whether the line should be retained or if it is to be retained whether it should serve enforcement as well as informational purposes. My amendment would assure that the issue of the hot line would be a matter to be reviewed by the Agriculture Committee along with other substantive issues of the pesticide program when it continues its examination of the act later this month.

The Agriculture and Science and Technology Committees are working on a memorandum of understanding which will provide better coordination of activities of our committees in the future. The Committee on Agriculture under the rules of the House has jurisdiction over FIFRA and over agricultural research. Thus, the Agriculture Committee has jurisdiction to provide the necessary funding authorization under the Federal Insecticide, Fungicide, and Rodenticide Act to consider whatever changes are proposed to be made in the act and to provide policy directives on various aspects of the act, including research and development. The Committee on Science and Technology recently was given jurisdiction over environmental research and development and it is my desire that operations of our two committees be carried out in a manner that would provide for the maximum coordination of our efforts on pesticide research under FIFRA.

I urge that the Members join me in voting for adoption of my amendments.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the distinguished gentleman from California.

Mr. BROWN of California. I thank the gentleman for yielding.

I wish to concur in what the gentleman has just said and to compliment him for offering this amendment, which I believe is a necessary amendment in order to avoid inconsistencies in the legislative action of the House. We are agreed as to the level of funding, but since the House has acted already to extend the basic act only 90 days, I think it would be inappropriate for the House now to extend a portion of that act; namely, the research and development portion pursuant to FIFRA for the full 15 months. In effect, what the amendment of the gentleman from Washington would do would be to bring this bill into conformity with an act of the House, the interim extension of FIFRA. Speaking for myself, I think the majority decided on the committee we are in agreement on the amendment. We are perfectly willing to accept it, and I wish to just state personally my appreciation to the distinguished gentleman for the spirit of cooperation he has shown in working to resolve this matter, which is somewhat typical of the kind of problems that develop when there is a new jurisdictional structure set up in various subject matter areas to come before the Congress.

Mr. FOLEY. I thank the gentleman for his comments.

Mr. Chairman, if I could reciprocate that expression of appreciation, the gentleman from California (Mr. BROWN) and his staff and the members of his subcommittee have been patient and forbearing and desirous of extending the fullest cooperation to our committee on this problem, and we appreciate that. The gentleman from California is a distinguished member of both the Committee on Science and Technology and the Committee on Agriculture and, as I say, he has discharged his various responsibilities with great appropriateness and effectiveness.

Mr. MOSHER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Ohio.

Mr. MOSHER. I thank the gentleman for yielding.

We on our side join with the subcommittee chairman in agreeing to accepting this solution to a jurisdictional problem. I think it is a good amendment.

Mr. FOLEY. I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Washington (Mr. FOLEY).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. KINDNESS

Mr. KINDNESS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. KINDNESS: Page 5, immediately after line 7, insert the following new section:
>
> "SEC. 6. None of the funds appropriated under this act shall be available to the Environmental Protection Agency for purposes of prescribing, administering, or enforcing any regulations or guidelines restricting the sale or use of, or requiring deposit on, nonreturnable beverage containers on Federally controlled property."

Mr. BROWN of California. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from California reserves a point of order against the amendment.

The gentleman from Ohio is recognized for 5 minutes in support of his amendment.

Mr. KINDNESS. Mr. Chairman, the amendment before us at this time is proposed for the consideration of Members because while we are dealing with appropriations for the purpose of research the EPA is authorized and this refers specifically to page 28 of the committee's report where it refers to this:

> . . . $½ million to study the sources of solid waste aimed at reducing the amounts of such wastes by finding ways of extending product lifetime and encouraging product reuse.

But at the very same time the EPA is already engaged in circulating proposed regulations which will be published in the Federal Register presumably by sometime in September which would ban the use of or sale of beverages in containers other than returnable containers on any Federal property and that would of course include U.S. parks and military reservations and the like. These two provisions that are subject of the proposal are the subject of a letter I drafted to Mr. Train, the Administrator of the EPA, in which I point out this is a legislative function. The regulations are proposed under section 209(a) of the Resources Recovery Act of 1970, and that language certainly does not cover the action that is proposed by the EPA which is legislative in nature.

A committee of the House is at the present time holding or recently has had hearings to consider resource recovery problems and the handling of solid wastes along with recovery problems, and I understand additional hearings will be held on that subject matter presumably in September, but there is no question that it is the function of the legislative branch of the Government to establish a change in the law, such as the proposed content of the regulation of the EPA which would "ban the can" so to speak on Federal property.

If this committee is to approve a bill that appropriates funds for studies such as the half million dollars to study sources of solid waste aimed at reducing the amounts of such wastes by finding ways of extending product life time and encouraging product reuse, referring again to the report at page 28, it would seem very consistent the EPA should be using their resources even at the present time not to promulgate regulations that are legislative in nature but to do the studies based upon which legislation might very well be enacted along this line.

We often say that the Congress has been hoodwinked by the bureaucrats, that the bureaucrats have taken the intent of Congress and twisted it in their regulations, and that it is too late to do something about it. This time it is not too late. The opportunity is here right now to indicate clearly to the EPA that moneys intended for research and development in this area may be used in that line and that they not in effect spread their influence into the legislative portion of the governmental function.

This is an opportunity for us to say now before these regulations are even published and before the letters flood in from our constituents that this is not a proper activity until the Congress does act on such a proposal as "ban the can." I certainly urge support of the amendment.

The CHAIRMAN. Does the gentleman from California insist on his point of order?

Mr. BROWN of California. Mr. Chairman, on further reflection, I withdraw my point of order.

Mr. Chairman, I do seek recognition to oppose the amendment, however, and I move to strike the requisite number of words.

Mr. Chairman, regardless of one's feeling about the importance or necessity of the amendment offered by the gentleman from Ohio (Mr. Kindness), the fact of the matter is that none of the funds in this bill have been designated or would be used for the purpose of prescribing, administering, or enforcing any regulations or guidelines.

The Environmental Protection Agency is divided into several different divisions, one of which is the Office of Research and Development. The bill before us deals only with the budget and activities of the Office of Research and Development. This office does not engage in the preparation of regulations of any type. Therefore, the goal of the gentleman cannot be achieved by amending this bill. The best that can be said for this amendment is that it might reflect an expression of opinion, but it would be a nullity, as far as any real effect is concerned. I think that it is not the custom or practice of this House to engage in legislating nullities. It demeans the House to do that.

Therefore, I would urge the gentleman to consider the possibility of offering his amendment to a more appropriate measure, and not to this particular bill, since it could have no effect on the substance of this bill, in any case.

For these reasons, Mr. Chairman, I must oppose the amendment.

Mr. MOSHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I also feel that the amendment should be opposed, even though I hate to disagree with my colleague, the gentleman from Ohio (Mr. Kindness). The gentleman from Ohio in his remarks in support of the amendment indicated that this would prohibit the expenditure of R. & D. funds for certain purposes; but really, the gentleman's amendment has absolutely nothing to do with R. & D. It is concerned completely with regulatory functions of EPA and the bill before us has nothing to do with the regulatory functions of EPA. In other words, it seems to me that the amendment is not being offered at the proper time and place and is quite irrelevant to this piece of legislation.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. MOSHER. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, in thinking about a more appropriate bill for this amendment, it obviously addresses itself to the solid waste disposal problem. Legislation dealing with that problem will be brought to the floor in the not too distance future from another committee.

Might I suggest to the gentleman the possibility of offering his amendment at that time? I think it would be far more appropriate.

Mr. KINDNESS. Mr. Chairman, will the gentleman yield?

Mr. MOSER. I yield to the gentleman from Ohio

Mr. KINDNESS. If I might respond to the point just made, it is in order to protect the integrity of the legislation that I trust will be forthcoming from another committee that this amendment is proposed. Granted, there could be conceivably a better forum for bringing this question, but it is not here. It is not present before us today. This is the best opportunity I can discover to get the question before the House in order to preserve the integrity of the legislative process and in order to preserve the integrity of that particular legislation which is under study in the subcommittee of the gentleman from Pennsylvania (Mr. Rooney).

I might mention, I spoke with the gentleman from Pennsylvania (Mr. Rooney) about it. The gentleman from Pennsylvania is not certain what his position was. In all fairness, the gentleman had no time to decide that. He is very interested in having a "ban the can" legislation along that line, but it is the subcommittee of the gentleman that has it under study and it does seem appropriate for it to be handled there. It is for that purpose, to preserve the integrity of the legislative process, that I would urge support for the amendment.

Mr. MOSHER. Mr. Chairman, I must say also that I am very uncertain what my attitude would be regarding the ban the gentleman proposes, without a considerable amount of evidence and argument on the subject. In any event, I do no think it is relevant to this piece of legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Kindness).

The amendment was rejected.

AMNEDMENT OFFERED BY MR. BROWN OF CALIFORNIA

Mr. BROWN of California. Mr. Chairman, I offer two technical amendments which correct typographical errors.

The Clerk read as follows:

Amendments offered by Mr. Brown of California: Page 2, line 8, strike out "$13,434-300" and insert in lieu thereof "$13,534,300".

Page 4, line 12, strike out "$3,358,575" and insert in lieu thereof "$3,383,575".

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BROWN of California. Mr. Chairman, the amendment I offer is a technical correction involving a typographical error in H.R. 7108 which makes a small difference in the authorized funding for solid waste disposal. It is rather trivial in terms of dollars, but it is important, I think, that the bill be perfected.

Therefore, I ask approval of these amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. Brown).

The amendments were agreed to.

The CHAIRMAN. Are there further amendments to the bill?

If not, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bingham, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 7108) to authorize appropriations for environmental research, development, and demonstration, pursuant to House Resolution 585, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 383, nays 15, not voting 35, as follows:

[Roll No. 376]

YEAS—383

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers

Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—15

Ashbrook
Bauman
Byron
Crane
Devine
Flynt
Goodling
Hansen
Kindness
McDonald
Rousselot
Sikes
Steiger, Ariz.
Symms
Taylor, Mo.

NOT VOTING—35

Anderson, Ill.
Barrett
Bell
Breckinridge
Clawson, Del
Collins, Ill.
Danielson
Diggs
Edwards, Ala.
Eshleman
Evins, Tenn.
Fulton
Hébert
Hinshaw
Holtzman
Howard
Jenrette
Jones, N.C.
Landrum
Mathis
Meyner
Mitchell, Md.
Mitchell, N.Y.
Montgomery
Moss
Poage
Quie
Reuss
Runnels
Symington
Teague
Thompson
Udall
Wampler
Wilson, Tex.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Howard.

Mr. Thompson with Mr. Del Clawson.

Mr. Mitchell of Maryland with Mr. Jones of North Carolina.

Mr. Mathis with Mr. Landrum.

Mr. Barrett with Mr. Hinshaw.

Mr. Breckinridge with Mr. Eshleman.

Mr. Teague with Mr. Bell.

Mr. Jenrette with Mr. Udall.

Mr. Moss with Mr. Anderson of Illinois.

Mr. Montgomery with Mr. Wampler.

Mr. Fulton with Mr. Quie.

Mr. Evins of Tennessee with Mr. Edwards of Alabama.

Mr. Danielson with Mr. Mitchell of New York.

Mr. Diggs with Ms. Holtzman.

Mrs. Meyner with Mr. Runnels.

Mr. Reuss with Mr. Charles Wilson of Texas.

Mrs. Collins of Illinois with Mr. Symington.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in connection with the bill just passed, and to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REPORTS SETTING FORTH STEPS TAKEN CONCERNING INTERNATIONAL TRANSFERS OF CONVENTIONAL ARMS

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations:

To the Congress of the United States:

In accordance with Section 51(c) of Public Law 93–559, the "Foreign Assistance Act of 1974", I am transmitting to the Congress a report setting forth steps taken to carry out Section 51 of the Act, concerning international transfers of conventional arms.

GERALD R. FORD.

THE WHITE HOUSE, *July 10, 1975.*

PERMISSION FOR SUBCOMMITTEE ON ENERGY AND POWER OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO MEET TOMORROW DURING THE 5-MINUTE RULE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce may be permitted to meet tomorrow during consideration of legislation under the 5-minute rule, for the purpose of taking testimony only.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Michigan?

There was no objection.

DALLAS COUNTY COMMISSIONERS TAKE STAND FOR FISCAL RESPONSIBILITY

(Mr. MILFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MILFORD. Mr. Speaker, at a time when every interest group in the world—including the conference of big-city mayors—is asking for a bigger piece of the Federal pie, I would like to report to you on a resolution of a large county governing body, the Dallas County Commissioners.

In a resolution, they said:

> The Commissioner's Court of Dallas County is cognizant of the fact that the Government of the United States of America will operate with a deficit for the 1975 fiscal year in excess of 68 billion dollars, and . . . we believe all government entities should operate on a balanced budget.

The Commissioners resolved—

> To urge the United States Congress not to support legislation or appropriations for continuing federal grants and aids for local governments until such time as the United States has a projected balanced budget.

The gentlemen who proposed and approved this resolution are to be commended for a sense of responsibility.

Obviously, they too are aware that a Federal deficit hurts local taxpayers just as much as a city, county, or State deficit. They are aware that the taxpayer, in each case, owes the money and the debt will have to be paid.

Dallas County's governing body—the county commissioner's court—has taken a tremendous stride toward fiscal responsibility for the welfare of the whole Nation. I would only hope that other governing bodies, including our own House, will follow suit.

These county officials have recognized that the Federal deficit is the most insidious debt of all types of Government obligations. In the same manner, Federal programs are the most expensive, least effective, and farthest removed from citizen control of any of our governmental levels.

I would like to take this opportunity to personally commend County Judge John Whittington, Commissioners Jim Jackson, Roy Orr, Jim Tyson, and David E. Pickett for their leadership in trying to reverse our present big government trend.

I sincerely hope and pray that other local governing bodies will take note of this example, and do likewise in trying to return our government to local representation and taxation—where the people have a big voice, rather than big government having the final say.

INVESTIGATION OF CIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RINALDO) is recognized for 30 minutes.

Mr. RINALDO. Mr. Speaker, the rising number of attacks against the Central Intelligence Agency over the last few months have caused widespread concern. We have been inundated by a deluge of charges that the Central Intelligence Agency had engaged in "massive and illegal domestic spying in violation of its charter."

For this reason, the House and Senate launched special inquiries into the CIA. The House investigation, as you know, has bogged down in a dispute among members of the committee. Frankly, Mr. Speaker, I am not optimistic that the House inquiry can be quickly revived. The investigation by the Senate committee is far ahead and possibly has made a resumption of the House inquiry unnecessary. In view of the circumstances, I hope that the leadership of the House will reconsider this investigation and await the outcome of the Senate study to see if another inquiry would serve any useful purpose. Otherwise, we may only succeed in piling known facts on top of already established evidence and information. And for what purpose, Mr. Speaker?

Certainly there should be no coverup of possible wrongdoing by the CIA. But nor should there be unnecessary duplication of inquiries. Unless there is new evidence to be probed, another inquiry by the House would do more harm than good to our intelligence gathering agencies.

Mr. Speaker, I have read the Rockefeller Commission report from cover to cover. The Commission's report has been widely praised as fair and objective by most of the media and many CIA critics except in one respect—and that concerns the still unresolved issue of political assassinations. I shall get to that point shortly, Mr. Speaker.

But first, I wish to say that the overwhelming evidence in the Rockefeller Commission Report by and large exonerates the CIA of serious wrong-doing and gross transgression of its charter. A thorough reading of the Rockefeller report leads any fair-mined person to the conclusion that the CIA has not destroyed the privacy of Americans or collected a massive pool of illegally obtained information to be used against dissident political groups in this country.

On the contrary, the CIA exercised restraint and responsibility over nearly three decades. It has served our democratic institutions and our people well.

Looked at objectively and against the background of the fifties and sixties, the CIA did stick as closely as possible to its charter. In the instances in which it did open mail, tap telephones and engage in questionable activities, by and large these deeds were confined to checking on CIA personnel and contacts, both abroad and at home. Any intelligence gathering service has a duty to protect the sources of information and its own internal organization.

The greatest single exception, according to the Rockefeller Commission report, occurred during the sixties when the CIA established "Operation Chaos" with a small contingent of CIA agents. Quite clearly, the CIA did not stop at the borders of this country and confine its activities to foreign intelligence gathering. The CIA did attempt to learn whether unfriendly foreign powers and extremist political groups abroad were funneling money, propaganda, and other assistance to terrorist groups operating within the United States.

It would be simplistic and easy to condemn this as a violation of the CIA charter. Perhaps the CIA should have turned over its leads to the Federal Bureau of Investigation, although there was a rivalry and some mistrust between the two agencies. The FBI was not anxious to involve itself in this kind of counterintelligence activity as a direct extension of the CIA. Perhaps we may find it necessary to develop a better working arrangement between our foreign and domestic intelligence agencies. But, Mr. Speaker, we should put the CIA's "Operation Chaos" in its proper perspective. The addendum to the Rockefeller Commission report includes several pages of information and dates that point out that this Nation was wracked by urban riots, campus bombings, kidnaping, and mob demonstrations in the sixties. Americans were shocked and deeply worried about our democratic institutions. The public was frightened by outbreaks of urban terror. An examination of the record of Congress during that period of the sixties demonstrates this concern for the restoration of national order and the protection of individual liberty and property from small terrorist groups.

I can understand why the CIA attempted to discover whether any hostile foreign governments and political leaders, including Fidel Castro, were sending in money, propaganda, arms, and other support to underground terrorists in the United States. I believe that if the CIA was in a position to release all of the information uncovered during that period, critics of the CIA might change their minds. But, of course, the CIA is handicapped by the need to protect its agents and to maintain its secrecy. Otherwise, it would destroy itself, weaken and jeopardize its secret contacts abroad, and seriously damage the morale of its own personnel. What this suggests to me, Mr. Speaker, is that anyone can take pot shots at the CIA without much fear that it can retaliate because of the sensitive nature of its mission.

My major concern about the Rockefeller Commission report, Mr. Speaker, stems from allegations that the CIA assisted agents in other countries in plotting political assassinations. In particular, the efforts of Cuban nationals to murder Fidel Castro, and the assassination of Dominican Dictator Rafael Trujillo.

Frankly, Mr. Speaker, we cannot support that kind of action or condone political assassinations of political leaders whose nations are not at war with the United States. It would intensify political suspicions, military confrontations, and the possibilities of global warfare under the mistaken impression that an unfriendly political leader in another nation was murdered by CIA agents. Moreover, it would invite reprisals against our own leaders and ambassadors in foreign countries.

But we must await the outcome of the Senate inquiry before reaching any conclusions on this score. And whatever the outcome of the Senate investigation, Mr. Speaker, we need to keep in mind that the CIA is more essential to the security of the United States than ever before. We need to improve CIA operations abroad and restore morale that has been bruised under constant hammering by critics at home.

There is a great deal of evidence, Mr. Speaker, that nuclear technology for producing plutonium is proceeding so fast that there already has been a serious weakening of international controls. A few pounds of reprocessed plutonium would be enough to make several small atomic devices. The technology is widely known by engineers and scientists, and it can be put to use by extremist groups or radical political leaders virtually anywhere in the world.

The CIA's mission in a nuclear age should be to prevent just such a calamity from happening. This requires that the CIA have the confidence of the Congress and the American people to work secretly with friendly political groups and leaders abroad. These activities would comply with the policies that the U.S. State Department has openly pursued through diplomatic and economic channels.

It is the job of the administration and the Congress to keep a firm check on the CIA and to prevent it from indulging in domestic surveillance. The CIA must work within the boundaries of democratic institutions or else it will lose the support of the American people and the Congress.

This is not, however, the time to strip the CIA of its authority or to undermine its morale. Soviet and Communist influence and military power are on the rise all over the world. Portugal is coming under a Communist government. Spain and Italy are threatened. The southern anchor of NATO is adrift because of the Greek-Turkish dispute over Cyprus. Arab extremists in Lebanon and elsewhere in the Mideast are being heavily rearmed for another war that could cripple U.S. oil supplies and the European economy.

Mr. Speaker, I cannot think of a worse time for the United States to be mothballing the CIA operations or sharply limiting its secret operations abroad. America's security depends on the skills of this vital agency.

Thank you, Mr. Speaker.

MEL LAIRD CALLS FOR A CAREFUL REAPPRAISAL OF "DÉTENTE"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, during the past 6 years the United States has pursued, quite honestly I believe, a policy of détente with respect to its relations with the Soviet Union. That policy is intended to bring about a relaxation of tensions between those two superpowers, something we all support.

We shall only pursue détente, provided that it is pursued from proper premises. It requires balance in the "give and take" which permeates relations between the two countries and their surrogates. It requires a commitment to action and deeds, not simply to easy words and rhetoric. It requires us—as spokesmen for free peoples—to never lose sight of the human values embodied in our heritage, to never accept the pragmatic expediences of the moment as paramount to basic principles.

It has been now nearly two Presidential terms in which this policy has been in effect. It is not unreasonable to ask—in our own national interest—for an evaluation of this policy. It would be beneficial to the Nation, the Congress, and the administration. And, to be truly impartial, that evaluation should be done outside the line and staff structure responsible for implementation of the policy.

What détente is—and what it is not—have been spelled out by the Department of State in a number of instances, but several paragraphs from a Department publication, "The Meaning of Détente," of June 1974, are worth noting:

> However the dimensions of detente are perceived, both sides, it seems, agree that detente is necessary because of the danger posed by the accumulation of nuclear weapons: that detente is necessary not because we do not have opposing interests in many parts of the world or because our systems are not totally different—but precisely because these conditions do prevail: and that while occasional conflicts of interest will occur, detente makes possible a more rapid settlement and insures a certain restraint. And finally, both sides seem to agree that detente is necessary because there simply is not other rational alternative.
>
> Any appraisal of detente must frankly acknowledge from the outset that fundamental differences exist between us and that we and the Soviets remain adversaries in many ways and in many places. But, at the same time, the present improvement in relations appears to be judged by each side to serve its own national interests, thus providing an incentive for both countries to try to minimize and restrain the consequences of their differences, to persevere in the difficult process of negotiations and to avoid any deliberate return to hostility and confortation.
>
> Our objective in the years ahead is to make the process of improving U.S.-Soviet relations irreversible.

It is against that background—of what détente is supposed to be—that our distinguished former colleague from Wisconsin and our Nation's former Secretary of Defense, Melvin R. Laird, has authored an informative analysis of the Soviet Union's commitment to détente. He has found that commitment, in the main, to be one of words, not of substance. The conclusion of many—that détente is for the Soviets a different strategy for accomplishing the same fundamental objectives—is supported by some of his findings.

As the Secretary points out, all over the world, the Soviet Union is callously and consistently ignoring agreements with the United States that were designed to reduce tensions.

His scorecard tells much of the story:

The U.S.S.R. has violated agreements to limit strategic weapons.

The Soviet Union actively assisted North Vietnam in making a shamble of the Paris peace accords and overruning South Vietnam.

The Soviet Union has reneged on its promise to guarantee unimpeded civilian access to West Berlin.

The Soviet Union is abetting terrorism and guerrilla warfare in the Middle East.

In Portugal, the Soviet Union is sponsoring a massive campaign to impose a communist regime subservient to the Kremlin.

The Soviet Union has engaged in a relentless effort to attain military supremacy.

Secretary Laird deals with these conclusions in more detail, as follows from the Reader's Digest of July:

Is This Détente?

(By Melvin R. Laird)

Over the past several years, the United States has made major concessions and numerous gestures of goodwill to induce the Soviet Union to help defuse world powder kegs that could explode into war. We still hope that such efforts will eventually succeed. Certainly, everyone hopes to avoid renewal of Cold War confrontations. But it would be dangerously foolish to confuse hope with reality. Therefore, I am now persuaded that the American people ought to be told some unpleasant facts about the true status of détente, so that they can intelligently judge the Kremlin's current intentions.

The facts are that, in recent months, the U.S.S.R.—secretly and openly—has repeatedly committed deliberate acts that mock détente and threaten the free world. Let's look at six deeply troubling actions:

1. The U.S.S.R. has violated agreements to limit stratgic weapons.

On May 26, 1972, the United States and the Soviet Union concluded two important arms agreements. One treaty strictly limits both countries in their future development of anti-ballistic-missile systems. A vital component of any such system is powerful, sophisticated radar that tracks incoming missiles. Article VI of that treaty explicitly forbids testing any radar for ABM use. Yet our government now possesses evidence that the Russians have conducted radar tests specifically forbidden by the treaty. The Russians have not disputed our intelligence, but have insisted that the tests were for "safety or instrumentation" purposes only. The disingenuousness of this reply cannot conceal the fact that the Russians have cheated on the treaty and may be developing an ABM system that would endow them with a signficant strategic advantage.

The second accord limits the United States and the Soviet Union to approximately the same number of nuclear delivery systems. Critical to this SALT I agreement was the clear American understanding that neither side would appreciably increase the size of its intercontinental ballistic missiles—for larger missiles could carry more warheads and render the limitation on numbers meaningless. Now reconnaissance and other reliable sources have provided incontrovertible proof that the Soviets have cheated on this understanding. In some 50 silos, they have installed new missiles called the SS19, 50-percent bigger than most of their previous rockets. Deployed in large numbers, the SS19 will give the Soviet Union the capability to destroy our land-based missiles and bombers in a surprise attack. Six years ago, we and the Russians could deliver nuclear warheads of about the same destructive force. Today the Soviets can outfire us in destructive power by two-to-one.

2. The Soviet Union actively assisted North Vietnam in making a shambles of the Paris peace accords and overrunning South Vietnam.

At Paris in January 1973, the North Vietnamese pledged to respect South Vietnam's right to determine its own political future. They pledged not to send more troops and arms into South Vietnam. Both pledges were promptly broken. The Russians, by continuing to supply North Vietnam with offensive war materiel beyond prescribed limitations, played a direct role in the treaty's sabotage. (We sent less materiel to South Vietnam than the treaty allowed, and all of it was demonstrably for defense.)

After the ceasefire, the Russians and Chinese poured into North Vietnam aid conservatively valued at $2.5 billion. Among Soviet shipments: 115 modern tanks and armored vehicles, 300 tactical missiles, 1100 big military trucks. Such equipment was for one purpose only: renewed military attacks in violation of the Paris accords. And when the North's offensive began in the spring of 1974, Soviet tanks spearheaded it.

3. The Soviet Union has reneged on its promise to guarantee unimpeded civilian access to West Berlin.

Ever since the Cold War began with the Berlin blockade in 1948, the Russians have employed stratagem after stratagem to strangle West Berlin economically, isolate it politically and capture it for themselves. In June 1972, we signed a pact with the Russians to ease the situation there. With Britain and France, we agreed to allow the Russians to establish a consulate in West Berlin and, at about the same time, to support United Nations membership for East Germany. The Soviets in turn pledged to ensure that the flow of people and goods through East Germany to West Berlin would not be obstructed.

However, once the consulate opened and East Germany was in the U.N., the Russians broke their word. From July to October last year, the communists deliberately—and repeatedly—stalled cars and trucks en route through East Germany. The latest treaty notwithstanding, the Russians still seem to look upon West Berlin as a hostage.

4. The Soviet Union is abetting terrorism and guerrilla warfare in the Middle East.

In Syria, East Germany and the Soviet Union itself, communist agents are training hundreds of young Arabs in the techniques of terror. The Russians have supplied to Libya's dictator, Muammar el-Qaddafi, deadly SA-7 heat-seeking missiles that can home in on the jet engines of commercial airliners. Predictably, Qaddafi has turned these portable weapons over to terrorists, allowing some to be shipped in diplomatic pouches. In September 1973, Italian police captured five terrorists armed with SA-7s on an apartment balcony near Rome's airport, poised to shoot down a Boeing 747. But the attempts go on.

And Russia continues to sustain a little-noticed but sinister guerrilla war on the strategic Arabian peninsula. The immediate Soviet target is the Sultanate of Oman, perched on * * *.

Through this strait pass 17 million barrels of petroleum daily, bound for Japan and Western Europe. At camps maintained in neighboring South Yemen, Russians supervise guerrilla training of Omani tribesmen. Armed with Soviet weapons, the tribesmen raid the countryside—their avowed aim (despite almost total lack of support among the people of Oman) being to win a "war of national liberation" in support of Soviet policy. Such control would enable Russia to cut at will half of Western Europe's supply of oil and three fourths of Japan's.

5. In Portugal, the Soviet Union is sponsoring a massive campaign to impose a communist regime subservient to the Kremlin.

The strategic location of Portugal makes it a key member of NATO. In April 1974, a coup ousted Portugal's right-wing dictator, Marcello Caetano, and hope arose that the country might peacefully transform itself into a democracy. However, with the coup, the communists sprang out of hiding as the country's best-organized and richest political party, even though the recent advisory election indicated that they had the backing of only about 13 percent of the people. But they did have the backing of the Soviet Union, which, in the past 12 months, has clandestinely provided them with at least $40 million to pay party workers and hire street demonstrators to intimidate the opposition. With secret Soviet aid, the communist minority has federation and is exploiting the press to spread virulent anti-American propaganda. Opponents to communism are still being purged from key government and military posts, to be replaced by communists and their sympathizers.

Absorption of Portugal into the Soviet empire would expose Spain to subversion, cost NATO indispensable bases in the Azores, open up the Atlantic to Soviet submarines, and fundamentally alter the world balance of power.

6. The Soviet Union has engaged in a relentless effort to attain military supremacy.

In the last six years, the United States has reduced its armed forces by 1.4 million men and women, cut the Army in half and lowered the number of Navy combat ships to the level of the year 1939. In constant dollars, we have slashed our military spending by 34 percent. This year, the defense budget will consume only 5.8 percent of the gross national product—the smallest percentage since 1950.

Yet our disarmament overtures have brought an *increase* in Soviet military allocations. Although the Russian economy has less than half our productive capacity, the Soviets are currently outspending us by 20 to 25 percent in every significant defense category. Their 4.2 million troops now outnumber our forces by more than two-to-one.

Meanwhile, we have granted the Russians long-term unsecured loans at interest rates below what the American home buyer, farmer businessman or government must pay. And the Soviets continue to seek further credit, technology and other help from us. This adds up to a situation in which we subsidize the U.S.S.R.'s faltering civilian economy so that it can afford to mount an enormous arms buildup. For example, American engineers and money help construct in Russia the world's largest truck factory—and the Kremlin ships trucks to North Vietnam to help crush South Vietnam.

Clearly, we must shed any lingering illusions we may have that détente means the Russians have abandoned their determination to undermine Western democracy and impose their system upon the world. We must communicate to the Russians that the only alternative to *mutual* arms reduction is an American rearmament that would doom them to permanent military inferiority. We must show them that we will no longer tolerate the use of détente as a Russian one-way street.

To Secretary Laird's observations can be added these—as a result of Soviet actions during this period of détente:

The loss of Cambodia;

SEATO in disarray and NATO rendered potentially ineffective;

The erosion of the longstanding Philippine alliance with the United States to the degree the future of our air and naval bases is now in question;

The possibility of North Korean aggression against the South;

The growing Soviet hegemony in the Middle East—assuring them tighter control over the oil resources the Western economies need;

The MIRVing of Soviet missile warheads;

The very strong election showing of the Communists in Italy and their quickly growing power in other Western democracies;

An intensification of covert, KGB operations around the globe;

The severely tightening up of Soviet emigration laws—further restricting the ability of minorities—especially Jews, and Christians as well—to emigrate from the Soviet Union; and,

The virtually complete exploitation of the United Nations and its agencies as anti-American, anti-Western instruments of their foreign policy.

Each of these can be documented.

One comes close to concluding that détente has meant—above all else—an American abandonment of any resolve to contest Soviet advances. It is almost as if we have abandoned the field, leaving it to the Soviets by default.

And, the expected direction of U.S. foreign policy toward the Soviet Union reflects little awareness of its failure to date.

Listen to the words of Alexandr Solzhenitsyn, whose personal courage ought to be an inspiration to all of us, as he addressed the AFL–CIO here in Washington on June 30:

> So what are we to conclude from that? Is detente needed or not? Not only is it needed, it's as necessary as air. It's the only way of saving the earth—instead of a world war to have detente, but a true detente, and if it has already been ruined by the bad word which we use for it—"Detente"—we should find another word for it.
>
> I would say that there are very few, only three, main characteristics of such a true detente:
>
> In the first place, there would be disarmament—not only disarmament from the use of war but also from the use of violence. We must stop using not only the sort of arms which are used to destroy one's neighbors but the sort of arms which are used to oppress one's fellow countrymen. It is not detente if we here with you today can spend our time agreeably while over there people are groaning and dying and in psychiatric hospitals. Doctors are making their evening rounds for the third time injecting people with drugs which destroy their brain cells.
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> The second sign of detente, I would say, is the following: That it be not one based on smiles, not on verbal concessions, but it has to be based on a firm foundation. You know the words from the Bible: "Build not on sand, but on rock." There has to be a guarantee that this will not be broken overnight, and for this the other side—the other party to the agreement—must have its acts subject to public opinion, to the press. and to a freely elected parliament. And until such control exists there is absolutely no guarantee.
>
> The third simple condition—what sort of detente is it when they employ the sort of inhumane propaganda which is proudly called in the Soviet Union "ideological warfare"? Let us not have that. If we're going to be friends let's be friends, if we're going to have detente then let's have detente, and an end to ideological warfare.

It is time a realistic evaluation of détente be made.

WHAT IS THIS "DÉTENTE"?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. Symms) is recognized for 5 minutes.

Mr. SYMMS. Mr. Speaker, we are all aware of the recent maneuvers by the Chief Executive to avoid meeting freedom fighter Alexandr Solzhenitsyn. The snubbing of this 20th century hero was, we are informed, necessary to preserve our détente with the Soviet Union.

What is this "détente"? What does it mean? What value could it possibly have that would justify such a horrendous insult to such a truly great man?

Americans are told that détente represents friendship, understanding, and cooperation between nations. It will bring about open communication and a "generation of peace," the experts keep saying. But to the millions of oppressed people in the captive nations, the term "détente" has a much different ring. To them, it translates into dashed hopes and dismal futures. It signals that the great standard bearer of human freedom—the United States—is hoisting the banner "Don't Depend on Me" where "Don't Tread on Me" once flew.

Mr. Speaker, if this be "détente," then I want no part of it. I love my country too much and cherish my freedom too dearly to wallow in the rhetorical muck of diplomatic sellout and surrender. If this administration wishes to deal with our ideological enemies in a manner which debases and degrades every principle this Nation has stood for, it will do so without my support. If it intends to pursue a foreign policy which kisses the hand of tyranny and crushes the hopes and dreams of people everywhere who yearn to be free, I will fight these policies at every turn. I cannot look the other way, and chalk it up to "détente."

They call it "peaceful coexistence," this détente, but it is a bastardly kind of peace at best, strewn with the rubble of repressed freedom and the wreckage of ruined lives. It requires us to abandon our friends, our principles, and ultimately, the very essence of what America is supposed to be. When the great Alexandr Solzhenitsyn was turned away by the White House, we walked another step down that ugly road. It will mar our national conscience for many a day. It is my hope the President's unfortunate mistake will be recognized for what it is, and will help to rekindle the spirit of Americanism in all of us. Perhaps then we can stop calling surrender "détente" and begin to shape a foreign policy which befits a free people and a free Nation.

The following is a letter which I sent to the President regarding the Solzhenitsyn affair:

Congress of the United States,
Washington, D.C., July 10, 1975.

Hon. Gerald Ford,
President of the United States, The White House, Washington, D.C.

Dear Mr. President: An item in the Washington Post on July 4th makes a mockery of this nation's birthday celebration. It was announced on that date that on the advice of Secretary of State Henry Kissinger, you cancelled an appointment to meet the Nobel prizewinning novelist Alexandr Solzhenitsyn on the grounds that "it could damage détente with the Soviet Union".

Mr. President, with all respect to you, I must say that I am deeply offended and disheartened by this news. Solzhenitsyn has risked greater personal danger than you or I will ever be called upon to face in the defense of freedom. What you and I have talked about in endless political speeches—namely our commitment to liberty and individual responsibility—he has spoken about in the face of the most tyrannical political system in existence. He did so bravely, in the knowledge that death holds less fear for free men than slavery.

I cannot understand your decision, nor do I understand Secretary Kissinger's concern about detente. Certainly, Brezhnev had no fears of damaging detente with America when he extended full State courtesies to Angela Davis during her recent visit to the Soviet Union. Is detente so one-sided that the United States treads in fear of Russian disapproval? Is this detente—or is this submission of our sovereignty and basic courtesy.

This nation has insulted one of the greatest men of our time. I know of no way this insult can now be erased. But I cannot in good conscience allow Mr. Solzhenitsyn to continue believing that not one of us is ashamed over this incidence of American hypocrisy.

Yours for a free society,
Respectfully.
STEVE SYMMS, *Member of Congress.*

BACK-TO-THE-SOIL: PART THREE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to take this opportunity to advise my colleagues of the extent to which community gardens are mushrooming across this country. All over America people are rediscovering the benefits and pleasures of the soil. They are turning sites, formerly considered only suitable for neon-flashing hamburger stands, into lush burgeoning vegetable gardens. Plump, juicy tomatoes and succulent cucumbers are nestled in among fat cabbages; all under the careful direction and devoted care of community gardeners. The benefit derived from their toil is obvious and abundant. Other benefits are being derived from community gardening that are less visible, but certainly real, and certainly important. Senior citizens are teaching their grandchildren the wonderful, magical secrets of nature in bloom. City youths, hardened by their concrete surroundings, are learning a softer side of life where tenderness and gentle care produce accomplishments not known before. A new appreciation for life grows side-by-side with summer days and seedlings.

Mr. Speaker, these are the things which deserve Government's full support. The State of Pennsylvania was quick to recognize the outstanding benefits derived through community gardening. At the beginning of this year, Pennsylvania initiated an anti-inflation garden program. As the following articles—from the Pennsylvania Department of Agriculture's Weekly News Bulletin—demonstrate, the response from the people of that State has been tremendous.

Upon viewing the outstanding success of the Pennsylvania program, I was determined to get my own State involved in community gardening. The Commonwealth of Massachusetts has a long tradition of leading the way for America, and I was not about to see that tradition jeopardized. I arranged a meeting with our fine Governor, Michael Dukakis, who is himself a devoted gardener. I take great pride, in fact, that Massachusetts has the only Governor who can promptly answer telephone inquiries from home gardeners on the appropriate time to plant, the best soil combinations, and proper watering procedures. The following article from the Quincy Patriot Ledger describes the gracious and enthusiastic manner with which Governor Dukakis received my recommendations:

ANTI-INFLATION GARDEN PROGRAM GROWING

The Anti-inflation Garden Program, recently announced by Gov. Milton J. Shapp as a means of encouraging people to trim their food costs, began to take shape last week with four meetings held throughout the Commonwealth, it was announced by Pennsylvania Agriculture Secretary Jim McHale.

The Anti-inflation Garden Program, which is being coordinated by the Department of Agriculture in cooperation with the Departments of Education, Community Affairs and Welfare, is aimed at encouraging citizens to grow their own garden plots.

According to the governor, the program involves helping new gardeners by providing educational materials, making state-owned land in some areas available for gardens, making seeds available at reduced prices, and encouraging local groups to develop programs to suit their own needs.

While the Pennsylvania Agriculture Department coordinates the program among the different communities, the Pennsylvania State Extension Service will help provide gardening expertise in every county.

The four statewide meetings were held in Warrendale, Harrisburg, Allentown and Philadelphia.

Bill Manning, a lecturer and researcher of natural gardening and farming was the key speaker at the Philadelphia meeting.

Manning, author of Easy Gardening, currently is working with the Career Development Center in Detroit where he is instructing people on how to use vacant lots, yards, small outdoor areas and even indoor trays to produce foods without using chemically concentrated fertilizers or insecticides.

The Anti-inflation Garden Program has its roots in a project conducted last year in Indiana County by the Agriculture Department in cooperation with the Department of Public Welfare, County Extension Service and the Community Action Agency.

In that project, 500 low-income residents and senior citizens received free plants and seeds on a "first-come, first-served" basis. The success of this project spurred the concept of a statewide program.

The Anti-inflation Garden Program received added impetus at the 59th annual Farm Show last week (Jan. 6–10) with a display in the main exhibit hall.

STATE LAND AVAILABLE FOR ANTI-INFLATION GARDENS

About 125 acres of state-owned land has been made available for low-income people to participate in Gov. Milton J. Shapp's Anti-inflation Garden Program, it was announced by Pennsylvania Agriculture Secretary Jim McHale.

McHale explained that the Department of Welfare, one of several agencies involved in the program with the Department of Agriculture, has made up to 5 acres available at each of its 25 institutions located throughout the state.

The state, said McHale, will plow and prepare the land for prospective vegetable gardeners who will then be assigned 30′ by 30′ plots. These plots will be assigned on a first-come, first-served basis.

* * * * *

The Anti-inflation Garden Program, announced in December by Gov. Shapp, is an effort to encourage citizens to grow their own garden plots.

ANTI-INFLATION GARDENS EXPAND

The Pennsylvania Department of Agriculture is now receiving orders for seed packets as the Anti-inflation Garden Program begins to get off the ground, it was announced by Agriculture Secretary Jim McHale.

"The initial response to the program has been tremendous," said McHale. "Our Bureau of Rural Affairs this past week has been averaging several hundred requests per day for seeds and general gardening information."

The Anti-inflation Garden Program, announced last month by Gov. Milton J. Shapp, is an effort to encourage citizens to grow their own garden plots. Some state land is being made available to low-income people, many of whom have not had the benefit of a fresh vegetable diet in years.

The Department of Agriculture is coordinating the program in cooperation with the Departments of Education, Community Affairs and Welfare. In addition, the Pennsylvania State Extension Service will help to provide gardening and canning expertise in every county.

McHale explained that the Agriculture Department is working with local organizations throughout the state to promote the program.

"We are asking these organizations to take bulk orders for seeds and forward them to our Bureau of Rural Affairs," said McHale. "We then record the orders and send them on to a seed company to fill the orders and do the billing."

Seeds are being sold in family packets of ten varieties at about 59 cents per packet plus shipping charges. "All billing will be handled by the seed company—Asgrow Mandeville of Cambridge, N.Y.," said McHale. "No money will be handled by my department."

McHale said his department is encouraging individuals to order seeds through local organizations so they can be filled in bulk units of 150 family packets. This is why the seed packets can be sold at reduced prices. The ten seed varieties include, lettuce, beets, green beans, peas, radishes, turnips, squash, cucumbers, corn and spinach.

For low-income people without access to land of their own, the Department of Welfare plans to make available up to 5 acres at 25 institutions spread throughout the state. In addition, local municipalities, churches and civic groups are being encouraged to provide further land.

ANTI-INFLATION GARDENS SHOW TREMENDOUS RESPONSE

At least 165,000 Pennsylvania families will be eating fresh vegetables planted by their own hands.

That is the number of family packets of ten seed varieties that have been mailed out so far, according to Pennsylvania Agriculture Secretary Jim McHale.

"The response to Gov. Milton Shapp's Anti-Inflation Garden program has been tremendous," said McHale. People are obviously concerned about the quality and price of food these days."

McHale said to date 327 organizations have been sent a total of 165,000 family seed packets. The ten varieties in each seed packet include, lettuce, beets, green beans, peas, radishes, turnips, squash, cucumbers, corn and spinach.

The Agriculture Department is handling seed orders for Asgrow Mandeville of Cambridge, N.Y. The seed company will do its own billing.

As part of the Governor's Anti-Inflation Garden program, the Department of Welfare has made about 125 acres of land available at the various institutions throughout the Commonwealth. The ground is currently being plowed for planting.

McHale disclosed that 2,313 requests have been submitted to use the state institutions' acreage for gardens. He said letters assigning use of the land have been mailed and that no more requests can be accepted.

Dukakis Backs Burke Plan for Free Seeds to Public

Boston.—Gov. Michael Dukakis yesterday expressed strong support for The Bicentennial Seed Bill which has been sponsored by U.S. Rep. James A. Burke, D-Milton.

In an hour long meeting at the State House yesterday between Gov. Dukakis, Rep. Burke, Lt. Gov. Tom O'Neill and Secretary of Environmental Affairs Evelyn Murphy, Dukakis told Burke he would do what he could to work for passage of the legislation.

If passed, the Bicentennial Seed Bill would require the Department of Agriculture to provide free vegetable seeds to persons requesting them, beginning next year. Dukakis, an enthusiastic gardner, told Burke if the bill is passed "You know who'll be first in line."

Rep. Burke yesterday supported Gov. Dukakis' idea of opening up state-owned lands for small plot gardening, and also agreed there was a need for a public education program so people would be made aware of land availability.

Rep. Burke and Lt. Gov. O'Neill plan to look into the possibility of getting federal funds from the federal Bureau of Outdoor Recreation for the small plot gardening program.

A spokesman for Gov. Dukakis said the governor would instruct his cabinet secretaries today to consult with their departments and come up with a list of available state land for the small plot gardening program. The spokesman said this year the program would be a pilot program possibly involving 6 to 12 gardens around the state, but next year the program would be "full blown."

Finally, Mr. Speaker, I take pride in drawing my colleagues' attention to the truly commendable program which Massachusetts has developed under the direction of Governor Dukakis. I particularly want to point out that Massachusetts has identified over 6,500 acres of land suitable for community gardening, and that it has done so without costing the taxpayer 1 cent. Now that is what I call leading the Nation. The following article from the Christian Science Monitor details the outstanding efforts of my State:

State Land for Gardens, Farms

(By Colin Stewart)

Behold the ideal Dukakis-era state bureaucracy: the Division of Agricultural Land Use.

It spends no money, because it has no money to spend. But it does its job, which is to make vacant state land available for gardening and farming.

Gov. Michael S. Dukakis has called for a pilot program of gardening on state land, and the Division of Agricultural Land Use is racing against time, and cutting through paperwork, to make land available this spring to farmers and gardeners.

The division, which is in the state Department of Agriculture, is headed by acting director Warren Shepard, who was temporarily plucked from the Division of Plant Pest Control. Plant pests will not be troublesome again until June, he explains, and then he may be back at his former post.

He says he hopes the division will get permanent staff in the budget for the next fiscal year, despite the Governor's plans to cut agency budgets by 10 percent.

The division's staff consists only of white-haired Warren Colby, who works full time under the auspices of a program of the Office of Elder Affairs, but is paid just his transportation costs.

With the help of a citizens advisory committee, Mr. Colby and Mr. Shepard have drawn up regulations for use of state land, and have begun negotiations with state agencies. Mr. Shepard says that agencies have listed about 6,500 acres of their land as farmlands. Just half of that in production this year would be a sizable achievement, he says.

Two sets of regulations, for community gardens and for long-term farming, were presented by the division at a recent public hearing. Community gardens, under the regulations, would be cultivated by "gardening groups," each with its own experienced gardening supervisor. Each group would submit to the division its plans for a garden's "plots, paths, access, etc.," and would agree to keep its garden "free of mature weeds."

Priority in assigning land for gardens would go to the elderly, to low-income families, and to children aged 7 through 16.

LEGISLATION TO AMEND NOISE CONTROL ACT OF 1972 AND FEDERAL AVIATION ACT OF 1958

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Wolff) is recognized for 15 minutes.

Mr. WOLFF. Mr. Speaker, it is my privilege today to introduce a pair of bills which, if passed, should in just 1 year change the face of commercial aviation in our country for the better. At the moment, our airlines, our airport operators, and our aircraft manufacturers operate the most successful passenger aircraft service—both in terms of equipment and numbers served—in the world. We can all be justly proud of the dominance of the American commercial aviation community.

But, Mr. Speaker, I need hardly add that this magnificent record of accomplishment has increasingly become blemished, and has increasingly come under the justifiable condemnation of millions of Americans, and many in this House, because of a single, vital, issue—the problem of aircraft noise.

With success has come growth, and with growth has come a situation where the areas around even medium-sized American airports are practically unlivable because of aircraft noise. This is not simplistic rhetoric, as we in this House know. The National Environmental Policy Act, and the Noise Control Act, have clearly shown Congress foresight in attempting to head off the proven medical and psychological ill effects of noise, be it aircraft, or jackhammer.

We have recognized the problem of noise pollution to merit Federal attention, just as we have recognized that all matters of pollution are of vital interest to the welfare of our citizens. That is why we created the Environmental Protection Agency, which has valiantly over the years attempted to aid our industries and our communities in cutting down noise and physical pollution.

Significant in its failure to adequately address the problem of noise is the aircraft industry, however. Despite individual success in cutting down, such as that represented by the Lockheed 10–11 passenger jet, for example, the fact is that the oil crunch places even more pressure on the airline industry to cling to older, and far noisier aircraft to remain economically viable in the face of rising costs.

If we in this House have learned anything in recent years regarding environmental and health legislation, it is that concern will not be translated into action unless there is strong leadership—including regulation—at the Federal level. It is this crucial area which is lacking in the aircraft community, and to which I am addressing myself today.

While I do not fault the basic integrity of the FAA, and wish to make it clear today that I am not aiming my legislation at the FAA, it has become clear that for a variety of reasons, the FAA is unable to focus adequately on the problem of aircraft noise. By this I mean that despite occasional publication of proposed guidelines, we today are still faced with a situation where absolutely no meaningful relief from the ill effects of aircraft noise is in sight.

Right now, more than $30 million in aircraft-noise damage suits are plaguing our Nation's airport operators. If we wait until 1979, when certain noise-abatement techniques are supposed to take effect, this $30-plus million will undoubtedly have grown to even more staggering, and potentially crippling, amounts.

Accordingly, I am introducing a pair of bills which should, within 1 year of enactment, help the FAA live up to its responsibilities, and help the airline industry take the steps necessary to avoid the moral and legal penalties which presently threaten to bury it.

The first bill will take the FAA off the hook on the question of aircraft noise by removing statutory authority for aircraft noise from the FAA and transferring it to the Environmental Protection Agency, where, of course, it has belonged all along. The Congress, in establishing the EPA, clearly intended EPA to have overall authority in all areas of pollution, with other Federal agencies retaining the appropriate technical and specific rulemaking capacity only insofar as the Congress mandate that pollution be brought under control is not circumvented by industry pressure.

Specifically, those of us in this House in 1972 may recall that aircraft noise-control authority was originally slated to fall directly under EPA's mandate, but in the final authorization bill, that power was left out.

While recognizing the FAA's technical resources and expertise, my legislation returns to EPA the final say on what aircraft noise standards will be, and how they will be enforced. The bill, which I will submit to the Record for your study at the conclusion of my remarks, sets a specific timetable for the issuance and implementation of aircraft noise-control standards.

To summarize, my legislation would give EPA 6 months to devise specific recommendations and regulations on aircraft noise. The FAA would then have 3 months to study and respond to EPA's directives, and a final 3 months to implement the EPA directives. If at the end of 1 year the FAA has not complied, the EPA would have statutory authority to issue rules binding on the aircraft industry.

This bill by itself will not solve the problem of aircraft noise, of course, as we all recognize that improvements cost money. And, Mr. Speaker, all of us in this House are only too aware of the effects of rising gasoline costs for all areas of society, particularly the transportation industry. I know that some airlines have been hit with 40- to 60-percent increases in operating costs due to the Arabs' ill-advised attempts to capitalize on the West's fuel supply situation.

My second bill, therefore, would provide Federal recognition of costs and specific Federal relief to the aircraft industry so that aircraft noise can be successfully combated in fact—and not just in regulation—by 1980.

At the moment there is a great debate within the industry on whether to pursue the noise abatement techniques of "retrofitting", which involves installation of noise suppression devices, or the far more costly "re-fan" method. Even the more economical and more easily implemented retrofit process is estimated to involve some $750 million if the 2,000-plus aircraft of the present American commercial aviation fleet were to be fully covered.

Mr. Speaker, because of the increasing costs of all aspects of the airline industry, and because of the increasing intolerability of the problems of aircraft noise, I would respectfully suggest that the time for debate has passed, and add that we must immediately move to adopt the most economical aircraft noise abatement technique available in order to provide the quickest and most effective relief.

Accordingly, the second bill I am introducing today provides a program of Federal assistance for the installation of noise suppression devices through the method known as retrofitting. Specifically, my bill authorizes $750 million over a 5-year period for assistance to aircarriers in these installations.

Coupled with my first bill, transferring noise authority from the FAA to the EPA, we must recognize that by making noise-suppression mandatory, we must assume our fair share of the cost in the name of the public health and welfare of our Nation.

My second bill would give the airline industry 5 years—boosted by this massive infusion of Federal aid—to complete the retrofit process on the 2,000-plus aircraft presently in need of noise abatement technology. I should add that the Aviation Advisory Commission has studied the retrofit process, and concluded that its benefits "will be quite substantial." Further, the EPA has confirmed that no more than 5 years should be necessary to complete the retrofit process.

Acting on this EPA estimate, my bill would make it unlawful for any carrier to operate the older, noiser, aircraft—principally Boeing 707's, 727's, and 737's, the Douglas DC 8's and 9's, and the British Aircraft 111's—after that 5-year period.

I should add that the EPA and the FAA have already cooperated in making noise suppression mandatory in new aircraft as of 1979. But, as I mentioned at the beginning of my remarks today, we cannot wait until 1979 before we even begin to tackle an issue which so clearly affects the health and welfare of our Nation. And, Mr. Speaker, I think we can safely assume that whatever industry resistence which has prompted the delays to date should evaporate in light of the offered help.

My legislation represents—both literally and figuratively—a good deal for the aircraft community as a whole, and I hope they will join with me in urging favorable consideration of my bills by Congress, and swift approval by the President. I think we all agree that the time to move strongly on the issue of aircraft noise is long past, and that positive action is what is needed—not further delay.

Thank you Mr. Speaker, I now submit copies of my bills for the Record, and formally introduce them for the consideration of the House.

H.R. —

A bill to amend the Noise Control Act of 1972 and the Federal Aviation Act of 1958 to provide that the Administrator of the Environmental Protection Agency shall prescribe standards for the control and abatement of aircraft noise and sonic boom

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7(b) of the Noise Control Act of 1972 is amended to read as follows:

"(b) (1) For purposes of this subsection:

"(A) The term 'FAA' means Administrator of the Federal Aviation Administration.

"(B) The term 'EPA' means the Administrator of the Environmental Protection Agency.

"(2) In order to afford present and future relief and protection to the public health and welfare from aircraft noise and sonic boom, the EPA, after consultation with the Secretary of Transportation and with FAA, shall prescribe standards for the measurement of aircraft noise and sonic boom and shall prescribe and amend such regulations as the EPA may find necessary to provide for the control and abatement of aircraft noise and sonic boom.

"(3) The EPA shall publish proposed regulations to provide such control and abatement of aircraft noise and sonic boom as EPA determines is necessary to protect the public health and welfare. Within ninety days after such publication and submission, and subject to the provisions of section 16 of this Act, the EPA shall promulgate final regulations, after consultation with the Secretary of Transportation and with FAA, and shall submit such final regulations to FAA. Such regulations may be revised by EPA, from time to time, in accordance with this paragraph.

"(4) In prescribing and amending standards and regulations under this subsection, the EPA shall—

"(A) consider relevant available data relating to aircraft noise and sonic boom, including the results of research, development, testing, and evaluation activities conducted pursuant to the Federal Aviation Act of 1958 and the Department of Transportation Act;

"(B) consult with such Federal, State, and interstate agencies as he deems appropriate;

"(C) consider whether any proposed standard or regulation is consistent with the highest degree of safety in air commerce or air transportation in the public interest;

"(D) consider whether any proposed standard or regulation is economically reasonable, technologically practicable, and appropriate for the particular type of aircraft, aircraft engine, appliance, or certificate to which it will apply; and

"(E) consider the extent to which such standard or regulation will contribute to carrying out the purposes of this section."

(b) (1) Section 611(b) of the Federal Aviation Act of 1958 is amended to read as follows:

"(b) (1) The FAA shall, after consultation with the EPA, and within ninety days after the promulgation (and submission to the FAA) by the EPA of final regulations under section 7(b) (3) of the Noise Control Act of 1972, promulgate regulations to insure compliance with all standards and regulations promulgated by the EPA under section 7(b) of the Noise Control Act of 1972, and shall carry out such regulations through the use of his powers and duties in the issuance, amendment, modification, suspension, or revocation of any certificate authorized by this title. Regulations under this subsection shall be subject to the provisions of sections 10, 11, 12, and 16 of the Noise Control Act of 1972. No exemption with respect to any standard or regulation promulgated by the EPA under section 7(b) of the Noise Control Act of 1972 may be made under any provision of this Act unless the FAA shall have consulted with, and obtained the prior approval of, EPA before such exemption is made. No exemption with respect to any regulations promulgated by the FAA under the first sentence of this paragraph may be made under any provision of this Act unless the FAA shall have consulted with EPA before such exemption is made.

"(2) The FAA shall not issue an original type certificate under section 603(a) of this Act for any aircraft for which substantial noise abatement can be achieved by prescribing standards and regulations in accordance with section 7 of the Noise Control Act of 1972, unless the EPA shall have prescribed standards and regulations in accordance with such section which apply to such aircraft and which protect the public from aircraft noise and sonic boom, consistent with the considerations listed in section 7(b) (4) of the Noise Control Act of 1972."

(2) The first sentence of section 611(c) (1) of such Act is amended by striking out "(including control and abatement" and the second parenthesis.

(c) The last sentence of section 4(c) (2) of the Noise Control Act of 1972 is amended by inserting "section 7 of this Act and" after "Administration,", and by striking out "(as amended by section 7 of this Act)".

(d) Section 10(a) (6) of the Noise Control Act of 1972 is amended by inserting "7," before "13(a), 17, or 18".

(e) Section 12(f) of the Noise Control Act of 1972 is amended by inserting "7," before "17".

(f) Section 16(a) of the Noise Control Act of 1972 is amended by inserting "7," after "6,".

(g) The initial regulations required to be published (and submitted to the FAA) by the

Administrator of the Environmental Protection Agency under the amendment made by subsection (a) shall be so published and submitted by such Administrator within six months after the date of enactment of this Act.

H.R.—

A bill to provide for a program of Federal financial assistance for the installation of noise suppression devices of aircraft to suppress aircraft noise pollution

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, as used in this Act—

(1) the term "air carrier" means an air carrier certificated by the Civil Aeronautics Board under section 401 of the Federal Aviation Act, 1958, to engage in air transportation; and

(2) the term "Secretary" means the Secretary of Transportation.

SEC. 2. (a) The Secretary shall apportion amounts appropriated under this Act to each air carrier operating aircraft which the Secretary determines are—

(1) aircraft in need of noise-suppression devices to suppress aircraft noise pollution, and

(2) aircraft for which the installation of such devices will result in suppression of aircraft noise pollution.

The apportionment to each air carrier under the preceding sentence shall be an amount which bears the same ratio to the amounts appropriated as the number of aircraft determined by the Secretary to be aircraft described in clauses (1) and (2) of the preceding sentence operated by such air carrier bears to the total number of such aircraft operated by all such air carriers.

(b) Of the amount apportioned to each air carrier under subsection (a) of this section, 80 per centum shall be loaned to such air carrier at a rate of interest negotiated annually between the Secretary and the air carrier. No such loan, including any renewal or extension thereof, shall extend for a period of more than twenty years from the date of such loan. Loans under this section shall be made solely for the purpose of installing noise-suppression devices on aircraft determined by the Secretary to be aircraft described in clauses (1) and (2) of the first sentence of subsection (a). Any such loan may be terminated if the Secretary, after notice and hearing, determines that the air carrier has not demonstrated progress with respect to the installation of such devices.

(c) Of the amount apportioned to each air carrier under subsection (a) of this section, 20 per centum shall be granted to the air carrier solely for the purpose of installing noise-suppression devices on aircraft determined by the Secretary to be aircraft described in clauses (1) and (2) of the first sentence of subsection (a).

SEC. 3. There is authorized to be appropriated $750,000,000 to carry out the purposes of this Act. Sums appropriated under this section are authorized to remain available until expended.

SEC. 4. (a) Beginning on the expiration of the five-year period beginning on the date of enactment of this Act, it shall be unlawful for any air carrier to operate an aircraft determined by the Secretary to be an aircraft described in clauses (1) and (2) of section 2(a) in air transportation which has not had a noise-suppression device installed.

(b) Whoever violates the provisions of subsection (a) of this section shall be subject to a civil penalty of not to exceed $1,000. If such violation is a continuing violation, each day of such violation shall constitute a separate offense.

U.S. ARMS TO TURKEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD, the statements which my distinguished colleague, Mr. SARBANES of Maryland, and I made before the Committee on International Relations today, July 10, 1975, on legislation proposing a resumption of United States arms to Turkey.

The statements follow:

STATEMENT BY CONGRESSMAN JOHN BRADEMAS

Mr. Chairman and members of the Committee, I greatly appreciate the opportunity to appear before you today on the subject that has made this hearing necessary.

Although the immediate focus of the hearing is the matter of the furnishing of United States arms to Turkey, I believe that there are other extremely important issues involved as well, including United States policy toward Greece, a just settlement of the situation in Cyprus, the role of both Turkey and Greece in NATO, United States policy with respect to the sale or grant of arms to other foreign countries, and the matter of the enforcement by the Executive Branch of the laws of our country.

EVENTS OF SUMMER, 1975

Let me, Mr. Chairman, for a moment turn our minds back to the events of last summer.

After the coup of July 15, stimulated by the military junta in Greece and directed at the lawfully elected government of Cyprus, the government of Turkey reacted strongly to protect the Turkish Cypriot minority, a right that the government of Turkey insisted it had under the Zurich Agreement.

Few voices were raised in this country or abroad at this initial action by Turkey.

It was only after mid-August that the sharpest criticisms of Turkey were made both in the United States and in other countries for on August 14, 1974, Turkish military forces, some 40,000 in number, armed and equipped with bombs and bullets, guns and tanks, ships and aircraft, supplied by the taxpayers of the United States, invaded and occupied the small, friendly island of Cyprus.

As members of this Committee are aware, Mr. Chairman, the Foreign Assistance Act of 1961 declares that no defense articles shall be furnished to any country unless the President determines that those articles are to be used for defensive purposes.

The same Act requires suspension of assistance when a recipient country violates the provisions of the Act.

As you are also aware, Mr. Chairman, similar provisions are contained in the Foreign Military Sales Act with respect to arms sold by the United States government to the government of another country.

EXECUTIVE BRANCH FAILS TO ENFORCE LAWS

Yet, Mr. Chairman, despite the obvious violation by the government of Turkey of the conditions under which American arms were supplied, both by grant and sale, the Executive Branch of our government did not enforce the provisions of law mandating that Turkey be immediately ineligible for further arms from the United States.

Congress gave the Administration months to enforce our laws and it was only as a consequence of the failure of the Executive Branch to do so that Congress voted to insist that the laws be implemented and the arms to Turkey be halted.

Mr. Chairman, I believed, as I know many Members of Congress, both Republicans and Democrats did—for this action of Congress, as you know, has been a bipartisan one—that a fundamental principle of U.S. foreign policy was—and still is—at stake in this matter, namely, that arms supplied by the United States to foreign countries must be used for defensive, not aggressive, purposes.

Had the Administration enforced the conditions contained in the laws to which I have referred, there would have been no need for Congress to act as we did and, hopefully, the crisis over Cyprus would by now have been resolved.

GEORGE BALL AND CYRUS VANCE

Your Committee has today heard from two distinguished Americans, George Ball and Cyrus Vance, who during the 1960's played key roles in resolving similar crises with respect to Turkish movements towards Cyprus. The efforts of Mr. Ball and Mr. Vance did not leave the United States in the difficult situation in which we now find ourselves. The laws of our land and our bilateral agreements with Turkey were made clear, and they were enforced.

Now we have been told, Mr. Chairman, that the action of Congress in halting arms to Turkey is meddling in the conduct of foreign affairs.

But, Mr. Chairman, under our Constitution, Congress is charged with the responsibility of passing laws and the Executive Branch with the responsibility of faithfully executing them.

It was the failure of the Executive Branch faithfully to execute the laws that made Congressional action in this instance necessary.

Mr. Chairman, many of us who have supported the actions of Congress on this matter have at the same time made clear our earnest desire to resolve the impasse which has brought us to this hearing room today.

We have, I believe the record will show, conducted ourselves with great restraint.

We did not press to cut off arms last August.

Congress agreed to two delays in the suspension of arms to Turkey.

Mr. Sarbanes and I, following our visit to Greece and Cyprus in January, made no public attacks on the Executive Branch of our government but rather gave a full report on our trip to the Secretary of State and offered to be helpful in any way we could to resolve the Turkish arms-Cyprus crisis.

For example, Mr. Chairman, to cite one other instance of our restraint, we made no public criticisms of the January letter from our Department of Defense giving notice of the proposed sale by our government to the government of Turkey of over a quarter of a billion dollars in tank conversion kits. Obviously, this letter, coming as it did during the negotiations on Cyprus, would have constituted ample cause for strong public criticism of the Administration. Instead, several of us in the House and Senate communicated our concern privately to the Secretary of State.

Throughout the last months we have urged the Executive Branch of our government to exercise its diplomatic efforts toward persuading the government of Turkey to make such concessions on the island of Cyprus as would warrant Congress honorably modifying its action in halting arms to Turkey.

ADMINISTRATION PUSHES CONGRESS, NOT TURKEY

But the record is very clear, Mr. Chairman, that the Administration has instead focused its energies far more on reversing the action of Congress than on persuading the government of Turkey to negotiate a reasonable settlement of the issue which triggered the Congressional action on arms to Turkey, the invasion and occupation of Cyprus with arms supplied by the United States.

The Administration has repeatedly declared that the government of Turkey is very stubborn on this matter. But I think it must be clear, Mr. Chairman, that the Executive Branch by constantly attacking the action of Congress and by repeatedly holding out to Turkey the promise of reversing Congress, has itself fueled the fires of Turkish intransigence.

Mr. Chairman, a number of us who have been identified with criticism of the action of the government of Turkey on Cyprus have on several occasions met with the President, the Secretary of State and the Secretary of Defense, and at every point have made clear our willingness to support a resumption of arms to Turkey provided that the government of Turkey take steps on the island of Cyprus to redress the actions of last August.

We have consistently drawn attention in particular to the grave and tragic problem of 180,000 refugees on that small island, some of whom Mr. Sarbanes and I, during our January visit, saw living still in tents.

We have been repeatedly told, Mr. Chairman, that if we resume arms shipment to Turkey, we will thereby improve the climate for compromise on Cyprus. But during the six month period between the Turkish invasion of Cyprus in August and the imposition of the arms ban in February, Turkey did receive American arms assistance and yet took no constructive steps to resolve the Cyprus dispute.

SUPPORTS NATO

Mr. Chairman, as you know, I am a strong supporter of NATO and I think it appropriate here to note that the preamble to the NATO Charter declares emphatically that the parties to the treaty "are determined to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of demcoracy, individual liberty, and the rule of law."

I am most anxious to see this impasse resolved and to see both Turkey and Greece play a vigorous role within NATO. But I would remind you, Mr. Chairman, that one of the purposes for which NATO was founded, was to safeguard the rule of law and that in taking the action Congress has taken with respect to arms to Turkey, Congress has upheld the rule of law. It is Congress that has insisted that the laws of our land be enforced.

U.S. OBJECTIVES

Mr. Chairman, it seems to me that the government of the United States has several objectives in the situation which has caused this hearing today. I believe that most members of this Committee and most Members of Congress would agree on the following objectives: They are:

1. Restoration of good United States relations with Turkey.
2. Restoration of good United States relations with Greece.
3. A prompt and just settlement on the island of Cyprus.
4. Restoration of good relations between Turkey and Greece.
5. Protection of the role of both Turkey and Greece in NATO.
6. Insistence on the principle, written into United States law long before the Cyprus crisis, that United States arms, whether supplied by grant or sale, must be used by recipient nations for defensive, not aggressive purposes.

Mr. Chairman, if your Committee favorably reports legislation along the lines of that which has been discussed in the media, namely, to resume the supply of military arms to Turkey, we will clearly be moving counter to several of these objectives.

Obviously, we may have acted to restore good U.S. relations with Turkey and to protect the role of Turkey within NATO.

SUCH LEGISLATION WOULD DAMAGE U.S.-GREEK RELATIONS

But it should be equally clear that reporting such legislation would be very damaging to the restoration of good U. S. relations with Greece and to assuring a vigorous role for Greece within NATO. Greece has long been an important ally of the United States and we should do nothing which could weaken its fledgling democracy.

Obviously, approval of such legislation by this Committee and subsequent favorable action by Congress would not lead toward a prompt and just settlement on Cyprus but would only give the government of Turkey the arms it wants while enabling Turkey easily to maintain the position it has brought about by force of arms on Cyprus.

It must be still more clear that approval of the sale or grant of arms to Turkey without any condition that Turkey must make substantial advances toward a just settlement on Cyprus would be to abandon a fundamental principle of American foreign policy, written into our laws, that American arms, whether supplied by grant or sale, must be used for defensive, not aggressive, purposes by recipient nations.

Furthermore, Mr. Chairman, I find it difficult to imagine how a House of Representatives which seven times in 1974 manifested a majority favoring suspension of military assistance and sales to Turkey—the most recent vote by a margin of 297–98—could months later justify a vote to resume arms, for the only circumstance that has changed since that vote in December is the threat by the government of Turkey, which is tantamount to blackmail, to close U.S. military bases there.

BLACKMAIL BY TURKEY

But those bases which Turkey now threatens to close are there presumably for the security of Turkey as well as of the United States. For Congress now to capitulate to such threats would be gravely injurious to our national interest, as Secretary Kissinger himself said on June 23 of this year at Atlanta: "Any ally whose perception of its national interest changes will find us prepared to adapt or end our treaty relationship. No ally can pressure us by a threat of termination; we will not accept that its security is more important to us than it is to itself."

At the outset of my testimony, Mr. Chairman, I said that I believed that the subject of our hearings, arms to Turkey, involves far more than U.S. policy in the Eastern Mediterranean. If Congress now votes to sell or give arms to Turkey, we would be telling any country buying arms from us that no holds are barred, that the arms can be used to attack their neighbors or any other country. Such a change in United States foreign policy would, I think most members of this Committee agree, be potentially very dangerous. I cite by way of example the immense amount of arms sales from the United States to the Persian Gulf states.

PROPOSED BILL NO "COMPROMISE"

Mr. Chairman, we learned yesterday that your Committee would be considering today a "compromise." But, Mr. Chairman, the proposal under consideration is no compromise. There is a quid but there is no quo. The bill represents a one way street. Turkey gets arms from the United States. But Turkey is required to make no concessions whatsoever on Cyprus, not even on the humantarian matter of allowing a substantial number of the 180,000 refugees to return to their homes.

Mr. Chairman, I have long hoped—and continue to hope—that the impasse which has brought us together could have been avoided and that negotiations could have produced a resolution of the several issues that are involved here.

I for one hope that your Committee will not report the legislation described as a "compromise" for a vote on it in the House, no matter the outcome, can only damage the national interest and security of the United States.

I hope that instead your Committee will reject this proposal or that, in the event your Committee approves it, the House will reject it and that our President and Secretary of State will vigorously urge our Turkish ally to respond to the legitimate and lawful expressions of concern by the Congress of the United States.

Mr. Chairman, at a time many Americans have been questioning whether our constitutional system can function effectively, this seems to me to be an opportunity for Congress to make clear that the government of the United States stands for principle.

Surely the Congress of the United States must stand, first, for the principle that American arms must not be used for aggression, and, second, for the principle that the laws of our land must be enforced.

STATEMENT OF CONGRESSMAN PAUL S. SARBANES

Mr. Chairman and members of the Committee. Thank you for this opportunity to appear before the Committee.

It is imperative, I believe, to underscore that this hearing today and extensive hours of Congressional consideration of the subject matter before this Committee would never have been necessary had Turkey not committed brutal aggression upon the island of Cyprus and upon its people. That aggression resulted in the occupation of 40% of Cyprus by Turkish troops, the creation of 200,000 refugees—⅓ of the island's population, and the killing and wounding of thousands. This damage and destruction was accomplished with use of American arms provided to Turkey for defensive purposes under bilateral and collective alliance agreements; alliances with the objective of deterring aggression not condoning it.

In response to this aggressive action the Congress stopped the flow of military arms and equipment to Turkey. In so doing the Congress asserted a principle which I believe of fundamental importance to American foreign policy—that weapons are supplied to other countries, and indeed for our own use, for defensive and not for aggressive purposes. This principle was reflected in legislation concerning foreign assistance developed by this Committee well over a decade ago. This principle was applied by the Congress in our prior consideration of this matter in the face of the intense opposition of the Secretary of State and the Administration.

To reverse this prior decision in whole or in part, directly or indirectly, as the legislative proposals now pending seek to do, without some action by Turkey to remedy the consequences of its aggressive action is an abandonment of that basic principle.

Despite the assertion of the Administration, it is indeed an explicit condoning of the aggression and establishes a precedent which I believe deeply is inimical to the true and best interests of this country.

What lessons are countries all over the world to draw about the uses to which American armaments can be put and about the purposes of our alliances if a decision to penalize aggression is reversed without any basis upon which to ground such a change in position. I urge careful attention to the broader consequences throughout the world and to the fundamental rationale of our foreign policy of a simple reversal of position without such a basis—a bald reversal for which the Administration is lobbying so vigorously.

In our discussions with the Administration we have emphasized that the resumption of the flow of military material and actions by Turkey to remedy the aggression are clearly inter-related. Obviously such an inter-relationship exists since the flow of military material would never have been terminated but for the aggression. What level of remedial actions should be correlated with what level of military re-supply is a matter which can be discussed but that there should be such reciprocity is essential if there is to be a principled content to our foreign policy.

Without such a principled content I do not believe the American people will support a foreign policy and indeed one can ask why should they. Without such a principled content I do not believe the United States will hold a position of leadership in the world premised upon anything else but its power. We have not in the past been willing to proceed solely on that premise. If we are, as the President said at Fort McHenry in my Congressional District on the evening of July 4th quoting Abraham Lincoln "the last best hope of mankind," then we must also keep principle as well as power as essential elements of our leadership. In a very deep and basic sense that issue is now before this Committee.

LEGISLATION TO AMEND TITLE II OF SOCIAL SECURITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, the most unjust and unpopular provision of the social security program is the earnings limitation, otherwise known as the retirement test.

Presently, recipients of social security who earn over $2,520 per year suffer a $1 reduction in benefits for every $2 they earn in excess of that amount. The amount of $2,520 is a ridiculously low level and actually stands as a barrier to those who want to work to maintain a decent standard of living.

According to the 1975 report of the Advisory Council on Social Security, the burden of the retirement test falls most heavily on low-income individuals who do not have access to private insurance, pension plans, savings, or other sources of nonwork income to supplement their social security benefits after retirement. A beneficiary's income from such nonwork sources as dividends, rents, or pension payments is not taken into account for the retirement test. It appears we are punishing the very members of our society whom we should be seeking to protect, those who are trying to make ends meet on fixed incomes during one of the worse inflationary periods in our history.

The legislation I am introducing today would almost double the present earnings limitation while liberalizing the provision for reduction of benefits from $1 for every $2 earned to a reduction of $1 in benefits for every $3 earned. Under current law, recipients are faced with a severe cutback in benefits after the $2,520 limit has been reached. This bill would ease the impact of that cutback so that as the income level increased, social security benefits would then gradually taper off.

The Bureau of the Census determines an income of $2,490 for a single person in an urban area to be the poverty level. Do we really want to keep social security recipients—who are not welfare recipients, but who have worked and provided in advance for the benefits they or their beneficiaries receive—on the brink of poverty? Too many of our present laws encourage people not to work by penalizing them when they help to provide for themselves. My proposal would enable the recipients of social security to contribute substantially to their own income by working, while continuing to receive a reasonable payment from social security.

A copy of the bill follows:

H.R. 8541

A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder, and to provide that earnings in excess of that figure will reduce benefits by only one-third of the excess (rather than by one-half as at present)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (f)(3) of section 203 of the Social Security Act is amended by striking out "$200 or the exempt amount" and inserting in lieu thereof "$416.66⅔ or (if higher) the exempt amount".

(b) Subsections (f)(1), (f)(4)(B), and (h)(1)(A) of such section 203 are each amended by striking out "$200 or the exempt amount" and inserting in lieu thereof "$416.66⅔ or (if higher) the exempt amount".

SEC. 2. The first sentence of section 203 (f)(3) of the Social Security Act is amended by striking out "50 per centum" and inserting in lieu thereof "33⅓ per centum".

SEC. 3. The amendments made by this Act shall be effective (notwithstanding any action taken prior to the date of the enactment of this Act under section 203(f)(8) of the Social Security Act, but subject to any action taken after such date under that section) with respect to taxable years ending after the date of the enactment of this Act.

TESTIMONY ON BEHALF OF H.R. 5246 BY REPRESENTATIVE ELIZABETH HOLTZMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker, yesterday morning I testified before the Subcommittee on Monopolies and Commercial Law of the House Judiciary Committee on behalf of H.R. 5246, a bill to prohibit Arab-inspired secondary boycotts against American businesses. I introduced this bill together with Chairman PETER RODINO of the Judiciary Committee, and it now has 85 cosponsors from 25 States.

Because of the importance of this matter, I would like to bring my testimony to the attention of my colleagues.

TESTIMONY OF REPRESENTATIVE ELIZABETH HOLTZMAN

INTRODUCTION

I am deeply grateful to the distinguished Chairman of the Judiciary Committee, Peter W. Rodino, Jr., for his wise leadership in holding hearings on the important subject of Arab-inspired discriminatory boycotts. I am honored that he joined with me in introducing H.R. 5246 and that a majority of this subcommittee has co-sponsored it as well.

In recent months we have heard many reports of Arab economic blackmail aimed at American firms which trade with Israel or are owned by or employ Jews. Arab nations and businesses have not only directly refused to deal with such firms, but they have sought to force other American firms to discriminate against them as well. That they attempt to coerce others in this country to adopt those practices is dangerous and intolerable.

The implications of such economic coercion are enormous, posing a great and increasing threat to our Nation. A small number of Arab companies can, through economic pressure, influence a much larger number of American companies to participate in discriminatory practices. Thus, a multiplier effect is created which could spread discrimination throughout American business. And as their economic power grows, the Arabs are likely to have a much greater influence on American business than ever before, both through foreign trade and through increased investment in domestic corporations.

We cannot allow the Arabs to use naked economic blackmail to coerce Americans into engaging in religious discrimination, and we cannot allow any foreign power to dictate business practices in the United States.

PROVISIONS OF H.R. 5246

It is essential, then that Congress act quickly to protect Americans from foreign economic blackmail. H.R. 5246 will do so. It imposes stiff criminal and civil penalties on companies which use economic means to coerce others to discriminate against Americans because of religion, race, sex, national origin or lawful support for or trade with another country.

The bill also penalizes any company that cooperates with or participates in an illegal boycott. This provision is particularly important, because it will furnish American firms with a legal basis for resisting discriminatory Arab economic pressure, and deny competitive advantage to any company which would yield to such pressure.

Thus, for example, it would be unlawful, under the bill, for an Arab bank to tell an American company—as a condition of dealing with that company—not to do business with another firm, because it is owned by Jews, or because it trades with the State of Israel. It would be unlawful, as well, for the American company to obey such a discriminatory command.

Although the bill was designed to meet the immediate threat posed by Arab oil blackmail, its scope is broader. It is intended to protect all Ameriacns against secondary boycotts engaged in for purposes of religious, racial, or other discrimination.

In order to have a substantial deterrent effect, the bill imposes severe penalties, equal to those in the antitrust laws. Any company which instigates an illegal boycott would be subject to fines of up to $1 million, and its officials subject to imprisonment for terms of up to 3 years and fines of up to $100,000. A firm that participates in a boycott would be subject to fines of up to half a million dollars, and its officials to fines of up to $50,000.

The Attorney General is also authorized to seek a civil penalty of up to $500,000 against a firm initiating a discriminatory boycott. If the firm is not present in the United States, the Attorney General is empowered, in an appropriate proceeding, to seize its assets in this country, including any funds owed to it by an American company, to satisfy the civil penalty.

Any person or company injured by an illegal boycott could bring action in Federal court for treble damages against a company instigating the boycott. In addition, an individual or company would have the right to sue to stop a boycott from going into effect, and to bring an action for damages against a company participating in a boycott.

Every effort has been made to draft a bill that protects all Americans from invidious economic coercion, but does not, in the process, infringe on rights of free expression. Eminent legal authorities have been consulted in the drafting of the bill to assure that it prohibits Arab economic blackmail and similar types of discriminatory economic coercion, but nothing else. Thus, the prohibition against instigating a boycott applies only to companies conducting business for a profit—not to individuals, labor unions, and nonprofit organizations. Second, the bill prohibits only secondary boycotts; that is, the pressuring of "neutrals" to refuse to do business with a third person for reasons of race, religion, sex, or trading with a foreign country.

DIMENSIONS OF THE PROBLEM

It has been the unique good fortune of America not to have to worry about foreign economic threats to our way of life. Now, for the first time in our 200 years, this independence may be slipping away because of the growing wealth of the oil producing nations.

It is staggering to realize the present and potential wealth of the OPEC nations. OPEC oil revenues in 1974 were estimated at $105 billion. Of this amount, some $55 billion is surplus, available for foreign investment. The remaining $50 billion is used to purchase goods and services—in large part from the United States and other industrialized nations.

These sums provide the Arab nations with enormous leverage in the world economy—leverage which is only beginning to be felt because the great portion of the wealth has been acquired in the past two years. In the words of Assistant Secretary of the Treasury Gerald L. Parsky: "We must recognize that the increased economic power of the Arab oil exporting countries has substantially enhanced the potential effect of the boycott. Being boycotted by the Arab League is a much more serious situation for most American firms in 1975 than it was in 1955."

And I might add, it will be even more serious in 1930 when it is estimated that the Arabs may be importing $200 billion a year in goods and services, and when they may have accumulated half a trillion dollars in investment capital—equal to the value of all the companies listed on the New York Stock Exchange.

How serious is the situation now? The full impact of the petrodollars is hard to gauge, but by viewing a few illustrations, we may get an idea of the size of the problem.

Under the Export Administration Act, exporters are required to report any requests they receive to engage in restrictive trade practices. From 1970 through 1974, exporters reported 44,709 transactions involving Arab requests for discriminatory trade practices against Israel. In only 14 of these transactions, .03% of the time, did an exporter say it would not comply with the discriminatory request. Indeed, last year, when exports to Arab League nations rose 80% to $3.4 billion, not one exporter reported a refusal to comply with a discriminatory request.

Reports under the Export Administration Act represent only the slimmest tip of the iceberg, since the Commerce Department acknowledges that the vast majority of exporters either do not know of, or simply ignore, its requirements. Thus, while the Commerce Department estimates that 30,000 U.S. firms either do business abroad or have expressed an interest in doing so, no more than 60 firms have ever reported discrimination requests in any of the last five years. In addition, the Act does not apply to shipping companies, banks, and other financial institutions, all of which are subject to the Arab boycott.

The influence of Arab money on financial institutions is even harder to determine because no law requires the identification of all foreign investments in the U.S. According to one estimate, Arab nations have two to three billion dollars deposited in each of several major New York banks. The withdrawal or even the threatened withdrawal of those deposits, representing from 8% to 15% of a bank's assets, could cause great financial dislocation.

Arab wealth has, thus, grown to the point at which it can exert great influence on American business. The projected tenfold increase in this wealth in the future presents a truly frightening prospect and demands the immediate attention of the Congress.

DISCRIMINATORY PRACTICES USED

The chief means used by the Arabs to coerce American businesses is the Arab League boycott. A list of companies to be boycotted is produced by the League's Boycott Office in Damascus, Syria, and each League member develops its own blacklist based on this master list.

Companies are blacklisted because they allegedly contribute to the military or economic strength of Israel. While the criteria for determining whether a company should be included on the list are not at all clear (nor are they rigorously followed), its scope is broad. A company may be blacklisted because of so-called "Zionist tendencies," which may mean that a prominent officer or shareholder supports the existence of the State of Israel or has donated to Jewish causes. Firms may be blacklisted because they are joint venture partners of other blacklisted firms, because they operate branches in Israel, or because they provide technical assistance to Israeli companies.

Arab governments and businesses are not supposed to contract with, sell to, buy from, or patronize blacklisted firms. Some examples:

An Arab company which is a leader or comanager of an investment venture cannot contract with a blacklisted investor. Thus, the Kuwait International Investment Company withdrew from two lending syndicates when its co-manager, Merrill Lynch, Pierce, Fenner and Smith, refused to drop Lazard Freres as an underwriter. The Kuwaits have successfully forced blacklisted underwriters out of several French lending syndicates.

Arab companies direct American banks not to pay exporters, unless the exporter certifies compliance with the boycott. Thus, in order to make payment under a Letter of Credit, the Bankers Trust Company required suppliers and exporters to declare that the company which produced the commodity supplied was not affiliated with a company on the blacklist, and that the supplier or exporter had no direct or indirect connection with Israel. In this way, American banks are made the enforcing agents of the Arab boycott.

Suppliers of goods to the Arabs are required to certify that the goods are not of Israeli origin, do not contain Israeli materials, and are not manufactured by companies on the blacklist.

Shippers are required to certify that the particular vessel used is not blacklisted, is not owned by an Israeli and will not call at an Israeli port.

Pressures can be direct—as when the Arab League Boycott Conference warned Volkswagen to stop dealing with Israel. (Volkswagen, to its credit, has not complied.)

Pressure can be subtle. In an unverified story, recounted in the New York financial community, an American corporation was seeking a loan from an American investment bank. Saudi Arabian money was involved. An officer of the American bank said that because some of the company's directors were associated with blacklisted firms, there might be some problem with the loan. Whether or not the company ultimately receives this loan, it will certainly have a good look at its Board of Directors and be more careful next time. And whether or not the story is accurate, it is likely to have an effect.

Some of the biggest American companies are involved. The Ford Motor Company is on the blacklist and its President is quoted as saying: "I would like to see Ford off the list." The Chase Manhattan Bank refused to open an Israeli branch, acknowledging that it feared economic retaliation by the Arabs. If Ford and Chase Manhattan can be intimidated, how can the average firm hope to resist Arab blackmail?

THE ANTITRUST LAWS ARE NOT AN EFFECTIVE ALTERNATIVE TO H.R. 5246

The anti-trust laws are broad and general. They do not, in so many words, outlaw primary or even secondard boycotts.[*] If they are to apply to discriminatory secondary boycotts, it can come about only through judicial interpretation.

There are, however, a number of serious legal problems with applying the anti-trust laws to discriminatory secondary boycotts. In fact, the Justice Department—in its testimony of March 3, 1975, before a House Foreign Affairs Subcommittee—expressed serious reservations about the applicability of the anti-trust laws to this problem.

Let me enumerate for you some of these legal stumbling blocks. The first and most serious one is the so-called "foreign compulsion" defense to an anti-trust prosecution. A company can avoid any liability by providing that its illegal anti-trust actions were coerced by a foreign government.

In this regard, the recent case of Interamerican Refining Corp. v. Texaco Maracaibo, Inc.[**] is instructive. Here, a U.S. corporation brought a treble damage action against two other American corporations which refused to ship oil to it. The two American corporate defendants claimed that they were exempt from liability because they were coerced into a boycott by the Venezuelan Government. They claimed that the Venezuelan Government threatened not to sell them any more oil if they did business with the American plaintiff. The court held the defense of coercion was valid. Unless this case is overruled, it would seem to provide a ready defense to virtually all anti-trust prosecutions aimed at discriminatory secondary boycotts.

The "combination and conspiracy" requirement of the anti-trust laws is the second stumbling block. It may be difficult to cover some of the most serious offenses under this language. For example, let us take the situation where a company engages in discriminatory boycotts in order to obtain economic benefits that would not be available otherwise. Suppose there is no actual agreement or contract to engage in that discrimination. Would this be covered under "contract and conspiracy" requirement? Perhaps not.

The third problem occurs with the defense of sovereign immunity. Business enterprises owned by or agents of foreign governments might claim that theirs were acts of the sovereign government and that they, therefore, were immune from prosecution. The fourth problem arises from the "material adverse effect" requirement. The Government would have to show that a boycott against businesses that trade with Israel would have a "material adverse effect" on commerce in the United States. But, if the particular goods could be sold either to Arab countries or to Israel, it might be very difficult to show any material harm to U.S. commerce from coercing a company to sell those same goods to one rather than the other.

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[*] Section 1 of the Sherman Act makes illegal "every contract, combination . . . or conspiracy in restraint of trade or commerce . . . with foreign nations."

[**] (307 F. Supp. 1291 (D. Del. 1970).)

The Justice Department also pointed out a final barrier to a successful anti-trust prosecution: the fact that the Arab-inspired boycotts are politically, not commercially, motivated. If actions in restraint of trade that have non-commercial purpose are legal, obviously and discriminatory secondary boycott would be legal.

Even if the courts in the final analysis construe Section 1 of the Sherman Anti-trust Act to cover discriminatory secondary boycotts, we would still be confronted with two problems. First, it is not clear the Justice Department will attempt to bring any prosecutions. Only a few months ago, it expressed doubts about the applicability of the anti-trust laws. In fact, its failure to utilize the anti-trust laws to protect U.S. businesses since 1946 speaks to the point rather eloquently.

A second and equally important hurdle is the fact that courts may be unlikely to impose stiff anti-trust penalties for discriminatory secondary boycotts. At the outset, for example, there may be judicial reluctance to impose treble damages where there is a substantial change in the interpretation of the law.

The provisions of H.R. 5246 avoid all of these problems and make it possible to impose stiff sanctions on discriminatory secondary boycotts. That is the purpose of the bill. Its mandate to the courts and the Justice Department is clear. The bill plainly rejects the foreign compulsion defense. The bill eliminates the problems with "combination or conspiracy" language. Section 246(b) makes it clear that efforts to engage in discriminatory conduct for the purpose of avoiding coercion are prohibited. The bill, of course, eliminates any possible need for a finding of commercial motivation.

H.R. 5246 deals effectively with the sovereign immunity defense. The Internal Revenue Service exerts jurisdiction by imposing a tax on business enterprises which are in essence, agencies of foreign governments. (Section 892; Revenue Ruling 66–73.) While H.R. 5246 excepts nations themselves as defendants, it covers all business enterprises that are reachable for tax purposes—even if they are wholly owned by foreign governments.

Therefore, in view of the serious legal questions that will arise from an effort to apply the anti-trust laws to discriminatory secondary boycotts, it seems to me that the most effective way of dealing with the problem is simply and explicitly to outlaw it, in so many words.

WASHINGTON KILLED HUD REFORMS HERE, AIDES CHARGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of Illinois. Mr. Speaker, in the June 23 and July 8 RECORDS, I included several articles from a Chicago Tribune series exposing corruption, mismanagement, and neglect in HUD/FHA programs and policies. I commended then as I do now the untiring efforts of the two reporters responsible for the series, Chuck Neubauer and George Bliss.

I will make no effort at this time to give a synopsis of these articles to my colleagues. I would only say that the impact of these articles has been far-reaching. Secretary of Housing and Urban Development Carla Hills is undertaking an investigation of the charges leveled by Neubauer and Bliss. The House Government Operations Subcommittee hearings scheduled for next week plan to focus on much of the information gathered by the Tribune task force on housing. Senator ADLAI STEVENSON said the series prompted him to call public hearings in Chicago next Monday to decide what action must be taken to restore some semblance of order to subsidized housing programs.

Senator CHARLES PERCY included the June 27, 28, and 29 articles on pages 21541–21543 of the July 8 RECORD. I now include the June 30, July 1, and July 2 articles in the RECORD and encourage Members to read them and weep but then act on the information.

[From the Chicago Tribune, June 6, 1975]

WASHINGTON KILLED HUD REFORMS HERE, AIDES CHARGE

High officials at the Department of Housing and Urban Development in Washington last year sabotaged reform efforts inside sources at HUD charged Sunday.

Sources at HUD's regional, six-state office, which includes Illinois, told The Tribune their superiors in Washington pressured the Chicago HUD office to stop cracking down on unscrupulous businesses dealing with HUD.

The Chicago HUD office began its reform efforts after completing a computer study that showed how business abuses of federally insured home mortgages had caused hundreds of millions of dollars in waste here.

The computer study, first of its kind in the nation, forecast an even greater amount of waste in the Chicago area in the next few years if HUD failed to crack down and enforce its own regulations.

A series of reports appearing in The Tribune last week documented how thousands of federally insured homes in the Chicago area had been damaged and destroyed by the housing programs.

Partly based on the local computer study, The Tribune series also showed how several more thousand homes, at a cost of hundreds of millions of dollars to the taxpayer, face the same fate in the next five years.

Sources in HUD's regional office told The Tribune late last week that George Vavoulis, then regional HUD director, became very disturbed about the computer forecast.

Vavoulis thought the study was "very revealing and startling," and decided to warn his Washington superiors that it would be very damning against HUD if it was made public, the sources said.

Vavoulis, they said, went to Washington to talk to James L. Mitchell, second in command at HUD, but Mitchell ignored the warning.

"Mitchell said he was too busy to see Vavoulis to discuss the matter," the source said. "He just said he didn't have the time and suggested Vavoulis talk to one of the administrative secretaries."

The source said Vavoulis was convinced that the Chicago HUD office was right in trying to institute reforms. But, they said, he started getting calls from Washington saying officials there didn't want the Chicago office cracking down on mortgage companies dealing with federal insurance.

Vavoulis eventually was transferred to a new post in Washington from his regional job covering Illinois, Wisconsin, Minnesota, Indiana, Michigan, and Ohio.

Contacted by The Tribune, Vavoulis refused to comment.

"I can't confirm or deny what you have been told," he said. "I simply cannot comment."

James Mitchell, who was accused of ignoring Vavoulis' warning about the computer study, said he doesn't remember Vavoulis trying to reach him.

Mitchell has since left HUD to become associate director of the federal Office of Management and Budget.

He said while he was at HUD the administration encouraged decentralization of authority in the bureaucracy. He said he asked regional and area HUD offices to handle their own problems with mortgage companies and others doing business with federally insured mortgages.

Mitchell said he wasn't aware of charges by regional and area HUD officials that HUD's central office in Washington blocked their efforts to crack down on abuses of housing programs.

"That's a very serious charge," Mitchell said, "and they had better be able to back up those charges with the names of the people in the central office."

While several local HUD employees feared Vavoulis' transfer to Washington was just one step on the way to having him fired, Mitchell said Vavoulis was hand picked to head up a new HUD community development program. As a former mayor of Minneapolis, Vavoulis is an ideal man to discuss local community problems with mayors and other local leaders, he said.

Mitchell said he was unaware of evidence in The Tribune showing how mortgage companies have profited by breaking federal laws and HUD guidelines dealing with mortgage insurance.

"This would be a violation of the contract and appropriate action should be taken," he said.

The Tribune series showed how the Chicago HUD office repeatedly tried to prove how mortgage companies were ignoring the laws and regulations.

The Chicago HUD office on several occasions asked Washington for key documents to prove its cases, but Washington refused the documents. Some of the documents were obtained later by The Tribune and indicated possible criminal fraud on the part of some businessmen.

Before he was transferred to Washington, Vavoulis tried to get H. R. Crawford, assistant secretary of HUD, to act on the Chicago computer study, the sources said. Crawford, they said, promised he would take action.

"Crawford said he would move tomorrow—then tomorrow was tomorrow—until nothing was done," they said.

The computer study, compiled by the Chicago HUD office, was based on its own foreclosure records and housing inventories, mortgage company data, and information gathered by various community groups.

John Waner, head of the area office, ordered the computer study when he discovered his office was relying on mortgage company records which were often faulty and two or three years old.

[From the Chicago Tribune, July 1, 1975]

EMPTY HOUSE TARGET OF SUIT AGAINST HUD

Angry Hyde Park-Kenwood residents have filed suit in Circuit Court to force the federal government to get rid of an abandoned house at 4731 S. Kimbark Ave.

The Federal Housing Administration recently took possession of the house, after paying $13,411 in mortgage insurance, when the previous owners defaulted on payments and the mortgage was foreclosed.

The suit, filed in the chancery division of Circuit Court earlier this month, is thought to be the first of its kind by neighborhood residents challenging FHA and the Department of Housing and Urban Development.

Neighbors said the three-story, eight bedroom house has been abandoned for 5 months and has been boarded up and vacant. Residents owning homes near the house said it is an eyesore and they fear it will lower their property values.

FHA acquired the house thru provisions of the 1968 National Housing Act. A series appearing in The Tribune last week showed how FHA administration of the Housing Act has resulted in the abandonment and decay of thousands of houses in the Chicago area at a cost of hundreds of millions of federal tax dollars.

In the suit, the neighbors said the house is in an urban renewal area where $221 million has been invested by private sources for construction and rehabilitation. Another $50 million in federal and state funds has been spent on the area, they said.

The suit is being supported by the Southeast Chicago Commission, headed by Julian H. Levi, chairman of the Chicago Plan Commission, University of Chicago professor of urban studies, and brother of Edward Levi, United States attorney general.

Levi called HUD and FHA "the greatest enemy of community stability within the City of Chicago."

He said the Southeast Chicago Commission agrees with Kimbark Street residents that if something isn't done about the abandoned house it could cause serious problems of blight on the entire neighborhood.

"We don't intend to allow this to happen in the Hyde Park-Kenwood area," Levi said. He called The Tribune series on HUD and FHA a "tremendous public service."

The suit asks the court to restrain HUD from maintaining the house in its vacant condition, and to file plans and specifications to rehabilitate it to comply with city housing codes. The suit also asks that the house not be sold until it meets those standards.

If rehabilitation plans are not filed, the neighbors said they will ask the court to order demolition of the house.

Levi said HUD and FHA have failed to meet local housing codes and ordinances while doing business in the neighborhood and are in violation of federal law.

"HUD apparently assumes that it is above the law of the state and above the decrees of the state courts," he said, "and, in fact, above even the federal law."

A local FHA spokesman said his agency took possession of the house March 6 and is making a study on the cost of repair.

However, he said FHA, under its own regulations, must sell the house to the highest bidder once HUD advertises the house for sale.

[From the Chicago Tribune, July 2, 1975]

HUD Aides Here Defy Order To Curb Reforms

Local employes of federal housing programs Tuesday said they are going to refuse to obey orders from their superiors in Washington to stop efforts at cracking down on illegal business practices that have wasted $4 billion nationally in the last seven years.

The local officials, employes of the Department of Housing and Urban Development and the Federal Housing Administration, said they will risk being fired by not obeying orders they received from Washington two weeks ago.

The orders came after a task force of HUD and FHA officials from Washington visited the Chicago offices for several days last May.

Headed by George O. Hipps Jr. of HUD's national office, the task force issued a report June 16 accusing the Chicago office of being too suspicious of mortgage companies, developers, and potential homebuyers.

The report also criticized the Chicago office for taking too much care in plumbing, heating, structural, and electrical inspections of houses being offered for sale through FHA-insured mortgages.

John Waner, head of the Chicago HUD-FHA office, described the orders to curtail local reform efforts as "... a terrible blow against the consumer, the taxpayer, and the government, and an open invitation to the cheaters who have all but ruined the FHA program."

Washington sources supplied The Tribune with copies of the task force report, which was signed by Hipps. Attempts by The Tribune to reach Hipps in Washington for comment were unsuccessful.

The task force visited the Chicago offices from May 12 to May 23 after HUD in Washington received complaints about the local HUD-FHA office from a large mortgage company doing millions of dollars of FHA business here.

On May 16 the task force met with 30 industry representatives from the Chicago area including mortgage bankers, builders, developers, and sponsors of single- and multifamily housing.

At the meeting the industry representatives complained bitterly of local crackdowns on violations of FHA rules, calling some of the local HUD and FHA officials "obstructions on the path of progress." They also described HUD as the "never-never land of mortgage banking."

No local HUD or FHA officials were allowed to attend the meeting.

Industry spokesmen were critical of a ruling made by Waner locally in 1971 that required expert certification of FHA-insured houses to show they met plumbing, heating, electrical, and structural requirements.

Waner said he has been trying to gradually stiffen certification requirements, at the expense of the mortgage companies, to stop the sale of defective housing thru the FHA-insured mortgage programs.

A recent tribune investigation showed that hundreds of houses purchased in the Chicago area thru the programs were so defective buyers abandoned them because they couldn't afford to make the repairs.

The problem of defective housing has become so large nationally that Congress passed the 1974 Federal Housing Act to reimburse homeowners for major repairs they were forced to make after buying FHA-insured housing. FHA estimates that at least 25,000 FHA home owners in the Chicago area alone qualify for the reimbursement.

The federal task force ruled that the local FHA office requirements for certification inspections were unfair to the mortgage companies and prospective sellers.

"The wholesale use of certifications at the seller's expense is to be discontinued immediately," Hipps directed.

Instead of using experts for certification of the houses, Hipps said FHA should rely on its own appraisers who inspect the homes to make the certification. He suggested better training for the appraisers in plumbing, heating, and electrical systems so they would have knowledge of what to look for during their inspections.

Waner has insisted in the past that only experts can tell whether there are serious defects in such systems and was angered by the task force directive.

"The racketeers made millions in selling the defective homes, some with only cosmetic repairs," he said, "and now they can go right back into business again if we obey the Washington directive."

The task force also criticized the local FHA office for its stringent credit checks on persons applying to buy FHA-insured homes. Waner had ordered the checks after his office found that some unscrupulous real estate brokers and mortgage companies were faking credit references for people who couldn't afford to buy a house.

Hipps looked at the Chicago office's 53-percent rate of applicants, its credit workload, and concluded in the task force report the office was ". . . hampered by a large number of rejects."

The task force report noted that most decisions on credit risks made in the Chicago office were good. "The examiners have been alert and have discovered a number of false employment verifications which have led them to be suspicious of all mortgagees," the report said.

But, while complimenting the office for its diligence, the report concluded, "The section is requesting additional information unnecessary for the determination of risk. The [mortgage companies] submit unnecessary documentation which slows the processing. The attitude of the section is one of suspicion of the mortgagee, broker, and the applicant.

"The noted deficiencies are indicative of processing in the Chicago area office which causes dissatisfaction with the single-family housing program. In addition, it reflects a negative and suspicious attitude and a misunderstanding of outstanding instructions," the report said.

"We should be suspicious," Waner said. "We've found case after case of forgeries and everything else going with the racketeers having one thing in mind—get a family in the house and make a profit, and to hell with FHA, the family, and the taxpayers footing the bill."

The task force report also criticized a program in the Chicago FHA office requiring all FHA homebuyers to attend homeownership counseling. The program was instituted when local FHA officials found that many of their homebuyers were unaware of basic guidelines to maintain a home, keep utilities in repair, and keep up the house's appearance.

"Outstanding instructions do not require this counseling," Hipps said in his report.

The local officials were most angered about not being allowed to attend the meeting the task force held with the industry representatives.

"The mortgagees probably didn't want us there because we could have shown proof on how they have consistently violated HUD rules and are responsible for the biggest scandal HUD and FHA have had to date," one local official said.

H.R. 166: A BILL TO PROHIBIT DISCRIMINATION ON THE BASIS OF AFFECTIONAL OR SEXUAL PREFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, the cases of Navy Corpsman John Wesley Fortner and Air Force Sgt. Leonard Matlovich, who are both subject to discharge from the armed services because they are admitted homosexuals has sharpened debate on the subject of whether it is lawful or conscionable to discriminate against an individual on the grounds of that person's affectional preferences. Today I have written to Secretary of Defense James Schlesinger taking issue with the Department's requirement of "prompt separation of homosexuals." I believe that it is particularly pertinent that the Department of Defense review its policies toward homosexuals now that the Civil Service Commission has issued new guidelines to all Federal agencies that prohibit disqualification of an individual for Federal employment solely on the basis of homosexual conduct.

H.R. 166 is a measure that would ban discrimination based on affectional or sexual preferences in all federally assisted areas. That legislation is currently cosponsored by Representatives Bella Abzug, Herman Badillo, Jonathan Bingham, George Brown, Jr., John Burton, Shirley Chisholm, Ron Dellums, Walter Fauntroy, Don Fraser, Michael Harrington, Elizabeth Holtzman, Edward Koch, Paul McCloskey, Norman

Mineta, Parren Mitchell, Robert Nix, Charles Rangel, Fred Richmond, Benjamin Rosenthal, Pat Schroeder, Stephen Solarz, Pete (Fortney H.) Stark, Gerry Studds, and Henry Waxman.

I would hope that other Members, understandably reluctant to involve themselves in a very sensitive and controversial area would nevertheless sponsor the legislation and seek hearings on the subject out of a sense of responsibility for other human beings who are being subjected to senseless discrimination and ostracism affecting their lives and denying the American public the full benefits of their abilities.

An article appearing in today's New York Times reported that an ACLU study shows a widespread easing of job discrimination against homosexuals at Federal, State, and municipal levels. The Times article and my correspondence with Secretary of Defense Schlesinger and Secretary of the Navy Middendorf follow:

House of Representatives,
Washington, D.C., June 9, 1975.

Hon. James Schlesinger,
Secretary of Defense,
The Pentagon,
Washington, D.C.

Dear Mr. Secretary: I am writing on behalf of Air Force T. Sgt. Leonard P. Matlovich, who as I understand it is contesting the Air Corps intention to discharge him from service because he has publicly stated that he is a homosexual.

I believe, and I would hope that you would take the same position, that service in the armed forces should not be barred to homosexuals, and that the behavior of such individuals should be judged in the same way as the service does heterosexuals. To wit does the individual perform his or her work and conduct himself or herself properly during working hours, without in any way having the service interest itself in that individual's private sexual behavior. Let me be specific. If a male member of the armed services were to engage in sexual acts with a member of the opposite sex during working hours or if off duty engage in a lewd public way, such an individual would be subject to discipline and possibly even dismissal from the services, depending on the gravity of the act. I believe that same rule should apply to a homosexual and that one's affectional preferences should not be of interest to the armed services.

As I am sure you know, a number of cities and several states, the most recent of which is California, have changed their laws on this subject and I would hope the armed services, which under President Harry Truman led the way in ending racial segregation would lead the way in this area as well.

I would appreciate any comments you have on this subject.

Sincerely,

Edward I. Koch.

Department of the Air Force,
Washington, June 25, 1975.

Hon. Edward I. Koch,
House of Representatives.

Dear Mr. Koch: This is in reply to your letter of June 9, 1975, to the Secretary of Defense in behalf of Technical Sergeant Leonard P. Matlovich who is contesting his involuntary separation from the Air Force for homosexuality.

Officials in Air Force Headquarters advise Department of Defense (DOD) policy requires prompt separation of homosexuals. Such a person is considered unsuitable for military service and is not permitted to serve in the armed forces in any capacity. His presence in a military unit would seriously impair discipline, good order, morale, and security. Further, DOD has an obligation and responsibility to provide our young men and women in the armed forces with the most wholesome and healthful environment possible.

Those individuals who have established homosexual tendencies are discharged administratively as unsuitable for military service. Persons discharged under this purview receive either an honorable or general discharge depending on the quality of their previous military service. Those persons who commit homosexual acts or acts of sexual perversion, when established, may be discharged as unfit for military service and may receive an undesirable discharge. In addition, specific homosexual acts may be a violation of the Uniform Code of Military Justice and, in many cases, the laws of various states.

The unique character of the military environment, ashore and at sea, precludes any possibility of their assimilation within a military organization, under any conditions. Consequently, homosexual persons cannot be accepted into the armed forces and must be promptly separated when so identified. Likewise, persons who are found unsuitable for military service because of homosexual or other aberrant tendencies are not accepted into or are discharged from the military service, as appropriate. This policy is considered to be absolutely essential to the effectiveness of our armed forces and to the morale and welfare of its members.

The Air Force fully subscribes to the foregoing. In this regard, our policy on the administrative discharge of personnel for homosexual tendencies or acts is contained in Air Force Manuals 36–2 (officers) and 39–12 (airmen). In Calendar year 1974, 113 people were administratively discharged from the Air Force for homosexual tendencies and 59 for homosexual acts.

Sergeant Matlovich's case is currently being processed in accordance with established directives. Please be assured that his rights will be fully protected and that the final decision will be made on the merits of the case.

We trust this information adequately explains the position of the Air Force in this matter.

Sincerely,

Ralph J. Maglione,
Major General, USAF,
Director, Legislative Liaison.

May 12, 1975.

J. Wm. Middendorf II,
Secretary of the Navy,
Pentagon,
Washington, D.C.

Dear Mr. Secretary: I am enclosing a news report concerning the administrative discharge proceedings now pending against John Wesley Fortner as a result of his publicly acknowledging his homosexuality. So far as I can see from the report, there is no allegation that he has engaged in any public activities on or off the base which discredit him as a member of the Armed Services. As he says "I am not a security or a reliability risk. I have openly admitted that I am a homosexual. No one can blackmail me because I have nothing to hide." May I suggest that your rules and regulations in this matter be reviewed with the thought of ending the preemptory banning of an individual based on sexual orientation. Homosexuals should be judged, insofar as their conduct, in the same way as heterosexuals when in the Armed Services, to wit, the way they conduct themselves while on official time.

Sincerely,

Edward I. Koch.

Department of the Navy,
Washington, D.C., June 20, 1975.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: Thank you for your letter of May 12, 1975, concerning Petty Officer John Wesley Fortner, III, Hospital Corpsman third class, United States Navy.

It has long been Department of Defense policy that any member who commits or admits to homosexual acts should be separated from the military service. The in-service homosexual offender, whether he be confirmed or a "one-timer," has committed not only a breach of moral behavior, but also a serious breach of discipline, and discipline is a military concern of the importance. Furthermore, the composition of the crews of the Navy's ships is, as you know, exclusively masculine. Since all Navy men, for at least a portion of their careers, must serve as members of those crews, and those crews must live under close daily conditions, the presence of homosexuals within the Navy's ranks would cause a particularly serious potential for conflict, disruption, victimization, and exploitation. Also, it must be emphasized that overt acts of sexual perversion, including acts of homosexuality, constitute a crime both under Federal law and under the statutes of most States and localities, and persons who commit such acts are law violators. In short, the presence of homosexuals in the Navy would jeopardize discipline or morale in a variety of ways.

Upon Petty Officer Fortner's admission that he had engaged in homosexual conduct while a member of the Navy and continued to consider himself a homosexual, his Commanding Officer officially notified him on March 20, 1975, that he was being considered for administrative discharge from the naval service by reason of unfitness. He was advised of his rights and privileges in connection with this type of action and elected to have his case heard before a local Administrative Discharge Board; to be represented by counsel; to appear in person before the Board; to call witnesses and to submit statements in his own behalf. A Board hearing was held at the Naval Air Station, Jacksonville, Florida, on April 28, 1975, and upon completion of the hearing, the Board then submitted its findings and recommendation relative to Petty Officer Fortner's fitness for retention in the Navy to the Commanding Officer, who in turn forwarded them, along with his own recommendation, to the Chief of Naval Personnel for final disposition. All aspects of Petty Officer Fortner's case, including his record of naval service, were carefully reviewed and considered by the Chief of Naval Personnel, and upon conclusion it was found necessary to discharge him by reason of unfitness. On June 3, 1975, his Commanding Officer was directed to separate him from the naval service with a general discharge under honorable conditions. If Petty Officer Fortner's discharge has not yet been effected, it will be in the near future.

It is the policy of the Navy not to furnish information of a confidential nature from the personal records of naval members or former members to persons outside the naval service except to the parents or guardians of individuals who have not reached the age of majority. However, the foregoing is provided to you in your capacity as a Member of Congress, with the request that it be used only in the best interests of the individual concerned.

Sincerely yours,

J. William Middendorf II,
Secretary of the Navy.

House of Representatives,
Washington, D.C., July 10, 1975.
Hon. James Schlesinger,
Secretary of Defense,
Pentagon,
Washington, D.C.

Dear Mr. Secretary: I have had correspondence with the Department of the Air Force and the Secretary of the Navy about two career servicemen who have indicated that they are homesexuals and the Department of Defense's policies toward individuals with such sexual preferences.

I would first like to express my disagreement with the Department's requirement of "prompt separation of homosexuals." All people who carry out their duties responsibly should be treated equally. Short of reflecting this policy, the Department's regulations should be sufficiently flexible so that a man can be retained who, after having established an excellent military record over a number of years, indicates he is a homosexual.

Furthermore, anyone who is discharged because of homosexual acts or latent homosexual tendencies who is otherwise entitled to an honorable discharge should receive that honorable discharge. The present policy of automatically giving an administrative discharge—and at times a dishonorable discharge—because of homosexual tendencies or acts, is a grievous practice that unfairly prejudices a man's future career. What you are indicating in an honorable discharge is that an individual has served honorably. A person who has served honorably, whether or not a heterosexual, is owed the honorable discharge. It is ludicrous to maintain that 20 years of service with distinction and honors, for instance, suddenly becomes less than honorable upon revelation by the individual that he is a homosexual, a preference that involves his personal life, not his military life.

The Department's policy toward homosexuals to date has been one of categorical refusal to give any quarter to this segment of the population. My own view is that the Department's black and white policy on this issue is an attempt to isolate itself from having to deal with the rights that homosexuals have in our society as individuals.

I would point out that the Civil Service Commission in the past week has issued new guidelines to all federal agencies on the employability of homosexuals. The guidelines are the result of court decisions and injunctions requiring that the same standards be applied to homosexuals as heterosexuals in federal employment. The guidelines state that a person cannot be disqualified solely on the basis of homosexual conduct.

Where does that leave the Department of Defense? To continue policies that are contrary to federal employment policies?

May I suggest that the Department can no longer continue its ostrich in the sand profile on this issue. A responsible step would be to appoint a special Secretary's Committee to examine all aspects of this matter and recommend suitable changes in your regulations.

I look forward to receiving your comments.

Edward I. Koch.

[From the New York Times, Thursday, July 10, 1975]

ACLU Study Finds Wide Easing of Jobs Bias Against Homosexuals

(By Peter Kihss)

The American Civil Liberties Union yesterday reported widespread easing of job discrimination against homosexuals at Federal, state and municipal levels.

The organization said it regarded new Federal civil service rules that took effect this month as "cautiously an advance," depending on how they would be applied.

At least a dozen United States cities, it said, have enacted local ordinances since 1972 barring job discrimination in varying degrees. Eight states, it said, have repealed criminal penalties for private consensual sexual activity between adults.

In Washington, the Civil Service Commission said its new guidelines issued this month revise suitability standards for Federal civilian employment, outside of such agencies as the Federal Bureau of Investigation and Central Intelligence Agency.

They provide for deciding each case on its own merits, "applying the same standard evaluating sexual conduct whether heterosexual or homosexual" and prohibiting disqualification "solely on the basis of homosexual conduct."

They add that "a person may be dismissed or found unsuitable for Federal employment where the evidence establishes that such person's conduct effects job fitness."

The civil liberties group said that its board had adopted a policy branding government inquiries into "sexual practices and preferences" of employes and disseminating information to others as "an unconstitutional invasion of privacy."

The organization reported the current status of laws on homosexuals in the latest of its series of guidebooks on rights of various groups—"The Rights of Gay People."

Municipal ordinances against discrimination by private employers because of employes' "sexual preferences" were reported in San Francisco; Washington, D.C.; East Lansing, Ann Arbor and Detroit, Mich.; Seattle; Minneapolis; St. Paul; Madison, Wis.; Palo Alto, Calif.; Ithaca, N.Y., and Portland, Ore., as well as in Toronto.

OPEN PUBLIC PLACES

Bans on discrimination in public accommodations based on "sexual orientation" were reported in Alfred, N.Y.; Ann Arbor, East Lansing and Detroit, Columbus, Ohio, and Washington.

New York City's Council rejected a bill on homosexuals' rights on May 23, 1974, after three years of bitter controversies.

Illinois was described as the first state to repeal a consensual sodomy law in 1962, followed since by California, Colorado, Connecticut, Delaware, Hawaii, Ohio and Oregon.

Florida's Supreme Court, the new guide said, declared its state sodomy law unconstitutional in 1971, but another Florida law against "unnatural and lascivious acts with another person" has been interpreted to bar acts formerly covered by the sodomy law. Massachusetts' Supreme Court ruled last year that its state law against such acts did not apply to private conduct between consenting adults.

The 268-page new book has four lawyers as co-authors—E. Carrington Boggan, general counsel for the Lambda Legal Defense and Education Fund; Marilyn G. Haft, director of the A.C.L.U. National Project on Sexual Privacy; Charles Lister and John P. Rupp.

Their study is being published by Avon in paperback at $1.75 in question and answer form.

The guide says that states have licensing requirements for more than 300 occupations involving seven million persons, and added that homosexuals were excluded from many "on the grounds that their sexual orientation of or activities are evidence of bad moral character."

The authors reported estimates that in the last 10 years or so, an average of at least 2,000 persons had been separated to homosexuality. But they said this was "probably something less than 2 percent of the total number of predominantly homosexual males serving."

The study estimated that 2.2 million workers in private industry were subject to industrial security clearances and said the program's director had never seen a case where "a professed gay" had been permitted clearance.

FREEDOM EXISTS FOR ALL RELIGIONS IN ISRAEL

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, amidst the clamor surrounding the situation in the Middle East, too little is known or reported about the treatment of religious minorities in Israel. Religious tolerance and equality are keystones of the modern Israteli state and are included in the Proclamation of Independence issued at the birth of the State of Israel.

Last May 28, Mr. David Glass, the director general of Israel's Ministry of Religious Affairs addressed a group of Jews and non-Jews on the subject of religious minorities in Israel and what the Israeli Government is doing to help all the religious groups. His talk was sponsored by the New York Board of Rabbis and was very well received. I am appending it for the information of my colleagues.

The article follows:

Religious Denominations in Israel

(By Mr. David Glass, Director General of the Ministry of Religious Affairs of the State of Israel)

POPE PAUL ON JERUSALEM

On March 25th in his apostolic exhortation "nobis in amino", Pope Paul hailed Jerusalem as the "capitol of monotheism". Indeed, Jerusalem, as well as the whole country of Israel, is considered Eretz Hakodesh—the holy land to members of all three main faiths. This fact has imposed upon the Israeli government—especially on the Ministry for Religious Affairs—an awesome task and responsibility. But, before telling you about the role of the ministry of which I am Director-General, I would like to put forward briefly some facts concerning the religious minorities in Israel.

RELIGIOUS MINORITIES

Besides Jews of all modern trends in Judaism, Israel contains a myriad grouping of religious minorities, each with its own tradition and local history, all together making up the variety that is Modern Israel. The largest in Israel is Islam. Today there are about 420,000 Muslims in Israel. This does not include the Western Bank, the Gaza Strip and the Golan Heights where there are approximately one million more. Therefore, 11% of the population in Israel proper are Muslims.

THE DRUZE

The Druze are considered by some people to be Muslims—but they are not. The name of the Druze sect is derived from the name of one of its founders, Al Darazi. Their venue is the border areas between Syria, Israel and Lebanon. They number some 300,000 in the world (a little more than half in Syria). There are 33,000 in Israel. The Druze are actively involved in Israel's Defense and are members of her army and border police.

THE SAMARITAN COMMUNITY

The Samaritan Community, so popular in Western literature, number only about 500 souls. They are almost equally divided into two communities. One, in Samaria on the West Bank in the city of Nablus, clustered around their holy centre on Mount Gerizim and a newer community at Holon, near Tel Aviv, which became a centre for those who found themselves cut off from their brethren after 1948. The sect traces its history as far back as the period of the Israelite tribes, claiming descent from Ephraim and Nennasseh.

BAHAI

Haifa (an Acre across the Bay) has become the world centre of the Bahai religion which claims hundreds of thousands of adherents in 11,000 different localities throughout the world. They believe in the unity of the whole human race, while upholding the unity of God, advocating search for truth and beauty, the equality of the sexes and an international language. The Faith saw the return of the Jews to their homeland as something prophesied by their founders and their late leader, the Shogi Effendi, welcomes the establishment of the State.

THE CHRISTIAN POPULATION

The Christian population in Israel and the territories number some 110,000 faithful. The vast majority are members of the Orthodox, Roman and Greek Catholic Churches. The rest are divided among the smaller Uniate and Protestant churches.

GREEK ORTHODOX PATRIARCHATE

There are three major Patriarchates in Jerusalem which minister among themselves to the vast majority of the Christians in the Holy Land. The oldest Patriarchate and, in terms of power and jurisdiction, the most important, is the Greek Orthodox. The Patriarch is the head of an autocephalous church, and therefore, need answer to no one in religious matters or in matters pertaining to his flock. He is the "Pope" of some 40,000 Orthodox in the Holy Land (including Trans Jordan), almost all of whom are Arab speaking.

ROMAN CATHOLIC PATRIARCHATE

The second Patriarch in importance, the Latin, is the spiritual leader of 24,000 Roman Catholics. As such, he is also responsible for the 45 religious orders represented there. His duties are shared with the incumbent Apostolic Delegate, the representative of the Pope in the Holy Land, as well as with the Franciscan Custos of the Holy Land whose order is responsible for the upkeep and maintenance of the Holy Places in possession or in shared possession of the Latins.

THE ARMENIAN PATRIARCHATE

The third Patriarchate, that of the Armenians, is centered around the religious Brotherhood of St. James. The Patriarch is the spiritual leader of the country's 2,500 Armenians.

UNIATE CHURCHES

The so-called Uniate Churches, all of which are recognized communities, account for a large number of Christians in Israel. The largest and most important is the Greek Catholic or Melkite community, numbering 27,000 faithful, the most numerous community in the Galilee. There are three smaller Uniate communities: the Armenian Catholic, the Syrian Catholic and the Maronite Church with 2,500. Most of the Maronites live in Haifa, and in various Galilee villages near the Lebanese border.

ANGLICAN AND PROTESTANT COMMUNITIES

Anglicans and Protestants came to the Holy Land only some 150 years ago. While they had aimed at establishing a mission among the Jews and Moslems, most of their converts came from the Orthodox Church. The Anglicans were a huge community during the British mandatory period, but after the British left in 1948, they remained with only the few hundred strong. Today, the community numbers some two thousand adherents.

BAPTIST AND OTHER CHRISTIAN COMMUNITIES

There is a relatively large Baptist community attached to the Southern Baptist Convention, with centres in Nazareth, Tel Aviv, Jerusalem, Ramallah, Petah Tikva and Bethlehem, as well as a few villages throughout the Galilee. The Seventh Day Adventists have centres in Jerusalem, as do the Jehovah's Witnesses in Haifa and Tel Aviv. The Church of the Nazarene is represented in three cities and the Mormons in two, the Dutch Reformed are in Nes Amin, as well as in Jerusalem, while the Church of Christ, the Church of God and other Pentecostal Churches are also well represented.

Most of the Protestant denominations belong to The United Christian Council in Israel, a blanket group which seeks to protect Protestant common interests in Israel.

All in all, there are about 250 churches and chapels with approximately 1,500 clergy belonging to 35 monastic orders.

RELIGIOUS FREEDOM ASSURED

The Proclamation of Independence issued at the Birth of the State of Israel states as follows:

"The State of Israel will maintain complete equality of social and political rights for all its citizens, without distinction of creed, race or sex. It will guarantee freedom of religion and conscience, of language, education and culture. It will safeguard the Holy Places of all religions."

Indeed, Israel has always honored this pledge and the Ministry for Religious Affairs is the official agency for the administration and care of Christian, Moslem and Druze Holy Places and communities in Israel.

CARE AND RESPECT FOR ALL HOLY PLACES

It also provides assistance to those communities so that they can discharge their religious activities in a proper way. In regard to the Holy Places, a law has been enacted in 1968 that makes it a criminal offense to behave in an improper way that might offend and hurt the feelings of the adherents at those holy sites. The implementation of this law has not been a simple matter. To give you just one example, the Israeli government has forbidden Jews to pray on Temple Mount, where the two famous Moslem mosques, "The Dome of the Rock" and "El-Aqza" are sited. It did so in order not to hurt Moslem-believers' feelings. Yet, a small group of people, mostly young, has tried time and again to have prayers at the Mount, claiming (rightly) that the place is also sacred to members of the Jewish faith. The case was brought before the Israeli Supreme Court, but there, the Attorney-General, pleading for the Government, gave a different reason for the prohibition. He warned that, if permission to have prayers at the Temple Mount be granted, shed, between Jews and Arabs. The motion was denied on those grounds. This example illustrates the problems and difficulties with which we are faced in the light of the fact that some holy places are sacred to more than one religious community. Yet, I believe that we have done a relatively good job in safe-guarding the Holy Places. Speaking of "freedom of religion", it might be noted that Israel has always permitted—indeed encouraged—even before the 1967 war, pious Moslems, living in Israel, to have an annual pilgrimage to Mecca and Medina. The Arab government, on the other hand, refused to let them in.

ISRAEL'S DEPARTMENT OF CHRISTIAN COMMUNITIES

The Department for Christian Communities was founded during the earliest days of the State in order to deal with the very pressing problems regarding Holy Places and clerical personnel caught in the conflict that characterized Israel's early struggle for independence and survival. Aid was given by the Department to clergy who were cut off from the centres of their churches, facilities were made for those churches and church institutions that were damaged in the fighting. Eventually all damages that were caused in 1948 and in 1967 were repaired by the Government of Israel through indemnities paid by the Ministry of Religious Affairs, even to those institutions (the majority) which were not damaged, as a result of fighting by the Israel Defense Forces. The immediate problems brought about by the War of Independence soon gave way to the problems of normal everyday life and therein the real work of the Christian Department came into being through the system of necessity being the mother of invention.

The demographic changes that came about in Israel's Christian population, as a result of the partition of the Holy Land and the ensuing conflict, necessitated a great building program to provide religious and educational facilities for those Christians, formerly of border villages in the Galilee, who had begun to congregate in the towns of Nazareth and Shfar Am and in various Galilean villages. The Department for Christian Communities paid the purchase tax and customs duties on all goods and building materials necessary for the successful completion of this long range building program.

CHURCH EXEMPTIONS

Since then a sum of close to 3 million IL has been provided annually for the reimbursement of customs and purchase taxes due from church institutions and clergy. We have also freed them from the necessity to pay income tax, as well as various other taxes demanded by the municipalities. Here is an interesting point. The government has been under constant pressure from religious Jewish congregations to exempt them also from those taxes which amount to a substantial sum of money. Yet the government declined those requests to the dismay of many in Israel.

The Ministry also set aside a budget for the repair and reconstruction of churches and cemeteries damaged by the elements or through misuse or old age. Each year many churches and cemeteries are repaired in this manner.

CLERICAL MOBILITY

The fact that Israel is unwillingly cut off from her neighbors causes many practical problems for clergy having to pass from their constituencies in Israel to the headquarters of their various orders in Lebanon and Syria, or the opposite, those residing in Lebanon, Jordan and Syria who have to visit their religious centers in Israel. Israel has always maintained an open bridges policy, not only for religious personnel, but also for a family visit scheme. When the bridges had been closed, it was not by the will of the State of Israel, and our Ministry's policy has been to recommend and aid the visits of all clergy to either side. Even in view of the fact that some have taken unfair advantage of this policy of open bridges, we continue to view this policy as a matter of "religious freedom" and, therefore, traffic continues to flow freely.

ISRAEL'S MINISTRY OF RELIGIOUS AFFAIRS

Because more than half of Israel's Jewish population comes from non-Western countries, it is not unusual that many of the people with whom the average Israeli Christian citizen comes into daily contact understand little about the basic tenets, customs and holidays of Christianity. It is for this reason that both the Department and its spokesman, the Ministry of Religious Affairs, try to come into contact with the mass communications media as much as possible, supplying information about forthcoming Christian holidays as well as about the accomplishments of and news about the various communities. The radio services of Kol Yisrael and the television services of the Israel Broadcasting Authority, both in Hebrew and in Arabic, carry all major religious services on the air and have weekly programs devoted to the Christian communities, all of which help to foster understanding between the various communities in Israel.

On the international scene, the Ministry of Religious Affairs is responsible for a quarterly publication called "Christian News from Israel" which appears in three languages, (English, French and Spanish) and is foremost in the field of documenting the Christian happenings in Israel, as well as articulating the opinions of Christian leaders, and summarizing recent research into history, archeology, theology and literature of Christian interest.

As the Christian communities are autonomous in matters pertaining to personal status (namely, marriage, divorce, inheritance, etc.), it is the Ministry's job to register these and to serve those religious courts as necessary. Presently, these courts number eight: two Greek Catholic, three Greek Orthodox, one Latin, one Maronite and one Anglican.

The same is true regarding the Moslems and the Druze. Their special courts have full jurisdiction in matters of personal status. The judges (Kadis) of the Moslem religious courts, as well as the Kadis, of the Druze courts, enjoy the same authority as do the Dayanim of the Jewish rabbinical courts.

Speaking of the Muslem community, I would like to point out that there are close to 300 clergymen (called Imams) paid by the State. Their salary has more than tripled in the last three years. The government has assisted in building up new mosques and renovating old ones all over the country. Some 10 million pounds have been allocated for that purpose.

JEWISH-CHRISTIAN DIALOGUE

And last, but not least, in a land of myriad religious persuasians the need for some sort of concentrated effort toward interfaith understanding is very obvious. Unfortunately, a three-way monotheistic dialogue is, even at this time, an impossibility because these contacts and discussions invariably get bogged down in political rhetoric at the expense of the spiritual. But there is a concentrated effort being made to create an inter-faith dialogue between Christians and Jews in Israel. There are various groups that act in this field. Most prominent on the list is the Interfaith Committee whose members throughout the country work toward common goals through meetings, discussions, congresses and symposiums.

Other important groups dedicated to this cause are: Rainbow and Meditran.

The only drawback in this situation is that the average man in the street is not really interested in interfaith dialogue and it remains an exclusive thing which has not filtered down to the grassroots. We have comfort in the fact that such an encounter—as every historical process—takes time, patience and, above all, wisdom.

I would like to conclude with the words of the Reverend Dr. Marcel Dubois of the Dominican Fathers of Jerusalem, who, recently at a symposium dedicated to the Christian-Jewish dialogue, said, and I quote:

"Jerusalem, the Holy Sepulchre, the Dome of the Rock, the Western Wall and countless other holy sites are inviting us, people of faith, to consider ourselves actively challenged, day after day, to realize a harmony and peace which do not yet exist, but which we may foster and develop together."

PRIVACY PROTECTION STUDY COMMISSION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Privacy Protection Study Commission will have its second meeting tomorrow. On the agenda for discussion are the selection of a chairman, the selection of an executive director, and a discussion of priorities for areas of study. The meeting will be held in EF 100 and will be open to the public from 1 p.m. to 4 p.m.

NATURAL GAS AND NEXT WINTER

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, everybody likes to see the hometown make news, but nobody wants to see it done in the manner of my hometown, Danville, Va.

Last winter, Danville managed to get through the cold months on the natural gas allocation provided to it, but only through the heroic efforts of local families and commercial establishments, who worked together to conserve that allocation.

Another winter is coming; we cannot escape it. Yet like the grasshopper of fable, we fiddle around, doing nothing to encourage the development of new gas supplies, while the available resources dwindle daily.

Last year should serve as a warning to the rest of the Nation: It happened in isolated instances though the South and East—it can happen in your own backyard this winter.

The Washington Post, in its lead editorial this morning, reminded its readers that Washington's neighbors in Baltimore may well feel the effect of a natural gas supply reduction in the near future. I share the Post's dismay that the Federal Power Commission has been forced to what the paper calls an "elegant evasion of the regulatory principle," and I commend the editorial to your reading!

Natural Gas and Next Winter

The eastern seaboard is going to get much less natural gas over the coming winter than last year. Consider a specific case: the city of Danville, Va., down near the North Carolina border. Its population is 46,000. Its principal industry is Dan River Mills, a huge textile manufacturer, that employs 9,000 people. Dan River Mills has to have gas for the cloth finishing process, which requires an open flame. Without gas, the factory shuts down.

Danville gets its gas from the Transcontinental Gas Pipeline Corporation, which is having severe supply troubles. The troubles are all related to the way that the federal government regulates gas prices, but Transcos' shortfall is greater than most. Last winter Transco curtailed deliveries to its customers, but the winter was warm and no actual unemployment resulted. Now Transco is projecting much more severe curtailments, and shortages along its line are inevitable.

Under the Federal Power Commission's rules, residential consumers and small commercial establishments have first priority for gas. Transco also supplies some of metropolitan Washington's natural gas. There are no large industrial users here in Washington and most of the gas goes into private homes. As they now stand, the FPC rules mean that all gas would be shut off to all industry in Danville, regardless of the effects on employment, before there was any reduction to households in Washington. These rules say that it is more important to use gas for drying clothes or keeping houses as warm as the owner pleases, than to use it for manufacturing in which peoples' livelihoods are at stake. There is something wrong with that order of priorities.

The same thought has occurred to the FPC, which is now reconsidering some of those priorities. But it is unlikely that there will be any change in time to help Danville this winter. Dan River Mills now has two choices—both of them instructive commentaries on the way that things are going under the present system of regulation. Dan River can buy propane. But it costs five times as much as natural gas, and propane too may shortly be in shortage as other factories all over the north and east do the same thing.

Dan River's other choice is more interesting, for it involves a basic change in federal regulatory policy. Last spring the FPC told them to buy gas on the unregulated intrastate market and ship it, through pipelines like Transco. across state lines. To see the significance of this proposal, you have to keep it in mind that the federal price controls apply only to gas in the interstate sales. As the present procedure works, Transco buys gas from a well in, say, Texas. Transco is held to the federal ceiling price—which is so low that very few producers will sell to the interstate pipelines. Transco transports the gas to Virginia, adding its transit charge, and sells that gas to the city of Danville which resells it to Dan River Mills. The FPC is now proposing that Dan River's management get on a plane to Houston, buy gas directly from the producers at the unregulated intrastate price, and then ship that gas back to Danville via Transco. In one case the pipeline is the middleman. In the other, it is a common carrier, like a railroad carrying a customer's coal from the mine to the power plant.

This new procedure—if the FPC decides to permit it—would constitute an elegant evasion of the regulatory principle. But since the principle is a bum one and is creating serious trouble for industry in this part of the country, the evasion is useful and welcome. The federal ceiling price for intrastate sales is 53 cents a thousand cubic feet. The unregulated price for sales within a state is anywhere from $1 to $2 a thousand feet, and there is no shortage at that price. With transportation charges, direct purchasing might push Dan River's gas costs two or three times as high as the present level—but, at the present level, they are not going to get any gas. Even at the unregulated price, natural gas is a great deal cheaper than propane, which runs nearly $4 a thousand feet. More important, it is a reliable supply to maintain production and employment.

Danville is perhaps an extreme case in its vulnerability. But the example is repeated, to one degree or another, throughout this entire region. In the immediate vicinity of Washington it is easy to ignore the threat, because jobs here do not depend on manufacturing. In Baltimore, it is another matter. Baltimore depends on a different pipeline system than Danville, and fortunately the cutbacks forecast for it this winter are not quite so severe as Transco's. The distributing company, Baltimore Gas and Electric, thinks that it can get through the winter with no job losses among its customers if three conditions hold—if 1) the weather is no colder than normal, 2) its customers practice reasonable conservation, and 3) the pipeline curtailments are no worse than currently estimated. Those are, of course, large qualifications. A serious gas shortfall in Baltimore would hit steel and automobile production sharply. The biggest single user of gas in Baltimore is the General Motors assembly plant.

This country has been treated very kindly by the weather. Since the gigantic rise in fuel prices at the end of 1973, both winters have been unusually warm. Less gas used for heating means more available for industry—

but the reverse is also true. A wise and foresighted nation would not count on a third warm winter in a row.

DEPARTMENT OF DEFENSE RECRUITING RESULTS FOR MAY, FISCAL YEAR 1975

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, preliminary figures recently released indicate that the total strength of the four military services at the end of April 1975, was 2,125,000 or 99.8 percent of their April target of 2,130,000. Strengths by service are compared with their June 1975 objectives as shown in the fiscal year budget request in the table below:

Active military strength

[In thousands]

April 1975 (preliminary):	
Army	771
Navy	539
Marine Corps	195
Air Force	619
Total	2, 125
June 1975 (objective):	
Army	785
Navy	536
Marine Corps	196
Air Force	612
Total	2, 129

Thirty-three thousand eight hundred men and women were recruited in May which was 102 percent of the total objective of 33,200.

ENLISTED ACCESSIONS—ALL SOURCES

Service	May 1975		
	Objective	Actual	Percent
Army	16, 400	16, 400	100
Navy	7, 700	7, 600	99
Marine Corps	3, 400	3, 400	100
Air Force	5, 800	6, 300	110
Total, DOD	33, 200	33, 800	102

Ninety-six percent of all non-prior service enlistees were in Mental Categories I–III which are the average and above average mental groups. Of the new enlistees 82% were high school graduates, and 9% or 2,900 were women. Black enlistments accounted for about 15% of the May enlistments. The Services also recruited about 3,200 prior service personnel.

The total selected reserve strength at the end of April was about the same as at the end of March.

SELECTED RESERVE STRENGTH

[In thousands]

	April 1975 (preliminary)	March 1975 (actual)	Average strength, fiscal year 1975	
			Through April	Appropriated
Army National Guard	394. 3	393. 8	393. 5	400. 0
Army Reserve	228. 2	228. 3	230. 1	225. 0
Navy Reserve	103. 3	104. 8	108. 7	111. 9
Marine Corps Reserve	32. 7	32. 8	32. 2	36. 7
Air National Guard	94. 1	94. 0	93. 9	95. 0
Air Force Reserve	48. 3	47. 4	46. 1	51. 3
Total, DOD	900. 8	901. 0	904. 6	919. 9

DR. MANOLO REYES ON THE MEANING OF U.S. CITIZENSHIP

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, on the Fourth of July several hundred South Florida residents, the great majority of them refugees from Communist Cuba, were sworn in as naturalized American citizens. One of these individuals was Dr. Manolo Reyes, a prominent Miami broadcaster. Dr. Reyes is an ardent supporter of freedom for his Cuban brethren and has testified on several occasions before the former Subcommittee on Inter-American Affairs on Soviet naval activities in his homeland. He was of great help to the Congress in this area.

Dr. Reyes made a most moving speech upon receiving his U.S. citizenship—one which truly describes the real meaning of this privilege which so many of us take for granted.

I call Dr. Reyes' remarks to the attention of our colleagues and believe they will join me in agreeing with him that American citizenship is a precious thing that endows us not only with privileges but with important responsibilities as well.

ACCEPTANCE SPEECH OF U.S. CITIZENSHIP

(By Dr. Manolo Reyes)

BAYFRONT PARK AUDITORIUM,
Miami, Fla., July 4, 1975.

MY FELLOW AMERICANS: This is the first time in my life that I can say this sentence that I have heard so many times and that has been in my heart for so long. And how proud I am to say: "My fellow Americans". Today we are gathered here to be born into a new life. Some of us, on this day, are being born for the third time in the same life.

We were born in our country of origin; we were born again when we came to this country seeking refuge and a new way of life. And today . . . thanks to this great nation, its people and its laws . . . we are born again.

Does this mean that we are going to negate, or renounce our past as we become new American citizens?

No!

The past is a prologue of our actual situation. Without the past we could never have come to the realization of today. In fact, our new status will give us greater appreciation of our past and strengthen our present, so that together we can build a better future for the generations to come.

Our new status is also a true and lasting alternative for our own children . . . some of whom have been undecided while standing between two nations.

Citizenship for the adult is something else, too. It is not just a piece of paper guaranteeing certain rights and privileges, citizenship is a belief. A firm belief! And we believe! Otherwise we would not be here today.

I listen to the National Anthem of the United States and I see a hospitable nation opening its arms to welcome us at the time of our greatest need I look at my children and I see them growing up in the land of the brave and the free, under the protection of the flag of stars and stripes. That is why citizenship is also gratitude!

When we came here for the first time as exiles, or refugees or residents, the Immigration Department of this country extended to us certain rights. With each right came also a duty. It is the same situation today, becoming American citizens. That is Democracy at work. A perfect balance between the same rights and duties for all.

That is why citizenship for the adults is a matter of a process and a process always takes time, until one day we realize the action taken today by us was the right one. Several weeks ago I had the opportunity of welcoming a group of Vietnamese refugees at a children's party. I told them that they were beginning to write a new chapter in the history of the United States, a land of asylum for those fleeing tyranny and oppression.

Suddenly I realized that many of us were still in the first chapter that we started many years ago, the same chapter the Vietnamese are starting now. And history never stops. Never goes back. Always forward. Why do we isolate ourselves? Why do we segregate ourselves? Why do we deny ourselves, the opportunity of helping to write the history of the United States of America, leader of the world?

Why do we not help to write some or all of their chapters? When by our own will we came to live in this country, the United States and its people gave us a place in the community. What do we give in return? Isolation? No! That cannot be the answer. We have to go out and participate whether it is a PTA or a City or County Commission meeting. We have to participate in the community affairs and in the affairs of the nation.

For that, you have to be fully equipped. And today we have been invested to do so. A nation is healthy when its communities are healthy. And this can be achieved only when all of its citizens are fully exercising their rights and duties. Not doing it on a part time basis. America is living today one of its most crucial and difficult times.

Why do we not fully participate in a true spirit of help, in a true spiirt of gratitude? It has been said that when an adult becomes a citizen of a different nation he leaves one-half of himself in his country of origin and the other half in his adopted nation. And that the first half, in his native country, has his heart, his mind, and his feelings.

To answer that, I feel citizenship is not a matter by which the human being is divided in two. Without a trace of doubt in my mind, citizenship is a matter of love.

I love the woman who brought me into life and will love her always. But I also love the woman who raised my children. Because both are mothers. So . . . let us help, because in helping we are developing the most beautiful form of love.

Let us work together for the betterment of future generations. Let us stand up. Let us came out of the shadows and let us be counted.

Let us work for America. Because . . . for all of us . . . today, the American Dream has become a reality!

INTRODUCTION OF LEGISLATION PROPOSING MAJOR REFORMS IN PRESENT UNEMPLOYMENT COMPENSATION LAW

(Mr. CORMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CORMAN. Mr. Speaker, H.R. 8366, a bill I introduced on July 8, 1975, proposes major reforms in the present unemployment compensation law. It contains changes that have been recommended by labor unions and employee organizations, including the UAW and the AFL–CIO. Senator MONDALE has introduced this bill in the Senate and I am very pleased to be associated with the distinguished Senator from Minnesota in sponsoring this legislation.

Unemployment insurance was enacted during the Great Depression of the

1930's, a part of the Social Security Act of 1935. The programs contained in this landmark legislation—unemployment insurance, social security, public assistance—were intended to provide individuals with economic security against conditions beyond their control that limited their ability to provide for themselves. They were controversial programs, generating intense opposition at the time they were enacted and for years after.

The Social Security Act of 1935 has proven to be one of the most significant and positive laws in the history of this Nation. The programs it established are sound and permanent elements in our economic structure. Since 1935, millions of individuals and families have received financial assistance and everyone has benefited from the stabilizing effect of these programs during periods of economic decline. The assistance provided under the unemployment compensation, social security, and public assistance programs have been a major force in preventing current economic conditions from reaching the disastrous proportions of the Great Depression.

For over 3 decades, unemployment compensation has provided financial protection against temporary unemployment for most of the Nation's wage and salary workers. It is an important source of security for the employed and the major source of assistance for jobless workers.

There are about 80 million wage and salary workers in the Nation today. Approximately 68 million are currently covered under permanent State and Federal unemployment compensation programs and can receive benefits if they become unemployed. The remaining 12 million workers are not covered, or do not have unemployment compensation protection, under existing permanent law. The major groups of workers without permanent coverage are State and local employees, agricultural employees, and domestic workers.

The Federal-State Unemployment Compensation programs are operated by the States under general Federal guidelines. Funds accumulated from taxes on wages during periods of employment permit payment of benefits to covered workers during periods of temporary unemployment. States generally provide up to 26 weeks of regular unemployment compensation benefits in a year for unemployed workers. These benefits are financed out of State unemployment tax revenues.

The Federal-State extended benefit program is a permanent program enacted in 1970 which pays extended benefits to covered workers during periods of high unemployment. The program is financed equally from Federal and State unemployment tax revenues and may become operative either in an individual State or in the entire country.

Under the extended benefits program, States must pay extended benefits when the State's average insured unemployment rate—not seasonally adjusted—is 4 percent for a 13-week period and at least 120 percent of the rate for the corresponding period in the preceding 2 years; or when the national insured unemployment rate for 3 consecutive months is 4.5 percent—seasonally adjusted. Extended benefits are payable until the State requirements are no longer met and the national insured unemployment rate for each of the 3 most recent months is less than 4.5 percent—seasonally adjusted.

Under existing permanent law, the claimant who has exhausted regular benefits during an extended compensation period—that is, a period of high unemployment—receives extended benefits equal to his weekly benefit amount under the State program for up to one-half of the number of weeks of entitlement to regular benefits, but for not more than 13 weeks. There is an overall limitation of 39 weeks of regular and extended benefits combined.

Current economic conditons have placed considerable strain and focused a great deal of attention on the Federal-State Unemployment Compensation program. The necessity and basic soundness of the program have been sharply demonstrated. Some inadequacies and needed improvements have also been emphasized.

Because of the extremely high unemployment, and because some long overdue reforms have yet to be made in the unemployment compensation law, Congress has had to enact several temporary measures in the past 6 months. In December of last year, Congress enacted on a temporary basis two programs providing supplemental or additional unemployment compensation benefits. The Federal supplemental benefits—FSB—program provided 13 additional weeks of emergency unemployment benefits, bringing to 52 the maximum number of weeks an insured and unemployed worker could receive benefits. Another bill established for 1 year the Special Unemployment Assistance—SUA—program providing limited unemployment compensation benefits for unemployed State and local employees, agricultural and domestic workers not covered under the permanent program.

In March of this year, 13 more weeks of emergency benefits were added to the FSB program payable through June 30. This brought to 65 the maximum number of weeks an insured jobless worker could receive unemployment insurance benefits. In a bill enacted last month, Public Law 94-45, the 65-week maximum under the FSB program was extended through December in all States and through March 1977 in States where unemployment remains high. Also, the SUA program was extended for another year, through 1976, and the maximum entitlement was increased from 26 to 39 weeks for uninsured jobless workers.

The existing Federal-State Unemployment Compensation programs, supplemented by the temporary measures Congress has provided in the past several months, have made it possible for millions of individuals and families to sustain themselves during these recent months of high unemployment. Now is the time for Congress to thoroughly examine existing permanent and temporary laws and make those changes that will strengthen unemployment compensation and make it more suited to changing economic conditions.

H.R. 8366 is a comprehensive bill proposing modifications in almost all aspects of the unemployment compensation law. Some of the changes it proposes have been discussed for many years and are long overdue. All of the changes reflect the need to adjust a program enacted in 1935 to the economic realities of 1975. The changes it proposes are supported by the Nation's wage and salary workers, or the individuals and their families who are most directly affected by the benefit structure of the program. The major changes in the bill include the following:

First. Coverage. The bill extends unemployment compensation coverage to almost all of the approximately 12 million agricultural workers, domestic workers and State and local government employees who are not now covered under the permanent Federal-State programs.

States are required to cover the employees of agricultural employers who pay $1,500 or more in quarterly wages or employ 1 or more workers for at least 20 days a year, and the domestic employees of employers who pay $500 or more in quarterly wages. Coverage is required of all State and local government employees excluding certain elected, appointed, and other employees, and prohibiting payments to teachers and other professional employees of educational institutions during periods between academic years or terms if they have contracts for the forthcoming academic term.

Three States—New York, Arkansas, and Hawaii—and the District of Columbia, currently provide protection under their permanent unemployment compensation programs for domestic workers. Minnesota, Hawaii, Puerto Rico and the District of Columbia cover farmworkers. Twenty-nine States now cover substantially all State government employment and eight States cover local government employees. In States where these workers are not covered under the permanent program, they are provided limited unemployment compensation benefits under the temporary special unemployment assistance program due to expire December 31, 1976.

The extension of permanent unemployment compensation to the presently excluded 12 million workers is long overdue. The fact that the major groups of excluded workers are covered in some States should indicate that it is administratively feasible to provide them with unemployment compensation protection in all States. There is no justification for treating them any differently from the 68 million workers who are covered, or for denying them the security when employed, and assistance when temporarily jobless, that is enjoyed by the rest of the Nation's wage and salary earners.

Second. Benefits and qualification requirements. The bill requires States to provide a weekly benefit amount equal to two-thirds of the qualified individual's average weekly wage or, if less, the maximum weekly amount payable under the State law. The State maximum weekly benefit amount must be equal to at least

75 percent of the statewide average weekly wage. Furthermore, a State cannot reduce an individual's weekly benefit by more than two-thirds of the amount of any earnings from part-time employment.

The bill also requires States to provide a maximum duration of 52 weeks of regular compensation to qualified individuals. The first 26 weeks will continue to be financed out of the State unemployment tax funds. The financing of benefit weeks 26 through 52 will be shared 50 percent from the States' unemployment trust funds and 50 percent from the Federal unemployment tax revenues.

In establishing eligibility for unemployment compensation benefits, the bill provides that a State cannot require more than 20 weeks of work—or the equivalent in terms of a multiple of the individual's high quarter wages or weekly benefit amount—for 26 weeks of benefits; 30 weeks of work—or the equivalent—for 39 weeks of benefits; and 40 weeks of work—or the equivalent—for 52 weeks of benefits. In calculating how many weeks a person has worked, States have to count every week in the previous four quarters, 52 weeks or 1 year in which the applicant worked 12 or more hours or earned 15 percent of the statewide average weekly wage. A person cannot be denied benefits solely on the basis of pregnancy and no disqualification for voluntary leaving or misconduct—except gross misconduct—can last for more than 6 weeks.

Under current law, the qualification requirements, benefit duration and weekly benefit levels are determined by each State. Most States provide a maximum of 26 weeks of regular compensation; however, there is substantial variation among the States in their qualification requirements and the amount of weekly payments.

For example, in January 1975, an unemployed individual who had worked for 26 weeks at a weekly wage of $150 before applying for unemployment compensation benefits would have been eligible for approximately 14.4 weeks of regular benefits in Colorado, 16 weeks in Indiana, 20.8 weeks in Wisconsin, and 26 weeks in California. His weekly benefit payment would have been about $49 in Oregon, $52 in Texas, $75 in Connecticut, and $90 in New Jersey. If this individual had earned $150 per week for 39 weeks prior to his application for unemployment compensation he would have been eligible for 21.6 weeks of regular benefits in Colorado, 24.3 in Indiana, 26 in California, and 31.2 in Wisconsin.

The permanent extended benefits program, which provides a 50-percent increase in regular duration entitlement when the State has a high unemployment rate, can increase the disparities among the States. For example, an unemployed individual living in Colorado who has worked 26 weeks at a weekly wage of $150.00 and applies for unemployment compensation benefits during a time of relatively low unemployment would be eligible for approximately 14.4 weeks of regular benefits. An individual living in California with the same work experience and who applies for benefits at the same time, but it happens to be during a period of high unemployment in California when the extended benefit program is in effect, would be eligible for 39 weeks of benefits—26 weeks of regular, plus 13 weeks of extended benefits.

The benefit and qualification standards proposed in H.R. 8366 would eliminate some of the inadequacies and reduce the differences that exist among the State programs.

The proposed benefit level requirements are relative standards based on individual and State wage levels. They reflect a concern that in many States the current benefit levels do not provide enough assistance to allow jobless workers to maintain their homes and families while they are seeking employment.

The 52-week maximum duration requirement would eliminate the extended benefit program and the need for State or national triggers. States could require additional work experience in order for an individual to receive more than the present 26-week maximum. If a qualified individual needed additional time to secure a job, entitlement to additional benefits would not depend upon whether there was a statewide unemployment rate of 4.0 rather than 3.9 percent, or if the current unemployment rate was 120 percent rather than 115 percent higher than the previous 2 years. Under H.R. 8366, entitlement to additional benefits, up to a maximum of 52 weeks, would depend upon the individual's work experience and his ability and willingness to continue to seek and accept suitable employment. It would not be contingent upon arbitrary State or national triggers.

Third. Financing. The bill increases the amount of wages subject to the Federal unemployment tax to $6,000 for calendar year 1977. After calendar year 1977, the taxable wage base is increased $2,000 a year until it is equal to the social security—Old Age and Survivors Disability Insurance—tax base which is currently $14,100.

The bill also requires a minimum State tax rate of 1 percent, and requires the States to maintain their unemployment fund reserves at a level equal to at least 150 percent of the highest benefit-cost ratio for a 12-month period since January 1, 1958.

Unemployment Compensation is seriously underfinanced and it has been for several years. There have been no increases in the Federal wage base since 1970 when it was raised from $3,000 to $4,200. The current Federal taxable wage base of $4,200 represents less than 50 percent of total payrolls.

Nine States have depleted their trust funds and are currently borrowing from the Federal Government, and as many as 28 States could be forced to borrow Federal funds by the end of 1976. The Federal Unemployment Account—from which the States with depleted trust funds borrow money—and the Extended Unemployment Compensation Account—which finances the Federal share of the extended benefits program—are both depleted and borrowing Federal general revenues.

The obsolete financing provisions which have allowed the fiscal state of the unemployment compensation system to deteriorate are among the most serious deficiencies in the present law. Changes in the financing provisions that will substantially increase the revenues derived from the Federal and State Unemployment Compensation taxes must be a first priority issue in attempting to improve the program.

The changes in financing contained in H.R. 8366 should provide sufficient additional revenues to pay for the benefit increases it proposes and restore the fiscal soundness of the Federal and State unemployment accounts.

On July 15, the Unemployment Compensation Subcommittee of Ways and Means will begin hearings on legislation proposing changes in the present Federal-State Unemployment Compensation programs. I invite the administration and other witnesses that will be appearing before the subcommittee during these hearings to comment on the changes proposed in H.R. 8366, and request that the full text of the bill be printed in the CONGRESSIONAL RECORD immediately following this statement:

H.R. —

A bill to amend the Federal Unemployment Tax Act to require States to extend coverage to State and local employees, domestic and agricultural workers; to provide at least 52 weeks of regular unemployment compensation, to provide for Federal financing of one-half of the additional costs attributable to such requirement, to provide a minimum weekly benefit amount; to increase the amount of wages subject to the Federal Unemployment Tax, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Unemployment Compensation Amendments Act of 1975".

SEC. 2. COVERAGE OF AGRICULTURAL EMPLOYMENT.

(a) NONCASH REMUNERATION.—Section 3306 (b) of the Internal Revenue Code of 1954 (defining wages) is amended by striking out "or" at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(11) remuneration paid in any medium other than cash for agricultural labor.".

(b) Coverage of Agricultural Labor.—Paragraph (1) of section 3306(c) of such Code (defining employment) is amended to read as follows:

"(1) agricultural labor (as defined in subsection (k)) unless performed for an employer who—

"(A) during any calendar quarter in the calendar year or the preceding calendar year paid remuneration in cash of $1,500 or more to individuals employed in agricultural labor, or

"(B) on each of some 20 days during the calendar year or the preceding calendar year, each day being in a different calendar week, employed in agricultural labor for some portion of the day (whether or not at the same moment of time) one or more individuals;

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

Sec. 3. Treatment of Certain Farm Workers.

(a) General Rule.—Section 3306 of the Internal Revenue Code of 1954 (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(o) Special Rule in Case of Certain Agricultural Laborers.—

"(1) In general.—For purposes of this chapter, in the case of any individual who is a member of a crew furnished by a crew leader to perform agricultural labor for any other person—

"(A) such other person and not the crew leader shall be treated as the employer of such individual; and

"(B) such other person shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of remuneration paid to such individual by the crew leader for the agricultural labor performed for such other person.

"(2) Specialized agricultural labor.—Paragraph (1) shall not apply to any individual who is a member of a crew furnished by a crew leader to perform agricultural labor for any other person if substantially all the members of such crew operate or maintain tractors, harvesting equipment, or other mechanized equipment which is furnished by the crew leader.

"(3) Crew leader.—For purposes of this subsection, the term 'crew leader' means an individual who furnishes individuals to perform agricultural labor for any other person, if such individual pays (either on his behalf or on behalf of such other person) the individuals so furnished by him for the agricultural labor performed by them."

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

Sec. 4. Coverage of Domestic Service.

(a) General Rule.—Paragraph (2) of section 3306(c) of the Internal Revenue Code of 1954 (defining employment) is amended to read as follows:

"(2) domestic service in a private home, local college club, or local chapter of a college fraternity or sorority unless performed for an employer who paid cash remuneration of $500 or more for such domestic service in any calendar quarter in the calendar year or the preceding calendar year;".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

Sec. 5. Coverage of Certain Service Performed for Non-Profit Corporations and for State and Local Governments.

(a) General Rule.—Subparagraph (B) of section 3309(a)(1) of the Internal Revenue Code of 1954 (relating to State law requirements) is amended to read as follows:

"(B) service excluded from the term 'employment' solely by reason of paragraph (7) of section 3306(c); and".

(b) Alternative Method of Financing.—Subsection (d) of section 3309 of such Code (defining institution of higher education) is amended to read as follows:

"(d) Alternative Method of Financing.—

"(1) In general.—The State law may provide that an organization which elects to make payments (in lieu of contributions) as provided in subsection (a)(2) may elect to limit its payments (in lieu of contributions) in any calendar year to an amount which (A) is equal to the amount of the compensation attributable to service in its employ which would be considered for experience rating purposes in computing its contribution rate if it were an employer that was liable for contributions, and (B) does not exceed, in any calendar year, 10 percent of the wages (as the State law defines wages subject to contributions) paid by such organization during such calendar year.

"(2) Supplementary payments.—The State law which permits the election described in paragraph (1) shall require an organization which makes such election to make a supplementary payment in addition to its limited payments in lieu of contributions. Such supplementary payment, in any calendar year, shall not exceed the lesser of—

"(A) 1 percent of the wages (as the State law defines wages subject to contributions) paid by the organization during such calendar year, or

"(B) the percentage of such wages which is equal to that portion, if any, of the contribution rate which is payable by all of the State's experience-rated employers subject to contributions and which is computed without regard to their individual experience with unemployment or other factors bearing a direct relation to unemployment risk."

(c) Exclusion of Certain Government Employees.—

(1) Certain employees.—Paragraph (3) of section 3309(b) of such Code (relating to certain services to which section does not apply) is amended to read as follows:

"(3) in the employ of a governmental entity referred to in paragraph (7) of section 3306(c), if such service is performed by an individual in the exercise of his duties as—

"(A) an elected official or an official appointed for a specific term established by law;

"(B) a member of a legislative body or a member or employee of the judicial branch of a State or political subdivision thereof;

"(C) a member of the State National Guard or Air National Guard; or

"(D) a part-time official;"

(2) Inmate.—Paragraph (6) of such section 3309(b) is amended to read as follows:

"(6) by an inmate in a custodial or penal institution."

(d) Technical Amendments.—

(1) Paragraph (6)(A) of section 3304(a) of such Code is amended—

(A) by striking out "institution of higher education" and inserting in lieu thereof "educational institution"; and

(B) by striking out "institution or institutions of higher education" and inserting in lieu thereof "educational institution or institutions".

(2) The section heading of section 3309 of such Code is amended to read as follows:

"Sec. 3309. State law government of certain services performed for nonprofit organizations or governmental entities."

(3) The table of sections for chapter 23 of such Code is amended by striking out the item relating to section 3309 and inserting in lieu thereof the following:

"Sec. 3309. State law coverage of certain services performed for nonprofit organizations or governmental entities."

(e) Effective Date.—The amendments made by this section shall apply with respect to certifications of State laws for 1977 and subsequent years, but only with respect to services performed after December 31, 1976.

Sec. 6. Minimum Amount of Unemployment Compensation During a Benefit Year.

(a) General Rule.—Paragraph (12) of section 3304(a) of the Internal Revenue Code of 1954 is amended to read as follows:

"(12)(A) an individual eligible for compensation for any benefit year beginning on or after January 1, 1978, shall receive regular compensation for a number of weeks beginning in such benefit year which is not less than the minimum entitlement determined under subsection (f)(8);

"(B) any waiting period before the payment of compensation during any benefit year beginning on or after January 1, 1978, to an individual eligible for such compensation does not exceed 1 week of total or partial unemployment and compensation shall be paid for such waiting period if the individual receives compensation for at least 3 weeks in such benefit year;

"(C) the amount of compensation payable to any individual for any week of total unemployment during any benefit year beginning on or after January 1, 1978, shall not be less than the lesser of—

"(i) two-thirds of such individual's average weekly wage; or

"(ii) the maximum amount payable to such individual for such week under such State law;

"(D) the maximum amount of compensation (exclusive of allowances with respect to dependents) payable to any individual during any benefit year beginning on or after January 1, 1978, shall not be less than 75 percent of the statewide average weekly wage most recently computed before the beginning of such benefit year; and

"(E) the amount of compensation payable during any benefit year beginning on or after January 1, 1978, to any individual for any week in which the individual is employed on a part-time basis shall not be less than (i) the amount which would be payable to such individual for such week if he did not receive any remuneration for employment in such week, reduced by (ii) two-thirds of such remuneration;".

(b) Definitions.—Section 3304 of such Code (relating to approval of State laws) is amended by adding at the end thereof the following new subsection:

"(f) Definitions for Application of Subsection (a)(12).—For purposes of subsection (a)(12)—

"(1) Benefit year.—The term 'benefit year' means a period as defined in State law except that such period shall not be less than 1 year.

"(2) Base period.—The term 'base period' means the period of 52 weeks, 1 year, or 4 calendar quarters, as designated by the State law, immediately preceding the beginning of an individual's benefit year.

"(3) Individual's average weekly wage.—The term 'individual's average weekly wage' means—

"(A) in a State which computes individual weekly benefit amounts on the basis of high quarter wages, an amount equal to one-thirteenth of an individual's high quarter wages; or

"(B) in any other State, an amount computed by dividing the total amount of wages (determined without regard to any limitation on the amount of wages subject to contributions under the State law) in the individual's base period by the number of weeks in which he performed services in employment covered under such State law during such base period.

"(4) High quarter wages.—The term 'high quarter wages' means the amount of wages for services performed in employment covered under the State law paid to an individual in the quarter of his base period in which such wages were highest, determined without regard to any limitation on the amount of wages subject to contributions under such State law.

"(5) Statewide average weekly wage.—The term 'statewide average weekly wage' means the amount computed by the State agency at least once each year on the basis of the aggregate amount of wages, determined without regard to any limitation on the amount of wages subject to contributions under such State law, reported by employers as paid for services covered under such State law, during the first 4 of the last 6 completed calendar quarters prior to the effective date of the computation, divided by a figure representing 52 times the 12-month average of the number of employees in the pay period containing the twelfth day of each month during such 4 calendar quarters, as reported by such employers.

"(6) Regular compensation.—The term 'regular compensation' means compensation, other than extended compensation or additional compensation payable to an individual under the State law, and the terms 'extended compensation' and 'additional compensation' have the meaning given such terms by section 205 of the Federal-State Extended Unemployment Compensation Act of 1970.

"(7) Week of base period employment.—The term 'week of base period employment' has the meaning given to such term by the State law except that the State law shall provide that any week—

"(A) in which the individual earned an amount which is not less than 15 percent of the statewide average weekly wage; or

"(B) in which the individual was employed for at least 12 hours;

shall be treated as a week of base period employment. The State law may contain either the provision described in subparagraph (A) or the provision described in subparagraph (B) and shall apply such provision uniformly to all individuals. Any weekly benefit amount payable under such State law may be rounded to an even dollar in accordance with the provisions of such State law.

"(8) Minimum entitlement.—The term 'minimum entitlement' means with respect to the benefit year of any individual—

"(A) 26 weeks in the case of an individual who during the applicable base period—

"(i) had at least 20 weeks of base period employment; or

"(ii) received wages for services performed in employment covered by the State law in an amount not less than (I) in the case of a State which computes weekly benefit amounts on the basis of high quarter wages, 150 percent of the individual's high quarter wages, or (II) in the case of any other State, the product of 30 multiplied by the weekly benefit amount;

"(B) 39 weeks in the case of an individual who during the applicable base period—

"(i) had at least 30 weeks of base period employment; or

"(ii) received wages for services performed in employment covered by the State law in an amount not less than (I) in the case of a State which computes weekly benefit amounts on the basis of high quarter wages, 230 percent of the individual's high quarter wages, or (II) in the case of any other State, the product of 45 multiplied by the weekly benefit amount; or

"(C) 52 weeks in the case of an individual who during the applicable base period—

"(i) had at least 40 weeks of base period employment; or

"(ii) received wages for services performed in employment covered by the State law in an amount not less than (I) in the case of a State which computes weekly benefit amounts on the basis of high quarter wages, 310 percent of the individual's high quarter wages, or (II) in the case of any other State, the product of 60 multiplied by the weekly benefit amount."

(b) The amendment made by subsection (a) shall take effect January 1, 1977, and shall apply to the taxable year 1977 and taxable years thereafter; except that the provisions of section 3304(a)(12)(A) of the Internal Revenue Code of 1954 (as amended by subsection (a)) shall not be a requirement for the State law of any State before January 1, 1978.

SEC. 7. PAYMENTS TO STATES FOR EXPENDITURES REQUIRED TO MEET MINIMUM ELIGIBILITY STANDARDS.

(a) General Rule.—Title IX of the Social Security Act is amended by adding at the end thereof the following new section:

"Payments To States For Expenditures Required To Meet Minimum Eligibility Standards

"PAYMENTS TO STATES

"Sec. 909. (a)(1) Each State, the State unemployment compensation law of which is approved by the Secretary of Labor (hereinafter in this section referred to as the 'Secretary') under section 3304 of the Internal Revenue Code of 1954, shall be entitled to receive, with respect to regular compensation paid under such State law for any period after such law has been modified to comply with the requirements of subsection (a)(12)(A) of such section 3304, an amount equal to one-half of the amount by which—

"(A) the aggregate of the regular compensation paid during such period to the extent that such compensation was not paid for any week after the first 52 weeks for which compensation was paid during any benefit year; exceeds

"(B) the aggregate of the regular compensation which would have been paid under such law during such period if such State law provided for the payment of regular compensation for not more than 26 weeks in any benefit year.

For purposes of this paragraph, the term 'regular compensation' has the meaning given to such term by section 3304(f)(6) of the Internal Revenue Code of 1954.

"(2) For purposes of paragraph (1), section 3304(a)(12)(A) of the Internal Revenue Code of 1954 shall be deemed to impose the requirement contained in such section for the period beginning on the date of the enactment of this section. In the case of any State law which (on the date of the enactment of this section) meets the requirement imposed by such section 3304(a)(12)(A), such law shall, for purposes of paragraph (1) be deemed to have been modified to meet such requirement on such date.

"PAYMENT ON CALENDAR MONTH BASIS

"(b) There shall be paid from the extended unemployment compensation account to each State either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under subsection (a) for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

"CERTIFICATION

"(c) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, by tranfsers from the extended unemployment compensation account to the account of such State in the Unemployment Trust Fund.

"AUTHORIZATION OF APPROPRIATIONS

"(d) There are hereby authorized to be appropriated, without fiscal year limitation, to the extended unemployment compensation account, as repayable advances (without interest), such sums as may be necessary to carry out the purposes of this section. Amounts appropriated as repayable advances and paid to the States under this section shall be repaid, without interest, as provided in section 905(d)."

(b) Transitional Rules.—

(1) In general.—Whenever the State law of a State is modified (or is deemed to be modified under section 909(a) of the Social Security Act) to comply with the requirement imposed by section 3304(a)(12)(A) of the Internal Revenue Code of 1954 (as added by section 6 of this Act), then for the period commencing with the first day of the first week with respect to which such modification (or deemed modification) is effective—

(A) section 3304(a)(11) of such Code shall no longer be a requirement in the case of the State law of such State, and

(B) no payment shall be made to such State, under the Federal-State Extended Unemployment Compensation Act of 1970, with respect to any regular, extended, or additional compensation paid to an individual during, or after the close of, a benefit year (as defined in the State law) to which the State law as so modified (or deemed modified) applies.

(2) Payment of extended benefits.—

(A) In general.—Effective January 1, 1978, section 3304(a)(11) of such Code shall no longer be a requirement in the case of the State law of any State.

(B) Termination of extended program.—No payment shall be made to any State, under the Federal-State Extended Unemployment Compensation Act of 1970, with respect to any regular, extended, or additional compensation paid to an individual during, or after the close of, a benefit year (as defined in the State law) to which the State law (as modified, or deemed modified under section 909(a) of the Social Security Act, to comply with the requirement imposed by section 3304(a)(12)(A) of such Code) applies.

(3) Definitions.—For purposes of this subsection, the terms "regular compensation", "extended compensation", and "additional compensation" have the meaning given to such terms by section 205 of the Federal-State Extended Unemployment Compensation Act of 1970.

SEC. 8. ADDITIONAL REQUIREMENTS FOR STATE UNEMPLOYMENT COMPENSATION LAWS.

(a) General Rule.—Subsection (a) of section 3304 of the Internal Revenue Code of 1954 (relating to requirements for approval of State laws) is amended by redesignating paragraph (13) as paragraph (17) and by inserting after paragraph (12) the following new paragraphs:

"(13) no person shall be denied compensation under such State law solely on the basis of pregnancy and determinations under any provision of such State law relating to voluntary termination of employment, availability for work, active search for work, or refusal to accept work shall not be made in a manner which discriminates on the basis of pregnancy;

"(14) the rate at which any employer is required to make contributions into the unemployment fund maintained under such State law is not less than 1 percent.

"(15) no person shall be disqualified for a period in excess of 6 weeks from receiving compensation under such State law because of voluntary termination of employment or termination of employment resulting from misconduct (other than gross misconduct);

"(16) the unemployment fund reserves of the State shall be maintained at a level equal to at least 150 percent of the highest benefit-cost ratio (benefit expenditures as a percent of total covered payroll) experienced for a 12-month period since January 1, 1958;".

(b) Effective Date.—The amendments made by subsection (a) shall apply with respect to certification of State laws for 1977 and subsequent years.

SEC. 9. INCREASE IN AMOUNT OF WAGES SUBJECT TO FEDERAL UNEMPLOYMENT TAX.

(a) General Rule.—Paragraph (1) of subsection (b) of section 3306 of the Internal Revenue Code of 1954 (defining wages) is amended by striking out "$4,200" and inserting in lieu thereof "the taxable wage limit".

(b) Taxable Wage Limit.—Section 3306 of such Code (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(p) Taxable Wage Limit.—For purposes

of subsection (a), the term 'taxable wage limit' means—

"(1) in the case of wages paid during the calendar year 1977, $6,000; or

"(2) in the case of wages paid during any calendar year beginning after the calendar year 1977, the sum of $6,000 plus $2,000 for each calendar year which begins after 1976 and before the beginning of the calendar year in which the wages are paid.

If the amount determined under paragraph (2) for any calendar year exceeds the contribution and benefit base (as determined under section 230 of the Social Security Act) which is effective with respect to such calendar year the taxable wage limit which shall apply to wages paid during such calendar year or any succeeding calendar year shall be (in lieu of the amount determined under paragraph (2)), the contribution and benefit base (as so determined) which is effective with respect to such calendar year or such succeeding calendar year, as the case may be."

(c) Effective Date.—The amendments made by this section shall apply to remuneration paid after December 31, 1976.

Sec. 10. Proration of Costs of Claims Filed Jointly Under State Law and Section 8505 of Title 5, United States Code.

(a) General Rule.—Section 8505(a) of title 5, United States Code, is hereby amended to read as follows:

"(a) Each State is entitled to be paid by the United States with respect to each individual whose base period wages included Federal wages an amount which shall bear the same ratio to the total amount of benefits paid to such individual as the amount of his Federal wages in his base periods bears to the total amount of his base period wages, computed to the nearest percentage point.".

(b) Effective Date.—The amendment made by subsection (a) shall apply with regard to compensation paid on the basis of claims for compensation filed on or after July 1, 1975.

Sec. 11. Repeal of Finality Provision.

(a) General Rule.—Section 8506(a) of title 5, United States Code, is amended by striking out the fifth sentence.

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to findings made after the date of the enactment of this Act.

WHAT'S GOING ON?

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record, and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the recent outpouring of statements from the administration threatening the first use of nuclear weapons has indicated a dangerous turn in our nuclear policy. Whatever the administration's reasons are for these statements, they do not admit the danger presented by the use of nuclear weapons both to this Nation's survival and that of the world. This new direction, and our nuclear policy in general, deserves a most serious discussion by the Congress. A policy of such importance should not be confined to being established unilaterally by the Executive.

I am inserting into the Record a column by Tom Wicker which appeared in the New York Times on Sunday, July 6, outlining a disturbing trend away from the policies of strategic arms limitation and towards one where the use of nuclear weapons becomes an ever-increasing possibility.

The column follows:

What's Going On?

(By Tom Wicker)

What is going on among the Ford Administration's arms strategists, who on the one hand appear to be pursuing strategic arms limitation with the Soviet Union but on the other are doing some saber-rattling both as to the use and the size of American nuclear forces?

Just last week, Secretary of Defense James R. Schlesinger questioned what most Americans had supposed was the United States' determination not to be first to use nuclear weapons against another country. He was quoted by The Washington Post as having said at a breakfast with reporters: "First use could conceivably—let me underscore conceivably—involve what we define as strategic forces and possibly, possibly—underscore possibly—involve a selective strike at the Soviet Union. We do not necessarily exclude that, but it is indeed a very, very low probability."

This followed Mr. Schlesinger's testimony to Congress, made public on May 29, that to avoid defeat in Europe by a conventional attack from Warsaw Pact forces, the United States might authorize first use of some of the 7,000 battlefield "tactical" nuclear warheads it has provided for NATO forces. This might be necessary even if the attackers had not used nuclear weapons, Mr. Schlesinger said, and added that "the [nuclear] attack should be delivered with sufficient shock and decisiveness to forcibly change the perceptions of Warsaw Pact leaders and create a situation conducive to negotiations."

At the breakfast session last week, he was asked about the widespread view—held, for example, by Gerard C. Smith, the former American arms negotiator—that such "tactical" battlefield use of nuclear weapons was bound to breach the "firebreak" and lead to all-out nuclear warfare. He replied:

"The notion that a nuclear firebreak, if ever breached, must inevitably lead to escalation to the top has been supported neither in American military planning, nor doctrine, nor policy statements."

Mr. Schlesinger also has been flaunting his nuclear weapons at Asia. In a news conference on June 20, he said the United States retained the option to use such weapons or introduce more ground troops in the event North Korea invaded South Korea. He also confirmed for the first time that the United States had tactical nuclear warheads in South Korea. Not unnaturally, the North Koreans promptly accused Mr. Schlesinger of "nuclear blackmail."

Helen Thomas of United Press International then put the question to President Ford at his news conference on June 26—did the United States still disavow first use of nuclear weapons?

"Well, the United States still has the policy that means that we have the maximum flexibility for the determination of what is in our own national interest," Mr. Ford replied. "I don't think it's appropriate for me to discuss in a press conference what our utilization will be of our tactical or strategic weapons. This is a matter that has to be determined if and when there are any requirements for our national interest."

That has the effect of supporting Mr. Schlesinger's statements. Still, all this might be viewed as mostly chest-thumping in the wake of defeat in Southeast Asia and in view of the real possibility of North Korea seizing the moment to move against South Korea. But that leaves out account the practical changes Mr. Schlesinger has introduced into the American nuclear force.

Simply stated, he has shifted part of the land-based missile force with its multiple warheads to a "counter force" role; that means they are targeted on Soviet missiles rather than on Soviet cities. Last February, the Pentagon proposed also to develop such "counter force" ability for the Trident 2 submarine-based missile. The submarine nuclear force had previously been considered too inaccurate to be aimed at anything smaller than a city.

Mr. Schlesinger denies it, but to others these moves appear to be steps toward a so-called "first-strike capability" that would permit the United States to knock out the Soviet missile force before it could be launched.

Mr. Schlesinger also has announced plans to expand American nuclear forces, from 2,198 strategic delivery vehicles to 2,490, and from 1,100 missiles with multiple warheads to 1,320, the upper limits agreed upon at Vladivostok. He says that both the shift to "counter force" targeting and the expanded missile forces are in response to a continuing Soviet nuclear buildup.

But how much might the Soviet buildup actually be in response to ours, in this deadliest of all games of leapfrog?

THE INTRODUCTION OF "THE CONSERVATION AND SOLAR ENERGY FEDERAL BUILDINGS ACT OF 1975" AND "THE SOLAR ENERGY LOW-INTEREST LOAN PROGRAM"

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, today Senator Gary Hart, Senator Gaylord Nelson, Congressman Gilbert Gude, and I are introducing two bills: The Conservation and Solar Energy Federal Buildings Act of 1975 and the solar energy low-interest loan program.

Both of these bills respond to the concern of Congress and the country for a positive and aggressive program for solutions to our energy crisis.

The Federal Buildings Act will require that buildings financed with Federal funds utilize the best practical measures for the conservation of energy and the use of solar energy. An energy use and life cycle cost analysis will also be required by this act for design construction, operation, and procurement activities relating to Federal buildings.

Currently the United States has a domestic inventory of 400,000 buildings covering 2.5 billion square feet of floor space or the equivalent of 1,250 Empire State Buildings. Each year the United States spends some $1 billion on the construction of new buildings alone. A GAO report analyzing the energy demands of five Federal office buildings during 4 months in 1972 and 1974 after certain conservation measures were instigated indicated a savings of $1,092,000. According to a recent report of the U.S. Postal Service, postal facilities engineers believe that the application of solar heating to buildings is a practical alternative to reduce the total energy requirements by an order of 40 percent. An FEA working paper this year calculated that the solar heating and cooling of Federal buildings, combined with an accelerated national program, could save up to 100,000 barrels of oil per day by 1980 and 850,000 barrels of oil per day by 1985.

The Honorable Frank Zarb, Administrator of the FEA, said in May before the House Subcommittee on Energy Research Development and Demonstration that:

> We should begin now a Government Buildings Project that requires all designs of Federal buildings to include an assessment of the feasibility of using solar heating and cooling. The assessments should be made on a life-cycle cost basis. Where appropriate, substantial numbers of solar heating and cooling systems should be purchased and installed on new and existing Government buildings.

Components and equipment for collecting and converting solar energy into usable forms are more expensive for individual homeowners and builders than conventional equipment when measured on a first-cost basis. And this, of course, is one of the reasons for our solar loan legislation. Due to the high cost of transportation, it is likely that the most economical choice of solar components will be those manufactured close to the site or point of use. Often those manufacturers will be small businesses. Therefore, a bill offering loans through the Small Business Administration to builders and homeowners who will substantially use equipment supplied by small business is most appropriate.

Solar equipment for heating and cooling is a relatively noncomplex technology and can easily be built by contractors at the site of the building, or by jobbers and labor groups such as plumbers and sheet-metal workers. Much of the innovative work in solar energy has been done by small industries, inventors, and entrepreneurs. Many of these feel that they have been overlooked in solar development programs.

A recent report of the Federal Energy Administration investigating Government contracts and grants related to solar energy discovered that out of 149 grants, 89 percent of the funding went to large companies. This bill will help assure a market for those small companies now in existence and also give incentives to an emerging work force which will provide, install, and service solar technology—all terribly important for our economic doldrums.

It is most appropriate for Congress to act and respond to such an overwhelming cry for assistance. A loan program for the homeowner and builder of residential units is a practical and accessible answer. For industrial and commercial buildings we would suggest a form of tax incentives such as exists in H.R. 6584, introduced in March of this year and similar to provisions in the Ways and Means energy legislation recently passed by the House.

We have heard over and over again in testimony before Senate and House committees that the technology for the heating and cooling of buildings is available, but that institutional constraints such as the lack of mass-produced technology and a sizable consumer market is lacking and holding back this vital source of energy from major application.

The bills that we are introducing will not only show to the country that we are serious about developing and demonstrating a new source of energy and the conservation of demands for fossil fuels, but that the Federal Government, through its own use, will help to create the initial markets so needed for new technology.

These bills will strengthen the solar industry's capability and development, create new jobs in the manufacturing of solar technology, installation and maintenance, develop the important concept of life cycle costs and energy use analysis, and put the United States in the lead in the development of this totally pollution-free and totally renewable energy resource.

A section-by-section analysis follows:

CONSERVATION AND SOLAR ENERGY-FEDERAL BUILDINGS ACT OF 1975: SECTION-BY-SECTION ANALYSIS

Findings and purpose (Section 2) The Congress finds that energy efficient design and energy conservation in Federal Buildings will have a beneficial effect on the Nation's energy supply. It finds that the use of solar energy will not only affect the reduction of pollutants and the preservation of natural resources but will, through use in Federal Buildings, create a market for general use of such units. It further finds that the cost of energy consumed by Federal Buildings should be evaluated on an energy use and life cycle cost analysis as stated in the analysis.

Definitions (Section 3) "Solar Energy" is defined according to P.L. 93–409 and P.L. 93–473. "Federal Buildings" are defined as structures owned or leased by the Federal Government, other than a privately-owned residential structure. "Energy use analysis" means in general the evaluation of all energy-consuming systems relating to heating, ventilation, air-conditioning, lighting systems, and all other major energy load demands imposed on a building by its occupants, equipment and components, and climatic conditions. "Life cycle energy costs" mean the energy-related cost of the building and the cost, over the economic life of the building, of the energy consumed and of the building's operation and maintenance as it affects energy consumption.

Energy guidelines (Section 4) The Administrator of the General Services Administration and the Secretary of Defense are required to develop guidelines, in accordance with the purpose and provisions of the Act and in accordance with energy-related studies and findings of the Energy Research and Development Administration and the Federal Energy Administration. These guidelines will assure that the most effective and efficient measures for the conservation of energy and the use of solar energy are incorporated in the design, construction, and renovation of Federal and federally-assisted buildings, and the procurement of goods and services for such buildings and for other Federal purposes.

Specific energy requirements (Section 5) The administrator of the General Services Administration and the Secretary of Defense are required to submit to Congress as part of and in accordance with the normal procedures relating to construction and procurement for new buildings an energy use analysis, and within one year of this act an inventory and energy use analysis of all existing buildings under their respective jurisdiction and control. Additional Federal Agencies must submit to GSA or DOD a similar analysis for buildings they propose to build or to acquire, and for energy consuming systems they propose to purchase.

Increased cost limitations to accommodate energy equipment (Section 6) The maximum dollar amount of any Federal assistance for the construction or major rehabilitation for Federal Buildings shall reflect the increased cost of solar energy equipment or solar energy designs over the costs of conventional equipment.

Authorization (Section 7) Authorization sum is left blank at this time.

Section 1. Findings and Purpose. The Congress finds that home heating and hot water heating affords significant opportunity for cuts in oil, gas, and electricity consumption through the installation of solar devices, and that solar heating technology has reached the point of commercial application. The Congress recognizes the contribution of small business to the development of solar technology and wants to insure that this involvement is protected and encouraged. The purpose of the bill is to assist homeowners and builders in purchasing and installing solar equipment through the small business sector.

Section 2. A: Loan Authorization. The Small Business Administration is authorized to make loans to individuals and families owning and occupying one- to four-family structures, and to persons engaged in building residential structures of any kind. The loans will be for the purchase and installation of qualified (see sec. 2B) solar heating and cooling equipment.

The amount of a loan cannot exceed 75% of the purchase and installation costs of the equipment involved, and there is an overall ceiling on the amount of each loan, depending on the number of units involved. ($6,000 per dwelling unit for a one- to four-family structure, down to $4,500 per unit for an apartment building or condominium of more than 200 units.)

In addition, the loan must be for equipment suitable and appropriate to the structure in question and to the climate and geography of the structure's location.

The interest rate for the loans will be equal to the average market yield on all marketable interest bearing obligations of the U.S. forming a part of the public debt for the previous month, plus one-half of one percent for administrative costs.

Loan maturities will be eight years in the case of one- to four-family structures, fifteen years in the case of multifamily structures, with the provision that if the loan is made to a builder for a structure which is then sold, the loan is due at the time of sale.

Loan applications must be accompanied by plans for purchase and installation and a cost estimate, and loans shall not be made unless the equipment is being purchased from a small business and installed either by the applicant or a small business. A waiver procedure is provided for applicants from areas where no solar small business exists.

Section 2. B: Qualified Equipment. Solar equipment is qualified if it is certified by the Administration as being designed to meet more than 40% of the total heating needs of the structure for which it is intended or substantially all of the needs of that structure for hot water; and as meeting certain standards developed under the Solar Heating and Cooling Demonstration Act.

The Energy Research and Development Administration (ERDA) is charged with developing a procedure for the inspection and evaluation of solar equipment and for transmitting its findings to SBA for certification purposes. At least once every three years ERDA would have to review certified equipment to determine if it still meets the standards. Inspection would be limited to models, not to every unit produced.

Section 2. C: Dissemination of Information. SBA must provide on request information concerning recommended standards and types of solar equipment appropriate to different kinds of structures in different parts of the country.

Section 3 Administrative Provisions. Technical Amendments to the Small Business Act, and establishment of a $900,000,000 fund for the loans.

Section 4. Effective Date. Loan making authority being six months after the date of enactment and ends ten years later. SBA is required to issue its regulations prior to the effective date of the loan making authority.

H.R. 8546

A bill to require that buildings financed with Federal funds utilize the best practicable measures for the conservation of energy and the use of solar energy systems

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Conservation and Solar Energy-Federal Buildings Act of 1975".

FINDINGS AND POLICY

SEC. 2. (a) The Congress hereby finds—

(1) that federally owned and federally assisted facilities have a significant impact on the Nation's consumption of energy;

(2) that energy conservation practices adopted for the design, construction, and utilization of these facilities will have a beneficial effect on the Nation's overall supply of energy, and the procurement of solar heating and cooling units for use in Federal buildings in connection with demonstrations of solar energy applications on such buildings under this Act should help to create a market for such units generally;

(3) that the cost of energy consumed by these facilities over the life of the facilities must be considered in any analysis of their energy use, in addition to the initial cost of constructing the facilities;

(4) that the cost of energy is significant and facility designs must be based on total life cycle cost, including (A) the initial construction cost, and (B) the cost, over the economic life of the facility, of the energy consumed and of the operation and maintenance of the facility as it affects energy consumption; and

(5) that the total costs and benefits accruing to the nation from the use of solar energy systems and conservation technology can be assessed in terms of a total national value beyond the direct economic tradeoffs of the life cycle cost analysis, with the determination of this value including (but not being limited to) such considerations as the energy-related values of competing energy sources, the preservation of material resources, the reduction of pollutants, the export market potential, and the reduction of imports of oil (taking into account both economic and national security values).

(b) The Congress declares that it is the policy of the United States to insure that energy conservation and solar energy technology utilization be employed in the design and construction of every facility to which sections 4 and 5 are specifically applicable and, to the maximum extent feasible, in the design and construction of all other Federal and federally-assisted facilities.

DEFINITIONS

SEC. 3. (a) For purposes of this Act—

(1) the term "solar energy" means direct and indirect solar radiance and intermediate solar energy forms, as further defined in Public Law 93–409 and Public Law 93–473;

(2) the term "Federal agency" means an executive agency (as defined in section 105 of title 5, United States Code), and also includes a military department (as defined in section 102 of such title) and the United States Postal Service;

(3) the term "new building" means any building (other than a privately-owned residential structure)—

(A) which (i) is constructed or acquired by or on behalf of the United States on or after the date of the enactment of this Act, or (ii) is leased by or on behalf of the United States on or after such date, after construction or alteration in accordance with Federal plans and specifications, under a long-term contract pursuant to the terms of which substantially all of the premises are to be used by or on behalf of the United States,

(B) the development of plans and specifications for which is initiated on or after the date of the enactment of this Act, and

(C) the net cost of which to the United States (for construction or acquisition or for total charges under the lease) exceeds or will exceed $10,000;

(4) the term "existing building" means any building (other than a privately-owned residential structure)—

(A) which (i) is owned by the United States on the date of the enactment of this Act or is leased by or on behalf of the United States on such date under a long-term contract pursuant to the terms of which substantially all of the premises are used by or on behalf of the United States, or (ii) is constructed or acquired by the United States, or so leased by or on behalf of the United States, after such date but pursuant to plans and specifications the development of which was initiated before such date, and

(B) the fair market value of which on the date of the enactment of this Act (or, in the case of a building described in subparagraph (A)(ii), the net cost of which to the United States determined as of the date on which ownership or possession by the United States begins) exceeds $10,000;

(5) the term "energy use analysis" with respect to any building means the evaluation of the building's heating ventilating and air conditioning systems, lighting systems, and all other major energy consuming systems and components, by demand and type of energy, including the internal energy loan imposed on the building by its occupants, equipment, and components and the external energy load imposed on the building by climatic conditions. Such analysis shall include (but not be limited to)—

(A) a detailed analysis of the life cycle energy costs of the building;

(B) a separate analysis of the total energy requirements of the building taking into consideration—

(i) the interior and exterior design of the building, including the insulation, fenestration, site orientation, and shape, that will make the most efficient use of sunlight and other natural phenomena,

(ii) the heating, cooling, ventilating, plumbing, electrical, and lighting systems of the building,

(iii) the construction materials used with respect to the building, including the extent to which such materials reduce the energy requirements of the building and the amount of energy required to produce and transport such materials,

(iv) the site of the building and the accessibility of the building (particularly by public transportation) to persons using its facilities,

(v) a comparison of two or more energy system alternatives,

(vi) new techniques for energy supply, generation, and transmission, including on-site total energy systems,

(vii) the projection of the operating costs of each system over the entire range of operation of the building,

(viii) the evaluation of the energy consumption of component equipment in each system considering the operation of such components at other than full or rated outputs, and

(ix) any other relevant information with respect to the design and site of the building;

(C) an identification and quantification of sources of heat loss or heat gain with respect to the building;

(D) in the case of a proposed acquisition of a building, recommendations for the improvement of its thermal efficiency; and

(E) in the case of a proposed alteration of a building, an estimate of the impact of such alteration on its energy requirements; and

(6) the term "life cycle energy costs" with respect to any building means the energy-related costs of such building, including the items referred to in paragraph (5)(B) and including (i) the initial energy-related cost of the building and (ii) the cost, over the economic life of the building, of the energy consumed and of the operation and maintenance of the building as it affects energy consumption.

(b) The life cycle energy cost analysis included in the energy use analysis with respect to any building under subsection (a) (5) shall provide but not be limited to the following information:

(1) the initial cost of each energy consuming system being compared and evaluated;

(2) the annual and projected cost of all energy utilities and how this would affect the long-term comparative costs of the systems being evaluated;

(3) the annual and projected cost of maintaining each energy consuming system;

(4) the average replacement cost for each system expressed in annual terms for the economic life of the building;

(5) an estimate of future inflation rates, based on historical economic trends; and

(6) an estimate of the future costs of depletable resources.

(c) If discount rates are employed in calculating the life cycle energy costs with respect to any building, the assumed rate shall take into account both the current Federal prime interest rate as determined by the Federal Reserve Board and the best available estimates of future inflation rates.

ENERGY GUIDELINES FOR FEDERAL BUILDINGS

SEC. 4. (a) The Administrator of the General Services Administration (hereinafter in this Act referred to as the "Administrator") and the Secretary of Defense (hereinafter in this Act referred to as the "Secretary") shall, in consultation with each other, develop, publish, and from time to time update guidelines designed to assure that the most effective and efficient measures for the conservation of energy and the use of solar energy systems are incorporated in—

(1) the design, construction, and renovation of Federal and federally-assisted buildings, and

(2) the procurement of goods and services for such buildings and for other Federal purposes.

The guidelines developed by the Administrator and those developed by the Secretary shall be fully consistent with each other (subject only to the need for specific variations to meet particular conditions and circumstances) and with the purpose and provisions of this Act; and such guidelines shall be developed in accordance with the energy-related studies and findings of the Energy Research and Development Administration and the Federal Energy Administration.

(b) The guidelines developed by the Secretary shall apply with respect to all new and existing buildings, and related procurement, under his jurisdiction and control (or under the jurisdiction and control of the military departments); and the guidelines developed by the Administrator shall apply with respect to all other new and existing buildings as defined in section 3(a) (3) and (4) and with respect to related procurement activities. Each Federal agency shall comply with the requirements of the applicable guidelines in all of its design, construction, operation, and procurement activities to which such guidelines are applicable under the preceding sentence, and shall in addition, to the maximum extent feasible, follow such guidelines in all of its other activities (including activities involving leased property not specifically covered under section 3(a) (3) or (4)) with respect to buildings which are held or used by the United States under laws or programs administered by such agency.

SPECIFIC ENERGY REQUIREMENTS RELATING TO FEDERAL BUILDINGS

SEC. 5. (a) The Administrator and the Secretary shall each—

(1) submit to the Congress, as part of and in accordance with his normal procedures relating to construction and procurement, an energy use analysis with respect to the construction, acquisition, or leasing of any new building to which guidelines developed by him under section 4 are or will be applicable, and incorporate the findings of such analysis (including the optimum system or combination of systems based on its life cycle energy cost analysis) into the plans and specifications for such building, and

(2) submit to the Congress within one year after the date of the enactment of this Act an inventory and energy use analysis of all existing buildings under his jurisdiction and control, indicating the improvements which should be made in such buildings to ensure that they utilize the best practicable measures for energy conservation and the use of solar energy systems, and setting forth detailed plans and specifications for incorporating such improvements in those buildings.

(b) The energy use analysis required by this Act with respect to any building under his jurisdiction or control shall be included by the Administrator in any prospectus submitted (with respect to such building) to the Committee on Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives under section 7 of the Public Buildings Act of 1959 (40 U.S.C. 606).

(c) (1) Each Federal agency shall make, and submit to the Administrator or the Secretary (as may be appropriate) for use in carrying out this Act, a detailed life cycle energy cost analysis of any building to be constructed, acquired, or leased by it or for its use.

(2) No major component of a heating, ventilating, air-conditioning, lighting, or other energy-consuming system for any building, and no other item or equipment having as one of its primary purposes the generation, utilization, or conservation of energy in or for any building, shall be purchased from any person by any Federal agency unless such person has submitted, along with or prior to the execution of the purchase contract, a detailed life cycle energy cost analysis with respect to such component, item, or equipment.

INCREASED COST LIMITATIONS TO ACCOMMODATE ENERGY EQUIPMENT IN FEDERAL AND FEDERALLY ASSISTED BUILDINGS

SEC. 6. (a) (1) In determining the maximum dollar amount of any Federal assistance for the construction or major rehabilitation of a residential, commercial, or other building, or the maximum per unit or floor area limitation of any federally owned building, where the applicable Federal law specifies such a maximum dollar amount or limitation and the building involved is or will be furnished with solar energy equipment or other special energy equipment in accordance with regulations prescribed under subsection (c), the maximum amount or limitation so specified which would otherwise be applicable to the building shall be deemed to be increased by the amount by which (as determined in accordance with such regulations) the price, cost, or floor area of the building including such equipment (taking into account design as well as actual construction or rehabilitation, and all related items) exceeds the price, cost, or floor area of the building with such equipment replaced by conventional energy equipment.

(2) In addition, any excess of price or cost permitted under paragraph (1) with respect to a building shall be fully taken into account in determining the value or cost of the building for purposes of applying any statutory provision specifying maximum loan-to-value or cost ratio, in such manner as will minimize downpayments or other initial costs to the person or agency constructing or rehabilitating the building.

(b) As used in subsection (a)—

(1) the term "Federal assistance" includes any federally assisted mortgage loan within the meaning of section 13(b) of the Solar Heating and Cooling Demonstration Act of 1974, and any grant, loan, or financial assistance in any other form which is provided or made available under a Federal law or program; and

(2) the term "federally owned building" includes a new building as defined in section 3(a) (3) of this Act, federally constructed housing within the meaning of section 13(c) of the Solar Heating and Cooling Demonstration Act of 1974, and any other building (of any kind) constructed by the United States or a Federal agency or constructed with assistance provided or made available under a Federal law or program.

(c) The Administrator and the Secretary shall jointly prescribe such regulations (including regulations specifying the types of energy equipment which will qualify a building for the benefits of this section and regulations provided for the computation of the extent to which maximum dollar amounts and limitations on maximum per unit, cost, or floor area limitations may be increased on account of such equipment) as may be necessary or appropriate to carry out this section in a manner consistent with the guidelines developed under section 4.

APPROPRIATIONS

SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out this Act, not exceeding in the aggregate $——— for purposes of section 4, $——— for purposes of section 5(a) (1), $——— for purposes of section 5(a) (2), and $——— for the other purposes of this Act.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I was not present yesterday during the record vote on the bill S. 555, which amends the Consolidated Farm and Rural Development Act. Had I been present, I would have voted "yea" on final passage of the bill (roll No. 367).

Further, Mr. Speaker, it has come to my attention that I did not vote on roll No. 360, the amendment offered by Mr. BIAGGI to the appropriations bill for the Departments of State and Justice on June 26. Had I been present I would have voted "no" on the amendment.

HARRIS VOTE ON STATE DEPARTMENT APPROPRIATIONS BILL

(Mr. HARRIS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HARRIS. Mr. Speaker, on June 26, I was detained in my office meeting with a group of constituents and was unable to vote on final passage of H.R. 8121, the appropriations bill for the Departments of State, Justice, Commerce, and the judiciary. Had I been present on rollcall 361, I would have voted "aye."

FINANCIAL DISCLOSURE BY CONGRESSMAN GUDE AND HIS WIFE

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, each year the House Committee on Standards of Official Conduct requires each Member of the House to make a report of his financial holdings—a part of which the committee permits the press and public to inspect.

For many years, I have made a broader public disclosure and have placed it in the CONGTESSIONAL RECORD. At the same time, I have sponsored legislation that would require such public disclosure of the assets and liabilities of Members as to permit a judgment of whether a conflict of interest may exist.

Although the legislation itself has not yet suceeded, the number of Members who make financial disclosures is growing fast. I hope many freshmen Members of Congress will decide to join those of us who make such statements.

Not only is this valuable in itself, it will also help us reach the point where we can enact a disclosure law.

Financial statement of Gilbert Gude and Jane Callaghan Gude, his wife, June 12, 1975

Assets:	
Cash, checking and savings accounts	$9,500
First National Bank of Maryland (stock, 120 shares)	2,219
American Finance System, Debenture Bonds	2,550
A.T. & T.	2,456
Part ownership of A. Gude Sons Co., Inc. (family landscape nursery and florist firm)	2,132,232
Residence	130,000
Part ownership, unimproved lots, Woodland Beach, Anne Arundel County, Md.	2,000
Life insurance, cash value	9,850
Household furnishings, personal belongings	35,000
Two automobiles	2,950
Total	2,328,757
Liabilities:	
Accounts payable	8,500
Mortgage, residence	14,967
Notes, personal	10,000
Total	33,467
Net worth	2,295,290

Taxable income in 1974 was $57,927, on which we paid Federal taxes of $9,089.

SOLAR ENERGY NOT A SCIENCE FICTION DREAM

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, far from being a science fiction dream or an intriguing new toy, solar heating system are a technology for today. Unfortunately some remain to be convinced of the energy saving potential of solar as well as its commercial viability.

In regard to the former, one estimate of the conservation potential comes from an unreleased FEA study, quoted in Solar Energy Intelligence Report:

> Each square foot of solar collector installed for a 20-year period is roughly equivalent to savings of $\frac{1}{2}$ barrel of oil. Thus a house with 600 sq. ft. of collectors can save 15 bbl/ year ($\frac{1}{20}$ x 600 x $\frac{1}{2}$). Assuming a 33% efficient electric plant, 20-million homes ordinarily electrically heated could save up to 1-million bbl/year if retrofitted.

Clearly there are significant opportunities for use of solar for space and domestic hot water heating both in new construction and existing structures, opportunities which must be tempered by the realistic limits of the technology, but should not be subject to a number of misconceptions current today.

First, we should not strive for 100-percent solar heating capability in a residence. Building a unit which would function in all possible weather and climate situations with no need for auxiliary system is needlessly expensive in most parts of the country. Backup equipment is obviously available in the case of retrofits, which already have other heating devices, but even new construction should have an alternative source. It has been estimated that a well-designed unit should meet between 60 and 80 percent of a structure's heating needs—a more than sufficient target figure.

Second, we should not fall victim to the myth that solar is only viable in the warmer sections of the country, the South and Southwest. At first glance it seems obvious that solar would be more relevant to hot sunny climates, but an investigation from the point of view of energy conservation shows that this is not necessarily the case. While it may be true that solar equipment can function more efficiently in the dry, hot climates of the Southwest, it is also true that homes in that region are less in need of heat to begin with. A less efficient unit in the Northeast, for example, may well produce greater energy savings because of the proportionately greater demands on it. Again, however, it is important to trim one's expectations to a level consistent with the geographic context. A solar unit in New England meeting only 40 percent of a structure's heating needs may be perfectly realistic and more economical in the long run than a more expensive approach.

Third, it must be clearly understood that solar and conventional heating units cannot be strictly compared on the same terms. The primary differences, of course, is in front-end costs versus lifetime operating costs. The cost of equipment for a conventional unit is small on a lifetime basis compared to ongoing fuel costs. Fuel costs, moreover, differ significantly around the country. With a solar unit the costs are reversed. Fuel costs are close to zero and maintenance costs are low, but initial equipment and installation costs are relatively high. Comparisons, therefore, are influenced by such factors as amortization and length of useful life and changing costs of conventional fuels over the long term. The latter factor adds a note of unpredictability to the calculation. It is logical to assume on the basis of the past few years' experience that oil and gas—and therefore electricity—prices are likely to change, and particularly, are likely to increase further. And such increases, of course, make solar heating even more attractive. The June 1974, GAO "Review of Selected Federal and Private Solar Energy Projects," cited some cost comparisons as follows to illustrate the advantages of solar energy is general. Increased oil, gas and electricity prices since the time of that study make the differences more dramatic. See attached chart No. 1.

In connection with our introduction of H.R. 3849 and S. 875, Senator HART and I cited some further figures to illustrate the increasing advantages of solar energy. See attached chart No. 2.

Fourth, there is considerable variation in design of solar equipment and manufacturers' approaches to the problem. Some units are detached from the structures they are intended to heat in order to maximize angle and location. The Fauquier County School in Warrenton, Va., is a good example.

Many units depend on large water storage tanks for heat retention, while others use stones for the same purpose. Some approaches seek to avoid storage problems entirely by using a circulating water system which uses solar heat as a supplement.

While most systems have a fairly conventional approach to collector technology, there have been a number of efforts to improve collector efficiency, and thereby reduce collector square footage, by changing the materials going into collectors or adding various "mystery" heat-retaining substances. One of the most interesting has been developed by Corning Glass. It uses an evacuated glass tube, copper tubing and a special liquid to achieve very high temperature.

Some interesting work has also been done on passive systems—those which simply absorb the Sun's heat directly and retain it—and on redesigning entire structures, including urban structures, for total energy conservation.

This unique diversity exists because much of the existing equipment has been assembled by individuals intrigued with the idea of solar energy. The existing state of solar technology is somewhat akin to the automobile industry in its beginning stages in the early 1900's in the sense that there are many independent innovators trying to develop a share of the market. Since solar home heating is, generally speaking, a low technology item which does not demand sophisticated, capital-intensive development, these individual efforts are something to the nurtured and, encouraged rather than ignored. The analogy to the automobile industry is particularly apt, in view of the changes in the latter in the past 60 years. The competitive structure of the auto industry has changed markedly in that period—which may have been inevitable in view of the product—but Congress should consider carefully before it takes actions which would permit the same thing to happen to solar energy manufacturers over the long term. It is my own view that we have a unique opportunity for small businesses to continue their efforts. Regrettably this is not necessarily what has been happening, according to available evidence—see report by FEA's Office of Energy Statistics. Senator GAYLORD NELSON reflected this concern when he opened hearings of his Select Committee on Small Business on this subject:

> While solar power development is worth pursuing solely in the interests of avoiding energy crises and to provide a safer basis for economic growth, it has another and special interest to this committee. Some of the solar technologies—heating and cooling of buildings especially—are extremely well suited to small business at every level from manufacturing systems and systems components to installing and maintaining them.
>
> Unfortunately, what this committee has been hearing from the small business pioneers of solar energy development is that, until very recently, solar energy has been tragically ignored and underrated by the American people, and their Government. Now that, at long last, solar energy is "in," and destined to become very big, it is the small business pioneers that are being ignored and underrated.

Testimony received at those hearings from small businessmen in the solar heating field reflected that same concern.

The potential of the industry as well as the pressing need for short run energy conservation brings us to something of a crossroads. A quick expansion of the market may well mean standardized components and mass production, a route tailormade for large companies. At the same time it is clear that many small businesses have products which are technically excellent and readily marketable and are not willing to resign themselves to a subsidiary role.

In order to stabilize the small business role in the industry, Senators NELSON and GARY HART, Congressman OTTINGER, and I are today introducing legislation to set up a special loan program for owners and builders who buy and install solar equipment. This program is similar in form to the previous loan program Senator HART and I introduced last February (H.R. 3849, S. 875) except that program administration will rest in the Small Business Administration instead of the Department of Housing and Urban Development, and that loans will be limited to equipment sold or installed by small businesses.

The latter provision would permit the applicant to install a solar heating system himself, and it would not preclude the small business from using and marketing standardized components in its system, even if the components were not manufactured by a small business. The section also contains a waiver for applicants in areas where no solar heating small business exists.

This approach should effectively insure the competitive viability of small business in the solar heating industry, without at the same time denying larger firms a share in the market.

It is also important that the Federal Government lead by example in the development of solar energy rather than simply by exhortation. To that end we are also introducing legislation mandating energy use analyses based on life-cycle costs rather than initial costs for buildings owned or leased by the Federal Government. The use of such analyses will insure the preeminence of energy conservation considerations in constructing or renovating Federal buildings and it will increase numerous opportunities for the installation of solar equipment.

Together these bills constitute an important addition to the framework of solar legislation that is being developed. Part of that framework is on its way to becoming law, a number of solar tax incentives having been included in the energy bill recently passed by the House. Prompt Congressional consideration of these bills will add significantly to the use of solar energy in residential structures and by the Federal Government in its buildings.

1973 COMBINED HEATING AND COOLING EVALUATION RESULTS ADJUSTED TO MORE NEARLY REFLECT 1972 SOLAR AND CONVENTIONAL ENERGY COSTS

[Costs per million Btu's]

	Least cost solar energy (25,000 Btu/DD)		Conventional energy		
			Electric cooling with—		
Location	Low	High	Gas heating	Oil heating	All electric
Albuquerque	$2.16	$2.93	$2.59	$3.29	$5.89
Boston [1]	3.85	5.48	2.95	2.92	4.85
Charleston	3.07	4.41	1.78	2.06	2.31
Miami	2.67	3.85	3.19	3.20	3.34
Omaha	3.11	4.55	1.64	2.34	3.58
Phoenix	2.25	3.21	2.45	2.71	2.98
Santa Maria	3.07	3.81	1.54	2.33	3.93
Seattle	4.72	6.31	1.95	2.48	2.08

[1] Blue Hill Observatory in the Boston area, which, according to 1 source, receives 23.5 percent more solar energy than Boston, enough to make a solar collector there perform about 35 percent better. (We did not attempt to determine whether similar variations existed for the other cities.)

	Average energy costs per 10^6 Btu			Typical Yearly Energy Bill For Alternative Systems			
						70 percent solar with 30 percent oil	
Region	Oil [1]	Electricity [1]	Solar [2]	100 percent oil [1]	100 percent electric [1]	1st 8 yr [2]	After 8 yr [1]
Northeast	$4.13	$14.07	$5.95	$547	$1,647	$633	$144
Middle Atlantic	3.77	12.02	5.95	414	1,322	566	124
East north-central	3.61	9.91	5.95	542	1,238	684	163
South Atlantic	3.84	7.56	5.95	307	605	425	91
West north-central	3.74	8.47	5.95	411	932	682	123
East south-central	$3.63	$6.15	$5.95	$235	$399	$341	$70
West south-central	3.63	7.85	5.95	106	228	152	31
Mountain	3.83	8.44	5.95	421	929	586	127
Pacific	4.19	8.50	5.95	159	323	205	47

[1] These numbers do not include the capital cost of conventional equipment. Fuel costs are based on a Bureau of Labor Statistics survey conducted in December 1974. Conversion efficiency rates of 0.7 and 1 were assumed for oil and electricity respectively.

[2] The dollar figure comprising the cost of solar energy represents purchase and installation costs of a solar energy system using the proposed low interest loan financing with an 8 yr amortization. Expenses therefore cease after 8 yr. The calculations also assume $7 per square foot solar cost and FEA solar task force thermal.

RUMOR OF ANOTHER RUSSIAN GRAIN DEAL

(Mr. ROGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, there have been many reasons given for the inflationary spiral in the cost of food, and surely there is more than one reason.

But one does not have to be an economist to know that the Russian grain deal did not help the economy of this Nation.

I now find it ironic that on the third anniversary of the Russian wheat deal we read that another may be in the offing—again without the Congress or the American people being informed.

I note that since the recent story of such a deal was brought to light there has been a curious and disturbing lack of comment from the Department of Agriculture. Based on past performance, I find this frightening.

The mere rumor of such a transaction has caused farmers to hold back wheat and prices to rise.

I personally feel that the deal made 3 years ago played a significant role in our present economic state. The ripples set through all phases of our food production line—from wheat products to feed for animals—combined with less than anticipated crops caused prices to rise dramatically.

I am today calling on the President and Secretary Butz to openly deny or acknowledge that we are negotiating with the Russians on a wheat deal and to make the conditions public. The very speculation of such a deal is having an adverse effect on the market and the public.

We cannot afford another wheat fiasco and if any type of deal is to be made, I hope that the administration will do it openly so that we can examine the details and make intelligent decisions rather than go through another "inside" deal.

W. D. MUHAMMAD ON GUN CONTROL

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, I would like to take this opportunity to share with my colleagues a statement on the use of weapons by W. D. Muhammad, Supreme Minister of the Nation of Islam. This statement is consonant with the rationale for my belief in the need for strong gun control legislation. As a supporter of stringent gun control, I find this statement indicative of the feelings of many Americans toward weapons. The statement follows:

[From Muhammad Speaks, June 13, 1975]

WEAPONS

Some people seek physical weapons to arm themselves. If you are silly enough to carry weapons just to have them, you are on your way to self-destruction anyway.

Some people carry a gun and the gun becomes them. They start acting like they think the weapon-people should act. You see them walking around like a cowboy, a policeman, or a soldier. When they think of themselves, their mind sees their weapon.

That kind of person is dangerous. If we catch him we're going to turn him over to the real weapon-people because he's dangerous. He is a child with a weapon.

It is necessary that we make it very clear to you that we do not want weapon-carriers. A weapon is a dangerous thing. It is even unsafe to have them at home. An untrained, childish-minded person with a weapon is a threat to every member in the house.

If you know a brother or a sister who has a weapon, you should warn them. Be careful of them. If I were you, I wouldn't even live with them unless I just had to. I am telling you what's good for you.

Such a weapon-carrier is not trustworthy. They will leave the gun in the wrong place at the wrong time or they may make a fatal mistake with it themselves. Many of you are too playful anyway.

You have a police force and the police are the people who are supposed to have the weapons, but this world lets weapons fall into everybody's hands. They are going silly over weapons and everybody is carrying them.

I am telling you right now: no follower of Mine is authorized by Me to carry a weapon. We will not allow it because we know what has happened to the Old World.

I have not given permission to anybody to arm themselves. That is not My job or My world. I am not here to arm you with physical weapons. I am here to arm you with something superior to physical weapons and something that makes a man's weapons useless. That is Truth and Knowledge.

What good is a man's weapon in his hands when he doesn't have control over his mind? If I am powerful enough to control his mind, then neither his weapon nor even his hand is a weapon against Me.

My job is to take the weapons away from the mind of wickedness and give weapons to you that will overcome them and their world.

Brothers and Sisters, do not put your trust in physical weapons. Put your trust in the strength and power of Truth, Knowledge, and Righteousness. If you do that, you will be successful.

As-Salaam-Alaikum,
W. D. Muhammad,
Supreme Minister.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Moss (at the request of Mr. O'Neill), for July 8, 1975, through July 11, 1975, on account of illness.

Mr. Mitchell of Maryland (at the request of Mr. O'Neill), for today, on account of a death in the family.

Mr. Jones of North Carolina (at the request of Mr. O'Neill), for today and Friday, July 11, 1975, on account of official committee business (tobacco hearings).

Mr. Thompson, for July 10 and 11, 1975, on account of family business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Goodling) to revise and extend their remarks and include extraneous material:)

Mr. Rinaldo, for 10 mintues, today.
Mr. Kemp, for 15 minutes, today.
Mr. Symms, for 15 minutes today.

(The following Members (at the request of Mr. Cornell) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Dodd, for 10 minutes, today.
Mr. Burke, of Massachusetts, for 5 minutes, today.
Mr. Wolff, for 15 minutes, today.
Mr. Brademas, for 5 minutes, today.
Mr. Bedell, for 5 minutes, today.
Ms. Holtzman, for 15 minutes, today.
Mr. Murphy of Illinois, for 15 minutes, today.
Mr. Koch, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Koch, to extend his remarks on H.R. 8109 immediately prior to final passage of H.R. 8109, in the permanent Record on June 26, 1975.

Mr. Koch, and to include extraneous material on H.R. 8365 in the Committee of the Whole today.

Mr. Alexander, and to revise and extend his remarks immediately following the remarks of the chairman of the subcommittee on H.R. 8365.

Mr. Corman, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,215.50.

Mr. Frenzel, and to include extraneous material in his remarks on the transportation appropriation bill today.

Mr. Hechler of West Virginia, his remarks in connection with H.R. 7108.

(The following Members (at the request of Mr. Goodling) and to include extraneous matter:)

Mr. Sarasin in three instances.
Mr. Vander Jagt.
Mr. Wydler.
Mr. Frenzel in three instances.
Mr. Archer.
Mr. Steiger of Wisconsin.
Mr. Young of Florida in two instances.
Mr. Bell.
Mr. Whitehurst.
Mr. Grassley.
Mrs. Pettis.
Mr. Myers of Pennsylvania.
Mr. Goodling.
Mr. Lagomarsino.
Mr. Symms in two instances.
Mr. Esch in two instances.
Mr. Ashbrook.
Mr. Lent.

(The following Members (at the request of Mr. Cornell) and to include extraneous materials:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Patten.
Mr. Rangel.
Mr. Wolff.
Ms. Holtzman in 10 instances.
Mr. Mazzoli.
Mr. Helstoski in four instances.
Mr. Mottl.
Mr. Wright.
Mr. McDonald of Georgia.
Mr. Rodino.
Mr. Burke of Massachusetts.
Mr. Moffett.
Mr. Udall in two instances.
Mr. Blanchard.
Mr. Murphy of Illinois.
Mr. Byron.
Mr. Eilberg.
Mr. Teague.
Mr. Ford of Michigan.
Mr. Ambro.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 7405. An act to amend section 3620 of the Revised Statutes with respect to certain disbursements to be made by banks, savings banks, savings and loan associations, and credit unions.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 100. A joint resolution to authorize the Secretary of the Senate to pay compensation to Phan Thi Yen.

ADJOURNMENT

Mr. CORNELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, July 11, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1378. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority for fiscal year 1976 as of July 1, 1975, and a report on the status at the end of the fiscal year of budget authority deferred or proposed for rescission during fiscal year 1975, pursuant to section 1014(e) of the Impoundment Control Act of 1974 (H. Doc. No. 94–215); to the Committee on Appropriations and ordered to be printed.

1379. A letter from the Secretary of Housing and Urban Development, transmitting a report on a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes; to the Committee on Appropriations.

1380. A letter from the Secretary of Transportation, transmitting a report on appropriations and staffing needed to monitor the construction, operation, and maintenance of oil pipelines on Federal lands and the Outer Continental Shelf, and a review of all laws and regulations relating to such pipelines, pursuant to section 21 (b) and (c) of the Deepwater Port Act of 1974 (Public Law 93–627); to the Committee on Interior and Insular Affairs.

1381. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 75–24, concerning the provisions of foreign military sales credits for fiscal year 1975, pursuant to section 23 of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1382. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 75–26, concerning the furnishing of sophisticated weapons systems under the Foreign Assistance Act and the financing of the sale of such weapons systems under the Foreign Military Sales Act to certain underdeveloped countries, pursuant to section 504(a) of the Foreign Assistance Act and section 4 of the Foreign Military Sales Act; to the Committee on International Relations.

1383. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Herbert J. Spiro, Ambassador-designate to Cameroon, and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1384. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense equipment to Jordan, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1385. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Jordan, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 7590. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal Reserve banks and their branches; with amendment (Rept. No. 94–345). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 8561. A bill making appropriations for Agriculture and Related Agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94–346). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG (for herself, Mr. Addabbo, Mr. Anderson of California, Mr. Badillo, Mr. Brodhead, Ms. Chisholm, Mr. Conyers, Mr. Eilberg, Mr. Harrington, Mr. Helstoski, Mr. Mitchell of Maryland, Mr. Nix, Mr. Pepper, Mr. Reuss, Mr. Richmond, Mr. Riegle, Mr. Roybal, Mr. Solarz, Mr. Stokes, Mr. Studds, Mr. Waxman, and Mr. Charles H. Wilson of California):

H.R. 8515. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Ms. ABZUG (for herself, Mr. Badillo, Mr. Conyers, Mr. Downey of New York, Mr. Harrington, Mr. Jenrette, Mr. Melcher, Mr. Rosenthal, Mr. Symington, Mr. Tsongas, and Mr. Waxman):

H.R. 8516. A bill to amend title XVIII of the Social Security Act to provide for coverage of comprehensive hearing health care services, including provision for hearing amplification devices financed in part by the Federal Government; to the Committee on Ways and Means.

H.R. 8517. A bill to amend title XVIII of the Social Security Act so as to clarify the meaning of the term "outpatient physical therapy services" insofar as such term includes speech pathology services provided by certain persons; to the Committee on Ways and Means.

By Ms. ABZUG (for herself, Mr. Badillo, Mr. Conyers, Mr. Downey of New York, Mr. Harrington, Mr. Jenrette, Mr. Melcher, Mr. Rosenthal, Mr. Symington, and Mr. Tsongas):

H.R. 8518. A bill to amend title XVIII of the Social Security Act to provide for comprehensive and quality health care for persons with communicative disorders under the health insurance program (medicare) including preventive, diagnostic, treatment, and rehabilitative functions; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BELL (for himself, Mr. Don H. Clausen, Mr. Del Clawson, Mr. Hawkins, Mr. Hinshaw, Mr. Lloyd of California, Mr. McFall, Mr. Mineta, Mrs. Pettis, Mr. Talcott, and Mr. Charles H. Wilson of California):

H.R. 8519. A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. CRANE:

H.R. 8520. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

H.R. 8521. A bill to provide that the U.S. Canal Zone shall be represented by a Delegate to the House of Representatives; to the Committee on Merchant Marine and Fisheries.

By Mr. FISHER:

H.R. 8522. A bill to amend the act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum; to the Committee on Agriculture.

By Mr. GUDE (for himself, and Mr. Sarbanes):

H.R. 8523. A bill to amend the Internal Revenue Code of 1954 to exempt cooperative housing corporations, condominium management associations, and residential real estate management associations from taxation on certain types of income; to the Committee on Ways and Means.

By Mr. GUDE (for himself, and Mr. Ottinger):

H.R. 8524. A bill to amend the Small Business Act to establish within the Small Business Administration a new direct low-interest loan program to assist homeowners and builders in purchasing and installing solar heating (or combined solar heating and cooling) equipment; jointly to the Committees on Small Business, and Banking, Currency and Housing.

By Mr. JONES of Oklahoma:

H.R. 8525. A bill to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products; to the Committee on Agriculture.

By Mr. KARTH:

H.R. 8526. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LATTA:

H.R. 8527. A bill to amend title 13, United States Code, to eliminate any penalty for a refusal to answer questions relating to a census of population, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LONG of Maryland (for himself and Mr. Gude):

H.R. 8528. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIS (for himself, Mr. Jones of North Carolina, Mr. Jones of Tennessee, and Mr. Bowen):

H.R. 8529. A bill to establish improved programs for the benefit of producers and consumers of rice; to the Committee on Agriculture.

By Mr. MURTHA:

H.R. 8530. A bill to amend section 206 of the Regional Rail Reorganization Act of 1973 to include in the final system plan, required by such section, the designation of certain rail properties necessary for the transportation of fossil fuel; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDALL (for himself, Mr. Bafalis, Mr. Beard of Rhode Island, Mr. Bevill, Mr. Burgener, Mr. Collins of Texas, Mr. Conlan, Mr. Findley, Mr. Hansen, Mr. Hicks, Mrs. Holt, Mr. Johnson of California, Mrs. Lloyd of Tennessee, Mr. Lott, Mr. Melcher, Mr. Miller of Ohio, Mr. Robinson, Mr. Roe, Mr. Ryan, Mr. Talcott, and Mr. Treen):

H.R. 8531. A bill to amend the Federal Food, Drug and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RODINO (for himself, Mr. Brooks, Mr. Flowers, Mr. Sarbanes, Mr. Seiberling, Ms. Jordan, Mr. Mezvinsky, Mr. Mazzoli, and Mr. Hughes):

H.R. 8532. A bill to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes; to the Committee on the Judiciary.

By Mr. RUNNELS:

H.R. 8533. A bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe; to the Committee on Interior and Insular Affairs.

By Mr. THONE:

H.R. 8534. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST:

H.R. 8535. A bill to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office to prepare economic impact statements in connection with legislation reported by congressional committees and in connection with rules and regulations proposed by Federal agencies; to the Committee on Rules.

By Mr. YOUNG of Alaska:

H.R. 8536. A bill to establish within the Department of the Interior the position of an additional Assistant Secretary of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ANDREWS of North Carolina:

H.R. 8537. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

H.R. 8538. A bill to establish an Executive Department to be known as the Department of Education, and for other purposes; to the Committee on Government Operations.

By Mr. Andrews of North Dakota:

H.R. 8539. A bill to authorize modifications to Dickinson Dam, Dickinson Unit, Pick-Sloan Missouri Basin program, N. Dak., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARRETT (for himself, Mr. Brown of Michigan, Mr. Ashley, Mr. Moorhead of Pennsylvania, Mr. Stephens, Mr. St Germain, Mr. Fauntroy, Mrs. Boggs, Mr. Patterson of California, Mr. LaFalce, Mr. AuCoin, Mrs. Spellman, Mr. J. William Stanton, Mr. Wylie, Mr. McKinney, Mr. Kelly, and Mr. Reuss):

H.R. 8540. A bill to facilitate State and local adoption of energy conservation standards for new buildings and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards; to the Committee on Banking, Currency and Housing.

By Mr. BEDELL:

H.R. 8541. A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder, and to provide that earnings in excess of that figure will reduce benefits by only one-third of the excess (rather than by one-half as at present); to the Committee on Ways and Means.

By Mr. HOWARD (for himself, Mr. Shuster, Mr. Jones of Alabama, Mr. Don H. Clausen, Mr. Wright, Mr. Hammerschmidt, Mr. Johnson of California, Mr. Cochran, Mr. Henderson, Mr. Taylor of Missouri, Mr. Roberts, Mr. Goldwater, Mr. Anderson of California, Mr. Hagedorn, Mr. Roe, Mr. Myers of Pennsylvania, Mr. Roncalio, Mr. McCormack, Mr. Breaux, Mr. Ginn, Mr. Holland, Mr. Howe, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 8542. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. KEYS:

H.R. 8543. A bill to amend the Older Americans Act of 1965 to provide that States in certain instances may receive cash payments in lieu of donated agricultural commodities from the Secretary of Agriculture for nutrition programs for the elderly; to the Committee on Education and Labor.

By Mr. MIKVA:

H.R. 8544. A bill to amend section 127 of title 23 of the United States Code to reduce certain weights permitted on the Interstate System; to the Committee on Public Works and Transportation.

By Mr. MOTTL:

H.R. 8545. A bill to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas; to the Committee on Interior and Insular Affairs.

By Mr. OTTINGER:

H.R. 8546. A bill to require that buildings financed with Federal funds utilize the best practicable measures for the conservation of energy and the use of solar energy systems; to the Committee on Public Works and Transportation.

By Mr. TAYLOR of North Carolina:

H.R. 8547. A bill to reform the Food Stamp Act of 1964 by improving and making more realistic various provisions relating to eligibility for food stamps and administrative responsibility for the food stamp program, and for other purposes; to the Committee on Agriculture.

By Mr. VANDER VEEN (for himself, and Mr. Vander Jagt):

H.R. 8548. A bill to amend the Social Security Act to expedite Federal payments to States under the Aid to Families with Dependent Children, medicaid, and social services programs (and under the other Federal-State public assistance programs where those programs are in effect), and for other purposes; to the Committee on Ways and Means.

By Mr. WALSH (for himself, Mr. Mitchell of New York, Mr. LaFalce, Mr. Lent, Mr. Hanley, Mr. McEwen, and Mr. McHugh):

H.R. 8549. A bill to permit signs and notices for motorists to get information about travel-oriented services and facilities; to the Committee on Public Works and Transportation.

By Mr. WHITE (for himself, Mr. Dominick V. Daniels, Mr. Harris, Mrs. Spellman, Mr. Mineta, Mr. Jenrette, Mr. Udall, Mr. Taylor of Missouri, Mr. Beard of Tennessee):

H.R. 8550. A bill to amend chapter 83 of title 5, United States Code, to grant an annuitant the right to elect within 1 year after remarriage whether such annuitant's new spouse shall be entitled, if otherwise qualified, to a survivor's annuity, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WOLFF:

H.R. 8551. A bill to provide for a program of Federal financial assistance for the installation of noise suppression devices on aircraft to suppress aircraft noise pollution; to the Committee on Public Works and Transportation.

H.R. 8552. A bill to amend the Noise Control Act of 1972 and the Federal Aviation Act of 1958 to provide that the Administrator of the Environmental Protection Agency shall prescribe standards for the control and abatement of aircraft noise and sonic boom; to the Committee on Public Works and Transportation.

By Mr. BURKE of Massachusetts:

H.R. 8553. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.R. 8561. A bill making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

By Mr. BELL:

H.J. Res. 548. Joint resolution to authorize funds as a contribution by the United States to the costs of constructing an appropriate memorial statue of John A. "Snowshoe" Thompson, an early carrier of the U.S. mail; to the Committee on House Administration.

By Mr. PHILLIP BURTON (for himself, Mr. Don H. Clausen, Ms. Mink, Mr. Ketchum, Mr. Meeds, Mr. Taylor of North Carolina, Mr. Steiger of Arizona, Mr. Stephens, Mr. Lujan, Mr. Bingham, Mr. Lagomarsino, Mr. Vigorito, Mr. Symms, Ms. Chisholm, Ms. Pettis, Mr. Melcher, Mr. Badillo, Mr. Mikva, Mr. Seiberling, Mr. Benitez, Ms. Burke of California, Mr. de Lugo, Mr. Won Pat, Mr. Howe, and Mr. Miller of California):

H.J. Res. 549. Joint resolution to approve the "Covenant To Establish a Commonwealth of Northern Mariana Islands in Political Union With the United States of America," and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. Santini and Mr. Weaver):

H.J. Res. 550. Joint resolution to approve the "Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America," and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RICHMOND:

H.J. Res. 551. Joint resolution to provide that the Secretary of Agriculture and the Commodity Futures Training Commission prepare and submit to the Congress a report on the domestic economic impact of sales of wheat and of wheat flour made, or which might be made by private business establishments in the United States to the Union of Soviet Socialist Republics during the last 6 months of 1975; to the Committee on Agriculture.

By Ms. SCHROEDER:

H.J. Res. 552. Joint resolution to provide that the August 1975 congressional recess shall not be included in calculating the 20-calender-day period during which the Congress may disapprove the proposed sale of a defense article or service under the Foreign Military Sales Act; to the Committee on International Relations.

By Mr. MOTTL:

H. Con. Res. 334. Concurrent resolution expressing the sense of the Congress that the President of the United States should immediately appoint a Special Prosecutor to empanel a grand jury for possible civil and criminal antitrust violations by the oil and gas industries; to the Committee on the Judiciary.

By Mrs. SCHROEDER (for herself, Mr. Ottinger, Mr. Quie, Mr. Reuss, Mr. Seiberling, Mr. Cleveland, Mr. Vander Veen, Mr. Young of Georgia, Mr. Whitehurst, Mr. Simon, Mr. Downey of New York, Mr. Hechler of West Virginia, Mr. Perkins, Mr. Fascell, Mr. Pressler, Mr. Carr, Mr. Ford of Tennessee, Mr. Talcott, Mr. Kindness, Mr. Brodhead, Mrs. Chisholm, Mrs. Meyner, Mr. Preyer, Mr. Emery, and Mr. McDonald of Georgia):

H. Res. 587. Resolution to provide that Members of the House of Representatives and certain employees of the House, except in certain cases, may not be reimbursed for the difference between the cost of first-class air travel accommodations and the cost of other air travel accommodations; to the Committee on House Administration.

By Mrs. SCHROEDER (for herself, Mr. McHugh, Mr. Lehman, Mr. Bedell, Mr. Solarz, Mr. Krebs, Mr. Wirth, Mr. Santini, Mr. Harris, Mr. Mazzoli, Mr. Harrington, Mr. Boland, Mr. Drinan, Mr. Jenrette, Mr. Blanchard, Mr. Duncan of Oregon, Mr. Cohen, and Mr. Evans of Indiana):

H. Res. 588. Reolution to provide that Members of the House of Representatives and certain employees of the House, except in certain cases, may not be reimbursed for the difference between the cost of first-class air travel accommodations and the cost of other air travel accommodations; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 8554. A bill for the relief of Hamish Scott MacKay; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 8555. A bill for the relief Angel Pader Cabal; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 8556. A bill for the relief of Marco S. Marinello Associates, Inc., to the Committee on the Judiciary.

By Ms. JORDAN:

H.R. 8557. A bill for the relief of Carmen Thomas; to the Committee on the Judiciary.

By Mr. TALCOTT:

H.R. 8558. A bill for the relief of Richard Goodell; to the Committee on the Judiciary.

By Mr. TSONGAS:

H.R. 8559. A bill for the relief of Helen Xigger Jack; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 8560. A bill for the relief of Dale Z. Brown; to the Committee on the Judiciary.

By Mr. BOLAND:

H. Res. 589. Resolution to refer H.R. 8556 to the Chief Commissioner of the U.S. Court of Claims; to the Committee on the Judiciary.

By Mr. WIGGINS:

H. Res. 590. Resolution to refer the bill, H.R. 8163, for the relief of Charles P. Abbott, to the Court of Claims; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

229. By the **SPEAKER**: Memorial of the Assembly of the State of New York, relative to deficiencies in the Federal supplemental income program; to the Committee on Ways and Means.

230. Also memorial of the Legislature of the State of Wisconsin, relative to Federal income tax deductions for portions of rental payments; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

168. By the **SPEAKER**: Petition of Phedias Paraskevaides and others, Nicosia, Cyprus, relative to Turkish occupation of Cyprus; to the Committee on International Relations.

169. Also, petition of the city commission Kalamazoo, Mich.; relative to airline passenger user and service charges; to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3884

By Mr. MATSUNAGA:

On page 3, beginning at line 16, strike out "At the end" and all that follows down through "still in effect." in line 19;

And on page 6, immediately after line 15, insert the following new subsection:

"(d) In addition to the other manners of terminating a national emergency under this section, any national emergency declared by the President in accordance with this title, and not otherwise previously terminated, shall terminate if at the end of any year following the declaration of that emergency, the President does not publish in the Federal Register and transmit to the Congress a notice stating that the emergency is still in effect. Such termination shall take effect at the end of the year with respect to which notice was not so published and transmitted."

SENATE—*Thursday, July 10, 1975*

The Senate met at 11 a.m. and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Reverend Corneal A. Davis, Assistant Minister, Quinn Chapel A.M.E. Church of Chicago, and assistant majority leader, House of Representatives of the State of Illinois, offered the following prayer:

"Oh, give thanks to the Lord for he is good and his mercy endures forever." The Lord has richly blessed us with the fruits of the Earth.

Judge of all men, bless this distinguished assembly with a keen sense of the presence of Thy holy spirit.

We ask healing for those who are stricken and we lift a special prayer for those who have a special need.

During the deliberations here, help these Thy servants to do all things decently and in order. Send out Thy light and let it lead them, even unto Thy holy hill. Help them to be wise and patient, just and compassionate. Let them not fear to do right nor fail to oppose wrong.

In all things, impel them to be the servant of Thy will. Grant unto each of them a clearer vision of the celestial city and toward it help them to press on.

In Thine own name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 10, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. FORD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, July 9, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO MAKE TECHNICAL AND CLERICAL CORRECTIONS IN THE ENGROSSMENT OF S. 2073

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 2073.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. I ask unanimous consent that committees be permitted to meet during the session of the Senate today until the hour of 11:30 a.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I temporarily reserve the majority leader's time.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

QUORUM CALL

Mr. HUGH SCOTT. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUGH SCOTT. I yield to the distinguished Senator from West Virginia.

PRIVILEGE OF THE SENATE FLOOR TO THE PARLIAMENTARIAN EMERITUS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 263, Senate Resolution 196.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 196) to amend Senate rule XXXIII.

Mr. ROBERT C. BYRD. Mr. President, I ask that the clerk state the resolution in its entirety.

The ACTING PRESIDENT pro tempore. A copy is not available.

Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with amendment to strike out all after "*Resolved*," and insert the following:

That rule XXXIII of the Standing Rules of the Senate is amended by inserting a new line following "The Secretary of the Smithsonian Institution.", as follows: "The Parliamentarian Emeritus of the Senate.".

Mr. ROBERT C. BYRD. Mr. President, the purpose of this resolution is to allow Dr. Riddick, who is the Parliamentarian Emeritus of the U.S. Senate, to have the privileges of the floor at all times, as do other officers of the Senate.

Mr. HUGH SCOTT. Mr. President, if the distinguished assistant majority leader will permit me to add, we on our side are delighted with this resolution. It passed the Rules Committee unanimously. It is our way of paying tribute to a very distinguished American and a very beloved person who has given his service unstintingly and fairly to the Senate of the United States.

The regard in which he is held is such that in the Rules Committee, where we fail to agree on almost everything else, we managed to come to a total and unanimous agreement that the third party to make certain difficult decisions would be

Dr. Floyd Riddick; and therefore I join in the request that we act immediately on this resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The queston is on agreeing to the resolution as amended.

The resolution, as amended, was agreed to, as follows:

Resolved, That rule XXXIII of the Standing Rules of the Senate is amended by inserting a new line following "The Secretary of the Smithsonian Institution.", as follows: "The Parliamentarian Emeritus of the Senate.".

The title was amended to read as follows:

Resolution relative to extending the privilege of the Senate floor to the Parliamentarian Emeritus of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HUGH SCOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRIOR CONSULTATION WITH THE PRESIDENT ON PROPOSED LEGISLATION

Mr. HUGH SCOTT. Mr. President, the President of the United States, on the 27th of June, submitted an identical letter to the Senator from Louisiana (Mr. LONG) as chairman of the Committee on Finance, to the Senator from Wisconsin (Mr. PROXMIRE) as the chairman of the Committee on Banking, Housing, and Urban Affairs, and to the respective chairmen in the other body of the Committee on Ways and Means and the Committee on Banking and Currency, in which he indicated that the present status of the trade bill and of certain restrictions in the import-export bank legislation were unsatisfactory to him, and that he felt they were discriminatory toward certain other nations, and asked that the relevant committees proceed to review these matters, with the hope that we would be able to achieve legislation along more satisfactory lines.

I have heard from Senators that they would like some prior consultation on this legislation before it is sent up, and I have requested that certain Senators who are representatives of the group which recently came back from Moscow and Warsaw be given an opportunity to talk with the President and a separate opportunity to talk with the Secretary of the Treasury. These are in addition to the chairmen of the special committees, with whom, of course, the President, the Secretary of the Treasury, and others will be anxious to consult.

I believe if we are going to get legislation through a Congress where the majority is in the hands of one party, and to have it signed by a President of another party, this kind of prior consultation can be very helpful. I endorse it. I believe it is far better to do things this way, and to try out various means of drafting legislation, than to move headlong into confrontation wherever confrontation can be avoided.

Therefore, I make this statement as my view, and as my expectation that if we want to get good legislation here, better legislation, in my opinion, than that which we have enacted, this is the proper way to go about it.

I yield back the remainder of my time.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I now withdraw my reservation from the time allotted to the majority leader, in view of the time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina (Mr. MORGAN) is recognized for not to exceed 15 minutes.

CAMBODIA

Mr. MORGAN. Mr. President, I asked for this time today to bring to the attention of my colleagues, and for the purpose of placing in the RECORD, some observations concerning the situation in Cambodia, and especially to call attention to an editorial which appeared in yesterday's issue of the New York Times, entitled "Cambodia's Crime." This editorial points up a situation that all of us, as Americans and as Members of the Senate, should be aware of.

It appears that there is a terrible tragedy taking place in the nation of Cambodia under the Khmer Rouge government, just as we were warned might happen. But the prevailing opinion seemed to be that if we would only stop giving assistance to the Lon Nol government, then all of the killing would stop. As a matter of fact, I engaged in a colloquy here on the floor of the Senate with one of our colleagues who made statements to that effect. And there are others who said that if only we would stop aiding the Lon Nol government, everything would be fine.

Well, everything is obviously not fine. Tens of thousands of innocent civilians of all ages have been forced to endure long marches with no food or water, and as a result, many thousands reportedly have died.

As this editorial in the New York Times points out, the magnitude of this tragedy ranks with the greatest crimes in history. I believe that it is our responsibility to speak out against these cruelties.

I particularly commend to the attention of my colleagues in the Senate the final paragraph of the editorial. Those who criticized the Lon Nol regime, and those who were so critical of the American role in assisting that regime, I think now have a special responsibility to speak out and break the silence which has so far kept this barbaric situation from receiving much attention in America.

It is painfully obvious, Mr. President, that the silence of so many of those who were so critical now prevails.

I take this opportunity to read to the Senate and for the RECORD this editorial which appeared yesterday in the New York Times, on July 9, entitled, "Cambodia's Crime."

Some twelve weeks after the Communist entry into Phnom Penh and the forced exodus on foot of millions of urban Cambodians to distant countrysides, a veil of silence still cloaks the full horror of what has happened—with the worst yet to come in predicted deaths from hunger and disease.

Not only the foreign press, but diplomatic missions of any kind, including those from other Communist nations, are still barred from the country, as are international agencies, public and private. What are the Khmer Rouge rulers trying to hide?

Of the estimated 7,000 refugees who fled to Thailand, most came from border areas. Only a small number were themselves participants in the death march from the cities or traversed enough of the country—which covers an area as big as New York, New Jersey, Connecticut and Massachusetts combined—to see more than a small part of the tragedy.

But from the confused and conflicting accounts pieced together from these victims by Thai and Western interviewers, and from other intelligence sources, some inkling is now available of the toll that has been inflicted.

Between two and three million residents of Phnom Penh, Battambang and other big towns—one-third to one-half the population of the country—were forced by the Communists at gunpoint to walk into the countryside in tropical temperatures and monsoon rains without organized provision for food, water, shelter, physical security or medical care. Few, if any, were told that a trek of one to three weeks or longer lay ahead.

The agony and degradation that followed may never be fully known. Tens of thousands are believed to have fallen by the wayside, victims of hunger, thirst, exhaustion and disease, including a spreading cholera epidemic. Some of those who survived were peeled off in groups to be assigned in work gangs to help peasants plant their crops. Others were assigned to labor in previously uncultivated fields, often without proper implements or direction although many of these civil servants, shopkeepers and urban laborers had never had any contact with the land.

By now, whatever food the peasants had stockpiled in the countryside is thought to be running low. Famine is believed to lie ahead before the new crop comes in during November and December, unless large shipments from abroad are received. But there is no sign that food or medical supplies are being imported, or requested. The proclaimed aim is independence from any foreign influence.

The picture begins to emerge of a country that resembles a giant prison camp with the urban supporters of the former regime being worked to death on thin gruel and hard labor and with medical care virtually nonexistent.

The mouthing of such high-sounding objectives as peasant revolution or "purification" through labor on the land cannot conceal the barbarous cruelty of the Khmer Rouge, which can be compared with Soviet extermination of the Kulaks or with the Gulag Archipelago.

What, if anything, can the outside world do to alter the genocidal policies of Cambodia's hard men? Silence certainly will not move them. Were Cambodia a non-Communist and non-Third World country, the outraged protests from the developing and Communist countries, not to mention Europe and the United States, would be deafening.

Members of Congress and others who rightly criticized the undemocratic nature of the Lon Nol regime have a special obligation to speak up. Few if any have been heard from. The United Nations is silent. That silence must be broken.

Mr. President, I compliment the New York Times for writing this editorial for, after all, the Times was one of those that was critical of the assistance that we were giving to Cambodia, and at least has had the courage to speak out about the things that are happening there now.

I wish some of my colleagues in the Senate, who were so vocal over such a long period of time, would do likewise.

I might add one personal note. An acquaintance, who is in Thailand and is working with the refugees there and was in Cambodia shortly before its fall, relates in a letter the following incident: A lady, who was a refugee, tells of reaching the Thailand-Cambodia border with her family, and that as they approached the border they observed the soldiers of the Khmer Rouge coming. This lady took off and started running, and as she looked back she saw these soldiers gunning down the remaining members of her family in cold blood.

The Nation and the world needs to be reminded of this. But I am afraid too many of the vocal critics of our Indochina policy have now taken the position "out of sight, out of mind."

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Michigan (Mr. GRIFFIN) is recognized for not to exceed 15 minutes.

Mr. ALLEN. Mr. President, I ask unanimous consent that the 15 minutes allotted to the distinguished Senator from Michigan (Mr. GRIFFIN) at this time be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

Is there morning business?

CONVENTION OF THE INTERGOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION—REMOVAL OF INJUNCTION OF SECRECY

Mr. GRIFFIN. Mr. President, as in executive session, I ask unanimous consent that the injuction of secrecy be removed from Amendments to Certain Articles of the Convention on the Intergovernmental Maritime Consultative Organization, adopted on October 17, 1974, by the Assembly of IMCO at London (Executive F, 94th Cong., 1st sess.), transmitted to the Senate today by the President of the United States.

I also ask that the treaty with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The message is as follows:

To the Senate of the United States:

I transmit herewith for the advice and consent of the Senate amendments to articles 10, 16, 17, 18, 20, 28, 31, and 32 of the Convention on the Intergovernmental Maritime Consultative Organization (IMCO), which were adopted on October 17, 1974, by the Assembly of IMCO at its fifth extraordinary session held at London from October 16 to 18, 1974.

These amendments enlarge the membership of the IMCO Council from eighteen to twenty-four, insure equitable geographic representation of member States on the Council, and open participation on the Maritime Safety Committee to all members of the Organization.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the amendments.

Support for these amendments will contribute to the United States' demonstrated interest in facilitating cooperation among maritime nations. To that end, I urge that the Senate give early and favorable consideration to these amendments and give its advice and consent to their acceptance.

GERALD R. FORD.

THE WHITE HOUSE, *July 10, 1975.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

APPROVAL OF BILL

A message from the President of the United States announced that on July 9, 1975, the President had approved and signed the enrolled bill (S. 2003) to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes.

REPORT CONCERNING INTERNATIONAL TRANSFERS OF CONVENTIONAL ARMS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. FORD) laid before the Senate a message from the President of the United States transmitting a report concerning international transfers of conventional arms, which, with the accompanying report, was referred to the Committee on Foreign Relations. The message is as follows:

To the Congress of the United States:

In accordance with Section 51(c) of Public Law 93-559, the "Foreign Assistance Act of 1974", I am transmitting to the Congress a report setting forth steps taken to carry out Section 51 of the Act, concerning international transfers of conventional arms.

GERALD R. FORD.

THE WHITE HOUSE, *July 10, 1975.*

MESSAGES FROM THE HOUSE

At 11:09 a.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 555) to amend the Consolidated Farm and Rural Development Act, with an amendment, in which it requests the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has affixed his signature to the following enrolled bill and joint resolution:

H.R. 7405. An act to amend section 3620 of the Revised Statutes with respect to certain disbursements to be made by banks, savings banks, savings and loan associations, and credit unions.

S.J. Res. 100. A joint resolution to authorize the Secretary of the Senate to pay compensation to Phan Thi Yen.

The enrolled bill and joint resolution were subsequently signed by the Acting President pro tempore (Mr. FORD).

At 1 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 7567. An act to amend the Arms Control and Disarmament Act, and for other purposes; and

H.R. 6706. An act to clarify existing authority for employment of personnel in the White House Office, the Executive Residence at the White House, and the Domestic Council, to clarify existing authority for employment of personnel by the President to meet unanticipated personnel needs, and for other purposes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. FORD) laid before the Senate the following letters, which were referred as indicated:

PROPOSED INCREASE IN APPROPRIATIONS FOR THE DEPARTMENT OF COMMERCE—(S. DOC. NO. 94-72)

A communication from the President of the United States proposing an increase in the budget for the fiscal year 1976 appropriations in the amount of $410,000 for the Department of Commerce (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

PROPOSED INCREASE IN APPROPRIATIONS FOR THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—(S. DOC. NO. 94-71)

A communication from the President of the United States proposing an increase in the budget for the fiscal year 1976 in the amount of $4,300,000 and for the quarter July 1 to September 30, 1976, in the amount of $1,500,000 for the Department of Health, Education, and Welfare (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

PROPOSED INCREASE IN APPROPRIATIONS FOR THE DEPARTMENT OF JUSTICE—(S. DOC. No. 94–73)

A communication from the President of the United States proposing an increase in appropriations for the fiscal year 1976 in the amount of $2,243,000 and for the transition period July 1 through September 30, 1976, in the amount of $78,000 for the Department of Justice (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHILES, from the Committee on Government Operations, without amendment:

S. 1260. A bill to authorize the Administrator of General Services to enter into multiyear leases through use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases (Rept. No. 94–275).

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 6706. An act to clarify existing authority for employment of personnel in the White House Office, the Executive Residence at the White House, and the Domestic Council, to clarify existing authority for employment of personnel by the President to meet unanticipated personnel needs, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7567. An act to amend the Arms Control and Disarmament Act, and for other purposes; to the Committee on Foreign Relations.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that today, July 10, 1975, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 1462. An act to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes; and

S.J. Res. 100. A joint resolution to authorize the Secretary of the Senate to pay compensation to Phan Thi Yen.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. LAXALT:

S. 2076. A bill for the relief of Nick F. Flangas. Referred to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 2077. A bill to designate the Miners' Hospital in Raton, N. Mex., a Public Health Service hospital to be known as the Miners' Rehabilitation and Medical Hospital. Referred to the Committee on Labor and Public Welfare.

By Mr. BAKER (for himself and Mr. STAFFORD) (by request):

S. 2078. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. Referred to the Committee on Finance and the Committee on Public Works, jointly, by unanimous consent.

By Mr. MONDALE (for himself, Mr. PHILIP A. HART, and Mr. SCHWEIKER):

S. 2079. A bill to amend the Federal Unemployment Tax Act to require States to extend coverage to State and local employees, domestic and agricultural workers; to provide at least 52 weeks of regular unemployment compensation, to provide for Federal financing of one-half of the additional costs attributable to such requirement, to provide a minimum weekly benefit amount; to increase the amount of wages subject to the Federal Unemployment Tax, and for other purposes. Referred to the Committee on Finance.

By Mr. MATHIAS:

S. 2080. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce. Referred to the Committee on Finance.

By Mr. HUDDLESTON (for himself and Mr. EASTLAND):

S. 2081. A bill to provide for furthering the conservation, protection, and enhancement of the Nation's land, water, and related resources for sustained use and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. MONTOYA:

S. 2082. A bill to amend the Internal Revenue Code of 1954 to provide for a credit, in lieu of a deduction, for interest paid on a mortgage on a taxpayer's principal residence. Referred to the Committee on Finance.

By Mr. HARTKE (by request):

S. 2083. A bill to amend section 409 of the Interstate Commerce Act to authorize contracts between freight forwarders and railroads on an experimental basis, and for other purposes;

S. 2084. A bill to authorize the Interstate Commerce Commission to require adequate compensation for owner-operator fuel costs in a transportation emergency, and for other purposes;

S. 2085. A bill to authorize the Interstate Commerce Commission to approve, on an expedited basis, pooling arrangements between carriers that are not of major transportation importance and are not likely unduly to restrain competition, and for other purposes; and

S. 2086. A bill to authorize the Interstate Commerce Commission, after investigation and hearing, to require the establishment of through routes and joint rates between motor common carriers of property, and between such carriers and common carriers by rail, express, and water, and for other purposes. Referred to the Committee on Commerce.

By Mr. NELSON (for himself, Mr. GARY W. HART, Mr. MCINTYRE, Mr. PELL, Mr. SPARKMAN, Mr. HATHAWAY, and Mr. HUMPHREY):

S. 2087. A bill to amend the Small Business Act to establish within the Small Business Administration a new direct low-interest loan program to assist homeowners and builders in purchasing and installing solar heating (or combined solar heating and cooling) equipment. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MATHIAS (for himself and Mr. BEALL):

S. 2088. A bill to prohibit the use of dogs by the Department of Defense in connection with the research, testing, development, or evaluation of radioactive, chemical, or biological warfare agents, and to require the Department of Defense to develop and use, where feasible, alternative, nonanimal methods of experimentation. Referred to the Committee on Armed Services.

By Mr. BURDICK (for himself and Mr. YOUNG):

S. 2089. A bill to authorize modifications to Dickinson Dam, Dickinson Unit, Pick-Sloan Missouri Basin program, North Dakota, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUDDLESTON:

S. 2090. A bill to make the provisions of section 1331(e) of title 38, United States Code, retroactive to November 1, 1953. Referred to the Committee on Armed Services.

By Mr. HARTKE (for himself and Mr. HANSEN):

S. 2091. A bill to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status. Referred to the Committee on Government Operations.

By Mr. BENTSEN:

S. 2092. A bill to amend the Social Security Act so as to provide that, under certain circumstances, the entire area of a State will be redesignated as a single Professional Standards Review Organization area. Referred to the Committee on Finance.

By Mr. GOLDWATER:

S. 2093. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Lt. Gen. Ira C. Eaker, U.S. Air Force (retired). Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. HATFIELD:

S. 2094. A bill to refer the bill (S. 1890) entitled "a bill for the relief of Leo Lucas," to the Chief Commissioner of the U.S. Court of Claims for a report thereon. Referred to the Committee on the Judiciary.

By Mr. GARY W. HART (for himself, Mr. NELSON, Mr. RANDOLPH, Mr. HUMPHREY, Mr. JAVITS, Mr. MCINTYRE, Mr. SPARKMAN, Mr. PELL, Mr. HATHAWAY, and Mr. PHILIP A. HART):

S. 2095. A bill to require that buildings financed with Federal funds utilize the best practicable measures for the conservation of energy and the use of solar energy systems. Referred to the Committee on Public Works.

By Mr. PERCY:

S.J. Res. 104. A joint resolution to designate the week of October 11, 1976, as "National Product Service Week." Referred to the Committee on the Judiciary.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI:

S. 2077. A bill to designate the Miners' Hospital in Raton, N. Mex., a Public Health Service hospital to be known as the "Miners' Rehabilitation and Medical Hospital." Referred to the Committee on Labor and Public Welfare.

Mr. DOMENICI. Mr. President, today I introduce a bill, S. 2077, to designate the Miners' Hospital in Raton, N. Mex., a Public Health Service hospital for all miners in the country. I wish to comment on this legislation to clarify my position and the intent of the bill.

In the late 1800's and the early 1900's, the Federal Government gave in trust 100,000 acres of land located throughout the State of New Mexico for the purpose of supporting the operation of a miners' hospital. In fact, this land was given as a condition of statehood for that expressed purpose. At that same time, a private corporation, the Maxwell Land Grant Co., gave the State 10 acres upon which the actual hospital could be built. This property is located in the picturesque town of Raton. A miners' hospital was built and used for several years on that site—a desirable situation for the State's miners as they benefited enormously from having this special facility relatively close to their homes. The hospital offered the necessary treatment for diseases and ailments incurred as a result of the miners' hazardous profession.

During the past few years, however, the hospital lost its accreditation due to alleged actions by the State and/or the hospital which seemed to indicate a "breech of trust." This hospital operated for some years as simply a nursing home for miners rather than supplying the services intended in the original contract. A recent court decision, however, has made possible the reinstitution of this facility as a miners' hospital once again. The New Mexico Legislature during the current session agreed to a State $2.2 million appropriation to replace the trust funds previously earmarked for the miners' hospital.

Senate bill 2077 would not go into effect until the State of New Mexico agrees that this proposal would truly make possible the original intent of the land gifts. I understand the legislature is now in agreement with the intent stated in this proposed measure.

A fact which should not be overlooked is the lost health services to miners—miners in New Mexico as well as throughout the country. The AFL–CIO group in our State has not lost sight of that fact. Nick Halamandaras, president of the State United Mine Workers, has personally requested that this legislation be introduced.

This bill offers a unique service to the existing Public Health Service institutions for miners. The Raton hospital would be the focus of research and treatment of accident-related injuries particularly back injuries. Orthopedic care for miners is presently offered in a haphazard fashion with little understanding of the primary causes and the best treatment of such injuries. Injured miners throughout the country could be referred to this specialty center for immediate and knowledgeable care.

In addition, there are many diseases contacted by miners in the course of their work. These diseases, including the dread "black lung" condition, have not been fully researched and treatment often stretches over many years. There would be many advantages to having research and treatment facilities located in the same place. I have been assured by medical doctors that the climate in Raton is most desirable for those miners convalescing from respiratory diseases such as black lung. The air is clean, free from pollution, and it is dry. The town of Raton is small and friendly.

I believe the miners of the entire Southwest and, indeed, the whole country would benefit if the Federal Government could offer more complete services to more patients. This plan would compliment the original trust to which the land and the facilities were designated in the first place, and I would hope the bill, with many needed changes, will be supported by my colleagues in this Chamber.

By Mr. BAKER (for himself and Mr. STAFFORD) (by request):

S. 2078. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. Referred to the Committee on Finance and the Committee on Public Works, jointly, by unanimous consent.

Mr. BAKER. Mr. President, I introduce, for appropriate reference, the administration's highway bill, and ask unanimous consent that it be jointly referred to the Committee on Public Works and the Committee on Finance, as was the President's message on this subject.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I have no objection—does this meet with the approval of the chairmen of both committees?

Mr. BAKER. Mr. President, it is my understanding that the matter of the referral of the initial Presidential message, which was identical to the administration bill, was cleared by the chairman of the Finance Committee, and I am certain it was cleared by the chairman of the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I am pleased to introduce, by request, together with the distinguished ranking minority member on the Transportation Subcommittee (Mr. STAFFORD), the Federal-Aid Highway Act of 1975, which was transmitted to Congress by the President on Monday.

I will not attempt to outline the major provisions of the proposed legislation as these are summarized in the fact sheets which I shall ask to have included at the end of my remarks.

The bill is comprehensive. It would make some major changes in the existing Federal-aid highway program and in the structure of the Highway Trust Fund. These proposals will require close examination by the Public Works Committees of both Houses and by the Ways and Means and Finance Committees.

Objectives of the administration's proposals are admirable: to expedite completion of those interstate segments necessary for a national, connected system; to provide greater flexibility to the States in their use of funds by reducing the number of categorical programs; to broaden the use of Federal safety funds for projects off the Federal-aid systems as well as those on a system.

While supporting these objectives, however, I believe it is desirable to investigate thoroughly the impact of the methods proposed to reach these goals. We must decide first how the Federal Government can most productively support a healthy highway system. Then we must examine the proposed funding levels to determine if they are adequate. Finally, we must decide how best to finance the Federal contribution to a highway program which serves the entire Nation.

In this latter connection, I want to say that this Senator intends to look very closely at any proposal which would alter what has been a highly successful mechanism for building our great highway networks.

Mr. President, I believe the administration has provided Congress with a constructive bill which will be of assistance to the congressional committees charged with directing the operation and financing of the Federal highway program. I look forward to a productive exchange of ideas and viewpoints, and ultimately, to legislation which addresses future as well as current transportation needs.

I ask unanimous consent that the fact sheet transmitted with the President's message, together with a more detailed fact sheet on two specific issues, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACT SHEET—FEDERAL-AID HIGHWAY ACT OF 1975

The President is transmitting today to the Congress, the Federal-Aid Highway Act of 1975. Covering the fiscal years 1977–1980, the Act has the following key objectives:

Emphasize the Federal interest in completing and maintaining an effective national Interstate highway system.

Permit new flexibility to State and local officials in utilizing non-Interstate Federal highway assistance.

Provide responsible funding authorizations for the highway program, consistent with other transportation and national priorities.

BACKGROUND

The twenty-year-old Highway Trust Fund expires on October 1, 1977. The current Federal-aid highway program consists of approximately thirty categorical programs. Interstate system projects are funded with 90% Federal funds and 10% matching from the States. Other projects are funded on a 70/30 basis.

The 42,500-mile Interstate system is nearly completed with 85% open to traffic.

KEY PROVISIONS OF THE PROPOSAL

Program Structure

1. To expedite completion of an inter-city Interstate system, Interstate funding will be gradually increased from the current annual level and the apportionment formula and operating procedures will be revised to place highest priority on expediting the completion of Interstate routes of national significance. Lower priority will be placed on completion of routes primarily serving local needs.

2. To enhance State and local flexibility in using Federal transportation assistance, approximately thirty highway categorical grant programs will be consolidated into four broad programs: Interstate system, urban and suburban transportation assistance program (areas over 50,000 population), rural transportation assistance program (any area not covered under the urban program), and the highway safety improvement program. Furthermore, urban, rural, and safety funds will be available for use on highways not on the Federal-aid system and for projects to improve public transportation.

Financing structure

1. The Highway Trust Fund's October 1, 1977, termination date would be eliminated and the Trust Fund would be extended indefinitely. It would be maintained exclusively

for the construction and improvement of the Interstate system.

2. Beginning October 1, 1976, revenues from the Federal gasoline tax going into the Highway Trust Fund would be reduced from four cents to one cent. In addition, the Trust Fund would continue to receive revenues from other user taxes (tires, auto and truck parts, etc.) and the diesel fuel tax.

3. In view of their close relationship to general community improvement and local transportation needs, all non-Interstate Federal highway programs—including rural, urban and safety improvement—would be financed out of the General Fund. Two of the three cents no longer going into the Highway Trust Fund would be returned to the General Fund of the U.S. Treasury.

4. The remaining one cent of the three cents would be repealed in any State which correspondingly raises its State gasoline tax by at least one cent after September 30, 1976. If a State determines not to increase its own gasoline tax, the excess Federal revenues would go into the General Fund. It would not be mandatory that States use this one cent from the Federal gasoline tax for transportation purposes, though this would be encouraged to meet State needs for matching Federal transportation programs, for State/local highway maintenance, and for public transportation investments.

FEDERAL HIGHWAY TAXES

Current

4¢/gal. gas tax goes to—Trust Fund (approximately $4 billion per year)

President's proposal

1¢/gal.—Highway Trust Fund.

2¢/gal.—Transferred to General Fund.

1¢/gal.—This 1¢ federal gas tax will be repealed if and when the respective State increases its gas tax by one or more cents.

Current

All other highway-related excise taxes—Trust Fund (approximately $2 billion per year).

President's proposal

No change.

REVENUE-FUNDING ESTIMATES

The revised fiscal structure would result in the following estimated revenues for each fiscal year:

Revenues ($ in billions)

	1977	1978	1979	1980
Highway trust fund	3.3	3.4	3.5	3.7
General fund	2.0	2.1	2.1	2.2

Funding levels	1977	1978	1979	1980
Interstate system program (highway trust fund)	3.25	3.4	3.55	3.7
Other noninterstate programs[1] (general fund)	2.2	2.2	2.2	2.2
State tax preemption (uses at State discretion)	1.0	1.0	1.1	1.1
Total	6.45	6.6	6.85	7.0

[1] In addition to the programs authorized in this bill, programs authorized in companion legislation—such as the State and community grant program for highway safety—would be shifted o the general fund.

Explanation of the proposed Federal-Aid Highway Act of 1975 as it relates to:

(1) The future of the Highway Trust Fund and Federal Highway user taxes; and

(2) The Operation of the Interstate Program.

The proposed Federal-Aid Highway Act of 1975 would amend the existing highway statutes in a number of areas. Two significant areas are particularly complex and have been singled out for detailed discussion.

1. Highway Trust Fund:

Under current law, revenues generated by Federal highway user taxes are channeled into the Highway Trust Fund. The Trust Fund is used primarily to provide Federal assistance for highway construction, although it can be used to finance some other Federally assisted transportation projects. Under the present law, the Trust Fund terminates on October 1, 1977 and on that date Federal highway user excise taxes revert to the level that existed prior to the establishment of the Highway Trust Fund in 1956. The revenues generated by those taxes would be deposited in the General Fund of the Treasury.

This bill would modify the existing fiscal structure of the highway program in a number of ways.

First, the termination date for the Highway Trust Fund will be eliminated and the Trust Fund would be continued exclusively for the construction and improvement of the Interstate System. All other Federal highway programs will be financed out of the General Fund;

Second, beginning on October 1, 1976, the revenues going into the Highway Trust Fund would be reduced by the amount of revenues generated by three cents of the Federal gasoline tax. Other user taxes, the diesel fuel tax and one cent of the gasoline tax would continue to generate revenues for the Trust Fund;

Third, revenues attributable to two cents of the four cent Federal gasoline tax will be returned to the General Fund of the Treasury; and

Fourth, one cent of the four cent Federal gasoline tax will be rescinded in any State which increases its own gasoline tax by at least one cent. Revenues generated by this one cent of the Federal gasoline tax in States which do not increase their own tax level would go into the General Fund of the U.S. Treasury.

As regards non-Interstate Federal assistance for highways, the General Fund would be the sole source of funding. Non-Interstate programs relate closely to general community and economic development as well as local transportation needs and as such, should rationally be financed out of General Funds. In the future there would be no direct linkage between Federal highway user tax revenues and Federal assistance for these non-Interstate programs.

As described above, one cent of the Federal tax on gasoline would be rescinded in any State that raised its own gasoline tax by at least one cent after September 30, 1976. Because of energy considerations, this proposal would not reduce Federal taxes on gasoline without assurance that the States would increase their taxes by a like amount. Beyond this there are no conditions tied to the Federal tax reduction. We expect that much of the revenue generated by the State tax increase will be spent for transportation, but the actual decision is left entirely to State and local officials.

2. Interstate Highway Program:

The proposed Administration bill would change the procedures under which the Interstate program is operated. Currently, each annual authorization for the Interstate System is apportioned among the States based upon the relative cost of completing the construction of the entire Interstate System in each State. This approach is designed to culminate in the simultaneous completion of the System in each State (something which in fact is clearly not going to happen as a result of past spending patterns). Once funds have been apportioned to a State, the State then determines which Interstate routes should receive priority within their construction program.

The changes in the proposed bill would affect first, the method of apportionment and second, the determination of broad priorities in accordance with the overall Federal interest. In both cases, these changes are implemented through the classification of the routes on the Interstate System into two categories.

The first category consists of routes of national significance which are required for the development of a connected limited access intercity highway network. It provides access to and routes through or around major population centers. In terms of mileage, this category accounts for more than 90 percent of the Interstate System. In the terms of the remaining cost to complete the Interstate System, this category accounts for slightly more than 50 percent of the total cost. The completion of these routes would bridge the gaps on the System and provide the Nation with the highway network that was envisioned with the passage of the 1956 Highway Act.

The second category consists of all other interstate routes. Basically, these routes would provide commuter service in major urbanized areas where the integrity of a connected Interstate System would be provided by other routes.

This classification is not inconsistent with the present highway statutes. The law now recognizes that there are different types of routes on the System.

For example, under Section 103(g) of title 23, the Secretary is permitted to remove from designation as a part of the System only those routes which are not essential to completion of a unified and connected Interstate System. Similarly, he can only approve the withdrawal of routes for transit substitution if they are not essential to the completion of a unified and connected highway network. This certainly implies that there are differences between routes. Further, the current law states that local needs shall only be given equal consideration with the needs of interstate commerce to the extent that this is suitable, practical and feasible.

Below is a table indicating an approximate division of the 42,500 mile system into routes of greatest national significance and routes of local importance. The table is based on a preliminary study by the FHWA Headquarters staff that was undertaken to indicate the approximate effect of this legislative proposal. No input into the study was obtained from either the States or the FHWA field offices. Any final classification of routes will require careful consultation with affected State and local governments. Dollar amounts in the table are costs to complete, based upon the 1975 Interstate Cost Estimate.

	Routes of national significance		Routes of local importance	
	Miles	Amount (billions)	Miles	Amount (billions)
A. Routes not yet open to traffic	4,894	9.96	1,031	$13.21
B. Routes open to traffic requiring major upgrading	2,106	2.75	145	.67
C. Routes open to traffic requiring minor upgrading, no further work, or toll facilities not eligible for Federal funding	32,199	4.41	2,125	1.28
Total	39,199	17.12	3,301	15.16

Having classified routes into two categories, the bill proposes that Interstate apportionments reflect the Federal interest by giving greater weight in the statutory apportionment formula to the cost of completing those routes of national significance. Under the proposed bill, 50 percent of the annual authorization would be apportioned based upon the cost of completing only those routes of national significance and 50 percent based upon the cost of completing all routes on the System. This double counting of the cost of routes of national significance obviously effects the distribtuion of Interstate funds. States with few routes of national importance would receive comparatively less funding, while States with critical gaps in the System would generally receive increased funding. The attached table, which is again based on our preliminary study, compares the anticipated 1977 apportionment under the present statute with an apportionment based upon the amendments contained in this bill.

Once funds have been apportioned among the States, the bill would require that any funds apportioned based upon the cost of completing routes of national significance could only be used on those routes. The remaining funds could be used on any routes, but we would hope that a large share would also be used on routes of national significance. Thus, the Federal interest would be reflected in both the distribution of funds and in the determination of program priorities at the State level.

Using this logic, it is obviously possible to defend a proposal to require that more than half the funds be used on routes of national significance. The 50 percent minimum was selected largely in recognition of the fact that we are not developing a new program. Rather, we are modifying an existing program. And while we believe it to be in the national interest to expedite the completion of Interstate routes of national significance, we did not want to bring the overall program to a halt in any State, a possibility that could exist since current programming reflects regional interest rather than national priorities.

To further reinforce the Federal interest and expedite the construction of Interstate routes of national significance, the bill includes an additional amendment affecting the treatment of lapsing Interstate apportionments. Under the present law, any Interstate apportionment which has not been obligated two years after the close of the fiscal year for which it was authorized is automatically reapportioned among all the other States. This bill would make lapsed Interstate funds available only at the discretion of the Secretary and only for use on routes of national significance.

Taken together, the proposed amendments are expected to expedite the completion of routes of national significance while still providing the States with enough flexibility to reasonably use available Interstate funds. It should be pointed out that this proposal does not indicate any reduction in the Federal commitment to complete the entire System. Rather, it makes an attempt to insure that routes of national significance are expedited.

A PRELIMINARY ANALYSIS INDICATING THE APPROXIMATE EFFECT OF THE 1975 DOT LEGISLATIVE PROPOSAL ON AN ASSUMED INTERSTATE SYSTEM APPORTIONMENT

	Current law		1975 DOT legislative proposal				
State (1)	1975 estimate apportionment factors (percent) (2)	State's share of a $3.25 billion authorization ($3.0875 billion apportioned) (thousands) (3)	Apportionment factors for the entire system (percent) (4)	Apportionment factors for routes of greatest national significance (percent) (5)	Combined apportionment factors (percent) (6)	State's share of a $3.25 billion authorization ($3.0875 billion apportioned) (thousands) (7)	Difference in State's share—DOT proposal versus current law (7)—(3) (thousands) (8)
Alabama	2.422	$74,779	2.341	3.284	2.8125	$86,836	$12,057
Arizona	2.781	85,863	2.689	2.930	2.8095	86,743	880
Arkansas	.672	20,748	.651	.634	.6425	19,837	911
California	5.200	160,550	5.027	5.722	5.3745	165,938	5,388
Colorado	2.337	72,155	2.259	2.810	2.5345	78,253	6,098
Connecticut	3.477	107,352	3.361	4.385	3.8730	119,579	12,227
Delaware			.829	.171	.5000	15,438	15,438
Florida	3.396	104,851	3.283	5.260	4.2715	131,882	27,031
Georgia	2.715	83,826	2.624	3.403	3.0160	93,119	9,293
Hawaii	1.306	40,323	1.262		.6310	19,482	−20,841
Idaho	.450	13,894	.435	.955	.6950	21,458	7,564
Illinois	4.294	132,577	4.151	1.263	2.7070	83,579	−48,998
Indiana	.939	28,992	.908	1.014	.9610	29,671	679
Iowa	1.116	34,457	1.079	1.790	1.4345	44,290	9,833
Kansas	1.425	43,997	1.378	.609	.9935	30,674	−13,323
Kentucky	2.030	62,676	1.962	1.511	1.7365	53,614	−9,062
Louisiana	3.863	119,270	3.735	1.438	2.5865	79,858	−39,412
Maine	.281	8,676	.467	.533	.5000	15,438	6,726
Maryland	4.350	134,306	4.205	.958	2.5815	79,704	−54,602
Massachusetts	.047	1,451	.546	.454	.5000	15,438	13,987
Michigan	2.812	86,821	2.718	2.630	2.6605	82,143	−4,678
Minnesota	2.542	78,484	2.457	2.035	2.2460	69,345	−9,139
Mississippi	.753	23,249	.728	1.117	.9225	28,482	5,233
Missouri	1.796	55,452	1.737	1.264	1.5005	46,328	−9,124
Montana	.971	29,980	.939	1.969	1.4540	44,892	14,912
Nebraska	.046	1,420	.860	.140	.5000	15,438	14,018
Nevada	.531	16,395	.513	.934	.7235	22,338	5,943
New Hampshire	.703	21,705	.679	1.172	.9255	28,575	6,870
New Jersey	2.819	87,037	2.726	1.661	2.1935	67,724	−19,313
New Mexico	.943	29,115	.912	1.616	1.2640	39,026	9,911
New York	3.701	114,268	3.578	4.161	3.8695	119,471	5,203
North Carolina	2.140	66,073	2.069	3.815	2.9420	90,834	24,761
North Dakota	.013	401	.741	.259	.5000	15,438	15,037
Ohio	2.869	88,580	2.773	1.553	2.1630	66,783	−21,797
Oklahoma	.430	13,276	.408	.592	.5000	15,438	2,162
Oregon	2,824	87,191	2.730	3.047	2.8885	89,182	1,991
Pennsylvania	4.106	126,773	3.970	4.976	4.4730	138,104	11,331
Rhode Island	.598	18,463	.578	.582	.5800	17,907	−556
South Carolina	.697	21,520	.674	1.188	.9310	28,745	7,225
South Dakota	.214	6,607	.472	.528	.5000	15,438	8,831
Tennessee	2.403	74,193	2.323	2.477	2.4000	74,100	−93
Texas	4.413	136,251	4,266	6,563	5.4145	167,173	30,922
Utah	1.202	37,112	1.162	1.784	1.4730	45,479	8,367
Vermont	.378	11,671	.365	.701	.5330	16,456	4,785
Virginia	5.094	157,277	4.924	4.828	4.8760	150,546	−6,731
Washington	3.277	101,177	3.168	3.224	3.1960	98,676	−2,501
West Virginia	2.319	71,599	2.242	3.533	2.8875	89,151	17,552
Wisconsin	.928	28,652	.897	1.674	1.2855	39,690	11,038
Wyoming	.417	12,875	.404	.875	.6395	19,744	6,869
District of Columbia	4.960	153,140	4,795		2.3975	74,023	−79,117
Total	100.000	3,087,500	100.000	100.000	100.0000	3,087,500	

Mr. STAFFORD. Mr. President, I am glad to join the very able ranking Republican on the Public Works Committee (Mr. BAKER) in bringing before this body the administration's Federal-Aid Highway Act of 1975.

The legislation provides for several constructive modifications in the structure of the Federal-aid program. It would consolidate the proliferation of categorical programs, permitting States greater flexibility in determining how funds can most effectively be used.

The bill also expands the purposes for which rural funds may be spent. Where rural public transportation is needed highway money could be spent to assist existing operations or to establish new service. Funds would be available for operating subsidies to help start new systems in rural and small urban areas. These initiatives are especially welcome at a time when the need for transportation of people living outside our metropolitan areas is becoming more apparent.

The bill also contains a proposal to temporarily redistribute interstate funds so as to expedite completion of essential links in the Interstate System. In this connection I would like to emphasize one point. There will almost certainly be concern in those States which appear to lose some of their interstate apportionments as a result of the proposed change.

It should be noted that no State will lose Federal funds needed to complete the system as currently designated. Rather, the redirection of funds would permit more rapid completion of portions of the interstate necessary nationally for safety and efficiency. Those segments which will serve mainly local needs would be completed later, assuming the States and cities involved choose to finish the routes rather then substitute transit or other road projects.

The Transportation Subcommittee of the Committee on Public Works has scheduled 9 days of hearings beginning July 14 in preparation for comprehensive highway legislation. We will be looking at the appropriate Federal role in future highway programs, the relation between highways and other forms of transportation, transportation needs in urban and rural areas, and the effectiveness of Federal highway safety programs.

The administration bill contains valuable initiatives and will undoubtedly stimulate productive discussion and comment throughout the hearings.

With regard to provisions dealing with the highway trust fund, I am sure the Public Works Committee will work closely with the Finance Committee which has jurisdiction over title II of the bill, in evaluating the President's proposal. This Senator sees merit in using the trust fund to complete the Interstate System. Whether all other Federal highway assistance should be tied to trust fund revenues or severed therefrom is, in my opinion, a question that should be answered only after the Federal role in the highway program has been determined. This will be one of the key goals of the Transportation Subcommittee.

Mr. President, I want to close by saying that the administration has sent the Congress a bill with creative proposals for dealing with some difficult problems and thought-provoking suggestions for modifying the shape of the highway program. I am sure it will receive careful attention and will prove most useful in congressional development of the Federal-Aid Highway Act of 1975.

By Mr. MONDALE (for himself, Mr. PHILIP A. HART, and Mr. SCHWEIKER):

S. 2079. A bill to amend the Federal Unemployment Tax Act to require States to extend coverage to State and local employees, domestic and agricultural workers; to provide at least 52 weeks of regular unemployment compensation, to provide for Federal financing of one-half of the additional costs attributable to such requirement, to provide a minimum weekly benefit amount; to increase the amount of wages subject to the Federal unemployment tax, and for other purposes. Referred to the Committee on Finance.

Mr. MONDALE. Mr. President, I am today introducing legislation which provides for basic, comprehensive, and much-needed reform of the Federal-State unemployment insurance system. This legislation is cosponsored by the distinguished Senator from Michigan (Mr. PHILIP A. HART, and the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

Specifically, this legislation makes six changes in present law.

First, the bill embodies a uniform, Federal standard providing for a maximum duration of unemployment compensation benefits of 52 weeks. The additional 26 weeks—weeks 27–52—which will be added to the 26 weeks now provided by most States, and financed through Federal-State cost sharing. The trigger for extended benefits is eliminated for weeks 27–52.

Second, the bill would enact Federal standards for eligibility for unemployment insurance benefits. A State may not require an employee to have in his base period for eligibility more than 40 weeks work for 52 weeks of unemployment insurance benefits.

Third, the bill embodies Federal standards for amounts of compensation. The weekly benefit amount of any eligible individual for a week of total unemployment must be an amount equal to two-thirds of such individual's average weekly wage or an amount equal to the maximum weekly benefit payable under State law, whichever is lesser. The State maximum weekly benefit amount must be no less than 100 percent of the statewide average weekly wage.

Fourth, the bill extends coverage to new categories of workers. Coverage is extended to agricultural workers, domestics, and State and local government employees.

Fifth, the waiting period, a noncompensable period of unemployment in which the worker must have been otherwise eligible for benefits, may be no longer than 1 week. If an eligible individual has received compensation for 3 or more weeks in his benefit year, compensation will be retroactively paid to such individual for the waiting period.

Sixth, the bill establishes a Special Advisory Commission on Unemployment Compensation.

THE NEED

Unemployment insurance is a Federal-State system, designed to provide temporary wage-loss compensation to workers as protection against the economic hazards of unemployment. Funds accumulated from taxes on wages during periods of employment permit payments of benefits to covered workers during periods of unemployment. At the same time as the unemployed worker is assisted financially while he is looking for work, the benefit payments help maintain purchasing power throughout the economy and cushion the shock of unemployment on the economy. In addition to helping the worker, the program is designed to help the entire economy by maintaining spendable income. By maintaining purchasing power, it acts as a stabilizing force in the economy, helping to prevent an economic downturn from gathering momentum and forcing further declines in consumer purchasing power. The benefits are countercyclical in effect and help to prevent unemployment from spreading and lasting a longer period.

Unfortunately, our present system, under which benefits were first payable in 1939, does not meet the criteria for an adequate design. The system has not kept pace with the dynamics of our economy and the growth in wage level. Too many people are still excluded from coverage. Of those who are covered, too many exhaust their right to benefits before they are able to find employment. Even when they are receiving benefits, too many workers receive benefit amounts which are inadequate when compared with rising wages.

Our unemployment compensation system came into effect as a result of congressional action in 1935. Just as Congress had a responsibility to develop a program and see that it was enacted into law, soo too it has a responsibility for seeing that the program is modified to insure that its basic objectives continue to be met.

Considerable attention has recently been focused on the unemployment insurance system of the high level of unemployment we are currently experiencing in this country.

The Nation's unemployment rate is approximately 9 percent. This is the highest level since 1941. In real terms, this means that more than 8 million workers are without jobs. The number of unemployed rose nearly 1,000,000 in January alone. The total has risen more than 2 million in the past 5 months. Some economists are predicting that unemployment will rise to 10 percent and beyond.

This astronomic level of unemployment has led—much as the energy crisis unemployment last year led—to congressional efforts to provide for emergency unemployment benefits for workers who are affected by this crisis. The duration of benefits has been increased, and coverage has been extended on a temporary basis.

While I continue to support congressional efforts to deal with unemployment on a temporary basis, I believe that now is the time to take a long, hard look at the overall unemployment compensation system in this country. Comprehensive reform has long been needed, and now is the time to act. We must stop responding to crises in a temporary way. We must seek comprehensive reform.

DURATION

Maximum weeks of benefits vary from State to State. Most frequently, the maximum duration is 26 weeks. Only eight States entitle all claimants to the maximum; the rest vary the maximum duration with the amount of past earnings or employment. In 1969, these varying provisions resulted in 52 percent of all claimants exhausting benefits before receipt of 26 weeks of unemployment compensation. In 24 States, over 60 percent of all exhaustees had drawn benefits for less than 26 weeks. The average duration of benefits in some States is a mere 19 or 20 weeks, and, in other States, it is consistently 26 weeks of more. Experience under the temporary unemployment compensation programs of 1958 and 1961 and the Federal-State Extended Unemployment Compensation Act of 1970 (Public Law 91–373) indicate the need for a uniform standard for duration.

Our current unemployment insurance system provides a mechanism for paying benefits for up to 39 weeks. Temporary measures adopted at the end of the 93d Congress and during the 94th Congress extended the duration further, but only for a short time. Under the basic system, the additional 13 weeks, above the basic 26-week period provided by most States, is contingent upon levels of unemployment throughout the entire State or the entire Nation. There is, however, no reason why an individual who is unable to find a job, or for whom an unemployment service is unable to find a job, should be penalized because most people around him have a job and, therefore, the trigger is not activated.

The Federal-State extended benefit program, established by Public Law 91–373, is designed to pay extended benefits to workers during periods of high unemployment. The program is financed equally from Federal and State funds and may become operative either in an individual State or in the entire country as the result of State or national "on" indicators. Unfortunately, the extended benefits program has proven a failure. The complicated separate national and State trigger mechanisms have denied extended benefits to hundreds of thousands of the long-term jobless. Under the triggers, the national extended benefits were shut off at the height of a recessionary period. Many of the State program have triggered "off" with unemployment levels as high as 8, 10, or 12 percent in major labor market areas.

The triggers are also discriminatory. The triggers rule out of the extended benefits program those areas which may experience high levels of unemployment but which are not included in States which have a level of unemployment high enough to satisfy the "on" trigger. Similarly, individuals may have lost their jobs but do not receive extended benefits because they do not happen to live in an area where the aggregate level of unemployment has reached the specified level. And the 120-percent requirement, which requires not only the existence of an "on" trigger but also that unemployment be 20 percent greater than the corresponding period in the 2 prior years, has prevented the successful operation of the extended benefits program. Several months ago the Department of Labor revealed that 17 States had an insured rate of unemployment in excess of 4 percent but could not pay extended benefits because they did not meet the dual trigger requirement of 4 percent insured unemployment and 20 percent greater unemployment than the corresponding period in the 2 prior years.

My bill would provide for a uniform, national maximum duration of 52 weeks. Triggers would be eliminated. And the duration of unemployment compensation payments would be uniform.

It must be remembered that requiring a uniform, maximum duration of 52 weeks does not mean that all employed workers will draw benefits for 52 weeks. If a suitable job is available after 3 weeks, the worker must accept it, or, under all State laws, he will be disqualified from receiving benefits. What it does mean is that, if the labor market does not provide a job for the individual during the 52-week period, he will not be required to shoulder the entire, difficult burden of unemployment. Our unemployment compensation system will provide him with benefits for at least the required 52-week period. In addition, of course, all qualifying requirements must be met.

ELIGIBILITY

There are no Federal standards for qualifying requirements for benefits. Under all State unemployment insurance laws, a worker's benefit rights depend on his experience in covered employment in a past period of time, called the "base period". The period during which the weekly rate and the duration of the benefits determined for a given worker apply to him is called his "benefit year." The qualifying wage or employment provisions attempt to measure the worker's attachment to the labor force. To qualify for benefits as an insured worker, a claimant must have earned a specified amount of wages or must have worked a certain number of weeks or calendar quarters in covered employment within the base period, or must have met some combination of wage and employment requirements.

Under the present State laws, the amount of work needed to qualify for benefits, like the duration of benefits, vary widely. In an attempt to make such requirements uniform, my bill provides that, as a qualifying requirement, the States may not require more than 40 weeks of employment, or the equivalent, as a prerequisite to the receipt of the maximum duration of benefits.

In some States, too long a period is required before a worker can qualify for benefits. Although this bill accepts the requirement that a worker must have demonstrated a past attachment to the labor force in order to be eligible for benefits, it precludes overly stringent qualifying requirements.

BENEFIT AMOUNT

Under all State laws, a weekly benefit amount—the amount payable for a week of total unemployment—varies with the worker's past wages within certain minimum and maximum limits. The period of past wages used, and the formulas for computing benefits from these past wages, vary greatly among the States. Although many States have statutory provisions which provide that the worker will receive 50 percent of his average weekly wage, this provision is qualified by a maximum level of benefits which is often set so low that it effectively undercuts the 50-percent guarantee. In fact, more than two-fifths of all workers now covered by the unemployment insurance system, find their benefits limited by State ceilings at a level below the half-pay ostensibly guaranteed them.

Unfortunately, State efforts to guarantee adequate benefit levels have not been readily forthcoming. Thus, in his message to Congress in April 1973, the President recognized the need for Federal action.

The purpose of the benefit amount requirement is to assure that the unemployment insurance system provides adequate benefits to the worker and provides the Nation with reasonably full protection against reduction in consumer purchasing power resulting from wage losses attributable to unemployment. Accordingly, this legislation would amend the Federal Unemployment Tax Act by adding a provision requiring that every eligible insured worker, when unemployed, must be paid a benefit equal to at least two-thirds of his average weekly wage up to a State maximum which shall be at least 100 percent of the average weekly wage of covered workers in the State.

Here, too, it must be understood that requiring a State to provide a maximum dollar benefit amount equal to the average wage in covered employment in that State only means that more workers will not be cut off by the maximum benefit amount. It does not mean that any worker will receive either 100 percent of the average wage in the State or even is unemployed. My bill would merely assure most workers of his wage. He would still lose three-fourths of his wage during periods of unemployment.

COVERAGE

Many unemployed persons are not eligible for unemployment compensation. In March 1974, about 40 percent, or 2 million of the unemployed were not covered by the unemployment insurance system or were not eligible for benefits under its provisions. Frequently, the workers who are covered are the poorest and the most needy workers in the country. This bill would permanently extend coverage to three broad categories of workers: Agricultural workers, domestics, and employees of State and local governments.

The 1973 manpower report of the President revealed that more than 1.3 million workers are employed as farm laborers or foremen; 1.4 million workers are employed as private household workers; and more than 10.6 million workers are employed by State and local government.

State laws generally exclude agricultural labor from coverage. Farmworkers were excluded from the definition of employment in the original 1936 law on the grounds that it was not administratively feasible to apply the statutory scheme to them. The extension to agricultural enterprises of income and social security taxes, and the extension to farmworkers of income tax withholding, have removed lack of administrative feasibility as an abjection to eliminating the original exclusion.

This bill would apply the Federal unemployment tax and the unemployment compensation system to farm employers who, during the current or preceding calendar year, employed one or more workers in each of 20 weeks or paid $1,500 in wages in a calendar quarter.

For a large number of businesses engaged in agriculture, the proposed extension of coverage will not be their first experience with unemployment insurance. Many of these firms are already covered under the Federal Unemployment Tax Act and under State laws because of their substantial nonfarm employment.

Almost all State unemployment insurance laws exclude those who perform domestic service from coverage. This legislation would cover those who perform domestic service for an employer who paid $500 in any calendar quarter for domestic service.

Almost all State unemployment insurance laws exclude those who perform domestic service from coverage. This legislation would cover those who perform domestic service for an employer who paid $500 in any calendar quarter for domestic service.

Although the Federal act requires that certain service for State hospitals and State institutions of higher learning be covered under State law, it continues to exclude from State coverage service performed for State and local governments or their instrumentalities. Most States provide some form of coverage for State and local workers. About one-half of the States provide mandatory coverage for all State employees and permit election of coverage by municipalities or other local government units. This legislation would, with certain exclusions, mandate coverage of State and local government employees.

There is no reason why a worker who meets all other tests should be denied benfits because he happens to be a farm worker, a domestic worker, or an employee of a State or local government. These workers face the same insecurities as other workers. Their children are just as hungry as other children when their parents are unemployed. We now have the administrative know-how, the lack of which was long used as a basis for excluding these workers, to include such workers in our unemployment insurance system.

MISCELLANEOUS

The waiting period is a noncompensable period of unemployment in which the worker would have otherwise been eligible for benefits. Most States require a waiting period of total unemployment before the benefits are payable. This legislation would permit a waiting period of no longer than 1 week. If an eligible individual has received compensation for 3 or more weeks in a benefit year, compensation will be retroactively paid to such individual for the waiting period.

The rationale that the imposition of a waiting period permits administrative time to process and verify claims is questionable in light of modern procedures. If a waiting period is, in fact, necessary, such a waiting period is still permitted. However, because the first week of unemployment is as deserving of unemployment compensation benefits as any other week of unemployment, the period will be covered by benefits after the unemployed worker reaches his fourth week of unemployment. The retroactive payment for the waiting period will be particularly useful at this point, since many obligations will be coming due.

In addition, this legislation would provide for a State reserve fund level that would permit the payment of benefits during adverse economic periods without endangering the solvency of the fund, and modernize the taxable wage base.

While this legislation does much to modernize our present unemployment insurance system, it is only a first step toward a comprehensive system which will provide every American who wants to work with employment and truly protect every American working man and woman who is unemployed through no fault of their own. Such a system might not deny benefits after 52 weeks, if the individual's unemployment is still not his own fault. It is interesting to note that Congress, in providing security for the railroad worker who becomes unemployed because of mergers or technological change, provided for benefits without limit. Similarly, there may be no good reason why an unemployment compensation system should not provide benefits to individuals who want to work even though they are unable to get the initial job which is now required as a prerequisite to the receipt of benefits.

What America needs above all is a system which will provide jobs for all people who want to work and give them economic security during periods when our system proves unable to provide employment. To accomplish this, a comprehensive system is needed which will provide incentives to private industry to provide jobs, expand programs for public service employment so that much of our needed public works can be accomplished, provide job training in needed job skills, and provide income maintenance based upon unemployment compensation when work is unavailable.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2079

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Unemployment Compensation Amendments Act of 1975".

SEC. 2. COVERAGE OF AGRICULTURAL EMPLOYMENT.

(a) NONCASH REMUNERATION.—Section 3306(b) of the Internal Revenue Code of 1954 (defining wages) is amended by striking out "or" at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(11) remuneration paid in any medium other than cash for agricultural labor.".

(b) COVERAGE OF AGRICULTURAL LABOR.—Paragraph (1) of section 3306(c) of such Code (defining employment) is amended to read as follows:

"(1) agricultural labor (as defined in subsection (k)) unless performed for an employer who—

"(A) during any calendar quarter in the calendar year or the preceding calendar year paid remuneration in cash of $1,500 or more to individuals employed in agricultural labor, or

"(B) on each of some 20 days during the calendar year or the preceding calendar year, each day being in a different calendar week, employed in agricultural labor for some portion of the day (whether or not at the same moment of time) 1 or more individuals;

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to remuneration paid after December 31, 1976 for services performed after such date.

SEC. 3. TREATMENT OF CERTAIN FARM WORKERS.

(a) GENERAL RULE.—Section 3306 of the Internal Revenue Code of 1954 (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(o) SPECIAL RULE IN CASE OF CERTAIN AGRICULTURAL LABORERS.—

"(1) IN GENERAL.—For purposes of this chapter, in the case of any individual who is a member of a crew furnished by a crew leader to perform agricultural labor for any other person—

"(A) such other person and not the crew leader shall be treated as the employer of such individual; and

"(B) such other person shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of remuneration paid to such individual by the crew leader for the agricultural labor performed for such other person.

"(2) SPECIALIZED AGRICULTURAL LABOR.—Paragraph (1) shall not apply to any individual who is a member of a crew furnished by a crew leader to perform agricultural labor for any other person if substantially all the members of such crew operate or maintain tractors, harvesting equipment, or other mechanized equipment which is furnished by the crew leader.

"(3) CREW LEADER.—For purposes of this subsection, the term 'crew leader' means an individual who furnishes individuals to perform agricultural labor for any other person, if such individual pays (either on his behalf or on behalf of such other person) the individuals so furnished by him for the agricultural labor performed by them."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1976, for services performed after such date.

SEC. 4. COVERAGE OF DOMESTIC SERVICE.

(a) GENERAL RULE.—Paragraph (2) of section 3306(c) of the Internal Revenue Code of 1954 (defining employment) is amended to read as follows:

"(2) domestic service in a private home, local college club, or local chapter of a college fraternity or sorority unless performed for an employer who paid cash remuneration of $500 or more for such domestic service in any calendar quarter in the calendar year or the preceding calendar year;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1976 for services performed after such date.

SEC. 5. COVERAGE OF CERTAIN SERVICE PERFORMED FOR NONPROFIT CORPORATIONS AND FOR STATE AND LOCAL GOVERNMENTS.

(a) GENERAL RULE.—Subparagraph (B) of section 3309(a)(1) of the Internal Revenue Code of 1954 (relating to State law requirements) is amended to read as follows:

"(B) service excluded from the term 'employment' solely by reason of paragraph (7) of section 3306(c); and".

(b) ALTERNATIVE METHOD OF FINANCING.—Subsection (d) of section 3309 of such Code (defining instruction of higher education) is amended to read as follows:

"(d) ALTERNATIVE METHOD OF FINANCING.—

"(1) IN GENERAL.—The State law may provide that an organization which elects to make payments (in lieu of contributions) as provided in subsection (a)(2) may elect to limit its payments (in lieu of contributions) in any calendar year to an amount which (A) is equal to the amount of the compensation attributable to service in its employ which would be considered for experience rating purposes in computing its contribution rate if it were an employer that was liable for contributions, and (B) does not exceed, in any calendar year, 10 percent of the wages (as the State law defines wages subject to contributions) paid by such organization during such calendar year.

"(2) Supplementary payments.—The State law which permits the election described in paragraph (1) shall require an organization which makes such election to make a supplementary payment in addition to its limited payments in lieu of contributions. Such supplementary payment, in any calendar year, shall not exceed the lesser of—

"(A) 1 percent of the wages (as the State law defines wages subject to contributions) paid by the organization during such calendar year, or

"(B) the percentage of such wages which is equal to that portion, if any, of the contribution rate which is payable by all of the State's experience-rated employers subject to contributions and which is computed without regard to their individual experience with unemployment or other factors bearing a direct relation to unemployment risk."

(c) Exclusion of Certain Govenrment Employees.—

(1) Certain employees.—Paragraph (3) of section 3309(b) of such Code (relating to certain services to which section does not apply) is amended to read as follows:

"(3) in the employ of a governmental entity referred to in paragraph (7) of section 3306(c), if such service is performed by an individual in the exercise of his duties as—

"(A) an elected official or an official appointed for a specific term established by law;

"(B) a member of a legislative body or a member or employee of the judicial branch of a State or political subdivision thereof;

"(C) a member of the State National Guard or Air National Guard; or

"(D) a part-time official;"

(2) Inmate.—Paragraph (6) of such section 3309(b) is amended to read as follows:

"(6) by an inmate in a custodial or penal institution."

(d) Technical Amendments.—

(1) Paragraph (6)(A) of section 3304(a) of such Code is amended—

(A) by striking out "institution of higher education" and inserting in lieu thereof "educational institution"; and

(B) by striking out "institution or institutions of higher education" and inserting in lieu thereof "educational institution or institutions".

(2) The section heading of section 3309 of such Code is amended to read as follows:

"Sec. 3309. State Law Coverage of Certain Services Performed for Nonprofit Organizations or Governmental Entities."

(3) The table of sections for chapter 23 of such Code is amended by striking out the item relating to section 3309 and inserting in lieu thereof the following:

"Sec. 3309. State law coverage of certain services performed for nonprofit organizations or governmental entities."

(e) Effective Date.—The amendments made by this section shall apply with respect to certifications of State laws for 1977 and subsequent years, but only with respect to services performed after December 31, 1976.

Sec. 6. Minimum Amount of Unemployment Compensation During a Benefit Year

(a) General Rule.—Paragraph (12) of section 3304(a) of the Internal Revenue Code of 1954 is amended to read as follows:

"(12)(A) an individual eligible for compensation for any benefit year beginning on or after January 1, 1978, shall receive regular compensation for a number of weeks beginning in such benefit year which is not less than the minimum entitlement determined under subsection (f)(8);

"(B) any waiting period before the payment of compensation during any benefit year beginning on or after January 1, 1978, to an individual eligible for such compensation does not exceed 1 week of total or partial unemployment and compensation shall be paid for such waiting period if the individual receives compensation for at least 3 weeks in such benefit year;

"(C) the amount of compensation payable to any individual for any week of total unemployment during any benefit year beginning on or after January 1, 1978, shall not be less than the lesser of—

"(i) two-thirds of such individual's average weekly wage; or

"(ii) the maximum amount payable to such individual for such week under such State law;

"(D) the maximum amount of compensation (exclusive of allowances with respect to dependents) payable to any individual during any benefit year beginning on or after January 1, 1978, shall not be less than 100 percent of the statewide average weekly wage most recently computed before the beginning of such benefit year; and

"(E) the amount of compensation payable during any benefit year beginning on or after January 1, 1978, to any individual for any week in which the individual is employed on a part-time basis shall not be less than (i) the amount which would be payable to such individual for such week if he did not receive any remuneration for employment in such week, reduced by (ii) two-thirds of such remuneration;".

(b) Definitions.—Section 3304 of such Code (relating to approval of State laws) is amended by adding at the end thereof the following new subsection:

"(f) Definitions for Application of Subsection (a)(12).—For purposes of subsection (a)(12)—

"(1) Benefit year.—The term 'benefit year' means a period as defined in State law except that such period shall not be less than 1 year.

"(2) Base period.—The term 'base period' means the period of 52 weeks, 1 year, or 4 calendar quarters, as designated by the State law, immediately preceding the beginning of an individual's benefit year.

"(3) Individual's average weekly wage.—The term 'individual's average weekly wage' means—

"(A) in a State which computes individual weekly benefit amounts on the basis of high quarter wages, an amount equal to one-thirteenth of an individual's high quarter wages; or

"(B) in any other State, an amount computed by dividing the total amount of wages (determined without regard to any limitation on the amount of wages subject to contributions under the State law) in the individual's base period by the number of weeks in which he performed services in employment covered under such State law during such base period.

"(4) High quarter wages.—The term 'high quarter wages' means the amount of wages for services performed in employment covered under the State law paid to an individual in the quarter of his base period in which such wages were highest, determined without regard to any limitation on the amount of wages subject to contributions under such State law.

"(5) Statewide average weekly wage.—The term 'statewide average weekly wage' means the amount computed by the State agency at least once each year on the basis of the aggregate amount of wages, determined without regard to any limitation on the amount of wages subject to contributions under such State law, reported by employers as paid for services covered under such State law, during the first 4 of the last 6 completed calendar quarters prior to the effective date of the computation, divided by a figure representing 52 times the 12-month average of the number of employees in the pay period containing the twelfth day of each month during such 4 calendar quarters, as reported by such employers.

"(6) Regular compensation.—The term 'regular compensation' means compensation, other than extended compensation or additional compensation payable to an individual under the State law, and the term 'extended compensation' and 'additional compensation' have the meaning given such terms by section 205 of the Federal-State Extended Unemployment Compensation Act of 1970.

"(7) Week of base period employment.—The term 'week of base period employment' has the meaning given to such term by the State law, except that the State law shall provide that any week—

"(A) in which the individual earned an amount which is not less than 15 percent of the statewide average weekly wage; or

"(B) in which the individual was employed for at least 12 hours;

shall be treated as a week of base period employment. The State law may contain either the provision described in subparagraph (A) or the provision described in subparagraph (B) and shall apply such provision uniformly to all individuals. Any weekly benefit amount payable under such State law may be rounded to an even dollar in accordance with the provisions of such State law.

"(8) Minimum entitlement.—The term 'minimum entitlement' means with respect to the benefit year of any individual—

"(A) 26 weeks in the case of an individual who during the applicable base period—

"(i) had at least 20 weeks of base period employment; or

"(ii) received wages for services performed in employment covered by the State law in an amount not less than (I) in the case of a State which computes weekly benefit amounts on the basis of high quarter wages, 150 percent of the individual's high quarter wages, or (II) in the case of any other State, the product of 30 multiplied by the weekly benefit amount;

"(B) 39 weeks in the case of an individual who during the applicable base period—

"(i) had at least 30 weeks of base period employment; or

"(ii) received wages for services performed in employment covered by the State law in an amount not less than (I) in the case of a State which computes weekly benefit amounts on the basis of high quarter wages, 230 percent of the individual's high quarter wages, or (II) in the case of any other State, the product of 45 multiplied by the weekly benefit amount; or

"(C) 52 weeks in the case of an individual who during the applicable base period—

"(i) had at least 40 weeks of base period employment; or

"(ii) received wages for services performed in employment covered by the State law in an amount not less than (I) in the case of a State which computes weekly benefit amounts on the basis of high quarter wages, 310 percent of the individual's high quarter wages, or (II) in the case of any other State, the product of 60 multiplied by the weekly benefit amount."

(b) The amendment made by subsection (a) shall take effect January 1, 1977, and shall apply to the taxable year 1977 and taxable years thereafter; except that the provisions of section 3304(a)(12)(A) of the Internal Revenue Code of 1954 (as amended by subsection (a)) shall not be a requirement for the State law of any State before January 1, 1978.

SEC. 7. PAYMENTS TO STATES FOR EXPENDITURES REQUIRED TO MEEET MINIMUM ELIGIBILITY STANDARDS.

(a) GENERAL RULE.—Title IX of the Social Security Act is amended by adding at the end thereof the following new section:

"PAYMENTS TO STATES FOR EXPENDITURES REQUIRED TO MEET MINIMUM ELIGIBILITY STANDARDS

"PAYMENTS TO STATES

"SEC. 909. (a) (1) Each State, the State unemployment compensation law of which is approved by the Secretary of Labor (hereinafter in this section referred to as the 'Secretary') under section 3304 of the Internal Revenue Code of 1954, shall be entitled to receive, with respect to regular compensation paid under such State law for any period after such law has been modified to comply with the requirements of subsection (a) (12) (A) of such section 3304, an amount equal to one-half of the amount by which—

"(A) the aggregate of the regular compensation paid during such period to the extent that such compensation was not paid for any week after the first 52 weeks for which compensation was paid during any benefit year; exceeds

"(B) the aggregate of the regular compensation which would have been paid under such law during such period if such State law provided for the payment of regular compensation for not more than 26 weeks in any benefit year.

For purposes of this paragraph, the term 'regular compensation' has the meaning given to such term by section 3304(f) (6) of the Internal Revenue Code of 1954.

"(2) For purposes of paragraph (1), section 3304(a) (12) (A) of the Internal Revenue Code of 1954 shall be deemed to impose the requirement contained in such section for the period beginning on the date of the enactment of this section. In the case of any State law which (on the date of the enactment of this section) meets the requirement imposed by such section 3304(a) (12) (A), such law shall, for purposes of paragraph (1) be deemed to have been modified to meet such requirement on such date.

"PAYMENT ON CALENDAR MONTH BASIS

"(b) There shall be paid from the extended unemployment compensation account to each State either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under subsection (a) for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

"CERTIFICATION

"(c) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, by transfers from the extended unemployment compensation account to the account of such State in the Unemployment Trust Fund.

"AUTHORIZATION OF APPROPRIATIONS

"(d) There are hereby authorized to be appropriated, without fiscal year limitation, to the extended unemployment compensation account, as repayable advances (without interest), such sums as may be necessary to carry out the purposes of this section. Amounts appropriated as repayable advances and paid to the States under this section shall be repaid, without interest, as provided in section 950(d)."

(b) TRANSITIONAL RULES.—

(1) IN GENERAL.—Whenever the State law of a State is modified (or is deemed to be modified under section 909(a) of the Social Security Act) to comply with the requirement imposed by section 3304(a) (12) (A) of the Internal Revenue Code of 1954 (as added by section 6 of this Act), then for the period commencing with the first day of the first week with respect to which such modification (or deemed modification) is effective—

(A) section 3304(a) (11) of such Code shall no longer be a requirement in the case of the State law of such State, and

(B) no payment shall be made to such State, under the Federal-State Extended Unemployment Compensation Act of 1970, with respect to any regular, extended, or additional compensation paid to an individual during, or after the close of, a benefit year (as defined in the State law) to which the State law as so modified (or deemed modified) applies.

(2) PAYMENT OF EXTENDED BENEFITS.—

(A) IN GENERAL.—Effective January 1, 1978, section 3304(a) (11) of such Code shall no longer be a requirement in the case of the State law of any State.

(B) TERMINATION OF EXTENDED PROGRAM.—No payment shall be made to any State, under the Federal-State Extended Unemployment Compensation Act of 1970, with respect to any regular, extended, or additional compensation paid to an individual during, or after the close of, a benefit year (as defined in the State law) to which the State law (as modified, or deemed modified under section 909(a) of the Social Security Act, to comply with the requirement imposed by section 3304(a) (12) (A) of such Code) applies.

(3) DEFINITIONS.—For purposes of this subsection, the terms "regular compensation", "extended compensation", and "additional compensation" have the meaning given to such terms by section 205 of the Federal-State Extended Unemployment Compensation Act of 1970.

SEC. 8. ADDITIONAL REQUIREMENTS FOR STATE UNEMPLOYMENT COMPENSATION LAWS.

(a) GENERAL RULE.—Subsection (a) of section 3304 of the Internal Revenue Code of 1954 (relating to requirements for approval of State laws) is amended by redesignating paragraph (13) as paragraph (17) and by inserting after paragraph (12) the following new paragraphs:

"(13) no person shall be denied compensation under such State law solely on the basis of pregnancy and determinations under any provision of such State law relating to voluntary termination of employment, availability for work, active search for work, or refusal to accept work shall not be made in a manner which discriminates on the basis of pregnancy;

"(14) the rate at which any employer is required to make contributions into the unemployment fund maintained under such State law is not less than 1 percent.

"(15) no person shall be disqualified for a period in excess of 6 weeks from receiving compensation under such State law because of voluntary termination of employment or termination of employment resulting from misconduct (other than gross misconduct);

"(16) the unemployment fund reserves of the State shall be maintained at a level equal to at least 150 percent of the highest benefit-cost ratio (benefit expenditures as a percent of total covered payroll) experienced for a 12-month period since January 1, 1958;".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to certification of State laws for 1977 and subsequent years.

SEC. 9. INCREASE IN AMOUNT OF WAGES SUBJECT TO FEDERAL UNEMPLOYMENT TAX.

(a) GENERAL RULE.—Paragraph (1) of subsection (b) of section 3306 of the Internal Revenue Code of 1954 (defining wages) is amended by striking out "$4,200" and inserting in lieu thereof "the taxable wage limit".

(b) TAXABLE WAGE LIMIT.—Section 3306 of such Code (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(p) TAXABLE WAGE LIMIT.—For purposes of subsection (a), the term 'taxable wage limit' means—

"(1) in the case of wages paid during the calendar year 1977, $6,000; or

"(2) in the case of wages paid during any calendar year beginning after the calendar year 1977, the sum of $6,000 plus $2,000 for each calendar year which begins after 1976 and before the beginning of the calendar year in which the wages are paid.

If the amount determined under paragraph (2) or any calendar year exceeds the contribution and benefit base (as determined under section 230 of the Social Security Act) which is effective with respect to such calendar year, the taxable wage limit which shall apply to wages paid during such calendar year or any succeeding calendar year shall be (in lieu of the amount determined under paragraph (2)), the contribution and benefit base (as so determined) which is effective with respect to such calendar year or such succeeding calendar year, as the case may be."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration paid after December 31, 1976.

SEC. 10. PRORATION OF COSTS OF CLAIMS FILED JOINTLY UNDER STATE LAW AND SECTION 8505 OF TITLE 5, UNITED STATES CODE.

(a) GENERAL RULE.—Section 8505(a) of title 5, United States Code, is hereby amended to read as follows:

"(a) Each State is entitled to be paid by the United States with respect to each individual whose base period wages included Federal wages an amount which shall bear the same ratio to the total amount of benefits paid to such individual as the amount of his Federal wages in his base periods bears to the total amount of his base period wages, computed to the nearest percentage point.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with regard to compensation paid on the basis of claims for compensation filed on or after July 1, 1975.

SEC. 11. REPEAL OF FINALITY PROVISION.

(a) GENERAL RULE.—Section 8506(a) of title 5, United States Code, is amended by striking out the fifth sentence.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to findings made after the date of the enactment of this Act.

By Mr. MATHIAS:

S. 2080. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce. Referred to the Committee on Finance.

THE INTERSTATE TAXATION ACT OF 1975

Mr. MATHIAS. Mr. President, I am today introducing the Interstate Taxation Act of 1975. This bill is a revised version of legislation introduced in the 91st and 92d Congresses.

Again, as in 1971 and 1973, the revisions are in the form of major concessions to the States and localities which have stood in the way of enactment of the earlier versions. It also combines some of the concepts of several interstate tax bills introduced in the 93d Congress. Title I of S. 2080, for example, covering sales and use taxes, is a revised version of the so-called "Louisiana Plan," which resulted from the Senate Finance Subcommittee hearings on interstate taxation and was introduced by the subcommittee chairman, the distinguished Senator from Minnesota (Mr. MONDALE), as S. 2811 in the 93d Congress. Title II on income and gross recipt taxes is patterned largely on S. 2092—93d Congress—introduced by the distinguished Senator from Washington (Mr. MAGNUSON). Section 201, providing for a uniform jurisdictional standard for net income and gross receipts taxes, is similar to S. 1245, which I introduced in 1973 and was joined in sponsorship by the distinguished Senators from Connecticut and Minnesota (Mr. RIBICOFF and Mr. HUMPHREY). Title IV, providing for jurisdictional review, was also taken from S. 1245.

Mr. President, I believe that the compromises, particularly in the sales and use tax areas, and the fact that S. 2080 recognizes the contributions of the bills introduced by many Senators provides a base for cooperation by the States and localities for enactment of meaningful interestate tax legislation during the 94th Congress.

The current condition of the economy is another reason why we should move as quickly as possible to remove the barriers to the free flow of commerce caused by multitudinous and duplicating State taxes.

S. 2080 has substantial support in the business community. Expert tax technicans of the National Association of Manufacturers, Council of State Chambers of Commerce, and the National Association of Wholesaler-Distributors have contributed to the compromise efforts embodied in S. 2080.

Mr. President, in both the 90th and 91st Congress the House passed by overwhelming majorities interstate taxation legislation similar in concept to S. 2080. The Senate Committee on Finance held public hearings in the 93d Congress. I, therefore, urge the distinguished chairman of the Committee on Finance, Mr. LONG, to act as soon as possible on this needed legislation. In my view, interstate taxation is one of the more pressing areas needing substantial tax reform.

Mr. President, I ask unanimous consent that the bill and explanation of S. 2080 be printed in the RECORD at this point. I would call to the attention of my colleagues that his explanation includes a more detailed summary of the simplified taxpayer procedure under the revised "Louisiana Plan" for sales tax collections.

There being no objection, the bill and explanation were ordered to be printed in the RECORD, as follows:

S. 2080

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Interstate Taxation Act of 1975."

TITLE I—SALES AND USE TAXES

PART A—JURISDICTION

SEC. 101. JURISDICTIONAL STANDARDS.

(a) STATE STANDARD.—No State shall have power to impose a sales tax or to require a person to collect a sales or use tax with respect to an interstate sale of tangible personal property with a destination in the State unless such person—

(1) has a business location in the State; or

(2) regularly solicits orders for the sale of tangible personal property by means of salesmen, solicitors, or representatives in the State, unless his activity in the State consists solely of solicitation by direct mail or advertising by means of printed periodicals, radio, or television; or

(3) regularly engages in the delivery of tangible personal property in the State other than by common carrier or United States Postal Service.

A state shall have power to impose a sales tax or to require a person to collect a sales or use tax with respect to an interstate sale of tangible personal property with a destination in the State only if it is not denied power to do so under any applicable provision of this Act.

(b) POLITICAL SUBDIVISION STANDARD.—No political subdivision of a State shall have power to impose a sales tax or to require a person to collect a sales or use tax with respect to an interstate sale of tangible personal property with a destination in the political subdivision unless such person—

(1) has a business location in the political subdivision; or

(2) regularly solicits orders for the sale of tangible personal property by means of salesmen, solicitors or representatives in the political subdivision, unless his activity in the political subdivision consists solely of solicitation by direct mail or advertising by means of printed periodicals, radio or television; or

(3) regularly engages in the delivery of tangible personal property in the political subdivision other than by common carrier or United States Postal Service.

A political subdivision shall have power to impose a sales tax or to require a person to collect a sales or use tax with respect to an interstate sale of tangible personal property with a destination in the political subdivision only if it is authorized to do so by its State and if it is not denied power to do so under any applicable provision of this Act.

SEC. 102. UNIFORM COMBINED STATE AND LOCAL SALES AND USE TAX.

(a) IMPOSITION OF TAX.—In lieu of any sales or use tax permitted under section 101 to be imposed with respect to an interstate sale of tangible personal property, a State may require an out-of-state seller to collect and remit a uniform combined state and local sales and use tax. Except as otherwise provided in this Act, the collection and remission to a State of the uniform combined state and local sales and use tax with respect to an interstate sale of tangible personal property shall preclude the imposition by such State or any political subdivision thereof of any other sales or use taxes with respect to such sale.

(b) LIMITATIONS.—Except for the uniform combined state and local sales and use tax, no State or political subdivision thereof shall have power to require an out-of-state seller to collect a sales or use tax with respect to an interstate sale of tangible personal property with a destination in the State. No State may require the collection and remission of the uniform combined state and local sales and use tax by an out-of-state seller whose receipts from taxable retail sales of tangible personal property with a destination in the State are less than $20,000 on an annual basis, except that this limitation shall not be effective to the extent that such seller has in fact collected a separately stated tax from the purchaser.

(c) JURISDICTIONAL STANDARD.—No State shall have power to require an out-of-state seller to collect and remit a uniform combined state and local sales and use tax with respect to an interstate sale of tangible personal property with a destination in the State unless such seller—

(1) has a business location in the State; or

(2) regularly solicits orders for the sale of tangible personal property by means of salesmen, solicitors or representatives in the State, unless his activity in the State consists solely of solicitation by direct mail or advertising by means of printed periodicals, radio or television; or

(3) regularly engages in the delivery of tangible personal property in the State other than by common carrier or United States Postal Service.

SEC. 103. LOCAL SALES AND USE TAXES.

(a) LIMITATION OF SELLER COLLECTION.—Notwithstanding the provisions of sections 101(a)(2) and 101(b)(2), no seller shall be required (other than under section 102) by a State or political subdivision thereof—

(1) to collect a sales or use tax of a political subdivision with respect to interstate sales, or

(2) to classify interstate sales for sales or use tax purposes according to geographic areas of the State in any manner, except with respect to those interstate sales with destinations in political subdivisions in which the seller has a business location or regularly makes deliveries other than by common carrier or United States Postal Service.

(b) EXCEPTION.—The limitations in subsection (a) shall not apply to the extent that State and any local sales and use taxes are imposed in all geographic areas of a State upon like transactions at the same combined State and local rate, are administered by the State, and are otherwise applied uniformly so that the seller is not required to classify interstate sales according to geographic areas of the State in any manner whatsoever.

SEC. 104. SAVINGS PROVISIONS.

(a) USE TAXES.—Nothing in this Act shall prohibit a State or political subdivision thereof from imposing and collecting a use tax from a purchaser or user with respect to the use of tangible personal property—

(1) acquired in an interstate sale from an out-of-state seller who is not required to collect a uniform combined state and local sales and use tax with respect to such sale; or

(2) acquired outside the State and brought into the State or political subdivision by such user or purchaser, unless such property qualifies for exemption under the provisions of section 154.

(b) TAX NOT COLLECTED.—Nothing in this Act shall prohibit a State or political subdivision thereof from collecting a uniform combined state and local sales and use tax from a person who purchases tangible personal property from an out-of-state seller if for any reason, including an incorrect or invalid certification or representation made by the purchaser with respect to the tax-exempt status of the transaction, the out-of-state seller has not collected the amount of uniform combined state and local sales and use tax required to be collected under the provisions of this Act. This subsection shall not apply if the out-of-state seller has collected the correct amount of tax from the purchaser but has failed to remit such tax to the State.

(c) CERTAIN ADVANCE PAYMENTS.—Nothing in this Act shall prohibit a State or political subdivision thereof from requiring an advance payment of a sales or use tax to a seller, acting as agent for the State or political subdivision, by a purchaser of tangible personal property for resale; or from requiring such seller to act as an agent for the State or political subdivision and to collect and remit such advance payments, provided that credit for the advance payment is allowed in determining the tax liability of the purchaser and provided that these requirements are imposed pursuant to laws of the State or political subdivision which were in effect on December 31, 1974.

SEC. 105. ELECTION TO APPLY STATE OR LOCAL LAW.

Notwithstanding any other provision of this Act, an out-of-state seller may elect to become subject to the sales and use tax laws of a State or political subdivision thereof in lieu of collecting the uniform combined state and local sales and use tax provided for in section 102. A State or political subdivision thereof may require an out-of-state seller who has made such an election to collect sales and use taxes in the same manner and subject to the same conditions and qualifications as a seller having a busines location in such State or political subdivision.

PART B—UNIFORM RULES AND ADMINISTRATION

SEC. 151. RATE OF TAX.

(a) IN GENERAL.—Where State and local sales or use taxes are imposed uniformly throughout all geographic areas of a State (or where only State sales or use taxes are so imposed), the rate of such combined State and local tax (or the rate of such State tax) shall be the rate to be applied by an out-of-state seller in collecting the uniform combined state and local sales and use tax provided for in section 102.

(b) AVERAGE EFFECTIVE COMBINED RATE.—Where sales or use taxes are imposed on a non-uniform basis in the various geographic areas of a State, such State shall determine an average effective combined State and local sales and use tax rate with respect to such taxes and shall certify such rate to the Secretary of Commerce of the United States. When so certified, such average effective combined rate shall be applied by an out-of-state seller in collecting the uniform combined state and local sales and use tax provided for in section 102. For purposes of this subsection, an average effective combined State and local sales and use tax rate means the State tax rate plus an added rate (rounded off to the nearest quarter of a percentage point) derived from a fraction, the numerator of which is the aggregate amount of sales and use taxes derived by all political subdivisions of the State from sales of tangible personal property, and the denominator of which is the aggregate amount of taxable sales of tangible personal property in the State, with both the numerator and denominator computed on the basis of the preceding fiscal year.

SEC. 152. REDUCTION OF MULTIPLE TAXATION.

(a) LOCATION OF SALES.—A State or political subdivision thereof may impose a sales tax or require a seller to collect a sales or use tax with respect to an interstate sale of tangible personal property only if the destination of the sale is in that State or political subdivision.

(b) CREDIT FOR PRIOR TAXES.—The amount of any use tax imposed with respect to tangible personal property shall be reduced by the amount of any sales or use tax previously incurred and paid by a person with respect to the property on account of liability to another State or political subdivision thereof.

(c) REFUND.—A person who pays a use tax imposed with respect to tangible personal property shall be entitled to a refund from the State or political subdivision thereof imposing the tax, up to the amount of the tax so paid, for any sales or use tax subsequently paid with respect to the same property on account of prior liability to another State or political subdivision thereof.

(d) LIMITATION ON CREDIT FOR PRIOR TAXES.—A credit or refund otherwise permitted under subsections (b) and (c) shall not be allowed with respect to taxes which are measured by periodic payments made under a lease to the extent that the taxes imposed by the other State or political subdivision thereof were also measured by periodic payments made under a lease for a period prior to the possession, storage, use, or other consumption of the property in the State or political subdivision thereof imposing the tax.

(e) VEHICLES AND MOTOR FUELS.—

(1) VEHICLES.—Nothing in subsection (a) shall affect the power of a State or political subdivision thereof to impose or require the collection of a sales or use tax with respect to vehicles that are registered in the State.

(2) FUELS.—Nothing in this section shall affect the power of a State or political subdivision thereof to impose or require the collection of a sales or use tax with respect to motor fuels consumed in the State.

SEC. 153. LIABILITY OF SELLERS FOR EXEMPT SALES.

No seller shall be liable for the collection or payment of a sales or use tax with respect to an interstate sale of tangible personal property if the purchaser of such property furnishes or has furnished to the seller a certificate or other written form of evidence indicating the basis for exemption, or the reason the seller is not required to pay or collect the tax. Any such certificate or writing shall give the name and address of the purchaser, his registration number, if any, and shall be signed by the purchaser or his representative.

SEC. 154. EXEMPTIONS FOR HOUSEHOLD GOODS, INCLUDING MOTOR VEHICLES, IN THE CASE OF PERSONS WHO ESTABLISH RESIDENCE.

No State or political subdivision thereof may impose a sales tax, use tax, or other nonrecurring tax measured by cost or value with respect to household goods, including motor vehicles, brought into the State by a person who establishes residence in that State if the goods were acquired and used by that person ninety days or more before use of the property in the State in which he establishes such residence.

SEC. 155. TREATMENT OF TRANSPORTATION CHARGES WITH RESPECT TO INTERSTATE SALES.

Where the freight charges or other charges for transporting tangible personal property from the seller or supplier directly to the purchaser incidental to an interstate sale are separately stated in writing by the seller to the purchaser, to the extent that such charges do not exceed a reasonable charge for transportation by facilities of the seller (or the charge for transportation by the carrier when transportation is by other than the seller's facilities) no State or political subdivision thereof may include such charges in the measure of a sales or use tax imposed with respect to the sale or use of the property.

SEC. 156. SALES FOR TRANSSHIPMENT.—A seller shall not be liable for the collection or payment of a sales or use tax with respect to an interstate sale of tangible personal property if the purchaser furnishes or has furnished to the seller a statement in writing that the property will be transshipped from the destination within the United States to a point outside the United States for use or consumption outside the United States. Nothing in this section shall prevent the imposition of a sales or use tax by a State of political subdivision thereof on property initially covered by this exemption upon its subsequent return to a State or political subdivision for use or consumption.

SEC. 157. UNIFORM TAX BASE.

Unless otherwise expressly provided in this Act, for purposes of determining a taxable transaction upon which an out-of-state seller must collect a uniform combined state and local sales and use tax, the provisions of State law then in effect for sales made within the taxing State shall be controlling.

SEC. 158. ACCOUNTING REQUIREMENTS.

Any State which pursuant to section 102 requires an out-of-state seller to collect a uniform combined state and local sales and use tax may require such seller to remit such tax no more frequently than once in each calendar quarter, and to maintain such records and information as may be necessary for the proper administration of such tax, but no State shall have power to require such seller to account for sales on the basis of destinations in any geographic or political subdivisions of the State.

SEC. 159. STANDARD FORM OF RETURN.

The Secretary of Commerce of the United States shall prescribe a standard form of return for a uniform combined state and local sales and use tax which shall be used by any State which requires an out-of-state seller to collect such a tax. If such procedure is approved by the Secretary of Commerce, the filing of a certified duplicate copy of a form of return incorporating the information required for all States for which an out-of-state seller is required to collect such tax shall be accepted in lieu of the filing of a separate return for each State.

TITLE II—NET INCOME AND GROSS RECEIPTS TAXES

PART A—JURISDICTION

SEC. 201. UNIFORM JURISDICTIONAL STANDARD.

No State or political subdivision thereof shall have power—

(1) to impose a net income tax on a corporation other than an excluded corporation unless the corporation has a business location in the State or political subdivision during the taxable year; or

(2) to impose a gross receipts tax with respect to a sale of tangible personal property unless the seller has a business location in the State or political subdivision.

PART B—UNIFORM RULES AND ADMINISTRATION

SEC. 251. APPORTIONMENT; TAXABLE IN A STATE; COMBINED REPORTING.

(a) OPTIONAL THREE FACTOR FORMULA.—A State or a political subdivision thereof may not impose for any taxable year on a corporation taxable in more than one State, other than an excluded corporation, a net income tax measured by an amount of net income in excess of the amount determined (1) by multiplying the corporation's apportionable income by an apportionment fraction, the numerator of which is the sum of the property factor, the payroll factor, and the sale factor, excluding those factors which have zero denominators, and the denominator of which is three reduced by the number of factors which are excluded, and (2) in the State of taxpayer's commercial domicile only, by adding to the amount determined under clause (1) hereof such dividends as are assignable to such State under section 256(b).

(b) APPORTIONABLE INCOME.—For this purpose the apportionable income to which the apportionment fraction is applied shall be such corporation's net income for that taxable year as determined under State law, with the exceptions provided for in section 256.

(c) TAXABLE IN MORE THAN ONE STATE; TAXABLE IN A STATE.—For purposes of this title, a corporation is taxable in more than one State if (1) in more than one State it is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a capital stock tax, or (2) more than one State has jurisdiction to subject the corporation to a net income tax regardless of whether, in fact, any State does or does not.

For purposes of this title, a corporation is taxable in a State if (1) in that State it is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a capital stock tax, or (2) that State has jurisdiction to subject the corporation to a net income tax regardless of whether, in fact, that State does or does not.

Notwithstanding the statute of limitations in a State for the filing of amended returns and claims for refunds, if it is subsequently determined that a corporation is taxable in a State for which a return was not originally filed, such corporation may file amended returns and claims for refunds in any State to which sales have been assigned under the provisions of section 254(b)(2) of this Act, but only for the purpose of revising the sales factor by reassigning such sales.

(d) **Combined Reporting.**—A State may require the apportionable income of a corporation to be determined by reference to the combined income and apportionment factors of all corporations of the affiliated group of which the corporation is a member. Any member of an affiliated group may elect to determine its apportionable income for any State by reference to the combined income and apportionment factors of all corporations of the affiliated group.

SEC. 252. PROPERTY FACTOR.

(a) **In General.**—The property factor is a fraction, the numerator of which is the average value of the real and tangible personal property which is located in a State and, whether owned or rented, is used in that State by the corporation and the denominator of which is the sum of the corporation's property factor numerators as determined under this section for such year for all States in which the corporation is taxable. The denominator of the property factor shall not include the value of any property located in a State in which the corporation is not taxable.

(b) **Valuation.**—Property owned by the corporation shall be valued at its original cost. Property leased to the corporation shall be valued at eight times the gross rents payable by the corporation during the taxable year without any deduction for amounts received by the corporation from subrentals.

The average value of property shall be determined by averaging the values at the beginning and ending of the taxable year but the State tax administrator may require or permit the averaging of monthly values during the taxable period if reasonably required to reflect properly the average value of the corporation's property.

SEC. 253. PAYROLL FACTOR.

(a) **In General.**—The payroll factor is a fraction, the numerator of which is the total amount paid in the State during the taxable year by the corporation as compensation and the denominator of which is the sum of the corporation's payroll factor numerators as determined under this section for such year for all States in which the corporation is taxable. If an employee is located in any State in which the corporation is not taxable, the compensation paid to that employee shall not be included in either the numerator or the denominator of the corporation's payroll factor for any State or political subdivision.

(b) **Location of Compensation.**—Compensation is paid in the State if:

(1) the employee's service is performed entirely within the State;

(2) the employee's service is performed both within and without the State, but the service performed without the State is incidental to the employee's service within the State; or

(3) some of the employee's service is performed in the State and (a) the base of operations or, if there is no base of operations, the place from which the employee's service is directed or controlled is in the State, or (b) the base of operations or the place from which the service is directed or controlled is not in any State in which some part of the service is performed, but the employee's residence is in the State.

SEC. 254. SALES FACTOR.

(a) **General.**—The sales factor is a fraction, the numerator of which is the sales of the corporation which are located in the State during the tax year and the denominator of which is the total sales by the corporation everywhere during such tax year.

(b) **Location of Sales of Tangible Personal Property.**—Sales of tangible personal property are included in the numerator of a State if—

(1) the property is delivered or shipped to a purchaser within the State, and the corporation is taxable in the State, regardless of the free on board point or other conditions of the sale; or

(2) the property is shipped from an office, store, warehouse, factory, or other place of storage in the State and the property is delivered or shipped to a purchaser within a State in which the corporation is not taxable, or the purchaser is the United States Government and the property is delivered or shipped to a place outside the United States. Other than such sales to the United States Government, sales of tangible personal property which are delivered or shipped to a place outside the United States are not included in the numerator of a State.

(c) **Location of Certain Other Sales.**—

(1) Sales of services shall be included in the numerator of the State in which the service is performed. Sales of services rendered in two or more States shall, for the purpose of the numerator of the sales factor, be divided between those States in proportion to the direct costs of performance incurred in each State by the taxpayer in rendering the services.

(2) Sales of real property, if the corporation is engaged primarily in the business of selling real property, are included in the numerator of the State in which the property is located.

(3) Sales which consists of receipts from the rental of tangible personal property shall be considered to be located in the State in which the property is located.

(d) **All Other Sales.**—All gross receipts, other than those described in subsections (b) and (c) of this section, shall be excluded from both the numerator and the denominator of the sales factor.

SEC. 255. LOCAL TAXES.

The maximum net income of a corporation attributable to a political subdivision for income tax purposes shall be determined under this title in the same manner as though the political subdivision were a State; except that the denominators of the corporation's property factor, payroll factor, and sales factor shall be the denominators applicable to all States and political subdivisions. For this purpose the numerators of the corporation's property factor, payroll factor, and sales factor shall be determined by treating every reference to a State as a reference to the political subdivision.

SEC. 256. EXCLUSIONS FROM APPORTIONABLE INCOME.

(a) **Exclusion of Income Considered to Be Foreign Source Income.**—The apportionable income of a taxpayer shall not include income from sources without the United States.

(b) **Corporate Dividends.**—The opportionable income of a corporate taxpayer shall not include income derived from dividends paid by a corporation in which such taxpayer owns at least 80 per centum of the voting stock. Dividends otherwise taxable shall be assigned to the State of taxpayer's commercial domicile and may be subjected to a net income tax only in such State, but may not be included in apportionable income for purposes of section 251(a)(1); no State shall, by reason of not including such dividends in apportionable income, make any offsetting adjustment of an otherwise allowable deduction.

TITLE III—DEFINITIONS AND MISCELLANEOUS PROVISIONS

PART A—DEFINITIONS

SEC. 301. SALES TAX.

A "sales tax" is any tax imposed with respect to the retail sale, lease, or rental of tangible personal property and measured by the sales price thereof, which sales tax is required by State law to be stated separately from the sales price by the seller, or which is customarily stated separately from the sales price.

SEC. 302. USE TAX.

A "use tax" is any nonrecurring tax complementary to a sales tax measured by the purchase price or value of tangible personal property, which is imposed on or with respect to the exercise or enjoyment of any right or power over tangible personal property incident to the ownership or possession of that property or the leasing of that property from another, including any consumption, keeping, retention, or other use of tangible personal property.

SEC. 303. NET INCOME TAX.

A "net income tax" is a tax which is imposed on or measured by net income, including any tax which is imposed on or measured by an amount arrived at by deducting from gross income expenses one or more forms of which are not specifically and directly related to particular transactions.

SEC. 304. GROSS RECEIPTS TAX.

A "gross receipts tax" is any tax, other than a sales tax, which is imposed on or measured by the gross volume of business, in terms of gross receipts or in other terms, and in the determination of which no deduction is allowed which would constitute the tax a net income tax.

SEC. 305. SALES PRICE; PURCHASE PRICE.

The term "sales price" and "purchase price" shall be deemed to include receipts from leases and rentals of tangible personal property.

SEC. 306. INTERSTATE SALE.

An "interstate sale" is a sale in which the tangible personal property sold is shipped or delivered to the purchaser in a State from a point outside that State.

SEC. 307. DESTINATION.

The "destination" of a sale is in the State or political subdivision in which possession of the property is physically transferred to the purchaser, or to which the property is shipped to the purchaser regardless of the free on board point or other conditions of the sale.

SEC. 308. OUT-OF-STATE SELLER.

An "out-of-state seller" with respect to any State is a seller who does not have a business location in such State.

SEC. 309. EXCLUDED CORPORATION.

An "excluded corporation" is any of the following:

(1) Any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, small loan association, credit union, cooperative bank, small loan company, sales finance company, investment company, any type of insurane company, or any corporation which derives 90 percent or more of its gross income from interest (including discount).

(2) Any corporation more than 50 percent of the ordinary gross income of which for the taxable year is derived from regularly carrying on any one or more of the following business activities:

(A) the transportation for hire of property or passengers, including the rendering by the transporter of services incidental to such transportation; or

(B) the sale of electrical energy or water.

SEC. 310. ORDINARY GROSS INCOME.

The term "ordinary gross income" means gross income as determined for the taxable year under the applicable provisions of the Internal Revenue Code of 1954, except that there shall be excluded therefrom—

(1) all gains and losses from the sale or other disposition of capital assets, and

(2) all gains and losses from the sale or other disposition of property of a character described in section 1231(b) of the Internal Revenue Code of 1954 (determined without regard to holding period).

SEC. 311. AFFILIATED CORPORATION.

(a) Two or more corporations are "affiliated" if they are included corporations as defined herein and if they are members of the same group comprised of one or more corporate members connected through stock ownership with a common owner, which may be either corporate or noncorporate, in the following manner:

(1) At least 80 per centum of the voting stock of each member other than the common owner is owned directly by one or more of the other members; and

(22) At least 80 per centum of the voting stock of at least one of the members other than the common owner is owned directly by the common owner.

The fact that a corporation is an "excluded corporation" as defined in section 309 shall not be taken into account in determining whether two or more other corporations are "affiliated."

(b) The term "included corporation" means any corporation except—

(1) Excluded corporations as defined in section 309.

(2) Western Hemisphere Trade Corporations as defined in section 921 of the Internal Revenue Code.

(3) Possessions companies as defined in section 931 of the Internal Revenue Code.

(4) Corporations entitled to the special deduction for China Trade Act Corporations under section 941 of the Internal Revenue Code.

(5) Corporations, substantially all of the income of which is derived from sources without the United States. For this purpose substantially all of the income of a corporation shall be deemed to be derived from sources without the United States if the sum of the apportionment fractions of such corporation for all States under title II of this Act, without the application of section 254 (b)(2) thereof, averages less than one-tenth (10 per centum) per year for the current year and the two preceding years, or such lesser number of years as the corporation was in existence.

SEC. 312. BUSINESS LOCATION.

(a) GENERAL RULE.—A person shall be considered to have a "business location" in a State only if that person—

(1) owns or leases real property in the State;

(2) has one or more employees located in the State;

(3) regularly maintains a stock of tangible personal property in the State for sale in the ordinary course of its business; or

(4) regularly leases out tangible personal property for use in the State, not including printed material delivered for use within the State in connection with the use of or right to use copyrights of literary, artistic or scientific works, patents, designs or models, plans, secret processes or formula, trademarks or other like property or rights.

For the purpose of paragraph (3), property which is on consignment in the hands of a consignee, and which is offered for sale by the consignee on his own account, shall not be considered as stock maintained by the consignor. If a person has a business location in a State solely by reason of paragraph (4), he shall be considered to have a business location in that State only with respect to such leased property.

(b) POLITICAL SUBDIVISIONS.—For the purpose of determining whether a person has a "business location" in a political subdivision, subsection (a) shall be applied by treating every reference therein to a State as a reference to a political subdivision.

SEC. 313. LOCATION OF PROPERTY.

(a) GENERAL RULE.—Except as otherwise provided in this section, property shall be considered to be located in a State if it is physically present in the State.

(b) MOVING PROPERTY.—Personal property which is characteristically moving property, such as motor vehicles, rolling stocks, aircraft, vessels, mobile equipment, and the like, shall be considered to be located in a State if—

(1) the operation of the property is localized in that State; or

(2) the operation of the property is not localized in any State but the principal base of operations from which the property is regularly sent out is in that State.

If the operation of the property is not localized in any State and there is no principal base of operations in any State from which the property is regularly sent out, the property shall not be considered to be located in any State for purposes of inclusion in either the numerator or the denominator of the property factor.

(c) MEANING OF TERMS.—

(1) LOCALIZATION OF OPERATIONS.—The operation of property shall be considered to be localized in a State if during the taxable year it is operated entirely within the State, or it is operated both within and without the State but the operation without the State is—

(A) occasional,

(B) incidental to its use in the transportation of property or passengers from points within the State, or

(C) incidental to its use in the production, construction, or maintenance of other property located within the State.

(2) BASE OF OPERATIONS.—The term "base of operations", with respect to a corporation's moving property means the premises at which any such property is regularly maintained by the corporation or by some other person; except that if the premises are maintained by an employee of the corporation primarily as a dwelling place they shall not be considered to constitute a base of operations.

(d) POLITICAL SUBDIVISIONS.—For the purpose of determining whether property is located in a political subdivision, subsections (a), (b) and (c) shall be applied by treating every reference therein to a State as a reference to a political subdivision.

SEC. 314. LOCATION OF EMPLOYEE.

(a) IN GENERAL.—An employee shall be considered to be located in a State if—

(1) the employee's service is performed entirely within the State;

(2) the employee's service is performed both within and without the State, but the service performed without the State is incidental to the employee's service within the State; or

(3) some of the service is performed in the State and—

(A) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the State; or

(B) the base of operations or the place from which the service is directed or controlled is not in any State in which some part of the service is performed, but the employee's residence is in the State.

(b) CONTINUATION OF MINIMUM JURISDICTIONAL STANDARD.—An employee shall not be considered to be located in a State if his only business activities within such State on behalf of his employer are any of the following:

(1) The solicitation of orders, for sales of tangible personal property, which are sent outside the State for approval or rejection and (if approved) are filled by shipment or delivery from a point outside the State.

(2) The solicitation of orders in the name of or for the benefit of a prospective customer of his employer, if orders by such customer to such employer to enable such customer to fill orders resulting from such solicitation are orders described in paragraph (1).

(3) The installing or repairing of tangible personal property which is the subject of interstate sale by the employer, if such installing or repairing is incidental to the sale.

This subsection shall not apply with respect to business activities carried on by one or more employees within a State if the employer (without regard to those employees) has a business location in such State.

(c) POLITICAL SUBDIVISIONS.—For the purpose of determining whether an employee is located in a political subdivision, subsections (a) and (b) shall be applied by treating every reference therein to a State as a reference to a political subdivision.

SEC. 315. EMPLOYEE.

The term "employee" has the same meaning as it has for purposes of Federal income tax withholding under chapter 24 of the Internal Revenue Code of 1954, as amended.

SEC. 316. COMPENSATION.

"Compensation" means wages, salaries, commissions, and any other form of remuneration paid to employees for personal services.

SEC. 317. COMMERCIAL DOMICILE.

The term "commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

SEC. 318. DIVIDENDS.

"Dividends" shall have the same meaning as that term has under the Internal Revenue Code of 1954, as amended, including any sum treated as a dividend under section 78 of such Code.

SEC. 319. UNITED STATES.

The term "United States" wherever used in this Act shall include only the fifty States and the District of Columbia.

SEC. 320. INCOME FROM SOURCES WITHOUT THE UNITED STATES.

"Income from sources without the United States" means income from sources without the United States as defined by the Internal Revenue Code of 1954, as amended, except that section 638 of such Code shall not apply.

SEC. 321. STATE.

The term "State" means any of the several States of the United States or the District of Columbia.

SEC. 322. STATE LAW.

References in this Act to "State Law," "the laws of the State," and the like shall be deemed to include a State constitution, and to include the statutes and other legislative acts, judicial decisions, and administrative regulations and rulings of a State and of any political subdivision thereof.

SEC. 323. TAXABLE YEAR; TAX YEAR.

A corporation's "taxable year" or "tax year" is the calendar year, fiscal year, or other accounting period upon the basis of which its taxable income is computed for purposes of the Federal income tax.

Part B—Miscellaneous Provisions

Sec. 351. Prohibition Against Geographical Discrimination.

(a) In General.—No provisions of State law shall make any person liable for a greater amount of sales or use tax with respect to tangible personal property, by virtue of the location of any occurrence in a State outside the taxing State, than the amount of the tax for which such person would otherwise be liable if such occurrence were within the State. For purposes of this subsection, the term "occurrence" includes incorporation, qualification to do business, and the making of a tax payment, and includes an activity of the taxpayer or of a person (including an agency of a State or local government) receiving payments from or making payments to the taxpayer.

(b) Computation of Tax Liability Under Discriminatory Laws.—When any State law is in conflict with subsection (a), tax liability may be discharged in the manner which would be provided under State law if the occurrence in question were within the taxing State.

Sec. 352. Prohibition Against Out-of-State Audit Charges.

No charge may be imposed by a State or political subdivision thereof to cover any part of the cost of conducting outside that State an audit for a tax to which this Act applies including a net income tax imposed on an excluded corporation.

Sec. 353. Permissible Taxes.

The fact that a tax to which this Act applies is imposed by a State or political subdivision thereof in the form of an excise, privilege, franchise or license tax shall not prevent the imposition of the tax on a person engaged exclusively in interstate commerce within the State; but such a tax may be enforced against a person engaged exclusively in interstate commerce within the State solely as a revenue measure and not by ouster from the State or by criminal or other penalty for engaging in commerce within the State without permission from the State.

Sec. 354. Liability With Respect to Unassessed Taxes.

(a) Sales and Use Taxes.—No State or political subdivision thereof shall have the power, after the date of the enactment of this Act, to assess against any person for any period ending on or before such date a sales or use tax with respect to tangible personal property, if during such period that person was not registered in the State for the purpose of collecting tax, had no business location in the State, did not regularly solicit orders for the sale of tangible personal property through employees present in the State, or did not regularly engage in the delivery of property in the State other than by common carrier or United States Postal Service.

(b) Net Income and Gross Receipts Taxes.—No State or political subdivision thereof shall have the power, after the date of the enactment of this Act, to assess against any person any tax for any period ending on or before such date in or for which that person became liable for such tax if during such period the State or political subdivision would not have had the power to assess such tax had the provisions of title II of this Act been in effect during such period.

(c) Certain Prior Assessments and Collections.—The provisions of subsection (b) shall not be construed—

(1) to invalidate the collection of a tax prior to the time assessment became barred under subsection (a) or (b), or

(2) to prohibit the collection of a tax at or after the time assessment became barred under subsection (a) or (b), if the tax was assessed prior to such time.

Sec. 355. Applicability of Act.

Nothing in this Act shall be considered—

(1) to repeal Public Law 86-272, as amended, with respect to any person;

(2) to increase, decrease, or otherwise affect the power of any State or political subdivision to impose or assess a net income tax or a capital stock tax with respect to an excluded corporation;

(3) to give any State or political subdivision the power to impose a gross receipts tax with respect to a sale of tangible personal property if the seller would not be subject to the imposition of such a gross receipts tax without regard to the provisions of this Act; or

(4) to prevent a State or political subdivision from enacting legislation that would result in a lesser tax liability than that provided by this Act.

TITLE IV—JURISDICTION OF FEDERAL COURTS

Sec. 401. Judicial Review.

Notwithstanding section 1251(a) of title 28, United States Code, the United States Court of Claims shall have jurisdiction to review de novo any issues relating to a dispute arising under this Act or under Public Law 86-272, as amended. Within 90 days of the decision of a State administrative body from which the only appeal is to a court, any party to the determination may petition the Court of Claims for a review de novo of any such issues. The findings of fact by the State administrative body shall be considered with other evidence of the facts. The judgment of the Court of Claims shall be subject to review by the Supreme Court of the United States as provided in section 1254 of title 28, United States Code, as amended.

Sec. 402. Effect of Federal Determination.

The determination of a dispute arising hereunder by the Court of Claims shall be binding for the taxable years involved on any State given notice or appearing as a party, notwithstanding any prior determinations of the courts or administrative bodies of that State completed after notice to that State. No statute of limitations shall bar the right of a State or a corporation to an amount of tax increased or decreased in accordance with the determination, provided action is begun within one year after the determination has become final.

Explanation of Major Provisions of S. 2080, the Interstate Taxation Act of 1975

TITLE I—SALES AND USE TAXES

Part A—Jurisdiction

Sec. 101. Jurisdictional Standards

This section aims to provide protection for the business that is selling in interstate commerce from being liable for payment or collection of taxes in States where that business has no business location while at the same time preserving the legitimate interest of the States in collecting all taxes to which they are entitled.

The present sales and use tax jurisdictions would be preserved for the States in Section 101(a) by codifying the present law as enunciated in the Supreme Court cases of *Scripto, Inc.* v. *Carson*, 362 US 107 (1960) and *National Bellas Hess, Inc.* v. *Department of Revenue of the State of Illinois*, 386 US 753 (1967).

Section 101(b) would clarify the present confused situation on local sales taxes by providing for political subdivision jurisdictional standards.

The same type of business location, solicitation, and delivery jurisdictional tests would be applied to political subdivisions as to States. A political subdivision would have the power to impose a sales tax or to require collection of sales tax with respect to an interstate sale of tangible personal property with a destination in the political subdivision only if it is authorized to do so by its own State and if it is not denied the power to do so under any applicable provision of this act.

Sec. 102-105. Uniform Combined State and Local Sales and Use Tax

Section 102 provides for a Uniform Combined State and Local Sales and Use Tax which is designed to provide relief for small business while at the same time providing the State with a means of collecting sales and use taxes to which they are presently legally entitled, but are unable to collect. Nothing in this bill increases the State's jurisdiction to impose a sales or use tax on interstate sales, but it would greatly increase the chances of the tax being collected and remitted to the State. Small business would be relieved of much of the burden of the present sales and use taxes on interstate sales in that out-of-state sellers without a business location in a State could utilize this bill's provisions for a Uniform Combined State and Local Sales and Use Tax. This would provide the out-of-state sellers with a relatively easy procedure for determining their sales and use tax liability especially as compared to the present difficult and confused requirements. Such sellers would file their returns no more frequently than quarterly on a uniform form prescribed by the Secretary of Commerce (Sections 158-159). An out-of-state seller without a business location in a State with less than $20,000 in annual sales with a destination in that State would be relieved of any liability to collect that State's sales or use taxes.

Section 308 defines an "out-of-state seller" as a seller who does not have a business location in a State. "Business location" is defined in Sections 312-314 and generally means owning or leasing real property in the State, or having one or more employees located in the State, or regularly maintaining a stock of tangible personal property in the State for sale in the ordinary course of its business, or regularly leasing out tangible personal property in the State.

Section 104 provides that nothing in this act would prohibit a State or political subdivision from collecting a use tax from a purchaser if the seller is not required to collect uniform combined State and local sales and use tax with respect to such sale.

Section 105 gives an out-of-state seller who is qualified to collect a uniform combined tax to elect to collect the tax for a State and/or political subdivision under the regular sales and use tax laws instead. This will protect a seller who for competitive reasons wants to collect the tax on the same basis as a competitor who has a business location in the State or political subdivision. This would occur, for example, when the sale was in a political subdivision with a local tax lower than the statewide average rate.

Part B—Uniform Rules and Administration

Sec. 151. Rate of Tax

This section deals with the method of determining and certifying to the Secretary of Commerce of the United States the tax rate for the uniform combined State and local sales and use tax rate. Each State would certify the average combined State and local rate.

Sec. 152–155. Standard Provisions

These sections contain standard provisions that have generally been contained in interstate tax bills, including S. 1245 and S. 2092 in the 93rd Congress. They relate to reduction of multiple taxation through credits and refunds; liability of sellers for exempt sales; exemptions for household goods, including motor vehicles, in the case of persons who establish residence; and treatment of transportation charges with respect to interstate sales.

Sec. 156. Sales for Transshipment

This section provides that a seller shall not be liable for a sales or use tax if the purchaser furnishes to the seller a statement in writing that the property will be transshipped from the destination within the United States to a point outside the United States for use or consumption outside the United States.

SEC. 157–159. UNIFORMED TAX BASE, ACCOUNTING AND FORM PROVISIONS

These sections relate specifically to the Uniform Combined State and Local Sales and Use Tax provided for in Sections 102–105. Section 157 applies provisions of State law to determine whether or not a sale is taxable so that the tax base for uniform combined tax will be the same as for the regular sales tax within a particular State. Section 158 provides for quarterly remission of the uniform tax and Section 159 requires the U.S. Secretary of Commerce to prescribe a standard reporting form.

TITLE II—NET INCOME AND GROSS RECEIPTS TAXES

PART A—JURISDICTION

SEC. 201. UNIFORM JURISDICTIONAL STANDARD

The same business location test used in Title I for sales and use taxes would also be applied to the corporate net income and gross receipts taxes imposed by States or political subdivisions.

PART B—UNIFORM RULES AND ADMINISTRATION

SEC. 251–256. OPTIONAL THREE-FACTOR FORMULA—APPORTIONABLE INCOME

These sections provide for an optional Three-Factor Formula (property, payroll, and sales) for apportionment of income of interstate corporations. This is the most widely used formula and has been recommended by the Commissioners on Uniform State Laws in the Uniform Division of Income Tax Purposes Act (UDITPA). A taxpayer would still have the right to use a different apportionment formula that may be provided for by State law, but the Three-Factor Formula and other provisions of Title II serve as a maximum.

This title is based on Title III of S. 2092 introduced by Senator Magnuson in the last Congress. It apportions all income in the tax base except portfolio dividends which would be allocated to commercial domicile. Foreign source income generally and intercorporate dividends would be excluded. This will clear up the confusion that has developed in the application of UDITPA between "business" income that is apportionable among the states by the use of the Three-Factor Formula and "non-business" income which is allocable to a specific State.

Title II sets forth the ceiling beyond which a State or political subdivision cannot go in imposing its income tax for any taxable year on a corporation taxable in more than one State. The Title is not applicable to "excluded corporations" which are defined in section 309. No State or political subdivision is required to incorporate into their income tax law any of the provisions of this Title. The limitations imposed on a State's political subdivisions are identical with those limitations imposed on a State (section 255).

SEC. 251. (c) TAXABLE IN MORE THAN ONE STATE

This provision is similar to the "taxable in more than one state" concept embodied in UDITPA. It describes the circumstances under which the apportionment formula would apply, and for purposes of determining whether interstate sales were assignable to destination or subject to the "throwback" provision. Such concept is incorporated in section 254. Provision is also made for tolling the statute of limitation where the taxpayer's liability changes due to the reassignment of sales.

SEC. 251. (d) COMBINED REPORTING

Section 251(d) permits apportionable income, at the option of either the State or the taxpayer, to be determined by reference to the combined apportionable income and apportionment factors of all corporations of an affiliated group of which the taxpayer is a member. Affiliated group as used in section 251(d) is defined in section 311 to include corporations meeting the 80% of the voting stock ownership test (corporate or non-corporate) exclusive of the affiliated corporations deriving income from sources outside the United States.

SEC. 254. SALES FACTOR—"THROWBACK RULE"

Section 254, the sales factor, achieves full accountability through the "throwback rule" which assigns sales to the origin State if the destination State lacks jurisdiction to impose tax. Export sales, however, other than export sales to the U.S. Government, are assigned to the foreign destination. Export sales, except for export sales to the U.S. Government, should not be subject to the "throwback" provisions. The "throwback" applies where the nationally imposed jurisdictional standards prevent the destination State from imposing tax, but such justification is lacking where sales have a destination in foreign countries, since such countries are subject neither to the jurisdictional standards nor the uniform apportionment formula imposed on the States.

The sales factor is generally defined as the fraction the numerator of which is the sales of the corporation which are located in the State during the tax year and the denominator of which is the total sales by the corporation everywhere during the tax year.

Sales of services are assigned to the State where services are performed based on direct costs of performance and receipts from rentals of tangible personal property are assigned to location of the property. Sales of real estate, if the corporation is engaged primarily in the sale of real estate, are assigned to location of the real estate. Sales of other tangible personal property are assigned on a destination basis. All other receipts are eliminated from both the denominator and numerator of the sales factor.

SEC. 256. FOREIGN SOURCE INCOME—DIVIDENDS

Section 256 (a) excludes from apportionable income foreign source income—that is income from sources without the United States as defined by the Internal Revenue Code. In the case of affiliated corporations, such as Western Hemisphere Trade Corporations, possessions companies and China Trade Act Corporations under the Internal Revenue Code, where the Internal Revenue Service of necessity each year determines the amount of foreign source income of such companies and under Section 482 of the Internal Revenue determines that such income was clearly reflected in such companies, the Federal rules would be accepted and such companies will be excluded from a consolidation. On the other hand, any other foreign or domestic company will be excluded from a consolidation only if at least 90% of its income was from foreign sources, determined by separate application to it of the apportionment formula under Title II of the Act (Sec. 311 (b)(5). For this purpose the "throwback" rule. with respect to the location of sales for purposes of the numerator of the sales fraction, would be inapplicable, since this rule is not pertinent to the determination of where income is earned by application of the apportionment formula.

These provisions designed to eliminate foreign source income are incorporated in the definition of an affiliated corporation in Section 311.

Section 256 (b) provides that dividends, except dividends from affiliates, are allocable to the State of commercial domicile. Dividends received from an affiliated corporation in which the taxpayer owns at least 80% of the voting stock and income from sources outside the United States generally are excluded from apportionable income by Section 256 (a) and (b).

Since a State should be attempting to tax only income derived from sources in that State, it would seem obvious that the States should not be taxing income earned overseas, but this is precisely what some States are attempting to do. In fact, some States are attempting to go beyond commonly accepted worldwide concepts of taxing international income.

TITLE IV—JURISDICTION OF FEDERAL COURTS

This Title would give jurisdiction to the Federal Court of Claims to hear appeals upon the application of provisions of the Act, after State administrative decisions are final and the only appeal is to court. The Court of Claims uses Commissioners to hear cases throughout the country. The Court of Claims also has authority to sit as a panel of judges in different parts of the country. The objective of this Title is to have a single Federal court that could develop expertise in the area of interstate taxation and provide for uniform application of the Federal law in a manner that would not be possible through use of State or Federal District Courts.

SIMPLIFIED TAXPAYER PROCEDURE UNDER REVISED "LOUISIANA PLAN" FOR SALES TAX COLLECTION

1. *Determination of Liability*. Billing clerk or other authorized personnel would consult a table furnished by the United States Department of Commerce listing certified Uniform Combined State and Local Sales and Use Tax Rates for each State. This rate would be applied to all sales within the State unless:

(a) It is a State in which the seller has a *"business location"*—that is, the seller has property or employees located in the State. In this case regular sales and use tax procedures would apply.

(b) The seller has a *certificate* or other written form of evidence from the purchaser indicating the basis for an exemption or the reason the seller is not required to pay or collect the tax.

(c) The seller is not liable for collection of a sales or use tax under the present law. For example, the seller is operating a direct mail order business under the U. S. Supreme Court *National Bellas Hess* decision which would be codified by this revised proposal. The revised proposal would *not increase* the liability of any seller to collect a sales or use tax over and beyond his present liability.

(d) The seller does not have a business in the State and his annual sales with destination in that State were less than $20,000 during the preceding calendar year.

2. *Uniform Report Form*. The United States Secretary of Commerce would prescribe a simplified report form for use in remitting the Uniform Combined State and Local Sales and Use Tax. Such reports could be required no more frequently than quarterly.

3. *Audits—Forgiveness for Past Liability*. States would have the same rights to audit for Uniform Combined State and Local Sales and Use Taxes as they do now for regular sales or use tax. However, no State would have the right to assess sales or use tax for any prior period if the seller were (1) not registered in the State for purpose of collecting the tax; (2) had no business location in that State; (3) did not regularly solicit orders for the sale of tangible personal property through employees present in the State; or (4) did not regularly engage in the delivery of property in the State, other than by common carrier or United States mail.

By Mr. HUDDLESTON (for himself and Mr. EASTLAND):

S. 2081. A bill to provide for furthering the conservation, protection, and enhancement of the Nation's land, water, and related resources for sustained use and for other purposes. Referred to the Committee on Agriculture and Forestry.

LAND AND WATER RESOURCE CONSERVATION ACT OF 1975

Mr. HUDDLESTON. Mr. President, I am pleased today to join with my distinguished colleague from Mississippi, (Mr. EASTLAND), in introducing S. 2081, the Land and Water Resource Conservation Act of 1975.

This legislation is designed as a companion to the Forest and Rangeland Renewable Resource Act of 1974, which was authored by Senator HUMPHREY. It is an effort to set natural resource policy in a systematic and rational way so that we can deal with our natural resource needs in a timely and efficient manner.

In the past the legislative and the executive branches have often found it easy to defer natural resource decisions until many of our priceless resources were lost for all time.

This legislation provides a system which will keep us all aware of what is happening to our land and water bases and establishes a mechanism to make policy decisions to meet national needs for food and fiber, clean water, community development, recreation and wildlife protection in an environmentally sound setting.

Neither Senator EASTLAND nor I view this bill as an end all. The language is not locked in concrete. In the months to come we will work with many individuals and organizations to perfect the bill and ultimately produce legislation which will provide for getting the job done in the most efficient manner.

This was the procedure which Senator HUMPHREY used with his act. The result was that the Forest and Rangeland Renewable Resource Act has broad support all across the Nation, both from industry and from the environmental movement. We will be seeking this same consensus.

Mr. President, our Nation is vast in its land area, and sometimes, in my opinion, we tend to think of it as limitless. But our population is still growing. In not too many years it will have reached 300 million. Metropolitan boundaries are expanding rapidly so that subdivisions now occupy what was once farmland.

Furthermore, the world has entered a new era of food scarcity. This has meant spiraling prices, shrinking grain supplies and regional famine in many nations.

Since the Depression years, U.S. capacity has exceeded demands for agricultural products. Excess capacity was fueled by a combination of rich natural resources and rapid technological advance.

But those days may be gone forever. The rate of technological development which permitted the American farmer to feed 52 people besides himself may be slowing down. We have asked our farmers to go all out—to plant virtually every available acre.

Now the time has come to ask the question: Will there be enough land to feed our citizens and to meet the export demand? Fortunately, the U.S. land resource base seems to be ample for future domestic needs—at least to beyond the year 2000. It also seems likely that our farmers will have land and technology sufficient to make sizable export commitments.

But it may not come easily. How well we do will depend on our potential for higher productivity per acre and the possibility of increasing crop acres.

And as we learned during the dust bowl era of the 1930's, when Nebraska topsoil made the sky black over the city of Washington, all-out production can be costly unless it is accompanied by sound conservation practices.

In some of our Western States, many acres of farmland are being lost to soil salinity. In some places in Iowa, as much as 100 tons of top soil per acre per year are lost to wind erosion.

Our land and water resources are essential to the Nation's economic and social well-being. They must be conserved, protected, and enhanced in order to avoid their loss, misuse, and damage.

Soil erosion creates a serious sedimentation problem. Sediment is by far the major pollutant of surface waters, and some of the highest sediment yields come from the most productive and most intensely cultivated soils. Water quality in lakes and streams is reduced by the nutrients and pesticides carried there by runoff water.

In recent years, there has been a shift away from soil conserving crop rotations. Much of the current production is either a continuous single crop, or a rotation of two intensive row crops, such as corn and soybeans. Modern fertilizers and pesticides have made this system feasible.

Although continuous single-cropping is efficient and profitable, it increases the erosion hazard and the need for soil conservation practices. There has been a recent movement toward elimination of shelter belts designed during the 1930's and 1940's to limit wind erosion.

In a report issued just last month, the General Accounting Office said:

> Unless actions are taken to encourage farmers to renovate and preserve existing windbreaks, rather than remove them, an important resource, which has taken many years to develop, could be lost, and adjacent croplands could erode and become less productive.

In 1973, Assistant Secretary of Agriculture Robert Long said at a meeting of soil conservation commissioners:

> This is no time to have a great plow up followed by a great wash away. If our soils become pollutants instead of a resource, the long investment that we and you have made will go down the drain and a good many futures with it.

Mr. Long and the Soil Conservation Service have initiated a national educational campaign, the theme of which is "Produce More, Protect More."

This is a laudable effort. But it does not take the place of the hundreds of soil and water conservation specialists who have been lost by the Soil Conservation Service, because of reductions in Federal employment. It does not fill the yawning gap in Federal policy embodied in the Office of Management and Budget premise that the job of the Soil Conservation Service was completed with the end of the dust bowl.

What we must have is a systematic appraisal of our water and land bases so that we have a comprehensive understanding of what is happening to these resources on a continuing basis.

Then we must devise a program for taking appropriate action to resolve the problems associated with these resources.

And finally we must have an analytical device that will provide Congress with the information needed regarding the stewardship of the Soil Conservation Service.

In essence, these three elements are what would be set up under this proposed Land and Water Resource Conservation Act.

This act declares it to be the policy of the United States to achieve and maintain, first, quality and quantity in the natural resource base for sustained use; second, quality in the environment to provide attractive, convenient, and satisfying places to live, work, and play; and third, quality in the standard of living based on community improvement and adequate income.

The Secretary of Agriculture shall promote the attainment of this policy by appraising the land, water, and related resources of the Nation and developing a program for furthering the conservation, protection, and enhancement of these resources on private and non-Federal lands. The appraisal and the program are required to be completed by December 31, 1976, and updated every 5 years.

The Secretary of Agriculture is further required to transmit to the Congress the report of the appraisal and the program each time it is updated. In addition, the Secretary shall report to Congress each year on the effectiveness of the program in attaining the objectives of this act.

As I see it, with the Forest Service and the Soil Conservation Service operating under the same kind of system of appraising problems and finding solutions to those problems, the activities of these two important resource agencies can interface in many instances in a cooperative effort to avoid duplication.

As I stated earlier, Mr. President, we will be anxious to hear from all parties who have an interest in this Nation's resources so that we can forge this bill into the best possible legislation. We will welcome any responsible comments in this regard.

Mr. President, Senator EASTLAND, the cosponsor of this measure, is hospitalized following an untimely accident. He has prepared a statement to be presented at this time, but is necessarily absent. I ask unanimous consent that his statement be printed in the RECORD at this point, and I further ask unanimous consent that the bill be printed in the RECORD following the statement by Senator EASTLAND.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR EASTLAND

I am pleased to associate myself with my distinguished colleague from Kentucky, (Mr. Huddleston) in the introduction of the Land and Water Resource Conservation Act of 1975.

I am hopeful that at such time as the bill is perfected and we are able to introduce a clean version of it that many of my colleagues in the Senate will see fit to join us in its sponsorship.

Despite a significant effort by American farmers and ranchers to reduce soil erosion since the 1930's the problem is still a serious one.

Attaining higher farm production at reasonable costs will require wise land use, including the application of appropriate conservation management systems.

At the present time, we are losing some of our most productive land to urbanization, and there is very little likelihood that this land will ever be returned to agricultural production.

While average crop yields may increase over the short run in areas where there are excessive soil loses, erosion will decrease the yield and increase production costs over the long run.

Soil erosion creates a serious sedimentation problem. Sediment is by far the most serious pollutant of surface waters.

In recent years there has been a shift away from crop rotation in some areas toward a continuous single crop or rotation of two intensive row crops like corn and soybeans.

Further, several disturbing trends have been observed by scientists in the great plains which could create serious dust storms in years of drought and high wind.

Certainly, decisions concerning food production and conservation practices should take into account the probability of adverse weather conditions, including drought, heavy rains and flood. Conservation practices should be planned to withstand these times of adverse weather.

This means that we cannot afford to ignore the important resource we have in the soil conservation service. But it also means that we have to give SCS the resources necessary so that we do not fall behind in our efforts to protect the nation's land and water.

I am very concerned that because of previously cheap inputs for agriculture and crop surpluses year after year that we have begun to ignore the need for sound water and soil conservation practices, and therefore we have been ignoring SCS. This could prove to be a fatal sin of ommission.

In addition to protecting our resources, the Soil Conservation Service has a vital role to play in rural community development, providing for flood control, recreation, water supply and many other community benefits under the small watershed and resource conservation and development programs.

The acceptance of these programs for important community benefits is pointed out in a new study by the Economic Research Service of the Department of Agriculture called "The Small Watershed Program and Its Role in Community Development."

The bill which Senator Huddleston and I are introducing today covers the gamut of SCS programs, including flood protection, land treatment, water supply, recreation, pollution control, irrigation and reforestation.

The bill provides a systematic method through which we can be made aware of the problems we are having insofar as our renewable resources are concerned. And it provides for the development of a program so that these problems can be dealt with in an adequate and timely fashion.

It seems to me that it will be imperative for the Soil Conservation Service to initiate the land inventory and monitoring program established under the provisions of the Rural Development Act of 1972, and will have to increase its soil survey work if a reasonable assessment of the land and water situation is to be accomplished.

But if we can get this mechanism in gear, I believe that the Land and Water Resource Conservation Act of 1975 will do much to enhance the status of the Soil Conservation Service and renew the Nation's interest in protecting and improving its soil and water resources.

S. 2081

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Land and Water Resource Conservation Act of 1975".

FINDINGS

SEC. 2. (a) The Congress finds that—

(1) There is a growing demand on the land, water, and related resources of the Nation to meet present and future needs for food and fiber, rural and urban development, agricultural, industrial, and community water supply, fish and wildlife habitat, and recreational facilities, and other needs of the people.

(2) These resources are essential to the Nation's economic and social well being, and they must be conserved, protected, and enhanced to avoid their loss, misuse, and damage.

(3) It has been the continuing policy of Congress to maintain and improve the resource base of the United States while using the resources to meet the needs of the Nation.

(4) The Congress, in its concern for sustained use of the resource base, created the Soil Conservation Service of the United States Department of Agriculture which possesses the information, technical expertise, and delivery system for providing assistance on soil, plant, and water relationships to the land user.

(5) The arrangements under which the Federal Government cooperates with State governments, with other local units of government, and with land users have effectively aided in the restoration of the badly deteriorated resource conditions of the past and should be utilized to their fullest extent in the future as a framework for maintaining quality in our resources.

DECLARATIONS OF POLICY AND PURPOSE; PROMOTION THEREOF

SEC. 3. (a) In order to further the conservation of land, water, and related resources, it is declared to be the policy of the United States and purpose of this Act to achieve and maintain—

(1) quality and quantity in the natural resource base for sustained use;

(2) quality in the environment to provide attractive, convenient, and satisfying places to live, work, and play; and

(3) quality in the standard of living based on community improvement and adequate income.

(b) The Secretary shall promote the attainment of the policy and purpose expressed in subsection (a) by—

(1) appraising the land, water, and related resources of the Nation;

(2) developing a program for furthering the conservation, protection, and enhancement of the land, water, and related resources on private and non-Federal lands of the Nation; and

(3) providing to Congress, through reports, the information developed pursuant to paragraphs (1) and (2) of this subsection, and by providing Congress with an annual evaluation report as provided in section 6.

APPRAISAL

SEC. 4. (a) In recognition of the importance of and need for obtaining and maintaining information on the current status of land, water, and related resources, the Secretary is authorized and directed to carry out, through the Soil Conservation Service, a continuing appraisal of the land, water, and related resources of the Nation. The appraisal shall include, but not be limited to:

(1) Data on the land, water, and related resources.

(2) An analysis of the potential of those resources for various uses.

(3) A determination of the changes in the status and condition of those resources.

(4) A discussion of current laws, policies, programs, rights, regulations, ownerships, and other consideration associated with the land.

(b) The appraisal shall utilize data collected under this Act and pertinent data and current information collected by the Department of Agriculture and other Federal, State, and local agencies and organizations. The Secretary shall establish an integrated system capable of using combinations of resource data to determine the quality and potential for alternative uses of the resource base and to identify areas of local, State, and national concerns pertaining to land conservation, resource use and development, and environmental improvement.

(c) The appraisal shall be made in cooperation with conservation districts and State governments and under such procedures as the Secretary may prescribe to ensure public participation.

(d) A report of the appraisal shall be completed by December 31, 1976, and each 5-year interval thereafter.

LAND AND WATER CONSERVATION PROGRAM

SEC. 5. (a) In order to establish a framework for achieving the national land and water policy and purpose of this Act, the Secretary is hereby authorized and directed to develop, through the Soil Conservation Service, a National Land and Water Conservation Program (hereinafter called the "program") for furthering land and water conservation on the private and non-Federal lands of the Nation. The program shall set forth the direction for future soil and water conservation efforts based on the current land, water, and related resource appraisal developed in accordance with section 4 of this Act, taking into consideration both the long and short term needs of the Nation. The program shall also include, but not be limited to:

(1) Analysis of the Nation's land, water, and related resource problems.

(2) Analysis of existing authorities and adjustments needed.

(3) An evaluation, based on a system to determine the effectiveness of the soil and water conservation on-going programs and the progress being achieved in meeting the soil and water conservation objectives in this Act.

(4) Alternative methods for the conservation, protection, environmental improvement, and enhancement of land and water resources.

(5) Analysis of the Federal input required to implement the program.

(b) The Secretary, in the development of the program, shall provide for participation by the public, through conservation districts, local and State government organizations and agencies, and other means.

(c) The program plan shall be completed not later than December 31, 1976, and updated each 5-year interval thereafter.

REPORT TO CONGRESS

SEC. 6. (a) On the first day Congress convenes in 1977, and each 5-year interval thereafter, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate, the report of the appraisal and the program of land, water, and related resources as set forth in sections 4 and 5 of this Act.

(b) The Secretary, during budget preparation for fiscal year 1978, and annually thereafter, shall prepare a report which evaluates the program's effectiveness in attaining the objectives of this Act. The report shall contain pertinent data from the current resource appraisal and an analysis of program adjustments and needed legislation.

DEFINITIONS

SEC. 7. As used in this Act—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "land, water, and related resources" means those resources which come within the scope of authorities and programs administered by the Soil Conservation Service of the Department of Agriculture.

(3) The term "land and water conservation program" means a framework for attaining the purposes of this Act.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act.

By Mr. MONTOYA:

S. 2082. A bill to amend the Internal Revenue Code of 1954 to provide for a credit, in lieu of a deduction, for interest paid on a mortgage on a taxpayer's principal residence. Referred to the Committee on Finance.

Mr. MONTOYA. Mr. President, for many years the Government of the United States has encouraged home ownership and the building of new and replacement housing for American families through a variety of programs. One method has been the deduction for interest paid on a home mortgage—a tax expenditure. This kind of tax expenditure has been one of the most successful methods through which we could stimulate the production of homes and at the same time assist low- and middle-income families to enter the housing market at the time when their need for housing was the most severe.

Unfortunately, however, the tax deduction method is no longer working to assist the low- and moderate-middle-income family. We have now reached the point at which this tax expenditure is helpful only to the wealthy or the very upper income family in the purchasing of a family home. In addition, because of the regressive nature of the deduction as opposed to the tax credit, the value of this tax expenditure to taxpayers in the upper-income brackets is much greater even for existing and old mortgages. I believe it is time for us to reestablish our goals and rethink our method for reaching those goals.

For that reason, I am today introducing legislation which is intended to correct the inequities present in our current system and intended to once again provide needed stimulation and help to the construction industry which serves the average American family by building homes.

The legislation I am introducing will provide a tax credit of 45 percent of the interest paid on a mortgage owed by a taxpayer for his principal residence only. There is a dollar limitation of $2,000 which would keep this tax expenditure within bounds and which would make it most helpful to the middle income family which is now being shut out of the housing market. It would replace the current tax deduction only for the principal residence, leaving the deduction in place for investment real estate, second homes, and other mortgages.

I believe that this correction in our tax system will allow us to begin to move forward once again toward our goal of a decent home for every American family.

Mr. President, I hardly need to outline for my colleagues the sad state of the construction industry this year—particularly the homebuilding segment of that industry. From a seasonally adjusted annual rate of 2.5 million private housing starts in January of 1973, the housing industry has slowly and steadily deteriorated to a low of only 868,000 adjusted annual rate in December of 1974. The Federal Government has suspended or terminated nearly all of its subsidized housing programs, and the new section (8) leased housing program has yet to produce its first housing unit. Every day more and more families are being forced to live in substantard houses, with no alternative in sight. Clearly, even considering the economic problems which beset the Nation generally, something is very wrong in this one industry.

The costs associated with homeownership have increased rapidly for two reasons: Interest rates have nearly doubled for the average homeowner, and inflation has skyrocketed the cost of building materials. This double whammy has hurt both the industry and the customer, making it impossible for the industry to continue to produce for an average family and making it impossible for the average family to continue to be a customer.

It now requires an annual income in excess of $25,000 to purchase the average new home. However, the median family income is only a little more than $12,000. The middle-income family can be said to be in the $8,000 to $15,000 income bracket. Less than 25 percent of all American families are above $20,000 annual income—the income which is high enough to purchase a home in the median price range.

Mr. President, I ask unanimous consent that the table appendix I, Median Price of Single-Family Homes and Required Income, 1969–74, from the Library of Congress Report on Availability of Homes for Middle-Income Families, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

APPENDIX I

MEDIAN PRICE OF SINGLE-FAMILY HOMES AND REQUIRED INCOME, 1969–74

NEW HOMES

Year	Median price	Mortgage amount with 10 percent downpayment	Median effective interest rate	Monthly housing expense: Principal and interest [1]	Monthly housing expense: Estimated taxes, insurance, maintenance, repair, and utilities [2]	Monthly housing expense: Total	Required minimum annual income	Estimated percent of all families having minimum income
1969	$34,100	$30,690	7.81	$221	$113	$334	$16,030	18
1970	35,500	31,950	8.45	245	128	373	17,900	17
1971	36,300	32,670	7.74	234	130	364	17,470	20
1972	37,300	33,570	7.60	237	138	375	18,000	23
1973	[3] 37,100	33,390	7.95	244	153	397	19,060	25
1974	[4] 41,300	37,170	9.27	306	180	486	23,330	([5])

[1] Based on mortgage term of 30 yr.

[2] Based on data for new and existing 1-family new homes financed with FHA-insured sec. 203 mortgages.

[3] This series was adjusted in 1973.

[4] November 1974 data.

[5] Not available.

Source: HUD, Federal Home Loan Bank Board, and Congressional Research Service—Economics Division.

Mr. MONTOYA. Mr. President, the rate at which new housing units are started seems to be bottoming out somewhat, and over the past several months all financial intermediaries, particularly the savings and loan associations, have experienced inflows of new savings. These inflows, which provide the funds for new mortgage loans, have been generated by declines in short term interest rates. As these funds build up and as long term interest rates moderate, housing sales should increase, pushing up the rate of new housing starts. However, high interest rates and inflated building costs will keep the cost high—and keep the moderate middle income family out of the market. If families cannot afford to buy new homes, housing starts will be limited to homes for the wealthy or to rental units. If mortgage interest rates rise too high, even these will be cut back. High construction costs, high interest rates, and rapidly rising operating costs combine to create rents so high that the market for new, rental construction is also limited to a small proportion of all households.

This year a $2,000 tax credit is being given to home buyers in an effort to reduce inventories of unsold homes. This tax credit is going almost exclusively to upper and upper middle income families. The cost to the treasury of this one-shot boost to the homebuilding industry is high. It is to be hoped that it will lead the way to more building next year to replace depleted inventories. This 1-year tax credit, however, does nothing to help the middle income and lower middle income American family. The figures quoted above, illustrating the fact that only the top 25 percent of families can qualify for loans to purchase new homes, still apply—even if we allow a 1-year tax credit to assist with the first year's purchase. Purchasers, of course, must qualify so that they can meet next year's principle, interest, and tax payments, in order to receive this year's tax credit.

What then, should our answer be to this problem? It is clear that the most serious housing problem is faced by those families with incomes below $20,000—the bulk of all American families. The young family, just starting out, and the senior citizen family, living on limited funds, are probably most seriously hurt by the present situation—but all middle American families are increasingly in danger in this housing crisis.

Federal housing assistance should be targeted at this group. The most far-reaching and expensive Federal housing subsidy—the individual income tax mortgage expense deduction—is heavily weighted toward the rich, as I have indicated. A much more equitable and effective way of subsidizing home purchases would be to replace the mortgage expense deduction with a tax credit, as the bill I am introducing today does.

Specifically, this legislation would provide up to $2,000 credit at a rate of 45 percent of interest on a mortgage for a principal residence only. This will allow an estimated 100,000 new single family homes to be built and sold to the estimated 100,000 families who would be able to qualify with this small boost in their take home pay. The legislation limits this tax credit to principal residence only, and provides for use in joint or co-operative ownership situations, such as condominiums, as well as for partial use of a building as a principal residence. The Economics Division of the Library of Congress, using the Data Resources, Inc. Econometric Model of the United States, estimates that the additional cost to the Government of instituting this tax credit in place of the existing mortgage deduction would be $4.5 billion.

There would, however, be secondary effects which would significantly lower the total cost of the tax credit proposal, as a result of increased new construction and the stimulative effect throughout the economy. Both individual construction workers and corporate construction industry would pay higher taxes as a result of the increased production. These secondary effects are estimated to lower the additional cost of the tax credit plan by $2.6 billion in 1975 and by $2.5 billion in 1976. Thus the real additional cost would even out to $2 billion or less, depending on the accuracy of the projection by the econometric model. It is interesting to note that the econometric model indicated very little change in the rate of inflationary pressures as a result of this tax change.

Mr. President, in 1948 the Congress committed the Nation to the goal of a "decent home in a suitable living environment for every American family." We are still a long way from reaching that goal. In fact, we are today slipping further away from that goal. Every month fewer and fewer families are able to qualify for loans to purchase homes, and fewer and fewer homes are being built to fit within the price range of the average family.

Perhaps the American premise that home ownership is a virtue is a false premise. Perhaps we cannot, given the current world situation, continue to strive for that goal. Perhaps home ownership has become a luxury beyond the means of the average American. We must come to grips with this problem and make a decision. We have made some progress in eliminating substandard housing by the establishment of subsidies for rental housing and low-income housing subsidies. We have assisted and continue to assist the wealthy and near-wealthy through the tax deduction subsidy. The one group we have not helped enough, and are not helping at all today, is the middle income average American family—the group which pays the bulk of the taxes to support other programs.

I believe, Mr. President, that it is time for us to reform our national housing policy, shifting the major emphasis away from aiding the wealthy toward helping those families in the lower three-fourths of the income distribution. We must reorganize our thinking to account for all types of subsidies, both direct and indirect, and make sure that our actions match our goals and our priorities. With a gross national product of $1.5 trillion, I refuse to believe we cannot find a way to house the moderate-income family.

I urge my colleagues to support this change in our method of tax expenditure, to support the working people of this nation.

Mr. President, I ask unanimous consent that my proposed legislation be printed in the Record together with tables I through IV, to illustrate the cost and tax information applicable to this proposal.

There being no objection, the bill and tables were ordered to be printed in the Record, as follows:

S. 2082

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by renumbering section 42 as 43, and by inserting after section 41 the following new section:

"Sec. 42. Interest on Principal Residence.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 45 percent of the sum of the interest paid or accured during the taxable year by the taxpayer on indebtedness secured by a mortgage on real property owned and used by him as his principal residence or on any other indebtedness incurred by him to acquire or improve real property used by him as his principal residence.

"(b) Limitations.—

"(1) Dollar limitation.—The credit allowed by subsection (a) for any taxable year shall not exceed $2,000 ($1,000 in the case of a married individual filing a separate return).

"(2) Application with other credits.—The credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowed by the preceding sections of this subpart (other than by sections 31 and 39).

"(c) Special Rules.—

"(1) Property used in part as principal residence.—In the case of property only a portion of which is used by the taxpayer as his principal residence, there shall be taken into account, for purposes of subsection (a), so much of the interest paid or accured by him with respect to such property as is determined, under regulations prescribed by the Secretary or his delegate, to be attributable to the portion of such property used by him as his principal residence.

"(2) Joint ownership.—In the case of property owned and used by two or more individuals (other than a husband and wife) as their principal residence, the limitations provided by subsection (c)(1) shall, under regulations prescribed by the Secretary or his delegate be applied collectively to such individuals.

"(3) Cooperative housing.—For purposes of this section, an individual who is a tenant-stockholder in a cooperative housing corporation (as defined in section 216(b))—

"(A) shall be treated as owning the house or apartment which he is entitled to occupy by reason of his ownership of stock in such corporation, and

"(B) shall be treated as having paid or accrued interest with respect to such house or apartment during the taxable year equal to the deduction which would be allowable to him under section 216 (a) (determined without regard to paragraph (1) of such section (relating to real estate taxes)) but for the last sentence of such section.

"(4) Change of principal residence.—If during a taxable year a taxpayer changes his principal residence, this section shall apply, under regulations prescribed by the Secretary or his delegate, to that portion of the interest paid or accrued by him with respect to each such principal residence as is properly allocable to the period during which it is used by him as his principal residence.

"(e) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b) The table of sections for such subpart A is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Interest on principal residence.

"Sec. 43. Overpayment of tax.".

Sec. 2. (a) Section 163 of the Internal Revenue Code of 1954 (relating to interest) is amended by redesignating subsection (e) and (f), and by inserting after subsection (d) the following new subsection:

"(e) Indebtedness on Principal Residence.—No deduction shall be allowed under subsection (a) for interest paid or accrued on indebtednes secured by a mortgage on real property owned and used by the taxpayer as his principal residence or on any other indebtedness incurred by him to acquire or improve real property used by him as his principal residence.".

(b) Section 216(a) of such Code (relating to tenant-stockholders of cooperative housing corporations) is amended by adding at the end thereof the following new sentence: "No deduction shall be allowed under the preceding sentence with respect to interest described in paragraph (2) incurred in connection with the acquisition or construction of any house or apartment which is used by the tenant-stockholder as his principal residence.".

SEC. 3. The amendments made by this Act apply for taxable years beginning after the date of the enactment of this Act.

TABLE I—SUMMARY OF TAX CREDIT PLAN COST BY INCOME CLASS

[In thousands of dollars]

0–$3,000	−207
$3,000–$5,000	−18,491
$5,000–$7,000	−72,059
$7,000–$10,000	−403,624
$10,000–$15,000	−1,441,686
$15,000–$20,000	−1,373,665
$20,000–$50,000	−1,271,246
$50,000–$100,000	63,328
$100,000 and over	37,083
Total	−4,480,569

Source: U.S. Treasury.

TABLE II.—AVERAGE TAX SAVING OF AFFECTED RETURNS FROM TAX CREDIT, BY AGI CLASS

AGI class	Returns	Average tax decrease
0 to $3,000	14,585	$14
$3,000 to $5,000	154,712	120
$5,000 to $7,000	489,532	147
$7,000 to $10,000	2,089,555	193
$10,000 to $15,000	5,558,856	259
$15,000 to $20,000	4,961,115	275
$20,000 to $50,000	5,254,987	243
$50,000 to $100,000	27,557	99
$100,000 and over	1,664	553
Total	18,552,561	247

Source: U.S. Treasury and CRS-Economics Division.

TABLE III.—AVERAGE TAX INCREASE OF AFFECTED RETURNS FROM TAX CREDIT, BY AGI CLASS

AGI class	Returns	Average tax increase
$15,000 to $20,000	1,630	$32
$20,000 to $50,000	49,423	119
$50,000 to $100,000	295,502	224
$100,000 and over	61,343	620
Total	407,897	270

Source: U.S. Treasury and CRS-Economics Division.

TABLE IV.—COST OF HOME MORTGAGE INTEREST EXPENSE, BY INCOME CLASS

AGI class	Number of affected returns	Total cost in tax revenue (thousands)	Average cost per affected
0 to $3,000	14,589	$104	$7
$3,000 to $5,000	195,973	14,646	75
$5,000 to $7,000	585,180	59,297	101
$7,000 to $10,000	2,160,472	297,665	138
$10,000 to $15,000	5,588,580	996,491	178
$15,000 to $20,000	4,963,564	1,273,865	257
$20,000 to $50,000	5,352,500	2,336,982	437
$50,000 to $100,000	333,087	392,164	1,177
$100,000 and over	62,511	104,980	1,679
Total	19,256,456	5,476,194	284

Source: U.S. Treasury and CRS-Economics Division.

TABLE V—TOTAL COST OF TAX CREDIT PLAN

[In thousands of dollars]

Additional cost of tax credit	4,480,569
Cost of mortgage interest deduct	5,476,194
Total	9,956,763

SOURCE.—U.S. Treasury and CRS—Economics Division.

By Mr. HARTKE (by request):

S. 2083. A bill to amend section 409 of the Interstate Commerce Act to authorize contracts between freight forwarders and railroads on an experimental basis, and for other purposes;

S. 2084. A bill to authorize the Interstate Commerce Commission to require adequate compensation for owner-operator fuel costs in a transportation emergency, and for other purposes;

S. 2085. A bill to authorize the Interstate Commerce Commission to approve, on an expedited basis, pooling arrangements between carriers that are not of major transportation importance and are not likely unduly to restrain competition, and for other purposes; and

S. 2086. A bill to authorize the Interstate Commerce Commission, after investigation and hearing, to require the establishment of through routes and joint rates between motor common carriers of property, and between such carriers and common carriers by rail, express, and water, and for other purposes. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, I am introducing, at the request of the Interstate Commerce Commission, four bills which the Commission proposes to amend its statutory mandate to allow it to institute what it claims will be more energy efficient regulations of motor carriers.

These four bills would:

First, establish an expedited procedure for approving small traffic pooling arrangements between carriers but do not appear to unduly restrain competition.

Second, create standby authority for the Commission to regulate fuel compensation provisions in owner-operator contracts during transportation emergencies such as the truck strike in the winter of 1973–74.

Third, grant the Commission authority to require joint rates and through routes between motor carriers and between motor carriers and rail and water carriers.

Fourth, authorize contracts between freight forwarders and railroads covering rates and services for an experimental period to determine the extent that such contracts will encourage less than carload shippers to utilize energy-saving rail service.

Issues raised by this legislation have been prominent during the debate concerning the adequacy of the Commission's regulation of motor carriers. Unlike other proposals for modifying the Commission's transportation regulatory authority such as elements of the administration's Rail Revitalization Act, these bills ask for changes in the Commission's regulatory function which cannot be achieved without congressional action. I therefore expect the Committee on Commerce to announce hearings in the near future on this legislation and any other bills addressing similar motor carrier regulatory questions.

I ask unanimous consent that this proposed legislation and the Interstate Commerce Commission's explanation and justification for this legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2083

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 409(a) of the Interstate Commerce Act (49 U.S.C. 1009(a)) is amended to read as follows:

"(a) Nothing in this Act shall be construed to prevent freight forwarders subject to this part from entering into or operating under contracts with common carriers by railroad subject to part I of this Act, or from entering into or continuing to operate under contracts with common carriers by motor vehicle subject to part II of this Act, governing the utilization by such freight forwarders of the services and instrumentalities of such common carriers by railroad or motor vehicle and the compensation to be paid therefor: *Provided,* That in the case of such contracts it shall be the duty of the parties thereto to establish just reasonable, and equitable terms, conditions, and compensation which shall not unduly prefer or prejudice any of such participants, any other freight forwarder, or any shipper and shall be consistent with the national transportation policy declared in this Act: *And provided further,* That in the case of line-haul transportation by common carriers by motor vehicle between concentration points and break-bulk points in truckload lots where such line-haul transportation is for a total distance of four hundred and fifty highway miles or more, such contracts shall not permit payment to such common carriers by motor vehicle of compensation which is lower than would be received under rates or charges established under part II of this Act."

SEC. 2. Section 409 of the Interstate Commerce Act (49 U.S.C. 1009) is amended by the addition of a new section (c) to read as follows:

"(c) The provision of paragraph (a) authorizing freight forwarders to enter into contracts with railroads governing the utilization by such freight forwarders of the railroads' services and instrumentalities is effective only for a two-year period commencing on the date of enactment of the amendment which added this authorization to paragraph (a). The Commission shall report to the Congress six months prior to the end of said two-year period on the effect of this amendment on the consumer, shipper, freight forwarder, and other segments of the surface transportation industry and include therein appropriate recommendations as to whether the provision should remain in effect, terminate or be modified.

SEC. 3. The heading of section 409 of the Interstate Commerce Act (49 U.S.C. 1009) is changed to read as follows:

"Utilization by freight forwarders of services of common carriers by railroad and by motor vehicle."

EXPLANATION AND JUSTIFICATION

This proposal amends section 409 of the Interstate Commerce Act so as to authorize freight forwarders to enter into contracts with railroads governing the utilization by the freight forwarders of the railroads' services and the compensation to be paid for those services. Presently section 409 only authorizes contracts between freight forwarders and motor carriers. The authorization of freight forwarder-railroad contracts would be for an experimental two-year period, during which the Commission would study the effects of these contracts on all interested parties and would report the results of this study along with its recommendations for continuation of the program to the Congress.

A substantial argument has been made to the Commission that the existence of contract rates between freight forwarders and railroads will encourage less-than-carload shippers to utilize energy-saving rail service and that contractual arrangements between railroads and freight forwarders could help the railroads to improve car utilization and increase their tonnage-carrying capacity by better synchronization and the avoidance of empty car movements by loading refrigerator or special purpose cars in the empty direction.

Although in theory the proposal could be a very beneficial energy-conserving measure, its practical effects are not entirely clear. Thus we propose putting the amendment on a two-year experimental basis, during which the energy-saving effects of the proposal can be assessed by the Commission and the results reported to Congress.

The proposal is similar to the legislative recommendation made by the Commission in Ex Parte No. 266, *Investigation into the Status of Freight Forwarders* (339 I.C.C. 711). We are resubmitting the proposal now because we believe that its potential for fuel conservation makes its consideration by Congress at this time very appropriate.

The proposal has been modified in several ways from the prior Commission recommendation. The proposal does not include the anti-trust immunity section which was part of the previous recommendation. This deletion was made because no substantial justifications for inclusion of the immunity section have been presented and there is no anti-trust immunity for carriers entering into comparable joint rate/through route arrangements.

The proposal also extends to shippers the protection against undue prejudice from the contracts and requires the Commission to consider the effect on consumers and shippers, in addition to carriers, in formulating its recommendations as to the continuation of the program. These new provisions extend the protection provisions of the statute to all interested parties and would preclude any possibility that contract rates would be approved which would lead to unduly high charges for other shippers. Also, the time for the experimental period has been reduced from three years to two on the theory that a two-year period is sufficient for the Commission to assess the effects of the proposal.

S. 2084

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204(e) of the Interstate Commerce Act (49 U.S.C. 304(e)) is amended to read as follows:

"(e) Subject to the provisions of subsection (f) hereof, the Commission is authorized to prescribe, with respect the use by motor carriers (under leases, contracts, or other arrangements) of motor vehicles not owned by them, in the furnishing of transportation of property—

"(1) regulations requiring that any such lease, contract, or other arrangement shall be in writing and be singed by the parties thereto, shall specify the period during which it is to be in effect, and shall specify the compensation to be paid by the motor carrier, and requiring that during the entire period of any such lease, contract, or other arrangement a copy thereof shall be carried in each motor vehicle covered thereby;

"(2) such other regulations as may be reasonably necessary in order to assure that while motor vehicles are being so used the motor carriers will have full direction and control of such vehicles and will be fully responsible for the operation thereof in accordance with applicable law and regulations, as if they were the owners of such vehicles, including the requirements prescribed by or under the provisions of this part with respect to safety of operation and equipment and inspection thereof, which requirements may include but shall not be limited to promulgation of regulations requiring liability, and cargo insurance covering all such equipment; and

"(3) upon a finding that a transportation emergency exists or is anticipated, regulations reasonably necessary to insure that the party, who under the contract or lease is responsible for the purchase of fuel, is adequately compensated by the terms of such lease or contract for fuel costs."

Explanation and Justification

The purpose and effect of this provision is to insure that if necessary to avoid a transportation emergency, the Commission may impose pass-through requirements on carriers sufficient to compensate adequately owner-operators for fuel cost increases. The proposal would not give the Commission any authority to regulate, under normal circumstances, the amount of fuel compensation to be paid to owner-operators. But it would allow the Commission to regulate fuel compensation to owner-operators in order to avert future transportation emergencies brought about by inordinate fluctuations in the price of fuel. Given the present unstable world fuel situation, such fluctuations seem almost inevitable, and thus this authority could prove essential.

The lack of an adequate pass-through of compensation to owner-operators to cover fuel cost increases led to the truck strike in the winter of 1973–74, and the Commission's imposition of pass-through requirements in Special Permission No. 74–2525 (which authorized the carriers to implement a 6-percent surcharge) and in subsequent orders in MC–92 (which partially incorporated the surcharge into the underlying rate base) played a large part in ending that strike and preventing a recurrence. However, the question of whether or not the Commission has the statutory authority to impose such pass-through requirements has not been definitively resolved by any court. We believe that the general provisions of section 204 give the Commission the authority to regulate the owner-operators' fuel compensation in an emergency, but it also has been (we think incorrectly) argued that since section 204(f) specifically delineates the owner-operator activities that the Commission may regulate and does not mention regulation of fuel compensation, Congress did not intend to give the Commission that authority.

The Court that heard the appeal from the 6-percent surcharge order did not rule on the jurisdiction question since it ultimately dismissed the suit on the grounds of mootness, *National Small Shipments Conference* v. *United States*, C.A. No. 74–C–1265 (S.D.N.Y. 1974). The MC–92 orders were appealed twice. One Court ruled from the bench that the Commission has jurisdiction to vary the fuel compensation provisions of owner-operator contracts in a transportation emergency, but the Court never issued a written opinion, and its order now is on appeal to the Supreme Court. *Irregular Route Carriers Association* v. *United States*, C.A. No. 4–72214 (E.D. Mich. 1974). In the other appeal, the Court overturned the MC–92 orders and remanded the case to the Commission, but it did not rule on the extent of the Commission's jurisdiction. *Refrigerated Transport Corp.* v. *United States*, C.A. No. C 74–1674A (N.D. Ca. 1975).

Because the Commission's jurisdiction in this area is unclear, it is important to have it spelled out in order to avoid any further litigation, particularly since the action involved is emergency in nature and would lose its effectiveness if tied up in litigation. In presenting this proposal to Congress, we emphasize our belief that we already have the statutory authority, but that a need exists to have it spelled out more clearly.

It should also be pointed out that this measure is timely given the present instability in fuel prices. The Commission has instituted Ex Parte No. 311, Effect of Modifying Proclamation No. 3279 and Other Anticipated Energy Conservation Measures on the Operations of Carriers Subject to the Interstate Commerce Act, for the purpose of devising a means of permitting the expedited recovery of fuel cost increases brought about by an import tax or alternative measure. Since owner-operators generally pay all fuel costs, it may well be that the Commission will have to impose the same kind of pass-through requirements that it has imposed in the other proceedings discussed herein. If that is the case, this legislative proposal would be a particularly appropriate measure at this time.

S. 2085

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(1) of the Interstate Commerce Act (49 U.S.C. 5(1)) is amended to read as follows:

"(1) Except upon specific approval by order of the Commission as in this section provided, and except as provided in paragraph (16) of section 1 of this part, it shall be unlawful for any common carrier subject to this part, part II, or part III to enter into any contract, agreement, or combination with any other such common carrier or carriers for the pooling or division of traffic, or of service, or of gross or net earnings, or of any portion thereof; and in any case of an unlawful agreement for the pooling or division of traffic, service, or earnings as aforesaid each day of its continuance shall be a separate offense: *Provided,* That any party may apply for Commission approval of such an agreement by filing said agreement with the Commission not less than 30 days before its effective date. Prior to the effective date of the agreement, the Commission shall determine whether the agreement is of major transportation importance and whether there is substantial likelihood that the agreement will unduly restrain competition and if the Commission determines that neither of these two factors exists, it shall, prior to the effective date contained in the agreement and without hearing, approve the agreement. If the Commission determines either that the agreement is of major transportation importance or that there is a substantial liklihood that the agreement will unduly restrain competition, the Commission shall enter upon a hearing concerning whether the agreement will be in the interest of better service to the public or of economy in operation and whether it will unduly restrain competition; and shall suspend operation of such agreement pending such hearing and final decision thereon; and after full hearing, the Commission shall indicate to what extent it finds that the agreement will be in the interest of better service to the public or of economy in operation, and will not unduly restrain competition, and shall, to that extent, approve and authorize the agreement, if assented to by all the carriers involved, under such rules and regulations, and for such consideration as between such carriers and upon such terms and conditions, as shall be found by the Commission to be just and reasonable in the premises: *Provided further*, That any contract, agreement, or combination to which any common carrier by water subject to part III is a party, relating to the pooling or division of traffic, service, or earnings, or any portion thereof, lawfully existing on the date this paragraph as amended takes effect, if filed with the Commission within six months after such date, shall continue to be lawful except to the extent that the Commission, after hearing upon application or upon its own initiative, may find and by order declare that such contract, agreement, or combination is not in the interest of better service to the public or of economy in operation, or that it will unduly restrain competition."

Explanation and Justification

The purpose and effect of this proposal is to allow for expeditious Commission approval of smaller pooling arrangements, which contribute to efficient transportation and energy savings but do not unduly restrain competition. Presently, section 5(1) of the Interstate Commerce Act provides that only "after hearing" and after a finding that a pooling agreement "will be in the interest of better service to the public or of economy in operation, and will not unduly restrain competition" can the Commission approve such an agreement.

The proposed amendment of section 5(1) would establish a procedure roughly analogous to the suspension procedure the Commission is authorized to follow in rate cases. It would require carriers to file proposed pooling agreements with the Commission 30 days or more prior to the agreement's effective date. Then the Commission would determine whether the agreement is of major transportation importance and whether there is substantial likelihood that the agreement will unduly restrain competition. If the Commission's preliminary answers to these two inquiries are negative, then the Commission, prior to the agreement's effective date and without hearing, shall approve the agreement. But if either of the Commission's preliminary determinations are affirmative, the Commission must suspend operation of the agreement and hold a hearing on it.

Then, as under the existing statute, the Commission can approve the agreement only to the extent that it finds that the agreement will be in the interest of better service to the public or of economy in operation and will not unduly restrain competition.

This proposal is intended to allow for the expeditious implementation of energy saving pooling arrangements. The suspension-type procedure allows the Commission to take a preliminary look at the pooling arrangement, and if it does not appear to be of major consequence to the nationwide transportation system and does not appear to restrain competition unduly, to authorize the agreement to become effective 30 days after its filing. At the same time, it retains for the Commission the necessary authority to review fully major pooling arrangements and those agreements that may well have undue anti-competitive effects.

It is clear that pooling agreements can lead to substantial energy savings. This proposal encourages such agreements by authorizing summary, informal approval of a substantial proportion of them. Once an agreement is reached, it could, under this proposal, be implemented very quickly in many cases. Moreover, the fact that they are not faced with an extensive Commission procedure to gain approval for their agreements should lead carriers to devise a greater number of these agreements, particularly on a relatively small scale.

S. 2086

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 216(c) of the Interstate Commerce Act (49 U.S.C. 316(c)) is amended to read as follows:

"(c) (1) Common carriers of property by motor vehicle may establish reasonable through routes and joint rates, charges, and classifications with other such carriers or with common carriers by railroad and/or express and/or water; and common carriers of passengers by motor vehicle may establish reasonable through routes and joint rates, fares, or charges with common carriers by railroad and/or water. As used in this subsection the term 'common carriers by water' includes water common carriers subject to the Shipping Act, 1916, as amended, or the Intercoastal Shipping Act of 1933, as amended (including persons who hold themselves out to transport goods by water but who do not own or operate vessels), engaged in the transportation of property in interstate or foreign commerce between Alaska or Hawaii on the one hand, and on the other, the other States of the Union, and through routes and joint rates so established and all classifications, regulations, and practices in connection therewith shall be subject to the provisions of this part.

"(2) The Commission may, and it shall whenever deemed by it to be necessary or desirable in the public interest, after full hearing upon complaint or upon its own initiative without complaint, establish through routes, joint classifications, and joint rates, fares, or charges applicable to the transportation of property by common carriers by motor vehicle and other such carriers and/or common carriers by railroad and/or express and/or common carriers by water subject to part III and to the transportation of passengers by common carriers by motor vehicle, and, when so ordered in such a proceeding, it shall be the duty of the affected common carriers to establish and maintain reasonable through routes, joint classifications, and joint rates, fares or charges applicable thereto. In establishing any such through routes the Commission shall not, except as provided in sections 3, 216(d), or 305(c), require any carrier without its consent to embrace in such route substantially less than the entire length of its route and of any intermediate carrier operated in conjunction and under a common management or control therewith, which lies between the termini of such proposed through routes (a) unless such inclusion of lines would make the through route unreasonably circuitous as compared with another practicable through route which could otherwise be established or (b) unless the Commission finds that the through route proposed to be established is needed in order to provide adequate, more efficient or more economic transportation: *Provided*, That in prescribing through routes the Commission shall, so far as is consistent with the public interest, and subject to the foregoing limitations in clauses (a) and (b), give reasonable preference to the carrier which originates the traffic. In the case of any through route established by the Commission between common carriers of property by motor vehicle and other such carriers, the limitations in this section on the Commission's power to establish through routes shall apply only to the carrier originating the traffic. No through route and joint rate applicable thereto shall be established by the Commission for the purpose of assisting any carrier that would participate therein to meet its financial needs.

"(3) In the case of joint rates, fares, or charges established pursuant to sections 216 (c) (1) or 216(c) (2), it shall be the duty of the carrier parties thereto to establish just and reasonable regulations and practices in connection therewith, and just, reasonable, and equitable divisions thereof as between the carriers participating therein which shall not unduly prefer or prejudice any of such participating carriers."

SEC. 2. Section 216(e) of the Interstate Commerce Act (49 U.S.C. 316(e)) is amended to read as follows:

"(e) (1) Any person, State board, organization, or body politic may make complaint in writing to the Commission that any such rate, fare, charge, classification, rule, regulation, or practice, in effect, or proposed to be put into effect, is or will be in violation of this section or of section 217. Whenever, after hearing, upon complaint or in an investigation on its own initiative, the Commisson shall be of the opinion that any individual or joint rate, fare, or charge, demanded, charged, or collected by any common carrier or carriers by motor vehicle or by any common carrier or carriers by motor vehicle in conjunction with any common carrier or carriers by railroad and/or express and/or water for transportation in interstate or foreign commerce, or any classification, rule regulation, or practice whatsoever of such carrier or carriers affecting such rate, fare, or charge or the value of the service thereunder, is or will be unjust and unreasonable, or unjustly discriminatory or unduly preferential or unduly prejudicial, it shall determine and prescribe the lawful rate, fare, or charge or the maximum or minimum, or maximum and minimum rate, fare, or charge thereafter to be observed, or the lawful classification, rule, regulation, or practice thereafter to be made effective.

"(2) All carriers party to a through route and joint fare, whether established by the carriers under section 216(c) (1) or prescribed by the Commission under section 216 (c) (2), shall promptly pay divisions or make interline settlements as the case may be with other carriers party thereto. In the event of undue delinquency in the settlement of such divisions or interline settlements, such through routes and joint rates may be suspended or canceled by the Commission under rules to be prescribed by it.

"(3) If any tariff or schedule canceling any through route and joint rate, fare, charge, or classification, whether established by the carriers under section 216(c) (1) or prescribed by the Commission under section 216(c) (2), without the consent of all carriers parties thereto or authorization by the Commission, is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancellation to show that it is consistent with the public interest.

"(4) Nothing in this part shall empower the Commission to prescribe, or in any manner regulate, the rate, fare, or charge for intrastate transportation, or any service connected therewith, for the purpose of removing discrimination against interstate commerce or for any other purpose whatever."

EXPLANATION AND JUSTIFICATION

The purpose and effect of this proposal is to amend section 216 to authorize the Commission, after hearing and determination that such action is necessary or desirable in the public interest, to order through routes and joint rates between motor common carriers of property, and between those carriers and carriers by rail, express, and water.

This proposal eliminates a regulatory gap since the Commission already has the authority to establish intramodal joint rate/through route arrangements between rail carriers, water carriers and motor vehicle passenger carriers and intermodal arrangements between rail carriers and water carriers. The proposal is particularly timely at this juncture since it can lead both to monetary and energy savings. It would authorize the Commission to establish routes which are both efficient and economical, thus reducing fuel consumption and bringing about a joint rate, which would be less than the sum of the individual rates. This authority would also encourage the growth and maintenance of "piggyback" service and would have benefits for the shipper in that he would need only one contract with the originating carrier and would be able to ascertain the rate for the through movement by consulting a single tariff. Generally speaking, this authority would aid the Commission in fostering a coordinated transportation system featuring greater efficiency and economy.

This proposal is extremely important from an energy-efficiency standpoint because it would require the carriers regardless of mode to establish interline relations, whenever so ordered. Under those relations, the shipper could choose to route its freight over the least circuitous routes and over the most energy-efficient combination of modes or carriers. In so doing the shipper would enjoy whatever savings would accrue from utilizing the joint-rate rather than a combination of rates and each mode or carrier could be encouraged to foster its own sales effort and growth primarily in those service areas where it has the most energy efficiency.

Although the language in this proposal has been streamlined somewhat, it is substantially similar to the joint rate/through route proposal submitted by the Commission to the 93d Congress. We are resubmitting it at this time because we firmly believe that its passage could produce a more energy-efficient transportation system.

My Mr. NELSON (for himself, Mr. Gary W. Hart, Mr. McIntyre, Mr. Pell, Mr. Sparkman, Mr. Hathaway, and Mr. Humphrey):

S. 2087. A bill to amend the Small Business Act to establish within the Small Business Administration a new direct low-interest loan program to assist homeowners and builders in purchasing and installing solar heating—or combined solar heating and cooling—equipment. Referred to the Committee on Banking, Housing and Urban Affairs..

Mr. NELSON. Mr. President, Senator Gary W. Hart, Senator McIntyre, Senator Sparkman, Senator Hathaway, Senator Humphrey, and Senator Pell are joining me today in introducing a bill designed to provide low-interest loans for homeowners to install qualified solar heating and heating and cooling equipment.

Earlier this year Senator Hart of Colorado and Congressman Gude of Maryland jointly introduced legislation which was similar in purpose.

Since that time, the Senate Select Committee on Small Business has held hearings on the subject of solar energy applications, the small business community's responsibility for the state of the art in this field, and the vital role small businesses have to play in the rapid development of this infant industry.

At those hearings, testimony was received from John Teem, Assistant Administrator for Solar, Geothermal, and Advanced Energy Systems, Energy Research and Development Administration; Donald Craven of the Federal Energy Administration; and Michael Moskow of the Department of Housing and Urban Development. All of these witnesses supported the notion of a greater national commitment to the development of solar home heating technology for residential and commercial uses. In addition, those hearings produced some excellent suggestions for improving the Hart-Gude bill.

This redrafted measure reflects those suggestions intended as a substitute for the earlier bill.

Congressman Gude is introducing this new version in the House today.

In brief, the measure establishes a revolving loan fund in the Small Business Administration, to lend money at low interest—the rate at which the Government borrows it, plus one-half of 1 percent to cover expenses—for the installation of proven solar technologies in residential dwellings. The amount of a loan will exceed 75 percent of the purchase and installation cost of the equipment involved, and has a ceiling of $6,000. Multifamily dwellings are included in the program. Only equipment that is judged by the Administration to be suitable, appropriate and effective in the specific geographic area will be used. The qualified equipment will be from small business manufacturers, unless there is no qualifying small business equipment assembled within 250 miles of the structure to be fitted. The Energy Research and Development Administration will establish a mechanism for the inspection and evaluation of each model of solar equipment and review certifications of approval. This and other information will be provided to the prospective borrowers.

This bill will have a positive impact on industry, consumers, the environment, energy employment, and free enterprise.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2087

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND PURPOSE

Section 1. (a) (1) The Congress finds that the heating and cooling of residential structures accounts for a significant portion of our national energy consumption, and that the expected substantial increases in the cost of oil, gas, and electricity will significantly and adversely affect millions of American homes. The Congress further finds that, with technologies for solar heating having developed to the point of commercial application and improved solar heating units becoming increasingly available, and with technologies for solar cooling expected to reach the point of commercial application within a relatively few years, a program of Federal assistance in purchasing and installing solar heating equipment or combined solar heating and cooling equipment can provide a new opportunity for the efficient heating and cooling of homes despite the energy shortage.

(2) The Congress recognizes that small business concerns have already demonstrated their ability to participate effectively in the assembly and marketing of solar heating equipment and are increasingly engaging in commercial operations in this field, and declares that it would be in the national interest to place special emphasis upon the small business segment of the economy in any program of Federal assistance of the kind described in paragraph (1).

(b) It is the purpose of this Act to provide a source of financial assistance for homeowners and builders so as to enable them to purchase and install solar heating equipment or combined solar heating and cooling equipment, primarily through the small business segment of the economy, in order to substantially reduce energy use.

Sec. 2. Section 7 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(l) (1) In addition to its other functions under this Act, the Administration is authorized to make loans as provided in this subsection to individuals and families owning and occupying one- to four-family residential structures, and to persons engaged in building residential structures of any kind, to assist them in purchasing and installing qualified solar heating or solar heating and cooling equipment (as defined in paragraph (4)) in such structures.

"(2) A loan made under this subsection with respect to any residential structure shall—

"(A) be in such amount, not exceeding 75 per centum of the cost of purchasing and installing the equipment involved, and not exceeding—

"(i) $6,000 in the case of a one- to four-family structure,

"(ii) $5,700 per dwelling unit in the case of a multifamily structure containing five or more but less than twenty-five such units,

"(iii) $5,400 per dwelling unit in the case of a multifamily structure containing twenty-five or more but less than one hundred such units,

"(iv) $4,800 per dwelling unit in the case of a multifamily structure containing one hundred or more but less than two hundred such units, or

"(v) $4,500 per dwelling unit in the case of a multifamily structure containing two hundred or more such units,

as may be necessary to enable the owner or builder of such structure to purchase and install qualified solar heating or solar heating and cooling equipment which is suitable and appropriate for such structure, including the cost of any necessary modifications in the structure itself, taking into account the climatic, meteorological, and related conditions prevailing in the region where the structure is located, as established by the Administration in regulations prescribed by it and in effect at the time of the loan;

"(B) bear interest at a rate equal to the average market yield (computed as of the end of the calendar month preceding the month in which the loan is made) on all marketable interest-bearing obligations of the United States then forming a part of the public debt (with such average yield, if not a multiple of one-eighth of 1 per centum, being adjusted to the nearest such multiple), plus one-half of 1 per centum for administrative costs;

"(C) have a maturity not exceeding—

"(i) eight years in the case of a one- to four-family structure, or

"(ii) fifteen years in the case of a multifamily structure,

except that if the loan is made to the builder of a structure which is sold to another person for occupancy, rental, resale, or any other purpose, the maturity of the loan shall not extend beyond the date of the sale to such other person; and

"(D) be subject to such additional terms, conditions, and provisions as the Administration may impose in order to assure that the purpose of this subsection is effectively carried out.

"(3) (A) Each application for a loan under this subsection shall be accompanied by detailed plans for the purchase and installation of the proposed equipment and an estimate of the costs involved.

"(B) No such application shall be approved unless—

"(i) the Administration finds that the proposed equipment is suitable and appropriate and will be effective, that the costs will not be excessive, and that the purchase and installation of the equipment will not involve elaborate or extravagant design or materials; and

"(ii) the proposed equipment is being purchased from a small business concern (as defined by the Administration under section 3) and, unless installed by the applicant, will be installed by a small business concern (as so defined); except that the requirement of this clause may be waived by the Administration in any case upon a specific finding that there is no small business concern within 300 miles of the structure involved which is engaged in marketing or installing solar heating or solar heating and cooling equipment that would meet (with respect to such structure) the requirements of clause (i).

"(C) In making loans under this subsection, the Administration shall impose such standards and take such actions as may be necessary or appropriate to assure that both one- to four-family structures and multifamily structures share equitably in the funds provided for such loans.

"(4) For purposes of this subsection—

"(A) the term 'qualified solar heating equipment' means equipment which utilizes solar energy to provide heating for a residential structure (including all necessary fittings and related installations) and which is certified by the Administration—

"(i) as being designed to meet more than 40 per centum of the total heating needs (including domestic hot water) of the type of structure for which it is intended, or substantially all of the needs of such a structure for domestic hot water (where its remaining heating needs are met by other methods), and

"(ii) as meeting minimum standards (as developed under the Solar Heating and Cooling Demonstration Act of 1974 (Public Law 93–409) and modified by the Administration to the extent appropriate for application under this subsection) with respect to durability of parts, efficiency, ease of repair, availability of spare parts, acceptability of cost, technical feasibility of design or proven workability, and such other matters as the Administration may consider relevant or appropriate; and

"(B) the term 'qualified solar heating and cooling equipment' means equipment which utilizes solar energy to provide both heating and cooling for a residential structure (including all necessary fittings and related installations) and which is certified by the Administration—

"(i) as being designed to meet both the heating needs of the type of structure for which it is intended, to the extent required by subparagraph (A)(i) of this paragraph, and substantially all of the cooling needs of such a structure, and

"(ii) as meeting minimum standards (as developed under the Solar Heating and Cooling Demonstration Act of 1974 (Public Law 93–409) and modified by the Administration to the extent appropriate for application under this subsection) with respect to the matters specified in or under subparagraph (A)(ii) of this paragraph.

"(5) In carrying out its functions under the Solar Heating and Cooling Demonstration Act of 1974 and in support of the objectives of this subsection, the Energy Research and Development Administration shall—

"(A) establish a mechanism or procedure (or both) for the inspection and evaluation of each type or model of solar heating and solar heating and cooling equipment, making provision for dealing with applications received from manufacturers and for the consideration of comments received from homeowners already using such equipment,

"(B) review each new solar heating or solar heating and cooling unit, system, or component entering the market,

"(C) periodically (no less often than once every three years) review all outstanding certifications granted with respect to solar heating or solar heating and cooling equipment, and recommend the prospective rescission of such certifications (or appropriate modifications in the equipment involved) whenever it finds that such equipment no longer meets applicable standards or criteria,

"(D) periodically transmit its findings and recommendations under this paragraph to the Administration for use in the performance of its functions under paragraph (4), and

"(E) take such other actions, and impose such other conditions and requirements, as will promote the objectives of this subsection.

"(6) The Administration shall provide to any person upon request (without regard to whether or not such person is making or proposes to make application for a loan under this subsection) full, complete, and current information concerning recommended standards and types of qualified solar heating or solar heating and cooling equipment, available from small business concerns, which is appropriate for use in residential structures of varying sizes and types and in various regions of the country."

SEC. 3. (a) Section 4(c)(1) of the Small Business Act is amended by striking out "and" immediately before "(B)", and by inserting before the period at the end thereof the following: "; and (C) a solar heating and cooling loan fund which shall be available for financing functions performed under section 7(l) of this Act, including administrative expenses in connection with such functions".

(b) Section 4(c)(2) of such Act is amended by striking out "and" immediately before "(B)", and by inserting before the period at the end thereof the following: "; and (C) pursuant to section 7(l) of this Act, shall be paid into the solar heating and cooling loan fund".

(c) Section 4(c)(4) of such Act is amended by striking out "and" immediately before "(D)", and by inserting before the period at the end thereof the following: "; and (E) under section 7(l) of this Act, shall not exceed $600,000,000".

SEC. 4. (a) The authority of the Small Business Administration to make loans under section 7(l) of the Small Business Act (as added by section 2 of this Act) shall become effective six months after the date of the enactment of this Act, and shall expire ten years after such date.

(b) Prior to the date on which its authority to make loans under section 7(l) of the Small Business Act becomes effective under subsection (a) of this section, the Small Business Administration shall promulgate and publish the regulations necessary to carry out its functions under such section 7(l).

By Mr. MATHIAS (for himself and Mr. BEALL):

S. 2088. A bill to prohibit the use of dogs by the Department of Defense in connection with the research, testing, development, or evaluation of radioactive, chemical, or biological warfare agents, and to require the Department of Defense to develop and use, where feasible, alternative, nonanimal methods of experimentation. Referred to the Committee on Armed Services.

CURBING UNNECESSARY ANIMAL EXPERIMENTATION

Mr. MATHIAS. Mr. President, last year when the Senate debated the Department of Defense Appropriation Authorization Act for fiscal year 1975, Senator HUMPHREY added an amendment to that bill which banned the use of military funds for conducting experiments on dogs for the purpose of developing biological or chemical weapons. That amendment was highly applauded, not only by animal welfare groups, but by a vast majority of the voting public who were seriously distressed over the military's use of beagle puppies for testing toxic chemicals and poisonous gases in their research of chemical and biological warfare agents.

When the President signed the Military Appropriation Authorization Act into public law on August 5, 1974, there was reason to hope that the military's highly objectionable experiments on beagle puppies were effectively blocked—at least for the duration of the 1975 fiscal year, which ended on June 30, 1975. However, at the beginning of June the U.S. Army again announced plans to purchase 350 beagle puppies for use in experiments at Edgewood Arsenal, Md., to test toxic levels of chemical compounds. I have heard from many thoughtful and concerned individuals on this subject and I share their dismay. I wrote to the Department of Defense to express my concern over these plans, but I believe further action is necessary. In support of this belief, I am today introducing legislation to place a permanent ban on military experiments using toxic chemicals and poisonous gases on dogs for the purpose of testing, researching, or developing biological or chemical warfare agents. My bill will also prohibit the use of military funds to procure dogs for use in experiments to research, test, or evaluate any toxic chemical substance whatsoever if other alternative and effective nonanimal methods of experimentation are available. It will also require the Department of Defense to develop new research methods, where feasible, to complement or eliminate current methods involving the direct or indirect use of animals.

It is well-known within the scientific community that there already exist many alternative methods of research and testing which do not require the use of live animals, and which may be more accurate and possibly less expensive. Computers, tissue culture, radionuclide techniques, chromatography, spectrometry, nonanimal models, lower organisms, and dummies are just a few techniques currently being successfully substituted for live animal experimentation. Since nonanimal testing methods do exist, I must object to the animal experiments now being conducted at Edgewood Arsenal, Md.

When the Department of the Army responded to my letter of complaint against plans to purchase the beagle puppies, the Army assured me that none of the projects being conducted at Edgewood involved the use of dogs to "develop offensive chemical or biological weapons." Instead the Army claimed that experiments were being conducted to determine the safety of a variety of drugs and chemicals and their effect upon the human body. I certainly have no objection to studies of this nature;

however, what I do question is the necessity for using beagle puppies. Animal experimentation should only be resorted to in the event that conclusive proof can be given by the military that it is absolutely necessary to use dogs in their research, because no other alternative testing method is available.

Several newspaper articles were written on the subject of the proposed beagle puppy testing at Edgewood Arsenal which illustrate the inhumane treatment these dogs are enduring. These articles will make it clear why I find these experiments so objectionable and I would like to share them with my colleagues. Mr. President, I ask unanimous consent that the article of June 18, 1975, which appeared in the News American, the article appearing in the June 20, 1975, edition of the News American, and the article entitled "Humane Officials Hit Army Tests" which appeared in the Evening Capital of June 26, 1975, be printed in the Record, together with the text of my bill.

Mr. President, I hope that when my colleagues review these articles, and the text of my bill, they will realize the necessity for such legislation and give it their support.

There being no objection, the bill and articles were ordered to be printed in the Record, as follows:

S. 2088

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

S53. 1. No funds appropriated to or for the use of the Department of Defense may be used to conduct any research, testing, or evaluation in which dogs are used if such research, testing, or evaluation is conducted for the purpose of developing or improving any radioactive, chemical, or biological warfare agent.

Sec. 2. No funds appropriated to or for the use of the Department of Defense may be used to procure dogs which may be used in conducting experiments to research, test, or evaluate any toxic chemical substance whatsoever if other alternative and effective non-animal methods of experimentation, such as but not limited to, computers, tissue culture, radionuclide techniques, chromatography, spectrometry, non-animal models, lower organisms, or dummies, are available and can be successfully substituted.

(a) If the Secretary shall determine that there does not exist any other alternative method of testing that will satisfy the needs and requirements of the proposed research, the Secretary shall, 30 days before any testing of toxic chemical substances on dogs shall proceed, publish in the Federal Register a notice of the proposed research plans and a full report that supports the decision that the use of dogs is necessary.

Sec. 3. The Department of Defense shall take appropriate steps to develop new research methods for its research projects, where feasible, to complement or eliminate current methods involving the direct or indirect use of animals.

Sec. 4. The provisions of this Act shall become effective immediately upon the date of enactment of this Act.

[From the News American, June 18, 1975]

MATHIAS RAPS DOG TESTS

(By Edward Colimore)

Calling the Army's drug-related experiments with beagle puppies at Aberdeen Proving Grounds "distressing," Sen. Charles Mathias, R.-Md., today said he will introduce a bill to prohibit permanently the use of dogs in the development of chemical or biological warfare agents.

The proposal would supersede an amendment to the Dept. of Defense Appropriation Authorization Act which banned the use of dogs in research, testing or evaluation of poisonous gases and chemicals, radioactive materials or chemical or biological weapons.

That amendment, introduced by Sen. Hubert Humphrey, D.-Minn., and passed in August 1974 will expire June 30, lifting regulations governing drug experimentation with dogs.

In a letter to Pentagon officials, Sen. Mathias requested a "full, detailed report on the exact nature," of the tests in progress at the Edgewood area of Aberdeen Proving Ground.

"I would particularly like to know," he said, "how the beagles are handled and used. I have received letters and phone calls at my office from constituents protesting the experiments.

"I plan to monitor the situation closely."

Sen. J. Glenn Beall Jr., R.-Md., said he is strongly in favor of the Mathias proposal.

"When the bill goes into hearings," he said, "it would be the appropriate time to look into army research on all types of animals to determine if such projects are really beneficial to human beings. This is the next step."

Paul Paolicelli, the senator's press secretary, said the tests at Edgewood "seem to be stretching the spirit of the law currently on the books."

The Army resumed its controversial drug experimentation with beagle puppies at APG about two months ago, but denies the dogs are being used in biological or chemical warfare research.

The beagles will be killed for autopsies following the tests dealing with their ability to tolerate toxic levels of insecticides, detergents, adhesives and areosals.

The puppies are also to be used in a series of experiments on the method of disposing of obsolete chemical warfare agents.

Lt. Col. Hugh Waite, chief of the Army news branch in Washington, said 100 beagles, aged seven months to a year, were procured in April for the tests.

Two weeks ago, the Army announced it would buy another 350 dogs at $104.50 each from Hazelton Research Co. of Vienna, Va. Bids from commercial breeders ranged from Hazelton's low to a high of $127.50.

Several months ago, the arsenal paid $92.50 each for the puppies and last year the price was $80.

Frank Bender, public information officer for the Edgewood area of the APG, said 18 of 100 beagles at the installation are undergoing tests.

"The other dogs are being cared for," he said. "They will be used as we need them. When all the dogs have been utilized, more will be bought from the 350 that have been contracted for."

Brenda Eckstein, an Edgewood spokeswoman, said the beagles will be killed after experiments are performed. "The laboratory studies are related to health, safety, immunology and therapeutic drugs," she said. "Autopsies are made afterwards."

Sen. Humphrey, whose original regulatory amendment was watered down by the House before passage, said Army officials have assured him that the congressional guidelines set down last August will be followed.

"The Army has advised me that they feel they have a moral obligation to adhere to the law after it expires," he said. "Undoubtably, more legislation in this area will be introduced, but until that time, I will watch the situation to insure compliance."

Humphrey said APG is scheduled to receive $9.1 million for animal research buildings under a military construction authorization bill which passed the Senate.

[From the News American, June 20, 1975]

ANIMAL TESTS

Humane organizations are continuing their well-warranted attacks on toxic chemical tests with beagle puppies at Aberdeen Proving Grounds.

The protests came after a decision by Sen. Charles Mathias, R-Md., to introduce legislation to ban the use of dogs in the development of biological and chemical warfare agents. That decision is all right as far as goes, the humane organizations feel, but it does not go far enough.

Not content with merely nay-saying, the humane organizations have come up with alternatives to animal testing.

Alternatives such as these were cited by Miss Eleanor Seiling, president of United Action for Animals Inc. in New York, who says billions of dollars are wasted on immoral animal testing.

The use of lasers and computers to identify pollutants in the atmosphere is one alternative.

The use of artificial lung models to study human response to air pollutants is another.

Chemical analysis of drugs to determine the biological effects on human beings is another. Many drugs have properties in common and can easily be categorized without use on animals.

"I just don't understand how the Army can conduct these experiments when there are other means," says Sylvia Brock, vice president of the Animal Welfare League of Greater Baltimore.

That, of course, is the point. Animal experimentation should be a last resort. At this point the burden of proof is on the Army to show that the tests are indeed necessary.

[From the Evening Capital, June 26, 1975]

BEAGLE TOUR—HUMANE OFFICIALS HIT ARMY TESTS

Edgewood, Md.—To the Humane Society officials, the dogs did not look well.

"It's my opinion that what's going on here is not humane," said Warren Brodrick, president of the Harford County Humane Society, while on a tour of the animal research facility at Edgewood Arsenal.

"The dogs are kept in small areas, with inadequate exercise facilities. Many of the cages have wire grates for floors and open drain pipes which could catch an animal's paw or leg," he said.

Army officials Wednesday conducted a tour of the facility for two humane society representatives and reporters to counter criticism that dogs are being mistreated in research experiments.

The puppies, housed in both indoor and outdoor cages, crouched and trembled underneath wooden shelves as the observers filed past.

Many of the dogs had bald spots shaved on their hindquarters where stitches had been taken or hypodermic needles recently jabbed, according to Army officials.

Several had their vocal cords clipped to keep them from howling and barking in that familiar beagle bay. They whined hoarsely as the humane society officers kneeled by their cages.

Phyllis Wright, head of animal control for the Humane Society of America, Inc., headquartered in Washington, D.C., shook her head disconsolately.

"It's just horrible. Those poor dogs. Particularly the ones with their vocal cords removed. That's only done at the added discomfort of the dog for the convenience of the researchers," she said.

By Mr. HUDDLESTON:

S. 2090. A bill to make the provisions of section 1331(e) of title 38, United States Code, retroactive to November 1,

1953. Referred to the Committee on Armed Services.

Mr. HUDDLESTON. Mr. President, the bill I introduce today has a simple purpose. It is aimed at correcting an injustice that has befallen a very small number of beneficiaries of those deceased Reserve military retirees who had been covered by the Retired Serviceman's Family Protection Plan.

My bill would make eligible for benefits the survivors of those deceased Reserve retirees who had met all the eligibility requirements of the aforementioned plan, save one. When my colleagues hear what this nonfulfilled requirement is, I am sure you will agree we must move immediately to allow the surviving beneficiaries to begin receiving the benefits due them.

The absurdity of the present situation can best be illustrated by describing the case which brought this matter to my attention.

Mr. Albert D. Bailey, after a distinguished 40-year career in the Kentucky National Guard, retired from the Guard upon reaching age 60 on August 10, 1965.

Unfortunately, Mr. Bailey died on August 28, 1965. Though seemingly entitled to the retirement benefits under 10 U.S.C. 1331 her husband worked so long and hard to attain, Mrs. Bailey has yet to receive those benefits.

She has been denied these benefits because the right to retired pay under the provisions of 10 U.S.C. 1331 was, up until the enactment of Public Law 90–485 on August 13, 1968, subject to the provisions of Uniform Retirement Date Act of 1930, 5 U.S.C. 8301. One of these provisions stated that a person did not become entitled to retired pay until the first day of the month following their 60th birthday.

As stated above, in 1968 the Congress saw fit to disentangle the retired Reserve military benefit structure from the Uniform Retirement Act of 1930. Regrettably, in so doing, the Congress failed to take into account those instances such as I have described which occurred prior to 1968. My bill would speak to these situations and provide that upon date of enactment those deserving of benefits would begin receiving them.

The Department of Defense has informed me that it is reasonable to assume that the numbers of people we would be assisting would not exceed 50. The average annual benefit payment to survivors under the Retired Serviceman's Family Protection Plan in 1968 was approximately $1,300. Assuming 50 beneficiaries and individual annual payments of $1,300, we can see that for the Congress to begin correcting the injustice which has been done, the intial annual cost would not exceed $65,000. And as the Department of Defense points out, this cost would gradually decrease as the beneficiaries died or became ineligible.

I urge the Committee on Armed Services to move expeditiously in their consideration of the measure in the hope the beneficiaries may begin receiving the benefits due them at the earliest possible date.

By Mr. HARTKE (for himself and Mr. Hansen):

S. 2091. A bill to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status. Referred to the Committee on Government Operations.

Mr. HARTKE. Mr. President, today I introduce, for myself and for the distinguished ranking minority member of the committee, Mr. Hansen, a bill to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status outside the continental United States.

It has come to my attention that an inequity exists in the amount of per diem authorized to be paid to the members of the Battle Monuments Commission when traveling outside the continental United States. The bill I introduce today would allow variable per diem rates identical to those available to members of the uniformed services in special status.

Members serve on the American Battle Monuments Commission without pay or other remuneration for their services. They are leaders in the community and in some cases former retired military members who have faithfully served their country. The present distinguished chairman of the Commission is Gen. Mark Clark.

The Commission was established to prepare plans and estimates for the erection of suitable memorials to commemorate the services of the American Armed Forces. They also erect and maintain memorials in the United States and at other places outside the United States where the American Armed Forces have served since 1917. The Commission erects and maintains works of architecture and art in American cemeteries located outside the United States which are permanent in nature.

The inequity in the per diem rate available to members of the Commission and members of the uniformed services occurs because of the fixed rate payable to members of the Commission, currently $40. Members of the uniformed services on special status, on the other hand, receive a variable rate depending upon the country and location they may be visiting.

Appendix "F" of the Joint Travel Regulations issued pursuant to section 405 of title 37, United States Code, contains these variable rates which reflect the current economic conditions of the particular area. The rates are payable to members of the uniformed services who travel abroad on official business accompanying secretaries or other Government representatives representing the United States.

Between 1923 and 1956, members of the Commission were accorded the opportunity to receive a fixed per diem rate of $9 or itemize their expenses. However, in 1956, the Congress amended this provision, to establish a fixed per diem of $20 reflecting the changing economic conditions, and removed the provision providing for the members of the Commission to file itemized expenses. This was increased to the current $40 rate in 1970.

The variable rates reflected in appendix F range from a low of $18 in parts of Vietnam and $22 in Yemen and parts of Colombia to a maximum of $99 in Barbados.

Members of the Commission generally travel abroad to inspect battle monuments twice a year, once to the Pacific area and once to the European area. These inspections are usually limited to one or two members of the Commission.

The cost to the taxpayer of this bill would be minimal. It is estimated that the cost occasioned by enactment of this bill during any one year will not exceed $2,000.

Mr. President, I ask unanimous consent to have the bill printed in the Record.

There being no objection, the bill was ordered printed in the Record, as follows:

S. 2091

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second paragraph of the first section of the Act entitled "An Act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (42. Stat. 1509; 36 U.S.C. 121), is amended to read as follows:

"The members of the Commission shall serve as such without compensation, except that (1) their actual expenses in connection with the work of the Commission, (2) when in a travel status outside the continental United States, a per diem at the same rate prescribed for members of the uniformed services under section 405 of title 37, United States Code, in lieu of subsistence, and (3) when in a travel status within the continental United States, a per diem at the same rate authorized to be paid under section 5703(c)(1) of title 5, United States Code, in lieu of subsistence, may be paid to such members from any funds appropriated for the purposes of this Act, or acquired by other means hereinafter authorized."

By Mr. GARY W. HART (for himself, Mr. Nelson, Mr. Randolph, Mr. Humphrey, Mr. Javits, Mr. McIntyre, Mr. Sparkman, Mr. Pell, Mr. Hathaway, and Mr. Philip A. Hart)

S. 2095. A bill to require that buildings financed with Federal funds utilize the best practicable measures for the conservation of energy and the use of solar energy systems. Referred to the Committee on Public Works.

CONSERVATION AND SOLAR ENERGY-FEDERAL BUILDINGS ACT OF 1975

Mr. GARY W. HART. Mr. President, today I am introducing legislation—and a companion measure is being introduced in the House by my distinguished colleague, Mr. Ottinger—which I believe will bring the use of solar energy systems and energy conservation technology for buildings out of its infancy and into our economy as a competitive alternative to our dependency on conventional fuel supplies.

This country has achieved some of the most impressive architectural and structural engineering feats ever witnessed in the technology of construction. We have only to look at our impressive urban centers to recognize this. Most of these structures were built when our natural resources were plentiful and inexpensive. At that time we could afford to build massive structures which were beautiful to look at but which constantly battled the elements in order to maintain the comfortable interior climate to which Americans have been accustomed. Architectural design was primarily a matter of esthetics embodying the physical requirements of a particular building, but little attention was paid to energy waste. However, now that our energy resources have become both scarce and expensive, it is imperative that we redirect our methods of construction to energy-saving architectural design and utilization of alternative energy systems within our buildings.

The legislation I am introducing today insures that Federal building policy corrects the excesses of the past by demanding the more efficient use of energy in those buildings owned and operated by the Government. This objective will be met by the mandate of this legislation which requires the Administrator of the General Services Administration and the Secretary of Defense to submit as part of normal procurement procedures an analysis of projected energy demands based on the total life cycle energy costs of Federal buildings. This analysis would include an evaluation of the economic and technical feasibility of incorporating solar energy equipment and energy conservation design into the construction of all Federal facilities. Where competitive, the best practicable measures for energy conservation and the installation of solar energy systems will be incorporated into the basic design.

The Federal Government currently owns and operates over 400,000 buildings which total 2.5 billion square feet of space to be heated, cooled and lighted. The impact of energy savings through more efficient energy use in Federal buildings is immediately apparent by the enormity of this operation and is clearly shown in the results of a study on Federal Energy Management by FEA. In a conservation paper released for the first quarter of fiscal year 1975, FEA claims energy savings from buildings and facilities in 26 Federal departments and agencies of 15.4 percent average from the first quarter of fiscal year 1973. As a result, millions of barrels of oil and millions of taxpayers' dollars were saved in non-realized energy costs. If such energy savings can be achieved through conventional means of energy conservation, it is obvious that a much greater level of savings could arise from the measures incorporated in this legislation.

Apart from the direct benefits of encouraging expanded solar energy commercialization, demonstrable Government utilization of solar energy systems and energy-saving architectural design would provide a constant testimony to people throughout the country of the alternatives to polluting nonrenewable and costly conventional fuels. Take for instance the opportunity offered by buildings operated by the U.S. Postal Service which are included in this legislation. The 36,000 buildings owned and operated by the Postal Service throughout our country offer a particularly wide exposure for solar heating and cooling equipment and energy conservation design to not only the public but to contracted engineers and architects who could familiarize themselves with conservation and solar technology techniques. The encouragement of the use of solar equipment on these facilities would thereby substantially stimulate public awareness of this alternative energy source. I am particularly proud to say that a typical post officer building located in Boulder, Colo., is planning for solar equipment retrofit this year with the possible duplication by the Postal Service on an additional 750 buildings.

However, Government commitment on the scale provided by this legislation is the least that is necessary to insure the successful development of alternative energy sources as part of the solution to our energy problems. In sum, this legislation requires the Government to put its money where its rhetoric is.

The entire infrastructure of the solar energy industry will be affected by such a project. All segments of this industry from the developer to the consumer will benefit from this type of commitment on the part of the Federal Government. Installation procedures, maintenance techniques, architectural design, and construction methods will ultimately be enhanced by the large-scale procurement of the building project. Not only will citizens familiarize themselves with solar heating and cooling equipment but the operation and installation of this equipment will help educate those technical services involved at this level throughout the country.

Already, the Government's major energy agencies have given support to the concept of incorporating conservation measures and in particular, solar energy in the basic design of government buildings. The interim report of the National Plan for Solar Heating and Cooling compiled by the Energy Research and Development Administration summarizes a government buildings program as a necessary incentive for a dispersed market in solar energy systems. The report states that:

> One of the more direct and immediate forms of assistance that all levels of government could provide to the solar energy industry would be for government itself to be a guaranteed market for the product. Solar-equipped buildings could be built under government contract. This possibility could cover military buildings, post offices, office buildings, schools, hospitals, colleges, correctional institutions, public housing and many others.

In fact the results of use of conservation and solar energy systems in government buildings as envisioned in this legislation could contribute significantly beyond the conservative savings objectives projected in the interim report.

The interim report concludes that energy savings from solar heating and cooling could amount to 10,000 barrels per day equivalency by 1980 and 100,000 barrels per day by 1985. These objectives are one-tenth the amount proposed in FEA objectives as stated in the Project Independence Blueprint, Solar Energy Task Force Report of accelerated use projections recently endorsed by Administrator Frank Zarb. The task force report estimates potential savings of 1 million barrels per day equivalency by 1983.

Interestingly enough, conservation assessments and solar energy feasibility evaluations are now being made selectively in some agencies. The U.S. Postal Service requires this routinely as standard procedure and states in a recently published report that the application of solar heating to buildings is a practical alternative to reduce total energy requirements on the order of 40 percent. Already there are solar heated and cooled buildings operating at 90-percent energy efficiency over traditional construction and design methods which utilize conventional energy systems. This means that for a building of comparative size and function only 10-percent normal energy requirements are needed for heating, ventilation, and air-conditioning. The General Services Administration in limited cases makes an assessment of the economic and technical feasibility of using conservation and solar technology and as a result are constructing two buildings using solar energy: the Saginaw and Manchester Buildings.

Further support for the concepts embodied in this legislation was expressed by the Administrator of the Federal Energy Administration, Frank Zarb. Mr. Zarb testified before the Subcommittee on Energy Research, Development and Demonstration of the Committee on Science and Technology in the House of Representatives on May 14, 1975, where he detailed the President's goals for the role of solar heating and cooling in the administration's energy program. The Administrator stated:

> We should begin now a government building project that requires all designs of Federal buildings to include an assessment of the feasibility of using solar heating and cooling. The assessment should be made on a life-cycle cost basis where appropriate substantial numbers of solar heating and cooling systems should be purchased and installed on new and existing government buildings.

It is important to stress the adjustments to the total costs when evaluated in light of the life-cycle cost basis, for herein lies the key to promoting the competitive benefits of solar equipment and energy conservation design. Life-cycle costs are assessed to incorporate the total costs and benefits of the use of solar energy systems and conservation measures versus the use of conventional heating and cooling systems in a building over its entire economic life. This assessment necessitates the inclusion of such variables as rising energy costs; comparative energy systems; equipment replacement costs; the integration of energy-related factors into the structural design; and future inflation rates and maintenance costs. Obviously initial capital costs will be at a higher level but the adjustment affected by the life-cycle assessment will spread these costs competitively over a longer period.

Above and beyond the direct economic trade-offs evaluated in the energy use and life-cycle costs analysis are values which are difficult to quantify, but which are of vital importance to our Nation. These total costs and benefits accrued to the Nation from the use of conservation and solar technology include considerations such as the preservation of material resources; the reduction in pollutants; export market potential and the reduction of imports of oil which takes into account both economic and national security values. The assessment of these values, although not easily quantifiable, is nonetheless often more important than the direct economic trade-offs which we have traditionally used as the basis of cost assessments.

The projections of the Project Independence Blueprint in their Solar Energy Task Force Report noted that accelerated use of solar energy would allow substantial savings in the Nation's demands for fossil fuel by 1985. In its "accelerated case" scenario the impact of up to 1.8 million barrels of oil savings per day equivalency by 1985 could be achieved primarily through the use of solar heating and cooling, wind energy conversion and bioconversion. The task force report goes further to state that solar heating and cooling alone could provide the potential for savings of up to 1 million barrels per day by that time. However, these goals can only be achieved by the kind of aggressive Federal commitment as provided in the change in government buildings policy that I am proposing.

Congress, in the last session, provided impetus to the research, development and demonstration of solar heating and cooling projects. The National Plan for Solar Heating and Cooling, authorized under Public Law 93–409, has reached the final planning stage of its demonstration phase. Solar heated homes have been and are being built throughout the nation and I note with pride the substantial enthusiasm for solar energy in my own State. Solar water heaters have been in use for many years in countries like Japan, Israel, and Australia. Thus, there is no apparent reason why a legislative program such as this will fail to have a significant impact on the commercialization of this much-needed energy alternative. Indeed there are many indications which suggest the positive impact to be gained from a Federal policy which will successfully promote the accelerated utilization of these technologies.

The Federal Energy Administration's plans as outlined in Mr. Zarb's testimony of May 14th direct themselves toward the same objective of accelerated utilization of these technologies.

The Federal Energy Administration's plans as outlined in Mr. Zarb's testimony of May 14th direct themselves toward the same objective of accelerated utilization of solar heating and cooling; an objective which can ultimately result in energy savings equivalency of over a million barrels of oil per day. Mr. Zarb expresses a strong sentiment of support in his testimony for a government buildings project by stating that an energy use analysis, as incorporated in this legislation, would cost less than 0.1 percent of the total cost of construction. Such a small figure, compared to the large energy waste that occurs in buildings now, is a worthwhile cost for the significant benefits to be derived from energy conservation and solar energy use.

An FEA working paper on the subject of the use of solar energy systems in government buildings states that energy savings from Federal buildings alone would be upward to 20,000 barrels a day by 1980. However, as Frank Zarb states in his testimony, the real significance of a Federal buildings project would be the "stimulative effect the program will have on the solar manufacturing industry." The working-paper succinctly indicates the significant contribution that Federal buildings can offer in terms of establishing a strong early market for solar heating and cooling systems: "First, the market can be controlled to limit exposure to untried systems which might otherwise 'turn off' the public sector market. Second, the 'cost of money' for a Federal building (an extremely important factor in life-cycle costing) is probably the lowest of any market. Third, the market is large enough to stimulate the interest of the appropriate industries. Fourth, an informed maintenance capability is available. Fifth, there is better opportunity for performing an operations analysis." These benefits can be realized through implementation of the program developed in this legislation.

Without detracting from the strength of the objectives embodied in this bill, I must state that it is unfortunate that the preview of this program is limited only to those buildings under the control of the Federal Government. However, hopefully, the example set and the advantages realized through this project will spur the private sector to follow the Government's lead. It is my general concern that we, as a nation, redirect our conventional modes of perceiving energy use, as exemplified by the gluttonous energy demands of our buildings, by taking into account the resource limitations we now face thereby curtailing the unnecessary waste in the way of life to which we have grown accustomed. Ultimately, a fundamental conservation ethic must emerge from every sector of our society—not just those areas easily accessible to the mandate of congressional legislation. Thank you.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Conservation and Solar Energy—Federal Buildings Act of 1975".

FINDINGS AND POLICY

SEC. 2. (a) The Congress hereby finds—

(1) that federally owned and federally assisted facilities have a significant impact on the Nation's consumption of energy;

(2) that energy conservation practices adopted for the design, construction, and utilization of these facilities will have a beneficial effect on the Nation's overall supply of energy, and the procurement of solar heating and cooling units for use in Federal buildings in connection with demonstrations of solar energy applications on such buildings under this Act should help to create a market for such units generally;

(3) that the cost of energy consumed by these facilities over the life of the facilities must be considered in any analysis of their energy use, in addition to the initial cost of constructing the facilities;

(4) that the cost of energy is significant and facility designs must be based on total life cycle cost, including (A) the initial construction cost, and (B) the cost, over the economic life of the facility, of the energy consumed and of the operation and maintenance of the facility as it affects energy consumption; and

(5) that the total costs and benefits accruing to the nation from the use of solar energy systems and conservation technology can be assessed in terms of a total national value beyond the direct economic trade-offs of the life cycle cost analysis, with the determination of this value including (but not being limited to) such considerations as the energy-related values of competing energy sources, the preservation of material resources, the reduction of pollutants, the export market potential, and the reduction of imports of oil (taking into account both economic and national security values).

(b) The Congress declares that it is the policy of the United States to insure that energy conservation and solar energy technology utilization be employed in the design and construction of every facility to which sections 4 and 5 are specifically applicable and, to the maximum extent feasible, in the design and construction of all other Federal and federally-assisted facilities.

DEFINITIONS

SEC. 3. (a) For the purposes of this Act—

(1) the term "solar energy" means direct and indirect solar radiance and intermediate solar energy forms, as further defined in Public Law 93–409 and Public Law 93–473;

(2) the term "Federal agency" means an executive agency (as defined in section 105 of title 5, United States Code), and also includes a military department (as defined in section 202 of such title) and the United States Postal Service;

(3) the term "new building" means any building (other than a privately-owned residential structure)—

(A) which (i) is constructed or acquired by or on behalf of the United States on or after the date of the enactment of this Act, or (ii) is leased by or on behalf of the United States on or after such date, after construction or alteration in accordance with Federal plans and specifications, under a long-term contract pursuant to the terms of which substantially all of the premises are to be used by or on behalf of the United States,

(B) the development of plans and specifications for which is initiated on or after the date of the enactment of this Act, and

(C) the net cost of which to the United States (for construction or acquisition or for total charges under the lease) exceeds or will exceed $10,000;

(4) the term "existing building" means any building (other than a privately-owned residential structure)—

(A) which (i) is owned by the United States on the date of the enactment of this Act or is leased by or on behalf of the United

States on such date under a long-term contract pursuant to the terms of which substantially all of the premises are used by or on behalf of the United States, or (ii) is constructed or acquired by the United States, or so leased by or on behalf of the United States, after such date but pursuant to plans and specifications the development of which was initiated before such date, and

(B) the fair market value of which on the date of the enactment of this Act (or, in the case of a building described in subparagraph (A)(ii), the net cost of which to the United States determined as of the date on which ownership or possession by the United States begins) exceeds $10,000;

(5) the term "energy use analysis" with respect to any building means the evaluation of the building's heating, ventilating and air conditioning systems, lighting system, and all other major energy consuming systems and components, by demand and type of energy, including the internal energy load imposed on the building by its occupants, equipment, and components and the external energy load imposed on the building by climatic conditions. Such analysis shall include (but not be limited to)—

(A) a detailed analysis of the life cycle energy costs of the building;

(B) a separate analysis of the total energy requirements of the building taking into consideration—

(i) the interior and exterior design of the building, including the insulation, fenestration, site orientation, and shape, that will make the most efficient use of sunlight and other natural phenomena,

(ii) the heating, cooling, ventilating, plumbing, electrical, and lighting systems of the building,

(iii) the construction materials used with respect to the building, including the extent to which such materials reduce the energy requirements of the building and the amount of energy required to produce and transport such materials,

(iv) the site of the building and the accessibility of the building (particularly by public transportation) to persons using its facilities,

(v) a comparison of two or more energy system alternatives,

(vi) new techniques for energy supply, generation, and transmission, including onsite total energy systems,

(vii) the projection of the operating costs of each system over the entire range of operation of the building,

(viii) the evaluation of the energy consumption of component equipment in each system considering the operation of such components at other than full or rated outputs, and

(ix) any other relevant information with respect to the design and site of the building;

(C) an identification and quantification of sources of heat loss or heat gain with respect to the building;

(D) in the case of a proposed acquisition of a building, recommendations for the improvement of its thermal efficiency; and

(E) in the case of a proposed alteration of a building, an estimate of the impact of such alteration on its energy requirements; and

(6) the term "life cycle energy costs" with respect to any building means the energy-related costs of such building, including the items referred to in paragraph (5)(B) and including (i) the initial energy-related cost of the building and (ii) the cost, over the economic life of the building, of the energy consumed and of the operation and maintenance of the building as it affects energy consumption.

(b) The life cycle energy cost analysis included in the energy use analysis with respect to any building under subsection (a)(5) shall provide but not be limited to the following information:

(1) the initial cost of each energy consuming system being compared and evaluated;

(2) the annual and projected cost of all energy utilities and how this would affect the long-term comparative costs of the systems being evaluated;

(3) the annual and projected cost of maintaining each energy consuming system;

(4) the average replacement cost for each system expressed in annual terms for the economic life of the building;

(5) an estimate of future inflation rates, based on historical economic trends; and

(6) an estimate of the future costs of depletable resources.

(c) If discount rates are employed in calculating the life cycle energy costs with respect to any building, the assumed rate shall take into account both the current Federal prime interest rate as determined by the Federal Reserve Board and the best available estimates of future inflation rates.

ENERGY GUIDELINES FOR FEDERAL BUILDINGS

SEC. 4. (a) The Administrator of the General Services Administration (hereinafter in this Act referred to as the "Administrator") and the Secretary of Defense (hereinafter in this Act referred to as the "Secretary") shall, in consultation with each other, develop, publish, and from time to time update guidelines designed to assure that the most effective and efficient measures for the conservation of energy and the use of solar energy systems are incorporated in—

(1) the design, construction, and renovation of Federal and federally-assisted buildings, and

(2) the procurement of goods and services for such buildings and for other Federal purposes.

The guidelines developed by the Administrator and those developed by the Secretary shall be fully consistent with each other (subject only to the need for specific variations to meet particular conditions and circumstances) and with the purpose and provisions of this Act; and such guidelines shall be developed in accordance with the energy-related studies and findings of the Energy Research and Development Administration and the Federal Energy Administration.

(b) The guidelines developed by the Secretary shall apply with respect to all new and existing buildings, and related procurement, under his jurisdiction and control (or under the jurisdiction and control of the military departments); and the guidelines developed by the Administrator shall apply with respect to all other new and existing buildings as defined in section 3(a)(3) and (4) and with respect to related procurement activities. Each Federal agency shall comply with the requirements of the applicable guidelines in all of its design, construction, operation, and procurement activities to which such guidelines are applicable under the preceding sentence, and shall in addition, to the maximum extent feasible, follow such guidelines in all of its other activities (including activities involving leased property not specifically covered under section 3(a)(3) or (4)) with respect to buildings which are held or used by the United States under laws or programs administered by such agency.

SPECIFIC ENERGY REQUIREMENTS RELATING TO FEDERAL BUILDINGS

SEC. 5. (a) The Administrator and the Secretary shall each—

(1) submit to the Congress, as part of and in accordance with his normal procedures relating to construction and procurement, an energy use analysis with respect to the construction, acquisition, or leasing of any new building to which guidelines developed by him under section 4 are or will be applicable, and incorporate the findings of such analysis (including the optimum system or combination of systems based on its life cycle energy cost analysis) into the plans and specifications for such buildings; and

(2) submit to the Congress within one year after the date of the enactment of this Act an inventory and energy use analysis of all existing buildings under his jurisdiction and control, indicating the improvements which should be made in such buildings to ensure that they utilize the best practicable measures for energy conservation and the use of solar energy systems, and setting forth detailed plans and specifications for incorporating such improvements in those buildings.

(b) The energy use analysis required by this Act with respect to any building under his jurisdiction or control shall be included by the Administrator in any prospectus submitted (with respect to such building) to the Committee on Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives under section 7 of the Public Buildings Act of 1959 (40 U.S.C. 606).

(c)(1) Each Federal agency shall make, and submit to the Administrator or the Secretary (as may be appropriate) for use in carrying out this Act, a detailed life cycle energy cost analysis of any building to be constructed, acquired, or leased by it or for its use.

(2) No major component of a heating, ventilating, air-conditioning, lighting, or other energy-consuming system for any building, and no other item or equipment having as one of its primary purposes the generation, utilization, or conservation of energy in or for any building, shall be purchased from any person by any Federal agency unless such person has submitted, along with or prior to the execution of the purchase contract, a detailed life cycle energy cost analysis with respect to such component, item, or equipment.

INCREASED COST LIMITATIONS TO ACCOMMODATE ENERGY EQUIPMENT IN FEDERAL AND FEDERALLY-ASSISTED BUILDINGS

SEC. 6. (a)(1) In determining the maximum dollar amount of any Federal assistance for the construction or major rehabilitation of a residential, commercial, or other building, or the maximum per unit or other cost or floor area limitation of any federally-owned building, where the applicable Federal law specifies such a maximum dollar amount or limitation and the building involved is or will be furnished with solar energy equipment or other special energy equipment in accordance with regulations prescribed under subsection (c), the maximum amount or limitation so specified which would otherwise be applicable to the building shall be deemed to be increased by the amount by which (as determined in accordance with such regulations) the price, cost, or floor area of the building including such equipment (taking into account design as well as actual construction or rehabilitation, and all related items) exceeds the price, cost, or floor area of the building with such equipment replaced by conventional energy equipment.

(2) In addition, any excess of price or cost permitted under paragraph (1) with respect to a building shall be fully taken into account in determining the value or cost of the building for purposes of applying any statutory provision specifying maximum loan-to-value or -cost ratio, in such manner as will minimize downpayments or other initial costs to the person or agency constructing or rehabilitating the building.

(b) As used in subsection (a)—

(1) the term "Federal assistance" includes any federally-assisted mortgage loan within the meaning of section 13(b) of the Solar Heating and Cooling Demonstration Act of 1974, and any grant, loan, or financial assistance in any other form which is pro-

vided or made available under a Federal law or program; and

(2) the term "federally-owned building" includes a new building as defined in section 3(a)(3) of this Act, federally-constructed housing within the meaning of section 13(c) of the Solar Heating and Cooling Demonstration Act of 1974, and any other building (of any kind) constructed by the United States or a Federal agency or constructed with assistance provided or made available under a Federal law or program.

(c) The Administrator and the Secretary shall jointly prescribe such regulations (including regulations specifying the types of energy equipment which will qualify a building for the benefits of this section and regulations providing for the computation of the extent to which maximum dollar amounts and limitations on maximum per unit, cost, or floor area limitations may be increased on account of such equipment) as may be necessary or appropriate to carry out this section in a manner consistent with the guidelines developed under section 4.

APPROPRIATIONS

SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out this Act, not exceeding in the aggregate $——— for purposes of section 4, $——— for purposes of section 5(a)(1), $——— for purposes of section 5(a)(2), and $——— for the other purposes of this Act.

By Mr. PERCY:

S.J. Res. 104. A joint resolution to designate the week of October 11, 1976, as "National Product Service Week." Referred to the Committee on the Judiciary.

NATIONAL PRODUCT SERVICE WEEK

Mr. PERCY. Mr. President, the National Association of Service Managers has designated the week of October 11, 1976, as "National Product Service Week." NASM is an association of over 600 product service executives representing every manufacturing industry in the country. Its major objectives are to give its members the education and information they need to be more effective managers and to promote recognition of product service management's contribution to our way of life.

During the week of October 11, 1976, the organization will honor product service and the people who work in product service management for their dedication in assuring customer satisfaction. Service executives, service workers, other service-related associations, as well as product service sections of trade associations will be involved in the celebration of "National Product Service Week."

I introduce for appropriate reference, a joint resolution to declare the week of October 11, 1976, "National Product Service Week." I ask unanimous consent that it be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S. J. RES. 104

Whereas the increasingly complex technology of modern products makes customers more dependent on a manufacturer's ability to provide a service organization which can keep the products working; and

Whereas the recent Consumer Warranty Law and laws affecting the commercial/industrial marketplace are regulating more and more of the manufacturer's relationship with customers after the product is sold, making the service manager much more visible and more important both to the customer and the company; and

Whereas consumerism with the resulting changes in public attitudes and the activities of consumer advocate organizations have made the consumer environment much more demanding thereby giving service a greater impact on other management functions, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 11, 1976 be designated as "National Product Service Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 448

At the request of Mr. CRANSTON, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 448, to amend the Immigration and Nationality Act with respect to a waiver by the Attorney General of certain grounds for exclusion and deportation, for an offense in connection with possession only of marihuana.

S. 755

At the request of Mr. BURDICK, the Senator from Minnesota (Mr. MONDALE), and the Senator from Iowa (Mr. CLARK) were added as cosponsors of S. 755, a bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service.

S. 828

At the request of Mr. HATFIELD, the Senator from Washington (Mr. MAGNUSON) and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of the bill (S. 828) to provide for addition to the Fort Clatsop National Memorial of the site of the salt cairn utilized by the Lewis and Clark Expedition.

S. 1197

At the request of Mr. TUNNEY, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 1197, the Plutonium Recovery Control Act of 1975.

S. 1479

At the request of Mr. WILLIAMS, the Senator from Indiana (Mr. BAYH), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 1479, a bill to protect the economic rights of labor in the building and construction industry.

S. 1712

At the request of Mr. HATFIELD, the Senator from North Carolina (Mr. MORGAN), the Senator from New Mexico (Mr. DOMENICI), and the Senator from New Jersey (Mr. CASE) were added as cosponsors of the bill (S. 1712) to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration.

S. 1970

At the request of Mr. STONE, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 1970, a bill to amend title 28, United States Code, to provide that information relating to the administration of the United States courts be made available to the public, and for other purposes.

S. 180

At the request of Mr. ALLEN, the Senator from Florida (Mr. CHILES) and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of the resolution (S. Res. 180) to amend Senate rule XIX.

AMENDMENTS SUBMITTED FOR PRINTING

CONSUMER PRODUCT SAFETY COMMISSION IMPROVEMENTS ACT OF 1975—S. 644

AMENDMENT NO. 679

(Ordered to be printed and to lie on the table.)

Mr. MOSS (for himself and Mr. MCCLURE) submitted an amendment to be proposed by them, jointly, to the bill (S. 644) to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission, to authorize new appropriations, and for other purposes.

INFORMATION MANAGEMENT HEARINGS

Mr. METCALF. Mr. President, the Government Operations Committee Subcommittee on Reports, Accounting, and Management will open hearings on information management by regulatory agencies on Tuesday, July 22 and Thursday, July 24. These hearings were originally scheduled to be held on June 24 and 25. The hearings will begin at 10 a.m., in room 1318 of the Dirksen Senate Office Building on both days. Witnesses scheduled to appear include: June Allen, North Anna Environmental Coalition, Charlottesville, Va., Mark Silbergeld, Consumers Union, Jacob Clayman, Industrial Union Department AFL–CIO, Prof. Ronald E. Muller, American University, Prof. Mark Nadel, Cornell University, Mark Green and Irene Till, Corporate Accountability Research Group.

RURAL DEVELOPMENT HEARINGS SCHEDULED

Mr. CLARK. Mr. President, the Senate Agriculture's Subcommittee on Rural Development will hold a hearing on three bills in room 324 of the Russell Senate Office Building beginning at 10 a.m. on July 21. This hearing originally was scheduled to take place on June 25, but because of the debate on the Wyman-Durkin Senate seat, we were unable to meet on that date.

The subcommittee will consider three bills—S. 1353, S. 1807, and S. 1916—that would amend the Rural Development Act.

S. 1353 would permit the Farmers Home Administration to make community facility loans for community medical facilities in places up to 50,000 population; S. 1807 would establish the concerted services in training and education program formally in the law, and it also would establish an Interagency Task Force to assist in the formulation of national rural development goals; the third bill, S. 1916, gives the Secretary of Agriculture the authority to provide employment in rural communities where unemployment has reached 6 percent or more.

The Assistant Secretary of Agriculture for Rural Development has been asked to testify on all three measures along with appropriate Forest Service, Rural Development Service, Farmers Home Administration, Soil Conservation and Cooperative Extension Service personnel.

The Secretary of Labor has been asked to send a representative to testify on S. 1807. Public witnesses also will be invited.

NOTICE OF CHANGE IN PLACE OF HEARING

Mr. BURDICK. Mr. President, I wish to announce that the hearing of the Subcommittee on Improvements in Judicial Machinery on S. 1630, a bill to increase the number of judgeships for the U.S. District Court of the Southern District of West Virginia, previously noticed for July 15, 1975, will be held in room S-146, U.S. Capitol, at 10 a.m., rather than in room 4200, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

PROGRESS MADE IN EARLY DETECTION OF HEARING LOSS

Mr. PERCY. Mr. President, in view of my continuing concern with the plight of the hearing-handicapped, I was pleased to discover that more progress is being made in the area of early hearing-loss detection.

A recent article in the Chicago Tribune shows how citizens can detect possible hearing impairment by telephone. The caller simply dials a special number and listens. The 2-minute hearing test consists of four musical tones played once for each ear. If any of the tones cannot be heard, the caller is advised to obtain immediate medical attention or to call the Chicago Hearing Society for assistance.

This program, known as Fone-a-Test, was launched in March 1975 by the Chicago Hearing Society. Dr. William Plotkin, the society's executive director, reports that more than 100,000 Chicagoans have already availed themselves of the service to discover whether they might have a hearing loss, and 2,000 more are taking advantage of this valuable public service each day.

This testing concept is not new, however. It was developed over a decade ago by Sertoma International, and was an effective device in some small cities. But now with more sophisticated technology, phone systems in large cities can implement this program within 2–3 decibels accuracy, according to Dr. Plotkin.

The Chicago Hearing Society refers those who fail the test to ear, nose, and throat specialists in the area. Indigents are referred to two area clinics which will administer audiological examinations at no charge.

Although there is no way of determining just how many people did in fact discover a hearing impairment by calling Fone-a-Test, Dr. Plotkin said he has had good feedback from local doctors and clinics. A large number of people have detected and subsequently have been treated for hearing loss after failing the hearing test. The test is valuable if even one person per year, through this program, detects a hearing loss that otherwise would have gone unnoticed and untreated.

With minimal effort, other cities can offer this service. Rockford will be the next city in Illinois to implement this worthwhile community service. It is my sincere hope that more of our Nation's cities will make a concerted effort to establish similar programs. Mr. President, I ask unanimous consent to print in the RECORD the Chicago Tribune article concerning the program.

For those who would like to avail themselves of this creative service, simply dial 312–591–3046.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EIGHTY THOUSAND TEST EARS BY PHONE

More than 80,000 Chicagoans for the price of a phone call have found out whether they might have a hearing loss.

That's how many people have dialed 591–3046 since March to take a two-minute hearing test, according to Dr. William Plotkin, executive director of the Chicago Hearing Society.

The test consists of four musical tones played one for each ear. If any one of the tones cannot be heard, the caller should seek "immediate medical attention," said Dr. Plotkin.

"Sertoma International, a fraternal organization, originated the test about 10 years ago, but in smaller cities. The barrier to installing the system in larger cities was keeping up the quality of the test tones," said Dr. Plotkin.

Dr. Plotkin warned that "Fone-A-Test" should not be taken to be a complete, conclusive hearing test, but rather as a guide to one's ability to hear human voices.

The recorded message urges those who fail the test to see their doctor or to phone the society for further information.

"When people not passing the test come to us, we give them the names of at least five ear, nose, and throat specialists close to them.

If someone is indigent, or close to indigent, we refer them to two area clinics which will treat them at no charge," said Plotkin.

He said the Fantus Clinic at Cook County Hospital and the Ear, Nose, and Throat Department at the Illinois Eye and Ear Infirmary will treat those who cannot afford a full audiological examination.

DELAWAREANS SUPPORT VOTING RIGHTS EXTENSION

Mr. BIDEN. Mr. President, I recently received a resolution enacted by the Delaware State senate urging that Congress extend the Voting Rights Act of 1965 for an additional 10 years. As a cosponsor of legislation pending before the Senate to provide such an extension, I want to commend the Delaware State senate for its action. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

REQUESTING THE DELAWARE CONGRESSIONAL DELEGATION TO SUPPORT HOUSE RESOLUTION NO. 6219 WHICH WOULD EXTEND THE VOTING RIGHTS ACT OF 1965 FOR AN ADDITIONAL 10 YEARS

Whereas, the Federal Voting Rights Act of 1965 was a landmark on the road to equal voting opportunities for all of this nation's people; and

Whereas, despite the enactment of the Federal Voting Rights Act of 1965 there are still an estimated 2.5 million eligible blacks in the South who are not registered to vote; and

Whereas, the Congress of the United States is now considering H.R. No. 6219 which would extend certain provisions of the Federal Voting Rights Act of 1965 for ten years; and

Whereas, it is essential for the United States to make voting available to all of our citizens if we are to go before the world as a government of, by, and for the people; and

Whereas, approval of the proposed H.R. No. 6219 will mean a continuation of the campaign to establish voting for all of our fellow citizens without regard to race, color, creed, or national origin.

Now therefore:

Be it resolved by the Senate of the 128th General Assembly of the State of Delaware that the members of the Delaware Congressional Delegation are requested and urged to support H.R. No. 6219 which would extend the Federal Voting Rights Act of 1965.

Be it further resolved that copies of this resolution suitably prepared be mailed without delay to U.S. Senator William V. Roth, Jr., U.S. Senator Joseph R. Biden, Jr., and U.S. Representative Pete duPont for their interest and guidance in this important matter.

OUTER CONTINENTAL SHELF OIL AND NATURAL GAS EXPLORATION AND DEVELOPMENT

Mr. ROTH. Mr. President, on repeated occasions before the Congress, I have expressed my concern that the administration is moving into lease commitments with the oil industry for Outer Continental Shelf oil and natural gas exploration and development without establishing adequate policies and safeguards. While I realize the potentially critical role that these energy resources may play in gaining future energy independence for our Nation, I believe it is imperative that proper statutory and administrative policies be implemented to assure that these valuable public assets are effectively managed and that the true value of these resources are recovered. Also, it is essential that needed guidelines be developed to protect the rights of those millions of Americans who rely on the ocean coastal regions for their livelihood and recreation, to minimize any damages to coastal zone ecology caused by oil and natural gas recovery operations and to assure adequate monetary amounts to adjacent coastal regions to offset costs they will incur in providing needed public services for those engaged in OCS operations.

In two separate actions earlier in this session, I introduced legislation designed to meet these goals. The key features of these measures are:

S. 1182 (March 20)—this bill would guarantee a 50–50 share of OCS oil and gas royalties to nearby coastal states to cover increased costs, would increase minimum royalties applicable to products recovered offshore and would instill more efficient management policies to assure tracts are leased competitively and operated in a manner most consistent with the public's best interests.

S. 1954 (June 17)—this bill would provide protection and financial remedies to the millions of American citizens who own coastal property or rely on the ocean for their way of life and who suffer damages by reason of oil spills into the oceans from OCS development and recovery operations.

Mr. President, I understand that the Interior and Insular Affairs Committee is now holding its business markup meetings with the plan of reporting a comprehensive OCS energy bill in the next few days. I am confident that the contents of my proposals will receive serious and favorable consideration in developing their recommended proposal for floor action hopefully before the next congressional recess.

In the interim, however, before meaningful OCS legislation is enacted, I think it is essential that the Interior Department be queried as to what steps it has taken to meet commitments it made this spring to improve its administration of public oil and gas OCS leases pending statutory action. In that connection, I have sent the following letter to Secretary Hathaway which I would like included in the Record. I will immediately include the Secretary's response when it is received.

Also, I note that the General Accounting Office has just concluded a major study on Outer Continental Shelf oil and gas development—improvements needed in determining where to lease and at what dollar value. I would commend this report to my colleagues and ask unanimous consent that the digest of the GAO's findings and my letter to Secretary Hathaway be printed in the Record.

There being no objection, the letter and digest were ordered to be printed in the Record, as follows:

Comptroller General's Report to the Congress—Outer Continental Shelf Oil and Gas Development—Improvements Needed in Determining Where To Lease and at What Dollar Value

DIGEST

Development of oil and gas resources on the Outer Continental Shelf is recognized as one way to lessen U.S. dependence on foreign energy supplies. Interior and the Federal Energy Administration indicate that much of the increase in future U.S. domestic oil and gas production will have to come from the Shelf.

GAO recommended that the Secretary of the Interior take steps to improve the Federal Government's programs for deciding where to lease potential offshore oil resources, and at what dollar value.

Recommendations broadly outlined below call for:

Interior to direct an exploration program for a systematic planned appraisal of Outer Continental Shelf oil and gas resources, including selective stratigraphic test drilling in Shelf areas before leasing. (See pp. 15 and 35.)

Industry involvement in resource appraisal through exploration permits and Government-financed exploration to insure implementation of federally planned efforts. (See pp. 15 and 35.)

Federal regulations aimed at providing the Government and the general public with geotechnical information. (See pp. 15 and 35.)

Procedures for periodic assessment of economic factors used in valuing resources and adjusting such factors on the basis of the most current information available. (See p. 36.)

Pacing lease offers at a frequency which will permit Interior to adequately consider geotechnical data in its Shelf valuation programs. (See p. 36.)

Establishing a test program to evaluate, offer, and lease entire geological structures as opposed to the present practice of leasing tracts. Unitization of exploration and development activities would be required for test purposes. (See p. 41.)

This report, second of a series on Federal leasing policies and practices concludes that the Federal Government's Shelf evaluation programs—

Are hindered by inadequate data and analysis;

Do not reasonably insure that a fair market value return is received on lease offers of shelf oil and gas resources; and

Are being jeopardized by an accelerated leasing pace.

Interior said it was studying all the issues presented in the report and while it saw positive features to implementing the recommendations it felt there were many drawbacks to the recommendations.

Interior agreed to withhold lease offers until it could adequately consider geotechnical data, and in April 1975 announced proposed regulations providing for availability of geotechnical data for Government and public use. (See p. 34.)

Interior is generally opposed to federally financed exploration including stratigraphic test drilling but it favors industry financing of such exploration. Also, Interior favors a benefit-cost analysis of structure leasing before proceeding with a test program. (See p. 14.)

GAO believes in a sound balanced approach to the development of the oil and gas resources on the Outer Continental Shelf. The Government's direction and financing are essential to insure that exploratory activities are sufficiently broad to implement a systematic plan for resource appraisal in the public interest. (See p. 13.)

GAO also believes a test program to evaluate, offer, and lease entire geological structures will allow the merits of a structure leasing proposal to be analyzed and evaluated.

July 7, 1975.

Hon. Stanley K. Hathaway,
Department of the Interior,
Washington, D.C.

Dear Mr. Secretary: I am concerned that the Interior Department's plans to explore and develop oil and natural gas on the mid-Atlantic OCS are being carried out without essential statutory and administrative controls and safeguards being in place.

Considering the great potential of these resources in terms of meeting our future energy needs and making us less dependent on foreign oil, and the major impacts OCS development will have on the coastal regions of our nation, I believe it is imperative that sound policies are established to assure sound and effective management of the overall OCS exploration and development effort to protect the physical and financial integrity of adjacent coastal states, and to minimize adverse impacts to the ecology and environment.

In Congressional hearings this spring, Interior officials stated that new legislation along the lines contained in the Energy Resources Expansion Act—S. 1182 which I introduced in March were being accommodated through implementation of new administrative practices. The Congress was given assurance that necessary steps were being taken to establish effective standards in each of these areas before further commitments to OCS development were made. To date, I have not seen evidence that the commitments have been met by Interior, yet you are proceeding at an accelerated schedule to initiate major exploration efforts off the coast of Delaware and neighboring mid-Atlantic states.

Accordingly, I request that you provide me a full and detailed explanation of all policies and procedures Interior has developed to guarantee that all needs of coastal states are satisfied and that needed management disciplines in this program have been instituted. While all matters should be covered in your reply, I would appreciate your particular attention in the following areas:

Policies which assure efficient exploration, operation and administration of oil and gas leases, including provisions which identify and re-open any wells "shut-in" for other than valid reasons and which allow acceleration of production when emergency shortages exist.

Policies which assure a fair and reasonable return to the American people for resources expended and which provide full- and free competition from all segments of the petroleum industry throughout both the exploration and production phases of all leases.

Policies which assure full and open participation and cooperation in all phases of decision making on OCS development for all levels of government and for citizen input.

Policies which assure minimum impacts to the ocean and coastal ecology from OCS development and which assure that oil spills are immediately contained and removed for the protection of coastal and ocean life and shoreline property owners.

Policies which assure that coastal states adjacent to OCS development and production operations receive adequate monetary compensation for all impacts resulting from offshore activities (e.g. additional schools, highways and environmental impacts and oil spills).

Again, I recognize the importance of offshore oil to Project Independence. For that reason, it is of the greatest importance that sound policies in this area be established now. My legislation would enable you to do that.

Sincerely,

William V. Roth, Jr.,
U.S. Senate.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS

Mr. HUMPHREY. Mr. President, I recently had the privilege and honor of addressing the National Federation of Independent Business Convention, held here in Washington, D.C. In my prepared remarks, I outlined the significant role that the independent businessman has played in the development of this country's free enterprise system, and talked about some of the issues faced by our small business community today.

Since my early boyhood days in South Dakota, when I worked in my father's drugstore, I have been aware of the great contribution which independent small businessmen have made to the economic growth of America. I am well aware of the pitfalls which beset those brave and pioneering souls who strike out on their own to meet the challenge of establishing a new business enterprise.

It is significant to note that more than half the jobs in the U.S. private labor force are provided by small business, and small business produces approximately 43 percent of the business product and one-third of the entire gross national product of this country.

I took this occasion to announce the intention of Senator Nelson and myself to hold joint oversight hearings by the Select Committee on Small Business and the Joint Economic Committee. These hearings will focus on the many issues confronting the small businessman as well as examine the Small Business Administration and its programs. Likewise, I announced plans to jointly introduce legislation with Senators Tower, Nelson, and Javits, which would create a National Commission on Small Business in America. This commission will study the serious problems confronting the small business community and come up with practical recommendations which will assure the continued prosperity of his vital sector.

Mr. President, I ask unanimous consent that excerpts from the text of my prepared remarks be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Remarks by Senator Hubert H. Humphrey

I am delighted to be with you this afternoon to participate in the closing session of your three-day conference.

During the coming months you will hear many people extol the virtues associated with our nation's 200th anniversary. This should serve as a time to recognize and pay tribute to the tremendous contribution made by the private entrepreneur to the accomplishments of this great nation.

The shrewd and ambitious pioneering American businessmen who took part in the birth of this nation were able in a remarkably short time to transform its energies and resources into the greatest wonder of the economic world. They had imagination, initiative and the willingness to take great risks in the hope of reaping great rewards.

We can see that same kind of pioneering spirit today when we look at the more than nine and one-half million independent businessmen who make up this country's business community.

The one thing today that is foremost in your minds is the state of the economy. I am concerned and I know you share that concern. It can mean survival or despair to millions of our business enterprises, and it can cost additional millions of jobs.

As chairman of the Joint Economic Committee, I've spent the last six months presiding over hearings which paint a very dismal picture of the American economy. We are suffering a period of economic hardship more serious than anything our nation has been through since the Great Depression. In the first quarter of 1975, the real value of the Gross National Product declined by 10 percent.

During the last 12 months, the number of people "officially" unemployed has nearly doubled so that 8.5 million Americans are out of work today. That is 9.2 percent of our population.

But that's not the worst news. Listen to these "official" unemployment figures:

Unemployment among Black Americans now is 14.7 percent. But the Urban League, counting in "discouraged workers" who have given up looking for employment, puts the black jobless rate at 25.8 percent for the first quarter of this year.

For teenagers, the "official" jobless rate is 21.8 percent, and for Black teenagers it is 39.9 percent.

The President told you yesterday that the recession is over. Unfortunately, in this instance, the economy does not respond to "Presidential Proclamation."

Yes, there are some signs of recovery. But, we are not there yet. Recovery, all the experts agree, is going to be a long, tough road.

The small business community is playing a far more important role in our economy today than many people think.

There has been a tendency to overlook the fact that the "small business" sector provides more than half the jobs in the US private labor force, produces approximately 43 percent of the business product, and one-third of the entire Gross National Product.

As importantly, small and independent businesses consistently account for more than half of the major inventions and innovations that provide the gains in productivity that make an ever higher standard of living for our people a possibility.

And, they provide outlets for energy, talent and a wealth of concerned community leadership in cities and towns across the country.

Today, more than ever before, the small businessmen of this country need help. They face serious problems which must be dealt with on an urgent basis. The effect of this tight money situation will be fewer new business formations, fewer new products, less personal services to consumers, and a reduction in the strength and resilience of the free enterprise system.

The availability of private funds for existing small firms has fallen off. On temporary tax relief, you and I are well aware that the crucial need today is a comprehensive restructuring of tax law as it relates to the small businessman.

Yet another major problem for small firms is the Federal paperwork burden. We are paying out billions of dollars in unnecessary taxes and in higher prices on consumer products because of what I call "Federal Form Pollution." By one estimate, it's costing about $18 billion a year at all levels of government to print, shuffle, and store all of these forms. It also is costing small businessmen about $18 billion to fill out the different forms—internal revenue forms, wage and price forms, social security forms, quarterly this, and monthly that. And these costs must necessarily be passed on to the consumer.

In an attempt to address some of these issues, Senator Gaylord Nelson, Chairman of the Senate Select Committee on Small Business, and I, as Chairman of the Joint Economic Committee, will hold a series of oversight hearings. These hearings will focus on some of those issues I just mentioned, as well as examining the Small Business Administration and its programs.

As these hearings get underway, I would encourage all of you to take an active interest in them. And, of course, you and your representatives are encouraged to take part in these proceedings.

The productivity-sapping effect of excessive government bureaucracy and red tape is abundantly clear to everyone who knows the first thing about American business.

The inflationary impact of, in many cases, foolish and archaic government regulations of business activities is obvious.

I will introduce with Senators Towers, Nelson and Javits, legislation to create a National Commission on Small Business in America. We have been working together closely on this proposal, and all of us believe that it will take the single-minded attention of such a national commission to study seriously the problems confronting the small business community and to come up with the practical recommendations that will assure the continued prosperity of this vital sector to serve generations of Americans to come.

As a small businessman myself, I have a continuing interest in improving the climate in which we exist. I pledge to all of you my help in meeting the many demands placed upon you.

HIRING OF ALIEN ATHLETES AND COACHES

Mr. BUCKLEY. Mr. President, I was shocked early this week to learn that the Department of Labor and the Immigration and Naturalization Service have initiated a crackdown on the hiring of alien athletes and coaches by American sport teams.

It is my understanding that in order to qualify for a visa allowing him to be a member of a U.S.-based professional team, an athlete will have to be able to demonstrate to the relevant Washington-based bureaucrat that he is, in effect, a superstar. Mediocre baseball players, basketball players, and hockey players will be denied entry so as to promote the hiring of American athletes. Their "mediocrity," incidentally, will be judged by GS-12 and GS-13 level bureaucrats in Washington rather than by their coaches or the fans who pay to see them play.

This decision strikes me as absurd and as an insult to America's athletes. Last year we witnessed the spectacle of the Little League denying entrance to foreigners in the Little League World Series simply because they were winning too consistently. Now we have the Federal Government getting into the act at the professional level—telling us that we are going to have to bar entrance to foreign athletes because of what can only be described as a fear that our people will not otherwise be able to compete.

I do not need to spend much time here detailing the contributions foreign-born athletes have made to American sports or to remind anyone here that the image American sports teams have abroad have made us innumerable friends in dozens of countries.

Mr. President, I recently urged increased funding for the Immigration and Naturalization Service so that we might better deal with the problems posed by the presence of several million illegal aliens in this country. In New York alone we have more than one million illegal aliens adding to our welfare load, taking jobs that might otherwise go to New Yorkers and providing an atmosphere conducive to increased crime levels.

I have been told that our Government is incapable of dealing with this problem because we do not have the manpower—because the relevant agencies need more money.

Well, I must say today that this excuse will no longer wash. If the Department of Labor and the Immigration and Naturalization Service have the time and manpower to waste harassing the Yankees, the Mets and the Buffalo Sabres then perhaps they already have too much manpower and too much money.

This is just one more example of a runaway bureaucracy involving itself in matters it ought to leave one while ignoring more serious problems with which it should be concerned.

Mr. President, I ask unanimous consent that there be printed at this point in the Record the text of a story on the problem that appeared in Tuesday's Washington Star.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

UNITED STATES MAY WAGE WAR ON MEDIOCRE FOREIGN PROS

(By Russ White)

(Give me your tired, your poor, your huddled masses, yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless, tempest tossed, to me: I lift my lamp beside the golden door.)

Americans first?

The old isolationist political slogan is about to be dusted off and paraphrased by two federal government agencies which are readying an apparent clampdown on the hiring of alien athletes and coaches by professional sports teams in the United States.

The way it looks now, superstar types such as baseball's Luis Tiant and Cesar Cedeno or hockey's Bobby Orr and Bernie Parent will continue to be treated with a hands-off policy by U.S. officials. This is accomplished by issuing H–1 visas, which are granted to persons "distinguished in their fields."

But the athletic Average Joes—notably Spanish-speaking baseball players, Canadian hockey players and international soccer stars—may find it difficult renewing their H–2 (or usual) visas as the government cracks down on the hiring of aliens for jobs which it wants to see filled by Americans.

The federal agencies belatedly getting into games are the Immigration and Naturalization Service and the Department of Labor. The trend may have been set recently when a Canadian-born baseball umpire who had worked in the Double-A Eastern League was denied an opportunity to move up to the Triple-A International League because he failed to pass Labor Department guidelines.

The lucky athletes who get H–1 visas are freed from Labor Department jurisdiction. However, the H–2s must petition for permission to be employed and can be turned down.

Right now, the government is focusing on the National Hockey League, where more than 90 percent of the players on 18 teams (15 American-based) are Canadian-born.

Following a recent meeting with immigration officials here, NHL representatives are preparing a report justifying the preponderance of Canadians. Their argument, of course, is that sufficient U.S. talent is not yet available.

Obviously, the crackdown by Immigration and Labor will produce howls from teams and possibly fans. The major hassle is going to involve what baseball people refer to as judgment calls.

Is some government official sitting in a Washington office qualified to determine what constitutes superstar (H–1) status? Can he judge wheher a run-of-the-mill alien athlete should or could be replaced by a run-of-the-mill American? And what yardstick does he use?

Currently the Labor Department is trying to get the teams themselves to help with the evaluating process by providing rosters of their aliens, specifying which ones they think deserve H–1 visas and supplying information about salaries. But in the final analysis, the government is going to have to make many difficult decisions itself.

Is a 2.56 earned-run average good enough to make a Cuban pitcher a star? Does a 1.76 goals-against average get a Canadian goalie off the hook?

"How are we supposed to tell if an American could do better?" Ralph Kramer of the Immigration Service asked reasonably, spotlighting the problem he and his associates face.

If the impending crackdown sounds a bit harsh on official Washington's part, it is no more so than similar restrictions imposed by the Canadians in football, where the cleat is on the other foot.

Americans who flunk out in the National or World Football Leagues must pass stringent rules before they are allowed to play in Canada, where immigration officials permit only a small percentage of imports. Did some body say turnabout is fair play?

The U.S. Labor Department is enthusiastic about employment methods used by North American Soccer League teams. Each must carry at least five Americans now, and the number will increase as more U.S. players develop.

The Washington Diplomats have five Americans, including two from Catonsville High School near Baltimore. But after the Diplomats were routed by Pele and the New York Cosmos nine days ago, they immediately went to England for two new recruits.

"Sometimes the American players just aren't enough," said Coach Dennis Viollet. "We needed a goal-tender and a defender, and we had to look elsewhere for them."

Jack Shearin of the Labor Department said bluntly that the days of the "blank check" for alien athletes is gone.

"There is a need to draw a line and now we're beginning to draw one," Shearin said. "Why bring in aliens when there are qualified people here? This land is filled with athletes."

That raises an intriguing question for area hockey fans: Could Americans do any better (or worse) than Canadians did last season for the catastrophic Washington Caps?

In the recent meeting here, NHL President Clarence Campbell told Immigration and Labor representatives that he did see positive signs in American hockey programs, that soon there would be many American-born pros. Right now, for example, the Caps have two—Tommy Williams and Stan Gilbertson, both from Minnesota.

The Labor Department may be tolerant of the Caps, but Shearin says some hockey doings aren't regarded favorably by his office.

"One is the hiring of Canadian coaches to coach American teams in the college ranks," he said. "Many of those positions could go to American coaches."

Shearin also finds fault with NHL teams for hiring alien "support personnel" for their organizations—people such as trainers, assistant coaches, scouts and front-office employes.

The rule, he points out, is that aliens may be admitted for temporary employment only if unemployed U.S. workers are not available.

Baseball has imported Latin-American talent for many decades, finding such stars as the late Roberto Clemente, Juan Marichal, Rod Carew, Mike Cuellar, Tiant, and Cedeno. From now on, if the American government decides to take the hard line, Latin prospects may have to play certain Hall of Famers to get a chance in the U.S.

Kramer of Immigration noted that the average alien athlete now is required to return home when his American team has finished the season.

This wrecks some U.S. summer hockey schools run by Canadians. To stick around, a player must file for another visa as an instructor.

For superstars such as Orr, the second visa might not be as automatic as the first. A man could gain H–1 status as a player without guaranteeing similar rank on the teaching front. Presumably he would have to prove himself equally as competent as American candidates for the job. And just how would he do that?

As an alternate method, Canadian players might request a V–2 visa as a visitor. "Many already do this for their wives," Kramer said, "so they can keep children in their U.S. schools until classes end."

NEW SECRETARY GENERAL ALEJANDRO ORFILA ADDRESSES OAS

Mr. McGEE. Mr. President, on Monday of this week, the distinguished Argentine diplomat, Alejandro Orfila, assumed office as the fifth Secretary General of the Organization of American States.

During ceremonies commemorating this occasion, the new Secretary General delivered what I considered to have been an exceptional and far-sighted address. He made a very poignant observation when he noted:

> During my thirty years of diplomatic experience I have seen the concept of the international organization emerge, take shape, and start to wither. The mandate I receive today will demand all my efforts to try to reverse this trend. I am convinced that this deterioration is the result of a general lack of knowledge on the part of the public about the great contribution which an international organization makes and could make, not only on behalf of their countries, but on behalf of their own security and personal happiness.

A more appropriate appeal could not have been made, as I believe it is incumbent upon us all to join with the new Secretary General in recommitting ourselves to the strengthening of these institutions which are so vital not only to mutual understanding and cooperation among nations, but also vital to the very stability and prosperity of the entire global community. In a world community which has become so interdependent that no nation, least of all the United States, can exist in isolation from other nations, we must look more and more to the international institutions as a means of coming to grips with a wide range of destabilizing problems which threaten us all. It will demand a creative will on our part.

In this context, I particularly applaud the Secretary General's initiative in placing as a high priority the strengthening of the relationship between the OAS and the United Nations, particularly the United Nations program and the specialized agencies of that institution.

In my estimation, this is a particularly important initiative. It is a recognition on the part of the Secretary General that such problems as starvation, illiteracy, disease, pollution of our environment, and inequitable relationships between the industrialized and less developed nations of the world are neither national nor regional in scope. It is a recognition that the resolution of these problems demand a close cooperation and coordination of efforts among all multilateral institutions of the world.

Thus, it was not surprising when Ambassador Orfila mentioned that one of his first tasks would be to meet with U.N. Secretary General Kurt Waldheim and other top leaders of multilateral organizations "in order to find the most effective and practical means for achieving these objectives." This is a most welcome initiative.

In addition, I feel it is particularly important to note Ambassador Orfila's references to the U.N. Charter on Economic Rights and Duties of States, adopted during the sixth special session last year. The seventh special session of the United Nations opens in New York this fall in an effort to begin fashioning workable agreements on priorities listed by the less developed nations of the world in an effort to establish equity within the international system. I am sure Ambassador Orfila welcomes a number of initiatives proposed recently by our Government in a series of speeches delivered by Secretary of State Henry Kissinger. It is also incumbent upon those of us who welcome these initiatives to begin raising the level of awareness not only within the Congress, but with the American public as well, as to the stakes we all have in a successful seventh special session. At issue is stability in the international system, and that stability can only be achieved if all nations achieve political and economic equity within the system. The present international stresses and strains should not be taken lightly. The responsiveness of the United States and other industrialized nations to the issues raised by the less developed nations will have a direct bearing on our own national welfare long into the future.

Secretary General Orfila brings a long list of impressive credentials to his new position. He has had a distinguished career of diplomatic service not only to his native country of Argentina, but to the OAS as well. Born in Mendoza, Argentina, on March 9, 1925, he studied law at the University of Buenos Aires, political science at Stanford University in California, and foreign trade at Tulane University in New Orleans.

He began his diplomatic career at the early age of 21 as Secretary of Embassy, Ministry of Foreign Affairs, Buenos Aires. He later served as Secretary of Embassy in the Argentine Embassy in Moscow, Argentine consul in Warsaw, and consul in San Francisco and New Orleans before becoming Secretary of Embassy in the Argentine Embassy in Washington in 1951.

He resigned in 1952 from the foreign service to become manager of Jose Orfila, Ltd., Mendoza, Argentina. However, his retirement from international activities was a short one. From 1953 to 1958, he was Director of Public Relations of the OAS, where he acted as adviser to several Inter-American conferences. On several occasions, he was OAS delegate to special meetings and conferences held in different parts of the hemisphere.

Before being named Argentine Ambassador to the United States in 1973, he was minister plenipotentiary in the embassy in Washington from 1958 until 1960, Argentine Ambassador to Japan from 1960 until 1962, and private consultant in the field of international financial and economic affairs from 1962 until 1973.

He has been decorated by the Governments of Spain, Belgium, France, Germany, the Netherlands, Italy, the Vatican, Thailand, Japan, and Greece. I believe my colleagues would agree this is quite an impressive record for an individual who is only 50 years of age.

Secretary General Orfila has gotten off to an impressive start with his maiden speech. He brings to his new position creativity, distinguished internatonal servce and impressive intellectual qualities. I want to wish him the best in his new endeavors.

I ask unanimous consent that his speech of Monday, July 7, be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Mr. Chairman of the Permanent Council, Mr. Vice-Chairman, Ambassadors, special envoys, the outgoing Secretary General and Assistant Secretary General, Mr. Assistant Secretary General, Permanent Observers, representatives of the United Nations and other international organizations here present, invited guests, ladies and gentlemen:

Upon being called by the General Assembly last May 17 to appear before it as Secretary General-elect, I stated that I was returning to a house that I believed in. Today this formal ceremony offers me a most significant opportunity to express to the Permanent Council the reasons underlying my belief and stimulating my energies upon assuming the post to which I had the honor to be elected. I accept this honor with the understanding that the governments of the Americas have also wished to recognize, by virtue of my election, the traditional support of my country, the Republic of Argentina, for the cause of the Americas and its permanent interest in the Organization of American States.

The Americas have always been ahead of their time. Our hemisphere pointed the way to the rest of the world when it conceived and codified the principles and standards of international cooperation which are today the cement of the inter-American system.

It was the hemisphere of democracy before any other: the hemisphere of solidarity before any other; and it will be the hemisphere of pluralism before any other. If we wish to continue being the hemisphere of the future, we must prepare ourselves with imagination. Imagination is the only factor limiting our potential. The OAS can and should be the most appropriate instrument for developing the imagination of the Americas.

Occasional differences should be resolved and we should proceed with the construction of the future in accordance with the principles of peace, juridical equality of all states, self-determination, nonintervention and the integral development of our peoples. These principles should be the point of departure toward new fields. The task of our generation is to convert them into action, into instruments for the transformation of the present and into the foundation for the future.

It has been pointed out more than once that the principles upon which the organization is based and which recognize the juridical equality of sovereign states hide the real differences between its members. It should also be added that even though each state has one vote, it is equally true that the existing economic, social or political disparities compromise this concept of equality.

However, I believe that, because each state has one vote, we can contribute to a lessening of the economic, social and technological disequilibrium which exists among the peoples of the Americas.

Equal voice and equal vote are how the awareness that every country has of its sovereignty, its right and its dignity are translated. In this essential equality there are no rich or poor, no weak or powerful, no large or small, no northerners or southerners, no developed or developing. There are only sovereign states, aware of their dignity and protective of their rights.

The OAS, a society of equal states, was founded to serve as the forum of equal states. The General Assembly is the principal forum, the summit in which the inter-American system culminates. This Council is the only permanent forum where the hemisphere can discuss the important issues of our present and our future. I firmly believe, therefore, in the necessity of concentrating the power of decision-making and in making the means of carrying out the decisions more flexible.

The Assembly and this Permanent Council are the natural site for holding the important debate of the Americas about the Americas. It is the place to discuss every topic which requires a political determination by the states, no matter what the field. The specialized Councils, on the other hand, have the very important mission of adopting the technical programs which reflect the general policy agreed upon by the political organs of the Organization. But the Charter does not give these specialized Councils the responsibility for the political conduct of our Organization.

The dialogue of the Americas shall be the tool for mobilizing the future. We must search for a dialogue for action, sparse in speeches and rich in accomplishments.

The agenda of the OAS should be the agenda for the future. We believe in a broad and dynamic agenda, under permanent revision, open to every topic which concerns the dignity and well-being of the peoples of the Americas and reflecting faithfully the present and future needs of a vital hemisphere.

The dialogue should bring together those institutions and activities which have been pioneers in the defense of principles held in common by the countries of the hemisphere. The states of the hemisphere, in the American Declaration on the Essential Rights and Obligations of Man, have been the first to recognize and defend those rights and to establish an international commission to verify compliance with them. We must continue to be the hemisphere of human dignity.

We have also been the first hemisphere to develop a system for the peaceful resolution of international conflicts. We should not forget that the Organization, to its merit, was an instrument of peace, having contributed to banishing war from the hemisphere. This would, in itself be reason enough to justify the existence of the OAS. We can be proud that the Americans have traditionally been a hemisphere of peace.

This historical moment has presented us with problems of hemispheric political importance. An adequate solution to them is imperative. Among these looms the question of the Panama Canal and that of the politico-juridical situation deriving from the separation from the Organization of the present Government of Cuba and the sanctions adopted against it.

Dialogue offers us the opportunity to apply our principles to other matters and other fields. There are problems which will not wait. Among them are:

The production of food in a hemisphere which has a high rate of population growth;

The necessity for understanding and coordination among the producers and consumers of basic products;

The situation of the relatively less developed countries and the need for a continued increase in cooperation from the more developed countries;

The conduct of transnational corporations and problems of transfer of technology;

The growth of foreign investment; and

The restructuring of inter-American commerce.

One important factor for the future of America is, without a doubt, the relationship between Latin America and the United States. During this century this relationship has been experiencing several changes of emphasis.

In the beginning we were united by the mutual conviction of principles and forms of internal goverment; the by solidarity against extracontinental aggression; and later by the need for cooperation for common development.

The characteristic feature of our relationship in the past was the absence of conflict, even though there may have been moments of sharp disagreement. Therefore, neither should the future be marked by confrontation.

Latin America and the United States need each other. The United States cannot ignore Latin America nor can Latin America ignore the United States. The extreme positions which proclaim the damage to this relationship go against history.

Latin America and the United States today search through different means, among them the dialogue proposed by Secretary of State Henry Kissinger, for communication and interrelationships of their societies and their economies within the terms of justice, equilibrium and dignity which our countries have begun to define.

This is the process of the future of America in which our Organization will play a role.

The important issues exciting the attention of the world also merit discussion among ourselves. The Charter on the Economic Rights and Obligation of States, proposed at the initiative of the President of Mexico, Luis Echeverria, and adopted by the United Nations, is an example of the contribution which the Americas can give to the development of the principles of justice and solidarity among nations. Will the Americas be capable of making a response, our response, to problems such as those of population, environment, the law of the sea or the international monetary system?

In a forum like the OAS—a forum for dialogue rather than confrontation, where we have always been able to listen to and respect the position of each one of the member states—we cannot possibly expect to reach a solution which exactly satisfies all aspirations on issues of such importance as those I have described. The overriding mission of the OAS is precisely to permit the exchange of ideas, consider the different positions, and, in an atmosphere of hemispheric brotherhood and mutual respect, to arrive at solutions acceptable to all. Consideration would be given to what each country can yield, as well as to what each would essentially like to preserve. The only way to reach hemispheric consensus is by relinquishing the extremes of each position.

I am sure that new states will be welcomed into the Organization in the future and I am convinced that none will desert this forum of the Americas. I also firmly believe that the flexibility of the Charter permits and encourages the existence of subregional plans for given purposes. There must be a place within the OAS for sub-regional groupings, including the association of American countries producing and consuming basic products. These coalitions shall find within this Organization the coordination and support they need for accomplishing their objectives and the unity of the Americans shall, in this way, be strengthened.

The proposal of the Presidents of Venezuela and Mexico, Carlos Andres Perez and Luis Echeverria, that a Latin American Economic System be organized is an important step in the effort to amplify the dialogue which should take place not only within the hemisphere but also with other areas of the Third World, with Europe and with other parts of the globe. The initiative of these illustrious American statesmen, far from being in conflict with the purposes of our Organization should find the OAS to be the most appropriate framework for developing and strengthening this system.

The participation as permanent observers of Belgium, Canada, France, the German Federal Republic, Guyana, Israel, Italy, Japan, the Netherlands, Portugal and Spain shows the interest and attention that nonmember states have in the development of the inter-American system and in the development programs of the Organization, for which, in many cases, they generously provide encouragement and contributions.

We hope that not only will this cooperation continue to increase in the years to come, but also that new states will be added to the already considerable list of permanent observers.

Among the observers I would especially like to single out the presence of Canada, which I trust will some day request, to the applause of the rest of the Americas, that its seat as observer be changed to one as member.

I hope to see the dialogue desired by the hemisphere become a reality. As Secretary General, it is not my function to be the leader of the dialogue, but neither should I be a mere spectator. I conceive of the right of voice in all meetings, granted me by the Charter, to be an obligation—an obligation to offer opinions, to suggest, to cooperate, to inform—which if not performed would constitute neglect of an established function. The obligation of the Secretary General to speak is one form of serving the member countries.

To express ideas, make suggestions and act dynamically carries with it the risk of error. For my part, I would prefer to be criticized for what I say and do rather than for what I don't say and don't do.

Unity of action and thought between this Council and the Secretariat is a fundamental condition for the forward progress of the Organization. Our immediate task is to make our peoples aware of the joint action undertaken by their governments within the OAS; to convey that the OAS is the symbol of the real brotherhood of all Americans, the foundation and support, and the beginning and end of hemispheric unity; and to plan our work so that the men and women of the Americas feel that the Organization which brings their governments together is their own.

During my thirty years of diplomatic experience I have seen the concept of the international organization emerge, take shape, and start to wither. The mandate I receive today will demand all my efforts to try to reverse this trend. I am convinced that this deterioration is the result of a general lack of knowledge on the part of the public about the great contribution which an international organization makes and could make, not only on behalf of their countries, but on behalf of their own security and personal happiness.

I believe that we cannot remain indifferent to the lack of public knowledge about international organizations; it is their responsibility to make their labors known and to publicize their actions in order to obtain the public support their programs need.

I urge the people of the press, radio and television to offer us their support in this task of reciprocal knowledge. In this way they will be the spokesmen for a task of peace and brotherhood and coparticipants in the future of the Americas.

We must promote a change of image for our Organization, but not only a change in the image itself. In order to create a new image of the OAS, we must produce the fundamental reform we all want for our Organization. As in all human activities, we must attempt excellence, improving and updating the structures which presently govern our institution, so that it may better serve the needs of our peoples.

The Organization carries out constructive work in the field of development cooperation and its programs have contributed to the strengthening of national efforts. We must reinforce this action. In line with the recommendations of the General Assembly, these programs must be strictly adjusted to the priorities of the countries, managed efficiently, and without waste of resources or the fragmentation and atomization of actions and efforts. We need a reduced number of broad, interdisciplinary programs which can rely on the support of the public and private sectors, as well as programs which give preferential attention to the relatively less developed countries and to those countries which were the last to achieve independence and to be incorporated into the OAS. These countries should be the first to benefit from the solidarity of the Americas. I do not believe my role as Secretary General should be restricted exclusively to activities carried out at headquarters. I feel that it is my obligation to extend the presence of the Secretary General to each and every one of the member states, in order to be able to discern to what degree Secretariat services can contribute toward solving the priority development problems of each state.

In the new philosophy visualized for the General Secretariat, the most important intellectual, cultural and artistic tendencies of the world will find a point of contact in our Organization. We must not continuously turn our backs on the musicians, painters, men of letters and intellectuals who form the vanguard of thought and spirit in the modern world. A means must be found to provide favorable reception and appropriate publicity for that immense, rich caravan. At the same time, proud of our own cultural heritage, which has gleaned the best from the Indian, African, Iberian and Anglo-Saxon civilizations, it is our responsibility to publicize the formula of the Americas with vigor and force, not only within the Americas, but also outside the boundaries of our hemisphere.

The OAS should be the great catalyst for the utilization and knowledge of the human values of the Americas.

Given their importance in the national life of each of our countries, the special problems relating to the rural and urban worker, women and youth cannot be treated lightly by an Organization of our vitality. A special concern of mine will be to give special relevance to these problems in the cooperation activities of the General Secretariat.

It is essential to put an end to the lack of coordination among international organizations. The competition and duplication of activities among them means a poor use of the resources which the governments provide them with at such effort. It is time to put into effect the provisions of our Charter which designate the OAS as a regional agency of the United Nations.

I shall not rest until I have succeeded in formulating and putting into practice a real and complementary division of activities. This is the indispensable foundation upon which rest the relations of the OAS and the other organizations with which we share the task of assisting in the development of the countries of the Americas.

The OAS, as the organization at the summit of the inter-American system, must tighten the ties which unite it with the Specialized

Organizations and to the Inter-American Development Bank. Also of high priority is the strengthening the relationship of our Organization with the United Nations Development Program and with the Specialized Organization of the United Nations, particularly the FAO, UNESCO and ILO, so that their programs in our hemisphere may be adequately coordinated with and related to ours.

It is my intention to meet as soon as possible with Secretary General Kurt Waldheim, and with the top leaders of the other institutions mentioned, in order to find the most effective and practical means for achieving these objectives.

The structure for carrying out cooperation programs must be efficient. We shall oversee an improved utilization of our resources and put an end to unnecessary bureaucratic expansion. We will modernize administrative methods and will carry out in and from the countries a growing number of services, complying faithfully with the recommendations of the Assembly with regard to decentralization of activities. We cannot have a General Secretariat which is excessively concentrated at headquarters without adequate presence in the member states. Such an important task should not be strictly formalistic or improvised, however, It must result from a careful analysis of how better and more efficient services may be rendered to the countries.

Upon assuming this high office, I cannot fail to make mention of the illustrious Americans who have preceded me in it. In differing circumstances and with different styles, Secretaries Alberto Lleras Camargo, Carlos Davila, Jose Antonio Mora and Galo Plaza all served the Americas with distinction and efficiency in the post which becomes mine today. All merit the recognition of the governments for the vigilance with which they served this institution. For me it is a matter of pride and an incentive to personal excellence to hold the position to which they have given such prestige.

I would also like to call attention to the Assistant Secretary General, Dr. Jorge Luis Zelaya Coronado, who not only in the official capacity as advisory officer, as provided by the Charter, but also principally as a colleague and a friend, has been acting as the head of my team of closest advisors.

In addition I would like to mention the staff of the General Secretariat. As the result of circumstances beyond the intentions of its authorities and of the organs which regulate its functioning, the Secretariat has been expanding and stratifying in a way which has impaired its best performance. I believe that it contains excellent human resources, which, if adequately utilized, will permit more flexibility in the activities and better use of the resources of the Secretariat.

To be an employee of the General Secretariat implies no special privileges, but it does impose obligations. The mission of working for the Americas must be the best and only motivation of the staff. Recognition by the countries of the work done will be a better recompense and greater guarantee than can justly be granted by the standards of career service.

We must provide our personnel with training for better utilization of their capabilities. We will apply the highest standards of professionalism in their selection and in the evaluation of their performance. The doors of the General Secretariat shall be opened wide to integrity and technical competence. Seeking efficiency, we will expect from each and every one the highest contribution he can make to an efficient, dynamic and creative Secretariat.

We are at the beginning of the final quarter of the twentieth century. It is my wish that this should not imply an ending, but rather the beginning of something better, something which will prepare us for the twenty-first century. I would wish it to be the beginning of an era in which each and every one of the 600 million Americans find his own destiny, and where the United States and a united, non-submissive Latin America, as visualized by Argentine President Juan Domingo Peron, seek solutions and overcome conflicts within the framework of the Organization of American States.

To achieve such laudable objectives is not the responsibility of the OAS, but of the participating governments, of the national leaders and of the men and women of the Americas. It is the responsibility of the OAS, however, to constitute itself as the catalyst, the vehicle for cementing and distributing efforts, facilitating initiatives and finding solutions to national or regional problems as seen from a multinational perspective.

Only in this way can the OAS comply with what is written in the Charter which governs it and carry out the mandate given it by principles unique in the world concert of nations. This is the responsibility of our OAS, of the General Assembly, the Permanent Council, the Technical Councils, the Specialized Organizations and the General Secretariat in my charge.

Whether the Organization of American States can help the Americas find their true destiny depends on us.

Before you, Mr. Ambassadors, I promise to faithfully carry out the mandate given me by the Americas.

SOVIET GRAIN PURCHASES ARE "MORE THAN RUMORS" ACCORDING TO SECRETARY BUTZ

Mr. DOMENICI. Mr. President, in my remarks yesterday, I referred to the 1973 U.S.-U.S.S.R. Agreement for Cooperation in the Field of Agriculture. Let me quote from article II, paragraph one of that agreement which states:

> The Parties will promote the development of mutually beneficial cooperation in the following main areas:
>
> 1. Regular exchange of relevant information, including forward estimates, on production, consumption, demand and trade of major agricultural commodities.

Despite the requests and demands of officials within the Department of Agriculture, the Soviets have not yet demonstrated a willingness to implement the forward estimates provision of the agreement. The United States has not been successful in obtaining any commitment by the U.S.S.R. to regularly provide forward estimates on production, utilization, or foreign trade of grain or other agricultural commodities. To put it plainly, the Soviets are refusing to live up to an agreement which they signed on June 19, 1973.

Again today, there are reports the Soviet Union is chartering vessels to ship grain from North America to the Baltic and Black seas. Indeed, Secretary of Agriculture Earl Butz has been quoted as saying that these prospective purchases of grain by the Soviet Union are more than rumors.

Mr. President, I do not believe this Congress will stand by and let the Soviets play games with our free and open marketing system. The secrecy surrounding these potential purchases are, in the long-term, detrimental to the orderly marketing of agricultural products by our farmers and creates suspicion and animosity among our Nation's consumers.

Mr. President, I ask unanimous consent that several newspaper articles on this subject be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, July 10, 1975]

Butz Believes Soviet Is Seeking Wheat; Sharp Early Gains in Grain Futures Cut

Kansas City, Mo., July 9.—Agriculture Secretary Earl L. Butz said today he believed the Soviet Union was in the market to buy a large amount of wheat but did not know of any specific purchase from American traders.

"I think that the reports the Russians are going to buy wheat are more than rumors," Mr. Butz said about reports that sent grain prices soaring on United States commodity markets this week. "I think the Russians will have to buy some grain from the United States and Canada."

"We do know that Russia has engaged shipping to Great Lakes ports," he added.

But the Agriculture Secretary noted that the law requires exporters to report any sale of more than 100,000 tons within 24 hours. "As of last night no private grain trader had reported any sales of 100,000 tons or more as required by law," Mr. Butz said at a news conference.

Mr. Butz said reports indicated the Soviet wheat crop would be below an early estimate because of poor weather.

He added that any grain deal made with the Soviet Union would not be as large as the 1973 agreement because vast quantities of Government stocks were no longer available.

Mr. Butz predicted that the United States wheat crop this year would exceed 2 billion bushels and about 1.4 billion bushels would be available for export or storage. He said most of the wheat reserve was still in the hands of farmers.

The department said it lowered its estimate of 95 million metric tons of wheat made June 9 to 90 million tons because dry weather had damaged the winter crop.

CUT TO 195 MILLION TONS

A forecast of total Soviet grain production of 200 million tons, made last month, was reduced in the latest estimate to 195 million tons with the cutback in wheat accounting for the drop. The latest estimate included 90 million tons of coarse grains and 15 million tons of miscellaneous grains. The original estimate made early this year put Soviet grain production at 210 million tons.

Reports concerning the possibility of a Soviet purchase of American grains had been circulating for days on the floor of the Chicago Board of Trade, the world's largest commodities futures trading exchange. Future prices in wheat advanced less sharply today than yesterday when they closed at permissible limits of 20 cents a bushel more than the previous day's closes.

In a speech prepared for a food conference after meeting with reporters, Mr. Butz said reports of big crops this year should not lull Americans into forgetting the "frightening challenge" to keep expanding food production in a race with world population. He added that the challenge must be met by increasing research, including projects some may call impractical.

Report To Be Investigated

Washington, July 9 (Reuters)—A Congressional committee plans an investigation into reports that the Soviet Union is planning another grain deal, committee sources said today. The investigation will be conducted by the trade subcommittee of the House Ways and Means Committee, the source added.

Chicago Trading Heavy

(By Elizabeth M. Fowler)

For the grains and soybeans yesterday it was a roller coaster day. Sharp rises early in the session on the Chicago Board of Trade were followed by a large amount of liquidation by professionals.

Closing prices did not match the limit rise of the previous day when the markets felt the impact of reports that the Soviet Union was preparing to make large grain purchases. The activity was heavy.

September wheat closed at $3.38¼, up from $3.28¼ a bushel. For September corn the end of the trading brought a slight loss with a close of $2.65½, off about ¾ of a cent a bushel. August soybeans ended at $5.37 a bushel, up from $5.31¼.

Wheat was the leader still under the influence of expectations of Russian purchasing. However, the professionals had moved out of the market in advance of today's Department of Agriculture production report for wheat, corn and soybeans.

Some traders believe it will show the expected record wheat production and also a record corn crop, along with a bumper soybean crop.

There was a growing belief that wheat purchases from the European Economic Community, along with 2 million tons already believed purchased from Canada, might provide for part of the Soviet needs. If the Russians buy in the American market, or have already bought, as some observers believe, the amount might be about 3 million tons, or somewhat over 100,000,000 bushels. This is not a sizable amount and would be well below the 20 million tons bought here in 1972.

On the Chicago Mercantile Exchange, cattle prices held quite steady closing at 45.85 cents a pound, up from 45.40. Pork bellies, the raw material for bacon, continued to rise, with the key July position closing at 84.20 cents a pound, up from 83.65. During the session it reached 84.30 cents, a new contract high. At consumer levels bacon is selling for more than $2 a pound in some instances.

[From the Wall Street Journal, July 10, 1975]

Russian Grain-Crop Estimates Cut Again, Signaling U.S. Sales

Washington.—The Agriculture Department again reduced its estimate of the Soviet Union's 1975 grain crop, cutting it to 214.5 million tons.

The latest estimate, down 5.5 million tons from June's projection and 16.5 million tons below original estimates, comes amid still-unconfirmed reports that the Russians are buying large amounts of wheat in Canada and the U.S. The reduction from last month's estimate is all in wheat.

"Any reduction in their production could spawn increased imports from the U.S.," said an Agriculture Department economist who just returned from a three-week trip to Russia to assess the crop prospects. "But we don't know with certainty what their stocks are—whether they are building or eating into grain stocks." Bad weather, he said, is largely responsible for the reduction in the department's estimate.

Agriculture Secretary Earl Butz called the reports of possible U.S. grain sales to the Soviet Union "more than a rumor." Mr. Butz, in Kansas City to address a group discussing U.S. and world food needs, said: "I think the Russians will have to buy some grain from the U.S. and Canada because of crop deterioration in the U.S.S.R. I hope it's true because we're going to have the grain to sell."

If there have been any large Russian purchases in the U.S. recently, they should show up in the department's weekly export-sales report, due today. U.S. companies must report to the department any sale of 100,000 tons or more within 24 hours after it's completed. But if the Russians are negotiating for large purchases later, that won't necessarily show.

Agriculture Department sources wouldn't say whether these daily filings include large Russian purchases in recent days. But both Mr. Butz and State Department sources familiar with reports filed through Tuesday, the day after the stories began spreading about large Russian buying, say there haven't been any large purchases reported.

Because of projected shortages in the Russian wheat crop, indications are that the Soviets are trying to buy an additional 10 million tons this year from the U.S. and Canada. Some reports have indicated the Soviets are negotiating to buy as much as 30 million tons of American wheat over the next three years.

Julius Katz, a State Department official coordinating work on U.S. commodities, said he doubts the Russians would be in the market currently for such a large, long-term transaction. But Mr. Katz and other State Department officials predicted the Russians would be buying large quantities of grain, possibly as much as 10 million tons, from all sources—chiefly the U.S. and Canada.

Canadian officials were as tight-lipped as those in the U.S.

The Canadian Wheat Board said it temporarily withdrew offers of export grains late Tuesday but lifted the embargo yesterday morning. The withdrawal, an official said, was "basically to give us time to review our situation with respect to supplies and shipping of grain."

The spokesman said embargoes are placed on export grains occasionally, when "we aren't sure how much more grain we have for sale." He declined to elaborate.

One major grain dealer, however, said such a temporary embargo sometimes goes on when a big export plan is being negotiated to ensure that too much grain isn't sold at too low a price.

The latest Agriculture Department estimates of Russian grain put the wheat crop at 99 million tons, down from 104.5 million tons in the previous forecast.

The department concluded that the Soviet grain crop will about equal the 1974 crop. But bad weather could reduce the projections further, it said.

ANNOUNCEMENTS FROM THE FEDERAL ELECTION COMMISSION

Mr. CANNON. Mr. President, I ask unanimous consent to have certain announcements from the Federal Election Commission printed in the Record.

There being no objection, the announcements were ordered to be printed in the Record, as follows:

Federal Election Commission (Notice 1975-11) Advisory Opinion Requests

In accordance with the procedures set forth in the Commission's Notice 1975-4, published on June 24, 1975 (40 FR 26660), Advisory Opinion Requests 1975-9 through 1975-12 are published today. Each of the Requests consists of inquiries from several sources which have been consolidated since they present similar issues.

Interested persons wishing to comment on the subject matter of any Advisory Opinion Request may submit written views with respect to such requests within 10 calendar days of the date of the publication of the request in the Federal Register. Such submission should be sent to the Federal Election Commission, Office of General Counsel, Advisory Opinion Request Section, 1325 K Street, N.W., Washington, D.C. 20463. Persons requiring additional time in which to respond to any Advisory Opinion Request will normally be granted such time upon written request to the Commission. All timely comments received by the Commission will be considered by the Commission before it issues an advisory opinion. The Commission recommends that comments on pending Advisory Opinion Requests refer to the specific AOR number of the Request commented upon, and that statutory references be to the United States Code citations, rather than to the Public Law Citations.

AOR 1975-9: Application of Contribution and Expenditure Limits to Unopposed Primary Candidates

A. Request of Senator Strom Thurmond (Request edited by the Commission)

"Dear Mr. Curtis:

* * * * *

Is a primary in which there is only one candidate for nomination considered an election, for purposes of the contribution and spending limitations of 18 U.S.C. 608? Is the determination of this question affected if the executive committee of the State party, acting in accordance with State law, declares that sole candidate to be its nominee after the last filing date but before the primary date?

* * * * *

Strom Thurmond
U.S. Senator.

Source.—Senator Strom Thurmond, 4241 Dirksen Senate Office Building, Washington, D.C. 20510, (April 18, 1975).

B. Republican State Central Committee of South Dakota (Request edited by the Commission)

"Dear Mr. Curtis: We are hereby requesting a formal advisory opinion from the Federal Election Commission on the following situation:

"In the situation of a candidate for U.S. Representative in South Dakota who does not have opposition in the primary and whose name therefore does not appear on the primary ballot, is such an individual entitled to expend funds in pursuit of the nomination up to the full $70,000 limitation?"

* * * In South Dakota candidates who are not opposed in a primary election do not actually appear on the ballot and it is possible, therefore, that a candidate in either party might be limited to make only general election expenditures under the limitations of the Federal Election Laws * * *"

John E. Olson,
State Chairman.

Source.—John E. Olson, State Chairman, Republican State Central Committee of South Dakota, Post Office Box 1099, Pierre, S. Dak. 57501, (May 28, 1975).

AOR 1975-10: Internal Transfers of Funds by Candidates or Committees

A. Request of Congressman John J. McFall (Fund Transfers from Campaign Depository) (Request Edited by the Commission)

"Gentlemen:

* * * * *

Is it permissible for a principal campaign committee of a candidate for Federal office to transfer funds from a checking account at a designated campaign depository to a savings account in the same bank and/or to a savings account in another financial institution that is not a designated campaign depository?"

John J. McFall,
Member of Congress.

Source.—Congressman John J. McFall, 2346 Rayburn House Office Building, Washington, D.C. 20515 (May 19, 1975).

B. Request of Thomas Coleman (Fund Transfer From Local to Federal Election) (Request Edited by the Commission)

"As a candidate for Congress * * * I respectfully request an advisory opinion on the following:

"A candidate for Federal office has surplus campaign funds remaining from a local state election. How does he report the transfer of these funds to his Federal campaign committee? Does the candidate or his campaign committee need to disclose the source of the surplus contributions and if so, does one presume the funds came from the last contributions to the campaign (last in-last out)? What if the names of the individual contributors are unknown?"

E. THOMAS COLEMAN.

SOURCE.—E. Thomas Coleman, 2919 N.E. Russell Road, Kansas City, Mo. 64117 (May 20, 1975).

C. Request of The Circle Club (Transfer of Funds by a Political Committee) (Request Edited by the Commission)

"DEAR SIRS:

* * * * *

Can a pre-existing political committee with residual funds obtain the consent of the contributors of said funds to earmark those funds for a specific Federal candidate, and transfer said funds as contributions from said contributors to the principal campaign committee of the candidate that the contributors wish to support (not exceeding $1,000.00) in the nominating process?"

* * * * *

GORDON K. DURNIL,
Treasurer, The Circle Club.

SOURCE.—Gordon K. Durnil, Treasurer, The Circle Club, One Indiana Square, Suite 3300, Indianapolis, Ind. 46204 (June 17, 1975).

D. Request of Senator James Buckley (Allocation of Campaign and Non-campaign Expenditures) (Request Edited by the Commission)

"DEAR MR. CURTIS: Prior to the enactment of the Federal Election Campaign Act Amendments of 1974, I authorized a procedure to be followed by those handling my fund-raising that may or may not have to be altered prior to the time I declare my candidacy for the Senate in 1976.

* * * Senate rules allow an incumbent to raise and spend money for the purpose of augmenting his staff's activities. These monies are technically "non-political" in nature and don't have to be reported publicly.

Until about eighteen months ago, I had a committee operating under these rules, but at that time I decided to abolish it and report all funds received regardless of how they are expended. Therefore, when the Friends of Jim Buckley was formed as an authorized committee, I asked the chairman of that committee, Mr. F. Clifton White, to make clear in our fund-raising appeals that he is raising money for both purely political purposes and to assist me in communicating with the people of New York. He has done this and we have categorized expenditures internally as either 'political' or 'non-political,' of course, this committee's 'political' expenditures will apply to the spending limits imposed on my campaign by the new law. The question is this: will the Federal Election Commission recognize the functional distinction between the two types of expenditures or will I have to establish another committee to handle expenditures which have heretofor been considered 'non-political?'

Moreover, if I establish such a committee, will it be able to receive contributions from the existing committee to be expended in this way?"

* * * * *

JIM BUCKLEY,
U.S. Senator.

Source.—Senator James L. Buckley, 304 Russell Senate Office Building, Washington, D.C. 20510, (June 16, 1975).

AOR 1975–11: Funding Limitations and Separate Committees for Dual Candidates.

A. Request of Senator Bentsen by Counsel (Contribution and Spending Limits Applicable to Candidate for Two Offices) (Request Edited by the Commission)

"DEAR COMMISSIONERS: This is a request for an advisory opinion concerning the application of the contribution and expenditure limits found in 18 U.S.C. 608 in cases where a candidate is seeking nomination for election to the office of President of the United States and to the office of United States Senator at the same time.

As you know, Senator Lloyd Bentsen is a declared candidate for the office of the President of the United States. He has been filing personally as a candidate on the appropriate FECA forms, and he has had a registered political committee working on his behalf for some time. Senator Bentsen also expects to run for reelection to the United States Senate in 1976. It now appears the Senator may well be running for both offices at the same time.

In the event the Senator seeks nomination for election to both offices at the same time, his name will appear twice on ballots presented to the Texas electorate. Texas voters will have an opportunity to judge his qualifications for both offices and cast a vote for or against Senator Bentsen in both elections. Since the Senator will actually be a candidate for both offices, policy considerations and the statutory language itself support the view that the contribution and expenditure limits of § 608 apply separately to each election.

* * * The Senator's specific questions are as follows:

1. Do the personal and immediate family expenditure limits of § 608(a)(1) apply separately to an individual's simultaneous candidacy for nomination for election to the Presidency and for nomination to the office of United States Senator, so that the individual may spend $35,000 with respect to his Senatorial race and another $50,000 with respect to his Presidential race?

2. Do the contribution limits in § 608(b)(1) and (2) apply separately in the case of simultaneous candidacy, so that, for example, an individual may contribute $1,000 to the candidate with respect to his Senate primary election and another $1,000 with respect to his candidacy in the state's Presidential primary?

3. May a candidate seeking nomination for election to the office of President and U.S. Senator at the same time take advantage of two expenditure limits, so that he may spend the amount designated by § 608(c)(1)(C) on behalf of his Senatorial primary campaign and twice that amount with respect to his Presidential primary campaign, pursuant to § 608(c)(1)(A)?"

* * * * *

ROBERT N. THOMSON.

SOURCE.—Robert N. Thompson, Counsel, Bentsen in '76, Preston, Thorgrimson, Ellis, Holman & Fletcher, 1776 F Street, NW., Washington, D.C. 20006, (June 11, 1975).

B. Request of Congressman Alan Steelman (Creation of Separate Campaign Committees for Congressional and Statewide Office) (Request Edited by the Commission)

"DEAR MR. CHAIRMAN:

* * * * *

Can a Member of Congress accumulate and spend campaign funds from more than one campaign committee, assuming that all such committees file timely reports listing all contributions and expenditures?

The reason for this question stems from the possibility of a Congressman's needing to raise political money for a purpose not directly related to his seeking re-election to the House of Representatives. Say, for example, Congressman X is contemplating running for a higher, statewide office. He determines he will need to raise $25,000 to pay for a statewide poll and to travel around the state over a period of six months to sound out party leaders and to 'test the political waters.' Not wanting to spend leftover campaign contributions given solely for his last campaign for the House, Congressman X decides he will need to raise new money for this special purpose, and to make sure the contributors understand for what purpose their money will be spent. The easiest way to accomplish this would be to form a new committee. Is it legal to do this?"

* * * * *

ALAN STEELMAN,
Member of Congress.

SOURCE.—Congressman Alan Steelman, 437 Cannon House Office Building, Washington, D.C. 20515, (June 12, 1975).

AOR 1975–12: Application of Federal Election Campaign Act to Candidates for Delegate to National Nominating Conventions.

A. Michigan Democratic Party (Request Edited by the Commission).

"DEAR SIRS:

* * * * *

Section 431(a)(3)(4) includes within the definition of 'election' certain types of presidential primary elections. Under * * * [Michigan] law, individual persons are elected as precinct delegates in a presidential primary election. These delegates then assemble in local county and district conventions to elect delegates to a state convention who in turn elect delegates to the national convention. My questions are these:

a. Does each one of the candidates for precinct delegate in a presidential primary need to file a report with the Federal Election Commission?

b. Do the local counties and districts need to file a report of expenses associated with their convention of precinct delegates following the primary election?

c. Does the state party need to file a report of its expenses with regard to the state convention at which national convention delegates are selected with the Federal Election Commission?"

* * * * *

MORLEY A. WINOGRAD.

SOURCE.—Morley A. Winograd, Chairperson, The Michigan Democratic Party, John F. Kennedy House, 321 N. Pine, Lansing, Mich. 48933, (May 5, 1975).

B. Republican State Committee of Pennsylvania (Request Edited by the Commission).

"DEAR MR. CURTIS: It appears to us that the new Federal Election law is somewhat unclear as to its application to the selection of delegates to the Republican National Convention.

It would be most helpful * * * if the Commission could clarify the following questions:

1. To what extent, if any, do the current Federal election statutes apply to the election and selection of delegates either by (a) popular election or (b) election by a state committee of a state party?

2. Is there any distinction in the application of these election statutes if a delegate, by state or party rules, runs as officially uncommitted, as opposed to a delegate who is committed to vote as his state votes in a preferential Presidential primary?"

* * * * *

RICHARD C. FRAME.

SOURCE.—Richard C. Frame, Chairman, Republican State Committee of Pennsylvania, P.O.B. 1624, Harrisburg, Pa. 17105, (June 16, 1975).

THOMAS B. CURTIS,
Chairman, for the
Federal Election Commission.

Date: July 3, 1975.

IMPORTANCE OF PROPOSED CAB DEREGULATION EXPERIMENT

Mr. PERCY. Mr. President, we are all acutely aware of the need for Federal regulatory reform, a topic highlighted by President Ford's June 25 congressional meeting on that subject, and by his convening today of the Commissioners of the various regulatory agencies to discuss important procedural and substantive reforms.

I am delighted to bring to the attention of the Senate an initiative by the Civil Aeronautics Board to begin active reconsideration of its own policies. The proposal which the CAB is considering would experimentally deregulate certain representative segments of the domestic commercial air transport system in order to ascertain whether such a policy makes more economic good sense than the stringent regulatory policies of the present. I suspect it will—so long as the routes chosen are, indeed, representative, so long as there is unrestricted entry into the field, and so long as there are no illegal tacit agreements among the existing lines not to compete.

There is a sizable body of opinion, in which I see much merit, that over the past few decades a superfluity of rules and regulations devised by government, for the best of intentions, have hampered rather than furthered the public good. We must constantly review the regulatory system, so important a part of contemporary life, to insure that it encourages efficiency and not waste, and in the process, better goods and services at cheaper prices to the consumer.

In its proposed experiment, the CAB wisely acknowledges its dual responsibility to be active in its search for new policies while making sure that undue harm is not caused by reckless change. The CAB seems to be entering this study with an open-minded desire to determine the merits of the respective arguments put forward by the advocates and opponents of deregulation.

I want to commend Chairman John E. Robson for encouraging this farsighted experiment. During his very brief time with the CAB to date, John Robson has shown a conscientious desire to work toward a solution of the complex problem of whether, and if so, how to deregulate.

As ranking minority member of the Government Operations Committee, I can assure Chairman Robson that the CAB proposal will be scrutinized carefully by the committee in its overall efforts toward achieving meaningful regulatory reform. I am sure that many of my colleagues in the Senate will join me in giving full support to the intrepid and timely CAB initiative.

Mr. President, I ask unanimous consent to have printed in the Record the CAB's announcement of its proposal to evaluate the economic behavior and other consequences of a civil aviation system operating with limited or no regulatory constraints.

There being no objection, the announcement was ordered to be printed in the Record, as follows:

[From the Civil Aeronautics Board]

CAB Suggests Experimental Program To Test Consequences of Deregulation

The Civil Aeronautics Board today announced that it has under consideration and asked for comments upon a program for a series of experiments to assess the operation of the U.S. domestic air transport system under limited or no regulatory constraints. The outline of such an experimental program is discussed in "A Proposed Means of Evaluating the Consequences of Changed Approaches to Economic Regulation of the Domestic Commercial Air Transportation System, Prepared by the Staff of the Civil Aeronautics Board and Harbridge House, Inc., Boston, Massachusetts, July 1975," which will be published in the Federal Register.

The experiments would be designed to test the effects of freer entry and exit into commercial aviation markets and more freedom for carriers to set fares and would be conducted in selected markets or between selected city-pairs.

The program of experimentation which was outlined contemplates the possibility of establishing a "zone of reasonableness" within which carriers would have freedom to raise or lower their fares without Board action. Freedom of entry or exit in the selected experimental markets could permit existing or new carriers to institute or terminate service without Board approval. Time phasing in the relaxation of regulatory constraints for the experiment will also be considered.

Designation of the specific markets or city-pairs for the experiment would await evaluation of comments on the suggested experiments which the Board will receive in a proceeding opened contemporaneously with the Board's announcement. However, the suggested program includes the following criteria:

1. Selection of two or more long-haul markets between major cities (over 750 miles) of high-density, and having characteristics of through or connecting service to nearby points and both business and pleasure traffic.
2. Selection of four or five short-haul city-pairs (under 750 miles) having medium or light density traffic.
3. Possible service to satellite airports at selected high density points.

An additional criterion in the suggested program is that a selected experimental market does not represent an undue portion of any particular carrier's total revenues.

As a first step, the Board invited comments on the proposed program of experimentation from Congress, the aviation industry, other government agencies, communities, consumer groups, labor, and the public. The Board specifically ordered to be incorporated into the record of the proceeding the Report of the independent CAB Special Staff Study on Regulatory Reform, expected to be issued later this month, and a number of recent publications on aviation regulatory policy.

"There rages now a debate over what aviation regulatory policy should be," the Board said. "Are fares too high or loo low? Is there too little competition or too much? What kind of an air transportation system will best serve our national needs and the public interest?

"The debate is marked by strong assertions by both the deregulators and the pro-regulators as to the potential benefits or harm of deregulation. Many of the deregulators would sweep away the bulk of the present regulatory structure. To support their contentions, they point to the experiences and data of the intrastate markets in California and Texas and employ economic models. The pro-regulation camp claims that a substantial loosening of regulatory constraints would lead to destruction of the national air system, the loss of air service for many communities, and, ultimately, higher fares and poorer service. The pro-regulators claim that the California and Texas data support their contentions as to the destructiveness of deregulation—and, in any event, are not valid samples of deregulation applied to the national air system. They challenge the economic model data as erroneous and wholly speculative.

"Which side is right? Does the existing 'evidence' point conclusively to a path of substantial deregulation or to maintaining the status quo? We think the evidence is not sufficiently conclusive.

"In the face of uncertain consequences and possible serious damage to the public, we do not think it responsible to embark abruptly on a sweeping deregulatory course.

"But we cannot simply stand pat. The questions that have been raised as to future of aviation regulatory policy are too important to ignore.

"The debate over regulatory policy is a legitimate one in the tradition of a democratic society. We will not shun it. Moreover, we believe that the Board must not only participate in the dialogue but, as a part of our responsibilities, the Board should help lead the discussion and illumine the issues.

"These have been difficult times for the American economy and for the aviation industry. The economic downturn has depressed air traffic and increases in fuel and other costs have squeezed the carriers' profit margins. Certain carriers face uncertain financial futures.

"Nonetheless, it is particularly in times like these that existing policies and ideas should be re-examined and tested. Indeed, one would think that the aviation industry itself would be anxious to evaluate most carefully and objectively the regulatory course most appropriate to its long range health.

"For these reasons, we are considering undertaking a series of controlled but meaningful experiments designed to ascertain the consequences to the nation of a domestic aviation system which operates in a less regulated environment.

"It would be the purpose of this program of experiments to develop an objective and sound information base on which future regulatory policy may be based.

"To those who may feel that we are temporizing and are only postponing a needed sweeping deregulation, we respond by saying that our national air system is too valuable an asset to risk on a blind roll of the deregulatory dice on the basis of inconclusive evidence. Nor will the undertaking of this effort deter the Board from implementing at any time in matters before us changes in regulatory emphasis which we determine should be made on the basis of what we consider to be adequate grounds.

"To those who may say that even experimentation is too risky, and that we should not tamper with the system even on a controlled basis, we say it is too late to play ostrich to the questions on regulatory policy which have been raised.

"We believe that a course of meaningful experimentation is a responsible path to pursue. If successful, such a course could provide a foundation for regulatory policy decisions for the future of immense benefit to the Board, the Congress, the Executive Branch, the aviation industry, the consumers and the Nation.

"We recognize that the success of such experimentation will depend on the aviation industry's participation. While such experiments must be conducted in the real world, and therefore will not be painless, we intend that their burdens be allocated as equitably as possible and that they be conducted on a basis which will avoid jeopardizing the system. Accordingly, we anticipate that the aviation community will take a positive attitude, particularly since the questions to be aired, are, in the final analysis, ones of critical importance to the industry itself.

"We believe that the great strength of America lies in the ability to examine ourselves and our policies and in the capacity our institutions to respond to different needs where change is indicated.

"The program of experimentation upon which we seek comments is undertaken in that spirit."

THE FEDERAL RESERVE SYSTEM: AN EXPERT EVALUATION OF POLICIES AND PROCEDURES

Mr. HUMPHREY. Mr. President, I had the pleasure, some time ago, of discussing the Nation's serious economic problems with Mr. Robert Jones, a distinguished econometrician, and director of financial forecasting for Chase Econometric Associates, Inc. Subsequent to that conversation, Mr. Jones was thoughtful enough to prepare a paper on the Federal Reserve System for the Joint Economic Committee, of which I am chairman.

Some of Mr. Jones' specific conclusions have important policy implications, and should prove edifying to my colleagues. His paper constitutes a serious effort to explain the sources—and remedies—of today's twin economic maladies: high unemployment and inflation.

Mr. Jones estimates that tight monetary policy by the Fed has decreased borrowing in the capital markets by 50 percent, largely at the expense of local governments. But corporations are also failing to raise over $3 billion every month. Inflation has not been caused by excessive wage demands, but instead "the failure finance productivity growth has created an unacceptable level of cost-push inflation in which the union worker, oddly enough, has suffered."

By example, Mr. Jones notes the inability of energy utilities to finance needed expansion.

Mr. Jones observes:

> Not only do resultant brownouts and blackouts inconvenience consumers, but the energy shortage results in a cutback in production levels which limits both productivity and real output. Under such circumstances the potential real growth of U.S. gross national product is limited to about 1½ percent per year, sharply below the 3½ percent presumed real growth potential.

Perhaps his ultimate, and most important conclusion for immediate policy decisions is that—

> An immediate return to easier credit policies and lower interest rates could accentuate inflationary pressures in the short run. But in the longer run, the attendant financing of technology, productivity, and capital expansion would lower both unemployment and inflation. There is no known reason why such a policy in the longer run could not keep domestic inflation rates at two percent or below.

Mr. Jones explores in detail congressional responsibility to evaluate the Fed's goals. He asserts, that the Fed's expressed and implemented goals are not compatible with the 1946 Employment Act—

> The simple fact of the matter is that the Federal Reserve has pre-emptively established goals that are not consistent with those of Congress, and Congress has both the obligation and authority to investigate this.

Mr. Jones suggests some structural changes which would help insure that policy decisions at the Fed are made only after sufficient study and consideration. These suggestions, unquestionably in the purview of Congress, deserve further study.

Finally, and perhaps most welcome at a time when Congress finds itself under growing attack from the administration, Mr. Jones concludes that—

> Potentially inflationary fiscal deficits this year arise mainly from Treasury revenue shortfalls, caused by a recession which was unduly reinforced by unnecessary policy tightness of the Fed in 1974. The Federal Reserve should take most of the blame for fiscal policy—not Congress.

I wish to thank Mr. Jones for his contribution to the information so vitally important to rational government. Mr. President, I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A POSITION PAPER ON THE FEDERAL RESERVE SYSTEM

(Prepared by Robert A. Jones, Director of Financial Forecasting, Chase Econometric Associates, Inc.)

INTRODUCTION

Since the mid-sixties, the United States economy has been exposed to an unprecedented high level of high interest rates and tight credit conditions. Such restrictiveness in financial conditions was a direct result of tight monetary policies pursued by the Federal Reserve System. The stated goal of tight policies was one of combating domestic inflationary pressures. Statistical evidence, however, makes it abundantly clear that tight credit policies have been the principal cause of U.S. inflation.

Tight credit policies of the Federal Reserve have disrupted credit flows into manufacturing sectors, thus prohibiting business investments in new technology, as well as in more efficient plant and equipment. The predictable result has been one of lower productivity growth for the U.S. economy. Whereas U.S. productivity grew at an average annual rate of 3½% from 1900 to 1965, it has since that time grown slightly more than one half of one percent*. Since 1965, the real weekly take-home pay of production workers has declined from $93 to $88. Inasmuch as labor wages have failed to keep abreast of inflation since 1965, one can hardly blame organized labor for recent and intense cost-push inflationary pressures. Just to catch up to recent inflation, wage demands (and settlements) this year are likely to average near 10%. Under such circumstances, unit labor cost would increase by 10% if productivity failed to grow; would increase by 15% if productivity dropped by 5% (as it did recently); or would increase by only 5% if productivity increased by 5%. Clearly, the failure to finance productivity growth has created an unacceptable level of cost-push inflation in which the union workers, oddly enough, has suffered.

The failure of being able to finance productivity growth in the U.S. is directly attributable to tight monetary policies of the Federal Reserve. With the spectacular rise in interest rates since the mid-sixties, higher returns on fixed income investments has siphoned funds away from the equity market. High bond yields, moreover, dictated a substantial increase in dividend yields that forced price/earnings ratios to record-low levels. And, without substantially lower interest rates, P/E ratios will continue at low levels that makes it prohibitive (from a cost standpoint) for corporations to raise needed capital in the equity market. Many failed to realize that the funeral for the stock market was already held and the equity market is now dead. Tight monetary policies, in other words, closed down a substantial sector of the U.S. capital market.

Such policies have also dislocated funds from other capital markets. Rising interest rates closed down the mortgage market, and have caused massive cutbacks in financing plans for the corporate and municipal bond markets. Rising rates in the municipal market now prohibit the majority of cities and special districts in the U.S. from General Obligation funds in the market at an interest cost not exceeding the normal 7% rate limitation. In the corporate bond market, rising yields (interest costs) have forced cancellations of financing plans that amount to over $3 billion each month. High interest rates have thus reduced the potential size of U.S. capital markets by nearly 50%!

Many analysts have asserted that financing of U.S. industry and housing will simply have to pick up in order to meet product demands that are of absolute necessity. Such assertion, however, represents a prayer rather than a forecast. In housing, for example, the demographic data show enlarged housing needs. But, these can be met by utilizing sub-standard housing rather than maintaining a high rate of demolition of existing housing stock in favor of more housing starts of better quality. Families can "double up" of which there is an alarming rate of increase in such practice. The point is that there is nothing absolutely compelling about more housing starts and a viable mortgage market. We can survive with a lower standard of living even though that is not a policy objective.

Similarly, the financing needs of utilities and other energy-related companies is simply mind-boggling. Instead of asserting that such needs will be met in one way or another (as most forecasters assume), one should be realistic enough to foresee that under current credit policies such financing needs will go unmet.

The inability to finance energy needs will continue to result in brownouts and blackouts, which many consumers have learned to tolerate. One tends to ignore, however that accompanying the power shortages are prolonged periods of electricity cutoffs to many manufacturers under an interruptable electricity service contract. The energy shortage results in a cutback in production levels which limits both productivity and real output. Under such circumstances, the potential real growth of U.S. gross national product is limited to about 1½% per year, sharply below the 3½% presumed real growth potential. Accordingly, as the economy exhibits higher spending levels from recent recession-lows, it will not take long in the cyclical upturn before aggregate product demands broach supply capabilities of the U.S. economy, and result in demand-pull inflation well before any significant reduction in unemployment can occur. Limited productivity growth, moreover, will accelerate unit labor costs relatively early in the economic upturn so that by the end of 1976 cost-push inflationary pressures compound inflationary tendencies already stemming from a demand-pull inflationary influence. All of this inflationary problem is bound to occur without a full economic recovery—a phenomenon known as stagflation (the principal feature of the British economy which stems from the same set of causes.)

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*CEAI estimates based on revised Department of Commerce data.

Clearly an immediate return to easier credit policies and lower interest rates could accentuate inflationary pressures in the short run. But in the longer run, the attendant financing of technology, productivity, and capital expansion would lower both unemployment and inflation. There is no known reason why such a policy in the longer run could not keep domestic inflation rates at 2% or below.

The Congressional quest for sane monetary policies often surfaces the political critic wanting to maintain the Federal Reserve's independent authority. And at such times, the real issues involving national policies become most as the inquets is constantly sidetracked. To explore the inappropriateness of monetary policies without political interference, it is suggested that Congress first investigate the goals (not monetary policies) of the Federal Reserve System. Such recommendation is based on the assertion that self-imposed goals at the Fed give to policies that are destabilizing for the economy.

JUSTIFICATION FOR CONGRESSIONAL INQUIRY AND GENERAL BACKGROUND

The United States Congress in 1913 established the Federal Reserve System as an independent authority that was to be neither owned and operated privately nor fully owned and controlled by the Federal government. The Congress at that time was rather explicit in stating the goals of the new Federal Reserve System, which became the reasons and purposes for creating the Federal Reserve System. These goals included the establishment of a central reserve depository so as to preclude continuation of the practice of pyramiding reserves, a practice which had led to the 1907 financial crash. It was also the intent of Congress to establish a monetary system which would have some built-in reserve and credit elasticity during times of financial stress and demonstrated need for such credit. The ability of the financial system to expand reserve and monetary credit was to be based singularly on the legislated permission of member banks of the Federal Reserve System to borrow reserve credit from the Federal Reserve District banks. The credit extension mechanism involved a simple credit to the borrowing member bank's reserve account held at the district Federal Reserve bank. In other words, new reserve credit could be manufactured at the stroke of the accountant's pen.

Under our fractional reserve system, an increase in reserve credit would accommodate an expansion of bank loans or investments, would directly result in an increase in demand deposits (monetary credit) that served as a medium of exchange. At that time, as now, a borrower of funds from a commercial bank did not receive new cash for his loan, but instead received a new credit to his demand deposit, a credit that never existed before, and which was created by a mere accounting entry to the borrower's account. Even though the borrower would write checks against his new demand deposit, the deposit would remain in existence as the check would invariably be deposited to a demand deposit account in another bank, or perhaps the same bank on which the check was drawn. In either case, required reserve levels of the banking system would have increased (due to the increased level of demand deposits), but sufficient reserve credit to support that increase would already have been provided for in the form of the member bank reserve borrowings. Were the bank to use its reserve borrowings not to issue a loan but to purchase debt securities from the non-bank sector, the bank's payment for the securities would result in a credit to the demand deposit of the seller and a debit to the reserve account of the bank. In other words an increase in bank investments purchased from non-bank sources resulted in new demand deposit credit and also resulted in higher levels of required reserves against which new reserve credit was already available in the form of increased reserve borrowings. Inasmuch as required reserves were stipulated as a fraction (roughly 15 to 20%) of total demand deposits, the increase in demand deposit credit potentially available would be a multiple of approximately five times the amount of new reserve credit established by reserve borrowings. In effect, then, in the Federal Reserve Act the Congress legislated a financial mechanism which could fully accomplish the explicit goal of providing the economy with an elastic supply of reserve and monetary credit.

Congress in 1913 appreciated the powerful influence that its newly created Federal Reserve System could have. It therefore, attempted to insulate the new System from direct political influence. Realizing that the quest for incumbency by elected officials could result in a potentially inflationary expansion of reserve and monetary credit, the Congress stipulated that positions on the Federal Reserve Board of Governors be filled through Executive branch appointment (subject to Congressional approval), and provided the appointed governors with 14-year terms, significantly longer than those of Congressmen, Senators, and the President. Clearly, it was the intent of Congress not to become involved with the day-to-day or even month-to-month operation of the Federal Reserve System, but it was equally clear that the Congress intended to establish goals for the System and presumably to maintain legislative authority for revising these goals or establishing new ones.

Unfortunately, the right of member banks to borrow reserve credit from Federal Reserve District Banks led to an abuse of the borrowing mechanism, which resulted in an inflationary growth of both reserve and monetary credit. By 1921, therefore, the Federal Reserve Board found it necessary to amend its Regulation A governing reserve borrowings by stating that such borrowings were a privilege, and not a right, of member banks. Henceforth, it was declared that member bank reserve borrowings would be limited to approximately one week—two at the most. The Board further stated that the borrowing privilege was never intended to function as a permanent source of capital for member banks, and that while temporary liquidity strains in the banking system could be financed by reserve borrowings it was expected that bankers would quickly adjust lending policies in order to restore internal liquidity without permanent reliance on borrowed reserve credit. Abuse of the borrowing privilege (generally defined as borrowing from the Fed for two consecutive weeks) would result in a loan portfolio review by Discount officers from Federal Reserve district banks, who could make binding recommendations with regard to the extension of bank loans. Such potential discipline could prove to be quite harsh were a bank to be arbitrarily prevented from rolling over a loan of a large and long sought after customer. Threat of discipline, therefore, was enough to keep most member banks away from the Discount window at all possible cost, and ever since that time most bankers abhor the thought of borrowing reserve credit and of exposing themselves to potential disciplinary action.

In 1921, as a result of bank reluctance to borrow reserve borrowing income to the Federal Reserve district banks dropped precipitously, at a time when the cost of providing free check clearing services on an inter-district basis were rising. (These clearing-house services, incidentally, constituted the main lure for commercial banks to become members of the Federal Reserve System, as Congress had decreed Fed membership to be voluntary.) If it were to maintain its independent status the Fed could not turn to Congress for funding, and it was therefore forced to buy Government securities in the open market in order to earn interest to meet its obligations. The purchase of a Government bill or bond by the Fed resulted in its issuing a draft against itself for payment of the securities purchased. The seller of securities to the Fed would take this draft and deposit it in his bank, resulting in a credit to a demand deposit of that bank. The bank would then present the draft to the Federal Reserve for credit to its reserve account. The Fed did not give cash to the member bank involved, but it did credit the bank's reserve account. Thus, with the stroke of the accountant's pen, the Federal Reserve established reserve credit that had never existed before. The Fed's balance sheet would therefore, reflect an increase in member bank reserves held (a liability account) and an increase in security holdings (an asset account.) It did not take long for Federal Reserve officials to realize that they had accidentally stumbled on a tool of monetary control which the Congress had never intended them to have, for by purchasing or selling securities in the open market the Fed could raise or lower bank reserve levels, and thus affect bank credit. (Government securities were used because of their riskless nature—as opposed to municipal securities or corporate debt securities.)

If monetary policy officials at the Fed believed that the expansion of bank credit (total loans and investments which create bank deposits), money supply (demand deposits plus circulating currency) or total reserves was too high and potentially inflationary, nonborrowed reserve credit made available through open market operations would be contracted. Given a certain level of required reserves, the contraction of nonborrowed reserve credit would force more and more banks to borrow reserves from the Federal Reserve, as their required reserve levels would, by law, have to be met. The meeting of these reserve requirements could only take place if the Fed supplied nonborrowed reserves through open market operations, or if banks borrowed from the Fed. By contracting nonborrowed reserves, the Fed would know precisely how much borrowing would have to take place, for the banking system to meet required reserve levels, although they would not know what banks would be forced to expose themselves to the potential discipline of the Discount window.

The term "discounting" relates back to the initial practice of rediscounting commercial paper that banks held in their investment portfolios. Congress felt that reserve borrowings from the Federal Reserve should be collateralized by securities of high quality held by banks. But during World War I and with the attendant financing requirements of the Treasury, regulations were changed enabling banks to collateralize the newly introduced Treasury bill. Instead of rediscounting commercial paper, under the new procedure a reserve borrowing represented nothing more than a reserve advance against which an ordinary interest rate was applied, with Treasury bills being submitted as collateral. There has been no appreciable volume of rediscounting at the Fed Discount window since 1919, although reserve borrowing is still referred to as "discounting" and the borrowing mechanism is still referred to as the Discount window, (there is no window; member banks conduct reserve borrowings by telephone and wire transmissions.)

During periods of restrictive monetary policy, open market strategy calls for the sale of securities and the contraction of bank reserve credit in order to force more and more banks to the potential discipline of the Discount window. This in theory forces bankers to moderate their lending policies, and that results in a slower growth of bank credit, money supply, and ultimately slower growth in required reserve levels and attendant total reserves. Without proper Congressional authority, and certainly against Congress' wishes and without their true knowledge, the Federal Reserve began to aggressively use open market operations as a tool of control to implement specific monetary policies. The Fed found it was able to expand or contract reserves, bank credit, and money supply, and also to control the level of short-term interest rates and to greatly influence the levels of long-term yields. And with the increasing volatility in the general availability of reserve credit—a result of the open market operations—commercial banks found it advantageous to lend each other reserve credit on an overnight basis. Such loans of reserve credit were freely cleared by the Federal Reserve.

For example, when one commercial bank agreed to lend another bank some of its reserve credit on deposit at the Fed, it would simply instruct the Fed to credit the reserve account of the borrowing commercial bank and to debit its own account, and to reverse the entry the following day. Bankers called such transactions the "buying & selling" of Fed funds but in fact, they were nothing more than temporary borrowings, of an overnight nature, of Federal Reserve credit from one bank to another. This Fed funds "market" could be used by banks to temporarily adjust to shifts in reserve availability, but increasing Federal funds traders at commercial found potential profit in trading Fed funds in accordance with expected changes in the funds rate. The level of required reserves represented the total amount of reserve credit or so-called Federal funds that is demanded by the banking system at any one time. The difference between required reserves and nonborrowed reserves (i.e., reserves supplied through open market operations) was termed net borrowed reserves, and it was the level of net reserves that was the focal point of supply and demand in the Fed funds market. Accordingly, an increase in net borrowed reserves created by a contraction in nonborrowed reserve credit would result in a higher Federal funds rate.

With the rapid growth of the money market in the United States stemming from the large volume of Treasury bills and commercial paper available, dealers becoming active in the money market began to finance their holdings of money market instruments by borrowing from commercial banks. Initially, borrowings to finance dealer positions took place in the so-called "call money market," in which banks would advance funds to dealers on a day-to-day basis.

The rate on call money to dealers, however, had to remain competitive with the Fed funds rate. If the Federal funds rate was higher than the call rate, banks would use their existing reserve credit to sell Federal funds rather than to extend a call loan. And if the cost of dealer financing had risen to (say) 5%, it then became unprofitable for the dealer to buy more bills which yielded less than 5%. Although this could occasionally happen if dealers expected a lower Fed funds rate or a lower call rate, generally an increase in the Fed funds rate would produce an increase in the call rate and require dealers to purchase bills and commercial paper only when the rates on such money market investments rose above the 5% level. In effect, the Fed through its open market operations found that it had direct linkages to a broad spectrum of money market rates. Accordingly, when monetary policy dictated a higher level of net borrowed reserves so as to discourage further extension of bank credit, the entire structure of money market rates would rise, which in turn had a considerable influence on long-term bond yields. In response to a higher cost of money, bankers would adjust their prime rates upward, and theory held that if rates of interest on term loans increased, businesses and consumers would at least defer their borrowing plans. This was thought to be particularly true with respect to business loan demand. It was thought that the increased cost of business borrowings would in many instances start to exceed the anticipated rate of return on business investment in new plant and equipment, causing business to postpone or cancel borrowing plans; this, of course, would mean that the extension of loans and the attendant creation of new deposits and money would be curtailed in accordance with monetary policy aims.

The power of open market operations was contingent upon the ability of the Federal Reserve to exercise administrative discipline at the Discount window. Without Discount administration support of monetary policy, the reduction of nonborrowed reserves caused by open market operations would not have any effect on either interest rates or the willingness of bankers to extend credit, since they could freely make up any reserve deficiency at the window. As it evolved, however, open market operations became the leading edge of monetary policy, while the tandem use of Discount administration and Discounting policies became the cutting edge. Neither of these tools of money control were envisioned or sanctioned by the Congress in 1913, and indeed, they went largely unnoticed by Congress until the depression of the 1930's. At that time, Congress awoke to the fact that the Federal Reserve was exercising the power of creating money, a power which was vested solely in the Congress and was not at that time delegated to the Federal Reserve. Moreover, many members of Congress were horrified to find out that the Federal Reserve was implementing monetary policy in financial markets, which was clearly in violation of the intent and expressed goals of the 1913 Act. Legislation during the 30's, however, legalized open market operations and other tools of monetary control and gave legal sanction to the formulation of monetary policy through creation of the Federal Open Market Committee—known as the FOMC. But after this enabling legislation of the mid-30's, and particularly after the so-called monetary accord in 1951 in which the Fed was reluctantly released of its obligation (imposed by the administration and not by Congress) to peg Government security prices, the Federal Reserve again established new goals and objectives which they should have cleared with Congress, but nonetheless did not.

There are currently three basic long-term objectives that the Federal Reserve has assigned to itself, without aid of Congressional input. These goals are (1) the full utilization of national resources, (2) maintenance of reasonable price stability, and (3) equilibrium of international balance of payments. These goals can at times be contradictory, as we have seen in recent business cycles, and they are blatantly in violation of the Full Employment Act of 1946. For example, the Fed's goal of full utilization of national resources encompasses a much broader spectrum of concern than mere full employment.

National resources include natural resources, capital resources, so-called management resources, as well as human resources. The Full Employment Act of Congress sets the full employment of human resources as a major goal of the United States, and yet this goal is not recognized by the Federal Reserve. Quite frequently when the Federal Reserve thinks that the growth in bank credit and money supply is excessive, it will take actions to increase interest rates and cause further unemployment in an effort to stabilize prices. And though many of us (including most Congressmen) accept with some ease the Federal Reserve Board's self-imposed goals, they nonetheless remain in violation of the established Congressional dictates of the 1946 Unemployment Act. It is immaterial as to which policy goal is better or more important, because the simple fact of the matter is that the Federal Reserve has pre-emptively established goals that are not consistent with those of the Congress, and the Congress has both obligation and authority to investigate this. Such investigation would not attack the independent authority of the Fed to establish short-term monetary policies, but would rather ensure that such policies that the Fed does establish are consistent with the goals that are understood by all to be beneficial to the United States economy.

The above problem became much more serious when the Fed in 1970 (with Arthur Burns assuming Chairmanship of the Board of Governors) established some intermediate policy goals which this paper will attempt to prove have been inherently destabilizing to the United States economy. The Fed's rationale for establishing these intermediate goals was that the linkages between its tools of control (i.e., open market operations, discount administration, and the ability to change reserve requirement ratios,) and its ultimate policy goals (full utilization of national resources, reasonable price stability, and international balance of payments equilibrium,) were very complex and as a result, some intermediate targets (which presumably had some relationship to the attainment of the long-term goals) were needed. But these intermediate targets in fact represented independent objectives of the Federal Reserve objectives which need Congressional investigation, if not outright Congressional attack.

NEW GOALS AT THE FED

At the time the Fed's intermediate goals were established in 1970, a school of thought was emerging in popularity which proved to have a deep impact on the thinking in the FOMC. This school of thought was termed 'monetarism,' and was headed by Milton Friedman and closely followed by Darryl Francis, who was then serving on the FOMC as the President of the Federal Reserve Bank of St. Louis. The monetarist school is based on a very simple and truthful observation, to which every student of Economics 101 has had thorough exposure; that the effective product demand of individuals is based primarily on the presence of spendable cash. Given this observation, one might easily conclude that aggregate product demands within the economy can be regulated (within reasonable tolerance) by controlling the supply of money. In theory this would be true, but from a policy-making point of view 'the supply of money' is a nebulous and unworkable concept—as we are about to see.

There are many public misconceptions about money, the most notable of which is that the Government can regulate its supply by stepping up or reducing the speed of Government printing presses. In fact, the Government cannot legally pay its debt or for any goods and services by issuing currency. The Government printing presses are regulated in accordance with the demand for currency by Federal Reserve district banks, who stand ready to supply commercial banks with any amount of needed currency. But the amount of currency made available to banks is limited by the amount of bank reserve credit, since any currency shipped to a commercial bank must be paid for by that bank through a debit to its reserve account at the Fed. Nor can an individual increase his currency holdings unless he is willing to write a check against his demand deposit. Inasmuch as money supply is defined as demand deposits plus currency in circulation, we can see that money supply does not grow as a result of an increase in currency, since there is an offsetting reduction in demand deposits. The only source of growth for money supply is the ability of the banking system to create new demand deposits. This creation of new demand deposits in turn depends on the demand for credit, and demand for credit, we find, is increasingly less and less influenced by monetary policy.

Textbooks often assert that bankers only make loans when reserve credit is sufficient to finance the increase in required reserve levels that new demand deposits create. This assertion is incorrect. Most bankers make loans with little if any regard, for day-to-day, week-to-week, or even month-to-month availability of reserve credit. One might ask the rhetorical question of whether, during the application for a loan, anyone has ever seen a banker check his reserve account to make certain he had sufficient reserve availability. The answer, of course, is no—never. In this context it must be understood that the commercial banker is attempting to increase his rate of return on bank capital, and the prinicpal way he can do that is to aggressively expand loans. (Banks could also expand investments, but loans generally yield considerably more than investments.) If a bank lacks sufficient reserves to finance a higher level of required reserves stemming from loan and deposit increases, it can always purchase the needed reserve credit in the Fed funds market, or issue CDs.

The purpose of a bank in issuing a large negotiable certificate of deposit (CD) is to attract demand deposits, and subsequently reserve credit, from other banks. Issuance of CD's is generally restricted to the largest 40 or 50 banks in the United States, for investors are not often willing to place a $100,000 deposit in a small bank, particularly when the FDIC coverage amounts to only $40,000. Accordingly, when the volume of outstanding CDs increases, it necessarily means that the largest 40 or 50 banks have been able to obtain demand deposits and reserve credit at the expense of smaller banks, while the total volume of reserve credit outstanding remains unchanged. Loan demand typically focuses itself on large banks, so that loan/deposit ratios of large banks are considerably greater than those of smaller banks. This difference in the loan/deposit ratio times the aggregate of assets in smaller banks represents a very large pool of reserve credit that is always available to the larger banks from the smaller banks. Aggressive liability management of large banks, therefore, enables them to accommodate strong increases in loan demand and to circumvent the restraining intent of restrictive monetary policy for a considerable period of time.

The Federal Reserve in 1969 attempted to constrain the increase in the use of CDs through application of Regulation Q, which specifies the maximum rate of interest banks may pay on various types of deposits. The rise in the level of money market rates in 1969 greatly exceeded the maximum rates banks could pay on CDs, so that as these CDs matured, depositors withdrew their funds from the banking system in favor of more profitable investments in money market instruments. The resultant disintermediation of bank funds brought about a sudden drying up of bank credit available for large corporations. Many corporations that were having liquidity problems were forced as a consequence to turn to the unregulated commercial paper market for funds, even though their credit was of marginal posture. The abuse of this market led to bankruptcies of some major corporations—not the least of which was the Penn Central—and the resultant shock waves in the commercial paper market could have resulted in a drying up of all corporate credit sources and produced a financial callapse had it not been for decisive action on behalf of the Federal Reserve in easing credit and making bank loans once again available to corporate borrowers.

Following this sobering experience, the Federal Reserve Board Chairman, Dr. Arthur Burns, made a public promise that the Federal Reserve would never again use Regulation Q to prohibit the issuance of large negotiable CDs. As a result of this, liability management of large banks has become more aggressive, and reserve deficiencies were increasingly covered by issuance of CDs or purchases of Fed funds rather than by liquidation of bank securities. Many commercial bankers also became more aggressive in seeking lines of credit. Lines of credit guarantee the corporate customer a negotiated amount of loan credit at any time within the contract period, and the bank is then legally obligated to extend such credit regardless of the amount of reserves it has available and regardless of the restrictive intent of monetary policy. This growing practice of extending lines of credit represents a structural change that has greatly diminished the influence of the Federal Reserve System over lending policies of commercial bankers during periods of tight monetary policy.

It used to be that whenever the Fed tightened monetary policy by increasing net borrowed reserves, the resultant increase in the funds rate and other money market rates would force bankers to adjust their prime rates upward. This higher cost of borrowing tended to transmit the restraining intent of monetary policy to corporations, and loan demand would moderate under the presence of higher rates of interest. But with growing inflationary expectations, corporate treasurers mentally adjusted the current rate of interest by an inflation factor, expecting to repay current dollars with cheaper dollars in the future, and this has caused loan demand to be more inelastic with respect to interest rates. An even greater factor causing insensitivity of loan demand to higher interest rates is the growing practice of pegging term lending rates to the prime rate. Corporate treasurers used to obtain term loans with a flat rate that would not change during the life of that loan. During periods of high interest rates treasurers would tend to defer borrowing plans and subsequent investment in plant and equipment until such time as interest rates were reduced. With the use of the variable interest rate, however, this timing element of the borrowing decision has been removed, and the treasurer can now confidently borrow at high rates of interest knowing that his cost of borrowing will automatically go down as interest rates ease. As a result, higher levels of interest rates do not transmit the restraining influence of monetary policies as they did in the early 60's, and the Fed's influence on loan demands has accordingly waned considerably over the past decade. Their influence on lending policies has similarly declined.

Whenever the demand for bank credit declines, textbooks assert that the easing of monetary policy and the provision of more reserves will result in the expansion of bank investments, providing not only for growth of bank credit but also for growth in money supply. In the absence of loan demand, however, banks find it difficult to purchase a ready supply of marketable debt instruments from non-bank sectors. If, for example, there was a need for banks to purchase $10 billion in securities from a non-bank sector in order to stimulate money growth, less than one-third of such an increase would normally be available within the near term. Most non-bank holders of marketable debt hold it to maturity; this is particularly true of insurance companies and many individuals. Moreover, when the Fed is easing monetary policy and the marketplace has expectations of further ease, the reduction in interest rates and the corresponding increase in bond prices only encourages nonbank holders of marketable debt to retain their holdings rather than to give them up to the bank sector. Bank investments, which generally take place only when excess reserves are available to an individual bank, thus take the form of a purchase of marketable debt from a dealer which inevitably comes from another bank, so that excess reserves merely change ownership from bank to bank and there is no creation of new demand deposits, and no monetization of marketable debt. In addition, as the Federal Reserve increases nonborrowed reserve credit, many banks elect to pay off reserve borrowing so that there is no chance for any monetization or growth of money. Accordingly, as loan demands recede and the growth of demand deposits and money supply also recedes, the easing in monetary policy does not produce the significant increase in bank investments which would be necessary to stimulate money growth.

The preceding paragraphs attempt to explain why Federal Reserve restrictive monetary policies have failed to stem the extension of bank credit and money supply, while on the other hand easy monetary policies have tended to fail in stimulating a desired growth in bank credit and money supply. The creation of deposit credit and money has become largely dependent on the demand for credit, minimally influenced by Fed actions and policies. In effect, deposits, loans, required reserves, and total reserves have have been set largely at the discretion of the private sector. The monetarist school of thought, however, maintains that the Federal Reserve can control the monetary base consisting of bank reserves and circulating currency. They further contend that there is a relatively constant and predicable multiplier of the monetary base that determines money supply, consisting of demand deposits and circulating currency. As one can see, the multiplier works between reserves and demand deposits—because of the fractional reserve system. However, events have shown that neither is the multiplier constant and predictable, nor is the monetary base susceptible to the Federal Reserve control.

Early in 1970 the Federal Reserve realized that the level of required reserves was established at the discretion of the private sector. It had been the custom of the Federal Reserve in tightening or easing monetary policy to provide for some stabilization in the Federal funds rate as it went up or down in accordance with the posture of monetary policy. Accordingly, it was necessary to provide for some stability in net borrowed reserves. If required reserves were to jump at the discretion of the private sector, it would thus be necessary for Federal Reserve open-market operations to provide for a similar increase in nonborrowed reserves in order to keep net borrowed reserves and the funds rate (as well as other money market rates) relatively stable, although at restrictive or tight levels. Early in 1970, however, Dr. Burns, and others on the FOMC as well, argued that such provision of nonborrowed reserve credit, at a time when credit restraint was needed, was entirely pro-cyclical. In other words, nonborrowed reserve credit was being added to the banking system precisely at the wrong time. In March of 1970, therefore, the FOMC decided that open market operations should not increase the level of nonborrowed reserves regardless of the increase that might occur in required reserve levels as a result of credit extensions at the discretion of the private sector. A very large $500 million increase in required reserve levels early in April of 1970 thus was not offset by an increase in nonborrowed reserves, and net borrowed reserve levels more than doubled, to a level of $1.1 billion. Consequently, the Federal funds rate rose by about 300 basis points (or 3 percentage points), and other money market rates rose appreciably as well. Bond market trading virtually stopped as the prospective value of money and the value of fixed income securities could not be determined; the marketplace had been surprised by the sudden move of the Fed and was unable to gauge what the prospective course of monetary policy and interest rates might be. Bond prices generally lost 5 to 7 points in price within a two-week period of time, which was enough to send some dealers out of business.

Late in April, 1970, the Treasury announced its May refunding plans, involving new securities to be auctioned early in May. There was, however, very little market interest in the new securities, inasmuch as most security holders had taken tremendous market losses and because of the highly volatile nature of the cost of funds were unsure as to what the value of the new securities might be. Subscriptions to the new auction were far less than the amounts needed by the Treasury, and the Federal Reserve was on the horns of a dilemma. If the Treasury were not to go bankrupt, the Fed would have to purchase a large volume of securities in auction, which of course would immediately increase nonborrowed reserve credit.

The alternative of letting the Treasury go bankrupt was simply unacceptable, so the increase in Fed purchases of Treasury securities was opted for, and nonborrowed reserves increased and net borrowed reserves decreased. This disastrous experiment proved to the Federal Reserve that it could not really control the level of nonborrowed reserves as a practical matter. Of course, in theory such control could be exercised but only at the cost of highly volatile interest rates that create financial and ultimately economic dislocations. Against the backdrop of constantly changing credit demands, controlling reserves (supply) results in loss of control over interest rates. Control of rates necessarily means losing control of reserve and monetary aggregates. The events in 1970 proved quite dramatically that the Federal Reserve could *not* control nonborrowed reserves as a practical matter, and therefore, was not able to control the monetary base over a short period of time. Accordingly, we find that demand deposits (and money supply, the monetary base, and required reserve levels are being increasingly determined by the demand for credit with little influence from the Fed.

MONETARIST STUPIDITY

When one plots changes in money supply during the post-war period and then compares this with the changes in real output during the post-war period, it is quite obvious that the cyclical pattern of money supply has the same periodicity as the cyclical pattern of real output. The magnitude of change is quite similar as well. However, the timing of changes in money vs. changes in economic activity is not similar. To the statistician, a graphic comparison of money supply and economic activity shows a potentially high degree of correlation if economic activity is either lagged to money supply changes, or if economic activity leads them, (i.e., by either treating money as a leading element of the business cycle or as a lagging one.) The monetarist, of course, believes that money leads changes in the business cycle and has conditioned nearly the entirety of the American public to make a similar assumption. The very term "money supply" suggests that money is indeed supplied by some central authority, as opposed to being determined by the demand for it. Treating money as a supply function fits nearly into the theory of how to control aggregate product demands so as to stabilize or at least minimize business cycle conditions; to suggest that money lags economic development would of course, complicate the analysis and cast considerable doubt upon the ability of monetary policy to achieve full employment without price inflation. The monetarists, using their own assumptions, are able to put together statistical analyses showing high degrees of correlation and regression that strongly suggest a cause and effect relationship between the volume of money and the level of economic activity. The scientific appearance of computer output and econometric models lends credibility to the assumptions made. However, I with equal ease can correlate my alarm clock ringing with the sun rising, and if I were a monetarist I suppose I would conclude that if my alarm clock rings the sun will rise as a result. Obviously, there is no cause and effect here, although statistical evidence might give rise to such an inference.

In point of fact, historical record proves beyond reasonable doubt that money changes lag changes in the economy. Since monetary expansion is a function of the demand for credit, it is then easy to understand why spending decisions which give rise to business cycle conditions should also give rise to changes in the demand for credit, and hence the volume of monetary credit outstanding. And this is in fact what occurs. During the initial phase of economic recovery, corporate as well as consumer liquidity is at relatively high levels, and a higher degree of spending is financed through existing liquidity (i.e., personal savings and corporate liquidity) than through the formation of new debt and the resultant creation of new demand deposits. By the peak of the business cycle both consumer and corporate liquidity have reached very low levels, and continued spending at that time is financed proportionately more from the formation of new debt than from existing liquidity. Accordingly, the demand for credit and the expansion of money continues to increase at a more rapid pace after real output in the economy has passed its peak and begins to turn downward. We also find that during the initial phases of a recovery the demand for credit remains relatively sluggist eve nthough real spending in the economy is clearly turning upward. In short, money supply tends to lag economic developments rather than to lead them as monetarists assert.

There are exceptions to this rule, however, and developments in 1975 may be one of them, as the unprecedented increase in the Treasury's deficit and its attendant need to issue a record volume of marketable debt will provide the banking system with an opportunity to acquire a large amount of securities from the non-bank sector. Analysis of the flow of funds in the United States' economy reveals that the amount of funds the Treasury seeks in the capital market this year exceeds the amount of funds available from the non-bank sector by nearly twice. As a result, a large volume of new Treasury issues must be absorbed by commercial banks. Banks, however, will initially be reluctant to purchase the substantial quantities of debt that it is projected they will need to purchase (to fully subscribe the Treasury issue), and this void in bank bidding will cause coupon yields to rise. As the yield spread between coupons and Fed funds widens, banks will begin to step up their security purchases, which results in a rapid rate of monetary expansion. And assuming that the FOMC finds it politically unfeasable to allow short-term money market rates to rise to 20% prior to firm indications that the economy is on the road to real recovery, this increase in demand deposit and required reserve levels will be fully accommodated (by an increase in nonborrowed reserve levels through open market operations) to keep net borrowed reserves and the cost of Federal funds and other money market instruments relatively stable. In effect, this means that the Fed will be giving banks adequate reserve credit to finance the Treasury's needs as well as to finance expanded financial needs of corporations and consumers. The very rapid rate of bank credit expansion and monetary expansion which will necessarily occur under these circumstances will reflect one of the few times in our financial history that money supply growth has preceded an economic upturn. Throughout most of our history, however, these unusual circumstances have not prevailed, and monetary expansion has lagged economic development.

If in fact the rate of monetary expansion cannot be controlled by the Federal Reserve (or by any central authority), if it is true that the Federal Reserve's influence on the rate of monetary expansion operates only with a long and variable lag and has waned considerably over the past decade, and if money supply does tend to lag economic activity, then it should be of paramount interest to Congress that the Federal Reserve has established as an intermediate policy goal the control of monetary and credit growth. This goal was first espoused by Chairman Arthur Burns in 1970 when he stated that "the prime responsibility of the Federal Reserve is to control the growth of monetary and reserve aggregates." For awhile during 1970, the Fed did try to control the growth of reserves, particularly RPDs (reserves available to support private non-bank deposits.)

The experiment failed, however, and failed so miserably that by the time Burns was asked to restate this intermediate goal before the House Banking Committee in 1973, he said that "the primary responsibility of the Federal Reserve is to control the growth of monetary and credit (not 'reserve') aggregates." Credit aggregates—namely, bank credit—had replaced reserve aggregates as a principal intermediate goal of the Federal Reserve. Burns also stated that so long as monetary and credit expansion proceeded on an orderly non-inflationary basis, the longer term goal of full employment without price inflation—and balance of payments equilibrium as well—could be attained. In addition, he added that the Federal Reserve would not take responsibility for errors committed in other sectors—meaning, of course, fiscal errors in the fiscal policy sector.

Clearly, what Burns has in mind here is fundamentally a monetarist position, although monetarists refuse to accept Burns as a monetarist and Burns refuses to be identified with any particular school of thought. Dr. Burns and other members of the FOMC, feel that an orderly 5% to 7.5% growth in money supply will lead to orderly growth in aggregate product demand. This intermediate Fed goal, reflects an assumption that (1) the Federal Reserve can influence the behavior of monetary aggregates sufficiently for this to be a goal, and that (2) monetary expansion leads economic developments and thus regulates or at least heavily influences aggregate product demands within the U.S. economy. What is unfortunate if not tragic is that both these assumptions are distinctly in error. The Federal Reserve is establishing policy on a lagging variable (i.e., money supply lagging economic development), and this means that monetary policy is necessarily destabilizing to the U.S. economy. The typical policy response of the FOMC to a rapid growth in money supply is tightening of open market policy, i.e., an increase in net borrower reserves and the cost of money; the typical FOMC response to sluggish money supply is to ease open market policy which decreases the cost of money and net borrowed reserves. But these are not the appropriate responses to make.

In 1972, when a rapid recovery was well

under way, the sluggish growth in money supply brought forth an easy monetary policy which Dr. Burns later recognized was too easy, and which in fact reinforced a strong rise in aggregate product spending, spending which later transcended (in the first quarter of 1973) the capacity of U.S. industry to meet without price inflation. Then in 1974, when real output was clearly turning down and money supply following its normal cyclical behavior continued to grow more rapidly after the peak of industrial output, the Federal Reserve, looking only at money supply growth, tightened reserve availability and promoted higher rates of interest—indeed record rates of interest—precisely at the time that the economy was going into a very deep recession. Clearly, open market policy reinforced recessionary tendencies during 1974 just as it seeded inflationary tendencies in 1972–73. And once again, Dr. Burns in testimony before Congress concedes that in retrospect monetary policy in 1974 may have been too restrictive.

Congress has heard ample testimony from Dr. Burns to the effect that the intermediate goal of the Federal Reserve System continues to be the control of the growth of money and credit. Through FOMC minutes, as well as through Dr. Burns' own testimony, Congress is also aware of traditional Fed response to higher rates of monetary expansion and contraction (open market policy and credit tightening in the first case, easing in the second.) This combination of Fed goal and Fed response, however, produced disastrous results in both 1972 and 1974, as we have seen. It is entirely appropriate, therefore, for Congress to ask Dr. Burns why these goals and response mechanisms should continue. The Congress has a perfectly legitimate reason if not a moral responsibility, to question the policy doctrine of the Federal Reserve System, particularly when Fed policy is inherently destablizing for the economy as is the case at the present time.

The Fed's destabilizing influences are well documented. Prior to Dr. Burns' appointment as Chairman to the Federal Reserve Board in early 1970, we had had more than a decade of reasonably small fluctuations in the business cycle, with long intervals between each recession during which sustained economic growth and prosperity occurred. Since 1970, however, we have seen a definite shortening in the periodicity of the business cycle as well as greater business cycle fluctuation—with both higher peaks and deeper troughs. We have also seen more sizable and volatile interest rate changes than ever before in our history. (In fact, the reduction of interest rates in 1970 exceeded the interest rate reductions during the great depression), and we have also seen increases in interest rates that were never before dreamed possible. The economic instability that is the result of Fed monetary policies has been unnecesarily brutal to the goal of increasing the standard of living and prosperity for all Americans.

SUGGESTED CHANGE

Recent history provides us with one suggestion about what might be an appropriate goal and mode of policy implementation for the Federal Reserve. There was a time during the 1960's when the Federal Reserve's open market committee did not operate on the basis of monitoring only one statistic, whose numeric value would dictate a specific policy response. The FOMC established policy judgmentally, realizing that there was no real science or certain answer to monetary economics. The FOMC considered a very broad range of economic factors and financial variables before arriving at an appropriate posture for open market policy. Arthur Burns today will state that the FOMC continues to review that broad range of economic and financial variables, but one will notice in the FOMC minutes that a numeric target is set for the money supply and bank credit growth, for which the open market desk is partly held accountable. I would submit that if the Federal Reserve's intermediate goal is so narrowly defined as money supply growth (and, secondarily, bank credit growth), whether or not they review economic and financial variables is rather moot. There are, however, a few instances in which economic and financial conditions are taken directly into account: if for example, the economy is very weak, the FOMC will be a bit more tolerant of a relatively high rate of growth in money supply; if, on the other hand, the economy is very strong and inflationary, the FOMC will be much less tolerant of above-target rates of money growth. But over the broad range of the business cycle it is fair to state that the FOMC's review of economic and financial variables is academic, since their directive is that a relative constant rate of growth for monetary expansion be targeted for open market operations and open market policy.

The monetarist school of thought that maintains there is a simple and direct linkage between the tools of monetary control and the ultimate objectives of the Federal Reserve System, has seen its influence among bankers and finance people wane considerably since 1971. No longer does the banking and financial community feel that money supply is the linkage that needs to be understood. In fact, there is increasing recognition that money lags rather than leads the economy, and almost unanimous recognition that the Fed has very little control over money—that money is in essence created from the demand for it. The Federal Reserve seems to be the last real sector of thought that has yet to wake up to reality, and one might appropriately question why. The answer seems to be simple enough. Basically, the Federal Reserve Board and Members of the FOMC are required to allocate roughly 90% of their time to regulatory matters, and this leaves very little time to analyze the monetary research of their staffs or to give uninterrupted time, attention and thought to policy doctrine. Perhaps, then, it might be advisable to have two Boards of Governors, with some interlocking directorate, in order to provide policymakers with a degree of specialization of concern and time. Then too, the Congress might want to consider structural changes to improve the Fed's influence on the economy.

Another area that needs attention is that of System membership. At present only 45% of the Nation's commercial banks (representing approximately 75% of banking assets and resources) are members of the Federal Reserve System. Attrition of System membership is growing as it becomes increasingly clear to small bankers that the rewards of check clearing service are not nearly commensurate with the penalties of Federal Reserve regulation, which is stiffer than state regulation. And as membership declines, the Fed has been prone to take actions which are clearly biased in favor of small banks and discriminatory to large ones. The Fed for example, has provided small banks with a seasonal line of credit, with the rationale that smaller banks lack ready access to the market. In fact, the seasonal line of credit only provided small banks with an opportunity to continually abuse the borrowing privilege by borrowing reserve credit at a discount rate well below the Federal funds rate only to sell such credit in the Fed funds market at a handsome profit, and this is exactly what they did. In other words, the Federal Reserve sought to keep the membership of small banks by allowing them to constantly retail Federal Reserve credit at a profit.

It is interesting to note that the Board's rationale for the seasonal line of credit was that small banks lacked ready access to the national money market. Nonsense! When the discount rate recently became higher than the falling funds rate, small banks paid off all of their borrowings, taking advantage of the cheaper cost of funds in the national money market—to which they had ready access.

Another pro-small bank Fed action was to substantially lower small bank reserve requirements, while requirements for larger banks remained at much higher levels. All of this has been accompanied by Dr. Burns' plea to make System membership mandatory for all commercial banks. Mandatory membership is not the answer, however, as this would leave banks no avenue of escape whatsoever from potential Fed abuses. Recognizing that the Federal Reserve does need a broader base of influence, it might be appropriate to consider making System membership mandatory for all FDIC insured banks. FDIC insurance is, of course, voluntary but it is a very important symbol of safety for each commercial bank to post for its customers. Such legislative change would undoubtedly result in 99% of all commercial banks becoming members of the Federal Reserve System, but would at least leave them the opportunity to withdraw membership and give up their FDIC insurance if Fed regulation became intolerable, as it seems to have occasionally been in the past.

Other structural changes that the Congress could help implement and that the Fed would welcome include a prohibition of establishing lines of credit—a practice which counteracts and circumvents any restraining influence that the Fed might seek to impose upon the financial community. The practice of variable rate pricing of term loans is also of questionable value, although its prohibition may not be warranted at this time.

CONCLUDING REMARKS

It seems obvious from recent testimony and from the above paragraphs that the Fed would welcome the assistance of Congress in providing for needed structural change to enable the Fed to accomplish its long range goals in a more efficient manner. But it is also clear that the intermediate goals of the Federal Reserve need Congressional examination as well as Congressional sanction. If that does not occur, then it would be well to let the Federal Reserve's influence continue to wane, and to let the System die for a lack of contribution to mankind. Certainly, the examination of Federal Reserve goals, which currently stand in contradiction to Congressional goals, cannot be considered as an attack on the independent authority of the Fed. It is also clear that the enabling authority of the Congress is the only means available to change the Federal Reserve System or to terminate its existence. The enabling authority has a moral responsibility to continually survey its creation, to determine whether it is serving in a beneficial or harmful capacity. It is not necessary for the Congress in its examination of Federal Reserve goals to pry into current monetary policy or current policy actions. Nor is it necessary for the Congress to dictate policy responses to certain goals. The independent authority of the Federal Reserve should be respected, while the Congress establishes for the Reserve System goals that are in the public interest.

It should also be noted that potentially inflationary fiscal deficits this year arise mainly from Treasury revenue shortfalls, caused by a recession which was unduly reinforced by unnecessary policy tightness of the Fed in 1974. The Federal Reserve should take most of the blame for fiscal policy—not Congress.

In sum, Federal Reserve goals seeking to control monetary expansion has caused economic instability and perhaps more damning has dried up a sizable portion of capital markets and capital formation which has clearly led to a secular trend of stagflation.

THE RETIREMENT OF "WILKIE"

Mr. BROOKE. Mr. President, at the close of business on June 23 a very special person retired from the U.S. Senate. His full name was F. Clyde Wilkinson, but he was known to all who knew him as "Wilkie."

It is impossible to describe just how wonderful "Wilkie" was as the official photographer for the Senate Republican Conference. He was a man with a camera in his hand and a twinkle in his eye. He was a joy to work with, never letting his hectic daily pace interfere with his marvelously friendly disposition. He particularly loved children, and it was with particular enthusiasm that he photographed them. Thousands of Massachusetts children and children across the country have been caught by his camera, and caught with a smile on their faces, thanks to Wilkie.

I will miss "Wilkie" and I know that my staff will miss him as well. He was thoroughly dedicated to, and professional about his work, and he was always cheerful and obliging in his manner. But even more importantly he had that delightful way of brightening up a gray day or lightening up our serious Senate work.

The thought of a Senate without Wilkie saddens me, but his retirement from this hectic institution is well deserved. I only hope that it is graced with good health and happiness for him and his dear and devoted wife, Lois. A man who has brought so many smiles to so many faces deserves nothing less.

"CLOSE UP" STRENGTHENS COMMUNITY SPIRIT AND COOPERATION

Mr. HUMPHREY. Mr. President, in recent years I have been closely involved in the Close Up program. While I have often paid tribute to the efforts of this program on a national basis, I would like today to salute the efforts of the people who have continued to make this program possible in my own State of Minnesota.

During the past 4 years, almost 1,400 students and teachers from the Twin Cities area have participated in the Close Up program. They have learned a lot about government, but they have learned even more about each other and about their community. The most rewarding part of the experience has been that these students have taken their Washington experience and translated it into meaningful involvement back at home. Some students have gone on to intern in the State legislature, run for local party office, or created follow-up days to involve their friends in the same kind of learning experience that they were able to create in Washington.

The Close Up program is organized around cities or metropolitan regions so that this kind of learning can be shared and continued in exactly this fashion. It gives me great pleasure to see that effective learning can take place with people of such diverse backgrounds coming together—from public, private, and parochial schools; teachers and students; black and white. This would not be possible, however, without the support of many people in each of the Close Up communities who have joined together to match the Allen J. Ellender fellowship program, which was established by the Congress in 1972. It is for this reason that I want to salute the people in the Twin Cities whose efforts have really served as a model for other communities around the Nation.

The Minneapolis/St. Paul area has distinguished itself for having the largest number of funding sources in any Close Up community. During this past year, the $21,000 in matching funds that were generated in the Twin Cities came from the combined efforts of 36 companies. I particularly would like to commend the Minneapolis Chamber of Commerce for its part in endorsing and encouraging this kind of community effort. The following institutions deserve our special recognition for the vital part they have played through the Minnesota Close Up program in encouraging our young people to take an active and constructive interest in this great country and our government.

1. Honeywell
2. Cargill, Inc.
3. Northwestern Bell Telephone Co.
4. Lutheran Brotherhood
5. Swanson & Youngdale, Inc.
6. Munsingwear, Inc.
7. SOO Line RR Co.
8. Peavey Company
9. Hoerner Waldorf
10. H. B. Fuller Co.
11. Ellerbe
12. Gamble-Skogmo
13. Independent Bancorporation
14. Control Data
15. Super Valu Stores
16. Northwest Orient
17. Ed Phillips & Sons
18. Twin City Federal Savings & Loan
19. General Mills Foundation
20. Jostens, Inc.
21. International Multifoods Corp.
22. Minneapolis Star & Tribune Co.
23. Bemis Company Foundation
24. Donaldson Foundation
25. Sarah-Maud W. Sivertsen Trusts
26. The St. Paul Companies, Inc.
27. Northwestern National Bank
28. Second Northwestern National Bank
29. Midland National Bank
30. Fourth Northwestern National Bank
31. Fifth Northwestern National Bank
32. Camden Northwestern State Bank
33. Central Northwestern National Bank
34. Northwestern National Bank (Hopkins)
35. First Federal Savings & Loan Assoc.
36. The Graco Foundation

AMELIA COLBERT KING GRADUATION—CUM LAUDE

Mr. MATHIAS. Mr. President, a lady of unusual and noteworthy accomplishment was featured July 10 in a story in the Washington Post. Mrs. Amelia Colbert King, of the District of Columbia, recently received her college diploma—40 years after graduating from high school in this city. During those four decades, Mrs. King dedicated herself to responsibilities that she felt had priority. Among them were three children. With her husband, Isaiah, Mrs. King saw to it that the children received college educations and now they are established in successful careers of their own.

One of them, Colbert King, is minority staff director of the Senate District of Columbia Committee. He reflects his mother's inspiration in his own life. While Mr. and Mrs. King were pursuing the task of raising and educating their children, Mrs. King never lost sight of the college education that she wanted for herself. Now she has it, and the story in The Washington Post should be an inspiration to all who read it. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORKING HER WAY TO THE TOP OF THE CLASS

(By Patricia Camp)

Amelia Colbert King did something fairly typical for a 59-year-old woman a couple of weeks ago: She attended the 40th reunion of her high school graduating class.

But one week later, Mrs. King was celebrating again, this time her graduation—first in her class—from college.

Those were four long decades that separated the year that Mrs. King and a friend wrote Dunbar High School's class play and the Saturday in 1975 when she gave Antioch College's valedictory address here.

Forty years, 20 of them spent cleaning other people's houses as a domestic so she and her husband could make a down payment on a home and put their three children through college.

Forty years, many of them spent telling her children, "We've never had a quitter in the family" and warning them to pay no attention when other kids bragged about not studying.

And the last three years spent taking night classes for Antioch, at Federal City College and D.C. Teachers College and graduate classes at Howard University while working full-time as an educational aide at Mott Elementary School, existing on four or five hours of sleep a night.

"I was always a chapter behind because I wouldn't read on until I knew each chapter clearly," says Mrs. King, who lives at 1438 Sheridan St. NW. "I would always admit that I didn't know. I would study with a book and a dictionary because I didn't know all the words. Studying was a drain."

Isaiah, her husband of 37 years, says, "burning the midnight oil" was a constant thing with his wife. But since he had insisted Mrs. King stay home with their children when the two of them married, he says he felt he had no right to keep her from seeking an education after the children were grown.

"All I could do was keep out of her way and let her go," King says with pride. "I knew she had it in her to do it."

The struggle is over now, but Mrs. King remembers it well—the bitter winter nights spent trying to catch a bus home, scared of anyone on the street, juggling stacks of books; the intense competition against younger students, especially at D.C. Teachers College, where all her classmates had taught before and "knew something when I knew nothing"; getting up at 4:30 every morning; trying to study when the last time she'd taken a test was when Franklin Delano Roosevelt was President of the United States.

But, with her children grown and away from home, and suffering from a slight case of the blues, Mrs. King said, she threw herself into her studies and practically lived in her books.

The Kings' daughter, Lucretia Tolliver, a teacher in Gary, Ind., came to Washington to see her mother get her degree. "It was just fantastic seeing that piece of paper," Mrs. Tolliver says. "She wouldn't accept anything less from us than a college degree, and encouraged us to do more. Being able to follow in our footsteps was quite remarkable."

The Kings also have two sons, Colbert and Cranston, who live in the Washington area. Colbert, 35, is minority staff director of the District of Columbia committee for the U.S. Senate. Cranston, 33, teaches art at Sousa Junior High School.

Mrs. King is proud of her college diploma, but she says she never felt being a household employee—"we called it day work then"—was degrading. As a matter of fact, she says she liked it because the pay was good, and "I like to see a clean house."

"I didn't do domestic work because I was ignorant," Mrs. King said. "I did it because I thought I couldn't do anything else."

Day work also had things about it she didn't like, however. Domestics don't get sick pay, vacations or Social Security benefits, and Mrs. King said it made her angry that her employers often expected her to do too much work in one day.

She and 14 other women who were dissatisfied as household workers were accepted in early 1973 as part of a program worked out by the National Committee on Household Employees and Antioch College, with funds from the Ford Foundation.

The women were tutored during the summer and reassured that they could make it in college. Only five stayed with the program long enough to enter Antioch, however, and Mrs. King, the oldest of the group, was the only one to graduate.

"All the women should have tried to finish the course," Mrs. King says, "but I felt I owed the director of Antioch and the committee. One of us should have gotten through."

The simple idea of working to get a degree thrilled Mrs. King all by itself at first, but later she began to be interested in reading and grammar because so many children have problems with reading comprehension and sounds. She decided then to change her major from business administration to education.

Mrs. King now holds a bachelor of arts degree in sociology of education, but her special interest is early childhood education and counseling. She says she may try to get a master's degree later, but right now she and her husband—especially her husband—are enjoying her respite from studying.

Mrs. King's second chance was given to her at Antioch's undergraduate school in Washington, called the Center for the Study of Basic Human Problems. It is not quite five years old, says Dr. Vincent Vera, assistant professor of History and Art.

The school studied the community several years ago and concluded there were many residents who, for various reasons, had not had the opportunity to get a college degree, even though they had the ability and desire.

"Antioch already believed that not all learning takes place in the school. It can take place anywhere," Dr. Vera says. So they decided to grant credit for what are called "life experiences," enabling people like Mrs. King to return to school and get credit for what she learned while she had been working. Experiences are classified into disciplines—Mrs. King got credit for a paper she did on child-rearing, for example, which came under psychology.

"We don't give credit for the experience itself," he said. "It's for the thought and intellectual change that take place in the individual."

Mrs. King remembers her excitement when she discovered many of the things she wrote in her life experience essays were what she later read in her textbooks.

"What I had said was being backed up by books," Mrs. King says in awe, as if wondering how anything in her life could reflect something written in the world of books.

Born in Takoma Park, Mrs. King was one of seven children, and the only one of them to finish high school.

She worked as a clerk at the Pentagon for a while after graduating from Dunbar, but later turned to household work, something she had done before. She and King, a 20-year government employee now working as a supervisory clerk at the patent office, spent years living with in-laws, trying desperately to find a house to rent. Her daughter says, however, that the family may have been low-ranking economically, but they were certainly middle class in terms of motivation.

"And when it was time for us to go to college, my mother made all of us go to Howard, even if we wanted to go someplace else," Mrs. Tolliver says, with approval. "I remember when I was little, she'd say, "if only I could just live to see you finish elementary school.' Then it was junior high, then high school. Finally it was, 'if only I could just live to see you finish Howard.' "

"I was only trying to give them the best we could afford," Mrs. King replied. "I pushed them because I really wanted to go myself."

THE POLITICS OF APATHY

Mr. MUSKIE. Mr. President, in Tuesday's Washington Post, columnist Joseph Kraft has provided us with an excellent, if disheartening, analysis of the controversy now going on over additional aid to the Nation's cities.

Noting that State and local governments have gone from a combined surplus of $4 billion in 172 to a combined deficit of $7.9 billion last year, Mr. Kraft adds:

> The reason for this sudden turnabout is not bad management or the greediness of the municipal unions. For better or worse, management performance and union demands have been relatively constant. The sudden plunge comes chiefly from the impact of national economic performance on a small number of major cities. The recession has increased dramatically the services . . . these cities are obliged to provide.

In spite of the fiscal weakness of many American cities, Kraft points out, emergency aid for local governments faces strong opposition:

> For one thing there is basic national sentiment against more government spending . . . Furthermore, there is a strong prejudice against the cities—particuarly those with large minority populations and big welfare problems and strong unions. . . . Finally a large segment of the country is doing fine.

All this adds up, in Mr. Kraft's words, to "the politics of apathy." "The United States is prepared to live with very high unemployment because the majority in the country is against special help to the areas of concentrated need. The haves do not want to help the have-nots."

Legislation I have introduced—along with Senator Humphrey and Senator Brock—would provide the kind of assistance that is so badly needed by local governments hard hit by recession. The bill, S. 1359, was endorsed by the U.S. Conference of Mayors today. I am hopeful that the Government Operations Committee will report it out next week.

Mr. Kraft's conclusion is a depressing one. I sincerely hope that he is wrong this time, and that the politics of apathy do not prevail.

I ask unanimous consent that Mr. Kraft's column be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

[From the Washington Post, July 8, 1975]

The Politics of Apathy

(By Joseph Kraft)

In fairness and in logic, the cities have an almost perfect case for screwing more money out of the federal government. But the funds are almost surely not going to be forthcoming.

The reasons go a long way to explain a central national mystery. That is the mystery of how the country seems to tolerate with so little protest such a high rate of concentrated unemployment.

The case for the cities begins with the enactment of revenue-sharing in 1972. That year state and city governments in the country had a combined budgetary surplus of $4 billion.

In 1973 the budgets of the cities and states were in balance. Last year they yielded a $7.9 billion deficit. This year they will be in deficit again, even though the states and cities are combining reduced services and increased taxes at a rate of about $8 billion.

The reason for this sudden turnabout is not bad management or the greediness of the municipal unions. For better or worse, management performance and union demands have been relatively constant.

The sudden plunge comes chiefly from the impact of national economic performance on a small number of major cities—New York, Philadelphia, Cleveland, Detroit, San Diego. The recession has increased dramatically the services—notably in welfare—these cities are obliged to provide.

The inflation has kept high the cost of goods (especially fuel) and services they buy. Because they depend on sales and property levies, the cities do not get the bigger sums which go to the federal government in taxes on inflated personal incomes.

But it is not as though the big cities and the states they dominate are the only victims. In the past few years, cities and states have become the prime source of new jobs. Since 1967 employment in state and local governments have grown at twice the rate of all other sectors of the economy.

As a result the recent fiscal weakness of the cities damages the whole national economy. Thus even as the federal government is pumping out $24 billion to stimulate the economy, the cities and states are raising taxes and cutting services which loses jobs and reduces purchasing. In effect, the cities up against a budgetary wall are forced to take fiscal action that delays the national recovery.

An almost ideal legislative solution to the problem has emerged in the Senate government operations committee. It is called counter-cyclical revenue-sharing. The basic idea is to remit taxes to localities in dire trouble because of the recession. The proposal now coming up to the committee would cost relatively little, would be targeted sharply on the needy, and would phase out as soon as employment began to improve.

The Democratic mayors have made it a priority item. Such Senate heavyweights as Edmund Muskie (D-Maine), and Bill Brock (R-Tenn.), support it. Until even these supporters acknowledge the going is very tough, probably the only way the bill can get through is by some bit of trickery such as the House-Senate conference report, or as part of a public works measure.

For the opposition is very strong. For one thing there is basic national sentiment against more government spending. In that spirit the Ford administration opposes special aid to the cities.

Furthermore, there is a strong prejudice against the cities—particularly those with large minority populations and big welfare problems and strong unions. Thus even Democratic governors of the biggest states—Hugh Carey of New York and Jerry Brown of California—have been loath to identify themselves with special help for the big cities. In Pennsylvania Gov. Milton Shapp won a political victory by holding the line for a 3.5 per cent wage increase despite a strike of state employees.

Finally a large segment of the country is doing fine. Eight primarily agricultural states and a dozen heavy in oil or coal have not suffered so much. They actively oppose any special aid for the cities.

What emerges from all this is the politics of apathy. The United States is prepared to live with very high unemployment because the majority in the country is against special help to the areas of concentrated need. The haves don't want to help the have-nots.

AGRICULTURAL EXCLUSION TO CONSUMER BILL IMPEDES ACA ROLE IN CRITICAL FOOD MATTERS

Mr. PERCY. Mr. President, in the final day of deliberation over S. 200, an amendment was offered by our distinguished colleague from Kansas, (Mr. DOLE), which effectively eliminated from the jurisdiction and intervention authority of the Agency for Consumer Advocacy almost all areas relating to American agriculture. It is unfortunate that we were not able to have more time to fully discuss the merits of this significant amendment. On reflection, having now looked into the ramifications of the exemption, it becomes quite clear that the amendment excludes the proposed consumer advocate from any real input into critical decisions affecting the price, and the safety and supply of food.

I feel it imperative that we weigh the tremendous impact of this amendment. By excluding food, including livestock, poultry, and fish-related matters from the consideration of the ACA, we are in effect telling the American people that their special consumer agency cannot help them in matters relating to their everyday sustenance. We are telling our fellow citizens that when it comes to food, the government is not going to extend the normal level of protection which it is about to offer to all other aspects of American life which bear intimately on the health, safety, and economic concerns of consumers.

The ACA would not only be unable to represent the consumer in such matters before the Department of Agriculture, but also before the Food and Drug Administration, the Federal Trade Commission, the Environmental Protection Agency, and numerous other Federal Agencies. In view of these limitations, the effectiveness of the ACA would be seriously impaired.

With these considerations in mind, I have written the chairman of the House Government Operations Committee, JACK BROOKS, strongly urging the Committee not to include in its bill any provision which would so impede the ACA in matters of such fundamental importance to American consumers. Next week the committee will be marking up H.R. 7575—reported out of subcommittee yesterday by a 10 to 1 vote. I am hopeful that, upon due consideration of any amendment comparable to the agricultural exclusion in the Senate bill, the members will see fit to retain the ACA as a viable spokesman for consumer interests in this crucial area.

I am pleased to note that a number of businessmen, as well as consumers among my constituents, have expressed concern that agricultural-related subjects should be under the ACA's jurisdiction. The farmers of Illinois, the largest producer-state of agricultural products in the Nation, are wary of such so-called "assistance" as the Russian grain deal and the soybean export controls—clear cases of Government misjudgment carried out in secret and without consumer input. And too, the chairman of the board of one of the Nation's largest food chains, Mr. Don Perkins of Jewel Inc., in Chicago, has publicly expressed his disappointment with the agricultural exclusion. He is joined by many other business supporters of the bill.

I think it only fair that I specify at this time the grave doubts I have concerning the wisdom of the amendment in question—an amendment, let me repeat, that was given far too little and too hurried consideration on the Senate floor.

Mr. President, I therefore ask unanimous consent to have printed in the RECORD my letter to Chairman JACK BROOKS of the House Government Operations Committee which I have also forwarded to Representative FRANK HORTON, the ranking minority member of that committee and a leading spokesman for and supporter of this legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON GOVERNMENT
OPERATIONS,
Washington, D.C., July 9, 1975.

Hon. JACK BROOKS,
Chairman, House Government Operations Committee, Washington, D.C.

DEAR MR. CHAIRMAN: During Floor debate on legislation to create an Agency for Consumer Advocacy, S. 200, the Senate adopted an amendment by Senator Dole to Section 16 which excludes the Administrator of the ACA from intervening or participating "in any proceeding or activity directly affecting producers of livestock, poultry, or agricultural crops." By its terms, the exclusion includes:

". . . such proceedings and activities relating to the initial sale by such producers of raw agricultural commodities; Commodity Credit Corporation price support, procurement, loan, and payment programs; Public Law 480 and other export programs; acreage allotments and marketing quotas; Federal crop insurance; soil conservation and land adjustment programs; Farmers Home Administration and Rural Electrification Administration loans; marketing orders; and programs to prevent the spread of livestock and poultry diseases, plant pests, and noxious weeds."

I vigorously opposed this amendment as did Senators Ribicoff and Javits. I know of no area of greater concern to the American public than food, its availability, cost and safety. This amendment is, in effect, a prohibition against consumer advocacy in virtually every area related to food. I believe it would exclude the consumer advocate not just from Department of Agriculture proceedings but from many proceedings under the Food and Drug Administration, the Federal Trade Commission, the Environmental Protection Agency, and other Federal regulatory commissions and agencies. It is for that reason that I direct your attention, and the Committee's attention, to the ramifications of this exclusion in the hope that by examining its breadth, the Committee will see fit *not* to encumber the bill with any comparable provision.

Bureau of Labor Statistics studies indicate that the middle-class American family spent approximately 25% of its income for food in 1974. The farm-retail price spread for food increased by 23%, the largest jump in history. Clearly, consumers have an interest in insuring that government actions which affect the cost and availability of food are made only after there has been a consideration of what impact those decisions will have on consumers. At the present time, there is negligible consumer input into these decisions.

Similarly, the Federal government acts in many ways to ensure the safety and wholesomeness of food sold to consumers. The results of lax or unwise decisions in such programs can be tragic for the consumer. Such decisions can also reduce the acceptability to consumers of certain foodstuffs causing an adverse economic impact on farmers. At the present time, there is no organized consumer input into the decision-making process concerning safety and wholesomeness of food.

As a result, decisions are often made which are detrimental to consumers. The repercussions of these decisions can be doubly harmful to farmers since they too must buy food at higher prices or under unsafe conditions. In addition, it may mean rejection by consumers of higher-priced commodities or commodities whose safety is questioned.

If, as the amendment's supporters contend, United States agriculture is a finely tuned mechanism, government decision-making in the food area should have a continuing, detailed and responsible consumer input. This kind of input would be likely to reduce the occurrence of some of the politically-inspired decisions of the recent past—such as institution of beef price controls and the soybean embargo—that have upset the food production mechanism. Similarly, the Russian wheat deal, transacted with no consumer input, drove up prices of beef and soybeans. The government then took additional irrational actions to try to bring prices down.

The so-called "agriculture" exemption restricts the ACA from becoming involved in numerous Federal government proceedings of concern to consumers, including but not limited to the following areas:

(i) Food Stamps—One of the stated purposes of the Food Stamp Act is to increase the use of agricultural commodities. The Act is intended to have a direct effect upon producers. It obviously has an enormous effect upon 20 million low-income consumers. The Dole amendment would prohibit the consumer advocate from representing the views of low-income consumers in such cases as USDA's attempt to raise the price of food stamps.

(ii) Milk Marketing Orders—Under the Agricultural Agreement Act, USDA divides the United States into 62 milk marketing areas and regulates sales and distribution of fluid milk. The agency sets a minimum price in each market order for fluid milk which, if accepted by a two-thirds majority of producers serving a market, must be paid by all bottlers and processors.

In the past several years there have been charges of political corruption surrounding the milk marketing order system. Whether corruption exists or not, it appears that the present milk marketing order structure is "inherently inflexible and susceptible to manipulation" according to a study, "An Economic Analysis of Associated Milk Producers, Inc. Monopoly" prepared for the Justice Department by three economists.

The economists observe that manipulation of the marketing order system by giant cooperatives that have achieved monopoly power over milk supplies has resulted in price overcharges to consumers of $40 million a year. At the same time producer payouts by the cooperatives are less than they would be if the monopoly had not existed. According to the study, neither farmers nor consumers have benefited from the operation of the marketing order system. Input by an ACA could have had the effect of making the system work better for *both* groups.

(iii) Grading Systems under the Agricultural Marketing Act of 1946—The Department of Agriculture sets grading standards for meat, including beef, which substantially affect the price and quality of beef. In March 1975, USDA announced new beef grading regulations that would become effective April 14, and would enlarge the "Choice" beef category to include beef that is presently categorized as "Good." When the proposed regulations were printed for comment, thousands of consumers objected, noting that the change would result in consumers paying higher "Choice" prices for meat that had previously been graded as merely "Good." The comments were ignored by USDA. But in granting a permanent injunction against the new standards, a Federal court judge in Omaha stated that "The Department did not weigh the inflationary impact of alternative proposals submitted by consumers and others."

Had an ACA been able to participate in the USDA beef grading regulatory process, the Department might have been more cognizant of consumer concerns, and court action might have been avoided. Yet, again, the "agriculture" exemption would preclude ACA involvement in this very important area.

(iv) Meat and Poultry Inspection—Under the Federal Meat Inspection Act and the Poultry Products Inspection Act, the Department of Agriculture inspects and approves carcasses, meat, meat food products, poultry and poultry products, and condemns adulterated food. The consumer has a vital interest in these inspection standards. For example, in 1969 the USDA considered a revision of poultry inspection standards that would allow marketing of chickens with cancerous tumors. This was an issue of great concern to consumers. Yet the recommendations of the Advisory Committee on Criteria for Poultry Inspection were kept secret. The panel was staffed, in part, by industry consultants. If the decision had been approved, it could have gone into effect without public notice. But because of the public outcry when news of the recommendation was reported in the press, USDA referred the Committee recommendation to the U.S. Surgeon General who opposed it.

This is an area where input from consumers should have been automatic. Under the "agricultural" exemption to S. 200, the consumer advocate would be specifically excluded from involvement in these matters. Even today, USDA is reevaluating the criteria by which it determines which diseased or contaminated parts of chickens should be trimmed by Federal inspectors before the chicken is sold to the public. The exclusion in S. 200 would make these decisions off-limits for ACA.

(v) Fruit and Vegetable Marketing Orders—Under the Agricultural Marketing Agreement of 1937, the Department of Agriculture can regulate the volume of fruits and vegetables that move to market during a set period of time. The Department can also regulate the quality and sometimes the packaging of 27 fruits and 13 vegetables, including such staples as onions, potatoes, and tomatoes. At the present time there is no ongoing or effective consumer capacity to present information to the USDA on these issues which invariably result in price hikes to consumers. An ACA might suggest to the USDA that arbitrary orders which exclude, for example, irregularly shaped grapefruits, potatoes or tomatoes from the market, are costly to both farmers and consumers in the end.

I am also reminded of the Department of Agriculture's attempt through a marketing order to enable Florida's tomato growers, known for ripening their product with ethylene gas, to produce in the early 1970s a lower grade product than the more enriched vine-ripe tomatoes. The effect was to raise the price, in the absence of an ACA expressing a consumer viewpoint. Subsequently, the U.S. Court of Appeals suspended the USDA order as being discriminatory and chastised the agency for having come to a determination without adequately considering the evidence offered by consumer groups and others.

(vi) Rulemaking and various activities under the Commodity Credit Corporation Charter Act and other statutes with regard to commodity export programs, including sales for export, disposition abroad of agricultural commodities, and the Export Credit Sales Program under which the CCC finances commercial credit sales by U.S. exporters of agricultural commodities.

It was the last of these programs which authorized the Russian Wheat Deal. The transactions, conducted with consumers wholly in the dark, resulted in mammoth increases in the price of food. Too many farmers did not benefit from the sale because it was not announced until after they had sold most of their wheat to middlemen. Some consideration of the potential effect of that sale on consumer prices should have been included in the decision-making process. But under the "agricultural" exemption to S. 200, the ACA would not be able to submit the consumer point of view on export sales, even though domestic food costs may be driven through the roof.

(vii) Advising the President where there is reason to believe imports of any articles interfere with USDA programs with respect to agricultural commodities or products with a view to consideration of import controls, under Sec. 22 of the Agricultural Adjustment Act.

When shortages develop among U.S. food products, importation of foreign products may serve to reduce prices to American consumers. The ACA could play a valuable role in providing the consumer point of view to USDA officials making such decisions, and prices might be substantially lowered. However, the "agricultural" exemption would forbid such activity by the advocate.

The ramifications of the so-called "agricultural" exemption are not limited to the programs of the USDA alone. Because of the exemption language regarding "effects" on producers of food, livestock, etc., it could preclude ACA involvement in the following as well:

(a) Use of chemical growth stimulants in cattle. Chemicals like DES (diethylstilbestrol) are fed to cattle to increase the efficiency with which the cattle convert feed into pounds of beef. DES causes cancer in some test animals and has been implicated as the cause of vaginal cancer in the female offspring of women who used the drug during pregnancy.

FDA's Bureau of Veterinary Medicine sets the standards for use of DES and USRA's Consumer and Marketing Service enforces the standards. Cattle are required to be withdrawn from DES-supplemented feed in advance of slaughter. However, every few cattle are checked for residues of DES and feed lot operators who violate the law are unlikely to be caught.

There is great consumer interest in cancer-causing residues in meat. A consumer advocate would have cause to submit information on both standard-setting and enforcement procedures for use of chemical growth stimulants. But the present exemption in S. 200 would prohibit such involvement.

(b) Numerous activities of the Federal Trade Commission relating to competition in the food industry. For example, if the Commission, acting under Sec. 5 of the FTC Act, decided that supermarkets were conspiring to fix the price of meat thereby affecting both producer and consumer prices, the consumer advocate could be excluded from participating because the FTC action would directly affect producers.

(c) Activities conducted by the Environmental Protection Agency pursuant to pesticide registration authorities under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), as amended. Among other things, FIFRA prohibits the sale or shipment of any pesticide which is not registered with EPA; requires the Administrator to prescribe standards for the certification of applicators of certain pesticides to ensure that an individual is competent in the use and handling of such pesticides; and provides for the cancellation or suspension of a pesticide registration for mislabeling, misbranding, or "unreasonable adverse effects on the environment from widespread and commonly recognized" use of such a pesticide.

EPA believes that—since the major thrust of FIFRA is directed toward environmental protection and the general public health and welfare, and is primarily concerned with keeping harmful or ineffective pesticide products out of the marketplace as well as with ensuring that pesticide products are used properly and effectively—its proceedings under FIFRA would not come within the meaning of activities "directly affecting producers of livestock, poultry, or agricultural crops." Nor do they construe such activities as those conducted in connection with "programs to prevent the spread of livestock and poultry diseases, plant pests, and noxious weeds."

But EPA may be incorrect. A recent analysis prepared by the Library of Congress, Congressional Research Service, indicates that the "agricultural" exemption to S. 200.

". . . would appear to prohibit the Administrator from participating in several kinds of proceedings in which the Environmental Protection Agency might engage. As administrator of the Federal Insecticide, Fungicide, and Rodenticide Act, EPA engages in hearings and litigation involving the registration of agricultural pesticides; while those activities typically are between EPA and the chemical manufacturers, it would seem that the proceedings directly affect 'producers of livestock, poultry, or agricultural crops.' At present, any party may join in proceedings under FIFRA, and both environmental and agricultural groups as well as the USDA have done so."

Thus, although consumers have an important interest in the use of pesticides both from economic and safety standpoints, the exemption at issue might well exclude ACA involvement in these proceedings. Yet, just over a year ago, the GAO concluded in a report on the administration of FIFRA, that "The consumer has not been adequately protected from defective pesticides because of inadequate EPA efforts to determine whether registered pesticides were marketed in accordance with the provisions of the [Federal Environmental Pesticide Control] Act (of 1972)."

(d) Activities under the Federal Water Control Act, as amended. For example, EPA regulations concerning discharge permits for feed lots, meat product and rendering processing, dairy product processing, sugar processing, grain mills, fertilizer manufacturing, phosphate manufacturing, leather tanning and finishing, and timber products processing. All of which appear to fall under the exclusion prohibiting ACA involvement.

(e) EPA activities under the Clean Air Act involving regulations on ambient air quality and degradation. These regulations generally benefit agriculture, which in some areas is suffering considerable air pollution damage. The prohibition, according to the Congressional Research Service study "might be construed as prohibiting the Administrator from intervening in such cases—on the side which could, in fact, greatly benefit agriculture."

(f) Investigations of farm retail price spreads by the Council on Wage and Price Stability. While these generally deal with food after the initial sale, they may directly affect producers, and therefore be excluded from ACA involvement, even though such an investigation might be expected to benefit farmers and consumers alike.

(g) Activities of the U.S. Department of Commerce concerning development of voluntary product standards pursuant to the procedures set forth in part 10 of Title 15, C.F.R., and standards designed to reduce undue proliferation of weights, measures, or quantities of commodities pursuant to the Fair Packaging and Labeling Act.

In all fairness to Senator Dole and other supporters of his amendment, there is an apparent belief that a consumer advocacy agency is likely to take positions inimical to those of farmers and that the involvement of the advocate will disrupt the processes of agriculture.

Such a position presumes that all government processes now favor the farmer. Coming from the largest farm product exporting state, I know of numerous farmers, especially independent owner-operator farmers, who do not subscribe to that viewpoint. I have already cited numerous instances—among them the Russian wheat deal and soybean embargoes—where the input of a consumer advocate might have precluded an ill-advised step, which then caused political pressure for additional ill-advised steps, which have caused considerable problems for the farmer, especially the small farmer.

The agricultural exemption presumes that the Department of Agriculture always favors, and consumers always oppose, positions taken by farmers. That is just not so. Moreover, the exclusion ignores the fact that more vigorous action by the Department of Agriculture, the Federal Trade Commission, and the Department of Justice in tracing, investigating and prosecuting price-fixing and other anti-competitive situations in the food industry would benefit farmers as well as consumers.

Finally, proponents of the amendment argue that, absent its inclusion in the bill, the ACA could embargo the export of U.S. agricultural commodities, negate contractual arrangements of USDA's commodity procurement, render ineffective the USDA food inspection services, suspend Federal marketing orders, and the like. Such contentions reflect a basic misunderstanding of the nature and limited role of the ACA. The agency would be non-regulatory. It could not control the prices of food, ban products, determine contractual arrangements, embargo, mandate, ban, seize, recall, or prohibit anything. The first, foremost and overriding function of the agency is to be a voice for consumers and as such to represent the consumer point of view when agency decisions substantially affecting the health, safety or economic welfare of consumers are being made.

I fervently hope that your Committee will not include any such arbitrary exclusion for agricultural proceedings in H.R. 7575.

Sincerely,

Charles H. Percy,
Ranking Minority Member, Government Operations Committee.

FORD VISIT TO RABBIS URGED

Mr. ROBERT C. BYRD. Mr. President, my constituent Mr. Harry J. Caplan has sent me a copy of his letter addressed to President Ford, printed in the Weirton, W. Va., Daily Times. He has requested that I also have it printed in the Congressional Record. Therefore, I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Ford Visit to Rabbis Urged

To the Editor:

I have sent the following letter to President Ford at the White House:

Dear Mr. President:

EQUAL TIME PLEASE

You went to see the Pope in the Vatican, the Prince of the Catholic Church, for advice on Israel and the Holy City of Jerusalem that King David built for God and Israel.

Now would you go and see the Princes of the Jewish religion, namely, the Great Heads of the Yeshiva College of New York City and the Lubavitch "Rabbi", Rabbi Menachim Schneerson of New York City? They will give you God's point of view and his promise to Abraham, Isaac and Jacob, the land of Israel and its border.

The map of Israel is explicit and God gave Moses instructions how to divide the Holy Land amongst the twelve tribes; each according to their ability, know-how and experience to dwell and cultivate or trade and climatically suited to the development and talents. The map of Israel is described by the greatest architect of free democracy Moses. While still in the desert he gave the Jews a complete plan how they are to govern and laws to obey are all described in the five books of Moses, the "Bible."

Mr. President you could use some of it to pull out America from depression and their dilemmas. Before you make any plans about Israel you must see those whom I asked you to. You will come away with so much strength and enthusiasm and inspiration, vitality and endurance. You will be as strong as a lion and as fast as a deer to do the big job you have to tackle.

The reason you stumbled is because you denied Israel two things—America's promise—the lance missiles and the P–15 fighter planes. Mr. President, Israel is under God's protection and a promise is a bond. Please release immediately the missiles and planes for Israel as promised.

Do you know the definition of the word Israel? It is in the Five Books of Moses. God commanded the Jews never to go back to Egypt or be bossed by the Egyptians, and don't you go against the Heavenly Father's commands, and the map of Israel. If the Pope is concerned about the Holy Places in Jerusalem he ought to move his headquarters where the spring of the Catholic religion started. Italy has the largest communist Party in Europe. The Pope should be very good to the land of Israel. The Jews gave him the Bible, Christ and the Apostles.

He has the richest church in the whole world. For all the massacres and killing of Jews he ought to take out one hundred billion dollars and give it to Israel to match the Arab oil millions. The Pope knows where the Jew hate comes from. He can ask his distinguished and very fine being the Papal Secretary, Don Pascale Macci.

Please, Mr. President stop or postpone the Soviet-American combination flight in the space lab. God has no detente with the Russians. They and the Arabs desecrated the Jewish most sacred day, Yom Kippur, the day of atonement; the day that God set aside for the Jews with his own instructions for self-examination and purification. God Himself performed miracles since then. It is God's hand that pushed through the other side of the canal. Russia and America denied Israel the final victory that peace is built on. Russia and the Arab countries will pay for the desecration of Yom Kippur.

Did you know Mr. President, that Golan Heights was manned during the Russian-Arab attack by young soldiers who go to a Yeshiva (Theological Seminary) spend a half day in classes and a half day in the army? When they graduate they will be rabbis or lay leaders. Their tanks were knocked out by the sudden attack. These young men, 18 and 19 years old wrapped themselves around with live ammunition and threw themselves under the Syrian tanks and stopped their advance. What devotion! What devotion to God and country.

God has been friendly to America in outer space. Please don't send this new adventure. Russians are personna non-grata in heavenly abode. Read the Five Books of Moses before you make a blunder of the greatest magnitude. It took Moses and Aaron by the assignment of the Almighty with ten plagues to deal with Egypt. And you know Sadat?

Mr. Kissinger should go back working or teaching, but before he goes he should get an Oscar being the best kissing cousin. You could get a replacement in the Yeshiva College in New York. They graduate economists who fear not and are for their own ability, fresh, and are in God's favor—not Henry who desecrated the Sabbath and did not use the Jewish Bible when he last got married.

Now it is almost Bicentennial time and what if Patrick Henry would come down and see that William P. Rogers, former secretary of state, Richard B. Kleindienst, former attorney general, and John B. Connally, former secretary of the treasury, working for the Arabs and Iranian oil against the interest of the American people. What happened to self-respect and patriotism? "Give me liberty or give me death." This is your dilemma, Mr. President.

Harry J. Caplan.

MR. FORD SETS THE TONE FOR A CLEANER CAMPAIGN

Mr. HUGH SCOTT. Mr. President, President Ford has just announced his candidacy for President in 1976 and with the announcement came the feeling that the 1976 campaign may set a new high in campaigning procedures.

The Philadelphia Inquirer, in an editorial today, describes the "low key" and "believable" tone which characterized President Ford's announcement. I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Mr. Ford Sets the Tone for a Cleaner Campaign

Gerald Ford's announcement that he will be a candidate in 1976 for a full term was characteristic of the man and his presidency—low key, to the point and believable.

It is too early, of course, to pass judgment on a candidacy in an election which is still 16 months away. That is a long time in politics, as the events which put Mr. Ford in the White House less than a year ago remind us.

At the moment, however, the President's position is strong.

To begin with, as Democratic Chairman Robert Strauss noted, "anyone holding the office of the President of the U.S. has advantages" in a campaign.

Mr. Ford has taken over that office with assurance and fashioned his own administration with a series of first-rated appointments. His inherent openness and decency have gone far toward disposing of the Watergate legacy. And he has moved ahead with a program, well defined even if imperfect, that has left his opponents—both Republican conservatives and the Democrats—in considerable disarray.

Although former California Gov. Ronald Reagan is threatening to challenge Mr. Ford for the GOP nomination, Sen. Barry Goldwater says that the President would be unbeatable if by the end of the year the recession has bottomed out, unemployment is on the downgrade, and he has "some luck" in foreign policy.

Peace and prosperity, in other words—a classic formula.

On the Democratic side, Mr. Strauss concedes that "we won't defeat Gerald Ford with a more likeable or honorable candidate, for he has these qualities." "But," he adds, "we will nominate an equally likeable and honorable Democrat who is also right on the issues that trouble this nation and that is how we will win in 1976."

Well, we shall see. Right now the Democrats show no signs of having any idea of who that candidate will be. Nor does the chaotic and ineffectual performance of their huge new congressional majority suggest that they agree on what is "right on the issues."

As we said, however, much can change in the next 16 months.

One thing we have confidence will not change, happily, is Gerald Ford's pledge to wage "an open and above board campaign . . . within the spirit and letter of the law and without compromising the principles for which I have stood all my life."

After the trauma of Watergate, the nation needs that. And while no presidential candidate in or out of the White House can monitor every act on his behalf, he can—as Richard Nixon did so unfortunately—set the tone of those acts.

We are reminded of something the New York Times reported from Washington back in the winter:

"It has been almost seven months since a White House official has accused the media, members of Congress, or other citizens and institutions of mean motives. That is how long Gerald Ford has been President. Whatever Mr. Ford's weaknesses, he has always recognized the legitimacy of his adversaries and treated them with respect. This attitude has been contagious, spreading to the hundreds of thousands who man the departments and agencies, and may be the greatest, if least-noticed, change in a much changed city."

That kind of attitude can affect politics as well. We thus hopefully join Democratic Chairman Strauss in looking forward to "a clean and vigorous campaign where the concerns, the priorities and different approaches of the two parties are clearly defined."

ENERGY AND THE COASTAL ZONE: PULLING AND HAULING AMONG THE FEDS

Mr. HOLLINGS. Mr. President, toward solving our Nation's energy problem, we have turned our attention to the pot'ential resources of the Outer Continental Shelf. Although as yet we are uncertain what quantities of energy sources are to be found within the OCS, our national commitment to develop domestic energy sources requires that we pace our exploration and development of that area to insure an orderly and planned development which correspondingly must be borne by the coastal States.

It is to that end which the Coastal Zone Management Act Amendments of 1975 (S. 586), recently reported favorably by the Committee on Commerce, addresses. This legislative package will provide the affected Stat'es sufficient funds to cope with the massive adverse impacts which could be caused by offshore drilling and energy-related development onshore. The mechanics of the funding provisions reflect the essential necessity of strong Federal-State cooperation inherent in the task of a rapid but orderly and planned development of our offshore energy resources. Particular care must be exercised, in maintaining this relationship, to avoid any inconsistency of the program goals or objectives by the various Federal agencies. Thus the "Federal consistency" provision of the act explicitly requires recognition and maximum compliance of a State's coastal zone management program by those Federal agencies whose activities relate or affect such plans.

I was, therefore, quite pleased to read an article in Science magazine authored by Mr. Luther J. Carter which notes the existing inconsistent practices of several Federal agencies regarding the development of the OCS as it relates to the planning of several State coastal zone management programs. Mr. Carter reveals, in particular, that the objections raised by the Federal Energy Administration to certain aspects of several proposed State coastal zone management programs have, in effect, placed the actual administrative body, the Office of CZM under the National Oceans and Atmosphere Administration—NOAA—into "something of a dilemma."

Mr. President, I ask unanimous consent that the article be printed in the Record so that my colleagues may have an opportunity to reflect upon this commentary.

There being no objection, the article was ordered to be printed in the Record, as follows:

Energy and the Coastal Zone: Pulling and Hauling Among the Feds

In 1972 Congress passed the Coastal Zone Management Act to encourage the states to face up to and reconcile conflicts over land and resource use along the coastal margins. But in signing the act, President Nixon said, in effect, that the federal government was not going to second-guess the states on how much or how little coastal development to allow, and that it would limit itself to evaluating the adequacy of state coastal management *processes*. Now, in hindsight, it is clear that this distinction between substance and process can be illusory. This is amply illustrated by the federal energy agencies' insistence that state coastal zone programs include an affirmative effort to accommodate future energy needs, even though the extent of those needs may not yet be clearly perceived.

The Federal Energy Administration (FEA), together with the Energy Research and Development Administration and the Federal Power Commission, are currently taking exception to the first two state coastal zone programs submitted for interagency review, namely those from Maine and Washington. The positions asserted by the three energy agencies are not identical but they have a common thrust—that the states have an obligation to include in their coastal management plans more or less specific provisions for energy development.

For instance, in its comment on the Washington program, the FEA said that the state should identify coastal areas especially suitable for energy development. Also, the FEA said that these places should be designated under the act as "areas of particular concern" which the state might eventually acquire by condemnation as sites for energy facilities.

These FEA views are challenged by the Office of Coastal Zone Management (OCZM), which was created within the National Oceanic and Atmospheric Administration and the Department of Commerce to administer the coastal zone act. The OCZM recognizes that state coastal management programs must be prepared in consultation with state and federal energy agencies. It also acknowledges that to exclude provisions for energy facility siting from such a program arbitrarily is contrary to the letter and spirit of the 1972 act. But, in its view, the states are not obligated to designate specific areas or sites for energy facilities. If the OCZM and the energy agencies cannot reach a compromise, this question of how far the states must go to anticipate energy needs may ultimately have to be decided at the White House.

The coastal zone program, a truly pioneering venture in federal-state relations, represents perhaps the most significant federal effort yet to encourage the states to undertake land use regulation. For a time, it appeared that the Coastal Zone Management Act would merely complement a national land use act, with both providing grants-in-aid to states willing to establish programs for regulating critical land areas and critical uses.

But the land use legislation became hotly controversial last year when groups such as the U.S. Chamber of Commerce raised the specter of federal bureaucrats flouting state and local prerogatives and ignoring private property rights. As a consequence, the legislation was narrowly rejected by the House of Representatives, and its prospects for passage during this Congress are at best uncertain. The coastal zone program itself could easily become controversial should it be widely perceived as a federal attempt to preempt state and local authority in the control of land use.

The stated intent of the Coastal Zone Management Act is simply to have each of the 34 coastal and Great Lakes states and territories establish enforceable management plans and priorities for coastal waters and for adjacent shorelands having a "direct and significant impact" on those waters. Coastal areas of "particular concern" are to be identified together, with the uses to be permitted within them.

Further, the act specifically requires that state programs provide for "adequate consideration of the national interest involved in the siting of facilities necessary to meet requirements which are other than local in nature." It is in their interpretation of this latter requirement that the OCZM and the energy agencies are in such strong disagreement.

In administering the coastal zone program, the OCZM has a carrot but no stick. States can participate in the program or not, as they choose. Participating states can receive three annual program development grants covering up to two-thirds of their costs. Last year funds became available for the first time, and grants ranging in size from $78,000 (for New Hampshire) to $720,000 (for California) have been made to all eligible states except Indiana, which has come into the coastal management program only recently.

Once its management program is approved by OCZM, a state becomes entitled to regular annual administrative grants. Also, it then has the assurance (albeit somewhat qualified) that all new federal projects or permits affecting its coastal zone are to be consistent with the management program. This guarantee of "federal consistency" may actually turn out to be more important to some states than the grants-in-aid, especially given both the impending rush to develop outer continental shelf oil resources and the importance of coastal regions for the siting of electric power plants. By the same token, the energy agencies are aware that, because of the federal-consistency guarantee, it is all the more important that energy needs not be overlooked in the preparation of state coastal zone programs.

In May, the Washington program received the OCZM's preliminary approval, and thus became the first to achieve such advanced status. But the Maine program would probably have been fully approved except for the fact that Governor James Longley has withheld his endorsement and questioned whether the program vests too much authority in state agencies and too little in local government.

Central to the Washington program is the Washington Shoreline Management Act of 1971, under which local governments are responsible for inventorying coastal resources and preparing master plans, subject to state review and approval. The coastal zone is to be divided up into several classifications, namely "natural," "conservancy," "rural," and "urban," with the latter being the best and perhaps the only bet for energy facilities. The granting of development permits also is done by local governments, but variances from the master plan require state concurrence. All power plant siting is subject to the review of the state's Thermal Power Plant Evaluation Council.

For all its strengths, the Washington program is regarded by the OCZM as still a bit patchy. For instance, in most places, development activities occurring more than 200 feet inland from the high water mark are beyond the purview of the Shoreline Management Act and are subject only to indirect and possibly inadequate controls, such as might be exercised under the aid and water quality laws.

These considerations, together with the fact that by no means all of the coastal counties have completed their master plans, go far to explain why the Washington program has not yet been given final approval. Also, the OCZM, even though convinced that the energy agencies have asked for more than the law requires, wants to see more evidence that energy needs have been fully considered.

Coastal zone management in Maine, as in Washington, was well along even before the federal law was enacted. Measures such as the Site Location of Development Act of 1970, the Mandatory Shoreland Zoning Act of 1971, and the Wetland Control and Protection Act of 1972 have given the Maine program a strong statutory base. For instance, under the site location act, all high-intensity land uses along the coast are subject to a special state permit.

In its comments on the management program for Maine's mid-coastal region, the FEA observed that, despite industry interest in establishing oil terminals and refineries in this state, no such projects had been approved (this comment preceded the recent state action approving an oil terminal and refinery at Eastport). The agency indicated that, in view of the possibility of oil and gas production on Georges Bank and of the large demand for oil in New England, the need for oil ports and other energy facilities in Maine may be especially great. And, whereas Maine coastal zone planning thus far has envisioned the development of oil ports and refineries in only a few places (such as the Portland area), the FEA would prefer that the range of choice be much wider.

In sum, with Maine, Washington, and other states now beginning to submit their coastal management programs to the OCZM for review, this fledgling agency is in something of a dilemma. On the one hand, it does not want to overstep its statutory mandate by second-guessing states on matters such as energy planning. On the other hand, it is being pushed by the FEA and other energy agencies to reject state plans that do not specifically provide for energy facility siting. In instances where the omission is clearly arbitrary, the OCZM will be on safe legal ground in complying with the agencies' demand. Absent such arbitrariness, the OCZM either will have to stretch the letter of the law (as it understands the law) and require program revisions, or it will have to reject the energy agencies' demands.

The latter course may not be easy in an Administration that seems to give an overriding importance to energy development. In February, the White House submitted to Congress an energy facility siting bill (*Science*, 28 February) that would allow the FEA administrator to reject state energy plans and rewrite them if necessary. Many in Congress regard this legislation as far too heavy-handed to be enacted. Possibly having a better chance of enactment is a bill by Senator Ernest F. Hollings (D-S.C.), who sponsored the Coastal Zone Management Act. His bill would amend the coastal zone act to create a "coastal impact fund" from which $200 million would be available annually for 5 years for state planning and management programs to cope with energy facility development and its impacts. But, because it does not call for federal review and approval of state energy plans, this measure is no substitute for the Administration's facilities siting bill.

If this latter bill is indeed stymied, the Administration may come increasingly to see the coastal zone program as a useful means of pushing the states to establish energy facility siting programs that can pass muster with the FEA.

SWEEPING CHANGE IN U.N. IS URGED BY WORLD PANEL

Mr. KENNEDY. Mr. President, earlier this year, the Secretary General of the United Nations appointed an international group of experts, representing 25 countries, to recommend changes in the structure of the U.N. economic system, reflecting the current needs and realities of the new era in the global economy. Recently this group completed its work and submitted a unanimous report signed by all 25 members.

In the introduction to the report, the panel noted:

> In its 30th year, the United Nations has reached a turning point. In one direction lies the prospect of new capacity to cope with the central issues facing mankind in the decisive last quarter of the twentieth century. In the other direction lies the danger of the decline in the effectiveness of the United Nations. Which direction the Organization takes will be significantly influenced by the decisions on policy and structural questions which its Member States take in the months ahead.

The panel's recommendations are expected to be taken up at the special session of the General Assembly on Development scheduled to begin this September. Some of the proposals, such as the revision of the voting system of the World Bank and the International Monetary Fund, will undoubtedly cause strong debate and perhaps some controversy.

The structural revisions proposed by the group would require, in certain cases, the devolution of power within the United Nations system to the developing countries. But as Secretary Kissinger noted last May:

> The poorer countries can gain a sense of responsibility and participation only from the sense that their concerns are taken seriously.

Mr. President, I ask unanimous consent that an article published in the New York Times outlining the panel's recommendations be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SWEEPING CHANGE IN U.N. IS URGED BY WORLD PANEL

(By Kathleen Teltsch)

UNITED NATIONS, N.Y.—A 25-member international panel has recommended sweeping changes in the structure of the United Nations to improve its handling of economic issues and increase cooperation between rich and poor countries.

Its recommendations marked the first such major attempt at fundamental change since the world organization was formed 30 years ago.

The panel's report, entitled "A New United Nations Structure for Global Economic Cooperation," was presented today to Secretary General Waldheim. He said that this was "a historic moment in the life of the United Nations."

A major innovation suggested by the panel, consisting of one expert from each of 25 countries, including the United States and the Soviet Union, was a revamping of the present decision-making process which has led in the last year to confrontation and deadlocks between the rich and poor members in the General Assembly.

Instead of voting showdowns in the Assembly, where the developing third-world countries easily outnumber the industrial powers, the group recommended an intricate but still imprecise process of negotiating disputes to get agreements by consensus within the Economic and Social Council.

They ruled out any proposal that would require a revision of the United Nations Charter, clearly because they saw no prospects for agreement at this time, especially from the big powers.

The panel's report, a copy of which was obtained by The New York Times, is expected to be taken up at the special General Assembly session beginning Sept. 1. But it appears to face an uncertain fate because its recommendations are not likely to satisfy either the minority of industrialized countries or the majority of developing countries that have demonstrated here that they can rush through resolutions supporting demands for a larger share of the world's resources.

One of the recommendations that are expected to stir controversy calls for revising the present voting system in the World Bank and International Monetary Fund to provide greater decision-making power for the developing countries. The existing weighted voting arrangement now gives the United States a veto over some decisions and heavy influence on lending policies.

The panel calls for the creation of a new post of Director General for Development and International Economic Cooperation that would be second in importance only to that of the Secretary General. It would go to a citizen of one of the developing countries when the Secretary General was elected from a developed country.

The panel implied that the new Director General would outrank the heads of the 15 specialized agencies in the United Nations system, such as the Food and Agricultural Organization and the United Nations Educational, Scientific and Cultural Organization.

Criticizing the fragmentation of aid programs currently funneled through 23 separate funds, the report advocated that they be merged into a single United Nations Development Authority—dubbed by some panelists as the "fund of funds."

The amalgamation of contributions now going for population control, food assistance, environmental protection and other activities would give the proposed new authority a half-billion yearly to disperse to needy nations. The United Nations Children's Fund would remain separate.

The authority would be headed by an administrator who also would serve as one of two deputies to the new Director General and would be selected from an industrialized country.

It was expected that there would be a vigorous lobbying against the proposal for a new Director General and the Development Fund—this coming from the heads of United Nations agencies who would see their authority threatened.

ROLE OF EXISTING AGENCIES

Under the recommended changes, each agency would keep its autonomy but become less involved in running projects in the field and act rather as a standard-setter.

Some of the recommendations, such as the appointment of a new Director General, were proposed for action at the Assembly this year, others were not expected to be taken up for two to five years. Among these was a recommendation that an International Trade Organization be established.

All 25 panel members signed the report, but they did so as individuals, meaning that they did not signify their Governments' approval. However, their conclusions could be expected to carry some weight since 19 hold government positions.

The panel chairman was Al-Noor Kassum a Tanzanian lawyer-economist. The Soviet member was A. A. Molchanov, head of the Soviet Foreign Ministry's Department of International Economic Organization.

The American member Richard N. Gardner, Professor of Law and International Organization at Columbia University, served as rapporteur of the document drafted over an eight-week period.

Copies have not reached delegations but one panelist predicted it could run into strong opposition from the United States on several counts but particularly because of the idea of having a third-world representative serving in the second highest post in the United Nations hierarchy—he would be selected by the Secretary General with the approval of the Assembly.

An American official said the United States intended to give the report its closest attention but he declined to comment on the recommendations beyond saying "They pose some problems."

Other saw prospects that the third-world countries would balk over the emphasis on negotiating procedures seeing a threat to curb their numerical voting strength although the report stipulates that the Assembly could go on voting resolutions as long as it "takes account" of the private conciliation efforts being tried elsewhere.

The panel's work was authorized by a General Assembly resolution of January, 1975, requesting that it propose structural changes to make the United Nations system "fully capable of international cooperation."

The resolution called for a broad geographical representation on the panel, which was appointed by Secretary General Waldheim on the basis of nominations by governments. China was offered a seat on the panel but declined.

The panel sought through its recommendations to enhance the standing of the Economic and Social Council, which is listed in the Charter as one of the major organs of the world organization. However, it has not enjoyed high prestige. The most recent session was marked by high rates of absenteeism among the 54 members.

In its efforts to steer away from the voting contests that split the Assembly membership into seemingly irreconcilable camps, the panel recommended that the Council establish small negotiating groups to deal in private with deadlocked key issues. One such might be the continuing dispute over compensation for nationalized foreign properties—an issue that brought on a major dispute at the late Assembly.

The small groups would include representatives of the countries most deeply involved and would be headed by a prominent individual who would devote full time to trying to bring about agreements, traveling as necessary between capitals and serving, as one official suggested, as "a Kissinger for economic, instead of political, disputes."

Each such negotiating effort would be limited to one or two years but several could be tackled simultaneously.

The panel also advocated a major overhaul of the Economic and Social Council to abolish at least eight of its subsidiary commissions.

The commission on the status of women would be eliminated along with the commissions on population, social development and natural resources. The Human Rights Commission would remain.

The business formerly handled by the others would be dealt with directly by the Council, thereby avoiding duplicating debates.

In support of such streamlining, the panel report said that the Council, as it currently operates, "lacks the necessary degree of authority," and has become bogged down by unmanageable documentation.

As part of the proposed structural change, the panel recommended that the Council be given a new role in organizing the economic matters dealt with by the Assembly.

They proposed that the Assembly's Economic Committee be renamed the Committee on Development and International Economic Cooperation, and that it take on all items currently discussed by the Social Committee that concern development. The Social Committee would be left mainly with human rights matters and humanitarian questions. Each has a membership of 138 countries.

In the field of trade, the experts proposed a gradual phasing out of the United Nations Conference on Trade and Development, which was organized in 1964 by the poorer countries because of dissatisfaction with Western domination of the existing machinery for dealing with trade issues.

In proposing the new post of director general for development, the panel recommended that the duties include direct charge of the existing Department of Economic and Social Affairs—the largest in the United Nations—and that the present post of Under Secretary General be abolished.

The proposed United Nations development authority, it was recommended, should be managed by a small operations board of 18 to 27 members who would be "equitably balanced" between countries which are net donors to United Nations aid programs, and the net recipients of help.

No additional increases in personnel would be required to carry out the panel's decisions, the report said. However, its members advocated a major effort to improve staff personnel policies.

They urged competitive examinations for United Nations job candidates and the possible creation of a staff college for training officials from different agencies in the system. They also said that a unified system should be accepted for all employees in regard to recruitment and salaries.

They also favored employing more women in nonclerical positions and hiring younger applicants from all regions.

NEEDED: MORE AID FOR DISASTER VICTIMS

Mr. MONDALE. Mr. President, in the past 2 weeks farmers, small businessmen and homeowners in the Red River Valley of Minnesota and North Dakota have suffered the worst disaster ever to strike that region. I personally visited the area on Monday and had an opportunity to view the damage by helicopter and on the ground. What I saw was literally heartbreaking. Crops representing investments of from $75 to $400 per acre were totally destroyed throughout a corridor often many miles wide on both sides of the river. Large scale, if not complete destruction extends much further, affecting thousands upon thousands of acres.

Yesterday, in order to provide some additional help for victims of the floods in the Red River Valley and of similar disasters in other parts of the country, the House of Representatives approved a bill, which is similar to one that was adopted earlier this year by the Senate, including two provisions in particular. The first of these provisions would extend from 7 years to 20 years the period for repayment of emergency operating loans to farmers at the current 5-percent rate of interest. The second provision is the result of an amendment offered by Congressman BOB BERGLAND on the floor to permit the Secretary of Agriculture to relax certain collateral requirements in the case of young or beginning farmers whose security was itself destroyed by the disaster.

While these changes in the law, if they are maintained in conference and signed into law by the President, would represent a step forward toward assuring that the needs of disaster victims are better met, I think we in the Congress ought to ask ourselves whether enough is being done in this area.

The other day, for example, it was reported that the Agency for International Development approved a 40-year $58 million loan to Syria. The terms of the loan include a 10-year grace period during which the interest charged would be only 2 percent with a 3 percent interest requirement during the remaining 30 years. The purpose of the loan was, incidentally, to expand the water supply for Damascus and to improve agricultural inputs and credit.

Generally speaking, I have always been a strong supporter of our foreign assistance programs. I know that there are many countries that are desperately in need of help. But with respect to certain loans, I have been critical, particularly in cases like Syria, a country that seems to find all of the money it needs for arms purchases from the Soviet Union.

I think that this latest loan to Syria raises an important question about the relationship between spending programs that are blatantly geopolitical and military in nature and those designed to provide some justice for our own people at home. More specifically, I find it difficult to explain to farmers in the Red River Valley, who have broken their backs and have now lost their shirts trying to grow the food this country needs, why the Syrians should be able to get 2 or 3 percent loans with a 40-year repayment period when the best we can do for disaster victims in Minnesota is a 5 percent loan spread over a maximum of 20 years. I find it impossible to convince them of the justice of that approach.

If we can afford to lay out $58 million for the water supply in Damascus, surely we can afford to invest the funds that are needed to control future flooding in the Red River Valley, one of the most productive agricultural regions in the United States. The flood control problem along the border between Minnesota and North Dakota is not a new problem. We have known about it for at least 17 years. Proposals for projects, like the Wild Rice River Dam, have been under consideration for a decade or more. Nevertheless, there has been delay; and in the competition for limited Federal funds, the dam has not yet been built. Now the evidence of the cost of misplaced priorities and inaction are all too clear. And the losers are not only the farm families and communities that are directly affected, but also consumers throughout the country who rely on the valley for sugar, for wheat, for potatoes and other essential agricultural products.

I hope that out of the tragic disaster of the past 2 weeks we will have learned a lesson. I hope that Congress will see fit at the earliest opportunity to move forward on the Wild Rice River Dam and other essential flood control projects in the Red River Valley.

Furthermore, the formula for determination of disaster payments under the 1973 farm bill should be liberalized by updating the Federal acreage allotments. Finally, I think a reduction in the interest rates for disaster loans, while it may be difficult to achieve in time to help, is definitely in order.

The loan to Syria is only one example of why we need to restore a better balance in the way in which Federal dollars are being spent. And I believe that the time to begin is now.

FEA: IN THE DARK—II

Mr. METCALF. Mr. President, yesterday I called to the attention of my colleagues that the Federal Energy Administration was doing an "information survey" of the problem of electric utility construction and output.

This information survey apparently involves only FEA representatives and the utility companies. There is either no or belated notice to officials of State governments, which may have laws covering utility construction, or to local groups interested as they are in Montana in the problems of strip mining and coal gasification.

I said yesterday that as I had additional information on the FEA saving energy by working in the dark. I would share it with my colleagues.

Today I have for the RECORD an announcement of the FEA information survey by the President of the Montana Power Co. It appeared in the Helena, Mont., Independent Record of Sunday, July 6. The article quotes the company president as saying that the survey team would find in Montana a "pile of redtape as high as Montana's big sky" and that he hoped the President's task force could find a way to cut it. The "pile of redtape" to which the company official refers is provided for by State law.

Two days after the FEA "information survey" was announced by the utility concerned, the FEA got around to issuing a press release on the subject.

I ask unanimous consent that the newspaper article and the FEA press release be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEA WANTS TO KNOW ABOUT COLSTRIP DELAYS

BUTTE.—A Federal Energy Administration (FEA) survey team will begin investigation next week into delays in construction of Montana electric generating plants, specifically the proposed Colstrip units 3 and 4.

The team, said Montana Power president Joe McElwain, will gather information for use by a federal task force formed by President Gerald Ford "to discover impediments to the completion of electric utility plants and to take steps to relieve this particular situation whenever possible."

Colstrip is the site of two 350-megawatt generating units and the proposed site of two additional units of 700 megawatts, planned by the Montana Power Co. and four other Northwest utilities.

McElwain pointed out that delays in construction of generating plants are being investigated throughout the nation. "Utilities are experiencing delays, caused by problems that range from regulatory foot-dragging to financial, to unreasonable environmental restrictions."

The power company president pointed out that his company would be bound twice by the 1973 Utilities Act, which would require compliance with environmental standards before operation, as well as during it.

McElwain said he believed that investigation by the FEA survey team would discover a "pile of red tape as high as Montana's big sky", and that he hoped the President's task force could find a way to cut it.

FEDERAL ENERGY NEWS,
Washington, D.C., July 8, 1975.

TEAMS TO SURVEY POWERPLANT CONSTRUCTION PROBLEMS

Seventy utility companies which are experiencing delays in construction of vital new facilities will be surveyed to determine the source of their problems, the Federal Energy Administration announced today.

Utilities with three or more problem plants will be visited by FEA survey teams this week, and representatives of other major utilities will meet with agency officials at FEA regional offices July 14 and 15, to provide needed data.

FEA Administrator Frank G. Zarb said, "the purpose of this survey is to provide a comprehensive base of information for a task force (members yet to be named) on utility construction problems which will begin operation on August 1."

The task force was recommended by the President's Labor-Management Committee in its recent meeting at the White House, and the recommendation was adopted by President Ford.

"Because powerplant expansion is a necessary forerunner of an improved national electrical energy capacity, these construction problems take on major significance," Mr. Zarb said. "We are pleased to assist the task force in gathering this necessary information."

Key executives of major utilities have pledged their support to the data collection effort. Other Federal agencies, including the Departments of Labor, Commerce and Interior, the Office of Management and Budget, the Federal Power Commission and the Environmental Protection Agency, are providing vital assistance. Industry suppliers, architectural engineering firms, and investment bankers will meet with FEA representatives this week.

Cooperation from the public and private sectors will make this program a major step toward resolving the long-range problems confronting the future development of utilities, Administrator Zarb noted.

RENEW THE VOTING RIGHTS ACT

Mr. BIDEN. Mr. President, 200 years ago a war was fought because citizens of a country were required to support a government in which they were forbidden to participate. "No taxation without representation" became the battle cry of a new nation—a new democracy.

Unfortunately, Mr. President, in too many areas of our country today the words "no taxation without representation" still have meaning. In too many areas of our country today taxpaying citizens are denied or discouraged from voting. In too many areas of our country today taxpaying citizens are hindered in seeking elective office.

In 1965, Congress made a bold effort to end this system of taxation without representation once and for all by enacting the Voting Rights Act. That law has gone a long way toward finally guaranteeing the right to vote to black Americans and other minorities. It will expire August 6 of this year, unless renewed.

There are some who say that now the job is finished. That we have done all we can. That there is nothing left.

I disagree, Mr. President. The law should be extended and not be permitted to die. It should also be expanded.

Yes, we have nominally guaranteed the right to vote to all Americans. However, we must remain ever vigilant that that right remains protected. Only by continuing to provide for Federal inspectors and Federal control in areas where voting discrimination occurred can we truly say it can never happen again.

There is more to be done, Mr. President. Voter registration among southern blacks has increased dramatically since the Voting Rights Act became law 10 years ago. Many barriers still exist—barriers to registration, voting, and candidacy. For instance, although blacks make up 25.8 percent of the population in the seven southern States affected by the act, they hold only 2.5 percent of the State senate seats. Furthermore, they may be subtle forms of discrimination such as inconvenient hours for registration, discourtesy at the registration office or inadequate polling places. There are other obstacles to candidacy such as filing fees and informal qualifying requirements.

Since enacting the Voting Rights Act of 1965, we have become cognizant of the problems which other minorities encounter in attempting to vote. Mexican-Americans, Puerto Ricans, and Indians may face even greater hurdles than black Americans because of the additional language difficulty. They, too, have rights. And they, too, must be protected.

Mr. President, as a cosponsor of legislation to extend the Voting Rights Act—legislation which the Senate will shortly consider—I urge my colleagues to support the strongest bill possible.

As Chief Justice Warren stated in discussing the act after it was first passed:

> Hopefully, millions of Americans will now be able to participate for the first time on an equal basis in the government in which they live. We may finally look forward to the day when truly "the right of citizens of the United States to vote shall not be denied or abridged" by the United States or by any state on account of race, color or previous condition of servitude.

His words describe the 15th amendment. They are as true today as when Chief Justice Warren wrote them. I can think of no more appropriate time than now—as we approach the Bicentennial year of a Nation founded on the principle of "no taxation without representation"—that we assure that the mandate of the 15th amendment is carried out and that each citizen may freely cast his or her vote or seek elective office.

NOW, NOW MR. ECONOMIST, DO NOT BE AFRAID

Mr. MONDALE. Mr. President, I would like to bring to the attention of my colleagues an article by Dr. Walter W. Heller, regents' professor of economics at the University of Minnesota and former chairman of the Council of Economic Advisers during the Kennedy administration. He forcefully points out that the administration's cry of "go slow on the economic recovery" needlessly consigns many millions of Americans to continued unemployment and underemployment. He laments that Arthur Burns' monetary policy of restraint can create the "crowding out" he purports to fear. He shows that the Ford vetoes of growth generating legislation evidence a basic lack of faith in our economy's ability to climb out of the deep pit of this recession at a pace faster than a crawl.

The administration's stance in these matters deeply disturbs me, and I think that Dr. Heller demonstrates that their views and actions are not in the best interests of all Americans. I share Dr. Heller's opinion that we can climb out of this recession fairly rapidly without generating a new round of inflation. Accordingly, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 30, 1975]

NOW, NOW MR. ECONOMIST, DON'T BE AFRAID

(By Walter W. Heller)

MINNEAPOLIS.—The fear of inflation is still so dominant in Washington today that it is evidently destroying policymakers' faith in the recuperative powers of the American economy and blinding their sensitivity to the growing plight of the unemployed.

Transfixed by this fear, the White House and the Federal Reserve authorities are greeting the early signs of modest recovery from this deepest of all postwar recessions as if prosperity were just around the corner, the hellfires of a new inflation were about to engulf us, and let the devil take the hindmost, the jobless.

If that somewhat inflamed statement of the case is not to be inferred from the words and actions of the Administration and the Federal Reserve, how are we to interpret the following actions and statements?

Item: President Ford justified his veto of the emergency jobs bill last month in good part on grounds that economic recovery would be well along by the end of 1975 and much of the bill's impact would not be felt until 1976. Yet, the White House itself expects unemployment to average just under 8 per cent in 1976—higher than the worst unemployment levels in any of the five previous postwar recessions.

Item: In his midyear budget review, the President nonetheless projects a dead stop to the tax cut at the end of this year and clips $9 billion off of the already-modest expenditure total approved under the new Congressional budget procedures. He would thereby turn budget stimulus into budget restriction.

Item: On Meet The Press on May 25, Arthur Burns, chairman of the Federal Reserve, suggested that "the thing to do now is to sit back for a little while. . . ." Subsequently, James Lynn, the budget director, and William Simon, Secretary of the Treasury, added their voices to this litany of little faith.

In other words, ignore the abysmal level of the economy, and look only at its upward direction—lean against the oh-so-gentle zephyrs of recovery as if they were harbingers of hot new blasts of inflation.

Ignore the 8 per cent drop in real G.N.P. from its late-1973 peak (twice as big a drop as in any previous postwar recession) and the 6 per cent growth of our productive potential in the meanwhile. That is, ignore the forces that have opened up a yawning chasm of $200 billion a year between what the U.S. economy is producing and what it could be producing.

Ignore the Administration's own projection of an anemic 6 per cent of G.N.P. recovery—versus 8.5 per cent in 1954–55; 9 per cent in 1958–59, and 7.5 per cent in 1960–61—and complacently settle for the weakest of recoveries from our deepest of recessions.

Ignore the nearly ten-million job-seeking and discouraged workers.

Ignore the clear evidence that inflation is abating:

Excess demand has long since been replaced by excess supply—far too few dollars are chasing too many goods.

Wages have not exploded, so cost-push is less than expected and is about to abate as productivity jumps and average wage increases slow down in the face of woefully weak labor markets.

External-shock inflation—the food and oil price explosions and dollar devaluations that accounted for some 60 per cent of the monstrous 1973–74 inflation—is subsiding. Except for the game of oil price leapfrog that the President and the Shah of Iran are playing, it should not rise to plague us in the mid-seventies.

In short, ignore the facts that inflation is clearly waning and that the fragile flower of economic rebound in the second half of 1975 has to be cultivated, nurtured, and fertilized lest it wilt or die in 1976.

It would be at least reassuring if one could believe that the White House and Federal Reserve were working toward a conservative but defensible goal like trading off fiscal restraint for an expansionary monetary policy, i.e., pursuing a policy of expansion that would tilt the economy toward the easier money, lower interest rates, and lubricated capital markets needed to help revive housing and ease our longer-term capital and capacity pinches. No such thing. It's a policy of cry havoc on inflation and go slow on expansion of any kind.

What, then, should be done?

First, Mr. Burns and the Fed should firmly pledge to hold interest rates at or below present levels for the next six to nine months. That will still leave plenty of time to put on the monetary brakes before a new inflation threatens us.

Congress should speedily re-enact the $12 to $13 billion of the 1975 tax reduction that is not of a one-shot nature and quickly approve an expanded public service jobs program and new antirecession grants to hardpressed cities and states, programs that would self-destruct as unemployment drops to tolerable levels.

Third, President Ford should declare his firm faith in the U.S. economy's capacity for long and sustained expansion and his determination to put recovery in high gear. He should promptly assure the country that he will not let oil-price increases refuel inflation and retard recovery.

After a year of robust recovery at, say, an 8 per cent clip under these policies, what will the policymakers see?

Unemployment still well over 7 per cent.

Excess capacity galore—perhaps one-quarter of our manufacturing capacity lying idle instead of today's one-third.

Inflation still subsiding or at least in check.

Budget deficits falling and interest rates remaining at moderate levels.

Then, in good season, they can take another look and see whether the fear of inflation justifies braking the recovery. But to retard the spark of recovery at its first gleaming, as we are now doing, is an exercise in the economics of fear, an act of little faith and less compassion.

EDUCATION COMMISSIONER BELL SPEAKS ON THE ARTS

Mr. CRANSTON. Mr. President, the Honorable T. H. Bell, U.S. Commissioner of Education, has made a strong and decisive commitment to the great value of the arts in education. In a recent speech to the Utah Alliance for Arts Education, Commissioner Bell left no doubt of his keen understanding of the role the arts can and should play in the lives of all Americans, especially our young.

Commissioner Bell—almost uniquely among Federal education leaders—has recognized not only that the arts belong in our schools, but that they belong at the core of the curriculum. Ideally, they are not peripheral, but central, and can demonstrably improve education in our public schools.

I applaud the Commissioner for this very hopeful statement, and I ask that his remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE ARTS: LEAVEN IN OUR LIVES*

(By T. H. Bell, U.S. Commissioner of Education)

Ladies and gentlemen of the Utah Alliance for Arts Education, and friends . . .

I am all too aware that the arts have little appeal to most people as a basic or a priority in education. That's where the National Alliance, and State Alliances like yours, come in . . . to make it apparent to all just how basic the arts really are—basic to successful living, basic to understanding and enjoying the world and finding a place in it, and thus basic to education.

While many associations have long been working in specific fields of the arts, the National and State alliances are the first to center attention on education in the arts for every child, regardless of his or her personal tastes or talents.

The National Alliance got its start 2 years ago at the symbolic heart of this country's cultural awareness, the Kennedy Center in Washington. The center, the Education Division of the Department of Health, Education, and Welfare, and the various national arts education associations joined to set it up in response to a mandate of Congress.

Congress' mandate was to make the Center's performances more available to students and youth, to encourage students and youth to take advantage of the Center's services, and in other ways to create a national symbol of the arts that would help to dramatize the need for expanded education in the arts.

One way the Alliance chose to carry out Congress' direction was to encourage representative leaders in the arts in each State to set up an Alliance for Arts Education Committee. This committee was to organize a State alliance which would press for the day when the arts would become an integral part of education in every elementary and secondary school in the State.

Now State Alliance for Arts Education Committees which include representation from State Arts Councils have plans that go far beyond the National Alliance's early hopes.

Utah, I am proud to say, is one State that has been ahead of the van. This first statewide conference on the arts is one proof of this, and so is the festival of the arts that you are holding all this week. We all owe thanks to Dr. Walter D. Talbot for making this possible. He brought together all the arts resources of the State under the auspices of the State board of education.

Utah's AAE has been responsible for much that will reinforce the arts throughout the State. I hear that, among other things:

It is sponsoring a retreat on the arts in education for school superintendents, board members, teachers and advisors, to discuss plans for the future of the arts in the schools.

It sent the Golden Spike Youth Symphony to the Kennedy Center in May, as its part of the National Showcase for the Arts, and a regional high school group raised the $20,000 necessary to enable the symphony to make the trip.

It is cosponsoring a large conference called "Open Your Life to the Arts."

I must also mention the splendid way Utah is bringing artists and poets into its schools, with the poets, for example, printing the work of their elementary students for every child to see. The best poems, I understand, are published in hard cover.

None of this, of course, is news to you, for you were the ones to bring it about. It's just that, as a fellow Utahan, I want to share with you my pride in what you are doing.

I think we need to remind ourselves, however, that—regardless of what Utah or any other State does in arts education—the money needed for teachers in the arts, and for such things as centers in which young people can work and make discoveries, will not be forthcoming unless national attention is focused on the arts.

Last October arts education leaders from 42 State departments of education met at Kennedy Center with staff members of the Office of Education and artists, community leaders, and State arts council leaders to discuss State plans for comprehensive arts education.

State plans then conceived were an attempt to outline strategies for change in arts education that would call for great readjustment in the attitudes of teachers and for new collaborations between educators and artists. The State arts teams—the State alliances and arts councils—seemed to emerge as potent forces, and much of what went on was encouraging.

Comprehensive planning in the arts is not so revolutionary as it sounds. For instance, the High School of Music and Art in New York has brought it all together for young people with special talents for 40 years. Several progressive private schools have placed small groups of 12-year-olds in regular college preparatory courses that are nevertheless closely related to fairly intensive fine arts courses, so that Greek art is explored and sketched by students while they study the Greek dramatists in literature courses.

But in most public schools art has been thought of as extra-curricular, and opportunities to make at least an acquaintance with all the arts have not been available for all students.

The lack of early arts awareness and experiment shows up in many of our national attitudes. We tend to give greater rewards to businessmen than to even front-rank painters, dancers, or musicians. Most of our values seem to be centered around so-called practical matters—on the everlasting production of material things and the machines of destruction, or the proliferation of gimmicks that have neither useful nor ornamental value.

I enjoy the words of Alexander Calder, the American sculptor whose mobiles and stabiles have added so much to the gaiety of open city spaces. Calder said:

"The gay and the joyous, when I can hit it right, are there . . . they call me a playboy, you know. I want to make things that are fun to look at, that have no propaganda value whatsoever. I'm frank to say that in religious pictures what moves me is the plastic form or the wonderful colors . . . my friend Peter Blume wants to say something. I don't. Who comes out best?"

Many of our young people have shown that they are unhappily aware of the crass emphasis of our society. This situation has led many of them to seek the deeply personal satisfactions of the arts, if only on an avocational or part-time basis.

In fact, in a time of lowered economic expectations, it is intersting to realize that in a Gallup poll of occupational preferences among college students 35 percent of those polled expressed an interest in pursuing a career in the arts.

The arts—once one has tasted them—are not hard to sell. Even in small doses, they are catalysts for the greatest moments of self-discovery, the most thrilling pleasures. The practice of an art—any art—calls for the fullest coordination of all of one's faculties, mental, physical, and emotional, and the finest art product is the result of the fusion of all these at their most intense pitch. One more quality is especially the province of the artist: intuition. It is through the gift of intuition that artists of all ages have been the forecasters and prophets . . . as well as the Cassandras.

It is up to the Alliance, I believe, to survey and document the arts educational potential of this country. Much is needed. Teachers need access to refresher courses in the arts. More art-trained teachers have to be guided to States that need them, away from the big eastern cities. Young people need workshops in which to experiment with art media, with musical instruments, with new art forms for television and radio, movies and still photography. Art is not a spectator sport, and the early years are the ones in which to develop the needed sensitivities. The National Alliance can help with this. But people in the States must do their part too—as they did in Connecticut, one case I happen to know about.

In Connecticut the elementary principals of all schools were drawn together for the first time last year through an arts conference. Robert Saunders, arts consultant for the State pointed out that title III of the Elementary and Secondary Education Act, which provided for supplementary education centers and services, had ceased to exist as such—and, with it, the source of much of the money the State was using for arts education. However, he went on, the State could use Federal revenue sharing money to continue arts education if it chose. It would take some persuading. To do this persuading, Connecticut teachers of all the various forms of art worked together for the first time in a lobby for the arts at the State capital.

In Connecticut's case, the necessity to work together for comprehensive art education was the result of economic, rather than philosophical, forces. Nevertheless, it worked to the benefit of all concerned, since through cooperation the interlocking relationships of the arts were discerned. It became easier to see how a poem that a youngster had written might be interpreted by himself or by another into a dance movement, into music.

Mention of music brings me to a quotation from a beautiful but angry speech on music education by Murry Sidlin, resident conductor of the National Symphony, at the first National Conference on the Arts and Humanities in the Black Hills last October.

"After 35 years of young peoples' concerts," Sidlin said, "We have not increased the numbers of our concert hall audiences, and in every community the symphony orchestra is in desperate financial trouble . . . 'We play to 100,000 kids' is the general boast, but do the evaluations take into account the extent to which one 45- or 50-minute experience every third or fifth year creates musical interest? Additionally, there is rarely a chance for a child to come into direct contact with the musicians, the conductor, and a composer."

The aim of the conference at South Dakota's Black Hills College, sponsored by the Denver Regional Office of the Office of Education, was stated in the conference theme—"Humanizing the Public Schools Through Arts and Humanities, Gifted and Talented Programs." The outstanding artists, writers, musicians, and critics who addressed the conference all made it clear that the arts were for everyone and that surely no gifted or talented humanists could emerge unless opportunities through the arts were open to all, not just to the uniquely talented.

This year the cause of the arts is being forwarded nationally by:

The college music festival, built around two American composers, Arnold Schoenberg and Chares Ives, held at the Kennedy Center.

A one-week festival of the arts at Kennedy Center this fall, showing paintings, poetry, and performing arts groups from many States, with each artistic submission screened by its own State AAE committee.

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*Prepared for conference of the Utah Alliance for Arts Education; Park City, Utah, April 25, 1975, 10:00 a.m. MDT (12 noon EST).

The 7th American college theatre festival just completed at the Center.

Congress authorized $750,000 a year for the AAE program under the Special Projects Act of 1974, but no money was appropriated for it. We hope it will be next year.

State Departments of Education were able to get up to $10,000 for arts education last year out of $500,000 in discretionary money that I had available to me. Thirty-eight States requested a share. A somewhat smaller amount has been made available this year to the Kennedy Center for support of State AAE projects. In addition, out of my 1974 and 1975 discretionary funds, $1 million was set aside each year to promote intercultural programming in the arts.

All of this sounds like more hope than money, but what individual States have done is proof that it can be done, and done well. All it takes are citizens convinced that a life without the arts is dry indeed and lacking in communication. As Robert Shaw said recently: "The arts exist to convey that which otherwise cannot be conveyed. The more surely a person discovers himself, the more he can reach others."

We can never do enough to make up for the years of American neglect of all that now appears to be most worthwhile in living. Nevertheless, I am convinced that our civilization will not be remembered for its toasters and teevees nearly so much as for its written and painted records.

Frank Lloyd Wright once said: "The common man . . . is the enemy of culture. Culture is made for him . . . but in spite of him, because he believes only what he sees, and he sees only what he can put his hands on. We've missed culture somewere along the way."

I quote Frank Lloyd Wright only because he couldn't be more wrong. The arts are for the common man—to enrich his life, to give it depth and color.

AAE and all the young people of the U.S.A. are giving the lie to Wright, as did the modern American artists of the past 25 years. Those of us in education have to speed the process along.

SENATE AND HOUSE MEMBERS TO HONOR SOLZHENITSYN

Mr. JACKSON. Mr. President, all Members of the Senate and House of Representatives are cordially invited to attend the reception in honor of Mr. Alexandr Solzhenitsyn on Tuesday, July 15, at 2 p.m. in the Caucus Room, 318, of the Russell Senate Office Building. Mr. Solzhenitsyn will make a short statement at about 2:30 p.m.

The invitation to Mr. Solzhenitsyn, which Senators Biden and Case joined me in initiating, was extended by a bipartisan group of 25 Senators.

The text of the telegram sent to Mr. Solzhenitsyn Wednesday reads as follows:

Dear Mr. Solzhenitsyn: We wish to extend an invitation to you to meet with the members of the United States Senate here at the Capitol for a reception in your honor on Tuesday, July 15, at 2:00 P.M.

As elected representatives of the American people, we would like to convey their admiration and respect and our own, for your literary work and your courageous support for human rights. For the people of the United States, whose origins can be traced to every continent, your devotion to individual liberty has been particularly stirring. It would be an honor for us to express to you personally—and through you to the many who are still struggling for the freedoms which we in America sometimes take for granted—our appreciation for the way your efforts have enriched the life and fortified the spirit of all freedom-loving peoples.

Sincerely yours,

Senator Henry M. Jackson, Senator Joseph R. Biden, Jr., Senator Dale Bumpers, Senator Frank Church, Senator John Glenn, Senator Hubert H. Humphrey, Senator Daniel K. Inouye, Senator Warren Magnuson, Senator John L. McClellan, Senator John O. Pastore, Senator Abraham Ribicoff, Senator Adlai E. Stevenson, Senator Richard Stone, Senator Harrison A. Williams, Jr.

Senator Clifford Case, Senator Bill Brock, Senator James L. Buckley, Senator Jesse Helms, Senator Jacob K. Javits, Senator Bob Packwood, Senator William V. Roth, Jr., Senator Richard S. Schweiker, Senator Ted Stevens, Senator Robert Taft, Jr., Senator Lowell P. Weicker, Jr., Senator Strom Thurmond.

U.S. NEWS REPORTS ON SMALL BUSINESS CONVENTION

Mr. NELSON. Mr. President, a short time ago I had the pleasure of delivering the opening remarks to the convention of the National Federation of Independent Business which met in Washington from June 16 through 18.

The federation is the largest of the U.S. small business organizations, with a membership of approximately 420,000. Several thousand attended this meeting.

In my view, the independent business community has been a "sleeping giant" over the years. It has just recently begun to make the country aware of its presence and significance.

According to definitions developed by the Small Business Administration—on an industry-by-industry basis—smaller business accounts for more than 95 percent of the nearly 13 million U.S. enterprises; employs more than half of the people in the private labor force; and produces 43 percent of the output of business and one-third of the entire gross national product.

It is thus gratifying that U.S. News & World Report, in its June 30, 1975, edition, gave national coverage to the NFIB meeting and the observations of many of its participants. The article also discussed the results of the federation's economic polls which indicate the sentiments of businessmen about business conditions in the months ahead. Business decisions which flow from these feelings are translated into purchases of materials and new jobs by millions of firms, and they can thus be a valuable barometer of the performance of our economy.

For the information of my colleagues, I ask unanimous consent that the article entitled "Small Businessmen Find Something To Cheer About" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Small Businessmen Find Something To Cheer About

A "GRASS ROOTS" VIEW OF BUSINESS CONDITIONS

Highlights of opinions expressed at a meeting of the National Federation of Independent Business in Washington, June 16–18:

Sales improvement is expected by about half of the companies polled.

More firms are planning to hire additional workers.

Outlays for expansion and modernization are rising.

Signs of pickup are most noticeable on the Pacific Coast and in the Southwest.

That is the outlook among small businessmen who, according to official definitions, account for about—

95% of all U.S. businesses
52% of all private jobs
33% of the nation's gross national product.

If businessmen who have been battling with recession on the ground floor are right, the economy is now grooming itself for a rebound.

Talks with owners of independent firms leave the impression that business morale is on the upswing.

And fresh surveys, geared particularly to small businesses, show that this optimism is generating new plans for spending and hiring.

The evidence from a new poll by the National Federation of Independent Business: Nearly 50 per cent of firms surveyed now expect sales gains in the next few months, compared with only 19 per cent expecting declines.

About twice as many companies plan to add new employees as plan to lay off workers. This is a complete reversal from the beginning of the year.

Capital-spending plans of small business, though still modest, have shown marked increases since January. That's in sharp contrast to the cutbacks under way among the giants of industry.

As a barometer of the economy, this evidence from small companies is significant, experts note, because they make up 95 per cent of all U.S. business and account for 52 per cent of all jobs in private industry. They produce one third of the country's goods and services.

WHERE SIGNS APPEAR

University of Michigan economist Ross Wilhelm says that signs of economic recovery tend to show up first in the small and medium-size firms because they're able to respond fastest to changing conditions. He confirms, too, that such companies are beginning to record sales gains.

Reports from businessmen attending the National Federation of Independent Business convention in Washington, D.C., show that small, local firms have moved swiftly—both to adjust to the recession and to gear for the rebound.

Eugene Carlson of Cleveland, a manufacturer of compressors and pumps, plans to construct a new building and hire more workers this year. His reasoning: Interest rates are low and banks are now more willing to lend to smaller firms. The bigger investment tax credit voted this year is another incentive, as are the lower bids from contractors.

Mr. Carlson and many other small producers hope to cash in on the growing market for maintenance parts and services, which kept many firms alive during the slump. Small shops will be called on to keep older machinery going because spending for new plants is expected to lag for several more months.

The small manufacturer also has more opportunity to experiment. This has freed him to develop new products that helped in the slump and will give him a boost during recovery.

Ray Capaul, president of Acoustiflex, an Illinois firm specializing in noise-control products, says he's been able to outpace larger firms by pioneering new types of acoustic building panels.

WHEN CUSTOMERS BALK

Retailers are having a tougher time because they've had to shave profit margins.

Balky consumers have kept them from passing on the full brunt of cost increases.

Yet many small shops are holding their own, although more have been forced to borrow to stay afloat.

Andrew Ross, operator of a discount store in Norwalk, Conn., says the energy crisis has brought people back to the neighborhood convenience store. But he's had to buy new surveillance equipment to curb a wave of shoplifting.

"It's not just kids stealing gum any more," he claims. "It's adults taking soap, toothpaste and other essentials."

He adds that many shoppers have been buying items in smaller sizes. But because they are actually getting less for their money, this tactic yields same unexpected profits for stores.

Richard Bailey of Faculty Associates, Inc., the federation's economic' consultants, says 65 per cent of small businesses are in the retail and service fields, which he feels have been relatively stable during the recession. Others note that these firms were quick to spot the drop in consumer confidence and were not caught with big inventories.

One owner, Bud Thorp of Tacoma, Wash., feels that the slump actually gave many local businessmen a chance to gain on national firms through more aggressive, personalized services.

For the present, many businessmen say they're worried more about high prices than anemic sales. Inflation remains the No. 1 concern in recent surveys of independent companies.

About 60 per cent of wholesale and retail firms report that they were forced to raise prices in the first quarter. However, only 20 per cent now have definite plans to boost prices.

Federation President Wilson Johnson claims that business would feel even more confident if the Government would only "get its house in order" on energy policy and excessive spending.

While small firms cite few problems in getting enough energy now, its cost in relation to sales is higher for them than for large firms, notes economist William Dunkelberg of Faculty Associates. Most small companies can only cut back 10 to 20 per cent on energy use without laying off workers.

Mr. Dunkelberg says that independent businesses have struggled to avoid layoffs because they have a tougher time finding qualified workers at a wage they can afford to pay.

An agricultural-chemical producer in Ohio hasn't been able to fill two trucker jobs at a $13,000-to-$15,000 pay scale. He won't hire laid-off union drivers, for fear that they'll leave when their old jobs open up again.

In Oklahoma, where oil drilling is booming, firms have found it hard to maintain roustabout crews—even while paying at least $200 a week.

MINIMUMS FOR UNSKILLED

Small businesses complain, too, that the highest minimum wage—at $2.10 an hour—is too high for teen-agers and older workers they'd like to hire for unskilled jobs.

They also feel that the Government's action in expanding unemployment coverage and in the widening of welfare benefits, such as food stamps, have kept people from seeking jobs.

In the same vein, these small firms oppose any new rash of Government measures to heat up the economy. Many even feel that the tax rebate has done little to spark sales.

Thomas Gee, a California contractor who could benefit from public-works legislation now before Congress, says he'd rather not see it passed.

James Lovell, an Alabama machinery manufacturer, shares the fear of many that new Government spending and the resultant federal borrowing will squeeze the little guy out of the capital markets.

Small businessmen are calling on Government to create a freer environment in which business can prosper. Most want smaller federal deficits, more-generous tax treatment and a reduction of Government red tape.

ENCOURAGEMENT FROM THE TOP

President Ford held out some hope on these counts in a speech on June 17 at the NFIB convention.

He vowed to use his veto power to stem the escalation of federal agencies and programs. Also promised: new review procedures to eliminate regulations that "do more harm than good," and the creation of a commission to reduce the "enormous clog" of federal forms and documents.

Mr. Ford also cited these signs that the recession has bottomed out:

Retail sales rose 2.2 per cent in May, with a pickup in consumer confidence.

Employment grew by 553,000 between March and May.

The inflation rate has dropped from 12 per cent in 1974 to about 6 per cent.

Orders for new plant and equipment in April were up more than 15 per cent over March.

The feeling among businessmen is that such evidence rules out the need for more Government pump priming, which they feel could lead to higher inflation. A major concern is that they'll not have enough funds to expand. This is the chief reason for opposition to paper work—that it drains time and money from production or sales.

Mr. Johnson, the federation president, estimates that excessive paper work costs independent businesses as much as 18 billion dollars a year and 130 million man-hours of work. Such costs are passed on to the consumer.

One distraught manufacturer complains that there are so many Government regulations that "it's impossible for smaller firms to comply with them all and still stay in business."

WHAT BUSINESSMEN WANT

Because small firms often lose out when competing for bank funds during boom times, they feel that generating profits from their operation is especially important, if they are to grow. That's why these firms are pushing for tax reform.

One popular idea: a more-graduated corporate income tax to replace the present system. Now net earnings of less than $25,000 are taxed at 20 per cent, the next $25,000 at 22 per cent and those exceeding $50,000 at 48 per cent.

Meanwhile, another source of funding for independent companies—the Small Business Administration—may be forced to eliminate financing for most direct loans because of pressure from the Office of Management and Budget. This would leave SBA with only a loan-guarantee program.

Perhaps more disturbing, observers say, is a prevailing "antibusiness mood" that could block many of the benefits business feels it needs. Former California Governor Ronald Reagan observes that there's contempt for free enterprise and that every social ill is being blamed on the pursuit of profit.

Unless this attitude changes, businessmen say, even more obstacles to growth can be expected.

PHILIP AGEE INTERVIEW—THE CIA

Mr. ABOUREZK. Mr. President, the CIA continues to occupy a prominent place in the news. Almost daily revelations of secret agreements, foreign and domestic infiltrations, and covert operations have given us some insight into this most secretive organization.

In the August issue of Playboy, Mr. Philip Agee, who spent 12 years with the company, and authored a most interesting and revealing book entitled "Inside the Company: CIA Diary," relates additional information and stories concerning his former employers. I found this article both interesting and frightening. He tells how it is possible to be a CIA agent without knowing it; how to set up and operate your own network of spies; and some of the tricks of the business.

Mr. President, I ask unanimous consent that this most telling Playboy interview be printed in the Record.

There being no objection, the interviews was ordered to be printed in the Record, as follows:

[From Playboy, August 1975]

Playboy Interview: Philip Agee

Flinching under an almost daily assault of headlines accusing the Central Intelligence Agency of everything from domestic spying to foreign coups and assassinations (with an occasional submarine-raising scheme out of Jules Verne), Americans—and the rest of the world—may well wish for the more innocent era of 1929, when Secretary of State Henry L. Stimson abolished an early version of the U.S. intelligence service, noting with a sniff that "gentlemen don't read other people's mail."

The CIA, it has become obvious, has no such scruples about the sanctity of private correspondence—nor about a host of other things. What it does subscribe to is a code of secrecy, and that code has nowhere been more deliberately flouted than in the publication, first by Penguin Books in Britain and, last month, by Stonehill Publishing Company in the U.S. of a detailed exposé, "Inside the Company: CIA Diary." Its author is Philip Agee, a 40-year-old Notre Dame graduate with a degree in philosophy who spent 12 years in the agency, nine of them as a field officer in Ecuador, Uruguay and Mexico. Though other CIA officers have written about their experiences, Agee is the first to have challenged the entire apparatus by publishing without CIA approval or censorship.

There had, of course, been previous flaps, earlier leaks about the CIA. The 1961 Bay of Pigs disaster exposed the agency's hand—which was all thumbs—in an abortive invasion of Cuba; in 1966, Ramparts magazine revealed a massive CIA attempt to co-opt leading universities, foundations and even the National Student Association with covert financial support. In 1974, after previous CIA director Richard Helms had denied to a Senate committee that the CIA had had anything to do with the rightist coup that assassinated Salvador Allende Gossens, the Marxist president of Chile, CIA director William Colby was forced to admit that the agency had, indeed, spent $8,000,000 to "destabilize" the Allende government. Helms later retracted his testimony and may face perjury charges.

Watergate opened a fresh can of dragons. Implicated in the scandal through its connections with E. Howard Hunt and his plumbers, the agency managed for three years to avert investigation of its domestic activities by an adroit combination of admissions, denials and appeals to national security. But on December 23, 1974, Seymour Hersh reported in The New York Times that the CIA had been spying on 10,000 U.S. radicals and other citizens—among them Congressmen and Government officials—all in violation of its charter, which forbids it to conduct operations inside the U.S. Glumly, the agency admitted that Hersh was right—and millions of Americans who had comfortably assumed that the CIA's immorality, if it existed, at least stopped at the water line realized with alarm that the U.S. was much closer than they had supposed to becoming a police state.

Within weeks, three Federal investigations of the CIA were under way. The White House set up a panel headed by Vice-President Nelson Rockefeller, several members of which—including Rockefeller—had previous ties to the CIA. A Senate committee headed by Idaho's Frank Church and a House committee led by Michigan's Lucien N. Nedzi seem likely to be more objective.

As the investigations cranked up, charges old and new kept surfacing on front pages. The CIA, rumor had it, had assissinated Jack and Bobby Kennedy, Martin Luther King, Jr., Rafael Trujillo, Ngo Dinh Diem, Patrice Lumumba. The CIA had collaborated with the Mafia in an attempt to assassinate Fidel Castro. The CIA had once sent out three murder teams at the same time to waste Gamal Abdel Nasser. The CIA had arranged President Nixon's downfall. On the order of Attorney General John Mitchell, the CIA had sprung Robert Vesco from a Swiss prison. The CIA owns and operates hundreds of private corporations that in some cases return enormous profits. The CIA is even now setting up an invasion of Portugal from bases in Spain.

Agee's charges in "Inside the Company: CIA Dairy" are less sensational and, perhaps because of that, more devastating to the CIA. A careful man, he published nothing he could not document. And he named names—some 250 of them, CIA officers and agents—in what he hopes will be a first step toward the abolition of the CIA through exposure of its functionaries.

Clearly fearful that Agee's may be only the first of many security-breaching revelations by conscience-stricken CIA operatives, the agency has taken or threatened to take strong measures to discredit, impoverish and otherwise punish its most openly rebellious renegade. Reports have been leaked to the press that Agee has passed information to the Soviet secret police. CIA director Colby, having been sustained by the Supreme Court in his battle to censor a far less damaging book "The CIA and the Cult of Intelligence," written by former CIA officer Victor Marchetti in collaboration with John Marks), vowed to try to prevent publication of "CIA Dairy" in the United States. Colby also seems likely, if Agee dares to return to this country, to demand his indictment under national-security statutes for publishing official secrets.

So far, Agee has not decided whether or not to take up the fight where Daniel Ellsberg dropped it and thoroughly test the constitutionality of those statutes. He is currently living in Cornwall, England, with his two children by a former marriage and a young Brazilian woman who was tortured and imprisoned by a CIA-supported regime in her country. Recently, however, Agee made a two-week trip to Toronto to promote the Canadian edition of his book, which ran through its first printing in seven days. There he was interviewed for Playboy by Brad Darrach, who had conducted the February "Playboy Interview" with Mel Brooks. Darrach's description of the encounter:

"A person in his late 30s or early 40s was sitting in a far corner of the lobby reading a newspaper when I walked into the Toronto hotel where Philip Agee was staying. While I was checking in, I asked for the number of Agee's room and, a moment later, happened to drop my copy of his book on the floor. As I bent down to pick it up, I saw that the newspaper had been lowered and the person in the corner was watching me closely. When he saw me looking at him, he looked away.

"The next morning, I met Agee, a prototypal Black Irishman: stocky, square-faced, with thick black eyebrows and a good head of wavy black hair. His eyes are practically black, too, and steady; his voice deep, clear, hard but capable of subtlety. At first, Agee comes off as a man of action; as he talks, it quickly appears that he is intellectual, too. But not speculative. He has a practical, no-nonsense mind—perhaps in some ways a narrow mind. It grew on me as we talked that one view of the world is all that Agee can or will hold in his awareness at one time, and for him, that view is The Truth. There is a touch of the fanatic about Agee, but no more than a touch. He believes as passionately in socialism now as he believed in CIAism as a young man and in Catholicism as a schoolboy in Tampa, and he is convinced that what he sees as the evil, fragmented world of capitalism will someday be replaced by a shining universe of socialism.

"Do I make Agee seem an impractical idealist? He isn't. Twelve years in the CIA and six years as a fugitive have taught him cunning. In the thickest crowd he can spot a tail, and in a matter of minutes he can sense whether or not a new acquaintance is a CIA plant. 'Once a spook,' they say in the CIA, 'always a paranoid.' Except with the few people he totally trusts, Agee conceals his thoughts and feelings behind a plausible mask of easy-going naturalness. Curiously, that mask seems to serve two purposes. It prevents the world from penetrating his reserve and it prevents him from penetrating certain areas of his own psyche. In an era of galloping introspection, Agee is resolutely unself-knowing, an old-fashioned, Jesuit-trained layman who thinks feelings are something a man hides or controls.

"Most of our interview took place in Agee's hotel room, which a good deal of the time was crowded with TV and newspaper reporters, publishers' representatives, leaders of citizens' groups, former intelligence officers, historians in search of CIA data. When we went out to eat or do some shopping, we were shadowed, sometimes by the nondescript person I had seen in the lobby, sometimes by a younger man who on one occasion wore a modish suede coat and a mustache and on another a lumpy old Burberry and glasses. Agee didn't seem to mind, but it put me rather on edge. So I raised the subject of surveillance as the interview began."

PLAYBOY. Are you in danger here?

AGEE. Probably not. If they tried any rough stuff, it would have to look like an accident, and if anybody slipped up, there would be a very big flap.

PLAYBOY. Is the room bugged?

AGEE. I doubt it. Too much trouble for a short visit. But the phone may be tapped. The hell with them. Let's talk.

PLAYBOY. How do you like having the Central Intelligence Agency breathing down your neck?

AGEE. Not much. That's a dangerous bunch of people to tangle with. I don't want to sound as if I think I'm a hero. I'm not. I just think something's got to be done about the CIA. Remember, I'm not the first ex-CIA man to come out against the agency. Victor Marchetti was the first. But while he was fighting to get his book published, I was working fast and furiously on mine in secret.

PLAYBOY. Why did you decide to blow the whistle on the CIA?

AGEE. I finally understood, after 12 years with the agency, how much suffering it was causing, that millions of people all over the world had been killed or at least had had their lives destroyed by the CIA and the institutions it supports. I just couldn't sit by and do nothing.

PLAYBOY. Millions of people? Aren't you overstating the case?

AGEE. I wish I were. Even after the revelations we've had so far, people still don't understand what a huge, powerful and sinister organization the CIA is.

PLAYBOY. How big is it?

AGEE. In my opinion, it's the biggest and most powerful secret service that has ever existed. I don't know how big the K.G.B. is inside the Soviet Union, but its international operation is small compared with the CIA's. It's known now that the CIA has 16,500 employees and an annual budget of $750,000,000. But that's not counting its mercenary armies, its commercial subsidiaries. Add them all together, the agency employs or subsidizes hundreds of thousands of people and spends more like billions every year. Even its official budget is secret; it's concealed in those of other Federal agencies. Nobody tells the Congress what the CIA spends. By law, the CIA isn't accountable to Congress. Not for anything.

PLAYBOY. To whom is it accountable?

AGEE. To the National Security Council, which is composed of the President and officials chosen by him. So it's really an instrument of the President to use in any way he pleases. If there are legal restraints on this, I don't know of them. It's frightening, but it's a fact: The CIA is the President's secret army.

PLAYBOY. What does this army do?

AGEE. To understand that, you have to understand why the CIA was set up. There are two reasons: the official reason, as set forth in the National Security Act of 1947, which authorized the CIA to collect and analyze foreign intelligence, and the real reason, which was carefully hidden. There was a sleeper clause in the National Security Act, allowing the CIA to "perform such other functions and duties related to intelligence affecting the national security as the NSC may from time to time direct." Right from the start, it was those "other functions" that occupied most of the CIA's time. And money.

PLAYBOY. Just what are those other functions?

AGEE. Covert action. The dagger inside the cloak. It's a form of intervention somewhere between correct, polite diplomacy and outright military invasion. Covert action is the real reason for the CIA's existence, and it was born out of political and economic necessity.

PLAYBOY. What does covert action have to do with economics?

AGEE. Think back to the end of World War Two. The United States faced a really alarming economic crisis. In 1945. 11,000,000 men were still under arms—and out of the work force. Even so, production was more than double what it had been in the best prewar year. But then something scary happened. In the first six months after the war ended, production was cut in half and unemployment shot up from 830,000 to 2,700,000. *In six months!* It looked as if the U.S. might have won the war only to fall back into a depression. And the people who were running the country, politicians and those who later became known as the military-industrial complex, were badly frightened. Somehow they had to create 11,000,000 new jobs or face catastrophe. So they decided to reconstruct the European and Japanese economies, thus providing new markets for the U.S., and adopted the "containment" policies of such military alliances as NATO that brought on the Cold War.

PLAYBOY. Wait a minute. Are you saying that we started the Cold War? Didn't the Russians have something to do with it?

AGEE. I'm saying that when World War Two ended, U.S. policy toward the Soviet Union came to be dominated by the anti-Soviet school in the State Department led by George Kennan and Chip Bohlen, who were convinced that the Soviets wanted to conquer the world. Such a foreign policy meant that revolutionary socialism must be opposed, with arms if necessary, wherever it appeared, because the Soviets were supposed to be behind it all. Sure, the Soviets also helped start the Cold War; they were aggressive and they reneged on agreements. Militarily, though, they were much weaker in those days than the U.S. public was led to believe. But the scenario of an innocent and defensive America struggling to save the world from Communist dictatorship provided the rationalization for the dominance of foreign economies by American companies. This was the CIA's main mission, to guarantee a favorable foreign-investment climate for U.S. industry. You see, the U.S. market isn't big enough to support the kind of production we need to keep unemployment down to so-called acceptable levels. We've got to export—finance capital as well as products—or die. But where were our markets when the CIA was established? Europe was in ruins. Japan was flat on its back. Reconstruction of those economies would re-create those markets.

PLAYBOY. Do you discount America's humanitarian motives in rebuilding Europe and Japan?

AGEE. No. Most Americans, I think, felt a generous, really unselfish obligation to help the people whose countries had been devastated by the war. But European Communists opposed the Marshall Plan because they understood that U.S. economic domination would accompany it. So the CIA's covert action operations began as secret political warfare against those people who opposed the Marshall Plan. For example, the CIA broke dock strikes against Marshall Plan aid, got non-Communist labor unions to withdraw from the World Confederation of Trade Unions and establish the International Confederation of Free Trade Unions. All this, of course, with the help of George Meany, who——

PLAYBOY. You're saying that the president of the A.F.L.-C.I.O. is a CIA collaborator?

AGEE. One of the most effective. For almost 30 years, he has helped the CIA pour money and agents into the "free world" labor movement. By the Fifties, unions suported by the CIA had become a pretty effective counterweight to the ones controlled by Communists in western Europe. This meant 20 years of relative labor peace during which U.S. companies and their local counterparts could consolidate investments. But those labor-union penetrations were only the beginning of The Company's covert actions.

PLAYBOY. The Company?

AGEE. To the people who work for it, the CIA is known as The Company. The Big Business mentality pervades everything. Agents, for instance, are called assets. The man in charge of the United Kingdom desk is said to have the "U.K. account." But, as I was going to say, The Company has conducted covert actions all over the world. In the Forties and early Fifties, it operated mainly in Europe. In the late Fifties and Sixties, emphasis shifted to the Third World: Africa, Asia, Latin America, the Middle East. These operations are carried out at different levels of intensity, of course. Not all of them are violent. Sometimes The Company forges documents or spreads false rumors and untrue news stories—what it calls disinformation. The Company sends hecklers to public meetings, pays strikebreakers and industrial spies, organizes propaganda services like Radio Free Europe, launders millions of dollars' worth of dirty cash each year. It has also spent huge amounts to buy elections and overthrow liberal or socialist or national governments—or to prop up repressive regimes. But The Company gets into a lot of violence, too. It trains and equips saboteurs and bomb squads. The police and military intelligence services of many countries are trained, financed and controlled by the CIA. Worse than that, The Company has assassinated thousands of people, some of them famous, most of them unknown. If it has to, it will conduct paramilitary campaigns and even full-scale wars. You name it, the CIA does it.

PLAYBOY. Those are sensational but very general accusations. Can you give specific examples of such actions?

AGEE. Sure. In the past 25 years, the CIA has been involved in plots to overthrow governments in Iran, the Sudan, Syria, Guatemala, Ecuador, Guyana, Zaire and Ghana. Will that do for starters? In Greece, the CIA participated in bringing in the repressive and stupid regime of the colonels. In Brazil, the CIA worked to install a regime that tortures children to make their parents confess their political activities. In Chile, The Company spent millions to "destabilize"—that's the Company word—the Allende government and set up the military junta, which has since massacred tens of thousands of workers, students, liberals and leftists. And there is a very strong probability that the CIA station in Chile helped supply the assassination lists. In Indonesia in 1965, The Company was behind an even bloodier coup, the one that got rid of Sukarno and led to the slaughter of at least 500,000 and possibly 1,000,000 people. In the Dominican Republic—you want more?—the CIA arranged the assassination of the dictator Rafael Trujillo and later participated in the invasion that prevented the return to power of the liberal ex-president Juan Bosch. And in Cuba, of course, The Company paid for and directed the invasion that failed at the Bay of Pigs. Some time later, the CIA had to go at assassinating Fidel Castro. That one was close, but no cigar.

PLAYBOY. What you are saying is that CIA can overthrow governments practically at its pleasure. How is that possible?

AGEE. It's not a question of snapping fingers and telling some generals, "Now's the time, boys." What the CIA does is to work carefully, usually over several years' time, to undermine those governments whose policies are unfavorable to U.S. interests. Through propaganda, political action and the fomenting of trade-union unrest, often carried out through many different front organizations, the CIA cuts away popular support from the undesired government or political leader. Major emphasis is placed on influencing reactionary military officers. Once this process gets started, it will acquire its own momentum and eventually lead to the desired coup. The CIA can sometimes speed things up by providing a catalyst: let's say preparing a forged document such as a list of military officers allegedly due for assassination, then seeing that the lists gets publicized.

PLAYBOY. You mentioned the CIA's role in Indonesia. What about Indochina?

AGEE. I figure everybody knows the war there began as a CIA war, as far as direct U.S. intervention was concerned. This is documented in the Pentagon papers. CIA officers were in Indochina before the French left. They organized the Montagnards into a paramilitary force to fight the Viet Cong. CIA agents helped put Ngo Dinh Diem in power and CIA agents at the very least cooperated in his assassination. It was the failure of the CIA's secret operations in the Fifties that led to the overt military intervention of the Sixties.

PLAYBOY. Speaking of the Diem assassination, are the rumors we hear true—that the CIA was involved in Diem's killing without President Kennedy's approval and that when Kennedy found out he was furious with the agency?

AGEE. I don't know, but I've heard that from people who *should* know.

PLAYBOY. If the CIA were to admit to all your allegations, what justification would it give for such actions?

AGEE. The same old emotional appeal: that we have to prop up our so-called friends—usually the tiny minority that has cornered most of the wealth in poor countries—or they'll fall victim to the Soviets and lose their freedom. Kissinger and people like him keep reviving that argument, but the truth is—and the CIA knows it better than anybody else—that for many years there has been no worldwide Communist conspiracy! The socialist bloc has just as many cracks in it as the capitalist bloc. I think most revolutionary socialists—call them Communists, if you like—want the advantages of socialism without the disadvantages of some Soviet-style police state.

PLAYBOY. You don't believe in Marxist conspiracies, but you do admit there's repression in Russia?

AGEE. Don't put me on. Sure there's repression in Russia—and it goes back for centuries, not just to 1917. But I think it'll take another generation of Soviet leaders to relax things there; today's leaders can't answer very well the question of what they were doing during Stalin's reign of terror.

PLAYBOY. But if the CIA knows, as you claim it does, that there is no worldwide Communist conspiracy, why does it act as if there were?

AGEE. Remember, the CIA is an instrument of the President; it only carries out policy. And, like everyone else, the President has to respond to forces in the society he's trying to lead, right? In America, the most powerful force is Big Business, and American Big Business has a vested interest in the Cold War.

PLAYBOY. Hold on. This is beginning to sound like Marxist jargon about the big bad imperialists on Wall Street.

AGEE. That's because, in my opinion, the Marxists are right about American economic imperialism. American multinational corporations have built up colossal interests all over the world, and you can bet your ass that wherever you find U.S. business interests, you also find the CIA. Why? Because the foreign operations of American companies are the key to our domestic prosperity. The multinational corporations want a peaceful status quo in countries where they have investments, because that gives them undisturbed access to cheap raw materials, cheap labor and stable markets for their finished goods. The status quo suits bankers, because their money remains secure and multiplies. And, of course, the status quo suits the small ruling groups the CIA supports abroad, because all they want is to keep themselves on top of the socioeconomic pyramid and the majority of their people on the bottom. *But do you realize what being on the bottom means in most parts of the world? Ignorance, poverty, often early death by starvation or disease.*

PLAYBOY. You paint a bleak picture. Hasn't the CIA accomplished anything positive, at least for the U.S.?

AGEE. Over the short run, quite a bit. The CIA certainly helped goose up the American economic boom of the past 25 years. What many Americans don't seem to have noticed, though, is that American prosperity over those years was to some degree a false one. Have you noticed that as the political and economic independence of the Third World has increased, American prosperity has begun to sputter? In the long run, I'm betting that the CIA will be seen to have done a lot of damage to the United States, because, along with its business allies, it has caused us to be hated by millions of people as the last of the great colonial exploiters. That hatred is going to haunt us for a long, long time, and it has got to be focused on the few people who deserve it and not on the American people as a whole.

PLAYBOY. Your own experience in the CIA has been mostly with its overseas operations. What do you know about alleged CIA activities inside the U.S.?

AGEE. Very little—but enough to suspect strongly that they're much more extensive than anybody outside the CIA or the National Security Council realizes. I think a lot of sinister things will come out in the investigations that are under way in Washington. I think the American people may be in for some severe shocks.

PLAYBOY. What are you hinting at?

AGEE. I can only hint, because I have no direct knowledge. But I can tell you what I was told by Marchetti. I told him I thought that most of the 10,000 cases the CIA admits to have investigated inside the U.S. would turn out to be connected, no matter how tenuously, with some sort of foreign-intelligence effort. "You're wrong," he said. "You just don't know. You haven't been here. There are going to be some revelations that will chill your spine, really grisly things. And some of them," he said, "may be connected with the assassinations of President Kennedy, Senator Kennedy, Martin Luther King and other well-known individuals both at home and abroad."

Playboy. Connected how? What are you trying to say?

Agee. Just what I said. That's all I know. But by the time this interview appears, a lot of these things may have come out. I hope so. That's really all I *know*. I can give you an opinion, though, for what it's worth. Knowing the CIA as I do, I can tell you that everything I have read about the assassination of President Kennedy—Lee Harvey Oswald's background, Jack Ruby's background, the photograph that seems to place E. Howard Hunt at the scene of the crime, the mysterious deaths of so many people involved—everything makes me very suspicious of the Warren Commission's version of what happened. And remember: Allen Dulles, the former head of the CIA, was a member of the Warren Commission. If the agency had anything to cover up, Dulles was in a very good position to do so. But I don't have any proof that the CIA was involved. Remember, I wasn't working in Washington then. What I can tell you about best is the normal, everyday dirty tricks a CIA man is up to.

Playboy. All right. Let's go into that. Beginning at the beginning, how did you get into the CIA?

Agee. Through my college placement bureau. No kidding. Just before I was graduated from Notre Dame, I was interviewed by a CIA man. He made his pitch like any other company recruiter: interesting work, good pay, opportunity for advancement, foreign travel. He also mentioned patriotism and public service. I said no at first, but a year later, when the draft began to catch up with me, I changed my mind. The CIA training program allowed me to do my compulsory military service as an agency man. So I went away for two years with the Air Force—always in the special CIA program—and in 1959 I returned to Washington to begin formal training as a CIA officer. After about three months of classes at headquarters in Langley, Virginia, learning the structure and functions of the CIA, most of us went to The Farm for operational training.

Playboy. The Farm?

Agee. Camp Peary, Virginia. A secret CIA training center. So secret at the time that some of the foreign trainees weren't even told they were in the United States. We worked hard, I can tell you, for more than six months. There was a physical-conditioning program, plenty of practice in the martial arts. How to disarm or cripple, if necessary kill an opponent. We had classes in propaganda, infiltration-exfiltration, youth and student operations, labor operations, targeting and penetration of enemy organizations. How to run liaison projects with friendly intelligence services so as to give as little and get as much information as possible. Anti-Soviet operations—that subject got special attention. We had classes in how to frame a Russian official and try to get him to defect. The major subject, though, was how to run agents—single agents, networks of agents.

Playboy. How *does* a CIA officer set up and operate a network of spies?

Agee. The first stage of the process is targeting prospects. Say your objective is to penetrate a leftist political party. The first thing to do is to probe for a weak spot in the organization. Maybe you bug the phone of a leading party member and find he's playing around with the party's funds. In that case, perhaps he can be blackmailed. Or one of your agents plays on the same soccer team as a party member, or goes out with his sister, and gets to know something about him that seems to make him a good prospect. Then you make him an offer.

Playboy. You mean money?

Agee. Usually, but not necessarily. In rich countries, a man might become a spy for ideological reasons, but in poor countries, it's usually because he's short of cash. A hungry man with a family to support will do almost anything for money; and there are a lot of hungry people in most of the countries in the world. So you make an offer. Maybe you make it yourself, but maybe you have someone else do it, because you don't want the prospective agent to know who he's working for. Not all CIA agents are what The Company calls witting.

Playboy. How could a person be a CIA agent without knowing it?

Agee. Thousands of policemen all over the world for instance, are shadowing people for the CIA without knowing it. They think they are working for their own police departments, when, in fact, their chief may be a CIA agent who's sending them out on CIA jobs and turning their information over to his CIA control. There's also a lot of "false flag" recruiting, when one agent will recruit another one by telling him he'll actually be working for his own government, or even for Peking or Havana. You don't let the recruit know he'll be working for the United States, because if he knew that, he might not consent to do it.

Playboy. How much do you pay a spy?

Agee. It depends on local conditions. In a poor country, $100 a month will get you an ordinary agent. In my day, about $700 a month would buy a Latin-American cabinet minister.

Playboy. After you've recruited your agent, what then?

Agee. Then you've got to run him, and that's an exacting job—mainly because of the secrecy. You both have to be very careful what you put on paper or say on the phone. You communicate mostly by signals agreed upon in advance. For example, you can make a chalk or pencil mark or place a strip of colored tape in a certain telephone booth or on a fence, wall or utility pole. Different marks or colors signify different instructions. Since you usually can't be seen together, you have to meet in what the CIA calls "a safe house." Sometimes, even that's too risky, so you arrange for your agent to leave his information at a "dead drop," like a hollow place in a cement block or a magnetized container you can fasten under the shelf in a telephone booth—anyplace a message or a roll of microfilm or a reel of tape would be safe until it could be picked up.

Playboy. What if you suspect that an agent's information is false?

Agee. You can put him through a polygraph test or cut off his money—fire him. Or, if necessary, and headquarters approves, you can "burn" him. In Companyese, that means to reveal his connection with the agency, or frame him. I remember, for instance, the case of Joaquin Ordoqui, who was an old-time leader of the Communist movement in Cuba. I don't know if he was ever a CIA agent, but a decision was made to burn him in order to create dissension in Cuba. So a series of letters implicating him as a CIA agent was sent to the Cuban embassy in Mexico City. In 1964, Ordoqui was placed under house arrest in Cuba and the case caused a lot of friction there. Just before he died in 1974, though, he was exonerated. In 1966, Stan Archenhold, the CIA officer who dreamed up this burning operation, got the Intelligence Medal—the CIA's biggest merit badge—for it. Then there's the really extreme situation in which someone who has worked for the CIA has to be physically eliminated for some reason or other. I don't know of any of these cases, but I've heard that has happened, especially in Indochina during the Sixties.

So the stick is a big element in keeping control of agents. But the carrot, usually money, is at least as important.

Playboy. How does a CIA officer make payments to his agents?

Agee. In cash. Let's face it, you can't pay spies by check. The minute you go into the bank, the operation goes public. No, toward the end of every month. I'd go out with my pockets stuffed full of little pay envelopes and run all over town to meet my agents in cars or safe houses and pay them off. I had so many envelopes that once in a while I got mixed up and gave an agent the wrong one. I always made them count the cash in front of me, though, so I was able to correct those mistakes on the spot.

Playboy. Besides cash, what were you supplied with? Were you given James Bond gadgets and trained to use them?

Agee. Bond never had it so good. In CIA jargon, tradecraft covers the tricky side of espionage; it includes all the techniques that keep a secret operation secret. We learned how to write secret messages—there's a carbon system, a microdot system and various wet methods; we also learned how to open and then reseal a letter. Very simple when you have the flat steam table.

Playboy. What's that?

Agee. It's a rectangular platform, about one foot by two feet, with a heating element built into it and foam rubber all around the outside. You plug the unit into a wall socket, let it heat up and put a wet blotter on top of it. Right away, the steam begins to rise from the blotter, by experience, you know just how wet to get it. Then you place the envelope on top of the blotter, with the flap side down. In a matter of seconds, any envelope will come right open. Later you reseal it—the CIA makes a very effective clear glue. If it's done right, there's no trace that the envelope has been tampered with.

We were also taught how to bug a room and how to restore a wall or a ceiling to its original appearance afterward. The CIA puts out a handy-dandy plaster-patching and paint-matching kit, by the way, that is better than anything the public can buy. They give you about 150 chips on a chain, practically every color you can think of. You just match the chips to the wall paint until you get the right color. Then you look on the back of the chip, which gives you the formula for mixing the paint. It really works. I took the kit home one weekend when I was renovating my apartment. It's superquick-drying, odorless paint.

They trained us in the use of disguises, too—wigs, mustaches, body pads—and taught us to work with hidden cameras. Some of them had lenses that looked like tie-clasp ornaments or locks on briefcases. The Company had other cameras with telescopic lenses that could photograph documents inside a room, right through a curtain. There was also a machine through which we could overhear a conversation inside a room across the street; it bounced an infrared beam off a window, using the window-pane to pick up the vibrations of the voices inside the room. The reflected infrared beam would carry the vibrations to a receiving set.

Playboy. All that, we suppose, comes under the heading of gathering information. What about the dirty tricks we hear the CIA pulls? Did you have special gadgets for those, too?

Agee. The CIA has a department called the Technical Services Division, TSD, and its laboratories have produced all sorts of things. Some of them are pretty unpleasant. For instance, TSD has developed an invisible itching powder—I think it's made of asbestos fibers, actually that drives its victims wild for about three days. My agents used a lot of it. They went to leftist meetings and sprinkled it on the seats of toilets. TSD has also produced an invisible powder that will just lie harmlessly on the floor—at a meeting hall, say—until people arrive and start walking around, so the powder gets stirred up. Within about five minutes, everybody in the room is gasping and watering at the eyes, and the meeting has to break up.

I remember another chemical we had. If you dropped it into somebody's drink, it would give him a horrible body odor. We also had a drug that would make people say whatever they were thinking, just babble on. We had a powder that, mixed with pipe tobacco or sifted into a cigarette, would give the smoker an annoying respiratory ailment. We even had an ointment that came in a little container that looked like a ring. On the underside was a little compartment filled with ointment that, when you smeared it unobtrusively on the door handle of a car, would give the person who opened the door terrible burns on his hand. Ordinary stink bombs were effective, too—small glass vials with the vilest-smelling liquid on earth. One time at the Mexico City station, some clown poured a bunch of that liquid down the drain. It was going bad. I guess. At that time, the station occupied the upper floors of the embassy, in a high-rise building. Somehow the liquid didn't run out into the sewer system; it got caught in the basement area, and the smell began to seep back upstairs. They had to evacuate the whole building for a while. I heard that when the Ambassador asked the station chief if he knew anything about it, the chief replied that somebody must have had a worse case of Montezuma's revenge than usual.

Playboy. But all those things—itching powder, stink bombs—are incredibly petty, the kinds of things nasty little kids might think of.

Agee. The CIA isn't always petty. For instance, we had a whole inventory of sabotage devices. Chemicals to gum up printing presses, foul bearings, contaminate wheat or rice or sugar sacks. There were limpets to sink ships. Also some frightening stuff called thermite powder. Add a little water and you could mold it like clay—into an ashtray or a book end or a doll. It looked harmless, but when the time pencil up the doll's behind ignited, there was a shuddering ball of violent white heat that ate through concrete or even steel in a few seconds. There was no way you could put it out. I heard it was a CIA thermite doll that burned down El Encanto, the big department store in Havana. You could also combine thermite with teargas rods and create a cloud that would clear an area for blocks around.

Playboy. Did you learn these techniques during your CIA training in the States?

Agee. Yes.

Playboy. Where was your first assignment outside the country?

Agee. Quito, Eucador. I went there in December 1960 under cover as a State Department political officer, but using my own name. My secret Company name was Jeremy S. HODAPP. I fell in love with Ecuador. The mountains are spectacular, and high; Quito is 9000 feet above sea level. On the coastal plain, there are endless palm forests and banana plantations. But the country is appallingly poor. When I was there, the average income was $18 a month. A conservative upper class, about one percent of the population, held most of the wealth. However, for about 12 years before I went there, Ecuador had been politically stable and some economic progress was being made. But from 1961 to 1963, we really subverted that country.

Playboy. What was the point of that?

Agee. Cuba was the point. The Cuban Revolution had swung to the far left and the State Department was terrified. So were I.T.T. and United Fruit and the big U.S. banks with Latin-American interests; they feared that Cuba would export revolution to other countries in the hemisphere, and then those countries might nationalize their holdings. So the top priority of U.S. policy in Latin America became to seal off Cuba from the continent. In Quito, our orders were to do everything possible to force Ecuador to break diplomatic and economic relations with Cuba and to weaken the Communist Party there whatever it cost.

Playboy. What did it cost?

Agee. About $2,000,000. We bought everybody willing to sell himself to get our jobs done. The vice-president of the country—his name was Reinaldo Varea—was a CIA agent. We paid him $1000 a month and kept a suite for him in Quito's best hotel, where he could take his girlfriends. The president's personal physician, Felipe Ovalle, was on the CIA's payroll, too. So were the president of the Chamber of Deputies, the minister of the treasury, the minister of labor and the chief of police intelligence. So were the leaders of several right-wing political parties and some key members of the Communist Party, too. Several ministers of government and the director of immigration also worked closely with us. It was like a covert occupation of the country. But, at the time, I didn't see anything wrong in what we were doing. I believed what the CIA told me, that we were buying time for liberal reforms by checking the spread of communism. So I went out and worked like a demon to make that policy effective. We ran over Ecuador like a steam roller. It was like living a fantasy of absolute power. That's one of the insidious things about the CIA. If you get exciting assignments, you can get hooked on your own adrenaline.

Playboy. Let's get into some of those assignments.

Agee. Don't think it was all excitement. A CIA officer spends at least half of his day on paperwork. Then he spends hours in musty little basement rooms, waiting for agents to show up and make their reports. Then he spends more hours listening to agents' problems—how their girlfriends are pregnant, how their cars need new transmissions, how their brothers-in-law would make good spies. When he isn't mothering agents, a CIA officer is at a cocktail party or a diplomatic reception or trudging around some golf course, sucking up to a corrupt politician in hopes of corrupting him still further. But some wild things did happen. I would say maybe our most successful operation in Ecuador was the framing of Antonio Flores Benitez, a key member of a Communist revolutionary movement.

Playboy. Tell us about that one.

Agee. By bugging Flores' telephone, we found out a lot of what he was doing. His wife was a blabbermouth. He made a secret trip to Havana and we decided to do a job on him when he landed back in Ecuador. With another officer, I worked all one weekend to compose a "report" from Flores to the Cubans. It was a masterpiece. The report implied that Flores' group had already received funds from Cuba and was now asking for more money in order to launch guerrilla operations in Ecuador. My Quito station chief, Warren Dean, approved the report—in fact, he loved it so much he just had to get into the act. So he dropped the report on the floor and walked on it awhile to make it look pocket-worn. Then he folded it and stuffed it into a toothpaste tube—from which he had spent three hours carefully squeezing out all the tooth paste. He was like a kid with a new toy.

So then I took the tube out to the minister of the treasury, who gave it to his customs inspector. When Flores came through customs, the inspector pretended to go rummaging through one of his suitcases. What he really did, of course, was slip the tooth-paste tube into the bag and then pretend to find it there. When he opened the tube, he of course "discovered" the report. Flores was arrested and there was a tremendous scandal. This was one of a series of sensational events that we had a hand in during the first six months of 1963. By July of that year, the climate of anti-Communist fear was so great that the military seized a pretext and took over the government, jailed all the Communists it could find and outlawed the Communist Party.

Playboy. Is forgery often resorted to by the CIA?

Agee. It's a standard technique. The catalyst for the coup in Chile was almost exactly like the Flores incident. A document describing a leftist plot to seize absolute power and start a reign of terror was "discovered" by the enemies of Allende. Plan Z, it was called. It made big headlines and the military used it as an excuse to take over the country and start a real reign of terror. I can't prove it, but I strongly suspect that Plan Z was written by a CIA officer, or by the coup makers at the CIA's suggestion.

Playboy. You mentioned that the Communnist Party was outlawed in Ecuador. Did you succeed in your other objective, getting the Ecuadorian government to break off relationships with Cuba?

Agee. Yes. The government of José Maria Velasco Ibarra, who was a moderate liberal, had resisted breaking with Cuba. He was followed in 1961 by a moderate leftist, Carlos Julio Arosemena, who also tried at first to resist U.S. policy. Finally, though, he caved in and broke with Cuba after about six months in office. When I left Ecuador, with the military junta in power, the short-run security situation had been improved from our viewpoint, but there hadn't been much improvement for most of the people there. Practically none of the reforms everyone agreed were needed—redistribution of income, agrarian reform, and so forth—had been installed. Do you know that today the Ecuadorian government is still talking about those reforms without really acting on them? But, at that time, I didn't realize how reactionary the effects of our CIA operations really were.

Playboy. Why not?

Agee. For one thing, I suppose, I barely had time to stop and turn around. The job of an operations officer calls for dedication to the point of obsession, if you try to do it well. You have too many secrets; you can't relax with outsiders. It's a very unnatural life, hard on the people who live it. There's a lot of alcoholism and a lot of emotional breakdowns in the CIA.

Playboy. What sort of breakdowns?

Agee. I'm not an expert on this, but it's a schizophrenic sort of situation. Some times a CIA officer is using several identities at once, and when you wake up in the morning, your mind goes click! OK, who am I today? All day long, there's the same problem. Somebody asks you a simple question: "What did you do over the weekend?" Click! Who does he think I am? What would the guy he *thinks* I am do over the weekend? You get so used to lying that after a while it's hard to know when you're telling the truth.

Playboy. How did that sort of stress affect CIA marriages?

Agee. It didn't do mine any good. I had married Janet the year before I went to Ecuador, but after we got there, we began to have difficulty. I was gone all day and half the night and when we did see each other, I couldn't tell her what I was doing. On top of that, she had trouble learning Spanish, so she was somewhat cut off from the Ecuadorians. More and more, she spent her time playing bridge with embassy wives.

Playboy. What did *you* do when you weren't working?

Agee. I had some pretty wild friends, and some close calls; barely missed a scandal several times. One time—God, was I lucky! I went to Guayaquil for the weekend. It's a steamy, tropical town and I spent Saturday night with a convivial agent, making the rounds of the sleazier dives. About 15 minutes after we left one of them, a place called Cuatro y Media, President Arosemena and some of his cronies came in. The waiters in that joint were all homosexual and Arosemena and his friends began to taunt them. Arosemena would get wild when he drank, and after a while he ordered one of the waiters to put a lamp shade on his head. Then he took out his pistol, but instead of shooting the lampshade off, he shot the waiter in the head. The whole affair was hushed up, so I still don't know if the man was killed or just wounded. But if I'd been in the Cuatro y Media when the shot was fired and the Ambassador had found out, I'd have had to leave the country.

Playboy. Which, of course, you eventually did—though not under a cloud. What was your next station?

Agee. Montevideo, and I think Uruguay had my attitudes toward the CIA. For years, Uru- something to do with turning me around in guay had been one of the most prosperous and progressive countries on the continent. It had a $700-a-year per-capita income and a 90 percent literacy rate, an eight-hour day, a minimum wage, workmen's compensation, free, secular, state-supported education, free elections. The country was a showcase of liberal reform, but in the Fifties some deep cracks showed up in the window.

The reforms hadn't touched land tenure—a few rich men owned most of the countryside. Uruguay had a sheep-and-cattle economy, and a collapse in the prices of wool, hides and meat after the Korean War sent the country into a tail spin of inflation, deficits, unemployment. stagnation, strikes and corruption. The left was getting stronger, and the CIA reinforced its station in Montevideo.

Playboy. When did you arrive in Uruguay, and what did you do there?

Agee. I got there in March 1964 and stayed about two and a half years. We pretty well ran the military and the police intelligence services, gave them information from our penetration agents in the Communist Party and used the police to tap telephones. I ran an operation to bug the United Arab Republic's embassy, which enabled us to break the U.A.R.'s diplomatic codes. My main responsibility, though, was for operations against the Cubans. We had an agent in the Cuban embassy, the chauffeur, and we thought at one point that we'd recruited the Cuban code clerk. We offered him $50,000 for a look at the code pads and $3000 a month if he'd continue working at the embassy, but at the last minute he backed out. I'm glad now that we lost him, but I was really disappointed then.

Playboy. What about the Russians? Did you run any operation against them?

Agee. Another officer was in charge of anti-Soviet operations, but after we finally got the Uruguayans to break with Cuba, I began working against the Soviets. In fact, I really made trouble for the Russians in Uruguay. It all began when I met a K.G.B. officer from the Soviet embassy named Sergei Borisov. We met at the Montevideo Diplomatic Club and struck up a kind of unreal friendship. He knew what I was. I knew what he was. We both knew we were spying on each other, but we went ahead and did it anyway, because it was part of the game we were playing. It was like chess. In fact, we sometimes played chess and he beat my ass off every time, but I liked to think I beat him at the spy game.

Playboy. How?

Agee. Well, it started by my inviting Sergei and his wife, Nina, to dinner at our house. Then we began to see them every month or so. Go to the beach, have dinner, drink a little vodka and play some chess while the wives talked girl talk. Then one day our telephone tap on the Soviet embassy gave us a sensational piece of information about infidelity in the Borisov menage.

Playboy. You mean Sergei was sneaking out for a quick one now and then?

Agee. No. Nina was! Sergei had a new boss, a K.G.B. station chief namd Khalturin, and one of Khalturin's first unofficial acts after arriving in the country, even before he had a permanent place to live, was to jump into bed with Nina.

Then I found out that Khalturin was interested in an apartment owned by a friend of mine, a Philip Morris distributor named Carlos Salguero. Salguero agreed to make sure Khalturin took the apartment—but to give us access before the Russian moved in. We bugged the sofa and the bed, and we got another apartment on the floor above and just off to one side. My secretary moved into the other apartment until we could find an agent to cover it. To operate the bugs, we used one of the CIA's less amazing technological achievements, a transmitter-receiver that was fitted into a gray, two-suiter Samsonite suitcase and gave us nothing but trouble.

Playboy. What went wrong?

Agee. Well, for one thing, the damned thing put out so much radiation that you had to wear a lead apron so the radiation wouldn't homogenize your balls. And for another, you had to tilt the suitcase to just the right angle so that the beam was aimed directly at the switches in Khalturin's apartment. Otherwise, the switches would get stuck in the ON or OFF position and somebody would have to sneak into his apartment to move them.

Playboy. What did you learn from Nina and Khalturin's conversations?

Agee. It's funny, I don't know. None of us could understand Russian, so we sent the tapes to headquarters to be transcribed, and I was so busy with other operations that I never bothered to read the English transcriptions that came back. But that situation served as the basis for one of the weirdest operational ideas I ever had. I suggested to Washington that I should arrange to find myself alone with Sergei and tell him how sorry I was to hear that his wife was having an affair with his boss. That would have put Sergei and Khalturin into a tricky situation on two levels, personal and political.

Playboy. We can see the personal problem, but how would it affect them politically?

Agee. Well, if a *Russian* told Sergei his wife was having an affair with his boss, he would not be obliged to report it to Moscow. Extramarital affairs in a Soviet colony abroad are, in fact, rather common. Sergei might even have known about the affair and was allowing it to continue. But if a *CIA man* told Sergei about the affair, that would be another matter altogether. All CIA contacts must be reported. Not to report what I said would be to take a first step toward treason. If he did report it, he'd create an uncomfortable situation for himself and for Khalturin. What I hoped, of course, was that he wouldn't. Then we might have gotten him into a position for blackmail. If he told his wife what I'd said, we'd have her, too. And if Nina told Khalturin and we got their conversation on tape, we could make big trouble for all of them. We might even find ourselves with some very valuable new assets inside the K.G.B.

Playboy. So what happened?

Agee. Washington killed the idea. They were afraid Sergei might throw a punch at me and cause a flap. I think they were wrong.

Playboy. So that was that?

Agee. Far from it. We kept right on after Khalturin. I helped forge a document pretty much like the Flores report, this time seeming to involve the Soviet embassy in Uruguay with the damaging strikes the country has been having. By using some of our well-placed agents in the Uruguayan government, we had six officers in the Russian embassy expelled, most of them from Khalturin's department. That left him terribly shorthanded, so he had to work day and night. From our observation posts at the Soviet embassy, we could see him coming and going, and he looked really run-down. We hoped he might crack. But I left Uruguay before Khalturin and the Borisovs did, so I don't know what finally happened with them.

Playboy. But something happened to you? You were saying that in Uruguay you began to have a change of heart about the CIA.

Agee. Yes. Part of the trouble was the atmosphere in the Montevideo station. Ned Holman, the chief, was a really unpleasant, middle-aged ex-FBI man. And God, was he lazy! He was only four years from retirement and all he wanted to do was serve on out his time. When anything went wrong, he wrote scurrious letters about his offices to our superiors in Washington. I found the combination to his file and read them. He gave me good reports, because I was a bear for work, but he really hurt most of the others, There was a foul atmosphere there.

Playboy. What about the atmosphere in your home?

Agee. That kept getting worse, too. And so did the atmosphere in the country. While I was in Uruguay, inflation soared from 33.5 percent a year to more than 100 percent. For months on end, one sector of the economy or another was paralzyed by strikes. The more I got to know about the corrupt government we were backing, the less I liked my work. I began to see that the landowners, ranchers, bankers and professionals—a small minority—were using the government for their own selfish purposes. Why were we supporting such people? Then came the invasion of the Dominican Republic by U.S. Marines. That really got to me. It was done under the pretext that the Dominican Republic might become another Cuba, which was so asburd I had to wonder what the real reason was. For the first time, I had to consider that the CIA might not really be serving the cause of liberal reform. And then one day I got a shock that's still painful to talk about.

Playboy. What was it?

Agee. I overheard a man being tortured by the police—a man I'd fingered for them. You know, at that time the police in Latin-American countries didn't use torture as some of them do now. For years I'd been having people arrested, but I don't think I'd ever actually seen what happened to them afterward. Then, in December 1965, during a state of siege, I told the Uruguayan police to pick up a Communist named Oscar Bonaudi for preventive detention because he was quite active in street demonstrations. About five days later, the new chief of station, John Horton, and I were visiting police headquarters to show the police chief a forged document we'd prepared, and I began to hear moans coming from somewhere above the police chief's office. The chief was embarrassed and told one of his assistants to turn up the radio. I remember there was a soccer game on. Well, the moans got louder and the assistant kept turning up the radio. Finally, the moans turned to screams and the radio was blaring so loudly we couldn't hear ourselves talk. I had this strange feeling—terror and helplessness. Two days later, I found out that the man they had been torturing was Bonaudi.

Playboy. What was your reaction?

Agee. I can't describe it. I just know that after that, I began to notice certain things and think about them. For instance, I began to observe what happened to Company men as they got older. Unless they made it to a high-level job, a lot of them turned into pale-faced paper pushers who believed in nothing but their pensions. Burned-out cases. Was I going to be like that in 15 years? It worried me.

Playboy. When did you decide to quit The Company?

Agee. Before I left Uruguay. But I decided not to leave until I found another job. When I was transferred back to Washington in the fall of 1966, Janet and I separated, so my expenses were pretty high. We had two children. Christopher, who was then two, and Philip who was five. Then I had a piece of luck. I was sent to Mexico City—assigned, along with another man who was legitimate, not CIA, as one of the U.S. Ambassador's attachés for the 1968 Olympic games. I spent a very pleasant year and a half working on that assignment. The CIA's purpose in sending me was to use the Olympic milieu to recruit new agents. I met a lot of people, didn't recruit any, and meanwhile learned quite a bit about the CIA's operation in Mexico.

Playboy. Is it a sizable one?

Agee. Huge. The station's annual budget even then was $5,500,000. And the Mexicans were very cooperative. With Mexican security's help, the station was able to tap as many as 40 telephone lines at once. The president of the country at the time, Gustavo Diaz Ordaz, was a very close CIA collaborator. So was his predecessor, Adolfo Lopez Mateos. The current Mexican president, Luis Echeverría, also was a station contact—when he was Diaz Ordaz' minister for internal security. But I'm pretty sure Echeverría has broken with the CIA; in fact, he's now denouncing it and accusing it of fomenting demonstrations by what he calls "young fascists" against his administration.

Playboy. Did you learn about any interesting operations in Mexico?

Agee. Two. One was a defection operation, the other involved the use of a woman as bait. In the defection business, I learned how much the CIA would pay to get what it wanted. We had access through one of our agents to a senior K.G.B. officer named Pavel Yatskov, who happened to be a fanatic about fishing. Well, cool as you please, the Soviet Bloc Division in headquarters proposed to induce Yatskov to defect by offering him $500,000! Not only that, but the CIA was willing to set him up with an elaborate cover as the owner of an income-producing fishing lodge in Canada. The reason this plan wasn't adopted was that we feared that our own man may have been a double agent, secretly recruited by Yatskov.

Playboy. And the case in which a woman was used as bait?

Agee. Straight out of Ian Fleming. She was a young Mexican girl, recruited through a local businessman. She was used as bait to lure the administrative officer of the Soviet embassy, a man named Silnikov. He used to spend a lot of time horsing around with the owner of a tiny grocery store near the Soviet embassy—who just happened to be a CIA agent. The Soviets bought a lot of Coca-Cola there and at one time the CIA was working on ways to bug the Coke bottles that went into their embassy. Anyway, it became obvious that Silnikov rose to the bait, shall we say. After some hot necking sessions in the back of the store, they went to the girl's pad, where, unbeknownst to her, a bug and a hidden camera had been installed. I don't know how much information Silnikov spilled, if any, but his virility was beyond belief.

Playboy. When you left the CIA, did you let The Company know how you felt about what it was doing?

Agee. Hell, no! I wanted them to think I was still a loyal agency supporter—that there were no political reasons for my resigning—so I told them I was leaving for personal reasons. This was true as far as it went, because the CIA knew I was planning to marry a woman I'd met through the Olympics and to live permanently in Mexico. If The Company had known how I really felt, it could have made it impossible, through its Mexican-government friends, for me to remain in Mexico. As it was, the CIA urged me to stay in The Company and offered me another promotion. But I refused. In fact, I did something you have to be pretty damn careful not to do in the CIA. I refused to obey an order.

Playboy. Is that like refusing to obey an order in the military?

Agee. Almost as bad. It happened like this: Janet was resentful because of the breakup and other things, so when I took a trip to Washington, she refused to let me take the children back to Mexico for a visit. I took them anyway and Janet was furious. She said if I didn't send them back, she'd expose me as a CIA officer. I knew she was bluffing, but The Company didn't. So Win Scott, the station chief, called me in and said, "Send them back." I said, "No. If you want to fire me right now, OK, I quit." They couldn't fire me, because the Ambassador needed me; it would have been too awkward for him to fire one of his Olympic attachés on the eve of the games. But they were really in a lather.

Playboy. The CIA felt that you were disloyal?

Agee. To put it mildly. But, in fact, I wasn't really disloyal to the CIA even then. When I resigned, I had no intention of writing a book, of doing the CIA any harm. I was still a prisoner of middle-class respectability and of that pervasive CIA security consciousness. I went to work for a friend in Mexico City who was marketing a new product, and I figured I'd just forget I'd ever worked for the CIA.

Playboy. But you couldn't forget?

Agee. I couldn't forget. The memories kept coming back like things I'd swallowed but couldn't digest. Then my marriage plans fell through and I had plenty of time to think. The feeling began to grow inside me that I had some message to give—that I should tell the American people what their Government was doing in their name. I found myself making notes. First I thought of writing sort of a scholarly treatise on the CIA. I wrote an outline and took it to New York. Five publishers turned it down. But I'm stubborn, you know. I'm a Capricorn, if that means anything. Headstrong. So back in Mexico, a friend who knew François Maspero, a radical publisher in Paris, put me in touch with him. And, well, Maspero agreed to give me a small advance and help me get the book written. But I couldn't find the research material I needed in Mexico. You see, I had no notes from my CIA days: I had to find contemporary sources to refresh my memory, so I could reconstruct events. I could have continued in Paris or maybe London, someplace outside the jurisdiction of U.S. courts, so they couldn't enjoin my work as they had Marchetti's. Another possibility was Havana, and with Maspero's help, arrangements were made for me to go there.

Playboy. Why Havana?

Agee. We found that there were newspapers and magazines and other reference works at the National Library and the Casa de las Americas. But, besides, I really wanted to see for myself what the Cuban Revolution was all about.

Playboy. How much were you allowed to see in Cuba?

Agee. They let me go anywhere except onto military reservations. In 1971, I traveled all over the island, and I was impressed. The Cubans were quite enthusiastic about the Revolution, in spite of the many hardships caused by the U.S. economic blockade—and by their own mistakes, too. They supported their government; they were convinced it was giving them a fair deal. So was I. Cuba had done what the other Latin-American countries had pledged to do in the early Sixties: It had redistributed income and integrated its society.

Playboy. Did the CIA discover in 1971 that you were inside Cuba?

Agee. Surprisingly, I don't think they did. I knew The Company checks passenger manifests on all planes and ships that make stops in Cuba. Somehow they missed me. I guess good luck made me reckless, because before leaving Havana to continue research in Paris, I did something really foolish. I wrote a long, signed letter to a Montevideo political journal, describing some of the CIA's covert-action operations in Uruguay. There was an electoral campaign on there and I thought I could help the left-wing coalition—which was similar to the Popular Unity coalition that had elected Allende in Chile the year before—by suggesting that the CIA would be helping the corrupt traditional parties. It was as if I had forgotten everything I had learned about the CIA and how dangerous it can be. I was damn soon reminded, though.

Playboy. What happened?

Agee. I was visited in Paris by a CIA officer named Keith Gardiner, a Harvard type, a guy I'd known a long time, who told me that Richard Helms, who was director of the CIA then, wanted to know what the hell I thought I was doing by writing that letter to the Montevideo publication. It was a scary moment. I decided I'd better bluff. I figured that if The Company knew how little work I'd actually done on the book—less than a third of the research—they might figure it was safe to get rough. So I told them it was already written and I was cutting it to a publishable length. I promised to submit the final draft to the CIA before publication.

Playboy. But you didn't?

Agee. I never intended to. At that time, I was just trying to calm them down. I hoped that would stall them for a while, but I couldn't be certain, and from that moment on, I lived under a big strain.

Playboy. Were you afraid you might be assassinated?

Agee. I was too busy to think about that. But I was jumpy. For one thing, I wasn't sure to what lengths the French secret service might go to please The Company. At the very least, I was afraid I might be deported and put on some plane that made its first stop in New York.

Playboy. Did you see any indication that your fears were justified?

Agee. A few months after Gardiner's visit, I noticed I was being followed on the street. I couldn't be sure if it was CIA people or a French liaison operation working at the CIA's request. And I had no idea what they might be setting me up for. For all I knew, they might have been a bunch of killers. Anyway, about the same time, my advance from the publisher ran out. The situation was pretty grim. The CIA was after me and sometimes I literally didn't have a franc for cigarettes. I felt pretty damn small and alone. Friends helped out with food and some small cash donations, and to avoid the surveillance, I went to live in the room of a friend who's an artist. In the daytime, I worked as usual at the library doing my research, but I kept the place where I was living a secret.

Playboy. How did you duck the people who were tailing you?

Agee. It wasn't too hard. I'd take the Métro, for example, the Paris subway, and when the train arrived, I'd just stand by the door and let it go off again and see if anybody had stayed in the station with me when all the other people were gone. Or when I got off the train, I'd stay there on the platform and let everybody leave and then see if anybody else had remained on the platform. Usually there was a group of three or four of them. Once identified, they'd be easy to lose. One time, when I had a little cash, I took a cab. My retinue took a cab, too. I told my driver to stop at the Arc de Triomphe. When he did, I pretended to be fumbling for my money, but I was really watching any surveillance team in the rearview mirror.

They got out of their cab fast, all set to keep following me on foot. But the minute their cab drove off, I told my driver I'd decided to ride a little farther. So we pulled away and left them standing there. I couldn't resist—I turned around slowly, held my hand up and gave them the finger.

Playboy. Besides following you, did The Company make any other moves?

Agee. Some surprisingly obvious ones. A CIA man visited my father in Florida and tried to scare him about what might happen to me. Another CIA man called on Janet and got her to write me a letter of concern. He also told her they'd pay me to stop and not publish. She didn't tell me this, but my older son did—he was listening secretly. God, I hope spying isn't congenital!

In the spring of 1972, The Company moved against me more directly. A young man who said his name was Sal Ferrera showed up in a café I liked and introduced himself as an underground journalist. I told him who I was and what I was doing. He offered me a small loan and suggested that he might do an interview with me. I was desperate for money, so I took the loan and let him have the interview.

He bought me a dinner one night and afterward we met a woman named Leslie Donegan, who said she was a Venezuelan heiress. At Sal's urging, I saw Leslie again and soon she offered to support me while I finished the book—provided I let her read the manuscript. I needed money so badly I let her have a copy for a few days.

Playboy. Did Leslie come through with the money?

Agee. In dribs and drabs, enough to keep me going. It's ironic to think that the book may have got finished partly because the CIA, through Leslie, supported me through my darkest hour. But the situation had its risks. I was just plain foolish to keep seeing Sal and Leslie. The bugged typewriter was the last straw.

Playboy. The CIA bugged your typewriter?

Agee. Sal lent me a portable that Leslie eventually switched for a different one. I took it to my secret living place. One afternoon I went out to get a bottle of beer and when I went back to the room, I saw a man and a woman in the hall outside my door. When they saw me, they began kissing. I thought right away they might be surveillance agents—but how had they found out where I lived? The friend whose room I was staying in went out to see what they were doing in the hall. When they saw her, they hurried down the back stairs but couldn't get out the back door, because it was locked. When she followed them down, they started embracing and whispering again and then ran up to the main floor and escaped by the front door. They had something bulky under their coats—probably the receiving set for monitoring the bug in the typewriter.

Playboy. The typewriter had led them to you?

Agee. This typewriter—the one you see right here on the table. The one that's photographed on the cover of my book. After catching the monitors, I began to examine the typewriter Leslie had given me. I noticed that when it was facing a certain way, I heard a beeping sound on my FM radio. So I tore off the lining on the inside roof of the case and there it was—a complicated system of miniaturized transistors, batteries, circuits, antennas, even a tiny switch glued flat against the roof of the case.

Playboy. Have you ever been accused of rigging this yourself to discredit the CIA?

Agee. I wouldn't know how to make one of these. My editor in London had a technical study made and the thing is legitimate—made in TSD.

Playboy. So they'd found out where you lived—what did they do then?

Agee. I didn't give them a chance to do anything. I left that room the same day and slept in a different hotel every night until I took off for London.

Playboy. Why did you go to London?

Agee. Partly to get information, partly to look for a new publisher. I found one almost overnight. An editor of Penguin Books, Neil Middleton, believed in the book and gave me an advance. I also found the information I still needed. I'd been looking desperately for Latin-American newspapers that covered the years when I was there. John Gerassi, who has written extensively on Latin America and was teaching at the University of Paris when I was in France, had told me the British Museum had complete files and he was right. They were just what I needed. I decided to stay in London and rewrite the book. With all the new material available, I saw I could reconstruct a diary of the whole period. I finished the research in eight months, then in the next six months I wrote over 600 pages in a terrific burst of work.

Playboy. Did the new material inspire you?

Agee. Well, it wasn't only the material. I had met a young woman just before I left Paris. Angela's a Brazilian in her early 20s. We fell in love before she knew I had worked for the CIA and before I knew she had been in prison and been tortured by the CIA-supported military regime in Brazil. Strange, isn't it, that two people with such opposite experiences should have come together? It was from Angela that I learned the full horror of what I had been doing in supporting repression. When I was in Montevideo, I was actually in charge of spying on Brazilian exiles who opposed the military regime and had fled to Uruguay. I reported on their activities to our CIA station in Rio. Anyway, Angela came over to London a few months after I did and we've been together ever since. She was a tremendous help with the book, reading and discussing every sentence with me, helping with the typing and the Xeroxing. I was so scared that the CIA might try to steal the manuscript that every time I got 20 or 30 pages done, we'd Xerox copies and hide them all over London.

Playboy. You say Angela was tortured by the Brazilian government?

Agee. In early 1970; she was 19, a student at Catholic University in Rio. She had gotten involved in radical politics and had to go underground, and was wounded in an ambush by the military police. They left her for dead and she had almost escaped when they spotted her and hauled her off to an interrogation center, where they began to torture her.

Playboy. What kind of torture did they use?

Agee. Clubs, truncheons, fists. They hung her upside down from a bar and beat her. They would stand behind her and clap her ears as hard as they could with both hands. She says her head felt as if it were exploding, blood spurted out of her ears and she passed out. But most of the torture was done with a field telephone.

They attached electrodes to sensitive parts of the body, the nipples or the lips, and then cranked the telephone as hard as they could. Sometimes they poured water on her before they turned the crank; because water is a conductor of electricity, the pain was even more excruciating. One of her torturers got the bright idea of putting the electrodes on her gunshot wound and then cranking the generator. The electricity forced the wound open again. Somehow Angela held out. All she admitted under torture, which went on over a period of maybe four months, was her membership in an underground party—and she was ashamed of admitting that. A year and a half after she was arrested, she went to trial. A year after that, she finally got out. Her closest relative, an aunt who is a lawyer, shipped her out of the country.

Playboy. Is torture still going on in Brazil?

Agee. Every day. There's one difference. At first, the torturers wore name plates and didn't bother to hide their faces. Later, after several were executed by revolutionaries, the torturers got nervous and began to hood their victims. But many names were already known. They turned up in Chile, too, and were recognized there. After Allende fell, the Brazilian military lent the Chilean military some of its most successful torture teams as a gesture of good will.

Playboy. How is Angela now?

Agee. Solid. No emotional scars that I can see. A very gentle and spiritual woman. She's with me and my children, who are living with us permanently now, in England. The book is for her and for all the people who have suffered torture because of the CIA. You know, when and if the history of the CIA's support to torturers gets written—not just in Brazil but in Chile, Uruguay, Portugal, Greece, Iran, Indonesia, above all in Vietnam—my God, it'll be the all-time horror story.

Playboy. Has The Company kept after you in England the way it did in France?

Agee. I've been shadowed and my phone was tapped.

Playboy. People are always saying their phones are tapped. How do you *know* your phone was tapped?

Agee. How about this? Just last week, at home, the telephone went dead for a couple of hours. Then it rang and a guy on the line asked, "Is this a WB 400 number?" or some letters like that and then a number. And I said, "What's that?" And he said, "Oh, this is the telephone-company engineer, and we've just installed a new cable up the hill toward your house, and I'm in here in the exchange right now, connecting it." And I said, "What do you mean, a WB 400 number?" And he said, "Oh, you know, it's one of those observation lines." And I said, "Observing what?" He said, "Well, they don't tell you very much about it. I'm new; this is my first job. But there's this little black box on the frame here where your pair is." And I said, "Well, I don't know." And he said, "Well, now, tell me, are you . . . is this a private line?"

And I said, "Yes." And he said, "Oh, excuse me. Yes, yes, yes—everything's all right. Thanks. Bye." I checked later with some people who know about phone tapping in Britain, and they have a system there for monitoring lines where they have obscene or threatening calls, and they use that as a cover for political line tapping.

Playboy. Have there been any obvious attempts to harass you?

Agee. Nothing overt until Angela and I and the boys went on a two-week trip to Portugal over Christmas and New Year's. We went with the car by ferry from Southampton to San Sebastian, Spain, and when we were rolling off the ferry, Christopher said, "Hey, Dad, I just saw that policeman looking at our license plate and now he's making a phone call." Sure enough, when we pulled out of the docking area, five cars pulled out after us! We looked like a funeral procession. It was obvious what had happened: The CIA had known of our trip from the telephone tap and had asked the Spanish service to shadow us—I hoped that was all. But it occurred to me, for instance, that they could have planted some drugs in my car. If they stopped us and "found" drugs, I could be put away for 20 years! Anyway, with that army on our tail, I figured they had something major in mind, but I knew I couldn't outrun them. They were all in big cars and I was driving a little VW. So I just moseyed along steadily for an hour or so. Occasionally, one of them would pass me, then drop back. Once I pulled into a rest area just as one of the drivers was changing his license plates—the CIA makes an all-purpose quick-change license-plate bracket that fits different sizes of plates from different countries. When we reached the caves at Altamira, two of our shadows went down into the caves with us to see the prehistoric paintings. When we came out, I saw another agent holding in a curious way what looked like a TSD briefcase. So I drifted in his direction and when I passed him, I heard the camera inside the briefcase go zing!

It was getting scary, but suddenly I had a real bit of luck. We came to a city named Torrelavega. It was about six, the rush hour, and the streets were crowded with cars. Up ahead there was a big intersection, maybe seven streets coming together and one traffic cop in the middle, trying to keep all the lines moving. OK, I thought, this is my chance. I stopped the car against the cop's signal and pretended I was stalled. He got hysterical. There were horns blowing, mass confusion. The cop forced all the cars behind me, including, of course, all the surveillance cars, to go around me and keep moving. I watched which streets they turned into, then took a different street and made a couple of quick turns. Pretty soon I was on the back road to Burgos and we never saw them again. But that was lucky. They were asleep.

PLAYBOY. Do you think The Company is behind the leaks that have been made to the press about you in the past year?

AGEE. Sure it is. During the Watergate hearings, while Senator Howard Baker was investigating the CIA's involvement, he came across a veiled mention of a "WH Flap." He assumed the phrase meant White House Flap. Actually, it meant Western Hemisphere Flap and referred to me and my book. This had to be explained to Senator Baker. The CIA figured that someone would talk and the cat would soon be out of the bag. So an attempt was made to discredit me in advance. A story was leaked to *The New York Times*, A.P., *The Washington Post* and *Newsweek* about a "drunk and despondent former CIA officer" who was talking to the K.G.B., telling them all about the CIA.

PLAYBOY. And were you drunk and despondent?

AGEE. Why should I be? I'd finally finished my book.

PLAYBOY. Were you talking to the K.G.B.?

AGEE. No way. And they knew I wasn't. In the CIA's so-called news leak, the CIA officer wasn't identified, the K.G.B. people weren't identified, the time and place and substance of the supposed conversations weren't given. Nevertheless, the *Times* and *Newsweek* fell for the story and printed it as fact. *The Washington Post* printed an item but said it was unconfirmed.

PLAYBOY. Nobody bothered to check the story out?

AGEE. That's right. Where the CIA is concerned, very few journalists have learned to tell information from disinformation. But that time, the smear wound up on the CIA's face, and I owe that to Victor Marchetti. By the way, the CIA tried to get Marchetti to spy on me. When The Company heard that he was going to England, they asked him to steal my manuscript so they could read it. We think they already had a copy of the book and were just trying to use him so they could discredit him with his friends as an informer. Of course, he turned them down. . . . But getting back to the smear story. Marchetti told Larry Stern of *The Washington Post* what the CIA was trying to do to me, and Larry flew over to England to see me and got the facts and printed them. The *Times* sent Dick Eder to see me and then printed an item saying its source had retracted the story. It's a small victory, I guess, but to me it's not a trivial one. If the press can start to expose some of the CIA's little lies, maybe someday it'll get around to exposing some of the big ones.

The big victory for me right now, of course, is the publication of the book and the fact that it's a success. But I've been lucky to get this far, when you think of the odds. My father thinks what I'm doing is some kind of personal vendetta against the agency—not so, of course, but the agency sure trashed me in an effort to complicate my negotiations for U.S. publication of my book. There was, for example, a series of leaks to Jack Anderson that he obligingly printed, to the effect that I'm under some kind of Cuban-government control. Too bad about Anderson. You'd think he'd have wanted to help get my book published in the U.S., since his so-called CIA sources confirmed its accuracy to him. But it finally is getting published there. The CIA can't hide its crimes from the American public forever, and I'll bet other books will follow Marchetti's and mine.

PLAYBOY. But doesn't the CIA have a legitimate bone to pick with you? For instance, like Daniel Ellsberg, you've been accused of violating a secrecy agreement. What do you say to that?

AGEE. I did violate the secrecy agreement. But I think it was worse to stay silent than to violate the agreement. The agreement itself was plain immoral—like criminals swearing secrecy.

PLAYBOY. Do you plan to go back to the U.S. and risk indictment?

AGEE. I don't know if I'm subject to indictment and neither do my lawyers. If it turns out I *am* subject to indictment, I may go back and fight it as a test case. I may not.

PLAYBOY. Even if you don't go back to the U.S., you're going to publish your book there. Other than indirectly, as through the leaks to Anderson, do you think the CIA has tried to block it?

AGEE. The CIA let prospective publishers know that if they tried to publish it, they would face expensive litigation. But a lot has happened since Marchetti's book was published. If as much comes out as I expect, the CIA may look pretty silly if it tries to assume a posture of civic virtue in front of a magistrate. That's why I published the book first in England. I figured the CIA couldn't so easily stop publication there and I figured that once the truth was out somewhere in the world, it would be much harder to keep from the American people. And that's what I really care about. I wanted the book to be published in the United States because I wanted the American people to know what I know about the CIA, what the CIA has been doing all these years, all over the world, in their name.

PLAYBOY. Many people agree with your aims but disagree strongly with your methods. They say that by revealing the names of CIA agents and exposing CIA procedures your book jeopardizes U.S. security. What is your answer to that?

AGEE. I think it's a little late in the day to pretend that what I've written puts the country in any danger. What I've written puts the CIA in danger. The CIA claims that secrecy is necessary to hide what it is doing from the enemies of the United States. I claim that the real reason for secrecy is to hide what the CIA is doing from the American people and from the people victimized by the CIA.

PLAYBOY. But many people who dislike the CIA as much as you do have charged that by revealing the names and functions of individual officers and agents of the CIA, you have endangered the lives of your former colleagues, many of whom you yourself induced to become employees of The Company. Your accusers ask: Wasn't it unnecessary, wasn't it immoral, wasn't it, in fact, a crime to reveal those names?

AGEE. Absolutely not. Those people talk about the CIA as if it were an international charity of some sort and about me as if I'd done something horrible to a lot of decent, well-meaning Y.M.C.A. leaders. In fact, the CIA, in my opinion, is a criminal organization at least as nefarious as the Mafia and much, much more powerful. Even more than the Vietnam war, the CIA represents the destruction of our national ideals on the pretext of saving them. What you've got to understand is that in revealing the names of CIA operatives, I am revealing the names of people engaged in criminal activities. These people live by breaking the law. Every day of the week, CIA men break the laws of the countries they're stationed in. I don't know any country in which bugging or intercepting mail or bribing public officials is legal.

At the same time, it's nonsense to say that by exposing the CIA officers and agents I knew, I have endangered their lives. I have exposed some to problems, but The Company can solve those problems for the indigenous agents in Latin America. As for the Company officers I've named, well, they can stay in Langley if they want to be safe.

PLAYBOY. Do you think your book has disrupted CIA operations in Latin America?

AGEE. I hope so, and I think the disruptions I've caused will be followed by many more around the world. I think the fact that Marchetti and I have broken ranks and somehow survived is going to encourage a lot of other CIA men to come out of that poisonous fog of secrecy they've been living in and tell their stories. There's a lot of soul-searching going on in the CIA now and I'm going to do all I can to help the people who decide to get out. If my book is a commercial success, I'll be able to support CIA men who want to talk.

PLAYBOY. In your opinion, what will be the result of the CIA investigations in Washington?

AGEE. The Rockefeller Commission was never a real danger to the CIA. President Ford set it up to whitewash The Company. The House committee shows real promise and so does the one in the Senate. The committees have the chance right now to correct the mistake the Congress made almost 30 years ago in not making sure the CIA was closely controlled. I sure hope they do, and I would applaud anything they could do to restrict CIA-promoted repression, even though I think the CIA should be abolished.

PLAYBOY. Do you think that's a serious possibility?

AGEE. I think that for the time being, we will have some kind of intelligence collection for early warning and monitoring of agreements with the Soviets. But this can be preserved under the military services. Perhaps also the analytical work done by the non-clandestine part of the CIA will be continued. But it could be continued in a wholly different kind of organization, with a different name and without any of the kinds of overseas operations that I engaged in. Imagine the fear and suspicion and resentment that would be eliminated on the part of other governments if the CIA were abolished or at least if its overseas operations were. And we might avoid those future Vietnams that are germinating wherever The Company is supporting repressive governments.

PLAYBOY. In your book, you support socialist revolution. Don't you think that will turn a lot of people off to what you have to say?

AGEE. It's just the opposite: I couldn't answer all the letters of support I'd gotten—even before the book had come out in the U.S.

PLAYBOY. Couching the world picture in your terms, those of class warfare, is the CIA winning or losing?

AGEE. The question should be whether people, not the CIA, are winning or losing. In the Third World, the poor are beginning to win, in my opinion. In an era of expensive energy, the U.S. no longer has the money to protect its foreign investments at all costs and to repress every socialist movement. More and more, we're going to have to learn to live within our own resources. The CIA can still do a lot of harm, but its palmy days are over—unless we really go fascist, and with a depression coming on, that's a live possibility. In the United States, though, it seems to me the poor are not yet winning. The system that's been exploiting the rest of the world is also exploiting Americans. The difference is that other people are more aware of it.

PLAYBOY. Aren't you being doctrinaire? The American worker you consider exploited is said to have the world's highest standard of living.

AGEE. Poverty and prosperity are relative as well as absolute measurements. Have you read the 1974 Report of the Senate Select Committee on Nutrition and Human Needs? This report, written before unemployment soared, stated that 40,000,000 Americans, 20 percent of the population, are living in poverty—in fact, are sinking deeper into poverty every year. On the average, they were hungrier and needier in 1974 than they had been five years earlier. The report also pointed out that in the last 45 years—all through the New Deal, the Fair Deal and the biggest economic boom in U.S. history—the proportion of the national income received by the 20 percent at the bottom of the income scale *had not changed one iota*. And get this: The Senate committee discovered that the richest one percent of the U.S. population not only has more wealth than the poorest 50 percent of the population—*it has eight times more!* And we've supposedly had 40 years of liberal reform.

If we want social and economic justice, we're going to have to scrap capitalism as we know it. Already in the space of three short generations, a third of the world's population has done this. Are we going to be the last? We should realize that socialist societies are built on national traditions—for better or for worse—and that we can build socialism and at the same time preserve our special tradition of civil liberties and right to dissent. But right now, unless someone's really rich, he's demoralized by the fear that there won't be enough to go around unless he screws the other guy. We're so goddam alone, everybody guarding his own pile, however small. Property separates people from one another. But we're so tranquilized by sex and beer and football and the chance to play a small hand in the game of success that we don't even know we're being exploited. I suggest it's time we noticed how badly we've been had and began to stand up for ourselves. I suggest that if we want to, we can make sure that whatever there is to go around goes around fairly. But that's socialism. And remember: New systems can develop only when people are ready for them and want them—if imposed by foreign peoples or brute force, they fail.

PLAYBOY. We all agree that the free-enterprise system has faults. But no socialist system that has been set up so far provides the sort of idealistic paradise you envision, with everything fairly distributed. The point at issue *here* is the CIA—whether it does more good than harm, whether the world would be better served by its existence as is, by its reform or by its destruction.

AGEE. I leave it to you to decide. I promise you that the CIA now knows who you are and is undoubtedly at this moment running you through its computers. Have you ever been arrested? Are your tax returns up to date? Did you ever fail to pay a bill? Have you ever been to an analyst? Did you ever knock a girl up? Are you strictly heterosexual? Do you sometimes blow a little grass? And, by the way, when you leave the hotel glance over your shoulder. Somebody may be following you

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ENERGY CONSERVATION AND DEVELOPMENT

Mr. BROCK. Mr. President, some 6 months before the Arab oil embargo I warned that:

> In the long run, few alternatives are less attractive than an American dependent for its vital energy upon the caprice of such areas as the Middle East or the Communist block. Our national security impels us to extreme caution as we move toward greater dependence on such sources.
>
> We must never allow ourselves to be placed at the mercy of some volatile monarch who may, under whatever influence, suddenly decide to turn off the lights.

Now 2 years and one embargo later, we are at a turning point. The House of Representatives has failed to act decisively and the burden is on us. We can either adopt a tough but evenhanded energy conservation and development program or we can continue to drift, growing more dependent on foreign sources of energy with all the consequences this implies for our economy and our national security.

But before we begin considering legislation, perhaps it would help to take a look at what we have accomplished in the last 2 years. For maybe we can learn what we should and should not do.

On the face of it at least, there have been many developments that would appear to have contributed to our long-run goal of energy security. A major reorganization of Federal energy policymaking was effected. The Federal Energy Administration Act was enacted; the Energy Resources Council and Energy Research and Development Administration were also formed. Last November the Project Independence Report was published

At the same time, however, there have been many indications that the energy industries are moving away from energy self-sufficiency. There have been many suspensions and cancellations of refinery expansion programs. The total loss of new refinery capacity now exceeds 2 million barrels per day, and several companies that build and design refineries are now out of work in the United States. Company drilling programs have been curtailed sharply while the development of oil shale has also been delayed indefinitely, largely because of Federal energy policy. Many electric utilities have postponed expansion of their generating capacities, while domestic production of crude oil has fallen since January, partly because of the Government's entitlements program.

Perhaps one reason for the contrast between what is supposed to be happening in energy policy and what is happening is the confusion created by the repeated reorganization of the Federal energy policymaking establishment. One way to appear to solve a problem is to reorganize. Governments, it often seems, measure their success in terms of new organizations created. As one observer has noted:

> We tend to meet any new situation by reorganizing; and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization.

This was said, incidentally, not by Secretary William Simon or Secretary Rogers Morton or Administrator Frank Zarb, but by Gaius Petronius Arbiter, a confidant of Nero Caesar during the first century A.D.

Of course, we in Congress have gotten to know the different energy czars and their subordinates quite well. For, particularly since the embargo, they have had to spend much of their time appearing before congressional committees. During his tenure as Administrator of the Federal Energy Office, Secretary Simon reportedly appeared on the Hill at the request of Congress 108 times, an average of more than once per working day. And in the first 135 days of ERDA's existence, witnesses from this agency testified for 109 hours of formal hearings before 6 full committees and 27 subcommittees.

All this would not be so bad if we had been more productive. However, aside from the Alaskan pipeline bill, which was passed about a year and a half ago, not one meaningful piece of energy legislation has emerged since the energy crisis was officially recognized as such. Instead, we have preoccupied ourselves with the search for a scapegoat and with methods of punishing the industry for alleged wrongdoing. We have threatened the oil industry, especially the major oil companies, with price rollbacks, extension of allocation authority, the divestiture of holdings in production, pipelines, and marketing facilities, and the extension of FPC jurisdiction to the intrastate market for natural gas. None of these measures will save energy; neither will they encourage the production of energy. In short, we have been worse than useless; we have been counterproductive.

But while we have been busy hunting scapegoats and trying to roll back prices, the administration's record has been dismal as well. The embargo was an excellent time to obtain congressional approval of such critically important measures as the deregulation of natural gas. Rather than acting, however, the administration chose to study the issues. And what a fine study emerged. The result of months of work by hundreds of Federal bureaucrats, the Project Independence Report is a massive document that I am sure no one in this room has read.

And even if someone has read it, it raises more questions than it answers. However, the primary failing of the report is not what it says or does not say, but the diversion it has created. The report, like the appearances before Congress, has absorbed enormous amounts of time and talent in the Federal Government. Perhaps worse, throughout 1974, it provided the administration with a means of reassuring the public, and themselves, that the goal of self-sufficiency was being advanced when, in fact, it was being studied. Reorganization is one way to create the illusion of progress; studying a matter is another.

While Congress has been scapegoating and the administration reorganizing and studying, another and far more dangerous aspect of Federal energy policy has emerged: the regulatory one. Now, the Federal Energy Administration employs about 3,700 bodies, most of them concerned with administering price and allocation controls. The bureaucracy is rapidly becoming entrenched, with a vested interest in prolonging the controls. And the regulations these bureaucrats write often make little sense. They have also gone far beyond the original intent of the U.S. Congress. For example, the San Francisco Office of the Federal Energy Administration ruled early this year that no gasoline station could use allocated products to engage in price wars. In other words, FEA is opposed to lower prices for consumers.

Several months ago FEA issued a regulation, without a comment period, requiring parties seeking to establish new stations in a market area to first solicit comments from existing stations—and potential competitors—to assure that their market position will not be eroded. In other words, in the name of protecting competition, FEA is actually opposing competition and, because of this, the interests of the American consumer.

Mr. President, I ask unanimous consent to have printed in the RECORD a policy directive from the San Francisco office of the Federal Energy Administration regarding price cutting and a notice from the Federal Register containing the procedures a businessman must follow to open a new gas station.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Federal Register, May 9, 1975]

FEDERAL ENERGY ADMINISTRATION

MOTOR GASOLINE

Guidelines for Evaluation of Applications for Assignment of Supplier and Base Period Use to New Gasoline Retail Sales Outlets

The Federal Energy Administration hereby gives notice of guidelines to be used by FEA in evaluating applications for assignment of suppliers and base period uses to new gasoline retail sales outlets. The guidelines are set forth below and will provide a basis for consistent application of FEA's regulatory provisions with respect to new retail sales outlets of motor gasoline.

May 6, 1975, Washington, D.C.

ERIC J. FYGI,
Acting General Counsel.

APPENDIX

GUIDELINES FOR EVALUATION OF APPLICATIONS FOR ASSIGNMENT OF SUPPLIER AND BASE PERIOD USE TO NEW GASOLINE RETAIL SALES OUTLETS

1. *Scope.* Numerous questions have been raised as to the procedures and substantive criteria which FEA should apply to applications for assignment of suppliers and base period use for new gasoline retail sales outlets. These guidelines are intended to provide guidance as to how such applications should be handled both procedurally and substantively under current FEA regulations. In particular, these guidelines will discuss the identification of and service of notice to possible aggrieved parties as required by 10 CFR § 205.33 and the evaluation of applications to determine whether to assign a supplier and, if so, how to determine the assigned base period use pursuant to 10 CFR §§ 205.35 and 211.12(e).

2. *Notice to Aggrieved Parties.* (a) *General.* The procedural regulations and criteria applicable to all applications for assignment of suppliers and base period use are set out in Subpart C of Part 205. Section 205.34 requires that the applicant file an application which not only contains various facts regarding the request, but also the "names and addresses of all affected persons (if reasonably ascertainable)." and "[t]he identification of any persons who will be aggrieved by the FEA action sought, including potential suppliers."

Section 205.33(a) provides that FEA *shall* serve notice on any person readily identifiable by the FEA as one who will be aggrieved by the FEA action and *may* serve notice on any other person that written comments will be accepted if filed within 10 days of service of the notice. . . . (Emphasis added.)

The word "aggrieved" is defined in § 205.2 as describing or meaning "a person with an interest sought to be protected under the FEAA or EPAA who is adversely affected by an order or interpretation issued by the FEA or a State Office."

Thus it is the responsibility of the applicant under § 205.34(b) to supply FEA with a list of potentially aggrieved persons, but the burden is on FEA under § 205.33(a) to serve notice of the application on such aggrieved parties. Moreover, FEA "may serve notice on any person. . . ." (Emphasis added.)

(b) *Identification of Aggrieved Parties.* The applicant's task of identifying potentially aggrieved persons is not as difficult as it might seem. In most cases this information is known to the applicant because suppliers opening new sites often have made sophisticated studies of the size of the trading area and the competitors located within it before their application is submitted. As a general rule, in the case of a new station located in a typical residential neighborhood, all retail sales outlets, particularly small and independent refiner-operated outlets and all branded and non-branded independent marketer-operate outlets, located within a mile radius of that station should be presumed to be "aggrieved persons" within the meaning of the notice requirements. The geographical trading area affected might be somewhat larger in rural neighborhoods and somewhat smaller in urban neighborhoods. Moreover, because of the peculiarities of traffic flow, an affected trading area might be longer in one direction than another. But, even though it is not possible to prescribe rigid rules for the determination of the perimeters of the trading area, in most cases the FEA's discretion in this area should be freely exercised so long as the general rule of erring on the side of over-inclusion is followed.

It is not necessary that notice be served on other persons also identified by the applicant but not located in the trading area of the proposed new station—even though they might otherwise be affected because their supplies might be reduced—since the administrative burdens of doing so greatly outweigh the minimal effect which comments received from such persons would have on the decision.

(c) *Method of Providing Notice.* Notice should be individually served upon any person identified by the applicant as an aggrieved party and located in the trading area of the proposed new station using the form of notice provided in Attachment A. In addition, FEA should arrange, using imprest funds, for the publication of a notice in local newspapers of general circulation in the market area to be served by the proposed retail sales outlet. The notice should also be substantially in the form of Attachment A to these guidelines and should be published on at least two separate occasions at least one week apart. This procedure should serve to provide notice to those persons not readily identified by the applicant as aggrieved persons and satisfies FEA's independent responsibility to identify and notify aggrieved persons.

(d) *Information in Notice.* It is not necessary to disclose in the notice any of the information contained in the application except (i) the applicant's name and address, (ii) the location of the station for which application is made, and (iii) an approximation of the base period use sought by the applicant. Only an approximation of the amount being applied for should be given because in some cases applicants have claimed that the actual amount is proprietary information arrived at after a thorough and highly confidential marketing survey of the area, the disclosure of which would inform the applicant's competitors of the applicant's strategy of market expansion. While such information may not in fact be the type of proprietary information protected from disclosure, there is at least a colorable argument that it is. In any event, the problem can be readily avoided by providing in the notice only an approximation of the actual amount. For example, if the amount applied for is 1,000,000 gallons per year, it could be described as "a high volume station having an aggregate base period use in excess of 800,000 gallons per year." Such a description would give potentially aggrieved parties adequate notice of the relative size of the station and at the same time avoid the unnecessary disclosure of possibly confidential competitive information.

(e) *Comment Period, Hearings and Conferences.* Subpart C of Part 205 requires FEA to give aggrieved parties 10 days from service of the notice in which to file written comments. FEA may also make an independent investigation of facts alleged in the application or comments and may rely on information obtained from any source. (*See* § 205.35.) A conference and hearing are both discretionary with the agency. (*See* § 205.35 and Subpart M of Part 205.) A conference with only the applicant in attendance is the recommended means of obtaining additional information if the application and the written comments still leave some unresolved issues. A hearing should be used only rarely and in exceptional circumstances, since most of the information relevant to the application can best be converted only in writing.

(f) *Timeliness of FEA Action and Interim Supplies.* FEA is required to act upon an application for assignment of a specified supplier within 90 days after its receipt. Failure to act during such period may be considered by the applicant as a denial from which an appeal may be taken. (*See* § 205.37.)

It is sometimes difficult, however, to evaluate an application properly within the 90-day period. Moreover, the applicant may need prompt action because the station is idle, perhaps at great expense to the applicant. In such cases it is possible for FEA office to issue an order granting a temporary assignment until such time as a full evaluation of the application for a permanent assignment can be completed. (See also discussion below concerning retail sales outlets which operate using surplus products.) The procedures for issuing such temporary orders are found in § 205.39.

As indicated in that section, a temporary assignment can be made "upon application." This does not mean that the applicant must expressly apply for a temporary as well as a permanent assignment. Since an application for a temporary assignment need contain no more information than that required for a permanent assignment, the filing of two applications is unnecessary. Thus, when an application for a permanent assignment has been made and it is apparent from the circumstances that a temporary assignment is warranted pending a final decision and is not objected to by the applicant, the application on file for a permanent assignment may be treated as an application for temporary assignment as well as for a permanent assignment.

An order granting a temporary assignment can be effective for only 60 days and cannot be renewed. The temporary order must contain an express finding that circumstances do not permit issuance of an assignment on-phase with the usual processing of permanent assignment orders. *See* § 205.39(b).

3. *Substantive Criteria Applicable to Assignment of Supplier and Base Period Use.* (a) *General.* The procedural regulations set forth in § 205.35(b) the criteria applicable to the evaluation of applications for assignment of a supplier and new base period use. These criteria restate the criteria set forth in sec-

tion 4(b)(1) of the Emergency Petroleum Allocation Act of 1973 applicable to FEA's overall duties in promulgating and applying the Mandatory Petroleum Allocation and Price Regulations.

Like the criteria of section 4(b)(1) of the EPAA, the various criteria of § 205.35(b) are to be applied only "to the maximum extent possible." As applied to a particular set of circumstances, these criteria may not only be difficult to apply but also conflicting. As the courts have said in applying the various goals of section 4(b)(1),

> [t]he goals are inherently inconsistent, and no regulation could promote all of them at the same time. Congress recognized this in saying that the regulations shall provide for them 'to the maximum extent practicable.' A balancing of goals is required, and Congress has left the details of this balancing to the Federal Energy Administration. *Union Oil Co.* v. *F.E.A.*,——F. Supp.——, Fed. Energy Guidelines ¶ 26,007, at p. 26,098 (C.D. Cal. 1974); *see also Air Trans. Ass'n of America* v. *FEA*, 382 F. Supp. 437 (D.C. 1974).

Thus, FEA should be guided by the criteria of § 205.35(b) but have considerable discretion in balancing one against the other.

While it is inappropriate to prescribe precise rules for the application of these criteria to assignments of suppliers and establishment of new base period uses in all circumstances, nevertheless some general principles may be prescribed.

(b) *Whether to Assign a Supplier/Purchaser Relationship.*

Three of the criteria which must be taken into account in deciding whether to assign the new outlet a supplier are whether granting the application in question would promote "economic efficiency;" minimize "economic distortion, inflexibility, and unnecessary interference with market mechanisms;" and promote the equitable distribution of petroleum products at equitable prices among all regions of the country and segments of the industry. (*See* § 205.35(b)(1)(viii), (ix), and (vi).) These three criteria together can be read as stating that even within the context of the regulatory program, free market forces should be allowed to function to the extent possible. Thus, in the absence of other countervailing considerations, FEA should start with a strong but rebuttable presumption in favor of assigning a supplier/purchaser relationship for a proposed new retail sales outlet. In particular cases there might also be other relevant criteria favoring the application, such as the maintenance of public services and agricultural operations. (*See* § 205.35(1) (ii) and (iii).)

A possible countervailing consideration may be the preservation of a competitively viable independent section of the industry.

Thus, in each case the facts must be reviewed to determine whether the general presumption in favor of granting the application should be overridden or sustained by a weighing of these other countervailing considerations.

(i) *Effect on Supplier's Other Purchasers.* Attention should be paid to the effect of any assignment upon the supplier's other customers, particularly the supplier's branded and non-branded independent purchasers. If the assignment will significantly lower the supplier's allocation fraction below one (1.0) then the assignment should be questioned. In general, if the assignment can be expected to reduce the supplier's most recently reported allocation fraction by more than one percentage point (0.010), the reduction may be significant and would warrant especially careful assessment of the supplier's future supply position.

(ii) *Effect on Independent Competitors.* In evaluating applications, the comments solicited from independent and small refiners and branded and non-branded independent marketers operating stations within the same trading area as any new station which will not be operated by an independent marketer or small or independent refiner should be carefully reviewed to determine whether or not granting of the application may seriously jeopardize the competitive viability of small and independent refiners and branded and non-branded independent marketers.

The existence of substantial evidence that granting the application would result in probable severe and irreversible damage to the existing independent segment in the proposed market may be the basis for denial of an application. Such evidence would not consist of a showing of probable financial impairment to a particular independent marketer, but rather would require evidence that the volume of business enjoyed by the independent segment in that marketplace would probably be substantially and permanently reduced.

Although these judgments are extremely difficult to make, FEA cannot ignore clear and compelling evidence that the operation of a new retail sales outlet which is not operated by an independent marketer will so dominate a trading area as to substantially impair the competitive viability of independent marketers. Generally such evidence is not present if; (1) independent marketers in the trading area can remain competitively viable by relying upon customers who will patronize such stations because of the availability of supplementary products and services not provided by the new station; (2) there are other large volume/low profit margin stations in the trading area or in other nearby trading areas, and the presence of such stations has not impaired the competitive viability of indesonable prospect of considerable growth in demand within the trading area so that the new station, notwithstanding its advantages, will not necessarily acquire most of its business at the expense of the other stations in the area.

This is not meant to be an exhaustive listing of the kinds of evidence that would sustain the granting of such an application notwithstanding a showing of adverse impact upon the various aggrieved parties. Indeed, given the rebuttable presumption in favor of granting such applications in any event, the burden is on those opposing the application to make a clear and convincing showing that the competitive viability of the independent marketing sector within the trading area will be substantially impaired by the opening of a new station which is not to be operated by an independent marketer. This showing is not made merely by a showing of financial harm to, or even of impending bankruptcy by, one or more independent marketers. Finally, such a showing cannot rest upon unsubstantiated assertions or mere speculation. There must be evidence of the specific adverse impacts of the new station's opening before FEA can perform the analysis outlined above and conclude that the application must be denied.

(iii) *Consideration of Applications for Retail Sales Outlets to be Built in the Future.* FEA has encouraged operators of potentially new retail sales outlets to apply for FEA assignment of a supplier/purchaser relationship and a base period use prior to construction of the new outlet. (*See* § 211.12(e).) This policy was established to prevent any hardship which might result from a failure to obtain an assigned supplier or base period use following the operator's expenditure of pendent marketers;[1] and (3) there is a reaconstruction funds and assumption of other obligations connected with the proposed new retail sales outlet. Consequently, consideration of an application should not be delayed because a retail sales outlet is not currently operational or may not become operational before the expiration date of the EPAA. Approvals of such applications may be conditioned upon the retail sales outlets being operational within a certain period of time. Of course, such assignments should be made effective only upon the retail sales outlet's becoming operational.

(iv) *New Retail Sales Outlets Operating Solely on Supplies of Surplus Product.* In some cases new retail sales outlets are being operated with gasoline purchased from suppliers which have certified their gasoline to be surplus product as permitted by § 211.10(g). Such retail sales outlets, however, are new suppliers as defined by § 211.10(e) which must receive FEA approval before they commence operations. Such approval should ordinarily be freely granted to gasoline retail sales outlets provided it is made clear that such approvals do not create a supplier/purchaser relationship between the retail sales outlet and the supplier of the surplus product and does not establish a base period use for the retail sales outlet. Approvals pursuant to § 211.10(e)(2) need not be conditioned upon application for a supplier and an assigned base period use. Operators of new retail sales outlets under § 211.10(e)(2) should understand, however, that unless they have been assigned a supplier and a base period use pursuant to § 211.12(e), they have no future claim to a supplier or a pro rata share of available supplies in a period when there is no surplus product.

(c) *Assignment of Base Period Use.* Once a decision to assign a supplier/purchaser relationship for a new retail sales outlet is made, FEA must determine the appropriate base period use to be assigned the retail sales outlet. As a general rule, the average base period use for retail sales outlets of a similar size (number of pumps) and nature (full service, gas only, self service, car wash, etc.) in the same market area will be the appropriate assigned base period use. Thus, for example, a station of a particular size and type should receive a base period use approximately equal to other stations of the same kind in the market area. When a new type of station is constructed in a market area, it should receive an allocation commensurate with the relative treatment of the new type of station compared to existing type in the nearest market area where such comparisons may be made.

The delineation of the market area will vary in each case, and ultimately will be determined by FEA. There can be no hard and fast criteria, but some general guidelines may be observed:

(i) In a city over 25,000 population, the market area to be considered should be the area within a one-mile radius of the proposed new outlet.

(ii) In a suburban area (housing developments, shopping centers, apartments) the market area to be considered should be the area within a two-to-three-mile radius of the proposed new outlet, depending upon the density of recent growth and traffic pattern characteristics in the area.

(iii) On a non-urban arterial highway with full control of access, the market area should include the area within one-fourth mile of the access point at the proposed location of the new outlet and the next two access points in each direction from the proposed location of the new outlet.

(iv) On a non-urban arterial highway with uncontrolled access or partially controlled access, the market area should include five miles in either direction along the highway.

(v) On a through street or through highway in a rural area, the market area should be that area within a five mile radius of the proposed new outlet.

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[1] The FEA must consider, however, whether, given limited demand within the trading area (see item (3) following), the new station, in conjunction with the existing high-volume station, will destroy the competitive viability of the remaining independent marketers.

(vi) In a town under 25,000 population, the market area should be a two mile radius from the proposed outlet.

As used in the above guidelines, the following terms have the following meanings:

"Arterial highway" means a highway primarily for through traffic, usually on a continuous route.

"Full control of access" means that the authority to control access is exercised to give preference to through traffic by providing access connections with selected public roads only and by prohibiting crossings at grade or direct private driveway connections.

"Partially controlled access" means that the authority to control access is exercised to give preference to through traffic to a degree that, in addition to access connections with selected public roads, there may be some crossings at grade and some private driveway connections.

"Through street or through highway" means every highway or portion thereof at the entrance to which vehicular traffic from intersecting highways is required by law to stop or yield before entering or crossing and where appropriate signs are erected as provided by law unless entry or crossing is made on the proper indication of traffic control.

"Uncontrolled access" means that the authority having jurisdiction over a highway, street, or road, does not limit the number of points of ingress or egress except through the exercise of control over the placement and the geometrics of connections as necessary for the safety of the travelling public.

ATTACHMENT A

NOTICE

Pursuant to 10 CFR § 205.33(a), this is to notify you that ____________________________ has applied to the Federal Energy Administration for an order assigning to it a base period volume of [more than] [less than] ______ gallons per month for a retail gasoline station it intends to operate at____________ ________________. This retail station will be owned by__________________and operated by ____________.

You are invited to submit written comments to FEA in support of or in opposition to the application. If you oppose the application on the ground that approval of it would adversely affect your business, you should set forth in detail the following minimum information:

1. Your name and address.

2. The person or persons who have an ownership interest in the business which you allege would be adversely affected, and the extent of each such person's ownership interest.

3. The location of your business in relation to the retail station for which the application for assignment was made.

4. The person or company from whom you presently purchase gasoline, and whether your business operates under the trademark of your supplier.

5. The volume, in gallons, of gasoline sold by your business in each month from January 1, 1972, until the present.

6. Whether or not there is a demand for gasoline in the trading area in which your business is located which cannot be met by existing retail stations.

7. The adverse effect which you believe approval of the application would have on your business.

8. Detailed factual data and information which support your claim that approval of the application will have an adverse effect on your business. Such data and information should include, at a minimum, audited or unaudited balance sheets and profit and loss statements for a recent, representative time period.

FEA can consider alleged adverse effects on your business only if such allegations are supported by the best available data. Broad and unsubstantiated allegations of adverse impact will be disregarded.

FEA will consider your written comments along with those submitted by the applicant and other interested persons. If you submit written comments, you will be notified of FEA's decision. FEA may, at its discretion, hold a public hearing to consider the application, in which event you will be notified. A copy of that portion of FEA's procedural regulations applicable to these proceedings is enclosed for your information.

Your written comments should be hand delivered or received by mail not later than ________________to the following address:

Unless you claim confidential treatment for your submission, a copy of your comments should be delivered to the applicant. If you want the FEA to treat as confidential the information which you submit to it, it will do so if you so request and if the information is of a type entitled to such confidential treatment under the Freedom of Information Act, 5 U.S.C. 552, as amended, 18 U.S.C. 1905, 10 CFR 205.9, or under other Federal statutes, regulations or rules. Trade secrets and certain commercial and financial information are entitled to confidential treatment if you so request. If you request confidential treatment, you should designate on the original version of your written comments the information which you wish to be kept confidential and submit to FEA and the applicant another version of the document with such confidential information deleted. Information which is not designated as confidential or is not entitled by law or regulation to confidential treatment will be disclosed to the applicant and perhaps to other interested persons.

Sincerely,

____

(Name and Title)

Enclosure.

[FR Doc. 75-12273 Filed 5-6-75;1:07 pm]

FEDERAL ENERGY ADMINISTRATION,
San Francisco, Calif., Nov. 26, 1974.

POLICY NOTICE—PROGRAM PARTICIPANTS AND FEA STAFF

This Notice Transmits: Policy for the reporting and investigating gas wars as an indication of supply imbalances within Region IX.

Purpose: For several months, there has been an abundant supply of motor gasolines in most areas of Region IX, although some areas and sectors of the market continue to report shortages. There have lately been vague, unconfirmed reports that supply in some areas is so excessive as to precipitate gasoline price wars. The Regional Office believes that any situations of this sort are an indication that product may be poorly distributed. (Section 211.13(f) of the Mandatory Petroleum Allocations Regulations requires that any purchaser (including retail outlets) whose needs decline, shall apply to his supplier for a downward adjustment to base period use.) Hence, it is not the intention of FEA that larger allocations be used for engaging in gas wars. The regulations prohibit suppliers from increasing volumes to a station in order to support gas war activity.

This Policy Notice rescinds: First Notice On This Subject.

POLICY FOR REPORTING AND INVESTIGATING GAS WARS AS AN INDICATION OF SUPPLY IMBALANCES WITHIN REGION IX

Procedures:

1. Reporting of gas wars:

A. All FEA employees are to report any "gas wars" they are aware of, giving names, addresses and specific activity (such as gas war signs, low prices being charged, etc.) to the Director, Compliance and Enforcement Division.

B. Complaints from the public will be accepted by FEA provided the details listed in 1A are given. Initial contact may be made by telephone to the local FEA office but should be followed up by a brief summary in writing to the Director, Compliance and Enforcement Division, 111 Pine Street, San Francisco, California 94111.

2. FEA Region IX will review all reports and will investigate those determined to have merit. The investigation will determine if the stations involved are being allocated product by their suppliers in accordance with the regulations.

3. If FEA determines that violations of the Regulations have accurred, enforcement action will be taken.

4. If FEA determines that there is an excess of product in the area involved, action will be taken under Section 211.14 of the Regulations to redirect the excess product into areas still experiencing shortages.

Mr. BROCK. Mr. President, the regulatory approach to energy policy has clearly been a failure. It has discouraged domestic production, encouraged imports, and created uncertainty and stagnation in the energy industry. It is ironic to me that at the same time that we are questioning the efficacy of Government regulation of economic activity in so many areas, we are saddling the energy industry with more and more regulations.

If our fascination with regulations and controls was simply raising consumer prices and creating inefficiencies in the energy industry, I would be deeply concerned. But the consequences of our present energy policy are much more grave. We are in essence insuring our dependence on insecure foreign sources of oil. What happens if we have another oil embargo slapped on us tomorrow? And even without an embargo, we face the prospect of future increases in oil prices from the OPEC nations with all the consequences that this will have for an already weak domestic economy.

What am I talking about? For one thing, I am talking about the increasing vulnerability of the U.S. economy to foreign supply disruptions. I shudder at the thought of what such actions could mean.

And I would like to point out another fear which I have come to think of more and more. What happens when our freedom to conduct our foreign policy is hampered even more by our ever-growing dependence on foreign oil? For example, will we be forced to abandon, or lessen, our support of Israel because of our need for Arab oil? The United States cannot be a great power unless it is independent. Dependence is not freedom.

A year ago, the United States sent $2.2 billion in special military assistance to Israel. We thought it necessary to rebuild Israeli forces to balance the Soviet-supplied Arab forces. What did that do to the balance of power in the Middle East? Did resupplying Israel force us to start digging ourselves a hole because there is no true balance of power in that region as long as the Middle East has oil dependence to hang over our heads?

Let me present a rather grim scenario. Suppose there is another Middle East war and this time, out of fear of a more devastating embargo, the United States refuses to resupply Israel with the military equipment it needs to survive.

Thoughtful observers have believed for many years that Israel possesses nuclear weapons and has the capacity to deliver them. And when faced with a question of national survival, is there any doubt as to what would occur. In fact, we could see the fulfillment of a Biblical prophecy within our lifetime . . . a nuclear Armageddon in the Middle East stemming, in part, from the failure and misdirection of U.S. energy policy.

This is a very grave matter. We face a very precarious time. Decisions need to be made which will allow us to make future decisions in an atmosphere of freedom, not of dependence. The picture is a real possibility, and one which we should take very, very seriously.

For months, we have talked and listened and argued and gotten nowhere. The Senate now has the opportunity to work toward a national energy policy which allows us our freedom and also allows us the oil necessary to continue with a strong economy. However, a strong economy will not appear by itself as long as Congress continues to believe that all wisdom remains in Washington. Our belief in controls and regulations has put us deeper in that hole which we are digging. We must strive toward energy security but to achieve that we must realize that the laws of supply and demand are still valid ones and should be given as much of an opportunity as possible, as soon as possible.

Energy is still our future. Policy direction is vitally needed if we are to remain a strong and free nation.

THE NEW HAMPSHIRE ELECTION DISPUTE

Mr. KENNEDY. Mr. President, in recent days, a number of editorials and newspaper columns have been inserted in the Record on various aspects of the New Hampshire election dispute.

Last month, Cornelius Dalton of the Boston Herald American analyzed the issue in a significant column, pointing out the complete lack of justification for invalidating the election last November simply because the outcome is uncomfortably close.

As we in the Senate try to meet our responsibility under article I, section 5 of the Constitution to judge the dispute, we can draw support from Mr. Dalton's perceptive analysis.

Mr. President, I ask unanimous consent that the article may be printed in the Record, and I hope that today's effort to achieve cloture on this prolonged debate will be successful.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Boston Herald American, June 23, 1975]

Durkin-Wyman: Who Really Won?

(By Cornelius Dalton)

The United States Senate is still trying to decide whether Democrat John Durkin or Republican Louis Wyman won the election for senator in New Hampshire last November, but we pretty much made up our mind long ago.

Actually, Wyman made it up for us when he began screaming for a new election after Durkin was declared the victor by 10 votes in a recount.

We were even more convinced about who had won when Wyman kept clamoring for a new election afer the New Hampshire ballot law commission recounted the recount and proclaimd him the winner by two votes.

Wyman was still demanding a new election when the dispute finally reached the floor of the U.S. Senate last week.

The Republicans offered a motion that the New Hampshire Senate election be voided and another election be held. This was blocked by the Democratic majority.

Then Sen. James Allen, a conservative Alabama Democrat who sided with Wyman on various key votes during the Rules Committee hearings, proposed that the New Hampshire seat be declared vacant if the dispute was not settled by the Senate by Aug. 1. This also was defeated, largely along party lines, because it was an obvious invitation for a Republican filibuster to force a new election.

There is no justification for invalidating an election simply because the outcome was close. It is a fundamental principle in election laws that the candidate who received the most votes is the winner. It doesn't make any difference whether his margin of victory is one vote or 1000 votes.

This principle was upheld by the New Hampshire Supreme Court when it blocked a move by Republican Gov. Meldrim Thomson and the Republican Executive Council for a runoff between Durkin and Wyman on the ground that the November election had ended in a "virtual tie." The court ruled that the governor and council had no authority to order a new election.

In a challenged election the Constitution provides that the Senate shall be the final judge of which candidate shall be seated. So the outcome of the Durkin-Wyman contest will be decided by a vote of the full Senate on 27 disputed ballots and eight procedural questions referred to it by the Senate Rules Committee.

Governor Thomson, an ultra-conservative who isn't noted for his impartiality, now says that "power-lusting Democratic senators" are going to "steal" the election from Wyman, and that Watergate taught these politicians nothing.

The governor seems to forget that the power-lusting politicians in the Watergate conspiracy were Republicans, not Democrats. And in view of the history of the Durkin-Wyman case, it might be charged—if one were as reckless as Governor Thomson—that it is the New Hampshire Republican hierarchy that has learned nothing from Watergate.

Wyman, who left the House to run for the Senate seat vacated by the retirement of Norris Cotton, was an overwhelming favorite over Durkin in last November's election. The polls had Wyman winning by a wide margin.

But Wyman and the pollsters got a shock when the returns were tabulated and showed Wyman winning by only a few hundred votes.

Wyman got an even bigger shock when a recount put Durkin ahead by 10 votes. The recount, it should be noted, was conducted by the Republican Secretary of State.

Wyman appealed this finding to the Republican-controlled State Ballot Law Commission, which recounted hundreds of ballots challenged by both candidates.

The commission ruled that Wyman had won by two votes, but its objectivity, at best, was questionable. The commission threw out several Durkin ballots where the intent of the voters to cast a straight Democratic ticket was obvious. It gave Wyman a vote on one ballot on which the voter put an X in the Republican circle but crossed out Wyman's name. And the commission made contradictory rulings on two ballots, giving Wyman a vote on one and taking a vote away from Durkin on the other.

The decision of the Ballot Law Commission was extremely important for Wyman because Durkin had been given a certificate of election after the Secretary of State's recount. Wyman was given a certificate following the Ballot Law Commission ruling.

Wyman's position would have been hopeless if the Ballot Law Commission had decided that Durkin had won even by a single vote. Durkin would have had the sole certificate of election, and he would have been declared the winner of separate recounts conducted by the Republican Secretary of State and by the Republican Ballot Law Commission.

Under those circumstances, Governor Thomson and Wyman could hardly have charged that the Democrats were trying to steal the New Hampshire election.

SUNSHINE BEHIND THE CLOUDS

Mr. FANNIN. Mr. President, the latest round of economic indicators seem to support President Ford's contention that we are well on the road to recovery from the recession. We still have some distance to go, but at least we now are headed in the right direction.

Throughout the energy crisis and economic slump of the past 2 years the American people have been tremendously courageous and have shown great fortitude. The only hysteria has been in the speeches of some of the politicians who have tried to exploit the situation to promote greater Government interference in our business and personal lives.

In our history, as in the history of every nation, there are good times and there are bad. Socialist dictatorships are no exception, and in fact they suffer more hard times and fail to reach the peak free societies enjoy in the good years.

Efforts by our Government to control these swings have been disastrous. Government efforts to correct one problem more often touch off several other problems.

Our economy always manages to rebound, not because of Government but in spite of it.

Mr. President, in a June 18, 1975, column in the Tucson Daily Citizen, Editor Paul A. McKalip pointed out that our recent problems are far from "the worst of times." He recounts a speech given by Dr. Leon T. Kendall, president of Mortgage Guaranty Insurance Corp. of Milwaukee. This is an extremely interesting column with a reminder for all of us, and I ask unanimous consent to have it printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

Not the Worst of Times

The press has been carrying a lot of bad news about the economy for many months. We who must prepare it, process it and headline it don't like it any more than our readers do. For one thing, the newspaper business has been hit along with every other.

Lately there have been some rays of sunshine trying to break through the clouds and we have been more than ready to point them out. If the checks on inflation hold, and if the revival of industry and business picks up strength, everyone will be happier for sure.

When better times return, as they surely will, press and public together will have earned a share of credit for holding on through what at best could be labeled a dismal period, though certainly not the worst of times.

The best way to gauge the performance of press and public is to compare it with reactions during other periods of severe economic woes in the nation's history. I am indebted to Dr. Leon T. Kendall, president of the Mortgage Guaranty Insurance Corp. of Milwaukee, for providing the material that affords some useful historical perspective.

In a timely speech before the American Society of Newspaper Editors, Dr. Kendall pointed out "what yesterday's newspaper headlines and comments tell us about today."

For anyone who would let today's political and economic troubles weigh too heavily, newspaper editor and reader alike, Dr. Kendall admonished: "It is well to recall that our ancestors, time and again, thought themselves living in the worst of times."

The record of the public's attitude in dark periods of the past as mirrored in the press, which after all can only mirror its times, is strikingly convincing. Consider:

1810–1840—The onset of the industrial revolution, with its uprush of factories and cities, also produced periodic industrial collapse. There were depressions in 1819, 1829 and 1837. The Detroit Free Press said gloomily: "All is darkness and despair. As a nation we are at the bottom of the hill."

1853–1857—During the presidency of Franklin Pierce, there was a drift in leadership that gave rise to national uncertainty. The Philadelphia Gazette reflected the mood of the people when it said: "Nothing in this country is safe, solvent or reliable."

1873—Panic developed after four years of the presidency of Ulysses S. Grant. Political corruption was widespread. The New York World went so far as to observe: "Collapse is a grim reality. The days of the Republic are numbered." Well, that was a century ago now.

1893—New railroads were delivering so much wheat and cotton to market that prices collapsed. The flood of cheap silver and decline of confidence in gold brought panic. The New Orleans Picayune summed up the public's despair: "On every hand there is depression, wrack and ruin. We can't go much further." So far we've managed to go more than three quarters of a century further.

1907—Financial panic brought a sharp decline on stock market and runs on banks. The Wall Street Journal voiced the sentiments from the nation's economic heart when it decried: "The old ship of state is sinking." Obviously, it didn't.

1913—The first age of consumerism brought a rash of strong anti-business legislation, the Federal Trade Commission Act, the Clayton Anti-Trust Act, and the Federal Reserve Act. Headlines in the New York Times read: "Stocks reach new lows: currency revision by President Wilson."

1930s—A well-known story to those today who lived through years that bear the title of Great Depression. When it broke with the stock market crash in late 1929, Time magazine reported: "It was stark raving business bedlam on the New York Stock Exchange."

There have been other downturns and recessions since then, of which the current one lies heavily upon us. And for counsel and encouragement, Dr. Kendall offered:

"Tying together the ghosts of the past, present and future, the lesson of American history seems to be to keep cool, rely on the basic common sense of the American people and of our political system to set things aright.

"The price system will work. The incentive system will work. The American system will work, if we work to make it work, and if we get the facts, faithfully and in perspective, from a free press."

That's our job and I submit that the American press is up to it.

—PAUL A. MCKALIP.

BILL FULBRIGHT ON AMERICAN INTERESTS IN THE MIDDLE EAST

Mr. SPARKMAN. Mr. President, in the Washington Post of July 7, there was an article by our former colleague Bill Fulbright. It is in the nature of a report on a rather extensive and studious tour that he made just recently throughout the Middle East.

As everyone knows, Bill Fulbright was for 15 years chairman of the Foreign Relations Committee of the Senate—the longest service, by the way, of any chairman in the history of the committee. He was a great chairman, and he has rendered great service in making this tour and reporting on it in the manner shown. I commend the reading of his report by every Member of the Senate. I therefore ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICAN INTERESTS IN THE MIDDLE EAST

(By J. W. Fulbright)

In his speech at Atlanta on June 24, Secretary of State Kissinger pointed to the range of vital American interests in the Middle East—the security of Israel, access to Arab oil, the strain on the Western alliance posed by each successive crisis, the threat to the world economy of a new oil crisis, and the chronic danger of confrontation with the Soviet Union. The Secretary emphasized that the United States "must do its utmost to protect *all* its interests in the Middle East."

Having recently returned from an extended tour of the Middle East, I am filled with a strong sense of both the import and urgency of the Secretary's observations. Time is working against us, and against our interests.

To see why, it is necessary to consider *all* of our interests in the Middle East. The Arab-Israel conflict and the oil problem are not only related but inseparable. Israel is largely a creation of the conscience of the West, particularly that of the United States; for that reason alone, her survival qualifies as an American national interest. At the same time we have a most vital interest in access to Arab oil—all the more as the Gulf States account for a steadily rising portion of our imports and Congress shows little inclination to enact measures for meaningful energy conservation. Logic suggests that if we are to give all-out support to current Israeli policy, we should be taking drastic measures of energy conservation against the inevitable embargo; or if we are to allow our dependency on Persian Gulf oil to continue to increase at its present rate, it would be prudent to draw back from our financial and political support of continued Israeli occupation of Arab lands.

The problem of statecraft is to avoid this unpalatable choice by reconciling our Israeli and Arab interests, surely not to allow ourselves to drift, or be maneuvered, into a position in which one must be sacrificed to the other. The only way to reconcile these interests is by bringing the Arab states and Israel to a settlement.

The status quo is not benign. It is not allowing tensions to abate; on the contrary, it fosters a steady and accelerating slide toward war. The Secretary was, if anything, understating the matter when he said at Atlanta that "we are now at a point where there must be a turn either toward peace or toward new crises." Virtually every Arab leader I met on my trip expressed not just apprehension but certainty that if significant progress toward a settlement does not come soon, war will follow within a year or so, and with it a new oil embargo.

The principal Arab countries—including Egypt, Syria, Jordan and Saudi Arabia—are all led by moderate and responsible men. These leaders are united in a consensus for making peace with Israel on the basis of the 1967 borders. All of them say so, explicitly and without qualification, and the head of the Palestine Liberation Organization, Yasser Arafat says so, too, guardedly and by indirection but, to my ear, unmistakably. The emergence of this consensus for the acceptance of Israel is the most important and promising development in the Arab world since the 1967 war. It has created what Arab leaders describe as a "golden opportunity" for peace.

Emphatic as they are in pointing to this "golden opportunity," Arab leaders are no less emphatic that, if not seized upon now, the opportunity will soon be lost, perhaps irretrievably. As in our own politics, no approach to a problem—especially a risky and controversial one—can be pressed indefinitely if it does not bring results. The continued occupation of Arab lands is a threat not only to Arab moderation but to the moderate leaders themselves. Mr. Arafat hints that he could be more forthcoming if he had something to show for it and also warns that if he does not succeed he will be replaced by extremists. One also hears—with disturbing frequency—warnings that President Sadat himself may be in trouble if he does not soon achieve some progress toward peace.

The stakes are high, either for disaster or, as is not always sufficiently recognized, for great good. If there is another war, it may well bring on difficulties with the Soviet Union, and it will surely bring an embargo, which in turn could precipitate the disintegration of our alliances with Europe and Japan.

On the other hand, Saudi Arabia, with one-fourth of the world's oil reserves, has offered the United States a degree of cooperation and assured access to its oil that arouses the envy of all other industrialized countries. The Saudis do not propose, nor would we desire, privileged or discriminatory access to their oil, but they do offer us—and it is entirely proper that we should accept—a unique relationship based upon assured oil supply, large-scale investment of oil revenues in the United States, and primary reliance upon American technology for the development of Saudi Arabia.

A Saudi-American association of this kind could also serve as an economic nucleus that would be highly beneficial to the rest of the world, including the developing countries. Also of great importance is the fact that almost all of Saudi Arabia's vast oil reserves are explored and extracted by a highly efficient American company with excellent relations with the Saudi government. It is staffed primarily by Americans, is American in its orientation, and qualifies thereby as a solid asset to the national interest.

There are two basic problems with respect to our reliance on Arab oil: supply and price. The problem of supply—which is to say, the threat of embargo—is wholly a function of the Arab-Israel conflict. If that is resolved, there is no further threat of embargo. The problem of price is also related to the Arab-Israel conflict. A settlement could not be expected to result in an immediate, sizable price rollback, nor would it detach Saudi Arabia from OPEC. It would, however, eliminate the only outstanding issue between the United States and Saudi Arabia—especially if provision were made for the restoration of East Jerusalem to one form or another of Arab sovereignty. Under these circumstances, Saudi Arabia would also certainly draw closer to the United States and become more amenable to our influence, making the problem of oil prices far more susceptible of reasonable accommodation.

Except from Israel herself, there is a virtual world consensus as to the main outlines of a Middle East settlement: an Israeli withdrawal to the borders of 1967 with insubstantial variations; a Palestinian state comprising the West Bank and Gaza, either separate or in association with Jordan as the Palestinians may choose; the permanent or indefinite demilitarization of the Golan Heights, of much or all of Sinai including Sharm el-Sheikh, and of much or all of the West Bank; the stationing in the demilitarized zones of U.N. Forces which could not be removed except with the consent of both sides; and great power guarantees of the settlement, preferably under the aegis of the United Nations Security Council, supplemented if necessary by a solid and explicit American guarantee of Israel.

A settlement along these lines has been endorsed by the principal Arab parties and also by the Soviet Union. The Arab consensus for the acceptance of Israel has been repeatedly signaled by the Arab leaders. King Khalid put it this way: "The Arabs have learned to be moderate, reasonable. Gone are the days of Nasser's period when the Arabs threatened to exterminate the Israeli." No less significant is the Soviet declaration of willingness to guarantee Israel.

As Foreign Minister Gromyko put it at a dinner in Moscow on April 23 for Syrian Foreign Minister Khaddam: "Israel may get, if it so wishes, the strictest guarantees with the participation—under an appropriate agreement—of the Soviet Union." As noted, the Arab consensus will not survive indefinitely if it brings no rewards; nor can we count on the Soviets to renew their offer to cooperate if we do not hold them to it now.

The settlement would not need to be implemented at once. President Sadat and other Arab leaders indicate that they would be prepared to have it implemented over a period of years, step-by-step—*provided* it were understood that such a settlement, and nothing less, were the agreed objective.

A settlement of the kind described would redeem and reconcile the American interests at stake and, I feel certain, is in the best interests of Israel as well. Israel will be secure only when she gains acceptance as a normal state in the Middle East, in which event she would almost certainly become the scientific and technological leader of the region. The Arabs offer that—or a start toward that—now, but it is far from certain that they will continue to offer it as they gain in military and technological capacity. The advantage of Israel is transient: a population far more advanced than those of her neighbors in technology and organization. The Arabs, however, are advancing rapidly in education and technological skills, and when these are added to their vastly greater numbers and wealth, the balance of power will swing in their favor. In that eventuality, Israel will become less and less secure despite the retention of "defensible borders" and will of course be thrown into steadily greater dependence upon the United States.

As matters now stand, our commitment to Israel is open-ended; We are providing the material means for an Israeli policy that is beyond our control—a policy that, by all indications, is carrying both Israel and the United States toward a major new crisis. An American guarantee of an agreed settlement, on the other hand, would clarify an ambiguous commitment, bringing it clearly within the scope of our national interest, and at the same time provide Israel with the greatest possible security under the circumstances that exist in the area. As one thoughtful observer remarked: "The only secure borders are those which are accepted by one's neighbors."

STRATEGIC ARMS LIMITATION NEGOTIATIONS

Mr. BUCKLEY. Mr. President, the United States/Soviet discussions on a second-round SALT agreement are at an important stage in the long history of these negotiations. One must examine carefully the details of any such agreement as well as its basic premise before entering into firm commitments particularly in view of the fact that it is proposed that the agreements now being negotiated apply to United States and Soviet strategic forces through 1985.

Three recent statements have been published by specialists in the field of arms control and national security and bear careful attention because they raise fundamental questions about the Strategic Arms Limitation negotiations. The first, by Dr. Donald G. Brennan, Director of National Security Studies at the Hudson Institute entitled, "Arm Treaties With Moscow: Unequal Terms Unevenly Applied?" presents a persuasive case that the strategic arms limitation accords both the 1972 accords and the Vladivostok accords fall substantially short of an agreement which is in the interests of the security of the United States.

On June 25, 1975, in testimony before the House Committee on International Relations in its Subcommittee on International Security and Scientific Affairs, the testimony of Prof. Henry S. Rowen and Prof. John M. Dewtch, professor of chemistry at MIT and a member of the Defense Science Board, further raises important questions about the strategic arms limitation talks, and particularly the Vladivostok accords and the implications of U.S. military R. & D. These thoughtful statements raise a number of questions about the appropriateness of our current negotiating posture. They deserve wide readership in the Congress.

I ask unanimous consent that Dr. Brennan's monograph and the testimony of Professors Rowen and Dewtch be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARM TREATIES WITH MOSCOW: UNEQUAL TERMS UNEVENLY APPLIED?

(With a Foreword by Paul Nitze)

(By Donald G. Brennan)

PREFACE

In recent months, the world's attention has been focused on a series of acute political crises in widely separated regions of the globe: Portugal, the Middle East, Indochina, to mention a few. At the same time, government officials everywhere have been preoccupied by the impact of the most serious economic recession since the Great Depression of the 1930s, the effects of which have been intensified and complicated by runaway inflation and the quadrupling of petroleum prices in the aftermath of the 1973 Yom Kippur War.

In this context of gathering tension and gloom, the ongoing negotiations on strategic arms limitations have almost faded from public view. It can be argued, however, that the outcome of these negotiations will have a far greater significance for the future balance of international power and world peace than any of the political crises that now claims the headlines. Certainly, the agreements that may emerge from these negotiations will determine the relative stature and influence of the US and USSR in world affairs for decades to come. Indeed, the security and very survival of the United States may be at stake.

In the monograph that follows, Dr. Donald G. Brennan presents a trenchant analysis of the results of the strategic arms negotiations to date. On balance, he is highly critical of the results and pessimistic as to the probable outcome of the second stage of SALT negotations now going forward. It is his view that the SALT negotiations seem likely to institutionalize the permanent strategic inferiority of the United States. Dr. Brennan is Senior Member and Director of National Security Studies at the Hudson Institute. He has served as a consultant to the Departments of State and Defense, and the US Arms Control and Disarmament Agency. He is coauthor of *Arms Control, Disarmament and National Security, Why ABM*, as well as numerous articles on national security affairs.

Mr. Paul Nitze, former Deputy Secretary of Defense, 1967–69, and a member of the US SALT delegation, 1969–74, recently discussed some of these issues in articles published in the *Wall Street Journal*. His views so strikingly parallel and complement those of Dr. Brennan that we have thought it useful, with his generous permission, to reproduce these articles as a Foreword to the present monograph.

FRANK R. BARNETT,
President, National Strategy Information Center, Inc.
April 1975.

[Foreword by Paul Nitze]

VLADIVOSTOK AND CRISIS STABILITY

Before dealing with SALT in the context of the Vladivostok accord, I believe it would be helpful to recall a basic historical point. In the mid-1960s, the United States held clear strategic superiority. At that point, we decided to go down one line in our strategic program; the Soviet side decided to go down a quite different line.

Economic and budgetary considerations made it desirable for us to cut the percentage of our GNP and defense budgets going into the strategic program. By and large, it is cheaper, and at least in the short run, more effective to make technological improvements than to increase force size. As a result of a decision to reduce the size of our strategic forces, while improving them technically, it became possible to reduce real annual direct expenditures on the strategic program by almost two thirds.

The Soviet Union made quite different decisions. They decided, first of all, to equal and then to exceed us in the number of strategic missile launchers, and greatly to exceed us in the average throw-weight of the missiles these launchers could launch. This left them with the option subsequently technologically to improve the capabilities of this large force size. Their program has required an increase, rather than permitting a reduction, in their annual expenditures on strategic weapons.

The Vladivostok accord, in essence, provides for equal ceilings of 2,400 on the number of ICBMs and heavy bombers each side can have over the next ten years; it also provides equal ceilings of 1,320 on the number of MIRVed launchers. It carries over from the Interim Agreement a restriction on new fixed ICBM launchers, and limits the number of what are called modern larger missile (MLBM) launchers to those operational or under construction in May 1972—308 to 320 on the Soviet side and none on the U.S. side.

It provides for freedom to mix between various systems subject to the above limitations. Our forward-based systems deployed on carriers, in Europe, or in the Far East are not to be counted. The nuclear systems of the British and French are not to be counted. Verification problems remain to be negotiated. There is no agreed definition of what is a heavy bomber.

Thus the Soviet side did make substantial concessions from their previous extreme positions. The accord gives the appearance of equality. It does not, however, deal with throw-weight—the most useful verifiable measure of relative missile capability.

In comparing two disparate strategic forces, one is always faced with the problem of finding meaningful common denominators. An SS–11 is not the same thing as a Minuteman III or an SS–18. A heavy bomber has quite different characteristics from an offensive missile. Much work has gone into finding such common denominators. The most useful approach that the US SALT community has come up with to date is the throw-weight of missile boosters as a common denominator for the potential effectiveness of missiles and the missile throw-weight equivalent for a heavy bomber for heavy bombers.

The next ten years

If we do not add new strategic programs to those which are now programmed, the US will end up the ten-year program with a half to a third of the Soviet throw-weight devoted to multiple warheads, or MIRV. The Soviet side would thus have more or larger warheads. The US would also end up with a half to a third of Soviet unMIRVed throw-weight. The bomber forces of the two sides, in view of our lighter air defenses, would have approximately equal capability. It is difficult to see how the accord reduces, in a meaningful way, the US strategic defense problem posed by the new and technically improved family of Soviet missiles and bombers which are now completing test and evaluation and whose large-scale deployment is now beginning.

The accord does not appear to bar the United States from doing those things which would appear to me to be necessary to compensate for or correct these imbalances. Thus the accord does not nail down Soviet superiority or prevent our maintaining stability and high quality deterrence. The question remains as to whether we should make the effort to do so.

The popular viewpoint is that the present inventories of nuclear weapons are so large that, no matter what we or the Soviets do, the outcome of a nuclear war would be essentially indistinguishable between the two sides. This rests, in essence, on the usual overkill argument, but that argument deals with weapons in inventory, not with alert, reliable, survivable, penetrating weapons subject to proper command and control. Furthermore, it deals with today's situation rather than the potentially critical period five, ten, 15 years from now.

It is my view that it is possible to think of highly plausible scenarios, assuming a position of Soviet strategic superiority and a deterioration of crisis stability, in which, should the ballon go up, the outcome would be hghly one-sided. Would a situation of significant inequality and erosion of crisis stability affect the way in which the central decisionmakers on both sides make their decisions?

During the Berlin crisis of 1961 and the Cuban missile crisis of 1962, the possibility that nuclear war might result was directly faced by the central decisionmakers on both sides. In the Cuban missile case, we have decisive local conventional military superiority. In the Berlin case, the situation was reversed. Khrushchev decided not to test Kennedy's determination in regard to Berlin; in Cuba, he decided to withdraw when his bluff was called. I doubt whether he would have made those decisions, particularly the Berlin decision, if the relationship of strategic superiority had been reversed.

Should the Soviet Union be perceived to enjoy significant superiority and should there be serious doubt as to the quality of crisis stability, it is probable that third countries would move toward increased accommodation to Soviet views. In the case of certain countries, such a situation could increase incentives to have nuclear capabilities of their own, and thus lead to further nuclear proliferation.

The most difficult question is: If maintenance of rough parity and crisis stability is essential, is there anything we can do about it? If not, why shouldn't we accept the best SALT deal which is negotiable and hope that detente will become irreversible.

When Dean Acheson was Secretary of State and I was Director of the State Department Policy Planning Staff, he called me into his office and said he wished to get one point clear. He wanted the Policy Planning Staff to work out its analysis and recommendations as to what the US should do in the national security and foreign policy fields without considering the acceptability of those recommendations to Congressional or public opinion. He and President Truman would very much have to take those considerations into mind and make the compromises they thought necessary while trying to build the foundations for a future more receptive climate. He didn't want those compromises made twice, once by us and secondly by them.

Today, the main basis for assuming that there is nothing much that can be done about a significant loss of parity and crisis stability is the judgment that Congressional and public opinion will not support the measures necessary to halt present trends. But is the Executive Branch taking the steps which might lay a foundation for a more favorable climate next year and the year after?

Costs and Care

I believe that a zero-base review of our strategic programs would establish that there is much that we could do to preserve the quality of deterrence and at not too great an increase in direct cost above the current level of some $7 billion in 1974 dollars in Program I. The cost would certainly be far less than that which we sustained in the late 1950s and early 1960s to meet a lesser problem. We would have to take care, however, that the specific agreement to be negotiated on the basis of the Vladivostok accord does not ban those technological developments necessary to maintain crisis stability in the face of anticipated Soviet deployments.

I further believe that if after such an analysis, a consensus were to emerge within the Executive Branch on pertinent judgments on these points, then over time, the necessary public and Congressional support could be mobilized to authorize the required program.

In summary, it is my suggestion that the basic analysis be done along the lines of the Acheson formula. Only then will it be possible to judge how important a given course of action is likely to be to the nation's future. If it is in truth important, I am confident the President and his close advisors can judge how best to present the relevant considerations to the Congress and the public.

As a final point I might comment on the debate now going on in the Senate as to how it should react to the Vladivostok accord.

The Senate proposes to have hearings in the near future on the Vladivostok accord with a view to developing a Senate resolution expressing its views as to the general line the Executive Branch should take in the continuing negotiations. The idea of reductions, whether they contribute to strategic stability or not, has political appeal.

My personal view is that reductions are highly desirable, but only if those things are reduced that are important to strategic stability. The most important of these is the throw-weight of large land-based MIRVed missiles. I see no reason why the Soviet Union needs to replace its SS–9s with SS–18s, which have six to seven times the throw-weight of our Minuteman III, nor why it needs to replace a large number of its SS–11s with SS–19s, which have three times the throw-weight of our Minuteman III and appear to be specifically designed as multiple silo killers.

It is perfectly feasible for us to develop missiles of equally large or even greater throw-weight and fit them in Minuteman III silos. But would it not be far better for both sides if there were a sublimit of, say, 50 on the number of SS–18s the Soviets were permitted to deploy and a sublimit of 500 or less on the number of ICBMs of the SS–19 class that either side were permitted to deploy?

Furthermore, it would seem wise to instruct the Executive Branch to insist that both the Soviet Backfire bomber and our own FB–11s, which are a third of the size of the Backfire, be included in the definition of heavy bomber. Without such inclusions, particularly in the absence of a restriction on deploying tankers for refueling, the entire concept of a 2,400 ceiling on ICBMs, SLBMs, and heavy bombers becomes essentially meaningless.

These would be difficult targets to achieve, but it is my view the attempt should be made. If the attempt is unsuccessful, we will then have a firmer understanding of the problems to which we must then address ourselves in continuing to maintain the quality of our deterrent posture.

HOW THE SOVIETS NEGOTIATE

When the original US delegation to the Strategic Arms Talks was appointed five years ago, there immediately was a question as to how the Soviet side would approach the talks. The overwhelming majority of the Americans was of the opinion that the Soviets shared our view that in such bilateral negotiations between the major nuclear powers, neither side could expect the other to settle for less than parity, and that it was in everyone's interest to arrive at agreements which would reduce the instabilities of the past and thus enhance security on both sides.

A minority on the US side, particularly those who have over the years studied Soviet theory and practice, had a different view. They believed that the Soviet side would look at the talks primarily from their own political viewpoint, would seek to optimize Soviet gains through the talks, and would use tactics similar to those they had used on important issues in the past.

At the very first session in Helsinki, it became clear that the skeptics had a strong case. When we moved into our offices in Helsinki, it was found that a Tass correspondent had rented a room overlooking them. It was equipped with telescopes, antennas, and various other gadgets. It soon became apparent that all but the most secure telephone communications were being monitored.

They made an attempt to break down individual members of the US team. Initially, they tried to get people to drink too much. When it didn't work, they abandoned it. They invited us to Leningrad and inundated us with stories about the siege of Leningrad. They tried to flatter individual members of the team, hoping to play on possible disagreements within it.

In the actual substantive negotiations, they employed an amazing tactical versatility. They used words in other than their normally accepted sense, or quotations out of context or subty modified, and exploited the differences in nuance betwen Russian words and their English equivalents. They would use imprecise language in presenting provisions which would limit their side and precise language where the object was to limit U.S. actions.

They thoroughly understand the value of endless repitition, of taking the high ground to gain trading room, or making concessions grudgingly and only for equal or greater concessions, or moving to stronger positions rather than compromising, or unexpectedly shifting the subject of negotiations from one field to another.

They always negotiate *ad referendum* to higher authority. Even Chairman Brezhnev has withdrawn positions he had previously agreed to, on grounds that the Politburo had not concurred.

At the initial sessions of SALT–I in Helsinki, the US delegation dwelt at length on the distinction between a zero-sum game, in which one side's gains are equal to the other side's losses, and a non-zero sum game, in which both sides can either win or lose. We argued that an agreement which provided essential equivalence, and which maintained or enhanced crisis stability, would add to the security of both sides, reduce the risk of nuclear war, do so at a reduced cost in resources, and thus be of mutual benefit.

The Soviet side did not accept this viewpoint. Soviet doctrine has always placed heavy emphasis upon what they call the "correlation of forces." In this term, they include the aggregate of all the forces bearing upon the situation—including psychological, political, and economic factors. Soviet officials took the view that the correlation of forces had been moving and would continue to move in their favor. They deduced from this the proposition that even though we might, at a given time, believe their proposals to be one-sided and inequitable, realism would eventually bring us to accept at least the substance of them.

Among the factors which affected the Soviet view of the trend in the correlation of forces was their estimate of the political unity, strength, and will of the United States. This estimate was undoubtedly affected by the US impeachment process. Another factor was, and continues to be, their view of the economic upheaval caused by inflation and the increase in oil, food, and other basic raw materials prices. Still another factor is their evaluation of political, psychological, and social conditions in Europe, Japan, and the developing world. And finally, their evaluation of the future build-up of relative military capabilities, including strategic nuclear capabilities. Undoubtedly, there are other and possibly offsetting considerations, including Soviet relations with China and the always present internal strains in a centrally controlled society.

On balance, however, they have reason for their stated belief that the net correlation of forces has been, and is, changing in their favor. Until this trend changes, the prospects for obtaining arms control agreements which would significantly relieve the strain upon the US defense posture are less than good. For the Soviet side to become persuaded to approach the negotiations from a non-zero-sum approach rather than from a zero-sum approach requires that there be an evident change in their view as to the probable evolution of the correlation of forces in the future.*

1.—ORIGINS OF THE STRATEGIC ARMS TALKS

The beginnings of the bilateral Soviet-American negotiations on strategic forces known as the Strategic Arms Limitation Talks, often referred to by the unfortunate acronym SALT, can be traced to the mid-1960s. The idea originated from a number of sources; but it received particular support in the Johnson Administration when the Soviet Union began deploying a defense system against ballistic missiles. Since the development of a comparable American missile defense system was opposed by a number of American officials, most especially by Secretary of Defense Robert S. McNamara, the Johnson Administration proposed a freeze on the deployment of missile defenses. McNamara's argument for this position will be explained below. It was later suggested that Soviet-American negotiations should include all aspects of strategic nuclear forces, both offensive and defensive.

The Soviets did not accept this proposal for some time. Then—on the eve of the Soviet invasion of Czechoslovakia in August 1968—they agreed to begin negotiations. After the invasion took place, it was widely (and probably correctly) suspected in the West that Soviet acceptance at that particular time was primarily a tactic to soften the international diplomatic reaction to the assault on Czechoslovakia. But because the Johnson Administration did not want to give any diplomatic sanction to the invasion, it decided not to go forward with the negotiations.

The subject was taken up again during the first Nixon Administration. Partly because of the Czech invasion, partly because a review of strategic nuclear policy was considered desirable, and possibly for other and more political reasons, the United States approached negotiations rather gingerly. Eventually, both the Soviet and American governments proved willing to begin talks in November 1969, at Helsinki. Throughout what became known as the first round of SALT, that is, until May 1972, the talks alternated between Helsinki and Vienna. They have since been meeting, when in session, in Geneva.

It is important to understand the perceptions prevailing in the American national security establishment, and especially in the Department of Defense, by 1970. At least until 1964, and probably later, the United States had five times more megatonnage available in strategic offensive forces than the Soviet Union did. On the basis of this comparison and others, the Defense Department believed in the early and mid-1960s that the United States possessed considerable strategic superiority over the Soviet Union. Indeed, Secretary McNamarra, in an interview in 1965, declared that the Soviets had come to accept permanent inferiority in strategic forces.

Shortly thereafter, beginning about 1966, the Soviets undertook a major expansion of their ICBM forces that has continued at least until the recent past—in some senses, it may still continue—and that enabled them to surpass the United States in number of launchers as early as 1969.

This comparison shows only the numbers of Soviet and American ICBM launchers. Since Soviet launchers are, on the whole, substantially larger than American launchers, the delivery capability of the Soviet missile force, commonly called the "payload" or "throw-weight," was substantially larger than American payload capacity at some time earlier than the indicated crossover point (mid-1969). A similar rapid increase in Soviet capability in submarine-launched ballistic missiles (SLBMs) was apparent in the 1969–68 period.

At this time, the United States had a heavy bomber force that was distinctly superior to that of the Soviets, and also possessed some important technological advantages. Yet the overall picture of strategic offensive forces was one of rapidly increasing Soviet strength. At the time of the early SALT talks, the Soviets showed promise of rapidly overtaking the American lead. The overall comparison of numbers of offensive delivery vehicles is shown in Figure 3. This comparison omits Soviet medium bombers, which number about 600 or 700; if they were included, the Soviet total of strategic delivery vehicles would have surpassed the American total in late 1969 or early 1970. Whether Soviet medium bombers should be counted as part of the threat directed at the United States is a matter of controversy in the American government; they are most often omitted from such totals.

In earlier years, Secretary McNamara had made frequent references to American strategic superiority. But he did not permit an expansion of the American strategic force during the period when Soviet forces were first being enlarged dramatically. By the late 1960s, both social and budgetary restraints inhibited any major American reaction to the Soviet force build-up, even though the Soviet drive might have been aimed at achieving substantial superiority.

It was because the balance of strategic forces was shifting in favor of the Soviets that many senior Pentagon planners and others looked to the SALT Talks as the best means available for limiting the further growth of Soviet strategic strength. The widespread American acceptance of this view is, I believe, a key to understanding the principal agreements that emerged from the first round of SALT—and, indeed, to understanding the November 1974 SALT agreement at Vladivostok.

2.—THE FIRST STRATEGIC ARMS LIMITATION AGREEMENTS

The first agreements resulting from the Strategic Arms Limitation Talks were signed on September 30, 1971, and were not much noticed by the general public. There were two agreements. One, of very limited significance, provided for Soviet-American consultation in the event of a nuclear accident or some other indication that might (mistakenly or otherwise) signal the start of nuclear conflict. A more important agreement called for greater protection of the socalled "hot line" between Moscow and Washington. This communication link was originally negotiated in 1963, but installed in a way that made it highly vulnerable to accidental or deliberate disruption. According to the agreement of September 30, 1971, the "hot line" would now be instrumented with satellite communication systems that are much less vulnerable to such disruption.

The more important accords resulting from the first round of the Strategic Arms Limitation Talks were signed in Moscow on May 26, 1972. They consisted of a treaty to limit the deployment of ballistic missile defenses (ABM), and a five-year Interim Offensive Force (IOF) Agreement that provided ceilings on ICBM and SLBM forces. The ABM Treaty was subsequently modified by an agreement signed at the Moscow Summit on July 3, 1974, which will almost certainly be ratified in the near future.

The ABM Treaty originally limited each superpower to a maximum of two ABM batteries. One was allowed to protect the national capital area, and the other a major complex of ICBM launchers in the strategic offensive forces. The 1974 amendment will reduce the limit to one battery each, to protect *either* the national capital *or* a launching complex (but not both), at the choice of each signatory. The treaty includes other technical limits, such as the number of interceptor missiles allowed and the size of the radars with which they are associated. At the time of writing, the Soviet Union has deployed an ABM battery for the protection of the Moscow area; the United States has an ABM battery for the protection of a Minuteman ICBM complex near Grand Forks, North Dakota.

The IOF (Interim Offensive Force) Agreement, signed at the same time as the original ABM Treaty, limits ICBM launchers to those in existence or under construction as of July 1. 1972. It similarly limits SLBM launchers, and the submarines on which they are based, to the numbers that were operational or under construction as of May 26, 1972. The treaty has a proviso allowing additional SLBM launchers (and appropriate submarines) as replacements for an equal number of ICBM launchers of older types, deployed prior to 1964, or for launchers on older submarines. It also provides that "light" ICBMs cannot be replaced with modern "heavy" ICBMs, although precise definitions of these terms are not included.

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Of the strategic ICBM forces in existence or under construction as of the signing of these agreements the United States had 1,000 Minuteman missiles of various kinds, plus 54 older Titan II missiles. By US estimates, the Soviets had 209 older SS–7 and SS–8 type missiles, 313 modern heavy SS–9 missiles (of which 25, the number in parenthesis in the figure, were under construction as of May 1972), and 1,096 modern SS–11 and SS–13 missiles, of which 66 (the number in parentheses) were under construction as of May 1972. The Soviet total was thus 1,618 ICBMs, as compared to the US total of 1,054. We were supposedly allowed to convert the 54 Titan missiles to SLBMs, although Nixon reportedly made a secret agreement with the Soviets renouncing this possibility during the lifetime of the Interim Agreement; and the Soviets are allowed to convert the SS–7 and SS–8 missiles to SLBMs.

The various missiles shown in Figure 4 are drawn approximately to scale. Apart from the 54 old Titan II missiles, the American missiles are all smaller than any of the Soviet missiles, and the Soviet SS-9, in particular, is many times larger than any of the Minutemen. It is probable that the payload capability (or "throw-weight") of the SS-9 force alone is perhaps twice or three times that of the entire US Minuteman force.

The Trident C-4 shown on the American side is a future SLBM that will not be coming into the American inventory until the late 1970s. The numbers of missiles shown in the totals not in parentheses refer to numbers operational or under construction as of the signing of the agreement, while the numbers in parentheses include the total number of SLBMs allowed (710 for the United States and 950 for the Soviet Union), if all the allowed older missiles are converted to modern SLBM types.

The history of how two such complicated agreements came into existence is more complex than any brief description will allow. Nevertheless, the growth of American support for these treaties can be roughly characterized. From at least the early 1960s, many Americans, both in and out of government, believed that ABM deployments would be "destabilizing," in the prevailing jargon, and would stimulate the arms race or have other undesirable consequences. This idea was most strongly held with respect to missile defenses that could protect cities against attack. The arguments of Secretary McNamara and others were that each superpower needed to be able to destroy a large fraction of the society of the opposing superpower. Hence, any attempt to limit the potential damage by means of active and passive defense would simply destabilize what might otherwise be a "stable" confrontation.

This idea was by no means universally accepted in the defense establishment. Defense specialists were very concerned, however, with the growth of Soviet offensive capabilities, and were therefore highly interested in negotiating SALT limitations on the further growth of offensive forces.

The Soviets, not surprisingly, did not seem much interested in curbing offensive forces. According to reports from American members of the SALT negotiating team, however, the Soviets were interested in stopping the evolution of the American Safeguard ABM system, which had been initiated by the first Nixon Administration in 1969. By 1970, and especially by 1971, Safeguard was intended primarily to protect the American Minuteman force, not American cities. Hence, the Soviet move for eliminating the Safeguard ABM system was not explicable in terms of the American preference for maintaining massive threats to each superpower's society. The possible Soviet goals in the negotiations were not much discussed at the time. Two speculative possibilities will be examined below.

The Soviets were interested in limiting Safeguard, coupled with some slight willingness to limit offensive forces. The United States, on the other hand, was interested in limiting offensive forces, coupled with a not-quite-so-slight interest in limiting ABM. This resulted roughly in a deal. The Soviets gave us the Interim Offensive Force Agreement, so far as can be judged, mainly in return for the limitation of Safeguard to the protection of a single Minuteman complex of 150 missiles—plus the then hypothetical possibility, now substantially eliminted, of protecting Washington, without protecting any additional missiles.

I should like at this point to indicate some of my own objections to these agreements. In sum, I should say that the IOF Agreement does the right thing badly, while the ABM Treaty does the wrong thing well.

The reason that the ABM Treaty is doing the wrong thing is that it prohibits attempts to protect either our people or our resources, either civil or military, against enemy attack. For a number of reasons that I have spelled out elsewhere, this is fundamentally wrong. The people of the United States did not create a Department of Defense for the purpose of deliberately making us all hostage to Soviet weapons. This is, however, precisely the objective that some of the architects of this treaty (such as Gerard Smith, then the Director of the US Arms Control and Disarmament Agency) had in mind.

It is often assumed that Soviet objectives in the AEM Treaty were the same as those held by the Americans. For example, one American advocate of the ABM Treaty recently wrote that in this treaty, "the United States and the Soviet Union have agreed that mutual deterrence is their strategic policy."

But there is little reason to believe such an assertion, and considerable reason to disbelieve it. The strategic posture favored by most American proponents of the ABM Treaty is one in which both we and the Soviets have the capability for the "assured destruction" of the opposing society, which is often described as a "mutual assured destruction" posture, and is also known by the (accurate) acronym MAD. In these terms, the assertion quoted above could be restated to the effect that "we and the Soviets have agreed that MAD is our strategic policy."

But the evidence of Soviet writing on these matters, and the actual objective of the Safeguard program that the Soviets evidently wished to head off, are incompatible with this notion. Soviet military analysts writing for each other in the Soviet military journal *Red Star* have given no evidence whatever of acceptance of the MAD doctrine. Indeed, the bulk of their strategic writing is rather against the grain of this doctrine. The American Safeguard program—apparently the object of the Soviet negotiating effort in SALT—was not intended to protect cities to any appreciable extent, but rather to protect Minuteman missiles. On the other hand, the Soviets themselves have a major civil defense program which, under plausible circumstances, would limit Soviet fatalities resulting from a maximum American attack to, at most, six percent of the *urban* Soviet populace. This would be less than the Soviets suffered in World War II. Strangely, or perhaps not so strangely, this Soviet program has scarcely been noticed in the United States.

In its technical details, the ABM Treaty was quite sophisticated. This is what I mean by saying that the ABM Treaty did the wrong thing "well." At this level of sophistication, it would have been quite simple technically to have drafted a treaty that allowed for ABM protection of strategic offensive forces, but which prohibited the protection of substantial populations and civil resources. This would have been a natural thing to do in order to carry through the MAD doctrine. The Soviets, however, were apparently interested in *eliminating* the one American system that promised to add to the protection of our strategic offensive forces, without significantly protecting people and civil resources.

If the Soviets were not interested in the ABM Treaty to support a MAD posture, why did they want it? Obviously it is not possible for anyone outside the Soviet government to answer this question authoritatively. There are, however, two possibilities which may explain some—possibly most—of the Soviet interest in the ABM Treaty.

First, it was widely reported at the time that Soviet ABM technology was appreciably behind that of the United States. For political reasons, the Soviets may well have wished to keep this situation from becoming more manifest than it was. Some analysts have suggested further that the Soviets wished to keep our ABM technology substantially static by the treaty, while they developed their own ABM technology. Whenever they felt able to do so, they would simply denounce the treaty and begin to deploy their ABM. I regard this latter theory as rather dubious.

There is a much more likely possibility. The Soviets have shown in their strategic writings that they are highly interested in damage limitation, that is, in the means of limiting damage to civil resources (including population), such as active and passive defense. In the past, therefore, they have developed ABM as well as air defense and other means of damage limitation. But by late 1969 or 1970, it was clear that the American strategic offensive forces of the late 1970s would include over 7,000 reentry vehicles or warheads. For technical reasons, an ABM defense of the type being developed in the 1960s in both the Soviet Union and the United States could not be expected to make a dramatic difference in the potential damage that could be done by 7,000 warheads.

Soviet planners may have reasoned that, if war came and they initiated an attack against the Minuteman force before it was launched, which might well be possible, they might effect much *more* limitation of damage to the Soviet Union, compared to the very limited protection of an active defense, *provided* that the Minuteman force itself was largely undefended against attack. In other words, Soviet analysts may have seen that they could likely achieve much more effective damage limitation against the American strategic forces by keeping the Minuteman force undefended than they could by deploying their own active defense. This, combined with the American technological lead in ABM systems, may be a much more likely explanation of Soviet motives for the ABM Treaty than the widely asserted idea that "the United States and the Soviet Union have agreed that mutual deterrence is their strategic policy."

The fact that the ABM Treaty attempts to prevent the limitation of damage to a society by excluding active defense—of whatever technology, current or future, and at whatever level of effectiveness—is what constitutes the "wrong thing." It does the wrong thing very well, in that the treaty is symmetrical in the limitations imposed on the United States and the Soviet Union, and it is highly competent in the technical detail embodied in these limitations.

In so far as the United States and the Soviet Union have any common interest, it would be in limiting the scale of potential or actual damage in a major nuclear war. Hence, both superpowers have a common interest of major proportions in limiting the size of existing strategic offensive forces. In this sense, the IOF Agreement, by restricting the further growth of at least some kinds of offensive forces, did the right thing. But because it is not symmetrical in limiting the capacity of Soviet and American offensive forces, it is technically defective in a way that the ABM Treaty is not.

A great many characteristics are important for strategic offensive forces, including the number of warheads, the yield of these warheads, their accuracy on target, the degree of protection provided for these forces in advance of their use, the technical qualities of the command and control systems, and other factors. In May 1972, the United States was better off than the Soviet Union in many of these characteristics. This was especially true with respect to number of warheads. As of May 1972, the United States had deployed a number of missiles equipped with MIRVs, multiple independently-targetable reentry vehicles, so that each of these missiles could deliver several warheads to separate targets.

Hence, in terms of the parameters that are important for characterizing the current potential of a strategic offensive force, notably the number, accuracy, and yield of its warheads, the United States was not badly off in relation to the Soviets, and in many respects we were better off. The IOF Agreement did not, however, limit the Soviets in equalizing or surpassing the United States with respect to those characteristics in which we were better off as of May 1972. On the other hand, the agreement makes it substantially impossible for the United States to match the Soviet Union in the fundamental capacity of strategic missile forces *controlled by the agreement*, namely, numbers and sizes of missiles.

The United States may currently have a larger heavy bomber force than the Soviets have, but there is no agreement to prevent the Soviet Union from building up to our level of heavy bombers. On the other hand, the permitted Soviet ICBM and SLBM force is much larger than ours in terms of its fundamental capacity, and we are not allowed by the terms of the IOF Agreement to equalize that Soviet capacity in missile forces. (See Figures 4 and 5 above.) It is this asymmetry in the permitted capabilities of strategic missile forces that has drawn the fire of a number of critics, including this writer.

Any plausible Soviet-American crisis is virtually certain to result from some political confrontation. This crisis or confrontation, if it is resolved short of a major war, will be resolved on the basis of *some* calculus comparing the strategic forces of each side and relating that balance to the settlement involved. This relation will, of course, be very fuzzy, and in all likelihood it will not be at all explicit. Nevertheless, given the character of real decisionmakers in the real world, it is virtually certain that the question as to who has the "bigger" force will play an important role in the settlement of a crisis. This was the case in the Cuban missile crisis, and it will predictably be an important factor in any crisis at that level of intensity or above.

Another area in which perceptions as to who has the "bigger" force will be important is in third countries, ranging from major NATO allies of the United States (and Warsaw Pact allies of the Soviet Union) to small underdeveloped countries. Such perceptions will contribute to conclusions about such matters as whether the United States is a reliable ally or whether the Soviets represent the wave of the future. Hence, the United States has an important strategic interest in ensuring that any agreement negotiated with the Soviet Union does not create the impression that the IOF Agreement of May 1972 has served us badly.

Many elements of the U.S. government thought that the IOF Agreement would limit the extent to which the Soviets would acquire superiority over the United States. It was believed that, without the agreement, the Soviets might well acquire an even more commanding lead in strategic forces. But this is not a necessary outcome. We possess many more resources for deploying and maintaining strategic offensive forces than do the Soviets; and if the United States falls behind, the collective responsibility rests with our government, including both the Congress and the Executive Branch. It is noteworthy that the Executive never tried seriously to persuade Congress to support programs that would have equalized or surpassed the Soviet forces. I believe it more likely than not that the Congress would have supported such programs, and would support them in the future if necessary.

The unbalanced nature of the IOF Agreement may have resulted from political pressures for achieving an accord at the May 1972 Moscow Summit. Because of this asymmetry, a majority of Senators adopted the Jackson Amendment to the Joint Resolution approving the IOF Agreement. This amendment provided, in part, that "the Congress recognizes the principle of United States-Soviet Union equality reflected in the antiballistic missile treaty, and urges and requests the President to seek a future treaty that, *inter alia,* would not limit the United States to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union." This modest requirement is eminently sensible, and it should be a desideratum of any future agreement limiting strategic forces. As we shall see, however, it apparently is not going to be satisfied by any agreement based on the Vladivostok guidelines discussed below.

As matters now stand, the ICBM force probably has a payload of 3,000 tons or more. The total American ICBM payload is in the range of about 1,000 tons. The present number of Soviet ICBM warheads would be the same as the number of their missiles, that is, about 1,600. For the United States, ICBM warheads in early 1975 would probably be somewhat higher than the Soviet total because of the MIRVs deployed on some of our missiles. For the same reason, the current American warhead lead in SLBM forces would probably be even larger.

With time, however, and a payload advantage of three or four to one in overall missile forces, the Soviet Union can sooner or later deploy three or four times as many warheads as the United States. They are now generally believed to be outspending the United States in research and development, as well as in other categories of military expenditures; and it is to be expected that they will soon match or surpass American warhead technology. This development could happen even within the five-year lifetime of the IOF Agreement.

3.—THE VLADIVOSTOK GUIDELINES

The major agreement reached since the May 1972 accords was announced on November 24, 1974, at Vladivostok, by President Gerald Ford and Chairman Leonid Brezhnev. The substance of this agreement—intended to last until 1985—is embodied in an *aide memoire.*

There are two major difficulties involved in analyzing this agreement. First, the agreement itself only provides guidelines, not final details, which are under negotiation at the time of writing (Spring 1975). Second, neither the *aide memoire* itself nor the technical details contained therein have been fully released to the public. As a consequence, analysis of the Vladivostok Agreement must necessarily be founded in some degree on speculation. But some of the guidelines have been made public and we can analyze the implications of what is officially known or, at least, widely "leaked."

The Vladivostok Agreement provides for a more comprehensive limitation on offensive forces than does the IOF Agreement, in that—unlike the IOF Agreement—it includes heavy bombers. It is not clear, however, at least publicly, what is embraced by the term "heavy bomber," and some potentially important bombers—both Soviet and American—may or may not be included under the term. Other types of strategic offensive weapons may or may not be included as well.

The basic uncertainty is as follows. The Vladivostok Agreement purportedly limits strategic delivery vehicles (SDVs) of all kinds to a total of 2,400 on each side. Of these, 1,320 of the missile SDVs can be equipped with MIRVs. So far as is known at this writing, however, there is no agreed definition as to what constitutes a "strategic delivery vehicle." Evidently, the term includes ICBMs, SLBMs, and heavy bombers, whatever the latter may be. Other possible components of the strategic forces, such as air-launched missiles or long-range cruise missiles, may or may not be counted against the permissible total of 2,400 SDVs. Apparently, mobile ICBMs are allowed, but would be counted against the total of permitted SDVs. Presumably some of these uncertainties will be the subject of negotiations yet to be completed.

One matter, according to unofficial but probably authoritative reports, is not subject to further negotiation. This is that the ICBM limits of the IOF Agreement will be continued in any agreement based on the Vladivostok guidelines. This would mean that the asymmetries of the IOF Agreement discussed above, which strongly favor the Soviets, would be enshrined in any agreement based on the Vladivostok guidelines. The United States would not be allowed—for at least the next ten years—to match the current Soviet ICBM force in numbers or payload, while the Soviets would be allowed to match the American force in any significant parameters they pleased.

It should be plainly stated that any American government that would accept such a situation—for a decade or more certainly, or even for a few years—must be judged unwise.

The formulation of the MIRV limitation—that any 1,320 of the allowed strategic missiles may be equipped with MIRVs—magnifies the impact of that asymmetry. For example, the Soviets are allowed 313 modern, heavy-payload ICBMs under the IOF Agreement. The newer (SS–18) version of the large Soviet ICBM could probably be equipped with 50 to 100 "small" warheads on each booster, if the Soviets choose to develop such a system.

They would then be able to field perhaps 20,000 warheads, well in excess of the maximum capacity of the entire permissible American ICBM force, using only 313 of their ICBMs. There is no doubt that the Soviets could do this well within the projected lifetime (to 1985) of an agreement based on the Vladivostok guidelines. If the MIRV agreement had been differently formulated—providing, for example, that equal payloads on each side might be allowed for MIRVs—the impact of the asymmetry in permissible ICBM capability would have been reduced, though not eliminated.

Retailing the ICBM limitations of the IOF Agreement in the Vladivostok guidelines plainly violates the letter as well as the spirit of the Jackson Amendment. Hiding the asymmetry of permissible ICBM forces under a cloak of overall equality (2,400 SDVs allowed each side) is in the nature of surreptitious obfuscation. There is no countervailing sublimit on other kinds of forces in which the United States is allowed more of some basic capacity than is allowed the Soviets. If subsequent negotiations lead to a detailed final agreement containing such asymmetric sublimits, it surely ought to be rejected by the Congress. Whether the Congress would reject it, however, remains to be seen.

The problem of one-sided sublimits is not so much that the Soviets can exploit their advantage militarily, though there are potential military advantages for them. In some senses, it might well be militarily unwise for them to deploy, say, 20,000 warheads on 313 allowed missiles. But the fact that they *could* do it, while the United States would not be allowed to, would undoubtedly be of substantial political significance. There are some people, mainly not among the professional students of these matters, who deny that such imbalances are of any significance, usually citing an "overkill" theory or something equivalent. These people are doubtless sincere, and it may be true *for them* that they would pay no attention to such imbalances. But there are unquestionably a great many others who *would* take note of the fact that the United States had conceded to the Soviet Union the right to a semi-permanent advantage in ICBMs, without any compensating restriction limiting the Soviets to an inferior position in some other category of SDVs. Perceptions of this type constitute a political fact, one that cannot be simply wished away.

One of the places where such perceptions would be of most importance would be in the Soviet Union itself. It cannot be argued that the Soviet government is unaware of, or indifferent to, the political overtones of their large ICBM force. The Soviets have spent vast sums of money on such strategic forces in recent years, in spite of all the well-meaning advice against such activity that they have received from Western arms control quarters—including the SALT negotiating channel. This is surely not more bureaucratic momentum. Many Soviet officials are clearly of the view that the greatly improved (from their perspective) "correlation of forces" (in the standard Soviet term) reflects the ascendancy of the Communist world. It would be rash, indeed, for the United States to strengthen such views, which could become especially troublesome in an intense Soviet-American crisis, by agreeing to continue the asymmetric ICBM sublimits of the IOF Agreement.

Recent technical developments

Both the Soviet Union and the United States have initiated or continued developments in their strategic offensive forces since the signing of the May 1972 agreements. The United States has continued to deploy Minuteman III missiles, replacing the Minuteman I, all of which will have been phased out by mid-1975. At that time, our ICBM force will consist of 550 Minuteman IIIs, 450 Minuteman IIs, and 54 Titan IIs. The United States has also been continuing its conversion program deploying the MIRVed Poseidon missile into our SLBM force. This program should be completed by mid-1977, resulting in a total of 31 Poseidon submarines and 10 Polaris A-3 submarines. Moreover, the US is developing a new missile-launching submarine, the Trident, which will carry a new missile, the C-4, with a longer range of 4,000 miles. The first Trident is expected to enter the force in fiscal year 1979.

The Soviets have also continued developments in their SLBM force. They have a new SLBM, denoted by NATO as the SS-N-8, with a 4,200 mile range. It has been deployed aboard the first three of their new Delta-class submarines, which are now in series production.

The Soviets are also modifying their existing SS-N-6 missiles to provide a longer range, and they may be deployed on their older missile-launching submarines.

In strategic bombers, the United States is developing the new B-1 as a replacement in the 1980s for a portion of the B-52 force. We began flight-testing the B-1 in late 1974. The Soviets have been testing a new supersonic bomber of their own, denoted in NATO terminology the Backfire, which is capable of intercontinental attack missions, although its intended mission is not yet clear.

The most dramatic technical development since the signing of the first SALT agreements is the presence of *four* new ICBMs under development in the Soviet Union. These have exhibited advanced characteristics, including both a MIRV capability and improved guidance. It has been estimated by Secretary of Defense James Schlesinger that if all of these new missiles are deployed as replacements for their predecessors, the Soviet ICBM capability would be substantially *doubled* from its current 3,000 tons to perhaps 6,000 tons payload. By comparison, the current total U.S. ICBM payload capability is probably about 1,000 tons. Of course, the American heavy bomber force, together with other strategic capabilities, ensures that the Soviet lead in ICBM payloads does not *yet* constitute an overall Soviet lead in strategic offensive forces.

4.—POSSIBILITIES FOR FUTURE STRATEGIC ARMS LIMITATION AGREEMENTS

It seems to me that future agreements should be directed toward limiting basic capabilities, such as payload, or the number of delivery vehicles of prescribed types. But it is precisely in the payload capability of existing and prospective ICBM forces that the Soviets have a very substantial lead, and they may well continue to resist agreements that would diminish their advantage, as they have to date.

There may be, in fact, a considerable common motivation to *reduce* existing strategic offensive forces, provided that—for the United States, at least—it would be compatible with the Jackson Amendment. It appears that reduction schemes have been considered in the American preparations for SALT, although the details have not been released. A reduction scheme proposed by the present writer, is not reflected in any official proposal so far as I am aware.

The approach envisaged is as follows. The numbers in the table suggest roughly the payload in tons for the categories of strategic delivery forces. The first two columns indicate the existing Soviet and American payload capabilities (measured in tons) in ICBMs, MRBMs, SLBMs, and heavy and medium bombers. These numbers are intended only to illustrate this approach, and do not necessarily provide realistic estimates of existing forces. The initial 1975 ceilings have been selected to be large enough to sanction the existing force in each category for either side, but not to be much larger. (This is structurally similar to the limitations in the ABM Treaty.)

These ceilings, applicable alike to each side, are then cut in half in each of two succeeding five-year periods.

Clearly, this type of approach satisfies the equality requirement of the Jackson Amendment. There is nothing sacred about the particular categories employed; in fact, a good case can be made for lumping together ICBM and SLBM forces as a single category, so that each country could divide its strategic forces between ICBMs and SLBMs as it thought best. An agreement could also provide for different rates of decrease in different categories. It might be desirable, for example, to phase down fixed ICBM forces at a more rapid rate than other forces.

It should be noted that for the most part, existing forces do not yet approach the initial ceilings. For example, the existing total American ICBM payload is well below the initial ICBM ceiling here, while the existing Soviet heavy bomber payload capability is well below the initial ceiling in that category. It is not to be expected, however, that any foreseeable government in either country would find it sensible to build up its force capabilities to the permissible ceilings in those categories in which it was initially far below the ceilings, only to have to reduce them shortly thereafter. The Soviets, for example, would be extremely unlikely to engage in a major buildup of their heavy bomber force if they were likely to have to phase out that capability again within a decade.

An approach such as this might overcome a number of difficult problems associated with strategic force limitations. I also believe that it would be in the common interest of the United States and the Soviet Union. It appears to be generally agreeable to Americans concerned with strategy and arms control. Moreover, I have tried out this approach on a considerable number of Soviet experts, chiefly academic students of arms control in research institutes of the Soviet Academy of Sciences, and the response has also been uniformly favorable. On the other hand, it is very doubtful whether the response of the Soviet Foreign and Defense Ministries would be equally favorable. As noted above, the Soviet government has achieved appreciable political gains from its rapid build-up of offensive forces.

The political image of the Soviets prevailing in Western Europe in 1975, for example, is much stronger than it was in 1965. A reduction program of this sort would substantially eliminate Soviet, as well as American, strategic force advantages. American officials who have been close to these negotiations are dubious that the Soviets are prepared to accept such limitations.

According to newspaper accounts, Soviet proposals in the Strategic Arms Limitation Talks in the recent past have been directed primarily to limiting existing American capabilities without limiting their own programs. Thus, the Soviets have tried to limit forward basing of our SLBM forces in European ports, and other American systems deployed in or near Europe. The Soviet attitude has been characterized by the phrase, "What's mine is mine, and what's yours is negotiable."

The Soviets have shown some political skill in objecting to American nuclear forces deployed in or near Europe that are capable of attacking targets in the Soviet homeland, without at the same time discussing their own strategic delivery systems capable of attacking European (but not American) targets. The American-operated forces that the Soviets have brought up in these negotiations, such as a squadron of medium bombers based in England, have come to be known as "forward-based systems" (FBS). The Soviet negotiating position has been that these are American forces capable of attacking targets in the Soviet homeland, and are therefore "strategic" for the purposes of the Strategic Arms Limitations Talks, while the Soviet IRBMs deployed in European Russia, which are obviously capable of attacking strategic targets in NATO Europe, cannot attack targets in the American homeland, and are therefore not "strategic." The American response has been that the FBS are in fact NATO forces, deployed on behalf of NATO Europe, and are not negotiable in the framework of SALT. The Soviets apparently finally accepted this position in the Vladivostok guidelines.

It is widely believed that the Soviets raised the FBS issue to exacerbate political divisions within NATO. This also seems to be true of the earlier Soviet insistence, now dropped, on including French and British nuclear forces with the American force in the totals discussed in the negotiations. (The United States might have responded, making a serious point facetiously, by insisting that Chinese forces be included with Soviet totals in the negotiations.)

The United States should not allow the Soviets to develop a strategic lead over the United States, with or without negotiations. Many measures could be taken to improve the American strategic position relatively quickly. These measures include, for example, redeployment of aircraft carriers (both those that are currently operational and some of those that are "mothballed"), resuming production of new B-52 bombers, or simply accelerating some of the existing strategic force programs. All these actions would increase our nuclear strength against the Soviets. It should not be forgotten that the United States has, after all, perhaps twice the industrial resources of the Soviet Union.

Some people argue that the American body politic is unwilling, at present, to support increased defense spending. I find this very doubtful. If the President were to take a strong lead, and explain clearly just how much the Soviets have been expanding their forces (of many types) in recent years and why we needed to respond, I believe he could secure the support.

Unfortunately, it is far from clear that the current government has the backbone to press such a program.

Testimony by Henry S. Rowen

I welcome the opportunity to appear before this Committee to discuss the agreement recently arrived at in Vladivostok as well as the entire Strategic Arms Limitation Talks process. I believe that it is an urgent matter that the Congress pay more attention to the SALT process and the decision of the Committee to hold these hearings is to be commended.

Since this is my first appearance before this Committee, I would like to say something about my background in this area. I am Professor of Public Management at Stanford University. In the past I have been Deputy Assistant Secretary of Defense for International Security Affairs, Assistant Director of the Bureau of the Budget and President of the Rand Corporation. With respect to my research activities in this area, from the early 1950s I have contributed to some of the major analyses of strategic power and to concepts of deterrence; for example, I was a co-author of a work which formulated the "second strike" concept about which we have heard so much in SALT. Recently I have been actively involved in work on the requirements for deterrence and strategic doctrine in the light of rapidly changing military technologies.

The views I express here are, of course, my personal ones.

The first question that I wish to address is whether or not the agreement outlined at Vladivostok meets the national security interests of the U.S. This question is not easy to answer; in the six months since the summit the text of the agreement has not been made public. However, based on public information I believe the agreement does not meet the national security interests of the U.S. I will state the reasons why I reach this conclusion. The second question, then, is what changes should be made in order for it to meet these needs? I will also have some observations to make on this question. But first some general comments on Vladivostok and the SALT process.

BASIC DEFECTS AND CONTRADICTIONS IN VLADIVOSTOK AND IN THE ENTIRE SALT PROCESS

The Vladivostok agreement has been criticized by conservatives as giving away too much to the Soviets and by liberals as setting ceilings on forces which are too high. There is merit in both criticisms, but neither of them goes to the heart of the problem not only with Vladivostok but with the entire SALT process. In my view, the U.S. approach to SALT suffers from a number of serious defects. 1) It has been based on a strategic concept which is wrong and which has been rejected by the Administration in other important policy contexts; 2) It is premised on the faulty notion that we have been engaged in an "uncontrolled arms race;" 3) It is internally inconsistent on matters of great importance; 4) It is based on premises which are clearly not shared by the Soviet Union; 5) It argues unpersuasively that without SALT I things would have been even worse; 6) It makes dubious claims that equality has been provided for; 7) It assumes that the very concept of controlling "strategic" arms is a meaningful objective per se; 8) It assumes that preservation of the status quo is to be preferred to an adaptive process of change; and 9) It assumes that the practice of summitry and "back channel" diplomacy is the appropriate way to generate useful agreements.

THE IMPLICIT ASSUMPTION OF MUTUAL ASSURED DESTRUCTION

Perhaps the most fundamental defect in the U.S. approach to SALT is the mutual assured destruction doctrine, the doctrine that holds that any use of nuclear weapons will inevitably result in civil destruction on a genocidal scale. This is a doctrine which holds that the appropriate criterion for developing and procuring a nuclear force is its use against civil populations; moreover, this is all essential if an ever-escalating arms race or a nuclear war is to be prevented. Therefore, the levels of "strategic" arms don't matter because there is a large excess of "overkill" on both sides. Nor is equality or equivalence in forces needed. Even agreement is really unnecessary; unilateral reductions can be made. However, in other contexts high government officials including the President, his National Security Advisor and the Secretary of Defense, have wisely attacked this doctrine as being inconsistent with American values and security interest.

They have advocated a policy of increasing discriminateness and flexibility in the use of non-nuclear and nuclear force. In short, it has been recognized in non-SALT contexts that it would not be to our interest, or to that of the Soviet Union or to any other nation, to engage in indiscriminate nuclear warfare. This would be suicidal. Yet this is the basic assumption in SALT. It has the effect one might expect: if what is at stake is degrees of "overskill," then allowing the Soviets a preponderance in warheads or throw-weight or not counting classes of Soviet bombers able to hit the continental U.S. in the agreement is not a matter of much importance, merely a technical detail. It appears that the President's Advisor on National Security who has argued so cogently and persuasively for flexibility and restraint in the planning and use of nuclear forces should meet the Secretary of State who, in defending SALT, holds that the levels and types of strategic forces do not matter because it will not affect the capacity of either side to destroy human life. The formulation of the Secretary of State, assuming that the forces are well protected, can be launched, can penetrate to target *and* are directed against population and population only, is correct enough. The great powers possess more than enough nuclear weaponry to kill hundreds of millions of people. But the formulation of the National Security Advisor implies that this is the wrong criterion by which to judge these forces. In this instance I agree with the National Security Advisor.

I do not want to be misunderstood. I am *not* in favor of simply multiplying numbers of launchers, vehicles or nuclear warheads. I would be quite happy to see these numbers reduced. But the criteria that are appropriate for making decisions in these matters are complex. They have not been employed adequately in SALT.

THE ASSERTION THAT WE HAVE BEEN IN AN UNCONTROLLED ARMS RACE

A central argument in SALT is the arresting of what is called the "strategic arms race." We are told that SALT I made a beginning in putting these armaments under some restraint, that the most dangerous thing to aim for is a qualitative edge over one's major rivals, that for the first time the arms race is being levelled off, or capped, or has reached a ceiling. Some latitude must be given to the rhetorical inflation which is customary in these matters.

Nevertheless, there is a problem in reconciling such effusions with the fact that real U.S. spending for these arms fell from the late fifties to 1972 by a factor of 2 to 3.5, depending on how one does the reckoning. Moreover, total megatonnage in the strategic forces fell by 60% and the total number of offensive and defensive warheads by 25%. (To be sure, the number of offensive warheads doubled; not all of the indexes declined.) Note that these indexes declined before the SALT negotiations began. Also note that the Vladivostok agreement has produced the interpretation that spending for strategic arms would have to go up.

The SALT arms race rhetoric also refers to a qualitative arms race. The assumption here is that new technology is bad *per se*. This is an assumption that permeates the SALT process. It was central in the arguments which led to the treaty limiting anti-ballistic missile defenses even after our proposed deployment of ABMs had been shifted to the protection of fixed ICBMs and even though such defenses promised to increase stability. It appears in proposals to limit mobile ICBMs or cruise missles despite the fact that such innovations promise to provide better protected forces or, with cruise missiles, reduce dependence on nuclear weapons in the defense of allies. In reality new technology can be good or bad for U.S. security depending on how it is used. New technology introduced in the 1960s increased stability of the military balance and enabled us to reduce strategic budgets. I don't want us to forgo such possibilities in the future. New weapons that reduce dependence on nuclear weapons for the defense of allies or reduce first strike instabilities or improve the controllability of forces are generally thought to be good and I agree. Some SALT limits have had the opposite effect.

THERE EXIST LARGE INCONSISTENCIES

It is inevitable that there are inconsistencies among the objectives of public policy. Choices and trade-offs have to be made. But some of these inconsistencies occur at a fundamental level in SALT. For example, a security objective often cited in SALT is reducing the incentive for one side to launch a large scale nuclear attack against the other. This is the "first-strike" stability objective. Concern here has focussed on growing vulnerability of ICBM silos.

This has been a reason for seeking limits on total numbers of missiles, missile throw-weight and MIRV limitations. Yet SALT virtually eliminated the principal means of providing protection to these fixed land based forces, the ABM. The growing vulnerability of our Minutemen missiles (a problem which is tempered by the belief that our SLBM and alert aircraft forces are largely survivable) was significantly worsened by SALT I. In that case, saving the agreement was thought to be more important than saving the force.

I have cited the inconsistency between the position that on the one hand we should seek to limit and constrain any use of nuclear weapons and on the other hand that none of this makes any difference. Other inconsistencies are related to the concepts of the quantitative and qualitative arms race which the SALT process is supposed to halt. One might expect that if SALT doesn't seem to make things safer it should at least save us money. But Vladivostok sets a ceiling for missiles and aircraft that tends to impel us to buy more systems or delay the retirement of some others.

Another example concerns our lack of bargaining leverage. Much has been made by our principal SALT negotiator since the beginninf of the weakness of the U.S. bargaining position. Only in the field of ABM technology did we have a clear advantage and it is no accident that the two sides arrived at the most far reaching agreement in this area. But, it has often been lamented, we had little bargaining leverage in offensive systems because we had so few new systems in the pipeline. Clearly the mood of the Congress over the last several years has not been supportive of increases in the defense budget. The only way significant increases in R&D for new strategic programs could have been obtained would have been for the President to have engaged in a major effort to explain the importance of such programs to the Congress and public. Making a case for "bargaining chips" would not have been good enough. But the Administration was boxed in by its stopping-the-arms-race rhetoric and by the effort to promote detente. Unlike the Soviets, we could not simultaneously promote detente and push for an increase in arms. A choice was made and it was to continue to leave our negotiators with little leverage.

Inconsistencies have abounded. SALT, when criticized, is defended in terms of the blessings of detente; detente, when viewed skeptically, is supposedly saved by the accomplishments of SALT.

How is it possible for an arena of policy to be so rich in inconsistencies? It appears to be the product of a process in which there are few objectives other than arriving at agreement and then the next agreement and so on with little attention paid to substantive and enduring interests of U.S. security.

THE SOVIETS OPERATE ON DIFFERENT PREMISES THAN WE DO

The conclusion that there is too much overkill and that nuclear force levels don't matter very much does not seem to have been accepted by the Soviets. They have been diligently adding to their long range rocket and bomber forces and developing and deploying new missiles (four ICBMs, two SLBMs versions) and a new strategic bomber. Moreover, there is reason to believe that they have still other new systems in the R&D pipeline. During the course of the 1960s and '70s our intelligence estimators went from thinking that the Soviets would accept a position of inferiority in these arms to believing that they would go for parity only to find that they are shooting for clear superiority in important dimensions. Meanwhile, during this period we were cutting back on expenditures in real terms for strategic offensive and defensive arms. Evidently the Soviets have been operating on a different theory. It is a theory that is most unlikely to include actually waging a nuclear war, but it is one that evidently sees some advantage in military strength—even having more or better nuclear arms. This, in their view, nudges the world correlation of forces along a little faster in the direction in which they say it is moving anyway.

SALT to them appears to be a means, not to the end of reducing strategic instability or the level of arms, but to the end of gaining an advantage in the continuing competition with the U.S.

We tend to assume that the Soviet Union, like the U.S., faces the choice between arms control and competition. It isn't understood that the Soviets have chosen both: to compete with us using arms control as one tactic among others.

Although the Soviet Union does not appear to share our view of the perils of the arms competition, its spokesmen do not refrain from playing back our rhetoric on this topic. Though our strategic budgets have been going down and our new weapons introductions lagging while the Soviets have been going up, Mr. Brezhnev has recently complained bitterly about *our* soaring defense budget and *our* new military systems which he says are forcing them to greater efforts. He does not lack a fine, unselfconscious sense of how to negotiate in a competitive rather than a cooperative spirit.

THE ARGUMENT THAT THINGS WOULD HAVE BEEN EVEN WORSE

If there had been no agreement in SALT I or Vladivostok, we are told, the Soviets would have built up much more than they have in strategic arms. (The problem, then, was not really an arms race because we weren't running fast enough.) Is this then the heart of the argument? In 1972 we were told that the U.S. had to settle for inferiority in the number of missile submarines (62 vs. 44) because the Soviets were building at the rate of 8 or 9 per year, would go on to build 80 or 90 in five years, and because we had none under construction. In short, we face a growing numerical margin about which we could do nothing in the next five years. After Vladivostok we are told that the U.S. intelligence projections showed that the Soviets, in absence of the agreement, would have increased their strategic offensive capacity even more than they can do under the agreement.

What do such assertions mean? It does not mean that the Soviets will be able to kill significantly more Americans. Nor does it mean that our fixed based forces will be significantly less vulnerable since this will be determined mostly by the number of warheads the Soviets can deliver and by their accuracy, parameters which are not going to be significantly limited by this or any agreement. Operationally it means 1) that the Soviets must retire some old missiles, SS–7s, 8s, 9s, and 11s, if they want to buy a lot of new ones and stay within the limit of 2400 total, and 2) that they might not be able to have as many MIRVed missiles in the 1980–85 period than in the absence of the agreement, (assuming that they don't withdraw from the agreement by then).

These putative limitations on the Soviets should be viewed skeptically in light of our sorry performance in making long run estimates of the size and character of Soviet strategic forces. Perhaps we are being spared an even worse fate but there is no question but that the Soviets under SALT I have continued to carry out a major build-up of strategic arms. They will be able to continue this build-up under Vladivostok. The evidence is overwhelming that they intend to exploit every advantage open to them to the fullest: modifications to silos to increase the size of the missiles, cold launch to increase missile throwweight, new missile launching submarines, and the introduction of new, larger, MIRVed and more accurate missiles in large numbers and long range bombers. Soviet expenditures for these arms can be expected to continue to grow; there is no reason to expect that these expenditures will grow any less rapidly than they would in the absence of the agreement.

There is no comparable set of forces at work in the U.S. Those who have been concerned about the high Vladivostok levels can relax. Political realities within the U.S. are very likely going to keep us from attempting to match the Soviets in these expenditures.

VLADIVOSTOK DOES NOT IN FACT PROVIDE FOR EQUALITY IN STRATEGIC FORCES

Vladivostok is a big improvement over SALT I in terms of providing for equal treatment in the parameters of forces explicitly mentioned in the agreement. Equality, or equivalence, expressed in terms of "equal aggregates" is, of course, the central claim of Vladivostok: 2400 strategic systems on both sides, 1320 of which may be MIRVed. But how should strategic capacity be measured? There is no single index which adequately represents "strategic" power: not the number of missiles, launchers, throwweight, warheads, megatonnage or equivalent megatonnage, silo hardness, missile or bomber range, accuracy, or dollars. These are all useful measures, but there are many others I have omitted. Taken in combination, they of course contain more information about relative strength than any single one does. But even then it is a fallacy to maintain that the essence of strategic power is represented completely or even adequately by these parameters. This does not mean that nothing is known or that anyone's guess is as good as anyone else's. These are incomplete but useful indexes.

However, the negotiating process inevitably singles out a few of them for incorporation in an agreement. The agreement may explicitly limit some, indirectly affect others and leave the rest unaffected. Those omitted are not necessarily less important. They may be harder to measure or to control, as in the case of accuracy, clearly an important parameter.

In Vladivostok a few of the many possible important parameters were incorporated in the agreement in a way which leaves the U.S. in an inferior position in some of these or in other parameters. Specifically, the U.S. is left in an inferior position in 1) heavy ICBMs (which we are precluded from acquiring because of the silo limitations carried over from SALT I), 2) total missile throwweight (again because of silo limitations, although we could increase our throwweight capacity within existing constraints), and 3) strategic bombers (if the Soviet proposal for not counting it, as reported by the press, is accepted by us). Why has this occurred? The simplest explanation is that these disparities were the price of an agreement. Vladivostok defenders say that some of these, for example the disparity in throwweight, merely codify an existing situation, one produced by the U.S. choosing to buy small missiles and the Soviets large ones. I do not favor efforts to match Soviet throwweight or even to undertake a major effort in increasing missile size. However, and this is the central point, there is a big difference between disparities which flow from unilateral decisions which can be changed on the basis of new technology or changed circumstances and our accepting in principle and unequal position intended to exist for a long period of time. In the circumstances of the 1960s and early 1970s it appeared sensible to U.S. decision makers to opt for improving the protection, accuracy, and flexibility of our strategic forces. They decided not to add significantly to throwweight or to add launchers or vehicles. But experience has shown that changes frequently have to be made on a strategic posture if it is to remain economical and effective. We have had to make a number of basic changes in the past several decades and we will have to make some major ones in the next decade. For example, we will need to find an alternative to silo based ICBMs. We may also have to make some now unexpected changes. Anyone who claims to see clearly our strategic posture needs through 1985 cannot be taken seriously. Therefore, it is a serious error to accept inferiority in any important parameter of military power.

THROWWEIGHT IS NOT A PHONY ISSUE

The argument is sometimes made that the throwweight issue is "phony". This amounts to saying that all warheads are the same, big or little, and that the number of them doesn't matter either—at least in the range of numbers implied by Vladivostok. For if warheads were different, then the side with more or better ones would have an advantage. The notion that all warheads are the same is difficult to square with the fact that there is nearly a factor of 1,000 between the yield of the smallest nuclear warhead in the U.S. strategic force and the largest one in the Soviet force. (A factor of 1,000 was about the difference between the yield of the largest conventional bomb used in WWII and the Hiroshima bomb.)

A recent piece of evidence that suggests that not all bombs are the same is the announcement last week that the U.S. is considering assigning additional Poseidon missiles to SACEUR for European theater defense in order to free up European based fighter bombers for other, including non-nuclear, missions. The warheads in question are at the low end of the yield range of those now available in the strategic force, as they should be for assignment to Europe.

Warhead size also makes a difference in capacity to destroy hard silos. The probability of destroying a hardened silo varies as the two-thirds power of the weapon yield; a factor of 1,000 difference in yield for a given accuracy means a factor of 100 difference in hard target destruction capacity. The large payload of Soviet missiles is providing serious grounds for concern about the survivability of Minuteman missiles. At best, this "phony" issue is likely to end up costing the taxpayers a fair amount of money for an alternative to silo based Minuteman.

American spokesmen have been known to remark that you don't get hit with launchers, you get hit with warheads. This American argument has also been picked up by Chairman Brezhnev. But disparities in throw-weight imply disparities in warheads, an index of power of great importance according to both American and Soviet authorities. We can add this item to our list of SALT inconsistencies.

The estimated disparity in total missile throwweight between the Soviet Union and the U.S. implied by Vladivostok is about a factor of 2 to 3. This means that, with equivalent technology they could have 2 to 3 times as many warheads as the U.S. I don't know what they would do with that many warheads and they presumably couldn't deploy them all by 1985, but I am not certain that they will forgo building a lot more warheads than we do. I do not argue that there is now an urgent need for the U.S. to have large payload missiles or that we should multiply warheads more than we are. It is just that this is an uncertain and changing world and high confidence in these matters is unwarranted. I have said that there is no one index of strategic power. It would be a mistake to allow any one index which happens to have received attention in SALT to dominate the design of our force. But throw-weight is at least more fundamental than some, such as total megatonnage or even the number of warheads.

What I would emphasize is not the addition of capabilities which copy those of the Soviets in large missiles but those which out-work large, fixed missiles.

THE UNEQUAL TREATMENT OF BOMBERS

In the recent negotiations somehow Backfire got left out of the limits. Backfire is a new strategic bomber similar to the U.S. B–1.

The Chairman of the JCS estimates that Backfire could carry out two-way subsonic missions with limited low level penetration against virtually all of the U.S. He also estimates that it is capable of delivering weapons on "1¼" way missions (meaning with recovery in friendly or neutral territory) without refueling. No reason has been made public for its proposed non-limitation. One conjecture, on the basis of circumstantial evidence is that its being left out was offered for the Soviet dropping of the issue of U.S. fighter bombers stationed in Europe and elsewhere, some of which are capable of reaching the Soviet Union, although their missions are for the defense of allies. This is the Forward Based System (or FBS) issue. (We have no reason to feel that the Soviets are doing us a favor on the FBS issue; the Soviet missiles and aircraft targeted on our allies have also not been limited nor have a number of Soviet systems able to reach the continental U.S.) In SALT I we took the position that FBS was non-negotiable. Perhaps it later became negotiable. But whatever the reason, the exclusion of Backfire should not be accepted by the Congress. It is blatantly inconsistent with the inclusion of the U.S. B–52s and B–1s.

Nor should we agree to the non-counting of another type of Soviet bomber, the approximately 800 Badger medium bombers. This bomber is similar to the 1485 B–47s which used to make up almost all of our strategic forces in the 1950s and early 1960s During the 1960s the Defense Secretary, in opposing the JCS on the issue of a larger strategic force budget, dropped the Badgers from the list of Soviet forces we regarded as "strategic." However, these bombers, if refueled, are capable of attacking the U.S. on 1¼ way missions. The carrying out of such missions should not be thought of as wildly impractical. Calculations made on the basis of unclassified data show that this is precisely the type of mission, with no return to homeland, that would have to be carried out by most of our B–52s. The reason why the longer range B–52 would have to be operated in this way is the formidable Soviet air defense system (which has about 10,000 SAM launchers and 2600 fighter interceptors). These defenses force B–52s to make low altitude penetrations. Because every mile transited at low altitude causes the B–52 to give up something like three miles of flight at optimum altitude, the need to penetrate at low altitude prevents them from making two way missions. The Badgers could penetrate U.S. air space at high altitude against the vestigal U.S. air defense system (zero SAMs and, by 1976, only 230 fighter interceptors) especially if a few defense busting missiles are sent in first. Perhaps 200–300 of the 800 Badgers could be launched simultaneously, refueled in the air, sent against the U.S. and recovered in safety. At least this number should also be counted in any SALT II agreement. (Symmetry suggests that we might also offer to include FB–111s able to carry out deep missions against the Soviet Union.)

SHOULD THE CRUISE MISSILE BE LIMITED?

The Soviets have for a long time had cruise missiles, both air and sea launched. In fact, current Soviet submarine based cruise missiles launched from off our coasts could reach a large proportion of targets in the continental U.S. and improvements to these missiles are to be expected. (U.S. submarines, if they were equipped with missiles of equal range could not achieve anything like comparable coverage because most Soviet targets are deeper inland.) These Soviet missiles, although clearly usable in such "strategic" missions, are not counted in SALT.

The current U.S. cruise missile had its origins in a proposal by Secretary of Defense Laird in 1972 that the U.S. develop such a missile as part of a package of strategic initiatives. By now it has evolved into a sea launched (submarine and possibly surface ship) and air launched vehicle. The air launched version is intended for "strategic" missions, and the sea based version for both tactical (meaning short range and non-nuclear) and strategic (meaning long range and nuclear) versions.

The Defense Department justification for the strategic version of the cruise missile has centered on its role in nuclear conflict. Air launched cruise missiles could help bombers to penetrate by diluting defenses and either air or sea launched missiles could be sent against primary targets. The trouble with this justification is that it seems to offer no more than still another way to attack the Soviet Union with nuclear weapons (by adding a "fourth arm" to the nuclear triad of ICBMs, bombers and sea launched ballistic missiles). The question, not unreasonably, is raised, why do we need it?

In my view, both the proponents of the strategic version of the cruise missile and many of the critics fundamentally misperceive its significance. The cruise missile incorporates basic technology that is bringing about a revolution in military capabilities and doctrine. The increasing precision possible in the delivery of weapons, even at very long ranges, is making possible the substitution of small weapons for large ones. This greatly increases the effectiveness and discriminateness with which force can be applied. Small nuclear weapons can be substituted for large ones and, most importantly, for many missions it may be possible for non-nuclear warheads to be substituted for nuclear ones. These developments will do a great deal to help set limits to the scope and level of conflict. And the prospect of being able to take more effective action, with less collateral damage, will enhance the deterrence of a significant range of action against our interests. We should not only seek to have such capabilities ourselves, we should also encourage the Soviets to move in this direction. In short, these properties are qualitatively different from those widely assumed to be characteristic of what we call "strategic" weapons. It would be the height of foolishness to try to discourage this development. Cruise missiles, it should also be mentioned, are much cheaper than ballistic missiles.

There are, in addition, extraordinarily difficult and probably insoluble problems of verification of cruise missile limitations. The current U.S. missile is designed to be launched from 21 inch submarine torpedo tubes; it also could be carried in large numbers inside many types of aircraft. There appears to be no practical way to count through national means of verification the number of these missiles that might be deployed. And because possible launchers would presumably have to include all submarines and medium sized or larger aircraft, not to mention surface ships, the counting of launchers also seems impractical.

There are equally difficult problems in verifying cruise missile range limitations. The range of a cruise missile of given dimensions could be varied enormously, from several hundred miles to several thousand miles within the same airframe. This can be done by trading off bomb weight and volume for fuel. Such variation could also not be monitored by national means of verification.

Limitations on cruise missiles apparently were not discussed at all at Vladivostok. It became an issue after Vladivostok apparently because our negotiators agreed to language which says that air launched missiles should be limited instead of ballistic missiles. The Soviet negotiators, conscious of the U.S. lead in long range precise cruise missile technology seized the opportunity; they have insisted that the limitation applies to both ballistic and cruise vehicles. We have belatedly taken the position that such limitation should apply only to ballistic missiles. It is important to observe in this connection that the Soviets have both air and sea launched cruise missiles today and we should not deceive ourselves about the difficulties of monitoring them.

For the reasons I have given, it appears undesirable to try to limit a technology which promises to move both the U.S. and its adversaries in the direction of a more discriminate, less vulnerable and more stable and possibly more economic posture. And limitations based on range or on trying to count vehicles that can fit inside of a 21" cylinder promise to be unverifiable anyway. The U.S. so far has opposed restrictions on this system and the Congress should support the U.S. position.

OTHER PROBLEMS OF VERIFYING COMPLIANCE

There are other serious problems of verification beyond those associated with cruise missiles. One has to do with the distinction between MIRVed and unMIRVed missiles which is central to Vladivostok. Secretary Kissinger made it clear after Vladivostok that the problems of monitoring compliance with the MIRV limit were so difficult that one would have to assume that any type of missile that had been tested in a MIRVed mode would have to be counted as MIRVed when deployed. I know of no good reason to question the necessity for this counting rule which would have to apply to both SLBMs and ICBMs. But this means that the Soviets would be constrained from introducing more than 1320 missiles of types which have been tested at least once with MIRVs. In view of the large scale modernization program now underway, I believe that the Soviets will modernize to a degree which will exceed the limits implied by Secertary Kissinger's counting rule.

This issue is a most serious one. It means that there should be no deviation from Secretary Kissinger's counting rule and, if I am correct in my surmise about Soviet missile modernization, there will be a question of possible violation of the agreement some years from now.

WHAT IS TO BE LIMITED IN SALT II, LAUNCHERS OR VEHICLES?

The SALT I Interim Agreement limitations were expressed in terms of launchers: e.g., silos and missile launching tubes in submarines. But much public discussion since Vladivostok refers to vehicles: missiles and bombers. It makes a difference. Either side would be able under SALT I to procure say an additional 1000 ICBMs, or not destroy old ICBMs replaced by new ones. They could be kept for "reloads", extra ammunition so to speak. The U.S. so far has not found the capability to reload launchers with long range nuclear missiles to be an interesting one. Nor am I recommending it. But I do not know if the Soviets see it this way. In any case, members of Congress should not be shocked if it is revealed some day in the future that the Soviets have a thousand or so extra ICBMs stashed away.

Nevertheless, there is a large difference between the difficulty of verifying the number of silos or submarines carrying ballistic missiles on the one hand, and the numbers of missiles on the other. This is why SALT I limits were imposed on launchers. Vladivostok raises more serious problems of launcher vs. vehicle limitations. What is a bomber? Obviously a vehicle. But what is a bomber carrying air to surface missiles?

It looks like a launcher. And since the missiles inside a bomber, or a submarine, can't be counted, then perhaps SALT II should be limited like SALT I to launchers (counting bombers as honorary launchers for purposes of seeing that the total of 2400 isn't exceeded) or a mix of missile launchers and bomber vehicles. But what should be done about the vexing problem of missiles inside of bombers (or submarines for that matter if the imprudent decision were to be made to also try to limit them)? The alternative of including in a missile total the maximum capacity of all of the relevant aircraft and submarines would far exceed 2400.

Similar problems arise with land mobile ICBMs. The Soviet SS-16 ICBM is apparently designed to be capable of land mobile operation. The mobile launcher for such a system may be no easier to monitor than the missile it carriers. In this case, neither launchers nor vehicles will be reliably monitored by national means of verification.

In sum, the monitoring of missiles as vehicles is virtually an impossible task. Among vehicles considered in SALT only aircraft appear reliably monitorable, and unfortunately we seem not to be very serious about counting many of these. The monitoring of ballistic missiles launchers in silos or submarines is clearly feasible. There are exceptionally difficult or impossible problems with air (or submarine) launched cruise missile launchers and with land mobile ICBMs. The upshot is that we should continue to insist that limitation apply to launchers (plus bombers), while recognizing the limitations even in counting launchers for cruise and land mobile missiles.

WHAT DOES THE WORD "STRATEGIC" MEAN IN SALT ANYWAY?

SALT, an acronym for Strategic Arms Limitation Talks, is based on the premise that the meaning of the word "strategic" is clear. Everyone knows what "strategic" means. For instance, that something "tactical" is not being referred to. In reality the confusion in the use of these terms is enormous and it makes a difference. "Strategic" is often used, among other things, to refer to (1) long range vehicles, (2) to nuclear delivery means or conflicts, (3) to weapons designed for use against great power homelands, (4) to attack on deep targets well behind the battlefield, and especially attack on urban targets. ICBMs and SLBMs carrying nuclear weapons seem at first glance to correspond to these meanings but what about Poseidons assigned to SACEUR for use in the European theater? Would they be strategic?

What about U.S. F-4s used against a power plant in Hanoi or Israeli F-4s used against a refinery in Syria in the 1973 war? Were these uses of fighter aircraft strategic or tactical? B-52s were used in close support in South Vietnam carrying non-nuclear bombs of course. Yet B-52s are a major system of the Strategic Air Command and are counted as strategic in Vladivostok. What about cruise missiles with non-nuclear warheads that might be sent against shallow targets inside of a great power homeland in response to an attack in Europe? Or short range Soviet cruise missiles with nuclear warheads launched from Soviet submarines against U.S. coastal targets?

The fact is, that whatever use there might have been in the past to the strategic-tactical distinction, by now it has virtually lost all meaning. This of course, does not mean that distinctions in the use of force are unimportant. On the contrary, with the growth of nuclear armaments, they have become increasingly important. Distinctions between nuclear and non-nuclear, homeland and non-homeland, population and non-population attacks are crucial. But not that between strategic and tactical. This fact has made increasingly arbitrary the inclusion or exclusion of weapons from SALT limitations.

Why does this confusion matter? Arbitrariness and terminological inexactness are commonplace and often inevitable in the world of affairs. But it is especially important here because we don't seem to know what we want in SALT agreements beyond the act of reaching agreement. There has not been adopted a reasonably consistent set of operational objectives which furthers U.S. security discernible in the SALT process. Part of the reason why is because the exercise has been defined in terms of limiting some weapons which seem vaguely "strategic" and about which we might arrive at agreement. For example, on something as fuzzy as equal aggregates. Instead we should have in the past, and should in the future if we continue with this kind of exercise, define one or a few specific objectives in which there might be a mutuality of interest with the Soviets. For example, reducing the destructiveness and indiscriminateness of existing nuclear weapons or saving money or improving the protection of long range nuclear forces.

THE NEED FOR FORCE ADAPTATION NOT PRESERVATION

Earlier I asserted that there is no simple way of measuring relative strength. Force ratios are totally arbitrary in estimating the outcome of a conflict. Things which are different (e.g., missile throwweight and bomber payload) are treated as though they are alike. In effect, a type of conflict which is unknown and to a significant degree unknowable (a two-sided nuclear war) is implicitly trained as if it is known.

The SALT process attempts to freeze in place relationships which happen to exist at a moment in time. This is doomed to fail because technologies and circumstances change. There is a positive need for adaptation over time, for increases, decreases, changes in force structure, in weapons and in doctrine. Treaties try to preserve things according to an understanding which exists at time t; at time t plus several years, things are almost certain to appear very different.

I have mentioned the adaptations in the U.S. missile and bomber forces during the 1960s and early 1970s. These produced a less vulnerable, more stable posture at lower dollar cost. These changes were part of a continuing adaptation of U.S. strategic forces over a long period of time to changes in the international environment, new threats and new technological possibilities. These changes clearly have not produced inexorably rising budgets. Moreover, in the absence of the qualitative changes that were made, large quantitative increases in forces would have been necessary in order to have preserved stability.

The continuing need for adaptation is illustrated by the major changes that have taken place in the past two decades. A major shift in the deployment of U.S. strategic forces occurred in the early 1950s as the result of some work with which I was associated. The emergence of a Soviet nuclear threat made it evident that Strategic Air Command bombers could no longer depend on overseas bases for repeated combat operations. This threat, together with the adoption of air refueling techniques and the limiting of overseas bases to staging use, led to the planned operation in combat of SAC bombers from bases in the continental U.S. But it was also apparent that Soviet offensive capabilities also threatened bombers or bases in U.S. and it became necessary to build radar warning systems and to put many of the aircraft on a high alert status in order to assure the survival of a significant number of them. With the advent of thermonuclear weapons—which were initially and wrongly thought only to make possible large yield bombs—it became possible to build small missiles and base them in hardened and dispersed silos and in Polaris submarines. The adaptation process could not stop there. Silos have been increased in hardness, and a decision was made to protect silo fields with ABM (a decision which was negated by the 1972 ABM treaty in SALT I. This leaves silo based forces increasingly vulnerable.) Sea based missiles have been adapted to a growing anti-submarine warfare threat by progressive extensions of their range which opens up more and more of the ocean within which submarines can hide, and by efforts to make submarines quieter.

It is evident that continuing adaptation will be needed. Agreements which attempt to freeze things (no ABM protection of fixed strategic forces, little silo change, limitations on protecting missiles by land or air mobility, fixing numbers of launchers) are a mistake. Only a small proportion of the relevant parameters can, in any case, be limited, even in principle. Change will be forced by new technology and should be responded to by constructive selection among the available options. Although I do not hesitate to assert that parochial bureaucratic interests often cause the DOD to choose to buy weapons which are not in the public interest, I do not think that the solution to this problem is to try to pretend that it is in the public interest to try to freeze what is an inherently dynamic process. (Such limitations often respond to what is another set of parochial bureaucratic interests.) The result is to make agreements of the SALT type increasingly unstable or irrelevant.

TRYING TO PREVENT QUALITATIVE CHANGES IS UNDESIRABLE AND MOREOVER FRUITLESS

Such efforts have largely the effect of increasing domestic pressures for unilateral restrictions. The recurrent efforts in the Congress to limit improvements in the accuracy of missiles are a case in point. These efforts, if successful, would slow progress towards greater precision, flexibility, and discriminateness in the use of force and to enhancing our non-nuclear capabilities. Such efforts in effect amount to playing the role of King Canute because the changes that are occurring in the technologies of precision are fundamental and broadly based. They could slow us down but not the Soviets; the Soviets do not seem to have a comparable domestic political force which seeks to impede its military technology.

In short, the model that we should adopt is one of a competitive adaptation through the introduction of new technologies which meet our needs, not through an attempt to form a cartel with adversaries in restraint of technology. (In saying this I do not mean to advocate an all-out technocratic position that any new technology is good. I can think of some that are very bad indeed and that we should seek to collaborate with the Soviet Union and others in limiting—nuclear fuel reprocessing plants for example.) But any cooperative anti-technology efforts should be sharply focused and should be based on a realistic appreciation of where our interests lie.

SUMMITRY PRODUCES LOOPHOLES AND EXPLOITABLE AMBIGUITIES

It is inevitable that when statesmen get together at the Summit to settle matters at an appropriately general conceptual level that there will be room for disagreement later on about what was decided.

These disagreements are often regarded as loose ends or technical details. But they can have a large cumulative effect, especially if one side works harder at exploiting them than does the other. It is now clear, three years after the SALT I agreement, that the Soviets in fact do diligently exploit the ambiguities in summit understandings.

An important example is the Soviet exploitation of the distinction between heavy and light ICBMs associated restrictions on silo dimensions. Much was made in SALT I for the distinction between heavy and light ICBMs. We had in mind preventing the Soviet large missile and throwweight advantage from growing even larger. To achieve this it was agreed that launchers for "light" ICBMs could not be converted into "heavy" ones. It was also asserted by the U.S. and ambiguously agreed to by the Soviets that an increase in silo dimensions could "not be greater than 10-15 percent of present dimensions." Unfortunately, the terms "heavy" and "light" were not defined. However, the U.S. representative said unilaterally that we "would consider an ICMB having a volume significantly greater that that of the largest light ICBM now operational on either side to be a heavy ICBM." The Soviets, who had not agreed to this understanding, in the next several years then proceeded to modify silos, shift to cold launch, pop-up techniques, and to develop four new larger and higher payload ICBMs. In the process, the effective size of the "light" missiles involved, measured in terms of payload, will be increased from two to four times. Whatever the ambiguity in the constraints, we have not called these increases a violation.

The exploitation by the Soviets of the loopholes and ambiguities in SALT I should not have come as a surprise to the U.S. It was foreseeable—and it was forseen by some analysts. Their predictions, which were in some instances quite specific, were brushed aside as being far-fetched. These predictions were based on the view I have stated, that the Soviets would use arms control to improve their relative advantage.

The part of the 1972 agreement that is perhaps its apogee of ambiguity is the 10–15% limitation on increases in silo size. An increase of 10–15% (meaning in effect 15%) could refer to 1) silo depth, 2) silo diameter, 3) silo volume. The difference in the volume of the missile that it could hold (which has a good deal to do with the difference between a light and heavy missile of which we made so much) would be, respectively, 1) 15%, 2) 32%, 3) 52%. The background to the negotiations makes it clear that an increase of 15% in one dimension or the other would be permitted but not both. Secretary of Defense Laird said that he would consider it a violation of the agreement if the Soviets were to increase both dimensions: "In no case would it be possible for the Soviet Union to retrofit their SS–11 silos with a new significantly larger missile . . ." The Soviets have had a different understanding, one that is compatible with their vigorous efforts to replace old light missiles with new bigger ones.

Despite the ambiguity in the constraint the Soviets have certainly violated the spirit of the Interim Accord with this program. They have also violated the letter of the agreement as it was described to the Congress at the time of its approval.

A more recent example of confusion at the summit is in the ambiguity I have discussed in the limitation on air launched missiles at Vladivostok. By failing to distinguish between ballistic and cruise missiles at Vladivostok, the Soviets have been given an opportunity to try to eliminate or restrict the U.S. cruise missile program. Moreover, some confusion apparently existed in the minds of our negotiators which could have resulted in the range constraint being greater by a factor of two (depending on whether kilometers, statute miles or nautical miles were used).

The ability of the Soviets to press ahead with vigorous programs which are inconsistent with our understanding of what was decided at SALT I raises serious questions about the adequacy of the limitations which have been adopted and of the verification measures. There seems to be two positions that one might adopt: either our negotiators have formulated the agreement so ambiguously that the Soviets are not significantly constrained in what they may do, or they are violating the agreement—or both. Either way it is a sad commentary on our performance.

A contributing cause to these defects has also been the extraordinary secrecy with which the negotiations have been carried out from the start. I believe in the need for secrecy and I am not arguing for open covenants openly arrived at. However, the obvious exclusion of much of the government that has statutory responsibility for U.S. security has been a serious error. It may be, as some of those involved in the SALT process aver, that the bureaucracy will not produce conceptual breakthroughs in the field of arms control. But the exclusion of the relevant parts of the bureaucracy from important aspects of the SALT process seems to have contributed to the generation of unequal agreements and exploitable ambiguities.

THE TENDENCY OF U.S. NEGOTIATORS TO WRITE AGREEMENTS SO AS TO CONCEAL DISAGREEMENTS AND TO BE PASSIVE IN THE FACE OF PROVOCATIONS

Daniel Patrick Moynihan, in a recent article in Commentary Magazine, entitled "The United States in Opposition," has described the profound tendency of American spokesmen to accept passively, even supinely, the most outrageous claims and assertions of spokesmen of the Third World. He calls for a reversal in our traditional role, for an increase in candor and for a forthright statement of our interests.

His injunction is needed also in the realm of arms control. The experience of the Laotion Accord in the 1960s, of International Control Commissions and with the Non-Proliferation Treaty fits this pattern. SALT exhibits a similar behavior on the part of the U.S. spokesmen. Mr. Moynihan's plea that we be more vigorous in defending our interests with respect to the Third World could be applied with even greater diligence to the more serious matter of our interests as they relate to our principal adversary.

IS SALT NECESSARY FOR DETENTE OR DETENTE FOR SALT?

When the disparities in SALT are pointed out, some U.S. spokesmen have replied that the alternative is greatly heightened hostility with the Soviet Union, an unleashing of an unlimited arms race, or even nuclear war! Faced with that alternative, an unfavorable SALT agreement would seem greatly to be preferred. But one wonders how we managed to reduce spending on strategic offensive and defensive arms so much before SALT. Evidently we have always had détente. Or maybe the given alternative posed is false.

On the other hand, those who regard skeptically the benefits we have derived from détente, for example in S.E. Asia or in the Middle East or in grain transactions with the Soviet Union, are asked to direct their attention to the accomplishments of SALT. This is held to be the premier accomplishment of détente. If this is so, then the others must be very modest accomplishments indeed.

WHAT SHOULD CONGRESS DO?

It is evident that the Vladivostok accord does not promise to produce a SALT II agreement or treaty which will satisfy P.L. 92–448, passed after SALT I, which requires that future agreements not leave the U.S. in an inferior position with respect to intercontinental strategic forces. The Congress should stick on this position. This means refusing to endorse an agreement that:

1. Prevents the U.S. from building large missiles of the type the Soviets have, and that gives the Soviets an advantage in throwweight and the potential of a large advantage in warheads. I would think we should build such missiles and I am not in favor of spending a lot of money on trying to redress the throwweight disparity, but the future is uncertain and we should not be prevented from doing so in the future. An agreement of the proposed duration of SALT should not condemn us to an inevitably inferior position.

2. Excludes manned Soviet bombers obviously capable of attacking the continental U.S. such as Backfire (and also Badger) while comparable U.S. bombers are counted in the agreement. The exclusion of Backfire in particular would make a travesty of the entire agreement and transfer it from one of equal aggregates at the 2400 level to one of unequal aggregates at whatever superior level the Soviets choose.

3. Limits cruise missiles, whether air, sea, or land-based. This is a technology that promises to help move capabilities away from large scale indiscriminate character to more precise, discriminate and stable character, and toward the substitution of non-nuclear for nuclear weapons in some case. It should be encouraged, not limited.

4. Is dependent on behavior which is not reliably monitorable by national technical means. Secretary Kissinger's counting rule on MIRVed missiles is a sound one; alternatives that might be proposed should be viewed critically and with skepticism. In addition, limits on cruise missiles or on land mobile ballistic missiles which are obviously unverifiable or subject to large uncertainties should not be accepted.

Finally, I hope that the Congress comes to recognize the basic defects of the SALT negotiations: the obsessive secrecy, the summitry uncontrolled by other parts of the government, the concentration on short term, largely illusory political benefits at the expense of essential elements of our military capability. There is an important role here for continuing Congressional oversight.

TESTIMONY OF JOHN M. DEUTCH

Mr. Chairman, members of the committee, my name is John M. Deutch; my residence is in Lexington, Massachusetts. I am a professor of chemistry at M.I.T. and a member of the Defense Science Board and the Army Scientific Advisory Panel. Today I am appearing as a private citizen. The opinions I express are my own and should not be associated with M.I.T. or any DoD group. With the Chairman's permission I will summarize my prepared statement which I also submit for the record.

I have been asked to express my views on the implications of U.S. defense R&D for international security and arms control, in particular the recent Vladivostok accord. I welcome this opportunity to express my views since I believe there has been a great deal of confusion about this important subject. My position is that prudent concern for national security requires an aggressive and substantial R&D effort. This position is based on the belief that technological competition is not the cause, but rather the inevitable consequence of deeper political division. The admission of the existence of this competition does not dictate the outcome or pace of technological innovation nor does it uniquely determine our military posture or strategic policy. New technology presents a multitude of choices. Our problem is to understand the consequences of these choices and then to exploit those technical opportunities that best contribute to world security and the strength of the U.S. and its allies.

I am not advocating mindless adoption of new technologies or limitless expenditures on defense RDT&E. Rather I am urging recognition of the reality of technological competition. This competition will continue as long as fundamental divergent aims persist between the U.S. and the Soviet Union. The competition is not new—it has been with us for over two decades, requiring a continual restructuring and redeployment of our military forces. Furthermore, the U.S. emphasis on qualitative technical improvements has been a matter of deliberate choice. We have emphasized 'quality' rather than 'quantity' in our weapon systems because of our vast technical base. Had we chosen not to emphasize 'quality' undoubtedly we would have been forced to compensate by acquiring a large number of systems, presumably at an even greater resource cost.

A U.S. advantage in deployed technology is important because of differences between the U.S. and Soviet political systems. In this country there is public discussion of projected force improvements through Congressional testimony, etc. that permits the Soviets to project our likely future military capabilities. On the other hand it is difficult for us to penetrate the secretive Soviet society to learn what capabilities they are planning to deploy—in fact many enigmas exist about the Soviet R&D program. Since substantial lead times, at least five to ten years, are required to field a system that meets a new threat, it is particularly important that we maintain the ability to adapt our forces.

There are those who would like to see arms control agreements go beyond force limitations and restrain technical innovation and competition.

However, controlling technology by agreement is unlikely to be effective so long as an adversary relationship exists. More important, constraining technological change may not be in the U.S. interests.

Aspects of the recent Vladivostok accord and the earlier interim agreement suggest some of the difficulties of dealing with technology in the context of an arms control agreement designed primarily to control numbers of systems. First one finds provisions that emerge from the negotiating process which ignore technical fact. An example is provided in the Vladivostok accord by the speculated exclusion of Backfire bombers from the Soviet strategic bomber totals, although any reasonable definition of a heavy bomber would suggest the inclusion of this system. Second one finds provisions that appear to assume that technology will stand still. For example, the 1972 ABM treaty prohibits the construction of new systems that provide "a base for a nationwide ABM system." President Nixon in June 1972 communicated to Congress (HR Document No. 92–311) "This (Article I(2)) would, for example, prohibit the construction of ABM radars, or even ABM-capable radars, deployed for other purposes that could provide a base for a nationwide ABM system." It is generally recognized that the Soviets are continuing the aggressive expansion of their air defense system including the introduction of new radars that may have significant antiballistic missile capability. Whether by accident or design, improved technology has increasingly blurred the distinction between ABM and antiaircraft radars. This presents the problem of what should be done to respond to a technological initiative that appears to infringe on one aspect of the agreement. One can withdraw from the treaty (Article XV), appeal to the Standing Consultative Commission (Article XIII) or, perhaps most likely, undertake compensating technical steps within the limitations established by the treaty.

A third difficulty in reconciling arms control agreements and technological change is that other technical possibilities are not apparently sufficiently appreciated. A vivid example is provided by the "common understanding" of the Interim Agreement on the limitation on increased silo size which does not take into account the possibility of 'cold' launch. Even the definition of silo 'size' is not technically precise. The fourth and final difficulty is the substantial ambiguity, from the technical viewpoint, that remains in arms control agreements. It may be that this ambiguity is the price that must be paid to reach agreement; however, it makes any assessment of an agreement most uncertain. That difficulty is apparent with the Vladivostok accord where, after over six months, there still does not exist an authoritative, public interpretation of the proposed terms of the agreement. Precise clarification is required for many provisions, including those that apply to air launched ballistic missiles; cruise missiles that can be deployed in land, sea, or air based modes; conversion of older ICBM's etc.

I have mentioned some of the difficulties pertaining to agreements that seek to control force levels through limitations on numbers of systems. There are those, however, who advocate curbs on qualitative force improvements as well, either through agreements or by unilateral restraint.

The proponents of this position place before us the specter of a 'qualitative' as opposed to a 'quantitative' arms race and urge that we constrain the process of technical innovation itself. Prominent suggestions include: agreed limitations on the number of strategic ballistic missile flight tests which each side could conduct every year and cessation of development efforts to improve reentry vehicle yield and accuracy.

Proposals to constrain technical innovation raise many complex issues which deserve the most serious scrutiny. Our position on these issues will in large measure determine our attitude toward future arms limitation agreements and our perception of their impact on international security.

The following arguments have been presented in support of the view that the U.S. should reduce its efforts to achieve technical innovation:

(1) Technical innovation inevitably results in higher force levels and larger budgets. The effort to achieve technical innovations wastes resources because we are on a technical 'plateau' and force improvements cannot significantly affect the military balance.

(2) Technical innovation in strategic forces introduces instability in the nuclear balance.

(3) Technical innovation leads to a futile and expensive qualitative arms race where the 'improvements' introduced by one adversary are immediately met by measures introduced by the other side.

(4) Technical innovation is to be avoided because of the bureaucratic tendency to convert too many R&D projects into vastly expensive operational systems.

These propositions may not always be false but they are certainly not generally true. It is somewhat ironic, and evidence of the confused state of the debate on this issue of controlling military technology, that several of the propositions are mutually inconsistent. Here is not the place to present a careful analysis of these arguments. Suffice it to say that evidence can be drawn from recent history to argue strongly against the above propositions. There has not been an explosive increase in expenditures, measured in real terms, for strategic forces. U.S. expenditures, at least, have declined over the past decade. Moreover, many of the technical innovations, particularly those bearing on the control and security of forces, e.g., fail safe devices and hardening, have been effective and have contributed to a more stable nuclear balance.

The argument that institutional pressures generally favor unjustified technical innovation is particularly questionable. Studies of bureaucratic behavior suggest precisely the opposite—organizational resistance to innovations because innovations almost always require changes in established operations. Furthermore, there is the ever present budget officer for which 'new' is synonymous with 'expensive' and hence bad. This notion of bureaucratic pressure for technical innovation is an understandable generalization for those who judge that there has been excessive and unjustified adoption of new and expensive technology. There is certainly room for legitimate differences among responsible and informed persons of good intention on the advisability of adopting a new system or technology. But these differences should not necessarily lead us to conclude that the entire DoD R&D process is misguided.

I believe that there is surprisingly little knowledge and even substantial misunderstanding about the Defense Department's philosophy, strategy, and management of military R&D. In fact, high-rank individuals who have had responsibility for defense R&D in this and prior administrations (at least as far back as 1960) seem to have held objectives and attitudes that are both sensible and surprisingly similar. I refer here to objectives and attitudes toward the problem of managing technology, not attitudes toward specific systems. I do not wish to imply that the process has always been efficient or that I have agreed with every decision. Rather I am emphasizing the importance of first understanding our military R&D strategy and the process by which weapons acquisition decisions are made, and then affording them a thoughtful and responsible appraisal.

The posture statement of the Director of Defense Research and Engineering, presented in support of the FY 76 DoD program for RDT&E, explicitly sets forth the present U.S. strategy toward military R&D. Some important principles are stated that bear on the subject matter of these hearings. First, the R&D program is constrained by resource limitations. The RDT&E budget request does not permit the adoption of all possible technological initiatives. The proposed program reflects necessary choices among technical development alternatives not automatic pursuit of all R&D opportunities. Second, an explicit conceptual distinction is made between Group One programs which account for approximately 40% of the FY 76 budget request of $10.2B and Group Two programs. The primary objective of Group One programs is to demonstrate technical options that might be adopted; a secondary objective is to insure against technical surprise by our adversaries. The objective of Group Two programs is the full scale engineering development for those systems for which deployment is intended, e.g., B-1, AEGIS, Trident. Third an elaborate formal process has been established through the Defense Systems Acquisition Review Council (DSARC) to review programs at the point of transition from Group I to Group II. Obviously it is at this point that a crucial commitment begins. Certainly the present process is intended to raise the same critical questions with regard to a new system or technology that are raised by those most vocally concerned with the qualitative arms race.

Of course, it is possible to debate whether decisions made at this crucial transition point have been wrong. Perhaps the DSARC process should be modified or strengthened. However, I wish to emphasize the earlier stage of the process, namely the Group I program. In my judgment it is this stage of the R&D process that is most crucial to our national security. These programs create technological options without implying an affirmative deployment decision. Skepticism about the wisdom of deploying particular systems should not be translated into opposition to the process of creating technological options. The latter process is more fundamental to our continued strength since it assures us the ability, in the future, to select the weapon systems and force postures that are required for international security.

I do not believe that the initiatives we take to open technological options should be restricted by international agreement or unilateral action. International agreements that control this type of technological competition are unlikely to be effective and it certainly will prove difficult to verify compliance. More important, constraints on our freedom to undertake technological initiatives are not in our interest. As the Soviets continue to expend vast resources on force modernization and R&D, the technological competition becomes of progressively greater importance to the U.S. New technology, if wisely selected and controlled, will permit us to maintain an effective defense posture at politically acceptable budget levels.

PRESCOTT COLLEGE, ARIZ.

Mr. FANNIN. Mr. President, earlier this week the Washington Post carried a column by Ronald Goldfarb describing the problems at Prescott College in my State.

The fate of Prescott College is of great concern to the people of this beautiful small city in central Arizona. This college was launched with great hopes that it would provide a special atmosphere for students to acquire a quality education. As Mr. Goldfarb indicates in the article, there is no better setting in the world for students to gain an appreciation of our natural resources and our beautiful land.

Mr. President, it is tragic that this institution has been put through such an ordeal. I ask unanimous consent to have this article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PRESCOTT EXPERIENCE

(By Ronald Goldfarb)

A college is fighting for its life.

Since 1966, Prescott College has conducted an experiment in higher education in Prescott, Ariz., 100 miles north of Phoenix, a mile high in the craggy Arizona mountains. Until a few months ago when it went into bankruptcy, Prescott was simply a somewhat unconventional institution with 450 students; what remains, the Prescott Center for Alternative Education, is an enigma.

The modest campus and buildings on 620 acres of rugged, open countryside seven miles outside of town are closed. The facilities of a small community college, Yavapai, are used on weekends and free hours. However, though the college has been counted out by most observers, all but one of the faculty members have remained: Some are collecting unemployment insurance; all are barely sustaining themselves. For this semester the center is accredited. About 200 of the class of 480 returned to school knowing of its plight.

The problem is that the eight-year-old school never was financed soundly or administered with sophistication. Facing a financial crisis late last year, it turned to a would-be angel whose halo proved to be tarnished. A few weeks ago, while the Prescott idea was well and sound, the college itself was in receivership.

The Woodrow Wilson Fellowship Program sends individuals from its roster of 60 professionals, businessmen, former government officials and social activist to more than 50 liberal arts colleges around the country for one-week periods. The idea is to get men and women active in "the real world" before high quality students in good but out-of-the-way locations that lack access to non-academic thinkers. As a Wilson Fellow, I asked to go to Prescott on one of my visits. The little I had read and heard of this experimental college intrigued me; a chance for a look at Arizona country was appealing.

One senses immediately that this is an unusual institution. Its uniqueness is difficult to define, but there are some distinctive characteristics.

Formal examinations, grades, curriculum are de-emphasized. The student-to-faculty ratio is 9-1, and relationships are often close and personal. Many former students stay on to work at the college. Current students are serious and specific about their reasons for being there—and proud of them. The student body comes from all over the United States; most are white middle class, intelligent young men and women.

The school's curriculum is intimately related to the Outward Bound program. Entering freshmen are immediately sent off for several weeks in the wilderness where they encounter the variety and challenge of nature, discover some of their own personal limitations and abilities. This approach continues through the students' college careers with extensive opportunities for backpacking, mountain and rock climbing, kayaking and hiking all over the dramatically rugged Southwest.

But this is not a school only for the outdoor person. Related to the Outward Bound approach is what the Prescott faculty members refer to as their "experimental" method of teaching. It is no more than a heavy dose of learning by doing. Geology students do not learn their geology in classrooms or from books alone; they tramp around the bottom of the Grand Canyon, trek across the desert and climb and camp on the mountains, as well. One student told about spending several months in Thailand where her religion class studied Buddhism. Students in the anthropology course are building adobe houses, developing solar heating systems and producing an oral history while living with families of an almost deserted Arizona mining strip. Other students have worked for power companies, banks, social welfare and public interest organizations in jobs relevant to their courses of study.

Related to both these approaches is an acute awareness of the environment. All issues are assessed—in classrooms, on field trips, in private conversations—on the basis of the impact upon the environment. It is not a coincidence that the college is where it is; one could envision other models, elsewhere, but the Prescott program is especially appropriate in natural, outdoor environments.

The accessibility as well as the extraordinary variety and picturesque appeal of the nearby Arizona wilderness is remarkable. During one week of attendance at the college, in addition to attending classes we meandered over the rocks at the Granite Dells, hiked in the National Forest, visited a faculty member's remote mountainside farm where he holds his classes, climbed Thumb Butte, panned for gold with the college president and searched out Indian arrowheads and pot shards that were 1,000 years old. Each excursion involved less than a half-hour drive from the Hassayampa Inn where we were quartered and the new college has its few offices and classrooms. After a few days, our city-slicker children who were with us could tell the difference between prickly pear and beaver tail cactus. Even I could identify the juniper, manzanita and numerous other local fauna.

Out of this experience comes a student body that seems self-confident, independent, competent; the students are not bookish but they are worldly. If the Prescott graduate is less likely to gravitate to politics, conventional commercial occupations, or the competition, or to seek society's secure prizes, one has the hunch that he may be more likely to be a privately satisfied, individually responsible, self-starting citizen.

If a fault could be found with the Prescott approach it lies in the tendency on the part of many students and some faculty to minimize the arduous basic reading and study that a more classical education program stresses as the foundation for more ruminative exercises later. The Prescott program is not right for everyone; but it is perfect for some and should be of interest to all observers of the American system of higher education.

Prescott College may be in its last throes, or it may have rediscovered itself and be able to rise from its ashes, stronger and wiser. If the outlook is bleak, the spirits are high. There is a feeling of togetherness, of a community working out a difficult and challenging ordeal.

One need not grasp or approve of it all to respect the venture and wish those at Prescott well.

EMPLOYEE STOCK OWNERSHIP TRUST

Mr. HATFIELD. Mr. President, occasionally there are developments which encourage us and strengthen our confidence in mankind and in the prospects for our society. Such an event has recently occurred in the business world in the State of Oregon. The employees of a wholesale plumbing and electrical distributor have successfully organized an "employee stock ownership plan" to finance their Portland, Oreg., firm.

On a number of occasions I have indicated my interest in the "ESOP" idea and Congress has acted in several ways to give appropriate incentives for this new concept of corporate ownership. Most recently, the Tax Reduction Act of 1975 provides significant tax benefits for implementing ESOP.

The employees of Gardner and Beedon in Portland, with the help of local bankers, were able to prevent the sale of their firm by establishing an employee stock ownership trust. Using borrowed funds and money from their profitsharing plan, they were able to purchase the company's stock and establish a trust which will use company earnings to repay the loan. Ultimately, the employees will fully own the company and will have individual assets for their own retirement. Meanwhile, they will have a strong motivation to see the firm grow and prosper.

It has been distressing to note the trend toward corporate bigness and impersonality, only surpassed by the growth of Government. For this reason, I am pleased with steps in the other direction, as represented by ESOP.

It appears to me that Congress has already provided the incentive for companies to adopt this concept. It is now up to the private sector to learn more about the idea and adopt it where possible.

I ask unanimous consent that an article from the Portland Oregonian be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Legal Device Aids Worker Takeover of Firm

(By Donald J. Sorensen)

A revolutionary shift in corporate ownership has provided a new lift to a 28-year-old Portland company, given employes an added incentive and kept the firm in local hands when it was in danger of being sold to other interests.

A new device called ESOT (Employe Stock Ownership Trust) was the vehicle used by employes to buy Gardner & Beedon Co., a wholesale plumbing and electrical distributor that serves the Northwest.

Executive Vice Presiednt Stan Weichman and Vice President Bud Taylor exude enthusiasm when they talk about the new setup.

"We knew the owners were planning to sell the company," Weichman said, "then we heard about ESOT and wondered if we couldn't work something out."

"After all," Taylor added, "the employes had put a lot of effort into the company and we felt we could so something about it. We had a meeting with employes and they were enthused about the possibility of buying the company."

So the two, along with President Al Turk, worked out a plan with the sellers and First National Bank to acquire all stock in the company, with about 50 employes as owners.

"This was even a new concept for the bank," Taylor said, "and the loan officers worked long hours to get it going. Then it had to be approved by the Internal Revenue Service. But it took less than three months to get it worked out and now the employes own the firm."

Essentially, the company's profit-sharing plan was changed to an ESOT. The trust took some $300,000 from the profit-sharing plan and borrowed the rest to purchase the stock from Carl Gardner and William Beedon, founders of the company.

The loan is paid with tax-free dollars from contributions to the ESOT.

Employe-owned companies are nothing new and a number have existed in the United States for years. There are about 10 in Oregon.

But the ESOT idea is a relatively new twist. An Albany firm, Albany International Industries, Inc. a manufacturer of sawmill equipment, set up such a plan last fall, believed to be the first in the state.

The Tax Reduction Act passed by Congress earlier this year encouraged the growth of ESOTs by cutting tax payments.

One of the main advantages of ESOT's is that it "gets more productivity out of workers," Taylor said, because growth of the company is linked to their work. One report said, "It can moderate wage demands and relieve workers' alienation on the job."

Employes in ESOT's often have a profitable future. Once the loan is paid off by the trust, they own a nice nest egg in company stock and will have a say in company affairs.

Taylor said, "This is a self-perpetuating thing. After the current officers leave, the employes will still own the company."

Another feature Taylor pointed out is prevention of takeovers by corporations for tax write-offs. "Sometimes they liquidate the business with no thought for the employees."

Gardner & Beedon was started in 1947 by the cofounders on $3,000. It grew steadily through the years into a multi-million-dollar business. It has branches in Springfield and Bend and sales this year are expected to reach $13 million, Weichman said.

In 1972, Gardner and Beedon sold their stock to Continental Western Industries, Inc., a Des Moines, Iowa, company that had ideas of becoming a conglomerate. It ran into serious financial problems, however, and Gardner and Beedon were able to buy back the company late last year.

They were ready to retire from the business and were considering selling to an out-of-town company when the employes stepped in with the ESOT idea. "This way," Taylor added, "the employes retain the company by use of bank money and it is a way for the previous owners to get out and get something out of their investment."

WOMEN'S VIEW OF HEW SEX DISCRIMINATION REGULATIONS

Mr. HELMS. Mr. President, I have a copy of a statement by Mrs. Phyllis Schlafly, national chairman of the National Committee to Stop ERA. Mrs. Schlafly has made a careful examination of the regulations of the Department of Health, Education, and Welfare purporting to implement title IX of the Education Amendments of 1972. Her conclusions are most interesting.

Her fine statement indicates that HEW is obviously circumventing the constitutional amendment process, and attempting in the field of education to achieve the purposes of the so-called Equal Rights Amendment, without the ratification of that amendment. The inappropriateness of such action is obvious in view of the fact that 16 out of 17 State legislatures considering ratification of the Equal Rights Amendment this year have refused to ratify it.

Despite this growing evidence of public disapproval of that concept, HEW has continued to press forward with regulations that greatly exceed the authority granted to that Department by the Congress. Mrs. Schlafly takes exception to that. In order that my colleagues may have the benefit of Mrs. Schlafly's remarks, I ask unanimous consent that her statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement on the HEW Regulation on Nondiscrimination on the Basis of Sex By Phyllis Schlafly, National Chairman, National Committee To Stop ERA

The National Committee to Stop ERA, the most successful woman's organization in the United States today, urges the Congress to disapprove the HEW Final Title IX Regulation Implementing the Education Amendments of 1972 Prohibiting Sex Discrimination in Education. We believe that our organization faithfully represents the big majority of American women, and we have a 16-to-1 track record during 1975 that speaks for itself.

Starting late in the game of ratification of the proposed Federal Equal Rights Amendment, this year we persuaded 16 state legislatures to reject E.R.A., while only one narrowly ratified it. Those legislatures rejected E.R.A. not only because of the logical and legal arguments we presented, but more especially because the legislators discovered that the women of their districts do *not* want the doctrinaire "gender-free" equality demanded by the women's lib radicals. The grassroots of America reject the notion that the mapority of women should conform to the strident demands of the militant female minority. We prefer the American constitutional system to the disorderly melee of the International Women's Year gathering in Mexico City.

We urge Congress to disapprove the new HEW Regulation on sex nondiscrimination because it is wrong and hurtful, both in theory and in practice.

THE THEORY

1. The HEW Regulation is based on the "gender-free" approach demanded by the women's lib militants. It is dogma of the women's lib radicals that there really is no difference between men and women (except the sex organs), and they demand that everything touched by Federal and state law, bureaucratic regulation, the educational system, and public funding be absolutely "gender-free" so that males and females have identical treatment.

This dogma demands also that sex be treated as a "suspect" classification, just as race is now treated—so that the burden of proof is on the government (or on the school, or the industry, etc.) to justify *any* difference of treatment between the sexes at any time.

We reject the "gender-free" approach. We believe that there are many differences between male and female, and that we are entitled to have our laws, regulations, schools, and courts reflect these differences and allow for reasonable differences in treatment that reasonable men and women want.

We reject the argument that sex discrimination should be treated the same as race discrimination. There is vastly more difference between a man and a woman than there is between a black and a white, and it is nonsense to adopt a legal and bureaucratic attitude that pretends that those differences do not exist. Even the U.S. Supreme Court has, in recent and relevant cases through 1974, recognized that "reasonable" differences of treatment based on sex by legislatures and by educational institutions are justified, and must be upheld (unless the Equal Rights Amendment becomes part of the U.S. Constitution).

2. The HEW Regulation is based on an irrational mandate of "equality" at the expense of justice. Equality cannot always be equated with justice, and may sometimes even be highly unjust. If we had absolutely

equal treatment in regard to taxes, then everyone would pay the same income tax, or perhaps the same rate of income tax, regardless of the size of the income. If we had absolutely equal treatment in regard to Federal spending programs, we would have to eliminate welfare, low-income housing benefits, food stamps, and a hundred other programs designed to benefit low-income citizens. If we had absolutely equal treatment in regard to age, then 17-year olds, or even 10-year olds, would have to be permitted to vote, and we would have to eliminate Social Security unless all persons receive the same benefits.

Our legislatures, our administrative departments, and our courts have always had and still retain the discretion to make reasonable differences in treatment based on age, income, or economic situation. We believe that it makes no sense to deprive them of the ability to make reasonable differences based on sex that reasonable men and women want.

3. The HEW Regulation requires "reverse discrimination" at the expense of equal opportunity for all. The two theories are mutually exclusive. The HEW Regulation is based on the theory that "group rights" take precedence over individual rights, and that we are compelled to apply "reverse discrimination" (called "remedial and affirmative action"), in order to compensate some women for alleged discriminations in the past against other women. While HEW denies that this means requiring quotas, it amounts to the same thing.

The fallacy of "reverse discrimination" has been aptly illustrated by Professor Sidney Hook. No one would argue, he said, that because many years ago, blacks and women were denied the right to vote, we should now compensate by giving them an extra vote or two, or by barring white men from voting at all.

But that is substantially what the HEW Regulation requires in the educational field when it demands "affirmative action" to remedy past discrimination.

We support equal opportunity for individuals of both sexes. We reject the theories of "reverse discrimination" and "group rights." It does no good for the woman who may have been discriminated against 25 years ago to know that an unqualified woman today receives preferential treatment at the expense of a qualified man. Only the vindictive radical would support such a policy of revenge.

4. The HEW Regulation is based on the theory of uniformity in education, rather than diversity. It starts from the premise that all educational institutions must conform to Federally-determined rules about sex discrimination.

There is absolutely no evidence to prove that the HEW bureaucrats can do a better job or a fairer job of regulating our schools and colleges than local officials. Nor is there any evidence to prove that individuals or women, or society as a whole, will be better off under a uniform system enforced by the full power of the Federal Government, than they would be under a free and competitive system, under local control, using diverse methods and regulations. It is hard to see why anyone would want to put more power into the hands of the Federal agencies when they cannot cope with the problems they have now.

There is no evidence that the Education Amendments of 1972, under which the new HEW Regulation is issued, were intended to give HEW the power that this Regulation assumes. It is clear that it goes far beyond what Congress intended by the law, and far beyond the clear meaning of the language in the law itself, especially in such areas as reverse discrimination, extracurricular activities, athletics, and medical benefits.

We reject the theory that all wisdom and professional skill emanate from Washington, D.C., and we support the principle of leaving all possible control and discretion in the hands of local school and college officials, and their elected boards.

5. The HEW Regulation is based on the theory that our schools and colleges must be neutral as between morality and immorality, and as between the institution of the family and alternate life-styles. Thus, illegitimate babies and abortions by married or single mothers must be accepted as normal behavior for both students and teachers, and funded by Federal money.

We believe that our educational institutions at the local level not only have the right, but the obligation, to set minimum standards of moral conduct. We believe further that schools and colleges have no right to use our public money to promote conduct that is offensive to the religious and moral values of parents and taxpayers.

THE PRACTICAL RESULT

1. The HEW Regulation will bring arbitrary Federal control into our schools and colleges to a degree never intended by Congress or authorized by the Education Amendments of 1972.

The Education Amendments clearly state that the ban on sex discrimination applies to "any education program or activity receiving Federal financial assistance." Without any statutory authority, the HEW Regulation expands the Federal control to an enormous additional area not contemplated by the law. The HEW Regulation applies "to each education program or activity *operated by such recipient* [*school or college*] which receives *or benefits from* Federal financial assistance." (No. 86.11, emphasis added)

The italicized words show how HEW changed the meaning of the law in two ways. First, it extended the long hand of Federal control past every "education program or activity receiving Federal financial assistance," and on to encompass every education program or activity *operated by a school or college* that receives Federal assistance—whether or not *that* program or activity itself receives Federal assistance.

Secondly, HEW extended the long hand of Federal control past programs "receiving" Federal money, and on to encompass programs that "benefit from" Federal money—a much, much broader definition.

Together, these changes in wording have the result of extending HEW control over every detail of the day-to-day functioning of our schools and colleges. This extension of bureaucratic power was not authorized by the Education Amendments, and constitutes a grab for power that should not be permitted—unless Congress wants to grant total power over education to HEW.

One clear example of how HEW tried to extend its control by these tricks of language is the fraternity/sorority story.

When the preliminary HEW Regulation was issued on June 18, 1974, it applied its ban on sex discrimination to fraternities and sororities. Since most fraternities admit only boys, and most sororities admit only girls, by definition they discriminate on the basis of sex. In late 1974, Congress passed an amendment specifically exempting from the Education Amendments of 1972 and from the HEW Regulation fraternities, sororities, YMCA, YWCA, Boy Scouts, Girl Scouts, Campfire Girls, and Boys Clubs. (No. 86.14)

HEW had to accept those exceptions from its Regulation because they are now a matter of law. But in the 1976 Regulation, HEW is bidding for total control over all other extracurricular and non-education activities operated by our schools and colleges. (#86.31) The HEW Regulation assumes jurisdiction over such matters as housing, dormitories, intercollegiate athletics, rules of behavior and appearance, etc., and arbitrarily requires schools and colleges to have identical rules for girls and boys.

Thus, if schools are forbidden under the HEW Regulation to "discriminate against any person in the application of any rules of appearance," how could a school prescribe a swim suit for girls that would cover more parts of the body than swim suits for boys? Or how could the school prescribe a different hair length for girls and for boys? Schools would not be able to set different dormitory regulations, or make any different rules for girls and boys in any school-related or college-related activity. What nonsense!

The entire area of intercollegiate athletics should be outside the jurisdiction of the HEW Regulation because they are not "education" within the meaning of the Education Amendments of 1972 any more than fraternities and sororities are. Physical education classes are properly considered part of the education process, but intercollegiate athletics are not. Furthermore, it is grossly unfair to make the colleges assume the financial burden of taking moneys out of their budget to balance, or even partially balance, moneys spent on income-producing sports which are able to pay their own way by gate receipts. If the American public wants to pay to watch certain athletic contests, that should be their right. But who is HEW to tell us that we must pay taxes to finance other athletic contests that the American public has no interest in watching?

The HEW Regulation is exceedingly arbitrary in assuming Federal control of all athletic programs. It specifies that, if the school or college "operates or sponsors a team in a particular sport for members of one sex but operates or sponsors no such team for members of the other sex, . . . members of the excluded sex must be allowed to try-out for the team offered unless the sport involved is a contact sport." (#86.41) This rule would prohibit a school from balancing athletic expenditures by offering one sport for boys and a different sport for girls.

A good example of the result of such an arbitrary rule was what happened in the 1975 girls' bowling tournament in Illinois. An Illinois circuit court made a rule similar to this one in the HEW Regulation. The Dixon (Illinois) High School offered football for boys, but bowling for girls. The boys decided they would take advantage of the court ruling and complete for places on the girls' bowling team. Boys won four out of five places on the team. Then, at the I.H.S.A. girls' state championship bowling tournament held in Peoria, Illinois, in February 1975, the Dixon boys easily walked off with the title. Everyone was angry and the tournament was a farce.

Bowling is, of course, a non-contact sport. This example shows how ridiculous it is to put girls against boys in most sports, even non-contact sports. If there is *anyone* who should be against forcing girls and boys to compete together in everything, it should be those concerned about women's athletics! The girls will be the big losers under the "gender-free" coed mandate.

One of the silliest aspects of the arbitrary Federal control is the HEW Regulation that prohibits our schools and colleges from inquiring whether a student is Miss or Mrs. (#86.21(c)(4)) Have you ever read a college application form? Such forms demand the most intimate and searching answers about the prospective student, his inner thoughts, his family relationships, his financial and social situation and that of his parents. To prohibit identification as Miss or Mrs. is nothing but abject appeasement of the radical women's libbers who want to force all women to be called Ms. whether they like it or not.

Such authority is clearly beyond the power of HEW. The Education Amendments of 1972 do not prohibit discrimination on the basis of marriage or non-marriage, and it is a sample of bureaucratic abuse of power for HEW to make such a ridiculous rule.

2. The HEW Regulation will create endless havoc in our educational system by its requirements of "reverse discrimination," called "remedial action as the Director deems necessary." (#86.3 through 86.9, and 86.17) The arbitrary regulations will result in enormous expense and confusion because of their detailed requirements for paperwork, the maintenance of files, the hiring of additional employees, the advertising in newspapers and magazines to prove nondiscrimination, the expensive recruitment programs and recruitment at schools approved by HEW, the extensive grievance procedures, the assurances required from sub-contractors—all of which must be subject to HEW approval, beforehand and afterwards.

Neither "reverse discrimination" nor any of the elaborate requirements to bring it about are authorized in the Education Amendments of 1972. They are all outside the scope of the law, both its wording and its intent.

The disarray already wrought in higher education by reverse discrimination has been exposed by the Carnegie Commission on Higher Education. Its July 1974 report showed that the HEW reverse discrimination policy was lowering educational standards and undermining faculty quality, and that some women appointees do not have the proper qualifications for the university positions to which they have been appointed, and sometimes they are even paid more than white male faculty members at the same level. Despite the impractical and unjust nature of such reverse discrimination, most colleges and universities submitted to the HEW rule, and spent large sums of money preparing statistical reports proving that they had recruited and hired the necessary women, because they dared not risk losing millions of dollars in Federal funds.

3. The HEW Regulation prohibits schools and colleges from setting and maintaining a standard of morality among their students. It prohibits a school or college from refusing admission to unwed pregnant students and to those who have had, or plan to have, an abortion. Depending on the ultimate interpretation of the rule which bars treating "persons differently on the basis of sex," the HEW Regulation may even prohibit schools and colleges from refusing to admit prostitutes, homosexuals and lesbians. (#86.21 and 86.40) What business is it of HEW to prohibit local officials, parents and taxpayers who pay the costs, from setting minimum standards of morality?

The HEW Regulation requires any medical benefit program administered by a school or college to pay for abortions for married and unmarried students. (#86.40)

The HEW Regulation prohibits any school or college from refusing to employ or from firing an unmarried pregnant teacher or a woman who has had, or plans to have, an abortion. (#86.57)

In one of the most outrageously vicious attacks on the institution of the family, the HEW Regulation prohibits any school or college from giving any job preference whatsoever to an employee or applicant for employment who is "the head of household or principal wage earner in such employee's or applicant's family unit." (#86.57(2)) In the context of the same HEW Regulation that requires "reverse discrimination" based on alleged past injustices of a generation ago, this prohibition can only be read as part of the militant women's lib attack on the family as the basic unit of our society.

4. The HEW Regulation will cause endless mischief by mandating a 50/50 coed ratio in every school, college, class, and extracurricular activity, and by forcing role-reversals on our students in order to fulfill this mandate. The purpose of the Education Amendments of 1972 was to guarantee equal educational opportunities for women; that law was not intended to force all boys and girls into a coed mold for every activity, every hour of the day. But that is the impact of the HEW Regulation. It specifies that schools and colleges may not "provide any course or otherwise carry out any of its education program or activity separately on the basis of sex . . . including health, physical education, industrial, business, vocational, technical, home economics, music, and adult education courses." (#86.34) The only exceptions to this coed mandate are contact sports, sex education in elementary and secondary schools, and choruses.

Although the HEW Regulation in one section appears to permit grouping of students in physical education classes and activities by "ability as assessed by objective standards . . . without regard to sex," this is promptly negated two paragraphs later by the provision that "where use of a single standard of measuring skill or progress in a physical education class has an adverse effect on members of one sex, the [school or college] shall use appropriate standards which do not have such effect." (No. 86.34 (d)) This can mean only that, if applying a standard of ability and performance results in a disproportionate number of boys in a physical education class, then the school must find some other standard by which a proportional balance of girls can be achieved regardless.

Such a rule is lacking in common sense, it does nothing positive for girls or boys, and it is clearly not the intention of the Education Amendments of 1972. No "appropriate standards" have yet been devised which can honestly enable girls to perform equally with boys in push-ups, weight-lifting, tennis, or many, many other non-contact sports.

The HEW Regulation does not use the expression 50/50 coed. But when it bars "limited participation" of one sex in any program or activity, then that is the same thing as requiring "full participation," which must mean 50/50 or roughly 50/50, since there are only two sexes. When the HEW Regulation speaks contemptuously of letting any class contain "a substantially disproportionate number of individuals of one sex," schools and colleges will get the message that they had better not let this happen, or they will face a cutoff of Federal funds.

The HEW Regulation contains an open-ended requirement that specifies "affirmative action" even if there is no past or present discrimination. It specifies "affirmative action" in order to "overcome the effects of conditions which resulted in limited participation" of one sex—even if that limited participation was not due to discrimination. (No. 86.3(b)) This is a blank check, not only for arbitrary control over our schools and colleges, but a blank check for the militant radicals promoting a "gender-free" society with its requirement that every aspect of our school system must be forced into a 50/50 coed ratio, whether we want it or not, and whether those participating want it or not.

Thus, even if there is no discrimination whatsoever in class assignment or counseling, it is probable that there will still be "limited participation" of high school girls in shop classes and of high school boys in cooking classes. Under the HEW Regulation "affirmative action" can be used to change this imbalance to conform to the "gender-free" schooling mandated by HEW and demanded by the women's lib movement. The schools will thus be under pressure to induce role-reversals of boys and girls through counseling, in order to prevent any possibility of a charge of sexist discrimination which might result in a cutoff of Federal funds. What nonsense!

The HEW Regulation again reveals its determination to achieve a 50/50 coed status in every aspect of our schools and colleges by outlawing any admissions test (even if it is shown to be valid) that has the result of admitting a larger percentage of one sex than the other—so long as alternative tests are available that produce the desired male-female ratio (even if they are shown to be invalid). (#86.21)

Thus, if tests of proved validity result in women scoring higher and therefore more women being admitted to nursing schools, while men score higher and therefore more men are admitted to mining engineering schools, the HEW Regulation requires that the schools nevertheless discard the valid tests and adopt tests that do not have a "disproportionately adverse effect on persons on the basis of sex," (even though such tests may be invalid). What nonsense!

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In summary, we believe that the HEW Regulation on prohibiting sex discrimination is offensive to the big majority of American women and men. It reflects the narrow view of the women's lib militants who are determined to force their goals on our educational institutions whether the rest of us like them or not, and they are bidding to use the power of the Federal Government for that purpose. We urge the Congress to disapprove the HEW Regulation and send it back for revision so it will be in harmony with the intent and language of the Education Amendments of 1972 and with the wishes of the majority of American women and men.

THE ENERGY DILEMMA: WHICH WAY OUT?

Mr. FANNIN. Mr. President, for some time there has been a good deal of talk about the energy crisis, its causes and what should be done about it. The national debate over energy policy is currently raging in the Congress.

The House has just passed an energy tax bill which, among its most obnoxious provisions, imposes mandatory oil import quotas and auto efficiency standards. The Senate Commerce Committee has reported a bill which would extend Federal Power Commission controls to the intrastate natural gas market, even though economists, energy experts, even the FPC, have all agreed that Federal regulation of the natural gas producing industry has been a dismal failure and controls over the wellhead price of natural gas have caused today's shortages.

As the Senate considers such pieces of legislation which could have profound and long-range impact on our Nation's energy situation, I wish to call the attention of my colleagues to a recent publication of the American Enterprise Institute, "The Energy Dilemma: Which Way Out?" by Edward J. Mitchell. Dr. Mitchell is a professor at the University of Michigan and director of AEI's national energy project.

The text of this informative publication is taken from Dr. Mitchell's remarks delivered at the October 11, 1974 meeting of the business council and his statements before the House Ways and Means Committee on March 4, 1975 and before the House Subcommittee on Energy and Power on March 10, 1975.

As Dr. Mitchell points out, there have been two causes of the current energy crisis—first, the sudden dramatic change in oil prices in the world market instigated by the OPEC cartel, and second, the effects of years of harmful regulation on the energy sector, especially on the producers of natural gas and electricity. To eliminate these causal factors and to promote energy self-sufficiency, and stimulate the development of alternative energy sources, Dr. Mitchell proposes energy policies which eschew Government planning and control and have as their principal objectives the assurance that present and future energy demand is met at minimum cost and the reduction of future interruptions in energy supplies.

Professor Mitchell's four-point program calls for immediate deregulation of natural gas; decontrol of the price of oil; competitive private leasing of the Outer Continental Shelf and all naval petroleum reserves; and removal of delays in Government licensing and regulatory procedures, such as in the trans-Alaska pipeline project which was embroiled far too long in politics and redtape. As Dr. Mitchell indicates, such bold but essential measures have benefits to society that are so obviously greater than their cost that we simply cannot hesitate to go forward with them. Options, specifically rejected as unwise, inefficient and inequitable are oil tariffs, Federal gasoline taxes, a tax on automobiles, and an import quota with rationing—the worst of the proposals offered.

The solutions advocated by Dr. Mitchell merit serious consideration by those who genuinely believe in regulatory reform and realize that the costs of Government overregulation of energy industries far outweigh the benefits of such controls to the consumers.

Mr. President, I ask unanimous consent that the three published papers by Edward Mitchell, entitled "Why Is There an Energy Crisis and What Should We Do About It?", "Energy Policy Objectives" and "Energy Costs and National Security" be printed in full in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHY IS THERE AN ENERGY CRISIS AND WHAT SHOULD WE DO ABOUT IT?*

Suppose that oil had never been discovered in North Africa or in the Middle East. Suppose that the entire region from Gibraltar to Afghanistan contained not a drop of oil. Would we have an energy crisis today? When this question was posed last week at a conference of the AEI National Energy Project, Herbert Stein, once President Nixon's chief counsel, answered with an instantaneous "no." Later that evening at dinner, I posed the same question to Alan Greenspan, Washington's new chief economist, and just as promptly received another negative reply.

To these distinguished economists, to Charles Murphy of Murphy Oil, the man who first asked the question, and to myself, the negative answer was obvious and required no pause for reflection. Yet when I ask that question of other intelligent people, including oil men, they are just as confident that the answer is yes. And when I tell them how the economists answered, they are usually flabbergasted.

If my opinion poll is accurate, economists have a rather unique perception of our current energy dilemma. Enormous fields of cheap oil in the Middle East now coexist with an energy crisis, while in the minds of these economists the absence of this oil would have left us without an energy problem. One obvious conclusion to draw is that scarcity of energy is not the cause of the energy crisis. Certainly this is a controversial view. One needn't be reminded of the surfeit of doomsday pronouncements to be aware of the widespread concern about running out of energy.

This morning I would like to offer you the perspective of one economist on the energy problem and attempt to elucidate this seemingly strange viewpoint.

First let me deal with the doomsday argument. I think that most economists who have thought about it regard this argument as naive. We have been hearing it for more than a century and the predictions of catastrophe have never come to pass.

In 1866 the U.S. Revenue Commission was concerned about having synthetics available when crude oil production ended. In 1914 the Bureau of Mines estimated total future U.S. production at 6 billion barrels—an amount we now produce every twenty months.

Government experts have told us not only that there isn't any more oil, but also where it isn't going to be. In 1891 the U.S. Geological Survey assured us there was no chance of oil in Texas.

But these guesses at physical quantity are largely irrelevant. We do not measure scarcity by physical supply. The price that clears the market is the proper measure of scarcity. If we look at real energy prices, we find that the American consumer is paying about the same for energy today that he did in 1950. One can hardly argue on the basis of cost that energy is becoming more scarce.

If we are not running out of energy sources, what is the energy problem all about? In my view there are two causes of the current crisis. First, there has been an extremely abrupt change in energy prices in the world market. While it is true that energy prices are about the same in 1974 as in 1950, the course between those two years has not been steady. From 1950 to the middle of 1973, prices fell continuously, and in every five-year period fell faster than in the previous five-year period. Up to the middle of 1973, we had an accelerating decline in energy prices that left the real price 25 percent below 1950 levels. In the next year, energy prices gained back all of that decline and a bit more.

This pattern of accelerating decline and extremely sharp reversal has little to do with the physical scarcity of oil. Prices fell in the '50s and '60s primarily because competition in the world oil market was driving crude prices down toward costs of production. Prices have risen in the past year because competition in the world oil market was brought to a halt when an organization of oil-exporting countries began to operate effectively as a cartel. The shift from competition to cartel accounts for the upsurge in world energy prices.

The second factor is that within the United States there has been in the last decade harmful regulation imposed upon the energy sector in the form of absurdly low price ceilings on natural gas and outmoded treatment of monopolies that produce electric power. Even if world markets had continued their competitive trends, we would still have had trouble at home in the natural gas and electricity markets.

The abrupt change in world oil prices is what brought about the crisis as the public knows it. Had energy prices remained stable over the last quarter of a century it is doubtful that anyone would be losing sleep over the energy problem today. Certainly we would have some difficulties, particularly on the regulatory front, but we would have nothing resembling the panic that now exists in the United States and abroad. Had real energy prices remained constant over the years we would have experienced gradual rises in the money or nominal prices of gasoline, heating oil and electricity and consumers would not have been induced by low prices to drive bigger cars, waste heating oil in uninsulated homes, and purchase inefficient electric appliances. Energy consumption today would be significantly lower in the home and in industry.

On the supply side, we would be much further along in the utilization of oil shale, tar sands, coal, and other non-petroleum sources. In brief, we would be very close to the kind of energy economy envisioned by forecasters for the late 1980s and 1990s. Instead, we have had the luxury of very low energy prices but have had to experience the pain of getting back on the track in such a short period of time. The movement has been so fast that we have been going through the economic bends and a certain amount of decompression is in order.

It is *not* true that the rapid inflation now being experienced in most Western countries is a direct consequence of these world oil difficulties. Certainly there is going to be a transfer of wealth from the oil-consuming to the oil-producing countries. However, responsible monetary and fiscal policy would assure that this transfer would be accomplished without measurable effects on the rate of inflation. The classic economic response would be to permit a decline in both money and real incomes in the consuming countries. Apparently it is more politic to attempt to hide the real income transfer by allowing prices to rise and to accomplish the move of wealth though inflation rather than through income reductions. Either way we choose to go there is no way around this massive movement of wealth short of drastic changes in the foreign policies of the consuming nations.

Thus, the existence of cheap oil has afforded us cheap energy for a couple of decades, but its concentration in one geographical location has allowed a cartel to form and take away these benefits so quickly as to create a shock to the international economy. The crisis is not in the cost of oil, but in the dramatic change in the cost in a short time period. That is the perspective represented in the views of the economists mentioned earlier.

When I was asked to speak before this group it was suggested that my topic be the energy outlook. I suppose, therefore, I should say something about the future. From the foregoing remarks you can readily see that the energy future will depend not so much on what economists, businessmen, and scientists do, but on what governments do. This has been the case for the last several decades in the United States. For this reason forecasts of energy prices and consumption have been far wide of the mark. Indeed, if past performance is a guide, little faith should be placed in *any* energy forecast. Given the recently increased dependence of energy supply and demand on government behavior, the prospects for accuracy of future forecasts are dismal.

There is, however, something rather important that can be said about the way we look at the energy future. Most projections oriented towards influencing energy policy deal with highly aggregative figures and with overall energy growth scenarios in an attempt to reconcile future energy demand and supply. I believe this approach is a miserable way to go about making energy policy. In the first place, as I have indicated, the forecasts are almost certain to be wrong. But more important, this conception of the energy issue offers no intelligent basis for making policy choices. If you asked me whether I would prefer a 2 percent or a 4 percent energy growth rate, I could not give an intelligent answer, nor could anyone else. The overall energy statistics have almost no policy meaning. What I suppose people have in mind is that by going through this arithmetic exercise we can learn how to balance future demand and supply and avoid energy shortages. But energy shortages are not a problem. The marketplace has been balancing supplies and demand efficiently for millennia. The task confronting energy policy makers is to choose policies that help individual citizens more than they hurt them. We should choose policies because they make people better off, not because they balance two columns of numbers. The only way to make good energy policy is to study in detail the human consequences of each decision and make the choice on the merits of each individual case.

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*Remarks delivered at the October 1974 Meeting of the Business Council, Hot Springs, Virginia, October 11, 1974.

There is another fault with the macro, or aggregative, approach: it requires a high degree of government planning and control. Yet we know from recent history that the sectors of greatest government control are the ones that give us the greatest headaches.

The government cannot successfully program the future by blueprinting supply programs for oil, coal and other energy sources or by postulating elaborate conservation programs with rationing, or as it is now euphemistically known, allocation. Almost certainly such programs will result in either large surpluses or shortages, and more important, unnecessary costs. What is called for are institutions that are responsive to change and self-correcting in the face of mistaken premises. The market is such an institution. The political and bureaucratic processes as we know them today are not.

In spite of our limited capacity to predict the energy future, there is a great deal we can say about the proper policy choices that should be made. Some policies have benefits to society that are so obviously greater than their cost that we simply cannot hesitate to go forward with them.

First, we must deregulate the price of natural gas. Regulating natural gas prices at their current levels is no longer intellectually defensible.

Second, we should remove controls on the price of oil. The argument in this case is a bit weaker, but as time goes on the case for oil decontrol will rapidly become stronger.

Third, we should open up quickly for competitive leasing the outer continental shelf and all the naval petroleum reserves.

Fourth, we should speed up government licensing and regulatory procedures, particularly with regard to nuclear power plants. To cite a prominent example, the nation has lost tens of billions of dollars from the delay in the Trans-Alaska Pipeline alone.

My final recommendation is to carry out the preceding four recommendations immediately. One of the greatest problems facing our economy is the uncertainty surrounding government policy in the energy field. Businessmen and consumers must know the rules of the game if they are to make sensible decisions about future consumption and production. It may well be better to make mediocre energy policy today than to make good policy five years from now.

One of the worst mistakes that could be made would be to view the energy problem as primarily something that might happen in the year 2000 unless today we take action on a crash basis to develop more energy sources. New energy sources will be developed and certainly we should attend to their development. But the main energy problem is now and for the next ten years. We must permit the economy to adjust to the new level of prices instead of resisting the inevitable. Indeed, freeing American consumers and producers to adjust to the real cost of energy is the best single thing that can be done to reduce that cost.

ENERGY POLICY OBJECTIVES*

Mr. Chairman and members of the committee, it is a pleasure to appear before you today to discuss the alternative energy proposals now before the nation. This past month has seen a barrage of tariff, tax, quota, and rationing/allocation proposals that surely gives the average citizen every right to be confused. This confusion stems partly from the fact that we are asking for a policy that will lower energy costs and meet future energy demand and at the same time reduce unemployment, stem inflation, redistribute income to the poor, and improve our balance of payments.

No energy policy can do all of these things. Energy policy cannot be used to serve all the ends of society. The broader social and economic objectives must be met with the aid of such more general social instruments as monetary and budget policy. Energy policy must focus on energy. To ask more is to guarantee that the energy consumer will not be served well.

There are just two major objectives of energy policy: (1) to assure that present and future energy demand is met at minimum cost to the nation, and (2) to reduce the impact and probability of future supply interruptions, such as an oil embargo. It is my view that the policies that best meet these goals will in any case have only minor effects on broader social objectives.

In the light of these energy goals, let us look at a few of the proposals now being advanced. The President has installed a tariff on imported oil and proposes to recycle the tariff revenues by reducing taxes. The tariff does raise the consumer price of oil; it does not, however, raise the cost to the nation of acquiring oil from abroad. The tariff would contribute toward a reduction in world demand for petroleum. If oil exporters want to sell as much oil as before, they must lower their price. If they do not lower their price, they must somehow cut back production. The tariff thus places pressure on the price of oil and on the cartel itself, both contributing to the first objective. If the world price does not fall, the United States will import less oil, thus making it less vulnerable to a future supply interruption—a contribution to the second objective.

Thus, the tariff does contribute to our two energy objectives. But, while it has a depressing effect on world oil prices, it is not likely to break up the cartel. The expected reduction in demand of half a million barrels per day might be the straw that breaks the camel's back, but it is not likely to be. Also, insofar as the objective of reducing the impact of an embargo is concerned, there are less expensive ways to do that. The President's proposal for a security reserve, although the scale is too grand, meets the security objective much more directly. Large fluctuations in supply are managed every day by businessmen by keeping large inventories, not by asking their customers to restrict consumption permanently.

The President's tariff proposal has the virtue of putting downward pressure on the cost of acquiring oil abroad. That, I believe, is its sole virtue, but it is an important one.

Recently, there have been several proposals to place a tax on gasoline or on "gas-guzzling" automobiles to achieve ends similar to the tariff. While both measures are analogous to a tariff in that they would reduce petroleum demand, they are less efficient. For example, cutting heating oil demand by one gallon has the same effect on the world oil market as cutting gasoline demand by one gallon. Surely some people would find it easier to cut back on some gasoline and some heating oil than to have their automobile usage bear the full brunt of cutbacks in consumption. The gasoline tax does not give them that choice.

Placing a tax on large autos is an even more roundabout way of reducing oil demand. Surely the public should be given the opportunity to decide whether they want to continue their current driving habits in small cars or drive fewer miles in large cars. A gallon saved in either way has the same effect on the world market. Furthermore, this proposal seems like an attempt to legislate taste and impose a lifestyle on millions of Americans who, for whatever reason, like big cars.

On the subject of quotas and rationing there has perhaps been the greatest confusion between means and ends. Usually quotas and rationing are advocated because they reduce consumption; they "conserve" oil. Yet, unless self-deprivation has recently become a national virtue, doing without oil is not a legitimate social objective. Conservation is not an end in itself (and, in any case, we would be conserving foreign oil, not our own). The purpose of reducing demand is to put downward pressure on the world price of oil, and neither quotas nor rationing are likely to serve that end.

The problem is that, while quotas do reduce imports, they affect the demand for oil in a way that defeats their purpose. Suppose we place a limit on imports that cut them back one million barrels per day. This means that the OPEC cartel must produce one million barrels per day less. But what price will it charge? Clearly OPEC won't reduce the price since it won't sell any more oil. Businessmen, including OPEC businessmen, reduce prices solely for the purpose of increasing sales. Since the quota fixes a maximum on sales there is no reason whatever to lower the price. On the other hand, if OPEC raises its price, it will, up to a point, not lose any sales. The quota will cause a shortage of oil domestically, create an excess demand for oil, and require rationing. This excess demand can be choked off by a rise in the OPEC price without any drop in sales. It is obvious then that a quota will tend to raise, not lower, the price of oil. (There is a possibility, of course, that a one-million-barrel-per-day cutback will be impossible for OPEC to handle but as in the case of the tariff, this is not likely.)

Quotas and rationing thus constitute an approach that offers less oil—misallocated by the government—at a higher cost. What else needs to be said against it?

One wrinkle on the quota approach is the proposal of Professor M. A. Adelman to use quotas not to restrict consumption, but for the purpose of auctioning off rights to import oil. He envisions government agencies accepting sealed bids, thereby inducing a certain amount of undercutting or cheating on the cartel price and ultimately leading to the breakdown of the cartel. While the objective is laudable and the plan could succeed in a situation in which the cartel was ready to break, it runs the risk of inducing OPEC to form a selling agency with exclusive rights to sell OPEC oil—turning the loose association we face now into a full-blown cartel with staying power. With an excellent prospect for lower world oil prices in the longer run if we do nothing, I think that at the present time the dangers in this proposal outweigh the probability of success.

The upshot of my thinking on the tariff-tax-quota-rationing options is that we should do nothing or, second best, put a tariff on imports. Trailing well behind in my estimation are the gasoline and "big auto" taxes. *Quotas and rationing would be downright harmful.*

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*Statement before the Ways and Means Committee of the House of Representatives Washington, D.C., March 4, 1975.

While the options just discussed get most of the headlines, they are not necessarily the most important policy issues. For the fact is that the nation and the world have responded appreciably on the consumption side to the high cartel price of oil. Americans are consuming less oil this year than just before the Arab embargo of 1973. The problem is that domestic petroleum production is falling faster than consumption, and this is due primarily to perverse domestic policies that go back more than a decade.

Since the early 1960s, the Federal Power Commission (FPC) has engaged in a policy of straightforward income redistribution by holding the price of natural gas to a fraction of its competitive market level. As a result, new finds of natural gas have dwindled and consumption has exceeded new discoveries for the past six and a half years. Today plants are being shut down and workers laid off due to gas shortages, while fewer new homes are being hooked up for gas heating. It is true that some residential consumers have benefited from the low prices. A recent study submitted to the AEI National Energy Project estimates that gas users will save $4.8 billion in 1980 if regulation is continued. But the same study shows that consumers who would be able to buy gas in a free market at free market prices, but who would have to use oil or electricity at much higher prices under regulation, will lose $5.8 billion in 1980. Thus, consumers as a whole would lose $1 billion per year under continued regulation.[1]

But the principal negative effect of FPC controls on the consumer may well come from the demand created for oil by the shortages of gas. Without price controls the demand for oil imports, and hence the world price of oil, would be lower than under regulation.

Extension of price control policies from gas to oil in 1971 spread the problem further. Although "new oil" is no longer controlled, there are still harmful and perverse effects from the "old oil" controls. Extended production of oil fields is discouraged.

Old-oil controls also subsidize consumption of imported oil and thereby put upward pressure on world prices. When an American buys a gallon of gasoline produced from Arab oil he pays not the full price of the Arab crude but a price reduced by an elaborate Federal Energy Administration system of oil misallocation and entitlements. When the same citizen buys a gallon of gasoline made from American crude oil the same FEA system requires that he pay more for the crude oil than the American producer receives, the extra amount going to the Arab producer. The American consumer thus buys more gasoline than he would without controls and unwittingly buys all the increment from abroad, helping to support the world price.

In summary, I recommend decontrol of the domestic oil and gas markets as the key step in reducing the long-run cost of energy to the nation. Together with appropriate policies on outer-continental-shelf leasing, the naval petroleum reserves, and nuclear power, market forces will bring enough pressures to bear upon the world market to cause OPEC to adopt a more restrained pricing policy. While an oil tariff or a tax on gasoline might create additional pressure on the cartel, it is by no means clear that either would make enough of a difference to offset the moderate misallocation of resources involved.

Broadly speaking, I reject the approach of direct controls, whether in the form of rationing, quotas, lower speed limits, or whatever, because it places the citizen and the government in opposition. Human energies will be devoted not to making the program work but to figuring ways of getting around it. Human ingenuity being what it is, direct controls will only produce more direct controls until the whole program falls of its own weight. The recent congressional proposal of *strict enforcement* of the 55-mile-per-hour national speed limit, which is, after all, the law of the land, illustrates well the essential futility of this approach.

I propose instead that we swim downstream, that we make human motivation work for us by utilizing market forces. Nothing I have suggested will have any profound effect on the unemployment rate or on inflation in the short run. In the longer run, price stability and the balance of payments will be strengthened. But these are not strong reasons for supporting my suggestions. We should decontrol because it will at long last let the U.S. petroleum market straighten itself out after decades of governmental mistreatment.

ENERGY COSTS AND NATIONAL SECURITY*

Mr. Chairman and members of the committee, there are two major objectives of energy policy. The first is to meet our energy demands at the lowest possible cost. As a practical matter this means lowering the world price of oil. The second objective is to insulate the economy from such future supply interruptions as an oil embargo.

To a certain extent these objectives are in conflict. Low world oil prices imply large oil production, which in turn implies large imports. How can we import large quantities of oil at low prices and maintain our national security? This price/security tradeoff is one of the central dilemmas of energy policy. But before we can deal with it, we must examine the precise situation that confronts us today.

According to most forecasts of supply and demand for energy in the United States, the current high price of oil, if maintained over the next decade, implies that U.S. oil imports will decline to roughly half their current level. A study by the M.I.T. Energy Laboratory published by the AEI National Energy Project[1] and the Federal Energy Administration's own Project Independence blueprint confirm this conclusion. (While these energy forecasts of a decade hence are subject to considerable error, they are all we have to go on.) Their message is clear: if current world oil prices are maintained there will be no security problem.

But some believe that current world oil prices cannot be maintained. If they fall, and if no action is taken to restrict imports, domestic energy costs will be lower, but imports will rise and our security will deteriorate. If world prices do fall, a case can therefore be made for measures to reduce imports and to stockpile oil to guard against supply interruptions.

While there are signs of a slight downward drift in world oil prices in recent months, no one can say that the cartel is breaking up, or even that a downward trend has clearly been established. Recent actions by Saudi Arabia to cut production show that there is plenty of discretion available to the cartel in terms of future production and pricing policies. We cannot assume that world prices will continue to fall.

Until it is clear that world oil prices are going to fall substantially, there is no security argument for raising domestic oil prices above the current level or for restricting imports. I, therefore, oppose implementation of oil tariffs, gasoline taxes, and import quotas at this time. If current prices continue, such measures would place an unnecessary burden on oil consumers.

If world prices do fall, there is a long list of options available to reduce imports. Since I discussed these at length before the Ways and Means Committee last week, I will merely summarize my judgments on them here:

An oil tariff would be the most efficient means of reducing imports and of placing downward pressure on the world price of oil.

A gasoline tax would be a less efficient and less equitable means of achieving the same objectives as the tariff.

A tax on automobiles according to gasoline mileage would be even more clumsy and inefficient than a gasoline tax.

An import quota with rationing would be the worst of the proposals offered, since it would tend to raise the price charged by the OPEC cartel.

While these import control alternatives have captured the headlines, the greatest room for improvement in U.S. energy policy is on the domestic side. While our consumption of oil has actually declined since the period just before the Arab embargo, our domestic production of oil has declined even faster and imports have risen somewhat. The reason for recent declines in domestic oil and gas production is simple: price controls. We will not allow our own domestic producers the same price we pay to the cartel. As a result, we subsidize the cartel; we import more from them than is necessary; and we discourage domestic production. The best single action we could take to reduce long-run oil prices and imports is, paradoxically, to let U.S. producers receive the world price.

It is significant that among the few policy prescriptions agreed upon by the panel of five economists testifying before the Ways and Means Committee last week were the following:

Deregulate natural gas prices and phase out price regulations on old oil.

Repeal the oil depletion allowance.

Reject a windfall profits tax on oil and gas.

At the present time decontrol of "old-oil" and "new-gas" prices is the only measure that would both improve our security and help the consumer in the long run. In the event that imports do not decline under this policy, we should be prepared to install a tariff and build larger oil inventories. Since the relationship between oil prices and imports is still uncertain, our import policy should stay flexible. While "tough" policies on imports may be necessary in the future, the present situation does not seem to require them.

THE HAND THAT FEEDS

Mr. HATFIELD. Mr. President, the Agribusiness Accountability Project has recently published a collection of four essays on world hunger entitled, "The Fields Have Turned Brown." One of these, "The Hand That Feeds," has many disturbing and provocative things to say about the U.S. Public Law 480 program.

Our Public Law 480 program is 21 years old. It was conceived to serve the purposes of surplus disposal and market development. It is woefully inadequate as the vehicle for our response to the world food crisis, and is greatly in need of reform or complete revision. Senators HUMPHREY, CLARK, and I have introduced three separate pieces of legislation to accomplish this purpose in different ways.

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[1] Paul W. MacAvoy and Robert S. Pindyck, *Price Controls and the Natural Gas Shortage* (Washington, D.C.: American Enterprise Institute, 1975), pp. 54–55.

[*] Statement before the Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, Washington, D.C., March 10, 1975.

[1] M.I.T. Energy Laboratory Policy Study Group, *Energy Self-Sufficiency: An Economic Evaluation* (Washington, D.C.: American Enterprise Institute, 1974).

From one of the three, or a combination, we should be able to get an effective program responsive to the humanitarian needs of the world's hungry. It is my hope that we will have some hearings on these bills in the near future.

In the meantime, I commend this essay to my colleagues for their reading, and I congratulate Ms. Susan DeMarco and Ms. Susan Sechler for their outstanding work for the Agribusiness Accountability Project and the public interest.

I ask unanimous consent that their essay, "The Hand That Feeds," be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

THE HAND THAT FEEDS: THE FOOD AID PROGRAM

The American people have been told and retold until they have come to believe that since World War II the United States, out of altruism and concern for our fellow man, has donated countless billions of dollars in money, goods and services for the relief and improvement of those less fortunately situated than ourselves. Of these vast amounts, food has constituted a significant part.

In the cold light of historical review, it is inescapably clear that the component of simple greed has at least equalled if not exceeded that of generosity, and that when faced with a choice between self-serving policies and alternatives framed to meet the needs of the ostensible beneficiaries of foreign aid programs, we have generally opted for the former. As a result, our food aid programs have been neither as altruistic as claimed nor—more unfortunately—as effective as they might have been.

With the one exception of disaster and famine relief, the United States does not have and never has had a food aid policy built around the needy peoples of the world, and the nature of their needs. Instead, we have a body of legislation built around such purposes as—

To dispose (profitably) of farm surpluses which otherwise might create serious domestic economic problems;

To create new, or to expand or protect existing, markets for U.S. owned interests;

To provide cheap capital for overseas investment by U.S. enterprises;

To "launder," so to speak, military assistance which might have been challenged if so identified.

On close examination, the total amount of our "contribution" toward meeting world needs is not as great as we have often claimed. In recent Senate Hearings on food aid, Senator Robert Dole of Kansas (responding to the statement that the United States had shipped over $30 billion worth of food overseas) questioned Department of Agriculture representatives about the cost of the food aid program.

"It just seems to me," said the Senator, "that the record ought to reflect what this country has done, everything we have done, how much it cost . . . now and then we at least ought to tell our own people what it costs before we expand it further."

The Senator might be surprised to learn that the total cost of the program to the American people has been significantly less than the $30 billion—a figure which represents the value of the commodities if a cash market had existed for them, which it did not. Nor does the $30 billion figure allow for the amounts paid back to the United States in local currencies or in dollar repayable long term loans, or for the cost of storage had we not "given" the food away, to say nothing of the losses to farmers if it had merely been dumped on the market. "Cost" proves to be a tricky concept when viewed from all angles.

Economist Michael Hudson in his book, *The Myth of AID*, provides one approach to an analysis of the money returned to the United States on the $16.2 billion of program expenditures between 1954 and 1969:

"The government disbursed some $3 billion of the foreign currencies obtained through the program to its various agencies, sold $.5 billion to private enterprise, and expended some $1.3 billion for common defense through the Pentagon, mainly in Korea and Vietnam. $1.7 billion was used by the Defense Department in barter for strategic raw materials. Long term dollar and other convertible currency sales made up another $1.6 billion, so that the total balance of payments credits amounted to $8.1 billion—just matching the $8.1 billion the CCC would have had to expend to store the crops."

This is not to say that the commodities were not valuable to those who received them, but rather that the "gift" aspect of the food programs has been considerably less than is generally believed. Moreover, while it is true that the United States has been the largest contributor in total quantity and food given, this was in considerable part because we had surplus to give. When contributions are ranked as a percentage of total GNP, for example, the United States rates a low fourteenth among the 16 developed countries who participate in the Organisation for Economic Cooperation and Development (OECD). Furthermore, 80% of the food aid given by the other developed nations is in the form of straight grants, not loans.

PUBLIC LAW 480

By far the largest part of American foreign food assistance has been conducted under the authority of Public Law 480. This law was created in 1954 out of the Mutual Security Act and was conceived at the time as a temporary program to be discontinued when domestic food surpluses disappeared. The program was to assist in the reduction of U.S. agricultural surpluses by developing markets in friendly countries.

It was not until 1961 that the Act was amended to authorize outright grants of agricultural commodities to promote development, and the language "to combat hunger and malnutrition and to encourage economic development in developing countries" was added to its statement of purpose. In 1966, the Act was revised again to emphasize the importance of food aid to combat malnutrition, promote self help and voluntary family planning activities in developing countries. The statutory requirements that commodities must be in surplus before they would be eligible for sale or donation under the Act was removed. Existing legislation does stipulate however that no commodity can be made available for disposition under P.L. 480 if such disposition would reduce the supply below domestic requirements, adequate carryover, and anticipated exports, as determined by the Secretary of Agriculture at the proposed time of export.

Title I—Concessional sales

Title I of P.L. 480 deals with the sale of food products to other countries, commonly referred to as "concessional sales." The term "concessional" has no specific technical meaning, but relates descriptively to the fact that sales under Title I may be financed on negotiated terms, generally more favorable than those available from other credit sources. Title I has accounted for about 70% of all commodities shipped under P.L. 480.

The United States, through the Commodity Credit Corporation, finances deals between grain traders in this country and the governments of importing countries. Originally, most of the sales were financed through loans repayable in the recipient country's local currency, which in turn was used to finance U.S. Government agencies locally, for business investments, for local development projects, etc. Later this policy was phased out, and loan repayment is now in U.S. dollars. Credit terms usually include a down payment, low interest rates, and from 20 to 40 years to repay. In cases of special need, the 5% down payment can be waived.

There is no requirement in Title I that the commodities so sold be distributed to those most in need in the recipient country. Rather, the theory behind the program is that it will serve to provide the recipient government with an increase in the amount of food available on the market, and at the same time provide that government a source of additional revenue from the sale of the food. In theory at least, the recipient government would then have additional funds to plow back into agricultural development.

Title II—Donations or grants

Title II is the donation or grant part of the P.L. 480 program, currently accounting for around 20% of the program's expenditures.

Approximately half of the food made available in Title II is distributed through international relief organizations such as CARE, Church World Service, Catholic Relief Services and the American Jewish Joint Distribution Committee, Inc. Most of the programs operated by these organizations are targeted for selected groups with special needs, such as pregnant and nursing mothers, preschool feeding programs and school lunch programs. The rest of the Title II food goes to multilateral relief organizations such as the U.N.-operated World Food Program.

Emergency disaster and famine relief efforts can be carried out through either Title I or Title II of the program.

Oversight and decisionmaking

Until very recently, the Title I or concessional sales part of the program—representing, as noted above, some 70% of the program—has virtually escaped oversight and meaningful assessment of its results from the viewpoint of the needy in recipient countries.

Day to day decisions involving food aid allocation are made by an Assistant Secretary level group known as the Interagency Staff Committee, which includes representatives from the Departments of State, Treasury, and Commerce, and from the National Security Council, the Council of Economic Advisors and the Office of Management and Budget. Allocation meetings are closed to the public and do not report to any Congressional committee. In recent Senate hearings on the P.L. 480 program, Arthur Mead (the USDA official who chairs the group) was asked by one Senator if every committee member had an equal vote. "This may shock you, Senator," responded Mead, "but that committee has existed for 20 years on a consensus."

The Interagency Staff Committee, with diverse interests, little or no supervision, and ill-defined priorities, has been unable to bring a coherent philosophy and discipline to bear on the food aid program. The Committee's decisions tend to be dominated by its stronger personalities, or by those who speak from the more impressive power base.

In recent years, the view around which most "consensus" was reached was that of the State Department and the National Security Council. According to Department of Agriculture figures, in 1973 Cambodia, South Viet Nam and South Korea received 67% of all Title I aid. Bangladesh, on the other hand, received 5%. It was allocations such as these that moved one official of the committee to comment to *The Washington Post*, "The food aid program exists as an arm of Kissinger's foreign policy."

For its part, the Congress has been somewhat less than vigilant. Most members of Congress have had a more active interest in where the commodities are purchased than in where they go. In 1968, the Congress did briefly decide to take a more active role in the country-by-country allocation system, and formed a congressional Advisory Committee to review proposed commitments. The Committee—which included bi-partisan representatives from both the House and Senate Agriculture Committees and Foreign Affairs Committees—was designated to have regular meetings, with a rotating chairmanship. The Committee met once. No one seems to remember why it never met again.

After the P.L. 480 hearings in March 1975, Senator Clark of Iowa was moved to comment to the *Des Moines Register*: "It's interesting that the committee that's provided for by law never meets and the one which isn't makes all the decisions."

Food Assistance—Political or Humanitarian?

The extent to which some elements of the Government regard food assistance to other countries as a source of political leverage rather than an exercise of benevolence is somewhat illustrated by the events which followed the adoption of the so-called Humphrey Amendment to P.L. 480.

On December 30, 1974, President Ford signed into law the Humphrey Amendment, limiting the amount of concessional food that could be used for "political" purposes to 30%.* At the time of the signing, only a small percentage of the program's allocations had been made; however almost 48% of these commitments were political and in all the funding levels considered the percentage needed to cover political commitments would have been substantially in excess of 30%. In fact, on a program year basis, from January 1974 through December 1974 63% of the program's commitments were for political use.

In early January, Secretary of State Kissinger proposed that South Viet Nam be reclassified as a Most Seriously Affected nation, which would make it eligible for "humanitarian" aid over and above the 30% limit. The Senate Committee on Foreign Relations rejected this suggestion.

Next, the Administration proposed an interpretation of the law to the effect that the 30% limit applied to the total assistance under Titles I and II—an interpretation which would have the effect of increasing substantially the amount available for political use. Again, the Senate Committee refused to go along.

Finally in early February, the Administration announced a $500 million increase in food aid for fiscal year 1975, bringing the total U.S. commitment to $1.5 billion. By increasing the total amount of food aid, the administration would be able to cover its political commitments within the permitted 30%.

The immediate, if somewhat accidental, result of all this maneuvering is an expanded food aid program—for this year. But this result is by no means a permanent step forward in food aid policy. Rather, the struggle puts the inadequacies of our food aid "policies" in meeting the needs of the hungry into the public spotlight in a new and somewhat sharper focus. In June 1975, the 30/70 provision runs out, and Administration spokesmen are already beginning to push for a "rethinking" of the conflict between the political and humanitarian use of food aid.

At recent Hearings in the Senate Agriculture Committee, Thomas Enders, Assistant Secretary of State, said:

"Mr. Chairman, let me add a word about the controversy between 'political' and 'humanitarian.'

"Few would argue that our programs are designed to achieve both ends. All the countries we assist with P.L. 480 are developing; all are relatively poor; all have deficient dietary standards; many are threatened with disaster, either natural or through war; all have major food needs.

"The question is not whether to choose between Korea and Pakistan, between Viet Nam and Cambodia, between Chile and India. *The question is how to find a basis on which our national interests can be served in each country.*" (Emphasis added.)

The words in italics in this quotation are worth pondering, especially because they were obviously uttered seriously and with the utmost sincerity. No one—not even the most needy of the underdeveloped nations—expects the United States (or any other nation, for that matter) to consciously act in a manner *contrary* to its vital national interests. But two important questions should be considered.

First is the objective of our food aid programs to help feed the hungry, because that is a worthy end in itself, or is it to use food as one of the chips in the poker game of international power politics, with the ultimate purpose of securing advantage for ourselves over our "adversaries"? The question goes to the very heart of our food assistance policies, and lies behind our undignified posture in Rome, where the official U.S. representatives proclaimed the urgent need for a workable food aid program, yet we found ourselves unable or unwilling to commit our share.

The second and perhaps even more important question goes to the matter of understanding where our "national interests" lie in regard to food. We tend to think of our interest in terms of bolstering some governments or political movements of which (at the time) we approve, or disadvantaging others of which we do not approve. It does not require much foresight to perceive that there can be no stability and no peace in a hungry world, even if the anguish of the millions of unfed or underfed did not weigh upon our collective conscience. Viewed in the long run, our national interest lies not in using food to further disrupt governments (as we did by refusing food aid and even food sales to Chile under Allende), nor in supporting regimes which we consider as "friendly" even though they are reactionary and even despotic. Rather, it lies in developing a way to a de-politicize food aid, as was recommended to the World Food Conference by its Secretary General.

Food Assistance—"Markets or People"

A second aspect of P.L. 480 that conflicts with the needs of hungry people is the provision for "developing international markets." Many of the negative results of long term food aid, such as distorting local markets and reducing incentives to local farmers, arise from this goal of the legislation rather than from the mere existence of food aid programs, as such.

One of the most significant examples of this conflict is the negotiation of "tied" aid, based on a concept of Usual Marketing Requirement (UMR) as defined in the law. The UMR provision requires that the aid-receiving nation increase the amount of its farm product imports from the United States in proportion to the growth of its domestic market. In addition, the nation's farm exports must not increase in a way which might potentially displace U.S. commercial exports.

In his analysis of P.L. 480 in *The Myth of AID*, Michael Hudson cited the negative impact of this provision in the following language:

"Neither farm sectors nor the balance of payments position is helped. They are contractually obligated not to implement policies of domestic agricultural self-sufficiency and must enter into agreements assuring the United States a guaranteed future share of their domestic markets."

In fact, according to D. Gale Johnson, author of *World Agriculture in Disarray*, consideration of possible competition even dominated the kind of technical assistance the United States would provide to developing countries. The United States would not give technical assistance or economic aid to be used to assist a nation to increase its own output of a crop that might compete in world commercial markets with a crop exported by the United States. Thus, while the United States was giving aid to Burma, technical assistance and other forms of aid could not be used to assist Burma to produce more rice, because Burma was a major rice exporter and as such a competitor with the United States.

"Tied" aid also provides the United States with a powerful trade negotiation weapon. Recent agreements with Egypt for P.L. 480 financed food included a stipulation for purchase of 2,144,000 tons of wheat from the United States. South Korea promised to purchase at least 150,000 tons of rice for cash in exchange for P.L. 480-sponsored commodities.

A *Forbes* article with the striking title, "Feeding the World's Hungry Millions, How It Will Mean Billions for U.S. Business," reported that the U.S. Government "put food shipments to India on a month-to-month basis until that country agreed to let Standard Oil of Indiana, which produces fertilizer, market that fertilizer at Standard's price. Later in 1967, AID requested $50 million so that India could buy fertilizer, with the stated purpose of helping U.S. oil companies."

Thus far, whenever a suggestion of dropping the "tied" aid requirement has been raised, special interest groups have been quick to oppose it.

In 1970, when the President proposed to drop the tied aid policy, the president of the Fertilizer Institute protested, saying that this would—

"Undermine American opportunities to develop long range trade relationships with these nations. Experience shows that as these nations grow into a viable economy, they tend to do business with the commercial ties developed under AID programs."

The market development aspects of the P.L. 480 program include U.S. efforts to develop new eating habits in those countries where potential cash customers could be developed. This was done, for example, after the war when the Japanese imported large quantities of wheat under the P.L. 480 program. In the case of Japan—a rice-eating country which relies heavily on imported food and has no balance of payments problem—this effort meant good business for American farmers and little problem for the Japanese. In less developed nations, however, efforts to encourage consumer tastes for products which are not locally grown and must be imported can, to the extent they are successful, hurt local markets, use up precious foreign exchange, and discourage self-sufficiency.

Another serious departure from the ostensibly humanitarian objectives of the P.L. 480 program is the use of program revenues to provide subsidized loans to American corporations overseas. Until 1971, this was accomplished through the Cooley Loan Program, which made approximately $415 million of local currency repayments available for U.S. business investments.

In many cases, this system of repayment led to the building up of stocks of local currencies far in excess of the U.S. Government's needs for its own operations in those countries (such as payment of rent, wages and salaries of nationals employed in U.S. agencies, etc.). The Cooley procedure permits the Government to use these surplus currencies in the form of loans to U.S. concerns for investment or operations in the particular country concerned.

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*To avoid the problem of defining "political" purposes, the amendment defined them as aid to nations not on a list of those most seriously affected by food shortages, as established by the United Nations, using such criteria as the extent of hunger, poverty, lack of exchange reserves for food imports, etc.

For the U.S. Government, this device had the advantages of putting otherwise idle local currencies to work, and of reducing, at least to some degree, the outflow of dollars which otherwise might have been used to finance the same projects. From the point of view of the corporate borrowers, these negotiated loans were advantageous not only because they conserved company-controlled dollar balances, but also because they were offered at highly favorable interest rates.

Cooley program loans were not necessarily even marginally related to agriculture, but rather were general business loans to corporations like the First National City Bank, Chase Manhattan Bank, Bank of America, etc., for "business development promotion."

When P.L. 480 switched over from local currency repayments to dollar sales, the concept of the Cooley loan was modified into a new form called Private Trade Entity Loans (PTE). Under this provision, P.L. 480 commodities are made available to private corporations to sell, and the proceeds from such sales are then considered as loans and used to finance the company's projects. In the lists of PTE loan recipients, many of the same corporations such as Ralston Purina and Cargill reappear from country to country. Although PTE loans, like Cooley loans, are eventually to be repaid, the terms of the loans are frequently more favorable than commercial credit terms.

The Private Trade Entities agreements are more directly related to agriculture than was the Cooley loan program. However, any agricultural benefit to the country is directly offset by the very purposes for which the loans may be given. Specifically, loans are required to directly "result in the expansion of sales for dollars of U.S. agricultural commodities" or to directly "assist in developing future commercial markets." Thus, the basic requirements of the program make it clear that its benefits are intended to go to the United States, not to the people or the economy of the country being aided.

According to George Anthan of the *Des Moines Register*, Korea-Cargill Ltd., a subsidiary of Cargill, Inc. of Minneapolis, Minnesota, received $1.8 million worth of corn and tallow to be used in the production of livestock feeds. "The company was authorized to use proceeds from the sale of the feed in South Korea to finance expansion of its feed milling operation and for poultry and livestock production and marketing facilities."

One problem with this program is the distortion it tends to produce in the use of resources. On the one hand, food may go for sale in countries which do not have the most acute needs, simply for the investment convenience of an American corporation interested in expanding its commercial operations in that country. Or, on the other hand, the money spent for food by poor people in low-income, food-needy countries may go to finance an American business venture which may not be appropriate for the development of the country, or in fact, may directly compete with indigenous enterprises and food needs.

For example, in 1957 Purina Colombiania (a subsidiary of Ralston Purina, the world's largest manufacturer of feed grain) established its first local factory in Colombia. In 1958, Purina received a loan for $83,000 from the U.S. Government through the Cooley loan program. A recent book, *Hungry for Profit*, by Consumers Union, revealed how Purina Colombiania affected Colombian internal food priorities:

Technical assistance and the necessary credit, direct from the company, encouraged Colombian farmers to enter the poultry business. Farmers purchased both the feed and the baby chicks from Purina, raised them, and sold the grown chickens back to the company. Purina also contracts for feed crops such as sorghums and soybeans. Purina offers credit to farmers who grow these crops and encourages both government and private lending institutions to do the same.

All of this sounds quite practical and useful in the abstract. Unfortunately, however, these operations were not conducted in the abstract, but in Colombia—a country where the division of the population into a small class of the rich and a large class of very poor is uncommonly sharp. In Colombia, 60% of the children are malnourished. Only a small class of middle and upper income people can afford chicken and eggs.

According to the Consumers Union analysis, the result of the Purina enterprises has been to actually shift agricultural land and production away from traditional sources of protein such as dry beans, which the poor can afford, to the needs of the poultry industry. Because of this reduction in acreage planted in crops usable by the poor, the protein deficiency in Colombia has actually increased.

When food aid is given for U.S. national purposes—either political or market development, or both—the tendency to reduce the country's own agricultural production is sharpened. As one Office of Management and Budget official noted:

"If a country knows that we will continue to give them food for political reasons, there is little incentive to increase production. If the reason is to develop markets, then the *quid pro quo* is to buy, not to produce."

In a recent six-part series in *The Washington Post* on P.L. 480, investigative reporter Dan Morgan used South Korea as an example of a country in which, according to officials interviewed, "the inflow of food had adversely affected domestic agricultural production."

Consistent with its policy since the end of the armed conflict in Korea, the U.S. Government has provided massive support for the regime of President Park Chung Hee. One aspect of this support was very large P.L. 480 shipments. Tiny South Korea has received, through P.L. 480, just under $2 billion worth of commodities—more than any other country in the world except India. In addition, according to Morgan, "in 1971, 1972 and 1973 the AID extended three loans from 'development funds' to enable South Korea to purchase rice on the open market. There was no pretense that the loans were for 'development purposes.'"

In mid 1973, because of short supplies of P.L. 480 commodities and because, in the view of many officials, South Korea was ready to be a cash customer, P.L. 480 shipments were terminated. Earlier this year, at the height of the hunger crisis, rice shipments to Korea under P.L. 480 were resumed because "policy makers conclude the possible drawbacks are outweighed by political and security requirements of keeping friendly with South Korea's regime."

What was the impact of these massive shipments on the Korean economy? According to the Department of Agriculture, in 1970 South Korea produced 81% of its total food grain needs; by 1973 that figure dropped to 68%. Cheap rice imports made it possible to keep rice prices low for the urban population, so that labor costs could also be kept low. The impact of this policy on farmers was described in a 1974 World Bank report: "Between 1963 and 1967, there was a sharp decline in the relative income of farm families versus that of city households."

There are still other ways in which the Food for Peace program is used to benefit U.S. interests to the detriment of developing countries. At the recent World Food Conference, the lack of trained agricultural scientists within the developing nations was cited as a serious hindrance to development. The Food for Peace Act, according to a USDA press release, "provides for the effective use of U.S. owned foreign currencies which cannot be converted into dollars, but which may be used for scientific research *beneficial to U.S. agriculture and the American consumer*." (Emphasis supplied.)

In a matter so urgent as food, common sense would seem to dictate that the scientific research to be supported with food-aid funds should be directed toward the practical and pressing needs of farmers and consumers in the countries being assisted. The official policy, however—as in the case of the PTE loan program discussed above—is precisely the opposite. It is not the local farmers who are to be helped or the inadequate number of local experts which is to be expanded; it is *U.S. agriculture* and the *American* consumer who are to reap whatever benefits flow from the research so financed.

For example, a department release recently announced a grant to two Indian scientists to experiment "with the chemical modification of cellulose molecules in cotton to obtain flame retardance in the fabric." In a similar release a month later, the Department announced grants to a Pakistani researcher to do work on a kind of leafhopper: "Most of the damaging insects in the United States have come from abroad unaccompanied by their natural enemies. If species related to leafhopper pests in the United States are found in Pakistan, this information could provide U.S. scientists with a source of the pests' natural enemies."

Neither project sounds like a priority item for people in India or Pakistan, two of the countries most severely hit by food shortages, and most frequently criticized by outsiders for not improving their own agricultural development.

One of the most frequent criticisms of food aid is that as a competing source of food, it can take markets away from local farmers and actually retard the growth of that country's agricultural production.

In a recent article in the *Journal of Agricultural Economics*, the authors conclude that—

"The negative impact of P.L. 480 on domestic prices and supply can be significantly reduced if the commodities are distributed in the recipient economy in a way that creates new demand rather than substituting or competing with existing demand."

To accomplish what they suggest will not be easy, but there is no reason to think it impossible. It would require, however, that the food aid or donation commitment be made for a greater length of time than a year, which is the current U.S. policy, so that the receiving country could plan for its use. Given that, several approaches are possible. One, for example, would be a program similar to our food stamp program, which actually brings people who could not otherwise afford to buy food into the market.

Another way has actually met and passed the test of application in Israel. According to Clifford Kern, writing in *The Political Science Quarterly*, P.L. 480 imports not only produced few adverse price and production problems, but actually stimulated production: "This favorable result was the outcome of a number of factors. First, food aid was used in the context of a vigorous development program which assured a high level of demand." The author goes on to say that "most important, contrary to the P.L. 480 agreement, 69% of the aid commodities merely displaced normal imports, only 31% representing food in excess of what would otherwise have been imported." Thus, while Israel's development policy was important, equally important was the U.S. policy decision to waive one of its two primary interests in the P.L. 480 program—U.S. market development—in order to encourage Israel's development.

CONCLUSION

So long as the major portion of U.S. food aid is captive to overriding political and commercial concerns, it will do little to advance a goal of long-term food security for the hungry, and, more frequently, will even tend to disrupt that goal. Food aid assistance is simply not an area in which the United States can satisfy all appetites; it must choose between feeding people in a context which is constructive to long-term development or advancing its own near-term commercial and political interests. The two are simply not compatible.

There is also a genuine feeling, advanced by a number of experts, that it is simply impossible to give long-term food aid effectively on a bilateral basis. Even if the problems of political and commercial preemption were solved, and if the program's allocations were more reliable so that the food could be used better by the recipient nation, there are still a number of issues of allocation and oversight that could be better handled on a multi-lateral basis.

According to Irving Hedges, the former director of the Food for Peace program from 1967 to 1973:

> "Bilateral agreements of this kind simply do not work. Our 25-year experience in aid programs has shown that no matter how conscientious you are, you simply cannot tamper with a country's internal policies. We can't send in monitors, such as the GAO does for domestic programs and if the country has an agricultural budget bigger than the P.L. 480 earnings, what happens to the revenues from P.L. 480 is simply a matter of attribution. Besides, concessional sales program is a loan program, not a grant. The revenues accruing from those sales belong to the country, not to us."

Mr. Hedges and others have suggested for this reason and others that food aid should be handled on a multilateral basis.

There are a number of alternative ways to put food aid negotiations, allocations, and contributions on a workable international basis. There is also reason to believe that rather than reducing the efficiency of the food aid process, that this decision would make it more efficient from the vantage point of equity and long-term development.

The World Food Conference recommendations call for additional coordination, which will probably be done through the United Nations World Food Program. The extent to which the United States participates in this effort at all levels, including allocation, is critical to increasing the effectiveness of our food aid program.

What is of greatest importance is that the United States begin to recognize food aid as a part of a long-term struggle on the part of the least developed countries to achieve food security, and begin to participate in a program to meet that need. The United States knows far more about what works and what doesn't than we are currently using to make food aid policy, but until we begin using that knowledge to a constructive end for food aid recipients, the program will continue to be at best ineffectual, and at worst, injurious to the very peoples whose urgent needs are used as the justification for the program's existence.

FOOD STAMP PROGRAM NEEDS BETTER CONTROL

Mr. HANSEN. Mr. President, we are all aware of the massive growth in the food stamp program since its inception, and more particularly over the last decade. Since 1965 the ratio of Americans receiving food stamps has increased from 1 in 439 to 1 in 13. By early last month this figure had further increased to 1 in 11. A year ago there were 13.9 million people actually receiving food stamps, and the total number of potentially eligible was estimated at 52.8 million.

The reasons for this staggering growth lie in areas other than that of increased aid to the truly needy. This figure of 52 million would lead one to believe that one-fourth of the population is in some manner starving, yet in no sense of the word can this be correct. Rather, as the July 1975 Readers' Digest suggests, recent explosive growth in the food stamp program has been largely triggered by loose eligibility standards. The article, which I believe has been previously inserted in the RECORD, cites the deputy U.S. Commissioner of Welfare as stating:

> We are giving away food stamps like crazy. There are virtually no controls. The taxpayers ought to be up in arms.

Reform of the food stamp program must include a reexamination of priorities. In my view, the program can and should be returned to its original purpose of aiding the legitimately needy in attaining a more nutritionally adequate diet. If this can be accomplished, while saving significant amounts of money, the Congress should seriously examine the proposals advanced. The Food Stamp Reform Act of 1975 can make possible this redirection of program benefits to the American poor, and it will save an estimated $2.0 to $2.5 billion. Most significantly, it presents a reasoned alternative to current food stamp allotments, which have been temporarily rendered inoperative by the recent court of appeals decision against the Department of Agriculture. The Reform Act, by raising coupon allotments to the level of the "low-cost diet plan" would effect a 29 percent improvement in the assistance provided to the remaining recipients.

The Food Stamp Reform Act takes steps to close the loose eligibility standards which have been such an important cause of the expansion of the program. The provision establishing the minimum age for qualification as a separate household, for example, would eliminate one means for young people today to subsist—or augment their subsistence—at public expense. The parents of many of these minors are fully capable of supporting these children. Yet frequently we encounter the case of the "runaway" or the child rebelling against parental upbringing, who leaves home and receives food stamps on his own.

The provision against the eligibility of strikers unless otherwise qualified, is a clear statement that tax supported assistance to strikers both unduly weights the bargaining process on one side and diverts public assistance away from those whose only means of support or nutritional assistance may be cash or food stamps.

It is these type of situations—where food stamps are made available to those not in real need of the aid which food stamps can properly provide—that has caused the seemingly blind expansion of the program. The Food Stamp Reform Act provides the opportunity to examine the aims and direction of the program. It is a reasoned attempt to restrict the continued massive outlays which have been characteristic of reform efforts in the past. At the same time, the 29-percent improvement in assistance provided by the bill to those found legitimately eligible is a good opportunity for the food stamp program to avoid the continued uncertainty caused by the circuit court decision.

PROBLEMS WITH PROPRIETARY SCHOOLS

Mr. PERCY. Mr. President, the Chicago Tribune recently concluded a series of articles on abuse in the proprietary school industry—those profit-seeking schools that sell both correspondence and residence courses to teach skills in every trade imaginable. The series is the result of a 3-month task force investigation of proprietary trade schools in the Chicago area, and I am appalled at the findings. The series brings to light numerous distressing stories and information accusatory of many members of the trade school industry. The task force came to these conclusions:

First. Students pay hundreds of dollars to proprietary schools to earn diplomas and certificates that are frequently useless in obtaining employment.

Second. Trade school salespersons often work strictly on commission and are thus under pressure to enroll many students who cannot possibly benefit from the training offered.

Third. The private agencies responsible for the accreditation of proprietary trade schools seek unsuccessfully to control so-called "fast-buck operators" in the industry.

Fourth. Some proprietary schools resort to numerous types of chicanery and illegality to collect Veterans' Administration education benefits and student fees insured by the Federal Government.

Fifth. Salespersons sometimes make entirely false claims with regard to the placement of course graduates in related jobs.

Sixth. Government regulations are inadequate and often contradictory, and the Federal Government has not done enough to alleviate or prevent existing problems in the proprietary school industry.

Seventh. The victims of fraud and abuse in the proprietary school industry are not only the disappointed students who get nothing for their money and efforts but also American taxpayers who foot much of the bill through veterans benefits and federally insured student loans.

Mr. President, I have for some time been aware of problems in the proprietary school industry and so reported last year to the Senate. I find the abuses in the Chicago area alone as reported by the Chicago Tribune to be very *disturbing*. I intend to reintroduce legislation I first offered last year that is designed to prevent many of these documented horrors from happening again. In the meantime, I ask unanimous consent that the Chicago Tribune task force report and related articles be printed in the Record, together with a letter to the editor of the Tribune from Mrs. Evelyn Echols who presents another, but well-informed view of the trade school situation.

There being no objection, the material was ordered to be printed in the Record, as follows:

Fast Talkers Sell Dotted Line and Little Else

Arnold [Arne] Fabrikant has just tricked a Puerto Rican who has difficulty understanding English into signing a contract for a correspondence course in interior decorating.

Outside the victim's house Fabrikant turns and winks at his companion, a Tribune reporter posing as a sales trainee.

"Some are easier than others," he chuckles.

Fabrikant, 30, a salesman for La Salle Extension University for more than two years, is eager to move up the corporation ladder.

"See, I want to sign up a lot of students because promotion time is coming up and I want to look good on the books," he explains.

With unemployment across the nation at a 34-year-high, the $3-billion-a-year home study and trade school business is booming. And the salesman, with his finely honed pitch, is often the only personal contact the student ever has with the school.

Fabrikant has just worked his pitch on Juan Ortiz, 29, a $130-a-week factory worker who wanted to learn to "paint and panel walls." He had answered La Salle magazine ad offering "free information."

"You know interior decorators make lots and lots of money. They are very professional people," Fabrikant told him. "You will be respected and admired. You can get a good high-paying job or open a business for yourself. You can get started in one of those big department stores, like Wieboldt's or Libby's. They need people who speak Spanish.

"We have to make sure you are qualified to take the course. La Salle doesn't just take anyone. Puerto Ricans think education is important. They take pride in their education, and that's good."

Fabrikant got Ortiz to sign a contract by filling it out as he talked, pointing to the dotted line and saying, "Now, you register here."

Though the school requires a minimum $30 down payment, Ortiz's wife, Lena, who speaks no English, could find only a $10 bill. Fabrikant took the ten "to hold a place in the class for you" and paid the rest of the down payment from his own pocket.

Fabrikant, who speaks several languages and prides himself of his knowledge of ethnic traits, tells the reporter on leaving the Ortiz home:

"Did you see how I waved my hands around a lot? That's what they do. They talk with their arms. It makes them feel more comfortable."

Several days later the mailman arrives at 1719 W. Morse Ave., and Juan Ortiz finds himself surrounded by $600 worth of home-study lessons he did not know he had signed a contract for. He has now turned to the Legal Aid Society for help.

Reports of misleading sales tactics by some of the 250 privately owned correspondence and trade schools in Illinois were brought to The Tribune by Gov. Walker's Consumer Advocate Office after the state conducted a preliminary investigation.

During a three-month investigation of 13 Chicago-area schools, Task Force reporters posing as sales trainees and students found:

Salesmen making phony job placement claims. Edward F. Cihak of Bell & Howell home study schools said the school placed "100 per cent of graduating electronics students," while the school officially reported 8.4 per cent to state officials in Minnesota.

Operators claiming unlimited job opportunities. Gerald Vargas of American School of Heavy Equipment said Gov. Walker's construction program made chances of getting a job in the Chicago area "excellent." Actually the state legislature rejected the program, and the operating engineers union currently reports 2,100 members out of work.

Salesmen offering tuition discounts and cash kickbacks. Fabrikant knocks $10 off the tuition fee and offers a $10 bounty to any student who refers him to another who signs up. Bell and Howell fired one salesman who admitted offering a $20 discount to a reporter.

Salesmen operating out of storefronts or their automobiles, their income depending solely on commissions, often know nothing about the courses but a lot about selling. And their approaches are as varied as their claims.

La Salle, a subsidiary of MacMillan Publishing Co., leans heavily on the "qualifying interview," which Fabrikant described as aimed at "getting that great inner dream out in the open."

"The qualifying interview is a powerful tool in the hands of someone who knows how to make it work," Fabrikant said during a meeting of sales trainees. Salesmen are instructed not to deviate from the time-proven company interview that Fabrikant said is designed to get a commitment from the prospect.

"Psychologically you have him following your orders right thru the qualifying interview so by the time you get to signing the contract he can't go against you," said Fabrikant.

Salesman Gary Hoffman, 36, demonstrated the approach on a Greek immigrant who had written the school for information. A reporter posing as a sales trainee accompanied him.

The man, who owns his own refrigeration business, looked over the La Salle course, shook his head negatively, and muttered in broken English, "Basic. All too basic. I don't think I need."

Undaunted, Hoffman brought out the "qualifying questionnaire" and led the Greek—"You don't mind if I call you Steve?"—thru a list of questions such as:

"Why have you waited so long to decide to increase your education?" "Do you think you can make decisions quickly?" "Do you think you will be happy with your job in five years if you don't increase your earnings?"

In the end the Greek immigrant surrendered and Hoffman pocketed a $30 down payment. Outside the home the salesman quipped:

"He didn't need that course. It's too simple for him. He won't learn anything. And he writes like a child. I had to help him fill out the application because he couldn't understand it. Did you see that?"

Fabrikant showed a reporter another La Salle gimmick, a card students are asked to sign when they register for the Washington School of Art, a La Salle affiliate. It gives the school permission to exhibit and sell the student's work—a practice a school spokesman admitted was discontinued more than two years ago.

La Salle salesmen also urged prospective students to act fast before the price goes up. George Walters, who was selling courses without the required state permit, told a reporter posing as a prospect that the $675 hotel-motel management course would cost $1,000 or $1,200 in another month, and added:

"We'll finance you for 5.5 per cent, way below market, but if you wait, it'll double."

A La Salle attorney termed the practice "unauthorized and surely improper."

Salesmen for Commercial Trades Institute, a Montgomery Ward subsidiary—calling themselves "veterans' counselors"—use a number of gimmicks to encourage men with GI benefits to enroll in the school, where 72 per cent of the 60,000 home study students are veterans.

They distributed official looking red, white, and blue "Attention All Veterans" cards that can be sent to the school for information and wear "Help Out A Veteran" buttons on their lapels.

"Sometimes I go all the way thru a pitch and people think I'm from the VA," said James L. Lyons, state manager of C. T. I. "I never tell them that, but if that's what they want to think, I'm sure not about to tell them otherwise."

He embellishes on the role by informing prospective students about other benefits under the GI Bill, including death benefits and $125 for a cemetery plot.

A C. T. I. district manager, Angelo Lomonaco, trying to sell a home-study course to a reporter, told him:

"I always say, if you can use someone else's money and not your own, then use that other person's money. The VA is picking up 90 per cent of the cost. If you don't use your benefits . . . the government will spend it on another country."

C. T. I.'s Edward Kelly, executive vice president, said in an interview that posing as a VA representative was a "cardinal crime." He said the school did not provide the "Help Out A Veteran" buttons and said he found them as offensive as a "help the blind" badge on a person who can see.

Some schools rely on what the trade calls "hardware" to induce students to sign for courses. It may be an expensive set of tools one gets to keep (paid for by the government if you are a veteran), the motor one builds, or—in the case of Bell & Howell's home-study schools—a television set.

Salesman E. F. Cihak, in attempting to encourage a reporter to take Bell & Howell's television repair course, told him he would get to keep the 25-inch TV set as part of the deal, and explained:

"Now, the total program is $1,795—but the TV set alone is worth $735, and you get $500 worth of equipment. If you have VA benefits, you might as well use them, right?"

Cihak, the same man who claimed Bell & Howell placed 100 per cent of its electronics graduates, was fired by the school after The Tribune brought his sales tactics to the attention of Bell & Howell officials.

Bell & Howell's own placement figures do not hold up either, the Task Force found.

Bell & Howell provided a list of former students of the homestudy electronics school it said were situated in electronics-related jobs by the school's placement service.

Of 24 persons on the list located by The Tribune, 22 said they found work without assistance from the school and 7 said they are not even working in the electronics field.

One of them, David McDivitt, a veteran from Wakefield, Neb., is listed as having been placed in a "maintenance technician's" job by the school. Actually, he said, he is working as a janitor, sweeping egg shells in an egg-processing factory.

William Carson, executive vice president of the school, admitted that many of the names checked by The Tribune "perhaps should not have been included on the placement list." He blamed some of the errors on a shift of files from one office to another.

At Advance Schools, Inc., 1840 W. 79th St., which recently filed a bankruptcy petition, students were pitched to take advantage of two government financial programs, the GI Bill and Federal Insured Student Loan [FISL].

Joyce Skowronski, an Advance representative, told a reporter posing as a prospective student that he could bank his GI benefits and draw interest on them while paying for the course with federally guaranteed FISL funds, which would not have to be repaid until 33 months after he enrolled in the school.

An official of the Department of Health, Education and Welfare, which administers the FISL program and is investigating the Advance operation, termed the sales tactic a "sharp practice" that was never anticipated by Congress.

About 95 per cent of Advance's 70,000 students nationwide were using the FISL program when the school filed bankruptcy petitions in May. Charles Chase, assistant to the president of the school, denied that the school had abused the intentions of the FISL program but said the school had to constantly police "recruiting abuses."

The latest wrinkle in correspondence school sales pitches is offering students a rebate, such as those auto dealers devised to help combat the recession.

International Correspondence Schools of Scranton, Pa., in April came up with an "official cash discount certificate" worth $100. Daniel Kerne, an I.C.S. salesman trying to interest a Task Force reporter in an airline course, told him:

"The program costs $995, but because you are a veteran [the VA pays 90 per cent of the cost and the student pays 10 per cent], it will cost you nothing. You will get the $100 rebate, and you will be ahead a little bit."

Richard W. Baker, information service officer for the VA regional office in Philadelphia, advised by The Tribune of the new program, said the government is looking into it.

"If the school were to submit the full cost of the course before the discount, and the VA were to pay it, it would constitute fraud," he said.

Vincent Termini, an I.C.S. spokesman, said the VA had been informed of the rebate program, but not until long after it had begun.

Many salesmen never see the schools whose courses they peddle and either operate from storefront offices or from the cluster of motels around O'Hare International Airport.

A reporter enlisted as a salesman for I.C.S. took his training at the Flying Carpet motel on Mannheim Road. When calling on prospects, he was advised by James Barksdale, I.C.S. district manager:

"Act professional. Hand him your coat, never say please and thank you, or you are not living up to your image. Refuse refreshments. People are basically friendly, but if you lose your air of formality, you lose everything.

"And never say International Correspondence School," Barksdale continued. "Say I.C.S. school."

"Avoid the word 'correspondence.' It has a bad name."

Matchbook Schools Strike Before Government Closes In

Ellen Trapp suddenly discovered she owed $244 to a home-study school, even though she had never completed a lesson.

The 19-year-old aspiring airline hostess from Chicago signed up for an airline personnel training course with Associated Training School, and did not discover until after putting her name on the contract that all major airlines insist on training their own personnel.

Then she lost a race to cancel her contract within the five-day cooling-off period set by Illinois law and learned she owed the school a percentage of the $1,295 tuition.

"I sent a letter to the salesman at his Chicago office, but it was returned marked 'unclaimed,'" she said. "Then I read in the contract that the notice had to be sent to the home office in Miami. I tried to call Florida, but the office was closed for the day. They are in a later time zone."

By the time she finally reached the school's office, she had become the victim of a $244 delay. For Miss Trapp and the other 3.3 million consumers who enroll in correspondence and trade schools every year, there is little protection in instances such as this.

Regulation within the industry is a classic case of too many agencies doing too little. There are at least four federal and four state agencies with regulatory roles in protecting the half-million students enrolled in Illinois' 250 privately owned schools.

Reports of widespread abuses within the $3-billion-a-year industry were brought to The Tribune by Gov. Walker's Consumer Advocate's Office after the state conducted a preliminary investigation.

During a subsequent three-month investigation of 13 Chicago-area schools, Tribune Task Force reporters posing as sales trainees and students documented numerous irregularities. In the area of enforcement they found:

The State Office of Education spends only $205,000 a year from its $14 million operating budget for six employes to license, inspect, and handle complaints about any of the Illinois-based schools.

Dr. Michael J. Bakalis, who headed the state agency until this year, said "budgetary restrictions" prohibited adequate monitoring of the schools but admitted that "proprietary [for-profit] schools were far down the line in my interest."

Bakalis was interviewed soon after he left the post. He was replaced by Joseph Cronin, who had been in office only a few weeks at the time of the interview.

Rules and regulations governing operations of Illinois schools are not only inadequately enforced but also John D. Keller, who wrote them during the Bakalis administration, conceded the laws are probably unconstitutional and unenforceable anyway because of conflicts with statutes and vague language.

Recent attempts by the Federal Trade Commission to strengthen rules have cemented an alliance between the National Association of State and Private School Administrators [a group of government officials] and the industry it is supposed to regulate.

At the request of Bernard H. Ehrlich, attorney for the two largest trade organizations, N.A.S.P.S.A. has threatened to file suit against the FTC challenging its authority in regulating schools, if the agency continues to act independently of local officials, and not inform them about federal investigations.

The proposed FTC rules would add a 10-day cooling-off period after contract signing, during which time a student would have a chance to withdraw from the deal; better consumer protection from phony sales and placement claims; and a pro-rata system under which a student would be charged only for lessons actually taken.

"We see these new proposals as a real threat to states' authority," said Joseph A. Clark, president of N.A.S.P.S.A. "What is needed is a better working relationship between the states and the federal government."

Bakalis, who himself prefers less federal control, said:

"We don't want to emasculate a growing industry. Private and vocational schools are going to be a much more important option after high school. This section of the education scene is going to take on more importance. But I don't mean we want it to go wild."

Illinois law does not contain any of the proposed FTC provisions. And the Illinois Office of Education has only two men known as "generalists" to evaluate courses.

"Too often courses are approved in Springfield, and they should not have been," said Thomas Pekras, assistant director of post-secondary education.

Illinois Office of Education regulations provide that agents for schools must be licensed, and prohibit selling enrollments without a permit.

Since it takes up to three weeks to process such permits and obtain identification cards, however, some schools push salesmen onto the street, peddling education like aluminum siding without bothering to obtain the legal documents.

La Salle Extension University advertises regularly for new sales personnel. Three Tribune reporters who answered the ads were advanced to the front lines immediately, with neither permits or background checks.

"Under no circumstances should a salesman be on the street selling courses without a permit," said Thomas Richardson, assistant to the director of post-secondary education. "Without that element of control, an individual could pretend to be a salesman from a given school, sign somebody up, and take the person's money and leave the state." State regulations also prohibit certain sales tactics and make the schools responsible for what their salesmen say.

"But I don't think that is enforceable," said Keller.

He said there are conflicts between the regulations and statutes "that would be impossible to sort out in court."

Keller, who wrote the rules, now operates a paralegal trade school in partnership with Bakalis' brother, George.

Another regulation requires schools to make sure a student is qualified or is capable of understanding a course, they may give qualifying aptitude tests, but the exams must be approved by the state.

The absurdity of this became apparent after a 3d grade pupil, the son of a reporter, took a 30-minute multiple choice test offered by a travel agency school, filling out the answers in 19 minutes. The school notified a reporter who sent in the test in her name, that her answers showed she had the "required skills and knowledge of world geography to become a travel agent."

Schools are also required to submit information relating to their present instructors, courses, and placement. But overburdened state employes can do little but stuff the data in appropriate files and assume it is correct. Task Force checks determined that job placement statistics filed by many schools were false, misleading, or outdated.

One of the more creative abuses of Illinois regulations is a device many schools use to take advantage of state refund laws to get the maximum profit from students who do not finish courses.

State regulations require a student to pay a percentage of the tuition based on the actual number of lessons finished in a course, and pay the whole tuition if more than 50 per cent of a course is completed before dropping out.

Thru a device known in the trade as "front-end loading," courses are set up so a student takes more than 50 per cent of the lessons early in the learning program.

For example, Mark Hiller, 17, tried to cancel at La Salle after completing less than two years' worth of lessons in a four-year high school correspondence course. The school told him he had to pay for the entire course—62 lessons—because he had finished 51 of them, well over half.

He discovered the school crams 35 lessons into the first study year. One of the books in the first year is 179 pages long and contains 15 home-study lessons, for example, while a 321-page book for the next year contains only one.

Another La Salle student, Thomas Dever, 17, of Prospect Heights, signed up for a course described in a brochure as "32 lessons." After completing seven, he dropped out and asked for a refund.

But the school advised him, "While our complete course does include a total of 32 lessons, recent revisions have been made and this course now contains 17 lesson submissions."

Using arithmetic Dever still can't understand, the school told him he had completed half the course, and thus owed the school money.

"I never realized seven was half of 32, or even 17," he said.

La Salle officials refused to be interviewed about complaints from students. However the school commented in writing that students need more lessons in the early stages of a course to keep their attention.

Keller condemned front-end loading as "an abuse of the law."

One solution to the front-end loading abuse is a proposed FTC pro-rata regulation, under which a student would pay only for what he gets—paying the full tuition only if the course is completed.

Minnesota is one of the few states that has instituted a similar procedure, which requires full payment of tuition only after 75 per cent of the course is taken.

Minnesota, which actively polices correspondence schools doing business in that state, also requires that a school prove it can prepare people for employment before being approved.

Kenneth Hatampa, vocational administrator for Minnesota, said the state just budgeted his office $6,000 to have outside specialists evaluate courses in which special knowledge is needed.

Public hearings on the FTC's new proposals, including the national pro-rata law, will be held this fall.

Len Dunlop, president of Bell & Howell schools in Chicago, termed the proposed FTC regulations "a simplistic solution . . . like using an elephant gun to shoot a mouse.

"People think this industry is populated by avaricious, undereducated redneck ripoff artists who victimize defenseless, undereducated people. That just isn't true," he said.

"You may need more regulation. The industry isn't perfect. Or, perhaps you need better administration of the regulations that exist."

The Federal government until recently relied solely on the trade organizations themselves to accredit home study schools for participation in the department of Health, Education and Welfare's student loan program.

The trade organizations, however, inspect schools only once every five years, and accreditation requires that a school belong to the trade association and pay it a percentage of its annual sales.

As a result of growing concern over industry abuses, HEW has issued its own regulations. But Kenneth Kohl, commissioner for the Guaranteed Student Loan Program in Washington, said enforcement will be difficult.

"Congress never anticipated the ingenuity of a lot of the entrepreneurs in this industry," he said. "The student loan program gets a million loans out to students a year, and we can't allow less than scrupulous people in the program, or Congress will kick the whole thing out the door."

The Veterans Administration also is tightening regulations, but officials here agree that, in the end, it is the buyer who must beware.

Jerome Laemet, assistant regional director for the FTC in Chicago, said:

"The victims of this are you and I—the taxpayers. Taxpayers are pouring millions of dollars into these schools."

$30 Down Buys Pie in the Sky, Lessons in Frustration

Universal Training Service, a Miami-based correspondence school, is traveling the streets of Chicago in the head of 77-year-old Louis Carpenter, as he cruises around in a late-model Cadillac making house calls.

Universal, boasting 50,000 home-study students, advertises "Eight Exciting Careers" in the Yellow Pages, and operates openly in Illinois, tho it is illegal.

The school, whose Orland Park phone number turns out to be an answering service, is unlicensed in Illinois, but operates without apparent restriction, making job promises it cannot fulfill, preying on young people's dreams of a better tomorrow thru education.

The grandfather Carpenter, with his promises of a glorious future—for $30 down and X easy lessons—was encountered repeatedly by Tribune Task Force reporters during a three-month investigation of the $3-billion-a-year correspondence and trade school industry.

One reporter met him when he called at her home to pitch her on a $995 course for an airlines ground hostess job, saying: "We train for 40 or 45 airlines in the country. They have no training program for themselves."

Another met him when he called at the reporter's apartment to tell him about Universal's heavy equipment school. "You can put $30 down today and that will help you to get signed up right now," he said. "There are 30,000 construction jobs opening in Illinois this spring."

And to another reporter, Carpenter pitched an insurance adjusters course, which he hinted would earn its taker $50,000 a year. "We place 96 per cent of our graduates," he said.

A check with major airlines revealed that all have their own training programs, and anyone hired from a correspondence school would have to take the airline program regardless.

Construction union officials said a heavy equipment operator cannot get a job with only correspondence school training. Operating Engineers' business manager Wilfred Dewalt of Local 649, Peoria, said:

"We have our own training program, and it's state approved—and free! We put in a nickel an hour for the training, and the course runs five years. These schools are ripoffs and don't do a thing but take a man's money and make him promises they can't keep."

Last year, before its license was dropped, Universal submitted a 1974 placement list of students to the state. Of 13 checked at random, only one said he obtained a job thru the school. Several others were not employed where the school said they were, and others said they attended the school five years ago.

The Minnesota Department of Education has refused to license Universal because of noncompliance with Minnesota laws. Universal is no longer licensed to operate in Illinois because of failure to place the required surety bonds for itself and any agents operating in the state.

Carpenter boasted to reporters that he had 65 salesmen working for him in this area. However, a check uncovered only one Universal salesman in addition to Carpenter.

Thomas Richardson, assistant to the director of postsecondary education in Illinois, said:

"As far as I am concerned, Universal is no longer licensed to do business in Illinois. If they are operating in the state, they are in direct violation of state law. No school can operate without that surety bond on the school and on its agents.

"Maybe you have some knowledge that they are in operation. But how would I know that? We have to assume in these cases that the schools are complying with state law."

Charles Craig, head of Universal operations in Miami, said, "I think that's outside the purview of the media to investigate the operations of private business like that. We have people that are always complainers. They complain about everything, and you can't please them."

Abuses in the correspondence and trade school industry were first brought to The Tribune's attention by Gov. Walker's consumer advocate's office, after it conducted a preliminary investigation. Universal was one of the extreme cases uncovered in the Task Force's subsequent investigation of 13 Chicago area schools.

But even with the most reliable schools, students are taking a risk in signing up for mail-order courses. Standard courses are sold to anyone who can come up with a down payment, regardless of educational background, talent, or ability to learn.

For example, of three students who took the identical mail-order auto mechanics course from Advance Schools, Inc., 1840 W. 79th St., one said the course was "just tremendous," another described it as "too simple," and a third said he could not understand it.

Charles Chase, assistant to the president of Advance, a school that filed for reorganization under the federal Bankruptcy Act in May, said:

"We get complaints. You have to get complaints. You have to get complaints from some people. We sell one course in each subject, and it has been carefully prepared and geared to help most people. But there are always some people who will not be able to understand it, or who will know too much to get anything out of it."

Thomas Pekras, assistant director of postsecondary education in Illinois, said there are 250 such privately owned schools based in the state—78 per cent of them in the Chicago area—and the department has only five people to monitor them.

"Quite frankly, in evaluating courses, we many times know very little about the course itself," he said. "We've learned a lot as time goes by."

The utter frustration of trying to learn a career by mail was described by Lee Smith, 50, an unemployed construction foreman from Alderson, W. Va., who took Bell & Howell's $1,400 course on TV repairing:

"Volume two of the course arrived nine days ahead of volume one. For the next several months, the lessons continued to arrive out of sequence, and parts and equipment for one lesson often came with the test for another.

"When I signed up they told me there was a toll-free number in Chicago I could dial if I ever had any trouble. Sometimes I would call the school every 20 minutes, all day long, trying to get thru to them. The line was always busy."

After six months, Smith ran up the white flag, saying, "They had me so fouled up there was nothing I could do."

He demanded his money back, and after a flurry of letters to the Better Business Bureau and various consumer affairs organizations, the school agreed to settle with him for $400.

A recent study by the Veterans Administration determined that 69.8 per cent of all veterans who take radio and TV repair courses by mail do not complete them. The dropout rate runs as high as 93 per cent for other courses.

A typical dropout is Dennis Loren, 25, of Amity Harbor, N.Y., a Viet Nam veteran who enrolled in Bell & Howell's TV repair course, but found himself not educationally equipped to handle it.

"By the fifth lesson it just became too advanced," he said. "It was all formulas. It was the math I couldn't understand. I was just happy to call it quits."

William Carson, executive vice president of Bell & Howell's home study division, said Smith studied three times faster than normal and that he took the course at a time when "there were a couple of problems," including mailing and other technical difficulties.

He said Loren did not complain about his difficulty with math until after the school sent him a bill.

Another drawback in taking home study courses is that the same course is mailed to every student who signs up for it, even tho the material may not apply to his part of the country.

Commercial Trade Institute, 1400 W. Greenleaf Av., a division of M-W Education Corp., a Montgomery Ward subsidiary, offers a 100-lesson course in building construction for $695. Patrick Maddalino, 24, of Miami, Fla., signed up for the course, with the VA picking up $625.50 of the cost.

"The salesman told me that, when I graduated, that was all I needed to start working and get a job as a contractor," he said. "He didn't tell me anything about testing and licensing by the county. In fact, Dade County [Fla.] doesn't even accept this as an accredited school.

"And the course was geared for the northern or central states, and nothing like we have in Florida. They tell you how to build a building with a certain kind of block we don't use here. That means the architecture is different, and the stress will be different."

Robert Nottenburg, C. T. I. education director, said, "We offer a nationwide program. This man in Miami believes the zoning information is old because the laws there have been changed, but what we teach is typical of most other areas."

C. T. I also offers a $995 motorcycle repair course that its salesmen say will teach a student how to become a motorcycle repairman. Minnesota says the course doesn't fill the bill. Illinois can't seem to make up its mind.

The state of Minnesota refused to accept the course after three experts determined it was worthless. An official of the Illinois Department of Education told the Tribune:

"Actually, the engine the student got in the course should not have been approved, but next thing we knew, we got a letter . . . saying it had been approved."

The utter futility of some home study courses often doesn't hit home until after the mailman comes and a student discovers he is paying good money for lessons he could get free elsewhere or for common-sense information he already knew.

For example, American Truck Driving Schools, 7750 S. Cicero Av., offers 60 home study lessons for $1,680 on how to become a truck driver, which students must complete before they can qualify for the $300 course in actual driving.

Six of the lessons, at $28 each, are mere reprints of a free publication of the United States Department of Transportation.

Another two lessons, also at $28 each, consist of a few sentences informing the student he should take the Department of Transportation's written test, which is required of all drivers.

And another lesson, five pages on "Importance of Driver Training to the Industry," lists only statements of praise for the school but counts for one more $28 lesson just the same.

H. Donald Overbey, director of the school, said:

"I think these lessons are well designed, and there is no way you are going to make me apologize for them. These home study tests are pretty effective. We found that people who finish home study do well in resident training. They have a good chance of finishing resident training if they get thru the home study part. In fact, 90 per cent of those who finish home study get thru resident training."

Two of his students take a somewhat different view of the school.

Charles Vesely, 22, of Burbank, called the 60-lesson home study course "a joke. All Mickey Mouse.

"When we got to the actual driving course, I'll bet you I spent no more than 15 minutes a day behind the wheel of a truck. The rest of the time I would sit and watch while others took their turns.

"I couldn't even come to class because there was nothing to do but stand around. The owners didn't care, because they were getting their money from the VA. They would even fudge my attendance records, just so they could get their hands on the VA money."

Richard Schulz, 32, of Hickory Hills, who took the $1,980 course, said:

"Before I signed up, I said to the salesman, 'How is it with jobs?' He said there were more jobs than students. I thought: 'Oh, great! This will be tremendous.'

"I signed up, and they told me I would have a job for sure. I was so happy about it. I went home and told my family I would be driving a truck and making lots of money.

"All the while we were going to school the salesmen would give us this big pep talk about how there were these jobs out there. Overbey would tell us there weren't enough students to fill all the jobs. In my opinion the school was a ripoff!

"The school couldn't place me. Finally I went out on my own. I hit every trucking company south of the Eisenhower. Each time they would look at me and laugh when I told them I had graduated from the school. They wanted men with at least two years' experience.

"Luckily I'm a veteran and didn't have to pay for the course out of my own pocket."

A former instructor for American, John Davis, who quit after one month, told The Tribune:

"I've worked all my life and just couldn't stand the thought of taking another man's money and giving him nothing but dreams. That's the only thing these schools do. They hold out a slice of pie in the sky—and it just ain't there."

For $2,000, Trade School Students Get Little Assistance

There is a snap, a flash of blue light, and a curl of black smoke wafting up from behind an air conditioning unit.

Four students at Greer Technical Institute in Norridge spent most of the day wiring a thermostat to the air conditioner and furnace blower, and they just switched the thermostat to the "on" position.

Tho they methodically followed the instructions of their teacher, Paul C. King, all they have to show for their efforts is one more blown fuse.

Frustrated, one of the students, Edward Nolan, 25, turns to King:

"Look! You've got me so confused I don't know what I'm doing. Why don't you just stay here and explain it to us, step by step? I've got so many wires coming out of this thing, I'll never remember tomorrow what I did today."

"Do it yourself," answers King, restudying his diagram to see what might have gone wrong. Then he discovers he's been working from the wrong sheet.

Blown fuses and erroneous wiring diagrams are only a part of the learning story at Greer, a resident trade school owned by Ryder Systems, Inc., of truck driving fame.

A Tribune Task Force reporter attended class at Greer as part of a three-month investigation of the $3 billion a year correspondence and trade school industry. The investigation was undertaken after complaints of abuses by some of the 250 privately owned schools in Illinois were brought to the newspaper's attention by Gov. Walker's consumer advocate's office, and after the state conducted a preliminary investigation.

At resident trade schools, such as Greer, students take courses on the premises, using the school's equipment. Home study students take courses thru lessons that arrive by mail.

In Greer's refrigeration, heating, and air conditioning course, The Tribune found all 24 students demoralized, holding little hope of getting jobs upon graduation. To a man, they contributed $25 to retain a lawyer to take action against the school for a full refund of their tuition.

Each student in the class paid nearly $2,000—mostly government money, veterans subsidies or federally-backed loans—in hopes of walking out of the class a fully trained technician.

They were the remains of a class of 32, minus the one-fourth that dropped out.

During the first half of the 30-week course, they went thru five instructors—some of whom quit, while others were fired by the school for incompetence.

The students discovered that one of their instructors, A. C. Fitzgibbons, was himself taking a night school course at Greer to stay one lesson ahead of the people he taught during the day.

One student, who dropped out of grade school at the age of 12 because of a learning disability, and who can neither divide or subtract, was unable to understand the course.

He told The Tribune that he pointed out his shortcomings to Larry Brown, administrative assistant to the director of the school, before he signed for the course. But "he told me to go buy a pocket calculator, and pushed a contract across the desk and asked me to sign it."

A frequent complaint of Greer students: never enough tools to go around. Thruout the day students interrupt one another asking, "Who's got the wire cutters?" or "Who's got the masking tape?"

Nor does Greer have a parts department, so students must stop off at a nearby junkyard to buy their own spare parts for projects.

At one point in his course, King instructed students how to install a defective thermostat in an old heater, because the only thermostat available was broken. "But remember, this would be illegal ..." King cautioned. "You'd have to buy a new one."

Maurice Quinn, 33, an ex-Marine taking the course, told The Tribune, "I could not believe the school had the gall to supply us with such equipment. The equipment was old. It was outdated. It was beyond repair. Everything was broken. The refrigerators didn't work; the compressors didn't work. We all felt and hoped that somehow things had to get better."

George W. Cates, Greer's director, told The Tribune that Greer has no teacher evaluation because "vocational teachers are hired on their credentials and thru their background." He said there is no testing of students because "all students are high school grads. If not, they have GEDs [high school equivalency] or work experience."

He said he was "aware" that some students had complained to the state's attorney's office and retained an attorney.

Greer in 1974 received $25,000 in federal funds administered by Mayor Daley's Office of Manpower under the Comprehensive Employment Training Act.

The Greer story is but one in the $800-million-a-year vocational school business, in which thousands of students find their aspirations of a solid future hopelessly shattered thru false job promises, marginal instruction, and inferior training equipment.

Such schools offer hundreds of courses ranging from auto repair to broadcasting, truck driving to nursing care, and how to work a cash register.

"We provide an education gap filler," said Phillip Taylor, a spokesman for the *National* Association of Trade and Technical Schools. "In many instances we can provide training in areas no private school can offer.

"The trade and technical schools have opened up new avenues for a much wider range of persons wanting to get into a given field."

While there are many legitimate schools, not every one of the 13 Chicago-area schools investigated by the Task Force passed the test.

Automation Academy, 22 W. Madison St., advertises in the Yellow Pages that you can "Train Now and Pay Later" for its $295 nurses aide course or $395 keypunch class.

"We teach you what you need to know to get a job," Al Roberts, director, told a reporter who inquired about nurses' aide training.

He said jobs paid $150 a week, and flashed a list of hospitals he said hired Automation graduates. A check by The Tribune, however, showed that five of them either trained their own nurses' aides or required several years of hospital experience.

"They promised to find me a job, but they just out and out lied to me," she said.

Anthony Venzara, executive vice president of G. T. S. in Woodbury, N.Y., told The Tribune, "There is a need for people who can operate a cash register, and merely because an employer retrains the student who has taken our course is irrelevant."

Some resident schools have unique ways of making sure their graduates pass any required tests. Graduates of the Institute of Broadcast Arts, a Milwaukee-based school with offices at 75 E. Wacker Dr., take a written exam in order to get a Federal Communications Commission license to help get jobs as announcers or disk jockeys.

Graduates said students are provided with answers to memorize, some with a 50-word sentence; the first letter of each word, going down the line, will be the answer to multiple-choice questions on the exam.

Daniel Baran, assistant director of the school, said he did not know about a 50-word sentence, but admitted the students memorized sets of questions and answers.

"Schools all over the country memorize the answers to get the licenses," Baran said. "The people who give the tests know."

A spokesman for the FCC said the government is indeed aware of the procedure, and changes test answers often to try to beat it.

Johnnie Mae Bell is one of several graduates listed by the school in records filed with the state as having been placed on a job, but she was not.

Christell Williamson, 28, who took the course, told The Tribune:

"I feel as tho I was cheated. I believed I was paying for something and I got nothing. They didn't teach you a darn thing. You get this so-called diploma, but it's not worth anything."

She learned the certificate she received on graduation is not recognized by nursing homes here because the course is not approved by the Chicago Board of Health.

She was hired by a nursing home and was told she would have to take another course approved by the Board of Health and offered for free by the Board of Education.

"I thought I already had my certification because I had my diploma, but the nursing home said no. So here this new course was free and I gave the man at Auotmation $295 for nothing," she said.

Curtis H. Knight, owner of the school, told the Tribune he was unaware until recently of the ordinance requiring nurses' aides to attend board-approved schools and was attempting to get approval.

"Had we known this thing existed, we would have gotten into compliance immediately," Knight said.

A Board of Health spokesman said a representative of the school "came down here once," to inquire about the ordinance, but the board never heard back from the school again until after the Tribune investigation.

Another graduate of the school, who found the course was not certified, Lillie Lee, 32, said she is now working as a punch press operator because no hospitals would accept her certificate.

A former director of Automation, Gerald Vargas, now directs the Chicago office of New York-based General Training Services, which sells two-week, $200 courses in operating a cash register at 6 W. Randolph St.

He told a reporter who inquired about the two-week course:

"We have all models of cash registers here for you to learn on so you will be prepared, no matter what you face. We have a free placement service. You know, a lot of stores are now offering 24-hour-a-day service. To stay open like that they need lots of cashiers and checkers. Stores like National and Jewel are doing that all the time."

Task Force checks with major supermarket chains in Chicago, including A&P, Jewel, and Dominick's, revealed that all have their own training programs.

Career Schools—Results Seldom Equal Promise

The correspondence school sales executive was giving his staff a pep talk on peddling travel and airline careers to young women when it occurred to him that a spicy anecdote was in order:

"The girls get all dressed up . . . they are tripping over their high heels," said John Rhode, Illinois district sales manager for Associated Schools. "Sometimes it's really funny, like when she's overweight, or something, but I can't laugh. I just keep thinking about that $190 commission and I keep a straight face.

"Then, when I get back to my car, I roll up the windows and just lay back and roar."

Fortunately for the consumer, Rhode resigned his position several weeks ago in the midst of the Tribune Task Force's investigation, when it became apparent that both his sense of humor and business tactics had become one of the targets of a three-month investigation of 13 privately-owned correspondence and trade schools operating in the Chicago area.

But the departure of Rhode from a single school is small consolation to the consumer in an industry filled with fast-buck operators preying on men and women who believe education is the best way to a secure future.

Countless persons seeking to become airline stewardesses, nurses' aides, TV repairmen, truck drivers, cashiers, and interior decorators are spending $3 billion a year for correspondence and residence school courses. Many are worthless or of questionable value.

It is an industry that is booming while the nation's economy sags and, until recently, Rhode was around to collect his piece of the action.

Rhode's so-called sense of humor emerged during a pep talk attended by a Task Force reporter, posing as a newly hired salesman.

Rhode reminded his staff that day in the storefront office at 1925 N. Harlem Ave.:

"We have to act like executives of an airline school who are giving these kids an opportunity."

This was the posture Rhode adopted at the home of a woman reporter he believed was interested in signing up for the $1,295 travel agents' course he was selling. First he asked that she walk around the room. Then she was told to read an essay for diction so Rhode could "see how you present yourself to the public. We want to test your poise.

"In our last two classes we placed 80 per cent of our graduates within 90 days," Rhode said. "There is lots of demand. Right away you should start out with $11,000 or $12,000 a year."

State records show that of the 1,037 Associated students enrolled in Illinois in 1974, 688 dropped out and only 9 were placed.

And while Associated geared its pitch to suggest that young women are being considered for airline stewardess jobs, all the women really get is 58 home-study lessons and five weeks' training at Coral Gables, Fla.

The courses involve information on becoming a ticket agent, reservations agent, Teletypist, ramp agent, ground hostess, and travel agent.

Students complained that the home study lessons were so easy they could take the tests without reading the text. They said much of their time in the Florida residence school was spent "calling each other up and pretending to make reservations."

"They had some machines down at the school, but we never got to touch those," said Joe Carranza, 2056 W. 21st Pl. "We just looked at pictures of the system."

When it's all over, they discover their diplomas are anything but a ticket to employment. Art Jackson, a spokesman for American Airlines, put it this way:

"We have our own training programs. We don't use the schools as a basis for hiring. If they had 10 years of operations school, we would still train them our way."

Spokesman for United Airlines Marc Michaelson said correspondence schools "are of no value whatsoever."

And Rex Fritsche, president of the Midwest branch of the American Society of Travel Agents, reacting to Rhode's promise of starting salaries of $10,000 to $12,000, said:

"Don't be silly. That's laughable."

John Miles, president of Association Schools, Inc., defended the value of the school, even tho the airlines train their own employes.

"Every job you get they are going to train you their own way," he said. "What we give the students is a basic, complete course to better prepare them for the job," Miles said.

"This school business is the best selling item there is," Shelly Richmond, a La Salle Extension University salesman, said to a Tribune reporter posing as a sales trainee.

"Whenever the job market is bad, people want education, and that's what you got to sell."

Salesmen boast $40,000-a-year commissions selling courses for Illinois-based schools, which have a current enrollment of 450,000 students.

Prospects learn of the schools thru ads in matchbook covers, girlie magazines, comic books, veteran publications, or "take one" displays in gas stations, liquor stores, and barber shops.

Reports of widespread abuses in some of the 250 Illinois-based correspondence schools were brought to The Tribune's attention by Gov. Walker's consumer advocate, Celia Maloney, after state investigators conducted a preliminary investigation.

She said a bill to curb deceptive sales practices in the industry was beaten down by lobbyists when it was introduced in Springfield. The bill, authored by her office, would have forced schools to inform prospective students and the state where school graduates are placed, who they are, and the salaries they receive.

It would also have required updated information on dropouts, and would have increased the cooling-off period after signing a contract from 5 to 10 days, to bring the state law in line with Federal Trade Commission guidelines.

Correspondence schools range in ownership from the financial giants of the country—Bell & Howell, Montgomery Ward, Macmillan Publishing Co.—to fly-by-nighters who operate cattle-buying schools out of the back seats of Cadillacs on the back roads of Indiana.

The public's first—and often only—contact with these schools is the slick salesman who appears at the door one day, peddling education like a vacuum cleaner.

A three-month investigation by Tribune

Task Force reporters documented a number of abuses in the industry, including the following:

Reporters seeking employment as sales persons were never screened, and several schools sent them into people's homes selling courses they knew nothing about. They were never asked to obtain state required permits.

Government regulation is so ineffective, and frequently conflicting, that Commercial Trades Institute, a Montgomery Ward affiliate, can sell a $995 motorcycle repair course here that is not acceptable in Minnesota; and Florida-based Universal Training School, which lost its license to operate here a year ago, is still selling eight home study courses in Chicago.

Students spend hundreds of dollars to earn diplomas that are useless in obtaining employment. Automation Academy, for example, sells a $295 nurses' aide course that is not certified by the Chicago Board of Health, and graduates must be retrained elsewhere to get jobs.

Salesmen working strictly on commission are under pressure to enroll many students who will never get jobs they study for or even finish the course. More flagrant examples include a youth with a record of traffic violations enrolled in a truck-driving school and a Cuban who can neither speak nor read English taking a mail-order course written in English.

Students are told to "register here" on contracts misrepresented as enrollment applications, and schools are circumventing cancellation laws to avoid paying refunds to dropouts.

A Veterans Administration survey shows that a staggering 93 per cent of veterans who take high school home-study courses fail to complete them. The dropout rate for other courses is 86.4 per cent in the computer field, 79.2 per cent in electronics, 69.8 per cent in radio and TV repair, 51.8 per cent in airline courses, 49.8 per cent in air conditioning, and 46.5 per cent in hotel-motel management.

The Federal Trade Commission said in a May, 1974 report that "with an industrywide dropout rate of over 50 per cent and a virtually nonexistent placement record for a vast number of schools," at least half of the $3 billion spent by consumers in the industry each year is "totally wasted."

And postal authorities report that the loss due to mail fraud [where the government obtained convictions for phony advertising claims] more than tripled from $1.378 million in 1973 to $4.174 million last year.

The National Home Study Council [N.H.S.C.] and the National Association of Trade and Technical Schools [N.A.T.T.S.], groups that represent the industry of privately owned, for-profit schools, say they have attempted to control the fast-buck operators.

"These people over the years have given us a black eye, and we try to identify the worst of them," said Michael Lambert, assistant director of the N.H.S.C. "We are in favor of tough state laws and adequate state personnel to control this kind of thing. It's hurting us."

Yet when legislation was introduced in Springfield to curb abuses, more than 50 industry lobbyists—some of whom were members of N.H.S.C. and N.A.T.T.S.—descended on the House Committee on Elementary and Secondary Education to oppose it.

Several firms, including Bell & Howell and La Salle, took corrective measures when they learned of The Tribune investigation, and without waiting for its completion, they fired salesmen or forced them to resign.

But perhaps the best warning to anyone considering a correspondence or trade school course is to repeat the sales philosophy of John Rhode, the man who thinks it's funny when young girls trip over their high heels.

"Never let them [the customers] know you are a salesman," Rhode told a meeting of salesmen. "And, try to have a young woman's parents present during the interview.

"After I've pitched them, I sit back and ask if anyone has any questions. Have I overlooked anything? I haven't discussed the cost, so they probably bring it up. That means we are at the close [contract signing].

"I hand them this slip and say the cost is $1,295. 'Now which payment do you find more comfortable?' Then I don't say anything. The first person to speak loses."

Rhode also offered this bit of advice:

"When you describe the jobs with the airlines, you don't overplay it and say, 'Oh, it's wonderful.' You just tell them about it as if it meant nothing at all, and you tell them about the benefits—all the travel—glamorous places they would want to go. Hawaii. Puerto Rico.

"Not Cincinnati or Columbus.

"Remember, you are selling a dream."

You, the Taxpayer, Pick Up the Bills for Phony Courses

(By Pamela Zekman)

The largest single investor in the correspondence and trade school industry is you—the taxpayer.

Your agents are the Veterans Administration and the Federally Insured Student Loan [FISL] program. Each year they spend $500 million on home study programs they cannot control and know little or nothing about.

"We are in an odd position," said David Heath, education benefits specialist for the VA. "We issue the money, but we are prohibited by law from initiating any control or regulation over a school."

The National Advisory Council on Education Professions Development, in an April, 1975, report on abuses in the nation's educational system, had this to say about correspondence and trade schools:

"When a grateful nation enacted the G.I. Bill of Rights, it sought to make a monthly stipend available to veterans, not to have the money diverted into schools for bartenders, correspondence schools with dropout rates as high as 90 per cent, or to sharp operators hiding behind quasi-educational trappings."

The report said educational abuses are on the rise, with students being defrauded, both financially and educationally, and added: "The federal government has not done enough to alleviate or prevent existing problems."

The VA relies on state agencies to accredit schools. The accrediting agency here is the Illinois Veterans Commission, which has a $234,000 contract with the federal government to perform this function.

But Eugene Duff, commission director, has only 10 employes to monitor more than 4,000 schools of all types approved for veterans' benefits. His office mainly makes sure there is an actual school, tangible lessons, and a teacher, he said.

"It's kind of incongruous," he said. "We supposedly are the approving agency, but we just don't have the staff. We don't have the readers or the expertise.

"We send a lesson or course to Washington and some one there in the Veterans Administration is supposed to have the people that are experts in home study. They read it before they accept it for publication."

However, Myron Wolowitz, assistant deputy director of program administration for the VA, told The Tribune:

"It's Duff's job to review courses. He is saying he doesn't have the staff or expertise . . . well, the staff for the District of Columbia consists of one person. I can't accept that. If he doesn't have the expertise, he can refer to outside experts."

Asked whether courses are reviewed in Washington, he said, "Absolutely not. There is at least one state approving agency in each state, and that's their job."

Duff said the VA bulletin for March showed the number of veterans enrolling for the first semester under the GI Bill was the highest in history—an increase of 24 per cent over last spring.

"And we don't have the increased personnel," Duff said.

Heath said: "Veterans fall for a sales pitch as fast as the next guy. And they are sought out because they can more easily afford it, because of the educational assistance."

The VA pays 90 per cent of home study fees for veterans.

Many schools, such as American Truck Driving, 7750 S. Cicero Ave., have their entire payment program geared to get the maximum GI benefits. American features a $1,980 course, which includes $1,680 for 60 read-at-home lessons, with Uncle Sam paying 90 per cent, and only $300 for actual in-the-cab training.

Ed Fry, regional sales manager for the Bell & Howell schools, which have 78,000 veterans among their 120,000 students, tells his salesmen, "I'll bet every gas station in the city has at least one veteran who would rather be doing something else."

The General Accounting Office, a federal watchdog agency that reports to Congress, has determined that 75 per cent of all veterans enrolled in correspondence courses fail to complete them, and these veterans pay more than $24 million a year to schools for uncompleted lessons.

"Many correspondence schools have over 90 per cent of their students failing to complete their courses," the GAO said in an October, 1974, report to the Federal Trade Commission.

While the National Advisory Council on Education Professions Development report on abuses was critical of VA money unwisely spent, it also came to this conclusion regarding the FISL program:

"When Congress passed the Federally Insured Student Loan program, it intended the guarantee and the interest subsidy to help deserving students. The program has been exploited by salesmen on commission and by advertising brochures which deceive and distort."

The Department of Health, Education and Welfare [HEW] administers the FISL program, in which the government guarantees student's loans for educational purposes. If the student defaults on the loan, the government has to pay.

Federal budget requests to cover defaults under the program have risen from $89 million to $115 million for the 1975 fiscal year, the report said.

Kenneth Kohl, associate commissioner for the Guaranteed Student Loan Program, said HEW entered the regulatory arena just this year.

But, Kohl points out, the task is an enormous one. Since 1965, HEW has been guaranteeing FISL loans for schools it never checked and leaving accreditation to the industry's own trade organizations.

"We're almost building a new dike. The important thing is the program gets a million loans out to students a year, and we can't let less than scrupulous people in the programs so Congress kicks the whole thing out the door."

You Don't Need to Know About Trucks . . . Just Sell

The walls are decked with pictures of trucks. Some are torn from magazines, others are posters from trucking companies, and there is a calendar from a truck manufacturer. This could be the office of a trucking firm.

Actually it is the headquarters of American Truck Driving Schools, Ltd., 7750 S. Cicero Ave., where I had been hired as a sales trainee.

During four days as an "admisions representative" I saw pathetically hopeful truck-driving applicants lied to, laughed at, bullied, conned, pressed for any amount of money they might have in their billfolds, and led down the primrose highway with indirect promises of good-paying jobs that don't exist.

"These are hard times, and all businesses are suffering, but not here," Larry Peterson, admissions director, told me. "We are selling jobs when people need jobs. The big money in franchising or freezer sales is over. This is where the action is."

The bigger the down payment a salesman can get on the $1,980 truck-driving course, the healthier his commission—a $30 commission on an $80 down payment, $50 commission on a $125 down payment, and $100 on $228.

The salesmen are so desperate for the down payments they harass applicants to beg and borrow the money from relatives and friends. Peterson, refusing to believe that one prospect had no money with him for a down payment, grabbed the man's wallet from his hands and searched it. It came up bare.

"I don't care what they do back there [in the school]," Peterson said to me. "I'm interested in getting that front money."

There is a constant flow of applicants, up to 30 a day, who saw TV commercials about the school or received phone calls made at random. And, like most fast-buck schemes, this one is aimed at those who can least afford it.

"We are making these calls in the black area mostly," Peterson told his sales staff. "This is the high unemployment area and these people need jobs. We may also hit the low-income white areas in the city and some of the suburbs where guys are laid off."

Calls are made from a prepared script:

"Hello Mrs.-Mr.—I am with American Truck Driving and I'm calling to see if there is any young man in the household, employed or unemployed, who would be interested in a good paying job making anywhere from $250 to $350 a week to start [pause] . . . driving a tractor trailer."

No mention is made that the caller represents a school, but once lured to the office, the interested party is told the job has been filled, tho there is an opening in the next training class.

The salesmen dress like truck drivers. They swear with the customers and at one another to create what they think is the proper atmosphere for a trucking company.

When a prospect asks to read a contract, Peterson keeps distracting him with questions like "Do you smoke? Do you drink?" until the man gives up and signs, without realizing he is committing himself to pay $1,980 before he ever gets into a truck.

I spent my entire first day with Peterson, who introduced me to customers as the "overseer of the entire program . . . here to see that I don't enroll the wrong kind of people."

Peterson told me: "You don't need to know anything about the school or truck driving. I've never been in a truck." But to a prospective student, he said, "I'd still be driving myself, but it's my eyes. I can't do the night driving no more."

Peterson's sales pitch begins "I'm going to be honest with you and I want you to be honest with me.

""Are you willing to go to work immediately after we train you?" [The unemployed applicant readily agrees.]

This sales ploy removes all questions about placement without committing the salesman, Peterson told me.

H. Donald Overbey, school director, defended the school's program in a subsequent interview, but conceded he has "a hard time controlling the salesmen. There's no way I can do it. The salesman is in the office with a man and I can't always tell what he is saying.

"But every two or three weeks I hold an orientation. That's how I keep myself clean. I ask the students if they were promised a job by my salesmen, and if they say yes, I tell them we can't promise them a job.

"There is a certain amount of 'blue sky.' Every company does that in sales."

At American the "blue-sky" is an orgy of selling. Peterson, to show his extreme confidence, one day put on the following performance as I watched him pitch a customer sitting across the desk:

"Will your wife let you be a truck driver? Some wives don't like it because they heard about all the young girls that hang around truck stops." [The applicant says he makes the decisions at home.]

This tactic gets him thinking about the glamor of truck driving and removes the "but I want to talk it over with my wife" objection when the salesman asks him for money.

"Do you want short haul or over-the-road driving? We've got a company that wants a driver to go to L.A. and back. It only pays $525 a week. Some guys don't want it because they're used to making more."

Suddenly the phone on Peterson's desk rings. He tells the caller: "You don't have to worry about that slot. I've got a guy here who is willing to take a job right after we train him and his wife don't object."

I know the call is routine with every sales pitch—a well-timed ring from the salesman in the next office. For the customer, this sounds like his big break.

On my third day I watched as Peterson had an applicant sign a stack of papers, including a blank form certifying to the Veterans Administration that a certain number of lessons had been completed. This could enable the school to collect VA benefits regardless of whether the student took a lesson.

I was also present when a fellow reporter, James A. Jackson, posing as a student, was given a sales pitch by salesman Arthur Thomason, tailored just for blacks:

"The trucking companies are looking for black drivers because some are below quota, and if they don't make an effort to get qualified blacks they can lose their ICC [Interstate Commerce Commission] license."

Thomason showed Jackson a list of trucking companies the school says hired American graduates. Of 42 of the firms contacted on the list, only 15 said they had hired American graduates in the past.

When a student asked to drop out and get his money back, a salesman talked him into taking a few more home study lessons, at $28 each, to insure getting enough money to cover his commission. The salesman then turned to me, in the student's presence, and quipped, "Do you know what it means to be bushed?" It's a term they use for conned.

"Okay, now I'm going to pitch this one and close [sign the contract] without giving any information. Are you ready?" I nod. "Are you ready?" The customer responds with a confused look.

Then Peterson whips into his sales talk: "I'm going to be honest with you . . ." Not once in the 30-minute pitch does he mention the $1,980 cost of the course.

At one point he turns to me and says, "Okay, this is where I start to close."

And he does.

One Heater for 50—Trade School Housing Like Army—But Worse

"It was like a barracks, and the only thing that kept out the draft was a canvas. Some days it was cold, and they had this canvas hanging from the ceiling.

"The bathroom had no floor. The place was a mess. There was only one heater for the whole building—50 of us in there—and the wall didn't go up to the ceiling.

"Ten of us got lice and they refused us medical care."

An ex-GI telling about the rigors of Viet Nam?

No. Ex-GI John Carpentieri Jr., 28, of Massapequa, N.Y., telling the American School of Heavy Equipment, Inc., at Morristown, Ind.

At some vocational trade schools, learning takes a back seat to simple survival—getting something to eat, finding a place to sleep, and fighting disease.

In a resident school, such as American, students take the course on location, using school equipment, and stay in quarters provided by the school if they live too far away to commute.

Carpentieri heard about American on TV, and decided he'd like to become a heavy construction equipment operator.

"They sent out a salesman, Ira Kans, and he showed be a bunch of phony stuff . . . pictures of machines that were bigger and newer than what they had, and he said there would only be two of us to a room and two of us to a machine."

The course cost $1,300 plus $600 for expenses.

Carpentieri said he "never should have done it."

"When I got there I was just sick. The school was utter chaos. There were eight machines and 34 students. And the machines were always breaking down so we had to wait around for them to be repaired. One machine didn't have brakes—it was lucky there was no accident. And that was discovered right after they showed us safety films," he said.

"They had inadequate food, and there was no drinking water except in the bathroom."

On April 10, Joseph Clark, head of the Indiana Private School Accrediting Commission, sent investigators to talk to Carpentieri and 13 other veterans who had complained about conditions at the school.

"They were stranded out there with no jobs, and no money," he said. "They had been promised jobs and were unable to get any, and they had no way to get home."

Clark also sent a team of fire and health inspectors who found 29 "major violations" of health and fire codes at the school. On April 15 he ordered it closed.

Just ten days before the veterans complained, The Tribune advised Clark of questionable sales tactics of the school's Chicago office.

Gerald Vargas, director of the Chicago office, told a reporter who asked about the course, "You'll be making between $8 and $12 an hour."

Vincent Gartlan, a salesman, said, "We place 90 per cent of our graduates," and shoved the reporter a contract marked "enrollment application" for a $1,190 course, which would include 60 home-study lessons followed by four weeks at Morristown, with the Veterans Administration paying all but $29 of the cost.

Clark said state records show American claims to place 60 per cent of its graduates. William Martin, president of the Operating Engineers Local 150, told the Tribune:

"I'll sum up in one word what those schools are: fraud. We have found thru practical experience that they have not turned out one qualified man. They ought to be closed."

Anthony Venzara, executive vice president of General Training Service, Woodbury, N.Y., American's parent company, said he was "surprised" anyone had tried to sell a reporter the heavy equipment course, and added:

"We have not for some period done any soliciting of students for that course."

Clark said that after he ordered the school closed, Richard Carlton, president, arranged for students to be put up in a hotel, and for classroom instruction to be held in a local high school.

He said he permitted the school to resume operations May 8, but American has been banned from soliciting veterans, and a hearing will be scheduled to determine whether the school should be closed permanently.

Carpentieri, who said he is consulting an attorney in addition to pressing his complaint with the VA, will be invited to appear, according to Clark.

"They had old books, old equipment, old films . . . and they called it a school," Carpentieri told The Tribune. "It was just a rip off. I felt like I got beat. I didn't get beat—the government got beat. There were 14 veterans there."

NEVER THOUGHT I'D OWN A SCHOOL—HE WROTE THE RULES—NOW HE'S SELLING

"When you graduate from our program, you will know more about real estate than a lawyer coming out of law school," John D. Keller, owner of Chase Professional Center, told a Tribune Task Force reporter posing as a student.

"When you get all thru, you'll be able to take depositions for lawyers, close out real estate transactions . . ."

Keller, the operator and salesman, is the same man who designed rules and regulations to protect aspiring students from misrepresentation by school salesmen, when he was a $16,000-a-year assistant legal advisor to Michael Bakalis, then state superintendent of public instruction.

After resigning from Bakalis' staff, Keller went into the trade-school business with Bakalis' brother, George, who also served as a $16,000-a-year legal adviser to Michael Bakalis.

"As I recall, 33 per cent of those who graduate from our program go on to law school and become lawyers," Keller told a reporter in the center, at 188 W. Randolph St. Actually:

The Illinois Real Estate Broker-Lawyer Accord states that no one, other than an attorney and the parties involved is allowed to close a real estate transaction.

Legal assistants cannot take depositions to be used in court as sworn statements.

The "33 per cent" who went on to law school consisted of two persons, members of the school's first graduating class of five.

Keller painted a picture of long-established, well-equipped school, claiming it had 12 classrooms. It was later determined, it had one. Keller said he could contract for more if needed.

He told the Tribune the idea of owning his own school came after he and George Bakalis left the state office, and added:

"I never thought I'd own a school in my life. It was a brand new field and an area where we thought we could make money."

Keller is also legal adviser to the National Association of State Administrators and Supervisors of Private Schools. In that position, he may be called upon to advise on a policy that could affect his own school or United Systems, a truck driving school he also represents.

A Chase faculty member, Leo Athas, also works for the state Office of Education. He served as director of legal services under Michael Bakalis and holds the same position under the present superintendent, Joseph Cronin.

"If ever Chase were involved in a case I would disqualify myself as a representative of the state," Athas told The Tribune.

After Michael Bakalis, left office, he was asked about the partnership of his brother and the man who wrote the Illinois law in their own trade school.

"It's a dilemma," he said. "Should my brother's rights as a citizen be denied because his brother is in office? The school fulfilled all the requirements. Extra caution was given the processing of the application because of the knowledge that someone would think otherwise."

YOU, TOO, CAN BE AN EDUCATOR

You can even take a correspondence school course in how to start your own correspondence school—or anything else you can think of.

William Goehring, head of Pioneer Schools, Covina, Cal., sells the mail-order course for $35. After you have taken it, he says, "People will look up to you as an educator, and as an asset to the surrounding community."

Altho California authorities have denied Goehring permission to sell his course, a Task Force reporter who sent him a $35 check got the seven-lesson package by return mail.

After reading the lessons, and learning how to make enrollments, place graduates, and get Veterans Administration approval on a shoestring investment, the reporter decided he was ready to become an asset to his community.

The most preposterous subject he could think of to teach thru home study lessons was skydiving. He disclosed his plan in a letter to Goehring.

Goehring wrote back enthusiastically, "I would welcome the opportunity of writing a course for you on the subject of 'Skydiving.' I believe . . . that seven lessons would suffice."

His writing fee would be $30 a lesson, and the reporter-turned-educator could sell the course for $395. Goehring even suggested offering such inducements as a parachute or a discount ticket to go up in a plane to promote the course.

The reporter then telephoned Goehring, disclosed his true identity, and said he didn't really want to start a school. Goehring was unabashed.

"Anyone can start a correspondence school with proper guidance," he said.

THE TRADE SCHOOL SERIES

CHICAGO.—First, we at International Travel Training Courses, Inc., congratuate The Tribune Task Force for the series exposing unscrupulous operators of some trade and proprietary schools.

The unethical practices of certain schools make it difficult for the legitimate trade and proprietary schools to gain credibility with the public. This is unfortunate at a time when schools such as ours are making an enormous contribution in training people for specific trades.

If we have any criticism it is that you did not give any credit to the many legitimate, highly respected trade schools which train and place thousands of people in rewarding, worthwhile careers.

Many young people, disenchanted for one reason or another with college, are seeking an education where they can be trained in a concentrated period of time in those skills which have particular interest to them. Others have graduated with a liberal arts degree, have no particular skills to enable them to enter the world of commerce, and turn to the trade or proprietary schools for special training.

Since trade schools are gaining more and more recognition, further controls are necessary, and this is currently being acted upon. In Illinois, the Illinois State Board of Education does a very fine job of investigating and supervising trade schools in this area. However, they do have a limited staff This fall the Federal Trade Commission will hold hearings in Chicago on legislation pertaining to trade and proprietary schools. A congressional subcommittee is to begin hearings after September on a bill to modify and extend students' aid programs. Sen. Percy has also introduced a bill to establish criteria for federally assisted postsecondary education programs.

It is the purchasing public that can eliminate the disreputable operators in this field. We recommend that certain checks should be made by anyone seeking to enroll in a trade or proprietary school:

Call or write the State Board of Education for its recommendations.

Check carefully with the Better Business Bureau in your area as to the reputation of the school, the number of years in business, officers, facilities, etc.

Make inquiries from associations or major industries in the field for which the school is training students.

Insist upon auditing a class in session so that you have the opportunity of seeing the facilities and meeting the teachers and the students who are currently enrolled.

Request a list of companies which employ the graduates of the school and contact some of these companies.

We would also suspect any school which finds it necessary to engage high pressure salesmen for student recruitment.

REGULATORY REFORM

Mr. FANNIN. Mr. President, some time ago the President announced plans to hold a White House conference on regulatory reform. The purpose of the conference would be to examine the regulatory role of the Federal Government and the impact of Government regulation on the economy.

On June 25, the President met with Members of the House and Senate to discuss matters concerning the Government regulatory process. I was pleased to be among the 12 designated Members of the Senate who attended this meeting. Although no specific recommendations for change were made, the President reaffirmed his support for improvement of the Government's regulatory machinery legislative priorities were discussed.

I was disappointed by the partisan pitch made by some of those in attendance on behalf of the so-called consumer protection agency bill. There is no need for a new Federal agency and a new level of Government bureaucracy to represent the interests of one special group of consumers at the expense of other consumers, especially at a time when the Government is being criticized by many for overregulation. Such legislation, in my opinion, is even more anticonsumer than it is antibusiness. I was pleased that the President reiterated his opposition to the creation of the Agency for Consumer Advocacy.

The White House meeting marked the first phase of a long-range administration program aimed at reviewing and reforming the vast regulatory machinery of the Federal Government. The President also met yesterday with the commissioners of the 10 major independent regulatory agencies to discuss ways to improve their regulations and operating procedures.

Whatever the outcome of this conference, the President should be commended for taking the leadership in regulatory reform. I am especially pleased by his efforts to seek cooperation of both Democratic and Republican leaders of the House and Senate. The responsibility for reform, however, rests primarily with the Congress which created the agencies and passed the laws establishing the regulatory system. The President has indicated his strong support for measures to eliminate unnecessary, costly, and harmful regulations. It is now up to the Congress to take affirmative immediate action.

As a proponent of reform of the regulatory process, I have long been critical of the size and concentration of Government power. I share the concerns of many businessmen, Government experts, educators, and consumers that overregulation of business is harmful to the economy and largely responsible for our inflationary problems. In my opinion, regulation is more anticonsumer than it is antibusiness because it raises the prices of the goods and services which the public needs. Fortunately, businessmen and consumers are beginning to realize that another layer of bureaucracy and another set of Federal rules and regulations will only add to the cost of doing business and to the problems which they were designed to solve.

Mr. President, during my over 10 years in the U.S. Senate, I have watched with alarm the steady growth of Government and proliferation of Government agencies. During that period the number of Federal agencies—including departments, executive and legislative branch agencies, as defined by GSA—increased from 77 to 102. At the same time the number of civilians employed by the U.S. Government grew from 2,496,000 to 2,802,000 and total Federal spending rose from $118.4 billion to about $274.7 billion. The U.S. News & World Report recently estimated that there are currently 63,444 Government employees having regulatory functions and the unnecessary work done and policies adopted by these regulators is costing the taxpaying public some $130 billion a year. Whatever the figures, the size of the Government bureaucracy and the cost of our existing regulatory system are tremendous.

Yet I have not noted that the economic, political, and social problems which led to the establishment of additional regulatory bodies and the enactment of new laws have disappeared. In fact, many of our long-standing problems in the economy, in energy, in transportation, in communications, and in many other spheres seem to have multiplied and intensified as a result of stepped-up Federal regulatory activity.

That is why I am pleased by the President's announced intention to do something about our regulatory problems. It is, therefore, incumbent on the Congress which passed the laws and set up the regulatory process to take a good hard look at the regulatory system it has created. Now is the time to reconsider and reassess the myriad of Federal agencies, bureaus and commissions and the faceless army of big brother bureaucrats who attempt to regulate, control and influence our economy and our lives.

Mr. President, I call the attention of my colleagues to two recent speeches delivered by the President in which he discusses the regulatory crisis that confronts our Nation and his plans for eliminating that crisis.

In a speech delivered on April 28, 1975 to the 63d annual meeting of the Chamber of Commerce of the United States, the President discussed the need to amend or repeal obsolete and unnecessary regulations. He said:

> It is important to recognize that these obsolete and unnecessary regulations are not the result of perversity on the part of some regulatory body or Government official. Rather, they result from the fact that the regulatory process is inherently static.
>
> Regulations do not automatically expire when they have outlived their usefulness. There is no systematic pattern of review and even when it is acknowledged that changes are warranted, procedural delays often result in obsolete rules remaining in force for years.
>
> In short, while the intention of regulation is to protect consumers, it sometimes does just the opposite.
>
> In many cases, the reduction or elimination of existing regulations would result in lower prices for the consumer and open new opportunities for business.
>
> In other industries, where there is inadequate competition, regulation should continue, but it is the job of Government to insure that such necessary regulation is administered efficiently and fairly.

In that address, the President sounded the call for reform.

> All too often the Federal Government promulgates new rules and regulations which raise costs and consumer prices at the same time. To achieve small, or somewhat social benefits, in these cases we must either revise proposed rules and regulations to lower their cost, or we must not adopt them in the first place.
>
> Moreover, we must examine the whole range of existing rules and regulations to determine whether modifications could lower costs without significantly sacrificing their objectives.
>
> Let me emphasize, however, that we do not seek to eliminate all regulations. Many are costly, but they are essential to preserve public health and public safety. But we must know their cost and measure those costs against the good that the regulations seek to accomplish.
>
> A major problem is that these costs are often hidden from the public generally. While we are all accustomed to an open debate on the Government's budget, far too little attention has been focused on the ways in which Government regulations levy a hidden tax on the American people.
>
> In the nearly 90 years since we created the first Federal regulatory commission, we have built a system of regulations which are bound with contradictions and excesses, all to the detriment of the public.
>
> There are sound estimates that Government regulations have added billions of unnecessary dollars to business and consumer costs every year. To reverse this trend of growing regulation, my Administration is working hard to identify and to eliminate those regulations which now cost the American people more than they provide in benefits.

In his remarks at the National Federation of Independent Business Conference on June 17, 1975, the President again touched on the harmful effects of Government overregulation. I quote the President:

> Although most of today's regulations affecting business are well-intentioned, their effect, whether designed to protect the environment or the consumer, often does more harm than good. They can stifle the growth and our standard of living and contribute to inflation.
>
> When we consider revisions in these regulations, we must consider the case of those who may be injured by regulatory modifications. Our system can and will make needed changes which are fair to all. Obviously we cannot eliminate all regulations. Some are costly, but essential to public health and public safety.
>
> But let us evaluate the costs as well as the benefits. The issue is not whether we want to control pollution—we all do. The question is whether added costs to the public makes sense when measured against actual benefits.
>
> As a consumer, I want to know how much the tab at the front-door check-out counter is raised through the back-door of regulatory inflation. As President, I want to eliminate unnecessary regulations which impose a hidden tax on the consumer.

This overriding need for assessing both costs and benefits, for identifying the hidden taxes on consumers, is a matter which Congress must keep in mind as it considers new laws and the Federal agencies must remember when they propose new regulations. As the President indicated—

> The time has come to cut Federal redtape that binds the hands of small business.

The responsibility is now up to Congress to carry out a comprehensive program of regulatory reform. This can be done by a joint effort of Republicans and Democrats, Members of the House and the Senate, working with the special administration task force, with officials of the independent regulatory agencies, and, just as importantly, with consumers and representatives of the business community.

Mr. President, I ask unanimous request that the text of both statements by President Ford before the Chamber of Commerce and the National Federation of Independent Business be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT TO THE 63D ANNUAL MEETING OF THE CHAMBER OF COMMERCE OF THE UNITED STATES, CONSTITUTION HALL

Chairman Smith, President Booth, members and guests of the United States Chamber of Commerce:

It is like a spring tonic to appear before a meeting of the Chamber of Commerce, and I thank you most generously for your warm welcome. Individually, as well as collectively, you have always presented such an upbeat, positive approach to America that it really feels good to be with you this morning.

Believe me, we need that kind of vitality, that zest for problem solving, and that absence of cynicism that so typifies your membership. Let me also congratulate you on the relevance of your theme for this meeting: America's Future—Our Critical Choices.

As leaders of business, industry, Government, we join together to explore the future, so that we may seize the opportunities and be better able to cope with the problems that we face in common. The mutuality of our problems was never more clearly stated than when I was introduced at a business conference quite recently.

The moderator said, "The greatness of America is that anyone can grow up to be president of an auto company, president of an airline, president of a utility, or President of the United States." Then he took a long pause and added, "That is just one of the chances you have to take." (Laughter)

Speaking of Presidents, I would like you to join with me in a salute to someone we are all fond of and proud of, someone who has been a driving force in the Chamber. Arch

Booth is leaving as Chamber President to begin some new adventures.

In his 32 years with the Chamber, he has helped to build this organization into a dynamic force for good in America, a force that is adaptable, responsive and innovative.

As long as I have been in Washington—which is more than a generation—Arch, you have been a force for progress in the White House and on Capitol Hill. We will miss you, and all of us wish you the very, very best.

It is appropriate at this 63rd meeting that my appearance here this morning follows a slide show sketching the critical choices of the future of our country. That presentation hits many of the points that I have been discussing around the country for the past few months.

These critical choices must be made, and they must be made just as quickly as the Congress and this Administration can work out effective solutions.

One of the most serious problems facing us, of course, is the runaway spending of the Federal Government. It poses a genuine threat to our way of life. I have called upon the Congress to hold the deficit line this year at what I consider the alarming figure of some $60 billion.

I am pleased that both Houses of the Congress appear ready to use their newly instituted budget reform procedures to impose ceilings on total spending for the next fiscal year.

Even though I strongly feel the ceilings proposed by the Congressional Budget Committees are too high, I am glad that some in the Congress are demonstrating more concern about overall spending than has been the case in the past.

While the spending problems we face are enormous and very, very serious, I agree with the Chamber that there is far more right with America than what is wrong with our great country.

I most certainly agree with your President that we have taken for granted the things that are right with America so long that we must remind ourselves as to what is right with America. An outstanding example is the fact that under our free enterprise system we consistently produce higher quality, safer and more reliable goods than any economy which operates under rigid government controls.

Planned economies simply do not achieve the quality or the low price of goods which are the fruits of an open and competitive system. Buyers overwhelmingly prefer products of the free enterprise system. Where business competes for the buyer's dollar, the result is better products.

We tend to overlook, also, that the survival of the American business is directly dependent on its ability to provide the largest number of consumers with goods of high quality, utility, and safety at attractive prices.

The self-interest of American business demands that it please customers while there is no such automatic mechanism of consumer protection in controlled economies.

We are a dynamic society with a dynamic economy. But this requires that we, as people, insure that our Governmental institutions are responsive to changing conditions. Let me discuss with you, on this occasion, one function performed by government—yes, even ours— which requires our attention and is in need or reform, and that is regulation.

In discussing regulation, let me say we should be prepared to listen carefully to the case of those who might be injured by deregulation, or changes in regulation. But we must make our decision in terms of what benefits all of us.

I have confidence that our system can make the changes that are required to meet the challenges of our dynamic society

It may be useful at this point to distinguish between the two broad kinds of Government regulation. First, there are regulations designed to deal with the competitive performance of such industries as railroads, trucking, airlines, utilities, and banking. This type of regulation controls rates, the right to serve specific markets, and competitive practices.

One of the most impressive outcomes of the September Summit Conference on Inflation was the nearly unanimous agreement among all participants of all persuasions that there are tremendous efficiency losses, reductions in productivity and unnecessary costs to the economy from some aspects of this kind of regulation.

Almost without exception, the conferees recommended reform or elimination of obsolete and unnecessary regulations. It is important to recognize that these obsolete and unnecessary regulations are not the result of perversity on the part of some regulatory body or Government official. Rather, they result from the fact that the regulatory process is inherently static.

Regulations do not automatically expire when they have outlived their usefulness. There is no systematic pattern of review and even when it is acknowledged that changes are warranted, procedural delays often result in obsolete rules remaining in force for years.

In short, while the intention of regulation is to protect consumers, it sometimes does just the opposite.

In many cases, the reduction or elimination of existing regulations would result in lower prices for the consumer and open new opportunities for business.

In orther industries, where there is inadequate competition, regulation should continue, but it is the job of Government to insure that such necessary regulation is administered efficiently and fairly.

A second type of regulation is concern with social issues such as occupational safety, consumer product safety, and of course, the environment. This kind of regulation is generally of more recent origin but it is becoming more critical every day.

The central issue here is the need for a proper assessment, or evaluation, of costs and benefits. The question is not whether we want to do something about noise or safety, but whether in making changes in our regulations they would make more sense in terms of costs added and benefits gained.

When I talk about costs, I am not just talking about cold figures in a bookkeeping ledger. I am talking about what you pay in the marketplace, in the supermarket, in the clothing store, in the ladies boutique. Ultimately, all such costs are paid by you, the producers, and your wives, the consumers.

All too often the Federal Government promulgates new rules and regulations which raise costs and consumer prices at the same time. To achieve small, or somewhat limited social benefits, in these cases we must either revise proposed rules and regulations to lower their cost, or we must not adopt them in the first place.

Moreover, we must examine the whole ranges of existing rules and regulations to determine whether modifications could lower costs without significantly sacrificing their objectives.

Let me emphasize, however, that we do not seek to eliminate all regulations. Many are costly, but they are essential to preserve public health and public safety. But, we must know their cost and measure those costs against the good that the regulations seek to accomplish.

A major problem is that these costs are often hidden from the public generally. While we are all accustomed to an open debate on the Government's budget, far too little attention has been focused on the ways in which Government regulations levy a hidden tax on the American people.

In the nearly 90 years since we created the first Federal regulatory commission, we have built a system of regulations which abound with contradictions and excesses, all to the detriment of the public.

There are sound estimates that Government regulations have added billions of unnecessary dollars to business and consumer costs every year. To reverse this trend of growing regulation, my Administration is working hard to identify and to eliminate those regulations which now cost the American people more than they provide in benefits.

I feel strongly, just as the Chamber does, that we must keep and improve those regulations which work, but we have an obligation to discard those that do not.

Let me review with you for a moment some of the steps we are taking to make sure that we concentrate not on rhetoric, but on results.

First, I have asked all offices within the Executive Branch to evaluate the inflationary impact of significant legislation, rules and regulations which we propose.

Let me say that I am delighted that the House of Representatives has also adopted changes in its rules to require the measurement of the cost of legislation before it is adopted.

Most people would agree that some regulation is needed, but only when we know the cost of proposed Government actions can we rationally determine how much regulation we are willing to pay for.

For example, is it worth as much as $30 billion a year of the consumer dollar to reduce the level of occupational noise exposure by approximately five decibels? Have air bags been proven sufficiently cost-effective for us to require their installation in all cars at between $100 and $300 each?

Earlier this year, I sent to the Congress a comprehensive program to seek energy sufficiency for our Nation. Among the highest priorities of this effort is my proposal to remove, as quickly as possible, the Federal price controls on new natural gas sold in interstate markets.

At present, the artificially low price of natural gas marketed interstate has curtailed exploration and development and forced users shut out by present shortages toward either curtailment of their operations or greater dependence on oil.

Inevitably, inaction this year by the Congress will result in plant shutdowns and job layoffs. We cannot afford that bad result.

We have already submitted a Financial Institutions Act, which should phase out some of the most anti-competitive Federal regulations governing banks and thrift institutions. The American people will benefit if all financial institutions are able to offer a wider variety of lending services and pay more competitive interest rates to savers.

In the coming weeks, I will send to the Congress a comprehensive transportation program designed to achieve maximum reform of Federal regulations governing our railroads, airlines and trucking firms.

The first of these bills will permit railroads to begin to adjust their rates within specified limits without ICC interference. The legislation will improve procedures for mergers and for abandonments.

The increased competition brought about by this legislation will lower costs for consumers and save approximately 70,000 barrels of oil each day. Legislation proposing corresponding reform measures for trucking and airline regulation will follow shortly.

Another element of our program is pending legislation in the Congress, which would end the so-called fair trade law. Federal law today now permits States to allow manufacturers to dictate the price of their product and drives up the cost on such items as books, cosmetics, shoes and hardware.

These depression-era laws, which cost consumers an estimated $2 billion a year, should be laid to rest, along with the NRA Blue Eagle of the same period.

In addition, I will propose changes in other laws which restrain competition and deny buyers substantial savings. The Robinson-Patman Act is a leading example of such laws. It discourages both large and small firms from cutting prices, and it also makes it harder for them to expand into new markets and to pass on to customers the cost savings on large orders.

Finally, there are a larger number of related actions, which will improve our understanding of Government regulations and facilitate future changes. The problem of Government-imposed reporting requirements has become so acute that your Government has had to create a Commission on Federal Paperwork.

Yes, that is right. There is a committee, a board, an agency or a commission in Washington for just about everything, including trying to cut down the onerous filling out of Federal forms, which last June numbered exactly 5,146 separate types. That's many, too many.

The commisison will represent the Administration, the Congress, and the public, and I intend to see that its very wide powers are used effectively to cut down the unnecessary burden on our American free enterprise system.

I will be convening very shortly an unprecedented meeting of all of the Commissioners of the ten major independent regulatory agencies. Joining them will be key Members of the Congress and the Administration.

Together, we will discuss the imperative need to foster greater competition in the public interest and the equal imperative need to consider the inflationary effects of all proposed new regulations.

Let me reaffirm to you today my deep personal conviction that the best way to begin in our efforts is to improve the Government, we have, not to enlarge it.

I do not believe a bigger Government is necessarily a better Government.

May I add this: Please never forget, a Government big enough to give us everything we want is a Government big enough to take from us everything we have.

I have ordered action by the Executive departments and agencies to make major improvements in the quality of service to the consumer, and I have asked the Congress to postpone action on legislation which would create a new Federal agency for consumer advocacy.

I do not believe that we need yet another Federal bureaucracy in Washington with its attendant cost of about $60 million over the next three years, and hundreds of additional Federal employees.

At a time when we are trying to cut down both the size and the cost of Government, it would be unsound to add still another layer of bureaucracy. Instead, the program I have outlined represents the first steps toward improving Government's ability to serve all of its citizens.

Let me add I need your help in so many ways. I need your views, your ideas, and yes, your suggestions; for in that way, we can bring the full weight of the business community to bear on solving the mutual problems that we face.

I urge you to bring to my attention those Government practices which you feel unnecessarily add to cost and interfere with the effective working of our free enterprise system.

You will be doing your country and your fellow businessmen a service as well as yourself.

We have a unique opportunity right now to make some long overdue changes in a system of regulation which has not kept pace with the times. The critical choices remain to be made. But I am confident that America has the capability and the desire to respond to these challenges. These fundamental reforms are vital to our economic recovery and our long-range stability.

I commend the Chamber for the advertisements entitled, "What's Right With America."

Of the 12 items listed in the ad, I particularly like number six, which says, "We have a willingness to experiment with different forms of social, economic and political organization—keeping what works and discarding what doesn't."

That sums up very well what I have said to you here today. So, let us work together in this effort which will benefit all Americans.

REMARKS OF THE PRESIDENT AT THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS CONFERENCE

Members and guests of the National Federation of Independent Business:

I welcome the opportunity to be here today and I thank you for your more than generous welcome. I appreciate the opportunity to exchange some views and some feelings with this very distinguished cross-section of what has come to be known as the "small business community."

Personally, I have always been a little amused by the term "small businessman." A few years ago, after a meeting like this, I asked one of the speakers what his definition of a big businessman would be. He said, "Congressman, it is very simple. A big businessman is what a small businessman would be if the Government would ever let him alone." (Laughter)

I want small business to grow. America's future depends upon your enterprise. I want small business released from the shackles of Federal red tape. Your tremendous efforts are stifled by unnecessary, unfair and unclear rules and regulations.

I want very desperately to have small business freed from the excessive Federal paperwork. Your time can be used far more productively, and you know it better than I.

In the months ahead, we face a very critical choice: shall business and Government work together in a free economy for the betterment of all, or shall we slide headlong into an economy whose vital decisions are made by politicians while the private sector dries up and shrivels away?

My resources as your President, and my resolve as your President, are devoted to the free enterprise system.

Let me assure you without equivocation, I do not intend to celebrate our Bicentennial by reversing the great principles on which the United States was founded.

The increasing growth of Government and the escalating interventions with which you are all too familiar dramatize the need to keep Federal authority within reasonable bounds.

I see a direct connection between the spirit of the American Constitution and a competitive, privately-oriented economy.

In the last few years, the estimated ten million businesses in America—from mom and pop stores to huge corporations—have struggled to adapt to the consumer protection laws, to environmental mandates, to energy shortages, to inflation, to recession and to complicated and high taxation.

Depending on their size and resources, some businesses can survive over-regulation better than others. Larger corporations have specialized staffs of accountants and attorneys; small businessmen and small businesswomen have nobody but themselves.

Businesses, both large and small, look with dismay at the fantastic pace of Federal spending. They foresee an end to the individual initiative in American life, a Government turned into an instrument of philanthropic collectivism, a legislative redistribution of wealth and income, and the prospect of productive citizens required by law to support a growing number of nonproductive citizens.

If that day ever comes, the foundation of our free society will be gone. The America you and I know, the America that you and I love, will be no more.

I can assure you I will do, as President, everything to curtail such centralization in Washington, as well as elsewhere, and such rigidity in Government.

I will continue to use my veto power to stem the escalation of Federal programs and agencies. A responsible society must do for certain individuals what they cannot achieve alone.

But that is a far cry from the runaway spending that confines Government to no boundary, that undermines individual initiative, that penalizes hard work and excellence, that destroys the balance between the private and public sector of American life.

It took Americans over 180 years to reach our $100 billion Federal budget. Nine years later, in 1971, the budget rose to $200 billion. This year, it will go far over $300 billion, and within two more years, at the present rate of spending, the budget will exceed $400 billion.

From my travels around America, from my meetings with citizens from all walks of life, I can say this with conviction: Americans have not arrived at a popular consensus for collectivism.

We have held no referendum to repeal our economic freedom. Quite the opposite is true. Americans are proud of our system and pleased with what it has produced.

Yet, if we continue to bigger and bigger Government, Washington will become the big daddy of all citizens. If the power to tax goes unchecked, it will inhibit capital formation for business and incentive for workers and we can say goodbye to the free enterprise system that has given us so much.

I am extremely pleased to be here today because you are the frontline in the very crucial struggle to preserve the private sector. Actually, you are protecting a society that still cherishes excellence and still values freedom.

You are painfully aware that a Government big enough to give us everything we want is a Government big enough to take from us everything we have.

I do not accept a scenario of doom and defeat. We have just begun to fight for a new balance between the public and private elements of our society. It is the determined intention of this Administration to review every single proposal for Government action, whether in taxation or regulations, or in any other areas, in light of what it will do to free competition and individual liberty.

This review will apply equally, across the board, to corporations that seek special anticompetitive and monopolistic advantages from the Government as well as to radical social theories that would collectivize American society and American life.

Those who express disdain for profits and distaste for free competition propose nothing in their stead.

American achievement under the free enterprise system remains the envy of the world. I intend to do what I can to keep it that way for the benefit of future generations.

Difficulties sometimes accompany advantages in any system. Where individual freedom of choice and action prevail, there are tests of survival by the free marketplace as a consequence.

There are bankruptcies, there are spells of unemployment, there are periods of rapid change and temporary slowdown. Nevertheless, the march toward a better life and expanded freedoms has continued in America for 200 years.

I see small business as the bulwark of free enterprise. You offer opportunity to young people. Their ideas can get to the boss quicker, their efforts are more rapidly recognized and rewarded, and they can realistically work toward the day when they will start their own business.

Young men and women can take their faith into their own hands and make their own future. They will find small business the very best training grounds for leadership, for responsibility and for independence.

Your businesses—and there are many, many more besides those represented here—are vital to America's future. You account for 43 percent of the gross business product. You provide 51 percent of the private sector's labor force.

For America's sake, the present and future, I want you to succeed.

To restore a healthy business climate throughout America to fight recession and to curtail inflation, I have started a process of regulation reform. The time has come to cut Federal red tape that binds the hands of small business.

Let me share some memories from my own personal background. My father started a small business, the Ford Paint and Varnish Company in Grand Rapids, Michigan, a good many years ago. A few weeks after he went into business, the economic crash of 1929 struck. My father persevered to keep our little family paint factory going.

As a youth I mixed paint and labeled cans. But he sold the paint and he was his own bill collector. Let me say, if my father had to fill out today's forms and comply with the maze of rules and regulations now in effect, he would have had no time left to sell paint or collect bills.

When I think of the enterprising spirit that makes America great, I think of my father and how the Ford Paint and Varnish Company survived in the 1930's. And believe me, it wasn't easy.

Although most of today's regulations affecting business are well-intentioned, their effect, whether designed to protect the environment or the consumer, often does more harm than good. They can stifle the growth and our standard of living and contribute to inflation.

When we consider revisions in these regulations, we must consider the case of those who may be injured by regulatory modifications. Our system can and will make needed changes which are fair to all. Obviously we cannot eliminate all regulations. Some are costly, but essential to public health and public safety.

But let us evaluate the costs as well as the benefits. The issue is not whether we want to control pollution—we all do. The question is whether added costs to the public makes sense when measured against actual benefits.

As a consumer, I want to know how much the tab at the front door check-out counter is raised through the back-door of regulatory inflation. As President, I want to eliminate unnecessary regulations which impose a hidden tax on the consumer.

Over a period of some 90 years we have erected a massive Federal regulatory structure encrusted with contradictions, excesses and rules that have outlived any conceivable value.

Last Friday I met with the leaders of the Congress, House and Senate, Democratic as well as Republican, to seek cooperation in eliminating regulations which do more harm than good. I will meet next week with members designated by the Congress to establish legislative priorities. Then I will meet with the Commissioners of the ten independent regulatory agencies on the need to improve their regulations and their procedures.

I have set up a special White House group to work with the Congress and the regulatory agencies to accomplish this long overdue and highly desirable objective. Particular emphasis will be placed on the impact of Federal regulations on a free economy and on the life of the individual citizen.

In recent months I have submitted a Railroad Revitalization Act, the Financial Institutions Act, and the Energy Independence Act. I have supported legislation to remove the antitrust exemptions from State Fair Trade laws and signed the Securities Act Amendments of 1975. Also I have asked the Congress to establish a National Commission on Regulatory Reform. These actions respond to the need for real economic growth. Real growth, as you know, as I know, depends upon productivity. We must free the business community from regulatory bondage so that it can produce.

And I say to the businesses represented here today: I hear your cries of anguish and desperation. I will not let you suffocate.

My deep personal concern is not only for the consumer but for the millions whose employment depends upon your enterprise. I want an end to unnecessary, unfair, unclear regulations and needless paper work.

The number—this is hard to believe, really—the number of different Federal forms sent out from Washington at last count totalled 5,146.

Quite frankly, America is being buried by an avalanche of paper.

The Congress has created a Federal Paperwork Commission to simplify, to reduce the enormous clog of Federal forms and Federal documents. Today I am appointing the members of this Commission. Its membership will include the Secretary of your own organization, the National Federation of Independent Business to represent your interests. I refer, of course, to your good friend Bruce Fielding of California.

I am also appointing to this group other outstanding members, including representatives of State and local governments, labor, education and consumer interests, and I think Mr. Fielding will well and faithfully carry out your representation.

Despite the handicaps, small business has made tremendous strides. Let's work together for an even greater future, and I ask for your suggestions; yes, your criticism. My door is always open to people who are strong and visionary, like yourselves.

I am delighted to learn of the latest quarterly survey just prepared by your Federation's research experts. It reports that small business has a sense of optimism for the coming six-month period.

Since small business has such a stabilizing influence on recession, I think this is a good sign for all Americans.

The worst recession since the 1930s is coming to an end. There are good signs, and let me tick them off quickly for you.

Consumer confidence is up, and retail sales are increasing. Sales rose 2.2 percent in May. Inventories are down. Employment went up by 553,000 between March and May. The inflation rate is continuing to fall. This year's rate is down from last year's 12 percent to about 6 percent.

Interest rates are down. Housing is showing strong signs of recovery with a 21 to 27 percent increase in building permits in April, and I am told there will be some further encouraging statistics released later today.

Orders for plant and equipment in April were up more than 15 percent over March. Altogether, the Department of Commerce indicators were up 4.2 percent in April.

Obviously, some indicators will continue to be depressed for a few months because they record only what is past. But, I am confident that we are at the bottom of the economic slide, and we will soon be on our way up.

Now is the time, as I see it, to chart the right path back to prosperity without inflation and with real economic growth.

Sound economic recovery depends upon moderation in economic expectation, fiscal restraint by the Government, increased savings in capital investment and a long-range plan for our energy independence, as well as regulatory polices.

Small business knows that the old time virtues must temper the tendency of our Government to do all things for all humanity. This desire has resulted in Federal deficits in 13 of the last 15 years.

Our national focus has been on recovery, but we must make sure, we must be positive, that the recovery now in sight is not accompanied by a new round of higher and higher inflation.

I have confidence, great confidence, in our economic future because I have great faith in the American people.

I assure each of you here today, although your business may be small, I will do my part to help each and every one of you make it big by getting Government off your back.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notifications I have just received. Portions of the notifications, which are classified information, have been deleted for publication, but are available to Senators in the Foreign Relations Committee office, S–116, Capitol.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
July 8, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN, pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 75–34, concerning the Department of the Navy's proposed Letter of Offer to Iran for an estimated cost of $177.6 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

[Transmittal No. 75–34]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Iran.

b. Total Estimated Value: $177.6 million.

c. Description of Articles or Services Offerred: (D) Phoenix Missiles (AIM 54A) technical services, training and repair parts.

d. Military Department: Navy.

e. Date Report Delivered to Congress: July 9, 1975.

WASHINGTON, D.C.,
July 8, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN, pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 75-22, concerning the Department of the Army's proposed Letter of Offer to Morocco estimated to be in excess of $25 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

[Transmittal No. 75-22]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(B) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Morocco.

b. Total Estimated Value: (Deleted).

c. Description of Articles or Services Offered: (Deleted).

d. Military Department: Army.

e. Date Report Delivered to Congress: July 9, 1975.

JULY 10, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 75-40, concerning the Department of the Army's proposed Letter of Offer to Jordan for the Hawk Air Defense System.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency, Deputy Assistant Secretary (ISA), Security Assistance.

[Transmittal No. 75-40]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(B) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Jordan.

b. Total Estimated Value: (Deleted).

c. Description of Articles or Services Offered: Improved Hawk Air Defense Equipment. (D) Batteries, with supporting test equipment, current spare parts, and (D) Improved Hawk Missiles.

d. Military Department: Army.

e. Date Report Delivered to Congress: July 10, 1975.

WASHINGTON, D.C.,
July 10, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN, pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 75-35, concerning the Department of the Army's proposed Letter of Offer to Jordan for a Vulcan Air Defense System.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

[Transmittal No. 75-35]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Jordan.

b. Total Estimated Value: (Deleted).

c. Description of Articles or Services Offered: (Deleted) MI63 full track, self-propelled, 20mm antiaircraft weapons, one year's current spare parts and tool sets and test equipment.

d. Military Department: Army.

e. Date Report Delivered to Congress: July 10, 1975.

THE NEED FOR CAPITAL

Mr. FANNIN. Mr. President, in any society it takes capital to create jobs and maintain a healthy economy. A portion of the national product must be utilized to replace wornout or outdated equipment, and a portion must be utilized to provide additional jobs for an expanding population. One way or another, a nation must forgo the total consumption of goods produced, or it will suffer in the future. The classic example is the story of the seed corn. When a people divide up and devour every kernel of the harvest, then that people faces future starvation.

In a Socialist society the government purposely withholds from the people the amount that government planners believe is necessary for capital use—for the expansion or replacement of productive machinery. The people have no freedom to decide whether they want to give up some consumption now so that they will be much more secure or much richer in the future. The people have no say in a Socialist system as to what type of investment will be made with the production withheld from distribution.

America and Americans have prospered because we have had a free economy which provides many incentives for the accumulation and investment of capital. Now we are facing a very serious situation because the incentives that produce capital have been whittled away by our tax laws and Government policies. During the immediate future and for the remainder of this century we will need huge amounts of capital if we are to maintain the high standard of living Americans have come to expect. To accomplish this we will need to reform our tax laws and some of the policies which Congress has imposed.

Mr. President, The Arizona Republic on June 28, 1975, carried an extremely thoughtful editorial on the need for measures which will increase investment capital for American industry. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CUT CORPORATE TAXES

This may sound like heresy to George Meany and the Democratic leaders of the House and Senate, but, when the Ways and Means Committee begins its scheduled hearings on a new tax bill, it should first of all consider ways of lightening the present tax burden on corporations and stockholders.

In the long run, nothing could do more to ensure the expansion of the U.S. economy, increase production, create jobs and raise the standard of living.

Investment capital is the fuel on which the economy runs. That's where the money comes from to pay for research and development, plant and equipment and the creation of new markets.

Corporations have three primary sources of investment capital—stock issues, bond issues and other forms of borrowing, and profits. Of these, by far the biggest source is profits.

It has become popular in labor and liberal circles to accuse the corporations of making "obscene profits." And it's true, in dollar terms, corporation profits have grown greatly during the last 25 years.

During those same years, however, the proportion of the national income going into profits has steadily declined. The corporations have been getting a smaller share of a larger pie.

The result is the United States has been lagging behind every other industrialized nation in the world, except the United Kingdom, in capital investment. (And everyone knows what the British economy is like today.)

From 1960 through 1973, Japan was able to invest 33.4 per cent of her national income; West Germany, 26.2 per cent; France, 24.9 per cent; Canada, 22.4 per cent; Italy, 21.4 per cent; the U.S., 19.2 per cent.

This has been directly deflected in productivity. During those years, the annual rise in productivity in Japan was 10.5 per cent; West Germany, 5.8 per cent; France, 6 per cent; Canada, 4.3 per cent; Italy, 6.4 per cent; the U.S. 3.3 per cent.

The lack of investment capital in the U.S. is becoming critical.

According to Commerce Department studies, the nation will need $4.1 trillion during the next 10 years for replacement and expansion of plant.

Given the present tax laws, the U.S. will be lucky if there is $2.6 trillion available for this purpose.

That will leave a shortfall of $1.5 trillion—or $400 million a day.

Proposals have been made to permit faster depreciation of capital equipment and to permit corporations to deduct as a business expense the dividends paid to stockholders; to give preferential treatment for retained corporate earnings used for investment; to ease the capital gains tax; to allow stockholders a tax exemption in invested dividends; to exempt dividends and interest in savings from taxation altogether if they amount to less than $500.

The Ways and Means Committee should examine these proposals carefully.

For, as the figures cited on the relation between investment and productivity show, the whole nation is suffering because of tax legislation demogogically designed to "soak the rich."

FAIR PLAY FOR INTERCOLLEGIATE ATHLETICS

Mr. HRUSKA. Mr. President, a number of major higher education institutions, including the University of Nebraska, have expressed grave concern with the potential impact on revenue producing intercollegiate athletics of the new Department of Health, Education, and Welfare regulations on Nondiscrimination on Basis of Sex in Education. These are the so-called title IX regulations.

I have consulted at length on this matter with University of Nebraska President D. B. Varner, with the University's athletic director, Bob Devaney and with head football coach Tom Osborne. These are good and reasonable men. They are not resisting title IX. They are positive in their views on how the University of Nebraska will comply. But they do fear greatly that football, the one sport which pays its own way at the university, will be seriously damaged by compliance based on the law and regulations in their current form. They believe that this will lead to a weakening of the university's total athletic program and that sports for both men and women will suffer.

I was pleased to note this week that the House Education and Labor Committee has been considering an amendment to title IX which would relieve the concerns of the universities in question. The amendment has been recommended by the Subcommittee on Postsecondary Education, which has been conducting well-published hearings on the regulations pursuant to section 431(d)(1) of the General Education Provisions Act. That section requires congressional review of the regulations for consistency with the language and intent of title IX.

Senators who were present in the 93d Congress will recall the amendment to title IX offered by the distinguished senior Senator from Texas on May 20, 1974, to exempt intercollegiate athletic activities to the extent that they provide gross receipts or donations to educational institutions that are necessary to support the sports or teams generating the funds.

The Senate agreed to the Tower amendment, which it was my pleasure to support by a statement on the floor of the Senate. Subsequently, the conference committee proposed and the Congress agreed to much more general substitute language, the so-called Javits amendment, which requires "reasonable provisions" in the sections of the title IX regulations covering intercollegiate athletics.

The Department of Health, Education, and Welfare has proceeded on the basis of the Javits amendment and title VI of the Civil Rights Act to dismiss arguments along the lines of those made in support of the Tower amendment. These arguments were made vigorously to the Department during the comment period on the regulations by the National Collegiate Athletic Association and by many individuals and groups who recognize the basic unfairness to revenue producing sports.

The Department's final position on this matter is stated clearly in the summary accompanying the regulations transmitted to the Congress and printed in the Federal Register on June 4, 1975. I include in the RECORD pertinent excerpts from the Department's summary:

> A substantial number of comments was received by the Department on the various issues raised concerning the athletic provisions of the proposed regulation. Numerous comments were received favoring a proposal submitted by the National Collegiate Athletic Association that the revenues earned by revenue-producing intercollegiate sports be exempted from coverage under this regulation. Other comments were submitted against this proposal.
>
> The NCAA proposal was not adopted. There is no basis under the statute for exempting such sports or their revenues from coverage of title IX. An amendment to the Education Amendments of 1974 was introduced by Senator John Tower on the floor of the Senate specifically exempting from title IX revenue from revenue-producing intercollegiate athletics. 120 Con. Rec. S 8488 (daily ed. May 20, 1974). The "Tower Amendment" was deleted by the conference committee and was, in effect, replaced by the so-called "Javits Amendment" which became § 844 of Pub. L. 93–380 mandating that the Department publish proposed title IX regulations which would include "reasonable provisions" covering intercollegiate athletics.

Mr. HRUSKA. Mr. President, the Secretary of Health, Education and Welfare in testimony on June 26, 1975, before the Subcommittee on Postsecondary Education of the House Education and Labor Committee spoke candidly about the difficulties of interpreting title IX and of accommodating the many concerns expressed by interested parties. He said that:

> The language of the state is general, providing no specific guidance as to Congressional intent. It has been extraordinarily difficult first, to interpret the intent of Congress and second, to accommodate the concerns of a wide diversity of interest groups and individuals. . . . However, I believe that we have reached a middle ground in the final regulation which allows the flexibility desired by institutions while protecting the interests of students and employees of these institutions.

Whatever may be the case for the middle ground for the regulations as a whole, I submit, Mr. President, that no middle ground has been reached on the question of the proper disposition of athletic revenues. The American Football Coaches Association and the National Collegiate Athletic Association testified on June 17 and 20, respectively, before the House Postsecondary Education Subcommittee on the potential dangers to the goals of title IX. These organizations made clear that, first, if sports or teams generating revenues are not permitted to plow back sufficient moneys to keep operating on a basis which would assure continued revenues, funds which would be available to achieve the aims of title IX will be lost. Second, and inseparable from the first point, there is the danger of a decline in the level and quality of major intercollegiate sports such as football, basketball and, in some regions of the Nation, ice hockey. These sports provide entertainment for and elicit the interest and loyalties of millions of Americans. They are very much a part of the American scene and of the identities of the schools involved.

I want to emphasize, Mr. President, that the NCAA is not asking that revenue producing sports be exempt from title IX, as some believe would be reasonable, but only that the revenues produced by a sport be spent first on that sport. Is this not fair? If a sport produces revenues should not those funds be applied first to that sport at least at a level necessary to sustain it.

On Monday of this week the President of the United States considered the intercollegiate athletic issue sufficiently serious to meet and discuss the matter with the President of the American Football Coaches Association, coach Darrell Royal, of the University of Texas, in company with the distinguished junior Senators from Michigan and Oklahoma and the head football coaches of the University of Michigan and the University of Oklahoma.

The current efforts of the House Education and Labor Committee to address Tower amendment issues raised in the Senate in May 1974 indicate that the other body is far from unanimous on the question.

Mr. President, it is clear to this Senator that an amendment to title IX along the lines proposed in 1974 by the Tower amendment is the only fair course open to Congress. I hope that the House will offer soon an effective amendment to title IX that the Senate can accept and clear for action by the President. If that prospect does not develop, opportunities remain for Senate initiatives.

The new regulations could be approved by the Congress without passage of a simultaneous amendment to title IX to forestall the dangers to revenue producing intercollegiate athletics. Those who directly face the dangers would prefer simultaneous action, of course. We should not wait until the last minute to act. Although the new regulations would allow a 3-year adjustment process for intercollegiate athletic programs, the adverse impact on athletic budgets will be felt quickly. Major sports require long lead times for the recruiting of players and coaches. Schedules are arranged years in advance.

If agreement cannot be reached quickly on an amendment, I would hope that the appropriate Senate committees would assure early consideration of the impact of title IX on intercollegiate sports which are a source of pride to all Americans. These sports have provided minority and disadvantaged young men and women with great opportunities to better themselves. No American would want to see that pride tarnished and those opportunities lost.

To demonstrate that these concerns are not theoretical, I include in the RECORD three tables of data on the athletic budget of the University of Nebraska at Lincoln, the central campus in the State university system.

UNIVERSITY OF NEBRASKA AT LINCOLN—ATHLETIC BUDGET DATA: REVENUE AND PROFIT FOR FISCAL YEAR 1973–74

	Revenue	Profit
Football	$3, 619, 456. 88	$813, 914. 56
Basketball	169, 950. 18	—84, 455. 74
Track	10, 191. 08	—141, 675. 93
Baseball	2, 103. 10	—70, 279. 01
Wrestling	1, 200. 00	—58, 909. 65
Swimming	2, 052. 00	—41, 114. 27
Gymnastics	2, 528. 11	—32, 325. 83
Tennis	392. 00	—7, 038. 94
Golf	None	—18, 179. 73

ESTIMATED INCOME AND EXPENSES FOR CURRENT YEAR AND FOR 1975–76 AND 1976–77

ESTIMATED INCOME

	1974–75	1975–76	1976–77
Home football tickets	$2, 740, 000	$2, 740, 000	$2, 590, 000
Other sports' sales	110, 000	200, 000	200, 000
Guarantees, road football	475, 000	470, 000	530, 000
Guarantees, other sports	40, 000	45, 000	50, 000
Conference distribution	150, 000	200, 000	200, 000
Concessions	325, 000	375, 000	375, 000
Contributions	175, 000	180, 000	185, 000
Other	40, 000	45, 000	50, 000
Total, estimated revenue	4, 055, 000	4, 255, 000	4, 170, 000

Note: Conference distribution is money from televised games and bowl appearances divided among the 8 conference teams and guarantees is the money promised from ticket sales to opposing schools.

ESTIMATED EXPENSES

	1974–75	1975–76	1976–77
Guarantees to football visitors	$1,125,982	$1,095,000	$1,122,000
Guarantees other sports	40,000	80,000	80,000
Grants-in-aid	670,000	700,000	725,000
Operating costs	1,712,000	1,832,000	1,960,000
Debt retirement	269,000	269,000	230,000
Capital outlays	50,000	50,000	50,000
Contingency reserve	100,000	105,000	110,000
Total estimated expenses	4,141,982	4,336,000	4,487,000
Projected deficits	86,982	81,000	317,000

Note: Guarantees to visiting teams is a percentage of the income from ticket sales when that team plays in Lincoln.

Mr. HRUSKA. As the first table indicates, football was the only University of Nebraska sport with positive net revenues in 1973–74. In that fiscal year the University of Nebraska football team paid its own way and still provided $814,000 to finance other sports including women's teams.

The total athletic program is operating on a barely balanced budget this year. Deficits are estimated for the 2 years immediately ahead. Should substantial portions of football revenues in excess of profits be diverted to title IX compliance, a serious decline in the quality of the football program would result. This will lead to falling receipts from ticket sales and donations and thus a shrinking pool of football revenues to support those sports which cannot pay their own way. The deficits now facing the university's athletic budget planners would quickly become unmanageable with a decline in football revenues.

The implications are obvious, Mr. President, a profitable major sport or team which helps to support other athletic programs could be forced through title IX to become a liability to the university and the total athletic program. I do not believe that Congress intended this result when it passed title IX. Does Congress intend that cities destroy their tax base in the process of complying with laws and regulations governing other forms of discrimination? It is evident, however, from the statements of the Department of Health, Education, and Welfare and from testimony before the House Postsecondary Education Subcommittee that the "reasonable provisions" standard of the Javits amendment does not remove genuine fears about the impact of title IX on those major intercollegiate sports which do pay their own way.

OIL FINANCES

Mr. TOWER. Mr. President, not so many months ago, the corridors of the Capitol were ringing with vehement denunciations of "obscene" profits being earned by the major integrated oil companies.

The indignation of Members of this body and of our colleagues in the House was echoed on the editorial pages of the leading newspapers of our land—newspapers which were themselves earning a greater return on capital than the oil companies they were denouncing—and Congress was moved to pass a singularly unwise piece of legislation: repeal of the oil depletion allowance.

In the wake of the recently announced price increases of gasoline, the self-styled guardians of the consumer are again making threatening gestures in the direction of the oil companies. But this time, these great friends of the consumer will not be able to point to "obscene" profits in order to "justify" their onslaught.

The petroleum department of the First National City Bank of New York City has just published a study, the results of which should be of grave concern to all Americans who are concerned about the future of our economy.

The First National City Bank study demonstrates conclusively that what is obscene about oil profits is how far short they are falling of the capital needs of the industry.

The profits of the 37 U.S.-based oil companies examined by First National City dropped sharply in the first quarter of this year from their illusory highs of a year ago.

Even as Congress was repealing the oil depletion allowance, major oil companies were suffering a decline in profits of 30 percent as compared with the first quarter of 1974.

This decline in profitability is only part of the bad news First National City sees for the oil industry in the year ahead.

Even with the obscene profits of 1973 and 1974 added—profits that were largely due to the effect of inflation on inventories—the cost of doing business in the oil industry has been rising faster than gross revenues.

"Even in the 1974 boom year, when the earnings of the 37 companies rose over 39 percent to $13.8 billion, their performance in relationship to the gross volume of business done was anything but startling," the First National City report said. "Last year's net income line was only 6.8 percent as compared with 8.6 percent 5 years ago."

The Citibank researchers say there is presently a $4.7 billion gap between the capital available to the oil industry and the amount it needs to meet America's energy requirements. That gap is triple the size it was last year, and represents a doubling in 1 year of the proportion of capital outlays that had to be financed with borrowed money.

The researchers for Citibank, which is the business of lending money, go on to detail a list of reasons why the oil industry will be less and less attractive to investors in the future.

So here we have the present situation in the oil industry, a position shared by both the major integrated companies and the independents: They are unable to retain enough from gross revenues to finance their capital needs, and they are unable to borrow enough to make up the difference.

One does not need to be a professor of economics to know where this situation must inevitably lead: Domestic exploration for oil and natural gas will continue to drop; our dependency on foreign sources of energy will continue to grow, and the total supply of energy available to American industry and consumers will fall further and further behind need.

Congress has done more than its share to make the energy crunch we are facing worse, as the Citibank report indicates. A reversal of current attitudes toward the oil industry is needed if we are to avert a catastrophe in the not-too-distant future. I quote from the Citibank report:

> Additional negative moves by our own government—for example, a windfall profits tax without a plow-back provision (in the event that all domestic crude oil prices are decontrolled)—would go a long way to further reducing the overall financial viability and capital forming capability of the petroleum industry. Should this occur, the companies' ability to make their contribution to increasing our own national energy self-sufficiency will be further impaired with serious implications for the survival of the United States as the world's leading economic, political and military power. It is as fundamental as that."

Mr. President, I ask unanimous consent that the July 1975 energy memo published by the Petroleum Department of the First National City Bank be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OIL FINANCES CHANGED SCENARIO

A year ago this *Memo* took note of the fact that oil company profits were being hailed as a dramatic, if not positively indecent, reversal of a long downward drift. It went on to warn, however, that there was no reason to believe that the encouraging results then prevailing would be maintained. And the manner in which oil earnings have evolved over the past year has shown that this word of warning was well-advised. Indeed, the profits boom was short-lived.

Riding the crest of a wave of inventory-profits in 1973, the 37 United States-based oil companies regularly analyzed by Citibank earnings in over twenty-five years—55%—had recorded the highest rate of gain in earnings in over twenty-five years—55%—and followed this by an 81% rise in the first quarter of 1974. But, by the second quarter, non-recurring profits on the sales of low-cost inventories—that then had to be replaced at unprecedently high prices—had begun to peter-out. Profit margins were further narrowed as other costs of doing business, pushed upward by the continued inflation, caused operating expenses to rise faster than revenues. Thus, for the balance of 1974, there was a deceleration at the rate of gain in profits both quarter-to-quarter and year-to-year. This poorer showing in the latter quarters narrowed the increase in earnings to 39% for the year as a whole—a still sizeable gain compared with the gains or lack of same recorded throughout most of the postwar period.

More dramatic than this increase in current dollar net income has been its continuing deterioration in real terms. Double-digit inflation took its toll again in 1974. Current dollar earnings for the United States petroleum industry soared to over $14 billion last year. But, when corrected for inflation—through use of the GNP implict price deflator (a series maintained on a 1950 base)—real industry net income was less than half this level—$6.9 billion.

The negative factors which had caused the slowdown in earnings growth last year have continued to impact them in 1975. Consequently, for the first quarter, the earnings picture reversed itself compared with a year ago. Loss of inventory profits, rising costs of raw materials and supplies, inflation, higher taxes, and government regulations and controls have all contributed to reducing the profits of the 37 companies by nearly 30% as compared with first quarter 1974.

Coupled with these factors of a financial nature, there has been a slowing down in industry operations in physical terms. The combination of recession and conservation measures has reduced demand for petroleum worldwide, and this has had a corresponding negative impact on revenues and net income.

For the 37 companies included in this analysis—companies that account for the bulk of the earnings of the oil industry of the non-Communist world—this profits' deterioration marked the end of their two-year earnings boom. Though the boom was of short duration, it did afford the companies an opportunity to increase their cash flow from operations—an important development that brought about a substantial rise in capital outlays in 1974. But, in spite of the buildup of available cash flow, internally generated funds remained insufficient to cover needed capital investments, and, as we shall see further on, the capital gap not only persisted—but widened—last year.

The following table points up the dramatic changes that have taken place in the companies' financial statistics in the space of only five years—and the even more dramatic changes between 1973 and 1974. Past Memos had noted the tendency of relative gains in oil industry costs to outstrip those in gross revenues. This situation prevailed again between 1969 and 1974 when the rise in gross revenues of over 23% was overshadowed by a rise of nearly 25% in the costs of doing business.

Movements in revenues and costs between 1973 and 1974 were even more striking. Gross revenues increased by over 74% to more than $203 billion, while costs rose to over $181 billion—an increase of 81.5%. A good part of this gain represents costs of raw materials—a cost which has quadrupled in the space of a few years and over which the companies now exercise little control. On the other hand, the slower pace of gross revenues can be blamed on the continuing interference by governmental agencies at home and abroad with the price mechanism, interference which either delays—or prevents altogether—the recovery in the market place of the increased costs of doing business.

The net result of these divergent trends in revenues and operating costs has been a slower growth for cash flow. Between 1969 and 1974, cash flow just about doubled rising from $11.1 billion to $22 billion, for an average gain of under 15% annually. Even last year, when operating revenues shot-up nearly 75%, cash flow—still lagging—rose only 31%. The net income portion of cash flow, reflecting the excess of costs over revenues, was one inhibiting factor here.

The contribution of the depreciation, depletion and amortization component of cash flow likewise lagged in the period covered by this analysis. The reduction of the depletion allowance from 27½% to 22% by the Tax Reform Act of 1969 caused DD and A, as a percent of cash flow, to drop from 46% in that year to just over 37% in 1974. And with depletion now generally eliminated, the companies have not only felt the impact of this loss on their earnings and cash flow, but some have also announced multi-million dollar cutbacks in their 1975 spending plans.

Even in the 1974 boom year, when the earnings of the 37 companies rose over 39% to $13.8 billion, their performance in relationship to the gross volume of business done was anything but startling. Last year's net income line was only 6.8% of gross revenues compared with 8.6% five years ago. It is difficult to rationalize this low margin on sales for the petroleum industry when one considers that companies engaged in the mining of other depletable resources had a 15.9% margin on sales last year, up from 11.3% in 1969. And the nation's electric and gas utilities, capital intensive like the petroleum industry, but which could not function effectively without the fuels provided by the oil industry, had a margin of 11.5% in 1974.

In the last two years, there were some marked changes in the area of retained earnings, indicating that the companies' stockholders did not reap a bonanza out of the improved profits situation. In the past, earnings had regularly been split about 50/50 between the companies and their shareholders. But, in more recent years, as the need for funds to assure their future viability has grown, the split has been weighed more heavily in the companies' favor. Thus, in 1973, over 60% of earnings were retained against about 46% in 1969. And last year almost 70% of earnings were retained to provide funds for future growth.

A sharp increase in working capital has followed from the companies' expanded scale of operations. The changes between 1969 and 1974 over 1973—are shown in Chart II. Last year, working capital rose 64% to over $26 billion—a remarkable improvement compared with the average annual gain of only 19% in the previous four years. It was due, in great measure, to the 44% rise in current assets—especially inventories and accounts receivable—which reflected the new higher world oil prices. The rise in current liabilities was slower—32%—so that current liabilities as a percentage of current assets further declined in 1974 and stood at 58% compared with 70.5% only five years earlier. The improved working capital situation that has resulted puts the companies in a better position to meet their current obligations and take advantage of opportunities that could lead to future growth.

CAPITAL INVESTMENT SURGE

The recent surge in earnings has brought on a corresponding surge in capital investment as the companies have sought to insure their ability to meet future calls upon them. Chart III points up the sharp rise in capital outlays in 1974. At $22.5 billion these were 52% higher than 1973 expenditures and almost double the level in 1969. With the companies maintaining conservative dividend policies, the level of cash flow available to meet capital investment needs showed some improvement also. Nonetheless, between 1973 and 1974, the gain in available cash flow lagged that in capital spending. Consequently, there was again a widening of the gap between capital availability and capital needs. At $4.7 billion the gap was almost triple that of a year earlier and 17.5% above 1969. It represented, too, almost a doubling in one year of the proportion of capital outlays that had to be financed with external funds.

Currently, in view of the industry's anticipated multi-billion dollar capital spending in support of increased national energy self-sufficiency, there is little hope for the elimination of the capital gap. Furthermore, the economic and tax climate that is evolving for the oil industry makes even more difficult the companies' ability to continue to internally generate funds to keep up with their future investment needs. Chart IV shows that, thus far, they have been able to hold down their external long-term indebtedness. This debt rose only 11.8% last year and an average of 8.1% annually for the last five years. And the Table on the back page shows that long-term debt as a percent of capitalization has remained under 25%—thus no high leveraging or amortization needs to reduce the companies' attractiveness to investors.

On the other hand, policies by groups over which the companies have no control have tended to erode investor confidence in the industry. Governments, at home and abroad, have had a hand in changing the scenario within which the companies have to operate. Internationally, one of the most basic changes has been the loss to producing country governments, not only of control over a major portion of their raw material supply, but also over its pricing. Coupled with this, there have been severe limitations on the profit margins that can be earned marketing this crude.

At home, as the companies face the challenges of Project Independence and the need to implement its policy of increasing domestic energy self-sufficiency, the industry has been subjected to punitive tax legislation that will increase its tax liability and reduce its cash flow by up to $2 billion this year alone. Furthermore, new limitations on the foreign tax credit reduce the funds that the companies can repatriate from their operations abroad—funds which to some extent underwrite domestic operations and expansion.

Environmental control and regulatory agencies also contribute to making the oil industry less attractive to investors. United States refiners, for example, are facing $1 billion in added costs over the next 2 years to meet Federal waste water guidelines alone. And government agencies set prices, which are not reflective of existing market conditions, for some 60% of the nation's oil and the bulk of its natural gas.

NEW PROFITABILITY DECLINE

Hand-in-hand with the changes in the framework within which the oil industry must operate has come evidence of a new decline in its return on net worth. The companies' 1974 return of 19.8% was the highest level reached in over a quarter of a century. But—in view of the uncertain operating climate with which the industry is faced worldwide—it is somewhat unlikely that this level will be maintained. In new and old operating areas abroad, and in our own domestic markets, the companies are faced by arbitrary and punitive measures—tax, legal, and regulatory—that negatively impact earnings and stifle their ability to earn an adequate return on their invested capital.

There are, in fact, already indications that a new drop in petroleum's rate of return is underway. When first quarter 1975 earnings are annualized, the resultant rate of return on net worth of 13.5% is evidence enough of the decline—and this before possible additional negative moves by governments.

What is needed, then, are more positive approaches so that the oil companies can continue their essential role of providing the major share of the energy that makes the world's economies run. It is important that governments abroad—many of which now have a significant stake in the industry—do not pursue policies that further impair the ability of the companies to earn an adequate rate of return. For only with the ability to generate the bulk of investment funds internally—and attract investors who will supply the balance—will the companies be able to maintain and expand the logistical network through which oil flows from producing fields to consumers around the world.

Additional negative moves by our own government—for example, a windfall profits tax without a plow-back provision (in the event that all domestic crude oil prices are decontrolled)—would go a long way toward further reducing the overall financial viability and capital forming capability of the petroleum industry. Should this occur, the companies' ability to make their contribution to increasing our own national energy self-sufficiency will be further impaired with serious implications for the survival of the United States as the world's leading economic, political and military power. It's as fundamental as that.

FINANCIAL RESULTS OF 37 U.S. OIL COMPANIES

[Dollars in billions]

	1969	1973	1974	Average annual percent change 1969–74	Average annual percent change 1973–74
Gross revenues	$71.0	$116.7	$203.3	23.4	74.2
Supplies, services, and other operating costs	$59.9	$99.9	$181.3	24.8	81.5
Costs (Percent of gross revenues)	84.4	85.6	89.2		
Cash flow	$11.1	$16.8	$22.0	14.7	31.0
Depreciation, depletion, and amortization	$5.0	$6.9	$8.2	10.4	18.8
Depreciation, et cetera (Percent of cash flow)	45.0	41.1	37.3		
Dividends	$3.3	$3.6	$4.2	4.9	16.7
Retained earnings	$2.8	$6.3	$9.6	27.9	52.4
Retained earnings (Percent of net income)	45.9	63.6	69.6		
Current assets	$26.8	$43.2	$62.2	18.4	44.0
Current liabilities	$18.9	$27.3	$36.1	13.8	32.2
Current liabilities (Percent of current assets)	70.5	63.2	58.0		
Capitalization	$71.3	$90.7	$103.1	7.7	13.7
Long-term debt	$16.0	$21.1	$23.6	8.1	11.8
Long-term debt (Percent of capitalization)	22.4	23.3	22.9		
Net worth, Jan. 1	$51.6	$63.4	$69.6	6.2	9.8
Net income	$6.1	$9.9	$13.8	17.7	39.4
Net income (Percent of net worth)	11.8	15.6	19.8		
Capital outlays	$11.8	$14.8	$22.5	13.8	52.0
Available cash flow	$7.8	$13.2	$17.8	17.9	34.8
Capital gap, external funds as percent of capital outlays	33.9	10.8	20.9		

The 37 companies included in this analysis, arranged by type and net worth are:

Five Largest International Companies:

Exxon Corporation, Texaco, Inc., Standard Oil Company of California, Mobil Oil Corporation, Gulf Oil Corporation.

Twenty-one Other Integrated Companies:

Standard Oil Company (Indiana), Shell Oil Company, Atlantic Richfield Company, Phillips Petroleum Company, Sun Oil Company, Tenneco Inc., Continental Oil Company, Union Oil Company of California, Cities Service Compan, Getty Oil Company, The Standard Oil Company (Ohio), Occidental Petroleum Corporation, Marathon Oil Company, Amerada Hess Corporation, Skelly Oil Company, Ashland Oil, Inc., Kerr-McGee Corporation, Pennzoil Company, American Petrofina, Inc., Murphy Oil Corporation, Tesoro Petroleum Corporation.

Six Producing Companies:

The Superior Oil Company, The Louisiana Land and Exploration Company, General American Oil Company of Texas, Kewanee Oil Company, Belco Petroleum Corporation, Texas Oil and Gas Corporation.

Five Refining Companies:

Commonwealth Oil Refining Company, Inc., Quaker State Oil Refining Corporation, Clark Oil & Refining Corporation, Apco Oil Corporation, Crown Central Petroleum Corporation.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 11:45 A.M.

Mr. GRIFFIN. Mr. President, I move that the Senate stand in recess until 11:45 a.m. today.

The motion was agreed to; and at 11:30 a.m., the Senate recessed until 11:45 a.m.; whereupon, the Senate reassembled when called to order by the Acting President pro tempore (Mr. FORD).

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Senate Resolution 166, which the clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The time will be charged equally to both sides.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ECONOMIC RECOVERY AND ENERGY EFFICIENCY—REMARKS OF SENATOR MANSFIELD BEFORE THE SENATE DEMOCRATIC CONFERENCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a statement I made before the Democratic Conference this morning, together with a resolution which was adopted by the conference, not unanimously but by an overwhelming majority, be printed in the RECORD.

There being no objection, the statement and the resolution were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MIKE MANSFIELD

In February, the Senate Democratic Conference approved a far-reaching program dealing with Economic Recovery and Energy Sufficiency. I refer to the report offered by an Ad Hoc Committee chaired by Senator Pastore. It was a unique achievement. It was a program that dealt not in platitudes but in concrete recommendations for legislative action with major impact on the life of the nation. It was a blueprint for action by the Congress.

The recommendations which were made on dealing with the energy crisis were in sharp contrast to those of the President. The latter showed clearly that the Administration had chosen the path of ever higher prices as the way to meet the nation's energy shortage. Its preferred method was quick and simple. It was also a flim-flam. The less an American's ability to pay higher and higher prices, the less his share of gasoline and all products derived from petroleum.

By contrast, the program which this Conference endorsed last February sought to treat energy as an essential component of American life—essential to *all* Americans. It reflected agreement with the Administration only to the extent that we recognized that this nation could no longer assume unlimited supplies of petroleum products at low prices. Starting from the same point, this Conference, however, elected to deal with the problem not by forcing price rises but by restricting wasteful consumption wherever it was to be found—in transportation, in residential heating and cooling, in appliances and products and in industry. At the same time we proposed to stimulate production of greater energy supplies through government policies which would encourage research and mandate the use of sources of energy other than petroleum.

That program endorsed last February by the Senate Democrats has been given the highest priority by the Senate Committees under Democratic Chairmen. The essential legislative measures to interpret that program are now for the most part out of Committee and ready for action on the Senate floor. There is not just one bill. The program consists of many legislative measures which, taken together, represent in the judgment of the leadership sound public policy for the years and decades ahead.

After six months of intensive and careful work in the Committees—not inordinate, by any means—it is now time for the Senate to come to grips with this legislation. The Administration's spokesmen have asked glibly, derisively, where is the Congress' answer to the energy problem? These legislative measures are the answer from the Senate Majority.

I regret to say that during the past few weeks, we could have made considerable headway in dealing with this legislation had it not been for the dead-locked New Hampshire question. All of us have felt the frustrations of that question. We have gone on week after week, hour after hour—in the Senate on that road to nowhere. The Leadership has tried every way to bring this issue to a head, to a decision so that the Senate might dispose of it and get on to other matters. We have not been able to do so.

If we have been frustrated what of the people of the nation? They look to this body—their Congress—for action on other pressing matters. They look to their government—President and Congress—for relief, redress, and remedy for grave economic difficulties. Instead, they see discord and disunity over an obscure procedural question in which few outside this Chamber have any great interest and even fewer any understanding.

That situation is intolerable. While the quest for its resolution must continue, the Senate cannot go on going nowhere on the New Hampshire question. The emphasis of our efforts must be shifted, however, to other matters and notably to the question of energy and the economy. Unless we do so the Administration's program such as it is will preempt this field. That can only mean that every American will lose and lose drastically in terms of the price paid to operate an automobile, to heat a home, to clothe and feed a family; in terms of ever-increasing unemployment and rising economic anxieties.

The legislative pieces are beginning to come together into the integrated whole for the energy program which was endorsed last February by this Conference. The Leadership is now ready to ask the Senate to act on measures aimed broadly at cutting consumption of petroleum—as in the Mandatory Auto Fuel Economy bill. We are ready to act on measures aimed at increasing domestic supply—as in the Outer Continental Shelf and petroleum reserve development programs. We are ready to act on measures aimed at requiring a massive shift in use from oil and gas to coal and other abundant sources of fuel. Seven or eight relevant bills in this connection are either on the calendar or are about to go on the calendar. Indeed, on Tuesday last the Senate passed almost in a matter of minutes and by an overwhelming vote the Strategic Reserves legislation. It is something for the future, but a critical element, nevertheless, in facing up to cartel manipulation abroad and any other abrupt and contrived interference with the supply of petroleum.

Confronting us at once is the question of further and drastic price increases in gasoline and other petroleum products. That is the grim reality of the Administration's so-called program which consists of adding tariffs on oil imports, increasing taxes, and decontrolling prices. It is a program which gives a free hand to those who turn the values on the flow of this vital commodity

It is the Leadership's intention, therefore, to give priority to the mandatory allocation extension with a view at least to keeping a lid on the price of oil presently under control. A measure to that effect is on the Senate calendar. It will be taken up Monday or Tuesday. It will provide an appropriate vehicle by which to inform the people of this land of the economic devastation they face in the form of more inflation, more unemployment and a higher cost of living unless the Administration is restrained in its present intention of allowing massive price increases on petroleum. There is a deadline on this measure. We must face this issue this month and the Leadership will try to bring the Senate to that point without delay.

The entire oil and gas pricing question is another aspect of the program adopted last February. That question will also be addressed later with specific legislative proposals. In addition, I would note that the mandatory auto fuel economy bill is ready, the Outer Continental Shelf and Elk Hills measures are ready, ERDA is ready; coal leasing and coal conversion will be ready shortly; the gas pricing proposal is ready; the measure to create an energy production board will be ready, along with any and all energy taxing proposals which will complement the comprehensive program.

The Senate schedule on energy is heavy but it provides alternatives to rationing by massive price increases and ability to pay, as has been proposed by the Administration. It is a schedule which brings into sharp focus the responsibilities of the Senate with regard to the nation's energy problems and the nation's economic problems. Each of us will have to answer individually to our own constituencies for the manner in which these responsibilities are discharged. Together, however, we answer for our party and, with our Republican colleagues, for the Senate. The fact is that the Majority legislative proposals are there for consideration. They are there for consideration by the Senate, the Congress, and the President, as an alternative to the Administration's current proposals.

As heavy as is this agenda, it is not the whole story. Before us lie other measures which must be completed before the legally-required August adjournment. We face a schedule of early mornings, late evenings, and Saturdays. I hope we are prepared for great strain in the days ahead and that, notwithstanding, cooperation will be obtained from all within this room and from the Republicans and the Administration to the end that alternatives may at least be considered. We owe that to the people of the nation and to our constituencies.

I do not think the nation wishes the Senate to spend much more time on the charade which has been going on on the floor for 70 hours. I regret deeply the injustice which is being done by the present procedural shenanigans to the two possible Senators-elect from the State of New Hampshire. I regret, too, the deprivation of a seat in the Senate which that state is suffering. Notwithstanding, the Senate has a constitutional responsibility in the New Hampshire matter which cannot be overlooked. It has a constitutional duty from which it must not be swayed by impatience or by glib trials of the issue in the press. The integrity of the electoral process and the seating procedures in the Senate of the United States are involved in this issue. Those are constitutional matters which must not be lightly dismissed. The Senate Majority must not yield to those who would manipulate and exploit the Senate's generous rules in order to frustrate the discharge of that responsibility.

The New Hampshire matter may have to be laid aside for more urgent national matters involving the energy crisis and the state of the nation's economy. But the Leadership is not prepared to accept the premise that the Senate must have 60 votes in order to proceed to resolve a question which the Constitution admonishes us to dispose of by a majority vote. So if the two possible Senators-elect and the State of New Hampshire and editorial writers are unhappy with the situation, I hope that it is at least clear at this point, after half a dozen cloture votes and at least a dozen attempts to obtain a unanimous consent agreement which would bring the debate to a close, who is responsible for the delay in disposing of this matter.

To return to the question of energy, I would note that in response to Senator Eagleton's expressed concern, the Majority Policy Committee has met twice in the last two days in an effort to develop a common approach for the party to the tasks which lie immediately ahead. The results of the Committee's deliberations are embodied in a resolution which sets forth such an approach. I urge the Caucus to consider this resolution in its entirety and to accept or reject it in the same fashion.

Resolution

Whereas, efforts must be continued to protect the public from massive energy price increases and the economic dislocations, unemployment and inflation resulting therefrom and

Whereas, the President intends to abandon all energy price controls as of August 31st and to impose further oil tariff and tax increases which together with additional price increases by producers and by the foreign cartel will precipiate intolerable economic consequences for the United States and

Whereas, to prevent the adverse economic consequences of the President's energy proposals, the Senate has already passed elements of a comprehensive energy program including an embargo on tariff increases, strip mining controls, standby rationing authority and mandatory conservation programs and to further prevent the adverse effects of the President's program, the Senate is now prepared to act on remaining segments of the comprehensive program as agreed to by the Majority Conference in February, be it therefore

Resolved, That the Senate Democratic Conference urges:

(a) That the measure extending the mandatory allocation program and retaining the ceiling on oil now under control be considered on the highest priority basis,

(b) That legislative efforts be concentrated during the remainder of the month of July on the consideration of the legislation developed under the comprehensive energy program as approved unanimously by the Majority Conference in February, among which measures are specifically:

1. S. 1849, to extend the emergency petroleum allocation act expiring on August 31, 1975 which if not extended will force the price of oil now controlled from $5.25 to $13.50 per bbl resulting in an additional annual energy cost to consumers of $33 billion.

2: S. 1883 Mandatory fuel efficiency standards for new automobiles and light duty trucks.

3: S. 521 Outer continental shelf development and leasing and S. 586 Coastal Zone Impact Act.

4: S. 391 Coal leasing and S. 1777 coal conversion, to accelerate the transition to greater coal usage.

5: S. 598 Energy research development act funding of synthetic fuels.

6: S. 692 Natural gas production and conservation act.

7: S. 740 Energy production board to oversee and coordinate the national energy efforts.

The **ACTING PRESIDENT** pro tempore. Who yields time?

Mr. **ALLEN**. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally to both sides.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **MANSFIELD**. Mr. President, will the Senator yield to me?

Mr. **GRIFFIN**. I yield to the distinguished majority leader 2 or 3 minutes.

CONSUMER FRAUD ACT

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 246, S. 670.

The **PRESIDING OFFICER**. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 670) to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes.

The **PRESIDING OFFICER**. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce with amendments as follows:

On page 1, in line 5, strike "human being" and insert "person";

On page 2, beginning with line 1, insert the following:

(3) "knowingly" means the state of mind of knowing. A person's state of mind is knowing with respect to—

"(1) his conduct if he is aware of the nature of his conduct;

"(2) an existing circumstance if he is aware or believes that the circumstance exists;

"(3) a result of his conduct if he is aware or believes that his conduct is substantially certain to cause the result.

On page 2, at the beginning of line 10, strike "(3)" and insert "(4)";

On page 2, at the beginning of line 19, strike "(4)" and insert "(5)";

On page 2, at the beginning of line 23, strike "(5)" and insert "(6)";

On page 2, in line 24, strike "either directly or indirectly,"

On page 3, beginning with line 1, strike out:

(6) "unfair consumer practice" means any of the following: (A) offering goods or services intending not to sell them as offered; (B) advertising goods or services intending not to supply reasonably expectable public demands, unless the advertisement discloses a limitation; (C) knowingly making false or misleading statements concerning the need for, or necessity of, any goods, services, replacements, or repairs; (D) representing that the consumer will obtain any rights, privileges, or remedies, knowing that the consumer will not in fact obtain them; (E) representing that goods are new, knowing that they are not in fact new; (F) representing that goods are of a particular standard, grade, quality, style, or model, knowing that they are not; (G) knowingly making false or misleading statements concerning (i) the reason for, existence of, or amounts of price reductions, or (ii) savings in comparison to prices charged by competitors or one's own price; (II) representing that goods or services are those of another person, knowing that they are not; (I) failing to return or refund deposits or advance payments for goods which are not delivered or for services which are not rendered in the absence of any default or breach of obligation on the part of consumers making such deposits or advance payments; (J) knowingly representing that goods or services have sponsorship, approval, origin, safety, or performance characteristics, ingredients, uses, benefits, or quantities that they do not have, or that a person has a sponsorship, approval, status, affiliation, or connection that he does not have, except that the conduct described in paragraph (J) of this section shall not be an unfair consumer practice if the supplier shows that an affirmation merely of the value of the goods or services, a statement of his opinion of the goods or services, or any similar statement did not take unfair advantage of the consumer's knowledge, ability, experience, or capacity; (K) taking consideration for goods or services intending not to deliver such goods or not to perform such services, or intending to deliver goods or to provide services which are materially different from those ordered or sold; (L) knowingly making false or misleading statements concerning the profitability, risk, or any other material aspect of any home operated business opportunity or venture; (M) offering gifts, prizes, free items, or other gratuities, intending not to provide them as offered in connection with a sale of goods or services to a consumer; (N) knowingly making false or misleading statements concerning the existence, terms, or any discount offered as an inducement for the sale of goods or services to a consumer in return for giving the supplier the names of prospective consumers or otherwise helping the offeror to enter into any other consumer transaction; (O) using physical force, threat of physical force, undue harassment, or coercion in dealing with consumers; or (P) any other act or practice which is unfair or deceptive to a consumer and which is prohibited by section 5(a)(1) of the Federal Trade Commission Act (15 U.S.C. 45 (a)(1)).

And insert the following in lieu thereof:

(7) "unfair consumer practice" means any of the following:

(A) offering or advertising goods or services for sale to a consumer with knowledge that such goods or services will not be sold as so offered or advertised, or intending not to supply reasonably expectable public demands, unless the offer or advertisement clearly and conspicuously discloses the limitation;

(B) making false or misleading statements with respect to goods or services which are offered for sale or sold to a consumer with respect to the need therefor; the need for repair or replacement thereof; rights, privileges, or remedies in connection therewith; prior ownership thereof; grade, age, quality, style, standard, or model thereof; or price or quality comparisons with similar goods or services offered for sale to consumers by the same or another supplier;

(C) making a statement that goods or services offered for sale, or sold to a consumer have sponsorship, approval, origin, safety or performance characateristics, ingredients or components, uses, features, benefits, or quantities which the goods or services do not have;

(D) accepting consideration for goods or services not intending to deliver such goods or perform such services as promised or failing to return or refund deposits or advance payments for goods or services which are not rendered in absence of any default or breach of obligation on the part of the consumer making such deposits or advance payments; or

(E) using physical force, threat of physical force, tortious threats or harassment, or misrepresentation of law in the course of a sale or attempted sale to a consumer of goods or services or in the course of collection of the purchase price or portion thereof of goods and services from a consumer.

SEC. 3. Chapter 63 of title 18, United States Code, is amended by inserting therein, and amending the syllabus accordingly, the following new section:

"§ 1344. Unfair consumer practices

"Whoever, in connection with the sale, attempted sale, or distribution of goods or services to a consumer, or in connection with the collection or attempted collection of the purchase price or portion thereof of goods or services by the use of any means or instrumentality of transportation or communication in or affecting interstate or foreign commerce including the use of the mails, knowingly engages in an unfair consumer practice, as defined in section 2(7) of the Consumer Fraud Act, shall be fined, in the case of a first offense, no more than $1,000 or imprisoned for no more than 1 year, or both, or in the case of a second or subsequent offense, shall be fined no more than $10,000 or imprisoned for no more than 3 years, or both.".

On page 7, beginning with line 12, strike out the following:

"§ 1345. Unfair consumer practices

"Whoever, in connection with the sale or distribution of goods, services, or other property by the use of any means or instrumentality of transportation or communication in or affecting interstate or foreign commerce or by use of the mails, with actual knowledge or knowledge fairly implied, engages in or offers or attempts to engage in an unfair consumer practice, as defined in section 2(7) of the Consumer Fraud Act, shall be fined not more than $10,000 or imprisoned for not more than three years, or both.".

On page 7, in line 24, strike "in furtherance of" and insert "which results from a transaction that involves";

On page 7, in line 25, strike "void." and insert "by a supplier may be voided by the affected consumer.";

On page 8, in line 5, strike "consideration paid and any other" and insert "damage or";

On page 8, in line 10, strike "States." and insert "States or in any State court of competent jurisdiction.";

On page 8, in line 15, strike "the last date on which such consideration was paid." and insert "the time that the unfair consumer practice was discovered or reasonably should have been discovered.";

On page 8, in line 18, after the comma, insert "the appropriate United States Attorney,";

On page 8, in line 20, following the word "State", insert "in which a prohibited act or practice occurred (as parens patriae of the people of such State, after notifying the Attorney General of the United States) may,";

On page 8, in line 23, strike "in which a prohibited act or practice occurred, may";

On page 9, in line 2, following the comma, insert "or in the appropriate State court of competent jurisdiction";

On page 9, in line 9, following the word "State" insert "or the United States";

So as to make the bill read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Fraud Act".

SEC. 2. As used in this Act, the term—

(1) "consumer" means any *person* who is offered or supplied goods or services for personal, family, or household purposes;

(2) "goods" means personal and real property, but the term does not include securities or interests in securities;

(3) "knowingly" means the state of mind of knowing. A person's state of mind is knowing with respect to—

"(1) his conduct if he is aware of the nature of his conduct;

"(2) an existing circumstance if he is aware or believes that the circumstance exists;

"(3) a result of his conduct if he is aware or believes that his conduct is substantially certain to cause the result.

(4) "services" mean any benefit resulting from the labor, skill, or time of another person or from the use of property, including, but not limited to, labor, professional service, transportation, telephone, mail, other public service, electricity, gas, other public utility service, banking, accommodations in hotels, restaurants, or other places, admission to exhibitions, performances, or other places, and the use of property owned by another;

(5) "statement" means any representation in any form of advertising, any oral or visual presentation, or any other representation, presentation, or conduct which is intended to communicate to consumers;

(6) "supplier" means any person who is in the business of making goods or services available to consumers; and

(7) "unfair consumer practice" means any of the following:

(A) offering or advertising goods or services for sale to a consumer with knowledge that such goods or services will not be sold as so offered or advertised, or intending not to supply reasonably expectable public demands, unless the offer or advertisement clearly and conspicuously discloses the limitation;

(B) by making false or misleading statements with respect to goods or services which are offered for sale or sold to a consumer with respect to the need therefor; the need for repair or replacement thereof; rights, privileges, or remedies in connection therewith; prior ownership thereof; grade, age, quality, style, standard, or model thereof; or price or quality comparisons with similar goods or services offered for sale to consumers by the same or another supplier;

(C) making a statement that goods or services offered for sale, or sold to a consumer have sponsorship, approval, origin, safety or performance characteristics, ingredients or components, uses, features, benefits, or quantities which the goods or services do not have;

(D) accepting consideration for goods or services not intending to deliver such goods or perform such services as promised or failing to return or refund deposits or advance payments for goods or services which are not rendered in absence of any default or breach of obligation on the part of the consumer making such deposits or advance payments; or

(E) using physical force, threat of physical force, tortious threats or harassment, or misrepresentation of law in the course of a sale or attempted sale to a consumer of goods or services or in the course of collection of the purchase price or portion thereof of goods and services from a consumer.

Sec. 3. Chapter 63 of title 18, United States Code, is amended by inserting therein, and amending the syllabus accordingly, the following new section:

"§ 1344. Unfair consumer practices

"Whoever, in connection with the sale, attempted sale, or distribution of goods or services to a consumer, or in connection with the collection or attempted collection of the purchase price or portion thereof of goods or services by the use of any means or instrumentality of transportation or communication in or affecting interstate or foreign commerce including the use of the mails, knowingly engages in an unfair consumer practice, as defined in section 2(7) of the Consumer Fraud Act, shall be fined, in the case of a first offense, no more than $1,000 or imprisoned for no more than 1 year, or both, or in the case of a second or subsequent offense, shall be fined no more than $10,000 or imprisoned for no more than 3 years, or both.".

Sec. 4. Any contract or agreement in or affecting interstate or foreign commerce which provides for the purchase of goods or service which results from a transaction that involves an unfair consumer practice by a supplier may be voided by the affected consumer. Any person who knowingly induces a consumer to enter into a contract or agreement pursuant to or in furtherance of an unfair consumer practice shall be liable to such consumer in an amount equal to three times the damage or loss suffered, together with the costs of any legal action required including a reasonable attorney's fee(based upon actual time expended). Such amount may be recovered in a civil action in an appropriate district court of the United States or in any State court of comptent jurisdiction. The district courts of the United States shal have jurisdiction of any action brought under this section without regard to the citizenship of the parties or the amount in controversy. An action under this section may be brought within three years from the time that the unfair consumer practice was discovered or reasonably should have been discovered.

Sec. 5. The Attorney General of the United States, the appropriate United States Attorney, or the chief law enforcement officer or the attorney general of any State in which a prohibited act or practice occurred (as parens patriae of the people of such State, after notifying the Attorney General of the United States) may, upon a finding that any persons is engaged or is about to engage in any act or practice which constitutes an unfair consumer practice, bring an action in the appropriate district court of the United States, or in the appropriate State court of competent jurisdiction to enjoin such act or practice. Such courts shall have jurisdiction over such actions and shall provide appropriate relief. Such courts may grant a temporary restraining order, or a preliminary or permanent injunction without bond.

Sec. 6. This Act does not annul, alter, or affect the scope or applicability of the laws of any State or the United States relating to unfair consumer practices except to the extent that such laws permit acts or practices which are unlawful under this Act.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 670) was ordered to be engrossed for a third reading, read the third time, and passed.

HAROLD R. AND FRANCES K. WEITZEL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 264, Senate Resolution 203, and ask for its immediate consideration.

The resolution (S. Res. 203) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Harold R. Weitzel and Frances K. Weitzel, parents of Mary Ann Weitzel, an employee of the Senate at the time of her death, a sum to each equal to one and one-half months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Will the Senator from Nevada yield to me 3 minutes?

Mr. CANNON. Yes, I yield 3 minutes to the Senator from Alabama.

SENATE RESOLUTION 204—SUBMISSION OF A RESOLUTION TO DECLARE A VACANCY IN THE OFFICE OF U.S. SENATOR FOR THE STATE OF NEW HAMPSHIRE FOR THE TERM COMMENCING JANUARY 3, 1975

Mr. ALLEN. Mr. President, in a moment I shall send to the desk and ask unanimous consent for the immediate consideration of a resolution. First, this is a resolution to declare a vacancy in the office of the U.S. Senator for the State of New Hampshire for the term commencing January 3, 1975. It would result in the matter being referred to the people of New Hampshire for the filling of the vacancy in a special election.

This is the same resolution that was submitted and voted on yesterday. I do not anticipate a vote today on the resolution, but by objection being made, it would be carried over under the rule and on adjournment of the Senate, it would come up for consideration on the next legislative day following the adjournment.

At this time, I send to the desk this resolution and ask that it be stated. After it has been stated, I shall ask unanimous consent for its immediate consideration, and I anticipate that objection will be made.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

A resolution to declare a vacancy in the **office of United States Senator for the** State of New Hampshire for the term commencing January 3, 1975.

Be it resolved by the Senate, That the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975 is hereby declared vacant.

The PRESIDING OFFICER. Is there objection?

Mr. CANNON. Objection to what, Mr. President?

The PRESIDING OFFICER. To the immediate consideration of the resolution.

Mr. CANNON. I object.

The PRESIDING OFFICER. Objection is heard. The resolution goes over under the rule.

Mr. GRIFFIN. Mr. President, I yield myself 3 minutes. I commend the distinguished Senator from Alabama for offering this resolution, and I note that while it is sometimes said the Senate is deadlocked and making no headway whatsoever on the New Hampshire senatorial election contest, that is not quite true.

On yesterday, when there was the vote in the Senate on this question, there was some movement as far as the votes are concerned. The distinguished Senator from Alabama (Mr. Allen), who had not on earlier occasions voted for this, to send it back to New Hampshire, voted for it. Indeed, it was his resolution, the resolution that he sponsored, and also the Senator from Georgia (Mr. Nunn). So we gained two votes on this question on yesterday.

I would hope, indeed I would expect, if we could get the Senator from Alabama's resolution to a vote today again that we might see some more Senators getting in line with what the people of New Hampshire want, I am sure the people of the country want, and that is to resolve this matter by allowing the people of New Hampshire to elect their own Senator.

I would like to propound a parliamentary inquiry. Is it the situation now with respect to the resolution, putting the matter of the cloture motion aside, that the substance of the resolution just offered would not be in order as an amendment to the resolution because we already have amendments pending in the second degree; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. So the only way apparently that the question can be raised again, because the road is blocked in terms of having the matter brought up again as an amendment to the resolution, at least for the time being, is to introduced such a resolution as the Senator from Alabama has done.

I would hope, as was agreed to yesterday, that there would be the opportunity by unanimous consent again today, after the cloture vote, to vote on the resolution that the Senator from Alabama has introduced.

I just think we would see more and more Senators deciding that this is the way to resolve this matter in the fairest and most objective way in line with what the people of New Hampshire want, and then the Senate can get on with the other business, energy matters, and other matters that are so important and confront the Nation as problems.

The PRESIDING OFFICER. The Senator from Nevada has 2 minutes remaining.

Mr. CANNON. Mr. President, first, I would point out to my colleague that we have voted six times on this issue so far, and yet because of the determined position of a willful minority, we have failed to vote on any one issue of the 35 issues that were reported unanimously by the Rules Committee to the Senate to try to determine.

The Senator suggests that this is a way of resolving the issue and bringing us out of an impasse. I would suggest there is another way of resolving it, and that is to permit the Senate to vote on those 35 issues, either through the adoption of a cloture motion or by a time limit or just a plain and simple permission to vote.

We have been ready for over 2 weeks to vote on these issues. I have stated repeatedly that I would agree to any kind of a time limit from 30 minutes on up on a particular issue in order that all of these issues could be resolved, and we could try to find out whom the voters selected from the State of New Hampshire on election night.

I am disappointed in our colleagues on the minority side not being willing to find out whom the people of New Hampshire did elect, but want to have another shot at it.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. Res. 166, relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

Mike Mansfield, John O. Pastore, Warren G. Magnuson, Jennings Randolph, Quentin N. Burdick, Abraham Ribicoff, Walter D. Huddleston, Adlai E. Stevenson III, Wendell H. Ford, Edmund S. Muskie, Mike Gravel, Alan Cranston, Edward M. Kennedy, Claiborne Pell, Gaylord Nelson, Robert C. Byrd.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 52 Leg.]

Allen
Bartlett
Bentsen
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Church
Dole
Garn
Griffin
Hart, Gary W.
Hatfield
Johnston
Laxalt
Leahy
Mansfield
McIntyre
Moss
Nelson
Percy
Ribicoff
Roth
Sparkman
Stafford
Stone
Taft
Talmadge
Tower

The PRESIDING OFFICER. A quorum is not present.

Mr. CANNON. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Baker
Bellmon
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Case
Chiles
Clark
Cranston
Culver
Curtis
Domenici
Eagleton
Fong
Ford
Glenn
Goldwater
Gravel
Hansen
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
McClellan
McClure
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Schweiker
Scott, Hugh
Scott,
  William L.
Stennis
Stevens
Stevenson
Thurmond
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Arizona (Mr. FANNIN), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Regular order, Mr. President.

The PRESIDING OFFICER (Mr. HASKELL). The regular order is called for.

Mr. CRANSTON. Mr. President, am I recorded?

The PRESIDING OFFICER. The regular order has been demanded.

Mr. HUMPHREY. Mr. President, if a Senator is in the Chamber, he has a right to be recorded.

Several Senators addressed the Chair.

Mr. HUMPHREY. If a Senator is in the Chamber, does he not have a right to be recorded?

The PRESIDING OFFICER. The regular order has been demanded, and all the Chair can do is announce the vote.

Mr. HUMPHREY. Mr. President, Mr. President, Mr. President——

Mr. GOLDWATER. Regular order, Mr. President.

Mr. HUMPHREY. Mr. President, I demand to know by a parliamentary ruling as to whether or not, when a Senator is in this Chamber and has a question as to whether or not he is recorded, and asks it, whether or not an answer shall be given.

Mr. CRANSTON. Am I recorded?

Mr. HUGH SCOTT. Regular order, Mr. President.

The PRESIDING OFFICER. On this vote the yeas are 53, the nays are?

Mr. MANSFIELD. Mr. President, has the vote been finally announced?

The PRESIDING OFFICER. The vote has not yet been announced.

Mr. ALLEN. Mr. President, I ask unanimous consent that the rollcall be extended for another 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, that request is not in order. No debate is in order.

Since we are doing it, I would hope that the Senators would withhold their requests for the regular order. Another Senator coming will not change the outcome of this vote.

Mr. HUGH SCOTT. Mr. President, under these circumstances, I withdraw my motion for the regular order, but I may have to make it in the future if this rollcall is going to be delayed from day to day for 5 or 8 minutes.

The assistant legislative clerk resumed the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Arizona (Mr. FANNIN), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The yeas and naws resulted—yeas 55, nays 38, as follows:

[Rollcall Vote No. 270 Leg.]

YEAS—55

Abourezk
Bentsen
Biden
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Stone
Talmadge
Tunney
Williams

NAYS—38

Allen
Baker
Bartlett
Bellmon
Brock
Brooke
Buckley
Case
Curtis
Dole
Domenici
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
McClellan
McClure
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—6

Bayh
Beall
Eastland
Fannin
Mathias
Symington

Mr. WEICKER. Mr. President, regular order.

The PRESIDING OFFICER. Regular order is called for.

On this vote there are 55 yeas and 38 nays. Three-fifths of those chosen and sworn not having voted in the affirmative the cloture motion is rejected.

LEGISLATION PROGRAM

Mr. MANSFIELD. Mr. President, if I may have the attention of the distinguished Republican leader and the Senators—I see the Republican leader is on his feet—I was wondering if it would be possible, in view of the fact that the Calendar is getting a little crowded and that we have only the rest of this month on a number of items, if the distinguished Republican leader and the Senators would agree to a possible two-track, something on the order of 2 hours on the New Hampshire contest for not to exceed 3 hours at the beginning of the session, to be followed by items on the Calendar, such as the National School Lunch Act, which is important, which we would like to take up this afternoon; the bill S. 1256, to extend for 1 additional year entitlements for part B of the Education of the Handicapped Act, which is an important bill, also; a number of energy bills, S. 1883, in which the distinguished assistant Republican leader is interested; the Emergency Petroleum Allocation Act, on which we reached an informal agreement that we take it up Monday or Tuesday, and matters of that sort, with the emphasis on energy legislation.

Mr. HUGH SCOTT. Mr. President, if the distinguished Senator will yield, I think, first of all, we are anxious to dispose of any urgent or important legislation and to do it economically as regards time. I think we need a more specific request so that some of our Senators will know what they are being asked to agree upon.

Mr. MANSFIELD. Mr. President, will the Senator yield right there?

Mr. HUGH SCOTT. Yes.

Mr. MANSFIELD. May I suggest that the Senator from Nebraska (Mr. CURTIS) among others, is interested in the School Lunch Act; the Senator from Kansas (Mr. DOLE) is interested in S. 1256, having to do with the education of the handicapped.

The Democratic conference this morning indicated that we would be interested in taking up, for example, S. 1849, the Petroleum Allocation Act, which we will, with the approval of the Senate on Monday or Tuesday; S. 1883, the mandatory fuel efficiency standards for new automobiles and light duty trucks, which is on the calendar and has been for some days now; S. 521, the Outer Continental Shelf development and leasing; S. 586, the Coastal Zone Management Act, which will be on the calendar shortly; S. 391, coal leasing; and S. 1777, coal conversion, to accelerate the transition to greater coal usage, will be reported out of the committee I think in the not too distant future; S. 598, Energy Research Development Act funding of synthetic fuels; S. 692, Natural Gas Production and Conservation Act; and S. 740, Energy Production Board to oversee and coordinate the national energy efforts.

We also discussed H.R. 6860, a bill having to do with energy taxes to complement the conservation and augmented supply programs via incentives and disincentives, but when we found out that the hearings on that bill, which just started this morning—and it will be a big bill—it is a House bill, I believe, which the Committee on Finance will be considering—that we very likely could not get that, because there will be plenty of witnesses and lots of time involved.

Mr. HUGH SCOTT. Mr. President, if the Senator will further yield, I notice that the resolution of the Senate Democratic conference today includes the statement, "That legislative efforts be concentrated during the remainder of the month of July on the consideration of the legislation developed under the comprehensive energy program as approved unanimously by the majority conference in February," and then cites the specifics that the Senator has mentioned. That being the case, I assume that what we are trying to do here is to agree on some time limitation as to New Hampshire, although, for the life of me, I cannot understand why the Senate does not send it back for a new election.

Mr. MANSFIELD. Only and unless the Senate decides this one way or the other, it looks as though we are in an impasse, and we do have other business.

Mr. HUGH SCOTT. We are in an impasse. We are in a deadlock at the moment, and neither side wants to be charged with delaying the Nation's business; therefore, we are going to try to get to some agreement for that reason. But I think we should include in the agreement the right of any Senator to offer an amendment which may be voted on not more than once a day—the amendment offered by the Senator from Connecticut (Mr. WEICKER) or the Senator from Alabama (Mr. ALLEN), for example—to refer this matter back to New Hampshire.

The minority feels that it should have the right to at least one amendment a day, if we are going to put in 2 hours on the New Hampshire discussion. We have been under pressure daily as to why we will not vote on amendments. We are willing to vote on amendments, certain ones. We are willing to vote on this particular amendment. We are not willing to delay the Nation's business any longer than necessary.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CANNON. I make this suggestion, since I am the manager of the bill and the Senator is suggesting that we have one vote a day on a motion to recommit: I will be glad to agree that we have two votes a day—one on a motion to send back and one on any of the 35 issues; so that we would have 2 hours a day, each day, and hopefully in 35 days we could conclude the matter, if 35 times the Senate had voted down the resolution proposing to send it back to the voters of New Hampshire. I think that is a fair compromise.

Mr. HUGH SCOTT. I believe that it was not until yesterday that the distinguished manager of the bill, the Senator from Nevada, agreed to our voting out of consecutive order. He now very generously has proposed that we vote on these matters one by one. I cannot make that decision, obviously.

The Senator from Connecticut would like the Senator from Montana to yield.

Mr. MANSFIELD. I yield.

Mr. WEICKER. Mr. President, the distinguished majority leader has listed numerous items which deserve our attention; and I, together with every other Member in this Chamber, agree that they should be disposed of.

My position has been that we have wasted altogether too much time with this New Hampshire business and that it should be in New Hampshire.

However, with the idea in mind of furthering the business referred to by the distinguished majority leader and with the possibility of taking this matter from underneath the spotlight and ironing out some of the wrinkles in it, would there be any objection to the suggestion that this matter go back to the Rules Committee for a period of time, while we handle this other legislation on the floor of the Senate?

Mr. MANSFIELD. I wish the distinguished Senator from Connecticut would not push that; because I think that part of our responsibility—speaking for myself—is to stay with the New Hampshire contest, to see if we can in some way, some fashion, work out a conclusion to a matter which has been with us—how many days? Sixteen or 17 days. It is a matter on which we have spent more than 70 hours, have had numerous rollcall votes and live quorum calls. In this way, we could be attending to that issue, which is a major responsibility, as well as other issues which are of interest to the Nation as a whole.

Mr. WEICKER. The only reason why I suggested it is that it is clear that the road to a solution before the full Senate is blocked. The road advocated by this side, of sending it back to New Hampshire, is blocked.

I am just suggesting, in the interest of trying to move ahead the rest of the business of this Nation, not that we forget it or set it on a shelf or devote a charade of 1 or 2 hours a day to it, but, rather, to get it back to the Rules Committee, to see if some movement is possible which can take place down that road, which we have not tried up to this point.

Mr. MANSFIELD. The Senator is aware that more than 200 hours already have been spent in the Rules Committee. I do not know whether he is aware of the fact that the distinguished ranking member of the Republican side, Senator HATFIELD, last night indicated that there might be some movement; and perhaps if we kept it on the front burner, something could be worked out—what, I do not know—on a step-by-step basis; nothing in the way, I understand, of a unanimous-consent request covering the whole thing, but perhaps one step at a time.

Mr. WEICKER. As I understand it, if I am not mistaken, the distinguished Senator from Oregon did agree to move ahead on No. 1, which has been called for on the other side and is now going to take place.

Mr. MANSFIELD. I did not know that. I thought they were going to consider it overnight.

Mr. HUGH SCOTT. We have not agreed to vote on issue No. 1 at some point yet.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HATFIELD. With all due respect to the Senator from Connecticut, I have no desire to have the matter returned to the committee, as one member of that committee.

Mr. CANNON. If the Senator will yield to me, I join in that wish.

Mr. HATFIELD. I think movement was indicated yesterday, as the RECORD will show, when the distinguished chairman of the committee, Mr. CANNON, on page S12197 of the RECORD, indicated that he was ready to vote on any issue. He further illustrated this by saying "any one of those issues, the 35 issues." He emphasized the point that he was ready to vote.

The colloquy will indicate there that I responded by suggesting that we move immediately to issue No. (1); that other than through a unanimous-consent agreement, but by a gentlemen's agreement, we could reach an understanding that we would restrict our discussion on issue (1) to 1 hour to a side. Then we could have a vote on issue (1), and hopefully that movement would permit additional movement, perhaps moving to issue (2) or issue (3). But if the chairman had indicated clearly that he was ready to vote on any single issue of the 35 and our response was, "Let us move to (1) in the resolution," I think it indicates some kind of crack in the impasse in which we find ourselves.

UNANIMOUS-CONSENT REQUEST—SENATE RESOLUTION 166

Mr. CANNON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CANNON. Mr. President, perhaps we are making some headway here. This is what we have been trying to do for some 17 days—to try to vote on any one of these 35 issues.

We are in a parliamentary situation in which the pending issue is the Mansfield-Cranston amendment to issue (1). It is in the second degree, and no further amendments are in order; the yeas and nays have been ordered on that. In order that we not enter into any parliamentary shenanigans here and agree to vote on one issue simply to get rid of something else and get it under the table so that it can create difficulties at a later time, I should like to propose the following unanimous-consent agreement:

That it be in order for the Mansfield-Cranston amendment to be set aside temporarily; that there be a 1-hour time limit on issue (1), which is actually issue (2) because of the resolving clause, but it is written as (1) in the resolution; that there be a 1-hour time limit on that, to be equally divided; that it not be subject to amendment or subject to a tabling motion; that at the conclusion of the vote on issue (1), the Mansfield-Cranston amendment then be the pending business; that the Mansfield-Cranston amendment not be subject to further amendment; that we have a time limit of 1 hour on the Mansfield-Cranston amendment, not subject to further amendment or a motion to table.

Mr. GOLDWATER. Mr. President, I object to that.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, in response to the suggestion made by the distinguished Republican leader, if he wants to vote every day or every other day on a motion to send the election back to New Hampshire, or every other day, a motion to recommit, that will be all right with me. I would appreciate it.

Mr. HUGH SCOTT. I understand that. I do want to make the point clear, something I said a moment ago, that as far as the first half of the unanimous-consent request of the distinguished Senator from Nevada is concerned, I have no objection, and I do not think the Senator from Oregon expressed any objection, if it is to be an hour, no amendments thereto, no motion to table, and a straight up and down vote on issue (1), leaving for us then to move to whatever other issue we can agree on, hopefully by a unanimous-consent agreement. But the attempt to move us away from separate votes on separate issues by an arbitrary request of this kind is one that, regrettably, I can see why we cannot agree to.

Mr. HATFIELD. Will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HATFIELD. I want to add just one further clarification.

I do not think that we are asking here, today, for a commitment to vote each day on whether we should send it back. That is not a matter we want to get locked into. It is just that we do not want to be denied that possibility if it should arise. This is certainly no notice to the Senate that we are going to call for such a vote.

Mr. MANSFIELD. That is right.

Mr. HATFIELD. We just do not want to have that right foreclosed.

Mr. MANSFIELD. Not at all.

Mr. HUGH SCOTT. We would like to feel, if the right is asserted, that we are not going to be confronted with a tabling motion every time. We would like an up or down vote on an important issue of that kind. But we may not offer it every day.

Mr. CANNON. If the Senator will yield to me, I certainly would not be a party to any shenanigan like that, an agreement not to move to table. We have had six votes on the question of sending it back. To go through it 35 times more on the same issue, I think enough is enough. I do not know what kind of games we are trying to play here, but I certainly am not going to agree to anything that would preclude me from making a motion to table on whatever the issue is. After we have voted on an issue a dozen or so times, I think a motion to table might well be in order.

Mr. MANSFIELD. May I say that the rights of the Republicans as to what they want to do in the matter of amendments is entirely within their discretion and within the rules and regulations of the Senate. But every Senator does have the right, also, to move to table or to recommit or to do other things, which has to be done, in equity.

Mr. HUGH SCOTT. If the Senator will yield, I should like to find a definition for "shenanigans." It is rather obvious to me that the distinguished Senator from Nevada defines a shenanigan as something proposed by someone other than himself. There are, however, some of us who feel that throughout the hearings in the Committee on Rules, shenanigans were not confined to individual members. Shenanigans were led by the chief shenaniger. Maybe we are as sick and tired of shenanigans as the Senator from Nevada is.

In any event, we are not making much progress, and that is regrettable. Therefore, we shall try again. If we could agree, as the distinguished majority leader has said, that we move on the first energy bill, which has a time limitation, that during the 2-hour period reserved for the further discussion of the New Hampshire contest, either side may be assured of an opportunity to offer at least one amendment——

Mr. MANSFIELD. Of course.

Mr. HUGH SCOTT (continuing). And to ask for a vote on it if they so decide——

Mr. MANSFIELD. I hope, though, that the right would not be abused, too.

Mr. HUGH SCOTT. I hope not. And I hope, too—I notice there seems to be a falling off of interest on the cloture votes, because there has been so much trouble getting Senators here for the last one. I hope that during the 2 hours, we can maintain interest in New Hampshire. One way of doing it is to have some votes.

If the distinguished Senator could confine himself at this time to the first of the energy bills, as far as I am concerned, I would be willing to go along with the next one and the next one and the next one. But I am afraid there is some concern about a package here, I am not sure. There is some concern.

Meanwhile, there is also, as the Senator has noted, some movement on both sides to try to find a way out of this thing. The cloture route is arousing a feeling of intransigence on both sides. It is not contributing to the temper of the Senate. There ought to be other ways by which we might search for a solution.

Mr. MANSFIELD. Will the Senator yield?

Mr. HUGH SCOTT. Yes.

Mr. MANSFIELD. I should like, this afternoon, to take up the school lunch program.

Mr. HUGH SCOTT. I have no objection. I understand it has been cleared with the Senator from Nebraska.

Mr. GOLDWATER. Will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. GOLDWATER. It is my recollection that the majority leader has had no difficulty at all in calling up bills. We have passed legislation almost every day while the New Hampshire debate has been going on. I see no reason to call the public's attention to our inability to solve that problem by calling specific attention to what I would call mother love-type bills. If they do not get passed immediately, that is the fault of the Senate, and the fault of the Senate lies in its inability to send this matter back to the people of New Hampshire.

Frankly, I think that the most important thing we are doing is to recognize the constitutional right of the people of New Hampshire to have two Senators. I think it is far more important than school lunches or wide roads and free beer, if we want to put it that way.

I suggest to the majority leader that he not try to get unanimous consent for a double-track system, but that he do as he has done in the past very successfully, bring up these matters from time to time. I do not think he will have any trouble, but I would be inclined to oppose any general movement to run on a double-track system. I think the primary matter is to get this New Hampshire thing settled.

Mr. MANSFIELD. I agree with the Senator, but I have discussed this with the leadership on the Senator's side of the aisle and with the ranking Republican before I made the proposal. The Senator must recognize the fact that we have only 3 weeks before we go out in August. All I was trying to do is give the Senators some sense of direction so they would be aware of what we shall be doing, and I hoped we could concentrate on the energy bill. I hope we can have some leeway.

Mr. GOLDWATER. The Senator has had no difficulty. I cannot think of any bill that he has called up that has not been brought up and passed or otherwise acted on. I do not see why we have to go into another routine of double-track system.

Mr. MANSFIELD. What I was trying to do, because of the shortness of time before the first of August, is establish a pattern so all the Senators would be aware of what is to be considered. That is why I read off the list.

Mr. GOLDWATER. We do not have to go home in August.

Mr. WEICKER. Right.

Mr. GOLDWATER. There is no rule saying we have to be back in Arizona, California, or Montana in August. As delightful as those places are, and as much as I prefer them to Washington, there is no rule that says we have to go home in August.

Mr. MANSFIELD. The Senator is aware of the fact that while there is no rule, there is a law, agreed to by both Houses, and it would take the concurrence of both Houses to abrogate that law.

Mr. GOLDWATER. We can try.

Mr. MANSFIELD. We can try getting some legislation passed, too.

Mr. CURTIS. Mr. President, as far as I am concerned, I am ready to go ahead on the school lunch bill. I do not think we need a time limitation. The amendment that I have is merely one that would give each State permission to buy commodities rather than accept them in kind.

Mr. MANSFIELD. What I should like to do, if the Senate will permit me, is to consider taking up some of these items as they come on the calendar. I hope that for, let us say, the rest of this week, we shall be allowed to do that and it will be possible to do that with the allocations bill on Monday, which I think the Senator from Wyoming and others have indicated they have an interest in.

Mr. HUGH SCOTT. With the understanding that there will be prior consultation either with the leadership on this side or the regular Members.

Mr. MANSFIELD. Oh, yes.

Mr. HATFIELD. If the Senator will yield, am I to understand that as of this moment, the question of New Hampshire will be laid aside temporarily?

Mr. MANSFIELD. Yes.

Mr. HATFIELD. For the remainder of the week?

Mr. MANSFIELD. No; for the remainder of the day. Tomorrow we go back to that and after 2 or not to exceed 3 hours—let us say not to exceed 3 hours—then we would like to go to——

Mr. JAVITS. Mr. President, we cannot hear a thing.

The PRESIDING OFFICER. Will the Senators please use their microphones?

Mr. HANSEN. Simultaneously?

Mr. MANSFIELD. Is the Senator from Kansas (Mr. DOLE) in the Chamber?

Mr. DOLE. Yes.

Mr. MANSFIELD. What we should like to do tomorrow, and I hope that the Senator from Connecticut will give this consideration, is to take up a bill to extend for one additional year entitlements for point B of the Education of the Handicapped Act. The Senator from Kansas is interested in that.

Mr. DOLE. I am interested. I have no amendments, no objection.

Mr. WEICKER. Is there any reason why this could not be a part of today's business, also?

Mr. MANSFIELD. Yes, it could.

Mr. WEICKER. Let us do it today.

Mr. MANSFIELD. If we cannot do it today, would it be permissible tomorrow?

Then I should like, and I should like to get this down, to take up the Petroleum Allocations Act on Monday, because we did promise the Senator that we would take it up on Monday or Tuesday of next week. I refer to the Senator from Wyoming.

Mr. HUGH SCOTT. We did make that understanding. I do not think, however, we should stay more than 2 hours on New Hampshire for the present, because we have our committee meetings, too, and we do not like to be subjected to the accusation that we are holding up legislation.

Mr. HANSEN. Mr. President, will the Senator yield at that point?

Mr. HUGH SCOTT. Yes.

Mr. HANSEN. We found, those of us on the Interior Committee, that a committee meeting in the evening is a delightful time. The Halls are uncrowded; there is no traffic; the Halls are bare, and I see no reason to change that situation.

Would the minority leader agree with me? I just offer that in the spirit of helpfulness.

Mr. HUGH SCOTT. I appreciate the helpfulness of the Senator from Wyoming, and my own helpfulness to back up the distinguished Senator from Oregon that we discuss the condition of deadlock regarding New Hampshire for 2 hours a day instead of a 3-hour discussion deadlock in the hope that to solve this deadlock men of goodwill might find a way to do it.

Someone asked me this morning who the men of goodwill are, and I said modesty forbade my saying it.

[Laughter.]

Mr. HANSEN. Mr. President, will the minority leader yield for a question?

Mr. HUGH SCOTT. The majority leader has the floor.

Mr. MANSFIELD. I would be delighted.

Mr. HANSEN. Assuming there is reluctance, so far displayed on both sides, to change the situation significantly, is it not conceivable that eventually the thing will resolve itself? If it were to continue for 6 years then this issue would be behind us; would it not?

Mr. HUGH SCOTT. Yes, it would resolve itself either in 6 years or by the withdrawal of New Hampshire from the Union and return to colonial status.

[Laughter.]

Mr. HANSEN. Despite the fact that there may be grounds for that action, I would hope they would not act precipitately; that is, the Senate.

[Laughter.]

Mr. MANSFIELD. I wonder, I understand it is not possible to take up the Handicapped Act this afternoon because of a similar bill being in the House waiting to come up here or something of that sort, but there are three other bills which might be applicable for some action. There is a bill to amend the Federal Trade Act, with some debate; a bill to amend the Consumer Product Safety Act, with some debate; and that is all.

UNANIMOUS-CONSENT AGREEMENT—S. RES. 166

Mr. MANSFIELD. I ask unanimous consent that for the next week or so anyway, the next 10 days, that there be 2 hours devoted entirely to the New Hampshire contest, and then that it be allowable to go on to other legislation, after consultation with the Republican leaders.

Mr. PERCY. Mr. President, will the majority leader yield?

Mr. MANSFIELD. Yes.

Mr. PERCY. Reserving the right to object—and I do not intend to object because I support fully the leadership in this area to keep us going ahead—a point of inquiry on tomorrow's schedule. I expect to be in Chicago and, possibly, Senator STEVENSON will want to be there in connection with the State university. Would it be possible to have our debate on New Hampshire early enough in the morning and then do as much as we possibly can today, so that those Senators who do wish to work back in their own home States over the weekend would not just hang around in the afternoon and not know when they could depart?

Mr. MANSFIELD. That would be all right with me, but I would hope that, in return, the committees could meet until 12 o'clock or so tomorrow because there is important legislation, for example, having to do with Elk Hills in the Armed Services Committee.

Mr. HUGH SCOTT. This is the President's request, and I could hardly object to it.

Mr. LONG. Mr. President, reserving the right to object, may we have consent that at least the Finance Committee might meet on the energy bill during this period?

Mr. MANSFIELD. It should. They just started to work on this.

Mr. HUGH SCOTT. I have no objection.

Mr. HANSEN. Mr. President, reserving the right to object, and it is with great reluctance that I would have to make this point, I am fully conscious of the importance of the actions of the Finance Committee, and I am equally aware of the fact that I am a member of the Interior Committee, and we have been scheduling—there have been meetings scheduled, as a matter of fact, we have practically blocked out every week with Interior Committee meetings, and we try to slip in a Finance Committee meeting once in a while, and because of that, because of what I think is almost a feeling by the Interior Committee that it should preempt the whole energy field, I would have to object.

I do not think that should be the case, and I would hope that the Interior Committee would back away and recognize the legitimate role that the Finance Committee has to play. Let us continue the dual operations going, as has so often characterized this year's committee assignments, and if that could be done then I would have no objection. But, being free to go to the Finance Committee, requires my only participation late in the evening in the Interior Committee.

Mr. LONG. The part that concerns me is the Finance Committee is under a tight schedule to try to move an energy bill sent over here by the House, and I must object to committee meetings while the Senate is continuing a filibuster, if a filibuster is going to prevent the Finance Committee from meeting. It is all right for me to let go a filibuster as long as they want to filibuster, providing committees can meet and do their work otherwise, but I will object to committees meeting during the Senate filibuster if it prevents the Finance Committee from meeting because we are going to achieve something even if the Senate does not.

If we are going to have a unanimous-consent request, it would at least be with the understanding that the committees could meet while this thing drags on. I do not see any prospect of this thing being resolved in the next year and, in that case, we ought to try to achieve something else.

Mr. HANSEN. Mr. President, I am going to object for a reason that I hope might be understood. I do not disagree at all with my distinguished chairman and dear friend, the Senator from Louisiana. He is entirely right, and the Finance Committee does have some very important business to conduct. I think we have almost been imposed upon by the seeming attitude on the part of some on the Interior Committee to try to preempt every piece of legislation and get it to the jurisdiction of that particular committee, and because of my displeasure with that seeming situation I must object. I hope, in the meantime, that an arrangement can be worked out between Interior and Finance that would obviate this problem.

On the basis that I have tried to explain, I do object.

Mr. LONG. Well, Mr. President, I will have to object to a unanimous-consent request for the Senate to continue committee meetings during the New Hampshire contest because nothing is being achieved here, and we might be able to achieve something in the energy area, if somebody can do something about it. So I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Objection to what?

The PRESIDING OFFICER. The request of the Senator from Montana.

Mr. MANSFIELD. I did not have that request. The last request was on committee meetings.

RESTATEMENT OF UNANIMOUS CONSENT REQUEST—S. RES. 166

I renew my request, Mr. President, that there be a time limitation of 2 hours on the New Hampshire contest, and that following that it be in order to take up items on the calendar, many of which have already been enumerated, beginning today.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object—and I am not in objection to the general request of the Senator from Montana—I was perfectly agreeable that these some 10 or 12 bills might come up, but objection was made to a package of those bills, and now carte blanche is being given to the leadership on both sides to bring up bills, and the Senator from Alabama would like more specificity on the matter.

Mr. HATFIELD. Reserving the right to object——

Mr. MANSFIELD. If I may recall what the Senator from Alabama discussed with me earlier, I would confine it just to the energy bills.

Mr. ALLEN. That suits me entirely.

Mr. HATFIELD. Reserving the right to object, may I ask the Senator, Mr. President, to yield for a question?

Mr. MANSFIELD. Surely.

Mr. HATFIELD. I did not understand for what period of time this would apply, 2 hours a day for how long, today, tomorrow, Monday?

Mr. MANSFIELD. I would like to get it through next week if at all possible.

Mr. HATFIELD. I would hope that the majority leader would consider restricting his request at this time to tomorrow and Monday, with an expectation that it be extended but, at least, make his request to apply as to the calendar of the bills that would occur on Friday and Monday.

Mr. MANSFIELD. All right. I modify——

Mr. HATFIELD. Mr. President, if the majority leader will yield again——

Mr. MANSFIELD. Yes.

Mr. HATFIELD. Make this from Friday through Tuesday.

Mr. MANSFIELD. That will be fine and, of course, I would assume if the bill, the allocation bill, were not finished on Tuesday that we would be accorded the courtesy of going over to Wednesday.

I modify my request accordingly, and I wish that the Senate would give the joint leadership some flexibility as to what will be called up after the Child Nutrition Act because we will just have to look at the Calendar, with the proviso the Allocations Act would come up Monday.

Mr. HATFIELD. Will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. HATFIELD. Will the Senator give us some indication of what hour he expects this to be at the Senate this day under this agreement?

Mr. McCLURE. Before responding, will the Senator yield?

Mr. MANSFIELD. Surely.

Mr. McCLURE. I think there has been a number of us who have been concerned that the New Hampshire contest should not become just a pro forma period of time and if the committees are going to be granted the right to meet until noon during the period we are discussing——

Mr. MANSFIELD. Evidently they are not going to be granted that.

Mr. McCLURE. And the Senator does not intend to renew that request even on this more limited area of agreement?

Mr. MANSFIELD. No, maybe tomorrow, but not today—not tomorrow.

Mr. McCLURE. The reason I ask that is if that is to be asked, it should be coupled, it seems to me, with some understanding of what time we will come in so that we do not just relegate the New Hampshire matter to a subsidiary status.

Mr. MANSFIELD. Well, Mr. President——

Mr. WEICKER. I might suggest, as it seems to me there are other issues to be taken up, why is it necessary to even go through the charade since we have limited it to Friday and Monday and Tuesday of the New Hampshire debate, is that not time far better spent on other business, since we have limited it to those 3 days?

And might I suggest that possibly it should be so phrased not to exceed 2 hours, so that, in effect, there could be no debate and the time better utilized in other ways?

Mr. MANSFIELD. I would dislike very

much laying aside the New Hampshire contest because it is a simmering issue.

I do not think 2 hours a day is too much to devote to an issue of that importance. I would point out that this is the idea, specifically, of the ranking member of the Rules Committee, the Senator from Oregon (Mr. HATFIELD).

Mr. HATFIELD. Will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. HATFIELD. I also just suggest we might accomplish two objectives here at one time, that if the Senate came in, say, at 11 o'clock in the morning for the morning hour, and assuming that the New Hampshire primary would become the business around noontime, that would give these committees that the Senator from Louisiana expressed concern about a while ago an opportunity to meet all morning.

Mr. MANSFIELD. Yes.

Mr. HATFIELD. But if we came in at 9 o'clock in the morning, in my opinion, we would——

Mr. MANSFIELD. No, no, no.

Mr. HATFIELD. We would relegate this to——

Mr. MANSFIELD. Mr. President, I ask first to please let the Chair rule on the request I made, on Tuesday.

Mr. ALLEN. Reserving the right to object, I say again I do not feel the majority leader ought to ask for discretion on the part of the leadership as to the bills to be brought up. I feel that a definite list of bills should be agreed upon and then the leadership have authority to pick from those bills.

Mr. MANSFIELD. All right.

Mr. President, the list of bills to be considered, or likely to be considered, would be Calendar No. 181, S. 1883; Calendar No. 182, S. 1281; Calendar No. 186, S. 692; and Calendar No. 215, S. 1849; which will, the Senate allowing us, be taken up on Monday.

Calendar No. 245, S. 349; Calendar No. 247, S. 644; and Calendar No. 256, S. 963; with the understanding that No. 251, H.R. 4222, will be taken up this afternoon; and, in addition, the energy bills.

Mr. McCLURE. Reserving the right to object—and I shall not object—I want a clarification on one item. One of the bills the Senator has listed may have to have an amendment made.

Mr. MANSFIELD. Will the Senator repeat that?

Mr. McCLURE. Calendar No. 247, S. 644.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate? I can scarcely hear the Senators who are speaking, much less see them.

The PRESIDING OFFICER. The Senators will please take their seats.

Mr. McCLURE. S. 644 may have to have an agreement with respect to an amendment. That agreement has not yet been reached, and I did not understand that the majority leader was saying these items would come up.

Mr. MANSFIELD. No, no.

Mr. McCLURE. It is just that they might.

Mr. MANSFIELD. It is just that they might and, in line with the suggestion of the Senator from Alabama, to list these.

Mr. McCLURE. I understand.

Mr. MANSFIELD. And, of course, include the energy bills, which are not on the Calendar; and sometime later in the month it would, of course, include the extension of the Voting Rights Act.

Mr. BROOKE. Will the Senator yield?

Mr. MANSFIELD. Surely.

Mr. BROOKE. I notice the Senator from Alabama is very much interested in having the leadership have a specific list of bills they would bring up, rather than going to the bill under general orders, and I notice that the list which the majority leader has read does not include order No. 170, H.R. 6219.

Mr. MANSFIELD. No.

Mr. BROOKE. An act to amend the Voting Rights Act.

Mr. MANSFIELD. I just announced, though, prior to yielding to the Senator from Massachusetts, that that would come up later in the month.

Mr. BROOKE. Does the majority leader have any idea as to when he will bring that bill to the floor?

Mr. MANSFIELD. Not at the moment because the chairman of the Judiciary Committee, I understand, is in the hospital. The Judiciary Committee is prepared to consider it and I would await the judgment of my friends on that committee.

Mr. BROOKE. Well, it is my understanding the Voting Rights Act expires on August 6.

Mr. MANSFIELD. That is correct.

Mr. BROOKE. So it is essential that this matter be brought up prior to August 1.

Mr. MANSFIELD. It will be.

Mr. BROOKE. And it is the intention of the majority leader and the minority leader to bring this bill up prior to the recess of August 1?

Mr. MANSFIELD. Yes, because, after all, there are a number of measures here which are affected by time limitations.

Mr. BROOKE. And the list, if I may inquire further, which the majority leader has mentioned or has read, extends only to Tuesday of next week, is that correct?

Mr. MANSFIELD. What is that?

Mr. BROOKE. The list, which the majority leader read, to be taken up extends only to Tuesday next week?

Mr. MANSFIELD. That is the basis of the only agreement we can get at this time.

Mr. BROOKE. And the majority leader can bring it up at any time?

Mr. MANSFIELD. No, no. I can discuss it with the Republican leader and the interested Members on each piece of legislation, not any action. This is giving a notification of the proposal which could or might.

Mr. BROOKE. I thank the Senator.

Mr. HUGH SCOTT. If the Senator will yield, just for the record, I believe that of those bills read by the distinguished majority leader, only three are energy-related properly, that is, Calendar No. 181, S. 1883; Calendar No. 186, S. 692; and Calendar No. 215, S. 1849.

But I am not objecting.

Mr. JOHNSTON. Will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. JOHNSTON. With respect to the August recess, may Senators with confidence schedule speeches for the month of August at any time?

Mr. MANSFIELD. Barring some unforeseen factor which I do not see at the moment, yes.

Mr. JOHNSTON. I thank the Senator.

Mr. MANSFIELD. So, Mr. President, we have these proposals to be considered. Some will come pretty close to the deadline, but we will do the best we can. We can make no commitments until they have been cleared by the joint leadership.

Mr. HUGH SCOTT. And I would hope by the chairman and ranking member of the relevant committees.

Mr. MANSFIELD. That is correct.

The only fact in question now, may I say to my distinguished friend from Massachusetts, is the absence of the chairman, who is in the hospital, and action by the Judiciary Committee.

So while I cannot make a hard and fast commitment, I will do the best I can, but I am afraid it is going to be towards the end.

Mr. BROOKE. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

The Chair hears none and it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That on Friday, July 11, 1975, Monday, July 14, 1975, and Tuesday, July 15, 1975, when the Senate proceeds to the consideration of the unfinished business, S. Res. 166, relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire, debate shall be limited thereon to two hours on each day, and that at the conclusion of the two hours, the Senate leadership be permitted to call up any of the following bills: S. 1883, S. 1281, S. 692, S. 1849, S. 349, S. 644, S. 963, and any other energy bills.

Mr. CRANSTON. Will the Senator yield for a question?

Mr. MANSFIELD. Yes.

Mr. CRANSTON. I would just like to ask the majority leader this question: if, while New Hampshire is pending before this body and is the pending business, some Senator wishes to object to its being laid aside for the consideration of any particular measure, that Senator has that right, does he not,

Mr. MANSFIELD. Not beyond Tuesday because we have this agreement now.

Mr. CRANSTON. I mean after Tuesday. Suppose the following Tuesday we are once again debating New Hampshire as the principal or pending order of business and it is proposed to lay it aside to consider some particular piece of legislation. Objection could prevent it from being laid aside for consideration of that business?

Mr. MANSFIELD. Yes.

Mr. ROBERT C. BYRD. If the Senator will yield, a motion could be made to move to another matter. That motion would be debatable if made after the morning hour. It would not require unanimous consent, but it could be done by motion.

Mr. CRANSTON. But it would require getting the motion to a vote?

Mr. ROBERT C. BYRD. The motion would not be debatable unless it is made after morning business is completed.

NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966 AMENDMENTS OF 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily, and the Senate turn to the consideration of Calendar 251, H.R. 4222.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as "The National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975".

SCHOOL BREAKFAST PROGRAM

SEC. 2. Section 4(a) of the Child Nutrition Act of 1966 (80 Stat. 885, as amended) is amended by striking out "and June 30, 1975," and inserting in lieu thereof "June 30, 1975, and June 30, 1976, and for the period July 1, 1976, through September 30, 1976, and for the fiscal year ending September 30, 1977,".

SEC. 3. Section 4 of the Child Nutrition Act of 1966 is amended by adding at the end thereof the following new subsection:

"(g) As a national nutrition and health policy, it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance. The Secretary is hereby directed, in cooperation with State educational agencies, to carry out a program of information in furtherance of this policy. Within 6 months after the enactment of this subsection, the Secretary shall report to the committees of jurisdiction in the Congress his plans and those of the cooperating State agencies to bring about the needed expansion in the school breakfast program.".

DIRECT FEDERAL EXPENDITURES

SEC. 4. Section 6(b) of the National School Lunch Act (60 Stat. 230, as amended) is amended—

(a) By striking out "nonprofit private" the first time such term occurs in the proviso of the third sentence and inserting in lieu thereof "any of the".

(b) By striking out "nonprofit private" the second time such term occurs in the proviso of the third sentence and inserting in lieu thereof "such".

(c) By striking out "nonprofit private" where such term occurs in the fourth sentence.

MATCHING

SEC. 5. Section 7 of the National School Lunch Act is amended by inserting after the seventh sentence thereof the following new sentence: "The requirement in this section that each dollar of Federal assistance be matched by $3 from sources within the State (with adjustments for the per capita income of the State) shall not be applicable with respect to the payments made to participating schools under section 4 of this Act for free and reduced price lunches: *Provided*, That the foregoing provision shall not affect the level of State matching required by the sixth sentence of this section.".

INCOME POVERTY GUIDELINE

SEC. 6. Section 9 of the National School Lunch Act is amended as follows:

(a) Subsection (b) is amended by inserting "(1)" immediately after the subsection designation.

(b) Effective January 1, 1976, paragraph (1) of subsection (b) is revised to read as follows:

"(b)(1) No later than June 1 of each fiscal year, the Secretary shall issue revised income poverty guidelines for use during the subsequent 12-month period from July through June. Such revisions shall be made by multiplying the income poverty guideline currently in effect by the change in the Consumer Price Index for the 12-month period ending in April of such fiscal year: Provided, That such revision for use from July 1976 through June 1977 shall be made by multiplying the income poverty guideline currently in effect by the change between the average 1974 Consumer Price Index and the Consumer Price Index for April 1976. Any child who is a member of a household which has an annual income not above the applicable family-size income level set forth in the income poverty guidelines prescribed by the Secretary shall be served a free lunch. Following the announcement by the Secretary of the income poverty guidelines for each 12-month period, each State educational agency shall prescribe the income guidelines, by family size, to be used by schools in the State during such 12-month period in making determinations of those eligible for a free lunch as prescribed in this section. The income guidelines for free lunches to be prescribed by each State educational agency shall not be less than applicable family-size income levels in the income poverty guidelines prescribed by the Secretary and shall not be more than 25 per centum above such family-size income levels. Each fiscal year, each State educational agency shall also prescribe income guidelines, by family size, to be used by schools in the State during the 12-month period from July through June in making determinations of those children eligible for a lunch at a reduced price, not to exceed 20 cents, if a school elects to serve reduced-price lunches. Such income guidelines for reduced-price lunches shall be prescribed at not more than 75 per centum above the applicable family-size income levels in the income poverty guidelines prescribed by the Secretary. Local school authorities shall publicly announce such income guidelines on or about the opening of school each fiscal year, and shall make determinations with respect to the annual incomes of any household solely on the basis of a statement executed in such form as the Secretary may prescribe by an adult member of such household. No physical segregation of or other discrimination against any child eligible for a free lunch or a reduced price lunch shall be made by the school nor shall there be any over identification of any child by special tokens or tickets, announced or published lists of names, or by other means. For purposes of this subsection, 'Consumer Price Index' means the Consumer Price Index published each month by the Bureau of Labor Statistics of the Department of Labor.".

(c) Subsection (b) is further amended by adding at the end thereof the following new paragraph (2):

"(2) Any child who has a parent or guardian who (A) is responsible for the principal support of such child and (B) is unemployed shall be served a free lunch during any period (i) in which such child's parent or guardian continues to be unemployed and (ii) the income of the child's parent or guardian during such period of unemployment falls within the income eligibility criteria for free lunches. Local school authorities shall publicly announce that such children are eligible for a free lunch, and shall make determinations with respect to the status of any parent or guardian of any child under clauses (A) and (B) of the preceding sentence solely on the basis of a statement executed in such form as the Secretary may prescribe by such parent or guardian. No physical segregation of, or other discrimination against, any child eligible for a free lunch under this paragraph shall be made by the school nor shall there be any overt identification of any such child by special tokens or tickets, announced or published lists of names, or by any other means.".

(d) Subsection (c) is amended by striking out "nonprofit private schools" and inserting in lieu thereof "schools (as defined in section 12(d)(6) of this Act which are private and nonprofit as defined in the last sentence of section 12(d)(6) of this Act)".

NONPROFIT PRIVATE SCHOOLS

SEC. 7. Section 10 of the National School Lunch Act is amended to read as follows:

"DISBURSEMENT TO SCHOOLS BY THE SECRETARY

"SEC. 10. If, in any State, the State educational agency is not permitted by law to disburse the funds paid to it under this Act to any of the schools in the State, or is not permitted by law to match Federal funds made available for use by such schools, the Secretary shall disburse the funds directly to such schools within the State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to schools within the State by the State educational agency, including the requirement that any such payment or payments shall be matched, in the proportion specified in section 7 for such State, by funds from sources within the State expended by such schools within the State participating in the school lunch program under this Act. Such funds shall not be considered a part of the funds constituting the matching funds under the terms of section 7.".

SEC. 8. Section 11 of the National School Lunch Act is amended—

(a) by striking out in paragraph (1) of subsection (e) "Not later than January 1 of each year" and inserting in lieu thereof the following: "Each year by not later than a date specified by the Secretary."

(b) By striking out in paragraph (1) of subsection (e) the word "fiscal" and inserting in lieu thereof the following: "school".

MISCELLANEOUS PROVISIONS AND DEFINITIONS

SEC. 9. (a) Section 12(d) of the National School Lunch Act is amended by striking out paragraph (3) and by redesignating paragraphs (4) through (7) as paragraphs (3) through (6), respectively.

(b) Section 12(d)(1) of the National School Lunch Act is amended by striking out "or American Samoa" and inserting in lieu thereof "American Samoa, or the Trust Territory of the Pacific Islands".

(c) Section 12(d)(6) of the National School Lunch Act (as redesignated by subsection (a) of this section) is amended to read as follows:

"(6) 'School' means (A) any public or nonprofit private school of high school grade or under, (B) any public or licensed nonprofit private residential child care institution (including, but not limited to, orphanages and homes for the mentally retarded), and (C) with respect to the Commonwealth of Puerto Rico, nonprofit child care centers certified as such by the Governor of Puerto Rico. For purposes of clauses (A) and (B) of this paragraph, the term "nonprofit', when applied to any such private school or institution, means any such school or institution which is exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1954.".

(d) Section 12 of the National School Lunch Act is amended by adding at the end thereof the following new subsection (e):

"(e) The value of assistance to children under this Act shall not be considered to be income or resources for any purposes under any Federal or State laws, including laws relating to taxation and welfare and public assistance programs.".

COMMODITY DISTRIBUTION PROGRAM

SEC. 10. Section 14 of the National School Lunch Act is amended by inserting "(a)" immediately after the section designation, by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1977", and by adding at the end thereof the following new subsection:

"(b) Among the products to be included in the food donations to the school lunch program shall be such cereal and shortening and oil products as were provided in the fiscal year 1974. Such products shall be provided to the school lunch program in the same or greater quantities as were provided in the fiscal year 1974 and shall be in addition to the value of commodity donations, or cash in lieu thereof, as provided for in section 6 of this Act.".

FEDERAL EXPENDITURES

SEC. 11. Section 6 of the National School Lunch Act is amended—

(a) By adding at the end of subsection (a) the following new sentence: "In making purchases of such agricultural commodities and other foods, the Secretary shall not issue specifications which restrict participation of local producers unless such specifications will result in significant advantages to the food service programs authorized by this Act and the Child Nutrition Act of 1966.".

(b) By adding at the end of subsection (e) the following new sentence: "Notwithstanding any other provision of this section, not less than 75 per centum of the assistance provided under this subsection (e) shall be in the form of donated foods for the school lunch program.".

ELECTION TO RECEIVE CASH PAYMENTS

SEC. 12. The National School Lunch Act is amended by adding at the end thereof the following new section:

"SEC. 16. (a) Notwithstanding any other provision of law, where a State phased out its commodity distribution facilities prior to June 30, 1974, such State may, for purposes of the programs authorized by this Act and the Child Nutrition Act of 1966, elect to receive cash payments in lieu of donated foods. Where such an election is made, the Secretary shall make cash payments to such State in an amount equivalent in value to the donated foods that the State would otherwise have received if it had retained its commodity distribution facilities. The amount of cash payments in the case of lunches shall be governed by section 6(e) of this Act.

"(b) When such payments are made, the State educational agency shall promptly and equitably disburse any cash it receives in lieu of commodities to eligible schools and institutions, and such disbursements shall be used by such schools and institutions to purchase United States agricultural commodities and other foods for their food service programs."

SUMMER FOOD PROGRAM

SEC. 13. Effective October 1, 1975, section 13 of the National School Lunch Act is amended to read as follows:

"SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

"SEC. 13. (a) (1) There is hereby authorized to be appropriated such sums as are necessary for the fiscal year ending June 30, 1976, for the period July 1, 1976, through September 30, 1976, and for the fiscal year ending September 30, 1977, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means, to initiate, maintain, and expand nonprofit food service programs for children in service institutions. For purposes of this section, the term 'service institutions' means nonresidential public or private, nonprofit institutions, and residential public or private nonprofit summer camps that develop special summer programs providing food service similar to that available to children under the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 during the school year. To the maximum extent feasible, consistent with the purposes of this section, special summer programs shall utilize the existing food service facilities of public and nonprofit private schools. Any eligible service institution shall receive the summer food program upon its request.

"(2) Service institutions eligible to participate under the program authorized under this section shall be limited to those which conduct a regularly scheduled program for children from areas in which poor economic conditions exist, for any period during the months of May through September at site locations where organized recreation activities or food services are provided for children in attendance.

"(3) For the purposes of this section, 'poor economic conditions' shall mean an area in which at least 33⅓ per centum of the children are eligible for free or reduced price school meals under the National School Lunch Act and Child Nutrition Act as shown by information provided from model city target areas, departments of welfare, zoning commissions, census tracts, by the number of free and reduced price lunches or breakfasts served to children attending schools located in the area of summer food sites, or from other applicable sources. 'State' shall mean any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(b) Disbursement to service institutions shall equal the full cost of food service operations, except that such financial assistance to any such institution shall not exceed (1) 75.5 cents for all cost excepting administrative costs for each lunch and supper served, (2) 6 cents for administrative costs for each lunch and supper served, (3) 42 cents for all costs except administrative costs for each breakfast served, (4) 3 cents for administrative costs for each breakfast served, (5) 19.75 cents for all costs except administrative costs for each meal supplement served, and (6) 1.5 cents for administrative costs for each meal supplement served: *Provided,* That the above amounts shall be adjusted each March 1 to the nearest one-fourth cent in accordance with changes for the year ending January 31 in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. The initial such adjustment shall reflect the change in the series for food away from home during the period January 31, 1975, to January 31, 1976. The cost of food service operations shall include the cost of obtaining, preparing, and serving food and related administrative costs. No service institution shall be prohibited from serving breakfasts, suppers, and meal supplements as well as lunches unless the service period of different meals coincides or overlaps.

"(c) Disbursements shall be made to service institutions only for meals served during the months of May through September, except that the foregoing provision shall not apply to institutions which develop food service programs for children on school vacation at any time under a continuous school calendar or prevent such institutions, if otherwise eligible, from participating in the program authorized by this section.

"(d) No later than June 1, July 1, and August 1 of each year, the Secretary shall forward to each State an advance payment for meals to be served in that month pursuant to subsection (b), which amount shall be no less than (1) the total payment made to such State for meals served pursuant to subsection (b) for the same calendar month of the preceding calendar year or (2) 65 per centum of the amount estimated by the State, on the basis of approved applications, to be needed to reimburse service institutions for meals to be served pursuant to subsection (b) in that month, whichever is the greater. The Secretary shall forward any remaining payment due pursuant to subsection (b) no later than 60 days following receipt of valid claims. Any funds advanced to a State for which valid claims have not been established within 180 days shall be deducted from the next appropriate monthly advance payment unless the claimant requests a hearing with the Secretary prior to the 180th day. Institutions operating programs during nonsummer vacations during a continuous school year calendar shall receive advance payments not later than the first day of each month involved.

"(e) Service institutions to which funds are disbursed under this section shall serve meals consisting of a combination of foods and meeting minimum nutritional standards prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served without cost to children attending service institutions approved for operation under this section.

"(f) The Secretary shall publish proposed regulations relating to the implementation of the summer food program by January 1 of each fiscal year, and shall publish final regulations, guidelines, applications, and handbooks by March 1 of each fiscal year. In order to improve program planning, the Secretary is authorized to provide that service institutions receive as startup costs not to exceed 10 per centum of the Federal funds provided such service institutions for meals served pursuant to this section during the preceding summer. Any such startup costs shall be subtracted from payments subsequently made to service institutions for meals served pursuant to subsection (b) of this section.

"(g) Each participating service institution shall, insofar as practicable, utilize in its program foods designated from time to time by the Secretary as being in abundance, either nationally or in the institution area, or foods donated by the Secretary. Irrespective of the amount of funds appropriated under this section, foods available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), or purchased under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1), shall be donated by the Secretary to service institutions in accordance with the needs as determined by authorities of these institutions for utilization in their feeding programs.

"(h) If in any State the State educational agency is not permitted by law or is otherwise unable to disburse the funds paid to it under this section to any service institution in the State, the Secretary shall disburse the funds directly to service institutions in the State for the same purpose and subject to the same conditions as are required of a State educational agency disbursing funds made available under this section.

"(i) Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

"(j) There is hereby authorized to be appropriated such sums as may be necessary for the Secretary's administrative expenses under this section.

"(k) The Secretary shall pay to each State for administrative costs incurred pursuant to this section an amount equal to 2 per centum of the funds distributed to that State pursuant to subsection (b): Provided, That no State shall receive less than $10,000 each fiscal year for its administrative costs unless the funds distributed to that State pursuant to subsection (b) total less than $50,000 for such fiscal year.

"(l) Nothing in this section shall be construed as precluding a service institution from contracting on a competitive basis for the furnishing of meals or administration of the program, or both.".

SPECIAL SUPPLEMENTAL FOOD PROGRAM

SEC. 14. Effective beginning with the fiscal year ending June 30, 1976, section 17 of the Child Nutrition Act of 1966 is revised to read as follows:

"SPECIAL SUPPLEMENTAL FOOD PROGRAM

"SEC. 17. (a) The Congress finds that substantial numbers of pregnant women, infants, and young children are at special risk in respect to their physical and mental health by reason of poor or inadequate nutrition or health care, or both. It is, therefore, the purpose of the program authorized by this section to provide supplemental nutritious food as an adjunct to good health care during such critical times of growth and development in order to prevent the occurrence of health problems.

"(b) During the fiscal year ending June 30, 1976, the period July 1, 1976, through September 30, 1976, and the fiscal year ending September 30, 1977, the Secretary shall make cash grants to the health department or comparable agency of each State, Indian tribe, band or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare for the purpose of providing funds to local health or welfare agencies or private nonprofit agencies of such State; Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare, serving local health or welfare needs to enable such agencies to carry out health and nutrition programs under which supplemental foods will be made available to pregnant or lactating women and to infants determined by competent professionals to be nutritional risks because of inadequate nutrition and inadequate income, in order to improve their health status. The program authorized by this section shall be carried out supplementary to the food stamp and food distribution program and operate side by side with existing supplemental food programs.

"(c) In order to carry out such program during each fiscal year, there is authorized to be appropriated the sum of $250,000,000, but in the event that such sum has not been appropriated for such purpose by the beginning of each fiscal year, the Secretary shall use $250,000,000, or, if any amount has been appropriated for such program, the difference, if any, between the amount directly appropriated for such purpose and $250,000,000, out of funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c). Any funds expended from such section 32 to carry out the provisions of this section shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out the provisions of such subsection, and such reimbursements shall be deposited into the fund established pursuant to such section 32, to be available for the purpose.

"(d) Whenever any program is carried out by the Secretary under authority of this section through any State or local or nonprofit agency, he is authorized to pay administrative costs not to exceed 20 per centum of the program funds provided to each State under the authority of this section. Each health department or comparable agency of each State, Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Serevice of the Department of Health, Education, and Welfare receiving funds from the Secretary under this section shall, by January 1 of each year (by October 1 in the case of fiscal year 1976), for approval by the Secretary as a prerequisite to receipt of funds under this section, submit a description of the manner in which administrative funds shall be spent, including, but not limited to, a description of the manner in which nutrition education services will be provided. The Secretary shall take affirmative action to insure that programs begin in areas most in need of special supplemental food. Notwithstanding the limitation in the first sentence of this subsection, during the first 3 months of any program, or until the program reaches its projected caseload level, whichever comes first, the Secretary shall pay those administrative costs necessary to commence the program successfully.

"(e) The eligibility of persons to participate in the program provided for under this section shall be determined by competent professional authority. Participants shall be residents of areas or members of populations served by clinics or other health facilities determined to have significant numbers of infants and pregnant and lactating women at nutritional risk.

"(f) State or local agencies or groups carrying out any programs under this section shall maintain adequate medical records on the participants assisted to enable the Secretary to determine and evaluate the benefits of the nutritional assistance provided under his section. The Secretary shall convene an advisory committee made up of representatives from the Maternal and Child Health Division of the Department of Health, Education, and Welfare, the Center for Disease Control, the Association of State and Territorial Public Health Nutrition Directors, the American Academy of Pediatrics, the National Academy of Science—National Research Council, the American Dietetic Association, the American Public Health Association, the Public Health Service, and others as the Secretary deems appropriate. The committee shall study the methods available to evaluate successfully and economically, in part or in total, the health benefits of the special supplemental food program. The committee's study shall consider the usefulness of the medical data collected and the methodology used by the Department of Agriculture and the Comptroller General of the United States prior to March 30, 1975. The study shall also include the applicability to an evaluation of the special supplemental food program of other Federal and State health, welfare, and nutrition assessment and surveillance projects currently being conducted. The purpose of the advisory committee shall be to determine and recommend in detail how, using accepted scientific methods, the health benefits of the special supplemental food program may best be evaluated and assessed. The advisory committee shall report its study to the Secretary no later than December 1, 1975. The Secretary shall submit to Congress his recommendations based on such study no later than March 1, 1976.

"(g) As used in this section—

"(1) 'Pregnant and lactating women' when used in connection with the term 'at nutritional risk' includes women from low-income populations who demonstrate one or more of the following characteristics: known inadequate nutritional patterns, unacceptably high incidence of anemia, high prematurity rates, or inadequate patterns of growth (underweight, obesity, or stunting). Such term (when used in connection with the term 'at nutritional risk') also includes low-income individuals who have a history of high-risk pregnancy as evidenced by abortion, premature birth, or severe anemia.

"(2) 'Infants' when used in connection with the term 'at nutritional risk' means children under 4 years of age who are in low-income populations which have shown a deficient pattern of growth, by minimally acceptable standards, as reflected by an excess number of children in the lower percentiles of height and weight. Such term, when used in connection with 'a nutritional risk', may also include children under 4 years of age who (A) are in the parameter of nutritional anemia, or (B) are from low-income populations where nutritional studies have shown inadequate infant diets.

"(3) 'Supplemental foods' shall mean those foods containing nutrients known to be lacking in the diets of populations at nutritional risks and, in particular, those foods and food products containing high-quality protein, iron, calcium, vitamin A, and vitamin C. Such term may also include (at the discretion of the Secretary) any commercially formulated preparation specifically designed for women or infants. The contents of the food package shall be made available in such a manner as to provide flexibility, taking into account medical and nutritional objectives and cultural eating patterns.

"(4) 'Competent professional authority' includes physicians, nutritionists, registered nurses, dietitians, or State or local medically trained health officials, or persons designated by physicians or State or local medically trained health officials as being competent professionally to evaluate nutritional risk.

"(5) 'Administrative costs' include costs for referral, operation, monitoring, nutrition education, general administration, startup, clinic, and administration of the State office.

"(h)(1) There is hereby established a council to be known as the National Advisory Council on Maternal, Infant, and Fetal Nutrition (hereinafter in this section referred to as the 'Council') which shall be composed of 15 members appointed by the Secretary. One member shall be a State director of the special supplemental food program, 1 member shall be a State fiscal director for the special supplemental food program (or the equivalent thereof), 1 member shall be a State health officer (or equivalent thereof), 1 member shall be a project director of a special supplemental food program in an urban area, 1 member shall be a project director of a special supplemental food program in a rural area, 1 member shall be a State public health nutrition director (or equivalent thereof), 2 members shall be parent recipients of the special supplemental food program, 1 member shall be a pediatrician, 1 member shall be an obstetrician, 1 member shall be a person involved at the retail sales level of food in the special supplemental food program, 2 members shall be officers or employees of the Department of Health, Education, and Welfare, specially qualified to serve on the Council because of their education, training, experience, and knowledge in matters relating to maternal, infant, and fetal nutrition, and 2 members shall be officers or employees of the Department of Agriculture, specially qualified because of their education, training, experience, and knowledge in matters relating to maternal, infant, and fetal nutrition.

"(2) The 11 members of the Council appointed from outside the Department of Agriculture shall be appointed for terms of 3 years, except that the 9 members first appointed to the Council shall be appointed as follows: Three members shall be appointed for terms of 3 years, 3 members shall be appointed for terms of 2 years, and 3 members shall be appointed for terms of 1 year. Thereafter all appointments shall be for a term of 3 years, except that a person appointed to fill an unexpired term shall serve only for the remainder of such term. Members appointed from the Department of Agriculture shall serve at the pleasure of the Secretary.

"(3) The Secretary shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Council.

"(4) The Council shall meet at the call of the Chairman but shall meet at least once a year.

"(5) Eight members shall constitute a quorum and a vacancy on the Council shall not affect its powers.

"(6) It shall be the function of the Council to make a continuing study of the operation of the special supplemental food program and any related Act under which diet supplementation is provided to women, infants, and children, with a view to determining how such programs may be improved. The Council shall submit to the President and the Congress annually a written report of the results of its study together with such recommendations for administrative and legislative changes as it deems appropriate.

"(7) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions under this Act.

"(8) Members of the Council shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Council."

AMENDMENTS PERTAINING TO THE COMMONWEALTH OF PUERTO RICO, THE VIRGIN ISLANDS, AMERICAN SAMOA, AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Sec. 15. (a) Section 3 of the Child Nutrition Act of 1966 is amended—

(1) By inserting immediately after "Guam," in the second sentence thereof the following: "the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands".

(2) By adding at the end thereof the following new sentence: "Notwithstanding any other provision of this section, in no event shall the minimum rate of reimbursement exceed the cost to the school or institution of milk served to children.".

(b) Section 4(b)(1) of the Child Nutrition Act of 1966 is amended by striking out "and American Samoa," in both places where such term occurs and inserting in lieu thereof "American Samoa, and the Trust Territory of the Pacific Islands,".

(c) Section 15(a) of the Child Nutrition Act of 1966 is amended by striking out "or American Samoa" and inserting in lieu thereof "American Samoa, or the Trust Territory of the Pacific Islands".

CHILD CARE FOOD PROGRAM

Sec. 16. The National School Lunch Act is amended by adding at the end thereof the following new section:

"CHILD CARE FOOD PROGRAM

"Sec. 17. (a)(1) There is hereby authorized to be appropriated such sums as are necessary for the fiscal year ending June 30, 1976, the period July 1, 1976, through September 30, 1976, and the fiscal year ending September 30, 1977, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means to initiate, maintain, or expand nonprofit food service programs for children in institutions providing child care.

"(2) For purposes of this section, the term 'institution' means any public or private nonprofit organization where children are not maintained in permanent residence including, but not limited to, day care centers, settlement houses, recreation centers, family day care programs, Head Start centers, Homestart programs, and institutions providing day care services for handicapped children. No institution shall be eligible to participate in this program unless it has either local, State, or Federal licensing or approval as a child care institution, or can satisfy the Secretary that its standards are no less comprehensive than the Federal interagency day care requirements as approved by the Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Department of Labor on September 23, 1968. An institution may be approved for funding under this section only if, under conditions established by the Secretary, such institution is moving toward compliance with the requirements for tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1954, or is currently operating a federally funded program requiring nonprofit status. For purposes of this section, the team 'State' means any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands. Any eligible institution shall receive the child care food program upon its request.

"(b) For each fiscal year beginning with the fiscal year ending June 30, 1976, the Secretary shall make child care food payments no less frequently than on a monthly basis to each State educational agency in an amount no less than the sum of the products obtained by multiplying (A) the number of breakfasts served in child care food programs within that State by the national average payment rate for breakfasts under section 4 of the Child Nutrition Act of 1966, (B) the number of breakfasts served in child care food programs within that State to children from families whose incomes meet the eligibility criteria for free school meals by the national average payment rate for free breakfasts under section 4 of the Child Nutrition Act of 1966, (C) the number of breakfasts served in child care food programs within that State to children from families whose incomes meet the eligibility criteria for reduced price school meals by the national average payment rate for reduced price school breakfasts under section 4 of the Child Nutrition Act of 1966, (D) the number of lunches and suppers served in child care food programs within that State by the national average payment rate for lunches under section 4 of the National School Lunch Act, (E) the number of lunches and suppers served in child care food programs within that State to children from families whose incomes meet the eligibility criteria for free school meals by the national average payment rate for free school lunches under section 11 of the National School Lunch Act, (F) the number of lunches and suppers served in child care food programs in that State to children whose families meet the eligibility criteria for reduced price school meals by the national average payment factor for reduced price lunches under section 11 of the National School Lunch Act, (G) the number of snacks served in child care food programs in that State by 5 cents, (H) the number of snacks served in child care food programs in that State to children from families whose incomes meet the eligibility criteria for free school meals by 15 cents, and (I) the number of snacks served in child care food programs in that State to children from families whose incomes meet the eligibility criteria for reduced price school meals by 10 cents. The rates established pursuant to clauses (G), (H), and (I) shall be adjusted semi-annually to the nearest one-fourth cent by the Secretary to reflect the changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. The initial such adjustment shall become effective January 1, 1976, and shall reflect changes in the series for food away from home during the period June through November 1975. Reimbursement for meals provided under this section shall not be dependent upon the collection of moneys from participating children.

"(c) Meals served by institutions participating in the program under this section shall consist of a combination of foods and shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served free to needy children. No physical segregation or other discrimination against any child shall be made because of his inability to pay, nor shall there be any overt identification of any such child by special tokens or tickets, announced or published lists of names, or other means. No institution shall be prohibited from serving a breakfast, lunch, dinner, and snack to each eligible child each day.

"(d) Funds paid to any State under this section shall be disbursed by the State educational agency to institutions approved for participation on a nondiscriminatory basis to reimburse such institutions for their costs in connection with food service operations, including labor and administrative expenses. All valid claims from such institutions shall be paid within 30 days.

"(e) Irrespective of the amount of funds appropriated under this section, foods available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) or purchased under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1), shall be donated by the Secretary of Agriculture to institutions participating in the child care food program in accordance with the needs as determined by authorities of these institutions for utilization in their feeding programs. The amount of such commodities donated to each State for each fiscal year shall be, at a minimum, the amount obtained by multiplying the number of lunches served in participating institutions during that fiscal year by the rate for commodities and cash in lieu thereof established for that fiscal year in accordance with the provisions of section 6(e) of the National School Lunch Act.

"(f) If in any State the State educational agency is not permitted by law or is otherwise unable to disburse the funds paid to it under this section to any institution in the State, the Secretary shall disburse the funds so withheld directly to service institutions in the State for the same purpose and subject to the same conditions as are required of a State educational agency disbursing funds made available under this section.

"(g) Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

"(h) There is hereby authorized to be appropriated for any fiscal year such sums as may be necessary for the Secretary's administrative expenses under this section.

"(i) States, State educational agencies, and institutions participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of 5 years, as the Secretary determines is necessary.

"(j)(1) Of the sums appropriated for any fiscal year pursuant to the authorization contained in this section, $3,000,000 shall be available to the Secretary for the purpose of providing, during each such fiscal year, nonfood assistance for the child care food program. The Secretary shall apportion among the States during each fiscal year the aforesaid sum of $3,000,000: *Provided*, That such an apportionment shall be made according to the ratio among the States of the number of children below age 6 who are members of households which have an annual income not above 125 per centum of the applicable family-size income level set forth in the income poverty guideline prescribed by the Secretary under section 9(b) of this Act.

"(2) If any State cannot utilize all of the funds apportioned to it under the provisions of this section, the Secretary shall make further apportionments to the remaining States. Payments to any State of funds apportioned under the provisions of this subsection for any fiscal year shall be made upon condition that at least one-fourth of the cost of equipment financed under this section shall be borne by funds from sources within the State, except that such condition shall not apply with respect to funds used under this section to assist institutions determined by the State to be especially needy.

"(k) The regulations issued by the Secretary to carry out this section shall be issued and become effective not later than 90 days after enactment. During the period prior to the effective date of the regulations, the Secretary is authorized to conduct a food service program in the same manner and under the same conditions and limitations as the special food service program for children was conducted under section 13 of the National School Lunch Act during the fiscal year ending June 30, 1975.".

CONFORMING AMENDMENTS

SEC. 17. (a) Section 4(f) of the Child Nutrition Act of 1966 is amended by striking out "nonprofit private schools" in the second sentence and inserting in lieu thereof "schools (as defined in section 15(c) of this Act which are private and nonprofit as defined in the last sentence of section 15(c) of this Act)".

(b) Section 15 of the Child Nutrition Act of 1966 is amended by striking out paragraph (c), by redesignating paragraphs (d) and (e) as (c) and (d), respectively, and by amending paragraph (c) (as redesignated by this subsection) to read as follows:

"(c) 'School' means (A) any public or nonprofit private school of high school grade or under, including kindergarten and preschool programs operated by such school, (B) any public or licensed nonprofit private residential child care institution (including, but not limited to, orphanages and homes for the mentally retarded), and (C) with respect to the Commonwealth of Puerto Rico, nonprofit child care centers certified as such by the Governor of Puerto Rico. For purposes of clauses (A) and (B) of this paragraph, the term 'nonprofit', when applied to any such private school or institution, means any such school or institution which is exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1954."

NONFOOD ASSISTANCE PROGRAM

SEC. 18. Section 5 of the Child Nutrition Act of 1966 is amended—

(a) By changing the period at the end of subsection (b) to a comma and adding the following: "except that such conditions shall not apply with respect to funds used under this section to assist schools if such schools are especially needed, as determined by the State.".

(b) Effective beginning with the fiscal year ending June 30, 1976, by changing subsection (e) to read as follows:

"(e) For the fiscal year ending June 30, 1976, the period July 1, 1976, through September 30, 1976, and the fiscal year ending September 30, 1977, 33⅓ per centum of the funds appropriated for the purposes of this section shall be reserved to the Secretary to assist schools without a food service program and schools without the facilities to prepare or receive hot meals. For the fiscal year ending June 30, 1976, the Secretary shall apportion the funds so reserved among the States on the basis of the ratio of the number of children in each State enrolled in schools without a food service program to the number of children in all States enrolled in schools without a food service program. After the fiscal year ending June 30, 1976, the Secretary shall apportion the funds so reserved among the States on the basis of the ratio of the number of children in each State enrolled in schools without a food service program and in schools without the facilities to prepare or receive hot meals to the number of children in all States enrolled in schools without a food service program and in schools without the facilities to prepare or receive hot meals. In those States in which the Secretary administers the nonfood assistance program in nonprofit private schools, the Secretary shall, for the fiscal year ending June 30, 1976, withhold from the funds apportioned to any such State under this subsection an amount which bears the same ratio to such funds as the number of children enrolled in nonprofit private schools without a food service program in such State bears to the total number of children enrolled in all schools without a food service program in such State. In those States in which the Secretary administers the nonfood assistance program in nonprofit private schools, the Secretary shall, after the fiscal year ending June 30, 1976, withhold from the funds apportioned to any such State under this subsection an amount which bears the same ratio to such funds as the number of children enrolled in nonprofit private schools without a food service program or without the facilities to prepare or receive hot meals in such State bears to the total number of children enrolled in all schools without a food service program or without the facilities to prepare or receive hot meals in such State. The funds so reserved, apportioned, and withheld shall be used by State educational agencies, or the Secretary in the case of nonprofit private schools, only to assist schools without a food service program and schools without the facilities to prepare or receive hot meals. If any State cannot so utilize all the funds apportioned to it under the provisions of this subsection, the Secretary shall make further apportionments to the remaining States for use only in assisting schools without a food service program and schools without the facilities to prepare or receive hot meals: *Provided*, That if after such further apportionments any funds reserved under this subsection remain unused, the Secretary shall immediately apportion such funds among the States in accordance with the provisions of subsection (b) of this section to assist schools with a food service program and with the facilities to prepare or receive hot meals. Payment to any State of the funds provided to it under the provisions of this subsection shall be made upon the condition that at least one-fourth of the cost of the equipment financed shall be borne by funds from sources within the State, except that such condition shall not apply with respect to funds used under this subsection to assist schools which are especially needy, as determined by the State.".

EXPANSION OF PROGRAMS

SEC. 19. The National School Lunch Act is amended by adding at the end thereof the following section:

"EXPANSION OF PROGRAMS

"SEC. 18. As a national nutrition and health policy, it is the purpose and intent of the Congress that the summer food service program and the child care food program be made available in all service institutions where it is needed to provide adequate nutrition for children in attendance. The Secretary is hereby directed, in cooperation with the State educational and child-care agencies, to carry out a program of information in furtherance of this policy. Within 6 months after the enactment of this section, the Secretary shall report to the committees of jurisdiction in the Congress his plans and those of the cooperating State agencies to bring about the needed expansion in the summer food service program and the child care food program.".

NUTRITION STUDY

SEC. 20. The National School Lunch Act is amended by adding at the end thereof the following new section:

"NUTRITION PROGRAM STAFF STUDY

"SEC. 19. The Secretary is authorized to carry out a study to determine how States are utilizing Federal funds provided to them for the administration of the child nutrition programs authorized by this Act and the Child Nutrition Act of 1966, and to determine the level of funds needed by the States for administrative purposes. The study shall report on the current size and structure of State staffs, job descriptions and classifications, training provided to such staff, representation of minorities on staffs, and the allocation of staff time, training time, and Federal administrative dollars spent among each of the various child nutrition programs. The study shall assess State needs for additional staff positions, training, and funds, for each of the above areas, including additional State needs to implement adequately the provisions of this Act and the Child Nutrition Act of 1966. The study shall also determine State staffing needs and training program support required to conduct effective outreach for the purpose of reaching the maximum number of eligible children in the summer food service program and the child care food program. As part of this study, the Secretary shall also examine the degree and cause of plate waste in the school lunch program. The Secretary shall examine possible relationships between plate waste and (1) lack of adequate menu development, (2) the service of competitive foods, and (3) the nature of the type A lunch pattern. The Secretary shall review the study design with the appropriate congressional committees prior to its implementation, and shall report his findings together with any recommendations he may have with respect to additional legislation, to the Congress no later than March 1, 1976.".

SPECIAL APPROPRIATION

SEC. 21. The National School Lunch Act is amended by adding at the end thereof the following new section:

"APPROPRIATIONS FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

"SEC. 20. There is hereby authorized to be appropriated (a) for each of the fiscal years beginning July 1, 1975, and October 1, 1976, the sum of $500,000 and (b) for the period July 1, 1976, through September 30, 1976, the sum of $125,000, to enable the Secretary to assist the Trust Territory of the Pacific Islands to carry out various developmental and experimental projects relating to programs authorized under this Act and the Child Nutrition Act of 1966 to (1) establish or improve the organizational, administrative, and operational structures and systems at the State and local school levels; (2) develop and conduct necessary training programs for school food service personnel; (3) conduct a thorough study of the children's food and dietary habits upon which special meal and nutritional requirements can be developed; and (4) establish and maintain viable school food services which are fully responsive to the needs of the children, and which are consistent with the range of child nutrition programs available to the other States, to the maximum extent possible.".

The PRESIDING OFFICER. Who seeks recognition?

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS TOMORROW

Mr. MANSFIELD. Mr. President, it is anticipated that we will get to the New Hampshire matter tomorrow around 12 o'clock. Committees ought to be on notice that until around that time, anyway, they will be eligible to meet without permission of the Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McCLURE). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield for unanimous-consent request?

Mr. ALLEN. I yield.

S. 1256 PLACED UNDER "SUBJECTS ON THE TABLE"

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 163, S. 1256, a bill to extend for 1 additional year entitlements for part B of the Education of the Handicapped Act, be placed under the heading "Subjects on the Table."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966 AMENDMENTS OF 1975

The Senate continued with the consideration of the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.

imous consent that the following staff members of the Committee of Agriculture

Mr. ALLEN. Mr. President, I ask unan- and Forestry be permitted to be present on the floor during consideration of H.R. 4222, including all rollcall votes thereon:

Michael R. McLeod, Carl P. Rose, Forest W. Reece, James E. Thornton, William A. Taggart, James C. Webster, and Kim Wells of the Senate Nutrition Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Howard Sagamore of my staff be granted the privilege of the floor during the consideration of the school lunch program measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT AMENDMENTS OF 1975

Mr. ALLEN. Mr. President, the legal authorities for the school breakfast program, the special year-round and summer food programs for children, and the special supplemental food program for women, infants and children—WIC—all expire this year. The authority to purchase nonsurplus commodities to maintain donations for food assistance programs also expires this year. All of these programs were originally scheduled to expire on June 30, 1975. However, the President has approved emergency bills extending the special food service programs for children and the WIC program through September 30, 1975. The school breakfast program has also been extended.

H.R. 4222, as amended by the Senate Committee on Agriculture and Forestry, is designed to extend the programs which would otherwise expire and make changes to strengthen and improve all the child nutrition programs. The bill, as amended by the committee, would—

First. Extend through September 30, 1977, the school breakfast program.

Second. Extend through September 30, 1977, the Secretary's authority to purchase agricultural commodities for donation to the child nutrition programs when acquisitions under other agricultural authorities are not available.

States which phased out their commodity distribution facilities prior to July 1, 1974, could elect to receive cash in lieu of donated foods.

Third. Revise the special food service program for children to extend the summer food program through September 30, 1977.

Fourth. Revise the year-round phase of the special food service program into a new child care food program to be effective through September 30, 1977. Payments for breakfasts, lunches, and suppers under this program would be computed in accordance with the fixed reimbursement rates applicable to breakfasts and lunches served under the school breakfast and school lunch programs. A $3 million annual authorization also is provided for food service equipment assistance under the new child care food program.

Fifth. Extend through September 30, 1977, the special supplemental food program for women, infants, and children—WIC—and increase the annual expenditure authorization level for the program to $250 million, including the use of section 32 funding.

Sixth. Expand the definition of "school" under the school lunch program and the school breakfast program to include any public or licensed nonprofit private residential child care institution, including, but not limited to, orphanages and homes for the mentally retarded.

Seventh. Amend—beginning July 1, 1976—the provision under which the Secretary of Agriculture issues revised income poverty guidelines for use in the child nutrition programs. Under the amendment, the guidelines would be based on more current data.

Eighth. Extend through September 30, 1977, the requirement that a percentage of school food service equipment funds must be reserved for schools without food service, with the requirement being reduced to 33⅓ percent of funds appropriated for such purpose and expansion of eligibility for schools which may draw upon such reserve funds to include any school not serving hot meal service rather than any meal service.

Mr. President, I move that the Senate agree to the committee amendment, and that the bill as thus amended be treated as original text for the purpose of further consideration and possible amendment.

I

Mr. President, the adequacy of food is clearly the basis of a society and diet, and to a large extent, determines the quality of life within the society. Inadequacies of diet, especially for children, limit individual growth and development. This reduces not only individual potential, but also reduces the total potential of the society.

In a Nation such as ours, which is so blessed with a rich abundance of food and agricultural productivity, no child need be deprived of his or her opportunity for development due to lack of a proper diet.

The school lunch and child nutrition programs, in concert with our Nation's educational system, provide the basis for fulfillment of our Nation's goal of assuring every individual the opportunity of complete development and self-expression.

The Congress, in recognition of these basic facts, enacted the National School Lunch Act in 1946. In its first year of operation, the Congress provided approximately $60 million to finance the school lunch program in the form of cash payments to States to assist schools to make local purchases of food. Funds are provided to State agencies on a national average earning factor to reimburse participating schools on a performance basis for all meals served to children. The amount of Federal funds provided for these purposes has steadily increased over the years to an estimated $470 million in fiscal year 1975.

Since the inception of the school lunch program, a number of other program components have been added under the National School Lunch Act and the Child Nutrition Act of 1966. They include the following:

FOOD COMMODITY DONATIONS

Agricultural commodities acquired by the U.S. Department of Agriculture under various farm price stabilization program authorities, or purchased through the use of custom receipt funds derived under section 32 of the act of 1935, are donated to schools and institutions through State distributing agencies. In 1974, Congress established a 10-cent minimum value of donated foods for each lunch served in the national school lunch program. In fiscal year 1975, $411 million in commodities were acquired by the Department of Agriculture to meet its donation obligations to schools and institutions.

FREE AND REDUCED PRICE LUNCH ASSISTANCE

In 1962, Congress, in an effort to make the school lunch program more effective in reaching needy children, added a program of special cash assistance to schools to finance free and reduced price lunches served to such children. This program was first funded in 1966 at the level of $2 million. In fiscal year 1975, obligations for this program are projected at $815 million. Children eligible for free lunches come from families with incomes within the poverty level as prescribed by the Secretary, except that States may establish eligibility at 125 percent of that level. Schools with reduced price programs may furnish reduced price lunches to children with incomes between the eligibility for free lunches and 175 percent of the poverty level.

SCHOOL BREAKFAST PROGRAM

In fiscal year 1967, under authority provided in the Child Nutrition Act of 1966, $1.5 million was appropriated to finance the start of the school breakfast program, which again provides cash grant assistance to States to initiate, maintain or expand such a program in schools. This program must be made available to all schools desiring to participate. The school breakfast program receives Federal cash payments to help finance paid, reduced price and free breakfasts, utilizing the same income eligibility criteria as is used under the lunch program. Fiscal year 1975 obligations for this particular program are estimated to be $83 million.

SPECIAL MILK PROGRAM

In fiscal year 1955, an appropriation of $17.2 million was provided by Congress to fund the first special milk program, which had been authorized a year earlier. This program seeks to encourage the consumption of milk by children and is required to be made available to all nonprofit primary and secondary schools, summer camps for children, and child care institutions requesting it. All children who qualify for free lunches also are eligible to receive free milk under the special milk program. And children who receive milk as part of their lunch under the school lunch program are eligible to purchase or receive an extra half pint of milk under the special milk program. In fiscal year 1975, obligations for this program are estimated to be $125 million.

SCHOOL FOOD SERVICE EQUIPMENT ASSISTANCE PROGRAM

Under the Child Nutrition Act of 1966, a program of cash assistance to help schools in low-income areas acquire food service equipment was authorized. State and local sources must bear 25 percent of the cost of such equipment purchases. However, this requirement may be met on a statewide average basis and may be waived in the case of especially needy schools without food service. A portion of these funds—currently 50 percent—are reserved for exclusive use in needy schools without food service. A survey conducted in 1973, showed that 17,800 eligible schools with 5 million children enrolled were without food service programs. This particular program was first funded in fiscal year 1967, at a level of $750,000. The amount appropriated for fiscal year 1975 was $28 million.

YEAR-ROUND AND SUMMER CHILD FOOD SERVICE PROGRAMS

In 1968, the National School Lunch Act was amended to provide a 3-year pilot special food service program for children in nonresidential child care institutions serving low-income areas and areas with working mothers. The program operates in a twofold manner: Year round in day care centers for preschool children; and summer only in parks, playgrounds, and recreation programs for school age children in low-income areas. In 1974, 366,000 children participated in the year-round program and 1.4 million participated in the summer portion of the program. The entire program was initially funded at $8.75 million in fiscal year 1969. The funding in fiscal year 1975 is expected to be $117 million.

STATE ADMINISTRATIVE EXPENSE ASSISTANCE

The Child Nutrition Act of 1966 authorized the use of Federal funds for State administrative expenses for supervising and giving technical assistance to schools and institutions participating in child nutrition programs. In fiscal year 1969, $1.75 million was first provided for this purpose. In fiscal year 1975, the level of Federal funding will be $6.7 million.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN—WIC

In 1972, the Child Nutrition Act of 1966 was amended to provide a 2-year pilot program designed to meet the nutrition needs of young children and infants from low-income families at their most critical stage of development and to provide extra protein rich food to their high-risk mothers during pregnancy and while they are nursing. Under this program cash grants are made to State health departments, which in turn provide these funds to local health, welfare, or private nonprofit agencies serving local health or welfare needs. Individual participants eligible to receive benefits under this program must be determined by competent professionals to be at nutritional risk due to inadequate nutrition and income. Medical records must be kept by State and local agencies carrying out the program to help determine the benefits achieved by WIC in overcoming malnutrition and its resulting disabilities. Local agency eligibility to receive grants is determined by USDA based upon a State's submission of approved applications. The program did not get underway until fiscal year 1974, at which time expenditures were mandated at $40 million. For fiscal year 1975, the required level of expenditures was increased to $100 million, but due to the slow startup of the program—plus mandated annual expenditures—the current annualized rate of expenditure for this program in fiscal year 1975 is now approaching $200 million.

II

Mr. President, our Nation's school lunch and other child nutrition programs have grown tremendously since they first began in 1946. This growth includes both increasing numbers of children served, and increasing amounts of Federal dollars spent, under these programs.

And before I leave the matter of the Federal funds provided to help finance these programs, it is important to note that Federal payment rates for most all of the programs that I mentioned must be adjusted either annually or semiannually to reflect any changes in the price index for the cost of food served away from home. Such indexing has resulted in steady increases in the Federal payments made to help finance these programs since its adoption in 1973.

In fiscal year 1975, the total Federal funding level for all of the programs that I have mentioned will be about $2 billion. Assuming simple extension of all of these programs, without making any changes in them, the Federal cost in fiscal year 1976 would likely reach almost $2.6 billion. With the enactment of H.R. 4222, as amended by the Committee on Agriculture and Forestry, the cost in fiscal year 1976 would be almost $2.8 billion. However, if H.R. 4222 was enacted as passed by the House of Representatives, the Federal cost in fiscal year 1976 would be approximately $3.1 billion.

III

Mr. President, during consideration of H.R. 4222, S. 850, and other related child nutrition bills, the Senate Committee on Agriculture and Forestry rejected two major provisions contained in H.R. 4222, as passed by the House of Representatives. The first provision would require an additional 5-cent Federal reimbursement for fiscal year 1976, for each lunch served to children who do not qualify for free or reduced price meals. This provision, if enacted, would add another $125 million in Federal outlays during fiscal year 1976 under the school lunch program. The provision would provide large additional amounts of Federal funds to Montgomery County, Md., and other high income counties throughout the Nation, while providing little or nothing to the lower income counties of the Nation.

The second provision would require all schools participating under the national school lunch program to offer a reduced price lunch program. The provision would raise the income eligibility for the reduced price lunch program to 100 percent above the income poverty guideline established by the Secretary which is now 75 percent above the guideline. The cost of this amendment in fiscal year 1976 is estimated by our committee staff at $180 million, and much more, by USDA.

Mr. President, the American taxpayer,

through his Federal Government, has been most generous over the past 30 years in funding the expansion of our Nation's school lunch and other child nutrition programs. However, I believe there is a limit as to how much further the Federal Government can go in this direction. When you combine the estimated costs of the food stamp program in fiscal year 1976, with the estimated costs of all the child nutrition programs covered under this bill, the total Federal costs in fiscal year 1976 for all of these programs could be as high as $9 billion.

Mr. President, I support H.R. 4222, as amended by the Senate Committee on Agriculture and Forestry, but I cannot support any further expansions beyond what this bill now provides. Our national treasury simply cannot take many more raids upon it, no matter how well intended the purpose or program.

Mr. President, I urge the prompt adoption by the Senate of H.R. 4222, as amended by the Committee on Agriculture and Forestry.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. HUMPHREY. Mr. President, I rise today to express my strong support for one of the more important pieces of legislation in the child nutrition field to come before the Senate in several years. H.R. 4222, as amended by the Senate Agriculture Committee, would make major improvements in the school food programs, summer feeding, day care feeding, and the special supplemental food program for women, infants, and children—WIC.

The bill includes two amendments which I offered in committee. One of these amendments will make the income poverty guidelines used in the child nutrition programs more up-to-date. Currently, these guidelines are based on income data that is 12 months old when the guidelines take effect and 24 months old when the guidelines expire. My amendment will ensure that the guidelines are only 2 months old when they take effect.

Under my amendment, the income guidelines to take effect on July 1 of each fiscal year will be revised to reflect changes in the consumer price index for the 12-month period ending in April of such fiscal year. In addition, my amendment prescribes a special procedure to be used for the first such update, in order to move the guidelines from their old system of updating to the new system required by my amendment. The first update, to become effective on July 1, 1976, will be made by multiplying the guidelines in effect during the 1975–76 school year by the percentage change between the average CPI for calendar year 1974 and the CPI for April 1976.

I also authored an amendment to continue to reserve equipment funds for schools without a food service. There remain today over 16,000 schools—with over 4 million schoolchildren—that lack any food service. My amendment provides that one-third of the equipment funds appropriated by Congress for use during fiscal year 1976, during next summer's transition period, and during fiscal year 1977 be reserved for use in schools without a food service and in schools without the facilities to prepare or receive hot meals.

Mr. President, in addition to these two amendments, I was an original cosponsor of S. 850, which contained many of the excellent provisions in the bill now before us. The bill requires that the Secretary of Agriculture purchase sufficient commodities to maintain, through September 30, 1977, the annually programed levels of commodity assistance for programs authorized under the National School Lunch Act, the Child Nutrition Act of 1966, and the Older Americans Act. The Secretary would also have to continue to supply the traditional variety of commodities to schools; and would have to supply other programs (such as the title VII elderly nutrition program) with the same variety of commodities that schools receive to the maximum extent that this is feasible.

The bill also makes residential child-caring institutions eligible for the school lunch and breakfast programs. Such institutions would include—but not be limited to—orphanages, homes for blind, handicapped, or mentally retarded children, temporary homes for runaway children, homes for young unwed mothers and children's wings, or sections of residential institutions for groups such as the blind, the handicapped, or the mentally or physically incapacitated.

Another provision approved by the committee would help make sure that families whose principal wage earner is unemployed learn that their unemployed status may have qualified their children for free or reduced-price school meals. The provision requires that local school authorities inform families that have suffered an income loss through unemployment that the families are eligible for free or reduced-price school meals if the families meet the necessary income criteria.

At present, local school authorities must simply announce the free and reduced-price meal guidelines on or about the beginning of school each year. This new provision would also require school authorities to make public announcements through the media about the income criteria, to send notices home with children when major layoffs occur in their areas, and to find other means of getting this information to the recently unemployed—such as, for example, distributing school lunch information to unions with members that are unemployed.

This provision would require school authorities in all areas to coordinate efforts with local unemployment offices, so that persons in all areas applying for or receiving unemployment insurance are given a notice about the income guidelines for free and reduced-price school meals. The Secretary would be required to promulgate regulations prescribing these and other procedures for schools to use in informing unemployed families about free and reduced-price school lunches.

H.R. 4222 makes major steps forward in other child feeding programs as well. I am particularly proud of the changes made in the WIC program, a program originally established by an amendment I introduced back in 1972.

The bill before the Senate today extends the WIC program through September 30, 1977, and authorizes appropriations of $250 million for each fiscal year. This means that $250 million is authorized for fiscal year 1976, $250 million for fiscal year 1977, and a prorata share of $62.5 million for the transition period of July 1 through September 30, 1976. The bill provides that if these sums of money have not been appropriated by July 1, 1975, July 1, 1976, and October 1, 1976, sufficient money shall be taken from the section 32 fund to bring the funding level to $250 million each fiscal year—and to $62.5 million for the transition period.

Any fiscal year 1975 WIC money that is unspent shall be carried over into fiscal year 1976 and added to the $250 million provided for fiscal year 1976. The Secretary is required to spend the resulting total—which should be about $290 million—for fiscal year 1976 WIC operations, but in the event any funds are not used, they must be carried over into the transition period, and added to the $62.5 million available for the period from July 1 through September 30, 1976. Any funds unexpended during this period must be carried over into fiscal year 1977 and added to the $250 million provided for fiscal year 1977. This should provide adequate levels of funding for the WIC program.

The committee also increased the amount of administrative funds the Secretary may pay for WIC operations to 20 percent of program funds, and expanded the definition of administrative costs to include clinic costs and nutrition education. Nutrition education activities would be required of all WIC clinics.

Among the most important sections of this bill are those dealing with summer feeding and child care feeding. In the summer feeding area, the committee adopted a number of changes recommended by a recent report of the General Accounting Office.

The bill provides that all eligible summer feeding sponsors be allowed to enter the program upon request, just as all eligible schools must be allowed into the school food programs upon request. If sufficient money had not been appropriated in the beginning of the fiscal year, USDA would have to come back for a supplemental appropriation, just as it does in the school food programs. No eligible sponsor could be turned down, or be limited as to the number of meals or children it can serve or the number of days it can operate because of a lack of funds.

To be eligible, a sponsor would have to serve children from an area of poor economic conditions. In addition, sponsors would have to run a "regularly scheduled" program, meaning that the program would be located at specific sites and run at regular times.

To be eligible, a sponsor would need to provide only the food service. Other organized activities would not be a prerequisite to running a program. Sponsors could run the program for any period from May 1 to September 30, except that areas with a continuing school calendar in which the school vacations are during nonsummer months could run the program during such vacation periods.

The bill also takes a forward step in restoring breakfasts to the list of meals that summer sponsors may offer. Under this bill, sponsors could not be prohibited from serving lunches, breakfasts, suppers, and supplements so long as the service of different meals did not overlap. So long as there is a recognizable time interval between meals, sponsors could serve more than one meal. This would end USDA's current practice of preventing more than one meal from being served at a site unless children remain in attendance for five consecutive hours.

The bill also incorporates a GAO recommendation for advance payments. The bill requires that sponsors be given advance monthly payments on June 1, July 1, and August 1 of each year. The amount of the advance payments would equal either the sponsor's expenditure for summer feeding for the same calendar month of the previous summer, or 65 percent of the sponsor's estimated need for the coming month, whichever is greater. In addition, sponsors could receive startup costs prior to June 1 to help them with program planning.

Finally, the bill allows into the program overnight camps for children from poor economic areas, so long as the camps operate for any period of time from May 1 through September 30, or during vacation periods in localities with a continuous school calendar.

Under the bill, sponsors would receive reimbursement for the full cost of food service operations—including administrative costs and costs for the rental of equipment and space—up to specified amounts for each breakfast, lunch, supper, and supplement served. The specified maximum amounts—both for administrative costs and other food service costs—would be adjusted each year to reflect changes in the consumer price index.

The importance of the summer feeding provisions of this bill are matched by the magnitude of the changes made in child care feeding. Here, as in summer feeding, all eligible sponsors would receive the program upon request. No eligible child care sponsor could be turned down or have its program limited as to the number of children or meals it could serve, just as no eligible school can be denied entry into the school food programs or limited as to the number of school lunches or breakfasts it can serve. Child care programs would be permitted to serve at least four meals a day—breakfasts, lunches, suppers, and supplements—or two supplements instead of either a breakfast, lunch, or supper. If insufficient funds are appropriated initially, the Congress would have to provide a supplemental appropriation as it does in the school programs.

To be eligible for the child care program, an institution must care for children but not maintain them in permanent residence. Eligible institutions include day care centers, group day care homes, family day care homes, Head Start and Home Start programs, and any other nonresidential child-caring institutions. An institution would have to have either local, State or Federal licensing or approval, or to satisfy the Secretary that it complies with the Federal interagency day care requirements of 1968—as modified, where appropriate, by the 1975 Federal day care regulations issued as part of the Federal requirements for title XX social services funding. The Secretary would have to establish procedures by which unlicensed child care programs could have a chance to show that they do comply with the Federal interagency day care requirements.

In addition, the sponsoring institution must have Federal tax exempt status, be moving toward compliance with the requirements for tax exempt status, or be operating another federally funded program requiring nonprofit status. The sponsoring agency required to meet these requirements concerning nonprofit status can be an "umbrella sponsor" rather than an individual day care program. Larger institutions or agencies would be able to apply for and to operate the day care food program on behalf of small individual day care programs with which the larger institution or agency is associated. This arrangement has long been used in the day care and summer feeding programs authorized under section 13 of the National School Lunch Act, and would be continued under this bill. Of course, the "umbrella sponsors" would have to accept final financial responsibility for the food service operations at the individual day care programs. As at present, such "umbrella sponsors" could include units of city, country, or State government or other public or private nonprofit organizations, including voluntary organizations.

Reimbursements under the child care food program would depend on the income of children's families, as in the school food programs. The income eligibility limits used would be the same as those used in the school food programs and the method of calculating family income—gross income minus certain hardship deductions for high expenses—would be precisely the same as that used for the school programs.

In making eligibility determinations, day care programs would be able to use family income information that the program collected in order to receive other public funds—such as title XX social services funds. If a day care program is not already in possession of such income data—or if the data is incomplete in areas such as allowable hardship deductions—a simple affidavit could be collected from parents on an annual basis.

The legislation does not require child care programs to record the number of meals served each day to children in each of the three income categories—free, reduced-price, and paid meals. The legislation permits a State to establish a semiannual per meal reimbursement rate for each meal served in each child care program, and then to require programs simply to record the numbers of lunches, breakfasts, suppers, and supplements they serve each day. The semiannual reimbursement rate would be calculated by taking the average reimbursement per meal that a child care program would get if it received the free meal, reduced-price meal, and paid meal reimbursements to which it would be entitled for the number of children in each of these three income categories as shown by the affidavits or other income data the program had collected. The program could request a revision in the semiannual per meal rates if changes occurred in the income composition of families whose children participated in the program.

This procedure allows child care programs to receive the reimbursements prescribed by this bill without being subject to the complex recordkeeping requirements used in the school food programs. Similarly, application forms and financial forms and procedures required of child care programs must be substantially simpler than those used in schools and must take into account the unique nature of child care programs. States would be allowed to issue payments to child care institutions either in advance or in the form of reimbursements for claims submitted, as States can do in the school food programs. States using the reimbursement method would be required to issue the reimbursements within 30 days after claims have been submitted. Under no circumstances, however, may a sponsor receive USDA funds under this bill that exceed the total cost of its food service operations.

It should be noted that nothing in this bill requires child care programs to collect money for meals served from children in attendance or from parents or guardians. In fact, the bill prohibits the Secretary from establishing such a requirement. Child care programs would be permitted to use other public or private funds, or funds from fees collected from parents for the entire day care service, to cover the share of their food service costs that is not borne by USDA reimbursements. No change is made in this area from the procedures currently allowed under the special food service program for children, under which no meal payment from children or parents is required.

Finally, the child care section of the bill requires that $3 million be apportioned to States each fiscal year—and a pro rata share of $750,000 during the July 1, 1976–September 30, 1976, transition period—for equipment assistance to child care programs. The bill also requires that USDA provide States with the same commodity donation rate on behalf of all lunches served in the child care program as the Secretary provides for all lunches served in the school lunch program. As in the school lunch program, at least 75 percent of this donation must be in commodities rather than in cash. In selecting which commodities to donate, the Secretary must, under this bill, consult with authorities of child care programs to determine their needs for various types of commodities for utilization in their programs.

In closing, Mr. President, I would like to dwell for a final minute on one of the most crucial aspects of this legislation—

the sections dealing with the school breakfast program.

The national school breakfast program reaches only about 13 percent of the country's schools at the present time. Despite the fact that the program was first established many years ago by the Child Nutrition Act of 1966, vast numbers of poor children—who urgently need help from the program—are still not being reached. Accordingly one provision in the bill we are presently considering is of vital importance. This provision clearly sets forth congressional policy as to the extent to which State and local education agencies must implement the breakfast program. The provision requires that the breakfast program must be operated in every school "where it is needed to provide adequate nutrition for children in attendance." By this provision we mean to require the State agencies to expand the breakfast program in their State to include all schools located or serving impoverished communities—such schools normally designated as needy under title I of the Elementary and Secondary Education Act or the schools that provide one-fourth or more of their children with free or reduced price school lunches.

To effectuate our policy, we are including in the provision an instruction to the Secretary of Agriculture that he undertake an immediate information effort to seek local acceptance of our program expansion requirement. In addition to dispensing such information, the Secretary must issue new mandatory regulations putting this provision into immediate effect. We expect that the regulations will clearly articulate the statutory requirement that the school breakfast program be established—by State and local educational agencies—in all needy schools. Thereafter, but no later than 6 months after the passage of this bill, the Agriculture Secretary must report to the appropriate committees of jurisdiction in Congress about his plans, and those of the respective State agencies, in fostering compliance with the requirements of the regulations and statute.

The bill now before us will strengthen our commitment to extend the program to all needy children in the country. In 1970, the Congress required all States to submit annual plans of operations detailing how they will reach needy children "to the maximum extent practicable." Those plans were intended to be specific and those plans were to clearly indicate when particular schools in disadvantaged areas would implement the program. Of course, those plans had to be complied with. This new legislation provides even greater specificity to States and school districts about the plans and actions they must take to implement the program in all needy schools.

The need for this new mandate is clear. Many of the Nation's poor children, in fact, a majority of them, are still unable to obtain help through the school breakfast program. This means that millions of poor children must still go through school without the adequate morning meal that would enable them to make the most of their educational opportunities. Educators and nutritionists agree that an adequate breakfast is crucial to a child's performance in the classroom. Where the breakfast program is operative teachers have found that children are less restless, better able to concentrate, and more likely to learn. For these millions of children, the school breakfast porgram can provide crucial assistance to their school careers. I do not think anyone can disagree that this program is one of the most effective investments we can make in the future.

Mr. President, I urge adoption of this bill as reported by the committee and also the amendment which will be offered by myself, and Senators McGovern, Case, Eagleton, and Randolph.

I thank the Senator from Alabama for yielding.

Mr. DOLE. Mr. President, every Member of the Congress is interested in assuring that American children have nutritious diets. Accordingly, the Federal Government—in cooperation with the States and localities—has established several meritorious child nutrition programs. H.R. 4222, as reported by the Committee on Agriculture and Forestry, continues and improves each of these programs. It is a sound bill which is a marked improvement over the version passed by the House of Representatives.

The Senate Agriculture Committee bill assures continued operation of all present child nutrition programs through fiscal year 1977. It extends authorization for the school breakfast program, the summer feeding program, and the special supplemental food program for women, infants, and children for 2 additional years. It expands the child care food program. And it makes numerous other beneficial changes in the National School Lunch Act and the Child Nutrition Act of 1966.

Importantly, the committee cut around $300 million from the estimated cost of the bill by eliminating two provisions which are contained in the House bill. The first would have provided an additional 5-cent reimbursement for the next fiscal year for each school lunch served to children who do not qualify for free or reduced price meals—in other words, an additional subsidy to the non-needy. Justifiably, the committee felt that at a time of unprecedented budget deficits we should not be spending over $125 million to subsidize the meals of the nonpoor.

In response to budgetary pressures, the committee also rejected a provision contained in the House bill which would have mandated the offering of the reduced price lunch program at 200 percent of the established income poverty guidelines. Under current law, reduced price lunches may be offered to students coming from families whose income does not exceed 175 percent of the income poverty guidelines. In light of the $180 million cost of mandating the reduced price lunch program up to 200 percent of the income poverty guidelines, this provision, too, was rejected.

Mr. President, this bill evidences the continuing commitment of the Senate to school lunch and child nutrition programs. It signals to parents and children that we will continue to expand and improve all child nutrition programs just as we have continuously over the past 29 years. At the same time, the Senate Agriculture Committee bill responds to the fiscal reality of a $70 billion Federal budget deficit by trimming $300 million from the House bill. It is a balanced, equitable measure which meets the general goal of all child nutrition legislation—to safeguard the health and well-being of the Nation's children.

Mr. McGOVERN. Mr. President, as principal author of the legislation now before us, and as someone who has had a long and rewarding association with child nutrition legislation, I offer a few observations on H.R. 4222, the School Lunch and Child Nutrition Act Amendments of 1975.

Those of us who support child nutrition programs realize that we have arrived at the point where it is necessary to insist on a safe future for something we believe in.

It is true that we are at a point in modern history when things are not going very well, and we all have opinions on why our national economy and our national spirit is troubled, and we all have ideas as to what to do about it.

But the point we must address today is how do the current conditions affect the interests of child nutrition? Do we abandon our efforts to expand the child nutrition programs? Do we give in to the administration's massive cutbacks? Do we, in fact, acquiesce to a drastic reduction in funds for food, or do we fight on?

It is my opinion that we have no choice. The schoolchildren of America are among our constituents, and we must continue to act in their best interests. And good nutrition is in their best interest.

The true test of programs like the school lunch and breakfast programs is not how well they function when the economy is riding high, but how well they function when the economy is undergoing difficulties, and the people need their benefits the most.

Others, in the administration, take the position that during these rough times, money must be saved, and that this is as good a place as any to cut expenditures.

It is clear to me that this basic clash in philosophies is what is really going on this year in the area of child nutrition.

I and the other cosponsors of S. 850 believe we need these programs now more than ever. Remembering the food stamp vote, and taking a look at my mail, I have got a notion we will succeed once again in managing our school food service crisis.

I do not think we need to really review in detail the effect of the administration's proposal. The Department of Agriculture did not send it to the Agriculture Committee in time for the markup of what has become H.R. 4222, so I have not had a chance to read it. But from Undersecretary Feltner's testimony it is clear that USDA's plan will in effect eliminate:

First, diet supplementation for 800,000 low-income women, infants, and children in 49 States;

Second, 2½ billion school lunches for children from middle-income homes;

Third, milk for tens of millions of young schoolchildren;

Fourth, all meals for any child in a day care center, Head Start center;

Fifth, all school breakfasts, taking good away from over 1½ million young children each day, and

Sixth, summer lunches for over 1 million youngsters.

I believe this would be a disaster, and my opinion has been shared by other members of the Agriculture Committee.

My opinion is this:

At a time when food costs are rising over 15 percent per year, when unemployment is hitting recordbreaking numbers, when double digit inflation is bewildering almost everyone, when the farm economy is in trouble, and when local economies need a boost, the Federal nutrition programs are in a unique position to be used to help, not to hurt, our people.

The bill we are considering today, H.R. 4222, essentially:

Extends the school breakfast program;

Extends and improves the Head Start nutrition program and the day care nutrition program;

Extends and expands the WIC—women, Infants, and children—program;

Extends and improves the distribution of commodities to the school lunch program;

Extends, for the first time, eligibility for the school lunch program to children in orphanages, homes for the mentally retarded, and so forth; and

Revises, extends, and improves the summer food program.

This child nutrition bill is vitally important. It represents one more advance in our effort to help insure a nutritionally adequate diet for all of America's schoolchildren. Since the beginning of this year's discussion of child nutrition legislation, I have received almost 20,000 letters and petitions, all supporting such legislation. The President's bloc grant proposal, which would have eliminated $700 million worth of nutritional benefits for millions of our children, has received no support. I believe the Senate has before it a very responsible and progressive piece of legislation, and I urge its immediate passage.

SCHOOL BREAKFAST PROGRAM

This bill contains important new provisions for each of the Federal child feeding programs. One provision, however, deserving special praise, relates to the national school breakfast program. Currently, section 1759a(e)(1) of the National School Lunch Act requires participating State educational agencies to devise annual plans for the operation of the breakfast program which spell out how the State will expand the program to serve needy children within the State "to the maximum extent possible."

These plans should state, with substantial specificity, which schools are in needy neighborhoods and whether such schools will implement the program—if they have not done so already. The plans must be detailed and should specifically describe concrete plans for breakfast program expansion by the State educational agencies and local school districts. Current Agriculture Department regulations require the State to submit such plans to the Department for approval each year. Once such plans are approved, the States must carry them out in order to continue receiving funds. Thus, the Secretary and the State agencies are currently under an obligation to expand the program to needy children.

The new breakfast provision we are considering today is designed to reinforce and further strengthen that expansion mandate. This new provision was originally included in S. 850, the bill that I introduced earlier this year. Subsequently, this provision was adopted by the House Education and Labor Committee and was approved by the full House as part of H.R. 4222. The provision is included in the Agriculture Committee's bill that we are now debating.

The new provision requires the expansion of the school breakfast program to "all schools where it is needed to provide adequate nutrition for children in attendance." Such schools, by definition, are the ones that are located in impoverished areas—particularly the so-called "title I schools" and the schools that serve one-fourth or more of their children with free or reduced price lunches. We expect that the school breakfast program will be expanded to these schools as quickly as possible and we have required the Secretary to develop plans and to promulgate regulations that clearly and unequivocably will accomplish this mandate.

Under the bill, the Secretary and State educational agencies are required to carry out an informational outreach effort for the purposes of expanding the program. In addition, the Secretary is to devise plans and promulgate regulations in order to effectuate the congressional expansion directive that the program be made available in "all schools where it is needed to provide adequate nutrition for children in attendance." Under our committee's bill, the Secretary—within 6 months—must report to the committees of jurisdiction in the Congress about the plans he developed and the regulations he promulgated. This, by the way, is the only difference in my original bill; whereas my bill required a report in 90 days, the committee extended the reporting requirement by an additional 90 days.

It should be noted that the Secretary's new regulations, which should be promulgated prior to his report to the Congress, should not deal merely in rhetoric or exhortation. We expect the regulations to clearly reflect our mandate for expansion of the breakfast program to "Title I" and other needy schools. Similarly important, we expect the Secretary—together with State educational agencies—to monitor local educational agencies' compliance with this requirement. Hopefully, the Secretary's monitoring plans will be included in his report to the Congress. The Secretary's regulations and follow-up plans must effectively enforce youngster's rights—in schools located in needy neighborhoods—to have the breakfast program implemented by their school district.

The need to reach America's poor children with the school breakfast program is, indeed, a serious one. In the years since Congress first adopted the Child Nutrition Act in 1966, we have learned just how important the breakfast program is to improving the educational performance of needy children. Educators report that disciplinary problems decrease, attendance improves, and the students become more alert, more eager to learn. We cannot afford to be half-hearted in our commitment to providing full nutrition to needy children.

RESIDENTIAL INSTITUTION FOOD PROGRAM

The bill extends the child nutrition programs to nonprofit institutions which have previously only been eligible for the commodity distribution program.

Testimony received at the public hearings on the child nutrition legislation indicated that these children, who are often institutionalized through no fault of their own, receive less nutritional support than children attending public schools. The committee believes that all children should have the same access to the child nutrition programs.

The institutions eligible to participate include, but are not limited to, orphanages, homes for the mentally retarded, homes for the emotionally disturbed, homes for unmarried mothers and their infants, temporary shelters for runaway children, hospitals for children who are chronically ill, temporary shelters for abused children, and juvenile detention centers.

Such institutions would include the children's wings or sections of hospitals, homes for the mentally retarded, the blind, the physically handicapped, or other institutions.

This section of the bill is a very important innovation in the area of child nutrition.

SCHOOL LUNCH AND THE UNEMPLOYED

A provision in H.R. 4222 as amended by the Senate Agriculture Committee would aid families whose principal wage earner is unemployed by requiring school districts to take steps to notify such families that their children may qualify for free or reduced price school lunches. The provision requires local schools to inform such families that their children are eligible for free or reduced price meals if the families meet the income guidelines established in that State.

Under this provision, school authorities would, in addition to announcing the guidelines at the beginning of each school year, make public announcements about the guidelines and send notices home with children when major layoffs occur in their area. Local school authorities would also pursue other methods of reaching the newly unemployed with this information; for example, school officials in all areas would have to work with local unemployment offices so that those household heads applying for or receiving unemployment benefits would receive notice about the income eligibility criteria for free and reduced price lunches. Such procedures should be established by the Secretary through departmental regulations.

WIC PROGRAM

The bill authorizes $250 million each fiscal year for 1976 and 1977, and a pro-rata share of $62.5 million for the transition period from July 1, 1976, through September 30, 1977. If these amounts are not appropriated by July 1, 1975, July 1, 1976, and October 1, 1976, enough funds must be taken from section 32 to bring the WIC funding level to $250 million each fiscal year—and to $62.5 million for the transition period.

All unspent funds from fiscal year 1975 shall be carried over into fiscal year 1976, and shall be in addition to the $250 million provided for fiscal year 1976. The resulting total—which may be in the vicinity of $290 million—must be spent to fund fiscal year 1976 WIC programs. However, if any of these funds are not used, the Secretary is required to carry such funds over into the transition period and to add such carryover money to the $62.5 million otherwise provided. Similarly, if any of the funds that consequently are available during the July 1, 1976, to September 30, 1976, period are not spent during this time, these funds must be carried into fiscal year 1977 and added to the $250 million provided for that fiscal year.

In this bill, under medical authorization and supervision, the WIC food package can be altered to meet the demands of medical necessity or cultural dietary habits, as long as the overall nutrition level of the food package is not damaged. Under this proviso prescription foods may also be provided to WIC recipients. As I understand it, prescription foods would include items such as Pregestemil for chronic diarrhea of infancy, Lofenalac, gluton-free products, oral amino acid supplements, and others.

For purposes of allotting administrative expenses, program funds provided under this section should include all the funds available to a State under its letter of credit.

SUMMER FOOD PROGRAM

The summer feeding section of this bill is extremely important. This section, which I originally introduced as an amendment to S. 850 with the distinguished Senator from New York, Mr. Javits, is based largely on a comprehensive study by the General Accounting Office of the problems that have beset the summer feeding program in recent years.

This very summer, poor children are going unfed because of deficiences in the current summer feeding legislation. Some States do not have enough money to fund all the sponsors who applied for this program. In Cleveland, a sponsor prepared to feed 30,000 children has been turned down. In Greensboro, N.C., a sponsor ready to feed 8,000 children has been turned away. Meanwhile, other States will probably have unspent money when the end of the summer comes.

H.R. 4222, as amended by the Senate Agriculture Committee, would solve this problem. The legislation does away with apportionment formulas, and moves the program to the same basis as the school food programs. All eligible summer feeding sponsors would receive the program upon request, just as all eligible schools must be permitted to enter the school lunch and breakfast programs upon request. No summer feeding sponsor could be turned down for lack of funds or limited as to the number of meals or children it could serve. If enough funds were not available, Congress would have to provide more funds in a supplemental appropriation, just as we do if our initial appropriation for school lunch or breakfast runs short.

Sponsors would have to serve children from areas of poor economic conditions. Because of the importance of getting food to these children, the bill allows sponsors to provide only a food service, and not other organized activities.

We hope, of course, that sponsors will offer other activities, but the bill prohibits the Secretary from establishing a requirement that a sponsor must offer some activity in addition to a food service in order for a sponsor to be eligible for the program.

Sponsors would have to run regularly scheduled programs meaning that the food service would have to be provided at specified sites and at regular times. Sponsors could operate programs during any period from the first of May through the end of September, except that programs could be run during other months in areas with a continuous school calendar.

In the funding area, the bill provides for sponsors to receive reimbursement for the full cost of their food service operations—including administrative costs and charges for the rental of space and equipment—up to a specified maximum rate for each meal. The maximum rates for both administrative costs and other food service costs would be adjusted annually.

Reimbursements would be made for breakfasts, suppers, and supplements as well as lunches. Sponsors could serve any or all of these meals, provided that the service of each different meal occurs at a different time. As long as some time interval separates different meal services, sponsors could serve the various meals.

This provision will terminate a restrictive rule currently applied in this program under which USDA allows no sponsor to serve more than one meal a day unless children remain at a site for 5 hours or more each day.

In the funding area, the bill also provides for advance payments, as the GAO recommended. Advance payments would be made to States, and then to sponsors, no later than June 1, July 1, and August 1 each year. Sponsors would receive an advance payment for each of these months in an amount equal to the summer feeding funds used by the sponsor in the same calendar month of the preceding year, or 65 percent of the funds estimated to be necessary for the coming month, whichever is greater.

Start-up costs could also be provided; these funds would be provided prior to June 1 to help improve program planning. States would be required to make advance payments to sponsors, but would only be authorized to pay start-up costs. States could provide start-up costs to some sponsors and not to others, if they chose to do so.

Finally, I should like to note that this bill brings overnight camps for children from low-income areas into the program for the first time. This will encourage the establishment of fresh-air camps for low-income children. Eligible camps could operate for any period between May 1 and September 30, or during other vacation periods in areas with continuous school calendars.

CHILD CARE FOOD PROGRAM

The bill before us today makes especially important and gratifying improvements in the child care feeding program. This program has been hampered for a number of years by an outmoded apportionment formula, by substantial variations in reimbursement rates from State to State, by the lack of funds for equipment assistance, and other problems.

H.R. 4222 as amended by the Senate Agriculture Committee would eliminate these difficulties by placing the child care program on the same footing as the school food programs. All eligible sponsors would be allowed into the program upon request, just as all eligible schools may receive the school lunch or breakfast programs upon request. No eligible child care institution could be denied entry into the program, or restricted in any way as to the number of meals or number of children it could serve, just as no school can be stopped from entering the lunch or breakfast programs, or limited as to the number of lunches or breakfasts it can serve.

Among the eligible institutions that could enter the program upon request would be family day care homes, group day care homes, and homestart programs. There are many children in these homes who need nutritional assistance.

The bill provides that any nonresidential child care institution must be allowed into the program—so long as it has local, State, or Federal licensing or approval, or satisfies the Secretary that it complies with the 1968 Federal interagency day care requirements—as recently modified by Federal day care requirements in regulations governing the use of title XX social services funds. The Secretary would be required to establish some mechanism through which unlicensed child care programs have to demonstrate that they are in compliance with the applicable Federal interagency day care requirements.

The sponsor must also have a Federal tax exemption; be moving toward compliance with requirements for tax exempt status, or already run another federally funded program that requires nonprofit status. This does not mean that each individual day care site must meet these requirements concerning tax exempt status. Rather, each day care sponsor must meet these requirements; and as is presently the case under the special food service program for children and the summer feeding program, organizations or agencies would be permitted to function as "umbrella sponsors" on behalf of individual child care programs. "Umbrella sponsors" would, of course, have to assume final financial responsibility for the food service operations involved. Umbrella sponsors could include units of State, county, or municipal government or other public or private non-profit institutions, or voluntary agencies.

Eligible sponsors would receive the same reimbursement rates for lunches and suppers as are paid for lunches served in the school food programs. Breakfasts would be reimbursed at the rates paid for breakfasts served in schools. Supplements would be reimbursed at the rate of 20 cents for snacks served to children whose families meet their State's income guidelines for free school meals, 15 cents for snacks served to children whose families meet the State's guidelines for reduced-price school means, and 5 cents for snacks served to children from higher income families. As at present, child care programs would be permitted to serve a breakfast, lunch, supper, and supplement each day, or two supplements a day in place of any one of the other three meals.

In order to determine the income category—"free," "reduced price," or "paid"—for each child, child care programs would collect income data from parents or guardians. The same income deductions would be allowed as are used in the school food programs.

Child care programs could use income data already from parents, data which has been required for receipt of other government funds—such as title XX funds. Day care programs that do not have such income data—or that have data that is incomplete for purposes of determining allowable deductions—would collect a simple affidavit from parents annually.

This income data collected from parents and guardians would indicate the number of children in the "free meal" income category, the "reduced price" income category, and the "paid" income category. States would not, however, have to reimburse day care programs at three different reimbursement rates, since this would require that child care programs keep records of the number of meals served each day to children in each income category. To simplify recordkeeping and financial procedures, States could figure a single reimbursement rate for each meal service provided at each child care program, so that programs would have only to record the number of breakfasts, lunches, suppers, and supplements served each day.

The single reimbursement rate for each meal service would simply be the average reimbursement rate that the program would receive if the number of children in each of the three reimbursement categories, as shown by the income data on file where multiplied by the national average reimbursement rate for that category. Thus, the total reimbursement received by the child care program would be the same as if three separate reimbursement rates were paid for each meal service, but recordkeeping would be simpler. Of course, the total reimbursement received by any child care program could not exceed the total cost of its food service.

A child care program would be expected to report changes in the number of children in any income category, and States would then adjust the program's reimbursement rates accordingly. States would be permitted to make disbursements to child care programs in advance or by way of reimbursement, as States may do in the school lunch program. States using a reimbursement method of payment would be required to pay reimbursement claims submitted by child care programs within 30 days.

Child care programs would not be required to collect money for meals from children in attendance; children in day care programs are generally too young to carry money around and pay for meals. Nor could the child care programs be required to collect money specifically for food from parents or guardians, since this would lead to conflicts with income standards and fee schedules to be used by child care programs under title XX of the Social Security Act. Rather, child care programs would continue—as they have done up until now—to use whatever resources are available to them to obtain funds for food services costs that are not covered by USDA reimbursements. These funds could, for example, come from other public sources, from private organizations or voluntary agencies, and/or from fees collected from parents or guardians for overall child care services. Most child care programs that currently participate in the special food service program for children do not use money from fees to support their meal services; and it is not expected that they would use money from fees under the new child care food program, either.

In other areas as well, the procedures used in the child care food program should be simpler than those used in the school food programs. Application forms, reporting forms, and financial forms and procedures used in the child care food program would have to be substantially simpler than those that schools must complete, and these forms must be so designed as to reflect the distinctive nature of child care operations.

It should be noted that a new feature of the child care program, as created by this bill, would be the establishment of a separate fund of money for equipment assistance. The Secretary would be required to apportion $3 million among the states in fiscal year 1976 and in fiscal year 1977 for this purpose—and to apportion a pro-rata share of $750,000 for the 3-month transition period between these two fiscal years.

Finally, the child care section of H.R. 4222 directs the Secretary to provide the same annual commodity donation rate currently in use in the school lunch program for all lunches served in the child care program. The Secretary would have to consult authorities of child care institutions as to their need for various types of commodities before he determines which commodities he will donate in order to fulfill this requirement. The Secretary would have to provide at least 75 percent of the commodity donation rate in commodities rather than cash, just as he would in the school lunch program.

COMMODITIES

H.R. 4222, as amended by the Senate Agriculture Committee, extends the authority of the Secretary to purchase both surplus and nonsurplus commodities for distribution to child nutrition programs.

In addition, the Senate Agriculture Committee has wisely restored to the commodity program cereal, shortening and oil products, which the Secretary chose to delete during fiscal year 1975. This provision is intended to restore the section 416 items to all child nutrition programs, in the same amounts and proportions as were supplied in fiscal year 1974. These items include bulgar, corn meal, flour, rolled oats and wheat, corn grits, rice, salad oil, and shortening.

Mr. RANDOLPH and Mr. CURTIS addressed the Chair.

Mr. ALLEN. At this time I yield to the distinguished Senator from West Virginia.

Mr. CURTIS. Mr. President, are we not on controlled time?

Mr. ALLEN. If the Senator has no objection, the Senator from West Virginia (Mr. RANDOLPH) has an amendment which I believe the committee will accept, and he has another appointment, if the Senator will bear with him.

Mr. CURTIS. Very well.

The PRESIDING OFFICER. There is no controlled time.

Mr. RANDOLPH. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes an amendment.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 66 after line 10, insert the following new section:

"STUDY OF COST ACCOUNTING REQUIREMENTS

"SEC. 22(a) The Secretary shall not delay or withhold, or cause any State to delay or withhold, payments for reimbursement of per-meal costs with respect to school food service programs authorized pursuant to this Act on the basis of noncompliance with full cost accounting procedures unless and until the requirements of subsection (b) of this section are met.

"(b) The Secretary shall study the additional personnel and training needs of States, local school districts, and schools resulting from the imposition of a requirement to implement full cost accounting procedures under the National School Lunch and Child Nutrition Acts, and, on the basis of the results of such study, shall within one year after the date of enactment of this Act, submit a report and make such legislative recommendations as he deems necessary to the appropriate committees of the Congress."

Mr. RANDOLPH. Mr. President, the program we are considering today has been a subject of concern to Senators since 1947, and we have made considerable and very constructive progress in developing school lunch and child nutrition programs.

The program has grown from one involving an expenditure of less than $100 million in 1947 to a program with an annual Federal cost of over $1.4 billion in cash and commodities, and includes an additional expenditure in excess of $300 million in new programs, such as the school breakfast, WIC—Women, Infants, and Children, and Special Milk and Nonschool Food Service programs.

The bill before us, H.R. 4222, amending the National School Lunch and Child Nutrition Acts, not only continues for its 30th year the necessary Federal assistance to maintain the health and welfare of over 30 million children in our schools, but it eliminates the degrading process of singling out certain children as eligible for free lunches or for reduced price lunches, while still others, because of higher family incomes are required to pay the full price. This measure provides that all children have access to the food they need for good nutrition and health.

I commend the able floor manager of this measure (Mr. ALLEN), and the chairman of the Senate Committee on Agriculture (Mr. TALMADGE) and all the members of the committee for their efforts and leadership in bringing to the floor a bill containing positive and needed programs to help eliminate the major causes of poor nutrition. While we recognize there are additional provisions to strengthen nutrition programs that are not in the pending legislation, we recognize that the Senate version of H.R. 4222 provides significant improvements.

Mr. President, my concern expressed in the offering of the amendment is over a recently implemented U.S. Department of Agriculture regulation that requires school food service personnel to establish so-called "full cost accounting systems" for these school nutrition programs.

These accounting procedures must be used in preparing vouchers as a basis for the schools to receive payment for reimbursement of per-meal costs. These procedures are so extensive and so time-consuming, involving the maintenance of a multiplicity of daily records of the individual students in the several programs, that delays are being experienced by local educational agencies before such reimbursement is received in the schools.

It appears that school food service personnel as well as teaching staffs are being pressed into service in keeping these records and preparing vouchers for reimbursement. Such personnel have neither the time nor the expertise required to handle these duties effectively and expeditiously.

Mr. President, I have consulted in the State of West Virginia with school officials especially in the rural sections of our State, on this issue. I have determined that we have many schools which did not receive their September and October 1974 reimbursements until the week before Christmas, with the November payments not received until January of 1975. In February of this year, the December 1974 reimbursement was still outstanding.

It is important for the Members of the Senate to recognize that in many rural areas of West Virginia, as well as other States, we do not have the personnel in sufficient numbers to take persons away from necessary educational jobs to handle the redtape—and it is redtape—in connection with the full cost accounting procedures that I bring to the attention of the Senate.

These small schools, these local school boards, and the areas I have mentioned are experiencing difficulty in complying with the requirements that have been set forth under the USDA regulations because we have a limited number of personnel.

I must emphasize that in these smaller schools the members of the teaching staff who perform this extremely complicated, time-consuming work should and must have as a priority education and curriculum management—they do not have the time needed for these extra bookkeeping requirements.

We must not allow paperwork to prevent the fulfillment of the objectives of food service programs in our school. The information which I have received from educators in our State indicates that severe financial burdens have been placed on the already overburdened school lunch programs with these regulations. I have received protests from food service authorities in West Virginia which allege that much of the data gathered by this new accounting system is not necessary, and other data required is already available under present recordkeeping systems.

Mr. RANDOLPH. Mr. President, in connection with this problem, I read from a letter from the superintendent of schools of Preston County, John D. Miller, Jr.:

> To place an additional burden of record-keeping on these programs would be to endanger the very existence of school lunch programs. Therefore, it is our hope that you will consider alternatives to the full cost accounting system for school food services.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of Mr. Miller's letter, other supporting materials, and corespondence on the amendment I have offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRESTON COUNTY SCHOOLS,
Kingwood, W. Va., February 3, 1975.
Mr. WILLIAM G. BOLING,
Director, Child Nutrition Division, Food and Nutrition Services, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. BOLING: The Preston County Board of Education has reviewed the so-called "full cost accounting system" for school food service programs which has been proposed to go into effect in the near future. The Board would like to formally protest this action as the members feel that it is unnecessarily complicated and will place a severe financial burden on the already poverty-stricken school lunch programs in the small schools of West Virginia by requiring additional staff time. The Board feels that much of the data gathered by this system may not be necessary, and most of the other data is available under the present record-keeping procedures.

The Board would like to suggest that the U.S. Department of Agriculture consider the establishment of a computerized data processing system for any additional data that might be needed in the future in order to cut to a minimum the necessary labor involved in record keeping. Most of the school lunch programs in West Virginia are in a severe financial bind even with the present labor force due to the inflation in the foods industry and the escalating costs of labor. This problem is aggravated by the extremely slow processing of reimbursement checks. To place an additional burden of record keeping on these programs would be to endanger the very existence of school lunch programs in the state. Therefore, it is our hope that you will consider alternatives to the full cost accounting system for school food services.

Sincerely,
JOHN V. MILLER, Jr.,
Superintendent.

NEWBURG ELEMENTARY SCHOOL,
Newburg, W. Va., January 3, 1975.
Senator JENNINGS RANDOLPH,
U.S. Senate,
Washington, D.C.

DEAR SIR: Since the Food Service Program in our schools has become such an extensive operation, we have recently been made responsible for the Full Cost Accounting of the program within our respective schools. This involves the keeping of a multiplicity of records which will be a full time job in itself.

We realize the value of such records since the Food Service Programs has become a national business rather than several isolated programs. However, we are not trained to be businessmen, but educators. Therefore, if this responsibility is put upon our shoulders, we feel we will have very little time to supervise our personnel, to gain rapport with our students, to manage the curriculum, or to contribute very little to the advancement of education in general.

We are asking your cooperation to secure for us qualified personnel to manage an area of combined lunch programs, thus freeing us for the position we feel qualified to perform since many of us have spent many hours of collegiate and in-service training hours in the educational field.

On November 14, we spent a full day in Fairmont receiving instructions for the institution of this Full Cost Accounting Program in September of 1975. Those of us with one Hot Lunch Program felt defeated but some of us are managing two or more programs now and we feel the paper work would be insurmountable with our other duties.

Would you kindly go to bat for us in securing Federal or State employees to do this accounting? Thank you for your time and patience in reading this letter and our sincere gratitude for any help you might give us in the future.

Sincerely yours,
LANTA TEMPLE,
President,
IMOGENE WOLFE,
Secretary,
Preston County Elementary Principals' Association.

JANUARY 24, 1975.
Hon. EARL L. BUTZ,
Secretary, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: It has recently come to my attention that the food service program in schools in West Virginia and across the Nation has become an extensive, time-consuming operation due to increased record-keeping requirements. School personnel are now being "phased-in" on Full Cost Accounting Procedures which involve the maintenance of a multiplicity of records, on a daily basis, for each individual student receiving breakfast, lunch, and milk at the school. They must show proof of actual per-meal costs for the purpose of receiving reimbursement from the State for food services programs on a continuing month-to-month basis.

The very complexity of the bookkeeping details, however, does not allow schools to be reimbursed monthly. For example, during the 1973–74 school year in West Virginia, vouchers submitted were found to be unacceptable in many instances, necessitating payments to the schools on an estimated basis in order to avoid extreme delays in making this service available to needy students. During the current school year, schools in West Virginia received their first voucher payments for the months of September and October shortly before the Christmas holidays began, with the expectation that November and December vouchers would be paid within a few weeks. These monies have not been paid to date.

It appears that many schools, especially small rural schools, do not have the personnel or the expertise to handle effectively and expeditiously this extremely complicated bookkeeping procedure. These recordkeeping procedures would seem to require additional full-time employees which school budgets cannot afford. Teaching personnel, with the priorities of education and curriculum management, do not have the time necessary for these extra bookkeeping duties

As you know, school nutrition programs are vital to the needy child. We must not allow paperwork to prevent the fulfillment of the objectives of food service programs. Yet, I fear that continued delay in reimbursing schools for these meals, due to complex and time-consuming bookkeeping procedures, might compel school food authorities to reduce both quantity and quality of meals served in an effort to compensate for hiring persons trained to handle voucher preparation.

It will be sincerely appreciated if you would investigate this matter, and furnish a report to my office on what steps should be taken to alleviate the situation, including recommendations for changes in Federal regulations; possible changes in the per-meal reimbursement figures to provide for labor costs for the bookkeeping involved; and possible increases in State Administrative Expense provisions, such increases to be used for the purpose of absorbing bookkeeping costs to schools.

With sincere thanks for your attention to this request, and with best wishes, I am,

Truly,

JENNINGS RANDOLPH.

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., February 14, 1975.
Hon. JENNINGS RANDOLPH,
U.S. Senate.

DEAR SENATOR RANDOLPH: Secretary Butz asked us to reply to your recent letter on behalf of certain Educators of West Virginia who are concerned about the full cost accounting concept of the National School Lunch Program. I am sure that you are aware of the increasing magnitude of Federal funds input to these programs which is now at a $1.8 billion level.

This type of concern has been stated in other areas of the country as individual States have moved to incorporate full cost accounting procedures in their programs. These procedures are positive designs for improved accountability. However, we find that after an intensive training period, such hesitancy often changes to enthusiasm.

There are a number of pilot schools now implementing a full cost system and at the same time providing the Food and Nutrition Service with feedback relating to specific problems encountered. In one particular case, there was no business manager in the school so the school food service manager assumed responsibility for full cost accounting. After a four-month training period she reported that the new accounting procedures made a difference of ten to fourteen hours per month. She further explained that a good portion of these additional hours was required because she had no access to an adding machine or a calculator.

On-site assistance is a built-inpart of our on-going assistance in cooperation with Mrs. Faith Gravenmier. As far as we can stretch availability of our personnel, time, and expertise, we will do this for the purpose of training State and local school personnel in using full cost techniques. On the average, we estimate that a one to four month phase-in period will be needed before school personnel can feel comfortable with these procedures. However, it has repeatedly been our experience that school personnel are satisfied to have made this change in procedures once transition has been achieved.

Changes for improved computer system processing at the State Office has a definite effect upon this subject of accountability. We understand that Mrs. Gravenmier is progressing with such changes. We cannot overemphasize the importance of full cost accounting since such reporting, tied together with participation data, is the very basis for payment of monies disbursed under provisions of today's child nutrition programs.

Your continuing interest and cencern for these programs are genuinely appreciated. We trust that the above information will help you reply to your constituents.

Sincerely,

WILLIAM S. BOLAND,
Acting Assistant to the Administrator.

FEBRUARY 28, 1975.
Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR HERMAN: This is in reference to pending amendments to the National School Lunch and Child Nutrition Act.

As you know, schools are being required to implement full cost accounting procedures in their food service programs, as a basis for payment of monies disbursed under the provisions of child nutrition programs. In recent months, certain educators in West Virginia have written to me expressing their concern regarding this new concept and its impact on school programs.

It appears that the required full cost accounting has become an extensive, time-consuming operation due to increased record-keeping requirements. School personnel, who are now being phased-in on these procedures, involving the maintenance of a multiplicity of daily records for each individual student, report that they have neither the time nor the expertise to handle these extra bookkeeping duties effectively and expeditiously. These educators believe that the priorities of education and curriculum management are their first concern. Yet, many schools, especially small rural schools, must depend upon teaching personnel for these duties. Vouchers are being prepared by inexperienced staff who have only a minimum of time to spend on keeping extensive records to show actual, daily per-meal costs for the purposes of receiving reimbursement from the State for food service programs. Vouchers prepared by teaching personnel under these circumstances are very often returned due to incomplete data, which in turn has caused extreme delays in receipt of payment by schools. Whether reimbursed or not, schools must continue to operate the food service program for needy students. For example, many schools in West Virginia did not receive their September and October reimbursements until the week before Christmas, and November payments were not received until January of this year, with December, 1974 still outstanding.

It will be genuinely appreciated if, during development of amendments to the Act, attention can be given not only to Federal regulations governing the new full cost accounting procedures, but to possible increases in the per-meal reimbursement figures with a view toward including costs of additional personnel to maintain records. Provisions to increase funds for State Administrative Expenses might also be considered with the stipulation that such increases be used for the purpose of absorbing bookkeeping costs to schools. It is possible these increases could be authorized as an interim measure, until the personnel, with assistance from the U.S. Department of Agriculture, are fully trained in using the new techniques.

I fully recognize the benefits of improved accountability in this program. I am deeply concerned, however, that unless steps are taken to alleviate the existing situation, the vital school nutrition program will not fulfill the objectives of aiding needy students. Further, school food authorities may have to reduce both quantity and quality of meals served in an effort to compensate for hiring personnel trained to handle voucher preparation.

With sincere thanks for your attention to this matter, and with best wishes, I am

Truly,

JENNINGS RANDOLPH.

U.S. SENATE,
Washington D.C., March 6, 1975.
Hon. JENNINGS RANDOLPH,
U.S. Senate,
Washington, D.C.

DEAR JENNINGS: Thank you for your recent letter regarding amendment to the National School Lunch and Child Nutrition Act.

I can understand the problem that your State is having with full cost accounting procedures of the Food and Nutrition Service. I have many small rural schools in Georgia who are having trouble meeting the new requirements because of their limited personnel. You may be assured that the Committee will look into this matter when we consider certain school lunch legislation this year.

Certain of the child nutrition programs expire at the end of this fiscal year, so it will be necessary for the Committee on Agriculture and Forestry to take another look at child nutrition programs before the end of the fiscal year.

With every good wish, I am

Sincerely,

HERMAN E. TALMADGE,
Chairman.

Mr. RANDOLPH. Mr. President, while fully recognizing the benefits of improved accountability in school lunch and nutrition programs, I am nevertheless deeply concerned that unless steps are taken to alleviate this situation, these vital programs will be hampered in fulfilling the objectives of aiding needy students. It may force school food authorities to reduce both quantity and quality of meals served in an effort to compensate for hiring additional personnel with the expertise to handle voucher preparation.

Mr. President, I have strongly supported past efforts to expand and improve nutrition programs in our schools. It is my belief, however, that there is no justification for delaying or withholding payments for reimbursement of per-meal costs to schools, on the basis of noncompliance with the USDA's full cost accounting procedures. These delays in payments have caused much uncertainty for food service personnel and teachers and have adversely affected school breakfast and lunch programs for our children.

The pending amendment, which will add a new section entitled "Study of Cost Accounting Requirements," requires, in subsection (a) that the Secretary of Agriculture shall not delay or withhold, or cause any State to delay or withhold, payments for reimbursement of per meal costs with respect to school food service programs authorized pursuant to this act, on the basis of noncompliance with full cost accounting procedures, unless and until the Secretary has fulfilled the requirements of subsection (b).

This subsection requires that the Secretary shall study the additional personnel and training needs of States, local school districts, and schools, resulting from the imposition of a requirement to implement full cost accounting procedures under the National School Lunch and Child Nutrition Acts, and, on the basis of the results of such study, shall within 1 year after the date of enactment of this act, submit a report and make such legislative recommendations as he deems necessary to the appropriate committees of the Congress.

Testimony received during hearings on H.R. 4222 indicated that school lunch programs have been forced to increase lunch prices in a period of reduced incomes to families. There was testimony that the number of children in these programs will actually decline further unless the Federal payments are increased in proportion to the increased costs. These costs are handed on by school districts to the families of children—forcing them to drop out of the program. It is my belief that it is wrong to add to this already very difficult situation the uncertainty that is being created by burdensome paperwork of full cost accounting procedures, and the delays in reimbursement to schools of moneys necessary to insure the orderly continuation of school nutrition programs. My amendment will help alleviate this situation.

Mr. President, the amendment does not add to the cost of this legislation.

I urge the adoption of the amendment which will, on an interim basis, prohibit our schools from being penalized for noncompliance with USDA regulations, until such time as that agency has studied the impact of its full cost accounting procedures on our schools, and reported its findings to the appropriate committees of Congress.

I thank the diligent Senator from Alabama for yielding. I genuinely appreciate his cooperation.

Mr. ALLEN. Mr. President, the amendment of the distinguished Senator from West Virginia (Mr. RANDOLPH) would exempt schools from penalties for noncompliance with newly proposed school lunch, full-cost accounting systems. The exemption would apply only until the Secretary completes the study of how this new system is likely to affect additional personnel and training needs of State and school districts. The Secretary would be required to submit his study with legislative recommendations to Congress within 1 year.

Senator RANDOLPH submitted his amendment to the committee during our markup on the bill, but it did not reach the committee until the day after the committee had completed its work. I have conferred with the distinguished Senator from Nebraska (Mr. CURTIS), a member of the committee. We feel that this is a good amendment and that it should be accepted. I recommend that the Senate accept the amendment.

Mr. CURTIS. It is acceptable to the minority.

Mr. RANDOLPH. Mr. President, will my friend, the able Senator managing this important bill, allow me just one minute of observation?

Mr. ALLEN. Yes. Before we accept the amendment?

Mr. RANDOLPH. Yes.

With respect to the acceptance of the amendment by the Senators, I am grateful also for the cooperation of the Senator from Nebraska (Mr. CURTIS). I think it is important for us to realize that this is an important program. We do not want it weakened by procedures that are incidental to the main objectives of nutrition. For that reason, I do hope that the study—the report—can come to us very soon.

Mr. ALLEN. I thank the Senator for his remarks. I thank him for presenting the amendment, and I am pleased to be able to recommend the amendment on behalf of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CURTIS and Mr. HUMPHREY addressed the Chair.

AMENDMENT NO. 667

Mr. CURTIS. I call up amendment No. 667.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CURTIS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, strike lines 3 through 7.

On page 35, strike lines 11 through 21 and insert in lieu thereof the following:

"SEC. 16. (a) Notwithstanding any other provision of law, any State may, for the purposes of the programs authorized by this Act and the Child Nutrition Act of 1966, elect to receive cash payments in lieu of donated foods: *Provided*, That except with respect to any State which phased out its commodity distribution facilities prior to June 30, 1974, if the Secretary acquires agricultural commodities as a result of surplus acquisition or price stabilization operations, he may require States to accept donated foods in lieu of cash. When a State elects to receive cash payments, they shall be in an amount equivalent in value to the donated foods that the State would otherwise have received if it had continued to receive commodities. The amount of cash payments in the case of lunches be governed by section 6(e) of this Act.".

Mr. CURTIS. Mr. President, before commenting on my pending amendment, I wish to make a few remarks in reference to the bill itself.

Mr. HUMPHREY. Will the Senator from Nebraska yield to me? I understand my amendment will be readily accepted, and I have a committee meeting that I wish to attend, if the Senator could accommodate me.

Mr. CURTIS. I would agree to a unanimous consent that we can set this aside for not to exceed 10 minutes. Then we will return to it thereafter.

Mr. HUMPHREY. Five minutes or less.

Mr. President, I ask unanimous consent that the amendment of the distinguished Senator from Nebraska be set aside for a period not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 670

Mr. HUMPHREY. I call up, Mr. President, amendment No. 670, for myself and Senators CASE, MCGOVERN, and PHILIP A. HART, and I ask unanimous consent that it be immediately considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 47, line 1, strike out the word "women" where it appears and insert in lieu thereof the following: "mothers up to six months post partum".

On page 47, lines 13 and 19, strike the phrase "4 years of age" where it appears and insert in lieu thereof "5 years of age".

Mr. HUMPHREY. Mr. President, I am proposing an amendment to the special supplemental food program for women, infants and children commonly known as WIC. This amendment is supported by Senators CLIFFORD CASE, PHIL HART and GEORGE MCGOVERN.

This program provides nutritious food supplements to the most nutritionally vulnerable group in our society: low-income pregnant and nursing women, their infants and young children up to the age of 4. It is the key to all the others because if babies do not have adequate food they quite simply start out life one step behind. The WIC program offers them an even chance.

However, during the past 2 years of the highly successful pilot phase of the WIC program, it has been discovered that WIC stops just short of its potential effectiveness. Young children are taken off the program at the age of 4, just as their first growth spurt is beginning which occurs between the ages of 4 and 5. During this period, they obviously need extra nutritional benefits.

New mothers are taken off the program a mere 6 weeks after they have given birth. But, as the Department of Health, Education, and Welfare reports, low-income women are particularly vulnerable to the metabolic demands of pregnancy so it is particularly important that they remain in the program longer than the short 6-week period.

Consequently, I am proposing an amendment to section 14 of H.R. 4222 which would expand eligibility for the WIC program to include women up to 6 months post partum and to include children through the age of 4; that is until their fifth birthday.

Program administrators and health professionals have called for this expanded eligibility. In a survey of State WIC Directors conducted by the Senate Select Committee on Nutrition and Human Needs in February, a number of the State Directors, including ones from Michigan and Pennsylvania recommended expanding the program to include 4-year-old children. State WIC Directors from Illinois and Vermont among others also strongly recommended expanding the eligibility of post partum women. In all these States the functioning of the WIC program has been particularly noteworthy. In hearings before the Senate Agriculture and Forestry Committee in April, testimony was heard from such respected organizations as the American Dietetic Association supporting this expanded eligibility.

By including 4-year-olds in the WIC program, we will help to insure adequate nutrition for needy children until they enter school and become eligible to participate in the school food programs. The only child nutrition program which includes children under 5 is the special food services program. Presently, only 14 percent of all low-income children under 5 participate in this program. Therefore, 86 percent of all low-income children under 5 are without this very necessary supplemental food. Including 4-year-olds in WIC will increase the number of needy preschoolers who have access to an adequate diet.

The preventive advantages of the WIC program are perhaps greatest during pregnancy. Research has shown that diet can directly affect the outcome of pregnancy. Currently, women who do not breast feed are eligible to receive WIC benefits for only 6 weeks after delivery. While a woman may have returned to a normal biochemical and physiological condition within 6 weeks after delivery, it is unlikely that complete nutrition revitalization has had time to occur, particularly in the case of low-income women. Expanding eligibility to 6 months post partum would insure adequate nutrition revitalization.

The past 2 years have demonstrated the importance and the great value of the WIC program. Now we have an opportunity to establish it in its most effective form. This amendment will make a major contribution to the program.

This amendment does not increase the cost of this legislation. I have discussed this matter with the distinguished Senator from Nebraska and the distinguished Senator from Kansas (Mr. DOLE), and the manager of the bill, the distinguished Senator from Alabama (Mr. ALLEN). I ask for its favorable consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ALLEN. Mr. President, this amendment would extend the eligibility period for mothers from 6 weeks post partum to 6 months and extend the infant age eligibility from 4 years to 5 years of age. There is a shoring up in current medical records of the current pilot WIC program, and a recommendation for the extension of the post partum eligibility period. The extension of the infant age eligibility from age 4 to 5 would close the age gap which now exists between WIC eligibility and the age for a child to participate in Head Start or the school lunch program at the kindergarten level.

A voice vote was taken on the amendment in the committee and it was rejected by a voice vote. No rollcall vote was requested. It has been cleared with the ranking Republican member of the committee (Mr. DOLE), and other members of the committee. I am authorized to say that the committee is willing to accept the amendment. The added program would cost $36 million, but it would come out of existing programs. I anticipate that at a later time, application will be made for replacing this money or adding this amount of money to the appropriation, but for the time being, that is not being done.

I might say about the WIC program that it is a very helpful program. It does much good. It is recognized as performing a real service in an area of great need for expectant mothers and for infants and children, seeing that they get a supplemental diet. It is a humanitarian program. I commend the distinguished Senator from Minnesota (Mr. HUMPHREY) for the leadership he has displayed through the years in advancing this program.

I was talking with the distinguished Senator from Vermont (Mr. LEAHY) just this morning and he was saying that, in his opinion, the WIC program in the State of Vermont is one of the most popular programs in the entire State of Vermont. I recommend, on behalf of the committee, that the amendment be accepted. Mr. DOLE joins in that recommendation.

Mr. PHILIP A. HART. Mr. President, I support amendment No. 670 to H.R. 4222 which amends the National School Lunch Act and Child Nutrition Act of 1966. The amendment, introduced by Senator HUMPHREY, which I cosponsored, follows the recommendations of WIC—Women, Infants and Children—program administrators and health professionals in Michigan and in other States by expanding the number of low-income mothers and children eligible for the program. Under the amendment, mothers would be eligible for the high protein diet supplementation provided by the WIC program for up to 6 months post partum rather than the current 6-week period. Additionally, children would continue their eligibility for the WIC program until their fifth birthday rather than be cut off the program at 4 years of age.

In Michigan, as many as 149,000 low-income women, infants, and children are eligible for the WIC program as determined by health professionals. The 11 WIC programs in Michigan are currently authorized to serve approximately 17,000 of those eligible for the program. Clearly, much more needs to be done to meet present and projected demands upon the WIC program particularly during the crucial periods this amendment provides coverage for.

This amendment can help to improve the health of mothers and children who need assistance in maintaining an adequate level of nutrition, and I hope the Senate acts favorably on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. I thank the distinguished Senator from Nebraska for his courtesy.

Mr. CURTIS. Mr. President, before I speak to my amendment I wish to make a few remarks in reference to the bill itself.

This bill, as it came over from the House of Representatives, was about $500 million over the budget. Some changes were made by the Senate Committee on Agriculture and Forestry, and that amount has been cut in half or a little more.

Mr. President, I was very gratified to hear the comments of the distinguished Senator from Alabama (Mr. ALLEN) with regard to the two provisions which our committee deleted from the House-passed bill, specifically the additional 5-cent-per-meal reimbursement and the mandatory requirement that reduced-price lunches be served in all participating schools.

The Senator from Alabama was particularly accurate in his description of the additional 5-cent reimbursement provision of the House bill as providing large additional amounts of Federal funds to counties with high per capita incomes while providing little or nothing to the lower income counties. As a matter of fact, Mr. President, the entire school feeding program can be criticized because of the fact that the Federal Government provides 22 cents reimbursement for each meal served in participating schools—without regard to the income of the students' parents.

Mr. President, the Congress recently enacted a budget resolution calling for a budget deficit of more than $68 billion for the current fiscal year. Despite the adoption of that resolution, providing for a deficit larger than the entire Federal budget just a few short years ago, Congress has continued to enact new programs and expand existing programs. Fortunately, the President has drawn the line on additional Government spending and is being supported by most Americans in this effort as evidenced by the vetoes of big spending programs which have been sustained in recent weeks.

Mr. President, in a little while we will be voting upon my amendment to reduce the cost by an additional $79 million. I would predict that approval of my amendment will enhance the chances that the President will sign the bill. I do not know whether he will or not. I am sure he will not sign it if my amendment is not adopted. Adoption of any amendment to increase the costs will most assuredly result in a veto.

Mr. President, H.R. 4222, as reported by the Committee on Agriculture and Forestry, for the most part contains several improvements over the version passed by the House of Representatives.

There are two sections, however, which are not contained in the House language, and which trouble me deeply. The price tag of $79 million on one of these provisions is a direct invitation to a veto.

The provisions involved, sections 10 and 12 of the bill, require the Department of Agriculture to purchase for the school lunch program cereal, shortening and oil products in the same or greater quantities as were provided in fiscal year 1974, and these purchases would be over and above all other commodities and cash provided by the Department. The provision would add $79 million to an already very costly program.

Mr. President, I have sent a modification of my pending amendment to the desk and I ask to have it so modified.

The PRESIDING OFFICER. (Mr. PERCY). The amendment is so modified.

Mr. CURTIS. I thank the Chair.

The amendment, as modified, is as follows:

On page 34, strike out all from lines 4 through 16, and insert in lieu thereof the following:

"SEC. 10. Section 14 of the National School Lunch Act is amended by striking out 'June 30, 1975' and inserting in lieu thereof 'September 30, 1977'."

On page 35, strike lines 3 through 7.

On page 35, strike lines 11 through 21 and insert in lieu thereof the following:

"SEC. 16. (a) Notwithstanding any other provision of law, any State may, for the purposes of the programs authorized by this Act and the Child Nutrition Act of 1966, elect to receive cash payments in lieu of donated any State which phased out its commodity foods: *Provided*, That except with respect to distribution facilities prior to June 30, 1974, if the Secretary acquires agricultural commodities as a result of surplus acquisition or price stabilization operations, he may require States to accept donated foods in lieu of cash. When a State elects to receive cash payments, they shall be in an amount equivalent in value to the donated foods that the State would otherwise have received if it had continued to receive commodities. The amount of cash payments in the case of lunches shall be governed by section 6(e) of this Act.".

Mr. CURTIS. As a matter of fact, some States do not want the Department to provide them commodities at all, preferring the option to receive cash and make their own commodity purchases with the money. Section 12 of the bill would allow this option only to a State which phased out its commodity distribution facilities prior to June 30, 1974. The only State which qualifies is Kansas, which also exercised this option during the past school year—and very successfully.

The Kansas Department of Education testified before our committee that they had saved $85,000 in administrative funds last year through this option.

The amendment now before the Senate, amendment No. 667, as modified, would allow all States to opt for cash in lieu of commodities should they so desire. The Kansas experience this past year with no donated commodities resulted in testimony that:

First. Less paperwork and time involved in inventory controls;

Second. More variety in menus is possible;

Third. There is better planning for utilization of facilities, particularly storage facilities; purchases and deliveries are scheduled for convenience and needs;

Fourth. There is a saving of actual cash formerly spent for freight and storage charges on commodities;

Fifth. More food money is available to negotiate good buys on food items; and

Sixth. Cash does not have "price support" effect which raises prices to other consumers.

I realize, though, that there may be times when the Department of Agriculture needs domestic outlets for commodities as a result of surplus acquisitions or price support operations and, thus, I am including a mechanism—with Kansas exempted—for the Secretary to require commodities to be accepted in lieu of cash under such conditions.

The basic concept of all cash support to State school lunch programs has worked extremely well in Kansas. Some States may not wish to experiment with it, but they certainly should have the right to do so should they wish.

Amendment No. 667, as modified, also strikes section 10 of the bill for a variety of reasons. First, to mandate specific commodities under a program where States could elect to accept no commodities at all would make no sense.

Second, once Congress begins to mandate the purchase of specific commodities, others could be added at legislative whim and fancy until the specific agricultural products of every State and congressional district had been included. This clearly obliterates the ability of the Secretary to take advantage of attractive market conditions.

Moreover, it seems that the present section 10 crept into the bill for the sole reason that school districts had become accustomed to cereal, oils, and shortenings and began to consider their receipt as a "right," failing to realize that there are limits to what the U.S. Department of Agriculture can provide. Last year, for market reasons, and because of legislation we adopted, the Department concentrated heavily on the purchase of meats—especially beef—and cheese, thus providing high protein items to the schools. We could, I suppose, direct the Secretary to completely package up each pupil's lunch and send it out daily—but that is not the direction we should be going. He needs to have the leverage to make wise decisions on the purchase of commodities based on market conditions—and not to be compelled to enter the market when it is unwise for the Government to compete.

The mandate presently in section 10 of H.R. 4222 would represent an increase of at least 19 percent in the value of food assistance for fiscal year 1976 over 1975, in which year the contributions in food were $417 million—higher than in any previous year. Further increases are simply not warranted and cannot be supported.

For these reasons and the fact that under current market conditions many of the specific commodities that would be provided by this legislation are not available in surplus quantities—or in need of price support—I sincerely believe adoption of an amendment striking this portion of section 10, to conform with House-passed language is essential.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. CURTIS. Yes, I yield to the Senator.

Mr. ALLEN. What the Senator has done then, as I understand it, is to add his unprinted amendment to his printed amendment, is that correct?

Mr. CURTIS. Well, in a sense.

What we have done is corrected our language to do two things.

Mr. ALLEN. Well, one, as I understand it, it would knock out some $79 million in addition to the current commodity value allowance in the bill.

Mr. CURTIS. That is correct. I believe the figure is $79 million.

Mr. ALLEN. And the other phase of the amendment would allow school districts or States——

Mr. CURTIS. A State.

Mr. ALLEN. States to get cash in lieu of commodities except in periods of surplus commodities when the Secretary could insist that the surplus commodities be accepted rather than cash, is that correct?

Mr. CURTIS. The distinguished Senator has stated it correctly.

Mr. ALLEN. I see.

I believe, first, we will ask for a division of the questions presented, Mr. President.

Mr. CURTIS. I think the Senator is entitled to that, as a matter of fact.

Mr. ALLEN. Yes.

Mr. President, we ask for a division of the questions presented by the amendment.

I might state that the distinguished Senator from South Dakota (Mr. ABOUREZK) wanted to be here at this time. He does not seem to be in the Chamber, so I will suggest the absence of a quorum.

Mr. DOLE. Will the Senator withhold it?

Mr. ALLEN. Yes.

The PRESIDING OFFICER. How does the Senator want the matter divided?

Mr. ALLEN. Well, the two separate amendments.

Mr. CURTIS. One would strike out, the other insert.

Mr. ALLEN. Yes.

The Chair might not have the modified amendment before him.

The PRESIDING OFFICER. The amendment will be divided into two parts.

Mr. ALLEN. I thank the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I rise in support of the amendment of the distinguished Senator from Nebraska.

I would point out in reference to his comments on his amendment with reference to cash in lieu of commodities, the so-called option, that is a practice now in the State of Kansas and it has worked, as the Senator from Nebraska pointed out, very successfully.

The cash for commodities, according to Mrs. Ione George, director of School Food Services, Kansas State Department of Education, the cash for commodities has been distributed with no additional personnel required on the State staff.

This has resulted in savings of $85,000 to the State, and this $85,000 was a projected budget for setting up a food distribution system within the department of education before it was known the cash could be received, and I think based on the experience in Kansas, the Senator from Kansas has offered a very broad amendment to the committee which would have given every State this option.

There are some special interest groups, poultry, milk, and others, who do not want cash in lieu of commodities. They feel that it is not in their interest and they might be better off financially, or would benefit more from the school lunch program if, in effect, the school districts of the State are required to take the commodities.

But it seemed to the Senator from Kansas at the time, and it seems now, the Senator from Nebraska has sort of compromised that position. He has indicated cash in lieu of commodities would be available except in the cases of surpluses, and where there was a surplus in any commodity, then, of course, it would be required that the surplus be purchased.

There had been a great many comments from the State of Kansas that with the cash in lieu of commodities the money is spent in the State of Kansas and we do believe, as the Senator from Nebraska pointed up, there is less paper work, there is more variety in the menus, better planning for utilization of facilities, there is a savings of actual cash formerly spent for freight and storage just of commodities coming into an area.

Finally, there is more money for food, and that is really, as I understand the real essence of the program making food available to those children for school lunch programs, and by making it cash in lieu of commodities there is more cash for food.

For those reasons, the Senator from Kansas believes that while the Senator from Nebraska's amendment will in no way interefere with the amendment now in the bill which would protect the State of Kansas and would continue to provide us the option to have cash in lieu of commodities, it would simply extend in a modified way this same opportunity to other States, unless there was a surplus of any commodity:

Second, the Senator from Kansas supports that portion of the Senator from Nebraska's amendment which would reduce the cost of this measure by almost $80 million and substantially diminishes the chances of veto.

The Senator from Kansas understands the importance of this program, understands the importance of quick action on the program, but also understands that the President of the United States has a very difficult time these days trying to figure out some overall program that will keep the economy within bounds and keep the deficit somewhere in the neighborhood of $60 billion to $70 billion, which is a large figure.

In an effort to do that, the President may be forced from time to time to veto legislation and to veto legislation even with the name of school lunch programs if the net result would be to the detriment of the American taxpayer and go to those children who someday will be taxpayers.

But this section of the bill, section 10, would require the Department of Agriculture to purchase for the school lunch program cereal, shortening and oil products in the same or greater quantities provided in fiscal year 1974.

These are mandated purchases and they amount to almost $80 million and they would be over and above all other commodities and cash provided by the Department of Agriculture.

If we are going to start mandating the purchase of specific commodities this year, we may say it is cereal or shortening or oil products. Of course, if we represent an area or a State that may be supplying cereal, shortening or oil products, we may say there is great merit to the amendment. But once we start mandating what should be purchased for school lunch programs we are setting a precedent and next year the Senator from Kansas, or the Senator from Nebraska, or the Senator from Alabama, or any other Senator, might have some other commodity that should be purchased by mandate of the Congress.

It seems to this Senator that is a bad practice and one we should not engage in.

Mr. President, the amendment of the Senator from Nebraska to H.R. 4222 will improve the bill generally, reduce the cost of the measure by almost $80 million, and substantially diminish the chances of a Presidential veto.

Section 10 of the bill would require the Department of Agriculture to purchase for the school lunch program cereal, shortening, and oil products in the same or greater quantities as were provided in fiscal year 1974. These mandated purchases, amounting to almost $80 million, would be over and above all other commodities and cash provided by the Department of Agriculture.

I fear that once Congress begins to mandate the purchase of specific commodities, others could be added at legislative whim until the specific agricultural products of every State and congressional district had been included. This clearly inhibits the ability of the Department to take advantage of favorable market conditions in purchasing nutritious foods for the various child nutrition programs.

Moreover, it appears that this provision crept into H.R. 4222 for the sole reason that school districts had become accustomed to cereal, oils, and shortenings and began to consider receipt of such commodities as a "right." Last year, for market reasons, the Department concentrated heavily on the purchase of meats—especially beef—and cheese, thus providing high protein items to the schools. We could, I suppose, direct USDA to completely package up each pupil's lunch and send it out daily—but surely that is not the direction we should be going. The Department must have the leverage to make wise decisions on commodity purchases in response to market conditions. It should not be compelled to enter the market to purchase specified commodities when market conditions dictate that it would be unwise to compete.

For the reasons I have enumerated, the House deleted this costly provision. The House recognized that the mandated purchase of these specified commodities would represent an increase of at least 19 percent in the value of food assistance for fiscal year 1976 over 1975. Considering that the level of assistance in 1975—almost $417 million—was higher than in any previous year, further increases of this magnitude are not warranted and cannot be supported.

For these reasons, and in recognition of the fact that under current market conditions the specific commodities that would be provided by this provision are not available in surplus quantities or in need of price support, I urge the adoption of the amendment of the Senator from Nebraska to this provision to conform to the House-passed language.

For that reason, I support the Senator from Nebraska's amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the role.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, the amendment offered by the distinguished Senator from Nebraska (Mr. CURTIS) as was developed in colloquy a moment ago, is in two parts: In the first part which was discussed, it would strike out on page 34 of the bill lines 4 through 16, both inclusive, being section 10 of the bill.

This first portion of the amendment would reverse a decision made by the Committee on Agriculture and Forestry to add grains and oils, that is, vegetable oils, to the list of commodities now donated for use in school and other nutrition programs. Both grains and oils were previously included in the list of commodities that could be donated. But when these commodities came into short supply last year, the U.S. Department of Agriculture withdrew them from the donation list. They withdrew these commodities despite laws on the books which prohibited such withdrawals. Also, the U.S. Department of Agriculture made these same commodities available to overseas markets through Public Law 480, despite their withdrawal of the commodities from the donation list.

The distinguished Senator from Georgia (Mr. TALMADGE), the chairman of the committee, tried several times last year to get the Department of Agriculture to restore grains and oils in accordance with the law.

But the USDA has still refused to restore grains to the program, though I believe they have restored peanut oil to the program.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. ALLEN. Yes.

Mr. CURTIS. I am not sure there is a meeting of the minds on what this does. This is not a case where the Department of Agriculture is merely instructed to include in their list of commodities cereals and these oils.

Mr. ALLEN. I understand that, but I am leading up to——

Mr. CURTIS. This is a mandate that they should furnish this over and above all other things.

Mr. ALLEN. I understand that. I am

leading up to that. The USDA has refused to restore grains to the program, though it has restored peanut oil, and this refusal did prompt the action taken in the committee, not only to force the USDA to restore these commodities to the list, but to add them, as it states, in addition to the amounts allowable in commodities.

It not only requires that they be furnished, that they be donated, but that they be donated in addition to the amounts allowable in commodities.

The committee has acted in the matter, feeling that these foods should be made available. Since the U.S. Department of Agriculture would not put them in the program and make them available on the list of commodities being donated, the committee did add them in addition to the commodities allowed and provided by the USDA.

Some $79 million is involved. The committee has acted in the matter. The Senator seeks to overturn the action of the committee, and I would recommend, on behalf of the committee, that the amendment not be accepted, and to that end I ask for the yeas and nays, Mr. President.

Mr. CURTIS. Mr. President, will the Senator withhold that for a moment?

Mr. ALLEN. Yes.

The yeas and nays were not ordered.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. If, after a vote is taken on that part of my amendment dealing with section 10, page 34, which would strike it out, if my amendment fails, would an amendment then be in order to merely strike out that part beginning on line 12 with the words "such products," and the remainder of the subsection?

The PRESIDING OFFICER. Is that on on page 34?

Mr. CURTIS. Page 34, line 12.

The PRESIDING OFFICER. It would be in order after the second division of the Senator's pending amendment was acted upon.

Mr. CURTIS. It would be in order, even though the amendment proposing to strike out the entire section was tabled?

The PRESIDING OFFICER. That is correct.

Mr. CURTIS. Very well.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. A quorum call is in progress.

Mr. CURTIS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. May I modify the first part of my amendment?

The PRESIDING OFFICER. The Senator has the right to modify it, since the yeas and nays have not been ordered.

Mr. CURTIS. Mr. President, I modify my amendment. Instead of striking out all of section 10 on page 34, which would be lines 4 to 16, inclusive, I modify it to strike out merely the last part, which begins on line 12 with the words "such products" and continuing through line 16.

The PRESIDING OFFICER. The amendment is so modified. Will the Senator please send the modification to the desk?

Part I of Mr. CURTIS' amendment, as modified, is as follows:

On page 34, beginning with the word "such" on line 12, strike all down through line 16.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield.

Mr. ALLEN. Mr. President, I wish to commend the distinguished Senator from Nebraska for his modification. I believe that it accomplishes, certainly, what the Senator had in mind, and to a lesser extent follows what the committee had in mind, because it does restore to the list of commodities that the Department of Agriculture is required to furnish the grains and oils that were last year left off by the Department of Agriculture.

But it does withdraw this feature of requiring that the $79 million worth of such commodities shall be in addition to the allowance, either in cash or commodities, that is now allowed.

Mr. CURTIS. The Senator has well stated it.

Mr. ALLEN. So I commend the distinguished Senator from Nebraska, and am willing to accept the first part of the amendment, as modified by the Senator.

Mr. CURTIS. Mr. President, I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the first division of the amendment of the Senator from Nebraska, as modified.

Mr. McGOVERN. Mr. President, what is the actual significance of what the Senator has done in the changes made?

Mr. CURTIS. Very well. I am happy to endeavor to explain it.

The language in section 10 provides that these cereals and oils shall be included in the commodities, and under the committee bill they are in addition to the 11 cents in commodities that are ordinarily provided under the law. My original amendment was to strike out the whole thing. I have now modified it so I only srtike out that portion which requires that this be in addition to the other commodities. They are included but not in addition to.

Mr. McGOVERN. What is the practical effect of that in terms of the amount of commodities that will be made available to the school lunch program?

Mr. CURTIS. It makes it the same as current law. The Senator will see that this section was brought about because the Secretary of Agriculture withdrew cereal and shortening and oil products from the commodities that he distributed.

Under this new language, the Secretary of Agriculture would be directed to put those commodities back into the program, but under my amendment it would not be in addition to the 11 cents provided.

Mr. McGOVERN. I personally think what the Senator is proposing weakens the legislation that is before us. It has the effect of reducing the Federal contribution in commodities to the school lunch program.

It is true that he is changing the language in that he does not exempt flour and oils, but in order to accomplish what the Senator is proposing with this amendment, it will have the practical effect of bringing about an overall reduction in the amount of Federal commodities that would otherwise be made available to the schools under the committee bill. Is that not a fact?

Mr. CURTIS. Under the committee bill, yes, but it does not reduce existing programs.

Mr. McGOVERN. I understand. But the legislation now before us is not simply a hold-the-line piece of legislation. As the distinguished manager of the bill (Mr. ALLEN) has explained, this is a program designed to strengthen our existing child nutrition programs and the net effect of what the Senator is proposing here is simply to stand still at a time when the country is growing.

Mr. CURTIS. No; other provisions of the bill increase the amount to be expended by something over $200 million.

Mr. McGOVERN. I understand that. But the net effect of what the Senator is proposing here is to reduce the commodity contribution that this bill as it now stands would provide. Will not the Senator agree with that?

Mr. CURTIS. I will agree with that. But I also think it is important the record show that even if my amendment were to be adopted there would be a very material increase in the program, something over $200,000, and it also provides for the cost-of-living increase.

Mr. McGOVERN. But the overall cost of the bill now before us, that is, the bill that came out of the Committee on Agriculture and Forestry, is approximately $300 million below the level of the bill that overwhelmingly passed the House of Representatives, which was a strong bipartisan bill.

I think this is the wrong place for an economy move to be made. It is really false economy to cut back on the commodity contributions that we are making for one of the best programs we have in the country and that is the nutritional health of our children.

The Senator can argue that he has reduced the impact of his amendment somewhat by the modification. I would agree with that. It is only half as bad now as it was originally. But I shall have to insist on a rollcall if the Senator is going to press this amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CURTIS. Yes.

Mr. PASTORE. The argument being made by the Senator from Nebraska is that this is not in addition to the 11 cents, so to speak, but it does add these other commodities, but they are not in the 11 cents. What would the 11 cents become if we went along with the committee as the committee reported out the bill? Would it not increase the 11 cents?

Mr. CURTIS. We get the 11 cents plus these commodities.

Mr. PASTORE. All right. Therefore, it would raise the 11 cents, would it not?

Mr. CURTIS. Yes, it would raise the overall cost.

Mr. PASTORE. What the Senator is actually doing is bringing it back to 11 cents, so he is cutting the program.

Mr. CURTIS. That is correct.

Mr. PASTORE. He is cutting the program.

Mr. CURTIS. That is true, plus the cost of living increases are provided.

Mr. PASTORE. That is right, but that was put in for another reason.

Mr. CURTIS. Yes, that is right.

Mr. PASTORE. That was put in to substantiate the 11 cents to be consistent with the rising cost of living.

Mr. CURTIS. Yes.

Mr. PASTORE. The fact still remains that the Senator's amendment is an amendment of attrition. There is no question about that.

Mr. CURTIS. Over the committee bill, not over existing law.

Mr. PASTORE. That is right. But it was the intention of the committee to expand it somewhat because of the malnutrition situation that exists in the country today. To me it is elementary.

Mr. CURTIS. Mr. President, I think think there are better ways to expand it if that is the will of the Senate.

Mr. PASTORE. Yes, but we are not doing it.

Mr. DOLE. Yes; we are.

Mr. CURTIS. Yes. We have an open rule here and anybody can offer an amendment.

Mr. President, if I may be heard on this, this picks out particular commodities, cereals and oils, and says the Secretary of Agriculture shall give the schools these commodities, and it will not be counted in the overall.

That is bad in this regard. It puts Congress in the business of writing a menu. Second, it invites other areas of the country from including orange juice, meat, fresh vegetables, and what have you.

That shifts the focus of the school lunch program to the desires of needs of the sellers of agricultural products, rather than the needs of the schools. I believe that if we want $79 million more in commodities, the amendment should be raised rather than mandate the Secretary to supply specific food items.

Mr. PASTORE. Is it not a fact that cereals and oils are supported and fruit juice and fresh fruit are not? Is that not the justification given this, the fact it is price supported?

Mr. CURTIS. No. The justification was that the Secretary last year removed these from the list of commodities because they were in short supply.

Mr. PASTORE. But I am making a distinction here. The Senator said this would invite people with orange juice and fresh fruit. Those commodities are not price supported but cereals are. The taxpayers are paying for it.

Mr. CURTIS. But the other two are. We often come in here with proposals for the Government to buy products where the price has gone down.

Mr. PASTORE. Mr. President, I think we ought to have a vote.

Mr. CURTIS. We do that now, but here is what we are doing: we are mandating them in reference to cereals and oils and no other products.

Mr. DOLE. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I yield.

Mr. DOLE. There will be efforts, I say to the Senator from Rhode Island, to expand this bill by $200 million very soon with the amendment of the Senator from South Dakota. So it is, as the Senator from Nebraska pointed out, an open-ended bill.

We are going to end up with a higher amount than we came into the Senate with, and it just seems to the Senator from Kansas, who supports the school lunch program, that we should not, as the Senator from Nebraska said, be writing the menu for every school in this country. But that is, in effect, what happens under the bill. The amendment of the Senator from Nebraska simply eliminates that.

Mr. PASTORE. One of the most capable men in this Senate is the Senator from Alabama, and he is the manager of the bill.

Mr. DOLE. He is willing to accept the amendment.

Mr. PASTORE. He did not come out here with any starry-eyed bill. What we are doing is trying to reform his bill. I am telling the Senators, very frankly, this makes me a little suspicious, if I might say so.

Mr. CURTIS. As I understand it, the Senator from Alabama is willing to take my amendment as modified.

Mr. PASTORE. I realize that now, under second consideration, but that is not the way it came out of committee.

Mr. CURTIS. Mr. President, whatever the Senate does in working its will on this bill, of course, will have to prevail. I believe very strongly in the right of Congress to do the legislating. However, in a matter that directly affects the budget, I think we should be practical. I do not think we should deliberately invite a veto.

I am not authorized by the administration to make any specific statement, but it is my understanding that the House bill, which increased the cost of this program by about $500 million, is most unsatisfactory to the administration. The Senate bill increases it over the budget by about that much.

It is entirely possible that the acceptance of the amendment now pending, which would reduce the cost by about $79 million, would lessen the chance of a veto. So if we are interested in promoting school lunches, I think we should give very serious consideration to this amendment, because we would be sending to the President a proposal which would be less likely to be vetoed.

Mr. President, I yield the floor.

Mr. ALLEN. Mr. President, the way this matter came about, as I stated in my opening remarks, was that last year, the U.S. Department of Agriculture took grains off the list of commodities that they were furnishing to the States to be used for the nutrition program—school lunch and otherwise. Then, when the U.S. Department of Agriculture refused to restore these commodities to the list—by the way, the list of commodities is quite long. I ask unanimous consent to have printed in the RECORD page 230 of the USDA food and nutrition service booklet entitled "Commodities Distributed to Child Nutrition Programs During Fiscal Year 1973–1974."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE VI.—COMMODITIES DISTRIBUTED TO THE CHILD NUTRITION PROGRAMS DURING FISCAL YEARS 1973–74

Program and commodity	Fiscal year 1973		Fiscal year 1974	
	Pounds	Amount	Pounds	Amount
Direct purchases:				
Sec. 6:				
Applesauce	147,056	$16,441	1,295	$144
Apricots, canned	70,200	10,403	5,600	830
Beans, canned green	44,751	5,420	2,584	314
Beef products	233,565	133,851	20,440,240	19,573,572
Chicken, frozen	89,173,930	32,120,450	52,391,493	24,508,742
Corn, canned	14,264,761	1,841,581	35,100	4,532
Frankfurters, frozen			19,698,995	16,129,533
Fruit cocktail	6,839,446	1,408,925	373,424	76,925
Orange juice, frozen	16,221,650	4,613,433	6,769,380	1,925,212
Peaches, canned	55,680	8,357	1,226,560	241,630
Peas, canned	1,724,480	241,083	27,360	3,825
Pineapple, canned	26,460,227	3,640,932	4,179,577	705,930
Plums, canned	33,202	3,839		
Pork products	15,516,939	11,093,060	2,212,827	1,896,614
Potatoes, frozen F.F	24,567,960	3,562,357	3,130,500	603,873
Sweet potatoes	2,277,300	586,188	5,737,495	1,416,169
Tomato products	719,330	102,424	545,253	77,644
Turkeys, frozen	209,303	106,054	497,894	252,283
Total, sec. 6	198,559,780	59,494,808	117,275,577	67,417,772
Donated commodities:				
Sec. 32:				
Apples, fresh	33,560	3,027		
Apple juice	33,107	3,446	5,240	545
Applesauce	19,670,347	2,458,798	153,371	19,171
Beans, cd. green and dry	22,511,582	2,694,832	32,150,523	7,629,663
Beef products			22,858,479	22,593,318
Corn, canned	5,813	911	53,116	10,268
Cranberries, fresh	51,391	9,559		
Cranberry sauce			22,310,367	3,569,658
Egg mix	67,269	55,954	516,752	767,066
Fruit cocktail	1,205,918	245,284	1,596,993	324,828
Grape juice	9,534	1,608	97,504	16,450
Grapefruit	112	22	29,134,138	3,312,553
Honey	23,400	4,914	3,690	775
Lard/shortening			72	25
Lentils	117,096	16,136	234,243	86,600
Meat, luncheon	439,740	249,556	351,722	279,058
Milk, evaporated	127,637	21,480	220,979	52,438
Milk, whole dry			563,551	497,165
Nectars, fruit	1,847	184		
Orange juice, frozen cond	5,768,940	1,640,689	57,256,810	16,896,488

Program and commodity	Fiscal year 1973		Fiscal year 1974	
	Pounds	Amount	Pounds	Amount
Orange juice, processed	33, 160	3, 926	2, 082, 201	249, 863
Peaches, canned	37, 099, 379	6, 021, 224	444, 044	72, 069
Peanut butter	18, 040, 945	6, 115, 879	24, 491, 007	9, 399, 651
Peanut granules			485, 415	285, 328
Pears	2, 886, 180	593, 689	15, 423, 869	3, 474, 996
Peas, canned	10, 104	1, 490		
Peas, soup mix	154, 875	45, 920	19, 725	5, 849
Peas, dry, split	973, 359	99, 088	1, 048, 422	283, 178
Pineapple juice	66, 427	5, 241		
Plums, canned			8, 180, 635	1, 519, 140
Pork products	6, 820, 599	4, 132, 208	9, 910	6, 127
Potatoes, white dehydrated	1, 372, 464	292, 611	61, 778	13, 172
Potatoes, french fries	1, 793, 100	252, 646	351, 690	49, 553
Potatoes, sweet, fresh and canned	48	6		
Poultry, canned	24, 119, 638	17, 417, 017	18, 954, 593	18, 747, 988
Prunes, dried and canned	30, 612	5, 907	28, 983	8, 857
Raisins	155, 400	24, 600	8, 340	1, 320
Syrup, corn	48, 671	5, 841	739, 499	117, 652
Tomato products	33, 132, 303	5, 226, 444	19, 753, 474	3, 527, 965
Turkey products	50, 302, 564	17, 956, 248	34, 379, 425	23, 910, 118
Total, sec. 32	227, 107, 121	[1] 65, 606, 385	293, 970, 560	117, 728, 895
Sec. 416:				
Beans, canned and dry				
Bulgur	1, 111, 616	99, 270	1, 332, 620	164, 711
Butter	116, 784, 866	84, 131, 815	88, 007, 849	58, 446, 011
Cheese	590, 258	367, 374	8, 648	8, 528
Corn flour			460, 550	18, 330
Corn meal	17, 648, 120	891, 235	18, 689, 678	1, 474, 614
Farina	88, 200	13, 582	130, 158	26, 787
Flour	279, 004, 469	21, 399, 644	315, 008, 953	36, 730, 044
Grits, corn	1, 318, 783	88, 095	1, 442, 908	132, 460
Macaroni	46, 392	6, 366	494, 785	95, 346
Margarine			10, 192, 950	4, 145, 472
Milk, instant fortified	3, 844, 572	1, 723, 905	2, 837, 880	2, 011, 041
Milk, nonfat dry	26, 320, 069	8, 364, 521	1, 747, 636	555, 400
Oats, rolled	8, 419, 900	618, 028	8, 182, 040	805, 932
Peanut butter	1, 222, 956	414, 582		
Rice	34, 215, 902	4, 735, 479	36, 897, 770	9, 586, 062
Salad oil	25, 845, 644	5, 011, 470	23, 113, 522	9, 535, 007
Shortening, vegetable	36, 255, 495	7, 095, 198	38, 333, 711	12, 109, 619
Wheat, rolled	1, 683, 550	136, 029	2, 897, 116	358, 952
Total, sec. 416	554, 400, 882	135, 096, 593	549, 778, 774	134, 204, 316
Total	980, 067, 783	260, 197, 786	[1] 961, 024, 911	319, 350, 983

[1] In addition, $70,796,798 cash in lieu of commodities.

Mr. ALLEN. Mr. President, the list includes beef, chicken, frankfurters, orange juice, peas, peaches, flour, cheese, margarine, milk, and many other items—possibly 50 or more.

When the Department of Agriculture refused to add these to the available commodities, the committee, merely wanting to add the commodities back but not wanting them to compete with the other commodities available, said:

> All right, we'll take care of the commodity people who have the commodities that are approved; and instead of making this come within the 10 cents of commodities that the Government provides, we will make it in addition.

If the USDA had put these commodities back on the list before the bill came to the committee, this question never would have come up. It appears that it might have been just a little overreaction to the attitude of the Department of Agriculture. They say: "All right, you won't put them on the list. We are not only going to put them on the list; we are going to make it that much in addition."

It seems to me that, as the distinguished Senator from Nebraska has pointed out, this amendment would get these commodities back on the list, and that would seem to me to be sufficient. The issue is whether it is going to be in addition to the commodity payments, which is only a small fraction of what the Federal Government pays toward the school program—most of it is in cash—whether we are going to add them to the list, and that is what the modified amendment does, or whether we are going to add them to the list after it has been escalated.

About 2 years ago, we put the escalator clause on, not only making the commodity amount go up with the cost of living or with the cost of food away from home, but also escalating the amount of cash payment. The question is whether we are going to add this, in addition to the natural escalation that is provided under the law.

It does not seem to the Senator from Alabama that the amendment of the distinguished Senator from Nebraska is out of line, because the amount of commodities is being escalated, but getting them back on the list is all that should be required.

Suppose it took dairy products off the list next time, or took pork off the list. Would we come in again and say: "All right, we're not only going to put them back on the list, but we're going to put them on in addition to what we are providing in the way of commodities."

It seems to me that it is a double scoop or a triple scoop and is more than is contemplated by the legislation and by the program. It is just fudging a little, as the Senator from Alabama sees it.

I support the amendment of the Senator from Nebraska, as modified. I hope the Senator from South Dakota, with his amendments involving hundreds of millions of dollars, will agree that this amendment should be accepted and that he will not insist on a rollcall vote.

Mr. McGOVERN. Mr. President, while Senators are in the Chamber, in all due respect to the Senator from Alabama, I will have to insist on a rollcall vote, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McGOVERN. Mr. President, I do not think there is any point in belaboring this argument. It is very clear what is at stake here.

I agree that there is a certain logic in the position outlined by the Senator from Alabama. I understand, from a technical point of view, why he has made the judgment to accept this amendment. Nevertheless, the practical impact of it is to reduce by $79 million the authorization for additional commodities that will be made available under the committee bill as over against the existing school lunch authorization.

I feel strongly about this matter. Where child nutrition is involved, where hard pressed and overburdened school budgets are involved, if we can find a formula—as we have under the bill of the Committee on Agriculture and Forestry—to increase by a modest amount the authorization for these nutritious commodities, we should do it. On that basis, I hope we will stay with the bill as it came from the committee.

I hope that the amendment of the Senator from Nebraska will be defeated.

Mr. DOLE. Will the Senator from South Dakota yield?

Mr. McGOVERN. Yes, I yield to the Senator from Kansas.

Mr. DOLE. As I understand, the amendment of the Senator from Nebraska has been divided. Is the Senator from South Dakota requesting a vote on both parts of the amendment? If he has that in mind, maybe we could save the time of the Members if we had back-to-back votes.

Mr. McGOVERN. Yes, unless the Senator from Alabama is opposing the other part of the amendment, I would ask for rollcalls——

Mr. DOLE. The other part of the amendment deals with cash in lieu of commodities except where there may be surpluses. It seems to the Senator from Kansas that if we are going to have rollcalls on that part of the amendment, too, we could agree to back-to-back votes.

Mr. McGOVERN. I would agree to that.

Mr President, I ask for the yeas and nays, if that is in order, on the other part of the amendment.

The PRESIDING OFFICER. It would take unanimous consent to order the yeas and nays on the second division.

Mr. McGOVERN. Mr. President, under the circumstances, I ask unanimous consent that there be back-to-back rollcalls on these two pending matters.

Mr. CURTIS. Reserving the right to object, I wonder if we could have just a few minutes after the first rollcall to explain the second part of the amendment that I have offered.

Mr. DOLE. Would 5 minutes be adequate?

Mr. CURTIS. Five minutes is all I care for.

The PRESIDING OFFICER. The yeas and nays cannot be ordered by unanimous consent on the second division. There could be an order to order them by unanimous consent, but it would still take one-fifth to order the yeas and nays.

Mr. ALLEN. Mr. President, the distinguished Senator from South Dakota speaks of this being a reduction in the amount given to the school lunch program. Of course, it is not a reduction of the present program, which is being added to greatly by the bill pending in the committee. This is new territory, so it is not any reduction whatsoever. As a matter of fact, the bill provides many millions in addition. I wish to comment just a little bit on the overall cost of this bill.

In fiscal year 1975, the total Federal funding level for all of the nutrition programs embraced in the bill will be about $2 billion. Assuming simple extension of all of these programs without making any changes in them, the Federal cost in fiscal year 1976 would likely reach almost $2.6 billion. With the enactment of H.R. 4222, as amended by the Committee on Agriculture and Forestry, the cost in fiscal year 1976 will be almost $2.8 billion.

Mr. President, the American taxpayer, through his Federal Government, has been most generous over the past 30 years in funding the expansion of our Nation's school lunch and other child nutrition programs. However, I believe there is a limit to how much farther the Federal Goverment can go in this direction. When we combine the estimated cost of the food stamp program in fiscal year 1976—and I must commend the distinguished Senator from South Dakota for playing such an important part in the continual escalation of the cost of the food stamp—with the estimated cost of all child nutrition programs covered by the cost of this bill, the total Federal cost for the year 1976 for all of these programs could be as high as $9 billion.

Mr. MORGAN. Will the Senator yield?

Mr. ALLEN. Not just yet. I know the Senator has some interesting questions to ask, but I want to complete my thought here.

The distinguished Senator from South Dakota is saying that, by the adoption of the Curtis amendment, we would be cutting back on the school lunch program. It is nothing of the sort, because what the Curtis amendment does, what it strikes out is not now the law, so how can it be a reductions in the cost?

To the distinguished Senator from South Dakota, waiting in the wings to introduce amendments with a cost of over $200 million to this program, I am somewhat surprised that he insists on this double-dip approach to the amount available for commodities. We are talking about 10 cents and 11 cents for commodities on the lunch program. Let us see how much it really runs to.

Last fiscal year, 1975, in the free lunch program, under section IV funds, the Federal Government paid 11.4 cents for each free lunch. Under section XI, it paid 51.2 cents for every free lunch, and furnished 10 cents in commodities, for a total of 73.6 cents; 73.6 cents the Federal Government is providing for each free lunch. Mr. President, this amount paid in commodities to the school lunch program has escalated.

When I first came to the Senate, I believe it was 6 cents, then 8, now 10. Now an escalator provision will take it on up to 11 cents, I believe. It was agreed when we put in the escalator that that was going to cover these increases. But, here, they not only reinstate the grain and the vegetable oil, they say that is in addition to the escalation, and it is in addition to the increasing amount provided by the Government in all of these areas.

Mr. President, I believe that the Federal Government is being extremely generous in this area and I do not believe that—it is just a little bit of pique on the part of the committee, perhaps, in not seeing these commodities restored to the eligible list and, in effect, saying, all right, you are not willing to restore them; yes, you will restore them, and you will restore them in addition to the amount that is provided by law already for commodities. I just do not believe that is quite in keeping with the compact, more or less, that we had in the Senate when we added the escalation clause.

At this time, I yield to the distinguished Senator from Maine for the purpose of making a request.

Mr. MUSKIE. I thank my good friend from Alabama.

Mr. President, I ask unanimous consent that Jim Storey of the Budget Committee staff have the privilege of the floor during the consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, I suggest the absence of a quorum.

Mr. ALLEN. I am prepared at this time, if the Senator has some questions, to answer them. I just wanted to complete my remarks.

The PRESIDING OFFICER. Does the Senator withdraw his request for a quorum?

Mr. MORGAN. Not at this time, Mr. President.

The PRESIDING OFFICER. Does the Senator suggest the absence of a quorum?

Mr. MORGAN. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, I wish to make a statement on this bill. First of all, let me say I did not know that it was coming up this afternoon, and that probably was my fault.

I am for the school lunch program. As a matter of fact, I joined with Senator HUMPHREY in his belief that it should be available to every child required to attend public schools, and I know that would be quite an addition to the cost of the program.

But I am opposed to a provision in this bill which apparently has been in the law for some time which tends, in my opinion, to encourage dishonesty not only among adults, but among schoolchildren.

The bill provides on page 30, beginning with line 3 that:

> Local school authorities shall publicly announce such income guidelines—

Speaking, of course, of the income requirements whereby a child is entitled to a free lunch—

> on or about the opening of school each fiscal year, and shall make determinations with respect to the annual incomes of any household solely—

And I emphasize the word "solely"—

> on the basis of a statement executed in such form as the Secretary may prescribe by an adult member of such household.

Now, when the school authorities are required to accept an affidavit—may we have order, please, Mr. President?

The PRESIDING OFFICER. The Senate will be in order. The Senators' conversation with each other will stop.

Mr. MORGAN. When the school authorities are required to accept an affidavit made by an adult, the adult standing in loco parentis, and award free lunches without being allowed to make any verification of the information contained in it, there is something wrong with the law.

The people of North Carolina are concerned about it; the school authorities are concerned about it. They see it being abused, and they are able to do nothing about it.

My 12-year-old daughter is in a class of 31 pupils. Out of that 31, 24 receive free lunches, and I know, because my little girl is proud of the fact that she was treasurer of the class and was required to take up the lunch money of those who were going to pay for their lunches, and it first came to my attention when she came home and said, "Daddy, why is so and so receiving a free lunch?" when their parents who live about two doors from us are employed in the civil service and making a substantial income.

Apparently this is the kind of law we are going to pass. As I say, I believe in the free lunch program, I believe in making it universal. But when we say we have got to accept the affidavit or the word of a parent, and the school people cannot go beyond it, there is something wrong, and we are encouraging dishonesty.

Let us be fair with the American people. Let us give every child in public school a free lunch or let us do what we intend to do, and that is provide free lunches for those who are not able to provide for themselves.

I had an amendment to offer, but I think it is too late in the game to offer it, but I will bring it to the attention of the Senate, and I hope that the next time the matter is considered by the committee it will make some effort to remedy this situation.

I know the arguments behind this. The arguments are:

> We do not want to embarrass anybody or humiliate a child.

Well, which is worse, making an obvious effort to ascertain whether someone is defrauding the public or to maybe run the risk of humilitating someone?

What we are doing is encouraging dishonesty, and I am not sure, as much as I believe in the nutritional program, as much as I believe in providing for children, that I will even vote for the bill or vote for any changes or additions to it as long as that provision is in there.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, on second thought, Mr. President, I ask unanimous consent that the Curtis amendment, as modified, be set aside temporarily to the end that an amendment that I have be considered.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Reserving the right to object—I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina? The Chair hears none, and the clerk will report the amendment of the Senator from North Carolina.

The legislative clerk read as follows:

On page 30, line 7, delete the word "solely" and by changing the period at the end of the word "household" on line 9, to a comma and by adding the following, "provided however, such local school authorities may for cause seek verification of the data in such application."

Mr. MORGAN. Mr. President, I think I just made the argument. I think it is a good amendment, and it would help eliminate abuses in what is a very, very good program.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

Mr. ALLEN. Mr. President, speaking for the committee, we are willing to accept the amendment.

Mr. DOLE. Speaking for the minority members of my committee, I am willing to accept the amendment.

The amendment was agreed to.

The PRESIDING OFFICER (Mr. GOLDWATER). The question now occurs on agreeing to division 1 of Mr. CURTIS' amendment No. 667, as modified.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The clerk will suspend. Can we clear the well, gentlemen? Can we have some order in the Senate?

The rollcall will not proceed until the Senate is in order. The Senators will clear the well. I am referring to three Senators in the well; the Senator from New Hampshire, the Senator from Vermont, and Mr. HUMPHREY.

Mr. PASTORE. May we please have order and have the Senators remove themselves from the well?

The PRESIDING OFFICER. The Chair is trying to do that.

Mr. PASTORE. I want to thank the Chair.

The PRESIDING OFFICER. I want to thank the Senator for his help.

The Senate will be in order.

The clerk may proceed.

The legislative clerk resumed the call of the roll.

The PRESIDING OFFICER. On this vote there are——

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I have not voted.

The PRESIDING OFFICER. Well, the time is up.

Mr. ROBERT C. BYRD. I have not voted yet, and I am entitled to vote.

The PRESIDING OFFICER. The Senator from West Virginia.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Indiana (Mr. HARTKE), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New Mexico (Mr. DOMENICI), is necessarily absent.

The result was announced—yeas 29, nays 66, as follows:

[Rollcall Vote No. 271 Leg.]

YEAS—29

Allen
Bartlett
Bellmon
Buckley
Bumpers
Byrd,
Harry F., Jr.
Cannon
Chiles
Curtis
Dole
Fannin
Fong
Garn
Goldwater
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Morgan
Nunn
Scott,
William L.
Stennis
Stone
Talmadge
Thurmond
Tower
Young

NAYS—66

Abourezk
Baker
Beall
Bentsen
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—4

Bayh
Domenici
Eastland
Hartke

So Division 1 of Mr. CURTIS' amendment (No. 667), as modified, was rejected.

Several Senators addressed the Chair.

Mr. NELSON. Mr. President, I move to reconsider the vote by which the amendment was not agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the second division of the Curtis amendment.

Mr. CURTIS. Mr. President, I believe I can explain this amendment in 2 minutes. It does not subtract from the program, dollar-wise or commodity-wise. It does not add to the program. It gives to every State the right to choose to take the cash instead of commodities from the Department of Agriculture. No State has to adopt that plan unless they want the option to get the cash, because they can buy food products locally.

I have an editorial here, for example, indicating that Hawaii would like to have the option to get the cash instead of commodities.

There are some States that believe they can save money on freight and storage, and thus have a greater amount to put into the food programs for the students of the schools. This part of the amendment would give to any State that wanted to the right to elect to take cash instead of commodities provided by the Department of Agriculture.

There is one exception: If the President finds that there is some particular commodity that is in great surplus, and it is in the national interest that it ought to be used up, he can, with appropriate findings, require all States to take such commodities. But in the main, it gives the States the right to choose cash instead of commodities. In many States it will effect a saving and provide more money for food.

Mr. TALMADGE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Alabama may proceed.

Mr. ALLEN. Mr. President, this amendment, if enacted, would, in my judgment, result in a complete closeout of commodity donations to schools and other child nutrition programs. And if this is permitted to happen, the last major outlet for the disposal of surplus agricultural commodities acquired under our various agricultural price support programs and section 32 purchases, would be closed.

Under H.R. 4222, as reported by the committee, only about 7 percent of the total cost of each school lunch would be in the form of donated USDA commodities. The remaining 93 percent would be in the form of local cash purchases of goods financed with Federal payments under sections 4 and 11 of the School Lunch Act, State and local payments and funds provided by paying students.

If the amendment now before us were adopted, I believe those States electing to receive cash in lieu of commodities, would promptly dismantle their commodity warehouse and distribution system, since they would otherwise be financing a system no longer in use. And once such action were taken, they would resist any later attempt by the Secretary to force them to accept commodities that may be in surplus. Such States would either ask to be exempted from receiving surplus commodities or demand that the Secretary pick up the cost of reestablishing their warehouse and distribution system.

Several Senators addressed the Chair.

Mr. ALLEN. I yield to the Senator from Georgia.

Mr. TALMADGE. I ask the Senator from Alabama, is it not a fact that school lunch program administrators of several States testified very strongly in favor of the commodity program?

Mr. ALLEN. That is a fact.

Mr. TALMADGE. Is it not also a fact

that when we have agricultural surpluses throughout the country at depressed prices, the Agriculture Department frequently buys those commodities and puts them in the school lunch program?

Mr. ALLEN. That is a fact.

Mr. TALMADGE. Is that not a very efficient method, not only of alleviating supluses and helping depressed market prices, but at the same time of feeding the children in our school system?

Mr. ALLEN. Yes, it does have that effect.

Mr. TALMADGE. I thank the Senator.

Mr. CHILES. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. I yield.

Mr. CHILES. If the Senator's resolution on the rules change, of which I am a cosponsor, which would modify rule XIX, were passed, would we still have the same kind of explanation as we are getting for this bill now?

Mr. ALLEN. I rather imagine we would have a somewhat different presentation. It would place the burden on all of us, including the Senator from Alabama and the Senator from Florida.

The Senator from Alabama is willing to accept that burden, and hopes that the Senator from Florida will also.

Mr. CHILES. I am, or want to be, a cosponsor.

ADDITIONAL COSPONSOR—S. RES. 180

Mr. ALLEN. Mr. President, I ask unanimous consent that the Senator from Florida (Mr. Chiles) be added as a cosponsor of Senate Resolution 180, which seeks to amend rule XIX.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I thank the Senator, and appreciate his sponsorship.

Mr. President, under the provisions of the bill, States would be required to accept commodity payments toward this program, except in the State of Kansas, which would be allowed to elect whether to receive the cash or the commodities. But the amendment of the distinguished Senator from Nebraska would provide that a State could choose the cash or the commodities, except that the Secretary of Agriculture, in times when surplus commodities were on hand, could require the States to accept the commodities.

We could find a situation where school districts and States would have sold their warehouses and distribution systems and elected to pay cash, and then, at a time when the Secretary of Agriculture had large surpluses of commodities on hand, he could force the school districts or school agencies to accept commodities. Then they would be accepting the commodities and not having any place to store them. So it does not seem that it would be a sound amendment, or an amendment that would be supported by the States and school districts and the school lunch programs throughout the country.

Another important reason for maintaining the existing—and relatively small commodity donation program—is that such commodities, as they are held in State warehouses, are available to meet natural disaster food relief requirements almost within hours of need. Any discontinuance or elimination of the USDA commodity donation program would mean that this disaster food relief capability would be lost.

And lastly, Mr. President, I should like to call attention to a study conducted by USDA in February of this year, which concluded that on the average, school systems would be forced to pay about 7 percent more for commodities than USDA, and smaller school systems even more. The amendment now before us provides for no additional compensation in cash to allow for such increased costs.

Mr. President, I believe any further reduction in the USDA commodity donation program, which this amendment would bring about, is unwarranted and would be against the interests of farmers, Government cost sayings, and our Nation's school system.

On behalf of the committee, I would recommend that the amendment not be agreed to. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. ALLEN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. Goldwater). The question is on agreeing to division 2 of the amendment (No. 667), as modified, of the Senator from Nebraska (Mr. Curtis). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announced that the Senator from Indiana (Mr. Bayh), the Senator from Mississippi (Mr. Eastland), the Senator from Indiana (Mr. Hartke), and the Senator from California (Mr. Tunney) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New Mexico (Mr. Domenici) is necessarily absent.

The result was announced—yeas 28, nays 66, as follows:

[Rollcall Vote No. 272 Leg.]

YEAS—28

Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Curtis
Dole
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hruska
Inouye
Laxalt
Packwood
Pearson
Roth
Scott, Hugh
Scott, William L.
Stafford
Stevens
Taft
Thurmond
Tower
Weicker

NAYS—66

Abourezk
Allen
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Williams
Young

NOT VOTING—5

Bayh
Domenici
Eastland
Hartke
Tunney

So Division 2 of Mr. Curtis' amendment (No. 667), as modified, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 672

Mr. McGOVERN. Mr. President, I call up my amendment No. 672.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. McGovern) for himself and Mr. Abourezk, Mr. Case, Mr. Hartke, Mr. Hathaway, Mr. Humphrey, Mr. McGee, Mr. Clark, Mr. Mondale, Mr. Ribicoff, Mr. Tunney, and Mr. Williams, proposes an amendment numbered 672.

The amendment is as follows:

On page 28, strike out lines 15 and 16, and insert in lieu thereof the following:

"(a) Subsection (b) is amended—

"(1) By inserting '(1)' immediately after the subsection designation.

"(2) By striking out in the fifth sentence thereof the following: ', if a school elects to serve reduced-price lunches'.

"(3) By inserting immediately after the fifth sentence thereof the following new sentence: 'Any child in any school in a State who is eligible for a reduced price lunch under income guidelines prescribed for schools in that State under the preceding sentence shall be served a reduced price lunch.'.

"(4) By adding at the end thereof the following new sentence: 'Notwithstanding any other provision of this subsection, beginning with the fiscal year ending June 20, 1976, the income guidelines prescribed by each State educational agency for reduced price lunches for schools in that State under the fifth sentence of this paragraph shall be 100 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary, and any child who is a member of a household, if that household has an annual income which falls between (A) the applicable family size income level of the income guidelines for free lunches prescribed by the State educational agency and (B) 100 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary, shall be served a reduced price lunch at a price not to exceed 20 cents.'."

On page 29, line 24, strike out ", if a school elects to serve reduced price lunches".

On page 30, strike out lines 1 through 3, and insert in lieu thereof the following: "prescribed at 100 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary. Any child who is a member of a household, if that household has an annual income which falls between (A) the applicable family size income level of the income guidelines for free lunches prescribed by the State educational agency and (B) 100 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary, shall be served a reduced price lunch at a price not to exceed 20 cents. Local school authorities".

Mr. McGOVERN. Mr. President, this amendment does two things: First, it raises, by 25 percent, the income eligibility level for reduced-price lunches, and second, it mandates that the schools offer this program.

A mandate of the reduced-price lunch program merely raises this program to the same status as the free and paid-for lunch programs which are currently mandated.

This amendment has been unanimously accepted by the House.

In practical terms, if this provision becomes law, a child from a family of four that earns between $5,000 and $10,000 per year will be eligible for a reduced-price school lunch.

Reduced-price lunches cost the student no more than 20 cents.

Obviously, this provision attempts to help those families who work but do not have much income, and families on low fixed incomes. Many people in rural areas, where family incomes are generally lower, would be aided by this amendment. At the present time, in order to receive a free lunch, children must be from extremely poor families. The income poverty guideline for fiscal year 1976 is $5,000 for a family of four.

Unless a school offers the reduced-price program, and a substantial majority do not under the optional language of current law, a child from a family of four earning $5,500 per year must pay the same for his or her lunch—45 cents is the national average—as a child from a family of four with an income of $40,000.

Given the 9.2-percent unemployment rate, and the 13.5-percent cost-of-living increase last year, this legislation could provide a great deal of help to the families hardest hit, but who fall just outside the normal levels of income necessary to receive support. These are the families whose tax dollars pay for this program, and they deserve a break.

By using the proven mechanism of school lunch, these families can be given some support while their children's health and well-being is protected by receiving a nutritious meal.

And, this can be done without establishing a new Federal program, or new bureaucratic structure. Many State school food service persons have spoken with me about the success of the reduced-price lunch program and their desire to see it improved as this amendment does.

Mr. President, I believe that this amendment represents an intelligent and serious attempt to improve existing law. Congress has shown great leadership in beginning the reduced-price lunch program. I think now is a very good time to improve it and help our schoolchildren.

I think the amendment makes sense on all counts. It puts our reduced-price program in line with the consideration we have given to other aspects of the school lunch program. It is aimed directly at those families that are paying taxes, paying the very high cost of living in this inflationary period, doing it without public assistance; yet, it does require that they make some contribution. Under the reduced price concept, a child still could be charged 20 cents a month.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. PASTORE. I compliment the Senator for his amendment. I hope that, for the purpose of the record, he will be a little more specific as to the ranges within which we are working.

Mr. McGOVERN. I say to the Senator that, at the present time, a family of four would qualify for a reduced-price lunch if they had an income above $5,000 and less than about $8,500.

Mr. PASTORE. That is a family of four?

Mr. McGOVERN. That is correct.

This amendment would push that eligibility level up to approximately $10,000 for a family of four.

Mr. PASTORE. In addition to the $1,500?

Mr. McGOVERN. That is correct. It comes out to an increase of about 25 percent.

Mr. PASTORE. This is not a free lunch; this is a reduced-price lunch?

Mr. McGOVERN. This is a reduced price. The child would be charged, on the average, about 20 cents for that lunch. For a family with four children in school, it would cost them about 80 cents to take care of those four lunches, as compared to an average cost, if they paid the full cost, of about 45 cents each.

Mr. PASTORE. The Senator says that the House of Representatives already has adopted this amendment?

Mr. McGOVERN. The House of Representatives adopted it unanimously several weeks ago.

Mr. PASTORE. I thank the Senator. The amendment is worthy of support.

Mr. McGOVERN. Mr. President, I think the intent of the amendment is clear. I do not see any point in belaboring the argument.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. DOLE. Mr. President, I am sympathetic to the amendment, but I am concerned about the cost. I am wondering what would be the added cost to a bill that is already in some jeopardy, because it is well over the budget. How much additional cost would the amendment of the Senator from South Dakota add to the bill?

Mr. McGOVERN. This amendment, I say to the Senator from Kansas, would cost, nationwide, an estimated $150 million. Even if the Senate adopts this amendment, the Senate version of the bill still would be $125 million below the level of the House-passed school nutrition bill.

Mr. DOLE. But as I understand it, it still would be about $200 million over the budget.

Mr. McGOVERN. Yes. When we consider the other add-ons, if this amendment is adopted, the Senator is correct. The actual additional cost of this amendment would be about $150 million.

I stress again to the Senator that this assistance would go directly to families now getting nothing, yet who are in a very low-income category. I think the families in the country that are having the toughest time now are those in the range between about $5,000 and $10,000, with a family of four. This program does not put them on charity. It still requires that the child pay something toward the school lunch, but it does give them a reduced price.

As the Senator knows, we have the program operating in a number of States, in a number of schools. This amendment would mandate that wherever a school lunch program is operating, they should use the reduced price principle for those students that come from low-income families

Mr. DOLE. It is my understanding that the House bill also provides an additional 5-cent reimbursement for fiscal year 1976 for each lunch served to children who do not qualify for free or reduced price meals. It is my understanding that that provision is not in the Senate bill. Is that correct?

Mr. McGOVERN. That is correct. It is not in the Senate bill, and it is not in this amendment, as it now reads.

Mr. DOLE. It is further the understanding of the Senator from Kansas that there was some arrangement in the House—"agreement" might be a better word—which made the adoption of the amendment now offered by the Senator from South Dakota unanimous in the House, because they worked out something on the 5-cent provision.

Mr. McGOVERN. The Senator may be right.

If this amendment is adopted, I realize that there may be some discussion in conference. There will be a difference in the totals of the bill. I stress again that even if the amendment is adopted, we are still well below the figure already approved in the House.

Mr. DOLE. Would the Senator from South Dakota resist the House provision on the 5 cents additional if his amendment were adopted?

Mr. McGOVERN. As the Senator knows, I did not fight for that in the committee. I think we will have a good bill if this amendment is adopted. I am more interested in retaining this provision in the amendment than I am the so-called 5 cents provision adopted by the other body. I cannot speak for the Senate conferees. I do not even know if I will be a conferee.

Mr. DOLE. I think the efforts of the Senator from South Dakota make a great deal more sense than giving a nickel to those who do not qualify under the program.

It seems to the Senator from Kansas—I do not know what the cost of that additional 5 cents would be, but it might partially offset the added cost of the amendment of the Senator from South Dakota and make it possible for some of us to support the amendment, notwithstanding the increased cost, if we were certain we could reduce the cost of the additional 5 cent amendment which is contained in the House bill.

Mr. McGOVERN. I think the Senator's point is well taken. I do not dispute it.

Mr. MUSKIE. Mr. President, I rise for the purpose of explaining the impact of the McGovern amendment on the first concurrent budget resolution. I think the discussion between the distinguished Senator from South Dakota and the distinguished Senator from Kansas has already disclosed the dimensions of that impact, but I think I should, as chairman of the Committee on the Budget, spell that out in more detail.

Mr. President, the school lunch program is among the most successful human resources programs ever devised by the Federal Government. It assures millions of children of adequate nourishment at reasonable cost and in a manner which makes certain that the benefits get directly to those who need them most.

This bill extends, with some modifications, the statutory authorization of the various child nutrition programs. As reported by the State Agriculture Committee, H.R. 4222 would do the following:

First, it would extend through September 30, 1977, the school breakfast program; and

Second, it would change the poverty level guidelines used to determine eligibility for reduced-price school lunches so that they are based on more recent data.

Further, it would extend purchasing authority for food products for donation to child nutrition programs, and extend the special supplemental food program for women, infants, and children, among other changes.

When the Budget Committee met in April to develop the first budget resolution, we were confronted with a President's budget for child nutrition programs that assumed legislative reductions of about $600 million in budget authority and outlays in this important child nutrition program. However, the Committee on Agriculture and Forestry advised us that the President's proposed legislation would not be enacted, so the budget resolution assumes an extension of current law for the school lunch and other child nutrition programs.

The budget level assumed for child nutrition programs in the resolution—BA of $2.4 billion, outlays of $2.3 billion—was based on the Agriculture Committee's recommendations in its March 15 letter to the Budget Committee. Since that time, the Department of Agriculture submitted to the Appropriations Committee a new estimate based on congressional intent to reject the President's proposals and extend current programs. The Department's estimate is $0.1 billion higher than the budget authority and outlay figures used by the Budget Committee.

For the bill before us today, H.R. 4222, the Agriculture Committee's report estimates the bill's cost at $0.2 billion in budget authority and outlays over and above the Department's estimated cost of extending current law. This puts the bill $0.3 billion over the spending level assumed in the budget resolution. I ask unanimous consent that a tabulation of these different estimates be printed in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Budget estimates for Child Nutrition programs, fiscal year 1976

[In billions]

	BA	*Outlays*
1. President's February budget	$1.792	$1.714
2. Agriculture Committee's March 15 recommendation	2.399	2.321
3. Levels assumed in H. Con. Res. 218	2.4	2.3
4. Excess costs of H.R. 4222 over H. Con. Res. 218:		
(a) as passed by the House	+.6	+.6
(b) as reported to the Senate	+.3	+.3
5. Excess costs of H.R. 4222 over Department of Agriculture's submission to Appropriations Committee:		
(a) as passed by the House	+.5	+.5
(b) as reported to the Senate	+.2	+.2

Mr. MUSKIE. The Senate Agriculture Committee, through amendments to the House-passed version, has lowered the cost of this bill by $0.3 billion. However, I repeat, its cost will exceed the budget resolution by $0.3 billion, and will also exceed a more recent estimate of the cost of simply extending current law by $.2 billion. At this point, I ask unanimous consent to enter for the RECORD a list of the programs and amounts which make up the excess of $0.2 billion over current law. These figures are from the committee report.

The additional $0.2 billion in spending over the Department's estimate of current law breaks down as follows:

Fiscal year 1976 (millions)

Subsidies for school lunches for low-income children	+$38
Non-school food program	+ 41
Commodity procurement	+ 76
Women-Infants-Children (WIC) special food assistance	+ 50
	+205

In short, the situation we are confronted with is this: Reestimation of program costs by the administration has raised the cost of the child nutrition program by $100 million more than was estimated in the congressional budget. These costs would be incurred if we made no change in the program. The Senate Agriculture Committee, while reducing the cost of the House-passed bill by an additional $300 million, nonetheless has added $200 million to the cost of simply carrying on the existing program. The amendments made by the Agriculture Committee seem to have considerable merit and, while I would have preferred that the budget target be adhered to, in this case I intend to support the committee's recommendation that these program additions, in addition to what they requested from the Budget Committee, are necessary at this time. I will vote for this bill.

However, I must oppose amendments to the bill which will further increase its cost.

As I pointed out, H.R. 4222 would exceed the $125.3 billion target outlay figure for the income security function by $0.3 billion. However, there will be reestimates for some of the other programs in that function. The estimate for food stamps may have to be increased. Unemployment compensation outlays may have been overestimated by the budget committee and may be revised downward. Other less significant reestimates are likely for other programs. However, it is too early to tell what the net effect of these estimate changes will be, so I think we should judge this bill in light of the ceiling set last May when we passed the budget resolution, and from that perspective it clearly exceeds our budget outlay target.

The amendment to H.R. 4222 proposed by Senator MCGOVERN and other Senators is an attractive one. It would require all schools in the lunch program to offer reduced-price meals to students from families in certain income brackets just as they now offer free meals to the neediest students. The amendment would also raise the eligibility ceiling for reduced-price lunches from 175 percent of the povetry line to 200 percent, about $10,000 a year for a family of four

There is no question that many children, including some in my own State of Maine, where incomes tend to be lower than in some other States, would be aided by this measure.

The cost of these changes, however, would amount to at least $200 million more in outlays this year. This would bring the cost of this bill half a billion dollars higher than the budget resolution we agreed to just 8 weeks ago.

Mr. President, I will cast my vote against these amendments reluctantly. Like every other Senator, I wish that we could meet each new human need identified. The painful reality that led to the enactment of the Budget Act is that we cannot meet all our needs all at once all the time. We must establish priorities. We must limit our spending, to the maximum extent we can, to the actual resources we can prudently make available. We face the most staggering peacetime deficit in history this year. Through the budget process, we have managed to lay before Congress a sound fiscal plan with emphasis on job creation and meeting human needs. It substantially reduces the portion of the budget the President requested for armaments. It enlarges the portion of the budget devoted to meeting our citizens' needs here at home, especially through the creation of new jobs. It increased the amount of the budget for this very program, the Child Nutrition Act, by $600 million more than the President requested.

If the Budget Act is to mean anything, it means that at some point we must say, "This much and no more," and on this bill we are at that point. We have reached that point in the committee version of the legislation.

If the McGovern amendment is adopted and added to the committee bill, the committee bill, at that point, would exceed the budget resolution by almost half a billion dollars. I ought to repeat the genesis of that figure so that we can see upon what it is based.

The President's February budget provided for the child nutrition programs $1.8 billion of budget authority, and $1.7-plus billion in actual outlays for fiscal 1976. As I said, in its report to us of March 15, the Committee on Agriculture estimated that the program would cost $2.4 billion in budget authority and $2.3 billion in outlays. It was that figure which the Committee on the Budget adopted for the budget resolution. So the figures in the budget resolution are $2.4 billion in budget authority and $2.3 billion in outlays.

Since that time, there has been a reestimate of the costs of continuing the program under current law. That reestimate which is a legitimate and appropriate exercise, increased those numbers by $100 million.

The committee's four additions, added to the $100 million, reflect a $300 million increase above the number in the budget resolution.

Senator McGovern's amendment, which is a most attractive one, would require all schools in the lunch program to offer reduced-price meals to students from families in certain income brackets, just as they now offer free meals to the neediest students. In addition, his amendment would raise the eligibility ceiling for reduced-price lunches from 175 percent of the poverty line to 200 percent. That would be about $10,000 a year for a family of four. The price of that amendment—and I repeat that it is an attractive one—would be from $150 to $200 million, according to the estimate of the Committee on the Budget staff. So the total impact on the budget resolution would be half a billion dollars or thereabouts.

I say to my colleagues again that in the budget resolution, we undertook, with the advice of all the authorizing committees and the Committee on Appropriations, including the Committee on Agriculture, to get the best possible advice on what was needed to do the essential job that this budget ought to do. We cannot do everything in addition that is attractive or that we would like to do, or that can be justified on one ground or another, that would appeal to any of us or all of us. We have to say no occasionally, and I regret that this is one of those occasions when I must rise, as chairman of the Committee on the Budget, to say no to this amendment.

I wish it were not the case. But if we were to breach the budget on this, we would simply be opening the door to further breaches on other worthwhile programs as we go down the line. So I urge my colleagues to consider that this is a significant, important breach of the budget resolution.

We ought to take that into account. If we do not do so now, when we get to the second concurrent resolution in September and October, we shall have an even more difficult challenge to reconcile the ceilings that we set in May with the resources that we decided in May were available for essential government functions.

I have undertaken to do this kind of analysis for every piece of spending legislation that has come to the floor and I shall continue to do so.

In addition, we are inaugurating, this week, on behalf of the Congressional Budget Office and the two budget committees, a scorekeeping function, that is complicated, to translate the functional numbers of the first concurrent resolution into the spending legislation that worked out a way to do so and the Senate will receive, on a weekly basis now, an up-to-date score on what we have done with spending in the light of the first concurrent resolution. So that will be a routine report.

In addition to that, I shall undertake, either personally or through other members of the committee, to give the Senate this kind of analysis. I assure the Senators that I do so with regret in the case of this particular program. It would have particular meaning for the people of my State. Just this week, stories in the Maine press reported that Maine is among the five poorest States in terms of family income in the country. We have 20 percent of our people under the poverty line. Our people feel the pressure of inflation and unemployment greatly. But they are also concerned about the integrity of our economic system and the responsibility with which we expend the resources of this government. If the budget reform legislation is to mean anything, it has to mean that we are willing to accept its discipline, not only with respect to those programs which we may not be enthusiastic about, but also the programs that have real, heart-plucking implications such as this one.

Discipline is discipline. It cannot be directed only at the defense budget or only at the space budget or only at those programs that have no relevance to our own States and our own needs. Discipline has to be across the board, when we are talking about $365 billion of spending in a fiscal year.

It is in that spirit, may I say to the distinguished Senator, my good friend from South Dakota, who has been the real champion of these school lunch and food stamp programs—it is in that spirit that I present this factual report to the Senate.

Mr. McGOVERN. Will the Senator yield to me just a moment?

Mr. MUSKIE. Yes, I do yield.

Mr. ROBERT C. BYRD. Mr. President, before the Senator propounds a question or makes a statement, I ask unanimous consent that I may proceed for 1 minute without the Senator having the floor losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we determine in some way whether we can complete action on this bill today and if not, we will proceed to put it over until tomorrow? Will the Senators be agreeable to a time limit on the pending amendment?

Mr. McGOVERN. I say to the Senator from West Virginia, I am ready to vote on it now. I think the issue is understood by Members of the Senate. I do not wish any additional time. I think perhaps the Senator from New Jersey may wish to be heard briefly on this.

Mr. CASE. Mr. President, if I can say my little piece on it now, I will say it. I made a statement yesterday following the introduction of this amendment, which I cosponsored.

In support of it, I think it is a good amendment. I appreciate fully the purposes for which the Senator from Maine has just been addressing himself. He is doing his duty as he sees it and, as I think, this body want him to do it. I think in this instance the purpose of the amendment overrides the considerations he has suggested, and I fully support the amendment. I think it is an excellent one. With that I have no further need to comment on the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed for two more minutes under the same conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Reserving the right to object, if a request has been made, this amendment would add approximately $180 million to an already very generous program, a program that is already over $200 million above the revised budget.

While I do not anticipate there will be any lengthy debate, I just do not believe we should have a short time limit on an amendment of this importance, especially in view of the fact that the distinguished Senator from Maine (Mr. MUSKIE), the distinguished chairman of the Budget Committee, is sounding a word of caution and a word of fiscal responsibility in this matter, and certainly is holding up a danger signal with respect to the amendment.

I feel it should be fully discussed. I do not intend to discuss it overly long, but still I would not want to agree to a short time limit.

Mr. ROBERT C. BYRD. Mr. President, would the distinguished Senator from Alabama and the other Senators agree to vote on the pending amendment no later than 6 p.m. today?

Mr. ALLEN. No.

Mr. ROBERT C. BYRD. He would not.

Does the Senator from New Jersey have an amendment once this amendment is disposed of?

Mr. CASE. I have an amendment which, I understand, is probably going to follow this one. I should like to suggest that I have a half-hour overall, 15 minutes on each side would be adequate.

Mr. ROBERT C. BYRD. On the Senator's amendment.

Mr. EAGLETON Mr. President, will the distinguished Senator from West Virginia yield?

Mr. ROBERT C. BYRD. Yes.

Mr. EAGLETON. I have a 30-second amendment.

Mr. ROBERT C. BYRD. Would there be any objection to the amendment of the Senator from New Jersey having a time limit.

Mr. ALLEN. I understand the distinguished Senator from New Jersey's amendment is in two parts, one that could be disposed of in a fairly short time, but I believe, according to the estimate, he has in excess of $100 million in the amendment to add to the bill, and I would not want to agree to a time limit.

Mr. ROBERT C. BYRD. Very well, Mr. President.

I thank all Senators for their consideration. We will proceed to play it by ear until the pending amendment is voted on, and then we will make a decision at that point as to whether or not we continue today on the measure or put it over until tomorrow.

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. McGOVERN. Mr. President, I just want to take a minute to say that I feel I understand the point that the Senator from Maine has made, as the chairman of the Budget Committee, and he really has no other recourse than to draw the attention of the Senate to the fact that this amendment does go beyond the budget guidelines. I think it is important that we be alerted to that, and we have to make a judgment as to whether there are larger and more fundamental considerations that have to be applied.

I think in this case it probably would give some reassurance to the Senator from Maine to draw attention to the fact that there are differences in the levels between the Senate bill and the House bill. We have a House bill that is at the present time about one-half billion dollars above the recommended budget guidelines. Even if this amendment that is now pending is adopted, we will still be at least $125 million below the level of the previously passed House bill.

In addition to that, I draw the Senators' attention to the fact that there is some maneuvering room there in conference where further reductions might be made in other aspects of the bill as passed by the House. I do think it is very important that this concept of the reduced price lunch be made available in all schools where a school lunch program is operating. I, for one, if I should have anything to do with the conference, certainly would be prepared to look at the possibility of some economy moves on the version of the bill as it emerged from the House and that would, perhaps, make it more acceptable to the Senator from Maine and his committee.

Mr. MUSKIE. May I add this: I appreciate that statement from the distinguished Senator from South Dakota.

Let me make this point: There are a lot of upward pressures on the budget, and a lot of them are in what are often described as uncontrollable areas, and the biggest such area is in the income security field.

What is involved in all here is on the order of $125 to $130 billion, including social security payments, SSI payments, unemployment compensation payments, food stamp payments, and they are so uncontrollable that the budget, by and large, reflects simply the latest estimates of what the caseloads would be.

There is really no opportunity to control them beyond that, and if the economy continues to deteriorate in terms of unemployment, whatever else happens in the so-called bottoming out phase of the economic cycle about which we have heard a great deal from administration economists, if unemployment continues to deteriorate, then these uncontrollable costs are going to rise, food stamp costs are going to rise, unemployment compensation costs will rise, and we have to be alert to those measures as we add to them, and this is the one area, the one big area, in the whole Federal budget where we are almost riding a horse that is out of control. I do not say that in any denigrating sense; I am not suggesting that we take action to cut back on the authorizations that show cost-of-living increases with Social Security beneficiaries, and so on. As a matter of fact, this budget rejects the President's notion of a ceiling on those kinds of payments, and lifts that 5-percent cap to the real cost-of-living increases. We have done that.

But to do more than that is a decision that the Senate ought to look at carefully in terms of what the final consequence will be, because it is my hope in the long run that when this first year's exercise under the Budget Act is completed we will have demonstrated the capacity of discipline in spending.

If we can demonstrate that capacity this year, then we will have a handle on the budget not simply for cutting spending but for directing spending into the areas which we consider of most importance to the country.

So establishing that discipline this year, I think, is terribly important. That is not to say that we ought to ignore the need for public employment opportunities, for example, to fill the gap left by the private sector. I think the administration has been way off base in vetoing legislation that Congress has enacted to deal with that problem.

Congress is working on other legislation in the jobs field to fill that gap because the objective of that kind of a program is to turn the economy around and eliminate that source of the Federal deficit.

So there is a need for carefully targeted programs directed to the highest priority needs. The Senator's amendment addresses the problem that is a high priority need, but we cannot do them all this year.

As the Senator says, as chairman of the Budget Committee, I will make that point as eloquently as I can.

I appreciate the Senator's understanding.

Mr. McGOVERN. I thank the Senator.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. McGOVERN. Did Senator ABOUREZK wish me to yield to him?

I yield to the Senator from South Dakota.

Mr. ABOUREZK. I need some time.

Mr. McGOVERN. Mr. President, under the circumstances, I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, the way the putting into effect or continuing a program of this sort takes place before the committee, the amount of the cost of the program is greatly increased in committee by amendment and in this case some $200 million more than the revised budget.

Then those proposals that are defeated in the committee are presented again here on the floor, and the committee having turned out a bill that has run $200 million more than the revised budget estimates is confronted on the floor with amendments aggregating over $300 million.

Sometimes we feel that those who are pushing these food and nutrition programs are greatly puffing and escalating the costs of these programs. It is estimated when we put the food stamps into this program, providing for this bill, the total cost of these programs would be over $9 billion.

Sometimes I think those who are pushing these tremendously escalating costs are not going to be satisfied until these nutrition programs are pushed up in size and the defense program pulled down in size to the point where they meet.

I am just wondering if we are not letting our natural inclination to support those programs that provide food and other nutrition to those who need such support to allow us to go far beyond what is reasonable. I think this amendment, costing an additional $180 million, is an example of our fine humanitarian impulses outrunning our ability to pay.

I appreciated the remarks by the distinguished Senator from Maine (Mr. MUSKIE), and he outlined the effect of this amendment of the distinguished Senator from South Dakota in such a polite, courteous, and understated way, but at the same time he pointed out the serious dangers involved.

What I got from the remarks of the distinguished Senator from Maine, chairman of the Congressional Budget Committee, was that it would certainly be an act of fiscal irresponsibility to accept this $180 million amendment.

What does it do, Mr. President?

This is a proposal to set income eligibility for reduced price meals at 200 percent of the eligibility for free meals.

In other words, those families whose income is 200 percent of the poverty level, the level at which children would be entitled to free meals, that if their income is up to 200 percent of that level, then they are entitled to reduced price meals.

Simply stated this would permit a family of four with over $10,000 annual income to receive school meals for only a token payment.

Well, that is fine. We like to see those who need help in this area receive it.

A couple with four children could have income reaching $13,000 and still qualify; a two-parent family with six children would qualify with income of $15,660.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. ALLEN. Yes.

Mr. CURTIS. I want to commend the distinguished Senator from Alabama for his statement.

This would provide a food subsidy for people of considerable income. It would mean that taxes would have to be paid—not only by their parents to pay out, but by many other people whose incomes were not any higher—in order to provide the assistance.

Is it not also true that these school lunch programs, in the main, are entirely offered without profit, so the very fact that the system exists and that they can pay the full fare means that they still are able to buy the food, in all probability, in most places, at much less than what it costs them in a commercial establishment?

Mr. ALLEN. Yes, that would certainly be true.

Mr. CURTIS. I commend the Senator. I wish to commend the distinguished chairman of the Budget Committee and the cochairman for their position in regard to this matter.

This is more than just a modest increase in school lunch. It is a new departure. It will enlarge the number that get subsidized food. But, further than that, it will be a definite overrun, a break, a rejection, of the budget that has already been adopted.

Mr. ALLEN. That is correct.

Mr. CURTIS. I thank the Senator.

Mr. ALLEN. As I stated, these meals would be served at a token payment.

The token payment could not exceed 20 cents, and would probably average around 10 cents.

The cost of producing and serving these meals would far exceed that amount, not counting the food to eat, and the price charged to children from families with a little more income that would not qualify would be considerably more. The difference must be made up by the Federal taxpayer. In fairness to him, this proposal should be rejected as unwarranted, unnecessary, and unjustified.

A family with an income of $10,000, a family of four, can hardly be considered poor in most parts of the country. If you told them they were poor, they would certainly resent it, because they do not feel that they are poor. I do not know that forcing these benefits on people will be considered by them as any great favor.

Extending eligibility for a program of subsidized meals for needy children to people in this higher income bracket would be a gross misinterpretation of the intent of Congress and the will of the American people. The free and reduced price meal provision of the National School Lunch Act was intended to help needy children maintain an adequate diet.

I think every Member of the Senate supports that concept.

Needy children are those from families with little or no income who are genuinely unable to purchase enough food to meet their needs. In no way was it intended to offer this type of assistance to children from families who are fully capable, financially, to pay the full purchase price of a meal or at their option purchase the items to be included in a nutritious bag lunch.

This proposal though paraded as an antipoverty, antirecession measure, is actually a partial implementation of a universal reduced price lunch program. The logic for offering meals at token prices to families making $10,000 per year can be easily stretched to include families making $11,000, then on up the income ladder until all but the upper-middle, and upper-income families are covered. Then the argument will shift to one of uniformity, and it will be proposed to offer token prices to all children regardless of need or even free meals.

That proposal is waiting in the wings, I daresay. That is what we are heading for.

Where in our national priorities is the justification for providing yet another subsidy for families who do not need, and likely do not want this help? Acceptance of this proposal would be an irresponsible action of Congress in this time of need to control Government spending and the mushrooming growth of domestic programs.

Mr. President, this is going back on the budget figure set here in the Senate. That is what the Budget Committee is supposed to recommend and get the Senate and the House to accept, an overall spending limit. We went some $8 billion over the President's estimated budget, knocking off some of the odd tens of millions. I believe the congressional budget was some $8 billion over the Presidential deficit of some $60 billion.

If we are going to keep adding to this and we still stay at the budgetary ceiling, then somebody is going to lose their share. Somebody is going to have their portion reduced or else we will have to come back and say, "Well, we are wrong. We added on all these other programs and, therefore, we have to boost the budget by whatever number of billions of dollars would be involved."

Another issue is one of cost. USDA estimates that raising eligibility for reduced price lunches to 200 percent of the Secretary's income guidelines and mandating their service in all schools would cost the Federal taxpayer an additional $180 million annually.

Mr. NELSON. Will the Senator yield momentarily so we can get the yeas and nays?

Mr. ALLEN. Yes.

Mr. NELSON. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. The proposal would add almost 2.5 million children, bringing the total eligible for free or reduced meals to something over 15 million. This is half again as many children considered needy per the income poverty guidelines of about $5,000 for a family of four.

Mr. President, already if the family income is 175 percent of the poverty guideline, they can get the reduced price meal. This pushes it on up to 200 percent. I daresay the ink will not be dry on the bill before they will be coming forward with a 250 percent and on to the time when they will just serve free meals to people who can well afford to pay for the meals.

In addition this proposal goes even further by requiring every school in the program to offer reduced price meals. Currently this is an option of the local school district, and evidence suggests it is not needed in all districts. Only a limited number of schools have chosen to offer such meals and little more than 2 percent of all meals served nationwide have been reimbursed as reduced price.

This is going to mandate this service in all schools.

This is so despite legislation enacted in Public Law 92–433 that greatly liberalized reimbursement and funding criteria for reduced price lunches to 175 percent of the income guidelines.

Under this criteria schools have the option now to offer reduced price lunches to children in families of four with incomes of $8,770 or less. That would seem to be a pretty good figure on the family income, $8,770, and under. The children of such a family would be able to have the reduced price luncheon.

This is an option to enable the local communities to set standards in accordance with the local needs.

The proposal would be an intrusion on the rights of State education agencies to administer programs for which they are charged in the manner best suited to the needs of the State and its localities. Mandating reduced price lunches and mandating eligibility criteria removes any flexibility local administrators have in tailoring assistance to meet the needs of a particular area.

Acceptance of this proposal will further frustrate the efforts of the President and Congress to control Federal spending and keep the Federal budget at a level that will not spur inflation. Perhaps some future time might find our national priorities such to justify subsidizing meals for the nonneedy and the accompanying heavy cost. Today, however, is not the time, the proposal should be rejected.

We should not add this additional $180 million to the burden of the taxpayers, to the burden of the Federal Government, and increase the deficit by an additional $180,000.

I would say that a school lunch program, a nutrition program—we loosely call this a school lunch program but it has about 10 food programs embraced in it—would be a hard bill, I would think, for the President to veto. Everybody is for a bill of this sort.

But it has to be limited, and the President has shown that he has the intestinal fortitude to veto what are apparently most popular bills. By the time we get this bill burdened down with this $180 million amendment and the amendment of the distinguished Senator from New Jersey adding another $150 million——

Mr. CASE. Mr. President, will the Senator yield at that point?

Mr. ALLEN. Yes.

Mr. CASE. I did not rise before because I thought perhaps the Senator from Alabama had made a slip of the tongue, but my amendment would authorize no specific amount. It would authorize just such amount as would be appropriated.

Mr. ALLEN. Yes; it is open-ended.

Mr. CASE. Yes. Probably somewhere in the neighborhood of $1 million, at the most.

Mr. ALLEN. In view of its open-ended nature, it might be $150 million or more, and thus assure a veto.

Mr. CASE. In that case I am surprised that the Senator did not agree to take it in the first place.

Mr. ALLEN. I hope this amendment will be rejected. Out of respect to the distinguished Senator from South Dakota, I will not make a motion to lay it on the table, but I am willing for it to be voted up or down on its merits.

I feel it will endanger the passage of the bill, it is unsound, it is unneeded, and as far as I know it is unasked for. But the amendment is here. I hope the Senate will reject it.

The PRESIDING OFFICER (Mr. STONE). The question is on agreeing to the amendment (No. 672) of the Senator from South Dakota (Mr. McGOVERN).

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Indiana (Mr. HARTKE), the Senator from Montana (Mr. MANSFIELD), the Senator from Montana (Mr. METCALF), the Senator from Rhode Island (Mr. PASTORE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

The result was announced—yeas 29, nays 61, as follows:

[Rollcall Vote No. 273 Leg.]

YEAS—29

Abourezk
Brooke
Burdick
Case
Church
Clark
Culver
Ford
Gravel
Hart, Gary W.
Hart, Philip A.
Hatfield
Hathaway
Huddleston
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mathias
McGovern
Mondale
Nelson
Pell
Percy
Ribicoff
Schweiker
Weicker
Williams

NAYS—61

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Buckley
Bumpers
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Curtis
Dole
Eagleton
Fannin
Fong
Garn
Glenn
Goldwater
Griffin
Hansen
Haskell
Helms
Hollings
Hruska
Inouye
Johnston
Laxalt
Leahy
Long
McClellan
McClure
McGee
McIntyre
Montoya
Morgan
Moss
Muskie
Nunn
Packwood
Pearson
Proxmire
Randolph
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—9

Bayh
Domenici
Eastland
Hartke
Mansfield
Metcalf
Pastore
Symington
Tunney

So Mr. McGOVERN's amendment (No. 672) was rejected.

Mr. ALLEN. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following proceedings occurred during the consideration of the foregoing amendment and are printed at this point in the RECORD by unanimous consent.)

AMENDMENT NO. 671

Mr. EAGLETON. Mr. President, I ask unanimous consent that the Senate turn to my amendment No. 671.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page 56, line 23, insert "and suppers" immediately after "lunches".

Mr. EAGLETON. Mr. President, this is a very short and relatively modest amendment.

It pertains to section 16 of the bill which authorizes the child care food program. More specifically, it amends subsection (e) which provides for the donation of commodities to day care centers.

Under the new child care food program, day care centers are to receive the same cash reimbursement rates and commodity donations as are provided under the school lunch and school breakfast programs.

Consequently, the committee bill requires the Department of Agriculture to provide States with commodity donations for each lunch served in the child care program.

However, there are day care centers in 33 States and the District of Columbia which serve suppers as well as lunches. It is my understanding that these are generally comparable meals in terms of quantity and variety of foods, but that where there is a difference the supper tends to be the more substantial meal.

Under the committee bill, suppers are eligible for cash reimbursements but not for commodity donations. This omission appears to have been more a matter of oversight than of design.

As I said at the outset, this is a relatively minor matter. In April of this year, the last month for which final figures are available, approximately 369,000 suppers were served in day care centers as compared to 7½ million lunches.

But there are several States in which a significant number of suppers are served each month. My interest in this amendment is not unrelated to the fact that Missouri heads the list of those States, having served 87,000 suppers in day care centers in April.

Mr. President, I ask unanimous consent that there be printed in the RECORD a table showing the number of suppers served in day care centers in the various States in April 1975.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE

SPECIAL FOOD SERVICE—YEAR-ROUND PROGRAM

APRIL 1975

States:	*Suppers served*
Alabama	17, 996
Alaska	985
Arizona	1, 722
Arkansas	595
California	4, 050
Colorado	158
Connecticut	-------
Delaware	-------
District of Columbia	9, 855
Florida	35, 079
Georgia	2, 931
Hawaii	-------
Idaho	-------
Illinois	550
Indiana	5, 779
Iowa	1, 034
Kansas	238
Kentucky	7, 729
Louisiana	-------
Maine	-------
Maryland	1, 488
Massachusetts	1. 475
Michigan	3, 074
Minnesota	4, 985
Mississippi	-------
Missouri	87, 123
Montana	-------
Nebraska	8, 216
Nevada	-------
New Hampshire	-------
New Jersey	19, 933
New Mexico	3, 096
New York	3, 110
North Carolina	646
North Dakota	-------
Ohio	40, 208
Oklahoma	3, 681
Oregon	223
Pennsylvania	3, 850
Rhode Island	-------
South Carolina	1, 536
South Dakota	4, 674
Tennessee	554
Texas	21, 749
Utah	-------
Vermont	-------
Virginia	-------
Washington	3, 054
West Virginia	-------
Wisconsin	67, 183
Wyoming	-------
Total	368, 559

Mr. EAGLETON. It seems to me a matter of simple equity that day care centers serving suppers be allowed the same commodity donations for those suppers as are allowed for lunches.

My amendment, which would include suppers as eligible meals for purposes of commodity donations, would cost approximately $500,000.

I urge the adoption of this amendment.

Mr. President, this matter has been discussed with the distinguished manager of the bill, Mr. ALLEN, and the distinguished ranking minority member, Mr. DOLE.

Mr. ALLEN. Mr. President, this is a technical amendment and has been cleared on both sides of the aisle, and we have no objection to the amendment. We will accept it on behalf of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment of Mr. EAGLETON.

The amendment was agreed to.

(This concludes the proceedings that occurred heretofore and which were printed at this point in the RECORD by unanimous consent.)

Mr. ALLEN. Mr. President, the Congressional Budget Committee, headed by the distinguished Senator from Maine (Mr. MUSKIE), has earned its keep today. It justified its existence, in the opinion of the Senator from Alabama, because this amendment, which would have added $180 million needlessly to the bill, was defeated as the result of the distinguished Senator from Maine pointing out what this would do to the congressional budget, how much it would run the bill over the budget, how much it would increase the deficit. He did not say that anyone should vote against the amendment, because that is not his policy, but he did urge a word of caution.

Mr. ROBERT C. BYRD. Mr. President, may we have order? I am having a little difficulty hearing the Senator, and I am sitting next to him.

The PRESIDING OFFICER. Will Senators kindly take their seats?

Mr. ALLEN. The Senator from Maine was standing at his desk, waving a big, red flag as to the amendment.

I am pleased that, in the interest of fiscal sanity and fiscal responsibility, the amendment has been rejected.

Mr. President, I ask unanimous consent to have printed in the RECORD two documents that speak for themselves, which have to do with statistics as to the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISON OF FISCAL YEAR 1976 THROUGH FISCAL YEAR 1980 PROGRAM LEVELS FOR CHILD NUTRITION, SPECIAL MILK, AND WIC PROGRAMS

[In thousands of dollars]

	Fiscal year—						Added cost in fiscal year—			
	1976 budget request	1976 revised budget estimate	Added cost compared to budget request	Fiscal year 1976 cost: H.R. 4222 as amended by Committee	Added cost compared to budget request	Added cost compared to revised budget estimate	1977 compared to revised 1976 budget estimate	1978 compared to revised 1976 budget estimate	1979 compared to revised 1976 budget estimate	1980 compared to revised 1976 budget estimate
1. Cash payments to States:										
(a) School lunch program (sec. 4)	498,000	530,000	+32,000	530,000	+32,000					
(b) Special assistance (sec. 11)	865,000	921,000	+56,000	[1] 959,000	+94,000	+38,000	+39,482	+40,706	+41,805	+42,892
(c) Breakfast program		104,000	+104,000	104,000	+104,000					
(d) Equipment assistance	28,000	28,000		28,000						
(e) State administrative expenses	6,700	6,700		6,700						
(f) Nonschool food program:										
Year-round		65,000	+65,000	[2] 106,000	+106,000	+41,000	+42,599	+43,920	+45,106	+46,297
Summer		62,000	62,000	62,000	+62,000					
2. Commodity procurement	438,188	475,185	+36,997	[3] 551,185	+112,997	[4] +76,000	+78,964	+81,412	+83,610	+85,784
3. Nutritional training and surveys	1,000	1,000		1,000						
4. Federal operating expenses	13,391	14,379	+988	[5] 14,739	+1,348	360	+374	+386	+396	+406
Total, child nutrition	1,850,279	2,207,264	+356,985	2,362,624	+512,345	+155,360	+166,614	+171,779	+176,417	+181,004
5. Special milk		144,000	+144,000	144,000	+144,000					
6. WIC		200,000	+200,000	250,000	+250,000	+50,000	+51,950	+53,560	+55,006	+56,436
Grand total	1,850,279	2,551,264	+700,985	2,756,614	+906,345	+205,360	+213,369	+219,984	+225,923	+231,797

[1] Includes $38,000,000 for meals to be served in residential institutions.

[2] Includes $41,000,000 for child care feeding: cash, $28,000,000; nonfood assistance, $3,000,000; commodities, $10,000,000 ($7,000,000 of this amount would be in added funds. The chlid care program currently gets $3,000,000 in commodities annually.)

[3] Includes $79,000,000 for grains and oils, minus $3,000,000 currently donated to day care centers

[4] $79,000,000 minus $3,000,000 to day care centers.

[5] Includes $360,000 for the following: SAE study, $300,000; school breakfast meeting, $30,000; SFSP meeting, $30,000.

ALABAMA—PROJECTED FISCAL YEAR 1975 DATA

	Participants	Total meals (millions)	Free meals (millions)	R/P meals (millions)	Federal expenditures
School lunch	633,021	101.3	50.2	2.6	
Sec. 4					[1] $11.2
Sec. 11					[1] 26.5
School breakfast	59,332	7.8	6.9	.12	[1] 2.3
Special milk program	NA	[2] 33.6	[2] 16.8		[1] 2.5
Summer special food program	30,993	1.0	[3] 1.0		[1] 0.7
Year round SFSP	13,110	7.5	[3] 7.5		[1] 1.8
Women, infants, and children	19,996	NA	NA		[1] 2.6
Nonfood assistance funds					347,259
State administrative expense funds					160,874

[1] Millions.

[2] Half pint of mild served to children.

[3] Combined free and reduced meal total.

AMENDMENT NO. 668

Mr. CASE. Mr. President, I call up my amendment No. 668, as modified.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. Case), for himself and Mr. McGovern, Mr. Hugh Scott, Mr. Moss, Mr. Kennedy, Mr. Metcalf, Mr. Philip A. Hart, Mr. Clark, Mr. Humphrey, Mr. Schweiker, Mr. Cranston, and Mr. Muskie, proposes an amendment numbered 668, as modified.

Mr. CASE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

SEC. —. After the first sentence of section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1779) delete the following sentence: "Such regulations shall not prohibit the sale of competitive food in food service facilities or areas during the time of service of food under this Act or the National School Lunch Act if the proceeds from the sales of such foods will inure to the benefit of the schools or of organizations of students approved by the schools."

SEC. 20. The Child Nutrition Act is further amended by adding at the end thereof a new section as follows:

"SEC. 18. (a) The Secretary shall make cash grants to the education department or comparable agency of each State for the purpose of providing funds to local school districts and private nonprofit school systems to enable schoolchildren within each State to participate in programs which increase their knowledge of the nutritional value of foods and the relationship of nutrition to human health.

"(b) In order to carry out the program provided for under subsection (a) there are authorized to be appropriated such sums as the Congress deems appropriate. These funds shall be apportioned among the States according to the number of people in that State in proportion to the number of people in all the States; however, no State shall receive less than 1 per centum of any funds appropriated by the Congress.

"(c) In the event that a State education or comparable agency is unable to distribute funds provided under this section to private nonprofit schools, the Secretary shall disburse these funds directly to such school systems in proportion of the total enrollment in these schools to the total enrollment in all schools in the State, and the Secretary shall withhold these funds from the total apportionment allotted to the State agency.

"(d) The Secretary shall withhold not less than 1 per centum of any funds appropriated under this section and shall expend these funds to carry out research and development projects relevant to the purpose of this section, particularly to develop materials and techniques for the innovative presentation of nutritional information."

Mr. CASE. Mr. President, if adopted, this amendment will accomplish two closely related goals. First, it will return to the Department of Agriculture the authority to regulate competitive foods in the school lunchroom, and it will do so with the admonition of Congress that so-called empty calorie or junk foods should not be sold in schools participating in the national school lunch program.

Second, my amendment will create a new section in the National School Lunch Act aimed at providing assistance to schools for programs of nutrition education not to exceed $1 million annually would be authorized for this program.

This amendment does not ban vending machines, it simply regulates what may be sold in them. I believe that the soda pop, candy and cake sold in some school vending machines undermine the purpose of the school lunch program.

The objective of our child nutrition programs is to help provide a nutritionally adequate diet for schoolchildren and, thereby, help to safeguard their health and well-being. It has been proven time and again that well nourished children are more alert, better behaved, and learn more in the classroom.

Many experts and citizens concerned about the presence of junk food in the school cafeteria have been in touch with me. And I share their belief that any assault on the quality of our school nutrition programs must be regarded most seriously.

This amendment has the support of the American School Food Service Association and the American Dental Association, both strong advocates of the best in nutrition for the school lunchroom.

In his testimony before a Senate Agricultural Subcommittee this spring, Dr. William E. Allen of the American Dental Association stated:

> We share, first of all, the desire of all Americans that children be afforded diets that are high in nutritional value. The present school lunch program plays a valuable role in helping to assure this. It would be imprudent and, we think, unfair to the child to tempt him to ignore the well-balanced lunch available to him in favor of purchasing foods from vending machines that would be far less valuable in terms of his overall growth and development.
>
> Secondly, we are concerned about the deleterious effect on the oral health of children that is the consequence of undue consumption of sugar-rich foods, many of which are commonly sold in vending machines.

The practice in my own State of New Jersey is to make available only nutritious food during the hours that the school breakfast and lunch programs are operating. In other words, vending machines selling nonnutritious foods are turned off for those periods.

For my own part, I am deeply concerned about the attitude of the Department of Agriculture on this matter. Through its failure to act, it has condoned the erosion of its authority over the school nutrition programs.

Senator Allen, chairman of the Senate Agriculture Subcommittee on Agricultural Research and General Legislation, has stated that "proper nutrition is the primary purpose" of the school lunch programs, and I agree with him.

My amendment, in line with this objective, also provides cash grants not to exceed $1,000,000 annually to departments of education or comparable State agencies for the purpose of educating children on the nutritional value of foods and the importance of nutrition to good health.

Adoption of this amendment will go a long way to assure that the Federal dollars spent in our school nutrition programs are actually providing the best possible nutrition for the children of our country.

I have discussed this amendment with the floor manager of the bill and with his Republican counterpart, Senator Dole. I think we have reached an agreement and that we can come to an immediate vote.

Mr. ALLEN. Mr. President, the first part of the amendment having to do with vending machines does allow the Department of Agriculture to forbid the location of vending machines in public schools. Already the local school boards have the right to prohibit such vending machines. Personally, I would rather the local governments control; but they would rather pass the buck to the Federal Government in this period. I am opposed to the amendment; but, in the interest of comity—and I believe the overwhelming sentiment in the Senate—on behalf of the committee, I will accept the amendment.

As to the second part of the amendment, the amendment was an open-end cost amendment that could have run into the tens of millions of dollars; and the distinguished Senator has agreed to reduce the authorization to $1 million annually for the nutrition courses. While I am opposed to that part of the amendment, in the further interest of comity, I am willing to accept the amendment on behalf of the committee.

Mr. CLARK. Mr. President, I rise to support Senator Case's amendment No. 668 to H.R. 4222—the National School Lunch Act and the Child Nutrition Act. This amendment originally was introduced as S. 1309 on March 24 and I am a cosponsor of that bill as well as the amendment that is now before the Senate.,

The Case amendment would accomplish two things. Section 1 of the amendment would repeal a section of the Child Nutrition Act of 1966 that prevents the Secretary of Agriculture from limiting the sale of snack foods that compete with the federally subsidized food service programs served in school lunchrooms. Section 2 of the Case amendment would establish school nutrition education programs to supplement present efforts to establish preventative health care in this country's school system.

If this amendment is enacted, section 10 of the 1966 Child Nutrition Act would be deleted. It reads as follows:

> Such regulations shall not prohibit the sale of competitive foods in food service facilities or areas during the time of service of food under this Act or the National School Lunch Act if the proceeds from the sales of such foods will inure to the benefit of the schools or of organizations of students approved by the schools.

This particular provision was added to the Child Nutrition Act in 1972 after extensive lobbying by the vending machine industry. Justification for it was based upon the fact that a portion of the profits from the vending machines could be used by schools or school organizations to purchase such things as uniforms and athletic equipment.

Mr. President, I have no objection to the presence of vending machines in school cafeterias. They have the potential to serve an important function. However, I do object to the ready availability of nonnutritious, high sugar content snack foods that now stock these machines. This kind of food challenges the integrity of the child feeding programs and it is detrimental to the quality of food actually consumed by the students. The Case amendment would restore to the Secretary of Agriculture the authority to prohibit the sale of these nonnutritious foods in school cafeterias, and hopefully, prevent snack food from being sold in school lunchrooms.

The basic purpose and function of the child nutrition program demands the enactment of this amendment. This legislation is authorized as "a measure to safeguard the health and well-being of the Nation's children and to meet more effectively the nutritional needs of our children." The intent of this act and of the school lunch program is to insure that students receive nutritious, well-balanced meals in their school cafeterias. For many children, particularly those in low-income areas, these meals represent the only balanced, nutritious food they get all day. But right now, the presence of vending machines frustrates the effectiveness of the federally subsidized school feeding programs. Children often take the money given them by their parents for the purchase of quality low-cost meals under the program and spend it on snack foods in vending machines.

Concern about the availability of these nonnutritious snack foods in our schools is widespread. The PTA's and the American School Food Service Association have expressed their strong disapproval, and the two largest national associations of health care practitioners—the American Medical Association and the American Dental Association—strongly oppose the sale of these foods in schools because of the adverse effect they have on our children's nutrition and health. This concern is not new. In fact, hearings were held on April 17, 1973, before the Senate Select Committee on Nutrition and Human Needs, and the harm caused by the availability of snack foods was extensively considered. Additional documentation was presented to the Senate Agriculture Committee this year when we considered S. 850 and other bills referred to the committee.

These hearings brought out the incredible effect high-sugar content foods have on the oral health of our children. And each day, thousands of dentists see this adverse impact as they try to repair the unnecessary and preventable decay of children's teeth caused by these high-sugar foods. According to the American Dental Association, reasonable adherence to a few simple rules such as eating a well-balanced diet and avoiding the kind of sugar-rich food now available in school cafeterias would help prevent this tooth decay from occurring. It would improve our children's health.

Mr. President, a child's years in school are intended to be a time of education, not just in the narrow academic sense, but also in the broadest possible meaning of the word. It is during these formative years that the child develops habits and attitudes that stay with him for his entire life. And it is during those years that the basic nutritional habits are firmly established. Recognition of this led the Congress to pass the Child Nutrition Act. And fulfillment of the stated purpose of that act demands adoption of this amendment. This amendment will help insure that while in school this Nation's schoolchildren are served only those foods that will foster the awareness and importance of good eating habits.

Mr. President, I urge the Senate to adopt this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey, as modified.

The amendment was agreed to.

Mr. PHILIP A. HART. Mr. President, the Child Nutrition bill that we are now considering should be approved. That bill is very helpful to the youngsters in our country. It makes necessary improvements in all of the child feeding programs, and it underscores our commitment to end hunger amongst our children.

For the past decade we have been expanding the coverage of our child feeding efforts. The school lunch program was launched in 1946; the school breakfast program, in 1966; the day care and summer feeding programs, in 1968; and the WIC program, for pregnant mothers and infants, in 1973. All of these programs have been vastly improved over the past several years and, with the passage of this legislation, they will be expanded in a responsible manner once again.

The bill extends the authorization of all of the child feeding programs until the end of fiscal year 1977. The new WIC program's authorization level is increased substantially to $250 million a year. As in the past, the Secretary is obligated to use section 32 funds to run the program, together with any unused funds from the previous fiscal years, so that the program's operations need not wait for an appropriation by Congress.

The school breakfast program will be expanded to all schools in impoverished areas. As the bill specifically states, the breakfast program must "be made available in all schools where it is needed to provide adequate nutrition for children in attendance." The Secretary's regulations must implement the program in all title I schools—so designated as "needy schools" under the Elementary and Secondary Education Act—and all schools in which one-quarter or more of the children are eligible for free and reduced price meals. Also, the bill requires the Agriculture Secretary to conduct a program of information, together with State educational agencies, in furtherance of this policy and to submit a report to the Congress about the Secretary's subsequent plans for fulfilling the statutory expansion directive.

The committee's bill also makes important improvements in the day care and summer feeding programs. Specifically, the two programs will become available to all "institutions" upon request and such institutions will have the right to serve numerous federally reimbursable meals to children in attendance. In addition, more realistic reimbursement rates have been established for these two feeding programs.

This bill will be helpful to youngsters in my own State of Michigan where serious nutritional problems existed prior to the current high unemployment. In Detroit alone, the city's department of health estimated that as many as 70,000 malnourished mothers and children could benefit from the supplemental feeding program prior to the unemployment crisis. With 15 percent unemployment in the State, and higher figures in many local communities, the need for all the child nutrition programs in Michigan has grown considerably.

This bill should be approved overwhelmingly.

Mr. HUDDLESTON. Mr. President, the bill before us, H.R. 4222, if enacted would extend for 2 years several highly important child feeding programs. Domestic food assistance programs aimed at child nutrition have been the subject of considerable discussion over the past four decades. Due to agricultural surpluses that developed in the early 1930's various nutrition-oriented price assistance legislation was enacted to aid farmers. By 1937, 15 States had passed statutes establishing low-cost school lunch programs. In 1940 there was more innovation to provide aid to farmers and the "penny milk program" was developed where the USDA reimbursed local sponsors for purchase and distribution of milk to children in schools and other institutions.

In 1946 the National School Lunch Act was passed. The national priority changed from aiding farmers to feeding children. The objectives of the act included a combination of encouraging domestic consumption and safeguarding the health of children.

The U.S. Department of Agriculture now carries out a number of separate feeding programs. These include school lunch, school breakfast, equipment assistance to schools, nonschool child feeding, special milk, special supplemental programs for women, infants and children, commodity donations to schools, summer camps, child care centers, nonprofit institutions, and Indian reservations. Food assistance programs also provide for nutrition education for low-income families.

The mission of the child nutrition programs which have been developed under Federal auspices is to safeguard the health and well-being of the Nation's children and to encourage domestic consumption of nutritious agricultural commodities and other food. Mr. President, I would like to indicate how valuable child nutrition programs have been to my State, Kentucky.

There are 1,555 schools approved in Kentucky for the school lunch program. Of 678,000 children in average daily attendance over 572,000 are reached by the school lunch program.

Kentucky leads the Nation in the school breakfast program. There are 641 schools that have operating programs and 110,000 Kentucky youth are fed.

Over 1,600 Kentucky schools participate in the special milk program. In the month of March 1975, 3 million one-half pints of milk were consumed.

The special food service program for children reaches 8,000 Kentucky children and serves 24,000 meals daily. Last year the summer feeding program had 26 sponsors in Kentucky. This year it has 41 sponsors and is expected to reach 21,000 children during summer 1975.

The supplemental feeding program for women, infants, and children was developed in an effort to provide nutritious supplemental food for nutritionally deficient and low-income pregnant and lactating women, infants, and children up to 4 years of age through cash grants to State health departments or comparable agencies. This program is currently providing nutritious food to over 12,000 Kentucky needy, low-income recipients. The Kentucky Public Health Association estimates that approximately 86,000 Kentuckians are eligible to be served by this program. In January 1974, Pikeville, Ky., was the site of the first WIC program in the Nation.

The programs I have mentioned are important in decreasing the number of malnourished children, the number of birth defects due to malnutrition and the rate of mental retardation due to malnutrition. The benefits of these programs are of both a preventive nature and helpful in remedying an existing condition.

Our children are our greatest asset and their present welfare must be of our utmost concern. I feel the long-range benefits of child nutrition programs are of tremendous value and I strongly urge my colleagues to support this measure.

Mr. KENNEDY. Mr. President, the child nutrition bill that is now before us is one that I strongly support. In fact, the committee's bill very much resembles S. 850, the bill that I cosponsored earlier this session. Its provisions will permit substantial improvements to be made in the day care, summer feeding, WIC, school lunch, and school breakfast programs. Undoubtedly, therefore, this bill warrants the support of everyone in the Senate.

This bill, like S. 850, establishes two programs—the day care and summer feeding programs—in place of the previous "Special Food Service Program for Children." In so doing, the legislation makes important changes particularly applicable to each of the two programs. Reimbursement rates for the two programs are increased; all eligible "institutions" are entitled to implement the programs upon request and are permitted to serve several meals a day; appropriate time schedules for the promulgation of new regulations are established; and the definition of eligible "institutions" is expanded and more precisely defined for each of the two programs.

For the WIC program, authorization for continued operation of the program is extended for 2 additional fiscal years. Section 32 funds are to be utilized, together with unspent section 32 WIC funds from previous fiscal years, to operate the program. An advisory committee is to be established that will study the program's effectiveness so that this relatively new program can be improved in the future. New food packages—provided on a flexible basis, determined substantially "on medical necessity or cultural eating patterns"—will now be distributed under the program.

The school breakfast program section

in this bill was taken almost verbatim from the bill I cosponsored. Under the bill, the school breakfast program shall "be made available in all schools where it is needed to provide adequate nutrition for children in attendance." Thus, the Agriculture Secretary's new regulations must require the implementation of the program in all schools located in needy areas, especially schools eligible for title I assistance and schools in which more than 25 percent of the children are eligible for free or reduced price meals. To aid State and local educational agencies in the fulfillment of this responsibility, the Secretary is to conduct "a program of information" about the need to expand the program. Thereafter, the Secretary will report to the Congress about his plans for monitoring the school breakfast program expansion mandate set forth in the statute and regulations.

In sum, this bill will be very helpful to needy children throughout the country since it will make major improvements in all of the child feeding programs. I urge the bill's passage by the Senate and I hope that the President will sign the bill into law.

Mr. MONDALE. Mr. President, the bill we have before us is of great importance to the future of our child feeding programs. I am pleased to support it. One provision in the bill is particularly important to the future of the school breakfast program and I would like to call special attention to it. That is the provision that directs the Secretary of Agriculture to require State education agencies to expand the program's coverage to "all schools where it is needed to provide adequate nutrition for children in attendance." These so-called needy schools are the ones that serve a large proportion of impoverished children, such as the schools that qualify for title I assistance—under the Elementary and Secondary Education Act—or that provide free or reduced-price lunches to more than one-fourth of the children in attendance.

Presently, the law governing the breakfast program requires that State education agencies implement the program so as to reach all needy children within the State "to the maximum extent practicable." Specific plans to this effect are currently required of State educational agencies by no later than January 1 every year. Those plans are supposed to provide a sense of predictability about program implementation by documenting when specifically named schools will establish the program. To give greater clarity to our previous directives for additional breakfast program expansion, we now clearly express our intention that the program be extended to all needy schools. To secure the compliance and cooperation of the State and local agencies in carrying out this mandate, the new provision requires the Secretary of Agriculture to "carry out a program of information in furtherance of this policy." That means that, in addition to issuing new regulations to implement the mandate on a State and local level, the Secretary must also take steps to communicate directly with State and local agencies informing them of this new congressional directive and assisting them to come into speedy compliance. After this is done, but before 6 months elapse after the passage of this bill, the Agriculture Secretary must report to the committees of jurisdiction in the Congress about his plans for monitoring compliance with the new directives.

Consequently, this provision in our legislation will substantially improve and expand the school breakfast program. It is my belief that this will help poor children in their efforts to obtain high-quality educations.

I am also pleased by the other provisions in this bill that strengthen our school food programs. One provision would bring residential institutions that care for children into the school lunch and breakfast programs. These institutions include homes for blind children and mentally retarded children, as well as children's wings of institutions caring for the blind, mentally retarded, or handicapped of all ages. I know most of my colleagues join with me in applauding this provision.

The Senate Agriculture Committee also acted to continue a strong commodity donation program for child nutrition and elderly nutrition programs through September 30, 1977. This provision requires that the Secretary of Agriculture provide schools, child care programs, and elderly nutrition programs with the broad range of commodity food items that schools have always received.

A final school lunch provision which merits attention will aid unemployed families who have children in school. The provision requires that unemployed parents be given notification—in addition to the traditional announcement at the beginning of the school year—about the free and reduced-price income guidelines, and the availability of these meals to children whose parents' income falls below the guidelines. The Secretary is directed, under this provision, to set forth regulations requiring affirmative actions on the part of local school authorities to inform unemployed households about the free and reduced-price lunch programs. These regulations must require schools to place notices in unemployment offices or provide for the regular mailing of such notices to applicants and recipients of unemployment insurance; school authorities must also take further action when plant closings or large layoffs occur so that eligible families may find out quickly about the free and reduced-price meal program.

Thus, this bill marks a major step forward for school lunch legislation. It also places the WIC program, the summer feeding, and the child care food program on a firm footing so that these programs may effectively serve our low-income youngsters.

The WIC program performs a very valuable service in aiding pregnant and nursing women and young children at nutritional risk. I am pleased to note that the bill now before us provides $250 million for this program in fiscal year 1976 and again in fiscal year 1977; $62.5 million would be made available during the mid-1976 transition period.

It is the committee's hope that Congress will provide this money through the regular appropriations process. If the money is not appropriated, however, this bill provides that it be taken from the section 32 fund.

In addition, any WIC money unspent between now and fiscal year 1977 would be carried over. Hence, about $40 million left over from fiscal year 1975 will be added to the $250 million for fiscal year 1976 for a total of about $290 million. If any of this money is unspent, it gets carried over to the transition period and added to the $62.5 million for that period. Similarly, any money unused from the transition period is carried into fiscal year 1977 and added to the $250 million made available for that year.

This procedure will insure orderly growth in the WIC program so that we can reach these women and children who need to be reached, and can avoid irreversible physical and mental impairment due to early childhood malnutrition.

As I mentioned above, the summer feeding program is also substantially affected by this legislation. The summer feeding sections are based to a substantial degree on an excellent report submitted to Congress by the GAO last February.

The summer feeding sections of this bill bring residential summer camps for poor children into the summer feeding program. The bill also provides that any eligible summer feeding sponsor must be allowed into the program upon request. In addition, no eligible sponsor could be limited to a certain number of children or meals or days of operation.

Under this bill, sponsors would be eligible for the program if they served children from areas of poor economic conditions during any period from May 1 through September 30—except that the program could run in other months in localities with continuous school calendars. Sponsors would have to have a regular, organized meal service program, but would not be required to offer recreation or other organized activities.

Sponsors would be reimbursed for their full costs, including rental of space and equipment, up to a maximum amount for each meal. The payments would be made for breakfasts, lunches, suppers, and supplements served. No sponsor, of course, could be paid for two different meals served at the same time. But as long as the meals are served separately, sponsors could not be prohibited from offering the full variety of meal services. This clearly means that sponsors can no longer be told that they will not be reimbursed for a lunch and a supplement unless children stay in attendance for 5 straight hours.

Payment would be made to sponsors in advance—on June 1, July 1, and August 1, each year. These payments would be made by USDA to the States, and then to the sponsors, at the begining of each summer month and would cover meals to be served in that month.

The final program addressed by this legislation is the child care food program. This program now serves over 400,000 low-income children cared for in nonresidential institutions of various sorts. There have been a number of problems in this program in recent years, in part due to some outmoded provisions in the authorizing legislation. The bill now before us greatly strengthens the program by writing into the authorizing legislation some of the features of the school lunch program.

First, the bill provides that eligible child care institutions could receive the program upon request. No eligible institution could be turned down, or in any way made to restrict the number of children or meals it would serve. This is one of the areas where a fundamental characteristic of the school food programs is being written into the child care food program.

The program would be available to any nonresidential child care institution, and this includes family and group day care homes. Of course, all institutions would have to hold Federal, State, or local licensing, or approval, or be able to satisfy the Secretary that they are operating in accordance with standards set forth in the Federal interagency day care requirements—as updated by HEW's title XX social service regulations. The Secretary would establish a regular procedure for nonlicensed child care institutions to use in trying to satisfy him that they do comply with the Federal day care standards.

I should also note that the bill requires sponsoring institutions to have an IRS tax exemption, to be moving toward compliance with the requirements for a tax exempt certificate, or already to operate a program that requires nonprofit status in order to receive Federal funds. These requirements apply, of course, to sponsoring agencies that apply for the child care food program, rather than to each local child care location. The sponsoring agencies could include State, local, or county government units, other public or private nonprofit groups, voluntary associations, et cetera. These agencies could operate as "umbrella sponsors," as such agencies have long done in the special food service program for children and in the summer feeding program.

Sponsors would receive money for meals served but could qualify for equipment assistance as well. The bill requires $3 million of the funds appropriated to be apportioned among the States in fiscal year 1976 and again in fiscal year 1977—and $750,000 during the transition period—for nonfood assistance to child care institutions.

The reimbursements that child care centers actually would receive under this bill would be based on the number of children at each program who meet the school lunch eligibility guidelines for free meals, for reduced-price meals, and for paid meals. This information could come from records already on file at a child care program, or if such records were incomplete or unavailable from a simple affidavit collected on an annual basis from parents or guardians. The eligibility would be based on the same countable income, and the same deductions from income that are used in the school programs.

This does not mean, however, that child care programs must collect data on the number of meals served to children in each income category each day. It is not intended that child care programs actually be reimbursed at three different rates for meals served each day.

To the contrary, States would establish a single reimbursement rate for lunches, for suppers, for supplements, and for breakfasts served at each child care program. The rate would equal the average rate that a child care program would end up with if the number of children in each income category were multiplied by the reimbursement rates prescribed by this bill for each income category and for each meal service. Thus, the amount of money going to a child care program would be the same as if the program were reimbursed at three separate rates, but the administrative work involved would be much less burdensome and prone to error. Under this procedure, programs would need only to record the total numbers of lunches, suppers, supplements, and breakfasts served each day. As at present, child care institutions would be able to receive reimbursement for at least four meal services each day, which could include two supplements.

The principle behind this procedure—that recordkeeping mechanisms required in the child care food program must be kept as simple as possible—also applies to other aspects of the child care program. Application forms, financial forms, and other similar requirements for this program must be significantly simpler than those utilized in the school food program.

Another area where the child care food program remains somewhat unique is that no collection of money for meals is required, either from children or parents. To impose a requirement for collecting money would conflict with the traditional methods through which child care institutions are financed. Therefore, this bill allows child care institutions to finance those food service costs not reimbursed by USDA through the same variety of means that these institutions now use under USDA's special food service program for children. These means include public and private grants and contributions and fees for the entire day care service.

USDA's share of the costs would include commodity donations. The bill requires USDA to donate to States the same commodity rate for each lunch served in the child care food program as States already get for each meal served in the school lunch program. For the coming year, this would come to about 11 cents a meal for each lunch served in the child care food program. Of course, as in the school lunch program, USDA could provide up to 25 percent of the commodity donation rate for child care institutions in cash rather than in commodities.

States would be permitted to disburse money to child care sponsors in advance or after the submission of claims by a sponsor. Claims would have to be reimbursed by the States within 30 days.

From this explanation of the bill, I think all Members can see how well constructed and how valuable the bill is. I am proud to be associated with this legislation.

Mr. JAVITS. Mr. President, a number of months ago I joined as a cosponsor of S. 850, a bill to strengthen and improve the Nation's child nutrition programs. I support the legislation now before us, which contains most of S. 850's original provisions.

The school lunch program now reaches about 25 million American youngsters, including 10 million who receive their meals free or at reduced cost. In many cases these children get their best meal of the day through this program. It is of great importance to our effort to provide full nutrition to poor and hungry children.

In 1966, however, Congress determined that the lunch program alone was not sufficient to guarantee that needy school children were receiving adequate nutrition. Congress became concerned at that time that many children were coming to school without breakfast and, thus, were unable to stay alert in their morning classes. The result was that such children were able to learn only during their afternoon classes at best. Many children, in fact, were coming to school so hungry that lunches alone were not sufficient to make up for their nutrition deficit. Accordingly the breakfast program was devised as a means for filling this nutrition gap.

The breakfast program, coupled with the lunch program, assures needy schoolchildren of at least two good meals a day and it guarantees that they will start the day off with full stomachs and alert minds. The experiences of educators across the country, whose schools now serve breakfasts, bears out the fact that where the program operates, discipline problems decrease and real learning increases.

Currently, however, only a small minority of the needy children in the United States can get a breakfast through this program. Accordingly the bill we are now taking up contains an important provision designed to mandate a substantial expansion of the breakfast program so that many more children have the chance to enjoy its benefits. This provision establishes a new congressional requirement that the breakfast program be established in "all schools where it is needed to provide adequate nutrition for children in attendance." By its very terms, this provision essentially is directed at all schools in areas containing large numbers of needy children. These are the schools that qualify for title I assistance under the Elementary and Secondary Education Act as well as the schools that serve at least 25 percent of their children free or reduced price school lunches.

To fulfill our legislative directive, the bill requires the Secretary of Agriculture to conduct an informational program in conjunction with State educational agencies. The Secretary should also formulate plans and publish final regulations that will implement the statutory mandate that all needy schools establish the breakfast program. Thereafter, but within 6 months, the Secretary shall report to the appropriate congressional committees about his actions to date and his plans to monitor local school districts' compliance with the already-promulgated regulations. Through these regulations, it is our expectation that school districts throughout the country will be fully aware of their obligations to make the breakfast program available in "all schools needed to provide adequate nutrition for children in attendance."

This new provision in the law will add strength to our school breakfast program expansion requirements set forth in the current statute. Specifically, under section 11(h)(1) of the National School Lunch Act, State agencies must prepare and submit detailed plans specifying how, "to the maximum extent practicable," the State educational agency and local school districts will "reach needy children" with the breakfast program.

The educational attainments of our Nation's children are of vital importance to a healthy, productive society. By spending a small amount each day for a needy child's breakfast, we are helping to insure that that child can take his place as a citizen who participates fully in the life of our country. I ask my colleagues to support this measure for the mandatory expansion of the school breakfast program.

I also ask support for the other school lunch and breakfast provisions of this bill, particularly the provision that allows children who live in residential institutions to receive the school food programs. Children who live in orphanages, homes for the blind, homes for the menally retarded, and similar institutions would be covered by this provision. The provision applies both to children's institutions and to children's wings of larger institutions.

Another school lunch provision of this bill to which I would like to call attention concerns commodities. This provision reflects the Agriculture Committee's determination to keep the commodity program strong. The provision continues the requirement that USDA supply schools, other child nutrition programs, and the nutrition program for the elderly with their annually programed levels of commodities. The provision requires that schools receive their traditional variety of commodities, and that other programs such as the elderly nutrition program be donated the same range of commodities that the schools receive.

I would like to comment, however, on an important provision in the House version that is lacking in the Senate bill. This provision allows States to receive cash in lieu of commodities for institutions enrolled in the child care food program, such as day care facilities.

I strongly urge the Senate Agriculture Committee to consider this House language in conference. Most day care centers do not have the facilities to transport and store commodities. Getting commodities to small centers in rural areas, and to family day care homes could prove an administrative and logistical nightmare, and thus could well be useless. Allowing States to opt for cash in lieu of commodities for their child care institutions is a wise solution to this problem.

Schoolchildren are not the only children aided by this legislation. This legislation places our entire array of child nutrition programs upon a firmer footing. The bill extends the special supplemental food program for women, infants, and children—WIC—the program designed to prevent irremediable damage to young children.

The bill guarantees, through the use—when necessary—of section 32 funds, that $250 million will be provided for the WIC program in fiscal year 1976 and in fiscal year 1977, and that $62.5 million will be made available during the 3-month transition period between these 2 fiscal years. In addition, any unspent fiscal year 1975 WIC money will be carried over and added to the $250 million for fiscal year 1976, which should bring total fiscal year 1976 WIC funding up close to the $300 million mark. Any unspent fiscal year 1976 money, including money carried over from fiscal year 1975, gets carried over into the transition period and added to the $62.5 million available for that period, and any of the money that is available during the transition period but unspent during that time must be carried forth into fiscal year 1977 and added to the $250 million available for that year.

These funding mechanisms will insure that the WIC program will prosper. We in the Senate should be pleased with the development of this young program, which is helping to prevent permanent impairment to tens of thousands of children, is thus giving these children a more equal chance in American society.

One of the sections of this bill that is most urgently needed is the summer feeding section. In April, the distinguished Senator from South Dakota (Mr. McGovern) and I introduced an amendment restructuring the summer feeding program. The Senate Agriculture Committee adopted our amendment almost in its entirety.

The amendment was based on close examination of a thorough and far-reaching analysis of the summer feeding program prepared by the GAO. If this amendment were law today, we would be spared many of the agonizing problems that are besetting the program this very summer.

As we stand here today, all summer feeding sponsors in my State have had their funds cut by 36 percent and have been limited to the service of one meal a day. The reason is a shortage of funds and an allocation system under which some States received all the funds they requested while other States did not. Sponsors in New Jersey and Connecticut have also been limited to one meal a day. Sponsors prepared to feed thousands of children in North Carolina, Ohio, and New Hampshire have been denied entry into the program altogether because the allocation their State received does not meet their need.

The bill before us would resolve such problems. It provides for all eligible summer sponsors to enter the program upon their request.

We already have such a provision in the school food and special milk programs. The provision means that no eligible sponsor could be denied entry into the program, told to serve only a limited number of children or meals, or have funds cut out in any similar fashion.

To qualify for the program, a sponsor would have to serve children from areas of poor economic conditions, and would have to operate for any period from May 1 through September 30—except that the program could run during other months in areas where there is a continuous school calendar and the major school vacations come during other months of the year. Sponsors would not have to offer organized recreation activities in order to run the program, because our primary goal is reaching all hungry children who need this program during summer months, and we do not wish to eliminate children from the program, because the sponsor in their area lacks the funds to provide recreation as well as food.

The summer feeding section of the bill allows sponsors to serve breakfast, lunches, supplements, and suppers as long as the different meal services do not occur at the same time. We mean by this provision to eliminate those restrictive regulations now in effect which bar a sponsor from serving children a second meal unless they remain in attendance for 5 consecutive hours each day.

Under this section, sponsors would receive payment for all food service costs—including rental charges for space and equipment—up to a specified maximum amount for each meal. These payments would be made primarily to sponsors in advance, with the sponsors receiving disbursements on June 1, July 1, and August 1 each year for meals to be served in the coming month.

Finally, overnight summer camps for poor children would also be allowed into the program, which should encourage more charitable organizations to run "fresh air camps" and similar endeavors.

Before closing, I should also like to mention the child care feeding section of this bill. This bill allows family and group day care homes into the program, a step which I have advocated for many years. The bill also provides that all eligible child care programs could receive the program upon request, with no institution being made to cut the numbers of meals or children it would serve.

I am pleased to support this excellent bill and urge its speedy adoption.

Mr. GARY W. HART. Mr. President, I encourage support for the child nutrition bill that has been reported to us by the Agriculture Committee. It is a comprehensive bill that improves all of the child feeding delivery systems and offers hope that we will soon see the end of hunger among the young people in our Nation.

As an example, the bill extends the new WIC program for 2 years and requires the Agriculture Department to spend $250 million per year out of section 32 together with any funds remaining from previous fiscal years. The food packages to be provided under WIC will be more flexibly put together based on medical research and culture preferences.

The bill substantially changes the summer and child care feeding aspects of the special food service program for children. Those two feeding efforts will now be established, in their own rights, as separate programs. The programs' reimbursement rates will be increased considerably and more day care centers and summer institutions will have access to feeding funds.

One other program—the school breakfast program—is substantially benefited by this bill.

Few things are more important to a child's nutrition than an adequate breakfast. Yet, millions of America's schoolchildren come from families too poor to provide them with decent breakfasts.

As a consequence, these hungry children go to school day after day without the nutrition they need to stay alert, learn, and compete with their classmates. The result is one more link in the chain of poverty that almost invariably prevents such children from succeeding. In 1966, Congress established the national school breakfast program as the vehicle for tackling this problem. Over the past 9 years the program has grown slowly—too slowly I fear—and includes only about 13 percent of the Nation's schools. For those lucky children who attend a participating school, the breakfast program makes an enormous difference in their lives. They are better able to pay attention; they learn more quickly; they cause fewer disciplinary problems; and, in general, they can make much better use of the education our schools offer. The importance of this vital health program to the educational process is obvious. We must act to speed up its implementation in our Nation's schools.

A provision in this bill mandates such expansion, and as such, holds out the promise that during the coming school year a substantial number of hungry and needy children will be offered school breakfasts for the first time. The provision states, as a matter of mandatory congressional policy, the breakfast program must henceforth be operated in all schools where "it is needed to provide adequate nutrition for children in attendance." Through this clear and unequivocal congressional mandate it is our intention that, at a minimum, such schools must include all title I schools and all schools serving free- or reduced-price meals to more than one-fourth of their pupils.

To implement this new policy, the Secretary of Agriculture must promptly issue new regulations in final form that require State education agencies and local school districts to implement this mandatory expansion. The Secretary's regulations must be explicit and must require that the breakfast program be implemented in all schools located in impoverished neighborhoods. To help insure the fullest possible assistance from the Agriculture Department to the States in carrying out this expansion, we are instructing the Secretary to cooperate with State educational agencies in establishing and maintaining an information program that will promote compliance with the expansion mandate contained in our law and the Secretary's regulations. Finally, the Secretary is required to report back to Congress within a maximum of 180 days from the date of enactment to advise of his progress in carrying out this directive.

This new addition to our law is necessary as it is apparent our current school breakfast program expansion directives have been ineffective. We now require State agencies to devise specific plans of operations detailing how such States, and school districts therein, propose to extend the breakfast program "to the maximum extent practicable" to needy children. These plans are supposed to specify time schedules for program implementation in poor areas. We hope that the new breakfast program provision, contained in this bill, will turn the past statutory expansion promise into a reality for poor children.

It is my hope that the breakfast program will now move rapidly forward to provide help to the millions of children now presently being reached. I would encourage every State to go beyond mere compliance with this new requirement and to use the program to the fullest. This is truly a sound program that offers the possibility of improved educational opportunity to an enormous number of American children. In light of the importance of this provision alone, I would urge the adoption of this bill.

If USDA and the State agencies carry out a serious effort to comply lawfully with this program extension mandate, I believe that the breakfast program, along with the school lunch program, will finally be on its way to fulfilling its potential of assuring that no American child need sit through school with an empty lunch.

Mr. CLARK. Mr. President, today the Senate is considering H.R. 4222 as reported to the floor by the Senate Agriculture Committee. This legislation will extend and improve the National School Lunch Act and the Child Nutrition Act of 1966, building upon the past experiences and successes of the child nutrition programs.

One of the most fundamental rights of living in a modern, affluent society ought to be the right to be free from malnutrition or hunger. As one of the world's most abundant societies, every one of this country's children should be well fed and free from the debilitating effects of an inadequate diet. Over the years, Congress has recognized this goal by consistently supporting federally subsidized nutrition programs that provide well balanced meals and milk to children.

Under present law, Federal cash assistance and donated agricultural commodities are provided to nonprofit schools and child care institutions so they can serve at least one nutritionally adequate meal to every child in attendance. Cash assistance also is provided for meals and milk served free or at reduced prices to children who are unable to pay the full price of meals because of their families' incomes.

The child nutrition programs include the national school lunch program, the school breakfast program, the summer and day care feeding programs and the special milk program. Taken together, they are available to over 85 percent of all schoolchildren and to several hundred thousand other children in day care centers and other childcare institutions. During the school year, about 25 million children participate in the programs each day, and over a third of these children receive free or reduced price meals. The various programs are supplemented by several other kinds of federal cash assistance: nonfood assistance funds help some schools acquire food service equipment; State administrative expense funds assist States in undertaking additional administrative activities under the programs; and limited amounts of funds are used for program-related nutrition education and training projects, studies and surveys of food service requirements and special developmental projects.

All these programs are authorized by the National School Lunch Act and the Child Nutrition Act. Also included under this legislation is the special supplemental food program for women, infants and children. This particular program provides milk and other protein supplements to those mothers and children who are particularly vulnerable to the hazards of malnourishment because of insufficient incomes.

Altogether, the provisions of H.R. 4222 will ensure the continued integrity and prosperity of the child nutrition programs. If adopted by the Senate, this legislation will reaffirm this country's commitment to the health and well being of our children. It will help make this a country where no child goes hungry because of his environment or impoverished circumstances. And it will give administrators of the various programs the flexibility they need to continue their excellent administration of the child nutrition programs.

SCHOOL BREAKFAST

The school breakfast program provides assistance to States through cash payments and commodity allotments to serve children the morning nutrition they need to fully participate in the day's learning activities. Study upon study has shown that an adequate breakfast is essential to permit the human mind to function at its fullest potential. And this particular nutrition program helps guarantee that children, especially those from poor homes, get the food they need to compete effectively with their classmates.

One particularly important provision of the Senate bill will require the expansion of the National School Breakfast program to all those schools where the program is "needed to provide adequate nutrition for children in attendance." That language means that the breakfast program must be implemented in every school located in a needy area—such as the so-called "title I" poverty schools and the schools in which more than 25 percent of the children qualify for free or reduced price school meals.

To carry out this mandate, the Secretary of Agriculture is directed under this bill to undertake a program to inform State educational agencies of their new responsibilities. The Secretary also is required to issue new regulations that will allow state and local agencies to begin the necessary expansion effort and to prevent any confusion among these agencies, the regulations should clearly spell out everyone's responsibilities. After the regulations have been promulgated, the Secretary then must report to the Congress about his plans for monitoring compliance with them.

Until now, the laws concerning the Breakfast program only required implementation in needy schools "to the maximum extent practicable" and required detailed annual plans for accomplishing this objective. Experience over the past several years, however, has demonstrated that the school breakfast program is not expanding as rapidly as we had hoped. That's why the new performance standard is established under this bill. It is our expectation that the Secretary of Agriculture and the State agencies will move promptly to implement this new requirement.

Mr. President, the school breakfast program helps many of this Nation's children get the vital nutrition they need to stay in school and to do a good job while they are there. It is one of the best investments our Government can make. For only pennies a day, every child can have the opportunity to begin each morning with a nutritious, well-balanced meal. Hopefully, this legislation will permit the breakfast program to do a more thorough job.

SCHOOL LUNCH AND W.I.C.

The National School Lunch Act was enacted in 1946 authorizing direct cash assistance grants to States and placing responsibility for the school lunch programs in each State's educational agency. The act also authorized cash payments to assist schools make local purchases of food for the program, while giving the U.S. Department of Agriculture the authority to procure and distribute commodities needed in the lunch programs. Equipment assistance was authorized under the 1946 legislation as well.

Since the School Lunch Act first was approved, it has been revised and improved so that it is now the most important of all the child nutrition programs. Free and reduced price lunches are available to students who come from families with low and moderate incomes and the Federal Government reimburses participating schools for every lunch they serve. The reimbursement rate was set at 10 cents per lunch in November 1973, but because a price index escalator is included in the legislation, the reimbursement rate now totals almost 12 cents per lunch. Commodities and non-food assistance continue to play an important part of the lunch program, and the legislation that is before the Senate today will insure that our school lunch programs continue to remain strong.

One such provision requires the Secretary of Agriculture to continue purchasing enough commodities for the child nutrition programs to fulfill their annual commitments through the end of fiscal year 1977. The Secretary is required, under this legislation, to provide schools with the traditional range of commodity food items, and the Department also would be required to donate substantially the same range of commodities to both the elderly and child care feeding programs as well.

Another provision in this bill would make residential child care institutions eligible for the school lunch program and also the other school food programs now available. This provision covers both residential institutions that are exclusively for children, as well as larger residential institutions that house both children and adults.

I also am pleased to note that the committee's bill requires that unemployed families be given notification of the free and reduced-price income guidelines and of the availability of free and reduced price school meals. Because of the high unemployment throughout the country, many families may qualify for free or reduced price meals, and hopefully, they will take advantage of this provision.

The bill requires that the Secretary of Agriculture publish regulations requiring school authorities to take effective action to notify unemployed families about the availability of free and reduced price school meals. This legislation was written so that the notification requirement goes beyond the traditional public announcement about free and reduced price school meals at the beginning of each school year. The Secretary's regulations must include a requirement that school officials work with unemployment offices to insure that all families applying for or receiving unemployment insurance are given written notice about the school lunch income guidelines and the availability of free and reduced price meals to their children. The regulations also should require additional initiatives by local school officials when, for example, there are major plant closing or serious layoffs during the school year. Notices could be sent home with schoolchildren or they could be distributed through unions whose members are known to be unemployed.

Mr. President, the important aspects of this legislation are not limited to the school food programs. Indeed, this is one of the most important and comprehensive child nutrition bills ever to come before the Senate.

For example, low-income pregnant women, nursing women, and young children will benefit from the extension of the WIC program until September 30, 1977. This program was developed to provide milk and other protein supplements to mothers and their children. Under the pending Senate legislation, there is an authorization level of $250 million a year in fiscal year 1976 and fiscal year 1977, with a requirement that this amount of money be taken from section 32 funds if it is not otherwise appropriated. Also, nutrition education would be mandated as a condition for participation in the program.

In addition, approximately $40 million in unspent fiscal year 1975 WIC funds must be carried over and added to the $250 million that will be available in fiscal year 1976. In other words, about $290 million will be available for the WIC program in fiscal year 1976. And any money that remains unspent in fiscal year 1976 must be carried over to the following fiscal year.

With these provisions, this bill will provide a strong and viable WIC program, and together they will ensure that tens of thousands of children are not handicapped at the very start of life by malnutrition and its serious ramifications.

SUMMER AND DAY CARE PROGRAMS

Perhaps the most comprehensive changes made by this bill are in the summer and day care nutrition programs. Both of these programs have demonstrated their potential for improving our children's health, and they should be expanded and upgraded at the Federal, State and local levels. This legislation will help accomplish that goal.

In the past, these programs have run into a number of difficulties. For example, over $100 million was requested by States for the summer feeding program just this year, but only $70 million was allocated. Thousands of children have been denied access to the program or limited to one meal a day because of this funding shortage. And, thousands more face the prospect of having their program close down in early or mid-August because funds have run out in their particular State. Yet at the same time, a number of States probably will return unspent funds at the end of summer.

This bill would resolve problems like this from occurring in the future by eliminating apportionment formulas and State allocations, and simply providing that all eligible sponsors be allowed to enter the program upon request. The same standard would also apply to the special milk and the school lunch and breakfast programs. Under this bill, no eligible summer feeding sponsor could be turned down, told to limit the number of eligible children that could be served, or be directed to limit the number of meals that could be served.

The bill also broadens the definition of eligible summer sponsors. Residential camps for children from poor areas would be eligible, as would programs that provided a food service but no other organized activity. Programs could operate for any period from May 1 through September 30, and programs in areas with a continuous school calendar could operate during any month of the year when there is a major school vacation.

Right now, the U.S. Department of Agriculture can bar summer sponsors from serving more than one meal a day unless the same children are present for five hours each day. Under this legislation, an individual nutrition project will be able to serve breakfast, lunches and supplements every day, as long as the different meals are not served at the same time.

H.R. 4222 provides reimbursement to all summer sponsors for costs of food service operations up to a specified amount for each meal, and this includes administrative costs and costs for renting space and equipment. Sponsors would have to be paid most of their costs in advance which would help nutrition directors more effectively administer their programs. At the very beginning of June, July and August, sponsors would receive advance payments to cover meals to be served during the coming month.

Another vital link in the child nutrition programs—the day care feeding program—will be improved by this legislation. Just as in the summer feeding program, any eligible sponsor would be permitted to enter the program upon request. This means that no eligible day care sponsor could be turned down or in any way limited in the number of children or the number of meals provided. Child care programs would continue to serve breakfasts, lunches, suppers, and two supplements each day, just as they now do under the special food service program.

Any nonresidential child-caring institution—including family day care homes, group day care homes, and Homestart programs—could receive Federal benefits as long as the institution meets requirements for licensing and nonprofit status. Licensing requirements can be met if the institution has Federal, State, or local licensing or approval, or if the Secretary is satisfied that the institution is in compliance with the Federal Interagency Day Care Requirements of 1968 as revised by the new HEW regulations for title XX social service funds. The Secretary would, of course, be required to set up a procedure so that child care programs can demonstrate that they are in compliance with the Federal day care requirements.

Regarding nonprofit status, child care sponsors are required to have a Federal tax exemption, be moving toward compliance with the requirements for tax-exempt status, or be operating another federally funded program that entails having a nonprofit status. It should be noted that the particular institution that must meet these requirements for nonprofit status is the sponsoring institution, not each individual child care site. As it is now established under the current special food service program, "umbrella sponsors" could apply for the nutrition program on behalf of individual child care sites in their area. Among the institutions that could serve as "umbrella sponsors" are units of State, municipal or county government, voluntary agencies and associations or other public or private nonprofit organizations.

In the financial area, the child care projects would be reimbursed at rates determined by the number of participating children eligible for free schools, reduced-price school meals, and paid school meals. The same income guidelines and income deductions would be used in child care programs as those that are used in schools. The child care programs would collect this income information on at least an annual basis from children's parents or guardians by means of a simple affidavit form. Some programs already collecting this information in order to receive title XX funds or other public funds would not have to collect another affidavit, thus avoiding unnecessary duplication.

At least twice a year, States are required to establish a reimbursement rate for each meal served at every child care program. These meals include lunches, breakfasts, suppers, and supplements. This rate, in turn, would be used to calculate a specific project's overall reimbursement for total meals served. This procedure would require child care centers to report only on the overall number of lunches, suppers, supplements, and snacks served each day, reducing the intricate and cumbersome paperwork involved with the child care program. Also, application forms and other financial procedures used in the child care program would have to be made more efficient than those now being used in the school food programs.

States, for their part, could pay child care programs either in advance or after their claims have been submitted. Under this bill, States are required to make payment no later than 30 days after claims are submitted, and the bill also prohibits States from paying a sponsor an amount greater than the sponsor's total food service costs.

It should be made clear that under this legislation, child care centers do not have to collect money for meals from children or their parents. This would be unnecessary and it would conflict with the normal mode of financing day care operations. This bill would continue to allow child care programs to use other public or private moneys or fees collected from parents for day care service to defray those food service costs not paid by the Federal Government. In short, fee payment and collection under the day care program, will continue to function just as it did under the special food service program for children.

Finally, this bill will help child care programs upgrade their meal services by helping them purchase food service equipment. The bill requires that $3 million be apportioned to States each fiscal year and $750,000 during the July-September 1976 transition period, for equipment aid to child care institutions. H.R. 4222, as amended by the Senate Agriculture Committee, also requires that the U.S. Department of Agriculture furnish States with the same per-meal commodity rate for all lunches provided in the child care program as they provide for lunches served in the school lunch program. At least 75 percent of this donation would have to be in commodities rather than cash. Also, the Secretary is required to contact child care officials to get their input on the particular commodity items that best could be utilized in their feeding programs.

Mr. President, this bill marks a great stride forward in our effort to eradicate child malnutrition from this country. It will increase the potential of all our children, and in doing so it will increase the total potential of our society. I urge my colleagues to support it.

Mr. LEAHY. Mr. President, our greatest national asset and the one on which our future as a great nation depends is our youth. It is unconscionable that here in the richest country in the world millions of our children are still undernourished and go to bed hungry every night.

The pending amendments to the National School Lunch and Child Nutrition Act constitute a major step forward toward providing an adequate diet for millions of American youngsters. It places the school breakfast program, the WIC program, the summer feeding, and school lunch programs on a firm footing so that they may effectively serve children from low-income families. I am proud to have had a part in helping to prepare this legislation as a member of the Agriculture Committee.

I am particularly pleased that the bill extends and expands the WIC program that is currently providing nutritional protection to millions of women, infants, and children, including more than 17,000 Vermonters. In the 16 months since program operations began in my State, there have been distinct signs of the impact it has had on the health of participants.

First, there is its obvious impact of guaranteeing adequate amounts of healthy food to infants and nursing women. From the reports of many participating families, WIC is often the deciding factor in determining whether there is enough food to eat in the house. With key nutrients provided by the program, limited family funds are available for other foods such as fresh fruits and vegetables which might not otherwise be a part of their diet.

Second, the program has made more people aware of the available prenatal and well-child health services. It has been an important factor in motivating some families to obtain preventive health services at a time when they are most concerned and ready to learn. Such prevention can in the long run lead to incalculable savings in human suffering and public spending.

Third, officials of the Vermont Department of Health report that there is evidence that the diet supplementation available through the WIC program is effective in correcting nutritional anemia. A random sample examination of our clinic records indicated that, in entry into the WIC program, 27 percent of those tested had hematocrit readings below the normal range for their age group; 6 months later, upon reexamination, every patient previously deficient had hematocrit reading within the normal range.

It is estimated that 7 percent of the infants born in the United States have structural or metabolic defects that are evident at birth or can be diagnosed during the first 2 years of life. Nearly 8 percent of our newborn weigh 5½ pounds or less. Birth defects are three times as common in these infants as in larger ones. According to the National Center for Health Statistics, nearly half of all infant deaths in this country are associated with low birth weight which is also associated with retarded mental development. There is growing evidence that improving nutrition during even the last 3 months of pregnancy can have a significant effect on birth weight.

The WIC program, by providing milk

and other supplements to pregnant mothers and their infants, has been invaluable in this regard. Moreover, the program not only improves the quality of life for millions of our people, but saves taxpayers' money. The fact is that the irreversible effects of malnutrition during infancy will in the long run cost the Nation much more in remedial education, medical and public assistance, and in welfare costs than the modest costs of the program.

The bill before us provides $250 million for this program in fiscal year 1976 and again in fiscal year 1977; $62.5 million would be made available during the mid-1976 transition period.

It is the committee's hope that Congress will provide this money through the regular appropriations process. If the money is not appropriated, however, this bill provides that it be taken from the section 32 fund.

In addition, any WIC money unspent between now and fiscal year 1977 would be carried over. Hence, about $40 million left over from fiscal year 1975 will be added to the $250 million for fiscal year 1976 for a total of about $290 million. If any of this money is unspent, it gets carried over to the transition period and added to the $62.5 million for that period. Similarly, any money unused from the transition period is carried into fiscal year 1977 and added to the $250 million made available for that year.

This procedure will insure orderly growth in the WIC program so that we can reach those women and children who need to be reached, and can avoid irreversible physical and mental impairment due to early childhood malnutrition.

The school breakfast program is strengthened by language in the pending bill clarifying our intent that it be extended to all needy schools.

Another provision would bring residential institutions that care for children into the school lunch and breakfast programs—homes for blind children and mentally retarded children, as well as children's wings of institutions caring for the blind, mentally retarded, or handicapped.

The Agriculture Committee also acted to continue a strong commodity donation program for child nutrition and elderly nutrition programs through September 30, 1977. This provision requires that the Secretary of Agriculture provide schools, child care programs, and elderly nutrition programs with the broad range of commodity food items that schools have always received.

A final school lunch provision which merits attention will aid unemployed families who have children in school by requiring that unemployed parents be given ample notification about the free and reduced-price income guidelines, and the availability of these meals to children whose parents' income falls below the guidelines. The Secretary is directed, under this provision, to set forth regulations requiring affirmative actions on the part of local school authorities to inform unemployed households about the free and reduced-price lunch programs. These regulations require schools to place notices in unemployment offices or provide for the regular mailing of such notices to applicants and recipients of unemployment insurance; school authorities must also take further action when plant closings or large layoffs occur so that eligible families may find out quickly about the free and reduced-price meal program.

The summer feeding sections of this bill bring residential summer camps for poor children into the summer feeding program. The bill also provides that any eligible summer feeding sponsor must be allowed into the program upon request.

Mr. President, these are just some of the more salient provisions of the pending bill to help enable all of our children to share in America's bounty and promise. The bill is far from perfect. There is still much to do to provide every American child with the best possible nutritionally sound meals. It is, however, an important step in the right direction.

Mr. BIDEN. Mr. President, as a cosponsor of H.R. 4222, I would like to express my support of this vital legislation which extends and expands the school lunch and child nutrition programs.

The programs authorized by H.R. 4222 are essential to the well-being of this Nation's children. These nutrition programs do not serve only children from lower-income families. In an economy riddled with inflation and recession, a nutritious meal at an affordable cost has also become an important source of security to middle-income parents struggling to feed their children. In the past year, soaring unemployment has created an even greater need for expanded nutrition programs.

To fill this need, H.R. 4222 extends—through September 30, 1977—the school breakfast program, the summer food program, the WIC program, and USDA commodity donations to schools. In addition, it establishes a child care food program for children in nonresidential child care institutions, and it allows public and nonprofit private residential child care institutions to participate in the school lunch and school breakfast programs.

There is one aspect of this legislation which I find particularly gratifying. The provision to which I refer is one I introduced last year, and which my colleagues in the Senate passed twice. This provision requires the Department of Agriculture to donate to the school lunch program cereal, shortening, and oil products as were provided during fiscal year 1974. These commodities are to be in addition to other commodities now donated to the schools.

When I introduced legislation to achieve this end, I did so because the Agriculture Department had arbitrarily terminated the donation of flour and oil commodities to the schools, while continuing to send these commodities abroad. The result was that schools were forced to purchase flour and oil products on the open market which effectively increased the price of the lunches and reduced the participation of students in the program.

In this regard, it should be noted that a substantial majority of the students who participate in the school lunch program pay for their lunches; with high rates of unemployment and inflation, we must do all we can to insure that the cost of school lunches does not become prohibitive. For this reason, I am pleased that the Senate Agriculture Committee included among its provisions the legislation I introduced last year. I am hopeful that my colleagues in the Senate will again realize the merit of this provision and that the House of Representatives will agree to retain it in Conference.

Finally, Mr. President, I would like to reiterate my support for the National School Lunch Act and Child Nutrition Act Amendments of 1975 (H.R. 4222). I would urge my distinguished colleagues to recognize the importance of this measure and to act favorably on it.

Mr. ABOUREZK. Mr. President, as a cosponsor of S. 850, the bill on which the legislation before us today is based, I would like to express my support for this bill in general and particularly for the section which mandates as expansion of the national school breakfast program.

I would also take this opportunity to commend Senator McGovern and the entire membership and staff of the Select Committee on Nutrition and Human Needs for their hard work and leadership. The Senate and the Nation have benefited enormously from the contribution of this select committee in making us all more aware of nutritional issues and providing information from which some of the provisions of the bill we consider today grew.

The breakfast program is an exciting innovation in education. It arose out of the concern of nutritionists, teachers, and school administrators that children who come to school hungry cannot learn. It is an unfortunate fact that many millions of the country's children come from families that are too poor to afford adequate nutrition. As a result, these families frequently find it necessary to skip meals. Breakfast is one of the meals most often missed. This means that children from these impoverished families sit through their morning classes with minds dulled by hunger. It is little wonder that many schools in poor areas have discipline problems, low attendances, and children who are slow to learn. If every pupil in the country started classes with a full stomach, it would make a dramatic difference in our educational system.

The bill we are considering today marks an important advance toward that goal. The bill declares that, as a matter of mandatory congressional policy, the school breakfast program must be expanded to include every school in the country where "it is needed to provide adequate nutrition for children in attendance." This means that the program must be expanded to include schools havin significant numbers of poor children. At a minimum, therefore, all title I schools and all schools serving free or reduced price lunches to more than one-fourth of the children in attendance should be included in the expansion directive.

To carry out this mandate, the Secretary of Agriculture must issue regulations immediately that require State educational agencies and local school districts to implement the breakfast program in their needy schools, and he must establish an informational program which seeks full cooperation and compliance with the outreach-expansion requirement. In order for Congress to insure that this mandate is being carried out quickly, we are requiring the Secretary to report back to Congress within 180 days after the enactment of this legislation. At such time we expect that the regulations will have been promulgated and that the informational project will have been fully launched.

This provision is a substantial improvement over legislation that was passed several years ago, also requiring program expansion. That legislation, contained in section 11(e)(1) of the National School Lunch Act, requires States to develop annual plans of operation specifically indicating how, "to the maximum extent practicable," the State and local educational agency will "reach needy children" with the school breakfast program. Those plans must fully detail the specific schools that need the breakfast program and when those schools will implement the program. In short, these plans must be concrete and provide sufficiently detailed information so that every community will have foreknowledge about the date when specific schools will establish the program and so that a detailed action statement—that describes the State and local agencies' efforts to implement such time schedules—is provided to the Agriculture Secretary. These plans of operations, of course, must be implemented.

The legislation now before us strengthens our breakfast program expansion commitment. It demonstrates, once again, the importance that we attach to the breakfast program. I hope that the Agriculture Department and the State agencies share our urgent concern for the seriousness of this matter. The school breakfast program is essential to the growth and development of our country's needy children. The health of our needy children is too important to be jeopardized by administrative delays. I strongly support this bill and I hope we will pass it.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Indiana (Mr. HARTKE), the Senator from Montana (Mr. MANSFIELD), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), the Senator from Rhode Island (Mr. PASTORE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), and the Senator from California (Mr. TUNNEY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Mexico (Mr. DOMENICI), is necessarily absent.

The result was announced—yeas 81, nays 8, as follows:

[Rollcall Vote No. 274 Leg.]

YEAS—81

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClure
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Weicker
Williams
Young

NAYS—8

Curtis
Fannin
Goldwater
Griffin
Helms
Scott, William L.
Thurmond
Tower

NOT VOTING—10

Bayh
Domenici
Eastland
Hartke
Mansfield
McClellan
Metcalf
Pastore
Symington
Tunney

So the bill (H.R. 4222), as amended, was passed.

Mr. ALLEN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendment to H.R. 4222, as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I move that the Senate insist on its amendment, and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. STONE) appointed Mr. TALMADGE, Mr. MCGOVERN, Mr. ALLEN, Mr. HUMPHREY, Mr. CLARK, Mr. DOLE, Mr. CURTIS, and Mr. BELLMON conferees on the part of the Senate.

Mr. ALLEN. Mr. President, I move that the Senate reconsider the vote by which H.R. 4222 was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

CONSUMER FRAUD ACT—S. 670

Mr. MOSS. Mr. President, I move to reconsider the vote by which S. 670 was passed in the Senate today.

I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 205—DISAPPROVAL OF A DEFERRAL OF BUDGET AUTHORITY FOR YOUTH CONSERVATION CORPS

Mr. ABOUREZK. Mr. President, I have a resolution at the desk which I call up at this time.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That the Senate disapproves the deferral of budget authority for the youth conservation corps which was reported to Congress by the Comptroller General of the United States in his letter B-115398 of July 9 1975, pursuant to section 1015(a) of the Impoundment Control Act of 1974.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Reserving the right to object, Mr. President, and I will not object, I think I can state for the RECORD, however, that taking up this resolution without committee referral is not to be considered as setting a precedent. It is only because of the critical time factor that I have agreed to this procedure in this instance.

There being no objection, the Senate proceeded to consider the resolution.

Mr. ABOUREZK. Mr. President, I am pleased to submit today a resolution disapproving the deferral of funds for the Youth Conservation Corps.

As the Members of the Senate well know, the Youth Conservation Corps is one of the most effective and successful Federal programs. It hires teenagers for summer work on conservation, on forest and public land maintenance, on projects at the Federal, State, and local level.

Knowing of the good work of the YCC and of the job-creating potential badly needed during the long summer of the current recession, the Congress twice appropriated $10 million new funds, above the past operating level of the Corps, for hiring additional youths this summer to do conservation and rehabilitation jobs.

The first time, the President vetoed the money as part of the emergency employment bill. On June 27, the President signed the continuing resolution, which again contained the YCC money. Shortly thereafter, the Office of Management and Budget passed the word that the President did not really mean it about the Youth Conservation Corps, and that the money would not be released pending an impoundment decision.

The Youth Conservation Corps is a summer program. The Appropriations Committees in both the Senate and the House confirmed that their intent, as well as what I know was the Senate's intent, is that the money be spent this summer. Any delay is deadly, and effectively thwarts the will of Congress.

Section 1015(a) of the Impoundment Control Act of 1974 specifically deals with "unreported" impoundments, providing that the Comptroller General can declare that a rescission or deferral has taken place in fact, even if the President does not notify the Congress. The Comptroller General's findings have the force of law.

On July 7, I wrote Comptroller General Elmer Staats, explaining that unless the funds were made available in the very near future, the money could not be obligated this summer and would be deferred until next summer, de facto.

On July 9, Mr. Staats responded within opinion B–115398. Mr. Staats confirms that a deferral has taken place, and that the Congress can now implement the appropriate provisions of the Impoundment Control Act, which allow an up-or-down vote on Presidential deferrals of budget authority.

Mr. President, time is of the essence. I am confident that if the Senate reaffirms its intention that this money be spent, there is still time this summer to use it in the intended way. But the time is dwindling rapidly. It is not the President or the Congress who will lose if nothing is done; it is the jobless youth, and the Nation's environment.

This is the first time the new budget law has ever been used to declare an unreported deferral. It is an excellent opportunity for the Senate to reaffirm our commitment to a good program. It is also an opportunity to make it clear that the budget reform law means what is says about impoundment. Through "routine" delay, the administration may be able to prevent this appropriation and others from being spent in a timely fashion.

I hope that through prompt action on this antideferral resolution the Senate will enable new initiatives in every State to be taken yet this summer on conservation work. There is still time if we act now.

Mr. President, I ask unanimous consent that three documents be printed in the RECORD: My letter to Comptroller General Staats and his reply to the Speaker of the House and President of the Senate, and finally a projection of where Youth Conservation Corps money would be spent this summer if it is available. Senators should keep in mind that the deferral only relates to about half of the total summer budget. So far as I know, about half of the sums represented on the chart are already obligated based on past legislation and the continuing resolution.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

COMMITTEE ON THE BUDGET,
Washington, D.C., July 7, 1975.
Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. COMPTROLLER GENERAL: I am writing to ask that you investigate pursuant to Section 1015a of the Impoundment Control Act of 1974, an apparent *de facto* deferral of funds by the President.

The money in question is the $10 million for the Youth Conservation Corps, passed by the Congress as part of HJ Res 499, the Continuing Resolution, and signed by the President as PL 94–41. This $10 million was originally part of the Emergency Employment Act, which the President vetoed, and under PL 94–41 is appropriated in addition to other funds which are available to the Youth Conservation Corps under the continuing appropriations provisions.

As the Appendix to the Budget clearly points out, the Youth Conservation Corps is a summer program. If the money is not available during the summer months, it has been effectively deferred until the following summer.

By passing the $10 million extra appropriation along with public service jobs and other measures which are designed to create employment and stimulate the economy, the Congress unquestionably intended that the money be spent this summer for youth employment in the Youth Conservation Corps.

I understand that unless the funds are available in the very near future, it will be too late to use the money for the Youth Conservation Corps this summer, and that knowing this, the Youth Conservation Corps made the Office of Management and Budget aware of the immediate need soon after the President signed the bill June 27. In response, the OMB informally notified the YCC that the President intended to impound the money and that no plans should be made to spend it this summer.

I believe that this action by the Administration is a deferral as defined by the Impoundment Control Act, since any further delay will make the government unable to obligate the money for its intended purpose at the intended time. The President has not communicated his intention to defer, rescind or otherwise fail to spend this money in a timely fashion. Therefore, I ask that you make a judgment as called for in Section 1015a that a temporary deferral has occurred; so that Congress can implement the relevant provisions of that Act.

Your prompt cooperation in this matter is very much appreciated.

Sincerely,

JAMES ABOUREZK,
U.S. Senate.

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D.C., July 9, 1975.
SPEAKER OF THE HOUSE,
PRESIDENT OF THE SENATE.

This letter reports a deferral of Department of Agriculture and Department of Interior budget authority which should have been, but was not, reported to the Congress as required by the Impoundment Control Act of 1974.

H.J. Res. 499, making continuing appropriations for the fiscal year 1976 was signed by the President as Public Law 94–41 on June 27, 1975. This continuing resolution appropriated for the Youth Conservation rate ($10,240,000) plus an additional $10,000,000 which is to remain available through fiscal year 1977. One-half of the $20,240,000 thus appropriated is available to the Secretary of Agriculture and one-half is available to the Secretary of the Interior.

Officials at OMB told us that they had not yet authorized the Youth Conservation Corps to spend the $10 million that the continuing resolution added to last year's rate of operations. We were told that an impoundment message involving these funds was being prepared for consideration by the President.

Such a message, if approved by the President, is not expected to be submitted to the Congress until the latter part of July or possibly later. Since the Youth Conservation Corps is a summer program, the Congress may not be able to act in a timely manner on an impoundment message received so late. Such an event would effectively defer use of the funds until next summer.

Section 1015(a) of the Impoundment Control Act requires the Comptroller General to report to the Congress whenever he finds that the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States or any other officer or employee of the United States has ordered, permitted, or approved the establishment of a reserve or deferral of budget authority and the President has failed to transmit a special message with respect to such reserve or deferral. This report is submitted in accordance with the requirement imposed by section 1015(a) and, consequently, has the same effect as if it were a deferral message transmitted by the President.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

PROPOSED YCC FUNDING ALLOCATIONS FOR FEDERAL AND STATE PROGRAMS FOR THE SUMMER OF 1975

[In thousands of dollars]

State	Department of Interior	Forest Service	State	Total
Alabama	64	160	82	306
Alaska	166	89	117	372
Arizona	204	232	68	504
Arkansas	65	73	55	193
California	555	800	240	1,595
Colorado	265	223	50	538
Connecticut	17		191	208
Delaware	25		50	75
District of Columbia	53		50	103
Florida	235	120	144	499
Georgia	105	154	100	359
Hawaii	92		50	142
Idaho	152	197	50	399
Illinois	123	247	224	594
Indiana	99	158	129	386
Iowa	54		156	210
Kansas	63		105	168
Kentucky	77	79	96	253
Louisiana	30	113	166	309
Maine	115	9	50	174
Maryland	132		146	278
Massachusetts	54		260	314
Michigan	119	457	162	738
Minnesota	94	165	88	347
Mississippi	76	76	50	202
Missouri	131	159	63	353
Montana	118	163	50	331
Nebraska	55	42	50	147
Nevada	162	28	50	240
New Hampshire	31	47	50	128

PROPOSED YCC FUNDING ALLOCATIONS FOR FEDERAL AND STATE PROGRAMS FOR THE SUMMER OF 1975—Continued

State	Department of Interior	Forest Service	State	Total
New Jersey	72		141	213
New Mexico	167	214	50	431
New York	105	16	308	429
North Carolina	122	174	98	394
North Dakota	88	50	50	188
Ohio	99	104	275	478
Oklahoma	218		50	268
Oregon	277	267	50	594
Pennsylvania	215	164	335	714
Puerto Rico	11	35	50	96
Rhode Island	17		50	67
South Carolina	72	101	50	223
South Dakota	112	46	50	208
Tennessee	114	123	66	303
Texas	356	194	175	725
Utah	184	210	50	444
Vermont	8	50	50	108
Virginia	86	182	80	348
Washington	313	230	50	593
West Virginia	64	120	50	234
Wisconsin	62	289	50	401
Wyoming	123	85	50	258
Virgin Islands	29		50	79
American Samoa			50	50
Guam			50	50
Trust territory			50	50
Subtotal	6, 445	6, 445	5, 520	18, 410
Undistributed	695	695	600	1, 990
Total or average	7, 140	7, 140	6, 120	20, 400

Mr. ABOUREZK. Mr. President, this resolution of deferral is a result of two different steps. The continuing resolution contains some $10 million for Youth Conservation Corps summer programs. It is designed to allow the Forest Service to hire young people, college people, other students, to work in the national forests around the country to clean up forests, to thin out the forest stands, and other matters that pertain to forest management.

It is a summer program, as the Senator from West Virginia said, and the time factor is critical. The President let it be known that he intends to withhold the spending of the money for the balance of the summer following the beginning of the new fiscal year. So I obtained an opinion from the Comptroller General as to whether or not this was indeed a deferral or an unreported deferral.

This morning I received the opinion, or rather it was transmitted to the Speaker of the House and the President of the Senate, and the declaration by the Comptroller General was that it was indeed an unreported deferral.

That opinion has the force of law. The next step in the process would have been to report this disapproval resolution through the two committees, the Appropriations Committee and the Budget Committee, but if that process were to take place the summer would be over and there would be no summer program.

That is the reason for this short-circuiting process, and I quite agree with the Senator from West Virginia that it is a special case and ought not to be considered a precedent or a standard practice.

So I am asking the Senate to approve this resolution of disapproval, and I yield to the Senator from West Virginia for some colloquy.

The **PRESIDING OFFICER.** The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, I can appreciate the concern of the distinguished Senator from South Dakota with respect to this matter, and I hold a very sympathetic viewpoint toward the objective he seeks to achieve.

As chairman of the Subcommittee on Appropriations that has this subject matter under its jurisdiction, however, I do not like this method of procedure. That is why I made the statement that I did rather than object to the immediate consideration of the resolution. I wanted to make that statement for the RECORD.

No official word has been received by my subcommittee that this additional $10 million can be obligated this summer. But it is my understanding unofficially that the Forest Service believes that $5 million can be used effectively.

It is the intent of this chairman, at least, to see that all funds be utilized this summer that can be effectively obligated, but not to go beyond that. I am not a proponent, nor is the Senator from South Dakota, of spending money simply to be spending it. I think the taxpayers are entitled to value received for their tax dollars, and it would be my feeling that if the Forest Service can effectively obligate this amount of funds—$5 million, $6 million, $3 million, $7 million, whatever can be effectively used for this good purpose—then that amount of money and that amount only should be obligated.

Mr. ABOUREZK. Will the Senator yield?

Mr. ROBERT C. BYRD. It is my understanding, as I say unofficially, that the Forest Service believes that $5 million can be used effectively. The balance of the $10 million would be available for obligation next summer.

I yield to the Senator.

Mr. ABOUREZK. This is a 2-year program, and whatever money the Forest Service cannot use this year will be carried over to next year. So we are well within the purview of the 2-year appropriation.

Mr. ROBERT C. BYRD. Yes.

Mr. ABOUREZK. I might say one other thing to make sure it is in the legislative history, that what the Senator from West Virginia and I are both concerned about is that they not spend money they cannot spend, but that they maintain the same number of jobs for young people that they had planned at the outset.

In effect, what we are talking about is now a 10-day lag time. Ten days that they did not spend the money and if it be a matter of spending it tomorrow, they should insure that they have hired the same number of people they had programed. That means it will be somewhat less than the $10 million.

In effect, if I can use an example, in my home town of Rapid City, S. Dak., in that area in the Forest Service they had programed some 24 jobs.

Now, my intent is not to say only hire 15 people rather than 24, because they have already programed and have demonstrated that they can use 24 people to work in the Forest Service around that area in the Black Hills National Forest.

But they will spend somewhat less than that because of the time limitation. I wanted to make that very clear, that they did not cut down the number of jobs.

Mr. ROBERT C. BYRD. Mr. President, I want to make my position eminently clear, also.

If they can effectively utilize funds to employ 24 persons in that situation, then I think they ought to do it; but if they cannot effectively employ 24 persons in a situation, such as the one that has been stated, then I am not for their throwing money away just to employ people they cannot use.

If they can employ the 24, or whatever the number is, effectively, I think they ought to go ahead and do that because that was the intent of the Congress and I do not think that intent should be frustrated. At the same time I think they should only employ those who can be effectively employed.

Does that meet with the Senator's approval?

Mr. ABOUREZK. Yes. Just so they do not arbitrarily cut the number of people down rather than cut the time limit down.

I yield to the Senator from Oklahoma.

Mr. BELLMON. I thank the distinguished Senator from South Dakota.

Mr. President, the Youth Conservation Corps is a summer program. The program for this summer was planned this spring to be at the level of $10.4 million, and a program of that size is already underway. It is being funded, as is normal, by appropriations received in fiscal year 1975. Appropriations for this program remain available for one fiscal year beyond the fiscal year in which they are appropriated so that, for example, 1975 funds can be used in June 1975, and also in July and August of 1975, even though we have now entered into a new fiscal year.

Appropriations—both regular and continuing—contained in the 1976 continuing resolution will be used for the summer of 1976 program or will be proposed for rescission by OMB after the full size of the program can be ascertained. The 1976 appropriations were enacted—Public Law 94-41, approved June 27, 1975—one-third of the way through the summer of 1975 program. If this summer's program were to have been expanded in an effective way, these funds would have been immediately available last spring before this program got started.

It is very difficult to expand a program, as has now been anticipated.

It is not now feasible to effectively use more funds for this summer's program which has run more than a quarter of its course.

Thus, enactment in fiscal year 1976 of these funds prevent their effective use in this summer's program, but they will be available for next summer.

Withholding of 1976 funds, if we are not careful, may have a negative impact on the summer of 1976 program, which will be a year from now, and the Department does propose to come to Congress well in advance of the start of next summer's program to let us know how much funds they really need.

I do not oppose the action of the distinguished Senator from South Dakota, but I felt the record should note that it is very late now to try to expand a program Congress really wanted to double and we should have acted early enough so that the necessary administrative decisions and machinery could have been put into motion.

Mr. ABOUREZK. I ask that the Chair put the question.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

SOVIET GRAIN PURCHASES

Mr. JACKSON. Mr. President, earlier this week, the staff of the Senate Permanent Subcommittee on Investigations received confirmation from major grain exporters that they are negotiating with the Soviets who wish to buy several million tons of grain, some or all of which could come from this year's American harvest.

We were also told that no major sales have been made to date. This was confirmed by the Department of Agriculture. We know that weather conditions in the Soviet Union will result in a grain harvest that will be 10 to 15 million tons short of what the Russians need. This was confirmed by a U.S. team of agricultural experts who returned recently from the Soivet Union. The placement of such specialists in the Soviet Union was the outgrowth of a recommendation made by the subcommittee after its investigation of the 1972 Russian grain deal.

At the same time, the U.S. harvest is expected to be the greatest in our history.

We do not want large foreign acquisitions of American grain to disrupt our food economy this year. A repeat of the economic impact of the 1972 Soviet grain deal would be catastrophic, given the present economic conditions in the United States.

At the same time, we do not want our farmers to suffer from any arbitrary ban or limit on grain sales to the Soviets. We must assure our farmers of a fair price for their grain harvest without at the same time driving up food prices in this country.

I believe we can maintain a stable food economy and sell our excess grain harvest to foreign nations.

I call upon the major grain exporters to act in the national interest by voluntarily reporting anticipated major grain transactions so that the economic impact of such deals can be assessed in advance of their consummation.

As a result of the Investigations Subcommittee hearings in July 1973, grain exporters are required to report to the Agriculture Department within 24 hours all grain sales in excess of 100,000 tons. It is in the best interest of our Nation and the exporters themselves to voluntarily report anticipated sales in advance of consummation so that they cannot only help maintain a stable grain market, but also a stable national food economy.

On Tuesday, July 8, I sent telegrams to Bunge Corp., Cargill, Inc., Garnac Grain Co., Inc., Cook Industries, Inc., Continental Grain Co., and Louis Dreyfus Corp. I asked them to supply the Permanent Subcommittee on Investigations with all grain sales made to the Soviet Union or purchased on its behalf within the last 30 days exceeding 100,000 tons as well as all information on sales contemplated or now under negotiation to the Soviet Union or to agents purchasing on behalf of the Soviet Union which exceed 100,000 tons.

The response to this inquiry are due today. But informal interviews with the grain exporters by Senate investigators have already developed not only the information on the pending Soviet grain purchases, but also a spirit of cooperation on the part of the exporters toward the subcommittee.

If this cooperative spirit can be extended to an agreement to voluntarily report anticipated major sales, all of us—the grain exporters, the farmers of our country, its consumers and even the buyers of the grain will be better off for it.

ORDER FOR RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. RES. 166 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow, the Senate resume consideration of Senate Resolution 166, the New Hampshire election dispute.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 1883

Mr. ROBERT C. BYRD. Mr. President, it was the intention of the leadership to proceed to the consideration of S. 1883, the bill relating to fuel efficiency standards for automobiles, this week, but due to the persuasiveness on the part of the distinguished Republican whip the leadership has decided against that course of action and the measure will not be called up until one day next week.

I ask unanimous consent, with the understanding it will not be called up tomorrow, that at such time as S. 1883 is called up and made the pending business, there be a time limitation on the bill of 4 hours to be equally divided between Mr. MAGNUSON and Mr. PEARSON; that there be a time limit of 1 hour on any amendment in the first degree; one-half hour on any amendment in the second degree, debatable motion or appeal; and a time limitation of 20 minutes on any point of order that may be referred to the Senate for its discussion; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 1849 ON MONDAY, JULY 14, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday after the first 2 hours under which the order previously entered is to be utilized in connection with Senate Resolution 166, the New Hampshire election dispute, the Senate then proceed to the consideration of the bill S. 1849, the energy allocation extension, on which a time agreement was entered into earlier this week, it having been the understanding at that time that Mr. FANNIN would be able to return by Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I think that measure may take the better part of 2 days, so it would be the intention of the leadership, upon the disposition of that measure, to take up the bill S. 1883.

I will not ask unanimous consent at this time to do that. It will be the intention of the leadership to attempt to do that when that time is reached.

ORDER FOR RECOGNITION OF SENATOR SYMINGTON ON TUESDAY, JULY 15, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on next Tuesday, after the two leaders or their designees have been recognized under the standing order, Mr. SYMINGTON be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM TOMORROW UNTIL MONDAY, JULY 14, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow it stand in recess until the hour of 10 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 noon tomorrow.

The motion was agreed to; and at 6:50 p.m. the Senate recessed until Friday, July 11, 1975, at 12 noon.

EXTENSIONS OF REMARKS

GEORGE WASHINGTON SHOULD BE DESIGNATED GENERAL OF THE ARMIES OF THE UNITED STATES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1975

Mr. BIAGGI. Mr. Speaker, as we just recently celebrated our 199th birthday and are rapidly approaching our Bicentennial it is time for this Nation to begin to honor some of our early patriots and leaders. There is no finer example of such an individual than George Washington, Commander in Chief of the Revolutionary War forces and first President of the United States.

I have introduced a resolution in Congress which would designate George Washington as General of the Armies of the United States. This highly prestigious honor has been afforded to only one other individual in our Nation's history, Gen. John J. Pershing. Washington's impressive career in military service to our Nation must be recognized and can be in no better way than by bestowing this honor on him. I urge all of my colleagues to join me in support of this resolution.

Mr. Speaker, at this point in the RECORD, I would like to insert an article which appeared in June 29 edition of the Long Island Press which outlines the developments which led to Gen. George Washington being named our first Commander in Chief:

THE FIRST COMMANDER IN CHIEF—WASHINGTON WAS MAN FOR JOB

(By Don McLeod)

(It was a quiet Sunday and there was no pomp and ceremony when George Washington rode into the rebel camp near Boston on July 3, 1975 and became the nation's first Army commander-in-chief. He met his officers and the next day he got down to the business of winning a revolution.)

The Continental Congress needed a man who could be trusted with the first American Army, a man who was competent but most of all politically acceptable. It chose George Washington.

The future father of his country was not a dashing figure as he rode into camp 200 years ago this week to take command of the makeshift army besieging the British regulars in Boston.

Washington's military record was more one of survival than victory. He was not bold, being given to doubt and self-deprecation. He took reverses hard. He knew melancholy and gloom.

Choosing him as the nation's highest officer was a political compromise at best, and he knew it.

But George Washington, Virginia planter, gentleman and part-time soldier, also was proud, steady, determined, and he had a sense of destiny. If he knew despair, he never gave in to it.

He already had shown the traits that would win the war for him and independence for the United States.

George Washington, despite the politics of his appointment, was the man for the job, perhaps the only man in America who could beat the best army in the world with a moteley gaggle of ragged provincials.

He faced an impossible task. He had to mold hundreds of loosely organized New England musketeers and backwoods riflemen into an army under the guns of the British army and navy.

On discovering that his supplies amounted to no more than nine rounds per man, it is reported that "for half an hour, he did not utter a word."

But somehow he did it. He created an army out of chaos. Led it from one defeat to another. Kept it going when all others would have given up. And won the war.

George Washington was a peculiar blend of all that made Americans of 1775 cherish their independence, fight to secure it and win.

He was truly an American creature. He grew up in a country that was still new and raw. He was trained on its frontier, on its rich earth and in its business exchanges.

Washington as born in Tidewater, Virginia in 1732 when it had passed the frontier stage but was not yet as civilized as the urban North. He knew wealth and he knew hard times. He had advantages and influential friends, but he was largely self-made.

His father died when George was 11, leaving him in the care of a mother who was protective, possessive, restrictive, jealous and selfish. Her apron strings were smothering.

All her life, Mary Bell Washington resented, rather than encouraged, her son's rising star. She felt success made him neglect her—which he never did.

So George, as boys do, became restless. He was a dutiful son, but he spent as much time as possible with his favorite brother, or with friends and relatives.

By the age of 15 he had become a competent surveyor who preferred the woods to life with mother on the farm. Like most American founders, he spent a portion of his life learning from the frontier.

As a boy, Washington almost accepted appointment as a midshipman in the British navy. He was already packed when he backed out "in consequence of the earnest solicitations" of his mother.

Probably at this early age Washington developed the spirit of controlled rebellion which also characterized the American nation as it sought independence in history's most orderly revolution.

Destined for a gentleman's education in England, Washington lost his chance at the death of his father. He received only what would be a grammar school education today. But he never ceased the process of self-education.

Washington's time on the frontier as surveyor and soldier also gave him that typical American love of the land, particularly the virgin forests of the west, which in those days extended only to the Appalachians.

British interference with the activity of speculators and settlers on the western frontier, often cited as a leading cause of the Revolution, touched Washington personally.

Eventually he inherited his beloved Mount Vernon from his eldest brother, Lawrence, and became a progressive farmer, concerned with soil conservation and crop diversification—something almost unheard of in the America of his day.

Unhappy with the handling of his tobacco by British agents, who had a monopoly, Washington planted less tobacco, turned to simple manufacture, developed a fishery on the Potomac River, planted wheat and operated a mill.

As befitted a rising young man of property, Washington dabbled in politics, until it became a consuming interest. He served in the Virginia House of Burgesses and emerged a leader in that rebellious clique that gave fundamental philosophy and leadership to the Revolution.

Washington was chairman of the meeting in Alexandria, Va., in the summer of 1774 that adopted the Fairfax Resolves, the basis of the Continental Association through which the Continental Congress began binding the colonies into a nation

It was while sitting in Congress that Washington heard his name discussed as a potential military commander. He left the room so his friends could discuss him without embarrassment.

The discussion was political. Moderates wanted a man without dangerous ambitions, one not likely to take the army and make himself a dictator. But the man who led the war would be at times virtually a dictator, so he must be trustworthy.

The South must be brought to the cause. A Southern commander might do the trick. But he must be one acceptable to the North.

Washington did not openly seek the job, which is one of the reasons he got it. Seeking the job would have been immodest. But he did wear his military uniform to Congress. Was that a signal of defiance to the British or a reminder of his military record?

He wanted the command, but he wouldn't ask for it. He thought it would come to him, but he expressed genuine modesty. He was a man ready to be great but not if it meant betraying his deeply felt sense of what a gentleman should be.

"Though I am truly sensible of the high honor done me in this appointment," he said, "yet, I feel great distress from a consciousness that my ability and military experience may not be equal to the extensive and important trust."

Washington began his military career in 1753 with an expedition to a British post on the Allegheny River which had been seized by the French. He did little more than bring back the message that the French would not give up. But the winter expedition gained Washington, at the age of 21, a reputation as a resourceful and daring leader.

The next year, during the French and Indian War, Washington ambushed a French patrol. He was later trapped at Ft. Necessity in Pennsylvania and forced to surrender. But his reputation as a warrior, and his good sense, were growing.

When Gen. Edward Braddock led a British army against the French, Washington went along as aide-de-camp. Braddock and most of his men were slaughtered, but Washington distinguished himself in saving what could be saved of the expedition.

The massacre was a horror which Washington never forgot, but he drew instruction from it. Washington had great admiration for the British officers, but little for the British enlisted soldiers who broke and ran while the colonials tried to fight.

THE CHANCE OF ECONOMIC RUIN

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. BAUMAN. Mr. Speaker, since before the birth of this century, the Aegis has provided Harford County, Md., citizens with comprehensive news coverage and editorial commonsense. The Worthington family has helped it to grow to be the largest weekly publication in Harford County and notable is John D. Worthington, III.

His columns are insightful, and one recent article especially impressed me. It tells of the story of a successful businesswoman and the warning she offers for all those who believe that our market economy is immune to the economic problems government has generated.

Sitting on the Sidelines

(By John D. Worthington, III)

I never cease to be amazed at the vast amount of statistical material, which is accumulated on about every subject known to man and the thousands of reports issued on the information. Someone pays vast sums to research and put the figures together and a fair share of these reports find their way through our office; are glanced at and if of no value to us, are promptly dumped into a trash can.

However, one statistical report issued by Standard and Poor, a nationally renowned credit rating bureau of the financial world, which also daily analyses the U.S. economic situation, did interest me and suddenly I found our newspaper to be in an historically "elite" group. Standard and Poor states there are now 25,000 U.S. companies with sales exceeding $1 million annually, but of this group 21,000 are firms which have been founded or created since 1900 and thus are only 75 years old or younger.

Going back in history, Standard and Poor finds that only 48 firms still in existence today, and in this select group, were organized prior to 1800. In the century between 1800 and 1900 thousands upon thousands of businesses were founded in the great expansion era of our nation, but not hundreds of reasons, hundreds fell by the wayside.

Thus Standard and Poor finds that only 4,323 companies founded in the United States before the turn of this century still are in operation and have incomes of a million or more annually today. It is with some pride we find The Aegis included in this select group and still "hanging in there" after 119 years. The two primary reasons we are in this historic category must be attributed to the tremendous population growth in Harford in recent years and meteoric, seemingly uncontrollable inflation. It is for certain I can remember the days of the Great Depression, when my father had his back to the wall financially and worked long and hard to keep his little newsaper going and rearing three youngsters.

However, in 1975 I view with alarm the future for the private business climate and in particular rules, regulations, taxation, controls, and the insurmountable amount of paperwork imposed upon businesses by government. Can the private sector survive and in particular thousands of small companies which must comply exactly as America's giant corporations?

In recent months I have noticed a growing trend in publication after publication which points out the excessive spending of government and the ever growing number of employees. Even President Ford is calling for Congress to use restraint, but to little avail. Look at the facts. Today one out of every five American jobholders is employed by government, which means 15 million work for the federal, state, or local governments. Thus, 30 cents of each dollar of personal income generated in this country now comes from government.

A little article which appeared in *Newsweek* certainly is worth reprinting because it is so astounding. It states:

"Taxpayers have long suspected it, but it took a set of economists at Ford Motor Co. to come up with proof: there are more people being supported by tax dollars than there are workers in the private sector to support them. Adding up government employees, the military on active duty, the disabled and unemployed, the retired and those on welfare, the Ford economists found a total of 80,655,000 tax dependents vs. 71,650,000 nongovernment workers."

Perhaps many businessmen's feelings have been strongly expressed by one of Maryland's most outstanding women, Gertrude Poe, who for 31 years has been editor of the Laurel *News Leader*. In addition she runs an insurance and real estate business and has been the only woman to serve as president of the Maryland-Delaware-D.C. Press Association in its long history.

Miss Poe, a longtime friend of mine, stated her views in an interview in the summer issue of *Maryland*, which has just been published and I couldn't phrase my thoughts better. Miss Poe started out as have so many successful people by accepting a five dollar a week secretarial job 44 years ago. Her outstanding ability earned her a law degree, her own radio program and phenomenal business success. She said:

"I think there are many things in this country that are askew. Our tax situation particularly needs careful attention; and our social programs. I'm not a commentator on the national scene. I have only my personal observations and opinions; but being in business for so many years I am well aware of the demands that government makes on the businessman. His survival is really at stake if government doesn't do something to correct the tax situation.

"I believe people, particularly the concerned taxpayers, are completely frustrated and skeptical. Trust in government is almost totally bankrupt. Watergate, with all its disillusionments, has crowned this growing cynicism. Furthermore, hard work is not rewarded by government. It is penalized. Free enterprise struggles to cope with a tangled web of government red tape and increasing demands while government itself continues to encourage dependence on it."

The frustrations of attempting to cope with government and vast bureaucracy regulations could easily become so burdensome that many businesses may be forced to throw up their hands and simply close shop.

A shining example of the latest government control is in the pension field. Agreed some protection must be afforded an employee in a pension plan, but who could have foreseen what was in store for the "little man" and his attempt to give his employees retirement security by the new pension law.

Hundreds of small businesses cannot and will not be able to cope with the massive new federal pension law and are simply terminating their plans. We have 26 longtime employees in our plan and we must give careful consideration whether it will be feasible or economically possible to meet the federal demands. We aren't General Motors!

The best advice I can give is get a job with government and wait for inevitable bankruptcy to abolish your job. It's happening in New York City and it's going to happen elsewhere unless things change and it's about time everyone begins to realize that government cannot finance everything!

WILLIAM C. WILLIAMS—DISTINGUISHED CONNECTICUT CITIZEN DIES

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. SARASIN. Mr. Speaker, it is with deep sadness that I call to the attention of those assembled here the recent passing of William C. (Bill) Williams, a most distinguished citizen of Connecticut. Mr. Williams was a respected member of the faculty of Western Connecticut State College since 1951. His leadership as basketball coach for over 10 years became an inspiration to the young men under his guidance. He instilled in them the desire to expand their horizons and gave them the encouragement to strive to meet the challenges of adulthood.

He was chairman of the Department of Physical Education at Western Connecticut State College for 5 years, during which time his concern with each student as individuals earned him the admiration of all those with whom he came in contact. His devotion to the students was complemented by a mutual respect between the late Mr. Williams and those who knew him. The influence of this man inspired students to seek productive careers and become important assets to the communities in which they reside.

The untimely death of Bill Williams represents the loss of a highly regarded member of the teaching profession and a dear friend of the people of Connecticut. His contributions and friendship will long be remembered by Connecticut citizens.

THOMAS J. McLARNEY HONORED

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. SARASIN. Mr. Speaker, I wish to take this opportunity to bring to the attention of my colleagues, the unique honor bestowed upon a distinguished citizen of Connecticut.

Waterbury's Democratic registrar of voters, Thomas J. McLarney, received the first Amalia M. Toro Award as Connecticut registrar of the year, early in June. The award was created by Miss Toro, who was the legal advisor in the elections division of the office of the Secretary of State for many years, and recently has been elevated to a judgeship. Miss Toro made the presentation at a meeting of registrars of voters in Windsor Locks, and commented that Mr. McLarney, a personal friend, had been invaluable in the advice he offered on the operations of elections laws.

As one of the foremost experts on election laws in Connecticut, Mr. McLarney's advice on election procedures is held in high esteem in the State. As my colleagues are well aware, every ruling in this aspect of government has political overtones, but Waterbury's Democratic registrar of voters has earned the reputation throughout Connecticut as one who manages this public office in an impartial, nonpartisan manner. The deep respect in which he is held has prompted regular consultations by registrars and town clerks of both political parties from all parts of the State. On several occasions he has been an irreplaceable asset to the office of the Secretary of State, and has provided personal assistance to local officials and even members of the General Assembly by explaining elections procedures.

The experienced and impartial service

unselfishly provided by this outstanding public official has benefited everyone in Waterbury and all citizens of the State. It is with the utmost admiration that I join Mr. McLarney's colleagues and the people of Connecticut in recognizing the capabilities and accomplishments of this man. His public service has brought a greater sense of dignity to every election in the State of Connecticut.

HEWITT ELEMENTARY SCHOOL HONORS 200TH ANNIVERSARY OF OUR NATION

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. WYDLER. Mr. Speaker, recently I had the great honor and pleasure of appearing at the Hewitt Elementary School in Rockville Centre, New York. The occasion was a celebration thought of and arranged by the students in honor of the 200th birthday and anniversary of our Nation.

I was asked to come and personally present a flag to the school which had been flown over the Capitol. I certainly was pleased to do so, and I want to thank Jonathan Lamstein for the speech and introduction he made for that day and Gina Cerruto for her concluding remarks thanking me for the presentation. During the ceremonies remarks were offered by Jeff Oxman on the meaning of Flag Day. I wish to spread them on the RECORD for my colleagues in Congress.

Congressman Wydler, Deputy Mayor Brown, Dr. Byers, Dr. Ceresti, Dr. Long, guests, teachers and students: Today we are very fortunate to have as our honored guest Congressman Wydler, Representative of the 5th Congressional District of New York State. Congressman Wydler was born in Brooklyn, attended Long Beach Public Schools, and went to Brown University, where, at the end of his junior year, he transferred to Harvard Law School.

He was first elected to Congress is 1962 and has been re-elected six times as Nassau County Congressman. He has held many important positions in our national government. Presently he is chairman of the Nassau County Republican Committee.

Congressman Wydler has received honors from many professional and religious groups: American Institute of Aeronautics, Italian Executives of America, Distinguished Service. Award, Jewish National Fund, Outstanding Public Service Award. Believe me there are many, many more!

We asked Congressman Wydler to be with us today to present us a flag that flew over the Capitol.

We thank him for taking time from his very busy schedule to be with us today.

Thank you, Congressman Wydler.

Jonathan Lamstein, 403 Hempstead Ave., Rockville Centre, N.Y. 11570, Hewitt School, Hempstead and Demott Avenue.

The Student Council would like to thank everyone for being here for the presentation of our new school flag.

A special thanks goes to the fourth grade chorus, Deputy Mayor Brown, Dr. Byers, Dr. Seresty and Dr. Long.

A very, very special thanks and appreciation goes to our representative from the Congressional District of New York State, Congressman Wydler, for presenting to our school, the flag that has flown over the Capitol in Washington, D.C.

We are most grateful.

Gina Cerruto, Hewitt School, Grade 5, age 11, 33 Nottingham Rd., Rockville Centre, N.Y. 11570.

Today Congressman John Wydler of the 5th Congressional District is here with us to donate a United States flag to our school which we will proudly preserve for many years. The student council and all of Hewitt School thank you very much for your donation, Mr. Congressman.

Since this weekend was Flag Day, I will give a history of the American flag.

Around 350 years ago, almost all the people living in America were Indians. People began to come from other countries, mostly from England. They brought with them the English flag, which was blue with big red and white stripes crossing in the middle.

Other people from different countries began coming to America, and all different kinds of flags originated. But soon the English brought people under their rule with fighting.

At that time America was composed of the 13 colonies. Years passed, and the members of the colonies began to think they were being treated unfairly by the English. War broke out between America and England. This was the American Revolution.

The American flag was, at that time, composed of a small replica of the English flag in the top left-hand corner (where the stars are now), and 13 red and white stripes, each standing for a colony.

In the beginning of the war they were in dire need of a good general. They found one. His name, George Washington.

There is a legend about the origin of the present U.S. flag. It goes:

Betsy Ross was sewing in her upholstery shop in June of 1776, waiting for a customer. Soon she was surprised to see General George Washington walk in with Robert Morris of Philadelphia and George Ross, her late husband's uncle.

General Washington told Betsy that they were a committee appointed by Congress to ask her if she could make a new flag to harmonize the 13 stripes on it already.

"This is what I had in mind," he said. He took out a sketch he had made of a square flag with 13 stars and 13 stripes, the 13 stars replacing the English part of the flag.

Mrs. Ross suggested the flag shouldn't be square, but longer in width, and that the stars should be in a circle. She also didn't like the 6-pointed stars in the sketch and suggested 5 points.

General Washington took all three of her suggestions, and soon a sample flag was submitted to Congress.

Historians believe that this is a myth because the journal of Congress doesn't say anything about Washington's trip to the home of Betsy Ross.

Since then one star has been added for each state added to the United States. The 13 stripes have remained on the flag to symbolize the original 13 colonies. The 48-star flag with six rows of eight stars each has been the one flag that has stayed the longest, from 1912 to 1959.

It is now my privilege to introduce Congressman John W. Wydler.

JEFFREY OXMAN,
Rockville Centre, N.Y.

"SNOWSHOE" THOMPSON

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. BELL. Mr. Speaker, I am today introducing a House joint resolution to authorize Federal funds as a contribution by the U.S. Government to the costs of constructing an appropriate memorial statue of John A. "Snowshoe" Thompson, an early carrier of the U.S. mail and a pioneer of skisport in this country.

"Snowshoe" Thompson, primarily on his own initiative, carried the U.S. mail for some 20 years during the second half of the 19th century over a 90-mile route between Placerville, Calif., and Genoa, Nev., through the snow-clad Sierra Nevada Mountains. He negotiated this dangerous route by traveling on homemade skis—which he called snowshoes—over treacherous mountains and through rugged drifts of snow during the winter months of the year.

By this act of bravery, "Snowshoe" alone maintained communication with the outside world for the otherwise totally isolated residents of the Carson Valley and maintained vital mail service between East and West through the deep winter snow blanket over the Sierra Nevada.

"Snowshoe" was never duly compensated for this service in delivering the U.S. mail under these near unbearable conditions, and in February of 1869, the State Legislature of Nevada adopted and sent to the U.S. Congress a resolution asking for an appropriation of $6,000 "to compensate J. A. Thompson for carrying the U.S. mail from Placerville, Calif., to Carson Valley." Although this resolution was considered and reported by the Senate Committee on Post Offices and Post-Roads in 1872 (Cf. Report No. 73, 42d Congress, 2d Session), Congress had not yet acted upon it when "Snowshoe" died on May 15, 1876.

Recently a joint effort has been undertaken by the United States Ski Association, the Far West Ski Association, the Snowshoe Thompson Chapter of the Sons of Norway, and the National Office of the Sons of Norway to memorialize "Snowshoe" Thompson by construction of a 10-foot statue of him made of welded, polished, alloy steel to be placed on a 10-foot pedestal near the Western American Skisport Museum at Boreal Ridge in California. The statue will depict "Snowshoe" on skis with his mailbag and customary single ski pole, hat, and high boots. The memorial has already been commissioned to be created by Artist-Sculptor Angus Kent Lamar of Chickasha, Okla. The project has been officially endorsed by the Nevada American Revolution Bicentennial Commission and the American Revolution Bicentennial Commission of California.

The memorial is slated to be dedicated on May 15, 1976, that date marking the 100th anniversary of "Snowshoe" Thompson's death.

My bill would provide for a contribution of $6,000—the amount the Nevada Legislature petitioned the Congress for as compensation to Thompson—from the U.S. Treasury to go toward the creation of this memorial.

Mr. Speaker, of interest in this connection is an article dealing with "Snowshoe" Thompson written by Evelyn Danberg Teal for the 1960 Winter Olympics and a story which appeared in Hutchings' California magazine in February 1857, both of which follow:

SNOWSHOE THOMPSON—HE GOT THE MAIL THROUGH—ON SKIS OVER THE SIERRAS!

(By Evelyn Dangberg Teal)

As skiers arrive from around the world for the 1960 Winter Olympics in the Sierra Nevada Mountains, few of them will be aware of an obscure grave at the base of the eastern slopes not far distant. Inscribed on the headstone of this grave in Genoa, Nevada are the words: "John A. Thompson . . . Gone but not forgotten."

It was January 1856 that Mr. Thompson, later known as "Snowshoe" Thompson, began his first trip on homemade skis across the Sierra Nevada Mountains, carrying the mail on his back. Twice monthly for the duration of 20 years he faithfully and punctually performed this task.

Mr. Thompson was born in Norway, April 30, 1827. His father made him his first pair of skis (which he called snowshoes) and taught him the means of survival in snow country. As a young man he emigrated to California where he first tried gold mining, then took up farming.

One day he read of people living east of the Sierra Nevadas who were completely isolated from the outside world during the winter's snow. Again and again, the paper stated, petitions were sent to the United States Government to keep the mails coming through. So far this had not been possible. After considering the situation, Thompson decided that here was something he could do for the adopted country he so revered—he would carry the mail on snowshoes. Very reluctantly the Placerville postmaster finally gave his consent to what seemed such a foolhardy proposal.

Snowshoe had to make his way over an uncharted route completely buried under 30 or more feet of snow without the aid of compass or map, keeping in the right direction only by holding to the high ridges. The greatest peril he had to face were the savage, blinding blizzards. Beef jerky and a biscuits sufficed him for food; handfuls of snow, scooped up as he ran, quenched his thirst. Since exercise kept him warm, he carried neither blanket nor coat. When he felt he needed sleep, he built a fire for warmth and for protection from animals. His timetable called for three days going and two returning; the distance, 90 miles; the posts, from Placerville (old Hangtown), California to Genoa, Nevada, then a part of the Utah Territory.

Snowshoe's winter mail route became famed throughout the West. He was respected for his courage and venerated for saving many people from cold death in the mountains.

Today Snowshoe is remembered in many ways: The annual Sierra Snowshoe Thompson Memorial Ski Race, the valleys carrying names he gave them—Faith, Hope, Charity, and Diamond. And in the Congressional files in Washington can be found the records of a bill passed by the House authorizing the payment of $6,000 for Mr. Thompson's services over 20 years. Before action could be taken on the bill in the Senate, Snowshoe Thompson died at the age of 49 on May 15, 1876.

[From the Hutchings' California Magazine, February 1857]

CROSSING THE SIERRAS

The recent rapid settlement of that great belt of fertile valleys lying along the eastern base of the Sierra Nevada range of California, has made necessary the extension of mail facilities to that inland world in advance of any provision for that purpose by the agents of the general government. Previous to the winter of 1854–5 the inhabitants of these valleys for three or four months of the year, were closed in by almost inaccessible snow-clad mountains on the west, and on the east by a vast extent of desert country stretching toward Salt Lake, that during the winter months seems peculiarly the great battle ground of the winds and the storm.

The great depth of the snows upon the Sierras, renders their passage by pack animals not only difficult but dangerous, and often for months together wholly impracticable. To remedy this great inconvenience and secure to the people of the valleys a regular correspondence with California west of the mountains, a proposition was made by Mr. John A. Thompson, a Norwegian by birth, to convey the mails semimonthly without regard to the depth of the snow. The proposition was accepted and we here present him mounted upon the true Norwegian snow skates, of which, a knowledge of their construction and use he had retained from the memory of boyhood, having left his native land at the age of ten years.

Entirely unlike the snow shoes of the North American Indian or the people of the Canadas, well adapted as they are to a loose light snow and a level country, the snow skates are peculiarly adapted to the rugged features of our mountains and the damp compact snows that annually accumulate upon them.

The skate consists of a single piece of strong, stiff wood, from six to seven and a half feet in length, that turning up in front six or eight inches terminates in a point, six inches in width on the bottom at the bend and gradually tapering backward to four inches in width. It is flat on the bottom, the top oval or rounded except about a foot in length where the foot rests, a little back of the center; here it is an inch and a half in thickness, from thence tapering to a half an inch or less at either end.

The only fastening is a single strap over the toe of the boot admitting of the freest possible motion to the feet and ankles. In making progress the skate is only raised from the snow when it is desired to make a shorter turn than would otherwise be possible. On uphill or level surfaces the skates are placed parallel to each other and pushed forward alternately with each about the length of an ordinary step, but the impetus given causes them to slide further than this, while upon descending surfaces they run with great ease and rapidity, and when the declivity is very great, making it necessary to check the motion by throwing the weight of the skater upon a double handed staff, six feet in length, forced into the snow upon one side as showed in the cut. With these skates Mr. Thompson, heavily laden, travels over the otherwise almost inaccessible snow-clad cliffs, and gorges of the Sierras, a distance of from thirty to forty miles a day, thus bearing the sealed tidings, doubtless of hope or disappointment, happiness or grief to many.

It is a feature of our inland transit unique in itself, and as far as it relates to the American Continent, we believe peculiarly Californian.

As showing to some extent the perils and dangers incident to a winter passage of the Sierra Nevada, we subjoin the following interesting account from the *Sac. Union*.

J. A. Thompson, the Expressman of the Sierra Nevada Mountains, called upon us yesterday, upon the completion of his second trip this winter to Carson Valley, and placed us in possession of some highly interesting particulars connected therewith. This trip is peculiarly interesting, from the fact that it was made on his Norwegian snow shoes, seven and a half feet long, over snow which, at some points, he was unable to fathom.

About three miles above Placerville, he came to the snow, having left that place on the 20th of December. He was accompanied by two men who had awaited his going, and at this point they all put on their snow shoes. The weather was clear, but cold, and the party made Lake Valley without any incident worthy of note.

On the night of the 23d December, they reached a deserted cabin in that valley, and struck a fire. Mr. Thompson being anxious to press on, told his companions that he would go ahead and stay over night at another cabin about a mile ahead, and that they could overtake him in the morning. Although anxious to stop, rather than separate from him, they determined to go on that night, and once more they all started off. About midnight they reached the cabin and found everything dark and the door closed. Mr. Thompson, not expecting to find any one in, however, knocked and "halloed," when, to his surprise, a voice answered from within. On entering, Mr. Thompson found a man lying alone upon the floor in that dreary spot, without other covering than the clothes he wore, and the boots frozen to his feet.

In this deplorable condition, he had been lying for twelve days, with nothing to sustain life but raw flour. His feet were completely frozen, and will both have to be amputated below the knee. His sufferings must, according to the statement of Mr. Thompson, have been indescribable, and yet he bore them with the fortitude of a martyr and scarcely permitted a murmur to escape him. Although death would soon have terminated his agony, he still had a lingering hope that Providence might direct Mr. Thompson by his cabin, and thus save him. Had not Mr. T. gone on that night, he would probably have passed the cabin in the morning without stopping.

The sufferer proved to be James Sisson, the partner of Mr. Hawley, about six miles above Placerville. He had been engaged in the packing business, and left for Carson Valley on snow shoes some two weeks previous. The storm overtook him on his way, and his feet becoming frozen, it was with great difficulty he reached his cabin or trading post. On arriving there he found his matches so wet that he could not strike a light, and thus he remained for four days, when he discovered a box of matches in his cabin which furnished him a fire. He then attempted to cut his boots off his feet, but could not succeed; and nothing remained for him but to await either succor or death.

On the 24th, Mr. Thompson started for Carson Valley, and on Christmas day got five men to agree to accompany him back to Lake Valley. He rigged them out with snow shoes, made after the pattern of his own, and taking with them a sled upon which to haul the sufferer they started back on the 26th. They reached the trading post that night, and laid over during the 27th, in consequence of the severe weather—another snow being falling. On the 28th, they packed Mr. Sisson on the sled, and thus, with great labor, succeeded in conveying him safely to Carson Valley, where the sufferer is now lying in the care of Dr. Dagget. Mr. Thompson, on his return will take with him some chloroform which will be administered to the patient and his feet amputated, as it was not deemed advisable to attempt the operation without this agency.

In Carson Valley, Mr. Thompson fell in with Col. Wm. Rogers, who had gone over from Hope Valley, and from him he learned that one of his copper miners, named Benj. Fenwick, formerly from Virginia, had been frozen to death on the 15th of December. The deceased had gone to Carson Valley and was returning home, when the cold overpowered him, at a distance of three hundred yards from Col. Rogers' house. He seated himself upon the snow, with his body in an upright position, and thus perished. Five days after, a dog which had accompanied him approached the house, emaciated and starved. The occupants of the house, following the track of the dog, which faithful animal also followed them back, found the body of Fenwick as described. From the indications, it was manifest the dog had not left the body of his master during that time, but had crouched upon his lap, until driven away by starvation or a higher instinct. That the devoted animal should have escaped freezing is somewhat remarkable.

Mr. Thompson left Carson Valley on Monday, January 5th, and arrived in this city yesterday morning, the 9th. At Big Canon the snow was four feet deep; at Hope Valley, five feet; at Luthers' Pass, six feet; at Lake Valley, five feet; and in the pass on Johnson's Summit, he sounded a depth of ten feet without reaching bottom. He estimates the depth of snow for eight miles this side of Slippery Ford at twelve feet.

RURAL HEALTH CARE NEEDS NOT BEING MET

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mrs. PETTIS. Mr. Speaker, as a Representative from a predominately rural district, I am quite aware of the serious problems rural citizens are having with respect to obtaining health care. From conversations I have had with people from urban areas, it is obvious that many people are unaware of the crisis we have in obtaining enough doctors to work in rural areas.

As we consider the Health Manpower Act, H.R. 5546, I would like to bring to the House's attention, a good, brief article on rural health care problems which appears in the current issue of Catholic Rural Life magazine. The article follows:

Family Practice Medicine Is a Critical Rural Need

(By Stephen Bossi)

One of the key factors detracting from the quality of life in rural America is the low standard of health care. By nearly every criterion, health services in rural areas fall below the national average. There are fewer doctors, nurses, and dentists in proportion to population, lower quality of medical facilities, and less funding available with which to address these needs.

A few statistics tell the story. In 1973, there were 138 counties in the United States which had no active physician. According to the American Medical Association, rural people in more sparsely populated areas "have only about one-half the access to physicians, nurses, dentists, hospital beds, and other health resources when compared with the rest of the Nation."

As a result, rural people have a lower rate of contact with physicians and dentists, averaging 3 visits per person per year for men in farm areas and 3.7 visits for rural women. This compares with 4.2 and 5.4 visits respectively for their urban counterparts. The discrepancy for visits to specialists is even greater.

The problem, however, is much more serious than this data tends to indicate. The higher percentages of poor and elderly people in rural areas tends to further increase the need for medical attention.

The many medical problems that accompany inadequate diets, substandard housing, poor education in hygiene, and old age put special demands on rural health care delivery systems. Moreover, rural occupations tend to be particularly hazardous with mining and agriculture near the top of the list in terms of on-the-job deaths and accidents. Such statistics explain why the life expectancy of migrant farmworkers, one particularly dependent group of rural people, is 20 years less than national average.

The occupational and economic causes of health problems among rural people are intensified by conditions in the rural community. Nearly 60 percent of the substandard housing in the United States, that is housing lacking plumbing or severely overcrowded, is found in rural areas. As of 1970, the Farmers Home Administration estimated that over 30,000 rural communities were in need of new or improved water systems.

Approaches to meeting rural health needs vary widely and generally involve two components, local organization and Federal or state funding. The role of local organizing is to make sure that the health delivery system is designed to meet local health needs while providing acceptable working conditions for medical practitioners.

Doctors, for example, tend to prefer a group practice rather than tolerate the long hours and lack of opportunity for consultation which accompany the solo physician. Group practices, however, require larger service areas and therefore better coordinated outreach and transportation facilities.

State and Federal funds have made it possible for many communities to construct modern clinics and obtain the services of medical students, nurse practitioners and former medical corpsmen. A number of models show some promise as techniques to encourage doctors to locate in rural areas.

The lack of medical personnel, however, will only be solved when incentives for locating in underserved areas are made a part of the training of all doctors and when a larger percentage of medical school graduates specialize in the family practice medicine most needed in rural communities.

It is a bleak picture and one that is only vaguely addressed by government or private programs. Federal legislation to establish Health Maintenance Organizations has only 20 percent of its funding earmarked for non-metropolitan areas. A similar non-metropolitan requirement applies to Comprehensive Health Planning, Emergency Medical Services, and other Federal health care programs. Studies indicate that even this disproportionately low standard is not being met.

Efforts to get physicians to locate in rural areas have not been very successful. The National Health Service Corps, which places medical school graduates in underserved areas for two years, found only 40 out of the 140 "volunteers" whose tours ended in 1974 wanted to stay in their service communities. As of the end of 1973, the AMA Physicians' Placement Service had 1,570 pending "opportunities for practice" of which 72 percent were in communities or areas of under 100,000 population.

EAST HARLEM BLOCK SCHOOLS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. RANGEL. Mr. Speaker, at a time when our public schools appear unable to provide quality education to all our children, it is encouraging to see community involvement and commitment to establishing alternative educational systems. The East Harlem Block Schools, now in their 10 years, represent just such an accomplishment.

Originally established as a day care center to provide child care services to the families of East Harlem, the block schools have expanded and now reach the eighth grade. A creation of concerned parents, the East Harlem Block Schools provide quality, individualized education to the children while also assisting parents in continuing their studies.

I believe the success of the East Harlem Block Schools can serve as a model for other communities. At this time, I am pleased to include in the Record an account of the East Harlem Block Schools from the New York Times:

A School Parents Created in East Harlem Still Thrives

(By Richard Flaste)

A group of Spanish-speaking parents began in East Harlem Block Schools as a day care center in 1965. As their children reached school age, the parents were fearful of sending them into public school, so with public and private funds, they started a first grade—the parents making up about two-thirds of the staff, serving as techers, custodians and supervisors, and hiring professionals to join them.

Then they asked, where are the first-graders going to go? So the next year they started a second grade. And every succeeding year they made plans for another grade. Until now.

"We don't want to take on any more struggles than we can handle," says Judith Macaulay, a parent and executive director of the school. This year, when the 15 eighth-graders (there are now 187 children in the school) graduate from junior high, it will be more like a cord-cutting ceremony than anything else. Those 15—some of whom have almost no experience with other schools—will be leaving the school their parents run for places their parents know little about.

ON SCHOLARSHIP

The children have been accepted, on full or partial scholarship, at such private schools as Riverdale, Calhoun and New Lincoln. Some of them will be going to specialized public high schools—Stuyvesant, Music and Art, Fashion Industries.

There's a real sense of relief around the block school these days. Kenneth Dawson, the educational director of the day school (grades 1 through 8), was talking this winter about "what an anxious time this is for us." But now he is aglow with optimism.

"This range of schools is unheard of for East Harlem children," he said. "We've managed to keep them away from the huge schools that are impersonal and dangerous."

Mrs. Macaulay, whose son, Kevin, is one of the graduates and headed for Stuyvesant talks about the admissions to prestigious schools as "the kind of tangible evidence of what we've been doing that some people have been looking for."

Lydia Rios, whose daughter, Karen, is going to Music and Art, has already started missing her.

Mrs. Rios has been a recruiter for the school, an assistant teacher and is now a parent coordinator, which means that she acts as liaison between teachers and parents. She was recalling the other day how close she's felt to her daughter at school.

"I'm over at the school almost every day giving feedback to the teachers," she said. "I always get a chance to say hello to Karen, and I eat lunch with her. It's going to be hard not seeing her around the block school anymore."

Anna Rivera, an assistant teacher in seventh grade, also talked about the closeness. Her daughter, Irene, got confused on a test recently, and she met her mother in the hall and "was able to tell me right then and there that she was upset. So I told her you have to make mistakes sometimes. She cried for a few minutes and then got over it.

"My daughter is very strong," Mrs. Rivera said. And just as she's proud of her daughter, her daughter is proud of her, because of the way Mrs. Rivera has gone back to taking classes as well as teaching them.

There are no academic requirements for parents to begin as assistant teachers at a base salary of $6,500, with increases based on years of experience and level of schooling. But the parents do go on to get high school equivalency diplomas through the block school, and then many of them, including Mrs. Rivera, take college courses and workshops with an eye on certification.

Bank Street College is working with the school, so while children are studying in one of the school's storefront classrooms on Madison Avenue or in an old movie studio on Fifth Avenue and 109th Street, the mothers can sometimes be found in a room at the school's headquarters on East 111th Street, sitting around a table, taking a course in education. Forty parents (no fathers are in the program) are now taking the courses. None has yet received certification. The adult program is free, although there is tuition for the children in the school, $10 a month.

Beyond the tangible rewards of their own education, the school has given the parents the chance to be effective.

Millagros Lopez remembers how when her older boy, now 23, was in third grade she tried to find out why he was not being taught math, only reading. She says it took her two months to gain access to the teacher on "open school day." Mrs. Lopez found out that the teacher simply felt uncomfortable with math.

HAS BEEN INVOLVED

At the block school, where her son, Kevin, is now in seventh grade, she has no fear of limited access—she's been intimately involved with the workings of the school, as an assistant teacher and now as health coordinator.

"The school," Anna Rivera says, "has taught me how to get involved. I can say what I feel and see the changes happen."

Despite all the glowing things people say about the school, there have been some unhappy times. Some parents took their children out for a time (only to return them later) in the early years when organization might have been a bit shaky. And the scarcity of funds, which has held up paychecks on occasion, has also limited the facilities.

Duane Ross, an eighth-grader who wants to be a scientist, loves the school but wishes it had better science courses and equipment. He also wanted to take French, but the school doesn't teach it.

This year's budget for the day school was just under $400,000, paying for teachers, administrators, family services and the college program. One-fifth of the money came from the Federal Government, the rest was from funds and corporations.

An area that seems to have remained free of strife, despite what one might expect, is the relationship among paraprofessionals, professionals and parents who are not on the staff. Mr. Dawson, one of the professionals, attributes that to the absence of "false respect."

He says that "parents are hiring professionals because they value their skills," and since they are free to fire them they feel in control and more comfortable in taking advice.

The students think highly of the professional teachers, too—they've had dinner with them, slept over at their houses. And the idea of leaving such a friendly atmosphere had caused a bit of apprehension.

Irene Rivera thought the world away from East Harlem would be hostile. She went to orientation at Calhoun, afraid they might say, "that they're white, and Calhoun is a high class place and I'm different."

But she was "very surprised" at how orientation turned out. "They were very nice," she said, "and they didn't really stare at you."

The students seem less sad about the leave-taking than do the parents. Karen Rios, for one, is sure her mother will continue her schooling—attending meetings at Music and Art, dropping in when she can.

"I know she'll be there," Karen said, "she always has been."

LET'S BREAK UP BIG OIL

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. MOTTL. Mr. Speaker, during the recent recess, I found many of my constituents bitter and angry about the machinations of the big oil companies. I am convinced that a majority of the American people view these economic giants as enemies of the public which, by manipulating production and prices, pick the pockets of consumers to a multibillion-dollar tune, and also disrupt our entire economy.

The Federal Government has apparently failed to curb the excesses of these corporate giants. There has been no effective action to limit the unrestrained power of the major oil companies since 1911, when the old Standard Oil Trust was dissolved. Since then, the oil and gas industry has come under the domination of a group of monster-sized companies each of which is greater in many respects than the original Standard Oil Trust.

The Federal Trade Commission and Federal Power Commission have repeatedly reported such misconduct as the major oil companies violating this antitrust laws and, in effect, going on strike against the public by refusing to tap huge natural gas reserves until prices are deregulated—despite the threat that natural gas shortages will cause widespread unemployment and discomfort.

In many respects, the corporate czars of the petroleum industry seem to be more powerful than the Federal Government. They seem to flout the antitrust laws with impunity.

The existing government agencies—including the Department of Justice—are either unable or unwilling to cope with these gargantuan trespassers.

I have written several letters to Attorney General Edward Levi, urging him to expedite the antitrust prosecutions of the major oil companies. His response has been a brushoff.

Therefore, I am introducing a concurrent resolution which would ask the President to appoint a Special Prosecutor and empanel a special grand jury to investigate the petroleum industry and its practices which violate antitrust regulations and other laws.

If you support this concept, I invite you to join in cosponsoring the resolution when it is reintroduced. A copy of the resolution may be obtained from my office on request.

To add your name and prestige to the list of sponsors, please telephone Alice Katona of my staff at 225-5731 by July 30.

EXEMPLAR OF EXCELLENCE

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. VANDER JAGT. Mr. Speaker, on June 28 distinguished Americans from diverse fields of endeavor were honored by the American Academy of Achievement in Evansville, Ind.

Among the deserving recipients of the Golden Plate Award was an individual known personally by many of us in this Chamber—C. Carney Smith, CLU, executive vice president of the 130,000-member National Association of Life Underwriters.

The academy, a nonprofit group dedicated to the inspiration of youth by providing contact between successful leaders in all fields with students who have distinguished themselves in school, presented the Golden Plate Award to Mr. Smith as an "exemplar of excellence" in the life insurance business and community service.

It is with a particular sense of pride that I note Carney Smith is a native of the great State of Michigan. He received his B.A. degree at Western Michigan and M.A. degree from the University of Michigan. He received an honorary doctor of laws from Alma College.

He did social work, taught speech and forensics at Flint, Mich., high school and Alma College, and was a regional director for the American National Red Cross during World War II before entering the life insurance business in 1946. He joined the National Association of Life Underwriters in 1963 after a noteworthy career as general agent for the Mutual Benefit Life Insurance Co., in Washington, D.C.

Mr. Smith is past president of the District of Columbia Association of Life Underwriters, Chapter of the American Society of Chartered Life Underwriters, Estate Planning Council, and General Agents and Managers Association. He is a past national president of the General Agents and Managers Conference of NALU and currently a trustee of the Life Underwriter Training Council and treasurer of the Million Dollar Round Table Foundation.

He is a recipient of the John Newton Russell Memorial Award, the highest individual honor accorded by the life insurance business; the Bernard L. Wilner Award of the D.C. Association of Life Underwriters; and the distinguished alumni award of Western Michigan University.

Mr. Smith is a noted writer and speaker on life and health insurance, sales management, and the free economic system.

His community service includes tenure as district governor of Lions International, director of the District of Columbia Chapter of the American Red Cross, and trustee of the Detroit Institute of Technology, and People-to-People International. He is listed in Who's Who in America and is a member of the Washington, D.C., and New York

City University Clubs, Congressional Country Club, Capitol Hill Club, and Circumnavigatiors Club and the Westminister Presbyterian Church in Alexandria.

TED LAW, AN OUTSTANDING HOUSTONIAN

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. ARCHER. Mr. Speaker, I recently had the opportunity to read in the Petroleum Independent magazine an article about an outstanding man from Houston, Tex. Mr. Ted Law truly is one of the finest individuals I have ever met. I thought my colleagues in Congress would benefit by reading about him.

Ted Law, an Outstanding Houstonian

If ever a man was destined to have a place in the oil business, it was Theodore N. (Ted) Law, who, although he is chairman emeritus of Falcon Seaboard, Inc., is "still drilling a few dry holes."

Few oilmen can trace a lineage in the business as long as Law's. He is a fourth generation oilman.

Ted Law's oil heritage dates back to his great-grandfather, William Barnsdall, who not only drilled the second oilwell in the United States, but also built and operated the first refinery.

Barnsdall drilled his well near Titusville, Pa., not long after Col. Edwin Drake drilled his famous well. But, interestingly, they started producing oil before Drake.

Despite his family ties with the oil business, Ted Law decided early in life that he wanted to be a stockbroker.

He entered the brokerage business in September, 1929, and admits today to have received "a quick education."

He was 18 at the time and had bypassed going to college so that he could support his wife.

Law recalls that his father, Robert, had told him that if he was "smart enough" to get married, he had better go to work.

His introduction to the investment business came in San Francisco, but he later shifted to New York City where he was associated with various brokerage houses for the next four years. The 1929 crash and the subsequent Great Depression didn't deter him from seeking to make his mark as a stock broker.

But the death of his father did.

At the time his father was chairman of the board of Barnsdall Oil Co., which was acquired in 1950 by Sunray Oil Corp., later Sunray Mid-Continent Oil Co. (Note: Barnsdall, Ok., in oil-rich Osage County, was named Big Heart until 1921 when its name was changed to honor the Barnsdall family.)

His father had been instrumental in bringing together the big, complex organization created by Theodore N. Barnsdall.

"When my father died," Law recalls, "nobody (in the family) knew anything about the oil business.

"My brother was not interested in it so I went to Tulsa and started learning the business from the ground up," Law added.

And learn it, he did. At the time the company owned 23 service stations and, Law says, "I would take off in the morning with a carload of toilet paper and soap to clean up the stations." While Law had stature (he was a director of the company and assistant secretary) and he found the oil business more interesting than stocks and bonds, Law found that his interest in the business lay in drilling.

He left the comapny in 1935 to form Falcon Drilling Co., later become Falcon Seaboard Drilling Co. when it was discovered there was already a Falcon Drilling Co. in Texas.

Associated with him in founding the company were C. W. Alcorn and J. L. Stauss.

The company started out with two rigs, one in West Texas and the other in the Victoria area southwest of Houston.

Law, then 25, ran the Victoria end of the business and Alcorn the West Texas end.

Falcon's first drilling job was in the Placedo Field in Victoria County, Texas.

Despite its modest start, it wasn't long before Falcon Seaboard Driling was on the road to becoming one of the largest drilling firms in the business.

By the end of World War II, it was operating over 40 land rigs.

I could see a future in the driliing business if you could hang on long enough," Law says.

Things went well for Law and his partners through 1957 when drilling was at a record pace in the United States. The company was active in the Mid-Continent, along the Gulf Coast and in the Rocky Mountains. It also got into exploration and development of its own properties in Oklahoma, Texas, Kansas, Colorado and Louisiana.

Falcon Seaboard Driling's rise in the business had been steady, if not spectacular. But it wasn't too long before its fortunes started going the other way.

With the slowdown in domestic drilling, the company began experiencing losses and began disposing of its land rigs in favor of the call of offshore drilling which was then, Law recalls, "in its childhood."

The company has since departed from the drilling business, however, and its name has been shortened to Falcon Seaboard, Inc.

"We're primarily in the coal business and in a big way," says Law. It does have some oil interests.

About three years ago Law became chairman emeritus. "I retired," he says.

Yet he remains active in the business world, chiefly through the Braxton Corp., a research and development company which has developed a device to remove sulfur dioxide and particulate matter from stack gas and emissions from coal-fired plants.

The Utility Data Corp. is another of his business pursuits.

"It is a service company," he says, "helping pipeline companies to meet safety regulations."

Like many other oilmen and business executives, Law is disturbed by what is happening in Washington. He is also disturbed by what the Environmental Protection Agency is doing, observing that "it is doing everything it can to keep us from mining coal."

Falcon Seaboard has strip mining operations in Kentucky where, Law says, "we strip the surface, mine the coal, level the land off and plant grass.

"The land is worth something when we get through with it," he continues. "It was worth nothing before. Yet you have people who are doing everything they can to keep coal from being mined. Coal is one thing we've got lots of."

While he has retired from the day-to-day operation of Falcon Seaboard, Law manages to keep his hand in the oil business.

"I'm drilling a few dry holes," he says. "We've picked up a little acreage in South Louisiana and along the Gulf Coast. I take a little piece of this and a little piece of that."

Law says he participated in the drilling of "a good well in South Louisiana last year."

He now finds that "I just can't get away from the oil business."

HEW SECRETARY PRAISES INVENTOR JINOTTI

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. PATTEN. Mr. Speaker, for many years I have known that one of my constituents, Walter Jinotti, of 10 Scott Street, New Brunswck, N.J., was a talented inventor of medical devices, including a new blood pump for transfusions and an improved method of providing relief to persons suffering from sinus conditions. And there will be more, including an invention to be announced soon.

It was especially gratifying to read that a member of President Ford's Cabinet, HEW Secretary Caspar W. Weinberger, and the Assistant Secretary for Health, Dr. Theodore Cooper, recently praised and commended Mr. Jinotti for his medical inventions.

I am so proud that these letters were sent to Mr. Jinotti, that I hereby insert them in the Congressional Record so that my colleagues and others who read the Record will know of the high esteem in which Mr. Jinotti is held by top health leaders in the Federal Government.

In addition to the letters, the Home News, of New Brunswick, N.J., and the Star Ledger, of Newark, N.J., published a news article on the letters spent to this remarkable inventor of medical devices that help people. The New York Times also published an article on Mr. Jinotti's fine pollen work.

I hereby insert the article from the Home News, Star Ledgar and Times and the letters sent to Mr. Jinotti by HEW Secretary Weinberger and by Dr. Theodore Cooper, Assistant Secretary for Health.

Mr. Speaker, I am proud of Walter Jinotti, not only because of his success, but because he will help millions of Americans because of his talents, compassion and leadership in medical science.

The Secretary of Health, Education, and Welfare,
Washington, D.C., June 16, 1975.

Mr. Walter Jinotti,
Technologist, Middlesex General Hospital,
New Brunswick, N.J.

Dear Mr. Jinotti: Dr. Cooper, Assistant Secretary for Health, has advised me that you have invented a new type of blood pump, and also an improved method of providing relief to persons who suffer from sinus conditions.

I would like to extend to you my personal congratulations on behalf of the Department of Health, Education, and Welfare, for your remarkable achievements. Your devotion and dedication to the field of medical technology are indeed praiseworthy, and your contributions to the evolution and continued improvement in health care will be instrumental in the saving of many lives throughout the Nation.

Again, my warmest congratulations to you, and the best wishes in your future endeavors.

Sincerely,

Caspar W. Weinberger,
Secretary.

Department of Health, Education, and Welfare, Office of the Assistant Secretary for Health,
Washington, D.C., May 27, 1975.

Mr. Walter Jinotti,
Technologist,
Middlesex General Hospital,
New Brunswick, N.J.

Dear Mr. Jinotti: On behalf of the Department of Health, Education, and Welfare, I am pleased to extend to you congratulations for your ingenuity and outstanding contributions in the field of medical technology.

Your latest achievement, the development of a pressure infuser, which allows—among other things—rapid blood pumping for transfusions, is indeed most laudable. It is just this type of inventiveness and dedication to the well-being of others that typifies the true spirit of the American way and the American health system.

Once again, congratulations and best wishes in all your future endeavors.

Sincerely yours.

Theodore Cooper, M.D.,
Assistant Secretary for Health.

[The Home News, New Brunswick, N.J., June 25, 1975]

HEW Chief Praises Inventor

Washington.—Walter Jinotti, a technologist at Middlesex General Hospital in New Brunswick, N.J., and inventor of rapid blood infuser, has been cited for his medical achievements by Caspar W. Weinberger, Secretary of the Department of Health, Education and Welfare (HEW).

Weinberger called "highly commendable" Jinotti's invention of a new blood pump for transfusions and his discovery of an improved method of providing relief to persons suffering from sinus conditions.

In a letter to Jinotti, who resides at 10 Scott St., New Brunswick, Weinberger wrote:

"Your devotion and dedication to the field of medical technology are indeed praiseworthy, and your contributions to the evolution and continued improvement in health care will be instrumental in the saving of many lives throughout the nation."

Rep. Edward J. Patten, D-N.J., has inserted a tribute to Jinotti in the Congressional Record, describing him as "one of the most versatile and notable" medical inventors in the state.

[From the Sunday Star-Ledger, June 29, 1975]

HEW Praises Pump Inventor

Walter Jinotti of New Brunswick, inventor of a device that accelerates the flow of blood used in transfusions, has been commended by federal health officials for his "ingenuity and outstanding contributions to the field of medical technology."

Jinotti, a technologist at Middlesex General Hospital, has received a letter from Casper W. Weinberger, U.S. Secretary of Health, Education, and Welfare, commending him on the invention of the blood pump and the development of "an improved method of providing relief to persons suffering from sinus conditions."

"Your contributions to the evolution and continued improvement health care will be instrumental in saving of many lives throughout the nation," Weinberger wrote.

Jinotti also received a letter from Dr. Theodore Cooper, Assistant Secretary for Health, saying that his "dedication to the well-being of others typifies the true spirit of the American way and the American health system."

His invention, the Jinotti Constant Blood Infuser, was praised by Dr. Herbert Brody, chief urologist, at Middlesex General, as "undoubtedly the most fantastic unit of its kind in the world." The infuser will be especially valuable, doctors said, in open heart surgery, and the treatment of bleeding ulcers.

In addition, Rep. Edward J. Patten (D-15th Dist.) has inserted a piece in the Congressional Record describing Jinotti as "one of the most versatile and notable" medical inventors in the state of New Jersey."

[From the New York Times, Friday, July 4, 1975]

Pollen "Looks Bad" in State This Year

SPECIALIST WARNS SUFFERERS OF HAY FEVER ON HEAVY GROWTH OF RAGWEED

New Brunswick, July 3.—The outlook for the 1975 pollen season in New Jersey "looks bad" for hay-fever sufferers, a medical technologist said today.

"It looks bad—I don't like the looks of it," said Walter Jinotti, a medical technologist at Middlesex General Hospital and himself a hay-fever sufferer.

"Each year we study the ragweed plants to size up their growth," Mr. Jinotti said in an interview. "We check to see if we can make a prediction. This year it appears that the plants are extremely healthy—not only tall in size, but they are very healthy, because of the continuous rain we've had."

Mr. Jinotti said hot dry spells often stunted the growth of ragweed, the source of the pollen that irritates hay-fever victims, but "we've had no real hot burning sun."

Mr. Jinotti said a hot spell in the next three weeks could still affect the ragweed growth enough to limit the hay-fever season, generally regarded as lasting from about Aug. 6 to the Labor Day weekend.

"If this does not occur in the next three weeks it looks like we're in for a very tough season," Mr. Jinotti said. "If we do burn up some of the ragweed tonnage [with a hot spell] maybe we can cut 10 or 15 days off the season."

He said that if present forecasts were correct the pollen count could reach 200 this year. Any count above 10 is considered uncomfortable for hayfever patients.

Last year's pollen season was light, Mr. Jinotti said, with the count never exceeding 100. He calculates the pollen count daily during the hay-fever season and the count is distributed to the press.

GEORGE MARTIN SKURLA HONORED

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. WOLFF. Mr. Speaker, on May 16, the Hap Arnold Chapter of the Air Force Association held its annual awards dinner in Westbury, N.Y. I would like to take this time to extend congressional recognition to the distinguished group of individuals who were honored at this dinner.

Mr. George Martin Skurla, the president of Grumman Aerospace Corp., was presented the man of the year award. This is presented annually to the individual who has accomplished most during the past year in furthering the interests of the Air Force and/or the Air Force Association. This award, unanimously selected by the officers, is not limited to membership in the chapter. Thus Mr. Skurla, was selected from a wide range of possible candidates and can be most proud of this distinction.

The Significant Achievement Award was presented to the Honorable Angelo F. Orazio, a New York State assemblyman representing the 15th district. This is an award given to the chapter member who has accomplished an outstanding feat in his particular field of endeavor. From my knowledge of Assemblyman Orazio's efforts, I know that he truly deserves this award.

Ms. Mary Lessler, the vice president, programs of the Hap Arnold Chapter was awarded the Service Award. This is presented to the individual or organization that has contributed significantly to the support of the chapter.

The Cadet of the Year Award was awarded to Midshipman Frederick Ebers, of the U.S. Merchant Marine Academy. Midshipman Ebers was selected by the Commandant of Cadets of the Academy for his outstanding performance.

Mr. David Tromblee, the president of the chapter from 1973 to 1974, was awarded the Past President's Award. Mr. Tromblee did an outstanding job during his tenure as president and was richly deserving of this honor.

At this point in the Record, I present the names of the officers and the executive council of the chapter:

OFFICERS, H. H. ARNOLD CHAPTER

Raymond J. Uhrich, President; Revere G. Sanders, Vice President, Business Affairs; Ruth D. Miller, Vice President, Public Affairs; Mary Lessler, Vice President, Programs; Robert Holland, Director, Activities; A. Del Casino, Vice President, Membership; Robert MacColl, Treasurer; Kitty Milmoe, Secretary; George V. O'Haire, General Counsel.

EXECUTIVE COUNCIL

Frank X. Battersby, Chairman, Hon. Norman F. Lent, M.C., Hon. Lester Wolff, M.C., Hon. Angelo Roncallo, John F. Dolan, Thomas H. O'Brien, Louis H. Pighi, Walter Petersen, Edwin M. Schwenk, George Skurla, Donald J. Strait, David Tromblee.

In closing, I would like to note the great pleasure and pride I have felt during my association.

AN ACCURATE CONGRESSIONAL RECORD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, for the benefit of our colleagues considering House Resolutions 568, 569, 570, and 581, mandating a more verbatim account of floor proceedings in the Congressional Record, I am introducing into the Record pertinent comments made by well known authorities on Congress.

In 1963, Neil MacNeil writing on the history of House debate in Forge of Democracy, the House of Representatives, said:

> Debates at times have been marked with coarse ribaldry, cruel sarcasms, and biting invective, and at other times with grace, gallantry and eloquence . . . At moments of high drama or grave decision, the House has become profoundly sober and serious, hushed with expectancy, often austere and somber.

MacNeil concludes that the practice of revising and extending in the CONGRESSIONAL RECORD has the effect of minimizing the value and quality of House debate.

Two portions of MacNeil's book which concern the RECORD follow:

> Technically, the authority to "revise and extend" his words in the *Congressional Record* has only given the individual Representative the right to alter words already spoken. The Representative presumably has addressed the House and granting the request to "revise and extend" his remarks has merely allowed him to edit the remarks he made, straighten out jumbled sentences, and correct any normal errors. That, however, has not been the only way the authority to "revise and extend" has been used. Instead, it has also been used as an open license for the Representative to insert anything he desired into the *Congressional Record*. Every member of the House, before he has begun to address the House, has automatically asked for this authority. Some of the Representatives never had exercised the extraordinary license thus granted, preferring to let their formal remarks stand in the *Congressional Record* as spoken. Most of the members, however, have taken advantage of this opportunity to cram the *Record* with speeches never spoken on the floor. Indeed, some Representatives who have rarely addressed their colleagues in formal debate have appeared in the *Congressional Record* to be the most talkative members of the House. They have been free to use the *Record* for that purpose. The House has even encouraged it. After every major bill has been passed, the chairman of the sponsoring committee by custom has made a general request to allow all members of the House to add to the *Congressional Record* of the debate whatever they wished. "Mr. Speaker," the committee chairman perfunctorily would say, "I ask unanimous consent that all members of the House be granted five legislative days to revise and extend their remarks at this point in the *Record*." That authority, automatically granted, has allowed any member of the House to insert in the *Record* any speech he composed as much as five days after the House has voted; and on most important bills a dozen or more Representatives have taken advantage of the privilege. The practice thus indulged has made the *Congressional Record* a questionable source for the historian, but it has served its primary purpose of economizing the House's time. The practice, by its very pretensions, has tended to minimize even in the minds of the Representatives themselves the value and quality of House debate.
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>
> No greater tool for the Representative's self-gratulation has existed, however, than the friendly pages of the Congressional Record. This has given the individual Representative an opportunity to show his constituents that he has been on the job working in their interest, even if he has been neglecting them. It was this impulse that prompted the speech of the Representative from Buncombe in 1820, and the impulse has remained through the years. Few persons besides members of Congress ever even glance at the Congressional Record, but the Congress has long had an arrangement with the Government Printing Office to reproduce, at minimal cost, thousands upon thousands of copies of these individual speeches. These reprints the Representatives and Senators have mailed to their districts at no cost, utilizing both their free stationery and their right to mail their letters postage free, under their franking privileges. The House has also allowed its members complete discretion to remove, rewrite, or extend their remarks made on the floor as they have appeared in the Congressional Record. More than this, the House has also permitted its members to insert in the Congressional Record, technically the official reporting of the House's debates and actions, speeches that were never even made. Normally, on passage of an important bill, the House has adopted a motion that gave every Representative five additional days to prepare appropriate remarks to be included in the record of the day's action. In earlier periods, many members of the House followed the practice of freely editing their own remarks, even on speeches not made. The practice of rewriting speeches for the Record was begun even before the House career of John Quincy Adams, who on occasion rewrote entire speeches. The practice of removing remarks from the Record has also been in use for generations. Joseph Martin, in his autobiography, recorded an instance of this by John Nance Garner. "Every time those damn Yankees get a hambone," Garner said in debate, according to Martin, "I'm going to get a hog." The candid remark did not appear in the Congressional Record.

REVERSAL OF OUTMIGRATION FOUND SATISFYING

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. GRASSLEY. Mr. Speaker, the remarkable reversal of a century of outmigration and depletion to a period of 4 or 5 years of growth in rural and small town areas is most satisfying to Members of Congress.

Moreover, this new balance in development between rural and city areas is good for the country. It may well represent the most significant improvement in national patterns and lifestyles in many years.

Congress and the executive branch have done their homework well concerning the highly successful assistance role the Federal establishment has played in helping rural areas stimulate and use development creatively and properly. Federal loans and other developmental assistance programs have doubled and redoubled since 1970.

Congress passed and the President signed, in 1972, comprehensive rural development legislation. Congress has consistently escalated funding of rural development assistance efforts, on a fiscally sound basis, since that time.

The Department of Agriculture merits praise for quick and effective administration of these programs to needy communities.

Assistant Secretary of Agriculture for Rural Development, William Erwin, organized the delivery of rural development assistance and he has coordinated and directed the programs of many Federal agencies to rural and small town areas.

Rural job opportunities have increased twice as fast as urban jobs since 1970. Needed facilities are springing up in local communities. Industrial installations and vastly improved farm income are adding economic and tax thrust to many small town and open countryside areas. Much improvement in rural housing is taking place. A great many rural communities are finally able to make needed improvements in health, education and other vital facilities and services.

In short, new quality of life characteristics are creeping into rural America—adding to the already abundant array of rural values one finds there.

I was present during Mr. Erwin's testimony before the House Subcommittee on Family Farms and Rural Development on June 16, 1975. The testimony spells out some of the progress that has been made. I commend this statement to the attention of all Members of Congress.

The testimony follows:

STATEMENT OF WILLIAM W. ERWIN, ASSISTANT SECRETARY FOR RURAL DEVELOPMENT

Mr. Chairman and Distinguished Members of the Subcommittee:

We are pleased to appear before you this morning to testify with respect to our implementation of the Rural Development Act, and to exchange views on our common interest in rural America.

The array of questions contained in your two letters of May 22 and May 30 was comprehensive and detailed. I have accompanying me representatives from each agency of the Department charged with the responsibility for implementing various sections of the Act. In addition, the type of response required by many of your questions suggested that your purpose would best be served by written answers. These answers have been prepared and I hope that their insertion into the record will be helpful to the Subcommittee.

Recent data indicate that rural America has made great progress since 1970. Population statistics from the 1960–1970 decade showed a continuing migration of rural people to the cities. From 1970 to 1973, however, a strong reverse trend was indicated and we now estimate that about 350,000 people are leaving the cities and moving into rural America each year.

As might be expected, the rural counties adjacent to metropolitan areas are the fastest growing rural areas, with a 4.7% increase in population in the 1970–73 period. However, the rural counties that are not adjacent to a metropolitan area showed a 3.7% increase in population over this four year period while the increase in the metropolitan areas was only 2.9%.

Along with this turnabout in population movement are other indicators of rural vigor and growth. Still using the 1970–73 indicators, we find that the rate of growth of new manufacturing jobs in rural America was twice the rate of the large cities and the rate of new construction jobs in rural areas was over 3½ times the urban rate.

During 1973 and 1974, the number of new housing units built per 1,000 households has been greater in nonmetro areas than in metro areas. Even with the decline nationally in housing construction in 1974, there were 30 new housing units built per 1,000 households in nonmetro areas compared to 28.8 new housing units in metro areas.

The net of these observations is that rural America is a vigorous and progressive sector of our country today. There are pockets of development inertia where the pre-1970 condition persists, but nationwide rural development is a strong movement and one of gathering momentum.

The Rural Development Act of 1972 has followed rather than precipitated this development upsurge. The first appropriations for the Act were approved by the Congress in October, 1973. This was well into the 1970–1973 period of change which I have been discussing. However, the Act has enabled us to provide essential support and assistance to the rural development movement and the programs implemented under the Act are, we believe, contributing to the acceleration of this movement. The Department has obligated or will obligate all the rural development funds authorized by the Act that have been appropriated by the Congress.

The assistance provided through rural development legislation, in such essential areas as community facilities, housing, electric utilities, water and sewer, and business and industry is significant and is evidenced by the major program increases that have marked these activities over the 1969–1975 fiscal year span. For example:

Farmer credit loan programs increased from $667 million in 1969 to $1.7 billion in 1975, an increase of more than 250 percent.

Farmers Home Administration rural housing loans increased from $507 million to over $2.2 billion this year, an increase of over 400 percent.

Water and sewer loans and grants increased from $191 million in 1969 to $620 million this fiscal year, an increase of about 325 percent.

Other essential community facility loans rose from $50 million in 1974 to $200 million in 1975, a 400 percent increase.

Business and industrial loans and grants increased from $210 million last year to over $360 million this fiscal year, an increase of 170 percent.

In the fields of electrical utilities and telephone programs, administered by the Rural Electrification Administration, the increase in levels of assistance is even more remarkable. For example:

Total electric loans in 1969 were $329 million. In 1975, they totaled just short of $2 billion when the guaranteed loan program is included.

Telephone loans, including those of the Rural Telephone Bank, which came into effect in 1973, increased from a 1969 level of $120 million to a 1975 level of $460 million.

These program levels show that despite understandable budgetary concerns within the Administration and the Congress, rural development programs have grown. There has been much said and written about the provisions in the Rural Development Act for which the Administration did not request funding but little has been said about the areas where the Congress has curtailed Administration requests.

Currently, 76.5 percent or 65 provisions of the 85 provisions in the Act have been implemented. Shortly, the 66th provision—relating to guaranteed rural housing loans—will be added. Many of the unimplemented provisions exist in that condition simply because assistance is provided through other channels within the Department of Agriculture programs or the Congress has failed to fund the program.

I believe that we should salute the efforts of the various agencies within the Department of Agriculture for effectively obligating almost every dollar appropriated despite the fact that in each of the past 2 years, for which funding was available, the appropriations were not approved and made available until almost midway through the fiscal year.

In addition to the delivery of the programs stated above, there are other factors that are at least as important to rural development. These are the services which are essential to the improvement of the quality of rural life, and the human development upon which all other progress is dependent. The coordination and leadership functions expressed in Section 603 of the Act enable us to address these needs on a comprehensive front. The coordination efforts of the Rural Development Service are devoted to increasing and improving the delivery of many federal programs and services to the rural sector.

While I have addressed only those programs and activities administered by the agencies for which I am directly responsible, the other agencies charged with various program aspects of the Rural Development Act of 1972 include the Soil Conservation Service, the Forest Service, the Extension Service, the Cooperative State Research Service, and the Agricultural Stabilization and Conservation Service. Each of these agencies also administer other programs which contribute significantly to the development of rural America, and each agency has a representative here who can respond to the needs of the Subcommittee.

In closing, there is within the United States a viable dynamic rural development movement that is fundamentally controlled by the rural citizens in their rural communities. We welcome these hearings as an opportunity to work together with the Congress in order to determine how we can most effectively be of service to our rural citizens.

We appreciate the efforts and concerns of this Committee and the Congress as we all work toward the improvement of rural America through constructive rural development.

We will be happy to answer any question that the Committee may have.

Thank you.

ST. PETERSBURG TIMES LAUDS BETTY AND SUSAN FORD

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. YOUNG of Florida. Mr. Speaker, previously, I shared with my colleagues in the Congress an account of the launching of a Bicentennial project by Miss Susan Ford—the President's daughter—which will be one of the more spectacular events during our 200th birthday celebration. The event is Operation Sail, which got underway with Miss Ford's christening of *Op Sail '76*, a 41-foot Morgan out-island, on June 27, 1975. *Op Sail '76* is now visiting as many other ports along the Gulf and Atlantic coasts as possible before July 4, 1976, after making my city of St. Petersburg the first port of call following the christening ceremonies.

CHRISTENING CEREMONIES

Miss Ford's visit to St. Petersburg and her participation in the christening of *Op Sail '76* generated a lot of enthusiasm and excitement—not only over one aspect of our Bicentennial celebration—but also over Miss Ford herself.

Mr. Speaker, I wish to share with my colleagues the impressive editorial tribute to the two women in President Ford's life, by the St. Petersburg Times in its issue of July 2, 1975:

THE FORD WOMEN

Judging from Susan Ford's recent visit to St. Petersburg and other observations, the President's 17-year-old daughter holds promise of capturing the public imagination more than any woman of the White House since Jacqueline Kennedy.

And her mother, despite the physical and emotional debilitation of cancer, chemotherapy and osteoarthritis, already has shown a willingness to speak out on controversial issues not seen since Eleanor Roosevelt.

The first news stories about Susan after her father became President quoted her boyfriend praising her for not having "some fancy career in mind like nursing" and believing with him that a woman's place is in the home.

In recent months, though, Susan has taken on a monthly column for Seventeen magazine, started taking lessons in photography as a possible career, been helping out with the ceremonial functions of the presidency—and broken up with her male chauvinist boyfriend.

While the Johnson and Nixon daughters were attractive, Susan's naturalness—coupled with her highly photogenic classic features and statuesque figure—suggest that here is a viable cover girl candidate.

Betty Ford has shown that she offers more than the dutiful portrayal of the role of First Lady. Scarcely a month after her husband was sworn in, Mrs. Ford earned a standing ovation from the National Council of Negro Women with her pledge to stump the country on behalf of the rights of women and blacks.

As nearly as she could, despite the considerable limits of her health, Mrs. Ford has kept this pledge. With commendable openness she acknowledged that her children "probably have experimented with marijuana" and volunteered that the strain of being a political wife once had caused her to see a psychiatrist. She has spoken out also on such controversial issues as abortion and amnesty.

She herself has speculated that the frankness with which her mastectomy was treated had saved many lives. Beyond that, her frequent appearance in graceful, form-fitting dresses has shown women that they need not fear that loss of a breast means loss of femininity.

And despite the fact that she announced early in her husband's presidency that she would wear moderately priced clothes by American designers, she was named to the international best-dressed list this year.

The Ford women appear to be giving the White House the pizazz it needs.

HEALTH MAINTENANCE ACT IMPROVEMENTS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. FRENZEL. Mr. Speaker, today, I am joining my colleagues, Mr. HASTINGS and Mr. ROGERS, in sponsoring their bill to amend the Health Maintenance Act of 1973, Public Law 93–222.

I would like to commend Mr. HASTINGS and Mr. ROGERS for an excellent job in improving this legislation to furthering the acceptance and stimulating the growth of the HMO concept.

I supported the HMO bill which became law in 1973 as I felt it was a good beginning, even though we knew there were still a lot of issues yet to be resolved. After 2 years of actually living with the law, we learned it was much too restrictive and failed to provide the proper incentives to make the formations of HMO's more attractive to potential sponsors.

Some of the outstanding features include:

First. Tailoring the health care services to the needs and wants of the consumer by making the offering of supplemental health services.

Second. Eliminating the requirement that HMO's offer annual open enrollment for individual membership.

Third. Removes the requirement that medical groups must have as their principal profession activity the provision of health services to members of HMO's.

Fourth. Includes State and local governmental employers among those employers which must offer employees the option of HMO membership.

Fifth. Enable private entities to obtain federally guaranteed loans for planning and for the establishment or expansion of HMO's to serve populations in addition to medically underserved populations.

Developing HMO's in this way will improve their ability to deliver quality health care services to the majority of working people and their families at affordable rates. It will, in the long run, turn out to be a better and cheaper foundation for an alternative to the proposed expensive, comprehensive national health insurance plan.

I urge quick consideration of this bill so we can finally get HMO's off the ground. HMO's can then effectively build on the partnership that already exists between the Federal and private sector by allowing both the provider and the consumer of health services to exercise the widest possible freedom of choice.

AMERICAN LEGION OF MASSACHUSETTS ANNUAL CONVENTION

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. BURKE of Massachusetts. Mr. Speaker—

> Please, God, help the Nations and the Peoples of every Race, Creed, Color and Faith, to get along in harmony together, without war or destruction.
>
> Please, God, we pray for Enlightened Understanding for All Mankind, so that We may have a Better World.

This prayer for world peace was written by a grandmother of 12 children and a member of the Mayflower Descendants Society, Mrs. Clara Place Swan of Quincy, Mass. Mrs. Swan's prayer was recently adopted as the official prayer of the Massachusetts American Legion at its 57th annual convention held in Boston 2 weeks ago. The prayer has been sent to the national commander of the Legion for consideration by the national convention later this year.

Two thousand delegates from across the commonwealth gathered for the 4-day convention whose theme was the Nation's Bicentennial. The convention president, Gabriel Olga of Boston, told the delegates, "It was only fitting that we held our 57th convention in Boston in the shadow of historic Bunker Hill and in close proximity to Concord and Lexington, where our forefathers first shed their blood so that we might be free."

The convention elected John Comer of the Quincy Assessing Department, American Legion State Commander. He is only the third man to have run unopposed for this office. Legionnaires also called for the return of Memorial Day to May 30, and for the establishment of a national cemetery for war veterans in Massachusetts.

A VERBAL LYNCHING VICTIM

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. YATES. Mr. Speaker, President Ford in nominating Dr. Daniel J. Boorstin for the position of Librarian of Congress has recognized the reputation of this distinguished scholar and noted historian. As a good friend, I enjoyed the editorial from the Tulsa World, which I commend to my colleagues.

[From the Tulsa World, June 16, 1975]

A VERBAL LYNCHING VICTIM

(By John D. Lofton, Jr.)

WASHINGTON.—The question of who President Ford will choose to be the new head of the Library of Congress is not exactly one of those earthshaking issues that the whole country is talking about. But because the man said to be in line for this post is being so viciously smeared, the subject does merit some attention.

In a press conference on the Library steps the other day, a Mr. Howard Cook, executive director of a group called Black Employes of the Library of Congress, blasted Dr. Daniel J. Boorstin, the Pulitzer-Prize-winning historian who is reportedly President Ford's choice to be Chief Librarian.

Editor's Note—Dr. Daniel Boorstin is a native Tulsan. His late father, Samuel Boorstin, was a practicing attorney here.

Dr. Boorstin, who is now a senior historian at the Smithsonian Institution's National Museum of History and Technology, and used to be the museum's Director, is "a racist," says Cook, a man who would "set back the cause of equality and equal opportunity by at least 20 years."

Cook adds: "We checked his record at the Smithsonian and found him short on equal opportunity and affirmative actions programs." He also alleges that Dr. Boorstin once described blacks as "new barbarians."

Now, the only problem with Cook's charges—featured here prominently in both newspapers, with photographs—are that they are absolutely scurrilous and completely without any foundation in fact whatsoever.

What Dr. Boorstin wrote in his 1969 essay on "The Decline of Radicalism" was that those extremists who advocate Student Power and Black Power are "new barbarians who offer no content, no ideology, hardly even a jargon . . . in them the quest for meaning has been displaced by the quest for power." He made no such reference to all blacks, as Cook charges.

To the contrary, Dr. Boorstin has written thoughtfully and compassionately about the plight of blacks in America. In his book, "The Americans: The Democratic Experience," which won the Pulitzer, he wrote:

"When the negro had become, in law, a free American, his status as an indelible immigrant became an anachronism as well as an injustice. American civilization in the 20th century then made the position of the negro American not simply unique, but intolerable. Nearly every novel force in the life of the nation made his situation more difficult to explain and impossible to justify."

Dr. Boorstin acknowledges that on his way into American life, the negro "had been pushed into a devious, segregated channel." Some racist!

Since he tells me that "all of his writings" convinced him that Dr. Boorstin wants to turn the clock back to a time when slavery was legal, I ask Mr. Cook how many of Dr. Boorstin's more than a dozen books he has read?

"Well, that's my business," he says. I press him. "We've reviewed all of them," he hedges. But how many have you read? "I have reviewed all of them," he says, refusing to say he has read any.

As to Dr. Boorstin's alleged antiblack record at the Smithsonian, Cook admits he has no statistics to back this charge up. He says he was told this by the Institution's equal employment officer, Archie Grimmett.

However, Grimmett tells me "really, there's nothing I can say" about Dr. Boorstin. He says "nothing happened" one way or the other under Boorstin regarding equal opportunity or affirmative action. Grimmett denies ever talking with Cook or any members of his organization.

Dr. Daniel J. Boorstin is one of America's distinguished scholars and historians. He would make an excellent Librarian of Congress and I hope the rumors are true that he will be appointed to this position by President Ford.

It is unfortunate that Dr. Boorstin has been the victim of a verbal lynching by Mr. Cook and his mob, but even more lamentable that the two papers here allowed themselves to be used to spread these malicious lies.

Truly, the charge of "racism" has become the last refuge of the black scoundrel.

NEGATIVE IMPACT OF IMPORT TARIFF

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. MOFFETT. Mr. Speaker, the President's measures to conserve energy in this country and reduce our dependence on imported oil have failed to accomplish either goal and have only succeeded in making a difficult and damaging situation more harmful. The New England region has been hit particularly hard by the tariff because of its dependence on foreign oil as its main source of energy. To illustrate this point, I am inserting into the RECORD a copy of a letter sent to the President by the Governor of my State, Ella Grasso, describing the negative impact of the import tariff on Connecticut.

MAY 29, 1975.

Hon. GERALD R. FORD,
THE WHITE HOUSE,
Washington, D.C.

DEAR MR. PRESIDENT: The people of Connecticut and the entire nation support your efforts to develop a national energy policy which will result in independence for our nation from foreign energy sources. While I recognize the imperative need for congressional action in this regard, I must convey to you my concern for your recent decision to further increase the tariff on imported oil. Such action is discriminatory to states such as Connecticut that are heavily reliant on imported oil.

I am deeply concerned over the effect further price increases will have upon our citizens. We in the northeast have already been affected much more than other areas of the nation by rising energy costs with severe ramifications for our elderly, poor, and fixed income consumers. We estimate that your decision will add approximately 60 million dollars a year in additional energy costs to the budgets of Connecticut consumers. In a time of economic recession, high unemployment and rampant inflation, such additional burdens are onerous.

The financial situation of the state is

seriously disadvantaged by this plan. There is no doubt that any increase in petroleum prices at the current time will further exacerbate the existing deficit as well as throw out of balance next year's budget which was only recently adopted. State government has already budgeted approximately 20 million dollars more for energy costs in the next fiscal year. This plan will add further to these costs. In addition there may well be decreases in state revenues as a result of increased energy prices.

I urge that you reconsider your decision to further increase the tariff on imported oil and that you diligently search for a method of relieving the disproportionate burden now being borne by regions such as New England.

Certainly any program which removes millions of dollars from a particular region of the country should also include a method of returning those revenues to the economy of that region. Such a philosopy is essential if we are to maintain the viabilty of our entire economic system.

Cordially,

ELLA GRASSO,
Governor.

JOURNALISTIC ENDEAVOR CALLED GARBOLOGY

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. GOODLING. Mr. Speaker, since I have been a Member of the House of Representatives I have been impressed with the amount of time and effort which my colleagues devote to cooperating with the news media so as to keep people informed about their activities in Washington.

Most congressional offices have a press assistant or a public relations person designed to provide the news media with the latest in all sorts of public information so that it can be passed on to the public. My office is no exception. My staff and I work diligently to see that the press is informed of our activities and to keep up with the latest trends in journalism.

Along that line I would like to advise my colleagues that I have instructed my staff to cooperate fully with the National Enquirer in its efforts to increase the public's knowledge of Government officials through that new and amazing journalistic endeavor called garbology.

As Secretary of State Henry Kissinger and his wife have just learned, garbology is the newest technique in investigative reporting and consists primarily of providing an expert analysis of the garbage of a government official. I am sure the Kissingers were as surprised as the rest of us at the development of this technique, since for many years the news media has championed the cause of individual freedom and privacy.

Actually, though I do not want to leave the impression that I entirely disapprove of this method of displaying journalistic talents. If it were seriously applied to such places as New York City, which seems to be eternally ensnarled in garbage, it actually might serve a very useful purpose. Of course then the American Newspaper Guild would have to demand wages equal to those received by sanitation workers and that might present an additional problem for the garbologists.

Although there seems to be some opinion that columnist Jack Anderson pioneered the field of garbology, there is no doubt in my mind that it has been advanced to new lows by the National Enquirer which has its own garbologist alive and well and living in Florida.

In my office in an effort to provide the news media with whatever public information they seek, we send out television reports to the television stations, radio reports to the radio stations, and news releases to newspapers.

At this time I would like to announce that in keeping with latest trends, I have instructed my staff to send our garbage to the garbologists. They are boxing the first day's shipment today and it will be delivered to the National Enquirer. I am willing to arrange for the delivery of additional shipments, but I would really prefer a National Enquirer pickup—say on Monday, Wednesday, and Friday.

Frankly, I anxiously await the results of an expert analysis by the Enquirer's staff garbologist. I have instructed my staff to sweep nothing under the rug and to make sure that everything that is in a normal day's trash from my office in this shipment.

I hope I can assure you that the garbologist will not find any mail from my constituents. I am sure he will learn that my staff smokes more than is considered healthful and consumes a considerable amount of Maxwell House coffee. Personally, I have a fetish for Ritz crackers and Skippy Peanut Butter and I normally throw out the complimentary copy of the National Enquirer unopened.

I am not sure what all of this will mean to the people of the 19th District of Pennsylvania, but when I was elected I promised to keep my office open to both the press and public and I hope this exercise in garbology is consistent with that pledge.

H. L. "HAP" POWERS

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. BYRON. Mr. Speaker, last week, Maryland and the Nation lost a prominent conservationist and a good friend. H. L. "Hap" Powers was an unselfish driving force in bettering our environment by fighting for a balanced and wise use of our natural resources.

Born in Hancock, Md., and president of the Powers Distributing Co. of Hagerstown, Mr. Powers was director of the Maryland Wildlife Federation, a national representative to the National Wildlife Federation, and also chairman of the National Wildlife Federations' legislative committee.

Quoting from this week's issue of the Hancock News:

> Mr. Powers will be greatly missed by many area residents of all ages, young and old, from all walks of life.

I know you join me in extending deepest sympathy to his wife and family.

URBAN CRISIS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. RODINO. Mr. Speaker, I would like to call to my colleagues' attention an editorial appearing in the Star-Ledger on July 8, 1975. This editorial highlights the continuing fiscal crisis faced by our urban centers:

URBAN CRISIS

"This persistent fiscal crisis is, perhaps, the most fundamental of all the city's problems."

That conclusion was reached in 1971, a compilation and comparison of eight major fiscal studies made by various groups and organizations over the previous two decades of New York City's government.

It has a chilling contemporary pertinence to New York's current monumental financial problems, but it applies in varying degree to other American cities and provided the basis for a depressing universal urban evaluation by mayors of large municipalities at their annual meeting in Boston.

The sad fact is that urban conditions have worsened considerably in the interim since the cumulative fiscal appraisal of New York was made several years ago. They have been gravely accelerated by the recession, which has generated its harshest impact on the cities, where unemployment is running substantially ahead of the national average.

The universal concern of the mayors' conference was expressed in a resolution cosponsored by Mayor Kenneth A. Gibson of Newark urging federal funding to create employment for a million persons over the next five years. There were 60 statements of policy adopted by the resolutions committee, covering diverse areas of urban concern, but they were overshadowed by an insistent theme of greater federal involvement to alleviate recession-pinched municipal budgets.

The bleak message from the Mayor's Conference stands in sharp contrast with the position taken earlier by the Ford Administration that the crisis of the cities is over. One can only wonder how the President and his aides were able to arrive at such an obviously egregarious judgment.

Certainly, the documented facts of urban fiscal distress were clearly imprinted in mounting budget deficits and the debilitating effects of the recession on employment. And while there are signs of economic recovery, it should be acknowledged that the recession will leave the cities last.

The 43d annual gathering of big-city mayors casts a sharp, illuminating focus on the urban malaise, evident in the alarm sounded by Mayor Joseph L. Alioto of San Francisco that the "seeds of New York are in every American city."

The conference has called on Congress to pass $2 billion in emergency urban aid that would provide special grants to cities with an unemployment rate of more than six per cent for three successive months. Newark and a number of other cities in this state would be immediately eligible for this funding.

It would be delusive for the Ford Administration to persist in its misguided determination that urban decline has been reversed when the facts clearly indicate otherwise. If this destructive cycle is to be halted, it will require substantial federal aid, not a return to the Nixon Administration's doctrine of "benign neglect" under the guise of flawed optimistic appraisals of the urban condition.

Despite the optimistic statements by the Ford administration that our urban problems are over, nothing can be further from the truth. Mr. Speaker, the resolution which Mayor Gibson cosponsored before the mayors' conference is in essence the counter-cyclical act which I have cosponsored in the House. This much-needed legislation will provide Federal funds to municipalities with unemployment rates over 6 percent to assure the continuance of vital city services.

This legislation is now before the Government Operations Committee and I hope it will be favorably reported out to the floor in the near future.

Mr. Speaker, I salute Mayor Gibson for his efforts at coping with a desperate situation and I commend the Newark Star-Ledger for asserting in the strongest possible terms that the urban crisis has continued unabated.

THE BASTILLE OF AMERICAN MEDICINE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. BAUMAN. Mr. Speaker, I have recently had the opportunity to inspect the health care and medical facilities of Great Britain. I am sad to say that they represent a symphony of problems, illustrating what happens to a profession which is regulated out of existence.

Apparently, the stupidity of an idea has never impeded its progress. Now there are those who would invite such regulation of the medical profession on our own shores. They would invite this despite the fact that throughout American history, the freedom to practice medicine without the encroachments of governmental duress is one of those truths which make our culture. During those few instances when plans were being promoted to monitor and thereby control the medical profession by the state, some of the greatest minds of American society joined in the public outcry which put such plans to rest. The sentiment was best illustrated in two century-old remarks of Dr. Benjamin Rush of Philadelphia, who said:

> To restrict the art of healing . . . will constitute the Bastille of medical science.

The following article which appeared in the July 15 issue of Forbes describes the foundations of this Bastille which is slowly being erected. It describes the problems governmental regulatory policies have already generated in the medical field, and it should be required reading for every Member of Congress interested in increasing the degree of Government control still further.

The article follows:

KEEPING AN EYE ON THE DOCTORS

Medicine, which falls somewhere between being a business and a profession, may well be the first of the disciplines to come under direct federal regulation. In fact, that is already beginning to happen. The question no longer is: *Should* Washington regulate? Rather it is: How fast?

Socialized medicine? Unlikely. The federal budget can't afford it. The doctors would fight it tooth and nail. The public probably doesn't want it. But what seems ahead is federally regulated medicine—much as we have government-regulated banking or transportation.

What makes regulation likely are two things: (1) Public concern over health costs, which already eat up nearly 10% of the gross national product; and (2) the doctors' virtual monopoly in medical care. Monopolies are easier to regulate.

To be sure, the doctors' monopoly did not begin as a conspiracy to restrain trade. The doctors' control over supply dates back to 1910 when the American Medical Association sponsored Abraham Flexner's great study that pointed out the shocking deficiencies of U.S. medical education—the first step toward its total reform. The educational uplift had its financial analog: Gathering into its hands control of training and licensing, the profession thereby also achieved complete control over the supply side of the medical equation.

What neither the doctors nor the public foresaw, however, was the explosion in the demand for medical care and in the ability to pay for it, which changed the nature of the monopoly. With demand galloping and supply creeping, the price of a doctor's services soared. The American Medical Association, which certainly has no incentive to overstate doctors' incomes, reports that in 1970 the average practicing physician grossed $88,000 a year and netted $50,000. But doctors' fees have risen 10% a year since then. So $100,000-plus and $200,000-plus practitioners are far from rare.

With demand exceeding supply, M.D.s fear neither price-cutting nor recession. "Their asking price is their settling price," says former Health, Education & Welfare Secretary Wilbur Cohen. "For a mother with a sick kid, there's no market economy. She doesn't want a service, she wants a miracle—right away and at any price."

But there is another reason why price is not a factor, and it is central to the changes now occurring in U.S. health care: *In at least two out of three cases, the worried mother doesn't pay*. Her insurance company or, increasingly, the Government pays.

This excess of demand over supply is partly the result of historical factors stretching at least back to World War II, but barely noticed at the time. Because they were officially discouraged from negotiating wage hikes, unions began to bargain for health-care coverage. From then on, medical services increasingly became a situation where, from both the supplier's and the consumer's viewpoint, Somebody Else Pays.

Health insurance was supplemented in the 1960s by government payments like Medicare and Medicaid. This enabled doctors to set fees and policy as they chose, hospitals to jack their room rates to over $100 a day in many big-city hospitals, and once (but no longer) underpaid hospital workers to win fat raises. In a recession year with inflation easing off, 1975 health-care expenditures will climb 15% to $120 billion—nearly 10% of the GNP. Clothing by contrast, takes under 7%.

ENTER BIG BROTHER

The growth of government- and insurance company-financed medical care, however, changed the supply-demand equation. Where previously supply had been concentrated and demand fragmented, now demand too began to be concentrated. Since Uncle Sam now pays 25% of all medical bills, increasingly Washington's voice has begun to be heard.

Why, with U.S. medical care among the world's best, should anyone listen to the voice of government, of bureaucracy? One answer, of course, is that medical care is a tempting target for politicians looking for new goodies to promise the voters. But there is more to it than that. In fact, what started out as a gentle, public-spirited monopoly has lost some of its beneficence. For example:

A New Yorker or Los Angeleno can get the most refined forms of medical treatment, but a North Dakotan may have trouble finding someone to set his broken arm. This is true of hospital service.

General practitioners are scarce, but the U.S. has twice as many surgeons per capita as the British.

Despite the relative plethora of surgeons, operations are not cheaper here. Instead, we have twice as many operations per capita as the British.

Nobody knows for certain how much fee-jacking goes on based on the knowledge that Somebody Else Pays. How much competitive (and expensive) hospital expansion goes on in some areas, while others are in desperate need of facilities?

All too often physicians recommend unnecessary and expensive treatment or hospitalization because it is covered by insurance or paid for by the Government.

In attacking some of these problems, the Government's sharpest stick is Professional Standards Review Organizations, physician groups on government contract to review medical care in their area and enforce predetermined norms of practice. Authorized by Congress in 1972, this program is now under way in about a third of the country: It is designed to hold down skyrocketing health-care costs by making the individual M.D. accountable to someone else besides malpractice lawyers.

"PSROs are going to affect type of care given, the provider, length of treatment and the setting in which it is rendered," says Dr. Henry Simmons, former head of HEW's PSRO program. "It's going to have a very substantial impact, probably more profound than anything we've ever done." PSROs must approve hospital admissions and set standards for treatment and length of stay for all government-financed patients. If treatment varies significantly from the standard, payment to the hospital is discontinued. Massachusetts' review program saved the state $6 million in 1974 by cutting the average Medicaid-paid hospital stay from 8.1 to 7.5 days.

The policing is done by peers, a principle endorsed by the AMA. But with Government in the saddle, the AMA predicts cost control will endanger quality and lead to "cookbook medicine." Even Dr. Alan Nelson, himself head of Utah's PSRO, complains: "The regulation puts responsibility for peer review back in the bureaucracy." He makes the businessman's standard complaint about government regulation: How can a Washington bureaucrat possibly understand our problems? But the day of self-policing is probably past.

Besides the PSROs, Washington has yet another foot in the medical door via the Health Maintenance Organization Act of 1973. This requires employers to offer their employees a choice between conventional health insurance, which lets them choose their own doctors but pays only part of the cost, and membership in a prepaid group-practice organization.

Many doctors bitterly oppose these group-health maintenance organizations. As a salaried employee of an HMO, the physician loses the cherished status of being his own boss—a sort of doctor/priest/businessman. He loses power, too. The law requires an HMO to be controlled by a board of directors made up equally of doctors, administrators and consumers.

For the patient, it's a trade-off, sacrificing personal care for guaranteed access to a full range of medical services. It is rather like switching from corner grocer to supermarket.

Medical education and hospital construction are two more doors where the Government has gotten a foothold. In both cases, Washington pays the biggest part of the bill:

nearly $1 billion for construction and $1.3 billion for education, or 60% of the cost of training a doctor. Not surprisingly, the Government wants more say in how the money is spent.

Last January amendments to the Public Health Service Act created regional Health Systems Agencies, which will start operating nationwide in a year or two. They will review hospitals and other medical facilities in their areas and must give prior approval to new construction. The majority of directors of each agency must be *consumers*. Another blow to self-policing!

"Of all the bills they've ever passed short of declaring war," complains AMA Executive Vice President Dr. James Sammons, "this is the most dangerous. It vests decision-making power in the hands of totally unprepared people."

However, the objective is sensible: to reduce costly competition between hospitals serving the same populations. As with doctors, so with beds. The more you have, the more patients are needed to keep them occupied. Today, phyicians must sometimes fill a quota of beds in order to retain hospital privileges. The Government argues that these abuses will not be cured by doctors themselves.

Finally, the Government may use its educational grants to influence where and what doctors practice. To correct the maldistribution of physicians, Congress may require a tour in the Public Health Service for young doctors who do not repay federal aid to medical schools—now about $11,500 per graduate. For a student who also needs loans, the service period could be as long as eight years.

The same legislation, backed by Senator Edward Kennedy (Dem., Mass.) and Representative Paul Rogers (Dem., Fla.), would also limit the number of medical residences and authorize HEW to parcel them out among hospitals. Specialization requires a residency, and since most doctors eventually settle in that same location, the effect will be federal pressure on where physicians live.

It all adds up to regulation of every aspect—manpower, plant, financing and professional practice—of what was until recently the nation's least regulated economic activity. As Dr. Thomas Ballantine, a neurosurgeon who heads Massachusetts PSRO support organization, observes, "The physician has been very slow to understand that delivery of medical care is now a political process and that he must become involved in the wider issues. That's why I'm sitting here."

Bureaucratic hassles aside, chances are that the doctor will come out, as he has in the past, rolling in money. Washington's Group Health Association, which the AMA so strongly opposed 40 years ago, now attracts more doctors than it can hire. Salaries start above $30,000 and approach $60,000 for doctors with eight years' seniority. Fringe benefits total $20,000, and the five-day week demands about 20 hours less than most other physicians put in. The average physician, who nets $50,000 and works a 55-hour week, doesn't come out any better than a first-year internist at GHA.

AGE SPLIT

The point is not lost on younger physicians. A poll of Harvard medical students taken in 1959 found that fewer than 10% favored group practice or national health insurance. Of those polled in 1971, 98% favored group practice and 81% wanted national health insurance. The split carries over to practicing physicians as well. Where only one-third of those over 45 favor PSROs, the corresponding figure for doctors under 45 is 55%.

So the days of rugged individualism in medicine are fading. The change won't be an unmitigated disaster for the doctors. Nor will it be all gravy for the consumers, since regulation means bureaucracy. But this is the way things are going, and the doctor of the future, though probably just as prosperous, will be less a free agent than he was.

INTRA INVESTMENT CO.

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. BLANCHARD. Mr. Speaker, the July 8 Washington Post carried a most unusual story on the involvement of the U.S. Department of Agriculture in a Middle Eastern investment firm by the name of Intra Investment Co.

If the allegations published by the Post are true, USDA is providing nothing less than what amounts to an interest-free loan by holding stock in this corporation—an interest-free loan to the countries of Kuwait and Qatar, which are two of the wealthiest oil-producing nations in the world.

If the allegations published by the Post are true, USDA is a stockholder in a company which has a policy of refusing to do business with firms which are on the Arab boycott list—either because they are owned by Jews or because they do business with other firms owned by Jews.

Mr. Speaker, I am sure this matter will be thoroughly investigated, and I will state here and now that I intend to give my unqualified support to those investigations which have already begun.

But I want to further state, simply, my outrage that this situation could have developed by accident.

It is outrageous that the Department of Agriculture holds an investment worth over $10 million of the taxpayers' money, yet claims lack of knowledge of Intra's dealings when confronted with them.

It is outrageous that USDA is in any way subsidizing governments such as those of Kuwait and Qatar, which participated in the oil embargo and which are completely capable of paying their own way in the world today.

And finally, it is outrageous that the Government of the United States should be connected in any way, however tenuous, with the discriminatory, anti-Semitic blackmail being practiced by Arab firms and investors today.

I am inserting this story, entitled "U.S. in Strange Partnership," in the RECORD for the information of my colleagues:

U.S. IN STRANGE PARTNERSHIP

(By Thomas O'Toole)

The controlling shareholders of a thriving Lebanese business called Intra Investment Co. are a curious mix.

The tiny sheikdom of Qatar is a shareholder. So is the government of Lebanon. The oil-rich kingdom of Kuwait is the largest single stockholder, and the second largest is the U.S. Department of Agriculture.

Now in its ninth year of ownership in Intra, the Agriculture Department has a man on the board of directors of this $230 million company, which controls 55 subsidiaries. These include the busy Middle East Airlines, a booming shipyard in Marseilles known as La Ciotat, and a spectacular Beirut gambling casino at the edge of the Mediterranean Sea called Casino du Liban.

Intra also owns real estate in Geneva, parts of the port of Beirut, the Lebanese national television network, the largest refrigerated warehouses in the Middle East and a pair of banks called Almashrek and the Bank of Kuwait and the Arab World.

Intra's business is now so good and so widespread that Agriculture finds itself involved in affairs that have nothing to do with farming and feeding.

In March, Rep. William M. Brodhead (D-Mich.) wrote Secretary of State Henry A. Kissinger asking him to explain why the United States owns a piece of an investment firm that boycotts companies doing business with Israel. Brodhead asked Kissinger if it were true that Intra had a hand in freezing out a group of boycotted banks from a 25 million underwriting for Air France last February.

Brodhead says Kissinger denied any U.S. role in a boycott. One Agriculture official with close ties to Intra said that if there were a boycott Agriculture would never know it. He called Agriculture's board seat "powerless . . . We never get involved in anything to do with management."

Intra senior vicee president Robert Fast acknowledges that Intra went into the Air France underwriting with reservations about doing business with Lazard Freres, a French-American investment firm that has done a lot of business with Israel.

"We did not demand that Lazard be kept off," Fast told Washington Post correspondent Jonathan Randal in Beirut, "but we said if you invite them (as comanagers) then don't invite us."

Fast insists that Intra has "no choice" about doing business with blacklisted banks, but points out the arbitrariness of the boycott that blacklists Rothschilds and Lazard Freres in Paris but not London. Fast also said that Intra does business in New York with Salomon Brothers and with Goldman Sachs, whose Gustave Levy is chairman of the United Jewish Appeal.

"We're not anti-Semitic," Fast told Randal. "We work with Jewish banks, but not with Jewish banks on the Arab League boycott list."

Recently, Agriculture Secretary Earl L. Butz was asked by Sen. James L. Buckley (Cons.-R-N.Y.) for an accounting of the scope of Intra's affairs and of U.S. involvement in those affairs.

Agriculture became a holder of Intra shares nine years ago when Intra's predecessor, Intra Bank, went bankrupt, leaving its assets to its creditors. The creditors included Agriculture's Commodity Credit Corp., which had been paid for $22 million worth of wheat and butter with letters of credit from Intra Bank.

Originally, Agriculture's shares amounted to 14 per cent of Intra's stock but were reduced to half that six years ago when Agriculture received more than $11 million from the sale of the Intra Bank building in New York City.

Buckley's interest was triggered by reports that go back over the nine years of U.S. participation, to 1966, when Intra went bankrupt.

The reports involve the mysterious disappearance, reappearance, and death of Youssef Beidas, onetime managing director of Intra Bank. They involve Marcel Paul Francisi, once manager of Intra's gambling casino and identified by a congressional committee as one of Europe's leading traffickers in narcotics.

Finally, the reports involve fugitive financier Robert L. Vesco, who tried four years ago to buy his way into Intra using his influence at the Nixon White House.

Documents on file at the Agriculture Department show Vesco's role in the Intra affair started Nov. 16, 1971, when he called on the American embassy in Beirut to discuss dealing himslf into Intra. A month later, two of Vesco's associates discussed such a deal with Agriculture officials here.

The terms were that Vesco would make a cash loan of $20 million to Intra that Vesco could convert into Intra stock five years later. In the five-year interim, Vesco would offer the management expertise of his International Controls Corp. to help guide Intra.

The documents show that Vesco and his associates had at least six meetings with Agriculture officials in Beirut and Washington, in which they urged Agriculture to recommend that the rest of Intra's directors accept Vesco's offer.

At one point in the discussions, a cable from the agricultural attache in Beirut asked for instructions on how to treat Vesco "because of alleged White House interests through Ehrlichman."

One Agriculture official who asked to remain anonymous said White House domestic adviser John D. Ehrlichman never pressured Agriculture on Vesco, but that Vesco and his associates implied that the White House was supporting Vesco's attempt to buy his way into Intra.

"They'd always be a half hour or an hour late for our meetings," the official recalled. "Then when they arrived they'd apologize for the delay with the explanation that they'd run overtime in their meeting with Ehrlichman."

Just after it was reporteed in 1972 that Vesco was under investigation by the Securities and Exchange Commission, the then Attorney General, John N. Mitchell, cabled U.S. Ambassador to Lebanon William Buffum that Mitchell and the White House "had the utmost confidence in the integrity of Robert Vesco," who was in Beirut to seek Buffum's help.

But Buffum refused to see Vesco, ignoring Mitchell's cable. The Intra board rejected Vesco's offer, partly because Intra felt it did not need Vesco's $20 million, partly because of the terms that would have been so favorable to Vesco, and partly because of Vesco's growing troubles with the SEC.

A prominent concern of Buckley's is Intra's control of the Casino du Liban in Beirut, now one of the three biggest casinos in the world and possibly the most profitable.

Agriculture officials who have served either as Intra directors in Beirut or backstage directors in Washington say they know little of the casino. One official says only that the casino has a good floor show, which he said he saw once during a trip to Beirut. And onetime attache William Horbaly said, "We had to be above reproach over there."

No one in Agriculture with any Intra ties said he recognized the name Marcel Paul Francisi. A report in "The Heroin Trail," a book based on a Pulitzer-Prize winning series in Newsday, identified Francisi as the concessionaire who once ran the gaming tables at the casino. The book identified Francisi as a drug trafficker and said, "He is a millionaire many times over . . . He is also the dominant figure of the French-Corsican underworld . . ."

The details of how Francisi managed his way into the casino may have died almost eight years ago with Youssef Beidas, the man who was managing Intra Bank at the time of its collapse nine years ago.

When the bank failed, Beidas disappeared. He was indicted for bank fraud in Lebanon, France, and Switzerland, where Intra held property and owed sizable sums to creditors. Beidas reappeared in Brazil, which refused to extradite him to any of the three countries.

In November, 1967, Beidas showed up in Switzerland and was arrested for a traffic violation. He was driving a large American car with New Jersey license plates and was carrying a forged Brazilian passport. Swiss police discovered the passport was forged when he was unable to reply to an interpreter speaking Portuguese.

At the time, Beidas was carrying $37,000 in cash and traveler's checks, plus the keys to safe deposit boxes in several European countries. He was released from prison on bail, but never lived to go to trial. One report is that he died of cancer in a Swiss hospital, another that he committed suicide in a Swiss hotel.

Agriculture officials say they would love to extricate themselves from Intra, but apparently there is no easy way for them to do it.

A little over a year ago, Agriculture went so far as to advertise in The Wall Street Journal that its 7 per cent share in Intra was up for sale. Four bids came in, one from an owner of a supermarket chain in Wichita, another from the First Arabian Corp., a third from a Lebanese millionaire named Michel Elie Doumet and the fourth from a Saudi named S. S. Olayan living in Beirut.

Doumet bid $7.7 million, Olayan $10.2 million. The other two made no firm cash offers. But Agriculture quietly withdrew its offer, never bothering to answer any of the bidders for its shares. A Washington lawyer who represented Olayan said he assumed that one of the other controlling stockholders had exercised an option to buy out the Agriculture Department.

One of the key factors in Agriculture's continued holdings in Intra is that the other major stockholders, Lebanon, Kuwait and Qatar, have first refusal rights to any sell offer. Last year, Lebanon voiced its intention to exercise that right, which is the reason Agriculture never seriously considered any of the four outside bids.

But Lebanon then quietly let its option expire. Lebanon, Kuwait and Qatar appear content to let things stand the way they are. Not only is the Agriculture Department a solid board member, but its $10.2 million investment is the equivalent of an interest-free loan of at least the same size.

The Intra Investment Co. today is one of the great success stories of the Middle East. Profits jumped to more than $6 million in 1973, then more than doubled a year ago to $16 million.

The caisno went from a $1 million loss in 1970 to a $3 million profit last year. The shipyard had accumulated losses of $16 million up to 1972, reported a profit a year ago and now expects earnings of $100 million over the next four years. Among the things that helped the shipyard turn the corner was an order from Kuwait for four large tankers.

The plum in Intra's pie is Middle East Airlines, long considered one of the world's richest. Its fleet of jetliners is paid off. Its routes through the oil rich Middle East now make its "load factor" the highest in the world, triggering an explosion of profits that went from $2 million in 1970 to $12 million in 1973.

So well off is Intra today that it plans to begin paying dividends this year, which is one more in the long list of ironies that confronts the Agriculture Department.

The agreement that Agriculture signed nine years ago when it entered the Intra partnership states that it cannot accept any dividends or recover any more than its original claim against Intra Bank. So any dividends paid to Agriculture will go right back to Intra Investment Co.

SNUBBING SOLZHENITSYN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. McDONALD of Georgia. Mr. Speaker, further to my comments contained on page 21642 of the July 8 Congressional Record, I would like to call the attention of my colleagues to the editorial that appeared in the Washington Star on July 9 relative to the President avoiding Solzhenitsyn. It is further evidence of a growing feeling that the President made a mistake that he should still remedy.

The editorial follows:

SNUBBING SOLZHENITSYN

After first suggesting that President Ford's "crowded schedule" left no room for Alexandr Solzhenitsyn last week, the White House has finally admitted that "foreign policy considerations" played a part.

The President is a busy man; one is reluctant to make too much of this ridiculous incident, which no excuse could possibly excuse.

Mr. Solzhenitsyn should have been received at the White House—not as a symbol of "freedom," not as a buddy of George Meany's, not because it might disgruntle Mr. Brezhnev, but rather because he is one of the few living masters of the written word, a Nobel laureate and a distinguished guest. His political opinions and his example in the resistance to oppression are important; but their importance derives in large measure from his distinction as a man of letters.

His snubbing at the White House, like the exaggerated attention given last week to his attack on detente, shows how few rituals in this town break free of politics, even when they should. Those who advised Mr. Ford to forget courtesy for "foreign policy considerations" have set a poor standard for presidential hospitality. (It is an alarming thought, by the way, that relations with the Soviet Union are so delicate as to be discombobulated by the reception of a writer.)

Americans expect a certain independence of political protocol in their Presidents. We have come a long way—too far, some would say—since Thomas Jefferson wore his bedroom slippers to dinner at the White House because he guessed, correctly, that his attire might offend the minister of Great Britain.

A TRIBUTE TO A FINE NEWSMAN

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. AMBRO. Mr. Speaker, I was saddened to learn recently of the sudden and untimely passing of Mr. Gerhard Hirseland, the publisher of the Observer/Tribune Community Newspapers, Long Island.

Mr. Hirseland, who was co-owner and publisher of the chain of three newspapers, the Farmingdale Observer, the Massapequa Observer and the Levittown Tribune, had been a newsman for 20 years. His "Observation Points" column which appeared each week was a succinct and reasoned discussion of what he perceived to be the problems confronting the Nation.

Mr. Hirseland was a man of strong convictions and a man who loved the United States. Born in Germany in 1927, he came to this country in 1954 and began his news career as a society reporter for the New Yorker Staats-Zeitung & Herold in New York City. He was, at the same time, a free lance correspondent for a number of European business newspapers, as well as a publicist for the German-American Chamber of Commerce. He was active, too, in journalists' professional organizations, and belonged to the Association of American business writers, was a director of the Nassau County Press Association, and a member of the New York Press Association.

We, who have followed his column and read his papers, will miss him, and my deepest sympathy and best wishes are extended to his widow, Mrs. Illa Hirseland, and their two children, Gerhard and Marion.

VOICE OF AMERICA: DOES IT SPEAK FOR POLICY OR FOR TRUTH?

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. WRIGHT. Mr. Speaker, as a member of Congress I have had an opportunity to witness many great changes in America and the world—the civil rights movement, the decline of colonialism, our involvement in Vietnam, and the Watergate crisis. Throughout all these momentous events, one institution has been a symbol of America to millions of people throughout the world.

The Voice of America has represented our people and Nation to our friends and enemies alike.

In reporting our shortcomings as well as our triumphs, the Voice offers an honest self-appraisal that is a most effective export of democracy. The Voice has reported change and conflict at home as well as in Eastern Europe and Asia. The impact of truth serves to point out the contrast between totalitarian forms of government and the system that was created in Philadelphia 199 years ago.

Unfortunately, there are still some Government officials who would impose limits on the truth about America. And their solution is much the same—censorship of the Voice of America.

This past week United Press International writer Cheryl Arvidson wrote an article titled "Should the Voice of America Speak for the U.S. Policymakers or for Truth?" I urge every Member to read and reflect on the implications of this question. Under unanimous consent, I am submitting the article for printing at this point in the RECORD:

SHOULD VOICE OF AMERICAN SPEAK FOR UNITED STATES POLICYMAKER OR FOR TRUTH?

(By Cheryl Arvidson)

WASHINGTON.—"In Darker Days in the life of our Nation, we told the world: 'The news may be good or bad, but we shall tell you the truth.' And it is important to remember that we strive to know the truth and tell it."

These were the concluding words of a memo to Voice of America staffers by two senior officials, Alan Heil, chief of news and current affairs, and Bernard Kamenske, head of the news division.

The note ended a YOA policy of restricting information carried by the Voice during the U.S. evacuation from Saigon.

The policy, outlined earlier by Heil and Kamenske at the direction of their superiors in the U.S. Information Agency and the State Department, limited YOA's worldwide broadcasts to "official statements of the White House and Departments of State or Defense and Congressional actions (e.g., votes)."

The order angered some Voice employees because it seemed to conflict with VOA's charter of being "a consistently reliable and authoritative source of news. VOA news will be accurate, objective and comprehensive."

It also brought VOA and its parent agency, USIA, under scrutiny by Rep. Bella Abzug's House Government Operations Subcommittee. And it set off a new debate over whether to insulate VOA from Government policymakers.

Kamenske and Eugene P. Kopp, Deputy USIA Director, differed in separate interviews over whether the Vietnam limitations should have been imposed.

Kopp said the order was "unique" and reflected the critical situation in Saigon. Given the volatile situation just before the Communist takeover, Kopp said, speculation about an early U.S. evacuation could have caused panic and endangered American lives.

He said that was true even though the commercial television networks, the wire services and the BBC were carrying fuller reports of the pullout, including congressional pressure to speed the evacuation rather than send more military aid to South Vietnam.

Kamenske, who has worked for the Voice since 1955, felt "uncomfortable" with the coverage limitations, which he says occurred more often on Vietnam than on any other foreign stories. But he understood the reasoning behind them and went along.

"The people out there," Kamenske said, gesturing toward the newsroom, "were brought up in the tradition of American journalism . . . and they don't believe in selective reporting. They know and I know that we are an important source of truth in the world, and we destroy the sum total of knowledge if we do less.

"How inadequate would I be if I said that I wasn't horrified, disgusted, unhappy . . . that we had to in some way moderate, adjust if you will, a charter principle."

Kopp has no second thoughts. He said he and USIA Director James Keogh were "proud" of the directive even though it "made some of what they call 'pure journalists' at the VOA very unhappy." He said these staffers don't understand that foreign listeners believe the VOA "speaks for the United States Government."

"It's true that this information (on the evacuation) was being broadcast by other sources and heard in Vietnam," Kopp said, "but those other broadcasts were not perceived as the voice of the United States, and therein lies the difference."

He said the Voice also has a responsibility to reflect "Americana—the diversity of life in the United States, aspects of our culture, our institutions and our people. (There is a need) to emphasize the positive aspects of the United States. Private journalism doesn't have this variety of concerns."

Kopp said it is important to draw a distinction between VOA staffers and other journalists. As he told an Abzug subcommittee hearing May 20, "I would hope the people who work for VOA understand that they work for the government of the United States of America."

To those who question VOA's credibility overseas because of its close ties to policymakers, Kopp responds: "I don't accept the philosophy that until you're absolutely immersed in the worst and the most negative of the United States you don't have credibility.

"The only way you lose credibility is when you get caught not telling the truth."

Critics notwithstanding, Kopp said the Voice is performing its proper function by providing a channel of communication "that articulates, clarifies and supports" U.S. foreign policy. Any move to give the agency independence, he said, would make it "just like CBS."

He said that while VOA emphasizes "positive" news about the United States, this does not mean broadcasts "gloss over the negative." Despite occasional pressure from State Department officials to "soften" its coverage, he added, there has been no change in VOA's basic policy of reporting "warts and all."

Kopp said Watergate was perhaps the "biggest wart" but that VOA coverage was "full and complete." The Voice "didn't deny it was a very serious problem," he said, but the scandals were kept in perspective.

VOA reports were designed to tell foreign audiences the U.S. Constitution "has built-in remedies for abuse and this is what you're witnessing." In addition, it stressed the Watergate scandal was "all smoked out by the investigative activities of a free press, the system is working and the society is not coming apart."

News chief Kamenske says "We had a lot of trouble telling the story of Watergate," not because of Government pressure but because of VOA restrictions on the use of unidentified sources and the need for two independent sources for each story.

On the other hand, he said, the Voice's tie to government does pose problems. For example, VOA reporters are denied credentials for the House and Senate press galleries. There are also problems covering the White House and State Department.

"Our governmental link has a tendency to be rather limiting in this respect," Kamenske said.

"To be effective, the organization has to be absolutely, impeccably truthful," and to provide that truth, VOA needs more protection from government, Kamenske said.

Kopp and Kamenske differ over the recommendations offered by a panel headed by former CBS President Frank Stanton. These would establish VOA as an independent agency under a five-member board of overseers.

Kopp said the report carries "a very definite indication that VOA would not have to have any concern about the effect of its broadcasts on U.S. policy and U.S. interests. You would be unable to distinguish the content from the commercial media.

"I don't believe there's any justification for taxpayer support of an international broadcasting organization that is not serving and supporting U.S. policy interests."

Kamenske, however, agrees that the Voice "needs a strong protective belt" to guard against undue pressure from Government policymakers.

He said the Stanton group's recommendation for a five-member governing board probably would not be enough protection since two members would be high State Department officials who could be "more persuasive" than the three public members.

Kopp said VOA already is "very well protected against the unusual and excessive pressure from the policy makers" by USIA, its parent organization. He said USIA often fields protests from the State Department or its ambassadors "and decides the Voice is right."

"We are as much a shield for the VOA as we are a club to them," Kopp said.

OPERATION SAIL LAUNCHED

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. YOUNG of Florida. Mr. Speaker, on Friday, June 27, 1975, in St. Petersburg, Fla., Miss Susan Ford, our President's daughter, broke a bottle of champagne over the hull of a 41-foot yacht, and christened the ship *Op Sail '76*. Through this action, Miss Ford launched the executive flagship of a bicentennial project which will be one of the most spectacular events in this Nation's 200th birthday celebration—Operation Sail.

The yacht, a Morgan Out-Island, was donated by the Morgan Yacht Corp. of St. Petersburg, Fla. It was therefore appropriate that St. Petersburg was the site for the christening ceremonies and that the "Sunshine City" was designated as *Op Sail '76*'s first port of call. The yacht has now sailed to visit as many other ports as possible along the Gulf and Atlantic coasts before July 4, 1976—to introduce people, especially our youth—to the principles and pleasures of sailing. Moreover, *Op Sail '76* will be promoting the Bicentennial extravaganza involving a large assemblage of sailing ships from all over the world. These ships, including four-masted windjammers, will help to honor America's maritime history, with their visit culminating in a marine parade in New York Harbor on July 4, 1976.

Mr. Speaker, it was indeed a pleasure for me to have been called upon to participate in the christening of the *Op Sail '76* with Miss Ford. I was especially pleased to have noted the enthusiastic response the President's daughter and *OP Sail '76* received from the large crowd of spectators which included hundreds of young Americans.

America's Bicentennial is an event to be shared by all, and it is with great pride that I wish Operation Sail success and thank the Morgan Yacht Corp. for making it possible for my city of St. Petersburg to play such a prominent role as the U.S.A. celebrates our Bicentennial year.

DRAFT RECORD INSERTION

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. MYERS of Pennsylvania. Mr. Speaker, recently I received a number of letters from a prominent businessman in Bakerstown, Pa.

He is Mr. Fred A. Werbe, president of the Southwest Grease & Oil Co., Inc. Mr. Werbe frequently communicates with his employees and in two recent instances had something to say to them which I think is worthy of sharing with my colleagues. As a patriot and a man concerned with the well-being of his country and our people, Mr. Werbe's comments to his employees on the Fourth of July are of particular pertinence. His second letter reflects some of his views on profits, and while this may be a dirty word to some people, I, to the contrary share Mr. Werbe's views on the necessity of making a profit to provide jobs for Americans who need them.

The letters are as follows:

Southwest Grease & Oil Co.
(Penna.), Inc.,
Bakerstown, Pa., July 1, 1975.

Dear Employees: In just a couple of days we will be celebrating the 199th birthday of our great country. On July 1, 1975 we will start the countdown to our 200th Anniversary. We all should be very proud of this heritage, but I'm sure many of us are disappointed and confused as to some of the current happenings within our governmental agencies. Hopefully, the bicentennial celebration on July 4, 1976 will find this Country united in purpose and proper goal.

Across my desk comes many items of material which I read. One such item recently read by me was THOUGHTS ON AMERICA written my William Arthur Ward. I believe in America, too, and want to share with you Mr. Ward's comments on America, which I personally subscribe to totally:

THOUGHTS ON AMERICA

I believe in America.

I believe it became great because of its faith in God, its hope for independence, and its love of freedom.

I am grateful for America's glorious past; I am awed by its unbelievable present; I am confident of its limitless future.

I am not ashamed to take my hat off and to stand at attention when Old Glory passes by, I do not apologize for the lump in my throat when I repeat the Pledge of Allegiance.

I am not embarrassed by the tears in my eyes when I hear "The Star-Spangled Banner".

Like millions of Americans, I want a free choice, not a free handout. I prefer an opportunity to prove my abilities on the job rather than a license to demonstrate my frustrations in the street.

I am an old-fashioned American with a new-found determination to do my part to make democracy work.

William Arthur Ward.

Please have a very happy and enjoyable Independence Day this coming Friday, and I hope that you appreciate and understand the above comments by William Arthur Ward.

Cordially,

Fred A. Werbe, *President.*

Southwest Grease &
Oil Co. (Penna.), Inc.,
Bakerstown, Pa., June 10, 1975.

Dear Employees: For the last several months I have been writing you monthly letters regarding our organization here at Bakerstown. Last October I mentioned that the name of the ball game was making a profit, and a company that doesn't is heading for the trash heap. I also said at that time, that making a profit isn't as easy as a lot of people on the outside like to think that it is.

Recently, I noticed in a publication that crossed my desk the "Ten Commandments for Good Business". I would like for each of you to read this over carefully, and you will notice that the word "Customer" is, in fact, the lifeblood of this business. Without customers, we all would be without jobs, security, and income for our families and ourselves.

TEN COMMANDMENTS FOR GOOD BUSINESS

A customer is the most important person in any business.

A customer is not dependent on us—we are dependent on him.

A customer is not an interruption of our work—he is the purpose of it.

A customer does us a favor when he calls—we are not doing him a favor by serving him.

A customer is a part of our business—not an outsider.

A customer is not a cold statistic—he is a flesh-and-blood human being with feelings and emotions like our own.

A customer is not someone to argue or match wits with.

A customer is a person who brings us his wants—it is our job to fill those wants.

A customer is deserving of the most courteous and attentive treatment we can give him.

A customer is the lifeblood of this and every other business.

Again, I urge you to study over the above "Ten Commandments for Good Business" and use the enclosed Southwest pencil to check them off, and/or underline them, so that they can be committed to your memory when you are here at work.

Cordially,

Fred A. Werbe, *President.*

OUR STAKE IN PANAMA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following excellent editorial, "Our Stake in Panama", which appeared in my home-county newspaper, the Ventura Star Free Press. Because of the potential seriousness of the Canal Zone decision, I am sure my colleagues will find the editorial of great interest.

Our Stake in Panama

Panama has suddenly turned up on the list of places we might some day be called upon to fight another guerrilla war.

That's the bottom-line argument by those who would have the United States concede greater Panamanian sovereignty over the Canal Zone in rewriting our treaty there.

President Theodore Roosevelt pulled off a tremendous coup in 1903 when the present treaty was approved, getting approval from an embryo Panamanian government little prepared for such matters. Panama had just seceded from Colombia, with some encouragement from our government.

Now the highly nationalistic Panamanians are chafing under the terms of the pact. They don't like having a 500-square-mile strip of their country ruled by a foreign power—forever, as the treaty specifies.

Our ambassador there, Ellsworth Bunker, Secretary of State Henry Kissinger and Panama's Foreign Minister Juan Tack are getting close to a new agreement, which would grant greater control of the Canal Zone to Mr. Tack's country.

The terms have not been worked out, but the proposal is heading for rough sailing anyway. Already a group of 37 in the U.S. Senate, which would have to ratify the agreement have said "no." Led by South Carolina Republican Strom Thurmond and Arkansas Democrat John McClellan, the group advocated "retention of undiluted U.S. sovereignty over the Canal Zone."

We intend to line up with the senators and Rep. Daniel Flood, D.-Pa., who calls the canal "the jugular of hemispheric defense"—to say nothing of trade.

It seems unwise to surrender the responsibility for defending such a crucial shipping lane to such a small nation. It might not be able to protect the 50-mile canal. And there's always the possibility that Panama would seek to prohibit on its own certain countries' ships from using the channel (including ours) due to some international tension of the moment.

The other side contends that Panamanian militants will ultimately be moved to guerrilla attacks on the Zone to rid themselves of our control of their land.

Certainly the U.S. can defend a 50-mile strip of land just 10 miles wide, we hear ourselves say.

But can we? We don't have to merely maintain control of the Canal Zone, we have to keep the canal open. Given a sufficiently dedicated rebel movement, that might be a sometime thing. The sabotage sinking of ships passing through the locks doesn't sound all that difficult.

We might wind up in the same kind of quagmire we just escaped in Indochina. And there would be no withdrawal, because that would mean no canal passage, a military and maritime disaster.

Those who propose loosening our grip on the Canal Zone say merely increasing Panama's revenue from its use won't pacify that nation. It might not, but it would still be a good idea. Panama now gets so preposterously little from the canal operation it would have little stake in opposing any militants who decided to launch a campaign against our interests there.

Whichever way we move, we're gambling on the political stability of Panama. In a volatile world, it would be best that we take our chances on maintaining the sovereignty we now have. To relinquish it might mean a future invasion of Panama should some upheaval there threaten our key Atlantic-Pacific link.

ECONOMIC IMPACT STATEMENT

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. WHITEHURST. Mr. Speaker, I am today introducing legislation directing the Congressional Budget Office to prepare an economic impact statement for each bill reported in the Senate or House of Representatives and for each rule or regulation proposed by any Federal agency. These statements will contain an analysis of the direct and indirect costs of the bill or proposed regulation on employment, production, and the rate of inflation. They will be appended as a part of each bill and made available to each Member of Congress.

The severe inflation which we have experienced over the past two years and the recession which has resulted from this inflation has caused officials in the public sector as well as many business leaders to examine the pressures on our economy which have resulted in this unprecedented inflation. I have become convinced that a major root cause of our current economic difficulties is excessive government regulation which has become particularly pronounced over the past decade. Several economists have begun to highlight the impact of Federal regulation on inflation in recent writings. A particularly good analysis is contained in the book entitled Government-Mandated Price Increases, A Neglected Aspect of Inflation by Murray Weidenbaum.

Mr. Weidenbaum uses many examples to dramatize the point that the consuming public is paying an extremely high price for the protection received from Federal agencies. "Worthy objectives," he points out, "such as a cleaner environment and safer products, can be attained without the inflationary impact that regulation brings, and public policy should be revised to this end. But . . . we need to examine more closely the phenomenon of government-mandated price increases. It is likely that this unwanted phenomenon will be with us for some time—at least until consumers and their representatives recognize the problem and urge changes in public policy."

During my tenure in Congress, I have become increasingly concerned over the actions of the Occupational Safety and Health Administration. There is no question that the Federal Government has a legitimate role to play in attempting to cut down on industrial accidents. However, the extremely complex OSHA regulations go far beyond what is necessary for improved industrial safety. The complexity of the regulations requires even very small businesses to retain their own attorneys to insure that they are complying with the OSHA rules.

In addition, the planned industrial investments in health and safety equipment will rise from $2.5 billion in 1972 to $3.4 billion in 1977. If we go to the stiff noise standards supported by the Environmental Protection Agency, the compliance cost is expected to rise to $31.6 billion.

Other examples abound on the cost of Federal regulations. One classic example is that the cost of a commercial airline flight from Boston to Washington is more than double the cost of a flight from San Francisco to Los Angeles. The only discernible reason for the disparity in cost is that the Boston to Washington flights are regulated by the Civil Aeronautics Board. The CAB does not regulate the San Francisco to Los Angeles flights, of course, because they are intrastate.

Mr. Speaker, I am hopeful that the legislation I have introduced today will serve to heighten the consciousness of the Members of Congress concerning the impact of our actions and the actions of the Federal agencies on our economic conditions. In my judgment, we would be less inclined to approve many measures if we had a clearer understanding of their impact on inflation and unemployment. Senator HUMPHREY has introduced a similar bill, S. 1169, in that body. I urge my colleagues in both the House and Senate to act promptly on these measures.

THE DISPOSABLE ISSUE: PRESIDENT FORD'S RECORD ON THE ENVIRONMENT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. UDALL. Mr. Speaker, one of the most troubling aspects of our economic distress has been the effort by some in our society to pose a counterfeit choice for the Nation between a healthy environment for our people and sufficient employment to restore prosperity.

Our former colleague, now the President, is a leader in this effort. The distinguished journalist William V. Shannon, in a column in the New York Times yesterday, detailed the degree to which President Ford has attempted to reverse our progress toward conservation of natural resources in the name of a false recovery. As Mr. Shannon points out:

> There is no evidence that protecting the nation's air, land, and water retards the economy. On the contrary, a sound economy can only be based on an understanding of nature's resources and limits.

We have a bipartisan tradition of conservation going back 70 years, to the era of Teddy Roosevelt and Gifford Pinchot. I am happy to say that many of us, on both sides of the aisle, remain committed to this spirit.

Because I think it is important that we all understand the full scope of the administration's efforts, and the degree to which the President has abandoned this honored tradition in the name of political expediency, I would like to share Mr. Shannon's essay with my colleagues.

The essay follows:

THE DISPOSABLE ISSUE

(By William V. Shannon)

WASHINGTON, July 8.—One day last week President Ford flew into Cincinnati through a dense smog to dedicate the National Environmental Research Center. Although a pollution alert was in effect, Mr. Ford delivered a speech that thickened the air with additional noxious materials.

It is time for a "détent with nature," the President said. But it was soon apparent that he was offering nature the kind of disarmament agreement that Leonid Brezhnev would never buy.

"If accomplishing every worthy environmental objective would slow down our effort to regain energy independence and a stronger economy, then I must weigh all factors involved," he said.

There is no evidence that protecting the nation's air, land and water retards the economy. On the contrary, a sound economy can only be based on an understanding of nature's resources and limits. But once a politician starts to "weigh" dirty air against additional jobs or to explain how industrial progress at the cost of only a few thousand extra cases of emphysema would boost the gross national product, there is no doubt that he is on the side of the polluters.

Mr. Ford—in the double-jointed prose that is supposed to suggest fairness—said, "I cherish the outdoors but . . . I pursue the goal of clean air and pure water but. . . "

The President who on most days of the week is able to regard the miseries of the unemployed with remarkable fortitude, bordering on indifference, remembers them only when the claims of the environment are urged upon him.

"Unemployment is as real and as sickening a blight as any pollutant that threatens this nation," he cried out to the chemical-laden skies over Cincinnati.

Throughout his eleven months in office, Mr. Ford has shown that he regards the environment as a throwaway, "no deposit—no return" issue.

The Ford Administration allows overcutting of the national forests. Despite the many dedicated career people in the Forest Service, the timber industry, in effect, dictates excessive logging quotas to the Forest Service and gets away with "clear cutting" and other reckless practices.

When the Forest Service in accordance with the Wilderness Act had under consideration the upgrading of the legal protection afforded to the Idaho-Salmon River Breaks

Primitive Area, the largest and most spectacular wilderness in the lower 48 states, the service wanted to add contiguous areas. Secretary of Agriculture Earl Butz overruled the foresters and instead deleted 300,000 acres from the primitive area to open it up for logging by Boise-Cascade.

President Ford is leaning toward revision of a Nixon Executive order which would permit a return to the poisoning of predators, a hideous practice devastating to eagles and numerous other species.

Because emission control would increase the cost of cars, President Ford has urged postponing clean air standards for automobiles until 1981.

Mr. Ford has twice vetoed a moderate bill to regulate strip mining, a needlessly savage form of mineral exploitation.

He chose the egregious Stanley K. Hathaway as Secretary of the Interior, whose record as Governor of Wyoming was so bad that conservationists greeted his nomination with a chorus of groans.

The dreary list could go on to include all the surrenders to the oil industry on every oil-related issue, to the commercial developers on the land-use bill, to the cattlemen on control of the Southwestern wildlife refuges, and to economic interests in planning the future of Alaska.

Throughout these months, President Ford has avoided environmentalists who might challenge these disastrous policies. He found time to meet with industrialists, cattlemen, and lumbermen not to mention assorted golfers and football players. But he steadfastly refused to meet with the heads of the nation's leading conservation organizations even though environmental issues are—next to world peace—the most important problems facing mankind.

Finally, the conservation leaders were told that if they wanted to charter a plane and fly to Cincinnati, they could have a half-hour or so with the President after his speech. Since most of them have offices in Washington, it was a bizarre and energy-wasting way to arrange a meeting but they complied, aware that they might only be straight men in another Presidential public relations exercise.

Laurance Rockefeller, a brother of the Vice President, opened the meeting by telling Mr. Ford that he was "overwhelmed with gratitude" for the opportunity to meet with him.

Mr. Rockefeller may believe that in dealing with the powerful, flattery goes a long way. Most conservationists are likely to think Mr. Ford's whole pattern of conduct deeply offensive. Unless he changes course, they may well conclude that when it comes to throwaways, politicians, like bottles, are disposable.

MAN DOES MATTER—THE TRUE STORY OF SKYLAB

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. TEAGUE. Mr. Speaker, next week American astronauts and Soviet cosmonauts will meet in space. The joint Apollo-Soyuz mission will demonstrate many things, but one primary demonstration will be the importance of man in space. On the eve of this launch I would like to remind my fellow Members of Congress and the general public of the importance of man in space by recalling the Skylab missions. Mrs. Barbara M. Greenwood wrote an outstanding article last year regarding the Skylab mission for the June 19 edition of the Fall River, Massachusetts Herald News and I would hope that everyone would carefully read her article which is reprinted here:

MAN DOES MATTER—THE TRUE STORY OF SKYLAB

(By Barbara M. Greenwood)

The story of Skylab is the story of innovation, ingenuity, skill, dedication and, most of all, courage. It is the story of crises, for our Skylab sustained a major failure immediately upon liftoff! It is also a story of team effort by flight controllers nursing a disabled spaceship and, later, of engineers, technicians at NASA plus the ingenuity of industry developing ways and means to save both the ship and each succeeding mission.

About a minute after launch of Skylab I, we had a story that surpassed any science fiction on the newsstand today! We lost an 800-pound meteoroid shield which, in turn, ripped away one orbital workshop solar wing and jammed the other. Skylab's available power supply was then cut in half. Fortunately, the Apollo telescope mount and its solar panels had properly extended. This was Skylab's lifeboat until our first crew could be launched and begin the momentous repair work. Thus began the first job in history which salvaged a $2½ billion project!

Which brings a salient fact to mind, that man is the necessary link in a satellite system—to repair, maintain and operate—integrated packaging, if you please—of man and his ingenuity which emphatically supports the training, skills and professionalism (as well as the courage and improvisation) that makes for the superb preparation of our astronauts. Skylab dramatized the fact that man, working in combination with automated instruments, can far more fully explore and utilize space for world benefit than either can alone! A country, such as ours—which has a free enterprise system—will allow us to perfect our "payload of the future"—the space shuttle—to be the cohesive linkage which will give us all the benefits of both earth resources and solar-space technology.

The earth resources data has shown (along with solar telescope data) that space has a very definite role in helping mankind in solving some of our problems that confront us today. Truly, we are navigating a new ocean!

The sun is probably the single most efficient nuclear device that we know about and yet we need to better understand what is happening around us. For years—in cooperation with NASA—we have studied the sun with automated orbiting solar observatories and yet, in just one four-week stay of a Skylab crew, the solar pictures secured by man have been described by physicists as exceeding their wildest expectations! One of the discoveries is the sun's corona—it is much more dynamic (or changeable) than many scientists had believed. Another, was a moderately strong solar flare, wherein the astronauts immediately zeroed their ATM instruments, thereby recording the best sequential observation yet of this kind of phenomenon. The flare released as much energy as mankind uses in decades! Still, we do not fully understand how this energy is accumulated and released, but with a space laboratory such as Skylab, our solar studies will contribute to unravelling this mystery and perhaps even to the actual solution of potential energy shortages on earth! There was also an added plus, during our Skylab 4 mission, where our astronauts were able to put on film the life history—birth to death—of a solar flare.

Man in space is essential for selective data taking. True, unmanned satellites offer us a continuous flow of information but all this data is not usable and every bit that is collected has to be processed, reduced and analyzed in some form. Man, however, can track his point sites! The thousands of scientific pictures of earth from Skylab are now in demand by industry, agriculture, weather services, city planners, ecologists, fishing companies, prospectors, mapmakers, dambuilders and many other concerned with earth's resources and environment. We have covered to date most of the United States and 33 other countries.

Among the most crucial of Skylab's experiments is man, himself, especially how he responds and adapts to weightlessness in prolonged space flight. The outcome of these experiments will add greater knowledge of our bodily functions thereby aiding doctors to fight human illnesses.

There are, unfortunately, people, who are not only uninformed, but have misconceptions about our space program. Worse than this, it is tragic that they make misrepresentations about it to others. This is happening in Congress today!

Dr. Frederick Seitz, president of the Rockefeller University in New York, stated, "When future generations of mankind contemplate scientific knowledge made possible by the space program, they may well wonder what manner of men the doubters were". The history of the human race is a continued struggle from darkness to light. It serves us, therefore, no purpose to discuss the use of knowledge—man wants to know—when he ceases to do so, he is no longer man! The goals of man's space flight are firmly entrenched to a critical national and world objective—our quality of life on this earth and survival itself!

The space programs have been a stimulus to imagination and creativity. However, we Americans are a blase lot when it comes to technological achievements principally because we do not understand that our space technology has contributed largely to our comfort and advantage. Our ho-hum attitude should dissolve in light of our Skylab par excellence for our outer spacemanship has overcome monstrous technical difficulties. Indeed, we have begun a new era in our life's history for we have established that man is capable of living in space as well as merely moving through it.

Space research has spawned the most sophisticated technology in the history of mankind. It has interwoven itself among every conceivable science, profession and craft to produce offshoots which hold great promise—and perhaps our only hope—for the future. These new techniques include systems engineering, computerization and microminiaturization. The dollar value of this high level of technology is inestimable. It can also be stated, quite flatly, that if we are to solve the pressing social problems of today—pollution, ecological imbalance, population growth, urban blight, etc.—it will only be through science and technology.

It is time for each of us to stop being immature; to throw away our blindfolds and open our minds to today's existence and tomorrow's promise. There is no way to determine the dollar value of this research. We have blazed the trail but now we should have the wisdom and courage to reach out for the glittering stars!

* * *

Mrs. Greenwood is a resident of North Swansea and a close observer of the nation's space program.

AMERICAN COMPLIANCE WITH THE ARAB BOYCOTT

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. EILBERG. Mr. Speaker, it has almost been 5 months since the Anti-Defamation League of B'nai B'rith revealed that two Federal agencies and six private companies were violating Government regulations and civil rights laws by discriminating against Jews in compliance with Arab demands.

Now that Secretary of State Kissinger has embarked on yet another peace shuttle to the Middle East, I wish to enter into the RECORD an essay entitled "The Arab Boycott: An Interim Report by Arnold Forster." This article is of great importance today, because it analyzes what has happened in the 5 months since the exposure of American compliance with Arab demands.

Mr. Forster's article cites the broadening of the economic boycott over the past 5 months. For the Arabs to be expanding the boycott just as they profess to be seeking a peace settlement with Israel is an unsupportable contradiction. Such a policy undermines any Arab commitment for an enduring settlement in the Middle East.

Regarding the United States, Mr. Forster's article reveals the acquiescence of American business to the Arab demands. It is clear from this article that it has been the policy of American business to do whatever is necessary to make a profit, even if this means going along with a boycott or excluding Jews from their operations.

It now appears that this attitude of American business has been adopted by our own Government. It has become apparent that the executive branch of government has been unwilling to enforce or strengthen the provisions of the Export Administration Act of 1969. The legislation "encourages and requests" American firms not to cooperate in boycotts.

The latest developments in the Middle East negotiations reveal the United States pressuring Israel into accepting the Egyptian proposals for an interim agreement. Unfortunately, the U.S.-backed Egyptian proposal makes no mention of a relaxation of the Arab economic boycott against Israel or against American firms who deal with Israel or employ Jewish citizens.

It is vital that for any enduring agreement to occur, the settlement must not permit an anti-Israel or anti-Jewish bias.

Last February, President Ford declared that the Arab "discrimination is totally contrary to the American tradition and repugnant to American principles." In support of that statement it is time for the United States to adamantly oppose such restrictive trade practices by the Arabs and vigorously use its influence to halt such policies. It is also clear that legislation is now needed which would outlaw them, with penalties for those companies who violate the law by complying with a foreign power's practice of boycotting a friendly nation.

At this time Mr. Speaker, I would like to place in the RECORD the article by Mr. Forster which reports the events of the Arab boycott over the past 5 months and calls for strong action against those companies who comply with the Arab demands.

THE ARAB BOYCOTT

Some four months have passed since the Anti-Defamation League made public the findings of its investigation of compliance by our government and private business firms with the demands of the Arab boycott of Israel—compliance which, ADL charged, violates U.S. policies and regulations with respect to commerce, and, in some cases, violates civil rights laws in discriminating against Americans of the Jewish faith.

The results of these revelations show that ADL was highly successful in reaching the public with the facts, in bringing about a resolution of complaints against some specific business firms, and in precipitating a sizable and rightfully shocked reaction in the American press and political circles.

Further, the ADL charges helped spur Congressional probes and proposals for corrective legislation. But it is with respect to these proposals and hearings that a most disturbing reaction has developed. Top officials of a number of the government's Executive Departments have openly opposed these proposed laws and the changes they would make in the practice of boycott compliance by American firms—taking their stands in clear contrast to—and in spite of—an opposite position apparently held by President Ford.

The President spoke out within hours of ADL's February exposure of the Arab boycott operations and the submission by American elements to the anti-Jewish conditions imposed upon them by the Arabs. His position was affirmed in May in a U.S.-Israel Joint Committee for Investment and Trade statement, which declared, in part: "The members of the Committee reaffirmed the policies of their governments to oppose restrictive trade practices and boycotts against countries friendly to either."

Despite the President's statement condemning the discrimination and the boycott, and despite the statement of the Joint Committee, a parade of high Administration officials has testified before Congress in opposition to proposed anti-boycott and foreign investment legislation. Indeed, John Tabor, Under Secretary of Commerce and one of the U.S. participants in the Joint Committee, had previously informed ADL he opposed any strengthening of the anti-boycott provisions of the Export Administration Act of 1969.

There is an overall soft philosophy characterized by rationalization and even protestation that the documented wrongs are unavoidable or do not exist at all. Key Executive agencies have approached the problem of the Arab boycott in an uncoordinated manner resulting in contradictory policies, buck-passing and confusion. There are these examples.

A letter from the White House, in response to ADL's praise of President Ford's "outspoken condemnation of anti-Jewish discrimination in Arab policies," pointed out that officials of the Departments of State, Treasury, Commerce and Justice had testified before a House committee "addressing many of the issues" raised by ADL. What was not stated, if at all realized, was that most of the officials had testified against the proposed legislation.

The Department of Commerce, after a meeting with an ADL delegation which pointed out that the Department had never prosecuted a single violation of U.S. policy as expressed in the Export Administration Act, issued a notice to American exporters reminding them of the regulation requiring them to report the receipt of all boycott requests. Weeks later, on May 21, the Department warned 44 exporters and initiated proceedings against five others charged with failing to report the receipt of such requests. But on the basic issue of breaking the Arab boycott, the Congressional testimony of Charles W. Hostler, Deputy Assistant Secretary for International Commerce, on March 13, still stands. He said the Department of Commerce believes that the adoption of legislation to prohibit U.S. firms from complying with boycott requests "would be ill-advised."

The Defense Department passed the buck on charges that the U.S. Army Corps of Engineers is breaking the 1964 Civil Rights Act. A statement by Secretary of the Army Howard Callaway asserted that "race, religion, color, creed or national origin can never be the basis for personnel actions, awarding of contracts or for any of our activities." John F. Ahearne, Deputy Assistant Secretary of Defense, in testimony before a Congressional committee, said, however, that the end line of what would happen when Americans are refused visas for those reasons was that the Army would report the matter to the State Department. Whether the Army would continue to do business with the offender has not been stated.

In Congressional testimony, State Department spokesmen have linked the lifting of the Arab boycott to resolution of the Arab-Israeli conflict, apparently denying that the violation of American policy by American firms constitutes an American problem. Department spokesmen continue to insist that the most effective way of dealing with the boycott is through a policy of "quiet diplomacy and persuasion"—a policy which the history of the last 25 years has shown to be wholly ineffective.

A high official of the Treasury Department, while expressing hope that Saudi Arabia would end anti-Jewish discrimination and the anti-Israel boycott, said his department was opposed to strengthening the Export Administration Act or passage of the Williams Act on foreign investments because they might stifle Arab investment activity.

Although the U.S. Controller of the Currency issued a strong statement condemning anti-Jewish discrimination, he has yet to issue a "cease and desist" order stopping banks from requiring boycott compliance certificates before paying on letters of credit to Middle East shippers.

On the other hand, the Department of Labor appeared to understand clearly the issues ADL had raised. A March 10 memorandum by former Secretary Peter J. Brennan to the heads of all federal agencies plainy stated that Executive Order 11246 and subsequent guidelines "prohibit federal contractors from discriminating on the basis of religion or national origin . . . when hiring for work to be performed in the United States and abroad." That rule applies to all contractors, the memorandum emphasized, "regardless of exclusionary policies in the country where the work is to be performed or for whom it is to be performed." Indeed, the Equal Employment Opportunity Commission has affirmed that the prohibition against discrimination in Title VII of the Civil Rights Act is applicable to American citizens employed by American companies operating overseas. On the more positive side, too, was the Department of Justice's testimony to Congress showing interest in prosecuting cases of discrimination and anti-trust violations in connection with the boycott.

But much-needed corrective proposals have been received by other Executive departments with luke warmth if not with open hostility. They include such things as a prohibition against secondary boycotts; a prohibition against business contracts involving religious discrimination, and a prohibition against domestic exporters taking actions—including furnishing information or signing agreements—which have the effect of supporting boycotts or other restrictive trade practices imposed by a foreign country against one friendly to the U.S.

Proposed legislation also includes a provision suspending foreign aid or military sales to any nation guilty of religious or racial discriminatory business practices, government controls over the acquisition of substantial equity securities of major U.S. companies by foreign investors who have attempted to force American businesses to engage in secondary boycotts, and governmental control over the acquisition of material interest in strategic industries, resources, or mass media by foreign investors.

There is need to strengthen the Export Administration Act of 1969. The Act declares it the "policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries" against friendly countries—but is devoid of force unless penalties for non-compliance with the policy are added. The law currently requires only that exporters file quarterly reports to the Department of Commerce on Arab requests for boycott compliance.

The League's study of what has happened in the past few months reveals that the shipping and banking industries continue to be major boycott participants. Steamship lines, in probable violation of U.S. Maritime and other federal laws, continue to sign routinely Arab-demanded certifications of boycott compliance. Banks issuing letters of credit in Middle East commerce continue to insist, as demanded by the Arabs, that they receive the certifications of compliance with the boycott from American firms before making payment. The Chase Manhattan Bank, charged with having refused to open a branch in Israel in order to comply with Arab boycott demands, remains adamant in its position toward Israel while opening branches in Arab countries.

Continuing investigations reveal new situations. For example, a Florida firm with contracts for construction work in Saudi Arabia recently placed newspaper want-ads for skilled workers. The ads explicitly stated: "We trust that you are aware of the discrimination policies of the Arab world before replying to this ad." The League has brought legal proceedings against the firm. There are cases arising from the growing number of American universities negotiating contracts for the sale of consulting services in the Middle East. In at least one case, the negotiations broke down when Saudi Arabia refused to approve the university's contract clause prohibiting the denial of a visa for reasons of religious affiliation. The Saudis are attempting to apply the same discriminatory conditions to their business arrangements with other universities as well.

Only three of the charges ADL made in February have been successfully resolved. The Overseas Private Investment Corporation, a governmental body cited by ADL for having asked an American business firm to withdraw the name of its Jewish vice president from a list of proposed participants in an OPIC mission to the Middle East and North Africa, apologized for the incident. Two private firms named, the Ashland Chemical Company, Ashland, Ky., and the Pacific Pump Corporation, Huntington Park, Calif., announced that they are now prepared to do business with Israel.

There is an apparent inability or unwillingness by the Executive branch to establish priorities—between U.S. law and the interests of private business (with respect to the boycott) and between U.S. law and Arab prejudice (with respect to overseas employment).

The government has failed to view the overall problem in its proper perspective—as a challenge to America's political sovereignty and economic integrity. The Arab interests which coerce American shippers and discriminate against individual Americans on the basis of religion are the same interests which invest in our economy.

What is needed is government thinking and actions to reflect a clear antiboycott policy. Particularly needed is support from the Executive branch for proposed legislation which would outlaw, with penalties, violations of American public policy and prevent American companies from complying with a foreign power's practice of boycotting a nation friendly to the United States. The situation has been effectively exposed and public reaction has made clear that the people want it corrected. It is now up to President Ford to see to it that the Executive agencies follow his publicly announced declaration of policy.

LLOYD MEEDS SPEAKS OUT ON LAND USE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. UDALL. Mr. Speaker, our colleague from Washington, the Honorable Lloyd Meeds, recently spoke to the Claremont-American Assembly Land Use Conference at Claremont, Calif., on national land use legislation. Congressman Meeds, a longtime supporter of national land use legislation, delivered some incisive observations about the controversy over Federal land use legislation, and I would like to share his remarks with the Members of the House.

Next Tuesday, July 15, the Committee on Interior and Insular Affairs will vote on whether or not to report H.R. 3510, the Land Use and Resource Conservation Act, to the House. It should be noted that similar legislation has twice passed the Senate, but the House has never had an opportunity to vote on the merits of a land use bill.

H.R. 3510 is a much improved version of last year's legislation which failed on a vote on the rule by seven votes. The committee has worked hard to produce a bill this year which carefully balances environmental, social and economic concerns and which underscores and explicitly sets forth the philosophy that State and local governments and not the Federal Government are primarily responsible for land use decisionmaking. H.R. 3510, as amended by the Subcommittee on Energy and the Environment and with additional amendments adopted by the full committee, truly reflects this philosophy. There are no sanctions, but there are specific safeguards against any substantive Federal involvement or Federal review of local and State decisions. Indeed, this legislation is a significant step to reorient the locus of decisionmaking to the State and local level.

In light of the upcoming vote in the Committee on Interior and Insular Affairs, I think Congressman Meeds' remarks are particularly pertinent and are reprinted below for the Members' attention:

Lloyd Meeds Speaks Out on Land Use

First allow me to express my appreciation at being asked to participate in this Claremont-American Assembly Land Use Conference. You should know that I was not the first choice. Actually, my colleague, Frank Thompson of New Jersey, was asked by President Keeney to address the group, but Frank asked if he could find someone who had been more involved in land use legislation to substitute for him. Frank was aware of my interest and involvement in the subject matter and he asked me if I would be interested. When I said yes, President Barnaby Keeney contacted me and asked if I would like to participate. I consented, but I must say I was just a bit apprehensive. I couldn't help but recall a story I had heard about substitution. While it didn't deal with a Congressman from New Jersey, it did involve a former governor of New Jersey, Governor Wilson. Governor Wilson was fast asleep one morning about three o'clock when the telephone rang. When he answered it he was greeted by his former campaign manager from Hoboken, Mannie Baratta. Mannie said, "Governor, I called to tell you that Judge Joseph Milano has just died." Governor Wilson, with a substantial trace of irritation in his voice said, "What do you want me to do about it at three o'clock in the morning." Mannie said, "I just wanted you to know he has died and I would like to take his place." Governor Wilson replied, "if it's OK with the undertaker, it's OK with me."

So, if it's OK with President Keeney that I participate, it's OK with me. If it's not OK with you, I assume you'll let me know later.

At the outset, I want you to know I am a very strong proponent of comprehensive land use planning legislation. This is not an issue upon which I find myself in the position of a candidate who ran for Congress in Oklahoma at the same time a referendum to allow alcohol was on the ballot. The candidate was at a meeting where he gave a stemwinding speech on national issues but immediately upon finishing was asked by a pinched-faced matron how he stood on alcohol. He replied, "When you say alcohol do you mean that demon which stupifies men's minds, causes them to leave their homes; abandon their wives and children and is the leading cause of death on the highways? Or do you mean alcohol that healing balm which eases conversation; releases inhibitions and pays the taxes from which facilities are built for the handicapped and wayward youth? Some of my friends are for alcohol and some of my friends are against it and I want you to know that I stand four square behind my friends."

On the issue of land use planning, I could almost say I stand four square behind my friends who are for it and the rest are my enemies. Well, it's not quite that bad but I have been concerned about land use planning almost since my election to Congress in 1964.

I recall very vividly telling a conference on regional problems in northwest Washington in 1965 that we simply had to plan our future use of the land or it would be planned for us. I suppose it is largely attributable to the example of my mentor and colleague in the Senate, Henry M. Jackson, who introduced the first land use planning bill in the Senate in 1970. I introduced the same bill in the House in 1970. But it was more than that. Perhaps the rudest shock I received when I left Washington State to go to Washington, D.C. was the abuse of the water, air and land which I saw. While we were not perfect in northwest Washington, I determined to do all in my power to prevent there what had already occurred in northern Virginia, Maryland, and Washington, D.C. So I became a strong advocate of air and water pollution controls. After participating in the relative success of legislation in these fields, I turned by attention to what I considered the major remaining environmental issue—land use planning.

The need to provide impetus for statewide land use planning was apparent then and is even more apparent today. A classic example of inverse utilization of prime farm land occurred in my own State of Washington. I don't know how many of you are familiar with the Green River, but for those who are not, it is a beautiful river that winds its way from the snow-covered slopes of Mount Rainier to the Puget Sound near Seattle.

Millions of years of flow, flood and formation have created one of the most fertile valleys in the United States. Japanese truck gardeners who made the valley virtual wall to wall vegetables prior to World War II returned afterward to repeat in even greater profusion the beauty and production of an agricultural valley. Today it is wall to wall factories and housing developments while the surrounding foothills and bench lands that could easily have accommodated the factories and homes are still largely unused. The Green River valley extends through more than one county and no single land use or zoning program could have been developed for all of it. So none was developed at all.

Or take the urban sprawl with which we are all too familiar. Sprawl which began as a way to escape from the problems of the core city and which later became a way of life. Sprawl which leapfrogged the closer areas and settled at the then maximum distance to take advantage of low land costs and still enjoy sewers and other public services. But what of the land in the middle? What rational development could occur there which would be compatible with both the old and new? Who had jurisdiction to control it? Not the cities—that is not the cities in many states—but only the cities in others. Not the counties—except in some states where it was a county prerogative. In most of those there was neither the authority nor the desire to coordinate with a city which was and is the natural enemy of the county. As it went then—so it goes today—development uncontrolled—or at least uncoordinated. And the land pays.

As if these were not enough reasons to adopt new concepts comes now the greatest reason of all—the energy shortage. No longer is it economical or wise to live far from one's work. No longer are bedroom communities located far from the factories and sources of production feasible. But they are still being built because there is no mechanism which absolutely requires people to look to the future and do some planning—based not only on the circumstance today but those which any ordinarily prudent person can predict will prevail tomorrow.

One final argument for comprehensive land use programs, that is rarely used because those to whom it applies have generally been opposed. There should be some areas in which industry knows it can locate with certainty. Areas from which they cannot be forced by endless litigation or citizen complaints. Industry and business have the right to know what the rules are and the right to have those rules enforced with some certainty and some uniformity.

Let me give you an example—in 1966 an organization called Northwest Aluminum sought to build a plant on Guemes Island near Anacortes, Washington. That may not have been the best place to build environmentally. But for the sake of my illustration, that is really beside the point. There was no prior notice that the area was off limits to such a venture. After securing options on the land, planning a plant and port; securing a commitment for the necessary electric power and many other things necessary to build such a plant, a lawsuit was brought against Northwest Aluminum by a group of local land owners. (John Erlichman) The legal action lasted almost two years while options were running out, plans were becoming obsolete and markets were slipping away. Finally Northwest Aluminum gave up and decided to settle in Oregon. But that's not the end of the story. Northwest Aluminum, which has now changed its name to Alumax, went through much the same scenario in Oregon and after one or two more moves has just now—8 years later—found a site in eastern Oregon on which it may be able to build.

No matter what you think of aluminum plants, they have a right to exist too—somewhere. The people who own and run them have a right to know—with some degree of certainty—where that somewhere is. That somewhere is not going to be established with any certainty without comprehensive land use planning.

Enough of the rationale for land use planning. I certainly don't need to sell this group on the need for it. What I probably need most to do is explain why the hell we don't have it now.

Let's go back and review the legislative history in an effort to answer that question.

While the Senate passed land use planning in both the 92nd and 93rd Congresses, the battle never heated up until the House began serious consideration in the 93rd Congress. From January 1971 to January 1974, the administration not only supported but initiated strong land use legislation, including a proposal for cross-over economic sanctions for those States which did not develop land use programs. I recall former President Nixon stressing in his State of the Union message in January 1971 that land use was our greatest environmental problem. He stated, "Our greatest need is for comprehensive new legislation to stimulate land use controls." Senator Jackson's bill with sanctions passed the Senate without opposition from the administration. Undersecretary Whitaker appeared before the Environment Subcommittee to open land use hearings in the 93rd Congress. He presented Secretary of Interior Morton's statement which began as follows: "I believe that the enactment of a land use policy and planning assistance act is vital to the future of this nation."

After numerous hearings and days of markup on January 29, 1974, Secretary Morton expressed great satisfaction with the House Interior Committee action to report H.R. 10294, which had by that time been stripped of its sanctions. The following day the President delivered his State of the Union message to the Congress stating that "adoption of the National Land Use Policy Act first proposed in 1971 remains a high priority of my administration." The President urged the Congress to enact legislation which would assist the States and localities as did the Senate-passed bill.

One month later, on February 26, 1974, the roof fell in. In that day the House Rules Committee was informed by the minority leader that the administration had changed its position and no longer supported the bill reported by the House Interior Committee.

On May 14, the White House informed the minority leaders that the President now supported an alternative proposal, H.R. 3790 sponsored by Mr. Rhodes and Mr. Steiger of Arizona. On June 11, the Committee bill, H.R. 10294, was denied a rule by a vote of 211 to 204. Thus land use planning for the 93rd Congress was dead.

The events of the 94th Congress are more recent history but follow a similar form. First the requests for interminable hearings. When that tactic failed, the delay of markup in the full committee by offering numerous amendments further delayed consideration. The full committee has now had four days of mark-up on an issue which most of us have already spent longer on than any other legislation in recent history. But if legislative foot-dragging has been similar, lobbying activity has reached a new high or low, whichever way you look at it. It was suspected at first that since the makeup of the 94th Congress was to be more progressive than the 93rd, this progressivism would translate into voices on the committee for land use planning. Not so. Several Republicans who last year supported the bill have been defeated. Several new Democrats on the committee do not support it. Further, one Republican Member who last year was a strong proponent has had so much heat put on him in his district that he is no longer supporting it. In an interview given just after this Member voted to table the bill he explained he had switched his position because "I caught hell from my constituents."

You should know that it was not by accident he "caught hell from his constituents." A carefully orchestrated lobbying effort is directing fire from all angles against certain lawmakers who are considered vulnerable—lawmakers who face tough opposition or are slow to make up their minds on this issue. These so-called vulnerable members were selected by Rep. Sam Steiger of Arizona. Steiger, who is acerbic and bright, is the strongest opponent of the bill on the Committee and in the House. He is joined by former Congressman Dan Kuykendall of Tennessee. Working with a coalition of developers, craft unionists, cattlemen, businessmen, building suppliers, homebuilders and lumbermen, Steiger and Kuykendall have found effective ways to convince the uncertain ten. The latest tactic really gets at where they live—their campaign contributions. Lists of the contributors of each have been made available to the coalition and where a member of the coalition feels they can be effective, contract is made with individual contributors and the contributor is urged to contact the member directly. This has proven so effective that one of the targeted Members was recently heard to shout foul. He said, "it's quite unethical for one Congressman to suggest specific tactics that might be employed to change the vote of one of his colleagues—especially a colleague of his own party."

Of particular interest in the lobbying effort against land use planning has been the role of the U.S. Chamber of Commerce. In a well-reasoned and incisive article contained in the booklet prepared for this conference called, "The Good Earth of America: Planning our Land Use", Carl H. Madden, Chief Economist of the U.S. Chamber of Commerce said, among other things, "among the various Federal proposals, Senator Jackson (D–Wash.) put forward in 1973 what was called the most far-reaching environmental bill ever considered by the Congress. The bill was short of being a national urban land-use policy: It was really an act to enable States to do planning review, leaving the vast majority of land-use decisions with the local government."

While the Jackson bill of 1973 is considerably tougher than H.R. 3510, the U.S. Chamber has been the most vociferous and effective critic of that bill almost from the outset. Contrast the statement of Madden against the following which appeared in Chamber publication, *Action Line*, "urge your Congressman to oppose what amounts to a National zoning ordinance." One Chamber official admitted privately that the campaign against the Udall Bill is designed to distort, cause confusion and misunderstanding about the meaure. But he dismissed it by concluding, "I don't think we are playing a game nobody else plays."

If he feels the Liberty Lobby and the John Birch Society are "nobody else" then he is right. The Liberty Lobby, a far right organization, said in its Liberty Letter No. 159, July 1974, "if it ever passes, this land grabbing law would let the bureaucrats seize your land without paying for it. It overrides the 5th Amendment guarantee against deprivation of property without due process of law and suitable compensation." And the John Birch Society through its mouthpiece Human Events compares the land use planning efforts of the Congress to taking without just compensation.

All together the lobbying effort against the Land Use Bill in the House has been one of the hardest hitting, least responsible efforts it has been my misfortune to observe in my 11 years in Congress. I must confess that for quite some time I didn't appreciate the intensity of the opposition.

In the past we have all experienced the mindless, emotional opposition, the John Birch Society and other right wing organizations can mount. We are now experiencing this intensity of opposition to Land Use Planning Legislation. Normally, this sort of propaganda is listended to by 20% of the Congress and ignored by the remainder. This time it is being heard by many more and ignored by very few. Standing alone, this opposition would not be the deciding factor, but in this case it provides the emotional underpinning for a more important but unannounced rationale.

To really understand this unannounced rationale you have to have attended a zoning or rezoning hearing at the county level. I recall as prosecuting attorney and as a private attorney that the hottest spot on any given evening was where a zoning commission hearing was in progress. I've watched controversies boil for hours; otherwise gentle people become raging monsters and little old ladies reach for their hatpins. And its almost always over the same issue—money. Generally speaking, one side stands to profit and the other is afraid it will lose.

Oh, I know they dress it up in all kinds of presentable rationale—Americanism, private property rights, big government, fighting city hall, and on and on. But when you cut through all the crap you actually find one reason and one reason only for their opposition—money.

I am now convinced that the U.S. Chamber of Commerce, some developers, cattlemen, forest products companies and others who are really concerned about money, have used the right wingers to sell an emotional argument not far removed from those heard in local zoning hearings. These groups have successfully convinced many Americans and too many members of Congress that the federal government is interested in imposing a gigantic zoning ordinance for the entire nation—a zoning ordinance which is going to cut off their constitutional rights and ultimately deprive them of their property.

What is really involved here is that the opponents are quite comfortable dealing with local county commissioners. I'm certain many of you have heard the classic story which occurred in a western county where a group of local citizens wanted to start a gravel pit in an area zoned residential.

One of the county commissioners was a lawyer, one a real estate broker and one a car dealer. The gravel pit group hired the lawyer for some legal work, commissioned the real estate broker to secure options on the land and promised to buy the gravel trucks from the car dealer. The rezone slid through midst screams of anguish by the local citizens—as effortlessly as if it had not been opposed.

This illustration perhaps oversimplifies, but the clear truth is most large business would prefer to deal with the smallest unit of government possible. Not because, as they say, local government knows best. But because local government is more susceptible to the entreaties of those who seek to influence it.

Land use planning legislation seeks to transfer some of the ultimate decisionmaking in these matters to the State level. Thus it would not be as easy to influence these local decisions. At the risk of oversimplification I feel the issue gets back to basics—money. Those who feel they are going to lose money by comprehensive planning—those to whom planning has been anathema because it prevents their exploitation of the unknown and unplanned are really the ones who are impeding passage of this act. The right wing kooks are merely riding point and taking the flak.

So what do we do about it. Very frankly, I don't have what I consider to be a totally satisfactory answer to that question. Even if by some great luck we were to pass the bill through the committee and the full House, in all probability the President would veto it.

That leaves us with some less attractive alternatives. We could further dilute the bill in hopes of passing it. But the real opposition will not be removed until you leave all the basic decisions at the local level. When you do that you've lost the comprehensive aspect we are really trying to engender with the legislation.

I think we must, in the final analysis keep boring away trying to convince our colleagues of the importance of this legislation and the consequences of our failure to act in a timely fashion. If we cannot do that in the 94th Congress, maybe we can in the 95th Congress, when hopefully both the President and the Congress will support rather than oppose comprehensive land use planning.

I think this is preferable to gutting the existing bill until it is a glorified local zoning ordinance that further enshrines piecemeal decision-making. Passing it in that form would be worse than nothing at all. It would be a band-aid instead of major surgery and further delay truly corrective action.

So my message here, if you can call it that, is a rather gloomy one. Beyond that, it's up to you people here and citizens everywhere who elect Members of Congress.

The only way to fight strong opposition is to fight back harder by supporting the kinds of political candidates who are willing to stand up on the issue.

If you really want a land use planning bill, we must overcome a massive campaign based on ignorance and distortion and backed by motional rhetoric that disguises the financial stake many interests have in the prevention of planning itself.

Many of you may object to delving into the messy world of politics in order to support this sort of legislation. But this is one of the cases that supports Edmund Burke's view that all that is necessary for evil to triumph is for good men to do nothing. Frankly, unless we get some pro-planning people into Congress and especially, into the White House, I am not at all optimistic about trying to rationally solve the Nation's land abuse problems.

"UNEMPLOYMENT AND THE ECONOMY"

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. FORD of Michigan. Mr. Speaker, the most recent unemployment statistics tell us just part of what this administration has done for the average working American over the past 7 years. The low unemployment of the Johnson and Kennedy years ended with the coming to power of the Nixon administration in 1969. Since the Republicans came to power the jobless rate has risen to three times what it was 7 years ago and at the highest rate since 1941. These figures are cold statistics; what they mean is that nearly 10 million Americans cannot find work and are losing income that can never be regained.

Unemployment statistics for June show that the Detroit metropolitan area unemployment rate increased from 13.7 percent to 15.7 percent and the statewide rate for Michigan rose from 13.1 percent to 15.1 percent. The administration is still saying that for all practical purposes the recession is over. But it has predicted an outrageous unemployment rate of about 8 percent for 1976.

On June 24th, AFL–CIO President George Meany addressed the National Conference on Full Employment in Washington, D.C. on the unemployment crisis. I believe Mr. Meany's speech deserves the attention of every Member of Congress and at this point I would like to insert a copy of the text of his remarks in the RECORD:

ADDRESS BY AFL–CIO PRESIDENT GEORGE MEANY

Full employment is more than a slogan to the American labor movement. Job opportunities at decent wages for all persons able and seeking work—the only definition of full employment we'll accept—is a goal as old as the labor movement.

We don't look at full employment as one of those philosophically correct things that social workers talk about. Full employment, to us, is an economic necessity. Jobs are the lifeblood of the American economic system.

From jobs come the wages that generate mass purchasing power, A job is the key measure of a person's place in society—whether that person is a full-fledged participant in society or on the outside looking in. Work is the source of individual fulfillment. It is positive, constructive activity.

And since we in organized labor have been intensely involved in this issue of full employment for years and years, we have some advice to pass along: Full employment is not going to be achieved by wishful thinking, rousing speeches or one-shot gimmicks.

There are some powerful forces that are opposed to full employment. Why? Because they believe high unemployment keeps wages down and keeps workers "in their place."

This theory was widespread when I was a very young boy—that there was nothing that would aid productivity more than to have workers on the outside of the factory looking for jobs. We still have these and some other economic and social theories from the days of McKinley with us and we have them in the highest places of the nation.

We've got a major fight on our hands to achieve full employment and keep it. First, there must be specific programs to create jobs in both the private and public sectors and restore health and balance to this sick economy. And, having done that, then there must be a program to maintain full employment.

Let us not forget thirty years ago—as World War II was ending—when the Congress began hearings on the issue of full employment. The major forces that worked hard on this issue were the AFL, the CIO and the Farmers' Union, together with a dedicated group of members of the Congress that included Senators James Murray and Bob Wagner and Representatives Wright Patman and Andy Biemiller, who is now the director of the AFL–CIO Legislative Department.

A bipartisan majority adopted the Employment Act of 1946 and on February 20, 1946, President Truman signed that historic statute.

It committed the U.S. government to creating and maintaining "conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing and seeking work, and to promote maximum employment, production and purchasing power."

It would be most difficult to improve on those words as a commitment of the U.S. government enacted into law. But it would be easy to improve on the performance.

Let's look at what has happened since 1946—when the United States became the first nation to commit itself to full employment. There was a consensus in those days that full employment in the American economy meant an unemployment rate no higher than 3 percent. Three percent allowed for those temporarily out of work as a result of moving from one job or part of the country to another, seasonal changes or new entrants into the job market.

Nothing has happened since that time, in my opinion, that makes that definition any today.

But during much of the past 30 years, the government has walked away from its commitment. In fact, that commitment has been perverted.

Government officials and their academic supporters have been busier in the past few years redefining the goal than trying to meet it. It went from 3 percent to 4 percent, then to 4½ percent. Now it's 5 or 5½ percent. And some so-called economists even talk of a 6 percent jobless rate as really meaning "full employment."

It's an old game, if you can get away with it—if you don't make the grade, just change the rules. To me, that's fakery, regardless of whether the trickster is a college professor or a government official.

Unfortunately, America today is a long, long way from full employment—even from the false 5 percent definition, let alone anything like 3 percent.

This economy is really in deep trouble today.

The government's recent report of 8.5 million unemployed—9.2 percent of the labor force—represents a human tragedy.

And that official report is a vast understatement of the reality of unemployment and underemployment today.

Over 1.1 million workers, willing and able to work, are so discouraged by the employment outlook that they have given up looking for jobs.

A more accurate unemployment rate, then, would be over 10 percent—or 9.6 million jobless.

In addition, 3.9 million workers are on part-time schedules because full-time work is not available.

This adds up to 13.5 million unemployed and underemployed workers. Moreover, despite all the official optimistic rhetoric from the Administration, unemployment will be greater a few months from now than it is at present.

No matter when the Administration economists pronounce the official end of the business recession, the human recession of unemployment will continue for the rest of this decade unless strong actions are taken now.

This Administration is still fighting inflation with the jobs of workers. A terrible human price is being paid to satisfy those who place dollars ahead of people.

Unemployment is pure misery for a worker. It is absolute waste for the economy.

Yet the Administration mid-year budget review, published on May 30, forecasts that unemployment for 1975 will average 8.7 percent, which means about 8 million jobless. They also forecast that unemployment will go down to 7.9 percent in 1976—or about 7½ million jobless workers. And that's the official—the optimistic—Administration forecast.

But even the most optimistic Administration spokesmen predict unemployment rates of 7.2 percent in 1977, 6.5 percent in 1978, 5.8 percent in 1979 and 5.1 percent in 1980. That's the "light" at the end of the tunnel.

And I want to emphasize that those are the optimistic forecasts of the Administration.

These Administration predictions would mean three successive years of the highest unemployment rates since 1941, when the country was coming out of the Great Depression. It wouldn't be until 1980, under these predictions, that the number of unemployed would come down to the neighborhood of 5 million. Remember, that's 5 million human beings with hopes and dreams and with skills this country needs.

There is nothing that even approaches full employment in these predictions. Instead, there is year after year—six years—of continuing high joblessness that can tear this country apart.

This economic disaster didn't just happen. It was man-made, and Arthur Burns is the man.

He's spent the better part of 6½ years working on this disaster. Of course, he's had a lot of help—Richard Nixon, William Simon and Alan Greenspan.

And for 6½ years, there were very few political leaders or academic economists, who were willing to join the AFL–CIO's lonesome fight against the Burns policies that led to this mess.

So this country is now further away from the maximum employment goal of the Employment Act of 1946 than ever. Even worse, both the Administration and the majority in the Congress—and I think we should always put quotes around that "majority in the Congress"—are much further away from the government's commitment to full employment than ever before.

Unemployment statistics represent people. They represent families. At present, every percentage increase in the unemployment rate is almost 930,000 additional jobless workers—one-third more people than live in Washington, D.C.

Despite this, the Administration seems determined to make its intolerably high unemployment predictions come true. There's no other way to interpret the Administration's all-out campaign to maintain a tight lid on job-creating programs.

The Administration has opted for high unemployment—in the sacred name of holding down the size of the budget deficit.

Majorities of both Houses of the Congress have also decided on a tight ceiling—not too much different from the Administration's—that will stifle economic recovery. Unfortunately, many members of the Congress have become hypnotized or scared by the Administration's concentrated drive on the budget issue.

I wonder what campaign slogan they'll use next year—holding down the budget deficit or keeping unemployment high?

The obsesssion with budget deficits omits the benefits of a full employment economy—increased jobs and increased earnings, reduced unemployment benefits and welfare costs, increased sales for business, increased savings and investment, and increased tax receipts.

The accumulated budget deficit of the past six years—$109.4 billion—is almost twice as great as the accumulated net deficit of the previous 23 years, from 1947 through 1969.

The major reason is the two back-to-back Nixon-Burns recessions of 1969–1970 and 1973 to the present. The dollar cost of these recessions has been huge losses of potential federal revenue and increased expenditures for unemployment and welfare benefits. The huge budget deficit for fiscal year 1976 will be due to the worst and most serious economic mess since the Great Depression.

The way to cut the deficit, quickly, and substantially, is to put America back to work. The road the Administration and the Congress have taken means continuing deficits, continuing high unemployment, continuing hardship, continuing recession.

Every one percent rise in unemployment costs the federal government $16 billion—about $14 billion in lost tax receipts and $2 billion in the added social costs of increased unemployment.

Put these figures in reverse and you can see how to cut the budget deficit quickly—cut the level of unemployment. For every 1 percent cut in the unemployment rate, the federal government has a net gain of about $16 billion. If the unemployment rate, today, was 3.5 percent—as it was in the first six months of 1969, when the Nixon-Burns policies were initiated—the federal budget would now show a surplus.

This country has vast resources. The idea that the federal government should impose a tight budget straitjacket on itself in the face of most serious unemployment is completely ridiculous.

Those who say otherwise—the President and the majority in the Congress—have no faith in America. They ignore the essential strength and potential vitality of the economy. They run scared—at a moment when America needs bold, courageous leadership.

The only sound way to quickly cut the budget deficit is to put the people back to work, so that American workers and businessmen can increase their earnings and pay their taxes. Let us get the job-creating measures, now, to put America back to work and raise the needed funds.

The present state of affairs of the American economy is one of vast amounts of idle plants, idle machinery and idle productive equipment, as well as idle manpower. Never in the years since the end of World War II has there been so many unemployed and underemployed workers and so much unused and underused productive capacity.

Only 68 percent of the productive capacity of manufacturing industries was utilized in the first quarter of 1975. Because of great amounts of idle plants and machines and high interest rates, business is cutting back investment in new productive capacity. A 10 percent drop this year in the real volume of business investment is expected by the Commerce Department, and the actual decline may be much greater.

The Number One need, therefore, is to get America back to work, now.

The tragedy of unemployment causes not only personal and family upheavals but social and community upheavals as well.

America certainly can not stand a prolonged period of such conditions, breeding troubles that can tear the fabric of this society.

The time for job-creating measures to turn the economy around and move rapidly to full employment is now.

It is time for the Congress and the Administration to live up to the government's commitment under the terms of the Employment Act—to promote maximum employment, production and purchasing power.

America needs a full series of job-creating measures—and needs them now.

The AFL–CIO has long advocated a federal program for public service employment on the theory that the government should be the "employer of last resort." In fact, the AFL–CIO was the very first organization to appear before a congressional committee, many years ago, in support of specific legislation to establish a continuing public-service employment program.

But such a program by itself is not "the solution" to the widespread, devastating unemployment that is now crippling the nation.

If America had prepared herself with an adequate public service employment program—already funded and triggered into high gear when the unemployment crisis began—the situation would not now be as bad as it is. But the nation had no such program. Unemployment grew with alarming speed, and it would be the height of folly to now pretend that legislation making the government the employer of last resort could—all by itself—end the present mess.

The fact is no single program can now do the job. America needs an arsenal of economic weapons—all geared to the goal of putting America back to work—to end this crisis.

Does the Administration have a program

to meet the crisis? It does not. We heard from Alan Greenspan a day or so ago. He's chairman of the President's Committee of Economic Advisers.

And here are his latest prognostications: 8.5 percent unemployment next January—that's 7,950,000 officially unemployed. 7.5 percent one year and a half from now. And, of course, taking into consideration the increase in the workforce, which comes every year no matter what happens, that 7.5 percent would mean 7,500,000 workers unemployed.

Mr. Greenspan, however, warned against a budget deficit to help put people back to work. He said this quite definitely and this is an amazing thing to come from a man at the very top level of our government. Putting people back to work too soon would be damaging to the recovery. Just think of that. He wants them to go back to work but not too soon.

He had not one single suggestion in all of his broadcasts, not a single suggestion to alleviate the condition of America's millions of jobless workers. He said, in effect, that this is the price we must pay in order to avoid more inflation.

Mr. Greenspan has no concern, it would seem, for the devastating effects of 7 or 8 million people continually unemployed for the next four years or so. Mr. Greenspan, representing the Ford Administration, seems to have little or no concern as to what this would mean to the social fabric of this society. He had nothing to say about the 40 percent unemployment rate for black teenagers, most of whom reside in our inner cities. He had nothing to say as to what this would mean to the future of our cities, what it will mean in human suffering to the individuals directly affected.

To me, the attitude of Mr. Greenspan and the Administration for which he speaks adds up to a callous disregard for the misery and suffering experienced by our nation's unemployed.

As against the Administration's policy, which is a policy to do nothing, we in the AFL–CIO do have a program in order to try to meet this particular crisis.

1. This country needs a large-scale housing program to lift home-building out of its depression—to create decent-paying jobs in the private sector building homes that people need. Such a program is now threatened—right at this very minute—by another veto from the President of the United States.

This program would create 450,000 jobs building the shelter this country so desperately needs. The modest increase in housing starts for May over the month of April was a statistic hailed by the White House. Oh, this was really, really great. There was an increase in May of this year over April. Well, there's an increase every year in May over the month of April. But this month of May represented the lowest figure in 28 years. They didn't say that.

This is the propaganda business—this is this Madison Avenue business. You just say what you want to say. Isn't it great we had an increase in housing starts in May over April? Now, of course, you can deceive not always by what you say but by what you fail to say. They didn't say that this was the lowest figure for the month of May in 28 years. The 8 percent in building permits for May is the lowest on record for that month.

So if these are the signs of the end of the recession then, I guess, this Administration doesn't expect much in the way of a recovery.

This forthcoming veto—and I'm sure we'll have it today or tomorrow—represents another extension of this idea of government by veto. It is the most dangerous form of "do-nothingism"—and this veto must be reversed.

2. America needs—in addition to housing—an accelerated public works program of federal grants to the state and local governments for short-term public works construction and repairs. That would create 250,000 on-site and off-site jobs, an investment in public facilities for Americans to use and enjoy for decades. According to all reports, when this reaches the President's desk, another veto is forthcoming.

When you add the 900,000 emergency jobs already vetoed by President Ford to the jobs which would be created by the housing bill and the accelerated public works program, both of which he has threatened to veto, figure in a conservative multiplier, and President Ford has, in effect, vetoed 3 million jobs. Figure it another way, he lost the chance to substantially reduce the deficit by putting 3 million unemployed back to work.

3. Federal aid is needed to the many cities that are hard-pressed by high unemployment and high interest payments. The mass layoff of municipal workers will solve nothing. Layoffs only create higher unemployment, destroy necessary public services, and endanger the public safety.

4. This country needs to restore railroad trackbeds in order to revive the railroad transportation system. This would create jobs, but, more importantly, would insure that economic recovery will not falter because of a national transportation collapse.

Combined with an expanded public-service jobs program, these programs—all opposed by the Administration—could begin to turn the American economy around quickly, and at least start it on the road back to full employment.

Much more is necessary. America must have effective government measures to stop the export of American jobs and to regulate the export of American technology and capital. Tax loopholes must be closed to provide the revenue America needs for the important social programs so neglected in the past 6½ years.

The American labor movement has long been concerned about the need for social priorities and long-range planning by the federal government—for full employment and social progress in a free society.

There has been no planning to handle the foreseeable problems of the late 1970's and the 1980's—housing, energy shortages, lagging economic growth, inadequate job opportunities.

Housing is just one example of areas in which we need to set social priorities, start sensible long-range planning and allocate credit to achieve our long-range goals.

The United States goes through repeated cycles of tight money, high interest rates, sagging home-building and recessions. At the present time, the banks lend money to the highest bidder without regard to social need. So high-rise, luxury condominiums are built at seaside resorts and homes for average citizens don't get built. Speculators make huge profits, abandon the projects, and the lending institutions, which never seem to learn, are left holding white elephants.

Wouldn't it make more sense to require money lenders to put a certain percentage of their funds—more or less depending on economic conditions—into socially useful projects instead of letting them put all their funds into high-risk gambles on less essential investments?

Congress should require allocation of bank credit at reasonable interest rates for construction of low and middle-income housing and community facilities. This kind of credit allocation requires intelligent, long-range planning to determine needs and goals and resources in housing and other socially desirable investments.

So, it comes down to this.

First, there must be immediate, massive government programs to create jobs in both the private and public sector—jobs to get America back to work. Nothing should divert America's attention for this essential first step.

Second, there must then be effective government programs to maintain economic health and full employment. This will require long and short-range planning, tax reform, credit allocation and a series of programs including making the government the employer of last resort.

We are convinced that no single piece of legislation will restore the economy to health or achieve full employment. The recession is too deep; the problems too complex for any one magic cure.

The beginning must be a change in government policies and the people who make those policies. Maybe if Arthur Burns, William Simon and Alan Greenspan had a personal taste of unemployment they might be more sympathetic to the problems of the unemployed.

It is time the Congress remembered its responsibility to the people who elected them—one in seven of who are unemployed or underemployed.

It is time the President remembered that government by veto means the minority forcing its will on the majority.

It is time that this government of, by and for the people kept its commitment to the American people contained in the Employment Act of 1946.

At stake is public credibility and the economic future of this nation.

With stakes that high, there is not one minute to lose.

A DECLARATION OF PURPOSE FOR OUR THIRD CENTURY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. JACOBS. Mr. Speaker, some talk about freedom and others devote their lives to it. Brian Bex is of the latter school:

A DECLARATION OF PURPOSE FOR OUR THIRD CENTURY

PREAMBLE

Two hundred years ago, on July 4, 1776, there was born in the Western world a new nation: the Republic of the United States. Defiance to tyrants was emblazoned in empyreal light upon her brow, and freedom and justice were the frontlets between her eyes.

Monarchs crowned with kingly diadems stood awed at the august declaration, and at the solemn reignment of King George before the judgment of mankind, and parliament, and cabinets started in dismay to their feet, but the people, as they described the eagle of Liberty spreading her wings and soaring proudly aloft, breathed freer and took stronger heart as the clear ring of her voice sounded through the air, declaring with grandly rounded enunciation, that "all men are created equal."

Glorious by historic parallel have been the achievements of our Nation's career. To worthily record them is the scholar's pride. To be familiar with them is the patriot's duty and delight. In presenting this New Declaration the affixed signers aim to supply the demand for a unique portrayal of a great and eventful Nation.

1976–1989

After an unequivocal experience of the inefficacy of the subsisting federal bureaucracy, you are called upon to deliberate on a new Declaration for the United States of America. The subject speaks its own importance; comprehending in its consequences nothing less than the existence of the Republic, the safety and welfare of the people of which it is composed, the fate of a Nation, in many respects the most interesting in the world. It has been frequently remarked that it seems to have been left to the American people, by conduct and example, to decide the important question: whether societies of men are really capable or not of establishing good government from reflection and choice, or whether they are forever destined to depend for their political constitutions on accident and force. If there be any truth in this remark, the crisis at which we are arrived may with propriety be regarded as the era in which that decision is to be made; and a wrong election of the part we shall act may, in this view, deserve to be considered as the general misfortune of mankind.

The central problem of our time is the problem of freedom. There are many more immediate problems: that of food, for example; as of employment. But during recent decades it has become apparent that we have reached a stage of cultural and technological development in which nothing immediate can be resolved without reference to the long-range purposes of man. In a free and responsible society the question of means is always of the first importance. Freedom is measured, not merely by its own qualities, but by the degree of individual responsibility which accompanies it; not merely by what we do, but by how we do it. That a goal is desirable does not mean that there is not more than one road to achievement, and if the means that most readily suggest themselves constitute a threat or danger to larger and more permanent goals, then it is only reasonable to seek other methods toward the desired end.

Those who are unaware of this fact can contribute little to this age except confusion. Those millions who are aware of it, but who find themselves unable to reach practical applications, are the prey, through their own doubt and uncertainty, of freedom's enemies. A pall, like the aftermath of a battle, seems to have fallen, covering the American spirit.

A task lies ahead of America of truly overwhelming proportions: the task of learning how to inquire into the nature and destiny of man in a new way, of which our current spirit of inquiry has not yet dreamed. It suggests the possibility of knowledge that we do not have of vistas that we have not yet opened up; and it intimates, finally that in this knowledge and in these vistas we might find not merely a solution to the American dilemma but the foundation for an idea of a Free Man.

We mean to defend the citadel; we mean to make America the center of the ultimate resistance to the evil, which is devastating the world; more than that more than the center of resistance we mean to make Her the center of resurrection, the source of the energies by which men who believe as we do may be liberated and the lands that are subjugated be redeemed and the world we love in be purified and passified and made free once more.

America must regard itself as the testing ground of the world, and of the human race. She is the vanguard in the second world revolution, a revolution that allows dissent plus a free access to information: a phenomenon unparalleled in the history of man.

America is the land and the people and the flag: the land of a great Nation; the people of every race; the flag a symbol of what humanity must aspire to when the wars are over and the barriers are down; to these each generation must be dedicated and consecrated anew, to defend with life itself, if need be; but above all, in mutual respect, in hope, in courage, to live for.

We affix signatures to this declaration, to hold fast one central conviction: that the United States is incomparably the earth's greatest nation; high in freedom, opportunity and accomplishment; and that our aim, our dedication, is to keep it that way.

It is here presented in a feeling of spirit, as a dream of tomorrow.

AN APPRECIATION OF THE SITUATION

Perhaps the most closely guarded secret of world collectivism, cut off from view by the Iron, Bamboo and Sugar curtains and shrouded in unbelievable security precautions, is the system of colleges for professional revolutionaries that annually turn out thousands of skilled agitators to bedevil the free world. Although this educational program has been in action for over 40 years, and has graduated political saboteurs estimated to number a minimum of 120,000, its very existence is unknown to most people in the West.

The reason for the supersecrecy with which these schools have been surrounded is that they constitute the most successful cold war weapon yet developed by the anti-capitalists of the world.

As far back as 1952, Dr. Stefan Possony, professor of political science at Georgetown and advisor to the Defense Department on Soviet Affairs, wrote in his book, "A Century of Conflict":

"Only fools refuse to learn from their enemies. There is no reason why we should not pick up some of the collectivist tricks and use them, if and when they fit into the framework of our own requirements and morality. If only for defensive purposes, we must understand collectivist procedures. The Western world must urgently develop a new synthesis of the operational art."

The American Communications Network is not engaged in a general search for knowledge for knowledge's sake. It is seeking the practical, concrete means to meet the total anti-capitalist challenge, the operational techniques and the organizational forms which can activate and utilize every possible source of strength.

Developing counter-action into a science will be largely an academic accomplishment unless we take the next step and get down to the practical work of training private citizens in this new science. We must get the material off the library shelves and pump it into our great civic organizations, i.e., the people. There is little point in working out an inspired program for private organizations, unless there is a realistic training program which will provide them with the trained leadership which can give intelligent, bi-partisan guidance. Since the anti-capitalist organizational weapon is working within a multitude of political, religious, economic and ethnic groups, counter-action must be carried out by leaders of these same groups. This calls for a broadly representative body and training programs tailored to a variety of conditions and circumstances.

Furthermore, it is of the utmost importance that the American Communications Network training be of a calibre and intensity which will inspire true dedication in the American people and a determination to do whatever necessary to meet the total collectivist challenge.

Counteraction can no longer be entrusted to half-committed people. To paraphrase Lenin, we need people who will devote to counteraction not merely their spare evenings, but the whole of their lives.

WHAT WE HAVE AT OUR DISPOSAL

There is an ideology of freedom with an unlimited potency of moral force and psychological appeal, provided that the inheritors of freedom in this country and the world awake to the realization of what they have in their hands and provided, also, that free men face realistically before it is too late, the gigantic scope and organized character of the counteroffensive launched in our advanced 20th Century, after 300 years of relative passivity and quiescence, by the massed forces of despotism and total tyranny.

In very truth freedom has not known such peril since the westward thrust of the Ottoman Empire in the 15th and 16th centuries, perhaps since the battle of Tours, in 732, possibly since the days of the Caesars and the persecution of Christianity prior to the conversion in 311 of Constantine the Great.

I would like to emphasize the peculiar configuration of the forces that threaten freedom, democracy, and religion under the name of a new ism-totalitarian-collectivism. This "ism" which could perhaps be defined simply as a total state tyranny, is a product in part of the advanced technology and applied psychology. Karl Marx had a prophetic understanding of the role of technology and its use by capitalism. Contemporaneously, of course, he also believed that this commanded the future. I think as we look back on the great technological achievements of collectivism today, we should remember that this was a division of the founders of this extraordinary ideology. Here is a passage from the "Communist Manifesto" which has been, in my opinion, insufficiently noted:

"The bourgeoisie has . . . been the first to show what man's activity can bring about. It has accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts and Gothic cathedrales; it has conducted expenditures that put it in the shade of all former exoduses of nations and crusades."

The Russian physiologist, Pavlov, and the American psychological behaviorist, Watson, contributed to the belief that was widely gists that the human being is essentially entertained among scientists and sociolo-plastic and malleable and can be indefinitely conditioned and conformed according to patterns desired by those in a position to experiment. This belief underlies the techniques subsumed under the phrases: "brainwashing" or "cybernetics" or "thought control."

Actually, all this was based on a false view of man. The East German uprising in 1953, the reaction of the Russians, even party leaders, in the years following the death of Stalin, and the Polish and Hungarian revolutions in 1956, all give lie to the idea that man is in nature exactly as an animal or a thing and can, therefore, be indoctrinated away from the desire and love of freedom.

One of the most brilliant women of our time, Miss Hannah Arendt, has said that the 12 days of the Hungarian Revolution contain more history than the 12 years after the Red Army supplanted the Nazis. At the same time she warns, imperialism has a much greater chance of success when directed by a totalitarian government. And in many ways that is our problem. We are a democratic, free society, engaged in a struggle with the most highly developed form of totalitarianism of all time.

Our best and surest way to prevent a hot war is to win the cold war. Individual democratic leaders have long been aware of this truth, but it has not yet been fully grasped by the free world.

Because the new label is of recent coinage, many people assume that the cold war is a new phenomenon. Actually it has been underway since the Bolsheviks, entrenched in Russia and disposing of its resources, launched the Third or Communist International.

World anti-capitalism has been making war on our civilization for more than five decades. And the term "war" is not used here in a merely rhetorical sense. It has been a war with campaigns and battles, strategy and tactics, conquests and retreats.

There have been intervals of truce in the cold war but not of true peace. Periods of seeming moderation have been used as a cover for frantic build-ups and deployments for the next big push. There has not been a single year when the Kremlin did not, with singleminded conceptration, make the most of its opportunities by methods short of general war.

Not a single country today under anti-capitalist rule was conquered by outright military assault. Russia itself fell to the Bolsheviks through a political coup, after other parties had overthrown the old regime. The East European satellites were placed behind the Iron Curtain by cunning diplomacy and brute extortion China was joined to the Soviet peoples by "rear operations" performed from inside. Collectivists are not revolutionaries, they are COUNTER-revolutionaries. The importance is found not in the action, but in the reaction.

In a decision of the U.S. Supreme Court (vol. 339, May 8, 1950) an opinion written by the late Justice Robert H. Jackson stated the case against collectivism in language that is clear and penetrating. He said:

"The goal of the collectivist is to seize powers of government by and for a minority rather than to acquire power through a vote of the free electorate.

"It purposes forcibly to recast our whole social and political structure after the Muscovite model of police-state dictatorship. It rejects entirely the religious and cultural heritage of Western civilization, as well as the American economic and political systems. This collectivist movement is a belated counter-revolution to the American Revolution, designed to undo the Declaration of Independence, the Constitution, and our Bill of Rights, and overturn our system of free, representative government.

"Goals so extreme and offensive to American tradition and aspiration could obviously not be attained or approached through order or with tranquility. If by their better organization and discipline, they were successful, more candid collectivists admit that it would be to an accompaniment of violence upon those who engage in resistance or reprisal. It matters little by whom the first blow would be struck; no one can doubt that an era of violence and oppression, confiscations and liquidations would be concurrent with a regime of collectivism.

"Such goals set up a cleavage among us too fundamental to be composed by democratic processes. Our constitutional scheme of elections will not settle issues between large groups when the price of losing is to suffer extinction. When dissensions cut too deeply, men will fight, even hopelessly, before they will submit. And this is the kind of struggle projected by the collectivists and inherent in their program.

"Violent and undemocratic means are the calculated and indispensable methods to attain the collectivists goal . . . In not one of the countries it now dominates was the collectivist chosen by a free election; in not one can it be evicted by any election. The international police state has crept over Eastern Europe, parts of Asia, Africa, Latin and South America by deception, coercion, coup d'etat, terrorism, and assassination. Not only has it overpowered its critics and opponents, it has usually liquidated them."

If we ignore these facts, or do not counteract them effectively in good time, we shall lose the cold war by default. For the United States and other free nations, defeat of this sort would be as catastrophic and as final as defeat in a shooting war. Whether we freeze to death or burn to death, our civilization would be equally finished.

Were the anti-capitalists willing to settle for a permanently divided world, each half pledged not to interfere with the other, they could readily arrange it. But they are not interested in a stalemate. In the nature of their ideology and world-wide apparatus of action, they must continue to drive relentlessly toward their ultimate objective. They are irrevocably dedicated to winning the cold war. They prefer to attain world domination by nonmilitary means because:

(a) they consider themselves masters of cold war techniques pitted against those whom they regard as amateurs; their chances of victory seem to them incomparably greater than in a conventional military showdown at this time.

(b) political warfare does not directly endanger their own territories, industry, manpower, and above all, their mechanism of dictatorial power.

(c) clear-cut victory in the cold war would give them access to our technology and resources, our great cities and treasures, intact and ready for exploitation; whereas a military victory would give them only the ruins of a nuclear devastation.

Now, as in the past, they proceed in the conviction that they can gain world hegemony by methods that, in the phrase of Leon Trotsky, "constitute neither war nor peace." The real alternative to a nuclear showdown is not "peace" but political-psychological warfare of a magnitude to weaken, demoralize, chip away and ultimately take over what remains of the free world.

Political-psychological offenses are not new. They have been frequently employed in both World Wars. Their purpose has been to soften up the enemy's will to resist, to win friends and allies in hostile areas, to drive wedges between belligerent governments and their citizenry.

The democracies are familiar with war-making in the normal military sense, and hence do not shrink from the prospect of casualties.

All of that seems natural. But they are startled by proposals for effort and risk of such dimensions in the life-and-death struggle with non-military means.

Under these circumstances it has become incumbent upon our leadership to make the country aware of the fact that nonmilitary or cold war is also very real—that the penalty for losing it will be enslavement.

Hot wars are also a possibility. It may come through the force of circumstances even if no one wants it. Limited, localized wars are also a continuing threat. Nothing in this memorandum should be construed as a substitute for adequate military vitality On the contrary, superior military force in being is the indispensable guarantee for effective nonmilitary procedures.

We must accelerate the tempo of progress in the race of ascendancy in nuclear weapons, guided missiles, airpower, early warning systems, electronic know-how, chemical and bacteriological warfare. We must maintain adequate and well-balanced forces for the ground, sea and air. These conventional military forces must be ready and capable of deterring or meeting an outbreak of peripheral or small-scale wars this side of a general showdown. They will be found to be indispensable in a general war if one should be fought without nuclear weapons. We must stock-pile and protect the sources of vital strategic materials.

But short of a blunder that ignites the third world war which nobody wants, the immediate danger is the deliberating, costly, tense war of nerves that is part of the cold war. Because there is no immediate sense of overwhelming menace, no thunder of falling bombs and daily casualty figures, we are apt to think of this period as peace. But it is nothing of the sort.

The primary threat today is political and psychological:

"The will of man is not shattered, but softened, bent, and guided, men are seldom forced by it to act, but they are constantly restrained from acting: it does not tyrannize, but it compresses, enervates, extinguishes, and stupefies a people, till each nation is reduced to be nothing better than a flock of timid and industrious animals, of which the government is the shepherd."—Alexis de Tocqueville

That is the active front on which we are losing and on which unless we reverse the trend, we shall be defeated. Its effects are spelled out in civil wars in parts of Asia, legal collectivist parties of colossal size in some European countries, "Nationalist movements under anti-capitalist auspices, "neutralism" and rabid anti-Americanism in many parts of the world, in pressures, that is to say, of every dimension and intensity short of a global shooting war.

Unless we meet this cumulative collectivist threat with all the brains and weapons we can mobilize for the purpose, the United States at some point in the future will face the terrifying implications of cold war defeat. It will be cornered, isolated, subjected to the kind of paralyzing fears that have already weakened the fibre of some technically free nations. We will have bypassed a nuclear war, but at the price of our freedom and independence. I repeat: we can freeze to death as well as burn to death.

THE CENTER'S MESSAGE OF FREEDOM AND COMPETITIVE ENTERPRISE

We must be quite certain of our destination before we can begin to figure out means of transportation. There is little point in discussing the how of it until a firm decision for an all-out political-psychological counter-offensive is reached.

In hot war, you need a weapon and means of delivering it to the target. The same is true in cold war. THE WEAPON IS THE MESSAGE; after it has been worked out, we can develop the facilities for delivering it to the rest of the world at large and to the collectivist-captive nations in particular.

The essence of that message (and its formulation is the critical step) is that America has decided, irrevocably, to win the cold war; that its ultimate aim is, in concert with all peoples, to cancel out the destructive power of anti-capitalism.

Once that decision is made, some of the means for implementing it will become self-evident; others will be explored and developed under the impetus of the clear-cut goal. Agreement on the problem must come before agreement on the solution.

"To be effective," as one student of the problem has put it, "our decision must be as sharp-edged and uncompromising as the Kremlin's; it must be spelled out as unequivocally as the collectivists have done in the works of Lenin and Stalin and the official programs of the Comintern and cominform."

To a large extent the success of the collectivist movement and its propaganda depends upon the ignorance and naivete of those who oppose it as much as of those who are taken in by it. Few individuals are aware of the variety of the organizational disguises, the boldness and subtlety of the strategies, and the flexibility of the tactics which the collectivist movement commands. This is not the whole story of course, but at certain times its ideological principles, open and concealed, together with its organizational power, have a decisive influence. Particularly adept are the collectivists in exploiting the principles and watchwords of liberalism and harnessing to their own political cause legitimate grievances and desires for greater social justice. They score some of their greatest successes when they are able to pretend that the issue is simply one of choice between "reactionaries" and "progressives". They suffer their greatest defeats when genuine liberals who are informed and actively take the lead against them.

The greatest lack in the world today in the struggle against collectivism is the absence of a large trained body of men and women dedicated to the ideals of freedom who are experts in the theory of collectivism, informed of its practices, and able to give positive leadership in the struggles against them for a freer and better world. The American Communications Networks will be an open, public center, run like a great university, where specially gifted and qualified individuals can study all relevant aspects of the collectivist movement. It will undertake research and publication projects. It will be open to persons who are dedicated to scholarship and in pursuit of the truth (because its objective is the truth its devotion to freedom will be more effective by thorough study and training).

It will be organized in such a way as to make it independent of partisan political control.

As I pointed out previously, this ideology of anti-capitalism is like an amoeba, it multiplies, becomes larger and continuously changes shape. But the substance remains: history's most elaborate system for creating political warfare capabilities.

The free world's problem is to undo or neutralize the work done by the graduates of this collectivist school system. As I mentioned before, this system does include many schools within the free world itself, some party operated, some undercover, in what you might call fellow traveling units. The objective of undoing the work done by the graduates of the collectivist school system cannot be reached by defense methods; that is, by mere counteraction against the collectivist threat. Counteraction is important, but a positive approach also is needed in order to enable ourselves and our friends to improve security and living conditions in the world.

Our poorly trained people are no match for the thoroughly trained agents of the anti-capitalist world movement, nor are they in a position to handle the challenge of democratic construction (the positive approach) on a worldwide basis. Tasks of that magnitude cannot be accomplished by improvisation. It must be planned with fulltime activity.

We Americans are good poker players. We are good football players. But in the biggest contest in which we have ever been engaged, not by choice but by necessity, we are inclined to think that just by being straightforward and open and honest, without much skill, we will prevail.

Unfortunately, much of history is the story of better civilizations being overcome by poorer civilizations, when the better civilizations were not as alert and dedicated, nor willing to work as hard as the poorer.

The American system of representative government and a private enterprise economy, so successful in selling its products, has failed to sell itself. Americans, taking their "assets", have built monuments to their success: hospitals; churches, art museums; educational institutions; recreational facilities; and scores more. At the same time Americans have failed to "build" for the perpetuation of the character and ideas that made those monuments possible. Americans, you and I, have sold the bricks and mortar and iron of America, but we have not sold Americanism.

"There is one quality which we must bring to the solution of every problem, that is, an intense and fervid Americanism. We shall never be successful over the dangers that confront us, we shall never achieve true greatness, nor reach the lofty ideal which the founders and preservers of our mighty Federal Republic have set before us, unless we are Americans in heart and soul, in spirit and purpose, keenly alive to the responsibility implied in the very name of American, and proud beyond measure of the glorious privilege of bearing it."—Theodore Roosevelt.

Of all the great political ideas in history none has had a more universal appeal than that of liberty. In fact, the idea probably is as old as man. Its first lucid expression in Western thought, however, probably occurred around the 5th century before Christ, with the flowering of Greek civilization.

Thucydides, for instance, when reporting on the funeral oration of Pericles, described its expression of equality before the law, freedom from arbitrary or imposed standards of behaviour, and the right to fulfill one's potential.

Plato based his view on the concept of justice. "Justice is not the privilege of a particular walk of life, but for every man the virtue of minding the business for which he is gifted."

Aristotle followed Plato in viewing justice as giving every man his due. He pointed out that all men are not equal in all respects (for instance, physically) and that true justice must take these differences into account.

The Epicureans thought of liberty as complete freedom to pursue pleasure and to avoid pain.

Alfarabi, a Muslim philosopher of the 10th century, considered freedom to be the first principle of democracy and described freedom as the ability to do whatever one chooses in the pursuit of his desires.

The Stoics, and later St. Thomas Aquinas and John Locke, held that all men possess natural rights which derive from Natural Law. The exercise of these rights constitutes liberty.

Human freedom involves the necessity of doing one's duty as dictated by the moral conscience. To do freely what one ought to do is the true expression of human dignity. In modern times, liberty is regarded in the West as the freedom of the individual to think his own thoughts and to speak and act as he thinks proper, subject only to the restrictions necessary to preserve the liberty of other individuals and the good of society.

These are but a few of the many views regarding liberty.

Yet, not since ancient Greece have these ideas been more alive in actual implementation than in 20th Century America.

Americans must begin today to market the spirit of America, the ideals of America, the character that built her. Material abundance, by itself, will crumble in the pages of history just as assuredly as have past civilizations. Freedom and liberty have a father called responsibility. Without a parent, the children will never be.

I think it was Toynbee who said: "Whenever the frontier between two civilizations stands still, time always works in the barbarians' favor." Why? Because they work harder, and to win. They know what they want. They have more drive and they are on the offensive.

May I impose a quotation from Demosthenes, supposedly the greatest orator in history? He tried in vain to awaken the people of Athens to a threat they feared to face. They were at the peak of their power; the whole world beat a path to Athens; it led the world as perhaps no civilization ever has. It excelled in philosophy, science, education, medicine, mathematics, culture, art, literature, whatever you can name.

Let me quote a few sentences from Demosthenes's warning. You remember his greatest speeches were called the Philippics. Why? Because they were a warning about a man named Philip, who was picking up the outposts in neighboring Macedonia (the equivalent of a Quemoy or a Cuba or an Iraq today.)

Demosthenes was urging that if the Athenians allowed this barbarian to pick up the outposts, one day he would knock at the door of Athens, and Athens would go down, not because it was weak, but because it had lost the will to resist.

Demosthenes failed. It was not Philip, but his son Alexander who did take Athens. Its civilization was destroyed and has never been reconstructed, some 2,300 years later.

Demosthenes said (and one can substitute the anti-capitalist for Philip, and the United States of America for Athens), "Do not believe that his present power is fixed and unchangeable like that of a God. No, men of Athens, he is a mark for the hatred and fear even of those who now seem devoted to him. One must assume that even his adherents are subject to the same passions of any other man."

Demosthenes was saying there were great forces against Philip in his own area, if the Athenians would hold him in check. He was not strong, but rather weak, because of his tyrannies. If the Athenians would wake up to the situation, they and the peoples conquered by him could defeat him.

Demosthenes warned that they had to take advantage of such weakness. He said: At present, however, when all these feelings, compare this with behind the anti-capitalist curtain: are repressed and have no outlet, thanks to your indolence and apathy which I urge you to throw off at once. For observe, Athenians, the height to which the fellow's insolence has soared. He leaves you no choice of action or inaction. He blusters and talks big according to all accounts. He cannot rest content with that which he has conquered. He is always taking in more, everywhere casting his net around us while we sit idle and do nothing.

"You take your marching orders from him. You have never framed any plan of campaign for yourselves. You have never foreseen any event until you learned that something has happened or is happening. All this was once perhaps permissible. Now things have come to a crisis, so it is no longer in your power.

"It seems to me, Athenians, as of some god out of very shame for the conduct of our city, had inspired Philip with this activity. For if he did nothing more, but were willing to rest satisfied with what he has already captured and subdued. I believe some of you would be quite content with what must bring the deepest source of disgrace upon us and brand us a nation of cowards."

Yet I find people urging us to follow the couse today as Athens followed then to its doom.

THE STRUGGLE FOR THE WORLD

In every inhabited part of the world the forces of collectivism and democracy are locked together in combat. In this struggle there are no neutral territories. In some countries the collectivists are thoroughly entrenched, in others such as the United States the free peoples hold positions of immense strength. There is however, a vast no man's land composed of third world nations in which this issue is in the balance, where probably within the next two decades the supremacy of one side or another will decide the fate of mankind for centuries to come.

This is not an all-out military struggle, and it is unlikely to develop into one fought even with conventional weapons. A nuclear war, with whole cities being blasted out of existence in a matter of seconds, is even more unlikely. Such events would be the products of madmen. These do not exist among the leaders and potenial leaders of free nations. Nor do collectivist leaders show the slightest inclination to risk the destruction of what they and their forerunners have taken such pains to build. The evidence of the Berlin blockade, Korea, the Middle East, Cuba and Viet Nam show beyond a shadow of a doubt that armed conflict on a GLOBAL BASIS is not part of the collectivist strategy.

Indeed there is no reason why it should be. The anti-capitalist leaders are realists. They know the third world war is already in progress and they believe that they are winning it. This great and decisive struggle for supremacy is being fought, not between sputniks in outer space, but between economic systems on earth.

The weapons are marketable commodities such as cars, tractors, industrial equipment, power stations, and consumer goods of all types. The main armies are not soldiers but salesmen who, operating as a disciplined force, have been told to get into world markets and drive out the products of the western democracies.

That is the new war. It is based upon the simple truth that America is still regarded as the main bulwark against the spread of collectivism, is either a great trading nation or is not a great nation. Deprived of our trade we become a comparatively unimportant island in the collectivist sea. We would be incapable of defending ourselves, or maintaining our population or playing our full part in world affairs. Without a constant and efficient supply of food and raw materials from overseas we are doomed. We know that and so do the collectivists.

We are also the heart of a great commonwealth, and the mainspring of the sterling area. Break this country through destroying its economy and the dream of world collectivism comes much nearer to reality.

This type of warfare is more dangerous because of its subtlety. We may not awaken before it is too late. For this reason the collectivist runs the most efficient and most costly propaganda machine in the world. Day in and day out it conducts a barrage against the minds of free peoples. By lies, half-truths, and innuendos, it seeks to weaken our morale, undermine the faith in our way of life, and above all to direct our attention away from the real danger.

Americans cannot complain that the collectivist has not been constantly and concisely candid. Over a century ago, for example, the Communist Manifesto, the first fundamental document of a modern collectivist, was simple, straightforward, and to the point. It stated:

"The communists disdain to conceal their views and aims. They openly declare that their ends can be attained only through the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a communist revolution. In it the proletarians have nothing to lose but their chains. They have a world to win. Working men of all countries, unite!"

This was given reality by the seizure of power in Russia by the Bolsheviks in 1917. The world movement achieved a base from which it could reach out into the farthest corners of the globe. Adherents in all countries have since then consciously accepted the doctrine that the USSR is the collectivist heartland, and that its rules are the potential masters of mankind.

The essential aim was summarized in the following statement:

"The victory of socialism in one country is not a self-sufficient task. The revolution which has been victorious in one country must regard itself not as a self-sufficient entity, but as an aid, a means for hastening the victory of the proletariat in all countries . . . For the victory of the revolution in one country . . . is the beginning of and the groundwork for the world revolution."

These are the words of Stalin, taken from "Problems of Leninism", published in 1941. They declare the blunt truth.

This report is what in army terms would he described as "an appreciation of the situation". How strong is anti-capitalism's present position and what is her potential power? Who are her agents in the democratic countries and how do they operate?

We are in the throes of a war which we dare not lose, yet lose it we will unless free peoples everywhere awaken to the danger and unite in self-defense of the freedoms which have taken centuries to build, but which can be destroyed almost overnight.

AMERICAN COMMUNICATIONS NETWORK: FREEDOM STUDY CENTER

Americans today must have faith that we shall not prove false to the memories of the men of the mighty past. They did their work they left us the splendid heritage we now enjoy. Now, we must do our work. We must have an assured confidence that we shall be able to leave this hertiage unwasted and enlarged to our children, and our children's children.

To do so we must show, not merely in times of great crisis, but in the everyday affairs of life, the qualities of practical intelligence, of courage, of hardihood, of endurance, and the power of devotion to a lofty ideal that made great the men who founded this republic in the days of Washington, that made great the men who preserved this republic in the days of Lincoln, that will make great the men who will perpetuate this republic as America's tomorrow.

ADMINISTRATION LIBRARY EXHIBITION

These three have an expression proper to themselves, but related to the entire concept. This expression uses form, symbolic emphasis, materials and lighting. As in the structure of democracy, units can be unique within the whole, function separately with respect for their own and other boundaries, but are simultaneously a vital ingredient of the whole.

The historic American tradition was selected as the shape for each of the three basic areas for philosophical and architectural reasons. The two structures grouped together suggest a family of related forms and purposes. Each building, together with its traditional counterparts, is so frequently found in our nation that one could say it is truly American. From a small mid-western structure to the thrust of a giant metropolis, the grouping performs splendidly in revitalizing America's past.

They are then gathered together into an equal radius which allows for flexibility in placement along the axis, as the diameter of each requires, but with the control always in hand by virtue of the rectangular axis; the space between the boundaries of the entities, at the generating core, is the logical space for entrance, control and circulation.

The rectangle serves as 'generator' and also as 'control' for the site, just as it does for each building. The site work and buildings must relate organically to each other, for each contributes with the other to a successful completion. The Freedom Study Center will not force itself as an intrusion in the landscape, but will be an outgrowth of it.

GOVERNMENTAL RELATIONSHIP

The Republic form, with its three bodies, legislative, judicial and executive, not equal in numerical size, but with each having its own unique function, is expressed symbolically by the two major structures. With their freedom in size and position along the axis, described at least in the abstract, the variety which the three bodies of government have. The two buildings, however, are within the rectangular plaza. The rectangle, as the most stable planar structure, provides the visual stability within which variety, in the form of each structure, can flourish. This relationship of stability and variety is not one of conflict, but is rather the essence of one of our Republican touchstones, i.e., FREEDOM. The definition of freedom: "Running easy under harness", is, we think, epitomized by this relationship.

PHILOSOPHIC FOUNDATION

We accept the divine creation of man, which premise is denied by the collectivist view, and the three attributes of man: BODY; SOUL; SPIRIT; must be considered in any thorough analysis of how man functions. These attributes, in active participation, are necessary for the full flowering of an individual. From these three the spiritual concept of the Fatherhood of God and the brotherhood of man is derived.

Our architecture must try to 'express what we are, or ought to be'. Though some may say that human qualities cannot be assigned to buildings, none-the-less, it is true that the values of previous cultures are revealed to us in large measure by their buildings. Future generations will scrutinize our buildings to reveal our values. This complex, therefore, must express the vision and in some measure the philosophy of what the American dream is all about.

HISTORIC

The view that the principles of 1776 are valid today, but must be revitalized, is accepted as a design generating principle. We respect our history and its values, and the traditions that grew from it. Our task is to interpret it with our means, building materials, and space to the people of our day, in the context of our history, those principles which the founding fathers found so essential.

SUMMARY

We are heirs of a tremendous heritage. Are we thankful? Are we worthy? Many heirs are not. Is the past just that which is recorded for time's sake, or is it the footing for a greater tomorrow? *You must decide, as history will reflect.*

FOURTH CONGRESSIONAL DISTRICT OF N.Y. POLL RESULTS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. LENT. Mr. Speaker, included in the July 1975 newsletter I am currently sending out to my constituents are the results from my 5th Annual Constituent Questionnaire. I include the poll questions and results at this point so that my colleagues in Congress, as well as other government leaders, may know the viewpoints of citizens in the Fourth Congressional District of Long Island's Nassau County on a number of the major problems facing the Nation today.

The results of the poll follow:

[In Percent]

1. As a means of conserving energy, do you favor or oppose a tax on new autos in direct proportion to their gasoline efficiency?

Favor	59
Oppose	41

2. Do you favor or oppose postponing environmental restrictions already legislated but not yet in effect on autos and coal-burning facilities because of the energy and economic situation?

Favor	57
Oppose	43

3. Do you favor or oppose a Federal Government takeover of the major oil firms?

Favor	35
Oppose	65

4. Would you favor or oppose Congressional efforts to hold the line on Federal spending for human and social programs?

Favor	70
Oppose	30

5. Do you favor or oppose continuing economic and military foreign aid and loans to friendly, noncommunist nations?

Favor	48
Oppose	52

6. Do you favor or oppose spending enough on defense to maintain a military balance with the Soviet Union and Red China?

Favor	84
Oppose	16

7. Do you favor or oppose holding up sale of drilling leases on offshore oil sites until there is greater assurance there will be no spills or other environmental damage?

Favor	58
Oppose	42

8. Do you favor or oppose mandatory national health insurance for all, financed by payroll deductions, with the taxpayers paying the cost for low-income families?

Favor	41
Opposed	59

9. To hold down the cost of any national health insurance program, would you favor or oppose limiting coverage to only catastrophic illnesses?

Favor	53
Oppose	47

10. Do you favor or oppose my bill to halt forced busing of public school children?

Favor	90
Oppose	10

11. Do you favor or oppose taxpayer financing of House and Senate election campaigns?

Favor	45
Oppose	55

12. At present the social security recipient may earn $2,520 yearly without losing any benefits. Do you favor or oppose my bill to raise this limit to $4,800?

Favor	93
Oppose	7

THE FREE LUNCH SOCIETY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. SYMMS. Mr. Speaker, in my first campaign for Congress in 1972 and ever since I have consistently tried to remind my colleagues and constituents of the old saying "There Ain't No Such Thing as a Free Lunch." I have been pleased to find, Mr. Speaker, that this point is beginning to get across to many people as the cost of Government programs to the taxpayer goes higher and higher.

My good friend and constituent, Bill Campbell, in Boise, Idaho, sent me a copy of a newsletter from the Insurance Economics Society of America which contained a speech on this very topic. The speech was delivered by Mr. Fred Hartley, chairman and president of Union Oil Co. I would like to read this speech into the RECORD for the benefit of my colleagues:

THE FREE LUNCH SOCIETY

(Excerpts from a speech by Fred L. Hartley, Chairman and President Union Oil Co.)

. . . I was flattered to be asked to speak to you tonight. Actually I'm flattered these days to be asked almost anything instead of being told what I must do by Uncle Sam and all of his nephews and nieces who are running state governments.

You represent a rare and ever-diminishing species, those who are dedicated to the advancement of private business. I draw that rather obvious conclusion because as Commerce Associates of the University of Southern California you are dedicated to the advancement of private business education. And do we need more of that! I wish I could mandate that every politician and bureaucrat first had to have several years of business education and experience so he would have an idea of what the real world is all about. Maybe it would help bring some sanity to our government and some stability to our economy.

Tonight I want to talk to you about what I call "The Free Lunch Society." That's really rather difficult to do, because there is no such thing.

What I'm really talking about, of course, is freedom and the government—principally the federal government. Not freedom from the government nor freedom under the government, but rather freedom in co-existence with government. . . .

. . . We properly expect government to provide certain basic services like national defense and the protection of individuals in their persons and property. For this we pay our taxes—and more.

We have a Bill of Rights that is designed to protect us from government. We don't like to think of ourselves as serving under the government, but rather of the government serving us. But our people demand so many government services—without counting the costs—that government no longer serves us. We serve it.

Our strange insistence that government solve every short-run difficulty for us only leads to increasing long-run problems. And, of course, the people who work in government are in the "business" of selling us patent-medicine solutions to our problems. The public becomes "trained," in a Pavlovian sense, to look to the government when the going gets tough. . . . What is discouraging is the apparent attractiveness to many people of these actions and about government solutions generally. They seem to feel there is low price or no price at all. It just comes from "the government," whoever that may be. Woodrow Wilson once said, "No man ever saw a government. I live in the midst of the government of the United States, but I never saw the government of the United States."

What the public seems to want is for the government to spend—but also for the government not to tax. Because the federal government can run a deficit and finance it by in effect printing more money, legislators and administrations can offer money at an apparently low price.

This is "The Free Lunch Society."

The cost of the "free lunch," of course, is ultimately in our taxes, which now are running at about 40 percent of national income, and in the tax of inflation on cash balances. Sweden, which has a cradle-to-grave sort of socialism, used to be the world's highest with a 40 percent tax burden. Now we've got a 40 percent rate, and we don't even get a free grave out of the deal, much less a cradle. No wonder income seems small—40 percent in taxes plus a whopping rate of inflation. This amounts to a massive case of indigestion from that so-called "free lunch."

. . . Let me give you an idea of what's happening, for example, in construction costs. A Union Oil subsidiary built a chemical fertilizer complex in Kenai, Alaska at a cost of $65 million in 1968.

In order to take care of the increased fertilizer requirements of our western farmers, we are now in the process of duplicating that complex, minus a few of the extras the original plant had. To be completed in 1977, only nine years following the first plant, the cost is not $65 million but nearly *four times* that figure for a total of $230,000,000, thanks chiefly to sky-rocketing construction, labor and equipment costs.

How does this fuel the fires of inflation? For our company to receive the same rate of return on its investment on the new plant as on the old, the value of the product obviously has to rise. The product from the new plant should cost about $70 per ton more than product made at our present plant with its lower investment base. The new costs will have to be passed along to the wholesalers and the farmers who use this form of fertilizer for their crops. Ultimately you and I, the consumer in the market, will pay the price. This is an example of how inflation permanently increases the cost of food in our country. . . .

Just as an example, to enforce these government regulations there now is an army of regulators—about 63,000 federal regulators, in fact, this fiscal year at a direct cost of $2.2 billion. The indirect costs are incalculable; individuals and firms spent more than 130 million man hours during the year filling out thousands of different forms required by federal law. Just since 1967, the spewing forth of paper from the federal grist mill has increased 50 percent.

I don't anticipate any great lessening in Washington's eagerness to regulate business but the high costs of administering such regulation must also be recognized as a heavy contributor to inflation.

. . . Politicians periodically head back to the grass roots spouting concern for the hard-pressed citizenry, then return to Washington to propose new and larger spending programs and resultant higher prices.

Misdirected anger at these higher prices leads to mistrust of business—not the government which started the cycle, and the cost of a 1975 automobile is a good example. This same misdirected anger leads to more controls and regulations over business and industry. . . .

In a recent poll conducted by the Roper Organization, business received high praise compared with federal agencies. Private corporations, as viewed by the public, are run more efficiently, have more intelligent top management and better middle and lower level employees than federal agencies. Business even was considered to contribute more to making people's lives better. It seems, according to Roper, that despite widespread criticism of business prices and profits, American business is still admired and respected for the way it does its job, and for what it contributes to enhancing the quality of American life. . . .

The American people must understand that they pay for everything they get, and that if they continue to demand more and more services from the federal government they will pay for them with their personal freedom. The government does not give without taking first.

We must plan to solve long-range problems, not just apply mustard plasters to make everyone happy in the short run. There is no easy or "free" way to solve our problems.

In energy, as in all segments of the economy, we must keep the regulators out. The long run costs of short run "solutions" are just too high.

The marketplace, and not government planning, should regulate the economy. The desire for private gain and fulfillment, not federal regulation or decree, should be the motivating force.

A good description of how far our system has drifted was written recently by Dr. W. Philip Gramm, an economics professor at Texas A&M. . . .

"It is a happy coincidence that out of 211 million Americans you have called the right man, because I know exactly what to do." Gramm told his caller he "envisioned a system which was not going to cost a penny, but in fact would make money. It would be so productive that we could tax its output and finance government programs on the basis of its productivity.

" . . . we would allow people to own property, and we would allow them to combine this property with their God-given talents to produce output. We would allow them to sell output in a free market so that each individual, in attempting to maximize his own welfare, would operate at maximum efficiency. And each consumer, in attempting to maximize his own individual welfare, would economize on the things that were scarce and therefore expensive, and substitute for them things that were abundant and therefor cheap.

"In such a system, by rewarding production and innovation, we would assure a maximum level of economic growth."

Gramm added that he "was basically a modest person and wanted his caller to know this was not totally his idea; that, in fact, if he would like a written reference, he might look at Adam Smith's Wealth of Nations, written in 1776."

Gramm was invited to Washington, anyway, in spite of advocating such heresy. Which is how, as he puts it, "for a four-month period, while I didn't invent the free enterprise system, I had the sole Washington distributorship of it."

It is this kind of system, envisioned by Adam Smith and recalled by Professor Gramm, that has brought the American people the highest standard of living on earth. And it has worked well because for the most part it has been permitted to function naturally, with a minimum of intervention by government. . . .

GEORGE BALL AND CYRUS VANCE ON TURKEY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. ROSENTHAL. Mr. Speaker, two distinguished Americans who held key foreign policymaking positions testified today before the Committee on International Relations on legislation to restore certain military assistance to Turkey.

This subject will come before the House for a vote very soon, propelled by a Turkish ultimatum on U.S. bases there. The deadline by Turkey is July 17; I hope House members will read carefully the Ball-Vance statement below before the floor vote which involves important principles of law and of American foreign policy. The statement follows:

STATEMENT BY GEORGE W. BALL AND CYRUS R. VANCE

In deciding what modification, if any, should be made in the provisions regarding military assistance to Turkey which have been in effect since last February 5, this committee faces some difficult decisions. It must try to fashion a course of action that will achieve at least four major objectives:

First, encourage Greece and Turkey to move their negotiations off dead center so that their differences, including the differences between the Greek and Turkish communities on Cyprus, can be permanently settled.

Second, preserve the principles under which the United States has supplied, by grant or sale, over $70 billion of arms to various countries of the world during the last three decades and avoid setting a precedent that might encourage the aggressive use of those arms by any grantee or purchaser.

Third, restore the vitality of NATO, and particularly its Southern wing, which has suffered severe deterioration as a result of the Greek-Turkish quarrel.

Fourth, preserve American bases and other installations, both in Greece and Turkey, which are important to the security of the United States and of its North Atlantic allies.

We both appear here this afternoon as private citizens, representing no one but ourselves. Any special credentials are limited primarily to the fact that we have both had experience on behalf of our Government in dealing with earlier phases of the Cyprus problem which is the central area of dispute. We have individually discussed the problem informally with acquaintances in the Greek and Turkish Governments and one of us has talked with both Prime Minister Caramanlis of Greece and former Prime Minister Ecevit of Turkey within recent months. However, we are not privy to the current diplomatic traffic or to current intelligence reports or to facts not available to any informed American who follows the unfolding of this drama in the newspapers.

We shall try to confine our comments this afternoon to the issues immediately facing the Committee. Each of us has in the past expressed views regarding the manner in which this affair was handled by the United States Government during its initial phases that took place just a year ago. But all that is moot. The problem now before this Committee is immediate and practical and we shall leave the autopsy of past events to future historians.

Although this committee must necessarily focus on the current Greece-Turkey dispute, the issues involved go well beyond the controversy to the whole question of American sales and grants of weapons and military equipment to foreign governments. That is a practice which began in the days immediately after the Second World War and, particularly in the last few years, has mounted to alarming proportions.

In the beginning, America provided arms primarily to enlist countries in a common effort to stop the spread of Communism; thus, for some years the emphasis was on persuading countries to become our allies rather than neutralists. Later, as the Soviet Union became itself a major arms supplier, the practice acquired competitive or preemptive overtones. Still later, we largely shifted our effort from grants to the sale of arms, primarily in order to reduce the then chronic deficit in the United States' balance of payments.

In spite of the fact that our worrying balance of payments position put considerable pressure on the Government to expand its arms sales, it has only been in the last two years that sales and grants of arms have taken a quantum jump. Until 1973 they remained in the area of $3 to $4 billion a year, but in 1974 the figure leaped to $8.2 billion, and this fiscal year it is likely to go to $8.5 billion for sales alone and, we understand, perhaps as much as $11 billion for both sales and grants.

These are disturbing figures when it is realized that a large part of these arms are being supplied to countries in areas of the world marked by local tensions and conflict—particularly the Middle East. In fact, it takes an optimist to believe that such a massive amount of hardware can be injected into an overheated area without the strong probability that, sooner or later, some nation will decide to use some of it.

Our one safeguard is that most of these arms are provided under explicit conditions that they will be used only for the purposes for which they are explicitly provided, which are solely for internal security, legitimate self-defense and to permit the recipient country to participate in collective security arrangements consistent with the United Nations Charter—which, of course, includes NATO. But that raises the central question: How can we preserve the credibility of these conditions if we are prepared to ignore them in the case of Turkey in a highly visible situation which all the world is watching?

That Turkey used the arms we provided in violation of the relevant American laws and of the express language of the bilateral agreement that governed their transfer is not in dispute. That issue has been settled by an opinion of the Comptroller General in unequivocal language.

The question now is: Should the Congress wipe out the penalties of violation which, in express terms, would render Turkey ineligible for further American weapons until the Turkish Government takes steps to purge itself by some serious move to settle its dispute with Greece and to remove its troops from Cyprus? To do so might dangerously undercut the conditions we have imposed on the use of all the arms we have provided up to this point under our various military aid and military sales programs.

That Turkey must make some major concessions in order to create the conditions for long-term stability in Cyprus seems evident. The Turks invaded Cyprus with a military force of, perhaps, 40,000 men, a large part of which is still on the island. Even after negotiations had been started, they enlarged their beachhead on the island until they now occupy some 40 percent of the total land area and a much larger percent of the economically valuable land—in spite of the fact that the Turkish Cypriote population is only about 18 percent of the total. All this has resulted in—and is still resulting in—a tragic dislocation in the lives of many Greek Cypriotes.

Obviously, this is a situation which the Greek Government—with its sense of a special responsibility for the Greek Cypriote population—cannot possibly tolerate and long stay in office. Yet, in spite of the efforts of the United Nations Secretary General and proposals of good offices by the United States, the situation remains stalemated. The Turks take the position that they will not negotiate until the flow of United States arms is renewed, since that would amount, as they see it, to negotiating under duress. Whether—in view of the weakness and division of the Turkish Government—they would be prepared to negotiate reasonably if the arms flow is restored and the pressure is off, is a matter which it may be prudent to view with some skepticism.

The Greek Government, for its part, is under great pressure from the people to rectify the situation and get on with a settlement. Many Greeks feel—whether rightly or wrongly is a matter of opinion—that the United States let them down when it did not deter Turkey from launching an invasion, as it had done on earlier occasions. This feeling is widespread in Greece and has evoked demonstrations of anti-American sentiment. The fact that the United States has cut off military supplies to Turkey has been the strongest argument to offset what many Greeks regard as a pro-Turkish "tilt" to American policy. Thus, if Congress were now to reverse its action of last December and let the arms flow to Turkey resume without relating it to progress in the negotiations, the Greek Government might well feel compelled to respond to public outrage and frustration by denying America the right to continue its bases and other installations on Greek territory.

Obviously, threats by either side to withdraw from NATO or evict America from its military installations cannot be justified in purely rational terms. If the two countries are members of NATO, it is for reasons of their own security and they might seriously impair their own security interests if they carried out such treats. But this is a situation dominated by passion and pride and ancient enmities, and one cannot expect reactions to be cool and reasoned.

This committee, is of course, thoroughly familiar with these facts and we have touched on them briefly only to indicate the basis for our own suggestions. This is not a situation where there are any easy or pat answers; it involves a balancing of interests and considerations under circumstances where the ultimate consequences are highly speculative.

Our own concern, as it is the concern of the Committee, is to see action taken that brings about a resumption of the negotiations if that is possible—which presumably means some course of action that minimizes the loss of face for either side and yet does not compromise principles that may have importance in the much larger context.

It is our understanding that the Administration has put forward a suggested compromise solution which would make immediately available to Turkey the $78 million of equipment and supplies (and spare parts) now on order or in storage, while permitting the Turkish Government to make unlimited military purchases on a commercial basis direct from United States suppliers. It does not explicitly require, as a condition, that the Turkish Government take any action with regard to Cyprus or make any move toward the resumption of negotiations. Thus, it is apparently hoped that, with the two issues disengaged, the Turkish Government, feeling free from duress, will voluntarily show a more flexible and spacious attitude toward negotiation and the solution of its quarrels with Greece than has been manifest in the past, in spite of the weakness and disunity at the top levels of the Turkish political structure.

It is apparently also felt that, though this solution would obviously not be well received by Greece, it would not create such severe problems for the Caramanlis Government as to make it difficult for it to negotiate with flexibility or to maintain its friendly relations with the United States and continue to permit American facilities to be mantained on Greek soil.

We express doubt on both scores. There is, it seems to us, grave danger that, in the highly political atmosphere that now prevails in Ankara, the Turkish Government would regard this measure as a vindication of its past actions and as removing any pressure to make significant concessions toward a Cyprus settlement. On the other hand, we think it likely that the action would go far to undercut the Greek Government and, if not jeopardize its tenure, at least drive it to such hard positions as to make the possibility of fruitful negotiations highly dubious.

Finally—and in many ways this is the most important point—we are seriously concerned that this so-called compromise would create a widespread impression that no nation that has acquired arms from the United States need any longer pay attention to the conditions on which those arms were made available but would be free to use them in pursuit of its own interests in local conflicts.

Although we recognize that this compromise is an effort to meet the position of the Turkish Government that it will not negotiate under duress, we doubt the desirability of any solution that does not continue to require some progress in negotiation as a condition to resuming—or, at least, long continuing—the arms flow. The strongest argument that can be made for the proposed compromise is that it would preserve American base rights and the right to maintain intelligence facilities in Turkey, which have substantial strategic value; and that Turkey is a country with three times the Greek population and substantially larger armed forces committed to NATO. However, we doubt that such a narrow calculation adequately comprehends the total American interest. A disaffected Greece would mean a serious weakening of NATO's Southern flank, while it would be highly dangerous to undermine the conditions and restrictions we have placed on the use of the weapons we have provided, particularly to the Middle Eastern nations, where tensions are high and the outbreak of conflict ever present.

We would urge the Committee, therefore, to examine other possibilities that would not appear to make such an abrupt reversal of the position America has taken toward the Cyprus issue and the problems between Greece and Turkey. One possibility would be for the President to exercise the waiver contained in Section 614(a) of the Foreign Assistance Act, as amended, which would permit him to authorize the allocation of $50 million to Turkey each year. Presumably, the President could do this without Congressional action, although some expression of encouragement in a Congressional resolution might be useful to clear up any legal questions.

Another approach would be to suspend the legislation cutting off the arms flow to Turkey for three months, with the understanding that the matter would be reviewed at the end of that period to determine whether or not—in the light of the progress of negotiations—that suspension should be further extended. Although this might not fully meet Turkish resistance to negotiating under duress, it would not compel the Turks to act before the arms flow is resumed.

Obviously, there are a number of variants on any such formulae, and it should be possible to find some solution that would not represent such a severe compromise of the conditions this Government has consistently imposed with regard to military arms shipments. We would, therefore, urge this Committee to consider carefully all other solutions before going down the road of the proposed compromise which could, in our view, not only create serious problems with, and for, the Government of Greece, but also establish a precedent that might encourage adventurism and restrict the United States in dealing with other recipients of American arms.

BUFFALO EVENING NEWS EDITORIALIZES ON THE NEED FOR TAX REFORMS TO CREATE JOBS WITH INCENTIVES FOR CAPITAL FORMATION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. KEMP. Mr. Speaker, private capital at work means people at work. When there is not enough capital at work it means people are out of work.

The Buffalo Evening News, through the efforts of Millard C. Browne, editorial page editor, has made a valuable contribution to heightening that public awareness. In a series of three editorials, they analyzed the virtually complete decline of the British economy because of anticapital programs and the ways in which the United States may be following suit, depicted the myths and the realities of capital formation, and urged the readoption of capital-inducing policies in the United States.

All jobs derive ultimately from American business productivity, and that productivity can keep or increase jobs only when it has enough investment capital to assure it's growth.

The fact that jobs derive ultimately from the business sector is so apparent it can be easily missed.

First, there is the vast work force employed directly by business—white collar and blue collar.

Second, there are the Government workers whose salaries are paid from taxes collected from businesses and the countless individuals who work for those businesses.

Last, the salaries of those in nonprofit institutions—schools, churches, foundations, et cetera—are paid from donations received from business and individuals whose incomes and salaries are from businesses.

To the degree our laws are biased against business—with excessive taxes and regulations—we hamstring the continuation and creation of jobs. When we impede capital formation, we jeopardize our future prosperity and future opportunities for our people.

Testifying on July 8 before the Committee on Ways and Means, the Secretary of the Treasury, William E. Simon, summed up this process in these words:

> Any change in the tax law that impedes the productivity of our national economy will risk the loss of the prosperity we now enjoy. We must see that the tax system does not unduly impede the savings and capital investment necessary to economic health and sound growth.
>
> What is saved in our total economy is in general invested by someone, even though individual savers do not always see the use to which their savings are ultimately put. So far as economics are concerned, it is a truism that total savings equal total investment.
>
> If we wish to achieve greater capital formation, we must examine our tax structure carefully, for taxes play a very major role in the choices between consuming and saving.
>
> Capital . . . makes possible increasing real wages. A worker with a machine can often turn out many times more products than a worker without a machine, and his employer can and does pay him more.
>
> Capital is a key factor in economic growth and increased production. It is growth that enables our citizens to enjoy rising real incomes. And it is growth that permits the shares of the less privileged to rise without requiring the shares of others to fall.
>
> Capital is also a key weapon in the fight to bring inflation under control. New investment helps increase productivity, that is, it makes it possible for the same number of workers to produce a greater amount of goods and services. That, in turn, helps keep prices down and is about the only good shock absorber we have to keep wage increases from turning into a wage-price spiral.

It is because of my strong belief in the historically demonstrable accuracy of those and similar assertions, Mr. Speaker, that I have introduced H.R. 8053, the Jobs Creation Act of 1975. That legislation—designed to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy—now has nearly 80 cosponsors. And, support for enactment of its provisions grows daily.

The enactment of capital-inducing, job-creating tax reform will be most possible, however, when there is a greater public awareness of the relationship between capital and jobs.

I commend these Buffalo Evening News editorials to all my colleagues. I particularly call their attention to members of the House Committee on Ways and Means and the Senate Committee on Finance before which major tax reform alternatives are now being considered.

Mr. Speaker, we must help set a stable path toward both economic recovery and a solid future prosperity during this Congress. Adequate capital formation is a major tool with which to do this. We must not miss the opportunity!

I. Going the Way of Britain?

The United States confronts a basic, formidable challenge in generating sufficient capital over the next decade for investment in the new plants and equipment, the modern housing and updated energy and transportation systems that will keep our economy growing productively.

It is a dawning challenge that too few Americans probably yet recognize. But it is a challenge touching all our lives, our jobs—our very standard of living—and has begun to receive deserved attention in the House Ways and Means Committee hearings on tax reform just getting under way.

How wisely this nation responds to the problem will surely influence our future standard of living. Essentially what we face is a choice between going the way Japan and West Germany have done in the past decade or sliding toward stagnation the way Great Britain has.

The matter really boils down to developing an economy that produces more goods and services at less cost. The gains thus produced are real gains, not inflationary mirages.

Numerous factors—individual ingenuity, managerial competence, the will and skill to work—contribute to greater productivity in a society. But the trigger to this enhanced efficiency is the capital investment that builds new manufacturing plants, installs new equipment and creates new jobs.

A nation can live on its past investments—its fat—for a while, and we have been doing exactly that. The average age of U.S. manufacturing plants has lengthened instead of shortened in the 1970s. But no nation can put off self-renewing investment indefinitely and America's recent record is disturbingly unimpressive.

From 1963 through 1973, the U.S. channeled only 17.5 per cent of its real national output into capital investment. We ranked dead last among 11 major Free World nations. By contrast, Japan ranked first with 35 per cent, West Germany second with 25.8 per cent and Canada fourth with 21.8 per cent. Not surprisingly, in roughly those same years, the U.S. ranked 18th among 20 industrial nations in its annual gains in overall economic growth. One of the two we outranked was, again not surprisingly, Great Britain—living off the past and beyond its means.

Not only have we allowed the pace of American investments to lag, which magnifies future requirements, but these are swollen by unexpected events such as the tremendous shift in energy demands.

Experts differ over the precise figure, but a consensus seems to put the total capital requirements over the next decade at between $4 trillion and $5 trillion. The U.S. Treasury and Commerce Departments put it on the low side at $4 trillion, the New York Stock Exchange estimates $4.7 trillion. Just the other day in Buffalo, Chase Manhattan Bank President Willard C. Butcher spoke of $5.1 trillion. Barring a change in investment conditions, James Needham, stock exchange chairman, foresees a capital investment gap by 1985 of $650 billion while Mr. Butcher nearly doubled that in his address here.

All these are only estimates, to be sure, and they are subject to error. Whatever the exact amounts, however, the magnitude of the next decade's investment requirements is enormous. And any significant shortfall in meeting them will almost certainly stunt the growth of the American economy, fuel inflation, waste jobs, reduce our standard of living and weaken our ability to compete vigorously in the world economy.

"Our capital investment needs in coming years," Treasury Secretary William Simon said last month, "are approximately three times the level of the recent past." Such reasoned warning along with troublesome recent symptoms of slow growth, of stubborn inflation, high long-term interest rates, flagging investment and declining trade balances, all flash distinct signals that should alert us to the need for serious public attention to this investment challenge.

We shouldn't wait or drift. Nor can this problem be left for consideration only by Wall Street bankers or economists or businessmen. It is one for labor leaders, government leaders and Americans generally to debate and resolve.

II. Old Shibboleths, New Realities

It is most unlikely that the United States will create the investment capital necessary to power substantial, non-inflationary economic growth over the next decade without some drastic readjustments in government policies, in economic habits and in public attitudes.

Modifying ingrained habits, changing people's attitudes about things, is never easy. But it's a crucial part of the challenge we face in finding adequate financing for the new homes, the modern plants and equipment, the fuel resources, which America will need to multiply jobs and improve living standards.

This must especially involve, it seems to us, changes in the ways we encourage corporate and individual savings—which form the reservoir of potential investment capital—and the way we look at and treat the profits that attract that investment.

In recent years, the U.S. has skimped on savings and gone on a spending and borrowing spree. This spending has had the appearance of raising living standards, at least until inflation got completely out of hand. But it has also ballooned all forms of debt—consumer, corporate and government—to alarming heights. In the meantime, both savings and the incentives to save have lagged. We save less than many nations do. And our rate of gross private savings in the last 20 years has failed to grow, stabilizing at about 15 per cent of the total value of what we produce.

The surest method for enlarging the flow of savings and investment is obviously to sweeten their rewards. That means providing attractive opportunities for profits. No one would invest in a new company in the energy field, or buy new stock issued by a firm building houses or manufacturing antipollution equipment, without the prospect of a significant return on his investment.

Public policies must encourage this. But this won't be done without some turn around in public attitudes and political shibboleths—without, to be specific, an easing of the distrust many Americans have for business and misconceptions about corporate profits.

Opinion surveys reveal the general public thinks American firms earn more than five times as much, in percentage of sales, as they really do. And because of the impact of inflation and other factors, the level of real earnings retained by U.S. nonfinancial corporations has tumbled dramatically since the mid-1960s.

Nor is it true, as so much anti-business political rhetoric implies, that investors, especially those in middle-income brackets, get all the tax breaks. For one thing, most profits are taxed twice—once as corporate profits and again, if paid out in dividends, as income for stockholders. Capital gains in the U.S., a major incentive for risk-taking are taxed more heavily here than in Canada, West Germany and many other industrial nations.

Nowhere could a change of anti-business or anti-investment attitudes prove more helpful almost immediately than in the field of energy. Energy used to be relatively cheap. Now it obivously isn't, and it isn't ever likely to be in the future. Numerous studies project necessary investments in the energy field over the next decade at from $800 billion to $1 trillion. We need to develop new energy sources and expand old ones. Our utilities need to expand and modernize and convert from oil to coal. The outlook for a fair return must be good in order to attract the investment to accomplish this.

Housing is another field where adequate investment in the next decade could easily require $1 trillion. And for the same time period, a New York Stock Exchange study projects cumulative investment in basic materials—including steel—at $330 billion and in the transportation sector at $225 billion.

The amounts involved boggle the mind. But we won't really solve America's capital crisis by thinking and acting in terms of the 1930s or the 1950s or even the 1960s. As Satchel Paige once said, "Never look back. Something may be gaining on you." In this case, that something would be the more robust economies of other nations not looking back but ahead.

III. Time To Set a New Course

The federal government cannot by itself create the capital investment required to keep our American economy robust and growing. But by mounting a determined effort against inflation and by carefully modifying tax and other laws that influence the investment climate, it can and assuredly should help stimulate the formation of private capital so essential to our standard of living.

No society can live indefinitely beyond its means, consume more than it produces, or prosper without thoughtful planning alert to promising new directions.

Inflation, especially prolonged inflation, must be restrained because it disrupts prudent economic planning throughout a society, encourages wasteful consumption and cheapens the real worth of savings, private and corporate, from which self-renewing investment must come.

Relative price stability, then, remains critical to a truly wholesome investment climate. But that alone won't suffice if the nation is to raise the enormous amounts of capital, totaling perhaps $5 trillion, which this economy will need in the next 10 years. Congress must reexamine the tax laws, as in fact the House Ways & Means Committee has begun to do, looking toward strengthening several principles for stimulating and guiding future investment.

First, the tax laws should seek both to enlarge the investment pool and guide it in high-priority directions. Not only does this mean devising fresh incentives for investments in essential areas but it means closing loopholes which merely shelter wasteful or less useful investment.

Apart from using selective tax incentives for essential national purposes, such as energy conservation and expansion of energy resources, the government in the decade ahead will undoubtedly need to use many other devices for directly or indirectly underwriting high-risk investments in specific high-priority areas. But its main aim here should be to make sure that the economy generates an adequate total pool of investment capital, and then, to the maximum extent feasible, the government should rely on the traditional capital market to allocate this capital freely rather than trying to do it through bureaucratic decrees.

Second, the tax laws should do less, over the long run, to encourage borrowing and more to encourage savings and investment. Thus, for example, a family that now owes money on an overdue charge account or credit card purchase gets a tax deduction on the interest paid; but one that saves money in a bank gets no tax break on the interest earned.

Similarly, there now are lucrative tax incentives for corporations to borrow for expansion rather than to market new issues of stock. This is one reason for the precariously mounting corporate debt and a growing imbalance between debt and equity financing in recent years. Also, American corporations cannot recover the costs of their machinery and equipment as fast as those in many other nations. The rate here is about 50 per cent of the investment in the first three years. In Canada, it is 100 per cent; in France 90, and in Japan 64. Current incentives for rapid depreciation, changed again last March after an on-and-off history, should at least be stabilized and, in certain critical fields, liberalized.

A third principle that ought to govern tax-law revisions is the desirability of involving more individual Americans in the ownership of equity shares.

Even relatively small changes in the treatment of capital gains or stock dividends could nudge more Americans to take a piece of the investment action. Nor should this assist only—or even primarily—the wealthy investor. Raising the present $100 exclusion of dividends from taxes, or deferring taxes on dividends re-invested in new stocks up to modest limits, for example, would give most help to investors of modest means.

So there is no shortage of ideas in setting a fresh course to promote America's real growth in living standards. The toughest chore will be to sort out those ideas in a balanced, coherent program that is effective as well as fair to all elements in our society. This can flow only from a recognition of the problem, an updating of public attitudes and, above all, a change in the political climate that has for too long treated profits as a rip-off, savings as slightly anti-social and the spending of every cent of income as the highest form of economic patriotism.

OPPOSITION TO U.N. EMBARGO ON RHODESIAN CHROME

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. ASHBROOK. Mr. Speaker, the House Committee on International Relations vote to reimpose the U.N.-sponsored ban on Rhodesian chrome is another job-destroying move of the Congress.

Rhodesian chrome plays an important role in our industry and our defense. The specialty steel industry will be particularly hard hit as they depend on chrome for their products. In Coshocton, Universal Cyclops is a major specialty steel plant which employs many people. In Mansfield, Empire-Detroit is another major industry that is a major employer. If the importation of Rhodesian chrome is stopped, these two companies and their employees will be adversely affected as will hundreds of other specialty steel plants in this country.

When the United States participated in the embargo from 1967 to 1971, the only other major supplier—the Soviet Union—sharply increased its prices. It would probably do the same again. The American specialty steel industry would be faced with higher costs and find it more difficult to compete with imported specialty steels. The result would be a loss of American jobs. The action of a majority of the House Committee on International Relations if supported by a majority of the Congress will be a vote to the reimposition of the embargo.

OIL SHORTAGE TODAY. BEEF TOMORROW?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. SYMMS. Mr. Speaker, it is beyond me whether my most constructive role in this Congress is as legislator or in-house "I told you so." But for the record, I submit another scrap of history—history which I hope will alert future generations that not all of us waltzed innocently down the path to serfdom and economic chaos.

I want to enter into the RECORD at this point a page from the Farm Journal in which the vice president of the Iowa Beef Processors draws an excellent parallel between what Government has done to the oil industry and is setting out to do to the beef industry. The scenario is the same. The technique is the same. The results are going to be the same.

Let it be recorded for history that at least a few of us noticed the problem in advance and spoke out.

The article follows:

OIL SHORTAGE TODAY, BEEF TOMORROW?

(By Paul Engler)

Study the history of how government and public opinion contributed to our current oil crisis and you find some alarming parallels of these same forces now at work on the U.S. beef industry.

That was the thrust of Paul Engler's message to the Nebraska Livestock Feeders annual convention last month. Engler is well qualified to speak on the subject—he has extensive experience in both cattle feeding and the oil business. He is now vice president of Iowa Beef Processors.

"'There is plenty of oil,' the so-called experts told us," Engler stated. "And they said future shortages were myths spread by the oil companies and independent oil operators to scare the government into decontrolling the price of natural gas and restricting imports of foreign oil.

"So instead of giving our country's oil operators financial incentives to explore for domestic oil, they told us to rely on imports. The name of the game was cheap oil and cheap gas.

"'We have and inexhaustible supply of beef,' these 'experts' tell us. They don't talk about the possibility of future shortages.

"We have the same pressures today in the beef industry that we had in oil. The 'experts' at public policy will continue to allow an influx of imported beef. It will take a concerted effort to knock that threat down.

"Our present problems in energy grew largely from a hostile attitude toward the domestic oil industry. Major oil companies leased mineral rights and farmed them out to independent operators, who assumed the risks and found the oil. They then formed partnerships.

"But $3 crude oil and 10c natural gas weren't enough financial incentive. The majors went overseas and spent their exploration dollars on foreign soil. Independent oil operators went out of business then, just as many cattle feeders are today.

"The oil industry had tremendous problems with environmentalists, with a drastic effect on our present energy supply," said Engler. He believes that these critics seem to be "afflicted with a like attitude toward agriculture."

"We can gear up during the next 10 years to be energy-sufficient again, but if we carelessly cripple farmers and cattle feeders, no one will be left to use the energy. There is no shortcut to food production," Engler declared.

Union contracts still ban boxed beef in many cities, including St. Louis, Kansas City, Chicago and Milwaukee. "Other restrictions range from the sublime to the ridiculous," declared Engler, mentioning the Chicago local union ban of all meat sales after 6:00 p.m. and on Sundays.

"The butchers think lifting the ban will jeopardize their job security," he says. "The union was successful in getting a $1.90 an hour wage increase over three years, bringing top wages for a top journeyman meat cutter in Chicago to $8.30 an hour."

A sidelight to the ban, according to Engler, was a sign in a Chicago tavern window: "No butchers served after 6:00 p.m."

Engler lauded two government actions of recent weeks. The first was conclusion of a special USDA Task Force study that showed the sharp rise in labor costs was a major factor in widening meat price margins. The other was a statement by Secretary of Agriculture Earl Butz at a recent boxed beef seminar. Butz expressed hope that savings from the boxed beef prices could add dimes and quarters toward solving the plight of producers, helping protect meat supplies and preventing future meat shortages.

"It finally gives us a ray of hope to see one government agency having the guts to say something labor unions find offensive," Engler declared.

INDIANA DUNES NATIONAL LAKESHORE PARK: THE NEED FOR A COMPROMISE SOLUTION

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1975

Mr. FITHIAN. Mr. Speaker, I speak today to the need for a fair and equitable solution to the proposed expansion of the Indiana Dunes National Lakeshore Park.

H.R. 5241 attempts to strike a balance between environmentalist concern for maximum expansion and industrial concern for a very reduced expansion. Since we must have park expansion as well as industrial growth and development, it is necessary to find a practicable and workable compromise that serves the best interests of the entire community.

This bill which I have introduced in a spirit of compromise was designed to end the devisive conflict in the communities of northern Porter County and get these communities behind a common proposal. Both industrial and environmental groups have supported this compromise bill, as have a number of agencies, organizations, and community leaders. A recent editorial in the Gary Post-Tribune dated June 27, 1975, captures the spirit of compromise prevalent in the communities of northern Indiana. I ask permission to reprint this editorial, and I commend it to the attention of my colleagues in the House. It is as follows:

STICK TO COMPROMISE

Where expansion of the Dunes National Lakeshore is concerned, we remain convinced that Rep. Floyd Fithian better reflects the consensus of his 2nd District constituents than do congressmen from Ohio or elsewhere in Indiana.

That doesn't mean he sees eye-to-eye with all voters in his district. Obviously Rep. John Seiberling of Ohio is speaking for a core of local dunes enthusiasts in offering amendments that would sink Fithian's compromise program just as was Rep. J. Edward Roush of Huntington in his earlier wider expansion bill. But we believe the Fithian plan, worked out in a series of home base parleys to include a number of added natural beauties in the park and yet leave some room for industrial expansion, would more nearly suit a majority.

Nor do we contend, since a national park for the potential use of all citizens is involved, that a single congressional district has the right to dictate. Nevertheless, since that district is properly offering much of its natural beauty for the use of all, we believe its citizens deserve to have consideration given to a plan which would allow it to keep and extend its economic health.

So, we trust that when Congress begins to get back to the subject after its July 4 recess, the House Parks and Recreation subcommittee, and eventually the entire House and Senate, can see their way clear to sticking to the general outlines of the Fithian compromise.

"The whole idea of the compromise," Fithian said when the new proposed amendments surfaced this week, "was to lower temperatures and get the whole community behind a proposal."

We agree, believing Fithian worked as sincerely as possible to reach that goal and that adoption of the Sieberling amendments would be "a slap in the face."

Compromise brought the original Lakeshore into being along with the Port of Indiana. We believe that that spirit of working for both recreation and jobs can provide the most effective solution this time around.

SENATE—*Friday, July 11, 1975*

(Legislative day of Thursday, July 10, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. FORD).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou Giver of life and light and strength, bestow upon all who labor in the government of this Nation a wisdom beyond their own, a strength which comes from above, and a spirit which is Thy gift to all who love and serve Thee. Grant that all who serve in this place may think on "whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, and whatsoever things are of good report." Having thus thought may we act in accord with Thy will and know the peace of God which passes all understanding.

We pray in His name who is Redeemer and Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, July 10, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO MAKE TECHNICAL AND CLERICAL CORRECTIONS IN THE ENGROSSMENT OF S. 670

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 670.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today until the taking up of the New Hampshire election contest.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. I also ask unanimous consent that after that matter is disposed of for today, the committees again be authorized to meet for the remainder of the session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session, to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The clerk will state the first nomination.

ENVIRONMENTAL PROTECTION AGENCY

The second assistant legislative clerk read the nomination of Stanley W. Legro, of California, to be an Assistant Administrator of the Environmental Protection Agency.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF THE TREASURY

The second assistant legislative clerk read the nomination of Sidney L. Jones, of Michigan, to be an Assistant Secretary of the Treasury.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate resume the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 349

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when Calendar No. 245, S. 349, a bill to amend the Federal Trade Commission Act, is called up—and this has been agreed to by the leadership on the other side—there be a time limitation thereon of 10 minutes, after which a vote will occur on passage of the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of measures on the calendar beginning with Calendar No. 257.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CLARIFICATION OF AUTHORITY OF FEDERAL SAVINGS AND LOAN ASSOCIATIONS AS CUSTODIANS OF INDIVIDUAL RETIREMENT ACCOUNTS

The joint resolution (S.J. Res. 102) amending section 5(c) of the Home Owners' Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S.J. RES. 120

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of the paragraph of section 5(c) of the Home Owners' Loan Act of 1933 which was added by section 708 of the Emergency Home Finance Act of 1970 is amended—

(1) by striking out "or section 408(a)";

(2) by inserting after "1954" the following: "and to act as trustee or custodian of an individual retirement account within the meaning of section 408 of such Code"; and

(3) by inserting "or account" after "such trust".

BILINGUAL PROCEEDINGS IN U.S. DISTRICT COURTS

The bill (S. 565) to amend title VIII, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes, was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be passed over.

APPROPRIATION AUTHORIZATION INCREASE AND EXTENSION FOR THE NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE

The Senate proceeded to consider the bill (H.R. 5447) to amend the act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder, which had been reported from the Committee on Commerce with amendments as follows:

On page 2, in line 4, strike "each of";

On page 2, in line 5, strike "years" and insert "year";

On page 2, in line 5, strike ", and 1978.";

On page 2, at the beginning of line 7, insert the following:

SEC. 2. Section 4 of such Act (33 U.S.C. 857–9) is amended—

(1) by inserting after "review of" and before "the progress" the following: "national ocean policy, coastal zone management, and"; and

(2) striking out "the President." at the end of the second sentence thereof and inserting in lieu thereof "the President and the Congress.".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended to read as follows:

An Act to amend the Act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder, and for other purposes.

ATLANTIC TUNAS CONVENTION ACT OF 1975

The Senate proceeded to consider the bill (H.R. 5522) to give effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966, by the United States of America and other countries, and for other purposes, which had been reported from the Committee on Commerce with amendments as follows:

On page 3, at the beginning of line 8, insert the following:

(10) The term "State" includes each of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

On page 3, beginning with line 13, strike out the following:

SEC. 3. (a) The United States shall be represented by not more than three United States Commissioners who shall serve as the United States delegates on the Commission, and who may serve on the Council and Panels of the Commission as provided for in the Convention. Such Commissioners shall be appointed by the President, serve as such during his pleasure, and receive no compensation for their services as such Commissioners.

(b) The Secretary of State, in consultation with the Secretary, may designate from time to time and for such periods as he may determine to be appropriate, Alternate United States Commissioners to the Commission. Any Alternate United States Commissioner may exercise at any meeting of the Commission, Council, any Panel, or the advisory committee established pursuant to section 4 of this Act, all powers and duties of a United States Commissioner in the absence of a Commissioner appointed pursuant to subsection (a) of this section for whatever reason. The number of Alternate United States Commissioners which may be designated to attend any such meeting shall be limited to the number of United States Commissioners appointed pursuant to subsection (a) of this section that will not be present. One of the United States Commissioners shall be an official of the Department of Commerce and each of the other United States Commissioners shall be an individual residing in a coastal State or the Commonwealth of Puerto Rico and shall be knowledgeable in the principles of commercial tuna fishing or sport tuna fishing, or both, and neither of such other Commissioners shall be a salaried employee of any State or political subdivision thereof, the Commonwealth of Puerto Rico, or the Federal Government.

And insert the following in lieu thereof:

SEC. 3. (a) The United States shall be represented by not more than three Commissioners who shall serve as delegates of the United States on the Commission, and who may serve on the Council and Panels of the Commission as provided for in the Convention. Such Commissioners shall be appointed by and serve at the pleasure of the President. Not more than one such Commissioner shall be a salaried employee of any State or political subdivision thereof, or the Federal Government. The Commissioners shall be entitled to select a Chairman and to adopt such rules of procedure as they find necessary.

(b) The Secretary of State, in consultation with the Secretary, may designate from time to time and for periods of time deemed appropriate Alternate United States Commissioners to the Commission. Any Alternate United States Commissioner may exercise at any meeting of the Commission, Council, any Panel, or the advisory committee established pursuant to section 4 of this Act, all powers and duties of a United States Commissioner in the absence of any Commissioner appointed pursuant to subsection (a) of this section for whatever reason. The number of such Alternate United States Commissioners that may be designated for any such meeting shall be limited to the number of United States Commissioners appointed pursuant to subsection (a) of this section who will not be present at such meeting.

(c) The United States Commissioners or Alternate Commissioners, although officers of the United States while so serving, shall receive no compensation for their services as such Commissioners or Alternate Commissioners.

On page 10, in line 8, strike "or the Commonwealth of Puerto Rico";

On page 10, in line 14, strike "of the Commonwealth of Puerto Rico";

On page 23, in line 6, strike "over" and insert "in";

On page 23, in line 7, strike "waters" and insert "sea";

On page 23, in line 7, strike "that State" and insert "the United States";

On page 23, beginning with line 8, strike the following:

(2) If the Secretary determines on the record after opportunity for agency hearing that any State whose territorial waters border on any Convention area—

(A) has not, within a reasonable time after the promulgation of regulations pursuant to this Act to implement any conservation recommendation of the Commission which is accepted by the United States, enacted laws or promulgated regulations which implement such recommendation within territorial waters of that State; or

(B) has enacted such laws or promulgated such regulations, but such laws or regulation—

(i) are less restrictive than the regulations promulgated pursuant to this Act to implement such recommendation of the Commission, or

(ii) are not effectively enforced,

the regulations promulgated pursuant to this Act to implement such recommendation shall apply within the territorial waters of such State until such time as the Secretary determines that the State is effectively enforcing within its territorial waters measures which are not less restrictive than such regulations.

And insert the following in lieu thereof:

(2) In the event a State does not request a formal hearing and after notice by the Secretary, the regulations promulgated pursuant to this Act to implement recommendations of the Commission shall apply within the boundaries of any State bordering on any Convention area if the Secretary determines that any such State—

(A) has not, within a reasonable period of time after the promulgation of regulations pursuant to this Act, enacted laws or promulgated regulations which implement any such recommendation of the Commission within the boundaries of such State; or

(B) has enacted laws or promulgated regulations which (i) are less restrictive than the regulations promulgated pursuant to this Act, or (ii) are not effectively enforced. If a State requests the opportunity for an agency hearing on the record, the Secretary shall not apply regulations promulgated pursuant to this Act within that State's boundaries unless the hearing record supports a determination under paragraph (A) or (B). Such regulations shall apply until the Secretary determines that the State is effectively enforcing within its boundaries measures which are not less restrictive than such regulations.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

UNITED STATES-BRAZIL SHRIMP FISHING AGREEMENT

The bill (H.R. 5709) to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

APPROPRIATIONS AUTHORIZATION FOR THE MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT OF 1972

The bill (H.R. 5710) to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1976 and for the transition period following such fiscal year, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

KLAMATH INDIAN TRIBE FOREST TRUST LANDS

The bill (H.R. 83) to exclude from gross income gains from the condemnation of certain forest lands held in trust for the Klamath Indian Tribe, was announced as next in order.

Mr. MANSFIELD. Mr. President, I am offering, on behalf of the Senator from Virginia (Mr. Harry F. Byrd, Jr.), an amendment to H.R. 83. The amendment would change the Tax Code to insure that tax exempt organizations receive the same benefits taxpaying organizations receive when a subsidiary corporation is liquidated into a parent corporation.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. MANSFIELD. I ask unanimous consent that the amendment be considered as read.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. Harry F. Byrd, Jr.'s amendment is as follows:

On page 2, line 5, insert the following:

Sec. . Transfers of Section 1245 Property or Section 1250 Property To Tax-Exempt Organization Which Uses Such Property in an Unrelated Trade or Business

(a) Amendments of Section 1245.—

(1) The second sentence of section 1245(b)(3) (relating to gain from dispositions of certain depreciable property) is amended by striking out "This" and inserting in lieu thereof "Except as provided in paragraph (7), this".

(2) Section 1245(b) is amended by adding at the end thereof the following new paragraph:

"(7) Transfers to tax-exempt organization where property will be used in unrelated business.—

"(A) In general.—The second sentence of paragraph (3) shall not apply to a disposition of section 1245 property to an organization described in section 511(a)(2) or 511(b)(2) if, immediately after such disposition, such organization uses such property in an unrelated trade or business (as defined in section 513).

"(B) Later change in use.—If any property with respect to the disposition of which gain is not recognized by reason of subparagraph (A) ceases to be used in an unrelated trade or business of the organization acquiring such property, such organization shall be treated for purposes of this section as having disposed of such property on the date of such cessation.".

(b) Amendments to section 1250.—

(1) The second sentence of section 1250(d)(3) (relating to gain from dispositions of certain depreciable realty) is amended by striking out "This" and inserting in lieu thereof "Except as provided in paragraph (9), this".

(2) Section 1250(d) is amended by adding at the end thereof the following new paragraph:

"(9) Transfers to tax-exempt organization where property will be used in unrelated business.—

"(A) In general.—The second sentence of paragraph (3) shall not apply to a disposition of section 1250 property to an organization described in section 511(a)(2) or 511(b)(2) if, immediately after such disposition, such organization uses such property in an unrelated trade or business (as defined in section 513).

"(B) Later change in use.—If any property with respect to the disposition of which gain is not recognized by reason of subparagraph (A) ceases to be used in an unrelated trader or business of the organization acquiring such property, such organization shall be treated for purposes of this section as having disposed of such property on the date of such cessation.".

(c) Effective Date.—

(1) In general.—Except as provided in paragraph (2) the amendments made by this section shall apply to dispositions after December 31, 1969, in taxable years ending after such date.

(2) Election for past transactions.—In the case of any disposition occurring before the date of the enactment of this Act, the amendments made by this section shall apply only if the organization acquiring the property elects (in the manner provided by regulations prescribed by the Secretary of the Treasury or his delegate) within 1 year after the date of the enactment of this Act to have such amendments apply with respect to such property.

Mr. HARRY F. BYRD, JR. Mr. President, the amendment I offer to this bill would change a portion of the Tax Code which adversely affects Colonial Williamsburg.

I have discussed the amendment with the chairman of the Finance Committee and the ranking minority member of the Finance Committee. They have no objections to it.

Similar legislation was approved by the Ways and Means Committee last year, but not acted upon by the House.

The Treasury Department has no objections to this amendment.

The staff of the Finance Committee tells me and the attorney for Colonial Williamsburg tells me that so far as they can determine, the proposal will affect only Colonial Williamsburg.

It is my policy in handling any tax legislation of a specific nature, that the proposed beneficiary be clearly stated in the Record.

Under existing law there are certain situations where income that would otherwise be taxed as capital gain on the disposition of property is converted into ordinary income. This procedure is commonly referred to as "recapture." The provisions regarding this procedure are contained in sections 1245 and 1250 of the Internal Revenue Code of 1954, as amended.

Information I have obtained indicates that the present law did not contemplate this situation. In my State, the Colonial Williamsburg Foundation, the administrators of Colonial Willamsburg are adversely affected by the existing stature.

The proposed bill is exactly the same as the language which the Ways and Means Committee approved last year in the tax reform bill of 1974, a measure that was not acted upon by the House of Representatives before adjournment.

Further, I am informed that the Treasury Department has examined this legislation and has no objections to it. During the course of Ways and Means Committee deliberations, last year, Treasury Department officials testified to this effect and have provided me with the following letter.

The proposed amendment would remedy the problem which now occurs under section 1245(b)(3). Generally, a controlled subsidiary corporation may be liquidated into its parent corporation on a tax-free basis under sections 332 and 336 of the code. Under those circumstances there is no recapture of depreciation on the part of the subsidiary corporation in connection with such a transaction.

However, section 1245(b)(3) contains an exception to this rule where there is a disposition to an organization exempt from income tax. In that event, contrary to what occurs where the disposition is to a taxable entity, and despite the continued use of the assets of the subsidiary by the tax-exempt recipient organization in a taxable unrelated business, depreciation is recaptured.

This amendment corrects this inequity by providing treatment to nontaxable entities similar to that available for taxable entities by postponing this recapture.

However, under this amendment the tax-exempt recipient organization must continue to use the assets of the liquidated subsidiary in an unrelated trade or business and agree to treat any change in the use of those assets as a disposition resulting in recapture of depreciation.

This amendment would thus conform the treatment of depreciation recapture for both taxable and tax-exempt organizations where assets are received through liquidation of a subsidiary and are used in a taxable trade or business.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C., *May 6, 1975.*

Hon. Harry F. Byrd, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Byrd: You have inquired as to the position of the Treasury Department with respect to an amendment to section 1245 of the Internal Revenue Code relating to depreciation recapture. Under present law such recapture is not required when a wholly owned subsidiary is liquidated into the parent corporation. However under present law that exception for liquidation of a subsidiary is not applicable, and thus recapture is required, if the transferee is a tax-exempt organization. This rule was enacted in 1962 to prevent tax avoidance through tax-free transfers of property to a tax-exempt organization.

In general, the type of amendment you have asked about would provide that recapture will not be required if the transferee is an exempt organization which will use the property in an unrelated trade or business the net income of which is subject to tax. Since the property will be used in an unrelated trade or business, the policy considerations underlying the 1962 amendment are not controlling. Further, the amendment would place the exempt transferee in essentially the same position as that of a transferee which is a business corporation. Last year in the Ways and Means Committee the Treasury Department concurred in a comparable amendment and we would continue to do so.

We did, however, recommend certain additional provisions of a technical nature to require recapture if, for any reason, the property ceases to be used by the transferee in an unrelated trade or business. We adhere to these recommendations.

Sincerely yours,

ERNEST S. CHRISTIAN, Jr.,
Deputy Assistant Secretary.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

Mr. PACKWOOD. Mr. President, I urge Senate adoption of H.R. 83, which removes an unfair tax penalty on the Klamath Indians, on the money the Government is paying them for sale of their land. H.R. 83 would change tax law to exclude from gross income gains from the condemnation of certain forest lands held in trust for the Klamath Indian Tribe. It would be unfair to ask the Klamath Indians to pay an average of $16,000 or $17,000 in capital gains taxes, while other Indians who sold their land a few years ago did not have to pay taxes.

In 1954, Congress authorized the sale of the Klamath Reservation, and ended Federal recognition of the tribe (25 U.S.C. 564). Termination of the tribe occurred in 1958–9. Under the terms of that legislation, any distribution to a member of the tribe of his share in tribal lands, whether in cash or not, would be free from tax (25 U.S.C. 564j). Klamath Indians were given the option to withdraw their share of the value of the tribal lands, or to remain as owners of a private trust to hold their share of the land.

Seventy-eight percent of the Klamath Indians—1,659—chose to withdraw their share. They received an average of $43,500, which was later increased by $12,500, to make a total of $56,000, because of changed valuation of the land as a result of court of claims litigation. They received their share free of any Federal taxation.

Twenty-two percent of the Klamath Indians—approximately 473—chose to leave their interest in trust fund.

In 1969, the remaining Klamaths decided to terminate the trust by a vote of 53 to 47 percent. The property has been condemned for inclusion in a national forest. This was done as a result of Public Law 93–102, under which the remaining tribal property was acquired by condemnation by the Federal Government and added to the Winema National Forest. There is litigation pending to determine the fair market value of the land, and some additional acreage remains to be sold. Whatever the final value, the amount distributed to the remaining Klamaths will exceed the amount distributed to the withdrawing Klamaths.

Under present law, the amount to be distributed to the remaining Klamaths is subject to capital gains tax, to the extent it exceeds the amount that would have been distributed to a withdrawing Indian in 1959–61. Therefore, the remaining Klamath Indians would be subject to tax, while the withdrawing Indians were not.

H.R. 83 would correct this inequity. I believe the remaining Klamaths should be treated identically with withdrawing Klamaths and, therefore, not taxed on distributions from the sale of their share of the tribal lands. The assessment of substantial capital gains tax against the Indians is unfair, considering their poverty, lack of education, and high unemployment, and lack of experience in handling their own financial planning.

Indian tribes and tribal lands are generally, by tradition and by treaty, free of Federal tax. This recognizes the original sovereignty of the tribal governments. Capital gains taxation on distributions of these lands violates this tradition.

For these reasons, I urge Senate adoption and signature into law by the President, of H.R. 83.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 83) was read the third time, and passed.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar at this time.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

ORDER THAT H.R. 6799 BE PLACED ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 6799, to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules, which I understand meets with the approval of the Republican leader, be placed on the calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 15 minutes, with a time limitation of 3 minutes each attached to statements therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. FORD) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 5884. An act to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, and for other purposes;

H.R. 7108. An act to authorize appropriations for environmental research, development, and demonstration; and

H.R. 8365. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on the Judiciary, with amendments:

S. Con. Res. 47. A concurrent resolution authorizing the proclamation of United States Space Week (Rept. No. 94–276).

By Mr. HOLLINGS, from the Committee on Commerce, with amendments:

S. 586. A bill to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes (Rept. No. 94–277).

HOUSE BILLS REFERRED

The following House bills were each read twice by their titles and referred as indicated:

H.R. 5884. An act to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

H.R. 7108. An act to authorize appropriations for environmental research, development, and demonstration; to the Committee on Public Works.

H.R. 8365. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; to the Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. FONG:

S. 2096. A bill to amend subchapter II of chapter 53 of title 5, United States Code, with respect to the rates of pay for levels III, IV, and V of the Executive Schedule, and for certain other positions being paid at rates equal to the rates for such levels. Referred to the Committee on Post Office and Civil Service.

By Mr. MONDALE (for himself and Mr. HUMPHREY):

S. 2097. A bill to provide for the establishment of the Minnesota Valley National Wildlife Recreation Area. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MONDALE (for himself and Mr. HUMPHREY):

S. 2097. A bill to provide for the establishment of the Minnesota Valley National Wildlife Recreation Area. Referred to the Committee on Commerce.

Mr. MONDALE. Mr. President, I am today introducing a bill to establish the Minnesota Valley National Wildlife Recreation Area. I am pleased that Senator HUMPHREY is joining me as a cosponsor of this measure.

This bill provides for the preservation of a rare, environmental resource—an urban wildlife recreation area. It is offered in recognition of the unique qualities of the Lower Minnesota River Valley within the Twin Cities metropolitan region as a haven for waterfowl and other wildlife and as an exceptional resource for recreation and nature study.

Located within a few minutes drive of downtown Minneapolis, the Lower Minnesota provides a habitat for more than 275 species of migrating birds. In the spring tens of thousands of ducks and other waterfowl use the Minnesota River flood plain. White tailed deer also inhabit the valley along with mink, raccoon, grey and red fox, beaver, and other animals.

The proposal I am offering today represents the culmination of an intensive effort spanning several years during which residents of the Minnesota River Valley worked with the U.S. Fish and Wildlife Service and with State and local environmental organizations to develop a realistic and workable plan to protect this important resource. Supporters of the bill include the Lower Minnesota Valley Citizens Committee, the Minnesota Izaak Walton League, the Minnesota River Audubon Club, the National Wildlife Refuge Association, the Burnsville Environmental Council, the Bloomington Natural Resources Commission, and many other groups. The Nature Conservancy has offered its assistance in the effort to preserve the valley.

There can be little doubt of why the Minnesota Valley Wildlife Recreation Area concept has sparked such enthusiasm among residents of the river valley and throughout the State. In no other major metropolitan area in America would it be possible to find a river valley of equal natural beauty or abundance and diversity of wildlife. With other outdoor recreational and nature study facilities in the Twin Cities already straining to capacity, this rich natural area would be easily accessible to local residents and visitors.

Within the proposed area, visitors would have an opportunity to observe wildlife in its natural habitat and to enjoy hiking, birdwatching, photography, nature study, hunting, fishing, and other wildlife-oriented activities. Schools serving the metropolitan region would have an outstanding resource to use in the field study of environmental interrelationships and in stimulating an interest in living things through firsthand outdoor experiences.

While each of these opportunities could be assured by the creation of the proposed wildlife recreation area, there is a danger that they may be permanently lost if no action is taken. The principal threat to the flood plain is that of continuing intrusion by development. Urban pressure could soon destroy this magnificent resource unless there is adequate provision for its preservation.

The proposal I introduce today is designed to prevent such a tragedy. It would designate the segment of the Minnesota River flood plain between the city of Jordan and Fort Snelling State Park as a national wildlife recreation area. This corridor would be managed according to guidelines established jointly by the U.S. Fish and Wildlife Service and appropriate units of State and local government. The guidelines would be set forth in a comprehensive plan to be completed within 2 years of enactment of the bill. Federal assistance would be available to help State and local governments pay up to 60 percent of the cost of acquiring lands and easements within the wildlife recreation area.

In addition, the bill authorizes the U.S. Fish and Wildlife Service to create a Minnesota Valley Wildlife Refuge as the centerpiece of wildlife preservation and enhancement efforts. The refuge would be composed of nine units, totaling 9,540 acres of prime habitat for waterfowl, deer, and other forms of wildlife. It would also include an interpretive center for environmental education and study of wildlife in its natural habitat. Funding for the refuge would be authorized in accordance with the Land and Water Conservation Fund Act.

Navigation, an activity which is vital to Minnesota agriculture, would not be affected by this proposal, nor would it attempt to remove evidence of man's presence in areas that are already developed, such as those within the communities of Burnsville, Shakopee, Chaska, and Savage. Instead, the bill seeks to assure future protection of areas in the flood plain whose primary value lies in their richness as a wildlife resource and to permit greater coordination of Federal, State, and local programs affecting the natural qualities of the entire river valley.

As one who is fortunate to have an opportunity to see the lower Minnesota Valley virtually every time I return home, I think it would be impossible to overemphasize what a superb resource it is. It is one that is worthy of national, as well as State and local pride. But I think we must be realistic in recognizing that it is only an accident of history that has allowed the lower Minnesota to remain much the way it was hundreds of years ago. We now have an opportunity to assure that man's carelessness in the rush for new development sites does not deprive future generations of an irreplaceable natural asset. I hope we will take this opportunity to preserve the lower Minnesota, thereby assuring that our children and their children will be able to use and enjoy this valuable, but fragile, resource.

Mr. President, as evidence of the interest in and support for this bill, I ask unanimous consent that an article and an editorial from the Minnesota Valley Sun and an article from the Minneapolis Tribune be printed in the RECORD, together with the text of my bill and a copy of a study report on the river, entitled "A Wildlife Resource in an Urban Environment."

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2097

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the preservation and enhancement of highly significant wildlife habitat in the Lower Minnesota River Valley in the State of Minnesota, for the protection of migratory waterfowl and other wildlife and to provide an opportunity for wildlife-oriented recreation and nature study within the open space so preserved, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to designate as herein provided, a national wildlife recreation area to be known as the Minnesota Valley National Wildlife Recreation Area (hereinafter referred to as the "recreation area") which boundaries are described as follows:

(1) That portion of the Lower Minnesota River flood plain which lies between the city of Jordan, Minnesota and Fort Snelling State Park excluding that industrialized portion in the municipalities of Savage, Chaska, Shakopee, and Burnsville, Minnesota.

(2) Areas adjacent to the flood plain that are necessary for public access and/or safety and well-being of the visiting public and/or operation and maintenance of the wildlife recreation area.

SEC. 2 (a). To implement the purpose of this Act, the Secretary shall immediately acquire and establish within the boundaries of the "recreation area" a national wildlife refuge known as the Minnesota Valley National Wildlife Refuge (hereinafter referred to as the "refuge") to be managed by the U.S. Fish and Wildlife Service. There shall be included within the boundaries of the refuge those lands, marshes, submerged lands and open waters in the lower Minnesota River Valley area generally depicted on the map entitled "Boundary Map Proposed Minnesota Valley National Wildlife Refuge," dated 1975, and which comprise approximately 9,540 acres within nine units to be known as the Long Meadow Lake Uniit (2,100 acres), Black Dog Lake Unit (1,300 acres), Coleman Lake Unit (410 acres), Bloomington Ferry Unit (160 acres), Townline Unit (140 acres), Savage Unit (330 acres), Grass-Rice Lake Unit (2,500 acres), Chaska Lake Unit (400 acres) and Louisville Swamp Unit (2,200 acres), except that the Secretary may from time to time make adjustments in the boundaries of the refuge as he determines are necessary. Said boundary map shall be on file and available for public inspections in the offices of the Fish and Wildlife Service, United States Department of the Interior.

(b) The Secretary may acquire lands and waters or interests therein within the boundaries of the refuge by donation, purchase with donated, transfer or appropriated funds, or exchange.

(c) The Secretary shall administer the lands, waters and interests therein acquired for the refuge in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966, as amended (80 Stat. 927; 16 U.S.C. (668dd–668ee); except that the Secretary may utilize such additional statutory authority as may be available to him for the conservation and management of wildlife and natural resources, the development of wildlife recreation opportunities, wildlife interpretation and environmental education as he deems appropriate to carry out the purposes of this Act.

(d) The Secretary shall construct, administer and maintain at an appropriate site within the Minnesota Valley National Wildlife Refuge, a wildlife interpretive center for the purpose of promoting environmental education, and to afford visitors an opportunity for the study of wildlife in its natural habitat.

(e) There are hereby authorized to be appropriated under the Land and Water Conservation Fund Act such sums as may be necessary to carry out the provisions of this Act.

Sec. 3(a). To further implement the purpose of this Act, the Secretary, in cooperation with the State of Minnesota and political subdivisions thereof, shall formulate within two years after this Act takes effect a comprehensive plan for the protection, preservation and interpretation of the Minnesota Valley National Wildlife Recreation Area, but he shall not spend more than $500,000 of Federal funds thereon. The Secretary will delineate and provide management guidelines for areas constituting the following categories:

Category I—The Minnesota Valley National Wildlife Refuge to be acquired and managed by the U.S. Fish and Wildlife Service under the provisions of this Act.

Category II—Public nature-recreation areas to be acquired in fee, or through lease, easement or other types of agreement and managed by the State and/or Regional, County or municipal governments under the provisions of this Act.

Category III—Privately-owned lands that will (through easement compensation and protection) remain undeveloped in a natural environment condition with public use subject to the owners' desires.

Sec. 4. The Secretary may grant financial assistance to the State of Minnesota and political subdivisions thereof for its acquisition of lands and interests in Category II and III lands lying within the area designated as the wildlife recreation area. Any grant made under this section shall be only for lands or interests in land acquired by the State and political subdivisions thereof after designation of the wildlife recreation area, as provided by this Act, and the total of all grants under this section shall not exceed 60 percent of the cost to preserve 4,000 acres and shall be subject to terms and conditions prescribed by the Secretary.

Sec. 5(a). Any payment made by the Secretary under the provisions of the Section 4 of this Act shall be made subject to the understanding and agreement by the State of Minnesota and any political subdivision thereof that the conversion, use, or disposal, for purpose contrary to the purposes of this Act, as determined by the Secretary, of any land acquired by said state or political subdivisions thereof with funds supplied in part by the United States pursuant to said section, shall result in a right of the United States to compensation therefor from said State or political subdivisions in the amount of sixty (60) per centum of the fair market value of the land, exclusive of any improvements thereon, as determined at the time of such conversion, use or disposal.

Sec. 8. There are to be appropriated sufficient funds to carry out the provisions of this Act, not including funds to be expended under the Land and Water Conservation Fund Act for the purchase of the Minnesota Valley National Wildlife Refuge.

[A Study Report—Minnesota Valley National Wildlife Refuge]

A WILDLIFE RESOURCE IN AN URBAN ENVIRONMENT

The Lower Minnesota River Valley, gently winding through metropolitan Minnesota, is surrounded but not subdued by urbanization. Its bottomlands are still wild and rich with life. The river banks are covered with great elm, cottonwood and ash trees. Beyond these natural levees are vast spring-fed marshes interspersed with lush brush patches, grassy meadows and small farm fields.

Inhabiting these fertile bottomlands is a variety and abundance of life unknown to most other metropolitan areas. Here, unseen and forgotten, wildlife and plant species have united in harmony with the waters, creating an incomparable river environment.

Man, too, has made his contribution to the river floodplain environment. People have polluted its waters, stripped its protective vegetation, filled its marshes with garbage and crisscrossed its shores with utility lines. Despite this urban encroachment, the river floodplain still remains an outstanding wildlife area, a tribute to nature's perseverance.

CITIZENS CONCERN

Some citizens, alarmed with continual destruction of this unique urban resource, have organized to protect the river floodplain. They have distributed informational materials and have held public meets. Their efforts have led to a congressional request that the U.S. Fish and Wildlife Service investigate the possibility of establishing a national wildlife refuge in the Valley.

In response, the U.S. Fish and Wildlife Service has determined that a national wildlife refuge could be established in the Minnesota Valley between Jordan and Fort Snelling. This brochure summarizes the study that was conducted by the Service.

A REFUGE

A Minnesota Valley refuge, if established, could become one of 370 other units of the National Wildlife Refuge System. The mission of the System is to provide and safeguard a national network of lands and waters to meet the need for areas where the entire spectrum of human benefits associated with wildlands and wildlife is enhanced. A Minnesota Valley national wildlife refuge could support that broad mission by keeping in public trust, in an urban location, an important natural floodplain which contributes significantly to the wildland and wildlife heritage of this nation.

REFUGE OBJECTIVES

A Minnesota Valley national wildlife refuge could provide wildlife-oriented activities to broaden man's understanding and appreciation of the environment. It could work in concert with other natural resource units in the River Valley which are or will be managed by the State Department of Natural Resources, County park organizations and local municipal park departments. Together, they could preserve much of the floodplain and ensure that it continues to function as a natural system.

Specifically, the objectives of the refuge could be to:

Preserve a critical portion of the Minnesota River Valley with its wildlife and natural habitat.

Provide an urban wildlife area for hiking, birdwatching, photography, nature study, hunting, fishing and other wildlife-oriented activities.

Provide a unique educational resource to all ages by assisting with field studies of environmental interrelationships, stimulating curiosity and investigation of living things by offering a variety of first-hand outdoor experiences.

REFUGE PROGRAMS

Wildlife production and maintenance

Waterfowl Production: The refuge could be managed to produce three important species of ducks—mallards, wood ducks and blue-winged teal. Management could focus on improvement of nesting habitat and maintenance of brood areas. Special attention could be given to the protection of local broodstock. Waterfowl nesting habitat could be improved by establishing suitable ground cover, installation of nesting structures and a forest management program.

Rearing areas for waterfowl broods could be improved by carp control and management of marsh vegetation. The refuge could help increase the metro area nesting flock of Canada geese by providing nesting habitat. The refuge also could participate in a trumpeter swan restoration project by assisting the Hennepin County Park Reserve District with their on-going program.

Waterfowl Maintenance: The marsh and upland areas could be managed to maintain spring and fall populations of both ducks and geese at levels that could provide ample opportunity to observe waterfowl in their natural habitat. This could be done without causing a significant redistribution of waterfowl or waterfowl harvest from other areas of the flyway. The refuge also might serve to improve the distribution of large Canada geese now moving into the Rochester, Minnesota area where populations are near capacity level.

The refuge could protect and provide for migrating canvasbacks and redheads. It could also be managed to control the increasing wintering mallard flocks to maintain current distribution patterns and control disease. Production and maintenance management could begin immediately without new development by establishing closed areas, controlled hunting, control of carp populations and manipulation of vegetation.

Wildlife Diversity: The area has an abundant variety of birds and mammals (over 200 species) due to the various types of habitat. Many people enjoy the diversity of wildlife on-site, but the same wildlife is enjoyed off-site since it often ventures into adjacent residential areas. The refuge could be managed to maintain this diversification so that the great mix of wildlife is perpetually enjoyed by the public.

Wildlife and wildlands appreciation

Visitors could observe and enjoy wildlife through programs and facilities specifically designed for that purpose. There could be foot trails, connected to the proposed State Minnesota River Valley Trail System, to lead people to observation blinds and elevated platforms for enhancing their wildlife viewing experience. Signs and brochures could help the visitor interpret and understand what he sees. In addition to the self-guided facilities, there could be guided tours and demonstrations by naturalists who could assist visitors in learning about and enjoying the floodplain environment.

Environmental education

Suitable outdoor study areas are in short supply in the Twin Cities metro area; existing centers are filled to near capacity. There is a special need for those types of wild areas which can be visited in half a day.

The proposed areas could provide space and limited facilities where outdoor programs in natural science and environmental education could be conducted for all age groups, with particular emphasis on serving inner-city schools.

Fishing and hunting

Hunting and sport fishing are still popular activities on the floodplain. Waterfowl and small game hunters pursue ducks, pheasants and rabbits with shotguns while bow-and-arrow hunters seek deer.

These activities could continue to be encouraged on a controlled basis, particularly river fishing. Public access could be improved and fishing sites developed so only a minimum of equipment is needed. The low-cost form of outdoor recreation could then be easily accessible by both public and private transportation and equally available to all citizens. Limited types of hunting could be made available with priority emphasis given to youth programs.

Research and scientific studies

Because of its urban location near a multitude of educational institutions, the refuge could provide an excellent opportunity for scientific research studies related to monitoring, preserving or improving the natural environment. Refuge personnel can designate sites and make available facilities for such studies.

Historic preservation

There are approximately 40 historic sites within the Minnesota River Valley between the Village of Carver and Fort Snelling. Those which could be acquired could become part of the total interpretive program and be used to illustrate the interrelationship of wildlife, Indians and early settlers. In addition, those that qualify could be added to the National Register of Historic Places.

DESCRIPTION OF THE STUDY AREA

Geology

Eleven thousand years ago, vast melt waters of the retreating Wisconsin Glacier formed an inland sea called Lake Agassiz. The only outlet at that time, the Glacial River Warren, carved the wide valley that is now known as the Minnesota River Valley. Torrential waters fed the Warren, which varied from one to five miles wide and from 75 to 200 feet deep. When the last ice age came to an end, the River Warren gradually receded. Today, this broad glacial valley is occupied by a much smaller Minnesota River. In the lower stretches of the river valley, there is now an abundance of seeps and springs. These are trapped by a natural levee along the river channel which has created a series of marshes and lakes.

History

The marshes and lakes of the Lower Minnesota River Valley have always been known for their abundance of fish and wildlife. Bluffs rising above the valley floor were once dotted with buffalo and elk, an important source of food for the Dakota or Sioux Indians. These native Americans searched for natural foods along the river bottoms that comprised the bulk of their diet—ducks, geese, fish, turtles, deer, wild rice, plant tubers, fruits, nuts, maple sap and others.

By 1860, white settlers were establishing farms all along the Valley and they, too, learned to depend on the river bottoms for the wild staples of their diet. One local resident reports that his father homesteaded above Black Dog Lake in 1856 and ate buffalo and passenger pigeons as a boy. Later, that individual's own family feasted on ducks, bobwhite quail, prairie chickens and pike.

In recent times, cropland has been increased in the lowlands along the river. Other impacts causing destruction of traditional wildlife habitat include development of landfills, quarries and industries. Conversion of floodplain environments for commercial and industrial production has taken a heavy toll in things natural, wild and free. Yet, amazingly, many of the species which gave sustenance to native American and settlers still occur abundantly throughout the Valley.

Vegetation

The refuge study area is located in a prairie-forest transition area. A representative cross-section of the river valley shows distinct zones of vegetation. Plant life changes from moist, grassy meadows on the valley floor to maple-basswood forests on the lower slopes and to dry oak savannas with prairie grasses near the bluff tops.

The floodplain forest along the river consists mainly of elm, silver maple, willow, cottonwood, ash, box elder and aspen. While large cottonwoods tend to line the river and silver maples grow in rather homogeneous stands, most forested areas are populated with mixed species.

The valley's large wetlands and shallow lakes are edged with dense willow, aspen, ash and dogwood. Open wet meadows surrounding marshy areas are dominated by reed canary grass, cutgrass, whitetop, boneset, swamp milkweed, marsh dock, sedge, smartweed, boneset and cordgrass. Extending far into the water of the area's marshes and lakes are vast stands of phragmites, bulrushes, cattails, sedges, arrowhead, plantain, smartweed and wild rice.

Waterfowl

During spring migration, tens of thousands of waterfowl use this stretch of Minnesota Valley floodplain. Observers report that in the spring of 1959, approximately 5,000 lesser scaup, 1,000 canvasbacks and 1,000 coots rested on Fisher Lake alone. In the fall of 1971, an estimated 10,000 teal, mallards, wood ducks and other species used the Rice Lake/Grass Lake area. By October 1 of each year, between 30 and 40 thousand waterfowl congregate on the refuge study area. These concentrations account for a high level of hunting success throughout the area.

Small numbers of waterfowl have traditionally wintered on the ice-free springs and fast-flowing streams of the Lower Minnesota Valley. Since 1952, 200 to 300 acres of water at Black Dog Lake have been kept open by the action of warm water discharged from the Northern States Power electrical generating plant there, causing numbers of wintering waterfowl to increase considerably. Approximately 4,500 mallards, 850 goldeneyes and 50 black ducks presently winter at Black Dog Lake.

Protected whistling swans and increasingly rare canvasback ducks traditionally use Rice and Grass Lakes during spring migration. In all, 24 waterfowl species have been recorded here.

Lower Minnesota Valley wood duck nesting habitat is excellent. Other principal species of waterfowl produced here include blue-winged teal, mallards and shovelers. Some of the metropolitan area's estimated 200 pairs of Canada geese could be expected to expand into the refuge study area if suitable sanctuary were provided. The marshes of the refuge study area could be much more productive than other metropolitan wetlands because of their fertility and seclusion.

Other birds

The Minnesota River Valley Audubon Club and the Minneapolis Bird Club have long kept extensive records on birds seen in this area. They have recorded approximately 275 species during migration. About 100 species nest locally. The Valley's shallow lakes and marshes attract an abundance of water-loving species. Little green herons, black-crowned night herons, bitterns, black terns, yellowlegs, killdeers, spotted sandpipers and rails are also frequently seen and heard calling from the marshes; and good cover adjacent to small grain crops along the river bottoms has maintained excellent pheasant populations.

Mammals

White-tailed deer are common throughout the proposed refuge. Up to 600 have been counted along this 25-mile stretch of river bottoms during the winter when deer move into traditional yarding areas.

Furbearers such as muskrats, mink and beaver have always been abundant in the floodplain marshes. Raccoons, red and gray foxes, woodchucks, weasels, cottontail rabbits, squirrels, bats, shrews and many species of mice are found throughout the uplands.

Fish

Although these shallow floodplain lakes are subject to frequent winter kills, their fertile waters are restocked naturally during periods of high water. Long Meadow Lake, Black Dog Lake, Grass Lake, Upper Rice Lake, Louisville Swamp and part of the Chaska Lake complex are inhabited by carp, buffalo, bullheads, shad, drum, catfish, dogfish, gar, shiners, northern pike, sunfish and other species.

[From the Minneapolis Tribune, June 27, 1975]

WILDLIFE AREA PROPOSED NEAR MINNESOTA RIVER

(By Linda Picone)

A 6,600-acre wildlife refuge in the Minnesota River valley has been proposed by a citizens' group and the U.S. Fish and Wildlife Service, but congressional action and money will be needed before the plans can be accomplished.

The proposed national wildlife refuge is only the first part of what the Lower Minnesota River Valley Citizens' Committee hopes will be complete preservation of the river area.

"It's very rare for a major city to have this beautiful and rich river running right through and available by bus," said Marialice Seal, cochairman of the citizens' committee. "There's a great deal of pressure to develop the area for heavy industry. The time for procuring and saving these areas is short."

The proposed wildlife refuge would consist of four units: Chaska Lake, about 400 acres; Louisville Swamp, about 1,600 acres; Grass Lake/Rice Lake, about 2,500 acres, and Long Meadow Lake, about 2,100 acres.

The Fish and Wildlife Service said, in a report released in May, that those four areas meet the criteria of national wildlife refuges.

Plans for the wildlife refuge would include extending the Minnesota Trail System through it, with some offshoot trails, putting up observation blinds in a few places and building a visitor center at Long Meadow Lake. There would be only one road in the area, at Long Meadow Lake, for bus access and for handicapped persons.

Mrs. Seal said the area is widely used by bird-watchers who come to see the ducks, herons, egrets, bald eagles and occasional visiting pelicans.

There is a large deer herd living in the river valley and the U.S. Fish and Wildlife report listed many common Minnesota mammals, from beavers to skunks, living there also.

A small flock of Canada geese summers in the area, said the report, and would probably expand if the wildlife refuge were established.

The citizens' committee was formed about two years ago and succeeded in getting the Fish and Wildlife Service to study its proposal and develop a report. Now the committee is seeking public support in hopes of getting funding for the four-part refuge.

Congress would have to appropriate U.S. Water and Conservation funds for the project, "We are asking our legislators to introduce a bill in the next session," said Mrs. Seal. "We feel it will be a high-priority item because it is an urban river."

Although the report did not estimate the cost of the refuge, either for buying land or building new facilities, it said there are now about 60 private ownerships in the proposed refuge, including 10 homes. Land values are high because it is near an urban area.

Mrs. Seal said she hopes land acquisition, at least, could begin within two years.

[From the Minnesota Valley Sun, June 26, 1975]

WILDLIFE REFUGE IS EXCITING PROPOSAL

Plans for a wildlife refuge in the Minnesota Valley is exciting news for many area residents. The valley itself is unique as an area of abundant wildlife, both flora and fauna, in the midst of a large metropolitan area.

In our opinion, the efforts of the Minnesota Valley Citizens Committee are to be applauded for its foresight and persistence in finding a way to preserve this rich natural area.

Area municipalities, too, should be encouraged to support this plan for a national wildlife refuge. If local approval can be attained by July 9, Congress may be able to pass special legislation so this valuable natural asset can be acquired at an early date.

Preservation of the key parts of the Minnesota Valley as a wildlife refuge is one way we can leave our part of the world a better place than we found it.

[From the Minnesota Valley Sun, June 6, 1975]

National Wildlife Refuge Proposed For Valley Area

(By Frances Berns)

Approximately 6,600 acres, in four separate units, will be included in the proposed Minnesota Valley National Wildlife Refuge.

Plans for the refuge were described at the Bloomington Planning Commission meeting last Thursday and will be explained again at a public informational meeting at 7:30 p.m. July 2, at Bloomington City Hall.

Speerheading the effort to have four portions of the river valley preserved in a wildlife refuge are members of the Lower Minnesota River Valley Citizens Committee.

Ed Crozier, Burnsville, a member of the planning branch of the U.S. Fish and Wildlife Service, described the river valley area earmarked for preservation.

The four units are the Long Meadow Lake area of 2,100 acres, the Grass Lake/Rice Lake area of 2,500 acres, the Chaska Lake area of 400 acres and the Louisville Swamp area of 1,600 acres.

"The Minnesota River Valley between Fort Snelling and Jordan where the four sections are located includes wild rice habitat, many species of water birds, mallards, teels and wood ducks," Crozier said.

"More than 275 species have been identified here. Seldom is such a large amount of wildlife found so close to a metropolitan area.

"Thousands of years ago when the glacier melted the river valley was formed. The native Americans, then the settlers and now we are the custodians of this resource.

"But time is running out. Once the river valley has developed its value as a natural resource is gone forever."

The citizens committee has asked the U.S. Fish and Wildlife Service to create a wildlife refuge, Crozier said. The Long Meadow Lake unit would be the location of the refuge's interpretive center.

Much of the 25 miles of floodplain could be preserved through the cooperation of cities, counties, the state and federal government, Crozier said.

The Minnesota Valley Wildlife Refuge could be acquired by the U.S. Fish and Wildlife Service by using wildlife funds from the Department of the Interior, he said.

Special congressional enabling legislation is needed to allow the necessary land and water conservation funds to be released, Crozier said.

The refuge would include spur trails leading from the Minnesota State Trail system, viewing blinds and platforms from which wildlife could be observed and studied.

Crozier said he thought the Minnesota Valley Wildlife Refuge would have the highest priority because of its urban location.

No fees are charged for the use of wildlife refuge areas at the present time, Crozier said.

Crozier answered several questions posed by members of the public and the planning commission.

"I think the priority should be either specifically for wildlife use and wildlife management and the public use should be deemphasized," said Kelly Neal, a resident.

Crozier said there are safeguards to assure that any endangered species would be protected.

Commissioner Skip Reiter asked if the property would be taken from the tax rolls.

Crozier replied this was the case, but there is a provision for some equivalent monies to be returned to some local taxing units.

The four refuge units proposed for acquisition would be developed to different degrees, depending upon their location and physical features.

The Long Meadow Lake unit, located in Bloomington between Fort Snelling and Portland Avenue would be developed into a combination administration and visitor center building.

This unit would provide visitors with an opportunity to learn about the recreation activities and values of the river area, Crozier said.

The Long Meadow Lake unit would be the center of the refuge interpretive and environmental education activities.

The other three units would each have a developed access point which would include a visitor information point, parking area, toilets, control gates and signing.

The refuge boundary would be posted, but not fenced.

The Grass Lake/Rice Lake area of 2,500 acres is located in Eden Prairie. The Chaska Lake area of 400 acres is in Chaska and the Louisville Swamp area of 1,600 acres is between Shakopee and Jordan.

At the conclusion of last Thursday's presentation the Bloomington Planning Commission and Natural Resources Commission adopted separate resolutions recommending that the Bloomington City Council support the proposed land acquisitions and the establishment of a National Wildlife Refuge within the city of Bloomington.

The Bloomington Park and Recreation Commission was expected to adopt a similar resolution.

Support for the wildlife refuge will also be sought in the other affected municipalities.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 123

At the request of Mr. Inouye, the Senator from New Jersey (Mr. Williams) was added as a cosponsor of S. 123, a bill to amend the Social Security Act.

S. 1808

At the request of Mr. Dole, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of S. 1808, a bill to provide for the payment of overtime to certain personnel employed in the Department of Agriculture, Animal and Plan Health Inspection Service.

S. 1897

At the request of Mr. Bellmon, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 1897, a bill to amend title XVIII of the Social Security Act to authorize payment under the supplemental medical insurance program for services furnished by physician extenders and clinical staff of community mental health centers.

S. 1925

At the request of Mr. Roth, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 1925, a bill to amend the Internal Revenue Code of 1954 to provide assistance to taxpayers.

S. 1982

At the request of Mr. Packwood, the Senator from Maryland (Mr. Mathias), the Senator from Wyoming (Mr. Hansen), and the Senator from Minnesota (Mr. Humphrey) were added as cosponsors of S. 1982, the Ozone Preservation Act of 1975.

S. 1989

At the request of Mr. Stone, the Senator from New Jersey (Mr. Williams) was added as a cosponsor of S. 1989, a bill to direct the preparation and submission to the President of information to assist in negotiations with oil-producing countries.

SENATE CONCURRENT RESOLUTION 48—SUBMISSION OF A CONCURRENT RESOLUTION TO INVITE ALEXANDR SOLZHENITSYN TO ADDRESS A JOINT MEETING OF CONGRESS

(Referred to the Committee on Rules and Administration.)

Mr. HOLLINGS (for himself, Mr. Cranston, Mr. Buckley, Mr. Bellmon, Mr. McClure, Mr. Harry F. Byrd, Jr., Mr. Helms, Mr. Weicker, Mr. Bentsen, Mr. McIntyre, Mr. Culver, Mr. Moss, Mr. Metcalf, Mr. Stone, Mr. Nunn, Mr. Mondale, Mr. Humphrey, Mr. Domenici, and Mr. Allen) submitted the following concurrent resolution:

S. Con. Res. 48

Resolved by the Senate (the House of Representatives concurring), That Alexander Solzhenitsyn be hereby invited to address a joint meeting of the Senate and House of Representatives.

Sec. 2. This invitation shall be extended forthwith to the said Alexander Solzhenitsyn by the President of the Senate and the Speaker of the House of Representatives in a jointly signed communication, and the majority and minority floor leaders of the Senate and House of Representatives shall make the arrangements necessary for the convening of such a joint meeting to be held at the convenience of Alexander Solzhenitsyn.

SENATE CONCURRENT RESOLUTION 49—SUBMISSION OF A CONCURRENT RESOLUTION TO ESTABLISH A JOINT COMMITTEE ON ENERGY

(Referred to the Committee on Government Operations.)

Mr. PHILIP A. HART. Mr. President, on November 26, 1974, I submitted a resolution calling for the creation of a Joint Legislative Committee on Energy wherein proposals affecting the energy area, now considered separately by various subcommittees, could be reviewed as a total program.

The Caucus of Democratic Senators has asked Senator Mansfield to explore possibilities of reforming the way Congress handles energy legislation. Today I would like to resubmit my resolution to demonstrate my strong support for such reform.

Certainly nothing that has happened—or more accurately, everything that has not happened—since I introduced the resolution over 7 months ago—has diminished the justification for creating a joint committee on energy.

The President proposed an energy program which Congress correctly has attempted to stop.

Congress, meanwhile, has attempted to, but so far failed to come up with an energy policy of its own.

In the debate between the President and the Congress on energy, the White

House, even while attempting to sell a costly, inflationary program, has one major advantage.

The White House speaks with one voice, and the media reports in detail what that voice proposes.

Congress speaks with many voices from many different committees and subcommittees, and the media does not, cannot and probably should not be expected to cover each of those voices in detail.

Under this resolution, a Joint Energy Committee would be made up of nine Senators and nine Representatives drawn, to the extent possible, from the committees having substantial jurisdiction over energy matters. The committee would provide a single starting point for all legislation affecting energy questions, a single committee to coordinate the various and sometimes competing segments of a national energy policy, and a focal point for the media to cover congressional efforts in this area.

Such a concentration of congressional activity is badly needed, and the past 7 months have pointedly illustrated that need.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 49

Resolved by the Senate (the House of Representatives concurring), That (a) there is hereby created a Joint Legislative Committee on Energy (hereafter referred to as the "joint committee").

(b) The joint committee shall be composed of eighteen members as follows:

(1) Nine Members of the Senate, appointed by the President pro tempore of the Senate; and

(2) Nine Members of the House of Representatives, appointed by the Speaker of the House. Not more than five of the members appointed from each House of Congress shall be members of the same political party.

(3) To the extent practicable the membership of the committee shall be drawn from the standing committees of the House and Senate having substantial jurisdiction over legislation dealing with energy matters.

(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee and shall be filled in the same manner as in the case of the original appointment.

(d) The joint committee shall select a chairman and a vice chairman from among its members at the beginning of each Congress. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. The chairmanship and the vice chairmanship shall alternate between the Senate and the House of Representatives with each Congress. The chairman during each even-numbered Congress shall be selected by the Members of the House of Representatives on the joint committee from among their number and the chairman during each odd-numbered Congress shall be selected by the Members of the Senate on the joint committee from among their number. The vice chairman during each Congress shall be chosen in the same manner from that House of Congress other than the House of Congress of which the chairman is a Member.

SEC. 2. (a) The joint committee shall make a continuing investigation and study of the problems related to the development, use, and control of all forms of energy other than energy which is released in the course of nuclear fission or nuclear transformation and is primarily related to military use. The joint committee shall, from time to time, report to the Senate and House of Representatives (but not less frequently than once each Congress) the results of its investigation and study together with its recommendations.

(b) All bills, resolution, and other matters relating primarily to the development, use, or control of the forms of energy referred to in subsection (a) of this section shall be referred to the joint committee within 90 days of their initial referral to the appropriate standing committee, unless the joint committee otherwise provides by a majority vote of all members of the committee. The joint committee shall make a recommendation or report on each resolution, bill, or other matter to the floor of each House of Congress together with the report or recommendations, if any, of the standing committee or committees to which the bill, resolution or other matter was initially referred.

(c) The members of the joint committee who are Members of the Senate shall, each session, report to the Senate, and the members of the joint committee who are Members of the House of Representatives shall, from time to time, report to the House, by report or otherwise, their recommendations with respect to matters within the jurisdiction of the joint committee.

SEC. 3. The Joint committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths and affirmations, to take such testimony, to procure such printing and binding, and to make such expenditures, as it deems advisable. The joint committee may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the joint committee unless a majority of the joint committee assent. Subpenas may be issued over the signature of the chairman of the joint committee or of any member designated by him or by the joint committee, and may be served by such person or persons as may be designated by such chairman or member. The chairman of the joint committee or any member thereof may administer oaths or affirmations to witnesses.

SEC. 4. (a) In carrying out its functions, the joint committee is authorized, by record vote of a majority of the members of the joint committee—

(1) to appoint, on a permanent basis, without regard to a political affiliation and solely on the basis of fitness to perform their duties, such professional and clerical staff members as the joint committee deems appropriate;

(2) to prescribe their duties and responsibilities;

(3) to fix their pay at respective per annum gross rates not in excess of the highest rate of basic pay, as in effect from time to time, of the General Schedule of section 5332(a) of title 5, United States Code; and

(4) to terminate their employment as the joint committee may deem appropriate.

(b) In carrying out any of its functions, the joint committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government, and to procure the temporary (not to exceed one year) or intermittent services of experts or consultants or organizations thereof by contract at rates of pay not in excess of the per diem equivalent of the highest rate of basic pay set forth in the General Schedule of section 5332 of title 5, United States Code, including payment of such rates for necessary traveltime.

SEC. 5. The expenses of the joint committee shall be paid from the contingent fund of the House and Senate, upon vouchers approved by the chairman, from funds appropriated for the joint committee by a concurrent resolution of each house.

SENATE CONCURRENT RESOLUTION 50—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE SALE OF IMPROVED HAWK MISSILES AND REDEYE MISSILES TO JORDAN

(Referred to the Committee on Foreign Relations.)

Mr. CASE submitted the following concurrent resolution:

S. CON. RES. 50

Resolved by the Senate (the House of Representatives concurring), That the Congress objects to the proposed sale described in Transmittal No. 75–40 of July 10, 1975.

SEC. 2. The Congress objects to the sale of Redeye Missiles, including any parts or equipment related thereto, to Jordan.

Mr. CASE. Mr. President, today I am submitting a concurrent resolution objecting to the proposed sale of air defense equipment to the Government of Jordan. This resolution includes three different weapons systems: the Hawk surface-to-air missile system; the Vulcan antiaircraft, self-propelled, 20-millimeter gun system; the Redeye shoulder fired surface-to-air missile system. My objective in offering this resolution is to permit hearings before the Foreign Relations Committee concerning these proposed sales of equipment. While I do not myself have a final view on whether these weapons sales should ultimately be permitted, there are many grave unanswered questions Congress should consider.

I am especially concerned, myself, whether this rather large proposed sale of Hawk surface-to-air missiles, mounted on mobile carriers, can be considered a defensive weapons system. While I might understand a fixed site air defense system as fufilling Jordan's needs at this time. I want to hear from the State Department and the Department of Defense why a highly mobile system is being offered for sale to Jordan.

I am also concerned about the Redeye antiaircraft missile. This is a highly portable, shoulder-fired missile that is much like the Soviet built Strella missile. It was the Strella that caused so much trouble for helicopters and civilian aircraft in Vietnam. For example, near the end of the war many will recall a Vietnamese civilian airliner was shot down on a routine flight to Saigon. Near the same time an Air America cargo aircraft was shot down by a Strella in the Mekong Delta.

There is a danger that the Redeye might fall into the hands of terrorist organizations that could use it against civilian aircraft anywhere in the Middle East. It will require a lot of security to protect the Redeye from misuse. Moreover, I am not sure exactly what military function the Redeye will have as part of a Jordanian air defense system.

Indeed, it was our understanding that the administration included all three weapons as part of an air defense system for Jordan. However, in announcing to Congress its proposed sale there is no official mention of the Redeye, ostensibly because the sale of Redeye is less than $25 million and thus is outside the reach of the reporting law. I cannot accept such reasoning. Accordingly, the resolution I am submitting today explicitly includes the contemplated sale of Redeye missiles to Jordan.

Congress has only 20 days to enact a concurrent resolution objecting to such an offer of sale. It is an inadequate amount of time for both Houses to do their work, but I, for one, will do what I can to expedite action by the Committee on Foreign Relations.

SENATE RESOLUTION 206—SUBMISSION OF A RESOLUTION RELATING TO LENGTH OF COMMITTEE SERVICE BY SENATORS

(Referred to the Committee on Rules and Administration.)

Mr. PHILIP A. HART. Mr. President, in informal discussions over several months with colleagues, I have suggested the Senate might be more effective if each of us were limited in the number of years we could serve on a committee of the Senate.

While a few of my colleagues agreed that this might be a useful change, a majority have disagreed with the notion.

Certainly, there is merit to the argument that the longer one is exposed to the business of a particular committee, the better informed the member becomes to the many subjects of its jurisdiction.

However, so long as a majority of a particular committee had some years of experience, in the subject area, I believe mandated rotation of committee assignments would be helpful. Such a policy would insure a steady infusion of new members and hopefully new ideas and questions.

Such a policy would help broaden Senators' legislative experience and perhaps contribute to more active participation in floor debates.

And such a policy would avoid development of constituencies which can affect one's attitude after serving on a committee for some years.

This kind of rotation would, on balance, appear to be desirable, and I introduce a Senate resolution which would amend our standing rules to this end. Under this proposed rule, a member could not serve on a committee if he had served on that committee for 8 out of the 12 years preceding. Perhaps the Rules Committee will have opportunity to consider this proposal in connection with its ongoing review of our rules, and by submitting the suggestion formally, comment may be generated which could be useful in reaching judgment.

Mr. President, I ask unanimous consent that the resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

S. Res. 206

Resolved, That rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"9. (a) A Senator shall not be eligible to serve as a member of a standing, select, or special committee of the Senate, or of a joint committee of the Congress, at any time during a calendar year, if he has served as a member of that committee or joint committee for any period of time in any eight out of the twelve calendar years preceding that calendar year.

"(b) For purposes of subparagraph (a), no calendar year before 1975 shall be taken into account."

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL RULES OF CRIMINAL PROCEDURE AMENDMENTS OF 1975—H.R. 6799

AMENDMENT NO. 680

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN. Mr. President, on behalf of Senators Baker, Cannon, Gravel, Hartke, and myself, I take pleasure in submitting today the "1975 Act To Reform Trial Standards for the Crime of Rape" as an amendment to H.R. 6799, a bill to amend the Federal Rules of Criminal Procedure. My amendment would reform the trial standards for the criminal offense of rape for the District of Columbia and Federal special maritime and territorial jurisdictions.

Throughout the year, I have urged the need to reform the procedures of rape trials which place the victim on trial, rather than the defendant. This amendment will limit the use of a rape victim's sexual history during trial. The privacy of the victim's previous sexual conduct will not be presented to the jury unless it relates to the issue of consenting to sexual relations with the accused defendant. This burden of relevance must be discharged before the judge and out of the presence of the jury. To sustain the admissibility of the evidence, the defendant must show a pattern of past conduct relevant to the facts in the case and relevant to the issue of consent.

In addition to these provisions, the amendment would direct the judge to send a rape case to the jury if the victim's testimony establishes a prima facie crime of rape. Corroboration of the victim's testimony is not required when the victim establishes all the elements of the charge.

Finally, this amendment will direct the court to instruct the jury that evidence of physical resistance is not required to support a guilty verdict in a rape case, unless the plaintiff alleges physical injury.

FBI statistics reveal rape as the fastest growing violent crime in the United States. From 1972 to 1973, the rate of forcible rape jumped 9 percent. The FBI estimates that only one of every five rapes is reported, which means that 80 percent of all rapes go unreported.

With rapists unreported and not apprehended, they continue to assault women. Here in the District of Columbia, a recent case in the Superior Court revealed three men may have been involved in 500 to 1,000 rapes during a 4-year period. The men were convicted on counts of rape and robbery. Another case disclosed the fact a gang of youths was responsible for several armed rapes. Most of the victims chose not to report the crime rather than face a humiliating trial. Legislation must be enacted to encourage victims to prosecute and convict criminals.

Across the country in Oregon, a court acquitted a man accused of raping a woman after she was subjected to cross-examination of her private life. How relevant and of what probative value are the questions, did the woman enjoy being raped or how many cigarettes does she smoke? These are exemplary of questions which put the victim on trial and are not relevant to the charges against the defendant.

As a result of this case, Oregon has enacted a law which directs the judge to heavily scrutinize the admissibility of questions relating to the victim's privacy. California, Florida, Iowa, Ohio, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, Texas, and Washington have already enacted legislation similar to what I have submitted. A week ago, the New York and Colorado legislatures approved similar measures which Governors Carey and Lamm are expected to sign. Similar bills have been introduced in eight other States.

Clearly, the States are changing their rules of evidence in rape cases to limit the admissibility of irrelevant questioning about the victim's private sex conduct.

The Federal Government must amend its criminal laws, as I am proposing, to insure minimum protection of the privacy of victims who bring charges in the District of Columbia, and Federal special maritime and territorial jurisdiction.

Mr. President, I urge my colleagues to join me in this amendment which seeks to encourage prosecution of rape, the most unreported crime.

Mr. President, I ask unanimous consent that this amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 680

At the end of the bill, add the following new section:

Sec. 4. (a) Section 808 of the Act entitled "An Act to Establish a Code of Law For the District of Columbia", approved March 3, 1901, as amended (D.C. Code, section 22–2801), is amended (1) by designating the existing text as subsection (a), and (2) by adding at the end thereof the following new subsections:

"(b) (1) In any prosecution for the offense of carnal knowledge of a female forcibly and against her will under subsection (a) of this section—

"(A) no information concerning the previous sexual conduct of such female may be received and considered by the court except for the purpose of determining the issue of consent.

"(B) no information concerning the previous sexual conduct of such female may be received and considered by the court for the purposes of determining the issue of consent, unless the defendant can show a pattern of past conduct relevant to the facts in the case and relevant to the consent issue.

"(2) In any such prosecution, however, before information (otherwise admissible) is received in evidence concerning the sexual history or conduct of any such female, the judge shall, out of the presence of the jury, determine any and all issues concerning the question of admissibility.

"(c) Notwithstanding any other provision of law in any such prosecution the court shall not require the prosecution to produce evidence that corroborates the victim's testimony, if the victim's testimony, if believed, establishes every element of the crime of forcible rape.

"(d) Except when physical injury to the victim is alleged by the prosecution, in any such prosecution, physical injury or evidence of resistance by such female, shall not be required for the prosecution to meet its burden of proof, and the judge shall so instruct the jury to the effect.

"(e) Notwithstanding any other provision of law this section or of any other law, information or other evidence of prior sexual relations or acts between such female and the defendant shall be admissible on the issue as to consent.".

(b) Section 2031 of title 18, United States Code, is amended (1) by designating the existing text as subsection (a), and (2) by adding at the end thereof the following new subsections:

"(b)(1) In any prosecution for the offense of rape under subsection (a) of this section—

"(A) on information concerning the previous sexual conduct of such female may be received and considered by the court except for the purpose of determining the issue of consent;

"(B) no information concerning the previous sexual conduct of such female may be received and considered by the court for the purpose of determining the issue of consent, unless the defendant can show a pattern of past conduct relevant to the facts in the case and relevant to the consent issue.

"(2) In any such prosecution, however, before information (otherwise admissible) is received in evidence concerning the sexual history or conduct of any such female, the judge shall, out of the presence of the jury, determine any and all issues concerning the question of admissibility.

"(c) Notwithstanding any other provision of law in any such prosecution the court shall not require the prosecution to produce evidence that corroborates the victim's testimony, if the victim's testimony, if believed, establishes every element of the crime of forcible rape.

"(d) Except when physical injury to the victim is alleged by the prosecution in any such prosecution, physical injury or evidence of resistance by such female, shall not be required for the prosecution to meet its burden of proof, and the judge shall so instruct the jury to the effect.

"(e) Notwithstanding any other provision of this section or of any other law, information or other evidence of prior sexual relations or acts between such female and the defendant shall be admissible on the issue as to consent.".

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1976—H.R. 8121

AMENDMENT NO. 681

(Ordered to be printed and referred to the Committee on Appropriations.)

Mr. HARRY F. BYRD, JR. Mr. President, I am submitting an amendment which states that no funds appropriated in H.R. 8121, the appropriations bill for the Departments of Justice, Commerce, Judiciary, and related agencies, for fiscal year 1976, may be used for the purposes of negotiating the surrender or relinquishment of any U.S. rights in the Panama Canal Zone.

This amendment was offered in the House of Representatives by the distinguished Congressman from Kentucky (Mr. SNYDER) and was adopted overwhelmingly, 246 to 164.

I am hopeful that the Senate, too, would adopt this amendment.

United States sovereignty was acquired by treaty 70 years ago and it can be abrogated, and a new treaty ratified, only by a two-thirds vote of the Senate of the United States.

In addition, Congress has the responsibility under article IV, section 3 of our Constitution, to regulate and dispose of any property belonging to the United States. Any efforts, therefore, by the administration to yield any property to Panama that was paid for from U.S. appropriated funds will require a majority vote in both Houses of Congress.

I am doubtful that the Senate would ratify a treaty proposal containing a provision requiring surrender of U.S. sovereignty over the Panama Canal. By adopting the amendment, I believe, the Executive would enter into more realistic negotiations with the representatives of the Panamanian Government, and an agreement could then be worked out that would be satisfactory to both the United States and Panama.

At this point Mr. President, I ask unanimous consent to have the amendment I am submitting printed in the RECORD, together with an article I recently wrote for the Los Angeles Times, which elaborates upon my position.

There being no objection, the amendment and article were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 681

On page 16, after line 14, add the following new section:

"SEC. 104. None of the funds appropriated in this title shall be used for the purposes of negotiating the surrender or relinquishment of any U.S. rights in the Panama Canal Zone."

SHOULD THE UNITED STATES RETAIN CONTROL OF THE PANAMA CANAL?

One of the most important questions facing the United States in Latin America is the future status of the Panama Canal Zone. This question affects the military and economic security of our Nation and many others.

Early last year Secretary of State Kissinger initialed an eight-point agreement in principle with representatives of Panama for negotiation of a new treaty, designed to meet Panamanian demands for an end to U.S. control of the Panama Canal Zone.

This is not the first time a U.S. administration has proposed relinquishing our government's control over the Panama Canal Zone.

In 1967 President Johnson put a head of steam behind Panama's resolve to wrest the canal away from undisputed American control.

Draft treaties prepared in 1967 made concessions to Panama which many members of Congress felt were unwise and which were, indeed, a submission to Panamanian political blackmail.

So great was the congressional opposition to the proposed treaty that President Johnson never submitted the proposal to the Senate for consideration.

Now the Ford Administration, carrying on an initiative launched under former President Nixon, is renewing the effort to end United States sovereignty in the Canal Zone.

Considering the vital importance of the Panama Canal to U.S. interests, why does the Administration seek a change in the status of the Panama Canal Zone?

Critics of U.S. sovereignty over the Panama Canal Zone charge that the Treaty of 1903, granting U.S. sovereignty over the Canal, is an anachronism, and a source of friction in U.S.-Panamanian relations.

However, as Dr. James Lucier has pointed out in the *Strategic Review*, the hope that the transfer of U.S. sovereignty in the Canal Zone to Panama would remove a cause of friction seems ill-conceived. According to Dr. Lucier:

"A surrender of U.S. sovereignty would spell a great victory for the Marxist-Leninist revolutionary Cadres which have in the past incited mobs to violence. Far from being appeased they would be encouraged to intensify revolutionary efforts to achieve their ultimate goal of forcing total U.S. withdrawal from the Canal operation. With the Government of Panama holding sovereign power to denounce the treaties and expel the United States, these elements would for the first time have the attainment of their goal within reach. It is not to be expected that their zeal would diminish in the face of such a prospect."

The Congress was told in 1967 that there would be a series of anti-American riots in Panama if the U.S. Government does not give the Panamanians what they want. We are being told the same thing today.

It is vitally important that the United States maintain its position of strength in Latin America, and the pivotal point in our defense arrangements is the Panama Canal and the Canal Zone.

I am persuaded that new treaties compromising our rights in the Canal Zone would weaken this country's defense posture in the Western Hemisphere.

Could anyone seriously contend that Panama, with a population of slightly over 1,500,000—less than a third of Virginia's could defend the Canal by itself? Could the uninterrupted movement of commercial or military ships be guaranteed under any Panamanian regime of the moment? Is there assurance against some Castro-type government taking control of Panama?

Panama has been notoriously susceptible to political upheaval, with 28 Presidents having come and gone in 70 years.

It was only a few years ago that the President of Panama was assassinated; his First Vice President then assumed office, but was shortly deposed as having been involved in the assassination; the Second Vice President then became President; and he was thrown out the next year.

The Ford Administration should ignore the threats of Panamanian politicans. It should ignore the hypocritical howls from the United Nations.

But if it does not, the Senate of the United States will have the final word.

Neither the President nor the Secretary of State has the right under our Constitution to commit the United States to a new treaty eliminating U.S. sovereignty in the Canal Zone.

That sovereignty was acquired by treaty 70 years ago and it can be abrogated, and a new treaty ratified, only by a two-thirds vote of the Senate of the United States.

It is important to note that 37 Senators have signed a Senate resolution urging retention of undiluted U.S. sovereignty over the Canal Zone.

The Senate support for this resolution is strong evidence that Secretary Kissinger is unlikely to obtain the required two-thirds majority to give away the Panama Canal.

Furthermore, under Article IV, Section 3 of the U.S. Constitution, Congress has the power to regulate and dispose of any property belonging to the United States. Any efforts, therefore, by the Administration to yield any property to Panama that was paid for from U.S. appropriated funds will require a majority vote in both Houses of Congress.

In 1903 the United States was granted perpetual control over the Panama Canal Zone. The "perpetuity clause" was offered to the United States to prevent construction of an alternate interoceanic canal in Nicaragua, which the United States had been contemplating.

When the United States, by treaty, obtained the right to hold in perpetuity the Panama Canal, our government paid Panama an initial sum of $10 million; we indemnified neighboring Colombia to the tune of $25 million, and we agreed to pay Panama substantial annual rent, a rent which has since been substantially increased several times.

The total cost to the United States for 647 square miles of the Canal Zone is estimated at $6,890,370,000 as of June 1974, and it far exceeds the price of many other American territorial acquisitions, including the Louisiana Purchase—that vast area stretching from the Mississippi River to the Rocky Mountains, and from the Gulf of Mexico to Canada—and such notable additions as Alaska and Florida.

The Canal Zone is, by grant of sovereignty and by purchase of all rights and titles in perpetuity, territory of the United States.

Through the years, the American taxpayers have invested millions of dollars in maintaining and improving the Canal. Panama has greatly benefited from all this and, as a result, has the highest per capita income in Central America.

The existence of the Panama Canal Zone has been of major economic and strategic importance, not only to the United States but to all friendly nations.

During both world wars, during our conflicts in Korea and Southeast Asia, and during the Cuban Missile Crisis, the Panama Canal proved itself of major importance to U.S. security interests.

Serving as a link between the Atlantic and Pacific Oceans, through the Caribbean Sea, the Panama Canal offers the shortest transoceanic route for military deployment, and economic transportation, and it also provides an important military and civilian communications network between the Atlantic and Pacific Oceans.

If the Panama Canal has proved itself important for our global interests, it has been even more important for our hemispheric interests.

Ten western hemispheric countries, and the Panama Canal Zone, border the shores of the Caribbean Sea. Since 1970, when the Soviet Union first attempted to establish a nuclear submarine base in Cienfuegos, the Soviet presence in the Caribbean Sea has continued to grow at an alarming rate.

Using Cuban port facilities, only 90 miles from the continental United States, the Soviet Union is now in a direct position to strike, not only at our "strategic rear", but anywhere along our East Coast.

There are other equally important benefits accruing to the Soviet Union because of its increasingly visible presence in the Caribbean.

Moscow is using its growing influence to promote dissent between the United States and its hemispheric neighbors, and it is supporting efforts to evict the U.S. from the Panama Canal Zone.

In either peace or war the two alternate sea routes, around Africa's Cape of Good Hope or South America's Cape Horn, present nautical problems such as rough weather, narrow straits and a lack of adequate enroute fueling facilities.

Looking at the value of the Canal to our Caribbean defense needs, our ability to assure the continued operational freedom of the Canal in the face of threats of internal disorder and political manipulation is an important element in our relations with such countries as Colombia, Venezuela, and Bolivia, who depend heavily on the Canal.

The importance of the Panama Canal for international commerce, in general, and for U.S. foreign trade in particular, is also a consideration we can ill afford to neglect.

One-sixth of all U.S. trade goes through the Canal. Approximately 70 percent of the total Panama Canal cargo tonnage represents either exports from or imports to the United States, or commodities in U.S. intercoastal trade.

If these cargoes are viewed in terms of their markets—for example, West Virginia's coal industry, the Midwest grain belt, and oil for the Northeast—any disruption in Canal trade could result in serious dislocations for the U.S. economy.

But it is not the United States alone which would suffer: the economies of our European allies would also be hurt, as well as the economy of Japan, and those of our Latin American neighbors.

Ten percent of Japan's trade travels through the Panama Canal. The coal Japan imports from Hampton Roads, Virginia, to make its steel a cornerstone in the Japanese economy—is shipped through the Canal.

The importance of the Canal for our Latin American neighbors is even greater. Thirty-four percent of Chile's trade goes through the Panama Canal. For Colombia the figure is 32 percent, or Costa Rica 27 percent, Ecuador 51 percent, El Salvador 66 percent, Guatemala 31 percent, Nicaragua 77 percent and Peru 41 percent.

The Panama Canal is a crossroads for world trade.

At the request of Senator Hansen of Wyoming, the Maritime Administration recently published a report entitled "The Panama Canal in U.S. Foreign Trade."

The report states that if the Panama Canal were closed the following increases in measures of cost would be experienced:

A 71 percent increase in the average annual consumption of fuel by carriers of U.S. foreign trade.

A 31 day increase in average shipping time.

A $932 million increase in the yearly total delivered price of all exports.

$583 million increase in the yearly total delivered price on all imports, including $78 million for intercoastal deliveries.

Clearly, the Panama Canal is immensely important to the security and economy of the United States and many nations friendly to the United States. Efforts to end U.S. sovereignty over the Canal are not in the national interest.

It is unfortunate that Secretary of State Kissinger, in a speech in Panam on February 7, 1974, committed the United States to successful completion of negotiations leading to relinquishing U.S. sovereignty over the Panama Canal.

This could be misleading to the Panamanians, because neither Secretary Kissinger nor the President has the authority to commit the United States to any fixed result of negotiations.

Any new treaty covering the Panama Canal must be ratified by a two-thirds vote of the Senate.

In my judgment the Senate will refuse to ratify any new treaty containing a provision requiring surrender of U.S. sovereignty over the Panama Canal.

ANNOUNCEMENT OF OPEN BUSINESS MEETING BY THE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Government Operations will hold a markup on Wednesday, July 16, at 10 a.m. in room 3302 of the Dirksen Senate Office Building.

The committee will consider S. 1359, the Intergovernmental Antirecession Act of 1975, sponsored by Senator MUSKIE and cosponsored by Senators HUMPHREY and BROCK. The committee also hopes to consider the regulations submitted to it by the General Services Administration pursuant to Public Law 93-526, the Presidential Recordings and Materials Preservation Act.

NOTICE OF NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce to the Senators and other interested persons that a hearing on Frank R. Barnako, of Pennsylvania, to be a member of the Occupational Safety and Health Review Commission and Abner W. Sibal, of Virginia, to be general counsel of the Equal Employment Opportunity Commission, will be held by the Committee on Labor and Public Welfare on Wednesday, July 16, 1975. The hearing will begin at 9 a.m. in room 4232 Dirksen Senate Office Building. Interested persons who wish to testify or who wish to submit testimony to be included in the record should contact Mr. Donald Elisburg, room 4230, Dirksen Senate Office Building (202) 224-3674.

HEARING NOTICE

Mr. HUMPHREY. Mr. President, the Foreign Agricultural Policy Subcommittee will hold a hearing on Tuesday, July 15, to review the activities of the Foreign Agricultural Service. In view of the importance of agricultural trade to our economy and the role the Foreign Agricultural Service plays in providing accurate and timely market intelligence and promoting the sale of U.S. farm commodities, every effort should be taken to assure the continued strength of this agency.

This review should offer us the opportunity to take a look at present intelligence and market promotion needs and to consider the adequacy of the resources available to the Foreign Agricultural Service to meet those needs.

The hearing will begin at 10 a.m., in room 324 of the Russell Senate Office Building.

NOTICE OF FURTHER CHANGE IN PLACE OF HEARING

Mr. BURDICK. Mr. President, I wish to announce that there has been a further change of the room number for the hearing of the Subcommittee on Improvements in Judicial Machinery on S. 1630, a bill to increase the number of judgeships for the U.S. District Court of the southern district of West Virginia, previously noticed for July 15, 1975, to be held in room 4200, Dirksen Senate Office Building, and later noticed to be held in room S–146, U.S. Capitol, at 10 a.m.

The hearing will be held on July 15 in room 212, Russell Senate Office Building at 10 a.m.

ADDITIONAL STATEMENTS

THE NEW HAMPSHIRE SENATE RACE

Mr. McCLURE. Mr. President, editorial opinion on the New Hampshire contest continues to be remarkable uniform. I continue to hope that the Senate will read—and follow this advice.

Attached are a series of editorials which have not yet been printed in the Record, and I ask unanimous consent that they be so printed.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Columbia (S.C.) State Record, July 10, 1975]

New Hampshire Senate Race Should Be Run Again

For two weeks before taking off on its 10-day Independence Day recess, the U.S. Senate put aside the great issues that confront it to engage in a fierce partisan struggle over a matter that should be decided by the voters of New Hampshire.

The unseemly battle concerned protested ballots in the 1974 New Hampshire Senate race between Democrat John Durkin and Republican Louis Wyman—the closest Senate contest in history. After various challenges and recounts, the bipartisan Ballot Law Commission in that state declared Mr. Wyman the winner by just two votes.

Mr. Durkin appealed to the Senate, which, acting under its authority to judge the election of its own members, sent the matter to Rules Committee.

There the fun began for the Democrats, who enjoy a 5–3 committee majority. Acting like poll managers, they spent months shuffling through paper ballots. Most of the voting was along straight party lines. On 12 GOP straight-ticket votes that contained unneeded marks by the names of other party candidates except the senator, the committee ignored the standard New Hampshire practice of counting such ballots for all party candidates. That issue is now before the full Senate.

It was clear that Republican Wyman was a dead duck, his valid New Hampshire certificate of election notwithstanding, unless GOP senators could prevent a final vote. They pulled out all of the parliamentary delaying tactics before the recess and they have resumed them at this writing.

Their primary aim is to have the seat declared vacant and the matter sent back to New Hampshire for another election. Mr. Wyman, noting that the number of missing and disputed ballots far exceeds any possible margin of victory, has long been calling for another election. Mr. Durkin says he agrees, but he hedges.

Washington Columnist George Will accuses the Democratic majority of abusing its power by trying to "steal" the seat. *The Wall Street Journal* used the same harsh verb.

Frankly, that's the way it looks to us, too. In a matter as close as this, it is far better to let the voters of New Hampshire have another crack at deciding who will represent them.

In their fight to prevent a Senate vote, the GOP senators have been backed by a handful of Southern Democrats. South Carolina's Fritz Hollings is not among them. In the interest of fairness, he should be. If fairness is not enough to stir him, Senator Hollings should ponder the consequences of being accused as a participant in The Great Election Theft of 1975.

[From the Louisville Courier-Journal and Times, June 15, 1975]

Let the Voters Decide

The way the U.S. Senate and its Rules Committee have been enmeshed in the Wyman-Durkin dispute over last year's Senate election in New Hampshire should suggest to even a tradition-bound Congress that it needs new machinery to handle such issues. In the meantime, the people of New Hampshire, who for more than five months have had only one senator, are entitled to make their own decision in a special election on the disputed seat.

The New Hampshire contest produced more than just the closest disputed seat in Senate history, with Republican Louis Wyman finally certified by state courts as a two-vote winner over Democrat John Durkin. It also was an election in which the voters used highly individualistic ways of marking their paper ballots. As a result, the Senate committee has had to make hundreds of individual rulings on interpretation of the markings. And the inevitable partisanship of a body that has traditionally held each house to be the judge of its own membership has thrown Congress into further disarray.

The full Senate is scheduled to vote Tuesday on a Republican motion to settle the issue by declaring the seat vacant. This would permit the state to go ahead with its plans for a special election. However, Senate Democrats (who also dominated Rules Committee decisions by narrow margins) have the votes to force the seating of Mr. Durkin, should they choose to do so. Nevertheless, with so much partisanship and uncertainty in the air, a special election clearly would be fairer.

In addition, Congress has learned a lesson from this closest of all contested elections. Obviously, the normal committee procedures have failed to give the people of New Hampshire what they are entitled to—full representation in the U.S. Senate. And, other important matters have languished on the docket of the Senate panel during the laborious examination of paper ballots.

In the 62 years that senators have been elected by popular vote, the Senate has been called upon to decide 26 disputes over who won. But the Wyman-Durkin photo-finish, in which for the first time the Senate actually got involved in recounting the votes itself has forcefully dramatized the need for a clear set of procedures to resolve such questions. So the first step is to toss this one back to the people of New Hampshire. The second, after the dust has settled, is to set up a nonpartisan mechanism so someone else besides busy senators under heavy political pressure spends weeks or months scrutinizing ballots.

[From the Ohio Republican News, June 27, 1975]

New Hampshire Loss

New Hampshire, ninth of these United States to ratify the Constitution, is being denied constitutional guarantees by a U.S. Senate unable to see either the easiest or the wisest way out of a contrived dilemma.

The Granite State, ever since the new Congress convened in January, has had but one senator, in conflict with the Constitution which declared that "no state, without its consent, shall be deprived of its suffrage in the Senate."

Last November, New Hampsire voters had a choice between two senatorial candidates, Democrat John Durkin and Republican Louis Wyman.

After balloting, which was fouled up throughout, the initial count showed Mr. Wyman the winner by 355 votes. Official recount showed Mr. Durkin winning by 10 votes. But there were missing ballots, disputed ballots and a voting machine malfunction.

Finally, a second official recount was undertaken and this time the New Hampshire Ballot Law Commission declared Mr. Wyman the winner by two votes.

Mr. Durkin promptly appealed to the U.S. Senate.

The Senate Rules Committee held about 200 hours of hearings during 46 separate meetings trying to find an answer to the appeal. Finally, it requested a "sense of the Senate" regarding 36 questions it said it could not answer.

The committee has a majority of Democrats, but it is mystifying why partisanship should be an overbearing consideration since the Democrats have a 61–38 margin in the upper chamber of Congress anyhow.

What is more mystifying is why the Senate refuses to see the easiest and wisest solution—just declare the Senate seat for what it is—vacant.

The question then could be placed in the hands of the people who have been forgotten all along, the voters of New Hampshire who could be summoned to another election.

With nearly half of the year gone, it has become evident that the least lustrious achievement of the 94th Congress is its denial to New Hampshire of the constitutional rights which it helped to pioneer into being.

[From the National Observer, June 28, 1975]

This Week in Washington: "The New Hampshire Problem"—A State's Near-Tie Ties Up the Senate

(By Mark R. Arnold)

Every weekday at 1 p.m., the Senate in recent days has put aside its regular business and turned to one of the most confused and confusing issues to occupy its time in years: Who is the real winner in last November's Senate contest in New Hampshire?

Until last week, the issue seemed of no particular interest except in New Hampshire, which has been without its second senator for more than five months. But the 99 senators debating what is being called "The New Hampshire problem" have gradually become aware that their decision could have far-reaching implications on future election disputes.

For the Senate to declare either Republican Louis C. Wyman or Democrat John A. Durkin the winner in New Hampshire will raise charges of unfairness from the losing side—charges that will not be easily dismissed in view of irregularities in election procedures that the dispute has uncovered.

On the other hand, for the Senate to give up in frustration and ask New Hampshire to rerun the election might give losers in all close congressional contests a strong basis to argue for election reruns.

New Hampshire voters woke up the morning of Nov. 6 to find that Republican Wyman, 58, a former five-term congressman, had been certified the winner by 355 votes out of 222,000 votes cast. But a recount awarded the election to Durkin, 38, a former activist state insurance commissioner, by a mere 10 votes.

Wyman appealed to the state's Republican-dominated Ballot Law Commission, which considered 3,500 disputed ballots and gave the election back to Wyman by the smallest margin of any senatorial contest in history—2 votes.

DEPARTURE FROM CUSTOM

Durkin, alleging miscounting of ballots by the commission, appealed the ruling to the U.S. Senate under Article I, Section V of the Constitution, which makes each house "the judge of the elections, returns, and qualifications of its members." And the Senate has been wrestling with the problem ever since.

Ordinarily, except where fraud or corruption is alleged, the Senate seats certified winners provisionally—that is, subject to the outcome of its own investigation. But with the majority Democrats arguing that the election review would take less than two weeks to complete, the Senate voted 58 to 34 to have both men stand aside while the Senate Rules Committee considered the case. That was on Jan. 23.

The committee met 46 times, examined 700 ballots, debated for 212 hours, and took 656 votes. And last month it reported it was hopelessly deadlocked over 27 disputed ballots and eight other issues, which it asked the full Senate to resolve. A sample of the issues: Should the committee investigate "circumstances surrounding the casting of [a] ballot by Mrs. Ella Doyle for her sister, Mrs. Elizabeth McCarren"?

WHO WINS IN A TIE?

That is precisely the kind of issue the committee itself was charged with deciding. But the committee can't decide how many votes it takes to make a decision. Thus, another question before the Senate is whether a 4–4 committee tie affirms the last ruling of New Hampshire authorities or signals a committee impasse.

To complicate matters further, the committee's investigation of charges by the rival candidates has turned up ambiguously marked ballots, alleged fraud, inaccurate vote tally sheets, and voting-machine malfunctions.

It has even been suggested that the rules committee widen its examination beyond the 3,500 ballots considered by the state commission and recount 185,000 paper ballots cast in New Hampshire, but opponents of this course argue that the paper ballots were not properly secured by New Hampshire authorities and may have been tampered with. Pending possible review, the 185,000 ballots are currently housed in a room in the basement of a Senate office building under guard.

PROVISIONAL OFFICES

From twin tables set up in the rear of the Senate chamber, Wyman and Durkin have been anxiously watching the Senate debate their future. They have been given provisional offices to work from too; aides of each man refer to their boss as "the senator." The two sides figure they have run up expenses of about $30,000 since Nov. 5. They hope the Senate eventually will pay their legal fees.

What should be done? Wyman wants the Senate to declare the seat vacant and allow a new election, which he is sure he can win. Durkin, conscious of the Senate's 61–38 Democratic edge, prefers to rest his case with the Senate.

Neither side knows who's ahead in the Senate committee recount because disputed ballots have been masked to prevent identification. But Wyman contends that the committee's Democratic majority has acted in a partisan manner in dismissing many of his ballot challenges and refusing to count a dozen ballots awarded him by the state commission.

Last week a Republican move to send the issue back to New Hampshire for a rerun was defeated on a 55–43 vote, which split largely along party lines. "No honest man can call this election either way," declared the motion's sponsor, Lowell P. Weicker, Jr., of Connecticut. Rejoined Senate Democratic Whip Robert C. Byrd, Jr., of West Virginia: "Someone won that original election. The Senate has a Constitutional duty to determine who."

But to determine who, the Senate still has to determine how to recount the ballots—and which ballots to recount. Says Michigan Democrat Philip A. Hart, "I have the uncomfortable feeling that whichever way we jump, public confidence is going to be eroded."

[From the Baltimore Sun, June 10, 1975]

NEW HAMPSHIRE'S EMPTY SEAT IN THE SENATE

(By James J. Kilpatrick)

WASHINGTON.—The Constitution says, plain as day, that "no state, without its consent, shall be deprived of its equal suffrage in the Senate." But New Hampshire, whose ratification long ago brought the Constitution itself into being, is being denied what the Constitution guarantees it.

Since the 94th Congress convened in January, New Hampshire has had one senator only. The Granite State has been the victim of the Senate's delay. If the contested seat should now be awarded to the Democrat, John A. Durkin, the entire Congress will suffer from the Senate's shame.

This discreditable situation dates from last November, when Mr. Durkin and the Republican, Louis C. Wyman, finished in a virtual dead heat. Mr. Wyman was at first declared the winner. On a recount, Mr. Durkin appeared to have won by 10 votes. Then the New Hampshire Ballot Commission, the state's highest authority, certified Mr. Wyman by a 2-vote margin.

Mr. Durkin protested Mr. Wyman's certificate of election, as he had every right to do. The Constitution says that each House of Congress "shall be the judge of the elections, returns and qualifications of its own members." But it never was dreamed that the Senate would usurp the rights of the people themselves.

That is what is happening in the Wyman-Durkin contest. The people of New Hampshire have been forgotten altogether. The Senate Rules Committee has plodded through 46 meetings, lasting 200 hours, in a tedious effort to examine and to rule upon more than 900 individual ballots. Now the committee has sought the "sense of the Senate" on 36 questions it was unable to decide for itself.

This is a sham. The entire Senate cannot possibly pass intelligently on the contested ballots. The danger—and it is a grave danger to the Senate itself—is that the unresolved questions will be resolved by party-line votes.

The Democrats now have 61 seats, the Republicans 38. By giving the seat to the Democrat, Mr. Durkin, the Democrats would gain still greater advantage in committee memberships.

Such an advantage would be purchased at a fearful price. Repeated public opinion surveys have demonstrated how little confidence the people have in Congress—and in public bodies generally.

In the case at hand, the Senate Rules Committee already has left an impression of bias. The committee spent almost four months in a review of Mr. Durkin's evidence. Not until April 25 did it get to Mr. Wyman's evidence. His every substantive request was rejected.

May 6, the committee sent four staff members to Nashua, N.H., to inquire into certain alleged irregularities. A transcript of the staff hearing discloses blatant partisanship. A majority staffer, James H. Duffy, flatly refused to let minority members pursue relevant lines of inquiry. The hearing resulted in no more than a perfunctory look at the matters in controversy.

Some of the contested evidence deals with Manchester voting machines that were out of whack. Thirty-seven ballots appear to be missing from Dover and Troy. In Nashua, at least two absentee ballots might have been illegally cast. Returns from 10 other cities are in doubt.

The fair thing to do is simply to send the issue back to New Hampshire. This should have been done months ago, when the magnitude of the irregularities became evident. The people themselves, in a new election, could make their own choice. It is scarcely conceivable that a second election would wind up like the first. One or the other surely would emerge a clear winner, free of taint or doubt, with a valid title to a place on the Senate's roll. This is the course of wisdom. The alternative is a course of folly.

[From the Cincinnati Enquirer, June 26, 1975]

LET NEW HAMPSHIRE VOTE AGAIN

More than seven months have passed since the people of New Hampshire *thought* they were electing a new U.S. senator. And still the seat they sought to fill is vacant.

Republican Louis C. Wyman was initially declared the two-vote winner over Democrat John A. Durkin by New Hampshire's Ballot Law Commission. Mr. Durkin appealed to the full Senate where Democrats outnumber Republicans 61–38.

Since the start of the 94th Congress last January, the Senate Rules and Administration Committee has wrestled unsuccessfully with the nine procedure issues and the question of how 27 voters intended to mark their ballots. Now the committee has deadlocked, and the issue has moved on to the full Senate. It is becoming increasingly clear that even that body will be long in unraveling the issue. New Hampshire, meanwhile, continues to be served in the Senate by only one member.

Two months ago, The Enquirer suggested that the only thoroughly acceptable answer was to allow the people of New Hampshire to go to the polls and vote again.

In the intervening two months, the Senate, and its committee, have invested many hours and many words in the New Hampshire dilemma. But they appear to be no nearer an equitable solution now than they were then.

Hence, we reiterate our suggestion: Let the people of New Hampshire decide who should serve them in the Senate, and let them do so soon.

[From the Salt Lake City (Utah) Deseret News, July 7, 1975]

LET NEW HAMPSHIRE VOTERS DECIDE

The fairness of the Democratic majority of the United States Senate will be tested soon after the lawmakers return from their Independence Day recess.

In New Hampshire, Democrat John Durkin and Republican Louis Wyman ran the closest Senate race in history last November. No one knows who was the legitimate winner.

Both candidates have agreed another election should be held, to let the voters decide. But under the provision of the Constitution allowing the Senate to be judge of the qualifications of its members, the Senate has decided to make the decision itself.

There are 61 Democrats and 38 Republicans in the Senate. So far, the deliberations over the election look like a blatant steal by the majority party.

For example, a number of "skip ballots" were cast for each candidate. On those ballots, the voter put an X under the party of his choice to vote a party-line ballot. He also marked an X by the name of each candidate of that party except the candidate for senator.

New Hampshire practice is to accept those ballots as votes for all of the candidates of the party that was marked.

Senate practice—set by party line votes—has been to accept the Democratic "skip ballots", but reject the Republican ones.

Besides the obvious injustices, there are numerous problems with the ballots that are so vexing that perhaps no judge could resolve them satisfactorily. Even the most scrupulous decision by a Democratic majority for a Democratic candidate will be suspect.

The Democratic majority can impose their will by sheer political weight, if they choose to. But that would demonstrate before the whole nation that those senators care more for paritsan advantage than for fair play.

The only satisfactory way to resolve the question is to return it to New Hampshire and let the people decide with a new election.

[From the Arizona Republic, June 23, 1975]

DISGRACEFUL PERFORMANCE

"We have 61 seats now. We don't have to steal an election, any election," said Senate Majority Whip Robert C. Byrd of West Virginia.

That was back in January, shortly after the 94th Congress convened.

Ever since, the Democrats have been doing everything possible to steal the election for the Senate held in New Hampshire last November.

The election was a close one, perhaps the closest in U.S. history.

On the first count, Republican Louis C. Wyman emerged as the winner by 542 votes.

A recount gave the victory to his Democratic opponent, John A. Durkin, by 10 votes.

On a re-recount, the state's Ballot Commission again gave the election to Wyman by 2 votes.

The state certified Wyman as the legally elected junior senator from New Hampshire, whereupon Durkin challenged the ruling.

Under the Constitution, each house is "the judge of the elections, returns and qualifications of its own members." Historically, in cases like this, the Senate always has seated the man certified by his state, while the Rules Committee considered the dispute.

Later, if the full Senate so decided, it could remove him and replace him with his opponent.

This procedure was followed in order not to deprive the state of its constitutional right to have two senators.

This time, Senate Majority Leader Mike Mansfield moved that Wyman be made to stand aside while the Rules Committee held a re-re-recount. Given those 61 Democratic seats, the motion was approved overwhelmingly.

The re-re-recount then began.

Meanwhile the New Hampshire Legislature passed a bill making it possible to hold a runoff election if the Senate should decide to declare the seat vacant. The Democratic majority chose to ignore this.

After five months of re-re-recounting, the Rules Committee found itself deadlocked, 4 to 4, on the validity of 27 of the ballots. It asked the Senate to decide.

At this, Sen. Lowell Weicker, R–Conn., moved to have the seat declared vacant so that New Hampshire could hold a runoff. Byrd would have none of that, and the Senate voted down the motion, 55 to 43.

The Democratic performance has been nothing short of disgraceful. Given the closeness of the election and the impossibility of deciding the validity of some of the ballots, a runoff obviously is the only fair way to decide the dispute.

The refusal of the Democrats to permit a runoff can only be explained by the fact that Wyman had to run against Watergate as well as Durkin last November. Watergate wouldn't bog him down now.

For all his fine words, Byrd clearly is determined to steal the seat for Durkin.

[From the Los Angeles Times, June 27, 1975]

THE FOOTSTOOL LOOKS SHABBY

The time has come for the U.S. Senate to put an end to its partisan bickering and deadlock over last November's disputed New Hampshire senatorial election.

It has long been clear that the issue cannot fairly be resolved in Washington. "No man on God's footstool can say who won this election," was the way Majority Whip Robert C. Byrd (D-W. Va) put it.

The accuracy of that assessment is not in contention. That means that the proper thing to do is to return the matter to the people of New Hampshire, where the state legislature already has authorized a special election.

Democrats in the Senate don't want to do that. With their majority, they are certain of seating Democrat John A. Durkin if they can break the weeks-old GOP filibuster. Durkin won the second of two recounts last year by two votes, after losing the first recount to Republican Louis C. Wyman by 10 votes. But, given the confusion over the ballot tabulations, it is evident that declaring a winner on a party-line vote would not necessarily mean seating the man most favored by the New Hampshire electorate.

The Senate has the constitutional power to pass judgment on the election of its members. But in the present case the evidence on which judgment must be based is so muddled, so much a matter of partisan controversy, that any choice between the two candidates would inevitably be clouded by doubt.

Senate Republicans want to declare the New Hampshire seat vacant, and so open the way for a special election. There is no denying their partisan motive to go for a possible victory in New Hampshire against a sure defeat if the vote is left with the Senate. It is still the best course to take, however—best for the people of New Hampshire and best for the integrity of the Senate.

[From the Los Angeles Herald-Examiner, June 17, 1975]

JUSTICE DENIED

The maxim, "justice delayed is justice denied," extends beyond the judicial system. In a real sense, it has applicability in everyday affairs.

Louis C. Wyman and John A. Durkin of New Hampshire have both experienced this form of denied justice. Sometime this week, they and the American public may learn which of them is New Hampshire's newest U.S. senator.

Although the Wyman-Durkin decision has been hanging since last Nov. 5, there's a possibility that they will still have to return home and engage in a special runoff election.

Candidates in the Senate's closest election, Durkin and Wyman have agonized through two inconclusive recounts of ballots, six months of senatorial grappling and exorbitant legal and other expenses without an official determination of who should fill the Senate seat vacated by former Sen. Norris Cotton.

Candidate Durkin exasperatingly referred to this dilemma as "the longest election campaign in history."

Justice has been denied at every level in this contest, albeit partly unintentionally. But we see no logical reason why this issue was not returned to the New Hampshire voters to dispose of in their own way.

A second election, for example, might have generated a larger voter turn-out and a prompt settlement of this contest without wasting so much time and money.

And it would have guaranteed that the will of New Hampshire voters would have prevailed—not the result of political machinations and partisan tactics of senators who should be concerning themselves with the ship of State.

[From the Orlando (Fla.) Sentinel Star, June 25, 1975]

LET VOTERS OF NEW HAMPSHIRE DECIDE CONTESTED SENATE RACE

In simple fairness, the U.S. Senate should send the disputed Wyman-Durkin election back to New Hampshire and let the people there decide which man they want.

Each candidate has been ahead at some stage of the marathon count of last November's balloting. At first Republican Louis Wyman was thought to be winner with a margin of some 500 votes, but after a recount Democrat John Durkin emerged with a narrow lead. State authorities sent the election to the Senate as too close to call.

Politics is, of course, a principal ingredient in this electoral goulash. (That shouldn't be surprising, since the whole thing is part of the political process.) Durkin naturally wants it decided in the Senate where Democrats outnumber Republicans 61 to 38. And Wyman, just as naturally, wishes to avoid a Senate decision for the same reason.

The Senate has a constitutional right to seat the candidate it considers the winner of a contested election.

However, senators could exercise this right in one of two ways:

Vote on the basis of evidence now before the Senate after deciding on the validity of all disputed ballots; or

Send the two men back to the people.

Looking at it as a matter of simple fairness, we favor the latter course.

There is no way 99 senators could pick a winner in that close a race and be reasonably sure they were right.

In a Senate vote most senators would resolve doubts by sticking to the party line, a process which might or might not certify the man New Hampshire voters had meant to send to Washington.

A new election at the end of a six-week campaign has already been provided by a special act of the state legislature. That's the way to go.

[From the Detroit Sunday News, July 6, 1975]

IN NEW HAMPSHIRE SENATE CONTEST—NEW ELECTION URGED

Having tried without success since January to settle the disputed New Hampshire Senate election, the U.S. Senate should declare the seat vacant and let New Hampshire's voters decide the contest in a new election.

The New Hampshire Ballot Law Commission declared Republican Louis C. Wyman the winner of last November's election by a margin of two votes over Democrat John A. Durkin. Understandably, Durkin contested the result.

Ballots apparently were miscounted—though no one seems to know in which candidate's favor. However, there's no justification for continuing the fruitless debate in the Senate over how the matter should be settled.

Further delay will only confirm the belief of Republicans that a Senate dominated by Democrats is trying to steal the election. Sen. Mark O. Hatfield, R–Oregon, suggests that "the dark shadow of Watergate covers this Capitol building."

Democrats pretend that the Constitution binds their hands, forcing them to decide the matter in the Senate whether they want to or not. Actually, the Constitution provides only that each house of Congress shall be the judge of the elections and returns of its own members. The Constitution does not say what the judgment shall be.

The Senate can judge that the election was far too close to call and that the people of New Hampshire should be allowed to settle their problem through their traditional democratic processes—with the assumption, of course, that the new election would be more carefully monitored than last November's.

Meanwhile, as candidate Wyman waits for some kind of decision, he finds himself suddenly having to answer, again, charges which he answered during last year's campaign.

He freely acknowledged in the campaign

that he had once played a liaison role between Nixon fund-raisers and a potential contributor hunting an ambassadorship. He denied doing any thing illegal. After looking into the case, the Watergate prosecutor wrote that the investigation had uncovered no evidence to support bringing criminal charges against Wyman.

The resurrection of this case through new charges by way of unnamed sources has the strong smell of politics. One wonders if Wyman's foes wish to use the hint of scandal to justify a Senate decision to seat Durkin.

The question of the ambassadorship is a separate issue from the contested election. Wyman should not suffer a political defeat at the hands of a Democratic Senate on the basis of mere allegations that seem timed for the occasion. If conclusive proof of guilt is offered later, the case can be handled by due proces in the courts and in the Senate itself.

The immediate issue is what to do about the New Hampshire impasse. We say let the voters break it.

[From the Ann Arbor News, June 3, 1975]

Be Decisive About It

If you think it took Ann Arbor a long time to settle on a mayor, consider the case of New Hampshire. Seven months have passed since last November's Senate election but the Granite State still doesn't have a winner.

Currently, 27 disputed ballots (out of 220,000 cast) seem to hold the key to whether the election winner is Republican Louis Wyman or Democrat John Durkin. An initial recount gave Durkin a narrow victory, but after a review of disputed ballots, the state Ballot Law Commission awarded the victory to Wyman.

Durkin then appealed to the U.S. Senate, which is where the matter rests. All the procedures have been properly followed, but now it seems a cinch that the U.S. Senate voting as a body will vote to seat Democrat Durkin. That's just the way the partisan lines split.

Thus 98 senators will determine for the people of New Hampshire just who their senator should be. It doesn't seem fair, and one can be assured that if these New England Yankees had it to do over again, they'd be more decisive about it.

[From the Indianapolis Star, June 22, 1975]

Day of the Constitution

On this date in 1788 the establishment of the present political structure of the United States was assured.

It was then that the New Hampshire legislature voted to ratify the new Constitution, bringing the number of ratifications to the nine required to put the document into effect. The government waited until the following March, however, to declare it so.

The Constitution was drafted by a special convention of representatives of the 13 original states, because leaders of the time had concluded that the confederacy formed after the Revolutionary War was too weak to endure. What emerged was a republic of remarkable strength and durability.

The nature of the political structure has been altered somewhat by subsequent amendments, but essentially it remains what was designed in the arduous labors of the summer of 1787.

Vagaries of interpretation and action by the courts and by Congress have also battered the Constitution from time to time. It is ironic that on this anniversary of the decisive New Hampshire action that state is the victim of one of those vagaries.

The Constitutions says that no state shall be deprived of its equal representation in the U.S. Senate, but the people of New Hampshire wouldn't know it today. Throughout the current session of Congress they have had only one senator. Their other Senate seat is tied up in an election contest through which the Senate has been plodding like a city tenderfoot lost in the Everglades.

Democrat John A. Durkin was declared winner of the seat by 10 votes after the November election, but after a recount Republican Louis C. Wyman was certified as winner by two votes. The Constitution also says each house of Congress is the sole judge of the elections of its members, but the Senate in its initial attempt could not reach a judgment and turned the Durkin-Wyman contest over to its Rules Committee.

The committee was deadlocked after four months of sifting through hundreds of ballots, and last week the full Senate again took up the matter. It's not settled yet, and the obvious solution of sending it back to New Hampshire for a new election has so far been rejected.

Thus can the Constitution sometimes be frustrated by the errors of machinations of those who implement it. Nevertheless over nearly two centuries the Constitution has been the bulwark of a free people in a free nation. It is a distillation of immeasurable wisdom, and the people still have the wisdom to cling to it.

[From the Miami Herald, June 30, 1975]

Continued Shame in the Senate

The United States Senate has not exactly achieved its finest hour during debate on what to do about the unresolved race for one of New Hampshire's seats.

The "world's most exclusive club" has managed to move so slowly that New Hampshire has been excluded from full participation for almost six months.

Now the Senate has taken its July Fourth recess with the issue still unsettled, increasing the chances that the matter could drag on into the late summer.

Furthermore, senators have divided along partisan lines on almost every issue brought to a vote. And during floor debate, the Senate repeatedly lacked a quorum—not unusual, as any Capitol vistor will attest, but shameful on an issue of such delicacy. No wonder senators didn't want the affair televised.

In fact, it appears the only thing New Hampshire could have done to arouse the interest of more senators was to reschedule its presidential primary for early this summer. That would at least have gained the undivided attention of the 90 or so senators who think of themselves as possible presidential timber.

[From the Commercial Appeal, June 30, 1975]

Not Much To Celebrate

Congress has gone home again, this time to celebrate the Fourth of July.

It really doesn't have much to celebrate in terms of what it has accomplished thus far this year.

But some citizens—and certainly President Ford—are just as happy with the outcome. They feel that the failure of Congress to do what it wanted to do is a plus for the nation because at least its failures have not cost us anything.

Still, there are some things that must be done by Congress. The President has asked it to do some of them, and the people expect certain actions, too.

Senate Majority Leader Mike Mansfield in wrapping up the session last week said he hopes the President will cooperate more with Congress in the months ahead and become less absorbed in "chalking up vetoes." That's not a bad idea. But Pennsylvania Avenue still is a two-way street.

The President already has indicated on some of the disputed measures where and how far he wants to go. Congress has kept trying to push him further.

Up to now this has resulted in stalemate.

But it is a stalemate which the people of the nation are not terribly upset about at this point. The record shows the President may be getting the better of it politically. So if Congress doesn't like what has been going on and cannot demonstrate its mandate to go as far as it has tried to go, then it is up to Congress to compromise.

It did that last week on the new housing bill. And it appears likely the President will accept what Congress has done in that legislation.

Maybe soundings in their home states this week will give members a better understanding of the realities of the situation.

Then, if the Senate can get over its silly haggling over the New Hampshire election results, perhaps some reasonable proposals still can be put together and action will result.

WORLD FOOD NEEDS SHOULD NOT BE GLOSSED OVER

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an article which appeared in the Foreign Agriculture newsletter published by the U.S. Department of Agriculture, entitled "World Food Situation Better Since November's Conference." The article offers some significant facts illustrating the improvement of the world food situation.

It is encouraging that the United States has increased its food assistance to $1.6 billion to fight world hunger as compared with a $939 million program in fiscal 1974. There have been significant improvements in food availabilities in India, Bangladesh, and the Sahel, which have been considered crisis food areas of the world. Furthermore, Bangladesh will receive 550,000 tons of wheat and 350,000 tons of rice as part of our Public Law 480 program.

But we must not be misled by the prospects for a good harvest this year. The issues outlined at the World Food Conference are still with us. We are still subject to the whims of the weather. And one good harvest will not reduce the importance and urgency of the food problem. Food must not lose its priority among competing national economic issues.

The real test of the U.S. commitment will come in the next few years. Our interest and our stake in the food issue is overwhelming. If the food supply picture improves, we must avoid falling victim to a false sense of security.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Foreign Agriculture, June 23, 1975]

World Food Situation Better Since November's Conference

(By Don Paarlberg, Director of Agricultural Economics, U.S. Department of Agriculture)

The short-term outlook for the world food situation has improved significantly since the World Food Conference in November 1974. Food aid shipments from the United States and other countries have alleviated the food problem in the most severely affected countries. And there is optimism over prospects for sharply improved crops this year.

An increase in world food production of about 5 percent in 1975 would place us close to the long-term trend of recent years. Based on crop conditions in April such an increase appears possible as farmers around the world respond to the relatively high prices. Of course, if adverse weather occurs in some major areas, we could be faced with another very tight world food situation.

World wheat production is currently forecast to reach a record 372 million metric tons, a gain of 7 percent over the 1974 total of 347 million. Most of the increase is expected in the United States, Canada, and the USSR. Coarse grain production may reach a record 626 million in 1975 against the 562 million in 1974, with the United States accounting for the bulk of the gain.

Availability and price of fertilizer have been of major concern in recent years, but now there are signs of an easing in the tight supply situation. India, Pakistan, and Turkey reportedly all have relatively large inventories, and the Philippines has banned fertilizer imports.

Although predictions are still very uncertain, North American fertilizer consumption is expected to rise much less in 1975–76 than in the previous 2 years. U.S. manufacturers' inventories, while less than normal, continue to increase above last year's low levels.

In 1975–76, worlwide, USDA expects an 8 percent rise in nitrogen capacity and a 6 percent increase in consumption; for phosphate, increases of 12 percent and 5 percent; respectively; and for potash 3 percent and 5 percent, respectively. While estimating production from capacity is uncertain, it appears that fertilizer supply will be sufficient to meet expected consumption levels, and prices may soften.

The World Food Conference set a target for food aid commitments by the participating developed countries of 10 million tons of grains for 1975 and each year thereafter. As of March, this target for 1975 was close to fulfillment with commitments of about 8.8 million tons.

Since the World Food Conference, the United States has increased its Food Aid Program by $600 million to $1.6 billion (including ocean transportation) in this fiscal year, compared with $939 million in fiscal 1974. The volume of food aid this year has been programmed to rise to about 5.6 million tons, from 3.3 million tons last year.

Shipments planned under P.L. 480 during fiscal 1975 include 4 million tons of wheat and 1 million tons of rice. The United States has been making every effort, with the cooperation of recipient countries, to make delivery on these commodities before the end of fiscal 1975.

The United States believes that nearly all of the wheat can be exported. We have not been able to reach an effective program level of 1 million tons of rice, but up to 800,000 tons will probably be exported.

Bangladesh, India, and the Sahel are areas of the world that are being watched carefully as crisis food areas, but most indications show improvements in food availabilities. Despite widespread flooding in Bangladesh last August, the total rice harvest probably was near the previous year's level of 12 million tons, milled basis.

The United States P.L. 480 agreement with Bangladesh for fiscal 1975 includes 550,000 tons of wheat and 350,000 tons of rice. This total amount is scheduled to arrive in Bangladesh by end-August 1975, before the critical yearend period.

Bangladesh has also received significant food aid during fiscal 1975 from Australia, Canada, the European Community, and Sweden, and money aid has been received from various oil-exporting Mosleum countries. It is still possible that some financing arrangements could be cancelled or aid shipments could be delayed, but nonetheless, the situation now appears better than in previous years.

Total 1974–75 production of cereals and pulses in India is now expected to exceed 100 million tons, down from 104 million tons last year, but higher than estimates of a few months ago. Rice and coarse grains showed declines, but the wheat crop now being harvested is up from 22 million tons to 24–26 million tons.

Total Indian grain imports are expected to be in the 6.5-7-million-ton range during fiscal 1975—up from 4.5 million tons the previous year. Almost 5 million of this, including 800,000 tons under P.L. 480, is from the United States. These rising imports have brought improved food supplies to cities, but expanded distribution from Government supplies to rural areas, especially in western India, will be needed during the lean period, June-October.

In the Sahel, late 1974 crops were generally good, as the drought was relieved by more normal rainfall. Food supplies are now nearly adequate, and the need for foreign supplies is diminished. Recovery and rehabilitation programs are underway. The dry season is now on, and new plantings will start soon.

Like the Sahel, Ethiopia experienced much better rainfall in 1974. There were abundant crops in many areas and the drought-hunger spectre has, for the most part, lifted. However, some remote areas still have hunger problems carrying over into 1975. Recent political turmoil is reported to have cut some supply lines between surplus and deficit areas.

Africa's 1974 drought scene shifted to the Somali Republic where prolonged drought has caused widespread hardship. Relief camps are packed with at least 250,000 refugees from the countryside. International aid, including U.S. corn and sorghum, is being provided. Somali officials stated that famine conditions would peak in April or May 1975 and estimated that possibly one-quarter of the country's population would require relief.

For many of the non-OPEC developing countries, monetary and economic problems are having a direct and severe impact on their ability to solve their immediate and long-term food problems. These countries are being caught in a vise as their overall balance-of-trade and payments positions continue to deteriorate in 1975.

The overall trade deficit of non-oil-exporting developing countries jumped to $26 billion in 1974, up from $12 billion in both 1973 and 1972. The combined current account deficit of these countries, including the services and transfers accounts, as well as the trade account, was estimated at $23 billion for 1974 and is projected at $30–$35 billion for 1975. Oil import costs for 1974 added an extra $10 billion to total import costs, on top of higher food, fertilizer, and capital goods imports.

In addition to the problems of higher imports the developing countries are also facing problems with falling prices for many of their primary products exports. Reduced business activity in the industrial nations—particularly in the textiles, housing, and auto industries—is largely responsible for the price declines of raw materials. By the end of 1974, some prices were below both 1973 and 1974 average prices.

Not all developing countries are being affected equally by the export-import problems. Several of them are relatively self-sufficient in oil, like Malaysia, Mexico, and Egypt. Others have dynamic export sectors that sell a wide variety of both primary products and manufactured goods. These countries, along with those whose internal food grain production is high relative to needs will fare best in 1975.

International monetary reserves of non-OPEC developing countries, in fact, grew by $3.8 million in 1974. This was, in part, due to a large increase in commercial borrowings. These countries borrowed some $6.4 billion from the Eurocurrency markets in 1974, with over three-quarters of that going to five countries: Mexico, Brazil, the Philippines, Argentina, and Peru.

For the bulk of developing countries however, borrowings were made from international agencies and through bilateral agreements. Net drawings from the regular International Monetary Fund (IMF) credit facility exceeded $1.5 billion in 1974, including loans from the IMF oil facility of over $900 million. The OPEC countries disbursed roughly $2.5 billion in aid to developing countries in 1974 with other large commitments as yet undisbursed. A potential problem will be debt servicing, especially since many of the commercial loans are shortterm and even the IMF oil facility loans have a maximum repayment period of 7 years.

Since the World Food Conference, the United States has joined discussions in the International Wheat Council (IWC) on measures to improve the world's food security system. The first of several meetings of an IWC preparatory group was held in London during March as a followup to Secretary Kissinger's proposal at the Conference to establish an international system of nationally held grain reserves.

The United States notified the Food and Agriculture Organization (FAO) of the United Nations on March 25 that this country is ready to adopt the objectives, policies, and guidelines contained in the International Undertaking on World Food Security that was proposed by Director-General Boerma. On May 19–23, at an FAO Ad Hoc Consultation in Rome, the progress toward worldwide adoption and implementation of the food security undertaking was discussed.

An imported world grain outlook for 1975–76 points toward some easing of the tight supply-demand situation. World grain production is expected to exceed worldwide consumption and allow a moderate recovery from the recent downward trend in grain stock levels.

In part as a consequence of the World Food Conference, the Department of Agriculture has been marshaling its own capabilities in the agricultural area. A working conference to develop new priorities for food research is scheduled to be held in Kansas City, Missouri, July 9–11. Delegates representing producers and processors of agricultural products, marketing firms, national farm organizations, farm labor groups, consumers, environmental and conservation groups, nutritionists, and Government agencies will help identify the most pressing problems of food production, processing, and distribution that require research during the next 10 to 15 years.

The conference is being co-sponsored by the Department and the National Association of State Universities and Land Grant Colleges. Output of the conference will be used by planners, administrators, and scientists in shaping programs to help solve the U.S. and world food problems.

SAVING THE WORLD FROM LIFEBOATS

Mr. CLARK. Mr. President, I would like to call the attention of my colleagues to a perceptive article "To Save the World From Lifeboats," by Alan Berg in the June-July issue of Natural History magazine.

This article is a rebuttal of the "lifeboat" or "triage" theory—the idea that the affluent countries should deliberately withhold help to countries which "cannot be saved."

The author notes that:

> To some, the Malthusian image of triage offers an intellectual rationalization for inaction. Because the situation looks hopeless,

triage can become a self-fulfilling prophecy. Do nothing, and for some countries disaster may be inevitable.

The article points out that while the world continues to have a serious food problem, there is still great scope for increased production. Mr. Berry reminds us, Bangladesh grows one-fifth the amount of rice per acre as Japan. For countries such as Bangladesh to realize their productive potential and provide adequate nutrition for their people, they must have assistance for "basic development programs that will increase local agricultural production, lower population growth rates, improve nutrition and health, and extend life expectancy."

Mr. Berg is disturbed—as am I—by what he sees as "increasing numbness to the problems of those in need." In perhaps his most telling point, he reminds us that:

> The conscious adoption of a policy of triage would constitute a basic deviation from what we have long considered moral responsibility, not to mention human decency.

A man who has been involved in nutrition policy for most of his career, Mr. Berg worked on food programs in India for 4 years and is now on the staff of the World Bank. He is also the author of the book "The Nutrition Factor." Clearly, his views of the "lifeboat" or "triage" theory—whose fashionability I find frightening—carry great weight and deserve our attention.

Mr. President, I ask unanimous consent that this excellent article be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TO SAVE THE WORLD FROM LIFEBOATS

(By Alan Berg)

People in intellectual and official circles have a penchant for coining new words or unearthing old ones as a means of dramatizing complex political issues. Capsule phrases from the past include domino theory, Iron Curtain, cold war, free world, and containment.

This year's fashions in political shorthand are the terms *triage* and *lifeboat theory*, both used to describe the world food problem. Triage refers to the medical disaster strategy of dividing casualties into three categories: those with superficial wounds, those badly injured but capable of surviving if given medical help, and those hopeless cases on whom limited medical manpower and supplies would be wasted.

Some people are now calling for a triage-type application in aid policies toward economically underdeveloped countries. This would involve a clear-cut listing of those that have enough food or foreign exchange to feed their people. Thailand and the oil-producing countries for example; those, such as Pakistan and the Philippines, with a manageable imbalance that could be corrected with food and financial assistance; and those countries that purportedly "can't be saved." In these countries, according to triagists like William and Paul Paddock, population has already outstripped agricultural potential; this, combined with "other divisive factors, makes catastrophic disasters inevitable." Bangladesh and several of the Sahelian countries have been given as examples.

The second phrase pictures affluent countries safely in a lifeboat, surrounded by a sea filled with poor nations, some treading water, some close to drowning. The lifeboat theorists suggest that the secure should be highly selective in tossing out life preservers; if everyone is helped, the lifeboat may sink of its own weight.

Unfortunately, catch phrases tend to give people the comfortable feeling of having grapsped the whole picture with one or two words, avoiding in the process all the complexities, subtleties, and ambiguities that invariably surround human problems and that are, in fact, essential elements of such problems. When the issue involves projections thirty years into the future, the obvious dangers of oversimplification are magnified.

Another defect of political shorthand is that the graphic, catchy phrase has a tendency to stick—even when it is wrong or, if originally appropriate, when bypassed by events. To yank the adhesive phrase from the consciousness is painful, requiring the stripping away of deeply ingrained positions with which an individual has identified and has been identified.

In the case of labels like triage and lifeboat, there are additional difficulties. For one thing, they divert attention from the more consequential aspects of the world food problem. We are inundated with photographic images of the starving in the Sahel, Ethiopia, and Bangladesh. While the famines in these areas are real and poignant, indeed tragic, they are geographically isolated situations and affect only a small fraction of the populations in those countries.

Far more important, but lost in the headlines and sensational pictures of the starving, are the numbers, thousands of times greater, who are being subtly debilitated by malnutrition. Because of the rising price of basic foodstuffs, the diets of the poor are smaller and less varied than they should be, and for many, less nutritious than they were in former years. As a result, millions of unobtrusive, unphotographed children in many low-income countries lack resistance to what would otherwise be relatively minor childhood diseases. Child mortality, already high, can be expected to increase appreciably in these countries, and of those who do survive, many will probably suffer physical and mental scars.

These are problems that will not disappear with what now looks like a favorable turn in weather in the disaster areas of last year, including the Sahel and most of South Asia. Nor will they disappear with the food available (at least as of this writing) from excellent, perhaps even record crops from the United States, China, and the Soviet Union. We have learned that a sufficient food supply is not enough. Serious nutritional deficiencies often persist because of distribution mechanisms incapable of reaching the poor and lack of understanding by some on how best to use the food resources already available to them.

Use of a triage or lifeboat label also distorts the reality of the situation. Countries are neither medically hopeless nor drowning. Although a streak of bad weather, together with economic disruption, has played havoc with world food supplies during the past two years, we are far from writing obituaries for nations. Viewed from a quantitative perspective, a few percentage points—one way or the other—in agricultural production generally make the difference between a good year and a bad one. Given the potential of existing agricultural technologies—new high-yielding seed varieties, better cropping patterns, flood control for irrigation purposes, more effective fertilizer usage, better storage to prevent waste, and so on—to say nothing of still better seeds and other new technologies far along in their development, there could easily be enough food to feed the world into the next century. Bangladesh grows one-fifth the amount of rice per acre as Japan. Only 3 out of 25 million acres in Bangladesh are planted with high-yielding varieties, and although double or triple cropping is feasible, the average farm grows only 1.4 crops annually.

Even an occasional bad harvest need not inevitably bring hunger and malnutrition. As most food-deficit countries recognize, what is needed is increased emphasis on local agricultural production, population programs, and more efficient and equitable distribution of resources. Granted, given political and bureaucratic realities, these are not easy tasks and, in some cases, would require basic land, income, administrative, and political reform. The triage-lifeboat school, however, has apparently concluded that the governments and citizens of these countries are either unconcerned or incapable of taking the steps necessary to keep pace with their food needs: an imperious and ill-founded conclusion for outsiders to reach.

Furthermore, a triage-lifeboat label is dangerous because it not only describes a circumstance, albeit distorted, but it also affects the response. To some, the Malthusian image of triage offers an intellectual rationalization for inaction. Because the situation looks hopeless, triage can become a self-fulfilling prophecy. Do nothing, and for some countries disaster may be inevitable.

For the activists who want to help, simplistic labels may lead to simplistic solutions. Many have suggested that by giving up one Big Mac a week or by cutting back on fertilizer for the azaleas, the world food problem will sort itself out. Not so. For the individual's act of deprivation to help the hungry abroad, there must be a direct program linking the reduced consumption of meat and fertilizer to formal assistance projects. No country has such a program.

More important than direct food transfer, however, is assistance for basic development programs that will increase local agricultural production, lower population growth rates, improve nutrition and health, and extend life expectancy. Reasonable assurance that children will survive may be a necessary precondition for lowering the birthrate, which in the long run is the crux of the food-population dilemma. The longer action is delayed, the larger will be the population base of future generations that must be fed. It is not in sirloin self-denial, but rather in the support of consequential development programs that individual energies can be most usefully mobilized to improve the human condition.

Returning to political catch phrases, there are still so many outdated shorthand misconceptions about development "basket cases" and "money down ratholes" that some people assume aid is a total waste. Accordingly, little public support is being mustered for development programs, and increasingly smaller budgets—especially in real terms—are being allocated in several affluent countries. Per capita aid received in low-income countries dropped in real terms by one-third over the past decade, a period in which the average per capita real income in the donor countries was increasing by one-half.

While it is true that all aid efforts have not been successful, some so-called basket cases of ten and twenty years ago are the economic success stories of today. In Korea, once considered financially hopeless, real income has doubled over the past decade, and GNP growth has averaged 10 percent a year, again in real terms. Despite all their problems, including substantial population increases, nearly all countries have more food per capita than they did ten years ago.

True, distribution is inequitable and shameful deprivations continue as wages of large portions of the population fail to keep pace with food prices. But without the successful aid efforts that doubled and tripled the production of crops in some countries, many more would be dying.

Finally, and most significantly, one cannot talk about triage without addressing its ethical implications. What does it mean to countries too poor to make the "aid list"? And what does it mean to those in affluent societies who are in a position to help? In the case of the former, triage, taken to its logical conclusion, will not eliminate problems, but will create bigger ones. A deliberate policy to withhold help to such countries as Bangladesh and Tanzania will probably lead to greater desperation, increased mortality, and a drag, if not a total brake, on development efforts. But the countries will not suddenly vanish. The reverberations of the social and political disruption that will accompany the misery are not likely to stop neatly at artificially drawn borders. As for those who would have been in a position to help, the conscious adoption of a policy of triage would constitute a basic deviation from what we have long considered moral responsibility to say nothing of human decency. It is not an attractive prospect.

Those of us who work with international nutritional issues are frequently asked which among the many forces at play—rises in food prices, aberrations of the weather, fertilizer shortages, oil constraints—should be the focus of greatest concern. Although all are important, the trend I find most disturbing and most significant in the last year is the increasing numbness to the problem of those in need—particularly on the part of those who in the past have been concerned. Continuation of this trend, something triage talk reinforces, has ominous implications.

With political labels, especially those like triage and lifeboat, which distort and distract, the turn of the good phrase often becomes the turn of the screw. Given the penalties for delaying a major attack on the food-population problem, fixation on misguided labels is a luxury the world cannot afford.

DR. DIXY LEE RAY RESIGNS

Mr. BAKER. Mr. President, before she gets too far away from us, I would like to salute an individual who has meant a good deal to this body, Dr. Dixy Lee Ray. Since Dr. Ray's biography and multitude of accomplishments appear in virtually every Who's Who in the world, I think it sufficient to say that she is a distinguished scientist, an effective leader, and a very close personal friend. As first a member and then Commissioner of the Atomic Energy Commission, she has been the best possible combination of all three attributes.

I first met Dr. Ray in her beloved and beautiful State of Washington in conjunction with her service on the Presidential Task Force on Oceanography. At the time, I was struck by the lady's knowledge, candor, and force of character. Now, with the passing of several years, I am not only struck by her force of character, I am in awe of it.

In 1972, Dr. Ray was appointed to the Atomic Energy Commission. Considering her dedicated service on the Commission and as its Chairman, I am proud to say that I supported that appointment. We met the second time in Oak Ridge when the newly appointed Commissioner was inspecting AEC installations across the country, and she roared—quite literally—into east Tennessee with an enquiring mind, a very healthy skepticism, two of her best friends, and a motorized office. I feel quite certain that when she returned home last month she was traveling in much the same manner.

Dr. Ray did not bring to the Commission decades of study in atomic energy. Her field is marine biology. She did bring a deep-seated reverence for the scientific process—and an equal irreverence for institutions. This was the individual perfectly suited to deal with two fairly well established institutions—the Congress and the AEC.

Dr. Ray came to the AEC as a biologist with a lifetime of environmental research. She came at a time when the need for full-blown development of nuclear energy was beginning to appear mutually exclusive with the need to protect our environment. She was irrevocably committed to both goals, and she was willing to compromise neither of them. As a result, she advocated and presided over the division of nuclear production and nuclear safety. She did this without bowing to external pressures and criticism—though there was an abundance of both, but with the independent recognition that nuclear safety was too important to leave an in-house function of production. She willingly acceded to a lower court decision that the Commission was subject to the requirement of producing an environmental impact statement in conjunction with the development of the breeder reactor program.

Finally, she advocated, fought for, and eventually won the creation out of the Atomic Energy Commission an entirely new organization charged with the full range of energy research and development. In ERDA is the recognition that nuclear fission is but one of the many undeveloped potential resources that any hope for future energy independence demands we thoroughly explore.

These have been dramatic and sweeping changes that were desperately and obviously needed. As with any change, they were frequently painful, and consistently controversial. Dr. Ray quite obviously did not shy from controversy—in fact, she seemed to think it a healthy catalyst to the function of government. Considering what she has accomplished. I agree with her.

Upon leaving the Commission, Dr. Ray was appointed to be the Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs. This, too, was a position uniquely suited to the talents she so abundantly possesses. Unfortunately, controversy followed her to the Department of State, but apparently without the former constructive results. After only 4 short months, Dr. Ray felt compelled to resign. While I do not feel competent to comment on the in-house policies of the State Department, I think it indeed unfortunate that Dr. Ray's enormous contributory potential is, at least for the moment, no longer available to the Federal Government.

In the long run, perhaps her most significant accomplishment is her continuing effort—beginning long before her appointment to the AEC, considerably enhanced by her distinguished service on the Commission and perhaps even by the decision to resign from the State Department, and certain to continue in the future—to humanize and demystify the "mysteries" of science. She has said, and I quote:

> Whether science is seen as genie or devil . . . we need to get some sort of perspective, so that people understand science is just one more intellectual tool, one more way of knowing enough things to give society a means of living on Earth.

I think that is a good lesson for us all—and in that light I ask unanimous consent to print in the Record Dr. Ray's letter to the President explaining her resignation, and once again eloquently pleading the need for dynamic and innovative scientific development.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Department of State,
Washington, D.C., June 20, 1975.

The President,
The White House.

Dear Mr. President: In my letter of resignation to Secretary Kissinger, I made brief reference to the circumstances within the Department of State that thwart those of us who are responsible for information and advice on the policies that guide United States international programs in science and technology from exercising our proper role. Public Law 93-126, passed by the Congress in October, 1973, mandates a policy role for the Bureau of Oceans and International Environmental and Scientific Affairs. Under present Departmental procedures, the Bureau can do little but acquiesce in the policies set by others, and attempt to implement its broad responsibilities with little authority and few resources.

Similar kinds of problems plague our Nation's domestic science policy.

Although steps may be underway to improve the present situation—e.g., the establishment of a Science Advisory Office in the White House, as you have proposed—I am deeply concerned that the imperative to use existing knowledge and proven technology for vigorous attack on today's problems is not fully recognized nor appreciated at the highest levels of government.

Of course technology must be used wisely and with proper regard for both economic and environmental consequences. An energetic research and developmental program on problems that are not yet solved must be pursued both by government directly and by government providing the climate—financial, intellectual and practical—to marshal the great talent and human resources of this land. That pitifully little is being done is nowhere so clearly evident as in the area of energy resources and technology.

On January 16 of this year, thirty-two of our Nation's most outstanding scientists—including eleven Nobel Laureates—made a public statement on energy policy. It is a significant and disturbing document—significant because it is a thoughtful and sober expression of concern for the future of our country made by a group of our most knowledgeable citizens and disturbing because it has been virtually ignored by the leaders of government. The scientists' statement, a copy of which is attached, says, in part:

"We ... believe that the Republic is in the most serious situation since World War II. Today's energy crisis is not a matter of just a few years but of decades. It is the new and predominant fact of life in industrialized societies.

"The high price of oil which we must now import in order to keep Americans at their jobs threatens our economic structure..."

The importance of secure supplies of economically priced energy (fuels and electricity) cannot be overemphasized. Although energy provides the power for all manufacturing, business, commerce, transportation, and distribution of essential goods (all this means jobs and whether there is employment or unemployment), the great energy debate focuses, ironically, on gasoline for the family automobile. Although we are, correctly, dedicated to a clean and healthy environment, the means to accomplish this laudable purpose requires more, not less, energy. Our alternatives are severely limited. We have no choice other than to practice conservation on a scale not yet imagined. This will take dedication and will require that the leaders of government set an example in energy saving measures. But conservation alone cannot recover or maintain the strength of our economy. Our need for reliance on solid fuels—coal and uranium—is real and must be recognized.

It is now 18 months since my report to President Nixon, "The Nation's Energy Future," was submitted. Many of the recommendations, especially the long-term research and development proposals that are painless and non-controversial are being implemented at glacial speed. But other programs, aimed at carefully planned, step-by-step conversion to heavier reliance on solid fuels, languish or are submitted to stultifying and interminable feasibility studies. The innovative Pioneer Synthetic Fuels Program, proposed in cooperation with private enterprise, has yet to receive serious consideration.

Our country is drifting. We seem neither to have the will to conserve energy nor the courage to map out a national program that will free us from the bondage of too great a reliance on imported energy whose price and security of supply we are powerless to influence. Painful decisions are needed for there are no easy solutions that will please everyone.

In the three years I have served in the Federal Government, I have done my best to face up to whatever problems have emerged and to resolve them in an open and honest manner. Thank you for your appointment and the opportunity to serve. I leave with no regrets.

Sincerely,

DIXY LEE RAY.

THE NAVY NUCLEAR ATTACK CRUISER

Mr. BENTSEN. Mr. President, one of my gravest concerns for the future security of this Nation is not based upon what new weapons our potential adversaries may be developing—although they are disturbing—rather, it is based upon the failure of our own defense establishment to provide us with weapons in the numbers we need at the prices we can afford.

The simple truth is that we are buying fewer weapons at a higher cost, with the result being that the United States may be pricing itself out of the capability to fight a prolonged war. One can only afford to lose so many billion-dollar ships and $20 million fighter airplanes before the cost of replacement becomes prohibitive and the security of the Nation is compromised.

The latest example of this phenomena is the decision by the President and the Navy, over the objections of the Department of Defense, to go with a new nuclear powered attack cruiser rather than one with a conventional powerplant. The initial price tag—and you can be certain it will go higher—is $1.2 billion for the first ship which makes this one of the most expensive ships built by the Navy. The Secretary of Defense opposed this step by the Navy but evidently there are some within the Navy who are so committed to protecting their own provincial interests that they refuse to comply with decisions that are made by their superiors within the Department of Defense and promote their own views outside the chain of command.

This decision by the Navy to force the construction of a nuclear powered cruiser, rather than one with a conventional power source, means that we will have fewer ships at a much higher cost and one which will provide us with only a marginal increase in actual combat capability. The numbers bear this out conclusively. By the Navy's own estimates the cost difference between a conventionally powered cruiser and one with a nuclear propulsion system is significant. Based upon an eight-ship program the Navy estimates that the cost of a nuclear powered cruiser will range between $800 and $900 million while their estimates for eight conventional cruisers would result in a program cost of $600 million per ship.

This means that we can have three conventional ships for every two nuclear powered cruisers proposed by the Navy and both would be equipped with an identical suite of armaments. A three to two advantage in combat ships is an advantage that I am sure every Senator and certainly any Navy man that has smelled the smoke of battle can appreciate.

The Navy has argued that nuclear cruisers will not entail the expense to operate that one incurs with conventionally powered ships. The testimony of the Secretary of Defense before the House Armed Services Committee again refutes this assertion. A nuclear powered cruiser will cost more to buy, more to maintain, and more to operate on a life cycle basis than a conventional ship. I ask unanimous consent that the Secretary's remarks be printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

PART I HOUSE ARMED SERVICES COMMITTEE HEARINGS, DEPARTMENT OF DEFENSE AUTHORIZATION, FISCAL YEAR 1976

The CHAIRMAN. Mr. Bennett.

Mr. BENNETT. I have one or two questions I would like to ask in connection with my serving as chairman of the Seapower Subcommittee.

At page III–73 of the Secretary's prepared statement it is said:

"Our most recent analysis of the relevant data has convincingly demonstrated nuclear-powered ships are more expensive—both to acquire and operate over their service lives than their conventional counterparts, even at current and expected fuel oil prices."

I mst say this runs counter to the information that was given to the Seapower Committee last year and, of course, we have to rely upon what experts have given us.

So what I am asking you now is, since we don't have any evidence like this before our subcommittee, and we want to be fully informed, will you see to it that we get the information that is the basis for that statement?

Secretary SCHLESINGER. I would be delighted, Mr. Bennett.

COMPARATIVE COSTS OF NUCLEAR AND CONVENTIONAL SHIPS

The table below reflects the most recent cost comparison for nuclear and conventional surface combatants of cruiser size. All costs are in undiscounted fiscal year 1976 dollars.

[In millions]

	Procurement	Midlife conversion	30-year operation	30-year life cycle cost
Nuclear cruiser	[1] $604	$242	[2] $844	$1, 690
Conventional cruiser	[1] 403	161	[3] 680	1, 244

[1] Based on an 18-ship buy.

[2] Includes procurement and installation of new nuclear core.

[3] Includes allocation for additional oilers to deliver conventional fuel.

Under some circumstances, such as when escorting carriers at high speed, nuclear ships might be able to replace conventional ships on less than a one-for-one basis and thus reduce the apparent cost difference. Under other circumstances, such as meeting routine peacetime deployment commitments or protecting carriers while on station, force level reductions would be inappropriate.

More detailed comparative cost data on these and other nuclear and conventional ships have been provided separately to the committee staff.

Mr. BENTSEN. Mr. President, I hope that Congress will give itself an opportunity to study this program in an orderly fashion. The $60 million requested by the President for long lead items for this ship were never mentioned to the Senate Armed Services Committee during their hearings on the authorization bill. This is just the kind of hasty, ill-advised acceleration of an important Navy program that I questioned in the case of the acceleration of the Trident submarine program. I for one intend to oppose this funding request for the long lead procurement of this cruiser at every juncture until the Congress has had an op-issues involved in the choice between nu-portunity to analyze some of the critical clear and conventional propulsion. To that end I have written Chairman STENNIS and asked that he strongly oppose including the House approved authorization for these long lead items funds in the conference report. Should that effort fail I intend to offer an amendment deleting these funds when the Senate proceeds to consider the Department of Defense appropriations bill.

Part of any partnership between Congress and the Department of Defense in providing for the national defense must be an element of respect by the services for the integrity of the system of congressional review of Department of Defense decisions. I believe this request violates that process and for that reason and the others I have mentioned, I will oppose its adoption by the Senate.

MIGRANTS NO MORE

Mr. TALMADGE. Mr. President, in the July 1975 issue of Reader's Digest, Joseph P. Black's article entitled, "Migrants No

More" outlines the results of the Coca-Cola Co.'s, efforts to improve the lives of workers in the company's Florida citrus groves.

For years, we have heard of the plight of migrant workers. Numerous Federal programs have been established to assist migrants. Most have failed. On the other hand, the Reader's Digest article shows what a concerned and enlightened company can do and has done in the interest of its employees. I salute the Coca-Cola Co. and I salute its employees who are "migrants no more."

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Migrants No More

(By Joseph P. Black)

It's still hard for J. C. and Shirley Jackson to believe. After years of agonizing hardship, they now own their home, receive a paycheck every week of the year, have hospitalization insurance, paid vacations, sick leave and a pension fund. And their children feel that they're really part of a school.

What's so special about this situation? After all, it fits millions of families across the nation. But it is different—so different that it is quietly making labor history. For the Jacksons were once migrant workers. Now, along with some 600 other families, they are full-time citrus-grove employes of the Minute Maid division of the Coca-Cola Co. in central Florida, and have what virtually all the 200,000 migrants across the nation lack; job security, hope and status as human being.

The story goes back to late 1968, when Coca-Cola chairman J. Paul Austin grew interested in the efforts of Cesar Chavez to improve working conditions of migrant laborers in California. As a result, he ordered an investigation of working conditions at Minute Maid's facilities—a complex of production plants, citrus-fruit groves and workers' quarters sprawling across 30,000 acres in 20 Florida counties. Coca-Cola had bought Minute Maid eight years earlier and since the business was turning a profit, had left operations in the hands of the original supervisors.

The investigation turned up an appalling situation. Life in the Minute Maid groves was awful. For the December-through-June picking season, the company depended largely on migrant workers. For some, Minute Maid provided, virtually free, company-owned shacks with no toilets or indoor water. Often seven or eight adults and children shared one rat-infested room.

The migrants worked in crews of 25 under a foreman, who picked them up in a bus. Paid on a piece-work basis, they average about 3½ days of work a week. If it rained, or the bus broke down, or illness struck, or the foreman decided to "sit down" a worker (not employ him for a day or a week)—no money. Without cash, the migrants could buy nothing, obtain no services. When ill, they were often refused admission to hospitals, and simply got sicker and died.

While working, they had no toilet facilities. In the groves they paid 35 cents a week to "Mister Charley," their supervisor, for ice to cool their drinking water. Mister Charley also loaned them money at ten-percent interest a week (520 percent a year).

Says Georgia Rushing, now a community aide in the largely Coca-Cola-financed Agricultural Labor Project: "I was a picker for 20 years. When we got through with the oranges here, we'd go to New York or Michigan to pick apples. Wherever we were, we were only a pair of hands. Nobody knew or cared that there was a human being behind the hands."

BIG THAW

Chairman Austin decided that life in Coke's groves had to be different, and appointed a task force, headed by personnel executive William Kelly, to make it happen. It was, Kelly soon learned, a staggering assignment. "No company, as far as I could discover, had ever tried to solve the migrants' problems," Kelly recalls. "There was no 'how-to' manual."

At the outset, communication between the company and the workers was, in effect, frozen. In answer to inquiries, the migrants said that they had no complaints. They thought it safer to "tell the boss what the boss wants to hear." Gradually, however, they opened up about their hopes and fears and grievances. And one fact became clear: any kind of flat-out welfare program would fail. "All changes should be long-range, not temporary," Kelly's staff told him. "The workers must be given opportunities to help themselves, and benefits should go both ways—to the individual and to the company."

Soon Coke began making changes—changes opposed by some of its own foremen. No more charging for ice to cool drinking water in the groves, for a starter; and toilets on all buses, which would be stationed during the workday in places readily available to the pickers.

Then came the big change, which Coke announced at numerous workers' meetings: "Starting with two crews—50 workers—we propose to hire you on a year-round basis. As regular employes you will get hospital and life insurance, a retirement fund, paid vacations, eight paid holidays. After the orange season, you will be picking lemons and doing maintenance work in the groves. If it rains and you can't work, you'll still get your week's basic pay. If the bus breaks down, you won't be docked for the time it takes us to get another bus."

Then the company representatives added, "But you'll have to work like other regular employes. Five days a week. Eight hours a day. And we must be able to depend on you."

FEAR OF CHANGE

In the world of the migrant laborer, this was virtually revolution. Some migrants didn't like it: 3 or 3½ days of work a week was enough to get by on. Some Coke supervisors agreed: "These people have never wanted to work a full week. You can't depend on them, and you can't change them."

Nonetheless, the program was activated. A few months later, Kelly asked the workers' representatives how the pickers liked the new schedule and higher wages.

"Well," came the answer, "after the season, everybody's quitting."

Several areas of discontent had appeared. For one, the pickers saw no point in reaching the groves at 8:30 and having to wait some days until 11 o'clock for the trees to dry out from rain or heavy dew. Also, some pickers habitually worked at a fast pace for five hours, then quit for the day, having picked as much as other men who put in a full day in the trees. These workers didn't want to change.

Kelly now realized that the nature of picking made a rigid schedule impractical. So he loosened work requirements: If a man did his job in five hours, fine.

Coke smashed another precedent by forbidding field managers to make loans to the workers. A few supervisors promptly quit to work for other groves. Some pickers were aghast: If they couldn't borrow from Mister Charley, where could they borrow? (Many couldn't comprehend the mathematical significance of the frightful interest rate.) Coke said it would make emergency loans without *any* interest charge.

The workers greeted each proposed change with suspicion and skepticism, never believing until it happened. But what Coke was promising *did* come true.

"I got two weeks' vacation with pay," said Henry Dorsey. "They gave me $180. I could rest. I been working for 45 years, and this is the first time I ever got paid when I wasn't working."

The hospitalization insurance wasn't real to Christine Parry until her two-year-old son required surgery for an umbilical hernia. Insurance covered hospitalization and medical fees of nearly $500.

IT'S ALL BEAUTIFUL

J. C. and Shirley Jackson have five children, 7 to 15 years old. "We're into a new kind of life," Mrs. Jackson says. "Other summers, we had to borrow for the electric and grocery bills. We don't have that worry now. And if my husband gets sick and can't work, money still comes in each week. All these things have lightened our lives."

When it was decided that company shacks for families and labor camps for single men would be phased out, Coke field-workers told the employes, "That means you'll have to rent or buy housing. Since you're employed regularly, you can establish credit. We'll help you all we can."

An employe committee met with an architect provided by the company. Their desires boiled down to a decent community that would encourage ambition in their children, and safe, nearby recreational facilities. And, as one man said, "I want a house with a number on a street with a name, and I don't want my house to look like all the others."

Some families rented or bought homes on their own away from the groves. But for those who wanted their own community near their work, Coke contributed land along Lake Clinch. On it rose the community of Lakeview Park—85 homes, all situated on cul-de-sacs to avoid through traffic and noise. With prices at $18,000 or less, and 30-year mortgages, down payments were only $200, with monthly charges of $70–$100 a month—no hardship for a good fruit picker who could make $7000–$8000 a year.

A homeowners' committee enforces the rules: keep your lawn mowed, keep the trim of the house neatly painted, no junk in the backyard, no rowdyism. Each cul-de-sac has a children's committee that polices the lawns and streets for papers and cans.

"I'm crazy about my house," Pearlie Mae Davies told me. "It's the first place I've lived in that has running water and a bathroom. My own hot shower. It's beautiful, all beautiful."

Onetime migrants are also thinking ahead. "I started going into the trees with my parents when I was 12," said Fanny Christian, mother of three young daughters. "I'm still in the trees because we need money to furnish the house. But my girls will never do that. They go to the library to read and attend Brownie meetings. They're learning that there's a world outside the groves."

EVERYBODY WINS

The library is part of a social-service center, one of four under the Project, each run by a community-development board of Coke employes and other community members. Six staffers, two of whom came out of the trees, conduct programs for children, encourage dropouts and adults to return to evening school for their high-school-equivalency diplomas, and arrange tutoring by local college volunteers for adults who can't read or write.

The center also contains a clinic, dental offices, a day nursery and two recreation halls. When the program began, examinations revealed that two out of three workers and their families had illnesses requiring medical attention; virtually everyone needed dental care. A three-year grant of $590,000 from the Department of Health, Education and Welfare launched the health program with a full-time physician, two dentists, two nurses and a public-health nurse to supervise screening programs. Medical and dental charges are based on ability to pay, and insurance covers most fees.

"We've gotten out of the migrant-labor business," says Bill Kelly. "Formerly, about one quarter of our fruit pickers were recruited from other states, requiring the dispatch of buses and staffs to hire them and dormitories to house them. That's all finished.

"Six hundred of our 1200 employes are regulars who get the same benefits as any employe in Houston or Atlanta and are just as dependable. The other 600, seasonal employes, live in communities around the groves.

"Two winters ago, we used 52 harvesting crews—about 1200 people. Now we're harvesting the same amount of fruit with 900 people."

But the greatest significance of Coca-Cola's efforts can be measured in the words of Shirley Jackson, who said, "We've bought two lots, and we've built a house. It feels good to build something of your own. It means that you believe there's a future."

SOLAR UTILIZATION NOW—ARIZONANS SEEK TO KICK THE FOSSIL FUEL HABIT

Mr. FANNIN. Mr. President, the Arizona agricultural sector was recently confronted with a change of use-classification which endangered their continued reliance on natural gas for irrigation pumping. Since the arid Southwest is heavily dependent on the irrigation of agricultural crops, this ruling has been most alarming to all of us who wish to maintain production in this fertile region of the country.

Arizona solar energy developers have an answer for this predicament—solar powered pumps. The recently established Arizona Solar Energy Commission has announced that the technical know-how and "seed money" are available. All that is required now, the commission says, is the interest and request of the growers and assistance from the Federal Government. Dr. Bob Handy, the executive director for the commission, suggests in the attached article that a design competition be sponsored to bring out the most suitable systems. I would think this could be accomplished most easily through the Energy Research and Development Administration. This Agency, designed to help us kick the fossil fuel habit and develop our alternate resources could accomplish in a few short months, what would take the private agricultural sector years to achieve. The best solar irrigation pumping systems could be demonstrated in a very short time, and the information gained could be directly transferred to the many producers now dependent on natural gas.

I ask unanimous consent that the article explaining this solar solution be printed in the RECORD for the benefit of my colleagues; and I suggest that the many Senators who represent agricultural States and are interested in seeing this solar technology developed coordinate their efforts as we certainly have a common goal. If any of my colleagues desire further information, my office would be glad to provide it and serve to coordinate the efforts to bring about this objective.

The article which follows, appeared in the July 1975 issue of "Arizona Farmer-Ranchman."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESEARCHERS OFFER SOLAR SOLUTION

Arizona growers who rely on natural gas to power their irrigation wells will be interested to know that the federal government, the state of Arizona and a host of private technical firms have the "seed money" and technical skill at hand to help farmers establish a solar irrigation facility anywhere in the state. All it takes, they say, is organization on the part of the growers, the willingness to support such a project and the determination to settle for nothing less than a permanent solution to the natural gas problem. The possible adaption of solar energy to irrigation pumping, they say, is not a "pie-in-the-sky" approach, but rather a tangible, down-to-earth possibility that offers a realistic opportunity to "kick the fossil fuel habit."

One of those enthusiastic about the possibility of pumping with solar energy is Robert Handy, the 44-year old Motorola executive, recently appointed by Gov. Castro to direct the new Arizona Solar Energy Research Commission. Handy told AFR in a recent interview that the application of solar energy is a realistic and "natural one for Arizona growers":

"At times, we forget that farmers are the oldest users of solar energy anywhere. They make their living converting sunlight into food and fiber by way of photosynthesis and then feed and clothe the world with their product.

"So it is consistent with farmers' practices that they now turn to solar energy for irrigation pumping.

"Speaking for myself," said Handy, "my job with the Commission is to assist growers in Cochise County and elsewhere select and utilize the best solar energy design for their area. And it has to be solar power, now, because converting from one fossil fuel source to another is not a realistic answer to the natural gas shortage. And believe me, there is a shortage. If a grower has to convert from a natural gas engine to an electric one, and then ends up needing solar power in the long-run, the land will revert back to desert because there is no way to economically do this. And with world starvation, this is certainly no time to be fooling around with the agricultural capacity of Arizona or the United States. We have prime farmland all over Arizona; it's droughtproof, fertile and has a long growing season. And it's also tremendously important to the economy of the state. So let's not think in terms of taking land out. Let's think instead of ways to keep Arizona's farmers in business for a long-long time."

PERMANENT SOLUTION

Handy stated that what is needed in Arizona is a demonstration of willingness to solve the energy problem once and for all. The federal money for such a demonstration is there for the asking, and the technology has been available for many years.

"I'm approaching this problem," said Handy, "first by telling Congress that it is not in the national interest to regulate land out of production. At the same time, I am stressing that there is a realistic problem in Cochise County that needs to be tended to and quickly. Then, when we go back to Washington hopefully with a workable solution, they have already been forewarned. And once Congress sees that Arizona growers are working on a solution, it should make the appropriation of money that much easier."

And who's got the money? Many agencies, according to Handy. Although they do not have money specifically in the budget for solar research, they do have general funds such as the natural gas shortage. The National Aeronautics and Space Administration is one of these agencies, according to Handy. Others include the USDA, the Energy Research and Development Agency (ERDA) and the National Science Foundation.

ready to be put to work solving problems

"All of these agencies have the funds," said Handy. "The only reason they haven't been put to work on solar irrigation pumping is that they haven't been asked to by growers."

SOLICITING FUNDS

According to Handy, there is a right and a wrong way to go about petitioning for federal and state money. The right way, he says, is to organize and make sure each farmer knows what he wants in the way of solar irrigation for his land.

"Organizaton of growers is a must, of course," he said. "The only way Washington can appropriate money is through an organization that is fiscally responsible for carrying out the project once it is built. The agency can be a new one specifically created to receive solar monies, or it can be an already-established group such as a fuel-users society or a Farm Bureau. Possibly, it would be better if older, more established organizations acted to receive monies rather than waste valuable time creating new ones.

"Then," said Handy, "this organization should get together with other fuel-users or Farm Bureau chapters to establish as wide a state support base as possible. This would allow all agricultural personnel to act in concert with each other, and would have a positive effect on Congress."

Handy also indicated that these organizations should be willing to put up some of their own money, along with enlisting the help of the state of Arizona. Possibly, this would be done in the form of a design competition. An organization such as a fuel-users society could put up a monetary prize and select designs that would work best for them.

"Of course, one of the most important points I can make," said Handy, "is that my Commission and the state of Arizona will be more than happy to work with an organization to help develop a proposal and deal with Washington. That's our job. We would even help judge the design competition if that's what the organization wished.

"But above all, we can't go to Washington and say, in effect, 'here's our problem, you solve it.' Washington, from my experience, would be more likely to appropriate money if they saw that Arizona's growers were working together to seriously attack the problem. And the publicity generated by such cooperation would hopefully move the Federal Power Commission to give Arizona Growers relief from cutbacks for the length of time it takes to develop a solar energy pumping system.

"And of course, the time to do all this is now," added Handy. "There is no sense in waiting for someone else to do it. And we are here to help. In addition to this Commission's responsibility to entice to Arizona the

National Solar Institute, and to act as a collector and disseminator of solar information, we are charged with providing assistance to industry, agencies and agriculture to obtain federal grants for projects such as these."

One of the agencies in Arizona ready to go with a tried and true method of irrigation pumping is Dr. Aden Meinel's Helio Associates in Tucson. Meinel, head of the U of A's Optical Sciences Dept., believes that his organization, an off-shoot of the U of A, is ready to go with a design proposal whenever an organization of growers gets off the ground.

"No one has yet approached me from the natural gas pumping areas of Arizona," said Meinel, "but if they did, I'd tell them that the technology to do the job is there and the proposal for federal money could be worked up in no time. I suppose that if a grower came up to me tomorrow and asked me to write a proposal and oversee the construction of a solar facility in Cochise County, I could have one ready to pump water in about three years or less. This would include the time it took getting through the red tape in Washington, getting the money allocated from federal agencies, designing the collectors and constructing them.

"So you see that solar pumping is here and working, and not just something out of a science-fiction magazine. In fact," laughed Meinel. "I've got an installation in back of my office if you'd care to actually kick it."

Meinel added that the only reason solar pumping hasn't been developed and implemented on large scale is due to the cheap energy available—or rather, that was available. But now, he said, industry and agriculture are realizing that the day for cheap fuels is over and it's time to grab hold of a permanent solution.

"I know that it will be a long time before we develop really high efficiency rates for solar energy, but as for now, the sun is up there for everyone; its not going to burn out soon and no power company is going to take it away from you.

OLD TECHNOLOGY

"In the past," said Meinel, "the Algerian government realized this fact. Fifteen years ago, for use in a climate similar to Arizona, the government cooperated with France for solar-powered irrigation pumps, and developed the technology we are now improving upon and can offer to Arizona growers. Simply speaking, the Algerian installation uses flat-plate collectors with tubes of water flowing through them. The water is heated up to 190° and is stored in a tank to be drawn at any time of day. The water is pumped to a reciprocating steam engine which operates an irrigation pump. This particular installation is smaller than ones to be used in Arizona, but recent breakthroughs in solar research have brought liquid temperature high enough to power an engine big enough to do the job.

"As you can imagine," said Meinel, "the cost of this installation was high, but was offset by the fact that it was the only thing to be done in the water-short area they were in. And I find interesting parallels to that situation in Arizona."

DESIGN VARIATIONS

What Meinel proposes, if and when Arizona growers receive federal monies, is to use basically the same French design with refinements of his own. Rather than a flat-plate collector to concentrate sunlight, Meinel proposes a curved-mirror in the shape of a parabola to focus sunlight on a tube of liquid and render it into steam to be stored.

"One reason why we can now get higher temperatures from sunlight is because of a new technique developed at the U of A by Dr. Bernard Seraphin. This new design is in the form of a coating called a 'selective surface.' This surface, a thousand times thinner than a coat of paint, will allow sunlight to enter a surface but will prevent it from escaping.

"This has always been the problem with conventional black-painted collectors: they can't get high enough temperatures needed to run conventional turbines and generators. For instance, the reason your dashboard doesn't melt when you leave your car out in the sunlight is because it will begin to radiate heat from it as much as it takes in, thus creating a balance. But if this same dash board was painted with the 'selective surface coating,' the dashboard would indeed melt, as was the case when an associate left a sheet of the coating accidentally on his dashboard. He returned to find a melted interior."

As soon as this technology was available to Meinel, he applied it to the tube of liquid upon which the rays of light from the collector are to be focused. And with this, he found the temperatures he wanted.

WATER STORAGE

Meinel solved the problem of no sunlight at night by burying his liquid-storage tank below the ground to be tapped whenever a grower wanted to irrigate. The reason why Meinel is nebulous as to the exact definition of his "fluid" is because the corrosiveness of water might prompt him to use an organic substance such as freon gas.

"Once the irrigator opens the water valve from a storage tank," said Meinel, "the steam or gas vapor will proceed to an Israeli-developed turbine to power the pump. A condenser will then pump the fluid back through the solar collector."

Meinel has in mind an application such as this next to each irrigation well on an individual field. The collector would be a thousand feet long, he said, and be situated on an access road next to a field. This would only take out about seven feet of farmland and would not interfere with tillage, cultivation and harvest of crops.

"Or perhaps even better," said Meinel, "we could use the same technology and apply it to a large, central bank of collectors situated on a non-agricultural piece of land, possibly the southern side of an embankment.

There, on land set aside for sunlight farming, long rows of solar collectors would sit, collecting sunlight day after day and powering electric generators to be used by all the growers of one county or area. This approach would allow the growers to form one single cooperative utility and hire certain people to maintain and manage it. Quite possibly, this is the best and most efficient approach. But that will be decided by the growers and the agency they select to write a proposal for them."

Meinel agreed with Robert Handy's suggestion that the growers organize and work together to get a proposal written and ask for federal monies.

"I think that growers should individually write their Congressmen and inform them of their plight, suggesting the utilization of solar energy as an answer. These letters will also allow the Congresmen to gather valuable files of support.

"But growers should work together when they appeal for federal money. I suggest that they work with the state of Arizona; it is ultimately their problem and I know that the new director of the Arizona Solar Energy Research Commission would be delighted to assist the growers in any possible way."

The Helio Associates is, according to Meinel, one Arizona agency that could work with the growers to provide technical assistance and to help prepare the proposal. The Associates, backed by the APS. TG&E and SRP, was built in 1971 and has the capability of working with commercial contracts although associated with the U of A.

Meinel forecasts that it would take one year for the proposal to get through Washington red-tape, but possibility as little as three or four months if politically pressured Then, six months for budgeting and preliminary approval would be required as would an additional year for construction and utilization. The project could be 100% federally funded or funded partly by the state of Arizona. In any case, said Meinel, the project would be turned over to the grower organization to manage after a specific time of testing.

"It's quite possible that the government or state will monitor the installation for a year in order to get working data," said Meinel. "But I can assure a grower that this would in no way be detrimental to his farming operation.

"After that time, the only maintenance required for the installation, be it a large or small one, would be to clean the collectors once a month with water to rid it of dust and dirt brought with rainfall. Lubrication of parts would have to be done occasionally."

Meinel considers the operation as safe, no more dangerous than that of a kitchen stove. To avoid wind damage, the collectors would have to be well anchored, but according to Meinel, that's not a problem. By having a low profile, the collectors would act as their own wind break when used in great numbers. And to avoid damage from lightning, the installation would have to be well grounded.

"I see no reason why these installations would not last twenty years or more," said Meinel. "Of course, there would be minor parts to replace from time to time, but there would be no major breakdown for quite some time. These things are made to last and they require little maintenance.

"All in all," said Meinel, "it's time for Arizona growers to look closely at solar power and take steps to make it a reality. The shortage of fossile fuels is not going to go away.'"

TUSKEGEE INSTITUTE NATIONAL HISTORIC SITE

Mr. ALLEN. Mr. President, on October 26, 1974, the President signed into law a bill which, among other things, established the Tuskegee Institute National Historic Site in Tuskegee, Ala. I am proud to have been a sponsor of the legislation that led to creation of this historic site which incorporates historic structures on the campus of the internationally famed institute and the George Washington Carver Museum, which was created by and which has been maintained by Tuskegee Institute.

In its Sunday, July 6, 1975, editions, the Birmingham News published a story by Frank Sikora, one of the newspaper's fine staff writers, entitled "In for Many Changes: Carver Museum—A Man's Legacy."

Mr. President, throughout the hearings, deliberations, and voting on the legislation creating the Tuskegee Institute Historic Site, Senators showed great interest, understanding, and appreciation of what the bill's sponsors were attempting to do. I believe that the article from the News will serve as a deserving interim report on this project, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN FOR MANY CHANGES: CARVER MUSEUM—A MAN'S LEGACY

(By Frank Sikora)

TUSKEGEE.—It is nestled in a small hollow surrounded by shrubs, flowers and magnificent oak and pecan trees that shelter it with heavy green in the sultry heat.

Sometime, the only sound you hear is the chatter of a blue jay, or the persistent scolding of a squirrel hidden high among the branches.

You could well imagine that this is how he would like always to be remembered—quietly.

This is the George Washington Carver Museum at Tuskegee Institute, the legacy of a gentle, retiring man who found happiness in the wonder of a flower opening . . . and made his fellow man the better for it.

Born in slavery, he came to Tuskegee Institute in 1896, recruited by the school's founder, Booker T. Washington. Teaching and doing research in the rich earth of the Black Belt, he revolutionized the agrarian economy of the South.

From the peanut alone he created more than 300 by-products, everything from peanut oil shampoo to candy bars, from mock chicken to emulsion for bronchitis.

With the sweet potato, he prepared 50 by-products, from 14 varieties of candy to writing ink, from spiced vinegar to tapioca.

Erected in 1938, the museum has been expanded from not only a tribute to a quiet man who considered himself, above all else, a toiler of the earth, but also traces the history of blacks.

This story is told in 20 dioramas, showing blacks subjected to slavery in ancient civilizations, being brought to America, life on a plantation, reconstruction, and the role of blacks in recent history.

Late last year, the Congress passed a bill designating this museum, as well as two other sites on the Tuskegee Institute campus, as National Historic Sites.

"We're meeting regularly with representatives of the National Parks Service," says Dr. Luther Foster, the president, "to see how the change will take place, and, in fact, what changes there will be.

"Right now the hold-up is a lack of funds."

One of the chief advantages to being a National Historic Site lies in the fact that the museum and the other attractions—the Booker T. Washington Home and the antebellum home, Grey Columns—will be subject to advertising by the federal government, pointing the way, Foster feels, to thousands of extra visitors each year.

Right now, only about 17,000 a year visit the museum.

"Promoting the museum has been one of our greatest headaches," says Dr. Douglas Covington, vice president for development. "We don't have the funds to do what we'd like to do. To a great extent, word of mouth has been the chief means of attracting people to the site."

Ultimately, the Parks Service will move in and operate the three facilities, using Grey Columns as the administration center. At present, Tuskegee Institute spends more than $300,000 a year operating the museum; they don't charge a dime to visit.

"We're giving some thought to improving the atmosphere of the museum," says Covington. "For instance, we're thinking about having music added, soft music, featuring spirituals sung by our choir, one of the finest in the country."

This would not only help create a mood, but might also stimulate sales of the choir's recording of spirituals. Now, the only place they are sold is the student book store, a place tourists seldom visit.

Carver, who died in 1943, in his 80th year, loved spirituals.

Never married, his only descendant is the work he carried out in the fields and the laboratories here; he seldom accepted money for his achievements, and once responded to words of lavish praise that:

"Without God to draw aside the curtains, I would be helpless."

In that, some say, lay his greatest gift to the students he taught: With his compassion and gentleness, instilling in them a quiet pride in their heritage, a fervor to prevail against hard times.

WHILE IMPROVING VERY MODESTLY—REAL RETAIL SALES STILL LAG WELL BELOW LEVELS OF LAST 3 YEARS

Mr. HUMPHREY. Mr. President, as we are all aware, President Ford has told the country that the recession has "bottomed out." It is all uphill from here. I sincerely hope that the President's analysis is correct, but as a realist, the evidence that we have bottomed out is equivocal at best.

One indication often cited as evidence of an upturn in the economy is the recent increase in retail sales. The figures reported by the Department of Commerce indicate that in April retail sales increased 1.2 percent after a decline of almost 2 percent in March. The advance estimates for May show a further increase of about 2 percent. This is indeed good news, but these figures do not separate the increase in prices from the increase in the volume of goods sold. In order for these statistics to indicate a real growth in economic activity, the volume of goods must be moving up, not just the price.

In an attempt to look at the volume of retail sales, the Joint Economic Committee staff has constructed an index which is based on constant 1967 prices. While these numbers show some fluctuations from month to month, the general trend is as follows: Total sales have been relatively flat in 1975 although the most recent 3 months show some improvement. While the level of this index is slightly better than it was at the end of 1974, it is well below the level of sales maintained throughout 1972, 1973, and most of 1974.

Looking at the components of retail sales, the index shows that nondurable commodities have improved slightly since the end of last year but that durables—primarily due to automobiles—remain severely depressed.

While I do not wish to seem pessimistic, I think it behooves us to be realistic. These statistics, which attempt to take out the effect of price fluctuations, I believe give a much more realistic view of what is happening to retail sales in the economy at the present time than those I see quoted in the press. I suggest that some caution is necessary to avoid being misled by the statistics as they are published.

Mr. President, I ask unanimous consent that the statistics in the JEC index of volume of retail business be printed in the RECORD.

There being no objection, the statistics were ordered to be printed in the RECORD, as follows:

DEFLATED INDEX OF RETAIL SALES

[1967=100]

	Total sales	Sales excluding autos	Durable goods	Nondurable goods
1972:				
January	111.91	111.52	116.99	109.86
February	113.01	112.52	116.50	111.35
March	116.44	115.25	122.50	113.57
April	115.75	114.48	121.40	113.28
May	118.16	116.28	124.24	115.51
June	116.85	115.18	123.66	113.96
July	118.01	116.21	125.40	114.90
August	119.69	117.09	128.73	115.78
September	118.41	116.51	126.02	115.15
October	122.37	120.10	131.89	118.35
November	120.65	118.22	131.72	116.07
December	122.54	118.80	135.93	116.86
1973:				
January	125.63	122.04	141.97	118.77
February	126.47	123.02	143.08	119.16
March	127.30	123.67	144.66	120.09
April	123.62	120.27	141.26	116.35
May	124.45	121.68	140.63	117.95
June	121.94	120.85	135.04	116.76
July	126.19	123.60	141.59	120.40
August	122.05	119.26	141.72	114.66
September	122.55	120.57	139.40	116.52
October	123.17	121.40	139.91	117.08
November	122.00	121.30	137.44	116.73
December	118.59	120.22	129.15	115.41
1974:				
January	119.31	121.01	130.97	115.67
February	118.15	120.75	128.43	115.07
March	119.06	121.55	130.69	115.60
April	119.42	121.33	132.33	115.39
May	119.80	121.38	134.25	115.22
June	118.01	119.47	130.26	114.23
July	121.83	121.97	136.82	117.01
August	121.99	121.02	138.74	116.29
September	118.43	119.63	128.23	115.46
October	116.38	119.47	119.92	115.94
November	111.88	116.01	113.04	112.39
December	111.87	114.80	114.57	111.83
1975:				
January	114.11	116.66	120.69	112.27
February	115.73	116.85	123.51	113.29
March	113.45	117.15	111.77	114.92
April [1]	114.19	116.85	116.08	114.21
May [2]	116.25	118.66	118.81	115.96

[1] Preliminary.

[2] Advance.

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, and the Joint Economic Committee.

NOTHING TO FEAR BUT THE GOVERNMENT ITSELF

Mr. FANNIN. Mr. President, it was President Roosevelt who made the famous comment that we have nothing to fear but fear itself. He was trying to instill confidence in the American people so the Nation could recover from the Great Depression.

We did recover, as we have always recovered.

When it comes to curing the problems which we face, I would suggest that we have nothing to fear but the Government itself—in recent years, specifically, the Congress. Our economic system, if allowed to function, is superbly capable of meeting the needs of the American people for goods and jobs. Our natural resources, if we will use them properly, are sufficient to keep our economy running strong.

It is not inconceivable, however, that this great country could cease to exist. We could lose our freedoms and our independence. This could happen only if we allow it. The greatest danger to our country is that we legislate and regulate away our own freedoms, that we establish wefarism which discourages personal effort and accomplishment, that we simply fail to put forth the effort to keep our country strong in a perilous world.

Mr. President, the Warner & Swasey Co. ran another of its excellent advertisements in the June 23, 1975, edition of Industry Week magazine. This ad points out that great societies have withered and died because of unwise policies which have weakened the people. I ask unanimous consent to have this brief but thoughtful advertisement printed in the Record.

There being no objection, the advertisement was ordered to be printed in the Record, as follows:

Have You Ever Faced the Possibility That Your Country Could Cease To Exist?

Nations richer and more powerful in their day than we are in this, have been sabotaged, defeated, enslaved.

Babylon was the largest and richest nation of its time, but its lust for luxury made it an easy mark for the Medes and Persians who overran it, and divided its land and enslaved people between them.

Rome was a greater military power than we ever were, but when free bread and circuses became more important to the people than hard work and patriotism, Rome was invaded and looted by the tougher Vandals.

The Incas were the most civilized, richest people in the Americas, but ruthless, better-armed invaders destroyed them as a nation, and looted everything they owned and had spent generations in creating.

In every case it was the self-indulgent weakness of the victim which made the victory of the invader easy.

How strong is a nation which allows foreign competitors to capture the world leadership from one after another of its most vital industries?

How wise is a nation which gives away so much of its substance abroad and at home that it can no longer afford to keep up its own strength and protection?

How intelligent is a nation more careful to protect the criminal than his victim?

How weak is a nation which allows bureaucracy and a socialist philosophy to run riot and squander billions?

Undoubtedly there were Babylonians, Romans, Incas who warned against overindulgence and weakness, who warned that each citizen is responsible for his nation, and that that responsibility cannot be shrugged off onto officials. But to those who warned of impending trouble there was then as now the smug sneer, "It can't happen here."

But it did.

THE U.S. POSTAL SERVICE AND THE NATION

Mr. McGEE. Mr. President, final oral arguments in the 2-year-old postal rate case have been heard by the independent Postal Rate Commission, whose recommendation is now awaited.

One month ago, after the initial decision of the Rate Commission's administrative law judge was issued, Postmaster General Benjamin Bailar delivered a speech before the New York Customer Council. In it, he laid out in concise format his view as the Nation's top postal official, not only of the situation confronting the U.S. Postal Service but also of its relationship to the situation confronting the Nation.

The Postmaster General's remarks do deal with the controversial proposal by the administrative law judge, which contains a fillup for the general public—a proposed reduction in the cost of a first-class stamp to 8.5 cents. What Mr. Bailar has said is timely and pertinent and I ask, Mr. President, unanimous consent that the text of his June 11 speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Easy Answers or Lasting Solutions? Some Thoughts on the Myth of Something for Nothing

(Remarks of Benjamin Franklin Bailar, Postmaster General of the United States)

I want to talk today about some tough subjects in candid terms.

I don't have to tell you who are businessmen that these are days of economic challenge.

The degree of our economic problems can be measured by the growing frequency of stories that have made their way to front pages of our daily newspapers.

The frightful rate of unemployment . . . the prospect of a mammoth federal deficit . . . the continuing upward creep of the cost of living . . . the cost of energy—these and other economic topics, once consigned to the finance section, now often lead the news.

And, of course, in the last few weeks the whole nation has learned about the financial crisis in this great city.

Most distressing of all to me have been increasing reports that a doomsday-type pessimism is growing.

Some city people are fleeing to the self-subsistence way of life of the small farm. Others are stocking their basements with foods and supplies and even arming themselves.

And reports of an expected vacation boom this summer have been accompanied by speculation that this may be a sign of people wanting to live well—while they still can.

I have no doubt that the number of people who believe in imminent collapse is very, very small. But the fact is many people are worried; many people are unemployed and many people are disturbed by having seen the growth in their standard of living slow down—and in many cases, even go backward.

These are, in short, tough times—for everyone.

These are times when cool heads and cooperation should prevail.

These are times when rhetoric should be put aside in favor of confronting the facts.

These are times when a lot of hard decisions should be made—and stuck to . . . when our penchant for simple answers must be replaced by a public recognition that the complex issues we face have no simple or easy solutions.

In the recent past, the country has been living too easily and postponing too much.

The time has now come to tighten the belt, and build for the future.

Productivity is the secret to a strong economy. We only have to look to Western Europe—to England, or Italy or France—to learn a powerful lesson—you can't consume without producing!

I have gone through this preamble, because the problems of the Postal Service are part and parcel of the general economic scene, and because I strongly believe that whatever happens to the Postal Service will have a direct and important effect on the entire economy.

As an employer of 700,000 people and the provider of an indispensable service, the Postal Service represents an important part of the nation's economic future. Tens of billions of dollars in commercial transactions flow through the mail every day, and any impairment of this flow would make itself felt quickly.

I wish I could report to you today that, while so much else seems to be off-balance, the Postal Service is sailing along untroubled. But I cannot, for the fact is that the Postal Service, like the nation itself, is facing severe financial problems.

I am, however confident that these problems can be solved.

To do so will require that the public, the business community and other public policy makers resist some of the easy answers that are no answers at all. It means that certain facts must be faced, and some sacrifices—like paying more for postage—must be made.

I confess to feeling great frustration when I read or hear glib generalizations made about the Postal Service, generalizations that would not withstand the scrutiny of an average Economics 101 student.

And in particular, the notion some have that the cost of postal service, somehow, should always be paid by someone else—or not at all—but always without reducing service.

I believe the country needs both a financial and psychological belt-tightening.

I am concerned not just as a postal official but as a citizen over what I perceive as a growing failure of those of us in public office to make clear to the American public that we can't have our cake and eat it too.

I am concerned that we in public office have not made it clear that the use of our family cars in the traditional pattern is in basic conflict with energy conservation.

I am concerned that we in public office have not made it clear that the removal of household garbage is in basic conflict with opposition to sanitary landfills in areas near where we live.

I am concerned that we in public office have not made it clear that our desire for more highways is in basic conflict with our need to reduce air pollution.

I am concerned that we in public office have not made it clear that there is a basic conflict between shorter work days and a bigger pay check.

And so on and on, issue after issue.

To my mind, all of this raises the question of whether we have accepted the fact that there is a real price to everything of value, whether it is energy conservation, protection of our environment, economic gains, or postal service.

I sometimes wonder, if as a nation, we are willing to pay the price of the things we want, or whether we are trying to cheat ourselves at a grand game of solitaire.

In general, there seems to be an unwillingness to recognize that serving the nation's mail needs in these difficult times represents a very complex problem.

Let me spell out some of the facts of this problem.

Fact #1 is that the Postal Service stands to end this fiscal year, at the end of this month, with a deficit of approximately $820 million. The villains in our story, as in so many others, have been inflation and recession. Inflation dealt us a body blow chiefly through rising costs for fuel and energy and constantly rising cost-of-living allowances for our employees. And recession has laid its deadening hand on us in the form of decreased mail volume, which we are experiencing this year for the first time since the Depression.

As a result, we have been on a see-saw of rising costs and decreasing volume and revenue.

And as you are doubtless aware, we are prohibited, for various reasons, from taking some of the steps that would be available to corporations in the private sector.

As we have seen in the past year a private company facing such a sizeable loss would act predictably. It would cut its workforce, reduce production, offer price incentives or rebates, cut its outlets and change its products.

All of these routes are closed to us in the Postal Service.

Fact #2 is that our costs are soon to rise even more. As you are aware, we are currently negotiating a new contract with the postal unions to replace the current contract, which expires July 20. We hope these negotiations will conclude amicably. For our part, we want to deal fairly with our employees; but inevitably this will mean an increase in labor costs, which already constitute 85 percent of our operating expenses.

Fact #3 is that our efforts to bring costs and revenues into balance, as Congress requires that we do, have been severely hampered by the extreme slowness with which the independent Postal Rate Commission has reviewed our application for increases in rates.

This situation may be worsened, as a result of the recommendation issued two weeks ago by the Rate Commission's administrative law judge. The judge recommended that there be a roll back in the price of a first-class stamp from the current 10 cents to 8.5 cents. And to balance this, he recommended sharp increases in the rates of most other classes.

This recommendation received much publicity. It has won praise from some editorial writers. It has been ballyhooed as saving the public money, when in reality it's putting a few cents in one pocket and taking it out of another. And it is not supported by the facts as set forth in the lengthy hearing record. We are currently preparing a comprehensive, formal brief for the Postal Rate Commission that spells out our position fully.

Whatever rates are recommended will be of short duration—in fact, 90 days duration, because of the impact of inflation on the Postal Service's financial position during the 22 months the current rate case has been before the Rate Commission. The so-called permanent rates established in this case will not meet our current revenue needs. As soon as they are established, we will file a new case. Ninety days after filing, we will implement new temporary rates.

Changing rate schedules from the present temporary rates to permanent rates (if those differ from present levels) and again to new temporary rates within a 100-day period will create an administrative burden and add to the costs that ultimately must be borne by the ratepayer.

And the confusion resulting from the specter of rate instability, wherein three rate schedules would be in effect within a span of 100 days, could well contribute to a lack of confidence on the part of the public in the ability of government to function rationally.

But let me say now that I believe, if implemented, this recommendation would do no good for anyone—not for the individual citizen or consumer, not for most business users of the mails and certainly not for the long term viability of the nation's postal system.

The recommendation would represent major new costs to 2nd, 3rd and 4th class mailers, the people who generate more than 40% of the mail volume in this country. It would also apply a wrecking ball to much of the legislation designed by the Congress and the Administration to soften the blow of rate increases.

The recommendations represent a radical departure from this Congressionally mandated approach. If implemented, they would result not in a reduction, but in a substantial redistribution of costs of postal services. The total bill for postal services will still have to be paid by the more than 200 million Americans.

Despite the popularity of the proposal, I feel it will help drive away some volume mailers who help make inexpensive, universal mail service possible. The fixed costs of postal service in this country would remain. With a reduction in volume, and the accompanying loss in revenue. the result would soon be higher rates for everyone. The financial health of the Postal Service would be threatened.

At a time when gas and electricity, telephone, groceries, gasoline—you name it—are costing more, many people are going to greet the possibility of their first-class postage costing less as welcome news.

But it is not. Consider the fact that studies indicate that an average family mails 288 first class letters and cards each year. We believe this figure may be high, but if you accept it at face value, it means that the average family will have saved $4.32.

Unfortunately this isn't the case.

Because when you add in the rate increases for magazines our family subscribes to, part of which will be passed on to the subscriber; the parcels our family sends during the year and at Christmas time, and the added handling costs for the family's book or record club membership, that $4.32 saving will be gobbled up. The fact is that the ruling would not help the very people it appears to help.

The average American would pay for these increases both through added postage costs passed on to him by publishers and shippers, and a greater subsidy which, after all, is simply a hidden fee paid by your federal income taxes.

The current subsidy—which is provided for phasing in the rates for magazines, some parcels and some non-profit mailers—would have to be increased to soften the blow of increased rates. The impact of the new rates, as proposed, means a subsidy of about $370 million, $370 million more from the American taxpayer.

Again, the adage that you can't get some thing for nothing would be demonstrated.

For to long the country has suffered from hidden price tags in the services it has received from government, government at all levels. This is perhaps the lesson of the current situation that faces New York City.

The Washington Post said it well last week in an editorial on "The Crisis in New York City." It urged New York's leaders as a first step to be candid about the extent of their problem. "The second step," the Post said editorially, "is to start chopping away at the myth so deeply embedded . . . that things are 'free' if government provides them."

An awareness of this fact was one of the merits of the Postal Reorganization Act. In writing this law, the Congress broke with a tradition of decades of hidden subsidies by requiring that users of the mail pay their fair costs. Meaning, that as postal costs went up, they would be passed on directly and openly, in the form of higher rates.

The disparities were not to be rectified overnight, however. Some full rates were to be phased in—a fair way to right imbalances without imposing undue hardship on certain users.

To repeat, the recommendation ignores facts in the record developed over 22 months, ignores the realities of the market place, represents a radical departure from the Congressional intent, doesn't save the American public anything, and threatens the financial stability of the Postal Service.

I am hopeful that the recommendations will not be adopted by the Commission.

We are not immune to the public's concerns about the Postal Service.

We take the public's expression of needed postal service very seriously.

Nonetheless, I think the people of the Postal Service give a high-level of service unparalleled by any other service industry. This belief has been substantiated by the public itself when it has been asked in opinion polls to match postal service with other common services.

Despite this, we are not resting content. Even in the face of our financial problems, I believe we can do much to increase the quality of postal service.

And, in fact, I have made this goal a top priority. A number of steps in this direction are already underway; others are planned.

One example is the planned consolidation of first-class and airmail. Another is a new internal communications program to motivate our employees to serve our customers better; yet another is an effort to give people with mail problems clear and easy access to our managers, so solutions can be effected.

You will be hearing more about these programs in coming months, but their end purpose is to make the post office a place where every customer can be assured of friendly, courteous, efficient service every time. To accomplish this will require a new dedication on the part of our employees. I am confident they will respond. But also it requires that the American people demonstrate a wider understanding when the Postal Service asks their cooperation to balance postal costs.

If the American people fail to awaken to the truth that everything from government—including the Postal Service—is not free, then I fear for our future.

I certainly can do little to change the American people's attitude toward their government. But I can—and intend to—make the Postal Service one agency that tells it like it is—even when it may go down like a bitter pill. To my mind, the country will be better for such moments of bitter taste that may lead to lasting cures.

I hope you agree with this philosophy and will join us, not just as postal customers but far more importantly as citizens of this great country, in turning from the easy answers and in seeking, in their stead, the lasting solutions.

Thank you.

JAPANESE ECONOMIC PLANNING: A CRITIQUE

Mr. HUMPHREY. Mr. President, I wish to call to the attention of my colleagues an article by Victor D. Lippit in a recent issue of the Journal of Economic Issues entitled "Economic Planning in Japan." Mr. Lippit's article is of great importance as we try to envision the potential effects of a similar planning process in our own country.

In Mr. Lippit's view, planning in Japan has been a significant success in some ways, and a failure in others. Planning in Japan has been a stimulus to the achievement of rapid economic growth, and generally in mobilizing the economy in those areas on which general agreement already existed in the power centers of the Japanese economy. However, it is the areas in which planning has so far failed that concern me most, for these are crucial areas of social concern, such as pollution and other environmental controls and mass transit. Evidently the planning process in Japan is such that where consensus exists, progress is made, and where social priorities are in conflict with the basic consensus around economic growth the planning process has not been able to resolve the conflict.

Economic planning in the United States would have to meet this problem. On one hand, the plan would embody a national consensus on our economic priorities. On the other hand, the planning process would have to feed back to the Nation, and help influence that consensus by presenting realistic projections on the advantages and disadvantages of various long-term economic policies.

I believe that continued study of planning in other countries such as Japan will be of great help as we seek to improve the effectiveness of economic policy in the United States.

Mr. President, I ask unanimous consent that Mr. Lippit's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ECONOMIC PLANNING IN JAPAN

(By Victor D. Lippit)

In fiscal 1955 (ending March 1956), the year when the first five-year plan was published, Japan's per capita gross national product (GNP) was U.S. $276.[1] In the 1974 fiscal year, after an intervening period of real growth on the order of 10 percent per year, inflation, and two currency revaluations, per capita GNP will approach U.S. $5,000.[2] By the end of the decade, Japan promises to pass the United States in per capita GNP.[3]

While many Japanese economists consider economic planning in Japan to be largely decorative (and I believe there is much to be said for this view), I would like to argue here that economic planning played an important part in establishing this exceptional growth record. At the same time, however, certain characteristics of the planning process in Japan place sharp limitations on the type of social goal that planning can pursue effectively. Thus, while planning has contributed to economic growth, it has been far less successful in attaining other social objectives, including those specified in the plans.

In this article, I would like to start with a description of how economic planning works in Japan and then discuss its role in economic growth, past and future. Finally, I would like to analyze the current five-year plan (fiscal 1973–1977) to indicate the difficulties that Japan confronts in using its economic growth for socially legitimate ends.

THE NATURE OF ECONOMIC PLANNING IN JAPAN

Economic planning in Japan is of the indicative type. That is, producers are not directed to produce specific quantities of any particular commodity, and the planners remain aloof from the production activities that the plan purports to coordinate. The purpose of this indicative planning is to project a future image of economic structure and activity that will (1) guide private decisions, (2) guide with a more imperative tone public investment decisions, (3) provide the framework for governmental supervision of the economy, and (4) pinpoint problem areas where public policy measures are called for. In general, indicative planning provides the basis for coordinating government efforts to obtain specified economic objectives by its own action and for establishing the inducements and penalties necessary to elicit complementary behavior from the private sector.

Formally, economic planning authority is vested in the Economic Planning Agency (EPA). In practice, the role of the Ministry of International Trade and Industry (MITI) has been of comparable importance. Both are headed by a cabinet member and staffed by professional civil servants recruited, as are the others in the national government, from among Japan's most highly qualified college graduates. Upon retirement, usually at age 55, many of the senior officials will find high-ranking positions with major private firms or embark on political careers, thus cementing the business-government administration-politics alliance around which so much of economic life in Japan revolves. Let me turn first to a description of the role of the EPA in Japanese planning.

Footnotes at end of article.

THE ECONOMIC PLANNING AGENCY

Economic plans may be of different lengths in Japan, but five years is common. When a new plan is to be drawn up, the Prime Minister makes a formal request to the Economic Council, a consultative body charged with advising him on economic matters. The council has 30 members, but with its various subcommittees the total number of people involved comes to about 200. These are high-ranking corporation executives (the largest single group), college professors, research and semipublic organization heads, media and union officials, and so forth. They are representative figures in Japan's economic establishment, and their presence makes the drawing up of the plan as important as the final document, for there is broad understanding and acceptance of the plan within Japanese economic circles before it takes its final form.

The EPA functions, in effect, as a kind of secretariat to the Economic Council in drawing up the plan. In fact, the agency, especially its Planning Bureau, takes most of the initiative. In effect, it draws up the plan, consulting with the Economic Council as it does so. It also consults with other government agencies and ministries, seeking consensus and information on their own plans. For example, the Ministry of Transportation has a plan for the miles of railroads it will build, and such figures commonly are integrated within the overall plan. Indeed, the most reliable part of the plan is composed of such governmental intentions. Consultation with political leaders is also necessary since the plan is a political document and it is the cabinet that finally approves the plan.

The plan defines the principal objectives of economic policy and presents macroeconomic projections for the GNP, consumption, investment, government transfer payments, government expenditures, and so forth. It also may specify other selected goals, such as those for inflation, national research spending, and the environment, among others. Perhaps much the most important part of the plan is the general guidelines it sets for public policy. Later I will return to a discussion of the principal targets of the current plan.

Indicative planning has been relatively weak in Japan for four principal reasons. First, the EPA has virtually no enforcement powers of its own and must rely on the adoption of supportive policies by the government and their implementation by the various ministries.

Second, the legislative and policy measures needed to support the planning frequently are stymied by political considerations. Third, the planning process has been undermined by its own success in eliciting responses from the private sector. Paradoxically, this weakens the planning process in certain respects. Finally, in Japan especially, the effectiveness of indicative planning rests on achieving consensus. Whenever distributional issues arise, directly or indirectly, consensus is difficult to achieve, and pressing problems will be set aside or handled by means of vague rhetoric without serious intent to implement remedial measures. Each of these points requires brief elaboration.

Governmental Cooperation. Each of the ministries tends to develop its own constituency: MITI develops, via its industrial bureaus, close maternal relations with the wide range of industries under its wing; the construction, transportation, agriculture and forestry, and other ministries do likewise. The formal power of the ministries lies in their licensing, project approval powers, and so forth. Furthermore, the ministries can request the Finance Ministry and Japan Development Bank to assure the financial requirements of cooperating enterprises (usually formed into industry trade groups). Informally, the power of the ministries is extended by the practice of "administrative guidance" (*gyōsei shidō*), according to which the ministries communicate to industries and firms guidelines for socially responsible behavior. (These guidelines may cover anything from pricing policy to investment or pollution control.) Although not all administrative guidance relationships are carried on smoothly, cooperation normally is forthcoming from the private sector. In return, the ministries support the industries under their wing within the government, as in matters of budgetary allocation, protection against foreign competition, the formation of cartels to divide up markets and maintain prices in recession, and so forth.[4]

The essence of planning involves an optimal allocation of resources and activities within the economy. The strength of the specialized ministries and the lack of enforcement authority within the EPA undermine the comprehensive balancing function of the planning process. This problem is reflected in the plans themselves, which have a marked tendency to be vague; avoiding quantitative targets gives the ministries maximum leeway. Thus, in the latest plan, the planners wanted to set a 1977 research and development target of 3 percent of national income, of which half would be public and half private expenditure. The Finance Ministry, which has begun trying to establish systematic long-range budgetary planning only recently, argued that such a precise target would hinder its flexibility in making up the annual budgets, so the target was turned into an aspiration. ("It would be well if . . . Japanese research and development investments were brought to 3 percent of GNP" [*Plan*, p. 102].)

Political Considerations. Economic plans in Japan are approved by the cabinet, not by the Diet. Cabinet approval, however, implies no specific policy commitment. Whether or not a particular part of the plan will be carried out depends in large measure upon political expediency. An example is the failure to take effective policy measures to control inflation, despite the fact that this repeatedly has been stated as one of the primary goals of recent plans.

The Private Sector. Balance is an inherent part of planning. Due to the increasing complementarity of economic activities in advanced countries, an important function of planning is to avoid bottlenecks and other problems by projecting an image of the future economic structure and level of activity in the various sectors. Indicative planning, however, seeks to spur the private sector rather than to specify targets for it. In the case of Japan, where the competition for market share is especially intense, the private sector consistently has raced ahead of its projections through vigorous investment. Since a primary objective of the plans has been to promote growth, this has not, by and large, been discouraged. Rather, the Finance Ministry and Bank of Japan have sought to assure ample financing for this investment thrust. The consequence of plan overfulfillment in the private sector has been a series of imbalances, appearing most markedly between the level of private capital formation in directly productive activities and the level of public investment in social overhead capital. Thus, the internal contradiction inherent in the very process of indicative planning—success in inducing private investment undercuts the balancing function of planning—appears especially vivid in Japan and is responsible for the wide divergence that commonly has appeared between plans and results.[5]

Consensus. The most difficult problems of modern economies are, in the last analysis, distributional ones. For example, Japan has seriously inadequate housing, especially when considered in relation to its income. To solve the housing problem, reasonably priced land is required. But land prices annually have risen more than 30 percent recently (and over the longer term at a somewhat lower but still substantial rate), so that rather ordinary residential land in Tokyo now costs as much as $4 million an acre.[6] This not only prevents housing from being built, but also feeds the inflation that is so damaging to social welfare. If Japan wishes to solve its housing problem, firm plans must be developed and implemented to reduce the cost of land.

Any such plans inevitably would redistribute real income and wealth from property owners to potential residents. Property owners tend to form part of the same class as enterprise owners, who would be threatened by any measures that might curtail capital gains or property (capital) income. Thus, the key to the solution of the housing problem requires supporting the interest of the public in general (but especially those with labor income) against the interest of those who derive their income from the ownership of property. There is no possibility of consensus planning in this case, and thus despite professed concern with housing and land prices in the current plan document, nothing has been done that might even begin to solve the problem, other than a few obviously futile gestures.

These weaknesses of indicative planning in Japan are real, but they should not be permitted to obscure its positive functions, which derive largely from certain features of Japanese social and institutional structure. The economic planning process stands at the heart of a system of nonmarket information flows which bear directly on the processes of economic decision making. I already have referred to the consultations that occur between the EPA and the Economic Council and the intensive consultations within the government bureaucracy that accompany the decisions on plan targets. As a consequence of this type of communication, in the past there has been a widespread consensus in public and private circles about where the economy is going, and this consensus has facilitated its reaching its destination.

I have indicated that political considerations frequently undermine such plan objectives as the maintenance of price stability. Other quantitative goals for public spending, however, are reflected in the plans with a relatively high degree of accuracy. For example, the plans provide a reliable guide to public intentions for railroad and highway construction, publicly subsidized housing expenditures, and so forth.[7] In addition to the direct impact on decision making made by these targets, two principal indirect consequences stem from the planning process; both are associated with the flow of information in the Japanese economy.

First, those in the private sector who participate in the planning process learn about the intentions of the public sector and of other industries, while those in the public sector learn about complementary activities planned by other government agencies and private sector intentions. In the process, a consensus emerges about the future status of the economy. This consensus has a particularly stimulating effect on private investment, as firms can make future projections with a high degree of confidence.

Second, the plan document, once approved by the cabinet, influences private investment behavior by a variety of indirect routes, although the extent of this influence should not be exaggerated. The various private industrial associations (such as steel and cement) in part base demand projections on the plans' projections for public construction, private investment estimates, and so forth. The industrial subcommittees of MITI's Council on Industrial Structure (*Sankōshin*) work with MITI's industrial bureaus to coordinate investment plans for each industry by consulting the government plan among other materials.

The resulting industrial "plans" are used as information for private decision making and as guides to MITI in carrying out administrative guidance. While the five-year plan is not binding, therefore, it constitutes one basic source of information upon which public policy and private investment decisions are based. This function of the plan, however, has been much less important than the formation of the consensus and the indication of the general direction of public policy.

There is a final point concerning a less tangible but significant influence of planning on economic behavior in Japan. It can best be made with reference to an analogy concerning the decision-making behavior of private firms. While Japanese firms are as hierarchically ordered as any in the world in terms of status, prestige, and authority, decisions typically are reached after extensive consultations which often reach far down in the hierarchy. It often has been observed that the process of decision making takes more time than in the West, but the speed and ease of implementation are unparalleled since all members of the firm understand what is being undertaken and are committed to its achievement.

A comparable if not precisely identical process operates in the economy as a whole. This consensus serves to integrate the outlook of the large private firms and the government in a way that has led many observers to use the term "Japan, Incorporated."[8] Since the trade unions are typically organized on an enterprise basis and employment, after a two-year trial period, is "lifetime" (actually, until retirement at age 55), the unions tend to identify labor interests with the prosperity of the enterprise and form a part of this consensus. Unlike the case of individual firms, the consensus does not refer to specific policies, but to a more general framework concerning the direction of the national economy. The existence of such a consensus, however, makes the private sector highly sensitive and responsive to public policy initiatives as well, grounded in the knowledge that support from the public sector will be forthcoming.

A series of examples is provided by the recent focus on "knowledge-intensive" or "high value-added" industries in the Japanese economy. There is no single program to advance such industries to serve as the core of Japan's future economic structure, but the logic of the argument is understood almost universally among businessmen and bureaucrats, and it is clear that a new consensus has formed about it. The argument has many strands: The technologically sophisticated industries (such as the computer industry) are less polluting than heavy industry, involve less reliance on imported raw materials, represent an area where Japan's future international comparative advantage is likely to be greatest, reflect the productivity increasing requirements brought about by Japan's increasing labor "shortage," and so forth.

Among the numerous instances of economic decision making influenced by the consensus, computer development, ocean resources development, and the nascent aircraft industry provided good examples. Their meaning will be more clear, however, if we consider the planning role of MITI before examining them.

THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MITI is divided into many bureaus that deal with specific industries and a few general bureaus, such as the Industrial Policy Bureau or Minister's Secretariat, that provide a broader policy vision and serve as a check on the industrial bureaus. Most of the industries represented in the bureaus also are represented in the subcommittees of the Council on Industrial Structure (*Sankōshin*), but the function of the council is a special one within the ministry; it is more concerned with principles of industrial structure, while the bureaus are more policy-oriented. The *Sankōshin*, which formally is advisory to the Minister of International Trade and Industry, is related to the minister in much the same way that the Economic Council is related to the Prime Minister. It consists of an overall council and many subcommittees, both of which are composed, as is the Economic Council, of leading figures in economic and business circles. The MITI staff takes the role of secretariat to the *Sankōshin*, drafts its proposals, and in fact plays the principal role in initiating them.

MITI planning can be divided into two broad categories: that for specific industries and a more general type for the nation's industrial structure; the industrial bureaus and the *Sankōshin*, respectively, are the principal instruments for these two types of planning.

The industrial bureaus determine the suitable size for an industry as a whole and possibly for its main components. They also determine the minimum plant size necessary for efficient production, the extent to which the environment is to be protected, and so forth. MITI's approval is needed for new plant construction, and its support is helpful in forming antirecession cartels and in securing financing, so it can exert considerable influence on enterprise behavior. The criteria it uses in industrial planning include demand projections, environmental impact, raw material requirements, impact on prices, and the like. Above all (MITI follows its own view of general priorities, which are most commonly set forth by the *Sankōshin*.

The *Sankōshin* may decide which industries are to be stressed. For example, it decided a few years ago to "give" the textile industry to the developing countries and at the same time to support the diversification of the textile companies into the leisure industries field.[9]

More recently, MITI decided that, in view of the tremendous energy (petroleum) requirements in steelmaking, it would press the industry to establish basic steelmaking facilities abroad and to focus on the production of higher-quality steels within Japan itself. MITI has carried out its pressure in the form of administrative guidance and has received a positive response from the industry; the fact that all major steel firms employ former MITI officials is certainly helpful.

The most important examples of general industrial planning, however, are the emphasis on the heavy and chemical industries in the 1950s and 1960s and the emphasis on "knowledge intensive" industries today. In the early 1950s, Japan was a high cost producer in the heavy industries, with steel prices ranging as of April 1951 from 50 to 100 percent above international levels.[10] Had comparative advantage been viewed statically at that point and no protection afforded the heavy industries, Japan never would have experienced the rapid economic growth of the past quarter century. With MITI taking the lead, however, and considering many factors, not least of which was the high international income elasticity of demand for heavy industrial products, the Japanese government took strong measures to protect heavy industry, develop it, and improve its international competitiveness. These steps primarily were carried out in the 1950s, during the First and Second Modernization Programs for the industry.

During this period, the government ensured the availability of adequate financing from government banks and other sources, lowered interest rates to the steel companies (even on outstanding loans), granted preferential treatment in importing foreign equipment and technology, took measures

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to reduce transport costs and to improve the efficiency of the coal mining industry, ensured the availability of necessary imports, helped plan the construction of giant new ore-carrying ships and new port facilities to reduce the cost of imports, and took measures to investigate and guide the rationalization of the steel industry itself.[11] Thus, government-owned banks provided 32.4 percent of the industry's capital requirements between 1951 and 1955 the government exempted machinery that contributed to the industry's rationalization from import duties,[12] allowed accelerated depreciation and other beneficial accounting practices for the industry, and so forth. In evaluating Japan's success in developing its heavy and chemical industries, then, the role of government planning should not be neglected.

THE SANKŌSHIN REPORT

In the late 1960s it began to become apparent that there were limits to Japan's reliance on heavy industry for continued growth. First, as its share of world trade became increasingly substantial, it became evident that Japan could not sustain the same rate of increase in the imports of the raw materials and energy needed by the heavy industries. As I have noted, this is a major factor in the government's encouragement of the steel industry to locate new primary steelmaking facilities abroad. Second, environmental deterioration has become a pressing problem in Japan, and the heavy industries tend to be heavy polluters. Other factors pointing toward the potential erosion of Japan's comparative advantage in certain aspects of heavy industry with rising wage and other costs also were becoming evident. There was talk among academic economists and government officials of the need for new directions in industrial structure. Out of this emerged a report by MITI's *Sankōshin,* "Commercial and Industrial Policy for the 1970s" (*Nanajyūnendai no Tsūshō Sangyō Seisaku*), published in May 1971.

The report argues, in essence, that Japan's future industrial structure must revolve around the so-called knowledge-intensive industries. Economic policy must focus on the development of these industries, which are divided into four main groups. (1) Industries in which research and development are important. These include, among others, computers, aircraft, electric automobiles, industrial robots, atomic power-related industries, recycling industries, and oceanic development. (2) Complex assembly industries. (These may overlap with some in the first category.) These industries involve the complex combinations of many parts, and in assembly technology and skill are important. Included are communications and office machinery, numerically controlled machine tools, pollution control machinery, large size heating and air-conditioning equipment, educational machines, prefabricated housing, automatic storage, large-scale construction machinery, complex plants, and so forth. (3) Fashion-type industries. These are oriented toward satisfying sophisticated consumer demand and include fashionable clothing, furniture, residential equipment, and so forth. (4) Knowledge industries. These supply information and knowledge, for example, information services, (computer) software, systems engineering, and consulting services.[13]

The report sees the period of emphasis on the heavy and chemical industries as a necessary stage in Japanese economic growth and continues to regard these industries as providing the necessary base for the development of the knowledge-intensive industries.[14] But there is no mistaking the thrust of the report as the development of a new strategy to transform Japan's industrial structure. Furthermore, the report argues that careful preparations for these industries, now mainly in their infancy, are essential for their successful development. It is perfectly clear that the report is presenting a new planning perspective.

The emphasis on knowledge-intensive industries has been incorporated within the current five-year plan, Basic Economic and Social Plan, 1973–1977, by the Economic Planning Agency, and is thoroughly grasped in business as well as in government circles. The meaning of this consensus for economic policy and behavior can be clarified with reference to the development of the computer, ocean resources, and aircraft industries, all of which fall in the knowledge-intensive category. Each of these cases shows both the importance of planning and of the consensus obtained within economic circles in the process of planning.

Computers and their potential ramifications probably stand closer to the core of Japan's knowledge-intensive development than any other industry. Foreign competitors, particularly IBM, had such a great lead in the field, however, as to threaten the emergence of a viable Japanese industry. Faced with this situation, the government has maintained import and foreign investment protection for the computer industry longer than for any other major industry. Meanwhile, MITI has worked (successfully) to establish cooperative tie-ups among the major firms in the field, as in the Fujitsu-Hitachi case. At the same time, MITI and the Finance Ministry have assured ample financing for the industry, including some subsidies to promote research and development. This special support for one industry has been generally accepted within Japanese society, and business circles in particular, as being in accordance with the consensus on knowledge-intensive development.

Ocean resources development is another area which will depend heavily on sophisticated technology. When MITI sought to encourage the formation of new firms to exploit this area, each of the neo-zaibatsu groups responded readily, and six firms have been established in the area, each representing a pooling of capital funds.[15] Each is eligible for grants and subsidies in carrying out research and development. What should be emphasized here is that the prior existence of consensus enabled the government policy initiatives to meet with a smooth and rapid response.

In the case of the establishment of an aircraft industry, the initiative seems to have come from private industry as well as from the government. A group of private firms led by Mitsubishi Heavy Industries has sought to establish a viable aircraft firm. Since this area is within the high technology category, government support could be expected. That indeed has been forthcoming, with the government making a substantial grant to cover the initial design work, assuring financing, and taking up part of the initial capital subscription. Again, the existence of consensus has facilitated coordination between the public and private sectors.

The emphasis on knowledge-intensive industries is reflected in the new five-year plan in the following manner:

> It is hoped that through various types of regulation and guidance, industrial areas with low consumption of natural resources and energy, little emission of pollutants, and high percentage of value added will gradually constitute an increasingly large proportion of total industry. Among such industries will be those involving sophisticated assemblage and those relating to information and social development . . . the period of the plan will mark the beginning of the long-term process of change from the old pattern of industrial development to a new, primarily knowledge-intensive industrial structure (Basic Economic and Social Plan, 1973–1977, pp. 23, 33).

As this passage suggests, the knowledge-intensive focus is expressed, for the most part, in the form of general statements rather than specific targets. The role of planning in this regard, however, should be understood within the larger context of information flows among public and private decision makers in Japan. The plan and planning process are central if by no means exclusive factors in the communication of economic information and in the formation of consensus concerning the direction of the economy. Since this consensus influences economic behavior profoundly, the role of planning in the Japanese economy takes on substance even when formal implementation is weak.

JAPAN'S NEW 5-YEAR PLAN: A SHIFT FROM GROWTH?

As I have noted, Japan's new five-year plan, Basic Economic and Social Plan—Towards a Vigorous Welfare Society, 1973–1977, incorporates the new emphasis on knowledge-intensive industries. Easily the most striking aspect of the plan, however, is the apparent shift in the priorities that have marked past planning: from growth and growth-related measures to social welfare, the environment, and international cooperation. I would like to clarify the nature of this shift and assess its meaningfulness. I will argue that while planning of the Japanese type is well suited to the pursuit of growth, it creates great difficulties in shifting national priorities to other social goals. Indeed, from one perspective, the new plan's shift toward social welfare merely masks an unreformed intoxication with growth.

As early as the mid-1960s, Japanese plans reflected the consciousness that welfare was not keeping pace with growth, that imbalances between social overhead capital and private production equipment had resulted from the much faster expension of the latter, and that environmental disruption required remedial action.[16] Still, only in the most recent plan have the stated priorities been reversed. This plan's predecessor, the 1970–1975 *New Economic and Social Development Plan,* while reflecting the growing interest in knowledge-intensive development and the growing concern with problems of social welfare, was the last to give priority to the traditional pursuit of the interrelated trinity of productivity increase, economic growth, and the expansion of exports. The four principal policy objectives of that plan were: (1) improving economic efficiency from an international viewpoint; (2) stabilizing prices; (3) promoting social development; and (4) maintaining adequate economic growth and paving the way for future development.[17] Although the third objective does recognize the fact that welfare improvement has lagged behind economic growth and the plan does incorporate a series of measures to improve living conditions and welfare, the central thrust remains the promotion of productivity increase and growth.

The 1970–1975 plan incorporated provisions for revision in its third year to take account of new developments. By 1972, however, it was felt that the changes in exogenous conditions were so great as to necessitate the adoption of an entirely new plan. The 1973–1977 plan was the result. The changes in the background conditions that required a new prospectus are spelled out in the plan itself. They are grouped into changes in international and domestic conditions and in nation consciousness. The changes in international conditions include the world-wide monetary instability associated with the long-term economic decline of the United States and the rise of Japan and the EEC, the relaxation of East-West tensions, and the continuing failure to narrow the gap between the advanced and the less developed countries. It is the changes observed in domestic conditions and national consciousness, however, that primarily interest us.

The first of the domestic conditions concerns the exaggerated imbalances that have appeared in the course of rapid economic growth.

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The chief ones noted are increasing inequality in the distribution of income and wealth, the inadequacy of social overhead capital (especially housing) relative to capital invested in directly productive activities, the low level of social security and welfare benefits relative to the high level of per capita income, and spiralling prices. The other domestic conditions noted are the growing seriousness of pollution and environmental degradation, the problem of resource limitations (especially energy with regard to production and land and water with regard to urban development), and the excessive industrialization and urbanization in the belt stretching from Tokyo to Osaka. The problems are almost exclusively related to social welfare and the environment. The focus on these areas reflects an apparent shift in planning priorities, a shift which is stated quite explicitly:

> Japanese economic development will continue to pivot upon technological innovation and wider use of information, but it will be necessary as well to effect a change in the nature of economic activity, a change from the pursuit of economic efficiency in the narrow sense of the term to a compatibility with pollution control, preservation of the natural environment, prevention of disorderly urban concentration, and other urgent goals. . . . It will also be necessary to make income distribution more equitable: solve the housing and land problems; proceed with equalization of educational, employment and other opportunities; respect the value of human life; and secure the health and safety of the people (pp. 7–8).

The plan has two basic aims: "the promotion of national welfare and international collaboration."[18] The four goals it sets itself "creation of a rich environment, ensuring a comfortable, stable life, achievement of price stability and promotion of international collaboration,"[19] are determined within the framework of the basic aims. The principal question to be asked is whether Japan is seriously concerned with shifting priorities from growth to welfare as the plan suggests, that is, whether the plan is to be taken at its face value. In order to investigate this problem, I would like to consider the plan from the perspective that doubts the possibility of such fundamental change under current Japanese economic and social conditions.

It is most unusual for any major nation to set "international collaboration" as a primary aim of its economic planning. Smooth international relations are especially important at this stage of the development of the Japanese economy, however, for several reasons. First, Japan seeks to assure its supply of raw materials and energy sources at a time when the demand for both is rising rapidly abroad as well as at home. Japan's efforts to promote collaboration with Middle Eastern oil producing nations during the recent oil crisis are well known, while its disinterest in providing aid to the drought-stricken countries of West Africa because the countries are of little commercial importance to Japan has received less attention.

Second, there has been a protectionist tendency throughout the world that threatens Japanese exports. As Japan's share of world trade rises toward the 10 percent level, its exports become increasingly visible in many countries. In particular countries and for particular commodities, of course, Japan's trade share is much higher. Strong pressures to increase tariffs and impose quotas on Japanese goods exist in many countries, and international collaboration is an essential part of the effort to forestall such moves.

Third, Japan has been moving into the role of international capital exporter (creditor) at an accelerating pace. In part, overseas investment is meant to circumvent protectionist threats, but the much more important factor is the stage of development reached by the Japanese economy. Labor is increasingly sort and expensive in Japan, and other costs also have begun to rise more rapidly than those abroad. Furthermore, many industries (such as the automobile industry) have reached relative maturity in Japan and must look to overseas expansion to sustain growth. Additional factors underlying intensified capital export requirements are the problems associated with the import of adequate raw material and energy supplies (I already have noted that this was the principal factor in the multinationalization of the steel industry) and the need to export some of the most highly polluting industries. Thus, with local opposition making it very difficult to build a new oil refinery anywhere in Japan, large-scale oil refinery and storage projects are planned for South Korea and Indonesia. It is quite natural that, if important national production facilities are located overseas, special measures be taken to assure good international relations, protect existing investments, and pave the way for future ones.

According to the view I have sketched out here, "international collaboration," despite its humanistic tone, is designed primarily to anticipate and remove potential barriers to continued economic growth that may arise in the international sphere. Can the same deviousness be ascribed to the current five-year plan's emphasis on national welfare? My own belief is that the deviousness is there, although it is not so extreme as in the case of international collaboration.

All advanced capitalist countries have recognized that securing basic social security and welfare requirements plays an essential role in maintaining the stability of the social and economic system. Japan clearly is going to create a basic welfare system, but it is approaching that goal very slowly in order not to affect growth adversely. Thus, for example, "Employees Pension Insurance" was increased in the fiscal 1974 year to 50,000 yen monthly, but this is paid only to those who have been making social security payments for 35 years, and even by 1977 very few will fall in this category. The noncontributory old age pension, by contrast, will be raised to only 10,000 yen monthly—in fiscal 1975. While social security is both a humanistic concern supported by past growth and a condition for the stability needed to secure future growth, the emphasis in Japan appears to be on the latter function.

It is also possible to view governmental efforts to deal with environmental pollution from opposing perspectives. Concern with the environment may reflect a shift in national priorities from economic growth to the condition of man, or it may reflect a need to deal with certain obstacles to continued growth that environmental pollution has created. Consider the latter perspective. It has become extremely difficult to find sites for new power plants in Japan due to the strength of local protests. The same is true, although ordinarily to a much lesser degree, of factories that produce a wide variety of products. If the popular demand for environmental protection is not heeded, it will be very difficult to sustain rapid economic growth.

There are two rather obvious ways to assess the validity of viewing the new plan with a skeptical eye: Consider the specific provision of the plan itself and consider the policy measures that have been effectuated since the start of the plan. Each method has drawbacks: the former because the specific provisions often are left vague and because it is impossible to tell from the plan itself how vigorously stated objectives will be pursued when they conflict with other goals, the latter because the plan has been in effect for little more than a year (at the time of this writing), and it is still too early to make a comprehensive assessment of it in terms of enforcement. Still, testing the plan for internal consistency and evaluating the seriousness with which plan goals have been pursued can provide a good basis for selecting the correct perspective from which to view it.

With regard to economic growth, the plan states:

"If Japan were to continue its policy of priority to production and exports and its erstwhile pattern of economic development despite the basic background developments, already indicated, that have made it necessary for a policy shift, it would be able to maintain a rapid rate of economic growth of over 10% in real terms all the way up to 1985 or 1990 and achieve by then the world's highest level of production (a real per-capita GNP of about $10,000 in 1965 prices), but, on the other side of the picture, extreme deterioration of the environmental and unfair income distribution would have been left unsolved. Furthermore, a number of other problems would present themselves, including sharp frictions in international society due to continuing large surpluses in the balance of international payments (Plan, p. 11)." This passage seems to suggest that by pursuing 10 percent plus growth, Japan would sacrifice equity, the environment, and so forth. The plan later informs us (p. 115) that the target rate of real growth for the five-year period (fiscal 1973–1977) is only 9.4 percent. It is legitimate to wonder if the social ills that attend 10 percent growth will really be eliminated by 9.4 percent growth.

Japan's inland and coastal waterways are among the most notoriously polluted in the world. The current plan states, however, that "really substantial improvement of water quality . . . cannot be expected in the 5-year period that this plan covers. It will take many more years and huge outlays to meet environmental standards at which the living environment is free from adverse effects" (Plan, p. 25). While efforts to maintain water quality definitely are being stepped up in Japan, the restoration of clean water evidently is not considered important enough to justify more severe restrictions on polluters and massive clean-up efforts now.

Consider also the plan's treatment of the automobile, one of the major contributors to urban pollution. "The number of cars in Japan tripled, from 6.3 million in 1965 to 19 million in 1970. An enormous amount of carbon monoxide, nitrogen oxides and hydrocarbons have been emitted from these automobiles, making auto exhaust the leading contributor to air pollution in large cities" (Environment Agency, Government of Japan, Quality of the Environment in Japan [Tokyo, 1972], p. 55). The nitrogen oxides and hydrocarbons caused by automobile exhaust are believed to be one of the principal causes of photochemical smog, which frequently has appeared in Japan since the summer of 1970.[20] Cars are also a major source of noise, vibration, and destruction of the character of urban life.

Japan is acting much like the United States in imposing belated and thus far ineffectual regulations for cleaning up automobile exhausts. The plan indicates these regulations and the intention to pursue research on pollution-free vehicles, but fails to call for the obvious measure of restricting motor vehicle production until pollution-free cars can be produced. This still would be possible in Japan, where public transportation is of generally high quality and private cars are not yet essential in daily life. Instead, the plan calls for major efforts in new road construction, and new highways, including elevated ones, continue to slice up Japanese cities, bringing more air pollution and destroying the amenities of urban existence. The role accorded to the automobile by plan and policy makes sense if the past trends of economic growth and the development of the automobile culture are to be perpetuated, but not if economic planning is to improve man's environment and welfare.

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The most notorious discrepancy between plan and achievement, however, lies in the area of price limitation. The plan treats "holding down inflation" as "an essential precondition to national economic stability and national welfare."[22] From 1961 to 1971, prices in Japan rose at an average rate of 5.9 percent per annum.[23] The plan seeks to limit the rate to not more than 5 percent.[24] In February 1974, however, after the plan had been in effect for almost a year, the consumer price index in Tokyo stood a full 24 percent higher than the previous year's level. This was the highest inflation rate since June 1949, when the Japanese economy was still suffering from the aftermath of World War II.[25] Although honest mistakes in monetary policy, international monetary problems, and the energy crisis contributed to the inflation, allowing it to reach the proportions it has does not speak well for the seriousness of plan enforcement or intent.[26]

This assessment is made quite clear by Japan's experience with regard to land prices, which on 1 January 1974 were 32.4 percent higher than the previous year's level.[27] The plan particularly stresses limiting land price increases, which are not subject to the influence of exogenous factors to the same extent that consumer prices in general are. The discrepancy between the plan's statement of intent and actual experience suggests that skepticism is warranted in considering the price goals of the plan.

In conclusion, I do not wish to argue that welfare and environmental progress are lacking in Japan, merely that they remain subsidiary to the pursuit of economic growth. Economic planning in Japan, based on consensus, has contributed to economic growth and can be expected to continue to do so. The consensus based on the pursuit of growth has been real because virtually the entire nation has perceived growth as being in its interest. Where other social goals come to the fore, however, conflicts of interest are more typical. Under these circumstances, the economic plan still must be based on consensus, but the consensus becomes one of words rather than substance.

If we examine carefully the shift in emphasis from growth to welfare and international cooperation that the present plan declares, we can find conflicting interpretations hidden by a common language. The evidence available suggests that the shift is more apparent than real.

Economic planning cannot channel Japan's material capabilities into socially legitimate ends until the fundamental conflicts that underlie the redirection of the economy are resolved. The issue is between the beneficiaries of growth and the beneficiaries of a "vigorous welfare society." While the plan pronounces "welfare," its essence remains growth.

FOOTNOTES

[1] GNP in fiscal 1955 was 8,864.6 billion yen (360 yen equalled U.S. $1.00), and the population was 89,276,000. Bureau of Statistics, Office of the Prime Minister, *Japan Statistical* Yearbook 1970 (Tokyo: 1971), pp. 10, 489.

[2] According to the forecast of the Japan Economic Research Center published in March 1974, Japan's GNP will reach 149,458 billion yen in fiscal 1974. Japan Economic Journal, 19 March 1974, p. 12. Assuming a population of 108 million and an exchange rate of 280 yen = $1.00, per capita GNP will be $4,942.

[3] See, for example, The Japan Economic Research Center, "A Long-Term Outlook of Japanese and U.S. Economies: 1980" (Tokyo: March 1973), p. 3.

[4] In May 1974 the Tokyo High Prosecutor's Office indicted the Petroleum Association of Japan and 12 petroleum refining companies as well as their 17 top executives for forming an illegal cartel to restrict output and raise prices. Those accused attributed the formation of the cartel to the administrative guidance of the Ministry of International Trade and Industry. Japan Economic Journal, 4 June 1974, p. 1.

[5] In the six plans between 1955 and 1967, real growth projections understated the actual achievement by between 2 and 5 percent per year. See Isamu Miyazaki, "Economic Planning in Postwar Japan," *Developing Economies* 8, no. 4 (December 1970): 371.

[6] For example, in Nishikata, near the Hongo campus of Tokyo University.

[7] The precise liming of such expenditures is flexible, depending upon current economic conditions.

[8] The term "Japan, Incorporated" is quite an appropriate one in the sense that it focuses attention on the lack of clear distinctions between the public and private sectors that is peculiar to Japan, the community of purpose between business and government, and the basic consensus underlying economic activity. The term may have misleading connotations to Western audiences, however, in the analogue with the Western enterprise it projects. Japan, Incorporated functions on the basis of consensus, and real conflicts of interest do emerge that cause the consensus to break down; conflicts between the private sector and government, between business and labor, and between business and the public are especially likely to appear.

[9] This and the following information was provided by an official of MITI.

[10] Kiyoshi Kawahito, *The Japanese Steel Industry* (New York: Praeger, 1972), p. 22.

[11] Ibid., pp. 22–48.

[12] This affected 61 percent of its new equipment between 1951 and 1955. Ibid., p. 27.

[13] *Sankōshin,* Ministry of International Trade and Industry, Japanese Government, *Nanajyūnendai no Tsūshō Sangyō Seisaku* [Commercial and industry policy for the 1970s], pp. 31–33 (in Japanese).

[14] Also, knowledge-intensive aspects of traditional heavy industry will continue to be developed.

[15] Each of the old *zaibatsu* represented a broad range of industrial and financial concerns under the aegis of a central holding company. Formally broken up under the Occupation, the *zaibatsu* holding company structure no longer exists. Despite their nominal independence, however, the presidents of the now-independent firms meet regularly (usually weekly) to coordinate their activities, with the leading role typically taken by the bank and trading company (in some cases the heavy industrial company as well). The neo-*zaibatsu* structure is strengthened by interlocking directorships and stock ownership, and the joint action of the firms is especially important in new and large-scale ventures. In some cases, similar groups have formed around major banks, such as the Dai Ichi-Kangyo and Sanwa banks. I have used the term neo-*zaibatsu* to refer to both types of groups.

[16] The first plan to show this very clearly was the *Medium-Term Economic Plan,* adopted in January 1965. See Miyazaki, "Economic Planning," p. 375.

[17] Economic Planning Agency, Government of Japan, *New Economic and Social Development Plan 1970–1975,* pp. 8–16.

[18] Economic Planning Agency, Government of Japan, *Basic Economic and Social Plan, 1973–1977* (hereafter, *Plan*), p. 15.

[19] Ibid.

[20] Environment Agency, Government of Japan, *Quality of the Environment in Japan* (Tokyo: 1972), pp. 31–32.

[21] The plan target calls for 3,100 km of national expressways by 1977 and about 10,000 km by 1985 (p. 16), with comparable increases in the construction of other types of roads.

[22] *Plan,* p. 20.

[23] *Plan.* p. 71.

[24] *Plan,* p. 72.

[25] *Japan Economic Journal,* 5 March 1974, p. 3.

[26] The Ministry of Labor believes that as much as 13.6 percentage points of the sharp 23.6 percent increase in wholesale prices from October 1973 through February 1974 was accounted for by " 'profiteering' " activities of some of the corporations. To the extent that such profiteering took place, government policy presumably could have limited price increases without affecting supply. *Japan Economic Journal,* 21 May 1974, p. 1.

[27] *Japan Economic Journal,* 7 May 1974, p. 1.

SHOULD PUERTO RICO BECOME PART OF THE UNITED STATES?

Mr. CURTIS. Mr. President, the Congress of the United States has a distinct responsibility in reference to Puerto Rico. It is important that we have the facts and that we act wisely.

On April 15, 1975, Mr. Gary Hoyt made a speech to the San Juan Rotary Club, entitled, "Should Puerto Rico Become Part of the United States?" Mr. Hoyt displays an in-depth knowledge of Puerto Rico. I believe that every Member of Congress should read his article. Therefore, Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SHOULD PUERTO RICO BECOME PART OF THE UNITED STATES?

(Speech by Garry Hoyt)

The failure to properly ask, and honestly answer that basic question, is at the heart of the growing political and economic disarray in Puerto Rico. None of the problems deriving from an honest yes or an honest no to this question will be as damaging as the continued evasions of that question.

The fact that Puerto Rico has technically been part of the United States since the Spanish-American War, does not alter the reality that Puerto Rico has never emotionally been part of the United States. And that emotional link—though the least tangible—is in the end the most important bond in any citizenship. This bond is critically absent in the present relationship.

Proof that Puerto Rico is not emotionally part of the United States is ample and varied to anyone who knows the island. The most obvious evidence is right at hand in the ready way that virtually all Puerto Ricans verbally distinguish themselves from Americans. It does not matter if an American has lived in Puerto Rico for ten, twenty, or thirty years—he is still classified apart as an American. For that matter, even children born on the island to American parents—continued to be called Americans.

The irony that Herman Badillo can be born in Caguas, but move to the United States and be elected to the U.S. Congress—and be accepted as American as anybody—is entirely lost on most Puerto Ricans who totally exclude Americans from "their" local political process. The "melting pot" kind of attitude that enables Americans to give open admiration and what is perhaps the most powerful position in the country to a German Jew who was born in Europe, immigrated to the U.S. at age 14 and still speaks English with an accent—as Henry Kissinger does—is totally missing from the scene in Puerto Rico.

But the real issue is not the exceedingly minor question of why a small number of Americans are not really accepted in Puerto Rico—but the reverse of that coin—the major question of why most the 2¾ million

Puerto Ricans on the island continue to primarily identify themselves as Puerto Ricans—distinct, separate and apart from Americans and America. The degree of this separateness varies widely, but includes a high percentage of Puerto Ricans who are not even aware that they are American citizens. The unawareness of U.S. citizenship here is such that the U.S. Customs procedure at airports had to be altered. The standard questions—"What country are you a citizen of?"—or, "Are you an American citizen?" produced only extensive confusion and delays at Customs because most Puerto Ricans answered simply that they were Puerto Ricans. So the question was tactfully rephrased to "where were you born?" which may have solved the immediate problem—but evades the basic issue that here is a group of people who either don't know, or don't want to face—what their legal citizenship is. The Commonwealth government, for its part, has been excessively inactive in any moves that might alter this atmosphere of apartness from the U.S.A.—rather they have deliberately sought to increase apartness.

To appreciate how and why all this has come about, one has to enter an amazing world of double standards and double talk—the world of status politics in Puerto Rico. First off, one must largely discount what Puerto Rican politicians say in the United States when they are seeking Federal funds—since this bears little or no resemblance to what they say in Puerto Rico when seeking election. In twenty years of residence in Puerto Rico, I have yet to hear any politician say the Spanish equivalent of "Fellow Americans". On the contrary, when a politician here says "El Pueblo" (literally—the people) he means exclusively the people of Puerto Rico. When they say "El País" (literally—the country) namely Puerto Rico—and absolutely nothing else. When they say "La Patria" (literally—the fatherland) they mean Puerto Rico and nothing else. When a prominent legislator gets embroiled in a messy incident at the airport his furious rejoinder to the hapless employees is "estos malditos Americanos" (literally—these cursed Americans).

I am sure this would be considered strange behavior in Washington. But, of course, it never gets to Washington, and strangest of all, it is not even the cause for much comment in San Juan. Because the tacit understanding here is that American citizenship is an utility to be freely used—but never to be freely admitted—and least of all to be respected or revered.

What about public education and its role in shaping public attitudes? Through a policy of casual neglect, calculated deemphasis, and overall inefficiency, instruction of English in Puerto Rican public schools has degenerated to the point that comprehension of English by current students is near zero. American history in even its most elementary phases is similarly untaught. In terms of higher education, it can safely be said that the faculty at the University of Puerto Rico contains the highest concentration of the most venomous anti-American sentiment on the island—and maybe in the entire hemisphere. The fact that many of the university's buildings that house this anti-American sentiment were financed by Federal funds is an interesting microcosm of the whole dilemma.

Thus, in summary, we have an island that speaks Spanish, reveres Spain as its mother country, has successfully resisted the learning of English language and American history, takes no part in the U.S. political process, pays no U.S. taxes, no longer faces U.S. military obligations, and prefers to be identified as a separate entity—all despite fifty years of technical American citizenship.

Whether this is right or wrong is not the issue here. There are many on the island who would trumpet all this as triumphant evidence of the strength of Puerto Rican identity versus the pressures of Americanization. That is a legitimate point of view, but not the only legitimate point of view.

For example, the hard pressed U.S. taxpayer might be pardoned if he wondered how long he was expected to subsidize this triumph of non-Americanization. Because Puerto Rico floats economically on over $2 billion in annual U.S. Federal aid that comes directly from the U.S. taxpayer.

Equally pertinent would be the growing doubts of a number of Puerto Ricans who are concerned as to whether the "Puerto Ricanness" to which they are increasingly being led—by means overt and covert—is worth the "Americanness" they are increasingly being denied—also by means overt and covert. Here it is important to distinguish between the nationalistic ambitions of current leaders—which are very clear, and the feelings of the general public—which tend to be confused and non-represented.

This is the framework of the complex dilemma now facing Puerto Rico—a dilemma that has been brought to new prominence by the present government's aggressive stumblings towards collectivism, and away from the United States. Again the point here is not the debatable rightness or wrongness of their moves, but the fact that the people of Puerto Rico have specifically not been consulted on them. Nor have the people in the United States been made aware of them. This is double duplicity, and double jeopardy, because both parties are being duped by their mutual gullibility.

Where do the people of Puerto Rico stand? Basically, I believe, they stand uncertain. In 1967, there was a plebiscite held in Puerto Rico on the status issue. In this plebiscite the current Commonwealth status received a supporting vote of approximately 60%—with Statehood receiving 38%, and Independence less than 2%. That was probably a fair measure of how people felt at that time, although a lot of latent sympathy for independence was clearly hidden in the vote for Commonwealth.

The issue now, however, is not with Commonwealth's past practicality—few people would argue that. Commonwealth was a pragmatic innovation which in many ways was responsible for stimulating Puerto Rico's rapid change from a poor sugar cane economy to a modern industrial society. The primary economic advantage of Commonwealth status was that it allowed virtually all the benefits of U.S. citizenship, with very few of the obligations. Under Commonwealth, Puerto Ricans were able to keep their own language and culture, and to elect their own government. They were able to lure U.S. industries to the island with promises of tax exemptions which were not available in the individual states—while at the same time having full rights to extensive U.S. Federal support—all of which was paid for by the individuals in the states. And though having entirely free access to the rich U.S. market, where virtually all Puerto Ricans goods were sold, Puerto Rico did not have to pay any U.S. taxes. And all the taxes collected on the island went directly and exclusively to the island. A pretty good deal by any measure.

The problem is that with the passage of time, the inherent ambiguities of Commonwealth status have increasingly taken their toll. Perhaps the cruelest hoax of all has been Commonwealth's perverse ability to nourish the separate aspirations of the Puerto Rican on one hand while at the same time heavily addicting him to progress that was inextricably based on an ever closer economic dependence to the United States. The results is a people split by technical allegiance to America, and emotional allegiance to Puerto Rico. This divisive dichotomy is the inescapable outcome to Commonwealth's treatment of U.S. citizenship as an agreement based on economic expediency—rather than a commitment based on open enthusiasm. The intrinsic indignity of this—to both Americans and Puerto Ricans, is a time bomb ticking at the vitals of the present relationship.

To understand why Commonwealth status has newly come into doubt and crisis on the island, it is necessary to trace how initial strengths devolved to eventual weakness. At this inception Commonwealth status—was broad enough to span almost the full spectrum of existing ideologies in Puerto Rico. For those seeking Independence, the Commonwealth status was a way to buy time and build economic strength while keeping alive their goal. For those seeking Statehood, Commonwealth status held similar promise as a way to keep alive their goal. Thus, Commonwealth was as near to being all things to all people as a status can be.

For its leader, Commonwealth had the brilliant and charismatic Luis Muñoz Marin, a master of orchestrating the diverse and dissident elements of the island into a semblance of harmony. Where he led, people followed, and under his decisive guidance Commonwealth became the productive compromise by which essentially opposing elements were united to pull together, with remarkable results.

However, with the passage of time came the realization by these opposing elements that the Commonwealth status which they had viewed as a convenient vehicle for their own causes—had become a formidable bureaucracy with serious pretensions to its own permanence—with a course of its own that was neither Statehood nor Independence. With this realization began the fragmentation of the Popular Party, and the erosion of its dominant power base. The Statehood movement grew rapidly in strength, fueled in many cases by the fear that Commonwealth was merely a drive for Independence in disguise.

Changing years also brought changes in some of the critical balancing factors. For example, in the past the fact that Puerto Rico were subject to U.S. military draft, and served with honor and distinction in several American wars was the kind of major contribution which by itself could balance the scale on all manner of U.S. aid. In addition, Puerto Rico was at one time considered to have great strategic military value, and the island was the site of several important military bases for the U.S. Army, Air Force, and Navy. Both these factors were, by any judgment, important contributions to the welfare of the United States.

However, here we are in the '70's. The military draft no longer applies to any inconvenient extent so there is no real military obligation for Puerto Rico. All but one of the important military bases have left, and the illusion of the island's strategic importance has faded in the face of globe circling rocket warfare. Thus, the critical balancing factors have largely disappeared.

Commonwealth's ability to offer tax exemption—which for so long was the mainstay of Fomento's drive to attract industries to the island—must now be weighed against the penalties of labor unrest and civic uncertainty—which Commonwealth's indefinite status has also stimulated. Seen in present tense, tax exemption is no longer the pure benefit it once seemed, and its value as an investment incentive has been seriously blunted.

But perhaps the most telling subtraction of all was the departure of Luis Muñoz Marín from the active political scene. The sure touch that characterized Muñoz Marín's reign of benign democratic dictatorship was almost immediately missed. Discrepancies which he had been able to cover by sheer force of personality quickly surfaced under the fumblings of his successors.

In this limbo of lesser leadership, radicals who had been helpless in the face of Muñoz Marín's overwhelming popular support, now found ready access, and fertile ground. The fields of education and labor were rapidly infiltrated by Marxists and Independentistas, who were thus soon able to exert influence far wider than their popular support. They particularly thrived on Commonwealth's unwillingness to clearly define a course for either Puerto Rican or American patriotism. Under their deft manipulation, the measure of one's "pro-Puerto Ricanness" has become the degree of his "anti-Americanness". The radical bombings in the United States and on the island are the sour fruit of this subversion. And while the present government has absolutely nothing to do with these radicals, they are nonetheless responsible for encouraging the ambivalence that has afforded these extremists the disguise of patriotism. Attempts to neutralize the radical left by "out socializing" them or by accommodating them within the government, has proven a grievious miscalculation that merely gave the radical left beachheads of power that the voters themselves never authorized.

This failure to clearly define patriotism—either Puerto Rican patriotism or American patriotism—left a vacuum exposed to the more singleminded zeal of the Left, which has found in the noble cause of independence the perfect cover and catalyst for political ambitions that were far less than noble.

Patriotism can and does vary widely in style and degree from individual to individual, but in its most elementary form it is a matter of simple identification—I am an American—or I am a Brazilian—or a Russian or whatever. And this consensus of agreement no national identity is as important for what it avoids as for what it does. Because no nation can get on with the business of running its affairs if every day brings a new debate on what they are. This is simply too distracting, too debilitating, and it steals time and effort directly from the essential activities of government. In Puerto Rico today, there can be no simple addressing of civic problems on their own merits, because every move is colored, coerced and confused, by the status issue—which gains eternal nourishment from Commonwealth's failure to reach national consensus on the simple issue of what people here are.

Thus, old fallacies and new follies return us to the recurring question—"Should Puerto Rico become part of the United States?" The only entity morally qualified to answer this question is the Puerto Rican people. The only entity legally capable of properly asking that question is the U.S. Congress.

1. This question must come from the U.S. Congress because the current leaders in Puerto Rico will never by themselves introduce a question that might subtract or even reduce U.S. financial support. Humanly enough, they are hooked—addicted to the habit of massive financial aid from the mainland . . . their jobs depend on it—and the economy of Puerto Rico as presently constituted, depends on it. All the current leaders will do is try for even more financial support from the U.S.—to be matched by even less commitment to the United States. That is exactly what the current moves for more autonomy represent—more money for less obligation.

2. The question must come from the U.S. Congress because that is the only way the issue will be framed in terms simple enough to represent a clear choice to Puerto Rico—and a fair choice to the U.S. Left to their own devices the current leaders in Puerto Rico will always confuse the question with the inclusion of Commonwealth status. This cannot be considered as a real choice because in fact, it has proven to be only the indefinite postponement of a choice—an endless and expanding option to have one's cake and eat it too. This seductive delusion has no place in a responsible choice—which must be the plainly understandable selection of aiming either towards becoming a full part of the United States, or towards becoming fully independent. The only thing extreme about either of these courses is their honesty.

3. The question must come from the U.S. Congress because they are the only entity capable of implementing an orderly answer. To go through the exercise of the question without an accompanying guarantee of action on the response—whatever that response might be—would steal from the occasion the stamp of sincerity and authenticity that is necessary to prompt the people of Puerto Rico to full participation in the answer.

I further believe that along with the posing of this question and the guarantee of a response that is in direct accord with the recorded wishes of the Puerto Rican people—should come a Congressional promise of continued U.S. aid over a period of gradual and orderly transition to whatever status is selected.

Seen in these terms, both alternatives of Statehood or Independence gain feasibility. The fact that the continental United States has become a permanent home to over 12 million Latins, most of whom continue to speak Spanish well into the second and third generations, should lay to rest the natural fears of Puerto Ricans that Statehood would mean losing their language and culture. Via recent Supreme Court rulings it is now possible to receive an entire public education in Spanish in the United States. Clearly Spanish is on its way to becoming the second official language of the U.S.A. It can also be seen that independence for Puerto Rico, supported by the firm friendship of the United States, need not be the total economic disaster that is usually forecast. If the United States were to invest in Puerto Rico a fraction of what they have tragically poured into Vietnam, the economic stability and progress of the island would be assured.

Why has the U.S. Congress not acted, or even commented on this situation in Puerto Rico? The answer is as simple as the fact that Puerto Rico pays no U.S. taxes and has neither the presidential nor the congressional vote. Congress is historically restrained in its enthusiasm or curiosity towards anything not involving either votes or income. This understandable but unseemly ignorance on the part of Congress towards Puerto Rico has been judiciously cultivated here by the long dominant Popular Party. For it suited neither their policies nor their plans to invite the close scrutiny of anybody—least of all the U.S. Congress. Under the financial umbrella of free U.S. funding, Puerto Rican politicians have been able to cavort in their own mini nation—complete with most of the titles and trimmings of independence, and heavily financed by the unsuspecting U.S. taxpayer. Only the minor stature of what they are doing, plus the cover of Spanish language and geographic separation, has concealed from the United States the fact that the attitudes of most politicians here range from open indifference to open hostility towards the United States.

If the U.S. taxpayers had any idea how much Puerto Rico annually costs them, and how little America is cherished by the leaders on this island—they would grant or confer—independence to Puerto Rico so fast it would make heads spin.

To date, the U.S. Congress has been too uninterested to call attention to the total figures of annual Federal aid to Puerto Rico, and the leaders in Puerto Rico had a vested interest in not doing so. A knowledgeable estimate of this aid would place the figure at well over $2 billion per year, and with the addition of over $400 million of Food Stamps annually, that cost will go considerably higher. Here it should be noted that over 60% of the population of Puerto Rico is currently utilizing Federal food stamps. Yet, conspicuously absent in the introduction of these stamps here was an even minimally friendly acknowledgement of the fact that when a Puerto Rican family in Juncos gets food stamps it is because some family in Syracuse has had money directly withheld from their pay check. This deliberate deemphasis of a valid U.S. contribution is entirely typical, and totally calculated.

In Puerto Rico it has become fashionable in government circles to justify U.S. aid, and to hopefully forestall any close examination thereto, by proclaiming in even more strident tones that Puerto Rico is one of the largest overseas markets for the U.S.A. The fractured logic of this financial fiction is exceeded only by the insincerity that prompts it.

For Puerto Rico to line itself up as part of the U.S. in terms of common citizenship, common currency, and common defense, with free access to the U.S. market, and a host of other Federal benefits, and then try to split itself off for a self-serving separate comparison with—for example, Canada—is an apples and oranges mix-up of the tallest order. First off, the question of market size must be seen in perspective. No market's real buying power can be any bigger than its earning power. Thus, the 2¾ million residents of Puerto Rico, with a per capita earnings less than even the poorest state in the U.S.A., are slightly less important as overall customers for U.S. goods than any other group of 2¾ million Americans. The city of Chicago and surrounding suburbs, for example, buys more from the U.S. than Puerto Rico. And if, *for* example, the state of California wanted to set itself aside as a separate market for U.S. goods, you can be certain that California would outbuy the rest of the world combined. But what would that prove—absolutely nothing—for these are not foreign currencies helping the U.S. balance of payment, but simply U.S. dollars circulating within the U.S. market.

And if you want to pursue this fatuous line of reasoning, the comparisons become steadily less flattering. Since Puerto Rico pays no Federal taxes to the U.S.—as would any state—to determine the theoretical net benefit of the Puerto Rican market to the U.S.A., one would logically have to subtract the amount that U.S. taxpayers annually give to Puerto Rico from the amount that Puerto Rico annually purchases back.

Logic would also require that any analysis of what Puerto Rico buys from the United States would have to be weighed alongside what Puerto Rico sells to the United States. Here it would quickly be discovered that the United States represents by far the single largest customer for everything that Puerto Rico produces. And what Puerto Rico annually sells to the United States clearly exceeds what Puerto Rico annually buys from the United States. The question of whether Puerto Rico could achieve similar prowess in the wide open world market, competing head on against the Germans and the Japanese—is extremely debatable. In short, this entire line of reasoning is so fragile that only the most desperate kind of naivety would undertake it.

Furthermore, no objective review of the benefits accruing to Puerto Rico from their relationship with the United States would be complete without analyzing the "hidden" benefits. A principal item in this category has been the ability of Puerto Rico to export over one million Puerto Ricans directly to the U.S. economy. With all due respect to the much heralded "Operation Bootstrap", nothing here would have succeeded without this massive transfer of ⅓ of the population—the poorest ⅓—over to the U.S.A. Since Puerto Rico currently suffers from unemployment in the neighborhood of 20–30%, it can readily be seen that without this ability to export ⅓ of the population elsewhere, Puerto Rico would now be suffering over 50% unemployment.

Two hard facts emerge from all this. The first is that Puerto Rico is a very small part of the overall U.S. economy, but the U.S. is a very large part of the Puerto Rican economy. Secondly, if there is any economic exploiting, it is currently that of Puerto Rico exploiting the United States, rather than vice versa.

The reasons for ramming home these tough truths, are not to put Puerto Rico down, but to establish a basis of economic realities, rather than chauvinistic fancies.

After establishing these hard realities, let us immediately recognize the counter-reality that the question of what is right for Puerto Rico cannot be judged solely in economic terms. Because man does not live by bread alone. And that is, in fact, precisely the problem—for while the present relationship with the United States is long on economic ties, it is sadly short on emotional ties—which in the long run are more vital. Whether or not an arrangement makes the best economic sense is only one factor, and may be the least important. It is doubtful that the American Revolution could have been justified in 1776 in economic terms, so Americans should, of all people, understand that aspirations to independence can bypass material concerns.

It is America's nationally ingrained respect for free choice that should now require the United States to initiate—in the bicentennial celebration of its own independence—the clearly framed question "should Puerto Rico become part of the United States". This must be done so that Americans, the world at large, and Puerto Ricans themselves, can gain an honest understanding of what Puerto Rico wants. The legality that Puerto Ricans are technically U.S. citizens is only a legality—it does not reflect the reality of any clearly affirmed sentiment by Puerto Ricans, who in effect became U.S. citizens by conquest.

Talk of simply improving the present Commonwealth relationship will always end up amounting to attempts to merely enlarge the special privileges for Puerto Rico—which is against both the spirit and the letter of the U.S. Constitution. This will not solve the legitimate confusions of the Puerto Rican people, nor will it satisfy the legitimate doubts of the world which sees Puerto Rico as a colony—however enlightened it may be or become.

I feel that most Americans would join me in preferring an honest brush-off to a limp handshake. So let us say to our good friends in Puerto Rico—come join us and be full Americans—just as millions of proud Greeks, Italians, Swedes, Germans, and Englishmen have done. Or with equal warmth, let us say—go be full Puerto Ricans and God bless you. And let us be generous enough to promise firm financial support, and firm frendship in either case.

Puerto Rico does not need the hypocrisy of a U.S. citizenship which it neither fully cherishes, nor understands nor contributes to. The United States does not need, and should not want, anyone under its flag who does not fully wish to be there—and under the same basic conditions as other U.S. citizens.

Any association is only as permanent as the equity and dignity it provides both parties. The intrinsic indignity of Puerto Rico's present status devaluates U.S. prestige, defrauds U.S. taxpayers, and demeans Puerto Rican pride.

Shakespeare said, "There is no legacy so rich as honesty". As an American citizen deeply concerned with Puerto Rico, I call on the U.S. Congress to undertake the kind of searching inquiry that will induce full honesty and give the people of Puerto Rico a clear chance to resolve their destiny.

Puerto Rico must make up its mind if it is to make its way.

FEA IN THE DARK—III

Mr. METCALF. Mr. President, as I have pointed out in the past 2 days, the Federal Energy Administration is saving energy by working in the dark.

The agency had a group of the troop in Montana on July 8, the same day they got around to issuing a press release saying that the agency would send somebody into a State which had acted responsibly in the area of electric utility construction and output.

The FEA press release came 2 days after the president of the Montana Power Co., was in print with the announcement of the visit, that the information survey team would find a pile of redtape as high as Montana's big sky and that he hoped the President's task force on utility construction could find a way to cut it.

The visit of the FEA troop prompted a telegram from the Northern Plains Resource Council, a grassroots organization opposing Montana Power Co., proposals to build two more huge electric generating units in southeastern Montana.

In the telegram, Wallace D. McRae, NPRC chairman, said the initial announcement by the president of the Montana Power Co., and the visit by FEA gumshoes without any communication with State or local groups gives the impression of Federal intervention into State matters.

Mr. McRae continued:

> FEA is apparently only interested in the power company point of view, disregarding State and citizen input from the outside.

I sent a copy of this telegram to FEA Administrator Zarb with a request for his comments.

Mr. President, I ask unanimous consent that the telegram referred to, and previous correspondence on the President's Labor-Management Committee recommendation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BILLINGS, MONT., *July 8, 1975.*

Senator LEE METCALF,
Dirksen Senate Office Bldg.,
Washington, D.C.:

The July 5 Billings Gazette ran an AP story quoting MPC President McElwain as saying that an FEA survey team would begin investigation this week into delays in construction of Colstrip 3 and 4.

We have learned that the FEA officials were in Colstrip today conducting a preliminary investigation for President Ford's Labor/Management Task Force. "McElwain said he believed that investigations by the FEA survey team would discover "a pile of red tape as high as Montana's big sky", and that he hoped the President's Task Force would find a way to cut it."

The appearance of McElwain's press release and the visit by FEA officials to Colstrip gives the impression of Federal intervention into State matters. Any Federal intervention in the process that has began under the Montana utility siting act and the consideration of Colstrip 3 and 4 would be most improper.

We have also learned that FEA did not initiate any contact with State agencies or citizens groups involved in the Colstrip decision. FEA is apparently only interested in the power company point of view, disregarding State and citizen input from the outside. We find this posture highly inappropriate.

We would appreciate knowing what you can discover about FEA's intentions in regards to Colstrip 3 and 4, and the findings of this investigation. More information will follow by mail. Identical telegram sent to Senator Mansfield.

Sincerely,

WALLACE D. MCRAE,
Chairman, Northern Plains Resource Council.

MONTANA POWER CO.,
Butte, Mont., June 19, 1975.

Re: The President's Labor-Management Committee recommendations regarding the electric utility industry.

Hon. LEE METCALF,
U.S. Senate, Dirksen Senate Office Bldg.,
Washington, D.C.

DEAR LEE: For your convenience, I am enclosing a copy of the President's statement of June 13th releasing the May 21st recommendations of the President's Labor-Management Committee containing recommendations as to what should be done to enable the utility industry to finance the enormous construction program which it has scheduled thereby reducing the nation's dependence on oil imports, conserving scarce natural gas supplies, and providing additional present and long-range employment, which is so important in this nation at this time.

I have personally worked diligently in the utility industry in support of proposals such as those contained in the Labor-Management Committee's recommendations.

I am and have been gravely concerned that in the absence of legislative and administrative measures such as contained in the Labor-Management Committee's recommendations that utilities throughout this nation, including our Company, would not in the long-run be able to finance the large coal-fired steam-electric plants and coal gasification plants which are so essential to the future of this nation.

I urge you to give very serious consideration and attention to the Labor-Management Committee's recommendations.

Thanks, and with best wishes.

Sincerely,

JACK CORETTE.

STATEMENT BY THE PRESIDENT

Today, I am releasing the text of the Labor-Management Committee's recommendations for legislative and administrative measures to increase electric utility construction and output.

Having carefully reviewed these recommendations, I accept and endorse them because they can make a significant contribution in reducing the Nation's dependence on oil imports and in conserving scarce natural gas supplies.

Additionally, an expansion in electric utility construction and production will provide solid, long-range employment which will be highly beneficial to the country. An increase in electric utility capacity will also contribute significantly to economic expansion.

I will take steps promptly to create the task force the Committee recommends to tackle the problem of delays in the completion of utility plants. In view of the long lead time on construction, completion of plants now in advanced stages of planning or under construction must have top priority.

I appreciate the constructive contribution of labor and management working together. The time has come for Government to cooperate in the same spirit in addressing and resolving the Nation's problems. I thank the Committee for its continuing work and appreciate its efforts in the national interest.

(A list of the President's Labor-Management Committee members participating in the formulation of this statement and the Committee's statement on May 21, 1975, is attached.)

MEMBERS OF THE PRESIDENT'S LABOR-MANAGEMENT COMMITTEE PARTICIPATING IN THE FORMULATION OF THIS STATEMENT

Labor

I. W. Abel, President, United Steelworkers of America.

Murray H. Finley, President, Amalgamated Clothing Workers of America.

Frank E. Fitzsimmons, President International Brotherhood of Teamsters.

Paul Hall, President, Seafarers International Union.

Lane Kirkland, Secretary-Treasurer, AFL–CIO.

George Meany, President, AFL–CIO.

Leonard Woodcock, President, United Auto Workers.

Management

Stephen D. Bechtel, Jr., Chairman, Bechtel Group of Companies.

Richard C. Gerstenberg, General Motors Corporation.

John D. Harper, Chairman, Aluminum Company of America.

Reginald H. Jones, Chairman, General Electric Company.

R. Heath Larry, Vice Chairman, U.S. Steel Corporation.

Rawleigh Warner, Jr., Chairman, Mobil Oil Corporation.

Arthur M. Wood, Chairman, Sears, Roebuck & Company.

Walter B. Wriston, Chairman, First National City Bank.

ELECTRIC UTILITIES

At the end of 1974, it is estimated that electric utilities had deferred or cancelled the construction of 106 nuclear plants (114,000 megawatts) and 129 coal-fired plants (74,413 megawatts). This extensive postponement in construction schedules of coal and nuclear power plants that are needed to meet the nation's energy demands for 1980 and 1985 seriously jeopardizes our national objective of lesser dependence on imported oil. It also threatens continued economic growth, promises to restrain essential job creation and inhibits measures to reduce unemployment. Since electric utilities require a number of years to get new plants on stream, the current slippage of schedules and cancellation of new facilities may be expected to result in future energy shortages and serious restrictions to economic expansion. It is imperative that there be substantial restoration of construction of electric utilities at once. Special measures are needed to shorten significantly the very long lead time which now exists between the design of a project and its completion.

The President's Labor-Management Committee recommends a number of administrative and legislative measures to get this basic and strategic sector of the economy moving.

SPECIAL LEGISLATIVE PROPOSALS

1. The President's Labor-Management Committee earlier recommended that the investment tax credit for utilities be increased from 4 percent to 12 percent a year. The Congress increased the investment tax credit to 10 percent for a two-year period. The Committee still believes the 12 percent figure is appropriate and, in the case of electric utilities, this credit should be extended indefinitely and apply to construction work in progress to stimulate this vital sector which promises to present capacity problems for many years. This proposal is designed to stimulate non-oil and non-gas facilities.

2. In view of the length of time required to complete the construction of electric utility installations, the Federal government should permit depreciation for tax purposes on construction expenditures as made, provided such costs are included in the rate base.

3. The five-year, fast write-off of pollution control facilities should be extended by legislation beyond its present expiration date of December 31, 1975. The fast write-off of pollution control facilities reduces the financing costs of the construction of electric utility units. Fuel conversion costs should receive the same treatment.

4. The Nuclear-Indemnity Coverage law (Price-Anderson Act) should be extended.

5. The urgent need for equity capital in the electric utility industry should be met by a legislative provision that dividends which are reinvested in new issue common stock of the company have tax deferred.

The Committee recommends that the above legislative proposals be incorporated in a single piece of legislation in view of the special need for greater electric utility capacity and the long lead time required to complete plants and get them in operation.

ADMINISTRATIVE ACTION

The Federal government should establish a small task force of experts, with assistance drawn from labor and management with experience in the field of utility construction, to serve as troubleshooters, to discover the impediments to the completion of electric utility plants tnd to take steps to relieve the particular situation wherever possible. The difficulties will vary from case to case; the problems may include unreasonable environmental restrictions and delays in processing papers, financing, regulatory delay, collective bargaining disputes, production delays in component parts, scheduling of manufactured components, design issues, etc. This task force can expedite the completion of electric utility plants and getting power on stream.

IMMEDIATE IMPROVEMENT IN THE POLICIES AND ACTIONS REGARDING THE USAGE OF COAL AND NUCLEAR ENERGY

1. Coal:

a. Make a major effort toward increasing the domestic production and use of coal to generate power, including the development of economic means of moving either western low-sulphur coal, or the generated power, to the required market areas.

b. A timetable should be considered for the conversion of oil/gas fueled power plants to coal.

c. The government should reduce the uncertainties on coal usage by encouraging the development of technology to minimize pollution and environmental concerns regarding coal mining and coal use and by reducing the economic uncertainties in the mining and use of coal. This should encourage increased long-term investment in mining which in turn should stimulate employment.

2. Nuclear Energy:

a. The nation should make every effort to capitalize on the benefits of two decades and billions of dollars of public and private efforts in nuclear power development. While the initial investment costs for nuclear energy are high, it offers the cheapest form of electricity in the long run. Every effort must be made so that the percentage of electric power generation derived from nuclear sources by 1980/1985 is greatly increased from current levels. It is estimated that 10 to 15 million construction labor hours are required for each nuclear unit installed.

b. Specific government action is required in the following areas:

Promote the public acceptance of nuclear power.

Resolve the uncertainties regarding the nuclear fuel cycle, e.g., long-term nuclear waste disposal, plutonium usage, spent fuel storage and reprocessing.

Streamline the nuclear regulatory licensing process to reduce the lead time for getting plants into production. The current lead time is about 8 to 10 years.

REVIEW AND ARTICULATE THE ENERGY INTEREST WITH STATE REGULATORY AGENCIES

a. The Federal government needs to find an appropriate and realistic approach to get the national energy issues and interests before state regulatory agencies when they have their hearings on utility needs.

b. We must provide for prompt and reasonable action on rate applications.

c. New and innovative rate schemes, such as peak load pricing and rates designed to foster conservation, should be thoroughly studied and evaluated to determined the true impact on the various sectors of the economy.

ENVIRONMENTAL CONSIDERATIONS

Stretch out, as necessary, present environmental restrictions on energy production and use to reduce energy consumption and facilitate expansion of domestic energy output. This is basically a matter of timetables, not of objectives. The advance of technology and development of clean energy sources can permit realization of environmental objectives.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention is a modest, though important step in the development of human rights agreements. Yet the rhetoric used to attack the convention has been illogical, emotional, and ignorant of the convention's real nature. Particularly interesting is the way many critics have simultaneously described the Genocide Convention as too broad and too narrow.

An excellent example of the irrational and fearful complaints lodged against the treaty for being too broad is the attack on article II, which defines the acts of genocide. One criticism ran thus: "Does this—article II—mean that a county official who refuses to give a member of a group the amount of welfare benefits deemed desirable can be punished for genocide?" Article II contemplates no such thing. Its language is clear: discrimination and domestic social conflicts as such are not part of the definition of genocide.

However, refutations based on fact have not quelled the critics. The same individuals have repudiated the treaty simply because it leaves many areas unaffected. The Senate Foreign Relations Committee was told that the convention "is so full of holes" as to be worthless and that the United States should work to persuade the United Nations to negotiate one with teeth in it.

No only have the critics' arguments been contradictory, they have been on a rhetorical level totally out of keeping with the limited purposes of the convention. There has yet to be an argument against ratification that has withstood the test of unemotional reason. After 26 years, I think that is a pretty good recommendation for ratification.

ELECTION UNIT MEETS IN SECRET

Mr. PELL. Mr. President on Tuesday of this week the new Federal Elections Commission met to discuss staff recommendations on two issues which had come before the Commission.

At the meeting the Commission voted 4 to 2 to close its meeting to the public and the press despite the objections of its Chairman, Thomas B. Curtis.

When this development was reported in the Washington Post of the next morning, I was particularly distressed and disturbed.

As chairman of the Subcommittee on Privileges and Elections of the Committee on Rules and Administration, I had chaired the March 14, 1975, hearing on the nominations of the six present Commissioners to serve on the Commission. During that hearing, I put to each nominee the following question: "Do you think that the Commission meetings should be open and that the records of the meetings should be available for public inspection?"

At that time, Mr. President, I was heartened by the responses of the six nominees. Each indicated, in general, that he or she would support open meetings and open records except in cases where the reputation of individuals might be damaged.

After the report of Tuesday's closed meeting, I wrote to Chairman Curtis, asking him and the other Commission members for "the reasons for this decision to hold a closed meeting." In the letter, I said:

> I find it difficult to assume at this early stage in the Commission's activities, in the absence of some explanation from the Commission, that there is or was a compelling need to receive staff recommendations in closed session.

Mr. President, as the Members of this body are well aware, this independent Commission was established as one element of legislation designed to help restore the confidence of the American people in the Federal election process. Certainly one vital element of that restoration of confidence must be openness to the public. It is for that reason that I was distressed by the Tuesday vote to close a meeting and that I have written in search of the reasons for that vote.

Mr. President, the Commission members have not yet had adequate time to respond to my letter. But I am encouraged by a further news report in this morning's Washington Post which indicates a renewed commitment on the part of the Commission members to hold its future meetings in the open.

I would ask unanimous consent that there be printed in the Record following my remarks the following items: a story from the Washington Post of July 9 regarding the closed meeting, my letter of July 9 to Chairman Curtis, and a story from the Washington Post of July 11.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Post, July 9, 1975]

Election Unit Meets in Secret

(By Stan Crock)

Despite the objections of its chairman, who had pledged at his swearing-in to conduct its business in public, the Federal Election Commission yesterday voted, 4 to 2, to discuss some staff recommendations behind closed doors.

The recommendations included a sharp cutback in free convention services donated by private corporations. The staff also criticized the $2 million limit on convention spending as "unrealistically low."

A commission spokesman said after the closed session that the commission deferred action on the convention recommendation.

Former Rep. Thomas B. Curtis of Missouri, chairman of the commission, which was sworn in April 14 to administer the Federal Campaign Practices Act, said before the vote, "If this commission at this early date were to vote for closed sessions, it would be interpreted, quite correctly, for what it is—that the commission does not want to operate in the sunshine."

Opening up politics is the key to election reform, he added. Vernon W. Thomson, a former congressman from Wisconsin and the only other commissioner to agree with Curtis, said public "probing would benefit the public in understanding the complexity of [the new election reform] law."

But they were outvoted by the other committee members—Thomas E. Harris of Arkansas, Joan D. Aikens of Pennsylvania, Robert O. Tiernan of Rhode Island and Neil Staebler of Michigan.

The staff recommendations were responses to requests from the Republican and Democratic national committees for an advisory opinion on whether the free services parties have received in the past should be applied to the $2 million convention spending limit imposed by the new election law.

The staff report said the law prohibits such corporate contributions as free or below-cost use of a convention center and constructions to make it fit for a convention, the providing of buses and cars, and the supplying of security forces.

State and local governments normally would not be prohibited from offering such services, the report said.

Corporate services that "would be provided for any convention of similar size" are permitted, however, the report said.

These include the use of personnel to provide housing and reservations, plus such services for the parties' site committees as meeting rooms in hotels, local transportation, accommodations and hospitality.

The free services that are permissible would not be counted against the $2 million spending limit for each party, the report said. Even so, the staff said, the spending limit is too low when "measured against the costs historically associated with the administration of such conventions."

Josephine Good, the Republican convention director, said the elimination of the free services would "put such a burden on the parties that it would be difficult, if not impossible, to run a convention on the $2 million." Rent alone for some halls costs $50,000 a day, she said.

The Democrats' convention manager, Andrew Shea, would not comment on the staff report until the commission acted on it.

In voting to hold the discussions of the staff report in executive session, which Curtis said would cut off most of the Commission's proceedings from public view, the commission apparently accepted Harris' argument that the commissioners would speak more freely if they could talk privately.

Harris said the commission should operate in the same manner as agencies and courts that allow only the final product of their deliberations to be made public.

The Reporters Committee for Freedom of the Press said last night it would mail a letter of protest to Curtis over the decision.

Committee on
Rules and Administration,
Washington, D.C., July 9, 1975.

The Hon. Thomas B. Curtis,
Chairman, Federal Election Commission,
Washington, D.C.

Dear Mr. Chairman: This morning's Washington Post carried an article by Stan Crock citing the decision of the Federal Election Commission to "discuss some staff recommendations behind closed doors."

When the Commissioner-nominees appeared before my Subcommittee to testify concerning qualifications, each was asked whether Commission proceedings, reports, etc., would be open to the public and in each instance the response was in the affirmative, except, of course, where testimony to be received or the nature of the complaint might tend to impugn the character of individuals or groups.

I commend your position in favor of open sessions but am disturbed by the vote of the majority of the Commission to meet in executive session. And I am even more concerned that the discussion was made, according to the Post article, merely to receive staff recommendations relative to interpretations of the Federal Election Campaign Act, as amended.

Acting on my motion to open all sessions of the Committee on Rules and Administration relating to the New Hampshire Senate election contest, the Committee voted to allow the general public and the press complete access to all hearings, deliberations and actions.

I find it difficult to assume at this early stage in the Commission's activities, in the absence of some explanation from the Commission, that there is or was a compelling need to receive staff recommendations in closed session.

In view of the commitment made by all of the Commissioners to conduct open sessions except when defamation of character or allegations of crime may be involved, I would like to receive from you and the other Members of the Commission the reasons for this decision to hold a closed meeting.

Warm regards.

Sincerely,

Claiborne Pell,
Chairman, Subcommittee on
Privileges and Elections.

[From the Washington Post, July 11, 1975]

Future Meetings Open, Election Panel Says

(By Stan Crock)

The chairman of the Federal Election Commission (FEC) said yesterday that in the future the commission would meet in open sessions to discuss staff recommendations.

"I don't think there's going to be any questions they're going to be out in the open," said Thomas B. Curtis, chairman of the commission, which has received numerous protests since a decision Tuesday to bar the public from a meeting.

Curtis said there were "extenuating circumstances" behind Tuesday's vote. The Commission was under "proper" pressure to issue quickly the opinions on the upcoming Democratic telethon and contributions of services to national political conventions, Curtis said.

Commission members had not received the staff recommendation for advisory opinions three days before the meeting, as commission rules require, and were unfamiliar with them, he said.

In the future, commissioners would have the staff recommendations in advance, he said.

All six members of the commission had said at their confirmation hearings that they favored public FEC meetings, their testimony shows.

But four of them reversed that position Tuesday and voted to move into executive session. The four were Commissioners Thomas E. Harris of Arkansas, John D. Aikens of Pennsylvania, Robert O. Tiernan of Rhode Island and Neil Staebler of Michigan.

Curtis, of Missouri, and Commissioner Vernon W. Thomson of Wisconsin voted to hold open meetings.

The only exceptions called for in the commission nominees' testimony were for defamatory material, personnel matters and the preliminary stages of complaint investigations.

Tuesday's vote brought additional protests yesterday as well as a letter from Sen. Claiborne Pell (D–R.I.), who presided over the confirmation hearings as chairman of the Senate Subcommittee on Privileges and Elections.

In his letter, Pell recalled the testimony and said he was "disturbed" by the vote for executive sessions and asked for an explanation.

"I find it difficult to assume at this early stage in the commission's activities, in the absence of some explanation from the commission, that there is or was a compelling need to receive staff recommendations in closed session," the letter said.

Curtis said the FEC plans to respond to Pell's letter and the protests the FEC has received in the past few days.

Yesterday the FEC also received protests from Common Cause, the so-called citizens lobby and the Reporters Committee for Freedom of the Press.

A telegram from Common Cause cited the experiences of state governments and the House of Representatives which operate in public and urged a change of position.

The Reporters Committee said the law under which the FEC was established "embodies a spirit of openness and accountability . . . We cannot believe that the commission, at this early juncture, would so easily abandon that spirit."

The FEC earlier had received a protest from the Society of Professional Journalists, Sigma Delta Chi.

ALUMINUM PRICES RISING AS DEMAND STAGNATES

Mr. HUMPHREY. Mr. President, aluminum is an incredible metal. It is used in soda cans, canoes, residential siding, automobiles, and the list goes on and on. In Napoleon's time, aluminum was so prohibitively expensive that it could not be used for lightweight artillery, which might have meant victory to his army.

Today we are luckier; production techniques developed in the past century have dramatically lowered prices, and aluminum is found everywhere. It permeates our economy.

But in the past few weeks, consumers have been faced with increased aluminum prices, increases which will surely trickle through to many other commodities. Kaiser Aluminum announced an average 2.7-percent increase in prices, and then Alcoa followed suit with a 2.3-percent jump. Now Reynolds, too, has announced increases. Ingots will now cost 2 cents more a pound, or 41 cents, instead of the spot price a year ago of 33½ cents. Kaiser was the price leader, and other, smaller companies are getting the message.

And why? Here is a depressed industry: Alcoa, the largest producer, is operating at 74 percent of capacity, and industrial shipments of primary ingots and mill products are down 45 percent in the first half of the year alone. But make no mistake—strange things can happen in a highly concentrated industry. For example, two-thirds of domestic output originates with Alcoa, Reynolds, and Kaiser. So despite the lack of demand caused by the recession, these few companies can decide to speculate on huge inventories by cutting production and raising prices now. And that is what we have seen happen.

The Council on Wage and Price Stability has, therefore, expressed concern and started "jawboning" the industry. In response, the industry has agreed to a 30-day delay and the Council will hold a hearing on July 22.

But already, according to the Wall Street Journal, "some analysts believe there will be added upward pressure on spot prices because of customer expectations of price increases after the 30-day delay expires." I wish the Council ultimate success, but I must say that I do not believe the administration is pursuing this matter forcefully enough. I am afraid that this administration is more concerned about protecting big business than it is about protecting consumers.

Still, the industry continues to defend the increases. Alcoa President William Renner was quoted in Business Week as expecting—

> no erosion in the price of aluminum ingots before demand starts to recover . . . even though demand (for aluminum) is dropping, our costs are increasing.

Perhaps the industry can justify the increases, in which case, aluminum should cost more. But it is another tragedy of ill-defined and misdirected efforts to spur recovery. The simple fact is that merely abiding unemployment will not stop inflation, even if it were an acceptable option. That can be clearly seen in the case of aluminum.

Mr. President, I ask unanimous consent that an article in the July 7 issue of the Wall Street Journal be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, July 7, 1975]

Aluminum Makers Delay Price Increases for 30 Days So United States Can Study the Need

Aluminum producers agreed to delay previously announced price increases for 30 days to give the government time to study whether the boosts are justified during the current period of slack demand.

The delay was requested by the government's Council on Wage and Price Stability, which said it feared price increases by major industries such as the aluminum producers would hurt the recovery. The boosts were to have taken effect today.

Within hours of the request, Aluminum Co. of America, Reynolds Metals Co. and Kaiser Aluminum & Chemical Corp. agreed to heed it. Kaiser, 38%-owned by Kaiser Industries Corp., said at first that it wouldn't comply, but it agreed to later when it learned that Alcoa and Reynolds, the nation's two biggest producers were going along with the council's request.

COUNCIL SETS HEARING

An obviously pleased Albert Rees, director of the government watchdog agency, said in Washington that a hearing on the increases will be held July 22. He told a news conference that the council fears that price boosts by the aluminum industry could spark a chain reaction among other "highly concentrated" industries such as steel and automobiles. Concentrated industries are those controlled by a small number of companies.

"If such industries make decisions to increase prices at the first stirrings of recovery," he said, "I am concerned that such actions could blunt the recovery that is in progress."

Moreover, he added, "in the early stages of recovery, improvement of profits should come from increased shipments rather than increased prices." The aluminum industry is operating at about 75% of capacity and has been trimming production recently because of the recession.

Claiming sharply rising production costs. Kaiser and Alcoa had announced plans to raise prices on primary aluminum ingot and a wide variety of fabricated products. Reynolds quickly announced its intention to follow the increases on ingot and on aluminum extrusions, but said it needed further time to review prices of other fabricated products.

TELEGRAMS SENT

The decision by the companies to delay the increases represents something of a victory for the Council on Wage and Price Stability. The agency hasn't any authority to prohibit or change price increases and is limited mainly to "jawboning."

Indeed, Mr. Rees conceded that by sending out telegrams to the aluminum producers, the council was "clearly jawboning." The telegrams said the delay would give the council time to study reasons for the price increases and "the appropriateness of price increases under present conditions of slack demand in the aluminum industry."

He said the domestic aluminum industry "isn't competitive" because Alcoa, Reynolds and Kaiser account for more than 66% of domestic output.

In Pittsburgh, Alcoa again defended its proposed increases. W. H. Krome George, Alcoa chairman, said, "We are confident that the council will agree with our action once they have had time to review the material we have supplied."

ANALYSTS' VIEWS

Mr. George said the scheduled increases would recover "only a part" of higher production costs. He cited costs for bauxite, the aluminum ore, which "increased substantially when the Jamaican government raised its levies on bauxite more than 100%," and for natural gas, other energy sources, transportation, services and labor.

Some analysts indicated that the aluminum producers acceded to the price-boost delay because of political pressure, but said that they don't expect the companies to stop their push for price increases.

Several analysts predicted that the immediate effect of the delay might be to further increase spot prices charged by metal traders.

Some analysts believe there will be added upward pressure on spot prices because of customer expectations of price increases after the 30-day delay expires. One analyst indicated that a desire by producers to work off their own mounting inventories might have been a factor in their decision to cooperate with the council and hold off on the price boosts.

An official comment wasn't available from Alcan Aluminum, Ltd. But it was understood that the company will follow the others in delaying scheduled increases for 30 days.

APOLLO-SOYUZ FLIGHT

Mr. PROXMIRE. Mr. President, on July 15 the United States and U.S.S.R. will begin a joint space effort called the Apollo-Soyuz test project. At an expense of $225 million, the United States will send an Apollo spacecraft into orbit to link up with a Soviet Soyuz spacecraft. We will exchange astronauts for a few minutes. We will share a discussion in space for a few minutes. We will conduct a few meaningless experiments.

It will be shown on millions of television sets around the world. It will be a grand show.

What will be left unsaid are the disturbing facts behind the charade. This will be a dangerous flight. The Soviet space record is abysmally poor. Five out of 18 recent flights have been marred with some type of failure. The U.S.S.R. has lost four cosmonauts in space. A recent Soviet manned space shot failed to get into orbit. Others have failed to return from orbit properly. There have been two rendezvous and docking failures.

TECHNOLOGY FLOW

And then there is the question about technology flow. Since the United States leads the U.S.S.R. in virtually every area of space exploration involving manned flight, the U.S.S.R. stands to benefit from the flow of superior U.S. technology.

In the U.S.S.R., the civilian and military space programs are one. There is no Soviet NASA. Therefore, any gains in their space program from U.S. technology conceivably could be used by their military.

For the risk to our astronauts and the $225 million of the taxpayers' funds, we will gain another step toward détente, if all goes well. But is it worth it? Will the results be lasting? What does it prove except that under pressure we know how to waste money on useless projects?

TWO SPACE MISSIONS DANGEROUS

Mr. President, within the last week, a new and disturbing fact has become known. The Soviets have announced that they may not bring down the current space flight they are conducting with the Salyut spaceship. After examining this situation in great detail, I have concluded that the ASTP should be postponed until the U.S.S.R. gives assurances that they will not have two space missions going at once.

During hearings before the HUD and Independent Agencies Subcommittee on June 4, the CIA Deputy Director for Science and Technology, Carl Duckett, stated—

> I do not think they (the U.S.S.R.) are in good shape to handle two missions at once from the command point of view.

This warning from the Nation's top scientific intelligence expert should not be taken lightly.

The Soviet Union has announced that the two Russian cosmonauts already in space in the Salyut space lab will not be brought back to Earth before the July 15 launch of the joint U.S.-U.S.S.R. space mission.

In view of the potential hazards that already exist during the joint mission, the added complexity of having two space missions going at once should be avoided at all costs.

Soviet communications capabilities and central management facilities are greatly inferior to those of the United States. Having two missions in space at once, including one involving two spacecraft of different nations, is complex enough to warrant concern that the ASPT mission may not get the full support it needs to be successful.

Particularly troublesome is the potential for inadequate command and control should one or the other mission encounter difficulty.

There may also be some strain on tracking facilities.

In view of these potential hazards, I have urged NASA to postpone the pending joint mission until the U.S.S.R. agrees to pay full attention to the flight. It would be a simple matter to deorbit the two cosmonauts currently docked with the Salyut space station and bring them home in their Soyuz spacecraft. Then the joint mission could proceed without concern over this particular problem.

Mr. President, I ask unanimous consent that two recent articles analyzing the ASTP mission be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, July 11, 1975]

APOLLO-SOYUZ: ANOTHER "WHEAT DEAL"?

(By Thomas O'Toole)

However one looks at this month's Apollo-Soyuz docking mission in space, it seems to bear some resemblance to the 1972 wheat sale to the Soviet Union.

Consider the fact that the United States built the mechanism to allow the three-man Apollo to link up with the two-man Soyuz. The same 10-foot-long docking device will serve as airlock for the three Americans and two Russians making the fight to move freely between each other's spacecraft. There are few rubles and little Soviet know-how in this piece of equipment, built as it is with $46 million of American money and the more than 10 years of experience that Rockwell International brings to the spacecraft business.

The two spacecraft could never maneuver together in the black seas of space if it weren't for the size of the American Apollo, more than twice as big as the smaller Soyuz. Its size gives the Apollo big enough fuel tanks to hold almost 3,000 pounds of maneuverable fuel. Soyuz can take on less than 300 pounds.

For this reason, the Apollo spacecraft will manage the entire rendezvous. It will seek, find and home in on the Soyuz, using its rich fuel supply to fly to the rendezvous and dock with the Soviet spacecraft. This is why the Soyuz is being launched seven hours before the Apollo, so it can wait passively in space for Apollo to reach it.

The Apollo will also maintain the course of the two spacecraft during the two days they're docked, again using its maneuvering fuel to fly against the pulls and spins of the earth below. The only times the Soyuz will use its own fuel is when it climbs into space alone and comes back down alone at the end of the flight.

There's something else that Apollo is contributing to the rendezvous, a VHF (Very High Frequency) radio ranging system conceived and built nine years ago to assist the astronauts coming up off the moon in locating their mother ship in lunar orbit.

The Russians have nothing like this radio ranging device, possibly because they never flew two spacecraft whose pilots had to search for each other 60 miles above the moon and 250,000 miles from earth. Whatever the reason, the radio ranging equipment built for Apollo will be used aboard both Apollo and Soyuz.

It is a priceless piece of electronics. It will let Cosmonaut Leonov talk to Astronaut Stafford, at the same time that Cosmonaut Kubasov and Astronauts Slayton and Brand are advised how far apart they are, down to distances measured in feet. All this at speeds of 17,500 miles an hour 120 miles above the earth, between two spacecraft that started out from earth half a world apart.

Few experts are concerned about the safety of the upcoming flight, but if one spacecraft is crippled while both are docked, observers frankly hope it's the Russian craft. Apollo is big enough to bring all five crewmen back to earth, albeit with the cosmonauts under the astronauts' couches in cramped style. Soyuz can barely accommodate its two cosmonauts in any style.

"There is absolutely no room for any American to come down with two cosmonauts," Astronaut Eugene Cernan said after a close examination of Soyuz. "It is just physically too impossible to put more than two men in this vehicle."

In the spirit that is still detente, both the U.S. and the U.S.S.R. rationalize the Apollo-Soyuz flight as the first infant steps toward the day when space rescue becomes a possibility. In a narrow sense, that's correct. Two spacecraft from the earth's only space-faring nations will demonstrate a common docking system for the first time. But docking doesn't mean rescue, unless American astronauts were being sent into space to rescue Soviet cosmonauts. Rescue implies help coming from either side.

Nevertheless, it is a beginning. Better that the U.S. and U.S.S.R. explore space together than to go it alone. Former astronaut Michael Collins put it a little differently: "I think it's a very hopeful thing. For Americans and Russians to put their lives on the line and in each other's hands really requires a great deal of mutual trust." That's what it's all about.

But that's not how it all began. It began with the Soviet Union's being beaten to the moon. It began with the realization in Moscow that the Soviet Union was a distant second in the space race. It came with the cold understanding that U.S. space technology was superior and that U.S. space management was infinitely superior. Few space watchers believed the Soviet Union could manage a manned lunar landing or the in-flight repair job that kept the Skylab space station at work for almost a year.

So the Soviets opted for detente. They opted for detente at the same time Richard M. Nixon opted for detente. Nixon saw the political possibilities as soon as the Soviets raised the technological possibilities. The docking mission was first proposed in 1971. The docking mission would keep thousands on the job in Florida and California, two key states in Nixon's drive for reelection in 1972.

The engineers in Houston mocked the docking mission, cynically calling it "the $250 million handshake." But they accepted the paychecks the docking mission financed the last three years. The astronauts making the mission happily began studying Russian. They'd study Arabic if it helped them into space.

One aim of all this has been to open up the Soviet space program to American eyes, and that's worked to some degree. The Soviets gave us samples of moon dust returned by their robot Luna spacecraft. They've told us what we need to know about Soyuz and given us some of the details of their Mars mission. They've even let our astronauts and their managers in to see the Soyuz launch pad at the cosmodrome in Tyuratam.

There's a lot more they still keep secret. It came as a surprise that the Soyuz 18 crew might still be in orbit aboard the Salyut space station when the crews of Apollo-Soyuz reach orbit together. Their future plans for manned spaceflight are as shrouded today as they were before detente, whereas they know pretty well which directions our space shutle will take.

Do the Russians plan to fly men to the moon? What are the prospects for a Soviet space station? Are they developing a reusable space shuttle as we are? Is there a rocket bigger than the Saturn 5 moon rocket now on a Soviet launch pad that will serve as a mainstay for all their future manned flight plans?

So far, nothing is forthcoming out of Moscow on any of these questions. It will be interesting to see if anything comes forth when the Apollo-Soyuz mission comes to a close this month.

[From the Washington Post, July 5, 1975]

THE SPACE LINK-UP

(By Tom Braden)

The world loves a circus, and if it costs a couple of hundred million, more or less, the show's the thing. That is perhaps the reason Sen. William Proxmire (D-Wis.) has failed to get much of a hearing in his attempt to halt the planned link-up between Russian and U.S. space capsules scheduled for July 14.

Proxmire thinks it's not only an expensive boondoggle but also a dangerous one.

"The history of the Soviet manned space program shows an appalling lack of consistency," Proxmire says. "As soon as one severe problem is solved, another occurs."

Twenty-eight per cent is the failure rate of the Soviets' Soyuz capsule, which has been used since 1967 for 18 manned flights. Two of these flights ended in catastrophe, and four men lost their lives. Two other flights have had docking problems. The last one had a launch failure.

Proxmire doesn't see why we should subject American astronauts to the risks this record suggests unless the nation has something to gain. And after making a thorough study of the joint U.S.-Soviet effort, Proxmire has come up with dramatic answer. "We have," he says, "absolutely nothing to gain."

"The technology," he says, "all runs the other way. The Russians have a lot to learn from us, and the joint mission will help them learn it. We already know all we want to know about the Soviet space program, which is that it isn't very good."

So what's the circus for? Detente?

Proxmire suggests that the $200 million cost might better be spent on exchange of students or art exhibitions or on any other effort that will help Americans and Russians know more about each other, or each other's history.

The space link-up, he points out, was one of the ideas the Nixon White House thought up as something the former President could talk about in Moscow and could point to as an accomplishment when he got back home. It is of no scientific value and will provide nothing more than a few entertaining moments on television.

Oddly, Proxmire can't get any of his colleagues to join him in a cancellation effort. Like Richard Nixon's travel schedule, the space show has no other purpose than propaganda. But the Congress is so accustomed to paying propaganda costs for itself, as well as for the White House, that the voice of the senator from Wisconsin sounds querulous to his colleagues.

The Soviet safety record is what bothers him most. Severe quality control problems have characterized this record by NASA's own account. The flaws have been so varied that they suggest not one fault but many, rather like the new car that fails over a period in so many disconnected areas that its owner can fairly say that he bought a "lemon."

Proxmire even asked the CIA to brief him and his colleagues on Soviet space technology. The record of the briefing is still classified, but he says it did not change his opinion that Russian space technology is vastly inferior to ours.

So if the joint Apollo-Soyuz mission should end in catastrophe later this month, don't say there was no voice crying in the wilderness. Proxmire hopes it will all turn out as safely as NASA says it will.

But if it doesn't, and if Americans lose their lives during the attempt to rendezvous with the unpredictable Soyuz, we shall have to go back to exchanging art exhibitions in order to make a show for detente.

GOVERNORS SUPPORT DEFENSE CIVILIAN MANPOWER REQUIREMENTS ACT

Mr. FONG. Mr. President, on April 29 I introduced S. 1548, a bill to establish an Advisory Commission on Future Civilian Manpower Requirements at U.S. Military Installations.

Following the end of the Vietnam war, the economies of numerous communities and States were substantially disrupted due not only to a decrease in the number of civilians employed at various military bases, but to the closing of some major defense installations. Needless to say, Mr. President, such base closings or drastic reduction-in-force actions without adequate notice to the civilian communities or proper planning for the utilization of the available manpower and facilities can prove to be economically devastating.

To cope with this important and growing problem, the Advisory Commission would be authorized to find out—as expeditiously as possible—what military installations will be reducing their manpower requirements or closing permanently and then recommend ways to effectively utilize the surplus facilities and personnel being made available by such an action. In doing so, the Advisory Commission would be mandated to work closely with Federal, State, and local officials on ways to train, relocate, or utilize the civilians who will no longer be employed by the Defense Department.

Mr. President, I firmly believe that close and formal working relationships are necessary to assure the fullest cooperation and coordination among the various levels of government. Only by such an arrangement can we be certain that the best efforts of all concerned will be made in behalf of those scheduled to lose their jobs and the communities in which such adverse economic actions will be taking place.

GOVERNORS EXPRESS STRONG SUPPORT FOR ADVISORY COMMISSION

Mr. President, I am most gratified and overwhelmed by the response I am receiving from numerous Governors and other high State officials.

Gov. Daniel J. Evans of the State of Washington informed me that "the legislation you propose is long overdue." Governor Evans went on to assure me that he is personally in favor of legislation designed to require the Defense Department "to hold full hearings before any action could be taken on reduction or closure of any installations."

Although the reduction of men in uniform in a particular State will not directly add to that State's unemployment figure, the Governors fully realize that such an action will have an adverse effect on the economy of any State since there will be a reduced need for civilian support functions and for other goods and services that are provided to the military from the civilian sector of the economy. Thus, the removal of say a thousand soldiers from a particular community because of a base closing or a reduction in force could have a tremendous negative rippling effect on the economy of a locality, especially if it has been closely associated with providing goods and services to the installation.

Mr. President, because of the significant role that the Advisory Commission can play in assisting various communities and States that may experience a base closing or major reduction in force, and because prompt enactment of S. 1548 is highly favored by various Governors, I would like to share some of the comments I have received from from State officials on the matter.

STATE OF DELAWARE

Gov. Sherman W. Tribbitt informed me that he fully supports S. 1548 because it can contribute to "the economic stability of the State of Delaware." The Governor went on to say that enactment of the measure to create the Advisory Commission "should provide a new channel of communication between the Federal, State, and local governments which should prove beneficial to all segments of government, the local communities, and the individuals who may be affected by a reduction in force."

TERRITORY OF GUAM

Acting Gov. Rudolph G. Sablan advised that—

> S. 1548 is most timely, much-needed, and benefits Guam immensely. Guam's island economy, which for so long depended upon military activity here, is indeed disrupted by drastic military and civilian reduction-in-force. . . . The Advisory Commission which Senate Bill 1548 proposed to create would indeed help communities, like Guam, better anticipate and plan for reductions in military and civilian personnel.

STATE OF HAWAII

Gov. George R. Ariyoshi not only expressed his support of S. 1548, but suggested certain changes to strengthen the role of the Commission. Governor Ariyoshi believes the Advisory Commission should be given the additional responsibility of developing "locational indicators and projections based on sound economic input-output models that will be used by the Department of Defense in formulating the Defense budget and appreciated by Congress in deliberating and approving budget appropriations."

The Governor also believes that it would be highly desirable and valuable if the Commission could "provide each State, county, and city municipality with long- and short-range projections of expected increases and decreases of military and civilian levels." Such a service, in the Governor's opinion, "would be extremely helpful in enabling the respective government levels to plan and execute their economic and social programs."

Governor Ariyoshi also suggested that "the Advisory Commission could be the clearinghouse of Federal assistance and it may be advisable to enable this one agency to make all decisions, even those that cross departmental lines of authority."

THE COMMONWEALTH OF MASSACHUSETTS

Lt. Gov. Thomas P. O'Neill III informed Senator ABRAHAM RIBICOFF, the distinguished chairman of the Committee on Government Operations, to which S. 1548 was referred, that he endorses the bill's intent to "provide affected communities with some assistance and some opportunity to participate in the planning of military base closures."

According to Lieutenant Governor O'Neill, "the key for any successful conversion process is advance warning." However, when Massachusetts experienced the drastic closing of military facilities in 1973, the State received its first warning on April 17 at a press conference which was held by then Secretary of Defense Elliot Richardson. The first wave of terminations according to the Lieutenant Governor, "came 10 weeks later on June 30 when 2,100 workers left the yard. Many needed and wanted to be reemployed, and retrained if necessary. Yet, the first Federal retraining money was not approved until September 24 and the program was not operational until November."

STATE OF MICHIGAN

Gov. William G. Millikin informed me that—

> With the knowledge of the possibility, if not probability, of reductions in force or complete installation closures during the draw down of our armed forces, I concur with the need for legislation to give localities as much advanced notice as possible to accommodate the socioeconomic consequences.

STATE OF PENNSYLVANIA

Maj. Gen. Harry J. Mier, Jr., adjutant general of the State of Pennsylvania, wrote—

> S. 1548 is an extremely good concept and should tend to prevent indiscriminate closing or draw-down of U.S. bases, with the concomitant disruption in the economy of the communities in which such bases are located.

COMMONWEALTH OF PUERTO RICO

Governor Hernandez-Colon gave his full endorsement of S. 1548 and informed me that Puerto Rico has "felt the economic stress which the closing of a military base entails. I feel that your bill will do much to assist those civilian employees who are left jobless by such closings."

STATE OF SOUTH DAKOTA

Gov. Richard F. Kneip has asked the members of the South Dakota Congressional Delegation to support S. 1548 because he believes the Advisory Commission could "provide a valuable service to both the Defense Department and local areas facing reductions in civilian Department of Defense employees."

COMMONWEALTH OF VIRGINIA

Gov. Mills E. Godwin, Jr., expressed strong support for one of the primary objectives of S. 1548, that is, "to minimize disruptions which can occur in communities where military-related employment tends to fluctuate." He went on to assure me that Virginia welcomes "any constructive step to make sure that the State and the localities would have the earliest possible advice on changes in military complements as well as civilian employment personnel."

STATE OF UTAH

Gov. Calvin L. Rampton believes that S. 1548 "is an excellent example of cooperation among Federal, State, and local governments to anticipate and solve problems" and has given it his full support because he knows too well that "disruptions in the economies of cities, States, and counties caused by the closing of a military base or a reduction in force of civilian personnel present major problems to public officials whether they be mayors, county commissioners, or Governors."

Governor Rampton also informed me that in addition to urging Senators Moss, GARN, and RIBICOFF to support the measure, he is "asking that Gov. Patrick Lucey, Chairman of the Committee on Executive Management and Fiscal Affairs, consider it for policy adoption by the National Governors' Conference."

STATE OF VERMONT

Gov. Thomas P. Salmon believes that S. 1548 is "an excellent vehicle for alerting States far in advance of decisions made by Federal Government and providing assistance to deal with the problem of employee displacement" that occurs when military bases are closed.

Governor Salmon cited the Newport, R.I., base closing where Governor Noel "was faced with a calamitous situation with very little forewarning." Governor Salmon went on to inform me that many of the problems experienced by Rhode Island "might well have been handled by an advisory commission on future manpower requirements at U.S. military installations."

STATE OF WASHINGTON

Gov. Daniel J. Evans also believes that the early warning provision of S. 1548 is most valuable and critical if a community is to successfully cope with a base closing or a major reduction in force. According to Governor Evans, "the trauma associated with a reduction in force, in any industry, is greatest where there is no evidence of prior planning." The Governor went on to say that his experience "indicates panic situations can be averted by informing employees and the community well in advance of any drastic changes."

NEED FOR PROMPT ACTION ON S. 1548

Mr. President, in view of the strong support that S. 1548 has received from various Governors and since many of them have expressed the opinion that it is "long overdue," I sincerely hope the Government Operations Committee will schedule hearings on the measure in the near future. Needless to say, the sooner the measure is enacted into law and the Advisory Commission is created, the sooner will its expertise and services be available to the communities that will be experiencing future base closings and major reductions in force.

Mr. President, there is no question in my mind that the Advisory Commission can and will serve a valuable service not only to the individuals who may be affected by a reduction in force or base closing by the Defense Department, but to the respective communities in which these substantial cuts would take place or facilities eliminated.

The creation of the Advisory Commission on Future Civilian Manpower Requirements at U.S. military installations would go a long way to assure a more orderly transition and readjustment by the communities hardest hit by a major reduction in force by the Defense Department.

Mr. President, I sincerely hope that Senator NUNN, the distinguished chairman of the Oversight Procedures Subcommittee of the Committee on Government Operations, to which S. 1548 was referred, and the other members of his subcommittee will give this measure their serious consideration. I would also welcome the cosponsorship of my colleagues on this legislation of great importance to many communities in their States.

I ask unanimous consent that the letters from which I quoted be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF DELAWARE,
Dover, July 3, 1975.

Hon. HIRAM L. FONG,
U.S. Senate, Committee on Post Office and Civil Service, Washington, D.C.

DEAR SENATOR FONG: Thank you for your letter of June 10, 1975, and the copy of Senate Bill 1548, concerning the establishment of an advisory committee on future manpower requirements at U.S. military installations.

As Governor, I am vitally interested in the economic stability of the State of Delaware and support Senate Bill 1548. The enactment of this legislation should provide a new channel of communication between the Federal, State and local governments which should prove beneficial to all segments of government, the local communities and the individuals who may be affected by a reduction in force.

Sincerely,

SHERMAN W. TRIBBITT,
Governor.

TERRITORY OF GUAM,
Agana, Guam, June 19, 1975.

Senator HIRAM L. FONG,
U.S. Senate, Committee on Post Office and Civil Service, Washington, D.C.

DEAR SENATOR FONG: In the absence of Governor Bordallo who is presently there in Washington, I wish to acknowledge your letter and the enclosures regarding Senate Bill 1548 which you have introduced to the Congress.

Bill 1548 is most timely, much-needed, and benefits Guam immensely. Guam's island economy, which for so long depended upon military activity here, is indeed disrupted by drastic military and civilian reduction-in-force. The reduction of the workload at the Navy's Ship Repair Facilities resulted in the abolition of over 450 positions by July of this year. This hurts many families on Guam. Though the number seems small, the civilian families affected on Guam who are solely dependent upon employment with the Navy are economically hurt. As a result, the island's economy suffers as well.

The end of the war in Vietnam reduced gradually the number of military as well as supporting civilian personnel within the Air Force and Naval installations here in Guam. The Advisory Commission which Senate Bill 1548 proposed to create would indeed help communities, like Guam better anticipate and plan for reductions in military and civilian personnel.

I therefore, support and hope for the passage of Senate Bill 1548 into law.

With kindest personal regards and best wishes, I am

Sincerely yours,

RUDOLPH G. SABLAN,
Acting Governor.

EXECUTIVE CHAMBERS,
Honolulu, June 25, 1975.

Hon. HIRAM L. FONG,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR FONG: Thank you for your letter of June 10 about S. 1548.

As you know the economic well being of the State depends significantly on continuing or increasing the present level of Department of Defense expenditures in Hawaii.

History clearly indicates that defense spending is of a variable nature and that increases or decreases often occur without sufficient lead-time. When these changes did occur, it has been our experience that there have been many socio-economic dislocations. Besides affecting the lives of our citizens, the State's operating budget, which is determined on a biennial basis, is impacted in variant degrees.

It is hoped that the Advisory Commission to be created by S. 1548 will be able to develop locational indicators and projections based on sound economic input-output models that will be used by the Department of Defense in formulating the Defense budget and appreciated by Congress in deliberating and approving budget appropriations. From an administrative position, it is desirable that the Advisory Commission provide each State, County and City municipalities with long and short range projections of expected increases and decreases of military and civilian levels. This information would be extremely helpful in enabling the respective government levels to plan and execute their economic and social programs.

When changes are imminent, the Advisory Commission should have operational plans-of-action available to help the affected areas to soften the impact. Sources of Federal assistance and financial support should be made available with a minimum of paperwork and bureaucratic review. The Advisory Commission could be the clearinghouse of Federal assistance and it may be advisable to enable this one agency to make all decisions, even those that cross departmental lines of authority.

Thank you for the opportunity to comment on S. 1548. I hope you are successful in getting it enacted in the near future.

With warm personal regards, I remain,

Yours very truly,

George R. Ariyoshi.

The Commonwealth of Massachusetts,
Boston, July 1, 1975.

Hon. Abraham Ribicoff,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Senator Hiram Fong has asked for the Commonwealth's views on S-1548, the Defense Civilian Manpower Requirements Act. As the state official with the responsibility for Federal-State Relations, I am pleased to endorse the efforts to provide affected communities with some assistance and some opportunity to participate in the planning of military base closures. Massachusetts has been hit harder by base closings in the last five years than any other state except Rhode Island. Therefore, we have a special interest in any effort to improve the process of conversion.

In April of 1973 the Secretary of Defense announced the closing of the following facilities in Massachusetts: Boston Navy Yard, Chelsea Naval Hospital, Otis Air Force Base and Westover Air Force Base. These closures affected 11,840 workers at these Massachusetts bases—5966 military and 5874 civilian. In addition 1500 people who worked at bases in Rhode Island, but lived in Massachusetts, were terminated. These job losses came without prior notice and at a time when the Massachusetts unemployment rate was already one-third higher than the national average.

To achieve, at the state level, many of the same purposes you hope to achieve at the Federal level, the Commonwealth established a Joint Commission on Federal Base Conversion to coordinate the response of state agencies and to involve the affected communities in planning for the conversion. This Commission included ten State Representatives and Senators from the affected communities; four members of the Governor's Cabinet; a representative of labor; a representative of private industry; four representatives of the affected communities and the Chairman, from the public. The Commission carried out its operations through a series of local task forces—one for each of the three major affected areas. The mandate of the Commission included retraining and placement of displaced workers and developing plans for re-use of the abandoned facilities.

Several critical issues which arose during the Commission's negotiations with the Department of Defense might be of interest to your proposed commission:

DOD Criteria for Closure.—The Boston Navy Yard was ranked by the Defense Department as the second most efficient Navy Yard in the Nation; yet it was closed while other, obviously less efficient, yards have remained open. Therefore, it would seem to be appropriate for your commission to review the objective performance standards which are used by the Department of Defense in deciding to close a military facility. Since the April '73 action reduced the Department of Defense work force in Massachusetts by over 30% and since two thirds of all announced layoffs were in Massachusetts and Rhode Island, our citizens require some reassurance that objective and not political criteria are used.

Economic Impact on the Region.—As a major employer and major contractor, actions taken by the Department of Defense can have a drastic effect on the economy of a region. The April, 1973 announcement removed $125 million dollars in payroll from the Massachusetts economy which was still recovering from a wave of contract cutbacks in 1970 that affected the Route 128 electronics and technology industries. While every region of our country must be expected to share in the reductions-in-force required by changes in our national defense policy, regions do have the right to expect that other national defense policy, regions do have the right to expect that other national policy goals—such as economic recovery—will be given consideration by the Department of Defense. Certainly any region with a troubled economy has the right to expect it will not be further crippled by repeated, concentrated and disproportionate reductions. As a major actor, through expenditures, in national and regional economic health, the Department of Defense should be expected to enhance the economy of declining regions and not merely consider short term programmatic cost savings. Your Commission could provide an opportunity for all interested parties to discuss this issue and design a mechanism for its future consideration.

Adequate Warning and Preparation.—The key for any successful conversion process is advance warning. In 1973 the first warning came on April 17 at a press conference by then Secretary of Defense Richardson. The first wave of terminations came ten weeks later on June 30 when 2100 workers left the yard. While all of these people were officially retired, many of them were as young as 50 years old, with ten or fifteen working years left. Many needed and wanted to be re-employed, and retrained in necessary. Yet, the first Federal Retraining money was not approved until September 24 and the program was not operational until November. This timetable was not and is not fair to the displaced worker and his family. Your commission could develop a joint master timetable for these announcements which would protect the displaced worker.

I have enclosed a copy of the Commission's First Annual Report. If I can be of any assistance to you in this endeavor, please do not hesitate to contact me.

With every best wish,

Sincerely,

Thomas P. O'Neill,
Lieutenant Governor.

State of Michigan,
Lansing, July 2, 1975.

Hon. Hiram Fong,
U.S. Senate,
Washington, D.C.

Dear Senator Fong: Thank you for your letter of June 10 concerning Senate Bill 1548.

There are, as you know, several major military installations in Michigan. K. I. Sawyer Air Force Base, Kincheloe Air Force Base and Wurtsmith Air Force Base are three that are located in relatively small communities and provide a major source of employment in their respective areas. In addition, there are two large military associated employers within the Detroit megalopolis, Army Automotive. Tank Command and Selfridge Air National Guard Base. A large Department of Defense Logistics Center is located in Battle Creek, Michigan.

While Michigan has not suffered the devastating effect of a military installation closure, it was a near thing for there was a plan in the recent past to close Kincheloe AFB. If this program had been implemented, the results would have been catastrophic to the immediate community.

With the knowledge of the possibility, if not probability, of reductions in force or complete installation closures during the draw down of our armed forces, I concur with the need for legislation to give localities as much advanced notice as possible to accommodate the socioeconomic consequences.

Kind personal regards.

Sincerely,

William G. Milliken,
Governor.

Department of Military Affairs,
Annville, Pa., June 24, 1975.

Hon. Hiram L. Fong,
U.S. Senate, Committee on Post Office and Civil Service, Washington, D.C.

Dear Senator Fong: Governor Shapp has asked me to reply to your letter of 10 June 1975.

As The Adjutant General of the Commonwealth of Pennsylvania, I naturally am in favor of any Bill which would enhance the strength and readiness posture of the United States Armed Forces.

I feel that S. 1548 is an extremely good concept and should tend to prevent indiscriminate closing or draw-down of U.S. bases, with the concomitant disruption in the economy of the communities in which such bases are located.

I am sending a copy of this letter to Senator Abraham A. Ribicoff, as you suggested.

Sincerely,

Harry J. Mier, Jr.,
Major General,
The Adjutant General.

Commonwealth of Puerto Rico,
La Fortaleza, San Juan, June 23, 1975.

Hon. Hiram L. Fong,
Senator, U.S. Senate, Committee on Post Office and Civil Service, Washington, D.C.

Dear Senator Fong: This is in response to your letter of June 10, 1975, relative to S. 1548, a bill establishing an advisory commission on future civilian manpower requirements at U.S. military installations.

In Puerto Rico, the same as in your state of Hawaii, we have felt the economic stress which the closing of a military base entails. I feel that your bill will do much to assist those civilian employees who are left jobless by such closings.

You have my full endorsement of S. 1548 in hope that your colleagues will consider and approve this measure.

Sincerely,

Rafael Hernández-Colón,
Governor.

STATE OF SOUTH DAKOTA,
Pierre, S. Dak., June 26, 1975.

Hon. HIRAM L. FONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FONG: Thank you for your recent letter and information relative to proposed legislation which would establish an advisory commission on civilian manpower requirements of the Defense Department (S. 1548).

I have reviewed your comments in the Congressional Record and recognize the unfavorable impact that employee reductions have on the economy of the area and state.

Such a commission could, in my opinion, provide a valuable service to both the Defense Department and local areas facing reductions in civilian Department of Defense employees. I am, therefore, taking the liberty of forwarding a copy of this reply to the members of the South Dakota Congressional Delegation and asking that they support the legislation accordingly.

Thank you for drawing my attention to the proposed legislation, and with every best wish, I remain

Sincerely,

RICHARD F. KNEIP,
Governor.

STATE OF UTAH,
Salt Lake City, June 18, 1975.

Hon. HIRAM L. FONG,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR FONG: Let me assure you of my support for the bill you introduced that would establish and advisory commission on future civilian manpower requirements at U.S. military installations. Disruptions in the economies of cities, states and counties caused by the closing of a military base or a reduction in force of civilian personnel present major problems to public officials whether they be mayors, county commissioners or governors. While the advisory commission does not have the authority to reverse a Department of Defense decision relating to manpower reductions, it does have the responsibility for anticipating these reductions and recommending means by which these economic impacts can be ameliorated.

I was pleased to note that state and local officials will be represented on the advisory commission through nominations by their national associations. This, in addition to the other members of the advisory commission designated by your bill, will assure that the full range of those affected and those influencing manpower reductions will be considered. S. 1548 is an excellent example of cooperation among federal, state and local governments to anticipate and solve problems, and I am, by copy of this letter, urging the support of Senator Moss, Senator Garn and Senator Ribicoff for this measure and asking that Governor Patrick Lucey, Chairman of the Committee on Executive Management and Fiscal Affairs consider it for policy adoption by the National Governors' Conference.

Sincerely,

CALVIN L. RAMPTON,
Governor.

STATE OF VERMONT,
MONTPELIER, *June 19, 1975.*

Hon. HIRAM L. FONG,
U.S. Senator,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR FONG: I fully support the thrust of S. 1548, in light of recent experience in New England with base closings.

I am sending a copy of your letter to the New England Regional Commission, which instigated a study of the impact of base closings in Rhode Island and Massachusetts and the severe economic impact it had throughout the region.

In the case of base closing in Newport, Rhode Island, Governor Philip Noel was faced with a calamitous situation with very little forewarning, and many of the problems he experienced might well have been handled by an advisory commission on future civilian manpower requirements at U.S. military installations.

This seems to be an excellent vehicle for alerting states far in advance of decisions made by the federal government and providing assistance to deal with the problem of employee displacement that occurs under such circumstances.

Thank you for making me aware of this impending legislation. I am sure the other New England Governors, who agreed to study the impact of base closings a year and a half ago, join me in their support of your efforts.

Very truly yours,

THOMAS P. SALMON.

COMMONWEALTH OF VIRGINIA,
Richmond, June 19, 1975.

Hon. HIRAM L. FONG,
U.S. Senate, Committee on Post Office and Civil Service, Washington, D.C.

DEAR SENATOR FONG: Thank you for your letter of June 10 in regard to S. 1548 which you have introduced to establish an advisory commission on future civilian manpower requirements at U.S. military installations.

I do not believe anyone could take issue with the objective of your proposed legislation to minimize disruptions which can occur in communities where military-related employment tends to fluctuate. Through members of our Congressional Delegation, we always have enjoyed excellent communications on such subjects and until receipt of your legislation I had not thought in terms of an additional agency to improve communications. Certainly we would welcome any constructive step to make sure that the State and the localities would have the earliest possible advice on changes in military complements as well as civilian employment personnel.

I am very glad to have the information accompanying your letter and the copy of the legislation.

Sincerely yours,

MILLS E. GODWIN, Jr.

STATE OF WASHINGTON,
Olympia, June 27, 1975.

Hon. HIRAM L. FONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FONG: Thank you for the invitation to offer my views on Senate Bill 1548.

The legislation you propose is long overdue. The trauma associated with a reduction in force, in any industry, is greatest where there is no evidence of prior planning. Our experience indicates panic situations can be averted by informing employees and the community well in advance of any drastic changes.

I am personally in favor of legislation requiring the Department of Defense to hold full hearings before any action could be taken on reduction or closure of any installations.

Sincerely,

DANIEL J. EVANS,
Governor.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ENERGY LABELING AND DISCLOSURE ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and the nays on Calendar No. 245, S. 349, which nays on Calendar No. 245, S. 349, on which there will be a rollcall vote.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and the nays were ordered.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business, Senate Resolution 166, which the clerk will state.

The legislative clerk read as follows:

A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

The ACTING PRESIDENT pro tempore. Under the previous unanimous-consent agreement, the time for debate on this resolution today is limited to 2 hours.

Mr. MANSFIELD. Mr. President, I yield myself 1 minute on this side.

For the information of the Senate, when we dispose of the debate and consideration of the New Hampshire contest this afternoon, the Senate will proceed to the consideration of Calendar No. 245, S. 349, a bill to amend the Federal Trade Commission Act, on which there is a time limitation, and there will be a yea-and-nay vote on that measure.

Mr. President, I suggest the absence of a quorum, with the time to be taken equally out of both sides.

The ACTING PRESIDENT pro tempore. Without objection, the time will be equally divided. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the distinguished chairman of the committee yield to me briefly?

Mr. CANNON. If I have the floor, yes.

Mr. MANSFIELD. Mr. President, at my request a compilation was made of the time and effort spent on the New Hampshire election contest by the Senate. Apart from the more than 200 hours spent by the Committee on Rules and Administration in considering it, the information is as follows: Days, 25, which include, of course, 6 days in January of this year; rollcalls, 28; live quorums, 26; cloture votes 6; to declare vacancy and return to New Hampshire, 8.

Mr. President, I ask unanimous consent that a complete tabulation of the consideration of the New Hampshire election contest by the Senate as of July 11, 1975, be printed in the RECORD.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

CONSIDERATION OF THE NEW HAMPSHIRE ELECTION CONTEST BY THE SENATE—JULY 11, 1975

Days:	
January 14, 15, 16, 21, 23, 28	6
June 10, 12, 13, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27	14
July 7, 8, 9, 10, 11	5
Total	25

Rollcalls: 28.
Live quorums: 26.
Cloture votes: 6.
1—57-39
2—56-41
3—54-40
4—57-38
5—57-38
6—54-38

To declare vacancy and return to New Hampshire: 8.
Scott, III.
Weicker, II
Allen, I
Helms, I
Griffin, I

Mr. MANSFIELD. I thank the Senator for yielding.

Mr. HUGH SCOTT. Mr. President, will someone yield me 1 minute?

Mr. HATFIELD. There is no control of time.

Mr. HUGH SCOTT. Mr. President, following the statement by the distinguished majority leader, I call to the attention of the Senate that since the New Hampshire contest came to the Chamber on June 12 and as of the close of business last night, 102 legislative matters have been acted upon by the Senate, many of them important. There have been a total of 45 record votes, 55 voice votes, 30 private bills, and 52 confirmations.

A reference to these bills which have been passed will indicate that many of them are of major importance and that the Senate has not been idle on other matters while engaged in the New Hampshire contest. Action on 102 bills does not indicate a holdup of legislation.

Mr. President, I ask unanimous consent that this compilation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE LEGISLATION ACTION SINCE JUNE 12, 1975*

Total record votes (including 28 votes on New Hampshire contest)	45
Voice votes	55
Private bills	30
Confirmations	32

*As of July 9, 1975.

TOTAL NUMBER OF RECORD VOTES—EXCLUDING VOTES RELATING TO THE NEW HAMPSHIRE ELECTION DISPUTE—FROM JUNE 12, 1975, TO JULY 9, 1975: 17

Legislation enacted by Record Vote: 10.
Date, bill no., and title:

June 12, S. Res. 60, resolution authorizing additional Senate committee employees.

June 18, S. 6, Education for All Handicapped Children Act.

June 19, H.J. Res. 499, Continuing Appropriations, Fiscal Year 1976.

June 20, H.R. 6900, Emergency Compensation and Special Unemployment Assistance Extension Act of 1975.

June 26, H.R. 5398, Emergency Housing Act of 1975.

June 26, H.R. 8030, Increase in the Temporary Debt Limitation.

June 26, H.R. 6900, Emergency Compensation and Special Unemployment Assistance Extension Act of 1975. Conference report.

June 27, H.R. 5901. Education Division and Related Agencies Appropriation Act, 1976.

July 8, S. 677, Strategic Energy Reserves Act of 1975.

July 9, H.R. 6950, Legislative Branch Appropriation Act. 1976.

Record Votes on amendments, procedural motions, etc.: 7.

Record Votes pertaining to the New Hampshire election dispute: 28.

Total number of Record Votes (including votes relating to the New Hampshire election dispute) from June 12, 1975 to July 9, 1975: 45.

LEGISLATION PASSED BY VOICE VOTE: JUNE 12, 1975 TO JULY 9, 1975

June 12, Senate Committee Funding (S. Res. 179).

June 12, Summer Jobs Appropriations (H.J. Res. 492).

June 13, U.S.-Japanese Activities (S. 824).

June 13, Joint Committee on American Bicentennial (S. Con. Res. 44).

June 13, Lister Hill Scholarships (S. 1191).

June 13, Committee Assignment (S. Res. 181).

June 13, Additional Senatorial Assistants (S. Res. 182).

June 13, Committee Assignment (S. Res. 183).

June 16, Civil Service Retirement (S. 584).

June 16, African/Brazilian Honeybees (S. 18).

June 16, Variable Rate Mortgages (S. Con. Res. 45).

June 17, Coast Guard Procurement (H.R. 5217).

June 17, Nuclear Regulatory Commission (S. 1716).

June 18, Federal Election Commission (S. 1434).

June 18, Printing Resolutions (S. Res. 168) (S. Res. 178) (H. Con. Res. 269).

June 18, Gratuities (S. Res. 185 and 186).

June 18, Indochinese Refugees (S. Res. 187).

June 19, Norwegian-American Day (S. Res. 135).

June 19, Southeastern University (S. 611).

June 19, Hobby Month (S.J. Res. 84).

June 19, Florida Judicial District (S. 723).

June 19, Plum Island Vaccine Plant (S. Res. 190).

June 19, Federal Rules of Evidence (S. 1549).

June 20, Petroleum Products Marketing (S. 323).

June 20, Three-judge District Courts (S. 537).

June 20, Budget Committee Expenses (S. Res. 189).

June 21, Council on Environmental Quality (H.R. 6054).

June 21, Watershed Projects (S. 1230).

June 21, Patent Cooperation Treaty (S. 24).

June 21, Council on International Economic Policy (S.J. Res. 97).

June 23, Part-time Government Employment (S. 792).

June 23, Veterans (H.R. 7767).

June 23, Senate Committee Funding (S. Res. 191).

June 24, Insecticides (H.R. 6387).

June 24, Review Board Abolishment (S. 1774).

June 24, Airports and Airways (S. 1972).

June 24, International Travel (S. 2003).

June 25, Investigations Subcommittee Documents (S. Res. 192).

June 25, Investigations Subcommittee Documents (S. Res. 193).

June 25, Ladies' Garment Workers (S. Res. 194).

June 26, Fourth of July Recess (H. Con. Res. 324).

June 26, U.S. Flag Display (S.J. Res. 98).

June 26, Elkhart, Kansas, Airport (S. 270).

June 26, Older Americans Act (H.R. 3922).

June 26, Drug Abuse Prevention (S. 2017).

June 26, Tariff, and Child Support Funding (H.R. 7709).

June 27, Assistant Secretary of Commerce (S. 1622).

June 27, Robert L. Rausch (S. 738).

June 27, Medicaid Amendments (H.R. 8109).

July 7, American Falls Dam (S. 1152).

July 7, Government Paycheck Disbursements (H.R. 7405).

July 9, American Indian Policy Review Commission (S. 2073).

Total 55.

PRIVATE BILLS

June 26, S. 173, 381, 606, 128, 41, 51, 55, 92, 447, 485, 533, 844, 866, 52, 223; H.R. 1387, 1388, 1393, 1408, 1410, 1421, 1510, 1556, 1649, 2109, 2119, 3526, 2946, 3382; S.J. Res. 100. Total 30.

*Confirmations**

Date:	*Number*
June 18	2
June 19	5
June 25	2
June 26	5
June 27	1
July 9	17
Total	32

*Excludues Foreign Service and military promotions.

Mr. CANNON. Mr. President, I have commented on a number of occasions about the fact that a willful minority was continuing to prohibit us from voting on the 35 issues that have been before the Senate, which were reported unanimously to the Senate by the Committee on Rules and Administration, and on which we have been working here since June 10.

We had, of course, the 6 initial days in January, and we have had 19 days on the matter now, since the 10th day of June.

On the 18th of June, the 5th day that this matter was considered in the Senate, I stated that I think it is time that we bring this matter to a close. I said:

> I am willing to agree on any kind of a time limit on this resolution, on every one of the 35 issues, that would bring it before this party plus any amendments that may be offered before this body in a reasonable period of time before August 1.

On June 25, there was considerable colloquy between the distinguished majority leader and me with respect to the issues as set forth in Senate Resolution 166. It was agreed that while the essence of some of the issues had been discussed in the Senate for 10 days, we had not voted on any of those issues. I reiterated that I would be willing to agree to any reasonable time limit, from a half-hour on up, on any one of the issues, so that we could debate it and so that the Senate could vote and work its will.

On July 8, in a discussion with the distinguished ranking minority member of the committee, I again stated:

> I think we ought to see these ballots and vote on them and decide the issues. Once we vote on those matters, then we could refer this to the GAO to tally the ballots that are in the box and decide, based on that count, who actually won the election.

After many days and much effort, all of which has been futile, to get a vote on just one of the issues contained in Senate

Resolution 166, on July 9 I again stated that I would agree to any kind of reasonable time limit on these respective issues and vote.

On July 10, I made a reference to some instances in which my colleagues on the other side of the aisle have requested that we go into the 180,000 ballots to retrieve those in the "skip-candidate" category. When given the opportunity to accomplish this very thing by the Cranston-Mansfield amendments, they objected to the matter being voted on.

Mr. President, every day we discuss this matter, we can conclude that it becomes more and more apparent, with the evidence fully documented in the RECORD, that the dilatory tactics constantly being brought into play prohibit our being able to deal with the issues at hand.

We have one issue here, and that is to determine who won the election in New Hampshire on election day, not who might win it in another election if it were sent back for a rerun.

The overriding principle, as I have stated, is set forth in article I, section 5, of the Constitution, which reads:

> Each House shall be the Judge of the Elections, Returns, and Qualifications of its own Members . . .

This imposes a mandatory obligation on the Senate to determine which of the contestants is to be seated as the junior Senator from New Hampshire.

I point out once again that this matter was referred to the Senate from New Hampshire. This being so, we cannot blithely hand the issue back to the State for determination there. New Hampshire election law provides that in the case of any contest involving candidates for the U.S. Senate, there is no constitutional appeal from the rulings of the ballot law commission except to the U.S. Senate. To those who now demand that the issue be returned to the State for a special election, I point out once again that at the time of the general election in New Hampshire on November 5, 1974, and until January 1975, there was no provision in New Hampshire election law for a special election for the office of U.S. Senator.

I also point out once again that when the New Hampshire law was passed, providing for a special election to this office, it carried the provision that only the contestants on the November 1974 ballot—that is, Mr. Wyman, Mr. Durkin, and Mr. Chimento—would appear on the ballot for this special election. In my opinion, and in the opinion of many other people with whom I have consulted, this provision clearly makes that statute unconstitutional, in that it discriminates against other qualified citizens of the State who also might choose to run for the office. The Constitution prescribes the qualifications, and the State cannot impinge upon them.

All this comes together to make the issue before us inescapable. It is one that must be settled in the Senate.

I feel compelled, once again, to call attention to the fact that the time that can be given to this issue is fast running out; while we sit here in deliberation over what some around the country have come to see as the purely partisan question of whether a Republican or a Democrat candidate shall have this seat, the great problems facing this Nation continue to grow.

There is a backup of legislation designed to meet these critical problems, despite what the distinguished minority leader attempted to point out earlier as a record of accomplishment of the Senate, while this matter has been before us. There are a growing number of comments reaching me from the people of this country, men and women harried by continuing inflation and harassed by continuing unemployment. There is mounting impatience and even anger with our delay in reaching a decision here.

So let us, for the sake of this Nation, resolve our differences and get on with it; for if we do not soon reach a compromise and arrive at a decision in this matter, the time will arrive when we will, in fact, provide what the Washington Star said on July 9, when it editorialized that we already have offered the Nation a ridiculous Senate spectacle.

Mr. President, I renew the request I have made: First, I ask unanimous consent that there be a time limit of not to exceed 1 hour on each of the issues, to be equally divided between the parties, and that we resolve this matter at an early date.

Mr. HATFIELD. Mr. President, reserving the right to object, will the Senator yield for a question?

Mr. CANNON. Certainly.

Mr. HATFIELD. First of all, I wish to ask the Chair a question as to what is the pending matter before the Senate on this issue.

The ACTING PRESIDENT pro tempore. There are two amendments pending. They apply to division 2.

Mr. HATFIELD. How are they identified? Will the Chair identify the two amendments?

The ACTING PRESIDENT pro tempore. Amendment No. 678 by the Senator from California; amendment No. 677 by the Senator from Montana to that amendment.

Mr. HATFIELD. I wish to address a question to the chairman of the committee and the manager of the bill.

As I understand the unanimous-consent agreement, it would be for an hour on each of the 35 issues as contained in the committee resolution?

Mr. CANNON. I would expand it to the 35 issues that are in the committee resolution, to include the issues that are covered in the two amendments that are pending at the present time, which, in fact, actually would replace two of the other issues in the resolution.

Mr. HATFIELD. I think, Mr. President, that that is the crux of the problem here at the moment. Therefore, I have to object to the unanimous-consent agreement, because it further throws the Senate into peripheral issues or, let us say, parliamentary and procedural questions, rather than getting to the issue in the resolution; that is to say, to let each issue be debated on its own merits, stand on its own feet, and be voted upon singly and individually. Where we have these amendments pending before the body today on this matter of the New Hampshire primary, we have amendments that, in effect, displace various issues in combination or in some kind of multiple case or multiple situation.

I have asked the chairman of the committee previously to help us and I would assist him in clearing the parliamentary situation, to clear the deck and get to issue No. 1. I cannot understand why, in one breath, we hear this great challenge, "Let us get to the issues." We have had, Mr. President, a response from this side that we are willing to go to the issue.

Mr. CANNON. I yielded for a question, Mr. President, not for an argument.

I say to my colleague, I should like to have him propound a unanimous-consent agreement that he is willing to agree to.

The ACTING PRESIDENT pro tempore. Does the Senator object?

Mr. HATFIELD. I would be very happy to propound a unanimous-consent agreement.

The ACTING PRESIDENT pro tempore. Is there objection to the pending request?

Mr. HATFIELD. I object to the pending request.

The ACTING PRESIDENT pro tempore. The objection is heard.

Mr. HATFIELD. I propose a unanimous-consent agreement that the pending amendments be withdrawn and that there be then an hour limitation placed upon issue No. 1—an hour to a side—of the committee resolution.

The ACTING PRESIDENT pro tempore. The Senate is on issue 2, division 2.

Mr. HATFIELD. I think we have a renumbering situation here. Is that not basically what the Chair is saying?

The ACTING PRESIDENT pro tempore. The resolving clause was No. 1. That has already been agreed to and it would be division 2.

Mr. HATFIELD. The renumbering of the bill would bring us into what is, in the new numbering system, issue No. 2.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. MANSFIELD. Will the Senator allow me to suggest the absence of a quorum?

Mr. HATFIELD. Yes, in just 1 second.

The ACTING PRESIDENT pro tempore. Let me make a statement that I think might clear the numbering and the consideration of the Senate. It is issue No. 1 on the resolution, but it is division 2, and the Senate has already acted on division 1, the so-called resolving clause.

Mr. HATFIELD. Mr. President, just for clarification, when I speak to issue No. 1, I am speaking now on the Senate Resolution 166, dated May 2, 1975, Calendar No. 150, on the first page, line 7:

> (1) Is it the sense of the Senate that the committee should conduct a recount as requested by Mr. Wyman of the following precincts to determine the accuracy of the recount of the Secretary of State of New Hampshire: Gorham, Bedford, Somersworth Ward 1, Claremont Ward 2, Concord Ward 1, Hanover, New Market, Pelham, Salem, and Gilford?

The ACTING PRESIDENT pro tempore. That is the matter before the Senate and two amendments thereto.

Mr. HATFIELD. My unanimous-consent agreement would be, then, as stated. I ask unanimous consent to withdraw the Cranston-Mansfield amendments, which would clear what I understand is the parliamentary situation, to bring us then specifically to issue No. 1, as read just now, from line 7 through line 12, and have an hour to a side, restricted time of an hour to a side on that issue; then to have no amendments and no tabling motion.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. CANNON. Mr. President, reserving the right to object, if the Senator from California would like to be heard, I yield to him.

Mr. CRANSTON. Reserving the right to object, I would object to the proposal in its present form. Could we work out an agreement in one of two alternate ways: One, agree to vote to set aside the pending Mansfield amendment and vote on issue No. 1, with the time agreement. And include in the time agreement a vote thereafter on the Mansfield amendment, or the Mansfield-Cranston amendment, with whatever time would be mutually agreeable. This would assure that we do not remove what has been a very fair offer that would resolve most of the issues, and that may have brought us to the point where we can begin to make progress because of the major compromise involved on the part of those who have offered this.

The alternative is that the Mansfield-Cranston amendment be permanently withdrawn, but with an agreement that we would vote first on issue No. 1, and then on issue No. 2, and go all the way through together with whatever time agreement is acceptable on all of them, so that we have, then, the conclusion of this matter in sight.

Mr. BROCK. If the Senator will yield, there is no way we can get an agreement from all parties to sequential time limits.

The ACTING PRESIDENT pro tempore. The Senator from Nevada has the floor.

Mr. HATFIELD. Do I have the floor?

The ACTING PRESIDENT pro tempore. The Senator from Nevada has the floor. He yielded to the Senator from Oregon for an objection and now has yielded to the Senator from California.

Mr. HATFIELD. How did I get the floor to offer a unanimous-consent agreement?

The ACTING PRESIDENT pro tempore. He yielded for a unanimous-consent proposal.

The Senator from Nevada has the floor.

Mr. CANNON. We are advised by the Senator from Tennessee now that a sequential agreement could not be obtained from the other side. I should like to pursue just this one issue, because it seems to me that the proposal is now a move to remove the present parliamentary situation, which is that the Mansfield-Cranston amendments are the pending business. They are not subject to further amendment and the yeas and nays have been ordered, so the first vote would occur on those. It appears that this is a parliamentary move to get that set aside, which was the compromise offered.

This is what the people on the minority side—and I cited 10 of them the other day—have been saying for weeks was the fair thing to do: If the Senate were going to vote to have some of those "skip-Louie" ballots no-votes, then we ought to go back and retrieve them all.

I do not know whether the Senate is going to vote that there should be no-votes, but the agreement or the amendment that is proposed would say that the multiskip ballots that are here before the Senate would be awarded to Mr. Wyman, the four of them that were Wyman multiskips. The one multi-"skip-Durkin" ballot would be awarded to Mr. Durkin and the other eight single-skips would be counted no-votes. Then we would do precisely what the minority has been suggesting, many more than 10, but 10 of them I stated for the Record. That is that we go back through the 180,000, the GAO go back and pull out all of the single "skip" ballots for either party and that those likewise would be counted as no-votes and be tallied accordingly. This move is a move to displace that proposal.

In an effort to try to be fair, I say to my colleague that I would be willing to agree to this type of agreement: That we would temporarily set aside the Mansfield-Cranston amendments and agree to vote with a time limit on issue No. 1, and that that issue 1 be not subject to amendment and not subject to a tabling motion; that immediately thereafter, we return to the Mansfield-Cranston amendments; that that likewise not be subject to further amendment, as it is now not subject to further amendment; and that we would agree to a reasonable time limit to debate on that and then vote on it.

That would get us started down the road here. We would be getting something that the other side now says they want, which they have argued against for 2 weeks, but we would at least be making some headway there, and we would at least also be coming to grips with this compromise proposal of Senator Mansfield and Senator Cranston.

I would like to ask my colleague if he would agree to it.

The ACTING PRESIDENT pro tempore. The Chair would observe that there are now two unanimous-consent requests before the Senate, one from the Senator from Oregon and one from the Senator from Nevada. Is there objection to the one from the Senator from Oregon?

Mr. HATFIELD. Mr. President, I think the Senator from Nevada offered one first and I objected to that.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. HATFIELD. Then I offered one.

The ACTING PRESIDENT pro tempore. That has not been acted on.

Mr. HATFIELD. That has not been acted on.

Mr. CANNON. I will object to that in its present form.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. HATFIELD. Then I would be happy to respond——

Mr. CANNON. Then I would, perhaps, suggest that my colleague respond to the alternative I have suggested.

The ACTING PRESIDENT pro tempore. The Senator from Nevada has the floor and he is yielding.

Mr. HATFIELD. Mr. President, I would like to respond to the question propounded by the Senator from Nevada. First of all, I believe the Senator from Nevada will remember that a number—it seems weeks ago but I guess it is a number—of days ago, when we were discussing the possibility of going to the issues, the minority proposed that we take up issue No. 8 first. The Senator from Nevada responded at that time that he felt it would be more orderly to proceed at the committee had written the resolution by going to issue No. 1 and following in sequence. I believe the Record will conform the recollection that I have.

Now, point No. 2, the Cranston-Mansfield amendment really addresses itself to Nos. 6 and 7 of the issues, as I understand it, and therefore, it again would, in effect, put the Senate into action on issues out of the sequence in which the committee brought them forth.

Now, I am not wedded to the sequence in which the committee brought them out, but I would only say this: As the Senator from Nevada raised the issue on July 9, he made it very clear in the Record that he wanted to get to a vote on any issue, and he said, he used it as a solitary vote or a single issue or a single vote and I, therefore, feel that my proposal was really in keeping with what the Senator from Nevada had challenged us to come up with because in that same colloquy we got into the Mansfield-Cranston problem, parliamentary situation, and he admitted at that time that it was somewhat of a tangled situation.

I am trying to clear the deck, in effect, to get to issue No. 1, debate it on its merits, just that one issue, and I think the chairman of the committee, the Senator from Nevada, and the majority leader, have already indicated we have been involved in vote after vote after vote that have been not directly involving an issue, and yet they have been relating to the issues, and I cannot see why he wants now to make a contingency rather than letting us vote on this issue unrelated to commitments down the road.

I do not think we have demonstrated so far that we have been able to get ourselves on the track as far as the issues are concerned. Here I am offering to get us on the track but now we are raising these contingencies and, therefore, I would say to the Senator from Nevada we can only take it one step at a time as far as I am concerned. We are ready to move to the issue. We have responded to the Senator's challenge.

Mr. CANNON. Did the Senator say issue or issues?

Mr. HATFIELD. Issue.

Mr. CANNON. Issue.

Mr. HATFIELD. Ready to move to issue No. 1.

There is no attempt to move on my part—I am not a skilled parliamentarian, frankly, to create some kind of parliamentary chicanery up here or engage in parliamentary maneuvering. If the Senator has a better way to word it I would certainly agree to it. All I am saying is I want to get this separated out and to start on issue No. 1 and go down the list hopefully after we have disposed of issue No. 1, not locking ourselves in.

If they want to repropose the Cranston-Mansfield amendment after we dispose of issue No. 1, that is a parliamentary procedure that is up to them. Why do we have to tie it together?

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. CANNON. First let me answer the Senator and say why we have to tie it together. That is, pure and simple, because the Mansfield-Cranston compromise is the pending business, and the yeas and nays have been ordered on it. It is subject to being voted on in order.

The proposition here is a move to displace that compromise, and that compromise, I might add, is precisely what a number of our colleagues on the minority side have been urging all along, including Mr. Wyman. He said, Mr. Wyman said, "It is not fair to rule that some of my 'skip-Louie' votes are no votes unless we are going to go back through the 180,000 and retrieve all of the 'skip-Durkin' ones." That is exactly what is being proposed. So let us not try to dodge this issue that happens to be the pending business.

The Senator has already indicated that he would not agree to all of the rest of the sequence, and he says that we do not—he places a lot on the order of sequence. I may say we adjusted the order of sequence several times in the Rules Committee before we reported the resolution in this form. We had a discussion and shifted two or three times before we finally agreed on this sequence. The parliamentarian ruled, in light of the position of the resolution and the division that had been requested, that each item would normally come in sequence unless it were otherwise ordered.

We had gone all around the block on it. We have had 28 rollcalls now and have not voted on any one of them, so I do not think there is any magic in voting on the No. 1 issue first. But I am ready to vote on No. 1 issue first provided that is not able to be used as a parliamentary device to displace this compromise proposal that has been offered, and which ought to be voted on, and if my colleagues over here mean what they say, it would be accepted overwhelmingly.

I yield now.

Mr. ALLEN. I think what the Senator is now suggesting would certainly be in line to agree to vote on this No. 2 issue which is No. 1, and then not displace these other two amendments. Let them then follow as the pending amendments whichever way the vote goes on issue 1, and then the rights of Senators CRANSTON and MANSFIELD would not be prejudiced in that way. That would seem to be a reasonable compromise to the Senator from Alabama.

Mr. BROCK. Mr. President, will the Senator yield for a suggestion?

Mr. CANNON. Yes.

Mr. BROCK. I do not really object to that. The Senator from Nevada and the Senator from Alabama have argued, I think, in fairly logical sequence, but I do think it makes sense to get to issue No. 1, item No. 1, on the resolution which is actually division 2, and I personally would see no problem with, in effect, asking unanimous consent to make the Cranston-Mansfield amendment effectively an amendment to item No. 2 in the resolution so that it would then be the pending business when item No. 1 was disposed of, and that would be the instant pending business, and it would not be subject to amendment, because obviously the second level amendment is now in place. I do not have any problem with that. I do not think that I could agree to a time certain on sequential items, but I could agree to the parliamentary device of imposing them on item No. 2 of the resolution.

Mr. CRANSTON. Is the proposal there be a time agreement on issue No. 1 displacing the Mansfield-Cranston amendment and then a time agreement on that as the second matter we would vote upon, so that we would be——

Mr. BROCK. Only one time agreement, but as soon as that vote was cast, the Cranston-Mansfield motion would be the pending business as an amendment to issue No. 2.

Mr. HATFIELD. Mr. President, I object to the unanimous-consent request.

The ACTING PRESIDENT pro tempore. The objection is heard.

Mr. CRANSTON. May I ask a question?

The ACTING PRESIDENT pro tempore. The Senator from Nevada has the floor.

Mr. HATFIELD. Will the Senator yield?

Mr. CANNON. The Senator was trying to ask a question.

Mr. CRANSTON. Yes, I was trying to ask a question of the Senator from Oregon.

Is there some particular reason why it is felt that the issues should be taken in order after issue No. 1, do they follow some sequential flow relating to each other?

Mr. HATFIELD. I think I made a comment a moment ago before the Senator was on the floor that I have no commitment to a sequence. The only point is that I have no way to commit ourselves at this point beyond issue No. 1, by making issue No. 1 contingent upon following it with other matters or other issues.

I think we have to dispose of issue No. 1 and then look at the situation at that time.

I would like to request the Senator from Nevada to yield for the call of a quorum so that we may have some discussion.

Mr. CANNON. I yield for that purpose.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GARY W. HART). Without objection, it is so ordered.

Mr. CANNON. Mr. President, we have been discussing with Members of both sides a possible consent agreement, and I will state the agreement to see if I understand it correctly.

The agreement is that we would temporarily set aside the so-called Cranston-Mansfield amendments and return to issue No. 1 of Senate Resolution 166, which is lines 7 through 12; that that would be the pending business, and it would not be subject to amendment or a motion to table; that we would have a 2-hour time limit for debate to be equally divided, the time to be under the control of Senator HATFIELD and myself, and at the conclusion of that we would have a rollcall vote on lines 7 through 12; that immediately thereafter, the Cranston-Mansfield amendments would become the pending business, and that it would not be subject to further amendment, and the yeas and nays have already been ordered on that amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HATFIELD. Mr. President, reserving the right to object, I inquire of the Chair that in the recitation of this unanimous-consent agreement, does this not, in effect, put us right back to the exact situation where we are now from a parliamentary point of view, once that issue 1 has been acted upon?

Mr. CANNON. Except for the fact it would be disposed of.

Mr. HATFIELD. Except for the fact that it would have been disposed of one way or the other.

The PRESIDING OFFICER. Not precisely the same place.

Mr. HATFIELD. Mr. President, would the Chair state the difference?

The PRESIDING OFFICER. The Chair will state the difference.

When issue No. 1 is disposed of, then issue No. 2 will be laid before the Senate. The Cranston and Mansfield amendments will then apply to issue No. 2; whereas under the prior circumstance they came at the end of issue No. 1.

Mr. CRANSTON. It would be the pending business.

The PRESIDING OFFICER. It would now occur at the beginning of issue No. 2.

Mr. HATFIELD. Mr. President, I inquire of the Chair further. Then we are really only talking about a basic matter of format rather than any substantive or parliamentary question or issue, because the Cranston-Mansfield amendments would not be subject to further amendment as it is now subject to further amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. CRANSTON. Mr. President, reserving the right to object, I am exceedingly reluctant to have the Mansfield-Cranston amendment removed from its present position as the pending business because it is a very fair compromise that was worked out after a great deal of concern over here about being fair in this matter in relationship to the skip-Louie ballots. It is a proposal that takes the strongest case made by the Wyman forces resting upon affidavits which, if valid, would turn the election over to Mr. Wyman. He would be the winner if the case they presented is valid, and if the Mansfield-Cranston amendment was adopted. In effect, it resolves not only the election, but it resolves 15 of the 35 issues that are before us.

Nonetheless, in a further effort to be accommodating and to compromise, I am willing, and I gather that Senator MANSFIELD is willing, to permit this to occur. It is my understanding that we would then proceed to a very rapid vote, say, within 1 hour of this afternoon. There certainly should be an hour's debate at least on issue (1) which we have already talked about at great length many times, but on which there should be a debate once again.

What is the provision as to when we would vote on it?

The PRESIDING OFFICER. The consent request was 2 hours.

Mr. BROCK. One hour to a side.

Mr. HATFIELD. One hour per side.

Mr. CRANSTON. So we vote in 1 hour from now in effect?

Mr. HATFIELD. Is the Senator asking me the question?

Mr. CRANSTON. Yes.

Mr. HATFIELD. No; we are not voting in 2 hours from now because there is no guarantee of that. There is a possibility that our time that has been set aside for the debate on the general issue of the New Hampshire election runs out at 2 p.m. There is a pending vote that had the yeas and nays ordered, that a number of Senators have requested that we vote on as quickly as possible. So I do not know when the vote would occur except it would occur, unless all the time is yielded back, 2 hours after we began the debate.

Mr. CRANSTON. It would occur this afternoon.

Mr. HATFIELD. It has not been stated. It might occur Monday or it might occur this afternoon. I am ready to stay here until we resolve it, but I do not know what the leadership has in mind for recognizing that our time is up at 2 P.M. I am not in a position to resolve that.

Mr. CANNON addressed the Chair.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CANNON. Yes, I yield to the distinguished leader.

Mr. MANSFIELD. I am prepared if the manager, the ranking member of the committee, would so desire, to ask for a unanimous-consent agreement that we continue the discussion of the New Hampshire contest until the vote is taken, if agreement is reached on the proposal made by the distinguished Senator from Nevada.

Mr. CANNON. Mr. President, I think that would be good. We could proceed right on it for the 2 hours and have the vote at the conclusion of the 2 hours.

Mr. MANSFIELD. Not to exceed 2 hours.

Mr. CANNON. Not to exceed 2 hours. I have debated my side of it so many times that I am sure I would not need the full hour.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. CANNON. Yes, I yield.

Mr. McCLURE. I think one factor ought to be mentioned here that deals with the question of whether we extend the period which has already been agreed upon today, and that is that the Senator from Washington, the chairman of the Committee on Interior and Insular Affairs, has been pushing very hard to get one of the energy bills finished in markup and we are scheduled this afternoon to complete that markup on that bill. We assumed that the time would run out as was scheduled on the New Hampshire debate so that we could then go back into session in the committee and complete the action on that energy bill.

Mr. CRANSTON. Let the unanimous-consent agreement include the opportunity for that committee to meet.

Mr. HATFIELD. Mr. President, I have to object to that. I consistently objected from the beginning on any committee sessions that was not part of our original agreement.

Mr. CRANSTON. Mr. President, I thought we were trying to reach agreement to finally vote on the matter. We have now accommodated once again those that have been obstructing action in the Senate. We have agreed to accept their unanimous-consent agreement. Now we cannot find out when, if ever, we will be allowed to vote.

Mr. HATFIELD. Mr. President, if I could respond, there is nothing confusing or complex at all. It is very simple. The simple matter is that the chairman of the committee is proposing a unanimous-consent agreement, that we have an hour limitation to each side—it is a very simple matter—and we will vote at the end of that period.

I think the Senator from California is completely aware of the fact that we have a limitation here on this issue until 2 p.m. If there are other problems of committee sessions and so forth, there is very clearly a precedent that has been established that I would object to any meetings of committees during the consideration of the New Hampshire question. That is nothing new. That is a very strong precedent that we have objected to on many days and on many occasions. There is nothing at all complex about this.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, I understand if there is no objection, and I do not wish to interpose any objection, that we would go ahead under the previous agreement until the hour of 2 p.m. today, and that on Monday we would continue the debate until we came to a vote on this matter?

The PRESIDING OFFICER. The 2 hours run out not at 2 p.m. but 2:10 p.m.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CANNON. Yes, I yield.

Mr. MANSFIELD. In view of the situation which has developed, I wonder if it would be possible to vote, say, at 2 p.m. Tuesday on this amendment? In that way, we could spend a little more time on the allocations bill on Monday, which is going to take a couple of days, anyway, as well as the 2 hours on the bill itself.

Would those 2 hours be considered as the 2 hours covering the length of the debate in question, and could we vote, say, at 2 o'clock on Tuesday?

Mr. HATFIELD. Mr. President, I only want to make sure that this would not be considered as an obstructionist tactic.

Mr. MANSFIELD. We are trying to find a compromise; and in politics as in everything else, compromise is desirable.

Mr. CANNON. Mr. President, so far as I am concerned, I am willing to vote right now or 2 hours from now; but I have no objection to the procedure suggested by the majority leader, if we can get to a vote and get this kind of agreement.

Mr. HATFIELD. Mr. President, I have no objections to the proposal offered by the chairman of the committee, as stated in his unanimous-consent request, nor do I have any objections to the proposal made by the majority leader that the vote occur at a time certain on Tuesday.

Mr. MANSFIELD. Would it be possible to dispose of the 2 hours on Monday on this matter?

Mr. HATFIELD. Suspend?

Mr. MANSFIELD. No, to devote the 2 hours on Monday to the debate, which I think was a 2-hour limitation, which might help.

Mr. HATFIELD. I have no objection to starting the 2-hour debate as of now or Monday or whenever. Perhaps beginning Monday.

Mr. BROCK. Does the Senator want to do away with the entire 2 hours on Monday?

Mr. MANSFIELD. We could come in at 12 o'clock on Monday. I was suggesting that the 2 hours we have allocated to New Hampshire, those 2 hours on Monday or sometime today, might be used for the debate covering the time limitation, which I understand is 2 hours.

Mr. HATFIELD. As I understand it, once this unanimous-consent request has been accepted, there are no other proposals this side has to offer that would intervene, and I would expect that we would go immediately—or whenever we met next—to the question of issue (1), and that time would start running at that time, for the 2-hour limitation. So Monday would be fine.

Mr. MANSFIELD. Then we would not vote until Tuesday.

Mr. HATFIELD. We would not vote until Tuesday. I have a feeling that once we began the debate, it might be better for continuity to have the debate carried through for that period Monday, rather than attempting to start on 20 minutes or a half hour of it now.

Mr. BROCK. I suggest that since some of our colleagues may not be here on Monday, we reserve some period of time on Tuesday just preceding the vote.

Mr. MANSFIELD. Say, 20 minutes for Tuesday and the remainder of the time on Monday.

Mr. HATFIELD. Mr. President, I would agree to that, but I do not think it is necessary, since the Senator from Nevada and I control the time under the 2-hour proposal. Whether or not we want to use all the time on Monday probably would be within our power. But I certainly would agree to that particular division.

Mr. CANNON. I say to the majority leader that we would have a little problem, in that we have agreed to be on this matter for 2 hours. Once we get the agreement, that 2 hours would be running. If we stayed on it for the full 2 hours on Monday, we either could go to something else, put in only an hour and a half on it or, if we do that, also on Tuesday, if we are going to vote at 2 o'clock and only have 20 minutes reserved, there is no sense coming in on it at 12 to go until 2.

Mr. BROCK. I agree.

If the Senator will yield, I wonder why we need to hold the 2 hours in the unanimous-consent requests, now that we have a time certain and we have 2 hours reserved for Monday that can be used on this and related issues. We also have 2 hours reserved for Tuesday. So we do, we just not eliminate the 2-hour limit but set the time certain for 2 o'clock on Tuesday? That makes more sense.

Mr. CANNON. If we were to do that, we would have to agree that the time be equally divided, so that somebody could get the floor.

Mr. BROCK. Fine. Will the Senator accept that as a modification, that whatever time remains between now and 2 o'clock on Tuesday be equally divided, and not have a time limit on it?

Mr. CANNON. If we are going to do that, I think we should have some precise amount of time controlled on Tuesday between each of us.

Mr. McCLURE. I agree.

Mr. BROCK. Mr. President, reserving the right to object, may I suggest to the Senator——

Mr. CANNON. Mr. President, I modify my unanimous-consent request by the addition of the following: That we resume on Monday, at 12 o'clock, consideration of the New Hampshire matter, with the time equally divided between Senator HATFIELD and myself, for a period of 1 hour on Monday; that we renew the New Hampshire matter at 1 o'clock on Tuesday, the time to be equally controlled by Senator HATFIELD and myself; that we vote at 2 o'clock on the issue I have referred to as **No. 1**, lines 7 through 12, of Senate Resolution 166.

That would mean, Mr. President, that other than those 2 hours, the hour from 12 to 1 on Monday and the hour from 1 to 2 on Tuesday, the time that is consumed on this matter would not be chargeable to either side.

The PRESIDING OFFICER. And that the vote on lines 7 through 12 will come without intervening amendments.

Mr. CANNON. Without intervening amendments or motions to table.

The PRESIDING OFFICER. Is there objection?

Mr. CRANSTON. And that the so-called Mansfield-Cranston amendment will be the pending business once again, after this matter is disposed of.

Mr. CANNON. That was in my original request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CRANSTON. Mr. President, I point out that the so-called rampant majority once again has accommodated the so-called oppressed minority, and we are doing our best to work things out. I was prepared to vote this afternoon, as was the Senator from Nevada. I regret that there is a further 4-day delay, but at least we have one matter that we are going to dispose of.

Mr. CANNON. Mr. President, I think that in my request I asked that we have a rollcall vote. However, in case there is any question about it, I ask unanimous consent now that it be in order to request the yeas and nays.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CANNON. Mr. President, I request the yeas and nays on issue 1, lines 7 through 12.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GARN AND FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, JULY 14, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after Mr. HASKELL has been recognized under the order previously entered, Mr. GARN be recognized for not to exceed 15 minutes; after which there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each; and provided that the period of routine morning business be for the purpose only of introduction of routine bills, resolutions, petitions and memorials, executive communications, and additional statements into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY LABELING AND DISCLOSURE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now lay aside Senate Resolution 166 and proceed to the consideration of S. 349.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 349) to amend the Federal Trade Commission Act.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Energy Labeling and Disclosure Act".

DECLARATION OF POLICY

SEC. 2. It is the intent of Congress in this Act to assure, through a uniform national system, meaningful disclosure of the energy characteristics and estimated annual operating costs of major energy-consuming household products and automobiles, so that consumers can readily compare them and thereby avoid purchasing those which unnecessarily waste energy.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Administrator" means the Administrator of the Federal Energy Administration or his delegate;

(2) "automobile" means a four-wheeled vehicle propelled by fuel or electricity, which is manufactured primarily for use on the public streets, roads, and highways, except any vehicle operated exclusively on a rail or rails, and which has as its primary intended function the transportation of not more than 10 individuals; the term includes a light truck which is rated at not more than 6,000 pounds in terms of gross vehicle weight, and which (A) is designed primarily for purposes of transportation of property including a derivative of such a vehicle, or (B) has special features modifying such vehicle for predominant offstreet or offhighway operation and use. The term does not include any vehicle manufactured for export, and exported, from the United States;

(3) "Commission" means the Federal Trade Commission;

(4) "communications medium" means any printed or electronic means of communication that reaches significant numbers of people;

(5) "dealer" means any person engaged in the business of selling new automobiles or new major energy-consuming household products to purchasers who buy for purposes other than resale;

(6) "estimated annual operating cost" means, with respect to a major energy-consuming household product or an automobile, the appropriate total retail price (as determined in accordance with this Act) of the electricity or fuel that is likely to be needed during a calendar year for the customary type and amount of use of such product or automobile;

(7) "fuel" means butane, coal, diesel oil, fuel oil, gasoline, natural gas, propane, or any other solid, liquid, or gas that is capable of being utilized, directly or indirectly, to power a major energy-consuming household product or an automobile;

(8) "fuel economy" refers to the average distance traveled by an automobile per unit of fuel or electrical energy consumed, as determined in accordance with test procedures established by rule by the Environmental Protection Agency. Where feasible, such procedures shall require that fuel economy tests be conducted in conjunction with emissions tests mandated by section 206 of the Clean Air Act, as amended (42 U.S.C. 1857f-5);

(9) "major energy-consuming household product" means a product which—

(A) is sold or intended to be sold for use in a residence;

(B) functions when connected to a readily available source of energy external to the product; and

(C) requires, based on average patterns of usage, more than 200 kilowatt-hours of electricity per year or, in the case of a product powered by fuel, more than 2,000,000 British thermal units of fuel per year;

(10) "paragraph" means a paragraph of the subsection in which the term is used;

(11) "Secretary" means the Secretary of Commerce;

(12) "subsection" means a subsection of the section in which the term is used; and

(13) "supplier" means a wholesaler, direct sale merchandiser, distributor, or dealer of a new automobile or of a new major energy-consuming household product.

MAJOR ENERGY-CONSUMING HOUSEHOLD PRODUCTS

SEC. 4. (a) IDENTIFICATION AND PRIORITY RANKING.—The Administrator, within 60 days after the date of enactment of this Act, shall—

(1) identify and list categories of major energy-consuming household products; and

(2) establish a priority ranking among such categories of products, on the basis of each listed category's contribution to residential energy consumption and the current availability of information on its energy characteristics.

(b) AVERAGE-USE CYCLE DETERMINATION.—(1) The Secretary, through the National Bureau of Standards, shall, pursuant to guidelines established by the Administrator, determine average-use cycles for the categories of major energy-consuming household products identified under subsection (a), in the priority order in which each such category of product is ranked under subsection (a). Such Bureau shall also promulgate a procedure or procedures by which the average-use cycle of each such product may be simulated, and by which the energy utilized during any such cycle may be measured or calculated. Such a test and calculation procedure shall, to the extent appropriate, be the procedure, if any, that is prescribed for the product under nationally recognized voluntary standards or international standards.

(2) A test and calculation procedure described in a final energy conservation specification, that was promulgated by the Secretary prior to the date of enactment of this Act pursuant to the Secretary's voluntary labeling program, shall be considered a procedure promulgated under this Act.

(c) DEADLINES FOR TEST PROCEDURES.—Within 9 months after the date of enactment of this Act, test and calculation procedures shall be promulgated under subsection (b) with respect to not less than five categories of major energy-consuming household products. Within 18 months after the date of enactment of this Act, such procedures shall be promulgated for not less than nine such categories of products.

(d) TESTING.—(1) The Administrator shall direct each manufacturer and each importer of any major energy-consuming household product, for which a test and calculation procedure has been promulgated under subsection (b), to have tests and calculations made, in accordance with such procedure, with respect to all applicable models of such product that are made or imported by such manufacturer or importer. Such manufacturer or importer may, for such purpose, in accordance with guidelines established by the Administrator, retain an independent testing laboratory, or make use of a national certification program that is available to any manufacturer.

(2) Within 90 days after a test and calculation procedure is promulgated under subsection (b), and on an annual basis thereafter, each such manufacturer and importer shall submit, to the Administrator, a certified record of the results of its tests and calculations.

(3) A manufacturer or an importer of such a product shall, when requested to do so by the Administrator, and at his own expense, supply a reasonable number of specified products made or imported by it to a laboratory designated by the Administrator. Such a laboratory shall seek to verify the test results furnished to the Administrator by such person. The United States shall pay all reasonable charges levied by such laboratories for such activities.

(4) Each manufacturer or importer of such a product shall notify the Administrator in advance of, and shall permit authorized agents of such Administrator to observe and inspect, any tests performed pursuant to this subsection.

(e) USAGE AND UTILITY PRICING INFORMATION.—The Administrator shall develop and maintain, on a metropolitan, regional, national, or other appropriate basis, as determined by the Administrator, information with respect to the estimated—

(1) number of average-use cycles performed annually by each category of major energy-consuming household products; and

(2) average unit cost of the electricity or fuel needed for the circumstances under which each such product is normally operated.

(f) COMPUTATION OF ESTIMATED ANNUAL OPERATING COST—(1) The Administrator shall, not later than 30 days after the promulgation of procedures pursuant to subsection (b), and on an annual basis thereafter, disseminate to all manufacturers and importers of major energy-consuming household products the information developed under subsection (e). Such information shall be accompanied by instructions for determining the estimated annual operating cost of a particular major energy-consuming household product.

(2) Each manufacturer and importer of such a product shall determine the estimated annual operating cost of such product in accordance with instructions issued pursuant to paragraph (1). Such determinations may, at the discretion of the Administrator, include a range of estimated annual operating costs to reflect geographical or other differences in usage patterns or energy costs. Commencing not later than 90 days after promulgation of procedures pursuant to subsection (b), the estimated annual operating cost data shall be included as part of the material shipped with each such product, by a manufacturer or importer thereof, to the suppliers who carry such product.

(3) If a range of estimated annual operating costs is provided to suppliers in accordance with paragraph (2), each dealer involved shall select the estimated annual operating cost that is applicable, in accordance with instructions that shall be prepared by the Administrator and included with the material shipped to the suppliers under paragraph (2).

(4) Within 15 months after the date of enactment of this Act, and annually thereafter, a booklet which compiles information provided to, or developed by, the Administrator under subsections (b), (d), and (e) shall be published by the Administrator, in a public document to be placed on sale at the Government Printing Office. Such booklet shall present such information in a clear, concise, and objective manner, and the Administrator shall take steps to encourage the widest possible distribution of such booklet and any revision thereof: Provided, That nothing in this section may be construed to require the compilation of lists which compare the estimated annual operating costs of major energy-consuming household products by model or manufacturer's name.

(g) APPLIANCE ENERGY GUIDES.—Not later than 30 days after the promulgation of procedures with respect to a category of major energy-consuming household products, pursuant to subsection (b), the Commission shall by rule specify the format of an Appliance Energy Guide for such category. An appliance Energy Guide shall set forth, in clear and understandable language and form, information with respect to—

(1) the energy consumption characteristics of the product involved;

(2) the estimated annual operating costs for the product, as determined in accordance with this Act;

(3) the manner in which such estimated annual operating cost was computed, including the time period upon which such estimate is based and suggestions as to how such estimate may be refined to take account of the personal circumstances of an individual consumer;

(4) comparative shopping information; and

(5) any other information deemed appropriate by the Commission.

An Appliance Energy Guide shall be issued by each manufacturer and importer of such a product, and copies thereof shall be included as part of the material shipped to the suppliers under subsection (f)(2). The manner in which Appliance Energy Guides are to be attached to such products by such manufacturers and importers shall be specified by the Commission.

(h) UNLAWFUL CONDUCT.—Commencing 150 days after the promulgation of procedures pursuant to subsection (b), it shall be unlawful for any—

(1) manufacturer or importer to ship in commerce any new major energy-consuming household product for which such a procedure has been adopted, unless the Appliance Energy Guide for such product is attached by such manufacturer or imported in accordance with the provisions of subsection (g);

(2) supplier to remove the Appliance Energy Guide from any new major energy-consuming household product;

(3) dealer to sell or offer for sale in commerce any new major energy-consuming household product for which such a procedure has been adopted, unless the estimated annual operating cost of such product is disclosed by such dealer prior to any such sale. Such disclosure may appear on the same label, tag, direct-mail statement, or any other place on which the purchase price or acquisition cost of such product is stated, in accordance with rules established by the Commission. Any such disclosure requirement in this paragraph shall be considered to be fulfilled if the dealer obtains a written statement from the purchaser that such purchaser has read the relevant Appliance Energy Guide. If the Administrator directs, pursuant to subsection (f)(2), that the estimated annual operating costs shall be determined separately for different sections of the Nation, mail-order literature, catalogs, brochures, and other media communications that are received in more than one such section and that contains price data shall include national average values with respect to estimated annual operating costs, and they shall indicate clearly that the estimated annual operating cost of such a product for a specific section of the Nation may be obtained from a dealer who sells such products; and

(4) person to advertise or cause to be advertised in commerce, through any communications medium, any new major energy-consuming household product for which such a procedure has been adopted, if such advertisement displays the purchase price or energy characteristics of such product, unless it includes in addition a statement as to the estimated annual operating cost of such product, if the Commission determines that such statement is reasonable and necessary, in accordance with rules established by the Commission: *Provided*, That if the Administrator directs, pursuant to subsection (f)(2), that the estimated annual operating costs shall be determined separately for different sections of the Nation, advertising covering more than one such section shall include national average values with respect to estimated annual operating costs, and it

shall indicate clearly that the estimated annual operating cost of such a product for a specific section of the Nation may be obtained from a dealer who sells such product.

AUTOMOBILES

SEC. 5. (a) COMPUTATION OF ESTIMATED ANNUAL OPERATING COSTS.—(1) Each manufacturer and importer of a new automobile shall determine the estimated annual operating cost of such automobile in accordance with instructions issued by the Administrator. Such determinations may, at the discretion of such Administrator of the Environmental Protection Agency, include a range of estimated annual operating costs to reflect geographical or other differences in usage patterns or energy costs. Commencing not later than 90 days after the date of promulgation of fuel economy testing procedures in accordance with this Act, the estimated annual operating cost data shall be included as part of the material shipped with each such automobile, by a manufacturer or importer thereof, to the suppliers who carry such automobile.

(2) If a range of estimated annual operating costs is provided to suppliers in accordance with paragraph (1), each dealer involved shall select the estimated annual operating cost that is applicable, in accordance with instructions that shall be prepared by the Administrator of the Environmental Protection Agency and included with the material shipped to the suppliers under paragraph (1).

(b) LABELING.—Beginning not later than 180 days after the date of enactment of this Act, each manufacturer and importer of new automobiles shall cause to be affixed to, and each dealer shall cause to be maintained on, each new automobile, in a prominent place, an Automobile Energy Guide prepared and issued by that manufacturer or importer.

(c) AUTOMOBILE ENERGY GUIDE.—The format of each Automobile Energy Guide required by subsection (b) shall be determined by rule by the Commission, after consultation with the Secretary of Transportation, the Administrator of the Environmental Protection Agency, and the Administrator. An Automobile Energy Guide shall set forth, in clear and understandable language and form, detailed information with respect to—

(1) the fuel economy for such automobile, as determined pursuant to this Act;

(2) the estimated annual operating costs associated with the operation of such automobile, as determined in accordance with this Act;

(3) the manner in which such estimated annual operating cost was determined, including the time period upon which such estimate is based and suggestions as to how such estimate could be refined to take account of the personal circumstances of a prospective purchaser;

(4) a range of fuel economy performance of automobiles, so as to facilitate comparison shopping; and

(5) any other aspects of automobile operation deemed appropriate by the Federal Trade Commission.

(d) INSPECTION.—Each manufacturer or importer of new automobiles shall notify the Administrator of the Environmental Protection Agency in advance of, and shall permit authorized agents of such Administrator to observe and inspect, any tests performed pursuant to this section.

(e) ADVERTISING.—The Commission shall identify the categories and types of advertisements for new automobiles which it shall direct to contain the information required pursuant to subsection (c), to the extent prescribed by the Commission. In accordance with rules to be established by the Commission, if any such advertisement displays the purchase price or fuel economy characteristics of a new automobile, the Commission may require such advertisement to include a statement as to the estimated annual operating costs or the fuel economy of such automobile, whichever is appropriate. If the Administrator of the Environmental Protection Agency directs that the estimated annual operating costs shall be determined separately for different geographic regions of the Nation, advertising covering more than one such region shall include national average values with respect to estimated annual operating costs.

(f) Within 180 days after the date of enactment of this Act, and annually thereafter, a booklet which compiles information provided to, or developed by, the Administrator of the Environmental Protection Agency under this section shall be published by such Administrator, in a public document to be placed on sale at the Government Printing Office. Such booklet shall present such information in a clear, concise, and objective manner, and such Administrator shall take steps to encourage the widest possible distribution of such booklet and any revision thereof: Provided, That nothing in this section may be construed to require the compilation of lists which compare the estimated annual operating costs of automobiles by model or manufacturer's name.

(g) DISCLOSURE.—Beginning 180 days after the date of enactment of this Act, it shall be unlawful for any dealer to sell or to offer for sale in commerce any new automobile, unless the estimated annual operating cost of such automobile is disclosed by such dealer prior to any such sale. Such disclosure may appear on the same label, tag, direct-mail statement, or any other place on which the purchase price or acquisition cost of such automobile is stated, in accordance with rules established by the Commission. Any such disclosure requirement in this subsection shall be considered to be fulfilled if the dealer obtains a written statement from the purchaser that such purchaser has read the relevant Automobile Energy Guide. Mail-order literature, catalogs, brochures, and other media communications that are received in more than one geographic region that contain automobile price or acquisition cost data may include national average values with respect to estimated annual operating costs.

CONSUMER EDUCATION

SEC. 6. The Commission and the Administrator shall, in close cooperation and coordination with appropriate industry trade associations and industry members including retailers, and interested consumer and environmental organizations, carry out a program to educate consumers and suppliers with respect to—

(1) the significance of the estimated annual operating costs, the Appliance Energy Guides, and the Automobile Energy Guides;

(2) the Nation's need for energy conservation;

(3) the way in which comparative shopping, including comparisons of estimated annual operating costs, can save energy for the Nation and money for consumers; and

(4) such other matters as the Commission or the Administrator determines may encourage the conservation of energy.

Such steps to educate consumers may include, but are not limited to, publications, audiovisual presentations, demonstrations, and the sponsorship of national and regional conferences involving suppliers, consumers, and State, local, and Federal Government representatives: *Provided*, That nothing in this section may be construed to require the compilation of lists which compare the estimated annual operating costs of automobiles or major energy-consuming household products by model or manufacturer's name.

GENERAL PROVISIONS

SEC. 7. (a) LIMITATIONS.—(1) Except as otherwise provided, no requirement in this Act regarding the disclosure of estimated annual operating costs creates, or shall be construed to create, a cause of action in any person for rescission, reformation, or refund of a contract or sale, on account of any failure to comply with any such requirement, and no such requirement makes, or shall be construed to make, any act or failure to act actionable in a civil action for damages. If a person knowingly of fraudulently gives a prospective purchaser false or misleading information, or if such person intentionally fails to give such a purchaser any information required under this Act, with respect to the estimated annual operating cost of a major energy-consuming household product or of a new automobile, a cause of action may arise and such conduct may be so actionable if such a purchaser relied reasonably on such information in entering upon such contract or purchase, and if such purchased suffered avoidable loss as a consequence thereof or if such loss is likely to be suffered unless such rescission, reformation, or refund is ordered by an appropriate court or agreed to by the parties.

(2) Nothing in this Act prohibits, or shall be construed as authorization to prohibit, a person from representing orally or in writing that the estimated annual operating cost furnished pursuant to this Act is based on average patterns of usage and is not a precise prediction of the annual operating cost that will actually be experienced by an individual purchaser.

(b) EFFECTIVE DATE.—No requirement involving disclosure of estimated annual operating cost, pursuant to this Act, shall be applicable to any major energy-consuming household product or to any automobile, unless it is manufactured on or after the date of applicability of such requirement.

(c) ADMINISTRATIVE PROCEDURE.—Procedures, rules, and regulations established pursuant to this Act shall be promulgated, and may from time to time be amended, in accordance with the provisions of section 553 of title 5, United States Code. After publication in the Federal Register of a notice of intended rulemaking, interested persons shall be permitted 30 days in which to submit comments in writing with respect to the proposed action or with respect to a proposed amendment.

(d) ENFORCEMENT.—(1) It shall be an unfair and deceptive act or practice in or affecting commerce, within the meaning of section 5 of the Federal Trade Commission Act (15 U.S.C. 45(a)), for any person to supply, give, or furnish false or misleading information with respect to estimated annual operating cost, or to fail to supply, give, or furnish such information or an Energy Guide, as required, to any purchaser, or to otherwise fail to comply with any other provision of this Act, or any test procedure, rule, or regulation issued pursuant to this Act.

(2) Any person who fails to comply with any labeling, advertising, or disclosure requirement mandated or authorized under this Act shall be subject to a civil action under section 5(m)(1)(A) and section 19 of the Federal Trade Commission Act.

(3) The provisions of section 1001 of title 18, United States Code, are applicable to any statements or other information supplied, given, or furnished pursuant to this Act to the Administrator, the Secretary, the Commission, or the Administrator of the Environmental Protection Agency.

(e) STOCKPILING.—The Commission may issue regulations to prohibit any stockpiling, by manufacturers or importers, of any major energy-consuming household product or automobile that may be affected by a disclosure requirement pursuant to this Act, prior to the date of applicability of such requirement. As used in this subsection, the term "stockpiling" means shipping, during the period between the date of promulgation of a testing or calculation procedure and the date of applicability of such disclosure requirement, at a rate that is significantly greater than the rate at which such product or automobile was shipped during a prior base period determined by the Commission.

(f) CITIZEN SUITS.—(1) Any person may commence a civil action on his own behalf against (A) any manufacturer, importer, or supplier who is alleged to be in violation of any provision of this Act or any regulation thereunder; or (B) any Federal agency which has a responsibility under this Act where there is an alleged failure of such agency to perform any act or duty under this Act which is not discretionary. The district courts of the United States shall have jurisdiction without regard to amount in controversy or citizenship of the parties to grant mandatory or prohibitive injunctive relief or interim equitable relief to enforce such provisions with respect to any manufacturer, importer, or supplier or to order such agency to perform any such act or duty. Such court, in issuing any final order in an action brought under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such an award is appropriate. No action may be commenced under this section prior to 60 days after the plaintiff has given notice of the alleged violation to the appropriate manufacturer, importer, or supplier, and to the Federal agency involved.

(2) In any action under this subsection, the Commission, if not a party, may intervene as a matter of right.

(3) Nothing in this subsection shall restrict any right which any person or class of persons may have under any other statute or at common law to seek enforcement of any provision of this Act or regulation thereunder or any other relief.

PREEMPTION

SEC. 8. (a) GENERAL.—It is hereby declared to be the express intent of Congress to supersede any and all laws of the States or political subdivisions thereof insofar as they may now or hereafter provide for the disclosure of energy characteristics, fuel economy, or estimated operating cost of any new major energy-consuming household product or automobile, if there is in effect and applicable a Federal disclosure requirement with respect to such product or automobile.

(b) EXEMPTION.—Upon petition by any State, or political subdivision thereof, the Commission may, by rule, after notice and opportunity for presentation of views, exempt from the provisions of this subsection, under such conditions as it may impose, any State or local requirement that (1) affords protection to consumers which is substantially greater than that provided in the applicable Commission rule; and (2) does not place an undue burden upon the manufacture or distribution of major energy-consuming household products or of automobiles in interstate commerce. The Commission shall maintain continuing jurisdiction with respect to those State or political subdivisions thereof which are specifically exempted under this subsection. Any such exemption may be withdrawn or suspended by the Commission whenever it determines that the State or political subdivision involved is not enforcing its requirements sufficiently or effectively or that such exemption is no longer in the public interest.

ANNUAL REPORT

SEC. 9. The Administrator shall report to the Congress and the President, as part of his annual report, on all activities of the Federal Government relating to meaningful disclosure to consumers of the energy characteristics and estimated annual operating costs of major energy-consuming household products and automobiles; on all measures taken by the Administrator, the Secretary, the Administrator of the Environmental Protection Agency, and the Commission to implement and carry out various provisions of this Act; and on the effectiveness of such activities and measures in reducing the consumption of energy by consumers during the calendar year preceding such report. The Secretary, the Administrator of the Environmental Protection Agency, and the Commission shall assist and cooperate with the Administrator in preparing appropriate materials for each such report. Each such report shall include, but need not be limited to—

(1) a thorough appraisal of the effectiveness with which estimated annual operating cost requirements have been established and enforced;

(2) a summary and evaluation of the effectiveness of the public education programs undertaken in accordance with this Act, including, but not limited to, the Appliance Energy Guides and the Automobile Energy Guides;

(3) a summary of outstanding problems confronting the implementation of this Act and the realization of its purposes;

(4) a short- and long-term projection of plans for future activities and measures to implement this Act; and

(5) such recommendations for additional legislation as are deemed necessary or appropriate.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 10. There are authorized to be appropriated to the Administrator, the Commission, the Secretary, and the Administrator of the Environmental Protection Agency to carry out the provisions of this Act, funds not to exceed $3,000,000 for the fiscal year ending June 30, 1976, not to exceed $600,000 for the transitional fiscal quarter ending September 30, 1976, not to exceed $2,500,000 for the fiscal year ending September 30, 1977, and not to exceed $1,500,000 for the fiscal year ending September 30, 1978.

Mr. MANSFIELD. Mr. President, what is the parliamentary situation?

The PRESIDING OFICER. The question is on S. 349. There is 10 minutes of debate, to be followed by a yea-and-nay vote.

Mr. MANSFIELD. Mr. President, I yield myself such time as I may desire in an attempt to explain the pending business.

It is the purpose of this bill to contribute to an alleviation of the energy crisis by providing American consumers with information on the energy characteristics and the financial costs associated with the use of major household products and automobiles. The legislation proposes to achieve this purpose by requiring the issuance of energy guides and the disclosure prior to purchase of estimated annual operating costs for major energy-consuming household products and automobiles. Under this bill, information regarding the energy characteristics and estimated annual operating costs of major energy-consuming household products and automobiles will be required to be disclosed to customers prior to purchase. This information would be provided in the form of appliance energy guides and automobile energy guides.

In addition, the bill authorizes the Federal Trade Commission to require that estimates of annual operating costs be displayed in conjunction with displays of retail price and in certain advertisements of such products or automobiles.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94-253) explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM ENERGY LABELING AND DISCLOSURE ACT

PURPOSE

It is the purpose of this bill to contribute to an alleviation of the energy crisis by providing American consumers with information on the energy characteristics and the financial costs associated with the use of major household products and automobiles. The legislation proposes to achieve this purpose by requiring the issuance of Energy Guides and the disclosure prior to purchase of estimated annual operating costs for major energy-consuming household products and automobiles.

DESCRIPTION

Under this bill, information regarding the energy characteristics and estimated annual operating costs of major energy-consuming household products and automobiles will be required to be disclosed to customers prior to purchase. This information would be provided in the form of Appliance Energy Guides and Automobile Energy Guides. In addition, the bill authorizes the Federal Trade Commission to require that estimates of annual operating costs to be displayed in conjunction with displays of retail price, and in certain advertisements for such products or automobiles.

In the case of household products, only those products which consume, on the average, more than 200 kilowatt hours of electricity per year or 2 million Btu's of fuel per year are covered. The information regarding the energy characteristics of such products and the estimates of the annual operating costs are to be determined on the basis of procedures developed by the Administrator of the Federal Energy Administration and the National Bureau of Standards.

The Administrator may determine whether national average values are appropriate; or that there are significant differences in usage patterns or electricity rates and fuel costs that should be accounted for in describing the energy characteristics or estimating the annual operating costs. If the Administrator determines that the cost data and usage patterns are best characterized by national averages, the manufacturer computes the estimated annual operating costs in accordance with the prescribed procedures. If, on the other hand, the Administrator determines that there are significant variations from average national values that should be accounted for, the manufacturer is instructed to calculate several different estimates of annual operating costs, to cover the range of geographical, usage or other variations deemed significant by the Administrator.

The estimates of annual operating costs are to be included in an Appliance Energy Guide, which is to be attached to each applicable product by the manufacturer. The Appliance Energy Guide will also include detailed information on the energy characteristics of the product, suggestions on how to use the product efficiently, and explanatory material which will enable the typical consumer to interpret the significance of the estimated annual operating cost figures.

The Federal Trade Commission (FTC) is directed to issue rules specifying which displays of purchase price must be accompanied by displays of the estimated annual operating costs. The bill provides that retailers may fulfill any such disclosure requirement by obtaining a written statement from the purchaser that the purchaser has read the relevant Appliance Energy Guide. FTC is also directed to issue regulations specifying the circumstances under which the estimated annual operating cost is to be included as a part of advertisements for the product which mention purchase price or energy characteristics.

The provisions of the bill dealing with automobiles are similar to the corresponding sections of the bill dealing with household appliances. Automobile Energy Guides would be attached to all new automobiles by the manufacturers. These Guides would contain all the relevant information that a consumer would need to evaluate the fuel economy characteristics of that automobile and the attendant costs of operation of that automobile. The language dealing with disclosure of estimated annual operating costs of automobiles in conjunction with disclosure of purchase price and in advertising is similar to the corresponding provisions dealing with major energy consuming household products.

The format and rules governing the Appliance Energy Guides and Automobile Energy Guides are to be developed by the Federal Trade Commission.

BACKGROUND

Residential use of energy accounts for approximately 19 percent of the total energy consumption in this country. A national program of energy conservation cannot depend on a cutback of items such as the electric can opener or electric pencil sharpener. Although the use of such devices is symbolic of a wasteful society, most studies have shown that the energy used by such small appliances is insignificant; and that the energy conservation efforts must concentrate on the larger energy users. The single largest use of energy in the residential sector is for space heating. This accounts for 11 percent of the total national energy consumption. The next most significant use of energy in homes is that required for heating of water. The energy required to heat water for showers, baths, kitchen and bathroom sinks, washing machines, and dishwashers, adds up to 3 percent of the total national energy consumption. Other major uses of energy in the home are for air conditioning, cooking, refrigeration, and clothes drying. These four uses account for another 3 percent of the Nation's energy consumption.

In recent years, there has been a rapid increase in the number of major energy consuming devices that are used in the home. For example, a study done for the Project Independence Blueprint[1] estimates that the percentage of households with dishwashers will increase from less than 20 percent in 1970 to almost 40 percent in 1975, and is expected to increase to 80 percent by 1990. Similarly, the percentage of households with automatic clothes dryers is expected to double between 1970 and 1990. These figures indicated that a major effort has to be undertaken to improve the efficiency of these energy-consuming products so that the growth in product usage can occur without placing an additional burden on the Nation's already overburdened energy supply capabilities.

There are many opportunities for conserving energy in the use of major household products. For example, an article in the June 1973 issue of Consumers Report shows that there is a 60-percent variation in the energy efficiency between various brands and models of 5000 Btu room air conditioners. Improvements in air-conditioner efficiency are achievable through more efficient compressor motors, fan motors, and bigger cooling coils and heat exchangers. Such improvements are usually associated with a moderate increase in purchase price.

For gas operated appliances, such as stoves, clothes dryers, etc., significant improvements in efficiency are possible by replacing pilot lights by electric lighters. Since pilot lights in gas appliances typically utilitze 10 percent of the natural gas requirement in a residence, the elimination of this source of energy wastage, to the extent feasible, would be a very effective energy conservation measure. Improvements in other products, such as refrigerators freezers and ranges are possible though the simple device of improved insulation. For example, efforts to increase interior space in some refrigerators has resulted in thin walls and doors with such poor insulation characteristics that electrically heated wires are imbedded in the door to prevent condensation on the outside of the refrigerator door. These heaters require between 15–20 percent of the total energy used in a refrigerator.

Considerable attention has been devoted within the past several years to the potential for improved fuel economy in automobiles. There is no doubt that substantial improvements in fuel economy are achievable through the adoption of more efficient engines and transmissions, improved tires, improved aerodynamic drag characteristics, weight reductions, through the use of lighter, higher strength materials, or through overall reduction in vehicle size.

A joint Department of Transportation/Environmental Protection Agency report estimated that up to a 63-percent improvement in new car fuel economy could be achieved by 1980. This estimate was based upon not only technological improvements such as those mentioned above, but also a shift in sales mix to 35 percent large and intermediate cars and 65 percent compact and subcompact cars. A similar study by FEA indicated that average new car fuel economy can be increased to 21–22 miles per gallon by 1980, and experts at the Rand Corporation have indicated that 30 miles per gallon might be achieved by 1985.

NEEDS

In spite of the fact that most experts agree that substantial improvements in energy efficiency of appliances and automobiles are technically achievable, many improvements will not be realized unless incentives are provided to consumers to purchase those products and automobiles which are energy efficient. The Project Independence study states that "In general, consumers have displayed very little interest in more efficient appliances because: (a) the efficiency of appliances is not stated to or understood by the consumers; and (b) the higher costs of the more efficient units is a strong inhibiting factor."[2]

During his February 25, 1975, appearance before the Committee, J. Thomas Rosch, Director of the Bureau of Consumer Protection of the FTC, stated:

". . . let me say that I fully endorse the findings and purposes of these bills, which recognize the need to take affirmative action in dealing with the energy crises now facing this country. Disclosures of energy efficiency will enable consumers to compare the relative merits of competing major energy consuming appliances. Consequently, the public will be able to take energy conservation into account as a material factor in their purchasing decisions. In so doing, consumers can choose on the basis of operating costs rather than purchase price alone, while also promoting the larger national interest in conserving scarce natural resources. In the absence of energy efficiency disclosures the consumer cannot translate a concern for economy, let alone energy conservation, into positive action when purchasing energy consuming products."

Several firms are beginning to recognize increasing consumer interest in the energy characteristics of appliances and automobiles. Manufacturers of automobiles which get good fuel economy have been emphasizing this feature in their advertisements. Sears-Roebuck now includes estimated annual operating costs for their air-conditioners in their catalog descriptions. Other appliance manufacturers and retailers are proudly proclaiming the energy-savings features of certain brands and models. It can be expected that this activity will increase in the future. However, because of the use of conflicting terminology and the confusion that exists with regard to the meaning of much of the terminology used in these promotional campaigns, there is a definite need to develop a uniform system for presenting this information to consumers in terms that are readily understandable.

Since 1973, the Department of Commerce has been encouraging participation in a voluntary appliance labeling program. Under this program, a label for air-conditioners has been developed, and issuance of the labels for refrigerators, refrigerator-freezers, and freezers is immient.

In addition, there are a number of State and local programs relating to appliance labeling. New York City and Massachusetts have already established labeling requirements. New Jersey, Florida, and Minnesota are actively considering the establishment of similar statutes. Clearly, if federal legislation is not enacted, manufacturers are likely to face a vast proliferation of labeling programs throughout the country. The problem has become so acute that the Association of Home Appliance Manufacturers (AHAM), in their March 12, 1975 statement to the Committee, said:

"Were it not for the fact that inconsistent regulations are being considered and promulgated by several States, AHAM would urge the Congress to delay mandatory legislation until the voluntary program of the Department of Commerce and the educational programs have been fully developed and their success determined."

The Department of Commerce cites this as one of the reasons for adopting a mandatory program. Assistant Secretary of Commerce for Science and Technology, Dr. Betsy Ancker-Johnson, stated at the Committee hearings: "There are three strong reasons for making labeling mandatory: (1) to preempt state and local conflicting actions which can only produce higher prices and confusion among consumers (2) to eliminate the potential for removal or alteration of labels along the distribution line and (3) to assure of 100 percent participation in labeling by the industry."

MEETING THE NEEDS

The main feature of the approach taken by S. 349 is the disclosure of the estimated annual operating costs of the appliance or automobile. This approach is taken in full recognition that in a free enterprise system, consumer demand is one of the most powerful forces operating in the marketplace. As the implications of the energy crisis and the escalating cost of energy become more apparent to American consumers, they can be expected to respond by expressing their preferences for household products and automobiles which are highly energy efficient. The problem is that it takes an informed and highly skilled consumer to make the proper assessment of the energy consumption characteristics of any given product. Because of the complexity of such products, and a general lack of knowledge by the consumer of such considerations as usage patterns and cost of electricity, the most effective way for informing American consumers is to provide them with estimates of the annual operating costs. Such a disclosure, particularly when it is simultaneous with the disclosure of purchase price, should be a very effective way of informing consumers of the real costs of the products they are contemplating purchasing.

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[1] Project Independence Blueprint Final Task Force Report, Vol. 1, Residential and Commercial Energy Use Patterns 1970–1990, November 1974.

[2] Ibid.

When appliance labeling legislation (S. 1327) was first introduced in the 93d Congress it called for the labeling of appliances with comparative efficiency ratings rather than operating cost data. However, in testimony from industry and other experts it was pointed out that while efficiency labeling might be appropriate for some appliances, for others, it would be extremely difficult to perform and likely to be highly misleading. In fact, in some cases it will be nearly impossible even to define a proper measure of efficiency. In the case of dishwashers, how can you define and measure "cleanliness"? Also, the efficiency with which a dishwasher cleans dishes depends on many parameters such as the detergent used, the agitator action, and the manner in which the dishes are arranged on the racks.

Furthermore, utilizing an efficiency rating approach, the description of efficiency would have to vary from product to product. Air-conditioner efficiency could be described by Btu's per kilowatt hour, while for a gas clothes dryer it might be ounces of water evaporated per therm. As the average consumer is unfamiliar with terms such as kilowatts, therms, and Btu's a great deal of confusion could develop. Efficiency labeling would make it virtually impossible to compare a gas range to an electric range, since the units of measurement would be different. Also the efficiency labeling approach gives the consumer virtually no guide to meaningful comparative shopping in regard to purchase price. Without operating cost data, the consumer is virtually stymied in deciding whether to buy a more expensive product which is claimed to be energy efficient. Only operating cost data will tell the consumer whether such a purchase will be likely to end up saving him money over the life of the product.

The Gas Appliance Manufacturers Association, Inc., told the committee on February 25, 1975, that:

"In our judgment, the comparisons of appliances on an inter-fuel basis as well as a comparison of those using the same fuel or energy source can both be achieved by following the annual cost of operation approach taken in S. 349. This approach is feasible from a technical point of view and would be more meaningful to a consumer than any other possible approach. This feasibility has been demonstrated in the development of a voluntary program for water heaters. Or to express it conversely, I know of no approach other than an operating cost approach which would prove feasible. Additionally, the simplicity of this approach from the standpoint of the consumer has a very definite attractiveness."

The same day, Mr. Roger Sant, Assistant Administrator for Conservation and Environment of the Federal Energy Administration, testified that:

"S. 349 emphasizes the average annual cost of operation as the means of conveying information to consumers on energy use. While FEA strongly supports the concept of cost labeling, we believe the addition of other factors would improve the effectiveness of the labels.

"Other factors which we believe should be included are average fuel consumption and widely recognized fuel use ratings, such as miles per gallon for automobiles. Furthermore, we believe that all labels should contain a chart comparing the operating cost of the appliance or automobile to the operating costs of other products in the same class. This would enable the consumer to easily determine the relative efficiency of any single product, without examining the labels of a large number of other products."

In response to comments such as these, specific language was incorporated into S. 349 regarding the content of the Energy Guides. In particular, the bill as approved by the Committee contains a requirement that the Energy Guides include comparison shopping information. While it is recognized that such comparative data is extremely useful, it is extremely important that any such comparisons be presented in a manner which avoids even the appearance of Federal government endorsement of any particular model or brand.

There are extensive provisions in S. 349 to assure that the consumer is presented with reliable and useful estimates of operating costs. Regional differences in climate or in cost of energy will be accounted for in the determination of the estimated operating cost. The bill also requires that the Energy Guides which are to be attached to the product explain how the operating cost information was computed, and in addition, the Guides are to contain information indicating how the consumer can relate the estimated operating cost to his own particular situation.

It is recognized that in a period of uncertain fuel and electricity prices, any estimate of annual operating cost may be subject to inaccuracies because of potential fluctuations in the unit cost of electricity or fuel. Concern has been expressed that some products, with an estimated annual operating cost indicated on an attached Energy Guide, might still be on the shelf or in the showroom when a newer model, for which the estimated annual operating cost is based on more recent energy prices, is displayed. This concern is mitigated by the fact that automobile and appliance retailers generally have a complete turnover in stock several times a year, thus reducing the likelihood of such a problem from arising. It is also further expected that the timing of revisions to Energy Guides will, to the extent practical, coincide with typical industry practices regarding model changeovers. To further avoid the possibility of misleading comparisons, the Committee approved language which requires that the fuel or electricity prices used to develop the estimated annual operating cost are to be part of the Energy Guides, together with a notation as to the date or time period for which these prices are considered to be typical. Subsequent issues of Energy Guides, which are based on more recent energy prices can be made easily distinguishable from earlier versions by utilization of a different color scheme, much as is currently done with license plates. Finally, the legislation provides for an extensive education program to alert consumers and retailers to the significance of this labeling program.

Operating cost labeling will not present any burden on the small retailer. The determination of annual operating costs will be based on information developed by the Federal Government and the manufacturer, and the retailer will not have to perform any calculation. In many cases, when national average values are deemed to be the most appropriate, the retailer uses the number supplied to him by the manufacturer. In other cases, where there are significant variations from national average values the retailer is provided with a range of estimated operating costs to take into account these differences, and instructions for the retailer as to how to select the relevant figures. As this labeling will only have to be done on display models, this will not be an extensive task. Also, since the coverage of the bill is limited to major home appliances, only a small number of items are involved.

The estimated annual operating costs are not to be construed by individual consumers as anything more than a guide to the amount of money that could be saved by purchase of energy efficient household products and automobiles. Accordingly, the bill specifies that the failure of any operating cost estimate to accurately predict an individual's actual costs cannot be construed to create any cause of action for rescission, reformation, or refund of a contract or sale unless the disclosure was made in a fraudulent manner. In addition, any supplier is explicitly permitted to inform his customer that the estimates for the annual operating costs are based on average patterns of usage and should not be construed as a precise calculation of annual operating costs that would be experienced by any individual purchaser.

In a March 10, 1975 letter to the Committee, the American Retail Federation said that: "S. 349 . . . proposes an appliance labeling program in a manner generally satisfactory to the retailer. A labeling program that gives consumers the annual operating costs of appliances at the point of sale is acceptable as long as the manufacturer prepared and ships the label in the manner proposed by S. 349."

A senior executive for a national chain of department stores wrote the Committee that ". . . for advertising (average annual operating cost with price) in writing such as in newspapers, catalogs, price tags, signs, etc. (there was) no problem."

The system of estimated annual operating cost disclosure proposed in S. 349 would be extremely effective in bringing about the energy saving changes discussed in the previous section. Consumer buying habits would be changed because many consumers would realize that in many cases it is cheaper to pay a few dollars more at the time of purchase in order to get a model which costs less to operate. This is particularly true in the case of automobiles and large appliances, such as refrigerators and air-conditioners, which commonly are bought on an installment plan. In those situations, a few dollars extra on the installment payments will be balanced by the savings on the utility bills. Once a system of operating cost disclosure is enacted, manufacturers will realize that consumers will become very conscious of the operating costs of such products, and competitive forces will cause many manufacturers to redesign their products with an emphasis on energy efficiency. Additionally, because consumers will have been very conscious of operating costs at the time they make their purchase decision, it is likely that their usage patterns will also reflect such consciousness. Thus, the disclosure of estimated annual operating cost is deemed to be a very effective consumer education measure.

S. 349 contains a strong preemption clause which wil give the manufacturers protection from an unmanageable situation caused by the possibility of a multitude of ordinances not only at the State level but at the city and county level as well.

Section-by-Section Analysis

Section 2. Declaration of Policy. In this section, Congress declares the intention to assure, through a uniform national system, meaningful disclosure of the energy characteristics and the estimated annual operating costs of certain products and systems, so that consumers can readily compare them and avoid purchasing those which unnecessarily waste energy.

Section 3. Definitions. The term "household products" is intended to cover only those goods which are traditionally purchased as a complete unit from the store as an off-the-shelf item and then connected to a source of electricity or fuel in the residence. This is in contrast to central heating and cooling systems which consist of various components which have to be selected and coordinated with each other by the individual designing or installing the system.

The components of central air-conditioning and heating systems cannot perform their intended function until they are assembled and fully installed. Someone other than the component manufacturer must do something which makes the product fit to perform its intended function. Thus, such components are not included in the definition of "major energy consuming household products."

"Major energy consuming household product" is defined as a product which utilizes on the average, at least 200 kilowatt hours of electricity per year, or two million Btu's of energy per year in the case of a product powered by fuel. The threshold value of 200 kilowatt hours was established to limit the coverage of this bill to major household products. The correlation between the 200 kilowatt hours and two million Btu's takes into account the inefficiencies associated with generation of electricity from a primary fuel at a powerplant.

In the definition of "fuel economy" it is anticipated that EPA will promulgate testing procedures as soon as possible, so as to avoid any conflict with time requirements imposed by subsection (b), (f), and (g) of section 5. This constraint should pose no problem, since EPA already has a testing procedure which is widely used in conjunction with its voluntary labeling program.

Section 4. Major Energy Consuming Household Products. Subsection (a) requires the Administrator of FEA to identify and assign priority ranking to categories of major energy consuming household products for the purpose of developing the estimates required under this bill in a timely and systematic manner. If a given category satisfies the definition of major energy consuming household product, then each brand and model within that category will be covered by the provisions of this bill, even though particular items within that category might not meet the 200 kilowatt hours or 2,000,000 Btu criteria.

In subsection (b) the Secretary of Commerce, through the National Bureau of Standards (NBS), is required to define average-use cycle for each such product covered by the bill. In addition, the Secretary is to devise a procedure for testing or calculating the energy utilized during each such cycle. In order to make use of the procedures developed under the Secretary of Commerce's voluntary energy labeling program prior to the date of the enactment of this bill, any testing or calculation procedure adopted for such purposes is considered to be a procedure promulgated under this legislation.

Subsection (c) requires that the test procedures be promugated for not less than five major energy consuming household products within 9 months after the date of enactment of this bill. This time requirement is consistent with the schedule of the existing voluntary program which already has produced procedures for room air-conditioners, and is in the process of producing procedures for refrigerators, freezers, refrigerator-freezers, and water heaters.

Subsection (d) the manufacturers are required to have tests conducted on their various products in accordance with the procedures established under subsection (b).

Subsection (e) requires the Administrator to develop information on usage patterns of each product category and to compile data on the average unit cost of energy. This information can be developed on a metropolitan, regional, national or other appropriate basis as determined by the Administrator.

Subsection (f) discusses the manner in which the estimated annual operating costs are to be determined. The information accumulated by the Administrator on usage patterns and energy costs is sent by the Administrator to each manufacturer. In addition, the Administrator would furnish manufacturers with instructions for determining the estimated annual operating costs. For these products for which the usage patterns and energy costs are maintained on a national basis, a single annual operating cost for a given product is determined. However, if the Administrator concludes that it would be best to have a range of estimates which would reflect local variations in energy costs or usage patterns, then the manufacturers would be instructed to determine a range of operating costs. In the latter case, the manufacturer would provide that range of costs to the suppliers, together with instructions to suppliers that are prepared by the Administrator and which tell the supplier how to select from among that range of costs, a single figure which is most applicable to the local conditions in which the supplier is located.

Paragraph (4) of this subsection directs the Administrator to publish, on an annual basis, a booklet which compiles the information obtained under this bill. This booklet will probably be similar to the Gas Mileage Guide for New Car Buyers currently being published by EPA. While explanatory information is expected to accompany any alphabetical listing of test results, the Committee wants to avoid the appearance of having the Federal Government endorse, or indicate a preference for, any particular model. While the Committee strongly favors the concept of disclosing estimated annual operating costs under appropriate circumstances, it recognizes that in a tabulation such as to be included in the aforementioned booklet, disclosure of operating cost estimates might not be practical especially in view of such factors as geographic price variations or market price fluctuations. Therefore, the bill would delegate to the Administrator the decision as to whether to include such disclosures in the booklet.

Subsection (g) directs the Federal Trade Commission to devise the format of an Appliance Energy Guide for each appliance to be covered by this bill. The Appliance Energy Guide is intended to provide the typical consumer with information which the consumer might want to use prior to making a purchase decision. The Appliance Energy Guide is to contain information describing the energy consumption characteristics of the product involved. It is also to elaborate on the significance of the estimated annual operating costs, particularly so as to allow the consumer to be able to refine that estimate to take account of the consumer's personal circumstances. In this regard, FTC might consider the desirability of requiring a cross reference on any display of estimated annual operating costs to direct the consumer to more detailed information to the Appliance Energy Guide. In this period of uncertainty regarding fuel prices, the Committee feels strongly that consumers be made aware of the fuel or electricity prices used to develop the estimated annual operating costs. This information will be on the Energy Guide, together with a notation as to the date or time period for which these prices are considered to be typical. Subsequent issues of Energy Guides which are based in more recent fuel or electricity prices can be made easily distinguishable from earlier versions by utilization of a different color scheme, much as is done with license plates.

In addition, the Appliance Energy Guide is to provide comparative shopping information, such as indicating the range of efficiencies or estmated annual operating costs that are available for otherwise similar models or brands of that product. However, comparison by brand name on the Energy Guide is not anticipated. It is expected that the Appliance Energy Guide would be the primary source of consumer information regarding the energy characteristics and estimated annual operating costs of a particular product. It is therefore crucial that the Guide be prepared in a style and format that is easily readable and understandable by the typical consumer. As an example, the Committee finds the Energy Guide issued by the Secretary of Commerce under the voluntary labeling program for room air-conditioners does not provide adequate and meaningful information for the consumer. That particular Energy Guide is so complicated that it could be counterproductive. On the other hand, the proposed Energy Guide for refrigerators, to be issued under the same labeling program is, in the Committee's opinion, a far superior effort in that direction.

The Appliance Energy Guide is to be attached by the manufacturer to the product, in a manner to be specified by the Federal Trade Commission.

In Subsection (h) prohibitions are set forth against manufacturers or importers shipping appliances without Appliance Energy Guides, or suppliers removing the Appliance Energy Guides. In addition, the Federal Trade Commission is directed to establish rules whereby dealers must display the estimated annual operating cost in conjunction with displays of the purchase price. The main objective of this provision is to call the consumer's attention to the estimated annual operating cost. However, any such disclosure requirement established by FTC could be satisfied by a dealer if he obtained a written statement that the purchaser has read the relevant Energy Guide. Since the estimated annual operating cost is to be included on the Energy Guide, the objective of assuring consumer awareness of the estimated annual operating cost is achieved through use of such a written waiver. Since the relevant disclosure requirement is to be established by FTC, the form of the written waiver statement will also be determined by FTC. It is, however, the clear intent of this Committee, that this waiver be printed in a clear and conspicuous manner so that it does not become part of the "fine print" or otherwise submerged in the other paperwork associated with the sale of the product.

This subsection also requires that any advertisement which displays the purchase price or energy characteristics of such a product must also include a statement of the estimated annual operating cost of the product, if the Federal Trade Commission rules that such a statement is reasonable and necessary.

Section 5. Automobiles. Subsection (a) addresses the method for determining the estimated annual operating costs for new automobiles. The calculation is to be performed by the manufacturers, on the basis of EPA fuel economy test results, and utilizing usage and fuel cost information provided to the manufacturers by the Administrator of EPA. At the discretion of the EPA Administrator, the estimated annual operating costs can be determined on a national, regional, metropolitan or any other appropriate basis. If a basis other than national is deemed to be most appropriate, then the manufacturer shall calculate a range of annual costs to reflect variations from a national figure. In that case, the manufacturer would provide that range of costs to the suppliers, together with instructions to suppliers that are prepared by the EPA Administrator and which tell the supplier how to select from among that range of costs, a single figure which is most applicable to the local conditions in which the supplier is located. The figure selected by the supplier would be utilized by that supplier in advertisements and displays for which the estimated annual operating cost is required by FTC.

Subsection (b) requires the automobile manufacturers to attach an Automobile

Energy Guide to each new automobile. It also requires dealers to make sure that the Guides remain on the vehicles.

Subsection (c) directs the Federal Trade Commission to devise the format of an Automobile Energy Guide. The Automobile Energy Guide is intended to provide the typical consumer with information which the consumer might want to use prior to making a purchase decision. The Automobile Energy Guide is to contain information describing the fuel economy characteristics of the automobile involved. It is also to elaborate on the significance of the estimated annual operating costs, particularly so as to allow the consumer to be able to refine that estimate to take account of the consumer's personal circumstances. In this regard, FTC might consider the desirability of requiring a cross reference on any display of estimated annual operating costs to direct the consumer to the more detailed information contained in the Automobile Energy Guide. In this period of uncertainty regarding fuel prices, the Committee feels strongly that consumers be made aware of the fuel or electricity prices used to develop the estimated annual operating costs. This information will be on the Energy Guide, together with a notation as to the date or time period for which these prices are considered to be typical. Subsequent issues of Energy Guides which are based on more recent fuel or electricity prices can be made easily distinguishable from earlier versions by utilization of a different color scheme, such as done with license plates.

In addition, the Automobile Energy Guide is to provide comparative shopping information, such as indicating the range of fuel economies or estimated annual operating costs that are available for otherwise similar models of that automobile. However, comparison by model name on the Energy Guide is not anticipated. It is expected that the Automobile Energy Guide would be the primary source of consumer information. It is therefore crucial that the Guide be prepared in a style and format that is easily readable and understandable by the typical consumer.

Subsection (d) provides for advance notification to the EPA Administrator of any tests conducted by manufacturers under this legislation.

Subsection (e) directs the Commission to identify the kinds of automobile advertisements which are to contain information regarding fuel economy or estimated annual operating cost. Specifically, the Commission may issue rules requiring that certain advertisements which display the purchase price or fuel economy characteristics of a new automobile must include a statement of the estimated annual operating cost or fuel economy as determined according to the provisions of this Act.

Subsection (f) directs the EPA Administrator to publish, on an annual basis, a booklet which compiles the fuel economy information obtained under this bill. This booklet will probably be similar to the Gas Mileage Guide for New Car Buyers currently being published by EPA. While explanatory information is expected to accompany any alphabetical listing of fuel economy test results, the Committee wants to avoid the appearance of having the Federal Government endorse, or indicate a preference for, any particular model automobile. While the Committee strongly favors the concept of disclosing estimated annual operating costs under appropriate circumstances, it recognizes that in a tabulation such as to be included in the aforementioned booklet, disclosure of operating cost estimates might not be practical especially in view of such factors as geographic price variations or market price fluctuations. Therefore the bill would delegate to EPA the decision as to whether to include such disclosures in the booklet.

In Subsection (g) the Federal Trade Commission is directed to establish rules specifying the situations under which dealers must display the estimated annual operating cost in conjunction with displays of the purchase price. The main objective of this provision is to call the consumer's attention to the estimated annual operating cost. However, any such disclosure requirement established by FTC could be satisfied by a dealer if he obtained a written statement that the purchaser has read the relevant Energy Guide. Since the estimated annual operating cost is to be included on the Energy Guide, the objective of assuring consumer awareness of the estimated annual operating cost is achieved through use of such a written waiver. Since the relevant disclosure requirement is to be established by FTC, the form of the written waiver statement will also be determined by FTC. It is, however, the clear intent of this Committee, that this waiver be printed in a clear and conspicuous manner so that it does not become part of the "fine print" or otherwise submerged in the other paperwork associated with the sale of the product.

Section 6. Consumer Education. This section directs the Federal Trade Commission and the Federal Energy Administration to carry out a program to educate consumers and suppliers relative to the significance of the estimated annual operating cost, the Appliance Energy Guides, and the Automobile Energy Guides. This educational program is considered a vital part of the intent of this bill to sensitize the American public to the economic benefits of energy conservation.

Section 7. General Provisions. Subsection (a) specifies the limitation on the liability of manufacturers and suppliers who disclose estimated annual operating costs. It is the clear intention of this Committee that the estimated annual operating costs are representative in nature, and are not to be construed by individual consumers as anything more than a guide to the amount of money that could be saved by purchase of energy efficient household products and automobiles. Accordingly, paragraph (1) of subsection (a) specifies that the failure of any operating cost estimate to accurately predict an individual's actual costs cannot be construed to create any cause of action for rescission, reformation, or refund of a contract or sale unless the disclosure was made in a fraudulent manner. The burden is upon the customer to show that the supplier fraudulently or knowingly gave the customer false information on annual operating costs and that such customers reasonably relied upon that information in entering upon any contract or agreement. In paragraph (2), any supplier is explicitly permitted to inform his customer that the estimates for the annual operating costs are based on average patterns of usage and should not be construed as a precise calculation of annual operating costs that would be experienced by an individual purchaser.

Subsection (b) specifies that no requirement involving disclosure of estimated annual operating costs pursuant to this bill shall be applicable unless the product or automobile is manufactured on or after the date of applicability of the disclosure requirement.

Subsection (c) specifies the administrative procedure to be used in promulgating procedures, rules, and regulations pursuant to this Act.

Subsection (d) declares that violation of any disclosure provision of this bill constitutes an unfair and deceptive trade practice, within the meaning of the Federal Trade Commission Act. Persons violating certain provisions of the bill are subject to civil action under the FTC Act. This subsection also invokes the provisions of Section 1001 of Title 18, United States Code for any statement or information presented to the Federal Government.

Subsection (e) prohibits stockpiling of products or automobiles in order to avoid the labeling and disclosure requirements of this Act.

Subsection (f) provides for citizen suits.

Section 8. Preemption. This section describes the intention of Congress to supersede any and all laws of the States or political subdivisions thereof, if there is in effect an applicable Federal disclosure requirement with respect to such product or automobile. Exception to the preemption clause is permitted under certain conditions upon petition by any State or political subdivision.

Section 9. Annual Report. This section directs the Administrator to include in his annual report, a comprehensive description of the activities conducted by the Federal government under this legislation.

Section 10. Authorization for Appropriations. This section authorizes to be appropriated to the Administrator, the Commission, the Secretary, and the Administrator of the Environmental Protection Agency, funds not to exceed $3,000,000 for the fiscal year ending June 30, 1976, not to exceed $600,000 for the transitional fiscal quarter ending September 30, 1976, not to exceed $2,500,000 for the fiscal year ending September 30, 1977, and not to exceed $1,500,000 for the fiscal year ending September 30, 1978.

Mr. STEVENS. Mr. President, the Energy Labeling and Disclosure Act would provide consumers with the information necessary to compare the energy-related costs of major household appliances and automobiles. A similar proposal was included in the President's comprehensive energy bill sent to the Congress earlier this year.

We all know the value of the voluntary auto fuel economy labeling program currently administered by the Environmental Protection Agency. The gas mileage figures developed by EPA have been vigorously advertised by the auto industry in promoting more fuel-efficient cars.

In emphasizing the need for a similar program for appliances, Dr. Betsy Ancker-Johnson, Assistant Secretary of Commerce for Science and Technology, told the Commerce Committee during its hearings on this bill that the nine most energy-consuming household appliances account for about 8 percent of the Nation's total energy consumption—roughly equivalent to about 3 million barrels of oil per day.

A voluntary labeling program initiated 2 years ago by the Department of Commerce has already produced benefits. Under that program, room air conditioners are already being labeled as to their relative energy efficiency. The Department of Commerce estimates that 95 percent of the models being produced today are in compliance with the voluntary labeling program. This has already resulted in a 6½-percent improvement in energy efficiency of 115-volt room air conditioners.

The Department is in the final stages of developing labeling specifications for several other appliances, including refrigerators and freezers.

The bill would build upon the voluntary program and would help to insure full compliance by manufacturers while at the same time preempting conflicting requirements at the State and local levels.

I am particularly pleased that the committee agreed to my amendments to reduce the burden on small retailers. As originally proposed, appliance retailers and auto dealers would have been saddled with the burden of disclosing the operating costs of appliances in every display or advertisement which includes the purchase price of a product.

My amendments would permit a retailer or dealer to fulfill any disclosure requirements under the bill by obtaining a written statement from the purchaser that the purchaser has read the label, or energy guide, attached to the product. Furthermore, the FTC would be given broader discretion to determine what advertisements in the print or broadcast media would have to include a statement about the estimated annual costs of the product being operated.

Mr. President, with these changes, the bill should be helpful in promoting energy conservation without imposing unnecessary cost burdens that inevitably would nullify some of the benefits of the legislation.

Mr. President, I support this bill and urge its passage by the Senate.

Mr. MOSS. Mr. President, the bill before us is an energy conservation measure and a consumer education measure at the same time. The legislation will require that the energy characteristics and estimated annual operating costs of major energy consuming household products and automobiles be disclosed to consumers prior to purchase. The bill has evolved through several years of study and discussion within the Committee on Commerce. It is a modification of a measure which passed the Senate in December 1973 as section 8 of S. 2176.

The response of Americans to our energy problems is heartening. The vast majority of people have responded to appeals to lower their thermostats a few degrees. There are other ways to conserve energy in daily household activities. If Americans were energy conscious as well as cost conscious in their selection of new refrigerators, air-conditioners, and other major household products, significant energy savings would be realized. The problem is that it is extremely difficult for a consumer to determine the energy characteristics of any particular appliance and to compare various brands and models against each other in terms of their energy consumption. S. 349 would provide that this information would be available to shoppers at a glance, in the form of estimated annual operating costs displayed on energy guides attached to display models of major household products and automobiles. The cost data will be developed on the basis of information supplied by the Federal Government and the appliance manufacturers, and will be presented in a form that will be useful to consumers for comparison shopping purposes.

This method of providing this information, namely in the form of energy guides, attached to the display models of major appliances, has evolved over many days of hearings and discussions since 1973. I am pleased that we have been able to develop a system which now has the wide support of members of industry, retailers, consumer groups, and spokesmen for the administration.

There are extensive provisions in S. 349 to assure that the consumer is presented with reliable and useful estimates of operating costs. Regional differences in climate or in cost of energy will be accounted for in the determination of the estimated operating cost. The bill requires that the energy guides explain how the operating cost information was computed, and in addition, the guides are to contain information indicating how the consumer can relate the estimated operating costs to his own particular situation.

S. 349 also authorizes the Federal Trade Commission to establish rules governing other circumstances in which the estimated annual operating costs shall be disclosed to consumers, including certain kinds of advertisements of major household products and automobiles.

The system of estimated annual operating cost disclosure proposed in S. 349 would be extremely effective in sensitizing American consumers to the economic advantages of energy conservation. Consumer buying habits would be changed because many consumers would realize that in many cases it is cheaper to pay a few dollars more at the time of purchase in order to get a model which costs less to operate. This is particularly true in the case of automobiles and large appliances, such as refrigerators and air-conditioners, which commonly are bought on an installment plan. In those situations, a few extra dollars in installment payments will be balanced by the savings on the gasoline or utility bills. Once a system of operating cost disclosure is enacted, manufacturers will realize that consumers will become very conscious of the operating costs of such products, and competitive forces will cause many manufacturers to redesign their products with an emphasis on energy efficiency. Additionally, because consumers will have been very conscious of operating costs at the time they make their purchase decision, it is likely that their usage patterns will also reflect such consciousness.

Mr. President, I want to express my sincere appreciation to my distinguished colleague, Senator TUNNEY, of California, for the leadership role he has played in steering this bill through the hearing process and committee markup. His dedication to the cause of energy conservation in general, and his skill in obtaining broad based support for this particular bill, has impressed me tremendously.

I also want to thank Senator MAGNUSON, distinguished chairman of the Committee on Commerce, and my other colleagues on the committee for their assistance and cooperation in the development of this legislation.

And I urge all of my colleagues in the Senate to join with me in approving this measure.

Mr. President, on behalf of the Senator from California (Mr. TUNNEY), I ask unanimous consent that the following article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, July 11, 1975]

HOMES HAVE THEIR SHARE OF GAS GUZZLERS

(By Paul Houston)

WASHINGTON.—Avocado-tinted and frost-free, the two refrigerators seem very much alike. Both have adjustable shelves, both have capacities of about 17 cubic feet. The price tag on the Sears model is $430, on the Westinghouse $440.

But there is a big hidden difference—known so far to only a few consumers—that is giving chills to people worried about the country's growing energy problems.

At current electrical rates here, running the Sears refrigerator will cost $356 more than operating the Westinghouse in the 14 years they are expected to last: $1,177 for the Sears appliance and $821 for the Westinghouse unit. (The saving for the Westinghouse buyer in Los Angeles, where electrical rates are lower, would be $306.)

That difference in energy consumption, recently documented in appliance industry tests, goes to show that not all gas guzzlers are zooming down the highway.

Many are lurking around the house—heating and cooling rooms, washing dishes, drying clothes, roasting turkeys, freezing ice cubes, heating bath water and showing Arthur Ashe beating Jimmy Connors.

The energy they waste is significant, both for individual consumers and for the nation as a whole.

For the inflation-pressed consumer, who already may be moving toward a more efficient automobile and thinking about improving his home insulation, the identification of new sources of energy waste opens the way for significant dollar savings.

For the nation, the savings from replacement of millions of wasteful home appliances could reduce the growing dependence on costly foreign oil. Nearly one-fifth of U.S. energy consumption is in the home, and oil-fired boilers generate a large portion of the country's electricity.

The energy savings would also alleviate pressure on dwindling domestic petroleum supplies and help buy time for orderly, environmentally sound development of alternative sources.

Potential savings are everywhere:

Energy experts say some air conditioners burn 60% more electricity than others because of inefficient compressors, fan motors, cooling coils and heat exchangers.

Most television sets waste substantial energy because of an instant-picture feature that requires keeping the set warm even while it is turned off.

Gas-operated stoves and clothes dryers could save 10% on energy if the pilot lights were replaced by electric lighters.

Refrigerators built with thin walls to create more space are so poorly insulated that heated wires are imbedded in the door to prevent the outside cabinet from sweating—a 15% to 20% drain on the unit's power.

The problem is that until now no one thought much about energy efficiency when it came to home appliances. If the potential savings are to be realized, comparative data must be assembled and made available to the public in easy-to-read form, energy efficiency experts believe.

Prospective buyers must be able to grasp the operating-cost feature of a refrigerator as readily as they are tempted by flashy door handles or prolific ice cube makers, they say.

Several starts in that direction have been made by the U.S. Department of Commerce and a few state and local governments, experts say, but thus far they have done little more than stir confusion.

Recently the Chicago-based Assn. of Home Appliance Manufacturers published a booklet listing the results of energy consumption tests conducted on nearly every frost-free refrigerator and freezer model, although it has not been widely distributed.

Now Congress, mixing its ideas with President Ford's appears ready to move more effectively.

The Senate and the House are expected to act this month on bills that would require operating-cost or "energy efficiency" labels for every major appliance and automobile.

Sponsors believe the labels would lead consumers to choose energy savers over energy wasters and that they would force a revolutionary designing shift from style to efficiency.

This legislation could save the American consumer millions of dollars a year, while conserving millions of barrels of oil that otherwise would be wasted," said Sen. John V. Tunney (D-Calif.), primary sponsor of the proposed Energy Labeling and Disclosure Act.

The appliance industry backs Tunney's bill as well as similar legislation by Rep. John D. Dingell (D-Mich.) This is not because the industry is particularly happy about the prospect of a new breed of shopper who compares energy prices as well as retail prices. The industry simply wants something that will sweep away a proliferation of conflicting federal and local energy-labeling program.

New York City and Massachusetts already have labeling requirements, and New Jersey, Florida and Minnesota are considering similar statutes.

Meanwhile, the Department of Commerce has been recruiting manufacturers for voluntary participation in an appliance-labeling program. Generally it has been rated ineffective.

For two years under the Department of Commerce program, room air conditioners have carried an "energy efficiency ratio" label. EER labels for refrigerators and freezers will appear soon.

Unfortunately for consumers, the EER concept is so technical that many find it baffling: It shows how well an appliance's output of British thermal units relates to its consumption of watts. The higher the EER (usually a number between five and 10), the more efficient the appliance.

It is true as the Department of Commerce says that the EER of one model or brand may be compared with the rating of a competitor. The trouble is that bare numbers are difficult to understand. Sears is the only known store that shows consumers a chart which converts an EER into actual operating costs. Shoppers anywhere else usually cannot tell if it is smarter in the long run to buy for example the higher-priced unit with the higher EER rating.

At Sears one can see that a 5,500-B.T.U. air-conditioner sells for $50 more than a 5,000-B.T.U. model but its EER advantage of 8.3 to 6 makes it $49 cheaper to run over an average 10-year lifespan. So it's probably worth the extra dollar to buy the model with more cooling power.

The Tunney bill recently approved by the Senate Commerce Committee would put operating costs in an "appliance energy guide" to be attached to refrigerators, freezers, water heaters, stoves, clothes dryers, air conditioners, dishwashers, dehumidifiers and television sets.

The guides would not only give estimated annual operating costs, either by national average or regional breakdown; they would also give comparison shopping information.

Rep. Dingell's legislation, part of an omnibus energy bill recently passed by the House Commerce Committee, would require an EER-type label on all major appliances. Federal bureaucrats would determine the practicality of adding operating costs to the labels. (The practical problems involve differences in local climate and gas and electricity rates.)

The Dingell bill also insists on an average 25% improvement in efficiency of all classes of appliances by 1980.

Salesmen think that operating-cost labels would have great impact.

"It would create a tremendous change in the industry," said the manager of a Sun Radio and Appliances outlet. "It would eliminate a lot of the hesitation people have. Having these facts in hand, customers would know they were not just getting a sales pitch. It would create a lot better understanding."

A General Electric dealer commented: "It sure would keep manufacturers on their toes. People would buy the most efficient model, and everything else would go stale."

"Heavens, yes, it would make a difference," a Sears saleman said. "We would sell more expensive stuff. With electrical rates going up, people will look for long-term savings."

Thus far, most research on the efficiency of appliances has been done on refrigerators.

Scientists at Massachusetts Institute of Technology said in a study last year that the energy consumption of America's 60 million refrigerators could be cut in half with better insulation and more efficient motors, while keeping the frost-free feature.

The scientists estimate that the more efficient refrigerators could cost consumers 20% more to buy but that reduced electricity bills might pay back the extra cost in as little as two years.

They said the energy appetite of U.S. refrigerators has increased considerably over the years.

Between 1925 and 1950 the power demand was six watts per cubic foot. It increased to about 10 watts between 1950 and 1965. By 1972, energy consumption had jumped to 14 watts per cubic foot, because of a design calling for a large freezer with a separate door, frost-free equipment and insulation thinner than before.

"It would seem to be an exercise in futility to try to promote a return to the horse-and-buggy days of the refrigerator business," said George C. Newton Jr. of MIT's electronics systems laboratory.

"Rather, it seems more appropriate to consider how we can "have our cake and eat it too" by retaining the no-frost feature, but make it more efficient so that it costs less to operate and becomes less of a factor in this nation's growing energy problem."

HOW MUCH THEY USE

WASHINGTON.—For the first time, consumers concerned about rising electricity bills can find out the widely varying operating costs of most refrigerators and freezers.

The information appears in the 15-page Directory of Certified Refrigerators and Freezers. A copy may be obtained for 50 cents from the Assn. of Home Appliance Manufacturers, 20 N. Wacker Drive, Chicago, Ill. 60606.

Traditionally the twice-yearly directory has listed only the shelf space and volume of fresh food and freezer compartments. A special edition was recently published giving the results of unprecedented tests on energy consumption for models of 38 manufacturers. Amana and Philco chose not to be listed, an association spokesman said.

Below is a table comparing the operating costs of seven popular frost-free refrigerators with similar features. The costs were determined by multiplying the kilowatt-hours by the Washington electrical rate of 3.85 cents per kilowatt-hour. The retail prices are from stores in the Washington area.

Brand and model No.	Cubic feet	Retail price	KWH month	Lifetime energy cost
Sears, 65721	17.1	$430	182	$1,177
Whirlpool, EAT 17SK	17.1	440	[1] 167–182	1,080–1,777
Montgomery Ward, UFO 17550	17.0	450	153	990
G.E., TRF 18DR	17.6	440	[1] 145–165	938–1,067
Frigidaire, FPC 170T2	17.0	440	144	931
Gibson, RT 17F5	17.0	440	136	880
Westinghouse, RT 174R	17.2	440	127	821

[1] Equipped with "anti-sweat heaters" to prevent moisture from forming on outside of cabinet under humid conditions. Lower figure represents energy use when heater is turned off.

The table below shows that some manufacturers' larger models are more efficient than smaller ones—and that some manufacturers' models of the same size have different operating costs.

Brand and model No.	Cubic feet	Retail price	KWH month	Lifetime energy cost
G.E.:				
TBF 18DR	17.6	$440	[1] 145–165	$938–1,067
TBF 21DR	20.8	480	[1] 132–152	854–983
Sears:				
65721	17.1	430	182	1,177
65741	17.1	460	[1] 167–182	1,080–1,177

[1] Equipped with anti-sweat heaters.

[2] Equipped with icemaker.

Mr. DOLE. Mr. President, I believe that a bill such as S. 349 is one highly appropriate response to consumer education needs in light of the current energy problem. It embodies an approach I have long supported.

Consumers ought to be able to make their purchase decisions about cars, major appliances, and other energy consuming devices with adequate advance information about how much energy it will take to run them so they can estimate how much it will cost to run them.

Nowhere is this information reliably obtainable now. By giving the Federal Trade Commission authority to insure that it is made available, we will be serving the interests of consumers in two ways. And, Mr. President, let me say that I am confident the Federal Trade Commission—with its long record of defending consumer interests—will accomplish this assignment in a highly capable manner.

We will be insuring that they are supplied with valuable information about the "true cost"—including the cost of operation—of their major purchases, and we will be giving them the kind of information they need to make wise, consumer purchase decisions that can further the cause of energy conservation.

Mr. President, I support this legislation because I believe it helps individual consumers to make more informed choices. Some may—and undoubtedly will—continue to purchase items which are not the most energy efficient, but most, I am confident, will welcome the information this bill seeks to provide so that they make their choices based on something more solid than "guess" as to how their purchase might affect their own disposition to join with others in the energy conservation effort.

I urge my colleagues to join me in support of this legislation.

Mr. MANSFIELD. I yield back all time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. EASTLAND), the Senator from Michigan (Mr. PHILIP HART), the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN) and the Senator from Wyoming (Mr. MCGEE) would each vote "aye."

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), the Senator from New York (Mr. JAVITS), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that, if present and voting the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 77, nays 0, as follows:

[Rollcall Vote No. 275 Leg.]

YEAS—77

Abourezk
Allen
Baker
Bartlett
Bellmon
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Gravel
Hansen
Hart, Gary W.
Haskell
Hatfield
Hathaway
Helms
Hollings
Humphrey
Inouye
Jackson
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—0

NOT VOTING—22

Bayh
Beall
Bentsen
Biden
Brooke
Chiles
Eastland
Goldwater
Griffin
Hart, Philip A.
Hartke
Hruska
Huddleston
Javits
McGee
Montoya
Pearson
Percy
Ribicoff
Symington
Taft
Tunney

So the bill (S. 349) was passed.

The title was amended to read as follows:

Amend the title so as to read: "A bill to regulate commerce, to protect consumers, and to conserve energy by requiring the disclosure of the energy characteristics and estimated annual operating costs of major energy-consuming household products and automobiles."

The PRESIDING OFFICER. What is the will of the Senate?

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PUBLIC DEBT

Mr. HARRY F. BYRD, Jr. Mr. President, I have before me the monthly statement of the public debt of the United States as of June 30, 1975. I note from this report that the debt on that date totaled $533,189,000,000. The significant aspect of that figure of $533 billion representing the total debt of our Nation is that 27.5 percent of that debt was created in the 5-year period fiscal 1971 through fiscal 1975.

During that short period of time the Federal funds deficit totaled $147 billion. That figure breaks down as follows:

The deficit for fiscal 1971 was $30 billion; for 1972, it was $29.2 billion; for fiscal 1973, it was $25 billion; for fiscal 1974, it was $17.5 billion, and for the fiscal year 1975, which ended last week, it was $45 billion.

Mr. President, insofar as the Senator from Virginia is concerned, it is indeed alarming that 27.5 percent of the Nation's total debt would have been incurred in a period of 5 years, the 5 most recent years.

SENATE CONCURRENT RESOLUTION 48—SUBMISSION OF A CONCURRENT RESOLUTION INVITING ALEXANDR SOLZHENITSYN TO ADDRESS A JOINT MEETING OF CONGRESS

Mr. HOLLINGS. Mr. President, I send to the desk on behalf of myself and some 17 or 18 other cosponsors a concurrent resolution and ask that it be appropriately referred.

This resolution invites Alexandr Solzhenitsyn to address a joint meeting of the Congress.

I present this resolution in the spirit of America's traditional respect for the right of free speech and for the rights of man. I present it not to abandon the spirit of détente, but to vindicate the spirit of America.

Alexandr Solzhenitsyn is not a politician. Nor is he a diplomat. He is a writer and a humanist. His works explore the basic values of freedom and dignity for the individual. He has dedicated his life to the advancement of human freedom, and he is recognized as a living example of the courage of the individual under the most oppressive circumstances. We may disagree with certain of his statements and theories, but we must respect his principled dedication to the cause of liberty. We should see, hear, and respect him as an advocate of the rights of man and as a writer whose works penetrate into the innermost recesses of the individual spirit. To deny that there is substance to his message is to deny the struggle of men throughout the centuries to broaden the vistas of the human spirit.

Values are the cement which holds a society together. A country which is fearful of speaking out on behalf of those values is a country which will one day be stripped of them. To sacrifice a forthright defense of our principles to the transitory needs of diplomacy is to strike a blow at the very foundation of our free society. We seek—and we encourage—the relaxation of international tensions. We hope to broaden areas of agreement and coexistence with the Soviet Union and other Communist countries. But we must not be blinded into thinking that a failure to defend our principles will somehow improve the prospects for peace with the Soviet Union.

How must the President's refusal to meet with Mr. Solzhenitsyn strike the leaders of the Soviet state? Can anyone really believe that this unwillingness to reaffirm our commitment to the rights of man will somehow increase the Soviets' respect for our leadership and our sense of purpose? On the contrary, I believe the men in the Kremlin will interpret this reluctance to honor Mr. Solzhenitsyn as a sign of our weakness. I am certain they would not be so forebearing if they had someone to speak for their side.

Mr. President, I am not advocating a return to the rhetoric and confrontation of the cold war. I am not an enemy of détente. I do not oppose the relaxation of some of the barriers to trade with the Soviet Union. Recent history has demonstrated conclusively that we cannot make the world over in America's image. It has demonstrated also the need to coexist with other governments which do not share our view of the world or our assessment of the freedom of the individual. There are areas of potential agreement with the Soviets on a number of issues, and I hope these will be fully explored and resolutely pursued.

But let us be true to ourselves in the process. America has traditionally been the beacon light for oppressed humanity—the last best hope. While we cannot liberate men everywhere by diplomacy and certainly not by force of arms, we must hold open the example of a free society living on the tenets of freedom and opportunity. By standing up for our values, we will not only be true to ourselves—but we will convince our potential adversaries that we retain the courage of our convictions.

Alexandr Solzhenitsyn is a vindication of man's long struggle for freedom. He has been subjected to political trials and has suffered through almost every conceivable reprisal. Many of his years were spent in prison, and when he was out of prison his life was one of constant persecution. Through it all he continued his fight for freedom—not primarily for himself, but for his long-suffering countrymen. His pain released an outpouring of art and eloquence which will speak through the ages to men everywhere. When the Soviet regime's harshest victimization failed to still this brave man, he was finally banished.

By inviting Alexandr Solzhenitsyn to address a joint session of the Congress, we seek not to interfere with the spirit of détente or the processes of ongoing diplomacy.

We seek only to hear one of this country's—or any country's—most gifted men and to share his thoughts on his struggles and the struggle of oppressed men everywhere to be free.

In hearing this message anew, we have the opportunity to rededicate ourselves to the freedoms that Americans have always held most dear.

Let us hear Alexandr Solzhenitsyn for the spirit of his trials, for the sake of his brave quest for the expansion of individual liberty.

Let us hear him for our own sake and to regain our self-respect as free men.

Mr. President, I ask unanimous consent that the text of my resolution be printed at this point of my remarks in the Congressional Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

CONCURRENT RESOLUTION TO INVITE ALEXANDR SOLZHENITSYN TO ADDRESS A JOINT MEETING OF THE SENATE AND HOUSE OF REPRESENTATIVES

Resolved by the Senate (the House of Representatives concurring) That Alexandr Solzhenitsyn be hereby invited to address a joint meeting of the Senate and House of Representatives.

SEC. 2. This invitation shall be extended forthwith to the said Alexandr Solzhenitsyn by the President of the Senate and the Speaker of the House of Representatives in a jointly signed communication, and the majority and minority floor leaders of the Senate and House of Representatives shall make the arrangements necessary for the convening of such a joint meeting to be held at the convenience of Alexandr Solzhenitsyn.

Mr. CULVER. Will the Senator yield?

Mr. HOLLINGS. I am glad to yield to my colleague.

Mr. CULVER. I appreciate very much the Senator's willingness to yield, and I welcome the opportunity to associate myself with the very eloquent statement that he has just completed.

I had the privilege of accompanying him to the Soviet Union just this past week as a Member of the U.S. Senate delegation to the first parliamentary meeting between our two countries. I believe that he has stated very responsibly the shared concerned of many of us that in our determined efforts to achieve a greater sanity and firmer cooperative links with the Soviet Union, that at the same time it is clearly understood that there will continue to exist some very fundamental and serious differences in our social, political, and economic systems.

If the United States of America stands for anything, it stands for freedom. If the life of Solzhenitsyn represents anything, it represents man's determination to be free. It is not necessary in America, under our system, to agree with what everyone says or to have a complete unity of beliefs. But it is essential, if we are to be consistent with our own Constitution and our own great traditions, that the first amendment be alive and well in America. The Soviet Union should be under no illusion that in our very understandable quest for better understanding between our two nations, that we shall not make any compromise of the basic freedoms of our society in the name of détente.

I commend the Senator from South Carolina for his leadership and his statesmanship in reaffirming that commitment through the elected representatives of the American people. In recognizing what the life of Solzhenitsyn represents, we are reaffirming also the imperative requirement that this country, above all others, continue to acknowledge the importance and the critical necessity for America to remain always the haven and refuge for a person of that personal courage and integrity and almost unprecedented literary achievement. Such an inspiring personal life must always be accorded a home and a place here.

We should honor Solzhenitsyn, and we can do so, I think, without abandoning a realistic determination and desire simultaneously to seek better relations with the country from which he comes.

Several Senators addressed the Chair.

Mr. HOLLINGS. I thank the Senator. I shall yield in a moment to the Senator from Minnesota (Mr. Humphrey), the chairman of our delegation to Moscow. I had the privilege, as the Senator from Iowa has mentioned, of being on this particular trip.

It was certainly impressed upon me that if we made one strong impression as a delegation, we made the impression of just that, of representing the principle of free speech. We had diverse views expressed among the Senators to the various Soviet speakers, who were all inclined to conformance; and I think this was the great value of our particular exchange, the fact that we could speak freely, and I think they admired that most.

On the very evening of the talks, as the distinguished chairman, the Senator from Minnesota, will remember, we were able without embarrassment to speak to the dissidents on Soviet-Jewish emigration to the United States from the Soviet Union, and we still carried on our frank, free, and open speech. Now to come home and find the idea extended that the very thing we had there accomplished would somehow be offensive and not accomplishable here in the United States by, not a politician nor a diplomat, but a writer and a human being, that he could not be heard, seemed an elimination of almost all the good, if any, that we did on our trip to Moscow.

I yield to the Senator from Minnesota, the chairman of our delegation.

Mr. HUMPHREY. Mr. President, I have just had the privilege of reading the statement of the able and distinguished Senator from South Carolina (Mr. Hollings) in reference to the resolution he has introduced today inviting Alexandr Solzhenitsyn to address a joint session of Congress.

I have listened with great interest, and may I say approbation, to the remarks of the able and distinguished Senator from Iowa (Mr. Culver), who was with us on this same mission to Moscow.

Voltaire once said, "I disapprove of what you say, but I will"——

The PRESIDING OFFICER. The 5 minutes of the Senator from South Carolina have expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to proceed for 5 minutes.

Mr. ROBERT C. BYRD. The Senator is entitled to be recognized for 5 minutes without unanimous consent.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. I thank the Senator. I can only paraphrase what Voltaire had to say, but as I recollect it was:

> I disapprove of what you say, but I will defend to the death your right to say it.

That, of course, is at the very heart of what we call freedom of speech and freedom of expression. As the Senator from Iowa has pointed out, the Bill of Rights and the first amendment are at the very heart of our whole constitutional system, our very concept of life in a democratic society. It relates back to those God-given inalienable rights of life, liberty, and the pursuit of happiness. These are very precious things to us as Americans, and they are very precious words, concepts, and principles for all of mankind. I suppose the most dramatic event in modern history was the Declaration of Independence. As a document and as a form of political action, the reverberations of that document and what it stood for literally changed the world.

We have been dedicated to these principles of freedom of movement, freedom of expression, freedom of speech, freedom of conscience, the right to seek redress of our grievances through all of our life as a nation. We are going to be celebrating our 200th anniversary during this coming year. It makes a mockery of a celebration of freedom to deny the kind of respect that we as a country and as a Government ought to extend to someone who has walked the extra mile and fought the good fight for the right of freedom of expression in his particular country and in this kind of a world.

I am one who, throughout his public life, has supported every endeavor to have better understanding with the Soviet Union, a powerful country, a country of many people, and a country, I believe, of great potential. I believe in what we call détente, if by that word we mean trying to come to agreement on as many subjects of mutual concern and of mutual benefit as possible. To me détente means easing tensions, promoting understanding, creating a climate in which reason can prevail rather than force or demagoguery.

So, Mr. President, I think it was most unfortunate that the President of the United States, who has given a good deal of his time, attention, and effort to promoting world peace, did not receive the very distinguished and gifted Alexandr Solzhenitsyn, a gentleman who has been characterized by the Senator from South Carolina as neither a politician nor a diplomat, but a writer and a humanist.

I do not think we need to make a Federal case out of this, to use the vernacular, but I do think that people all throughout the world ought to know that we care about men and women who stand up for human rights and for human freedom.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ROBERT C. BYRD. Mr. President, will the Chair recognize me?

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. I yield to the Senator from Minnesota, from my 5 minutes, such time as he may require.

Mr. HUMPHREY. I want friend and foe alike, those who believe in us and those who doubt us, to know that in this country we believe that the real heroes of mankind are those who stand up for the rights of people. The resolution that has been submitted by the Senator from South Carolina, in a very real sense, honors a hero in the case of freedom, the cause of human rights, and the cause of decency.

This resolution should not in any way be interpreted as being antagonistic toward any objective that we may have with the Soviet Union in seeking a better understanding. To the contrary, what it should be looked upon as is an expression of the hope that freedom can be universal, that mankind can be released from the bondage and the oppression of authoritarian rule, prejudice, fear, illiteracy, ignorance, or whatever else it may be.

America's role in the world should be that of a liberator, an emancipator, and whenever we have a chance to pay our respects to and to, indeed, heap honors upon someone, who has fought hard for his right of freedom of expression, then I think we are being America at its best. There is much more that we could say. I am sure that everyone understands what we are trying to do here.

My only concern is that those who may look at our words may say, "Well, these Senators want to stand in the way of working out relationships with the Soviet Union."

I repeat, that is not our purpose. To the contrary, I believe my public life will stand very critical examination on the principle that I have worked ceaselessly to get a better understanding with the Soviet Union—its great people—and it has a great people, and a better understanding with its government. But America must never ever turn its back publicly or privately upon those who wish to make something out of their lives and to express themselves in terms of human decency and human rights.

I know that we have not closed the door to these men that I speak of and particularly Mr. Solzhenitsyn. But it is a great moment to be accepted by a President, to be invited into his office, to be greeted, and I would hope that the President might reconsider what has taken place, in the meantime, that the elected Representatives of the American people in Congress assembled demonstrate that we care and that we honor those who are courageous in the struggle for liberty.

Mr. DOMENICI. Mr. President, I rise to support the resolution and commend the distinguished Senator from South Carolina for introducing it.

I think it is very significant that there are four Senators in the Chamber today who are speaking to this resolution. All of these Senators just returned from the Soviet Union. Senator HUMPHREY was one of our cochairmen on that 5-day visit. We had open, serious, and frank dialog with Soviet leaders who were as close to our counterparts as we can expect in their system. Indeed, we had an opportunity to meet for 2 hours and 15 minutes with Mr. Brezhnev.

I think we tried to tell them that in the United States of America we have a legislative body that is coequal with the Executive, and if we stressed anything we stressed that we were there so that they could understand that principle, the principle that we had much to say about international trade because our Constitution tells us we must, that we had much to say about treaties because our Constitution tells us we must, and that we had much to do with how much we spent on military because our Constitution mandates that we approve the expenditures of the tax dollars of our people.

So regardless of what the executive branch of Government would do, I commend the Senator for leaving the clear understanding for our Soviet friends that the independent legislative body of the United States Congress, that is the Senate and the House of Representatives combined, welcome an opportunity to hear from a man who is going to talk about freedom.

We were not ashamed to talk about freedom with those that we met with, I might say to my distinguished friend from South Carolina. We did not agree with them on many things, and they must have known we were free to talk as we wanted, as United States Senators.

Mr. HOLLINGS. Mr. President, will the Senator yield?

Mr. DOMENICI. I am delighted to yield.

Mr. HOLLINGS. That is exactly the point, Mr. President, that we of all Senators should be emphasizing.

I might emphasize at this particular point that it was not my intention to go around and pigeonhole all the Senators, but on the contrary, in a bipartisan way, taking Senator McCLURE and the distinguished Senator from New Mexico (Mr. DOMENICI), Senator CULVER, Senator HUMPHREY, and myself, just the ones we could find—they are in the Chamber—who had just returned, who just experienced this freedom of speech, right there in the Kremlin to Mr. Brezhnev, to Mr. Susiov, to Mr. Poromarev, Mr. Prokhorov, Mr. Pimenov, and the others. We expressed ourselves in disapproval very strongly and we are not being apologetic about the United States and its greatest of all freedoms, freedom of speech.

Mr. DOMENICI. I thank my distinguished colleague from South Carolina, and will make one last point.

For those of us who went to the Soviet Union and expressed to our counterparts and, indeed, to Mr. Brezhnev that this idea that he and former President Nixon brought into existence of lessening of the tensions and perhaps reaching some limitation agreement on arms, we went there saying we hoped we can do that, we hope that we can arrive at some reliable, verifiable long-term agreements for perhaps enough is enough when the world can be destroyed over 30 to 40 times.

But today we are talking about something far different, and they should not understand it to be inconsistent. We are talking about the very basic difference between our society under our Constitution and their concept of what their government is for. Ours is for freedom, and that is all that we are talking about here. That is what my distinguished friend from South Carolina had in mind that this independent body, called Congress, invite this distinguished personage, who is a man of freedom to speak to us and share his views so that we will add them to our historical repertoire and never forget that the basic distinction between our country and theirs is indeed freedom.

So it is my privilege in joining the Senator from South Carolina in the resolution. I hope it is expeditiously handled so that the distinguished Russian can appear before the joint session of Congress and express his concept of freedom for all mankind.

Mr. HOLLINGS. Mr. President, I thank my distinguished colleague for his eloquent statement in support of my resolution.

Mr. CRANSTON. Mr. President, unfortunately, unlike those who have spoken on the Hollings resolution, it was not my privilege to be on the recent trip to the Soviet Union. I did visit that country 2 years ago. I am delighted to be one of the cosponsors of the Hollings resolution.

I respect the initiative that Senator HOLLINGS has taken in this regard, and I hope that Mr. Solzhenitsyn can address Congress. I think it very regrettable that he was unable to see the President, while a soccer star and others were on the President's schedule.

I do not by any means agree with all that Mr. Solzhenitsyn suggests as to what our policy should be toward the Soviet Union, although I share 100 percent his deep concern and great emotions over the lack of liberty in the Soviet Union.

I hope that we can work out policies with the Soviet Union that lead to an easing of repression in that country, as a lead to a better relationship with the rest of the world, as we develop trade and cultural relations with the Soviet Union, which I strongly support. Mr. Solzhenitsyn disagrees with those policies. The main point of this, however, is that we stand for freedom of expression in this country.

I think it very important that we not pick and choose who should be allowed to express one's views freely, and it is very important that a man of Mr. Solzhenitsyn's background and experiences and viewpoints be given every opportunity to express those viewpoints in this country.

Since the denial of an opportunity to visit the President of the United States might indicate a lack of concern on the part of our elected representatives on the issue of freedom of expression and freedom within the Soviet Union, it is very important that the Hollings resolution be adopted, to provide another way of expressing the deeply held views of the people of this country and their representatives in Congress in regard to freedom everywhere and freedom of expression within the borders of our own country.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from California.

I ask unanimous consent that the name of the distinguished Presiding Officer, the Senator from Oklahoma (Mr. BELLMON), be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. SPACE WEEK

Mr. MOSS. Mr. President, I send to the desk Senate Concurrent Resolution 47, which was reported today, and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

There being no objection the Senate proceeded to consider the concurrent resolution (S. Con. Res. 47) authorizing the proclamation of U.S. Space Week, which had been reported from the Committee on the Judiciary with amendments, as follows:

On page 2, in line 1, strike out "Resolved by the House of Representatives (the Senate concurring)" and insert in lieu thereof "Resolved by the Senate (the House of Representatives concurring"; on page 2, in line 3, strike out "seventeen day"; and on page 2, in line 4, strike out "of each year as United States Space Week" and insert in lieu thereof "United States Space Observance".

Mr. MOSS. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

Mr. MOSS. Mr. President, this resolution simply sets aside National Space Week.

We all know that on Tuesday next is the launching of Apollo and Soyuz. There will be a link up and exchange of personnel with the Russians, and then each will return to their countries. It is a very significant scientific event.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution, as amended, was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 47

Whereas a purpose of the United States space program is the peaceful exploration of space for the benefit of all mankind; and

Whereas the United States space program and its technology directly and indirectly benefit relations among countries, astronomy, medicine, business, air and water cleanliness, urban development, industry, agriculture, law enforcement, safety, communications, the study of the earth resources, weather forecasting, and education; and

Whereas the United States space program has an efficient organization and strong moral leadership, both of which serve as good examples to the people of the United States and to the people of all nations; and

Whereas the National Aeronautics and Space Administration and other organizations throughout the world involved in space exploration programs have cooperated in the cause of the peaceful exploration of space for the benefit of all mankind; and

Whereas the United States space program, through Project Apollo and other space efforts, has provided our Nation with scientific and technological leadership in space; and

Whereas the United States aerospace industry and educational institutions throughout the United States contribute much to the United States space program and to the Nation's economy; and

Whereas in the week of July 16 through 24, 1969, the people of the world were brought closer together by the first manned exploration of the Moon: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the President is requested to issue a proclamation designating the period of July 16 through 24 as "United States Space Observance", and calling upon the people of the United States to observe such period with appropriate ceremonies and activities.

The title was amended so as to read "Authorizing the proclamation of United States Space Observance."

INDIA AND THE U.S. EMBASSY

Mr. ROBERT C. BYRD. Mr. President, Prime Minister Indira Ghandi is continuing her efforts to deal democracy a death blow in India—and according to an account in yesterday's Washington Post, the U.S. Embassy may be contributing to her success.

The story, written by Mr. Bob Tamarkin of the Chicago Daily News service, claims the U.S. Embassy is beginning to put pressure on American newsmen to abide by the strict censorship rules imposed by Mrs. Ghandi.

If the news report is accurate, the Embassy officials pressuring the American journalists should be brought home immediately. The U.S. Embassy has absolutely no right to cooperate with Mrs. Ghandi's campaign to prevent the truth of the situation in India from reaching her own people, and the people throughout the world.

The past 2 days in India have seen two government-sanctioned street demonstrations against coverage of Mrs. Ghandi's dictatorial moves by American media and by the U.S. Information Service. They were demonstrations against truth, in a country whose government no longer allows demonstrations against injustices.

Shocking, disgusting, appalling—all those words apply very well to the recent actions by Mrs. Ghandi and her government. I urge the State Department to move quickly to straighten out its Embassy personnel in New Delhi, lest the same words be used to describe the American role in India.

CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENTS

Mr. ALLEN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 555.

The PRESIDING OFFICER (Mr. BELLMON) laid before the Senate the amendment of the House of Representatives to the bill (S. 555) an act to amend the Consolidated Farm and Rural Development Act, as follows:

Strike out all ofter the enacting clause, and insert: That the Consolidated Farm and Rural Development Act (the Act) is amended as follows:

SEC. 2. Subsection (a) of section 321 of the Act is amended to read: "The Secretary shall designate any area in the United States, Puerto Rico, and the Virgin Islands as an emergency area if he finds that a natural disaster has occurred in said area which substantially affected farming, ranching, or aquaculture operations. For purposes of this subtitle 'acquaculture' means husbandry of aquatic organisms under a controlled or selected environment. For the purposes of this subtitle, natural disaster shall include, but not be limited to, the natural occurrence of certain biological organisms, including Gonyaulax tamarensis, Gonyaulax catenella, and Gymnodidium breve, that are commonly known as the Red Tide, harmful to certain commercially valuable marine species.".

SEC. 3. Subsection (b) of section 321 of the Act is amended as follows:

(a) in the first sentence after the words "major disaster" insert "or emergency", strike the words "oyster planters" and "oyster planting" and insert in lieu thereof the words "persons engaged in aquaculture" and "aquaculture", respectively; and

(b) delete everything after the first sentence, strike the period, and insert: "and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. The provisions of this subsection shall not be applicable to loan applications filed priod to July 9, 1975.".

Sec. 4. Section 322 of the Act is amended to read: "Loans may be made under this subtitle for any of the purposes authorized for loans under subtitle A or B of this title, as well as for crop or livestock changes deemed desirable by the applicant: *Provided*, That such loans may include, but are not limited to, the amount of the actual loss sustained as a result of the disaster.".

Sec. 5. Section 324 of the Act is amended to read: "Loans made or insured under this Act shall be (1) at a rate of interest not in excess of 5 per centum per annum on loans up to the amount of the actual loss caused by the disaster but not to exceed $100,000 per loan, and (2) for any loans or portions of loans in excess of that amount, the interest rate will be that prevailing in the private market for similar loans, as determined by the Secretary. All such loans shall be repayable at such times as the Secretary may determine, taking into account the purposes of the loan and the nature and effect of the disaster, but not later than provided for loans for similar purposes under subtitles A and B of this title, and upon the full personal liability of the borrower and upon the best security available, as the Secretary may prescribe: *Provided*, That the security is adequate to assure repayment of the loan; except that if such security is not available because of the disaster, the Secretary shall (i) accept as security such collateral as is available, a portion or all of which may have depreciated in value due to the disaster and which in the opinion of the lender, together with his confidence in the repayment ability of the applicant, is adequate security for the loan, or if no collateral is available because of the disaster, the loan shall be made if in the opinion of the lender he has sufficient confidence in the repayment ability of the applicant to assure repayment of the loan, and (ii) make such loans repayable at such times as he may determine, not later than that provided under subtitles A and B of this title, as justified by the needs of the applicant: *Provided further*, That for any disaster occurring after January 1, 1975, the Secretary, if the loan is for a purpose described in subtitle B of this title, may make the loan repayable at the end of a period of more than seven years, but not more than twenty years, if the Secretary determines that the need of the loan applicant justifies such a longer repayment period: *Provided further*, That notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of this Act under sections 7(b) (1), (2), or (4) of the Small Business Act (15 U.S.C. 636(b) (1), (2), or (4)) shall bear interest at the rate determined in section 7(a) (4) (B) of the Small Business Act (15 U.S.C. 636(a) (4) (b)).".

Sec. 6. Section 325 of the Act is amended to read as follows: "The Secretary may delegate authority to any State director of the Farmers Home Administration to make emergency loans in any area within a State of the United States, Puerto Rico, or the Virgin Islands on the same terms and conditions set out in section 321(a) without any formal area designation being made: *Provided*, That the State director finds that a natural disaster has substantially affected twenty-five or less farming, ranching, or aquaculture operations in the area.".

Sec. 7. At the end of subtitle C of the Act, add a new section 329 stating: "An applicant seeking financial assistance based on production losses must show that a single enterprise which constitutes a basic part of his farming, ranching, or aquaculture operation has sustained at least a 20 per centum loss of normal per acre or per animal production as a result of the disaster.".

Sec. 8. At the end of subtitle C of the Act, add a new section 330 stating: "Subsequent loans, to continue the farming, ranching, or aquaculture operation may be made under this subtitle on an annual basis, for not to exceed five additional years, to eligible borrowers, at the prevailing rate of interest in the private market for similar loans as determined by the Secretary, when the financial situation of the farming, ranching, or aquaculture operation has not improved sufficiently to permit the borrower to obtain such financing from other sources.".

Sec. 9. Section 338 of the Act is amended by striking the period at the end of subsection (a) and adding the following: ": *Provided*, That the amounts authorized to be appropriated for the purposes of the Consolidated Farm and Rural Development Act for each fiscal year ending after September 30, 1976, shall be the sums provided by law.".

Sec. 10. At the end of subtitle D of the Act, add a new section 345 to read as follows:

"The Secretary may utilize the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund during each fiscal year ending after September 30, 1976, in such amounts as may be authorized annually by law.".

Mr. ALLEN. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives and request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Talmadge, Mr. Eastland, Mr. McGovern, Mr. Allen, Mr. Humphrey, Mr. Dole, Mr. Curtis, and Mr. Bellmon conferees on the part of the Senate.

TIME LIMITATION ON SPEECHES DURING MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a limitation of 15 minutes be placed on speeches during morning business for the remainder of the day and that there be a time limit of 15 minutes for the transaction of morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIEGO GARCIA—IN THE CONTEXT OF U.S. FOREIGN AND DEFENSE POLICY

Mr. CULVER. Mr. President, I shall speak on the subject of Diego Garcia, in the context of U.S. foreign and defense policy. I ask unanimous consent that upon the completion of this statement, the minority views of Senators McIntyre, Culver, Gary W. Hart, and Leahy on this subject, from the report of the Committee on Armed Services, be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CULVER. Mr. President, the Berbera issue does not hinge on whether or not there has been military-related Soviet activity in Somalia. We have known this for some time.

The question is: Does that activity pose sufficient threat to our national interest to warrant the risk of precipitating an extension of the arms race into a vast and comparatively tranquil region of the world? I believe the answer to that question is "No."

The corollary question is: Are there other less provocative responses that we can take to counter the Russian initiative and to preserve the strategic balance? I believe the answer to that question is "Yes."

Senator Bartlett and the House delegation have performed a highly useful service. They have confirmed, at first hand, the nature of the Soviet military-related activity in Somalia—a missile-handling facility, airfield, and communications facility.

What we do not know—and what we cannot know for sure—is how important this facility will become and how it will be used.

Given that uncertainty, we need a carefully considered policy aimed at protecting our long-term interests. Simple reactions, limited to military measures, are not appropriate.

I want no part of any move that will weaken the strategic position of the United States.

I believe what I am proposing will strengthen our position, not weaken it, in the long range.

In the short range, it simply does not risk that much.

Specifically, I propose these moves:

First. That the expansion of the Diego Garcia base be postponed until the alternatives can be explored.

Second. That the United States initiate negotiations for mutual arms restraints in this region with the Soviet Union.

Third. That Congress immediately explore the possibilities of legislative action to lift present restriction on economic and technical aid to Somalia, restrictions imposed because ships bearing the Somali flag transport goods to Cuba and North Vietnam.

Fourth. That a policy be inaugurated of U.S. ship visits to Somalia leading toward generally improved political relationships.

The proposed $108 million expansion of the U.S. base on Diego Garcia is a fly speck on the vast chart of the $100 billion defense budget.

But Diego Garcia has symbolic importance far outweighing its military significance.

In the wake of Vietnam, we have talked about a new era of foreign policy based on the realities of the current world order.

Public leaders of widely varying persuasions have agreed that our defense spending should be more closely geared to our foreign policy objectives.

No more "policeman of the world" fantasy. No more exclusive reliance on gunboat diplomacy and condescending colonialism. More stress on international economic issues. More reliance on peaceful negotiation. More attention and sensitivity to the growing global importance of developing nations.

Now we are clearly at a watershed.

The proposed expansion at Diego Garcia poses the risk of touching off a new phase of the superpower arms race in the Indian Ocean area, a region up to now comparatively stable.

Do we explore the alternatives? Or do we slip back into the straitjacket of the cold war and the ever-escalating arms race?

It is true that Berbera is strategically located, that it commands the Red Sea entrance to the Suez Canal, a fact that nobody can believe has escaped the attention of the Russians.

But whatever the long-range intentions of the Soviets may be, there are substantial reasons to believe that the Somalians do not intend to grant the Russians unlimited base privileges on their territory.

First. If Somalia intends to permit Russia to make a major military base out of Berbera, why did they invite our delegations to come to inspect the Soviet activities?

Second. There is every reason to believe that the Somalis are interested in diversifying their sources of outside assistance, President Siad himself emphasized to the congressional visitors that the real reason for his invitation was to point out the refugee problem that his country faces, and not the Soviet facilities at Berbera. With one third of its population on the verge of starvation, and drought plaguing large areas of the countryside, Somalia faces an urgent struggle for physical survival.

Third. The Somalis also have an incentive to restrain the Russians in order to obtain assistance from their Arab League allies who are adamantly anti-Soviet.

Fourth. Consistent with their pattern in other developing countries, the Russians, for years, have supplied the Somalians with economic aid and technical assistance, as well as with military weapons. The Somalians have been dependent on Soviet help out of necessity.

Now, if we assume that Somalia is permanently tied to the Soviet Union and proceed with our expansion on Diego Garcia, our action will further isolate the Somali and push them necessarily deeper into dependency on the U.S.S.R.

Fifth. There is ample evidence that Somalia wants better relations with the United States—a fact that hardly squares with the notion that they plan to give the Soviets carte blanche for military expansion in their country.

For example, the Somalis have offered to grant refueling facilities to U.S. warships. President Siad has said publicly that he would never grant base rights to any foreign power and that his intention is to turn Berbera into "a free port."

The proposals I am making would not foreclose the requested expansion at Diego Garcia, but would simply postpone it until its need, in terms of our true national security interests, is confirmed. The postponement would give the United States time to try other, less provocative countering measures such as negotiations with the Soviet Union on mutual limitations on military ship days in the region.

Despite U.N. votes each year since 1971 calling for a "Zone of Peace" in the Indian Ocean, the United States has made no approach to the U.S.S.R. on mutual arms restraint since 1971. This continued neglect of diplomatic initiatives is deplorable.

If we are truly serious, as I believe we are, about maintaining friendship and stability among the nations of the Indian Ocean, we should take account of their opinions and concerns. The fact is that none of the 29 littoral nations of the Indian Ocean region, including Australia, supports the proposed U.S. base expansion on Diego Garcia. Reported "private assurances" on this subject by anonymous officials cannot be relied upon, especially not when national leaders pepper their public speeches with anti-American rhetoric.

If we go ahead with our Diego Garcia expansion, we may well worsen our relations with many of these countries and lose access to the ports and other facilities now open to us. As things stand today, we can obtain oil from 36 different Indian Ocean ports. U.S. ships have access to 18 nations of the area while the Soviet Union has access to only 13.

We have yet to have explained to us what vital national interests would be served by the base expansion. We have no treaty commitments in the area that it would help us uphold, except nominally with Pakistan under SEATO. The expanded base would be of no help in case of an oil embargo. Major military operations would require more facilities than the enlarged base would provide.

To maintain current carrier deployments and also have a permanent carrier task group in the Indian Ocean would require three more carriers plus associated ships. It would require $5 to $8 billion more in new ship construction, according to Brookings Institution estimates, and $800 million more each year in operating costs.

I cannot believe that, in terms of our national interest, we are ready to make the huge additional outlays to escalate to a three-ocean navy on the basis of the realities in the Indian Ocean. If this is true, where is the justification for the Diego Garcia expansion?

It is another typical case of U.S. foreign policy running to catch up with defense policy and running to catch up with military spending.

The goal of gearing defense spending to perceived foreign policy objectives would be once again thwarted.

Recently, an official U.S. delegation, of which I was a member, visited Moscow. We were, in the course of that visit, given reason to believe that the U.S.S.R. would be receptive to discussions relative to mutual naval restraint in the Indian Ocean region. At the very minimum, the United States should immediately take such a diplomatic initiative.

To spur such an initiative, Senators GARY HART and PATRICK LEAHY and myself have written to Secretary of State Kissinger, reporting on our conversations and suggesting, as a first step, efforts to achieve limitations on naval ship-day deployments to the Indian Ocean. This, we hope, could lead to broader agreements on measures to forestall a new and dangerous arms race in that area.

Finally, Mr. President, the extent of the Soviet threat in Berbera, in my judgment, has been blown out of proportion. The Soviet missiles reported to be there are of the old Styx type which have been distributed to more than a dozen nations. According to the best available public sources, this antiship missile became operational over 15 years ago, has a limited range of only about 20 nautical miles, and carries nonnuclear warheads. Even if a few have been sent to Berbera, they cannot be used until put aboard patrol boats. In the meantime, our aircraft off ships in the area are armed with more potent antiship missile firepower under their wings than are our naval vessels.

We must also remember that, even today, French naval activity in the Indian Ocean equals or exceeds that of the Soviet Union.

Diego Garcia is a classic example of a situation where the United States should be using its economic power, technical expertise, and diplomatic skill to balance the Russians strategically in preference to provocative military escalation.

What early reason is there for détente if we do not make an honest effort to use it in such an obvious and low-risk situation as this one? If we do not make a serious effort at negotiations, what is low risk and low cost today may well become high risk and high cost tomorrow.

I yield back the remainder of my time.

EXHIBIT 1

MINORITY VIEWS OF SENATORS MCINTYRE, CULVER, HART OF COLORADO, AND LEAHY

We have heard and reviewed the evidence, but we are not convinced that expansion of base facilities on the island of Diego Garcia is essential to the national interest of the United States at this time. On the contrary, we believe it essential to explore urgently all avenues toward preventing a new superpower arms race in the Indian Ocean.

When the Armed Services Committee last year voted to require Presidential certification of the essential need for these base facilities, the Committee expressed its "hope" that "such an evaluation would include a thorough explanation of the possibility of achieving with the Soviet Union mutual military restraint without jeopardizing U.S. interest in the area of the Indian Ocean."

Despite that Committee guidance, and despite the widespread interest in preserving the Indian Ocean as a zone of peace, as urged by the United Nations General Assembly in 1971 and 1973, no approaches to the Soviet Union on this matter have been made since 1971.

Diplomacy has not failed; it has not even been tried. No efforts have been made to extend detente to the Indian Ocean.

Instead, we see, by both the Soviet Union and the United States, a continuation of the military momentum for expansion and involvement in that region.

We will examine the alleged military needs for this base subsequently, but what is of greatest concern to us is that the U.S. Government is rushing headlong into a new arms race, in disregard of the opinions of the nations of the Indian Ocean whom we seek as friends, of the declared wish of the U.N. General Assembly, and of this Committee and the Congress.

Before we can consent to this base expansion, we need clear evidence of a compelling need for this facility as well as proof that mutual restraint cannot be achieved. A year of diplomatic inactivity, followed by a two-sentence Presidential certification, is not sufficient.

A major naval arms race in the Indian Ocean is too frightening a prospect to back into blindly, pushed by ever-present military calls for flexibility.

WEAK JUSTIFICATIONS FOR EXPANSION

The case for U.S. base expansion is based on a basketful of assumptions about hypothetical contingencies. For Diego Garcia to be useful and essential, we have to assume: (1) that none of the 18 nations of the Indian Ocean littoral which now allow us port visits will permit such visits in the future; (2) that the Suez Canal is open to Soviet warships and not to American ones—and that prudent Soviet planners would rely on that vulnerable, blockable waterway in the event of conflict; (3) that other nations, such as France, which now maintains a sizable presence in the Indian Ocean, would refuse to cooperate with the United States in assuring freedom of the seas and a continued flow of petroleum; (4) that the Soviet Union would risk confrontation with the United States in that region, without regard for global consequences; and (5) that this one base, by itself, would be defensible and sufficient to support major military operations in the Indian Ocean area.

Each of these assumptions, by itself, is weak, and the likelihood that all would occur simultaneously is quite remote.

(1) The United States currently has access to 18 nations along the Indian Ocean, while the Soviet Union's ships can call at only 13. According to the Defense Department, U.S. oilers could now obtain fuel from some 36 different Indian Ocean ports. Some of these nations—such as Iran, Pakistan, Kuwait, Saudi Arabia—have long been friendly to the United States, and reportedly share our concern in limiting Soviet influence in the area. Since many of the Persian Gulf nations have also received substantial amounts of U.S. military equipment in recent years, it is highly unlikely that they would renounce these ties and jeopardize access to spare parts.

(2) Although the opening of the Suez Canal reduces transit time for Soviet ships from the Black Sea, it also permits quick access for all but the largest U.S. carriers from the Mediterranean. In the event of hostilities, the Canal might be expected to be blocked, leaving Soviet sea routes longer and more vulnerable than those of the United States.

(3) France still retains several installations in the Indian Ocean as well as a naval presence comparable to that of the Soviet Union. It is reasonable to assume that France would act in its own interest to assure oil supplies, and such action could be aided by cooperation with other NATO allies in the area.

(4) While the Soviet Union clearly has a capability for trouble-making in the Indian Ocean, the risks of escalation must weigh heavily against any direct military confrontation with the United States, whether or not we have a base at Diego Garcia. Moreover, the United States Navy has numerous tactical advantages over the Soviet Navy, which must operate its ships from fewer ports and at greater distances.

(5) In the "worst case" scenario, which has been trotted out to justify Diego Garcia, this one base is somehow vital and sufficient for the support of major military operations in the Indian Ocean. Unless we wish to build other bases and substantially increase our Navy so that it can fight a three-ocean war, the present facilities on Deigo Garcia should be sufficient. In any event, these questions should be faced squarely and not piecemeal.

POTENTIAL UTILITY OF DIEGO GARCIA

Several crucial questions about the planned use of this base have not yet been answered to our satisfaction.

(1) What foreign policy commitments do we have in the area?—We have no formal treaty commitments to any littoral nation west of Thailand except Pakistan, which is still nominally a member of SEATO. We do, of course, seek "stability" in the region, but that policy has been pursued with massive arms sales rather than by new defense commitments. Whatever general interest we have in maintaining freedom of the seas and safe transit for oil supplies can best be served by working in concert with other nations instead of unilateral military adventures. Since there is no obligation to consider deployment of forces into the countries of the region, there is no need to expand the facilities on Diego Garcia. We can and do show the flag now.

(2) How would Diego Garcia be used?—We have reached no final agreement with the British on the usage of this base, and there are no assurances that whatever agreement is reached will be submitted to the Senate as a treaty. Thus, we may never be able to judge whether this executive agreement will indeed protect our interests and permit the various possible operations which have been offered as justification for this base. If the British retain a veto right on special operations, we cannot be sure that this base could ever be used in extraordinary circumstances.

(3) Can Diego Garcia help protect oil supplies?—Those most likely to interfere with oil supplies are not the Soviets, but the oil-producing nations of the area, which we are arming now through massive foreign military sales. The U.S. Navy can be of little help in ending an embargo unless we are going to contemplate an amphibious invasion—which most U.S. officials have publicly ruled out. Even in that circumstance, with the risk of much wider war, Diego Garcia is probably too vulnerable and too limited to be relied upon. Our Navy still retains a global operating capability and can deploy a "presence" whenever needed.

In short, if our goal is simply to be able to "show the flag," we have that capability now, without Diego Garcia. And if our goal is actually to be able to conduct major military operations, Diego Garcia by itself is probably not sufficient.

SOVIET ACTIVITY IN THE AREA

We recognize and regret that the Soviet Union is seeking to expand its influence and operating capability in the Indian Ocean area, but we do not believe that Soviet actions thus far, in the absence of serious diplomatic efforts to achieve arms restraint, justify the proposed U.S. base expansion.

Last year the Navy presented a frightening array of possible Soviet bases—on Socotra; at Umm Qasr, Iraq; at Aden; at Berbera; and on Mauritius. CIA Director Colby minimized most of these possibilities. He called Socotra "a bare island . . . no port facilities or fuel storage . . . air strip not feasible for modern operations." He called Umm Qasr a "so-called port" about which the Iraqis has been restrictive of the USSR. At Mauritius the USSR has only bunkering rights. Aden was called "a good base," but "the Soviets have not used it very much"—only port visits. "The limited facilities that the Soviets use now," Mr. Colby testified, "such as those in Berbera or Umm Qasr, would require considerable development—and probably changes in the host countries' policies—to provide major services."

This year the list has dwindled. The only evidence of Soviet base expansion in the past year was at Berbera, in Somalia, where the Soviet Union was said to be expanding POL storage, constructing additional housing, lengthening the airstrip, and building a missile storage and handling facility.

It remains to be seen whether these facilities will become and will be used as a major Soviet base. Crucial questions remain on the extent of Somali control over the facilities, who will control and use the port and airfield, and whether Soviet personnel will be permanently stationed there. The very fact that the Somali Foreign Minister has denied U.S. Government claims about this base and has offered to let foreigners visit Berbera suggests that this base may not be as sensitive and important as Defense Department witnesses have alleged. Until these matters have been investigated further, we remain unconvinced.

The possibility of antiship missile storage facilities is also not a serious cause for concern, since such missile are most useful when deployed with ships or aircraft. In this respect, the U.S. Navy has a wide array of weapons to defeat enemy ships, and will enhance that capability when the Harpoon missiles now being procured become operational. Carrier-launched aircraft can patrol and operate effectively over broad ocean areas to protect U.S. interests, so we do not need land storage facilities for missiles.

Instead of reacting by expanding our own permanent presence in the Indian Ocean, we should use this opportunity to seek firm limitations on what the superpowers will do in that region. Before we build a checkerboard of bases, we should exhaust diplomatic efforts.

OPINIONS OF LITTORAL NATIONS

Despite repeated inquiries, none of the 29 nations on the Indian Ocean littoral has given public support for the proposed U.S. base expansion on Diego Garcia. Although some officials are willing to give private assurances of support for the U.S. plans, we believe that, if public criticism is dismissed as rhetoric, secret words of support have even less value.

If we are to build and maintain good relations with the countries of this region, we cannot disregard their opinions, even if we do not always accept their views. For our presence to have any meaning in the long run, we must have the open, willing support for our efforts.

The real answer is not in ephemereal private opinions but in joint cooperation and regional strength. We believe that most if not all of these nations would prefer and would support mutual restraint by the Soviet Union and the United States.

This goal should be pursued urgently instead of being preoccupied with expanding the base at Diego Garcia.

In recent weeks, there has been extensive discussion in Congress and in the public media about the objectives and administration of our foreign and defensive policies. There has been a general feeling that the end of the Vietnam involvement should mark the beginning of a new era of initiative and precision in adjusting to new realities in the world.

One central point that was repeatedly made stressed the need for closer linkage between our defense outlays and planning with defined foreign policy objectives.

In this context, the proposed base expansion on Diego Garcia assumes a symbolic importance far beyond its military importance. Here is an opportunity to make an informed, realistic decision on the basis of military facts and foreign policy goals measured on a global scale.

For these reasons, we recommend that the Senate approve S. Res. 160.

John Culver.
Gary Hart.
Patrick J. Leahy.
Thomas J. McIntyre.

ORDER FOR SENATOR TAFT AND SENATOR RANDOLPH TO INTRODUCE NONGERMANE AMENDMENTS TO S. 1849

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Taft and Mr. Randolph each be permitted to introduce an amendment to S. 1849, a bill to extend the Emergency Petroleum Allocation Act, notwithstanding that such amendments may not be germane.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

REQUEST THAT VOTE ON ISSUE NO. 1, SENATE RESOLUTION 166, OCCUR AT 4:30 P.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote which was to occur Tuesday next on issue No. 1 relative to the New Hampshire election dispute, issue No. 1 being lines 7 through 12 of Senate Resolution 166, occur instead at the hour of 4:30 p.m. on Monday next.

Mr. DOMENICI. I suggest the absence of a quorum, Mr. President.

Mr. ROBERT C. BYRD. Will the Senator withhold that?

Mr. DOMENICI. Yes.

Mr. ROBERT C. BYRD. All right.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I restate my request.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. I object.

The PRESIDING OFFICER. Objection is heard.

LEGISLATIVE PROGRAM FOR JULY

Mr. ROBERT C. BYRD. Mr. President, in addition to the New Hampshire election dispute, the workload ahead is a heavy one. For this reason the necessity for Saturday sessions, excluding tomorrow, during this month of July, is becoming increasingly apparent.

An examination of the business to be disposed of during July will indicate the necessity for Saturday sessions increasingly confronts us. In addition to various other measures which may reach the calendar for floor debate, the following measures will be ready for action during the month of July, but they will not necessarily be called up in the order stated:

The New Hampshire dispute which continues before the Senate and on which future cloture votes may be anticipated.

The clean air amendment.

Various appropriation bills, for example, the transportation appropriation bill, the Treasury-Post Office appropriation bill, the HUD appropriation bill, the HEW appropriation bill, the State-Justice-Judiciary appropriation bills.

The Energy Allocation Act extension, S. 1849, on which there is a time agreement.

The fuel efficiency for automobiles measure, S. 1883, on which there is a time agreement.

The Outer Continental Shelf Act.

The Elk Hills measure.

The Coal Leasing and Coal Conservation Act.

ERDA.

The Energy Production Board.

Reregulation of natural gas, S. 692.

Extension of the Voting Rights Act, H.R. 6219.

Senate Resolution 160, disapproving construction projects on the island of Diego Garcia.

S. 644, a bill to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission.

The Appalachian Regional Commission bill.

S. 963, a bill to amend the Federal Food, Drug, and Cosmetic Act; and various conference reports.

The leadership hopes to have the understanding of all Senators as the Senate tackles this difficult schedule which it is imperative we follow, with early and late sessions expected daily and with rollcall votes to occur daily, including Saturdays.

ORDER THAT NO ROLLCALL VOTES OCCUR ON MONDAY, JULY 14, 1975, PRIOR TO THE HOUR OF 4:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur on next Monday prior to the hour of 4:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I think it should be stated at this point that beyond next Monday the same request will not necessarily be repeated for the following Mondays during the remaining weeks in July, because it may be necessary to have votes early in the day on Mondays as we come nearer to the August recess.

Committees should also be reminded that Republicans continue to object to committee meetings during the hours in which the New Hampshire election dispute is being debated on the Senate floor, and committees may want to arrange their schedules accordingly.

ORDER FOR RECESS UNTIL 11:30 A.M. ON MONDAY, JULY 14, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the convening hour be changed to 11:30 a.m. Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, after the two leaders or their designees have been recognized on Monday, Mr. Haskell will be recognized for not to exceed 15 minutes, after which Mr. Garn will be recognized for not to exceed 15 minutes. There will then be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate will resume consideration of Senate Resolution 166, and at least 1 hour of debate will occur on issue No. 1, being lines 7 through 12 of Senate Resolution 166.

At the present time a vote is ordered to occur on that issue on Tuesday, but at some point during the session on Monday, presumably after the first hour or perhaps after the second hour of debate on the New Hampshire resolution, the Senate will take up S. 1849, a bill to extend the Emergency Petroleum Allocation Act, on which there is a time agreement, and in connection with which Senators may expect rollcall votes on amendments, and certainly on final passage of the bill.

It is possible that final action could occur on S. 1849 on Monday, but with a time limitation of 8 hours for debate, it is quite likely that the final action will go over until Tuesday, at the earliest.

Rollcall votes can be expected daily next week, and I should think that the necessity for a Saturday session next week would be such as to make it a likelihood rather than a mere possibility.

The Senate will probably come in early and stay in late, at least on some of the days next week.

I also add this caveat. "Holds" on measures cannot be respected in the remaining weeks of July, as might be the normal course otherwise.

The Senate will be in recess for the month of August by law and with the kind of workload that is ahead, the leadership expresses the hope that all Senators will cooperate to the utmost and that the leadership will have the understanding of all Senators when it is necessary to dispose of measures on which "holds" have been placed by Members on both sides of the aisle, such "holds" being respected in normal times, but the remainder of the month of July being other than normal, under the circumstances that confront the Senate.

I think also that the leadership may be constrained to bring up measures and to ask for votes without the usual practices that have been resorted to.

Rollcall votes may occur unexpectedly and Senators should arrange their schedules accordingly from here on out until the August recess, including Saturdays.

It should not come with surprise to Senators if measures are called up on which rollcall votes will occur, and there may be measures in which certain Senators may have keen and particular interest.

What I am attempting to say, Mr. President, is that with the legislative problems that confront the Senate and the number of important measures that await action before the August recess, the leadership will need as much flexibility as Senators can possibly afford the leadership in order to consummate the work that remains.

The leadership, of course, will extend every courtesy possible to every Senator, but we have a job to do. If we expect to take off for the month of August—and we can call it a recess, or a holiday, or whatever we will; by whatever name it is the same—we have to act and work accordingly in July. The people of this country are expecting action on energy measures, and on measures affecting the economy, unemployment, recession, et cetera.

I am attempting to put all Senators

on full notice that rollcall votes can be expected at any time and under circumstances in which, ordinarily, rollcall votes might not be expected to occur, to wit, motions to adjourn, motions to recess, or whatever. We just have to deal with the exigencies as best we can in the remaining days ahead. There are only 3 weeks remaining in July.

Mr. President, if there is anything I have stated in connection with the program for which unanimous consent has not already been obtained, I would ask for such unanimous consent. I have reference to morning business, time limitation during normal business, and so on.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11:30 A.M., MONDAY, JULY 14, 1975

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the previous order that the Senate stand in recess until the hour of 11:30 a.m. on Monday next.

The motion was agreed to; and at 3:22 p.m. the Senate recessed until Monday, July 14, 1975, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 11, 1975:

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Felix M. Rogers,[redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. John F. Gonge[redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Raymond B. Furlong, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 11, 1975:

ENVIRONMENTAL PROTECTION AGENCY

Stanley W. Legro, of California, to be an Assistant Administrator of the Environmental Protection Agency.

DEPARTMENT OF THE TREASURY

Sidney L. Jones, of Michigan, to be an Assistant Secretary of the Treasury.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Friday, July 11, 1975*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Seek ye the Lord while He may be found, call ye upon Him while He is near.—Isaiah 55:6.

Eternal Spirit, we rejoice and our hearts take courage when we realize that Thou art found by those who really seek Thee. Thou art known by those who truly love Thee and Thy presence is felt by those whose hearts are fully open to Thee. Grant that we may be among those who in seeking Thee find Thee, who in finding Thee learn to love Thee, and who in loving Thee and one another keep our hearts open to the goodness and greatness of life.

Lift us out of the darkness of discouragement and despair into the light of faith and hope that responsive to Thee and to the call of responsible citizens we may live and labor for better days with liberty for all, justice by all, and good will in all; through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4222. An act to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs; and

H.R. 6950. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4222) entitled "An act to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. MCGOVERN, Mr. ALLEN, Mr. HUMPHREY, Mr. DOLE, Mr. CURTIS, and Mr. BELLMON to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6950) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLINGS, Mr. MCCLELLAN, Mr. HUDDLESTON, Mr. SCHWEIKER, Mr. MATHIAS, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 670. An act to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes.

The message also announced that the Senate had passed a resolution as follows:

S. RES. 205

Resolved, That the Senate disapproves the deferral of budget authority for the Youth Conservation Corps which was reported to Congress by the Comptroller General of the United States in his letter B–115398 of July 9, 1975, pursuant to section 1015(a) of the Impoundment Control Act of 1974.

U.S. GOVERNMENT SHOULD TAKE OVER GRAIN SALES TO SOVIETS, HOUSE AGRICULTURE COMMITTEE MEMBER DEMANDS

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, I demand that the U.S. Government halt immediately all private Russian grain sales and become the exclusive bargaining agent for grain sales to the Soviets.

We should sell them grain at double or triple the current prices or trade them for their oil, barrel for bushel. They have no place else to go for the grain they need.

The Russians are desperate, their crop is burned out, they will pay any price. They are making fools of us, repeating their 1972 grain robbery, and we are letting them do it.

Earl Butz is an economic imbecile.

The Government should take over all grain negotiations with the Russians. Instead of doing this, Butz is abetting—I might say conspiring to promote—another secret Russian grain robbery. He is selling out the American farmer and consumer. Russians are secretly buying our grain at cheap prices from our farmers through private corporations and we are left with another round of food inflation.

I demand that Butz immediately provide full disclosure of all Russian negotiations for our grain.

Estimated wheat and feed grain stocks

available to U.S.S.R. over and above normal projected export commitments are as follows:

(After projected U.S. export commitments to U.S.S.R. of 5 million tons of wheat and 5 million tons of corn and includes new 1976 crops)

U.S.—3-5 million tons wheat; 8–10 million tons corn.

Canada—1–2 million tons wheat.

Australia—1 million tons wheat.

E.E.C.—2–3 million tons wheat.

Argentina—.5 million tons wheat; 2 million tons corn.

1. USDA news release of 7/9/75 projects 1975 USSR grain production at 195 million metric tons. This is a reduction of 5 million tons from previous report and 15 million tons lower than original estimate.

2. Breakdown of projected 1975 USSR grain production includes 95 million tons of wheat, 90 million tons of coarse grains, and 15 million tons of miscellaneous grains and pulses.

3. About one-third of Soviet grain production is winter grain—now in the process of being harvested. The remaining two-thirds is spring grain which still has not matured and consequently could be exposed to further drought damage.

4. Given USSR 1975 grain production of 195 million tons, USDA estimates that Soviet grain import requirements would be in the range of 10-15 million tons, about evenly divided between wheat and corn. The U.S. share of these import requirements could be in the range of 3–5 million tons of wheat and 4–6 million tons on the corn side.

5. Given U.S. wheat production of 2.2 billion bushels, and corn production of 6 billion bushels in 1975, the U.S. could probably meet the above Soviet requirements and still add to end of the year carry-over stocks.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. PEPPER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, would the gentleman tell us what reports he is asking consent to file?

Mr. PEPPER. The agriculture appropriation bill and a resolution abolishing the present Intelligence Committee of the House and creating another.

Mr. BAUMAN. The gentleman from Maryland will not object. I would be far more pleased if you would just abolish the whole thing instead of creating another monster.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PROVIDING FOR SECRETARY OF AGRICULTURE AND COMMODITY FUTURES TRADING COMMISSION TO SUBMIT REPORT ON DOMESTIC ECONOMIC IMPACT OF SALES OF WHEAT AND WHEAT FLOUR

Mr. RICHMOND. Mr. Speaker, I offer a joint resolution (H.J. Res. 553) to provide that the Secretary of Agriculture and the Commodity Futures Trading Commission prepare and submit to the Congress a report on the domestic economic impact of sales of wheat and of wheat flour made, or which might be made, by private business establishments in the United States to the Union of Soviet Socialist Republics during the last 6 months of 1975, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. The Chair will state to the gentleman from New York that the Chair has considered the resolution the gentleman refers to, and the Chair would like to have this brought up when the chairman of the Committee on Agriculture is present on the floor.

Will the gentleman from New York withhold making his request?

Mr. RICHMOND. Mr. Speaker, I have already cleared this matter with the chairman of the Committee on Agriculture.

The SPEAKER. The Chair will state that the Chair is aware of that. If the gentleman presents the resolution now, the Chair has no alternative.

Mr. RICHMOND. I do, Mr. Speaker.

The SPEAKER. The gentleman presents the joint resolution and asks unanimous consent for its immediate consideration.

Is there objection to the request of the gentleman from New York (Mr. RICHMOND)?

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. SEBELIUS. Mr. Speaker, I reserve the right to object.

Mr. Speaker, I have just got my hands on the joint resolution. It has not been considered by the Committee on Agriculture and I have here a letter that was addressed to the minority leader from the Secretary of Agriculture, Mr. Butz, in which he says:

> This is in response to your letter asking about potential grain sales to the USSR and their probable impact on domestic supplies.

I would say to the gentleman that my district grows more wheat than any State in the Nation and two-thirds of that wheat has to be exported if we are going to have a viable agriculture. Secretary Butz goes on:

> Several of our export firms are actively engaged in discussions or negotiations with Soviet buyers. No sales have been reported to date.

Again I would state to the gentleman from New York that the sale of 100,000 metric tons or more has to be reported to the USDA within 24 hours.

The Secretary goes on:

> But we expect sales will be made and we are confident that we will have more than adequate supplies to fulfill them. As a matter of fact, in our judgment, we need the sales in order to assure a healthy farm economy, to add to our international balance of payments and to avoid potential costly outlays for farm programs.
>
> As you know, yesterday we released our first official Crop Report for the 1975 growing season. It indicated bumper crops by a wide margin. The corn crop is forecast at more than 6 billion bushels, 30 percent more than last year's short crop and 7 percent above the previous 1973 record crop. The wheat crop is forecast at 2.2 billion bushels, 22 percent above last year's record crop. Large crops are also in prospect for grain sorghum, barley, oats, and soybeans.
>
> With these whopping record crops, which are a tremendous credit to our American farmers, it is essential that we maintain the momentum in our exports that we have had during the past couple years. American agriculture is dependent on exports. It must have them to grow and prosper.

Let me give these few statistics from the Secretary's letter and then I will yield to the gentleman:

> Our domestic needs from our 1975 wheat crop is expected to be only about 800 million bushels, including wheat fed to livestock. The remaining 1.4 billion bushels is available for export and adding to stocks. Our domestic use of corn from our 1975 crop is forecast at about 4.3 billion bushels, leaving 1.7 billion bushels for export and addition to stocks. We expect exports from our 1975 wheat and corn crops each to be around 1.2 billion bushels, including exports to the USSR.
>
> As you can see from these figures, exports to the USSR are important to us if we are not to have an excessive buildup in stocks from our 1975 crop. We want to avoid returning to the large surpluses of earlier years.
>
> These are costly to our farmers, to us as taxpayers and in the longer-run it is costly to consumers in that it removes the incentives for our farmers to produce at their best.
>
> Sincerely,
>
> EARL L. BUTZ, *Secretary*.

Mr. RICHMOND. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from New York.

Mr. RICHMOND. Mr. Speaker, the thrust of my resolution is not to prohibit sales of wheat to Russia, because I understand 75 percent of our wheat crop is exported. All I want to make sure of is that the Russians or any other foreign power buy wheat and corn at prices no less than the American consumer must pay.

Back in 1972, we had a situation where the Russians quietly bought up large quantities of commodities here in the United States at prices 75 percent below what our consumers eventually ended up paying. All I ask right now is that during the next 30 days, the United States Department of Agriculture study the consumer impact of such a sale and see if indeed Russian wheat purchases will result in our own American consumers paying higher prices.

Just recently, we heard a great speech by Mr. Solzhenitsyn who said that the way the Russians plan to strangle the Americans and all the other Western powers is by giving us enough rope to strangle ourselves by competing with each other for the privilege of selling commodities and manufactured goods to the U.S.S.R. at the cheapest possible prices.

I have nothing against foreign trade. All I say is that our own American consumers should not be forced to pay higher prices while we surreptitiously sell the Communist bloc countries commodities at low prices. That is the thrust of my resolution. If the gentleman from Kansas would just understand this, all I would like is a 30-day cooling off period while the Agriculture Department studies the consumer impact of this probable purchase.

Mr. SEBELIUS. I would say to the gentleman from New York that we have been monitoring the situation. We have now set up the mechanism so that the market can report when wheat sales take place, and it is not like the last time.

Yesterday, the price of wheat at Kansas City was $3.54 for No. 2 hard red winter wheat. That translates to $3.25 in Dodge City, Kans. The American consumer only pays 3 or 4 cents out of that loaf of bread to the wheat farmer. He does not have any big worry there.

So, very definitely, as far as the resolution is concerned, it is unnecessary. We are on top of it and the gentleman can rest assured that the American consumer will be protected, because the first 800 million always goes to him.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, I want to congratulate the gentleman from New York. I think he has a brilliant idea. We all recall what happened to the wheat sale a couple of years ago. Prices went out of sight and that was one of the reasons for inflation. The American farmer was greatly disturbed.

I remember making a trip to South Dakota to talk to the farmers out there. I spent 3 days with them. At that particular time, the railroad cars in America were tied up in the area of New Orleans and the farmers could not get their produce shipped and they were complaining about it. They were also complaining about the fact that they thought they had been taken because they had not known what was happening.

I think a resolution of this type is a decent idea, a good idea. We ought to be informed of what is happening so that we will not have a repetition of what happened before.

Mr. SEBELIUS. I would state that we are informed. We have the mechanics. It is working. The price is responding to the demand.

Mr. O'NEILL. We have the same Secretary today that we had then. He messed it up then, and he will today.

Mr. SEBELIUS. I remind the majority leader that two thirds of our wheat is to be exported. We do not need this resolution. The gentleman says it is a brilliant idea. I say it is crazy, if the gentleman wants me to be more specific. We are on top of it. The farmer still has his wheat. We are getting control of it.

Mr. O'NEILL. The gentleman will note that the futures market has gone up 2 days in a row.

Mr. SEBELIUS. Mr. Speaker, I do object.

The SPEAKER. Objection is heard.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO MEET DURING 5-MINUTE RULE TODAY

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be permitted to sit today while the House is proceeding under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. PEPPER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. PEPPER. Mr. Speaker, I wanted to inquire, is the unanimous consent request approved that the Committee on Rules might have until midnight to file certain privileged reports?

The SPEAKER. The gentleman is correct?

Mr. PEPPER. I thank the Chair.

HEALTH MANPOWER ACT OF 1975

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 584 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 584

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5546) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes, and all points of order against section 405(6) of said bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 584 provides for an open rule with 1 hour of general debate on H.R. 5546, the Health Manpower Act of 1975.

House Resolution 584 provides that all points of order against section 405(6) of the bill for failure to comply with the provisions of clause 5, rule XXI of the Rules of the House of Representatives—prohibiting appropriations in a legislative measure—are waived. House Resolution 584 also provides that the bill shall be read for amendment by titles instead of by sections.

H.R. 5546 provides for a 1-year extension for existing health manpower, public health, and allied health authorities. For fiscal years 1976, 1977, and 1978, the bill extends the current programs and makes revisions designed to deal with the issues of the rapid influx of foreign medical graduates into the United States and the geographic and specialty maldistribution of health personnel. The bill also establishes a new program to regulate residency training programs.

H.R. 5546 authorizes $515.9 million for fiscal year 1976, $590.7 million for fiscal year 1977 and $653.6 million for fiscal year 1978.

Mr. Speaker, I urge the adoption of House Resolution 584 in order that we may discuss and debate H.R. 5546.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as noted, House Resolution 584 provides for 1 hour of general debate on H.R. 5546, Health Manpower Act of 1975, and that the bill shall be open to all germane amendments. The rule has two other provisions. First. It waives all points of order against section 405(6) of the bill for failure to comply with clause 5 of rule XXI, which deals with appropriations on a legislative bill (sec. 405(6) deals with loans to schools). Second. It provides that the bill shall be read for amendment by titles instead of by sections.

Mr. Speaker, the purpose of this legislation is to amend and extend through fiscal year 1978 certain provisions in the Public Health Service Act which provide assistance to schools and students of medicine, dentistry, osteopathy, veterinary medicine, optometry, pharmacy, podiatry, public health, health administration and allied health. The bill attempts to deal with the problem of rapid influx of foreign medical graduates into the United States, geographic maldistribution of health personnel and specialty maldistribution within the medical profession. The total cost of this legislation is $1,760,150,000 through the end of fiscal year 1978.

Mr. Speaker, there is a provision in this bill which will require medical students to pay back to the Federal Government, in annual installments, the amount the school received in federal support for such student. These payback requirements would be waived for students who agree to practice in areas where there is a shortage of doctors.

Mr. Speaker, this payback provision will work a severe hardship for many young doctors. They will be required to pay back funds at the point of greatest financial stress in a professional career, that is, where the cost of setting up practice, repayment of other loans and lowest level of career income all converge.

Young doctors would be required to pay back funds that they did not borrow themselves. The Federal Government made grants, not loans, to medical schools based on the number of students in the schools. The money is not delivered to the student nor is it available to him.

Correction of the geographic maldistribution of health professionals is an admirable goal when done through efforts to encourage voluntary action.

However, I wish to emphasize the words "encourage" and "voluntary," for I most assuredly oppose such an effort when it is achieved by coercion.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HAYS of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 351, nays 0, not voting 82, as follows:

[Roll No. 377]

YEAS—351

Abdnor
Abzug
Adams
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Boland
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Casey
Chappell
Clancy
Clausen, Don H.
Cleveland
Cochran
Collins, Tex.
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Martin
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Randall
Rangel
Regula
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—82

Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Armstrong
Ashley
Beard, Tenn.
Bell
Blouin
Boggs
Bolling
Breckinridge
Brooks
Brown, Calif.
Butler
Byron
Cederberg
Chisholm
Clawson, Del
Clay
Cohen
Collins, Ill.
Conable
Crane
Danielson
Dellums
Dickinson
Diggs
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Fish
Flowers
Fulton
Fuqua
Gaydos
Giaimo
Gude
Guyer
Harrington
Harris
Heckler, Mass.
Hinshaw
Horton
Jarman
Jenrette
Jones, N.C.
Landrum
Lent
Litton
Macdonald
Madden
Mann
Mathis
Matsunaga
Meyner
Milford
Montgomery
Moss
Murphy, N.Y.
Neal
Oberstar
Poage
Quie
Quillen
Railsback
Rees
Reuss
Roncalio
Runnels
Scheuer
Steiger, Wis.
Symington
Symms
Thompson
Thornton
Udall
Wampler
Waxman
Wilson, Tex.

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Ashley.

Mrs. Boggs with Mr. Macdonald of Massachusetts.

Mr. Thompson with Mr. Andrews of North Carolina.

Mr. Murphy of New York with Mr. Rees.

Mr. Breckinridge with Mr. Brown of California.

Mr. Danielson with Mr. Jarman.

Mr. Fulton with Mr. Byron.

Mr. Ambro with Mr. Dellums.

Mr. Jenrette with Mr. Reuss.

Mr. Landrum with Mr. Milford.

Mr. Mann with Mr. Anderson of Illinois.

Mr. Diggs with Mr. Madden.

Mrs. Collins of Illinois with Mr. Scheuer.

Mrs. Meyner with Mr. Bell.

Mr. Matsunaga with Mr. Runnels.

Mr. Oberstar with Mr. Cederberg.

Mr. Mathis with Mr. Beard of Tennessee.

Mr. Roncalio with Mr. Del Clawson.

Mrs. Chisholm with Mr. Waxman.

Mr. Clay with Mr. Harrington.

Mr. Giaimo with Mr. Cohen.

Mr. Gaydos with Mr. Fish.

Mr. Fuqua with Mr. Conable.

Mr. Neal with Mr. Eshleman.

Mr. Moss with Mr. Gude.

Mr. Montgomery with Mr. Crane.

Mr. Evins of Tennessee with Mr. Guyer.

Mr. Flowers with Mr. Esch.

Mr. Blouin with Mr. Quie.

Mr. Alexander with Mr. Dickinson.

Mr. Brooks with Mr. Hinshaw.

Mr. Harris with Mr. Lent.

Mr. Jones of North Carolina with Mr. Edwards of Alabama.

Mr. Litton with Mr. Horton.

Mr. Udall with Mrs. Heckler of Massachusetts.

Mr. Railsback with Mr. Quillen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ROGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5546) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Florida.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5546, with Mr. MAZZOLI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida (Mr. ROGERS) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, this measure, H.R. 5546, is the Health Manpower Act of 1975. This measure, which is the product of extensive deliberations by the Subcommittee on Health and the Environment, this year and last, would revise and extend the authorities of the Public Health Service Act which provide assistance to students and schools of medicine, osteopathy, dentistry, veterinary medicine, public health, podiatry, optometry, and pharmacy, provide assistance to programs and students of health administration, provide increased authorizations for the National Health Service Corps, and provide a mechanism for controlling the number and types of postgraduate medical residency programs.

PRINCIPAL PROVISIONS OF H.R. 5546 FOR FISCAL YEAR 1976, 1977 AND 1978

CONSTRUCTION

The bill continues the existing authority authorizing grants, loan guarantees and interest subsidies to assist in the construction of teaching facilities for health professions schools at an authorization level of $25 million for grants in each of the next 3 fiscal years, and $2 million, $3 million and $3 million for loan guarantees and interest subsidies for the next three fiscal years.

STUDENT ASSISTANCE

The bill continues with minor modifications, the authority for loans to students of the health professions, at $30 million for each of the next 3 fiscal years, and traineeships for students in schools of public health, at $6 million for each of the next 3 fiscal years. It phases out the unconditional scholarship programs authorized by existing law in favor of substantial increases for National Health Service Corps scholarship, for which appropriations are authorized at $40 million for fiscal 1976, $80 million for fiscal 1977, and $120 million for fiscal 1978. It modifies the existing National Health Service Corps scholarship program which provides scholarships to students of the health professions who agree to practice their professions in critical health shortage areas following graduation.

DIRECT SUPPORT TO HEALTH PROFESSIONS SCHOOLS

The bill extends and revises the existing program whereby schools of the health professions receive institutional support, based on a formula of a certain sum of money times the number of students enrolled in the school (termed "capitation" support). It adds schools of public health as schools eligible to receive such support. The bill also revises the requirements to which schools must agree in order to receive capitation support.

The capitation amounts and requirements to which schools must agree in order to receive capitation support are:

All health professions schools: All health professions schools must, in order to receive capitation support, beginning in school year 1976–77, contract with each enrolled student whereby the student agrees to pay back to the Federal Government in annual installments 1 year following graduation, or completion of internship, residency, or other advanced clinical training, the amount the school received in capitation support for such student. Payback requirements are waived for those students who agree to practice their professions in areas in which medically underserved populations are located.

Schools of medicine, osteopathy, and dentistry: $2,100 per student per year for fiscal years 1976 and 1977, and $2,000 for fiscal year 1978. Such schools must either expand enrollment in their first or third years, or operate a remote site training program in which at least 50 percent of their students, upon graduation, will have spent 6 weeks of training in a site remote from the main teaching facilities of the school.

Schools of public health: $1,500 per student equivalent working toward a graduate degree. Such schools must increase first year enrollment.

Schools of veterinary medicine: $1,500 per student. Such schools must either increase first year enrollment or enroll at least 20 percent of their students from States which have no such schools.

Schools of podiatry: $1,100 per student. Such schools must either increase first year enrollment or enroll at least 40 percent of their students from States which have no such schools.

Schools of optometry and pharmacy: $700 per student per year. Schools of optometry must either increase first year enrollment or, in the case of a public school, enroll at least 25 percent of their students from States which have no such schools; in the case of a private school, enroll at least 50 percent of their students from States which have no such schools. Schools of pharmacy must either increase enrollment or conduct two of their special training programs—teaching in clinical settings, clinical pharmacology, or doctor/patient counseling in drugs.

The bill extends the existing program of start-up assistance for new schools at $10 million fiscal year per year for fiscal year 1976, 1977 and 1978 and extends eligibility for such assistance to schools of public health, veterinary medicine, optometry, pharmacy, and podiatry.

The bill also extends the existing program whereby schools in serious financial straits can receive financial distress grants. Eligibility is extended to schools of public health. Authorizations of $5 million per year for fiscal years 1976, 1977, and 1978 are provided.

SPECIAL PROJECT GRANTS AND CONTRACTS

H.R. 5546 makes substantial revisions in the existing authority of the Secretary of HEW to award special grants and contracts to health professions schools and other entities to meet the costs of projects designed to substantially improve curriculums and educational opportunities, develop better access to and quality of health care, and encourage the training of needed primary care personnel. These projects include:

Training in family medicine: The bill extends an existing program authorizing support of family medicine residency programs and adds new authority for support of residencies in general practice of dentistry and osteopathic internships. The bill would authorize $40 million for fiscal years 1976, 1977, and 1978 for these purposes.

Departments of family medicine: The bill authorizes $10 million for fiscal 1976, $15 million for fiscal 1977, and $20 million for fiscal 1978 for grants and contracts for the establishment of departments of family medicine in medical and osteopathic schools.

Disadvantaged students: The bill authorizes $20 million for fiscal years 1976, 1977, and 1978 for the award of grants and contracts to assist individuals from disadvantaged backgrounds to enter health professions schools.

Area health education centers: The bill revises and extends an existing program for the establishment of area health education centers to train students of the health professions (including residents), retrain and provide continuing education for health professionals, and provide educational programs for the general public in remote community hospitals and other facilities under the supervision of faculty of health professions schools. $15 million is authorized for fiscal 1976, $20 million for fiscal 1977, and $25 million for fiscal 1978 for the purpose.

Special projects for optometry, podiatry, and pharmacy: The bill authorizes $5 million for fiscal years 1976, 1977, and 1978 for grants and contracts to these schools to assist with their affiliations with other health professions training programs and with their development of specialized training programs.

Computer technology: The bill extends an existing authority authorizing computer technology health care demonstration programs at $3 million for fiscal years 1976, 1977, and 1978.

Emergency medical services training: The bill extends an existing authority for training of personnel in emergency medical services and revises that authority to provide that not less than one-third of the appropriated moneys shall be used to assist in meeting the cost of program development and training of physicians in emergency medicine. $10 million is authorized for fiscal years 1976, 1977, and 1978.

Training of U.S. foreign medical students: The bill authorizes grants and contracts for the remedial training of U.S. citizens previously enrolled in foreign medical schools who have provisionally been accepted with advanced standing into the third year of U.S. medical or osteopathic schools. The bill authorizes $2 million for fiscal 1976, $3 million for fiscal 1977, and $4 million for fiscal 1978 for such grants and contracts.

Training of physician assistants and expanded function dental auxiliaries: The bill authorizes grants and contracts to meet the costs of projects for the training of physician assistants and expanded function dental auxiliaries. The bill authorizes $25 million for fiscal 1976, $30 million for fiscal 1977, and $35 million for fiscal 1978.

GRADUATE PROGRAMS IN HEALTH AND HOSPITAL ADMINISTRATION

The bill authorizes institutional support for graduate programs in health administration, hospital administration, health planning, environmental health, and preventive medicine, $3 million for fiscal 1976, $3.5 million for fiscal 1977, and $4 million for fiscal 1978. It authorizes traineeships for students enrolled in such programs at $2.5 million per year for fiscal years 1976, and 1977, and 1978.

ALLIED HEALTH PERSONNEL PROGRAMS

The bill authorizes project grants for allied health programs at $20 million per year for fiscal years 1976, 1977, and 1978 and traineeships for advanced training of allied health personnel at $6 million for each of these fiscal years.

MEDICAL RESIDENCY TRAINING PROGRAM

The bill adds a new title to the Public Health Service Act which establishes limits on first year positions in accredited medical residency training programs beginning in calendar year 1978.

This provision directs the Secretary of HEW to designate or establish a medical residency trainnig program accrediting agency to review and either accredit or disapprove each medical residency training program in the United States, and review each such program at least once every 3 years. The right of first refusal to become the accrediting agency is afforded the Liaison Committee Graduate on Medical Education of the Coordinating Council on Medical Education.

The Secretary is further directed to insure that medical residency training programs are coordinated under certain statutory guidelines. These guidelines include consideration of the need for residency programs to be equitably distributed geographically, the special need for residency programs maintained in conjunction with area health education centers, and the special need for the primary care specialties of family medicine, general internal medicine, general pediatrics, and gynecology. The total number of residency training programs established in 1978 may not exceed 155 percent of graduates of U.S. medical schools in the previous years; in 1979 the number may not exceed 140 percent; and in 1980 and thereafter the number may not exceed 125 percent.

Mr. Chairman, during subcommittee deliberations on this measure, four major problems were identified as having a significant impact on access to quality health care delivery in this country: first the supply and productivity of health manpower; second, the geographic distribution of health manpower; third, the specialty maldistribution of physicians; and fourth, the impact of the recent influx of foreign medical graduates into this country. In developing this legislation we have before us today, the subcommittee carefully examined the factors leading to inadequate supply, geographic maldistribution, specialty maldistribution, and the growing influx of foreign medical graduates and believe the provisions of this bill will contribute significantly to the resolution of these substantial problems.

SUPPLY OF HEALTH PROFESSIONALS

From its inception in 1963, assistance to schools and students of the health professions has been targeted with one primary goal—increasing the supply of health manpower. Remarkable strides have been made in the past 10 years in increasing the enrollment levels of health professions schools. Medical school enrollment has nearly doubled since 1963 and the other schools have made similar gains.

Despite the significant increases in supply that Federal assistance has afforded in the past, the absolute numbers of health personnel must be increased further to meet future needs. The inevitability of some form of national health insurance will undoubtedly increase demand for health care personnel. The provisions of this bill which are designed to eliminate the dependence of this country on foreign medical graduates will increase the demand for U.S. medical graduates to meet national needs.

For this reason, H.R. 5546 would continue the requirement of existing law that health professions schools increase enrollment in order to receive Federal institutional support. The committee, however, recognized that because of past enrollment increase requirements, some schools had expanded to the limits of their physical capacity. Alternative projects which serve to meet national needs are offered as options to certain types of schools, and a waiver of the increased enrollment requirement is available to those schools who might suffer a loss of accreditation if they increased enrollment.

The bill contains a second provision which will have a positive impact on the need for more physicians and dentists. This is a new, special project section developed by the committee for the training of physicians' assistants and expanded function dental auxiliaries. These "new health practitioners" are trained in a very short period of time—usually one year—and are gaining wide acceptance by physicians, dentists, and consumers of health care. Studies have demonstrated conclusively that the productivity of physicians and dentists is substantially increased by delegating many of the routine, time-consuming tasks associated with their practices to physicians' assistants and expanded function dental auxiliaries. Such an increased productivity will very likely reduce medical and dental services costs in this country, and improve the availability and quality of such services.

GEOGRAPHIC MALDISTRIBUTION

Mr. Chairman, the increases in the supply of health professionals over the past decade, while significant, have done nothing to alleviate the geographic maldistribution of health manpower. In fact, the geographic maldistribution of manpower has worsened in the past 10 years. More and more physicians and other health professionals are locating in suburbs and medium-sized urban communities at the expense of rural and inner city populations. There are two principal reasons why health professionals tend to locate in suburbs and small urban communities, only one of which can be affected legislatively. First, health professionals can earn a high income regardless of location and competition and prefer to live in communities with a comfortable, secure lifestyle. Short of dictating where health professionals shall practice—a concept which is repugnant to the vast majority of members of the committee—the Federal Government cannot affect this factor through legislation. Second, ultimate location of physicians' practice is to a large extent influenced by the nature and location of medical training. Most medical training, both undergraduate and graduate, is now provided in large academic medical centers located in large urban areas, which concentrate on providing complex, subspecialty care. As a result, many medical students are, in effect, educated to believe that modern medicine can only be practiced within the environs of a large urban hospital. As a result of the urban location of medical schools, medical students and their spouses, no matter where they came from originally, become accustomed to an urban environment.

The bill before us today would encourage the migration of health manpower into underserved areas in several meaningful ways. First, the bill would offer medical and dental schools, as an alternative to increasing enrollment, the option of initiating or maintaining a program whereby its students would receive a portion of their training in ambulatory care settings in sites remote from the school, such as community hospitals in rural areas and neighborhood health centers in urban areas.

This alternative to enrollment increases can help to alleviate the impact of the maldistribution of physicians and dentists. There is emerging evidence, for example, that the exposure students receive to rural health care delivery through remote site training programs conducted by medical schools at the University of Washington and the University of North Carolina is having a positive influence on their decisions to enter primary care specialties and to locate their practices in rural areas. Second, the bill authorizes funding levels for the National Health Service Corps scholarship program which will result in a sharp increase in the number of scholarships available to students who agree to serve medically underserved populations following completion of training, offers financial assistance to underserved communities to help them attract health professionals, and financial incentives to health professionals to remain in such communities following completion of their service. Third, the bill authorizes funds for new area health education centers designed to train medical residents and other health professions students in remote areas, and provide continuing education to practicing health professionals in such areas.

These three mechanisms are intended to influence upperclassmen and residents through remote site training programs as to the nature and location of their future practice; to provide health services to medically underserved areas by virtue of service obligations incurred under the scholarship program; and provide access and contact with an academic health center as well as continuing education to the practicing health professional in a remote area, who all too often feels isolated both professionally and personally from his peers.

SPECIALTY MALDISTRIBUTION

The third major problem threatening the efficacy of our medical care system is specialty maldistribution of physicians. Two principal reasons exist for the present irrationality in distribution of physicians by specialty, both of which can be traced to the numbers and types of postgraduate medical residency programs available to medical school graduates today. First, institutions have a strong incentive, both financially and for prestige, to establish large, nonprimary care medical specialty programs; and second, programs and positions in specialty or subspecialty training are approved by a plethora of residency review committees with no meaningful effort to coordinate the number of positions with the number of U.S. medical school graduates or to achieve a reasonable proportion of positions available in the various specialties. In addition, as I discussed earlier, most undergraduate and postgraduate medical education programs are not geared to primary medical care. The net result is a serious shortage of primary care physicians and an ever increasing number of physicians who specialize in the nonprimary specialties and subspecialties.

This bill would influence the specialty ratio in three ways: First, it would encourage the training of physicians with the specialty of family medicine by authorizing funds to establish family medicine departments within medical schools and to provide traineeships for residents in family medicine. Second, it would provide remote site training for residents in internal medicine, general pediatrics, family medicine, obstetrics and gynecology, and psychiatry within area health education centers. Third, a provision limiting and coordinating the numbers and types of medical residency training programs, which I will discuss in a moment, will have a significant impact upon the types of specialty residencies offered in this country.

FOREIGN MEDICAL GRADUATES

The fourth problem which this bill addresses is the increasing and unnecessary reliance on graduates of foreign medical schools to provide health services in the United States. Foreign medical graduates, whose ability to deliver quality medical care is questionable, now constitute more than 20 percent of the active physicians practicing in the United States today and comprise an even larger percentage of certain medical specialties. By 1990, according to HEW projections, foreign medical graduates will constitute one-third of the physicians practicing in the United States. Although some FMG's are U.S. citizens who attended medical schools abroad, the vast majority of these foreign medical graduates enter the United States as immigrants and as postgraduate physician trainees under exchange study programs, ostensibly to receive advanced training in the United States and then to return to their native countries. Unfortunately, both for the quality of health care in this country and that of many foreign nations, too many foreign medical graduates choose to remain in this country following training.

The problem of FMG's is a sensitive one which must be confronted. Test scores indicate that the majority of foreign medical graduates simply are not qualified, by U.S. standards, to provide quality health care. For example, during 1970 through 1973, over 70 percent of graduates of foreign medical schools failed part I of the National Board of Medical Examiners. The failure rate for graduates of U.S. medical schools during this same period was 15 percent. Moreover, even if the quality of care provided by FMG's was not open to question, the ability of persons who do not speak the English language well must be questioned.

The single overriding factor leading to the increasing numbers of FMG's migrating to the United States is the proliferation of postgraduate residency training positions. In 1973, there were nearly twice as many first-year positions offered as there were graduates of U.S. medical schools; foreign medical graduates filled nearly a third of those positions. In the specialties of pathology and anesthesiology more than half of the residency positions are filled by FMG's.

This bill contains two provisions which would affect the foreign medical graduate problem. First, it contains a new provision which would establish a limit on postgraduate medical residency positions of 125 percent of U.S. medical school graduates. Such a limitation would severely curtail the number of foreign medical graduates seeking and obtaining residency training in the United States by nearly halving the number of such training positions. The provision would also require particular attention to geographic location of residency programs and the distribution of primary care specialty programs. Although not mandated by the bill, it is hoped that at least 50 percent of the designated positions will be in primary care specialties.

Second, H.R. 5546 contains a one time only program to provide remedial training for U.S. citizens who wish to transfer from foreign medical schools to U.S. medical schools. While the committee does not wish to encourage U.S. citizens to seek medical education abroad, and for this reason intends to authorize funds for this purpose for 3 years only, we do feel that given the proposed limitation on residency positions and the numbers of U.S. citizens presently enrolled in foreign medical schools an opportunity to transfer to U.S. schools should be available.

Mr. Chairman, other provisions of this legislation would continue assistance for allied health professions schools and programs, construction authority, financial distress grants and startup grants for schools of the health professions, special project grants for emergency medical services training, disadvantaged student recruitment and training, and computer technology programs.

Mr. Chairman, this bill represents an effort by the committee to remain mindful of the current economic situation while at the same time dealing in a substantive, responsible way with the current national needs and priorities in health manpower education. The authorization level for fiscal 1976 of $516 million is below the $541.4 million appropriated for fiscal year 1974. The 3-year total authorization level of $1.76 billion is only $611.9 million over the fiscal 1974 authorization of $1.148 billion.

H.R. 5546 represents a middle ground between those who believe that schools and students of the health professions should pay the total costs of their education and those who believe that because such schools and students are national resources, Federal or State government should pay virtually the entire costs of health professions education. The subcommittee considered, and rejected a provision which in effect would have required that every student sign an agreement to practice in medically underserved areas and would have tied institutional support to those service agreements. We considered providing the schools with unencumbered institutional support and rejected that proposal. This bill would place a minimal lien on the academic freedom of health professions schools by requiring that such schools either increase enrollment, modify enrollment characteristics, or operate special training programs in exchange for millions of dollars in Federal support. It would also require those students, who, upon graduation decide not to devote a period of time to providing needed health services to medically underserved populations to repay to the Federal Government that portion of their educational costs supported by Federal capitation support.

Mr. Chairman, this measure is vital to the continuation and improvement of health care in this Nation. It will assure the production of quality health manpower, and the redistribution of that manpower both geographically and by specialty. This legislation builds upon the commitment by the Federal Government initiated more than a decade ago that quality education is essential to the production of quality health manpower, modifying that commitment to take into consideration changing needs. I urge adoption of the bill.

I would now yield to the gentleman from Texas (Mr. DE LA GARZA) for a question.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding. I wanted to clear up something, at least in my mind, with the pay back provision of students.

I am not sure if the loan is made to the medical school, I mean, the grant is made to the medical school. Is that assigned specifically to one student and he is paying back what he was loaned or is it made to the school and he was paying back proportionwise?

Mr. ROGERS. The legislation would provide approximately $2,000 to the school for each student that goes to that school. If they have 400 students, they would get $2,000 times 400.

The students are direct beneficiaries of capitation awards. I am sure the gentleman knows that the Federal Government provides about 45 percent of medical school support; we are not asking them to pay back 45 percent of their education cost by any means. All we are doing is asking that they serve the national need, or else, repay back the $2,000, which is the capitation amount.

There is no other educational support by the Federal Government comparable to this given to medical students, so we have selected this amount of $2,000 and say of this amount, "Now, if you do not want to meet the national need and go where you are needed; if you want to make a lot of money—and there is nothing wrong with that—that is your privilege. Then you must pay it back."

Mr. DE LA GARZA. The question is that *x* medical school charges $2,000 tuition. I go, and I pay the $2,000 tuition. Student B is given a grant by the school. Does that mean that both of us would pay $2,000 per year back regardless?

Mr. ROGERS. Let me explain this. Everyone is treated the same. In other words, they all have to pay tuition, and they would all agree that this amount is in addition to whatever tuition the school charges. The reason we established this program was because 60 medical schools—out of 110 were in financial distress.

So, we worked it out where we would give so much for each student. They pay tuition. The schools have told us that if we do away with capitation they are going to have to go up with tuition, so it is essentially a deferred tuition payment. But, everyone would be treated the same.

The student cannot get into the school unless he pays his tuition, so he may have to go out and obtain a loan for that. It could be considered as just additional tuition, but it can be forgiven. He does not have to pay it back if he will go out where he is needed. I think we have worked out a good provision. An alternative—and I think Members will be interested in this—which has been proposed is mandatory service, and we do not want to do that.

Mr. DE LA GARZA. The next question I have is, if a student borrows from the student loan and it says he can repay by practicing in a certain specified area, is this combined with the $2,000, or does he have to go another year? He has a capitation on one side and he has a loan on the other side. Does he repay them separately?

Mr. ROGERS. In effect, yes, but there are forgiveness provisions. If they go to critically short areas, that would be handled, but I think it probably would be kept separate, yes.

Mr. DE LA GARZA. Which would mean that he would have to put 1 year on the capitation for $2,000 and another year for the loan?

Mr. ROGERS. No, no. They can be concurrent.

Mr. DE LA GARZA. They can be concurrent?

Mr. ROGERS. Yes.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New York.

Mr. HASTINGS. Mr. Chairman, on that question I think it is important to state that in a recent GAO study, there have been practically no applicants at all for the student loan forgiveness the gentleman is talking about. What has happened is that under the 1970 Act we were hoping that would encourage people to go into underserved areas. As a matter of practice, students have not applied for and have not been willing to accept the payback provision for service in underserved areas, so we find that actually there are relatively few medical students who have chosen to go in that direction.

Mr. DE LA GARZA. Mr. Chairman, if the gentleman will yield further, probably the very few who do come from my area. That is the problem.

I wanted to ask another question of the gentleman. This concerns the residency, so that foreign medical graduates avail themselves of it. My question is, is this limited to foreign graduates or to foreign students, because we have many U.S. citizens who, I think all of us agree, there are not enough medical schools for people who want to attend, so some are of necessity forced to go to other countries.

Does it apply to the graduate, or to the student? Would a U.S. citizen graduate of a medical school in a foreign country be given an opportunity equal to the domestic graduate?

Mr. ROGERS. What we are trying to do there is to limit the number of first-year post-graduate medical residencies to 125 percent of the graduating classes of all U.S. medical schools. In other words, you take care of every American graduate, and it is continually going up; and in addition to that, we are saying 25 percent above that.

We are also encouraging the American schools to take in Americans who go overseas and come back in their third year, to bring them back in, because we find the education is much better in this country. There are exceptions, of course. But we have designed that program to bring them in the third year. Then they would be considered American graduates under the 100 percent, but in addition to that, we have this 25 percent leeway. But that would take care of foreign medical graduates who pass all of the examinations with high standards, so that those residencies would apply to them, too.

Mr. DE LA GARZA. I appreciate the gentleman's remarks very much. In my area we have a tremendous shortage of doctors, but I am also concerned for the students, I want to do all I can possibly do to get more doctors for my area of Texas. This is a very close issue. I agree with the gentleman and I have decided, that getting more doctors far outweighs the small limitation of the legislation, therefore I would support the gentleman in his endeavor.

Mr. ROGERS. I thank the gentleman for his support.

Mr. SATTERFIELD. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. Yes, I yield to the gentleman.

Mr. SATTERFIELD. To get back to the question of grants, is it not a fact that the capitation grant is not specifically earmarked for student scholarship funds?

Mr. ROGERS. It goes to the university to provide quality education, that is correct.

Mr. SATTERFIELD. Is it not a fact that it also goes to the university upon the condition that it enlarges its enrollment?

Mr. ROGERS. That is one of the options to get them to train more physicians.

Mr. SATTERFIELD. But it does not specifically go to the university to be a part of the student loan fund?

Mr. ROGERS. If they need it for that, they can use it for that. It is at the discretion of the school.

Mr. SATTERFIELD. It is not specifically required to be used for that purpose under the statute, or under the bill?

Mr. ROGERS. No. It was never designed to do that. This is designed so the schools can provide quality education for the doctors who are going to treat the American public.

Mr. SATTERFIELD. Am I correct that there is no requirement on the part of the educational institution receiving a capitation grant to repay any part of it?

Mr. ROGERS. No, it is not on the part of the school. It would be on the part of the student if he does not meet the national need. If he just wants to go out and not be concerned with trying to serve the people where there is a critical shortage, then we are asking him—and we think it is fair—to pay back what was paid to educate him.

Mr. SATTERFIELD. Assuming we pass this bill before us.

Mr. ROGERS. We passed it last year.

Mr. SATTERFIELD. But that was not in there?

Mr. ROGERS. Oh, yes.

Mr. SATTERFIELD. I thank the gentleman.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. Yes, I yield to the gentleman.

Mr. ROBERTS. On page 18, section 206, there is reference to the Soldiers' and Sailors' Relief Act, which involves the service of people under the Public Health Service of the Soldiers' and Sailors' Relief Act, which of course, is under the exclusive jurisdiction of the Committee on Veterans' Affairs. It is not really essential to the legislation, and I hope it will be deleted either in this body or in the other body.

Mr. ROGERS. I thank the gentleman for mentioning that. As I mentioned to the gentleman before, I certainly would be glad to enter into some correspondence with him stating that it is in the jurisdiction of his committee.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, are students who are in training to be pharmacists included in this capitation provision?

Mr. ROGERS. They are. That is one of the professions to which we give grants and support. Of course, it is a lesser amount.

Mr. HAMMERSCHMIDT. What is that amount?

Mr. ROGERS. I believe it is $700 per student per year.

Mr. HAMMERSCHMIDT. Mr. Chairman, if the gentleman will yield further, does the gentleman's testimony and information show that there is a geographical maldistribution of pharmacists across the Nation?

Mr. ROGERS. Yes. I think we will find, however, an attempt to get pharmacists to do a little more now. We are getting them to work as a part of a team with other health professionals, not just in drug stores. This is an effort to accomplish that, too.

Mr. HAMMERSCHMIDT. Are there any sort of penalty provisions for pharmacists, as to where they are located, contained in this bill?

Mr. ROGERS. I do not think there is any penalty.

Mr. HAMMERSCHMIDT. I mean is there any payback provision?

Mr. ROGERS. Yes, there would be a payback provision.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman describe how that would be promulgated?

Mr. ROGERS. Well, in the same way as has been explained. Either they pay it back or, if they go where there is a need, they would not pay it back.

Mr. HAMMERSCHMIDT. And that amount would be what?

Mr. ROGERS. $700 a year.

Mr. HAMMERSCHMIDT. And that need would be set out by the Secretary, as to where the need is?

Mr. ROGERS. The gentleman is correct.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Chairman, in relation to the payback provision, will the gentleman explain what the practice is on the payback? The payback is to whom, the Government or the school?

Mr. ROGERS. The payback goes back to the Government because the Government is making a direct payment to the school. This will help cut down future expenditures, we hope, in effect by having some of this money returning to the Treasury.

I think if the gentleman is concerned about Federal expenditures, he will want to support this provision.

Mr. MYERS of Pennsylvania. Mr. Chairman, to get to the discussion of this payback fee, can that be made to the school in lieu of being paid back to the Government, as a possible incentive for the school's involvement in providing the need and the drive for doctors to locate where the need is and to facilitate this program?

Mr. ROGERS. Yes.

Mr. MYERS of Pennsylvania. Mr. Chairman, that is what I think we are trying to do. I think there would be some sort of allegiance by the graduates along that line if they can go back and help the school as well as help themselves. I think that would be a feature of the provision we could use to our advantage.

Mr. ROGERS. Mr. Chairman, as a matter of fact, we did consider that, but the schools basically would not want to get into the administration of payback mechanisms. This was one of the problems. However, I think they will know this money is going back into the Federal Government in effect to be rechanneled into the schools supporting the program.

Mr. MYERS of Pennsylvania. Further developing the same line, was there any consideration given to improving the participation level of funding by schools which have a higher degree of success in training doctors and medical graduates who have actually located in the areas of need?

Mr. ROGERS. Yes. We have designed programs such as the National Health Service Corps that we have found to be effective in doing that. We also use a loan forgiveness program here which gets them out. We are also asking the colleges to train students for a certain number of weeks outside the cloistered halls of the university to expose them to the outside, just as they are doing in the northwestern part of Washington. That program has been very effective. We find that when they have been exposed in that fashion, many of them are going back to those areas.

Mr. MYERS of Pennsylvania. But in this repayment capitation, there was consideration that, for instance, the school which had a higher percentage of doctors located in the areas of need would get a greater capitation rate in the following year?

Mr. ROGERS. No. I think that is a good idea, but the committee did not include any provision such as that. I think that has some merit. and perhaps the committee will look into that feature shortly.

Mr. MYERS of Pennsylvania. Mr. Chairman, I would hope they will.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, these loans that are made are in the amount of $2,000 a year; is that correct?

Mr. ROGERS. About $2,000.

Mr. SKUBITZ. About $2,000. Is that loan made directly to the university and the university then loans it out to a student? Is that right?

Mr. ROGERS. No, it is not designed in that way.

We have been asked: What is this? This is support to the school. This is capitation support money for each student who attends that school. Now, that money is used to support the education of each student.

Mr. ROGERS. Does the gentleman wish to ask another question?

Mr. SKUBITZ. Yes. If a student refuses to go into an area and practice medicine but chooses to go elsewhere, he may do so?

Mr. ROGERS. He may do so.

Mr. SKUBITZ. And he must repay the money?

Mr. ROGERS. He would repay the $2,000 for each year.

Mr. SKUBITZ. Is that with interest or not?

Mr. ROGERS. It is interest-free.

Mr. SKUBITZ. In other words, he gets an interest-free loan of $8,000 or $10,000 from the Government, then, to carry on his education?

Mr. ROGERS. That is correct.

Mr. CARTER. Mr. Chairman, if the gentleman will yield, I would like to respond to that.

That money goes to the school. It does not go to the student. He pays back to the school. The school is really an agent for collection and sends it back to the Federal Government. That is the way it is.

Mr. SKUBITZ. I understand that. Is this an interest-free loan?

Mr. ROGERS. Yes, it is.

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there are some portions of this manpower bill which I strongly support, and some which, at the same time, I think should be amended.

I strongly support capitation grants to the schools throughout our country to enable them to educate many much-needed physicians, dentists, osteopaths, podiatrists, optometrists, veterinarians, and pharmacists.

As we know, we have had a shortage of health personnel throughout many years. Capitation has done much toward supplying the need in increasing the numbers and the quality.

I support the National Health Service Corps program and the National Health Scholarship Training program.

However, there are portions of the bill which are extremely objectionable, and I mention the payback provision by which those members of the MODVOPP; that is, medicine, osteopathy, dentistry, veterinarians, optometrists, podiatrists, and pharmacists, would pay back the capitation which is granted to the school and not to the person, just as grants are made to schools or to land-grant colleges throughout our country.

These capitation grants do not go to the students themselves personally, but they go to the schools.

Most of us realize that we do have a shortage of physicians. Although there are 400,000 in the country at the present time, there are only 327,000 of them actually practicing medicine today.

At the present time, it costs on an average of $10,000 for each student each year who goes to medical school. Georgetown University has a charge or a fee of $5,000 each year; George Washington University, $5,000; Duke University, $3,500.

If we take the cost, actually, of going to medical school, it would be approximately $40,000 which it would cost an individual to go to school. When we add to that the $8,000 capitation which is granted to the school, it leaves the student, when he comes out, owing on an average of $42,000. When he takes up practice, he must buy X-ray equipment, he must buy laboratory equipment, and he must equip his office. In addition to this, he has to pay malpractice insurance, which we know has gone up tremendously in the past several years. It is no less than $3,000 for almost any physician, and for those with specialities such as anesthesiology or neurosurgery, it goes up from $18,000 to $30,000 per year.

Mr. Chairman, I want to say that, if we add this $8,000 which the student actually has not borrowed and require him to start payment the first year after he gets out of his residency and goes into private practice, we are going to place upon him a burden that he cannot bear.

I feel that just as other students are helped to go to land grant colleges—and our committee report, if the Members have read it carefully, shows that they pay only 14 percent of the cost of their educations. Physicians, it is true, pay only 10 percent, but they are a group which is quite necessary to the welfare of our country.

It has been said by someone that:

On the brink of danger, and not before,
God and the doctor you adore.
When the danger is over, and all is righted,
God is forgotten and the doctor slighted.

I do not want to add to the burden or to increase the burden on the young physician when he comes out. I do not feel that we should do this.

In the past 10 years our medical schools have increased in number from 80 odd to 114, and within the ensuing year or so four more will come into existence. By the same token, schools for other health professions have increased in number.

I support the National Health Service Corps program, and the National Health Scholarship Training program, since it will provide an adequate scholarship for each student for 4 years who agrees to go to either a ghetto or a deprived area. It seems that these two areas must be linked together in obtaining assistance for it is difficult to get physicians to go to those areas, so there must be an increased incentive for them.

The bill provides $30 million for 1976, $36 million for 1977, and $45 million for 1978.

Over a 4-year period, if the scholarships—that is, the National Health Scholarships—are provided, there should be approximately 3,000 physicians who will go into deprived areas. After 5 years, at a cost of approximately $10,000 a year, there should be about 3,600 physicians going into deprived areas, and after 6 years, 4,500.

By the National Health Scholarship program I submit we should in the near future develop a sufficient number of physicians, dentists, podiatrists, optometrists, and other personnel, for the deprived areas.

Of course there are some who oppose the capitation program, and I regret this. As I have previously stated, the number of graduates has increased, the number of schools has increased, and if capitation is not continued Deans of the various medical schools tell me that many of their schools will not survive. Therefore I strongly support the capitation program, and I oppose the payback.

One of the things that really shows the inequity of our present legislation is that every student who goes to a medical school will be required to pay back the $2,000 a year which is given to the school for medical education. He himself does not borrow that money, it goes to the school, yet he will be required to pay it back.

At the same time we are giving $10,000 to National Health Corps personnel each year to go to school, and then if the student afterwards goes to a deprived area he is forgiven the $40,000 which we pay him. It seems to me that this is inequitable, and it is unfair. We are going to have sufficient National Health Service Corps personnel to supply the needs in the rural areas. Now, by requiring this capitation payback, if we go into it, we are mandating, we are telling these people, the students in the medical schools that they have to pay back, or go to ghettos or rural areas. This procedure has failed in both Russia and China. I do not feel we should follow in their footsteps.

This will not work in America. We cannot force students really who do not want to go to a certain area to go to that area, or we should not do it. We have had Federal aid to education for many years and, as I brought out before, although medical students pay only 10 percent of their cost of education, I submit that agricultural students only pay 14 percent.

Mr. Chairman, I support this legislation. However, it does have need of many amendments, and at the proper time I shall support or, if necessary, offer them.

Mr. Chairman, I reserve the remainder of my time.

Mr. ROGERS. Mr. Chairman, I yield such time as he may consume to the distinguished member of the subcommittee, the gentleman from Virginia (Mr. SATTERFIELD).

Mr. SATTERFIELD. Mr. Chairman, I support the general objectives of the Health Manpower Act and of this bill insofar as it insures the continued supply of needed health professionals and upgrading the quality of medical schools.

I rise, however, to address and state my opposition to one of its provisions. I refer to the so-called payback provision contained in the health manpower bill, H.R. 5546, which would force health professional students to obligate themselves for the repayment of U.S. grants to health professions schools.

At the appropriate time I intend to move the elimination of this provision. Let me outline the reasons for my opposition.

During its consideration of health manpower legislation the Committee on Interstate and Foreign Commerce identified nine major issues which affect the quality, quantity, and distribution of health services. The first issue was the need to insure financial stability of health professions schools and to increase manpower supply. The Comprehensive Health Manpower Training Act of 1971 had authorized institutional assistance in the form of certain formula grants, termed "capitation" grants since they were based upon established amounts per student per year. The capitation grant was created primarily to increase the number of medical school graduates to meet a projected shortage of 50,000 doctors. In order to receive this institutional support the school had to expand its enrollment according to precise formulas as quid pro quo for the grant. It also had to agree to maintain the non-Federal financial effort, and to conduct certain programs responsive to national needs. Since the 1971 act it has been recognized that capitation grants have been remarkably effective in stabilizing the financial condition of health professions schools and in increasing health manpower supply.

The current health manpower bill, H.R. 5546, extends the capitation program, and the requirements I have mentioned. It adds, however, a new and unprecedented condition to eligibility, commonly though inaptly referred to as the payback provision, which would force every student in health professional schools seeking capitation grants to agree to reimburse the Federal Treasury for capitation grants paid to such schools.

Briefly, the bill would require such institutions to enter into a legally enforceable contract with each student enrolled for a school year beginning after June 30, 1976. Under that contract the student would have to obligate himself to pay to the United States, in equal annual installments, an amount equivalent to the total of capitation grants received by the schools after June 30, 1976, on account of his enrollment. Payment would commence for health professional graduates, who enter internship, residency, or other advanced clinical training during the first calendar year which begins more than 11 months after the completion of such internship, residency or other advanced clinical training. The number of annual installments due would be equal to the number of fiscal years in which the school received such capitation grants.

Included in that contract would be a provision whereby the graduate could avoid an annual payment in cash money provided he performed in lieu thereof, full time professional service, for a full year, in a medically underserved area designated by the Secretary of Health, Education, and Welfare.

This "payback" mechanism according to the committee report is predicated upon three premises, to wit: First, the repayment of institutional support should be made when health professionals are able to afford such an obligation in view of the high earning potential of health professions students; second, since health professions schools are the only schools in the United States to receive direct relatively unencumbered Federal subsidies, repayment of such support is not unreasonable; and third, the "forgiveness" feature of the repayment provision will "encourage" health professionals to voluntarily locate their practices in medically underserved areas, thereby helping solve the problem of geographic maldistribution of health professionals.

Before discussing the legal and policy defects in this "payback" mechanism, let us examine the soundness of the aforementioned three premises on which it is based. The first premise is defective because, whereas it is undeniable that health professionals have a high earning potential, the recapture of these capitation grants is deliberately designed to come during that period when health professionals are least able to afford payment in cash money. On the contrary, the first annual installment would be payable in the first calendar year beginning more than 11 months after the month in which the student completed or terminated his study or internship, residency, or other advanced clinical training.

It does not require clairvoyance to perceive the purpose of the "payback" provision or to anticipate the economic situation of the average health professional at the critical time when he must determine if the can afford to pay this debt with money, or whether he must satisfy it by performing a term of professional service. Coming as it does, so soon after completion of training, the obligated individual will be struggling, no doubt, to repay debts incurred in connection with his education, and to meet the high costs of equipping his office, establishing his practice, paying malpractice and other insurance premiums, and perhaps of supporting a family out of an income which would not yet have reached a level high enough to produce economic freedom. It should be patently clear that the financial condition of many of these graduates at that time will be so strained that the additional burden of meeting the first annual installment due upon the debt incurred under the "payback" provision might well prove to be more than his pocketbook can bear, and that performance of a term of professional service would be the only practical means available to him to satisfy that debt. I believe that it is precisely this expectation which accounts for inclusion of the "payback" provision in this bill.

Hence, both career realities and the legislative provisions are inconsistent with the expressed basis of the first premise, but are in harmony with the true cornerstone or the "payback" provision, namely its anticipated impact on the geographic maldistribution of health professionals.

The second premise, which attempts to justify repayment of direct subsidies to the institutions, is irrelevant on its face. The grants flow from the Federal Government directly to the institutions. They are not delivered to the student or otherwise available to him for his use either for scholarship or for tuition. The student, who would thus become the ultimate guarantor of the grant of Federal funds, could not be said to be privy to the basic grant transaction between the school and the Secretary of HEW. He would have no voice in the decision of the school with respect to enlarging its enrollment or its application for such grants, nor would he have the right or opportunity to participate in the Secretary's consideration of that application. He would have no control over the awarding of the grant, its amount or the number of years for which it will be made. There would be no privity on the part of the student to this transaction which would ostensibly constitute the basis for incurring this debt.

Of course, much has been said by proponents of the inherent fiscal soundness of the "payback" mechanism as an ultimate reduction in the cost of the Federal subsidies. That assertion, conveniently ignores the reality that the burden of this debt will impact at the point when career earnings are at their lowest level. If repayment is really the goal then why did not the framers of this proposal set the time for repayment at a point in time when the earning capacity of the physician would offer the best prospect of recovery of the funds paid out? No—that assertion attempts to confuse entirely separate questions of the level and effect of Federal subsidies, on the one hand, with that of the propriety of the payback mechanism on the other.

If, instead of the funding method and repayment device employed here, provision were made for voluntary acceptance of loans or scholarships which were to be repaid, with interest, during a reasonable time frame, then I might be more inclined to support such an approach. Naturally, the level of funds available under that approach as well as the one in the bill could be questioned on its own merits in terms of our Federal economic situation. However, I do not argue here the question of the level of Federal funds authorized for subsidies in the furtherance of the goals of this bill, but instead focus narrowly on the payback provision itself.

The third premise of the payback mechanism, that of its impact on geographic maldistribution by dint of the option feature for alternative service, reveals the true reason for the payback provision. That is to say, it is anticipated that the payback mechanism will breathe life into the alternative service. Some proponents in order to justify this insidious scheme may therefore euphemistically refer to it as an incentive to solve the problem of geographic maldistribution of health professionals. Aside from the fact that the scheme does not embrace a positive incentive, it is elementary that a policy, whatever its intrinsic worth or desired end, can be implemented only by legal means.

However, saving legal objections for later, I hold that this premise is defective in that it is unnecessary. This is so because the committee has chosen to attack the problem of geographical distribution through the substantial expansion of three promising methods of the use of public funds, which, in the committee's view, will result in the voluntary infusion of substantial numbers of physicians and other health professionals into rural and urban medically underserved areas. First, the bill authorizes funding levels for the National Health Service Corps program, which will result in a sharp increase in the number of scholarships available to students who agree to serve medically underserved populations following completion of their training.

Second, the bill authorizes schools of medicine, osteopathy, and dentistry to be eligible for capitation support if they submit, and have approved, plans whereby at least one-half of their graduates will receive at least 6 weeks of their training in ambulatory care settings remote from the main teaching site. Third, the bill authorizes funds for new Area Health Education Centers (AHECs) designed to train residents in remote sites, retrain personnel living in remote areas, provide continuing education to practicing health professionals in such areas and provide education to residents of such areas on the availability and appropriate use of health services.

In order to further show the lack of need for this involuntary approach, let me direct your attention to the most important of the voluntary approaches contained in the bill, the National Health Service Corps. Perhaps the committee report states its value best when it says at page 29:

> It is the view of this Committee that the National Health Service Corps Program, coupled with the scholarship program, represents the most effective legislative mechanism ever developed by the Congress in its attempts to solve the growing problem of geographic maldistribution of health professionals in the United States. . . . the Program has already attracted 405 health professionals into rural and inner city areas experiencing acute health manpower shortages, and the percentage of personnel remaining in these areas after completing their assignments has been remarkable. The potential of the Program is (sic) such that, if adequate funding continues, it will serve to attract several thousand health professionals to provide much needed care to medically underserved populations in the foreseeable future.
>
> Thus, the Committee has chosen to extend the NHSC program and the scholarship program at levels reflecting the potential of the National Health Service Corps. The bill authorizes $30 million for fiscal year 1976, $36 million for fiscal year 1977, and $45 million for fiscal year 1978 for the operation of that program. It also authorizes $40 million for fiscal year 1976, $80 million for fiscal year 1977 and $120 million for fiscal year 1978 for the scholarship program.

The report at page 31 contains further observations which demonstrate that the "payback" feature with its alternative service is unnecessary when it says:

> If provided sufficient funds by the Congress and impetus by the executive branch, the Corps will make major inroads on the geographic maldistribution of health professionals and will render unnecessary the so-called mandatory service provisions espoused (sic) by some.

Having disposed of the justification for the "payback" provision by showing the three premises to be irrelevant, unnecessary, and without substance, I shall now turn to the legal and policy objections to this mechanism.

A basic objection to the "payback" provision is its effect upon the right of a citizen to pursue a legitimate profession. This is a fundamental right of citizenship secured and protected by the U.S. Constitution. Although, as is the case with most liberties, this is not an absolute right, it is subject only to the reasonable and necessary regulatory powers of Government. The question presented here is whether the Federal Government, as a condition to awarding capitation grants to an educational institution, can properly require either a prospective or previously enrolled student to obligate himself by contract under the "paycheck" provision as a condition precedent to the academic pursuit of his profession. It seems clear to me that this restrictive condition is neither reasonable nor necessary, and that it represents an unconstitutional infringement upon the rights of every individual who would be affected by it.

With regard to students who are enrolled in an affected school prior to the effective date of this provision, an additional constitutional right is involved. On account of their having begun their course of study in a health professional school they have acquired a protected property interest, or entitlement, which represents expectations of interest of which they may not be deprived without procedural due process being observed. A forced contract, such as the one envisioned by this provision of the bill, entered into by the student to avoid the loss of this entitlement, does not comport with due process.

There would be no adequate legal consideration given by the school to support the contractual price allegedly owed to the Federal Government by the student. The student, by incurring a debt to the United States is not assuming an obligation of the school, for it is not obligated to repay capitation grant funds it receives. Neither can it be said that the student would be helping to defray the costs of his education since the transaction between the school and the Secretary of HEW to which the debt is tied does not create or constitute an item of cost to the school. In this sense it may be said that the debt, foisted upon the student by statute is "created out of the whole cloth."

What benefit is there to the student from the school on account of his incurring a debt in question which would not otherwise be available to him? What legal detriment would the school suffer as consideration for the student incurring this obligation? Surely it cannot be contended seriously that such consideration can be inferred from the mere fact that the school would refrain from summarily rejecting his application for enrollment. Since execution of the contract is neither the sole nor controlling requirement for acceptance, such an argument is without substance and clearly spurious. Can there be any question but that such a contract imposed upon a student by his school in the absence of this provision would be invalid? What then is there in H.R. 5546 which would suddenly make it valid? Surely, it cannot be contended that the mere establishment of a statutory mandate would supply the missing ingredient.

The supposedly legally enforceable payback is violative of a fundamental principle of contract law in that it would not be entered into freely, voluntarily, and without duress, thereby rendering it invalid and unenforceable. In light of the circumstances which the payback provision would create for both the affected school and student, there is serious doubt that this legal requirement could be met. Having altered their financial position in reliance upon existing law and the reasonable expectation of continuing capitation grants, the sudden threat of their elimination by enactment of this provision would raise the specter of economic loss which few schools, if any, could afford to absorb. Under these circumstances, can there be any doubt that such school would have practical alternative but to demand the execution of a payback contract by its students?

The situation created by this provision with respect to the student is even more apparent. Upon applying for enrollment in an affected school, the student would be confronted by a nonnegotiable ultimatum, to sign the payback agreement or else. The "or else" in this case would mean abandoning one's aspirations of becoming a health professional, and it would mean discarding the years of preparation for this chosen professional education. For the student who has already entered upon his professional studies it would mean all of that, together with disenrollment in midcourse with all the traumatic frustrations which that prospect would produce.

This penalty which this provision would impose upon the student, should he refuse to sign a payback agreement, is of such severity as to render it prohibitive. Under that circumstance it cannot be argued successfully that the student would be able to make a free and voluntary decision whether to sign the payback contract or not, nor can it be argued that his action, should he sign it, would have been free of duress.

There is another facet to this provision which strikes at its constitutionality. By enacting it, Congress would seek to impose upon a specific class of U.S. citizens, through the guise of contract, the burden of financing duly authorized and appropriated grants of general funds from the U.S. Treasury. With this device Congress would be attempting to do indirectly that which it cannot do directly by the imposition of a tax upon that specific class of citizens in order to achieve the same goal.

A major policy objection to the payback provision is that it would be discriminatory in its effect in that it would operate most coercively as a financial burden for disadvantaged students, who would have no practical choice except to opt for alternative service.

Another significant policy objection is that it would be counterproductive in that it would increase consumer health expenses by causing pass-through of these additional costs entailed by the payback provision by those who would not go into alternative service.

In closing, it should be emphasized that the matter of the large Federal subsidies which health professions schools receive is a separate issue which should be argued on its own merits, and not used as a smoke screen to obscure the real nature of the payback mechanism. Also, the matter of the earning potential for health professionals is a red herring to conceal the fact that the repayment comes at a time when it would cause great financial difficulties, thereby forcing many health professionals into alternative service.

Lastly, the voluntary approaches to the problem of geographic maldistribution promise great success. For example, some 1,800 scholarships for the National Health Service Corps have been awarded thus far. When scholarship recipients graduate, they will have a major positive impact on geographic maldistribution of health professions. Therefore, there is no need to attempt to have an involuntary device like the payback provision, which is offensive to our concept of a free society.

This provision violates the spirit, if not the letter of the Constitution and the individual rights it seeks to establish, preserve and protect. It should be eliminated from the bill.

Mr. ROGERS. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Chairman, I should like to address myself particularly to the capitation payback provision. I think it is clear that medical students get a very substantial amount of subsidization for their education, far more than any other profession. Estimates range from 45 percent to 70 percent. This raises the question of fairness to the taxpayers. Also, while this subsidization has resulted in creating more doctors, a desirable goal in itself, it has done nothing about solving the maldistribution problem.

The payback provision in this bill addresses these two problems. One, it addresses the maldistribution problem in that the forgiveness-for-service provision will encourage students to go into underserved areas.

A second problem I think we need to understand, and it is one of the things that troubles me most about this bill, and that is the "reverse subsidy" provision in it. The taxpayers are going to say to us, "why are we paying for the education of a profession that is earning $52,000 on the average when our average income is $11,000? This is reverse subsidy—the poor helping the well-to-do." So while maybe we have heard a lot from the medical associations and from medical students about striking out the payback provision, let me assure the Members that we are going to hear from the taxpayers in the long run as to why we do not require some sort of payback provision.

Why have any capitation provision if reverse subsidy is so bad? The excuse is that it is in the national interest to produce more doctors, and capitation does that. If we cut off capitation immediately, at least 30 medical schools would close. Yet ultimately we must address the reverse subsidy problem. This provision does that, while also addressing the maldistribution problem.

One point I want to make that I think the gentleman from Arkansas (Mr. HAMMERSCHMIDT) dealt with earlier, is the question of pharmacists. Most pharmacists come from lower-income families than do most medical students, so their ability to repay is less. Of course, they are asked to repay a smaller amount. They are asked to repay $700 rather than $2,000. But they earn a much smaller income, on the average somewhere around $18,000 compared to the doctors' $52,000. Another problem with repayment of capitation by pharmacists is that the maldistribution rationale is not as applicable. They are pretty widely distributed right now. There is not a great maldistribution problem as to pharmacists. So I think we must review the pharmacists' situation in the future. If this is working a hardship on them, and restricts admissions, I think we may want to exempt them. It does raise troublesome policy questions to exempt one group of health providers while including all others.

One way the pharmacists can be helped is by making more National Health Service scholarships available to them.

Under present practice the National Health Service scholarship money is primarily going to physicians and dentists, and very little of it is going to pharmacists. Thus, pharmacists do not have the opportunities for forgiveness of their capitation payments that are available to doctors and dentists. I think we need more of this to go to the pharmacists, and one change we made in the bill is to say the National Health Service scholarships should be awarded on the basis of population rather than on the basis of areas, and I think this will make it possible for pharmacists to receive more of the scholarships and therefore to achieve forgiveness of their loans. It would be most unfair if all other health providers had the opportunity for forgiveness of their loans but pharmacists did not.

This has been called to the attention of HEW during the hearings, and our committee will be watching developments in this area.

Mr. CARTER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York.

Mr. HASTINGS. Mr. Chairman, I think it would be well for us to review capitation so there is a clear understanding by the membership as to precisely what capitation is. Capitation was first written into the health manpower law in the 1970 act to provide assistance to the various health profession schools in the country. One of the major reasons why capitation was written in was to provide health professionals in short supply throughout the country.

I might say in anticipation of congressional action in the future national health insurance, that there was grave concern that there was and is a grave shortage of certain health professionals. So Congress in its wisdom decided to help only the schools for health professionals, and it should be well understood no other educational institutions in the country receive capitation in addition to the other Federal subsidies for education in that school. None except the health profession schools receive capitation assistance.

I hear arguments against payback provisions on the ground that there is no place for a person to go to serve so he can be forgiven. If that is true, then we ought to eliminate capitation for those particular professions because in the first instance we have said we are trying to create more. I think now when we say we have a very mild approach to recapture some of that Federal tax dollar in the form of subsidies, if we cannot recapture any of it because there is no place a person can go in an underserved area to serve so the person can be forgiven, then my advice and suggestion would be that we eliminate capitation for those particular health professions.

I think we ought to understand also that we are talking now about providing Federal subsidy in the form of capitation, scholarship loans, grants, construction grants, research grants which now amount to, in the case of physicians, over 50 percent of their cost of education. I might say, and I do not say it critically, that the average doctor in the country today earns $52,500 per year if he is in single practice and $65,000 a year if he is in group practice. Here we are allocating taxpayers' dollars to the tune of over 50 percent, which we do for no other profession, to the highest paid profession in the country.

It should be also very clear that the administration favors the total elimination of capitation. They say it does not go to a need and that it goes across the board regardless of need, and during our deliberations in the subcommittee the administration strongly advocated we totally eliminate capitation. The Senate on the other hand, as Chairman Rogers has pointed out, has another approach, and they say we will mandate to every graduate of every health school 100-percent draft of their future services. I do not support that. I do not support the elimination of capitation.

So what we have tried to do is to come up with a reasonable approach and say for those health personnel who will go into an underserved area, be it in the inner-city or in the rural parts of this country, we will forgive the repayment of capitation that is paid to that medical school. And understand, if the school did not receive capitation they would have to raise tuition to the students.

And understand, if the school did not receive capitation, they would have to raise tuition to the students. Call it what we will, it is student assistance in the end. We give them a period of time, of course, to pay back.

Quite frankly, I cannot understand some of the opposition here, if we look at the alternatives and, my friends, we are required to look at alternatives in this body. Alternative No. 1 is no capitation at all. Alternative No. 2 is the Senate mandate to go into service in particular areas, or the reasonable approach that we are offering to the House in this bill.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague.

Are capitation grants of $2,000 given to schools of pharmacy?

Mr. HASTINGS. No; that figure is $700 for schools of pharmacy.

Mrs. FENWICK. I see.

Mr. HASTINGS. The two categories, medical and osteopathic, receive $2,100—to $2,000. There is a graduated range. In the other professions it is a somewhat lesser amount.

Mrs. FENWICK. I thank the gentleman.

Mr. HASTINGS. Mr. Chairman, I would like to close by saying there is a legal question and a constitutional question to the capitation payback.

Now, I am not a lawyer, but I went to the American Law Division of the Library of Congress and I found this:

> Accordingly, the Government may attach reasonable conditions to its grants of financial assistance. In extending financial assistance, Congress unquestionably has power to impose such reasonable conditions on the use of granted funds or other assistance as it deems in the public interest.

The balance of the report reads as follows:

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., July 3, 1975.

To: Honorable James Hasting.
From: American Law Division.
Subject: Legal Propriety of So-Called "Payback" Provisions of H.R. 5546 (House Report No. 94–266).

Reference is made to your inquiry of June 20, 1975 requesting information on the above matter. Specifically, you ask us to rebut legal arguments in dissenting views by Rep. David E. Satterfield III and Rep. Goodloe E. Byron against the so called "payback" provisions of the Health Manpower Act of 1975 which require persons who have attended health professionals schools to reimburse the Federal Treasury for capitation grants paid to such schools on account of their enrollment if they fail to perform professional service in a medically underserved area. See House Report No. 94–266, at 255 et seq.

As described by the dissenters, the purpose of capitation grants is to provide federal funds to health professional schools in order to encourage and assist them in financing their efforts to overcome a projected health manpower shortage by enlarging their enrollments. The controverted features of the legislation in question would exact as a condition for such capitation grants that health professions institutions contract with each student enrolled therein for a school year beginning after June 30, 1976. The terms of that contract would obligate the students to pay to the United States, in equal annual installments, an amount equivalent to the total of capitation grants received by the schools after June 30, 1976, on account of his enrollment. Alternatively, the contract would excuse one annual payment for each year the student performs full time professional service in a medically underserved area designated by the Secretary of Health, Education, and Welfare.

The mentioned dissenters assert, *inter alia*, various "constitutional and legal defects in the 'payback' provisions". Among the cited "legal defects" are "force and duress in obtaining a contract, failure of consideration, absence of privity, governmental interference with the right of a citizen to pursue a legitimate profession, and the unconstitutional imposition of a tax on a specific class of citizens."

Generally, freedom of will is essential to the validity of an agreement. Accordingly, "because consent is the very essence of a contract, and if there be compulsion, there is no actual consent, and . . . compulsion . . . is everywhere regarded as sufficient in law to destroy free agency, without which there can be no contract, because in that state of the case there is no consent." *French* v. *Shoemaker,* 81 U.S. (14 Wall) 314, 332 (1871). However, an agreement signed because a party is in straitened circumstances and greatly embarrassed and in pressing want of pecuniary means, where the other party to it is not responsible for those circumstances and has not created those necessities or embarrassments, is a voluntary act, and he is bound by its terms. Id., at 333. The Court's concluding comments on the duress issue in the cited case seem particularly appropriate in the present context.

"[However] reluctantly, as he avers, still the fact is that he did consent when he might have refused to affix his signature to the instruments, . . .; and having consented to the arrangement and signed the instruments he is bound by their terms, and must abide the consequences of his own voluntary act, . . ." Ibid.

The second and third objections directed against the payback provisions set up the contract defenses of absence of privity and failure of consideration. The former, that is, privity of contract, "is that connection or relationship which exists between two or more contracting parties. It is essential to the maintenance of an action on any contract that there should subsist a privity between the plaintiff and defendant in respect of the matter used on." *Blacks Law Dictionary* (rev'd 4th ed. 1968). An essential element of a contract, the general rule of privity is frequently stated as "strangers to a contract acquire no rights under such a contract." 2 *Williston on Contracts* § 347 (Jaeger ed. 1959).

The element of consideration in contract law refers generally to the inducement to a contract that is, "[t]he cause, ... or impelling influence which induces a contracting party to enter into a contract." More specifically, consideration or its concomitant, legal detriment, refers to "[a]ny act of the plaintiff (or the promisee) from which the defendant (the promisor) a stranger derives a benefit or advantage, or any labor, detriment, or inconvenience sustained by the plaintiff, however small, if such act is performed or inconvenience suffered by the plaintiff by the consent, express or implied of the defendant." 3 *Scott*, 250 cited in *Black's Law Dictionary, supra.*

The twin objections as they relate to the proposed Health Manpower Act of 1975 refer to the fact that the contracting parties pursuant thereto would be Federal Government and the health professions school on the one hand and the latter and the student on the other. It is alleged that as respects the Federl Government and the student there is neither the requisite contractual relationship nor benefit (or detriment). Accordingly, the "payback" provision is asserted to be unenforceable. Various theories, including agency or contracts for the benefit of third persons, can be used to sutain the validity and enforceability of the aforementioned contract. The latter, in our view, is particularly appropriate.

As clearly expressed above in our comments on consideration, a valid contract can exist even though the benefit runs to "a stranger". Such a situation pertains in the case of a contract for the benefit of a third party, to wit:

"A contract in which the promisor engages to the promisee to render some performance to a third person . . . with little regard to whether the purpose of the promise in entering into the contract was his own benefit or the benefit of the person to whom the performance was to be rendered. This type of contract forms a widely recognized exception to the basic principle that only parties to a contract may enforce it." 2 *Williston on Contracts, supra.*

Thus, "[w]here a contract creates a right or imposes a duty in favor of a third person, the law presumes that the parties intended to confer a benefit on him and furnishes him a remedy . . . And this is so, although the primary purpose of the parties to the contract was to benefit themselves . . . In such a case the third party need not be known or know of the contract at the time it is entered into; it is sufficient that he can be identified and is able to establish the fact that he is a beneficiary." Id., at note 2.

Briefly, it is the nature of the doctrine of third party beneficiaries that the promisor engages to the promisee to render some performance to a third person.

The courts have stated the principle permitting recovery by third party beneficiaries in these words:

"The basis of the rule permitting the beneficiaries to sue has been stated to be that the law, operating on the act of the parties, creates the duty, establishes the privity, and implies the promise and obligation on which the action is founded. This theory is probably more frequently stated that [sic] any other. This, however, is merely an indirect way of saying that privity is not necessary to enable the beneficiary to recover. By saying that the law operating upon the acts of parties establishes the privity the courts really mean that the law dispenses with the necessity of privity in the strict sense of the term." 2 *Williston on Contracts, supra.*

Similarly, the fact that consideration (or legal detriment) exists is sufficient to sustain an agreement.

"In . . . promises [for the benefit of a third party] the consideration does move from the promisee but the beneficiary who seeks to maintain an action on the promise is not the promisee; 'where one makes a promise to another for the benefit of a third person, such third person may avail himself of the promise and bring an action thereon, although the consideration does not move directly from him.'" 2 *Williston on Contracts, supra*, § 352.

". . . the weight of authority holds that where a promise based on a valuable consideration is made for the benefit of a third person it is enforceable by such beneficiary against the promisor, even though as between such beneficiary and the promisee no consideration passed and no obligation existed." Ibid.

As applied to the instant problem, both the students and the Federal Government are arguably third party beneficiaries. The latter insofar as the contract between the school and the student and the former as a result of the contract between the Federal Government and the school. Also, as implied above, under appropriate regulations, the school may be constituted the agent of the Federal Government in which case it may be possible to support the controverted contracts on agency principles.

The fourth and fifth objections, namely, that the payback provision has an adverse effect on the right of a citizen to pursue a legitimate profession and "taxes" a class in order to reimburse the Treasury for expenditures for a public purpose, are advanced without explanation or the citation of legal authority. As noted in the annexed report, "[i]t is customary, where Congress has not adopted a different standard, to apply to . . . government contracts the principles of general law." *Priebe & Sons, Inc.* v. *United States*, 332 U.S. 407 (1947), citing *United States* v. *Standard Rice Co.*, 323 U.S. 106 (1944), and cases cited therein, holding "When the Government enters into purely commercial contracts it is on the same foot as any other contracting party." *Cooke* v. *United States*, 91 U.S. 389 (1875). Accordingly, the Government may attach reasonable conditions to its grants of financial assistance. In extending financial assistance, Congress unquestionably has power to impose such reasonable conditions on the use of granted funds or other assistance as it deems in the public interest. *United States* v. *San Francisco*, 310 U.S. 127, 142–144 (1942). The recipients of assistance are under no legal obligation to accept federal assistance on the terms prescribed by the Congress. Generally, therefore, absent the imposition of unconstitutional or unreasonable conditions, they have little or no grounds on which to challenge contract terms which they freely accepted. Briefly, medical and related students may have a right to pursue their chosen careers but not necessarily at public expense. Failure to meet reasonable conditions attached to the use of federal aid wholly or partly making possible such studies arguably permits the beneficiary to be unjustly enriched at the public expense. In these circumstances, restitution or indemnification seems proper.

A copy of a report on an earlier if somewhat more onerous proposal along the lines of the proposed payback provision is annexed hereto. The report considers some of the more significant constitutional objections raised against such legislation.

RAYMOND CELADA,
Senior Specialist in American Public Law.

Mr. CARTER. Mr. Chairman, I have no further requests for time.

Mr. ROGERS. Mr. Chairman, I yield the balance of time to the distinguished chairman of the full committee, the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, might I ask the gentleman from Kentucky for 2 additional minutes?

Mr. CARTER. Mr. Chairman, I yield to the distinguished chairman such time as he may consume.

Mr. STAGGERS. Mr. Chairman, I thank my friend, the gentleman from Kentucky, and I thank my chairman, the gentleman from Florida (Mr. ROGERS) for the time that is left over.

Mr. Chairman, I rise in support of H.R. 5546 and urge its passage. This legislation revises and extends for an additional 3 years existing programs of support for schools which train our doctors, dentists, and other health manpower. It contains professions which have been carefully designed by our committee during the last 2 years to respond to some of the most critical problems in medicine today. Thus, the bill by increasing support for the National Health Service Corps and other means will when implemented help to place needed health manpower in the rural and intercity parts of our country who are now without physicians and other services. Further, by increasing support for residencies in general practice and other means the bill will help to assure an increasing supply of general practitioners, our most scarce kind of health manpower.

Finally, by a variety of means the legislation would help to end our excessive reliance on graduates of foreign medical schools to meet our own medical care needs.

This 3-year legislation would authorize the expenditure of $1.7 billion but if this seems like a large amount of money, it is worth comparing the authorizations for 1976 in the new legislation, $515 million, with the authorizations in 1974 of $1,148 million and appropriations in 1974 of $533 million. Most of the programs supported by the legislation are already in existence and receiving appropriations, and I think that the proposal is actually fiscally quite reasonable.

Nothing is more important to the American people than their health. Without the right kind of a doctor, when and where he is needed, we cannot protect people's health. This legislation will assure that that doctor is available and I urge your support for it and its passage.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I have just one question: Would not money from the public works bill which we passed not long ago, be available for construction of medical schools?

Mr. STAGGERS. I doubt it.

Mrs. FENWICK. Why not?

Mr. STAGGERS. Well, it has to be authorized and I do not think there is any authorization in it.

Mrs. FENWICK. Would not that be an intelligent thing to do?

Mr. STAGGERS. It probably would, but I believe the authorization for construction of health professional schools should come out of our committee.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, we have construction funds in this bill, in this piece of legislation we are debating here today. Further, I am in agreement with him as to the problem. It is quite true that for every student admitted to a medical school in our country, approximately seven are turned down. Only those with ratings of 3.8 out of 4, or in that neighborhood, are accepted. Within itself, I think this is probably wrong. I would like to see more youngsters who have not been able to reach the 3.5 or 3.8 level admitted to the schools.

As the distinguished gentleman referred to the American Medical Association, I happen to be a member, as most physicians are. It is an organization which some look on with disfavor, and I regret that. I still retain my membership, but what I say on the floor of the House does not necessarily reflect the feelings or the intent of that august body.

Mr. STAGGERS. I thank the gentleman. If I might just, in ending up, say that Dr. William McGill, president of Columbia University, stated that one student who graduated Phi Beta Kappa from one Ivy League school applied to 14 medical schools in this country, and was only accepted in 2. A man with the top grades from one of the Ivy League schools applied to medical schools across the country, and was only accepted in two, showing that it is not a matter of intelligence or ability; it is a matter of expediency in a lot of schools. They just have to cut it down to where they can handle the students.

Mr. CARTER. If the gentleman will yield further, I would say that we do not have the capacity—that is quite true—to admit as many students, but we do have very rigid rules and tough selection methods. As I have stated, Mr. Chairman, it is impossible that anyone would think of attempting to try to gain entrance into a medical school without a 3.5, at least, average out of 4, and this is discrimination. I hope that these rules could be changed and some middle grade people let in.

Mr. STAGGERS. I thank the gentleman for his comments, because often we find that those who receive the middle grades make some of the greatest successes in the world.

We can point to Pasteur and Thomas Edison, and many others, who were originally classified as people who were not capable of learning.

Mr. MARTIN. Mr. Chairman, will the the gentleman yield?

Mr. STAGGERS. I yield to the gentleman.

Mr. MARTIN. I thank the gentleman for yielding. I will tell the gentleman that I have taught quite a number of premedical students in my former career, up until a few years ago, and I would say to the chairman of the committee that I think it would be very unwise to generalize about medical schools on the basis of the fact that a Phi Beta Kappa student was not accepted in 12 out of 14 of them. I think this might have a lot more to say about some of the aspects of the qualifications presented by the candidate than about the schools. I know of many students who had good (B) average grades, not an A-plus average, who were able to get into medical school because they presented a wide range of qualifications in addition to their academic problems. And there will be, of course, some exceptional academically talented students who are not suited, for various reasons, to go to medical school.

Mr. STAGGERS. I agree with the gentleman that we cannot lump everybody together. I would say again that Albert Einstein, it is said, was not able to complete his schooling because of his difficulty with mathematics, and he left school and he had to work out his own problems. He worked them out, and he worked out one of the world's greatest theories, the theory of relativity, and he worked on the atomic bomb and many other things. So it does not all depend on what grades a person makes.

Mr. MARTIN. Professor Einstein was an unusual intellect and was not prevented completion of schooling for any reason. In any case, his youthful difficulties do not provide a basis for taking all students who flunk chemistry and biology and licensing them to practice medicine.

Mr. BOLAND. Mr. Chairman, I would like to add my support for H.R. 5546, the Health Manpower Act of 1975. It offers a coordinated effort at funding health training on a national level which attacks several problems attendant upon the education of health professionals in this country. Not only do we not have enough physicians in this country, as everyone knows, but most of our doctors are concentrated in areas that have an oversupply of medical personnel. On top of geographical maldistribution, certain specialties of medicine are often very scarce in large parts of the United States. At present, to top it off, more than 20 percent of our physicians are foreign medical graduates.

The aims of H.R. 5546 are to extend and expand existing laws which provide assistance for the training of health professionals, including the construction of facilities at health professional schools which can be used as teaching facilities. In addition, a new title to the Public Health Service Act has been created to provide for the regulation of the medical residency programs in our hospitals.

I endorse the concept of total health funding for professionals in these much needed fields. I want to commend the distinguished chairman of the subcommittee and my good friend, the gentleman from Florida, for the work that he and his colleagues have put into producing this excellent legislation. Now is indeed the time to make the necessary decisions which will bring us the health professionals we need—and in the places we need them—as soon as is humanly possible.

Mr. SCHEUER. Mr. Chairman, though I rise in support of this bill, I do so with reservation. While the administration has protested that this bill goes too far, I argue that it is at best only a halting first step in attempting to deal with this Nation's health manpower deficiencies. It will serve only for the interim between now and the establishment of a national health insurance program.

Enactment of some sort of national health insurance program is clearly on the horizon. At present, it is painfully evident that this country's health care delivery system is far from adequate now, let alone capable of withstanding the pressures for vastly increased health services that are sure to be placed upon it once a comprehensive health care program for all Americans is signed into law and funded.

Our most urgent health care problem is the need to provide good primary care for everyone in this country. The bill before us today attempts to deal with one aspect of this problem—health manpower: not only the aggregate supply of health providers, but also their geographic distribution, as well as the financial stability of the institutions which train them.

In the early 1960's the medical schools, then under enormous financial pressure, pushed for the designation of health care professionals as a "national resource." Now that Congress is pressing forward in an attempt to guide the allocation of this resource, it is these very same medical associations and institutions which are hollering "unfair."

Congress through the years has established a policy of strong support for health professional schools and an active Federal role in health manpower development. Dr. Philip Lee, of the University of California, spoke of the Federal role quite succinctly when he said:

> The federal government has the responsibility to maintain the integrity of the institutions which educate health professionals as well as assuring adequate levels of high quality health professionals;

An that this Nation's policy ought to assure—

> That all citizens have the right to adequate health care and that it is the responsibility of the federal government to assure access by providing core support for the development and deployment of manpower in the major health professions.

Over 10 years have passed since the enactment of the first health manpower act. Billions of Federal dollars have been spent on this Nation's medical institutions and much has been accomplished, including a large increase in student enrollments. Nevertheless, problems of health manpower distribution, both of location and of specialty, far from showing any signs of improvement, continue to worsen.

It was originally thought that by simply injecting the health system with more physicians—that is, by increasing the aggregate supply of health professionals—the traditional laws of supply and demand would somehow create an appropriate distribution of health care providers both geographically and by specialty. But this has not happened, and we must stop pretending that it will.

Various solutions to the distribution problem have been suggested, ranging from the laissez-faire approach to the belief that the Government has full responsibility to act in the interest of the general welfare and ought to take a decisive and dramatic role in rectifying this problem. The subcommittee, in drafting this bill, has opted for an approach that lies somewhere between these two extremes—the capitation payback approach. Through this approach, the subcommittee recognizes that the Government has some degree of responsibility; but, in my opinion, it does not go far enough.

A 1974 GAO study entitled, "Congressional Objectives of Federal Loans and

Scholarships to Health Professions Student Not Being Met," found that of the 30,000 medical and dental students participating in the health professions student assistance program from 1965 to 1970, only 86 physicians and 133 dentists took advantage of the loan forgiveness option. This is what volunteerism has accomplished to date. One of the major shortcomings of this type of financial incentive approach is that the amount of money we are talking about is minimal in comparison to the amount of debt a student of medicine incurs during his or her years of training. Thus, in order to repay the rest of his debt, he not only ignores the forgiveness option, but also tends to develop a lucrative specialty and locate his practice in an affluent suburb.

A much more successful program has been the National Health Service Corps. Under this program a student agrees to provide service in a medical shortage area as a precondition to receiving a loan. It has been so successful that, in 1973, there were almost three times as many applicants—1,000—than there were scholarships—345. Unfortunately, the program is far too modest to effect any lasting change in the health manpower crisis. Furthermore, it is a program directed primarily at the poor student and does little to solve the more general question which capitation raises—that, unlike scholarship programs, all students rich and poor alike, receive the same benefits.

The cold hard fact is, if these Federal dollars are to really achieve their intended purpose, an approach such as that offered by the Senate Subcommittee on Health last year must again be considered. It is the only suggestion so far that has any teeth. Under it, a medical school's eligibility for capitation grants would be tied absolutely to its enrollment of only those students willing to practice for a time in an area that has been designated by the Secretary of Health, Education, and Welfare as medically underserved. Under the terms of the agreement, the student would either serve in the National Health Service Corps or as a private practitioner in a selected area. If there are more medical school graduates than there are slots in shortage areas, then the Secretary would institute a lottery to determine which students would serve.

While this may seem radical, it is the only measure that would actually guarantee results, short of making our medical schools national academies. And radical results are what are called for. If what should be done was being done on a voluntary basis, then this country would not have 140 counties without a single practicing physician, 39 of which have populations of over 5,000 and 5 of which have a population of more than 10,000. Statistics such as these, coupled with the fact that health care in our inner cities is almost exclusively a function of the emergency room and outpatient treatment in the municipal hospitals, and the tremendous reliance on foreign medical school graudates who, incidentally, according to the figures released in connection to the report make up close to 20 percent of this country's physician population, more than adequately express the profound need for strong and forthright reassessment of our health manpower policies and programs.

The free market forces have left us another major health problem concerning health personnel—that is the problem of maldistribution of physicians not only where they practice, but also what they practice. There is an overabundance of specialists such as surgeons and a serious shortage of primary care physicians. And when it comes to cost-effective health care, it is the primary care physician on whom we rely. In fact, a former president of the American Academy of General Practitioners claimed that a well-trained family doctor can "comfortably and effectively care for 85 percent of the usual ordinary illnesses that beset mankind." My question then, is why are only 15 percent of today's medical school graduates trained to be family practitioners.

To give you an idea of the need in this area, note that a major study conducted by Schonfeld and others and printed in the New England Journal of Medicine, has determined that primary medical care of good quality requires the services of about 133 physicians per 100,000 persons. This country can only claim a ratio of 41 per 100,000. And as startling as it may seem, there are actually more surgical specialists than there are physicians practicing primary care.

The one bright spot in the area of health manpower is the expanding role of the physician assistant, the nurse practitioner and various other health paraprofessionals. If there is any approach which could quickly and dramatically improve the availability and accessibility of health care in the United States, it is this one. One of the leading advocates of paraprofessionalism, Dr. Henry K. Silver, of the University of Colorado, has written:

> In these days of energy crisis, we realize it is wasteful to drive an oversize car to pick up a quart of milk. In the medical manpower crisis, however, we have been wasting the most expensive energy—that of the highly trained physician—on relatively routine and minor chores.

In effect, these health paraprofessionals are physician extenders who can assume many of the responsibilities of the primary care physician such as routine health maintenance, diagnosis and treatment of the common minor illnesses, and provision of long-term care to those with chronic diseases. A concerted effort to make use of this potential resource is absolutely essential to providing care where none exists. The simultaneous development of paraprofessionalism and modern technology, such as telecommunication systems which can link the primary care provider to a major medical center halfway across the State or the country, will permit a substantial increase in the quantity of health care available without any diminution of its quality.

Mr. Chairman, the Federal Government has already involved itself in supporting our medical institutions. It is now high time the taxpayers begin extracting from our system what they put into it. The Federal Government ought to begin to take direct action to alleviate the problems that the medical care profession has chosen to ignore. If this means establishing a so-called "doctor draft," then so be it. If it means, as our Health Subcommittee assures us it does, that the Federal Government must begin determining the proper ratio of medical specialists to primary care physicians, then by all means it ought to regulate the subsidy support for the intern and residency slots in our hospitals and medical centers. If it means pressuring our medical schools into providing programs to educate health paraprofessionals then this ought to be done. Nothing short of these steps will solve the current problems in our health care system while we develop a national health insurance program to insure adequate health care to each and every citizen in this country.

Mr. BADILLO. Mr. Chairman, I am pleased to see the $20 million authorization earmarked in this measure for a program of identifying and assisting persons of disadvantaged and minority backgrounds to enter the health professions.

As the committee so aptly points out, all too few persons from such backgrounds have been able to become members of these professions. While some progress has been made during the last few years, the percentage of such individuals in the health professions fails to reflect the percentage of poor and minority group individuals in our population. Consequently, when poor people, or minority group people need medical care, they have to seek out individuals who share no firsthand understanding of their problems, their expectations, hopes, or fears, and who in most instances cannot properly communicate with them. As a result, the patients lack trust in the professionals and the professionals all too often lack respect for and commitment to the patients. Yet mutual trust and confidence is an indispensable requirement for ultimate patient welfare.

In the ghettos and barrios of our country the poor, deprived of medical care by their inability to pay and travel long distances, are using the emergency rooms of our hospitals for primary care. Because of the inconvenience, lost pay, and long wait involved, they seek medical help only when they no longer function without it. And they receive rushed, one-time treatment from interns and residents who reside in their neighborhoods only for the period of their training and who cannot make a lasting commitment to their needs.

For good health care we need preventive care. Preventive care cannot be provided under such circumstances. It can only be furnished by physicians with lasting commitments to the problems of their patients and a sound understanding of their special problems.

It is my hope that the committee will give careful attention to the enrollment opportunities offered individuals from deprived and minority group backgrounds. Only if this is done will our poor areas receive the care they deserve and need.

Mr. Chairman, I shall vote in support of this bill.

Mr. FLORIO. Mr. Chairman, we have before us today the opportunity to continue the authorization for existing health manpower, public health, and allied health authorities. In addition, there are a number of innovative revisions designed to improve the equitable distribution and quality of these services and manpower requirements.

As a member of the committee which reported the bill, I am most familiar with the legislation and realize the importance of each provision. One item of particular interest to me, which I consider vital to the State of New Jersey, is the amendment I offered in committee to provide Federal startup assistance for the establishment of a "medical school without walls." This school would be a satellite campus of an existing medical school, incorporating the facilities for health care already in existence. In my area of New Jersey, the South Jersey region, the establishment of a medical school is most essential. However, construction costs are extremely prohibitive and much time is required before commencing instruction.

The concept of a satellite campus, "school without walls," would be a great stride forward in delivery of health services to underserved areas such as southern New Jersey. By utilizing area hospitals, Federal health care facilities, local clinics, and local health professionals, this program offers a realistic approach to boosting the number of health professionals in the State without the cost of building a new 4-year medical school.

Mr. Chairman, this entire bill is so very important for the continuance of the congressional effort to assure that health care in the United States be made available and equitable to citizens in every region of the country. I sincerely hope that my colleagues will realize the vital necessity for this legislation and vote overwhelmingly in favor of passage so that we may insure that it will be enacted into law.

Mr. QUILLEN. Mr. Chairman, I support the position of the gentleman from Virginia (Mr. SATTERFIELD). I agree with my distinguished colleague that there are many valid reasons for striking the so-called "payback" provisions from this bill. I support the continuation of Federal capitation grants, which are very definitely needed by our health professions schools, but I am opposed to this new and unprecedented "payback" provision which requires students involuntarily to pay back the Government for the grants applied for and received by their schools.

The apparent justification for this provision is to correct the geographic maldistribution of health professionals existing in the country—and this is a worthy and admirable goal. But this is not the method we should employ to achieve that goal. Unless we strike this provision we are practically authorizing a form of indentured servitude.

The idea that a student should be required to pay the Government for subsidies he or she did not receive is repugnant to my concept of equity and fair play. I also believe it violates the fundamental principle of the law of contracts that require that an agreement or contract must be entered into freely, voluntarily, and without duress. This "payback" provision allows the students and the schools absolutely no choice. The school must demand that the student sign an agreement to reimburse the Government for funds the school receives. The student has no choice. He or she must sign the agreement or leave school—it is as simple and as punitive as that.

I believe this would constitute an unnecessary and unreasonable restriction upon the fundamental right of a citizen to pursue a legitimate profession, and I have grave doubts as to its constitutionality. Therefore, I urge Members to support the position of my distinguished colleague from Virginia.

Mr. FRASER. Mr. Chairman, I would like to voice my support of H.R. 5546, the Health Manpower Act.

Two provisions of the bill are particularly helpful for our health needs—the "payback" provision and limitations on medical residency positions—which are designed to resolve critical health manpower problems of geographical maldistribution of physicians; insufficient numbers of family practitioners; and especially maldistribution.

The State of Minnesota, with two leading medical institutions—the University of Minnesota Medical School and the Mayo Clinic—still has significant health manpower shortages and maldistribution.

Efforts are being made within Minnesota to send young doctors into medically underserved areas; yet eight areas in the State are designated as shortage areas, according to National Health Service Corps criteria.

Nationally, Minnesota ranks 26th in doctor/population ratio and in direct patient care. But recent findings by the State health planning board show that in the Minneapolis metropolitan area, only 36 percent of the physicians are in primary care; 52 percent in secondary care; and 12 percent in other activities—administrative, research, education.

In the southeastern section of the State, 25 percent of the doctors are in primary care; 51 percent in secondary care; and 24 percent in internal medicine.

Another factor worth noting is that over 50 percent of the primary care physicians in the rural southwest and west central portion of Minnesota are over the age of 51 and are not being replenished by younger doctors.

The legislation before us addresses the problem of geographical maldistribution by requiring that students agree to serve in a shortage area or pay back capitation funds given to the medical schools for their medical education.

Another provision endeavors to encourage sufficient numbers of family practitioners and curb overspecialization by placing a limitation on medical residency programs.

Unfortunately, voluntarism has not proved sufficient to motivate young physicians to practice in shortage areas.

Mr. Chairman, the taxpayers are subsidizing the education of our doctors and dentists, who, very early in their careers, are among the highest paid professionals. Yet residents of underserved areas who help pay taxes to support medical schools and their students are not getting medical care in return.

It seems a reasonable condition that medical graduates who receive Federal assistance should be willing to go into underserved medical areas to help solve the geographical and specialty maldistribution problems.

If they choose not to do so, it is hardly excessive to ask that tax money expended for their education be paid back under the most liberal of terms.

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT; EFFECTIVE DATE; TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Health Manpower Act of 1975".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

(c) Except as otherwise specifically provided, the amendments made by titles II, III, IV, V, VI, and VII shall take effect July 1, 1975. The amendments made by such titles to provisions of title VII of the Public Health Service Act are made to such provisions as amended by title I.

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TITLE I—EXTENSION OF CURRENT AUTHORITIES THROUGH FISCAL YEAR 1975

EXTENSION

SEC. 101. (a) Sections 312(a), 313(a), and 313(c) (relating to traineeships for public health personnel and graduate training in public health) are each amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(b) Section 329(h) (relating to the National Health Service Corps) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(c) Section 720 (relating to grants for construction of teaching facilities) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(d) Section 720 (relating to loan guarantees and interest subsidies) is amended—

(1) by striking out "1974" in subsections (a) and (b) and inserting in lieu thereof "1975",

(2) by inserting after "1974" in subsection (e) the following: ", and in the next fiscal year".

(e) Section 747(d) (relating to loans for students in foreign medical schools) is amended by striking out "two" and inserting in lieu thereof "three".

(f) The section 767 entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN FAMILY MEDICINE" is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(g) The section 768 entitled "GRANTS FOR SUPPORT OF POST-GRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS" is amended—

(1) by striking out "for the fiscal year ending June 30, 1974" in subsection (a) and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975"; and

(2) by inserting "and the next fiscal year" after "1974," in subsection (b)(3)(B).

(h) Section 769(a) (relating to grants for training for health professions teaching personnel) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(i) Section 769A (relating to grants for computer technology) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(j) Paragraphs (1) and (2) of section 770(j) (relating to capitation grants) are each amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(k) Section 771 (relating to start-up assistance) is amended (1) by striking out "two" in subsection (a)(6) and inserting in lieu thereof "three", (2) by striking out "July 1, 1974" in subsection (b)(2) and inserting in lieu thereof "July 1, 1975", and (3) by striking out "June 30, 1975" in such subsection and inserting in lieu thereof "June 30, 1976".

(l) Section 772(d) (relating to special project grants and contracts) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(m) Section 773(a) (relating to financial distress grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(n) Section 774 (relating to education initiative awards) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(o) Section 780 (relating to scholarship grants) is amended (1) by striking out "the next fiscal year" in subsection (b) and inserting in lieu thereof "the next two fiscal years", (2) by striking out "1974" in such subsection and subsection (c)(1)(B) and inserting in lieu thereof "1975", (3) by striking out in subsections (b) and (c)(1)(B) "June 30, 1975" and inserting in lieu thereof "June 30, 1976" and (4) by striking out "two" in subsection (c)(1)(A) and inserting in lieu thereof "three".

(p) The section 785 entitled "SCHOLARSHIP GRANTS FOR STUDY ABROAD" is amended (1) by striking "two" in subsection (e)(1) and inserting in lieu thereof "three", (2) by striking out "1975" in subsection (e)(2) and inserting in lieu thereof "1976", and (3) by striking out in such subsection "1974" and inserting in lieu thereof "1975".

(q) Section 786 (relating to physician shortage area scholarships) is amended (1) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975", (2) by striking out "1975" and inserting in lieu thereof "1976", and (3) by striking out "1974" and inserting in lieu thereof "1975".

(r) (1) Section 792(b) (relating to special improvement grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(2) Section 792(c)(1) (relating to special projects) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(3) Section 793(a) (relating to traineeship for advanced training) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(4) Section 794A(b) (relating to assistance for recruitment) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendments at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. BROYHILL. Mr. Chairman, reserving the right to object, and I shall object, I stand on the provision of the rule to read the bill by title.

Mr. ROGERS. If the gentleman will yield, I think we are protecting the gentleman in his amendment by a future unanimous-consent request and that the gentleman would be able to offer it at whatever time he wanted.

Mr. BROYHILL. Mr. Chairman, I have objected.

The CHAIRMAN. Objection is heard. The Clerk will read.

(The Clerk continued to read.)

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the table of contents be considered as read and that title I be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, strike out lines 7 through 11 and insert in lieu thereof the following: "amendments made by titles II, III, IV, V, VI, and VII shall take effect July 1, 1975. The amendments made by such titles to provisions of titles III and VII of the Public Health Service Act are made to such provisions as amended by title I."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the second committee amendment.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the committee amendments to the table of contents and title I be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will report the remaining committee amendments to the table of contents and title I.

The Clerk read as follows:

Committee amendments:

TABLE OF CONTENTS

Page 2, in the table of contents strike out the reference to section 204, strike out "205" and insert in lieu thereof "204", strike out "206" and insert in lieu thereof "205", and strike out "207" and insert in lieu thereof "206".

Page 7, line 5, insert "the first time it appears" before "and".

Page 7, line 8, insert "(e)" after "774".

Page 7, line 15, insert a comma after "1974".

Page 8, line 11, insert a comma after "1974".

Page 9, line 12, strike out "II" and insert "H".

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the remaining committee amendments to the table of contents and to title I be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The committee amendments were agreed to.

Mr. KAZEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time in order to ask the distinguished chairman of the subcommittee a couple of questions that will clarify in my mind exactly how this capitation system works.

Does every medical school in the country receive these grants?

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, every medical school is presently receiving these grants.

Mr. KAZEN. Every medical school then accepts applications from students from all over the State or all over the country.

Suppose a student does not want the help that is provided by these capitation grants. Will he then be discriminated against in his entrance to that school in favor of a man who wants to come in under the program?

Mr. ROGERS. Mr. Chairman, if the school desires capitation, all students will be treated alike. They must all agree that either they will serve in shortage areas and have the moneys forgiven or they will repay the sum.

Mr. KAZEN. Mr. Chairman, what the gentleman is telling me is that the student who enters medical school will have to take the loan whether he wants it or not?

Mr. ROGERS. It is not a loan to him; it is a payment to the school to provide for his education, to give him a quality education. If the schools did not get this money, they would substantially raise their tuition fees. The student then would have to borrow money somewhere and pay it back. So this simply is to assure the school that it will have funds to help educate that student and give him a quality education.

Mr. KAZEN. Mr. Chairman, I am not quarreling with the provisions per se. I am trying to understand what is really being done by this bill.

If a student or an applicant makes application to a medical school and he does not wish any kind of help or any kind of grant and he wants to pay the tuition at that school, would he be in the same position as another applicant who says, "Yes, I want to take advantage of this; I want to sign up to serve in a rural area after I get through"? And suppose there is only space for one man. Would it not definitely go to the man who would want to come under the program?

Mr. ROGERS. Mr. Chairman, I think the gentleman is confusing the tuition and capitation, and I will try to explain the differences.

Tuition is separate and apart from capitation. Schools set whatever they want to for their tuition fees. Before a student can enter that school, he must pay tuition; he does not have a right to enter that school unless he pays tuition.

Mr. KAZEN. I agree with the gentleman.

Mr. ROGERS. Now, the school has also applied, we will say, for capitation. They have agreed that they will get $2,000 for each student. When the student enters that school, when he pays his tuition, they will say, "You must also agree to repay this direct subsidy that is available only to health professions schools and that goes to no other school of any type. Because we are giving it for your benefit, we are asking you to agree, just as you have agreed to pay your tuition, that you will either provide needed health services in a shortage area and you do not have to pay it back, or, if you do not, you must pay it back."

Mr. KAZEN. That was going to be my next question. Can he then pay it as he goes along as if he were paying tuition?

Mr. ROGERS. No, he would have to sign the agreement, although, of course, if he had the money while he was in school, he could simply deposit it in the bank, get interest on it, and pay capitation back after graduation.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Yes, I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, referring to the question of the gentleman from Texas (Mr. KAZEN), the man must take it whether he wants it or not. He pays it back after he receives his education, and there is no other way it can be done.

There are other schools which receive capitation, and they are osteopathy, dentistry, pharmacy, podiatry, veterinary medicine, and so forth. The short name is MODVOPP.

There is no other way in which they could do it, and they must pay it back in the prescribed area. It is a sort of mandatory thing, and I really do not believe we should mandate it.

Mr. KAZEN. Mr. Chairman, I have one other question: Does this bill have anything to do with the certification of a doctor upon graduation from medical school? In other words, what I am asking is, Will the Federal Government certify future graduates of medical schools to practice anywhere in the United States or will this still remain the function of the individual States?

The CHAIRMAN. The time of the gentleman from Texas (Mr. KAZEN) has expired.

(On request of Mr. ROGERS and by unanimous consent, Mr. KAZEN was allowed to proceed for 1 additional minute.)

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Yes, I yield to the gentleman from Florida.

Mr. ROGERS. To answer the last question of the gentleman from Texas, there is nothing in this bill or in this legislation with respect to Federal licensure. All licensure authority is left to the States.

Mr. KAZEN. I thank the gentleman.

Mr. SATTERFIELD. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Virginia.

Mr. SATTERFIELD. I think the gentleman has hit upon the real point in this measure.

I would like to emphasize that every medical student in a school receiving these grants will have to enter into one of these agreements and assume the obligation, and that applies to medical students already in the middle of their studies. They will have no option at that time except to assume this obligation.

Mr. KAZEN. Does the gentleman mean that there is not a grandfather clause to exempt those students already in medical school?

Mr. SATTERFIELD. None at all.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Yes, I yield to the gentleman from Pennsylvania.

Mr. GOODLING. There is one question that is bothering me. If the student does not want to sign on the dotted line, what is his chance of getting into a medical school versus the one who will sign on the dotted line?

Mr. KAZEN. My understanding is that if he does not sign on the dotted line, he does not go to medical school.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Yes, I yield to the gentleman from Florida.

Mr. ROGERS. To answer the gentleman, that is correct, because, just as if he does not pay tuition, he does not go.

The CHAIRMAN. Pursuant to the rule, the Clerk will read title II.

The Clerk read as follows:

TITLE II—GENERAL PROVISIONS

NEW GENERAL PROVISIONS

SEC. 201. (a) Sections 701 through 711 are repealed.

(b) Sections 724, 725, 799, and 799A are transferred to part A of title VII and are redesignated as sections 701, 702, 703, and 704, respectively.

(c) (1) The heading for part A of title VII is amended to read as follows:

"PART A—GENERAL PROVISIONS"

(2) The heading for part II of title VII is repealed.

(d) Section 701 (as so redesignated) is amended—

(1) by striking out "As used in this part and parts C, E, and F—" and inserting in lieu thereof "For purposes of this title:";

(2) by inserting "or an equivalent degree" after "degree in public health" in paragraph (4); and

(3) by adding at the end the following new paragraphs:

"(7) (A) The term 'program for the training of physician assistants' means an educational program which (i) has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to effectively provide primary health care under the supervision of a physician and (ii) meets guidelines prescribed by the Secretary in accordance with subparagraph (B).

"(B) After consultation with appropriate professional organizations, the Secretary shall prescribe guidelines for programs for the training of physician assistants. Such guidelines shall, as a minimum, require that such a program—

"(i) extend for at least one academic year and consist of—

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction, directed toward preparing students to deliver primary health care; and

"(ii) have an enrollment of not less than eight students.

"(8) (A) The term 'programs for the training of nurse practitioners' means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which (i) have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions, and (ii) meet guidelines prescribed by the Secretary in accordance with subparagraph (B).

"(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the training of nurse practitioners. Such guidelines shall, as a minimum, require that such a program—

"(i) extend for at least one academic year and consist of—

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing nurses to deliver primary health care; and

"(ii) have an enrollment of not less than eight students.

"(9) (A) The term 'program for the training of expanded function dental auxiliaries' means an educational program which (i) has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to effectively provide primary dental care under the supervision of a dentist and (ii) meets guidelines prescribed by the Secretary in accordance with subparagraph (B).

"(B) After consultation with appropriate professional organizations, the Secretary shall prescribe guidelines for programs for the training of expanded function dental auxiliaries. Such guidelines shall, as a minimum, require that such a program—

"(i) extend for at least one academic year and consist of—

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing students to deliver primary dental care; and

"(ii) have an enrollment of not less than eight students."

(e) The Secretary of Health, Education, and Welfare shall within ninety days of the date of the enactment of this Act prescribe the guidelines for programs for the training of physician assistants, nurse practitioners, and expanded function dental auxiliaries specified in the amendment made by subsection (d) (3) of this section.

ADVISORY COUNCIL

SEC. 202. (a) The second sentence of subsection (a) of section 702 (as so redesignated) is amended to read as follows: "Of the appointed members of the Council (1) twelve shall be representatives of the health professions schools assisted under programs authorized by this title, including at least six persons experienced in university administration and at least one representative of schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and entities which may receive a grant under section 791, (2) two shall be full-time students enrolled in health professions schools, and (3) six shall be members of the general public.".

(b) (1) The amendment made by subsection (a) with respect to composition of the National Advisory Council on Health Professions Education shall apply with respect to appointments made to the Council after June 30, 1975, and the Secretary of Health, Education, and Welfare shall make appointments to the Council after such date in a manner which will bring about, at the earliest feasible time, the Council composition prescribed by the amendment.

(2) Section 702 (as so redesignated) is amended by striking out "E, and F" in subsection (a) and inserting in lieu thereof "E, F, and G".

(3) Section 702 (as so redesignated) is amended by striking out "parts A and G" in subsections (b) and (c) and inserting in lieu thereof "part H".

ADVANCE FUNDING AUTHORITY

SEC. 203. Section 703 (as so redesignated) is amended to read as follows:

"ADVANCE FUNDING

"SEC. 703. An appropriation under an authorization of appropriations for grants or contracts under this title for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under such authorization for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation for such grants or contracts before the fiscal year for which such appropriation is authorized.".

DISCRIMINATION

SEC. 204. Section 704 (as so redesignated) is amended to read as follows:

"DISCRIMINATION PROHIBITED

"SEC. 704. (a) (1) No—

"(A) school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health, or

"(B) entity which provides training of allied or public and community health personnel,

may discriminate, on the basis of race, color, national origin, religion, or sex, in the admission of individuals to any of its training programs for any academic year which begins after calendar year 1975 if during any part of such academic year the school or entity is receiving funds under a grant, contract, loan, or interest subsidy under this title or if during any part of such academic year a loan guarantee under this title for the benefit of such school or entity is in effect.

"(2) (A) (i) A school or entity shall be in violation of paragraph (1) if it utilizes admissions standards under which individuals are accorded a preference on the basis of their race, color, national origin, religion, or sex or if it utilizes any other means to effect the discrimination prohibited by such paragraph.

"(ii) A school or entity shall not be in violation of paragraph (1) because of appropriate affirmative actions taken by the school or entity to provide compensatory education and counseling or other assistance to disadvantaged individuals in meeting admissions requirements.

"(B) In the case of a school of medicine which—

"(i) on the date of the enactment of the National Research Service Award Act of 1974 was in the process of changing its status as an institution which admits only female students to that of an institution which admits students without regard to their sex, and

"(ii) is carrying out such change in accordance with a plan approved by the Secretary.

the provisions of paragraph (1) shall not apply with respect to such a school for academic years beginning before July 1, 1979.

"(b) The Secretary may not approve an application of a school or entity described in subsection (a) (1) for a grant, contract, loan, interest subsidy, or loan guarantee under this title for a fiscal year beginning after fiscal year 1976 unless the application contains or is supported by assurances satisfactory to the Secretary that the school or entity will not discriminate in violation of subsection (a) (1) in the admission of individuals to its training programs.".

RECORDS AND AUDITS

SEC. 205. Part A of title VII is amended by adding after section 704 (as so redesignated) the following new section:

"RECORDS AND AUDITS

"SEC. 705. (a) Each recipient of a grant or contract under this title shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the funds paid to it under such grant or contract, the total cost of the project or undertaking for which such grant or contract is made, and the amount of the portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) Each recipient of a grant or contract under this title shall provide for an annual financial audit of any books, accounts, financial records, files, and other papers or property which relate to the disposition or use of the funds received under such grant or contract. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received under such a grant or contract, each such audit shall be conducted in accordance with such requirements concerning the individual or agency which conducts the audit, and such standards applicable to the performance of the audit, as the Secretary may by regulation provide. The report of each such audit shall be filed with the Secretary at such time and in such manner as he may by regulation prescribe.

"(c) The recipient of a scholarship or traineeship under this title or a grant under subsection (f) or (g) of section 747 shall not with respect to the scholarship, traineeship, or grant be required to keep the records prescribed under subsection (a) or provide for the audit prescribed by subsection (b).".

DELEGATION OF AUTHORITY

SEC. 206. Part A of title VII is amended by adding after section 705 (added by section 205) the following new section:

"DELEGATION

"SEC. 706. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or offices of the Department of Health, Education, and Welfare, except that the authority—

"(1) to review, and prepare comments on the merit of, any application for a grant or contract under any such program for purposes of presenting such application to the National Advisory Council on Health Professions Education, and

"(2) to make such a grant or enter into such a contract,

shall not be delegated to any administrator of, or officer in, a regional office or offices of the Department.".

ACTIVE SERVICE UNDER SOLDIERS' AND SAILORS' CIVIL RELIEF ACT

SEC. 207. Section 212 is amended by adding after subsection (d) the following new subsection:

"(e) Active service of commissioned officers of the Service shall be deemed to be active military service in the Armed Forces of the United States for the purposes of all rights, privileges, immunities, and benefits now or hereafter provided under the Soldiers' and Sailors' Civil Relief Act of 1940 (50 App. U.S.C. 501 et seq.).".

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the committee amendments under this title be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 11, beginning in line 8, strike out "their studies in the program, be qualified to effectively provide" and insert in lieu thereof "an accredited program of studies, be qualified to assist in the provisions of".

Page 13, strike out line 23 and all that follows down through and including line 21 on page 15.

Page 15, line 23, strike out "205" and insert in lieu thereof "204".

Page 17, line 7, strike out "206" and insert in lieu thereof "205".

Page 17, line 8, strike out "205" and insert in lieu thereof "204".

Page 18, line 3, strike out "207" and insert in lieu thereof "206".

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. BROYHILL

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL: Page 17, strike out line 23 and all that follows through line 17 on page 18.

Redesignate the succeeding sections accordingly.

Mr. BROYHILL. Mr. Chairman, what my amendment would do would be to strike out the language which would prohibit the Secretary of HEW from delegating to any regional office the authority to review or to prepare comments on any grant or contract application. I think this is wrong.

The administration has undertaken an effort to move the responsibility for operating the program to the regional offices.

This is occurring not only in HEW, but other Federal departments as well, to try to get them out of Washington, to try to get operation of these programs into the regional offices, closer to the people who will be affected by these Federal programs, closer to the people who will be affected by these Federal policies. Not only is this decentralization good, Mr. Chairman, but it also facilitates the day-to-day operations, and eases the burden on the average citizens who have to obtain some information, or have to obtain prompt service from the department.

What would happen if this language stays in the bill? What would happen is that the health profession schools would have to deal, not with the regional offices that are closer to them, but would have to come to Washington, and this would obviously result in delays. It would seriously restrict the Secretary's general authority to administer HEW programs, and would exert undue interference on the management of programs for which he is responsible.

Mr. Chairman, over the years the Department of Health, Education, and Welfare has been severely criticized because of inefficiency, and so efforts are underway to increase the efficiency and to decentralize some of the authorities in order to make HEW more manageable, to decentralize administration of programs. The language that is contained in this bill is unwise and would reverse this trend.

I maintain, Mr. Chairman, that the enactment of this section would not be in the best interests of the efficient operation of these programs, and ask that it be stricken.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was considered in committee, and was rejected. We felt very strongly about this. We have looked into it. This is not a big, massive program, where we need regional office guidance; this would be a duplication.

If the Members want to cut down a little on the funding and on unneeded personnel, then this is the place to do it. We do not need to have regional personnel all over the country in order to handle 114 colleges. Do the Members think that we need to have 10 duplicative offices? I say that we do not.

I now yield to the distinguished gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Chairman, I thank the distinguished chairman for yielding to me.

You know, this is quite a frequent question that has come up, and to me it is a little funny. I remember when we had the question of regional offices before the committee, and I recall that we asked the members of the committee where their regional offices were located, more than half of them did not even know. So that it is passing strange that someone would come down and support that statement dogmatically that we have to have these regional offices, and then not even know where they are.

Mr. ROGERS. Mr. Chairman, I would hope the Committee rejects the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

The question was taken; and on a division (demanded by Mr. BROYHILL) were—ayes 6, noes 27.

Mr. BROYHILL. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will read title III.

The Clerk read as follows:

TITLE III—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

GRANT AUTHORITY; AUTHORIZATIONS

SEC. 301. Section 720 is amended to read as follows:

"GRANT AUTHORITY; AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 720. (a) The Secretary may make grants to assist in the construction of teaching facilities (including teaching hospitals) for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, and professional public health personnel.

"(b) For payments under grants under this part, there is authorized to be appropriated $25,000,000 for fiscal year 1976, $25,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.".

GRANT AMOUNTS

SEC. 302. (a) (1) Subsection (a) of section 722 is amended to read as follows:

"(a) The amount of any grant under this part for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice of the Council, except that (1) no grant for any project may exceed 80 per centum of the necessary costs of construction, as determined by the Secretary of such project, and (2) any grant for a construction project for teaching facilities for the training of physicians located in a State which has no such facilities shall cover 80 per centum of its construction costs unless the Secretary determines a grant for such portion of such costs is not needed.".

(2) The amendment made by paragraph (1) shall take effect with respect to grants made under part B of title VII of the Public Health Service Act from appropriations under section 720 of such Act for fiscal years beginning after June 30, 1975.

(b) Subsection (d) of section 722 is amended by striking out "(within the meaning of part A of this title)".

(c) Section (e) of section 721 is amended by adding at the end the following new sentence: "In considering applications submitted for a grant under this part for the cost of construction of teaching facilities for the training of physicians, the Secretary shall give special consideration to projects in States which have no such facilities.".

LOAN GUARANTEES AND INTEREST SUBSIDIES

SEC. 303. (a) Subsections (a) and (b) of section 729 are each amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1978".

(b) The second sentence of section 729(e) is amended by striking out "and" after "June 30, 1973," and by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "$2,000,000 in fiscal year 1976, $3,000,000 in fiscal year 1977, and $3,000,000 in fiscal year 1978.", and the fourth sentence of such section is amended by inserting a period after "Treasury" the second time it appears in that sentence and by striking the remainder of that sentence.

(c) (1) The third sentence of section 729 (a) is amended to read as follows: "No such loan guarantee may, except under special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant under this part of any other law of the United States, exceeds 90 per centum of the cost of the construction of the project.".

(2) The amendment made by paragraph (1) shall apply with respect to loans guaranteed under section 729(a) of the Public Health Service Act (redesignated section 727(b) by section 304(b) of this Act) after June 30, 1975.

(d) Subsections (a) and (b) of section 729 are each amended by inserting "or the Federal Financing Bank" after "non-Federal lender".

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 304. (a) Section 721(c) is amended—

(1) by striking out "section 770(f) of this Act" in paragraph (2) and inserting in lieu thereof "section 771";

(2) by striking out the sentence at the end of paragraph (2);

(3) by striking out paragraph (5) and redesignating paragraphs (6) and (7) paragraphs (5) and (6), respectively;

(4) by striking out "and" at the end of paragraph (5) (as so redesignated), by striking out the period at the end of paragraph (6) (as so redesignated) and inserting in lieu thereof "; and", and by inserting after paragraph (6) the following:

"(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a–276a–5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards specified in paragraph (7) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c)."; and

(5) by striking out "725" in the last sentence and inserting in lieu thereof "702".

(b) Sections 726, 727, 728, and 729 are redesignated as sections 724, 725, 726, and 727, respectively.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. SATTERFIELD. Mr. Chairman, reserving the right to object, I would like to inquire of the chairman precisely what this will do with respect to committee amendments in the remaining titles, specifically title V?

Mr. ROGERS. I would ask, as we had agreed, that the gentleman be protected in the amendment on the payback capitation grants, and that that be considered separately.

Mr. SATTERFIELD. I would have an opportunity to have that considered?

Mr. ROGERS. Yes.

Mr. SATTERFIELD. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. BROYHILL. Mr. Chairman, reserving the right to object, I obviously reserve the right to object because I understood we were going to read this bill by title, and that we would have no objection to a unanimous-consent request that each title be open for amendment; but I think we should proceed in a normal fashion that way, rather than open up the whole bill.

Mr. ROGERS. I thought we could speed it up, because I appreciate the gentleman's being agreeable to reading it title by title. But I thought we could proceed after we got this amendment and protected the gentleman from Virginia (Mr. Satterfield).

Mr. BROYHILL. If the gentleman from Virginia (Mr. Satterfield) is satisfied, I will withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The remainder of the bill is as follows:

TITLE IV—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

STUDENT LOAN AGREEMENTS

Sec. 401. (a) Subsection (b) of section 740 is amended (A) by striking out "and" at the end of paragraph (4), (B) by redesignating paragraph (5) as paragraph (6) and (C) by inserting after paragraph (4) the following new paragraph:

"(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and".

LOAN PROVISIONS

Sec. 402. (a) Subsection (a) of section 741 is amended to read as follows:

"(a) Loans from a student loan fund established under an agreement under section 740 may not exceed for any student for any academic year (or its equivalent) the sum of—

"(1) the cost of tuition for each year at the school for which such fund was established, and

"(2) $2,500."

(b) Subsection (e) of section 741 is amended by striking out "3 per centum" and inserting in lieu thereof "7 per centum".

(c) The amendment made by subsections (a) and (b) shall apply with respect to loans made after June 30, 1975, from the student loan funds established under section 740 of the Public Health Service Act.

(d) In the case of any individual who, on or after November 18, 1971, and before the date of the enactment of this Act, met the requirements of subparagraphs (A) and (B) of section 741(f)(1) of the Public Health Service Act and who practiced his profession in an area described in subparagraph (C) of such section (as in effect before the date of the enactment of this Act) while a member of the National Health Service Corps or as an officer of the Regular or Reserve Corps of the Public Health Service or as a civilian employee of the Public Health Service, the individual shall, for purposes of section 741 (f) of such Act, be deemed to have entered into the agreement required by such subparagraph (C) with respect to that practice.

AUTHORIZATION OF APPROPRIATIONS

Sec. 403. Effective with respect to appropriations under section 742 of the Public Health Service Act for fiscal years beginning after June 30, 1975, subsection (a) of section 742 is amended to read as follows:

"(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under an agreement under section 740, there are authorized to be appropriated $30,000,000 for fiscal year 1976, $30,000,000 for fiscal year 1977, and $30,000,000 for fiscal year 1978. For fiscal year 1979 and each of the two succeeding fiscal years there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan under this part for any academic year ending before September 30, 1978, to continue or complete their education."

DISTRIBUTION OF ASSETS

Sec. 404. Section 743 is amended by striking out "June 30, 1977" and "September 30, 1977" each place they occur and inserting in lieu thereof "September 30, 1981" and "December 31, 1981", respectively.

LOANS TO SCHOOLS

Sec. 405. (a) Section 744 is repealed.

(6) The health professions education fund created within the Treasury by section 744(d)(1) of the Public Health Service Act shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under section 744 of such Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 744. If at any time the Secretary determines the moneys in the fund exceed the present and any reasonable prospective future requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(c) There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to enable the Secretary to make payments under agreements entered into under section 744(b) of the Public Health Service Act before June 30, 1975.

(d) Section 742(b) is amended (1) by striking out ", and for loans pursuant to section 744" in paragraph (1); and (2) by striking out "whether as Federal capital contributions or as loans to schools under section 744)" in paragraph (3).

(e) Section 743(b) is amended by striking out "(other than so much of such fund as relates to payments from the revolving fund established by section 744(d))".

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 406. (a) Section 746 is repealed.

(b) Section 740 is amended (A) by striking out "of Health, Education, and Welfare" in subsection (a); and (B) by striking out ", except as provided in section 746," in paragraphs (2) and (3) of subsection (b).

(c) Section 745 is redesignated as section 744.

(d)(1) The heading for part C of title VII is amended to read as follows:

"Subpart I—Student Loans".

(2) The heading for subpart I of part C of title VII is amended to read as follows:

"Subpart I—Student Loans".

PUBLIC HEALTH TRAINEESHIPS

Sec. 407. Part C of title VII is amended by adding at the end of the following new subpart:

"Subpart III—Traineeships for Students in Schools of Public Health

"TRAINEESHIPS

"Sec. 751. (a) The Secretary may make grants to schools of public health for traineeships to train students enrolled in such schools.

"(b)(1) No grant for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary and payments under such a grant may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(2) Traineeships awarded under grants made under subsection (a) shall provide for such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

"(c) For payments under grants under subsection (a) there are authorized to be appropriated $6,000,000 for fiscal year 1976, $6,000,000 for fiscal year 1977, and $6,000,000 for fiscal year 1978.".

SCHOLARSHIPS

SEC. 408. (a) Subparts I, II, and III of part F of title VII are repealed.

(b) The Secretary of Health, Education, and Welfare during the period beginning July 1, 1975, and ending September 30, 1978 may (1) make grants under section 780 of the Public Health Service Act (as in effect before the date of the enactment of this Act) to public and nonprofit private schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, and pharmacy to enable such schools to continue making payments under scholarship awards to students who initially received such awards out of grants made to the schools under such section 780 for fiscal years ending before July 1, 1975, and (2) make scholarship grants under section 784 of such Act (as in effect before the date of the enactment of this Act) to individuals who initially received such grants before July 1, 1975.

(c) (1) Section 747 is repealed, section 225 is transferred to subpart II of part C of title VII, is redesignated section 747, and is amended to read as follows:

"PUBLIC HEALTH AND NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP TRAINING PROGRAM

"SEC. 747. (a) The Secretary shall establish the Public Health and National Health Service Corps Scholarship Training Program (hereinafter in this section referred to as the 'Program') to obtain trained physicians, dentists, and nurses and, if needed by the National Health Service Corps or other unit of the Service, graduates of schools of veterinary medicine, podiatrists, optometrists, pharmacists, graduates of schools of public health, graduates of programs in health administration, graduates of programs for the training of physician assistants, expanded function dental auxiliaries, and nurse practitioners, and other health-related specialists.

"(b) To be eligible for acceptance in the Program, an applicant for the Program must—

"(1) be accepted for enrollment, or be enrolled, as a full-time student (A) in an accredited (as determined by the Secretary) educational institution in a State and (B) in (i) a course of study offered by such institution and approved by the Secretary which leads to a degree in medicine, osteopathy, dentistry, nursing, or other health-related specialty as determined by the Secretary or (ii) a program offered by such institution for the training of physician assistants, expanded function dental auxiliaries, or nurse practitioners;

"(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for noncommissioned service in the Service; and

"(3) agree in writing to serve, as prescribed by subsection (d) of this section, in the National Health Service Corps, the Indian Health Service or other parts of the Public Health Service or the Department of Health, Education, and Welfare, or other medical entities designated by the Secretary.

To remain as a participant in the Program an individual must pursue at such an institution such an approved course of study or such a program of training and maintain an acceptable (as determined by the institution under regulations of the Secretary) level of academic standing in it.

"(c) (1) (A) Each participant in the Program shall while pursuing such a course of study or such a program of training receive a scholarship for each academic year of the course or program of training, not to exceed four years. A participant's scholarship shall consist of (i) an amount equal to the basic pay and allowances of a commissioned officer of the Service on active duty in pay grade O–1 with less than two years of service, and (ii) payment of the tuition expenses of the participant and all other reasonable educational expenses incurred by the participant, including fees, books, and laboratory expenses.

"(B) The Secretary may contract with any institution in which participants in the Program are enrolled for the payment to the institution (rather than to the participants) of the tuition and other educational expenses of such participants. Payment to such institutions may be made without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(2) If the Secretary determines that an institution has increase its total enrollment for the sole purpose of accepting participants in the Program, he may provide for additional payments to the institution to cover the portion of the increased costs of the additional enrollment which are not covered by the institution's regular tuition and fees.

"(d) (1) Each participant in the Program shall provide service as prescribed by paragraph (2) for a period of time (hereinafter in this section referred to as a 'period of obligated service') equal to—

"(A) one year of such service for each academic year of training for which a scholarship was received under the Program, or

"(B) two years,

whichever is greater. For a participant in the Program receiving a degree from a school of medicine, osteopathy, or dentistry, the period of obligated service applicable to such participant shall begin upon completion of the training required for such degree, except that the Secretary shall, at the request of the participant, defer the beginning of such service for the period of time required for the participant to complete internship, residency, or other advanced clinical training. For participants receiving degrees in other health professions the obligated service period shall commence upon completion of their academic training. Periods of internship, residency, or other advanced clinical training shall not be creditable in satisfying a service obligation under this subsection.

"(2) (A) Except as provided in subparagraphs (B), (C), and (D), an individual obligated to provide service on account of participation in the Program shall provide such service for the applicable period of obligated service as a member of the National Health Service Corps or the Indian Health Service in the clinical practice of such individual's profession.

"(B) If at the time an individual is required by the Secretary to begin such individual's period of obligated service neither the National Health Service Corps nor the Indian Health Service has a position available for a member of the profession for which such individual was trained, such individual shall serve as a member of the Public Health Service in the clinical practice of such individual's profession in connection with the delivery of health services under the authority of section 321 (relating to hospitals), 322 (relating to care and treatment of seamen and others), 323 (relating to care and treatment of Federal prisoners), 324 (relating to examination and treatment of certain Federal employees), 325 (relating to examination of aliens), or 326 (relating to services to certain Federal employees) or part D of title III (relating to services for persons with Hansen's disease).

"(C) If at the time an individual is required by the Secretary to begin such individual's period of obligated service—

"(i) the Corps and the Indian Health Service have no positions available for a member of the profession for which such individual was trained, and

"(ii) the Public Health Service has no need for such individual in connection with the delivery of health services under the authorities referred to in subparagraph (B),

such individual shall serve in the clinical practice of such individual's profession for such period in a medical facility of a State correctional facility, State mental hospital, community mental health center, migrant health center, community health center, or other medical entity designated by the Secretary as having a priority need for health personnel.

"(D) If at the time an individual is required by the Secretary to begin his period of obligated service—

"(i) the Corps and the Indian Health Service have no positions available for a member of the profession for which such individual was trained.

"(ii) the Public Health Service has no need for such individual in connection with the delivery of health services under the authorities referred to in subparagraph (B), and

"(iii) no entity designated under subparagraph (C) has positions available for a member of the profession for which such individual was trained,

such individual shall serve for such period as a member of the Public Health Service in such unit of the Department as the Secretary may prescribe.

"(e) If, for any reason, an individual fails to either begin such individual's service obligation under this section in accordance with subsection (d) or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula

$$A=2\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover, 'ϕ' is the sum of the amount paid under this section to or on behalf of such person and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such person's service obligation; and 's' is the number of months of such obligation served by him in accordance with subsection (d). Any amount which the United States is entitled to recover under this subsection shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States.

"(f) (1) (A) The Secretary shall release any participant in the Program from such participant's service obligation under subsection (d) if such participant enters into a written agreement with the Secretary to engage on a full-time basis in the private practice of such participant's profession—

"(i) in an area in a State in which is located a medically underserved population designated under section 330; and

"(ii) for a period of—

"(I) one year for each academic year of training for which the Program participant received a scholarship under the Program, or

"(II) two years,

whichever is greater.

"(B) An agreement described in subparagraph (A) shall—

"(i) provide that during the period of private practice by a participant pursuant to the agreement—

"(I) any individual who receives health services provided by the participant in connection with such private practice will be charged for such services at the usual and customary rate prevailing in the area in which such services are provided, except that if such individual is unable to pay such charge such individual shall be charged at a reduced rate or not charged any fee; and

"(II) the participant in providing health services in connection with such private practice shall not discriminate against any individual on the basis of such individual's ability to pay for such services or because payment for the health services provided to such individual will be made under the insurance program established under part A or B of title XVIII of the Social Security Act or under a State plan for medical assistance approved under title XIX of such Act; and

"(ii) contain such additional provisions as the Secretary may require to carry out the purposes of this subsection.

For purposes of clause (i)(I), the Secretary shall by regulation prescribe the method for determining an individual's ability to pay a charge for health services and the method for determining the amount of the fee (if any) to be charged such individual based on such ability.

"(2)(A) The Secretary may make one grant to any individual—

"(i) who has entered into an agreement under paragraph (1), and

"(ii) who has agreed to extend the period of practice under such agreement by a period of not less than one year,

to assist such individual in meeting the costs of beginning the practice of his profession in accordance with such agreement, including the costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. No such grant may be used for the purchase or construction of any building.

"(B) The amount of the grant to any individual under subparagraph (A) shall be—

"(i) $12,500, if such individual agrees to extend the period of practice under the agreement under paragraph (1) for a period of at least one year but less than two years; or

"(ii) $25,000, if such individual agrees to extend the period of practice under the agreement under paragraph (1) for a period of at least two years.

"(3) The Secretary may not enter into any agreement under paragraph (1) or make any grant under paragraph (2) unless an application therefor has been submitted to, and approved by, the Secretary.

"(4)(A) In the case of any individual who entered into an agreement under paragraph (1), the Secretary shall pay to such individual, as soon as practicable after the close of each calendar quarter in which such individual practiced his profession in accordance with such agreement, an amount which is equal to the excess (if any) of—

"(i) the amount of basic pay and allowances which such individual would have received for the period of such practice during such calendar quarter and the preceding calendar quarters in the same calendar year if during that same period of practice such individual was a commissioned officer of the Public Health Service serving in the National Health Service Corps during a period of obligated service under subsection (d), over

"(ii) the sum of the net income (as determined under regulations prescribed by the Secretary) derived by such individual during that period of practice (from the private practice of his profession in accordance with such agreement) and the amount (if any) paid to such individual under this paragraph will respect to the portion of that period of practice which occurred in such preceding calendar quarters.

"(B) If after the close of any calendar year—

"(i) the amount described in subparagraph (A)(ii) which was received by the individual for the period in such year in which he practiced his profession in accordance with an agreement under paragraph (1), exceeds

"(ii) the amount of basic pay and allowances which the individual would have received for such period if during such period he was a commissioned officer of the Public Health Service serving in the National Health Service Corps during a period of obligated service under subsection (d),

the Secretary shall be entitled to recover from such individual an amount equal to the lesser of the amount of such excess or the amount paid to such individual under subparagraph (A) for the period in such year in which he practiced his profession in accordance with an agreement under paragraph (1).

"(C) The Secretary may not make any payment to any individual under subparagraph (A) unless—

"(i) an application therefor has been submitted to the Secretary in such manner and containing such information as he shall by regulation prescribe; and

"(ii) such individual keeps such records as the Secretary may prescribe and makes such records available to the Secretary for any examination he may require.

"(g)(1) The Secretary may make one grant to any individual (other than an individual who entered into an agreement under subsection (f)(1))—

"(A) who has completed his period of obligated service under the Program, and

"(B) who has agreed in writing to engage on a full-time basis in the private practice of his profession in accordance with subsection (f)(1) for a period of not less than one year,

to assist such individual in meeting the costs of beginning the practice of such individual's profession in accordance with such agreement, including the costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. Such grant may not be used for the purchase or construction of any building.

"(2) The amount of the grant under paragraph (1) to any individual shall be—

"(A) $12,500, if such individual agrees to practice his profession in accordance with subsection (f)(1) for a period of at least one year but less than two years; or

"(B) $25,000, if such individual agrees to practice his profession in accordance with subsection (f)(1) for a period of at least two years.

"(3) The Secretary may not make a grant under paragraph (1) unless an application therefor has been submitted to, and approved by, the Secretary.

"(h) If the Secretary determines that an individual has violated an agreement under subsection (f)(1) or (g)(1)(B), he shall, as soon as practicable after making such determination notify the individual of such determination. If within one hundred and twenty days after the date of giving such notice, such individual is not practicing his profession in accordance with the agreement under subsection (f)(1) or (g)(1)(B), as the case may be, and has not provided assurances satisfactory to the Secretary that he will not knowingly violate such agreement again, the United States shall be entitled to recover from such individual an amount determined under subsection (e), except that in applying the formula contained in such subsection—

"(1) in the case of an agreement under subsection (f)(1), 'ϕ' shall be the sum of the amount paid under this section (other than any amount paid under subsection (f)(4)) to or on behalf of such person and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate, 't' shall be the number of months that such individual agreed to practice his profession under such agreement, including the number of months that the period of practice under such agreement was extended under subsection (f)(2)(A), and 's' shall be the number of months that such individual practiced his profession in accordance with such agreement; and

"(2) in the case of an agreement under subsection (g)(1)(B), 'ϕ' shall be the sum of the amount of the grant made under subsection (g) to such person and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate, 't' shall be the number of months that such individual agreed to practice his profession under such agreement, and 's' shall be the number of months that such individual practiced his profession in accordance with such agreement.

"(i)(1) When a person undergoing training in the Program is dismissed for failure to meet academic standing requirements or for disciplinary reasons or voluntarily terminates academic training, he shall be liable for repayment to the Government for an amount equal to the scholarship which he received under the Program.

"(2)(A) Any obligation of any individual under paragraph (1) or under subsection (e) or (h) shall be canceled upon the death of such individual.

"(B) The Secretary shall by regulation provide for the waiver or suspension of any obligation under paragraph (1) or under subsection (e) or (h) applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(j) Notwithstanding any other provision of law, persons undergoing academic training under the Program shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(k) The Secretary shall issue regulations for the implementation of this section.

"(l) To carry out the Program, there are authorized to be appropriated $40,000,000 for fiscal year 1976, $80,000,000 for fiscal year 1977, and $120,000,000 for fiscal year 1978. Sums appropriated under this subsection for any fiscal year shall remain available for obligation in the succeeding fiscal year.".

(2) Effective July 1, 1975, the heading for subpart II of part C of title VII is amended to read as follows:

"Subpart II—Student Scholarships".

(3)(A) Except as provided in subparagraph (B), the amendment made by paragraph (1) of this subsection shall apply with respect to scholarships awarded under the Public Health and National Health Service Corps Scholarship Program from appropriations for such Program for fiscal years beginning after June 30, 1975.

(B) The provisions of section 225(f)(1) of the Public Health Service Act (as in effect on June 30, 1975) prescribing the financial obligation of a participant in the Public Health and National Health Service Corps Scholarship Training Program who fails to complete an active duty service obligation incurred under that Program shall apply to any individual who received a scholarship under such Program for any academic year beginning before June 30, 1975, irrespective of whether such individual received such a scholarship after that date, unless such individual agrees to meet his active duty service obligation (or the remaining part thereof) through the private practice of his profession under an agreement entered into under section 747(f) of the Public Health Service Act (as amended by this section), in which case the provisions of section 747 (h) of such Act (as amended by this section) shall apply to such individual if he violates such agreement.

(C) Periods of internship or residency served before June 30, 1976, in a facility of the National Health Service Corps or other facility of the Public Health Service in accordance with an agreement entered into under section 225(b) of the Public Health Service Act (as in effect before that date) shall be creditable in satisfying a service obligation incurred under the Public Health and National Health Service Corps Scholarship Training Program as revised by paragraph (1) of this subsection.

REVISION OF NATIONAL HEALTH SERVICE CORPS PROGRAM

SEC. 409. (a) (1) Part C of title III is amended by inserting immediately below the heading for such part the following:

"Subpart I—General Provisions".

(2) Sections 331 and 332 of part D of such title are redesignated as sections 338 and 339, respectively.

(b) Part C of title III is amended by striking out section 329 and inserting in lieu thereof the following:

"Subpart II—National Health Service Corps Program

"NATIONAL HEALTH SERVICE CORPS

"SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this subpart referred to as the 'Corps') which (1) shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate, and (2) shall be utilized by the Secretary under this subpart to improve the delivery of health services to medically underserved populations.

"(b) (1) The Secretary shall conduct at medical and nursing schools and other schools of the health professions and at entities which train allied health personnel, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools and entities by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their places of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned under section 331 to provide health services for medically underserved populations shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(c) (1) The Secretary may, under regulations prescribed by him, adjust the monthly pay of each physician and dentist member of the Corps who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly pay shall be increased by an amount (not to exceed $1,000) which when added to the member's monthly pay and allowance will provide a monthly income competitive with the average monthly income from a practice of an individual who is a member of the profession of the Corps member, who has equivalent training, and who has been in practice for a period equivalent to the period during which the Corps member has been in practice.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's monthly pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his monthly pay and allowances an amount which when added to such monthly pay and allowances equals the monthly income he received for such last month.

For purposes of subparagraphs (A) and (B), the term 'monthly pay' includes special pay received under chapter 5 of title 37 of the United States Code.

"(2) In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under the Public Health Service and National Health Service Corps Scholarship Training Program, the adjustment in pay authorized by paragraph (1) may be made for such a member only upon satisfactory completion of such service obligation and the first thirty-six months of his being so engaged in the delivery of health care shall, for purposes of paragraph (1) (A), be deemed to begin upon such satisfactory completion.

"DESIGNATION OF MEDICALLY UNDERSERVED POPULATIONS

"SEC. 330. (a) For purposes of this subpart—

"(1) the term 'medically underserved population' means (A) the population of an urban or rural area (which need not conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical health manpower shortage, or (B) a population group determined by the Secretary to have such a shortage; and

"(2) the term 'State' includes Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(b) (1) The Secretary shall designate the medically underserved populations in the States. In determining whether to designate a population as a medically underserved population, the Secretary shall take into account the following:

"(A) The recommendations of each health systems agency designated under section 1515 for a health service area which includes all or any part of the area in which the population under consideration for designation resides.

"(B) If such area is within a health service area (or areas) for which no health systems agency has been designated, the recommendations of the State health planning and development agency designated under section 1521 for the State (or States) in which such area is located.

"(C) Ratios of available health manpower to the population under consideration for designation.

"(D) Indicators of the population's access to health services.

"(E) Indicators of the health status of the population.

"(F) Indicators of such population's need and demand for health services.

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for the designation (in accordance with the second sentence of paragraph (1)) of a population as a medically underserved population.

"ASSIGNMENT OF CORPS PERSONNEL

"SEC. 331. (a) (1) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population only if—

"(A) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(B) (i) the local government of the area in which such population resides certifies to the Secretary that such assignment of Corps personnel is needed for such population, and

"(ii) any State and district medical, osteopathic, or dental society for such area, or any other appropriate health society (as the case may be) for such area, makes such a certification to the Secretary.

"(2) The Secretary may not approve an application under paragraph (1) (A) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (b) and has afforded—

"(A) each health systems agency designated under section 1515 for a health service area which includes all or any part of the area in which the population for which the application is submitted resides, and

"(B) if there is a part of such area within a health service area for which no health systems agency has been designated, the State health planning and development agency of the State (designated under section 1521) in which such part is located,

an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of the Corps personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this subpart; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, osteopathic, dental, or other health societies or from medical personnel serving the population.

"(3) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of subparagraphs (A) and (B) of paragraph (1) are met except for the certification required by subparagraph (B) (ii) of such paragraph and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, osteopathic, dental, or other health societies, waive the application of the certification requirement to such proposed assignment.

"(b) (1) The Secretary shall require as a condition to the approval of an application under subsection (a) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (3) for health services provided by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps personnel under this subpart, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall pay to the United States as prescribed by the Secretary for each calendar quarter (or other period as may be specified in the arrangement) during which any Corps personnel are assigned to such entity the sum of—

"(i) the pay (including amounts paid in accordance with 329(c)) and allowances of such Corps personnel for the portion of such quarter (or other period) during which assigned to the entity;

"(ii) if such entity received a grant under section 332 for the assistance period (as defined in subsection (c)) for which such personnel are assigned, an amount which bears the same ratio to the amount of such grant as the number of days in such quarter (or other period) during which any Corps personnel were assigned to the entity bears to the number of days in the assistance period after such entity received such grant; and

"(iii) if during such quarter (or other period) any member of the Corps assigned to such entity is providing obligated service pursuant to an agreement under the Public Health and National Health Service Corps Scholarship Training Program for each such member an amount which bears the same ratio to the amount paid under such Program to or on the behalf of such member as the number of days of obligated service provided by such member during such quarter (or other period) bears to the number of days in his period of obligated service under such Program.

The Secretary may waive in whole or in part the application of the requirement of subparagraph (C) to an entity if he determines that the entity is financially unable to meet such requirement or if he determines that compliance with such requirement would unduly limit the ability of the entity to maintain the quality of the services it provides.

"(2) The excess (if any) of the amount collected by an entity in accordance with paragraph (1)(B) over the amount paid to the United States in accordance with paragraph (1)(C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (a) or to recruit and retain health manpower to provide health services for such population.

"(3) Any person who receives health services provided by Corps personnel under this subpart shall be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(4) Funds received by the Secretary under an arrangement entered into under paragraph (1) shall be deposited in the Treasury as miscellaneous receipts and shall be disregarded in determining the amounts of appropriations to be requested under section 335 and the amounts to be made available from appropriations made under such section to carry out this subpart.

"(c) The Secretary may assign Corps personnel to provide health services for a medically underserved population only during a period (hereinafter in this subpart referred to as the 'assistance period') not exceeding four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application for such assignment.

"(d) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with subsection (a) for such new assignment. The Secretary may not approve such an application unless—

"(1) the application and certification requirements of subsection (a) are met;

"(2) the Secretary has conducted an evaluation of the continued need for health manpower of the population for which the application is submitted, of the utilization of the manpower by such population, of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(3) the Secretary has determined that such population has made continued efforts to secure its own health manpower, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third-party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(e) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(f) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and the assignee's spouse (if any)) and of the population to which such assignee may be assigned in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period. The Secretary shall, before the expiration of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such member's assignment.

"(g)(1) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel under this section, and (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public and private health entities serving those areas of the assistance available to such populations by virtue of their designation under section 330 as medically underserved.

"(2) The Secretary shall provide technical assistance to all medically underserved populations, to which Corps personnel are not assigned, to assist in the recruitment of health manpower for such populations. The Secretary shall also give such populations current information respecting public and private programs under which they may receive assistance in securing health manpower for them.

"PROVISION OF HEALTH SERVICES BY CORPS PERSONNEL

"Sec. 332. (a) In providing health services for a medically underserved population under this subpart, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (1) to all members of the population regardless of their ability to pay for the services, and (2) in connection with (A) direct health services programs carried out by the Service; (B) any other direct health services program carried out in whole or in part with Federal financial assistance; or (C) any other health services activity which is in furtherance of the purposes of this subpart.

"(b)(1) Notwithstanding any other provision of law, the Secretary (A) may, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the area in which the population resides and if there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services, (B) may make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and (C) may secure the temporary services of physicians, nurses, and allied health professionals.

"(2) If such an area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under paragraph (1), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility.

"(c) The Secretary may make one grant to any applicant with an approved application under section 331 to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this subsection unless an application therefor is submitted to, and approved by, the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may exceed $25,000.

"(d) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may (notwithstanding any other provision of law) sell to the entity which submitted the last application approved under section 331 for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this subsection shall be made for the fair market value of the equipment sold (as determined by the Secretary).

"REPORTS

"Sec. 333. The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under section 330 in the calendar year in which the report is made;

"(2) the number of applications filed under section 331 in such preceding calendar year for assignment of Corps personnel and the action taken on each such application;

"(3) the number any types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types of additional Corps personnel which the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under section 329(b)(1), and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health personnel electing to remain, after termination of their service in the Corps, to provide health services to medically underserved populations, the number of such personnel who do not make such election, and their reasons for not making such election;

"(7) the results of evaluations made under section 331(d)(2), and determinations made under section 331(d)(3), during such preceding year; and

"(8) the total amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under section 331(b), and (C) paid to the Secretary in such year under such arrangements.

"NATIONAL ADVISORY COUNCIL

"SEC. 334. (a) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(1) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this subpart.

"(2) Three members shall be appointed from the medical, dental, and other health professions and health teaching professions.

"(3) One member shall be appointed from a State health planning and development agency designated under section 1521, one member shall be appointed from a Statewide Health Coordinating Council under section 1524, and one member shall be appointed from a health systems agency designated under section 1515.

"(4) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

"(5) Two members shall be appointed from the National Council on Health Planning and Development (established under section 1503).

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this subpart, and shall review and comment upon regulations promulgated by the Secretary under this section subpart.

"(b)(1) Members of the Council shall be appointed for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of such term, and shall not be removed, except for cause. Members may be reappointed to the Council.

"(2) Members of the Council (other than members who are officers or employees of the United States, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule; and while so serving away from their homes or regular places of business all members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5 of the United States Code for persons in the Government Service employed intermittently.

"AUTHORIZATION OF APPROPRIATION

"SEC. 335. To carry out the purposes of this subpart, there are authorized to be appropriated $30,000,000 for fiscal year 1976; $36,000,000 for fiscal year 1977; and $45,000,000 for fiscal year 1978.

"(2) An appropriation under an authorization under paragraph (1) of this subsection for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under an authorization under paragraph (1) for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation under this subpart before the fiscal year for which such appropriation is authorized.".

(c, (1) The amendments made by subsections (a) and (b) of this section shall take effect July 1, 1975.

(2)(A) Any area for which a designation under section 329(b) of the Public Health Service Act (as in effect on June 30, 1975) was in effect on such date and in which National Health Service Corps personnel were, on such date, providing, under an assignment made under such section (as so in effect), health care and services for persons residing in such area shall, effective July 1, 1975, be deemed under subpart II of part C of title III of such Act (as added by subsection (b) of this section) to (i) be an area in which is located a medically underserved population (as defined by section 330 of such Act (as so added)), and (ii) be qualified under section 331 of such Act (as so added) for the assignment of Corps personnel unless, as determined under subparagraph (B) of this paragraph, the assistance period applicable to such areas (within the meaning of such section 331) has expired.

(B) The assistance period (within the meaning of such section 331) applicable to an area described in subparagraph (A) of this paragraph shall be deemed to have begun on the date Corps personnel were first assigned to such area under section 329 of such Act (as in effect on June 30, 1975).

(C) In the case of any physician or dentist member of the Corps who was providing health care and services on June 30, 1975, under an assignment made under section 329(b) of such Act (as in effect on June 30, 1975), the number of the months during which such member provided such care and services before July 1, 1975, shall be counted in determining the application of the additional pay provisions of section 329(c) of such Act (as added by subsection (b) of this section) to such member.

(3) The amendment made by subsection (b) which changed the name of the Advisory Council established under section 329 of the Public Health Service Act (and placed the authority for the Advisory Council in section 334 of such Act) shall not be construed as requiring the establishment of a new Advisory Council under such section 334; and the amendment made by subsection with respect to the composition of such Advisory Council shall apply with respect to appointments made to the Advisory Council after July 1, 1975, and the Secretary of Health, Education, and Welfare shall make appointments to the Advisory Council after such date in a manner which will bring about, at the earliest feasible time, the Advisory Council composition prescribed by the amendment.

(d)(1) The Secretary of Health, Education, and Welfare shall report to Congress (A) not later than October 1, 1975, the criteria used by him in designating medically underserved populations under section 330 of the Public Health Service Act, and (B) not later than January 1, 1976, the identity and number of medically underserved populations in each State meeting such criteria.

(2) The Secretary of Health, Education, and Welfare shall conduct or contract for studies of methods of assigning under section 331 of the Public Health Service Act (as added by subsection (b) of this section) National Health Service Corps personnel to medically underserved populations and of providing health care to such populations. Such studies shall be for the purpose of identifying (A) the characteristics of health manpower personnel who are more likely to remain in practice in areas in which medically underserved populations are located, (B) the characteristics of areas which have been able to retain health manpower personnel, and (C) the appropriate conditions for assignment of nurse practitioners, physician's assistants, and expanded function dental auxiliaries in areas in which medically underserved populations are located.

(e)(1) Section 741(f)(1)(C) is amended by striking out all that follows after "in a State" and inserting in lieu thereof "in which is located a medically underserved population designated under section 330;".

(2) The amendment made by paragraph (1) shall apply with respect to agreements entered into under section 741(f) of the Public Health Service Act after June 30, 1975.

TITLE V—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

GRANT AMOUNTS; AUTHORIZATIONS

SEC. 501. (a) Subsection (a) of section 770 is amended to read as follows:

"(a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, and podiatry for the support of the education programs of such schools. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

"(1) Each school of medicine and osteopathy shall receive—

"(A) for fiscal year 1976, $2,100 for each full-time student enrolled in such school in such year; and

"(B) for each succeeding fiscal year $2,000 for each full-time student enrolled in such school in such year.

"(2) Each school of dentistry shall receive—

"(A) for fiscal year 1976, $2,100 for each full-time student enrolled in such school in such year; and

"(B) for each succeeding fiscal year $2,200 for each full-time student enrolled in such school in such year.

"(3)(A) Each school of public health shall receive an amount equal to the product of—

"(i) $1,500, and

"(ii) the sum of (I) the number of full-time students enrolled in such school in such year, and (II) the number of full-time equivalents of part-time students, determined pursuant to subparagraph (B), for such school for such year.

"(B) For purposes of subparagraph (A) the number of full-time equivalents of part-time students for a school of public health for any year is a number equal to—

"(i) the total number of credit hours of instruction in such year for which part-time students of such school, who are pursuing a course of study leading to a graduate degree in public health or an equivalent degree, have enrolled, divided by

"(ii) the greater of (I) the number of credit hours of instruction which a full-time student of such school was required to take in such year, or (II) 9, rounded to the next highest whole number.

"(4) Each school of veterinary medicine shall receive $1,500 for each full-time student enrolled in such school in such year.

"(5) Each school of optometry shall receive $700 for each full-time student enrolled in such school in such year.

"(6) Each school of pharmacy (other than a school of pharmacy with a course of study of more than four years) shall receive $700 for each full-time student enrolled in such school in such year. Each school of pharmacy with a course of study of more than four years shall receive $700 for each full-time student enrolled in the last four years of such school. For purposes of sections 771, 772, and 782, a student enrolled in the first year of the last four years of such school shall be considered a first-year student.

"(7) Each school of podiatry shall receive $1,100 for each full-time student enrolled in such school in such year.".

(b) Subsection (c) of section 770 is amended to read as follows:

"(c) Apportionment of Appropriations.—Notwithstanding subsections (a) and (b), if the aggregate of the amounts of the grants to be made in accordance with such subsections for any fiscal year to schools of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry with approved applications exceeds the total of the amounts appropriated under subsection (f) for such grants, the amount of a school's grant with respect to which such excess exists shall for such fiscal year be an amount which bears the same ratio to the amount determined for the school under such subsections as the total of the amounts appropriated for that year under subsection (f) for grants to schools of the same category as such school bears the amount required to make grants in accordance with such subsections to the schools of that category with approved applications."

(c) (1) Subsections (d), (e), (f), and (g) of section 770 are repealed.

(2) Subsection (h) of section 770 is (A) redesignated as subsection (d), and (B) is amended to read as follows:

"(d) Enrollment Determinations.—

"(1) For purposes of this section and sections 771 and 772, regulations of the Secretary shall include provisions relating to the determination of the number of students enrolled in a school or in a particular year-class in a school on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class, or on such other basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

"(2) For purposes of this section and sections 771, 772, and 782 the term 'full-time students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of optometry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or doctor of podiatry or an equivalent degree or to a graduate degree in public health or equivalent degree. In the case of a training program of a school designed to permit the students enrolled in such program to complete, within six years after completing secondary school, the requirements for degree of doctor of medicine, doctor of dentistry or an equivalent degree, or doctor of osteopathy, the term 'full-time students' shall only include students enrolled on a full-time basis in the last four years of such program and for purposes of sections 771, 772, and 782, students enrolled in the first of the last four years of such program shall be considered as first-year students.".

(3) Subsection (i) of section 770 is (1) amended by inserting ", public health" after "osteopathy", and (2) redesignated as subsection (e).

(4) Subsection (j) of section 770 is redesignated as subsection (f) and is amended to read as follows:

"(f) Authorizations of Appropriations.—

"(1) There are authorized to be appropriated $165,000,000 for fiscal year 1976, $170,000,000 for fiscal year 1977, and $167,000,000 for fiscal year 1978, for payments under grants under this section to schools of medicine, osteopathy, and dentistry based on the number of full-time students enrolled in such schools.

"(2) There are authorized to be appropriated $10,500,000 for fiscal year 1976, $10,750,000 for the fiscal year 1977, and $11,000-000 for fiscal year 1978, for payments under grants under this section to schools of public health.

"(3) There are authorized to be appropriated $9,250,000 for fiscal year 1976, $9,750,000 for fiscal year 1977, and $10,500,000 for fiscal year 1978, for payments under grants under this section to schools of veterinary medicine.

"(4) There are authorized to be appropriated $21,700,000 for fiscal year 1976, $22,600,000 for fiscal year 1977, and $23,500,000 for fiscal year 1978, for payments under grants under this section to schools of optometry and pharmacy.

"(5) There are authorized to be appropriated $2,000,000 for fiscal year 1976, $2,100,000 for fiscal year 1977, and $2,100,000 for fiscal year 1978, for payments under grants under this section to schools of podiatry.

"(6) No funds appropriated under any provision of this Act (other than this subsection) may be used to make grants under this section.".

'd) For fiscal year 1976, and for each of the next two fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make annual grants to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, and podiatry under section 770 (a) of the Public Health Service Act (as in effect on June 31, 1975) based on the number of enrollment bonus students (determined in accordance with subsections (d) and (e) of section 770 of such Act (as so in effect)) enrolled in such schools who were first-year students in such schools for school years beginning before June 30, 1975, except that the amount of any grant made to such a school from sums appropriated under this subsection may not exceed the amount of the grant the school received in the fiscal year ending June 30, 1975, based on the number of such students enrolled in it.

(e) The heading for part E of title VII is amended to read as follows:

"Part E—Grants To Improve the Quality of Schools of Medicine, Ostopathy, Dentistry, Public Health, Veterinary Medicine, Optometry, Pharmacy, and Podiatry".

(f) The amendments made by subsections (a), (b), and (c) shall apply with respect to appropriations under section 770 of the Public Health Service Act, and grants under that section, for fiscal year ending after June 30, 1975.

GRANT REQUIREMENTS

Sec. 502. Part E of title VII is amended (1) by redesignating section 771 as section 772, and (2) by adding after section 770 the following new section:

"ELIGIBILITY FOR CAPITATION GRANTS

"Sec. 771. (a) In General.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1975, unless the application for the grant meets the following requirements:

'(1) The application shall contain or be supported by assurances satisfactory to the Secretary that the first-year enrollment of full-time students in the school in the school year beginning after the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year.

(2) The application shall contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year preceding the fiscal year for which such grant is sought.

"(b) Schools of Medicine, Osteopathy, and Dentistry.—The Secretary shall not make a grant under section 770 to any school of medicine, osteopathy, or dentistry in a fiscal year beginning after June 30, 1975, unless the requirement of paragraph (1) and the requirement of paragraph (2) or (3) are met:

"(1) (A) The application shall contain or be supported by assurances satisfactory to the Secretary that the school (1) will enter into a legally enforceable agreement with each student enrolled in the school in a school year beginning after June 30, 1976, under which the student agrees to pay, in equal annual installments in accordance with subparagraph (B), to the United States an amount equal to the total amount which the school received under section 770 because of the enrollment of the student in the school in school years beginning after such date, and (ii) will make annual reports to the Secretary respecting the amount owed under such agreements.

"(B) (i) The number of annual installments which a student, subject to an agreement entered into with a school pursuant to subparagraph (A), shall pay to the United States shall be equal to the number of fiscal years (beginning after June 30, 1976) in which the school received a grant under section 770 on account of the enrollment of the student in school years beginning after such date.

"(ii) The first annual installment to be paid under an agreement under subparagraph (A) with a school shall be paid in the first calendar year which begins more than eleven months after the month in which the student subject to the agreement completed or terminated his course of study at the school, except that—

"(I) if the course of study was terminated in connection with a transfer to another school to pursue the same course of study and the transfer was made within twelve months of the termination date, the first annual installation shall be paid in the first calendar year which begins more than eleven months after the date the student completes his course of study at the school to which he transferred; or

"(II) if the student begins an internship, residency, or other advanced clinical training within six months after the month in which he completed his course of study, the first annual installment shall be paid in the first calendar year which begins more than eleven months after the month in which such internship or residency training ends.

No installment shall be required to be paid in a calendar year in which more than six months is spent in internship or residency training.

"(C) For each year that an individual subject to such an agreement—

"(i) provides service during a period of obligated service in accordance with section 747(d) or practices his profession in accordance with an agreement entered into under section 747(f) or 747(g); or

"(ii) practices his profession, in accordance with an agreement entered into with the Secretary, in an area in which is located a medically underserved population designated under section 330,

the individual shall be relieved of his liability to pay one annual installment.

"(D) The obligation of an individual under an agreement shall be canceled upon his death. The Secretary shall by regulation provide for the waiver or suspension of such an obligation whenever compliance by the individual subject to it is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to him would be against equity and good conscience.

"(2) The application for such grant shall contain or be supported by assurances satisfactory to the Secretary that—

"(A) for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100; or

"(B) in the case of a four-year school of medicine, osteopathy, or dentistry, for the second school year beginning after the close of the fiscal year in which such grant is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made the third-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1974 (or if the enrollment of such students in the next school year was greater, then the number enrolled in that school year)—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100.

"(3) (A) In the case of an application for a grant to be made in a fiscal year beginning after June 30, 1975, the applicant shall submit to the Secretary and have approved by him before the grant applied for is made, a plan to train full-time students in ambulatory care settings in the school year beginning after the close of the fiscal year in which the grant is made and in each school year thereafter beginning in a fiscal year in which such a grant is made and in areas geographically remote from the main site of the teaching facilities of the applicant (or any other school of medicine, osteopathy, or dentistry which has joined with the applicant in the submission of the plan).

"(B) More than one applicant may join in the submission of a plan described in subparagraph (A). No plan may be approved by the Secretary unless—

"(i) the application for a grant under section 770 of each school which has joined in the submission of the plan contains or is supported by assurances satisfactory to the Secretary that at least one-half of the full-time students who will graduate from such school will upon graduation have received, in an area geographically remote from the main site of the training facilities of such school, at least six weeks (in the aggregate) of clinical training;

"(ii) the plan contains a list of the areas where the training under such plan is to be conducted, a detailed description of the type and amount of training to be given in such areas, and provision for periodic review by experts in medical, osteopathic, or dental education (as may be appropriate) of the desirability of providing training in such areas and of the quality of training rendered in such areas;

"(iii) the plan contains a specific program for the hiring, as members of the faculty of the school or schools submitting the plan, of practicing physicians or dentists (as appropriate) to serve as instructors in the training program in areas geographically remote from the main site of the teaching facilities of such school or schools; and

"(iv) the plan contains a plan for frequent counseling and consultation between the faculty of the school or schools at the main site of their training facilities and the instructors in the training program in the areas geographically remote from such site.

"(c) SCHOOLS OF PUBLIC HEALTH.—

"(1) The Secretary shall not make a grant under section 770 to any school of public health in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by assurances satisfactory to the Secretary that for the second school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(A) by 10 per centum of such number if such number was not more than 100, or

"(B) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100.

"(2) The Secretary may waive (in whole or in part) the requirements of paragraph (1) with respect to any school if he determines, after consultation with the National Advisory Council on Health Professions Education, that such school, because of limitations of physical facilities available to the school for training or because of other relevant factors, cannot increase its first year enrollment in accordance with such paragraph without lowering the quality of education provided in such school.

"(d) SCHOOLS OF VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY.—

"(1) SCHOOLS OF VETERINARY MEDICINE.—The Secretary shall not make a grant under section 770 to any school of veterinary medicine in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by assurances satisfactory to the Secretary that—

"(A) for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100; or

"(B) at least 20 per centum of the first year enrollment of full-time students in such school will, for the second school year beginning after the close of the fiscal year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made, be comprised of students who are residents of States in which there are no accredited schools of veterinary medicine.

"(2) SCHOOLS OF OPTOMETRY.—The Secretary shall not make a grant under section 770 to any school of optometry in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by assurances satisfactory to the Secretary that—

"(A) for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100; or

"(B) at least 25 per centum (or 50 per centum if the applicant is a nonprofit private school of optometry) of the first-year enrollment of full-time students in such school will, for the second school year beginning after the close of the first year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made, be comprised of students who are residents of States in which there are no accredited schools of optometry.

"(3) SCHOOLS OF PHARMACY.—The Secretary shall not make a grant under section 770 to any school of pharmacy in a fiscal year beginning after June 30, 1975—

"(A) unless the application for such grant contains or is supported by assurances satisfactory to the Secretary that for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100; or

"(B) unless such school has submitted to and had approved by the Secretary a plan for the establishment, expansion, improvement, or operation, in the second school year beginning after the fiscal year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made, of at least two of the following programs: (i) A program to teach pharmacy in a hospital, extended care facility, or other clinical setting, (ii) a program of training in clinical pharmacology, or (iii) a program to train pharmacists to assist physicians and counsel patients on the appropriate use and reactions to drugs.

"(4) SCHOOLS OF PODIATRY.—The Secretary shall not make a grant under section 770 to any school of podiatry in a fiscal year beginning after June 30, 1975 unless the application for such grant contains or is supported by assurances satisfactory to the Secretary that—

"(A) for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in the school making the application will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100; or

"(B) at least 40 per centum of the first year enrollment of full-time students in such school will for the second school year beginning after the close of the fiscal year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made will be comprised of students who are residents of States in which there are no accredited schools of podiatry.".

START-UP GRANTS

SEC. 503. (a) Section 772(a)(1) (as so redesignated) is amended by striking out "or dentistry" and inserting in lieu thereof: ", dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry".

(b) Section 772(a)(4) (as so redesignated) is amended by striking out "or dentistry" and inserting in lieu thereof "dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry".

(c) Section 772(a)(6) (as so redesignated) is amended to read as follows:

"(6) There are authorized to be appropriated $10,000,000 for fiscal year 1976, $10,000,000 for fiscal year 1977, and $10,000,000, for fiscal year 1978, for payments under grants under this subsection. Sums appropriated under this paragraph shall remain available until expended.".

(d) Sections 772(b)(2) (as so redesignated) is amended (1) by striking out "July 1, 1975" and inserting in lieu thereof, "October 1, 1978", and (2) by striking out "June 30, 1976" and inserting in lieu thereof "September 30, 1979".

(e) Section 772 (as so redesignated) is amended by adding at the end thereof the following new subsection:

"(c)(1) The Secretary may make grants to any school of medicine to meet the planning costs for projects for the training of students, enrolled in the last two years of such school, in facilities—

"(A) which are other than the principal teaching facilities of the school receiving the grant and which are existing Federal health care facilities or are other public or private health care facilities; and

"(B) which are located in an area in which a medically underserved population resides.

No grant may be made under this paragraph with respect to any project unless before the fiscal year for which the grant is to be made the project has received at least $100,000 from non-Federal sources and has been approved by the legislature of the State in which it is located.

"(2) For payments under grants under paragraph (1), there are authorized to be appropriated $400,000 for fiscal year 1976.".

(f) The amendments made by this section shall apply with respect to appropriations under section 772 of the Public Health Service Act (as so redesignated), and grants from such appropriations, for fiscal years ending after June 30, 1975.

FINANCIAL DISTRESS GRANTS

SEC. 504. (a) Subsection (a) of section 773 is amended to read as follows:

"(a) There are authorized to be appropriated $5,000,000 for fiscal year 1975, and $5,000,000 for fiscal year 1976, and $5,000,000 for fiscal year 1977, for payments under grants under this section.".

(b) Section 773 is amended by inserting "public health," after "dentistry," in subsections (b) and (d).

(c) The amendments made by this section shall apply with respect to appropriations under section 773 of the Public Health Service Act, and grants from such appropriations, for fiscal years ending after June 30, 1975.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 505. (a) Section 775 is redesignated section 774 and is amended—

(1) by striking out "770, 771, 772, or 773" each place it occurs and inserting in lieu thereof "770, 772, or 773";

(2) by inserting ", public health" after "dentistry" in subsection (b);

(3) by striking out "this part" in subsection (c) and inserting in lieu thereof "sections 770, 772, or 773";

(4) by striking out "770, 771, or 773" in subsection (d)(1) and inserting in lieu thereof "770, 771, 772, or 773" and

(5) by amending subsection (d)(3) to read as follows:

"(3) provides for such fiscal control and accounting procedures and reports, including the use of such standard procedures for the recording and reporting of financial information as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to enable him to determine the costs to the applicant of its program for the education or training of students."

(b) The section heading of section 774 (as so redesignated) is amended by striking out "SPECIAL PROJECT,".

(c) Sections 312 and 313 are repealed.

(d) The amendments (and repeals) made by this section shall apply with respect to appropriations, and grants therefrom, for fiscal years ending after June 30, 1975.

TITLE VI—SPECIAL PROJECT GRANTS AND CONTRACTS

FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY

SEC. 601. (a) Section 767 (entitled "Grants for Training, Traineeships, and Fellowships in Family Medicine") is transferred to part F of title VII, inserted after the heading for such part, and redesignated as section 781.

(b) Section 781 (as so redesignated) is amended as follows:

(1) Such section is amended by striking out "and" after "1973," and by inserting after "1975," the following: "$40,000,000 for fiscal year 1976, $40,000,000 for fiscal year 1977, and $40,000,000 for fiscal year 1978,".

(2) Section 781 (as so redesignated) is amended by striking out "interns" in paragraphs (1) and (2) and inserting in lieu thereof "interns (including interns in internships in osteopathic medicine)".

(3) Such section is amended by inserting "(a)" before "There are" and by inserting at the end thereof the following:

"(b) Sums appropriated under subsection (a) may be used by the Secretary to make grants to any public or nonprofit private school of dentistry or accredited postgraduate dental training institution—

"(1) to plan, develop, and operate an approved residency program in the general practice of dentistry; and

"(2) to provide financial assistance (in the form of traineeships and fellowships) to residents in such a program who are in need of financial assistance and who plan to specialize in the practice of general dentistry.".

(4) The title of such section is amended by inserting after "FAMILY MEDICINE" the following: "AND IN THE GENERAL PRACTICE OF DENTISTRY".

FAMILY MEDICINE TRAINING PROJECT GRANTS

SEC. 602. Part F of title VII is amended by adding after section 781 (as so redesignated) the following new section:

"PROJECT GRANTS FOR INSTRUCTION IN FAMILY MEDICINE

"SEC. 782. (a) The Secretary may make grants to schools of medicine and osteopathy to meet the costs of projects to establish and maintain academic administrative units (which may be departments, divisions, or other units) to provide clinical instruction in family medicine.

"(b) The Secretary may not approve an application for a grant under subsection (a) unless such application contains—

"(1) assurances satisfactory to the Secretary that the academic administrative unit with respect to which the application is made will (A) be comparable to academic administrative units for other major clinical specialties offered by the applicant, (B) be responsible for directing an amount of the curriculum for each member of the student body engaged in an educational program leading to the awarding of the degree of doctor of medicine or doctor of osteopathy which amount is determined by the Secretary to be comparable to the amount of curriculum required for other major clinical specialties in the school, (C) have a number of full-time faculty which is determined by the Secretary to be sufficient to conduct the instruction required by clause (B) and to be comparable to the number of faculty assigned to other major clinical specialties in the school, and (D) have control over a three-year approved or provisionally approved residency training program in family practice or its equivalent as determined by the Secretary which shall have the capacity to enroll a total of no less than twelve interns or residents per year; and

"(2) such other information as the Secretary shall by regulation prescribe.

"(c) There are authorized to be appropriated $10,000,000 for fiscal year 1976, $15,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978, for payments under grants under subsection (a).".

ASSISTANCE TO DISADVANTAGED STUDENTS

SEC. 63. Section 772 (as in effect before the date of the enactment of this Act) is transferred to part F of title VII, is inserted after section 782, is redesignated section 783, and is amended to read as follows:

"ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

"SEC. 783. (a)(1) For the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake education to enter a health profession, the Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry and other public or private nonprofit health or educational entities to assist in meeting the costs described in paragraph (2).

"(2) A grant or contract under paragraph (1) may be used by the health or educational entity to meet the costs of—

"(A) identifying, recruiting, and selecting individuals from disadvantaged backgrounds, as so determined, for the education provided by a health professional school,

"(B) facilitating the entry of those individuals into such a school,

"(C) providing counseling or other services designed to assist those individuals to complete successfully their education at such a school,

"(D) providing, for a period prior to the entry of those individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education, and

"(E) publicizing existing sources of financial aid available to persons enrolled in the education program of such a school or who are undertaking training necessary to qualify them to enroll in such a program.

"(b) There are authorized to be appropriated $20,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $20,000 for fiscal year 1978, for payments under grants and contracts under subsection (a).".

AREA HEALTH EDUCATION CENTERS

Sec. 604. (a) Section 774 (as in effect before the date of the enactment of this section) is transferred to part F of title VIII, is inserted after section 783 (as so redesignated), is redesignated section 784, and is amended to read as follows:

"AREA HEALTH EDUCATION CENTERS

"Sec. 784. (a) For the purpose of improving the distribution, supply, quality, utilization, and efficiency of health personnel in the health services delivery system and for the purpose of encouraging the regionalization of educational responsibilities of the health professions schools, the Secretary may make grants and enter into contracts for projects for area health education centers—

"(1) to conduct programs to alleviate shortages of health personnel in rural areas with sparse populations or urban areas with unusually dense populations through training or retraining of health personnel in community hospitals and other facilities located in such areas (including training of students enrolled in residency programs in family medicine, general internal medicine, general pediatrics, psychiatry, and obstetrics and gynecology) or to otherwise improve the distribution in such areas of health personnel by area or by specialty group;

"(2) to provide training programs in such areas (A) leading to more efficient utilization in such areas of health personnel, emphasizing multidisciplinary and interdisciplinary patterns of undergraduate, graduate, and continuing education of health personnel, and (B) to encourage new or more effective approaches to the organization and delivery of health services in such areas through the training of individuals in the use of the team approach to the delivery of health services; and

"(3) to provide education programs for the general populations of such areas regarding the appropriate use of health services, the availability of health services in such areas (including services provided under federally funded programs), and the contribution each individual can make to the maintenance of his own health.

"(b)(1) The costs for which a grant or contract under this section may be made may include such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the students (and other health personnel undergoing training) in such programs as the Secretary may deem necessary and costs of construction of new primary care facilities and of medical school facilities necessary for the administration of the training program for which the grant or contract is made.

"(2) No application for a grant or contract under this section may be approved unless the application—

"(A) is made by a public or nonprofit private educational entity which has, or which is affiliated with, at least three degree or diploma granting health professions education programs of which at least one shall be a program offered by a school of medicine or osteopathy;

"(B) contains assurances satisfactory to the Secretary that, to the maximum extent feasible, the project of the applicant will be conducted in conjunction with (including the sharing of faculty and facilities with) the projects (if any) of any schools of medicine or osteopathy participating in the project of the applicant for the remote site training of undergraduate students of medicine or osteopathy conducted pursuant to plans approved under section 771(b)(1)(B);

"(C) contains a designation of the geographic boundaries of the areas to be served by area health education centers established under the project;

"(D) contains a list of the health manpower needs of the areas to be served by area health education centers established under the project, the relative order in which those needs should be addressed, a detailed description of the types of programs to be carried out by the area health education centers, and provision for periodic review and evaluation of such programs by experts in medical or osteopathic or other health professions education (as may be appropriate);

"(E) contains assurances that each medical and osteopathic school participating in the project will provide not less than six weeks of training per year in area health education centers for at least 50 per centum of the students enrolled in such schools in residency programs in family medicine, general internal medicine, general pediatrics, psychiatry, and obstetrics and gynecology;

"(F) contains assurances satisfactory to the Secretary that each participant in the project will contribute a significant portion of its faculty to serve as instructors in medical residency training and continuing education programs in areas served by the area health education centers;

"(G) contains a specific program for multidisciplinary and interdisciplinary training programs both at the main site of the training or clinical facilities of the applicant and in area health education centers established under the project;

"(H) contains a plan for frequent counseling and consultation between the faculty of the applicant at the main site of its training or clinical facilities and instructors and other appropriate participants in the applicant's programs in the areas served by the area health education centers;

"(I) contains a detailed plan for frequent consultation and coordination of the applicant's project with appropriate local, regional, State, and Federal agencies in order to exchange information, and avoid unnecessary duplication of programs; and

"(J) contains assurances that the applicant will designate a local advisory board for each area health education center which (i) shall be comprised of consumers of health services residing in the area served by the center, (ii) shall, as a group, represent the residents of that area taking into consideration employment, age, sex, race, place of residence, and other demographic characteristics, and (iii) shall meet on a regular basis (not less than twice a year) for purposes of determining the center's responsiveness to the health manpower needs of the area and making recommendations to the center with respect to the provisions of health manpower in the area.

"(3) The amount of any grant or contract under this section shall be determined by the Secretary, except that no grant or contract for any project may exceed 75 per centum of the costs, as determined by the Secretary, of such project.

"(c) There are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978, for payments under grants and contracts under this section."

(b) For the fiscal year ending June 30, 1976, and for each of the next two fiscal years there are authorized to be appropriated such sums as may be necessary to continue payments to entities under contracts entered into under section 774 of the Public Health Service Act (as in effect on June 30, 1975) for projects for area health education centers, except that no payment shall be made to an entity under such a contract unless the entity provides assurances satisfactory to the Secretary that not later than June 1, 1977, the project for which the payment is to be made will be a project described in subsection (a) of section 783 of such Act (as so redesignated) and the entity and its application will meet the requirements of subsection (b)(2) of such section. Such payments may only be made from such sums for the periods and the amounts specified in such contracts.

(c) After June 1, 1977, the Secretary of Health, Education, and Welfare shall assess the program of grants under section 783 of the Public Health Service Act (as so redesignated) to determine the effect of the projects funded under such grants on the distribution of health manpower and on the access to and quality of health care in the areas in which such projects are located. Not later than July 1, 1977, the Secretary shall submit to the Congress a report on the assessment conducted under this subsection.

PROJECT GRANTS AND CONTRACTS FOR SCHOOLS OF OPTOMETRY, PHARMACY, AND PODIATRY

Sec. 605. Part F of title VII is amended by adding after section 784 (as so redesignated) the following new section:

"PROJECT GRANTS AND CONTRACTS FOR SCHOOLS OF OPTOMETRY, PHARMACY, AND PODIATRY

"Sec. 785. (a) Schools of Optometry.—The Secretary may make grants to and enter into contracts with schools of optometry to meet the costs of projects to assist in—

"(1) the affiliation between optometric training programs and medical, osteopathic, and other health professions training programs and academic institutions,

"(2) establishing cooperative arrangements between optometric training programs and medical, osteopathic, and other health professions training programs and academic institutions,

"(3) planning, developing, and operating residency training programs in special optometric services or in meeting the optometric needs of special populations, or

"(4) planning, developing, and operating educational programs which provide training in the early detection and diagnosis of health problems which are accompanied by visual or ocular symptoms.

"(b) Schools of Pharmacy.—

"(1) The Secretary may make grants and enter into contracts with schools of pharmacy to meet the costs of projects to assist in—

"(A) the affiliation between clinical pharmacy training programs and medical, osteopathic, and other health professions training programs and academic institutions, or

"(B) establishing cooperative arrangements between clinical pharmacy training programs and medical, osteopathic, and other health professions training programs and academic institutions.

"(2) The Secretary may make grants to and enter into contracts with schools of pharmacy to meet the costs of projects to establish, expand, or improve—

"(A) programs for the teaching of pharmacy in hospitals, extended care facilities, and other clinical settings,

"(B) clinical pharmacology training, and

"(C) programs to train pharmacists to assist physicians and counsel patients on the appropriate use and effects of and reactions to drugs.

"(c) Schools of Podiatry.—The Secretary may make grants to and enter into contracts with schools of podiatry to meet the costs of projects to assist in—

"(1) the affiliation between podiatric training programs and medical, osteopathic, and other health professions training programs and academic institutions, or

"(2) establishing cooperative arrangements between podiatric training programs and medical, osteopathic, and other health professions training programs and academic institutions.

"(d) Technical Assistance.—If the Secretary does not approve an application for a grant or contract under this section, he shall advise the applicant of the reasons for disapproval of the application and provide the applicant such technical and other nonfinancial assistance as may be appropriate to enable the applicant to submit an approvable application.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1976, $5,000,000 for fiscal year 1977, and $5,000,000 for fiscal year 1978, for payments under grants and contracts under this section.".

COMPUTER TECHNOLOGY

SEC. 606. (a) Section 769A (entitled "GRANTS FOR COMPUTER TECHNOLOGY HEALTH CARE DEMONSTRATION PROGRAMS") is transferred to part F of title VII, inserted after section 785, and redesignated as section 786.

(b) Section 786 (as so redesignated) is amended (1) by striking out "and" after "1973,", and (2) by inserting after "1975,' the following: "$3,000,000 for fiscal year 1976, $3,000,000 for fiscal year 1977, and $3,000,000 for fiscal year 1978,".

EMERGENCY MEDICAL SERVICES TRAINING

SEC. 607. (a) Section 766 (entitled "TRAINING IN EMERGENCY MEDICAL SERVICES") is transferred to part F of title VII, inserted after section 786 (as so redesignated), and redesignated as section 787.

"(b) Subsection (a) of section 787 (as so redesignated) is amended (1) by inserting "hospitals and" before "schools of medicine", and (2) by inserting before the period at the end a comma and the following: "and to assist in meeting the cost of program development and training of physicians in emergency medicine".

(c) Section 787 (as so redesignated) is amended by striking out subsections (b), (c), (d), and (e) and inserting in lieu thereof the following:

"(b) No grant or contract may be made or entered into under this section unless the applicant therefor is a public or nonprofit private entity. Grantees and contractees under this section shall make such reports at such intervals, and containing such information, as the Secretary may prescribe.

"(c) Of the funds appropriated under subsection (d) for any fiscal year, the Secretary shall obligate not less than one-third of such funds for grants and contracts in that fiscal year to assist in meeting the cost of program development and training of physicians in emergency medicine.

"(d) For the purpose of making payments pursuant to grants and contracts under this section, there are authorized to be appropriated $10,000,000 for fiscal year 1976, $10,000,000 for fiscal year 1977, and $10,000,000 for fiscal year 1978.".

(d) The amendments made by this section shall apply with respect to appropriations under section 787 of the Public Health Service Act (as so redesignated), and grants from such appropriations, for fiscal years ending after June 30, 1975.

EDUCATION OF UNITED STATES STUDENTS RETURNING FROM FOREIGN MEDICAL SCHOOLS

SEC. 608. Part F of title VII is amended by adding after section 787 (as so redesignated) the following new section:

"EDUCATION OF RETURNING UNITED STATES STUDENTS FROM FOREIGN MEDICAL SCHOOLS

"SEC. 788. (a) The Secretary may make grants to schools of medicine and osteopathy in the United States to plan, develop and operate programs—

"(1) to train United States citizens who have been enrolled in medical schools in foreign countries before July 1, 1975, to enable them to meet the requirements for enrolling in schools of medicine or osteopathy in the United States as full-time students with advanced standing; or

"(2) to train United States citizens who have transferred from medical schools in foreign countries in which they were enrolled before July 1, 1975, and who have enrolled in schools of medicine or osteopathy in the United States as full-time students with advanced standing.

The costs for which a grant under this subsection may be made may include the costs of identifying deficiencies in the medical school education of the United States citizens who have been enrolled in foreign medical schools, the development of materials and methodology for correcting such deficiencies, and specialized training designed to prepare such United States citizens for enrollment in schools of medicine or osteopathy in the United States as full-time students with advanced standing.

"(b) More than one school of medicine or osteopathy may join in the submission of an application for a grant under subsection (a).

"(c) The Secretary may not approve an application for a grant under subsection (a) (1) unless such application contains assurances satisfactory to the Secretary that, to the maximum extent feasible, every individual who—

"(1) satisfactorily completes the training program for which such grant is to be made, and

"(2) is qualified to be accepted for enrollment as a full-time student with advanced standing in the school or schools which submitted such application,

will be accepted for enrollment as a full-time student with advanced standing in the school, or in one of the schools, which submitted such application.

"(d) Any school of medicine or osteopathy which receives a grant under subsection (a) for the fiscal year 1976 shall submit to the Secretary before January 1, 1977, a report on the deficiencies (if any) identified by the school in the foreign medical education of the students trained by such school under the program for which such grant was made. The Secretary shall compile the reports submitted under the preceding sentence, and before July 1, 1977, submit to the Congress his analysis and evaluation of the information contained in such reports.

"(e) There are authorized to be appropriated $2,000,000 for fiscal year 1976, $3,000,000 for fiscal year 1977, and $4,000,000 for fiscal year 1978, for payments under grants under subsection (a).".

PHYSICIANS ASSISTANTS AND EXPANDED FUNCTION DENTAL AUXILIARIES

SEC. 609. Part F of title VII is amended by adding after section 788 the following new section:

"PROGRAMS FOR PHYSICIAN ASSISTANTS AND EXPANDED FUNCTION DENTAL AUXILIARIES

"SEC. 789. (a) (1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine, osteopathy, and public health and other public or nonprofit private entities to meet the costs of projects to—

"(A) plan, develop, and operate, or

"(B) maintain existing,

programs for the training of physician assistants.

"(2) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of dentistry to meet the costs of projects to—

"(A) plan, develop, and operate, or

"(B) maintain existing,

programs for the training of expanded function dental auxiliaries.

"(b) (1) No grant or contract may be made under subsection (a) unless the application therefor contains or is supported by assurances satisfactory to the Secretary that—

"(A) the school making the grant has appropriate mechanisms for placing graduates of the training program, with respect to which the application is submitted, in positions for which they have been trained, and

"(B) there is an identified need for the services of the graduates of such program.

"(2) No grant may be made or contract entered into for a project to plan, develop, and operate a program for the training of physician assistants or expanded function dental auxiliaries unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under section 701(7) or 701(9), as the case may be; and no grant may be made or contract entered into for a project to maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such section.

"(c) The costs for which a grant or contract under subsection (a) may be made may include costs of preparation of faculty members in order to conform to the guidelines established under sections 701(7) and 701(9) respecting programs for the training of physician assistants and expanded function dental auxiliaries.

"(d) For payments under grants and contracts under subsection (a), there is authorized to be appropriated $25,000,000 for fiscal year 1976, $30,000,000 for fiscal year 1977, and $35,000,000 for fiscal year 1978.".

GENERAL PROVISIONS

SEC. 610. (a) Section 769B (entitled "GENERAL PROVISIONS") is transferred to part F of title VII, inserted after section 789, and redesignated as section 790.

(b) Section 790 (as so redesignated) is amended—

(1) by striking out "grant may be made under sections 767, 769, and 769(A)" in subsection (a) and inserting in lieu thereof "grant may be made or contract entered into under this part";

(2) by adding at the end of subsection (a) the following: "The Secretary may not approve or disapprove any application for a grant or contract under this part except after consultation with the National Advisory Council on Health Professions Education.";

(3) by striking out "grants under sections 767 and 769(A)" in subsection (b) and inserting in lieu thereof "grants or contracts under this part"; and

(4) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The amount of any grant or contract under this part shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, at such intervals and on such conditions, as the Secretary finds necessary. Contracts may be entered into under this part without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).".

REPEALS AND TECHNICAL AMENDMENT

SEC. 611. (a) Section 768 (entitled "GRANTS FOR SUPPORT OF POSTGRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS") and section 769 (entitled "GRANTS FOR TRAINING, TRAINEESHIP, AND FELLOWSHIPS FOR HEALTH PROFESSIONS TEACHING PERSONNEL") are repealed.

(b) The heading for part F of title VII is amended to read as follows:

"PART F—SPECIAL PROJECT GRANTS AND CONTRACTS"

TITLE VII—PUBLIC AND ALLIED HEALTH PERSONNEL

PUBLIC AND ALLIED HEALTH PERSONNEL

SEC. 701. (a) Part G of title VII is amended to read as follows:

"PART G—TRAINING PROGRAMS FOR PUBLIC AND COMMUNITY HEALTH PERSONNEL

"DEFINITION

"SEC. 791. For purposes of this part, the term 'public and community health personnel' means individuals who are engaged in—

"(1) the planning, development, monitoring, or management of health care or health care institutions, organizations, or systems,

"(2) research on health care development and the collection and analysis of health statistics, data on the health of population groups, and any other health data,

"(3) the development and improvement of individual and community knowledge of health (including environmental health and preventive medicine) and the health care system, or

"(4) the planning and development of a healthful environment and control of environmental health hazards.

"INSTITUTIONAL GRANTS FOR GRADUATE PROGRAMS IN HEALTH

"SEC. 792. (a) From funds appropriated under subsection (d), the Secretary shall make annual grants to public or nonprofit private educational entities (except schools of public health) to support the graduate educational programs of such entities in health administration, hospital administration, health planning, environmental health, and preventive medicine.

"(b) The amount of the grant for any fiscal year under subsection (a) to an educational entity with an application approved under subsection (c) shall be equal to the amount appropriated under subsection (d) for such fiscal year divided by the number of educational entities which have applications for grants for such fiscal year approved under subsection (c).

"(c) (1) No grant may be made under subsection (a) unless an application therefor has been submitted to the Secretary before such time as he shall by regulation prescribe and has been approved by the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation prescribe.

"(2) The Secretary may not approve an application submitted under paragraph (1) unless—

"(A) such application—

"(i) contains assurances satisfactory to the Secretary that in each academic year (as defined in regulations of the Secretary) for which the applicant receives a grant under subsection (a)—

"(I) at least twenty-five individuals will complete the graduate educational program of the entity for which such application is submitted; and

"(II) such entity will expend or obligate at least $100,000 in funds from non-Federal sources to conduct such programs;

"(ii) contains such assurances as the Secretary shall by regulation prescribe respecting one or more of the following: Increases in overall enrollment in the program for which such application is submitted and increases in enrollment in program for the training of needed types of public and community health personnel (as determined by the Secretary); and

"(iii) contains such other information as the Secretary may by regulation prescribe; and

"(B) the program for which such application was submitted have been accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education and meet such other quality standards as the Secretary shall by regulation prescribe.

The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Health Professions Education.

"(d) There are authorized to be appropriated for payments under grants under this section $3,000,000 for fiscal year 1976, $3,500,000 for fiscal year 1977, and $4,000,000 for fiscal year 1978.

"TRAINEESHIPS

"SEC. 793. (a) The Secretary may make grants to public or nonprofit private educational entities, eligible for grants under section 792, for traineeships to train public and community health personnel for which the Secretary determines there is unusual need.

"(b) (1) No grants for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary and payments under such grant may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(2) Traineeships awarded under grants made under subsection (a) shall provide for such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $2,500,000 for fiscal year 1976, $2,500,000 for fiscal year 1977, and $2,500,000 for fiscal year 1978.

"STATISTICS AND ANNUAL REPORT

"SEC. 794. (a) The Secretary shall, in coordination with the National Center for Health Statistics (established under section 306), continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting public and community health personnel, including—

"(1) detailed descriptions of the various types of activities in which public and community health personnel are engaged,

"(2) the current and anticipated needs for the various types of public and community health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of public and community health personnel, the educational and licensure requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines is needed to improve the programs authorized under this part. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1976."

(b) Title VII is amended by adding at the end the following new part:

"PART H—TRAINING PROGRAMS FOR ALLIED HEALTH PERSONNEL

"DEFINITION

"SEC. 795. For purposes of this part, the term 'allied health personnel' means individuals with training and responsibilities for (1) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (2) assisting environmental engineers and other personnel in environmental health control and preventive medicine activities.

"PROJECT GRANTS AND CONTRACTS

"SEC. 796. (a) The Secretary may make grants to public and nonprofit private entities and enter into contracts with individuals and public and private entities to assist in meeting the cost of planning, study, development, demonstration, and evaluation projects undertaken with respect to one or more of the following:

"(1) Methods of coordination, management, and articulation of education and training at various levels for allied health personnel within and among educational institutions and their clinical affiliates.

"(2) Methods and techniques for State and regional coordination and monitoring of education and training for allied health personnel.

"(3) Educational programs (including programs in a junior college) which lead to—

"(A) a baccalaureate degree, an associate degree, or the equivalent of either degree, or

"(B) a higher degree,

in medical technology, preventive medicine technology, environmental health technology, opthalmic dispensing, optometric technicianery, dental hygiene, or such other of the curricula for the training of allied health personnel as the Secretary may by regulation specify, and other methods and curricula (including model curricula) for training various types of allied health personnel.

"(4) Programs, or means of adapting existing programs, for training as allied health personnel special groups such as returning veterans, the economically or culturally deprived, and persons reentering any of the allied health fields.

"(5) New roles and functions for allied health personnel and methods for increasing the efficiency of health manpower through more effective utilization of allied health personnel in various practice settings.

"(6) New methods of credentialing allied health personnel, including techniques for appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience, developed in coordination with the Secretary's program under section 1123 of the Social Security Act.

"(7) Methods of recruitment and retaining of allied health personnel.

"(8) Meaningful career ladders and programs of advancement for practicing allied health personnel.

"(9) Continuing education programs for practicing allied health personnel.

"(10) Expansion of existing, or establishment of, new educational programs in allied health professions for which the Secretary determines there is a critical or unusual national need.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $20,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

"SEC. 797. (a) The Secretary may make grants to public and nonprofit entities for traineeships provided by such entities for the training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

"(b) (1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

"(2) Payments under such grants (A) shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees; and (B) may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $6,000,000 for fiscal year 1976, $6,000,000 for fiscal year 1977, and $6,000,000 for fiscal year 1978.

"GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR ALLIED HEALTH PERSONNEL TRAINING

"SEC. 798. (a) The Secretary may make grants to and enter into contracts with State and local educational agencies and other public or nonprofit private entities—

"(1) to (A) identify individuals of financial, educational, or cultural need who have a potential to become allied health personnel, including individuals who are veterans of the Armed Forces with military training or experience similar to that of allied health personnel, and (B) encourage and assist, whenever appropriate, the individuals described in clause (A) to (i) complete secondary school, (ii) undertake such postsecondary training as may be required to qualify them to undertake allied health personnel training, and (iii) undertake postsecondary allied health personnel training; and

"(2) to publicize existing sources of financial aid available to individuals undertaking allied health personnel training.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefore has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to section 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $1,000,000 for fiscal year 1976, $1,000,000 for fiscal year 1977, and $1,000,000 for fiscal year 1978.

"STATISTICS AND ANNUAL REPORT

"SEC. 799. (a) The Secretary shall, in coordination with the National Center for Health Statistics (established under section 306), continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting allied health personnel, including—

"(1) detailed descriptions of the various types of such personnel and the activities in which such personnel are engaged,

"(2) the current and anticipated needs for the various types of such health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of such personnel, the educational and licensure and certification requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendation for legislation as the Secretary determines is needed to improve the programs authorized under this part. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1976.".

TITLE VIII—MEDICAL RESIDENCY TRAINING PROGRAMS

MEDICAL RESIDENCY TRAINING PROGRAMS

SEC. 801. The Public Health Service Act is amended by adding at the end the following new title:

"FIRST-YEAR POSITIONS IN MEDICAL RESIDENCY TRAINING PROGRAMS

"SEC. 1701. (a) The number of first-year positions in any accredited medical residency training program in the United States which may be made available in a calendar year beginning after calendar year 1977 may not exceed such number as may be designated for such calendar year for such program under section 1703; and, except as provided in subsection (f) (3), the aggregate number of first-year positions in all accredited medical residency training programs in the United States which may be made available—

"(1) in calendar year 1978 may not exceed 155 per centum of the estimated number of graduates from accredited schools of medicine in calendar year 1977,

"(2) in calendar year 1979 may not exceed 140 per centum of the estimated number of graduates from accredited schools of medicine in calendar year 1978, and

"(3) in a calendar year beginning after calendar year 1979 may not exceed 125 per centum of the estimated number of graduates from accredited schools of medicine in the calendar year preceding the calendar year to which the limit on the number of positions applies.

"(b) (1) (A) The compensation of a doctor of medicine or a doctor of osteopathy receiving training in a medical residency training program may not be included in determining Federal payments under title V, XVIII, or XIX of the Social Security Act if—

"(i) the program is not an accredited medical residency training program, or

"(ii) the number of first-year positions in the program is in excess of the number of such positions designated for such program under section 1703.

"(B) With respect to any entity—

"(i) which is reimbursed on a per capita, fixed fee, or negotiated rate basis for the provision of health care, and

"(ii) in which is located a medical residency training program described in clause (i) or (ii) of subparagraph (A),

in determining Federal payments under title V, XVIII, or XIX of the Social Security Act, the Secretary shall exclude an amount which in his judgment is a reasonable equivalent to the amount which would otherwise be excluded under this paragraph if payment were to be made on other than such per capita, fixed fee, or negotiated rate basis.

"(2) If the Secretary determines that an entity is operating a medical residency training program—

"(A) which is not an accredited medical residency training program, or

"(B) with a number of first-year positions which exceeds the number designated for that program under section 1703,

the Secretary shall notify the entity of his determination, shall publish the determination in the Federal Register, and shall not make any grant or to enter into any contract with such entity under this Act for the fiscal year beginning after the date the Secretary publishes such determination in the Federal Register.

"(3) Paragraphs (1) and (2) of this subsection shall apply with respect to medical residency training programs which, in a calendar year beginning after calendar year 1977, are not accredited medical residency training programs or have a number of first-year positions in excess of the number designated under section 1703.

"(c) For purposes of this title:

"(1) The term 'medical residency training program' means a program which trains graduates of schools of medicine and schools of osteopathy in a medical specialty recognized by the Liaison Committee for Specialty Boards established jointly by the American Board of Medical Specialties and the Council on Medical Education of the American Medical Association and which provides the graduate education required by the specialty board (recognized by such Liaison Committee) for certification in such specialty. Such term does not include a residency training program in an osteopathic hospital.

"(2) The term "accredited medical residency training program' means a program for which an accreditation under section 1702 is in effect.

"(3) The term 'accredited schools of medicine' means schools of medicine accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

"(4) Any reference to the Liaison Committee for Specialty Boards, the American Board of Medical Specialties, the Council on Medical Education of the American Medical Association, the Liaison Committee on Graduate Medical Education of the Coordinating Council on Medical Education, or the Coordinating Council on Medical Education shall be considered a reference to any successor to the committee, board, or council,

"MEDICAL RESIDENCY TRAINING PROGRAM ACCREDITING AGENCY

"SEC. 1702. (a) (1) For the purpose of accrediting the medical residency training programs for which first-year positions may be designated under section 1703, the Secretary shall in accordance with subsection (b) training program accrediting agency (hereinafter in this section referred to as the 'accrediting agency').

"(2) The accrediting agency shall review, in accordance with criteria and procedures established and published by the agency and made available to the public, each medical residency training program in the United States and shall either accredit or disapprove such program. Each such program shall be reviewed at least every three years and an accreditation of a program shall be in effect for three years unless the accrediting agency terminates the accreditation before the expiration of three years. For the period prior to January 1, 1980, the accrediting agency may accredit such a program on the basis of an accreditation granted such program by an entity generally recognized by the medical profession for purposes of accrediting such a program.

"(3) Not later than April 1, 1976, and April 1 of each succeeding year, the accrediting agency shall submit to—

"(A) the agency designated under section 1703, or

"(B) the Secretary and the advisory council established under such section,

as may be appropriate, a list of the medical residency training programs accredited for the calendar year following the calendar year in which the list is submitted. The accrediting agency shall keep current each list it submits pursuant to this paragraph.

"(b) (1) (A) The Secretary is authorized to receive not later than August 31, 1975, an application from the Liaison Committee on Graduate Medical Education of the Coordinating Council on Medical Education (hereafter in this section referred to as the 'Liaison Committee') for designation as the accrediting agency.

"(B) The Secretary shall by October 1, 1975, either approve or disapprove an application of the Liaison Committee submitted under subparagraph (A). If the application contains or is supported by assurances satisfactory to the Secretary that the Liaison Committee will carry out the functions and duties of an accrediting agency in accordance with the requirements of this section, the Secretary shall approve the application. If the Secretary disapproves such an application, he shall provide the Liaison Committee with such technical and other nonfinancial assistance as may be appropriate to enable the Liaison Committee to provide the Secretary with such assurances. If by November 1, 1975, the Liaison Committee provides such assurances, he shall approve its application and designate it as the accrediting agency.

"(2) If the Liaison Committee has not submitted an application under paragraph (1) (A) or if the Secretary has not approved an application submitted by the Liaison Committee, the Secretary, not later than November 15, 1975, shall solicit the submission by other entities of applications for designation as the accrediting agency and shall prescribe and publish in the Federal Register requirements which must be met by any such entity before it may be designated as the accrediting agency for purposes of this title. Such requirements shall provide that such an entity—

"(A) have a governing body which is comprised of representatives of the medical profession, medical specialty boards, medical specialty societies, hospitals, schools of medicine, and the general public; and

"(B) meet the criteria established by the Secretary for recognition of nationally recognized accrediting agencies and associations.

Applications from such other entities may be received by the Secretary through December 31, 1975. The Secretary shall, if he determines that an entity under such an application meets the requirements prescribed under this paragraph and is otherwise qualified to accredit medical residency training programs, designate, not later than February 1, 1976, such entity as the accrediting agency.

"(3) (A) A designation of an accrediting agency shall be in effect for three years unless the Secretary terminates such designation before the expiration of three years upon a determination by the Secretary (after notice and reasonable opportunity for a public hearing) that the agency no longer meets the requirements of paragraph (1) or is not qualified to accredit medical residency training programs. A designation may, upon application, be renewed for a period of three years.

"(B) If the Secretary terminates a designation or determines a designated accrediting agency is not qualified to have its designation renewed, the Secretary shall publish notice of such termination or determination and solicit applications from other entities for designation as the accrediting agency.

"(4) (A) If—

"(i) by February 1, 1976, the Secretary determines that no entity which has applied for designation under paragraph (2) meets the requirements prescribed under such paragraph or is otherwise qualified to accredit medical residency training programs or if by December 31, 1975, no entity has applied under such paragraph for designation, or

"(ii) upon the expiration of a designation under this section, the Secretary determines that the designated agency is not qualified to have its designation renewed and that there are no qualified applicants for designation, or upon the termination of such a designation the Secretary determines that there are no qualified applicants for designation,

the Secretary shall, within three months of the determination (or if no application has been submitted by December 31, 1975, not later than March 1, 1976), establish an accrediting agency for purposes of this title.

"(B) An accrediting agency established by the Secretary under subparagraph (A) shall meet the criteria established by the Secretary for recognition of nationally recognized accrediting agencies and associations and be composed of members who are fairly representative of the medical profession, medical specialty boards, medical specialty societies, hospitals, schools of medicine, and the general public. While away from their homes or regular places of business in the performance of services for the agency established under subparagraph (A), members of the agency shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code. The agency may appoint and pay, without regard to the provisions of title 5, United States Code, respecting appointments in the competitive service and rates of pay, such personnel as it deems necessary for the agency to carry out its functions.

"(C) The establishment of an accrediting agency under subparagraph (A) shall be for such period (but not more than three years) as the Secretary prescribes. If an accrediting agency has been established by the Secretary an entity may apply for designation as such agency upon the termination of the period for which the accrediting agency was established. If no entity submits an approvable application for designation before the date of such termination, the Secretary shall renew the authority of the established accrediting agency for a period not to exceed three years.

"(5) The Secretary may, upon application of an agency designated under this section as the accrediting agency, agree to assist the agency in meeting its costs in carrying out its functions and duties under this section.

"DESIGNATION OF POSITIONS

"SEC. 1703. (a) The number of first-year positions in each accredited medical residency training program in the United States which may be made available in any calendar year beginning after calendar year 1977 shall be designated in accordance with this section and section 1701(a).

"(b) (1) (A) The Secretary is authorized to receive not later than August 31, 1975, an application from the Coordinating Council for Medical Education (which upon its establishment had a governing body comprised of the Secretary (or his delegate), representatives of the American Medical Association, the American Board of Medical Specialties, the Council of Medical Specialty Societies, the American Hospital Association, and the Association of American Medical Colleges, and representatives of the general public) for designation as the agency to designate the number of first-year positions which may be made available in each calendar year (beginning with calendar year 1978) by accredited medical residency training programs.

"(B) The Secretary shall by October 1, 1975, either approve or disapprove an application submitted under subparagraph (A). The Secretary may not disapprove such an application unless he determines that the Coordinating Council on Medical Education (hereinafter in this section referred to as the 'Council') fails to meet such requirements as the Secretary shall prescribe respecting qualifications to make the designations prescribed by this section. If the Secretary disapproves such an application, he shall provide the Council with such technical and other nonfinancial assistance as may be appropriate to enable the Council to meet such requirements. If by November 1, 1975, the Council meets such requirements, he shall approve its application and designate it as the agency to make the medical residency training program designations prescribed by this section.

"(C) If by August 31, 1975, the Council has not submitted an application under subparagraph (A) or if by November 1, 1975, the Secretary has not approved an application submitted by the Council, the Secretary shall establish the advisory council prescribed by subsection (c).

"(2) (A) A designation of the Council under paragraph (1) shall be in effect for three years unless the Secretary terminates such designation before the expiration of three years upon a determination by the Secretary (after notice and reasonable opportunity for a public hearing) that the Council is not qualified to designate in accordance with this subsection the number of first-year positions in accredited medical residency training programs. A designation of the Council may, upon its application, be renewed for a period of three years.

"(B) If the Secretary terminates a designation of the Council, the Secretary shall publish in the Federal Register notice of such termination and shall, within three months of such termination, establish the advisory council prescribed by subsection (c), or if the Council does not apply for renewal of its designation, the Secretary shall, not later than the expiration of the Council's designation, establish the advisory council prescribed by subsection (c).

"(3) If the Council is designated under paragraph (1), it shall for the calendar years within the effective period of its designation designate as follows the number of first-year positions which may be made available in each such calendar year by accredited medical residency programs:

"(A) The designation of such positions for the calendar year 1978 shall be made and published in the Federal Register not later than April 1, 1977. The designation of such positions for any succeeding calendar year shall be made and published in the Federal Register not later than April 1 of the calendar year preceding the calendar year for which the designation is made. Each entity which conducts an accredited medical residency training program shall be given written notice by the Council of the number of first-year positions which may be made available in such program.

"(B) Designations by the Council shall be made in accordance with the requirements of section 1701 and shall be based on a continuing assessment by the Council of (i) the needs for physicians' services in health care entities in which accredited medical residency training programs are located and in the geographical regions served by such entities, and (ii) the effect of a reduction of the number of positions in such a program on the accessibility to, and quality of care provided by, the entity in which the program is located.

"(C) In designating the number of first-year positions, the Council shall—

"(i) take into consideration appropriate studies made with respect to medical services and manpower, including the report made with respect to the study conducted under section 15(c) of the Act of December 31, 1973 (Public Law 93-233), and the report made with respect to the study conducted under setcion 901 of the Health Manpower Act of 1975;

"(ii) insure that first-year positions in medical residency training programs are distributed equitably throughout various geographical areas of the United States;

"(iii) afford special consideration to first-year positions in medical residency training programs maintained in conjunction with area health education centers under section 783 of this Act; and

"(iv) afford particular attention to the need for medical residency training programs in the primary care specialties of family medicine, general internal medicine, general pediatrics, and obstetrics and gynecology.

"(4) If the Council is designated under paragraphs (1) of this subsection the Secretary may upon application agree to assist the Council in meeting the costs of carrying out the function and duties of making the designations required by paragraph (3).

"(c)(1) As prescribed by subsection (b), the Secretary shall establish (not later than January 1, 1976, or within such other time as may be prescribed by subsection (b)(2)(B)) an advisory council to perform the functions prescribed by subsection (d). The advisory council shall consist of twenty-one members as follows:

"(A) The Assistant Secretary of Health, Education, and Welfare for Health, the Administrator of the Health Resources Administration of the Department of Health, Education, and Welfare, the Chief Medical Director of the Veterans' Administration, and the Dean of the Uniformed Services University of the Health Sciences (established under chapter 104 of title 10 of the United States Code) shall each serve as nonvoting ex officio members of the advisory council.

"(B) Seventeen members appointed by the Secretary as follows:

"(i) Two members shall be appointed from at least four individuals nominated by the American Medical Association.

"(ii) Two members shall be appointed from at least four individuals nominated by the American Hospital Association.

"(iii) Two members shall be appointed from at least four individuals nominated by the Association of American Medical Colleges.

"(iv) Two members shall be appointed from at least four individuals nominated by the American Board of Medical Specialties.

"(v) Two members shall be appointed from at least four individuals nominated by the Council of Medical Specialty Societies.

"(vi) Six members shall be appointed from persons who are representative of the interests of consumers of health care and who are not providers of health care (as defined in section 1531(3)).

"(vii) One member shall be appointed from persons who are receiving training under a medical residency training program.

If by the date the Secretary is required to establish the advisory council an entity referred to in clause (i), (ii), (iii), (iv), or (v) of subparagraph (B) has not nominated for appointment to the advisory council at least four individuals, the Secretary shall, from individuals whom the Secretary determines are representative of the interests of such entity, appoint the number of advisory council members prescribed by that clause.

"(2) The term of office of an appointed member of the advisory council shall be three years; except that (A) of the members first appointed to the advisory council—

"(i) five shall serve for terms of one year,

"(ii) six shall serve for terms of two years, and

"(iii) six shall serve for terms of three years,

as designated by the Secretary at the time of appointment, and (B) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

"(3) Members of the advisory council (other than officers or employees of the United States), while attending conferences or meetings of the council or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at rates to be fixed by the Secretary, which rates may not exceed the daily equivalent for grade GS-18 of the General Schedule for each day (including traveltime) they are so engaged; and while so serving away from their homes or regular places of business each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently.

"(d) The advisory council established under subsection (c) shall carry out the following functions:

"(1) The advisory council shall make a continuing assessment of (A) the needs for physicians' services in health care entities in which accredited medical residency training programs are located and in the geographical regions served by such entities, and (B) the effect of a reduction of the number of positions in such a program on the accessibility to, and quality of care provided by, the entity in which the program is located.

"(2)(A) Based on the assessment made under paragraph (1) and subject to subparagraph (B), the advisory council shall annually prepare and submit to the Secretary recommendations with respect to—

"(i) the total number of first-year positions which should be offered in each calendar year (beginning with calendar year 1978) by accredited medical residency training programs in each of the medical specialties recognized by the Liaison Committee for Specialty Boards, and

(ii) the number of first-year positions which should be offered in each calendar year (beginning with calendar year 1978) by each entity conducting an accredited medical residency training program.

The recommendations of the advisory council with respect to first-year positions in medical residency training programs in any calendar year shall be submitted to the Secretary not later than January 1 of the preceding calendar year.

"(B) Before making recommendations under subparagraph (A), the advisory council shall consult with appropriate medical specialty and health care organizations and—

"(i) take into consideration appropriate studies made with respect to medical services and manpower, including the report made with respect to the study conducted under section 15(c) of the Act of December 31, 1973 (Public Law 93-233), and the report made with respect to the study conducted under section 301 of the Health Manpower Act of 1975;

"(ii) insure that first-year positions in medical residency training programs are distributed equitably throughout various geographical areas of the United States;

"(iii) afford special consideration to first-year positions in medical residency training programs maintained in conjunction with area health education centers under section 783 of this Act; and

"(iv) afford particular attention to the need for medical residency training programs in the primary care specialties of general internal medicine, general pediatrics, family medicine, and obstetrics and gynecology.

"(e)(1) The Secretary shall publish in the Federal Register, not later than January 15 of each year, the recommendations submitted under subsection (d)(2)(A) by the advisory council. The Secretary shall give interested persons an opportunity to submit written data, views, or arguments, respecting the recommendations. If, after considering comments submitted with respect to such recommendations, the Secretary finds that the recommendations—

"(A) are in accordance with the requirements of section 1701(a),

"(B) meet the specifications of clauses (ii), (iii), and (iv) of subsection (d)(2)(B) and

"(C) are otherwise in the public interest, he shall, in accordance with such recommendations, by regulation designate the first-year positions to be made available in medical residency training programs in the calendar year with respect to which such recommendations were made. If the Secretary is unable to make the findings described in the preceding sentence with respect to any recommendations submitted by the advisory council, he shall by regulation designate, in accordance with section 1701(a), the specifications of such clauses (ii), (iii), and (iv), and such other criteria respecting the public interest as he determines appropriate, the number of first-year positions to be made available by accredited medical residency training programs in the calendar year with respect to which the recommendations were submitted.

"(2) The designations made by the Secretary under paragraph (1) for any calendar year shall be made by, and published in the Federal Register not later than, April 1 of the preceding calendar year, and each entity which conducts an accredited medical residency training program shall be given written notice of the number of first-year positions which may be made available in such program.

"(f)(1) If the number of first-year positions designated under this section for a medical residency training program for calendar year 1978 is less than the number made available in such program in the preceding calendar year or if the number of such positions designated for calendar year 1979 or 1980 is less than the number designated under this section for the preceding calendar year, then, within thirty days of the date the entity in which such program is located is notified pursuant to subsection (b)(3)(A) or (e)(2) of such lesser number of first-year positions which it may make available in the training program, such entity may apply to the Coordinating Council or the Secretary, as appropriate, to have such number raised to a number not more than the number of such first-year positions (A) made available in the preceding calendar year if such year was calendar year 1977, or (B) designated for the preceding calendar year if such year was calendar year 1978 or 1979.

"(2) The Secretary of the Coordinating Council, as the case may be, shall within sixty days of the date an application is submitted under paragraph (1) either approve or disapprove such application. The Secretary or the Coordinating Council may not approve such an application unless—

"(A) the Secretary or the Coordinating Council, as the case may be, determines that without the increase requested in the application the applicant will be unable to deliver needed patient-care services, and

"(B)(i) the applicant establishes the impact of a disapproval of the application upon needed patient-care services, and

"(ii) the applicant demonstrates the efforts made by the applicant to provide such services through health professionals who are not receiving training in a medical residency training program of the applicant.

If such an application is approved, a reference in this title to the number of first-year positions designated for the medical residency training program with respect to which the application was submitted is a reference to the number of such positions as increased under the approved application.

"(3) An application under paragraph (1) may be approved even though approval of the application will cause the aggregate number of first-year positions authorized under this section to be made available in all accredited medical residency training programs in the calendar year with respect to which the application is submitted to exceed the limit prescribed by section 1701(a) for such calendar year.

"(g) The Secretary shall provide technical assistance to health care entities which because of the requirements of section 1701 experience a decline in the number of physicians providing health services through such entities to assist such entities in securing other health personnel (including physician's assistants and nurse practitioners).

"REPORTS

"SEC. 1704. The Secretary shall submit annually to the Congress a report on the operation of this title and the effect of this title on the accessibility to, and quality of care provided by, health care entities which because of the requirements of section 1701 experience a decline in the number of physicians providing services through such entities.".

TITLE IX—MISCELLANEOUS

STUDY OF DISTRIBUTION OF PHYSICIANS

SEC. 901. (a) The Secretary of Health, Education, and Welfare shall, within ninety days after the date of the enactment of this Act, contract for the conduct of a study for the following purposes:

(1) To analyze the current distribution of physicians by specialty. In making such analysis—

(A) the geographical distribution of medical and osteopathic physicians by specialty and subspecialty and by geographic area shall be determined, and in connection with such determination physician specialties and subspecialties shall be defined in a manner consistent with recognized categories and geographical areas shall be defined as reasonable medical trade areas for each specialty or subspecialty; and

(B) special attention shall be given to determining (i) the percentage of time physicians in each specialty and subspecialty spend in primary care activities and in other activities unrelated to their specialty training, and (ii) the percentage of time primary care physicians spend in specialty care.

(2) To project the expected distribution of physicians by specialty and subspecialty by geographic area in the years 1980, 1985, and 1990. Such projection shall be based on current trends in physician specialty training and choice of practice sites, the activities of various specialty boards and other organizations, and the retirement-death rate of physicians by specialty and subspecialty.

(3) To examine and evaluate the various methodologies for estimating the optimal distribution of physicians by specialty and subspecialty by geographic area controlling the supply of specialists and subspecialists. Methodologies examined and evaluated shall include (A) methodologies utilized by foreign countries, and (B) consideration of the use of nonphysicians to perform functions normally performed by physicians.

(4) To develop a reliable and appropriate methodology to establish the optimal distribution of physicians by specialty and subspecialty by geographic area. Utilizing such methodology, projections shall be made for the optimal number of physicians by specialty and subspecialty by geographic area for the years 1980, 1985, and 1990.

(b) The organization selected by the Secretary to conduct the study required by subsection (a) shall—

(1) have a national reputation for objectivity in the conduct of studies for the Federal Government;

(2) have the capacity to readily marshal the widest possible range of expertise and advice relevant to the conduct of such study;

(3) have a membership and competent staff which have backgrounds in government, the health sciences, and the social sciences;

(4) have a history of interest and activity in health policy issues related to such study; and

(5) have extensive existing contracts with interested public and private agencies and organizations.

(c) An interim report providing a plan for the study required by subsection (a) shall be submitted by the organization conducting the study to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate by October 31, 1975; and a final report giving the results of the study shall be submitted by such organization to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate by October 31, 1976.

(d) The Secretary shall make an annual report to the Congress describing and evaluating the impact of the programs of assistance authorized by title VII of the Public Health Service Act on the number and distribution of, and quality of care provided by, health professionals in areas not within Standard Metropolitan Statistical Areas.

QUALITY ASSURANCES RESPECTING EDUCATION AND TRAINING OF ALLIED HEALTH PERSONNEL

SEC. 902. The Secretary of Health, Education, and Welfare shall within one year of the date of the enactment of this Act (1) submit to the Congress a report which identifies and describes each of the programs which he administers under which the costs of programs of education and training for allied health personnel (as defined in section 795 of the Public Health Service Act) are directly or indirectly paid (in whole or in part); and (2) take such action as may be necessary to require that such assistance is provided only those programs which meet such quality standards as the Secretary may by regulation prescribe.

ALLIED HEALTH PERSONNEL STUDY

SEC. 903. (a)(1) The Secretary of Health, Education, and Welfare shall, in accordance with paragraph (2) arrange for the conduct of studies—

(A) to identify the various types of allied health personnel and the activities in which such personnel are engaged and the various training programs currently offered for allied health personnel;

(B) to establish classifications of allied health personnel on the basis of their activities, responsibilities, and training;

(C) using appropriate methodologies, to determine the cost of educating and training allied health personnel in each classification; and

(D) to identify the classifications in which there are a critical shortage of such personnel and the training programs which should be assisted to meet that shortage.

(2)(A) The Secretary shall request the National Academy of Sciences to conduct such studies under an arrangement under which the actual expenses incurred by such Academy in conducting such studies will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with such Academy for the conduct of such studies.

(B) If the National Academy of Sciences is unwilling to conduct one or more such studies under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate nonprofit private groups or associations under which such groups or associations will conduct such studies and prepare and submit the reports thereon as provided in subsection (b).

(b) The studies required by subsection (a) shall be completed within the two-year period beginning on the date of the enactment of this Act; and a report on the results of such study shall be submitted by the Secretary to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate before the expiration of such period.

(c) Within six months after the date prescribed for the completion of the studies under subsection (a), the Secretary of Health, Education, and Welfare shall transmit to Congress such recommendations for legislation as he determines is necessary to provide appropriate support for the training programs referred to in subsection (a)(1)(D).

STUDY OF FUNDING ALTERNATIVES FOR HEALTH PROFESSIONS EDUCATION

SEC. 904. The Secretary shall arrange for the conduct of a study or studies to (1) determine the factors affecting the costs of schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, and pharmacy in conducting their respective educational programs, (2) identify and evaluate the current sources of revenue (including grants under the Public Health Service Act and other sources of Federal and State financial assistance) available to such schools to meet such costs, and (3) identify and evaluate alternative sources of revenue which may be developed to meet such costs. The Secretary shall provide that the entity or entities conducting such study or studies shall solicit and consider the views of appropriate professional organizations representative of the interests of such schools. The Secretary shall report the results of the study, together with recommendations for such legislation as he may deem appropriate, to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate not later than June 30, 1976.

RECOVERY

SEC. 905. Title V is amended by adding at the end thereof the following new section:

"RECOVERY

"SEC. 514. If, within twenty years (or ten years in the case of a facility constructed under funds paid under part A of title VII (as in effect before the date of the enactment of the Health Manpower Act of 1975)) after completion of the construction of any facility for which funds have been paid under such part A (as so in effect) or under part D of such title VII (as in effect before July 1, 1967)—

"(1) the applicant for such funds or other owner of such facility shall cease to be a public or nonprofit private entity, or

"(2) such facility shall cease to be used for the purposes for which such funds for its construction were provided, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.".

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the committee amendments, except the amendment which inserts matter beginning on line 5, page 77, and the amendment which strikes matter beginning on page 79, line 23, and which inserts matter beginning on page 82, line 19, be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. SATTERFIELD. Mr. Chairman, reserving the right to object, is the gentleman excluding from consideration the two amendments pertaining to payback?

Mr. ROGERS. Yes, those will be coming up.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 20, line 12, strike out ", and the fourth sentence" and all that follows through line 15 and insert in lieu thereof a period.

Page 23, line 17, strike out "the".

Page 25, line 6, strike out "(6)" and insert in lieu thereof "(b)".

Page 26, strike out lines 16 through 19 and insert in lieu thereof the following:

"PART C—STUDENT ASSISTANCE"

(2) The heading for subpart I of part C of title VII is amended to read as follows:

"SUBPART I—STUDENT LOANS"

Page 31, line 6, insert "to" after "than".

Page 45, line 2, strike out "amended" and insert in lieu thereof "added".

Page 47, line 8, strike out "no" and insert in lieu thereof "not".

Page 57, line 7, strike out "expiration" and insert in lieu thereof "beginning".

Page 65, line 15, strike out "areas" and insert in lieu thereof "area".

Page 68, strike out "fiscal year 1976" in lines 15 and 22 and insert in lieu thereof "fiscal years 1976 and 1977".

Page 68, line 25, strike out "$2,200" and insert in lieu thereof "$2,000".

Page 71, insert at the end of line 11 close quotation marks.

Page 79, line 15, strike out "(2)" and insert in lieu thereof "(1)", and in line 23 on page 80, strike out "(3)" and insert in lieu thereof "(2)".

Page 89, line 18, strike out "subsection" and insert in lieu thereof "subsections".

Page 90, strike out the close quotation marks and the period at the end of line 12, and after that line insert the following:

"(d)(1) The Secretary may make grants to public and nonprofit private institutions of higher education and hospitals and other health care delivery facilities which are engaged in the development of new schools of medicine to assist such institutions and facilities in meeting the costs of employing faculty, acquiring equipment, and taking such other action related to the initial operation of a school of medicine as may be necessary for the proposed schools to meet the eligibility requirements for a grant under subsection (a) of this section.

"(2) No application for a grant under paragraph (1) may be approved by the Secretary unless the application contains or is supported by assurances satisfactory to the Secretary that—

"(A) with the assistance provided under the grant applied for the applicant will be able to accelerate the date on which the school of medicine being developed by the applicant will be able to begin its teaching program,

"(B) there is a reasonable indication of non-Federal financial resources for development and operation of such school, and

"(C) the school of medicine will emphasize training programs in family medicine and will, through clinical training programs of the type described in section 771(b)(2), improve access to health care for residents of the geographical regions in which such training programs are located.

The Secretary may not approve or disapprove an application unless he has consulted with the body recognized by the Commissioner of Education as the accrediting body for schools of medicine respecting approval of the application.

"(3) No institution or facility may receive more than one grant under this subsection. For payment under grants under this subsection, there is authorized to be appropriated $1,500,000 for fiscal year 1976 and $1,500,000 for fiscal year 1977.

"(4) Upon graduation of the second class from each school of medicine for which a grant was made under this subsection, the Secretary shall report to the Congress on the ability of the school of medicine to improve access to health care for residents of the geographical regions in which the clinical training programs of the school are located."

Page 90, line 22, strike out "1975" and insert in lieu thereof "1976", strike out "1976" in that line and insert in lieu thereof "1977", and in line 23 strike out "1977" and insert in lieu thereof "1978".

Page 91, line 16, strike out "sections" and insert in lieu thereof "section".

Page 92, line 6, insert a comma after "project".

Page 92, line 21, insert opening quotation marks after the colon.

Page 97, line 2, strike out "$20,000," and insert in lieu thereof "$20,000,000".

Page 106, line 12, strike out "766" and insert in lieu thereof "776".

Page 106, strike out the beginning quotation marks in line 16.

Page 115, line 1, insert a comma after "planning".

Page 116, line 10, strike out "program" and insert in lieu thereof "programs"; and in line 15 strike out "programs" and insert in lieu thereof "program".

Page 121, line 21, strike out "retaining" and insert in lieu thereof "retraining".

Page 122, insert beginning quotation marks at the beginning of line 13.

Page 127, immediately following line 5, insert the following:

"TITLE XVII—MEDICAL RESIDENCY TRAINING PROGRAMS"

Page 132, line 5, insert "second" before "calendar year".

Page 134, line 8, strike out "(1)" and insert in lieu thereof "(2)".

Page 135, line 7, strike out "three months" and insert in lieu thereof "one month".

Page 135, line 9, strike out "March" and insert in lieu thereof "February".

Page 137, line 2, strike out "for" and insert "on".

Page 139, line 2, strike out "within" and insert in lieu thereof "beginning in".

Page 140, line 20, strike out "783" and insert in lieu thereof "784".

Page 144, line 17, strike out "annually" and insert in lieu thereof ", with respect to the calendar year for which the advisory council is authorized to make recommendations,".

Page 144, beginning in line 20, strike out "each calendar year (beginning with calendar year 1978)" and insert in lieu thereof "such calendar year".

Page 145, beginning in line 1, strike out "each calendar year (beginning with calendar year 1978)" and insert in lieu thereof "such calendar year".

Page 146, line 4, strike out "783" and insert in lieu thereof "784".

Page 157, insert after line 11 the following new section:

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. ROGERS. Mr. Chairman, I ask that the Clerk read the first payback amendment.

The CHAIRMAN. The Clerk will report the committee amendment.

Mr. DAN DANIEL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Forty-six Members are present, not a quorum. The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears. Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committe will resume its business.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 77, insert after line 5 the following:

"(3)(A) The application shall contain or be supported by assurances satisfactory to the Secretary that the school (i) will enter into a legally enforceable agreement with each student enrolled in the school in a school year beginning after June 30, 1976, under which the student agrees to pay, in equal annual installments in accordance with subparagraph (B), to the United States an amount equal to the total amount which the school received under section 770 because of the enrollment of the student in the school years beginning after such date, and (ii) will make annual reports to the Secretary respecting the amount owed under such agreements.

"(B)(i) The number of annual installments which a student, subject to an agreement entered into with a school pursuant to subparagraph (A), shall pay to the United States shall be equal to the number of fiscal years (beginning after June 30, 1976) in which the school received a grant under section 770 on account of the enrollment of the student in school years beginning after such date.

"(ii) The first annual installment to be paid under an agreement under subparagraph (A) with a school shall be paid in the first calendar year which begins more than eleven months after the month in which the student subject to the agreement completed or terminated his course of study at the school, except that—

"(I) if the course of study was terminated in connection with a transfer to another school to pursue the same course of study and the transfer was made within twelve months of the termination date, the first annual installment shall be paid in the first calendar year which begins more than eleven months after the date the student completes his course of study at the school to which he transferred; or

"(II) if the student begins an internship, residency, or other advanced clinical training within six months after the month in which he completed his course of study, the first annual installment shall be paid in the first calendar year which begins more than eleven months after the month in which such internship, residency, or other advanced clinical training ends.

No installment shall be required to be paid in a calendar year in which more than six months is spent in an internship or in residency training.

"(C) For each year that an individual subject to such an agreement—

"(i) provides service during a period of obligated service in accordance with section 747(d) or practices his profession in accordance with an agreement entered into under section 747(f) or 747(g); or

"(ii) practices his profession, in accordance with an agreement entered into with the Secretary, in an area in which is located a medically underserved population designated under section 330,

the individual shall be relieved of his liability to pay one annual installment.

"(D) The obligation of an individual under an agreement shall be canceled upon his death. The Secretary shall by regulation provide for the waiver or suspension of such an obligation whenever compliance by the individual subject to it is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to him would be against equity and good conscience.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 378]

Addabbo
Alexander
Anderson, Ill.
Armstrong
Beard, Tenn.
Bell
Blouin
Boggs
Breckinridge
Brinkley
Brooks
Brown, Calif.
Brown, Mich.
Buchanan
Burton, John
Burton, Phillip
Butler
Byron
Cederberg
Chappell
Chisholm
Clawson, Del
Clay
Cohen
Collins, Ill.
Conable
Conyers
Coughlin
Danielson
Dellums
Dickinson
Diggs
Dingell
Drinan
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Esch
Eshleman
Evins, Tenn.
Fish
Flowers
Foley
Fraser
Fulton
Fuqua
Giaimo
Guyer
Hanley
Harrington
Harsha
Hébert
Hicks
Hinshaw
Horton
Jenrette
Jones, N.C.
Karth
Krueger
Landrum
Lehman
Lent
Litton
McClory
McEwen
McKinney
Madden
Mann
Mathis
Matsunaga
Meeds
Meyner
Mills
Mitchell, Md.
Montgomery
Moss
Murphy, N.Y.
Neal
Oberstar
Obey
Ottinger
Patterson, Calif.
Peyser
Poage
Pritchard
Quie
Quillen
Railsback
Reuss
Rodino
Rosenthal
Runnels
Ruppe
Shuster
Solarz
Spellman
Steelman
Steiger, Ariz.
Symms
Thompson
Thornton
Udall
Ullman
Vander Jagt
Wampler
Wilson, Tex.
Wright
Yates

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAZZOLI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5546), and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 324 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Florida (Mr. ROGERS) is recognized for 5 minutes in support of the committee amendment.

Mr. ROGERS. Mr. Chairman, this is the provision on student payback of capitation. As it has been stated, capitation is a payment of approximately $2,000 for each medical student, for example, which is given to the school. The student, just as he pays tuition, before he gets in the school, would agree to either pay back this Federal amount of money, or he would agree to go, when he finishes his training, to serve where an insufficient number of doctors are in practice.

If any student, after he or she finishes his training, agrees to serve in an underserved area—and over 1,000 communities have already applied to try to get a doctor—he will be relieved of his obligation to repay the capitation award. And this is a national need. So the committee, when it wrote this health manpower bill, said that we are going to give some help to the schools to train doctors, to assure better medical care for the public.

The trend has been that they all seem to congregate in the suburbs. And this is natural, I suppose. They congregate in the urban areas, but not the inner-city areas. They are moving out of the inner-city areas to the suburbs and to middle-class communities. They do not want to go to rural or inner-city areas. I guess all of us can understand some of that, but we are trying to give some encouragement to meet that problem, and to meet the needs in the cities. So we are saying to the student, if you would help us meet the national need where tax dollars have gone to pay for your education, if you would be willing to help meet that need by choosing wherever you want to go to serve the need where they need a doctor, you do not have to pay it back.

But, if you do not want to do this, if you want to go to Park Avenue or to Palm Beach, or out in California in some of those rich towns out there, and make a lot of money, you can do that too, and that is your choice. You are not helping us too much to solve the need but, if that is where you want to go, then that is your choice. But what we do ask you to do if you do that, is to pay that money back. Not right away. You do not even have to begin paying it back the first year you are out in practice. You do not even have to think about it until the second year.

Why should not that money be paid back so we do not have to provide Federal funds for the person who is going to take his place who may be willing to go out and help solve the needs of this Nation? Do the Members know that there is no other category in the whole educational field that we support as we do medical education?

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I will be glad to yield to the gentleman from Kentucky.

Mr. CARTER. I thank the gentleman for yielding.

I will remind the distinguished gentleman of the spoiled and pampered pets of Uncle Sam at West Point, the Air Force Academy, the U.S. Naval Academy, and the Coast Guard Academy, whose students are paid far more than the medical students.

Mr. ROGERS. I stand corrected. I was thinking of the civilian sector. I would agree we do train military, but this does not pertain to that.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New Jersey.

Mr. FLORIO. I thank the gentleman for yielding.

With regard to the point that was just made, is there not an alternative option that has been discussed in this House, and perhaps in the other body, to provide for the drafting of medical students, and that this approach is certainly a more moderate approach than the actual drafting of medical students?

Mr. ROGERS. The gentleman is correct. When we considered the bill the last time, the Senate was proposing mandatory service, and that may be the alternative to this approach.

The CHAIRMAN pro tempore (Mr. STUDDS). The time of the gentleman has expired.

(By unanimous consent, Mr. ROGERS was allowed to proceed for 3 additional minutes.)

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New York.

Mr. HASTINGS. I thank the gentleman for yielding.

Also in further response to the observations made by my good friend, the gentleman from Kentucky, I might say that if one goes to a military academy, one has a mandated service for a period of years to the United States.

Mr. ROGERS. One does not even have a choice, and we are trying to provide a choice here.

Mr. CARTER. Mr. Chairman, will the gentleman yield further?

Mr. ROGERS. I yield to the gentleman from Kentucky.

Mr. CARTER. I thank the gentleman for yielding.

I submit that many times they do not have to go. I remember many classes that have graduated from the academies with students who have gotten a bachelor of science degree and have gone out into civilian life. If the gentleman will search the record, he will find that is true.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Indiana.

Mr. JACOBS. I thank the gentleman for yielding.

I think it also might be pointed out that although there is compulsory service involved, the Government instructs one in the arts and science of the military, and that it is not just service in some cases but it is the ultimate price.

Mr. ROGERS. They also assign one.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Colorado.

Mr. WIRTH. I thank the gentleman for yielding.

I think there is a very clear parallel between what is being proposed by the committee and the requirements that we make of individuals who go to the Army, the Navy, and West Point. There is a very clear precedent there that we subsidize their education at the military academies, just as we subsidize medical education. In return for that service, however, we ask for a certain amount of national service. I think that parallel is very clear and well established in the history of this country.

Mr. ROGERS. I thank the gentleman, but I do want to make it clear that we give a choice here to any student to do what he wants, however he wants, and we have a forgiveness which will help him. What will happen if we do not go this capitation route? Then the schools raise their tuition, and the students have to borrow to pay that back. But this way we are giving him a forgiveness opportunity if they just go where they are needed.

This Congress needs to face up to the problem that we have, the tremendous problem of maldistribution of physicians and health personnel in the Nation. We can try to overlook it and say we are not going to do anything about it, but the American people are ready to have something done about health care in this Nation. When we consider national health insurance proposals—and I think it is not going to be long before this Congress will address itself to that—we had better have thought about manpower, we had better try to get people out where they can serve people, and this is an effort to do it. It can be done. One can use all kinds of arguments that it is unconstitutional; it is un-American. This is as American as anything I know.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Kentucky.

Mr. PERKINS. I thank the gentleman for yielding.

I have been connected with the forgiveness program in one way or another for many years, especially in connection with the teachers. But many of the doctors from the section of eastern Kentucky that I represent have complained vigorously in recent years that they have not been treated fairly in connection with this forgiveness program. In other words, they have been denied their forgiveness rights when they had come back to rural areas, isolated sections, where no other doctors wanted to practice, and set up a practice—pediatricians where there was no other pediatrician for a distance of 60 to 80 miles. And then the Health Department comes along and says they are not qualified. I am just wondering whether or not that interpretation will continue in the future. If it does, the point the gentleman is making is not a very worthwhile statement.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ROGERS was allowed to proceed for 1 additional minute.)

Mr. ROGERS. Mr. Chairman, may I say I think the provisions in the bill will help meet that problem the gentleman is talking about. HEW now designates medically underserved areas, principally counties. A county may have a great many doctors in one city, although many communities within the county may not be served appropriately. This is being changed in this bill to get away from the problem of designating "areas" in favor of designating "populations." Under this bill, there may be an area that has a good ratio of doctors but if populations within the area such as an inner-city area where there are no doctors, then they do qualify, so I think this will help the gentleman in his problem.

Mr. PERKINS. I am talking about primarily areas where there are no doctors, rural areas.

Mr. ROGERS. Yes. This provision would alleviate that too.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, before us today is a piece of legislation, the Health Manpower Act, which on the surface seems innocuous enough but which, when examined closely, has some subtle but nonetheless dangerous flaws. Rather than being a cure for an alleged shortage of doctors in this country, this bill contains a prescription for Federal control over what and where medical graduates will practice.

The two sections that comprise this prescription are those involving payback of capitation grants and allocation of residencies. If enacted, they would introduce a degree of Federal control heretofore unmatched in the annals of American medicine.

For example, the capitation grant payback section provides that, starting in 1976, all medical school graduates, not just those supported by federally financed scholarships or loans, will either have to pay back the capitation grants received by the medical school for their education or work in a so-called health manpower shortage area designated by HEW. Since the average capitation grant comes to $2,100 per year many medical graduates will have to work wherever HEW wants them to. This amounts to involuntary servitude of a type worse than the recently ended draft, for it cannot possibly be justified on the grounds of national security. Furthermore, such a system will discriminate against poorer medical graduates and will discourage those unable to get a shortage area assignment from setting up a practice at all.

The other example is the residency provision. Under terms of this legislation, the total number of residencies allowed in a given year will be limited to 125 percent of the previous year's graduating class, ostensibly to limit the number of foreign doctors coming to the United States for training. However, HEW will also be given the power to determine how many residencies a hospital may offer in a given specialty each year. Thus, a qualified graduate in pediatrics may either have to move across the country or, if there is still no opening, switch to a specialty that he is less interested in or skilled at.

Couple these requirements with the guidelines established by professional standards review organizations and the possibility of Federal malpractice insurance and you have a formula for nearly complete Federal control over medical practice and procedure. In essence, HEW could largely determine what field a doctor will enter, where he will practice, what type of treatment he will give, how long he will keep a patient in the hospital, what records he will turn over to the Government, and what other standards he will have to abide by in order to get insurance. Even if there were a severe shortage of doctors and a maldistribution of them on top of that, one would have to question the wisdom of such a drastic remedy.

The irony is, of course, that a closer look at the figures indicates that we have neither a shortage of doctors, nor a maldistribution problem. Instead, it would appear that supply of medical services generally corresponds to the demand for them. Moreover, history has shown that our medical system, despite the allegations, has been responsible for many of the remarkable advances in health care we have seen in recent years.

As for the argument that some areas are very deficient in physicians, a recent report done for Private Practice magazine by the Department of Economics and Business Administration of Hillsdale College illustrates how misleading some figures can be. For instance, the report points out that a 1970 AMA study showed that 132 counties in the United States had no practicing physicians at all. However, if one looks further, it turns out that 23 percent of these counties were right next door to highly populated counties where there are plenty of doctors. Moreover, the Commission on Health Manpower indicated that—

> Hospital facilities of 25 beds or more are within a 25 mile distance of all but 2% of the population and only one tenth of one percent have to travel more than 50 miles.

Finally, some doctors who have their offices in a physician-rich area travel out to visit areas where there are fewer doctors, thus providing still more services.

Given these circumstances and the fact that most areas with a "physician shortage" are rural areas with low population density, sending more physicians in would be more of a waste of health resources than anything else. A much more sensible solution is to let the law of supply and demand handle the situation, which it certainly should do if the supply of physicians is reaching surplus proportions.

As far as the trend toward specialization is concerned, the first thing to recognize is that any overemphasis on specialization is largely a result of the infusion of Federal money into the medical schools. The Government, by its interest in various types of research, has encouraged specialization at the expense of general medicine. So, it logically follows that further Government intervention is liable to make the situation worse rather than better. However, in fairness to all concerned, specialization has had its benefits too, not the least of which has been taking some of the burden off the general practitioner—GP. The GP has been able to refer troublesome cases to the specialist with the result being better medical care for the patient. The fact that most specialists are, of necessity, going to locate near hospitals with the most modern equipment should also be taken into any consideration of physician to population ratios.

One final point with regard to specialization: Without the advent of specialists it is highly unlikely that there would have been so many medical breakthroughs in recent years. Since these breakthroughs have saved lives that, 10 to 20 years ago would have surely been lost, we should be very reluctant to condemn the free enterprise medical system that has helped make them possible. Instead, we should be looking for ways to further their development and I would suggest that Federal control over the physician is not one of them.

Finally, let me comment on the charge that there are not enough physicians in certain urban areas. Again, a few statistics do not tell the whole story. More to the point is the fact that many so-called ghetto dwellers are "present oriented" and are adverse to seeking out medical care until the obvious need for such care intrudes into their "present" orientation. Also, these people have easy access to hospitals and clinics and many would rather go to those than to a private physician.

When you put the whole picture together, one realizes that the so-called maldistribution of doctors is more a figment in the minds of those who want Federal control of medicine than anything else. The facts, when thoroughly examined, simply do not support the conclusion that there is a serious maldistribution problem. To my way of thinking, the nature of the problem was best summarized in the aforementioned report published by Private Practice. This report concluded by noting that physician-population ratios are unequal in various areas of the United States, but so are many other ratios, like the ratio of cars to people, movie theaters to people or refrigerators to people.

Suffice it to say that if people want more health care in certain areas or of certain types it will be forthcoming without the Government having to lift a finger. The law of supply and demand will see to that. Therefore, I would urge my colleagues to carefully examine this bill with an eye toward eliminating those provisions that would unnecessarily extend Federal control over the practice of medicine. Such controls are not needed and should be defeated.

Mr. SATTERFIELD. Mr. Chairman, I rise in opposition to the amendment.

I am aware there is some confusion on the floor about the capitation grant and I would remind the Members that in the sixties we went to a subsidy program for medical schools in order to upgrade their quality and in 1971 to enlarge the enrollment so we could help meet what was envisioned as a doctor shortage of 50,000 physicians. The bill before us continues that program.

I would remind the Members that this subsidy program was not instituted for the purpose of helping the student or the doctor but it was to protect the public and to provide for the general need of the public for adequate medical personnel. The capitation grant in this bill does exactly the same thing, no more and no less. We are not talking about a grant that goes for the purpose of student loans because this is not earmarked for that purpose.

We are not talking about tuition. If we want to attack the question of tuition it could be achieved very simply by a different route, by reducing subsidies and permitting the schools to set their tuition where they see fit and let the students in the schools determine for themselves whether they want to pay that tuition, whether they want to borrow money for it, what the terms would be, and when or how they would repay it.

The question here is not one of whether we are going to subsidize the medical schools, because a vote on this amendment is not going to change that one way or the other.

I might add, it is not a question whether subsidies should be repaid by the students. As I understand it this is not a loan. It is a grant. There is no obligation on the part of the institution to repay any part of this grant. Why then should there be an obligation on the part of the student? It is not for his use. He is not a party to the arrangement that makes it available to the institution. If this is the objective it could be handled, as I say, in another way. This is not the right way to do it.

It is not a question either of recovering money for the U.S. Treasury. I can assure Members that in light of our present situation with respect to our fiscal integrity, I would be the last person on this floor to oppose such an approach if I thought that is what it did, but it does not.

If in fact that were true, why does not this bill provide for repayment at a time when the physicians can be expected to approach their greatest earnings potential rather than at a time when their earnings are at their lowest and their expenses at the highest in their career?

Repayment to the Treasury is not the true objective of this provision. That is nothing more nor less than a red herring. The true objective of this payback provision is to force a number of medical graduates to serve in underserved areas whether they want to or not.

Now, I am not opposed to the proposition of correcting geographic maldistribution of physicians. I think that is something we should do and which we have tried to do it in another section of this bill.

I am not opposed to legislation to that end, so long as it is intended to encourage individuals to voluntary action, but I am most assuredly opposed to this kind of provision which does not contain encouragement and does not leave it up to the student to make a voluntary decision whether or not he will perform a term of service.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, how would the gentleman encourage better distribution of doctors? By making additional money available to doctors to locate for a period of time in under-represented areas?

Let me also take this opportunity to point out that while a medical student may not be a party to the capitation grant that goes to the medical school, certainly the medical student is the direct beneficiary of the grant.

Now would the gentleman offer additional benefits at the taxpayers' expense to assure the location of doctors in what may now be under-represented areas? Why should not our doctors—by far the highest paid professionals in the country and probably the entire world—be required to repay, either in dollars or in public service. The public moneys advanced in the form of capitation grants which made their professional education possible?

Why on Earth, I ask my friend from Virginia, should the taxpayers be expected and subsidize the education of this most affluent group and then turn around and pay a bonus to assure that doctors practice where they are needed?

Mr. SATTERFIELD. I would point out that there are three provisions in this bill to encourage students to perform such service. One is the National Health

Service provision. One would employ incentives during training to place students in these areas for a period of time to encourage them to elect to return there for practice. Another attempts the same thing through the AHECS program. I think the correct way to encourage the medical man to serve in underserved areas is to give him direct encouragement to make it worth his while, not force him to do so but to give him a free choice.

I would like to resume to analyze what we are doing. I think my remarks may help answer the gentleman's question.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent, Mr. SATTERFIELD was allowed to proceed for an additional 3 minutes.)

Mr. SATTERFIELD. Mr. Chairman, we have created an impediment to the medical student in terms of his objective of completing his medical education and we have created a dilemma, whether or not he is a new student or whether or not he has entered training in the school. Every student in a medical school, regardless when he enters, if that school is going to receive capitation grants, will have to enter into this agreement. The penalty not to do so is to abandon his hopes, his dreams, abandon his study for the practice of medicine. I say that penalty is far too severe for the medical student to assume voluntarily. He cannot assume it. Then having created this dilemma for him, we would offer something additional. We have heard it termed on this floor as the forgiveness provision. I would ask, forgiveness of what? We are creating the situation and then we are going to forgive it? It is not a forgiveness. It is not even an excuse for repayment, nor is it an option as some would suggest. It is nothing more or less than a finely baited snare. For when the graduate is called upon to make his repayment 1 year after residency or internship, he must make the decision then to either pay this obligation in cash or pay it by full professional service in an area designated by the Secretary of HEW. He has to make this decision at a time when he is faced with the cost of repaying loans made to provide for his education, the cost of setting up an office, paying for malpractice insurance, and perhaps supporting a family. The saddest aspect of all is that the ones who will have no choice but enter into a period of service will be those medical graduates who come from the poorest families or those with moderate incomes, because under the circumstances they will not be able to do otherwise.

This provision will certainly violate the spirit, if not the letter, of our Constitution and of the individual rights it secures to its citizens. For this reason it should be eliminated from the bill.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I rise in opposition to the amendment and in support of the gentleman from Virginia. I would like to make two points.

The first point, Mr. Chairman, is that when students leave medical school they do not leave with only a $2,000 debt with which to be encouraged to go to an underserved area. They are in hock to the Federal Government, commercial bonds, family and friends for as much as $10,000, $15,000, sometimes $20,000. It is that amount of money that is going to drive them to serve where they do, and not the marginal $2,000 of the proposed amendment. Because these other debts do not have a similar payback feature a health professional will still locate where he or she can make lucrative sums to pay back the substantial debt I suppose we ought to have a lucrative Federal loan program to help health professionals. Then when we have got the new doctor with $10,000 or $15,000 debt, to the Federal Government we could have some meaningful incentive. I do not think the amendment's incentive is going to work.

The other point I want to make is that the payback provision amounts to federally imposed, deferred tuition on all medical schools in this country. I think we ought to oppose the amendment. I support the position of the gentleman from Virginia.

Mr. Chairman, the proponents of the "payback" are appropriately concerned with incentives to better distribute health manpower to underserved areas. The need is real, and the intent to fulfill the need is admirable. However, we must be careful not to commit another injustice in the name of fairness.

Mr. SATTERFIELD has convincingly demonstrated that there is nothing voluntary about the "payback" contract which health professions students must sign in order to attend a recipient institution. In fact, we can safely assume that no institution will refuse these grants, thus forcing every aspiring health professional to become a debtor to the United States.

Not only will every student in health professions schools be forced to enter into a contract with the U.S. Government as a debtor, but these students will have absolutely no say as to what is done with the grant. The money goes directly to the schools and is spent by the schools. In fact, the schools have the money budgeted before the student ever enters the contract. The payback amounts to a deferred tuition imposed by Congress on health professions students—payable in cash or service. This is tantamount to Congress raising the tuition which ought to remain the jurisdiction of State legislatures or governing boards.

Mr. SATTERFIELD astutely raises questions as to the legality of a forced contract. I would just like to raise the commonsense question of the ethics of the contract. How can we justify forcing anybody into a contract where they must pay back money which was never received or controlled.

If we desire to better distribute the health professionals in this country by incentives, let us use encouragement, not coersion. Let us design voluntary programs, not mandatory ones. Let us use equitable means, not forced contracts.

Consider the precedent the payback provision establishes. Most students in the United States are attending schools which receive Federal grants. Not all of these grants are capitation grants, but capitation is merely a formula for determining the amount of the grant to the respective schools. Certainly health professions students have no more say as to whether their school will receive the grant than any other student in the United States, nor do they have any more control over how the money will be spent. Thus, we can assume this precedent would pave the way for the Federal Government to require any group of students to pay back the Federal grant their school received. You man find this possibility rather extreme, but I am sure a few short years ago the current proposal would have been considered equally extreme. Perhaps the absurdity of my hypothesis should stand to illustrate the gross injustice of this "payback" proposal.

To require health professionals to share more of the cost of their education may well be justifiable. Aside from the dubious method of contracting the debt, the payback plan is designed to place a burden on the health professional when he is least able to bear it. He will have to begin repayment within 11 months after completion of study or internship. The young health professional would very possibly be repaying other debts incurred while a student; he will be assuming the costs of setting up practice—equipment, office space, staff; he will likely be incurring the costs of moving and establishing a family; all this while his career income will be at its lowest level.

Many health professionals may be forced into the underserved areas. Some claim that too many will be forced into this alternative, and many may be refused the alternative service. Those may be unduly burdened by this additional debt at the outset of their career. There can be little doubt that the costs will have to be passed on to the consumer. Certainly many of the health professions are hard to sympathize with on fiscal matters, but it is only logical that after years of study and no real income, they would not yet be capable of assuming additional debts without passing the cost on to the consumer.

Most assuredly our intent is not to increase the cost of health care, but that will inevitably be the obvious result of this proposal.

I question the desirability of this financial leverage, especially where the repayment is to a party with whom he did not originally contract and from whom he did not seek a benefit. Despite reports that positive incentives have not been as successful as hoped in attracting manpower to underserved areas, it is not convincing that they should be replaced by negative incentives at this time. Unfortunately, it is probable that additional indebtedness will act as incentive in the most undesirable direction—raising the cost of health care and promoting gravitation toward higher income specialty practices located in prosperous areas.

For these additional reasons, I feel the payback provisions should not be intruded on the existing capitation grants to health professions schools.

Mr. SATTERFIELD. I thank the gentleman for his remarks.

Mr. HASTINGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have plowed some of this ground before, but I think it is worthy of mentioning again to acquaint the committee and the Members with precisely what we are talking about with capitation, what it is, why we are saying it should be payed back.

Capitation is paid by the Federal Government to help only professional schools; no other body of schools in the country receives capitation payments. That is in addition to construction grants, tuition grants, scholarship loans, and all the other types of Federal subsidies made available to the health professions.

Quite frankly, I would very much like to stand here and say that we should not require these students or graduates to pay back; that is, if we, the Federal Government, were not providing over 50 percent—mind you, 50 percent—of the total cost of the education of what turns out to be the highest paid profession in the United States of America. I understand full well the type of mail the Members have been receiving, as I have myself, that comes from the AMA, the ADA, and those students who are involved, because they do not want to pay back, but they want to continue receiving capitation. We are not hearing much from the American taxpayer who is paying the bill.

We look at the development of health professionals as a matter of providing something in the national interest. It is in the national interest to have enough doctors, dentists, osteopaths, and the rest of the health professions. I can assure the Members that if they are in an inner-city area or a rural area where they would not have that health professional available, it is not very much of a national interest. I do not have access in my rural area to enough health professionals, yet my taxpayers are helping to pay for over 50 percent of their education.

I am not against the fact that they are the highest paid professionals in the United States of America, that may be all right, but I think we should understand what we are doing with our total contributions and subsidies to the training of health professionals as it relates to what we would hope to do in this bill, somehow to encourage them to go into the underserved areas of the country. We tried to do that with the scholarship approach and say, "We will forget the payment," and it did not work. They found it more convenient to go into the high income areas and pay back the loans.

We have tried other devices to encourage health professionals, in fact, to go into underserved areas, and quite frankly, they did not work.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. What we are saying is that capitation grant is equivalent, roughly, to what would be tuition.

Mr. HASTINGS. Indeed not. It would be larger than tuition, as a matter of fact.

Mr. JONES of Oklahoma. It does not purchase bricks and mortar or anything like that?

Mr. HASTINGS. It is up to the educational institution to make the determination of how they spend their capitation grant. As Chairman ROGERS has indicated, they are given capitation to provide quality education. How they do that is up to the individual school. The scholarship is an addition to capitation.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the gentleman's last response to the gentleman from Oklahoma raises a bothersome question about the entire principle we are being asked to endorse if we support the committee amendment. It seems to me that nearly every university and college, almost everyone in this country, receives Federal aid in some form, whether capitation, direct grants, loans, or whatever.

If the gentleman's "payback" principle has any validity, it should be extended to require payback by every beneficiary of Federal funds and every student who receives aid.

Mr. HASTINGS. I reply to the gentleman that capitation is in addition to the other traditional kinds of Federal subsidies. It is not a separate category.

Mr. BAUMAN. If the gentleman will yield further, the gentleman from Virginia (Mr. SATTERFIELD) pointed out the reason this capitation grant system was designed was to advance a national health policy, a policy decision by this Congress at a time when it was adjudged that more doctors were needed. When the gentleman says capitation is in addition to tuition loans, yes, but it could be lumped together with all of the Federal aid as a consideration of what amounts ought to be repaid by recipients of Federal funds.

Mr. HASTINGS. It probably could.

Mr. BAUMAN. So why do we single out one class of student beneficiaries, and ignore the many others who benefit from Federal aid but are not forced to repay?

Mr. HASTINGS. I would say the gentleman could put that in the form of an amendment or a proposition for future consideration.

Mr. BAUMAN. If I had my way I would offer just such an amendment, or better still, end many of these Federal subsidies. But the gentleman is not doing that with his amendment.

Mr. HASTINGS. I would say I think the gentleman is wrong in his reasoning. I would like to point out that because of some of the concerns for those who are currently in the professional schools I intend to offer an amendment that would grandfather those in who have already started their professional career, and the repayment would not relate to any but those who enter in the future.

The CHAIRMAN pro tempore (Mr. STUDDS.) The time of the gentleman has expired.

(On request of Mr. HEINZ, and by unanimous consent, Mr. HASTINGS was allowed to proceed for 1 additional minute.)

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. Yes, I yield to the gentleman.

Mr. HEINZ. I want to compliment the gentleman on his amendment. I think it is important that we grandfather-in students who are there. It would be unfair for us to do otherwise. I compliment the gentleman on his amendment, and I certainly intend to support it.

Mr. HASTINGS. I might also say that the gentleman from New Jersey (Mr. MAGUIRE) intends to offer an amendment that will say the repayment not take place until 24 months after the completion of studies, and that would go a long way to improve this payback situation.

Mr. SYMINGTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, America is at the threshold of big health problems, and the committee is trying to address itself to those problems and the manner in which they should be solved, or at least ameliorated.

The committee amendment in this regard takes account of the fact that education in this country is very, very costly, and I should say that medical education is the costliest of all. And in some fashion those costs must be borne.

It has been said that the institution does not have to repay the capitation. That is true. The institution is not a profit-making entity, but the student ultimately will be. The capitation grants are for the general benefit of each and every student that enters the institution, covering the most of the excellence of his education over and above that which the totality of tuitions would provide.

Why do we not provide that the students receive the money directly in the form of a loan? There are a few reasons for that. One I think has considerable merit, and that is that not all students are in the same financial circumstances. Not all students need the loans. If they were provided on that basis, some could simply pay the tuition, and throw a party with the loan money.

Another point arises from the assertion that the institution has no obligation. The institution does have an obligation to maintain enrollments, to conduct careful audits, and to provide records so that we can see what happens to this money to the end that it is used in a proper way, not so that the institution can increase its endowment in some fashion, but to get the job done to train these young Americans to be good doctors.

Third, administratively it is naturally quite a bit simpler to provide the money to the institution than it would be to provide it to all the students. That should be of some interest to those who are interested in saving paperwork. Again some would need the loans, others not, while all have an equal interest in the enhanced education which capitation makes possible.

I feel that inasmuch as we provide these moneys for the ultimate benefit of America's health through making it possible for students to become practitioners and make a living off of America's health problems, it is only right that the taxpayers should be refunded or compensated in some fashion.

It has been suggested that this should occur in many other areas of American education and American life, and it was asked why we did not include railroads and airlines in this bill. It has something to do with jurisdiction. We are dealing with the education of medical students, Mr. Chairman.

Let me just ask the chairman of the committee at this point if he does not agree that this is the most effective and the fairest way to achieve all of the desired goals of America's investment in medical education? That is to say, is this not the best way to get well-trained students, effect some distribution of their expertise in medically under-served areas, and obtain a return to the taxpayers in general for making this investment?

Mr. ROGERS. Mr. Chairman, if the gentleman will yield, I certainly agree with the statement that he has made. I think it is as fair a way as we could possibly design, and I think it will have positive effects for the American people.

Mr. SYMINGTON. Mr. Chairman, would the chairman of the committee agree that it would be unfortunate for the country to succumb to pressures to draft American doctors to serve the needs of the American people instead of giving them other ways if you will, to meet those needs?

Mr. ROGERS. Mr. Chairman, I think the gentleman has stated the feeling of the committee.

The CHAIRMAN pro tempore. The time of the gentleman from Missouri (Mr. Symington) has expired.

(On request of Mr. Rousselot and by unanimous consent, Mr. Symington was allowed to proceed for 2 additional minutes.)

Mr. SYMINGTON. Mr. Chairman, if I could use 30 seconds of my additional time obtained on the request of the gentleman from California, I would like to say that it would be rather likely that if the position of my very good friend, the gentleman from Virginia (Mr. Satterfield) should prevail today, there would be great pressure from various parts of the country—very strong pressure—to draft American doctors.

Mr. ROGERS. Mr. Chairman, if the gentleman will yield further, not only would there be very great pressure all over the country but there would be very great pressure in the other body. That pressure was evident even last year.

This is an alternative. This approach gives freedom of choice to students rather than to have them drafted. The proposal that is coming out of the Senate is to draft them into service and assign them. I do not think that is the way we ought to get at this problem.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SYMINGTON. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. Mr. Chairman, I am really quite disturbed to hear this idea that pressure is going to be brought to draft doctors to given areas. What kind of nonsense are we talking about?

This is supposed to be a free society. Would this be some form of indentured service into the medical profession?

Mr. SYMINGTON. Mr. Chairman, if I may reply to the gentleman—and then I will yield to the chairman of the committee—I think the gentleman must realize there are some such pressures today. All the gentleman has to do is walk about 100 yards and he can hear all about it.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, we get a lot of pressures around here for things that do not work out. We all remember the interlock system in the automobile as the result of the mandate by Congress to provide passive restraints. We know full well how badly that turned out.

What I am saying is that I do not understand the gentleman's logic. If we carry his conclusions to its ultimate end, that would mean that with respect to the Federal manpower retraining programs we now have, let us say, for mechanics, if there is a shortage of mechanics and the Government succeeds in training those people as mechanics, then they should repay the costs of education; is that correct?

Mr. SYMINGTON. The gentleman is not correct.

Mr. ROUSSELOT. Will the gentleman tell me how that logic falls down?

Mr. SYMINGTON. We are here talking about a major investment in what I would call an aspect of national security, the point raised earlier in a question to the gentleman from Kentucky. There is neither a major maldistribution of auto mechanics, or a comparable Federal investment in their training.

What the country wants very much to do is to see to it that a huge investment by its taxpayers in the ability of medical men and women to make a living should in some fashion be returned to the taxpayer.

Mr. ROUSSELOT. Then how about the private research of the National Science Foundation, with which the gentleman is very familiar, and from which the whole population benefits, hopefully. Do we not help all the people to benefit from that research? And should not all users of national science grants repay a portion of the loan at a later date when income is production as a result of the benefits from that specific research.

Mr. SYMINGTON. If it should ever be determined, I think, in any area of huge Federal expenditures that the moneys are not being sufficiently or properly used within the limits for which they are given to benefit the whole American people, yes, the question would arise.

The CHAIRMAN pro tempore. The time of the gentleman from Missouri (Mr. Symington) has expired.

(On request of Mr. Rousselot and by unanimous consent, Mr. Symington was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. If the gentleman will yield further, my problem is that I do not see why we are picking upon one segment of educational beneficiaries. We do not require this now, except for direct student loans, which as we understand and appreciate, should be paid back but which are not being paid back very well at this moment, we do want to forgive them in all the other areas where we provide subsidies, in effect, directly to institutions. Yet, in this case we admit that the grant goes to the institution not directly to the medical student. The individual student has no real control over how that grant is spent. Yet we are going to ask him to pay it back. In this case.

We do not do it in the Federal manpower training programs. We do not do it in other areas of Federal grants.

I really believe the gentleman's argument falls down somewhat when he says that health is such a national problem. That somehow "this payback provision" is going to free some solution.

We have a national problem in the automobile field. Do we want mechanics who receive a Federal manpower grant to go to school and to repay that?

Mr. SYMINGTON. If I may respond to the gentleman, I wish the gentleman had listened more closely to the gentleman from New York (Mr. Hastings).

Mr. ROUSSELOT. I listened very carefully to the gentleman from New York. I cannot understand why we pick on only one segment of our professional student population.

Mr. SYMINGTON. He described very thoroughly the distinction between general education grants and the normal kinds of assistance offered by the Federal Government to educational institutions of course, in many other areas of our national life. Capitation was begun in 1971 as a separate and distinct effort to produce more medical professionals. We now have more, all right, but not always enough where we need them.

The CHAIRMAN pro tempore. The time of the gentleman from Missouri (Mr. Symington) has expired.

(On request of Mr. McKay and by unanimous consent, Mr. Symington was allowed to proceed for 3 additional minutes.)

Mr. McKAY. Mr. Chairman, will the gentleman yield?

Mr. SYMINGTON. Yes, I yield to the gentleman from Utah.

Mr. McKAY. Would the gentleman agree that the reason for this bill is that we have a national condition that requires some action which could be interpreted as an emergency?

Mr. SYMINGTON. I should; it is a critical and worsening condition.

Mr. McKAY. It seems to me that this is not an unprecedented action. I recall the National Defense Education Act when we had a shortage of teachers. I was a recipient of some of that money, and there was an attachment required of me. If I completed my education with whatever money I received, I had two alternatives: One, I could pay back immediately, or through whatever arrangement I could work out, the total sum that I borrowed or was given or was granted; or I had the alternative of spending 5 years, and for each year that I spent in teaching in the area prescribed or for which I was trained, then I could be forgiven in an increment up to 50 percent.

Therefore, I do not think that this is an unprecedented act.

Mr. SYMINGTON. No; did the gentleman feel imposed upon by this arrangement?

Mr. McKAY. No; I did not feel imposed upon. I had an advantage that I could not have had in any other way to fund my education.

Mr. SATTERFIELD. Mr. Chairman, will the gentleman yield for a question?

Mr. SYMINGTON. Yes; I yield to the gentleman from Virginia.

Mr. SATTERFIELD. Mr. Chairman, I would like to ask the gentleman from Utah (Mr. McKAY) one question.

The gentleman talked about being helped. Did he have the option of taking the money and entering into this thing voluntarily, or did he have to do it?

Mr. McKAY. If the gentleman will yield, I had one of two choices: I could either pay it back or I could stay in the school system and teach. I had no alternatives outside of those two.

Mr. SATTERFIELD. But they did not force the gentleman to take that money.

Mr. McKAY. No, and the medical student is not forced to go to school to become a doctor.

Mr. SATTERFIELD. The problem here is that he is forced to enter into the agreement.

Mr. McKAY. If he wants to get the benefits of the school, the same thing I did.

Mr. SATTERFIELD. He has about the same choice that a condemned man does as to whether he is to be electrocuted or to be hung.

Mr. SYMINGTON. Mr. Chairman, I would observe that admittance into an American medical school should not be considered a condemnation.

Mr. CARTER. Mr. Chairman, would the gentleman from Missouri yield so that I might ask my good friend, the gentleman from Utah (Mr. McKAY) a question?

Mr. SYMINGTON. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I would ask my good friend, the gentleman from Utah (Mr. McKAY) if the gentleman did not receive the funds himself under the National Defense Scholarship program, and used that money to pay for his tuition, and his room and board?

Mr. McKAY. Mr. Chairman, I borrowed the money to pay the tuition so as to attend the school that I otherwise could not have attended.

Mr. CARTER. In the gentleman's case he had control of the money, and in the case we are considering today the school gets the money. The student does not get the $2,000. Above that, he must pay the cost of his medical schooling.

Mr. SYMINGTON. Mr. Chairman, I might point out that I think the student does get something. The student gets the advantage of the educational facilities, the personnel and equipment that are provided him, something that would not otherwise exist were it not for the capitation grants. That is what the student gets, and he gets it, and every student gets it in equal measure.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CARTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. ASHBROOK. Mr. Chairman, would the gentleman yield?

Mr. CARTER. I am happy to yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, there is one point I would like to have the gentleman from Kentucky give us a little more light on because, frankly, it is an area that I am not fully versed in.

I refer to my colleague, the gentleman from New York who, in response to a question, indicated that, no, the capitation grant is not really payment on the tuition; it is only a part of it. I further understand, and it sounds from the debate as though this is correct, that every institution, every medical school, its medical school library, and the entire institution, is there because of Federal funds that have been given to it.

My question is: did not that institution provide a good share of all of these facilities on its own? I would be interested in knowing how much is paid for in the payment by the capitation grants, and how much of this has been provided by the institution itself, that admittedly has failed, I suppose one could say, from the standpoint of the debate on this bill to continue to provide those facilities but, nevertheless, apparently these medical institutions have been in operation prior to the institution of the capitation grants.

So I am wondering if it is all due to the Federal Government, or was some of this built and provided by the schools themselves due to private contributions, and so forth?

That is what I would like to have answered.

Mr. CARTER. On the contrary, it is required that these medical schools keep up on their assistance that they receive from the State and other areas. Actually, the capitation grant does not begin to pay the cost of a year in school. Actually, it costs a college approximately $13,000 a year for each student who enters that school, and it costs the person to go to school at least $10,000, a minimum of that.

Mr. ASHBROOK. Mr. Chairman, if the gentleman will yield still further, what I am trying to find out is about how much of that comes from the Federal Government? Because I am concerned that it seems like here we are again providing the Federal share so as to get a foot in the door toward ultimate control of these institutions.

Mr. CARTER. I would say to the gentleman from Ohio that there are two types of grants—the capitation grant, various institutional types of grants such as projects grants, and so forth, and I must admit that approximately 50 percent of the cost of every medical school is paid for by the Federal Government. And it is my understanding that 70 percent of the cost of one of the most prestigious schools is paid for by the Federal Government, the one the gentleman from Ohio was graduated from. But the reason for that is that they have so many great scientists there that they get much more money from the Federal Government for research.

Mr. ASHBROOK. Then is it not correct to say to my friend, the gentleman from Kentucky, the question is that we are using 50 percent to control 100 percent. That would be a relatively accurate statement; would it not?

Mr. CARTER. That is right, yes, sir.

Mr. ASHBROOK. I thank the gentleman.

Mr. CARTER. Mr. Chairman, it seems that many people do not understand actually what this program is all about. My good friend, the gentleman from eastern Kentucky, my neighbor, was asking about the physicians in his area. For rural and ghetto areas we have a bill which allocates $40 million the first year, $80 million the second year, and $120 million the third year for educating youngsters who want to go to medical school. These people after graduation pay this back by service in a rural or ghetto area for each year they receive support in the medical school. This is the way we are attacking the maldistribution of physicians, and I think it is an excellent way. We will spend $240 million in the next 3 years for this, so we are doing something about maldistribution. We are doing our very best to be helpful.

It is a sad thing, too, that in rural areas one of the disincentives to physicians which keeps them from going to rural areas is that they are not paid the usual and customary fees which are paid in urban areas. In Kentucky in the rural areas they receive only about 67 percent of the fees which physicians of the same caliber receive in Louisville. In the national health scholarship program which we have, not only would they be paid well in the communities to which they are assigned, deprived areas, but they would be provided $25,000 for expenses to start their offices, to buy X-ray equipment. This is the way we should go. This is a voluntary way.

The present method by which $2,000 capitation is granted on the basis of each student registered in a school makes the requirement that this student pay back at the end of his training $8,000. If he goes to that school, he has no choice. He must sign. He must pay the money back when he has completed his training.

Mr. Chairman, I strongly support the Satterfield position.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. WIRTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the position of the committee and the position of my good friend, the gentleman from Florida (Mr. ROGERS) who I believe is one of the most decent people that I have had the opportunity to know.

I would like to focus, if I might, Mr. Chairman, on three questions that have arisen in relationship to this amendment: one, is the program voluntary?; two, are the incentives offered to medical students for forgiveness adequate?; and, three, is there any validity to the allegations that there might be some discriminatory provision in this against people of low income or minority groups?

Mr. Chairman, first, the question has been raised that this is not a voluntary program. It is my understanding that in the development of this program, in fact, it is voluntary in that medical students do have the choice. They can repay it by cash or they can repay it by service. I will ask the chairman of the committee if that is not correct.

Mr. ROGERS. If the gentleman will yield, the gentleman is correct. Of course, they have a choice. When one goes to school, he has to pay tuition. He does not get into school unless he pays tuition, and if the taxpayers, in effect, are paying the tuition to this school to provide good education for him, we just think he ought to help us meet the need a little bit. We are not going to ask him to repay it if he goes out and serves where doctors are really needed.

That is freedom of choice. If they do not want to, and that is freedom of choice, they should help us put back a little money, so we do not have to raid the Treasury again, and they should pay it back so others can go and serve their countries.

Mr. WIRTH. It certainly is voluntary.

Mr. ROGERS. Of course, it is voluntary.

Mr. WIRTH. I thank the chairman.

The second question: Is the incentive adequate for individuals who might seek forgiveness? In other words, is the forgiveness at high enough levels for the individuals who take service as repayment, high enough so the program will work?

Mr. ROGERS. I think it is. It is not going to solve the problem entirely. Many, many prefer to go somewhere where they will make a great deal of money. We understand that and expect that, but at least it will be an incentive to get some to consider going out and serving the American public. I think it is an effective help.

It is not going to solve the problem completely by any means but it is going to be an aid. But the more we continue at a freedom of choice level, the better. Oh, we can go along as it was proposed in the Senate and reported out of the Senate committee and simply draft everybody, but we are trying to avoid that. We are trying to go along with it in such a way that the freedom of choice is available.

Mr. WIRTH. But the committee did consider the level and thought this was an adequate level if persons chose to do so, adequate so they would choose to go and practice medicine in the underserved areas?

Mr. ROGERS. This is correct.

Mr. WIRTH. The third question: On discrimination, the allegation has been raised that such a program of forgiveness would discriminate against medical students of low income or members of minority groups. Did the committee consider that particular allegation?

Mr. ROGERS. I think, if the gentleman will yield to me, this is the most ludicrous argument I have heard, saying this would discriminate against those who are most unfortunate. As a matter of fact this will aid these people the most because as a matter of fact if we do away with capitation, the tuition goes up, and then what happens? The student goes to a school and the tuition goes up. The student may never get into the school, or if he does get in, where does he get the money? He borrows it. What happens if he borrows it? He has to pay it back.

What we are doing in this way is to say he can get in at the lower tuition in effect if he will simply say he will go ahead and serve and help us where we need doctors. If he does not want to do that, it is OK, he had freedom of choice, he can go out and make a great deal of money, but he pays back just $2,000. And any doctor, I do not care whether he comes from a poor background or a rich background, who goes into practice, as soon as he goes into practice of medicine and he has been practicing a year, we will be assured his income is most significant. The average income right now, and it is going up, is over $50,000 a year. That is the average.

So it is amazing to hear this argument. This will be of aid to those who want to go to medical school, an aid to those who want to help and serve their fellow man where they need doctors. It will be an aid to help cut down Federal expenditures, because those who do not want to help solve some of these problems will pay some of the money back into the Treasury to help us carry the program for those others who will be coming along.

Mr. WIRTH. I thank the chairman, and am now in even stronger support of the committee position.

AMENDMENT OFFERED BY MR. HASTINGS TO THE COMMITTEE AMENDMENT

Mr. HASTINGS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS to the committee amendment: Page 77, beginning in line 8, strike out "enrolled in the school in a school year beginning after June 30, 1976," and insert in lieu thereof "who is enrolled in the school in a school year beginning after June 30, 1976, and who was not enrolled in the school in a school year beginning before such date".

Mr. HASTINGS. Mr. Chairman, this is a very simple amendment that grandfathers from the provisions of payback any student who currently is in a health professional school. It would only require payback for those who enter in their freshman year after the bill becomes law.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield to the gentleman from Florida.

Mr. ROGERS. Although I am not speaking for the committee, I think on this side we have no objection to the amendment. We think it is fair for those who are already in school. We think it is a good amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, we have been told this is an emergency situation, requiring a redistribution of our medical resources immediately in order to meet the health needs of this country.

Now the gentleman is taking 2 or 3 years of medical graduates and exempting them from what we were told is a good principle; but if there is a need, why is this not as good today as it is 2 or 3 years from now?

Mr. HASTINGS. I might say to the gentleman, the word "emergency" was never used by this gentleman. If someone else wants to get into a discussion of the emergency nature of this, the gentleman would have to direct his question to them.

I think it is very important to get the payback principle included in law.

Certainly, I realize as a matter of equity for those students already in if they had not been aware of this obligation that in the sense of equity we should say it will only apply to those entering prospectively.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield to the gentleman from New York.

Mr. LAFALCE. Ordinarily I would be in favor and insist upon a grandfather provision; however, I think that the grandfather provision the gentleman proposes points out what I consider a difficulty. Ordinarily when we have a grandfather provision it is so that we do not impose an obligation where an individual has initially been offered a choice. But to impose it when he did not have an opportunity to exercise that choice, even if we are applying the payback provision or alternative service to those entering school anew, it is not a choice in effect. It is either go to school or not go to school. It is not participating or not participating within the payback or alternative service concept.

So it seems to me that there is no more choice for the individuals who will be enrolling than there would be for those now in. I do not know that the same rationale that I see is applicable to grandfather provisions is applicable to a grandfather provision in this instance.

Mr. HASTINGS. Mr. Chairman, I would suggest the gentleman probably would have to be opposed to the committee amendment, if that is the reason the gentleman is opposed, because not to consider what I believe to be freedom of choice, the grandfather provision does not change that. The grandfather provision only exempts those who are currently in and have not had an opportunity to get themselves in the repayment.

The argument presented by the gentleman is not correct. To get to the gentleman's concern, the gentleman would have to be opposed to the entire committee amendment.

Mr. LAFALCE. Mr. Chairman, it seems to me that the grandfather clause does not get to the question of equity, because there is no more equity or inequity for those not in.

Mr. HASTINGS. As the gentleman interprets the word "equity," the only way to correct the equity the gentleman speaks of would be for the elimination of payback completely, an opportunity that the gentleman will have to express very shortly.

Mr. LAFALCE. We are not on the question of those enrolled or whether there is more inequity for those now enrolled.

Mr. CARTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

I think the gentleman from New York is correct as far as he has gone, but I think he should extend it into the future. I do not know why by what ratiocination he arrives at the point that capitation was all right yesterday and the day before and the year before, but it is not now; in the future it is going to be wrong, it will have to be paid back; but I congratulate him in being at least half right.

Now, I refer to the great spending. I heard the distinguished gentleman from Florida talk about how saving he is in spending. I have some of my friends from that side of the aisle, one of them from Massachusetts says, "Don't, for God's sake, don't bring out any more of those bills. They are the most expensive bills in the world."

I hear them on this side saying that. I want to tell the Members that the Member who was talking about saving is the greatest spender of them all. There is no question about it, and this bill today exceeds the budget request. I want to say that to my big spending friend.

Mr. HEINZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the committee amendment and the amendment of the gentleman from New York (Mr. HASTINGS) which includes the grandfather provision. I would like to direct my remarks for a minute or two to the background of the health manpower legislation.

To hear some of the talk today, one would be tempted to believe that the present system of capitation grants to the Nation's medical schools have been on the books for decades and decades and decades. In fact, that is not the case. The legislation that brought about capitation was enacted in 1971. It was only 4 short years ago when capitation first started flowing to the medical schools.

Why was there a capitation program enacted in 1971 to help medical schools and to produce more health professionals? The answer is that it was felt in 1971, that there were not enough doctors. Purely and simply, it was a way to increase enrollments and increase the capacity of medical schools to turn out more doctors.

What has happened since 1971? What we have discovered since 1971 is that the problem is not so much an absolute shortage of doctors, but that doctors are too often in the wrong places and they are doing the wrong things. We have maldistribution by specialty and we have geographic maldistribution.

What the committee amendment seeks to do is to recognize a new problem, a problem that is different from the one we thought existed in 1971. Upon further analysis it turns out that there are a lot of doctors, but they are just not doing the right things in the right places. That is the philosophy, I think, behind the committee amendment, and it is a philosophy I strongly support.

If enacted, the committee amendment will have the effect of returning the money to the Federal Government, which we all know needs it, unless the student elects to serve in primary care in a medically underserved area. It will give students a chance and a choice to decide as to what kind of health care they are going into, and whether they will go into serving in a medically underserved area.

Finally, there is a very simple point I do want to reemphasize, and it is this: It has been pointed out here by several Members that the medical profession is among the highest compensated in the land. Average annual earnings have been estimated as at least $50,000 or $60,000. Many of my constituents just do not agree with the principle that we should subsidize those individuals who are very well off.

I think it is up to us to recognize here today that the conception which resulted in the 1971 act has changed. It is time to recognize that our original assumptions are outdated and that the problem has changed. It is time to recognize that we are subsidizing with insufficient benefit to the public a group which includes many who are often highly paid and privileged members of society. This bill provides for capitation subsidies in the amount of $638 million. I believe that we should orient these funds to helping overcome the problem of insufficient access to quality health care. It is a problem that too frequently exists, and which we should not tolerate.

For that reason, I ask most sincerely my colleagues to support the committee amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HEINZ. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, would it be a fair estimate to say that based upon the view expressed by the gentleman, delivery of health care in the United States is no longer a matter of medical judgment by professionals in that field, but now is rather a political process which will be decided by the Federal bureaucrats and politicians who run for office campaigning on these issues? Is that a correct assessment of what the gentleman is trying to tell us?

Mr. HEINZ. I think the gentleman raises an extremely important point. Right now the Federal Government is paying over 50 percent of the cost of medical education. We are paying that money directly to the health education institutions. Any time Uncle Sam starts giving institutional grants, we have a habit of trying to run those institutions. I do not want to see this Congress or HEW run medical schools. I would like to see this Congress get out of the business of running medical schools and structuring programs that appeal to the student only. This is what we have done in the Higher Education Act amendments. We have moved away from capitation and we have moved toward student assistance.

It is my hope that the step we take today will facilitate that. I hope we will move forward so that the student may exercise freedom of choice, and that we will change the Federal relationship so that none of us are in the position to try to run medical schools.

Mr. BAUMAN. Mr. Chairman, I believe the gentleman's answer is, "Yes."

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

The question I wish to raise is—I do not know whether my idea it is too logical or too simple—why must we give money to medical schools at all? Why cannot the $2,000 be available in loans to students? It would have the same proviso, but then it would go directly to the students, and it would be his responsibility, and the schools could raise their tuition accordingly.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. Yes, I yield to the gentleman.

Mr. CARTER. Mr. Chairman, I would say to my good friend from Pennsylvania that we do have $30 million in loans for this year, and the student can borrow as much as $3,500 a year, or $14,000 in all.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the chairman of the subcommittee.

Mr. ROGERS. Mr. Chairman, I think the gentleman should know that we usually do not appropriate sufficient funds for all students who need financial assistance to obtain loans. This also is a problem. Furthermore, by providing capitation we are assured that the schools will have some financial stability. One of the reasons we passed the 1971 Manpower Act, was because 60 schools were in financial distress and many were folding, out of the 110 at the time. So this is an effort to provide stability so that we can maintain the national assets of our medical colleges to train badly needed physician manpower.

Mr. GOODLING. Do they not get the same results if they raise the tuition accordingly to what you are loaning the student?

Mr. ROGERS. If everybody could be assured of a loan, I suppose that is possible, but there is no assurance that everyone who needs one can obtain it.

Mr. SATTERFIELD. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman.

Mr. SATTERFIELD. Mr. Chairman, I think the gentleman has raised a good point. I would observe that it is rather unique in this bill that the student loan program we have had for years is being phased out in this bill.

Mr. CARTER. Mr. Chairman, will the gentleman yield further?

Mr. GOODLING. I yield to the gentleman.

Mr. CARTER. Mr. Chairman, I would just like to answer the distinguished gentleman from Pennsylvania further by saying that the $2,000 capitation, actually, which is given to the school, never enters the student's hand. Actually, he does not have any right of refusal if he goes to that school. If he wants to go to medical school, he must sign, and that is it, whether he is rich, poor, or whatever he might be.

Mr. GOODLING. Mr. Chairman, I am very much opposed to that, and that is why I would like to see it go directly to the student in a loan program and let them pay whatever they want in tuition.

Mr. CARTER. Mr. Chairman, it is a draft, it is a mandate. I have never seen anything like this in our country previous to this time.

PARLIAMENTARY INQUIRY

Mr. HASTINGS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. HASTINGS. Mr. Chairman, would it be in order at this point for me to move the previous question on my amendment to the committee amendment and then allow the Members, of course, to continue to discuss the committee amendment, as amended?

The CHAIRMAN. The Chair will advise the gentleman from New York (Mr. HASTINGS) that it is not in order to move the previous question in Committee of the Whole.

Mr. HASTINGS. I thank the Chairman.

Mr. SISK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hesitate to take the time of the committee, but I do think this is an important question and I am interested in engaging in a little bit of colloquy with the distinguished chairman of the committee, the gentleman from Florida (Mr. ROGERS), for whom I have a great deal of regard, on this matter.

I am increasingly concerned about the apparent emphasis that is being placed here on what I consider to be a rather new and innovative approach to paying back money. I really have serious concerns about this, as I have indicated to the gentleman before.

Apparently we are doing it because it deals with a profession that is apparently a very lucrative profession. I would hope that is not the justification that the committee used in coming here with this suggestion. Where did this idea come from for this particular type of payback?

I am concerned about expenditures, as we all are, and about the taxpayer being given some relief. But where did this idea come from?

I would like to say to my good friend, the gentleman from Florida, that I am not asking this to be facetious. I am really concerned, because many of us have been interested in getting doctors into remote places, and we have thought about incentives, and so on. I am curious about this idea.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Florida.

Mr. ROGERS. This idea was developed in the committee last year. There was a payback provision in the bill for the students of schools in the bill which passed the House last year. I do not recall how the gentleman voted on that bill at the time, but I think there were 23 votes against it. That bill was taken up under suspension of the rules.

So this is not a new idea. The purpose of it is not simply because health is a high-paying profession, although that certainly gives some credence to the validity of saying that if anyone should pay back, it should be those who have some ability to do so. The purpose of the provision is to try to encourage a movement by graduates to our rural areas and inner cities. These are areas where people cannot ordinarily get doctors.

Mr. SISK. Mr. Chairman, I am aware of that, but let me hasten to say that I would hope it is not just because this is a lucrative profession. I certainly am not here today going to vote on the basis that we are simply dealing with some very high paid profession.

Let me tell the Members that I am getting letters every month, as I am sure other Members of Congress are, from young men and young women who desire to get a medical education. I am familiar with their problems, and I have some friends who have completed medical education and who are out starting practices. I know some who have been in practice for a few years. Let me say I have not found them all that flush. In fact, I know that the average high pay of many doctors comes only after long experience, and in that respect we can take a look at the total of surgeons around the country. That is a good, lucrative profession.

But I do not want to do something here on the part of the Congress that seems to provide a penalty merely because of the quality or the lucrativeness of the profession. It is a very vital profession, one which I have very great respect for.

I am concerned about the awkward way in which this is being done.

Finally, as I have said before to my friend, the gentleman from Florida, I still maintain that this discriminates against the poor, because I can well understand that the students today, those who are prepared to go to school, who apply for medical school and who are wealthy, will go to the highest priced schools.

That is fine. They can get in. But the poor student who is struggling is going to have to go to another school.

Mr. Chairman, I seriously believe that a person coming from a poor family will find it harder to become a doctor than one coming from a wealthy family. I do not want that person to go out there if he does not want to just because he has to pay back $8,000.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Florida.

Mr. ROGERS. Then the gentleman ought to support the committee amendment because it does not require him to pay when least able to, which would have to be done if schools had to raise tuition. Under the payback provision, after health professionals get up into high-range incomes, they pay back capitation support.

This will help the poor, and the gentleman ought to support the amendment if he is sincere in that respect.

Mr. SISK. I appreciate the comments of my good friend, the gentleman from Florida (Mr. ROGERS).

However, I would rather see moneys available for student loans and let that young man or woman make that choice.

Mr. ROGERS. We do that now.

Mr. SISK. I can see the pressure here on the basis of the economic well-being of that individual. I just question it as a matter of principle. I am really concerned about this kind of approach, in spite of the eloquence of my good friend, the gentleman from Florida.

Mr. ROGERS. If the gentleman will yield further, let me say this, too. I hope that when we consider this we are also going to consider not only the poor who are going to medical school to become doctors, but that we will consider the poor in the inner cities and the poor and the unfortunate in the rural areas who cannot find doctors. This provision tries to get them some help. That is what our taxpayers are going to be interested in.

Mr. SISK. Let me take one other moment of my time to say that I am all in favor of giving help wherever we should, within the bounds of reason, let me say, on a constitutional basis. I am in favor of giving these people in outlying areas some help. As the gentleman knows, I have outlying areas in my own district, and I am concerned about it. However, I really have a grave question as to whether this is going to achieve the purpose that it should in our approach to this matter.

The CHAIRMAN. The time of the gentleman from California (Mr. SISK) has expired.

(On request of Mr. CARTER and by unanimous consent, Mr. SISK was allowed to proceed for 2 additional minutes.)

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. SISK. I will yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I thank the distinguished gentleman for yielding.

The thrust of this is that in 1976, in that academic year, the student will sign to repay the $8,000 after he has finished his residency, beginning 11 months after that time. Either he will sign to pay that or he will agree to 4 years of involuntary servitude.

My colleagues, I have heard so many times about these rich doctors and how much they make. They make $10,000 a year more than we do, on an average. Many of them have to be up at night. As we know, sickness does not take a holiday.

It is strange that so many of the people whom I have seen here today come from inherited wealth, families of great inherited wealth, and they are talking about the physicians who work hard hours and long hours to make the money which they do in the service of humanity. I know many people I have seen here today worth hundreds of millions of dollars have been coming up and pointing their fingers at physicians. I happen to be a country doctor. I was for many years. It was a motto of mine and of my colleagues to serve anyone who came to our door, including poor people.

I wish that my limousine-liberal friends would forget a little bit about the doctors who happen to make $52,000 a year.

Mr. Chairman, I thank my good friend, the gentleman from California, for yielding.

Mr. FLORIO. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak on the amendment, and will do so briefly.

Mr. Chairman, I am in favor of the Hastings amendment, but I think it should be pointed out that we are talking about a lot of things—such as involuntary servitude, the high incomes of doctors, and so forth—which really are not germane to the main issue. We are attempting to reconcile two national interests; one favoring the capitation concept, because of the financial situation in the medical schools and the need for more physicians.

Mr. Chairman, the capitation concept is clearly established in law, and is desirable because there is a great maldistribution of physicians. All we are trying to do—and I think it is an extremely equitable way to do it—is to harmonize these two matters.

To a certain extent it is a matter of degree. I believe that one Member of the House brought up the corollary with reference to the automobile mechanic, and the fact that we do provide funds for vocational training for automobile mechanics.

The point I would raise is that we are talking about the degree of Federal contribution to the medical schools being over 50 percent, and also the magnitude of the problem. Certainly the problem with regard to the maldistribution of physicians is much more extreme than the distribution of auto mechanics, and therefore I am sure, Mr. Chairman, that that analogy was not put forth in all seriousness.

The point I am trying to make is that with both of those arguments, that the contribution of the Federal Government, and the maldistribution of physicians, are valid. I think it is infinitely important for us to show, if we are going to provide this amount of money, that there should be some incentive to attempt to redirect—and I do not shrink from the word—our health resources and our health manpower resources into areas where we need such assistance.

Mr. Chairman, I represent a district which has been officially designated as a medically underserved area. The entire State of New Jersey has 75 percent of its interns and residencies being filled by foreign medical graduates because we do not have enough of our local graduates. This is a serious problem.

I think this bill is an infinitely fair way to help solve it. If we are going to seriously talk about improving, or if we are going to do something about improving our health care delivery system, whether it be in the framework of national health insurance, or any other form of improvement, then we must have the ability to provide for the health professionals. We need them throughout the entire United States, and this bill is a step in that direction. This bill is rational, this bill is moderate, this bill is progressive, and therefore, Mr. Chairman, I support it.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that a vote be taken on the Hastings amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. MYERS of Pennsylvania. Mr. Chairman, reserving the right to object, I wonder if we can be assured of getting some time, because there are other people who are interested in talking on this bill.

Mr. ROGERS. Yes, on the other amendments.

This is referring to the Hastings amendment, which is the grandfather amendment.

The CHAIRMAN. The Chair will state that the unanimous-consent request was for a vote on the Hastings amendment.

Mr. MYERS of Pennsylvania. Mr. Chairman, I withdraw by reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. HASTINGS) to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. ROGERS. Mr. Chairman, I would like to try to limit the time of the debate, and I would like to have every Member have sufficient time to speak.

I ask unanimous consent that debate on the original amendment and all amendments thereto be concluded by 2:15.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. TREEN. Mr. Chairman, reserving the right to object, I take this time to ask the gentleman from Florida if he can indicate how many amendments to this amendment does he know about.

Mr. ROGERS. I think there are two small ones. I do not think they are controversial at all.

Mr. TREEN. There are two small amendments to the original amendment.

Mr. ROGERS. That is correct.

Mr. TREEN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. SATTERFIELD. Mr. Chairman, I reserve the right to object. If there are two small amendments, I would certainly like to know what they are. I am not too impressed with the fact that the Chairman would be willing to accept them, so I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I move that the debate on this amendment and all amendments thereto conclude at 2:15.

The CHAIRMAN. The question is on the motion offered by the gentleman from Florida (Mr. ROGERS).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 71, noes 23.

So the motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for three-quarters of a minute each.

The Chair recognizes the gentleman from Illinois (Mr. CRANE).

(By unanimous consent, Mr. ROUSSELOT yielded his time to Mr. CRANE).

Mr. CRANE. Mr. Chairman, I think there is a certain subtle and pernicious logic involved in the proposal before us this afternoon which would dictate how at least a portion of the lives of some professional men shall be spent. It is based upon the premise that we have a maldistribution problem in the country of such magnitude that this kind of drastic action is required. There is a comprehensive study of this maldistribution problem in the United States that was made in 1973. It reveals that, just like the earlier so-called emergency with respect to an inadequate doctor-patient ratio, which proved to be inaccurate, so, too, the maldistribution "emergency" is nonexistent.

We have 3,084 counties in the United States. One hundred thirty-two of those counties are doctorless, and of the doctorless counties, two-tenths of one percent of our total population resides there. That includes everything from Hinsdale County, Colo., with a population of 202 people, to Stafford County, Va., which is south of us here, which did not have a doctor yet has a population of 28,000.

The important thing to recognize with respect to counties like Stafford is that it, like 35 other doctorless counties, is adjacent to a standard metropolitan statistical area. Thus, with a 15-minute drive south into Fredericksburg or north into Prince William county one can find an abundance of physicians.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. STEIGER

of Wisconsin yielded his time to Mr. CRANE.)

(By unanimous consent Mr. GOODLING yielded his time to Mr. CRANE.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Chairman, the reason we will find no physician in Hinsdale County, Colo., is for the same reason we do not find supermarkets and other services. It would be a mistake to attempt to dictate that a physician be moved from a more populous area where he can obviously serve more people to Hinsdale County, Colo.

Other arguments in support of the committee amendment have menacing implications. One is that just because the taxpayers have made an investment in the physician, we in this body have a right to attempt to direct his life. We should give careful consideration to this proposition because the same argument could be advanced to include those of us who attended public schools or had any of our education paid for by the taxpayers. If the body politic has its way, we in this Chamber might on the strength of some of the reasoning we have heard be directed into what might be considered more socially useful occupations.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. SATTERFIELD).

Mr. SATTERFIELD. Mr. Chairman, while this amendment perhaps sweetens the matter a little bit as the other two amendments which we have not yet seen no doubt will, I would point out they do nothing to alter the basic defects in this provision. I have heard a great deal about the fact that all we are doing here is asking the medical graduate to go and practice somewhere where he is needed. We are not asking him. We are telling him. We are mandating if he goes into this program.

If it is a matter of the subsidies which bothers us then let us do away with them altogether and let tuition be set by the schools and let the students determine whether to borrow the money they need and how or when to repay it.

The thing to do is to vote this proposal down by voting this amendment down as well as all amendments proposed to it.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. MYERS).

Mr. MYERS of Pennsylvania. Mr. Chairman, in the short time I have I would like to ask the chairman what the committee's consideration of service has been. In today's world with modern transportation available it would not be inconceivable on my part that a doctor could serve a considerable part of a week in a major metropolitan area and also serve 2 days in a rural area. Is this part of the flexibility that could be built into the payback period?

Mr. ROGERS. If the gentleman will yield, I think it is possible something could be worked out along those lines in order to get the doctors out into those areas.

Mr. MYERS of Pennsylvania. So in other words we could build something into the record here indicating that a doctor does not have actually to locate in the area. He could serve there without spending full time and would thus be able to fulfill his commitment to serve in the underserved area.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. MAGUIRE), a member of the committee.

(By unanimous consent, Mr. FLORIO yielded his time to Mr. MAGUIRE).

AMENDMENT OFFERED BY MR. MAGUIRE TO THE COMMITTEE AMENDMENT

Mr. MAGUIRE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MAGUIRE to the committee amendment: Page 78, strike out "eleven months" in lines 4, 12, and 20, and insert in lieu thereof "twenty-four months".

Page 79, insert at the end of line 13 the following new sentence: "An agreement referred to in clause (ii) may be entered into with the Secretary by an individual not later than eleven months after the month in which the individual completes or terminates his course of study at the school with which the individual entered into an agreement under subparagraph (A); except that if the course of study was terminated in connection with a transfer to another school to pursue the same course of study and the transfer was made within twelve months of the termination date, the agreement with the Secretary may be entered into not later than eleven months after the date the student completes his course of study at the school to which he transferred; or if the student begins an internship, residency, or other advanced clinical training within six months after the month in which he completed his course of study, the agreement with the Secretary may be entered into not later than eleven months after the month in which such internship, residency, or other advanced clinical training ends."

Mr. ROGERS. Mr. Chairman, would the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Florida.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD. I have looked it over and I think it is a good amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MAGUIRE. Mr. Chairman, in my judgment, a legitimate objection has been raised to the very thoughtful committee proposal which is before the House today; that is, that a person who elects to pay back in dollars the capitation grant would be required to begin his repayment 11 months after the completion of his training or his internship. That is the time that an individual is faced with considerable financial obligations—those incurred during education, those for the purchase of expensive equipment for an office and those substantial costs involved in establishing a practice.

My amendment would defer until 24 months after the completion of training the beginning of the repayment schedule. In other words, the individual would begin payments only in the third year, if he selected the repayment option. The untimeliness of the financial burden would be relieved, providing a more genuine choice between repaying the grants and serving in an underserved area, without undermining the incentive to serve in an underserved area.

I think this takes care of the one legitimate objection that has been put forward in the course of debate. Otherwise, I support the concept of paying back capitation grants and of encouraging service in underserved areas.

I think the committee proposal has been carefully thought out. It is very significant that it has such substantial bipartisan support, led by the gentleman from Florida (Mr. ROGERS) and the gentleman from New York (Mr. HASTINGS).

I would urge adoption of my amendment and of the committee proposal.

Mr. MYERS of Pennsylvania. Mr. Chairman, would the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Does the termination provision in the gentlemen's amendment mean if a person terminates his education prior to finishing and completing it, that he would have this obligation? Or does it mean he has it only after the successful completion of his medical education.

Mr. MAGUIRE. In the committee proposal the repayment obligation is related to the number of years capitation grants have been received. My amendment does not address itself to that point.

The CHAIRMAN. Are there any Members on the list who wish to speak to the amendment offered by the gentleman from New Jersey (Mr. MAGUIRE)?

The question is on the amendment offered by the gentleman from New Jersey (Mr. MAGUIRE) to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota (Mr. PRESSLER).

Mr. PRESSLER. Mr. Chairman, I would like to ask one question of the chairman. How does the equity affect the man with personal wealth or independent income who would have more options here with his education than would others?

Mr. ROGERS. Mr. Chairman, I am sorry. I did not understand the question.

Mr. PRESSLER. A professional man who has a great deal of personal wealth or a good deal of income from another source could pay back his capitation grant, so basically it might be discriminating in that sense.

Mr. ROGERS. Well, I do not think so, because all of them will be professional people and they will be making money before they even have to begin paying it back.

As I say, the average salary of a doctor is $50,000 to $60,000. We do not require them to pay it ahead of time, it is after they are on the job and are established.

AMENDMENT OFFERED BY MR. STRATTON TO THE COMMITTEE AMENDMENT

Mr. STRATTON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Stratton to the committee amendment: Page 79, strike out "or" in line 7.

Page 79, insert "or" at the end of line 11, and insert after that line the following

"(iii) provides service during a period of obligated service in the armed forces in accordance with section 2123 of title 10 of the United States Code,".

Mr. STRATTON. Mr. Chairman, this amendment corrects a problem that has been brought to my attention just this morning by the Deputy Assistant Secretary of Defense for Health and Manpower. We have had in existence for the last 3 or 4 years a program under which young men and women who were willing to serve as medical professionals in the armed services could get their tuition to medical schools paid for by the U.S. Government. Then after graduation from medical school they were obligated to a term of service in the Armed Forces.

But the provisions of the committee amendment, which would apply to all students at medical schools receiving capitation grants, would appear to place a double service obligation on those whose medical education has been underwritten by the Federal Government in return for a commitment to serve as physicians in the armed services; they might also find themselves with a further commitment to serve in a medically deprived area once their period of obligated military service was completed. Not only would this result be manifestly unfair, but it could mean that the payback provision of the committee amendment would, unintentionally, have a harmful impact on the operation of Public Law 92–426 which Congress approved in order to attract an adequate supply of medical professionals into the armed services.

My amendment would prevent this anomaly and this possibility of double obligation by making it possible for medical school graduates to discharge their payback obligation by obligated service in the Armed Forces.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, we have looked at the amendment on this side, which would allow forgiveness if they go into military service. We think it is a good amendment. We need them there too, and we agree with the amendment.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to my colleague from New York.

Mr. HASTINGS. Mr. Chairman, I also think this is a good amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Stratton) to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina (Mr. Davis).

Mr. DAVIS. Mr. Chairman, I rise in support of the committee amendment, as amended. I have heard the argument today that we would be discriminating against the poor, possibly, by this type of grant. I would say that we are discriminating against the poor such as those in the lower part of South Carolina because we are not providing for medical attention for them.

If we can get medical care to the poor rural areas, perhaps we can break the poverty cycle, but to keep them in big metropolitan areas earning $50,000 a year is doing poor people no good. It is time we became concerned with people, not pocketbooks.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. Treen).

(By unanimous consent Mr. Frenzel yielded his time to Mr. Treen.)

Mr. TREEN. Mr. Chairman, I take this time to pose two questions to the chairman of the subcommittee, the gentleman from Florida, if I may.

Referring to page 77 of the bill, the critical section requires that the application for grant by a school give assurances that a legally enforceable agreement with each student enrolled in the school be entered into providing for the payback.

My questions to the gentleman from Florida are these: May a school elect not to enter into such a contract for some of its students and waive the capitation grant for those students? Second, could a school elect to charge an additional $2,100 in tuition fees and, in so doing, avoid the provision for any such student?

Mr. ROGERS. Mr. Chairman, if the gentleman will yield, let me say that the way the bill is written, all students would be required to repay capitation. Of course, a wealthy student could, if he had the money, put it in the bank, draw interest on that money and he would pay it off after graduation. Under the provisions as they are, a school would have to treat all students. alike.

Mr. TREEN. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Devine).

Mr. DEVINE. Mr. Chairman, I rise in favor of the committee position, the committee amendment. I see nothing wrong with the payback provisions in this particular legislation, and I expect to vote in that way.

I do have one concern with the bill and the overall structure. It is my understanding on examination that the bill does violence to the budget by about $700 million in a period of 3 years. I have reservations about the overall costs of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. Broyhill).

Mr. BROYHILL. Mr. Chairman, I rise in opposition to the committee amendment, and I support the amendment offered by Congressman Satterfield to delete the capitation payback provisions of the Health Manpower Act, H.R. 5546.

The purpose of capitation grants is to provide some financial incentive to medical schools to increase their enrollment, because of the dire need for doctors in this country. However, while the bill provides that the capitation grants will go to the respective medical schools, it also requires the individual medical student to repay this grant or serve for a period of time in the National Health Service Corps, the Public Health Service, or one of the branches of the armed services, in lieu of repayment. It is not fair that this financial incentive, which is to be paid for with public funds, should be the responsibility of individual physicians to pay back. Frankly, if we advocate the policy of using funds from the Federal Treasury to help increase the number of doctors in this country, why should we put the burden on a few individuals to repay it?

One alternative would be to increase the educational loan fund, which is in operation at the present time. While this would not provide any incentive for the medical schools to increase their enrollment, it would allow the individual medical students the freedom of choice to decide to apply or not to apply for educational loans to attend medical school. Although the cost of this alternative would be substantial over a number of years, the cost for 1 year, when compared to the total Federal budget, would not be that great.

We recognize the need for more doctors in this country, distributed equitably among the various segments of our population. However, I believe the arrangement contained in this bill—requiring the student to repay a capitation grant paid directly to a medical school—is not the correct approach, and deprives the individual student from freedom of choice.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. Rogers) to close debate.

Mr. ROGERS. Mr. Chairman, I think it is very clear now what we have done to the committee amendment. We have adopted the grandfather clause; we have adopted a 24-month period, in effect, before payback begins; we have a military forgiveness provision; and, in conclusion, the provision that the committee recommends that we adopt by an aye vote will help solve the problem of spreading medical personnel over the country, allowing a freedom of choice to those students as to how they want to handle this matter for each individual.

The CHAIRMAN. All time has expired.

The question is on the committee amendment, as amended.

The question was taken; and the chaiman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROGERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 209, noes 153, not voting 71, as follows:

[Roll No. 379]

AYES—209

Abzug
Adams
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Bafalis
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Bolling
Bonker
Bowen
Brademas
Breaux
Brodhead
Broomfield
Brown, Mich.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carney
Chisholm
Cleveland
Collins, Tex.
Conte
Conyers
Corman
Cornell
Coughlin
Daniels, N.J.
Davis
Delaney
Dellums
Derrick
Devine
Downey
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Fascell
Fenwick
Fisher
Fithian
Flood
Florio
Ford, Mich.
Forsythe
Fraser
Frenzel
Gilman
Gonzalez
Gradison
Gude
Hagedorn
Haley
Hall
Hanley
Harkin
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Holland
Howard
Hughes
Hungate
Ichord
Jarman
Jeffords
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kelly
Keys
LaFalce
Latta
Lehman
Long, La.
Long, Md.
Lujan
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Maguire
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murtha
Myers, Pa.
Neal
Nichols
Nolan
Nowak
Obey
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pike
Preyer
Price
Randall
Rangel
Rhodes
Richmond
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roybal
Russo
St Germain
Santini
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shipley
Shuster
Simon
Skubitz
Slack
Staggers
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Treen
Tsongas
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
White
Wiggins
Wirth
Wolff
Yates
Young, Ga.
Zablocki
Zeferetti

NOES—153

Abdnor
Anderson, Ill.
Andrews, N.C.
Archer
Ashbrook
AuCoin
Baldus
Bauman
Blanchard
Brinkley
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burleson, Tex.
Burton, John
Byron
Carr
Carter
Casey
Chappell
Clausen, Don H.
Cochran
Conlan
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
de la Garza
Dent
Derwinski
Dingell
Dodd
Downing
Drinan
Duncan, Tenn.
du Pont
Evans, Ind.
Findley
Flynt
Foley
Ford, Tenn.
Fountain
Frey
Gaydos
Gibbons
Ginn
Goldwater
Goodling
Grassley
Hamilton
Hammerschmidt
Hannaford
Hansen
Harsha
Hébert
Hillis
Holt
Holtzman
Howe
Hubbard
Hutchinson
Hyde
Jacobs
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Tenn.
Kasten
Kazen
Kemp
Ketchum
Kindness
Koch
Krebs
Lagomarsino
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
McClory
McDonald
Madigan
Mahon
Martin
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, N.Y.
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Natcher
Nedzi
Nix
O'Hara
Ottinger
Patterson, Calif.
Pettis
Peyser
Pickle
Pressler
Pritchard
Rees
Regula
Riegle
Roberts
Robinson
Rosenthal
Roush
Rousselot
Ryan
Sarasin
Sarbanes
Satterfield
Schneebeli
Sharp
Shriver
Sikes
Sisk
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Stanton, J. William
Steiger, Wis.
Stephens
Talcott
Taylor, Mo.
Teague
Thone
Traxler
Waggonner
Weaver
Whalen
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—71

Addabbo
Alexander
Armstrong
Beard, Tenn.
Bell
Blouin
Boggs
Boland
Breckinridge
Brooks
Butler
Cederberg
Clancy
Clawson, Del
Clay
Cohen
Collins, Ill.
Conable
Cotter
Danielson
Dickinson
Diggs
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Fish
Flowers
Fulton
Fuqua
Giaimo
Green
Guyer
Harrington
Hinshaw
Horton
Jenrette
Jones, N.C.
Krueger
Landrum
Leggett
Lent
Litton
McCollister
Madden
Mann
Mathis
Matsunaga
Meyner
Montgomery
Moss
Murphy, N.Y.
Oberstar
O'Brien
Poage
Quie
Quillen
Railsback
Reuss
Runnels
Ruppe
Smith, Iowa
Symms
Thompson
Thornton
Udall
Ullman
Vander Jagt
Wampler
Wilson, Tex.
Wright

So the committee amendment as amended was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Madden for, with Mr. Addabbo against.

Mr. Diggs for, with Mr. Krueger against.

Mrs. Collins of Illinois for, with Mr. Blouin against.

Mr. Clay for, with Mr. Landrum against.

Mr. Thompson for, with Mrs. Boggs against.

Mrs. Meyner for, with Mr. Montgomery against.

Mr. Boland for, with Mr. McCollister against.

Mr. Fish for, with Mr. Evins of Tennessee against.

Mr. Murphy of New York for, with Mr. Danielson against.

Mr. Railsback for, with Mr. Mathis against.

Mr. Cotter for, with Mr. Moss against.

Mr. Guyer for, with Mr. Butler against.

The result of the vote was announced as above recorded.

Mr. ROGERS. Mr. Chairman, inasmuch as I believe that we have gotten over the really controversial amendment, although there may be one more that may be presented that might be controversial, I am wondering if we could set some limitation on the debate.

Mr. Chairman, I would like to ask unanimous consent that all debate on the bill and all amendments thereto be concluded at 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. BROYHILL. Mr. Chairman, reserving the right to object, let me say that we have another committee amendment which has to be considered. I have an amendment which I have expressed an interest in and told my colleagues that I am going to offer. That is not sufficient time in which to do it. I wish the gentleman would withdraw his request and give me a chance to offer my amendment instead of trying to cut us off here.

Mr. ROGERS. I do not want to cut the gentlemen off, but I would change my unanimous consent request to 3:15.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. BROYHILL. No, I am going to object to that, Mr. Chairman. That does not allow time for any votes that might transpire or any quorum calls that might transpire. I object.

The CHAIRMAN. Objection is heard.

Mr. ROGERS. Mr. Chairman, I withdraw the request at this time.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 79, strike out line 23 and all that follows down through and including line 18 on page 82 and insert in lieu thereof the following:

The Secretary shall not make a grant under section 770 to any school of medicine, osteopathy, or dentistry in a fiscal year beginning after June 30, 1975, unless the requirement of paragraph (1) or (2) is met:

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS. Mr. Chairman, this is simply a conforming amendment to the previous action of the House.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. BROYHILL

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL: On page 132, strike title VIII, beginning on line 10, and extending through line 18 on page 155.

Redesignate the succeeding title and sections accordingly.

Mr. BROYHILL. Mr. Chairman, I am asking that we strike title VIII. I am opposed to title VIII. What this would do would be to set up a new bureaucracy that would have the purpose of setting or putting numerical limits on the first-year medical residencies around the country. That would give this new bureaucracy the power to distribute these first-year residencies geographically and decide which hospitals would have them, and also to make the decision on which specialties would be involved. This job of fairly distributing the residencies, not only by number but by geography and by specialty, throughout the country is just an impossible job to do. I will tell the Members who are here, that HEW, which will ultimately have the responsibility for making these decisions, says it is a responsibility that the Department does not want.

I do not know of any standards that are set up that would help determine how these decisions would be made. I think it is unwise to require the Federal Government to develop standards like this. In effect what this title does, as I pointed out, is to set up a new bureaucracy that would have the power to decide not only which hospitals have residency programs but also how many residents they will have and in what specialties.

What the amendment does is to say that the governing body of the different specialties around the country would have the responsibility or have the right to come in and ask for the job to do this. In other words what we would be saying is those who would be controlled, those who would be regulated by title VIII would be then the regulators. I do not think it is fair to put them in this position.

So my point is that the job of fairly distributing these residencies around the country is basically an impossible one no matter who does it. There are no accepted standards for making these decisions, especially for the subspecialties.

I think what this title does is ignore what is going on in medicine at the present time and that is the significant increase that we see in the residencies of primary care, that is those who are going into the general practice of medicine, those who are going to be internists, those who going to be pediatricians, and so forth. This approach ignores a healthy trend which is going on.

In the last 5 years the number of first-year residencies in these primary care fields has increased from one percent to 10 percent of the total. There is every reason to believe that this increase will continue at this rate and it is estimated by 1980, 50 percent of the first-year residents will be in this primary care field.

So I see no reason to set up this bureaucracy to make these decisions. I see no reason to arbitrarily stop the trend that is already going on.

I would urge that Members support my amendment to strike this unwise section of the bill.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I certainly want to voice my support for the gentleman's amendment. I think it is wise. We know this is not wanted by the Council for Medical Education and neither is it wanted by eminent people in the professions such as Dr. Michael DeBakey and the executive secretary of the CCME. I do not think it is necessary. HEW does not want it either. It is sort of an orphan and I believe it would be wise not to adopt this provision at this time.

Therefore I support the gentleman's position.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment.

The committee has gone into this matter very carefully. This was not lightly adopted. We had great discussions in subcommittee and we have drawn up provisions which we think will help this provision to be effective only after very careful consideration.

This provision will begin to address the problem of the foreign medical graduates. One of the reasons we currently have so many foreign medical graduates in this country is because there are so many residencies. There are presently around 170 percent more residencies available than there are graduates of U.S. medical schools. So what happens is we have people coming into U.S. residency programs from India and from Thailand and some from the Philippines, many of whom cannot even speak the language.

Furthermore, we have tried to be reasonable in this provision by authorizing the profession itself to do the regulating. The urologists have begun to limit the number of residency positions in their profession. The Colleage of Surgeons is very concerned about the problems of too many surgeons. I spoke to them not too long ago.

Second, the provision addresses the maldistribution of specialties. If we want to begin to shift to more family doctors, and everyone who knows anything about the medical problem says we must, if we want more primary care physicians, this provision will do it.

Let me give you just a few facts from HEW. They projected the percentages of physicians in primary care from 1980 to 1990. In 1970, primary care physicians, 38.2 percent; 1980, 35.4 percent; 1990, 33.7 percent, a downward trend in primary care.

Surgical—listen to this now—surgical specialists 1970, 27.5 percent.

In 1980, 31 percent, going up, and it is projected by HEW in 1990 it will be 33.4 percent, an upward trend.

So what we want to try to do is begin to get more family practice doctors in primary care, that all of us need.

Now, we need all types of specialists in adequate numbers, but we have an overage in many today.

So this amendment is saying to the profession, "You do it yourself, begin your own regulation and only if you will not do it, will government get involved." in oposition to the amendment.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, what is the nature of the funds accepting residencies of foreign doctors that come into these residency positions, are they then eligible to become citizens of this country?

Mr. ROGERS. That is the immigration policy. They convert their visas for training into permanent status.

Mr. WHITE. I know, but do they come in under a residency visa or do they have to return to their countries?

Mr. ROGERS. Some come under the J-visa and some under the preferred status. Many come in as students to train in residency program and then they want to stay and do not go back to their countries. Their parent countries need them badly, but they are continuing to stay here.

Mr. WHITE. This bill does not address a uniformity of policy on that?

Mr. ROGERS. It does not.

Mr. WHITE. The next question I have, I find there are a number of American medical students unable to attend medical school and are attending medical school in Mexico by the thousands. Under the provisions in the bill, unless the amendment of the gentleman from North Carolina passes, these American citizens may be denied residency in this country.

Mr. ROGERS. No; I think not. There is plenty of flexibility for U.S. citizens from foreign medical schools and for the well-trained foreign physician.

PERFECTING AMENDMENT OFFERED BY MR. CARTER

Mr. CARTER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. CARTER: Page 146, insert after second comma on line 10, the following: "general psychiatry".

The CHAIRMAN. The Chair will treat this as a perfecting amendment to the title.

Mr. CARTER. Mr. Chairman, title VIII of the Health Manpower Act would for the first time restrict the number of U.S. residency training programs in the various medical specialties. While I am convinced that this feature of our bill is both an unnecessary and unwise response to the well-recognized need for more primary care physicians. I feel the failure to include general psychiatry among the designated primary care specialities further weakens this title, and is a serious deficiency. My amendment would add general psychiatry to general internal medicine, general pediatrics, family medicine, and obstetrics-gynecology as those primary care specialities whose manpower needs should be given particular attention by the council in designating the number of first-year training positions.

When the various criteria commonly associated with the concept of "primary care" are reviewed, each of the designated primary care specialties falls short of meeting—in practice—all of the criteria. These specialties do, however, as does psychiatry, embrace most of these criteria. The psychiatrist is the physician of first contact for many persons who are admitted to our State and Federal mental institutions and who seek help through the greatly expanded resources of our community mental health centers, services which are more readily available than ever before as a result of the past support by the Congress. In addition, a large percentage of patients who seek private psychiatric care are referred by non-physicians, such as family, neighbors, and social agencies.

The psychiatrist is therefore frequently in a unique position to make the initial assessment of the patient's problems and to begin solutions of them through coordination of the health team. Since psychiatric treatment is often an extended process, the psychiatrist typically continues health care responsibility and typically extends services to work with family members and to utilization of community resources.

While psychiatry is a primary care specialty in its own right, it stands in a very special relationship to all of medicine and particularly to the primary care specialties designated in this bill. It is variously observed that 20 to 70 percent of all patients reporting to physicians for initial care have complaints that are chiefly psychological in origin, and that over half of the patients seen by primary care physicians other than psychiatrists have primary or secondary emotional disorders. As a general practitioner of medicine for a number of years, I particularly appreciate these observations. The two most prescribed drugs in this country are tranquilizers, and are most often administered by nonpsychiatrists. Fifty percent of the hospital beds in the United States are psychiatric beds. It is obvious that the need for psychiatrists as deliverers of health care and as health educators—remains great. As you know, predicting future manpower needs is an uncertain proposition. Nevertheless, the director of the National Institute of Mental Health has projected a shortage of 10,000 psychiatrists by 1981, an estimate conservatively based on present conditions which are adversely threatened by title VIII.

A committee on primary care of the American Association of Chairman of Departments of Psychiatry has recently completed a report which identifies the many areas in which psychiatrists are in fact engaged in primary care and the conclusions anticipate the further development of general psychiatry along these lines. I ask unanimous consent to enter this report into the CONGRESSIONAL RECORD. General psychiatry represents the knowledge and skills which must be part of the resources of any primary care provider. This is fully recognized by family practitioners, who are the largest consumers of continuing education programs in psychiatry for nonpsychiatrists. A remarkable correlation of personal traits among young physicians entering psychiatry and other primary care training programs has been clearly demonstrated. The growth of health maintenance organizations, area health education centers, and multidisciplinary health delivery systems have in actual practice wedded general psychiatry to comprehensive care concepts.

My amendment will not increase the cost of the health manpower bill by one penny. It will, however, recognize the role that general psychiatry now fills in providing basic health services to our citizens and will help to insure that the particular manpower needs in this specialty, so strongly championed by the Congress over the past two decades, will not be overlooked, or become a casualty of efforts to redistribute medical specialties in this country. I strongly urge your support.

Mr. Chairman, I believe that the Members will be interested in the following material:

PSYCHIATRY AS A PRIMARY MEDICAL CARE SPECIALTY

(By Paul J. Fink, M.D.)

The current concern and nationwide activity regarding the development of primary care physicians in the United States has developed so rapidly that no one is quite sure just what the definition of primary care is or should be. The definitions have varied widely and although some of these explanations of the appropriate roles and tasks of the primary care physician are logical and well described the common usage of family practice, internal medicine and pediatrics as the appropriate sources of such physicians, is too exclusive and in some ways fails to fulfill these excellent role descriptions. Other paradoxes exist in relation to the question which complicate things further. Some examples include: 1) the fact that subspecialists in both internal medicine and pediatrics clearly do not deliver primary care as currently defined, yet both of these fields in their entirety are included, 2) Ob-Gyn has been included at the congressional level, and has mustered some convincing arguments in terms of health maintenance, prevention and the numbers of patients involved. However, Ob-Gyn continues to be ambivalently treated with regard to its acceptance as a primary care profession, and 3) psychiatry is deemed clearly not to be a primary care profession, yet a great many studies have demonstrated that greater than a majority of the patients seen by primary care physicians have either primary psychiatric (that is, mental or emotional disorders) or secondary emotional problems related to the patient's illness or to his socio-cultural-economic problems of living. In addition, the training in both psychiatric theory and practice for the nonpsychiatric physicians, whose responsibility these patients are, is recognized to be woefully inadequate.

THE DEFINITION OF PRIMARY CARE

The definition of primary care has neither been adequately debated nor rationally developed in terms of the total patient care needs of the nation. In a sense, it has been pronounced thru the determination of organized medicine and medical education with the excellent motive of initiating and developing a solution to the inadequacies and inequities of our non-system of health care delivery. The definition put forward by Petersdorf (1974) for the AAMC includes the following points that the primary care physician is:

(a) the physician of first contact for the patient

(b) makes the initial assessment and attempts to solve as many of the patient's problems as possible

(c) coordinates the remainder of the health care team including ancillary health personnel as well as consultants that are necessary to infringe on the patient's problems

(d) provides continued contact with the patient and often his family

(e) acts as the patient's advisor and confidant, and

(f) assumes continued responsibility for his care.

Lewis gives a more succint, slightly different definition. He defines the primary care provider as the interstitial binding force of the system directing patients to appropriate levels of care, who, in the process and * * * all problems presented to them. Although neither of these definitions state explicitly that primary care is equal to comprehensive care, common usage seems to be including this idea in the definition. In some quarters, it is not felt that primary care and comprehensive care are synonymous. Very succintly, the primary care physician should assume responsibility for direct access to health care and should channel the patient into other resources, if appropriate. There should be no apologies for not delivering total care. Just as the family doctor is not expected to provide in-depth psychotherapeutic care, the psychiatrist is not expected to treat cardiac conditions. However, both should and generally do respond to the patient's needs by assuming responsibility for the appropriate referral and a concern for health maintenance.

HOW PSYCHIATRY FITS THE CURRENT DEFINITION

The psychiatrist is very often the physician of first contact for the patient. Three factors are operating to make this a more common occurrence than in the past. First, the patient is often referred directly to the psychiatrist from non-medical sources such as social services agencies, clergymen, family and friends. Secondly, the greater availability of mental health services through the Community Mental Health Center movement brings patients to the attention of a psychiatrist without prior contact with the medical community. And finally, the psychiatrist is being widely accepted as the appropriate source of help for mental conditions which formerly were treated by other physicians who helped to maintain * * *

During the past ten years, the specialty of psychiatry has moved closer to medicine and through the development of diaison programs, interdisciplinary medical teams and advance in training of physicians in the care of the total person has attempted to bridge the gap that developed during the period 1945 to 1960. Thus, the psychiatrist of today may not only make the initial assessment but does attempt to solve as many of the patient's problems as possible. He remains concerned about all of the patient's problems and presses for their solution while providing definitive care for a selected number of those problems.

With regard to providing continued contact with the patient and often his family, the psychiatrist develops the most in-depth understanding of the patient of any medical practitioner. The contact is often frequent, continuous and expanding. In contrast to the family physician, it involves wider parameters than the health area alone and like the family doctor, it often spans a long period of time including periods of health as well as disease. The growth of family psychiatry has expanded the role of the psychiatrist to include family counseling, marital therapy, child rearing advice and other public health and prevention activities.

Another point in the definition is acting as the patient's advisor and confidant. The applicability of psychiatry to this portion of the definition is self-evident.

The idea that the physician assumes continued responsibility for the patient's care is not true for any specialty of medicine. The ongoing responsibility for the patient's health rests with the patient, not the physician. Studies of non-compliance of patients, the use of quack treatments, cultural differences with regard to medical care, and factors regarding the use of our medical care system by the patient population all corroborate this idea. The doctor may maintain his personal fantasy of continued responsibility for a given patient at the same time that the patient has switched to a new physician or undergone treatment by some non-medical practitioner.

The last part of the definition, namely, coordination of the remainder of the health care team occurs often with the psychiatrist, more often when the primary problem is psychiatric, but occasionally under other circumstances. Two recent patients come to mind. One patient with breast cancer, who had undergone psychotherapy five years prior, required her psychiatrist to orchestrate the divergent views of her surgeon, oncologist and radiotherapist. In another case, the patient was in therapy for asthma and the psychiatrist worked with the internist whenever either hospital or drug therapy was needed.

MANPOWER AND DISTRIBUTION PROBLEMS OF PSYCHIATRY

The manpower and distribution problems of psychiatry are similar to those other primary care specialties. In a recent presentation to the A.P.A., Dr. Bertram Brown, Director of NIMH, said the following:

"The sober truth is that, looking at the situation most conservatively, projecting a 1% rise on utilization rate, continued support for training at no less than the present level, and no fewer entrants into the profession . . . we will have a shortage of nearly 10,000 psychiatrists by 1981. The forces behind the increased utilization rates are related to the purchasing power that is now available through growing third party financing and the rate will increase even more with the passage of some form of N.H.I. in the near future."

Dr. Brown backed up this statement with a report of the overall decrease in the percentage of people choosing psychiatry as a residency, the massive increase to more than five million people being touched by the mental health system, and the present dependence of psychiatry on foreign medical graduates. At the present time, 27% of the residents in psychiatry and over 50% of the psychiatrists working in state institutions in many states are foreign medical graduates.

Even more dramatic was his report of the distribution problem. The variation in availability of psychiatrists is of great concern to the profession. Any plan to foster more equitable distribution of physicians should absolutely include psychiatrists. Again, to quote Dr. Brown:

"Eight States have fewer than five psychiatrists for every 100,000 people. Nineteen additional States have fewer than eight psychiatrists per 100,000. At the high end of the distribution, the ratio is at least 15 psychiatrists per 100,000 in six states. New York stands second with 25. Next comes Massachusetts with 22, Connecticut 20, Maryland 19, and Vermont and California 16 each. The average for the United States is 12.9.

"I have deliberately left the Number One State until last. The District of Columbia, categorized as a State by the American Medical Association which compiled these figures, stands head and shoulders above the rest. Its ratio is 50 psychiatrists per 100,000—exactly double that of New York and approximately quadruple the average. The numbers do not include the more than 2,200 psychiatrists who work for the Federal Government.

"Let us analyze the figures for a moment. What we are dealing with is a range of 10-fold by State, from five per 100,000 to 50. It is the order of magnitude that is important. If one divides even more finely by area—rural areas and metropolitan areas and those in between—then he finds ranges of magnitude of distribution—or, as some would call it, maldistribution—20- to 30-fold. These ranges are behind some of the issues that are pressing at health manpower and mental health manpower legislation."

One additional point must be stressed. Compounding the shortage and distribution problems discussed above is the issue of quality of care. Psychiatry is a specialty in which time is an important factor and a practitioner can only handle a limited number of patients directly. He must also be proficient in the supervision of physician extenders and other members of the mental health care team in order to reach the maximum number of patients with the minimal acceptable care. Therefore, it is difficult to calculate the absolute number of psychiatrists needed to serve the population, since it would require a sophisticated calculation of optimal care for a variety of populations. Suffice it to say that in 1975, the pool of 26,000 psychiatrists does not represent an adequate national pool. Twenty percent of all psychiatric positions are currently vacant. None of the current utilization estimates project 26,000 psychiatrists as sufficient.

THE PATIENT POPULATION AND THE CONCEPT OF PRIMARY CARE

The assumption that primary care physicians care for the entire population is more imaginary than real. Family practitioners see four times as many women as men, obstetricians care almost exclusively women, pediatricians give care to the younger set but concentrate mainly on infants and children and lose contact with adolescents while internists, more often than not, see people who have acute diseases or give continuous care for chronic conditions but do not stress health maintenance. By the same token, psychiatrists care primarily for a specific group of patients. This constitutes a large segment of the population. Fifty percent of all hospital beds in the United States are psychiatric beds. The two most prescribed drugs in America are tranquilizers, given for psychiatric symptoms in lieu of more adequate and/or appropriate intervention. Allied mental health professionals see a large population of patients with emotional problems often with much less academic preparation and with a serious lack of the overall medical perspective. It is still difficult to determine what percentage of the population have mental or emotional problems. The struggle over the issue of the mind-body continuum is still unresolved. Various studies of prevalence and incidence have included as few as 5% to as great as 75% of the population in this group. Needless to say, from the point of view of the future utilization of psychiatrists as well as the population available for mental health intervention, the need for more psychiatric physicians is unquestioned.

THE TEAM APPROACH TO MEDICAL CARE

The growth of health maintenance organizations, regional and area health centers, multidisciplinary group practices as well as the inclusion of numerous other types of professionals and paraprofessionals on the health care team has brought psychiatry increasingly into the mainstream of comprehensive ambulatory health care. Psychiatric clinics and services have become part of the overall ambulatory system in which the doctor giving the major care to the patient also becomes the monitor of the overall care which the patient receives.

Another factor bringing psychiatry back into general medical care is the trend toward deinstitutionalization of our state hospitals with the concomitant growth in both general hospital psychiatry units and community mental health centers. This movement toward the care of the patient in his own community has not obviated the need for or role of the state hospital systems. It has made it possible for more people to get short term services within the established medical system in their own town. In addition, many specialty units such as cardiac care and renal dialysis include a psychiatrist as part of the team. The approach to the needs of the total patient are making it apparent that attention to these serious medical problems does not fulfill the overall needs of the patient and often neglects issues related to the quality of life rather than the quantity. Clearly on many points, the services of the psychiatrist are sought, planned and included in the mainstream of comprehensive medical care. As the team approach increases in both the ambulatory and hospital settings, and as the profession of psychiatry reestablishes its position as a medical specialty, the call and demand for psychiatric as well as overall mental health services will increase greatly. To use Lewis' words, who will be the "interstitial binding force" of the system for various patients? For many patients it will be their family doctor, for others the psychiatrist may serve this function. In part, it depends on whom the patient views as his confident, advisor and ombudsman, who, in the patient's experience, has served him best and guided him through the medical maze to health.

TRAINING IN PRIMARY CARE

Regardless who actually serves the primary care function for a given patient, all such care providers must have training and develop skills which are psychiatric. Just as the family physicians borrow their body of medical knowledge and their skills from internal medicine and pediatrics, they borrow their interpersonal and attitudinal skills from psychiatry. Although family practitioners have for years been the largest consumers of psychiatric continuing education programs for non-psychiatrists, these programs have not, in fact, been adequate substitutes for intensive, continuous and long term training in the study of behavior and the human mind. The psychiatric curricula of family practice residency training programs have been woefully inadequate although the concepts have been included in their overall objectives. The planners and leaders in Family Practice Education have not fully understood what is involved in making a well-trained listener, advisor, counselor and therapist.

Even more distressing is the fact that residents in internal medicine or pediatrics may not have a single lecture on a psychiatric subject during their three-year program! Rarely is attention paid to the residents' approach to a patient, interviewing skills or awareness of the patient's psychological history and problems. In many patient work-ups, the social history consists of drinking and smoking habits and the family history is * * * the causes of death of parents and grandparents. Wise (1974) has said, "My view is that physicians are not adequately prepared in the interpersonal level to relate effectively to patients in all settings—private practice, ambulatory care and in the hospital, the public dissatisfaction is enormous. What is called for is a major restructing of our educational system to develop practitioners who are sensitive to the needs of individuals and their families."

Unlike any other area of medicine, psychiatric knowledge and skills must be part of the armamentarium of every physician, particularly every primary care provider. The family doctor may never need to have the skills of the urologist, hematologist or nephrologist, but he must be trained in and use his psychriatric skills every day with every patient. Thus, psychiatry stands in a very special relationship to every physician engaged in primary care medicine. This special training function will require the training and availability of even more psychiatrists. It will also demand close scrutiny of the curricula of family practice, internal medicine and pediatric residency training programs and the recognition that psychiatric information and skills are complex and difficult areas requiring intensive scrutiny of modes of intervention and a great deal of highly skilled supervision. It is a serious error to think that anyone who is either kind or intelligent can do "psychiatric things." Some times one hears a primary care physician make statements like "I do better psychiatry than the psychiatrists," or "I don't use a psychiatrist because I know the patient better than he'll ever know the patient," etc. The idea that a "good heart" and a "warm hand" are efficient to deal with anxiety, depression, family disruption, suicide, alcoholism and a lot of other severe "medical" problems is foolish but adhered to vehemently by a large number of physicians who do not understand either the value or the extent of psychiatric knowledge and skills.

This is, of course, not universally true. Some family practice training programs have developed excellent curricula in psychiatry and behavioral sciences. At the University of Rochester, there is a psychiratrist who meets weekly with the Family Practice residents. His role is specified as helping to teach interviewing and to consult on problem cases. Several very fine programs have developed behavioral objectives for the training of family practitioners in the areas of psychiatry and behavioral science. At Ohio State University, a most comprehensive curriculum has been developed. To accomplish the following 15 objectives, their residents have a one month block of psychiatry and a series of longitudinal experiences in psychiatry and behavioral science, including scheduled consultative sessions, a weekly psychiatric conference for the entire three years of residency in which problems of practice, group dynamics, family study as well as interviewing and counseling techniques are studied. This list of objectives and goals of this Family Practice Residency Program curriculum are impressive and certainly beyond what the average practitioner is able to do.

1. To recognize the early manifestation of the evolution of neuroses and psychoses.
2. To learn to provide the after care of neuroses and psychoses which these patients require following discharge from a mental institution.
3. Learn to diagnose and manage most psychosomatic and emotional problems.
4. Recognize and become competent in dealing with common anxiety, depression and coping problems.
5. Learn to provide initial management for psychiatric emergencies until psychiatric specialist's services can be arranged.
6. Develop interview skills and knowledge of group therapy, couples counseling, marital, sex, adolescent counseling and family counseling.
7. Learn the basic principles of transactional analysis and some skills in application.
8. Study the literature on family and understand family dynamics and role alteration (i.e. retirement).
9. Learn to manage the problems of grief, terminal illness and adjustment to disability.
10. Gain experience in managing drug and alcohol problems, including learning the personality patterns which are at risk of developing habituation to medication which he himself may prescribe (prevention of iatrogenic habituation and drug dependence).
11. Learn to recognize behavior patterns during stress and to apply behavioral modification techniques and learn anticipatory guidance skills.
12. Learn the use and limitation of psychological testing.
13. Use and abuse of psychotropic drugs.
14. Assessment of the resident's own attitudes and values.
15. Study the role of religion in medicine.

Baker and Gordon (1974), have developed an even more elaborate set of competency based objectives for the family physician in which the psychiatry and behavioral science objectives are impressively and intricately * * *.

In a recent study, Werkman (1975), surveyed the most frequent psychiatric conditions, the conditions which are most difficult to treat, and the areas requiring the greatest continuing education efforts of a large group of family practitioners. These include the following categories:

Frequency of Psychiatric Problems

1. Marital Problems.
2. Depression.
3. Hypochondriacs.
4. Alcoholism.
5. Chronic Illness.
6. Anxiety (Tension States).

Difficulty of Treatment

1. Alcoholism.
2. Marital Problems.
3. Depression.
4. Hypochondriacs.
5. Anxiety (Tension States).
6. Chronic Illness.

Techniques and Information Needed

1. Marriage and Family Diagnosis and Treatment.
2. Alcoholism.
3. Increased Self-Awareness.
4. Sex Education.
5. Encounter or Sensitivity Group Experience.
6. Drug Information.

It is generally agreed by both psychiatrists and family physicians that more training in psychiatry is needed by all primary care physicians. Therefore, it is the feeling of organized psychiatry as well as psychiatric educators that psychiatry is not only a primary care profession in its own right but stands on a special relationship to all other primary care specialties because of the heavy emphasis on the human, family, emotional aspects of medical practice. In a recent survey of AAMC–Council of Deans, they indicated that the biggest issue for medical student education was behavioral science.

CHANGES IN PSYCHIATRY ALREADY IN PROCESS

In order to meet the challenges set forth in the paper, it is clear that psychiatry will have to change. Criticisms leveled at psychiatry, although not universally true, are recognized to occur frequently enough to interfere with the alliance we must achieve. Rogers et. al. (1974), have demonstrated that serious communication problems exist between psychiatrists and other physicians. Charney (1974) puts this in a positive but nevertheless critical fashion as follows:

"Psychiatry or more specifically the teaching of management of the psychological aspects of medicine has been more problematic. Although there are examples of success, it would seem that a trend of conceptual breakthrough is required. Psychiatrists, with some exceptions, are not knowledgeable about the life and times of primary practice other than through hearsay. Techniques of psychological diagnoses and management suitable to primary medicine are by and large yet to be devised. A large scale and joint undertaking between the fields is very much in order."

Several current moves reveal that change is occurring. The psychiatry training branch of the NIMH has made programs in consultation and liaison psychiatry a top priority and during this last funding cycle, fifty-two programs were supported representing 11% of all programs funded. * * * to bring psychiatry closer to the mainstream of medicine. The reinstatement of the requirement for the equivalent of the internship year in 1977 by the American Board of Psychiatry and Neurology is another evidence of this attitude. Just as it is expected and hoped that primary care residencies will have a heavy emphasis on emotional and interpersonal issues, psychiatry must have residency programs which reflect adequately and thoroughly that psychiatrists are physicians. The overall training of psychiatrists as physicians who deal with mental and emotional illness does, in fact, make psychiatrists different than psychologists and social workers and puts us in a different position than these other professionals, vis-a-vis all other physicians. In the future, more psychiatric and family physician trainees might have a common first year of training. Psychiatry must work together with the organized hierarchies in family practice, internal medicine and pediatrics to determine which skills and tasks are shared and which ones are exclusive to one field or the other. Clear delineation of what a family practitioner does as opposed to what a psychiatrist does and how he does it must be spelled out and understood by both groups. Thus, greater communication among various specialists involved in aspects of primary care is required.

CONCLUSION

If the primary care concept is going to continue to be a major theoretical force in national medical decision making, then psychiatry must be included as a primary care specialty. For all of the reasons outlined in the paper including issues of manpower shortage, maldistribution, and training needs, as well as the massive numbers of patients whose only needs are psychiatric, we feel that the leaders of the primary care movement must reevaluate their position to ensure that psychiatry is included.

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Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman has made a very important contribution in the amendment which he had offered. I fully concur with him that psychiatry be included in the primary care program. I would also agree with him in his support of the amendment of the gentleman from North Carolina (Mr. BROYHILL). We appropriately should give the Liaison Committee on Graduate Medical Education an opportunity to do by voluntary means that we could do by compulsory means. The committee's effort has only been underway for a year. However I think it should be made clear to the medical and dental professions that they not delay their efforts in this area. Again I commend the gentleman from Kentucky for his amendment which gives the mental health needs of the American people appropriate recognition.

Mr. CARTER. I thank the distinguished gentleman.

Mr. Chairman, my amendment will not increase the cost of the health manpower bill by one cent. I strongly urge its adoption.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment.

Concerning the adding of psychiatry, psychiatry simply is not a primary care specialty. Moreover HEW projections show an increase of psychiatrists from the 1970 percentage of about 10.4 percent of residents to 15 percent by 1980; it is projected to go to 19.7 percent in 1990.

I would urge defeat of the amendment.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Kentucky (Mr. CARTER) to title VIII.

The perfecting amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

The question was taken; and on a division (demanded by Mr. ROGERS) there were—ayes 49; noes 45.

RECORDED VOTE

Mr. ROGERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 207, noes 146, not voting 80, as follows:

[Roll No. 380]

AYES—207

Abdnor
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
AuCoin
Bafalis
Bauman
Bennett
Bevill
Biester
Blanchard
Bonker
Bowen
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Byron
Carr
Carter
Casey
Chappell
Clausen, Don H.
Cleveland
Cochran
Collins, Tex.
Conlan
Conte
Cornell
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Dent
Derrick
Derwinski
Devine
Dodd
Downey
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edgar
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Fenwick
Findley
Fisher
Fithian
Flynt
Forsythe
Fountain
Frenzel
Frey
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Hagedorn
Haley
Hamilton
Hammerschmidt
Hannaford
Hansen
Harris
Harsha
Heckler, Mass.
Heinz
Hightower
Hillis
Holt
Holtzman
Howe
Hubbard
Hughes
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Lagomarsino
Latta
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCloskey
McDade
McDonald
McEwen
McFall
McKay
McKinney
Madigan
Mahon
Martin
Michel
Milford
Miller, Ohio
Mineta
Mitchell, N.Y.
Moore
Moorhead, Calif.
Morgan
Mosher
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
O'Hara
Patterson, Calif.
Pettis
Peyser
Pickle
Pressler
Pritchard
Randall
Regula
Rhodes
Riegle
Roberts
Robinson
Rose
Roush
Rousselot
Ryan
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Vigorito
Waggonner
Walsh
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOES—146

Abzug
Annunzio
Ashley
Aspin
Badillo
Baldus
Barrett
Baucus
Bedell
Bergland
Bingham
Bolling
Brademas
Breaux
Brodhead
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Chisholm
Conyers
Corman
D'Amours
Daniels, N.J.
Davis
Delaney
Dellums
Dingell
Drinan
Early
Eckhardt
Edwards, Calif.
Eilberg
Fascell
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Gonzalez
Green
Hall
Hanley
Harkin
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Helstoski
Hicks
Holland
Howard
Hungate
Jacobs
Johnson, Calif.
Jones, Ala.
Jordan
Karth
Kastenmeier
Keys
Koch
LaFalce
Lehman
Long, La.
McCormack
McHugh
Macdonald
Maguire
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Mills
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Nolan
Nowak
Obey
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pike
Preyer
Price
Rangel
Rees
Richmond
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Russo
Scheuer
Seiberling
Sharp
Shipley
Simon
Solarz
St Germain
Staggers
Stanton, James V.
Stark
Steed
Stokes
Stratton
Stuckey
Studds
Symington
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Waxman
Wirth
Wolff
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—80

Adams
Addabbo
Alexander
Armstrong
Beard, R.I.
Beard, Tenn.
Bell
Biaggi
Blouin
Boggs
Boland
Breckinridge
Brooks
Butler
Cederberg
Clancy
Clawson, Del
Clay
Cohen
Collins, Ill.
Conable
Cotter
Danielson
Dickinson
Diggs
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Fish
Flowers
Fulton
Fuqua
Giaimo
Guyer
Harrington
Hébert
Hefner
Henderson
Hinshaw
Horton
Ichord
Jenrette
Jones, N.C.
Krueger
Landrum
Leggett
Lent
Litton
McCollister
Madden
Mann
Mathis
Matsunaga
Meyner
Mink
Montgomery
Moss
Murphy, N.Y.
Nix
Oberstar
O'Brien
Poage
Quie
Quillen
Railsback
Reuss
Runnels
Ruppe
Smith, Iowa
Sullivan
Symms
Thompson
Thornton
Udall
Ullman
Vander Jagt
Wampler
Wilson, Tex.
Wright

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Mathis for, with Mr. Addabbo against.

Mr. Krueger for, with Mr. Thompson against.

Mr. Butler for, with Mr. Danielson against.

Mr. Railsback for, with Mr. Moss against.

Mr. McCollister for, with Mrs. Meyner against.

Mr. Eshleman for, with Mr. Nix against.

Mr. Guyer for, with Mr. Diggs against.

Mr. Cederberg for, with Mrs. Collins of Illinois against.

Mr. Dickinson for, with Mr. Boland against.

Mr. Vander Jagt for, with Mr. Cotter against.

Mr. Hébert for, with Mr. Clay against.

Mr. Landrum for, with Mr. Leggett against.

Mr. Henderson for, with Mr. Madden against.

Mr. Clancy for, with Mr. Biaggi against.

Mr. Montgomery for, with Mr. Harrington against.

Mr. Symms for, with Mr. Murphy of New York against.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: Page 84, strike out "at" in line 25, and on page 85, strike out lines 1 through 6 and insert in lieu thereof the following: "a portion of the full-time students (but not less than one-half) who will graduate from such school will upon graduation have received, in an area geographically remote from the main site of the training facilities of such school, the period of clinical training prescribed by the table contained in subparagraph (C);".

Page 86, insert after line 3 the following:

"(C) The table referred to in subparagraph (B) (i) is as follows:

"If the portion of full-time students who will have received upon graduation the training referred to in such subparagraph is at least—	The number of weeks in the aggregate of such training shall not be less than—
75 per centum	4 weeks
60 per centum	5 weeks
50 per centum	6 weeks."

Mr. ROGERS (during the reading). Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Florida.

Mr. ROGERS. I thank the gentleman for yielding.

If the gentleman from New Hampshire will permit me, I ask unanimous consent that the amendment be considered as read and printed in the RECORD. We have read the amendment; we have no objection to it; I think it is a fair amendment; and I would hope the House would adopt it.

The CHAIRMAN. Is there objection to

the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentleman from New Hampshire is recognized.

Mr. CLEVELAND. Mr. Chairman, this is an amendment to insure that medical schools which are clearly complying with the intent of the law with regard to qualification for capitation assistance will not have their Federal funding jeopardized by overly restrictive language in the bill.

As the bill is presently worded, schools of medicine, osteopathy, and dentistry have two options for qualification for capitation assistance, that is, they can either increase their enrollment by a certain percentage or offer a clinical training program in a medically underserved area remote from the main site of the school's teaching facilities. The remote site training option requires that at least one-half of all full-time students in the school spend at least 6 weeks in the aggregate in such training.

While it is generally expected that most schools will be able to satisfy either of these two requirements, there are some schools that will have particular difficulties with the present language in the bill. For example, in my own district, Dartmouth Medical School, would find it impossible to increase its enrollment because it is located in a rural area with very limited hospital facilities needed to train students. I understand that the University of Vermont shares this problem.

A number of medical schools, Dartmouth included, already offer a remote-site "clerkship" for their students but the school's curriculum is designed in such a way that more than half the students are provided the benefits of such training for a slightly shorter period of time than the 6 weeks specified in the bill. Clearly, they are complying with the intent of the law; in fact, Dartmouth presently requires all of its students to obtain clinical training in remote, medically underserved areas for 4 weeks.

My amendment provides a table wherein the objectives of the committee bill can be met in several alternative ways without reducing the number of total "student weeks" spent in such training provided for in the bill.

Mr. MACDONALD of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. I thank the gentleman for yielding.

Mr. Chairman, I agree with the remarks made by the gentleman from New Hampshire 100 percent. The amendment answers the problem that did not appear before the full committee. I wholeheartedly recommend support of the amendment. I would be happy to accept it. I am happy to cosponsor the amendment and agree 100 percent with the amendment.

As a cosponsor of this amendment with my distinguished colleague from New Hampshire (Mr. Cleveland) I would like to point out to the Committee that this amendment, while very simple, solves a problem that was not evident during development of this legislation. The intent of this section is clear. In return for Federal money, the medical schools of this Nation are given the choice of expanding their enrollment or requiring 50 percent of their students to train in a geographically remote area for a period of 6 weeks. It is certainly not my desire to change the intent of this section, and I applaud Mr. Rogers and his subcommittee for their forsight and their fine work on this legislation.

Mr. Chairman, I have but one reservation with this section. Many medical schools will be unable or very hard pressed to comply with this regulation and I believe this is unnecessary. Many of the medical schools in this Nation, including the Harvard Medical School, operate on a 4-week scheduled curriculum. Thus, the only way such schools would be able to comply with the bill, as it stands now, would be to change their curriculum to a 6-week module program. This would be inefficient, expensive, and perhaps impossible. I believe it would result in a pointless alteration to their program. My amendment enables medical schools to continue with their present program, while maintaining the requirement to place additional students in remote areas which are medically deficient. Presently the section states that medical schools will require 50 percent of their students to serve in these areas for 6 weeks. This amendment provides that schools which operate on 4-week programs will be required to have 75 percent of their students serve in remote areas—if on 5-week programs, 60 percent of the students must participate. The same number of student weeks will be required—the remote areas will be served by more students for an identical amount of time. This amendment merely increases the flexibility of the medical schools.

The chairman of the subcommittee, Mr. Rogers, agrees with this amendment; and I hope my colleagues will also support this measure. The intent of the legislation will remain intact and the medically deficient areas of this Nation will be ably served by a greater number of students. This section provides for the critically needed medical care for rural areas.

It is my hope that this amendment will be adopted so that the medical schools of this Nation, including the excellent medical facilities at Harvard, may continue to provide the fine medical education that this Nation has always received and been proud of.

Mr. CLEVELAND. Mr. Chairman, I would like to proceed for one moment, if the gentleman from Florida will respond to a question on statutory and legislative intent. I have concern about the use in the bill of the words "geographically remote." I want to have the assurance of the gentleman from Florida (Mr. Rogers), which he has already given me personally that this does not necessarily mean that the facility has to be geographically hundreds of miles removed, or many miles removed from the main teaching facility. Rather it is remote in the sense that it is a smaller unit and a less technically equipped unit than the teaching facility might be.

Mr. ROGERS. The gentleman is entirely correct in his interpretation.

Mr. CLEVELAND. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

Mr. CARTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I find no objection to the gentleman's amendment and ask that it be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire (Mr. Cleveland).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Mazzoli, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5546) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. HASTINGS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 296, nays 58, not voting 79, as follows:

[Roll No. 381]

YEAS—296

Abdnor
Abzug
Adams
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Bolling
Bonker
Bowen
Brademas
Breaux
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Chappell
Chisholm
Clausen, Don H.
Cleveland
Cochran
Conte
Conyers
Corman
Cornell
Coughlin
D'Amours
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fisher
Fithian
Flood

Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Gaydos
Gibbons
Gilman
Goldwater
Gonzalez
Gradison
Grassley
Green
Gude
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Hastings
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Howard
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Latta
Lehman
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Macdonald
Madigan
Maguire
Martin
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Randall
Rees
Regula
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stokes
Stratton
Stuckey
Studds
Symington
Talcott
Taylor, N.C.
Thone
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Winn
Wirth
Wolff
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—58

Archer
Ashbrook
Bauman
Brinkley
Brown, Ohio
Burleson, Tex.
Burlison, Mo.
Casey
Collins, Tex.
Conlan
Crane
Daniel, Dan
Devine
Flynt
Ginn
Goodling
Hansen
Harsha
Holt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Kasten
Kelly
Kemp
Ketchum
Lagomarsino
Levitas
Lloyd, Calif.
Lott
McDonald
Mahon
Michel
Milford
Moore
Moorhead, Calif.
Pettis
Rousselot
Ryan
Satterfield
Schneebeli
Shuster
Sikes
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Taylor, Mo.
Teague
Treen
Waggonner
Wiggins
Wilson, C. H.
Wydler
Wylie
Young, Fla.

NOT VOTING—79

Addabbo
Alexander
Armstrong
Beard, Tenn.
Bell
Biaggi
Blouin
Boggs
Boland
Breckinridge
Brooks
Butler
Cederberg
Clancy
Clawson, Del
Clay
Cohen
Collins, Ill.
Conable
Cotter
Danielson
Dickinson
Diggs
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Fish
Flowers
Fulton
Fuqua
Giaimo
Guyer
Harrington
Hays, Ohio
Hinshaw
Horton
Howe
Jenrette
Jones, N.C.
Kindness
Krueger
Landrum
Leggett
Lent
Litton
McCollister
McFall
Madden
Mann
Mathis
Matsunaga
Meyner
Mink
Montgomery
Moss
Murphy, N.Y.
Nix
Oberstar
O'Brien
Poage
Quie
Quillen
Railsback
Rangel
Reuss
Runnels
Ruppe
Smith, Iowa
Sullivan
Symms
Thompson
Thornton
Udall
Ullman
Vander Jagt
Wampler
Wilson, Tex.
Wright

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Krueger against.
Mr. Thompson for, with Mr. Butler against.
Mr. Fish for, with Mr. Montgomery against.
Mr. Cotter for, with Mr. Mathis against.
Mr. Boland for, with Mr. Landrum against.
Mr. Guyer for, with Mr. Railsback against.
Mr. Horton for, with Mr. Symms against.
Mr. Eshleman for, with Mr. Clancy against.

Until further notice:

Mr. Murphy of New York with Mr. Alexander.
Mr. Nix with Mr. Harrington.
Mr. Rangel with Mr. Howe.
Mr. Biaggi with Mr. Clay.
Mr. Blouin with Mrs. Collins of Illinois.
Mr. Jenrette with Mr. Litton.
Mr. Hays of Ohio with Mr. McCollister.
Mr. Danielson with Mr. O'Brien.
Mr. Fulton with Mr. Quie.
Mr. Breckinridge with Mr. Lent.
Mr. Moss with Mr. Beard of Tennessee.
Mrs. Boggs with Mr. Dickinson.
Mr. Brooks with Mr. Conable.
Mr. Diggs with Mr. Jones of North Carolina.
Mr. Evins of Tennessee with Mr. Bell.
Mr. Leggett with Mr. Cohen.
Mr. Madden with Mr. Cederberg.
Mr. Mann with Mr. Edwards of Alabama.
Mr. Matsunaga with Mr. Del Clawson.
Mr. McFall with Mr. Kindness.
Mrs. Meyner with Mr. Esch.
Mr. Giaimo with Mr. Hinshaw.
Mr. Fuqua with Mr. Quillen.
Mrs. Mink with Mr. Reuss.
Mrs. Sullivan with Mr. Ruppe.
Mr. Smith of Iowa with Mr. Runnels.
Mr. Udall with Mr. Vander Jagt.
Mr. Thornton with Mr. Charles Wilson of Texas.
Mr. Ullman with Mr. Wright.
Mr. Oberstar with Mr. Flowers.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **ROGERS.** Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR CONFEREES TO FILE CONFERENCE REPORT ON S. 66

Mr. **ROGERS.** Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill S. 66 have until midnight tonight to file a conference report on that bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 94–348)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 66) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—HEALTH REVENUE SHARING

SEC. 101. This title may be cited as the "Special Health Revenue Sharing Act of 1975".

SEC. 102. Effective with respect to grants made under section 314(d) of the Public Health Service Act from appropriations under that section for fiscal years beginning after June 30, 1975, section 314(d) of the Public Health Service Act is amended to read as follows:

"Comprehensive Public Health Services

"(d)(1) From allotments made pursuant to paragraph (4), the Secretary shall make grants to State health and mental health authorities to assist in meeting the costs of providing comprehensive public health services.

"(2) No grant may be made under paragraph (1) to the State health or mental health authority of any State unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary may require, and shall contain or be supported by assurances satisfactory to the Secretary that—

"(A) the comprehensive public health services provided within the State will be provided in accordance with the State plan prepared in accordance with section 1524(c)(2) or the State plan approved under section 314(a), whichever is applicable;

"(B) funds received under grants under paragraph (1) will (i) be used to supplement and, to the extent practical, to increase the level of non-Federal funds that would otherwise be made available for the purposes for which the grant funds are provided, and (ii) not be used to supplant such non-Federal funds;

"(C) the State health authority, and, with respect to mental health activities, the State mental health authority will—

"(i) provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of and accounting for funds received under grants under paragraph (1);

"(ii) from time to time, but not less often than annually, report to the Secretary (through a uniform national reporting system and by such categories as the Secretary may prescribe) a description of the comprehensive public health services provided in the State in the fiscal year for which the grant applied for is made and the amount of funds obligated in such fiscal year for the provision of each such category of services; and

"(iii) make such reports (in such form and containing such information as the Secretary may prescribe) as the Secretary may reasonably require, and keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness of, and to verify, such reports;

"(D) the State mental health authority will—

"(i) establish and carry out a plan which—

"(I) is designed to eliminate inappropriate placement in institutions of persons with mental health problems, to insure the availability of appropriate noninstitutional services for such persons, and to improve the quality of care for those with mental health problems for whom institutional care is appropriate; and

"(II) shall include fair and equitable arrangements (as determined by the Secretary after consultation with the Secretary of Labor) to protect the interests of employees affected by actions described in subclause (I), including arrangements designed to preserve employee rights and benefits and to provide training and retraining of such employees where necessary and arrangements under which maximum efforts will be made to guarantee the employment of such employees;

"(ii) prescribe and provide for the enforcement of minimum standards for the maintenance and operation of mental health programs and facilities (including community mental health centers) with the State; and

"(iii) provide for assistance to courts and other public agencies and to appropriate private agencies to facilitate (I) screening by community mental health centers (or, if there are no such centers, other appropriate entities) of residents of the State who are being considered for inpatient care in a mental health facility to determine if such care is necessary, and (II) provision of followup care by community mental health centers (or if there are no such centers, by other appropriate entities) for residents of the State who have been discharged from mental health facilities.

"(3) The Secretary shall review annually the activities undertaken by each State with an approved application to determine if the State complied with the assurances provided with the application. The Secretary may not approve an application submitted under paragraph (2) if the Secretary determines—

"(A) that the State for which the application was submitted did not comply with assurances provided with a prior application under paragraph (2), and

"(B) that he cannot be assured that the State will comply with the assurances provided with the application under consideration.

"(4) For the purposes of determining the total amount of grants that may be made to the State health and mental authorities of each State, the Secretary shall, in each fiscal year and in accordance with regulations, allot the sums appropriated for such year under paragraph (7) among the States on the basis of the population and the financial need of the respective States. The populations of the States shall be determined on the basis of the latest figures for the population of the States available from the Department of Commerce.

"(5) The Secretary shall determine the amount of any grant under paragraph (1); but the amount of grants made in any fiscal year to the public and mental health authorities of any State may not exceed the amount of the State's allotment available for obligation in such fiscal year. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(6) In any fiscal year—

"(A) not less than 15 per centum of a State's allotment under paragraph (4) shall be made available only for grants under paragraph (1) to the State's mental health authority for the provision of mental health services; and

"(B) not less than—

"(i) 70 per centum of the amount of a State's allotment which is made available for grants to the mental health authority, and

"(ii) 70 per centum of the remainder of the State's allotment,

shall be available only for the provision services in communities of the State.

"(7) (A) For payments under grants under paragraph (1) there are authorized to be appropriated $100,000,000 for fiscal year 1976, and $110,000,000 for fiscal year 1977.

"(B) For payments under grants under paragraph (1) for establishing and maintaining programs, described in applications under paragraph (2), for the screening, detection, diagnosis, prevention, and referral for treatment of hypertension there are authorized to be appropriated $15,000,000 for fiscal year 1976, and $15,000,000 for fiscal year 1977.".

TITLE II—FAMILY PLANNING PROGRAMS

Sec. 201. This title may be cited as the "Family Planning and Population Research Act of 1975".

Sec. 202. (a) Section 1001(c) of the Public Health Service Act is amended (1) by striking out "and" after "1973;" and (2) by inserting after "1975" the following: "; $115,000,000 for fiscal year 1976; and $115,000,000 for fiscal year 1977".

(b) Section 1003(b) of such Act is amended (1) by striking out "and" after "1973;" and (2) by inserting after "1975" the following: "; $4,000,000 for fiscal year 1976; and $5,000,000 for fiscal year 1977".

(c) Section 1004 of such Act is amended to read as follows:

"RESEARCH

"Sec. 1004. (a) The Secretary may—

"(1) conduct, and

"(2) make grants to public or nonprofit private entities and enter into contracts with public or private entities and individuals for projects for,

research in the biomedical, contraceptive development, behavioral, and program implementation fields related to family planning and population.

"(b) (1) To carry out subsection (a) there are authorized to be appropriated $55,000,000, for fiscal year 1976, and $60,000,000 for fiscal year 1977.

"(2) No funds appropriated under any provision of this Act (other than this subsection) may be used to conduct or support the research described in subsection (a)."

(d) Section 1005(b) of such Act is amended (1) by striking out "and" after "1973;" and (2) by inserting after "1975" the following: "; $2,000,000 for fiscal year 1976; and $2,500,000 for fiscal year 1977".

Sec. 203. (a) Title X of such Act is amended by inserting after section 1008 the following new section:

"PLANS AND REPORTS

"Sec. 1009. (a) Not later than seven months after the close of each fiscal year, the Secretary shall make a report to the Congress setting forth a plan to be carried out over the next five fiscal years for—

"(1) extension of family planning services to all persons desiring such services,

"(2) family planning and population research programs,

"(3) training of necessary manpower for the programs authorized by this title and other Federal laws for which the Secretary has responsibility and which pertain to family planning, and

"(4) carrying out the other purposes set forth in this title and the Family Planning Services and Population Research Act of 1970.

"(b) Such a plan shall, at a minimum, indicate on a phased basis—

"(1) the number of individuals to be served by family planning programs under this title and other Federal laws for which the Secretary has responsibility, the types of family planning and population growth information and educational materials to be developed under such laws and how they will be made available, the research goals to be reached under such laws, and the manpower to be trained under such laws;

"(2) an estimate of the costs and personnel requirements needed to meet the purposes of this title and other Federal laws for which the Secretary has responsibility and which pertain to family planning programs; and

"(3) the steps to be taken to maintain a systematic reporting system capable of yielding comprehensive data on which service figures and program evaluations for the Department of Health, Education, and Welfare shall be based.

"(c) Each report submitted under subsection (a) shall—

"(1) compare results achieved during the preceding fiscal year with the objectives established for such year under the plan contained in the previous such report;

"(2) indicate steps being taken to achieve the objectives during the fiscal years covered by the plan contained in such report and any revisions to plans in previous reports necessary to meet these objectives; and

"(3) make recommendations with respect to any additional legislative or administrative action necessary or desirable in carrying out the plan contained in such report."

(b) Section 5 of the Family Planning Services and Population Research Act of 1970 is repealed.

Sec. 204. (a) Section 1001(a) of the Public Health Service Act is amended by striking out "family planning projects" and inserting in lieu thereof "family planning projects which shall offer a broad range of acceptable and effective family planning methods (including natural family planning methods)".

(b) Section 1001(b) of such Act is amended by adding at the end thereof the following new sentence: "Local and regional entities shall be assured the right to apply for direct grants and contracts under this section, and the Secretary shall by regulation fully provide for and protect such right.".

(c) Section 1006(a) of such Act is amended by adding at the end thereof the following new sentence: "The amount of any grant under any section of this title shall be determined by the Secretary; except that no grant under any such section for any program or project for a fiscal year beginning after June 30, 1975, may be made for less than 90 per centum of its costs (as determined under regulations of the Secretary) unless the grant is to be made for a program or project for which a grant was made (under the same section) for the fiscal year ending June 30, 1975, for less than 90 per centum of its costs (as so determined), in which case a grant under such section for that program or project for a fiscal year beginning after that date may be made for a percentage which shall not be less than the percentage of its costs for which the fiscal year 1975 grant was made.".

(d) The last sentence of section 1006(c) of such Act is amended by inserting immediately before the period the following: "so as to insure that economic status shall not be a deterrent to participation in the programs assisted under this title".

Sec. 205. Any—

(1) officer or employee of the United States,

(2) officer or employee of any State, political subdivision of a State, or any other entity, which administers or supervises the administration of any program receiving Federal financial assistance, or

(3) person who receives, under any program receiving Federal financial assistance, compensation for services,

who coerces or endeavors to coerce any person to undergo an abortion or sterilization procedure by threatening such person with the loss of, or disqualification for the receipt of, any benefit or service under a program receiving Federal financial assistance shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

TITLE III—COMMUNITY MENTAL HEALTH CENTERS

SEC. 301. This title may be cited as the "Community Mental Health Centers Amendments of 1975".

SEC. 302. (a) The Congress finds that—

(1) community mental health care is the most effective and humane form of care for a majority of mentally ill individuals;

(2) the federally funded community mental health centers have had a major impact on the improvement of mental health care by—

(2) the federally funded community mention between various agencies responsible for mental health care which in turn has resulted in a decrease in overlapping services and more efficient utilization of available resources,

(B) bringing comprehensive community mental health care to all in need within a specific geographic area regardless of ability to pay, and

(C) developing a system of care which insures continuity of care for all patients,

and thus are a national resource to which all Americans should enjoy access; and

(3) there is currently a shortage and maldistribution of quality community mental health care resources in the United States.

(b) The Congress further declares that Federal funds should continue to be made available for the purposes of initiating new and continuing existing community mental health centers and initiating new services within existing centers, and for the monitoring of the performance of all federally funded centers to insure their responsiveness to community needs and national goals relating to community mental health care.

SEC. 303. The Community Mental Health Centers Act is amended to read as follows:

"TITLE II—COMMUNITY MENTAL HEALTH CENTERS

"PART A—PLANNING AND OPERATIONS ASSISTANCE

"REQUIREMENTS FOR COMMUNITY MENTAL HEALTH CENTERS

"SEC. 201. (a) For purposes of this title (other than part B thereof), the term 'community mental health center' means a legal entity (1) through which comprehensive mental health services are provided—

"(A) principally to individuals residing in a defined geographic area (referred to in this title as a 'catchment area'),

"(B) within the limits of its capacity, to any individual residing or employed in such area regardless of his ability to pay for such services, his current or past health condition, or any other factor, and

"(C) in the manner prescribed by subsection (b), and (2) which is organized in the manner prescribed by subsections (c) and (d).

"(b)(1) The comprehensive mental health services which shall be provided through a community mental health center shall include—

"(A) inpatient services, outpatient services, day care and other partial hospitalization services, and emergency services;

"(B) a program of specialized services for the mental health of children, including a full range of diagnostic, treatment, liaison, and followup services (as prescribed by the Secretary);

"(C) a program of specialized services for the mental health of the elderly, including a full range of diagnostic, treatment, liaison, and followup services (as prescribed by the Secretary);

"(D) consultation and education services which—

"(i) are for a wide range of individuals and entities involved with mental health services, including health professionals, schools, courts, State and local law enforcement and correctional agencies, members of the clergy, public welfare agencies, health services delivery agencies, and other appropriate entities; and

"(ii) include a wide range of activities (other than the provision of direct clinical services) designed to (I) develop effective mental health programs in the center's catchment area, (II) promote the coordination of the provision of mental health services among various entities serving the center's catchment area, (III) increase the awareness of the residents of the center's catchment area of the nature of mental health problems and the types of mental health services available, and (IV) promote the prevention and control of rape and the proper treatment of the victims of rape;

"(E) assistance to courts and other public agencies in screening residents of the center's catchment area who are being considered for referral to a State mental health facility for inpatient treatment to determine if they should be so referred and provision, where appropriate, of treatment for such persons through the center as an alternative to inpatient treatment at such a facility;

"(F) provision of followup care for residents of its catchment area who have been discharged from a mental health facility;

"(G) a program of transitional half-way house services for mentally ill individuals who are residents of its catchment area and who have been discharged from a mental health facility or would without such services require inpatient care in such a facility; and

"(H) provision of each of the following service programs (other than a service program for which there is not sufficient need (as determined by the Secretary) in the center's catchment area, or the need for which in the center's catchment area the Secretary determines is currently being met):

"(i) A program for the prevention and treatment of alcoholism and alcohol abuse and for the rehabilitation of alcohol abusers and alcoholics.

"(ii) A program for the prevention and treatment of drug addiction and abuse and for the rehabilitation of drug addicts, drug abusers, and other persons with drug dependency problems.

"(2) The provision of comprehensive mental health services through a center shall be coordinated with the provision of services by other health and social service agencies (including State mental health facilities) in or serving residents of the center's catchment area to insure that persons receiving services through the center have access to all such health and social services as they may require. The center's services (A) may be provided at the center or satellite centers through the staff of the center or through appropriate arrangements with health professionals and others in the center's catchment area, (B) shall be available and accessible to the residents of the area promptly, as appropriate, and in a manner which preserves human dignity and assures continuity and high quality care and which overcomes geographic, cultural, linguistic, and economic barriers to the receipt of services, and (C) when medically necessary, shall be available and accessible twenty-four hours a day and seven days a week.

"(c)(1)(A) The governing body of a community mental health center (other than a center described in subparagraph (B)) shall (i) be composed, where practicable, of individuals who reside in the center's catchment area and who, as a group, represent the residents of that area taking into consideration their employment, age, sex, and place of residence, and other demographic characteristics of the area, and (ii) meet at least once a month, establish general policies for the center (including a schedule of hours during which services will be provided), approve the center's annual budget and approve the selection of a director for the center. At least one-half of the members of such body shall be individuals who are not providers of health care.

"(B) In the case of a community mental health center which before the date of enactment of the Community Mental Health Centers Amendments of 1975 was operated by a governmental agency and received a grant under section 220 (as in effect before such date), the requirements of subparagraph (A) shall not apply with respect to such center, but the governmental agency operating the center shall appoint a committee to advise it with respect to the operations of the center, which committee shall be composed of individuals who reside in the center's catchment area, who are representative of the residents of the area as to employment, age, sex, place of residence, and other demographic characteristics, and at least one-half of whom are not providers of health care.

"(2) For purposes of subparagraphs (A) and (B) of paragraph (1), the term 'provider of health care' means an individual—

"(A) who is a direct provider of health care (including a physician, dentist, nurse, podiatrist, or physician assistant) in that (i) the individual's primary current activity is the provision of health care to individuals or the administration of facilities or institutions (including hospitals, long-term care facilities, outpatient facilities, and health maintenance organizations) in which such care is provided, and (ii) when required by State law, the individual has received professional training in the provision of such care or in such administration and is licensed or certified for such provision or administration; or

"(B) who is an indirect provider of health care in that the individual—

"(i) holds a fiduciary position with, or has a fiduciary interest in, any entity described in subclause (II) or (IV) of clause (ii);

"(ii) receives (either directly or through his spouse) more than one-tenth of his gross annual income from any one or combination of the following:

"(I) Fees or other compensation for research into or instruction in the provision of health care.

"(II) Entities engaged in the provision of health care or in such research or instruction.

"(III) Producing or supplying drugs or other articles for individuals or entities for use in the provision of, in research into, or instruction in the provision of, health care.

"(IV) Entities engaged in producing drugs or such other articles.

"(iii) is a member of the immediate family of an individual described in subparagraph (A) or in clause (i), (ii), or (iv) of subparagraph (B); or

"(iv) is engaged in issuing any policy or contract of individual or group health insurance or hospital or medical service benefits.

"(d) A center shall have established, in accordance with regulations prescribed by the Secretary, (1) an ongoing quality assurance program (including utilization and peer review systems) respecting the center's services, (2) an integrated medical records system (including a drug use profile) which, in accordance with applicable Federal and State laws respecting confidentiality, is designed to provide access to all past and current information regarding the health status of each patient and to maintain safeguards to preserve confidentiality and to protect the rights of the patient, (3) a professional advisory board, which is composed of members of the center's professional staff, to advise the governing board in establishing policies governing medical and other services provided by such staff on behalf of the center, and (4) an identifiable administrative unit which shall be responsible for providing the consultation and education services described in subsection (b) (1) (D). The Secretary may waive the requirements of clause (4) with respect to any center if he determines that because of the size of such center or because of other relevant factors the establishment of the administrative unit described in such clause is not warranted.

"GRANTS FOR PLANNING COMMUNITY MENTAL HEALTH CENTER PROGRAMS

"SEC. 202. (a) The Secretary may make grants to public and nonprofit private entities to carry out projects to plan community mental health center programs. In connection with a project to plan a community mental health center program for an area the grant recipient shall (1) assess the needs of the area for mental health services, (2) design a community mental health center program for the area based on such assessment, (3) obtain within the area financial and professional assistance and support for the program, and (4) initiate and encourage continuing community involvement in the development and operation of the program. The amount of any grant under this subsection may not exceed $75,000.

"(b) A grant under subsection (a) for a project shall be made for its costs for the one-year period beginning on the first day of the month in which the grant is made; and, if a grant is made under such subsection for a project, no other grant may be made for such project under such subsection.

"(c) The Secretary shall give special consideration to applications submitted for grants under subsection (a) for projects for community mental health centers programs for areas designated by the Secretary as urban or rural poverty areas. No applications for a grant under subsection (a) may be approved unless the application is recommended for approval by the National Advisory Mental Health Council.

"(d) There are authorized to be appropriated for payments under grants under subsection (a) $3,750,000 for the fiscal year 1976, and $3,750,000 for the fiscal year 1977.

"GRANTS FOR INITIAL OPERATION

"SEC. 203. (a) (1) The Secretary may make grants to—

"(A) public and nonprofit private community mental health centers, and

"(B) any public or nonprofit private entity which—

"(i) is providing mental health services,

"(ii) meets the requirements of section 201 except that it is not providing all of the comprehensive mental health services described in subsection (b) (1) of such section, and

"(iii) has a plan satisfactory to the Secretary for the provision of all such services within two years after the date of the receipt of the first grant under this subsection,

to assist them in meeting their costs of operation (other than costs related to construction).

"(2) Grants under subsection (a) may only be made for a grantee's costs of operation during the first eight years after its establishment. In the case of a community mental health center or other entity which received a grant under section 220 (as in effect before the date of enactment of the Community Mental Health Centers Amendments of 1975), such center or other entity shall, for purposes of grants under subsection (a), be considered as having been in operation for a number of years equal to the sum of the number of grants in the first series of grants it received under such section and the number of grants it has received under this subsection.

"(b) (1) Each grant under subsection (a) to a community mental health center or other entity shall be made for the costs of its operation for the one-year period beginning on the first day of the month in which such grant is made.

"(2) No community mental health center may receive more than eight grants under subsection (a). No entity described in subsection (a) (1) (B) may receive more than two grants under subsection (a). In determining the number of grants that a community mental health center has received under subsection (a), there shall be included any grants which the center received under such subsection as an entity described in paragraph (1) (B) of such subsection.

"(c) The amount of a grant for any year made under subsection (a) shall be the lesser of the amounts computed under paragraph (1) or (2) as follows:

"(1) An amount equal to the amount by which the grantee's projected costs of operation for that year exceed the total of State, local, and other funds and of the fees, premiums, and third-party reimbursements which the grantee may reasonably be expected to collect in that year.

"(2) (A) Except as provided in subparagraph (B), an amount equal to the following percentages of the grantee's projected costs of operation: 80 per centum of such costs for the first year of its operation, 65 per centum of such costs for the second year of its operation, 50 per centum of such costs for the third year of its operation, 35 per centum of such costs for the fourth year of its operation, 30 per centum of such costs for the fifth and sixth years of its operation, and 25 per centum of such costs for the seventh and eighth years of its operation.

"(B) In the case of a grantee providing services for persons in an area designated by the Secretary as an urban or rural poverty area, an amount equal to the following percentages of the grantee's projected costs of operation: 90 per centum of such costs for the first two years of its operation, 80 per centum of such costs for the third year of its operation, 70 per centum of such costs for the fourth year of its operation, 60 per centum of such costs for the fifth year of its operation, 50 per centum of such costs for the sixth year of its operation, 40 per centum of such costs for the seventh year of its operation, and 30 per centum of such costs for the eighth year of its operation. In any year in which a grantee receives a grant under section 204 for consultation and education services, the costs of the grantee's operation for that year attributable to the provision of such services and its collections in that year for such services shall be disregarded in making a computation under paragraph (1) or (2) respecting a grant under subsection (a) for that year.

'(d) (1) There are authorized to be appropriated for payments under initial grants under subsection (a) $50,000,000 for fiscal year 1976, and $55,000,000 for fiscal year 1977.

"(2) For fiscal year 1977, and for each of the succeeding seven fiscal years, there are authorized to be appropriated such sums as may be necessary to make payments under continuation grants under subsection (a) to community mental health centers and other entities which first received an initial grant under this section for fiscal year 1976, or the next fiscal year and which are eligible for a grant under this section in a fiscal year for which sums are authorized to be appropriated under this paragraph.

"(e) (1) Any entity which has not received a grant under subsection (a), which received a grant under section 220, 242, 243, 251, 256, 264, or 271 of this title (as in effect before the date of enactment of the Community Mental Health Centers Amendments of 1975) from appropriations under this title for a fiscal year ending before July 1, 1975, and which would be eligible for another grant under such section from an appropriation for a succeeding fiscal year if such section were not repealed by the Community Mental Health Centers Amendments of 1975 may, in lieu of receiving a grant under subsection (a) of this section, continue to receive a grant under each such repealed section under which it would be so eligible for another grant—

"(A) for the number of years and in the amount prescribed for the grant under each such repealed section, except that—

"(i) the entity may not receive under this subsection more than two grants under any such repealed section unless it meets the requirements of section 201, and

"(ii) the total amount received for any year (as determined under regulations of the Secretary) under the total of the grants made to the entity under this subsection may not exceed the amount by which the entity's projected costs of operation for that year exceed the total collections of State, local, and other funds and of the fees, premiums, and third-party reimbursements which the entity may reasonably be expected to make in that year; and

"(B) in accordance with any other terms and conditions applicable to such grant.

In any year in which a grantee under this subsection receives a grant under section 204 for consultation and education services, the staffing costs of the grantee for that year which are attributable to the provision of such services and the grantee's collections in that year for such services shall be disregarded in applying subparagraph (A) and the provisions of the repealed section applicable to determining the amount of the grant the grantee may receive under this subsection for that year.

"(2) An entity which receives a grant the authority for which is provided by this subsection may not receive any grant under subsection (a).

"(3) There are authorized to be appropriated for fiscal year 1976, and for each of the next six fiscal years such sums as may be necessary to make grants in accordance with paragraph (1).

"(f) Unless otherwise specifically provided, a reference in this title to a grant under section 203 includes a grant under subsection (a) of this section and a grant the authority for which is provided by subsection (e) of this section.

"GRANTS FOR CONSULTATION AND EDUCATION SERVICES

"SEC. 204. (a) (1) The Secretary may make annual grants to any community mental health center for the costs of providing the consultation and education services described in section 201(b) (1) (D) if the center—

"(A) received from appropriations for a fiscal year ending before July 1, 1975, a staffing grant under section 220 of this title (as in effect before the date of enactment of the Community Mental Health Centers Amendments of 1975) and may not because of limitations respecting the period for which grants under that section may be made receive under section 203(e) an additional grant under such section 220; or

"(B) has received or is receiving a grant under section 203 and the number of years in which the center has been in operation (as determined in accordance with section 203 (a)(2)) is not less than four (or is not less than two if the Secretary determines that the center will be unable to adequately provide the consultation and education services described in section 201(b)(1)(D) during the third or fourth years of its operation without a grant under this subsection).

"(2) The Secretary may also make annual grants to a public or non-profit private entity—

"(A) which has not received any grant under this title (other than a grant under this section as amended by the Community Mental Health Centers Amendments of 1975),

"(B) which meets the requirements of section 201 except, in the case of an entity which has not received a grant under this section, the requirement for the provision of consultation and education services described in section 201(b)(1)(D), and

"(C) the catchment area of which is not within (in whole or in part) the catchment area of a community mental health center, for the costs of providing such consultation and education services.

"(b) The amount of any grant made under subsection (a) shall be determined by the Secretary, but no such grant to a center may exceed the lesser of 100 per centum of such center's costs of providing such consultation and education services during the year for which the grant is made or—

"(1) in the case of each of the first two years for which a center receives such grant, the sum of (A) an amount equal to the product of $0.50 and the population of the center's catchment area, and (B) the lesser of (i) one-half the amount determined under clause (A), or (ii) one-half of the amount, received by the center in such year from charges for the provision of such services;

"(2) in the case of the third year for which a center receives such a grant, the sum of (A) an amount equal to the product of $0.50 and the population of the center's catchment area, and (B) the lesser of (i) one-half the amount determined under clause (A), or (ii) one-fourth of the amount received by the center in such year from charges for the provision of such services; and

"(3)(A) except as provided in subparagraph (B), in the case of the fourth year and each subsequent year thereafter for which a center receives such a grant, the lesser of (i) the sum of (I) an amount equal to the product of $0.125 and the population of the center's catchment area, and (II) one-eighth of the amount received by the center in such year from charges for the provision of such services, or (ii) $50,000; or

"(B) in the case of the fourth year and each subsequent year for which a center receives such a grant, the sum of (i) an amount equal to the product of $0.25 and the population of the center's catchment area, and (ii) the lesser of (I) the amount determined under clause (i) of this subparagraph, or (II) one-fourth of the amount received by the center in such year from charges for the provision for such services if the amount of the last grant received by the center under section 220 of this title (as in effect before the date of the enactment of the Community Mental Health Centers Amendments of 1975) or section 203 of this title, as the case may be, was determined on the basis of the center providing services to persons in an area designated by the Secretary as an urban or rural poverty area. For purposes of this subsection, the term 'center' includes an entity which receives a grant under subsection (a)(2).

"(c) There are authorized to be appropriated for payments under grants under this section $10,000,000 for fiscal year 1976, and $15,000,000 for fiscal year 1977.

"CONVERSION GRANTS

"SEC. 205. (a) The Secretary may make not more than two grants to any public or nonprofit entity which—

"(1) has an approved application for a grant under section 203 or 211, and

"(2) can reasonably be expected to have an operating deficit, for the period for which a grant is or will be made under such application, which is greater than the amount of the grant the entity is receiving or will receive under such application,

for the entity's reasonable costs in providing mental health services which are described in section 201(b)(1) but which the entity did not provide before the date of the enactment of the Community Mental Health Centers Amendments of 1975.

"(b)(1) Each grant under subsection (a) to an entity shall be made for the same period as the period for which the grant under section 203 or 211 for which the entity had an approved application is or will be made.

"(2) The amount of any grant under subsection (a) to any entity shall be determined by the Secretary, but no such grant may exceed that part of the entity's projected operating deficit for the year for which the grant is made which is reasonably attributable to its costs of providing in such year the services with respect to which the grant is made. For purposes of this paragraph, the term 'projected operating deficit' means the excess of an entity's projected costs of operation (including the costs of operation related to the provision of services for which a grant may be made under subsection (a)) for a particular period over the total of the amount of State, local, and other funds (including funds under a grant under section 203, 204, or 211) received by the entity in that period and the fees, premiums, and third-party reimbursements which the entity may reasonably be expected to collect during that period.

"(c) There are authorized to be appropriated for payments under grants under subsection (a) $20,000,000 for fiscal year 1976, and $20,000,000 for fiscal year 1977.

"GENERAL PROVISIONS RESPECTING GRANTS UNDER THIS PART

"SEC. 206. (a)(1) No grant may be made under this part to any entity or community mental health center in any State unless a State plan for the provision of comprehensive mental health services within such State has been submitted to, and approved by, the Secretary under section 237.

"(b) No grant may be made under this part unless an application (meeting the requirements of subsection (c)) for such grant has been submitted to, and approved by, the Secretary.

"(c)(1) An application for a grant under this part shall be submitted in such form and manner as the Secretary shall prescribe and shall contain such information as the Secretary may require. Except as provided in paragraph (3), an application for a grant under section 203, 204, or 205 shall contain or be supported by assurances satisfactory to the Secretary that—

"(A) the community mental health center for which the application is submitted will provide, in accordance with regulations of the Secretary (i) an overall plan and budget that meets the requirements of section 1861(z) of the Social Security Act, and (ii) an effective procedure for developing, compiling, evaluating, and reporting to the Secretary statistics and other information (which the Secretary shall publish and disseminate on a periodic basis and which the center shall disclose at least annually to the general public) relating to (I) the cost of the center's operation, (II) the patterns of use of its services, (III) the availability, accessibility, and acceptability of its services, (IV) the impact of its services upon the mental health of the residents of its catchment area, and (V) such other matters as the Secretary may require;

"(B) such community mental health center will, in consultation with the residents of its catchment area, review its program of services and the statistics and other information referred to in subparagraph (A) to assure that its services are responsive to the needs of the residents of the catchment area;

"(C) to the extent practicable, such community mental health center will enter into cooperative arrangements with health maintenance organizations serving residents of the center's catchment area for the provision through the center of mental health services for the members of such organizations under which arrangements the charges to the health maintenance organizations for such services shall be not less than the actual costs to the center of providing such services;

"(D) in the case of a community mental health center serving a population including a substantial proportion of individuals of limited English-speaking ability, the center has (i) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals, and (ii) identified an individual on its staff who is fluent in both that language and English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences;

"(E) such community mental health center has (i) established a requirement that the health care of every patient must be under the supervision of a member of the professional staff, and (ii) provided for having a member of the professional staff available to furnish necessary mental health care in case of an emergency;

"(F) such community mental health center has provided appropriate methods and procedures for the dispensing and administering of drugs and biologicals;

"(G) in the case of an application for a grant under section 203 for a community mental health center which will provide services to persons in an area designated by the Secretary as an urban or rural poverty area, the applicant will use the additional grant funds it receives, because it will provide services to persons in such an area, to provide services to persons in such area who are unable to pay therefor;

"(H) such community mental health center will develop a plan for adequate financial support to be available, and will use its best efforts to insure that adequate financial support will be available, to it from Federal sources (other than this part) and non-Federal sources (including, to the maximum extent feasible, reimbursement from the recipients of consultation and education services and screening services provided in accordance with sections 201(b)(1)(D) and 201(b)(1)(E)) so that the center will be able to continue to provide comprehensive mental health services when financial assistance provided under this part is reduced or terminated, as the case may be;

"(I) such community mental health center (i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the

Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan, or (ii) has made or will make every reasonable effort to enter into such an arrangement;

"(J) such community mental health center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

"(K) such community mental health center (i) has prepared a schedule of fees or payments for the provision of its services designed to cover its reasonable costs of operation and a corresponding schedule of discounts to be applied to the payment of such fees or payments which discounts are adjusted on the basis of the patient's ability to pay; (ii) has made and will continue to make every reasonable effort (I) to secure from patients payment for services in accordance with such approved schedules, and (II) to collect reimbursement for health services to persons described in subparagraph (J) on the basis of the full amount of fees and payments for such services without application of any discount, and (iii) has submitted to the Secretary such reports as he may require to determine compliance with this subparagraph; and

"(L) such community mental health center will adopt and enforce a policy (i) under which fees for the provision of mental health services through the center will be paid to the center, and (ii) which prohibits health professionals who provide such services to patients through the center from providing such services to such patients except through the center.

An application for a grant under section 203 shall also contain a long-range plan for the expansion of the program of the community mental health center for which the application is submitted for the purpose of meeting anticipated increases in demand by residents of the center's catchment area for the comprehensive mental health services described in section 201(b)(1). Such a plan shall include a description of planned growth in the programs of the center, estimates of increased costs arising from such growth, estimates of the portion of such increased costs to be paid from Federal funds, and anticipated sources of non-Federal funds to pay the portion of such increased costs not to be paid from Federal funds.

"(2) The Secretary may approve an application for a grant under section 203, 204, or 205 only if the application is recommended for approval by the National Advisory Mental Health Council, the application meets the requirements of paragraph (1), and, except as provided in paragraph (3), the Secretary—

"(A) determines that the facilities and equipment of the applicant under the application meet such requirements as the Secretary may prescribe;

"(B) determines that—

"(i) the application contains or is supported by satisfactory assurances that the comprehensive mental health services (in the case of an application for a grant under section 203 or 205) or the consultation and education services (in the case of an application for a grant under section 204) to be provided by the applicant will constitute an addition to, or a significant improvement in quality (as determined in accordance with criteria of the Secretary) of, services that would otherwise be provided in the catchment area of the applicant;

"(ii) the application contains or is supported by satisfactory assurances that Federal funds made available under section 203, 204, or 205, as the case may be, will (I) be used to supplement and, to the extent practical, increase the level of State, local, and other non-Federal funds, including third-party health insurance payments, that would in the absence of such Federal funds be made available for the applicant's comprehensive mental health services, and (II) in no event supplant such State, local, and other non-Federal funds;

"(iii) in the case of an applicant which received a grant from appropriations for the preceding fiscal year, during the year for which the grant was made the applicant met, in accordance with the section under which such grant was made, the requirements of section 201 and complied with the assurances which were contained in or supported the applicant's application for such grant; and

"(iv) in the case of an application for a grant the amount of which is or may be determined under section 203(c)(2)(B) or 204(b)(3)(B) or under a provision of a repealed section of this title referred to in section 203(e) which authorizes an increase in the ceiling on the amount of a grant to support services to persons in areas designated by the Secretary as urban or rural poverty areas, the application contains or is supported by assurances satisfactory to the Secretary that the services of the applicant will, to the extent feasible, be used by a significant number of persons residing in an area designated by the Secretary as an urban or rural poverty area and requiring such services.

"(3) In the case of an application—

"(A) for the first grant under section 203(a) for an entity described in section 203(a)(1)(B), or

"(B) for the first grant the authority for which is provided by section 203(e),

the Secretary may approve such application without regard to the assurances required by the second sentence of paragraph (1) of this subsection and without regard to the determinations required of the Secretary under paragraph (2) of this subsection if the application contains or is supported by assurances satisfactory to the Secretary that the applicant will undertake, during the period for which such first grant is to be made, such actions as may be necessary to enable the applicant, upon the expiration of such period, to make each of the assurances required by paragraph (1) and to enable the Secretary, upon the expiration of such period, to make each of the determinations required by paragraph (2).

"(4) In each fiscal year for which a community mental health center receives a grant under section 203, 204, or 205, such center shall obligate for a program of continuing evaluation of the effectiveness of its programs in serving the needs of the residents of its catchment area and for a review of the quality of the services provided by the center not less than an amount equal to 2 per centum of the amount obligated by the center in the preceding fiscal year for its operating expenses.

"(5) The costs for which grants may be made under section 203(a), 204, or 205 shall be determined in the manner prescribed in regulations of the Secretary issued after consultation with the National Advisory Mental Health Council.

"(6) If the Secretary determines under section 203, 204, or 205 that an applicant for a grant under such section—

"(A) has not made reasonable efforts to secure payments or reimbursements in accordance with assurances provided under subparagraph (I), (J), or (K) of subsection (c)(1), or

"(B) is capable of increasing the amount of payments or reimbursements described in any such subparagraph,

the Secretary shall, in the case of a determination described in subparagraph (A), inform the applicant of the respects in which the applicant has not made such reasonable efforts and the manner in which the applicant's performance can be improved and, in the case of a determination described in subparagraph (B), inform the applicant of the manner in which the applicant can increase the amount of such payments. The Secretary shall give to an applicant a reasonable opportunity to respond, before the amount of the grant the applicant is applying for is determined, to a determination described in the preceding sentence. A determination of the Secretary referred to in the first sentence shall be referred to the National Advisory Mental Health Council for its review and recommendations.

"(d) An application for a grant under this part which is submitted to the Secretary shall at the same time be submitted to the State mental health authority for the State in which the project or community mental health center for which the application is submitted is located. A State mental health authority which receives such an application under this subsection may review it and submit its comments to the Secretary within the forty-five-day period beginning on the date the application was received by it. The Secretary shall take action to require an applicant to revise his application or to approve or disapprove an application within the period beginning on the date the State mental health authority submits its comments or on the expiration of such forty-five-day period, whichever occurs first, and ending on the ninetieth day following the date the application was submitted to him.

"(e) Not more than 2 per centum of the total amount appropriated under sections 203, 204, and 205 for any fiscal year shall be used by the Secretary to provide directly through the Department technical assistance for program management and for training in program management to community mental health centers which received grants under such sections or to entities which received grants under section 220 of this title in a fiscal year beginning before the date of the enactment of the Community Mental Health Centers Amendments of 1975.

"(f) For purposes of subsections (b), (c), (d), and (e) of this section, the term 'community mental health center' includes an entity which applies for or has received a grant under section 203 or 204(a)(2).

"PART B—FINANCIAL DISTRESS GRANTS

"GRANT AUTHORITY

"SEC. 211. The Secretary may make grants for the operation of any community mental health center which—

"(1)(A) received a grant under section 220 of this title (as in effect before the date of enactment of the Community Mental Health Centers Amendments of 1975) and, because of limitations in such section 220 respecting the period for which the center may receive grants under such section 220, is not eligible for further grants under that section for a fiscal year beginning after June 30, 1975; or

"(B) received a grant or grants under section 203(a) of this title and because of limitations respecting the period for which grants under such section may be made, is not eligible for further grants under that section; and

"(2) demonstrates that without a grant under this section there will be a significant reduction in the types or quality of services provided or there will be an inability to provide the services described in section 201(b).

"GRANT REQUIREMENTS

"SEC. 212. (a) No grant may be made under section 211 to any community mental health center in any State unless a State plan for the provision of comprehensive mental health services within such State has been submitted to, and approved by, the Secretary under section 237. Any grant under section 211 may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the community mental health center agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that center's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant information, and (4) to use a grant received under section 211 to enable it to provide (within such period as the Secretary may prescribe) the comprehensive mental health services described in section 201(b) and to revise its organization to meet the requirements of sections 201(c) and 201(d).

"(b) An application for a grant under section 211 must contain or be supported by the assurances prescribed by subparagraphs (A), (B), (C), (D), (E), (F), (G), (I), (J), (K), and (L) of section 206(c)(1) and assurances satisfactory to the Secretary that the applicant will expend for its operation as a community mental health center, during the year for which such grant is sought, an amount of funds (other than funds for construction, as determined by the Secretary) from non-Federal sources which is at least as great as the average annual amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three years immediately preceding the year for which such grant is sought. The Secretary may not approve such an application unless it has been recommended for approval by the National Advisory Mental Health Council. The requirements of section 206(d) respecting opportunity for review of applications by State mental health authorities and time limitations on actions by the Secretary on applications shall apply with respect to applications submitted for grants under section 211.

"(c) Each grant under this section to a grantee shall be made for the projected costs of operation (except the costs of providing the consultation and education services described in section 201(b)(1)(D)) of such grantee for the one-year period beginning on the first day of the first month in which such grant is made. No community mental health center may receive more than three grants under section 211.

"(d) The amount of a grant for a community mental health center under section 211 for any year shall be the lesser of the amounts computed under paragraph (1) or (2) as follows:

"(1) An amount equal to the amount by which the center's projected costs of operation for that year exceed the total of State, local, and other funds and of the fees, premiums, and third-party reimbursements which the center may reasonably be expected to collect in that year.

"(2) An amount equal to the product of—

"(A) 90 per centum of the percentage of costs—

"(i) which was the ceiling on the grant last made to the center in the first series of grants it received under section 220 of this title (as in effect before the date of the enactment of the Community Mental Health Centers Amendments of 1975), or

"(ii) prescribed by subsection (c)(2) of section 203 for computation of the last grant to the center under such section,

whichever grant was made last, and

"(B) the center's projected costs of operation in the year for which the grant is to be made under section 211.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 213. There are authorized to be appropriated $15,000,000 for fiscal year 1976, and $15,000,000 for fiscal year 1977 for payments under grants under section 211.

"PART C—FACILITIES ASSISTANCE

"ASSISTANCE AUTHORITY

"SEC. 221. (a) From allotments made under section 227 the Secretary shall pay, in accordance with this part, the Federal share of projects for (1) the acquisition or remodeling, or both, of facilities for community mental health centers, (2) the leasing (for not more than twenty-five years) of facilities for such centers, (3) the construction of new facilities or expansion of existing facilities for community mental health centers if not less than 25 per centum of the residents of the centers' catchment areas are members of low-income groups (as determined under regulations prescribed by the Secretary), and (4) the initial equipment of a facility acquired, remodeled, leased, constructed, or expanded with financial assistance provided under payments under this part. Payments shall not be made for the construction of a new facility or the expansion of an existing one unless the Secretary determines that it is not feasible for the recipient to acquire or remodel an existing facility.

"(b)(1) For purposes of this part, the term 'Federal share' with respect to any project described in subsection (a) means the portion of the cost of such project to be paid by the Federal Government under this part.

"(2) The Federal share with respect to any project described in subsection (a) in a State shall be the amount determined by the State agency of the State, but, except as provided in paragraph (3), the Federal share for any such project may not exceed 66⅔ per centum of the costs of such project or the State's Federal percentage, whichever is the lower. Prior to the approval of the first such project in a State during any fiscal year, the State agency shall give the Secretary written notification of (A) the maximum Federal share, established pursuant to this paragraph, for such projects in such State which the Secretary approves during such fiscal year, and (B) the method for determining the specific Federal share to be paid with respect to any such project; and such maximum Federal share and such method of Federal share determination for such projects in such State during such fiscal year shall not be changed after the approval of the first such project in the State during such fiscal year.

"(3) In the case of any community mental health center which provides or will, upon completion of the project for which application has been made under this part, provide services for persons in an area designated by the Secretary as an urban or rural poverty area, the maximum Federal share determined under paragraph (2) may not exceed 90 per centum of the costs of the project.

"(4)(A) For purposes of paragraphs (2), the Federal percentage for (i) Puerto Rico, Guam, American Samoa, and the Virgin Islands shall be 66⅔ per centum, and (ii) any other State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the average per capita income of all such other States.

"(B) The Federal percentages under clause (ii) of subparagraph (A) shall be promulgated by the Secretary, between October 1 and December 31 of each even-numbered year, on the basis of the average of the per capita incomes of each of the States subject to such Federal percentages and of all the States subject to such percentages for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation.

"APPROVAL OF PROJECTS

"SEC. 222. (a) For each project for a community mental health center facility pursuant to a State plan approved under section 237, there shall be submitted to the Secretary, through the State agency of the State, an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more such agencies join in the project, the application may be filed by one or more of such agencies. Such application shall set forth—

"(1) a description of the site for such project;

"(2) plans and specifications therefor in accordance with the regulations prescribed by the Secretary under section 236;

"(3) except in the case of a leasing project, reasonable assurance that title to such site is or will be vested in one or more of the agencies filing the application or in a public or nonprofit private agency which is to operate the community mental health center;

"(4) reasonable assurance that adequate financial support will be available for the project and for its maintenance and operation when completed;

"(5) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a construction or remodeling project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

"(6) a certification by the State agency of the Federal share for the project; and

"(7) the assurances described in section 206(c)(2).

Each applicant shall be afforded an opportunity for a hearing before the State agency respecting its application. For purposes of paragraph (3), the term 'title' means a fee simple or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Secretary finds sufficient to assure for a period of not less than fifty years undisturbed use and possession for the purposes of acquisition, remodeling, construction, or expansion of a facility and its operation.

"(b) The Secretary shall approve an application submitted in accordance with subsection (a) if—

"(1) sufficient funds to pay the Federal share for the project for which the application was submitted are available from the allotment to the State;

"(2) the Secretary finds that the application meets the applicable requirements of subsection (a) and the community mental health center for which the application was submitted will meet the requirements of the State plan (under section 237) of the State in which the project is located; and

"(3) the Secretary finds that the application has been approved and recommended by the State agency and is entitled to priority over other projects within the State, as determined under the State plan.

No application shall be disapproved by the Secretary until he has afforded the State agency an opportunity for a hearing. The Secretary may not approve an application under this part for a project for a facility for a community mental health center or other entity which received a grant under section 220, 242, 243, 251, 256, 264, or 271 of this title (as in effect before the date of the enactment of the Community Mental Health Centers Amendments of 1975) from appropriations for a fiscal year ending before July 1, 1975, unless the Secretary determines that the application is for a project for a center or entity which upon completion of such project will be able to significantly expand its services and which demonstrates exceptional financial need for assistance under this part for such project. Amendment of any approved application shall be subject to approval in the same manner as an original application.

"PAYMENTS

"SEC. 223. (a) (1) Upon certification to the Secretary by the State agency, based upon inspection by it, that work has been performed upon a remodeling, construction, or expansion project, or purchases for such a project have been made, in accordance with the approved plans and specifications, and that payment of an installment is due to the applicant, such installment shall be paid to the State, from the applicable allotment of such State, except that (1) if the State is not authorized by law to make payments to the applicant, the payment shall be made directly to the applicant, (2) if the Secretary, after investigation or otherwise, has reason to believe that any act (or failure to act) has occurred requiring action pursuant to subsection (c) of this section, payment may, after he has given the State agency notice of opportunity for hearing pursuant to such section, be withheld in whole or in part, pending corrective action or action based on such hearing, and (3) the total payments with respect to such project may not exceed an amount equal to the Federal share of the cost of such project.

"(2) If an amendment to an approved application is approved or the estimated cost of a remodeling, construction, or expansion project is revised upward, any additional payment with respect thereto may be made from the applicable allotment of the State for the fiscal year in which such amendment or revision is approved.

"(b) Payments from a State allotment for acquisition and leasing projects shall be made in accordance with regulations which the Secretary shall promulgate.

"(e) (1) If the Secretary finds that—

"(A) a State agency is not substantially complying with the provisions required by section 237 to be in a State plan or with regulations issued under section 236;

"(B) any assurance required to be in an application filed under section 222 is not being carried out;

"(C) there is substantial failure to carry out plans and specifications approved by the Secretary under section 222; or

"(D) adequate State funds are not being provided annually for the direct administration of a State plan approved under section 237,

the Secretary may take the action authorized under paragraph (2) of this subsection if the finding was made after reasonable notice and opportunity for hearing to the involved State agency.

"(2) If the Secretary makes a finding described in paragraph (1), he may notify the involved State agency, which is the subject of the finding or which is connected with a project or State plan which is the subject of the finding, that—

"(A) no further payments will be made to the State from allotments under section 227; or

"(B) no further payments will be made from allotments under section 227 for any project or projects designated by the Secretary as being affected by the action or inaction referred to in subparagraph (A), (B), (C), or (D) of paragraph (1),

as the Secretary may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected, further payments from such allotments may be withheld, in whole or in part, until there is no longer any failure to comply (or to carry out the assurance or plans and specifications or to provide adequate State funds, as the case may be) or, if such compliance (or other action) is impossible, until the State repays or arranges for the repayment of Federal moneys to which the recipient was not entitled.

"JUDICIAL REVIEW

"SEC. 224. If—

"(1) the Secretary refuses to approve an application for a project submitted under section 222, the State agency through which such application was submitted, or

"(2) any State is dissatisfied with the Secretary's action under section 223(c) or 237 (c), such State,

may appeal to the United States court of appeals for the circuit in which such State agency or State is located, by filing a petition with such court within sixty days after such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but, until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of facts and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

"RECOVERY

"SEC. 225. If any facility of a community mental health center acquired, remodeled, constructed, or expanded with funds provided under this part is, at any time within twenty years after the completion of such remodeling, construction, or expansion or after the date of its acquisition with such funds—

"(1) sold or transferred to any person or entity (A) which is not qualified to file an application under section 222, or (B) which is not approved as a transferee by the State agency of the State in which such facility is located, or its successor; or

"(2) not used by a community mental health center in the provision of comprehensive mental health services, and the Secretary has not determined that there is good cause for termination of such use,

the United States shall be entitled to recover from either the transferor or the transferee in the case of a sale or transfer or from the owner in the case of termination of use an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the United States district court for the district in which the center is situated) of so much of such facility or center as constituted an approved project or projects, as the amount of the Federal participation bore to the acquisition, remodeling, construction, or expansion cost of such project or projects. Such right of recovery shall not constitute a lien upon such facility or center prior to judgment.

"NONDUPLICATION

"SEC. 226. No grant may be made under the Public Health Service Act for the remodeling, construction, or expansion of a facility for a community mental health center unless the Secretary determines that there are no funds available under this part for the remodeling, construction, or expansion of such facility.

"ALLOTMENTS TO STATES

"SEC. 227. (a) In each fiscal year, the Secretary shall, in accordance with regulations, make allotments, from the sums appropriated under section 228, to the States (with State plans approved under section 237) on the basis of (1) the population, (2) the extent of the need for community mental health centers, and (3) the financial need, of the respective States; except that no such allotment to any State, other than the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands, in any fiscal year may be less than $100,000. Sums so allotted to a State other than the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands, in a fiscal year and remaining unobligated at the end of such year shall remain available to such State for such purpose in the next fiscal year (and in such year only), in addition to the sums allotted for such State in such next fiscal year. Sums so allotted to the Virgin Islands, American Samoa, Guam, or the Trust Territory of the Pacific Islands in a fiscal year and remaining unobligated at the end of such year shall remain available to such State for such purpose in the next two fiscal years (and in such years only), in addition to the sums allotted to such State for such purpose in each of such next two fiscal years.

"(b) The amount of an allotment under subsection (a) to a State in a fiscal year which the Secretary determines will not be required by the State during the period for which it is available for the purpose for which allotted shall be available for reallotment by the Secretary from time to time, on such date or dates as he may fix, to other States with respect to which such a determination has not been made, in proportion to the original allotments of such States for such fiscal year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use during such period; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount so reallotted to a State in a fiscal year shall be deemed to be a part of its allotment under subsection (a) in such fiscal year.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 228. There are authorized to be appropriated $5,000,000 for fiscal year 1976, and $5,000,000 for fiscal year 1977, for allotments under section 227.

"PART D—RAPE PREVENTION AND CONTROL

"RAPE PREVENTION AND CONTROL

"SEC. 231. (a) The Secretary shall establish within the National Institute of Mental Health an identifiable administrative unit to be known as the National Center for the Prevention and Control of Rape (hereinafter in this section referred to as the 'Center').

"(b)(1) The Secretary, acting through the Center, may, directly or by grant, carry out the following:

"(A) A continuing study of rape, including a study and investigation of—

"(i) the effectiveness of existing Federal, State, and local laws dealing with rape;

"(ii) the relationship, if any, between traditional legal and social attitudes toward sexual roles, the act of rape, and the formulation of laws dealing with rape;

"(iii) the treatment of the victims of rape by law enforcement agencies, hospitals or other medical institutions, prosecutors, and the courts;

"(iv) the causes of rape, identifying to the degree possible—

"(I) social conditions which encourage sexual attacks, and

"(II) the motives of offenders, and

"(v) the impact of rape on the victim and the family of the victim;

"(vi) sexual assaults in correctional institutions;

"(vii) the actual incidence of forcible rape as compared to the reported incidence of forcible rape and the reasons for any difference in such incidences; and

"(viii) the effectiveness of existing private and local and State government educational, counseling, and other programs designed to prevent and control rape.

"(B) The compilation, analysis, and publication of summaries of the continuing study conducted under subparagraph (A) and the research and demonstration projects conducted under subparagraph (E). The Secretary shall annually submit to the Congress a summary of such study and projects together with recommendations where appropriate.

"(C) The development and maintenance of an information clearinghouse with regard to—

"(i) the prevention and control of rape;

"(ii) the treatment and counseling of the victims of rape and their families; and

"(iii) the rehabilitation of offenders.

"(D) The compilation and publication of training materials for personnel who are engaged or intended to engage in programs designed to prevent and control rape.

"(E) Assistance to community mental health centers and other qualified public and nonprofit private entities in conducting research and demonstration projects concerning the prevention and control of rape, including projects (i) for the planning, developing, implementing, and evaluating of alternative methods used in the prevention and control of rape, the treatment and counseling of the victims of rape and their families, and the rehabilitation of offenders; (ii) for the application of such alternative methods; and (iii) for the promotion of community awareness of the specific locations in which, and the specific social and other conditions under which, sexual attacks are most likely to occur.

"(F) Assistance to community mental health centers in meeting the costs of producing consultation and education services respecting rape.

"(2) For purposes of this subsection, the term 'rape' includes statutory and attempted rape and any other criminal sexual assault (whether homosexual or heterosexual) which involves force or the threat of force.

"(c) The Secretary shall appoint an advisory committee to advise, consult with, and make recommendations to him on the implementation of subsection (b). The Secretary shall appoint to such committee persons who are particularly qualified to assist in carrying out the functions of the committee. A majority of the members of the committee shall be women. Members of the advisory committee shall receive compensation at rates, not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, for each day (including traveltime) they are engaged in the performance of their duties as members of the advisory committee and, while so serving away from their homes or regular places of business, each member shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

"(d) For the purpose of carrying out subsection (b), there are authorized to be appropriated $7,000,000 for fiscal year 1976, and $10,000,000 for fiscal year 1977.

"PART E—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 235. For purposes of this title—

"(1) The term 'State' includes the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the District of Columbia.

"(2) The term 'State agency' means the State mental health authority for which grants are authorized under section 314(d) of the Public Health Service Act.

"(3) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(4) The term 'National Advisory Mental Health Council' means the National Advisory Mental Health Council established under section 217 of the Public Health Service Act.

"REGULATIONS

"SEC. 236. Regulations issued by the Secretary for the administration of this title shall include provisions applicable uniformly to all the States which—

"(1) prescribe the general manner in which the State agency of a State shall determine the priority of projects for community mental health centers on the basis of the relative need of the different areas of the State for such centers and their services and require special consideration for projects on the basis of the extent to which a center to be assisted or established upon completion of a project (A) will, alone or in conjunction with other centers owned or operated by the applicant for the project or affiliated or associated with such applicant, provide comprehensive mental health services for residents of a particular community or communities, or (B) will be part of or closely associated with a general hospital;

"(2) prescribe general standards for facilities and equipment for centers of different classes and in different types of location; and

"(3) require that the State plan of a State submitted under section 237 provide for adequate community mental health centers for people residing in the State, and provide for adequate community mental health centers to furnish needed services for persons unable to pay therefor.

The National Advisory Mental Health Council shall be consulted by the Secretary before the issuance of regulations under this section.

"STATE PLAN

"SEC. 237. (a) A State plan for the provision of comprehensive mental health services within a State shall be comprised of the following two parts:

"(1) An administrative part containing provisions respecting the administration of the plan and related matters. Such part shall—

"(A) provide for the designation of a State advisory council to consult with the State agency in administering such plan, which council shall include (i) representatives of non-government organizations or groups, and of State agencies, concerned with the planning, operation, or use of community mental health centers or other mental health facilities, and (ii) representatives of consumers and providers of the services of such centers and facilities who are familiar with the need for such services;

"(B) provide that the State agency will make such reports in such form and containing such information as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports;

"(C) provide that the State agency will from time to time, but not less often than annually, review the State plan and submit to the Secretary appropriate modifications thereof which it considers necessary; and

"(D) include provisions, meeting such requirements as the Civil Service Commission may prescribe, relating to the establishment and maintenance of personnel standards on a merit basis.

"(2) A services and facilities part containing provisions respecting services to be offered within the State by community mental health centers and provisions respecting facilities for such centers. Such part shall—

"(A) be consistent with the provisions of the State plan prepared in accordance with section 1524(c)(2) of the Public Health Service Act or the State plan approved under section 314(a) of such Act, whichever is applicable, relating to the provisions of mental health services;

"(B) set forth a program for community mental health centers within the State (i) which is based on a statewide inventory of existing facilities and a survey of need for the comprehensive mental health services described in section 201(b); (ii) which conforms with regulations prescribed by the Secretary under section 236; and (iii) which shall provide for adequate community mental health centers to furnish needed services for persons unable to pay therefor;

"(C) set forth the relative need, determined in accordance with the regulations prescribed under section 236, for the projects included in the program described in subparagraph (B), and, in the case of projects under part C, provide for the completion of such projects in the order of such relative need;

"(D) emphasize the provision of outpatient services by community mental health centers as a preferable alternative to inpatient hospital services; and

"(E) provide minimum standards (to be fixed in the discretion of the State) for the maintenance and operation of centers which receive Federal aid under this title and provide for enforcement of such standards with respect to projects approved by the Secretary under this title.

"(b) The State agency shall administer or supervise the administration of the State plan.

"(c) A State shall submit a State plan in such form and manner as the Secretary shall by regulation prescribe. The Secretary shall approve any State plan (and any modification thereof) which complies with the requirements of subsection (a). The Secretary shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State.

"(d)(1) At the request of any State, a

portion of any allotment or allotments of such State under section 227 for any fiscal year shall be available to pay one-half (or such smaller share as the State may request) of the expenditures found necessary by the Secretary for the proper and efficient administration of the provisions of the State plan approved under this section which relate to projects under part C for facilities for community mental health centers; except that not more than 5 per centum of the total of the allotments of such State for any fiscal year, or $50,000, whichever is less, shall be available for such purpose. Amounts made available to any State under this paragraph from its allotment or allotments under section 227 for any fiscal year shall be available only for such expenditures (referred to in the preceding sentence) during such fiscal year or the following fiscal year. Payments of amounts due under this paragraph may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine.

"(2) Any amount paid under paragraph (1) to any State for any fiscal year for administration of the provisions of an approved State plan shall be paid on condition that there shall be expended from State sources for each year for administration of such provisions not less than the total amount expended for such purposes from such sources during the fiscal year ending June 30, 1968.

"CATCHMENT AREA REVIEW

"SEC. 238. Each State health planning and development agency designated for a State under section 1521 of the Public Health Service Act shall, in consultation with that State's mental health authority, periodically review the catchment areas of the community mental health centers located in that State to (1) insure that the sizes of such areas are such that the services to be provided through the centers (including their satellites) serving the areas are available and accessible to the residents of the areas promptly, as appropriate, (2) insure that the boundaries of such areas conform, to the extent practicable, with relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs, and (3) insure that the boundaries of such areas eliminate, to the extent possible, barriers to access to the services of the centers serving the areas, including barriers resulting from an area's physical characteristics, its residential patterns, its economic and social groupings, and available transportation.

"STATE CONTROL OF OPERATIONS

"SEC. 239. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any community mental health center with respect to which any funds have been or may be expended under this title.

"RECORDS AND AUDIT

"SEC. 240. (a) Each recipient of assistance under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the assistance received under this title.

"NONDUPLICATION

"SEC. 241. In determining the amount of any grant under part A, B, or C for the costs of any project there shall be excluded from such costs an amount equal to the sum of (1) the amount of any other Federal grant which the applicant for such grant has obtained, or is assured of obtaining, with respect to such project, and (2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

"DETERMINATION OF POVERTY AREA

"SEC. 242. For purposes of any determination by the Secretary under this title as to whether any urban or rural area is a poverty area, the Secretary may not determine that an area is an urban or rural poverty area unless—

"(1) such area contains one or more subareas which are characterized as subareas of poverty;

"(2) the population of such subarea or subareas constitutes a substantial portion of the population of such rural or urban area; and

"(3) the project, facility, or activity, in connection with which such determination is made, does, or (when completed or put into operation) will serve the needs of the residents of such subarea or subareas.

"PROTECTION OF PERSONAL RIGHTS

"SEC. 243. In making grants under parts A and B, the Secretary shall take such steps as may be necessary to assure that no individual shall be made the subject of any research involving surgery which is carried out (in whole or in part) with funds under such grants unless such individual explicitly agrees to become a subject of such research.

"REIMBURSEMENT

"SEC. 244. The Secretary shall, to the extent permitted by law, work with States, private insurers, community mental health centers, and other appropriate entities to assure that community mental health centers shall be eligible for reimbursement for their mental health services to the same extent as general hospitals and other licensed providers.

"SHORT TITLE

"SEC. 245. This title may be cited as the 'Community Mental Health Centers Act'.".

REPORT

SEC. 304. (a) Not later than one year after the date of the enactment of this Act the Secretary of Health, Education, and Welfare shall make a report to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate setting forth a plan, to be carried out in a period of five years, for the extension of comprehensive mental health services through community mental health centers to persons in all areas in which there is a demonstrated need for such services. Such plan shall, at a minimum, indicate on a phased basis the number of persons to be served by such services and an estimate of the cost and personnel requirements needed to provide such services.

(b) Not later than eighteen months after the date of the enactment of this Act the Secretary of Health, Education, and Welfare shall submit to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a report setting forth (1) national standards for care provided by community mental health centers, and (2) criteria for evaluation of community mental health centers and the quality of the services provided by the centers.

CONFORMING AMENDMENTS

SEC. 305. (a) Section 401 of the Mental Retardation Facility and Community Mental Health Centers Construction Act of 1963 is amended—

(1) by striking out paragraph (c);

(2) by amending paragraph (d) to read as follows:

"(d) The terms 'nonprofit facility for persons with developmental disabilities' and 'nonprofit private institution of higher learning' mean, respectively, a facility for persons with developmental disabilities and an institution of higher learning which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and the term 'nonprofit private agency or organization' means an agency or organization which is such a corporation or association or which is owned and operated by one or more of such corporations or associations."; and

(3) by—

(A) striking out "or part A of title II" in paragraph (h)(1),

(B) by striking out in paragraph (h)(2) "(A)" and "; and (B) for any project under part A of title II may not exceed 66⅔ per centum of the costs of construction of such project or the State's Federal percentage, whichever is the lower", and

(C) by striking out "or under part A of title II" in paragraph (h)(3).

(b) Section 403 of such Act is amended—

(1) by striking out ", or section 204 in the case of a community mental health center," in subsection (a),

(2) by striking out "or section 206, as the case may be," in such subsection,

(3) by striking out "or 205" in subsection (b), and

(4) by striking out the second sentence of subsection (c)(1).

(c) Section 404 is amended by striking out "or 205", "or 204(b)", and "or 206".

(d) Section 405 is amended—

(1) by striking out "or 205" in paragraph (1)(A),

(2) by striking out "or section 204 (in case of a community mental health center)" in such paragraph,

(3) by striking out "or community mental health center, as the case may be," in paragraph (2),

(4) by striking out "or such center as a community mental health center" in such paragraph,

(5) by striking out "or center" each place it occurs in the matter following paragraph (2), and

(6) by striking out "or community mental health center" in such matter.

(e) Section 406 is amended by striking out "or community mental health center".

TITLE IV—MIGRANT HEALTH CENTERS

MIGRANT HEALTH CENTERS

SEC. 401. (a) Section 319 of the Public Health Service Act is amended to read as follows:

"MIGRANT HEALTH

"SEC. 319. (a) For purposes of this section:

"(1) The term 'migrant health center' means an entity which either through its staff and supporting resources or through contracts or cooperative arrangements with other public or private entities provides—

"(A) primary health services,

"(B) as may be appropriate for particular centers, supplemental health services necessary for the adequate support of primary health services,

"(C) referral to providers of supplemental health services and payment, as appropriate and feasible, for their provision of such services,

"(D) environmental health services, including, as may be appropriate for particular centers, the detection and alleviation of unhealthful conditions associated with water supply, sewage treatment, solid waste disposal, rodent and parasitic infestation, field sanitation, housing, and other environmental factors related to health,

"(E) as may be appropriate for particular centers, infectious and parasitic disease screening and control,

"(F) as may be appropriate for particular centers, accident prevention programs, including prevention of excessive pesticide exposure, and

"(G) information on the availability and proper use of health services,

for migratory agricultural workers, seasonal agricultural workers, and the members of the families of such migratory and seasonal workers, within the area it serves (referred to in this section as a 'catchment area').

"(2) The term 'migratory agricultural workers' means an individual whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last twenty-four months, and who establishes for the purposes of such employment a temporary abode.

"(3) The term 'seasonal agricultural workers' means an individual whose principal employment is in agriculture on a seasonal basis and who is not a migratory agricultural worker.

"(4) The term 'agriculture' means farming in all its branches, including—

"(A) cultivation and tillage of the soil,

"(B) the production, cultivation, growing, and harvesting of any commodity grown on, in, or as an adjunct to or part of a commodity grown in or on, the land, and

"(C) any practice (including preparation and processing for market and delivery to storage or to market or to carriers for transportation to market) performed by a farmer or on a farm incident to or in conjunction with an activity described in subparagraph (B).

"(5) The term 'high impact area' means a health service area or other area which has not less than six thousand migratory agricultural workers and seasonal agricultural workers residing within its boundaries for more than two months in any calendar year. In computing the number of workers residing in an area, there shall be included as workers the members of the families of such workers.

"(6) The term 'primary health services' means—

"(A) services of physicians and, where feasible, services of physicians' assistants and nurse clinicians;

"(B) diagnostic laboratory and radiologic services;

"(C) preventive health services (including children's eye and ear examinations to determine the need for vision and hearing correction, perinatal services, well child services, and family planning services);

"(D) emergency medical services;

"(E) transportation services as required for adequate patient care; and

"(F) preventive dental services.

"(7) The term 'supplemental health services' means services which are not included as primary health services and which are—

"(A) hospital services;

"(B) home health services;

"(C) extended care facility services;

"(D) rehabilitative services (including physical therapy) and long-term physical medicine;

"(E) mental health services;

"(F) dental services;

"(G) vision services;

"(H) allied health services;

"(I) pharmaceutical services;

"(J) therapeutic radiologic services;

"(K) public health services (including nutrition education and social services);

"(L) health education services; and

"(M) services which promote and facilitate optimal use of primary health services and the services referred to in the preceding subparagraphs of this paragraph, including, if a substantial number of the individuals in the population served by a migrant health center are of limited English-speaking ability, the services of outreach workers fluent in the language spoken by a predominant number of such individuals.

"(b)(1) The Secretary shall assign to high impact areas and any other areas (where appropriate) priorities for the provision of assistance under this section to projects and programs in such areas. The highest priorities for such assistance shall be assigned to areas in which reside the greatest number of migratory agricultural workers and the members of their families for the longest period of time.

"(2) No application for a grant under subsection (c) or (d) for a project in an area which has no migratory agricultural workers may be approved unless grants have been provided for all approved applications under such subsections for projects in areas with migratory agricultural workers.

"(c)(1)(A) The Secretary may, in accordance with the priorities assigned under subsection (b)(1), make grants to public and nonprofit private entities for projects to plan and develop migrant health centers which will serve migratory agricultural workers, seasonal agricultural workers, and the members of the families of such migratory and seasonal workers, in high impact areas. A project for which a grant may be made under this subparagraph may include the cost of the acquisition and modernization of existing buildings (including the costs of amortizing the principal of, and paying the interest on, loans) and the costs of providing training related to the management of migrant health center programs, and shall include—

"(i) an assessment of the need that the workers (and the members of the families of such workers) proposed to be served by the migrant health center for which the project is undertaken have for primary health services, supplemental health services, and environmental health services;

"(ii) the design of a migrant health center program for such workers and the members of their families, based on such assessment;

"(iii) efforts to secure, within the proposed catchment area of such center, financial and professional assistance and support for the project; and

"(iv) initiation and encouragement of continuing community involvement in the development and operation of the project.

"(B) The Secretary may make grants to or enter into contracts with public and nonprofit private entities for projects to plan and develop programs in areas in which no migrant health center exists and in which not more than six thousand migratory agricultural workers and their families reside for more than two months—

"(i) for the provision of emergency care to migratory agricultural workers, seasonal agricultural workers, and the members of families of such migratory and seasonal workers;

"(ii) for the provision of primary care (as defined in regulations of the Secretary) for such workers and the members of their families;

"(iii) for the development of arrangements with existing facilities to provide primary health services (not included as primary care as defined under regulations under clause (ii)) to such workers and the members of their families; or

"(iv) which otherwise improve the health of such workers and their families.

Any such program may include the acquisition and modernization of existing buildings and providing training related to the management of programs assisted under this subparagraph.

"(2) Not more than two grants may be made under paragraph (1)(A) for the same project, and if a grant or contract is made or entered into under paragraph (1)(B) for a project, no other grant or contract under that paragraph may be made or entered into for the project.

"(3) The amount of any grant made under paragraph (1) for any project shall be determined by the Secretary.

"(d)(1)(A) The Secretary may, in accordance with priorities assigned under subsection (b)(1), make grants for the costs of operation of public and nonprofit private migrant health centers in high impact areas.

"(B) The Secretary may, in accordance with priorities assigned under subsection (b)(1), make grants for the costs of the operation of public and nonprofit entities which intend to become migrant health centers, which provide health services in high impact areas to migratory agricultural workers, seasonal agricultural workers, and the members of the families of such migratory and seasonal workers, but with respect to which he is unable to make each of the determinations required by subsection (f)(2). Not more than two grants may be made under this subparagraph for any entity.

"(C) The Secretary may make grants to and enter into contracts with public and nonprofit private entities for projects for the operation of programs in areas in which no migrant health center exists and in which not more than six thousand migratory agricultural workers and their families reside for more than two months—

"(i) for the provision of emergency care to migratory agricultural workers, seasonal agricultural workers, and the members of the families of such migratory and seasonal workers;

"(ii) for the provision of primary care (as defined in regulations of the Secretary) for such workers and the members of their families;

"(iii) for the development of arrangements with existing facilities to provide primary health services (not included as primary care as defined under regulations under clause (ii)) to such workers and the members of their families; or

"(iv) which otherwise improve the health of such workers and the members of their families.

Any such program may include the acquisition and modernization of existing buildings and providing training related to the management of programs assisted under this subparagraph.

"(2) The costs for which a grant may be made under paragraph (1)(A) or (1)(B) may include the costs of acquiring and modernizing existing buildings (including the costs of amortizing the principal of, and paying the interest on, loans); and the costs for which a grant or contract may be made under paragraph (1) may include the costs of providing training related to the provision of primary health services, supplemental health services, and environmental health services, and to the management of migrant health center programs.

"(3) The amount of any grant made under paragraph (1) shall be determined by the Secretary.

"(e) The Secretary may enter into contracts with public and private entities to—

"(1) assist the States in the implementation and enforcement of acceptable environmental health standards, including enforcement of standards for sanitation in migrant labor camps and applicable Federal and State pesticide control standards; and

"(2) conduct projects and studies to assist the several States and entities which have received grants or contracts under this section in the assessment of problems related to camp and field sanitation, pesticide hazards, and other environmental health hazards to which migratory agricultural workers, seasonal agricultural workers, and members of their families are exposed.

"(f)(1) No grant may be made under subsection (c) or (d) and no contract may be entered into under subsection (c)(1)(B), (d)(1)(C), or (e) unless an application therefor is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe. An application for a grant or contract which will cover the costs of modernizing a building shall include, in addition to other information required by the Secretary—

"(A) a description of the site of the building,

"(B) plans and specifications for its modernization, and

"(C) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on the modernization of the building will be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards referred to in subparagraph (C) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(2) The Secretary may not approve an application for a grant under subsection (d)(1)(A) unless the Secretary determines that the entity for which the application is submitted is a migrant health center (within the meaning of subsection (a)(1)) and that—

"(A) the primary health services of the center will be available and accessible in the center's catchment area promptly, as appropriate, and in a manner which assures continuity;

"(B) the center will have organizational arrangements, established in accordance with regulations of the Secretary, for (i) an ongoing quality assurance program (including utilization and peer review systems) respecting the center's services, and (ii) maintaining the confidentiality of patient records;

"(C) the center will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

"(D) the center (i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan, or (ii) has made or will make every reasonable effort to enter into such an arrangement;

"(E) the center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

"(F) the center (i) has prepared a schedule of fees or payments for the provisions of its services designed to cover its reasonable costs of operation and a corresponding schedule of discounts to be applied to the payment of such fees or payments, which discounts are adjusted on the basis of the patient's ability to pay, (ii) has made and will continue to make every reasonable effort (I) to secure from patients payment for services in accordance with such schedules, and (II) to collect reimbursement for health services to persons described in subparagraph (E) on the basis of the full amount of fees and payments for such services without application of any discount, and (iii) has submitted to the Secretary such reports as he may require to determine compliance with this subparagraph;

"(G) the center has established a governing board which (i) is composed of individuals a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center, and (ii) establishes general policies for the center (including the selection of services to be provided by the center and a schedule of hours during which services will be provided), approves the center's annual budget, and approves the selection of a director for the center;

"(H) the center has developed, in accordance with regulations of the Secretary, (i) an overall plan and budget that meets the requirements of section 1861(z) of the Social Security Act, and (ii) an effective procedure for compiling and reporting to the Secretary such statistics and other information as the Secretary may require relating to (I) the costs of its operations, (II) the patterns of use of its services, (III) the availability, accessibility, and acceptability of its services, and (IV) such other matters relating to operations of the applicant as the Secretary may, by regulation, require;

"(I) the center will review periodically its catchment area to (i) insure that the size of such area is such that the services to be provided through the center (including any satellite) are available and accessible to the migratory agricultural workers, seasonal agricultural workers, and the members of the families of such migratory and seasonal workers, in the area promptly and as appropriate, (ii) insure that the boundaries of such area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs, and (iii) insure that the boundaries of such area eliminate, to the extent possible, barriers to access to the services of the center, including barriers resulting from the area's physical characteristics, its residential patterns, its economic and social groupings, and available transportation; and

"(J) in the case of a center which serves a population including a substantial proportion of individuals of limited English-speaking ability, the center has (i) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals, and (ii) identified an individual on its staff who is fluent in both that language and English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences.

"(3) In considering applicants for grants and contracts under subsection (c) or (d)(1)(C), the Secretary shall give priority to applications submitted by community-based organizations which are representative of the populations to be served through the projects, programs, or centers to be assisted by such grants or contracts.

"(4) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(g) The Secretary may provide (either through the Department of Health, Education, and Welfare or by grant or contract) all necessary technical and other nonfinancial assistance (including fiscal and program management assistance and training in such management) to any migrant health center or to any public or private nonprofit entity to assist it in developing plans for, and in operating as, a migrant health center, and in meeting the requirements of subsection (f)(2).

"(h)(1) There are authorized to be appropriated for payments pursuant to grants and contracts under subsection (c)(1) $4,000,000 for fiscal year 1976, and $4,000,000 for fiscal year 1977. Of the funds appropriated under this paragraph for fiscal year 1976, not more than 30 per centum of such funds may be made available for grants and contracts under subsection (c)(1)(B), and of the funds appropriated under this paragraph for the next fiscal year, not more than 25 per centum of such funds may be made available for grants and contracts under such subsection.

"(2) There are authorized to be appropriated for payments pursuant to grants and contracts under subsection (d)(1) (other than for payments under such grants and contracts for the provision of inpatient and outpatient hospital services) and for payments pursuant to contracts under subsection (e) $30,000,000 for fiscal year 1976, and $35,000,000 for fiscal year 1977. Of the funds appropriated under the first sentence for fiscal year 1976, there shall be made available for grants and contracts under subsection (d)(1)(C) an amount not exceeding the greater of 30 per centum of such funds or 90 per centum of the amount of grants made under this section for the preceding fiscal year for programs described in subsection (d)(1)(C). Of the funds appropriated under the first sentence for fiscal year 1977, there shall be made available for grants and contracts under subsection (d)(1)(C) an amount not exceeding the greater of 25 per centum of such funds or 90 per centum of the amount of grants made under this section for the preceding fiscal year for programs described in subsection (d)(1)(C) which received grants under this section for the fiscal year ending June 30, 1975. Of the funds appropriated under this paragraph for any fiscal year, not more than 10 per centum of such funds may be made available for contracts under subsection (e).

"(3) There are authorized to be appropriated for payments under grants and contracts under subsection (d)(1) for the provision of inpatient and outpatient hospital services $5,000,000 for fiscal year 1976, and $5,000,000 for fiscal year 1977."

(b) Section 217 of the Public Health Service Act is amended by adding after the subsection (f) added by Public Law 93-248 the following new subsection:

"(g)(1) Within 120 days of the date of the enactment of this subsection, the Secretary shall appoint and organize a National Advisory Council on Migrant Health (hereinafter in this subsection referred to as the 'Council') which shall advise, consult with, and make recommendations to, the Secretary on matters concerning the organization, operation, selection, and funding of migrant health centers and other entities under grants and contracts under section 319.

"(2) The Council shall consist of fifteen members, at least twelve of whom shall be members of the governing boards of migrant health centers or other entities assisted under section 319. Of such twelve members who are members of such governing boards, at least nine shall be chosen from among those members of such governing boards who are being served by such centers or grantees and who are familiar with the delivery of health care to migratory agricultural workers and seasonal agricultural workers. The remaining three Council members shall be individuals qualified by training and experience in the medical sciences or in the administration of health programs.

"(3) Each member of the Council shall hold office for a term of four years, except that (A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (B) the terms of the members first taking office after the date of enactment of this subsection shall expire as follows: four shall expire four years after such date, four shall expire three years after such date, four shall expire two years after such date, and three shall expire one year after such date, as designated by the Secretary at the time of appointment.

"(4) Section 14(a) of the Federal Advisory Committee Act shall not apply to the Council.".

(c) (1) The Secretary of Health, Education, and Welfare (hereinafter in this subsection referred to as the "Secretary") shall conduct or arrange for the conduct of a study of—

(A) the quality of housing which is available to agricultural migratory workers in the United States during the period of their employment in seasonal agricultural activities while away from their permanent abodes;

(B) the effect on the health of such workers of deficiencies in their housing conditions during such period; and

(C) Federal, State, and local government standards respecting housing conditions for such workers during such period and the adequacy of the enforcement of such standards.

In conducting or arranging for the conduct of such study, the Secretary shall consult with the Secretary of Housing and Urban Development.

(2) Such study shall be completed and a report detailing the findings of the study and the recommendations of the Secretary for Federal action (including legislation) respecting such housing conditions shall be submitted to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate within eighteen months of the date of the enactment of the first Act making appropriations for such study.

TITLE V—COMMUNITY HEALTH CENTERS

COMMUNITY HEALTH CENTERS

SEC. 501. (a) Part C of title III of the Public Health Service Act is amended by adding after section 329 the following new section:

"COMMUNITY HEALTH CENTERS

"SEC. 330. (a) For purposes of this section, the term 'community health center' means an entity which either through its staff and supporting resources or through contracts or cooperative arrangements with other public or private entities provides—

"(1) primarily health services,

"(2) as may be appropriate for particular centers, supplemental health services necessary for the adequate support of primary health services,

"(3) referral to providers of supplemental health services and payment, as appropriate and feasible, for their provision of such services,

"(4) as may be appropriate for particular centers, environmental health services, and

"(5) information on the availability and proper use of health services,

for all residents of the area it serves (referred to in this section as a 'catchment area').

"(b) For purposes of this section:

"(1) The term 'primary health services' means—

"(A) services of physicians and, where feasible, services of physicians' assistants and nurse clinicians;

"(B) diagnostic laboratory and radiologic services;

"(C) preventive health services (including children's eye and ear examinations to determine the need for vision and hearing correction, perinatal services, well child services, and family planning services);

"(D) emergency medical services;

"(E) transportation services as required for adequate patient care; and

"(F) preventive dental services.

"(2) The term 'supplemental health services' means services which are not included as primary health services and which are—

"(A) hospital services;

"(B) home health services;

"(C) extended care facility services;

"(D) rehabilitative services (including physical therapy) and long-term physical medicine;

"(E) mental health services;

"(F) dental services;

"(G) vision services;

"(H) allied health services;

"(I) pharmaceutical services;

"(J) therapeutic radiologic services;

"(K) public health services (including nutrition education and social services);

"(L) health education services; and

"(M) services which promote and facilitate optimal use of primary health services and the services referred to in the preceding subparagraphs of this paragraph, including, if a substantial number of the individuals in the population served by a community health center are of limited English-speaking ability, the services of outreach workers fluent in the language spoken by a predominant number of such individuals.

"(3) The term 'medically underserved population' means the population of an urban or rural area designated by the Secretary as an area with a shortage of personal health services or a population group designated by the Secretary as having a shortage of such services.

"(c) (1) The Secretary may make grants to public and nonprofit private entities for projects to plan and develop community health centers which will serve medically underserved populations. A project for which a grant may be made under this subsection may include the cost of the acquisition and modernization of existing buildings (including the costs of amortizing the principal of, and paying the interest on, loans) and shall include—

"(A) an assessment of the need that the population proposed to be served by the community health center for which the project is undertaken has for primary health services, supplemental health services, and environmental health services;

"(B) the design of a community health center program for such population based on such assessment;

"(C) efforts to secure, within the proposed catchment area of such center, financial and professional assistance and support for the project; and

"(D) initiation and encouragement of continuing community involvement in the development and operation of the project.

"(2) Not more than two grants may be made under this subsection for the same project.

"(3) The amount of any grant made under this subsection for any project shall be determined by the Secretary.

"(d) (1) (A) The Secretary may make grants for the costs of operation of public and nonprofit private community health centers which serve medically underserved populations.

"(B) The Secretary may make grants for the costs of the operation of public and nonprofit private entities which provide health services to medically underserved populations but with respect to which he is unable to make each of the determinations required by subsection (e) (2).

"(2) The costs for which a grant may be made under paragraph (1) may include the costs of acquiring and modernizing existing buildings (including the costs of amortizing the principal of, and paying interest on, loans) and the costs of providing training related to the provision of primary health services, supplemental health services and environmental health services, and to the management of community health center programs.

"(3) Not more than two grants may be made under paragraph (1) (B) for the same entity.

"(4) The amount of any grant made under paragraph (1) shall be determined by the Secretary.

"(e) (1) No grant may be made under subsection (e) or (d) unless an application therefor is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe. An application for a grant which will cover the costs of modernizing a building shall include, in addition to other information required by the Secretary—

"(A) a description of the site of the building.

"(B) plans and specifications for its modernization, and

"(C) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on the modernization of the building will be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards referred to in subparagraph (C) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(2) Except as provided in subsection (d) (1) (B), the Secretary may not approve an application for a grant under subsection (d) unless the Secretary determines that the entity for which the application is submitted is a community health center (within the meaning of subsection (a)) and that—

"(A) the primary health services of the center will be available and accessible in the center's catchment area promptly, as appropriate, and in a manner which assures continuity;

"(B) the center will have organizational arrangements, established in accordance with regulations prescribed by the Secretary, for (i) an ongoing quality assurance program (including utilization and peer review systems) respecting the center's services, and (ii) maintaining the confidentiality of patient records;

"(C) the center will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

"(D) the center (i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan, or (ii) has made or will make every reasonable effort to enter into such an arrangement;

"(E) the center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

"(F) the center (i) has prepared a schedule of fees or payments for the provision of its services designed to cover its reasonable costs of operation and a corresponding schedule of discounts to be applied to the payment of such fees or payments, which discounts are adjusted on the basis of the patient's ability to pay, (ii) has made and will continue to make every reasonable effort (I) to secure from patients payment for services in accordance with such schedules, and (II) to collect reimbursement for health services to persons described in subparagraph (E) on the basis of the full amount of fees and payments for such services without application of any discount, and (iii) has submitted to the Secretary such reports as he may require to determine compliance with this subparagraph;

"(G) the center has established a governing board which (i) is composed of individuals a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center, and (ii) meets at least once a month, establishes general policies for the center (including the selection of services to be provided by the center and a schedule of hours during which services will be provided), approves the center's annual budget, and approves the selection of a director for the center;

"(H) the center has developed, in accordance with regulations of the Secretary, (i) an overall plan and budget that meets the requirements of section 1861(z) of the Social Security Act, and (ii) an effective procedure for compiling and reporting to the Secretary such statistics and other information as the Secretary may require relating to (I) the costs of its operations, (II) the patterns of use of its services, (III) the availability, accessibility, and acceptability of its services, and (IV) such other matters relating to operations of the applicant as the Secretary may, by regulation, require;

"(I) the center will review periodically its catchment area to (i) insure that the size of such area is such that the services to be provided through the center (including any satellite) are available and accessible to the residents of the area promptly and as appropriate, (ii) insure that the boundaries of such area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs, and (iii) insure that the boundaries of such area eliminate, to the extent possible, barriers to access to the services of the center, including barriers resulting from the area's physical characteristics, its residential patterns, its economic and social groupings, and available transportation; and

"(J) in the case of a center which serves a population including a substantial proportion of individuals of limited English-speaking ability, the center has (i) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals, and (ii) identified an individual on its staff who is fluent in both that language and in English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences.

"(f) The Secretary may provide (either through the Department of Health, Education, and Welfare or by grant or contract) all necessary technical and other nonfinancial assistance (including fiscal and program management assistance and training in such management) to any public or private nonprofit entity to assist it in developing plans for, and in operating as, a community health center, and in meeting requirements of subsection (e)(2).

"(g)(1) There are authorized to be appropriated for payments pursuant to grants under subsection (c) $5,000,000 for fiscal year 1976, and $5,000,000 for fiscal year 1977.

"(2) There are authorized to be appropriated for payments pursuant to grants under subsection (d) $215,000,00 for fiscal year 1976, and $235,000,000 for fiscal year 1977."

(b) Section 314(e) of the Public Health Service Act is repealed.

TITLE VI—MISCELLANEOUS

DISEASES BORNE BY RODENTS

SEC. 601. (a) Section 317(h)(1) of the Public Health Service Act is amended by striking out "and RH disease" and inserting in lieu thereof ", RH disease, and diseases borne by rodents".

(b) Section 317(d)(3) of such Act is amended by adding at the end thereof the following: "There is authorized to be appropriated for fiscal year 1976 $20,000,000 for grants under this section for communicable and other disease control programs for diseases borne by rodents.".

HOME HEALTH SERVICES

SEC. 602. (a)(1) For the purpose of demonstrating the establishment and initial operation of public and nonprofit private agencies (as defined in section 1861(o) of the Social Security Act) which will provide home health services (as defined in section 1861(m) of the Social Security Act) in areas in which such services are not otherwise available, the Secretary of Health, Education, and Welfare may, in accordance with the provisions of this section, make grants to meet the initial costs of establishing and operating such agencies and expanding the services available through existing agencies, and to meet the costs of compensating professional and paraprofessional personnel during the initial operation of such agencies or the expansion of services of existing agencies.

(2) In making grants under this subsection, the Secretary shall consider the relative needs of the several States for home health services and preference shall be given to areas within a State in which a high percentage of the population proposed to be served is composed of individuals who are elderly, medically indigent, or both.

(3) Applications for grants under this subsection shall be in such form and contain such information as the Secretary shall prescribe by regulation.

(4) Payment of grants under this subsection may be made in advance or by way of reimbursement or in installments as the Secretary may determine.

(5) There are authorized to be appropriated $8,000,000 for fiscal year 1976 for payments under grants under this subsection.

(b)(1) The Secretary of Health, Education, and Welfare may make grants to public and nonprofit private entities to assist them in demonstrating the training of professional and paraprofessional personnel to provide home health services (as defined in section 1861(m) of the Social Security Act).

(2) Applications for grants under this subsection shall be in such form and contain such information as the Secretary shall by regulations prescribe.

(3) Payment of grants under this section may be made in advance or by way of reimbursement, or in installments, as the Secretary shall determine.

(4) There is authorized to be appropriated $2,000,000 for fiscal year 1976 for payments under grants under this subsection.

COMMITTEE ON MENTAL HEALTH AND ILLNESS OF THE ELDERLY

SEC. 603. (a) The Secretary of Health, Education, and Welfare shall appoint a Committee on Mental Health and Illness of the Elderly (hereinafter in this section referred to as the "Committee") to make a study of and recommendations respecting—

(1) the future needs for mental health facilities, manpower, research, and training to meet the mental health care needs of elderly persons,

(2) the appropriate care of elderly persons who are in mental institutions or who have been discharged from such institutions, and

(3) proposals for implementing the recommendations of the 1971 White House Conference on Aging respecting the mental health of the elderly.

(b) Within one year from the date of enactment of this Act the Secretary shall report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives the findings of the Committee under the study under subsection (a) and the Committee's recommendations under such subsection.

(c)(1) The Committee shall be composed of nine members appointed by the Secretary of Health, Education, and Welfare. The Committee shall include at least one member from each of the fields of psychology, psychiatry, social science, social work, and nursing. Each member of the Committee shall by training, experience, or attainments be exceptionally qualified to assist in carrying out the functions of the Committee.

(2) Members of the Committee shall receive compensation at a rate to be fixed by the Secretary, but not exceeding the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule, for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Committee. While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(d) The Committee shall cease to exist thirty days after the submission of the report pursuant to subsection (b).

COMMISSION FOR CONTROL OF EPILEPSY

SEC. 604. (a) The Secretary of Health, Education, and Welfare shall establish a temporary commission to be known as the Commission for the Control of Epilepsy and Its Consequences (hereinafter referred to in this section as the "Commission").

(b) It shall be the duty of the Commission to—

(1) make a comprehensive study of the state of the art of medical and social management of the epilepsies in the United States;

(2) investigate and make recommendations concerning the proper roles of Federal and State governments and national and local public and private agencies in research, prevention, identification, treatment, and rehabilitation of persons with epilepsy;

(3) develop a comprehensive national plan for the control of epilepsy and its consequences based on the most thorough, complete, and accurate data and information available on the disorder; and

(4) transmit to the President and the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, not later than one year after the date of enactment of this Act, a report detailing the findings and conclusions of the Commission, together with recommendations for legislation and appropriations, as it deems advisable.

(c)(1) The Commission shall be composed of nine members to be appointed by the Secretary of Health, Education, and Welfare. Such members shall be persons, including consumers of health services, who, by reason of experience or training in the medical, social, or educational aspects of the epilepsies, are especially qualified to serve on such Commission.

(2) The Secretary shall designate one of the members of the Commission to serve as Chairman and one to serve as Vice Chairman. Vacancies shall be filled in the same manner in which the original appointments were

made. Any vacancy in the Commission shall not affect its powers.

(3) Any member of the Commission who is otherwise employed by the Federal Government shall serve without compensation in addition to that received in his regular employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of his duties on the Commission.

(4) Members of the Commission, other than those referred to in paragraph (3), shall receive compensation at rates, not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, for each day (including traveltime) they are engaged in the performance of their duties and, while so serving away from their homes or regular places of business, each member shall be allowed travel expenses, including per diem in lieu of subsistence in the same manner as is authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(d) The Commission shall cease to exist thirty days after the submission of the final report required by subsection (b) (4).

COMMISSION FOR CONTROL OF HUNTINGTON'S DISEASE

SEC. 605. (a) The Secretary of Health, Education, and Welfare shall establish a temporary commission to be known as the Commission for the Control of Huntington's Disease and Its Consequences (hereinafter referred to in this section as the "Commission").

(b) It shall be the duty of the Commission to—

(1) make a comprehensive study of the state of the art of medical and social management of Huntington's disease in the United States;

(2) investigate and make recommendations concerning the proper roles of Federal and State governments and national and local public and private agencies in research, prevention, identification, treatment, and rehabilitation of persons with Huntington's disease;

(3) develop a comprehensive national plan for the control of Huntington's disease and its consequences based on the most thorough, complete, and accurate data and information available on the disorder; and

(4) transmit to the President and the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, not later than one year after the date of enactment of this Act, a report detailing the findings and conclusions of the Commission, together with recommendations for legislation and appropriations, as it deems advisable.

(c) (1) The Commission shall be composed of nine members to be appointed by the Secretary of Health, Education, and Welfare. Such members shall be persons, including consumers of health services, who, by reason of experience or training in the medical, social, or educational aspects of Huntington's disease, are especially qualified to serve on such Commission.

(2) The Secretary shall designate one of the members of the Commission to serve as Chairman and one to serve as Vice Chairman. Vacancies shall be filled in the same manner in which the original appointments were made. Any vacancy in the Commission shall not affect its powers.

(3) Any member of the Commission who is otherwise employed by the Federal Government shall serve without compensation in addition to that received in his regular employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of his duties on the Commission.

(4) Members of the Commission, other than those referred to in paragraph (3), shall receive compensation at rates, not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, for each day (including traveltime) they are engaged in the performance of their duties and, while so serving away from their homes or regular places of business, each including per diem in lieu of subsistence in the same manner as is authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(d) The Commission shall cease to exist thirty days after the submission of the final report required by subsection (b) (4).

HEMOPHILIA PROGRAMS

SEC. 606. Title XI of the Public Health Service Act is amended by adding after part C the following new part:

"PART D—HEMOPHILIA PROGRAMS

"TREATMENT CENTERS

"SEC. 1131. (a) The Secretary may make grants to and enter into contracts with public and nonprofit private entities for projects for the establishment of comprehensive hemophilia diagnostic and treatment centers. A center established under this subsection shall provide—

"(1) access to the services of the center for all individuals suffering from hemophilia who reside within the geographic area served by the center;

"(2) programs for the training of professional and paraprofessional personnel in hemophilia research, diagnosis, and treatment;

"(3) a program for the diagnosis and treatment of individuals suffering from hemophilia who are being treated on an outpatient basis;

"(4) a program for association with providers of health care who are treating individuals suffering from hemophilia in areas not conveniently served directly by such center but who are more conveniently (as determined by the Secretary) served by it than by the next geographically closest center;

"(5) programs of social and vocational counseling for individuals suffering from the hemophilia; and

"(6) individualized written comprehensive care programs for each individual treated by or in association with such center.

"(b) No grant or contract may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(c) An application for a grant or contract under subsection (a) shall contain assurances satisfactory to the Secretary that the applicant will serve the maximum number of individuals that its available and potential resources will enable it to effectively serve.

"(d) In considering applications for grants and contracts under subsection (a) for projects to establish hemophilia diagnostic and treatment centers, the Secretary shall

"(1) take into account the number of persons to be served by the programs to be supported by such centers and the extent to which rapid and effective use will be made by such centers of funds under such grants and contracts, and

"(2) give priority to projects for centers which will operate in areas which the Secretray determines have the greatest number of persons in need of the services provided by such centers.

"(e) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(f) There are authorized to be appropriated to make payments under grants and contracts under subsection (a) $3,000,000 for fiscal year 1976, and $4,000,000 for fiscal year 1977.

"BLOOD SEPARATION CENTERS

"SEC. 1132. (a) The Secretary may make grants to and enter into contracts with public and nonprofit private entities for projects to develop and expand, within existing facilities, blood-separation centers to separate and make available for distribution blood components to providers of blood services and manufactures of blood fractions. For purposes of this section—

"(1) the term 'blood components' means those constituents of whole blood which are used for therapy and which are obtained by physical separation processes which result in licensed products such as red blood cells, platelets, white blood cells, AHF-rich plasma, fresh-frozen plasma, cryoprecipitate, and single unit plasma for infusion; and

"(2) the term 'blood fractions' means those constituents of plasma which are used for therapy and which are obtained by licensed fractionation processes presently used in manufacturing which result in licensed products such as normal serum albumin, plasma, protein fraction, prothrombin complex, fibrinogen, AHF concentrate, immune serum globulin, and hyperimmune globulins.

"(b) In the event the Secretary finds that there is an insufficient supply of blood fractions available to meet the needs for treatment of persons suffering from hemophilia, and that public and other nonprofit private centers already engaged in the production of blood fractions could alleviate such insufficiency with assistance under this subsection, he may make grants not to exced $500,000 to such centers for the purposes of alleviating the insufficiency.

"(c) No grant or contract may be made under subsection (a) or (b) unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

"(d) Contracts may be entered into under subsection (a) without regard to section 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(e) For the purpose of making payments under grants and contracts under subsections (a) and (b), there are authorized to be appropriated $4,000,000 for fiscal year 1976, and $5,000,000 for fiscal year 1977."

TECHNICAL AMENDMENTS

SEC. 607. (a) Section 399c of the Public Health Service Act (added by Public Law 93–222) is redesignated as section 399A.

(b) The section 472 of the Public Health Service Act entitled "Peer Review of Grant Applications and Control Projects" is redesignated as section 475.

(c) The amendments made by subsections (a) and (b) shall take effect on the date of the enactment of this Act.

EFFECTIVE DATE

SEC. 608. Except as may otherwise be specifically provided, the amendments made by this title and by titles I, II, III, IV, and V of this Act shall take effect July 1, 1975. The amendments made by this title and by such titles to the provisions of law amended by this title and by such titles are made to such provisions as amended by title VII of this Act.

TITLE VII—EXTENSION OF CURRENT AUTHORITIES THROUGH FISCAL YEAR 1975

SEC. 701. (a) Section 314(d)(1) of the Public Health Services Act (relating to grants for comprehensive public health services) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(b) (1) The first sentence of section 314(e) of such Act (relating to project grants for health services development) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(2) The next to last sentence of such section is amended (A) by striking out "1974" and inserting "1975", and (B) by striking out "title I of the Health Programs Extension Act of 1973" and inserting in lieu thereof "title VII of the Health Revenue Sharing and Health Services Act of 1975".

(c) Section 319 of such Act (relating to migrant health) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(d) Section 1001(c), 1003(b), 1004(b), and 1005(b) of title X of such Act (relating to population research and family planning), are each amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(e) (1) Section 201 of the Community Mental Health Centers Act (relating to grants for construction) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(2) Section 207 of such Act is amended by striking out "1974" and inserting "1975".

(3) Section 221(b) of such Act is amended by striking out "1974" each place it occurs and inserting in lieu thereof "1975".

(4) Section 224(a) of such Act (relating to staffing grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(5) (A) Section 246 of such Act (relating to alcoholism programs) is amended by striking out "1974" and inserting in lieu thereof "1975".

(B) Section 247(d) of such Act is amended by striking out "and June 30, 1974" and inserting in lieu thereof "June 30, 1974, and June 30, 1975".

(6) (A) Section 252 of such Act (relating to drug abuse programs) is amended by striking out "1974" and inserting in lieu thereof "1975".

(B) Section 253(d) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(C) Section 256(e) of such Act is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(7) Section 261 of such Act (relating to authorizations for alcoholism and drug abuse programs) is amended (A) by striking out "for the fiscal year ending June 30, 1974" in subsection (a) and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975", and (B) by striking out "1974" in subsection (b) and inserting in lieu thereof "1975".

(8) Section 271(d) of such Act (relating to mental health of children) is amended (A) by striking out "for the fiscal year ending June 30, 1974" in paragraph (1) and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975", and (B) by striking out "1974" in paragraph (2) and inserting in lieu thereof "1975".

TITLE VIII—NATIONAL HEALTH SERVICE CORPS

EXTENSION OF CURRENT AUTHORITY THROUGH FISCAL YEAR 1976

Sec. 801. Subsection (h) of section 329 of the Public Health Service Act is amended—

(1) by striking out "and" after "1973;", and

(2) by adding before the period at the end the following: "; $16,000,000 for the fiscal year ending June 30, 1975; and $30,000,000 for the fiscal year ending June 30, 1976".

GRANTS AND SALES OR TRANSFERS OF PROPERTY

Sec. 802. Subsection (d) of such section is amended by redesignating paragraph (2) as paragraph (4) and inserting after paragraph (1) the following new paragraphs:

"(2) The Secretary may make a grant to any applicant with an approved application for the assignment of Corps personnel to assist the entity in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring supplies and equipment for their use in providing health services, and other expenses related to the provision of health services. Not more than one grant may be made with respect to any one health manpower shortage area designated under subsection (b) (1). No grant may be made under this paragraph unless an application therefor is submitted to, and approved by, the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may exceed $25,000.

"(3) Upon the expiration of the assignment of Corps personnel to provide health services for the residents of a critical health manpower shortage area, the Secretary (notwithstanding any other provision of law) may (A) sell (at fair market value (as determined by the Secretary)) to the entity which submitted the last approved application for the assignment of Corps personnel for such area equipment and supplies of the United States utilized by such personnel in providing health services or (B) if the Secretary determines that the entity is financially unable to purchase such supplies or equipment at their fair market value, sell to such entity such supplies or equipment at less than fair market value or transfer such supplies or equipment to the entity."

THIRD PARTY PAYMENT COLLECTIONS

Sec. 803. Paragraph 2 of subsection (b) of such section is amended (1) by striking out the last 2 sentences of subparagraph (C), and (2) by adding after subparagraph (C) the following new subparagraph:

"(D) (i) The Secretary shall require as a condition to the approval of an application for the assignment of Corps personnel that the entity which submits the application enter into an appropriate arrangement with the Secretary under which the entity shall take such action as may be reasonable for the collection of payments for health services provided by Corps personnel, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for payment of all or part of the cost of such health services if it had not been provided by Corps personnel under this section, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners).

"(ii) Any funds collected by an entity under clause (i) shall be paid to the Secretary for deposit in the Treasury as miscellaneous receipts. Such funds shall be disregarded in determining (I) the amounts of appropriations to be requested under subsection (h), and (II) the amounts to be made available from appropriations under such subsection to carry out this section. The Secretary may waive in whole or in part the application of the requirement of the first sentence to an entity if he determines that compliance with such requirement would unduly limit the ability of the entity to maintain the quality or level of health services provided by Corps personnel."

TITLE IX—NURSE TRAINING

SHORT TITLE; REFERENCE TO ACT

Sec. 901. (a) This title may be cited as the "Nurse Training Act of 1975".

(b) Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

Part A—One-Year Extension

EXTENSION OF EXISTING AUTHORITIES THROUGH FISCAL YEAR 1975

Sec. 902. (a) Section 801 (relating to construction grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(b) Section 806(i) (relating to capitation grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(c) Section 808 (relating to special project grants and contracts and financial distress grants) is amended by striking out "for the fiscal year ending June 30, 1974" each place it occurs and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(d) Section 809 (relating to loan guarantees and interest subsidies) is amended—

(1) by striking out "1974" in subsections (a) and (b) and inserting in lieu thereof "1975", and

(2) by striking out "in the fiscal year ending June 30, 1974" in subsection (e) and inserting in lieu thereof "in the fiscal year ending June 30, 1974, or in the next fiscal year".

(e) Section 810(d) (relating to start-up grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(f) Section 860 (relating to scholarships) is amended—

(1) by striking out "next two fiscal years" in subsection (b) and inserting in lieu thereof "next three fiscal years",

(2) by striking out "1975" in that subsection and inserting in lieu thereof "1976",

(3) by striking out "1974" in that subsection and inserting in lieu thereof "1975",

(4) by striking out "the next two fiscal years" in subsection (c) (1) (A) and inserting in lieu thereof "the next three fiscal years",

(5) by striking out "1974" in subsection (c) (1) (B) and inserting in lieu thereof "1975", and

(6) by striking out "1975" in that subsection and inserting in lieu thereof "1976".

(g) Section 868(b) (relating to recruitment programs) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

Part B—Revision and Extension of Programs Through Fiscal Year 1974

Subpart 1—Effective Date

EFFECTIVE DATE

Sec. 905. Except as may otherwise be specifically provided, the amendments made by this part shall take effect July 1, 1975. The amendments made by this part to provisions of title VIII of the Public Health Service Act (hereinafter in this part referred to as the "Act") are made to such provisions as amended by part A of this title.

Subpart 2—Construction Assistance

EXTENSION OF GRANTS AND LOAN GUARANTEES AND INTEREST SUBSIDIES

SEC. 910. (a)(1) Section 801 is amended by striking out "and" after "1973,"; and by inserting before the period a comma and the following: "$20,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978".

(2) Effective with respect to grants for construction projects under part A of title VIII of the Act made from appropriations under section 801 of the Act, section 802(c)(1)(A) is amended (A) by inserting "(i)" after "proposed facilities", and (B) by inserting before the semicolon ", or (ii) in expanding the capacity of the school to provide graduate training".

(b)(1)(A) Subsections (a) and (b) of section 809 are each amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1978".

(B)(i) The last sentence of subsection (a) of section 809 is amended (I) by striking out "(1)" and (II) by striking out all after "the project" and inserting in lieu thereof a period.

(ii) The amendment made by clause (i) shall apply with respect to loans guaranteed under subpart I of part A of title VIII of the Act after the date of the enactment of this Act.

(2) The second sentence of subsection (e) of such section is amended (A) by striking out "and" after "1973,", and (B) by inserting after "the next fiscal year" a comma and the following: "$1,000,000 in fiscal year 1976, $1,000,000 in fiscal year 1977, and $1,000,000 in fiscal year 1978".

(c)(1) Subsection (a) of section 809 is amended by inserting "or the Federal Financing Bank" and "non-Federal lenders".

(2) Subsection (b) of section 809 is amended by inserting "or the Federal Financing Bank" after "non-Federal lender".

TECHNICAL AMENDMENTS

SEC. 911. (a)(1) Title VIII is amended by inserting after the heading for part A the following:

"Subpart I—Construction Assistance

(2) The heading for part A is amended by striking out "GRANTS" and inserting in lieu thereof "ASSISTANCE".

(b) Section 809 is inserted after section 804 and is redesignated as section 805.

Subpart 3—Capitation Grants

EXTENSION AND REVISION OF CAPITATION GRANTS

SEC. 915. (a) Section 806(a) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) Each collegiate school of nursing shall receive $400 for each undergraduate full-time student enrolled in each of the last two years of such school in such year.

"(2) Each associate degree school of nursing shall receive (A) the product of $275 and one-half of the number of full-time students enrolled in the first year of such school in such year, and (B) $275 for each full-time student enrolled in the last year of such school in such year.

"(3) Each diploma school of nursing shall receive $250 for each full-time student enrolled in such school in such year.".

(b) Subsections (c), (d), (e), and (f) of section 806 are repealed and the following new subsection is inserted after subsection (b):

"(c)(1) REQUIREMENTS FOR GRANTS.—The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(A) the first-year enrollment of full-time students in the school in the school year beginning after the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year; and

"(B) that the school will expend in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purposes (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought.

The requirement of subparagraph (A) shall be in addition to the requirements of section 802(b)(2)(D), where applicable.

"(2) The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless one of the following requirements is met:

"(A) The application for such grant shall contain or be supported by reasonable assurances satisfactory to the Secretary that for the school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than one hundred, or

"(ii) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred.

"(B) The school has provided reasonable assurance satisfactory to the Secretary that it will carry out, in accordance with a plan submitted by the school to the Secretary and approved by him, at least two of the following programs in the school year beginning after the close of the fiscal year in which such grant is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made:

"(i) In the case of collegiate schools of nursing, a program for the training of nurse practitioners (as defined in section 822).

"(ii) A program under which students enrolled in a school of nursing will receive a significant portion of their clinical training in community health centers, long-term care facilities, and ambulatory care facilities geographically remote from the main site of the teaching facilities of the school.

"(iii) A program for the continuing education of nurses which meets needs identified by appropriate State, regional, or local health or educational entities (including health systems agencies).

"(iv) A program to identify, recruit, enroll, retain, and graduate individuals from disadvantaged backgrounds (as determined in accordance with criteria prescribed by the Secretary) under which program at least 10 per centum of each year's entering class (or ten students, whichever is greater) is comprised of such individuals.".

(c)(1) Section 806(1)(1) is amended by striking out "and" after "1973," and by inserting before "for grants" the following: "$50,000,000 for fiscal year 1976, $55,000,000 for fiscal year 1977, and $55,000,000 for fiscal year 1978".

(d) For fiscal year 1976, and for each of the next two fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make annual grants to schools of nursing under section 806(a) of the Act (as in effect on June 30, 1975) based on the number of enrollment bonus students (determined in accordance with subsections (c) and (d) of section 806 of the Act (as so in effect) enrolled in such schools who were first-year students in such schools for school years beginning before June 30, 1975.

TECHNICAL AMENDMENTS

SEC. 916. (a) Subsections (g), (h), and (i) of section 806 are redesignated as subsections (d), (e), and (f), respectively.

(b) Subsection (b) of such section is amended by striking out "subsection (i)" and inserting in lieu thereof "subsection (f)".

(c) Title VIII is amended by inserting after section 805 (as so redesignated by section 102(b) of this Act) the following:

"Subpart II—Capitation Grants".

EFFECTIVE DATE

SEC. 917. The amendments made by this subpart shall take effect with respect to grants made under section 806 (redesignated as section 810 by part C of this title) of the Act from appropriations under such section for fiscal years beginning after June 30, 1975.

Subpart 4—Financial Distress Grants

EXTENSION OF FINANCIAL DISTRESS GRANT PROGRAM

SEC. 921. Title VIII is amended by inserting after section 807 the following:

"Subpart III—Financial Distress Grants

"FINANCIAL DISTRESS GRANTS

SEC. 815. (a) The Secretary may make grants to assist public or nonprofit private schools of nursing which are in serious financial straits to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements. Any such grant may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant information.

"(b)(1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training.

"(2) An application for a grant under subsection (a) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation with the National Advisory Council on Nurse Training, waive the requirement of the preceding sentence with respect to any school if he determines that the application of such requirement to such school would be inconsistent with the purposes of subsection (a).

"(c) For payments under grants under this section there are authorized to be appropriated $5,000,000 for fiscal year 1976, $5,000,000 for fiscal year 1977, and $5,000,000 for fiscal year 1978.".

TECHNICAL AMENDMENT

SEC. 922. Sections 805 and 808 (as in effect on June 30, 1975) are repealed.

Subpart 5—Special Project Assistance

SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 931. (a) Title VIII is amended by inserting after subpart III of part A (as added by section 921 of this title) the following:

"Subpart IV—Special Projects

"SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 820. (a) The Secretary may make grants to public and nonprofit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the costs of special projects to—

"(1) assist in—

"(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

"(B) other cooperative arrangements among hospitals and academic institutions, leading to the establishment of nurse training programs;

"(2)(A) plan, develop, or establish new nurse training programs or programs of research in nursing education, or

"(B) significantly improve curricula of schools of nursing (including curriculums of pediatric nursing and geriatric nursing) or modify existing programs of nursing education;

"(3) increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

"(A) identifying, recruiting, and selecting such individuals,

"(B) facilitating the entry of such individuals into schools of nursing,

"(C) providing counseling or other services designed to assist such individuals to complete successfully their nursing education,

"(D) providing, for a period prior to the entry of such individuals into the regular course of education at a school of nursing, preliminary education designed to assist them to complete successfully such regular course of education,

"(E) paying such stipends (including allowances for travel and dependents) as the Secretary may determine for such individuals for any period of nursing education, and

"(F) publicizing, especially to licensed vocational or practical nurses, existing sources of financial aid available to persons enrolled in schools of nursing or who are undertaking training necessary to qualify them to enroll in such schools;

"(4) provide continuing education for nurses;

"(5) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

"(6) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including nursing personnel who are bilingual) needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care;

"(7) provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel; or

"(8) assist in meeting the costs of developing short-term (not to exceed 6 months) in-service training programs for nurses aides and orderlies for nursing homes, which programs emphasize the special problems of geriatric patients and include training for monitoring the well-being and feeding and cleaning of the patients in nursing homes, emergency procedures, drug properties and interactions, and fire safety techniques.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(b) The Secretary may, with the advice of the National Advisory Council on Nurse Training, provide assistance to the heads of other departments and agencies of the Government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.

"(c) No grant or contract may be made under this section unless an application therefor has been submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training. Such an application shall provide for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section.

"(d) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $15,000,000 for fiscal year 1977, and $15,000,000 for fiscal year 1978. Not less than 10 per centum of the funds appropriated under this subsection for any fiscal year shall be used for payments under grants and contracts to meet the costs of the special projects described in subsection (a)(3).

"ADVANCED NURSE TRAINING PROGRAMS

"SEC. 821. (a)(1) The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nursing to meet the costs of projects to—

"(A) plan, develop, and operate,

"(B) significantly expand, or

"(C) maintain existing,

programs for the advanced training of professional nurses to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties (including service as nurse clinicians) determined by the Secretary to require advanced training.

"(b) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1975, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.

"NURSE PRACTITIONER PROGRAMS

"SEC. 822. (a)(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

"(A) plan, develop, and operate,

"(B) significantly expand, or

"(C) maintain existing,

programs for the training of nurse practitioners.

The Secretary shall give special consideration to applications for grants or contracts for programs for the training of nurse practitioners which emphasize training respecting the special problems of geriatric patients and training to meet the particular needs of nursing home patients.

"(2)(A) For purposes of this section, the term 'programs for the training of nurse practitioners' means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions.

"(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the training of nurse practitioners. Such guidelines shall, as a minimum, require that such a program—

"(i) extend for at least one academic year and consist of—

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing nurses to deliver primary health care; and

"(ii) have an enrollment of not less than eight students.

"(b) No grant may be made or contract entered into for a project to plan, develop, and operate a program for the training of nurse practitioners unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under subsection (a)(2)(B); and no grant may be made or contract entered into for a project to expand or maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such subsection.

"(c) The costs for which a grant or contract under this section may be made may include costs of preparation of faculty members in order to conform to the guidelines established under subsection (a)(2)(B).

"(d) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.".

(b) Sections 810 and 868 are repealed.

GUIDELINES FOR NURSE PRACTITIONER TRAINING PROGRAMS

SEC. 932. The Secretary of Health, Education, and Welfare shall within ninety days of the date of the enactment of this Act prescribe the guidelines for nurse practitioner programs specified in section 822(a) of the Act (as added by section 931 of this title).

EXTENSION OF TRAINEESHIPS

SEC. 935. (a) Subsection (a) of section 821 (as in effect on June 30, 1975) is amended to read as follows:

"(a) There are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978, to cover the costs of traineeships for the training of professional nurses—

"(1) to teach in the various fields of nurse training (including practical nurse training),

"(2) to serve in administrative or supervisory capacities,

"(3) to serve as nurse practitioners, or

"(4) to serve in other professional nursing specialties determined by the Secretary to require advanced training.".

(b) Effective with respect to grants under section 821 of the Act from appropriations under such section for fiscal years beginning after June 30, 1975, subsection (b) of section 821 (as so in effect) is amended by adding at the end thereof the following: "In making grants for traineeships under this section, the Secretary shall give special consideration to applications for traineeship programs which conform to guidelines established by the Secretary under section 822 (a) (2) (B).".

EXTENSION OF STUDENT LOAN PROGRAM

Sec. 936. (a) Section 822(b) (4) (as in effect on June 30, 1975) is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1978".

(b) Effective with respect to periods of training to be a nurse anesthetist undertaken on or after the date of the enactment of this Act, section 823(b) (2) (B) is amended by inserting "(or training to be a nurse anesthetist)" after "professional training in nursing".

(c) Section 824 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS FOR STUDENT LOAN FUNDS

"Sec. 824. There are authorized to be appropriated for allotments under section 825 to schools of nursing for Federal capital contributions to their student loan funds established under section 822, $25,000,000 for fiscal year 1976, $30,000,000 for fiscal year 1977, and $35,000,000 for fiscal year 1978. For fiscal year 1979, and for each of the next two succeeding fiscal years there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan for any academic year ending before October 1, 1978, to continue or complete their education.".

(d) Section 826 is amended (1) by striking out "June 30, 1977" each place it occurs and inserting in lieu therof "September 30, 1980", and (2) by striking out "September 30, 1977" in subsection (b) and inserting in lieu thereof "December 31, 1980".

(e) (1) Section 827 is repealed.

(2) The nurse training fund created within the Treasury by section 827(d) (1) of the Act shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under section 827 of the Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 827. If at any time the Secretary determines the moneys in the funds exceed the present and any reasonable prospective further requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to enable the Secretary to make payments under agreements entered into under section 827(b) of the Act before the date of the enactment of this Act.

EXTENSION OF SCHOLARSHIP PROGRAM

Sec. 937. Section 860 is amended—

(1) by striking out "1972, and for each of the next three fiscal years" in subsection (b) and in subsection (c) (1) (A) inserting in lieu thereof "1976, and for each of the next two fiscal years";

(2) by striking out "June 30, 1976" in the second sentence of subsection (b) and in subsection (c) (1) (B) and inserting in lieu thereof "September 30, 1979"; and

(3) by striking out "July 1, 1975" in the second sentence of subsection (b) and in subsection (c) (1) (B) and inserting in lieu thereof "October 1, 1978".

PART C—TECHNICAL AND CONFORMING AMENDMENTS

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 941. (a) (1) Section 802 is amended—

(A) by striking out "this part" each place it occurs and inserting in lieu thereof "this subpart";

(B) by striking out "subsection 806(e) of this Act" in subsection (b) (2) and inserting in lieu thereof "section 810(c)";

(C) by striking out paragraph (5) of subsection (b) and inserting in lieu thereof the following:

"(5) the application contains or is supported by adequate assurances that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 267a—276a–5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).";

(D) by striking out "section 841 (hereinafter in this part referred to as the 'Council')" in the first sentence following paragraph (5) of subsection (b) and inserting in lieu thereof "section 851";

(E) by striking out the second sentence following such paragraph; and

(F) by striking out "above in paragraph (A)" in subsection (c) (1) (B) and inserting in lieu thereof "in subparagraph (A)".

(b) (1) Subsection (a) of section 803 is amended to read as follows:

"(a) The amount of any grant for a construction project under this subpart shall be such amount as the Secretary determines to be appropriate after obtaining the advice of the National Advisory Council on Nurse Training; except that—

"(1) in the case of a grant—

"(A) for a project for a new school,

"(B) for a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, or

"(C) for a project for major remodeling or renovation of an existing facility where such project is required to meet an increase in student enrollment, the amount of such grant may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and

"(2) in the case of a grant for any other project, the amount of such grant may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effectuate the purposes of this subpart, exceed 67 per centum of the necessary cost of construction, as so determined, of the project with respect to which the grant is made.".

(2) Subsections (b) and (c) of section 803 are each amended by striking out "this part" and inserting in lieu thereof "this subpart".

(c) Section 804 is amended (1) by striking out "this part" and inserting in lieu thereof "this subpart", and (2) by redesignating paragraphs (a), (b), and (c) as paragraphs (1), (2), and (3), respectively.

(d) Section 805 (as redesignated by section 911(b)) is amended by striking out "this part" each place it occurs and inserting in lieu thereof "this subpart".

(e) Section 806 is redesignated as section 810.

(f) Section 807 is redesignated as section 811 and is amended—

(1) by striking out "section 805, 806, or 810" in subsections (a) and (c) and inserting in lieu thereof "this subpart";

(2) by striking out "part" in subsection (b) and inserting in lieu thereof "subpart";

(3) by amending paragraph (1) of subsection (c) to read as follows:

"(1) is from a public or nonprofit private school of nursing;"; and

(4) by striking out "those sections" each place it occurs in paragraphs (2) and (3) of such subsection and inserting in lieu thereof "this subpart".

(g) (1) Title VIII is amended by inserting after the heading for part B the following:

"Subpart I—Traineeships".

(2) Section 821 (as so designated on the day before the date of the enactment of this Act) is redesignated as section 830.

(3) Title VIII is amended by inserting after section 830 (as so redesignated) the following:

"Subpart II—Student Loans".

(h) Sections 822, 823, 825, 826, 828, and 830 (as so designated on the day before the date of the enactment of this Act) are amended as follows:

(1) Sections 822(a), 823, 825, 826, and 828 are each amended by striking out "this part" each place it occurs and inserting in lieu thereof "this subpart".

(2) Sections 822(a), 823(b), 823(c), 825(b) (2), and 826(a) (1) are each amended by striking out "of Health, Education, and Welfare".

(3) Section 822(b) (2) (A) is amended by striking out "under this part" and inserting in lieu thereof "from allotments under section 838".

(4) (A) Section 825 is amended—

(i) by striking out "(whether as Federal capital contributions or as loans to schools under section 827)" in subsection (a); and

(ii) by striking out ", and for loans pursuant to section 827," in subsection (b) (1).

(B) Section 826(b) is amended by striking out "(other than so much of such fund as relates to payments from the revolving fund established by section 827(d))".

(C) Section 828 is amended by striking out "or loans."

(5) Section 830 is—

(A) transferred to section 823 and inserted after subsection (i) of such section; and

(B) is amended by striking out "Sec. 830. (a)" and inserting in lieu thereof "(j)".

(i) (1) Sections 822, 823, 824, 825, 826, 828, and 829 (as so designated on the day before the date of the enactment of this Act) are redesignated as sections 835, 836, 837, 838, 839, 840, and 841, respectively.

(2) Section 835 (as so redesignated) is amended (A) by striking out "829" each place it occurs and inserting in lieu thereof "841", and (B) by striking out "823" and inserting in lieu thereof "836".

(3) Section 837 (as so redesignated) is amended (A) by striking out "825" and inserting in lieu thereof "838", and (B) by striking out "822" and inserting in lieu thereof "835".

(4) Section 838 (as so redesignated) is amended by striking out "824" each place it occurs and inserting in lieu thereof "837".

(5) Section 839 (as so redesignated) is amended by striking out "822" each place it occurs and inserting in lieu thereof "835".

(6) Section 841 (as so redesignated) is amended (A) by striking out "822" and inserting in lieu thereof "835", and (B) by striking out "part D" and inserting in lieu thereof "subpart III of this part".

(j) (1) Part D of title VIII is inserted after subpart II of part B of such title; sections 860 and 861 are redesignated as sections 845 and 846, respectively; and the heading for such part is amended to read as follows:

"Subpart III—Scholarship Grants to Schools of Nursing".

(2) Section 845(a) (as so redesignated) is amended by striking out "this part" and inserting in lieu thereof "this section".

(3) Section 846 (as so redesignated) is amended (A) by striking out "this part" the first time it occurs and inserting in lieu thereof "section 845", and (B) by striking out "to the sums available to the school under this part for (and to be regarded as) Federal capital contributions, to be used for the same purpose as such sums" and inserting in lieu thereof "to the student loan fund of the school established under an agreement under section 835. Funds transferred under this section to such a student loan fund shall be considered as part of the Federal capital contributions to such fund".

(4) Section 869 is repealed.

(k)(1) Sections 841, 842, 843, 844, and 845 (as so designated on the day before the date of the enactment of this Act) are redesignated as sections 851, 852, 853, 854, and 855, respectively.

(2) Section 851 (as so redesignated) is amended (A) by striking out "part A of applications under section 805" in subsection (a)(2) and inserting in lieu thereof "subpart I of part A, of applications under section 805, and of applications under subpart III of part A"; (B) by striking out subsection (b); (C) by striking out "(a)(1)" and inserting in lieu thereof "(a)"; and (D) by striking out "(2)" and inserting in lieu thereof "(b)".

(3) Section 853 (as so redesignated) is amended—

(A) by striking out "part A" in paragraph (f) and inserting in lieu thereof "subpart I of part A";

(B) by striking out "806" in paragraph (f) and inserting in lieu thereof "810";

(C) by striking out "part B" each place it occurs in paragraph (f) and inserting in lieu thereof "section 835";

(D) by striking out "825" in paragraph (f) and inserting in lieu thereof "838";

(E) by redesignating paragraphs (a) through (j) as paragraphs (1) through (10) respectively;

(F) by redesignating clauses (1), (2), and (3) of paragragh (6) (as so redesignated) as clauses (A), (B), and (C, respectively.

(G) by redesignating subclauses (A) and (B) of such paragraph (6) as subclauses (i) and (ii), respectively; and

(H) by redesignating clauses (1) and (2) of paragraph (9) (as so redesignated) as clauses (A) and (B), respectively.

(4) Part C is amended by adding at the end thereof the following:

"DELEGATION

"Sec. 856. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or offices in the Department of Health, Education, and Welfare, except that the authority—

"(1) to review, and prepare comments on the merit of, any application for a grant or contract under any program authorized by this title for purposes of presenting such application to the National Advisory Council on Nurse Training, or

"(2) to make such a grant or enter into such a contract,

shall not be further delegated to any administrator of, or officer in, any regional office or offices in the Department.".

EFFECTIVE DATE

Sec. 942. The amendments made by section 941 shall take effect July 1, 1975. Except as otherwise specifically provided, the amendments made by section 941 to provisions of title VIII of the Act are made to such provisions as in effect July 1, 1975, and as amended by part B of this title.

Part D—Miscellaneous

INFORMATION RESPECTING THE SUPPLY AND DISTRIBUTION OF AND REQUIREMENTS FOR NURSES

Sec. 951. (a)(1) Using procedures developed in accordance with paragraph (3), the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall determine on a continuing basis—

(A) the supply (both current and projected and within the United States and within each State) of registered nurses, licensed practical and vocational nurses, nurse's aides, registered nurses with advanced training or graduate degrees, and nurse practitioners;

(B) the distribution, within the United States and within each State, of such nurses so as to determine (i) those areas of the United States which are oversupplied or undersupplied, or which have an adequate supply of such nurses in relation to the population of the area, and (ii) the demand for the services which such nurses provide; and

(C) the current and future requirements for such nurses, nationally and within each State.

(2) The Secretary shall survey and gather data, on a continuing basis, on—

(A) the number and distribution of nurses, by type of employment and location of practice;

(B) the number of nurses who are practicing full time and those who are employed part time, within the United States and within each State;

(C) the average rates of compensation for nurses, by type of practice and location of practice;

(D) the activity status of the total number of registered nurses within the United States and within each State;

(E) the number of nurses with advanced training or graduate degrees in nursing, by specialty, including nurse practitioners, nurse clinicians, nurse researchers, nurse educators, and nurse supervisors and administrators; and

(F) the number of registered nurses entering the United States annually from other nations, by country of nurse training and by immigrant status.

(3) Within six months of the date of the enactment of this Act, the Secretary shall develop procedures for determining (on both a current and projected basis) the supply and distribution of and requirements for nurses within the United States and within each State.

(b) Not later than February 1, 1977, and February 1 of each succeeding year, the Secretary shall report in the Congress—

(1) his determinations under subsection (a)(1) and the data gathered under subsection (a)(2);

(2) an analysis of such determination and data; and

(3) recommendations for such legislation as the Secretary determines, based on such determinations and data, will achieve (A) an equitable distribution of nurses within the United States and within each State, and (B) adequate supplies of nurses within the United States and within each State.

(c) The Office of Management and Budget may review the Secretary's report under subsection (b) before its submission to the Congress, but the Office may not revise the report or delay its submission, and it may submit to the Congress its comments (and those of other departments or agencies of the Government) respecting such report.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same.

Harley O. Staggers,
Paul G. Rogers,
David E. Satterfield,
Richardson Preyer,
Jim Symington,
James H. Scheuer,
Henry A. Waxman,
Samuel L. Devine,
Tim Lee Carter,
James T. Broyhill,
Managers on the Part of the House.

Edward M. Kennedy,
Harrison A. Williams, Jr.,
Gaylord Nelson,
Thomas F. Eagleton,
Alan Cranston,
Claiborne Pell,
Walter F. Mondale,
William D. Hathaway,
Dick Schweiker,
Jacob Javits,
J. Glenn Beall,
Bob Taft, Jr.,
Robert T. Stafford,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 66) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

BACKGROUND

The Senate bill, S. 66, as passed by the Senate contained a three-year, fiscal years 1975–1977, revision and extension of the nurse training authorities in title VIII of the Public Health Service Act; a two-year, fiscal years 1975–1976, revision and extension of authorities for health revenue sharing and health services programs in the Public Health Service Act; and a modest substantive amendment to the authority for the National Health Service Corps. The House amendment combined the text of three separately considered House bills as a single amendment to S. 66. These included H.R. 4925, a two-year, fiscal years 1976–1977, revision and extension of authorities for health revenue sharing and health services programs; H.R. 4114, a one-year revision and extension of the authority for the National Health Service Corps; and H.R. 4115, a three-year, fiscal years 1976–1978, revision and extension of the nurse training authorities. The Conference Report is generally similar to the House amendment and is described in substantially more detail in the following sections of the Statement of Managers. The revision and extension of the nurse training authority contained in the Conference Report are similar to those found in H.R. 17085 of the 93rd Congress which was pocket vetoed by President Ford after adjournment. The revision and extension of the health revenue sharing and health services program authorities are similar to those contained in H.R. 14214 of the 93rd Congress which was also pocket vetoed by President Ford after adjournment in December 1974.

HEALTH REVENUE SHARING AND HEALTH SERVICES PROGRAMS

Years of authorizations

The Senate bill, S. 66, authorized two years of appropriations under the revised authorities, fiscal years 1975 and 1976, and contained no authorizations for 1977.

The House amendment authorized a simple one-year extension of the existing authorities for fiscal year 1975 and two years of appropriations under the revised authorities, fiscal years 1976 and 1977.

The conference agreement conforms to the House amendment because fiscal year 1975 has now been completed.

Authorization amounts

The Senate bill contained authorizations of appropriations in the amounts shown in Table 1 in the first column for each year.

TABLE X.—COMPARISON OF AUTHORIZATIONS OF APPROPRIATIONS IN THE SENATE BILL, HOUSE AMENDMENT, AND CONFERENCE AGREEMENT RESPECTING THE HEALTH REVENUE SHARING AND HEALTH SERVICES PROVISIONS OF S. 66

[In millions of dollars]

Program	1975			1976			1977			Total		
	Senate bill	House amendment [1]	Conference agreement [1]	Senate bill	House amendment	Conference agreement	Senate bill [2]	House amendment	Conference agreement	Senate bill	House amendment	Conference agreement
Health revenue sharing, total	160.0			160	115	115		125	125	320.0	240.0	240.0
Comprehensive health services sec. 314(d)(7)(A))					100	100		110	110		210.0	210.0
Hypertension programs (sec. 314(d)(7)(B))					15	15		15	15		30.0	30.0
Family planning programs, total	215.5			257	171	176		187.5	182.5	472.5	358.5	358.5
Project grants and contracts (sec. 1001)	150.0			175	110	115		120	115	325.0	230.0	230.0
Training grants and contracts (sec. 1003)	4.0			5	4	4		5	5	9.0	9.0	9.0
Research grants and contracts (sec. 1004)	60.0			75	55	55		60	60	135.0	115.0	115.0
Information and educational materials (sec. 1005)	1.5			2	2	2		2.5	2.5	3.5	4.5	4.5
Community mental health centers, total	139.0			174	103.75	103.75		113.75	113.75	313.0	217.5	217.5
Planning CMCH programs (sec. 202)	5.0			5	3.75	3.75		3.75	3.75	10.0	7.5	7.5
Initial operation of CMCH's, (sec. 203)	85.0			100	50	50		55	55	185.0	105.0	105.0
Consultation and education services (sec. 204)	4.0			9	10	10		15	15	13.0	25.0	25.0
Conversion of CMCH's (sec. 205)	20.0			20	20	20		20	20	40.0	40.0	40.0
Financial distress grants (sec. 223)	10.0			15	15	15		15	15	25.0	30.0	30.0
Allotments to States for construction (sec. 228)	15.0			15	5	5		5	5	30.0	10.0	10.0
Rape prevention and control, pt. D, total	10.0			10	7	7		10	10	20.0	17.0	17.0
Migrant health centers total	75.0			80	39	39		44	44	155.0	83.0	83.0
Planning and development of MHC's (sec. 329(h)(1))	5.0			5	4	4		4	4	10.0	8.0	8.0
Operating of MHC's (sec. 329(h)(2))	60.0			65	40	30		35	35	125.0	65.0	65.0
Hospital services (sec. 329(h)(3))	10.0			10	5	5		5	5	20.0	10.0	10.0
Community health centers, total	260.0			280	220	220		240	240	540.0	460.0	460.0
Planning and development of CHC's (sec. 330(9)(1)	20.0			20	5	5		5	5	40.0	10.0	10.0
Operating of CHC's (sec. 330(9)(2))	240.0			260	215	215		235	235	500.0	450.0	450.0
Diseases borne by rodents, sec. 601, total	15.0				20	20				15.0	20.0	20.0
Home health services, sec. 602, total				15	10	10				15.0	10.0	10.0
Demonstrations of establishment and initial operation of home health agencies				12	8	8				12.0	8.0	8.0
Demonstrations of the training of personnel				3	2	2					2.0	2.0
Committee on mental health and illness of the elderly, sec. 603, total												
Commission for control of epilepsy, sec. 604, total												
Commission for control of huntington's disease, sec. 605, total												
Hemophilia programs, sec. 606, total	8.0			10	7	7		9	9	18.0	16.0	16.0
Treatment centers, (sec. 1131)	3.0			5	3	3		4	4	8.0	7.0	7.0
Blood separation centers, (sec. 1132)	5.0			5	4	4		5	5	10.0	9.0	9.0
Total	882.5			986	692.75	697.75		729.25	724.25	1,858.5	1,422.0	1,522.0

[1] 1 yr extensions at 1974 levels.
[2] No authorizations.

The House amendment contained authorizations of appropriations in the amount shown in Table 1 in the second column for each year.

The conference agreement contains authorizations of appropriations in the amounts shown in Table 1 in the third column for each year. The conferees agreed to the authorizations of appropriations contained in the House amendment for health revenue sharing and health services programs in every respect except that the amount authorized for project grants for family planning programs was increased in fiscal year 1976 from $110 million to $115 million and reduced in fiscal year 1977 from $120 million to $115 million. This was done because the conferees felt it important to allow for more growth in the program in fiscal year 1976. The Senate conferees noted that in agreeing to authorize appropriations in 1977 they were constrained by the scope of the conference to amounts which did not exceed those authorized in the House amendment and indicated their intent to reconsider the authorizations in subsequent legislation if this proved necessary because the level of authorization was constraining appropriations to an unreasonably low level.

The effects of the authorizations can be summarized by pointing out that the total authorization for the Senate bill for the health revenue sharing and health services provisions was $1.859 billion, for the House amendment was $1.422 billion, and for the conference agreement was identical to the amount in the House amendment, $1.422 billion. In agreeing to these levels the conferees expressed their desire for restraining the total budget for these programs in an inflationary era but pointed out that the amounts agreed to are within the Congressional budget resolution for these programs for fiscal 1976.

Health revenue sharing

Requirements for a State Plan

The Senate bill required an annual report requirement for the annual preparation of a State plan containing public health services, mental health, and administrative parts specifying the proposed use of the funds.

The House amendment omitted this requirement in view of the enactment of P.L. 93-641 requiring State level planning for the use of formula grant funds.

The conference agreement conforms to the House amendment.

Protection of Employees of Public Institutions

The Senate bill and the House amendment contained similar provisions designed to protect the interests of the employees of public institutions. These provisions differed in that the Senate bill, but not the House amendment, required the Secretary of HEW to consult with the Secretary of Labor in implementing the provision, and to make maximum efforts to guarantee employment to employees who may be affected by any plan or program funded in whole or in part under the health revenue sharing program.

The conference agreement conforms to the Senate bill.

Family planning programs

Annual Report

The Senate bill required an annual report from the Secretary of HEW to the Congress to be submitted not later than four months after the end of the fiscal year.

The House amendment required the same report to be submitted not later than seven months after the end of the fiscal year.

The conference agreement conforms to the House amendment.

Natural Family Planning Methods

The House amendment contained a provision, not included in the Senate bill, requiring family planning programs to include natural family planning methods.

The conference agreement conforms to the House amendment.

Federal Share

The House amendment contained a provision, not included in the Senate bill, generally requiring the Federal share of new project grants to be no less than 90 percentum of the cost of such grants.

The conference agreement conforms to the House amendment.

Protection of Local and Regional Entities as Project Grantees

The House amendment contained a provision, not included in the Senate bill, which required that local and regional entities be assured the right to apply for and be direct recipients of grants and contracts under the project grant authority, and that the Secretary by regulation fully provide for and protect such right.

The conference agreement conforms to the House amendment with an amendment clarifying the House provision in order to make clear that a local or regional entity has no entitlement to receive a grant or contract, but must be qualified and able to meet the requirements and regulations prescribed in conformity with title X. The conferees stress that HEW shall not in any way attempt to influence such an entity to forego application for a grant or contract in order for HEW to provide funds on a consolidated basis throughout all or part of the State in question or for any other purpose.

Coercion of Abortions and Sterilizations

The Senate bill contained a provision, not included in the House amendment, which provided that any officer or employee of the United States, or of any State, political subdivision or entity which administers a program funded in whole or in part with Federal assistance who coerces any person receiving or requesting benefits or services under any Federally assisted program to undergo an abortion or a sterilization as a condition of receiving such benefits or services is to be fined not more than $1,000 or imprisoned not more than 1 year, or both.

The conference agreement conforms to the Senate bill with technical amendments.

Community mental health centers

The Senate bill and House amendment contained essentially similar provisions with respect to community mental health centers and the National Center for Rape Prevention and Control except that the House amendment differed from the Senate bill in a large number of technical respects. The conference agreement in general conforms to the House amendment. The more important of these many minor differences between the two provisions are described in the following paragraphs.

Persons Needing Mental Health Services

The House amendment contained a provision, not included in the Senate bill, which required community mental health centers to assure that persons needing mental health services in the center's catchment area would have access to all such services.

The conference agreement conforms to the Senate bill.

Definition of Provider

The House amendment contained a more specific definition of "provider of health care" than that included in the Senate bill. The House definition, which followed that included in P.L. 93–641, was more specific by including as providers of health care individuals holding a fiduciary interest in health programs, who were members of the families of providers, or who engaged in the sale of health insurance.

The conference agreement conforms to the House amendment.

Third Year of Operations

The Senate bill authorized operating grants for the third year of the operation of a community mental health center at 40 percentum of the cost of the operation.

The House amendment authorized the same support at 50 percentum of the cost.

The conference agreement conforms to the House amendment.

Requirements for Health Planning

The Senate bill contained provisions, not included in the House amendment, requiring a variety of specific activities by health planning agencies with respect to community mental health centers.

The conference agreement conforms to the House amendment. The conferees noted that the omission of the specific health planning requirements was appropriate in view of the fact that similar requirements have been included in the new health planning law, P.L. 93–641, and that these would apply to the relationships between health planning agencies and community mental health centers.

PROVISIONS RESPECTING THE NATIONAL HEALTH SERVICE CORPS PROGRAM

Both the Senate bill and the House amendment contained provisions designed to expand the National Health Service Corps Program. Both amendments were in response to the refusal of the Office of Management to agree to a request by the Department of Health, Education and Welfare to increase the number of field positions for Corps assignees from the existing level of 405 to the planned expansion to 556 during fiscal year 1975. These new 141 positions—for which there are already approved applicants—would have resulted in the provision of health services by physicians, dentists and nurses to fifty communities which are presently without health personnel or are experiencing acute shortages of such personnel.

The Senate bill authorized the Department of Health, Education and Welfare to recruit, employ and assign up to 551 health professionals as members of the National Health Service Corps during fiscal year 1975.

The House amendment provided a one year simple extension through fiscal year 1975 of the National Health Service Corps Program with an authorization of $16 million. It also provided for a one year substantive revision of the Program for fiscal year 1976 with an authorization of $30 million. The House amendment did not affect the provisions of the existing scholarship training program which authorizes the award of scholarships to health professions students who agree to join the National Health Service Corps in return for scholarship assistance.

The major substantive revisions made in the Program by the House amendment for fiscal year 1976 are as follows:

1. It authorized the award of bonuses of up to $1,000 per month to members of the National Health Service Corps in order that the monthly income of NHSC members could be competitive with the average monthly income of a member of the same profession with equivalent training and time in practice.

2. It provided for the designation of medically underserved populations by the Secretary of HEW in lieu of the provisions of existing law, which authorize designation of medically underserved areas. Populations would be eligible to receive health services from NHSC personnel for periods of up to four years, with provision for extension of this period.

3. It provided that an entity to which NHSC personnel are assigned must repay the Federal government, from collections it receives as a result of service provided by such personnel, amounts equal to the pay of the NHSC members assigned to it, the amount of any grant the entity would receive, and the amount of scholarship assistance received by a NHSC assignee. A waiver of this provision would be authorized in instances in which an entity is financially unable to comply or if compliance would unduly limit quality of services.

4. It authorized the Secretary to lease or acquire facilities, equipment and supplies and secure the temporary services of physicians, nurses and allied health personnel to support the activities of NHSC personnel.

5. It authorized the Secretary, upon the expiration of the assignment of Corps personnel to provide services to a medically underserved population to sell, at fair market value, to the entity which submitted the last approved application for the assignment of such personnel, equipment of the United States used by such personnel in providing health services.

6. It authorized grants of up to $25,000 to entities with approved applications for assignment of NHSC personnel in order to establish medical practice management systems, acquire equipment and provide continuing education for NHSC personnel.

7. It continued with revisions, the National Advisory Council on the National Health Service Corps.

The conference substitute adopts the following revisions to the existing National Health Service Corps Program:

1. It authorizes appropriations of $16 million for fiscal year 1975 and $30 million for fiscal year 1976 for the Program.

2. Beginning in fiscal year 1976, it makes the following substantive revision to existing law:

a. It authorizes the Secretary to make one grant of up to $25,000 to entities with approved applications for the assignment of Corps personnel to assist them in establishing medical practice management systems and acquiring supplies and equipment, and for other expenses relating to the provisions of health services.

b. It authorizes the Secretary, upon the expiration of assignment of Corps personnel to provide health services for the residents of a critical health manpower shortage area to sell or transfer equipment and supplies of the United States to the last entity which had had an approved application for the assignment of National Health Service Corps personnel to the area.

c. It requires that entities which submit applications for assignment of National Health Service Corps personnel agree, as a condition to approval of the application, to take such action as may be reasonable for the collection of payments for health services by NHSC personnel, and also requires that funds collected by such entities be paid by the Secretary for deposit in the Treasury as miscellaneous receipts. It further provides that the Secretary may waive the requirement of payment of collections if he determines that compliance would unduly limit the ability of an entity to maintain the quality or level of health services provided by National Health Service Corps personnel.

The conferees note that extensive revisions to the National Health Service Corps Program and the National Health Service Scholarship program are contained in health manpower legislation (H.R. 5546) presently awaiting House consideration, and that the Senate Labor and Public Welfare Committee intends to consider revisions to the NHSC Program and to the scholarship program in conjunction with Senate health manpower legislation later this session. The adoption of substantive revisions to the NHSC Program in this conference report in no way should be construed as placing any limitation on either body to make further substantive revisions to legislation affecting the National Health Service Corps to reflect policies under consideration in connection with health manpower legislation.

PROVISIONS RESPECTING THE NURSE TRAINING ACT

Simple extension of existing authorities for fiscal year 1975

The Senate bill made substantive revisions in existing law respecting nurse training legislation beginning in fiscal year 1975.

The House amendment extended existing authorities for fiscal year 1975, and made substantive revisions beginning in fiscal year 1976.

The conference substitute adopts the provisions of the House amendment.

Extension of nurse training authorities through fiscal year 1978

The Senate bill made substantive revisions in existing law respecting nurse training legislation through fiscal year 1977.

The House amendment made substantive revisions through fiscal year 1978.

The conference substitute adopts the provisions of the House amendment.

Interest subsidies subject to appropriations acts

The Senate bill deleted the requirement in existing law that interest subsidies be subject to appropriations acts.

The House amendment retained the existing requirement that interest subsidies be subject to appropriations acts.

The conference substitute adopts the provisions of the House amendment.

Authorization of appropriations for construction grants

The Senate bill authorized the following appropriations for construction grants: for fiscal year 1975, $25 million; for fiscal year 1976, $25 million; for fiscal year 1977, $25 million.

The House amendment authorized the following amounts: for fiscal year 1975, a one year extension of existing law; for fiscal year 1976, $20 million; for fiscal year 1977, $20 million; for fiscal year 1978, $20 million.

The conference substitute adopts the provisions of the House amendment.

Authorization of appropriations for interest subsidies

The Senate bill authorized the following appropriations for interest subsidies: for fiscal year 1975, $2 million; for fiscal year 1976, $3 million; for fiscal year 1977, $4 million.

The House amendment authorized the following appropriations for interest subsidies: for fiscal year 1975, a one year extension of existing law; for fiscal year 1976, $1 million; for fiscal year 1977, $1 million; for fiscal year 1978, $1 million.

The conference substitute adopts the provisions of the House amendment.

Applicability of capitation grant formula for collegiate schools to graduate students

The Senate bill contained no provision with respect to whether graduate students are to be considered as full-time students in determining the number of such students for which schools would receive capitation support.

The House amendment specified that the capitation formula be based on the number of undergraduate students enrolled in the school.

The conference substitute adopts the provisions of the House amendment.

Capitation formula for associate degree schools

The capitation grant formula for associate degree schools in the Senate bill was as follows: $275 for each student enrolled in the last year of eligible schools.

The House amendment provided the following: $275 for each full-time student enrolled in the last year of eligible schools and $275 for one-half of the full-time students enrolled in the first year of such schools.

The conference substitute adopts the provisions of the House amendment.

Conditions for receipt of capitation grants

The Senate bill provided for no change in the existing requirement that schools agree to enrollment increases as a condition for receipt of capitation grants.

The conditions required by the House amendment for receipt of capitation grants were that schools meet *one* of the following requirements:

(a) increase first year enrollment over the 1974–1975 school year enrollment the year following receipt of the capitation grant by ten percent, if such number was not over 100, or by five percent, if such number was more than 100; and maintain such increased enrollment in each school year following receipt of additional capitation grants; or

(b) carry out, under an approved plan, one of the following programs in the school year after the year of the capitation grant and in each school year thereafter, following receipt of additional capitation grants:

(i) in the case of collegiate schools, a nurse practitioner training program;

(ii) a program providing a significant portion of clinical training in community health centers, long-term care facilities, and ambulatory care facilities remote from the main teaching site of the school;

(iii) a continuing education program to meet needs identified by appropriate States, regional, or local health or educational entities (including health systems agencies); or

(iv) a program to recruit students from disadvantaged backgrounds, whereby at least 10 percent of the school's entering class or 10 students, whichever is greater, is to be composed of such students.

The conference substitute adopts the provisions of the House amendment except that if schools choose not to increase enrollment, two of the four types of programs specified in the House amendment as alternatives to an increase in enrollment would have to be conducted in order for a school to be eligible for receipt of capitation assistance.

Authorization of appropriations for capitation grants

The Senate bill authorized the following appropriations for capitation grants: for fiscal year 1975, $45 million; for fiscal year 1976, $50 million; for fiscal year 1977, $55 million.

The House amendment authorized the following appropriations for capitation grants: for fiscal year 1975, a one year extension of existing law; for fiscal year 1976, $50 million; for fiscal year 1977, $55 million; for fiscal year 1978, $60 million.

The conference substitute adopts the provisions of the House amendment except that the authorization for fiscal year 1978 is $55 million.

Special project grants and contracts for training for nurses aides and orderlies in nursing homes

The Senate bill included a provision authorizing the award of special project grants and contracts for purposes of helping develop short term in-service training for nurses aides and orderlies in nursing homes.

The House amendment contained no comparable provision.

The conference substitute adopts the provisions of the Senate bill.

Special emphasis for pediatric nursing and geriatric nursing

The Senate bill contained no provision specifying types of curricula to be emphasized under the special project section authority for curriculum improvement.

The House amendment contained a provision that emphasized that the special project section authority for curriculum improvement include curricula of pediatric nursing and geriatric nursing.

The conference substitute adopts the provisions of the House amendment.

Authorizations of appropriations for special projects

The Senate bill authorized the following appropriations for grants and contracts for special projects: for fiscal year 1975, $20 million; for fiscal year 1976, $25 million; for fiscal year 1977, $30 million.

The House amendment authorized appropriations for special projects in the following amounts: for fiscal year 1975, a one year extension of existing law; for fiscal year 1976, $15 million; for fiscal year 1977, $15 million; for fiscal year 1978, $15 million.

The conference substitute adopts the provisions of the House amendment.

Authorization of appropriations for advanced nurse training programs

The Senate bill authorized the following appropriations for advanced nurse training programs: for fiscal year 1975, $20 million; for fiscal year 1976, $25 million; for fiscal year 1977, $30 million.

The House amendment authorized the following appropriations for advanced nurse training programs: for fiscal year 1976, $15 million; for fiscal year 1977, $20 million; for fiscal year 1978, $25 million.

The conference substitute adopts the provisions of the House amendment.

Eligibility of graduates of all types of nursing schools to enroll in nurse practitioner programs

The Senate bill contained no provision with respect to the eligibility to enroll in nurse practitioner programs.

The House amendment contained a provision under which the definition of "program for the training of nurse practitioners" would make it clear that all registered nurses, irrespective of the type of nursing schools (associate, degree, diploma, and baccalaureate) from which they graduated are eligible for training under such programs.

The conference substitute adopts the provisions of the House amendment. The conferees emphasize that while appropriations under the section authorizing grants and contracts for nurse practitioner programs are to be for graduate programs, funds under the special project section for curriculum improvement could, in cases of exceptional quality, be used to fund undergraduate programs for the training of nurse practitioners.

Emphasis on certain types of primary health care for which nurse practitioners are to be trained to provide

The Senate bill provided that in implementing the section authorizing grants and contracts for nurse practitioners programs, the Secretary is to give special attention to geriatrics and the needs of nursing home patients.

The House amendment emphasized that the training of nurse practitioners to provide primary health care under programs funded by the nurse practitioner section would include primary care in homes, ambulatory care facilities, long-term care facilities and other health care institutions.

The conference substitute adopts both provisions.

Authorizations of appropriations for nurse practitioner programs

The Senate bill authorized the following appropriations for nurse practitioner programs: for fiscal year 1975, $20 million; for fiscal year 1976, $25 million; for fiscal year 1977, $30 million.

The House amendment authorized the following appropriations for nurse practitioner programs: for fiscal year 1976, $15 million; for fiscal year 1977, $20 million; for fiscal year 1978, $25 million.

The conference substitute adopts the provisions of the House amendment.

Authorizations of appropriations for advanced nurse traineeships

The Senate bill authorized the following appropriations for advanced nurse traineeships: for fiscal year 1975, $20 million; for fiscal year 1976, $25 million; for fiscal year 1977, $30 million.

The House amendment authorized the following appropriations for advanced nurse traineeships: for fiscal year 1976, $15 million; for fiscal year 1977, $20 million; for fiscal year 1978, $25 million.

The conference substitute adopts the provisions of the House amendment.

Authorizations of appropriations for student loan funds

The Senate bill authorized the following appropriations for student loan funds: for fiscal year 1975, $30 million; for fiscal year 1976, $35 million; for fiscal year 1977, $40 million.

The House amendment authorized the following appropriations for student loan funds: for fiscal year 1976, $25 million; for fiscal year 1977, $30 million; for fiscal year 1978, $35 million.

The conference substitute adopts the provisions of the House amendment.

Implementation of sex discrimination provisions of the Nurse Training Act and the Health Manpower Act

The Senate bill required that the Secretary, within three months of enactment of the Act, issue regulations to implement provisions of existing law prohibiting discrimination on the basis of sex in the admissions of persons to health professions schools, nursing schools, schools of public health, and allied health training centers.

The House amendment contained no comparable provision.

The conference substitute does not contain the Senate provision, since the Department of Health, Education, and Welfare has now issued the regulations to which the Senate language was addressed.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
DAVID E. SATTERFIELD,
RICHARDSON PREYER,
JIM SYMINGTON,
JAMES H. SCHEUER,
HENRY A. WAXMAN,
SAMUEL L. DEVINE,
TIM LEE CARTER,
JAMES T. BROYHILL,
Managers on the Part of the House.

EDWARD M. KENNEDY,
HARRISON A. WILLIAMS, Jr.,
GAYLORD NELSON,
THOMAS F. EAGLETON,
ALAN CRANSTON,
CLAIBORNE PELL,
WALTER F. MONDALE,
WILLIAM D. HATHAWAY,
DICK SCHWEIKER,
JACOB JAVITS,
J. GLENN BEALL,
BOB TAFT, Jr.,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT

Mr. STEED. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Mr. MILLER of Ohio reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE CONFERENCE REPORT ON H.R. 4035, TO EXTEND THE EMERGENCY PETROLEUM ALLOCATION ACT UNTIL DECEMBER 31, 1975

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a conference report on H.R. 4035, a bill to extend the Emergency Petroleum Allocation Act until December 31, 1975.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEGISLATIVE PROGRAM FOR THE WEEK OF JULY 14, 1975

(Mr. GOODLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOODLING. Mr. Speaker, I take this time to inquire of the distinguished majority leader if he will tell us about the program for next week, and I will yield to the gentleman from Massachusetts for that purpose.

Mr. O'NEILL. Mr. Speaker, I thank the gentleman for yielding.

The program for the week of July 14, 1975, is as follows:

On Monday, District day, there are no bills. However, we will consider the following bills on Monday:

House Resolution 8561, agriculture appropriations for fiscal year 1976;

House Resolution 591, Select Committee on Intelligence, open rule, with 2 hours of debate.

On Tuesday the House will consider H.R. 7014, Energy Conservation and Oil Policy Act subject to a rule being granted, general debate only.

Of course, on that particular date we will have the rule on that, and that is expected to be the only vote on that day other than quorum calls. On that particular date the space shot is going to take place, and there are a considerable number of Members who would like to be present at that historic event.

Wednesday and the balance of the week, we have, Treasury-Postal Service-General Government appropriations for fiscal year 1976, and then we will get back to H.R. 7014, the Energy Conservation and Oil Policy Act. We will be voting under the 5-minute rule on the amendments and ultimately the bill.

Conference reports may be brought up at any time, and there are at least three conference reports that we are anticipating, education appropriations being one of them.

That is the program for the week, and any further program will be announced.

Mr. Speaker, may I say that it is anticipated that we will work Friday of next week.

Mr. WHALEN. Mr. Speaker, will the acting minority leader yield so that I can pose a question to the distinguished majority leader?

Mr. GOODLING. I yield to the gentleman.

Mr. WHALEN. Does the gentleman anticipated that the Turkey aid bill, which was reported out today by the Committee on International Relations, will be on the program for next week?

Mr. O'NEILL. No. We anticipate that will be the following week.

ADJOURNMENT TO MONDAY, JULY 14, 1975

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourns to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendment of the House to the bill (S. 555) entitled "An act to amend the Consolidated Farm and Rural Development Act," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. EASTLAND, Mr. MCGOVERN, Mr. ALLEN, Mr. HUMPHREY, Mr. DOLE, Mr. CURTIS, and Mr. BELLMON to be the conferees on the part of the Senate.

WATERWAY USER TAX ACT OF 1975

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, today I am introducing the Waterway User Tax Act of 1975.

The purpose of my bill is to produce fairness and equity among the three modes of surface transportation in the country: rail, truck, and barge lines.

The railroads not only own and maintain their own roadbeds but they also pay extensive taxes on their land.

The truck lines pay user taxes through licenses, fuel tax, tire taxes, as well as other property taxes.

What do the barge lines pay for their roadways? Nothing. Billions have been spent on our inland waterways for navigation purposes, locks, navigation aids, channelization, safety programs, and many other expensive programs, yet no user charges are paid by the barge lines.

My bill simply requires a minimal user charge on our publicly owned and supported waterways on a ton-mile basis and a fee for the use of each lock. I feel this is an equitable bill that will do much to treat our modes of transportation on a fair basis.

ANNOUNCING SPECIAL ORDER ON ENERGY CONSERVATION

(Mr. BROWN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, I wish to announce to my colleagues that I have reserved 1 hour at the close of business on Monday, July 14, to discuss energy conservation and the Federal role in conserving energy. I have been pleased with the interest in this special order, and the mood that I sense that the Congress is aware of the need to take the initiative in energy conservation strategies.

The special order on energy conservation is scheduled to coincide with several events that relate to national energy policy and strategy.

First, we now have ERDA's "National Plan for Energy Research, Development and Demonstration," which presents their priorities for energy research and development investment for the coming decades. Second, we will be looking at important energy legislation throughout July, including a large portion of the 1976 ERDA appropriation in the Interior and related appropriations bill, and the Energy Conservation and Energy Policy Act of the Interstate and Foreign Commerce Committee. Third, we have had time to reflect on our actions with respect to the Ways and Means Committee's Energy Conservation and Conversion Act. I think this juxtaposition of events presents an excellent opportunity to discuss this matter on the record and reemphasize the importance of energy conservation. I, personally, will want to examine whether, given the relative payoff in the form of barrels of oil not needed to be imported, and environmental problems not created, we are allocating capital wisely between strategies designed to find new sources of energy, and strategies to eliminate some of the need for new sources by increasing the efficiency of use.

You can participate in the special order in any of three different ways. First, you can join us on the floor on Monday afternoon, and second, you could prepare written remarks to be entered into the RECORD during the dialog on Monday. Finally, the RECORD will be left open so that you will have 5 days to enter extension of remarks on energy conservation.

I realize that other Members have other areas of focus on energy conservation, beyond those mentioned above. I would encourage them to participate as well, to let the Congress and the administration know what the concerns of this Congress are.

LEGISLATION TO CHANGE CLASSIFICATION SYSTEM

The SPEAKER pro tempore (Mr. MCKAY). Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, we have been told over the course of the past 10 years there was a light at the end of the tunnel in Vietnam. We spent over $10 billion and 55,000 American lives looking for that light.

My protest, Mr. Speaker, is if the light was there at all, Congress and the American people were never told where it was flickering or how far away it lingered or the paths we would have to travel to reach it. We were never told about the bombings in Cambodia or the secret war in Laos or the files being kept on Americans at home.

We entered the tunnel with good intentions, I believe, but we were forced to zig and zag our way misguided and uninformed.

One of the many lessons I hope that we learned from this pernicious experience is that Congress and the American people cannot be kept in the dark over foreign policy.

It has been said many times, by many observers, that if foreign policy is not understood by the public, it will not be accepted.

And it cannot be understood if the issues are clouded and the policies made in secret. It cannot be understood if the public is not informed.

There appears to be a growing trend in America toward a sense of hopelessness. The powers of decisionmaking and choice seem to be slipping into just a few hands.

Our society is supposed to be an open society, and in an open society secrecy can only be tolerated in cases where the national defense may be jeopardized. And it is not jeopardized when we have been incompetent, inefficient, or in error, or when we have broken the law.

We must understand and appreciate, however, the necessity of withholding information which would damage the national defense.

A balance, therefore, must be struck between the public's and the Congress' right to know, and the protection of defense data. An imbalance—in either direction—produces serious consequences.

Lately, we have witnessed a period of gross Government secrecy.

Therefore, I am introducing legislation today which would change our present classification system. This legislation is very similar to the measures brought before both Houses last Congress. I believe it to be an issue we should reexamine in light of our recent discoveries about the CIA and the war in Vietnam.

For over 30 years, the classification system has rested in the hands of the executive branch, particularly in the hands of the President. From Roosevelt to Nixon, the White House has been, in the end, responsible for the classification system.

Each President has revised and amended previous Executive orders to suit his own means. But these changes have only resulted in a piecemeal solution.

We cannot let this practice continue. The Congress has a responsibility to devise a system that would control and guide what should or should not be kept from the public in the interest of national defense.

The legislation I am introducing today would provide a simple, workable solution to our problem. The bill has several goals:

First. Insure the free flow of information.

Second. Limit material being classified to information that would harm the national defense.

Third. Restrict numbers who can classify.

Fourth. Provide methods of classification and monitoring classification.

Fifth. Provide a statutory basis for classification.

This bill would sanction the use of one category of classification: Defense data.

Unlike last year's bill, criteria to weigh information has been added. They are flexible but precise. Material may only be classified for 3 years, though disclosure may be deferred an additional 2 years.

The bill eliminates the Treasury, Commerce, and Justice Departments from classifying information, significantly cutting the numbers of classifiers.

One final provision, which I feel is needed to guarantee the success of this legislation, is that the classification system will be monitored by the General Accounting Office. The GAO would be responsible for reviewing authorized classifying agencies, pursuing necessary inquiries, and reporting to both Houses of Congress.

I am sure my colleagues realize the problem of too much secrecy and the adverse effects it has had on our Nation. We do have a responsibility to protect our Nation but in protecting it we must see that we are not destroying it as well.

Mr. Speaker, I ask unanimous consent that the text of this bill be printed in the Record immediately following these remarks.

THE CAPTIVE NATIONS: FROM PRESIDENTS EISENHOWER TO KENNEDY TO JOHNSON TO NIXON TO FORD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Ashbrook) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, this Sunday, July 13, begins the annual observance of Captive Nations Week and, unfortunately, President Ford's proclamation of June 27 is as weak, vague and useless as those of his last three Presidential predecessors.

In July 1959, Congress passed Public Law No. 86–90 which authorized and requested the President to designate the third week of July as Captive Nations Week. The resolution further provided for a similar proclamation each year "until such time as freedom and independence shall have been achieved for all the captive nations of the world." Like our own Declaration of Independence, the resolution specifically signaled out the source of oppression, Communist imperialism, in denying the captive peoples "of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties."

I first began comparing with Public Law 86–90 the texts of succeeding proclamations from President Eisenhower to the present in July 1961. In his 1959 proclamation, President Eisenhower points the finger at "Soviet communism" as the tyrant:

Captive Nations Week, 1959

(A proclamation by the President of the United States of America)

Whereas many nations throughout the world have been made captive by the imperialistic and aggressive policies of Soviet communism; and

Whereas the peoples of the Soviet-dominated nations have been deprived of their national independence and their individual liberties; and

Whereas the citizens of the United States are linked by bonds of family and principle to those who love freedom and justice on every continent; and

Whereas it is appropriate and proper to manifest to the peoples of the captive nations the support of the Government and the people of the United States of America for their just aspirations for freedom and national independence; and

Whereas by a joint resolution approved and requested the President of the United States of America to issue a proclamation designating the third week in July 1959 as Captive Nations Week and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world:

Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby designate the week beginning July 19, 1959, as "Captive Nations Week."

I invite the people of the United States of America to observe such week with appropriate ceremonies and activities and I urge them to study the plight of the Soviet-dominated nations and to recommit themselves to the support or the just aspirations of the peoples of those captive nations.

This 1959 captive nations proclamation marks the last of Presidential awareness and recognition of the menace of communism.

Now read President Kennedy's 1961 proclamation and consider if he might just as well have been referring to King George III of England. Could not his nebulous references to "freedom and independence" have been applied to numerous cases in history?

Text of the President's Proclamation on Captive Nations Week 1961

Whereas by a joint resolution approved July 17, 1959 (73 Stat. 212), the Congress has authorized and requested the President of the United States of America to issue a proclamation designating the third week in July 1959 as "Captive Nations Week," and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

Whereas many of the roots of our society and our population lie in these countries; and

Whereas it is in keeping with our national tradition that the American people manifest its interest in the freedom of other nations:

Now, therefore, I, John F. Kennedy, President of the United States of America, do hereby designate the week beginning July 16, 1961, as "Captive Nations Week."

I invite the people of the United States of America to observe this week with appropriate ceremonies and activities, and I urge them to recommit themselves to the support of the just aspirations of all peoples for national independence and freedom.

Which of the two foregoing statements better reflect the sentiment and purpose of Captive Nations Week when compared with the original resolution? The 1961 Kennedy declaration marked a great victory for State Department appeasers who began their anti-Communist program which muzzled the military, blue penciled references to victory over communism and set us on our present disastrous course. The original resolution made it clear we were talking about Communist domination of free people:

Captive Nations Week—Public Law No. 86–90

RESOLUTIONS

S.J. Res. 111

H.J. Res. 454, 459

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led through direct and indirect aggression to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam. and others: and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such people through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

On July 21, 1966, the proclamation of President Johnson for that year was matched with the original resolution in the Congressional Record and, not surprisingly, suffered in comparison. It was noted, at that time, that former President of the United Nations, Dr. Charles Malik, reflected most adequately the approach of our Founding Fathers in dealing with oppression. Dr. Malik stated in part in a 1961 speech:

> It is most important, therefore, to develop and execute policies and actions that will put the Communists and their friends his-

torically on the defensive. Those who believe in man and his freedom, who know truth, and who trust in God, the guarantee of all freedom and all truth, must therefore, pass to the offensive, not only in thought and conviction, but of that real, decisive, historical action which shall cause the Communists to take to their heels.

The only offensive President Johnson took in his 1966 proclamation was not to be offensive to the Soviets by mentioning the naughty word "Communism":

Captive Nations Week, 1966—A Proclamation by the President of the United States of America

Whereas the joint resolution approved July 17, 1959 (73 Stat. 212), authorizes and requests the President of the United States of America to issue a proclamation each year designating the third week in July as "Captive Nations Week" until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

Whereas freedom and justice are the inalienable rights of all peoples; and

Whereas these basic rights are presently denied to many peoples throughout the world; and

Whereas the United States of America, from its founding as a nation, has firmly subscribed to the principles of national independence and human liberty; and

Whereas, in keeping with this tradition, it remains an essential purpose and a fundamental policy of the United States of America to sustain these principles and to encourage their realization by all peoples:

Now, therefore, I, Lyndon B. Johnson, President of the United States of America, do hereby designate the week beginning July 17, 1966 as Captive Nations Week.

I invite the people of the United States of America to observe this week with appropriate ceremonies and activities, and I urge them to give renewed devotion to the just aspirations of all people for national independence and human liberty.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the City of Washington this 8th day of July in the year of our Lord nineteen hundred and sixty-six, and of the Independence of the United States of America the one hundred and ninety-first.

By the President:

Secretary of State.

With the change of administrations in 1968 and as a strong supporter of President Nixon, I, at that time, hoped that we would see forceful and effective pronouncements in the field of foreign relations and a strategic shift in foreign policy. After waiting for 6 months, I had to concede that there was no basic change in our foreign policy or our approach to the captive nations problem. The opportunity of adopting Dr. Malik's firm and moral offensive was frittered away and, even worse, President Nixon's trip to Moscow and Peking tightened the chains of oppression through the aura of free world respectability.

As I noted then, the 1969 proclamation made no mention of Czechoslovakia which had been invaded months before by Soviet tanks, no mention of repressive Communist policies, no mention even of the word "Communist" or the Soviet Union:

Captive Nations Week, 1969

(A proclamation by the President of the United States of America)

By Joint Resolution on July 17, 1959, the Eighty-Sixth Congress authorized and requested the designation of the third week of July as Captive Nations Week. Ten years have passed and there have been many changes in international affairs. But one thing that has not changed is the desire for national independence in Eastern Europe.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate the week beginning July 13, 1969, as Captive Nations Week.

I invite the people of the United States of America to observe this week with appropriate ceremonies and activities, and I urge them to renew their devotion to the high ideals on which our nation was founded and has prospered and to sustain with understanding and sympathy the just aspirations of the peoples of all nations for independence and human freedom.

In witness whereof, I have hereunto set my hand this eleventh day of July, in the year of our Lord nineteen hundred and sixty-nine, and of the Independence of the United States of America the one hundred and ninety-fourth.

Richard Nixon.

The White House.

President Ford's proclamation of June 27 completes this history of our captive nations policy and, sad to say, his misguided deference to peaceful coexistence and détente is reflected in his statement. Further demonstrating that the captive nations proclamation is a necessary pragmatic and political exercise with this administration as it has been in the past was the absence of any welcome to Alexandr Solzhenitsyn at the White House. Because of a crowded schedule and admittedly due to foreign policy considerations, the one international figure personifying both oppression and hope for the captive peoples was effectively snubbed by our leadership. Perhaps Mr. Solzhenitsyn would have said at the White House what he was quoted as stating at the AFL–CIO dinner last night in New York:

> If you are born free, why do you help our slave owners? When they bury us in the ground alive, please do not send them shovels; please do not send them the most modern, the most contemporary earth-moving equipment.

And perhaps in response Mr. Solzhenitsyn might have been handed this reassuring message:

Captive Nations Week, 1975

(A proclamation by the President of the United States of America, June 27, 1975)

The history of our Nation reminds us that the traditions of liberty must be protected and preserved by each generation. Let us, therefore, rededicate ourselves to the ideals of our own democratic heritage. In so doing, we manifest our belief that all men everywhere have the same inherent right to freedom that we enjoy today. In support of this sentiment, the Eighty-sixth Congress, by a joint resolution approved July 17, 1959 (73 Stat. 212), authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week.

Now, therefore, I, Gerald R. Ford, President of the United States of America, do hereby designate the week beginning July 13, 1975, as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the aspirations of all peoples for self-determination and liberty.

In witness whereof, I have hereunto set my hand this twenty-seventh day of June, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

Gerald R. Ford.

Finally, it must be asked what benefit has accrued in ignoring the slaves while dealing with their slave owners. L. I. Brezhnev, unhampered in 1972 by a crowded schedule or foreign policy considerations in welcoming fellow slave owner, Fidel Castro, to the U.S.S.R., reiterated the "We-will-bury-you" promise of Khrushchev made years before. Quoted in Pravda of June 28, 1972, the Secretary-General, with reference to the Soviet-American summit talks of that year, stressed that—

> While working for the affirmation of the principles of peaceful coexistence, we are fully aware that the successes in this important field in no way signify the possibility of relaxation of ideological struggle.

In unmistakable language he added:

> On the contrary, we must be prepared for an intensification of this struggle, for it is becoming an increasingly acute form of confrontation between the two social systems. And we have no doubts about the outcome of this confrontation, for the truth of history and the objective laws of social development are on our side.

If one has trouble understanding Brezhnev's message, let him digest the statement of the Soviet's chief "ideologue," M. A. Suslov, before the 20th French Communist Party Congress in 1972:

> The establishment of the principles of peaceful coexistence does not in the least mean a weakening of the class struggle on a world scale or "conciliation" between socialism and capitalism. They are irreconcilable.

The treatment of the captive nations issue is a valuable indicator of our Nation's moral and realistic approach to tyranny and oppression. Détente has clearly become appeasement. It is possible that our Founding Fathers might have reached an accommodation with British tyranny by cutting out the accusations in the declaration, staying under British rule and issuing a proclamation entitled " A Declaration of Interdependence." That would certainly have brought about a détente or relaxation of tensions with King George but, of course, no freedom and independence.

Next year, in addition to being our Bicentennial, is a Presidential election year. Those millions of voters with ties to the various captive nations will have a chance to review our present policy of détente during the campaign.

The sad record of our Presidents since 1959, Democrat and Republican, is one of appeasement to the relentless, uncompromising masters of the Kremlin.

LAND USE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Crane) is recognized for 15 minutes.

Mr. CRANE. Mr. Speaker, the House Interior and Insular Affairs Committee will soon complete markup of the so-called land use bill. The decision it makes on whether to send the bill to the full House for consideration may well turn out to be one of the most significant that a committee of the House has ever made.

Accordingly, I would like to take this opportunity to discuss this bill and examine the ramifications, should it subsequently become law.

Last year, of course, a comprehensive land use bill was rejected by the full House by a 211 to 204 vote. The main reason the bill was defeated is that it would have provided the foundation for massive Federal intervention in the use of private property. Nevertheless, the bill now being considered still contains provisions that will lay the groundwork for an unprecedented turnover of private property rights to the public sector. About the only difference between H.R. 10294 last year and H.R. 3510 this year is that the latter simply puts the Federal Government's foot in the door while the former was designed to break the door down.

For example, H.R. 3510 does not really do away with the pressure encouraging States to comply with the Federal guidelines for land use. Instead of saying that an acceptable State land use plan—one eligible for Federal grants—must include State authority to regulate areas of critical environmental concern, this year's bill says that a State program shall include policies and methods for regulation and development within areas of critical State concern.

In addition, this year's bill stipulates that these policies and methods must include many of the very same provisions that were the object of such heated opposition last year. Furthermore, this year's bill provides that, if a State has not inventoried its land and water resources after 1 year, it would not be eligible for further funds and if it does not satisfy the Secretary of the Interior that all the Federal guidelines have been met, it will not be eligible for further funds after the third year.

What all this adds up to is the old "carrot and stick" routine, tempting the States into taking the money initially and then beating them into line by threatening to cut off the funds after they are hooked. That has been the history of Federal programs—where the money goes, controls inevitably follow.

No matter how you look at it, this bill is a land control bill rather than a land use bill. Instead of the individual having first say on how his land will be used, the Federal Government will have the last say on how his land will not be used. And, it will do so without having to compensate the individual property owner.

Such an expansion of the police power of the State raises, in my mind, the most serious constitutional question. The fifth amendment clearly spells out the doctrine that property shall not be taken for public use without compensation, yet here we have a mechanism that will enable the Federal Government to take control of the land away from the individual owner at the owner's own expense. One cannot but think that the threat of imminent circumlocution is overtaking the right of eminent domain.

If Congress feels that the public interest is best served by prohibiting the development of certain areas, it should be straightforward about it and purchase those lands as provided for in the fifth amendment to the Constitution. Any property owner knows that the value of owning land lies in the ability to develop it: to deprive the property owner of that value by exerting control over his land for public purposes clearly represents a "taking" even though the actual deed may not have changed hands. To tell somebody otherwise is like saying that while he can still own his car, he can neither drive it nor will he be compensated for its subsequent loss of value.

Chief Justice Holmes put the issue very concisely back in 1922 when, in Pennsylvania Coal against Mahon, he stated that:

> The protection of private property in the Fifth Amendment presupposes that it is wanted for public use but provides that it shall not be taken for such use without compensation. A similar assumption is made in the decision (based) upon the Fourteenth Amendment . . . . when this seemingly absolute protection is found to be qualified by the police power, the natural tendency of human nature is to extend the qualification more and more until at last private property disappears.

It has often been said that intellect and vision go hand in hand and that certainly was the case with Justice Holmes. Indeed, if we open the door to Federal control of land without compensation, we hasten the day when private property rights will become a thing of the past. To argue that this legislation is no different than zoning is to say that alternative development is the same as no development. And, to claim that this bill simply helps the States develop their own program is to overlook the Federal guidelines and control mechanisms that are built in, however, subtlety. If there is to be land use, it should be a matter of local concern, as zoning is, or possibly of State concern if the voters in a given State want it that way. But, it is certainly no business of the Federal Government.

Certainly, our experience with categorical grant programs directed by bureaucrats in Washington should convince us that those very same bureaucrats know a whole lot less about what is best for a given area than the people living there. Local ordinances and local zoning regulations can be changed fairly easily if the local people want. It happens all the time. But, Federal law and Federal regulations are not only less flexible; they are far more difficult to change.

For those who have any doubts about what Federal land use legislation would do to local control over zoning and related affairs, a recent Oregon State Supreme Court decision is most instructive. In a case involving the city of Milwaukie, Oreg., the State supreme court ruled that a comprehensive plan is the controlling land use planning instrument and that zoning must be in accord with that plan. Furthermore, the court ruled that a "zoning ordinance which allows more intensive use than that prescribed in the plan must fail" because zoning is a "subservient relationship" to planning. If a State court is willing to rule that a local land use plan supersedes local zoning, it is not hard to imagine a Federal or State court ruling that Federal land use guidelines or a State land use plan supersede a city or county land use plan or local zoning ordinances. Thus, there is yet another potential danger to be considered, particularly since similar court tests are now developing in the State of California.

Turning the coin over, the addition of Federal guidelines for State land-use plans will make it far more difficult and expensive for an individual property holder to appeal a land-use case.

It will takes months, and perhaps years. to decide cases and court costs. Further, attorneys' fees will be prohibitive for all but the wealthiest of property holders. Of course, we could permit public defenders to represent people who feel their property rights are being deprived—after all, property rights are protected by the Bill of Rights—but I see no sign of such a provision in this bill or in any other piece of legislation likely to pass this year.

The rationale for not providing a public defender is, of course, that a property holder is a person of some substance and, therefore, can afford his own attorney. But, what about those instances, senior citizens for example, where the property is practically their only asset or source of income? If, by land-use legislation, the value of that property is to be reduced, is not the owner entitled to some recourse? Unfortunately, under terms of this bill, recourse will become more difficult.

The irony of all this is that history has shown that free market forces are the best determiner of appropriate land use. The law of supply and demand, without any additional expense to the taxpayer, allocates land among "competing and conflicting" uses. If there is a demand for farmland, recreational areas, residential areas or industrial sites, the free market will provide them much better than if Government bureaucrats try to decide what ought to go where.

The fact of the matter is that bureaucrats, well-intentioned though they may be, are less qualified than individuals in determining what individuals or businesses need. And, even if all the bureaucrats were professional land planners, how often are land planners in total agreement on what constitutes appropriate land use?

Like it or not, there is no way of telling exactly what the future holds in store, whereas relying on the free market allows for rapid adjustments in the use of land as circumstances change. Large scale, long-term planning, backed up by court decisions, is far more resistant to change. At the same time, such planning is far less respectful of individual liberty, which means that if we adopt this land use bill, we are likely to come out with the worst of both worlds.

Next year, when we celebrate America's 200th birthday, we will acknowledge the wisdom of the Founding Fathers who built the framework for an unparalleled era of liberty and prosperity. Chief among their concerns were the individual's right to enjoy life, liberty, and property. Denial of these rights formed the basis for the Declaration of Independence and protection of these rights was the first order of business after the adoption of the Constitution. It would certainly be a shame if this year or next year Congress turned its back on those basic rights and adopted a bill that would go contrary to the entire American tradition.

That is the kind of birthday present the American people can do without.

ANNOUNCEMENT OF OVERSIGHT HEARINGS ON INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, I wish to announce that the Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary will hold 2 days of oversight hearings on Thursday, July 17 and Friday, July 18 concerning the administration of "The Indochina Migration and Refugee Assistance Act of 1975" (Public Law 94-23). The hearings will be held at 10 a.m. in room 2141, Rayburn House Office Building and on July 17 testimony will be received from the Director of the Interagency Task Force for Indochina.

During these hearings we will review the report submitted to Congress under section 4 of the afore-mentioned act as well as consider various problems that have arisen in resettling the Vietnamese and Cambodian refugees.

PUBLICIZING FOREIGN GRAIN SALES IN THE PUBLIC INTEREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, in dealing for huge amounts of American grain, the Russian Government, in my judgment, reached an agreement on price and quantities of grain with American grain companies and the Canadian wheat board before it made arrangements for cargo space. The U.S. Department of Agriculture requires notification within 24 hours of a U.S. grain company signing contracts with a foreign entity in sales of more than 100,000 tons. But I believe informal agreements were made prior to the time the Russians started to negotiate for cargo space to haul the grain.

The usual procedure in deals for agricultural commodities is the time-tested practice of giving your word to bind a sale. Amounts and price are the key features. Following up with a written contract more specifically ties down the details.

The question now comes up again—when is the public adequately informed on large sales of U.S. grain? Waiting until the contracts are actually signed before making the information public does not adequately inform all the farmers, small grain elevators, small grain companies and co-ops prior to the impact on the market of huge grain sales. Such sales substantially alter the course of the grain market and in this case the rumored sales of 10 million tons of grain is a bullish factor and the market is responding by going higher.

The results of the 1972 congressional hearings on that Russian wheat sale caused the Department of Agriculture to drop the wheat export subsidy and adopt regulations calling for prompt reporting of large grain sales abroad.

Public congressional hearings are again in order and the result should be taking an additional step to require a foreign government before starting negotiations for purchasing American grain to notify and register with our Department of Agriculture stating the amounts and price range they would seek to buy from American grain companies. The Department should then be required to make its facts public at once and only then should negotiations for the purchases proceed with the private grain companies. Under this procedure all pertinent facts would be made public at once and would be available to all.

We are the only country which exports a large amount of grain through private grain companies. Canada, Australia, Russian, China and other countries either in exporting or importing all deal through government. If private grain companies are going to continue as our exporters in these huge sales to foreign governments, we must assure that all sales information is made available to the public prior to the impact that such sales will have on the market. That is in the public interest. Producers and consumers all know then what is going on with U.S. grains.

BACK TO THE SOIL: PART FOUR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 15 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I have spent a great deal of time extolling the virtues of home and community gardening. I have seen the back-to-the-soil movement branch out all across the Nation. Communities everywhere are discovering the advantages of supporting vegetable gardens. But nowhere has the response been so great, or so gratifying, as that which has occurred in my own congressional district. I take special pride today in advising my colleagues of the outstanding efforts being carried out in the cities and towns of my districts.

After introducing my Bicentennial seed bill, I began contacting each of the selectmen and councilors who represent the various cities and towns of the 11th Congressional District. I had prepared great factsheets on the benefits of community gardening. These sheets contained statistics on the type of yield that could be expected from a given amount of seed, the type of crops best suited to the area, et cetera, and to my great pleasure, none of this information was necessary. I needed only to mention the words "community gardens," to suddenly find myself surrounded by newly formed committees bent on the selection of suitable garden sites.

Mr. Speaker, the people of my district received national acclaim for their remarkable efforts in producing vast quantities of food during World Wars I and II. City and town officials point with understandable pride to the accomplishments their communities achieved when our Nation was in its greatest need. Now, a new need has arisen. Soaring inflation, coupled with a worldwide food shortage, requires the fullest possible production of high quality, vitamin-rich food. Local officials in my district are well aware of this necessity, and they are eager to take up the challenge. I would like to draw my colleagues' attention to a representative sampling of just some of the responses which I have received from officials in my district. As my colleagues examine the outstanding achievements being made in my area, they will understand the great pride which I take in representing the 11th Congressional District of Massachusetts.

The following is a representative sample of the response which my proposals have received:

[From the Quincy (Mass.) Patriot Ledger, May 14, 1975]

Burke Discusses Green Thumb Ideas With Selectmen

MILTON.—Rep. James A. Burke, D-Milton, offered to match "green thumb for green thumb" in the town's back to the soil efforts but informed selectmen the contest would have to be a long distance match for his victory garden is on the balcony of his Bethesda, Md., apartment.

He turned down an offer by selectmen for a garden plot in the town because his duties both in Washington and the state would interfere with "watering, weeding and working" the plot.

To show a spirit of participation, however, Rep. Burke said he would be growing tomato plants on his apartment balcony and soon will transplant about 20 tomato plants into bushel baskets for pot-like growing.

"Come harvest time, I expect to have about $70 worth of tomatoes to show off on Capitol Hill," he commented but added a regret over the lack of the "fine Commonwealth topsoil that always gives such a good yield for an honest effort."

The congressman proposed a revival of vegetable growing as a way to supplement family food budgets. Cunningham Park trustees responded to a request made by the town conservation commission to open a field used for World War II victory gardens for use again by townspeople.

[From the Quincy (Mass.) Patriot Ledger, May 1, 1975]

Victory Gardens Blooming Again

MILTON.—In World War II Londoners grew cabbages in window boxes and on this side of the Atlantic front lawns, back yards, and park lands such as Boston Common, The Fenway, or Cunningham Park in this community were dug up for victory gardens.

A revival of the gardens as a way to stretch the recession dollar has been started in the town through the cooperation of the conservation commission and trustees of Cunningham Park.

Cong. James A. Burke, D-Milton, started the revival by urging American families to possibly beat the high cost of food and to supplement their retirement or pay checks with garden produce.

Trustees of the private park approved use of a section in a five-acre field on Edge Hill Road and Cedar Road for the new victory gardens. The World War II gardens were on the same spot and lasted until they were given up about 20 years ago.

This Saturday the other half of the garden section will be parceled out in large living-room size plots beginning at 9 a.m. by conservation commissioner chairman Robert Oldfield and member Philip Casey. Mr. Oldfield operates Thayer Nursery and said most of the gardeners have yards big enough for gardens but "can't use them because of shade trees."

As part of the community effort, M. Joseph Manning of Thacher Farms Dairy plowed and harrowed the tract.

Selectman Ralph L. Kent, who annually plants a garden at his Pleasant Street home, said the gardens could provide many families and retired persons with "plenty of fresh, vitamin-rich vegetables."

"It's also lots of fun," said Mr. Kent who drew upon Shakespeare to bolster the effort, quoting, "There is no ancient gentleman but gardeners, ditchers, and grave makers; they hold up Adams' profession."

Many of the persons who signed up last Saturday say today's gardeners have an advantage over the World War II gardener because freezers make it possible to avoid the work involved in canning.

Mr. and Mrs. Raymond Johnson of 1 Howard St., could recall World War II days when prices were high and food was short. Some foods were rationed. "We had one son in the Navy and the other in the Army. Every pound we grew meant that much less of a drain on the two-front war effort," said Mr. Johnson, 69, who is retired.

His son Robert, the Navy veteran, now lives in Holbrook, as does a daughter, Mrs. Evelyn Stewart. Their Army veteran son, Wallace, lives in Quincy. They had a garden on the same spot in World War II.

Most of the couple's crop will be garden vegetables. Mr. Johnson said a small plot can produce an "unbelievable amount of food."

Mr. Johnson said the cost advantage in freezing is that no sugar is required as in canning some vegetables.

Roland Bourdon, 72, of 11 Glendale Road, who retired after 33 years as a Boston Globe newspaper worker, had a 20 foot by 40 foot plot at Cunningham Park during World War II. The chief advantage of a home garden, he said, is the "fresher taste" of vegetables. He and his wife have three grown children.

Mr. and Mrs. Walter McBurnie of 51 Elton Road, can remember how Boston's Fenway and Boston Common were sites of victory gardens in World War II. Mr. McBurnie served as a Navy tail gunner and Mrs. McBurnie recalled how the grounds of her childhood home in Marshfield were plowed for a large garden.

She expressed doubt there will be need to can the produce. Most of the surplus from the garden plot will be put into the freezer, she said. "It's really quite simple. Some foods don't even have to be parboiled," she said.

They have five children and Mrs. McBurnie said the plot could produce enough vegetables to last the winter. Two of the older children, Laurie, 22 a student at Ohio State, and Cindy, 20, at Wheaton College, might not be able to help with the chores. The three younger children, however, "are looking forward to working on the farm this summer." They are Scott, 15, Bruce, 9, and Holly, 6.

Another gardener who recalled World War II days was Mrs. Bert Allen of 14 Cedar Road. A former executive director of the Boston Newspaper Guild, Mrs. Allen said when the family moved into the town 20 years ago the gardens were still in use but were discontinued about 18 years ago.

Her husband, a postal worker, was in the Maritime Service during the war. They have six children. Two are married. Mrs. Allen said she anticipated savings on food will be considerable. Large oak trees block necessary sun for a garden at their home, she added.

Mr. Oldfield said many of the gardeners plan to grow French spinach which has the advantage of being cut back so that successive crops can grow and be cut in a single season.

[From the Quincy (Mass.) Patriot Ledger, May 5, 1975]

Victory Garden Survey Made

Randolph.—A survey of open space land by selectmen resulted in pinpointing locations of available town land for use as Victory Gardens. Every neighborhood could have space for neighborhood gardeners, said selectmen.

The land ranges from street triangles and mini-house lots taken for taxes to huge tracts including the onetime Lokitus and Gibson farms.

Selectmen responded to a suggestion made by Rep. James A. Burke, D.-Milton, to encourage community gardens as a way to overcome inflation and to help families make ends meet by food savings.

Selectman Patrick T. McDonnell, a retired police chief who was an auxiliary fire lieutenant before being called into World War I military service, noted the progression from Liberty Gardens of World War I and Victory Gardens of World War II to the gardens now proposed.

Under the plan of selectmen, lands will be allocated for the growing of vegetables. The size of the plot will be determined by the availability of land and demand by townspeople.

Mr. McDonnell said before and after World War I "the family garden was very important. The area had a balanced economy. We had two crops a year. One was the cash crop from working in shoe factories and the other came off the garden which fed a family."

"We all got by when the economy was bad. My father had four acres on Liberty Street. We grew potatoes, cabbage, beets, turnips, carrots for the winter root cellar and salad vegetables for the summer and fall, and to can. The two pigs were slaughtered at the end of the year and the meat was salted down in barrels while the hams and bacon were cured for a small fee at a smokehouse.

"We used everything but the squeal, the blood was used for sausage, and the hide was sold.

"A few chickens provided eggs, and meat," recalled Mr. McDonell.

He was to acquire another four acre tract opposite the family homestead and told of giving up gardening as the land was subdivided.

During World War I front lawns and back yards were dug up for gardens. Town lands also were used for public Liberty Gardens. The old town poor farm was used by residents of the Alms House and townspeople to grow food in both World Wars.

The town poor farm was off Pleasant Street and now is the site of the Amvets post and the town DPW facilities.

Mr. McDonnell said a family "could make a real dent in its budget by growing their own food. The food can be frozen, canned or stored in a root cellar."

Congressman Burke is seeking to reduce the cost of Victory and home garden plantings by winning Congressional approval of his Bicentennial Seed Bill which would subsidize free seed for such gardens. The bill is still bottled up in the Agriculture Committee but Mr. Burke told of presenting other members with a petition signed by thousands of Americans in an effort to influence the decision.

Selectmen said the land survey is to be followed up with a view toward suitability for farming. The amount of cleared land, the presence of ledge and swamp, will be noted.

Sewer superintendent Jack Connor has notified selectmen that peat will be saved by sewer excavators to be used for garden mulch.

School property, Belcher Park, Soule Park, the one acre Joseph Hart memorial park, town DPW areas, and other land held by the conservation commission such as the 26 acre Lokitis and the 18 acre Gibson properties were listed in the survey.

City of Boston in City Council

Whereas, Congressman James A. Burke has proposed the distribution of $6 million dollars worth of seeds, and

Whereas, A concentrated citizen involvement in husbandry would benefit the City of Boston by the providing of food, the cleaning of vacant lots in preparation for planting, the beautification of the landscape with greenery, and the cleansing of the air by plant processes, and

Whereas, Augusta, Missouri has suspended its property taxes for one year due to profit made on the production and sale of soy beans planted on communal farm land, therefore be it

Resolved, That the Boston City Council does herein endorse the distribution of $6 million dollars worth of seeds.

City of Boston,
March 27, 1975.

Dear Representative Burke: The Boston community has enjoyed the "Victory Gardens" of the Fenway and Brighton for decades.

Last year, under the banner of the Parks and Recreation Department, sixteen additional sites were started around Boston, including a major section of Almont Park in Mattapan.

You have my full support for your Bicentennial Seed Bill, and my sincere appreciation for your concern and activism.

Sincerely,

Kevin H. White,
Mayor.

Whitman Public Schools,
Whitman, Mass., May 8, 1975.

Hon. James A. Burke,
Cannon House Office Building,
Washington, D.C.

Dear Mr. Burke: I would like to thank you for your recent letter and your support of continuation of the existing school lunch program.

Recently you proposed a procedure which would call for the free distribution of seeds in order to enable people to grow their own vegetables. I thought you might be interested in the fact that the Whitman Public School system has assigned some of its school grounds to individual families who are interested in planting what we refer to in Whitman as "Centennial Gardens" in conjunction with Whitman's Centennial celebration.

Very truly yours,

John F. DeCosta,
Superintendent of Schools.

[From the Quincy (Mass.) Patriot Ledger, May 28, 1975]

Community Garden Opens Saturday

Holbrook.—The Holbrook Community Council and Youth Coordinator Frank Smith announce the official opening of the Community Gardens on Saturday at 10 a.m.

Residents may bring their tools and lunch and spend the day readying their own garden plot for the coming season.

Plots are available at no cost and may be reserved by contacting Mr. Smith at his office.

[From the Quincy (Mass.) Patriot Ledger, May 30, 1975]

Burke Hits Butz' View of Gardening Movement

Weymouth.—Secretary of Agriculture Earl Butz takes "a dim view of anything that will solve the hunger problem of the nation or solve the problem of the high costs of food," U.S. Rep. James A. Burke, D-Milton, said today at Weymouth Commons.

Rep. Burke, who describes himself as the founder of a new return-to-the-soil movement, congratulated the residents and owners of the apartment complex for beginning their own vegetable gardens on a slope near the tennis courts to help fight inflation and provide nutritious food.

At present there are 35 lots parceled off in 10-by 10-foot sections for the residents use. Since the initial gardening began, other residents have shown interest in the project, and they too will be able to have gardens.

The Corcoran Co., which owns the complex, started a similar project a year ago at Shrewsbury Commons. This year there are 100 gardeners working the soil at the North Shore apartments.

Rep. Burke praised the merits of home-grown vegetables. "A tomato tastes like a tomato!" he exclaimed. In his Bethesda, Md., apartment, he is growing tomatoes on his balcony.

"It's about time the government recognizes that there is a widespread movement across the nation to return to the soil," he said. The movement needs encouragement from the government, he added.

"For $6 million the Agriculture Department could provide seeds for the public which would reap over $300 million in food," he said, advocating support of the Bicentennial Seed Bill which is presently under discussion in the House Committee on Agriculture.

PROPOSED AMENDMENT TO AGRICULTURE APPROPRIATION BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. John L. Burton), is recognized for 10 minutes.

Mr. JOHN L. BURTON. Mr. Speaker, I would like to call the Members' attention to a problem that exists in the country that affects not only thousands of small farmers, but also affects our environment, open space, and unemployment.

Under Public Law 92–500, the Water Pollution Control Act, most farmers in this Nation are compelled to have water pollution control facilities constructed by 1976 or 1977. Presently these farmers who are living under a Federal mandate to expend thousands of unanticipated dollars for the construction of these facilities, have little, if any, governmental aid made available to them to meet these needs. It is for that purpose that I will be offering an amendment to the Agricultural Appropriation bill that will be before the House, Monday, July 14. I am enclosing a copy of a Dear Colleague letter and memorandum that spell out the problem area in brief, and the solution that I propose, and the benefits that will accrue to the people of this Nation if my amendment is adopted.

I would emphasize these are loans with payback provisions, not grants.

The letter and memorandum follows:

House of Representatives,
Washington, D.C., July 11, 1975.

Dear Colleague: It is my intention to offer an amendment to the Agriculture Appropriation Bill to be before the House on Monday.

My amendment will provide $250 million to the Farmers Home Administration revolving loan fund for soil and water conservation use for direct 40-year, 5 percent loans to help small farmers meet EPA water standards.

This proposal provides:

1) Jobs through the private sector:

2) A cleaner environment by keeping animal ——— out of our waters;

3) The ability for small farmers to continue in operation;

4) Preservation of rapidly diminishing open space.

Under P.L. 92–500, the Water Pollution Control Act, most farmers in this nation are compelled to have pollution control facilities built by 1976 or 1977. Presently, the Department of Agriculture has not seen fit to move aggressively in this area. Therefore, many farmers are put in the position of having to get loans ranging anywhere from $40–$100,000 at prevailing market rates which is a luxury they cannot afford.

The Farmers Home Administration soil and water conservation program provides for 40-year loans at 5 percent in a revolving fund, which is the most adequate, fair and expedient way of assisting with the problem outlined above.

To be eligible for a loan, all of the farmer's existing debts and mortgages on the property, including the loan, cannot exceed a total of $225,000, and the loan itself cannot exceed $100,000. In addition, determination must be made that the farmer cannot secure assistance elsewhere. This guarantees that the program is available only to those in need.

I would strongly ask for your support for this amendment. As I have stated, it provides jobs through the private sector, clean water, open space, and a means by which we may preserve small farms in this country.

If you have any further questions on this, contact John Graykowski at 5–5161.

Peace and friendship,
John L. Burton,
Member of Congress.

Memo

I have been working for months on trying to find ways to help small farmers acquire loans to meet E.P.A. standards for water pollution.

The Department of Agriculture has several provisions that could be applicable for either grants or loans for this purpose. In these times of "fiscal austerity," the grant programs would, in all probability, be unacceptable, in addition to which, the total authorization for grants under the various agricultural code sections, is only $75 million, none of which has ever been asked for by the Department of Agriculture or appropriated by the Congress.

All of our research has led us to the conclusion that of all the programs under F.H.A., the most expedient means of getting pollution control loans with broad application in the agricultural area, is through the soil and water conservation program, 7 U.S.C. 1924 which provides for 40-year loans at 5% on a revolving-type fund. This I feel is an adequate and fair program to help our farmers who are mandated by government to invest large sums of money, which they do not have, to meet E.P.A. imposed water standards. The program also does not contain many of the administratively imposed limits narrowly describing "a family farm."

To acquire a loan under the soil and water conservation program for F.H.A.:

1) The farmer applies to the county F.H.A. supervisor.

2) The farm is appraised.

3) All of the farmer's existing debts and mortgages on the property are added to the amount of the loan requested and cannot exceed a total of $225,000, and the loan itself cannot exceed $100,000.

4) If approved, the farmer receives a check from F.H.A. deposited in a joint account for the construction of the facility as monitored by the agent to make sure that it is suitable and not a "rip-off". A problem in the approval process is the determination that the farmer cannot secure assistance elsewhere. It does not always require a letter from a bank, but only knowledge on the agent's part that the bank will only lend money at a higher rate of interest than the farmer can afford. If the Department determines that this is the case, loans may be obtained.

The appropriation during the last fiscal year for this section was funded at a level of $3 million, which is woefully inadequate for the purposes of water pollution abatement loans.

REPRESENTATIVE DODD OPPOSES PAYBACK PROVISION IN HEALTH MANPOWER BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. Dodd) is recognized for 5 minutes.

Mr. DODD. Mr. Speaker, I rise in opposition to the provision in the health manpower bill now before us, H.R. 5546, which would require students in professional health care areas, to "pay back" through money or alternative service, Federal grants they never asked for, never directly received, or never even had the chance to refuse.

I urge my colleagues to support the initiative by the gentleman from Virginia (Mr. Satterfield) to strike this provision from the health manpower bill.

The issue involved here is the proposal in the bill to require the students to repay what are known as "capitation grants" through either direct money payment or through alternative service in areas underserved by health care professionals.

Yet this "voluntary" alternative service is not really voluntary at all for many medical and dental students. It actually is nothing more than blatant financial coercion.

This proposed payback system is grossly inequitable, because it will mean that medical and dental students from wealthy backgrounds will be able to "buy" their way out of this obligation.

Those from poorer backgrounds will not have that opportunity and will have to perform the alternative service, whether they want to or not.

Now I cannot argue, Mr. Speaker, with the concept of providing some program to encourage or send doctors to areas where they are in short supply.

However, there are other incentive methods included in this legislation directed toward this goal.

I am pleased to see there is a substantial increase in the authorization for the National Health Service Corps which gives scholarships and loans to students and allows repayment through alternative service.

I support this type of voluntary incentive program as an effective means to help alleviate the medical manpower crisis in some areas. The involuntary payback—alternative service proposal is the completely wrong approach.

Capitation grants, which have been paid by the Federal Government to medical schools since 1970, are paid to these institutions to help them encourage students to enter the professional medical fields through providing the medical education at a reduced tuition.

These grants, although based on the number of students enrolled, are not given to the students, but to the medical school. The students never directly benefit from these involuntary scholarships, although they obviously benefit from having to pay a lesser tuition.

But these students also never have the option to reject these involuntary, indirect scholarships.

Now we are proposing to saddle these people with a financial obligation or service commitment without having even allowed them the opportunity or right to either obligate themselves willingly or refuse such a heavy obligation.

Mr. Speaker, in my own State of Connecticut there are two excellent medical schools, one at the University of Connecticut at Farmington, and the other at Yale University in New Haven.

There are a total of 351 medical and dental students at the State university, and more than 300 more at Yale.

All of these students would be adversely affected by this provision.

For all of these reasons, I urge my colleagues to vote against it.

A FRIEND FROM BANGLADESH

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I have been privileged over the past several months to have in my congressional office as an American Political Science Association Congressional Fellow the very able Assistant Secretary of the Parliament of Bangladesh, Mr. Kazi Shamsuzzaman.

Mr. Kazi has been especially interested in the workings of the House Rules Committee, on which I am privileged to serve, as well as in the detailed operations of the Congress as a whole.

It is my hope that his stay with us has been beneficial to him and will be of valuable service ultimately to the people of his new nation. For my part, I know it has been a rewarding experience and a personal pleasure to have him with us. He has not only been a willing assistant in my office, but also an outstanding ambassador of good will for the people of Bangladesh.

Mr. Kazi has been able to bring to us his firsthand experience of the cruel repression of his people, of their successful fight for independence and of the new government's efforts to find as quickly as possible the means of dealing with its problems and of achieving the democratic aspirations of the 75 million people of Bangladesh. As a freedom fighter in the war of independence 4 years ago, he knows the sacrifices made by every family of Bangladesh. His own included the loss of a younger brother—only 14 years old—killed by the occupying troops in what was then East Pakistan.

Knowing very little about Bangladesh when Mr. Kazi arrived 7 months ago, I now feel I understand something of the problems and dangers facing this infant country and of the aspirations and great opportunities of the brave people of this newly independent, but ancient and historic land.

Before coming to the United States, Mr. Kazi had an opportunity to observe the workings of the House of Commons in Great Britain and recently he made a visit to Ottawa to observe the Canadian Parliament. On his way back to Bangladesh, he will be stopping in India to witness that country's parliamentary structure in a time of crisis.

It is my hope that the sum of these experiences will be of significant value for Mr. Kazi in the exercise of his responsibilities in the Government of Bangladesh. I am sure he will be in a position to make important contributions to his people for many, many years to come, and it will be a source of great satisfaction, when we are forced to bid him goodby at the end of the month, to know that we have had an opportunity to make known to him, as best we could, the way in which our own democratic government works for the well-being of the people. I am confident that this knowledge will be used with great talent and dedication in the service of the democratic aspirations of the great people of Bangladesh.

ANNIVERSARY OF A SOVIET TRIAL

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, 5 years ago, on June 12, 1970, 12 Soviet citizens were arrested in Leningrad on charges that they had attempted to commandeer a plane to escape from the Soviet Union and, for the 10 Soviet Jews in the group, to join the return to Israel. Even before they set foot on Priozersk Airport, these unfortunates were seized and charged with treason, committing anti-Soviet activities, and stealing state property. If, indeed, they were intent on seizing an aircraft, the 12 brave people were moved to the act only by the apparent impossibility of their being able to leave the Soviet Union legally under that country's denial of the elementary human right of emigration.

The sentences given to these individuals after a trial in Leningrad in December 1970, were exceedingly harsh. M. Yu. Dymshits and E. S. Kuznetsov were actually sentenced to death, but had these outrageous sentences commuted to 15 years imprisonment under "strict regime," and "especially strict regime," respectively. Other defendants also had their prison sentences somewhat reduced. However, this so-called leniency almost means nothing since life in a Soviet prison is in many ways like death.

A case in point is that Silva Zalmonson, a young Jew who was the only woman among the group tried in December, nearly died in prison. She was initially sentenced to 10 years' strict regimen but her health had so deteriorated that she was mercifully released last August and allowed to emigrate to Israel. So far as is known, Silva is the only prisoner of conscience to be released before a sentence was completed. But, she had to leave her husband and brothers behind, all still in prison.

There is no doubt that public outcry around the world was largely responsible for the Soviet authorities' decision to soften the sentences of those tried in Leningrad and to release Silva Zalmonson. That such a reversal took place indicated to what degree trials of this nature are politically motivated in the Soviet Union; and moreover, how the attitudes of the political leadership in the Soviet Union have preponderant influence over what should be the just and impartial carrying out of Soviet law. Of course, few can be unaware that law in the Soviet Union as applied is far different from that written. Thus, justice in the Soviet Union in the case of its Jewish citizens becomes whatever is convenient for the policies of repression, disruption, or discrimination desired by those leaders who view any kind of movement in the Soviet Union, either for human rights or simply the right to emigrate, as a serious threat to the system.

These unfortunate martyrs of the Leningrad trial were perhaps uncautiously driven to a poor decision on how to achieve their rights, but we cannot, dare not, condemn them for what they attempted. They were caught in a regime that denies them the right to retain their cultural heritage and to assimilate in Soviet society. The right to leave the country that purposefully created such a situation was also denied them. Now, it is up to us to keep their memory alive until they are no longer prisoners of conscience and may speak at last for themselves.

ADDRESS BY HIS EXCELLENCY, THE PRESIDENT, DR. SIAKA STEVENS, G.C.R.S.L., D.C.L., THE REPUBLIC OF SIERRA LEONE

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, a member of my staff has recently returned from a visit to the Republic of Sierra Leone, where she visited with members of the Government and the diplomatic community.

Sierra Leone has been an independent nation since 1961 and is struggling to meet the many diverse needs of its people. Much needs to be done in the fields of economic development, health, education and social welfare, and public works. While the country maintains a strict policy of political nonalinement, relations between the United States and Sierra Leone are cordial and are increasingly improving under the guidance of our young and very able Ambassador, the Honorable Michael A. Samuels.

On June 20, 1975, the Third Session of the Second Parliament of Sierra Leone was formally opened with an address by His Excellency, the President, Dr. Siaka Stevens, G.C.R.S.L., D.C.L. In his address Dr. Stevens points to the many projects which are planned or underway by his government. Many of these projects are being undertaken with the assistance of other nations or of private enterprises within the country. For example, Dr. Stevens makes particular note of plans for the Bethlehem Steel Corp. to reactivate the Sierra Rutile Mine and to carry on further mining operations within the country. The address also indicates the kind of assistance being provided by other nations—including those in the Communist bloc.

I believe President Stevens' address gives a clear picture of the kinds of problems being faced by developing nations and the attempts that are being made to solve them. I am sure that all my colleagues will be interested in this important address:

PRESIDENTIAL ADDRESS

(By His Excellency Dr. Siaka Stevens, G.C.R.S.L., D.C.L.—President)

CHAMBER OF PARLIAMENT BUILDING,
Tower Hill, Freetown, June 20, 1975.

MR. SPEAKER, HONOURABLE MEMBERS,

Since I formally opened Parliament last year and addressed you on the state of the nation and plans of my Government, a number of significant events have taken place.

2. Consistent with my declared policy of maintaining contacts, I have during the course of this year paid State Visits to the People's Republics of Rumania and Hungary and reached fruitful Agreements with their Heads of State. I also participated in the very important biennial meeting of Commonwealth Heads of Government which, this year, took place in Kingston, Jamaica.

3. Only a couple of weeks ago, I took part in the signing, in Lagos, of a Treaty which brought into being an Economic Community of West African States (ECOWAS). It is heartening to observe that, following our political independence and its concomitant separatist tendencies, many States of Africa have now come to realise that their future lies in co-operation with their neighbours especially in the economic fields.

4. Our relations with our brothers of neighbouring States continue to be warm and close. I have no doubt that such ties will result in the mutual benefit of all parties concerned.

5. In March this year, I initiated steps to enhance the financial position of all those employed in the public and private sectors and my Government acted with speed and directness to make the keynote of its administration, "Fair Shares For All" a reality.

6. Training facilities for all sections of the public service and a number of commercial and industrial establishments continue to be provided.

7. Government has under active study, proposals for setting up an Institute of Administration and Management conjunctly with the World Bank. Such an institution will offer extensive training facilities both to the public and private sectors, which the Civil Service Training College cannot provide at present.

8. A Local Chapter of the Association of African Public Administrators and Managers was launched in Freetown recently with a view to increasing the competence and efficiency of our Administrators.

9. The Public Service continues to offer employment opportunities to all Sierra Leoneans on the basis of merit.

10. It is encouraging to note that the provisions of the Republican Constitution relating to the establishment of the new hierarchy of the Superior Courts have been working smoothly. My Government has under active consideration the provision of additional accommodation in keeping with the present status of the Judiciary in Sierra Leone. In this connection, it is gratifying to note that in addition to Bo, a Judge of the High Court, whose jurisdiction covers the whole of the Eastern Province, has now taken up residence in Kenema. It is hoped that in the near future, another Judge will be in residence at Makeni, whose jurisdiction will cover the whole of the Northern Province. I may add that as regards the lower Courts, a new Magistrate's Court has now been established in the East End of Freetown to deal principally with cases arising from that area.

11. The Office of the Vice-President and Prime Minister continues to play a significant role in the affairs of the State. During the year under review the Vice-President and Prime Minister undertook a number of important assignments which I found necessary to delegate to him. He also acted as President on a number of occasions when I was out of the country.

12. Sierra Leone has continued to play its role both in the United Nations and in various other international forums. Our foreign policy continues to be based on non-alignment and non-interference in the internal affairs of other countries. We will continue to foster and uphold the principles of the United Nations Charter and also support and strengthen the Organization of African Unity.

13. My Government continues to maintain contacts with friendly countries. My Ministers paid official visits to a number of States including the Republics of Gambia, Ghana, Guinea, Liberia, Nigeria and Senegal, with a view to strengthening the already close ties between us and these countries.

14. My Government notes with satisfaction that Guinea Bissau has become independent and we look forward to the approaching independence of Mozambique and Angola. Now that the political scene is changing so significantly in Southern Africa, it is the earnest hope of my Government that the minority regimes in Rhodesia and South Africa will heed the warning sounded by the O.A.U. at the extraordinary session of the Council of Ministers at their last meeting in Dar-es-Salaam. The historic document produced at that meeting which is now being referred to as the "Dar-es-Salaam Manifesto" is a document to which my Government fully subscribes.

15. My Government continues to support the efforts of the United Nations to bring lasting peace to the Middle East. We have observed, with interest, the events in Indo-China. It is our fervent hope that a just and lasting peace will now prevail in Vietnam and Cambodia whose peoples have suffered far too long from the ravages of war.

16. My Government has now established an Embassy in the Republic of France in keeping with our policy of broadening diplomatic representation abroad. In furtherance of this policy my Government hopes as soon as it is practicable to establish a High Commission in Canada and an Embassy in the Middle East.

17. Government has received the Report of the U.N.D.P. expert on "Local Government in the Chiefdoms." A White Paper on the Report will be issued as soon as the recommendations of the Committee studying it have been received.

18. My Government re-affirms its policy of upholding and maintaining Paramount Chieftaincy as one of our most treasured national institutions. Government has also decided in favour of the revival of Tribal Headship in the Western Area to help in organising the affairs of the largely illiterate section of the population in this area.

19. The second National Census was taken in December, 1974 and although the details are still being processed, it is now known that the provisional figure is a little over three million at Census Day.

20. Preliminary work on National Registration has started and publicity campaigns to cover the entire country are already in progress. It is hoped that actual registration will commence before the end of the current year.

21. The Minister of Finance will submit, during the present session of Parliament, proposals for the Estimates of Revenue and Expenditure for the financial year 1975/76. These will cover all the receipts and expenditures of both recurrent and capital nature. The Minister will also seek Parliament's approval for further supplementary appropriation for the financial year 1974/75.

22. In January, 1975 Government directed that all items of revenue, including Local Tax, accruing to Chiefdom Councils should be paid into the Consolidated Fund through the District Sub-Treasury. This decision stems from the genuine desire and duty of the Government to ensure the safe collection and proper accounting of revenue. Government will accordingly seek Parliament's approval to amend both the Chiefdom Treasuries Act and the Local Tax Act, respectively, during this session.

23. I feel it is my duty to inform you that the financial position of the country at the present time is not satisfactory. Like other parts of the world, we have suffered terribly from the oil crisis and the global inflationary tendencies. In order to help our people against the effects of those high prices, Government has subsidized the price of rice and the price of fuel to the extent of millions of leones. In addition to these subsidies the cost of living kept escalating to such an extent that Government had to grant increases to employees in the public and private sectors (to the tune of about Le9,000,000 a year for the public sector alone). We have also been forced to implement some development projects in order to cut down on unemployment. Against this background, it must also be remembered that the cost of running the government of the country has been rising year by year, while in many areas of revenue earning, there have been no increases for a long time.

24. I make these points in order that it may be realised that the time has now come when we must be prepared to consider the matter of additional revenue from one source or the other, if we are to maintain a reasonable standard of living and to continue with the development projects which we have on hand.

25. I must add, in this connection, that whatever action Government may be able to take to get additional revenue will not be of much avail if our expenditures are not kept under vigilant control.

26. Both the correct assessment and the effective collection of all items of revenue by the Revenue Collection Departments are prerequisites to our national economic development. To this effect, Government will seek Parliament's approval for appropriate Legislation to meet the situation.

27. The mining sector continues to maintain a predominant position in our economy.

28. Sierra Leone became a member of both the International Bauxite Association and the Association of Iron Ore Exporting Countries during the year. Membership of these Associations will provide for member states a forum for the exchange of information and effective and meaningful consultations on problems relating to these industries and also ensure that they obtain fair and equitable prices for their minerals.

29. An important and promising development in our mining activities is the arrival of the Bethlehem Steel Corporation, a giant mining organisation in the United States of America and I am pleased to be able to report that the Sierra Leone Government has concluded negotiations with this Company to reactivate the Sierra Rutile Mine which was closed a few years ago. The same Company has also been carrying on investigations for iron ore deposits in Bagla Hill in the

Kenema District and the result so far has been encouraging. Apart from the foregoing, the Bethlehem Steel Corporation has shown keen interest in the Delco Iron Ore Mine in Marampa as well as the iron ore deposits in Tonkolili. In this connection, it is to be noted that the Delco Iron Ore Mine at Marampa having been in operation for over 40 years has now reached a stage where it must get fresh capital in order to continue work on an economic basis and that is where it is hoped that the Bethlehem Steel Corporation, with its considerable resources and expertise may fit into the picture.

30. Government continued in its efforts to reactivate gold mining and as a result areas of high potential have been demarcated in the Nimini Hills, Sula Mountains and Kangari Hills. Special Exclusive Prospecting Licenses have also been issued for the Baomahun and Kalmaro areas. At the same time a number of Chiefdoms were declared Alluvial Gold Mining Areas.

31. The National Diamond Mining Company continues its operations in Kono and Tongo and further, has now commenced prospecting for diamonds in a number of Chiefdoms in the Bo, Pujehun and Bonthe Districts in the Southern Province.

32. During the year under review further progress was made in the coverage of the entire country with the basic 1 in 50,000 maps and only a few major towns now remain to be covered by the 1 in 2,500 mapping.

33. The construction of the National Stadium, the Freetown Waterloo Road (Rural Sector) and the Congo Bridge, has caused Government to resort to the acquisition of private property in the national interest. Government is very much aware of the inconvenience that this exercise is likely to cause to private individuals and every effort is being made to minimise this, bearing in mind that the interest of the nation comes before private interests.

34. During the preceding year, my Government effectively implemented a number of provisions of the Regulation of Wages and Industrial Act, 1971 (Act No. 18 of 1971). It is hoped that in spite of world-wide inflationary tendencies the increases in salaries and wages and the improvements in other conditions of employment will engender a significant measure of contentment among the workers, and that the resultant cordial industrial relations between Employer and Employed will further prepare the way for a healthy and orderly growth of our economy.

35. The scope of the Factory Inspectorate of the Ministry of Labour has been widened to enable the Division to cope with the administration and implementation of the Factories Act passed by Parliament in May, 1974.

36. My Government has under active consideration the establishment of suitable Institutions to provide training facilities in various trades for persons not catered for by existing Institutions.

37. The effective implementation of the Five-year National Development Plan which was adopted by Parliament in August, 1974 has been given top priority by my Government. For this purpose, Government has been engaged during the past year in progressively implementing the recommendations made in the Plan.

38. We are on the eve of the second year of our Five-Year Development Plan. A considerable amount of effort is called for now and in the future to mobilize increased savings by the community for a diversified pattern of investments in the private sector. It is also necessary, at the same time, to divert increasing subscriptions to Government Stock by individuals and institutions.

39. An essential instrument of implementation of the Plan is preparation within its overall framework of an Annual Plan specifying the development tasks to be undertaken during the year and the targets of physical and financial performance. Implementation of the Annual Plan for 1974/75 is nearing completion and work on preparation of the Plan for 1975/76 is well underway.

40. Our economic co-operation with our Sister Republic of Liberia continues satisfactorily in the Mano River Union. To mark the First Anniversary I performed the ceremony of turning the sod of the Mano River Bridge at Boe, Republic of Liberia with my Brother President Tolbert on the 3rd October, 1974. It is hoped that the bridge will be completed in 1976.

41. My Government has been very much concerned with the adverse effects of our economy of the world-wide energy crisis. This, coupled with the ardent determination of my Government to remedy the unsatisfactory situation in the Sierra Leone Electricity Corporation, has led to the creation of the new Ministry of Energy and Power.

42. My Government continues its policy of gradually bringing treated pipeborne water to the entire country.

43. The inflow of tourists into Sierra Leone continues to increase and Government will give every encouragement to the development of tourism for which there are abundant potentials. As a first positive step in this direction, a Conference Centre with Hotel Complex is now under construction at Aberdeen.

44. In April this year, a Conference of African Ministers of Culture was held in Sierra Leone. For the first time Anglophone and Francophone African countries met together to discuss African culture.

45. In November this year, Sierra Leone will be represented at the Second World Black and African Festival of Arts and Culture to be held in the Republic of Nigeria.

46. The Health Care Services continue to develop and expand as a result of the priority which Government has accorded to the health sector in the National Development Plan and by the great enthusiasm that has been aroused in the various communities throughout the country in the development and expansion of the health services through community efforts of self-help endeavours. It is the avowed policy of my Government to provide a nation-wide coverage of health care facilities, which would readily be accessible to every citizen.

47. Government acknowledges with deep appreciation the various efforts to improve and expand the health care facilities through self-help endeavours throughout the country and would like to pay public tribute to all those, who have dedicated themselves to help the national effort in this way. Special mention should be made of the extensions to the hospital at Port Loko, which were recently completed by the people of Maforki, as a clear indication of what can be achieved through leadership and co-operative effort.

48. Government continues to lay very great emphasis on primary health care in the Rural Areas and plans have been prepared to upgrade the existing units or where necessary, to build new ones. The concept is to establish integrated Health Centres with strong maternal and child health components in all the Chiefdoms, each serving a population of at least 20,000. These Centres would provide comprehensive primary health care with curative and preventive medicine being fully integrated. It is expected that work on the building of one of these new Health Centres in each of the three Provinces will begin shortly.

49. With the rapid expansion of the Health Care Services, the need for an adequate cadre of trained staff has become a matter of increasing concern and every effort is being made towards the implementation of the various training programmes at all levels. Plans are afoot to establish a Centre in Bo, which would provide comprehensive training facilities for certain groups of medical auxiliaries. The Centre would also form the nucleus of a National Centre for Health Sciences, where all categories of medical and health personnel would be trained.

50. Work on the improvement of the Princess Christian Maternity Hospital in Freetown is in progress. The building programme when completed would increase the bed-strength from the present 168 to 490, with modern ancillary facilities. The extension to the Connaught Hospital Operating Theatre with modern facilities and the construction of additional Wards at the Kissy Mental hospital are now at advanced stages. Progress is also being made on the improvement to the Provincial and District hospitals and very shortly the new hospital at Kailahun and the extension to the hospital at Kabala would be opened for use.

51. A nation-wide campaign for the control, treatment and eventual eradication of tuberculosis was launched recently with assistance from the World Health Organization, and the health teams are currently carrying on with mass vaccination throughout the country. Sleeping sickness, yaws and leprosy are now under control.

52. The First Leprosy Conference ever to be held in English-speaking West Africa took place in Sierra Leone from the 29th April to the 2nd May this year. It is hoped that this Conference is the beginning of regional co-operation in controlling and eventually eradicating this disease.

53. The comparatively high infant mortality rate continues to be a matter of great concern to the Government and sustained efforts are being made by the Health Administrators to increase the life expectancy of children born and at the same time to insure the health of the mothers through the establishment of maternal and child health as well as under-five clinics throughout the country.

54. My Government has in association with the Government of Sister States of The Gambia, Ghana, Liberia and Nigeria embarked on co-operation in the field of health leaving the door open for the participation of other States in West Africa. A Regional Health Secretariat has been set up in Nigeria and a West African Post-Graduate College has been established to provide facilities for professional post-graduate medical education for doctors from participating countries.

55. My Government will continue its plans for the overall development and expansion of the Health Care Services to ensure that the health and well-being of the nation are maintained at the highest possible level.

56. My Government continues to improve the quality, widen the scope of the educational system, and so provide educational facilities for as many of its citizens as possible.

57. In the field of Adult Education more emphasis is now placed on functional literacy.

58. Primary education continues to expand and there are now 1,080 assisted schools and 200 feeder schools with a teaching force of about 6,000. My Government continues to subsidize primary education through reduced fees and the supply of school equipment.

59. Secondary education has been given a new impetus by the completion of almost all the construction and renovation work under the first I.D.A. Project. My Government continues to provide scholarships to assist deserving secondary school pupils. The diversification of the school curriculum continues with emphasis in the fields of agricultural science and technical and vocational subjects. Out of a total of 120 secondary schools there are now 103 receiving assistance from Government. The question of textbooks is a problem to which Government has addressed itself through its Secondary Schools Textbooks Committee.

60. Special education for the handicapped continues to receive the attention of my Government.

61. The educational level of candidates en-

tering the teachers colleges showed considerable improvement and my Government has continued to provide training facilities with a view to bringing teachers up-to-date with improved methods and current educational ideas.

62. My Government has continued to streamline its programme in Technical and Vocational Institutions to ensure that courses are related to the needs of the country. The I.D.A. buildings at Magburaka, Kissy and Freetown have been completed and handed over. The second phase of the ILO/UNDP Vocational Training Project is to commence shortly. Equipment from the Canadian International Development Association for the Technical Institutes and Trade Centres have arrived and installation is in progress.

63. Government is aware of the importance of the role of educational broadcasting within the educational system, and it is hoped that when the construction of the new S.L.B.S. complex is completed, the school broadcasting unit will be provided with extra facilities that will enable it to include adult education and educational television in its programmes.

64. To ensure that pupils receive adequate guidance and counselling while they are at school the nucleus of a Guidance and Counselling Service has been established to guide pupils in the choice of suitable careers.

65. The University of Sierra Leone and Milton Margai Teachers College continue to receive Government's active interest and financial support.

66. Because of the high cost of training our students abroad, Government will no longer award scholarships for study overseas in disciplines and at levels which are available locally. The award of scholarships by Government to Sierra Leoneans to study abroad will thus be drastically reduced.

67. My Government is aware of the role of Libraries in the development of the nation, and will continue to give support to the Sierra Leone Library Board.

68. My Government continues to manifest keen interest in the West African Examinations Council and its activities.

69. My Government's agricultural policy continues to lay great emphasis on activities leading to the realisation of self-sufficiency in our staple foodstuffs and on increasing production of crops for export. It is also geared to the training of farmers in the use of modern production techniques in order to improve their economic and social conditions.

70. There was considerable expansion of acreage of upland and inland valley swamp rice throughout the country last season. A significant increase is also expected in the coming year.

71. A second Integrated Agricultural Development Project will commence shortly in the Northern Province.

72. The protection, management, and rational utilisation of forests to afford the fullest benefits to all for educational and recreational purposes, the provision of animal protein, and tourist attraction will be continued.

73. A Concession Agreement was concluded for the exploitation of the Gola East and West Forest Reserves on a joint venture basis by a private investor with Government participation. My Government and the Government of the People's Republic of Rumania are now in the final stages of concluding an Agreement for the joint exploitation of the Tama/Tonkolili, Gola North and South Forest Reserves with consequent expansion of the activities of the Forest Industries Corporation in Kenema.

74. The tapping of mature rubber plantations and the production of smoked rubber sheets will commence shortly.

75. The Livestock Industry forms an integral part of the nation's Agricultural Development Programme and therefore Government is determined to strengthen and support Veterinary Services and Livestock production in general throughout the country.

76. Government has embarked on adaptive research to improve the genetic materials to be made available to livestock farmers. To this end Government has imported heads of cattle from Kenya for a cross-breeding programme which are doing well.

77. Government is aware of the potential of our marine resources and the need for their rational exploitation. As a result, attempts are being made to establish the necessary infrastructure which are essential for the successful development of our fishing industry. Government will continue to encourage investments in fisheries through joint ventures by both the public and private sectors. Active study of the Prospesca Report continues. Fishermen will be trained in improved fishing techniques, fish handling and processing.

78. Government is considering giving encouragement to the formation of Fishermen Co-operative Societies.

79. My Government still continues to address itself with vigor to the problem of rising domestic prices. The phenomenon is not peculiar to Sierra Leone, but worldwide.

80. In keeping with my Government's policy of giving maximum return to the farmer, producer prices for almost all commodities exported were substantially increased. Government's policy in this regard continues to be to increase production of all agricultural commodities and encourage expansion of trade by increased export of agricultural and semi-processed agricultural commodities. I am happy to say that this policy has already paid handsome dividends with regard to rice production.

81. My Government participated in several international conferences which should have far reaching consequences for our economic development. I refer particularly to the signing of the Lome Convention and to other cognate matters about which I have already made mention in this Address.

82. Our national demand for greater and better transport facilities continues to receive my Government's active attention. Over the past ten years, about 200 miles of Class A roads have been constructed. To this should be added the 42 miles of the Bo-Kenema Road which is now substantially complete. Government attaches high priority to the construction of the Makeni-Kabala Road. The construction of the Freetown-Waterloo Road (Rural Sector) has commenced. My Government has also commenced its programme of upgrading many of our secondary and former District Council roads.

83. The experiment of converting the Daru Railway Bridge into a road bridge has been quite successful; and I have recently formally opened it to traffic. Arrangements for the introduction of a toll system are actively being considered for this bridge.

84. Government proposes to convert the Mabang (Ribbi) Railway Bridge similarly; and to remove the one at Baoma for erection over the River Wanje along the Pujehun Road. The plans and estimates for these projects, as well as for the Bagbe and Sulima Bridges and approach roads, have already been prepared.

85. The construction teams from the People's Republic of China have made impressive progress on the construction of the Mange Bridge, and have started the preparatory work on the Kambia Bridge. They have also started work on the construction of the National Sports Stadium and plans to recruit and train the personnel that will be needed to run the Stadium are in progress.

86. The completion of these bridges will be a major achievement in our effort to provide Class A international roads to our neighboring Sister States of Guinea and Liberia, as well as the fulfilment on our own part of the effort towards a trans-West African International Highways System.

87. As part of the improvement of our internal air transportation, the construction of the Kabala Airstrip has now been completed; work on those at Njala and Kailahun is to commence as soon as practicable.

88. During the past year, considerable progress was made in the provision and development of Aeradio and Ground Services required for improved public air transportation within Sierra Leone. The services at Lungi contributed to the safe flights of more than 100,000 passengers on international journeys, done by scheduled air services operated by fourteen International Airlines.

89. My Government concluded bilateral Air Traffic Agreements with the Governments of Mali and Belgium. Negotiations are continuing with the Government of Cuba and it is hoped that a formal Agreement will be concluded soon.

90. The Republics of Guinea, Liberia and Sierra Leone concluded a Tripartite Agreement on co-ordinated Air Traffic control within their joint airspace and on search and rescue within and out of their territories. The Agreement also includes the establishment of a Flight Information Region Secretariat to which a Sierra Leonean has been appointed as the first Secretary-General.

91. My Government is currently studying the Report of the firm of Consultants Commissioned to investigate existing airport facilities at Lungi and advice on possible extension and modernization and a possible new airport site.

92. The Department of Meteorology continues to play its role in ensuring the safety of Air Navigation by providing weather forecasts and other weather data to local and International Aircrafts operating at the Freetown International Airport at Lungi, internal airfields and other national Meteorological Centres throughout the world.

93. The Sierra Leone Ports Authority completed a decade of operations in January this year and during this period considerable expansion was done to attract business locally and overseas.

94. Following on our active participation in the International Maritime Consultative Organization, it is proposed to ask Parliament this session to ratify a number of Conventions on Civil Liability for Oil Pollution Damage, Safety of Life at Sea and others to fulfill our obligations as a member of the Organization.

95. The ensuing year will be one of consolidation for the Sierra Leone National Shipping Company. With the addition of the crude oil tanker the *M.T. "Ponpoli"*, to the fleet of ships owned by the Company, much interest is being shown in the activities of the International Maritime Consultative Organization, of which Captain A. R. N. Macauley, our General Manager of Ports Authority, has been appointed Regional Adviser for Africa.

96. With the commissioning of the Wilberforce and Brookfields Automatic Telephone Exchanges and associated networks early this year, the rapid increase in the demand for telephone communication is being gradually satisfied. It is expected that when the Cline Town Exchange is completed and commissioned later this year, the situation will be further improved. A number of extension and rehabilitation works in various parts of the country are in progress.

97. It is proposed to extend the main General Post Office Building, to accommodate the joint Postal Training School of Sierra Leone and Liberia, under the ægis of the Mano River Union.

98. Arrangements are well in hand to reorganize the Department of Posts and Telecommunications.

99. The services of the Sierra Leone External Telecommunications Limited have been further enlarged with the introduction

of the Automatic Operator dialling system to residences in Europe, the United States of America, Canada, the Benelux and Scandinavian countries and the inauguration of an Automatic Telex Exchange.

100. Government is now investigating the possibility of establishing a Satellite Earth Station which would further improve communication with the outside world.

101. In the coming year the Road Transport Corporation intends to consolidate its operations throughout the country.

102. My Government, cognisant of the need for providing suitable housing for its citizens as a means of raising their standards of living, has adopted a Housing Programme for various categories of workers in different income groups.

103. My Government in collaboration with the United Nations Development Programme (UNDP) has under construction pilot houses in the first phase of a project which will involve the construction of 324 housing units thereby bringing the number of housing units in the Kissy Low Cost Housing Estate to 616.

104. Government continues to expand the programme of Social Welfare, Community Development and Sports and to co-ordinate the work of all social services in the country.

105. The increase in the rate of juvenile delinquency and the incidence of drug abuse among youths have been of grave concern to my Government. It has therefore become necessary to expand its corrective programme as well as to give encouragement to Voluntary Organizations in a national effort to arrest this dangerous trend.

106. My Government will endeavour to cut down on the overall expenditure on the Prisons, by redoubling its efforts to involve prisoners in gainful pursuits including the growing of rice and vegetables. Plans are being made to improve the Prisons Industry to enable it to meet the growing demand for its products.

107. My Government continues to pursue its policy for the development of the mass-communication media to ensure full and effective country-wide dissemination of information.

108. The new 250 kilowatt shortwave transmitter at Waterloo was commissioned in October last year, and a new broadcasting house is now under construction at New England. Work is also progressing at Leicester Peak for the installation of the new television transmitter.

109. Work has already started on the new Printing Department Complex at New England and the rehabilitation of the Daily Mail. My Government has in consequence embarked on an intensive training programme for personnel to man these services.

110. My Government continues to improve the Terms and Conditions of Service of all personnel of the Armed Forces. I should mention that all members of Sierra Leone Military Forces are now entitled to pension on retirement after ten years (instead of the previous 18 years) of faithful and loyal service, and gratuity after five years under the Provisions of the Military Pensions (Amendment) Rules, 1975. The Army and Police have all benefitted from the increases in salaries awarded by Government. The barracks now under construction at Benguema should be ready for occupation before the end of this year and those at Teko some time next year. The new maternity wing of the Military Hospital at Wilberforce has now been completed and put into service.

111. It is delightful to note that the Forces are playing their own part in the self-help revolution by cultivating large acreages of rice in some parts of the Provinces and contributing skilled and unskilled labour towards some other national projects. Special mention ought to be made of the Moa Bridge at Daru built mainly by self-help provided by the Chiefdom people and Army personnel of Moa Barracks with the supervision of the Ministry of Works. Proposals are well in hand for the Republic of Sierra Leone Military Forces to be more actively engaged in limited industrial activities.

112. My Government takes this opportunity to express its appreciation to both the Military and Police Forces for their continued loyalty and devotion to duty.

113. Government avails itself of this opportunity of extending its sincere thanks to all friendly Governments, International Agencies and Organizations whose continued goodwill and support have helped us in various fields of our national development.

114. We send once again our condolences to the families and friends of two of our stalwarts, who passed away while still in active service: Honourable J. Barthes Wilson, Member for Freetown West I, who was also Minister of Tourism and Cultural Affairs, and Honourable J. K. Davies, Member for Port Loko South-East. May their souls rest in peace.

115. Mr. Speaker, Mr. Vice-President, Honourable Members, I pray that God may guide you in your deliberations.

ENVIRONMENT, "THE DISPOSABLE ISSUE"

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, in the New York Times on Wednesday, July 9, William Shannon wrote an excellent critique of the administration's actions with respect to environmental protection. The substance of the article is that the Ford administration consistently gives lip service to environmental protection while opposing meaningful environmental action. Most of my colleagues are well aware that my own concerns with environmental protection are very strong. Disheartening as I find the article, and as saddened as I am by the consistent refusal of the Executive to exert some meaningful leadership in this field, the piece is accurate, and I would like to commend it to the attention of my colleagues. The text of "The Disposable Issue" follows:

The Disposable Issue

(By William V. Shannon)

Washington, July 8.—One day last week President Ford flew into Cincinnati through a dense smog to dedicate the National Environmental Research Center, Although a pollution alert was in effect, Mr. Ford delivered a speech that thickened the air with additional noxious materials.

It is time for a "detente with nature," the President said. But it was soon apparent that he was offering nature the kind of disarmament agreement that Leonid Brezhnev would never buy.

"If accomplishing every worthy environmental objective would slow down our effort to regain energy independence and a stronger economy, then I must weigh all factors involved," he said.

There is no evidence that protecting the nation's air, land and water retards the economy. On the contrary, a sound economy can only be based on an understanding of nature's resources and limits. But once a politician starts to "weigh" dirty air against additional jobs or to explain how industrial progress at the cost of only a few thousand extra cases of emphysema would boost the gross national product, there is no doubt that he is on the side of the polluters.

Mr. Ford—in the double-jointed prose that is supposed to suggest fairness—said, "I cherish the outdoors but . . . I pursue the goal of clean air and pure water but. . . ."

The President who on most days of the week is able to regard the miseries of the unemployed with remarkable fortitude, bordering on indifference, remembers them only when the claims of the environment are urged upon him.

"Unemployment is as real and as sickening a blight as any pollutant that threatens this nation," he cried out to the chemical-laden skies over Cincinnati.

Throughout his eleven months in office, Mr. Ford has shown that he regards the environment as a throwaway, "no deposit—no return" issue.

The Ford Administration allows overcutting of the national forests. Despite the many dedicated career people in the Forest Service, the timber industry, in effect, dictates excessive logging quotas to the Forest Service and gets away with "clear cutting" and other reckless practices.

When the Forest Service in accordance with the Wilderness Act had under consideration the upgrading of the legal protection afforded to the Idaho-Salmon River Breaks Primitive Area, the largest and most spectacular wilderness in the lower 48 states, the service wanted to add contiguous areas. Secretary of Agriculture Earl Butz overruled the foresters and instead deleted 300,000 acres from the primitive area to open it up for logging by Boise-Cascade.

President Ford is leaning toward revision of a Nixon Executive order which would permit a return to the poisoning of predators, a hideous practice devastating to eagles and numerous other species.

Because emission control would increase the cost of cars, President Ford has urged postponing clean air standards for automobiles until 1981.

Mr. Ford has twice vetoed a moderate bill to regulate strip mining, a needlessly savage form of mineral exploitation.

He chose the egregious Stanley K. Hathaway as Secretary of the Interior, whose record as Governor of Wyoming was so bad that conservationists greeted his nomination with a chorus of groans.

The dreary list could go on to include all the surrenders to the oil industry on every oil-related issue, to the commercial developers on the land-use bill, to the cattlemen on control of the Southwestern wildlife refuges, and to economic interests in planning the future of Alaska.

Throughout these months, President Ford has avoided environmentalists who might challenge these disastrous policies. He found time to meet with industrialists, cattlemen, and lumbermen not to mention assorted golfers and football players. But he steadfastly refused to meet with the heads of the nation's leading conservation organizations even though environmental issues are—next to world peace—the most important problems facing mankind.

Finally, the conservation leaders were told that if they wanted to charter a plane and fly to Cincinnati, they could have a half-hour or so with the President after his speech. Since most of them have offices in Washington, it was a bizarre and energy-wasting way to arrange a meeting but they complied, aware that they might only be straight men in another Presidential public relations exercise.

Laurance Rockefeller, a brother of the Vice President, opened the meeting by telling Mr. Ford that he was "overwhelmed with gratitude" for the opportunity to meet with him.

Mr. Rockefeller may believe that in dealing with the powerful, flattery goes a long way. Most conservationists are likely to think Mr. Ford's whole pattern of conduct deeply offensive. Unless he changes course, they may well conclude that when it comes to throwaways, politicians, like bottles, are disposable.

CONFERENCE REPORT ON H.R. 5901

Mr. FLOOD submitted the following conference report and statement on the bill (H.R. 5901) "making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 94–347)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5901) "making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 18, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 12, 19, 24, 25, 27, 30, 31, 34, 35, 36, 37, 39, 40, 41, 42, and 43, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($2,023,981,000)"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($24,769,000)"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($97,770,000)"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($3,000,000)"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,414,158,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,500,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($2,023,981,000)"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($24,769,000)"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$660,000,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,000,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$20,000,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$236,375,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($40,994,000)"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$669,650,100"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,439,309,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$715,000,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$703,500,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($24,769,000)"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$218,054,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 10, 15, 16, 17, 21, and 44.

DANIEL J. FLOOD,
WILLIAM H. NATCHER,
NEAL SMITH,
BOB CASEY,
EDWARD J. PATTEN,
DAVID R. OBEY,
EDWARD R. ROYBAL,
LOUIS STOKES,
GEORGE MAHON,
GARNER E. SHRIVER,
SILVIO O. CONTE,
Managers on the Part of the House.

WARREN G. MAGNUSON,
ROBERT C. BYRD,
JOSEPH M. MONTOYA,
FRITZ HOLLINGS,
THOMAS F. EAGLETON,
BIRCH BAYH,
LAWTON CHILES,
JOHN L. MCCLELLAN,
EDWARD W. BROOKE,
CLIFFORD P. CASE,
HIRAM L. FONG,
TED STEVENS,
DICK SCHWEIKER,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5901) making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—EDUCATION DIVISION

Office of Education Elementary and Secondary Education

Amendment No. 1: Earmarks $2,023,981,000 for title I, part A of the Elementary and Secondary Education Act instead of $2,032,212,000 as proposed by the House and $2,015,750,000 as proposed by the Senate.

Amendment No. 2: Earmarks $24,769,000 for title I, part B of the Elementary and Secondary Eduaction Act instead of $16,538,000 as proposed by the House and $33,000,000 as proposed by the Senate.

Amendment No. 3: Earmarks $97,770,000 for bilingual education programs authorized by title VII of the Elementary and Secondary Education Act instead of $95,270,000 as proposed by the House and $100,270,000 as proposed by the Senate.

Amendment No. 4: Deletes language earmarking $10,000,000 for assistance for State equalization plans authorized by Section 842 of the Education Amendments of 1974 proposed by the Senate. In deleting funds to reimburse States for the development of plans to equalize the finances of local educational agencies, the conferees are agreed that the enabling legislation requires that States be reimbursed for plans which are in accordance with the provisions set forth in law.

Since few plans are expected to be completed before the end of fiscal year 1976 and since States are, by law, entitled to reimbursement, the Committee has deferred funding for this item at this time. The conferees expect the Commissioner of Education to submit requests for additional appropriations once State plans have been submitted and approved. In addition, the Commissioner shall complete final regulations expeditiously and publish them in the Federal Register without further delay.

Amendment No. 5: Earmarks $3,000,000 for the Environmental Education Act instead of $2,000,000 as proposed by the House and $4,000,000 as proposed by the Senate.

Amendment No. 6: Appropriates $2,414,158,000 for "Elementary and secondary education" instead of $2,403,158,000 as proposed by the House and $2,435,158,000 as proposed by the Senate. The conferees are agreed that the appropriation includes $17,000,000 for the reading improvement program authorized by Title VII of the Education Amendments of 1974.

Amendment No. 7: Earmarks $12,500,000 for educational broadcasting facilities instead of $10,000,000 as proposed by the House and $15,000,000 as proposed by the Senate.

Amendment No. 8: Provides that $2,023,981,000 for title I, part A of the Elementary and Secondary Education Act shall become available for obligation on July 1, 1976 instead of $2,032,212,000 as proposed by the House and $2,015,750,000 as proposed by the Senate.

Amendment No. 9: Provides that $24,769,000 for title I, part B of the Elementary and Secondary Education Act shall become available for obligation on July 1, 1976 instead of $16,538,000 as proposed by the House and $33,000,000 as proposed by the Senate.

Amendment No. 10: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating $11,633,852 for carrying out title IV of the Elementary and Secondary Education Act with the provision that none of these funds shall be paid to any State for which the allocation for fiscal year 1977 exceeds the allocation for comparable purposes for fiscal year 1974, and striking the provision that these funds shall become available contingent upon enactment of authorizing legislation proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

Amendment No. 11: Appropriates $660,000,000 for carrying out title I of the Act of September 30, 1950 instead of $649,000,000 as proposed by the House and $700,000,000 as proposed by the Senate.

Amendments Nos. 12 and 13: Insert additional language earmarking $11,000,000 for "hold harmless" payments under subparagraphs (B) and (C) of section 305 of the Education Amendments of 1974 instead of $51,000,000 as proposed by the Senate.

The conferees are agreed that, at present, there is no way of accurately estimating the amount required to meet certain savings provisions in the law (section 305 (b) and (c)). In light of this, the conferees agree that $11,000,000 should be provided for this purpose at this time. Additional funding will be provided when accurate estimates become available.

Amendment No. 14: Appropriates $20,000,000 for School facilities authorized by the Act of September 23, 1950 instead of $10,000,000 as proposed by the House and $25,000,000 as proposed by the Senate.

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts language providing up to $5,000,000 for repairs for school facilities.

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which provides that no more than 47.5 percent of funds in the bill for school facilities may be used for section 5 of the Act of September 23, 1950.

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which authorizes the use of funds for increased school facilities in communities located near the Trident Support Site, Bangor, Washington, without regard to any provision in law.

Emergency school aid

Amendment No. 18: Deletes earmarking of amounts by sections of the Emergency School Aid Act proposed by the Senate.

Amendment No. 19: Appropriates $241,700,000 for "Emergency school aid" as proposed by the Senate instead of $226,700,000 as proposed by the House.

Education for the handicapped

Amendment No. 20: Appropriates $236,375,000 for "Education for the handicapped" instead of $235,000,000 as proposed by the House and $237,750,000 as proposed by the Senate. The conferees are agreed that the increase over the amount proposed by the House includes $750,000 for the program for children with specific learning disabilities.

Occupational, vocational, and adult education

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment earmarking $433,529,100 for parts B and C of the Vocational Education Act instead of $438,978,000 as proposed by the House and $453,978,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 22: Earmarks $40,994,000 for consumer and homemaking programs authorized by part F of the Vocational Education Act instead of $35,994,000 as proposed by the House and $45,994,000 as proposed by the Senate.

Amendment No. 23: Appropriates $669,650,100 for "Occupational, vocational, and adult education" instead of $668,849,000 as proposed by the House and $696,349,000 as proposed by the Senate. The conferees are agreed that the appropriation includes $5,462,000 for training authorized by part D and $10,000,000 for part F of the Education Professions Development Act. The Conferees note that the enabling legislation for part D, Education Professions Development Act requires that at least five percent of the total appropriation be allocated to programs for training teachers of Indian children. The Conferees expect the Commissioner of Education to follow the requirements in law and allocate these funds in a timely fashion.

Amendment No. 24: Changes fiscal year citation as proposed by the Senate.

Amendment No. 25: Inserts language earmarking not to exceed $18,000,000 for research and training under part C of the Vocational Education Act as proposed by the Senate.

Higher education

Amendment No. 26: Appropriates $2,439,309,000 for "Higher education" instead of $2,346,184,000 as proposed by the House and $2,534,934,000 as proposed by the Senate. The amounts agreed upon by the conferees for the items which were in disagreement are shown in the following table:

[In thousands of dollars]

Item	Budget request	House bill	Senate bill	Conference agreement
Basic opportunity grants	1,050,000	660,000	795,000	715,000
Work study	250,000	360,000	420,000	390,000
Direct student loans		321,000	300,000	321,000
Foreign language training	8,640	11,300	15,300	13,300
University community services		10,000	14,250	12,125
State postsecondary education commissions		3,000	5,000	3,500
Cooperative education	8,000	8,000	10,750	10,750
College teacher fellowships	1,000	1,000	2,000	1,000
Fellowships for disadvantaged	750	750		
Mining fellowships		1,500	3,000	3,000

Amendment No. 27: Modifies language to make all amounts appropriated for work study grants available through September 30, 1977, as proposed by the Senate. Under the House bill, only the amounts available for reallocation among eligible institutions would have remained available through September 30, 1977.

Amendment No. 28: Earmarks $715,000,000 for basic opportunity grants instead of $660,000,000, as proposed by the House, and $795,000,000 as proposed by the Senate.

Amendment No. 29: Provides that $703,500,000 of the amount appropriated for basic opportunity grants shall remain available through September 30, 1977, instead of $648,500,000, as proposed by the House, and $783,500,000, as proposed by the Senate.

Amendment No. 30: Deletes proviso that none of the funds in this Act shall be used to pay any amount for basic opportunity grants for students who were enrolled at institutions of higher education prior to April 1, 1973, as proposed by the Senate.

Library Resources

Amendments Nos. 31 and 32: Insert legal citation, as proposed by the Senate and earmark $7,500,000 for undergraduate instructional equipment, instead of $15,000,000 proposed by the Senate. The House bill included no funds for this purpose.

Amendment No. 33: Appropriates $218,054,000 for "Library resources" instead of $209,054,000, as proposed by the House, and $227,054,000, as proposed by the Senate. The increase over the amount proposed by the House includes $7,500,000 for undergraduate instructional equipment, $1,000,000 for demonstration projects and $500,000 for librarian training.

Salaries and expenses

Amendment No. 34: Appropriates $105,224,000, as proposed by the Senate instead of $107,841,000, as proposed by the House.

National Institute of Education

Amendment No. 35: Appropriates $70,000,000, as proposed by the Senate, instead of $80,000,000, as proposed by the House.

Amendment No. 36: Earmarks up to $30,000,000 for educational laboratories and research and development centers, as proposed by the Senate.

Office of the Assistant Secretary for Education

Amendment No. 37: Appropriates $32,500,000 for "Salaries and expenses", as proposed by the Senate, instead of $35,500,000, as proposed by the House.

TITLE II—RELATED AGENCIES

National Commission on Libraries and Information Science

Amendment No. 38: Deletes appropriation of $3,500,000 for the White House Conference on Library and Information Services, proposed by the Senate.

The Conferees are agreed that if a budget request for the White House Conference is submitted, it will be considered in connection with the next supplemental appropriation bill.

TITLE III—GENERAL PROVISIONS

Amendment No. 39: Inserts technical language in Section 303, relating to the availability of appropriations beyond the fiscal year, as proposed by the Senate.

Amendments Nos. 40 through 43: Strike out Sections 314 and 315 proposed by the House relating to forced busing, abolishment of schools, and assignment or transportation of students and substitute sections 314 and 315 proposed by the Senate, relating to the same subjects.

Amendment No. 44: Reported in disagreement.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1976 recommended by the committee of conference, with comparisons to the fiscal year 1975 amount, the 1976 budget estimate, and the House and Senate bills follows:

New budget (obligational) authority, fiscal year 1975	$6,919,718,000
Budget estimates of new (obligational) authority, fiscal year 1976	6,134,339,000
House bill, fiscal year 1976	7,332,995,000
Senate bill, fiscal year 1976	7,682,511,852
Conference agreement	7,480,312,952
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1975	+560,594,952
Budget estimates of new (obligational) authority, fiscal year 1976	+1,345,973,952
House bill, fiscal year 1976	+147,317,952
Senate bill, fiscal year 1976	−202,198,900

In addition to the amounts shown above, the bill includes $464,683,000 for the period from July 1, 1976 to September 30, 1976, an increase of $196,400,000 over the budget estimates.

Daniel J. Flood,
William H. Natcher,
Neal Smith,
Bob Casey,
Edward J. Patten,
David R. Obey,
Edward R. Roybal,
Louis Stokes,
George Mahon,
Garner E. Shriver,
Silvio O. Conte,
Managers on the Part of the House.

Warren G. Magnuson,
Robert C. Byrd,
Joseph M. Montoya,
Fritz Hollings,
Thomas F. Eagleton,
Birch Bayh,
Lawton Chiles,
John L. McClellan,
Edward W. Brooke,
Clifford P. Case,
Hiram L. Fong,
Ted Stevens,
Dick Schweiker,
Milton R. Young,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimus consent, leave of absence was granted as follows to:

Mr. Alexander (at the request of Mr. O'Neill), for today, on account of illness in the family.

Mr. Anderson of Illinois (at the request of Mr. Rhodes), for today, on account of illness.

Mr. Guyer (at the request of Mr. Miller of Ohio), for today, on account of official business.

Mr. Hefner (at the request of Mr. O'Neill), after 3:00 p.m. today, on account of official business.

Mr. Matsunaga (at the request of Mr. O'Neill), for today through Friday, July 18, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Goodling) to revise and extend their remarks and include extraneous material:)

Mr. Steelman, for 5 minutes, today.

Mr. Ashbrook, for 30 minutes, today.

Mr. Crane, for 15 minutes, today.

Mr. Whalen, for 5 minutes, today.

(The following Members (at the request of Mr. Levitas) to revise and extend their remarks and include extraneous matter:)

Mr. Eilberg, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Bingham, for 10 minutes, today.

Mr. Harrington, for 5 minutes, today.

Mr. Melcher, for 5 minutes, today.

Mr. Burke of Massachusetts, for 15 minutes, today.

Mr. John L. Burton, for 10 minutes, today.

Mr. Dodd, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Fascell, and to include extraneous matter notwithstanding the fact that it exceeds four pages of the Congressional Record and is estimated by the Public Printer to cost $1,112.00.

Mr. Koch, and to include extraneous matter, on H.R. 5546, Health Manpower Act of 1975, today.

Mr. Scheuer, and to include extraneous material, on H.R. 5546, Health Manpower Act of 1975, today.

(The following Members (at the request of Mr. Goodling) and to include extraneous material:)

Mr. Broomfield.
Mr. Crane.
Mr. Hyde.
Mr. Whitehurst.
Mr. Horton.
Mr. Sebelius.
Mr. Ashbrook in four instances.
Mr. Steiger of Wisconsin.
Mrs. Holt.
Mr. Rousselot in three instances.
Mr. Myers of Pennsylvania.
Mr. Peyser.
Mr. Derwinski in two instances.
Mr. Gude.
Mr. Bob Wilson.
Mr. Burgener.
Mr. Skubitz.

(The following Members (at the request of Mr. Levitas) and to include extraneous matter:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Miller of California.
Mr. Evans of Indiana in 10 instances.
Mr. Dent.
Mr. Beard of Rhode Island.
Mr. Downey of New York in two instances.
Mr. Wirth.
Mr. McDonald of Georgia in five instances.
Mr. Carr.
Mr. Wolff in two instances.
Mr. Vanik.
Mr. Rangel.
Mr. Zeferetti.
Mr. Fraser.
Mr. Nix.
Mr. Edgar.
Mr. Delaney.
Ms. Schroeder.
Ms. Abzug in two instances.
Mr. McCormack.
Mrs. Burke of California.
Mr. Mottl.
Mr. Murtha.
Mr. Conyers.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on July 10, 1975, present to the President, for his approval, a bill of the House of the following title:

H.R. 7405. To amend section 3620 of the Revised Statutes with respect to certain disbursements to be made by banks, savings banks, savings and loan associations, and credit unions.

ADJOURNMENT

Mr. LEVITAS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 44 minutes p.m.), under its previous order, the House adjourned until Monday, July 14, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1386. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council act No. 1–24, "To amend section 7(b) of Regulation 74–20 (relating to rent control) to change the procedure to be followed in the case of notice of time and place of hearings," pursuant to section 602 (c) of Public Law 93–198; to the Committee on the District of Columbia.

1387. A letter from the Administrator, Federal Energy Administration, transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident and for other purposes; to the Joint Committee on Atomic Energy.

Received From the Comptroller General

1388. A letter from the Comptroller General of the United States, transmitting a report on the need to define national sugar goals; jointly, to the Committees on Government Operations, and Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on July 10, 1975, the following report was filed on July 11, 1975.*]

Mr. FLOOD: Committee of Conference. Conference report on H.R. 5901 (Rept. No. 93–347). Ordered to be printed.

[*Submitted July 11, 1975*]

Mr. STAGGERS: Committee of conference. Conference report on S. 66 (Rept. No. 94–348). Ordered to be printed.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 595. Resolution providing for the consideration of H.R. 8561. A bill making appropriations for Agriculture and related agencies' programs for the fiscal year ending June 30, 1976, and the period ending

September 30, 1976, and for other purposes (Rept. No. 94–349). Referred to the House Calendar.

Mr. STEED: Committee on Appropriations. H.R. 8597. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94–350). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 591. Resolution establishing a Select Committee on Intelligence (Rept. No. 94–351). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 596. Resolution providing for the consideration of H. Res. 591. Resolution establishing a Select Committee on Intelligence (Rept. No. 94–352). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAYS of Ohio:

H.R. 8562. A bill to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes; to the Committee on International Relations.

By Ms. ABZUG:

H.R. 8563. A bill to amend the National Foundation on the Arts and Humanities Act of 1965 to provide that the National Endowment for the Arts shall carry out an emergency program for the employment of artists during any fiscal year in which the national rate of unemployment exceeds 6.5 percent; to the Committee on Education and Labor.

By Mr. ANDERSON of California (for himself and Mr. Snyder):

H.R. 8564. A bill to amend the Federal Aviation Act of 1958 relating to war risk insurance; to the Committee on Public Works and Transportation.

By Mr. ANDREWS of North Carolina:

H.R. 8565. A bill to amend title II of the Social Security Act to increase to $3,000 the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits payable to them under such title; to the Committee on Ways and Means.

Br. Mr. ANNUNZIO:

H.R. 8566. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for State and local public utility taxes; to the Committee on Ways and Means.

By Mrs. BURKE of California (for herself, Mr. Dellums, and Mr. Stokes):

H.R. 8567. A bill to provide for the establishment of multipurpose service programs for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mr. BURLESON of Texas (for himself, Mr. Mann, Mr. Waggonner, Mr. Chappell, Mr. Shriver, Mr. English, Mr. du Pont, Mr. Litton, and Mr. Hansen):

H.R. 8568. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. BURLESON of Texas (for himself, Mr. Derwinski, and Mr. Shuster):

H.R. 8569. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide a comprehensive program of health care by strengthening the organization and delivery of health care nationwide and by making comprehensive health care insurance (including coverage for medical catastrophes) available to all Americans, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. PHILLIP BURTON:

H.R. 8570. A bill to amend section 162 of the Internal Revenue Code of 1954 with respect to the income tax treatment of living expenses of State legislators; to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 8571. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DODD:

H.R. 8572. A bill to amend title 38 of the United States Code relating to the recognition of representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. DOWNING of Virginia (for himself, Mr. Badillo, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Eilberg, Mr. Ford of Tennessee, Mr. Long of Maryland, Mr. O'Hara, Mr. Pepper, Mr. Preyer, Mr. Whitehurst, and Mr. Won Pat):

H.R. 8573. A bill to amend title 10, United States Code, to provide separation pay for regular enlisted members of the U.S. Armed Forces; to the Committee on Armed Services.

By Mr. DRINAN (for himself and Mr. Biester):

H.R. 8574. A bill to prescribe certain rules for Federal, State, and local agencies regulating electric rates; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN (for himself and Mr. Steelman):

H.R. 8575. A bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television and broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. ECKHARDT:

H.R. 8576. A bill to amend the Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER (for himself, Mr. Karth, Mr. Stark, Mr. Boland, Mrs. Chisholm, Mr. Conyers, Mr. Edgar, Mr. Eilberg, Mr. Fascell, Mr. Ford of Tennessee, Mr. Gude, Mr. Harrington, Mr. Hawkins, Mr. Helstoski, Mr. Mazzoli, Mr. Melcher, Mr. Ottinger, Mr. Riegle, Mr. Rodino, Mr. Rosenthal, Mr. Roybal, Mr. Studd, Mr. Thompson, and Mr. Waxman):

H.R. 8577. A bill to amend title XVI of the Social Security Act to provide for the establishment of an outreach program to assure that potentially eligible recipients of supplemental security income benefits will be fully informed of the availability of such benefits and the steps to be taken in obtaining them; to the Committee on Ways and Means.

By Mr. HAWKINS (for himself, and Mr. Perkins):

H.R. 8578. A bill to amend the Community Services Act of 1974 to increase the Federal share of financial assistance to community action agencies; to the Committee on Education and Labor.

By Mr. KARTH (for himself, Mr. Ullman, Mr. Mills, Mr. Burke of Massachusetts, Mr. Fulton, Mr. Corman, Mr. Green, Mr. Pike, Mr. Helstoski, Mr. Rangel, Mr. Cotter, Mr. Stark, Mr. Jacobs, Mr. Mikva, Mrs. Keys, Mr. Fisher, Mr. Annunzio, Mr. Baldus, and Mr. Biaggi):

H.R. 8579. A bill to amend the Internal Revenue Code of 1954 to provide that the gross income of an employee shall not include amounts directly or indirectly received as payment or reimbursement for legal services under group legal service plans, the value of legal services rendered under such plans, or contributions by employers to such plans; to the Committee on Ways and Means.

By Mr. KEMP (for himself, Mr. Cotter and Mr. D'Amours):

H.R. 8580. A bill to incorporate the National Ski Patrol System, Incorporated; to the Committee on the Judiciary.

By Mr. KEMP (for himself, Mr. Beard of Rhode Island, Mr. Carter, Mr. Chappell, Mr. Dent, Mr. Hastings, Mr. Hinshaw, Mrs. Holt, Mr. Martin, Mr. Robinson, and Mr. Wolff):

H.R. 8581. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mr. KEMP (for himself, and Mr. Montgomery):

H.R. 8582. A bill to reestablish the fiscal integrity of the Government of the United States, through the establishment of controls with respect to the levels of its revenues and budget outlays, and the preparation of the budget, and for other purposes; to the Committee on Rules.

By Mr. LLOYD of California:

H.R. 8583. A bill to amend title 39, United States Code, to prohibit the Postal Service from requiring the delivery of mail to certain residences through the use of cluster mailboxes or curbside mailboxes unless the local government involved approves the use of such mailboxes; to the Committee on Post Office and Civil Service.

By Mr. MILLER of California (for himself, Mr. Badillo, Mrs. Burke of California, Mr. Brown of California, Mr. Conyers, Mr. Carney, Mr. Corman, Mr. Downey of New York, Mr. Dellums, Mr. de Lugo, Mr. Edwards of California, Mr. Eilberg, Mr. Edgar, Mr. Gude, Mr. Harrington, Mr. Jenrette, Mr. Lehman, Mr. Metcalfe, Mr. Moffett, Mr. Mineta, Mr. Ottinger, Mr. Perkins, Mr. Richmond, Mr. Riegle, and Mr. Rosenthal):

H.R. 8584. A bill to authorize the Commissioner of Education to make grants for teacher training, pilot and demonstration projects, and comprehensive school programs, with respect to nutrition education and nutrition-related programs; to the Committee on Education and Labor.

By Mr. MINISH:

H.R. 8585. A bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. PEPPER:

H.R. 8586. A bill to amend the Railroad Retirement Act of 1974 with respect to the annuities payable under such act to the widows of retired railroad employees; to the Committee on Interstate and Foreign Commerce.

By Mr. PEYSER:

H.R. 8587. A bill to amend title XX of the Social Security Act to provide that no State shall be required to apply a means test, or limit benefits on the basis of federally prescribed income levels, in determining the individuals for whom education, transportation, recreation, socialization, or associated services may be provided thereunder, if such services are provided in a manner consistent with certain specified State programs; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. Hawkins, Ms. Holtzman, Mr. Mikva, and Mr. Mitchell of Maryland):

H.R. 8588. A bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments; to the Committee on Government Operations.

By Mrs. SCHROEDER:

H.R. 8589. A bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index; to the Committee on Education and Labor.

By Mr. SKUBITZ (by request):

H.R. 8590. A bill to provide for the imposition of waterway user taxes and for other purposes; to the Committee on Ways and Means.

By Mr. STEELMAN:

H.R. 8591. A bill to amend section 552 of title 5 of the United States Code to clarify certain exemptions from its disclosure requirements, to provide guidelines and limitations for classifying official information; to the Committee on Government Operations.

By Mr. THONE:

H.R. 8592. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs; to the Committee on Public Works and Transportation.

By Mr. BOB WILSON:

H.R. 8593. A bill to authorize the President of the United States to present in the name of Congress, a medal to Brig. Gen. Charles E. Yeager; jointly to the Committees on Armed Services, and Banking, Currency and Housing.

By Mr. WYLIE:

H.R. 8594. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under the act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEED:

H.R. 8597. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

By Mr. RICHMOND:

H.J. Res. 553. Joint resolution to provide that the Secretary of Agriculture and the Commodity Futures Trading Commission prepare and submit to the Congress a report on the domestic economic impact of sales of wheat and of wheat flour made, or which might be made, by private business establishments in the United States to the Union of Soviet Socialist Republics during the last 6 months of 1975; to the Committee on Agriculture.

By Mr. EILBERG:

H.J. Res. 554. Resolution to designate January 4, 1976, as Haymon Salomon Day; to the Committee on Post Office and Civil Service.

By Mr. McDONALD of Georgia (for himself, Mr. Alexander, Mr. Armstrong, Mr. Bauman, Mr. Beard of Tennessee, Mr. Bevill, Mr. Brinkley, Mr. John L. Burton, Mr. Butler, Mr. Byron, Mr. Carr, Mr. Carter, Mr. Clancy, Mr. Del Clawson, Mr. Cochran, Mr. Collins of Texas, Mr. Conlan, Mr. Crane, Mr. Davis, Mr. Derrick, Mr. Derwinski, Mr. Dickinson, Mr. Downey of New York, Mr. Duncan of Oregon, and Mr. Esch):

H.J. Res. 555. Joint resolution to stop the loan of three landing craft (LCM-8's) to Panama, and for other purposes; to the Committee on Armed Services.

By Mr. McDONALD of Georgia (for himself, Mr. Fithian, Mr. Flood, Mr. Flowers, Mr. Flynt, Mr. Fountain, Mr. Ginn, Mr. Goodling, Mr. Grassley, Mr. Hagedorn, Mr. Haley, Mr. Hansen, Mr. Hefner, Mr. Henderson, Mr. Hicks, Mr. Hightower, Mr. Hillis, Mr. Hinshaw, Mr. Holland, Mrs. Holt, Mr. Hubbard, Mr. Ichord, Mr. Jenrette, Mr. Jones of Tennessee, and Mr. Kasten):

H.J. Res. 556. Joint resolution to stop the loan of three landing craft (LCM-8's) to Panama, and for other purposes; to the Committee on Armed Services.

By Mr. McDONALD of Georgia (for himself, Mr. Kelly, Mr. Kemp, Mr. Ketchum, Mr. Krueger, Mr. Lagomarsino, Mr. Lloyd of California, Mrs. Lloyd of Tennessee, Mr. Lott, Mr. Madigan, Mr. Martin, Mr. Mathis, Mr. Mills, Mr. Mollohan, Mr. Moore, Mr. Myers of Indiana, Mr. Neal, Mr. Nichols, Mr. Nolan, Mr. O'Brien, Mrs. Pettis, Mr. Quillen, Mr. Risenhoover, Mr. Robinson, and Mr. Rogers):

H.J. Res. 557. Joint resolution to stop the loan of three landing craft (LCM-8's) to Panama, and for other purposes; to the Committee on Armed Services.

By Mr. McDONALD of Georgia (for himself, Mr. Rousselot, Mr. Runnels, Mr. Schulze, Mr. Sikes, Mr. Snyder, Mr. Spence, Mr. Steiger of Arizona, Mr. Stephens, Mr. Stratton, Mr. Stuckey, Mrs. Sullivan, Mr. Taylor of Missouri, Mr. Taylor of North Carolina, Mr. Treen, Mr. Wampler, Mr. Weaver, Mr. Wiggins, Mr. Bob Wilson, Mr. Young of of Florida, and Mr. Young of Alaska):

H.J. Res. 558. Joint resolution to stop the loan of three landing craft (LCM-8's) to Panama, and for other purposes; to the Committee on Armed Services.

By Mr. MATSUNAGA (for himself and Mr. Horton):

H.J. Res. 559. Joint resolution to declare a U.S. policy of achieving population stabilization by voluntary means; to the Committee on Government Operations.

By Mr. HUNGATE (for himself, Mr. Maguire, and Mr. Matsunaga):

H. Con Res. 335. Concurrent resolution urging review of the United Nations Charter; to the Committee on International Relations.

By Mr. BINGHAM:

H. Res. 592. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

By Mr. GONZALEZ (for himself, Mr. Dellums, Mr. Dodd, Mr. Eckhardt, Mr. Hawkins, Mr. Jacobs, Mr. Melcher, Mr. Mineta, Ms. Mink, Mr. Rangel, Mr. Waxman, and Mr. Yatron):

H. Res. 593. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, Jr., and the attempted assassination of George Wallace; to the Committee on Rules.

By Mrs. PETTIS:

H. Res. 594. Resolution providing for senior citizen interns; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. TEAGUE:

H.R. 8595. A bill for the relief of C. L. Adkins & Son Construction Co.; to the Committee on the Judiciary.

By Mr. TSONGAS:

H.R. 8596. A bill for the relief of John Kolias (a.k.a. Ioannis Georgios Kolios, a.k.a. John Kolios); to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

House Resolution 591

By Mr. ANDERSON of Illinois:

(An amendment in the nature of a substitute.)

On page 1, strike all after the "Resolved" clause, and insert in lieu thereof the following:

"That the Select Committee on Intelligence is abolished immediately upon the adoption of this resolution. However, funds authorized for the use of the Select Committee under House Resolution 138 may be expended for a period not to exceed thirty days for the purposes of staff salaries and for the payment of expenses incurred by the select committee prior to the adoption of this resolution. All papers, documents, and other materials generated by the select committee shall be transferred upon the adoption of this resolution to the keeping of the Clerk of the House, pending their further disposition as provided by section 2 of this resolution.

"TRANSFER OF AUTHORITY, MATERIALS, AND FUNDS

"Sec. 2. Upon the adoption by the House of Representatives of a bill or resolution establishing a joint committee on intelligence oversight (by whatever name), it shall be in order to immediately appoint the House members to that committee for the purpose of assuming the full authority previously delegated to the Select Committee on Intelligence, under the provisions and conditions, and using the remaining available funds, of House Resolution 138. The House members of the joint committee shall constitute an interim ad hoc committee on intelligence of the House until such time that final action is taken on the bill or resolution establishing the joint committee or until January 10, 1976, whichever is earlier. The papers, documents, and other materials in the keeping of the Clerk of the House under section 1 of this resolution shall be transferred to the interim ad hoc committee upon its appointment."

By Mr. HARRINGTON:

On page 6, line 11, strike out "1976" and insert in lieu thereof "1977".

H.R. 8561

By Mr. CONTE:

Page 67, strike out lines 4 through 13 and insert in lieu thereof "1970."

By Mr. LONG of Maryland:

Immediately after Sec. 611, insert the following new section:

Sec. 612. None of the funds appropriated under this Act shall be available to administer, extend, grant, or provide credits, subsidies, guarantees, or other aid, including credit from the Commodity Credit Corporation, to the Soviet Union for purchases of United States agricultural commodities, without prior approval by the Congress.

EXTENSIONS OF REMARKS

BIG BROTHER OF THE YEAR

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mrs. HOLT. Mr. Speaker, it is with great pleasure that I inform my colleagues that my constituent, Mr. Herbert Buchanan of Suitland, Md., has been named Big Brother of the Year at the recent Big Brother convention in Denver, Colo.

I am indeed proud of Mr. Buchanan's accomplishments which have resulted in his being selected for this honor by the over 80,000 Big Brothers throughout the United States.

At this point I insert into the RECORD the nominating speech which outlines Herb Buchanan's many civic efforts which qualified him for this award:

NOMINATION FOR BIG BROTHER OF THE YEAR

Big Brother of the National Capital Area wishes to place in nomination for the 1975 National Big Brother of the Year Award the name of Herbert Buchanan.

Herbert Buchanan has been an active Big Brother since May 1967 and is currently matched with his second little brother. He has demonstrated consistently an unusual commitment to the program throughout these past eight years. In addition to working with Little Brothers directly, he has been an active member of his local Big Brothers Council for seven years. BBNCA councils are designed to relate the program to the unique needs of each locality. In this context Herb has conducted orientation sessions for new, and prospective, Big Brothers. He has also chaired roundtable discussions where Big Brothers who are having trouble with their matches have the opportunity to discuss the problems facing them with Big Brother peers and professional staffers. Finally, he has been very instrumental in publicizing the Big Brothers program throughout the Washington, D.C. Model Cities area. His selection for these key, and sensitive, roles demonstrates the esteem in which he is held within the Agency, and community.

However, all of these are among his lesser achievements within the program—at least in his eyes and those of his Little Brother, Ricky. Herbert was matched with Ricky because he had specifically asked to work with a handicapped boy. At the time it was believed that Ricky was mentally retarded. He was extremely withdrawn, hostile and defiant. He would communicate only by physically striking out. He had been placed in a special education class for retarded children by the public school system. Ricky's plight was an especially difficult one since he was one of 11 children in his family and he could not be given much individual attention.

Soon after he began working with Ricky, Herbert Buchanan began to suspect that the boy was exhibiting a hearing problem. Herbert's previous involvement with deaf coworkers had given him some familiarity with this affliction. He had also passed through a training program at Gallaudet College (an institution for the deaf) and this helped him arrive at this evaluation. After this crucial observation, Herbert began his fight for better services to meet Ricky's needs. Through direct, and persuasive, contacts with the school, Herbert had Ricky reevaluated. The results showed that the child was indeed deaf, and not retarded at all.

This was not the end of Herbert's battle. It was more truly only the first skirmish. The school still failed to respond with a proper placement for Ricky even after the re-evaluation. Therefore, Herbert had to begin expending a great deal of time and energy on getting Ricky placed in a school for the deaf. He involved a state senator and a school board member into his fight. Through Herbert's efforts, Ricky was permitted to bypass the waiting list and was placed, despite the objections of some school officials, in the Maryland School for the Deaf.

Anyone who has observed Ricky's progress since being matched with Herbert cannot help but notice the significant change in his personality. He is now a happy, well-functioning child who is a sports enthusiast and is always ready for athletic endeavors.

Incredibly, this is not the full scope of Herbert Buchanan's involvement with his Little Brother. He utilized his local civic association in helping the boy's family to find adequate housing when they were threatened with eviction from their home, six days before Christmas. He learned sign language which enabled him to communicate effectively with Ricky. Herbert and Ricky maintain weekly contact despite the fact that Ricky is a five-day boarder at school. This Big Brother views his Little Brother as no different from any other boy and involves him in many varied activities.

Ricky's mother commented that "no finer Big Brother could have been selected for her son and through Mr. Buchanan's understanding, patience and guidance, there is an assurance of a bright future for Ricky."

Herbert Buchanan, himself, comes from a fatherless background. His family was mainly supported by the mother during his childhood years. Herbert served three years in the U.S. Coast Guard, then attended Howard University. He is employed as a printing specialist with the U.S. Government Printing Office. Age 41, he is married and has three children of his own (ages 16, 14 and 6). He has a strong interest in HAM radio operations.

Herbert Buchanan is a tremendous example of what one man can do as a volunteer when he is sincerely committed and deeply motivated to a cause. We know of no man more deserving of this great honor and we proudly urge your consideration of Herbert Buchanan as National Big Brother of the Year for 1975.

PROLIFERATING FEDERAL REGULATION: ANOTHER BUREAUCRACY

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. ROUSSELOT. Mr. Speaker, as my colleagues in the House are aware, the other body has passed legislation which calls for the creation of an Agency for Consumer Advocacy, and our own Committee on Government Operations is currently considering similar legislation. I strongly oppose the establishment of still another Federal bureaucracy which will further intensify the upward pressure on prices and put additional strains on the already overburdened taxpayer.

Our Nation's taxpayers will have to bear the burden of the increased Federal spending needed to create and operate this agency, and as consumers they will be saddled with any additional costs to businesses that will be passed on to them in the form of higher prices. This is especially important when considering that it is in the excessive Federal spending that is causing the inflation/recession—a nationally known magazine recently estimated that unnecessary and wasteful Government regulation is already costing American consumers $130 billion a year.

In my opinion, it is inconceivable that any responsible Member of Congress would support the creation of yet another bureaucratic regulatory body when in fact, we should be considering legislation to repeal and abolish costly regulatory agencies which are harassing American taxpayer/consumers.

Claims have been made that there is wide public support for the consumer advocacy concept; however, a recent national survey by the Opinion Research Corp. of Princeton, N.J., points out that on the question of setting up a Federal consumer protection agency "* * * 75 percent of the public voted against doing this * * *". I believe it is the role of the elected representatives of the people to act to protect and further the best interests of the consumers. I urge my colleagues to read the following remarks of Mr. Anthony Harrigan, executive vice president, of the U.S. Industrial Council. Mr. Harrigan presents the arguments against a consumer agency in a convincing manner:

ANOTHER FEDERAL AGENCY

The proposed "Agency For Consumer Advocacy"—Senate Bill 200—is nothing of the sort. It is another federal control bill.

It is incredible that such legislation should be foisted on the American people when the country already is suffering from regulatory overkill. The Daily Oklahoma recently commented that "Federal regulatory power is not only intrusive to a degree our parents would not have believed, but it is costly."

The initial cost is of the giant bureaucracy. Today, there are more than 63,000 federal employes on the payroll of regulatory agencies. This manpower costs the taxpayers more than $2 billion a year.

But this is only part of the cost. One steel company estimates that its superintendents spend 4,000 man hours a year guiding inspectors through its coal mines. There are more than 5,000 different types of federal forms to be filled out by businesses which reportedly require 130 million man hours per year to complete.

Murray Weidenbaum, an economist at Washington University, estimates the cost of auto safety and emission standards at $3 billion a year. In a new book, he cites the endless harassment of companies by consumer protection agencies.

For example, he notes that one company in St. Louis produced 1,494 containers of windshield washer solvent that didn't have childproof caps or a label stating that the liquid "cannot be made non-poisonous." The company was not allowed to affix new caps and labels. Instead, it was compelled to destroy all the containers.

While Sen. Abraham Ribicoff (D-Conn.), with strong assistance from consumer sensationalist Ralph Nader, pushes S. 200, the country is overloaded with consumer protection groups. The U.S. Chamber of Commerce recently pointed out that in the Washington metropolitan area alone there are no fewer than 38 private and 14 public consumer organizations, "national, local, alive and active."

Vast quantities of consumer protection legislation has been enacted in recent years. Much of this legislation is absurd. A columnist for the Oklahoman reports that "Federal agencies now specify how large toilet partitions must be, and how frequently spitoons must be cleaned." The Occupational Safety and Health Act (OSHA) rules specify the size, shape and number of toilet seats required in each restroom of a business office.

On top of all this Sen. Ribicoff and other supporters of S. 200 would impose a new agency to serve as an advocate "for consumers who have been victimized by marketplace irresponsibility."

As a matter of fact; the new agency would be a harassing agency that would have the right to monitor and interfere in the formal proceedings of other regulatory agencies. Creation of this agency would make possible freewheeling bureaucratic interference and harassment.

Who is to protect the consumer, the manufacturer, the shopkeeper, from bureaucratic interference and tyranny—from absurd and irresponsible demands? That's a question Americans should ask members of the House of Representatives who are considering this bill.

This bill isn't a "voice for consumers," as its proponents allege, but a new voice for power-seeking bureaucracy. It is the dream of the Naderites who oppose every productive enterprise and whose only ambition is to impose more regulations on the American people.

Is wildly proliferating government regulation, allegedly for the benefit of consumers, what the American people want? A recent poll by Opinion Research Corp. showed that American consumers, by a 75 per cent majority, opposed creation of a new federal consumer agency. More regulation is not the wave of the future in this country, if the American people have their way. They are beginning to realize that super-regulation erodes their liberties and drastically affects the prices of the goods and services they desire.

If the House of Representatives is listening to the people, as distinct from the bureaucrats, it will reject the new "advocacy" agency bill.

EXTENSION OF WETLANDS LOAN ACT

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. WALSH. Mr. Speaker, the increased destruction of American wetlands over the past two decades has disturbed me greatly. I am also concerned over the general misconception that wetlands are wastelands. I am therefore heartened over the passage of H.R. 5608 and hope it will help counter this loss of a valuable natural resource. I also hope it will alter the gross public misconception that has arisen in connection with our wetlands.

These lands are vital to the life of our migratory waterfowl. Not only do they provide habitat and breeding grounds, but they also provide routes for flyways. Needless to say, continued destruction of wetlands would be detrimental to the wildlife that need these lands to survive. In extending the Wetlands Loan Act program and increasing the loan authorization, the House has taken a vital step toward achieving the wetlands acquisition goal.

H.R. 5608 extends the accelerated wetlands acquisition program for 7 more years and increases the interest-free loan authorization by $95 million. This program began in 1961 and set a goal acquisition of 2.5 million acres, of which 1.9 will have been acquired by next June.

The need to preserve wetlands has never been more critical. They are disappearing at ever increasing rates and likewise, the cost of remaining wetlands is doubling and tripling. The need for a source of funds in excess of duck stamp receipts to continue acquisition is essential.

I would like to point out that this program is not solely hunter oriented. I urge all who are interested in land conservation as well as conservation of migratory waterfowl, to purchase the "Migratory Bird Hunting and Conservation Stamp." The proceeds of these so called duck stamps, which can be purchased in local post offices, wild life refuges and other designated areas, help pay for the acquisition. I feel this is a sound investment in the preservation of our wetlands and waterfowl.

I would also like to take this opportunity to praise the efforts of Ducks Unlimited. As a private organization, this group collects donations which are then used in the construction of new wetlands and in the preservation of old ones. These wetlands provide sanctuaries and breeding grounds for all species of waterfowl. I am proud of the leading role this private organization is taking in the protection and preservation of North American wetlands. Founded in 1937, this group, working closely with the Governments of Canada and the United States, has helped preserve our native waterfowl from the advance of civilization and they deserve our plaudits.

Passage of this bill means that the Federal Government will continue to take the lead in the conservation and preservation of our wetlands. The preservation of these areas is crucial to the continued existence of North American waterfowl. Wetlands are not wastelands. The purchase of these lands, before they are appropriated for other purposes, is of the utmost importance.

SIX MILLION WOMEN FACING JOB LOSS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Ms. ABZUG. Mr. Speaker, Mr. Gus Tyler, assistant president of the International Ladies Garment Workers Union, has sent me copies of two of his recent columns which I will insert in the RECORD.

Many of my fellow citizens, as well as my colleagues, are unaware of the damage done to women by policies of the multinational corporations and by unsuspecting consumers.

I am sure that these two enlightening columns will be of interest to my colleagues.

The articles follow:

[From the Long Island Press, May 6, 1975]

SIX MILLION WOMEN FACING JOB LOSS

(By Gus Tyler)

NEW YORK.—Six million jobs in American manufacture, presently held by women, are in danger of being wiped out—not by discrimination nor even by the current recession, but by foreign competition.

Consider the apparel trades, for instance, that employ about one and a quarter million women in an industry whose work force is 80 per cent female. As of March of this year, the unemployment rate was above 20 per cent—more than double the national jobless rate of 9 per cent.

The unemployment rate is that extraordinarily high because the recession hit a trade already enfeebled by blows from overseas. In the eight years from 1966 to 1974 more than 50,000 jobs were washed away in the garment industry by a flood of imports from low wage countries.

Imports are rising so rapidly that at present about one garment out of every four sold in this country is an import as contrasted with about one garment out of 30 in 1961.

The reason for the tidal wave of imports is the difference in wages between the United States and its rival producing countries. Not that the wages are too high here: they range from $2.20 to $4 an hour—which is low enough for this country. But the wages in some other countries are too low—right down to 15 cents an hour.

The edge we might have in productivity is lost because American manufacturers, in major cases, give away our technology and teach our know-how to "contractors" in other countries.

In addition, American tax and tariff laws actually encourage U.S. manufacturers to get their work done abroad. One section of the tariff law (Item 807) allows an American company to send its work out of the country to be stitched and then returned here for sale with a tax applied only on labor done, which comes close to nothing.

The volume of garments imported under 807 has swollen steadily, from $1.7 million in 1965 to $238 million in 1974.

And now imports are expected to rise. "The pressure of unemployment is inducing other countries to safeguard jobs of their people," testified Sol Chaikin, Secretary Treasurer of the International Ladies' Garment Workers' Union, before the International Trade Commission.

"This is one of the reasons why Great Britain began to require licenses before imports of foreign-made textile products can enter her borders.

"Australia raised duties on apparel in excess of 1973 shipments by huge, virtually prohibitive amounts. In turn, this spells out an increased pressure from low wage countries to export their goods to the United States."

The apparel trades are a bellwether of all light manufacture in the United States, a sector of the economy with heavy female employment. The women presently employed on these jobs don't work for fun or pin money: two-thirds of them support dependents as well as themselves.

The danger they face is not simply that they will be out of work during the recession but that their kind of work will be permanently lost.

[From the Long Island Press, May 26, 1975]

BARGAIN'S MAY COST SOME HUMAN LIVES

(By Gus Tyler)

Everybody feels free to throw stones at Charoen Supatadarat. From Bangkok comes the story that he and his wife held 54 small children in captivity, forcing them to run sewing machines in a walled factory producing blouses. Their average age was 12; 42 were girls; the youngest was nine.

Their diet was one small plate of rice for every meal, enriched by two pieces of bread every 10 days. They were barefoot and clothed in rags. Their bedroom was a loft above the factory; they slept on the floor.

To hide this outrage from the world, all windows were painted over.

To maintain good work habits, the children were beaten with sticks and shoes. The Associated Press reports one child as saying: "Once I was almost stabbed by a woman guard who told me she would cut off my head and throw it in the toilet."

The children were promised $10 a month. But all were not offered this handsome pay. Many were sold outright by their parents for $25.

The children worked from 6 a.m. to 9 p.m. If they behaved, they were rewarded on occasional Saturdays by being allowed to watch television.

Such outright slavery is not the usual thing in Thailand or in other nations of the Orient. But the working conditions are; nine cents an hour wages, 15 hour workdays, child labor, threats and corporal punishment.

That's how millions of blouses (skirts, dresses, shoes, pants, toys, novelties) are made in Southeast Asia. But how are they sold and to whom?

Few of these items will be sold to natives: They can't afford them. When you sell a daughter for $25 you don't use the money to buy a blouse or a pretty plastic doll. The products are sold overseas—especially to affluent America.

Some of our best established emporia pick up their wares in the Orient. Merchants can buy cheap, mark up the item by 200 to 300 per cent, and still undersell the American-made counterpart.

Sometimes, American capital sets up the overseas operation with financing, styling, sizing, know-how, machinery. In footwear, for instance, U.S. importers often pay "for the entire output of a foreign plant before the shoes are produced," reports Fortune magazine.

American manufacturers use overseas plants as contractors. "Fifty per cent of all apparel currently imported into the United States is brought in by apparel manufacturers," says Norman Kinersfeld, executive vice-president of Kayser Roth. That's a good deal too; sew cheap-sell dear.

For the American woman—the best dressed in the world, it's also a good deal. She can buy that blouse for a few pennies less, she reckons.

Now, as we stand ready to convict and condemn the Supatadarats of the Orient, who is ready to throw the first stone at home?

MR. HUGHES—NEW YORK STATE BROADCASTERS AWARD

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. WOLFF. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues the appointment of Richard N. Hughes, senior vice president of WPIX New York as president of the National Broadcast Editorial Association. I would like to extend my congratulations to Mr. Hughes and the entire WPIX organization. This association is made up of editorialists and those responsible for formulating editorial policy at radio and television stations across the Nation. I feel gratified to know that the organization has chosen such a capable and creative man to lead the association for the next year.

Mr. Hughes has won the New York State Broadcasters Award for Outstanding Editorial five times in the last 6 years. Not only has Mr. Hughes had a constructive influence on the programing of editorials for WPIX, but he has also had a very creative influence on all broadcast editorializing. Mr. Hughes introduced the practice of presenting editorials for the WPIX management and also showing editorial replies and the comments of viewers.

I am particularly proud that a representative of WPIX has been chosen to lead the association as this channel has been in the forefront of the move to have the media present not only hard news, but also comment on the major issues involving the Nation and the world. My colleagues will be interested to know that WPIX also carries "Ask Congress," the program which I moderate which most Members have appeared to present a bipartisan discussion view of events in the Congress. I am sure that Mr. Hughes will bring his dynamic demeanor to bear in a positive way on the work of the Broadcast Editorial Association during the current year.

A TRIBUTE TO DR. ALMA DEA MORANI

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. ROGERS. Mr. Speaker, today I would like to take time out to pay tribute to Dr. Alma Dea Morani, who has contributed much to the field of plastic surgery. Her unselfish devotion, constant cooperation, and humanitarian spirit on behalf of the unprotected and underprivileged have brought many awards, honors, and citations her way, some of which include the followings:

AWARDS, HONORS AND CITATIONS

Awarded Fellowship in Plastic Surgery, 1946, by International Soroptimists. (First Fellowship given to M.D.)

Awarded citation for distinguished work in Plastic Surgery by Order of Sons of Italy, 1955. (First citation to a woman)

Alumnae Achievement Award, 1964, Woman's Medical College of Pennsylvania.

Elected President of American Women's Hospitals Service in May 1967. Maintenance of medical relief service clinics in elevent countries. Recent addition of two clinics in our poverty-stricken areas in Kentucky southern highlands. As of May 1975, Dr. Morani still President of AWHS.

Honored by Republic of Italy with citation, November 1967, conferred the title of Cavaliere Ufficiale "Dell 'Ordine Al Merito." The third woman in the United States to receive such a citation and the first female in the medical world to be so decorated. The award and a medal were received.

Received Golden Slipper Square Club Award, April 10, 1968, as a woman of distinction. Given for distinguished work in plastic surgery and for her teaching efforts throughout the world.

Received Friendship Fete Fame Award in Philadelphia, April 20, 1968. This was the 30th Fame Award and was sponsored by Zonta Club of Philadelphia and by forty local women's clubs, given Dr. Morani for outstanding achievement in her chosen field of Plastic Surgery and for her world travels in teaching.

Received the Amita Achievement Award in New York City, May 25, 1968. The Amita Society annually honors twelve American women of Italian lineage who have achieved success in their particular careers.

Soroptimist "Woman of Distinction" Award, July 9, 1970, St. Louis, Missouri. For distinguished work in Plastic Surgery.

"Woman of the Year" Award by Auxiliary of Order of Sons of Italy. National citation received May 1971.

Elizabeth Blackwell Award from American Medical Women's Association, New York City, November 1972. For dedicated services as a surgeon, teacher and humanitarian.

"Distinguished Daughter of Pennsylvania" Award, Harrisburg, Pennsylvania, October 9, 1973. For humanitarian work throughout the world.

Honorary degree from Chestnut Hill College, Philadelphia, Pa., "Doctor of Humane Letters." Received May 12, 1974, for outstanding service to the community and distinguished work in her special field of Plastic Surgery.

Dr. Morani is highly respected in her field and looked up to by members of the medical profession, not only for the great accomplishments that she has made in her field, but for the dedication that she has exhibited toward the building of a greater future in the medical profession through her willingness to share her valuable experiences with others in the United States and in foreign countries.

THE ECONOMY—INCENTIVE/LOOPHOLES

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. GUDE. Mr. Speaker, a recent article in the Montgomery County Sentinel by Robert J. Samuelson concerning DISC bears close reading by Members of the House. DISC is Domestic International Sales Corporation, a tax device designed theoretically to increase exports, but which in the past few years has become synonymous with the words "tax loophole." Mr. Samuelson's article quite thoroughly explores the problems with the DISC provision and the problems of tax loopholes in general. I have in the past sponsored legislation to repeal DISC, and I hope now that the Ways and Means Committee is once again taking up general tax reform, we may finally be getting rid of DISC. Because of the committee hearings, this article is particularly timely, and I include it in the Record at this point in the hope my colleagues will have a chance to read it:

THE ECONOMY—INCENTIVE/LOOPHOLES

It is tax "reform" season again, and a good candidate for the chopping block appears to be DISC.

You have probably never heard of DISC, but it's costing the Treasury about $1 billion a year. What's more, DISC is an almost perfect illustration of the defects of many tax breaks enacted to further superficially worthy causes.

In this case, the worthy cause was expanding U.S. exports. DISC stands for Domestic International Sales Corporation, and, basically, it's a fancy device by which the government lowers the tax rate on the profits of export sales. A company is allowed to create a DISC and channel all its exports through the DISC; the DISC enjoys preferential tax treatment, which, in effect, permits the company to defer indefinitely income taxes on 25 per cent of its export profits.

Now, one man's "incentive" is another man's "loophole," and tax reformers want to exterminate DISC. But, whether or not you favor DISC, there are certain general rules that apply to many—maybe, all—of these loophole incentives. And you can get an idea of those rules by taking a close look at DISC.

Rule number one: It's often difficult to judge whether the incentive/loophole is doing what it's intended to do—in this case, expanding exports.

When originally proposed by the Treasury in 1971, DISC was justified as a necessary concession to offset similar—and greater—tax concessions granted by foreign nations. The U.S. tax break, it was argued, would make U.S. exports more competitive (by allowing exporters to reduce prices) or make it more attractive for U.S. companies to steal products from U.S. plants (rather than manufacturing them abroad in countries with better tax breaks).

Has DISC done its job? Well, U.S. exports have skyrocketed since 1971—from $42.9 billion to $96.5 billion in 1974. But other changes in the world economy since 1971 may account for most (or all) of the increase; general inflation; the devaluation of the dollar (which has made U.S. products cheaper for foreign buyers); the quintupling of oil prices (which has increased demand from oil exporting nations for U.S. goods); bad crops overseas (which created an export boom for U.S. grains), and U.S. price controls (the price regulations didn't cover exports, and this exemption may have spurred companies to emphasize exports).

Many manufacturers will undoubtedly tell Congress that DISC helped exports, but a U.S. Treasury study concluded that it's impossible to determine the impact. A study from the Office of Management and Budget said that the stimulus was, at best, "modest." The Commerce Department—the government agency most actively responsible for encouraging exports—dissents from these findings.

Rule Number Two: It's equally difficult to estimate in advance how much a tax loophole/incentive will actually end up costing the government.

Back in 1971, the Senate Finance Committee had projected that the tax loss from DISC would be relatively small—about $100 million in 1972 and $170 million in 1973. In fact, the cost for these years turned out to be $350 and $640 million, according to the Treasury. And the cost is going up. For 1974, it was an estimated $1.050 billion; in 1975 and 1976, the Treasury projects tax losses of $1.3 and $1.5 billion.

Why were the official estimates so far off? Unfortunately, the gap can't be put down to simple stupidity. All those factors that sent exports skyrocketing—well beyond expectations in 1971—also changed the tax implications of the DISC provision.

Rule Number Three: Anytime you create a new privilege, you automatically create a new lobby to protect that privilege.

Worried by an increasingly hostile congressional attitude towards DISC, a number of large corporations have now formed their own special group to defend DISC (and, indeed, to argue that its provisions ought to be liberalized). The group is called "The Special Committee for U.S. Exports," and, already, 75 companies have signed up (at an initial fee of $750). There are likely to be others, because more than 200 firms have expressed interest. Naturally, the group has already hired a high-priced, prestigeous Washington firm to help prepare testimony and do lobbying.

Rule Number Four: Every tax incentive loophole has its own peculiarities, cynical about the government (even when they support the incentive/loophole).

For example, one limitation in DISC is that the deferred taxes can't easily be used to increase production capacity—even if the extra capacity is intended for exports. The law does contain a provision allowing the DISC to make so-called "production loans" to its parent company, but the technical restrictions are so tight that the provision is rarely used. "One of the problems with DISC is that it's a typical compromise piece of legislation," says one Treasury official, "and you end up with a fairly complicated mechanism."

Rule Number Five: Whenever you create an incentive/loophole, taxpayers—individuals and businesses—adopt to the new tax break, and, whether or not the provision is any good, its elimination inevitably causes some hardship. In this case, for example, ending DISC could conceivably create a heavy one-time tax liability for corporations as they are forced to pay all those deferred taxes immediately. Again, such zig-zags in government policy only create practical problems, and breed cynicism.

No one can honestly say whether or not DISC will survive the current round of tax reform, which began last week with hearings before the Ways and Means Committee. But, if nothing else, the DISC experience—and the experience of many other tax incentives/loopholes—holds one very clear lesson: Congress can save itself (and the taxpayers) a lot of future trouble if it will resist the temptation of creating more tax "incentives."

POSTAL SERVICE CORPORATION—INCREASED WAGES, INCREASED POSTAGE, POOR SERVICE

HON. JOE SKUBITZ

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. SKUBITZ. Mr. Speaker, during the time I have been a Member of Congress, perhaps the wisest vote I cast was my vote against the establishment of the quasi-governmental Postal Service corporation.

Its record is a sorry one: increased wages, increased postage—poor service. I ask unanimous consent to insert in the Record a copy of a letter which a constituent of mine recently sent to the Postmaster General. This letter expresses my sentiments better than I can. The name of the writer is omitted because I have not obtained her permission to reprint this letter:

JUNE 5, 1975.

BENJAMIN F. BAILAR,
The Postmaster General,
U.S. Postal Service,
Washington, D.C.

DEAR SIR, I am greatly disturbed by the astronomical wage offered to an *eighteen*-year old for a part-time summer job in your postal services in Wichita, Kansas.

I've worked as a secretary for fifteen years and am paid $5.00 an hour which is considered a pretty good salary, but an eighteen-year old can get $5.26 an hour, with no experience, in a government job. They don't need that kind of wages to live here. That's a ruination to a kid!!!

We need people in Washington who can cut spending, not negotiate for higher wages.

Last week (approximately 3:00 p.m.) I mailed a first class letter to my mother who is twenty miles away which should have gotten to her the next day but it took two days. Also a sister-in-law who lives two hundred miles away, said it takes first class mail three to five days to get to her. You pay *big* wages but you don't get responsible and efficient people.

I, being a taxpayer supporting your postal clerks, think it's time you stop pouring our money into the postal workers pockets. Let them strike if they are unhappy. It wouldn't take long to fill their positions with personnel that would work for less.

Sincerely,

——— ———.

REPORT OF SUBCOMMITTEE TO REVIEW LIQUID METAL FAST BREEDER REACTOR

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. McCORMACK. Mr. Speaker, in continuation of my practice of keeping this body informed of the activities of the Joint Committee on Atomic Energy's Subcommittee to Review the National Breeder Reactor Program, I have the following report:

Yesterday, the subcommittee in open session received testimony from invited witnesses on the subjects of national electricity production strategy and cost-benefit analysis of the LMFBR program. During that part of the session on the first of these subjects, there was discussion of the total electricity needs of the Nation, the importance of electricity to the well-being of our economy and society, the role of the LMFBR in electricity supply, and decisions and actions that must be taken to meet national energy goals. The cost-benefit discussion included examination of the economic incentives of LMFBR development, validity—or fallacies—in the assumptions used in cost-benefit studies, economic reasons for and against the early introduction of the breeder, and the relationship of economic arguments to other factors, such as the nuclear fuel resource situation, in assessing the need for the breeder. Testimony on national electricity production strategy was presented by Dr. Chauncey Starr, president of the Electric Power Research Institute. Cost-benefit testimony was presented by Dr. Thomas Stauffer of Harvard University, Dr. Thomas Cochran of the Natural Resources Defense Council, and by Mr. Saul Strauch of the Energy Research and Development Administration. I was pleased that Congressman FRANK HORTON was able to attend and participate in the questioning of the witnesses.

My opening remarks and a summary of the material presented and the ensuing discussion follow:

OPENING STATEMENT BY THE SUBCOMMITTEE CHAIRMAN

Today the Joint Committee's Subcommittee to Review the National Breeder Reactor Program resumes public hearings. We will hear first from Dr. Chauncey Starr, President of the Electric Power Research Institute, whose testimony will focus in large part upon the role of converter and breeder reactors. He will be followed by the remaining witnesses who will address themselves to the subject of cost/benefit analysis of the liquid metal fast breeder reactor. During that discussion we will receive testimony from Dr. Thomas Stauffer, Harvard University; Dr. Thomas Cochran, Natural Resources Defense Council; and Mr. Saul Strauch, Energy Research and Development Administration.

Dr. Donald Rice, President of Rand Corporation, was invited to participate in the session on cost/benefit analysis, but was unable to do so because of a conflict in schedule. He has, however, submitted a statement which, subject to objection by any member, will be included in the record of these hearings.

I would like to observe that during the 4th of July recess, members of the Subcommittee made a visit to Scotland, England, France, and West Germany to visit breeder reactor facilities and review the programs of the British, French and West Germans. This was a very worthwhile trip, and I believe that the Committee members participating would certainly agree that a great deal was learned. Much of the information derived from the trip presents cause for comparison with the U.S. breeder program. Without dwelling now upon a detailed comparison among the programs, I would simply like to state that the Western European countries are proceeding on an aggressive program intended to bring about early commercialization of the liquid metal fast breeder reactor.

Of particular note is the performance of the Phenix reactor which the French have operated during the past year with a high on-line plant factor. Such performance should be the envy of operators of large fossil plants and light water nuclear plants in this country. In the very near future I plan to report to the House of Representatives the impressions the Subcommittee received during its recent visit to Europe. A copy of that statement will be included as an appendix to the record of these hearings.

Dr. Starr, you may proceed.

Dr. Chauncey Starr, President, Electric Power Research Institute, presented testimony dealing with a strategy for national electricity production. In his testimony Dr. Starr made the following important points:

We must prepare for electricity consumption doubling every ten to fifteen years to the end of the century to insure that our objectives of national security and economic growth can be met.

Given the unacceptability of dependence on foreign oil, for the remainder of the century we have only two realistic indigenous sources for the bulk of the incremental electricity needed—clean fuel from coal, and nuclear power using uranium and plutonium.

None of the advanced concepts of energy production can have any but limited contribution in the next quarter century.

The present proven U.S. uranium resources will be fully needed by the nuclear power plants now in operation or under construction.

The urgency for proceeding with the LMFBR arises from its ability to put a ceiling on cumulative uranium resource demand and accompanying ceilings on additional enrichment plants. Further, the combination of the LWR and the LMFBR provides the best economic system for long-term use of plutonium, and eventually approaches an electricity system independent of fuel resources; i.e. an indefinitely continuous supply of low cost electricity.

There are no credible alternatives to the LWR–LMFBR system at the present time. It is for this reason that fosil fuel short countries, such as France, have chosen this combination to replace all their fossil fuel based electricity generating plants.

All other nuclear alternatives to the breeder (uranium-thorium converters and near breeders) can have only a limited impact on uranium ore need during the next quarter century, and can never achieve the long-term uranium utilization of the breeder. It is important to recognize that the LMFBR is in a state of readiness decades ahead of any other breeder concepts.

The LMFBR is now at the demonstration stage and is ready for the initiation of a near-commercial project.

During the question period following his testimony, Dr. Starr was asked why, if the breeder is expected to produce such a small amount of energy by the year 2000, we need it at all. He replied that the breeder's main contribution comes 10–20 years later, at which time it will play a major role in electricity production. He also noted that every 5 years delay in introducing the breeder requires the availability of an additional one million tons of uranium ore, and that there is no assurance this additional ore may be available. With regard to reports that there is a 50% probability of the existence of 13.6 million tons of uranium ore in the U.S. alone, Dr. Starr noted the distinction between assured reserves and possible resources, concluding there was little reason for optimism that uranium supplies would be plentiful.

Dr. Starr was asked about the recent ERDA national energy plan submitted to Congress, which suggested that the development priorities of the LMFBR, solar electricity and nuclear fusion should be equivalent, as all three energy sources will not make significant contributions until after the year 2000. Dr. Starr noted that the development status of the LMFBR is much more advanced than the other two concepts, and that substantial technical or economic questions exist with regard to the feasibility of fusion and the economic viability of solar energy for production of electricity. Dr. Starr, when asked about the possible use of advanced converter reactors such as CANDU, replied that a program for the development of thorium fuel cycle reactors should be pursued jointly with Canada, but noted heavy water reactors cannot supplant the breeder.

With regard to suggestions made by some witnesses at earlier sessions that changes should be made in the LMFBR program, particularly in the CRBR, Dr. Starr replied that, although we might design CRBR differently if we started anew today, by the time the design were finished (3–5 years) it would again be considered "obsolete" by critics. The important point is the contribution CRBR would make if we go ahead with it now. Dr. Starr reported the LMFBR program needs an intermediate sized plant, that CRBR would fulfill its objectives, and that it would be a great mistake to slow it down. He also commented on the relative advantages of overlapping versus sequential steps in major technology programs. Dr. Starr believes that sequential programs have not been successful, and that the planned relationship between FFTF, CRBR and later plants is appropriate. Finally, in response to a suggestion that electricity demand could be reduced substantially by conservation, Dr. Starr replied that, beyond the elimination of waste uses, the potential for conservation is limited without adversely impacting lifestyles, and that it could not replace new energy supply sources as the major means for satisfying future electricity needs.

Dr. Stauffer's testimony was largely based on the cost-benefit study which he, in collaboration with H. Wyckoff and R. Palmer, had performed for Commonwealth Edison Company. The main points made by Dr. Stauffer were 1) the present gross discounted value of the economic savings from a successful breeder program lies between 70 and 100 billion dollars (in 1975 dollars); 2) the undiscounted reduction in the costs of generating electricity, compared with potentially available alternatives, is $2.4 trillion (in 1975 dollars) or a savings of 41% at the busbar; 3) this large economic advantage is not sensitive to other nuclear alternatives such as converters or near-breeder reactors; 4) the advantage is relatively insensitive to the capital cost of the breeder and 5) the economic advantage can be appreciably reduced by delays in breeder development.

Dr. Stauffer went on to say that from their technical-economic analysis, it was their conclusion that development of the breeder reactor must proceed without delay as a form of insurance against our nation being caught with inadequate domestic supplies of cheap uranium. The other main conclusion presented by Dr. Stauffer was that the U.S. should accelerate its program of uranium exploration. Dr. Stauffer's remaining testimony was spent in presenting his rationale and bases for the conclusions reported above.

Dr. Cochran's testimony on cost-benefit analyses reflected the work that he had done with Mr. Speth and Dr. Tamplin of NRDC, which was included in NRDC's report Bypassing the Breeder. Dr. Cochran stated that he didn't share Dr. Stauffer's conclusions on the potential benefit-to-cost savings of the breeder. Dr. Cochran reported that the NRDC analysis had used the ERDA model for doing the cost-benefit study but used different inputs in three key areas. These are: 1) the future electrical energy demand; 2) the capital cost differential between the LMFBR and conventional nuclear reactors; and 3) the availability of domestic uranium reserves.

With respect to future electrical demand, Dr. Cochran stated that the value used by ERDA was vastly overinflated. He pointed out that an updated cost-benefit study by ERDA had lowered the future electrical demand by some 25% and that the recently issued ERDA energy plan had reported an even further reduction. On the capital cost differential, Dr. Cochran argued that the reduced capital costs for the LMFBR that are anticipated from large scale construction of plants are not consistent with light water reactor experience. Therefore, the NRDC analyses did not include the saving to the same extent as in the ERDA analysis. On the third point, domestic uranium supplies, Dr. Cochran reported the results of studies on potential uranium reserves performed by independent investigators. Their conclusion was that the uranium supply could be significantly greater than that projected for the ERDA base case.

Dr. Cochran said that with their adustments to the ERDA cost-benefit study, the conclusion he reached was that the LMFBR would not be competitive with existing energy sources until one or two decades after the turn of the century, and thus development of the breeder was premature. Dr. Cochran concluded with a few remarks on alternate energy sources and the contribution they could make in meeting our future energy needs.

Mr. Strauch opened his remarks by reviewing the major conclusions from the recent ERDA cost-benefit study of the LMFBR program. These are that the LMFBR can (1) reduce the cost of electricity to the consumer by as much as 40% shortly after the turn of the century, (2) halve the cumulative requirements of mining uranium and for performing separative work between now and the year 2020, (3) provide a net savings of about $150 billion in cumulative capital requirements to the year 2020, (4) stabilize nuclear power costs at a low level by assuring an unlimited supply of low cost fuel for all reactor types and (5) provide economic benefits far in excess of the R&D costs incurred to develop the concept to the commercial stage.

Mr. Strauch examined the bases for these conclusions, including the current and projected future prices for uranium, the price of nuclear power as a function of the number of LMFBRs, the projected electricity growth rate, and other factors. He reported that about 25 years after the commercial introduction of breeder reactors, fuel self-sufficiency would be attained in the nuclear industry. At that time nuclear plants would generate electricity at the bus bar for about 11 mils per kilowatt hour, or 40% less than it costs today in coal fueled plants.

Mr. Strauch also reported the result of a brief reexamination of the cost-benefit study to determine how the results might vary with recent changes in projection of some of the major parameters. It was shown that if the breeder is available, the impact of rising uranium prices becomes negligible when the system becomes fuel self-sufficient. Without the breeder, uranium price increases are expected to be significant. A similar situation would exist with regard to the cost of separative work; without the breeder, the impact of price increases is greater. The capital cost of LMFBRs and the difference between LMFBR and LWR costs were shown to have a heavy impact on the cost of power from the breeder. A $100 per kw difference after the year 2000 results in an increase in power costs of a single LMFBR of about one mill/kw hr. The effect of lower projected energy demands was also examined.

In his concluding remarks, Mr. Strauch noted, with regard to the need for breeders, that the economics of the LMFBR vs. converter reactors are very much a function of the price of uranium. He noted that uranium prices are likely to increase. He also noted that the sooner the breeder is introduced, the less the total cumulative requirements for uranium and separative work, and the sooner the electric power industry would become fuel self-sufficient.

In the question and answer period, Dr. Stauffer was asked to comment on the statement submitted for the record by Dr. D. Rice of Rand Corporation, who had suggested that the capital cost differential between LMFBRs and LWRs is likely to be substantially higher than the $100/kw suggested by the AEC. Dr. Stauffer replied that the method used by Dr. Rice in applying learning curves to breeder costs is not entirely reliable, and that if the same procedure were applied to LWRs their costs would show up as $700–800/kw, which is about twice as high as actual costs. Therefore, Dr. Stauffer reported he disagreed with Dr. Rice's findings.

Dr. Cochran was asked, in comparison to the $10 billion to be spent on the LMFBR program, how much he expects to be spent on solar energy and fusion. He replied it would be a considerable amount, but could name no definite figure. He voiced his concern that breeder funding would detract from available funds for alternative energy technologies, but the Subcommittee Chairman noted that ample funds were being provided to all technologies. Dr. Cochran went on to say that he does not accept the premise that a delay in the breeder program will result in dollar or uranium availability penalties. In response to a question on whether we will have lost anything if we proceed with the LMFBR program now and then discover additional uranium reserves in the 1980s, Dr. Cochran replied we will lose whatever funds are spent up till that time, and that industry pressures to continue the program will exist even if the need for the program should decrease.

When asked by the Subcommittee Chairman to comment on the approach taken by the Europeans on breeder reactor development, which is more purposeful than that in this country, Dr. Cochran noted that the European economies are different than ours, that their incentives for energy are different, and that the selection of the LMFBR by other countries could be viewed as a common-mode failure, i.e., all were wrong to do so.

Dr. Stauffer was asked a concluding question on uranium ore forecasts, and suggested that the people whom Dr. Cochran cited as being optimistic on uranium availability are not geologists. Dr. Cochran replied by noting that some of the concerns he reported came from the National Petroleum Council. The meeting was adjourned after these questions.

STATEMENT BY REPRESENTATIVE BELLA S. ABZUG ON THE DECLARATION OF MEXICO

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Ms. ABZUG. Mr. Speaker, as a congressional adviser to the U.S. Delegation to the International Women's Year meeting in Mexico City, I strongly advised our delegates to vote against the final Declaration of Mexico because of its totally unacceptable statement that Zionism must be eliminated along with colonialism and apartheid. I am gratified that they did so.

We must condemn any statement by a group of nations that calls for the annihilation of a whole nation. This attack on Israel was not what we as women came to Mexico for. It should not have been raised in the first place, and it was U.N. politics as usual. It was the anti-Israel bloc manipulating the women, who were there as instructed delegates from their governments, and utilizing the women's conference for political purposes. Many of the women delegates I spoke to were upset by what happened and felt the issue should not have been injected into the proceedings. The declaration must be regarded as more of the usual U.N. political rhetoric, and unfortunately, it contributes to an atmosphere of terrorism and violence.

Despite this backward step, we must not overlook the historic significance of this International Women's Conference and its many very positive achievements, including the unanimous adoption of the World Plan of Action, which outlined an excellent 10-year program of action to end economic, political and social discrimination against women. I hope to find a way to open up more informed lines of communication among women from Israel, Egypt, and other countries, to begin a global dialog on the subject of peace.

"MEANS TEST" SHOULD BE ELIMINATED FOR TITLE XX SENIOR CITIZEN SERVICES

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. PEYSER. Mr. Speaker, a terrible situation is developing that seriously jeopardizes a number of services that are currently being provided for senior citizens. The problem, as many Members recognize, is the so-called "means test" that is required by the new title XX of the Social Security Act, that is to take effect on October 1, 1975.

The proposed regulations to implement the means test are already creating havoc among the senior citizen community. Some twenty questions will be asked of senior citizens before they can be eligible for services, which will severely discourage older people from participating, even if they do meet the "means test" eligibility requirements. Many programs administrators across the country indicate that the majority of those who participate in programs now will not participate if the regulations become effective.

Frankly, I believe that the "means test" is too restrictive and really an indignity to our older citizens. This was never the intent of the Congress when we enacted title XX last December. If the regulations are implemented, it will be a severe blow to the success that the senior citizen centers and the nutrition program for the elderly have been. It is in fact ironic that we are currently going to conference to work out an expansion of the Older Americans Act, which piloted these innovative programs, and at the same time these programs could be in jeopardy in States that want to consolidate them with title XX services, since the Older Americans Act does not have a "means test."

In an effort to correct this situation, I am today introducing legislation that would establish a criteria for participation similar to the criteria employed under title III and title VII of the Older Americans Act, or set by States for use of senior citizen multipurpose centers.

It is my hope that prompt action will be taken on this legislation in order to avoid placing these enormously valuable programs in jeopardy.

A copy of the bill follows:

H.R. 8587

A bill to amend title XX of the Social Security Act to provide that no State shall be required to apply a means test, or limit benefits on the basis of federally prescribed income levels, in determining the individuals for whom education, transportation, recreation, socialization, or associated services may be provided thereunder, if such services are provided in a manner consistent with certain specified State programs

Be it enacted by the Senate and House of Representatives of the United States of Amer-

ica in Congress assembled, That section 2002 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of this title, none of the limitations on payments to States which are contained in subsection (a), and which are based on or expressed in terms of an individual's or family's income or an individual's or family's eligibility for aid, assistance, or benefits under another law or program, shall apply with respect to expenditures made by a State for the provision of education, transportation, recreation, socialization, or associated services, if such services are provided (as determined by the Secretary under regulations) in a manner consistent with the plan of the State approved under title III or title VII of the Older Americans Act of 1965 or with the law of the State relating to multipurpose senior centers.".

SEC. 2. The amendment made by the first section of this Act shall be effective with respect to payments for quarters commencing after September 30, 1975, as though it had been incorporated in title XX of the Social Security Act at the time of its original enactment.

TAXPAYERS MAY PICK UP AN $8 BILLION TAB

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. MOTTL. Mr. Speaker, I would like to call the attention of this House to a matter of grave concern. President Ford asked Congress on June 26 to authorize the Government to expand the U.S. uranium enrichment capacity permitting private enterprise to go into the business of producing and selling enriched uranium. His plan includes a Federal guarantee of up to $8 billion to cover losses if private companies found, through no fault of their own, they were unable to build or profitably operate new plants to produce enriched uranium.

These privately owned facilities could be foreign owned, according to present plans. It has been reported that Iran has already entered into negotiations for substantial investment in a consortium called Uranium Enrichment Associates which includes Bechtel Corp. and the Goodyear Corp. Reports indicate that Japan and Germany have also expressed interest in the project.

I wrote the following letter to President Ford on June 27 expressing my alarm at the administration's proposal:

JUNE 27, 1975.

The Honorable GERALD FORD,
President of the United States,
Washington, D.C.

DEAR PRESIDENT FORD: The administration's proposal to turn over our uranium enrichment facilities to a foreign-dominated consortium of big business is an insult to the common sense of the American people. I am outraged that you are asking Congress to welcome a foreign cartel into the heart of our nuclear power industry and to provide $8 billion to guarantee their investment.

You are asking us to turn over the most lucrative phase of this industry. In the next five years the United States is expected to export nearly $5 billion in uranium and enrichment services. This foreign-dominated monopoly will be reaping windfall profits as well as the huge benefits of our country's enormous investment into research and development of nuclear technology. You make no provisions for relieving the federal government of the most costly financial burdens such as waste storage and security. This is subsidizing big business and foreign governments at the expense of the American taxpayer.

Your proposal would torpedo our national effort for energy self-sufficiency. Our domestic reserves of uranium are severely limited and will be depleted by the 1990's. A few weeks ago, I warned of the danger of becoming dependent upon a few foreign countries for uranium, as we have become dependent upon the Middle East for oil.

It is absurd to allow multi-national corporations to produce and sell nuclear fuel without adequate international controls and safeguards. As you well know, the spread of nuclear power is unalterably linked to the proliferation of nuclear weapons. Your proposal would result in a world completely armed with nuclear weapons and would destroy any chance for their control. Our armed forces would be powerless to cope with this kind of threat. This would bring the world several steps closer to the brink of doomsday. In the last few weeks, we have seen Pakistan, Libya, Egypt, Argentina, Brazil, and South Africa enter into contracts for nuclear power technology. India has shown us what the end result of this can be. They are expected to detonate their second atomic bomb at any time.

I beileve in the free enterprise system, but, I am unalterably opposed to turning over our uranium enrichment facilities to a petrodollar dominated monopoly of big business. We have seen what giant corporations and foreign economic leverage can do to our economy. I am outraged that you are inviting these interests to work together at a critical point in our economy without adequate safeguards and with the stamp of approval and financial guarantee of the government.

Sincerely,

RONALD M. MOTTL,
Member of Congress.

CONCERN OVER OUR DWINDLING NATURAL RESOURCES

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. MYERS of Pennsylvania. Mr. Speaker, with so much concern today over our dwindling natural resources, I was delighted to receive a communication from Mrs. Frank J. Murphy of Mary's Acres, Valenica, Pa., who is offering tree seedlings to Pennsylvania children who write a statement on the importance of planting a tree, how a tree will grow with me, or a good place to learn about a tree is our local library.

Mrs. Murphy is national chairman of the Flag of the Free Committee and I commend her for her patriotism and her coupling it with an effort to keep America green for our future generations.

Her letter and a poem by Henry Abbey follow:

Because children instinctively love God, their country, and Mother Nature, the Flag of the Free Committee, through its national chairman, Mrs. Frank J. Murphy, is offering a gift tree seedling from Mary's Acre, Old Rt. 8, Cooperstown, to each child of the Middlesex-Mars area. The only requirement being a written statement, not over 25 words, by the child on:

1. "The Importance of Planting a Tree."
2. "How My Tree Will Grow With Me."
3. "A Good Place to Learn About a Tree is Our Local Li-brar-y."

Pre-schoolers may dictate their statements to parent/adult. (The seedlings are in containers which should be planted as soon as possible in loose, moist top soil, shielded from direct sunlight.)—Each container flies a small size "Old Glory" to honor our Country's Bi-Centennial; it is suggested that children plant their trees on or before the Fourth of July, Independence Day, with a "mini" parade around the home yard, etc. To each seedling container is attached a short inspirational poem relating to trees. Mrs. Robert S. White, Librarian, Mars Public Library, graciously did selective research for which appreciation is expressed.

Children's statements will be forwarded to the local schools, and it is to be hoped will contribute to the child's general scholastic well-being.

Parents with children in the Mars area may call at AGWAY's on Main Street, depositing statement in the box near order desk, and collecting their seeedling; in the Middlesex area, turn off main Route 8 onto Old Rt. 8 (after passing Cooperstown) and turn right on Mary's Acre.

WHAT DO WE PLANT?

(By Henry Abbey)

What do we plant when we plant a tree?
We plant the ship that will cross the sea;
We plant the mast to carry the sails,
We plant the plank to withstand the gales,
The keel, the keelson, and beam and knee.
We plant the ship when we plant the tree.
What do we plant when we plant the tree?
A thousand things that we daily see;
We plant the spire that out-towers the crag;
We plant the staff for our Country's Flag;
We plant the shade from the hot sun free—
We plant all these when we plant a tree!

THE TOCKS ISLAND DAM PROJECT

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. EDGAR. Mr. Speaker, the Tocks Island Dam project is a project that has encountered such intense opposition from many individuals and groups that, as a result, it is still being hotly contested some 13 years after the project was authorized by Congress. Controversy was so intense last year, in fact, that Congress, rather than appropriating funds for the massive project, directed the Corps to prepare a complete review of the project and its alternatives and have the findings ready for Congress by August of 1975. Thus the day of reckoning is close at hand.

Mina Hamilton Haefele, a resident of the area that would be flooded by the dam and a vocal critic of the Corps' project, addresses the issue in a recent article in Environmental Action magazine. I would like to share this article with my colleagues:

LAST TANGO AT TOCKS ISLAND

Within one critical month, the 13-year controversy over the Army Corps of Engineers' huge Tocks Island Dam project may be resolved by four men. The four are the governors of the states due to suffer or benefit—depending upon your viewpoint—from the giant construction project: Brendan Bryne of New Jersey, Hugh Carey of New York, Milton Shapp of Pennsylvania, and Sherman Tribbitt of Delaware. How the governors came to hold the future of the federal dam is a complicated tale of bureaucratic maneuvering and buck-passing. But unless the governors decide to pass the buck back to federal officials, their decision, expected in early August, may conclude the last major battle of the Tocks campaign.

The governors are under heavy pressure from the U.S. Army Corps of Engineers, the Delaware River Basin Commission staff (a regional organization commission set up in 1961 to develop and manage the resources of the basin), the AFL–CIO, 10 major power companies, and state Chamber of Commerce bureaus. Lined up against the project are citizen, environmental, and consumer organizations such as the Ralph Nader-affiliated New Jersey Public Interest Research Group and a coalition of over 55 national conservation groups.

Described by one major Pennsylvania daily newspaper as a controversy as bitter, intense, and significant as the Alaskan Pipeline, the Tocks Dam battle is seen as a critical precedent by both dam proponents and opponents. Dozens of other bitterly contested Army Corps and Bureau of Reclamation water resource projects—including the Dickey-Lincoln Dam in Maine, the Oakley Dam in Illinois, the Meramec Park Dam in Missouri, to name a few current Corps boondoggles—will be greatly affected by the outcome.

At stake is the preservation of a 37-mile section of the Delaware River which, although very polluted downstream near Philadelphia, is remarkably clean and wild up river. Also threatened are 12,000 acres of a beautiful and undeveloped valley, rich in wildlife habitat, unexplored archaeological sites, 18th century historic homes. Although just on the edge of creeping megalopolis (65 miles from New York City, 70 from Philadelphia), the threatened river and valley have remained virtually untouched by post World War II suburban sprawl. While New Jersey has a population density of over 1000 persons per square mile, this western edge had a density in one township of 60 per square mile in 1960; now due to ongoing land acquisition for the Tocks project, that figure is declining radically.

Herds of wild turkey roam through the hemlock forests, bald eagle nest along the banks of the gently rifting Delaware, fox, deer, raccoon, bear, possum abound while mountain cats have occasionally been sited. Through some of the richest farmland in the East and shaded rhododendrum glens passes the Old Mine Road, one of the longest colonial roads in the U.S. The 100-mile stretch was built by tthe Dutch in the mid-17th century to carry copper ore from mines located near the Delaware Water Gap up to Kingston, New York and from there down the Hudson to New Amsterdam (now Manhattan) and perhaps across the Atlantic to Holland. (Dutch settlers came into the area by way of the Upper Delaware, long before William Penn started a community downstream in Philadelphia.) As a recreational resource, the area offers an excellent shad run, New Jersey's finest trout fishing, deer, grouse and pheasant hunting, hiking, canoeing, and swimming in the gentle and clean Delaware.

But all this is threatened with extinction. The proposed Tocks Island Dam would flood 12,000 acres of the scenic valley on a regular basis, and an additional 6,000 acres on an "infrequent" basis, according to the Corps, to create a multi-purpose reservoir supposedly designed to meet recreational, flood control, power, and water supply needs of the region. Through the years of dam controversy, critics have asked if the needs are, in fact, real or self-serving projections conceived of by the project's promoters. Will the reservoir be able to meet those needs—some of which are mutually incompatible? Are certain "benefits" actually going to be "losses"?

The Corps' ambitious plan for the Tocks Dam, the eighth largest among its hundreds of mammoth pojects, was presented in 1962 with an estimated construction cost of $90 million. It has faced rough sailing from the beginning. Three years later the Delaware Water Gap National Recreation Area, including 60,000 acres of land surrounding the proposed reservoir, was created by federal officials to make the dam project more palatable to politicians and the public. Who can be against recreation? Land acquisition started in 1966 but construction funds were held up first by federal budget shortages due to the Vietnam War and then by the newly-formed federal Council on Environmental Quality (CEQ) which opposed construction pending resolution of anticipated ecological problems in the reservoir. Meanwhile cost estimates for the project soared and by 1974, the latest estimate, had reached $425 million.

In May 1974, a rebellious Rep. Joe Evins (D-Tenn.), chairman of the public works subcommittee of the House Appropriations Committee, cast aside the CEQs objections and reported a Tocks bill with construction funds. An emergency telephone and mail campaign launched by the Delaware Valley Conservation Association, the New Jersey Public Interest Research Group, Friends of the Earth, the New Jersey Humane Society, and the Save the Delaware Coalition was successful in committing a number of area representatives and seven senators to work for deletion of the project's construction funds. All of the senators from the four dam-impacted states except Sen. Hugh Scott (R–Pa.) then called for a "fair and impartial" reevaluation of the project. Unfortunately, a month later the job creating a fair and impartial review had landed in the lap of the dam's main proponent, the Army Corps of Engineers.

Originally Sen. Clifford Case (R–N.J.) had argued persuasively for an independent study to be conducted by the National Academy of Sciences, the Council on Environmental Quality, or by Congress' Office of Technology Assessment. At the same time, however, the senator was pressing for continued land acquisition funds, a course of action opposed by those who realized that giving more land to the Corps would only increase the project's momentum.

Members of the public works subcommittee of the Senate Appropriations Committee lined up against Case's proposal for an independent study. Several key committee members did not want to establish a precedent of having other federal agencies evaluate the Corps because present or potential pork barrel projects in their districts might have been affected. By August word was out that the study would be conducted by the Corps with the cooperation of the Delaware River Basin Commission. Sen. Case and his colleagues apparently accepted the argument that a fair study could be achieved through public hearings and the scrutiny of the Commission, which had been vigorously lobbying for Tocks since 1962. The threat of a floor fight over the study was dropped by Case and legislation mandating the review was passed in August.

Significantly, only three weeks later the Corps sent a letter to both subcommittee chairmen urging them to authorize the shift of land acquisition funds from another Corps project over to Tocks. Both subcommittees subsequently granted approval to this step even though they had adamantly opposed continued land acquisition during the time Sen. Case was pleading for an independent study. Thus environmentalists were left to puzzle over whether Case's opposition to the project was not as intense as they had been led to believe, whether he actually believed the Corps would conduct an impartial study, or whether he settled for a Corps study because he feared a political defeat at the hands of the two notoriously pro-Corps subcommittees.

The study, as it turns out, has probably done more to damage the Corps' case for Tocks than anyone could have imagined—although not because it has been fair or impartial. A series of marathon public hearings on draft chapters of the study have graphically demonstrated its weaknesses while giving citizens and media representatives a better understanding of technical concepts relating to the plan. As the issues surrounding the Tocks controversy have been taken away from the experts and de-mystified, it has become increasingly evident that none of the original justifications for the project can withstand public scrutiny.

One of the most ridiculous "benefits" the Corps attaches to the project—and in fact the one they attach the most importance to in their cost/benefit analysis—is recreation. Swimming and boating opportunities for residents in the metropolitan regions of Philadelphia and New York are listed as 44 percent of the benefit. But according to a series of million dollar studies, including the ongoing Corps reevaluation of the project being conducted by private consulting firms, the reservoir created by the Tocks dam will be plagued by eutrophication, a condition caused by an excessive discharge of nutrients such as nitrogen and phosphorus into the water, accelerating the growth of algae. A eutrophication expert with one of the consulting firms conducting the current Corps study, Dr. Joseph Shapiro, says that water quality conditions at Tocks will be "worse" than at Lake Erie.

Water at Tocks will be murky, sustain algal blooms from spring to fall, and says the New Jersey Medical Society which is on record in opposition to the project, may present a health hazard because of possible salmonella contamination. As if these factors were not enough to call into question the recreational "benefit" of the project, in addition, fluctuations in the water levels of the reservoir will create an unsightly bathtub ring of mudflats through which recreationists will have to wade to reach the water's edge. Using the Army Corps' own figures, there will be an average of 3000 acres of mudflats in an average year and 8000 in a drought year. The Corps has proposed trucking in artificial sand and gravel to hide the mudflats from view—but the sand would be dumped along a few miles of the 100-mile shoreline and would be rapidly degraded when washed away by eutrophied water.

But even if the water quality at Tocks turned out to be acceptable there remains the question of whether federal taxpayers should finance a huge reservoir catering predominantly to energy-intensive water-skiing and motor-boating. There is no reliable evidence that the reservoir would provide more desirable forms of recreation than would a free-flowing river and natural, scenic valley. In fact, many Tocks opponents think the best resolution of the conflict would be to place all of the land acquired by the federal government in a new national park to insure its future protection.

Flood control, although initially one of the prime justifications for Tocks, has become a mere 13 percent of the projected benefit. Back in 1955 two hurriances, Connie and Diane, hit the Delaware within one week, causing millions of dollars of property damage and the loss of 99 lives. The U.S. Geological Survey viewed the coincidence of two hurricanes as a freak occurrence with a likelihood of occurring once every 200 years. But the disaster provided needed ammunition for pro-dam interests who had been eyeing the Delaware since the beginning of the century. Furthermore, the 99 lives were all lost on a tributary—the Broadhead Creek—and not a drowning would have been prevented even if Tocks had been constructed before 1955. But that did not stop the wheels of "progress."

Congress called in the Army Corps of Engineers, which embarked on a three-year study and then recommended construction of 39 minor dams and eight major ones—including Tocks. Today, 20 years later, 17 major and minor dams have been built in the Delaware River basin. However, it is increasingly accepted that what is needed is not more dams but more flood plain zoning, flood insurance, floodproofing of structures already on the flood plain. New Jersey has already passed a good flood plain zoning law and similar legislation is pending in the Pennsylvania assembly. If this legislation is fully implemented the need for a dam is reduced dramatically.

Power benefits from Tocks are tiny (11 percent of the projected "benefit") because the conventional hydroelectric facility planned for the dam site would generate a mere 40 megawatts. Currently, there is talk of pulling in a private pumped storage project planned for the top of the Kittatiny Mountain, to inflate power benefits in the cost/benefit ratio to 72 percent. But this last minute juggling of the ratio would seriously undermine the Corps failing credibility regarding the alleged purposes of the project. Additionally, there is some doubt about whether it would be legal for the Corps to mix private and public benefits in calculating the project's benefits.

Water supply now accounts for about 35 percent of the projected benefits in the cost/benefits ratio. (We say now since, as with so many Corps reservoir projects throughout the land, the cost/benefit ratio on Tocks has fluctuated wildly over the years.) Water for whom has long been the question of dam critics.

Back in 1961, Maurice Goddard, Pennsylvania's Secretary of Environmental Resources, claimed that Tocks was needed so that population, housing, and industry in the Delaware basin could *double* within the next 50 years. Why an alleged conservationist was (and, as far as we know, still is) promoting an unlimited, exponential growth ethic has long been a source of fascination to dam critics. In fact, a large part of the Tocks controversy involves a conflict between over 50 policy makers such as Maurice Goddard and James Wright, executive director of the Delaware River Basin Commission, who apparently are wedded to the exponential growth ethic of the 1940s and 1950s, and a younger generation of government personnel educated to the limitations of natural resources and sensitive to the negative effects of untrammeled growth, such as Tom O'Neill, executive assistant to the Commissioner of Environmental Protection in New Jersey.

Over the years three major uses of Tocks water have emerged from the tangled web of the controversy:

New Jersey wants 300 million gallons per day (mgd) from the Delaware, though no one quite knows where this demand projection figure came from. Even if the 300 mgd is a valid need (which is debatable), it can be met by a feasible and economic alternative to Tocks known as high-flow skimming. According to a study prepared by a group of Princeton University scientists and economists (Freeman, Mills and Kinsman), water could be pumped from the Delaware to already-constructed reservoirs during periods of high flow (winter and spring) and pumped to northern New Jersey during periods of low flow (summer and fall). That one of these reservoirs was built in 1958 and still is not being used to capacity attests to the nonurgency of the New Jersey water crisis.

The city of Philadelphia, which draws most of its water from the Delaware, wants Tocks to assure an adequate flow of fresh water down the river during times of drought to prevent any saline intrusion into its municipal water supply system at Torresdale. Back in the drought of the 60s, what is known as the saline front or barrier—or water too saline for potability—moved up the Delaware Bay to within 10 miles of the Torresdale intakes. At the time, there was considerable concern about this threat to Philadelpia's water supply system. The threat was intensified when officials in New York City, which draws more than half of its water from the Upper Delaware several hundred miles north, refused to release water from its Delaware reservoir system.

For years one of the persistent cries of Tocks dam proponents has been that the saline barrier must never—ever—reach the Torresdale intakes. The threat was effectively killed a brief month ago when Madigan-Praeger, the consultants hired by the Army Corps, estimated that the drought of the 1960s had a probability of occurring once every 100 to 500 years. In other words, Tocks, a dam with a probable lifetime of about 50 years, was to be constructed to prevent a disaster which would very likely not occur during that lifetime.

The third water-related "need" for Tocks is the staggering consumptive requirements of a conglomerate of 15 nuclear power plants planned for the basin. (Of course, giant fossil fuel plants also evaporate vast amounts of cooling water but the nuclear plants, due to high thermal inefficiency, consume about 50 percent more water than the fossil plants.) For years, Tocks opponents argued that a hidden justification for the dam was the series of planned nukes but Corps and Delaware River Basin Commission press releases carefully avoided the controversial topic. That secrecy ended in 1972 when a reporter at the *Easton* (Pa.) *Express* released a hitherto unpublicized master siting plan prepared by 10 utilities for the Delaware River Basin Commission. At the time a large number of public officials including then governor of New Jersey, William Cahill, and several of the area's U.S. representatives alleged surprise at the plan while the Corps insisted that the nuclear power plants were not "relevant" to Tocks.

The now-defunct Atomic Energy Commission (AEC), however, was well aware of the connection between Tocks and downstream nuclear power plants. As far back as 1972, the AEC called for a delay in the ongoing licensing process of two giant 1000 megawatt Philadelphia Electric nukes at Limerick, Pa., noting that the utility was presuming the construction of Tocks to provide cooling water for the plants. The AEC observed the uncertainty regarding Tocks and requested Philadelphia Electric to agree to provide an alternative water supply source in the event that the dam was not built.

The more the dam's critics examine the nuclear power connection, the more it seems that Tocks is a direct federal subsidy to private power companies. Without the project, the companies would either have to build and finance their own private reservoirs or locate the plants further down the Delaware in the estuary, using brackish water for cooling purposes which, due to the need for special equipment, costs about 25 percent more than fresh water cooling. Tocks critics questioned the wisdom or necessity of building 15 nuclear power plants in the first place—plants which assumed an outmoded demand projection of a seven percent annual growth rate or of electrical demand doubling every 10 years. This year the power companies have ever so slightly reduced their demand projections, but the downstream nuclear plants continued to march through the seemingly inexorable licensing process during 1974 and the first half of 1975.

In this writer's estimation, the real pressure point in the drive for the Tocks dam remains the Limerick nuclear plant which, though temporarily halted by a court cuit, is though temporarily halted by a court suit, is partially constructed. Just how much pro-Tocks lobbying Philadelphia Electric is bring-difficult to assess but the governor remains (at this writing) the only governor in the four state region who strongly supports the dam. For years, the Save the Delaware Coalition has tried with no success to break through the wall of pro-Tocks advisors that surround Shapp. Rumor has it that Shapp may be "softening" his position, but it may be that he is fearful that, if he opposes Tocks, the Corps will not proceed with other Pennsylvania flood control projects to which he has become committed since Hurricane Agnes devastated Wilkes-Barre, Harrisburg, and Scranton in 1974.

Hopefully the vice-presidential ambitions of Governor Shapp will make him see a political advantage to shifting his position on Tocks. In the meantime, New Jersey's Gov. Byrne, who canoed down the Delaware in August 1974, has said he sees no motive to destroy the river unless there are "compelling reasons" to do so. But the governor is under heavy pressure from some labor union leadership and from utilities which might add up to "compelling reasons." New York's Gov. Carey has not yet taken a formal position on Tocks but the New York State Attorney General Louis Lefkowitz on May 22 at a Delaware River Basin Commission hearing severely criticized the recreational aspects of the project and suggested that New York City open up its water supply reservoirs (now closed to the public) if, indeed, flatwater recreation is so urgently needed by the metropolitan region. It is not clear whether Gov. Carey shares Lefkowitz's view of the question. Delaware Gov. Tribbitt has not taken a formal position on the dam and is expected to side with whatever majority opinion emerges.

SUBCOMMITTEE ON CRIME TO CONCLUDE HEARING SCHEDULE ON FEDERAL FIREARMS LEGISLATION THIS MONTH

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime of the House Committee on the Judiciary will conclude its schedule of hearings on amendments to the Gun Control Act of 1968 during the month of July.

On Thursday, July 17, Rex D. Davis, Director of the Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury will appear before the Subcommittee for the fourth time to close his discussion of the Bureau's administration and enforcement of the provisions of the Gun Control Act.

On Monday, July 21, the subcommittee will travel to the city of Atlanta, Ga., for the fifth in its series of regionalized hearings on this issue. Invited witnesses include: The Honorable Maynard Jackson, Mayor of Atlanta; members of the

Atlanta City Council; William N. Griffin, regional director, Southeast region, Bureau of Alcohol, Tobacco and Firearms; J. P. Strom, Chief of the Law Enforcement Division of the State of South Carolina; representatives of the Georgia State Crime Commission and the Metropolitan Atlanta Council on Crime and Juvenile Delinquency; and representatives of the local business, civil and medical communities.

Representatives of major handgun manufacturers are expected to appear on Wednesday, July 23, along with Gen. Maxwell Rich, executive vice president of the National Rifle Association, Milton Eisenhower, former Chairman of the National Commission on the Causes and Prevention of Violence, Lloyd Cutler of the National Council to Control Handguns, and others.

Invited to present the views of their respective departments within the current administration on Thursday, July 24, are the Honorable Edward H. Levi, Attorney General of the United States, and David R. McDonald, Assistant Secretary for Enforcement, U.S. Department of the Treasury.

Finally, on Friday, July 25, the subcommittee will complete its regional hearing schedule in New York City. Among others invited to testify are: The Honorable Abraham D. Beame, Mayor of New York City; police commissioners Michael J. Codd of New York City, Robert DiGrazia of Boston, and Joseph F. O'Neill of Philadelphia; Robert J. Del Tufo, first assistant attorney general, State of New Jersey; M. L. Goodwin, acting regional director, North Atlantic region, and Marvin O. Shaw, Jr., Regional Director, Mid-Atlantic region, Bureau of Alcohol, Tobacco and Firearms; and Sheriff John J. Buckley of Middlesex County, Mass.

The sites for these hearings are as follows: Thursday, July 17, room 2141, Rayburn House Office Building; Monday, July 21, studios of WETV-TV, Channel 30, 740 Bismark Road, northeast, Atlanta, Ga.; Wednesday, July 23, room 2141, Rayburn House Office Building; Thursday, July 24, room 2141 Rayburn House Office Building; and Friday, July 25, main floor auditorium, U.S. Mission to the United Nations Building, 799 United Nations Plaza, New York, N.Y. All Washington hearings will begin at 9:30 a.m., and the regional hearings will begin at 8:30 a.m.

Anyone wishing to testify or to submit a statement should contact the Committee on the Judiciary, room 2137 Rayburn House Office Building, Washington, D.C.

HAPPY ANNIVERSARY LNESC

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mrs. SCHROEDER. Mr. Speaker, July 11 marks the second anniversary for the LULAC National Education Service Centers—LNESC.

LULAC, the League of United Latin American Citizens has been promoting programs in the fields of civil rights, housing and manpower. Two years ago, the league made a decided impact in the realm of education by creating the national education service centers. Today, on its second anniversary, Rodolfo Castro, the national executive director and Richard Salvatierra, the assistant national director, look optimistically toward the future.

The LNESC program is national in scope and maintains field offices in nine States across the country and in the District of Columbia. The program has three major goals:

To increase the number of educationally disadvantaged and poverty level students in American colleges and universities with special emphasis on Spanish surnamed students.

To increase the retention rate of these students in the colleges and universities.

To increase the awareness of these educational problems of the Spanish surnamed to the rest of the country.

LNESC works to provide effective counseling and information on educational opportunities to disadvantaged people, with emphasis on Spanish surnamed individuals. In addition, LNESC generates financial aid through such means as scholarships, grants, student loans and work-study programs. As of May 1975, LNESC has provided the following services:

14,000 plus students have been accepted into colleges and/or universities.

7,200 students have enrolled in post secondary schools of their choice.

26,439 students have received some form of counseling/assistance.

$6,975,119 have been generated as financial aid.

Thus far, LNESC has had a significant national impact in upgrading the educational skills of a segment of our population which has traditionally been denied the equal opportunity of higher education. LNESC has been instrumental in providing opportunities for students by assisting in their enrollment in colleges and universities in obtaining financial assistance so that they can enter and remain in school.

Early in 1975, LNESC expanded its services even further by instituting the LULAC scholarship fund. The objective of this fund is to make moneys available for educational expenses to those worthy and qualified individuals in order that they may be free to pursue their post secondary educational interests. This fall, approximately 40 Spanish surnamed high school students will be able to attend the universities or colleges of their choice because of the generous response from organizations across the country to the LULAC fund. At present, this program is projected not only to expand, in order to reach more deserving individuals, but also to retain those scholarship recipients already in process of attaining their degrees.

LNESC looks and works toward a brighter tomorrow for the Spanish surnamed students of this country.

LNESC's field centers are located in:
Colorado Spring, Colo.
Phoenix, Ariz.
Albuquerque, N. Mex.
Chicago, Ill.
Topeka, Kans.
Seattle, Wash.
Pomona, Calif.
San Francisco, Calif.
Corpus Christi, Tex.
Houston, Tex.
Boston, Mass.

SOVIET NAVAL POWER OUTSTRIPS THE WEST

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the increase of Soviet naval power in recent years should concern every Member of this Congress who truly represents the interests of his constituency. Soviet maritime vessels pose a threat to American shipping and also serve to advance its political ends around the world which have proven in the past to be destructive of freedom. In addition, the constant presence of Soviet intelligence ships and submarines off the coasts of the United States should not be taken lightly as we seem to have done. Finally, America's naval defense forces have been "outstripped" as Prof. Wayne Lutton has recently noted in Christian Crusade Weekly of February 23, 1975. Professor Lutton, a faculty member of the American Christian College has published a series of two articles on this subject. The first installment follows:

SOVIET NAVAL POWER OUTSTRIPS THE WEST

Informed Americans are aware of the dramatic shift in military power that has taken place in recent years, with the United States slipping from a position of unquestioned superiority over the Soviet Union to one usually described as "rough strategic parity." What has escaped general public attention has been the equally steady erosion of U.S. seapower, which until the past year or two had been our most important safeguard against the Soviets.

Today, the Soviet Union has the world's largest and most modern surface fleet; the largest and most modern ocean research and intelligence gathering fleet; and the largest and most potent submarine fleet in existence. Soviet warships now operate in the Mediterranean and Caribbean Seas, the Atlantic, Pacific, and Indian Oceans, and the northern Baltic and Norwegian Seas. Russian submarines—a number armed with strategic nuclear missiles—regularly cruise along the coasts of the U.S. Before too much longer, a number of well-informed observers feel that the Soviets may be in the position where they can prevent the US and other Western countries from using the world's sealanes and thus devastate our economy and end America as we know it.

Russia has traditionally been a land-oriented power, concentrating the greatest share of her finances and other resources on the expansion of her army. As students of history know, Russia has always had an aggressive foreign policy and has evolved from the small feudal Duchy of Moscow to the largest land power in the world.

Thirty years ago, Soviet sea power was unimportant. The Russian Navy had received a few German submarines and cruisers, such as the Prinz Eugen and Nurnberg, at the end of World War II. Yet the strength of the Navy was at an all-time low.

During the post-war period the Soviets gained control of Eastern Europe and former Japanese sites in the Pacific and Moscow realized that their strategic position required an ocean-going fleet that had the ability to challenge US warships in Europe, the Middle East, and Asia. With the forced assistance of captured German scientists and technicians, the Soviets began to build a large number of surface cruisers and submarines. Through 1957, the Russians constructed 235 "Whiskey" class attack submarines—more submarines than the rest of the world's navies combined built from 1945 to that year. By 1957 the Russians also had 14 new cruisers designed for commerce raiding in the Atlantic—more cruisers than the US possessed at that time. Admiral Arleigh Burke, then Chief of Naval Operations, warned President Eisenhower that, "Without the air protection afforded by carriers, the US would be hard put to protect shipping and its surface combat forces on the high seas."

When Khrushchev finally gained power in Russia, Admiral S. G. Gorshkov was appointed Commander-in-Chief of the Soviet Navy. He is still in command. Under Korshov the Soviets quickly narrowed the early US lead in nuclear-powered submarines and by 1960 were producing three types of advanced undersea craft: torpedo attack "November Class," anti-ship cruise missile "Echo," and ballistic missile "Hotel" versions.

In spite of Soviet gains, in 1960 the US still had the most powerful fleet in the world. The Mediterranean was considered to be an "American Lake" with the Sixth Fleet having some 50 ships and 200 carrier-based planes, some armed with nuclear weapons that could be sent against the Soviet Union. As a result, the US was able to land Marines in Lebanon in July 1958 to prevent Communist-led rebels from toppling the existing pro-Western government. Because of US naval strength, the Soviet Union was unable to assist the Red insurgents and was forced to watch while the US prevented a Communist takeover in the Middle East.

John F. Kennedy took office as President in January 1961 and from this point on the US Navy would have its striking power eroded while that of the Soviets increased sharply. Kennedy brought in Robert S. McNamara as Secretary of Defense and he, probably more than any other individual, undermined the US defense forces and insured ascendancy of Soviet arms. As readers may recall, it was McNamara who prevented US military leaders from educating our armed forces regarding the Communist threat and censored their public speeches by deleting any references to increasing Soviet power. McNamara was also a leading member of the "no win" pack during the Vietnam War. It was not without reason that Sen. Barry Goldwater stated: "McNamara has given more aid and comfort to the enemy than all of the ranting Vietnik marches and rallies, all the teach-ins and everything else . . . On that point alone McNamara must be counted as more valuable to the enemy, and more damaging to our own men in the field, than a couple of new divisions of Communist infantry." (*Chicago Tribune*, September 9, 1967)

Starting in 1962–63 the Soviets introduced new Kynda missile cruisers and Kashin missile frigates. The ships were highly innovative. The Kynda is a "ship killer," with tubes for the SS–N–3 Shaddock missile, which has a range of up to 400 miles. A number of these are now in operation. The Kashin frigates are the world's first large gas-turbine warships, armed with twin anti-aircraft missile launchers, five torpedo tubes, antisubmarine weapons and heavy guns. The Soviets have built about twenty of these modern ships. The U.S. Navy did not have a ship similar to the Kashin class until 1974, when Spruance class frigates went to sea, more than a decade after the Soviets had their first Kashins.

UNFAIR HIKES IN GASOLINE PRICES

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. ZEFERETTI. Mr. Speaker, very recently, on the eve of the July 4 holiday weekend, the major oil companies suddenly, and in general concert, raised the price of gasoline. The effect was immediate, and the victims were all those who had planned to spend their long weekend on the road.

However, those weekend travelers are only a small portion of Americans who will be seriously affected by the rise in gasoline prices. What about the daily commuters, those with already strained budgets who will have to spend more on their daily necessities of life? And, what about the poor and elderly, always hard pressed by such economic policies, who will certainly be the hardest hit by these price hikes? In addition to these categories of Americans, are the unemployed who will sustain severe economic losses by the action on the part of the oil companies since they must travel, and purchase gasoline, in their steady hunt for jobs.

Therefore, it seems to me that what we have witnessed is an extreme case of opportunism on the part of the major oil companies at the worst possible moment for the people of our Nation. And, this is compounded by the commonly held notion that this represents only the beginning; we will see further price hikes following in fairly swift succession in the near future.

In addition, we are also confronted with the possibility of total decontrol of domestic oil prices. This, I believe, would deal the final blow to the consuming public, on whom the burden would inevitably fall.

The profits of the international oil industry have been approximately $60 billion over the 4-year period from 1970 to 1974. Their accumulated tax benefits, reserved for any dip in profits, cushion any financial loss they might sustain. Their advertising costs are all deductible. Therefore, in the long run, the oil companies have been, for the last several years, reaping in the profits, and are, as a result of the new policies, guaranteed to reap even more. And, who are the losers in this game? The service station operators and the consuming public—you and me.

It is most regrettable that these major oil companies have chosen by these actions to confirm the worst suspicions many Americans have harbored about them for a long time. It is my feeling that the Congress should, therefore, not let this kind of profiteering go unchallenged. Several sets of hearings have been slated by various committees to deal with the recent actions by the oil companies. It is my hope that substantive remedies will emerge from them.

I am not advocating Government intervention in American business. I am not calling for control on the part of Congress. However, I do strongly believe that the time has come to reassure the American public that Congress is indeed looking out for their best interests. It is our duty to assure those throughout the country that we will not condone unwarranted and unnecessary increase in gasoline prices when the oil companies are, at the same time, enjoying unprecedented profits. We can not and must not ignore the recent actions on the part of these oil companies. If we do, we will have to answer to our constituents at home.

REPORT OF THE MURPHY COMMISSION

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. BROOMFIELD. Mr. Speaker, for the past several months I have been privileged to serve as a member of the Commission on the Organization of the Government for the Conduct of Foreign Policy. The Commission, chaired by the Honorable Robert D. Murphy, presented its report to the President on June 27. It is a good report, and I hope it will be widely read by Members of Congress.

The impact of any Commission report is inevitably diluted by statements of dissent or declarations from individual members regarding specific points of contention. The recommendations of the Murphy Commission were reached through majority vote. While every effort was made to achieve consensus and to vent conflicting views, the proposals obviously cannot reflect, with any consistency, the unanimous views of the Commission members.

Readers of the report will note that I, along with several other members, have chosen to identify in supplementary statements certain areas of disagreement with the Commission findings. Rather than emphasize my differences with the Commission, which are limited, specific, and were made apparent during the course of the deliberations, I would prefer to underscore my support for the basic thrust of the report, the vast majority of the proposals it makes, and to state my admiration for the manner in which the Commission fulfilled its mandate.

I am concerned that the various supplementary statements, particularly that of Senator MANSFIELD, will be taken as an indication that the Commission has somehow failed to live up to expectations or has sidestepped the hard issues.

This, I feel, would be a most unfortunate and unfair interpretation. After nearly 6 months of association with the Commission on the Organization of the Government for the Conduct of Foreign Policy, I can attest to the dedication and professionalism of the entire operation. The fact that several Commission recommendations run contrary to, or do not meet the requirements of, strongly felt views of some Commission members does not detract from the merit or usefulness of the overall report. Nor does it prejudice the decisions reached by a majority of the Commissioners.

The Commission report deals with complex issues important to the future conduct of diplomacy; it reflects the best judgment of Commission members drawn from the general public, the Congress and from the Executive. The report should be judged on its merits, which are substantial, and not on preconceptions.

The various proposals contained in the Commission report constitute a valuable foundation on which to base future decisions regarding the conduct and organization of our foreign affairs. There will be ample opportunity to debate their relevance and cogency. I look forward to participating in this dialog and believe the report of the Murphy Commission has provided a well-reasoned, indispensable point of departure.

WE ARE EXPERIENCING A CRISIS IN HEALTH CARE

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. WIRTH. Mr. Speaker, today we are experiencing a crisis in health care. This bill takes an effective first step in moving us toward a solution of this crisis. Since 1963 the Federal Government has pumped large amounts of support into our country's medical schools, and the number of students enrolled in medical school has doubled in that period of time. We have arrived at a point where we no longer suffer from an acute shortage of doctors and nurses and other health professionals. We must now ask where those doctors and nurses are, and what kinds of medicine they are trained and willing to do.

At the moment we find most of our physicians working in the cities and suburbs and practicing specialized medicine that many people cannot afford. The health manpower bill addresses this question. It recognizes that we need to produce more providers of primary care. It supports training for nurse practitioners, physician assistants, and dental auxiliaries, who can bring health care to people who seldom have access to a doctor. This bill also provides support for medical training in family practice, a field that more and more young doctors are expressing an interest in.

The bill also strengthens the Public Health Service Corps. It would bring more doctors out of the cities and suburbs and into the parts of our country that rarely see one, places where health care systems are minimal or insufficient. Finally, the legislation continues the area health education center program. This carries health education programs to remote communities and helps retrain health professionals in the middle of their careers, as well as provide the health consumer with a wider awareness of health care facilities.

This bill is just another step in more than a decade of legislative actions directed at the problem of providing quality health care to every member of our society. Some tough problems will still be with us, and we should remind ourselves of them. For example, we are sending out doctors to remote parts of the country that frequently have no clinics, much less a hospital. How can the people who will be served by these doctors pay for their health care? Health insurance coverage now available will not pay for outpatient visits, or care received in a clinic.

We should also anticipate the special health care needs in areas of intense energy development. Right now they are inaccessible, sparsely inhabited parts of the country. But in a decade these areas will be teeming with new development. Scores of workers and their families will be moving in and, of course, will generate a huge demand for health care facilities. I ask my colleagues that while they are considering this health manpower legislation, they keep in mind that we still have a long way to go to providing health care to the entire country.

THE CENTRAL ISLIP, N.Y., EPISCOPAL CHURCH OF THE MESSIAH

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. DOWNEY of New York. Mr. Speaker, as our great Nation enters the year of its 200th birthday, many communities and organizations are in the process of arranging special activities to celebrate this historic date. The Episcopal Church of the Messiah in Central Islip, N.Y. has made an outstanding contribution to intensify the Bicentennial spirit. I am proud that this church is part of my congressonal district.

The Episcopal Church of the Messiah recently received White House attention for its Bicentennial efforts. President Gerald Ford praised the "patriotism and public spirit" behind the planning for the Bicentennial fair, which is to be held at the church this month. The personal interest taken by the President in this important Bicentennial event deeply touched the members of the church community.

Members of the church have been hard at work for months planning this noteworthy Bicentennial fair. They aim to provide family fun and a glimpse of old-fashioned Americana for members of the Islip community. According to Father Rocco D. Grimaldi, Vicar of the Episcopal Church of the Messiah, the theme of the fair is "The Spirit of '76 in '75." Youngsters will enjoy the "Bicentennial Bounce" in addition to other rides, games and treats. Church members dressed in colonial costumes will provide "down-home" food, products, and other special bicentennial events.

Father Grimaldi summed up the sentiment behind the fair by remarking, "as a good neighbor to Islip Town since 1869, the Messiah Family felt it had to take the lead in saying, 'Happy Birthday America.' " I am sure that the efforts involved in arranging this grand Bicentennial fair will prove worthwhile and it is my hope that other communities around the Nation will be inspired by this event and plan similar Bicentennial activities of their own.

DAVID CHIN, HONORARY MAYOR

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. ANDERSON of California. Mr. Speaker, on July 26 the people of San Pedro, Calif., will honor one of the most unselfish and dedicated men in their community, Mr. David Chin.

For the past year, Mr. Chin has been the honorary mayor of San Pedro. A restaurant owner by trade, David has worked long and hard for the betterment of San Pedro, and the entire harbor community. Last year he was the top fundraiser for the Harbor Area Retarded Children's Foundation.

A list of David Chin's many activities and accomplishments would go on forever. Besides serving as San Pedro's honorary mayor, he is the director of the San Pedro Chamber of Community Development and Commerce. David Chin is also deputy district governor of the Lions Club, as well as a member of San Pedro's Elks Lodge No. 966.

His involvement in community service organizations has been extraordinary. David Chin is a keystone supporter of the San Pedro Boys Club, and is a director of the San Pedro and Peninsula branch of the Young Men's Christian Association. He is also an associate member of the Young Women's Christian Association, harbor area headquarters. In addition, David Chin is a member of the Harbor Area Ethnic Political Coalition.

Dave Chin has been active in the City Beautification Committee, the Los Angeles Police Department Booster Club, Harbor Division, and is a member of the Harbor Police Community Council. He also sits on the advisory selection committee for community recognition awards for Los Angeles Harbor College.

Charitable affairs have also benefited from David Chin's activities. He has participated in the Christmas parade, and Christmas cheer for the needy; and has helped and supported the House of Hope, the Salvation Army, the United Crusade, the City of Hope, and fund-raising drives for heart disease and cancer research.

Mr. Speaker, I feel that David Chin represents the best in any community. Although a successful businessman for over 25 years, he has not let that rest as his sole legacy. Instead, he has made a determined effort to benefit the community at every opportunity. David's record of concern and action on behalf of the people of San Pedro stands as the greatest tribute anyone could possibly make about this outstanding community leader.

I would also like to take this time to congratulate Sin Choy, Dave Chin's lovely wife, and his four daughters, Shirley, May Ling, Susan, and May Sin.

THE FAILURE OF SOCIALIZED MEDICINE IN SWEDEN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the Swedish experience is many times held up as an example of Socialism with a happy face in contrast to the oppressive form of socialism practiced in the Soviet Union. Socialism does not work well whether in Sweden or the Soviet Union. A Swedish doctor, recently arrived in the United States, has described very clearly how the quality of health care has deteriorated in Sweden as a result of its socialized medicine program. My colleagues, who feel total Federal control of medicine is the answer, should read his letter carefully, which appeared in the Journal of the American Medical Association of June 30, 1975. The letter follows:

EXPERIENCE FROM SWEDEN

To the Editor.—As a newly immigrated Swedish general practitioner in this country, I am both amused and saddened to observe the intense and sometimes inflamed debate over issues like National Health Insurance and socialization of medicine in the United States. There are virtually no pros and cons in the arguments that I did not hear over and over again as a part of the struggle that preceded the Swedish reform. Now, after a few years of testing the Swedish experiment, it is striking to see the negative effects that neither the advocates nor the opponents of government take-over were able to foresee.

Summing up, the experience is saddening: the quality of health care, generally has not been affected positively. A governmental and bureaucratic superstructure has created incredible waiting lines for specialty care (heavily centralized). It is not unusual to wait a year or more for a cataract operation. Primary care is not what a U.S. citizen would find acceptable: chances are that in trying to reach a physician in an emergency, you may find yourself listening to a taped message referring you to a distant hospital switchboard, where a registered nurse whose job is to screen calls will suggest you take an aspirin and see your doctor tomorrow. If in desperation you go to the emergency room and are admitted, you will be taken care of by a young physician-in-training, whom you have never seen before and who is responsible for up to 20 other patients on the floor during the day. Your own doctor won't see you during your whole stay, and bedside conversation with your hospital doctor is kept to a minimum. After all, the doctor sees you as one of the patients on his ward, not as one of his own patients, a point of distinction and a characteristic feature of Swedish assembly line medicine.

The administrators, being the executive branch of the medico-political system, obey their commandment to save money by closing down hospitals on a large scale, creating greater and greater distances between people and their hospitals. The suggestions and attempts to cut the cost of medical care, which must be paid by the working people, have yielded negligible results.

Doctors are salaried employees with fixed working hours, having to negotiate every aspect of their work. The former "Provincial Medical Officers," often grossing $30,000 a year, were, by governmental decision renamed "District Medical Officers" and had to see their income drop sharply in addition to a confiscatory tax increase.

This and other parts of the Swedish welfare system have led to a tax of 50% for the average worker, surely the highest in the world. He has very little chance of setting aside any money when the cost of living eats up his check. It seems that many legislators and health care providers are missing the point in the debate over soaring costs of health care. The Swedish example shows that it is not mainly a problem of high doctors' fees, mismanagement of hospitals, or even questionable pharmaceutical practice. It should be noticed, parenthetically, that physicians, working within a socialized system where "the patient doesn't have to pay anyway," have less restraint in prescribing expensive drugs, more pills than necessary, and extensive laboratory and X-ray work-ups. There is also an indisputable tendency to abuse medical services: being able to see a doctor for a minor complaint without economic sacrifice gives one a legitimate reason for taking a few days off a boring job or to recover from a hangover.

Health care is in a crisis. We must face the reality that public demand for medical care is increasing at the same rate as the ever-increasing diagnostic and treatment possibilities. This costs money. I am all for some form of general health insurance, cost being shared by employees and employers. But socialized medicine brings no answer and is not the cup of tea for America!

DISABLED VETERANS' COMPENSATION

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. EVANS of Indiana. Mr. Speaker, during the July Fourth recess, I met with the members of Martinsville Chapter No. 34 of the Disabled American Veterans. I had the pleasure of talking with Cecil W. Disney, Omer D. Russell, Stanley Payton, Lester H. Wildt, Henry Walker, Robert Robinson, Robert Nay, and Charles Hokapple.

These men are concerned about legislation before Congress to increase veterans' disability compensation.

As you know, on June 16, the House passed H.R. 7767, which would provide for a maximum 10-percent increase in disability compensation for veterans with a 60 percent or more disability rating. The percentage increase in compensation would decrease as the veteran's disability rating decreases.

The Senate amended the House bill on June 23. The Senate amendments are more generous, but more important, are more realistic. They would provide a 12-percent cost-of-living increase in disability compensation for veterans with a 60 percent or less disability rating, and a 14-percent increase for the more severely disabled veterans.

Mr. Speaker, I have received letters from dozens of disabled veterans who are having a difficult time making ends meet. The cost of heating and lighting their homes has increased tremendously, and the cost of living continues to climb, although at a lesser pace than last year.

I urge my colleagues on the House committee to accept the Senate figures. Our disabled veterans need and deserve our support.

THE PLIGHT OF THE JURGUTIS FAMILY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. DOWNEY of New York. Mr. Speaker, détente with the Soviet Union has become a cornerstone of U.S. foreign policy. The dynamics of détente have increased the flexibility of our international perspective. Yet, our global stand on individual liberty must remain unyielding. Increased vigilance must counter the danger that individual rights will be forgotten in the sweep of global affairs. I refer you to the case of Mr. Aloyzas Jurgutis and family.

Mr. Jurgutis escaped from the Soviet Union seeking religious freedom. For this act he is considered a criminal by the Soviets. He can not be personally punished, so the Soviets have responded by disallowing communication between Mr. Jurgutis and his family. They have refused Mrs. Jurgutis and daughter Daina permission to leave Lithuania and join Mr. Jurgutis in America.

The Jurgutis' are being denied the basic human right of family unity. The Soviets augment this wrong by harassing and pressuring the family to forfeit their desire for togetherness outside the Soviet Union.

Mr. Jurgutis escaped from the Soviet Union on May 16, 1974. He renounced his Soviet citizenship and filed emigration documents for his wife and daughter at the U.S.S.R. Consulate in Washington during November of 1974. Mr. Jurgutis employs his skill as a musician at the Chicago Conservatory. He waits in frustration for word of his family.

Mrs. Jurgutis has filed three requests for permission to emigrate. Her two latest appeals, the last being May 10 of this year, have directly addressed President Podgorny. All have been denied. Local authorities have told her that if she seeks the aid of the U.S. Embassy she will be immediately imprisoned.

Mrs. Jurgutis has been dismissed from her job as a librarian. She has been denied alternative employment. She has been threatened with removal of her 11 year old daughter to a special school in order to "Sovietize her spirit." Searches of the Jurgutis home and seizure of personal property have occurred. The Soviet Government has demanded denouncement of their father and husband by Daina and Mrs. Jurgutis.

In lieu of all the above personal dangers, Mrs. Jurgutis has firmly stated time and again her devotion to her husband and her desire to emigrate from the USSR.

The plight of the Jurgutis challenges America to remain steadfast on her global committment to individual freedom and basic human rights.

NEW OFFICERS OF THE NORTH HAMPSTEAD UNIT OF THE AMERICAN SOCIETY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. WOLFF. Mr. Speaker, on Saturday, June 28, the North Hampstead Unit of the American Cancer Society, Long Island Division, held its fifth annual dinner and installation services. It was not only my pleasure, but it was my great honor to install the newly elected officers of the unit, as well as to confer the special presentation on the new president, Mrs. Edward Fisher.

As I am sure you are all aware, the many units of the Cancer Society throughout the Nation do a most commendable job in conducting programs of research, education, service, and rehabilitation for the purpose of bringing us to the cause and a cure for cancer.

The evening was well planned, Mr. Edward Fisher and Mr. Timothy Foley having been responsible for the dinner arrangements, while Mrs. Norman Craig and Mrs. Edward Byk were the hostesses. Others who helped to make the evening a success were Mrs. Edward Fisher, Mrs. Edward Speno, Mrs. Dominic Rao, Mr. Jack Dowling, Mr. Fred Weinum, Mr. Ken Byk, and Mr. Leonard Strenesky. The welcome and closing remarks were delivered by Hon. John S. Davanzo, and the Reverend Brendan P. Riordan gave the invocation.

The newly elected officers included:

President, Mrs. Edward F. Fisher.

Chairman of the Board, Mr. Edward Fisher.

Vice Chairman of the Board, Hon. Joseph Graziano.

Executive Vice President, Mrs. Norman E. Craig.

Vice Presidents (Special Events), Mrs. Caroline N. Harvey, Mrs. Eugene White.

Vice Presidents (Public Information) Mrs. Aaron Freeman, Mrs. Dominick Rao, and Mrs. Patsy Russo.

Vice Presidents (Public Education) Mrs. Julius Wolf, and Mrs. John O. Werkmeister.

Vice President (Memorials), Mrs. Timothy P. Foley.

Vice President (Membership), Mrs. Grace Kearney.

Vice President (Service), Mrs. Timothy P. Foley.

Recording Secretary, Mrs. Donald Larzo.

Corresponding Secretaries: Mrs. Frank Cawley, Mrs. William Ehlers, Miss Annie Freeman, Mrs. Robert Husak, Mrs. Emilia M. Mathe, Mrs. Clarence Newsome, Mrs. Anthony Potenzone, Miss Alice Rypka, Mrs. Lewis B. Schwartz, Mrs. Helen L. Thiel, and Miss Angela Viscardi.

Social Security, Mrs. Ann Withopf.

Treasurer, Mrs. William Tindall.

Branch Development Chairman, Mr. Edward F. Fisher.

Cancer Prevention Survey Chairmen, Alfred S. Ruesch, M.D., and Mr. Dennis Smaldjas.

I am confident that this group of people will continue the fine work of their predecessors. I congratulate them all and commend them for their dedication to this great cause to aid humanity.

As I have already mentioned, it was my honor to bestow the special presentation on Mrs. Edward Fisher. Ruth is one of my constituents from Great Neck, and she has proven that the dread disease, cancer, need not force one into a life in which all activity must cease and where the patient must resign himself to merely existing rather than living.

Ruth was stricken with cancer almost 5 years ago, and upon learning that a radical mastectomy was necessary, vowed "not to be paralyzed by dull, dead, negative thoughts." She attributes her ability to cope with her illness to a strong faith in God, as well as the love and concern of her family and friends. She believes that it is necessary to live 1 day at a time, and that time should be spent in helping others who are less fortunate than herself. She has continued to involve herself in health organizations, thus putting others' needs before her own.

This courageous woman is quick to admit to periods of depression, but she says, "I talk to God and thank him for the bad as well as the good." She refuses to die while still living, and realizes the necessity of accepting that which cannot be changed. I believe that Ruth's courage should be a source of encouragement to all of us who have faced, or will face in the future, some type of problem which seems insurmountable. Her words, "Because I want to continue in the joys of life . . . being a part of my family's dreams and ambitions, and pursuing my own . . . I live each day in hope," should be our thoughts as well.

I bring this event to you today, because of my admiration for the splendid work of the American Cancer Society, and its units throughout the country. I bring this woman, Mrs. Edward Fisher, to your attention today, because I admire the faith, courage, and wisdom which is hers. I wish each of you to share, as I have, the joy she has discovered in life, in spite of its sufferings and difficulties.

TRIBUTE TO IVY BAKER PRIEST

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mrs. BURKE of California. Mr. Speaker, I wish to pay a few words of tribute to Ivy Baker Priest, former Treasurer of the United States during the Eisenhower administration and later treasurer of California. It is with great sadness that I learned of her death on Monday, June 23. Not only did our country lose one of its most distinguished citizens, but the 37th District of California—my former district—lost an outstanding resident and a dear friend.

Mrs. Priest will be remembered for being a forerunner in the women's movement seeking to attain leadership roles in this Nation's Government. She was the only woman to be California's State treasurer or to hold any of the State's constitutional offices. She was first elected State treasurer in 1966. Then she was reelected in 1970 by an overwhelming 1.2 million vote margin.

Mrs. Priest—an active Republican most of her life—was the second woman to become U.S. Treasurer. This post was largely ceremonial without Cabinet rank. She served from 1953 to 1961 during which time her signature appeared on billlions of dollars in currency.

The experience she gained in Washington was a key factor in her outstanding service as our State treasurer. During her term in Sacramento, Mrs. Priest was responsible for California's credit rating being upgraded to Aaa-AAA in 1972, the highest rating a State can obtain.

Mrs. Priest's philosophy toward her job as State treasurer was another key to her highly successful operation of the office. In a publication entitled "Members of the California Legislature and Other State Officials," Mrs. Priest said:

> For all practical purposes, I believe there is no such thing as "government money" or "state money". All moneys held or distributed by government come from the people. In a republic such as ours, government can only take from the people that which the people authorize through their elected representatives.
>
> Since government is set up by the people and for the people, it must be their servant and never their master. Sound money management does not have a political party, nor does it have a political or social philosophy. The State Treasurer is the State's foremost banker and the duties of the Treasurer can be compared with those of the president of any well-run private bank. A banker's job is to safeguard the customer's money and to give the best possible return on investments. Financial decisions made in this job can affect the lives of every California citizen. I do not take this tremendous responsibility lightly.

Certainly Mrs. Priest did not take her responsibility lightly. She was a staunch advocate of women in higher positions in industry, medicine, the professions and politics. When she became U.S. Treasurer Mrs. Priest said women should have a voice in the Nation's "financial housekeeping."

Mrs. Priest was a devoted wife and mother of three. Although she traveled extensively, their home life ran smoothly. She said this was possible because it was operated as a joint venture with everyone contributing. She often bragged that she handled most of her family's finances and that her checkbook always balanced.

Mrs. Priest was a strong supporter of the role women play in politics. She also had her own ideas about how they should go about it. Once she asserted that "the best way to do anything in politics is to start where you live—where the vote goes in the ballot box."

"Pick out your party," she said. "Go right up to the precinct or district captain, or write to county or State headquarters. But you must have a political party first," declared Mrs. Priest.

A native of Kimberly, Utah, Mrs. Priest was a California resident after she left office in Washington, D.C. She was born 69 years ago, the oldest of seven children in a Mormon family. She grew up in the mining town of Binghamton, Utah where her father was a miner.

Although her college career was interrupted, she became involved in many organizations besides those involving politics. She volunteered many hours to several organizations including the General Federation of Women's Clubs, the American Red Cross, and the California Easter Seal Society. She was especially interested in cancer research, crippled children and safety.

Mrs. Priest wrote her autobiography, Green Grows Ivy, during the latter portion of her term as Treasurer of the United States. She received honorary doctorates from Elmira College, Bryant College and Rider College. Among other high honors was her nomination as one of the 20 most outstanding women in this century by the Press Club and a Woman of Achievement Award from the American Federation of Soroptimist Clubs.

Her only son, Roy Baker Priest was killed in 1971 in a boating accident on the Sacramento-San Joaquin River delta.

She is survived by two daughters, Mrs. Patricia Jensen of Tarzana, Calif., and Mrs. Nancy A. Valenzuela, of Long Beach, Calif. She also leaves six brothers and sisters and four grandchildren.

Ivy Baker Priest was widely respected by her friends and admired by her colleagues for her diligence, forthrightness, sense of humor and integrity. She gave her life to public service, and I know her memory will be preserved as an affirmation to her dedication.

RIVERBANK EROSION

HON. PHILIP H. HAYES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. HAYES of Indiana. Mr. Speaker, because of increased commercial traffic on our Nation's waterways and the continuing efforts by the U.S. Army Corps of Engineers to make them more navigable by constructing dams, I wish to bring to the attention of the House an article by Glenn Medcalf in the June 15, 1975, Evansville (Ind.) Sunday Courier & Press.

Mr. Medcalf's article is an extensive inquiry into the loss of riverbank property on the Ohio River in my congressional district. Since my first day in Congress in January, I have been intervening with the corps on behalf of private citizens and public officials concerning erosion of land bordering the river. Loss of property over the past several years has amounted to tens of thousands of dollars.

This problem, as Mr. Medcalf points out, is not limited to my district, however. According to his sources, there are 3.5 million miles of streams in the Nation, or more than 7 million bank miles. A survey in 1969 showed that about 8 percent, or more than half a million bank miles, are eroding to some degree. Classified as severe are 148,000 miles.

It is, of course, a law of nature that some bank erosion will occur on any waterway. But what concerns Mr. Medcalf, what concerns my constituents, and what concerns me is the extent to which this natural erosion has been influenced by the construction of new dams on the Ohio River.

With the use of aerial and other photographs, Mr. Medcalf shows the dramatic changes in the contour of the riverbank which have occurred since the dams' construction. Indiana Route 166 is shown closed and sliding toward the river. A dwelling at Tell City is also shown sliding toward the river. Another picture shows how erosion has threatened the municipal waterworks at Mount Vernon.

Mr. Medcalf's article neither attaches blame for the situation nor pretends to propose the key solution. It rather presents in an objective fashion the opinions of those who live along the river, the Corps of Engineers, operators of tow boats, and others.

I believe it is worthwhile reading for any Member or private citizen who is interested in erosion of our waterways. I, therefore, will make available a copy of this most valuable article to anyone who contacts my office.

CAPTIVE NATIONS: REASONS FOR STRENGTH

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. HYDE. Mr. Speaker, since Captive Nations Week, 1974, two more names have been added to the list of captive nations: South Vietnam and Cambodia. Refugees from these nations are finding places in America, just as refugees before them have done.

There is no better time for Americans to remember that while we seek to help preserve peace, and while we hope for successful negotiations with the Communists, that Communist doctrine is expansionist in nature. Communists have never agreed to negotiations which have not been in their own best interest. Communists have failed to observe agreements as soon as they no longer serve their own interests. The only way to successfully negotiate with Communists is from a position of strength.

There are those who argue that if we disarm, then the Communists will disarm. Captive Nations Week reminds us of 18 compelling reasons for refutation of that naive assumption. They are: Estonia, Latvia, Lithuania, Albania, Bulgaria, Yugoslavia, Poland, Romania, Czechoslovakia, North Korea, Hungary, East Germany, Mainland China, Tibet, North Vietnam, Cuba, Cambodia, and South Vietnam—all once free nations now groping in the darkness of Godless Communist totalitarianism.

We must stop what Nobel Prize winner Alexandr Solzhenitsyn recently called the West's "senseless process of endless concessions to aggressors."

THE SOLZHENITSYN SNUB: DÉTENTE BECOMES APPEASEMENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. ASHBROOK. Mr. Speaker, one of the things which has concerned many of us who are known as anti-Communists is the apparent failure of the State Department to realistically understand or intellectually cope with world communism. Our vital American interests require that we do not become so committed to the slogan of détente that we fail to understand the true nature of the U.S.S.R.'s global plans. The State Department since the close of World War II has shown itself ill-equipped to cope with communism whether it be in a Democrat or a Republican administration. The Henry Kissinger regime is worse than most in this respect, in my opinion.

No incident has shown up the failure of this policy so clearly as the recent Solzhenitsyn snub. That President Ford would meet with the soccer player Pele but not meet a symbol of intellectual opposition to the Communist controlled society, Solzhenitsyn, is indeed a sad commentary on the international priorities we have in the White House at the present time.

We can rightly ask "Has détente become appeasement?" A George F. Will article in today's Washington Post seems to hit the nail on the head and I include it at this point in the RECORD:

SOLZHENITSYN AND THE PRESIDENT

(By George F. Will)

The U.S. government may have to expel Alexandr Solzhenitsyn from the republic, not only as a hands-across-the-barbed-wire gesture of solidarity with its detente partner, the Soviet government, but also to save the President and his attendants from nervous breakdowns.

This is not the first time Solzhenitsyn, winner of the Nobel Prize in literature, has taxed the nerves of the mighty. Last year Soviet Premier Leonid Brezhnev, having decided that he could not conveniently kill Solzhenitsyn and could not endure the sound of his voice, expelled him.

Solzhenitsyn became a nuisance to Gerald Ford when AFL–CIO President George Meany invited Solzhenitsyn to Washington to give a speech in which he reiterated his low opinion of detente, as the U.S. practices it. He believes this policy reduces the United States to craven, degrading reticence about slave labor, concentration camps and other problems of human rights in the Soviet Union.

Solzhenitsyn is, of course, correct: The U.S. government thinks such reticence is "necessary" lest the Soviet government get angry and refuse to accept U.S. trade subsidies or engage in our memorable grain deals. But mere truthfulness does not redeem politically inconvenient speech, and Solzhenitsyn carries free speech to inconvenient conclusions.

His presence here posed a problem: Should Mr. Ford meet with him? In coping with this problem the President contrived to confirm Solzhenitsyn's point while snubbing him for having made it.

Mr. Ford nervously diagnosed Solzhenitsyn's presence here as a foreign policy problem and summoned advice from the National Security Council, which copes with such threats to the nation's security. He and aides brainstormed about how to justify snubbing the man who, outside U.S. and Soviet government circles, is recognized as one of the moral heroes of the 20th century.

According to reports, several aides, showing a flair for baseness that would have stood them in good stead with the previous administration, questioned Solzhenitsyn's mental stability. The idea of American politicians rendering negative judgments about Solzhenitsyn's mental health has an antic charm, but such judgments were not publicly advanced to justify the snub, perhaps because they would not play in Peoria.

Other aides reportedly noted that during his visit to the United States Solzhenitsyn is promoting the sale of his books. They said the President should not do anything that might even indirectly help a commercial promotion. The White House is selectively fastidious about such things.

A few days earlier Mr. Ford met with the Cotton Queen. A few days after he summoned photographers to the White House lawn where he kicked a soccer ball with Brazilian star Pele, for the benefit of the American entrepreneurs who are paying Pele $4.5 million to help promote their soccer franchises.

Press Secretary Ron Nessen, keeper of the presidential image, explained that Mr. Ford could not see Solzhenitsyn because of a "crowded schedule."

Nessen added: "For image reasons the President does like to have some substance in his meetings. It is not clear what he would gain by a meeting with Solzhenitsyn."

Nessen may have a point, but if so it reflects on Mr. Ford's ability to receive, rather than on Solzhenitsyn's ability to impart, wisdom. The President's image thus clarified, like butter, Nessen refrained from adding the salient point. Brezhnev frowns on Solzhenitsyn, but not on Pele.

Obviously Mr. Ford decided that meeting Solzhenitsyn would be inconsistent with detente. Obviously Solzhenitsyn is correct: Detente, as practiced by the United States, prevents even gestures of support for the cause of human rights in the Soviet Union.

Certainly Solzhenitsyn was not surprised by Mr. Ford's snub. As he said in his Nobel Lecture:

"The spirit of Munich has by no means retreated into the past; it was not a brief episode. I even venture to say that the spirit of Munich is dominant in the 20th century. The intimidated civilized world has found nothing to oppose the onslaught of a suddenly resurgent fang-baring barbarism, except concessions and smiles."

Detente has conferred upon Brezhnev veto power over the appointments calendar of the President of the United States. Perhaps Brezhnev, in the spirit of detente, would refrain from seeing people offensive to the U.S. government's moral sensibilities—if it had any.

RUSSIAN MADE FIATS GIVE ITALIAN FIATS COMPETITION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the chickens are now coming home to roost in the famous Fiat deal made in Italy. The Russians are exporting a Fiat model to Western Europe which substantially undersells the Italian model.

Another facet to this is the fact that the poor Russians pay about $7,150 for a model that the Russians export to Western Europe for $2,571 versus the Italian price of $3,274. So who loses? The Italians and the poor Russian consumer. Remember how we were told that the building of the Fiat plant would help the Russian consumer? Now would anyone want to bet when we will see the Kama River Truck plant selling trucks in Western Europe or even in the United States at cut rate prices designed to take markets away from the United States? On the matter of East-West trade, we never seem to learn.

The item from Business Week of June 9, 1975 follows:

ITALY—A RUSSIAN-MADE FIAT GIVES FIAT COMPETITION

Umberto Agnelli, managing director of Fiat, the giant Italian auto maker, is wondering whether his company has created a monster that is about to turn on him. The beast is nothing less than the huge Togliattigrad auto plant in the Soviet Union. Designed and built by Fiat engineers, the $800-million plant turns out the Lada—a sturdier version of the Fiat 124 designed for Russian roads and climate—at the rate of 600,000 a year.

The trouble is that the Russians are exporting Ladas to Western Europe, where they are underselling Fiat. In Britain, the Lada sells for about $2,571, including taxes, compared with $3,274 for the Italian-made Fiat 124 and $2,332 for the tiny Fiat 126. "As you see," says a Fiat executive, "those are not market prices that the Russians are applying. Not only does their Lada cost much less than our 124, but for an extra $240, instead of buying our small city car [the 126], you get a nice sedan."

MARKET PRESSURE

The Russians will export only 20,000 to 30,000 cars to Western Europe this year, and with auto demand flat anyway Fiat is in fact not too concerned about the short-term competition. Besides, Fiat will soon phase out its 124 for a newer 131 Mirafiori sedan. But Agnelli is worried about what may happen when the Russians carry out their plans to double auto-making capacity.

Fiat realized that the Russians might export cars when it sold them the plant and the car design. But demand was strong for cars then, and since the Russians were going to sell a basic, relatively outmoded model, it never occurred to anyone then that price could become such a factor only a few years later. Agnelli now thinks that the Common Market should protect itself against the dumping of autos in Europe. Moreover, he believes that if the Russians want to sell cars in Western Europe, they should open their markets to Western European auto makers.

Agnelli has some leverage with the Russians. Fiat is now negotiating with the Soviet Union to supply more automaking capacity there. As part of the deal, the Italian company will seek stronger contingency clauses. "This time," says a Fiat executive, "we will make sure that there is some sort of export clause if we get the deal."

LET EVERY DAY BE LADIES DAY

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. CARR. Mr. Speaker, the recent debate over the title IX guidelines was at times heated, and often humorous. I cannot help but feel that it "separated the men from the boys" and I think it both timely and appropriate that the accompanying article be inserted in the RECORD:

[From State News—MSU]

LET EVERY DAY BE LADIES DAY

(By Joe Kirby)

Ah yes, back in the good old days—when men were men and women were girls—sports were the exclusive domain of males and the ladies were left to their cooking and sewing.

But times are changing and the ladies are asking, even demanding, their right to have some fun and learn about the thrill of victory and the agony of defeat.

And slowly but surely the women are making some inroads. The Title IX proposal—which is designed to end sexual discrimination in sports—is probably the biggest step forward for women athletes and it definitely has the men running scared.

So scared that a bunch of college football coaches went running off to Washington to cuss and moan about how the end was in sight, give these women equality and college athletics would be killed off, or so they told Congress.

Meanwhile down in Romulus, Mich., the local little league felt so threatened by a female player on one team that they passed an absurd rule requiring all players to wear a protective athletic cup. Then they suspended the young lady when she refused to wear one.

I don't know what they were trying to prove. Even a naive individual like myself knows enough about this and that to figure out that females just don't have a real big need for this particular device.

What it all boils down to is that the men don't want anybody treading on their turf. It's easy for the men to say that females can't run fast and throw baseballs funny and generally aren't cut out for athletics.

But maybe the reason women throw funny is because boys' baseball leagues do everything they can to keep the girls out of the grand old American game.

I would strongly recommend that all those men who believe women incapable of competing in sports read "The Femininity Game" by Thomas Boslooper and Marcia Hayes. It opened my eyes some and cleared up a few misconceptions I had picked up somewhere along the line.

I'd like to drop a little quote from the book now, one that sort of sums up the way men view women in sports: "When a woman beats a man on the playing field, her reward is more likely to be anger than applause. Woman's traditional role in sports, as elsewhere, continues to be supportive, not competitive. The female majority is expected to stay on the sidelines, either cheering the team on, providing musical or acrobatic diversion at halftime or feeding their escorts box lunches."

A new day is coming through, and I believe women deserve to be a part of it. So to all those men who are doing their best to keep the ladies in their place, my advice is, hang onto your machismo and don't look back because the ladies are gaining on you.

SENIOR CITIZENS GAIN POLITICAL POWER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. RANGEL. Mr. Speaker, one encouraging sign on the political scene is the growing political strength and organization of America's elderly. I say this is encouraing since millions of older citizens have, in the past, been reluctant to raise their voices on political issues, to lobby their legislators, and to organize in support of policies which affect them.

The economic situation hits the hardest at the elderly. They usually live on fixed incomes which do not reflect the soaring increase in prices for food, transportation, housing, and clothing. They subsist on marginal diets without adequate nutrition, often are unable to obtain quality medical care, cannot afford decent apartments or homes in light of skyrocketing fuel costs and property taxes, and find themselves pushed out of the Nation's conscience.

I am pleased to include in the RECORD an article from the New York Times on the increasing political activity and concern of senior citizens:

THE ORGANIZED ELDERLY: A NEW POLITICAL POWER

(By Nancy Hicks)

WASHINGTON, June 21.—Old people in America, growing in number and organization, are increasingly becoming a force that Congress, the Administration and the Federal establishment cannot ignore.

The movement toward organization, which began with the push for Medicare in the nineteen-sixties, has grown in earnest over the last four years. It has different groups and different philosophies, but the National Association of Retired Persons, with 7.7 million members, the National Council of Senior citizens, 3 million members, the Gray Panthers and others have put together increasingly sophisticated lobbies.

All have experienced legislative staffs well-versed in such programs as Social Security, Medicare, subsidized housing and food stamps—programs on which the elderly depend and the Ford Administration would like to cut back.

With the help of medical science, the number of elderly people in the United States increases every year. There are more than 22-million people over the age of 65 today, accounting for 10 per cent of the population. One-fourth of the nation's elderly live below the poverty line, according to Federal figures.

At the turn of the century, only 4 per cent of Americans were that old. By the middle of the next century, the over-65 population is expected to exceed 25 per cent of the nation's population.

With these numbers and their life experiences firmly affixed in their minds, 3,000 members of the National Council of Senior Citizens, which is closely aligned with organized labor, came to Washington last week to picket for more subsidized housing for the elderly and to petition their Congressmen to fight the Administration's attempts to "hold the line" on spending.

But they were also trying to catch the eye of a public that has mixed and often derogatory feelings about elderly people.

"The extended life expectancy has reduced the already limited social status of the old," Dr. Robert N. Butler, a psychiatrist and gerontologist, has written in his new book, "Why Survive? Being Old in America."

NO LONGER UNUSUAL

"Older people are commonplace among us, rather than unusual," he said. "Longevity is no longer viewed with awe and envy, now that it has been mass-produced through medical science." He added:

"The old are people caught in a cultural time lag—suddenly there are large numbers of them and no one knows quite what to do."

The organizations for the elderly are trying to come to grips with the seemingly sudden appearance of large numbers of older people in American society.

A big question for the elderly is how to project themselves. Do they cast themselves as underdogs, knowing that one-fourth of their ranks live below the poverty level, most having gotten there in their old age?

Or do they project dignity and try to sell the value of their untapped experience and knowledge, as did Art Carney, the actor, in his Academy Award-winning performance in the film, "Harry and Tonto."

"They are really excellent lobbyists," said one legislative aide who watched the elderly delegations swarm over the Capitol last week. "They present their cases well," he said. "They know the facts, and they have the time to follow through."

COMMITMENT SOUGHT

Ross C. Lynn, a 75-year-old retired automobile worker from Grand Rapids, Mich., called on his Representative, Richard F. VanderVeen, the Democrat who was first elected to President Ford's former Michigan seat last spring. Mr. Lynn, who worked in Mr. Ford's first Congressional campaign in 1948 wanted a commitment from Mr. VanderVeen for increases in Social Security payments and more subsidized, small unit housing for elderly people.

Ralph Counts, a retired man who is the editor of The Florida Senior Citizen News, talked to Representative William Lehman, Democrat of Florida, about conditions in nursing homes in his state and Medicare scandals in which elderly people were denied their pocket spending money by home administrators.

Mrs. Albert Fauve led a group from Mississippi to meet with an aide to Representative Thad Cochran, Republican of Mississippi, to seek his support for subsidized housing.

"I am worried about the protest image of the elderly," Bernard E. Nash, executive director of the National Association of Retired Persons and the National Retired Teachers Association, said after the elderly groups' activities in the capital last week.

"Most older persons are not standing around with their hands out," he added. "They desire an opportunity for first-class citizenship to use a lifetime of experience to serve the community. I am alarmed at some organizations that show older persons [as] militant, demanding and self-seeking."

Hobart Jackson, former chairman of the National Caucus on the Black Aged, disagrees with Mr. Nash.

"If older people are ever going to get their just entitlement, it will come from efforts in the political process," Mr. Jackson said. "I don't subscribe to the view that social programs for the elderly are welfare. We're really talking about entitlements, rights and priorities.".

THE NO. 1 PROBLEM

Income—or the lack of it—is the No. 1 problem for most old people. Almost half of their income is derived from pensions, and most of that comes from Social Security, Federal figures show. The average monthly payment is about $314 for a couple and $184 for a single person. Mr. Jackson's group would like to see a minimum annual income of $6,000 for a single person and $9,000 for a couple.

On July 1, monthly Social Security payments are scheduled to increase 8 per cent—a victory for elderly groups that fought the Administration's attempts to hold the increase to 5 per cent.

For the most part, elderly people are fighting a provision in the Social Security system that penalizes those lucky enough to find jobs. Social Security benefits are reduced if recipients earn more than $2,400 a year.

Housing is another major concern for the elderly. The 1971 White House Conference on Aging estimated that 120,000 new housing units for the elderly would be needed every year. Only 45,000 units have been built in the last eight years.

SMALL DWELLINGS NEEDED

Housing is important because only 5 per cent of the nation's elderly people are permanent residents of long-term nursing homes. Many of the rest need small, reduced-rent dwellings that provide some centralized location for home health care services.

Groups representing the elderly are fighting the Department of Housing and Urban Development, which is trying to change the conditions under which it finances housing for the elderly.

The money is now used for low-interest, long-term loans to nonprofit agencies that sponsor the construction of housing units for the elderly. The department would like to use the money for construction alone, requiring the nonprofit agencies to repay the Government when buildings are completed by obtaining long-term financing from commercial lenders. Nonprofit groups say they have had difficulty obtaining such financing.

This proposal brought hundreds of pickets to the department's headquarters here last week. One who picketed was Lucy Henderson of Clemenson, Mass., who said: "I own my own home, but so many do not. I just wanted to help."

MEDICARE IS COSTLY

Health is another area of concern. The elderly would like to see a national health insurance instead of the Medicare program, which now requires them to pay up to $750 from their own pockets for each hospitalized illness.

The elderly are also concerned about nutrition. Earlier tihs year, the Administration tried unsuccessfully to raise the price of food stamps, an increase that would have disproportionately affected elderly people.

At the same time, the Administration was sued for not spending money authorized for community feeding programs that insure isolated elderly people fellowship as well as food.

The specifics of the problems do not concern Nelson H. Cruikshank, the 73-year-old president of the National Council of Senior Citizens, as much as an administration policy that he contends "is sold on the idea that the way to get out of a recession is not to spend money."

Mr. Cruikshank describes as "dishonest" the Administration's 1976 budget, which lumps the trust funds for Social Security and Medicare, and railroad retirement funds and the Federal employes retirement fund into the operating budget, unnaturally inflating the size of spending for social programs.

"HEAT" OVER THE NUCLEAR REACTOR

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. GAYDOS. Mr. Speaker, in light of the current search for alternative sources of energy and energy self-sufficiency, debate for and against various forms of nucelar energy has become increasingly controversial and heated. Because the energy supply question is so complicated, reasoned decisions to produce clean, safe, economical, and abundant energy are thwarted by both emotionalism and confusion.

The liquid metal fast breeder reactor—LMBFR—is one technological innovation that has drawn this kind of attention.

As a new nuclear power source, the breeder reactor produces electricity and transforms readily available uranium into the byproduct, plutonium. Over time, the plutonium breeder would transform more uranium into plutonium than it used. Thus, it is called a breeder reactor. The excess plutonium is used as fuel in other kinds of nuclear reactors.

The advanced LMBFR has been given high priority and support by the recently formed Energy Research and Development Administration—ERSA. But public opinion of the burden is extremely polarized. The safety of such a nuclear powerplant seems to be the pivotal, emotional issue. Plutonium and other wastes generated by nuclear reactors are highly radioactive.

Supporters of the LMBFR insist that the proposed nuclear powerplants are safe, nonpolluting, and highy efficient. Some nuclear industry experts believe nuclear powerplants pose less risk to the public health and environment than do coal- or oil-fired electric plants.

Proponents say that nuclear energy is a viable, safe source since intensive research is insuring quality plant construction and stringent controls on radioactive wastes. Under these conditions, accident risks would be minimal.

People in favor of developing breeders say nuclear power is a likely solution to our long-term energy needs. They note that nuclear-generated power is economical as well as efficient.

New energy technology based upon LMFBR's could be operating in 15 to 25 years. ERDA officials predict that the breeder will be vital in meeting 50 percent of the projected energy demands in the first year of operation, and up to 75 percent in subsequent years.

Supporters of breeders point to advantages of dependence on uranium rather than oil. The element uranium is in abundant supply. The United States boasts 30 to 40 percent of the world's reserves and holds a stronger position in the international uranium market than the oil market.

Opponents point to breeders as an unnecessary hazard to public safety. They view the issue as a "nuclear nightmare" because of plutonium's radioactive characteristics and because of previous accidents in experimental breeders' core meltdown. Critics warn that terrorists could employ stolen plutonium to construct their own nuclear bombs.

Many objectors decry the necessity of LMFBR energy. They claim we can depend on coal, oil, solar, or ocean thermal energy instead.

The expense of the programs is another possible drawback. For fiscal year 1976, ERDA received $490 million for LMFBR research. The overall program costs are projected at $10 billion. Skeptics are not convinced that benefits outweigh risks of costs. They add that numerous technical problems remain unsolved. These, they argue, include waste storage, siting, plutonium transport, and potential sabotage or accidents.

The generation of electric energy will play a larger and larger role in tomorrow's society. How should we cope with our energy needs? Public interest activities should address themselves seriously and expediently to this question.

MILITARY AID TO TURKEY

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, the current debate over the resumption of military aid to Turkey continues to hinge on strategic matters, geopolitics, military expendiency, and other factors of U.S. foreign policy.

I submit that the human factors involved in the tragic situation on Cyprus far outweigh any others. To underscore what I believe to be the most important aspect—the restoration and preservation of basic human rights—I herewith offer a letter written to me by an 82-year-old resident of Cyprus, written to me as a result of my recent visit to that embattled country:

LIMASSOL, CYPRUS.

Representative EDWARD P. BEARD,
Washington, D.C

DEAR SIR: I am Peter Christo, an 82-year-old man, coming from Kemar-tou-Yialon, Cypman, coming from Kemar-tou-Yialon, Cyprus.

I have served as a soldier of U.S. Army during World War I. I remember those days when I gave my heart with great enthusiasm, to help U. States. I felt proud. I still, even now, feel proud for what I've done for the U.S., the country of Democracy. Now my wife and me live as refugees at Limassol. The Turks from Turkey invaded my small country, the island of CYPRUS, and drove me out of my home. I left there everything I had, even my photograph, which I kept for 60 years to remind me of my life as a soldier of America. On that photograph, I am in uniform.

My village is now occupied by Turks invaders and my house is inhabited by Turks transferred from Turkey.

I must express my gratitude to you Sir, and the other members of the Congress, for your democratic decision not to allow any more U.S. military help to Turkey.

Please do something to help me to go back to my home. I am sure you can do. No more military help to Turkey.

I don't want to believe that the Arms I've served for several years, as a soldier of U.S. Army, for God sake, I don't want to feel that those arms would keep me out of my house away of my home, and live as a refugee forever.

Sincerely yours,

PETER CHRISTO.

PUBLIC FEELING ON THE BICENTENNIAL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. DERWINSKI. Mr. Speaker, I have been most impressed with the great public interest in the Bicentennial year. I regard this as a positive development that is being nurtured by the press.

One of the most stimulating columns and also one that displays a legitimate picture of the public feeling on the Bicentennial, is that by Dennis Wheeler of the Tinley Park, Ill., Star Tribune which appeared in the Sunday, July 6 edition.

I might add that Mr. Wheeler is a very typical of the new generation of suburban newspaper editors whose energy and talents have contributed to the phenomenal growth of such publications across the country.

The article follows:

PUBLIC FEELING ON THE BICENTENNIAL

When I was born, most political observers in the world said I would be dead within a year.

But I fooled them and lasted through a bloody revolution.

Then there was a period of uncertainty, during which my own countrymen weren't sure whether there should be one of me or 13. Finally, in 1789 (when I was still a child of 13), they decided I would be exclusive in this nation. They wrote a Constitution that made that fact clear.

Since then I have been through some good times and some bad times.

There have been some times of shame and some times of triumph. There have been moments when I have been a symbol of hope around the world. Also times when I have been an object of derision.

I have been saluted, talked about with deep respect, folded carefully and ironed religiously, rushed out of bad weather because I was loved, given to mayors by Congressmen to be flown over small towns, draped over the caskets of dead heroes.

I have also been intentionally soiled, thrown on the ground and trampled upon, torn down from in front of embassies, burned by angry citizens who believed I had lost my meaning.

There have been moments when I was not proud of the uses to which I have been put. Some of my people have used me as one of their excuses for unjust or self-serving activity.

For example, back in the 1800's they said the things I stand for were good reasons for invading Mexico and for going back on treaties with the red men in the West and for intentionally stirring up a fight on the northern border of Maine in order to take over some disputed territory from the British.

Later, in 1898, it was questionable to me (and still is to many historians) whether or not I should have been carried by super-patriotic types up hills in Cuba and into harbors in the Philippine Islands. I suspected at the time that the real reason for all that was a belief among my country's leaders that our nation had a duty to become the policeman of our hemisphere.

Just a few years ago, in the 1960's, the same questions were raised about my symbolism. This time, the debate grew so bitter that some of my own countrymen—many of them patriotic in their own way—seared my threads with flames in a desperate effort to argue that I had no business being paraded in far-off Viet Nam.

Others have mistreated me over the years, not always in a physical way.

Politicians, some later proven to be crooks, have for years pointed to me with apparent pride and extolled my virtues. Some of these had actual little regard for what I stand for. In fact, some tried to use me as an accomplice in suppression—suppression of dissent, suppression of debate, suppression of racial and religious freedom.

But these low moments in my incredibly exciting 198-year life have been few. For most of my life, I have been so proud I have often thought I would unravel.

There was the night I was seen in the terrifying flashes of a sea war by a man named Key. The sight of me in that fearful moment moved the man to write majestic music in my behalf. I am proud that I still hear this music often. I am also proud that most of my countrymen still sing the words to the music with as much pride as I feel.

A little over a hundred years ago, my country was temporarily torn in two. One of my brothers flew in half the country and we both were wrenched by it. When the disruption was over, I again became the only one of akind and this was accepted despite consuming post-war bitterness in our southern areas.

It is with deep pride that I can report the bitterness has ebbed and unity has returned. In fact, many think I am treated with more aplomb and dignity in the areas that once rebelled than in the northern places where it is possible I am taken sometimes for granted.

In 1917, I was carried across cratered fields in France, where my presence undoubtedly did much to save freedom in Europe. I am proud of that.

The same is so about my adventures overseas 25 years later. That was a few years after some men filled with hatred held me up to scorn and tried to turn me into an object of disgust. I was in on the glory of the world's salvation from these men and some of the most threatening and inhuman ideologies the world has ever known.

There is one memory in particular I will always treasure. You've seen pictures of it. It was when my soldiers pushed me up on top of a mountain in Iwo Jima. Grown men cry when they look at the pictures.

Possibly the thing I'm most proud of is that I am the oldest of my kind in the world.

One of my cousins lived only a few weeks in 1917 in Russia.

Another stayed alive only three years in Czechoslovakia before he was slain by Communists.

Later, in the same country, a distant cousin was clanked into the pavement by tanks from the Soviet Union. The same happened to another brother a few years earlier in Hungary.

Relatives of mine have gone up and gone down in various places around the world. But only here in America has a Constitutional form of government preserved one of me for as long as 198 years.

Everybody has memories to be proud of or to be sad because of. Not everybody can be always proud of what they mean.

I can.

Despite the awful times, like when some of my leaders—Lincoln, Garfield, McKinley, Kennedy—were needlessly murdered by fellow Americans, I remain proud of my meaning.

In spite of Haymarket Square, the Ku Klux Klan, Joseph McCarthy, My Lai, Watergate, the 1968 Democratic Convention, the ouster of the Bonus Army, Birmingham, Selma, and George Wallace in the Doorway, I remain proud of my meaning.

My meaning was and is that people, not kings or despots, should rule.

My meaning is that all persons should have the same chance to succeed.

My meaning is that the laws of the people are the alternative to the edicts of the few. And that the laws of the people may be changed for the better by the people.

My meaning is that the revolution in which I was born 198 years ago is an ongoing phenomenon. That change and improvement are built into the system through the use of voting booths.

My meaning is that my people can speak their minds, pray in freedom, be tried for crimes by their peers.

Above all, my meaning is that a very advanced degree of personal freedom is possible even in a complicated society as long as there is the people's law.

Friday I became 199 years old.

All over the nation, people flew me in front of their homes.

I hope the same people also passed to consider anew my meaning. That way, I'll live at least another 199 years, no matter what comes.

THE RUSSIANS ARE COMING—WITH CARS—III

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. ASHBROOK. Mr. Speaker, with the depressed state of the American automobile industry, concern has been growing about possible dumping of foreign cars on the American market. In the beginning of June, I discussed the plans of the Soviet Union to export cars to this country. Soviet officials were reported willing to accept up to a 30-percent loss on the sale of each car in order to stimulate sales. Since I first discussed in this body Soviet export plans, several other Members of this House have expressed concern about dumping of foreign cars in this country.

Information continues to accumulate on the Soviet Lada automobile and plans for export of that car. At this point I include the text of an article from Parade magazine of the Sunday, July 6, Washington Post:

FIAT-SOVIET DEAL

The Soviets are quick learners. Several years ago, Fiat, the Italian automobile giant, designed and built an $800 million auto plant in Togliattigrad in the Soviet Union.

In this factory the Soviets are now producing the Lada—a stronger and sturdier version of the Fiat 124, designed for rough Russian roads and climate. They are producing them at the rate of 600,000 a year and are underselling Fiat in the British market by about $800 per model.

The Soviets also plan to market the Lada in the U.S. at an as yet undisclosed price.

The Soviets recently asked Fiat to increase their auto-manufacturing capacity, but Umberto Agnelli, managing director of Fiat, says not without some export controls.

"What is the sense," he asks, "of showing the Soviets how to double their production capacity if they are going to take our markets away from us?"

Agnelli says the West European Common Market has to protect itself against the dumping of autos in the fast-shrinking European market. "If the Soviets want to sell in Europe and the U.S.," he says, "then they should open their market for cars in the Soviet Union."

Also, in the beginning of June, I wrote to both the Attorney General and the Secretary of State raising a number of questions on the Soviet plans. The texts of those letters appeared in the CONGRESSIONAL RECORD of June 9.

I have received replies to my questions from the Department of State, Department of Justice. and the Department of the Treasury. At this point I include the text of each of those letters:

DEPARTMENT OF STATE,
Washington, D.C., June 24, 1975.

Hon. JOHN M. ASHBROOK,
House of Representatives,
Washington, D.C.

DEAR MR. ASHBROOK, the Secretary has asked me to thank you for your letter of June 5 concerning proposed imports of automobiles from the USSR at below market prices.

The U.S. Government is not negotiating with any Soviet enterprise for the import of Soviet automobiles into the United States. I understand that a U.S. importing firm, Satra, is planning to introduce these cars in the U.S. market.

The sale of Soviet automobiles in the U.S. at a loss could bring the transaction under the Antidumping Act of 1921, as amended. If, after a receipt of a properly documented petition, the Secretary of Treasury determines that the cars are being sold at below the fair market value and if the U.S. International Trade Commission determines that there is injury to U.S. industry as a result of these sales, the Secretary of Treasury would issue a finding that those imports will be subject to dumping duties that will bring the import price in line with the appropriate market value. For more detailed information on the procedures involved in the implementation of the Antidumping Act, I suggest that you write the Deputy Assistant Secretary (Tariff Affairs), Department of Treasury, Washington, D.C. 20220.

I hope you will call on me if you believe we can be of further assistance.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

DEPARTMENT OF JUSTICE,
Washington, D.C., July 1, 1975.

Hon. JOHN M. ASHBROOK,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ASHBROOK: The Attorney General has asked me to respond to your letter of June 5, 1975, concerning the applicability of federal antidumping laws to sales of Soviet-made cars in the United States. Your letter cites a recent newspaper report to the effect that such sales may be made in the United States at a loss of 30 percent on each car.

The Antidumping Act of 1921 (19 U.S.C. § 160 *et seq.*) provides that the Secretary of Treasury shall assess a special dumping duty on imported articles if the Secretary determines that the class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than fair value, and the United States International Trade Commission determines that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

The Department of Justice does not administer this statute, although it has participated in its proceedings to stress certain competitive issues in connection with the administration and interpretation of the Act. In the past, there have been investigations conducted in connection with products imported from state-controlled economies, including the Soviet Union. An inquiry to the Treasury Department might provide you with more specific information.

There is also an earlier antidumping statute, the Antidumping Act of 1916 (15 U.S.C. § 72), which provides for criminal sanctions and a private treble damage remedy. However, liability under the 1916 Act is conditioned on proof of the "intent of destroying or injuring an industry in the United States, or of restraining or monopolizing any part of trade or commerce in such articles in the United States." The government has never initiated an action under this statute nor has there been a final judgment rendered pursuant to any private action. Since Congress apparently enacted the 1921 Act for the purpose of avoiding the proof requirements of the 1916 Act and to provide an administrative remedy against the goods themselves, it is likely that any investigation of Soviet-made automobiles would be conducted under the authority of the Antidumping Act of 1921.

If I can be of further assistance in this matter, please contact me. Thank you for your interest.

Sincerely yours,

THOMAS E. KAUPER,
Assistant Attorney General, Antitrust Division.

DEPARTMENT OF THE TREASURY,
Washington, D.C., June 24, 1975.

DEAR MR. ASHBROOK: The *Congressional Record* of June 9, 1975, contained texts of letters you sent to the Departments of Justice and State regarding the possible dumping of automobiles from Russia in the United States. As you may know, the Secretary of the Treasury is responsible for the administration of the U.S. antidumping law. Allow me to outline the provisions of the statute and the necessary steps for the initiation of formal proceedings.

Dumping, as defined in the U.S. Antidumping Act of 1921, (19 U.S.C. 160, et seq.) occurs when foreign merchandise is or is likely to be sold for export to the U.S. at less than its "fair value", i.e., the home market price, on an exfactory basis, and such sales injure or are likely to injure a U.S. industry. The Treasury Department performs the price comparison phase of the investigation, and the U.S. International Trade Commission examines the injury question. If determinations of both agencies are affirmative, a dumping finding is issued and special dumping duties are assessed to eliminate any price discrimination which may exist in individual entries of the merchandise.

In the situation outlined in your letters, since the Russian home market price probably would not be reflective of true costs, under the Antidumping regulations (see section 153.5(b) of attached regulations) Treasury's price comparisons would be made between the Russian export price and the price at which similar merchandise is sold in a non-state-controlled-economy country. However, since no export sales of these automobiles have yet been made, the existence of possible less than fair value pricing may be extremely difficult to ascertain.

The Treasury Department's policies require that investigations be initiated only upon receipt of a petition of dumping on behalf of a domestic industry (see 153.26 of regulations). This policy was adopted because, although price discrimination may be apparent, the proceedings would be meaningless if there were no injury or likelihood of injury to a U.S. industry. Therefore, even if a petition is acceptable and Treasury finds sales at less than fair value, a petitioner subsequently must prove injury to the satisfaction of the U.S. International Trade Commission before a dumping finding can be made.

Congress, in the Trade Act of 1974, acknowledged this approach and recognized the need to eliminate unnecessary and costly investigations in those cases in which the petition may meet the burden of a *prima facie* case of sales at less than fair value, but raises a substantial doubt as to whether a U.S. industry is being or is likely to be injured. In such cases, Treasury may refer the question to the International Trade Commission at an early stage of its inquiry for a determination as to whether there is any reasonable indication of injury or likelihood thereof. Therefore, sufficient information regarding injury must be presented at the time an antidumping petition is filed. Accordingly, a formal petition must contain the information described in the attached questionnaire. If your constituent has any difficulties in interpreting this questionnaire, he should call Herb Shelley at 964-8256.

If a proper petition on behalf of the industry is filed, Treasury will proceed promptly with the inquiry in accordance with the law.

Sincerely yours,

DAVID R. MACDONALD,
Assistant Secretary (Enforcement, Operations and Tariff Affairs).

"THE IRISH-AMERICAN HERITAGE COUNCIL OF PHILADELPHIA"

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. NIX. Mr. Speaker, as our Bicentennial approaches, our attention is inevitably drawn to the wide diversity of people of many nationalities, races, and creeds who have built our Nation. I believe that this rich variety of heritages is one of the priceless assets of our country.

One organization that has worked diligently to preserve the heritage and traditions of its people is the Federation of United Irish-American Societies of Delaware Valley, Pa. The Federation has created a Heritage Council for the purpose of preserving and teaching Irish and Irish-American culture and history. The principal goal of the Heritage Council is to build a library, museum, and cultural center in the Philadelphia area.

Recently Mr. Harry J. Fitzgibbon, chairman of the Heritage Council, and Mr. William J. Brennan, president of the Federation of United Irish-American Societies, sent me a copy of their plan for the Bicentennial. In their letter, they express the hope that cultural programs by the many ethnic groups that comprise our country will lead to greater respect for other's traditions and culture.

Mr. Speaker, I salute the Irish-American Heritage Council for its outstanding work in the Philadelphia area, and I offer for the RECORD a summary of the Council's plan for the Bicentennial:

PROGRAM FOR THE HERITAGE COUNCIL FOR THE BICENTENNIAL 1976

The Irish Heritage Council, an autonomous committee of the United Irish-American Societies of Delaware Valley, Pa., was originally organized in 1969. The objective and goal of this committee was to plan for the future and plan to find a permanent repository for items of Irish and Irish-American culture and history where the story of the Irish could be perpetuated in the teaching of all phases of Irish culture.

The repository would consist of a combination library and museum, where classes could be held for the teaching of Irish history, literature, language, music and dancing and its relation to and with America.

Upon the organization of the Bicentennial and a request to participate, we gladly offered our services to Philadelphia '76 Inc., who immediately accepted our offer. We have since co-operated and co-ordinated with their Ethnic projects.

We organized our Heritage Council into various Subcommittees in order to meet the requests of Philadelphia '76 and to participate in the Bicentennial.

In this manner we have had to this date three Cultural Exhibitions at the Museum of the University of Pennsylvania, at the International Folk Festival sponsored by the Human Relations Committee of Pemberton, New Jersey, and at the Bushrod Library in Philadelphia. At these exhibitions we proudly displayed the Irish contributions to America, along with Irish Culture. Also during the "American Way" Sunday held at the Parkway, our Irish dancers, besides performing during their own time slots, filled in the void when other groups failed to show up for their performances. At one time we had Irish dancers on three different stages performing for the benefit of enthusiastic visitors.

Our present exhibit consists of colonial presentations of Irish-American contributions to the War of Independence and Irish-American contributions to literature, music, sculpture, art, architecture, industry, science, military, religion, stage, screen, radio, sports, and aviation. In addition, plays, concerts, lectures and an oral history program, now in progress, are planned to be enlarged.

We shall continue with our cultural programs during the Bicentennial, showing and sharing our way of life, our culture, and our contributions to America. We still have not lost sight of our goal, our objective to have a permanent resting and display place for our Irish history and to perpetuate our culture and contributions to America. When the Bicentennial celebration is over, we want to still be in existence, still striving to show posterity what the Irish did for America and what America did for the Irish.

OUR ELDERLY MAY BE OUT IN THE COLD

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. ANNUNZIO. Mr. Speaker, the recent gasoline price hikes, just in time for our country's July 4th festivities, may well signal another surge in the prices charged consumers for other fuel sources. According to the Consumer Price Index, the costs of electricity, natural gas, and home heating oil have all jumped ahead since January 1974, upwards of 30 percent or more.

While everyone in the United States is affected by these rising energy costs, they hit our elderly and those on fixed incomes the hardest. Americans who are better off financially can absorb the higher prices by cutting back on luxuries. They can also cut back on energy more easily. It is one thing to stop heating one's swimming pool, or perhaps even joining a carpool with neighbors. But an elderly couple just making ends meet with social security may suffer more than just inconvenience when their fuel bill doubles. They may be unable to pay for enough fuel to keep warm.

These unfortunate people have very little leeway in their use of energy. Their use of fuel is just for the essentials—heat and light, water heating, cooking, and refrigeration. There are many older Americans who stay home all day in the winter to keep warm, and yet they struggle to pay for enough fuel to keep their homes above the chill point. Sometimes they do not. Nobody is proud of the fact that elderly couples were found last winter during the energy crisis frozen to death in their own homes.

Upward of 15 percent of earnings of a lower-income family goes for these energy items, compared to 4 percent of the income of the well-off.

Those not so well off also pay more per unit of electricity and natural gas than prosperous families. This is because electricity and natural gas prices are structured so that the more one uses, the lower the unit rate. Our less affluent individuals pay higher prices precisely because they use less.

There is another factor I feel it is important to mention. Social security benefits are the main, and sometimes the only source of income for the vast majority of our older Americans. These benefits are increased according to an automatic cost-of-living escalator based upon the Consumer Price Index. This automatic cost-of-living escalator may not adequately reflect the effect of rising costs on older persons, because the Consumer Price Index is actually computed on data related to an urban family of four, with a moderate income. It is therefore not an entirely accurate reflector of the consumption patterns of older individuals, particularly in light of their dependence on the inflation-prone items.

The plight of our elderly in costly times must be reckoned with, or they will literally be left out in the cold. I have introduced a bill that I believe will bring some needed relief. This legislation would amend the Internal Revenue Code to allow consumers a Federal income tax deduction for the State and local public utility taxes which they pay.

Presently, the Internal Revenue Code permits taxpayers to deduct State and local taxes on real property, on personal property, on income, on gasoline, and on general sales.

Yet Congress eliminated deductions in 1964 for a number of State and local taxes, on the grounds that, among other things, taxpayers had difficulty reporting these taxes accurately. Yet utility taxes are easily kept track of, probably more easily than the gasoline taxes which the law permits taxpayers to declare.

It is true that by definition, a tax deduction conveys no benefit upon people who do not itemize their deductions. But I feel Congress should not be unwilling to add a new deduction which would achieve greater equity in determining taxable income.

The passage of this legislation would especially aid our elderly and citizens living on fixed incomes who are bearing so much of the brunt of these fuel increases. In fact, a Federal income tax deduction for utility taxes would help everybody bear today's unprecedented rises in the cost of utilities. I hope my colleagues will consider this legislation as soon as possible. The bill would become effective for the taxable year beginning January 1, 1976, and we may very well be in the middle of a long, cold, and chillingly expensive winter.

GRASSROOTS JOURNALISM AT ITS BEST

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. SEBELIUS. Mr. Speaker, I have said for some time that in my opinion the citizens who reside in western Kansas enjoy the best grassroots journalism our Nation has to offer. I have made this statement because the editors and publishers of our smalltown newspapers not only report what is happening in their communities in fine fashion, they are part of the community as well.

Last May, in Stafford, Kans., death closed out the career of a distinguished newspaper publisher whose service to his community, State, and Nation was truly exemplary.

Ernest A. Briles of Stafford, Kans., died May 18. His life epitomizes the very best of what the newspaper profession is all about. As his friend and current publisher of the Stafford Courier newspaper put it, "Ernie Briles was a man of honesty, integrity, a scholar, world traveler, former teacher, politician, and much, much more."

Mr. Briles had the unique distinction of serving in the Kansas State Legislature as speaker and as president pro tempore, a rare distinction in the annals of State or Federal Government.

Mr. Speaker, I would like to commend to the attention of my colleagues—and to those within the press gallery—the following account of Mr. Briles' career. To me, there could be no finer or more needed example for those within the profession of journalism or those in public service than this beloved man's life.

The article follows:

COURIER PUBLISHER WRITES —30— TO ILLUSTRIOUS CAREER

Death closed out a career of distinguished service to his state, his county, his community, and his fellow men Sunday evening, May 18, 1975, as E. A. Briles of Stafford passed away in the Stafford District Hospital.

He was 82 years of age.

He had lived in Stafford since 1915.

He was born to Harrison W. Briles and Susie Briles in Crandall, Coffey county, July 30, 1892, attended country school, completed a four year high school course in LeRoy in three years, and went on to earn an A.B. degree from what was Campbell College in Holton.

He taught high school classes in the 1912–13 term at Winchester, Kansas, where he met Ada Lucille Cole, whom he was later to marry. He taught school in the provincial high school at Tarlac, Philippine islands, for two years, and then returned to Kansas.

He and Ada were married at Kansas City, Mo., May 22, 1915. E. A. purchased the Stafford County Republican from Earl Akers, in August, 1915, and in June, 1917, bought the Stafford Courier from Nate Reece. He combined both weekly newspapers under the banner of the Stafford Courier, and continued as its publisher until January, 1972, when he sold it to Frank Smiley, present publisher.

Since that time, despite declining health, he continued to write editorials and a special column for the Courier, and remained active until recent weeks.

His service to his community included four years as mayor of Stafford, 10 years as secretary of the Stafford County Fair Association, and active work in Chamber of Commerce, Methodist Church, Masonic Blue Lodge, Knights Templar, and in whatever task beckoned his talents.

His penchant for leadership prevailed in his newspapering, as evidenced by the fact that he served in official capacities in the Kansas Press Association, including a term as president. He was also an active worker in the National Editorial Association, serving a term as its treasurer. He gained national recognition in the NEA and was given its President's Award of Merit. While active in NEA, Mr. Briles and Ada traveled over much of the world, and developed warm friendships far and wide.

In February, 1970, he was named Kansas Editor of the Year in the annual William Allen White School of Journalism activities at the University of Kansas, one of the highest newspaper honors available to Kansans.

He was elected Stafford county Representative to the Kansas House of Representatives in 1934, gained immediate recognition as a trusted leader, and was chosen in 1939 by his fellow Legislators as Speaker of the House.

Then he moved on to the State Senate, where his career was likewise outstanding and where his fellow Senators, in 1945, chose him as President Protempore and floor leader. At that time no member before him in the Kansas Legislature had reached the pinnacle in both the House and Senate.

In 1949 Mr. Briles was named by Governor Frank Carlson as chairman of a newly formed State Board of Social Welfare, charged with trying to elevate the Kansas social welfare program and the condition of Kansas mental hospitals from near the absolute bottom in the nation to a plane of respectability. C. O. Butz and Blake Williamson, two of his most trusted legislative workers, were members of the three-man committee.

This trio, with Briles providing the leadership, enjoyed implicit confidence of the Governor and the Legislature and justified that confidence completely, for at the end of eight years, when Mr. Briles resigned, the Kansas program and the Kansas status in matters of social welfare and mental health hospital programs, had been moved to the top in this nation.

For all the illustrious career this man carved in community work, newspapering, and the legislative halls, it was this phenomenal accomplsihment in the field of social and mental welfare that thrilled him most.

"I feel good about it because we were able to help those who could not help themselves". That was his simple statement in the matter. Kansas became a national example because of this program.

To many he was "E.A." To closer associates he was "Ernie". His name was Ernest Austin Briles but to his family he was, as his mother called him early in his life, "Sunny", and to his loved ones he remained, always, "Sunny". Not "Sonny", but "Sunny".

He was tolerant, unpretentious, modest. He was equally at ease with the mighty and the lowly and they, in turn, with him.

To him and to Ada were born two daughters who survive him: Ernestine (Mrs. Earl Hayes) and Jeanne (Darnall) whose husband Richard died March 25, 1970. Mrs. Briles died Feb. 12, 1958. He is also survived by his son-in-law, Earl Hayes; five grandchildren. Richael T. Hayes and wife Ruth Ann of Springfield, Mo.; Rebecca Jane Welsh and husband C. Charles of Anaheim, Calif.; Melissa Sue Hayes of San Francisco, Calif.; Richard Thomas Darnall of Kansas City, Ks.; Sarah Jeanne Vaughn and husband Gerald W. of Norwood, Mo.; two great grandsons: Michael Garrick and Scott Earl Hayes of Springfield, Mo.; other relatives and a multitude of friends.

Memorial services were Wednesday, May 21, 1975, at 10 am. at Peacock-Milton Memorial Chapel. Clergyman, Ralph A. Rosenblad; vocal soloists, Mrs. Donald Grogan and Bob Minks; organist, Mrs. Rex Milton. Interment in Stafford Cemetery.

NAVY FIGHTER POLICY: "COMES NOW THE F–18?"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. McDONALD of Georgia. Mr. Speaker, serious questions have been raised by myself and others relative to the Navy's selection of the F–18 fighter. In my view, the decision may not have been a wise one. In this connection, I commend the article that follows from Government Executive magazine for June 1975 by John T. Hayward which discusses the problem of selection of such planes:

NAVY FIGHTER POLICY: "COMES NOW THE F–18?"

The Navy's recent "decision" to "buy" the F–18 fighter aircraft—which doesn't exist except on paper—is hard to understand . . . unless you assume they don't really want it at all.

More than anything else, the whole exercise recalls history to me—and after 34 years as an active Navy aviator, I believe I can justify some objective statements on naval aviation.

When I quit, I had more than 13,000 flying hours, and had flown more than 100 different types of aircraft; including French, British, German and Japanese as well as U.S.—almost every kind built from the immediate post-World War II period up through the F–111.

At the beginning of the jet age, right after that war, naval aviation was run by the most conservative type of people, technically. They had done a superb job in the war (with first-rate results like the F6F Hellcat); but like most successful people, they were not ready for change.

Thus, while the jet engine was revolutionizing aviation, more than one high admiral said no jet could operate from a CVA/aircraft carrier. And they coppered their bets with such compromises as the Ryan Fireball (a combination jet and reciprocating engine) and were strong for the turboprop. The A2D, A2J and the Tailsitter are monuments to their beliefs. But our concern here is with fighters.

While the F–86, one of America's most successful fighters, was proving its worth in the Korean war, the Navy was stuck with its Grumman F9F, a low-performance, overweight, underpowered fighter. Its Korean record was dismal and it couldn't compete with MIGs. So the Navy bought FJ–1's but, conservative as usual, said a swept-wing fighter could never operate from a CVA.

And its straight-wing FJ–1 naturally was not in the same performance class with the F–86. About that time, the Navy came out with its first real modern jet combat fighter since World War II, the Chance Vought F8U Crusader—a plane that subsequently built an enviable air combat record.

I wouldn't be a bit surprised if it couldn't outperform the "F–18" in a fight.

Engines are the secret to a good jet aircraft. And when Navy realized this, they came out with a new fighter requirement. Basically, it had to go Mach 2 speed at altitude and land within 750 feet on an angled-deck carrier. It had to have sufficient fuel for what is called a two-hour cycle time for the carrier, i.e., be able to fly as a fighter two hours and still have sufficient fuel reserve to return to the carrier.

The competition boiled down to just two. The F8U–3 with a J–75 engine and the F4H with two J–79 engines. The reasons the F4H won should have taught us a great deal about what to demand of this "F–18" generation of aircraft.

But the Crusader, while it had good performance, required a mass of electronics which would have made it a maintenance nightmare aboard ship.

While I was Chief of Naval Development, we had worked long and hard, and spent millions, on improvements in interception radar. It was a technical step up of the highest order.

(On retrospect, it is strange that we worked so hard and long in the technical areas to obtain all-weather capability, then find that in any war short of an all-out one the chances of using such systems are small. Limited war requires use of what we call the "Mark One" eyeball before firing. The constraints inherent in such limited actions demand better identification than just firing at a radar blip).

Also, we could not imagine a lone F8 U pilot at Mach 2, gazing into the radar scope and still being able to operate the whole system efficiently. That problem brought about the two-seater concept which, coupled with the all-weather, long-range requirement, eliminated the F8 U from the competition for all practical purposes.

The record to date of the F4 attests to the soundness of selecting it in 1954–55; but at the time, the idea of not only two engines but two seats horrified the "Hellcat Aces" of WWII. They quieted down when it first flew in 1958 and achieved Mach 2.6 speeds.

The evolution of the F–14 out of the infamous TFX has been covered in detail and needs little added here. It is basically an expensive, heavy, twin-engine fighter using missiles for fleet air defense—but it is not what one would call an air combat fighter.

The Navy named its missile system Phoenix because it rose out of the ashes of the Eagle-Missileer program Robert McNamara cancelled.

The same engine developed for the Missileer plane, the TF–30, is in the F–111 and the F–14. The whole F–14 concept is another chapter in the running argument in the Navy and in the Congress—where Navy is always under fire for concentrating on carrier task force defense leaving nothing for the offense.

In addition to that argument, the F–14 is party to another one: twin engines vs. single engined aircraft. But for all the heated emotion on the subject, about the only reliable conclusion that can be drawn from the statistics on fatal accidents is that two-seat aircraft consistently kill more people than single-seat—a not entirely surprising fact.

Fatal Accidents/Fatalities for 1970–74.

A–4, 54/61; A–7, 64/64; F–8, 25/25; A–6, 22/40; F–4, 61/95.

Fatal Accident Rate per 10,000 flying hours.

A–4, 0.464; A–7, 0.666; F–8, 0.692; A–6, 0.430; F–4, 0.646.

As noted, the F4H selection had nothing to do with the dictates of safety. (Its accident record, incidentally, in its early operational phases was considerably higher than that of the much-maligned F–111.)

A more pertinent factor in the debate is cost. It is a little-known fact that the 15-year life cycle costs of an aircraft are more than 16 times greater than the acquisition cost. Carrier people know the fewer types of engines they have, the cheaper the whole operation becomes. It is one of the reasons we insisted on putting the J–52 engine in both the A4 and A6; the J–79 engine in both the F4 and the A–3J (that later became the A5.)

The F–16 having the same engine as the F–15 is one of the major reasons for the F–16 having an expected $1.3 billion savings in life cycle costs compared to the F–17 whose engine would be new and unique.

Which brings us to Navy's selection of the "F–18" as its Air Combat Fighter! How it could select an aircraft that lost both on cost and performance in an Air Force competition is really hard to rationalize. I believe the Navy did not want either the F–16 or F–17; but wanted Congress to permit it to pursue its over-all program with the F–14.

The awarded contract is really just a "look-see" engineering one. Maybe it's true they expect Congress to stop it because it flies in the face of what Congress desired. If they do, they may hope the result of stopping it will be that, eventually, they will get the F–14's they desire—after some time lapses and they can point out they have too few fighters to man the carriers.

Or they may have picked a loser because they think it will make Congress happy to spread the work around on fighters and help solve unemployment problems.

So they may get the F–18 they don't want, anyway.

If they do, it will be history repeating itself. The Navy will once again not have the available top-line fighters it needs.

As an experienced aviator, I say it was a poor decision.

BALTIC FREEDOM

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. DELANEY. Mr. Speaker, my congressional district has a large number of citizens who are of Estonian, Latvian, and Lithuanian descent. Many of them have families, relatives, and friends still living in the Baltic countries. I sponsored House Concurrent Resolution 159 in the present session on their behalf, and share their deep concern about reported agreements at the "Conference on Security and Cooperation in Europe" now underway in Helsinki. In particular, the agreement by all participating nations at the Conference to respect "frontier inviolability" has been interpreted by some members of the press and by the Soviet Union itself as ratification of Soviet World War II conquests.

As noted previously in the RECORD, the State Department on April 11 submitted a report to the Committee on International Relations indicating that it remains our policy not to recognize forcible annexation by the USSR.

To avoid misinterpretation, I urge passage of the Baltic resolution before the conclusion of the Conference in Finland. This would make it crystal clear for all the world to see that United States policy has not been altered by our respect for "frontier inviolability."

TEXAS STUDENT TO TRANSLATE FOR APOLLO-SOYUZ

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. PICKLE. Mr. Speaker, in addition to the astronauts' voices and the familiar voice of Walter Cronkite, Americans listening to CBS coverage of the Apollo-Soyus flight may also hear the voice of Ms. Jane Knox. The University of Texas doctoral student, fluent in Russian, will be chief translator for the network during the space flight.

Ms. Knox is not new to the translating field and was the only non-native speaker considered for the slot.

A story by the University News and Information Service tells about Ms. Knox and her upcoming assignment. I extend to Ms. Knox my best wishes and would like to reprint the News Service article in the RECORD at this time:

THE UNIVERSITY OF TEXAS AT AUSTIN,
Austin, Tex., July 10, 1975.

AUSTIN, TEX.—Jane Knox has been listening to garbled tapes, fast-talking tapes, voices mumbling in Russian—and to a lengthy countdown from Kennedy Space Center.

It's all to prepare her for the joint Soviet-U.S. space flight that begins July 15.

Ms. Knox, a doctoral student at The University of Texas, will be personal translator to CBS newsman Walter Cronkite and his press team during the event.

The UT staff member has worked periodically with the Lyndon B. Johnson Space Center in Clear Lake since former President Nixon and Leonid Breshnev agreed in Moscow to the joint space program in 1972. She was on the first team translating documents related to the joint Apollo-Soyuz Test Project.

She said CBS called the National Aeronautics and Space Administration to ask for recommendations for a translator. She was the only non-native speaker considered.

Ms. Knox will work with Mr. Cronkite and the CBS press team at Kennedy Space Center, monitoring the launches of both the Soyuz and the Apollo rockets. She then will join the main group of NASA translators in Houston for the remainder of the mission, monitoring Russian from the Soviet spaceship and Moscow newsmen.

Ms. Knox's job is "to be there at all times," assisting the CBS press team, she said, and making sure all is being translated.

"If something goes wrong, everything probably will be hectic and the NASA people aren't going to worry about the press," Ms. Knox said. If communication breaks down, she will go on the air live with the CBS coverage, translating from Russian to English.

A fluent speaker of Russian, Ms. Knox is completing her dissertation for a Ph. D. in Russian literature and works with special programs in the Division of General and Comparative Studies.

She said she became interested in Russian when she read novels by Fedor Dostoevski and wanted to read them in the original language.

Ms. Knox, who is from Farmington, Maine (1 Birchwood Lane), started out majoring in math and physics, with a special interest in atomic physics. Then she switched to languages and earned a B.A. in German from Wheaton College in Norton, Mass., and an M.A. from Michigan State University at East Lansing, where she was the only non-native speaker in the master's program in Russian literature.

She said she "really learned" Russian, however, at Middlebury College, where a student of foreign languages would have been expelled if he were caught speaking his native tongue.

She has been to the Soviet Union five times—twice as a student at the University of Leningrad, three times as a tour leader for university groups.

"There's always translating to do," Ms. Knox notes. Last summer she was one of the main translators for the Soviet-American track meet held at UT Austin.

Besides that, she has been an assistant professor of Russian and German at San Antonio College, a teaching assistant in Slavic languages at UT and has taught at Choate School in the summers.

She also has done theater work that she hopes will help her with the television work.

She has acted with the Afro-American Players, starring, appropriately, as a creature from outer space in their production of "Science Fiction."

SOCIALIZED MEDICINE IN ENGLAND: MRS. HIGGS DIED WAITING FOR HER OPERATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. CRANE. Mr. Speaker, socialized medicine in England has produced a system which Americans should carefully study before deciding to alter our own private practice of medicine.

The advocates of nationalized medicine in the United States point to England as an example of what they would like to see in our own country. Had they examined the British experience more carefully, their conclusions might be far different.

The cost of the National Health Service was first estimated at $600 million a year. By 1951 it had risen to $1 billion. By 1969 it was more than $5 billion. The estimate for 1974 is approximately $7 billion, even without any improvement in the facilities provided.

The real tragedy of socialized medicine is not its material cost, however, but the cost in terms of human suffering.

The average British doctor is responsible for about 2,500 National Health Service patients, and may see as many as 100 in his office every day besides making house calls. The average American doctor, according to a recent survey, sees 169 patients in his office per week.

Recently, the London Sunday Times carried an article which shows us, on a personal level, what socialized medicine can mean.

Mrs. Alice Higgs, 54 years old, was a "priority" patient who died after waiting a year for an operation at the University Hospital of Wales. Doctors at the Cardiff Hospital state that they cannot guarantee that heart patients will not continue to die while waiting longer than they should for operations.

The Times reports that, "During a period of one year, Mrs. Higgs was three times promised an operation to replace two faulty heart valves and three times it was cancelled."

Sir Alan Marre, the Health Service Commissioner, is unable to establish the precise reasons why Mrs. Higgs' operation was cancelled three times. He states that:

> There were administrative failures resulting in delays and repeated postponements. And in my view, these show a regrettable ... lack of sensitivity and understanding of the distress and anxiety that the delays and postponements of such a major operation were bound to cause.

For Americans to even contemplate substituting a system which has provided us with a surplus of hospital beds—and no waiting lists for necessary operations—for a socialized system which would do precisely the opposite would be to work against better health for our citizens, and not in its behalf.

I wish to share with my colleagues the report of Mrs. Higgs' tragic death as it appeared in the London Sunday Times of June 22, 1975 and insert it into the RECORD at this time:

MRS. HIGGS DIED WAITING FOR HER OPERATION—AND THE TRAGEDY WILL BE REPEATED

(By Oliver Gillie)

Doctors at a Cardiff hospital say they cannot guarantee that heart patients will not continue to die while waiting longer than they should for operations.

The case of 54-year-old Alice Higgs, a "priority" patient who died after waiting a year for an operation at the University Hospital of Wales in Cardiff, was criticised by Sir Alan Marre, the Health Service Commissioner (Ombudsman), in his report to Parliament last week.

Doctors say the reason other patients could die while awaiting operations is that they are desperately short of facilities and they expect the shortage to worsen because of cutbacks in hospital spending due to the economic crisis.

Last year the doctors were forced to send about 80 extremely ill patients from Cardiff to London because of the lack of facilities in Wales.

The story of Mrs. Higgs illustrates the most serious failing in the Health Service as identified in Sir Alan's report—the inefficient system for dealing with waiting lists.

The Ombudsman is not allowed to reveal the identity of patients, doctors or hospital staff but The Sunday Times has been able to reconstruct the story of Mrs. Higgs because her name was already known to the Press.

During a period of one year, Mrs. Higgs was three times promised an operation to replace two faulty heart valves and three times it was cancelled.

Six months after first being promised an operation, Mrs. Higgs was admitted to the hospital for a heart operation on January 26, 1973. Five days later, after having been fully prepared for the operation next day, she was told that it was cancelled. She went back home to Newport the following day and her husband says that she was ill with anxiety for days afterwards.

On June 13, 1973, Mrs. Higgs was again admitted to the hospital, only to be told four days later, on the day before the scheduled operation, that it was cancelled because the surgeon, Mr. Tom Rosser, had been up all night operating urgently on a young boy who was bleeding internally.

Mrs. Higgs again went home and her husband, Ire Higgs, says she could eat nothing. She vomited whenever she ate or drank.

The hospital arranged for her to be readmitted on June 27 for the operation, but on June 26, the hospital telephoned a message to the shop at the end of Feering Street, where the Higg's lived, to say the operation had been cancelled.

Two days later—on June 28—Mrs. Higgs was still retching so Mr. Higgs bought some advocaat to try to "settle her stomach." As he was pouring it out, she became sick again and died on the settee in the kitchen.

Mr. Higgs, 60, a retired postman, says: "The way they messed about with her caused her the most dreadful anxiety. She was full of life and with two sons and three grandchildren, had everything to live for."

Sir Alan Marre was unable to establish the precise reasons why Mrs. Higgs' operation had been cancelled three times. Shortage of experienced nurses to run the intensive care unit was the main reason given by the hospital. However Sir Alan says that sufficient staff were available to provide a bed for Mrs. Higgs on each occasion.

He adds: "There were administrative failures resulting in delays and repeated postponements of Mrs. Higgs' operation. And in my view, these show a regrettable, if unintentional, lack of sensitivity and understanding of the distress and anxiety that the delays and postponements of such a major operation were bound to cause." He adds that the last two postponements were "unfeeling" and "unnecessary."

Mr. Tom Rosser, the surgeon in charge of Mrs. Higgs, says that at the time her operations were postponed, the cardiac operating facilities at the hospital had been going for only about three years and it was not always possible to find enough trained staff to operate them fully.

He says the Ombudsman's report does not take into account day-to-day variations in the availability of staff and facilities for work planned a month in advance.

Mr. Rosser says: "Anxiety is a bad thing for a person with heart disease; there is no question about it. Anxiety can trigger abnormal heart rhythms which could result in death. We have learned the lesson of Mrs. Higgs. In future, once we have admitted heart patients, we will not discharge them without their operation.

"We will keep these patients even though it means cancelling one or even two operations further down the line while we rearrange our schedules."

But Mr. Rosser warns that two patients might die on the waiting list while another is occupying a hospital bed for twice as long as is normally necessary. "Other people have died on the waiting list since Mrs. Higgs," says Mr. Rosser.

In 1973, when Mr. Higgs was waiting, there were 189 patients waiting for heart surgery at the University Hospital. Now, the number has risen to about 200 even though the number of open-heart operations performed there increased from 137 a year in 1973 to 186 in 1974.

Roy Hughes, MP for Newport, who originally took up Mr. Higg's complaint with the Ombudsman, says: "This case has revealed a serious state of affairs in the Welsh hospital service. It shows how, despite millions of pounds spent on a new teaching hospital, Wales is still inadequately served."

The case of Alice Higgs is not an isolated one; nor is the problem limited to Wales. Sir Alan Marre uncovered another six cases of undue delay in admitting patients. Basic faults in these cases seem to be the failure of some doctors to review waiting lists and give patients higher priority if their condition deteriorates or if their circumstances change.

Sir Alan told me last week: "I have seldom found an efficient system for managing waiting lists in the cases I have investigated; all too often it was casual and haphazard.

"Provision of information and advice to patients and systematic arrangements for review of the lists are clearly essential. Patients should be told if they are likely to have to wait for any length of time and should be told in writing what to do if their condition deteriorates.

"They should be kept informed of progress at intervals of not longer than six months."

Among the other cases Sir Alan reveals in his report:

A man had to wait in pain for over 11 months for a neurosurgical operation because all three surgeons in a hospital had separate waiting lists. Sir Alan suggests that patients should be given the opportunity to transfer from a long to a short list.

A widow complained that her mentally handicapped spastic son, aged 30, who was doubly incontinent had to wait over a year for long-term hospital care and he was not even visited by the community nurse. After Sir Alan's investigation, the hospital found a place for the boy.

A woman with a lump in her breast had to wait eight weeks for its removal and there was a delay in telling her whether the lump was malignant. A further operation was necessary but no firm date could be given.

A severely mentally handicapped boy of 14 was refused admission to hospital when seriously ill. The family doctor had to waste valuable hours contacting another hospital and the emergency bed service before the child was admitted to an adult bed in the original hospital. He eventually died.

The Department of Health says it plans to spend £5 million on capital projects designed to ease hospital waiting lists. It is also discussing with consultants a system for a central waiting list of patients requiring surgery from which people would be allocated to individual consultants according to the length of their lists.

MR. HAYS TO BE INVOLVED IN PUBLIC SERVICE

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. MINETA. Mr. Speaker, there is no question that when one thinks of those individuals in our society who have dedicated themselves toward improving the lot of the disadvantaged and the forgotten, and have had the strength and fortitude to protect the rights of those people regardless of the possible repercussions, the distinguished Brooks Hays, former Congressman from Arkansas immediately comes to mind.

Unfortunately, I have not had the honor of serving with Mr. Hays, for as many of my colleagues may be aware, this most respected gentleman was defeated for reelection in 1958, after 16 years of service. This defeat was a result of his most courageous stand in what was then racially troubled Little Rock, Ark., in support of the Supreme Court's decision to desegregate the public schools.

However, Mr. Hays has continued to be involved in public service as a member of the board of directors of the Tennessee Valley Authority, as the Assistant Secretary of State for Congressional Relations, and as Special Assistant to the late President John F. Kennedy. In addition, Mr. Hays has brought his knowledge, charm, and wit to several church organizations, as well as to college campuses throughout the United States, including 1 year at Rutgers University as a professor of political science, 1 year at the University of Massachusetts as the visiting professor of government, and 1 year at Wake Forest University as the director of the Ecumenical Institute.

While there are many of us who have missed the enlightened contributions and thoughts by Mr. Hays on the House floor, this champion of human rights—who is not here today because of his strong convictions—continues to set an example of how we, as public servants, must be committed to values worth defending, and be flexible enough to advance these beliefs and principles through the complex machinery of Government. I would like to share with my colleagues what I believe to be a most poignantly provocative article by Mr. Hays on the question of general amnesty, that appeared in the Washington Star on July 6, 1975. This article shows that Brooks Hays continues to challenge us to think new thoughts and defend old principles.

The article follows:

Now's the Time for a General Amnesty—Forgiving and Forgetting

(By Brooks Hays)

Now that the disappointing results of President Ford's "amnesty" plan are known, it is apparent that the problem remains with us. The President's plan, produced by his sincere concern for the thousands of expatriates, was not in reality an amnesty, and if there is to be progress in restoring the resisters to their homeland, amnesty in the historic sense must be granted.

In the light of the failure of the Executive plan, Congress becomes the forum for renewing national consideration of the problem. It is ironic that we have delayed so long in adopting amnesty for our own while moving with urgency to care for the South Vietnamese, some of whom have also been guilty of resistance to political and military policies of their country and of ours. (I recognize, of course, that there are important differences in the two situations.)

Arguments for amnesty for Vietnam resisters were prematurely advanced in 1972 but were wisely laid aside to await the return of the prisoners of war and completion of the American withdrawal from South Vietnam. It is inconceivable that the United

States, which has an admirable history of dealing compassionately with war dissidents and offenders, will let the matter rest in limbo.

American history seems to fix the pattern of an amnesty policy. The Union forgave the Confederates, even Jefferson Davis and Robert E. Lee, in spite of the considerable sentiment for extreme punishment. Indeed, Confederates were guilty of more serious acts of defiance than those of the Vietnam war objectors whose future now hangs on amnesty decisions of the President, Congress and the American people.

The amnesty proclamation of Christmas Day, in 1868, was one of President Andrew Johnson's last official acts and represented a triumph of the moderate forces of the nation over the extremism of Thaddeus Stevens. This is only one of several official actions evidencing the nation's commitment to forgiveness and tolerance, beginning with President George Washington's action concerning the Whisky Rebellion. Without such a commitment the wounds of the Civil War would have required even a longer time for the healing.

A general amnesty, not a case-by-case analysis, is what is needed to restore the conscientious objectors to their families and homeland. Congress and the President should be willing to make possible full opportunity for restoration to normal life in the United States, with provision for voluntary, but not mandatory, alternative service.

To be blind to the elements of conscience in this situation would be contrary to American traditions. At the threshold of the soul the powers of government should pause. It is apparent that the resisters' consciences were not dull and insensitive, since their moral position highlighted the uniqueness of the Vietnam War and finally influenced the evolving national policy on Indochina. In any event, one need not agree with the resisters' position to concede that the odium of criminality should not be attached to their records.

The parable of the prodigal son, based on human frailty and human goodness, supplies in any age the moral foundation for a sound social policy. The parable includes several characters of interest: the father, the wandering son, the elder son, the servant. One instinctively sympathizes with the elder brother's complaint that his father never had killed a fatted calf for him, not even "a kid," but the father's assurance, "all that is mine is your," probably put to rest any fears that the elder brother's share of the inheritance would be given to the younger one who had gone abroad and thus escaped his home duties.

Such empathy does not support the frequently voiced objection to any amnesty for the resister that it would not be fair to those who did serve in Southeast Asia. The objection can be disposed of in the father's defense of his welcome for the younger son when he answered the elder brother's protest by saying, "all that is mine is yours, It was fitting to make merry and be glad, for this your brother was dead, and is alive; he was lost, and is found."

Any amnesty policy that would dilute the nation's appreciation of those who did bear arms would be devoid of support, and rightly so. The war veteran will find the public prepared, as always following a war, to help him with problems of employment and education. He will be the recipient of special provisions for adjustment that no one rightly expects to be extended to those who did get into and stay in uniform, even those who were extremely conscientious in believing that theirs was the course of patriotism in a war so fraught with issues of morality and public policy. The question of extending amnesty should, therefore, not be clouded by the problems related to the veteran's readjustment or the government responsibility to reward his military service.

In the cases of established conscience, the resisters might be given an opportunity, for an unprescribed period, to render national public service in agencies such as the Peace Corps, but not as a condition for their return. A special procedure, under the supervision of an appropriate federal agency, should be established for this type of voluntary alternative service. The distinction between the President's program and this plan is that the first is mandatory and the latter would be voluntary.

Such a policy would preserve the government's legal and moral position in dealing with constituents and the problems of war and peace. It also would grant to the "men of conscience" on the issue of Vietnam an opportunity to prove that they acted not in fear or weakness, but with a willingness to "pay the price of disobedience."

Comprehensive provisions for amnesty would relieve the nation of responsibility for perpetuating the suffering of the families of those who have posed this problem. Due regard must be assigned to the circumstances of each case, but all who desire to return to their homeland to take up again the threads of a normal life should be able to anticipate a forgiving spirit on the part of the American citizenry. I do not favor amnesty for those who engaged in violence or committed crimes not related to conscientious resistance.

Opponents of amnesty, arguing against this position, make much of the fact that those who would have to be repatriated have not said "we are sorry" and have conceded no wrongdoing. Opponents, therefore, insist that any softening of harsh laws on the subject should depend on the resisters' attitude of remorse. Of course, this would not be forthcoming in many cases, as we have learned from experience with the President's plan.

Harkening back again, one must observe that this argument also ignores the timing of the father's embrace of his returning prodigal son. Forgiveness came from afar before the son uttered a single word. When the father ran to meet the returning son, he seemingly had no intimation that his son would greet him with the words, "I have sinned." He was thinking solely of restoration, and this was the parable's supreme lesson.

No nation can lose by responding to such a spirit. It was in this spirit that Lincoln said: "The mystic chords of memory, stretching from every battlefield and patriot grave to every living heart and hearthstone all over this broad land, will yet swell the chorus of the Union when again touched, as surely they will be, by the better angels of our nature."

The parable of the prodigal son is not solely for Christians. It belongs to the human family which has been unnecessarily fragmented by the Indochina War. It is time to generate a forgiving attitude—a forgiving that is indeed a forgetting—so that the President and Congress can take appropriate action concerning this difficult problem.

METHANOL

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. WHITEHURST. Mr. Speaker, on July 9, I was pleased to add my name as a cosponsor to Congressman EMERY's bill, H.R. 7655, to encourage the use of methanol as an alternative fuel for motor vehicles. This bill would encourage the construction of methanol-producing facilities by allowing a 5-year rapid amortization in addition to a 10-percent investment tax credit. Second, it would exempt fuels which are at least 10-percent methanol from Federal excise taxes.

I believe it is time for the Congress to begin a real program for the development of methanol as a viable substitute for gasoline. Why methanol? Methanol, more commonly known as wood alcohol, is more easily obtained, cleaner, and more efficient than gasoline. In a recent test performed at the Massachusetts Institute of Technology, a compact car running on a fuel mixture of 30 percent alcohol and 70 percent gasoline got better mileage than on plain gas. The cars tested at MIT used between 5 and 13 percent less fuel. Methanol can be substituted for from 15 to 30 percent of the gasoline in automobile fuel tanks without having to make any major changes in present engines.

Methanol is a cleaner fuel, and its use would negate the necessity for the clean-air devices and smog controls that presently clutter our automobile engines. And potential sources of methanol are all around us. It can be made from wood, and this does not apply only to freshly cut wood. Methanol can be produced from sawdust, scrap wood, and even grass. The United States is as rich in coal as the Arab States are in petroleum, and synthesizing methanol from coal is one of the most practical ways of producing it. Also important is the fact that methanol can be produced from industrial wastes. By relying more heavily on methanol as a fuel, we would not only be decreasing our consumption of and dependence on oil, we would also be partially solving our ever-increasing problem of waste disposal.

In the United States, about 1 billion gallons of methanol are produced each year. Much of this is used in the manufacture of plastics. It was originally thought that methanol production would be too expensive, but the price of gasoline continues to climb and eventually may exceed the price of methanol. In addition, if the production of methanol was substantially increased, the price would surely be reduced. And, as industrial waste was converted into methanol on a wide-scale basis, the price should drop even lower. All the arguments stack up on the side of methanol as a worthy alternative to gasoline as our chief source of fuel. At the present time, the amount of methanol made in the United States is only about 1 or 2 percent of the amount of gasoline we refine. If we do not improve these statistics, we are neglecting a potentially abundant source of energy.

The United States comprises 6 percent of the world's population, yet we burn up 33 percent of the world's energy. The severe energy crunch we experienced a little over a year ago during the Arab oil embargo surely dramatized the need for energy self-sufficiency. We need to explore every possible avenue of new energy resources. Congressman EMERY's

bill is a rational one designed with our future energy needs in mind. It represents the sort of concrete energy program our constituents have been calling for. I urge my colleagues in the House to give early and favorable consideration to this important measure.

AN ACCURATE CONGRESSIONAL RECORD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, for the benefit of our colleagues considering House Resolutions 568, 569, 570, and 581 mandating a more verbatim account of floor proceedings in the CONGRESSIONAL RECORD, I am introducing into the RECORD pertinent comments made by well-known authorities on Congress.

In 1959, a group of bipartisan House Members began conducting seminars for freshman Members of Congress. As a supplement to these sessions, our colleague Mo UDALL and Donald G. Tacheron authored the enormously valuable book "The Job of the Congressman" second edition, 1970. This book provides basic information on the daily business of Congress and includes the comments and suggestions of House Members sponsoring the seminars. The material concerning the RECORD and the comments of a Member follow:

SPEAKING FOR THE RECORD

The *Congressional Record* is the message center of the Congress. Members use it to communicate not only with their constituents but also with their colleagues, and it is here that the congressional newcomer begins to establish an identity for himself. Accordingly, in the view of more senior members, the new congressman is well advised to use its pages judiciously.

CORRECTION OF ERRORS

The body of the *Record* contains a substantially verbatim account of Senate and House debate; prior to publication members are granted permission by unanimous consent to revise and extend statements made during debate. Thus they have an opportunity to correct grammatical errors and unintentional misstatements, to clarify remarks that might be misinterpreted when read rather than spoken—and to eliminate impolitic comments made during the heat of debate.

A member may strike out any portion of his speech or omit it entirely. Or he may add comments not included when the speech was delivered, perhaps changing the meaning or intent of what he has said. However, substantial changes of this kind raise questions of individual ethics:

At the conclusion of your remarks the official reporter will supply you with (if you are still on the floor) a copy of the remarks. You can correct them there or back in your office. If you have returned to your office, the copy of your remarks from the official reporter will be sent to your office. Then you revise and add as much material as you may want to add. I don't comment on the ethical correctness of this, but this is the way it works. You can add a lot of things you didn't say, if you wish. Or you can even go to the extent of changing the meaning or the intent of what you did say, if you wish. Although, I say, I won't comment on the ethical question involved. . . .

Using stronger language concerning the "ethical problem" of changing floor remarks referred to by the above Member, Warren Weaver in "Both Your Houses"—1972—said of the RECORD:

It is, in fact, another example of how Congress is reluctant to let the public know what is really going on in the Capitol, as opposed to what Congress would like the public to think is going on.

Other references in Weaver's book follow:

Save for a handful of episodic newspaper clippings, the Congressional Record is the only document that historians, political scientists, and other scholars have to work from. Because the members are permitted to rewrite any and all of their floor remarks as extensively as they please, the result is a denatured version of history, synthetic at best and willfully deceptive at worst. The official sanction for this dubious practice of revising the *Record* is a motion, automatically made and approved after passage of every debated bill, that members be allowed a period of time "to revise and extend their remarks." Originally designed only to permit correction of bad grammar, it was soon stretched to cover much more extensive revision, including actual cuts, as well as insertion in the Record of the undelivered last half of a long speech and, finally, all of a speech whose total previous public exposure may have involved only the staff aide who wrote it and the secretary who typed it up.

* * * * *

The Congressional Record itself is a vital and essential document. But think how much more serviceable it could be if it were a really accurate account of the Senate and House proceedings, if extraneous, though valuable, material were separated and clearly identified as such, if each member's reprint material did not have to be included, if the real story were laid out there for all to read. When educational television sends the sessions into every home and taproom, it will no longer be possible to pass off a sanitized noncontroversial version of what Congress does as the real thing. Why not start printing the real Record now?

SOLZHENITSYN HITS DÉTENTE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. BOB WILSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

[From the Rising Tide, July 7, 1975]

SOLZHENITSYN HITS DÉTENTE

(By Dan Fefferman)

Alexander Solzhenitsyn's speech at the June 30 AFL–CIO dinner in the Washington Hilton Hotel may prove to be a milestone in the history of the U.S.-Soviet relations.

The Russian author's impassioned exposé of détente reminded one of a biblical prophet warning God's nation against an unholy alliance.

The irony was that it took an exile from the Soviet Union to tell Americans what we should have known all along: that the U.S. is a great, good country and must not give up its struggle against totalitarianism. As one old labor leader remarked, "He's going to make patriots out of us!"

What made the Solzhenitsyn talk so significant was its timing, the auspices under which it was held, and above all, the moral imperatives of its content.

Until now, Solzhenitsyn had carefully avoided public speeches since his exile from the Soviet Union in February, 1974.

Concentrating on his literary work, Solzhenitsyn patiently waited until the opportune moment, when his message could fall on receptive ears. With the painful struggle in Vietnam finally over, and with the U.S. beginning to question the real meaning of detente, the time was ripe.

In addition, Solzhenitsyn has confided that he is concerned he may die soon; he believes the KGB injected him with a cancerous serum that may kill him within the next two year. He therefore sincerely wishes to concentrate as much as possible on his writing, which he believes will be important as a chronicle of the Soviet experience.

LABOR APPLAUDS

Solzhenitsyn could not have a better host than AFL–CIO President George Meany, who organized the huge banquet in the Washington Hilton's cavernous Grand Ballroom where about 2,500 listened attentively to Solzhenitsyn's 2-hour speech.

Taking advantage of his labor forum, the author opened his talk with an indictment of Soviet claims to represent the working man. The slogan "Workers of the world unite," he said is an ironic exercise in hypocrisy, still trumpeted daily in the pages of *Isvestia*.

He praised the AFL–CIO for refusing to deal with the puppet "trade union movement" of the Soviet state and detailed the history of the suppression of any real Russian labor movement by the *Cheka* and the KGB.

Solzhenitsyn also criticized the British labor movement for "playing the game" with the Party-controlled unions of the USSR. He said such actions only facilitated the liquidation of free trade unions worldwide.

On the dais were Defense Secretary James Schlesinger, Labor Secretary John Dunlop, newly appointed U.N. Ambassador Patrick Moynihan and Special Assistant to the President, W.J. Usery, Jr., in addition to a lineup of national leaders of the AFL–CIO.

The presence of the administration appointees, especially Schlesinger and Moynihan, was taken by some as a relatively supportive gesture.

Conspicuous by his absence, however, was Secretary of State Kissinger, who was conveniently out of the country. Solzhenitsyn specifically criticized Kissinger's peace agreement with Le Duc Tho of North Vietnam. He said it was "tragic and ironic" to award the Nobel Peace Prize for such "flabby effort, which eventually led to the Communist takeover of South Vietnam.

MORAL PLEA

Solzhenitsyn's oration struck deep into the American conscience. His stinging critique of detente stripped bare any illusions that U.S. aid to the Soviets has helped the Russian people. He was brutal in his attack against profit-seeking capitalists who sell the Soviets the technology which they use to increase repression, calling such sales, "an act of selfishness incomprehensible to the ordinary human mind."

Asserting that "morality is of a higher dimension than law" Solzhenitsyn directly attacked the concepts of "legal realism" and "moral relativism," which justify the acceptance of Communist tyranny on the basis of its being consistent with the law in Communist countries.

"In our shrinking world," Solzhenitsyn told the audience, "there can be no "internal affairs'. . . . Therefore I tell you on behalf of the Russian people, we want you to interfere in our internal affairs. Interfere as much as you can!"

Solzhenitsyn has given America a valuable lesson. And, moreover, he was an excellent teacher.

While he made it clear that America has made tragic mistakes in dealing with totalitarians, he went out of his way to avoid defeatism and instill hope.

"America has been the most generous, most magnanimous and most energetic nation of the free world. You are a young nation, a nation for the future," he said. Then, stretching forth his arms and lifting them up in a gesture symbolic of resurrection, he intoned, "You must revive your commitment to stand firm against evil."

The American people have needed to hear someone say that. We need to hear from someone we trust and respect that we have something worth fighting for.

FIRMNESS

While he stayed away from openly religious themes for which some have criticized him, Solzhenitsyn voiced a hard line, harder than some in the largely Democratic audience were prepared to comfortably accept.

He decried as "ridiculous" the idea that the U.S. withhold support from authoritarian regimes directly confronting a Communist challenge. He singled out Vietnam, Taiwan and Korea as important examples.

"Can you show me one country that has maintained democracy when confronted face to face with totalitarianism?" he asked rhetorically. "Did you do so in World War II? And you made an alliance with Stalin while he was murdering 40,000 a month!"

To dramatize his point, the author compared Stalin's crimes to the Spanish Inquisition, which he said motivated the execution of 12 people a month. Under the Tsar, said Solzhenitsyn, perhaps 10 people a month were executed in Russia.

Even now, he said, the repression in anti-Communist countries is practically negligible compared to what goes on under Communism.

More than anything, Solzhenitsyn's message emphasized the need for firmness on the part of the U.S.

"You don't lose anything by being firm," he stated. Citing examples such as the Korean War, the Berlin crisis and the showdown over Soviet missile installations in Cuba, Solzhenitsyn said that firmness, rather than conciliation, was the best assurance for peace in dealing with Communists.

"You keep on throwing food to the wolf, but the wolf is ravenous by nature," he said.

On the question of convergence or the so-called end of ideology, Solzhenitsyn declared, "The Soviet leaders have not given up their insane ideology in the slightest." He once again urged the U.S. to stand up and fight against what he called "the forces of world evil."

He proclaimed that real peace would come only after the Soviets give up their ideological struggle.

AFL-CIO President Meany said Solzhenitsyn was "not a politician, leader of a movement or a diplomat, but an artist. His talent as an artist cannot be passed on to another. But let us pray that his courage is contagious."

To which we can only add, amen.

PRINCE HALL MASONS CELEBRATE 200TH ANNIVERSARY

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. HUGHES. Mr. Speaker, I wish unanimous consent to reflect upon and extend certain remarks read into the RECORD by the Honorable Philip J. Philbin of Massachusetts in May of 1969. At that time, Mr. Philbin enlightened this august body on the acts and deeds of America's first Freemason of color, and outstanding, loyal citizen, and patriot, Prince Hall of colonial Boston.

Thanks to the alertness and kindness of one of my constituents and grand lodge officers of Prince Hall Masons in New Jersey, the Right Worshipful Kermit E. Bruner, Jr., district deputy grand master at-large and the national director for the 200th anniversary, and our own former Maitre d' of the House Dining Room, the beloved Ernest Petinaud, whom you all hold in such high esteem, my attention has been drawn to the most extraordinary historic fact; that Prince Hall Freemasons all over the world, numbering well over 500,000 and located in over 50,000 lodges, and on every continent, are at present in the process of celebrating the 200th anniversary of the entrance of Prince Hall, a free, Boston citizen of color, into the institution of Freemasonry. I am told that the illustrious Prince Hall was an outstanding leader of the colonial period, who served with the advice and assistance of the famous John Hancock, and with great distinction, under the then Gen. George Washington at the battle of Bunker and Breed's Hills in the Revolutionary War.

It should be noted that this able, farsighted, distinguished Afro-American leader, a Boston landowner and voter, most vigorously demanded that his State free its slaves, and his city educate its children of color as well as those of the majority population. He established a school in his own home to educate the adults.

He was a man of great ability, forthrightness, patriotism, and courage, endowed with commonsense, balance, and good judgment, determined to end the loathsome discrimination which nonwhites faced. He furnished the sagacious leadership by which the law against his people were changed and their cause was meaningfully advanced.

His eloquent voice spoke out boldly and loudly for justice, and for righting the cruel wrongs from which his people suffered.

His wise, gallant leadership had broad ramifications and produced enduring, effective results.

The deep, sweeping influence of the words and deeds of Prince Hall, which gave his people the courage to cry out boldly against discrimination and prejudice, and strive for recognition as free men and women, was a clear, stirring, clarion call that has come down through the years, and still animates people of every race, class, and creed to persist indomitably in the struggle, not yet won, to liberate the spirit, the body, and the mind of man from discrimination, persecution, and injustice.

Prince Hall was, in truth, an apostle of enlightenment and tolerance for the whole human race of his time, and a fearless leader who inspired his people to achieve ever higher levels of acceptance, dignity, and justice in the American society. His battle was historic and heaven sent. His courage and cause must be continued today until every vestige of racism, hatred, prejudice, and discrimination has been driven from our beloved land—until the majesty of the rule of law is assured for all and true human brotherhood, as is demonstrated by the Prince Hall Masons, is enthroned in our Nation and the world.

It is a documented fact that Prince Hall was made a mason in Military Lodge No. 441, an Irish lodge stationed in Boston and a part of the 38th Foot of the British Army, on the evening of March 6, 1775. This act made Prince Hall the first man of color to be made a Freemason on the continent of North America. Its significance and import lies in the tremendously effective and important roll that Freemasons played in every aspect of the birth of this Nation. Prince Hall was admitted into this ancient and honorable fraternity 1 year and 4 months before the independence of our great Nation. And I can understand how all black Americans, especially the Prince Hall Masons, must feel about this most extraordinary phase of black history. It is also important to note that the late brother Hall became the first master of the first lodge of "coloured" masons in this country; on July 3, 1776, on the eve of the signing of the Declaration of Independence, African Lodge No. 1 was set apart by permit from lodge No. 441.

Prince Hall did attempt to affiliate with one of the white grand lodges of Massachusetts at that time, and his petition was favorably received by the brethren of St. Andrew's Grand Lodge. But, unfortunately, Dr. Joseph Warren, then the provincial grand master of Massachusetts, was killed at the battle of Bunker Hill and his successor was reluctant to act favorably and accordingly.

The record is clear that on September 29, 1784, the Grand Lodge of England granted to Prince Hall a charter, which was delivered into the hands of Prince Hall on April 29, 1787, by the brother-in-law of John Hancock, Capt. James Scott.

While Prince Hall made lasting patriotic contributions to the Nation, to the Afro-American Masons he served so well, and to the country he loved with all his heart and soul, like a great symphony of constitutional justice, his words, noble deeds, and his holy cause are indelibly and ineradicably woven into the fabric of our American system of freedom, justice, and equality under law for all.

This Nation is fortunate in that we have citizens such as the Prince Hall Masons, who are in their bicentennial year of their existence and are living examples of the acts and deeds of their beloved progenitor.

It is certainly proper and fitting, at this time, that we pause to thank my constituent, the Right Worshipful Kermit E. Bruner, Jr., a history instructor in the Vineland public school system of my State, Mr. Ernest Petinaud, who spent some 35 years in the service of the House of Representatives, and the Honorable Philip J. Philbin of Massachusetts, for reviving these facts and making it possible that we might be able to present them before the candid world.

Prince Hall stood in his great day and spoke out militantly for truth, humanity, and freedom. Let this Nation continue his fight for tolerance and equal treatment under the law for everyone, regardless of race, creed, or class, in our society so that the full glory and completeness of our marvelous American dream of liberty and justice for all will be totally realized, and everyone in America can be placed, as true justice demands, on a "footing with kings."

"So let it be written, so let it be done!"

THE PARTICIPATION OF NONTRADITIONAL STUDENTS IN OUR COLLEGES AND UNIVERSITIES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. FRASER. Mr. Speaker, the concept of lifelong learning is increasingly being recognized as necessary to a society concerned with extending the benefits of full social and political participation to all its members. The opportunity for educational experiences and training should not, indeed cannot, be limited to traditional college-age students—an individual's need and desire to learn endures throughout his or her lifetime.

A number of colleges and universities have begun to experiment with lifelong learning programs. Not only do these ventures enable schools to attract the wealth of experiences and resources of nontraditional students, but they also furnish an opportunity to bolster sagging enrollments. For the older students themselves, these programs provide the chance to break down fears and prejudices felt about educational institutions, update knowledge, prepare for community service, or explore career changes.

Lifelong learning will require our schools to make major adjustments in their orientation. Programing will have to be more flexible—regular course offerings will have to be made more accessible to nontraditional students and new educational services will have to be tailored to the special needs of these students.

Minnesota's educational system has been exemplary in its attempts to meet these needs. I commend to the attention of my colleagues two articles which describe the efforts of Minnesota's colleges and universities to extend their resources to new population groups. These articles, which appeared in the Minnesota Daily, underscore the degree to which innovative initiatives on the part of educational institutions can help meet the needs of an ever-widening spectrum of people. The articles follow:

A DIFFERENT KIND OF STUDENT

(By Sally Thompson)

To people who think college students should be about 18 to 22 years old, Sheldon Strouts and Bert Bjornstad are not average students.

Strouts is a 45-year-old University freshman who had never been to college until he began a full-time schedule of classes in the College of Liberal Arts (CLA) winter quarter. Strouts said he left an "extraordinarily high income" in the corporate world to start college. He hopes to complete a Bachelor of Arts degree, then go to law school.

Bjornstad, on the other hand, is a 31-year-old father of three who is taking three evening classes in the Continuing Education and Extension (CEE) division while working full-time for the Minnesota Highway Department.

"I've gone about as far as I can go in my job as bridge foreman," Bjornstad said. "I'm here because I want to branch out into something else."

Like Bjornstad and Strouts, increasing numbers of students beyond "normal" college age are enrolling in day and night University classes for a variety of reasons. Some, like Bjornstad, want to find a more challenging career. Others seek college as a way to advance in their present jobs. Still others want the intellectual stimulation and personal enrichment that college classes offer.

As enrollments of traditional college-age students level off or decline, "the adult student is seen as the wave of the future in higher education," said Lenore Burgard, director of CLA's adult special program. With the public's gradual acceptance of the concept of lifelong learning, older students may help boost future sagging enrollments.

"It's clear that we're not going to have as many traditional college-age students in the future, simply because enrollments are based on available population, which will be declining," said Carol Pazandak, CLA assistant dean for student personnel.

"There are definitely more older students enrolling. But our intent in the future will not be to recruit older students just for the sake of bringing bodies in," she said.

Enrollment of adult students has been included for the first time in projected enrollments for Minnesota public colleges and universities by the Minnesota Higher Education Coordinating Commission (HECC). HECC defines adult students as person aged to 25 to 39 years. After figuring in the adults, HECC now predicts a smaller decline in enrollments 10 to 15 years from now than it previously forecast.

The University is now adapting and planning to serve the relatively new, growing constituency of older students. "This is a group of people whose needs are only marginally attended to," Pazandak said.

"There are differences in needs for services and in attitudes toward education among older students simply because their life situation is very different from a 20-year-old's," Pazandak explained.

For the older student population, "the University needs to explore different ways of packaging learning experiences to fit with the experiences and life situations they have," Pazandak said. CLA, she continued, might consider offering older students such "educational packages" as three-week minicourses, college classes on weekends or community-based classes.

Strouts, the former businessman, shared Pazandak's view that the University needs more flexibility in its programs for older students.

An aspiring lawyer, Strouts is somewhat frustrated that both Law School and undergraduate degree requirements are not flexible enough to give credit for his nonacademic experiences.

After he quit business, Strouts wanted to go directly into law school "and stand or fall on my own merits." But the Law School advised him that he needed an undergraduate degree before he could apply.

Strouts said he thinks some of the requirements for an undergraduate degree that may be appropriate for a traditional-age college student are irrelevant to his needs.

"My contention is that I already have a liberal education, but it may not have come out of a textboook," he said.

"They're saying, in order to be the person we want you to be, you must take, for example, so many credits in fine arts. But my tastes are pretty well formed by now. I've decided who I am and I doubt very much that I'm going to change now.

"At my age, time is an important factor. Four years is a long time out of your life at my age, whereas to some 18 to 19, they've got all the time in the world," Strouts said.

Although attitudes toward a middle-aged person taking college classes are changing, there are still some prevalent fears that may discourage a middle-aged person from returning to college.

Strouts, for example, said many of his business associates "questioned (his) sanity" when he decided to go to college. "They said things like, 'The kids are so bright now. Do you think you can compete?' "

When considering a return to college, many older people express such fears as:

I'm too old to learn;

I'm a failure if I'm still deciding what to do with my life at age 45 or 50;

Spending money to take a college class is selfish and

I've heard the University is a big, impersonal place. I'll never feel comfortable there.

After older students overcome initial fears of deciding to come to the University and actually enroll, "the great part of the battle has been won," Vera Schletzer, director of counselling in CEE said.

Once they start classes, older students who have never been to college or those returning after a long absence often feel their study skills are rusty.

Bjornstad, the extension student, said for him the most difficult part in returning to school was doing required reading. "Once you're out of school, it's really easy to let your reading drop off," he said.

Schletzer said among older students "there is a lot more worrying about study skills than actually being deficient in them." The how-to-study classes offered in extension division, she said, "give people attitudinal security, which may benefit them more than what they actually learn from the class."

Many administrators and faculty involved with older students note differences between them and "usual" college students. One difference is that older students are not under pressure to enroll in college, something many younger students face. Middle-aged students have made a conscious choice to come to college and they are often very sure about what they want from their education.

"Middle-aged students aren't coming to the University because they think they have to, it's because they want to," Schletzer commented.

Schletzer, who also teaches night classes, said many extension students are "very serious" about getting their money's worth out of classes.

"In evening classes, if an instructor is five minutes late, people in the class start asking for their money back. And if the instructor doesn't show up, people complain all the way to the president's office," Schletzer said. "It's a real contrast with day school, where if a prof doesn't show up, most students' attitude is, 'Why hurrah! I get some time off!' "

Theodore Campbell, director of CEE, also considers extension students, most of whom hold full-time jobs, to be highly motivated. "If you're going to take night classes a couple of nights a week and you've got a job and a family, that's quite a sacrifice in time and effort," he said.

Many older students with full-time jobs or full-time family responsibilities sandwich time for studying between other activities. Bjornstad said he tries to study "every chance I get," whether it's on a short break from his job or at lunchtime.

Ellis Thomas, a 37-year-old vocational school instructor returning to the University for a B.S. degree in education, says his time for studying is "rare and precious."

For many adult students, high motivation and high achievement in classes go together. Schletzer said she has observed that many older students perform "very well" in classes, although "there doesn't seem to be much difference in achievement between older people and young students." She noted that since older students are "self-selected, they've usually had other rewarding experience with education."

While older students' achievement may be on par with younger students, some adults noted they have the advantage of having more experiences to relate to a subject.

Thomas said he felt like "an old timer" in an instructional methods course spring quarter. He has taught in vocational schools for six years.

"I could have told the class a lot about my experiences in teaching as they related to subjects brought up in class," Thomas said. "I had to hold myself back a little, because I didn't want to dominate the class."

The combination of highly motivated students and a mix of backgrounds in extension classes sets them apart from day school classes, extension staff members note.

"Many people find the classes exciting because you're with people unlike the people in your neighborhood," said Edith Mucke, director of Continuing Education for Women. "It's not like the neighborhood study group or sewing circle where you pretty much know what people are going to say before they open their mouths."

For a "Psychology of Women" class she taught last year in extension division, Schletzer said a woman and her three daughters-in-law enrolled for the class together. "The dynamics going on between them were really fascinating," she said. "Where but in a night class could you find that?"

The women's movement is often credited by administrators working with older students with changing women's attitudes about themselves and making attending college for career opportunities or personal satisfaction a legitimate pursuit.

"Women's liberation has made women take themselves more seriously," Mucke said. "Women are now less apt to feel guilty about being away from home and spending money to take a college class."

Schletzer said she feels more women over 40 are making career changes than ever before. "Working women are now wanting a University education for the very reasons men always have—for career change and personal enhancement," she said.

For Marilyn Bowman, a 47-year-old woman who just completed a B.A. degree in history and is starting Graduate School next fall, returning to college "has given me such a sense of accomplishment.

"It's nice to have a home and children," she said. "But I know who I am now, too. I have a good feeling about myself, apart from the roles I fulfill for other people."

There are indications that the ratio of older male to older female students, in which men have long outnumbered women, is now tilting toward women.

In CLA's adult special program, the ratio of women to men is 55 to 45 percent. While women have traditionally comprised about one-third of the registrants in extension division, they now make up one-half of the registrants. Class registration in Continuing Education for Women, although not limited to women, has increased 48 percent in the past two years.

Meanwhile, older students are back on college campuses to stay. Their reasons for coming to college are varied, yet they all share one overriding reason voiced by Strouts—"Why should you ever stop learning?"

SENIORS GO TO COLLEGE FOR NEW CHALLENGES, PRACTICAL SKILLS

(By Sally Thompson)

"We feel committed to seniors. They've paid their taxes and contributed to the University's support for so long. This is our chance to do something for them."

As the definition of college students continues to expand from the "typical" student of 18 to 22 years to middle-aged people, it is now also beginning to include people over 60—people like Lily Rothschild.

Rothschild is a 76-year-old adult special student in the College of Liberal Arts. Although there are probably no typical elderly students, Rothschild is a member of a group which will become more common on college campuses in the future.

After receiving a Bachelor of Arts degree in French and German three years ago, Rothschild has been auditing classes for about 10 credits per quarter.

Rothschild said she considered continuing on for a master's degree, but decided against it. "I thought it would be too much pressure, and at my age, I really don't need it. Just graduating was a hard enough grind," she said.

Why does she take classes? "It keeps you occupied, keeps your mind going," Rothschild said. Besides, she wanted to prove to some friends and relatives, "but mostly to myself, that I could do it."

Other senior citizens, though, may not want to take on the "grind" of regular day school programs, and they are now asking for, and beginning to get educational services tailored to their needs.

They want information about retirement planning, living on a fixed income and senior political power. Some want to take recreational classes "to keep from vegetating around the house," as one senior said. Others seek more academically oriented classes "to prove to themselves that they can still learn," commented one University administrator.

The trend of lifelong learning, or "cradle to grave education" as it is sometimes called, is alive and growing in the Twin Cities area. There is a nationally recognized program for senior citizens at North Hennepin Community College in Brooklyn Park, a smaller University seniors program at the MacPhail Center for the Performing Arts in downtown Minneapolis and suburban centers and plans for a day-school program at the University.

While developing programs for today's senior citizens, community college and University administrators are also laying groundwork for the future, when the numbers of senior citizens will greatly increase.

Although there are now 19.3 Americans over 65 for every 100 persons ages 20 to 64, by the year 2000 the figure will approach 30 seniors per 100 of the younger population.

"As the years go by, more people will be living longer," said Barbara Stuhler, acting assistant dean in Continuing Education and Extension (CEE) at the University. "And though older people are now stereotyped as poor, sick and immobile, in the future we're going to have a vital population that may not be poor, sick and immobile. They'll be looking for education as a way to keep involved in society."

Stuhler emphasized the political influence seniors could have in the future.

"As older people become an increasing segment of the population, they are becoming more politically aware of their potential power. Education can help them articulate their concerns," she said.

Approaches to education for seniors at North Hennepin and the University differ, along with the elderly populations they serve. North Hennepin's program, primarily attended by suburban home-owning seniors, is more recreational than the University's program, which caters more to seniors living in suburban highrises or in the city.

North Hennepin's program, now in its fourth year, attracted national attention for being one of the first community colleges in the country to offer virtually tuition-free courses designed specifically for elderly persons. About 900 seniors took classes at North Hennepin spring quarter for an average fee of $3 per class.

North Hennepin's program relies heavily on federal funds, receiving money this year from the federal Administration on Aging.

Classes "that are going over big" at North Hennepin are dancing, chorus and trimnastics, a class in water exercise, according to Ollie Paquette, a 77-year-old student there.

Classes for seniors range from practical subjects like defensive driving, "Legal Matters for Seniors" and "Seminar on Job Possibilities," to recreational classes including beginning bridge, jewelry making or painting.

"Seniors like classes they can come and do," commented Kathy McLearen, program assistant for the senior program. "They don't want to be concerned with homework or grades."

One popular class, "Rap Session with Students," has been an eye opener for both seniors and young college students, who meet weekly to talk about any subject of interest.

"We don't always agree, and there are some hot arguments," said Paquette. "We seniors in the class have found out that the young people today aren't much different than when we were young."

Some of North Hennepin's senior students were initially wary about coming to the campus to take senior-designed classes, said Bruce Bauer, program director.

"Most of them have about a ninth-grade education. What they remember about school is things like having to memorize 40 lines of Macbeth before they can graduate to Eighth grade," Bauer said.

Many seniors were fearful of college settings, Bauer said, after watching news coverage of college protests several years ago. "They had no idea what a college is like. Some thought it was all drugs and rampant sex, he said.

To introduce seniors gently to the college campus, North Hennepin has sponsored several "senior invasions" with campus tours and special meetings with seniors. North Hennepin, a small campus with one-and two-story buildings and wheelchair facilities, is well-designed for older students.

Seniors influence many stages of North Hennepin's program through a senior advisory committee. They often suggest classes of interest to seniors, and sometimes recommend instructors. "Our advice is usually well-taken," said senior committee member Paquette.

"We don't have the attitude here of 'do it to 'em.' " commented Bauer. "We think seniors should tell us what they want."

Although some of North Hennepin's classes meet off campus, the problem of transportation to the college has been solved partly by a bus donated by a local merchant and a special senior citizens' van.

Unlike North Hennepin, classes in the University's Lifelong Learning Program are all located off campus—in the St. Louis Park and Edina community and senior centers and at the MacPhail Center.

"We're trying to bring the U's resources to the community," explained Karen Nordstrom, program director.

Nordstrom said that "seniors want classes to relate directly to what they're doing."

Classes like "Eating to Stay Healthy" and "You and Your Income Tax" are offered partiularly for seniors. Retired professionals or retired teachers often teach the classes, Nordstrom said. The registration fee is $7.50 or less.

A friendly, relaxed atmosphere for seniors' classes is essential to their success, Nordstrom said.

"We try to break down the stereotype of a classroom setting, because many seniors are wary of something called a class or a seminar," she said. "We try to emphasize that it's not that type of experience."

The majority of the program's participants are in their late 60s and more than half are women. Seniors are about evenly divided between those with college degrees and those with high school diplomas or less, those who haven't completed high school, Nordstrom said.

The University may also soon be accommodating senior citizens in regular on-campus day school classes. Although the Minnesota Legislature last session approved a bill allowing people over 62 to attend classes at state institutions for no charge on a space-available basis, the bill has not yet been signed into law.

Even if the bill is signed as expected, administrators of senior programs do not expect a flood of seniors into day school.

"We're recruiting a new minority group, and we need to support them on more than a space-available basis," said Bauer.

"Colleges need other support services for seniors, like transportation, and counselors," he added.

James Preus, director of admissions and records at the University, agreed that the University needs "specific arrangements for seniors." He mentioned such measures as simplifying registration procedures, setting up a senior orientation program and course counseling for seniors as possible changes. "All of that suggests a center of some kind (on campus) for seniors," he said.

Although neither North Hennepin's senior program nor the University's are now reaching the isolated elderly or those with very limited educations, the programs represent a strong beginning to extending the concept of lifelong learning.

"We feel committed to seniors," said Nordstrom. "They've paid their taxes and contributed to the University's support for so long. This is our chance to do something for them."

TRIBUTE TO STATE SENATOR DANIEL DOUGHERTY

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. RUSSO. Mr. Speaker, I will like to take this opportunity to call attention to an article recently written by Bill Granger of the Chicago Sun-Times.

In "South Side Dan Still in the Great Game," Bill highlights the distinguished public career of State Senator Daniel Dougherty.

The senator represents many of my own constituents in the upper chamber of the Illinois Legislature and has long been a hero to me. Dan Dougherty has won a well-merited reputation for devotion to duty and commitment to the highest standards of official conduct. He is a man respected by his colleagues and held in the deepest affection by his constituents.

It is a pleasure to bring this article to the attention of my colleagues in the House and in doing so I wish to extend to Dan Dougherty my best wishes for health, happiness, and continued service to the community he loves.

SOUTH SIDE DAN STILL IN THE GREAT GAME

(By Bill Granger)

SPRINGFIELD, Ill.—Daniel Dougherty was talking about Lefty Neckerman.

"I know Lefty—that's what they called him," he started, his voice rasping out slowly, his perfect teeth set in a typically Irish half-smile.

"He's up in St. Pascal parish on the Northwest Side now. He was a helluva semipro pitcher, you know. When he was a kid, he was the only Catholic kid to get permission to pitch on Sunday for money because he was supporting his mother."

Dougherty laughed now, sitting in the little office he shares off the ancient Illinois Senate chamber. Dan is 69 now, and he has slowed down a lot, but it was fun to sit and talk to him about all the good old friends from all his days in South Chicago. He has been the Democratic state senator from the Southeast Side of the city since 1954 and now, late into another session, he was taking a breather before rushing off to meet in a committee.

Lefty Neckerman, of course, is the Rev. Thaddeus Neckerman from old SS. Peter and Paul in South Chicago, which is Dan Dougherty's parish and the parish where his children, Nora, Dan Jr. and Brian, went to church. When his wife, Katherine, died a few years ago, some of the old priests from St. Pete's who had transferred away from the parish showed up at the wake and funeral mass, Dougherty said.

"And then I got a nice card from Father Krump, who read about it in the paper," he said. Old loyalties and old friends: All his thoughts turned to them because that is the stuff of Dan Dougherty's life.

When he was a young man and didn't have any gray in his brown hair, Dan laid brick over at South Works of U.S. Steel and took his money home.

"That was the Depression, and you're lucky to work, even four days a week," he said. "You know, everyone wanted to get a job in the mills. That was all we wanted, a job."

In 1933, when Bill Powers was running the old 10th Ward, Dan became a precinct captain and got a job in the Bureau of Engineering with the city.

"You see, in those days, the Irish were the bridge across all the ethnic groups," he said. In South Chicago and all around, there were a lot of Germans and Slavs. In those days, with all the steel mills from Gary down to 87th St., they called that area the Ruhr of America. Hell, today people don't even know what a Ruhr is.

"Anyway, the Irish got into politics. I remember, Katherine was over at St. Cecilia's teaching, I think it was, and one of the priests said that boys from that area grow up to become priests, policemen, politicians—or bums. 'Any of the first three are all right,' the priest said. 'Make sure they don't become bums.'"

Again, Dan laughed and lit a cigaret.

In 1950, the patient days of doorbell ringing and vote hustling in his precinct paid off. Dan with his Irish name ran against incumbent Republican Walker Butler for the Senate. He lost, but he ran strong, and 1954 he was given a second chance. That is the way it was in the days of old loyalties and old friends; it is the stuff of which the Machine is made.

"In '54, Nick Fohling was my opponent," Dan said. "He's an old, dear friend. So we decided right there that we weren't going to fight the campaign on personalities, just on party. Republican against Democrat. And I won, and I've been here since."

Nick, of course, stayed on as alderman from the old 7th Ward in South Shore and eventually wound up a traffic court judge, which is where he is now.

And Dougherty got along in the state senate in the days when all the Democrats down here couldn't fill a good-sized phone booth. And he plugged away at his good life, living in a two-flight on the corner of 93d and Jeffrey at the edge of Pill Hill (where the doctors lived) and reared his three children and played the great game.

Now he's right at the doorway of 70, and he walks very slowly because of circulation troubles. But down there at his desk just down from young Sen. Richard M. Daley's desk in the Senate, Dan is working. He is there at 9 a.m., and he was there until 2:30 a.m. the other night. When most of those his age are sitting on the back porch at home, listening to the White Sox games, Dan Dougherty is toughing it out in Springfield.

"Well, it's in your blood," he said, trying to explain. "It's great. I like politics."

But he doesn't have to. Everyone knows that about Dan Dougherty—all the newcomers and all the old pals still around, everyone who was his friend in the days of loyalties and first hurrahs.

AN EYEWITNESS REPORTS ON THE AZORES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. ASHBROOK. Mr. Speaker, I have received a fascinating letter from Rosalind Haley, a good friend and dedicated American who recently returned from the Azores Islands. The Azores are controlled by Portugal, whose Government has fallen under Communist domination.

In her letter Ros Haley describes the citizen protests she witnessed against the Communist authorities. These protests took the form of large demonstrations and demands for freedom and independence. The authorities have responded with arrests and intimidation.

For the information of my colleagues, I am inserting the full text of the letter in the CONGRESSIONAL RECORD:

AN EYEWITNESS REPORT OF A STRIKE FOR FREEDOM IN THE AZORES

The day of June 6, 1975 was an historic one on the island of San Miguel in the Azores according to the local Portuguese newspaper, "Acores." The farmer's protest which took place that day was the first such demonstration ever held of this kind. But the farmer's patience had been tried to the breaking point.

The largest of the nine islands in the archipelago, dotted from 800 to 1500 miles west of Lisbon, Portugal, San Miguel is the second island and is next to Terceira where the United States' important Lajes Airbase is located. Aboard Lajes is found the strategic refueling facilities in the Atlantic, as well as a U.S. submarine tracking headquarters for underwater detection. Transatlantic messages are channeled through the area as well. For the defense of the United States, Lajes Air Base is of vital importance.

The Azores Islands are highly productive and nearly entirely self-sufficient, however for the last year, since the military coup in Portugal on April 25, 1974, the economy of this Portuguese province has steadily declined under the new largely communist controlled government.

Throughout the Azores, the farmers are the backbone of the archipelago. New controls have been imposed, crippling industry and inflation has brought this thriving island to the threat of poverty. Azorean farmers are slow to anger but those of us who live there have seen their patience and gentle nature sorely tried.

San Miguel is about 60 miles long and nearly 20 wide at its broadest; dairying is the largest industry and a Nestlé factory converts milk into the powdered product here. Great crops of sugar beets keep alcohol factories busy; three cigarette factories use the large tobacco crops and tea is grown on plantations, processed and packed for export. Cattle are shipped on the hoof to the mainland and two pottery factories flourished until the recent sharp decline in a once busy tourist trade. Since the new government took over, the farmers have been paid less and less for their crops, taxed more and more and their industries and crops have come under rigid controls.

Independent of each other, farmers' movements sprang up in various areas of the Island. First they wanted less controls, then they thought in broader terms and wished for autonomy. In view of the independence granted other Portuguese provinces, Angola and Mozambique, they finally decided on Independence. Signs and symbols appeared on walls first, then houses, wagons, buses, trucks and every available pillar and post.

"We Want Liberty" was the theme at first—"Liberdade for the Islands!" and finally, "Independence, Independence Now!"

Then early one Friday morning in mid-May, when the farmers brought their cattle to sell at the weekly general cattle sale in Ponta Delgada—a city of 40,000 inhabitants—they found there a young dead cow hanging by its neck from a tree, and there, swinging in the early morning light, they read a crude sign pasted to its side reading "What has happened to this cow will happen to us farmers unless we make some action."

The unrest continued to spread. Communist party meetings were being increasingly held on this island of deeply religious (97% Catholic) people—an island where traditional religious customs, centuries old, are still found. The people resent the spread of Communism.

At one meeting a prominent Communist Doctor of Letters spoke to the solemnfaced audience. They listened quietly and politely and when he was finished they rose as one and told him to leave. As he approached the door they booted him out.

At other meetings where Communists spoke they were met with a barrage of rotten vegetables and eggs and when the speakers departed they found their cars overturned and their tires slashed.

Freedom signs sprang up everywhere finally appearing on government owned buses, for by May 1975 nearly all major industries were government controlled as were all banks, transportation, commuications (although the Azores do not yet have TV) labor, etc. The Communist Governor of the island of San Miguel (population 131,000) sent the military to the bus barn to order removal from the busses of all symbols derogatory to the government. The bus drivers replied they could not guarantee the safety of the busses if the signs were removed, so the militia drove off in their lorry, unaware that the back end of their own truck was carrying the symbol for independence.

The farmers planned a peaceful protest which they term a "manifestation," one similar to those carried on continually in Lisbon and on the mainland, and in Angola and Mozambique. A few days before the planned "manifestation" they made the necessary request, but the Communist Governor refused to grant permission to the farmers. This angered the farmers. Were only Communist directed manifestations allowed?

The farmers' revolt had been thoughtfully planned and despite the refusal of the Governor, they decided to hold it just the same.

The morning of June 6 a NATO fleet of warships representing the United States, Canada, France, Portugal and Great Britain steamed into the harbor of Ponta Delgada to be met by a sign painted on the sea wall—"Welcome NATO—Save the Azores."

The "manifestation" was an orderly parade which appeared from nowhere (because it had been forbidden!) at precisely 2:30. As we were lunching at the leading downtown hotel in the heart of Ponta Delgada, we heard sounds of action which indicated unusual excitement. We hastened to see what was happening.

Leading the procession was one of the island's many donkeys, mounted by a young boy wearing a straw hat with a big stick on his shoulder. On the chest of the donkey was a sign "Who will help me?" To the Portuguese who are great for symbols and parallels, they recognized the donkey as a stupid government being managed by an immature leader who carried a deadly weapon

The donkey and rider were followed by a great procession of people carrying home made banners on long sticks bearing the theme, "Independence, Independence NOW!" "We Azoreans want independence," "We want justice," "No more Azorean blood spilled on Lisbon's soil."

These hundreds in the procession swelled into thousands for as they passed each store or establishment, the occupants came out, closed their doors and joined the "manifestation."

Behind the crowd on foot came many large trucks loaded with enormous logs cut from the forest with solemnfaced men atop the logs. Several large trucks were loaded to the brim with baseball-size stones (used in construction which came from the native volcanic rocks). Each of these trucks carried 8–12 sturdy men who, as my electrician who was standing nearby suggested, would probably make good pitchers had the army or police interfered. Trucks were loaded with sand, with beef cattle, others were filled with 10 gallon milk pails, some with concrete blocks, lumber, cement, etc.

Each truck displayed on the front a homemade sign crudely printed on wrapping or butcher type paper. They carried out the independence theme, pointing up that they were losing work, customers and a living wage. "We need work not high prices." "How long must we go without work "

There was no resistance from the police force, all of whom appeared radiant. The military on San Miguel are made up of young Azoreans who fear being sent to the revolutionary mainland of Portugal, and worse still to be forced to serve in Angola or Mozambique where the fighting has been bloody. Because of their resistance to Communism, the army on San Miguel showed no resistance to the "manifestation."

So the procession swelled into thousands. Large trucks, small trucks, tractors, taxis, motorcycles, jeeps, cars, people and more people moved in the direction of the Governor's house, where the official government presided.

Two other ladies from Texas and I finally were able to find our way to a vantage point in a park near the government house where we heard the shouts of the crowd demanding the presence of the Communist Governor, Borges Courtinho. But he refused to appear for some while so they shouted—

We Want Freedom.

Independence, independence now!

Out with the Russians, Out with the Russians.

We don't want Communism.

Hurrah for NATO—We want to belong to NATO.

Again they demanded the Governor and finally he appeared on the balcony to greet the crowd.

"Get out of the house, the house isn't yours," they shouted this over and over demanding his resignation and he finally said he would resign! A great shout went up from the crowd.

The crowd then went to the only radio station on the island of San Miguel, and demanded the Communist controlled director get out. This, too, they accomplished, without serious incident or harm but rather they accomplished their objectives in a quiet orderly fashion.

Meanwhile, unknown to us who were in the city, a similar procession of heavy duty trucks filled with logs, cement blocks, stones as well as the able bodied men, etc., had gone to the local airport and with virtually no trouble had lined up and parked across the landing strip preventing arrival of planes carrying troops from Lisbon or elsewhere. We were told the next day, as we boarded our plane for our trip to Boston, that the trucks had remained there 12 hours and only agreed to leave at the request of NATO officers.

That night of June 6 a holiday spirit pervaded the island. Firecrackers, very popular in Portuguese possessions, were set off in each small town. The people appeared to be unanimous in their joy because of the apparent victory over the Communists. And the island of San Miguel, known to be one of the beauty spots of the world, with its great rolling green hillsides and amazing verdure, believed themselves to be a firm step toward achieving freedom.

The total population of the 9 Azorean Islands is approximately 250,000. In the United States more than 700,000 Azoreans live having moved mostly to the New England States and California where large Portuguese communities are found. The loyalties of these Azoreans is to the United States where their family and economic ties lie.

Repeatedly we heard the plea that they hope the United States will back up their stand for independence. Their allegiance is not to Lisbon, which is now controlled by a Communist dominated Government which bleeds the Azores of their money, men and products, giving nothing in return but tighter controls.

On June 10th, 3 days after our return to the United States we were dismayed to read in the Washington Post that—

"More than 30 persons . . . have been arrested following an outbreak of rightest unrest against Portugal's leftist military government. . . ."

Before it is too late will the United States Government back up the Azores' stand for freedom, and thereby insure their own military defenses?

Follow-Up on the Azores Report

A friend who just returned from the Island of San Miguel called to tell me of the changes which have taken place since my departure from there on June 7th, the day following the gala March for Freedom, Friday, June 6th.

It appears that in the early hours of Sunday, June 8th between 3 and 4 a.m., according to typical Communist procedure, some 28 persons were aroused from their sleep and taken off to prison. Among them was an elderly highly respected lawyer, a Senhor Correia who, despite the hour and shock of his arrest, maintained his dignity, invited the police into his livingroom while he changed into his street clothes. He is reported to have told his abductors that had they phoned him he would have been glad to present himself at the Police Station, saving them the trouble of the call, for he had nothing to hide.

These 28 prisoners were promptly taken by boat to a prison on the nearby island of Terceria where there is an active Communist cell.

Apparently for lack of evidence 9 of the 28 were released but they are still held under a form of limited freedom, according to rumors. Some were said to be confined to their home and others (and more probably this is the case for all) were forbidden to leave the island of San Miguel.

On Monday, June 9th at 6:30 P.M. another "manifestation" was held, led by the Communist and Socialist parties. Marchers were brought into the city by bus at government expense.

Prior to this last demonstration, the members of the armed forces units were sent out to clean from the walls, monuments, houses, pillars and posts, all symbols which had been painted prior to election during the past several months, for most of the people on the island were in opposition to the Communist controlled government.

The peaceful island of San Miguel has changed. Military cars with men with guns now continually cruise around. The airport is frequently closed. It is said that on at least 2 occasions gunfire has been heard at the airport during the night. Throughout the island there is a feeling of tenseness, of always looking over your shoulder.

It seems incredible, but still a proven fact, that only a handful of well trained Communists have been able to take over the control of 131,000 people on this island and by careful manipulation of the Azorean soldiers, they now apparently have control of the situation.

The Communists would like the Azoreans to cultivate a "wait and see" attitude as this gives them time to carry out their plans. According to the Communist Party "Militant" of June 6, 1975, they have this to say: "Of the pro-Moscow Stalinist parties, the Portuguese CP has earned a reputation as the most dogmatic in Western Europe. It is the only one the continent other than the 'exterior' Greek CP that has driven out the liberal wing that exists in most of the others. The tens of thousands of new recruits that have flooded into the party since April 25, 1974, have been trained in a 'tough' sectarian spirit reminiscent of the Stalinist parties in their ultraleft 'third period.' However, material factors also promote sectarianism on the part of much of the CP membership. Since April 1974 the CP has been virtually the government party."

U.S. News of May 26 states: "Communists got only 12.5 per cent of last April's vote; Socialists, more than 37 per cent. Socialists, not Communists, should be running Portugal for leftists. But Russia wants to run Portugal as it runs much of Eastern Europe. So Portuguese Communists are under orders to do their best to keep real power through the military.

As a result, Socialists all over Western Europe are shying away from ties to Communists. Western European Communist leaders are telling the Kremlin to be less heavy-handed about sabotaging democracy if they hope to win free votes."

As Plain Truth said: "It is no secret that the prospect of a Communist Portugal frightens Western European and NATO officials. The fear is that the Portuguese example could be duplicated in other European states, most notably Spain, Italy, Greece, Turkey, and even France, which like Italy has a formidable Communist Party."

An outright Communist Portugal could nullify the presence of the U.S. sixth fleet—already suffering the loss of key bases in the eastern Mediterranean—by added port privileges given to the Soviet fleet. Soviet control of the strategic Portuguese Azores in the Atlantic would drastically reduce American military options in the Mideast as well as hamper U.S. surveillance of Russian submarines in the Atlantic. Most important, Soviet submarines based in Portugal could threaten the sea lanes connecting the U.S. and its NATO allies. In effect, it would form a Communist pincer movement on Western Europe."

PHILIP MAZZEI, UNSUNG HERO OF AMERICAN INDEPENDENCE

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. DENT. Mr. Speaker, as we enter into this, our bicentennial year, one becomes aware that the success of the American Revolution depended upon the efforts of a number of Colonists and sympathizers, not only of British origin, but indeed, of origins in all of Europe.

As a person who is proud of his heritage, which happens to be Italian, I was heartened to learn of a singularly effective spokesman for the Revolution who came from Italy in 1773 and settled in Virginia. His name was Philip Mazzei, and as a friend and intellectual contemporary of Thomas Jefferson, did much to encourage the philosophy inherent in the Declaration of Independence.

Like Thomas Paine, Mazzei was responsible for kindling an awareness among the colonists concerning what it was they were fighting for.

Recently, Sister Margherita Marchione of Farleigh-Dickinson University in New Jersey delivered a paper on Mazzei, in which she points out that the intellectual and philosophical spirit of Philip Mazzei was as much a part of our successful American Revolution as was any battle. I would take this opportunity to insert Sister Margherita's paper in the RECORD in order that we might be better aware, and thus more appreciative of this "idea man" of the American struggle for independence:

> The great educator and president of Columbia University, Nicholas Murray Butler once said: "The place of Italy in civilization is best shown by trying to subtract that place from world history. . . . You can subtract Italian culture from civilization only by destroying that civilization."
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> As we approach the Bicentennial Year, our thoughts turn to the heroic founders of the original Colonies, to the great American Statesmen who later struggled from freedom, to the unselfish labors of all ethnic groups and their unforgettable contribution to our Democracy.
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> There is no need to recall that an Italian discovered America, another gave her its name, others explored her coasts, missionaries spread Christianity, civilization, and good will among the Indians. There was scarcely a field of activity—industrial, architectural, artistic and professional—in which the Italians were not intensely active and we know that they were recognized as skilled craftsmen, that they started the silk industry in Georgia, and the glass industry in Virginia. Artistic creation in architecture, painting, sculpture, music, literature—more than politics, war, philosophy or commerce—has been the predominant character of the civilization of the Italian people. Among the many heroes it suffices to mention the universal poet Dante Alighieri, whose deep insight prophetically shed light on the spirit of our Democracy five centuries before 1776.
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> While we are at this Symposium today, May 10, there is a ceremony taking place in a little town near Florence, Italy—Poggio a Caiano—honoring Philip Mazzei, an unsung hero of American Independence. His faith, courage, dedication are being recalled there today as we too try to honor him. Born on December 25, 1730, he studied and practiced surgery before deciding to go to Smyrna in 1752, where he remained four years and then settled in London in 1756. He came to Virginia in 1773 to introduce the grapevine and other agricultural products, and settled at Colle, his estate near Charlottesville.
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> A versatile, talented, well-read gentleman, Mazzei's interests and friendships—in Italy, England, France, Holland, Poland—were innumerable. The charm of his personality, his intelligence and love of freedom, his knowledge of men and events, led him to active participation in the political life of Virginia. He was asked to search out the best Italian translations of Latin and Greek authors, to supply copies of portraits of early explorers, to look for Italian sculptors to work in the Capitol, Washington, D.C. He witnessed the political upheavals of the 18th Century—the American Revolution, the French Revolution, the Second Division of Poland, the Industrial Revolution in England.
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> In his book entitled *A Nation of Immigrants,* President John F. Kennedy states: "The great doctrine, 'All Men Are Created Equal,' incorporated in the Declaration by Thomas Jefferson, was paraphrased from the writings of Philip Mazzei."
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> During the Bicentennial Year, as our thoughts turn to the original Thirteen Colonies, and to our Founding Fathers, we proudly recall the splendid records of the many heroes of American Democracy. It is appropriate therefore that we honor Philip Mazzei (1730–1816), whose pen inspired and strengthened the colonists in their struggle for independence. Frequently in his writings be used the pseudonym "Furioso," referring to himself as a "Citizen of Virginia," while he wielded his pen exhorting the colonists to sever all ties with England. In his *Historical and Political Studies,* Philip Mazzei gives us an eyewitness account of the period, beginning with the development of each of the Thirteen Colonies, and refutes errors and misrepresentations circulating in books and newspapers throughout Europe.
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> Mazzei addresses himself to the "People of the United States of America—My dear fellow-citizens: The prejudices I have found in Europe, regarding our government and our present situation, have inspired in me the desire to fight them; therefore I have written as an historian and not as an apologist. I have not spared any effort to be accurate and truthful; I have tried to indicate the degree of probability of facts which are uncertain and, in matters still under discussion, I haxe expressed my sentiments as befits a citizen of a free country." In the Introduction which follows he states: "My principal purpose is to give the most accurate and clear idea of the situation in the thirteen United States, and, above all, of their governments. This is possible because I can avail myself of historical facts that can cast light on the subject we shall examine. I shall begin with a brief exposition of the first forms of government in the colonies in order to show their relationship to Great Britain. I shall show you what was the true cause of the Revolution. Then I shall sketch a picture of the conduct of the colonies during a very interesting and singularly critical period—the space of almost two years between the cessation of the royal government and the creation of the republican government."
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> In the March 1788 issue of the *Mercure de France,* we read: "It is easy to recognize through the veil that shrouds the Author, an illustrious philosopher, worthy by his genius and the elevation of his character, to

enlighten men, to defend their rights, and destined through the power of his thought to exert influence on the happiness of his century and posterity." Thus we see that Mazzei's history of the American Colonies did not fail to make an impression on his contemporaries. However, the book was not published in either Italian or English, but it appeared in French in 1788 and, a year later, in German.

The four books were written with a definite purpose, and the volumes represent clearly the author's personal convictions and sentiments. In Volume I, he discusses chronologically the founding and development of the thirteen original colonies, adding chapters on law and government. Volume II consists largely of a confutation of the Abbé de Mably. Mazzei dwells on the nature of government and on the character of the people of the United States, on the Administration and Education, on the Judges of the Supreme Court, on Freedom of the Press and Religion. In Volume III, he continues the history of the colonies, discusses the Quakers, the climate of the United States, and concludes with a confutation of the Abbé de Raynal's deductions. Volume IV consists of a series of essays on political, financial and social conditions in the American Colonies.

The chapter on Emigration is a translation of Franklin's famous *Information to Those Who Would Remove to America*. Other topics are on the Indians, on Slavery, The Society of Cincinnatus, and a Supplement follows with several documents including the United States Constitution. Philip Mazzei concludes the fourth volume as follows: "Such have been my reflections on the influence of the American Revolution. I do not think I have exaggerated its importance, nor that I have been carried away by the enthusiasm which inspires the noble and impressive contributions this new nation gives to the world." These four volumes contained valuable material and documents which served, for future historians, as reference on the Colonists and the American Revolution. An Italian, Carlo Botta, wrote the first *History of the War of American Independence* in 1809. Later it was translated into French and English with at least seven editions. Carlo Botta mentions the work by Mazzei in his Bibliography. Bernard Fay called Mazzei's work "an accurate summary of the foundation of the thirteen colonies and a truthful exposition of the economic troubles which brought about a break between Great Britain and the Colonies. His fourth volume devoted to the modern United States is very interesting. . . . He showed how the example of the Americans, who translated their ideas of freedom from theory into practice, had helped and would help European nations."

Mazzei did not intend that his book be a philosophical treatise; but only a popular exposition of the American Government at work. Information on important subjects was supplied by Thomas Jefferson, John Adams, James Madison and other leaders of the time—men who had either created the documents or lived through the period of the Revolution.

Mazzei did not lack a sense of humor. After examining each of the thirteen colonies, the character of their people and their relationship with Great Britain, he writes as follows: "It was said and written in Europe, and it was believed that the colonies were in large part peopled by criminals who were transported here from England. If this were true, their descendants should only be the more esteemed, unless one would like to attribute to the climate or to the soil the virtue of improving mankind. . . ." The law for the transportation of criminals tended to discredit the Colonists. Mazzei relates that around the year 1766, someone who had landed secretly in New York was arrested. "His case was brought to court, he was condemned *to be transported to the old England*. Consequently, he was placed aboard a ship and sent back. From the moment he landed, he was arrested and imprisoned. When brought before the tribunal, the judge asked him why he had returned. "I have been transported," he responded.—"But do you not know that the law condemns to be hanged whoever comes back before his term is up?"—"I know it, my Lord."—Why, then, have you come back?"—"My Lord, because I have been transported." The judge, who did not imagine that one could be condemned to be transported from America to England, did not comprehend at all what the man was saying. The misunderstanding, one of my friends who had been present at this scene told me the same day, was the occasion for a very strange dialogue between the so-called culprit and the judge, which attracted the attention of all the spectators. Finally, when the judge made him understand that he would be hanged, he pulled out of his pocket the authentic copy of the sentence of the court of New York, the reading of which stimulated genderal laughter, and ended with the man being set free."

The many documents available to us as well as his correspondence give ample proof of his contacts with prominent philosophers, merchants, businessmen, politicians, diplomats, noblemen, who sought his friendship and advice. His writings, worthy or profound study and evaluation, should be placed in proper perspective for, at all times, they reveal the heroic and unselfish generosity of a loyal "Citizen of Virginia."

Truly indicative of nobility are the notes jotted in pencil by Mr. John Page on the back of a letter he received from Philip Mazzei dated February 11, 1775. He describes Mazzei as "a person of the most unaffected piety and the strictest veracity and honor and most manly openness and candour. I can assure Mr. H. [Patrick Henry] that it is not in his power to hurt him . . . in the opinion of the [House of Burgesses], and that he is so universally beloved by the people. . . . They know his integrity and abilities and they have felt the good effects of them in his affairs."

Before Thomas Paine's pamphlet "Common Sense" appeared in January 1776, Philip Mazzei had already published a series of newspaper articles, 1774-1775, in Pinkney's "Virginia Gazette" under the pseudonym of "Furioso." First written in Italian and then translated into English by his good friend Thomas Jefferson, Mazzei's writings strove to change the attitudes of the Colonists toward Great Britain. His dissemination of the principles of equality as found in the "Virginia Gazette" at the beginning of the American Revolution illustrates and confirms his total involvement in the politics of this period.

It is interesting to note that Jefferson's original draft of the Declaration of Independence contained the phrase "and independent" ('that all men are created equal and independent . . ."). However, we know that this phrase had appeared in the "Gazette";

"All men are by nature created free and independent. Such equality is necessary in order to create a free government. It is necessary that all men be equal to each other in natural law. Class distinction has always been and will always be an effective obstacle and the reason for it is very clear. When you have several classes of men in a nation, all must have their share in the government of the country; otherwise one class would dominate the other. But each share cannot be made perfectly equal. . . ."

In his Studies Mazzei writes that "the delegates who were charged with forming the new constitution declared, unanimously, in all the states, that all men are born equally free and independent." In this same chapter on "The Right to Vote," Mazzei adds a footnote: "It is with this great truth that the Declaration of our Rights begins. This foundation of American liberty contains all the principles necessary to preserve it. These principles are on the lips and in the heart of all Americans, who have a religious respect for it. It is on this declaration that my hopes rest. As the clouds of old prejudices are dispelled, the pen of one wise and zealous citizen will suffice, perhaps, to supply an efficacious remedy for the greatest disorders. In the Thirteen States people read and are avid for instruction. It will be enough to give them proof of the transgressions of their representatives for them to order them to do their duty. If these principles had not been expressed with this clarity that places them in the hands of everyone, then the disputes, sustained on the one hand by all the cleverness of bad faith and on the other by the enthusiasm of patriotism, could have rendered the people uncertain and consequently kept them inactive. But the Declaration of Rights will serve as a rule and point of departure for zealous citizens and dispel their doubts."

"In my private capacity," Mazzei wrote to Patrick Henry on January 26, 1776, "I have endeavored to do all in my power toward the Public Welfare. . . . I have sent to Mr. John Page a copy of the instructions I had prepared with the justification of the sentiments therein contained and some reflections upon the English constitution, endeavoring to prove the weak basis and heavy errors of it, my idea in regard to the nature of the best government which may be easily established by us, an opportunity that no People (by what we know from history) ever had before."

Philip Mazzei was totally involved in the movement for independence. In fact, when the first danger of a clash with the colonists and the English arose, Mazzei was among those who enlisted. He joined the "Independent Company" of Albemarle as a private, together with Vincent Bellini and Thomas Jefferson. As they marched on toward the coast, they were joined by young James Madison and his brother. Mazzei modestly relates that they wanted to make him a lieutenant, but that he declined the honor, saying that as a private he could still perform half the duty of an officer, that is give advice, provided the officers would listen to him. Whether or not the officers listened to him we do not know, but Jefferson had to, later, in the Revolution, when Mazzei wrote lengthy letters from France replete with advice.

The danger having been averted, Mazzei's company did not see military action and was soon disbanded. He writes that though he did not go far from home, he was more occupied with political and military affairs than he was with his private enterprises. In his letter of January 11, 1777, to John Page, Mazzei states: "As I am preparing to march to the Continental Camp with as many volunteers as I shall be able to persuade, I must settle everything without delay." While appreciating Mazzei's desire to join the Continental Army, Patrick Henry, who was the governor of Virginia at the time, refused him permission, stating that he could best serve the country with his pen rather than his sword.

Mazzei's agricultural experiments were pushed into the background by events of military and political importance. Virginia was sorely pressed for money and army supplies. It was decided by Thomas Jefferson, Patrick Henry, George Mason, John Page and others, that Mazzei would be put to better use if he were sent to Europe for the purpose of borrowing money for the State of Virginia from his friend, the Grand-Duke of Tuscany. Thus Mazzei became Virginia's Agent. Not only by word-of-mouth did Mazzei promote the American Cause abroad, but also by the writing of many letters and articles such as "Why the American States Cannot Be Called Rebels," "The Justice of the American Cause," "The Importance of Commerce With Virginia."

Later, Mazzei became the agent and chargé d'affaires of King Stanislaus of Poland in Paris. His letters from 1788 to 1793 enlighten us about a very critical period of Polish history.

Among Mazzei's friends was another great soldier, Lafayette. When Mazzei was in Warsaw, Lafayette wrote to him from Metz, April 21, 1792, as follows: "If you are still so fortunate as to be with the King of Poland, I beg you, my dear Mazzei, to pay him the respects of a soldier of liberty, who does not flatter himself into believing that his compliments are pleasing to many kings of Europe, but who likes to express his gratitude as well as his admiration for the leader of the Polish Revolution."

Mazzei died at Pisa, Tuscany, on March 19, 1816. With much insight and accuracy, Mazzei's contemporaries have left us a very interesting verbal portrait in the obituary of the Philadelphia *Aurora* (reprinted in the Richmond, Virginia, *Argus*, June 26, 1816). After a summary of his career, the article continues: "Mazzei was a distinguished politician. In principles he was a republican and a confessed enemy to tyrants, both of church and of state. His work on America furnishes ample proof of his adherence to the best principles in politics.

"He was possessed to a great ingenuity of character and simplicity of manners. His knowledge of mankind was extensive. He was profoundly adept in the science of human nature. Toward the United States his affections were entirely devoted. His principal consolation in the decline of life was derived from seeing that country flourish, of which he was proud to consider himself an adopted citizen."

In a letter dated July 18, 1816, from Monticello, Virginia, Thomas Jefferson wrote to Giovanni Carmignani, an Italian professor at the University of Pisa as follows:

"I learn this event with great affliction, altho' his advanced age had given reason to apprehend it. An intimacy of forty years has proven to me his great worth, and a friendship which had begun in personal acquaintance, was maintained after separation, without abatement by a constant interchange of letters. His esteem too in this country was very general; his early and zealous cooperation in the establishment of our independence having acquired for him a great degree of favor."

On the same day Jefferson wrote to his friend Thomas Appleton, who had informed him of Mazzei's death:

"He [Mazzei] had some peculiarities, and who of us has not? But he was of solid worth; honest, able, zealous in sound principles moral and political, constant in friendship, and punctual in all his undertakings. He was greatly esteemed in this country, and some one has inserted in our papers an account of his death, with a handsome and just eulogy of him, and a proposition to publish his life in one volume. I have no doubt but that what he has written of himself during the portion of the revolutionary period he has passed with us, would furnish some good material for our history of which there is already a wonderful scarcity. But where this undertaker of his history is to get his materials, I know not, nor who he is."

A close friend of Thomas Jefferson, John Adams, Patrick Henry, James Madison, George Washington and other great men of his century, Mazzei completely effaced himself in his efforts to promote the American Cause, having joined them in making the history of the United States. Indeed, he fully deserves the honor of being called one of America's Founding Fathers.

In rendering tribute to Philip Mazzei and his love and devotion for his adopted country, we remember with gratefulness the many immigrants of all ethnic groups, who, as he did, have made priceless contributions to the America we all cherish and appreciate in a special way during this Bicentennial Celebration of the American Revolution.

Philip Mazzei's message is a personal one. It was exemplified in the spirit of sacrifice, the courage and the hope of our forefathers. With the closing sentence in the Declaration of Independence, the Continental Congress made a profession of trust in God:

"And for the support of this Declaration, with a firm reliance on the protection of divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor."

Today we are inspired by the story of a man whose dedication to his adopted country should never be forgotten. When he returned to Europe his longing for America never ceased and he wrote to Madison as follows:

"I am leaving, but my heart remains. America is my Jupiter, Virginia my Venus. When I think over what I felt when I crossed the Potomac, I am ashamed of my weakness. I do not know what will happen when I shall lose sight of Sandy-Hook. I know well that wherever I shall be and under any circumstances I will never relent my efforts towards the welfare of my adopted country."

Today, both here and abroad, Mazzei's ideals and contribution to the freedoms we enjoy are remembered, and the efforts of all our Founding Fathers appreciated. More than at any time in our history we need to regain that spirit which inspired them in 1776—when patriotism won for us our independence and built for us a great nation of liberty-loving people, thereby preserving for us a freedom and security unsurpassed in the history of the world.

Philip Mazzei's book *Historical and Political Studies on the United States of America* will be published by the American Institute of Italian Studies, Eight East Sixty-Ninth Street, New York, N.Y. 10021, 1975, 250pp.

MORAL LEGACY OF THE FOUNDING FATHERS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 11, 1975

Mr. HARRINGTON. Mr. Speaker, recently an article by John Hope Franklin, entitled "The Moral Legacy of the Founding Fathers," appeared in the University of Chicago magazine. It seems to me that as we approach the Bicentennial, it is important that we not lose sight of a crucial aspect of our history: Racial segregation and discrimination. Mr. Franklin, in a profound way, traces this part of our history, and I recommend his article to my colleagues for their attention.

The text follows:

[From the University of Chicago magazine, Summer 1975]

THE MORAL LEGACY OF THE FOUNDING FATHERS

(By John Hope Franklin)

As we approach the bicentennial of the independence of the United States, it may not be inappropriate to take advantage of the perspective afforded by these last two centuries. Such a perspective should enable us to understand the distance we have traveled and where we are today.

This stock-taking, as it were, seems unusually desirable, thanks to the recent crises in leadership, in confidence in our political institutions, and in the standards of public morality to which we have paid only a "nodding acquaintance" over the years. As we do so, it is well to remember that criticism does not necessarily imply hostility; and, indeed, the recognition of human weakness suggests no alienation. One thing that becomes painfully clear as we look today at the shattered careers of so many public servants, with their confusion of public service with personal gain, is that we cannot always be certain of the validity of the defensibility of the positions taken by those who claim to be our leaders.

One of the problems that we encounter as we look at our past as well as our present is that we tend to shy away from making judgments or even criticisms of those who occupy the seats of the mighty. To the uninitiated, it seems somehow inappropriate. To the seasoned or cynical politician, it is anathema.

To be sure, we ally ourselves with one political party or another—as we have done since the time of Jefferson and Hamilton—and we have railed against the politics of one party or, now and then, the conduct of party leaders.

On the whole, however, our criticisms have been superficial; and the glass houses we have occupied have, for obvious reasons, prevented our engaging in all-out strictures against our adversaries. The result has been that we have usually engaged in the most gentle rapping of the knuckles of those who have betrayed their public trust; and seldom have we called our public servants to account in a really serious way.

In the effort to create an "instant history" with which we could live and prosper, our early historians intentionally placed our early national heroes and leaders beyond the pale of criticism. From the time that Benjamin Franklin created his own hero in "Poor Richard" and Mason L. Weems created the cherry tree story about George Washington, it has been virtually impossible to regard our Founding Fathers as normal, fallible human beings. And this distorted image of them has not only created a gross historical fallacy, but it has also rendered it utterly impossible to deal with our past in terms of the realities that existed at the time.

To put it another way, our romanticizing about the history of the late 18th century has prevented our recognizing the fact that the Founding Fathers made serious mistakes that have greatly affected the course of our national history from that time to the present.

In 1974 we observed the bicentennial of the first Continental Congress, called to protest the new trade measures invoked against the colonies by Great Britain and to protest the political and economic measures directed particularly against the colony of Massachusetts. In a sense these measures were, indeed, intolerable as the colonists were forced to house British soldiers stationed in their midst, and Quebec was given political and economic privileges that appeared to be clearly discriminatory against the thirteen colonies.

But were these measures imposed by the British more intolerable than those imposed or, at least, sanctioned by the colonists against their own slaves? And yet, the colonists were outraged that the mother country was denying them their own freedom—the freedom to conduct their trade as they pleased.

It was not that the colonists were unaware of the problem of a much more basic freedom than that for which they were fighting in London. First of all, they knew of the 1772 decision of Lord Mansfield in the Somerset case, in which slavery was outlawed in Britain on the compelling ground that human bondage was "too odious" in England without specific legislation authorizing it. Although the colonists did have the authorization to establish and maintain slavery, Lord Mansfield's strictures against slavery could not have been lost on them altogether.

Secondly, and even more important, the slaves themselves were already pleading for their own freedom even before the first Continental Congress met. In the first six months of 1773 several slaves in Massachusetts submitted petitions to the General Court "praying to be liberated from a State of slavery." In the following year scores of other slaves, denying that they had ever forfeited the blessings of freedom by any compact or agreement to become slaves, asked for their freedom and for some land on which each of them "could sit down quietly under his own fig tree." The legislature of the Massachusetts Colony debated the subject of slavery in 1774 and 1775, but voted simply that "the matter now subside."

But the matter would neither die nor subside. As the colonists plunged into war with Great Britain, they were faced with the problem of what to do about Negro slavery. The problem presented itself in the form of urgent questions. First, should they continue to import slaves?

This was a matter of some importance to British slave trading interests who had built fortunes out of the traffic in human beings and to colonists who feared that new, raw recruits from the West Indies and Africa would be more of a problem than a blessing. Most of the colonies opposed any new importations, and the Continental Congress affirmed the prohibition in April, 1776.

Secondly, should the colonists use black soldiers in their fight against Britain? Although a few were used in the early skirmishes of the war, a pattern of exclusion of blacks had developed by the time that independence was declared. In July, 1775, the policy had been set forth that recruiters were not to enlist any deserter from the British army, "nor any stroller, negro, or vagabond."

Then, later in the year the British welcomed all Negroes willing to join His Majesty's troops, and promised to set them free in return. The colonists were terrified, especially with the prospect of a servile insurrection. And so the Continental Congress shortly reversed its policy and grudgingly admitted blacks into the Continental Army.

The final consideration, as the colonists fought for their own freedom from Britain, was what would be the effect of their revolutionary philosophy on their own slaves. The colonists argued in the Declaration of Independence that they were oppressed; and they wanted their freedom. Thomas Jefferson, in an early draft, went so far as to accuse the King of England of imposing slavery on them; but more "practical" heads prevailed, and that provision was stricken from the Declaration.

Even so, the Declaration said "All men are created equal." "Black men as well as white men?" some wondered. Every man had an inalienable right to "life, liberty, and the pursuit of happiness." "Every black man as well as every white man?" some could well have asked.

How could the colonists make distinctions in their revolutionary philosophy? They either meant that *all* men were created equal or they did not mean it at all. They either meant that *every* man was entitled to life, liberty, and the pursuit of happiness, or they did not mean it at all.

To be sure, some patriots were apparently troubled by the contradictions between their revolutionary philosophy of political freedom and the holding of human beings in bondage. Abigail Adams, the wife of John Adams, admitted that there was something strange about their fighting to achieve and enjoy a status that they daily denied to others. Patrick Henry, who had cried "Give me liberty or give me death," admitted that slavery was "repugnant to humanity;" but not terribly repugnant, for he continued to hold blacks in bondage. So did George Washington and Thomas Jefferson and George Mason and Edmund Randolph and many others who signed the Declaration of Independence or the federal Constitution. They simply would not or could not see how ridiculous their position was.

And where the movement to emancipate the slaves took hold, as in New England and in some of the Middle Atlantic states, slavery was not economically profitable anyway. Consequently, if the patriots in those states were genuinely opposed to slavery, they could afford the luxury of speaking against it. But in neither of the Continental Congresses nor in the Declaration of Independence did the Founding Fathers take an unequivocal, categorical stand against slavery. Obviously, human bondage and human dignity were not as as important to them as their own political and economic independence.

The Founding Fathers were not only compelled to live with their own inconsistency but they also had to stand convicted before the very humble group which they excluded from their political and social fellowship. In 1777 a group of Massachusetts blacks told the whites of that state that every principle which impelled America to break with England "pleads stronger than a thousand arguments" against slavery. In 1779 a group of Connecticut slaves petitioned the state for their liberty, declaring that they "groaned" under the burdens and indignities they were required to bear.

In 1781, Paul Cuffe and his brother, two young enterprising blacks, asked Massachusetts to excuse them from the duty of paying taxes, since they "had no influence in the election of those who tax us." And when they refused to pay their taxes, those who had shouted that England's taxation without representation was tyranny, slapped the Cuffe brothers in jail!

Thus, when the colonists emerged victorious from their war with England, they had both their independence *and* their slaves. It seemed to matter so little to most of the patriots that the slaves themselves had eloquently pointed out their inconsistencies or that not a few of the patriots themselves saw and pointed out their own fallacious position. It made no difference that 5,000 blacks had joined in the fight for independence, only to discover that *real* freedom did not apply to them. The agencies that forged a national policy against England—the Continental Congresses and the government under the Articles of Confederation—were incapable of forging—or unwilling to forge—a national policy in favor of human freedom.

It was not a propitious way to start a new nation, especially since its professions were so different from its practices and since it presumed to be the model for other new world colonies that would, in time, seek their independence from the tyranny of Europe.

Having achieved their own independence, the patriots exhibited no great anxiety to extend the blessings of liberty to those among them who did not enjoy it. They could not altogether ignore the implications of the revolutionary philosophy, however. As early as 1777 the Massachusetts legislature had under consideration a measure to prohibit "the practice of holding persons in Slavery." Three years later the new constitution of that state declared that "all men are born free and equal." Some doubtless hoped that those high sounding words would mean more in the Constitution of Massachusetts than they had meant in the Declaration of Independence.

Her neighbors, however, were more equivocal, with New Hampshire, Connecticut and Rhode Island vacillating, for one reason or another, until another decade had passed. Although Pennsylvania did abolish slavery in 1780, New York and New Jersey did no better than prepare the groundwork for gradual emancipation at a later date.

One may well be greatly saddened by the thought that the author of the Declaration of Independence and the commander of the Revolutionary army and so many heroes of the Revolution were slaveholders. Even more disheartening, if such is possible, is that those *same* leaders and heroes were not greatly affected by the philosophy of freedom which they espoused. At least they gave no evidence of having been greatly affected by it.

Nor did they show any great magnanimity of spirit, once the war was over and political independence was assured. While northerners debated the questions of how and when they would free their slaves, the institution of human bondage remained as deeply entrenched as ever—from Delaware to Georgia. The only area on which there was national agreement that slavery should be prohibited was the area east of the Mississippi River and north of the Ohio River—the Northwest Territory. The agreement to prohibit slavery in that area, where it did not really exist and where relatively few white settlers lived, posed no great problem and surely it did not reflect a ground swell for liberty.

Meanwhile the prohibition, it should be noted, did not apply to the area south of the Ohio River, where slaveholders were more likely to settle anyway! This clearly shows that the Founding Fathers were willing to "play" with the serious question of freedom, thus evincing a cynicism that was itself unworthy of statesmanship.

Nor is one uplifted or inspired by the attitude of the Founding Fathers toward the slave trade, once their independence was secured. In the decade following independence the importation of slaves into the United States actually increased over the previous decade as well as over the decade before the War for Independence began. Far from languishing, the institution of slavery was prospering and growing. In its deliberations between 1781 and 1789 the Congress of the Confederation barely touched on the question of slavery or the slave trade. There was, to be sure, some concern over the capture of slaves; and the Congress gave some attention to a Quaker petition against the trade, but it took no action.

On the whole the nation did not raise a hand against it. The flurry of activity in the states, which led to the prohibition of slave importations in some of them and a temporary cessation of the trade in others, had the effect of misleading many people into thinking that slavery's hold on the nation was weakening.

That this was far from the actual situation became painfuly clear when the delegates gathered in Philadelphia in 1787 to write a new Constitution. In the discussion over the slave trade only practical and economic considerations held sway. Humane considerations simply were not present. Maryland and Virginia tended to oppose the slave trade simply because they were overstocked and were not anxious to have any large importations into their midst. South Carolina and Georgia, where the death rate in the rice swamps was high and where slaveholders needed new recruits to develop new areas, demanded an open door for slave dealers.

And who rushed to the rescue when South Carolina demanded concessions on the question of the slave trade? It was Oliver Ellsworth of Connecticut, who observed that a provision in the Constitution against the slave trade would be "unjust towards South Carolina and Georgia. Let us not intermeddle," he said. "As population increases, poor laborers will be so plenty as to render slaves useless." It is impossible to conceive that such temporizing on the part of a leading colonist would have been tolerated in the late dispute with England.

Could the new national government that was designed to be strong have *anything* to say regarding slavery and the slave trade in the states? Elbridge Gerry of Massachusetts answered that it could not. It only had to refrain from giving direct sanction to the system.

Perhaps this is the view that seemed to silence the venerable Benjamin Franklin. The oldest and easily one of the most respected members of the Constitutional Convention, Franklin brought with him a strong resolution against the slave trade that had been entrusted to him by the Pennsylvania Abolition Society. Although he was one of the most frequent speakers at the Convention, he never introduced the resolution. With faint hearts such as Gerry's and Franklin's there is little wonder that South Carolina and Georgia were able to have their own way in wording the provision that declared that the slave trade could not be prohibited for another twenty years. One need only to look at the slave importation figures between 1788 and 1808 to appreciate how much advantage was taken of this generous reprieve.

The Founding Fathers did no better when it came to counting slaves for purposes of representation and taxation. Northerners, who regarded slaves as property, insisted that for the purpose of representation they could not be counted as people. Southern slaveholders, while cheerfully admitting that slaves were property, insisted that they were also people and should be counted as such. It is one of the remarkable ironies of the early history of this democracy that the very men who had shouted so loudly that all men were created equal could not now agree on whether or not persons of Afircan descent were men at all.

The irony was compounded when, in the so-called major compromise of the Constitution, the delegates agreed that a slave was three-fifths of a man, meaning the five slaves were to be counted as three persons. The magic of racism can work magic with the human mind. One wonders whether Catherine Drinker Bowen had this in mind when she called her history of the Constitutional Convention *The Miracle at Philadelphia.*

If slaveholders feared possible insurrections by their slaves, they were no less apprehensive about the day-to-day attrition of the institution caused by slaves running away. They wanted to be certain that the Constitution recognized slaves as property and that it offered protection to that property, especially runaways. Significantly, there was virtually no opposition to the proposal that states give up fugitive slaves to their owners. The slaveowners had already won such sweeping constitutional recognition of slavery that the fugitive slave provision may be regarded as something of an anti-climax There was, as Roger Sherman of Connecticut pointed out, as much justification for the public seizure and surrendering of a slave as there was for the seizure of a horse. Thus, a slave, who was only three-fifths of a man, was to be regarded in this connection as no more than a horse.

And the Constitution required that slaves who ran away were not to enjoy the freedom that they had won in their own private war for independence, but were to be returned to those who claimed title to them. Consequently, there was a remarkable distinction between fighting for one's political independence, which the patriots expected to win and did, and fighting for one's freedom from slavery, which these same patriots made certain that the slaves would not win.

At the outset it was observed that we tend to shy away from making criticisms or judgments of those who occupy the seats of the mighty. This is not good either for ourselves or the institutions and way of life we seek to foster. If we would deal with our past in terms of the realities that existed at the time, it becomes necessary for us to deal with our early leaders in their own terms, namely, as frail, fallible human beings, and—at times—utterly indifferent to the great causes they claimed to serve.

We may admire them for many things: their courage and bravery in the military struggle against Britain; their imaginative creativity in forging a new instrument of government; and their matchless service to a cause that captured the imagination of people around the world.

It does not follow, however, that we should admire them for betraying the ideals to which they gave lip service, for speaking eloquently at one moment for the brotherhood of man and in the next moment denying it to their black brothers who fought by their side in their darkest hours of peril, and for degrading the human spirit by equating five black men with three white men or equating a black man with a horse!

We are concerned here not so much for the harm that the Founding Fathers did to the cause which they claimed to serve as for the harm that their moral legacy has done to every generation of their progeny. Having created a tragically flawed revolutionary doctrine and a Constitution that did not bestow the blessings of liberty on its posterity, the Founding Fathers set the stage for every succeeding generation of Americans to apologize, compromise, and temporize on those principles of liberty that were supposed to be the very foundation of our system of government and way of life.

That is why the United States was so very apprehensive when Haiti and most of the other Latin American countries sought to wipe out slavery the moment they received their political independence. The consistency of those nations was alien to the view of the United States on the same question.

That is why the United States failed to recognize the existence of the pioneer republics of Haiti and Liberia until this nation was in the throes of a great civil war and sought to "use" these countries for colonizing some blacks. Earlier recognition would have implied an equality in the human family that the United States was unwilling to concede.

That is why this nation tolerated and, indeed, nutured the cultivation of a racism that has been as insidious as it has been pervasive.

Racial segregation, discrimination, and degradation are no unanticipated accidents in this nation's history. They stem logically and directly from the legacy that the Founding Fathers bestowed upon contemporary America. The denial of equality in the year of independence led directly to the denial of equality in the era of the bicentennial of independence. The so-called compromises in the Constitution of 1787 led directly to the arguments in our own time that we can compromise equality with impunity and somehow use the Constitution as an instrument to preserve privilege and to foster inequality. It has thus become easy to invoke the spirit of the Founding Fathers whenever we seek ideological support for the social, political and economic inequities that have become a part of the American way.

It would be perverse indeed to derive satisfaction from calling attention to the flaws in the character and conduct of the Founding Fathers. And it would be irresponsible to do so merely to indulge in whimsical iconoclasm.

But it would be equally irresponsible in the era of the bicentennial of independence not to use the occasion to examine our past with a view to improving the human condition.

An appropriate beginning, it would seem, would be to celebrate our origins for what they were—to honor the principles of independence for which so many patriots fought and died. It is equally appropriate to be outraged over the manner in which the principles of human freedom and human dignity were denied and debased by those same patriots. Their legacy to us in this regard cannot, under any circumstances, be cherished or celebrated. Rather, this legacy represents a continuing and dismaying problem that requires us all to put forth as much effort to overcome it as the Founding Fathers did in handing it down to us.

SENATE—*Monday, July 14, 1975*

(Legislative day of Thursday, July 10, 1975)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. FORD).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, may that righteousness which exalts a nation be the code of conduct for all citizens and the pattern of political life for our leaders. Forbid that the lofty standards of the Founding Fathers should ever be discarded or the idealism of youth sour into cynicism. Keep our faith in Thee and in Thy law steadfast and sure.

And now that another day of service in this Chamber has been given to us, we pray for the gifts of self-mastery and self-control, for wisdom beyond our own and for strength which comes from Thee. Make us sensitive to the needs of all the people, careful to hear and evaluate the judgments of our colleagues, heedful of the promptings of conscience, and obedient to the guidance of Thy spirit. In all our ways may we acknowledge Thy higher rulership and persevere in the work of Thy kingdom.

We pray in His name who lived and died doing the will of our Heavenly Father. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, July 11, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order Nos. 258 and 269, in that order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BILINGUAL COURTS ACT

The Senate proceeded to consider the bill (S. 565) to amend title 28, United

States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes, which had been reported from the Committee on the Judiciary with amendments as follows:

On page 4, line 11, strike "118," and insert "119,";

On page 6, line 5, strike "1975." and insert "1976.";

So as to make the bill read as follows:

S. 565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "Bilingual Courts Act".

CONDUCT OF BILINGUAL PROCEEDINGS

SEC. 2. (a) Chapter 119 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1827. Bilingual proceedings

"(a)(1) In any criminal action, whenever the judge determines, on his own motion or on the motion of a party to the proceedings, that (A) the defendant does not speak and understand the English language with a facility sufficient for him to comprehend either the proceedings or the testimony, or (B) in the course of such proceedings, testimony may be presented by any person who does not so speak and understand the English language, the court, in all further proceedings in that action, including arraignment, hearings, and trial, shall order an oral simultaneous translation of the proceedings, or an oral simultaneous translation of that testimony, to be furnished by an interpreter in accordance with the provisions of subsection (b) of this section.

"(2) In any civil action, whenever the judge determines on his own motion or on the motion of a party to the proceedings, that (A) a party does not speak and understand the English language with a facility sufficient for him to comprehend either the proceedings or the testimony, or (B) in the course of such proceedings, testimony may be presented by any person who does not so speak and understand the English language, in all further proceedings in that action, including hearings and trial, the court shall order an oral translation of the proceedings to be made by an interpreter in accordance with the provisions of subsection (b) of this section. The judge shall also determine, in the interests of justice, whether the translation shall be simultaneous, consecutive, or summary in nature, except that if a party requests a simultaneous translation, the court shall give the request special consideration.

"(3) In any criminal or civil action, the judge, on his own motion or on the motion of a party to the proceedings, may order all or part of the non-English testimony and the translation thereof to be electronically recorded for use in verification of the official transcript of the proceedings.

"(4) The defendant in any criminal action, or a party in any civil action, who is entitled to a translation required under this section, may waive the translation in whole or in part. The waiver must be expressly made by the defendant or party upon the record and approved by his attorney and by the judge. An interpreter shall be used to explain the nature and effect of the waiver to the non-English-speaking defendant or party.

"(5) The term 'judge' as used in this section shall include a United States magistrate and a referee in bankruptcy.

"(b)(1) The district court in each judicial district shall maintain on file in the office of the clerk of the court a list of all persons in that district who have been certified as interpreters by the Director of the Administrative Office of the United States Courts under section 604(a)(12) of this title.

"(2) In any action where the services of an interpreter are required to be utilized under this section, the court shall obtain the services of a certified interpreter from within the judicial district, except that, where there are no certified interpreters in the judicial district, the court, with the assistance of the Administrative Office of the United States Courts, shall determine the availability of and utilize the services of certified interpreters from nearby districts. Where no certified interpreter is available from a nearby district, the court shall obtain the services of an otherwise competent interpreter.".

(b) The analysis of chapter 119 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1827. Bilingual proceedings.".

FACILITIES AND PERSONNEL FOR BILINGUAL PROCEEDINGS

SEC. 3. Section 604(a) of title 28, United States Code, is amended—

(1) by redesignating paragraph (12) as paragraph (13); and

(2) by inserting immediately below paragraph (11) the following new paragraph:

"(12) Under section 1827 of this title, (A) prescribe, determine, and certify the qualifications of persons who may serve as certified interpreters in bilingual proceedings, and in so doing shall consider the education, training, and experience of those persons; (B) maintain an updated master list of all interpreters certified by him, and report annually on the frequency of requests for, and the use and effectiveness of interpreters in bilingual proceedings pursuant to the provisions of this Act; (C) provide, or make readily available to each district court, appropriate equipment and facilities for the translation of non-English languages; (D) prescribe, from time to time, a schedule of reasonable fees for services rendered by such interpreters and, in those districts where the Director considers it advisable based on the need for interpreters, authorize the employment by the court of certified full-time or part-time interpreters; and (E) pay out of moneys appropriated to the judiciary for the conduct of bilingual proceedings the amount of interpreter's fees or costs of recording which may accrue in a particular proceeding, unless the court, in its discretion, directs that all or part of those fees or costs incurred in a civil proceeding in which an interpreter is utilized pursuant to section 1827(a)(2) of this title be apportioned between the parties or allowed as costs in the action;".

APPROPRIATIONS

SEC. 4. There are hereby authorized to be appropriated to the Federal judiciary such sums as may be necessary to carry out the amendments made by this Act.

EFFECTIVE DATE

SEC. 5. The amendment made by this Act shall take effect on September 1, 1976.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

MULTIYEAR LEASES BY THE GENERAL SERVICES ADMINISTRATION

The bill (S. 1260) to authorize the Administrator of General Services to enter into multiyear leases through use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representives of the United States of America in Congress assembled, That section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is amended by adding at the end thereof the following:

"(h) Notwithstanding any other provision of law, the Administrator is authorized to enter into multiyear contracts under this section financed through the fund and may incur or authorize obligations in excess of the amount available in the fund, except that (1) the amount of unfunded obligations incurred during any fiscal year shall not exceed the amount specified in an appropriation Act for that fiscal year, (2) the cash balances of the fund shall be maintained in such amounts as are necessary at any time for cash disbursements to be made from the fund, and (3) the term for the performance of any such contract shall not exceed ten years.

"(i) As used in this section, automatic data processing equipment also includes, but is not limited to, hardware, software, maintenance, related equipment and supplies, and related services."

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I do not seek further time.

Mr. HUGH SCOTT. Mr. President, I yield back my time under the standing order.

Mr. MANSFIELD. Mr. President, in view of the fact that the Senator from Colorado is not here, I ask unanimous consent that the distinguished Senator from Utah (Mr. GARN) be recognized in his place, to be followed by the Senator from Colorado.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Under the previous order, the Senator from Utah (Mr. GARN) is recognized for not to exceed 15 minutes.

THE IMPORTANCE OF GENERAL REVENUE SHARING TO LOCAL GOVERNMENTS

Mr. GARN. Mr. President, last week in Boston the U.S. Conference of Mayors held their annual convention, and once again we heard the plight of the cities. That is my purpose in speaking this morning, as a former mayor—just 6 months ago—and as an officer of the National League of Cities: to state that the problems of the cities of this country are very real, and that I have often felt that Congress has not faced up to its responsibilities in helping the local and State levels of governments adequately.

As we all know, there are three levels of government, the local level—cities and counties—the State level, and the national level, known as the Federal intergovernmental system. Unfortunately, over the past 40 years, we have seen a trend toward centralization of government at the national level, and the taking away of the powers of cities, counties, and States, thereby diminishing the authority of Governors, mayors, city commissioners, and city councilmen, and with good intent. Certainly Congress hoped to solve some of the problems of the cities, but the trend has resulted in a vast system of categorical grant-in-aid programs almost without number, with overlapping, duplication. It has resulted in a bureaucracy that is very insensitive to the needs of these local governments, where appointed officials are making decisions; and where local mayors, who are elected and accountable to their constituents, are told by relatively low-ranking appointed officials how to run their cities and States.

And despite this proliferation of categorical grant-in-aid programs, with all of their rules, regulations, and guidelines, the problems of the cities have become worse. There were many days when, as mayor of Salt Lake City, I did not really feel like mayor, but like a local manager for the Federal Government, a puppet at the bottom of some strings being pulled this way and that by officials who were, again, not accountable to the electorate.

If I did not do a good job as a mayor, there was a good old-fashioned way to take care of that problem: The people of Salt Lake City could get rid of the mayor at the next election. But they certainly could not get rid of appointed officials whom they did not even know, but who had great influence over the way their cities and counties were run.

Those problems were again brought to our attention at the U.S. Conference of Mayors, and we were reminded once more that indeed they do exist.

In this period of centralization over the last 4 years, there was, in my opinion, one bright spot, and that was general revenue sharing. Those of us in local government, including the former Governor of the State of Kentucky now presiding over the Senate (Mr. FORD), saw for first time some reversal of this flow of power to Washington, when money was sent back so that we could make decisions at the local level as to priorities in the solution of our own problems.

Some 3 years have passed since the enactment of the General Revenue Sharing Act. This year several bills have been introduced in the Senate of the United States to extend general revenue sharing, but little interest is being shown and little is being done to act upon them, because there is no pressure, as the act does not expire until next year.

Mr. President, I think it is highly important for the cities and States of this country that we extend general revenue sharing this year. The services we provide at the local level are not discretionary. They are necessary services that we cannot make a decision to do away with. At the Federal and State levels of government, there are a lot of services that could cease to exist tomorrow, and the only way that taxpayers would know about it would be if they read about it in the daily newspapers, because these programs do not directly affect our lives.

But at the local level, if you do not pick up the garbage, fill the chuckholes, and provide police and fire protection, basic health and education services, and all the necessities that we must have from government in order to live together in communities, if those services are not provided, we get into some very great difficulties.

That, Mr. President, is the message of the U.S. Conference of Mayors. These are the most important services. They represent the ones that should be at the top of the priority list when we look at government expenditures of tax revenues.

So the major point that I would like to make today is that the cities are having a difficult time budgeting. They need to look into the future and be able to plan their budgets. Under congressional budgetary procedures now in effect, no action can be taken on a fiscal matter of this sort until the first budget resolution is adopted. Therefore, if revenue sharing is not extended this year, nothing can happen before the 15th of May 1976.

This fact makes the timing very critical. Action must be taken this year because it is early next year that most of the cities of the country will be adopting their budgets. How can they adopt their budgets if they are not certain as to what Congress is going to do? It is important that they know early next year whether they can rely upon revenue sharing for part of their budget money.

There are critics of the present formula. They seem to ignore the fact that there is a needs factor in the formula. They seem to want the people to believe that it is only based on population and that the big cities are being treated unfairly.

But there certainly is a needs factor in the formula; it is not a straight per capita formula.

A study of the American Council on Intergovernmental Relations, published in October 1974, found that revenue sharing tends to equalize the fiscal capabilities in central city and suburban jurisdictions. Far more aid is channeled to central cities than to the rich suburban jurisdictions, and central cities receive three to seven times as much aid as their affluent suburbs.

So we feel very strongly, and when I say "we" I suppose I am still talking more as a mayor than as a Senator, that revenue sharing has proved to be a very valuable tool for local governments to meet their needs without all of the strings and guidelines attached by the categorical grant-in-aid programs. It is essential that we reenact general revenue sharing without strings, without getting into a long debate over the formula that could defeat revenue sharing, and that we do this early enough so that the cities and States of this country will be able to plan their budgets in advance rather than being subject to uncertainty, wondering what Congress will do next year.

So I hope the Senate will heed the cry of the cities of the country, that it will recognize the need for decentralization, that it will trust the local and State officials of this country to do the jobs in their States and their municipalities, subject to the approval of their own voters. I hope that this trend will continue, that the Congress and the Federal Government will get out of the business of the States and municipalities and will allow them to govern, allow them to make decisions, and allow them to tailor-make their decisions to their own individual needs in this country. I hope that we certainly will get on with the hearings on revenue sharing; and that we will make a decision this year and not put the cities in that uncertain plight that will occur if we postpone it until next year.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Colorado (Mr. HASKELL) is recognized for not to exceed 15 minutes.

S. 2098—FEDERAL CONFLICT OF INTEREST ACT

Mr. HASKELL. Mr. President, I am introducing legislation today, for myself and Mr. HATFIELD, the distinguished Senator from Oregon, also Mr. BIDEN, Mr. CHILES, Mr. CRANSTON, Mr. GARN, Mr. LEAHY, and Mr. GARY W. HART.

This legislation is entitled The Federal Conflict of Interest Act and is designed to provide a coherent, consistent and enforceable code to shield public policy from the personal financial interests of public policymakers.

The present patchwork of conflict of interest regulations has failed. A few cases I have encountered while drafting this legislation support that view:

According to a recent GAO report, some officials of the U.S. Geological Survey own stock in companies holding mineral leases on Federal lands administered by USGS.

The holdings were disclosed in financial statements filed in 1974 but the agency took no action to force divestiture. The GAO report stated that of 223 financial statements filed by USGS employees for fiscal 1974, 22 percent showed financial interests which either violated the law or raised conflict of interest possibilities.

Another GAO report discusses a Phillips Petroleum executive who took a year's leave of absence to work for the Federal Energy Office under the Presidential executive interchange program.

As part of his FEO duties, the executive evaluated and projected the effects of present and proposed regulation of various sectors of the oil and gas industry. The GAO notes that the executive retained a financial interest in Phillips through the company's thrift and retirement plans and also through his continuing employment with the company.

In both these instances, Mr. President, the possible conflicts were obvious; one by the employee's disclosure statement, the other merely by virtue of the employee's continued association with a private company directly affected by his governmental duties.

Two other examples reveal other flaws in present procedures:

A nominee for a Federal agency post put his interests in a blind trust. But the principal assets were unmarketable and a close relative was named trustee.

The assets were conveyed by the trustee in return for stock in a family-held corporation. Thus, the family retained assets which could be affected by the nominee's decisions in his new post. The agency official responsible for such matters approved the arrangement.

Recently the Council on Economic

Priorities released a study entitled, "Military Maneuvers." The study charges no illegality but found that over a quarter of the 1,400-plus former Pentagon employees who went to work for defense contractors between 1969 and 1973 were involved in potential conflicts of interest.

The study cites a number of instances in which former officers took jobs with contractors over which they previously had some form of authority. Existing law requires retired military officers to file reports for 3 years after leaving the service if they go to work, at a salary of $15,000 or more, for companies with $10 million or more in defense contracts. The system is not working; the CEP found an apparent lack of effort and no qualitative analysis.

The CEP's explanation of this Department of Defense situation sums up the problems with Federal conflict of interest regulation generally:

> Since the entire procedure was not initiated by DOD, but was thrust upon it by Congress, it is not perceived as central to the goals of the DOD. By assigning the responsibility to offices with other responsibilities, and by dispersing the responsibilities, it was assured that only a minimum of effort would be exerted for evaluating and compiling the reports.

As I began querying various departments and agencies of Government, it became clear this was the pattern throughout the Federal Government.

An Executive order covers ethical conduct in the executive branch, bolstered by a regulation of the Civil Service Commission which also handles such oversight as exists.

I discovered that, although the agencies use the civil service requirements for financial disclosure—with some modifications for individual agency needs—there are no firm criteria for the evaluation of the disclosure forms. Moreover, no one seemed to know who the ethics counselor in his agency actually was. Evaluation is done by an indefinite number of people, all of whom have other duties.

Generally, when a question arises on a particular form, it is given to the regional supervisor. If not resolved there, it is forwarded to agency headquarters.

There are no interagency guidelines for statement evaluation and usually only informal intra-agency guidelines.

There are no standard means of investigating suspected conflicts beyond asking the employee directly or checking his file.

A job description prepared by the employee's supervisor to help pinpoint possible conflicts is so vague its value is questionable.

Instead of listing specific firms and individuals the employee will deal with, only general industries are listed. It is therefore quite conceivable that an employee could be in a conflict situation without his or his supervisor's knowing it.

I was also surprised to learn that many employees had no idea of what to do in case a possible conflict arose. And several did not even understand what a conflict of interest is—in fact, one employee said that a conflict of interest was impossible in her department.

To their credit, many agencies and departments hold conferences and seminars on conflict of interest regulations. But responses to my inquiries indicate they are not communicating effectively. The Civil Service Commission has recently begun an evaluation of ethical standards in recognition of the problem. A single person has been hired in the General Counsel's office whose full-time responsibility is ethics. This response is nowhere near sufficient.

Effective oversight and enforcement do not exist today, nor can they under the burdens of the present system: Disclosed information is confidential, precluding all but internal oversight; disclosure requirements do not provide the information necessary for effective monitoring of conflicts; personnel and resources devoted to reviewing and investigating potential conflicts are limited. Finally, decentralized inhouse authority results in uneven and unequal treatment of individuals, depending upon how vigorously the agency pursues the matter.

Within the legislative branch, Members and employees of Congress are subject to the same penalties for bribery and certain other violations as are employees of the executive and judicial branches.

In addition, both the House and Senate require disclosure by Members and certain employees, though the requirements vary. The disclosure, however, is confidential.

Mr. President, that is the pattern. Regulations lack uniformity; their enforcement ranges from perfunctory to nonexistent. Within this imperfect framework thousands of real and potential conflicts of interest exist—some are unwitting, some remain long after open disclosure. Others are less innocent.

Several of my colleagues have introduced bills addressing this problem. But they rely mainly on stringent disclosure requirements. As I have pointed out, disclosure alone—even thorough disclosure—is inadequate. Witness the situations I have outlined in which employees openly disclosed holdings which could very well conflict with their duties. But under the loose assortment of regulations and procedures, administered in-house, agency by agency, the conflicts were either not discovered or not acted upon.

The longer I worked on this legislation, Mr. President, the clearer it became that oversight and enforcement of conflict of interest codes must lie outside the agencies involved.

That is the foundation of the remedy I suggest today. The Federal Conflict of Interest Act calls for detailed public financial disclosure by all elected officials, candidates for Federal office, and supervisory level employees in the executive and legislative branches. To ensure that this information effectively prevents conflict of interest—and failing that, ferrets it out and eliminates it—my legislation would establish a seven-member Commission on Conduct with oversight and enforcement authority for both branches.

As I envisage it, the Commission would supervise disclosure, investigate and conduct hearings to ascertain if conflicts exist. If conflicts do exist, the Commission would have the authority to discipline employees or recommend disciplinary action. It could require divestiture of an official's or employee's conflicting interest and could prescribe the terms and conditions of such divestiture—to make certain, for example, that a "blind trust" is truly blind, not merely a cosmetic device to conceal conflicts.

The Commission will have sufficient staff to evaluate present guidelines, adopt those it considers worthwhile and promulgate, by rules, such additional guidelines as it finds necessary.

The Commission would be full-time with no other responsibility than to monitor and enforce compliance. I would vest in this Commission authority to investigate violations of any of its rules. The full range of due process rights is adequately provided for.

Any such investigations would be kept confidential but individuals would be notified that an alleged violation is under investigation. If the Commission determines the complaint is sufficient, a hearing would follow. The resulting decision would be made public.

I believe counseling is an essential part of any anticonflict system and my legislation provides that the Commission may issue advisory opinions with respect to matters relating to conduct or financial disclosure. While such an advisory opinion would not have the force of law, it would constitute for the official or employee seeking it, a complete defense to civil or disciplinary action authorized under this act—assuming, of course, that the individual's statement of fact to the Commission contains no material misstatement, omits no facts, and that he otherwise acts in good faith.

The provisions I have outlined, Mr. President, would apply equally to elected officials of both branches, candidates in primaries, runoffs or general elections for Federal office, and employees and appointees at a supervisory level—those with salaries of $25,000 a year or more.

That includes civil penalties. The act provides civil penalties in the amount of any profit gained as a result of a violation under the act together with interest. The Commission on Conduct, with the Attorney General, would be authorized to bring any legal action in any court of the United States to enforce provisions of this section of the act.

Action may be brought regardless of whether the individual is an officer or employee at the time, so long as the action is brought within 3 years of the violation.

There is a significant difference—and, I believe, a necessary one—between divestiture requirements for appointees and employees and for elected officials.

Appointees and employees are not directly responsible to the electorate and some other mechanism is obviously necessary to enforce minimum standards of conduct. Divestiture of conflicting or potentially conflicting interests is one such tool.

But how do we, as Members of Congress, divest ourselves of every interest our decisions might affect? I do not believe we can; conflicts are unavoidable. We are consumers, we own property, we pay taxes and have occupations or professions which precede—and will probably follow—our terms in office.

And given the range of issues considered in Congress today, our public decisions unavoidably affect our private lives, just as they do the private lives of every other citizen.

What constrains us as elected officials is our direct accountability to the American people. There is only one way, Mr. President, to improve that mechanism and my legislation provides it: full and public disclosure.

The bill provides that the President, Vice-President, and Members of Congress shall annually disclose their personal financial interests, the sources and amounts of their incomes, their assets and liabilities, and all transactions in real and personal property.

To insure that such disclosures are truly and readily available to the public, the bill provides that each Member of Congress shall have his annual disclosure statement printed in a publication of general circulation within his State or district and shall certify to the Commission on Compliance that this has been done.

We would thus be held to even more stringent public disclosure standards than we seek to enforce upon appointees and employees in policy-making posts.

Armed with the information on which to base a knowledgeable decision, the American voter could hold his elected officials fully accountable, just as the Commission would appointees and employees.

It is my view that restoring the confidence of the American people in their Government depends greatly upon how successfully we eliminate misconduct, the potential for it, and the appearance of it. For that reason, I have written into the legislation additional safeguards:

The Commission on Conduct may recommend to the appropriate House of Congress that disciplinary proceedings be initiated against any member or to the House of Representatives that a writ of impeachment be considered. The Commission may recommend to the President or to the Congress the removal of any civil officer of the United States and may refer cases to the Attorney General for civil or criminal action.

Mr. President, I believe the Federal Conflict of Interest Act offers the strongest possible combination of thorough, uniform public disclosure requirements and external monitoring and enforcement—all elements missing from present conflict of interest regulation.

I hope my colleagues will agree with me that the only way we in Congress can hope to rebuild Americans' faith—faith so badly shaken over the past 2 years—is by subjecting ourselves and our private financial affairs to unobstructed public scrutiny.

The people of this Nation no longer believe nor believe in us. Indeed, why should they until they know with certainty whom we really serve? That question will remain an open one until we take firm steps to remove the influence of private financial interests from public policy decisions.

Mr. President, I ask unanimous consent that the text of the Federal Conflict of Interest Act of 1975 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2098

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Conflict of Interest Act".

CONDUCT OF GOVERNMENT PERSONNEL

SEC. 2. (a) It is unlawful for any elected or appointed officer or employee of the executive and legislative branches of the Government—

(1) to engage, directly or indirectly, in any personal business transaction or private arrangement for personal profits which accrues from or is based upon such officer or employee's official position or authority or upon confidential information gained by reason of such position or authority; or

(2) to violate, knowingly, any standard of ethical conduct promulgated by the Commission on Conduct pursuant to section 5 of this Act.

(b) There is imposed, on any individual who violates subsection (a)(1) of this section, a civil penalty in the amount of any profit gained as a result of such violation together with interest thereon computed from the date of such violation at a rate equal to the annual rate established under section 6621 of the Internal Revenue Code of 1954.

(c) The Commission on Conduct, concurrently with the Attorney General, is authorized to bring any legal action in any court of the United States to enforce the provisions of this section. Any such action may be brought without regard to whether an individual is such an officer or employee at the time such action is brought. No action under this section may be brought unless it is brought within three years after the commission of a violation of the provisions of subsection (a) of this section.

FINANCIAL DISCLOSURE

SEC. 3. (a) Each individual referred to in subsection (b) of this section shall file annually, with the Commission on Conduct, a report containing a full and complete statement of—

(1) the amount of gross and taxable income, total deductions and tax exclusions, as well as tax paid and credits against taxes otherwise due as reflected on his Federal income tax return for the preceding calendar year;

(2) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from his spouse or any member of his immediate family) received by him during the preceding calendar year which exceeds $100 in amount or value, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(3) the value of each asset held by him which has a value in excess of $1,000, and direction, during the preceding calendar year tions in the securities of such business entity exceeds $1,000 during such year;

(4) any transactions in securities of any business entity by him or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds $1,000 during such year.

(5) all transactions in commodities by him or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the aggregate amount involved in such transactions exceeds $1,000; and

(6) any purchase or sale, other than the purchase or sale of his personal residence, of real property or any interest therein by him or by any person acting on his behalf or pursuant to this direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds $1,000.

(b) The provisions of subsection (a) of this section apply to the President, Vice-President, each Member of Congress, each officer and employee of the United States (including any member of a uniformed service) who is compensated at a rate in excess of $25,000 per annum, each officer or employee occupying a position in schedule C of the excepted service, and each officer or employee of the United States who performs duties of the type generally performed by an individual occupying grade GS–16 of the General Schedule or any higher position (as determined by the Commission on Conduct regardless of the rate of compensation of such individual), and any individual who is a bona fide candidate in a primary election, run-off election, or general election for the office of a Member of Congress, President or Vice-President, but who, at the time he becomes a candidate, does not occupy such office, shall file within one month after he becomes a candidate for such office.

(c) Reports required by this section shall be in such form and contain such information as the Commission on Conduct may prescribe. The Commission may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities, or purchases and sales of real property of any individual.

(d) All reports filed under this section shall be maintained by the Commission as public records, which, under such reasonable rules as he shall prescribe, shall be available for inspection by members of the public.

(e) For the purposes of any report required by this section, an individual is considered to be President, Vice-President, a Member of Congress, an officer or employee of the United States, or a member of a uniformed service, during any calendar year if he serves in any such position for more than six months during such calendar year.

(f) Each member of Congress shall cause a copy of his financial disclosure statement to be published in a publication of general circulation within his district and shall certify to the Commission on Conduct, annually, that this has been done.

(g) As used in this section the term—

(1) "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(2) "security" means security as defined in section 2 of the Securities Act of 1933 (15 U.S.C. 77B);

(3) "commodity" means commodity as de-

fined in section 2 of the Commodity Exchange Act (7 U.S.C. 2);

(4) "transactions in securities or commodities" means any acquisition, holding, withholding, use, transfer, or other disposition involving any security or commodity;

(5) "Member of Congress" means a Senator, a Representative, a Resident Commissioner, or a Delegate;

(6) "officer" has the same meaning as in section 2104 of title 5, United States Code;

(7) "employee" has the same meaning as in section 2105 of such title;

(8) "uniformed service" means any of the Armed Forces, the commissioned corps of the Public Health Service, or the commissioned corps of the National Oceanic and Atmospheric Administration;

(9) "immediate family" means the child, parent, grandparent, brother, or sister of an individual, and the spouses of such persons; and

(10) "tax" means any Federal, State, or local income tax and any Federal, State, or local property tax.

ESTABLISHMENT OF COMMISSION

SEC. 4. (a) There is established as an independent agency within the executive branch of the Government a Commission on Conduct (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of 7 members as follows:

(1) Five appointed by the President, by and with the advice and consent of the Senate;

(2) One appointed by the President of the Senate; and

(3) One appointed by the Speaker of the House of Representatives.

(c) The members of the Commission appointed under subsections (b)(2) and (3) of this section shall have no vote on any matter before the Commission but are authorized to participate in all the activities of the Commission and any deliberations in connection therewith. Of the members of the Commission appointed under subsection (b)(1) of this section not more than 3 shall be affiliated with the same political party.

(d) Each member of the Commission shall serve for a term of 6 years, except that of the members appointed under subsection (b)(1), one shall be appointed for a term of one year, one shall be appointed for a term of 2 years, one shall be appointed for a term of 3 years, one shall be appointed for a term of 4 years, and one shall be appointed for a term of 5 years. The member initially appointed under subsection (b)(2) shall serve for a term of 3 years, and the member initially appointed under subsection (b)(3) shall serve for a term of 3 years.

(e) Any vacancy in the Commission shall not affect its power but shall be filled in the same manner in which the original appointment was made but the appointment to fill any vacancy shall be for the remainder of the unexpired term only.

(f) The Commission shall elect annually, a chairman and a vice-chairman from among its members. The chairman and vice-chairman shall not be affiliated with the same political party. No member of the Commission may serve as chairman of the Commission for more than one year during his term of office.

(g) A quorum of the Commission shall consist of 4 members, except that the Commission may establish a lower number as a quorum for the purpose of taking sworn testimony.

(h) Members of the Commission shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(i) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this Act shall be made by a majority vote of the voting members of the Commission.

(j) The Commission shall meet at least once each month and also at the call of any member.

(k) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

DUTIES OF THE COMMISSION

SEC. 5. (a) It is the duty of the Commission to develop and, by rule, promulgate uniform standards of ethical conduct for elected and appointed officers and employees of the executive and legislative branches of the Government. In developing such standards, the Commission shall consider the standards of conduct in effect on the date of enactment of this Act, and shall consult with appropriate officers and employees of both such branches of the Government.

(b) The Commission shall implement the financial disclosure requirements of section 3 of this Act.

(c) The Commission shall perform such other functions as may be necessary to carry out the provisions of this Act.

INVESTIGATIONS

SEC. 6. (a) The Commission is authorized to investigate any alleged violation of any provision of this Act or regulation promulgated pursuant thereto. An investigation may be initiated upon motion of any member of the Commision or upon the complaint of any person. An investigation conducted under this section shall be confidential. When the investigation commences, the person under investigation shall be notified in writing that an investigation is being undertaken.

(b) The Commission is authorized to accept from any individual complaints with respect to matters which the Commission has the authority to investigate. Any such complaint shall be signed by the complainant. If so requested, the Commission is authorized to inform the complainant of any action taken with respect to the complaint. Notice of such action shall be by letter and shall be provided within a reasonable time. Upon dismissal of any complaint the Commission shall notify the complainant of its reasons for such action.

(c) After conducting an investigation under this section the Commission is authorized—

(1) to dismiss any complaint before it upon a finding that the complaint is frivolous, unwarranted, insufficient in law or fact, or that the complaint is unsubstantiated by credible evidence;

(2) refer the complaint to the Attorney General for appropriate action; or

(3) conduct a full hearing on the matter charged in the complaint and take appropriate action in accordance with the provisions of this section.

(d) (1) Whenever the Commission orders a hearing with respect to any matter charged in a complaint or under investigation, it shall provide not less than thirty days notice to the individual charged or under investigation of the date on which any hearing is to be conducted. Any individual who is the subject of such a charge or investigation has the right to appear at any such hearing, to be represented by counsel, to confront and cross examine witnesses, to present evidence in his own behalf, and to subpoena witnesses. The Commission shall maintain a record of any such hearing.

(2) The Commission in carrying out its duties under this section may sit and act at such times and places, hold such hearings, take such testimony, require by subpoena the attendance of such witnesses and the production of such books, records, papers, accounts, and documents, administer such oaths and issue such other orders as may be necessary. Subpoenas and other orders shall be issued under the signature of the Chairman or the member of a Commission designated by the Chairman. Any member of the Commission or panel may administer oaths or affirmations to witnesses.

(3) The individual who is the subject of an inquiry under this section has the right to refuse to attend and testify or produce anything ordered to be produced by the Commission on the ground that the testimony or material required to be produced would tend to incriminate such person or subject such person to penalty or forfeiture.

(4) In case of disobedience to a subpoena or other order issued under paragraph (2) of this subsection, the Commission may invoke the aid of any district court of the United States in requiring compliance with such subpoena or order. Any district court of the United States within the jurisdiction in which the person is found or transacts business may, in case of contumacy or refusal to obey a subpoena or order issued by the Commission, issue an order to such person to appear and testify, to produce such books, records, papers, accounts, and documents, and any failure to obey the order of the court shall be punished by the court as contempt thereof.

(e)(1) The Commission shall make findings of fact which shall be entered on the record. Upon finding that an individual has violated the standards of ethical conduct established by the Commission or has violated any other requirement of this Act, the Commission may—

(A) dismiss any such employee from the civil service or order such other disciplinary action as may be warranted;

(B) recommend to the appropriate House of Congress that disciplinary proceedings be initiated with respect to any member or employee thereof;

(C) recommend to the House of Representatives that a writ of impeachment be considered;

(D) recommend to the President or to the Congress the removal of any civil officer of the United States;

(E) refer cases to the Attorney General for appropriate civil or criminal action; and

(F) require in appropriate cases the divestment of any interest that causes a conflict of interest and prescribe the terms and conditions of any such divestiture. Paragraph (e)(1)(E) shall not apply to elected officials.

(2) For purposes of this subsection, the term "disciplinary action" includes reprimand, suspension, and disqualification from participation in particular policy determining actions.

(f) The courts of appeals of the United States have jurisdiction to hear any appeal from a final decision of the Commission. Appeals of any such decision shall be brought in the same manner and subject to the same limitations as appeals from the district courts of the United States under section 1291 of title 28, United States Code.

ADVISORY OPINIONS

SEC. 7. The Commission may issue advisory opinions with respect to matters relating to conduct or financial disclosure. The Commission may render advisory opinions upon written request of any person as to whether any specific transaction or activity would constitute a violation of any provision of this Act or any regulation promulgated pursuant thereto. Advisory opinions shall be issued within a reasonable time of their request and shall be in writing.

An advisory opinion does not have the force of law but shall constitute, for the person requesting it, a complete defense to civil or disciplinary action authorized under this Act if—

(1) the statement of fact to the Commission contains no material misstatement or omission;

(2) the transaction as consummated does not materially vary from the facts submitted in the request for the advisory opinion; and

(3) the person requesting the advisory opinion acts in good faith in relying on the opinion.

REGULATIONS

SEC. 8. The Commission is authorized to adopt, amend, modify, and repeal such rules and regulations as may be necessary to assure compliance with the requirements of this Act and with any regulation issued pursuant thereto by officers and employees of the Government.

PERSONNEL OF THE COMMISSION

SEC. 9. (a) The Commission is authorized to appoint an Executive Director and a General Counsel without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Executive Director shall be paid at a rate equal to the rate for level IV of the Executive Schedule under section 5315 of title 5, United States Code. The General Counsel shall be paid at a rate equal to the rate for level V of the Executive Schedule under section 5316 of such title. With the approval of the Commission, the Executive Director may appoint and fix the pay of such attorneys, investigators, and additional personnel as may be necessary.

(b) With the approval of the Commission, the Executive Director may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for GS–18 of the General Schedule under section 5332 of such title.

EFFECT ON OTHER LAWS

SEC. 10. (a) Nothing in this Act prohibits the establishment or maintenance of standards of conduct or financial disclosure for officers and employees of the Government which are more stringent than the standards imposed by this Act or rules and regulations adopted by the Commission on Ethics pursuant to this Act.

(b) The President is authorized to terminate any function assigned to an agency, other than the Commission, which duplicates any function or requirement arising under the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this Act.

Mr. HATFIELD. Mr. President it is a privilege to join my distinguished colleague from Colorado, Mr. HASKELL, in introducing the Federal Conflict of Interest Act. For many years Members of Congress, the media, and public interest groups such as Common Cause have focused attention on the financial holdings of officials in all branches of our Federal Government. As Mr. HASKELL has outlined all too often the standards applied to these various Government officials as to the procedures to be followed in filing financial disclosure statements are without uniformity or cohesiveness.

More importantly, the policing of financial diclosure policies is many times delegated to offices with other substantial responsibilities so that the monitoring and enforcement of conflict of interest regulations take a back seat in terms of priorities. In fact I believe we can safely make the statement that in some cases those individuals doing the policing of conflict of interest regulations may be found policing themselves.

Mr. President, if enacted, this legislation would for the first time provide the American people with comprehensive financial disclosure statements by all their Government officials. For the first time, it would provide all Government officials with uniform regulations to follow instead of different reporting periods and policies for different branches of the Government.

Mr. President, just as it is important for Government officials to have set regulations to follow, it is also necessary that the administering of these regulations be handled in a fair and equitable fashion. Such a task cannot be done by 15 different agencies, but must be handled by one agency specifically set up to perform this responsibility. Senator HASKELL has provided us with such a mechanism by the establishment of a commission on conduct.

In the past, Mr. President, Members of Congress have had to publicly report sources of income such as honorariums and royalties, while other sources of income such as legal fees, dividends from stocks and bonds, and other business interests were not publicly disclosed. The inequity of these partial disclosures is that they permit the independently wealthy members to retain privacy surrounding their wealth while those of us not with wealth are subjected to a discriminatory status in terms of financial reporting procedures.

The day has long passed for Members of Congress to declare, report, and disclose all sources of outside income above and beyond their Government salaries. Theoretically, we expect this of all cabinet members, and it is time that we expect this same standard to apply to us. The Federal Conflict of Interest Act would require a comprehensive public financial disclosure by all elected officials and supervisory level employes in the executive and legislative branches of our Government. Additionally, this act would require that all reports filed in accordance with these regulations be made available for public inspection.

For the past year, we have heard much about "sunshine legislation." In fact, as a result of such talk, the Congress has sought to open up many of its one-time closed committee sessions. Mr. President, I believe the time has come to permit the sun to shine in on our finnacial holdings and those of other Government officials. The time has come, Mr. President, to show the American people and to reassure them that their Government officials are not making decisions which will enrich themselves personally, but that such decisions are made in the best interest of the Nation. What better way to prove this than to disclose all of our financial holdings.

Mr. President, I am pleased to be able to cosponsor this important legislation. I would hope that all my colleagues in the Senate would want to prove to the American people that the actions we take here in Washington are not for personal gain, but are for the Nation's gain. We can prove this by the adoption of this legislation.

Mr. HASKELL. I will now yield the remainder of my time, and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business not to exceed 15 minutes with statements therein limited to 5 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

At 1:50 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 6950) making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. CASEY, Mr. SHIPLEY, Mr. GIAIMO, Mr. MCFALL, Mr. YATES, Mr. EVANS of Colorado, Mr. ROYBAL, Mr. ROUSH, Mr. MAHON, Mr. COUGHLIN, Mr. CEDERBERG, Mr. ARMSTRONG, and Mr. REGULA were appointed managers of the conference on the part of the House.

The message also announced that the House insists upon its amendment to the bill (S. 555) to amend the Consolidated Farm and Rural Development Act, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. BERGLAND, Mr. DE LA GARZA, Mr. BALDUS, Mr. ENGLISH, Mr. HIGHTOWER, Mr. BEDELL, Mr. NOLAN, Mr. WAMPLER, Mr. MADIGAN, and Mr. KELLY were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Perkins, Mr. Ford of Michigan, Mrs. Mink, Mr. Meeds, Mrs. Chisholm, Mr. Andrews of North Carolina, Mr. Lehman, Mr. Risenhoover, Mr. Simon, Mr. Mottl, Mr. Hall, Mr. Blouin, Mr. O'Hara, Mr. Zeferetti, Mr. Miller of California, Mr. Quie, Mr. Bell, Mr. Eshleman, Mr. Buchanan, Mr. Pressler, Mr. Goodling, and Mr. Jeffords were appointed managers of the conference on the part of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Public Works, with amendments:

S. 1513. A bill to extend the Appalachian Regional Development Act of 1965 (together with additional views) (Rept. No. 94–278).

By Mr. LONG, from the Committee on Finance, with amendments:

H.R. 7716. An act to amend the Tariff Schedules of the United States to suspend the duty on certain forms of zinc until the close of June 30, 1978 (Rept. No. 94–279).

H.R. 7731. An act to suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975 (Rept. No. 94–280).

By Mr. LONG, from the Committee on Finance, without amendment:

S. Con. Res. 35. A concurrent resolution approving a bilateral commercial agreement between the United States and the Socialist Republic of Romania (Rept. No. 94–281).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HASKELL (for himself, Mr. Hatfield, Mr. Biden, Mr. Chiles, Mr. Cranston, Mr. Garn, Mr. Leahy, and Mr. Gary W. Hart):

S. 2098. A bill to limit potential or existent conflicts of interest on the part of elected and appointed officers and employees of the Government, to require financial disclosure, and for other purposes. Referred to the Committee on Government Operations.

By Mr. PROXMIRE:

S. 2099. A bill to require Senate confirmation of the Administrator of the Social and Economic Statistics Administration. Referred to the Committee on Post Office and Civil Service.

By Mr. WILLIAMS:

S. 2100. A bill to amend Section 1676 of Title 38, United States Code, relating to the pursuit of a program of education outside the United States. Referred to the Committee on Veterans' Affairs.

By Mr. MATHIAS:

S. 2101. A bill to authorize the issuance of two gold commemorative coins with the likenesses of Abigail Adams and Susan B. Anthony for their role in the two centuries of American Independence. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BUCKLEY:

S. 2102. A bill to authorize the establishment of a Water Resources Mitigation Advisory Board. Referred to the Committee on Public Works.

By Mr. MATHIAS (for himself and Mr. Stevenson):

S. 2103. A bill to require financial disclosure. Referred to the Committee on Rules and Administration.

By Mr. CLARK (for himself, Mr. McGee, Mr. McGovern, Mr. Hatfield, and Mr. Humphrey):

S.J. Res. 105. A joint resolution to strengthen the foreign relations of the United States by requiring that not less than 70 percent of certain food assistance be provide to countries designated by the United Nations as "Most Seriously Affected". Referred to the Committee on Agriculture and Forestry.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 2099. A bill to require Senate confirmation of the Administrator of the Social and Economic Statistics Administration. Referred to the Committee on Post Office and Civil Service.

A SENSITIVE POST

Mr. PROXMIRE. Mr. President, this is an important and sensitive post which requires more congressional oversight than it has been accorded in the past. Here is why.

First, at least 16 of the major monthly economic indicators are prepared by the Department of Commerce and this agency. Next to the unemployment figures and the wholesale and consumer price indices, these are among the most sensitive economic statistics that come out of Washington.

They include the Nation's Income, Expenditure and Savings Accounts; the Gross National Product; Sources of Personal Income; National Income; Distribution of Personal Income; Corporate Profits; Gross Private Domestic Investment; New Plant and Equipment Expenditures; New Construction; New Housing Starts; Business Sales and Inventories; Manufacturer's Shipments, Inventories and New Orders; Merchandise Exports and Imports; the U.S. Balances on Goods, Services and Transfers; the U.S. Overall Balances on International Transfers; and the Federal Sector of National Income Accounts.

SUBORDINATE AT CENSUS BUREAU REQUIRES CONFIRMATION

Second, the Administrator of SESA has under him the Census Bureau whose Director must be confirmed by the Senate. This absurd anomaly should be corrected.

BLS HEAD CONFIRMED

Third, the only statistical position in the Government of comparable or superior importance to the head of SESA is that of the Commissioner of the Bureau of Labor Statistics. He puts out the monthly figures on unemployment and the wholesale and consumer price indices.

That position is a 4-year term and requires Senate confirmation. This is all the more reason why SESA's head should also be confirmed.

PROFESSIONALS AND NOT POLITICAL APPOINTEES

Mr. President, if Congress is to insure the credibility of Government statistics, we must see that the men who handle these statistics are professionals and that the interpretation of these figures remain nonpolitical and nonpartisan. We do not need unqualified political partisans in these sensitive positions.

Unfortunately, the previous administration tried to make these agencies a rest home for partisan appointees. For example, the current head of SESA, Mr. Edward Failor, has no professional statistical background whatever. He came to the job directly from CREEP—the infamous Committee to Re-Elect the President. Prior to that he was Chief of the Office of Assessment and Compliance of the Bureau of the Mines, where his stewardship received a stinging rebuke in a General Accounting Office report.

OPENING THE DOOR TO ABUSE

If we allow nonprofessional and unqualified men to head our key statistical agencies, we are opening the door to potentially great abuse. The possibilities are endless as the previous administration demonstrated so well.

Let us review the events of the last few years.

THE NIXON APPROACH

During 1973, the Bureau of Labor Statistics, on orders of the White House, stopped its monthly press conferences by its professional staff. It did this immediately following an interpretation of the unemployment figures by its professional staff which contradicted the optimistic and political interpretation of the Secretary of Labor.

Instead of press conferences by professionals, the White House substituted regular political comment by the Council of Economic Advisers, the head of HUD, the Secretary of Treasury, and others.

That was step No. 1: gagging the professionals.

Next, a number of professionals at the Bureau of Labor Statistics were reorganized out of their jobs.

Then the head of the BLS, Geoffrey Moore, was fired. Dr. Moore was a highly competent professional who was both loyal to the administration and loyal to his professional ethics. Yet, he was fired.

Meanwhile, statistical series which were unpalatable to the administration were discontinued.

Let me make one point clear: At no time did they "cook" figures to my knowledge and I am not charging that. What they did was to put gross political interpretations on them and they did stop issuing figures that were embarrassing.

It is a pattern that must not be repeated.

Mr. President, for too long now, Congress has been content with passing legislation that locks the barn door after the horse has escaped. Here is a chance to change that policy.

I send the bill to the desk, ask that it be appropriately referred, and ask unanimous consent that it be printed in full in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2099

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective on the day after the date of enactment of this Act, the Administrator of the Social and Economic Statistics Administration, Department of Commerce, shall be appointed by the President, by and with the advice and consent of the Senate, and no individual shall hold such position from that date unless he has been so appointed.

SEC. 2. Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(98) Administrator of the Social and Economic Statistics Administration."

By Mr. MATHIAS:

S. 2101. A bill to authorize the issuance of two gold commemorative coins with the likenesses of Abigail Adams and Susan B. Anthony for their role in the two centuries of American independence. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. MATHIAS. Mr. President, the legislation I am introducing today merely symbolizes a task accomplished—it does not tell the story. My bill would authorize the Secretary of the Treasury to issue two gold commemorative coins which would depict the role of two very brave women in the first and second centuries of American independence, Abigail Adams and Susan B. Anthony. These coins would simply recognize for the first time in this very special manner the efforts of these women: To support the American Revolutionary experience in the case of Abigail Adams and to achieve equal status through the vote, in the case of Susan B. Anthony.

One hundred and twenty-eight years ago this July, Seneca Falls, N.Y., was the scene of the first women's rights convention attended by more than one hundred persons, including male sympathizers. Today, in a year designated International Women's Year by the United Nations, many times that one hundred, meet in Mexico City to discuss the follow up of these first American women's rights efforts which along with earlier European movements transported women from political, social and economic nonentities to freedoms too long withheld from them.

Some of us may still be finding it difficult to disagree with Jean Jacques Rousseau's picture of the role of women as merely to please, to be useful to us, to make us love and esteem them, to educate us when young, and to take care of us when grown up, to advise us, to console us, to render our lives easy and agreeable—these are the duties of women at all times and what they should be taught in their infancy.

But the heightened consciousness of facts relating to the role of women in society point to the need to broaden our thinking as well as our actions. The facts are crystal clear. As I have mentioned, the first international convention on the status of women is presently under way in Mexico City. The equal rights amendments, still to be ratified by a few States, are the product of congressional efforts in addition to the thousands of organizations throughout the country who fought as perseveringly as the original seekers of equal rights through the vote. As the Bicentennial approaches, we have failed too often to give equal time to the strength, warmth, and intelligence of the revolutionary women like Abigail Adams who fought with the Founding Fathers for the same freedoms we in America enjoy today. Furthermore, in September, America will be celebrating the canonization of its first Catholic saint—a woman—Mother Elizabeth Seton of New York and Maryland. It is also the centennial era of some of the major efforts of Ms. Anthony to secure the vote for women. These are just some of the thoughts which prompt me to offer my bill.

By issuing a gold coin stamped with the likenesses of two women we can recognize in a concrete way that women not only make up half of the population of America, but that they occupy nearly one-half of the work force, that they are the principal purchasers and consumers in our society, that they are contributors in ever greater numbers to the economic livelihoods of their families and in some cases the sole supporters. All these facts, phenomena less than a century old, but grounded in centuries of experience, must sharpen our enlightenment toward and appreciation of the responsibilities held by women but just so recently recognized and rewarded. It would seem appropriate in the coming year to take some action which can symbolize that appreciation. Abigail Adams braved years of separation from Founding Father John, but surely her faith, her exhortation, her hard work supporting the revolutionary movement have earned her the title of Founding Mother. Susan B. Anthony faced prejudice, ridicule, and even violence to throw off what she believed were unnatural constraints on her fellow sisters.

Mr. President, as you know, the Federal Reserve System will start distributing the first of the Bicentennial circulating coins on July 7. The U.S. Mint sponsored a competition to select three designs to appear on the quarter, the half dollar and the dollar—drummer boy, Independence Hall and the Liberty Bell and the Moon. While I applaud these choices. I feel a certain deficiency exists in the national recognition of the role of women in our society during the Bicentennial celebration.

My distinguished colleague from Oregon (Mr. HATFIELD) proposed the issuance of a gold coin which would be legal tender on May 12 of this year. His remarks appear in the RECORD of that day. I would also ask unanimous consent that an article by David L. Ganz in Coinage magazine be inserted in the RECORD following my remarks. Mr. Ganz, a respected commentator on coinage matters, discusses the gold coin issue and the reasons why the Treasury can now go ahead with such a project with less reservations than it held just a year ago. I would very much like to see a gold Bicentennial coin issuance and I would deeply like to have such coins stamped with the likenesses of Ms. Adams, and Ms. Anthony. I look forward to working these matters out in committee when such legislation comes up for consideration and I shall work toward my goal.

While the facts have long confirmed equality of responsibility, attitudes have not always been so quick to follow. This legislation which I introduce today cannot obviously change attitudes, nor does it insure fair treatment for all women around the country. It does recognize, however, their equal contribution to our economic and political well being, and it makes available in our Bicentennial year a lasting reminder of the debts we owe the women in American history.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW YOU CAN HELP MINT A GOLD BI-CENTENNIAL COIN—IT'S STILL POSSIBLE IF WE ALL LET CONGRESS KNOW THE REASONS IMMEDIATELY

(By David L. Ganz)

America deserves a gold coin to commemorate the occasion of the 200th anniversary of its birth. Bicentennial coinage presses may already be rolling, but to produce cupro-nickel clad coins complemented with silver-clad issues is merely to go halfway. So unique is this event that Congress, and the Treasury, ought to get together and decide to honor America in the manner of our forefathers: with the medium of exchange that they used—gold and silver.

Gold coinage was considered by Congress in the course of creating the bicentennial coinage legislation. It was rejected then for international monetary considerations. Private gold ownership was not yet legal, coining of gold had not been done in 40 years, and there was the real fear that any striking of a gold piece—even as a commemorative issue—would be viewed as an attempt by this government to return to the gold standard.

Despite all these objections, the United States Senate did in fact pass a gold coin proposal. Dramatic floor debate ensued as Sen. Mark O. Hatfield, R-Ore., and Sen. Peter H. Dominick, R-Colo., led the fight with Sen. James A. McClure, R-Idaho, to get a gold coin for the bicentennial.

Twice the Senate approved the measure. The coin would have been a $25 gold piece. But the proposal—along with one that would have ended the private gold ownership ban—died in Conference with the House. As a compromise, the Senate accepted a House proposal to settle for 45 millilon silver bicentennial coins.

In retrospect, the reasons for the compromise seem all wrong. But this ignores the pure pragmatics of the situation. The bicentennial coinage legislation was essential, the House was not about to accept any proposal with gold in it, and was willing to allow special silver-clad coins for collectors if the Senate withdrew its gold coin and ownership proposals.

Since December 31, 1974, Americans have been able to legally own gold. To say that the gold rush of 1975 fizzled would be an understatement, but after the initial price gyrations, the price of the metal has stabilized at around $170 per ounce, give or take seven percent.

Immediately, this takes away one of the main arguments offered against the striking of a gold bicentennial coin—namely, that private gold ownership is illegal. It also removes, effectively, the second argument offered against it, namely the Americans would rush and buy thousands upon thousands of ounces of the precious metal as a hedge against inflation.

The events of the first half of 1975 prove otherwise. Gold has proved to be stable, but not an inflation hedge. If you purchased the metal in 1970, you may have made a profit. Even if a purchase was made in early January 1975. But since then, the stability has been remarkable and Americans have not entered the gold market with any degree of fervor.

Treasury interpretation of the enabling legislation to private gold ownership has been that all contrary provisions of law—dating back to the 1934 nationalization—are no longer in force. That would allow, therefore, payments to be made in gold, assuming of course that a gold coin had legal tender status.

The same obviously applies to the silver commemorative coins for the bicentennial. The catch is, of course, that no one is about to spend the silver coins at their face value because (1) they have a bullion worth in excess of face value and (2) cost far more than either their face value or bullion worth.

Mint Director Mary T. Brooks, in office since 1969, has been a proponent of gold commemoration of the bicentennial since 1972. In an interview conducted in May of that year, she stated that she would "love to strike a gold bicentennial coin." She has repeated the statement a number of times.

Although Treasury policy seems set against introduction of gold bicentennial coinage legislation, there is nothing to prevent individual Congressmen from taking affirmative action. In the new 94th Congress, with the shift in committee chairmanships, it would seem logical that hearings on the measure might be possible.

In a November, 1972 interview, Rep. Henry S. Reuss, D–Wisc., now chairman of the House Banking and Currency Committee, confided that he would have no objection to the striking of a gold bicentennial coin. His sole caution, however, was that it could only occur after private gold ownership.

"The issues are synonymous," Reuss postulated.

How precisely could such a coin be created? Truthfully, it would not be terribly difficult with existing technology to strike gold coinage in any number of sizes. The key problem, of course, is what value to place on the coin and how to price it so that is it available to the maximum number of Americans.

The coinage of the old Latin Monetary Union may prove to be a valuable, illustrative example. The standard price of the Latin Union, the 20 franc coin, had a weight of 6.4516 grams, a fineness of .900, and a diameter of 21mm.

Contained in that 20 franc coin are .18668 fine troy ounces of gold, a figure derived based on the fineness and the divisible part of an ounce that that result yields. At gold's current price of around $170 an ounce, the bullion of base metal value of the coin is $31.73. If the price of the metal were to jump to the $250 range, the bullion worth would be $46.67, and at $300 an ounce—probably the highest range that even the greatest of speculators now predict—the coin would have a worth of $56.

Such a coin is the size of a U.S. nickel, surely an adequate surface for any design to be on (the one cent piece and the dime have smaller surfaces).

Assuming, arbitrarily, that the coin has a face value of $25—a figure used simply because the Senate passed a version with that denomination—it could be sold at a premium similar to that used for the bicentennial silver-clad coins. There, of course, the denominations are quarters, halves and dollars.

What could the projected retail price of such a coin be? Perhaps at the $50 level. Certainly, this is within the reach of many people purchasing souvenirs of a unique event. More importantly, it is not so nigh as to encourage an elitist purchase by speculators.

What could the government have to gain from all this?

Assuming, for argument, that a decision was made to authorize a gold bicentennial coin, there would be a real need to find a gold supply. The existing gold at Fort Knox, and at other government depositories, is an obvious source. Only a minimal amount would be required.

For a production run of one million coins, a grand total of 18,668 troy ounces of gold would be required. If 10 million gold pieces were produced, approximately 186,675 troy ounces would be involved. The total gold supply in the U.S. stockpile, according to the latest Treasury statistics, is 276 million ounces. In short, the amount is not even two percent of current reserves.

Assuming, for the moment, that one million coins were produced and sold at $50 each (with a $25 face value), what would the government make in dollars and cents. If all coins were sold, the government would gross $50 million. From that, it would have the cost of its gold reduced, plus labor and overhead.

Gold in government vaults now is valued at $42.22 an ounce, the official price that is still used for International Monetary Fund purposes. The gold then would have a value of less than $8 billion. Assuming that there is a $2 million overhead involved, this would give the government a clean profit of $40 million on every million gold pieces sold.

For the government, then, there is not only the historical value of striking a gold coin, but also the potential profit. Perhaps the monies made from such a venture could be diverted into other bicentennial projects.

For collectors, there is the unique opportunity to have precious metal commemoration of a once in a lifetime event, a piece of history and heritage that will live on, forever.

By Mr. BUCKLEY:

S. 2102. A bill to authorize the establishment of a Water Resources Mitigation Advisory Board. Referred to the Committee on Public Works.

Mr. BUCKLEY. Mr. President, I am today introducing legislation creating a Water Resources Mitigation Advisory Board. This is a proposal that is very similar to section 2 of S. 3653, which passed the Senate last October 11 on a unanimous vote.

Because of the Senate's support for this concept last year, I am hopeful that it can be the subject of early hearings and consideration in the 94th Congress.

The purpose of this legislation is to create a mechanism through which the public, the Army Corps of Engineers, and the Congress can obtain an independent evaluation on the merits of the many "mitigation" issues that swarm around projects of the Army Corps of Engineers as bees around honey.

By mitigation, I mean relief for what are described as the unexpected or undesired side effects developing from an authorized project the Corps of Engineers. A mitigation issue may rise from an additional load placed on the plant treating a city's drinking water, or an argument over the cost-sharing requirements for a particular project, or replacement of a bridge. The issue becomes an issue between the community and the Corps of Engineers with the Congress as moderator. This is unfair to the community and to the corps.

Frankly, these "mitigation" arguments are issues of judgment from which the Congress often makes ad hoc decisions based on the influence of the congressional sponsor. They place the Congress in the position of spending taxpayers money to the benefit of one locale outside any national policy affecting all other communities.

This is wrong. It is unfair to the other communities. It is unfair to the American taxpayers.

The creation, as envisioned in this bill, of an independent agency much like a GAO for mitigation would be valuable to the Congress and prove a sound investment for the American taxpayers.

Specifically, the bill requires that the Board review any request for mitigation referred by any State or local public agency, the Secretary of the Army, or either Public Works Committee of the Congress. It would consider controversies over damages, project scope, or Federal-local cost sharing. The Board would be expected to recommend solutions, and to do it expeditiously.

Too often, mitigation is undertaken without reference to the most cost-effective manner for solving a challenge, or the effect that such mitigation would have on the cost-benefit ratio of a project, its viability, or its environmental impact. While these effects may be minimal in most cases, there are times when the effect can prove substantial. It is for this reason that the bill requires the Board to relate any recommendation to its effect on costs and benefits.

The Board would consist of three members. One would be a Federal employee, selected by the President. Two would represent the public, selected for their expertise and understanding of the economic, public policy, and engineering issues raised by mitigation requests.

The Board would also have a small staff, since many disputes may require on-site, legal, historical, and engineering reviews as the basis for the legal and equity arguments confronting the part-time Board members.

As drafted, the language of the bill requires that the two public members be unrelated by background to the Army Corps of Engineers. Such an exclusion is necessary, I believe, for the Board to have the appearance, as well as the reality, of making an independent assessment. Any Board chock a block with ex-corpsmen could be susceptible to the charge of cronyism. That would be damaging to the corps, the public, and the Congress.

The question of mitigation was raised during hearings by the Committee on Public Works last year. In response to questions I posed, Brig. Gen. James L. Kelly, Deputy Director of Civil Works of the corps, stated:

> Our problem is that we feel charged to act in a proper manner and cannot dispense funds until we feel they are justified under the law. So we make our best evaluation, we meet with the folks and discuss this, presenting our views, but certainly we are not going to be able to resolve them in all

> cases. It might well be that you could reduce, one, the direct impacts on the Congress and perhaps reduce the court actions if there were some group which would arbitrate. We certainly would have no problem.

In conclusion, I would note that this bill grants no power to the Board to direct a specific course of action. Its role would be purely advisory. But I anticipate that the Board's recommendations will be most useful to the corps and to the Congress in weighing the equities and justification for the mitigation proposed.

Such a Board would relieve neither the Corps nor the Congress of their responsibilities. The Board will merely provide the public and the Congress with expert, independent guidance on what decision appears to be fair and reasonable.

Later this year, the Senate can expect to debate an omnibus water resources bill. It is my believe that the establishment of such a Mitigation Board would assure the Congress and the public that when we do our next omnibus bill, that we will have the firmest possible basis for acting in the public interest.

By Mr. MATHIAS (for himself and Mr. Stevenson):

S. 2103. A bill to require financial disclosure. Referred to the Committee on Rules and Administration.

COMPLETE FINANCIAL DISCLOSURE

Mr. MATHIAS. Mr. President, since my first year as a Member of the House of Representatives in 1961, I have believed that every Member of Congress, and every candidate for the Congress should make a full public disclosure of his or her personal financial situation. I have introduced bills to make such disclosure mandatory, and have been encouraged by the fact that each year more Senators and Congressmen voluntarily disclose personal financial assets and liabilities. I am especially pleased today to be joined by the distinguished Senator from Illinois, Mr. Stevenson, in submitting legislation to require full financial disclosure by Members of Congress and candidates for the Congress.

In the past, leading public officials have often repeated the argument that financial disclosure can improve the credibility of the political process. While Thomas Jefferson was President he wrote that when a man assumes a public trust he should consider himself a public property." This concept has been restated and reaffirmed many times since, most notably by Presidents Roosevelt, Wilson, Eisenhower, and Johnson. The issue is not a new one to the Congress either. In 1951, a committee, chaired by Senator Douglas, regarded financial disclosure as the single most important legislation that the Congress could enact to lessen the appearance of conflict of interest by public officials. Twenty years later, in November of 1971, the Subcommittee on Privileges and Elections of the Senate Rules Committee, under the distinguished chairmanship of Senator Cannon, held hearings on bills which would have provided financial disclosure for Members of Congress and selected officials of the executive and legislative branches.

While testifying before the committee on his bill, S. 343, Senator Case stated clearly the argument for full disclosure. He said:

> The judgment of the people, I think, will be a real and effective sanction . . . disclosure will help people to elect whom they wish by giving them full knowledge of the personal financial interests of those who present themselves as candidates for election.

Additional evidence of the urgency of the credibility problem can be found by examining some recent polls. In 1967 a Gallup survey showed that 6 out of 10 Americans believed that shady conduct among Congressmen was fairly common. A Harris poll conducted during the same period went further to reveal that over half these citizens felt that at least some Congressmen receive money to vote a certain way.

In November of 1971 it was revealed that by a margin of 63 to 28 percent most Americans feel politicians are out to make money. The same survey found that by a margin of 59 to 20 percent a majority of Americans feel that "most politicians take graft." In view of the persistence of this belief it is not surprising that another Harris poll has revealed that between the years 1965 and 1971 the percentage of the public which gave Congress a positive rating declined from 64 to 26 percent.

This evidence that I introduced to the record in January 1973 can easily be augmented by more recent material. A Harris poll released in April of this year showed that a heavy majority "believes that one trouble with Congress is that it look after its own benefit instead of acting in the public interest." This result is supported by the survey taken earlier this year by my colleague, Senator Beall, which attempted to discover what his constituents thought of Congress. The response was 63 percent negative, 35 percent positive. A typical response to the questionnaire was received from a Prince Georges County constituent who said "I believe they have the ability but I fear they lack the will to withstand the power of lobbies and money from special interests."

We can no longer say that people are rapidly losing confidence in the ability of the Government to lead. They have already lost it. Moreover, it is now clear that this disillusionment is not limited to the young, but pervades our entire society. This loss of confidence in Congress, the representative body of the people, is the most dangerous and pressing problem facing this institution today.

I believe that for the most part this attitude of distrust is unfounded. The vast majority of those in Government are hard-working men and women of impeccable integrity and unfortunately these people are being stereotyped by the publicized activities of a few. The importance of rectifying the situation demands action immediately.

We are witnessing a continuing dropout, isolation, and detachment of the electorate. This isolation is a threat to the representative system because its strength is derived from the consent and participation of the people. The most difficult challenge to this Congress is to restore confidence in our Government and reverse this trend to isolation and nonparticipation.

There are many methods that can be employed to achieve this goal. We can become more candid and open in our legislative activities. We can be more responsive to our constituents.

We also have the ability to do something much more tangible to dispel the attitude of mistrust. That action would be the enactment of the bill which Senator Stevenson and I offer today.

I ask unanimous consent that the text of this bill be printed at this point in the Record.

I also ask unanimous consent that the remarks of Senator Stevenson be printed at this point in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR STEVENSON

Mr. President, I am pleased today to join my colleague from Maryland, Senator Mathias, in introducing legislation to provide for financial disclosure for Members of Congress, their employees earning more than $22,000 annually and candidates for Congress.

An alarming number of people think that Members of Congress are working for their personal gain rather than for the public good. The citizen is cynical about politics and politicians, believing that they are more likely to do something to him than something for him. More and more Americans view the Congress as a giant trading block in which favors are dispensed to the wealthy and powerful, without regard to the public interest.

By denying voters the facts about the financial interests of Members of Congress we assure that they will assume the worst. Public confidence in the Congress can be restored only when we demonstrate to the public that we have nothing to hide. Financial disclosure is right because the voter deserves full access to information concerning the financial interests of Members and candidates so they can intelligently exercise their franchise.

Mr. President, this bill calls for no more than what I and many other members of the Senate have voluntarily done for many years. It provides for the disclosure of the amount of income and its sources, assets and liabilities of more than $5,000, gifts of more than $100, and income taxes paid.

I can understand the objections of those who feel such a rule invades their privacy. It does. But their privacy must yield to the public's right to know. As Thomas Jefferson wrote many years ago, "when a man assumes a public trust he should consider himself a public property." Those who enter the public service do so voluntarily, and they should do so with the understanding that the public has a right to know about their private interests. Those of us in public life ought to take such a step as this to relieve ourselves of suspicion and to require the same act of all others. Those of us who have done it can testify that the public suspicion of undisclosed interests is far more painful than the public knowledge of disclosed interests. We and the public's trust are the beneficiaries of such a rule as Senator Mathias and I propose.

Mr. President, this is not the first time I have introduced such legislation. It is one of many proposals which grew out of Ad Hoc hearings conducted by Senator Mathias and myself in December, 1972. The twenty witnesses at those hearings—including ten men who had served in the Senate—expressed divergent opinions on many subjects, but not on this one. Every witness who addressed the issue called for early passage of full disclosure legislation. That was more than three years ago. The Senate has approved it before. The need has not declined.

S. 2103

A bill to require financial disclosure

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 11 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"SEC. 225. DISCLOSURE OF FINANCIAL INTERESTS BY MEMBERS OF CONGRESS AND CERTAIN CONGRESSIONAL EMPLOYEES

"(a) Each Member of Congress, each employee of the Congress, and each candidate, shall file annually with the Comptroller General a report containing a full and complete statement of—

"(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from the Member's, employee's, or candidate's spouse or any member of the Member's, employee's, or candidate's immediate family) received by the Member, employee, or candidate or by the Member, employee, or candidate and the Member's, employee's, or candidate's spouse jointly during the preceding calendar year which exceeds $100 in amount or value, including any fee or other honorarium received by the Member, employee or candidate for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him or her in kind;

"(2) the value of each asset held by the Member, employee, or candidate, or by the Member, employee, or candidate and the Member's, employee's, or candidate's spouse jointly, which has a value in excess of $5,000, and the amount of each liability owed by the Member, employee, or candidate, or by the Member, employee, or candidate and the Member's, employee's, or candidate's spouse jointly, which is in excess of $5,000 as of the close of the preceding calendar year;

"(3) any business transaction, including the sale, purchase, or transfer of securities of any business entity, commodity, real property or any other asset or any interest therein, by the Member, employee, or candidate, or by the Member, employee, or candidate and the Member's, employee's, or candidate's spouse jointly, or by any person acting on the Member's, employee's, or candidate's behalf or pursuant to the Member's employee's, or candidate's direction during the preceding calendar year if the aggregate amount involved in such transactions exceeds $5,000 during such year; and

"(4) the amount of local state, and Federal income taxes, and the amount of local and state property taxes paid by the Member, employee, or candidate and the Member's, employee's, or candidate's spouse for the most recent tax year.

"(b) Reports required by this section shall be filed not later than May 15 of each year. In the case of any person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon the member the reporting requirements contained in subsection (a) shall file such report on the last day the Member, employee, or candidate occupies such office or position, or on such later date, not more than three months after such last day, as the Comptroller General may prescribe. In the case of a candidate who is not a Member of Congress, the report shall be filed not later than one month after he or she becomes a candidate.

"(c) Reports required by this section shall be in such form and detail as the Comptroller General may prescribe. The Comptroller General may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, or purchases and sales of real property of any individual.

"(d) Whoever willfully fails to file a report required by this section, or knowingly and willfully files a false report under this section, shall be fined $2,000, or imprisoned for not more than five years, or both.

"(e) All reports filed under this section shall be maintained by the Comptroller General as public records which, under such reasonable regulations as he shall prescribe, shall be available for inspection by members of the public.

"(f) For the purposes of any report required by this section, an individual shall be considered to have been a Member of Congress or an employee of the Congress during any calendar year if that person served in such position for more than six months during the calendar year.

"(g) As used in this section the term—

"(1) 'income' means income from whatever source derived;

"(2) 'security' means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);

"(3) 'commodity' means commodity as defined in section 2 of the Commodity Exchange Act, as amended (7 U.S.C. 2);

"(4) 'Member of Congress' means a Senator, a Representative, a Resident Commissioner, or a Delegate;

"(5) 'employee of the Congress' means a congressional employee, as defined in paragraph (1), (2), (3), or (5) of section 2107 of title 5, United States Code, who is compensated at a rate in excess of $22,000 per year;

"(6) 'immediate family' means the child, parent, grandparent, brother, or sister of an individual, and the spouse of such persons; and

"(7) 'candidate' means an individual who seeks nomination or election as Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States. An individual shall be deemed to seek nomination for election, or election, to Federal office if he has—

"(a) taken the action necessary under the law of a State to qualify himself for nomination for election, or election; or

"(b) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office."

(b) The table of sections for such chapter 11 is amended by adding at the end thereof the following item:

"225. Disclosure of financial interests by Members of Congress and certain congressional employees.".

(c) The chapter analysis for title 18, United States Code, is amended by striking out the item relating to chapter 11 and inserting in lieu thereof the following:

"11. Bribery, graft, and conflicts of interest.".

By Mr. CLARK (for himself, Mr. MCGEE, Mr. MCGOVERN, Mr. HATFIELD, and Mr. HUMPHREY):

S.J. Res. 105. A joint resolution to strengthen the foreign relations of the United States by requiring that not less than 70 percent of certain food assistance be provided to countries designated by the United Nations as "Most Seriously Affected." Referred to the Committee on Agriculture and Forestry.

Mr. CLARK. Mr. President. As the agricultural surpluses of the 1960's have disappeared, significant changes have taken place in the aid which the United States has given under the food for peace program, Public Law 480. Not only have overall levels of aid declined, but U.S. food aid has been allocated more and more on the basis of political expediency rather than the needs of the hungry.

In fiscal year 1974, over 66 percent of title I shipments—almost half of the commodities shipped under Public Law 480—went to Cambodia and Vietnam, mostly as thinly disgused military aid. In fiscal year 1975, the administration had planned to send up to two-thirds of Public Law 480 shipments to Southeast Asia, the Middle East, and countries such as Chile, with which it had a "special" relationship. As we know, Congress prevented this from happening by amending the Foreign Assistance Act to require that during fiscal year 1975, 70 percent of concessional food aid would be allocated to countries designated by the United Nations as "most seriously affected" by the world economic crisis.

One might have hoped that with the end of the war in Indochina, food aid would once again be allocated on largely humanitarian grounds and that such allocation restrictions would no longer be needed. Unfortunately, the congressional presentation of the Agency for International Development for fiscal year 1976 contains some disturbing projections, which indicate a continued need for these restrictions.

For example, $150 million worth of title I concessional sales are projected for South Korea—double the value of fiscal year 1975 title I shipments to that country. This would mean that nearly 20 percent of all the resources available under title I would go to this one relatively prosperous nation. The amount programed for Chile represents 85 percent of the title I resources allocated for Latin America and over 6 percent of all title I resources.

At the same time, projected title I shipments to countries which continue to have serious hunger problems—including Bangladesh, India, Sri Lanka, and a number of African countries—are sharply reduced. It is quite possible that some of the reductions are justified by improved local conditions, but the overall trend in Public Law 480 allocations is disturbing.

Clearly, it is far from certain that the end of the war in Indochina will assure that the bulk of our food aid shall be used for primarily humanitarian purposes. Indeed, as a result of the June 30 expiry of the 70 percent restriction, the administration seems to be planning rather heavy political use of our food aid.

Before this year is out, I hope that Congress will enact legislation which thoroughly overhauls our food for peace program and insures, on a more permanent basis, that the bulk of our food aid will be used for humanitarian purposes. Several of us have introduced legislation which attempts to do just that. It is obvious, however, that legislation of this type cannot be enacted for some months yet. And in the meantime, the administration will be free to dispose of food aid as it pleases—unless we act now.

The joint resolution I am introducing today is designed as a stopgap measure to insure humanitarian use of our food aid until more permanent legislation can be enacted. It would require that 70 percent of all U.S. government-to-government food aid in fiscal year 1976 be allocated to countries designated by the United Nations as "most seriously affected." In order to provide flexibility, however, the resolution would allow the President to deviate from this guideline with the consent of the appropriate committees in Congress. It would also direct that priority in distribution be given to countries which the FAO's Early Warning System identifies as facing food shortages.

The resolution I am introducing is not a long-term solution to the problems of our food for peace program. It will, however, keep food going to those who are most in need. I hope we can act quickly to meet that need.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 408

At the request of Mr. BROOKE, the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 408, a bill to repeal exemptions in the antitrust laws relating to fair trade laws.

S. 1216

At the request of Mr. TALMADGE, the Senators from Arizona (Mr. FANNIN and Mr. GOLDWATER) and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 1216, a bill to amend the Federal Water Pollution Control Act.

S. 1260

At the request of Mr. CHILES, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1260, a bill to authorize the Administrator of General Services to enter into multiyear leases through use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases.

S. 1479

At the request of Mr. WILLIAMS, the Senator from New Jersey (Mr. CASE) and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of S. 1479, a bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

S. 1532

At the request of Mr. CLARK, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 1532, a bill to amend the Packers and Stockyards Act, 1921, to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations, and for other purposes.

S. 1625

At the request of Mr. HATHAWAY, the Senator from Minnesota (Mr. MONDALE) and the Senator from Iowa (Mr. CLARK) were added as cosponsors of S. 1625, a bill to extend and revise the State and Local Fiscal Assistance Act of 1972.

S. 1698

At the request of Mr. KENNEDY, the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Vermont (Mr. LEAHY), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1698, a bill to amend the Internal Revenue Code of 1954.

S. 1906

At the request of Mr. CHURCH, the Senator from New Jersey (Mr. CASE), the Senator from Colorado (Mr. GARY W. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 1906, a bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program.

S. 1928

At the request of Mr. PACKWOOD, the Senator from Nevada (Mr. LAXALT) and the Senator from Tennessee (Mr. BROCK) were added as cosponsors of S. 1928, the Alien Employment Act, a bill to prohibit the employment of those not lawfully entitled thereto.

S. 1989

At the request of Mr. STONE, the Senator from California (Mr. TUNNEY) and the Senator from Illinois (Mr. STEVENSON) were added as cosponsors of S. 1989, a bill to direct the preparation and submission to the President of information to assist in negotiations with oil-producing countries.

S. 1992

At the request of Mr. CHURCH, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1992, a bill to amend title II of the Social Security Act to revise the provisions relating to automatic cost-of-living increases in benefits, and for other purposes.

S. 2015

At the request of Mr. EAGLETON, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 2015, a bill to amend title 39, United States Code, to assure that certain publications of institutions of higher education continue to qualify as second-class mail.

S. 2018

At the request of Mr. WILLIAMS, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 2018, a bill to strengthen State workers' compensation programs.

S. 2040

At the request of Mr. ABOUREZK, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 2040, the Judicial Salary Act of 1975.

AMENDMENTS SUBMITTED FOR PRINTING

NATURAL GAS PRODUCTION AND CONSERVATION ACT—S. 692

AMENDMENTS NOS. 682, 683, AND 684

(Ordered to be printed and to lie on the table.)

Mr. GLENN submitted three amendments intended to be proposed by him to the bill (S. 692) to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes.

CONSUMER PRODUCT SAFETY COMMISSION IMPROVEMENTS ACT—S. 644

AMENDMENT NO. 685

(Ordered to be printed and to lie on the table.)

Mr. CHURCH submitted an amendment intended to be proposed by him to the bill (S. 644) to amend the Consumer Product Safety Act Commission, to authorize new appropriations, and for other purposes.

AUTOMOBILE ECONOMY AND FUEL RESEARCH AND DEVELOPMENT ACT OF 1975—S. 1883

AMENDMENTS NOS. 686 AND 687

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted two amendments intended to be proposed by him to the bill (S. 1883) to conserve gasoline by directing the Secretary of Transportation to establish and enforce mandatory fuel economy performance standards for new automobiles and new light duty trucks, to establish a research and development program leading to advanced automobile prototypes, and for other purposes.

DUTY-FREE TREATMENT ON WATCHES—H.R. 7710

AMENDMENT NO. 688

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON submitted an amendment intended to be proposed by him to the bill (H.R. 7710) to amend the Tariff Schedules of the United States to provide duty-free treatment to watches and watch movements manufactured in any insular possession of the United States if foreign materials do not exceed 70 percent of the total value of such watches and movements.

SUSPENSION OF DUTY ON CATALYSTS OF PLATINUM—H.R. 7728

AMENDMENT NO. 689

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON submitted an amendment intended to be proposed by him to the bill (H.R. 7728) to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam.

Mr. EAGLETON. Mr. President, I send to the desk identical admendments to H.R. 7710 and H.R. 7728 and ask that they be printed.

The PRESIDING OFFICER. The amendments will be received and printed and will lie on the table.

Mr. EAGLETON. On February 5, 1975, the House voted 309 to 114 to rescind for 90 days the President's authority to impose a tariff on oil imports.

On February 19, 1975, the Senate passed the identical bill by a vote of 66 to 28.

On March 3, President Ford vetoed the bill.

Since then, the Congress has done nothing about the oil tariff, which at $2 a barrel, is estimated to be costing the American consumer $6.8 billion a year in direct price increases and as much as $18 billion a year when indirect costs are added. That virtually wipes out the economic stimulation of this year's $8 billion tax rebate.

Even more distressing is the lack of any evidence the tariff is reducing our level of oil imports. To the contrary, the main effect seems to be to encourage OPEC nations to further increase their prices on the theory that demand for their product has not been reduced by the $2 tariff and that they might as well collect it as leave it to the U.S. Government.

The Senate is working diligently to pass legislation implementing the congressional energy plan adopted in principle early this year. However, in failing to address the key question of advancing oil prices and in effect allowing the administration to proceed through executive action with its own energy program, Congress has been open to justifiable criticism.

Briefly, this amendment would rescind the existing $2 oil tariff and prohibit the President from imposing any new tariff on imported oil or oil products. The bill leaves undisturbed the President's authority under the Trade Expansion Act of 1962 to limit imports in the interest of national security through quotas if that is necessary. Any reduction in imports, however, should be consistent with efforts to end the recession and with programs to deal with resulting supply cutbacks through conservation and allocation.

I believe it is essential that Congress meet this challenge. It must do more than continue the painstaking work on the component bills of its long-range comprehensive energy program. It must, at the same time, deal with the economic chaos threatened by the administration's conflicting energy policies.

FEDERAL RULES OF CRIMINAL PROCEDURE AMENDMENTS—H.R. 6799

AMENDMENT NO. 690

(Ordered to be printed and to lie on the table.)

Mr. MANSFIELD (for Mr. Eastland, Mr. Hruska, and Mr. McClellan) submitted an amendment intended to be proposed to the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Mississippi (Mr. Eastland) and other Senators, I send an amendment to the desk for printing, and I ask unanimous consent that the text of the amendment be printed at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 690

H.R. 6799, an Act to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those Rules. Viz: Strike all after the enacting clause and insert the following: That this Act may be cited as the "Federal Rules of Criminal Procedure Amendments Act of 1975".

Sec. 2. The amendments proposed by the United States Supreme Court to the Federal Rules of Criminal Procedure which are embraced in the order of that Court on April 22, 1974, are approved except as otherwise provided in this Act and shall take effect on December 1, 1975. The amendments made by section 3 of this Act shall also take effect on December 1, 1975.

Sec. 3. The Federal Rules of Criminal Procedure, as amended by the amendments that were proposed by the United States Supreme Court to the Federal Rules of Criminal Procedure which are embraced by the order of that Court on April 22, 1974, are further amended as follows:

(1) Rule 4 (a) and (b) is amended to read as follows:

"(a) Issuance.—If it appears from the complaint, or from an affidavit or affidavits filed with the complaint, that there is probable cause to believe that an offense has been committed and that the defendant has committed it, a warrant for the arrest of the defendant shall issue to any officer authorized by law to execute it. Upon the request of the attorney for the government a summons instead of a warrant shall issue. More than one warrant or summons may issue in the same complaint. If a defendant fails to appear in response to the summons, a warrant shall issue.

"(b) Probable Cause.—The finding of probable cause may be based upon hearsay evidence in whole or in part."

(3) Rule 4(d) is amended by redesignating it as Rule 4(c)

(4) Rule 4(e) is amended by redesignating it as Rule 4(d), and paragraph (3) thereof is amended to read as follows:

"(3) Manner.—The warrant shall be executed by the arrest of the defendant. The officer need not have the warrant in his possession at the time of the arrest, but upon request he shall show the warrant to the defendant as soon as possible. If the officer does not have the warrant in his possession at the time of the arrest, he shall then inform the defendant of the offense charged and of the fact that a warrant has been issued. The summons shall be served upon a defendant by delivering a copy to him personally, or by leaving it at his dwelling house or usual place of abode with some person of suitable age and discretion then residing therein or by mailing a copy of the summons to the defendant's last known address.".

(5) Rule 9(a) is amended to read as follows:

"(a) Issuance.—Upon the request of the attorney for the government the court shall issue a warrant for each defendant named in the information, if it is supported by oath, or in the indictment. The clerk shall issue a summons instead of a warrant upon request of the attorney for the government or by direction of the court. Upon like request or direction he shall issue more than one warrant or summons for the same defendant. He shall deliver the warrant or summons to the marshal or other person authorized by law to execute or serve it. If a defendant fails to appear in response to the summons, a warrant shall issue".

(6) Rule 11(e)(1) is amended to read as follows:

"(1) In General.—The attorney for the government and the attorney for the defendant or the defendant when acting pro se may engage in discussions with a view toward reaching an agreement that, upon the entering of a plea of guilty or nolo contendere to a charged offense or to a lesser or related offense, the attorney for the government will do any of the following:

"(A) move for dismissal of other charges;

"(B) make a recommendation, or agree not to oppose the defendant's request, for a particular sentence, with the understanding that such recommendation or request shall not be binding upon the court;

"(C) agree that a specific sentence is the appropriate disposition of the case.

The court shall not participate in any such discussions."

(7) Rule 11(e)(2) is amended to read as follows:

"(2) Notice of such agreement.—If a plea agreement has been reached by the parties, the court shall, on the record, require the disclosure of the agreement in open court or, on a showing of good cause, in camera, at the time the plea is offered. Thereupon the court may accept or reject agreement, or may defer its decision as to the acceptance or rejection until there has been an opportunity to consider the presentence report.".

(8) Rule 11(e)(3) is amended to read as follows:

"(3) Acceptance of a plea agreement.—If the court accepts the plea agreement, the court shall inform the defendant that it will embody in the judgment and sentence the disposition provided for in the plea agreement".

(9) Rule 11(e)(4) is amended to read as follows:

"(4) Rejection of a plea agreement.—If the court rejects the plea agreement, the court shall, on the record, inform the parties of this fact, advise the defendant personally in open court or, on a showing of good cause, in camera, that the court is not bound by the plea agreement, afford the defendant the opportunity to then withdraw his plea, and advise the defendant that if he persists in his guilty plea or plea of nolo contendere the disposition of the case may be less favorable to the defendant than that contemplated by the plea agreement.".

(10) Rule 11(e)(6) is deleted.

(11) Rule 12(e) is amended to read as follows:

"(e) Ruling on a Motion.—A motion made before trial shall be determined before trial unless the court, for good cause, orders that it be deferred for determination at the trial of the general issue or until after verdict, but no such determination shall be deferred if a party's right to appeal is adversely affected. Where factual issues are involved in determining a motion, the court shall state its essential findings on the record.".

(12) Rule 12(h) is amended to read as follows:

"(h) Effect of Determination.—If the court grants a motion based on a defect in the institution of the prosecution or in the indictment or information, it may also order that the defendant be continued in custody or that his bail be continued for a specified time pending the filing of a new indictment or information. Nothing in this rule shall be deemed to affect the provisions of any Act of Congress relating to periods of limitations.".

(13) Rule 12.1 is amended to read as follows:

"Rule 12.1. Notice of Alibi.

"(a) Notice by Defendant.—Upon written demand of the attorney for the government stating the time, date, and place at which the alleged offense was committed, the defendant shall serve within ten days, or at such different time as the court may direct, upon the attorney for the government a written notice of his intention to offer a defense of alibi. Such notice by the defendant shall state the specific place or places at which the defendant claims to have been at the time of the alleged offense and the names and addresses of the witnesses upon whom he intends to rely to establish such alibi.

"(b) Disclosure of Information and Witness.—Within ten days thereafter, but in no event less then ten days before trial, unless the court otherwise directs, the attorney for the government shall serve upon the defendant or his attorney a written notice stating the names and addresses of witnesses upon whom the government intends to rely to establish the defendant's presence at the scene of the alleged offense and any other witnesses to be relied on to rebut testimony of any of the defendant's alibi witnesses.

"(c) Continuing Duty To Disclose.—If prior to or during trial, a party learns of an additional witness whose identity, if known, should have been included in the information furnished under subdivision (a) or (b), the party shall promptly notify the other party or his attorney of the existence and identity of such additional witness.

"(d) Failure To Comply.—Upon the failure of either party to comply with the requirements of this rule, the court may exclude the testimony of any undisclosed witness offered by such party as to the defendant's absence from or presence at, the scene of the alleged offense. This rule shall not limit the right of the defendant to testify in his own behalf.

"(e) Exceptions.—For good cause shown, the court may grant an exception to any of the requirements of subdivisions (a) through (d) of this rule.

"(f) Inadmissibility of Withdrawn Alibi.—Evidence of an intention to rely upon an alibi defense, later withdrawn, or of statements made in connection with such intention, is not admissible in any civil or criminal proceeding against the person who gave notice of the intention.".

(14) Rule 15(a) is amended to read as follows:

"(a) When Taken.—Whenever due to exceptional circumstances of the case it is in the interest of justice that the testimony of a prospective witness of a party be taken and preserved for use at trial, the court may upon motion of such party and notice to the parties order that testimony of such witness be taken by deposition and that any designated book, paper, document, record, recording, or other material not privileged, be produced at the same time and place. If a witness is committed for failure to give bail to appear to testify at a trial or hearing, the court on written motion of the witness and upon notice to the parties may direct that his deposition be taken. After the deposition has been subscribed the court may discharge the witness.".

(15) Rule 15(b) is amended to read as follows:

"(b) Notice of Taking.—The party at whose instance a deposition is to be taken shall give to every party reasonable written notice of the time and place for taking the deposition. The notice shall state the name and address of each person to be examined. On motion of a party upon whom the notice is served, the court for cause shown may extend or shorten the time or change the place for taking the deposition. The officer having custody of a defendant shall be notified of the time and place set for the examination and shall, unless the defendant waives in writing the right to be present, produce him at the examination and keep him in the presence of the witness during the examination, unless after being warned by the court that disruptive conduct will cause him to be removed from the place of the taking of the deposition, he persists in conduct which is such as to justify his being excluded from that place. A defendant not in custody shall have the right to be present at the examination upon request subject to such terms as may be fixed by the court, but his failure, absent good cause shown, to appear after notice and tender of expenses in accordance with subdivision (c) of this rule shall constitute a waiver of that right and of any objection to the taking and use of the deposition based upon that right.".

(16) Rule 15(c) is amended to read as follows:

"(c) Payment of Expenses.—Whenever a deposition is taken at the instance of the government, or whenever a deposition is taken at the instance of a defendant who is unable to bear the expenses of the taking of the deposition, the court may direct that the expense of travel and subsistence of the defendant and his attorney for attendance at the examination and the cost of the transcript of the deposition shall be paid by the government.".

(17) Rule 16(a)(1)(A) is amended to read as follows:

"(a) Disclosure of evidence by the government.

"(1) Information subject to disclosure.

"(A) Statement of Defendant.—Upon request of a defendant the government shall permit the defendant to inspect and copy or photograph: any relevant written or reorded statements made by the defendant, or copies thereof, within the possession, custoday or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government; the substance of any oral statement which the government intends to offer in evidence at the trial made by the defendant whether before or after arrest in response to interrogation by any person then known to the defendant to be a government agent, and recorded testimony of the defendant before a grand jury which relates to the offense charged. Where the defendant is a corporation, partnership, association or labor union, the court may grant the defendant, upon its motion, discovery of relevant recorded testimony of any witness before a grand jury who was, at the time of his testimony, so situated as an officer or employee as to have been able legally to bind the defendant in respect to the activities involved in the charges.".

(18) Rule 16(a)(1)(B) is amended to read as follows:

"(B) Defendant's Prior Record.—Upon request of the defendant, the government shall furnish to the defendant such copy of his prior criminal record, if any, as is within the possession, custody, or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government.".

(19) Rule 16(a)(1)(D) is amended to read as follows:

"(D) Reports of Examinations and Tests.—Upon request of a defendant the government shall permit the defendant to inspect and copy or photograph any results or reports of physical or mental examinations, and of scientific tests or experiments, or copies thereof, which are within the possession, custody, or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government, and which are material to the preparation of the defense or are intended for use by the government as evidence in chief at the trial.".

(20) Rule 16(a)(1)(E) is deleted.

(21) Rule 16(b)(1)(C) is deleted.

(22) Rule 16(c) is amended to read as follows:

"(c) Continuing Duty To Disclose.—If, prior to or during trial, a party discovers additional evidence or material previously requested or ordered, which is subject to discovery under this rule, he shall promptly notify the other party or his attorney or the court of the existence of the additional evidence or material.".

(23) Rule 16(d)(1) is amended to read as follows:

"(1) Protective and Modifying Orders.—Upon a sufficient showing the court may at any time order that the discovery or inspection be denied, restricted, or deferred, or make such other order as is appropriate. Upon motion by a party, the court may permit the party to make such showing, in whole or in part, in the form of a written statement to be inspected by the judge alone. If the court enters an order granting relief following such an ex parte showing, the entire text of the party's statement shall be sealed and preserved in the records of the court to be made available to the appellate court in the event of an appeal.".

(24) Rule 17(f)(2) is amended to read as follows:

"(2) Place.—The witness whose deposition is to be taken may be required by subpena to attend at any place designated by the trial court, taking into account the convenience of the witness and the parties.".

(25) Rule 20(d) is amended to read as follows:

"(d) Juveniles.—A juvenile (as defined in 18 U.S.C. 5031) who is arrested, held, or present in a district other than that in which he is alleged to have committed an act in violation of a law of the United States not punishable by death or life imprisonment may, after he has been advised by counsel and with the approval of the court and the United States attorney for each district, consent to be proceeded against as a juvenile delinquent in the district in which he is arrested, held, or present. The consent shall be given in writing before the court but only after the court has apprised the juvenile of his rights, including the right to be returned to the district in which he is alleged to have committed the act, and of the consequences of such consent.".

(26) Rule 32(a)(1) is amended to read as follows:

"(1) IMPOSITION OF SENTENCE.—Sentence shall be imposed without unreasonable delay. Before imposing sentence the court shall afford counsel an opportunity to speak on behalf of the defendant and shall address the defendant personally and ask him if he wishes to make a statement in his own behalf and to present any information in mitigation of punishment. The attorney for the government shall have an equivalent opportunity to speak to the court.".

(27) Rule 32(c)(1) is amended to read as follows:

"(1) WHEN MADE.—The probation service of the court shall make a presentence investigation and report to the court before the imposition of sentence or the granting of probation unless, with the permission of the court, the defendant waives a presentence investigation and report, or the court finds that there is in the record information sufficient to enable the meaningful exercise of sentencing discretion, and the court explains this finding on the record.

"The report shall not be submitted to the court or its contents disclosed to anyone unless the defendant has pleaded guilty to nolo contendere or has been found guilty, except that a judge may, with the written consent of the defendant, inspect a presentence report at any time.".

(28) Rule 32(c)(3)(A) is amended to read as follows:

"(A) Before imposing sentence the court shall upon request permit the defendant, or his counsel if he is so represented, to read the report of the presentence investigation exclusive of any recommendation as to sentence, but not to the extent that in the opinion of the court the report contains diagnostic opinion which might seriously disrupt a program of rehabilitation, sources of information obtained upon a promise of confidentiality, or any other information which, if disclosed, might result in harm, physical or otherwise, to the defendant or other persons; and the court shall afford the defendant or his counsel an opportunity to comment thereon and, at the discretion of the court, to introduce testimony or other information relating to any alleged factual inaccuracy contained in the presentence report.".

(29) Rule 32(c)(3)(D) is amended to read as follows:

"(D) Any copies of the presentence investigation report made available to the defendant or his counsel and the attorney for the government shall be returned to the probation officer immediately following the imposition of sentence or the granting of probation, unless the court, in its discretion otherwise directs.".

(30) Rule 43(b)(2) is amended to read as follows:

"(2) after being warned by the court that disruptive conduct will cause him to be removed from the courtroom, persists in conduct which is such as to justify his being excluded from the courtroom.".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 679

At the request of Mr. McCLURE, the Senator from North Dakota (Mr. HELMS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Wyoming (Mr. McGEE), the Senator from Utah, (Mr. GARN), the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. STEVENS), the Senator from South Dakota (Mr. ABOUREZK), the Senator from South Carolina (Mr. THURMOND), and the Senator from Wyoming (Mr. HANSEN) were added as cosponsors of amendment No. 679 prohibiting the Consumer Product Safety Commission from any regulation over the sale or manufacture of firearms or ammunition, intended to be proposed to the bill (S. 644), the Consumer Product Safety Commission Act.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

G. Kent Edwards, of Alaska, to be U.S. attorney for the District of Alaska for the term of 4 years (reappointment).

Donald B. Mackay, of Illinois, to be U.S. attorney for the Southern District of Illinois for the term of 4 years (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, June 21, 1975, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS AND BUSINESS MEETINGS OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JACKSON. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

SCHEDULES

July 16—Full committee: 9:30 a.m., room 3110, business meeting. Pending calendar business.

July 17—Full committee: 9:30 a.m., room 3110, business meeting. Pending calendar business.

July 17—House-Senate conference: 2 p.m., room S–128, Capitol, conference H.R. 3130, to amend the National Environment Policy Act.

July 18—Energy Research and Water Resources Subcommittee: 10 a.m., room 3110, hearing. Oversight hearing on water marketing on the Upper Missouri River.

July 21—Full committee: 10 a.m., room 3110, hearing. S. 740, National Energy Production Board bill.

July 22—Full committee: 10 a.m., room 3110, business meeting. Pending calendar business.

July 23—Full committee: 10 a.m., room 3110, hearing. H.R. 7688, trust territory authorization bill.

July 29—Energy Research and Water Resources Subcommittee: 10 a.m., room 3110, hearing. Oversight hearing on ERDA's R. & D. program.

July 30—Energy Research and Water Resources Subcommittee: 10 a.m., room 3110, hearing. Oversight hearing on ERDA's R. & D. program.

ANNOUNCEMENT OF HEARINGS

Mr. SPARKMAN. Mr. President, I wish to announce that the Committee on Foreign Relations has scheduled hearings on July 30 and 31, 1975, to receive testimony on S. 1907, a bill to provide for participation by the United States in the financial support fund. The hearings will be held in room 4221 of the Dirksen Senate Office Building, beginning at 10 a.m. each day.

It is anticipated that administration witnesses will appear on July 30 and that public witnesses will be heard on July 31. Persons interested in testifying on S. 1907 are requested to communicate with the committee.

NOTICE OF CANCELLATION OF HEARING ON JULY 15

Mr. CHURCH. Mr. President, I wish to announce for the information of the Senate and the public, the cancellation of a hearing to be held before the Energy Research and Water Resources Subcommittee on July 15.

The subject matter of this hearing involved the utilization of coal and associated coal technologies in the development of a synthetic fuels program.

The hearing is canceled until further notice.

NOTICE OF HEARINGS

Mr. McINTYRE. Mr. President, the Subcommittee on Government Regulation of the Senate Small Business Committee will hold hearings on July 23, 24, and 25 on the economic, social, and health problems caused by industrial noise pollution.

Witnesses will include representatives of the Environmental Protection Agency, the Occupational Safety and Health Administration, and the Small Business Administration, as well as medical experts, economists, a noise abatement engineer, and labor representatives.

The hearings will begin at 9:30 a.m. each day in a hearing room to be announced later.

NOTICE OF HEARINGS

Mr. McINTYRE. Mr. President, I wish to announce that the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs will hold hearings on S. 890, a bill to provide for the emergency acquisition of banks or bank holding companies, beginning at 10 a.m., July 22 and 28, 1975.

Anyone wishing information concerning these hearings should contact Mr. William R. Weber, counsel, room 5300, Dirksen Senate Office Building, 224–7391.

NOTICE RESCHEDULING HEARINGS

Mr. ABOUREZK. Mr. President, because of scheduling conflicts, I wish to announce the rescheduling of hearings by the Separation of Powers Subcommittee on the subject of Executive agreements. The concluding day of hearings originally set for Tuesday, July 15, has been moved to Friday, July 25, 1975, at 10 a.m. in room 2228 of the Dirksen Senate Office Building. Mr. Monroe Leigh, legal adviser to the State Department, remains the scheduled witness.

ADDITIONAL STATEMENTS

VIOLATIONS OF HUMAN RIGHTS BY THE KHMER ROUGE

Mr. PROXMIRE. Mr. President, it appears to be a tragic fact of life that gross violations of human rights are endemic to totalitarian regimes, regardless of ideology. In the past I have spoken out against the political repression of right-wing regimes in Brazil, Chile, and the atrocities that have occurred in both North and South Korea. Today, I would like to call the Senate's attention to the barbarous cruelty of the Khmer Rouge in Cambodia.

During the days of struggle between the Khmer Rouge and the Lon Nol regime, we heard a great deal about the incumbent's insensitivity to human rights. And rightfully so.

But as the New York Times recently pointed out, we have heard little of the cavalier treatment of human rights by the victorious Khmer Rouge. The tales of escaping refugees, if even one-quarter true, demand the moral outrage of our statesmen and elected officials.

Mr. President, we in this Chamber cannot give way to a double standard. We must oppose the violations of human rights wherever they occur.

This incident is one more gruesome reminder of the need for the U.S. Senate to ratify the human rights treaties and, particularly, the Genocide Convention.

Mr. President, I ask unanimous consent that the New York Times editorial of July 9 be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 9, 1975]

CAMBODIA'S CRIME . . .

Some twelve weeks after the Communist entry into Phnom Penh and the forced exodus on foot of millions of urban Cambodians to distant countrysides, a veil of silence still cloaks the full horror of what has happened—with the worst yet to come in predicted deaths from hunger and disease.

Not only the foreign press, but diplomatic missions of any kind, including those from other Communist nations, are still barred from the country, as are international agencies, public and private. What are the Khmer Rouge rulers trying to hide?

Of the estimated 7,000 refugees who fled to Thailand, most came from border areas. Only a small number were themselves participants in the death march from the cities or traversed enough of the country—which covers an area as big as New York, New Jersey, Connecticut and Massachusetts combined—to see more than a small part of the tragedy.

But from the confused and conflicting accounts pieced together from these victims by Thai and Western interviewers, and from other intelligence sources, some inkling is now available of the toll that has been inflicted.

Between two and three million residents of Phnom Penh, Battambang and other big towns—one-third to one-half the population of the country—were forced by the Communists at gunpoint to walk into the countryside in tropical temperatures and monsoon rains without organized provision for food, water, shelter, physical security or medical care. Few, if any, were told that a trek of one to three weeks or longer lay ahead.

The agony and degradation that followed may never be fully known. Tens of thousands are believed to have fallen by the wayside, victims of hunger, thirst, exhaustion and disease, including a spreading cholera epidemic. Some of those who survived were peeled off in groups to be assigned in work gangs to help peasants plant their crops. Others were assigned to labor in previously uncultivated fields, often without proper implements or direction although many of these civil servants, shopkeepers and urban laborers had never had any contact with the land.

By now, whatever food the peasants had stockpiled in the countryside is thought to be running low. Famine is believed to lie ahead before the new crop comes in during November and December, unless large shipments from abroad are received. But there is no sign that food or medical supplies are being imported, or requested. The proclaimed aim is independence from any foreign influence.

The picture begins to emerge of a country that resembles a giant prison camp with the urban supporters of the former regime being worked to death on thin gruel and hard labor and with medical care virtually nonexistent.

The mouthing of such high-sounding objectives as peasant revolution or "purification" through labor on the land cannot conceal the barbarous cruelty of the Khmer Rouge, which can be compared with Soviet extermination of the Kulaks or with the Gulag Archipelago.

What, if anything, can the outside world do to alter the genocidal policies of Cambodia's hard men? Silence certainly will not move them. Were Cambodia a non-Communist and non-Third World country, the outraged protests from the developing and Communist countries, not to mention Europe and the United States, would be deafening.

Members of Congress and others who rightly criticized the undemocratic nature of the Lon Nol regime have a special obligation to speak up. Few if any have been heard from. The United Nations is silent. That silence must be broken.

TRUTH AND GUTS

Mr. GOLDWATER. Mr. President, it has long been my contention that some segments of the news media have done the American fighting men a grave injustice in the way they reported the war in Vietnam.

Now we have a letter, which might even be described as a "cry from the heart," written by a retired Army general which raises serious questions about a 2½-hour CBS documentary on the end of the war in Vietnam. The letter was written by Gen. F. J. Chesarek to the President of the United States. His complaint was that the CBS show, narrated by Walter Cronkite, "highlighted savagery, brutality, and failure."

The General wrote:

> The truly wonderful morale, bravery, ingenuity and dedication of our fighting men . . . was conspicuous by its absence in that television program.

Mr. President, I find myself in complete agreement with General Chesarek when he says that such portrayals by newsmen who seek to write history in their own personal image of events, can undermine our national will unless challenged by officials.

The General told the President that "ego is what builds people and nations." He added:

> There is nothing wrong with ours that truth and some guts will not correct.

Mr. President, I ask unanimous consent that General Chesarek's letter, as published in the June issue of the Armed Forces Journal International, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From Armed Forces Journal International, June 1975]

TRUTH AND GUTS NEEDED

As its Bicentennial begins, the United States is sobered by the first war it has lost in 200 years.

Indochina is over. It did not end easily. Fifty-seven thousand Americans gave their lives trying to insure freedom for the people of a less privileged land. The remains of the last two Servicemen to be killed in Vietnam have yet to be brought home. Hundreds of our prisoners are missing in action and still remain to be accounted for.

A very hard decade is behind us. By instinct, history and upbringing, our Nation is not used to losing.

What the past decade means to the American people, to our military institutions, and what it could, or could not portend for the future has been eloquently summarized, in our view, by a recently retired American general, Ferdinand J. Chesarek, in this letter to our President. It's the first he has ever written to his Commander-in-Chief. We are grateful for his permission to share it with Journal readers around the world.

APRIL 30, 1975.

THE PRESIDENT OF THE UNITED STATES,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have just watched with anguish and anger the 2½ hour spectacular put on by Walter Cronkite of CBS on the subject of the end of the war in Vietnam. It highlighted savagery, brutality, and failure. The truly wonderful morale, bravery, ingenuity and dedication of our fighting men, which was so obvious for anyone to see that wished to see on that battlefield, was conspicuous by its absence in that television program.

This is the first letter I have ever written to a President, or any other public official. I feel strongly that these portrayals by newsmen who seek to write history in their image of events, unless challenged officially, will undermine our national will and create opportunities for our adversaries and chaos abroad amongst our friends. I cannot sit by and accept such portrayal as an unchallenged historical fact. It is all very well for you to counsel the nation to turn our backs on defeat and address the future, provided that first the factual record be set straight.

Mr. President, surely you know, as Commander in Chief of the Armed Forces of the United States, the definition of national strategy so well articulated by Lord Wavell of the British Army. National strategy, he said, is the disposition of a nation's power and assets in such a manner as to maximize the probability of victory while at the same time minimizing the consequences of defeat. General of the Army Douglas MacArthur's statement that there is no substitute for victory should also be kept firmly in mind. Our failure in Vietnam was due to political abuse of these clear precepts, not the will or professionalism of our forces.

The war in Vietnam was fought with unrivalled valor and dedication by our forces in the field. No doubt tactical errors were made, as people are not infallible. But let us not leave the impression throughout the world, as well as at home, that those who fought so well and died, were wounded, or survived performed poorly, were drug addicts, mutinied, and contributed to the ultimate collapse of our objective. Quite the contrary. In my many visits to Vietnam, it was always a thrilling experience to see the fantastic morale, dedication, ingenuity and resolve of the men up front. Of course there were isolated instances of cowardice, of abuse of power, of lack of resolve. They occur in everyone's daily lives. They were not as one might judge from the portrayal by Cronkite and Company, the norm by a factor of 1,000 to one.

Mr. President, the security of this nation lies in the hands of its President. His tools, in the final analysis, are his Armed Forces and their morale, will, and resolve. I cannot sit back and accept a national posture of "let's forget the past." No one, least of all our enemies, will do so consciously or unconsciously. Let us admit failure or resolve of our people at home, comfortable and secure because of a lack of understanding of the political motive. The least we can do is to dramatize positively the truly outstanding effort of our men sent to a distant land to perform a tough job directed by their Commander in Chief.

We Americans are not losers, by instinct, history, or upbringing. We are adventurous, we are risk takers; we are strong. That is why we are a prosperous nation. You, Mr. President, are a tough man. I appeared before the House Appropriations Subcommittee many times. I always found you to be a sharp questioner, but very fair and objective. Yet I do not see in the media portrayal your gusty nature rising up at this anguished time. You are by nature a Churchill, as anyone who knows you can attest. This is not a time for humility, of turning our backs on failure. Let us instead do two things: put the blame where it belongs; on the people and their elected representatives. At the same time you must see to it that the world is told of the fantastic effort of our forces sent to execute a fuzzy political objective. The objective was indeed fuzzy, no victory or positive objective, but the performance was magnificent.

New crises are bound to occur. Our armed forces, on which the nation must in the final analysis rely upon, must be respected and feared by our adversaries. Our response to the defeat in Southeast Asia should be neither recrimination or turning our backs. It must be a posture of facing the facts; rebuilding the forces; creating a national morale of confidence and guts. What do we fear—ourselves?

We are, Mr. President, the greatest nation on earth. Let us act like what we are. No deprecating broadcast or report should go unchallenged. Ego is what builds people and nations. There is nothing wrong with ours that truth and some guts will not correct. Our performance in the field was magnificent. Let no one fail to understand it, most of all ourselves, so tell the world about it now, before it is too late. We did not suffer a Dunkirk or a Pearl Harbor in Vietnam. Should we walk away and let ourselves and the world believe that we did?

Sincerely yours,

F. J. CHESAREK,
General, U.S. Army, retired.

SALE OF REDEYE MISSILE TO JORDAN

Mr. SPARKMAN. Mr. President, I notified Members last week of several proposed arms sales reported by the Department of Defense as required by Section 36(b) of the Foreign Military Sales Act. Two of those proposed sales involved Jordan. The Department of Defense has offered to sell Jordan improved Hawk air defense equipment and a Vulcan air defense system. The Department has notified the Committee on Foreign Relations of a third proposed sale to Jordan. Although the amount of the sale is below the $25 million figure above which section 36(b) reports are required, I believe the Members should also be aware of this proposed sale. The Department of Defense is offering to sell a classified number of Redeye missiles to Jordan. The Redeye missile is a shoulder-fired guided missile designed to give soldiers an effective defense against low-flying airplanes and helicopters.

ADEQUATE FUNDING FOR HEALTH PROFESSIONS TRAINING

Mr. SCHWEIKER. Mr. President, recently, Mr. Nat Stark, vice chancellor of the Schools of the Health Professions at the University of Pittsburgh, presented testimony to the Subcommittee on Labor and Health, Education, and Welfare of the Committee on Appropriations relating to funding for health manpower training for fiscal year 1976.

Mr. Stark has had a varied and distinguished career and I believe his thoughts on this important issue will be of interest to all concerned with the training of health professionals and with medical research.

Mr. President, I ask unanimous consent that Mr. Stark's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. NAT STARK

On behalf of the organizations which I am representing, I would like to thank you for the ongoing support which this committee has shown for the cause of funding of health services, health manpower development and health research. My name is Nathan Stark. I am Vice Chancellor of the Schools of the Health Professions at the University of Pittsburgh and President of the University Health Center of Pittsburgh. In addition to my administrative posts I am currently a member of the governing council of the National Academy of Science's Institute of Medicine. Recently I was asked by Representative Rostenkowski to be available for testimony as a member of the Advisory Panel on National Health Insurance of the House Ways and Means Subcommittee on Health. But today I am here as a representative of the academic community concerned with health funding.

Both as a layman and as a relative newcomer to the world of academic health institutions my approach to health care problems may be somewhat different from others in the field. I spent the first 25 years of my career as a business man, directing manufacturing and as president and chairman of the board of an urban development corporation. But during that time I had a deep interest in health-related institutions.

For ten years I served as chairman of the Kansas City Metropolitan Hospital Planning Council, one of the first-generation community health planning agencies and one of the first such agencies in the country. I also served as Chairman of the Board of a nonprofit corporation which began with a decaying inner-city hospital, and over the course of 15 years, developed a modern health complex which now includes an adult medical-surgical hospital, schools of medicine and dentistry, specialty facilities for pediatrics, mental health, long-term care, ambulatory care facilities, and satellite hospitals and clinics. It was this experience that caused me to make the shift, in mid-career, from business to an academic health center. I enumerate these experiences only to point out that I bring to these hearings a double perspective on the problems of health funding: that of the concerned layman and consumer, as well as that of a representative of academic health institutions.

I am here today to express concern over the administration's proposed health funding. The original budget proposed by the administration could cause major difficulties for academic health centers, and these difficulties would be further compounded by the proposed rescissions of health funds. I know I do not need to make a case before this committee for the national goal of competent, accessible health care for all Americans. What I do want to emphasize is the fact that certain proposed realignments and cutbacks of federal health funds would adversely affect that goal by cutting back on the training of health professionals to provide that care, and cutting back on research which could improve care, reduce costs, and bring us closer to controlling our worst diseases.

As we see it, there are four main issues in the proposed budget which would adversely affect academic health centers, and, in their long-range implications, affect the health of all Americans. The proposed budget would: (1) reduce funding for federal grant programs, on the assumption that this support could or would be made up by state or local governments; (2) reduce support for health research and the training of researchers; (3) reduce funding for professional schools in order to concentrate funds on improved geographic distribution of primary care practitioners; and (4) continue modest increases in support of programs aimed at monitoring utilization and quality of health care, without providing support for the training of the professionals necessary to carry out these programs.

This funding philosophy seems to concentrate on direct services, while slighting manpower development and research. We simply cannot separate quality health care from its supporting components: training of health professionals and research. Funding cuts that undermine the excellence of our institutions of health education and research also threaten the quality and availability of direct health services to our citizens. The principle that health care is a right of all the people and not the privilege of the few continues to be translated into fact. As this national policy unfolds our need for health manpower training and health research will not diminish, but will grow dramatically.

Both as a businessman and as a citizen I have long recognized the need to control spending, and to contain rapidly escalating costs in all areas of the economy. I think I speak for the entire academic health community when I say we are committed to the goal of cost-control in the health field. This means we must explore new modes of health care delivery and new concepts of care; reevaluate our schools' curricula to find the most efficient ways of educating new health professionals; stress public health education and preventive health maintenance; and regionalize the planning and delivery of health services to eliminate costly duplications. We are prepared to undertake these tasks, but it will be much more difficult to accomplish our goals if existing programs are undermined by the proposed funding cutbacks we are discussing today.

The first of these funding proposals which I enumerated above would reduce federal support of grant programs on the premise that these costs should or would be picked up by local governments. We contend that this is a false premise. State and local governments are already hard pressed to finance basic services, and are unlikely to apply revenue sharing funds to this area. There is no mechanism which directs local governments to apply these resources to health needs—indeed such a mechanism would be contrary to the principle of revenue sharing. In the absence of such a mechanism it is incorrect to assume that local governments will allocate these funds to health projects when services such as law enforcement and housing are viewed as first priorities. A sad example of this is the recent cut in funds for the Community Mental Health/Mental Retardation Centers. With the federal funds cut back, these centers are not being supported by local governments—they are being closed. The citizens in need of these services are being turned away and the professionals who staffed the programs are joining the ranks of the unemployed. Let us hope that we do not return to the high human and financial costs of long-term institutionalization of mental patients.

The second major effect of the proposed administration budget would be to hold down health research and the training of researchers, except in a few selected areas. The excellence of our health system in America rests on a three-pronged approach: services, education, and research. To weaken any one of the three upsets the balance and hence weakens the whole. Although organizational reform of our institutions of higher education may be necessary, we must retain strong funding support for our programs of research, both basic and applied, in all areas of biomedical and health inquiry, and for the training of future research manpower. To do otherwise would be to condemn ourselves to using costly, cumbersome methods to treat diseases we do not understand, rather than freeing ourselves of them.

Infantile paralysis is a case in point. Just compare the cost of a dose of polio vaccine—which incidentally was developed at the University of Pittsburgh—to the cost of maintaining a polio victim in an iron lung. Or consider the cost-effectiveness of our ability to prevent once costly and deadly diseases such as typhoid, diphtheria, german measles and yellow fever through inexpensive immunization. In light of evidence such as this, we know that cutting funding for research and the training of research personnel is not an economy. In the long run we will spend thousands-fold more treating diseases we have not learned to prevent or control, and using outmoded methods of training and administration because we did not devote research dollars to discovering better methodologies.

The third effect of the administration's proposed budget would be to reduce support to the health professions schools in order to concentrate on better geographic distribution of primary care practitioners. We all recognize the serious problem of the shortage and maldistribution of primary care practitioners. And we are all committed to resolving the problem. But it will not be resolved by cutting funding to health professions schools—it will, in fact, be compounded.

My personal commitment to the cause of primary care is evidenced by the fact that I am Chairman of the Advisory Board to the Robert Wood Johnson Foundation's multimillion dollar Community Hospital Medical Staff Sponsored Primary Care Group Practice Program. Furthermore the program which the University of Pittsburgh has undertaken in primary care is one which I think might well serve as a national model. We are initiating a primary care training program which will begin accepting its first residents next month. We have established supportive relationships with two inner city health centers where we help deliver primary care to needy and underserved populations, and where our students, interns and residents receive clinical experience in primary care practice.

We have for many years conducted a summer preceptorship program which sends our medical students into outlying communities to work with physicians there and learn the day-to-day life of the primary care practitioner. We have taken steps to establish links with rural health care centers, and have already been successful in several instances. We have expanded the outreach activities of our continuing education programs so that practitioners in all parts of our region can be kept abreast of the latest in medical knowledge.

And we recently submitted to the legislature of the Commonwealth of Pennsylvania a proposal for a program which would (1) revise our undergraduate curriculum to expand required and elective educational opportunities in primary care; (2) develop and expand internship and residency training programs in primary care; (3) expand and improve our continuing education program so that primary care practitioners in the most remote areas of our state would always have access to the mainstream of contemporary medicine; and (4) develop model primary care practices in rural areas. The model rural practices would use combinations of the latest modes of health care delivery such as group practices, expanded health care teams including nurse practitioners and physicians' assistants, and guarantees of yearly physician replacements so that rural practitioners can return to the university health center for periods of up to six weeks to update their knowledge and skills. These and related elements are designed to overcome the most unattractive aspects of rural practice, such as being on call 24 hours a day, 365 days a year, and being out of touch with the latest technologies being tested, developed and applied at the academic health centers.

I cite the details of this program to underscore the point that we cannot solve the problem of lack of primary care services by cutting funding to the health professions schools, but must, instead, increase that support, because it is in these schools that the needed practitioners are being trained and the new models for primary care practice are being developed.

We must also be careful not to focus on primary care to the detriment of the training of all other kinds of health professionals such as dentists, health administrators, nurses, nurse practitioners, pharmacists, technicians, etc. I think I have demonstrated my concern over our primary care problems, so I know you will understand that I include this in my broader concern for the development of health manpower as a whole. The need for health manpower in many specialty areas is growing and will continue to grow. The public's level of expectation will continue to rise, and as it does, all kinds of health professionals will be needed to meet the demand. The emphasis on primary care must, therefore, be an "add-on" feature of our national health priorities.

We cannot allow it to substitute for or detract from the full spectrum of health manpower development. If we do so we will find ourselves in as awkward a position as we did in the last swing of the pendulum when we had mostly specialists and few generalists to give consumers entry points into the health care system. This time we will find ourselves with inadequate numbers of specialists to handle the heavy load of referrals which the health delivery system itself will naturally generate.

Furthermore we must train the health service administrators, planners and evaluators who will design the new systems for regionalization and geographic distribution, and for evaluation of existing and new programs. Agencies such as HSAs, PSROs, etc, will continue to develop ways to measure the quality and accessibility of health care. But we cannot continue their proliferation without also providing support for the professional schools where the needed administrators are trained. Otherwise we would only be creating "straw men," instead of creating working mechanisms for the containment of costs and assurance of quality and availability of care.

The fourth major concern we would like to address is that while we endorse the administration's proposal to continue modest increases for programs aimed at monitoring utilization and quality of health care, we fail to see the necessary concomitant support for training professionals to carry on these quality control programs. In our health care system the academic health centers are expected to set the standards for excellence in health care and the evaluation and quality control of health programs. So it is appropriate that within this setting health professionals sharpen their skills to conduct the community programs of review and evaluation, and learn the highest standards against which to evaluate these programs.

These then are the four major areas in which we think the administration's proposed budget would adversely affect the academic health education and service centers. I repeat that we cannot separate quality health care service from its supporting components: training of health professionals and research. If we cut back the funding for our institutions of health education and research we undermine the foundation on which quality health care is based.

SOLAR POWER WITHIN REACH

Mr. FANNIN. Mr. President, the Yuma Highway Emergency Notification System has distributed a fact sheet which describes yet another project that has incorporated solar energy. The project is a roadside telephone and radio callbox emergency notification system, designed to reduce the elapsed time between occurrence of an emergency and proper response. The callbox batteries will be continuously recharged by solar panels mounted high on the callbox post.

To continue my series on the readiness of solar energy for immediate application, I wish to share this information with my colleagues. These facts again illustrate Arizona's readiness and ability to accept and utilize one of our most clean and abundant fuel sources.

I ask unanimous consent that this fact sheet from the Yuma Highway Emergency Notification System be printed in the RECORD.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

Fact Sheet—Yuma Highway Emergency Notification System

Contact: Leslie H. Harter, Project Director, 726-0032, Yuma or Don Luke, Arizona Regional Medical Program, 249-4040, Phoenix.

Project description: The project is a roadside telephone and radio callbox emergency notification system installed along 135 miles of two major highways in southern Yuma County and is designed to reduce the elapsed time between occurrence of an emergency and proper response. An emergency notification center located in the Yuma County Sheriff's Office receives all calls and dispatches assistance with the aid of a central console.

Funding: The project is funded by a $94,000 grant from the Arizona Regional Medical Program, a division of the University of Arizona College of Medicine, which administers federal funds allocated to Arizona for various health programs. The Yuma project is part of ARMP efforts to help communities improve public access to emergency medical services.

Participating agencies: The project is supervised by the Emergency Medical Services Committee of the Yuma County Comprehensive Health Planning Council. Fiscal agent for the project is the Yuma Regional Medical Center. Active in planning and implementing the project are the Yuma County Sheriff's Office, Arizona Department of Public Safety, Arizona Department of Transportation (Highway Division), Arizona Regional Medical Program and numerous local, county and state groups.

Project Director: Leslie H. Harter, who also serves as chairman of the EMS Committee on Communications and chairman of the EMS Committee for Health Facilities Services.

Area served: The phones, either radio callboxes or regular pay telephones, will be available approximately every 10 miles along 60 miles of Interstate 8, east from Yuma to the county line, and 75 miles of State Hiway 95 from San Luis to Stone Cabin, south and north of Yuma.

People served: More than 60,000 area residents, 20,000 winter visitors, 20,000 farm migrant laborers and travelers in three million cars per year will be served by the system.

The problem: Like many areas of the Southwest, Yuma County has remote stretches of highway where motorists frequently wait an hour or more for the report of an emergency to reach the appropriate agency and another hour for help to arrive. Many emergencies other than car accidents, such as heart attack, stroke or respiratory problems, require prompt medical attention, particularly in desert areas where summer ground temperatures range from 137 to 160 degees F. Even mechanical failure or other problems can rapidly become serious.

The equipment: The project is the first of its kind in the nation to combine radio callboxes and standard telephones in an emergency highway communications system. The first 48 miles of I-8 east of Yuma will be served by radio callboxes; the next 12 miles by regular telephones. The 75 miles of State 95 will combine radio callboxes and telephones along the entire route. Radio callboxes will be installed in pairs on opposite sides of I-8 so that motorists do not have to cross the interstate. Callboxes will be attached to specially-constructed "breakaway" posts which will collapse if struck by a car. If a callbox is vandalized or tampered with, the system provides its own immediate notification. Anytime the handset is picked up, the inner "electronics" door is opened, or the handset cord is cut, the Sheriff's Office dispatcher instantly knows its location and can dispatch a patrol car to check the callbox. The callbox batteries will be continuously recharged by solar panels mounted high on the callbox post.

The radio callboxes, 15 altogether, are manufactured by Motorola Communications and Electronics Inc. under the trade name "Motorcall." The 450 MHz terminal stations (or callboxes) are connected to a microwave "backbone" or relay located atop Telegraph Pass Mountain, 20 miles east of Yuma. The microwave relay provides signal and voice communication between the callboxes and central control console in the Sheriff's Office in Yuma. The console is a mini-computer, also manufactured by Motorola, capable of monitoring all callboxes and also handling additional callboxes in the future. Upon receipt of a call, the console instantly and automatically provides: a visual display of the callbox identity number on the console control panel; a visual display of the status of all vital functions of the callbox; a tape-printer record of the above information, together with the date and time of the call. Each callbox operates independently of all other callboxes. Eavesdropping from another callbox is not possible and other callers can neither monitor nor interfere with a call in progress. At each change of shift, the new dispatcher can press a button on the console that automatically prints out the condition of all callboxes. Each call also is automatically recorded on a Sony tape recorder for reference.

In addition to the callboxes, the Yuma system will use standard telephones. The telephone operator will connect the caller with the dispatcher upon request.

How to use the system: If an emergency is reported by radio callbox, the caller pulls a handle opening the box, removes the receiver from the hook and talks directly to the dispatcher at the Sheriff's Office. There are no buttons or dials to confuse an excited or distraught caller. Before the caller even begins talking, the Sheriff's Office already has received the location of the caller and the callbox on the console display. In addition to the display information, the data is also printed on a read-out sheet and serves as a permanent record. The dispatcher determines the nature of the situation and type of help needed. All calls, including nonmedical emergencies such as fire and rescue, are routed by the dispatcher to the correct response agency which sends a patrol car, tow truck, ambulance or such other vehicles as are required.

If the caller is using a normal pay telephone along the system, he inserts a dime, dials "O," reports the call as an emergency and is connected directly to the Sheriff's Office dispatcher, from which point the procedure is similar to radio calls.

Completion date: Equipment will be installed during the first part of April with the system scheduled to be operational by mid-April.

Public information program: An important part of the project is a bilingual (English-Spanish) public information program to make residents and travelers aware of the system and how to use it. Materials include brochures, posters and news media information. Highway markers will direct travelers' attention to the nearest telephone or callbox.

Evaluation: Evaluation of the project is planned. Before-and-after data will be compiled to determine how effective the system proves to be in reducing response time. A three-month baseline study has been measuring the number of motorists in need of help as reported along the two highways. This information will be used in the evaluation. Such factors as mechanical efficiency and utilization will be analyzed to assist state highway planning for motorist aid systems in Arizona.

Continuation: The Arizona Regional Medical Program grant is for one year. The Yuma County Board of Supervisors already has made a commitment for second-year continuation of the system's maintenance. Similarly, the Sheriff's Office will maintain the notification center, and the Yuma EMS Committee will continue program coordination.

Participating firms: All radio equipment by Motorola Communications and Electronics Inc., a subsidiary of Motorola, Inc.; solar panels by Spectrolab, Division of Textron, Sylmar, Calif.; installation and maintenance of radio system by Yuma Two-Way Radio Systems, Inc., authorized Motorola service center; fabrication of special breakaway callbox posts by Gilpin's Machine Works, Yuma; fabrication of highway signs by Hall Sign Co., Phoenix with installation and maintenance by Weaco Sign Co., Yuma; steel posts and sign installation material by Yuma Pipe and Steel Co. and Unistrut of Arizona, Inc., Phoenix.

MINERALS COMPLACENCY

Mr. METCALF. Mr. President, a recent press release from the U.S. Geological Survey indicates that at least one office in the executive branch of our Government is looking ahead, for a change.

The release reminds us that the United States is dependent on foreign sources for nearly all of some minerals basic to our economy.

At the same time, many of these minerals are available to us on the seabed. We can discover and recover them under existing international law. Our industrial spokesmen tell us they can do so with due regard to other uses of the ocean.

I sincerely hope that we heed the warning from the USGS about minerals complacency before we get into the bind that we are with oil, and those who would get together to increase their economic and political clout at our expense.

Mr. President, I will note this press release in hearings of the Subcommittee on Minerals, Materials and Fuels on S. 713, the Deep Seabed Hard Minerals Act.

Mr. President, I ask unanimous consent that the release be printed in the Record.

There being no objection, the release was ordered to be printed in the Record, as follows:

[News release from the Department of the Interior]

Report Warns of Minerals Complacency

A sense of national urgency and public attention similar to that given to the energy situation should be directed to the mineral situation, the U.S. Geological Survey, Department of the Interior, warns.

A new USGS report, summarizing the status of mineral resources and mineral exploration in the United States, emphasizes that the entire U.S. economy is based on minerals as well as energy, and that the Nation does not have an adequate known domestic supply of all the minerals needed to maintain our society for the foreseeable future.

Underlining the economic importance of minerals, the report says that in 1972, the last full year prior to the pinch of the oil embargo, domestic raw materials valued at $32 billion were converted into energy and processed materials, the value of which exceeded $150 billion and formed the basis of the Gross National Product of $1.1 trillion.

The report notes that although the Nation has never had all of the minerals it needed, materials could easily be obtained from abroad in the past. Today, however, a decreasing percentage of our needs is met from domestic supplies. Minerals from overseas are increasingly costly, and in some cases, of uncertain availability. Nationalization of mines in some countries discourages participation by American mining companies; cartel agreements among major producing Nations can suddenly and dramatically raise prices or even halt supply, as has happened recently with petroleum; and many Nations are now competing in the world market for the purchase of mineral raw materials.

Stressing the increasing dependence on foreign sources of supply for essential mineral raw materials, the report notes that in 1974, the Nation was more than 90 percent dependent on imports of primary materials for seven commodities (manganese, cobalt, chromium, titanium, niobium, strontium, and sheet mica); 75 to 90 percent dependent for eight additional commodities (aluminum, platinum, tin, tantalum, bismuth, fluorine, asbestos, and mercury); 50 to 75 percent dependent for eight commodities (zinc, gold, silver, tungsten, nickel, cadmium, selenium, and potassium); and less than 50 percent dependent for 17 commodities (copper, iron, titanium, lead, silicon, magnesium, molybdenum, vanadium, antimony, tellurium, stone, cement, salt, gypsum, barite, rare earths, and pumice).

Forecasts for the year 2000, according to the report, indicate that the U.S. shall then be completely dependent on imports for 12 commodities; more than 75 percent dependent for 19 commodities; and more than 50 percent dependent for 26 commodities.

The many facets of the problem become apparent, the report says, when the ways we might try to alleviate it are considered:

By reducing the demand for scarce minerals through substitution of others, reduction of waste, or elimination of some uses.

By supplementing the raw mineral supply through recovery and recycling of scrap and used materials.

By increasing our domestic supply through discovery of new mineral deposits and through development of technology for the feasible recovery of low-grade deposits.

"From the perspective of the 1970's," the report says, increasing our domestic supply of minerals seems imperative. A widespread misconception, however, allows that this is simply a matter of economics and technology—that the Earth's crust is an infinite storehouse that can readily be tapped for new supplies of all kinds of mineral raw materials by either raising the price or developing new technology."

"The popular misconception that a steady supply of minerals from the crust of the Earth is simply a matter of favorable economics and technology has induced widespread public complacency," the report says, adding that "this notion ignores that fundamental factor governing mineral supply: geologic availability. Neither technologic magic nor astronomical dollar value can make it possible to extract iron, aluminum, gold, sulfur, or phosphorus from rocks in which they are not present."

Nor is "raising the price" as simple as it sounds, the report says. This may allow a company to mine lower grade ore, but the use of increasingly lower grades of ore to supply our mineral needs creates problems in that more energy is required to mine and process the ore, and the environmental impact of the mining is greater than with higher grade ores.

The report emphasizes the importance of making realistic appraisals of the quantities of mineral resources remaining to be developed and yet to be discovered. "Mineral resources cannot be inventoried like cans on a shelf," the report says. "Reserves," the report explains, "or mineral resources that have been found, sampled, and measured, and that can be legally and profitably mined under present conditions, can be inventoried. But in addition to these reserves, there are: known, low-grade deposits not profitable to mine now; new deposits of reserve quality that can be logically inferred to exist but are as yet undiscovered; and even new types of deposits not yet recognized. These are all mineral resources, and appraising them accurately is perhaps as difficult as appraising the 1985 wheat crop."

The report shows that U.S. reserves of many nonmetallic commodities (such as potash, gypsum, and phosphorus), are adequate to fulfill domestic needs well beyond the next 25 years. For many metals the report also shows that identified but as yet subeconomic resources are adequate for projected needs beyond 25 years. The Nation's resources, however, for tin, asbestos, chromium, antimony, mercury, and tantalum, are not adequate to fulfill projected needs past the turn of the century.

"Known U.S. reserves of many minerals represent only a few years' supply," the report says, "and the outlook for resources is somewhat better. To bring them into the category of available reserves will require enormous and costly efforts of exploration and research."

"Our total resources in 1975 are vast," the report concludes, "but they cannot be mined, much less used, until they have been identified, appraised, and finally moved into the category of reserves. We must begin now, in both industry and government, to inform the public about the real nature of our minerals problem, and to stimulate the research that will make our mineral resources available."

Copies of the report, "Mineral Resource Perspective 1975," and published as USGS Professional Paper 940, may be purchased for 95 cents per copy (prepaid) from the U.S. Geological Survey's Branch of Distribution, 1200 South Eads Street, Arlington, Va. 22202.

A REAPPRAISAL OF U.S. FOREIGN POLICY

Mr. GOLDWATER. Mr. President, for many years now I have been deeply concerned over the decline of our military strength in a divided and uncertain world.

That this declining strength has had an enormous impact upon our ability to conduct foreign affairs and to sustain our strategic objectives in Southeast Asia is abundantly evident.

Recently, Mr. President, I received an address by the Honorable Clare Booth Luce, a former Member of Congress and U.S. Ambassador to Italy, on the question of U.S. foreign policy as it stands today. Mrs. Luce, one of the most knowledgeable foreign policy experts this country has ever produced, spoke to the Association of the U.S. Army in Honolulu, Hawaii, on June 18. The main thrust of her address was that a declining military power had deprived the United States of an opportunity to bring a century of peace to the suffering world. As she pointed out, America, through the accident of war, had generated an overwhelming preponderance of power in 4 short years.

Mrs. Luce declared:

> In that extraordinary and unexpected hour of our elevation to the pinnacle of world power, all nations of the world, with one exception—the U.S.S.R.—looked to America for political guidance and economic aid. The Pax Americana was within our grasp. Our country had everything it took to bring a century of peace to the suffering world. That is, everything but the one thing necessary—a firm grasp on the basic principles of a solvent foreign policy, which is that a balance between power and commitments must be not only attained, but maintained.

Mrs. Luce says that America's declining military power is reflected in almost all of our foreign affairs, ranging from the dismal defeat of U.S. arms and aims in Vietnam to the disarray in the NATO alliance and approaching Communist political victories in Portugal and Italy.

Despite the stark picture painted by the former Ambassador to Italy she urged her audience not to be downhearted.

She added:

> Democracy, is, as Churchill once said the worst form of government in the world—excepting all other forms of government. Its singular weakness—its inability to formulate, support and conduct a coherent foreign policy—is offset by a singular strength—its enormous flexibility. This gives a Democracy the stunning capacity to get back on the right track almost overnight, the minute people understand that the country is on the wrong track.

Mr. President, I ask unanimous consent that the full text of Mrs. Luce's remarks, entitled "A Reappraisal of U.S. Foreign Policy," be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

A REAPPRAISAL OF U.S. FOREIGN POLICY

(By the Honorable Clare Boothe Luce)

The late Walter Lippmann, the most respected writer on Foreign Affairs that journalism has produced in this century, called U.S. Foreign Policy the "Shield of the Republic". A sound, or as he preferred to call it, a solvent Foreign Policy is the shield that protects the fortunes, the liberties and the lives of all the people. Today we might call it the essential, the No. 1, Welfare Program of the country.

The paramount goal of Foreign Policy is the security of the nation.

A nation has a solvent Foreign Policy when it has an adequate defense. Its defense is adequate when it possesses the power necessary to protect its vital interests, and to fulfill its foreign commitments.

Power is the Shield of the Republic.

By power, I mean the military force that is needed to prevent war, or to win it if it cannot be prevented. Necessary power is the force that can be mobilized within the domestic territory, and the reinforcements that can be obtained from reliable allies.

Reliable allies are those whose political values and economic interests are, if not identical, similar, or at least congruent. Vital interests and foreign obligations are those which may, in the final analysis, have to be protected and fulfilled by waging war.

A nation which, together with reliable allies, has secured a preponderance of power in relation to the power of its adversaries is free to travel up the broad highway of peace and increasing prosperity. And if such a nation is also a wise and a moral nation, it is in the happy position to help weaker and poorer nations to travel that road with it.

No nation, however "great", however affluent, which has forgotten or ignored the relationship of power to peace and prosperity has ever enjoyed these blessings for more than a few decades. A nation with an insolvent Foreign Policy is on the low road to war or submission, to surrender or servitude.

No nation has ever been born great. All nations have had small and obscure beginnings. But some, thanks to the wisdom of their statesmen, the valor of their soldiers, and the loyalty of their people, have achieved greatness. But only one nation in all history has ever had greatness thrust upon it.

Greatness was thrust upon the United States by the Japanese attack on Pearl Harbor. We were literally bombed into greatness.

To our own intense surprise, we emerged from World War II as the most powerful nation that had ever appeared on earth. In four short years we became not only a superpower, but the only super-power on the world's stage. Our air and naval forces dominated all the skies and oceans. We possessed a monopoly of the most decisive weapon that had ever been invented—the atom bomb.

All our axis enemies had unconditionally surrendered. All our allies were economically prostrated. Except for Pearl Harbor, our homeland had not been touched by the ravages of war. When the war ended, our industry, prodigiously reved up by the battle, was producing 50% of the goods that the world was using. And despite the tremendous burden of taxation that the war had imposed, our people were prosperous.

In four short years, America had attained, through the accident of war, what had eluded all the nations since the fall of the Roman Empire—an overwhelming preponderance of power.

In that extraordinary and unexpected hour of our elevation to the pinnacle of world power, all the nations of the world, with one exception—the USSR—looked to America for political guidance and economic aid. The Pax Americana was within our grasp. Our country had everything it took to bring a century of peace to the suffering world. That is, everything but the one thing necessary—a firm grasp on the basic principle of a solvent Foreign Policy, which is that a balance between power and commitments must be not only attained, but maintained.

U.S. Foreign Policy is today insolvent because our foreign policy books no longer balance. We have, in the space of two decades, lost that preponderance of power necessary to maintain ourselves and our principal allies at peace, and to protect our vital interests without risking a war we cannot be certain of winning. Quite simply, the U.S. has become a declining military power.

Ambassador Maulio Brosio, of Italy, former Secretary General of NATO, recently summed up the situation which faces us this way: "The threat of the expanding Soviet military power is increasing slowly but steadily . . . The Atlantic Community remains the source and the bulwark of Western civilization. For Europe, the Western alliance is a question of life or death, freedom or servitude. For the U.S., it is a question of remaining a great world power, or of declining to a second-rate power."

I might, at this point, ply you with statistics to show the decline of U.S. military power in all four dimensions: nuclear, air, naval and ground forces.

But we do not need statistics to demonstrate the insolvency of U.S. Foreign Policy. It is reflected in ways that are apparent to everyone. It is reflected in the dismal defeat of U.S. arms and aims in Vietnam, and in our consequent loss of credibility as an ally with staying power; in the falling of the dominoes in Indochina; in the scramble of once-friendly Asian nations to build diplomatic bridges to Moscow and Peking; in the disarray in the NATO alliance; in the approaching political victory of the Communists in Portugal and Italy; in our inability to prevent the ruinous Arab oil embargo of 1973; in the economic strains and inflation that all of the Western countries are suffering because of rising oil prices; in the weakness of the dollar on the world's markets; in the impotence of U.S. diplomacy to prevent the outbreak of hostilities between two of our NATO allies, Greece and Turkey, in the consequent threatened loss of our Turkish bases; in our failure to bring a viable peace in the Middle East; in our daily humiliation in the United Nations, where the U.S. can muster no more than a handful of votes on any question which the USSR and the PRC oppose; in the steady stream of vituperative anti-American statements that pour from the lips of Third World spokesmen; and in the almost daily pronouncement of Communist leaders that the triumph of World Socialism is inevitable. But as if all this were not enough to signify the insolvency of U.S. foreign policy, the perilous decline in U.S. power has even been officially announced by Dr. Kissinger himself in an address he recently gave to the American Society of Newspaper Editors in Washington. Not since Churchill warned the British people after Munich of the dangers that faced them, has any Western statesman spoken more sombre words to his people than the American Secretary of State spoke on this occasion:

"We shall have to pay the price for our setbacks in Indochina by increasing our exertions. We no longer have a margin of safety . . . The challenges of the coming decades will dwarf today's disputes. A new World Order is taking shape around us . . . It will engulf or isolate us if we do not act bodily . . . In an era of American predominance, America's preferences held great sway . . . The weight of our influence now depends on our purposefulness, our power, and our perceived reliability . . ."

A new World Order is rising around us that could "engulf or isolate us". This, then, is the melancholy pass to which an insolvent Foreign Policy has brought us.

I know the questions that are in your minds. What went wrong? Who is to blame? And what can the American people do about it?

What has "gone wrong" is something that has "gone wrong" time and time again in history, in countries with a Democratic form of government. In a Democracy, foreign policy, like domestic policy, is, in the final analysis, made by all the people. But free and prosperous people, absorbed by their daily concerns and their domestic affairs, find it very difficult to focus on foreign affairs, to identify their true interests abroad, and to determine what foreign nations are "up to". Eager for peace themselves, a Democratic people are prone to believe that others must desire it as much as they do. Used to solving their domestic problems by persuasion, negotiation, compromise and conciliation, they believe that all foreign conflicts can be resolved by the same methods. As Henry Kissinger has noted, "persuasion is the method of democracy". Unable to see the relation of military power to peace, a Democratic people are prone to believe that military power leads to war. They consequently cannot agree on a settled course of action in respect of their world neighbors.

More than a hundred years ago, Alexis de Tocqueville, the author of *Democracy in America*, noted this weakness in our political system:

"In the conduct of their foreign relations, Democracies appear to me to be decidedly inferior to other governments. Foreign policies demand scarcely any of those qualities peculiar to a Democracy; they require, on the contrary, the perfect use of almost all of those in which it is deficient."

Permit me to read to you one paragraph from Walter Lippman's book, *Foreign Policy: Shield of the Republic*. It was written in 1943, before World War II had reached its climax, and on the eve of the 1944 Presidential elections:

"As the climax of the war finds the people of the United States approaching a national election, we must face the fact that for nearly fifty years the nation has not had a settled and generally accepted foreign policy. This is a danger to the Republic. For when a people is divided within itself about the conduct of its foreign relations, it is unable to agree on the determination of its true interest. It is unable to prepare adequately for war or to safeguard successfully its peace . . . Thus its course in foreign affairs depends, in Hamilton's words, not on reflection and choice, but on accident and force . . .

"The spectacle of this great nation which does not know its own mind is as humiliating as it is dangerous. It casts doubt upon the capacity of the people to govern themselves. For nowhere else on earth, and never before in all history, has any people had conditions so favorable as they are in the United States to proving their capacity for self-government . . .

"This is the time of the reckoning. We are liquidating in sweat and blood and tears, and at our mortal peril, the fact that we made commitments, asserted rights, and proclaimed ideals while we left our frontiers unguarded, our armaments unprepared, and our alliances unformed and unsustained . . .

"Our failure now to form a national policy will, though we defeat our enemies, leave us (in the post-war period) dangerously exposed to deadly conflict at home and to unmanageable perils from abroad . . ."

So it was, before Pearl Harbor. So it is, after Vietnam.

But let us not be downhearted. Democracy, as Churchill once said, is the worst form of government in the world—excepting all other forms of government. Its singular weakness—its inability to formulate, support and conduct a coherent foreign policy—is offset by a singular strength—its enormous flexibility. This gives a Democracy the stunning capacity to get back on the right track almost overnight, the minute the people understand that the country is on the wrong track.

Moreover, the U.S., together with its allies, still has a tremendous military potential that can be quickly realized the moment the will to do so is present. In relation to the USSR, the Western alliance possesses overwhelming superiority in manpower, technological and scientific skills, productive capacity, and taxable wealth.

The Soviets are only 220 million. The Western alliance has close to a billion. Its productive capacity is six times greater. The GNP of the U.S. alone is twice that of the Soviets. Disposable wealth is not our problem. Last year Americans spent more on liquor, cigarettes, cosmetics, candy and entertainment than they spent on their entire Defense Establishment.

When we get it through our heads that what is now on the line is our own survival—which, God willing, we will do short of another Pearl Harbor—we have all that it takes to regain our lost preponderance of power. Time is growing short—very short—but it is not too late.

With the awakened resolve of the American people, and the courage and steadfastness of our Armed Forces, our country will celebrate its tri-centennial in peace and prosperity.

PROPOSED ARMS SALE

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the Record the notification I have just received. A portion of the notification, which is classified information, has been deleted for this publication, but is available to Senators in the Foreign Relations Committee, room S-116 in the Capitol.

There being no objection, the notification was ordered to be printed in the Record, as follows:

July 11, 1975.

Hon. John J. Sparkman,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 75–32, concerning the Department of the Army's proposed Letter of Offer to Iran for services and technical assistance to Improved Hawk air defense batteries estimated to be in excess of $25 million.

Sincerely,

H. M. Fish,
Lieutenant General, USAF.
Director, Defense Security Assistance Agency, Deputy Assistance Secretary (USA), Security Assistance.

Transmittal No. 75–32

(Notice of proposed issuance of letter of offer pursuant to section 36(b) of the Foreign Military Sales Act, as amended.)

a. Prospective Purchaser: Iran

b. Total Estimated Value: (Deleted)

c. Description of Articles or Services Offered: Services of contractor (Raythron Co.) personnel to provide technical assistance in the operation and maintenance of deployed Improved Hawk air defense batteries.

d. Military Department: Army

e. Date Report Delivered to Congress:

THE CIA INQUIRY

Mr. FANNIN. Mr. President, when the investigation of the Central Intelligence Agency began it was with the very legitimate objective of determining whether the CIA had exceeded its charter in its activities within the United States. The commission headed by Vice President Rockefeller carried out an investigation and issued a report citing some excesses and misdeeds by the CIA.

It appears now that concern over CIA activity has become an obsession, and the situation could be very detrimental for the future of America.

On July 3, 1975, the Douglas Daily Dispatch ran an editorial which I believe puts the current mania into perspective.

Mr. President, I ask unanimous consent to have this editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

CIA Inquiry

Whatever the Central Intelligence Agency may or may not have done from five to ten years ago or earlier, many Americans have the feeling that an inordinate amount of time is being devoted to the past and not enough to the very urgent questions of the present. Most people have been fully aware all along that some CIA espionage methods in the Fifties and Sixties would not pass all the standards of rigorous political morality, but that was a period when the Cold War was in full progress and it appeared that the old saying about fighting fire with fire was justified.

Actually, the CIA, whatever its methods, achieved some highly worthwhile goals in battling the devious procedures by which Communism has traditionally, and often very successfully, managed to impose its theories upon various populations. We have only to look at the present situation in Portugal, where the Communists are nibbling away at the structure of government despite the clearly expressed wishes of the majority of the people. The difference is that, in the past, the CIA was able to operate quietly to combat takeovers of this kind, while now its skills have been virtually ruled out of action.

While it is obvious that all investigative agencies must be subject to a certain degree of control, and particularly should not be allowed to practice the kind of domestic information collecting that can end with blackmail and ruined lives, the real achievements of the CIA on the world scene should not be condemned. Too much restriction could leave us as a nation in a bad future situation and could further advances by a Communism that does not regard the niceties of international law.

MURPHY COMMISSION REPORT UNDERSCRES NEED FOR CONGRESSIONAL FOREIGN POLICY OFFICE

Mr. GARY W. HART. Mr. President, several weeks ago I introduced S. 1984, a bill to establish a Congressional Office of Foreign Policy and National Security Analysis. The Congress should stop bemoaning its fate as a junior partner in the formulation of U.S. foreign policy and start doing something to correct the structural deficiencies and weaknesses that relegate it to this role. Although the congressional capability that S. 1984 would create will not solve all our problems, it would be at least a step on the road to restoring congressional participation in the formulation and implementation of foreign policy.

Concern that Congress should reassert itself and more effectively meet its constitutional responsibilities for foreign policy and national security affairs, led high hopes for the work of the Commission on the Organization of the Government for the Conduct of Foreign Policy—the Murphy Commission. Such high hopes regrettably were dashed by the report of the Commission released last week. Reading the Murphy Commission report is not a very satisfying experience for it is, as so aptly characterized by Senator Mansfield, thin gruel served in a very thick bowl.

What most disappoints me about the report is the short shrift it gives to the Congress. Devoting 10 of 200 pages to "congressional organization and procedures" the Commission identifies major problems but proposes weak, ineffectual and unpractical solutions.

For example, the Commission report concludes that the Congress needs:

A forum for weighing interrelations among the political, economic and military aspects of foreign policy and between foreign and domestic policy issues.

Assistance in making available to party leaders and the relevant standing committees of both Houses "the full range of information and analysis needed to enable them to legislate in a prompt and comprehensive manner."

A supplement to the existing committee and leadership system which provides "a more systematic and comprehensive exchange of information, analysis and opinion" on foreign policy.

To meet these needs, the Commission proposes establishment of a new, Joint Committee on National Security. In his comments accompanying the report, Senator Mansfield gives seven strong objections to creating such a committee, which I, and I suspect most of my colleagues, share. I will not belabor the point here; but creation of a Joint Committee on National Security is simply not an acceptable solution to the problem.

Although the Commission proposes unrealistic solutions, it identifies very real problems: Congress does need to interrelate the political, economic, and military aspects of foreign policy, and it does need more systematic and comprehensive analyses of foreign and national security policies.

The Commission also surveys the analytic resources available to support the Congress, noting that in recent years the Congress has substantially expanded the Congressional Research Service—CRS—strengthened the General Accounting Office, and created the Office of Technology Assessment and the Congressional Budget Office. Nevertheless, the Commission concludes that "this rapid growth in research capability has still not provided Congress with adequate research and informational capacity on foreign policy issues." To remedy this, the report recommends that Congress designate the Joint Committee on Congressional Operations as responsible for improving the performance of the CRS.

I agree with the Commission's diagnosis: Congress analytic capability in the fields of foreign policy and national security is inadequate. The Commission's prescribed remedy, however, is a half-measure that may alleviate, but will certainly not solve, the problem. Better administrative oversight by the Joint Committee on Congressional Operations might improve CRS operations, but it will not remove the structural limitations that prevent CRS from providing the type of long-term, in-depth, and wide-ranging analyses, studies and evalutions of foreign and national security affairs the Congress needs. However, Congress can overcome these limitations and meet its needs for foreign policy analysis by establishing the congressional office provided in S. 1984.

Another deficiency in congressional organization to deal with foreign policy highlighted by the Murphy Commission is the "relatively low levels of congressional use of independent, non-governmental sources of analysis." I agree, this is a major shortcoming of the Congress. But what would the Murphy Commission have us to do to correct it? Why simply have the Foreign and International Relations Committees periodically publish a summary of their research interests and priorities.

I submit that such a measure would be as ineffectual as it is cheap. We do not live in a something-for-nothing society. Universities and nonprofit research centers have their own payrolls to meet as well as their own interests to serve. While many no doubt sympathize with the Congress, we cannot rely on their goodwill to support it. No, if we Members want to have the type of foreign policy analyses the Congress needs we will have to shop around in the research market and pay for what we get. Being a clearinghouse for research and analyses would be one of the more important functions of the Congressional Office of Foreign Policy and National Security Analysis to be established by S. 1984.

In sum, although the Murphy Commission's sketchy treatment of the organization of the Congress for dealing with foreign policy offers us few good solutions, it does highlight some of our more pressing problems in this area. Fortunately, there is a bill now before the Senate Foreign Relations and Armed Services Committees which does provide solutions to some of these problems, S. 1984. I, therefore, urge the Senate, in view of the findings of the Murphy Commission regarding Congress serious organizational deficiencies, promptly to act on S. 1984.

"SEWARD'S FOLLY" NOW ENERGY AND MATERIAL RESOURCE STOREHOUSE FOR AMERICA'S FUTURE

Mr. STEVENS. Mr. President, this spring the National Enquirer published an article by Mr. Bernard D. A. Scott concerning the decision by then Secretary of State William H. Seward to purchase the Alaska territory from Czar Alexander II of Russia for $7.2 million.

Secretary Seward's decision was one of the most important and far-reaching in our Nation's history.

Mr. Scott's article points out that based on the present price of oil the United States stands to benefit from Secretary Seward's decision at the tune of $13.2 million a day when the trans-Alaska pipeline is completed. This is $13.2 million that will stay in the United States and not find its way to the coffers of the Arab oil-producing countries.

Mr. Scott points out that the United States will save almost twice as much money in 1 day through the delivery of Alaska oil as the whole Alaska territory cost 108 years ago.

Mr. President, Alaska was and continues to be one of the best investments this Nation has ever made. Alaska, which was once termed "Seward's folly" is now the energy and material resource storehouse for America's future.

Mr. President, I ask unanimous consent that Mr. Scott's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OIL FROM ALASKA WILL SAVE MORE MONEY IN 1 DAY THAN UNITED STATES PAID FOR WHOLE STATE

(By Bernard D. A. Scott)

"By mid-1977, when Alaskan oil is available, the U.S. will reap almost twice as much money in one day as the Alaska territory cost 108 years ago."

That statement by an Exxon Corp. official adds up to strong words of praise for Secretary of State William H. Seward, who in 1867 engineered the $7.2 million real estate deal with Czarist Russia.

At that time, harsh critics dubbed the land buy "Seward's Folly" and Alaska itself "Seward's Ice Box."

Yet, only two years from now—based on today's oil prices—the U.S. stands to benefit from Seward's financial astuteness to the tune of $13.2 million a day!

That's when the petroleum-rich fields along Alaska's frozen North Slope at Prudhoe Bay start gushing 1.2 million barrels of black gold a day into the storage tanks at the ice-free port of Valdez, where it will be transferred to American oil tankers.

"At the present price of $11 a barrel for foreign oil, that'll be $13.2 million a day that won't be leaving the country for foreign oil purchases," beamed Hugh Jencks of Exxon's public affairs department.

The Alaskan North Slope alone is a reservoir for 9.6 billion barrels of precious fluid.

Ultimately, those fields every 24 hours will produce 2 million barrels of the vital fuel—12 percent of this country's current needs.

But that's a mere drop in the bucket when you consider the total amount of oil under the frozen tundra and icy offshore waters of America's 49th state—a whopping 85 billion barrels.

And that's not all.

The U.S. Bureau of Mines is quick to point out that in addition to oil Alaska holds approximately 40 million tons of coal and more than 465 trillion cubic feet of natural gas.

So "Seward's Ice Box" continues to pay off for this country.

First it was with gold, lumber and fish. Now it's with energy.

But Seward's bargain-basement deal with Czar Alexander II was dimly viewed as a bamboozle of the American taxpayer by many of his contemporaries.

After all, how could anyone believe that 586,000 square miles of nothing but ice and snow were really worth two cents an acre?

THE PARADOX AND THE TRAGEDY

Mr. CHURCH. Mr. President, it is the paradox and the tragedy of developments in India that Prime Minister Gandhi, once so boastful about her nation's dedication to democracy, can boast today only to other Caesars about how closely she has emulated them.

The test of a leader's devotion to democratic principles is never to be found on the pious platform of political rhetoric. The test of such devotion comes in the crunch, when that leader is asked to place the long-term well-being of the state above personal ambition. And that is the test Mrs. Gandhi has failed. Nothing is secondary to her continuation in office. She apparently regards herself as indispensable. Democracy, it turns out, is the dispensable system.

Mary McGrory, that adroit wordsmith, has written a column in the July 6 edition of the Washington Star which makes the point of how much better this Nation fared in a similar crisis. Forced to decide between the short-term ambition of one leader and the long-term survival of our system, we discarded the leader rather than the system. How tragic that the iron ego of Indira Gandhi has not permitted the Indian people the same right.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THOSE MARVELOUS IRONIES FROM THE CAESAR IN A SARI

(By Mary McGrory)

That most beguiling and impeccable diplomat, Egidio Ortona, the retiring ambassador of Italy, was making the first of many graceful farewell remarks the other day.

He was speaking of his love for America—which is, by the way, wholly requited—and of his admiration for her institutions.

"One does not like to make comparisons, of course," he said, "but when one sees the responses of other leaders to situations they don't like, one appreciates even more what has happened here."

Ortona's delicate reference was to the extraordinary conduct of India's prime minister, Indira Gandhi, who, faced with the loss of her great power, set about rounding up her critics and clapping them into jail.

She has sent Washington's mind racing back to a comparable crisis of a year ago. Ortona was particularly gripped by impeachment because two Italo-Americans, John Sirica and Peter Rodino, had been in the forefront of the drama, and the ambassador's speeches rang with the proud claim that two sons of Italy held America's constitutional rights in their hands.

Mrs. Gandhi, who represents what she has often told us is the world's purest democracy, has not been willing to take her chances with the system. The loss of her seat in parliament, the gloating of her enemies, have sent her back to the British Raj or India's early emperors for her methods. Nehru's daughter has forgotten the precepts of Gandhi.

For irony, nothing can match the fact that she has occasioned the first favorable, if grudging, comment that has come Richard Nixon's way since he left office on August 9 of last year.

Say what you will about him, people are saying, he never did what she is doing. He may have dreamed of it, but he didn't jail his enemies, didn't declare a state of emergency, didn't censor the press. She was tougher than he was. He knew that, and it was one of the many reasons he disliked her so thoroughly.

As luck would have it, Richard Nixon was in no situation to savor the reversal. While his old nemesis was coming before the world as Caesar in a sari, and testing the uses of dictatorial power, he was at last fulfilling the obligations of common, ordinary citizenship he had resisted so long. For the first time, he was giving testimony on Watergate.

Mrs. Gandhi's precipitating troubles were on no scale comparable to his. She was brought to justice on matters so trifling—the use of several government employes in her campaign—that they would have been laughed out of court in this country. It is her reaction that is shocking. She is like someone who is stopped for speeding and slugs a policeman.

Mrs. Gandhi, the haughty Brahmin, and Richard Nixon, the bourgeois politician, have caused each other no end of grief. It must gall her, if she thinks about it, that she has occasioned the first stirrings of rehabilitation for him. The revelations about his "tilt" toward Pakistan during the 1971 Bangladesh war provided him with the most embarrassing foreign policy episode of his first term.

A subsequent visit aimed at patching things up only reinforced the mutual antipathy. Nixon was so put off at her presence that he could hardly flounder through the greeting. He made a witless reference to "Indian summer" and offered sympathy for India's floods. She in her turn, her black eyes gleaming with contempt, pointedly reminded him that her country's troubles were "man-made."

The entire tenure of Daniel P. Moynihan as ambassador to India was clouded by Mrs. Gandhi's dark suspicions that Richard Nixon did not regard her government as "legitimate" and plotted its overthrow. She taxed Moynihan about CIA involvement in the downfall of the Marxist government of Chile. Moynihan gave her his word of honor that there was none. Weeks later, he was undone by contrary disclosures.

The thing is that if the CIA were involved in her present catastrophe—and for once had got it all together—it could not have done half the job of discrediting Mrs. Gandhi that she has done on herself.

She who gave moral precepts to the world about freedom and independence has imposed a harsh censorship on the press. It is not only all inclusive, it is retroactive. Lewis Simons of the *Washington Post* was expelled for a dispatch written before censorship was invoked.

Here is Mrs. Gandhi on the subject of freedom of the press, in New Delhi in 1973:

"We have no intention whatever of abridging the freedom to gather and to publish news and express views. This freedom is an essential part of our entire way of functioning. In a free India, a fettered press is unthinkable."

She has now brought the "unthinkable" into being. And she has given us a small birthday present. As we celebrate the 199th anniversary of our founding, we can take comfort that we weathered a constitutional storm and unseated an unscrupulous president. We have not, at least, become a dictatorship.

PATRIOTIC SERMON BY THE REVEREND FELTHAM S. JAMES, CHAPLAIN, THE AMERICAN LEGION DEPARTMENT OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, as our bicentennial year gets underway, I would like to call attention to some of the substantive bases of our Nation's greatness. On June 29, 1975, the Reverend Feltham S. James, chaplain of the American Legion of South Carolina, delivered an inspired sermon entitled "Our Heritage." Its message is one of faith in our past and our future as a nation, and the moral standards that buttress such faith. The Reverend James' message is one which benefits all who hear it or read it. Accordingly, I ask unanimous consent that the sermon be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

OUR HERITAGE

(By the Reverend Feltham S. James)

Dr. John Mackay, in his book "Heritage and Destiny," has a chapter heading which says: "The Road to Tomorrow Leads Through Yesterday." It is good, then, that we are in the process of celebrating the bicentennial of our Nation. For, in so celebrating, we shall travel through yesterday and discover once again the heritage of freedom left to us by our forefathers. Perhaps the reawakened interest in yesterday and its heritage will open a new pathway to tomorrow.

Traveling back through yesterday, then, we find ourselves in the year 1760. A despot king attempted to establish absolute tyranny over the colonies. In 1761, James Otis, in a spirit of independence, came out openly for liberty and freedom. But the first concrete action for this freedom came at a meeting of the First Continental Congress on October 24, 1774 when the delegates drew up and adopted the first important document of freedom, the Articles of Association, a declaration of colonial rights.

On June 7, 1776, Richard Henry Lee of Virginia rose in the Continental Congress and offered his resolution of independence: "Resolved, That these United Colonies are, and of right ought to be, free and independent states, that they are absolved from all allegiance to the British Crown, and that all political connection between them and the State of Great Britain is, and ought to be, totally dissolved." The thought was high treason and some of the delegates hesitated to take such drastic action. John Adams, Benjamin Franklin, Robert Livingston, Roger Sherman and Thomas Jefferson were appointed a committee to study the resolution and report to the Congress. It was on July 4, 1776, that the Committee reported and presented "The Declaration of Independence." It was adopted and the signing began. This is what we are celebrating in this bicentennial. This is our heritage.

For a century and a half the Colonists had lived under the suppressive laws of England. The state of affairs had progressed from protest to armed rebellion to a call for independence. Now, they had cast their yoke of tyranny from them and were determined to be free and independent. Oh, yes, they risked their lives, their fortunes and their sacred honor but they left us a heritage.

Out of the next fourteen years of struggle, frustration and suffering came the Constitution, the greatest document on government ever struck off at a given time by the hands of man. As someone has put it, "It was not a set of laws. It was a moral overhauling and gave political effect to the moral laws which best govern the relationship of people. The belief that man should be free arises from the moral and spiritual idea that each individual human being possesses his own soul and is entitled to his own dignity, under the laws of nature and nature's God." This is our heritage—a republic dedicated to life, liberty and the pursuit of happiness.

There are times in the history of persons and people when a rediscovery of yesterday opens a new pathway to tomorrow; when the awakening of a sense of heritage becomes a powerful factor in determining destiny. There has never been a time in the history of our Republic when we need to awaken a sense of heritage than the day in which we live. We are fast selling our birthright of freedom and liberty for a mess of pottage. Either the leadership of our country is unaware of our heritage or (pardon the expression) they don't give a damn.

Behind us are the wisdom and experience of the ages. And, yet, there are people who think they owe nothing to the past. They think that what they have and are is theirs because of their own cleverness and ability. Nothing could be further from the truth. Everything we have—every conception of nobleness, every ideal of living, every progress of mankind has been given to us as an inheritance out of the past.

Ours is a sacred heritage because it was won with the blood, and the sweat and the tears of those who have lived before us. Our fathers were men fired by a world-wide purpose which came from the very heart of God. Guided and sustained by this purpose they took possession of this land for us, and left us as a heritage the embodiment of their principles in the nation. No President, Congress or Court has a right to take from us these principles or this reliance upon God.

These ancestors of ours were for the most part men who saw the opportunity and seized the chance to build for themselves the kind of a world in which they believed every man, by right, should live. It might be said that they were seeking security—the only kind of security they could imagine—the kind that must be won by work, courage, daring and faith in God. It never occurred to them to think of security in terms of a Chinese wall that would shut out every hazard of life from the cradle to the grave. To them that would have been a prison and an insufferable restriction upon their rights as individuals. They were not the type to surrender their individual rights in exchange for the pottage of a welfare state. They were adventurers who came from many different walks of life. They came to build a nation in which men of all religions, creeds and nationalities could live in peace and harmony and work together for the common good. Faith in fundamental human rights and in the dignity and value of the human person is a heritage they passed on to us.

Their's was a passionate belief in human freedom. They believed in political freedom—the right of every American to think his own thoughts and to speak them; to formulate his own opinions and to publish them; to explore every avenue of human knowledge wherever it might lead. They made it crystal clear that the enjoyment of liberty is the greatest of all human rights—and like all other rights and privileges of man, it carries with it grave responsibilities and obligations. Foremost among these is the obligation to use our freedom for the good of our fellow man. No freedom we have gives us the right to destroy the freedom of others. The only peoples in the world today giving trouble are those who seek to destroy the freedom of others.

Let me say right here that the greatest contribution the celebration of this bicentennial can make is to make the people of America conscious of their heritage and to make them recognize their responsibilities as citizens.

America is in danger today, not so much from conflicting ideologies without as it is from within. We have just lost our first war—not because of the superiority of the enemy but because of the vacilating indecisiveness and political bickerings of those who make up the government.

Even though Communism may be a threat to the American way of life, it is becoming more and more evident that our greatest danger does not lie in the political machinery of Moscow. It lies in the failure of our leadership and of our citizens to recognize our heritage and our responsibilities. One danger confronting our country today is that of a government by a manipulated minority. The same danger to democracy and human rights prevails when the minority deprives the majority of its rights, as when the majority deprives the minority of those same rights. The Declaration of Independence is not just a cherished document that we will lift out of its gold encased shrine during this bicentennial. In it are the principles of democracy that have made and make America unique among the nations of the world.

Another danger confronting our country is our failure to make our youth of recent generations aware of our heritage. Believing in Aristotle's theory that "all who have mediated on the art of governing mankind have been convinced that the fate of empires depends on the education of youth," the early settlers set forth to establish public schools. With the Holy Bible as their chief text book, the generations that followed brought forth a new and noble individual, the American. This because the children in those schools were taught the value of self-discipline; they were taught where they came from, when they came and why they were here; they were taught their family lore and the accomplishments of the people. This brought a love of country. Now things are different. Social subjects are emphasized. Love of country, or patriotism, is now classed as nationalism, around which we have tried to build a stigma of hatred. No longer is the child being adjusted to the spiritual heritage of our people, our Nation.

It is no question but that we have a heritage of education that realized people must be educated if they are to successfully govern themselves. To preserve this heritage we must increase our efforts to restore the teaching of patriotism, the teaching of moral and spiritual values which brought our Nation to the peak of its greatness.

During the celebration of this bicentennial we must be brought to realize that the most significant part of our heritage as Americans is our spiritual heritage, our religious heritage. We have little appreciated the glorious legacy of spiritual attainment, which under God, bequeathed us freedom. Can that be the reason that we have, in recent times, by means of our own devising, all but precluded the supernal glories of Him whose creative Majesty made the universe and all things therein? Absorbed by our own egocentric achievements and ignoring God, we have shorn the wings of our spirit and dimmed the eyes of our soul to the point of worshipping our own creations. Perhaps by looking back on ourselves in this bicentennial, the stars that guided us in the beginning will again break through and we shall find a new communion with God.

God in the most concrete sense is the heritage of those who first tilled the soil and planted the fields of this Nation. In the very beginning America covenanted with God in a very unique sense. God was recognized as the source of all human rights. Through the years God and His purposes have been recognized as standing above the Nation and the Nation's interests. Apart from faith in God American history has no meaning. In this faith our institutions were created, our laws enacted, and our liberties secured. That rich faith in God that is ours is still with us. To that end, let us pray in this bicentennial celebration that our faith will be revived, that God will be honored, and that freedom shall live. Only as we attain all three of these will America survive, inasmuch as America's safety lies in her relation to God. She must experience and perpetuate the faith that gave her life.

Towering in sculptured grandeur above the black hills of South Dakota stands the greatest of American monuments. Chiseled in the granite mountain side four august faces look out above the pines, symbolizing our heritage. In the countenances of George Washington and Thomas Jefferson, of Abraham Lincoln and Theodore Roosevelt is engraven the political heritage of our Nation: the sacredness of human rights, the recognition of responsibility by its citizens, the democratic way of life, and reliance upon God. This is our heritage. What will we do with it?

LET FREEDOM RING

Let freedom ring throughout the land
But let it ring with pride,
In mem'ry of our founders who
Made "Trust in God" their guide,
They fought and died with one concern
To build a peaceful land,
That we today might carry on
This nation truly grand.
In all our tumult of today
Across the land and sea,
Our nation is far better off
Than any others be.
With all our faults in government
(Like men with greedy hands)
Let's count our blessings and be proud
"In God we Trust" still stands.

—Erv Straub, Edgerton, Wis.

AMENDING THE SMALL BUSINESS ACT TO ENCOURAGE SOLAR ENERGY DEVELOPMENT

Mr. McINTYRE. Mr. President, the amendments to the Small Business Act to encourage solar energy development, S. 2087, should provide a needed impetus to develop the solar equipment that is commercially available today.

Under the provisions of the bill, homeowners in my State of New Hampshire, where heating costs are now running over $1,000 per year for the average home of 2,000 square feet, will be able to install solar home heating equipment that could cut their costs by half.

This is possible: In one specially designed home that was recently constructed in Bedford, N.H., just outside Manchester, the cost of heat was cut to virtually nothing by the installation of solar home heating equipment.

In other areas of my State, I am told that solar home heating equipment, with backup heat provided by oil when the sun does not shine, would mean major savings, not only for consumers, but in oil imports as well.

Since this legislation would provide $900 million in loan granting authority to the Small Business Administration that could be made available to homeowners and builders to install heating equipment, it could move the U.S. solar heating industry from its current position of wait and see, to rapid commercialization. Additionally, the $900 million could mean loans for thousands and thousands of new solar heated homes.

Even if the money were used for water heating equipment, the United States would be able to save massive amounts of fossil fuel that we now use to heat water.

Because we want to help consumers cut their heating bills, we are designing this legislation to loan them money for up to 8 years, the proposed payback period for solar home heating equipment, for single family homes at low interest rates.

However, to encourage small businesses to develop solar heating equipment, the loans can only be made if small business provides the equipment or makes the installation if possible.

In hearings that I chaired through the Senate Small Business Committee, we found that there are over 60 solar heating equipment manufacturers in this country. This bill will provide a quick way for them to develop their manufacturing capability.

OIL AND CONFRONTATION

Mr. GARY W. HART. Mr. President, in the Sunday, July 13, issue of the Washington Post, my very able colleague, the Senator from Idaho (Mr. CHURCH), set out a persuasive and reasonable approach to Middle East oil politics.

In an article entitled "Oil and Confrontation," Senator CHURCH argues for a firm U.S. stand which would effectively eliminate the nagging threat of oil embargo blackmail.

It is not, my respected colleague rightly states, the failure of Congress which has lead to high gasoline prices, but the failure of the administration to use the bargaining levers on oil producing nations available to it and its failure to exercise proper public interest control over domestically chartered, giant international oil companies.

Mr. President. I urge my Senate colleagues and the American people to carefully consider the wise suggestions contained in this excellent article.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OIL AND CONFRONTATION

(By Frank Church)

The national energy debate has missed the point. It has focused almost exclusively on the alleged deficiencies of Congress in failing to enact higher gasoline taxes as a means of encouraging long-term conservation. But the price of international oil has nothing to do with traditional free market concepts of supply and demand. Rather, it has to do with a price politically imposed by OPEC, the producers' cartel.

At present, there is estimated to be a surplus of worldwide oil productive capacity in excess of 13 million barrels a day. So there is no shortage of oil. This surplus is shut-in by the cartel members to maintain the price at its present exorbitant level, which is 500 per cent higher than it was on October 1, 1973, hardly 18 months ago. We are on notice from the Shah of Iran that a substantial further price rise in the range of $2 to $4 per barrel can be expected in late September of this year. What is at issue is thus a political power play by the OPEC cartel led by Iran and Saudi Arabia. An increase in the gasoline tax will not have the slightest effect on the projected September OPEC price increase.

What, then, can the United States do? First, it can introduce the principle of reciprocity into our relationships with Iran and Saudi Arabia. These countries should not expect that they can impose continuously escalating oil prices upon the United States and other oil consuming nations and still have unrestricted access to American military sales and industrial technology. Last year we sold $3.8 billion in arms to Iran, the leader within OPEC in jacking up the price of oil.

But the Shah could not achieve this price objectives without the aid of Saudi Arabia, the cartel's largest producer at 6.8 million barrels a day and with a productive capacity of 10.6 million barrels a day. In Saudi Arabia, the U.S. Army Corps of Engineers is managing construction projects in excess of $1.8 billion for the Saudis. The Pentagon is selling billions of dollars of arms and technical assistance to Saudi Arabia and the administration is actively promoting corporate investment in Saudi Arabia. Not surprisingly, then, Iran and Saudi Arabia feel that the United States needs them more than they need us.

The administration's policy is based upon three basic considerations: that these two countries are essential to keep Russian influence out of the Persian Gulf area; that Saudi Arabia is a moderating influence in the Arab world, both with respect to the Arab-Israeli dispute and in damping down indigenous radical forces; and that it is essential to conciliate Iran in order to ensure that, in the event of a renewed Arab oil embargo, Iran will continue to supply oil to Western Europe, Japan and the United States.

It is time to question these premises. Iran and Saudi Arabia do not need to be induced to do what they can to limit Russian influence in the area. In their own interest, the present rulers of these countries must oppose a dominant Soviet presence in the Persian Gulf. Similarly, Saudi Arabia must oppose revolutionary forces in the Arab world, for the Saudi dynasty would be the first victim of such forces. It is in the Saudi's own interests to support a "moderate" regime in Egypt and to oppose a new Arab-Israeli war, since such a war could lead to radicalization in the Arab world.

Finally, the likelihood is small that Iran would join in an Arab oil embargo of the U.S. or the Western nations. Iran has a voracious need for revenues because of its large population and ambitious development needs. Rather than cut off oil and, therefore, revenue, Iran is more likely to take advantage of an embargo by continuing to ship oil at even higher prices.

In short, it is time we stopped viewing Saudi Arabia and Iran as pawns in the cold war with the Soviet Union. They have demonstrated that they have the will and the capacity to impose great economic harm on the oil consuming world. Indeed, they have achieved a greater degree of destabilization in the West than the Communists have ever been able to achieve.

We should assess our relations with them in terms of the benefit or loss to the national interests of the United States. We should link arms sales, technical assistance and industrial cooperation to their oil price policies. There is reason to believe that France, the major Western arms competitor, would cooperate in such a policy.

The U.S. should also seek to maximize internal stress within the cartel. The one decision the OPEC cartel has historically sought to avoid is pro-rationing production among its member states. These states are diverse in population, oil reserves and political system. Agreeing on criteria for pro-rationing production is a difficult, if not impossible, task. They are saved from having to do it by the seven major oil companies—Exxon, Mobil, Texaco, Socal, BP, Shell and Gulf. These companies have investments in most of the OPEC countries. As Business Week and Fortune Magazine, hardly radical publications, have noted, the companies, in order to protect their investments, pro-ration production within the cartel countries. That way they save the cartel from confronting this task. Not surprisingly, in recent months the OPEC countries, recognizing the utility of the function performed by the companies, are no longer demanding 100 per cent ownership of the oil production facilities.

But it is in the American national interest to have the companies removed from an equity position in the oil producing states so that they will no longer have an incentive to pro-ration production among these countries. The companies should be purchasers of crude oil buying from the cheapest available source. The State Department should be pressing both producing states and companies to consummate the buying out of the major oil companies' ownership interests. If this is not done, then, the U.S. government should intervene to become the exclusive purchaser of imported crude oil.

Finally, I am convinced that the Congress will compromise with the President on offshore U.S. drilling, strip mining and accelerated exploration and development of Petroleum Reserve Number 4 in Alaska, if the President is genuinely interested in cooperation and not confrontation for political purposes.

Undoubtedly, critics of my approach will charge that I am advocating a policy of confrontation with OPEC, particularly Iran and Saudi Arabia. If there is confrontation, that confrontation was forced upon us by these countries through their extortionate oil price increases, the greatest destabilizing force in the Western world.

If anyone has any doubts on this score, I refer them to the illuminating paper recently circulated by Walter Levy, the respected oil economist. Persuasively destroying the Pollyanna assurances of our Treasury Secretary, Mr. Levy concludes that far from disappearing in the next five years, OPEC *surpluses* will accumulate to nearly $450 billion. We delude ourselves if we think that this massive transfer of wealth will not have catastrophic consequences, both political and economic, for Western society, Japan, and the poorer countries. This issue should not be hidden behind the phony smokescreen of pillorying the Congress on the gasoline tax increase.

TRIBUTE TO A. J. FLETCHER AND NATIONAL OPERA COMPANY

Mr. HELMS. Mr. President, this year marks the 25th anniversary of a remarkable project launched in September 1950 by a remarkable citizen of my State.

The project is the National Opera Company, which has taken opera-in-English to far more than a million schoolchildren, who, for the most part, would never have been able to attend a first-class opera performance. The citizen is Mr. A. J. Fletcher, who has funded the National Opera Company out of his own pocket from the very beginning, simply because he wanted to encourage the talents of young singers, and thereby promote an interest in good music.

Mr. Fletcher is a man of many careers. He has been a sucessful attorney and businessman. His business interest is now largely devoted to the operation of WRAL–TV in Raleigh, which is recognized as one of the leading television stations in the country. Mr. Fletcher is chief executive officer of Capitol Broadcasting Co., which operates WRAL–TV, WRAL Radio, the North Carolina News Network, and the Woody Hayes Background Music Co.

It was Mr. A. J. Fletcher's dedication to excellence that was largely responsible for WRAL–TV's success in public service. The same is true in the instance of the National Opera Company.

Mr. President, a few weeks ago, the distinguished author, commentator, and columnist, Jeffrey St. John, devoted one of his syndicated newspaper columns to Mr. Fletcher and the National Opera Company. Mr. St. John is associated with Copley News Service.

I ask unanimous consent, Mr. President, that the column by Mr. St. John, entitled "Is the South a Cultural Sahara?" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Is the South a Cultural Sahara?

(By Jeffrey St. John)

Raleigh, N.C.—"For all of its size and all of its wealth," wrote the late H. L. Mencken in the 1920's of the American South, "it is almost as sterile artistically, intellectually, culturally as the Sahara Desert."

A fire storm of protest from the South was unleashed when the above, contained in an essay titled, "The Sahara of the Bozart," was published.

Most Americans under forty don't remember Mencken; although among today's college students and young adults with a bent for the irreverent, Mencken is enjoying a revival of the popularity he had in the Twenties when his biting essays appeared in "The Smart Set," "The Baltimore Sun" and "The American Mercury." The hold Mencken had on the generation of that time was over powering. His influence is felt even today, since may of those who grew up loving Mencken are leaders in all walks of life today.

It is our view that essays like Mencken's declaring the South to be a "drying up civilization" helped form a deep seated bigotry against the South, reinforced in later years by the race issue. As an admirer of Mencken's style and generally good sense (his greatest work was not his essays but his classic "The American Language"), his attacks on the South made no sense. For example, when Mencken wrote "The Sahara of the Bozart" southern writers like William Faulkner and Thomas Wolfe (a native of Ashville, N.C.) were establishing themselves as first-rate men of English letters. But still the idea that the South is a vast cultural and intellectual wasteland persists as a myth. The South, to the non-southerner, is either a baffling mystery or a world populated by "Rednecks" who, for recreation, drink home-made whiskey, chew tobacco and lynch blacks.

A. J. Fletcher is erect, clear-eyed and as cultured a southern gentleman as you will ever want to meet at 88. Born in 1887, he knows first hand the hardships the South faced in its long and painful economic recovery from the Civil War. Most non-southern Americans do not realize that the southern states did not really begin such a recovery until well into World War II. This point Mencken overlooked in his essay on the South: to have a viable artistic endeavor you must have a strong economic base. A. J. Fletcher even at his age still is the chief executive officer here of WRAL radio and television. He smiles at you across a large polished desk stacked with the day's work, tolerantly bemused by your mention of the still widely held belief that South of Washington, D.C., the states of the old confederacy are a cultural Sahara that Mencken decried. Then in clear and lucid language, with a soft velvet southern voice, the story of the National Opera Company he founded and finances privately here in Raleigh unfolds!

Mr. Fletcher, who grew up in this state's mountainous Ashe County, was bitten by the opera bug early. It was his belief that Americans in general and Southerners in particular found opera a big bore. Who could understand the words since it's usually sung in Italian, French, and other foreign tongues? So A.J., at 61 years old, decided to remedy the problem. "The truth is," he tells you, "there was little or no opera in English in the United States when we started the movement back in 1948. Up to that time singers were pronouncing words which they but dimly understood, and bored audiences were going through the motion of applauding a performance, the story or message which was only dimly perceived."

This September the National Opera Company will celebrate the 25th anniversary of its debut performance of Mozart's Cosi Fan Tutte (School for Lovers) in Washington, D.C., as part of the sesquicentennial of the nation's capitol. The performance was the start of A. J. Fletcher's campaign of what has since become a "grass roots opera movement," performances in English produced and performed by local talent. His efforts have born unprecedented results. In states as far West as California and as far North as New York and Michigan similar groups have sprung up, largely because of A.J.'s compilation of a "Opera Primer"—a guide to those interested in developing a local opera company. (For more information write: A.J. Fletcher, WRAL-TV, 2619 Western Blvd., Raleigh, N.C. 27605.

Even more remarkable is the program A.J. launched to bring opera to school children. Years before CBS Television launched the Sunday series, "Young People's Concert," with conductor Leonard Bernstein and the New York Philharmonic, The National Opera Company of Raleigh was bringing opera in English to North Carolina school children beginning in the 1950's. In 1969, with the performance of "The Italian Girl in Algiers," the National Opera Company played before its one-millionth student! Furthermore, in the last quarter of a century, the company has trained 193 opera singers; many going on to careers at the Metropolitan Opera in New York, Vienna State Opera, Austria; Hamburg State Opera, Germany; Dusseldorf, Germany; and Zurich opera companies. Others who started with A.J.'s brainchild have gone on to sing at the New York Opera, Chicago Lyric, Kennedy Center in Washington, and others across the country.

With this record of achievement it is little wonder that A.J. Fletcher looks at you with his soft, clear brown eyes bemused at the mention of H. L. Mencken's "The Sahara of the Bozart" and the widely held belief even today that the South is a cultural Sahara. But in fairness to Mencken and as a way of describing Fletcher's remarkable character and achievement a line from Mencken is appropriate: "In the South," he wrote of an era gone with the winds of the Civil War, "there were men of delicate fancy, urbane instinct and aristocratic manner—in brief, superior men. . . . [with] the vague thing what we call culture."

WELCOME MARIANAS

Mr. GARY W. HART. Mr. President, on Tuesday, June 24, 1975, the Rocky Mountain News in Denver printed an editorial commenting on the fact that a handful of Marianas islanders are about to become American citizens and their homeland absorbed by the United States. The Rocky Mountain News points out that the administration has made grand promises to the people of the Marianas, in effect buying the votes in favor of the White House's territorial acquisition plan. The newspaper properly cautions the islanders, now that the plebiscite results are in, that they should not put too much faith in the administration's promises of a good life for all at the expense of the American taxpayer.

This seems to me to be good advice; but, if the White House and its selected supporters in Congress have their way, the islanders will not be disappointed. In fact, they will get more than they can imagine and probably more than is required—unless Congress accepts its responsibility to carefully review the diplomatic, economic and military aspects of the colonialization plan. Since all the arrangements have been made without the participation of Congress, there is little doubt that the administration is going to tell us we have to approve, without alteration, a sacred commitment made in the name of the people of the United States and accepted by the citizens of the Marianas.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WELCOME, MARIANAS

It's now official that an overwhelming majority of the islands' 5,300 registered voters want the Mariana Islands to become a U.S. commonwealth. And so they shall, after a few more necessary steps have been taken.

Probably by 1981 all this will have happened, and the the islands, 5,000 miles west of California, will be our most far-out possession—geographically speaking, this is.

First off, the U.S. Congress must approve establishment of the Marianas as a territory, the first to be acquired by this country since we bought the Virgin Islands from Denmark in 1917.

Then comes a constitutional convention, followed by the islanders' ratification and U.S. approval of the constitution. Next, election and installation of a local government. The final step will be formal termination of the U.N. trusteeship, under which the United States had administered the Marianas since the end of World War II.

The population will have full rights and privileges as American citizens, including self-government except for foreign policy and military affairs.

The names of two of the Mariana Islands loom large in American history—Saipan and Tinian, scenes of bitter fighting against the Japanese in World War II. And it was from Tinian that the atom bomb strikes against Hiroshima and Nagasaki were launched in 1945. The Pentagon plans to build a $300 million air and naval base there.

It's unfortunate that during the heated campaign that preceded Tuesday's vote, proponents of the proposition to join the United States made some extremely loose promises about the benefits to be gained, such as cars, concrete houses for all families, welfare money, food stamps and high-paying jobs.

While welcoming our prospective fellow citizens, we sincerely hope they won't be disappointed when much of that hoped-for pie in the wide Pacific sky doesn't materialize.

STEVE PREFONTAINE

Mr. HATFIELD. Mr. President, one of Oregon's outstanding athletes was killed in an automobile accident on Friday, May 30. While I had a brief statement at the time, I have delayed saying anything more until I could collect some editorial tributes and comments from Oregon newspapers and national publications. Steve Prefontaine, or "Pre" as he was known to his legions of fans, was a person of strong character, and I knew his untimely death would provoke commentary that sheds light on his life and his career.

It is tragic when any young person dies, and the potential for a full productive life is snuffed out. Pre was an Oregon tiger in the finest tradition—fiercely competitive, confident and outgoing. Where others might say "I'll try," Pre would say "I will." His life as a track athlete should demonstrate to any observer that desire can overcome whatever hurdles that might be in the way.

Pre was probably the alltime Oregon track favorite in crowd appeal. Oregon track fans have been called the most knowledgeable in the country by athletes from across the Nation who have competed there. These fans cheer not merely a local winner, or even all winners, but I know many times they have cheered on a third- or fourth-place runner who they realized was making an extraordinary effort toward a personal best effort. The individual competition against the clock, or the tape, counted as much as any interest in local favorites.

As a track fan, I have helped officiate at various meets in Eugene, and I know the unique spirit that fills the University of Oregon track stadium, Hayward Field. The last time that I helped officiate in Eugene was during the 1972 Olympic trials, and the atmosphere was alive with emotions, not only from the athletes themselves, as one might expect, but from the supercharged track audience.

Pre was the favorite of this knowledgeable track crowd in a way few athletes ever can be. We often read of a confident or cocky athlete alienating a crowd, who are put off by braggadocio attitudes. With Pre, confident and cocky as he was, however, the Oregon track crowds loved him. Perhaps it was for a couple of reasons.

Pre never was the type of athlete that the Amateur Athletic Union, or the Olympic fathers, or even the NCAA brass, wanted to parade around as an all-American athlete. Pre had little use for pretensions of any kind, and pretensions that affected his support he tolerated not at all. Because Orgon fans are so knowledgeable, they had known long before Pre that track athletes were not always treated as well as they should be. Oregon track fans knew that the brass of the various squabbling factions over track rights cared more for their own bureaucracies and petty concerns than they did about the rights and benefits of the athletes.

As a result, Pre's willingness to stand up for what he believed in and to ignore the pettiness of the track hierarchy did not cause any loss of his popularity in Oregon. It increased it. Pre represented everyone who wanted to stand up against pettiness, but perhaps did not. Pre was each of us fighting against a bureaucracy caring only about its own preservation. Pre called his shots, without being hyprocritical. His deeds mirrored his words. What more could anyone ask.

A second reason Pre was so loved in Oregon is that everyone knew he had turned down one of the largest, if not the largest, offers to compete in professional track. His answer, as pointed out in one article following his death, was that he wanted to run in Oregon, for "his people." And they were his people.

Pre was an iconoclast, an individual, one of a kind. His willingness to go against the grain, to swim against the current, to stand up for what he believed in, set him apart from the crowd. Perhaps people saw in him a spirit they felt they had within themselves. In a State such as Oregon, with our strong traditions of individualism, he stood as a true native son.

The shock everyone felt when Pre was killed reflects more than just the loss of an outstanding athlete. It also respects the loss of someone who fought for, and retained, his individuality. We will not see another Steve Prefontaine. Someone eventually will break his records, but they will be hard pressed to match his spirit.

A poem comments perhaps better than anyone could about the untimely death of Steve Prefontaine. I ask unanimous consent that the text of A. E. Housman's "To an Athlete Dying Young" might appear at this point in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

TO AN ATHLETE DYING YOUNG

(By A. E. Housman)

The time you won your town the race
We chaired you through the market-place;
Man and boy stood cheering by,
And home we brought you shoulder-high.

To-day, the road all runners come,
Shoulder-high we bring you home,
And set you at your threshold down,
Townsman of a stiller town.

Smart lad, to slip betimes away
From fields where glory does not stay
And early though the laurel grows
It withers quicker than the rose.

Eyes the shady night has shut
Cannot see the record cut,
And silence sounds no worse than cheers
After earth has stopped the ears:

Now you will not swell the rout
Of lads that wore their honours out,
Runners whom renown outran
And the name died before the man.

So set, before its echoes fade,
The fleet foot on the sill of shade,
And hold to the low lintel up
The still-defended challenge cup.

And round that early-eaurelled head
Will flock to gaze the strengthless dead,
And find unwithered on its curls
The garland briefer than a girl's.

Mr. HATFIELD. Mr. President, one of the best articles to capture the Pre Fontaine spirit was written by someone who was in a position to understand both him as a person and to know all runners. Kenny Moore, from Eugene himself originally and a standout high school and college runner there, now writes eloquently about track for Sports Illustrated. In a moving article in June 9, 1975, issue, Moore describes Pre, both the athlete and the spirit. I ask unanimous consent that this fine article appear at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FINAL DRIVE TO THE FINISH

(By Kenny Moore)

(Hours after winning yet another race with a surging kick, distance runner Steve Prefontaine was killed in a car crash. The author, a fellow Olympian, looks back at track's angry man.)

Steve Prefontaine tried to sleep on the plane from San Francisco to Eugene, Ore. a couple of weeks ago, squirming in his seat, closing the window shade with a snap, cracking his head against the fuselage in an apparent try at denting a hollow there. He closed his eyes for perhaps 30 seconds and then he was squirming again. He had not run as well as he had hoped in the two-mile in Modesto the night before, although he had won in 8:36.

"I went through the mile in 4:13," he said, "and then I just didn't seem to want to run very hard any more. I was lethargic. I still am. I feel like quitting training. Maybe I want to devote my energies to something positive, something I can see bearing fruit."

Prefontaine seldom spoke of his motives, and when he did he always included that "maybe"—as if he, like the rest of us, could only observe himself and wonder at this strangely engaging, obstreperous, fidgety creature.

"I talked with a lot of other athletes at Modesto about the AAU's damn moratorium rule," he said. A few days before, the AAU had announced a policy for forcing the country's best trackmen to compete in international meets against the Soviet Union, against Poland and Czechoslovakia, against West Germany and Africa. An athlete who declined a spot on the national team or who did not run in the national AAU meet would be suspended for one year if he or she completed abroad during certain moratorium periods before the AAU championships and the international meets.

"In July there are only about 10 days when the moratorium is not in effect," said Prefontaine. "That screws up my whole competitive schedule."

More to touch off his celebrated fulminations on the subject than for any enlightenment, I asked him blandly what was wrong with competing on the national team against the Russians and others. He looked at me as if I were a traitor to my class.

"Where are the best runners?" he said, coldly. "Emiel Puttemans is Belgian. Brendan Foster is English. Rod Dixon is a Kiwi. Knut and Arne Kvalheim are Norwegians. Lasse Viren is from Finland. Does the AAU have any of them on their wonderful televised schedule? Hell, no. For me, running against the Poles and Czechs would be like running against high school kids. And I hate all this gung-ho, run-for-the-red-white-and-blue attitude that the AAU spouts. If that's important to some people, fine, more power to 'em. But, damn it, I wish they'd leave me alone to do what I want to do—run against the best."

As he spoke, frustration rose in him. He seemed caged, vulnerable. He had organized a month-long visit to the Northwest by eight Finns, and then had experienced a series of withdrawals by athletes and promoters. The crowning blow had been a telegram from Finland saying Viren, the Olympic 5,000- and 10,000-meter champion, who was to race Prefontaine in Eugene, was injured and would not come. "I'm not so competitive as before," Prefontaine said. "It's wearing me down holding this tour together. Maybe the negativism stems from not being able to count on big races. One disappeared with that telegram. With the AAU rule others aren't likely."

In the week leading up to the meet last Thursday night in Eugene, where Prefontaine would go against Frank Shorter at 5,000 meters, I happened to talk with several men who knew Prefontaine well. Jon Anderson, an Olympian and the 1973 Boston Marathon champion, said, "He's not like other distance runners. He's not quiet, not introspective. He can't relax. A 15-mile run in the woods makes me kind of mellow and satisfied. All it does for Pre is make him mad. Most distance runners find expression in easy running; we take comfort in that kind of personal experience. Pre's kind of running is always hard and straining and fierce."

Anderson felt Prefontaine could not be understood without reference to the demanding, elemental life of Coos Bay, Ore., the logging and shipping town where he grew up. There are codes there governing social acceptance among the stevedores and lumbermen, and chief among these is success at sport. It took Prefontaine a while to gain that acceptance. When he first went to grade school he knew more German than English because his mother spoke German at home. He was taunted for his backwardness. He once said, "Kids made fun of me because I was a slow learner, because I was hyperactive, because of a lot of things." Then, in junior high school, he discovered that he could run well; all it took was being able to stand the discomfort of effort. The need to measure up, as demanded by Coos Bay, turned into a need to surpass. "Running gave me confidence," he said.

A long-abused ego burst out in a cockiness that was usually forgiven because boasts of what he could do were followed by proof. He set a national high school record of 8:41.5 for two miles, and at the University of Oregon he won four NCAA three-mile championships and three cross-country titles. He ran the mile in 3:54.6. He held U.S. records at 2,000 meters (5:01.4), 3,000 meters (7:52.6), two miles (8:18.4), three miles (12:51.4), 5,000 meters (13:22.2), six miles (26:51.4), 10,000 meters (27:43.6).

Yet he had not won when it meant most to him. In the 1972 Olympic 5,000, he ran his last mile in about 4:04, but Viren, the winner, did 4:01.2, and Mohamed Gammoudi, who was second, did 4:03. Prefontaine, staggering at the finish, was passed a few yards before the line by Ian Stewart to lose the third-place medal, too. Last year he set three American records in Europe, all in losing races to Knut Kvalheim and Rod Dixon. "When he's in a race with someone who is capable of beating him," said Anderson, "I think his thoughts, or the kind of man he is, make him press too hard."

Given the kind of man, the defeats were met by increased resolve. Early this year he was offered the largest contract in the short history of the professional track circuit, $200,000. He turned it down. Until the Europeans were well and honestly thrashed, he said, "What would I do with all that money?" Yet he displayed little of the traditional distance runner's feeling for austerity. "I like to be able to go out to dinner once in a while. I like to be able to drive my MG up the McKenzie River on a weekday afternoon. I like to be able to pay my bills on time." With a sense of humor more lascivious than droll, he relished low tavern life ("Envision a satyr," said Shorter). He delighted in describing the ruinous modes of recreation practiced in Coos Bay establishments. "I know places you better speak low if you've been to college," he would say. "Men will come across the room and cold-deck you if you hold your glass wrong."

Two days before his race with Shorter, Prefontaine ran a brief workout under the eye of Oregon Track Coach Bill Dellinger, himself a three-time Olympian and bronze medalist in the Tokyo 5,000 meters. While he held a watch during Prefontaine's 330-yard interval runs Dellinger said, "That man has something no runner in my time had. We used to warm up out of sight behind the stands, and we would never have considered taking a victory lap. But Pre . . . he's almost like a movie star in his relationship with the crowd. He thrives on it."

Asked if he considered himself a major influence in Prefontaine's life, Dellinger said, "Well, I render advice. I don't know how often it is taken in areas away from running." Prefontaine finished his last 330 and approached us, sweaty, his barrel chest heaving, displeased with his times.

"Do you have a guru?" I asked. "Is there someone you would go to if you found yourself in a situation you couldn't handle?"

His reply was thrown back, almost defiantly. "I don't have anybody like that," he snapped, and he was jogging off, shaking out his arms.

"I told him that sounding off about how strong he was was a mistake," said Bill Bowerman had no illusions that Prefontaine Oregon and later his Olympic coach. "He runs an American-record 2,000 meters in Coos Bay and Viren cables that he's hurt. If he wants to get those runners over here to his lair, he's got to be more sly." Yet Bowerman had no illusions that Prefontaine could do that, could lie low and wait. "No that's hard for him," Bowerman said. "He's too outspoken and honest." In the act that meant the most to him, that he defined himself by—driving for the finish in a hard race—it was hopeless to expect him to hold off, to slow down. "He doesn't look beyond races," said Bowerman. "He doesn't look beyond laps."

Frank Shorter had come to Eugene as a favor to Prefontaine. His wisdom teeth had been extracted eight weeks before, and he had overtrained and had been ill. But with Viren out and the financial success of the meet in doubt, he was needed. Prefontaine had barely clawed past him in the stretch to win a three-mile in Eugene a year earlier—his American record—so Shorter's return attracted a twilight crowd of 8,000.

Before the race Shorter and Prefontaine lay on the grass on the infield. They spoke almost shyly with Erin Forbes, a beautiful, angular 14-year-old from Portland who had recently run an age-record 4:48.6 mile. "I hope she's blessed with nonpushing parents," said Shorter after she had gone, and Prefontaine slapped the ground in agreement. They watched as Gary Barger won the mile in 3:58.8, to become the 16th Oregon trackman to go under four minutes. Prefontaine went over to half-miler Steve Bence, who had fallen in a relay in the Pacific Eight championships and had broken his paw. Now, with 14 stitches in his chin and his mouth wired shut, Bence faced his last chance to meet the NCAA qualifying standard of 1:49.8. Prefontaine bent close and spoke intensely. "I don't think I could do what you're doing," he said. "So why don't you make it worthwhile?" Bence nodded, silent, and Prefontaine withdrew to watch. With 220 yards to go, Bence had a chance but could not kick. Prefontaine turned away.

For three laps of the 5,000, Shorter and Prefontaine ran behind Paul Geis, who earlier had won the two-mile; Shorter led at the mile in 4:17. Prefontaine took over the lead at six laps. Shorter floating at his shoulder, the rest of the field far back. Shorter looked tight, apprehensive. At 2¼ miles, Prefontaine shot ahead and churned successive laps of 63, 64 and 63 seconds, running away with the race, running through the rising shouts of his people, his head cocked to the right, his brow tightly knitted. This was where he lived, and those long searing drives never failed to be compelling. Into the last straightaway he closed his eyes and swung out from the curb slightly; he ran 50 yards with his eyes shut, squeezing away the suffering. He finished in 13:23.8, only 1.6 seconds slower than his best, and as he touched the tape he glanced back at his distant rivals. Soon the crowd was flowing out around him, small boys waving programs, beaming matrons, girls in halter tops.

That evening there was a party at the home of Geoff Hollister, Prefontaine's associate in an athletic shoe company. All the Finnish athletes were there, along with many of the families who had housed them. Prefontaine's parents and his high school coach were there. As the beer flowed and sandwiches circulated, there was much talk of Pre going to Helsinki, of his hospitality being returned, and much discussion of the AAU rule. Jon Anderson tried calmly to analyze the difficulty of explaining to the layman why athletes become so enraged at the AAU. "There is such a gulf between us and all those thousands of people who would give their right arms to wear "USA" on their chest. . . ."

Prefontaine broke in. "Where is the talent that I competed with when I started in 1969?" he cried, seizing on the first injustice that came to mind. "The shortage is of guys who are out of school and can still figure ways to train and find competition. I'm 24 years old and Frank is 27, and we're *veterans*. That's the shame. That's what's wrong with the American system."

I found myself with Raymond Prefontaine, who seemed daunted by his son's ferocity. We talked instead about the Dungeness crabbing in Coos Bay, he carefully explaining where good catches were being made. Steve leaned near and confided to me that he had never been crabbing. "I've never been fishing, either," he added, "but for God's sake don't tell anybody that."

Poor revelers, my wife and I left the party at 11. Frank Shorter, who was staying with us, said Prefontaine would drive him home later, and he did at about 12:30. They sat in Prefontaine's MG on the road above our house and confirmed a date for the three of us to run an easy 10 miles in the morning. Shorter, an attorney now, promised to brief Prefontaine on the legal challenges that might be brought against the AAU's restrictions on free international racing. "Yea, well, let's go over that tomorrow, when our heads are clear," said Prefontaine and he drove off down the hill.

In the morning the phone rang, waking me, and I learned he was dead. I told Frank. At eight o'clock, the day was still, full of sun and birdsong. From the radio we learned that the accident had happened only a few hundred yards from our house, and we knew Frank had been the last to see him. After a few minutes we walked down a path through a neighbor's yard to the road below. The ashes of flares were scattered in the road. On one side, beneath an outcropping of black basalt, there was broken glass and twisted metal strewn among the poison oak. There was blood on the street, a street he had run at least three times a week for six years.

We saw the accident report, which said he was dead at the scene, his chest and stomach cruished under the weight of the overturned car. His blood alcohol content had been found to be .16 percent, a level presumed to significantly impair driving. We always knew that the important thing about his life, that which let him perform as he did, was his prodigious honesty. Because he had never been hypocritical about his use of alcohol, the manner of his death could not diminish that honesty.

Later, after we had spoken to the news people, Frank and I ran. I believe it was a sort of observation of ritual, something that had to be done. We could not have run a step anywhere that Prefontaine had not run. As it happened, we ran softly through the woods skirting Eugene, looking up at the rugged ground under the Bonneville power lines where he did winter training. After we finished a five-mile loop, we kept on, crossing the river over a footbridge where I had once seen Prefontaine crouched behind a tripod and movie camera, waving at a tired runner to sprint toward him out of the cottenwoods, yelling, "Do I have to do everything myself?"

We avoided the road of the accident, coming up the hill to my house another way, a hard climb, feeling the effort, accepting it as the only link left with what Prefontaine had felt and accepted better than any of us.

Mr. HATFIELD. In conclusion, Mr. President, I want to express the deep sorrow that everyone in Oregon felt when they heard Pre had been killed. Track fans across the Nation may mourn the athlete; we mourn the man. I also know that Pre would have disliked the attention his death has caused.

As I mentioned at the beginning of these remarks, several publications did comment about Pre, and I ask unanimous consent that they appear at the conclusion of my comments. I call them to the attention of my colleagues.

Mr. President, I ask unanimous consent that a fine tribute by my colleague from Washington (Mr. JACKSON) be printed in the RECORD, followed by articles describing the life, the records, and the spirit of one of America's great track athletes.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Congressional Record, June 10, 1975]

THE DEATH OF STEVE PREFONTAINE ON MAY 30, 1975

Mr. JACKSON. Mr. President on May 30, only a few hours after winning a 5,000-meter race in the second fastest time ever run by an American, Steve Prefontaine was killed in an automobile accident.

All of us in the Pacific Northwest, across the United States, and around the world were shocked and saddened to learn that this outstanding athlete—one of the best distance runners in the world—was dead. He was 24 years old.

In this most demanding of sports—for a runner does not begin to reach his peak until he has run literally thousands of miles and competed for years—Steve Prefontaine was a fierce and engaging anomaly. Most distance runners are quiet and introspective, and they confirm our belief in their "loneliness" by the monastic, austere life they lead. But Prefontaine was different; brash, confident, precocious. But he backed up his outspokenness with victories. He grew up in the logging and fishing town of Coos Bay, Oreg., where as in similar towns along the coast and waterways of the Pacific Northwest, hard work and a tenacious spirit are the norm. One had to prove himself, and Steve Prefontaine proved himself in sport.

His exploits are legendary: a national high school record of 8:41.5 for 2 miles four NCAA 3-mile championships and three cross-country titles while at the University of Oregon. He ran nine sub-4-minute miles, his fastest in 3:54.6. He set an American record on 14 different occasions and holds U.S. records at 2,000 meters (5:01.4), 3,000 meters (7:42.6), 2 miles (8:18.4), 5,000 meters (13.22.2), 6 miles (26:51.4), 10,000 meters (27:43.6); and every one agreed his best races were still to come.

Yet, his athletic accomplishments, as awesome as they are, do not give us a total picture of the man. Prefontaine, while preparing to win a gold medal in the 5,000 meters in the 1976 Olympic games in Montreal, and to defeat—soundly thrash as he would have put it—every other great distance runner in the world along the way, had another goal in mind. In the words of his first track coach at the University of Oregon, also the 1972 U.S. Olympic track and field coach, Bill Bowerman, "Steve wanted emancipation—freedom for U.S. athletics—freedom of competition for all athletes of the world."

Today, the United States is blessed with thousands of gifted, dedicated amateur athletes who compete and live within a most narrow, selfish athletic system. While other athletes in other nations are able to compete, to reach their fullest potential, the American amateur athlete is relegated to a world of poverty. Once out of college there is no source of assistance, or encouragement, and the athlete is never able to realize his or her aspirations. As a result, the American athlete is rapidly losing the chance to be the best.

Steve Prefontaine died before he was able to realize that goal, but we can help. In the last session of Congress the Senate passed legislation designed to modernize the archaic amateur system and to end the feuding that was hurting those—the American athletes—for whom the system was conceived.

One result of this legislation, was the creation of a Presidential Commission to study the state of amateur sport in America and that recommended changes; unfortunately, it has not begun to function. I urge the President to act so it can begin this task.

Americans have witnessed the tremendous good that can be won through sport. Track and field is a sport that knows no national boundary and it has broken down barriers when other forms of diplomacy have failed Soviet and American athletes have competed all over Russia and the United States, and a contingent of American athletes has just returned from a 3-week stay in the People's Republic of China.

Athletic competition has enabled men to come together, regardless of ideology. It is one of the most potent weapons for good, and for understanding.

Steve Prefontaine was an example of the type of individual who broke through those barriers. Steve Prefontaine was an example not only to athletes in the United States, but to aspiring and accomplished sportsmen all over the world. Bill Bowerman said he left us a legacy so that "the good things of track and field and other sports may be freely enjoyed by athlete and spectator, won by truth, honesty, and hard work."

Bowerman pledged to Prefontaine and invited all true sportsmen to join him, to fulfill his great dream—to preserve and further the freedom to meet in international sport and friendship. It is a goal worth achieving.

[From the Eugene (Oreg.) Register Guard, May 30, 1975]

NATION'S TOP DISTANCE RUNNER KILLED IN ONE-CAR ACCIDENT

(By Blaine Newnham and Don Mack)

Steve Prefontaine, America's greatest distance runner, is dead.

His body was found crushed under the weight of his small sports car at 12:40 this morning on a wooded street below Hendricks Park in Eugene.

"To me," said Eugene Mayor Les Anderson, "it's the end of an era. There's been a Bill Bowerman era, and there was certainly a Steve Prefontaine era."

There is little doubt that the 24-year-old athlete, the holder of every American record for distances over 2,000 meters, was Eugene's most well-known citizen.

The readers of Track and Field News, the most respected periodical of the sport, recently acclaimed Prefontaine as the most popular track and field athlete in the world.

He was recently offered the largest contract in International Track Assn. history to turn pro. He felt, and said so recently, that his greatest races were ahead of him.

Less than five hours before his gold-colored 1973 MGB slammed into a rock embankment and flipped over, crushing him, he had run the second fastest 5,000-meter race in American history at the NCAA preparation meet at Hayward Field.

He attended a banquet at the Black Angus restaurant for the University of Oregon team early in the evening, and then attended a party for the touring Finnish team at the home of former U of O runner Geoff Hollister, at 3980 Dillard Rd.

Prefontaine and Frank Shorter, the Olympic champion whom Pre had beaten at Hayward Field, left Hollister's party together.

Pre drove Shorter to the home of another runner, Kenny Moore. Moore lives at 1570 Prospect Dr., just a few blocks from the accident scene.

Winding down the hill from Moore's home, Prefontaine apparently was unable to make a turn on Skyline Boulevard approximately 150 feet from the intersection of Skyline and Birch Lane.

The car, according to police, went over the curb, striking a solid natural rock embankment. The car flipped over and came to rest upside down in the westbound lane, pinning Prefontaine's chest between the driver's door and the pavement.

Eugene Police Sgt. Richard Loveall said the car was rounding "a simple curve" and there was no indication of excessive speed. The car went over the center line and Prefontaine apparently hit the brakes. There were about 40 feet of skid marks from the center line to the curb.

Prefontaine's convertible had its top down, but the car is equipped with a roll bar. Police said, however, that Prefontaine apparently wasn't wearing a seat belt.

"It's hard to believe," said Bill Alvarado, of 2415 Skyline Blvd., who was first to reach the accident.

"We've seen Pre jog or drive by here a thousand times. I'm sure he knew the road. I want to believe that he tried to dodge one of the many raccoons that cross the road."

Police said there was no indication of mechanical failure in the car, although the car's front end was so badly damaged that it may be impossible to determine that.

A tape cassette was lying on the road next to his body, John Denver's "Back Home Again." Police theorized that Prefontaine may have taken his eyes off the road to insert the cassette.

Shorter indicated that Prefontaine had been drinking throughout the evening. "But I wasn't afraid to ride with him," said Shorter.

Alvarado, whose home is a short distance from the scene of the accident, said he heard the screech of tires and a "thunk."

Alvarado left his home in search of the accident, and saw a second light-colored MGB speeding up Skyline Boulevard away from Pre's overturned car.

Alvarado said he tried to stop the other car, but was unable to. Alvarado said he attempted to chase the other auto in his car but it was already out of sight. Alvarado circled back through Hendricks Park and came upon Pre's overturned car.

Police said the driver of the second MGB told officers that he came across the overturned car, apparently moments after the crash. He saw a man pinned under the sports car and decided to drive to his nearby home to get help from his father, who is a doctor.

The driver, identified only as a 20-year-old man whose last name is Bylund, told police he saw Alvarado but didn't stop. Police said he was "shook up" and to him, help was his father.

When he arrived home he called the police department, officers said.

The first policeman on the scene, Sergeant Loveall, said he found no pulse and that Prefontaine was already dead. A neighbor, Dr. Leonard Jacobson, confirmed that decision.

In the race Thursday night, and in the first big race Pre ever had—a District 5AAA race as a high school junior, was Jon Anderson, son of the mayor and a teammate of Pre's on the 1972 Olympic team.

"Pre had the potential to be the best runner in the world—on top, number one—in a year or two," said Anderson.

He had never gotten the world record he wanted so badly, and there were those, including his coach, Bill Dellinger, who thought that was only a matter of time.

Pre has no more time.

He talked one day about Emiel Puttemans, the great distance runner from Belgium.

"I like him," said Pre. "He's not afraid to take the lead and set a hard pace."

That was Pre. He set a hard pace in his 24 years. He is the only athlete ever to win four consecutive NCAA championships. He was a three-time winner of the Bill Hayward award to Oregon's outstanding amateur athlete.

He was controversial. He was known as the most outspoken of America's amateur athletes. And he was revered. He talked about "My People," a reference to the wildly enthusiastic track and field fans at Hayward Field.

Pre ran and won his final race at Hayward Field, which can be no solace whatsoever to those who loved and admired him.

Steve Prefontaine, of 4501 Franklin Blvd., lived alone. He is survived by his parents, Mr. and Mrs. Raymond. Prefontaine of Coos Bay, and his sister, Linda, 21, of Eugene. And a world of grieving track and field fans.

Mills-Bryan-Sherwood Funeral Home of Coos Bay is handling the funeral arrangements. A service will be held sometime Monday at the Marshfield High School Stadium.

As Pre's father said, "That's where it all began and that's where it ends."

PRE'S LAST HOURS

(By Jerry Uhrhammer)

Steve Prefontaine had just taken a couple of victory laps around the Hayward Field track.

It was about 8:15 p.m. Thursday, and he started trotting next to fellow runner and close friend Frank Shorter, whom he'd just beaten in a 5,000-meter race.

Shorter, Olympic marathon champion at Munich in 1972, recalled this morning the words that were exchanged.

"He said, 'God, it was slow . . . I felt terrible, you should have beaten me.' And I said that wasn't particularly slow . . . I would have run faster but I'd just come down from altitude.

"That's a little game we played," Shorter said. "He'd always say how out of shape he was and I'd tell him how fast he was."

Slightly more than four hours later, Shorter and Pre talked more about track—about how they intended to cope with problems surrounding the forthcoming national AAU meet.

They were sitting in Pre's MG, parked outside Ken and Bobbie Moore's house on Prospect Drive, located atop the Judkins Point hill in east Eugene, Shorter was staying with the Moore's, and Pre had driven him home from a going-away party for the Finnish athletes Pre had brought to Oregon.

Some athletes have been talking about "sandbagging" the AAU meet because of complaints over the handling of overseas competition. But Pre and Shorter decided there, sitting in the open-topped sports car, they wouldn't follow that tactic.

"We kind of decided we would run as hard as we could in the race," Shorter recalled. "We have to get the AAU to be more flexible, but we want to do it legally rather than demonstratively."

They didn't believe that "sandbagging" the AAU meet—running poorly or competing in events other than their best event—was the right approach to use in getting changes made.

"If you go in as a supplicant somewhere, you want to go in looking as good as you can rather than shlocky," said Shorter, who has just opened a law practice in Denver.

"We talked for two or three minutes and then he took off and drove down the road. . . ."

Shorter was the last person known to have seen Steve Prefontaine alive.

Minutes later, there was a "thud" a short way down the hill on Skyline Boulevard, and the life of America's most brilliant distant runner was ended.

Shorter didn't hear the sound.

The first thing he knew of the accident was this morning when Ken Moore came bursting into the bedroom to see if he was there.

"I was terrified," said Moore, like Shorter, an Olympic marathoner and now a writer for Sports Illustrated—currently working on a profile of Prefontaine. Moore had been awakened by a call from a Sports Illustrated photographer who was in Eugene to cover Thursday evening's race and who had heard the news.

"I said, 'Where's Frank?' and raced over to the door," Moore recounted. He had known that Pre planned to drive Shorter back from the farewell party.

What happened in the last four hours of Pre's life, between the final victory lap at Hayward Field and the "thud" on Skyline Boulevard?

Based on interviews with Shorter, the Moores and other close friends of Pre, they were hours of track talk and fellowship.

Mark Fieg, a University of Oregon miler, recalled that Pre played cards for three hours Thursday afternoon with other runners—unusual for him, Fieg recalled, because he was usually "hyper" before a race and didn't like to talk. Fieg said he suspects Pre was willing to play cards because he wanted as much rest as possible so he would have a good race.

After the 5,000-meter race and the victory laps, Pre showered at Feig's apartment near the campus.

A short time later Pre and his girl friend, Nancy Allman, appeared at the Black Angus Restaurant where the Oregon track team was having its awards dinner. He stayed only about 10 minutes, said Coach Bill Dellinger, and they talked about training and what race he would run in next week's Bowerman Classic (the mile).

Dellinger remembers Pre saying he was going on to the farewell party for the Finnish athletes, being held at Geoff Hollister's house in South Eugene. On the way, he apparently stopped off at The Paddock Tavern for a couple of beers. Prefontaine previously worked as a bartender there.

Attending the party, among others, were Pre's parents from Coos Bay and his high school coach, Walt McClure.

There was lots of track talk. Other kinds of talk, too.

Mrs. Moore remembers Pre going up to his Finnish friends and saying a certain Finnish word right to their faces—a joke they hugely enjoyed. Bobbie Moore doesn't know what the word meant, but she asked Nancy Allman and was told: "If it means what he told me it means you don't want to hear it."

There was talk of going for a run this morning, followed by a sauna at Pre's house when Moore would interview him some more.

"He built the sauna himself last fall and he was proud of it," Mrs. Moore said. "Jaakko Tuominen (Finnish team leader) said he had it up to 225 degrees, and from a Finn that's a compliment."

There was drinking at the party. "Anytime you party with New Zealanders or Finns there is drinking," Shorter said. He declined to say how much Pre had to drink but said he thought it was "enough to affect his driving."

Yet, Shorter added, he wasn't afraid to ride with Pre last night. "He was a good driver . . . I drove from Boulder, Colo., to New Mexico with him and was at ease all the time."

The Moores left the party early. Pre, Shorter and Nancy Allman left about 12:15 a.m., Shorter recalls.

"We all three got into the MG and drove down to the UO ticket office where Nancy had left her car and let her off," he continued. "Then he drove me home. . . ."

As Shorter and the Moores sat in their living room this morning, they talked about the kind of person Pre was and his impact on track. He was the most widely known American trackman of all.

Shorter recounted an incident that occurred when he was working out in a Denver park. An onlooker asked Shorter's companion, who had stopped to rest, "Hey, is that Steve Prefontaine?"

"Even at home, where I'm not known, he is," Shorter said.

What of Ken Moore's profile on Pre for Sports Illustrated?

He had already called the magazine and he intends to keep on writing. "Not an obituary, but a valedictory," he said.

MOST POPULAR TRACK ATHLETE

(By John Conrad)

Bill Dellinger and Norv Ritchey seemed to sum up the feeling of most people early today as they learned of Steve Prefontaine's death in an auto accident only hours after running a 5,000-meter race at Hayward Field.

"I think the fact people thought of him as superhuman makes it a lot tougher to accept," said Dellinger the UO track coach who had also supervised Pre's workouts. "I don't think most people looked at him in an ordinary sense."

Added Ritchey; the UO athletic director: "The impact is unbelievable and the shroud is over the whole nation, just not Eugene or Coos Bay."

That seemed to be the case as most of those associated with Prefontaine learned of his death sometime after a party Thursday night in honor of the Finnish athletes Pre had brought to Oregon.

Only a couple of hours before, he had come within a second of his American record in the 5,000-meters at Mayward Field.

Two of the people most instrumental in Prefontaine's development were unavailable for comment. Walt McClure, the former Marshfield High track coach who was Pre's first coach, was not home. He reportedly was en route to Eugene early this morning with Prefontaine's parents only hours after the group had returned to Coos Bay following the meet Thursday night. Bill Bowerman, the former University of Oregon coach, could not be reached.

People who were available and had gotten the news had received it in every manner imaginable, some from people on the East Coast, or other points, who had heard the news and wanted to confirm it.

"I've had calls from New York, Los Angeles and Seattle," Dellinger said. "But I'm still in shock, it's a shame to see his promising career snuffed out just when he was reaching his peak."

Mark Fieg, the Oregon miler, considers himself the Oregon runner probably closest to Prefontaine.

"It was hard to get to know him," Fieg said. "He was an idol of mine even though I was running with him. A lot of times it was his encouragement that picked me up and kept me going when things were really discouraging.

"I was at his place with some guys playing cards yesterday before the meet."

The ironic thing about Prefontaine's death was that it came after the completion of the Finnish tour that he had worked so hard to put together, and after a party attended by practically all those close to Pre at the home of Geoff Hollister.

"We were involved in a lot of things together," said Hollister, for whom Prefontaine worked at the Athletic Department sporting goods store. "In business and well as in running, it was amazing the things he could do."

Juakko Tuominen, the leader of the Finnish athletes, said that it was uncertain this morning when his group would leave. They had been scheduled to fly out of town today.

Throughout the morning, expressions of sympathy came from various sources, including Gov. Bob Straub and Sen. Mark Hatfield.

Bud Gauthier of Madras, who staged one of the Finnish meets for Pre, was at the Hollisters' Thursday night and had barely arrived home before being informed of the news by a call from Pendleton.

"Last night my little boy was playing around with Pre," Gauthier said, "How do I wake him up and tell him this? Pre was going to come to my house Monday. He was interested in building an A-frame house in this area so he could work out for the Olympics at altitude. I remember before we left, he begged me at least three times not to drive all the way home because he was afraid I was too tired. How do you explain it?"

Bill Huggins, a Coos Bay insurance man whose son ran with Pre in high school, was another who visited with Pre at the Hollisters Thursday night before returning home.

"I just chatted with him briefly and told him to stop by the house next time he was home," Huggins said. "I'm just sick . . . and you can imagine the feeling of the community here. He's a part of a lot of people's lives in this community and people are numb.

"It's a personal loss to a lot of people."

Kenny Moore, the marathon runner who was doing a piece on Prefontaine for Sports Illustrated, was almost in tears as he spoke.

"My emotional reaction is so strong because I know how impatient he would be with us over our inability to handle this situation."

Moore said. "Something a lot of people didn't know was that he had all kinds of lucrative offers in and out of track from places all over the country. But he stayed here and sort of scrambled out his existence because these are his people and where his roots are."

Said Frank Shorter, who came to Eugene to run against Pre Thursday night:

"He's probably drawn more recognition to track and field than anyone in the last 10–15 years except maybe Jim Ryun," Shorter said. "He's easily the most popular track athlete in this country.

"I got to know him personally and I don't think he was as political as people say. He just couldn't understand why people (AAU) would block his way when he wasn't trying to hurt anybody. He had the same frustrations as a lot of us, but most of us weren't as quick to speak out."

Added Ritchey:

"He was trying very hard to live down his image of being unpatriotic."

Pre's Last One a Good One

(By John Conrad of the Register-Guard)

Steve Prefontaine's final race was in a way indicative of how he dominated distance running in America. He had just run the second-fastest 5,000 meters ever by an American—second only to his own U.S. record, of course—yet he was anything but satisfied.

Four hours later, just two years out of college and 24 years old, Prefontaine was killed in a one-car accident in Eugene. But, as a crowd of some 7,000 filed out of Hayward Field Thursday night, Pre said he was just one race from being ready to go for a world record that he coveted so much—something to add to his seven American records at every distance from 2,000 to 10,000 meters.

"I just need one fast race and then I'll be ready," he said following a 13:23.8 tour for 5,000 meters. "I'll run the mile in the Bowerman Classic (June 7) and I know I'm ready to run under four minutes. Then we'll see what happens in the 5,000."

Pre had no trouble disposing of Frank Shorter. He took off with 2½ laps to go and Shorter didn't give chase. Pre passed the three-mile mark in 12:58.8 to Shorter's 13:06.4, and although Shorter finished with a lifetime best of 13:32.2 in the 5,000, Pre was well ahead and actually not that far off his American record of 13:22.7.

Although there were no records, it was an outstanding meet in several areas.

The highlights:

Mac Wilkins set a new Hayward Field discuss record with a throw of 212–3 to upset Finland's Pentti Kahma, the top-ranked discus thrower in the world. Kahma, who had a lifetime best of 219–3 last weekend, was over 200 feet on every throw but settled for second at 211–4.

Jorma Jaakola of Finland unloaded a 269–0 javelin throw on his final effort to defeat the Army's Bob Wallis, who had looked to be the easy winner with a throw of 262–7.

Gary Barger, who will compete for Oregon in the steeplechase at the NCAA meet next weekend, became the 15th Duck runner to go under four minutes in the mile as he set a blistering opening pace and kept it up to win in 3:58.8.

And, Tom Woods of Oregon State went 7–2 in the high jump.

Meanwhile, at least four Ducks earned a trip to the NCAA meet next week. Mark Feig showed signs of coming out of his slump by posting a 4:00.4 mile, Dave Hagmeier recorded a lifetime best of 51.8 in the intermediate hurdles, Dave Taylor was clocked in 13:30.6 for three miles and Dave Voorhees had a lifetime best of 191-8 in the discus.

Oregon Coach Bill Dellinger said all will join Paul Geis, Scott Daggatt, Craig Brigham, Barger and Terry Williams at the NCAA meet. Dellinger said he may also take hammer thrower Rich Perkins, who had a lifetime best of 189–3 to finish fourth in an event won by Steve DeAutremont with a heave of 216-6.

Prefontaine and Shorter seemed to be on record pace after the first mile, as they were paced by Geis and Williams for three laps and clocked the mile in 4:17 after an opening 63-second lap.

But the pair slowed to 66-second pace in the second mile and when Shorter began the third mile with a 68-second lap, Pre took off on his own. He finished up the three mile with laps of 63, 64 and 63 but said he wasn't thinking in terms of a record at any point.

"I felt sluggish," he said. "I felt Frank throw that 68 and decided to throw in something fast. If he had come with me it would have been a race. But after the first mile I wasn't thinking about any records."

Shorter felt the change in altitude after flying in Wednesday from Colorado affected him, and Prefontaine said he wasn't surprised.

"It took me a week to recover after I came home from there this winter," he said. "Coming down from altitude takes some getting used to."

Pre felt that his strength was better than ever, but his overall fitness still had a way to go. But not far.

"I need a couple of weeks before I'm ready to really turn one on," he said. "I'll get a good mile in the Bowerman Classic, then if I run in the AAU that could be good. But, if the AAU doesn't give me permission to run where I want in Europe this summer, I won't run in their meet."

Wilkins and Kahma had a very impressive battle in the discus. While Kahma was over 200 feet on all six of his throws, Wilkins hit his winning toss on his first try. Then he had two fouls, a 209-5, another foul and a final 207-7.

In the mile, Barger attained a goal he established in high school days by breaking the four-minute barrier.

"I wanted to run under four minutes and I knew this would be a good chance," he said. "Lars (Kaupang) said he was going out fast, but I felt good and just decided to take off.

"I think this will help me in the steeplechase. I ran the steeple and three mile in the Pac-8 and a race like this will get the sharpness back in my legs."

Feig, who didn't even place in the Pac-8 meet, was more pleased to run a good race than disappointed to just miss a sub-four minute tour.

"I just needed a little confidence," he said. "I had a real good workout last Saturday and today I just went out and ran as hard as I could all the way."

[From the Eugene (Oreg.) Register-Guard, May 31, 1975]

He Was Bill Bowerman's "Kind of Guy"

(By Dave Frei)

Up front and talented.

That was Steve Prefontaine.

It was hard to tell which meant the most to him as he made it a point never to separate his attitude from his abilities.

Consequently, many accused him of running with his mouth. For those of weak faith, he produced seven American records.

The higher-ups in the governing bodies of amateur sport didn't appreciate his ongoing campaign on behalf of athletes and their rights.

But those who knew him best appreciated Steve Prefontaine.

A coach's athlete . . . an athlete's athlete.

His own man.

All of these, he was.

"As soon as he came in here he was my kind of guy," said former Oregon track Coach Bill Bowerman, "because he was outgoing and honest. He may have opened the door to emancipate the athlete in bring the Finns over here.

"To my knowledge no one has ever accomplished something like this without accepting dictatorship. Because of who he was and his integrity, it opened new avenues for the athletes.

"This is a big loss to our university, state and nation."

Prefontaine, 24, was killed early Friday in a one-car accident in Eugene. The official autopsy report released Friday by Dr. Edward Wilson, assistant medical examiner for Lane County, listed the official cause of death as "traumatic asphyxiation, a form of suffocation.

Prefontaine's chest and stomach were compressed under the weight of his overturned MGB sports car, making it impossible for him to breathe, Wilson said. He couldn't have lived more than a minute under those circumstances, according to the doctor.

Wilson said that Prefontaine suffered no other injuries which, in themselves, would have caused death.

Laboratory analysis of a sample of Prefontaine's blood showed a blood alcohol content level of .16 of 1 per cent. Under Oregon law, a driver is considered to be under the influence of alcohol at a blood alcohol content level of .10 of 1 per cent. A more serious driving incapacity is presumed if blood alcohol content exceeds .15 of 1 per cent.

Prefontaine, who lived alone at 1424 McKinley St. in Eugene, is survived by his parents, Mr. and Mrs. Raymond Prefontaine of Coos Bay, and two sisters, Mrs. Don Fleming of Coquille and Linda Prefontaine of Eugene.

Funeral services will be held at 3 p.m. Monday in the stadium at Marshfield High School in Coos Bay. Rev. Thomas Murdock of Coos Bay will say a prayer and two of Pre's former coaches, Walt McClure of Marshfield High and Bowerman, will deliver eulogies.

Burial will follow at Sunset Memorial Park in Coos Bay and will be closed to all but family and pallbearers.

Frank Shorter, Jon Anderson, Jim Seymour, Brett Williams, Bob Williams, and Geoff Hollister, all runners or former runners, were named as pallbearers.

Donations to the Steve Prefontaine Memorial Fund may be made in care of Walt McClure, 1606 Cottonwood, Coos Bay, Oregon 97420.

KEZI–TV (9) will telecast a special tribute to Prefontaine Sunday at 10:30 p.m.

Bill Dellinger, who coached Pre off and on since 1969, called his death "a great personal loss, a great loss for all the fans of track and field. We can all reflect back to the great moments in this state and all over, wherever he competed.

"I guess you'd have to say he was the ideal type of a guy a coach likes to have. He was a very talented runner, a very dedicated runner, very coachable. He asked for and followed advice very, very well."

"He told me last night (Thursday) that he felt he was just starting to run well, that the season had just begun," continued Dellinger.

"He thought he was the best in the world and was aiming for 1976 (Montreal Olympics)."

"Anybody that appreciates track and field had to appreciate his competitiveness," said South Eugene track coach Harry Johnson.

"Pre was the epitome of the track athlete because he had the ability to rise to the occasion of the competitive experience and there aren't many guys who can do that.

"He had the tools and he could do it whenever he wanted to.

Ode to S. Roland

You came out hot and flashing
Like a Spanish fighting bull,
Your chest went stretching forward
Straight hair flying from your skull.
Your knees came high, the arms they swung,
You sneered around the bend.
Leaping, diving, baring all
Exhausted in the end.
You called the fouls and formed the words
That told it as it was.
A warrior running rampant, wild.
In pain you never paused.
For six short years we followed you;
You always grabbed the lead.
And now it's over, just like that.
The hearts begin to bleed.
No more will dirt in London, Oslo,
Crush beneath your feet.
It's up to other artists now
To make the tempo sweet.
No more to pound the dusty roads
Or touch the emerald green;
No man again to taste
Your thrilling madness in Eugene.

—Dick Buerkle,
distance runner
Rochester, New York.

Dick Buerkle, the world's fourth ranking 5,000 meter runner in 1974 and Steve Prefontaine's chief competition among Americans at that distance, called the Register-Guard from his home in Rochester, N.Y. On the trip home from the China track tour, Dick Buerkle composed a poem about Steve Roland Prefontaine, a poem he wanted "Pre's people" to read.

For Pre

The time you won your town the race
We chaired you through the market place;
Man and boy stood cheering by,
And home we brought you shoulder-high.

Today, the road all runners come,
Shoulder-high we bring you home,
And set you at your threshold down,
Townsman of a stiller town.

Smart lad, to slip betimes away
From fields where glory does not stay
And early though the laurel grows
It withers quicker than the rose.

Eyes the shady night has shut
Cannot see the record cut,
And silence sounds no worse than cheers
After earth has stopped the ears.

Now you will not swell the rout
Of lads that wore their honors out,
Runners whom renown outran
And the name died before the man.

So set, before the echoes fade,
The fleet foot on the sill of shade,
And hold to the low lintel up
The still-defended challenge cup.

And round the early-laureled head
Will flock to gaze the strengthless dead,
And find unwithered on its curls
The garland briefer than a girl's.

To an Athlete Dying Young
—A. E. Housman.

[From the Eugene (Oreg.) Register-Guard, June 1, 1975]

Only First

(By Blaine Newnham)

Pre didn't have much use for sports writers.

Most sports writers didn't have much use for Pre.

He was arrogant, he was impatient, he could be rude and he eschewed small talk.

I remember the first time I met Steve Prefontaine. He was standing on a balcony overlooking a swimming pool at the University of California following the 1971 U.S.-Russian meet at Berkeley.

I introduced myself.

"I'm not talking to reporters any more," he said. "I've decided that I'd better keep my mouth shut around newspaper people."

I had mentioned his race against the Russians. I asked about his strategy, and about pace.

His eyes twinkled. He leaned back against the edge of the balcony and started talking about Harold Norpoth and Michel Jazy, two of the great European runners.

"I thought you weren't going to talk to sports writers any more?" I said.

"You haven't asked me any stupid question yet," he said.

Two months later I was in Eugene and became privileged to see most of Pre's great races. I saw his last one.

In my mind, his greatest race was his worst defeat: the Olympic 5,000-meter final in Munich.

The pace was agonizingly slow, slower than the 10,000 meters the week before. Pre knew he couldn't lead the entire race and hope to win. He also knew he couldn't kick the last lap off a slow pace.

With one mile left in the race, Pre took off. He pulled the rest of the world through one of the most exciting races ever held.

Pre battled the great Lasse Viren over the last 600 meters. Twice in the last 300 meters he tried to make a move, but got jostled, his momentum tied up in tangled feet.

At the finish, he was spent. He couldn't hang on for third and an Olympic medal. But that, to me, was Pre.

"He never ran for second or third," said Bill Bowerman, "he never even considered it."

I remembered the 1968 Olympics at Mexico City. And Jim Ryun's failure to chase Kip Keino in the 1,500 meters after Keino stole the race with a lightning pace.

"If I'd have gone with Keino," said Ryun, I might not have gotten second."

Just as Ryun and other American runners stood still from the dictatorial policies of the U.S. Olympic Committee and the Amateur Athletic Union, Pre forced the pace.

He was impatient with life. He was so awesomely competitive that he was rude to those who would stand in the way of people trying to help themselves.

He fought for a national sports program, he fought against AAU's policy to limit the travel of American athletes in Europe, and he fought to keep track and field on a high level in Eugene.

He was intensely loyal to Eugene and the university.

"He knew we were in trouble raising money for the new grandstand," said Bowerman. "That's why he went out and got Dave Wottle to run against him in a mile. He knew it wasn't his distance, but he knew it was the race we needed to draw fans.

"That same year, Pre got every member of the Oregon track team to make a donation to the Restoration fund."

Bowerman thinks Pre's success in bringing the Finnish team to America is a milestone.

"Let's hope that the AAU doesn't remember Pre as a troublemaker and be relieved that they won't have any more problems.

"Pre opened the gate to international communications. Let's keep it open."

Pre started track in the eight grade at a Coos Bay junior high.

"I found I was doing something I wasn't dead last at," he said once. "I was at the point of giving up athletics and going down a different trail. I know one thing, if I'd done that, I wouldn't be in college right now. I'd probably be in a shack somewhere in the mountains, doping it up."

Pre told that to a class at Roosevelt Junior High School. He never once mentioned his work with kids to the press, which quoted him liberally on about every other subject.

"Pre wanted the image of a swashbuckling pirate," said Bowerman. "He never wanted people to think of him as a do-gooder. And, yet, he had a deep feeling for the kids."

Pre lived hard, and he died hard. But what is his legacy?

"The goals he set for himself drove others to strive to beat him, giving the United States what is now the best fleet of distance runners it has ever had," said Dick Buerkle, one of Pre's strongest competitors.

But is there a man to step forward and challenge the AAU?

What will become of national track and field meets in Eugene? Pre never ran a bad race at Hayward Field. To arrange a good meet, all you needed to do was find some competition for Pre. Pre is gone.

A jogger moved slowly down Hilyard as I drove to work Friday morning, the news of Pre's death ringing in my ears.

I had often seen Pre jog the very same route on cold, rainy winter mornings. I always smiled, juxtaposing Pre on Hilyard Street with Pre in Munich, a neighbor and an Olympian.

Pre loved Eugene. He would hope that the full spectrum of track and field in this community would continue as he left it. From jogging to all-comers meets, to four-mile relay records at South, to an NCAA championship for the U of O, to a return of the Finnish national team to Hayward Field.

Run for first. Don't even think about second or third.

Steve Prefontaine

(By Blaine Newnham)

Bill Bowerman looked out from the new west grandstand at Hayward Field. Across Stevenson Track, out into the verdant hills of east Eugene. To where Steve Prefontaine was killed.

The American flag at the south end of Hayward Field stood at halfmast Saturday during the state AAA track and field championships.

"I think Pre would have wanted it right up at the top," Bowerman said softly. "That's where Pre always wanted to be."

It is impressive to summarize the career of Steve Roland Prefontaine by saying that he set American records 14 different times, that he broke the four-minute mile nine times, had 25 races faster than 8:40 for two miles, and 10 races faster than 13:30 for 5,000 meters.

But there was more to the man than races won and records set, and nobody knew it better than Bill Bowerman, Eugene's living legend.

"Pre never had burning speed," said Bowerman, "but he had burning desire and more determination than anyone I've ever been associated with in track and field, or any other sport.

"Pre wasn't necessarily born to run, but he was born to compete."

Bill Bowerman first saw Pre run at a cross country meet at North Eugene High School. Pre was a freshman at Mashfield High.

"Walt McClure (the Marshfield coach) had already told me about this little guy who was a good one. Pre was a 14-year-old freshman, and ran about as well as any freshman could."

It was destiny that Pre would enroll at Oregon and run for Bowerman.

"Walt McClure had run for Bill Hayward," said Bowerman. "He was one of a half-dozen carry overs from the Hayward period. Walt's father ran for Bill Hayward."

Bowerman reflected quietly on the great moments of Prefontaine's 10-year running career.

"A multitude of great races," he said. "When Pre ran 8:41 in high school you knew he had as much talent as anyone in the world."

It was in his first year at the university, as a freshman on the last Oregon team to win the NCAA championship, that Pre ran what Bowerman considers his most memorable race.

It was in Des Moines, Iowa. Six days before the NCAA three-mile final, Pre gashed his foot on an exposed metal bolt at the swimming pool of the hotel. It took six stitches to close the wound.

"A doctor took one look at it," said Bowerman, "and told us Pre couldn't walk for two weeks. Pre said he needed to work out so he'd be ready for the race."

Bowerman called Dr. Donald Slocum in Eugene. Slocum recommended another doctor in Des Moines. Meanwhile, Pre soaked his foot every hour for the remaining five days. He couldn't do anything else because Bowerman told him not to run.

The coaches met to decide whether a prelim was needed in the three-mile.

"I told them to go ahead and have a prelim," said Bowerman, "I didn't give a damn. My guy is used in running two races."

Apparently, the bluff worked. The coaches voted not to have preliminaries and Pre had a reprieve.

"Pre was very easy to coach," said Bowerman. "We told him to stay in the pack, to protect his foot. The pace was slow, the race made to order for him. He won easily, but I'm sure it had to hurt."

It did.

"When I took the tape off after the race," Pre recalled, "two stitches came with it."

Bowerman moved quickly to Pre's American record in the final of the 1972 Olympic Trails at Hayward Field when the University of Oregon junior convincingly put away America's veteran star, George Young.

"That was a great race," said Bowerman, "but perhaps the greatest race I've ever seen was in the Restoration meet a year ago when Pre and Frank Shorter broke the American record.

"That was a record-breaking, two-man race and I thought when Shorter was in front of Pre by 10 yards in the last lap that Pre had had it.

"I don't know where he got it from."

Bowerman always referred to Pre as a "tough rube." He admired toughness above all else. His best competitors were called "tigers."

"Pre," said Bowerman, "was a double tiger."

Prefontaine's seven American records—every record from 2,000 meters to 10,000 meters—four consecutive NCAA championships, three consecutive NCAA cross country championships, Pan American Games championship, two AAU championships, and his victory in the Olympic Trials left ample evidence that Pre was the best distance runner in American history.

Some would argue for Shorter, an Olympic marathon champion, or for Young, a devastating force at everything from two miles to the marathon, or for Gerry Lindren, the Washington State runner who doubled in the NCAA championship three times.

"Let them run 12½ miles over steeplechase barriers," said one track expert.

Is there any doubt who would have won such a race of determination and guts? Pre would have found a way.

But what about Olympic championships, world records, and his failure to beat the Europeans in Europe?

During his career at Oregon, and even after he left the university, Pre and Bowerman talked once a week.

"It's better off if you can demonstrate when you coach," said Bowerman, "and it was obvious when Pre got here that I wasn't about to be running with him. I charged (Bill) Dellinger with the responsibility of being on the course with him."

Bowerman remained close to Pre, and they talked this last year about Pre's future, and the 1976 Olympic Games. Bowerman was certain that Pre wanted to run well in the Olympics more than anything else. And he wanted a world record.

"He and I were talking about the easy way to run a world record," Bowerman began. "The easy way is to run an even pace.

"But," continued Bowerman, "we both knew that you might well pull somebody with almost as much talent and more sprint speed along so that he gets the pot."

Both were aware of Pre's lack of a finishing kick. And, yet, both felt there was another way to win the Olympic 5,000 meters.

"First of all," said Bowerman, "Pre felt he had to run each mile in 4:12 or three miles in 12:36 (the world record is 12:47.8), and yet he knew that probably wasn't going to be good enough to win.

"Nobody has ever run that fast, but that doesn't mean somebody wouldn't do it in the Olympics."

There was an additional factor, or a weapon as Bowerman described it, that Pre felt could kill off even the strongest of the quick finishers.

"Pre had the guts and the manhood to run a varied pace," said Bowerman, "and that was his great weapon for the next Olympics.

"Vladimir Kuts of Russia is the only man who has really ever used the weapon, and he did so in destroying every man in the field in the 1956 Olympics.

"I think that Pre was capable of doing that because of his physical strength and incredible determination to win."

Bowerman stopped. He was talking about a man who would never run again.

"Those were the plans, those were the goals. If he had achieved that, and still didn't win, Pre could have accepted that.

"There was nobody else like him."

[From the Eugene (Oreg.) Register-Guard, June 2, 1975]

Prefontaine Tributes Continue

Tributes continue to mount for Steve Roland Prefontaine, who will be buried this afternoon in Coos Bay.

The House Rules Committee of the Oregon Legislature introduced a memorial to Prefontaine, who was killed early Friday morning in a one-car automobile accident in Eugene.

The Oregon Track Club, meanwhile, announced a memorial service for Pre at 8 p.m. Tuesday at Hayward Field.

Friends and fellow athletes of the great runner will stage a brief ceremony in Eugene at the site of many of his greatest achievements.

"This service is for those who could not be in Coos Bay Monday," said Jim Putney, president of the Oregon Track Club. Those involved in Tuesday's service include Kenny Moore, the writer and marathon runner from Eugene.

Bill Bowerman and Walt McClure, Pre's coaches at the University of Oregon and Marshfield High in Coos Bay respectively, will deliver eulogies at today's 3 o'clock service in the Marshfield High Stadium in Coos Bay.

Private burial will follow at Sunset Memorial Park in Coos Bay. Pallbearers for the service are Frank Shorter, Jon Anderson, Jim Seymour, Brett Williams, Bob Williams and Geoff Hollister, all runners or former runners.

American distance, star Dick Buerkle of Rochester, N.Y., authored a poem about Pre, and called it "Ode to S. Roland." Other poems by fans in Eugene have come to light.

Contributions to the memorial fund honoring Pre should be sent in care of the Western Bank of Coos Bay, 285 S. Fourth St., Coos Bay, 97420.

In Memory

I am saddened by our loss.

Only knowing him slightly, rarely having the opportunity to talk with him, I admired him.

One need only see him run to admire his talent, his determination, his strength, his spirit.

The countless hours of preparation, the thousands of miles he ran alone in the early mornings and in the evenings.

Alone, in the Oregon rain, Alone, in the Oregon hills, Alone, in the streets of Eugene, Alone, at his home on Stevenson Track.

His dedication to himself, his country and his sport were one.

To see him run, his fluid stride, his legs kicking high behind, his chest expanded, his arms in gentle motion by his side.

To see the pain expressed in his face, the sweat on his forehead, the conviction within to run even faster.

To see his beauty, the beauty of what it represented; every part of it.

His beauty, his pleasure; the beauty he expressed so well, the pleasure he gave so unselfishly to us all.

Pre's running now; he'll always be running, running to win and winning.

His fans are watching, they'll always be watching

Watching him run out front, carrying the load, that determined look in his eyes, that glance at the scoreboard clock, always looking ahead, never looking over his shoulder.

To those who say he has died, I ask what has died?

His Memory? His Spirit? His Cause?

Pre will run again, he will run every time there is a meet at Hayward, He will run every time the gun sounds. He will run every race from 2,000 meters to 10,000.

Pre will run to win, and he will win!

Gregory M. Ahlijian,
Eugene.

Pre

Keep on running.
And never turn back.
'cause that's the urge
all the others lacked.

Keep on running.
Don't stop to look behind.
'cause Montreal is near,
and that's what's on your mind.

Keep on running.
Never let them slow ya down.
'cause just around the corner,
you're going to get the crown.

Keep on running.
Your era will never end.
'cause you're on top,
and there's fans around every bend.

Melany Moser, 16,
Junction City.

Pre

Exultantly riding the night
I dare my car to keep my pace
High on wind and stars and victory and into the stone wall full tilt
Flung with godlike force whirling lights flashing
Earth smashed the crush of pressure beyond pain warmth of blood filling my hands helpless to stop the overflow
spilling into the earth around me
With inestimable sorrow and regret
goodby

Jane Harrison,
Eugene

[From the Oregonian, May 31, 1975]

Track World Mourns Death

(By Leo Davis)

When there is time Kenny Moore will write about Steve Prefontaine—the man and the athlete.

Moore writes as well as Pre ran, with litte pretense, with insight, with telling effect. And best of all with compassion, the bond between distance runners.

But Friday, as he struggled to accept the news of Prefontaine's death in an early morning auto accident, words avoided him. Kenny struggled as he never struggled with an Olympic marathon.

"My emotional feelings on this are very strong. Pre could have accepted this sort of thing better than I."

Moore was at Hayward Field Thursday night to do a Sports Illustrated profile on Pre and Lasse Viren, Finland's double gold medal winner in the 1972 Olympics in Munich. "When Viren cancelled, the story turned out to be a profile on Pre."

In the callous crush of a news conference, Moore reached for words. "I would say that Pre's legacy is that he doubled the efforts of the rest of us toward restructuring American sports where it is lacking. His contributions to track and field were enormous."

His impact on Eugene was even greater. "Pre didn't want to turn on crowds as much as pay them back. He had great sense of his own roots—he had chances to go into business but wouldn't consider them just because he didn't want to leave his people."

At that moment Moore couldn't accurately measure the loss, nor could countless other Prefontaine friends, enemies and admirers.

Dick Buerkle, a long-time rival, heard the news as he was checking his baggage through customs in Seattle after a tour of China. "I could cry," he said softly. "It leaves me numb."

Dr. Leroy Walker, who will coach the U.S. men's track and field team at Montreal in 1976, spoke in the hush that followed the news. "It was a great tragedy and a great loss to our team. He was one of the finest distance runners in the world and there is no doubt he would have been on the American team."

The news stunned Bowerman. "He was the greatest athlete I ever coached and a fine person. He really loved life."

Yale coach Bob Giegengack, who had taken the American team to China, and Don Kardong, a member of that delegation, spoke as one.

"He was too young to die."

Reaction, generally, was in that tone. Senator Mark Hatfield said, "it is tragic when any young person dies and the potential for a full, productive life is snuffed out. Steve Prefontaine was an Oregon tiger of the finest tradition."

University president Robert Clark echoed the sentiment. "The stunning news has crushed those of us who knew and admired this outstanding young athlete. We mourn for him and his family and for the days of his glory that shall come no more."

The Oregon Track Club found a spokesman in president Jim Putney. "Steve's life burned bright on and off the field and today we all experience a little darkness because of the loss."

Finally it was left for Frank Shorter, the 1972 Olympic marathon champion and runner-up to Steve in that 5,000 meter race to give his death track and field perspective.

"He always made me run my best (Shorter had a PR Thursday night as testimony). He was one of the fiercest competitors I have ever known. He never ran less than all out."

Pre's contribution to the sport did not end there, however. "He has drawn more recognition to track and field in the past 15 years than anyone, with the possible exception of Jim Ryun," Shorter added.

Prefontaine is the second Oregonian-Olympian to die in an automobile accident.

Former Portland State University standout Rick Sanders, a silver medalist in the 1972 Munich Olympics, was killed Oct. 18, 1972, in a bus-auto collision in Skopje, Yugoslavia.

Both the 27-year-old Sanders and Prefontaine were former Hayward Award winners, the latter winning the award for Oregon's most outstanding amateur athlete three consecutive times. The award is presented annually by the Oregon Sportswriters and Sportscasters Association.

Bill Dellinger, who was his coach and confidant at Oregon, said his death "was a great personal loss and a loss for all fans of track and field.

"He thought he was the best in the world and he was aiming for 1976," Dellinger said when asked if Prefontaine planned to try for a medal at the 1976 Olympic Games in Montreal. Prefontaine turned down an offer which Dellinger believes was the highest ever made by the professional International Track Association. "He set pretty high goals for himself or he would have accepted (the pro offer)," Dellinger said.

Dellinger described Prefontaine as the "ideal athlete. He was talented, dedicated and very, very coachable. He asked for and followed advice. He was a year-round runner and just last night he felt he was beginning to run well again."

In July 1971 at Berkeley, Calif., Prefontaine set an American record for 5,000 meters with a time of 13:30.4. He would better that by more than eight seconds. He tied the collegiate two-mile mark at 8:33.1 in Eugene in March of 1971. Later he would trim 15 seconds off that time.

Prefontaine was a critic of the Amateur Athletic Union, which he charged exploited American athletes. As late as Thursday night he still hadn't decided whether he could live with AAU regulations and was still hedging on his plans for a summer tour of Europe.

Despite that and the bitter taste of the 1972 Olympics in Munich, the gold medal was never out of his mind, according to Dellinger.

Although he talked of business and once said, "being a success and making some money is the most important aspect of my life now," Prefontaine turned down pro track's generous offer. "I don't think they are the kind of challenge I need to get ahead," he explained.

Of Pre's continuing battle against AAU aggravation, Shorter said, "he spoke out when others were quiet. He didn't try to influence us with his cause but he didn't understand why people put blocks in his road."

The preparation meet was a final appearance for touring Finnish athletes, recruited by Pre for a mini-series in Oregon, and his co-promoter, Jaako Tuominen said Friday, "it's hard to understand, to realize that he's not here anymore.

"He was a good friend, outgoing, friendly. Over here he was a little different than in Europe, he was very busy, had a lot of pressure and wanted to do well as a promoter."

Tuominen, the Finnish tour leader, said his group would probably delay its departure until Monday to attend funeral services.

The service will be held at the Marshfield High School athletic stadium in Coos Bay at 3 p.m. Monday under the direction of the Mills-Bryan-Sherwood Funeral Home.

"That's where it all began and that's where it will end," said Prefontaine's father.

[From the Capital Journal (Oreg.), May 30, 1975]

Great Competitor Is Lost

Oregonians reacted with shock today at the death in Eugene Thursday night in an automobile accident of distance runner Steve Prefontaine, described as a "fierce competitor" by an ex-coach and a U.S. senator.

"He was extremely talented and he was as fierce a competitor as we ever had," said Bill Bowerman, former track coach at the University of Oregon where Prefontaine blossomed into stardom.

Sen. Mark Hatfield, R–Ore., said, "Steve Prefontaine was an Oregon tiger in the finest tradition: fiercely competitive, confident and outgoing."

Bowerman said, "While he was a fierce competitor he still had the ability to recognize that any time he took the mark he wasn't the only man in the race. In the big ones he had to put it on the line and if he didn't win it, of course he would have to try to find out why and go back and try a little harder next time."

Bowerman was Prefontaine's first coach at Oregon.

Bill Dellinger, who succeeded Bowerman as Oregon coach and was a distance runner at UO himself, was responsible for much of Prefontaine's training while he was an assistant coach at UO.

"He was probably the most dedicated runner I ever knew and in four years at Oregon he never missed a workout."

Norv Ritchey, UO athletic director, said, "We're still in a complete state of shock . . . the news is just unbelievable."

Ritchey said, "He was a young man who was just obviously reaching his potential and the prime of life and certainly now to have it snuffed out this way and so sudden is a complete shock and a tragic, tragic thing for all of us."

Ritchey said, "He was absolutely effervescent, outgoing . . . a tremendous competitor. He was the most open, unabashed youngster you ever saw in your life when he came here from Coos Bay. On the other hand he was a young man who had some very definite ideas."

Philip O. Krumm, president of the U.S. Olympic Committee, said this country "has lost a truly dedicated runner" in Steve Prefontaine.

"He established himself over the last six years as the nation's most outstanding distance runner," Krumm said. "We all remember his splendid effort in going all out to win the 5,000 meters at Munich in 1972.

"Those of us who had been watching his steady improvement the last three years were counting on Steve as one of our top prospects for a place on the 1975 Pan-American team and the Olympic team next year. Track and Field has lost a truly dedicated runner."

[From the Oregon Statesman, May 31, 1975]

Prefontaine Dies in Auto Crash; Track World Stunned

(By Reid English)

EUGENE.—It sure was quiet at Hayward Field during the opening session of the boys' AAA State track meet Friday morning.

Most track coaches and followers of the sport here for the two day prep meet, were as shocked and disappointed as anyone upon hearing the sad news of Steve Prefontaine's tragic auto crash early Friday morning.

Willamette University coach Chuch Bowles was informed of the news by the school custodian who came into his office and said, "Isn't that bad about Pre?" to which Chuck replied, "Yeh, he just missed the record." The custodian responded, "No, he's dead." Bowles, one of the many officials at the high school meet, said, "He meant as much as anyone to date in track and field."

South Salem Coach Greg Marks heard the news on the radio going to school. His first response was, "It's devastating. It's a great loss to track and field."

Oregon College of Education Coach Don Spinas, also here assisting with the meet, and a good friend of Oregon coach Bill Dellinger, got an early morning phone call from his team manager who said, "Did you hear who died?" Spinas said, "No." and was told, "Pre." There was silence on the phone for nearly five minutes and the manager said, "You still there, Coach?" Spinas said, "I was in shock, I just couldn't believe it, I had just seen him run last night."

"His contribution to track and field was probably more than we realized, he was a real honest person," stated Spinas. "Bill and I have been good friends for a long time and I felt he needed someone to talk to this morning," added the OCE coach.

The former Willamette University athlete and present Salem Track Club coordinator Ron Jenson heard the news from WU basketball coach Jim Boutin at school Friday morning. Jim said, "Did you hear what happened to Pre?" and Ron said, "He ran yesterday."

Former North Salem sprinter James Holloway and presently a member of the Oregon varsity was also helping run events Friday. "It was a little weird to think he was here last night and now that same man isn't around anymore."

Steve Prefontaine, for almost a decade one of this country's best and most controversial athletes and the owner of every American running record over 2,000 meters, is dead at 24, the victim of a pre-dawn automobile accident here Friday.

The 5-foot-9, 155-pound distance runner, whose dedication to running and training was matched by his bitterness over the treatment of amateur athletes in America, had come within 1½ seconds of his 5,000-meter record at a meet in Eugene Thursday night.

Barely four hours later, after leaving a party in honor of six Finnish athletes he had brought to America to compete, Prefontaine had taken his girl friend home and was driving along a Eugene residential street. Police said his small foreign car crossed the center line, skidded about 40 feet, struck a rock embankment and flipped over, pinning him beneath it.

Eugene police reported that a laboratory analysis indicated a blood alcohol content of .16 per cent. Drunkenness is presumed under Oregon law if blood alcohol content is .10 per cent. A more serious driving incapacity is presumed if blood alcohol content is .15 per cent.

Prefontaine died of a form of suffocation called traumatic asphyxiation.

Dr. Edward Wilson, assistant medical examiner for Lane County, said, "His chest and stomach were compressed by the weight of his overturned sports car, making it impossible for him to breathe. He couldn't have lived for more than a minute under those circumstances."

The time of death was placed at about 12:30 a.m. PDT. It sent shock waves through the track world and cost America its strongest hope for a gold medal in the distance events at the 1976 Summer Olympics.

The 64-member American track and field team which just toured China was checking through customs in Seattle Friday morning when the news hit. "When I heard it, I began shaking all over," said Francie Larrieu, American's premier woman distance runner.

Prefontaine, who owned six American records and who recently lambasted the Olympic effort by saying, "To hell with love of country, I compete for myself," had just been rounding into shape for another assault on his marks.

"He told me last night he felt he was just starting to run well, that the season had just begun," said Bill Dellinger, Prefontaine's coach. "He thought he was the best in the world and was aiming for 1976."

A high school sensation in Coos Bay, Oreg., Prefontaine had a brilliant career at the University of Oregon, turning in some classic performances soon after he burst into the spotlight as a teenager in 1966.

He did not own any world records, but his American marks were close and they were improving as he neared the age at which distance runners hit their peak.

Perhaps one of his proudest accomplishments was the American tour he arranged for the six Finns, whom he had met and lived with last summer during a European tour.

They and about 25 other persons, including Prefontaine's parents and his high school coach, were at Thursday night's post-meet reception. A friend at the party said the young distance runner was "really tired and he was really excited" about a meet next Saturday as he left the reception to take his girl friend home.

Prefontaine's father, Raymond, a carpenter, said funeral services will be at the high school athletic stadium in Coos Bay on Monday because "that's where it all began and that's where it ends."

He became the first runner in history to capture the NCAA three-mile title each of his four collegiate seasons, between 1970 and 1973. In the final years his time of 13:05.3, despite hot, humid weather at Baton Rouge La., is considered one of the finest performances on record and stands as an NCAA meet record.

Prefontaine also set an American 3,000 meter record of 7:42.6. His other records: two miles, 8:18.4; three miles, 12:51.4; 5,000 meters, 13:22.2; six miles, 26:51.4; 10,000 meters, 27:43.6. All were set between late April and mid July 1974, the year he boycotted the Amateur Athletic Union championships.

After enrolling at the University of Oregon in 1970, Prefontaine quickly emerged as the finest distance runner in America under the tutelage of Bill Bowerman.

It was at about that time that he began to express bitterness about what he believed to be shabby treatment of amateur athletes in this country. But that did not affect his performances.

In the 1972 Olympics, he ran the 5,000 meters. With four laps to go, Prefontaine held a slim lead, and at that point observers believed if he had started his kick, he would have captured the gold medal.

But he still was new to international competition and apparently feared that he would burn out in the mile before the finish. He kept his pace and three runners passed him, the last overtaking him about 10 meters before the tape.

The winner was Lasse Viren of Finland, who was one of the six Finns at the Eugene party Thursday night.

The Olympic loss was an albatross around his neck, and may have been the reason he turned down what was described as the largest offer ever made by pro track so he could take another Olympic shot in 1976.

Dellinger, who had coached Prefontaine off and on since 1969, said the death was "a great personal loss, a great loss for all the fans of track and field. We can all reflect back to the great moments in this state and all over, wherever he competed.

"I guess you'd have to say he was the ideal type of guy a coach likes to have. He was a talented runner, a very dedicated runner, very coachable. He asked for and followed advice very, very well."

"It is tragic when any young person and the potential for a full productive life is snuffed out. Steve Prefontaine was an Oregon tiger in the finest tradition—fiercely competitive, confident and outgoing," said Oregon Sen. Mark Hatfield, whose reaction was among the first following the death of Prefontaine.

Gov. Bob Straub said he joined "in expressing my deep sympathy to his family, friends and fellow athletes.

"The tragedy of Steve Prefontaine's untimely death, at the height of his spectacular career, is a deep personal loss to me and to all Oregonians," Straub said. "It is saddening that his dream of competing in the Montreal Olympics next year cannot be achieved."

Robert Clark, president of the University of Oregon: "The stunning news of Steve Prefontaine's death has crushed those of us who knew and admired this outstanding young athlete. I was personally acquainted with him and had talked with him often in recent years. We mourn for him, for his family and for the days of his glory that shall come no more.

Jim Putney, president of the Oregon Track Club: "On behalf of the Oregon Track Club, I can only say that we share with the world of track the tragic loss of Steve Prefontaine.

"Steve's life burned bright on and off the field and today we all experience a little darkness of the loss."

Frank Shorter, Florida Track Club: "I can't say anything. Not only was he a great runner, he was a very good friend. He was the reason I came to Eugene for last night's meet."

[From the New York Times, May 31, 1975]

PREFONTAINE, 24, KILLED IN CRASH

(By Neil Amdur)

Steve Prefontaine, America's finest distance runner and an outspoken critic of the track and field establishment, died early yesterday morning in an automobile accident in Eugene, Ore.

The 24-year-old Prefontaine had won a 5,000-meter race about four hours before at Hayward Field in Eugene, his favorite track. He then attended a party for six Finnish athletes he had brought to America to compete. After taking a woman friend home, he was driving on a residential street at about 12:30 a.m. His convertible jumped a curb, hit a rock embankment and flipped. Prefontaine was pinned under the car.

It was the third death of an American track athlete in less than a week. Last Friday, Paul Gibson, 26, professional hurdler, was killed in an auto accident in El Paso, Tex. Ron Copeland, 28, a former hurdler, died the same day in Walnut, Calif., apparently of a heart attack, after having run a 60-yard challenge race.

The 5-foot-9-inch, 145-pound Prefontaine, one of the most popular trackmen, was born in Coos Bay, Ore., and confined most of his competitive career to the West Coast. He held every American outdoor distance record above 2,000 meters, finished fourth in the 5,000 at the 1972 Olympics in Munich and evoked loyalty and admiration from followers.

In a recent poll by Track & Field News magazine, the sport's leading publication, readers overwhelmingly voted him America's most popular track and field athlete. His nickname, Pre, became as familiar to track followers as such other sports handles as Wilt, O. J. and Dr. J.

One California fan ordered a license plate with the words, "Go Pre." Oregon rooters frequently attended meets wearing "Go Pre" T-shirts.

Fans seemed to identify with Prefontaine's boyish image of a Huck Finn in spades. And Prefontaine, who finally grew a moustache "to give me another look," enjoyed communicating with crowds, often taking two or three victory laps after a race while waving or shaking his fists to acknowledge cheers.

The "Pre mania," as one observer called it, created jealous critics who felt that "pre" really stood for precocious. At the 1972 Olympics trial in Eugene, a group of track buffs unveiled a "Stop Pre" red T-shirt, Prefontaine won the 5,000, then delighted the partisan crowd by taking a victory lap while wearing one of the red shirts.

Much of Prefontaine's energetic, blunt personality was a result of his background. He was born on Jan. 25, 1951, in a coastal fishing town that produced aggressive loggers, longshoremen and fishermen.

"You don't have many ways to jump," he once said of his boyhood. "You can be an athlete. Athletes are very, very big in Coos Bay. You can study and try to be an intellectual, but there aren't many of those. Or you can go drag the guy in your Chevy with a switchblade in your pocket."

Prefontaine weighed only 90 pounds in the eighth grade, too light for football and too small for basketball. "It looked like I was headed for the streets," he recalled. "Track was a last resort."

Once Prefontaine began running, he never stopped. And the more he won, the more determined he became, particularly after he had reached the University of Oregon and rattled off successive National Collegiate outdoor titles in the three-mile.

An example of his courage and determination was in the 1970 N.C.A.A. championships in Des Moines, Iowa. Six days before the meet, he gashed his foot on an exposed metal bolt near the swimming pool of his hotel, requiring six stitches. He soaked the foot every hour, applied an ointment that numbed it the day of the race, wrapped it tightly and then won.

"When I took the tape off after the race," he recalled. "Two stitches came with it."

While many American distance runners viewed training or pace-setting as torture, Prefontaine seemed consumed by the challenge.

"He was the ideal type of guy a coach likes to have," said Bill Dellinger, a former Olympian and the coach at Oregon. "He was a talented runner, very dedicated, very coachable. He asked for and followed advice very, very well. He was a year-round runner. In fact, there were times when I counseled him to take a couple days, maybe a couple of weeks, to rest."

Prefontaine's only major competitive disappointment was his failure to win the gold medal in the 5,000 at the 1972 Olympics. He had run exceedingly well in races leading to Munich and was with the leaders tho throughout the final. But because of inexperience or a reluctance to gamble, he did not uncork the sustained kick he knew he needed—and had confidently predicted he would utilize—in the final mile. He lost the third-place bronze medal in the last 10 yards.

Disillusionment followed. As an amateur runner out of college trying to maintain international credentials, he became increasingly critical of America's program for amateur athletes.

In recent months, after having turned down another professional offer and debated whether to try for the 1976 Olympics, he leveled his strongest shots at the system.

"People say I should be running for a gold medal for the old red, white and blue and all that bull, but it's not going to be that way," he said, while preparing to open a pub in Eugene, in addition to his other duties as a representative for a foreign shoe manufacturer. "I'm the one who has made all the sacrifices. Those are my American records, not the country's."

Prefontaine was known for saying what he felt. He admitted to being "a feisty-type person," adding that when "somebody steps on my toes, I'm going to step on his toes."

Several times he declined to compete in national championships in his continuing dispute with the Amateur Athletic Union over summer travel restrictions and the inability of athletes to dictate their competitive terms.

He also rejected the image of the campus "jock" and lived in a trailer during much of his college career.

In contrast to many of the sport's followers, who saw track and field as a maze of statistics, Prefontaine viewed running as an art form.

"I'm not afraid of losing," he once said. "But if I do, I want it to be a good race. I'm an artist, a performer. I want people to appreciate the way I run."

In his final race he had sought to break his American record in the 5,000.

"I felt really sluggish," he said afterward. "After a mile, I quit running for a record."

He still won, however, in 13 minutes 23.8 seconds, the second fastest time by any American and less than two seconds above his record.

Tributes came yesterday not only from fans but also from other competitors.

"It is tragic when any young person dies and the potential for a full productive life is snuffed out," Senator Mark Hatfield, Oregon Republican, said "Steve Prefontaine was an Oregon tiger in the finest tradition. Fiercely competitive, confident and outgoing."

Dick Buerkle of Chester, a racing rival, heard the news at an airport in SV Ro! United States team from a two-week tour of China.

"I could just cry," said Buerkle, who had won three races on the tour. "It left me really numb."

"When I heard it, I began shaking all over," added Francie Larrieu, America's best women's distance runner.

Raymond Prefontaine, the runner's father, is a carpenter, his mother was a seamstress. He also leaves a sister, Linda, 21.

U.S. Track Champion Prefontaine Dies in Oregon Car Crash

Eugene.—America's premier distance runner, Steve Prefontaine, was killed Friday in an automobile accident.

Police said Prefontaine's convertible crossed the center line, jumped a curb, hit a solid rock embankment and flipped over. He was pinned partially under the vehicle.

Prefontaine, 24, was alone when the accident occurred at 12:40 a.m.

Earlier in the evening, the 1972 Olympian ran his last race and came within 1½ seconds of his own American record in the 5,000 meters in an informal meet at the University of Oregon's Hayward Field.

Prefontaine was timed 13:23.8, just missing his American standard of 13:22.2, set in Helsinki, Finland, last year. Frank Shorter of the Florida Track Club fininshed second.

"I felt really sluggish in the race," said Prefontaine, who was concluding his Western tour with a group of athletes from Finland. "I'm still not ready to race. It will still be a couple of week and that might be good if I run in the national AAU competition."

His next race had been scheduled for June 7 here in the Bill Bowerman Classic, named after the retired University of Oregon and Olympic track coach.

Prefontaine was fourth in the 5,000 meters at the Munich Olympics, and held six American distance records—3,000 meters, two miles, three miles, 5,000 meters, six miles and 10,000 meters.

The 1974 graduate of the University of Oregon was America's all-time best distance runner, but had to be reminded of that fact. He was controversial and often argued, in public, about what he thought were demerits in the American amateur system.

He avoided turning pro, although the International Track Association was after him to join its tour.

He complained in his second year out of college that to be the best in the world, "It's almost a full-time job.

"That's impossible," he said. "I've got bills to pay. I'm just like any other American. If I don't pay my electric bill, they turn off my lights.

"I'm not demoralized, but I'm just facing facts. After college, our athletes are turned out to pasture. We have no Olympic program in this country. It's as simple as that. No sports medicine, no camps, no nothing.

"I'm not talking about subsidizing us, I'm just talking about a national plan. I want to see some interest from somebody. In the past, we've sat back and let our natural talent do it. Well, the rest of the world has caught up."

Prefontaine had planned to open a tavern and louge bar and was going to name it the "Sub Four."

Those who knew him said that despite his disputes with the AAU, he probably would have run for America in the 1976 Olympics in Montreal.

Survivors include his parents, Mr. and Mrs. Raymond Prefontaine, and a sister, Linda, 21, of Coos Bay.

Sports World Mourns "Pre"

[From the Oregon Journal, May 30, 1975]

(By Bill Mulflur)

The death of Oregon's greatest track and field product, Steve Prefontaine, has stunned the state.

Prefontaine was killed in a single-car accident in Eugene Friday morning just hours after he raced for the last time before his adoring fans in Hayward Field.

The 24-year-old Prefontaine missed in a bid for his American record in the three mile and 5,000 meters but he was close enough to both clockings to thrill the 8,000 fans present.

The Marshfield High School product was the most honored track and field performer in the state's history.

He was a three-time winner of the Hayward Award, the state's most prestigious athletic award. No one else has won it more than once.

Calls flooded the McKenzie River home of Pre's Duck coach, Bill Bowerman.

"I am stunned," said the retired coach in a subdued voice. "He was the greatest athlete I ever coached. And he was a fine person. He really loved life."

Prefontaine's death brings back memory of another tragic auto accident. Rich Sanders, the state's Olympic medalist, was killed at the age of 26 in Yugosalvia.

Senator Mark Hatfield said from Washington, "It is tragic when any young person dies and the potential for a full productive life is snuffed out.

"He was an Oregon tiger in the finest tradition. He was fiercely competitive, confident and outgoing."

"I am shocked beyond words," said Bill Dellinger, the coach of the University of Oregon track team. "This takes the edge off the everything that happened last night."

Dellinger added, "Track fans everywhere who have been involved with Steve have reflected back on many great moments with Steve here at Hayward Field. It's a great loss and we will all miss him."

Orgon State Coach Berny Wagner recalled that Pre once told him that if he hadn't gone to Oregon, he would have gone to Oregon State. His love of his home state was very great.

"Steve's loss is a great one to the U.S. Olympic team," said Wagner. "I was very pleased when he chose to work for the Olympics rather than go pro. He had charisma and charm. You won't be able to find anyone to fill the gap he leaves. He was the best at 5,000 and 10,000 meters."

Frank Shorter, Pre's friend and close competitor, was reached at the home of Ken Moore.

"I can't say anything," said Shorter. "Not only was he a great runner, he was a very good friend. He was the reason I came to Eugene for last night's meet."

Moore, a former Oregon distance runner and marathon performer, said, "When something like this happens, it's difficult to make any sense of it. We've lost a great runner and a fine person."

Philip O. Krumm, president of the U.S.

Olympic Committee, said, "This country has lost a truly dedicated runner."

Krumm continued, "We all remember his splendid effort in going all out to win the 5,000 meters at Munich in 1972.

"Those of us who had been watching his steady improvement the last three years were counting on Steve as one of our top prospects for a place on the 1975 Pan-American team and the Olympic team next year."

Prefontaine was 21 years old when he finished fourth in the 5,000-meter race at Munich.

"I just found out and this whole town is going to be in shock for a long time," said Walt McClure, Prefontaine's high school coach at Coos Bay.

Pre was a three-time Oregon state two-mile champion and still holds the national two-mile high school record.

He is survived by his parents, Mr. and Mrs. Raymond Prefontaine, and a sister, Linda, 21, of Coos Bay.

Tentative funeral plans are set for Monday in the Marshfield High football stadium.

"It all started there," said Mrs. Prefontaine of the Marshfield track. "That seems like the only place to go."

Bruce Hoffine, Marshfield athletic director, said, "We have already cleared that with school authorities. It's the only place in Coos Bay large enough."

Jim Putney, president of the Oregon Track Club which Pre ran for, said, "On behalf of the Oregon Track Club I can only say that we share with the world of track the tragic loss of Steve Prefontaine. Steve's life burned bright on and off the field, and today we all experience a little darkness because of the loss."

Oregon President Robert Clark said, "The stunning news of Steve Prefontaine's death has crushed those of us who knew and admired this outstanding young athlete. I was personally acquainted with him and had talked with him often in recent years. We mourn for him, for his family and for the days of his glory which shall come no more."

[From the Oregon Journal, May 31, 1975]

THE WORLD LOSES A GREAT ATHLETE

In the death of Steve Prefontaine, not only Oregon but the world lost one of its great athletes who, at the same time, was a fine individual.

Rarely in the history of sport in Oregon has an athlete won the hearts of the fans to the degree that Prefontaine did, while also winning friendship and respect as a man.

Prefontaine was killed in an automobile accident as he was nearing the peak of his already amazing career.

He was at his best in the longer distances and in the various categories between two miles and six miles he had set no less than 10 major records.

Among his best friends were those against whom he raced. It was he who promoted the visit of the Finnish runners who were in Eugene on his last night of racing.

One of the things upon which he insisted was that the visitors stay in the homes of local people. Getting to know the people, that was his idea of what international sport is all about.

Sportswriters who covered his career say he never ran a "bad" race, that he was always in condition and that he always gave everything he had.

That was why the fans stood up and applauded even when Prefontaine was just warming up.

Lovers of true amateur sport the world over have lost a great man.

PASERO SAYS:

(By George Pasero)

Oregon's world of track and field has never known anyone like Steve Prefontaine.

And that's why the loss is so great.

He was, of course, America's premier distance runner—talented, tough, fierce competitor.

His accomplishments earned him hearing and gave him platform for crusading . . . for improvement of the American amateur sports programs.

His tongue often got him as much space as his feet. He continually feuded with the American athletic establishment.

And sometimes the quotes didn't come out the way he intended. I was glad back on April 24 to give him voice in rebuttal of a wire service story that said he was fed up with the manner America treated its athletes and he "would change citizenship tomorrow if he could." There was the headline: "To Hell With Love of Country."

It shocked Pre. He cringed. "I'm embarrassed," he said. "And people have a right to be upset about what I said. I don't want to have to justify something that was taken out of context."

The "context" was that Pre wasn't un-American, just pro Pre. And the article by a Denver writer had prefaced: "Steve Prefontaine isn't a Communist. Hasn't burned his draft card. Probably loves apple pie."

That wasn't "picked up" by the wire service.

So Pre felt constrained to say flat out:

"I do love my country. I would have gone into the Army had I been drafted. I do like apple pie. I wasn't an anti-war demonstrator when I was a student. I wasn't a hell-raiser. I've got a diploma."

I hope Pre didn't see some of the reaction in the "Mailbox" of the NY Times. He was in the mailbag along with Bill Walton, Jack Scott and others.

He did see one attack on him by a woman libber named Francie Kraker Goodridge, writing in The Times, with her article headed: "Women Athletes and the Comparison Game: What Are the Rules?"

The story began with a recitation of the accomplishments of gal miler Francie Larieu.

The teeth were bared regarding Pre, however, in the second paragraph.

"Steven Prefontaine of Oregon, one of the world's great distance runners, is quoted as saying: 'I admire her tremendously . . . and I wish I could match her dedication. But the fact is, her 4.29 was a world record for women, and I can run six 4:29 miles in a row.'

"This points up in a microcosmic sense what is happening in the women's sports movement on every level . . . the United States still lags far behind in action, and, more sadly, in attitudes.

"A schizophrenic reaction too often occurs when a woman's world-record performance is accepted by the crowd . . . while an athlete like Prefontaine, who should know better and whose ego should never be so threatened, feels it necessary to try to put a woman's performance down . . ."

"Huh?" Pre fairly snarled. "Me? Gee, I've helped coach four or five girl runners.

"I guess I just will quit talking to anyone."

He didn't, though. Later, he thanked me for the coverage The Journal was giving the meets featuring the Finns. "You're helping track and field," he said.

The Northwest tour of the Finns was his special project, his idea and his creation.

It took him home to Coos Bay . . . and that gave his hometown people a memory they can always treasure, as told to me by A. B. Carroll and recorded in the Coos Bay World.

"Hundreds of Bay Area youngsters reacted to his presence by yelling 'Pre, Pre' each time he passed them in the grandstands prior to the race, and they really went crazy after his record-setting performance.

"They tagged along behind him as he jogged a 'victory lap' and then they surrounded him for 30 minutes as he patiently signed one program after another."

In Eugene, of course, the shouts of "Pre, Pre" had roared above Hayward Field meet after meet.

It seems much longer than six years that Pre came out of Coos Bay to begin rewriting the national record book for distances from two miles to 10,000 meters.

Sports Illustrated termed him "precocious."

It fit—a little, I like Norv Ritchey's description of him better: "He was absolutely effervescent, outgoing, and when he came here from Coos Bay, he was the most open, unabashed youngster you ever saw in your life."

Steve was a fun-loving young man; ingenuous, too. He had a good sense of humor, which I enjoyed.

He became intense, however, in his crusade . . . which, he believed, was for the greater good of all track people and for his country. He saw no way America could compete internationally when the AAU had archaic codes of amateurism.

Even Thursday night, he took issue with the latest AAU dictum against an athlete running a race so many days before an AAU event.

"If they don't let me go and run where I want to this summer," he said, "then I just may not compete in the National AAU event here."

He had said that being the best distance runner in America was one thing, but to be the best in the world was "a fulltime job."

"That's impossible," he said. "I've got bills to pay. I'm just like any other American. If I don't pay my electric bill, they turn off my lights.

"I'm just facing facts. After college, our athletes are turned out to pasture. We have no Olympic program in this country. It's as simple as that. No sports medicine, no camps, no nothing. I'm not talking about subsidizing us. I'm just talking about a national plan. I want to see some interest from somebody. In the past, we've sat back and let our natural talent do it. Well, the rest of the world has caught up."

Steve also said recently that the Olympics were not the big dream they were before he went to Munich.

He saw a lot there he didn't like.

Still, I can be counted as one who believed it was still a mighty important dream. He turned down the biggest pro contract yet offered . . . one he said was very fair. Now, Pre was keeping the lights on—but working to do it.

And I believe, because of Montreal.

In retrospect, it seems there was always the restless wind blowing in Steve's breast, calming, rising fitfully and then gusting with awesome power.

Perhaps that was the heritage of his coastal home.

There was an unpredictability about him, too. He could make you wait long after a race for an interview and then sidle up next to you at a pub and engage you in conversation about any old subject . . . from running to newspapering.

His old coach said it best: "He hoped the things he said and did would help those who followed him."

You can say a lot more, and then you get back to three words:

He was special.

BOWERMAN, SHORTER HAIL PRE'S HONESTY, CHARISMA

(By Carl Cluff)

Bill Bowerman, the retired coach of the University of Oregon track team and head mentor of the U.S. team at the Munich Olympics, is a keen judge of track talent.

He knew he had a rare one when he recruited Steve Prefontaine out of Marshfield High.

"Steve was an artist," said Bowerman sadly, following the untimely death of the first four-time winner of an NCAA gold medal. "He enjoyed performing before people."

And it was a mutual thing, especially in Eugene where "Pre's People" responded loud and long for the little distance star's world class performances.

Once a reported asked Bowerman what Prefontaine thought about a controversy in which he was embroiled.

"Give him a call," snorted Bowerman. "He'll tell you what's on his mind."

That's the way it was with Pre. He never sidestepped an issue. He met it head-on, just as he met rivals on the tracks of the world.

"He hoped the things he said and did would help those who followed him," explained Bowerman. "He would not let people dictate to him.

"You might say he was very American."

A fourth place finish in the Munich Olympics was a big disappointment to Steve but Bowerman felt he was not too upset finishing behind three veteran runners.

"He recognized he was a kid running among men and the longer distance races are men's races. I don't know of any distance performer who is not better at 25 than he was when aged between 18 and 22. He recognized his time was ahead of him."

Pre's close friend, Frank Shorter, the U.S. marathon second medalist at Munich, ran second in Steve's final race hours before the fatal accident.

"He had to be ranked among the top three distance runners in the world during the last three years," Shorter said. "With the right timing, he would have been the best on any particular day. He lived from week to week. He was not a long term planner like most of us."

Prefontaine will be remembered best by Shorter for "his total honesty. If he liked you, he liked you. I liked him. He was my friend. He had a lot of charisma.

"I try to be a diplomat," continued Shorter, "but not Steve. He did not think this was necessary. He said what was on his mind."

"What impressed me most about Steve was that he gave of his best every time he ran. He always ran like crazy. Not many top class runners do that."

PRE'S RECORDS

AMERICAN OUTDOOR

2 Miles—8:18.4 (Stockholm, Sweden, July 18, 1974.)

3 Miles—12:51.4 (Eugene, Ore., June 8, 1974.)

6 Miles—26:51.8 (Eugene, Ore., April 27, 1974.)

2,000 Meters—5:01.4 (Coos Bay, May 8, 1975.)

3,000 Meters—7:44.2 (Oslo, Norway, Aug. 3, 1972.)

5,000 Meters—13:22.4 (Helsinki, Finland, June 27, 1974.)

10,000 Meters—27:43.6 (Eugene, Ore., April 27, 1974.)

AMERICAN INDOOR

2 Miles—8:20.4 (San Diego, Calif., Feb. 17, 1974.)

3,000 Meters—7:50.0 (San Diego, Calif. Feb. 17, 1974.)

U.S. SENIOR OUTDOOR

3 Miles—12:53.4 (Bakersfield, Calif., June 16, 1973.)

"SHATTERED," SAYS STEWART

LONDON.—Ian Stewart, the Briton who outsprinted Steve Prefontaine to rob him of an Olympic medal three years ago in Munich, said he was "absolutely shattered" by the American star's death.

"This is a terrible blow. He was a tremendous athlete," said Stewart.

PRE TO BE BURIED MONDAY IN HIS HOME TOWN OF COOS BAY

Steve Prefontaine, America's greatest distance runner who was killed in an automobile accident early Friday morning in Eugene, will be buried in his home town of Coos Bay Monday.

The funeral service will be conducted at the Marshfield High stadium where he performed as a prep star. The service is scheduled for 3 p.m.

Prefontaine's death was caused by a form of suffocation, according to Dr. Edward Wilson, assistant Lane County medical examiner, who conducted the autospy.

Dr. Wilson said the runner's chest was compressed by the weight of the car making it impossible for him to breathe.

"He couldn't have lived for more than a minute under those circumstances, and he suffered no other injuries that would have caused his death themselves," the examiner revealed.

Dr. Wilson further revealed that Prefontaine, a colorful and controversial figure who was alone in his foreign convertible when he died, had a blood alcohol level of .16 of one per cent. Under Oregon law, a person with a level of .10 of one percent is regarded as intoxicated.

The meet at Eugene's Hayward Field several hours preceding Prefontaine's death also featured a group of track stars from Finland, whom Prefontaine had persuaded to visit the Pacific Northwest for a series of meets designed to provide cultural exchange values.

It was the final meet of the Finns' tour and a group, including Prefontaine, gathered afterwards to celebrate the departure of the Finnish group for home.

It was not inconsistent with "Pre," as the Oregon star was known, to meet in good fellowship after a meet and drink a few beers with his fellow competitors.

Prefontaine's death created shock reverberations throughout the sports world. He was, beyond any doubt, the most widely known celebrity from the state of Oregon. He had competed on the tracks of the world and annually made a tour of Europe's top summer meets.

Many of the Olympians who competed against him at Munich in 1972 expressed disbelief over his death and hailed him as America's best ever distance runner. He held seven American records at distances of 2,000, 3,000, 5,000 and 10,000 meters and two, three and six miles.

At the age of 21, the youngest competitor in the field of world class runners, he finished fourth over 5,000 meters at Munich.

An appropriate Steve Prefontaine memorial is being established and those wishing to donate may do so by sending contributions to the Great Western Bank in Coos Bay or any branch of the United States National Bank or First National Bank of Oregon.

The family will announce at a more appropriate time the disposition of the fund which likely wil be in the form of a scholarship.

[From the Coos Bay (Oreg.) World, May 31, 1975]

SPECIAL TRIBUTE DUE 'PRE'

Some 2,000 to 3,000 persons are expected to attend the funeral service for Olympic runner Steve Prefontaine Monday, at 3 p.m., at Pirate Stadium where special tribute will be paid to the Coos Bay athlete who died earlier this week in an auto crash in Eugene.

The funeral ceremony will be held at the west end of the football and track stadium.

Tentative plans call for the Marshfield ROTC color guard to march onto the field, after which the Marshfield High School band will play the Star Spangled Banner.

EULOGIES SCHEDULED

Following a prayer by Rev. Thomas Murdock, eulogies in tribute of the great American distance runner will be given by retired University of Oregon coach Bill Bowerman and retired Marshfield track coach Walt McClure.

Another prayer will be offered by Rev. Murdock, after which time a private procession to the grave site will begin.

Bowerman told The World this morning that "the service cannot help but be an occasion for mourning. But hopefully, it will also be a memorial to Pre's great accomplishments." Added the former UO and Olympic track coach. "He is the greatest long-distance runner America has ever had."

Many persons in official quarters paid tribute to Prefontaine Friday.

"It is tragic when any one person dies and the potential for a full productive life is snuffed out. Steve Prefontaine was an Oregon tiger in the finest tradition—fiercely competitive, confident and outgoing," stated U.S. Sen. Mark Hatfield today.

A memorial resolution honoring the achievements of the American record holder was introduced today in Salem to the Oregon House Rules Committee by Rep. Bill Grannel, D-North Bend. Legislators from the South Coast and Lane County proposed the memorial Friday.

Both the House and Senate are expected to consider the joint resolution Monday to express the state's sympathy over the death of Oregon's brilliant track star and pay tribute to his accomplishments.

EXPRESSES SHOCK

Grannell expressed stunned shock over the death of the distance runner and said government officials at all levels in the state's capitol joined him in a deep feeling of loss.

Senator Jack Ripper, D-North Bend, said the tragedy leaves a vacuum in the sports field. He expressed sympathy to the Prefontaine family and said the athlete's untimely death is a great loss to the entire nation.

Rep. Ed Stevenson, D-Coquille, paid tribute to the runner's dedication and initiative both as an outstanding individual and an athlete. "All of the people in the state join in expressing sympathy to his parents," Stevenson said. "He was a fine young man, who could have been successful in any field of endeavor."

Steve was not only an outstanding athlete, but an exemplatory individual, who represented the qualities which we in Oregon have always admired," stated Sen. Jason Boe, D-Reedsport.

[From the Eugene (Oreg.) Register General, June 3, 1975]

PRE'S LAST LAP BACK WHERE IT BEGAN

(By Blaine Newnham)

COOS BAY.—The six athletes sagged under the weight of the bronze casket as the body of Steve Perfontaine was carried onto the field at Marshfield High School here Monday.

The sun had broken through the morning overcast. The wind off the bay whipped the tall infield grass. Rather than dwelling on the agonizingly slow procession of the casket, it was easier to watch the sun glisten off the rippling grass.

In it, you could see Pre's full head of hair. That moment he fired down the backstretch the hair blowing briskly away from his skull.

The roar of the crowd.

As the light blue hearse drove onto the track at Pirate Stadium, the crowd was still. More than 2,500 friends, relatives, townspeople and track fans had gathered here to pay their final respects.

There was no attempt in the memorial service to wring any more emotion out of those who knew Pre. You were left, basically, to reflect on your own remembrances of the great young runner.

"Let us all be grateful that we have been a part of what Steve Prefontaine, the champ, stood for . . . what he enjoyed and what he achieved," began Bill Bowerman, Pre's coach at the University of Oregon.

Pre was eulogized by his two former coaches, Bowerman and Walt McClure, his coach at Marshfield High School. Six friends, and fellow runners, wearing track warmups—Jon Anderson, Frank Shorter, Geoff Hollister, Jim Seyler, Bob Williams, and Brett Williams—carried the casket.

Shorter, and Anderson wore the uniform of the U.S. Olympic team. A short distance away, runners for the Marshfield High team were dressed in their track suits, thus the beginning and the end of Pre's 10-year running career.

It was difficult, I think, for anyone who saw the 5,000 meter race last Thursday night at Hayward Field to come to grips with Pre's body leaving Pirate Stadium in a casket, the hearse sweeping slowly around the final turn.

"He was always in a hurry, his destiny could not allow for a wasted effort," spoke McClure. "Greatness is for only a few. The accomplishments of such an individual are often recognized years after the deed, the act."

"Steve Prefontaine achieved this level during his brief lifetime. I would not say that Pre was the last to leave the gym after a workout as many might believe, but rather he was generally the first, so intense was his concentration in a workout, so great his effort, and so valuable his time."

McClure stood at the podium a few feet away from the casket which was covered with yellow chrysanthemums and forest green ferns. He talked of what made Pre more than just a good runner.

"To me, the characteristic that separated Pre from the rest of the field was his pride. It was so keen and intense with him, that it was frightening.

"Man imposes his own limitations. Limitation was not in Steve's frame of reference."

The Prefontaine family asked that a letter from Neal Steinhauer, the former University of Oregon shot putter, be read.

In it, Steinhauer told the family of the day in a U of O fraternity house that Pre "gave his life to God.

"I firmly believe God will take care of Steve," wrote Steinhauer.

Jan Prefontaine, a cousin from Washington, D.C., who had written a song about Pre during his visit to the East Coast in early 1974, arrived midway through the service, the airline baggage tag dangling from her guitar.

She sang the song, and urged the crowd to join in the singing. The crowd couldn't respond.

The final verse of the song said:

"To be a strong but gentle man not afraid to speak the truth,

To stand against a raging storm and try to right the tide of wrongs.

You're a free man full of wonder here to stay,

You've touched our hearts in a peaceful loving way, Our Pre."

Miss Prefontaine said news reports in the East constantly referred to the love people in Oregon had for Pre.

"Well," she said slowly, "he loved you too." And she told of suggestions by other runners that he leave Oregon.

"I could never leave my people," was his answer, she said.

A floral arrangement of the flag of Finland, a blue cross on a white field, was presented to Prefontaine's family on behalf of the Finnish athletes who came to the United States after vigorous efforts by Pre to cut through the red tape of amateur athletics.

As the hearse left the stadium for a private burial at Sunset Memorial Park in Coos Bay, a couple in their twenties got up from seats under the scoreborad. The woman was crying.

The man put his arm around her as they walked slowly down the track and off across a grass field. A few moments later, as the stands emptied, four young Coos Bay kids sprinted around the track in a race.

Running, like life, will go on in Coos Bay, but they'll never forget Pre.

PRE SERVICE TONIGHT

Three close friends of Prefontaine will conduct at brief memorial service at 8 p.m. today at Hayward Field. Former UO track coach Bill Bowerman, marathon Olympian Kenny Moore and distance runner Frank Shorter will deliver eulogies.

THANK YOU

We followed you through high school,
Your training in the dunes.
Victories came in handfuls,
Headlines followed soon.

We followed you to Hayward Field.
The college days were grand.
Your fans became an army,
Cheers echoed through the stands.

We followed you to Europe
And Munich made us proud.
You always ran your heart out
And electrified the crowd.

Your candor was refreshing.
The establishment would frown.
We understood and pulled for you
To knock the barriers down.

And now it's time to say farewell.
Who knew what lay in store?
We'll dream about what might have been
But, victory laps no more.

Still, you keep on winning, Pre,
Our debt is overdue.
For past and future victories
We owe a lot to you.

Thank you for the boys and girls who jog
the whole year 'round.
Thank you for your loyalty to a dedicated
town.
Thanks for the example; discipline and sacrifice, high prices paid.
Thanks for all the memories that time will
never fade.

THE TRACK FANS OF OREGON.

GOODBY, PRE

Young man not yet reached his
prime,
fastest in the land,
ran across the finish line
waving to the stands.
His people were all there to see
him.
Little did they know
he would take his final bow.
This was his last show.

Later on that evening
the one who'd come so far
lost his young life on the road
alone beneath the stars.
But wherever he may be
in spite of loss and pain
in hearts of those whom he
inspired
the runner will remain.

If there's a time and season
for each of us to die
what's the rhyme or reason
when young dreams are sailing
high?
Unless it's true, as they say,
'the best of us die young.'

So let us simply hope and pray
his victories are won.

Goodby, Pre.
Your best was always ours to
see.
Now the race is over
may you rest in peace.

PAUL HALPERN,
Eugene.

COOS BAY PAYS LAST RESPECTS TO 'PRE'

COOS BAY, Oreg.—Flags hung limp at half staff today as this shipping and fishing community prepared to bury Steve Prefontaine, it's most famous citizen and America's best distance runner.

Prefontane, 24, died in an auto accident early Friday in Eugene after running the second fastest 5,000 meters by an American only about four hours earlier.

He set the American record in the two-mile here recently at Marshfield High School's Pirate Stadium, where he became a prep distance running sensation and where 3,000 people were expected to gather later today to pay their last respects.

A private burial service was to follow.

Schools let out at noon today in Coos Bay and in the adjacent community of North Bend.

The shock that accompanied the news of Prefontaine's death has eased by today, but a few residents who had considered him their own showed signs of bitterness.

"If it were my boy, it would be private and not out at that stadium," a hotel waitress said, referring to the stadium services. "They've had their headlines—so why don't they leave us alone?

Raymond Prefontaine said the decision to have his son's funeral at the stadium was because "that's where it all began and that's were it ends."

At another coffee shop today, a dock worker who would not give his name stared at his cup and said slowly: "When you consider him your own, and people who never talked to you before start nosing around after he's gone, you get kinda resentful. The whole town does."

It was like that today in Coos Bay.

[From the Oregonian, June 3, 1975]

FRIENDS BID PRE FAREWELL

(By Kenn Hess)

COOS BAY.—Time stood still here Monday.

It waited for an hour while a sorrowing community and a host of disbelieving friends, admirers and rivals paid final respects to Steve Roland Prefontaine.

Prefontaine, 24, America's premier distance runner and considered by most in the track and field world as three or four years away from the peak of an ultra-brilliant career, died in an automobile accident last Friday.

More than 2,500 persons assembled at Marshfield High School's athletic stadium where Prefontaine, a little more than a decade ago, began hi srunning career. He was eulogized by Bill Bowerman, former University of Oregon track and field coach, and Walt McClure, his coach at Marshfield High.

"Let us all be grateful that we have been a part of what Steve Prefontaine, the champ, stood for—what he enjoyed and what he achieved," Bowerman said. Bowerman went on:

"I first knew Pre through Walt McClure. Pre was 14 years old. Said Walt: 'Watch this freshman—he's tough and will be a good one.'

"Four years later, when he was a frosh, there was the early fall rain. Pre, dressed in sweats, was walking the halls of McArthur Court. He had just finished his orientation lecture. Another was going on in the Court's vast hall. The unrest of the 1970s could be heard—rude questions, foot shuffling, even catcalls. Pre turned to me and said, 'I don't believe it.' He looked in. He walked up to the stage. He asked: 'May I speak?' He was handed the mike: 'I am a freshman . . . I chose Oregon . . . I have listened to the orientation. I came here to get an education and to run. Listen, all of you, you will learn something—thanks. I'm glad I came to Oregon.'

"His great races are all told by the press and other media. His desire burned to be the best—and he was. Step by step, as he matured, he reached his goals. In high school he was the state champion and national record-holder. At the university, he held every American record from 2,000 meters through six miles and 10,000 meters. His 1976 goal was to be an Olympic champion and to claim related world records.

"He had another great goal—emancipation—freedom for U.S. athletes—freedom of competition for all athletes of the world. Tens of thousands of dollars were his with the signing of a professional track contract. No. Help the athlete . . . Help the sport.

"In the history of track and field, no individual had every been permitted to arrange and bring foreign athletes or a team to the United States. The doorway was locked by national red-tape and dictatorship. With his characteristic courage and persistence, through difficult communication, Pre opened that door.

"He was able to get that final step in athletic emancipation through our national organizations. You saw the Finnish athletes. Theirs was the first such delegation to our country brought to our country by an individual. You know what this breakthrough will do to improve our sport and spectator enjoyment.

"Pre's legacy to us: That the good things of track and other sports may be freely enjoyed by athlete and spectator, won by truth, honesty and hard work? Pre, the champ, opened the international door which was closed for more than a half century.

"I pledge to Pre, I know close friends will join me, and we invite all true sportsmen to join us, to fulfill his great dream—to keep that door open—to preserve and further that freedom to meet in international sports and friendship."

In the sun-basked stadium where it all began, McClure said:

"I am not here to mourn Steve Prefontaine, but rather to pay final tribute to an outstanding young American. This is the most difficult task that I ever have been charged to perform, one that I'm neither prepared for, nor one I ever thought would be required of me.

"Greatness is only for a few. The accomplishments of such an individual are often recognized years after the deeds, the act. Steve Prefontaine achieved this level during his brief lifetime. He was always in a hurry, his destiny could not allow for a wasted effort. I would not say that Pre was the last to leave the gym after a workout as many might believe. But, rather, he was generally the first, so intense was his concentration in a workout, so great his effort, and so valuable his time."

McClure went on to say, "To me the characteristic that separated Pre from the rest of the field was his pride. It was so keen and intense within him that it was frightening. To be the best was his only goal. His drive to push harder in group workouts or on his individual long runs was his strength. Man imposes his own limitations. Limitation was not in Steve's frame of reference. He was continually extending the boundaries of his frontier," as Bowerman noted in his eulogy.

"Steve was an unselfish individual. He shared his triumphs with me long after he left Coos Bay. And, possibly more important, his few failures. He kept in contact with me with letters from all parts of Europe, from South America and, most recently in September, a letter from England stating his plan to bring a group of Finnish friends to Oregon and the Northwest for a series of meets."

"He never forgot the people, we will never forget him."

Representing the Finnish athletes whom Pre brought to the Northwest was Rainer Stennius who said during the 35-minute memorial that "Steve Prefontaine symbolizes the friendship accumulated with Finnish and British athletes. He allowed us to see America and will forever shine in our hearts.'

The pallbearers, dressed in track warmup uniforms, were Frank Shorter, Jon Anderson, Jim Seymour, Brett Williams, Bob Williams and Geoff Hollister.

BECAME LEGEND

Prefontaine, the state of Oregon's most famous and honored athlete, was a prodigy, who at least in this coastal community became a legend in his own time. Here, as a pixieish youth, the seed of determination germinated to run himself into immortality—not for himself, but for what, ultimately, he could do for others and for the sport which had become an integral part of his life.

The tragedy is that Pre, always the frontrunner, never reached the finish line.

Pre, as he matured, became a colorful and sometimes controversial figure. He became colorful because he was talented, tough and fiercely competitive. He believed in himself; he believed he could win every race, every battle. He adored the crowds that adored him: particularly in Eugene, the nation's collegiate track capital.

SAW CHANGES NEEDED

Pre said he became a crusader because he saw the necessity for a change in the amateur sports establishment. His innumerable accomplishments and list of American distance running records provided a firm foundation for his beliefs, goals and call to action.

"He gave to all of us a continuing regeneration of civic pride," said one Coos Bay city father. "Most of us never understood why or what motivated his running, running, running . . . Where was he going? What was he after?"

"Oddly," the grieving, longtime resident said, "We all could identify with him. He was down to earth. He was interested and concerned about what was going on in this town and what the people were doing."

Maybe that is why, before he reached his majority, a main thoroughfare, Prefontaine Way, was named after him.

Pre's People Pay Tearful Tribute To Favorite Son

(By Carl Cluff)

Coos Bay.—"Pre's People" bid a solemn, tearful farewell to their charismatic leader here Monday afternoon.

Steve Roland Prefontaine, America's greatest runner of distance races, had, of course, released them from their fanatic adulation when death interceded early Friday morning on a familiar street of Eugene, his adopted city.

But even in death, they still flocked to the scene of his schoolboy triumphs here at Marshfield High's Pirate Stadium, and there were few, if any, among the 2,500 who attended the service, who were able to withhold their emotions.

They openly mourned the feisty, little competitor at the site of his last great achievement. For it was at this same stadium, just over three weeks ago, that he set his seventh and last American record.

Many who were here Monday for the mid-afternoon service were also here that May 9th evening when he added the 2,000-meter standard to his list of American marks.

They stood and cheered then. They stood once again Monday as a warm sun pierced the cloud-flecked sky. But they stood mute in prayer and reverence as the 13-car funeral procession slowly passed the grieving throng on Pre's final lap around the MHS track.

The cortege then swung out of the stadium, moved through downtown Coos Bay, out Highway 101 some 2½ miles south to Sunset Memorial Park where interment was conducted in private for members of the family.

Pre's tragic death in an automobile accident, less than four hours after winning his final race at 5,000 meters in near record time, stunned this south coast community as nothing has before.

It stunned the athletic world, too. Telegrams, phone calls and letters poured into the little one-story home on Elrod Avenue, a short jog from downtown Coos Bay.

Pre was, you may recall, named Track and Field News' most popular athlete in the world earlier this spring. His followers were legion, not only because of his running achievements, but also because he never hesitated to "take on" the establishment that governed his sport.

"Pre's legacy to us," eulogized Bill Bowerman, the retired University of Oregon coach who also was Pre's U.S. Olympic coach for the '72 Olympics at Munich, "is that the good things of track and other sports may be freely enjoyed by athletes and spectators, won by truth, honesty and hard work.

"With his characteristic courage and persistence, through difficult communication, Pre opened that door. He was able to get that final step in athlete emancipation through our national organization."

Pre, as Bowerman pointed out, was the first person in the history of track and field who was permitted to arrange and bring foreign athletes, or a team, to the U.S., a doorway that had been locked by national red tape and dictatorship.

"I pledge to Pre," Bowerman told the audience, "to fulfill his great dream—to keep that door open."

"I am here not to mourn Steve Prefontaine," said his former Marshfield High Coach Walt McClure, "but rather to pay final tribute to an outstanding young American."

McClure detailed Pre's prep career.

"The characteristic that separated Pre from the rest of the field was his pride," continued McClure. "To be the best was his only goal. Limitation was not in Steve's frame of reference. He was continually extending the boundaries of his frontier."

McClure unlocked the secret of Pre's relationship to "his people."

"The love that exists between two people who have an ability to share in ideas and communicate with each other," explained McClure, "is the love that I have for this man.

"I think that many of you share this feeling."

Pre's casket was borne to the center of the field near the west goal post by six of his friends and running companions, all dressed in the uniform of their teams or clubs. They were Olympians Frank Shorter and Jon Anderson, Brett and Bob Williams, Jim Seymour and Geoff Hollister.

The Marshfield High band opened the ceremonies with the National Anthem while the school's ROTC color bearers raised the flag. The flag was stopped at half-mast for several seconds, then raised slowly to the top where it remained.

This was in contrast to flags at City Hall and at every school in the Coos Bay-North Bend districts which flew at half-mast Monday.

The Rev. Thomas L. Murdock, rector of Emmanuel Episcopal Church in Coos Bay, intoned the prayers, including the 23rd Psalm and the Lord's Prayer.

Rhiner Stennius, a former assistant coach at Oregon, representing his homeland, offered a wreath of Finland's national emblem as a token of friendship for Prefontaine who worked tirelessly for many months to bring a Finnish delegation of track athletes to this country for a series of meets.

The casket was closed throughout the ceremony but many townspeople viewed Prefontaine's body in repose at Mills-Bryan-Sherwood Chapel. He wore the blue blazer designating his status as a U.S. Olympian with the five intertwined rings embroidered on the breast pocket.

The final tribute of the short, 33-minute service was that of Pre's talented cousin, Jan Prefontaine, of Washington, D.C. Jan sang a tribute to Pre, with guitar accompaniment.

Jan first told of Pre's dedication to "his people"—how she had asked why he didn't leave Oregon for bigger and better things.

" 'I can't leave my people,' " he answered.

And thus the Prefontaine mystique with "his people" came to an end on the grassy slope of Sunset Memorial Park overlooking Isthmus Slough near the Millington area south of Coos Bay.

Three American flags fly from various vantage points—the nearest is just 47 paces from where a flat headstone will mark the final resting place of America's greatest distance runner of all time.

"PRE—JANUARY 1974"

To spend a day or two in the warmth of your smiling eyes,
To give your heart away but for a moment's time,
I've known you for so long in my mind,
Like the world spinning smiles upon a rhyme

He's got a rhythm in his walk an artist as he runs,
A smiling face he gives each separately,
Win or lose, he reaches out lovingly and stays a humble man, my Pre

You offer words of tenderness—I dreamed of you last night,
Your running free enhances all the charms of aging wine
You mirror a strong reflection of what can be,
A man who shares the sun of eternity

To be a strong but gentle man not afraid to speak the truth,
To stand against a raging storm and try to right the tide of wrongs,
You're a free man full of wonder here to stay
You've touched my mind in a peaceful loving way . . .

JAN PREFONTAINE,
Washington, D.C.

[From the News-Review, June 3, 1975]

'PRE' DUE FINAL TRIBUTE TODAY

EUGENE.—A final tribute was scheduled in Hayward Field on the University of Oregon campus to Steve Prefontaine, who rose to stardom and was virtually unbeatable as a collegian.

A memorial service is scheduled in the track facility, where "Pre" ran his last race and won in 5,000 meters over friend, rival and fellow Olympian, Frank Shorter last Thursday evening, only a few hours before Prefontaine died in the smashup of his sports car on a Eugene street.

Prefontaine, who held seven American records in distances ranging from 2,000 meters to 10,000 meters, and who often ran sub-four minutes miles, was buried just outside his home town of Coos Bay on the Oregon coast Monday afternoon following memorial tribute to him by his town and his thousands of friends and mourners.

The memorial service was conducted in mid-afternoon at Marshfield High School's Pirates Stadium, where "Pre" began his fabulous career as a prep star.

Schools were dismissed at noon and most of the community's businesses closed to gather for the solemn occasion.

In the stadium ceremony, the Rev. Thomas Murdock of the Coos Bay Emmanuel Episcopal Church intoned the prayers and eulogies were delivered by the two coaches who most influenced Prefontaine's career—Marshfield High School Coach Walt McClure and retired University of Oregon Coach Bill Bowerman, who choached the 1972 U.S. Olympic team of which Prefontaine was a member.

Prefontaines body lay in repose at the Mills-Bryan-Sherwood Chapel several blocks from the family home. A steady procession of friends visited the mortuary until noon Monday.

Prefontaine was dressed in his Olympic tunic, with the five Olympic rings embroidered on the breast pocket, that he wore during the opening ceremonies in Munich three years ago.

A picture of Steve with his mother and father and two sisters, and one of his favorite dogs, adorned the open casket.

The pall bearers were Frank Shorter, Jon Anderson, Jim Seymour, Brett Williams, Bob Williams and Geoff Holister, competitors and friends in Pre's career.

Shorter and Anderson were fellow Olympians. The Williamses and Holister were Prefontaine's close Eugene friends and former Oregon teammates.

Following the memorial service, Prefontaine's body was accompanied to Sunset Memorial Park just south of Coos Bay overlooking coastal Highway 101 where he was interred with private rites.

A move has begun to name the Marshfield High School oval stadium Prefontaine Track.

[From the New York Times, June 8, 1975]

PREFONTAINE: WHAT HE WAS REALLY LIKE

Nine days ago, only a few hours after he had won a 5,000-meter race, Steve Prefontaine was killed in an automobile accident at the age of 24. He was America's leading distance runner, the American record-holder at all seven distances from 2,000 to 10,000 meters and an outspoken critic of inefficient amateur sports officials. He was popular with fellow runners, and four of them have written tributes for this page. Marty Liquori has been one of the world's ranking milers for years, Frank Shorter was the 1972 Olympic marathon champion, Kenny Moore ran forth in that race and Jere Van Dyk, like Prefontaine, was an outstanding runner at the University of Oregon.

(By Marty Liquori)

There are two things that set Steve Prefontaine apart from other runners—his dedication to track and field and his spirit toward life.

During an indoor meet one year in Los Angeles, Pre and I roomed together. He came in about 6:30 A.M. the morning after he had been named the outstanding performer in the meet and had won the two-mile in 8 minutes and 28 seconds.

I saw him get in bed around 6:30 because I checked my watch. Whenever I room with somebody, I usually can't sleep until they get home, even if they're only a casual friend.

Pre slept for an hour. I had to get up at 7:30 to catch my plane, but he turned over and said, "C'mon, I'll help you with your bags."

With only an hour's sleep, he helped me take my bags down to the lobby. Then he went out and ran 10 miles.

(By Kenny Moore)

Pre never had much confidence until he found running. He called himself a "slow learner," couldn't speak English well when he started school and got teased a lot. The lessons he learned running flowed out into the rest of his life.

He and I went to the State Legislature to testify in the Oregon field-burning controversy. The farmers burn the fields of stubble after the harvest in late summer. The way air patterns are, all the smoke comes down and hangs over Eugene and makes it miserable for everybody, especially the runners.

Last summer, before he was to leave for an important race against Brendan Foster in Europe, Pre ran a time-trial mile in 3:58.3. Before he ran the mile, though, the smoke rolled in from the north, and it was just awful. After the race, Pre was coughing blood and tore a muscle in his diaphragm. It killed his races in Europe.

A group of us had done a lot of research on the field-burning question, but we were nothing compared to Pre. He just sat there calmly telling the legislators the graphic, gruesome details of what had happened to him the September before. He had all those Senators eating out of his hand. Afterward, driving back, he was absolutely disgusted with them because they were even-handed and saying, "Yes, consider the plight of the farmers." Pre wasn't considering anybody's plight but the breathers.

He had a sense of his people—the working class, plain-spoken people who really appreciated somebody being tough and coming down on one side or the other. He had these ferocious loyalties; on the other side of the coin was ferocious defiance if you crossed what he thought was right.

Pre was always out talking to kids in the junior high schools around the area. One summer he went out and talked about venereal disease—with absolute unselfconsciousness. He grossed out all the teachers; the kids loved him.

(By Frank Shorter)

While Pre was staying at our house one time he received several letters from an inmate at one of the Oregon state prisons. Pre started telling us how he had been corresponding with this inmate for several years. Obviously, no one knew anything about this.

"I've been trying to help this guy get his parole," Pre said. "He's always getting turned down."

Pre wrote voluminous letters to the right kind of people trying to get the guy up again for appeal. He had it in his mind that he was going to get this guy out.

"Do you know him?" I asked.

"No, I never met him," Pre said. "He just wrote me once."

I don't remember the inmate's name, where he was or even whether Pre managed to get him paroled. I was just amazed that Pre was doing something like this.

One day Pre told a bunch of runners at Oregon, "Hey, I want you guys to go up to Salem to do some stuff with me." I guess the guys thought they were going to speak to some high school kids, but they pulled up to the prison there.

Pre walked into the prison and everybody was saying, "Hi Steve, hi Steve." It turned out that he had been up there many times before, talking to inmates and helping to organize some of their sports programs.

He was always surprising you. It wasn't a calculated surprise, the way it is with some people who want to impress you. He did it, it was private, and he kept it to himself. He didn't really want anybody else to know.

(By Jere Van Dyk)

I first heard about Steve Prefontaine during my junior year at the University of Oregon. Arne Kvalheim had just set a National Collegiate record for the two-mile, and he and Roscoe Divine, another runner, went over to Coos Bay to recruit Steve, who was in high school.

Steve took them out for a run along the beach. Arne was about 25 years old and had just set this national record. But there was

Pre out there setting the pace. Finally, he looked back and said, "Am I going too fast for you? I'll slow the pace down. Can you keep up with me?"

"That was the height of precociousness," Arne later told me.

Whenever I think of Pre, I think of Hank Stamper, the protagonist in Ken Kesey's novel, "Sometimes a Great Notion." The novel is set in Coos Bay and Pre is the same independent, obstinate, tough lumberjack depicted in the novel. He was naive, unsophisticated and unafraid of anything—records or bureaucrats.

[From the Astoria (Oreg.) Daily Astorian, June 2, 1975]

STEVE PREFONTAINE

Followers of track and field cheered Steve Prefontaine for two reasons. He was a truly great distance runner and he was a brash assailant of the establishment.

Prefontaine held every American outdoor distance record above 2000 meters. At the age of 24 he had not yet reached maturity as a distance runner. His goal of winning an Olympics gold medal in the 5000 meters certainly was achievable and so was a world's record at that distance.

His off-track performances were delightful. Especially the barrages he fired at the stuffed shirts of the Amateur Athletic Union. He took out after anyone he thought was abusing athletes and that included coaches he considered inept.

His lack of respect for the status quo was part of what made him the best runner of distances over 2000 meters that the United States has had. He thought he could beat anybody. He'd been that way since he began running in Coos Bay. Although he was here for only a short time, he has a permanent place in Oregon history.

[From the Albany (Oreg.) Democrat-Herald, May 31, 1975]

AN ATHLETE DYING YOUNG

It is particularly tragic when a young person dies before his dreams and hopes may be fulfilled. It is so in the case of 24-year-old distance runner Steve Prefontaine, who was killed in an auto accident Friday morning in Eugene. And it is so in any case where death comes suddenly and during youth.

Prefontaine, a dedicated athlete, touched the lives of most Oregonians who, while not necessarily followers of his demanding sport, admire talent and, more than that, admire dedication.

Prefontaine was more than simply another inner-directed athlete. He had become an activist in seeking to better amateur sports in this country. He was a particularly strong spokesman for the athlete because he was, without doubt, the best American distance runner.

The poet A. E. Housman finds some solace in the death of a young athlete in this, from *To an Athlete Dying Young:*

> "Smart lad, to slip betimes away
> "From fields where glory does not stay
> "And early though the laurel grows
> "It withers quicker than the rose . . ."

We find little solace. Death to anyone so young takes away the better things that might have been.

[From the Albany (Oreg.) Democrat-Herald, May 31, 1975]

TO ALL OF US—PREFONTAINE WILL LEAVE A LEGACY

(By Bob Rodman)

Each of us will remember Steve Prefontaine in our own way.

An autograph on a very-used program. A conversation you once had with him. An acquaintance you made with him through the media. The "Go Pre" T-shirts. The track fan-track athlete relationship perhaps.

But more than anything because Steve Prefontaine was Oregon. He was us. And he did his track thing all over the world and did it well.

But he did more. The 24-year-old said what he thought when he thought he ought to say it.

And that, among other things, will be the legacy the former University of Oregon distance runner will leave us.

The tragic automobile accident that claimed his life Friday will not claim what he was . . . and what he meant to track and to us. And if he had been allowed the chance, to the world.

"He was much too young to die," said a former opponent of Prefontaine's after learning of the death of America's premier distance runner.

All the words in the world will not bring him back, nor will they do justice to the young man who did indeed live his life.

"He wasn't missing anything from life," observed Dyrol Burleson, one of Oregon's 15 sub-four-minute milers, including Prefontaine. "He enjoyed life. You could see that just by watching him."

And life, it must be added, enjoyed him.

He was not loved by everyone, however. Not all the time. Prefontaine had a way about him that irritated more than a few persons during his brief career as a national figure.

"He was brash," remembered South Albany High School track coach Neil Webber, who had coached at Oregon State when Prefontaine was running for Oregon. "And some people didn't like that."

But the difference between Prefontaine and many of us was simply that he supported what he said with performance.

"When he ran," Webber said, "he'd say, 'Let's run the race, and then with a mile to go we'll see who's the toughest.' "

And but for a few occasions in his life, Prefontaine was the toughest.

"He figured he was tougher," recalled Dave Wilborn, another former Oregon distance runner who ran with and against Prefontaine. "He had great talent . . . and he never seemed to get injured. Another great asset he had was his desire to accomplish something."

And he did do that. American distance running records were his by the bucketful.

But the one accomplishment he truly wanted, worse than the almighty dollar even, was an Olympic medal, preferrably gold in color.

He finished fourth in the 5,000 meters in the 1972 Olympic Games at Munich. Prefontaine was visibly disappointed. He had predicted victory.

A friend told it best.

"He wanted that (gold medal). He may not have said that much about it, but he wanted to win that medal.

"Now he won't get a chance."

Frank Shorter, the man he beat in Thursday's 5,000-meter run at the National Collegiate Athletic Association (NCAA) Preparation Meet in Eugene, figured Prefontaine's "chance" would have been very productive.

"If he had trained the right way," the Florida Track Club athlete and Olympic marathon winner at Munich said, "he could've won at Montreal (in 1976).

No one will ever know now.

What will be known, though, is the Prefontaine approach. To running and to life.

"He never ran less than all out." Shorter said of the one-time Marshfield High School (Coos Bay) athlete who set a national prep record in the two-mile (8:41.5) that has stood since 1969.

"He would rather run and drop dead than lose a race," Shorter added.

Said Bill Dellinger, Oregon's track coach, "He had a burning desire to succeed in track and field and he had an inner strength that most runners don't have."

That inner strength had much more to do with him than his famed cardiovascular system.

"A lot of people have great running bodies," Webber explained, "but he had the greatest mental discipline ever."

And now he is gone.

"It makes a person realize that you never know what's going to happen next," said Wilborn quietly.

"And it makes you want to make the most of the relationships you have with people because you just never know..."

[From the Washington Post, May 31, 1975]

"PRE" NEVER A MAN TO RUN WITH CROWD

(By Robert Fachet)

Steve Prefontaine was his own man. He ran hard and he played hard and he gave short shrift to critics of either pursuit.

A discussion with Pre was not an exchange of pleasantries. He told it like it was, or at least how he thought it was; and if you didn't like it, well, talk to somebody else.

He hated selfish people and phonies. He worked hard in pursuit of excellence and he had no patience with bureaucrats who heaped obstacles in his path and those of other athletes.

When he debated running in the 1976 Olympics and was beseiged by patriots, he said, "People say I should be running for a gold medal for the red, white and blue and all the bull, but I'm the one who has made the sacrfices. These are my American records, not the country's."

When the NCAA scheduled its 1973 outdoor championships in steamy Baton Rouge, La., he said, "It appears to me the members of the selecting committee pick these sites because they are thinking about a vacation rather than track. It's too hot there."

When the AAU tried to block him from competing in Europe, because he refused to run in the AAU meet, he shot back, "The AAU just uses athletes. I've had enough of that. I want to have some fun as well as good competition."

He had fun, too. He liked his beer and had plans to open a bar in Eugene, Ore., to be called "The Sub 4."

On Dec. 31, 1973, he was the bartender at a wild party in Los Angeles. The next morning he awoke at 4 a.m. to join other athletes on the Sunkist float in the Tournament of Roses Parade.

"The Burbank float was in front of us," he reported later, "and I was directing our float by walkie-talkie and I guess I didn't do too well because we rammed them and put a big dent in their float."

At the 1972 Olympic Trials in Eugene, the "Go Pre" buttons and sweatshirts of his rabid supporters were mocked slightly by some detractors who showed up wearing "Stop Pre" shirts. Prefontaine had the last word. After he won the 5,000 meters, setting one of his many American records, he obtained one of the "Stop Pre" shirts and wore it on a victory lap.

He never lost in Eugene, where he observed that "the crowd gives you a reserve of power. It's a strange sensation. If you're down to a ragged nothing, the crowd can carry you."

Less successful in Europe, he nevertheless was admired by opponents, and ran many of his fastest races in a losing cause there. He enjoyed the sharing of pace-setting duties and criticized fellow Americans who "suck along on the back of me."

Despite being outwardly self-confident he was nervous before races. Prior to the NCAA cross-country meet his freshman year, he "was on the toilet for three days." It was the only collegiate race he lost.

After his Olympic Trials success, he said he "felt like there is a big, big gunny sack of boulders off my shoulders." At Munich, he set the 5,000 pace, was overhauled and finished fourth. He offered neither alibi nor regret.

Prefontaine came out of Coos Bay, Ore., a fishing town where a youngster fought almost as a matter of survival. It is noteworthy that when he made his first European trip he purchased not cashmeres or cameras, but switchblades for his Coos Bay buddies.

Prefontaine made few appearances in the East, but Washington-area fans were fortunate enough to see him twice at Cole Field House. He lost both times, a two-mile to Dick Buerkle in 1974 while troubled by a back problem that made it difficult for him to lift his left leg, and a mile to Marty Liquori last Jan. 10.

Prefontaine set the pace in that Cole mile, carrying Liquori to a 3:57.7 time. He did it because "I knew if I didn't get the pace there wouldn't be a race. I don't pussyfoot around. I want to be in a race."

He didn't pussyfoot around about anything.

He would not believe some of the nice things people are saying about him today. I think he would prefer to be remembered the way his Oregon coach, Bill Bowerman, described him three years ago.

"He's a rube," Bowerman said. "By that I mean he has that kind of wide-eyed, nothing-is-impossible straightforwardness that is rare these days. You ask a rube a question, you get a straight answer. This guy doesn't play games."

[From the Washington Post, May 31, 1975]

Runner Prefontaine Killed in Auto Crash: 24-Year-Old Held Marks in Distances

Eugene, Ore., May 30.—Steve Prefontaine, for almost a decade one of this country's best and most controversial athletes and the owner of every American running record over 2,000 meters, is dead at 24, the victim of an automobile accident here early today.

The 5-foot-9, 155-pound distance runner, whose dedication to running was matched by his bitterness over the treatment of amateur athletes in America, had come within 1½ seconds of his 5,000-meter record at a meet in Eugene Thursday night.

Barely four hours later, after leaving a party in honor of six Finnish athletes he had brought to America to compete, Prefontaine had taken his girl friend home and was driving along a Eugene residential street. Police said his small foreign car crossed the center line, skidded about 40 feet, struck a rock embankment and flipped over, pinning him beneath it.

Assistant Lane County medical examiner Edward Wilson said an autopsy showed the alcohol level measure in Prefontaine's blood stream was .16 of 1 per cent.

Oregon law says a person with a level of .10 per cent is regarded as intoxicated, and a level of .15 per cent or higher is considered a criminal offense.

The time of death was placed at about 12:30 a.m. (PDT). It sent shock waves through the track world.

"He told me last night he felt he was just starting to run well, that the season had just begun," said Bill Dellinger, Prefontaine's coach. "He thought he was the best in the world and was aiming for 1976."

A high school sensation in Coos Bay, Ore., Prefontaine had a brilliant career at the University of Oregon, turning in some remarkable performances soon after he burst into the spotlight as a teen-ager in 1966.

He did not own any world records, but his American marks were close and they were improving as he neared the age at which distance runners hit their peak.

Perhaps one of his proudest accomplishments was the American tour he arranged for the six Finns, whom he had met and lived with last summer during a European tour.

They and about 25 other persons, including Prefontaine's parents and his high school coach, were at Thursday night's post-meet reception.

After enrolling at the University of Oregon in 1970, Prefontaine quickly emerged as the finest distance runner in America under the tutelage of Bill Bowerman.

It was at about this time that he began to express bitterness about what he believed to be the shabby treatment of amateur athletes in this country. But that did not affect his performances.

In the 1972 Olympics, he ran the 5,000 meters. With four laps to go, Prefontaine held a slim lead, and at that point observers believed if he had started his kick, he would have captured the gold medal.

But he still was new to international competition and apparently feared that he would burn out in the mile before the finish. He kept his pace and three runners passed him, the last overtaking him about 10 meters before the tape.

The Olympic loss may have been the reason he turned down what was described as the largest offer ever made by pro track so he could take another Olympic shot in 1976.

[From the New Times, June 27, 1975]

Man on the Run: Final Tribute

(By Mark Goodman)

Now you will not swell the rout
Of lads that wore their honors out,
Runners whom renown outran
And the name died before the man.

"To an Athlete Dying Young"—
A. E. Housman.

It used to be said, up in Coos Bay, that Steve Prefontaine could outrun an Oregon timber fire. Given the chance, I rather imagine Prefontaine would have tried to prove it; that is the kind of competitor he was. Running was all he know, and he pursued it with a vengeance—quite literally, as he always seemed to be outraged about something. Said fellow runner Jon Anderson: "He's not like other distance runners. He's not quiet, not introspective. He can't relax. A 15-mile run in the woods makes me kind of mellow and satisfied. All it does for Pre is make him mad. Most distance runners find expression in easy running: we take comfort in that kind of personal experience. Pre's kind of running is always hard and straining and fierce."

That rather accurately describes Steve Prefontaine's brief 24 years. He was the James Dean of the track circuit, and not just for the fact that he wrapped himself up in a car a good 50 years before his time. Brooding, bristling, a fanatically loyal friend and an equally fanatical antagonist, Prefontaine would attack the U.S. Olympic Committee and the Amateur Athletic Union with the same swift savagery that won him every American record from 2,000 to 10,000 meters. I doubt seriously if he cried crocodile tears over the death last month of Avery Brundage, the obstructionist head of the Olympic Committee who was almost singlehandedly responsible for the American neologism "shamateurism." It was Prefontaine who announced—loudly, boldly and repeatedly—to a smug, self-righteous land that the Emperor had no clothes, that America's ludicrous rules regarding amateur athletics put her athletes at a disadvantage to the well-subsidized athletes of virtually every other nation.

The woods of Oregon breed what used to be called Rugged Individualism, and Prefontaine had nothing if not that. He could run like nobody's business and he most vehemently believed that it *was* no one's business but his own where he ran and against whom. "To hell with love of country," was the famous line that shocked generations of Americans weaned on John R. Tunis. "I compete for myself." Boy, did he ever mean it. At his death he faced suspension by the A.A.U. for his refusal to run on the national team against Soviet-bloc countries.

Politics had nothing to do with it—he simply didn't think they were good enough ("like running against a bunch of high school kids" was the delicate way he phrased it to his pal Kenny Moore). His blatant calls for subsidies did not stem from greed—he turned down a $200,000 offer from the pro-track circuit because he wanted to beat the flying Finns and Belgians and Norwegians first. "What would I do with all that money?" he asked.

He might have spent a fair amount of it in bars. Excruciating honest, Prefontaine never hid his love of grain and hops from the public. Blessed with the constitution of a yak, he was known to carouse all night, sleep for an hour and then get up and run ten miles. When you're brought up with lumberjacks you drink with lumberjacks, and Prefontaine loved low-rent saloons, loved to fill a smoky room with his brimming personality and bursting confidence.

He did not always have such a surfeit of both. The only child of a Coos Bay carpenter and his German war bride, young Steve was by his own later admission a bit runty and a slow learner. He got on the high school football and basketball teams by scrap and spit, but he rarely roamed very far from the bench. However, he discovered he could run and run and run—and almost never got tired. By the time he graduated he was one of the most sought-after schoolboy athletes in the land. But there was only one college for him: the University of Oregon, a perennial track powerhouse. This thundering finishing kick and his penchant for playing to the gallery (he actually took victory laps, something your well-bred amateur just doesn't do) made him a celebrity by the end of his freshman year. So did the tirades with which he began to lash the A.A.U. and Olympic Committee. So did his curious off-campus activities—such as lecturing junior high kids on venereal disease or helping inmates at the state prison organize their sports program. As another runner, Frank Shorter, wrote: "He was always surprising you. It wasn't a calculated surprise, the way it is with some people who want to impress you. He did it, it was private and he kept it to himself. He didn't really want anybody else to know."

Let us be plain: there is nothing noble about the way Steve Prefontaine died. He got drunk and racked himself up. It is, however, a tragedy that he never got an Olympic medal or a world record. Nor will the American record books remember him for very long, since track marks are about as durable as Zsa Zsa's love. But no one who ever saw him driving down the back stretch, ripping every ounce of speed from his throbbing muscles, will ever forget this fabulous, ferocious young man who could run like an Oregon timber fire.

KOIN TV Film Script

I

America's premier distance runner is dead.

Former University of Oregon star Steve Prefontaine was killed early this morning in an automobile accident in Eugene.

Details from Denny Shleifer:

The 24-year-old record holder was riding alone in his M-G-B convertible near the campus of the University of Oregon when the accident occurred.

Police report Prefontaine's vehicle crossed the center line on Skyline Drive—jumped a curb—hit a rock embankment and flipped over.

Prefontaine was pinned under the wreckage—and shortly thereafter was pronounced dead on arrival at a local hospital:

Earlier last night—the 1972 Olympian from Coos Bay ran his last race and came within one and a half seconds of his own American Record in the five thousand meters at an informal track meet in Eugene.

After the race—Prefontaine had complained of feeling sluggish.

He claimed he was still at top form and it would be a couple of more weeks before he might be ready for A-A-U competition.

Prefontaine was fourth in the five-thousand meter run at the Olympic Games in Munich in 1972.

He held six American distance records—at 3,000 meters, two miles, three miles, 5,000 meters, six miles and 10-thousand meters.

He was called by many the United States' most dedicated and outstanding runner.

The President of the U-S Olympic Committee—Philip Crum claimed today—America has lost the most outstanding distance runner in the past six years.

He added the Committee was counting on Prefontaine as one of the top prospects for a victory in the 1975 Pan American games and the 1976 Olympics.

Prefontaine was colorful and controversial—and he didn't hesitate to needle the amateur athletic union and the amateur track system in the country.

He said recently in Eugene—using his words now—here I am in my second year out of college—If I want to be the best in the world—it is almost a full time job.

That's impossible—I've got bills to pay—I'm just like any other American—If I don't pay my electric bill—they turn off my light.

Prefontaine added that after college—American athletes are turned out to pasture—He had said several times—that the United States has no real Olympic program.

But Prefontaine was an amateur and serious offers of turning pro by the I–T–A never really entered his mind.

Prefontaine was thinking about 1976:

Film.

Steve Prefontaine—dead at aged 24 today when his car hit a retaining wall in Eugene.

Here are a few comments from some of the people who knew Pre the best.

Oregon Track Coach Bill Dellinger—using his words "It's a great personal loss—a great loss for all the fans of track and field.

Dellinger added—We can all reflect back to the great moments he created for the state of Oregon.

Prefontaine's personal advisor at times—close friend—and former Oregon track coach Bill Bowerman said—Pre was an extremely talented individual—and probably was as fierce a competitor as we ever had.

And Oregon athletic director Norv Richey may have put it best when he said—Pre was a young man who was obviously just reaching his potential.

The accident is a complete shock and tragic thing for everyone associated with Oregon sports.

II

Repeating today's top story—Oregon distance runner Steve Prefontaine died this morning when the car which he was driving hit a retaining wall in Eugene.

Earlier last night—the talented Oregon runner participated in an informal meet in Eugene where he missed setting an American record in the 5,000 meters by only a second and a half.

Prefontaine holds six American records at distances between two and five miles.

He was called by many, America's top distance runner in the past six years.

His coaches at the University of Oregon—Bill Bowerman and Bill Dellinger—called Prefontaine "as fierce a competitor as Oregon ever had.

III

Steve Prefontaine, above anything else, loved to run . . . but, he also approached it, as hard work . . . work that he didn't feel he and other athletes were very well paid.

Film.

It was this outspoken candidness, that often got "Pre" in trouble. . . . He was perfectly willing to take on athletic officials, if he thought they were wrong . . . and, he often thought they were wrong . . . and, he got away with it, because he was good . . . good enough to win 117 consecutive races as a collegian . . . good enough to set six American records . . . and good enough to win the admiration of one of the country's great track coaches, Bill Bowerman.

Film.

A tremendous loss . . . to the University of Oregon . . . to the State . . . to American track, and to current Oregon track coach, Bill Dellinger, who recruited Pre from Coos Bay, and who coached him til his last race.

Film.

It's going to be very difficult to remember that "Pre" at the age of 24 is dead. . . . He was so counting on the Olympics that when they come next summer, you'll expect to see him there . . . had he been, you have to believe he would have won.

TED DAWSON KOIN–TV SPORT—IV

Steve Prefontaine, America's premier long distance runner, was killed early this morning. . . . Last night, I reported that Pre had won the 5,000 meter race that he promoted at Eugene's Hayward field. . . . But, despite the fact that the internationally famous University of Oregon graduate had won the race, beating Olympic gold medalist. Frank Shorter, he had failed to set a new record . . . breaking one of the six he holds. . . . He was unhappy after the race, and voiced his disapproval to friends, at an after meet party. . . . Pre was never happy when he didn't live up to what he'd hoped for. . . . He knew his own abilities, and he always sought to improve them. . . . Most experts figured that he was just approaching the peak of his athletic ability. . . . Pointing towards the 1976 Olympic games. . . . Pointing so hard in fact that he turned down a lucrative professional offer to be given another Olympic chance. . . . But, it wasn't to be. . . . Driving his foreign sports car in Hendrich's Park. . . . Where he spent many hours training, Pre was coming over a hill, he lost control, crossing the road, went over the curb, and hit full speed into a rock wall. . . . The car flipped, and crushed the track star beneath it. . . . A Eugene police report this afternoon, after a blood analysis showed that Steve Prefontaine, dead at age 24, was seriously intoxicated.

It's very difficult to do a story on a great person who has just died. . . . Even more so, when that person was an internationally renown athlete, and only 24 years old.

They called him "Pre" . . . Steve Prefontaine, the American track prodigy, who learned to run on the Coos Bay Coast . . . and lived to challenge the highest athletic officials in the country . . . because top European athletes often refused to come to this country, Pre was forced to compete on their territory . . . but, this season, it was different . . . on his own, he invited top Finnish performers for a series of Oregon meets, ending with this 5,000 meter race last night in Eugene. He was out to break one of his six American long distance records . . . he missed by a second and a half, finishing in 13:28.8 . . . . But, he won, beating Olympic gold medalist, Frank Shorter . . . winning was the thing for Steve Prefontaine. He missed a medal in the 1972 Olympics when be burned himself up trying to win, and had to settle for fourth. Settling was never one of "Pre's long suits . . . he loved to win . . . he also loved his sports car, and last night, after the race, he took it for a drive up into Hendrick's park. Where he spent many hours training back in his University of Oregon days . . . coming over a hill, he lost control, crossed the road, went over the curb, and hit full speed into a rock wall. The car flipped. "Pre" had his shoulder harness on, but not his seat belt. He was thrown forward, his protective roll bar couldn't save him.

During Pre's collegiate career he entered 117 races. He won 117. . . . Last night, some five hours after competing in front of what Pre liked to call "his people" Steve Prefontaine died at age 24 after winning for his people.

V

A memorial service was held today in Coos Bay, Oregon, for American track star Steve Prefontaine.

Denny Shleifer and cameraman Bob McIrvin were in attendance:

The program handed to every person when they arrived at the high school field stated simply—"In Memory of Pre."

The former University of Oregon track star who holds six American records died early Friday morning in a single car accident in Eugene.

Pre's death in this town has yet to be comprehended fully.

One of his closest friends—Olympic marathon champion Frank Shorter led a field of track athletes as Pre's pallbearers.

It was Shorter—you may recall—who placed second in Prefontaine's final race last Thursday in the 5,000 meter event—when the Coos Bay star missed his own American record by only a second and a half.

There were several speakers who eulogized Prefontaine this day.

They included a representative of Finland's track team—Reimer Stinius.

He called Pre a winner.

Former Oregon Track coach Bill Bowerman said he was a true amateur who never really gave professional track a thought.

He called Pre—the most fierce competitor he ever coached.

His High School coach—Walt McClure looked back at Pre's days from grades nine through 12.

McClure stated that he always knew Pre was going to be a star.

Prefontaine was a true champion—a person who wasn't afraid to speak out—a person who always will be remembered in amateur track circles.

Denny Shleifer—channel six news—Coos Bay, Oregon.

VI

After a service at Marshfield High School this afternoon, Steve Prefontaine, has been buried in Coos Bay. The service, which was held at the Marshfield football field was attended by about a thousand friends and relatives of the great runner, who was killed last Friday, in a high-speed automobile accident. Prefontaine was remembered fondly by two former coaches, Walt McClure, who guided his career through high school, and Bill Bowerman, the man responsible for making Pre a household word during his days at the University of Oregon. The runner, whose greatest aim was an Olympic Gold Medal, was buried in his Olympic sport coat, with the five rings on the breast pocket.

Pre missed an Olympic medal, in 1972, when he placed fourth in the 5,000 meters. But, he turned down a professional offer to try for the elusive Olympic gold one more time. Following today's memorial service, his body was taken to Sunset Memorial Park, just south of Coos Bay, overlooking Highway 101. The man who Track and Field once labeled the sport's most popular athlete, was buried, with his family and fellow Olympians, Frank Shorter, and Jon Anderson, as well as several Oregon teammates, on hand.

[From Sports Illustrated, Feb. 21, 1972]

IT JUST WAS NOT IN THE STARS

Steve Prefontaine arrived in Los Angeles from Eugene, Ore. last week with a worry. And a disdain for people who look to the planets for prophecy. The worry was over the early pace of his two-mile race in the L.A. Times Indoor Games, which he was afraid would be so slow that he would have to set it himself. The disdain came after he learned that an astrologer, one Burton Morse, had said that Prefontaine's planetary influence were less than favorable and predicted he would finish behind Emiel Puttemans of Belgium and Kerry O'Brien of Australia. "Phooey on the stars," said Prefontaine, or words to that effect, and glared heavenward.

And so, with the planets out of the way, Prefontaine got down to the pace. "I just hope some of those foreign guys help out," he said. "I don't want to set the stupid thing all by myself. In America you don't get the comradeship you do in Europe. Over there everybody helps with the pace, and then the guy with the most guts wins. Over here they let you go out all by yourself, just hitching an easy ride and hoping somewhere near the end you'll drop dead. To hell with them. Maybe I'll let the first mile go by in 4:51." He grinned. "Of course, the crowd will start throwing stones at us."

"That's not too funny," said a friend.

"Did you ever run behind a slow pack?" said Prefontaine. "You get a trailing wind and a lot of body odor."

"You shouldn't say things like that. Somebody will print them."

"Aw, nobody would print that."

"Yeah, I guess you're right."

Unbeaten in a distance race since 1970, the 5'9'' University of Oregon junior found himself almost totally wiped out after the Pan-American Games. He came home to Coos Bay, Ore. with a gold medal and a Salmonella infection, a sort of super diarrhea. When the doctors had pumped enough medicine into him to kill the Salmonella, they also killed all the good bacteria and he came down with a yeast infection, another sort of super diarrhea.

Finally healthy again, Prefontaine won his second straight NCAA cross-country championship last November, and a few weeks ago in Portland he won a two-mile in 8:26.6, just .4 off the American indoor record. George Young, the 34-year-old American *outdoor* record holder, had been invited to run in the *Times* meet but had declined. "Too much youth in that race," he told Will Kern, the meet director.

"Goldarn!" said Prefontaine. "I wanted to run against Young more than anybody in the field. I wanted to test the veteran out." He laughed. "I almost said the old man, but I don't want to make him mad and give him something to use against me when we race. Besides, he's not really old. And I like him a lot. He's super intelligent. And very good-looking. And has a great family. And I hope he remembers all these nice things I'm saying when we do race."

For Kerry O'Brien, Los Angeles was worrisome too. Southern California hasn't been all that kind to the 25-year-old Coca-Cola P.R. man. He did set the indoor world record for the two-mile (8:19.2) last year in San Diego, but during the same trip was scared witless by the L.A. earthquake and had $60 stolen from his wallet. "Besides the record," he said, "the only good thing that happened to me was that I decided to see a movie instead of going to Tijuana with two friends. I saw *Love Story* and they got mugged."

And like Prefontaine, O'Brien wasn't all that happy with Morse's view of the position of the planets. "I should like to warn him against some minor muscle damage if he's careless at all about preparing for this race," Morse wrote for the *Times*. "Some difficulties appear in the health house."

"That's just bloody great," O'Brien said. "I haven't had a healthy day since I left America last year, and this chap has to predict more trouble. Where was he before the earthquake when I could have used him?"

After setting his record at San Diego, O'Brien went home and intensified his training schedule. He holds the world record of 8:22 for the steeplechase, too, and when he ran two steeples in 8:26.8 and 8:24, European promoters came up with an attractive package of eight summer meets. O'Brien worked even harder. But apparently his planets were in the wrong position. One day while he was jogging along, another runner fell in front of him. "I had to scissor-kick my legs apart to leap over him," O'Brien said, "and then I felt this terrible pain in my stomach." He had suffered a great rip in his lower abdominal muscles. Eight weeks later he ran again, but it wasn't until November that the rip completely healed. O'Brien never got to Europe. Instead he managed to injure his right knee and left Achilles' tendon, both of which were still bothering him in Los Angeles.

When O'Brien announced in January that he was going to run in Toronto and Los Angeles, both his friends and the press in Australia said he was crazy. "But sometimes you have to have the courage to gamble against the advice of other people," he said. "You can't be a champion or set world records unless you are ready to back your own convictions. I felt I needed some intense international competition."

At Toronto a couple of weeks ago he got it, winning a grueling three-mile in 13:23.8. "It took a real gutsy finish to win," he said, "and now I'm pleased that I took the gamble. That race really knocked my legs around a lot, and it's not the sort of thing I'd recommend. But for me, it was the only thing."

The third party of last Friday's race, Puttemans, the 24-year-old waterworks gardener who set the pending outdoor two-mile world record of 8:17.8 in Edinburgh last year, was, like his two rivals, worrying. He has raced indoors very seldomly and he had been warned that negotiating the tight Forum turns would be an edifying experience.

"Is it really that bad?" Puttemans asked. "I've heard it can get pretty crowded."

"Let me see your elbows," someone said.

"My *elbows*?"

"If your elbows aren't as fast as your feet, about the third lap they might be charging you for a seat in the bleachers."

O'Brien didn't figure the Belgian would have too much trouble indoors. "He's a shorty, and they usually can adjust right away. Of course, you never know with Prefontaine. He's an aggressive little bug, isn't he?"

"Is he kidding?" Prefontaine said. "If Puttemans wants to go by me and share the pace I won't lay an elbow on him. Unless he wants to share it on the last lap."

Prefontaine's worries about the early pace ended late Friday afternoon. A few hours before the race, Will Kern got a call from a coach at Cal State Fullerton. "Well, we got a rabbit," said Kern, hanging up. "A kid named Tom Baird, and they say he can give us a 3:10 three-quarters of a mile and that's better than nothing."

A half hour before the race, O'Brien stretched out on a rubbing table while a trainer worked on his knee and Achilles' tendon. Prefontaine trotted past, stopped and said gaily, "Hey, Kerry, what are you, a goldang cripple?"

O'Brien sat straight up as Prefontaine trotted off. "Did you hear that?" he said. "A goldang cripple? I know he was only kidding, but that makes me even more determined to run his cocky bottom into the bleeding boards."

Meanwhile, Puttemans was inside watching Tom Von Ruden burst past Juris Luzins to win the 1,000 in 2:07.1. And Byron Dyce win the mile in 4:02.9, with Jim Ryan a dismal sixth in 4:013.2. And Martin McGrady outduel Lee Evans to win the 600 in 1:09.6. Puttemans had seen plenty of flying elbows, and he was stunned when he saw Von Ruden have one shoe ripped away during the first lap of the 1,000. "And he not only didn't stop," said Puttemans, wide-eyed, "but he won."

"It wasn't much," said Von Ruden, at the moment America's most consistent middle-distance runner and a good bet to be in the 1,500 at Munich. "Just a little blister, that's all."

"That little blister covers his whole foot," said Luzins. "If I had known he was running on that instead of a shoe I might have stepped it up at the end."

As they called the two-mile field, Prefontaine called for Baird, the rabbit. "Can you throw a couple of 62s or 63s together?" Prefontaine asked. Baird nodded. "Great," said Prefontaine. "Let's see what everybody's got."

Baird gave him a 64.7 first quarter, a 2:07.7 half, and dropped out. By then, Prefontaine's throat was burning from the smoke that hung inside The Forum. "Why don't they give up smoking?" he thought.

With that, he turned his attention to the race. When Baird dropped out, Puttemans took the lead. For one lap. "Too slow," Prefontaine thought in disgust. He burst past the Belgian and quickened the pace. Puttemans and O'Brien hung on for four laps and then began to fall back. Prefontaine turned the mile in 4:14.9.

"Right on the nose," said Bill Dellinger, the assistant track coach at Oregon. "We wanted between 4:13 and 4:15. We didn't figure those other two were in real great shape, and we decided to smoke them quick. If you don't, if you permit a slow pace, then it turns into a half-mile race and anybody can win."

Out on the track, Prefontaine was smoking, adding 10 yards to his lead with each lap. Spurred on by the cheering crowd of 13,000, which was on its feet, Prefontaine went even faster. "Golly," he was thinking, "aren't they beautiful people?" He finished in 8:26.6, half a lap ahead of Puttemans, with O'Brien a stride back in third.

"He sure is a speedy little bug," said O'Brien, sighing, "but I'm not upset at finishing third. I got my hard race, and I didn't get injured. And there were no earthquakes. And nobody stole any money out of my wallet. I just wish I could have met that little bug last year."

"And I wish he'd stop calling me a little bug," said Prefontaine. "But wasn't that a super race? Those fans really turned me on. I just wish they wouldn't smoke. But I'm not castigating them for that. Hey, has anybody got a newspaper? I want to read my horoscope for tomorrow."

[From the New York Times, June 1, 1975]

PREFONTAINE: "PRE" FOR PREEMINENT OR PRECOCIOUS?

(By Neil Amdur)

EUGENE, ORE., May 31.—To West Coast sports fans who have enjoyed the first-name intimacy of such easily identifiable heroes as Wilt and O. J., Steve Prefontaine is "Pre," as in "Hey, wasn't Pre something out there today?"

Conservative cynics less than enthusiastic over Prefontaine's confident demeanor contend that "Pre" really stands for precocious. But hardly anyone now is willing to argue the artistic merits of the 21-year-old University of Oregon junior who has not lost a race in so long that most of his performances seem predetermined.

He enters tomorrow's National Collegiate outdoor championships on his home track with victories in his last 19 races. His dominance of American distance-running this year is unparalleled: He leads in six statistical categories from the mile (3 minutes 56.7 seconds) to the six-mile (27:22.4).

Prefontaine's last loss can be considered hardly disappointing. He ran a 3:57.6 mile only to have Arne Kvalheim finish in 3:56.5.

STATISTICS ARE WEIGHTY

At his specialty—the three-mile or 5,000 meters, which he already has won in this meet the last two years—Pre has not lost since August, 1970.

Such statistics seem almost too weighty for a 5-foot-9-inch 145-pounder from the tiny Oregon seacoast town of Coos Bay. Yet in terms of personal candor and competitive fortitude, Prefontaine is the Marty Liquori of the West Coast, one of the few Americans almost assured of a berth on the Olympic team if he remains fit, and a definite gold-medal threat for Munich.

As far as this three-day competition is concerned, the guessing game is not whether Pre can be beaten (Greg Fredericks of Penn State appears the strongest challenger), but how fast he will run and whether he will post another set of impressive statistics for foreign rivals to ponder between now and September.

SOME ARE SKEPTICAL

Most top distance runners in Europe and Africa have never seen him run and remain skeptical.

"He beats the clock," Tony Benson, the seasoned Australian, said recently of Prefontaine, "but can he beat men?"

Until the early nineteen-sixties, distance running in the United States offered little quality. Surprising gold-medal performances by Billy Mills (10,000 meters) and Bob Schul (5,000) at the Tokyo Olympics in 1964 were the first victories by Americans in these events. Prefontaine is one of numerous hopefuls to emerge from active programs in recent years.

Trials will take up tomorrow's program, with finals on Friday and Saturday.

[From Life magazine, Aug. 18, 1972]

Prefontaine Goes for the Prized 5,000 Meters—Oregon Gold Rush

(By Bill Bruns)

"We may be running a world record pace for the first two miles," predicts Steve Prefontaine, looking ahead to the Munich 5,000 meters, "but then I want to start picking it up. I want to start burying people."

Prefontaine is a 21-year-old Oregon runner whose extraordinary talent and bristling self-confidence have already brought him the American 5,000-meter record and a ranking second only to Jim Ryun among U.S. runners. Now, though still little known to many Americans outside Oregon, he's challenging the world's best in a race which could be the most competitive, intriguing event at Munich.

The 5,000 meters (three miles or 12 laps, plus 189 yards) calls for sophisticated running strategies that make it a tense, unpredictable race as the runners shift the rhythm of the pace. But Prefontaine plans no subtle waiting game. Typically, he intends to drive the pace from the very start. The key strategic question is: Can the front-runners, led by Prefontaine and England's Dave Bedford, force a crushing, grinding pace that wilts the renowned last-lap sprints of men like Finland's Juha Vaatainen and the West German hope Harald Norpoth?

"I don't think anybody can run away from this field," argues Australian contender Tony Benson. "But I do have nightmares of eight guys together running the last 100 meters." Prefontaine, however, knowing he will lose if the race is slow and it all comes down to such a sprint, hopes to launch a long, sustained kick with three or four laps to go. "I want a race," he says, "where it comes down to who has the most guts. I'm always thinking what I can do to psychologically or physically destroy the other runners."

Prefontaine's racing style has always reflected the tough, elemental life of Coos Bay, Oreg., the logging town where he grew up. As a junior he was visited by Oregon runner Arne Kvalheim, who had just broken the collegiate two-mile record. "We took a ten-mile run on the beach," Kvalheim recalls, "and all the way this kid kept asking me, 'Getting tired? Am I going too fast for you?' "

The past three years, training under three-time Olympian Bill Dellinger, Prefontaine has won so many races for the University of Oregon that his victory laps have become a ritual (in one race he roiled the other runners by waving and grinning well before reaching the tape), and "Go Pre" T-shirts are sold in stores across the state. Fueling his mystique with bravura—"I feel my potential is unlimited"—and with needling jibes at his opponents, he is already a popular figure in Europe, where fans respect a runner who's willing to force the pace.

"I'm not afraid of losing," says Prefontaine. "But if I do, I want it to be a good race. I'm an artist, a performer. I want people to appreciate the way I run."

[From the New York Times, July 30, 1972]

Prefontaine Is Heading for Last Lap—Munich

(By Neil Amdur)

After an eight-mile morning workout in Maine and a six-mile jog the same afternoon around St. John's University in Hillcrest, Queens, Steve Prefontaine left for Europe bubbling with confidence and eager for the challenge of the Olympics.

"If anything, I may be putting in too much mileage," the precocious 21-year-old distance runner from Coos Bay, Ore., said before departing Friday night for Oslo, Norway, with other members of the United States men's track and field team to begin final preparations for the Munich Games.

Prefontaine set an American record in the 5,000-meter run at the United States trials in Eugene, a race he said "that gave me the confidence I needed" for the Olympics.

Prefontaine's trip to Germany will carry almost as much irony as that of another American distance runner, Frank Shorter, who was born in Munich. Prefontaine has relatives in what is now East Germany, where his mother lived before moving to the United States after World War II.

Under the watchful eye of Bill Bowerman, his coach at the University of Oregon, who also is the head coach of the men's track and field team, Prefontaine tackled a strenuous schedule during the American training camp in Brunswick, Me., to prepare for what may become the most competitive event of the entire Olympic program.

Most of Prefontaine's workouts were geared toward building the sustained kick he will need over the final mile of the 5,000 to strip the last-lap sprints from such top European runners as Juha Vaatainen of Finland, Jean Wadoux of France and Emiel Puttemans of Belgium.

One typical workout contained a series of three impressive three-quarter miles (3:11, 3:07, 3:01), followed by a brief jog, then nine 330-yard dashes (three in 48 seconds, three in 45 seconds and the last three at 44, 43 and 40 seconds), winding up with four 110-yard sprints.

"I feel great," Prefontaine said. "I had a cold for about a week before I got to Maine, but I put in about 100 miles. It was great."

Bowerman, who continues to marvel at Prefontaine's accomplishments, was more distressed about the failure of his squad to receive all of its equipment from the United States Olympic Committee than any training shortcomings.

"Can you believe we didn't get toothbrushes or undergarments?" Bowerman said. "If it hadn't been for Sears [outfitter of the American team], we would have gone over to Europe looking like nomads."

With the exception of 11 members who decided to remain in the United States and train, the men's track and field team left three weeks ahead of other Olympic squads to train in Norway. The special dispensation granted to the track team was approved by the Olympic Committee, although Bowerman acknowledged that some officials were upset over the pre-Olympic plans, contending that track and field was being pampered.

One of those runners who elected to bypass the optional European program was Jim Ryun, the three-time Olympian and world recordholder in the 1,500.

"A lot of people are expecting big things from Ryun and our other distance runners," Bowerman said, assessing the American distance contingent. "True, it's probably the best group of distance runners we've ever sent to the Olympics. But we could win a few golds over there, or we could come back without anything.

"In Ryun's case, one swallow does not make a spring. He had one hell of a race in Eugene at the trials [Ryun won the 1,500 ahead of Dave Wottle and Bob Wheeler], but nobody put the steam to him. I think it would be a mistake to make him the favorite. He's a dark horse."

Bowerman attributes experience, maturity and dedication for the improvement of American distance runners, who have won only two gold medals at distances of between the 1,500 and marathon since 1908. Both gold medals were won in 1964 at Tokyo, by Bob Schul in the 5,000 and Billy Mills in the 10,000, and were considered upsets.

"Prefontaine is an exception, any way you look at it," Bowerman added. "He's young, he's an exceptionally physical person, he's an exceptionally emotional person, and he's the ideal kid to coach."

Bowerman said he could not predict how Prefontaine, who is unbeaten at his specialty outdoors in the last two years, would respond to the pressures of the Olympics. "I've stopped trying to figure out what Pre will do," Bowerman said.

"But one thing you can be sure of, he's not putting in all this work for nothing."

[From Sports Illustrated Jan. 29, 1973]

Search Your Soul, Then Run Like Blazes

(By Ron Reid)

(Which is what Steve Prefontaine, tender of knee and sore of spirit, did last Saturday in the Sunkist Meet's two-mile race. He hadn't looked so good—or sounded so cocky—since the happy days before Munich.)

Los Angeles never has been considered the most therapeutic of towns, what with its nonfreeways, carcinogenic grease clouds—somethimes they are called air—and Hollywood. Better, cynics have said, one should try the waters of East St. Louis or an Encounter session in Newark. But last Saturday, when some vexed, doubting athletes converged on the Los Angeles Sports Arena for the 14th Annual Sunkist Indoor Track Meet, the city suddenly became a veritable health spa.

What had given everybody the downs in the first place was the horror of Munich, that and the two-pronged incompetence of the AAU and NCAA, institutions with a mutual dedication to the ideal that people who run, jump and throw should acquire their daily bread only through food stamps. Until recently, and yet to be proved, track never rewarded its practitioners with lucrative professional careers. For the diligent there was only that shinning bauble called the Olympic Games to overcome the blisters, burning lungs, fatigue and fatuous 17th-century rule enforces. Then that dream turned nightmare, and track's existential question of the moment was a unanimous, "What am I doing this for?"

For sustained soul-searching it is possible that no one came close to young Steve Prefontaine, the superb distance runner from the University of Oregon whose performances leading to the Games gave promise of something better than his fourth-place finish there in the 5,000-meter run. Prefontaine ran twice after Munich, once in London and once in Rome, losing both times in races where the Killer instinct that had cut down countless rivals in the stretch was totally lacking. "I just gave up," he said Friday night in Beverly Hills. "In Rome, with 200 meters to go, I waved the guy behind me to go ahead, and if you know me you know I don't do that. I just didn't care. I didn't have the spirit."

Returning to Eugene, where he shares a house trailer with his dog Lobo, he did not do much running for two months and took a bartending job at a place called The Paddock during Christmas vacation, but the Olympics," he said, "I was really full of athletic respite was an uneasy one. "After the doubts about everything. The Olympics was what I had been working for as long as I had been running, and then the way they turned out over there it all seemed to have been worthless."

When he resumed training, Prefontaine adopted his tireless regiment of interval and road work too zealously. The strain and freaklish sub-zero snow weather in Eugene brought on tendinitis in his left knee (at exactly the same spot where it afflicts Dave Wottle, the 800-meter gold medalist).

Prefontaine's aches and doubts were not the only intriguing facets of the Sunkist two-mile run. The very good field also included Lasse Viren, the 23-year-old Finn who won both the 5,000- and 10,000-meter gold medals at Munich; Frank Shorter, the Olympic marathon champion; Marty Liquori, fresh from his first mile victory of the season on the East Coast the night before; and Tracy Smith, track's answer to Judge Grater, whom none of the other principals could remember seeing in a race during the last three years.

"If I just get out and feel I'm competitive," Prefontaine said to Shorter on Friday night, "and have a good race and give it all I have, it will be a worthwhile experience. It could be a motivating factor for me to keep on running. If my knee starts hurting and I place last, I might wonder, 'Should I continue this year or not?' "

Shorter, the United States' first Olympic marathon champion since 1908 and recipient of the Sullivan Award for outstanding amateur athlete three days before the L.A. meet, uses indoor competition as little more than a training diversion, two miles being a trifle short for this taste. He wasted little of the evening in deep concern over his chance for victory, particularly in view of the absence of speed work in his training. "If I don't win, it's no major calamity," he said while extolling the virtues of Taos, N. Mex., where he hopes to lure Prefontaine for high-altitude training this summer "so we can bring the world two-mile record back to America."

That outdoor record, 8:14.0, was set by Viren, a rookie cop in his hometown of Myrskyla before he went to Munich, but at the Sunkist he talked like an unlikely adversary for Prefontaine. "It would be nice to run well against him," he said through an interpreter from the Finnish Consulate who explained. "Viren is not in very good condition. He hasn't worked out the last three days because of stomach trouble and he feels weak. When he has air in his stomach before he runs, it makes his stomach bulge out like a football."

While Prefontaine and Shorter were knocking off their entrees on Friday, Liquori was running to a 4:03.8 triumph in the Philadelphia Classic mile and with a coast-to-coast plane trip the next morning he did not figure as formidable competion.

The way Prefontaine ran the race, his competition was the last thing that he was worrying about. Jumping into an immediate lead, he sped through the first quarter in 63.4. A quarter of a mile later he had the race to himself. He toured his first mile in 4:13.8, then threw in a 62.2 quarter and led by 100 yards during the last six circuits of the track. He lapped Greg Brock and Don Timm before finishing to a reverberating ovation that, for decibel level, outdid the Super Bowl played next door in the Coliseum six days earlier. He was timed in 8:27.4, little more than a second off Shorter's American indoor record. Liquori, who forgot he was supposed to be tired, outkicked Smith down the stretch to take second place while Shorter finished fifth. Viren, who briefly ran in third place, never challenged and ended a distant sixth.

"I felt weak from the beginning," Viren said. "Already at the start I felt that I couldn't go too fast in this condition. It was my first competition this year indoors and I couldn't find the right rhythm. I only ran 30 miles all week in training. I usually run 20 miles a day." Viren, however, was consoled by Leo Sjogren, a former Finnish Olympian now in his 50s who said, "Wednesday we had him over to the house and my wife gave him good Finnish blueberry soup. That will fix up his stomach. It was the first day he didn't have to run to the toilet."

Running for other reasons, Prefontaine said, "This is a start. I feel self-satisfied because it's the motivational factor I've needed since the Olympics. It's headed me in the right direction. I wish Viren had been healthy and ready. I would have run here even if he wasn't coming, but I did want to meet him again. I can't count this as a big victory because he wasn't running as well as he can, but if I had run 8:50 and finished third I would have walked out of this place and never run another track meet in my life, mostly because of the things that have happened in the last five months."

The spectators, of course, had more than the two mile to cheer. Young Steve Smith of the Pacific Coast Club set a world indoor record when he pole-vaulted 17' 11"—an act born of appreciation—and blocky Al Feuerbach got a world mark for keepers when he put the shot 69' 4½". Smith, the hottest vaulter in the world right now, won Friday at Philadelphia with 17' 4" but quit after making that height because he wanted to save something for the Sunkist. Reaching L.A. with Liquori about 30 minutes before his competition began, he offered powerful evidence that sleep is not an essential requirement for athletic excellence—if you remember your buddies.

"I was particularly glad to get the record in this meet," he said, "because the promoter, Al Franken, has been very good to me in the past and let me compete when I wasn't as good as I am now. I'm really appreciative of what he's done for me."

Smith also has some bad memories of Munich and the controversy there that in the end succeeded in robbing him and Bob Seagren of the poles they had used to reach the Games. "The Olympic pole-vault medal wasn't worth the gold in it," he said, "and Wolfgang Nordwig's mark wasn't as good as last place in this meet. I think that when I get a stronger pole and set my grip higher, I'll be able to go 18' 6" or 19' consistently.

Feuerbach, who could moonlight as a trucking-company safe, shoved the shot 69' 4¾" last year at Pocatello, Idaho, but the mark was denied recognition as a world record. Sunkist officials assured everyone, however, that the 69' 4½" would find its way to proper accreditation.

"They took the world record away from me last year because I had taped my hand," Feuerbach said. "That's all right. It gave me a chance to set the record all over again."

Wottle, who because of his own pains was on the verge of pulling out of the mile, turned in his Silky Sullivan act. Going wide and wild down the homestretch, he beat Kip Keino at the wire and said it was the best he had felt in weeks. Keino, either showing his age—he is 33—or the effects of running in torrid temperatures at the African Games in Lagos, Nigeria the week before, did not have his usual lift.

But for all their infirmities and travail, a lot of track people started feeling better about things in Los Angeles on Saturday.

[From Sports Illustrated, May 28, 1973]

Pre's Last Duck-Waddle

(By Ron Reid)

(UCLA won the Pac-8 meet and Steve Prefontaine ended his college career at Eugene, Ore. with home folks cheering and a love affair intact.)

There have been more sentimental moments in sport and farewell performances worth louder raves, but what the fans in Eugene, Ore. got last Saturday was just about right: a suitably happy ending to a long love affair. The occasion was the Pacific-8 Conference track and field championship in which Steve Prefontaine ran his last major collegiate race in front of his hometown fans.

On the scoreboard UCLA continued its dominance, winning the meet with a conference-record total of 156 points. Prefontaine, laboring with a pinched sciatic nerve that made him feel as if his *gluteus maximus* had been worked over by a sadistic field-goal kicker, won the three-mile run for the fourth year in succession, and the 11,000 faithful responded with lusty affection.

The mutual admiration between Pre and his Eugene fans is a longtime thing at Oregon's Hayward Field, where he has never lost to anyone but a teammate. "You have to recognize that track is a way of life here in Eugene," says Mayor Les Anderson, whose son Jon won the Boston Marathon last month. "Pre penetrates beyond the track and into the crowd. Some athletes win a race and afterward they're poker-faced. Pre's expression is 'You helped me win it.' "

Such a demonstration followed his victory over John Ngeno, a Washington State import from Kenya who had won the six-mile run the day before. Heading down the stretch, ahead by 50 yards, Prefontaine acknowledged the stands with a triumphant arm salute as a "Go Pre!" chorus greeted his sprint to the tape. Moments later track announcer Wendy Ray said, "Thanks for the good times, Pre."

By Prefontaine's standards, however, his 13:10.4 victory did not qualify as such, even though the mark shattered the old meet record of 13:12.8 set by Gerry Lindgren in 1966. Healthier, Prefontaine might have ended his days as an Oregon Duck with a U.S. record or something better. If that seems mere speculation, consider what wonders he has worked already in his senior season.

At Bakersfield in March, almost on a whim, Prefontaine ran the six miles for the second time in his career. Unfamiliarity may explain why he comfortably set a pace that probably left a contrail. When the race ended, he had a new American and collegiate record of 27:09.4—the fourth best on the alltime list. Back home for a four-team meet on April 14, he ran the finest distance double in history, touring the mile in 3:56.8 and the three mile in 13:06.4. Two weeks later he recorded his best mile, 3:55, again on his home track. This season has also produced an

8:31.8 two mile which, like the others, is best in the nation.

Unfortunately for showmanship and for Oregon's slim title hopes, Prefontaine suffered his painful back problem three weeks before the conference meet. "I have thought about it being my last race in Eugene as part of the Oregon team," he said earlier in the week. "I'd sure like to do something great for the fans. But right now I'm not as fit as I was a couple weeks ago. I also wanted to double, but it's going to be hard enough just to run the three mile now. I can't relax, and relaxation is the key to running."

"I feel good that I won," Prefontaine said afterward. "It was a fun race. I did a lot of things I normally don't do, like saying things and making noises to make Ngeno think I was hurting more than I really was."

As for the fans, he said, "I kind of looked up at the crowd and a lot of races went through my mind. There have been some great ones here. They've given me a lot and I hope I've given them a lot in the last four years. But time goes and you've got to go with it."

Time, as even devouts from Eugene agree, has mellowed Prefontaine. During his tenure at Oregon he has changed appreciably from the brash, ofen-inconsiderate freshman who arrived there in 1969. Indeed, Prefontaine grew up as a fighter, a trait that has served him well in track, but that, in social situations or press conferences, has often rubbed people the wrong way.

"I feel very confident now talking in front of people," he says, "and I think I've learned to talk with the press. I used to say 'Hey, man, what kind of a stupid question is that?' to a newspaperman asking me heavy things right after a race when I'm still in an emotional state. Now I at least try to answer. I think I've learned a lot of things. If I had gotten this injury as a freshman, I would have panicked and thought my career was over. I proved to myself after the Olympics (where he finished fourth in the 5,000 meters) that I could come back stronger than ever. Even with an injury, I'm running better than I ever have. Before, when I did something good in a race, I'd be satisfied that I was working toward becoming better. Now I realize afterward that I'm capable of better things. Like after the 3:55 mile. I thought to myself, 'I know I can run 3:50.'"

What does fire Prefontaine's oldtime wrath, however, is the casual attitude of big-time sport that makes the athlete's problems a last consideration. Next month's NCAA track championship is a case in point. Because of television, the finals in several distance races will be held on Saturday afternoon, just when Baton Rouge's weather can be expected to be at its sultry, muggy worst.

"The site isn't what's so bad," Prefontaine says, "but if things aren't done right, the meet is Mickey Mouse. I don't care about being on television. It's going to be uncomfortable for the distance runners. Why can't they run those races in the evening? I don't like it."

How much farther Prefontaine goes in track beyond the NCAAs and a summer tour of Europe would now seem to rest with those fine, applauding folk in Eugene, especially if they want to keep the Prefontaine act at Hayward Field. "The big step in my future is graduation," he says, "and then finding a job that will let me continue my athletic career. I need a job that will allow me the flexibility to train, take time off for competition and still support myself. If I can't find that, it's going to be hard. My best years as a distance runner are ahead of me. I'm only 22, but things have to go right if I'm going to continue."

As for the UCLA Bruins, almost everything went right for them at Eugene except, ironically, the best field event of the meet. Ironic because UCLA's "track" title, the Bruins' fourth in the last five years, was ensured by an 86-point performance in the field events. USC, scoring 73 points in the track events, was runner-up with 111, while Oregon scored 100 for third.

In the long jump, however, USC's Randy Williams, with the aid of a goodluck teddy bear named Snorky and a capricious wind, avenged his loss earlier in the season to UCLA's James McAlister. McAlister opened the competition with a wind-aided leap of 26′ 9¼″. Then Williams, the Olympic champion, did the same without a breeze for a new meet record. But that was nothing. On his second jump Williams went with the wind to soar 27′ 9″.

"The teddy bear is something else," McAlister groaned. "It must carry three extra feet in it. I was really hoping he would make it competitive. I wanted him to get out there around 27′ 2″ and was saying, 'Come on, Randy, come on, 27 feet.' Then I saw that 27′ S″ and said, 'Oh man, that finishes that!" All in all, the Williams-McAlister rivalry is among the most pleasant in sport, since it accurately reflects the admirable personalities of the two L.A. leapers.

The Bruins should win the NCAA, too, perhaps with even less trouble than they got from their Pac–8 peers, who competed well but could not match UCLA's depth. Both USC and Oregon State beat UCLA in first places 5–4, but there was scoring for six places and the Bruins were just too much.

One of the best track performances was turned in by California's Rick Brown, a defending champ who took the 880 with a 1:46.7—his lifetime best and second best in the U.S. this year. Another outstanding effort came from Oregon's Mac Wilkins, who won a weight double for the first time in conference history. On Friday he improved his life best outdoors in the shotput by almost four feet when he got off a toss of 63′ 7″. In the discus the next afternoon, he won with a meet-record throw of 199′ 9″. In the mile, Oregon State's Hailu Ebba, an Ethiopian, shattered the meet record with a 3:57.9 that beat Oregon's Knut Kvalheim by an eyelash. In the same race Oregon's Mark Feig became the 12th Duck in history to break the four-minute mark; his time was 3:59.5. Washington State registered something of a surprise by outscoring Oregon 59–35 in distance events, but parochial feelings were salved when Craig Brigham, a 19-year-old freshman, won the decathlon with 7,673 points, the nation's second-best collegiate mark this year.

No one, however, was cheered louder than Prefontaine, and it remains to be seen if his farewell is going to be something more than merely changing uniforms.

One Pac–8 official did not think so.

"That scene will be repeated many times," he said. "He may be running for Oregon Track Club or somebody, but he hasn't finished satisfying all the ids and egos in those stands."

THE FEDERAL ENERGY ADMINISTRATION'S ENTITLEMENTS PROGRAM

Mr. BROCK. Mr. President, one of the reasons I oppose the continuation of price controls on domestic oil is the distortions the controls produce in the domestic economy. The controls create a two-tiered price system for oil. This, in turn, creates an impossible competitive situation for some integrated and independent oil companies.

Because of this problem, the Government must devise some type of program to offset this effect. As so often happens, one control begets two, two beget four.

FEA's solution to the two-tiered system has been the old oil entitlements program. This program has had a number of interesting effects. It has subsidized imports at the cost of domestic production; it has forced certain regions of the country to subsidize others; and it has tilted recent price increases toward gasoline.

Mr. President, I have had considerable contact with FEA about this program and its effects. I ask unanimous consent that a staff memorandum summarizing my correspondence and FEA's replies be printed in the Record.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

Memorandum

To Senator Brock.
From Rick Messick.
Re Entitlements Program.
Date: July 14, 1975.

As you will remember, you wrote Frank Zarb on May 9 asking for his comments on a paper prepared by the George Washington University Energy Policy Research Project called "The Regional Impact of the Entitlements Program." The paper argued that FEA's Old Oil Entitlements Program had a regional bias and that it contained a tilt toward gasoline. You specifically asked Administrator Zarb:

1. If the entitlements program was raising gas prices in Tennessee while lowering them elsewhere.

2. If the cost of the program to Tennessee, on a quarterly basis, was $3½ million.

3. If those areas of the country with the lowest per capita income were subsidizing those areas with the highest per capita incomes.

All these allegations were made in the GWU paper.

The George Washington researchers used two different methods or approximations in reaching their final conclusions. The first method divided the country into three regions and made several simplifying assumptions concerning interregional oil flows. The conclusions were limited to generalizations about income transfers among the three regions. The second method attempted a state by state analysis of income transfers. Because the authors found that Tennessee was paying $14½ million a year as a result of the program, you asked Mr. Zarb to evaluate the methodology of the second approximation as well as confirm the figure for Tennessee.

And finally, Mr. Tom Cone of Cone Oil Company in Nashville wrote on June 9 complaining that his supplier, Ashland Oil, was not passing along the benefits of the entitlements program to him, thus putting him at a competitive disadvantage. You asked Mr. Zarb if the program required that benefits be passed through and you asked FEA to do a study to determine whether the major beneficiaries of the program have benefited by it, whether their customers have benefited and if so, by how much.

A reply from Mr. Gorman Smith, Assistant Administrator of FEA for Regulatory Programs, arrived late Friday. Mr. Smith's letter is quite detailed and points out several flaws in the GWU study. However, he does say:

"The fact still remains that the basic thrust of their paper is valid. There is a regional bias in the program that favors the northeast and there is a tilt toward gasoline."

Unfortunately, Mr. Smith still left a few questions unanswered.

The most important one was whether the entitlements program was forcing domestic production to subsidize imports. As you know, we've discussed this and it is true. Milton Friedman also pointed this out in his most recent Newsweek column. Although Mr.

Smith discussed this issue, he did not admit that it was true.

Mr. Smith did say that FEA would do its own study of the regional impact of the program and he did enclose a copy of the earlier FEA study. *The Oil and Gas Journal* article was correct; the figures are very close to the ones developed by the authors' of the GWU study.

The letter also enclosed a detailed analysis of the technique the George Washington researchers used in their second approximation. The major problem with the technique used was that it assumed that the costs and benefits of the program to small refiners could be apportioned on a state-by-state basis in a manner identical to the costs and benefits of the 29 largest refiners. The effect of this error was to greatly overstate the costs of the program to the Northern Tier states. If one corrects for this bias, it turns out that the entitlements program subsidizes not just New England but the Northern Tier as well.

Mr. Smith makes an interesting argument about whether the benefits of the program are being passed on to consumers or not. He says that since the refiners now benefiting from the program were unable earlier last year to pass along their increased costs (since they were using new oil and competing against refiners using old oil), they should be allowed to use the program to make up for their earlier losses. And he says, "The important consideration is not whether all refiners are passing through entitlement benefits immediately, but whether the marketplace has become competitive." As FEA is now promulgating regulations designed to limit competition, this argument is difficult to accept.

One final comment. Tennessee is not paying $14.59 million a year as the GWU study claimed. According to Mr. Smith's letter, the figure is "only" $11.4 million.

In all fairness to Mr. Smith and the FEA, they admit that they have no other option, given the two-tiered price system for crude oil. However, in arguing why the entitlements program is fair, they do overlook two points.

In admitting that the program subsidizes New England, they point out that New England would have to bear the brunt of the price increases, since it is largely dependent on foreign oil. This ignores the fact that throughout the 1960's, and especially since 1966, New England deliberately became dependent on foreign oil because it was substantially cheaper than domestic oil. The New England Congressional Caucus successfully lobbied the Oil Import Appeals Board for exemptions from the old quota system. Having made their bed, it would seem only fair to ask them to lie in it.

Second, and even more disturbing, is the effect the program is having on the oil industry. FEA stresses again and again that without the program, independent refiners would be at a competitive disadvantage. They ignore the fact that those who have access to old oil are, by and large, those who invested in domestic exploration in the 1960's. And those who don't are those who decided to take a risk and rely on foreign oil.

Thus, while the Administration and the Congress say that their goal is more domestic exploration and production, their actions belie this. The message of the entitlements program, and indeed of the Emergency Petroleum Allocation Act itself, is that in a pinch, one's domestic product may be allocated to a competitor or, as under the entitlements program, one may be forced to pay a competitor for the "right" to one's own property.

Of course, the solution to all these problems can be had in one word: decontrol.

JUNE 20, 1975.

Hon. FRANK ZARB,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR FRANK: Thank you for your letter of June 9, 1975, commenting on The George Washington University Energy Policy Research Project study of the regional impact of FEA's entitlements program. Frank, your letter really does not respond to my concern, expressed in my covering letter, that the entitlements program hurts states, like Tennessee, that have relatively low per capita incomes and is forcing other regions of the country to subsidize the Northeast. Nor does it address other important issues, such as whether or not the entitlements program is forcing domestic production to subsidize imports at a time when the Administration's objective is to achieve energy self-sufficiency as soon as possible. Let me try again to enlist your help.

First of all, I should note that many of the problems with the GWU study mentioned in your letter are also mentioned in the GWU study itself. (A more recent version of the study is attached.) The authors recognize that a number of simplifying assumptions are necessary. They also state (on page 14) that they have been limited by the data that are available to the public and that much better information is collected by the Federal Energy Administration, which is not available to the public.

Because of the importance of this issue to my State, and to other states which, it would appear, must help defray the energy costs of the Northeast, I am asking that FEA undertake its own analysis of the regional impact of the entitlements program, avoiding if possible the simplifying assumptions made by the GWU study. I am also asking that FEA's study be completed as soon as possible, prior to the August recess of Congress, so that it can be made part of the public record and be considered in the current debate on deregulation of crude oil prices and extension of the Emergency Petroleum Allocation Act. I think you would agree that Congress should be given all the facts so that it can consider properly these issues, as well as the Administration's position on these issues.

According to the *Oil and Gas Journal*, a study of the regional impact of the entitlements program was made by FEA prior to the program's being adopted. (*Oil and Gas Journal*, December 9, 1974, pp. 40–41; copy attached.) Moreover, the estimates of this impact, cited in the *Journal*, are nearly identical to estimates made in the GWU study. Did FEA make such a study? If so, would you please provide me with a copy so that I may include it in the Record prior to receipt of FEA's other study of how the entitlements program has actually impacted on various regions of the country?

Your critique of the GWU study focuses on the "first approximation." Most of my questions actually centered around the "second approximation," which estimates the state-by-state impact of the entitlements program on gasoline costs. The "second approximation" is far less restrictive in its assumptions. For example, it does not assume, as you state, that all oil refined in the region is sold within that region. Rather, it assumes that the costs (and benefits) of the entitlements program will be distributed among the states according to the companies' actual gasoline sales in each state. I would appreciate your appraisal of the "second approximation" and, should you disagree with its methodology and conclusions, your providing a corrected version of it.

Finally, I have received a complaint from a jobber in my State for one of the largest beneficiaries of the entitlement program. According to this jobber, his supplier is not passing on receipts from the sale of entitlements in the form of lower prices, but is pocketing these receipts as higher profits. I understand that FEA's regulations do not require the pass-through of the benefits of the entitlements program to consumers. Is this correct? May I ask that, in addition to the other studies which I have requested, you undertake an audit of the largest seller of entitlements to determine whether they or their customers have benefitted and by how much.

This is a large order, and I wish to thank you in advance for your cooperation. You continue to do a remarkable job under the most difficult of circumstances. Perhaps the information I seek will enable me to ease your path. I hope so.

Very truly yours,

BILL BROCK.

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., July 11, 1975.

Hon. BILL BROCK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BROCK: This is in reply to your letter of June 20, 1975, to Mr. Frank Zarb, concerning the effects of the entitlement program upon the various states, such as Tennessee, that have low per capita incomes. To be completely responsive to your letter of May 20 on this subject will require a more lengthy reply. As you mention, your requests are a "large order."

FEA STUDY

FEA prepared a study of the regional impact of the entitlements program prior to initiating the program. A copy of that study is enclosed, as you requested. We will also update that study, using actual entitlement data, and send you the results when it is completed. This should be completed prior to August, as you requested. This study, like the George Washington University study, is based on a number of simplifying assumptions, so the results should be viewed only as approximations. We caution against attempting to assign too much meaning to the detailed results.

PASS-THROUGH OF ENTITLEMENTS

You are correct that FEA regulations do not require that the benefits of the entitlements program be passed through immediately to consumers as received, under certain circumstances. If a refiner has accumulated "banked costs" (i.e., cost increases he was allowed to recover under our regulations but could not because of competitive market conditions) he may use the entitlements benefits to reduce "banked costs," for as long as he has such unrecovered "banked costs."

We recognized this when we initiated the program. Since the law (Emergency Petroleum Allocation Act) requires full cost pass through, this result could not be avoided. There is additional justification for allowing recovery of past cost increases. For instance, consider the case of a refiner having only a high cost crude oil supply. Prior to the entitlements program its costs were much higher than competitors, but to be competitive it was forced to sell at the ceiling prices of competitors with much lower feedstock costs. Consequently, it suffered losses while some competitors with low cost crude made large profits. These losses were accumulated as banked costs. The entitlements program now allows this refiner to recover some of its previously banked costs, although it must still be competitive in the marketplace. To the extent the refiner can now recover "banked costs," it is only recouping previous losses, or be recovering profits foregone that, under truly competitive conditions, it would have realized earlier.

The important consideration is not whether all refiners are passing through entitlement benefits immediately, but whether the marketplace has become more competitive. Our data indicate that refinery feedstock cost differences have been significantly reduced and that the market has become more significantly competitive since the entitlements program was initiated. Consequently, we believe it has served its main purpose.

You requested that I undertake an audit of the largest sellers of entitlements to determine whether they or their customers have benefited, and by how much. An audit will not tell who has benefited. The customer benefits from increased competition. It is immaterial to the consumer whether some companies are now banking costs at an increased rate and others at a reduced rate or are reducing banked costs. The consumer is only interested in the price in the marketplace.

GWU STUDY—SECOND APPROXIMATION

I have attached, as you requested, a special appendix presenting a brief critique of the second approximation. To illustrate the major errors inherent in this study we have recalculated data for two states and for the entire U.S., using techniques appreciably more accurate than those used by the authors of the GWU study. Results show:

Increased cost of gasoline first 5 months

GWU, our analysis, and difference

[In millions]

Tennessee, 14.59; 4.76; and 9.83.

Minnesota, 8.89; −3.17; and 12.06.

Total U.S., 250.85; 37.17; and 213.68.

When errors of the above magnitude are apparent we question whether the study has validity. It is far more apt to be misleading than meaningful.

We have not provided a corrected version of the second approximation since we think such a study is meaningless. The gasoline "tilt" is only part of the cost or benefit of the entitlements program to a state, as I will discuss in more detail in the next section. It has no meaning when viewed in isolation.

CONCERNS EXPRESSED IN YOUR MAY 9 COMMUNICATION

Your letter was prompted by a George Washington University Energy Policy Research Project paper, concerning a regional transfer of income resulting from the entitlements program. Essentially, the GWU paper found that the northeast region of the U.S. has benefited from the entitlements program at the expense of other regions. The paper also found that the entitlements program causes a tilt towards gasoline, increasing gasoline prices in Tennessee, for instance, by $3.48 million over a three-month period. (A revised version dated May 26 stated the tilt was $14.59 million for five months.)

Your concern is whether our program does create a regional bias, as alleged, whether, in fact, "those areas of the country with the lowest per capita incomes are being forced to subsidize those areas with the highest per capita incomes," and whether this was the intent of the program. This is a valid concern which we share.

I hope that I can satisfy you that our entitlements program does not work to the detriment, but rather to the benefit of Tennessee; that it does closely follow the intent of the Emergency Petroleum Allocation Act; and that the intent of the entitlements program was not to shift income from one region of the country to another.

Our analysis indicates that the paper's findings are essentially correct in direction, but are grossly in error in magnitude. The authors' techniques introduce large errors, most of which appear biased against the northeast region. For instance, we estimate that magnitude of the so-called "gasoline tilt" is around $40 million, not $250 million as stated. Large errors may also be introduced in calculating the regional value of entitlements to refiners, shown on the authors' Table 1. I have previously identified some of the major flaws in the authors' methodology that could lead to large errors.

Overlooking the obvious flaws in the authors' techniques, and that the numbers they show are greatly inflated, the fact still remains that the basic thrust of their paper is valid. There is a regional bias in the program that favors the northeast and there is a tilt toward gasoline. Consequently, your basic questions are still valid. How do we justify any so-called "bias" and how does such "bias" meet the intent of the EPAA of 1973?

In our opinion, the major flaw in the GWU paper was not the authors' errors of commission, but their errors of omission. Their report never mentions the reasons for the entitlements program, or the alternatives to not adopting such a program. They never mention, for instance, that the entitlements program was designed to correct a gross inequity that clearly was not the intent of the EPAA. It never mentions that the only viable alternative to an entitlements program that would still meet the intent of the EPAA of 1973 to protect the independent refiners and marketers was crude oil price decontrol. As you are probably aware, there are many people within the administration who favored such an option. However, the general feeling was that Congress would not agree to such an alternative and the administration opted for an entitlements program as an interim solution.

At the time the entitlements program was adopted the two-tier price system had created an impossible competitive situation for many independent refiners who could purchase only high-cost domestic or foreign crude oil. There was more than 10 cents per gallon difference in feedstock costs among some refiners. Many independent refiners and the nonbranded independent markets dependent upon them were facing financial ruin and being forced out of business. We did not feel that it was the intent of the EPAA that this should happen. What would have been Congress' reaction if a number of dealers independently marketing petroleum products had been forced out of business because FEA regulations created price differences that made it impossible for them to purchase products on a competitive basis?

As a consequence of these conditions the FEA felt it was imperative to take some action to reduce the disparities among refinery feedstock costs. Rolling back new oil prices would not help since there would still be a two-tier system between foreign prices and domestic prices. We concluded that we had only two options. We could either introduce some type of entitlements program to equalize feedstock costs, or we could decontrol crude oil prices. Since decontrol did not appear to be politically feasible, the FEA reluctantly opted for an entitlements program.

The authors fail to mention FEA's options. They fail to point out that the alternative to Tennessee having a "0.6 cent/gallon increase in gasoline prices" was crude oil decontrol which at the time would have increased gasoline prices many times as much.

The authors were also silent on the fact that the much more rapid rise in petroleum prices relative to coal prices and natural gas prices has significantly disadvantaged those sections of the country having the highest dependency upon oil products, such as the northeast area. Thus, even if the entitlements program does result in a marginal benefit to the northeast consumers, their energy costs have still risen considerably more and are still significantly higher than for any other region.

The purpose of the entitlements program was not to create a benefit for the northeast. The purpose was to put all refiners on a more equal competitive basis, protect the independent segment of the industry, and to comply with the legislative mandate of the EPAA to make scarce products (price controlled crude oil) available equitably at equitable prices to all regions of the country. We felt that more intense competition could decrease prices as much as a cent or two per gallon, far more than the minimal bias introduced by the entitlements program. Experience indicates that competition did increase and margins decreased, although it is difficult to say how much of this was due to the entitlements program. We recognized at that time that the program did create some unavoidable bias. However, since it was minimal compared to the expected benefits, and the bias helped that section of the country most severely disadvantaged by the rapid increase in energy prices, we were not unduly concerned by such bias.

In retrospect, we see nothing that causes us to make major adjustments in our analysis, or which we deem sufficient to change our programs. Our entitlements program seems to be achieving its purpose. We think the numbers presented by the authors of the paper you forwarded are inflated. However, even if we accept them, they are still small ("substantially less than a cent per gallon") compared to the benefits from increased competition and delayed price decontrol.

As far as Tennessee is concerned, it is very difficult to determine the "cost" of the entitlements program. The estimated cost of the "gasoline tilt" to Tennessee was $4.76 million for five months. However, this does not represent a true cost. If there were a "tilt," or an increased cost, to "gasoline," then there was an overall net benefit to other products, although not necessarily to each individual state. The total "cost" of the entitlements program is thus the cost of the gasoline component, plus or minus the cost or benefit of other products, minus the benefit of increased competition. Overall, it is not possible to say whether Tennessee has benefited, or paid more due to the entitlements program, since it is difficult to determine the "cost" or "benefit" of products other than gasoline, and to determine the benefit of increased competition. However, I suspect that the benefits from increased competition have likely exceeded any "costs" or regional shifts of income.

In viewing the so-called "costs" of the entitlements program, I hope you will consider them in relation to such benefits as increased competition in the marketplace, and lower overall prices, rather than viewing them separately. I also hope you will consider what our options truly were.

If you still feel that the entitlements program is inequitable and creates a gross regional bias, then let me enlist your support for a phaseout of crude oil price controls, since this will eliminate the need for an entitlements program.

DOES THE ENTITLEMENTS PROGRAM FORCE DOMESTIC PRODUCTION TO SUBSIDIZE IMPORTS?

The argument here is that with the entitlements program a barrel of imports costs less than the world price, and a barrel of "old" domestic oil costs more than our fixed ceiling price, hence our program effectively subsidizes imports. The objectives of the entitlements program is to equalize refinery feedstock costs, to allow a free, competitive products market. We feel the only alternative is price decontrol. The FEA never intended that its entitlements program be permanent. It was intended as a temporary solution pending alternate decontrol. We think the entitlements program has been effective. We feel it is necessary as long as we have a two-tier price system. However, we welcome any assistance you can provide in moving back to a free market and eventual decontrol.

I hope this letter is more responsive to your concerns. If there are still unanswered questions, I will be happy to try once again. We recognize that occasionally our programs will have unintended results. We rely on concerned individuals, such as yourself, to question our programs. We feel that such dialogue is helpful. We are forced to look at our programs from a different viewpoint, and in responding perhaps we can improve understanding of our programs.

In any regulatory program it is difficult to treat everyone equally as distinct from fairly. Of necessity, we must as times be somewhat arbitrary and promulgate simplified rules that may have unequal benefits. We cannot change our programs frequently and unnecessarily, nor can we grant exceptions to every individual. However, it is my desire that we do not become overly defensive in protecting our programs. Where a change is necessary or desirable, we will make such changes. I feel FEA's record has been good in this respect. I welcome any other comments you may have with regard to this program.

Sincerely,

GORMAN C. SMITH,
Assistant Administrator, Regulatory Programs.

WIND POWER AS AN ALTERNATIVE TO NUCLEAR

Mr. ABOUREZK. Mr. President, Dr. David Rittenhouse Inglis, professor emeritus of the Department of Physics and Astronomy at the University of Massachusetts, Amherst, Mass., has provided me a copy of his paper, "Wind Power as an Alternative to Nuclear."

I ask unanimous consent that Professor Inglis' paper be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

WIND POWER AS AN ALTERNATIVE TO NUCLEAR

(By Dr. David Rittenhouse Inglis)

Wind power generating electricity on a large scale could, with appropriate initiative and effort, be harnessed to contribute substantially to our national energy needs soon. While other solar-related processes need further R&D before initial large-scale deployment, wind power does not. Both in this country and Europe there has been experience with wind-electric machines, including quite modern ones, large enough to justify now going directly to the size that could be built in great numbers soon to supply a considerable fraction of our national electric power needs. Modern engineering stands ready to design and build full-scale units now that would provide the newly demonstrated operating experience and the data for dependable cost analysis on the basis of which the deployment of large numbers of similar machines could proceed promptly.

THE BASE OF PAST EXPERIENCE

The picturesque windmills of past centuries were examples of a primitive technology contributing a large part of the power used by a primitive industry. The value of that experience now lies mainly in the demonstration that machines can be made, even primitively, to produce useful power from the wind and still stand up against storms. There has since been more modern and more valuable experience. Aside from small wind-electric power supplies such as were common on U.S. farms in the nineteen thirties and are being revived, there have been quite a few moderate-size wind machines generating electricity on the basis of twentieth-century engineering. The largest of these,[1] though not the most modern, was rated at 1.25 megawatts in a 30-mph wind and from its hilltop "Grandpa's Knob" near Rutland, Vermont, fed power into the Central Vermont power grid in the period 1941–1945.

Known as the Smith-Putnam machine, it was built and largely financed by a turbine firm, the S. Morgan Smith Company of Pennsylvania, with the participation of various firms and experts at a cost including development of about 1.25 million dollars. Its two stainless steel blades spanned 175 feet. Built in a race with the closing in of war-time priorities on materials, one inadequate spar that should have been replaced could not be and its failure in 1945 ended the operation of the machine when it was scheduled to be shut down because of that weakness after running for just a few more weeks to complete the collection of data. As an experimental prototype it was a success. The data from it provided the estimate that a battery of slightly larger machines generating a total of 9 megawatts would cost about $200 (which means about four hundred 1974 dollars) per installed kilowatt. This would not be economic then in Vermont with its abundance of water power and the availability of cheap supplemental electric power from outstate. Thus, in the same year when the dream of abundant nuclear power was born and in an era of cheap fuel, the first fairly large wind power development in the U.S. died. The data it yielded are still available.

Putnam estimated that with some technical innovations in quantity production of machines twice as large as the Grandpa's Knob one, $100 (1945 dollars or two hundred 1975 dollars) per installed kilowatt might be achieved. It was considered impressive that a first prototype, including the cost of development, came within a factor two of being economic. The U.S. Federal Power Commission then became interested in the further development of wind power and under the leadership of one of its engineers, Percy Thomas, carried out an extensive study[2] culminating in the design of a 6.5 megawatt land-based wind-electric machine the construction of which was proposed in a 1951 bill in Congress but this died in committee probably because of distractions at the beginning of the Korean War.

Data are also available, for what they may be worth, from somewhat smaller machines in various countries of Europe. Notable among these is a 200 kilowatt machine in Denmark. Its three 45-foot blades are mounted on a 75-foot tower. Its development and construction in 1957 cost $57,000 and the estimate for quantity production of similar machines was $190 per installed kilowatt, or about three hundred 1975 dollars, significantly higher than the Putnam estimate for larger machines. Some machines have used plastic blades for economy and an experimental 100 kilowatt machine was built in West Germany in the mid-1960's specifically to collect technical data.

The general experience with all these wind machines is that, while practicable, they did not quite compete economically with cheap fossil fuels. Now that there are other constraints on the use of fossil fuels besides their having more than doubled in price, the fact that wind machines came within a factor of two of beign economic in the past indicates that if vigorously developed they would be a vital resource and probably economic now.

The time scale for the construction of the Smith-Putnam machine provides an important indication of how fast we should now, in the present energy crisis, be moving towards large-scale wind-generated electric power. On the basis of conceptual design and preliminary, first-approximation stress calculations of Putnam, the S. Morgan Smith Company first became interested in the possibility of large-scale wind power in September, 1939. After six months of assessment with more refined calculations and parameter studies they decided to go ahead with the construction of the 1.25 megawatt machine and nineteen months later the large wind turbine was completed and feeding power into the electric grid. Thus only two years and one month elapsed between their first interest and the initial operation of the machine.

Studies were made of prospective costs as influenced by various parameters, such as power rating and blade diameter, so as to know how to optimize these, and they are interestingly recorded in Putnam's book[1] The economical range of power ratings was found to between 1.25 megawatts and twice that and the curve is so flat that there is only about a 2% variation of power cost over this range. For economy, it is thus important that the machine be large, in this range, but it doesn't matter much how large. The optimum blade span is given as about 200 hundred feet, although English studies.[3] indicate that cost per kilowatt continues to go down with longer blades.

It is significant for our present purposes that this hard-headed industrial company, with its very real interest in developing a good new product soon, decided not to fool around with small-scale pilot stages but to go directly to a practical size machine in the large economic range. As Putnam relates it:[3]

"The question of a small test unit, 25 feet or so in diameter, was explored. It was felt that the secret of smooth regulation lay in high inertia, which might not be provided by a small-scale unit, the design, fabrication, and testing of which would in any case cost nearly as much as would the full-scale unit. To eliminate the risk of poor regulation and other scale effects, the full-scale test unit was decided upon, in the smallest size and on the shortest tower thought to be characteristic of the range of economical sizes. Accordingly, the S. Morgan Smith Company selected a rating of 1250 kilowatts, a diameter of 175 feet, a generator speed or 600 r.p.m. and a hub height of 125 feet."

That is the way private enterprise went to work decisively to get a job done promptly before the commercial energy picture was distorted by government promotion and heavy subsidy of just one source of energy—nuclear.

The slow pace for the redevelopment of wind energy proposed until recently by NSF and now by the successor government agency ERDA stands in sharp contrast with this. In spite of the fact that the practicability of a large wind machine had already been demonstrated the decision was made this time to start with a small model and gradually progress in the course of about five years through pilot stages to machines almost as large as the Grandpa's Knob machine. Stated so baldly, this can be made to seem to involve a deliberate attempt to delay the large-scale deployment of wind power until the commitment to all-out nuclear energy is firmly established, while a show is made of developing wind power. However, the motivation is doubtless not that simple, and is to be viewed mainly as an example of bureaucratic decision in a matter having no external promotion with sufficient clout. When NSF started funding windpower development about three years ago, it was planned to take longer for the comparatively simple matter of getting about to where we were thirty years ago, with wind power tested on full-scale and

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ready for commercial deployment, than it took after the discovery of fission to invent and develop and use the atomic bomb!

One reason for the different pace in wind power now than then is that it is easier in Congress to drift into a decision, starting with a small appropriation and increasing it each year, than to make a forthright decision to fund a development promptly. This was especially true in the funding of alternate solar-related energy sources because the small start was made before the energy crunch was dramatized by the Arabs. Once the schedule for slow growth was set, it seems hard to depart from it.

The slow growth of the funding is not the whole story. For fiscal 1975, with recognition of the energy crisis, the NSF budget for wind power was greatly increased to $7 million but in the process of shifting the funding office and the funds from NSF to ERDA, that is proponderantly interested in nuclear power, apparently only about one million of the seven was spent. Contracts were let, not to go ahead and to design and construct full-scale demonstration wind machines within about two years following the 1940 precedent, but rather to make a year-long parameter study to determine the most economical size, a study that was made early in 1940 with the result that it does not much matter within wide limits, as already mentioned. Contracting for the start of a large wind turbine near the other end of the range, say 2 or 2½ megawatts, in fiscal 1975 when the funds become available would have taken us more directly towards the early utilization of wind power.

One wonders why such a forthright decision could not have been made, and whether this means that it cannot in the near future. An administer within the funding agency at the operating level, knowledgeable about wind power, might like to see this source exploited soon but be restrained by reluctance higher up. It seems difficult to obtain from Congress pressure more specific than a general appropiration for wind power. The slow approach of the NSF–ERDA program is being hailed by the leaders of energy funding in Congress as the fine beginning of a great wind-energy effort that may provide as much as one percent of our electric power by 1990. Aside from inertia, there is no reason why it should not be ten percent by 1985.

It may be significant in this connection that there has been overt depreciation of wind power by strong proponents of nuclear power, sometimes to the point of ridicule. One of the signers of the pretentious manifesto "No Alternative to Nuclear Power,"[5] Professor Hans Bethe, in a front-page article in the New York Times for December 16, after some trivial and irrelevant numerical remarks put his great prestige behind the jest "Wind power is for the birds." An oft-repeated TV spot of Atlantic Richfield, showing an eighteenth-century windmill stopping, after discussing wind power almost favorably, ended with the punch line, "But what do you do when the wind stops?".

ENERGY STORAGE

The variability of the wind is, indeed, one of the features that must be addressed in designing a wind power system, either by providing adequate storage or by selecting end uses of the power that do not require continuity of supply. Some of the heavy industrial uses of electric power, such as production of metals and fertilizer, could with some additional investment be run on the intermittent power supply of an isolated wind power system.

If wind power is used in conjunction with hydroelectric generators having an adequate reservoir and limited by river flow, the reservoir provides an ideal storage system for the wind power without extra pumping of water, the flow being stored while the wind is blowing. This is more efficient than the pumped storage now used in connection with some nuclear plants for peaking power. Such storage is of course available only to the extent that hydroelectric power is.

Wind power can thus make a very substantial contribution to our needed commercial electric power without special storage facilities and the urgent development of wind power systems to alleviate the present energy crisis should not await development of storage options. However, if wind power is to supply the major part of electric power needs in the future, it will be necessary to combine it with adequate storage facilities. Of these the electrolytic generation of hydrogen for use in a hydrogen economy appears to be the most hopeful, going beyond electric power needs to supply mobile fuels as well.

Simultaneously with the production of giant wind turbines, the further development of fuel cells should be actively pursued to make possible economic reconversion of the hydrogen to electric power. Magnetohydrodynamics and hydrogen-fired steam plants are less attractive possibilities. If wind power is to be used as just one of several inputs to a large electric grid its variability can be treated, as is the undependability of other components that must be down part of the time for repairs, by redundency of generating capacity. Recent experience with nuclear power has demonstrated a capacity factor[6] of about 55%, and it is hoped but doubtful that this can be substantially improved. Even at the sites with favorable winds that be selected, it is expected that the capacity factor for wind power will be only around 35%, including occasional repairs that interfere little because they are of relatively small units. As long as wind turbines are part of a system fed largely by oil and coal burning plants as is the case now with nuclear reactors, they can be used while they operate to permit reducing the power drain from those plants and saving fuel.

THE NSF-ERDA PROGRAM

While we criticize the national wind power program for not undertaking immediately the construction of full-scale demonstration wind turbines, or at least one of them, in the forthright manner displayed by private enterprise 35 years ago, it must be acknowledged that something potentially useful is being done, involving an expenditure of about half a million dollars in fiscal year 1974 and twice that in FY 1975. The National Science Foundation, in addition to supporting some smaller efforts and paper studies has devoted most of its support to the wind power development program of the NASA-Lewis Research Center for space research near Cleveland, a government laboratory with facilities conveniently available for a program stretched out over some years. The main activity of this program so for has been to design and build a 100 kilowatt experimental wind machine, of a size and design not very different from several that have gone before elsewhere. With this it is intended to gather data on the basis of which to build a sequence of larger machines, perhaps culminating in about 1980 in a "wind farm" with a total output of some 10 megawatts.

Some idea of the scope of the program may be learned from the ERDA budget proposal for FY 1976, which reads in part:[7]

"The specific five-year objectives of the Wind Energy Conversion subprogram are: (1) operate and evaluate MWe scale multi-unit wind energy systems; (2) operate and evaluate MWe scale second generation advanced systems in a user environment; (3) complete the design of a 100 MWe system; (4) complete the assessment of a future off-shore hydrogen producing system; (5) operate and evaluate a series of systems in a farm environment; and (6) utilize operational data obtained on 100 KWe scale systems for application to future MWe scale systems.

"Program objectives include design and development of subsystems for future systems; test and evaluation of several innovative and experimental types of wind energy concepts; and development of extensive operational data in user environments (on 100 KWe scale system) for use in second generation design studies."

Some of the alternative concepts being explored may have advantages such as high starting torque, but also disadvantages such as greater vulnerability to storms. One of the interesting alternatives has many blades under tension like the spokes of a bicycle wheel, driving a general with a belt around the rim, and may be advantageous in small sizes for domestic use. It seems unlikely at present that any of these concepts will displace the high-speed rotor with two or three blades that has already been demonstrated on close to full-scale at Grandpa's Knob. The technical advantage of the high-speed design is that, with a tip speed about six times wind velocity, it effectively covers a large projected area, extracting as much kinetic energy from the wind as possible, without covering that large area with metal and exposing it to a storm. Thus there is no need to await other developments before going ahead with construction of full-scale high-speed demonstration turbines rapidly as a prelude to large-scale utilization of wind power.

The ERDA program does not propose constructing these, as outlined in items (1) and (2), but not as rapidly as possibly as though there were no hurry. Tentative expectations are that the construction of an approximately 1–MW machine might be completed in late 1977 to be followed by four approximately 2–MW machines in about 1980. The phrase "in a user environment" implies that these may be four rather similar machines operated by four utility companies, as will be the case, it appears, with several 100-kilowatt-scale machines following completion of the test model now being built. A more forthright program would contract now for the prompt design and construction of the four 2–MW scale units with emphasis on a variety of options rather than on the user environment. Valuable diversification of experience would be provided by building two units on land, one rather low and one very tall, and two floating offshore units, one with a single rotor and one with two or three. The present program contemplates no offshore experience at all, neglecting for several years what may turn out to be the most favorable environment and the one that is in most need of vigorous exploration because there has been no past experience with it.

FULL-SCALE DEMONSTRATION UNITS NEEDED NOW

However, in the present power crunch and with further decisions on further decisions on nuclear power pending, there is a rush. Actual experience with the construction of large-scale units should be accumulated at the same time that techniques are being perfected on a small scale that may improve later generations of large machines.

The Smith-Putnam accomplishment does provide operating experience with a large machine, but being in the musty past it does not convey the force of conviction or the detailed information that actual construction and operation of such a machine in present circumstances would have. There would be nothing so effective as seeing a variety of giant wind machines operate and studying their costs to convince a utility

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company to buy wind power or Congress to subsidize a large program, even if the machine were not the best possible and there should thus remain room for improvement in the next model.

The decision whether and how to exploit wind power in a big way and a reliable estimate of its future economics cannot reasonably be made until after its feasibility has been demonstrated by the construction and operation of at least one full-scale wind-electric generators machine of a size suitable for deployment in large numbers. The immediate need, then, is an extra appropriation of something of the order of twenty million dollars over the next two or three years, with perhaps five to eight million available in the first year, and the decision to start now building a few full-scale prototype wind machines that will supply the information soon on which to base a decision to go into quantity production.

The success of the S. Morgan Smith Company in completing its large wind turbine in the short span of two years was possible partly because the company benefited by the early cooperation of an able early enthusiast for wind power, Palmer C. Putnam. If the funding agency in ERDA accepts proposals from companies or large laboratories that are new to wind power and mainly seeking lucrative contracts, it seems unlikely that such prompt success can be expected. To get prompt results now, it seems desirable for each project again to achieve effective cooperation between one of the present-day wind power enthusiasts and an organization with adequate engineering staff and construction and sub-contracting capabilities. A good approach would be for the funding agency to seek and favor, for design and construction of large demonstration units, proposals involving this sort of cooperation.

There are quite a few technical men, mostly engineers at universities, devoted to the development of wind power from whose ranks appropriate initiative and consultant talent could be found. They include Allison and Hughes and Bergery in Oklahoma, Wendenick in Alaska, Nelson and McClure in Texas and Heronemus in Massachusetts. The funds required to provide such an opportunity for some of these men, and others who catch their enthusiasm, to contribute to the rapid development of wind power would be small indeed compared with other energy expenditures, a few tens of millions of dollars at most.

When the funding agency in recent years has received a proposal from one of these enthusiasts for the construction of a full-scale unit, the proposal may have been turned down partly out of reluctance to make a large committment to one proposal when there are so many but perhaps partly also because of questioning the credibility of the proposer as an advocate of large-scale wind power. This aspect of credibility should no longer be questioned, for the credibility of large-scale wind power has been established by the Smith-Putnam experience and their subsequent studies based on that experience, as reported in Putnam's book.[1] In particular, their cost estimates based on their experience and translated into 1975 dollars are apt to be as reliable as any until similar experience will have been obtained with the construction of full-scale units. Those estimates seem to establish that electric power produced by large wind turbines is economically very attractive and distinctly competitive as a supplement to other sources in this era of high fuel costs and nuclear cost overruns.

WIND POWER AS A STIMULANT TO INDUSTRY

Once the decision is made through a combination of government and private efforts to go ahead with a large wind power program, a rather substantial industry would evolve to build large wind machines and associated equipment. A very rough idea of the size of the industry may be obtained by considering the amount of material involved, mainly metal and epoxy materials. The preproduction wind turbine designed by Smith-Putnam after their Grandpa's Knob experience but never built was to weigh 350 tons. It was rated at 1.5 megawatts which with allowance for wind variability is equivalent to about ½ MW steady power. This means 700 tons per megawatt. By way of comparison, the automotive industry puts out about 10^7 cars per year at a bit over 2 tons per car, using about 2×10^7 tons of material per year. A wind power system made of this much material would then produce 30,000 MW. The U.S. electric power consumption at about 2 KW per capita, is about 400,000 MW. If the size of a heavy industry is roughly proportional to the material it uses, these figures mean that wind-power industry one-tenth as large as the automotive industry would in ten years build a wind power system supplying about 8% of the present electric consumption in the U.S. (The wind power industry would probably be somewhat more productive than in this rough estimate because a wind turbine with its support structure is on the average a less refined piece of machinery than an automobile.)

The degree to which wind power thus deployed may be considered an option competing with the nuclear option and perhaps even largely replacing its further expansion depends mainly on how rapidly such an industry could be built up. Neither option is capable of meeting the special needs of the next decade brought about by the oil situation. Some combination of conservation and increased (and hopefully improved) use of coal will apparently be required for that.

With conservation in prospect and the accompanying unemployment of men and facilities having various industrial skills and capabilities, it should be possible to build up a wind machine industry rapidly, and beneficially to society, by not too drastic conversion of skills and facilities. Workers left unemployed by a slack automotive industry and the trend to smaller cars don't want to collect garbage but would be happy to have jobs much like their former ones making the gears and generators and spars and blades and shafting of big wind machines rather than big cars. This possibility of reconversion fits in well with the needs of the times.

In recent years the building of superhighways, for example, has been seen in political circles as an opportunity to stimulate industry and provide employment. Now the need to build up a new source of power to replace dwindling oil and gas supplies should similarly be viewed as a source of employment and industrial activity. It would seem socially irresponsible to waste the opportunity by meeting the need with compact, high-technology nuclear plants when low-technology and labor-intensive wind-electric systems could meet the need, perhaps more economically, and provide considerably more employment in large-scale construction. Some people resist the idea of wind power because it would be so much more work to construct those huge structures but from the point of view of relieving unemployment this is one of its advantages.

CHOICE OF SITES FOR WIND POWER

When it comes to the planning for a system of many large wind machines a site should be chosen where the winds are as strong and steady as possible. The power available to a wind machine of a given size is proportional to the third power of the wind speed, so it pays to go to a site where winds are strong. It appears that there will usually be a system economy in very large units in strong winds, despite the probability that such "large economy size" machines will have cut-in speeds, the lowest wind speed for satisfactory operation, perhaps as high as 15 miles per hour against 8 for smaller machines. It is therefore important to gain experience as soon as possible with a full-size multi-megawatt machine at a windy site suitable for later installation of thousands of similar large machines. Experience with smaller machines at less favorable sites can be no substitute.

Three types of geographic locations are suitable for installation of large-scale wind power systems; mountain tops, level country, and at sea. Mountain tops can be chosen for exploiting favorable wind conditions without the use of very high towers, as indeed was done in the Vermont experiment. The most easily accessible mountain tops are seen by enough people that there may be the objection of "visual pollution". The western great plains have favorable winds particularly at rather high altitudes and could be the site of many large wind generators widely spaced in sparsely populated regions where they need not interfere appreciably with present land use, either grazing or agriculture.

Mooring of large wind machines at sea has some distinct advantages: the location may be chosen for favorable winds; they are seen essentially only by the few remaining commercial fishermen with whose work they would not interfere, riding on the mooring makes the wind turbines face into the wind and a floating structure that can lean with a high wind is more easily designed to survive a storm.

The Smith-Putnam studies of wind distributions above mountain tops led them to the conclusion that it does not pay to use very high towers there, about 150 feet being optimum. On flat land or at sea this is a controversial question. W. T. Heronemus calculates that it would pay to go to heights of several hundred feet above the great plains and with multi-turbine units off shore to take advantage of the stronger winds aloft and the velocity-cubed law. A recent report submitted to ERDA is said to find low towers and single-turbine units most economical on land. Rapid development of wind power is so urgent that it would seem best very soon to contract for the design and deployment of four full-scale demonstration machines, a low and a high one on the western plains and a low single turbine unit and a higher three turbine unit off shore.

ONE PROPOSED SYSTEM: OFFSHORE WIND POWER

Because the very promising sea environment is quite different from the land environment where there is already the Smith-Putnam experience, it is particularly important that new authorization and funding should be provided for the construction of at least one full-size unit and its deployment in a favorable location at sea as soon as possible, without awaiting refinements from further R&D.

For supplying electricity and its products to the Northeast, the most favorable winds are over Georges Banks, off the New England coast. The ultimate system contemplated in that area will consist of something like ten thousand floating six-megawatt wind machines and associated submerged units for generating hydrogen, storing it under the pressure of the deep ocean just over the continental shelf, and delivery of both hydrogen and electricity ashore. The adjacent continental shelf area to the south of Long Island and all along the middle Atlantic coast as far south as Hatteras could support equally productive similarly large installations. What is needed immediately for the sake of experience is the construction of at least one multi-megawatt wind machine to be deployed ten miles off Cape Code and a cable to shore.

If a concept proposed by Heronemus is adopted,[8] this would be a six-megawatt floating unit consisting of three two-megawatt

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wind turbogenerators wtih epoxy blades supported about 300 feet above the surface of an aluminum frame above reinforced concrete hull and ballast spheres, as shown in the figures.

To give some idea of costs, Heronemus in 1972 made a carefully studied estimate for a specific offshore wind power system consisting of 13,600 floating wind machines of six megawatts each clustered about 82 submerged hydrogen-generating stations connected by pipelines to a pressurizing station feeding into a deep-water storage facility and all connected by pipeline to fuel-cell stations ashore.[8] The total installed generating capacity would be 82,000 megawatts and the estimated total cost $22 billion in 1972 dollars or $26 billion in 1975 dollars.

If we take the capacity factor, the average delivered power as compared with rated capacity, as 35% for wind and rather generously 60% (rather than[6] 50 or 55%) for nuclear, the installed generating capacity of wind power must be 60/35 or 1.7 times as great as the equivalent nuclear capacity. 82,000 megawatts of wind power in the offshore system are thus roughly equivalent to about 48,000 megawatts of nuclear generating capacity or 44 of the large 1100 megawatt nuclear power station. The $26 billion estimate for the complete wind power system thus amounts to about six hundred million 1975 dollars for the wind equivalent of a large nuclear plant or about $550 per nuclear installed kilowatt. Present quotations for nuclear plants are running considerably higher than that figure, and if due allowance were made for government-supplied facilities they would perhaps be close to twice that high. This margin by nearly a factor two makes wind power including storage facilities thus deployed seem competitive with nuclear even if the Heronemus estimate, though carefully made, might be very optimistic as it is considered to be by the ERDA funding agency.

CONCLUSION—ALTERNATIVE OR SUPPLEMENT?

There is no question but that wind power can contribute substantially to national power needs in this century. It now appears that we are waking up to our need for alternative energy sources enough that wind power will contribute substantially within 15 years even at the slow pace of the present program, thus at least relieving the need for as many nuclear power plants as are being planned and diversifying our energy sources. Unless it is accelerated and combined with conservation, as it should be, this does not make it an "alternative to an increased use of nuclear power"[5] but merely an alternative to so large an increase.

The prospects of wind power should be compared with the program now being promoted in Washington to build 200 nuclear reactors, probably largely at government expense, in nuclear parks by 1990. There is no apparent limit to the harnessing of wind power that would preclude its generating as much power as they would by that time and supplementing other sources of power as reliably as can be expected of nuclear power. It will involve a huge construction effort but not one beyond the capacity of industry, equivalent to perhaps half of the automotive industry, with a substantial increase in the lagging shipbuilding industry. Equipping those nuclear parks will also take a large industrial effort, including that for associated facilities that industry has been reluctant to provide.

The greatest difference in the prospects of actually using nuclear or wind power is that one is promoted and the other is not. As a prelude to industrial acceptance and promotion government initiative is needed for wind power, even as was the case with nuclear, with financial backing much less than that devoted to the civilian nuclear effort. With such initiative wind power would be capable of supplanting nuclear completely. This would involve not only the system described for the Grand Banks and capable of supplying all the electric energy needs of New England in 1990, but half a dozen projects of similar magnitude, offshore along the east coast and on land over the great plains and perhaps elsewhere. In the light of this possibility, it must be concluded that wind power is a real alternative to nuclear power. But no matter whether it is viewed as a start toward reducing the need for additional nuclear power or eliminating it completely, the first full-scale demonstration wind-power units should be built immediately.

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[6] David D. Comey, Bulletin of the Atomic Scientists, November, 1974, p. 253.

[7] ERDA, Budget Estimates, Fiscal Year 1976 and Transition Period, Book I.

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Mr. ABOUREZK. Mr. President, Professor Inglis began work in nuclear physics in 1935. From 1949 to 1969 he was employed by the AEC at its Los Alamos and Argonne laboratories.

In this paper, Professor Inglis presents a clear and convincing case for speeding development of wind power generating electricity. His statement is a concise review of the past experience with wind generators. That experience, he contends, is being ignored at least in part in the present research programs: "There is no question but that wind power can contribute substantially to national power needs in this century."

Professor Inglis contends that wind power with financial backing "much less than that devoted to the civilian nuclear effort, would be capable of supplanting nuclear completely. But no matter whether it is viewed as a start toward reducing the need for additional nuclear power or eliminating it completely, the first full-scale demonstration wind-power units should be built immediately."

I concur. Professor Inglis, a distinguished scientist, has made a valuable contribution to the national effort to develop alternative energy resources with this timely discussion of using the wind to generate electric power.

CAPTIVE NATIONS WEEK

Mr. PERCY. Mr. President, the 17th observance of Captive Nations Week gives the American people an opportunity to reaffirm our emphatic support for the universal human aspiration for personal freedom and national self-determination.

Throughout the world, basic human rights—the right to freedom of expression, the right of free emigration, the right to due legal process, the right to freedom from foreign hegemony, and the right to an equal opportunity for individual self-fulfillment—are being denied. It is America's responsibility to speak out in defense of these rights and never to excuse their violation. Most important, we must be vigilant in the defense of human rights in our own country, for, in the long run, our most effective contribution to the cause of human rights is by the force of our own example.

Our foreign policy's emphasis on the relaxation of international tensions is usually justified in terms of our interest in world peace; it should also be viewed as an opportunity to further the cause of human rights abroad. I believe we should take maximum advantage of the opportunities which international contacts provide for promoting the free movement of peoples and ideas.

At the same time, we must continue to send the message of freedom directly to those who have no access to uncensored news. By supporting the work of Radio Free Europe and Radio Liberty, we can let those people know that our concern for their rights has not waned.

Finally, let us remember that America's reputation as a spokesman for human rights and an advocate of individual freedom remains one of our strongest assets in the world arena. Even at a time when so many millions of people are denied liberty, I retain my faith in the ultimate victory of freedom and justice.

FDA AGREES TO STUDY HERMETIC SEALING OF CARDIAC PACEMAKERS

Mr. RIBICOFF. Mr. President, I have received a letter from Alexander M. Schmidt, Commissioner of Food and Drugs, informing me that he has accepted my proposal to have the Food and Drug Administration—FDA—explore the need for developing standards for the hermetic sealing of cardiac pacemakers.

I have strongly urged the development of hermetic seal standards for the pacemaker industry following a report of the Comptroller General in March which was critical of the FDA's handling of the recall of 23,000 pacemakers for moisture-related defects.

In this report, which I released in March, the General Accounting Office investigators noted that the FDA had not developed standards to deal with the problem of moisture penetrating the surgically implanted pacemakers and causing short circuiting. The Government Operations Committee subsequently learned that the U.S. Navy had developed a standard for hermetically sealing high-reliability electronic components. On April 23, I obtained an opinion from the National Bureau of Standards—NBS—that the FDA should adopt such a standard for pacemakers in conjunction with other high-quality standards.

Dr. Schmidt, in his letter to me, stated that the FDA would deal with the hermetic seal question at a special workshop being planned with the NBS to review pacemaker problems with representatives of the pacemaker industry. I am today sending a letter to Dr. Schmidt asking for a report from him following the workshop as to what course of action the FDA intends to follow with respect to the hermetic seal question.

I ask unanimous consent that Dr. Schmidt's letter to me and my letter of response to him be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON
GOVERNMENT OPERATIONS,
Washington, D.C., July 10, 1975.

ALEXANDER M. SCHMIDT, M.D.
Commissioner of Food and Drugs, Food and Drug Administration, Rockville, Md.

DEAR DR. SCHMIDT: Thank you for your letter of June 19, informing me that the FDA will deal with the question of hermetically sealing cardiac pacemakers at a special workshop being planned with the National Bureau of Standards to review pacemaker problems with representatives of the pacemaker industry.

I agree that this workshop will be useful in fully exploring the desirability of requiring that all pacemakers be manufactured using the hermetic-seal approach. I am sure that the workshop will fully consider the National Bureau of Standards recommendation, communicated to me in a letter of April 23, that FDA establish a standard for hermetic sealing of pacemaker circuitry in conjunction with other high-quality standards. I very much appreciate the invitation you have extended to me or a staff representative to attend the workshop.

I also would appreciate a report from you following the workshop as to what course of action the FDA intends to follow with respect to the hermetic-seal question.

I hope very much that this question can be resolved so as to give full assurance to the thousands of Americans whose lives depend on pacemakers that these devices are designed to function with maximum reliability.

Thank you very much for your cooperation.
Sincerely,

ABE RIBICOFF.

FOOD AND DRUG ADMINISTRATION,
Rockville, Md., June 19, 1975.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Secretary Weinberger contacted you on May 27 in response to your letter of April 29 concerning the National Bureau of Standards (NBS) review of certain pacemaker problems. As you are aware, for several weeks we have been working with the National Bureau of Standards to develop a workshop dealing with cardiac pacemakers. The NBS has been contacting pacemaker manufacturers to determine the scope of the workshop in order to make it relevant to current pacemaker characteristics and experience.

Because of your interest in pacemakers and, in particular, your concern about hermetic sealing, we do intend to include in the NBS/FDA workshop a discussion of the concept of hermetic sealing of pacemakers and the desirability and practicability of developing design and/or construction standards which would deal with hermetically sealing pacemakers. Since we expect that most, if not all, pacemaker manufacturers will be in attendance at the NBS/FDA workshop, we think that a frank and open discussion of hermetic sealing can be accomplished and a determination made as to the desirability of a requirement that all pacemakers be manufactured using the hermetic sealing approach.

Because you have raised the question of hermetically sealing pacemakers, I would like to invite you or any members of your staff to attend the NBS/FDA workshop and participate in the discussions. As soon as a date has been set for the workshop I will inform you.

Sincerely yours,
ALEXANDER M. SCHMIDT, M.D.,
Commissioner of Food and Drugs.

Mr. RIBICOFF. Mr. President, I am gratified that the FDA has agreed to deal directly with the pacemaker-moisture problem and the need for hermetic sealing to prevent it. The special workshop presents an important opportunity to agree on steps to combat the moisture problem, which has necessitated the recall of 23,000 of the 125,000 pacemakers in use today. I will monitor the workshop deliberations closely and will report on the results, following receipt of Dr. Schmidt's report to me on the question of hermetic sealing.

WHATEVER THE SETTLEMENT, IT IS A COMEDOWN FOR ISRAEL

Mr. ABOUREZK. Mr. President, we are all aware of the gravity of the current Middle East situation and of the sensitivity of the on-going negotiations. It is of utmost importance—to our national interest and to the interest of world peace—that a settlement be reached.

Terence Smith, in an article in the New York Times of Sunday, July 13, 1975, presents an excellent discussion of Israel's past and present negotiating strategy—buying time. Included in this discussion is the history of how this policy went wrong and how it just might be wrong also for the present and the future.

During this period of negotiations, it would benefit all of us to carefully read Mr. Smith's article. Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHATEVER THE SETTLEMENT, IT'S A COMEDOWN FOR ISRAEL

(By Terence Smith)

BONN.—Complete with moat and drawbridge, set in a deep wood northwest of Bonn, the 800-year-old Gymnich Castle is the West German Government's most elegantly appointed guest house. Last week's tenant was Prime Minister Yitzhak Rabin of Israel, and he used the baroque setting for a meeting with Secretary of State Kissinger on the same thorny, frustrating issue that has absorbed them for months: How much of the Arab land Israel seized in 1967 is she prepared to return in order to gain another interim agreement with Egypt? That question is part of the larger one that has confounded American and Israeli leaders for eight years: How can Israel convert the military victory she scored in 1967 into a comparable political gain and—hopefully—peace?

Israel's bleak diplomatic situation today is a dramatic come-down from the euphoric days, just eight years ago, when everything seemed possible in the wake of the most one-sided military victory in modern warfare. There was a general assumption in Israel in those days that after the trouncing the Arabs received in the Six-Day War, they would have no choice but to negotiate a peace agreement with Israel.

Instead, there has been another war, an oil embargo, the growth of Arab economic power, Israel's deepening diplomatic isolation, and now tension between the United States and Israel. Since the generally accepted prognosis for the immediate future is the same, it is worth recalling what went wrong.

From 1967 to 1973, Israel pursued a simple but fundamentally flawed policy. Her strategy, articulated over and again by former Premier Golda Meir, was to hold on to every inch of occupied territory until the Arab states were ready to negotiate—on Israel's terms. Israel's aim was to demonstate to the Arabs that they had no feasible military option, therefore, no real choice but to conclude a peace agreement. This was the rationale behind the deep-penetration Israeli air raids into Egypt in 1970–71, the attacks against the guerrilla organizations in Jordan before that and the periodic forays against the Syrian Air Force. The aim was to stand fast until the Arabs came around.

CLOSING THE ESCAPE HATCH

Parallel to this strategy, Israel had to beat back various diplomatic initiatives that she felt would give the Arabs an escape hatch. These included the still-born efforts of Gunnar V. Jarring, the Swedish diplomat who served thanklessly as a special United Nations mediator from 1967–1973, and the 1971 initiative of former Secretary of State Rogers.

Israel resisted these initiatives and the Arabs made it easy for them by displaying their own brand of intransigence. Had the Arabs challenged Israel to an open and unconditional direct negotiation in that period, the Israelis would have faced a rending political crisis at home.

The United States was content to let the deadlock continue until the 1973 war. The Middle East was a problem, but not a priority.

The October, 1973, war demonstrated the flaw in the Israeli strategy: that the Arabs would fight rather than negotiate. The subsequent oil embargo made the Middle East suddenly everyone's problem.

New United States interests in the area emerged as well. Washington saw a chance to improve its standing in the Arab world, to open a new channel of communication with Egypt, and to reduce Soviet influence.

So today, eight years and one month after her greatest victory, Israel is on the diplomatic defensive. She is being pushed by the Arabs, the United States and Europe to give up her territorial bargaining cards sooner rather than later.

M. Rabin's strategy today differs from his predecessor's only in nuance. His hope is that a new interim agreement with Egypt will buy several years of relative relaxation in the area and avoid a break with the United States. In a few years, he reasons, new energy sources may be developed and Arab economic and political power may decline. Then Israel will be in a better bargaining position.

But what is the territorial bottom line? How far can an Israeli Government withdraw, short of peace, and still survive? Not much further, says Mr. Rabin, unless there is a serious political quid pro quo for the relinquished real estate.

And what about Syria? Will a new interim agreement between Israel and Egypt reduce the tension on the Golan Heights? If it does not, will the Syrians launch a new "war of attrition" or perhaps a frontal attack in concert with Jordan and Iraq?

Unanswered as they are, these questions raise serious doubts about the wisdom of trying to buy time. From Israel's point of view, the history of the past eight years is not an encouraging omen.

THE FARM ECONOMY

Mr. TALMADGE. Mr. President, Friday, July 11, the Committee on Agriculture and Forestry met with Secretary of Agriculture, Earl Butz, in the first of the quarterly oversight hearings in regard to the condition and outlook of our farm economy that I announced in May.

In preparation for this oversight hearing we had the committee staff prepare extensive background materials on our farm economy. These materials relate to farm production, commodity utilization, farm income, agricultural prices, and agricultural exports.

Mr. President, I ask unanimous consent that these materials be printed in the RECORD for the use of Members and those persons who have an interest in agriculture.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

5-YEAR PROFILE OF SELECTED CROPS AND 1975 PROJECTIONS

	Planted acreage (mil/A)	Yield (harvested) (bu/A)	Million bushels: Production	Million bushels: Carryover	Million bushels: Use: Domestic	Million bushels: Use: Export	Million bushels: Use: Total	Export as percent of total use	Average price
Corn:									
1970	66.8	72.4	4,152	1,005	3,977	517	4,494	11.5	$1.33
1971	74.1	88.1	5,641	667	4,387	796	5,183	15.4	$1.08
1972	67.0	97.1	5,573	1,126	4,733	1,258	5,991	21.0	$1.57
1973	71.9	91.2	5,647	709	4,631	1,245	5,874	21.2	$2,37
1974	77.7	71.3	4,651	483	3,700	1,075	4,775	22.5	$2.95
1975[1]	77.5	90.3	6,046	360					
Wheat:									
1970	48.7	31.0	1,352	885	769	738	1,506	49.0	$1.33
1971	53.8	33.9	1,618	731	855	632	1,487	42.5	$1.34
1972	54.9	32.7	1,545	863	785	1,186	1,971	61.9	$1.76
1973	59.0	31.7	1,705	438	752	1,148	1,900	60.4	$3.95
1974	71.2	27.4	1,793	247	707	1,050	1,757	59.8	$4.04
1975[1]	74.4	31.7	2,187	285					
Soybeans:									
1970	43.1	26.7	1,127	230	760	434	1,258	34.5	$2.85
1971	43.5	27.5	1,176	99	721	417	1,203	34.7	$3.03
1972	46.9	27.8	1,271	72	722	480	1,283	37.4	$4.37
1973	56.7	27.7	1,547	60	821	539	1,436	37.5	$5.65
1974	53.6	23.5	1,233	171	700	400	1,179	33.9	$6.69
1975[1]	54.6			225					
Cotton:									
1970	11.9	438	10.2	5.8	8.1	3.9	12.0	32.5	22.0¢
1971	12.4	438	10.5	4.3	8.2	3.4	11.6	29.3	28.1¢
1972	14.0	507	13.7	3.3	7.8	5.3	13.1	40.5	27.2¢
1973	12.5	520	13.0	4.0	7.5	6.1	13.6	44.9	44.4¢
1974	13.7	443	11.7	3.9	5.8	3.9	9.7	40.2	42.8¢
1975[1]	10.2			5.7					

[1] Estimated.

TRENDS IN SELECTED CROPS (ANNUAL AVERAGES FOR PERIODS)

	Acres planted (mil/A)	Yield (bu/A)	Yield variance (bu)	Total production (mil/bu)	(Mil bu): Total use	(Mil bu): Carryover	Percent: Carryover as percent total use	Percent: Exports as share of total use	Price
Corn:									
1950–54	82.4	39.4	1.5	2,793	2,756	752	27	4	$1.52
1955–59	77.6	48.7	2.5	3,235	3,086	1,322	43	6	1.18
1960–64	69.4	62.5	3.2	3,723	3,852	1,672	43	12	1.10
1965–69	66.4	78.5	4.0	4,454	4,483	1,020	23	13	1.13
1970–74	71.5	84.0	9.7	5,133	5,263	798	15	19	1.86
Wheat:									
1950–54	74.0	17.3	.8	1,094	987	524	53	33	2.07
1955–59	56.3	22.2	2.1	1,095	1,049	1,031	98	43	1.88
1960–64	53.8	25.2	.6	1,222	1,325	1,228	93	54	1.77
1965–69	58.8	27.5	1.6	1,426	1,414	626	44	50	1.37
1970–74	57.5	31.3	1.7	1,603	1,713	633	37	56	2.48
Soybeans:									
1950–54	16.2	20.3	.9	304	297	8.2	3	12	2.62
1955–59	22.2	22.6	1.3	483	478	41.2	9	20	2.08
1960–64	28.4	24.0	.7	661	665	54.1	8	26	2.38
1965–69	39.6	25.7	1.1	998	958	129.7	14	31	2.51
1970–74	48.7	26.6	1.3	1,271	1,272	126.1	10	36	4.52
Cotton:									
1950–54	24.7	[1]296.6	[1]28.7	[2]14.6	[2]13.3	[2]5.4	41	30	35.7¢
1955–59	15.5	[1]428.2	[1]28.2	[2]13.0	[2]13.8	[2]10.9	79	37	31.7¢
1960–64	15.7	[1]475.0	[1]40.0	[2]14.7	[2]13.6	[2]9.2	68	36	31.7¢
1965–69	11.3	[1]480.8	[1]32.9	[2]10.6	[2]12.3	[2]11.3	92	28	24.6¢
1970–74	12.9	[1]469.2	[1]35.4	[2]11.8	[2]12.0	[2]4.3	36	37	32.9¢

[1] Pounds.

[2] Bales.

SHARE OF FEED CONSUMPTION BY LIVESTOCK TYPE FOR THE PERIOD 1969–71

	Corn	Other grain[1]	All grain	High protein
Total use (million tons)	325.6	135.4	461.0	62.8
Dairy (percent)	12.3	13.7	12.7	13.7
Beef (percent)	23.2	50.1	31.1	15.6
On feed (percent)	(17.9)	(44)	(25.6)	(7.3)
Other (percent)	(5.3)	(6.1)	(5.6)	(8.3)
Poultry (percent)	18.0	18.0	18.0	40.4
Hogs (percent)	36.2	11.7	29.0	19.9

[1] Includes barley, oats, sorghum, wheat, and rye.

U.S. AVERAGE PRICES, MONTHLY AND MARKETING YEAR, FOR SELECTED AGRICULTURAL COMMODITIES

Commodity and year	January	February	March	April	May	June	July	August	September	October	November	December	Season average	Percent change from peak to latest
Corn (dollars per bushel):														
1975	3.07	2.86	2.67	2.68	2.66	2.68								−22.3
1974	2.59	2.76	2.68	2.41	2.45	2.57	2.91	3.37	3.30	3.45	3.32	3.27	2.95	
1973	1.39	1.35	1.37	1.42	1.61	1.99	2.03	2.68	2.15	2.17	2.18	2.39	2.55	
Wheat (dollars per bushel):														
1975	4.11	3.95	3.65	3.69	3.47	2.92								−47.1
1974	5.29	5.52	4.96	3.98	3.52	3.57	4.04	4.24	4.32	4.85	4.87	4.65	4.04	
1973	2.38	1.97	2.06	2.15	2.15	2.43	2.47	4.45	4.62	4.22	4.20	4.78	3.95	
Upland cotton (cents per pound):														
1975	39.9	32.0	33.9	32.2	36.3	36.9								−32.8
1974	50.6	52.0	53.4	54.9	49.2	51.5	49.4	53.6	54.9	51.4	50.4	43.8	42.8	
1973	22.39	22.78	26.38	27.06	30.25	29.52	30.38	37.46	38.2	28.0	39.5	47.6	44.4	

U.S. AVERAGE PRICES, MONTHLY AND MARKETING YEAR, FOR SELECTED AGRICULTURAL COMMODITIES—Continued

Commodity and year	January	February	March	April	May	June	July	August	September	October	November	December	Season average	Percent change from peak to latest
Soybeans (dollars per bushel):														
1975	6.30	5.72	5.31	5.61	5.00	4.90								−51.0
1974	5.87	6.07	5.96	5.15	5.21	5.13	6.11	7.55	7.32	8.17	7.44	7.03	6.69	
1973	4.11	5.49	6.04	6.14	8.27	10.00	6.69	8.99	5.81	5.63	5.14	5.65	5.68	
Beef, S & H (dollars per hundredweight):														
1975	31.00	29.60	30.50	34.90	40.10	42.60								−22.7
1974	47.40	46.50	42.80	41.10	39.20	34.30	38.30	40.50	35.40	33.40	31.70	31.00	38.30	
1973	40.80	43.40	46.30	44.90	45.70	46.10	47.30	55.10	49.10	44.70	42.00	39.90	45.30	
Calves (dollars per hundredweight):														
1975	23.90	24.30	24.70	26.80	29.50	29.70								−56.5
1974	54.10	53.30	49.60	47.40	42.70	37.40	36.00	34.30	30.10	27.70	25.70	25.00	35.20	
1973	49.40	53.00	58.50	56.60	58.90	58.50	59.20	68.20	61.20	57.70	52.80	50.10	56.60	
Hogs (dollars per hundredweight):														
1975	38.20	38.40	38.30	39.30	45.10	47.30								−16.0
1974	38.20	40.10	39.30	35.00	30.60	26.30	24.20	34.30	36.00	33.70	37.10	36.80	34.20	
1973	29.60	31.00	34.30	38.20	35.10	35.30	37.30	41.30	56.30	43.80	40.90	40.50	38.40	
Broilers (cents per pound):														
1975	24.2	24.6	23.7	23.4	24.6	27.4								−24.9
1974	21.5	23.4	22.2	21.0	20.5	19.0	20.5	20.9	22.8	22.8	24.2	21.9	21.5	
1973	17.2	19.8	23.2	25.2	23.8	24.3	27.6	36.5	29.7	23.7	19.4	20.0	24.0	
Eggs (cents per dozen):														
1975	57.1	54.3	54.1	47.4	47.6	45.7								−33.5
1974	66.6	63.9	56.7	50.1	42.2	39.8	43.8	47.8	54.8	54.9	55.4	59.0	53.3	
1973	50.0	42.8	46.9	46.9	45.5	50.4	51.9	68.7	63.9	59.3	59.3	64.0	52.5	
Milk, all (dollars per hundredweight):														
1975	8.33	8.28	8.13	8.09	7.98	7.94								−11.4
1974	8.84	8.92	8.96	8.87	8.27	7.67	7.60	7.69	8.03	8.28	8.44	8.22	8.31	
1973	6.56	6.60	6.54	6.43	6.40	6.40	6.57	7.19	7.87	8.32	8.66	8.80	7.14	
Milk (eligible for fluid market) (dollars per hundredweight):														
1975	8.69	8.64	8.46	8.39	8.26	8.22								−10.7
1974	9.09	9.13	9.20	9.19	8.69	8.08	8.00	8.04	8.36	8.60	8.79	8.60	8.65	
1973	6.84	6.90	6.83	6.68	6.67	6.68	6.85	7.45	8.13	8.55	8.89	9.02	7.42	
Milk, manufacturing (dollars per hundredweight):														
1975	7.00	7.04	7.01	7.04	7.05	7.04								−13.8
1974	8.13	8.17	8.15	7.81	6.93	6.43	6.33	6.47	6.80	7.04	7.01	6.73	7.15	
1973	5.52	5.52	5.57	5.59	5.60	5.61	5.72	6.29	6.93	7.45	7.76	8.00	6.20	

FARM INCOME AND CASH RECEIPTS

[In billions of dollars]

	Cash receipts from farm marketings	Production expenses	Net income		Return to equity (current net equity, percent)		Cash receipts from farm marketings	Production expenses	Net income		Return to equity (current net equity, percent)
			Current dollars	1967 dollars					Current dollars	1967 dollars	
1967	42.8	38.3	11.6	11.6	5.0	1972	61.0	52.4	17.5	14.1	5.6
1968	44.2	39.5	12.2	11.7	5.1	1973[1]	86.9	64.7	32.2	24.6	8.2
1969	48.2	42.2	14.2	13.0	5.7	1974[1]	93.5	74.8	27.2	18.8	6.2
1970	50.5	44.6	14.0	12.2	5.5	1975[2]			20.0	13.0	4.6
1971	52.9	47.6	13.0	10.8	4.7						

[1] Preliminary.

[2] Estimated.

CASH RECEIPTS FOR SELECTED ENTERPRISES

[In billions of dollars]

	Livestock	Cattle and calves	Hogs	Dairy products	Poultry	Crops	Wheat	Corn	Soybeans	Cotton
1970	29.5	13.6	4.5	6.5	4.2	20.9	2.1	3.3	3.2	1.3
1971	30.6	15.0	4.2	6.8	4.0	22.3	2.0	3.6	3.3	1.5
1972[1]	35.7	18.2	5.4	7.1	4.2	25.3	3.0	3.7	3.9	1.8
1973[1]	45.8	22.4	7.6	8.1	6.9	41.1	6.1	7.3	6.9	2.7
1974[1]	41.4	17.9	7.0	9.3	6.2	52.0	7.9	9.8	8.8	3.5

[1] Preliminary.

TOTAL VALUE AGRICULTURAL EXPORTS AND INDEXES OF THE QUANTITY AND THE VALUE OF SHIPMENTS (1967=100)

Year	Total value (millions)	Indexes (1967=100)		Year	Total value (millions)	Indexes (1967=100)	
		Value	Quantity			Value	Quantity
1967	$6,380	100	100	1971	$7,693	120	111
1968	6,228	97	100	1972	9,401	147	129
1969	5,936	93	94	1973	17,680	277	166
1970	7,259	113	111	1974	21,994	344	155

QUANTITY AND VALUE INDEXES OF EXPORTS FOR SELECTED AGRICULTURAL PRODUCTS

[1960=100]

Year	Corn		Wheat		Rice		Cotton		Soybean		Feed grains	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
1960	100	100	100	100	100	100	100	100	100	100	100	100
1961	132	128	121	126	85	76	84	89	103	97	101	100
1962	192	187	104	110	107	104	51	54	116	130	152	150
1963	197	208	124	129	122	120	58	59	121	147	145	150
1964	215	229	142	149	135	139	70	70	143	174	153	162
1965	268	293	121	117	155	166	50	50	152	204	197	212
1966	275	308	151	152	134	155	48	44	159	230	228	248
1967	229	247	116	120	186	214	53	47	168	239	183	199
1968	264	258	111	109	193	235	51	47	176	240	177	174
1969	247	255	86	83	195	236	31	29	184	248	156	162
1970	255	289	118	110	182	213	40	38	209	368	181	199
1971	228	262	108	108	151	174	55	59	269	411	156	182
1972	396	436	139	143	207	264	41	51	255	440	255	282
1973	587	997	236	407	166	367	73	95	269	805	380	652
1974	527	1,324	160	449	176	580	69	136	309	1,044	340	856

AGRICULTURAL EXPORTS SHARE FOR MAJOR COMMODITIES

[In percent]

Year	Soybeans	Wheat	Rice	Feed grains	(Corn)[1]	Cotton	Subtotal
1960	10.0	21.3	3.0	11.4	(5.9)	20.3	66.0
1961	9.3	25.9	2.2	10.9	(7.2)	17.4	65.7
1962	12.4	22.6	3.0	16.3	(10.5)	10.5	64.8
1963	12.7	23.9	3.2	14.8	(10.6)	10.3	64.9
1964	13.2	24.2	3.2	14.0	(10.2)	10.7	65.3
1965	15.8	19.3	3.9	18.7	(13.3)	7.8	65.5
1966	16.1	22.7	3.3	19.8	(12.7)	6.3	68.2
1967	18.0	19.4	5.0	17.1	(11.0)	7.3	66.8
1968	18.6	18.2	5.6	15.3	(11.7)	7.4	65.1
1969	20.1	14.4	5.8	15.0	(12.2)	4.7	60.0
1970	24.4	15.6	4.3	15.1	(11.3)	5.1	64.5
1971	25.8	14.5	3.3	13.0	(9.6)	7.6	64.2
1972	22.5	15.7	4.1	16.5	(13.1)	5.4	64.4
1973	22.0	23.8	3.1	20.2	(16.0)	5.3	74.2
1974	22.9	20.9	3.9	21.4	(17.0)	6.1	75.2

[1] Corn is included in feed grains.

FINANCIAL HOLDINGS AND INCOME TAX RETURN OF SENATOR WILLIAM PROXMIRE

Mr. PROXMIRE. Mr. President, in 1963, 1965, 1967, 1970, 1972, 1973, and 1974 I submitted for the RECORD a history of my financial holdings from the time I was first elected to the Senate in August of 1957 until April of 1974. In order to bring the full record up to date I submit herewith the history of my financial holdings since April of 1974.

The bulk of the securities I hold are now in State and municipal bonds, totaling $62,000.

My other assets include ownership of my home and furnishings in Washington, D.C., on which I owe a mortgage to the Perpetual Building Association of Washington, D.C.; ownership of my home and furnishings in Madison, Wis., from which home I received $200 per month in rent during 1974 and because of substantial improvements, effective June 1, 1975, I now receive $350 per month in rent; ownership of one 1970 automobile and 1972 automobile; ownership of two checking accounts in Washington banks, one checking account in a Madison, Wis., bank and one savings account in a Madison bank. The combined balance as of this date, in these accounts is $12,590.71.

I also hold a note on my former residence in Washington at 3220 Ordway in the amount of $10,000.

Trust custody of stock in my children's names has been turned over to them directly as they are over 21.

I estimate my net worth to be about $312,000.

The increase in my net worth since 1974 is the result of the realized capital gains from the sale of two houses in Washington this year 1975, and the increase in value of my Madison house and my civil service retirement fund.

To the best of my knowledge, this is an accurate record of my financial holdings and obligations.

In addition, I herewith submit a balance sheet showing my net worth and how it was arrived at, a copy of my 1974 Federal tax return and a list of all honoraria received during 1974 in the amount of $300 or more. Additional income was received from book royalties, newspaper articles, TV appearances, and a series of speeches for the Brookings Institution here in Washington for which I receive $150 per speech.

In addition to the $35,680 paid to the Federal Government in taxes on 1974 income, I also paid taxes to the State of Wisconsin in the amount of $9,243 for total income tax payments of $44,923.

I ask unanimous consent that the balance sheet, copy of 1974 Federal tax return, and list of all honoraria received in 1974 in the amount of $300 or more be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Net worth of Senator William Proxmire as of June 1975

Municipals and State bonds	$62,000.00
1972 Vega (Blue Book trade-in value)	900.00
1970 Mustang (Blue Book trade-in value)	1,125.00
Two checking and one savings account:	
Washington accounts-checking	8,726.71
Madison account-savings	2,272.28
Madison account-checking	1,591.72
4613 Buckeye Road, Madison:	
Assessed value $27,600—market value $48,600	48,600.00
3097 Ordway St., NW, Washington, D.C.:	
Market value $190,000—mortgage value ($65,000)	125,000.00
Furnishings	10,000.00
Note on 3220 Ordway St., N.W., Washington, D.C	10,000.00
Cash deposit in civil service retirement as of June 30, 1975	41,629.45
Total	311,845.16

Honorariums—Date, payer, description of service, and amount

1-15-74—Cleveland State Univ., speech, $1,000.00.

1-15-74—Canisius College, Buffalo, New York, speech, $1,000.00.

1-16-74—College of Lake County, Grayslake, Ill., speech, $1,000.00.

1-17-74—Project Health, Los Angeles, Calif., speech, $1,500.00.

1-18-74—Northeastern Retail Lumberman's Assn., New York City, speech, $1,000.00.

1-24-74—Schuman Foundation, Washington, D.C., speech, $1,000.00.

2-11-74—Univ. of Northern Iowa, Cedar Falls, Iowa, speech, $1,000.00.

2-12-74—Northern State College, Aberdeen, S. Dak., speech, $500.52.

2-22-74—University of Maryland, College Park, Md., speech, $1,000.00.

2-12-74—University of South Dakota, Brookings, S. Dak., speech, $1,000.00.

3-8-74—Brown University, Providence, R.I., speech, $1,000.00.

3-14-74—University of Delaware, Newark, Del., speech, $1,500.00.

3-15-74—Project Health, New York City, Speech, $1,500.00.

3-24-74—Univ. of Rochester, Rochester, N.Y., speech, $1,000.00.

4-17-74—Lehigh University, Bethlehem, Pa., speech, $1,050.00.

4-18-74—Case Western Reserve Univ., Cleveland, Ohio, speech, $1,500.00.

4-26-74—Rosemont College, Philadelphia, Pa., speech, $1,050.00.

4-27-74—Global Energy Conf. of S. Cook Cty. World Affairs Conf., Harvey, Ill., speech, $1,000.00.

4-28-74—St. Lawrence Univ., Canton, N.Y., speech, $1,000.00.

5-10-74—Beaver County Community College, Monaco, Pa., commencement speech, $1,342.05.

5-11-74—Union College, Cranford, N.J., speech, $1,050.00.

5-23-74—Maryville College, Maryville, Tenn., speech, $1,350.00.

5-24-74—Kentucky Bar Assn., Louisville, Ky., speech, $1,250.00.

10-15-74—University of Richmond, Richmond, Va., speech, $1,000.00.

10-27-74—Chicago Health & Tennis Institute, Chicago Ill., speech, $1,200.00.

10-28-74—Vanderbilt University, Nashville, Tenn., speech, 1,500.00.

10-29-74—University of Nevada, Las Vegas, Nevada, speech, $1,236.00.

10-30-74—University of Calif., Los Angeles, speech, $1,000.00.

10-30-74—University of Colorado, Boulder, Colo., speech, $1,050.00.

10-31-74—Manchester College, No. Manchester, Ind., speech, $1,000.00.

11-3-74—The Century Club, Boston, Mass., speech, $1,000.00.

11-4-74—New York State Univ., Binghamton, N.Y., speech, $1,000.00.

11-7-74—Tanners Council, Chicago, speech, $1,500.00.

11-10-74—Sinai Sunday Forum, Michigan City, Ind., speech, $1,050.00.

11-12-74—Jersey City State College, Jersey City, N.J., speech, $1,000.00.

11-12-74—Brandeis University, Waltham, Mass., speech, $1,000.00.

11-13-74—Committee for Monetary Research and Education, Washington, D.C., speech, $500.00.

11-13-74—Florida Atlantic Univ., Boca Raton, Fla., speech, $1,000.00.

11-14-74—Boston University Law School, Boston, Mass., speech, $1,000.00.

11-14-74—University of Maryland, Baltimore, speech, $900.00.

12-2-74—Seminar of Natl. Exec. Conference of Wash., D.C., speech, $1,000.00.

12-6-74—Economic Club of Memphis, Memphis, Tenn., speech, $1,750.00.

U.S. INDIVIDUAL INCOME TAX RETURN

Name (If joint return, give first names and initials of both): William & Ellen H. Proxmire.

Present home address: 4614 E. Buckeye Rd., Madison, Wis.

County of residence: Dane.

Your social security number: [redacted].

Spouse's social security no.: [redacted].

Occupation: Yours—U.S. Senator. Spouse—Corp. exec.

FILING STATUS

2. Married filing joint return (even if only one had income).

EXEMPTIONS

6a. Yourself.

b. Spouse.

c. First names of your dependent children who lived with you: Douglas.

7. Total exemptions claimed: 3.

PRESIDENTIAL ELECTION CAMPAIGN FUND

Do you wish to designate $1 of your taxes for this fund? Yes. If joint return, does your spouse wish to designate $1? Yes.

INCOME

9. Wages, salaries, tips, and other employee compensation: See statement 1, $46,806.

11. Interest income: $172.

12. Income other than wages, dividends, and interest: $61,840.

13. Total: $108,813.

14. Adjustments to income: $4,328.

15. Subtract line 14 from line 13 (adjusted gross income): $104,490.

TAX, PAYMENTS AND CREDITS

16. Tax, check if from: Form 4276, $34,512.

18. Income tax: $34,512.

19. Other taxes: $1,168.

20. Total: $35,680.

21a. Total Federal income tax withheld: $14,898.

b. 1974 estimated tax payments (include amount allowed as credit from 1973 return): $10,080.

22. Total: $24,978.

BALANCE DUE OR REFUND

23. If line 20 is larger than line 22, enter balance due IRS: $10,702.

SEIDMAN & SEIDMAN,
Seidman and Seidman CPA's.

WAGE AND TAX STATEMENT—U.S. SENATE

FEDERAL INCOME TAX INFORMATION

1. Federal Income Tax Withheld: $14,393.08.

2. Wages, Tips and other Compensation: $42,500.00.

Employee's Social Security Number: [redacted]

HON. WILLIAM PROXMIRE,
U.S. Senate.

WAGE AND TAX STATEMENT—1974: THE TONIGHT SHOW COMPANY, INC.

Federal Identification No.: 95-2784374.

State Identification No.: 194-3940-6.

1. Federal income tax withheld: $65.78.

2. Wages, tips and other compensation: $306.00.

SOCIAL SECURITY INFORMATION

3. FICA employee tax withheld: $17.90.

4. Total FICA wages: $306.00.

STATE OR LOCAL INCOME TAX INFORMATION

6. Tax withheld: $14.85.

7. Wages paid: $306.00.

8. State or locality: CA.

W. PROXMIRE.

WAGE AND TAX STATEMENT—1974: WASHINGTON WHIRL-AROUND OF D.C. INC.

Employer's State identifying number: 08465.

FEDERAL INCOME TAX INFORMATION

1. Federal income tax withheld: $400.10.

2. Wages, tips and other compensation: $3,500.00

SOCIAL SECURITY INFORMATION

3. FICA employee tax withheld: $188.50.

4. Total FICA Wages: $3,500.00.

STATE OR LOCAL INCOME TAX INFORMATION

6. Tax withheld: $111.97.

7. Wages paid: $3,500.00.

8. State or locality: D.C.

Employee's Social Security number: [redacted]

ELLEN H. PROXMIRE.

WAGE AND TAX STATEMENT—1974: WONDERFUL WEDDINGS OF METROPOLITAN AREA, INC.

Employer's State identifying number: 08468.

FEDERAL INCOME TAX INFORMATION

1. Federal income tax withheld: $30.60.

2. Wages, tips, and other compensation: $500.00.

SOCIAL SECURITY INFORMATION

3. FICA employee tax withheld: $29.26.

4. Total FICA wages: $500.00.

STATE OR LOCAL INCOME TAX INFORMATION

6. Tax withheld: $3.34.

7. Wages paid: $500.00.

8. State or locality: D.C.

Employee's Social Security number: [redacted].

ELLEN H. PROXMIRE.

OTHER INCOME

INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

28. Business income or (loss): $62,862.

29. Net gain or (loss) from sale or exchange of capital assets: $—1,000.

Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc.: $—337.

35. State income tax refunds: $315.

38. Total: $61,840.

ADJUSTMENTS TO INCOME

41. Employee business expense: $4,328.

43. Total adjustments: $4,328.

TAX COMPUTATION

44. Adjusted gross income (from line 15): $104.490.

45. (a) If you itemize deductions, check here and enter total from Schedule A, line 41 and attach Schedule A: $17,336.

46. Subtract line 45 from line 44: $87,154.

47. Multiply total number of exemptions claimed on line 7, by $750: $2,250.

48. Taxable income: $84,904.

OTHER TAXES

55. Self-employment tax: $1,168.

61. Total: $1,168.

ITEMIZED DEDUCTIONS AND DIVIDEND AND INTEREST INCOME

Names: William and Ellen H. Proxmire.

Your [redacted].

MEDICAL AND DENTAL EXPENSES

1. One half (but not more than $150) of insurance premiums for medical care: $150.

4. Subtract line 3 from line 2. Enter difference: $0.

5. Enter balance of insurance premiums for medical care not entered on line: $175.

7. Total: $175.

8. Enter 3% of line 15, from 1040: $3,135.

9. Subtract line 8 from line 7 (if less than zero, enter zero): $0.

10. Total: $150.

TAXES

11. State and local income: $6,930.

12. Real estate: $2,429.

13. State and local gasoline: $12.

14. General sales: $460.

17. Total: $9,831.

INTEREST EXPENSE

18. Home mortgage: $3,395.

19. Other: Union Trust; $130.

20. Total: $3,525.

CONTRIBUTIONS

21. a. Cash contributions for which you have receipts, cancelled checks, etc.: $2,037.

24. Total contributions: $2,037.

MISCELLANEOUS DEDUCTIONS

33. Other: See statement 6; $1,793.

34. Total: $1,793.

SUMMARY OF ITEMIZED DEDUCTIONS

35. Total medical and dental: $150.

36. Total taxes: $9,831.

37. Total interest: $3,525.

38. Total contributions: $2,037.

40. Total miscellaneous: $1,793.

41. Total deductions: $17,336.

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

William and Ellen H. Proxmire.

[redacted].

A. Principal business activity: Speaking.

B. Business name: William Proxmire.

D. Business address: U.S. Senate.

City, State and ZIP code, Washington, D.C.

E. Indicate method of accounting: Cash.

INCOME

1. Gross receipts or sales $50,922. Less: returns and allowances: $50,922.

3. Gross profit: $50,922.

4. Other income: See Statement 2, $13,193.

5. Total income: $64,115.

DEDUCTIONS

(a) Travel expense: $3,136.

(m) Total other business expenses: $3,136.

20. Total deductions: $3,136.

21. Net profit or (loss): $60,979.

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

Name(s): William and Ellen H. Proxmire.

[redacted].

A. Principal business activity: Consultant; product: Services.

B. Business name: Ellen Proxmire.

D. Business address: 3025 Ordway Street NW., Washington, D.C.

E. Indicate method of accounting: Cash.

INCOME

1. Gross receipts or sales: $1,800. Less: returns and allowances, $1,800.

3. Gross profit: $1,800.

4. Other income: See statement 3; $151.

5. Total income: $1,951.

DEDUCTIONS

(a) Travel: $68.

(m) Total other business expenses: $68.

20. Total deductions: $68.

21. Net profit: $1,883.

CAPITAL GAINS AND LOSSES

Name(s): William and Ellen H. Proxmire.

Social security number: [redacted].

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD MORE THAN SIX MONTHS

a. Kind of property and description: Sale 5M Virgin Island, 2/1/01.

b. Date acquired: 6/13/73.

c. Date sold: 8/5/74.

d. Gross sales price: $3,900.

e. Cost or other basis, as adjusted: $5,107.

f. Gain or (loss): $—1,207.

a. Kind of property and description: Sale 5M Rockville, Md., 6/1/87.

b. Date acquired 2/13/74.

c. Date sold: 8/13/74.

d. Gross sales price: $2,950.

e. Cost or other basis, as adjusted: $3,606.

f. Gain or (loss): $—656.

a. Kind of property and description: Sale 5M Md State H E, 7/1/03.

b. Date acquired: 5/9/73.

c. Date sold: 7/26/74.

d. Gross sales price: $4,163.

e. Cost or other basis, as adjusted: $5,025.

f. Gain or (loss): $—862.

11. Net gain or (loss), combine lines 6 through 10: $—2,725.

12(b). Long-term capital loss carryover attributable to years beginning after 1969: $10,169.

13. Net long-term gain or (loss): $—12,894.

14. Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here: $—12,894.

16. (a) Enter one of the following amounts: 50% of amount on line 13: $—6,447.

(iii) Taxable income, as adjusted: $1,000.

SUPPLEMENTAL INCOME SCHEDULE AND RETIREMENT INCOME CREDIT COMPUTATION

Name(s): William and Ellen H. Proxmire.

Your [redacted].

RENT AND ROYALTY INCOME

See statement 4, percentage ownership or occupancy: $—337.

2. Net income or (loss) from rents and royalties: $—337.

Total of Parts I, II and III: $—337.

SCHEDULE FOR DEPRECIATION CLAIMED IN PART II ABOVE

See statement 4: $2,068.

2. Totals: (c) Cost of other basis, $61,615, $2,068.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Name of self-employed person: Ellen H. Proxmire.

Social security number of self-employed person: [redacted].

Business activities subject to self-employment tax: Consultant.

COMPUTATION OF NET EARNINGS FROM NONFARM SELF-EMPLOYMENT

(a). Schedule C, line 21. (Enter combined amount if more than one business.): $1,883.

6. Total: $1,883.

8. Adjusted net earnings or (loss) from nonfarm self-employment: $1,883.

NONFARM OPTIONAL METHOD

9. (a). Maximum amount reportable, under both optional methods combined (farm and nonfarm): $1,600.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

12. Net earnings or (loss): (b) From nonfarm, $1,883.

13. Total net earnings or (loss): $1,883.

14. The largest amount of combined wages and self-employment earnings subject to social security tax for 1974 is $13,200.

15. (a). Total "FICA" wages as indicated on Forms W-2: $4,000.

(c). Total: $4,000.

16. Balance: $9,200.

17. Self-employment income: $1,883.

18. If line 17 is $13,200, enter $1,042.80; if less, multiply the amount on line 17 by .079: $149.

20. Self-employment tax: $149.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Name of self-employed person: William Proxmire.

Social security number of self-employed person: [redacted].

Business activities subject to self-employment tax. Speaking.

COMPUTATION OF NET EARNINGS FROM NONFARM SELF-EMPLOYMENT

(a). Schedule C, line 21. (Enter combined amount if more than one business.): $60,979.

6. Total: $60,979.

8. Adjusted net earnings or (loss) from nonfarm self-employment:$60,979.

NONFARM OPTIONAL METHOD

9. (a). Maximum amount reportable, under both optional methods combined (farm and nonfarm): $1,600.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

12. Net (b). From nonfarm: $60,979.

13. Total net earnings or (loss) from self-employment reported on line 12: $60,979.

14. The largest amount of combined wages and self-employment earnings subject to social security tax for 1974 is $13,200.

15. (a) Total "FICA" wages as indicated on Forms W-2: $306.

(c) Total: $306.

16. Balance: $12,894.

17. Self-employment income: $12,894.

18. If line 17 is $13,200, enter $1,042.80; if less, multiply the amount on line 17 by .079:

20. Self-employment tax: $1,019.

$1,019.

UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS

Name(s) William and Ellen H Proxmire.

[redacted].

1. 1974 tax (from Form 1040, line 20): $35,680.

5. Balance: $35,680.

6. Enter 80% of the amount shown on line 5: $28,544.

DUE DATES OF INSTALLMENTS

7. Divide amount on line 6 by the number of installments required for the year (see Instruction B) Enter the result in appropriate columns: Apr. 15, 1974, $7,136; June 15, 1974, $7,136; Sept. 15, 1974, $7,136; Jan. 15, 1975, $7,136.

8. Amounts paid on estimate for each period and tax withheld: Apr. 15, 1974, $6,245; June 15, 1974, $6,245; Sept. 15, 1974; $6,244; Jan. 15, 1975, $6,244.

10. Total: Apr. 15, 1974, $6,245; June 15, 1974, $6,245; Sept. 15, 1974, $6,244; Jan. 15, 1975, $6,244.

11. Underpayment (line 7 less line 10), or Overpayment (line 10 less line 7): Apr. 15, 1974, $891; June 15, 1974, $891; Sept. 15, 1974, $892; Jan. 15, 1975, $892.

12. Total amount paid and withheld from January 1 through the installment date indicated: Apr. 15, 1974, $6,245; June 15, 1974, $12,490; Sept. 15, 1974, $18,734; Jan. 15, 1975, $24,978.

14. Exception No. 2, tax on prior year's income using 1974 rates and exemptions: $24,926*; Enter 25% of tax, $6,232; Enter 50% of tax, $12,463; Enter 75% of tax, $18,695; Enter 100% of tax, $24,926.

MAXIMUM TAX ON EARNED INCOME

Name(s): William and Ellen H. Proxmire.

Identifying number: [redacted].

1. Earned income: $109,668.

2. Deductions: $4,328.

3. Earned net income: $105,340.

4. Enter your adjusted gross income: $104,490.

5. Divide the amount on line 3 by the amount on line 4. Enter percentage result here, but not more than 100%: 100.00 percent.

6. Enter your taxable income: $84,904.

7. Multiply the amount on line 6 by the percentage on line 5: $84,904.

8b. Less: $30,000.

9. Earned taxable income: $84,904.

10. If: on Form 1040, you checked line 1 or line 4, enter $38,000; on Form 1040, you checked line 2 or 5, enter $52,000; Estate or Trust, enter $26,000: $52,000.

11. Subtract line 10 from line 9: $32,904.

12. Enter 50% of line 11: $16,452.

13. Tax on amount on line 6: $36,184.

14. Tax on amount on line 9: $36,184.

16. If the amount on line 10 is: $52,000, enter $18,060: $18,060.

17. Add lines 12, 15, and 16. This is your maximum tax: $34,512.

CAPITAL LOSS CARRYOVER

Name(s): William and Ellen H. Proxmire.

[redacted].

POST-1969 CAPITAL LOSS CARRYOVERS

1. Enter loss shown on your 1973 Schedule D (Form 1040), line 5; If none, enter zero and ignore lines 2 through 6—then go to line 7: $0.

LONG-TERM CAPITAL LOSS CARRYOVER

7. Line 4 less line 5 (Note: If you ignored lines 2 through 6, enter amount from your 1973 Form 1040, line 29: $1,000.

8. Enter loss from your 1973 Schedule D (Form 1040), line 13; if none, enter zero and ignore lines 9 through 12: $12,169.

9. Enter gain shown on your 1973 Schedule D (Form 1040), line 5. If that line is blank or shows a loss, enter a zero: $0.

10. Reduce any loss on line 8 to the extent of any gain on line 9: $12,169.

11. Multiply amount on line 7 by 2: $2,000.

12. Excess of line 10 over amount on line 11: $10,169.

Note: The amount on line 12 is your long-term capital loss carryover from 1973 to 1974 that is attributable to years beginning after 1969. Enter this amount on your 1974 Schedule D (Form 1040), line 12(b).

1974 FEDERAL INCOME TAX STATEMENTS: STATEMENT 1—WAGES

	Inc. tax withheld	Wages etc.	FICA
Employer's name and address:			
(H) U.S. Senate, Washington, D.C.	14, 393	42, 500	---
(W) Washington Whirl-around	408	3, 500	189
(H) Tonight Show	66	306	18
(W) Wonderful Weddings	31	500	29
Total wages	14, 898	46, 806	236

Statement 3—Other business income

BUSINESS NAME: WILLIAM PROXMIRE

Explanation of income:	*Amount*
Royalties plus writing	$9, 744
Travel reimbursement	3, 449
Total, other business income	13, 193

Statement—Other business income

BUSINESS NAME: ELLEN PROXMIRE

Explanation of income:	*Amount*
Royalties-book	$151
Total other business income	151

Statement 4—Rent and royalty income

(H) Property (1):	*Amount*
Residence, Madison, Wis.	$2, 400
Gross rents	2, 400
Expenses:	
Depreciation	676
Repairs—miscellaneous	72
Insurance	68
Taxes—property	1, 195
Total expenses	2, 011
Net income	389

DEPRECIATION

Description	Date acquired	Cost or other basis	Accumulated dep.	Dep. method	Life years	Dep. this year
House	58	30, 565	11, 422	150DB	50	574
Improvements	07/01/64	1, 750	1, 648	SL	10	102
Furniture	12/01/64	800	800	SL	5	0
						676

(W) Property (2);

Sea Pines plantation Hilton Head Island, S.C.;

Gross rents	$2, 780
Expenses:	
Depreciation	$1, 392
Interest	1, 838
Maintenance	88
Management fees	634

Expenses—Continued	
Miscellaneous expenses	$64
Taxes—property	216
Total expenses	4, 232
Net loss	—$1, 452
Percent of ownership	50. 000
Net deductible loss	—$726

DEPRECIATION

Description	Date acquired	Cost or other basis	Accumulated dep.	Dep. method	Life years	Dep. this year
Building	07/01/72	25, 300	1, 518	SL	25	1, 012
Appliances	07/01/72	1, 150	173	SL	10	115
Carpeting	07/01/72	600	180	SL	5	120
Heat and air condition	07/01/72	1, 450	218	SL	10	145
						1, 392

Recapitulation of rent and royalty income:	
Property (1)	$389
Property (2)	—726
Net loss from rents and royalties	—337

Statement 5—Business expense

Travel expense away from home:	
Lodging, meals, plus tips	$969
Transportation	2, 628
Living expenses—D.C.	3, 000
Total business expense	6, 597
Less reimbursements	—2, 269
Total	4, 328

Statement 6—Itemized miscellaneous deductions

Tax preparation fees	$1, 025
Safe deposit box	42
Total	1, 067
Business expense:	
Dues and subscriptions	208
Photos	518
Total business expense	726
Miscellaneous other deductions	1, 793

Statement 7—Interest income

	Amount
United Bank and Trust	$172
Total interest income	172

Statement 8—Receipted cash contributions

Charities qualifying for 50 percent limitations:	
Cancer fund	$200
Heart fund	200
Landon School	415
Yale	220
United Way	200
Multiple sclerosis	200
Hill school	200
Harvard	200
Lake Forest Cem. Comm.	55
Washington tennis patrons	35
Washington tennis patrons	12
SOME	50
Miscellaneous organized charities	50
Total receipted cash contributions to charities qualifying for 50 percent limitation	2, 037
Total receipted cash contributions	2, 037

I hereby certify that I was in a travel status in the Washington area, away from home, in the performance of my official duties as a Member of Congress, for 289 days during the taxable year, and my deductible living expenses while in such travel status amounted to $3,000.00.

WILLIAM PROXMIRE, U.S.S.

FOOD STAMP REFORM

Mr. TALMADGE. Mr. President, increasingly, the news media are full of articles about abuse of the food stamp program. Increasingly, hard working, taxpaying Americans all over the country are getting fed up and disgusted with the abuse that is rampant in the program. Everytime that I go home to Georgia I hear frequent complaints about abuses that citizens have noticed.

I believe the reform of the food stamp program should be one of the No. 1 priorities of the Congress. Therefore, I have directed the staff of the Committee on Agriculture and Forestry to prepare alternative reform proposals and I plan to have full and thorough hearings on this problem at the earliest possible date. Senator BUCKLEY and others recently introduced a very thorough, carefully considered reform bill, S. 1993, which is pending before the Committee on Agriculture and Forestry. I applaud Senator BUCKLEY for his efforts and I have promised him that this bill will have the full and complete attention of the committee.

Recently the Department of Agriculture came forth with a study and analysis of the food stamp program. This study is being printed by the Committee on Agriculture and Forestry. Unfortunately, the study is long on analysis and short on positive recommendations for reform.

Already 20 million Americans are receiving food stamp benefits. Although many of these Americans are truly needy and depend heavily on food stamps to survive, there are many other Americans who are not truly needy and should not be receiving food stamp benefits. When the Committee on Agriculture and Forestry submitted its budget estimates pursuant to the Congressional Budget Act of 1974, it estimated that the food stamp program would cost almost $6 billion during fiscal year 1976. If abuses continue to escalate, this will prove to be a conservative estimate indeed.

It is unfortunate that, with all the problems we have with the food stamp program, a majority of the Members of the Senate do not seem to be concerned. Recently, over the objections of myself and other members of the Committee on Agriculture and Forestry, the Senate approved a plan to allow anyone to walk in off the street and certify himself as eligible for food stamps subject to a later eligibility check by food stamp officials. Fortunately, the House of Representatives has not yet approved this ill-conceived scheme.

I hope that more and more Members of the Senate and the House of Representatives will become aware of the fact that their constituents want food stamp reform, not a food stamp boondoggle. For this reason, I commend to the attention of my colleagues an article by Trevor Armbrister in the July edition of the Readers Digest.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the **RECORD**, as follows:

TIME TO CLEAN UP THE FOOD-STAMP MESS

(By Trevor Armbrister)

"We have a very real responsibility to provide adequate nutrition for those least able to help themselves. But we have an equally great responsibility to bring under control a program riddled with abuse, a program where taxpayer funds are distributed in cruelly inequitable fashion."—Sen. ROBERT PACKWOOD (R., Ore.)

In State College, Pa., four students—all from middle-income families, all receiving money from home—live in the same house and share the same kitchen. They don't need government food stamps (as negotiable as cash in some 230,000 stores across the United States); and, under regulations effective last January, they probably are ineligible to receive them. Yet, because welfare workers have no realistic way of verifying students' eligibility, they receive the stamps. Each month they pay $19 and get $154 worth of stamps. "There's no hassle, no problem," one of the students explains. "It's a bonanza."

In Denver, Colo., a welfare worker interviews a food-stamp applicant. She thinks she remembers that the applicant has used at least two other names to request stamps before, and she suspects that an investigation would prove him ineligible. She has no time to make that investigation, however—the case load in her office has jumped 36 percent in the last month. She approves his application.

In St. Louis, Mo., 12,000 members of the International Association of Machinists and Aerospace Workers District Lodge 837 walk off their jobs at the McDonnell Douglas plant. They earn $7.43 per hour and are demanding more. During their walkout they cannot qualify for unemployment compensation, but they are eligible, immediately, for food stamps. "If it weren't for the stamps," a union official explains, "we might not be able to sustain the strike. They give us a nice cushion at a time like this."

CAUSE FOR CONCERN

Explosive growth triggered by loose eligibility standards; administrative complexity that buries caseworkers under an avalanche of paper and discourages them from halting fraud; taxpayer subsidies for labor walkouts—these are among the more serious ills of the food-stamp program. "We're giving away food stamps like crazy," says Deputy U.S. Commissioner of Welfare Carl Williams. "There are virtually no controls. The taxpayers ought to be up in arms." U.S. Rep. Bill Frenzel (R., Minn.) agrees that the program "literally screams for reform."

Under the terms of the Food Stamp Act of 1964, the federal government provides stamps for needy families, to raise their nutritional levels. The U.S. Department of Agriculture (USDA) sets basic policy and supplies the money to the 50 states. The states, in turn, pass the funds along to county welfare departments, which must certify applicants' eligibility and calculate how many stamps each should receive.

The number of stamps depends on the number of people in the applicant's household and his "adjusted net income"—gross income minus such deductions as state and federal taxes, medical expenses, school tuition and union dues. The deductions are so liberal that families with annual incomes well over $12,000 are receiving aid. As of July 1, a family of four with no income will receive each month $162 worth of stamps free. (USDA says that it costs $162 to provide that family a nutritious diet). A family of four with an adjusted monthly net income of $265 will pay $71 for $162 in stamps.

During the past decade, the food-stamp program has helped millions of Americans achieve a decent diet—often meaning the difference between sustenance and despair. No one wants to deny stamps to the needy, especially in the midst of today's economic problems. But loose eligibility standards have caused an alarming swelling of eligibility rolls. Initially, in 1964, the food-stamp program cost $30.5 million and served 367,000 Americans. By last March, there were 19.1 million recipients, and the cost was running at an annual rate of $5 billion. By 1976, says the Joint Subcommittee on Fiscal Policy of the Congress, one in four Americans—some 60 million people—will be able to participate at a cost of $10 billion.

PROFILE OF ABUSE

To assess the implications of this dramatic growth, I recently visited food-stamp offices across the country, talking with caseworkers and recipients alike, interviewing USDA officials. From those discussions emerged a troubling picture of a program that has literally run amok—and which, according to USDA's own figures, wastes at least 740 million taxpayer dollars a year. Consider these major problems:

Needless Complexity

The food-stamp program is an "administrative nightmare," a California state task force reported last year. In Denver, food-stamp caseworkers must fill out 12 separate forms for each applicant. In Columbus, Ohio, they have to complete ten. "The certification requirements have become unmanageable," complains Charles Lopez, director of New Mexico's State Welfare Agency. Furthermore, requirements change constantly. In one three-month period last year, caseworkers in Maryland's Montgomery County had to implement 39 changes in determining applicants' eligibility.

To make matters worse, regulations are often contradictory. If someone in Los Angeles, for example, applies for welfare and food stamps simultaneously, a caseworker must fill out two lengthy, dissimilar and often conflicting forms. Food-stamp regulations contain no prohibition against an applicant's transferring assets to someone else in order to qualify; welfare regulations do. The income exemptions for a food-stamp applicant are far more liberal than those that can be awarded a welfare recipient.

As a result of such unnecessary complexity, last year Los Angeles County required 1800 employes and more than $25 million just to administer the program. Even more worrisome, this complexity causes case-workers to make an extraordinary number of errors. In Los Angeles, that error rate is 47.3 percent; in Rhode Island, 65.8 percent. A nationwide USDA survey indicates that one out of every four beneficiaries is receiving more aid than he is legally entitled to.

Loose Eligibility Standards

In Champaign County—site of the University of Illinois—the number of food-stamp recipients jumped from 350 to more than 2000 between 1970 and 1974; more than 70 percent of the recipients were students. "Just about anybody can walk in and get food stamps," one student told a reporter. "I figure if the government has the money and everyone else is getting food stamps, why shouldn't I?"

Last November, in Lehigh and Northampton counties of Pennsylvania, food-stamp applications nearly doubled as a result of strikes in several companies. In Ohio's strikes in several companies. In Ohio's Trium Trumbull and Mahoning counties in 1974, welfare departments issued some $550,000 in food-stamp coupons to United Auto Workers members during a six-week strike. Countrywide, the National Labor Management Foundation estimates, strikers received $225 million in food-stamp benefits last year.

Yet the Food Stamp Act of 1964 didn't even mention strikers. And today strikers are given an unfair advantage over elderly, disabled and truly needy applicants. Union officials sign up their people en masse; other applicants have to wait their turn. A striker's income is considered to be zero even though he has been receiving wages up until the moment the walkout begins.

Recipient and Caseworker Fraud

To Eddie Murphy and the 11 other members of his gang, the scheme seemed foolproof. Posing as migrant fruit workers, they would find employment in Florida and then follow the harvest north to Michigan, collecting food stamps all along the way. Once they received their stamps, gang members would fence them for cash. By the time their fraud was discovered, they had succeeded in siphoning off at least $40,000 worth of stamps. Arrested and indicted on nearly 200 counts, they pleaded guilty to some of them and received suspended sentences.

In Chicago, stamp recipients in a South Side neighborhood discovered that they could use their stamp coupons to make installment payments on fur coats, refrigerators and washing machines. Creditors simply took the stamps and redeemed them for cash. This arrangement resulted in a taxpayer loss of some $50,000. Once again, the perpetrators received suspended sentences.

Similarly, in low-income areas of Detroit, stamp recipients allegedly have been able to exchange their food-stamp cards for supplies of hard drugs. And in Washington, D.C., last fall, a federal grand jury reported that between $150,000 and $300,000 worth of coupons had been issued illegally during a two-year period.

One reason for the alarming increase in such fraudulent practices is a lack of investigators. In San Francisco, for example, only four investigators handle some 36,000 people receiving stamps.

PUSH TO REFORM

There is much that counties and states can do on their own to make the program work. They can, for instance, expand their outreach efforts to ensure that the truly needy receive help. They can allocate more resources and personnel to cut down on fraud, and can require stamp recipients to carry identification cards.

But food stamps are a *federal* program and only Congress can get to the heart of the problem. Congress should:

Remove the program from USDA and place it in the Department of Health, Education, and Welfare. Agriculture Secretary Earl Butz complains—justifiably—that 64 percent of his budget goes into such programs as food stamps and school lunches. The food-stamp program is a welfare program and should be viewed as such. Transferring it to HEW would speed consolidation of dissimilar food-stamp and welfare certification criteria. By consolidating food-stamp regulations with those for welfare, administrative savings in California alone would come to $31 million a year.

Tighten eligibility standards. A family's eligibility should be determined by its gross income and not its "adjusted net income." Itemized deductions, which favor the well-to-do at the expense of the poor, should be replaced by a standard deduction. This would reduce the number of $12,000-a-year families receiving stamps. Strikers should be barred from receiving stamps. If the provisions of the law which exempt students from having to register for work were removed, non-needy students wouldn't be so tempted to apply. Finally, welfare recipients whose incomes exceed food-stamp cutoff levels should not be eligible to get stamps.

Make the federal government responsible for investigating and prosecuting food-stamp-program abusers. Under existing law, county and state governments are supposed to probe and prosecute recipient and caseworker fraud. The federal government reimburses half their costs. Yet, under the same law, all money recovered as a result of such prosecutions must go to the U.S. Treasury. Therefore, county and state governments lack incentive to crack down.

Last December, in an effort to right the program's wrongs—and to cut $648 million from the federal-budget deficit—the Ford Administration tried to increase the amount that recipients had to pay for their stamps. Congress rejected the proposal overwhelmingly—yet failed to come up with any solution of its own. Says Sen. Jesse Helms (R., N.C.): "In abdicating its responsibility, Congress is betraying not only the taxpayers who finance this $5-billion-a-year pork barrel but the truly needy who deserve assistance."

"MIKE'S HIKE" FOR THE HANDICAPPED—$4,500 RAISED BY YOUNG MAN'S EFFORT

Mr. RANDOLPH. Mr. President, as chairman of the Senate Subcommittee on the Handicapped, I bring to your attention a unique contribution to our handicapped Americans. Today I had the privilege to host along with Senator ROBERT STAFFORD of Vermont a luncheon to honor Mike Karinshak of Pittsburgh, Pa. It marked the termination of the 22-year-old youth's hike along the Appalachian Trail to raise funds for a Pittsburgh rehabilitation center.

"Mike's Hike," a 2,000-mile hike over the Appalachian Trail from Georgia to Maine, raised $4,500 for the Greater Pittsburgh Guild for the Blind. Mike's mother, Mrs. Mary Karinshak, blind since 1971, completed a personal adjustment program at the agency 2 years ago. She is now the only licensed blind baker and caterer in Pennsylvania, operating "The Mary K Shoppe" in her home in Uniontown, Pa.

It was an opportunity to bring together Mike and his sister, Judy Karinshak, with people who have provided leadership roles in programs for the blind. They included Arthur J. Nicholson, president of the board of directors of the guild; Dr. Leon Reid, director of the guild; and Leonard Robinson, lawyer and author of "Light at the Tunnel End." It was indeed fortunate that Commissioner Andrew S. Adams, Rehabilitation Services Administration, and his assistant, Wilmer S. Hunt, were able to meet with us to celebrate the occasion.

Mike used his hike as a means of raising funds to show his appreciation for the assistance his mother has received. Mrs. Karinshak's bakery came into operation under the provisions of the Randolph-Sheppard Act. The bakery's equipment was provided by the Bureau of the Visually Handicapped, through the Pittsburgh office which is supported with Federal funds.

Mike is the son of a coal miner and the youngest of eight children. The hike took 4 months and began on March 16 in Springer Mountain, Ga., and terminated on July 10 at Mount Katahdin, Maine. We were gratified that he walked over the trail in West Virginia. Dr. Reid, a dedicated leader in blind programs of the guild, is a native of our State.

INCREASED FUNDING FOR MATERNAL AND CHILD HEALTH

Mr. WILLIAMS. Mr. President, I am pleased to join with a number of my distinguished colleagues in forwarding to the Senate Subcommittee on Labor and HEW Appropriations a letter requesting a $45 million increase over last year's appropriations for the maternal and child health and crippled children's programs. The distinguished chairman of the subcommittee, Senator WARREN G. MAGNUSON of Washington, has an outstanding record of deep commitment to the health of this Nation's children, and we are hopeful that the subcommittee will look favorably on this request.

The programs in question, established under title V of the Social Security Act, are designed to bring a wide range of health services to economically distressed areas. The maternal and child health program, MCH, offers such services as comprehensive child medical and dental care, prenatal and postnatal care and education, and family planning. Among its major goals are the reduction of infant and maternal mortality, and the prevention and treatment of such childbirth-related tragedies as mental retardation and physical defects.

The crippled children's program furnishes diagnostic, treatment, and rehabilitative services to children with rehabilitative services to children with handicapping conditions or diseases. Through a combination of preventive measures and early diagnosis and treatment, the program endeavors to insure that as many children as possible become independent, healthy, productive members of society.

These programs are neither new nor untested. They have operated in one form or another for more than 40 years. Moreover, they enjoy a solid record of success and achievement. Thousands of people are now healthy, active contributors to their communities because of the services that these programs have provided them.

My own State of New Jersey has an important place in this record of success. For example, in Newark, N.J., the Beth Israel Medical Center has experienced a dramatic decline in neonatal mortality, from 17.4 per thousand live births in 1972, to 12.4 per thousand live births in 1974. Officials of the New Jersey Department of Health attribute this decline to the medical care that Federal funds provide under the MCH program. Similar successes are reported for other areas of New Jersey as well.

The Ford administration has shown a frightening insensitivity toward the health of infants, handicapped children, and expectant mothers. As part of an all-too-familiar pattern, the President has recommended that over $83 million be cut from last year's appropriation of $295 million. This proposed cut would mean a disastrous setback from the progress made in the field of child health over the last four decades. It would also repudiate our national commitment to provide all our people with the best possible health care. It represents a step backward that we cannot allow.

The immediate and long-term effects of this drastic loss of funds would be of devastating dimensions. For many, the MCH and crippled children's programs mean the difference between healthy, normal lives and institutionalization or early death. Under the President's proposal, these people would find that many of the medical services they desperately need are no longer accessible or available. It is estimated that two-thirds of all chronic handicapping conditions among children could be prevented or corrected if proper medical care were available. Yet only 5½ percent of America's 9 million handicapped children are served by the crippled children's program. A budget cut of the size recommended will reduce that small percentage even further, at a time when the need for this program is greater than ever.

The MCH and crippled children's programs together serve almost 350,000 mothers and children in New Jersey. The fiscal year 1975 appropriation for the State was $4,777,000. The President's proposal would cut $1.275 million from that amount—a reduction of more than 20 percent. In human terms, this loss means that the number of New Jersey infants now receiving intensive neonatal care would drop by one-fourth. Many of those deprived of this medical care will die or remain dependent for the rest of their lives. Other health services of equal importance would also be seriously affected. It is doubly tragic that this suffering will occur not because the medical technology to prevent it is lacking, but because the funds to apply that technology will be deliberately withheld.

The dollar cost of institutionalization

and years of dependency for those denied help under these programs far outweigh any possible savings that could result from the reduction of services now offered. In New Jersey, the total amount spent last year for screening thousands of children for PKU roughly equals the annual cost of caring for one child who suffers from that disease. Of course, the cost to society of potentially productive lives, and the increase in human suffering and anguish are costs that cannot be measured.

In recent action, the House approved a $31 million increase over the fiscal year 1975 appropriation, which is certainly an important step in the right direction. However, an increase of $45 million would better equip these programs to respond to the medical needs of our children.

The real issue before us is whether this country is committed enough to the health of its children to continue funding urgently needed health services. I believe that America could make no more important a commitment. I am also convinced that we could make no better investment.

Dr. Joanne E. Finley, State Commissioner of Health for New Jersey recently wrote me to express her deep concern over the President's recommendation for the MCH and crippled children's program. Her letter clearly illustrates the serious impact that the President's proposal could have on a great many child health services in the State of New Jersey, and I ask unanimous consent that Dr. Finley's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

New Jersey Department of Health,
Trenton, N.J., July 2, 1975.

Hon. Harrison A. Williams, Jr.,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Williams: The New Jersey State Department of Health strongly supports funding for Maternal and Child Health and Crippled Children Programs to $340 million. Adequate funding for these vital programs is crucial so that gains made in maternal and child mortality are not lost and that projects may be initiated in areas needing them. The needs for Maternal and Child Health Programs in New Jersey are still unmet as there are cities and rural areas of the State which do not have adequate prenatal clinics, have inadequate nurseries, and have diminishing pediatric services. Medical care to prevent handicapping conditions is the primary purpose of the Crippled Children Program. Inadequate funding of this Program has led to desperation on the part of the medically indigent families and financial losses to hospitals who can little afford to absorb these costs.

A reduction of Maternal and Child Health and Crippled Children Program funding to New Jersey would mean a reduction of services. We estimate that 1,820 women could not be provided with prenatal care. These would be women in the highest medical risk categories for pregnancy complications and infants with abnormalities. Approximately 500 infants needing neonatal intensive care services could not be accommodated. Without the benefits of these services, these infants may die or have a lifetime disability of cerebral palsy or mental retardation.

The proposed cut of $375,000 to the New Jersey Crippled Children Program will deprive handicapped children of approximately 5,508 days of acute hospital or convalescent hospital stay. If the average stay of a handicapped child at one of these institutions is 30 days, this will mean hospitals cannot be reimbursed for the care of over 180 children.

Sincerely yours,
Joanne E. Finley, M.D.,
State Commissioner of Health.

HUMAN RIGHTS IN CAMBODIA AND ELSEWHERE

Mr. CRANSTON. Mr. President, last Thursday our new colleague from North Carolina Robert Morgan, gave a speech during the morning hour that deserved the serious attention of all of us. He was endeavoring to put the spotlight on a tragedy taking place in Cambodia under the new Khmer Rouge Government. The forced marching of masses of people from the city to the countryside has apparently resulted in the brutal death of tens of thousands—according to reports coming out of the American Embassy in Bangkok. It is now the duty of all of us, as the Senator from North Carolina reminds us, to break the silence and speak out against these cruelties. Having been very critical of the role our own Government played in bringing death and destruction to Cambodians, I regret that now the people of that nation are suffering tyranny from within.

At the same time, Mr. President, I think we must be sensitive to the suppression of human liberty wherever it occurs, under left-wing or right-wing dictatorships. Alexandr Solzhenitsyn appropriately has been reminding us of the repressive practices of the Soviet Government against citizens of the U.S.S.R.—practices which often have been denounced on the floor of the Senate. I would hope that my colleagues could get equally aroused about reports of human rights denials in countries with which we are allied and/or to which we extend military aid and other assistance.

Some cases in point: The President of Indonesia was recently in town seeking additional military assistance. Indonesia still incarcerates political prisoners in the tens of thousands left over from a civil war many years ago. The Government of Chile, which will be seeking renewed military aid from the United States in fiscal year 1976, has just refused to let in a United Nations commission endeavoring to investigate the plight of those arrested and tortured by the regime that replaced an elected government. And, finally, last Thursday's papers carried news of another round in the liquidation of political rights and civil liberties in South Korea. According to an Associated Press report in the New York Times of July 10, three "wartime security" bills were put through the Korean National Assembly last week. One of the measures—a "public security" bill—could be used as justification for spying on or jailing anyone thought to be in opposition to the government. One provision of present law already provides penalties for acts or writing considered to give comfort to, or sympathize with, the Communist cause. Under this sweeping clause, many politicians, writers and newsmen have been brought to trial for speeches and writings.

I have not mentioned the disappointing turn events have taken in India in recent weeks. It is especially saddening to see a vibrant democratic tradition go up in smoke across a subcontinent.

All in all, Mr. President, these are not good times for the progress of human freedom and political liberty, as the signers of the Declaration of Independence understood the terms. It is, therefore, even more necessary that we continue to hold the torch high in the most powerful democratic legislature in the world.

FOOD STAMP PROGRAM ABUSED

Mr. HANSEN. Mr. President, as a cosponsor of S. 1993, Senator Buckley's Food Stamp Reform Act of 1975, I am deeply concerned about the alarming increases in costs and numbers of participants in the food stamp program.

Since Wyoming newspapers carried stories about the introduction of the Buckley bill, I have heard from many Wyoming taxpayers who are outraged by the fact nonneedy persons are able to receive food stamps because of the net income eligibility standards, and because there is no ceiling on income for food stamp eligibility purposes.

A July 12 article in the National Observer pointed out some of the problems with this program as it presently is authorized. Notes the author, Mark Arnold:

> It was conceived as a way of helping low-income Americans obtain a better diet and of soaking up mounting farm surpluses. But the program is becoming a financial cushion for growing numbers of working-class families with income below the five-figure level but well above the government's poverty threshold of $5,040 annual income for a nonfarm family of four.

The article notes that this year, for the first time, the number of food stamp beneficiaries not receiving other forms of public assistance exceeds the number who are.

I believe this article helps to focus attention on some of the inequities of the food stamp program, and I commend it to the attention of my colleagues.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Food Stamps: "Out of Control"?

(By Mark R. Arnold)

A commercial mail-order house, hawking its latest booklet, is running ads in mass-circulation magazines offering—for $3.50—to show how "taxpayers making up to $16,000 a year" are now eligible for Federal food stamps.

The ad is providing valuable ammunition to New York Conservative Sen. James L. Buckley and other critics who charge that the fast-growing food-stamp program is now "out of control."

Most families earning $12,000 to $16,000 a year do not qualify for food stamps, insist administrators at the Department of Agriculture's Food and Nutrition Service. But the fact that some do qualify is a clue to how far this $5-billion-a-year program to stretch food dollars has strayed from its original purpose.

CONFLICTING VISIONS

It was conceived as a way of helping low-income Americans obtain a better diet and of soaking up mounting farm surpluses. But the program is becoming a financial cushion for growing numbers of working-class families with income below the five-figure level but well above the Government's poverty threshold of $5,040 annual income for a nonfarm family of four.

Now both the White House and Congress are studying ways of revamping food stamps. The attempts face conflicting visions of the program's future.

On the one hand are those, such as Buckley, who want to redirect aid to people who actually need *food* assistance, chiefly the poor. The money saved by eliminating higher-income families would be used to give a more adequate diet to the smaller number of beneficiaries.

LIVING-COST INCREASES

On the other hand are those who view food stamps as a praiseworthy, major income-supplement program—a kind of backdoor substitute for the Family Assistance Plan, which died in the wrangling of the early 1970s between Congress and former President Nixon. They want to see further expansion.

Under the impact of the recession and growing publicity, 19.5 million Americans stretched their food dollars with bonus Government coupons in May, up from 15.3 million in May 1974. Official forecasts suggest that for every beneficiary of the program, one or two others may also be qualified. Federal costs are expected to climb 30 per cent to $6.5 billion over the next 12 months.

"The bulk of the people are still low-income," observes program Administrator Edward J. Hekman, "but a certain number are just people with high rent, medical, or disaster costs." Hekman notes that this year, for the first time, the number of food-stamp beneficiaries not receiving other forms of public assistance exceeds the number who are. And on July 1, an additional 500,000 to 800,000 nonpoor became eligible for food stamps under liberalized income standards pegged to cost-of-living increases.

How many $16,000 families qualify? No one knows, since eligibility is pegged not to gross income but to "net income"—income left after allowable deductions for household, medical, education, and other expenses. Maximum net-income eligibility standards vary with family size—$540 a month for a for a family of four; $926 a month for a family of eight, for example. A family can generally figure if its gross income is more than 20 per cent higher than the net-income maximums, it's not eligible for assistance. But families with higher incomes can qualify for benefits if they can demonstrate extraordinary expenses such as medical bills, and meet restrictions on allowable assets.

All but the poorest must pay a specific portion of their monthly income toward the purchase of food stamps, which carry a value greater than the price paid for them—hence the term "bonus coupons." The stamps can be used like cash at most supermarkets. The Department of Agriculture administers the program through state and local welfare offices—a fact that inhibits many working-class families from participating.

DODGING THE ISSUE

In a report prepared at the request of the Senate, the Agriculture Department last week acknowledged that food stamps have become "a major income-maintenance program." But it skirted the larger issue at the request of the White House, which wants to study the implications that any major change in food-stamp operations would have on other income-support programs, such as Aid to Families with Dependent Children and unemployment compensation.

Says Art Quern, who is co-ordinating a new interagency study for the White House Domestic Council: "Food stamps are the one program available to people without regard to whether they're disabled, blind, fatherless, elderly, or whatever." To Buckley, that's precisely the problem. He complains: "We are fast approaching a point at which a third or a half of the American people may be eligible for this form of public assistance."

THE FINANCIAL CRISES IN OUR CITIES

Mr. BROCK. Mr. President, no one who believes in America's Federal system of Government can fail to be dismayed by the financial crises facing municipalities throughout this country. Intervention in local affairs by State and Federal Governments may stave off bankruptcy but it also detracts from the local autonomy which has for so long been a vital linchpin in our democracy.

How did our cities get into this mess? Who is responsible? It has become clear that there is more to the crises than simply declining tax bases and unemployment. City management is difficult and costly. It is also, however, becoming something of arcane art, if you can believe the professional writing by urban affairs experts. Between them and the politicians the ordinary citizen becomes first baffled and confused and then apathetic. If there seems to be no common sense applied to the cities' problems and you cannot make heads or tails out of the budget, it is unlikely you will be an active, involved, concerned citizen. The taxpayers "drop out," leaving the municipal arena to special interest groups who hire urban affairs professionals or specialized lawyers to fight for control of the city treasury.

Decentralized government is the closest we will ever come to pure democracy. I believe viable municipal government can survive only if voter apathy and confusion can be ended. The first step that must be taken is to provide timely and comprehensible information that will enable citizens to hold their city officials responsible for their acts. In this regard I commend to your consideration the recent suggestion made by David Rockefeller as related in a recent message by Robert Hurleigh on the Mutual Broadcasting System commentary. His call for a "municipal report card" deserves serious consideration by everyone who cares about the preservation of our system of government.

Mr. President, I ask unanimous consent that the transcripts of Mr. Hurleigh's broadcasts of July 8 and 9, 1975, be printed in the RECORD.

There being no objection, the transcripts were ordered to be printed in the RECORD, as follows:

HURLEIGH COMMENTARY JULY 8, 1975

This is Robert F. Hurleigh speaking from the Mutual studios in Washington. I'll have a comment on "Municipal report cards" in just one minute.

The United States Conference of Mayors has been in session in Boston this week—and among those invited to address the Mayors was David Rockefeller, Chairman of the Board of the Chase Manhattan Bank. The New York Banker may have struck a note that many a big-city resident will applaud in appealing to the Mayors to become more business-like, and more results-oriented in administering the affairs of their cities. In particular, Mr. Rockefeller suggested that city administrations should be held accountable for their results, measured in the harsh, full light of public view, and recommended that the tax-paying citizens should get municipal report cards from the Mayors which would be honest, open and thorough.

The Chase Manhattan Chairman believes that criteria could be established and agreed upon for measuring the cost-efficiency and the cost-effectiveness of municipal services, region by region and city by city. This would bring a degree of competitiveness among the municipal chief executives which would be healthy for both the administrators and the citizens and would effectively develop a powerful incentive to create new concepts and discard old methods that have been proven bankrupt on the basis of actual performance. David Rockefeller did not say it, but every citizen of any large American city knows that too many Mayors are more concerned with being popular—of winning votes from large "blocs" than in developing efficient operations. But David Rockefeller did suggest that there is a similarity between a business operation and a city administration.

Granting that a city is concerned with the welfare, convenience safety and comfort of its citizens, the New York Banker told the Mayors that business doesn't aim simply at profit, but must find ways to minimize the cost per unit of its product in order to remain competitive and to open the way for better wages and lower prices, as well as higher earnings. So, too, should a city try to reduce costs per unit of performance. Most city administrators feel they have done a good job of fiscal planning if they simply manage to balance the budget. There is no doubt that Mr. Rockefeller's suggestions will be welcome to those city residents whose tax bills are constantly increasing through every type of taxation the city fathers can dream up, and when deficits appear the political answer always seems to be to put another increase on one or more of the city taxes.

Thus, the suggestion by Mr. Rockefeller for municipal report cards—for the taxpayers to compare the management of comparable cities and to have an equally open view of where their own cities stand, of how the cost of the services compare and whether the people who manage their cities are delivering results, is indeed most thought provoking . . .

So goes the world today.

HURLEIGH COMMENTARY JULY 9, 1975

This is Robert F. Hurleigh speaking from the Mutual studios in Washington. I'll have a comment on the acceptance of reponsibility in just one minute.

Somewhere in the back pages of your daily newspaper—usually following the features, sports and possibly the comics—there is a business and financial page or section. Here you will find the drama of the executive suite, the failures as well as the successes. The rewards for success and the penalties for failure. And in business it is usually the responsible executive who is rewarded or suffers the failures of his company. So it is with Lynn Townsen, the Chairman of the Board and Chief Executive Officer of the Chrysler Corporation.

Chrysler has had three very bad quarters and expects the next quarter to show multimillion dollar losses before the company can be turned around. One of the reasons given by some analysts for Chrysler's poorest performance of the big four auto makers has been the failure to develop smaller cars comparable to its competitors. So Mr. Townsen, 56 years old, has decided to leave the company and will take early retirement. And the stockholders of the Chrysler Corp. will have a new Chairman and Chief Executive Officer. Chrysler—as well as the other big auto makers—has suffered the combined blows of the oil-embargo, higher gas prices, the general recession and inflation as well as government ordered environmental and safety controls which pushed new car prices higher at the very time the other debilitating business factors were at work. But the report card shows that Chrysler had the lowest percentile of its competitors—and the top man has accepted the responsibility—and has resigned.

It is, of course, only coincidental that the change of chief executive officers at Chrysler comes on the very day that the Conference of Mayors, meeting in Boston, were presented with a suggestion that the cities of our country should consider measuring the decisions of their mayors—their administrators in the harsh, full light of public view as do big corporations and business generally.

The citizens of Chicago, Detroit, Los Angeles, Houston and New York should have an equally open view of where their own cities stand and should know how the cost of their services compare and whether the people who manage their cities are delivering results. The suggested Municipal report cards would show the per capita cost of each service rendered to the citizens and how the costs of one city's services compare to another. The cost-of-living in one city would be considered in the criteria in order to obtain fairness in the reporting. The publishing of comparative costs should inspire efficiencies, innovations and effectiveness in the management of our cities and give the hard-pressed tax-payer an opportunity to see how his own city managers are doing.

So goes the world today.

CIA REPORT ON APOLLO-SOYUZ MISSION

Mr. **PROXMIRE.** Mr. President, it is well known that I have been deeply concerned about the impending Apollo-Soyuz mission. For over a year, I have reviewed this subject as Chairman of the HUD and Independent Agencies Subcommittee of the Appropriations Committee.

The subcommittee has received testimony from NASA and the Central Intelligence Agency on the safety of the joint flight.

In response to numerous requests, today I am releasing a summary of the CIA's testimony to the subcommittee. Although this is not a subcommittee report, there being disagreement over the seriousness of the safety hazard and certain other factors, this report summarizes the CIA testimony in a straightforward manner—emphasizing the CIA's conclusions first and then indicating some of the other data that might give one pause for concern.

I will leave it up to my colleagues as to the conclusions that can be drawn from this summary report. As for myself, I continue to feel that the entire episode is a waste and that the risk to the lives of our astronauts should never have been undertaken.

When looking closely at the Soviet space program there is every indication that they have very poor quality control—they just cannot perform vital missions with the degree of excellence and safety necessary for manned missions. They have had far too many failures—twice as many as the United States by any comparison. Their technology is far below that of the United States.

Therefore, we are actually providing them technical assistance while we learn nothing in return.

True, it will be a grand show. The world will be captivated for a few minutes as Soviet cosmonauts and American astronauts clasp hands and exchange words in each other's language far above the earth. The television networks will play it big, once again showing a fascination with space programs that may not be mirrored in the American public.

And NASA will make the most of the situation. Already there is talk of future joint ventures. Millions more in tax dollare are being planned away for some future date. The present flight will cost $225 million alone. How many millions lie ahead for such grant jestures? I hesitate to guess.

Mr. President, having shared my personal feelings, I will now turn to the summary report.

SUMMARY REPORT

The summary indicates the CIA reported that although the Soviets have experienced many space problems, the prospects for a successful mission are good.

The Soviet's preparations for this flight are more extensive and thorough than previous efforts. Furthermore, past failures have occurred at a phase that will not jeopardize U.S. astronauts should there be a reoccurrence.

Suggesting caution in this assessment is considerable additional evidence supplied by the CIA that the Soviets have encountered severe problems in space and their technology is inferior to that of the United States in almost every category.

The Soyuz rendezvous and docking system has failed almost half the time.

The current level of Soviet preparation still is below that of the United States.

The threat of a minor fire poses a moderate risk to the ASTP while a major fire is much less likely.

Soviet communications are not up to the quality of U.S. communications.

Cosmonaut training and ground control crew proficiency are inferior to that of U.S. counterparts.

There has been some technology flow to the Soviet Union as a result of the ASTP. Future joint missions would pose more of a potential for technology drain.

The primary advantage to the U.S.S.R. from the ASTP has been in observing U.S. management and program operational techniques.

The Soviet lunar program has produced a string of failures.

In summary, the United States has a significant technological lead over the U.S.S.R. in the following areas: Communications, management and quality control, handling of emergency situations, launch coordination and procedures, computerized functions, capability for inflight mission changes, space medicine, and crew training.

The two countries are about equal in tracking capability, environmental safety, backup systems and life monitoring systems.

In view of these facts, I again urge NASA to request that the current Soviet mission involving the Soyuz and Saylut 4 spacecraft be deorbited prior to the link-up of the ASTP.

Although the odds are in favor of a successful flight, the risks remain too high in my opinion for manned flight only for the sake of a questionable rationale for détente.

Space should be used to solve Earth problems such as crop management, fishery resources, communications, pollution control, and mineral and oil exploration. It is foolish to take undue chances for a program that costs so much—$225 million each side—and yet produces so little.

Mr. President, I ask unanimous consent that the summary report be printed in the Record.

There being no objection, the summary report was ordered to be printed in the Record, as follows:

Summary of CIA Report on Soviet Readiness To Participate in ASTP

The 5 April launch failure of a manned Soyuz spacecraft renewed interest in the question of Soviet readiness to participate in the Apollo/Soyuz mission scheduled for July 15, 1975. Similar attention had been focused on this subject several other times during the past two years as a result of failures of other Soviet man-related space missions. For example, in-flight malfunctions occurred aboard two unmanned Salyut space stations in 1973, and Soyuz-15 failed to dock with Salyut-3 last August 16. Earlier history of the Soyuz Program includes two events more catastrophic—the deaths of the Soyuz-1 and Soyuz-11 flight crews in 1967 and 1971 respectively.

As a result, CIA was requested to provide an overall evaluation of the Soyuz spacecraft and give its view as to Soviet readiness to safely participate in the Apollo/Soyuz mission. The CIA was a logical source for this evaluation in view of the fact they have studied the Soviet space program since its inception in the late 1950s.

In summary, CIA reported the prospects for successful completion of the Apollo/Soyuz Test Program (ASTP) mission are considered to be good. Although incongruous when compared with recent Soviet flight history, the CIA pointed out that Soviet preparations for ASTP, including spacecraft systems testing and checkout and crew training, have been more extensive and thorough than for any previous Soviet mission.

Furthermore, many of the problems the Soviets have had on past missions occurred at phases of the missions which if repeated on the ASTP mission would have no effect on the U.S. crew. For example, the 5 April launch failure, if repeated in July, could well affect mission completion, but would have no effect on the U.S. crew from a safety standpoint. Another example is the Soyuz-15 docking failure. During ASTP, the Soviet spacecraft will passively wait for the Apollo spacecraft to rendezvous, approach and dock with it and there will be no dependence upon the Soviet system which has failed for them almost half of the time.

The CIA report reviewed the performance of each of the primary Soyuz subsystems. Their review was based on information obtained on more than two dozen manned and unmanned Soyuz missions conducted since 1966. Each subsystem was evaluated in terms of its potential impact on mission success and on U.S. astronaut safety. In spite of the many subsystem problems and relatively poor reliability of the Soyuz over the years, very few subsystems individually have any real potential effect on astronaut safety.

A number of failures could affect the Soviet crew, like a reentry malfunction as on Soyuz-1 or Soyuz-11, but few are likely to affect the safety of the astronauts. If a Soviet spacecraft problem does occur, based on the flight performance over the years, it will likely be at a time which does not affect Apollo. Such a situation would likely force the mission to be aborted but would not affect the U.S. ability to safely return its crew.

Although recognizing that the Soviets are more thoroughly prepared for the ASTP than any previous flight, several additional aspects of the Soviet manned space program should be noted.

The current level of Soviet preparation still is below that of the U.S.

Although unlikely to create a hazard, the Soviet experience with rendezvous and docking has been poor.

The threat of a minor fire poses a moderate risk to the ASTP while a major fire is much less likely.

Soviet communications are not up to the quality of U.S. communications.

Cosmonaut training and ground crew proficiency are inferior to that of the U.S. counterparts.

There has been some technology flow to the Soviets as a result of the ASTP. Future joint projects would pose more of a potential for technology drain.

The primary advantage to the USSR from the ASTP has been in observing U.S. management and program operational techniques.

The Soviet lunar program has produced a string of failures.

In summary, the U.S. has a significant technological lead over the USSR in the following areas: communications, management and quality control; handling emergency situations; launch coordinations and procedures; computerized functions; capability for inflight mission changes; space medicine; and crew training. The two countries are about equal in tracking capability; environmental safety; back-up systems; and life monitoring systems.

Mr. President, as a result of Soviet technical deficiencies I have strongly recommended the current mission involving the Soyuz and Salyut 4 be deorbited prior to the ASTP launch.

Mr. Carl Ducket, Deputy Director of the CIA for Science and Technology, reported, among other statements:

"I do not think they (the USSR) are in good shape to handle two missions at once from the command point of view."

This warning should not go unheeded.

THE MIDDLE EAST—1980

Mr. McCLURE. Mr. President, peace in the Middle East continues to be an elusive goal, despite the efforts of President Ford and his administration. I know that my colleagues join with me in support of this goal, and I believe that we should continue to maintain a sharp, focused perception of the consequences of failure.

Justice and security for Israel and her Arab neighbors are more than just nice words. Achievement of these ideals can make the difference between a strong United States, remaining faithful to its basic principles, and a Nation so weakened by continued economic and Soviet pressures that abandonment of these principles may become a serious policy consideration.

I, for one, do not believe that the American people will allow this to occur. I know with certainty that it is not necessary. We can achieve a peace in the Middle East. A peace based on U.N. Resolution 242 will provide Israel, the Arab nations, and the United States with the victory that each is seeking.

Mr. President, one of our distinguished former colleagues, Senator J. William Fulbright, has written a scenario, based on his wide experience and knowledge, which offers insight to this critical issue. I call particular attention to his scenario for the Israeli border situation, as just one example of how time may not work to any one country's best interest.

In addition, his disturbing picture of the use of American troops in the Middle East should sharpen the understanding of many of us, as to the possible consequences of an unbalanced or unjust Middle East policy.

I ask unanimous consent that former Senator Fulbright's scenario be printed in the Record, together with another article which he wrote earlier entitled "American Interests in the Middle East."

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Star, July 13, 1975]

Fulbright's 1980 Middle East Scenario

(By J. William Fulbright)

One morning in the early summer of 1980 I sat at my desk contemplating an invitation: "Dear Mr. Fulbright: The Young Americans for Peace and Justice in the Middle East invite you to be a featured speaker at their forthcoming rally on the Washington Monument grounds. As you may know, this rally is expected to be the climactic event in the three years' crusade to end American military involvement in the Middle East. An attendance of at least half a million concerned Americans is anticipated.

"In addition to popular folk singers and one of the nation's top rock bands, the program will feature five of the leading candidates for the presidential nomination at next month's Democratic Convention. All five were also candidates in 1976, and each will offer a plan for the extrication of the United States from the military quagmire in the Middle East. One of the candidates, hitherto regarded as an all-out supporter of Israel, will lead a ceremonial burning of the notorious 'letter of the 76' of May 1975, in which 76 senators had called for all-out military support of Israel. Although you are no longer in politics, we believe that your long interest in the Middle East entitles you to participate in an event which we feel sure will rock the White House to its foundation."

Momentarily undecided on whether to accept the invitation, I reflected on the events of the preceding five years:

In the course of the year 1975 and the first half of 1976, most of the Arab leaders stated publicly their willingness to accept Israel as a permanent Jewish state within its borders of 1967. Even the PLO leadership conceded privately that Palestine aspirations would have to be confined to the West Bank and the Gaza strip. Israel, however, with solid backing from the United States Congress, held out for "defensible" borders, the exact extent of which she was unprepared to define but which were generally understood to include the eastern part of Sinai, the Golan Heights, some parts of the West Bank with the right to establish Israeli military installations in the relinquished portion, and east Jerusalem, which was held to be "non-negotiable."

In the fall of 1976, following several abortive renewals of step-by-step diplomacy and the final collapse of the Geneva peace conference, the "Second Yom Kippur War"—or, as it is sometimes called, the "Ten Days' War"—burst upon the Middle East without warning. It is still not known whether the war began with an Arab surprise attack or an Israeli pre-emptive attack, but despite fearful casualties and the havoc wrought by several missile strikes on Tel Aviv and even heavier missile strikes on Cairo and Damascus, the Israeli Army won a stunning victory on all fronts after 10 days of hard fighting. On the tenth day the Soviet-American mediation team commissioned by the United Nations Security Council secured a cease-fire, with Israeli forces positioned just outside of Cairo, Damascus and Amman.

On the third day of the war the Arab oil-producing states imposed an embargo on all NATO countries France and Portugal managed to escape the effects of the embargo by promptly denouncing the NATO treaty and withdrawing from the Atlantic alliance. The embargo continued after the cease-fire, and by the third month the affected Western nations were in severe economic crisis. Unemployment in West Germany reached 10 percent, and in Italy, following civil disorders in Rome and Milan, the government resigned and was replaced by a popular front of Communist and left-wing Socialists.

The United States, still producing 60 percent of its own oil requirements, was least affected. Unemployment held steady at 15 percent, but the United States government found it necessary to repudiate previous emergency oil-sharing agreements with its allies.

On the first day of the fifth month of the embargo, the President of the United States went on national television to announce that at that very moment United States marines and paratroopers were landing on the Persian Gulf coast of Saudi Arabia and Kuwait to occupy the coastal oil fields. The action, he said, was being carried out in accordance with a long standing Pentagon contingency plan, and in strict compliance with the emergency procedures of the War Powers Act.

The oil fields, the President emphasized, would be occupied only temporarily—"until the oil producers come to their senses"—and the oil would be extracted and sold by the occupying authority as an "international public trust." Several days later Congress adopted a resolution applauding the President's action. The resolution was carried by a vote of 435 to 0 in the House and by a vote of 98 to 2 in the Senate.

Unfortunately, the landings were not a complete surprise. Through an inexplicable breach of security, the Saudis and Kuwaitis had gained 24 hours' advance notice of the landings, and by the time the marines and paratroopers were on the ground gigantic oil fires were raging across the Ghawar and Burgan fields, and, to the amazement of the occupying force, on the surface of the Persian Gulf as the result of the demolition of sub-surface oil facilities.

Through the skill and heroic efforts of highly trained oil fire-fighting teams flown in from Texas, most of the fires were extinguished within three months and within another month, by mid-1977, production was back to half of its pre-embargo capacity and rapidly increasing.

It was not until the fall of 1977, however, that Persian Gulf oil was again reaching world markets, owing to the blockage of the Strait of Hormuz by two sunken supertankers which had been torpedoed by PT boats manned by Arab terrorists.

The "International Petroleum Authority" which had been set up to run the oil fields—with membership consisting of the United States, Bolivia, Paraguay and the Dominican Republic—announced in January 1978 that, owing to the costs of security, reconstruction, and anti-terrorist operations, it would be necessary to raise the price of oil $1 a barrel above the OPEC price of 1975. This, however, was only a temporary measure, it was announced, and the Authority, as required by its charter, would continue to treat the oil it extracted and sold as an "international public trust."

An Arab summit conference held at Khartoum in the winter of 1978 resulted in a declaration of "jehad"—or holy war—against America and American interests all over the world. The Khartoum declaration also formally revoked previous offers to settle with Israel on the basis of the borders of 1967, insisting instead on the original United Nations partition plan of 1947.

In the months that followed, a series of terrorist attacks against Americans occurred in various parts of the world. Three American embassies were bombed and, despite new security measures, two American aircraft were hijacked on trans-Atlantic flights. In the spring of 1978 bombings occurred in Chicago, New York, and in National Airport in Washington, D.C., all with substantial loss of life. After each of these outrages, the clandestine radio of the terrorist "Arab Liberation Organization" claimed responsibility.

The United States government responded to these provocations in several ways. After an extended, acrimonious debate, the Congress by narrow majorities authorized the President to send 50,000 additional troops to bolster our security forces in the Persian Gulf, and additional naval units were sent to patrol the Strait of Hormuz.

New measures also were taken to deal with domestic terrorism. Acting on the report of a special study mission which had been sent to Israel to study airport security, the Federal Aviation Agency announced that all passengers on domestic flights would be required to check in two hours ahead of flight time for security checks. Congress also adopted legislation imposing a mandatory death penalty for all persons convicted of acts of terrorism.

Throughout the years 1978 and 1979, despite repeated pleas by the President for "patience" and "fortitude," public support for the administration's Middle East policy waned steadily. In the trail of public opinion, congressional opinion followed. The President's request for an additional 30,000 men for the Middle East security force encountered rough sledding in Congress. In April 1979, the "Young Americans for Peace and Justice in the Middle East" announced still another march on Washington. In the summer, the Senate Foreign Relations Committee opened hearings on a bill to repeal the "Persian Gulf Resolution."

By the end of the year the polls showed the President's popularity at a new low of 27 percent, while support for Israel stood only slightly higher at 29 percent. A special caucus of liberal Democrats in the House and Senate adopted a cautiously worded resolution calling on Israel—"for the sake of world peace"—to "consider" whether it could withdraw to the 1947 partition line in exchange for an American guarantee.

The Middle East became the dominant issue in the 1980 presidential primaries. In an obvious effort to influence the election, the Arab Liberation Organization announced in February a new worldwide offensive against the United States. There followed terrorist outbreaks in Houston and Boston, and a hand-fired missile of apparent Soviet origin did heavy damage to the American embassy in Tokyo.

In the wake of these events the incumbent President's popularity plunged still farther, and support for Israel dropped to a new low of 23 percent. By the time of the California primary in June, all of the Democratic candidates had called upon Israel to withdraw to the 1947 partition line. "It is no more than morality requires," said the Washington Post in an editorial.

So matters stood as I penned my reply to the Young Americans for Peace and Justice in the Middle East.

"Dear Mr. Chairman: I regret very much that I must decline your invitation to speak at your forthcoming rally. As you know, I am retired from politics and I think it best to leave crusades to the young and to others still actively involved. Furthermore, I must confess that I do not fully concur in the stated aims of your organization. Although I favor a prompt and orderly American military withdrawal from the Middle East, I still adhere to my long-standing conviction that Israel is entitled to a secure national existence within its borders of 1967. I am aware that this view is generally considered outmoded, but I adhere to it in the belief that the United States must honor its solemn commitments.

"Finally, at a time when the executive branch of our government has been greatly weakened by the cumulative effects of Vietnam, Watergate and the Middle East crisis, it seems to me that some of us ought to stand by the President.

Sincerely yours, J. W. Fulbright."

[From the Washington Post, July 7, 1975]

AMERICAN INTERESTS IN THE MIDDLE EAST

(By J. W. Fulbright)

In his speech at Atlanta on June 24, Secretary of State Kissinger pointed to the range of vital American interests in the Middle East—the security of Israel, access to Arab oil, the strain on the Western alliance posed by each successive crisis, the threat to the world economy of a new oil crisis, and the chronic danger of confrontation with the Soviet Union. The Secretary emphasized that the United States "must do its utmost to protect *all* its interests in the Middle East."

Having recently returned from an extended tour of the Middle East, I am filled with a strong sense of both the import and urgency of the Secretary's observations. Time is working against us, and against our interests.

To see why, it is necessary to consider *all* of our interests in the Middle East. The Arab-Israeli conflict and the oil problem are not only related but inseparable. Israel is largely a creation of the conscience of the West, particularly that of the United States; for that reason alone, her survival qualifies as an American national interest. At the same time we have a most vital interest in access to Arab oil—all the more as the Gulf States account for a steadily rising portion of our imports and Congress shows little inclination to enact measures for meaningful energy-conservation. Logic suggests that if we are to give all-out support to current Israeli policy, we should be taking drastic measures of energy conservation against the inevitable embargo; or if we are to allow our dependency on Persian Gulf oil to continue to increase at its present rate, it would be prudent to draw back from our financial and political support of continued Israeli occupation of Arab lands.

The problem of statecraft is to avoid this unpalatable choice by reconciling our Israeli and Arab interests, surely not to allow ourselves to drift, or be maneuvered, into a position in which one must be sacrificed to the other. The only way to reconcile these interests is by bringing the Arab states and Israel to a settlement.

The status quo is not benign. It is not allowing tensions to abate; on the contrary, it fosters a steady and accelerating slide toward war. The Secretary was, if anything, understating the matter when he said at Atlanta that "we are now at a point where there must be a turn either toward peace or toward new crises." Virtually every Arab leader I met on my trip expressed not just apprehension but certainly that if significant progress toward a settlement does not come soon, war will follow within a year or so, and with it a new oil embargo.

The principal Arab countries—including Egypt, Syria, Jordan and Saudi Arabia—are all led by moderate and responsible men. These leaders are united in a consensus for making peace with Israel on the basis of the 1967 borders. All of them say so, explicitly and without qualification, and the head of the Palestine Liberation Organization, Yasser Arafat says so, too, guardedly and by indirection but, to my ear, unmistakably. The emergence of this consensus for the acceptance of Israel is the most important and promising development in the Arab world since the 1967 war. It has created what Arab leaders describe as a "golden opportunity" for peace.

Emphatic as they are in pointing to this "golden opportunity," Arab leaders are no less emphatic that, if not seized upon now, the opportunity will soon be lost, perhaps irretrievably. As in our own politics, no approach to a problem—especially a risky and controversial one—can be pressed indefinitely if it does not bring results. The continued occupation of Arab lands is a threat not only to Arab moderation but to the moderate leaders themselves. Mr. Arafat hints that he could be more forthcoming if he had something to show for it and also warns that if he does not succeed he will be replaced by extremists. One also hears—with disturbing frequency—warnings that President Sadat himself may be in trouble if he does not soon achieve some progress toward peace.

The stakes are high, either for disaster or, as is not always sufficiently recognized, for great good. If there is another war, it may well bring on difficulties with the Soviet Union, and it will surely bring an embargo, which in turn could precipitate the disintegration of our alliances with Europe and Japan.

On the other hand, Saudi Arabia, with one-fourth of the world's oil reserves, has offered the United States a degree of cooperation and assured access to its oil that arouses the envy of all other industrialized countries. The Saudis do not propose, nor would we desire, privileged or discriminatory access to their oil, but they do offer us—and it is entirely proper that we should accept—a unique relationship based upon assured oil supply, large-scale investment of oil revenues in the United States, and primary reliance upon American technology for the development of Saudi Arabia. A Saudi-American association of this kind could also serve as an economic nucleus that would be highly beneficial to the rest of the world, including the developing countries. Also of great importance is the fact that almost all of Saudi Arabia's vast oil reserves are explored and extracted by a highly efficient American company with excellent relations with the Saudi government. It is staffed primarily by Americans, is American in its orientation, and qualifies thereby as a solid asset to the national interest.

There are two basic problems with respect to our reliance on Arab oil: supply and price. The problem of supply—which is to say, the threat of embargo—is wholly a function of the Arab-Israel conflict. If that is resolved, there is no further threat of embargo. The problem of price is also related to the Arab-Israel conflict. A settlement could not be expected to result in an immediate, sizable price rollback, nor would it detach Saudi Arabia from OPEC. It would, however, eliminate the only outstanding issue between the United States and Saudi Arabia—especially if provision were made for the restoration of East Jerusalem to one form or another of Arab sovereignty. Under these circumstances, Saudi Arabia would almost certainly draw closer to the United States and become more amenable to our influence, making the problem of oil prices far more susceptible of reasonable accommodation.

Except from Israel herself, there is a virtual world consensus as to the main outlines of a Middle East settlement: an Israeli withdrawal to the borders of 1967 with insubstantial variations; a Palestinian state comprising the West Bank and Gaza, either separate or in association with Jordan as the Palestinians may choose; the permanent or indefinite demilitarization of the Golan Heights, of much or all of Sinai including Sharm el-Sheikh, and of much or all of the West Bank; the stationing in the demilitarized zones of U.N. Forces which could not be removed except with the consent of both sides; and great power guarantees of the settlement, preferably under the aegis of the United Nations Security Council, supplemented if necessary by a solid and explicit American guarantee of Israel.

A settlement along these lines has been endorsed by the principal Arab parties and also by the Soviet Union. The Arab consensus for the acceptance of Israel has been repeatedly signaled by the Arab leaders. King Khalid put it this way: "The Arabs have learned to be moderate, reasonable. Gone are the days of Nasser's period when the Arabs threatened to exterminate the Israelis." No less significant is the Soviet declaration of williness to guarantee Israel. As Foreign Minister Gromyko put it at a dinner in Moscow on April 23 for Syrian Foreign Minister Khaddam: "Israel may get, if it so wishes, the strictest guarantees with the participation—under an appropriate agreement—of the Soviet Union." As noted, the Arab consensus will not survive indefinitely if it brings no rewards; nor can we count on the Soviets to renew their offer to cooperate if we do not hold them to it now.

The settlement would not need to be implemented at once. President Sadat and other Arab leaders indicate that they would be prepared to have it implemented over a period of years, step-by-step—*provided* it were understood that such a settlement, and nothing less, were the agreed objective.

A settlement of the kind described would redeem and reconcile the American interests at stake and, I feel certain, is in the best interests of Israel as well. Israel will be secure only when she gains acceptance as a normal state in the Middle East, in which event she would almost certainly become the scientific and technological leader of the region. The Arabs offer that—or a start toward that—now, but it is far from certain that they will continue to offer it as they gain in military and technological capacity. The advantage of Israel is transient: a population far more advanced than those of her neighbers in technology and organization. The Arabs, however, are advancing rapidly in education and technological skills, and when these are added to their vastly greater numbers and wealth, the balance of power will swing in their favor. In that eventuality, Israel will become less and less secure despite the retention of "defensible borders" and will of course be thrown into steadily greater dependence upon the United States.

As matters now stand, our commitment to Israel is open-ended: We are providing the material means for an Israeli policy that is beyond our control—a policy that, by all indications, is carrying both Israel and the United States toward a major new crisis. An American guarantee of an agreed settlement, on the other hand, would clarify an ambiguous commitment, bringing it clearly within the scope of our national interest, and at the same time provide Israel with the greatest possible security under the circumstances that exist in the area. As one thoughtful observer remarked: "The only secure borders are those which are accepted by one's neighbors."

SETTING THE RECORD STRAIGHT ON SOCIAL SECURITY

Mr. CHURCH. Mr. President, alarmist accounts have surfaced in recent months about the financial condition of the social security trust funds.

Unfortunately, these articles have only caused needless anxiety and concern for millions of retirees and workers—instead of contributing to any meaningful dialog concerning the future of the social security program.

In the past, critics of social security have raised similar charges. They were discredited then, and they will be now.

Persons who claim that social security is on the verge of financial collapse are really doing a disservice to our Nation.

Social security is sound, and it is serving all Americans well.

The program can, of course, be improved. This is a major reason that the Committee on Aging is now conducting hearings on "Future Directions in Social Security."

But a discussion of this kind is very different from assertions that the system is bankrupt or doomed to collapse.

It is refreshing to note, however, that articles have appeared recently to set the record straight concerning the charges directed at social security.

One such account is about "The Social Security Scare," appearing in the June issue of People and Taxes.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From People & Taxes, June 1975]

The Social Security Scare—Unwinding the Social Security Myth

(By Samantha Senger)

The social security system has been receiving a lot of publicity lately, due to projected deficits in the system. Newspaper articles and editorials claiming that the trust fund is unsound, or that the system is bankrupt, have caused fears that workers in the future may not get the retirement income they have been counting on.

None of that is true. The social security system will continue to meet obligations in the future. The fears come from a misunderstanding of the type of system it is—commentators try to evaluate it as a standard insurance program which should have a certain percentage of reserves against future liabilities. Social security is not set up that way.

THE COMMON MYTH

The common myth is that social security is a contributory insurance and pension plan, which holds each worker's contributions in a trust fund until the worker retires. But, given the size of the program, it would be an impossible drain on the financial assets of the country if the money collected by the payroll tax were actually to be taken out of circulation and saved in a separate account for perhaps 40 years. For example, last year alone a total of $57.7 billion was collected, about one-fourth of total federal budget receipts.

The fact is that the system is financed on a pay-as-you-go basis, so that today's workers are paying for the retirement benefits of yesterday's workers. Since future benefits will be paid by future workers, the reliability of the system depends only on the government's ability to collect taxes. Social security benefits, therefore, are not in jeopardy. The fact that the trust fund is losing money may be a cause for concern, but not alarm.

ACTS AS BUFFER

In some ways, that is what the trust fund is there for—the fund is only meant to act as a buffer to keep the flow of benefits steady. This relatively small fund—about $46 billion—collects excess payments in good years and pays the difference in poor years to assure this flow.

Due to a number of factors in our recent economic history, the past few years have been poor ones—high unemployment cuts the amounts collected, and the rising cost of living forces higher benefits. The result is a projected deficit—to come out of the trust fund—of $3.0 billion in 1975. If this deficit continues and increases over the years, the trust fund will be exhausted by the early 1980's.

ESTIMATED SHORT-RANGE TRUST FUNDS OPERATIONS

[In billions of dollars]

Year	Income	Outgo	Trust fund	Loss net
1975	66.5	69.5	45.9	−3.0
1976	72.3	78.1	42.9	−5.8
1977	81.8	87.5	37.1	−5.8
1978	91.1	97.1	31.3	−6.0
1979	100.3	107.1	25.4	−6.8
1980	109.1	116.8	18.6	−7.7

Even if the trust fund is allowed to be totally depleted (which is most unlikely—the prediction of one year of deficit has spawned a number of urgent proposals and hearings) the rest of the system could continue without it, and the bulk of social security payments would still be made. At worst, the long range deficit is projected to be about 5.3%. This means that with no trust fund at all, the system could still meet 95% of its obligations.

But nobody is proposing that the system be run that way, and the Congress and Administration are looking for a better financing system for the program. While witnesses at hearings before the Social Security Subcommittee of the House Ways and Means Committee—including the Social Security Commissioner, the Social Security Advisory Council, the Secretary of HEW and a panel of independent economists and actuaries—did not agree on the precise action necessary, they all agreed that the system is sound and will continue to pay the benefits it is expected to.

Most of the experts also agreed on the causes of the deficit. The primary one seems to be the economy, which accounts for almost 2% of the 5.3% deficit. Their estimates are based on a 6% increase in average earnings and a 4% increase in the Consumer Price Index (CPI).

AUTOMATIC ESCALATOR CLAUSE

The general state of the economy also increases the benefits paid, since the social security law now has an automatic escalator clause in it so that the benefits increase as the CPI increases. This "indexing" system was enacted in 1972. Prior to that, the law had to be amended each time it was necessary to upgrade the benefits. The delays proved to be a great hardship on many of the 30 million Americans who receive social security. It also made the system very politically vulnerable—large increases in election years could be used to influence the senior citizen's votes.

The indexing scheme that was enacted in 1972 was heavily criticized by most of the experts, not because benefits increase automatically, but because the formula chosen to do this is incorrect. The complicated formula results in a sort of double indexing, because it not only increases the benefits but also increases the wage base upon which those benefits are later computed. The result is that by the beginning of the next century, if the wage and price increases continue as projected, a worker might be able to retire with a social security payment higher than her or his income immediately before retirement.

FUTURE PROJECTIONS DIFFICULT

Aside from the obvious burdens of financing such a system, the formula is so sensitive to the consumer price index that it is almost unpredictable. Having so many economic variables that are impossible to accurately predict makes the projections for the future needs and responsibilities of the system very difficult to estimate. These variables could mean astronomical payroll tax increases, so that workers 75 years in the future will be paying as much as 23% of their income to support the retirees.

Most of the experts recommend changing this formula so that only benefits will rise with the CPI. The congressional committee has commissioned a study by several independent actuaries and an economist to analyze this and other formulas and recommend a suitable plan.

Another factor which is contributing to the deficit is the birth rate, which has dropped in the last ten years. During the postwar "baby boom" of 1940 to 1965, the average fertility rate rose to a high of 3.7 children per woman. That rate has dropped by a half, down to 1.85, due mostly to changed life styles and improved birth control methods. Demographic predictions for the future years vary but the fertility rate is generally expected to stabilize at about 2.1, which is the rate required to maintain a stable population size. The trustees are counting on an immediate upswing but the advisory panel to the Senate Finance Committee thinks the fertility rate will decline even further to 1.6 in 1980 before starting a slow increase up to 2.1.

LONG RANGE PROBLEMS

What all that means for social security is that when the workers born during the baby boom are ready to retire, there will be a lot fewer workers to support them. Right now there are roughly 100 contributing workers for every 30 people receiving social security. With the combined effects of more old and fewer young people, that will change to more than 45 retirees to be supported by every 100 workers. That would mean the payroll tax would have to increase by half again just to match the growth in the retirement population.

All of these are weighty problems without simple solutions. A variety of answers have been proposed, and many more are being studied now, but it seems unlikely that anything will be done soon. The quick answers—raising taxes or cutting benefits—would be politically impossible during the current recession and the upcoming election year. And the long range questions take long range consideration.

FUNDING LEVELS FOR ALCOHOLISM AND NARCOTICS PROJECTS

Mr. HATHWAY. Mr. President, a few day ago I was privileged to testify before the Appropriations Subcommittee on Labor, Health, Education, and Welfare on the subject of funding levels for alcoholism and narcotics projects. During that testimony, I stated that now was not the time to cut back funding for these programs, as the Nation has established programs which are indeed having an effect on alcohol and drug abuse.

There is every evidence that we are at a point where expanded treatment facilities could help us turn the corner on these problems, and begin our way back to vigor and health for the millions of Americans now sick from alcoholism and drug addiction.

As an example of the progress we have made, and the potential that exists if we do continue our work in this field, I submit for printing in the Record an article that appeared in the Maine Sunday Telegram on the alcohol safety action program. Funds for this program were dropped without notice or reason, and the tremendous improvements made during the life of this organization are well worth noting.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Maine Sunday Tribune, July 6, 1975]

ASAP Ends Life With Record of Accomplishment

(By John Lovell)

For three years a federal program known as Alcohol Safety Action Program had occupied a crowded, small suite of offices in Portland's Congress Square. This weekend, D. Dwight Dogerty. Jr was cleaning out the files.

The lawyers who had worked there prosecuting drunken drivers, the education specialists who had conducted training programs to help police catch them, the people who had run rehabilitative classes to straighten them out, all were gone.

Dogerty, 37, the program's director since its inception, listened to a police radio scanner as he sorted papers. There were no more ASAP police patrol cars out looking exclusively for drunken drivers, but Dogerty had the radio on anyway, listening for the dispatcher's words that could mean another fatality statistic the ASAP effort had sought to prevent.

"Fifty-two per cent of all highway fatalities in York and Cumberland counties in the past three years," he observed, "were involved with alcohol.

"We estimate that only one out of every 200 instances of OUI (operating under the influence) is detected, based on roadside samplings done nationally and in Maine," Dogerty continued as he emptied his desk. "So the problem is out there."

But during the three-year life of the ASAP, ended on June 30, traffic fatalities dropped in the two-county program by a third.

In 1971, the year before ASAP began, there were 70 highway fatalities. In 1972 there were 73 such deaths. In 1973 there were 51, and last year the death toll dropped to 46.

Dogerty was reluctant to assume credit for the reduction, but he said: "In human terms the program has been very effective. I know it saved lives and saved families."

While traffic deaths decreased by a third in the two counties in which ASAP operated. Dogerty noted, the statewide highway death toll dropped by about one per cent.

The Maine ASAP boasted the largest reduction of traffic fatalities of any ASAP in the nation, but nonetheless it was among several such programs chosen by its federal funding agency, the Department of Transportation, to be closed down this year.

Charles E. Wyman, director of the Maine Motor Vehicle Department under which Dogerty ran the Alcohol Safety Action Program, is mystified at the federal decision not to refinance the program.

"We wrote some pretty pointed letters," he said, "but we never got any answers."

Although no attempt was made to seek financing of the program from the Maine Legislature this year, Wyman said ASAP isn't entirely dead.

He and Dogerty noted that the 19 State Police troopers and municipal police patrolmen who had been trained and assigned to catch drunken drivers have taken their ASAP expertise with them to their general patrol assignments.

And scores of other police officers around the state have also been trained by the program to know how to better detect and apprehend such drivers.

Most importantly, perhaps, the department won enactment of a law requiring mandatory attendance at driver rehabilitative classes for anyone arrested of drunken driving for the first time.

These classes, optional under ASAP, which developed them, were one of the most effective counter measures used in the program to get drunken drivers off the road, Dogerty said.

Impetus to attend the classes was provided in two ways. Persons arrested on OUI charges were offered a choice between risking conviction and automatic four-month suspension of their driving licenses or attending the course and accepting restricted licenses within 30 days. And they were offered an opportunity, if they attended the course, of pleading guilty to a lesser charge, such as driving to endanger.

The law making such classes mandatory becomes effective in three months, and will apply to drivers arrested on OUI charges throughout the state instead of just in York and Cumberland counties.

When the program began, Dogerty recalled as he sealed a carton of records, "we were really pushing convictions. But this backfired on us, because we lost people from the rehabilitative program."

Still, many more people are arrested for drunken driving than attend rehabilitation courses. Dogerty remarked that 2,800 people are arrested for driving under the influence each year in Maine.

In York and Cumberland counties, 65 per cent of the OUI arrests led to convictions on the same charges. Of the remaining 35 per cent, Dogerty continued, some cases were dropped for various reasons and most ended up as pleadings of guilty to reduce traffic charges by those drivers who had attended rehabilitation classes.

Although both Dogerty and Wyman had high praise for the classes, Dogerty is convinced, he said, that straightforward selective law enforcement was the single most effective countermeasure the program had in getting drunks off southern Maine roads.

"The hard, cold fact is that officers were out there making arrests," he said. "We couldn't get people into rehabilitation without that."

Arresting drunks gets them off the road; rehabilitating them keeps them from drinking and driving again, Dogerty said.

But he added: "We don't really know if the rehabilitation program appreciably reduces the probability of repeat arrests."

Wyman, however, cited a six-month study of 2,280 drivers in the Maine ASAP which showed that of 1,150 who attended rehabilitation classes, five became repeat offenders. Of the 1,130 remaining drivers who didn't attend the classes, 81 became second offenders.

"This indicates one of two things," Wyman said. "Either the program was going well and accomplished what it was intended to do, or it wasn't getting to the hard-core drinking driver.

"But one thing we can say now: Of the ones we caught whose licenses were suspended, we got them off the road for four months and we didn't solve their problems."

That's why Wyman feels the new law mandating rehabilitative classes is so important, he said—to solve the problems that lead some people to drink and drive.

But no one knows yet just how effective ASAP has been, Wyman and Dogerty said, because complex evaluations of the $2.1 million program aren't yet complete.

Done at a total cost of $331,000 over the past three years by Social Systems Research Corp. in Bangor, the evaluation is now being completed in sections. One of them, newly arrived at Dogerty's office as he was taking a highway map off his wall, apprises the effectiveness of ASAP's police patrol activity.

The evaluation report says: "Results showed that ASAP patrols, both state and local, produced significantly more OUI and OAS (operating after suspension) arrests per man than non-ASAP patrols as a group.

"Special OUI training showed the trained group of officers superior to the untrained group in 1972 for OUI arrest rates.

"Quality of police work as measured by the proportion of guilty dispositions of arrests showed both ASAP state and local patrols to be associated with a higher proportion of guilty dispositions than non-ASAP patrol arrests in all three years of the project."

In part because of such apparent successes with police training. Wyman said he hopes soon to develop a Motor Vehicle Department training program for all police officers in the state to teach them how to better detect and apprehend drunken drivers.

And he said the department would continue ASAP's medical work in "evaluation and followup of those people in rehabilitative courses.

"The we have to do is prevent that second offense," he said.

The mandatory rehabilitative courses will pay for themselves, Wyman noted, because each driver participating in them will pay a course fee of $30.

Said Dogerty, "the rehabilitation has changed people's lives. We've gotten countless letters thanking us for that form graduates.

"It's worked," he said, "but I don't think we've refined the system enough to be able to pinpoint the person who can be expected at sometime to be involved in a fatal crash."

The one flaw in ASAP, in other words, in that until someone drinks, drives and is caught, the program can't help him.

What's likely to happen now that there are no police officers on the highways exclusively patroling for such people?

Dogerty has a personal prediction: "I think fatalities are going to go back up."

DEATH OF DR. LILLIE MAY JACKSON

Mr. BEALL. Mr. President, on Friday, July 11, 1975, I attended funeral services for one of Baltimore's most distinguished leaders, Dr. Lillie May Jackson. Dr. Jackson, rose to the leadership of the Baltimore City NAACP in 1935, an era when overt discrimination against black Americans was widely practiced and accepted in our society. Long before the civil rights movement gained national prominence, Dr. Jackson was crusading to make life better for black people. Under her leadership, Maryland restaurants, theaters, and commercial outlets abandoned the blatant discrimination that had previously existed. Job and economic opportunities were opened to blacks in ever increasing numbers.

Through the efforts of Dr. Jackson, and those closely associated with her, Baltimore and Maryland made steady progress towards the goal of equality for all. Although Dr. Jackson's articulate voice has been stilled, her good works live on and all the people of Maryland are the better for her having been among us during this difficult transition period.

Mr. President, I ask unanimous consent that the obituary that appeared in the News American on July 10 and an article entitled "Grateful People Gather at Sharp Street Church in a Final, Moving Tribute to Lillie M. Jackson" which appeared in the Baltimore Sun on July 11, 1975, be printed in the RECORD.

There being no objection, the obituary and article were ordered to be printed in the RECORD, as follows:

LILLIE JACKSON, HEADED NAACP

Funeral services for Dr. Lillie May Jackson, president of the Maryland Chapter of the National Assn. for the Advancement of Colored People for 35 years, were to be held today at Sharp Street Memorial United Methodist Church, Dolphin and Etting streets.

Mrs. Jackson died Saturday at her home in the 1300 block Eutaw Place after a long illness. She was 86.

A native of Baltimore, Mrs. Jackson attended public schools before taking teaching courses at the Colored High and Training School, Pennsylvania Avenue and Dolphin Street. After graduating she taught second grade at the old Biddle Street Elementary School.

In 1910, she married Keiffer Albert Jackson, a Carrollton, Miss., exhibitor of religious and educational motion pictures. She traveled in the South with her husband for eight years showing the films.

The couple returned to Baltimore, where they made a home for their three daughters and son. After her children were grown, Mrs. Jackson became involved in reorganizing the Baltimore Branch of the National Assn. for the Advancement of Colored People.

In 1935 she was elected president of the revitalized organization and worked to desegregate public schools, state parks, municipal swimming pools and various beaches.

She retired in 1970 but remained active in the community. She founded Freedom House, a federation of inner city neighborhood club leaders.

The group meets at the old NAACP headquarters, 1234 Druid Hill Ave., every Tuesday to discuss ways of combating crime and decreasing juvenile delinquency.

Mrs. Jackson's husband died in 1970 after 60 years of marriage. She was active in the church for several years after his death.

Interment will be in Mt. Auburn Cemetery in Mt. Winans.

Mrs. Jackson is survived by three daughters: Mrs. Virginia Kiah, Mrs. Juanita Mitchell and Mrs. Marian Smith; a son, Bowen Jackson; a sister, Mrs. Florence Snowden; two nephews, 10 grandchildren and 9 great-grandchildren.

GRATEFUL PEOPLE GATHER AT SHARP STREET CHURCH IN A FINAL, MOVING TRIBUTE TO LILLIE M. JACKSON

(By DeWayne Wickham)

Dr. Lillie M. Jackson returned yesterday to the church where 30 years ago she raised her voice in protest against the social and racial injustices of that day.

In 1945, Mrs. Jackson came to the Sharp Street Memorial United Methodist Church to lead a rally in support of striking Pennsylvania avenue counter girls and clerks who were protesting low salaries and the lack of paid vacations. Friends say that it was the shrillness of her voice, urging the strikers to "stick to their guns," which carried the day.

Today she was silent, but her message was echoed by the many persons who spoke in her stead.

Mrs. Jackson, 86, the matriarch of the city's most prominent black family and long-time head of both city and state chapters of the NAACP, died Saturday. Funeral services were held yesterday.

While many of the top officials of the city, state and nation packed into the Sharp Street Church, swelling the estimated crowd to more than 1,200, another 300 persons stood outside in silent tribute to the woman who came to be known in the black community as "Ma Jackson."

Governor Mandel and Senators J. Glenn Beall, Jr., and Charles McC. Mathias, Jr. (both R., Md.), were there; so were all but one of the members of the state legislature's Black Legislative Caucus. Delegate Hattie N. Harrison (D., 45th, Baltimore) was reported to be out of town.

Also in attendance were members of the Supreme Bench of Baltimore, Police Commissioner Donald D. Pomerleau and a representative of Mayor Schaefer. The Mayor himself was in Washington attending a meeting with President Ford.

As the crowd filed into the historic grey stone church at Dolphin and Etting streets, many of the onlookers recognized some of the stalwarts of the civil rights movement. Among them were Roy Wilkins, executive director of the NAACP and Supreme Court Justice Thurgood Marshall, who often carried the NAACP's fight to the nation's highest court while heading its legal staff.

"She was the embodiment of the NAACP on the state and local level," Mr. Wilkins said. "The movement has lost one of its power-play advocates."

And Justice Marshall, seated in the basement of the church prior to the service, said, "I think my presence is what counts. . . . I am here to bear witness."

When the family and close friends of Mrs. Jackson were seated, only five minutes after the scheduled 1 P.M. start, the gathering joined in the singing of "Lift Every Voice and Sing"—the compelling song of the civil rights movement that many blacks refer to as their "national anthem."

Until her retirement in 1970, Mrs. Jackson was the heart of the civil rights movement in the state. She took her fight for equality for Maryland's black citizens both to the streets and the courts.

When Mrs. Jackson assumed the leadership of the Baltimore branch of the NAACP in 1935, all downtown theaters and restaurants barred blacks. Department stores, although allowing blacks to make purchases, would not allow them to try on their purchases.

Mrs. Jackson waged a tireless campaign against these and other social ills that she encountered. "Mrs. Jackson's legacy is all around us," Governor Mandel said in his eulogy.

Representative Parren J. Mitchell, brother-in-law of Mrs. Jackson's daughter (Juanita Mitchell), set the mood for the occasion when he said, "We are celebrating a triumphant life."

He said that Mrs. Jackson's life had demonstrated to him the "indestructibility of human life."

"The infinity of her love makes for that indestructibility," he said, "a love built on sacrifice and the legacy of suffering."

Probably the most fitting tribute that was paid this woman, who for five years led the fight to open the doors of the Lyric Theater to blacks, came from the Rev. W. W. Payne, pastor of the City Temple Baptist Church.

"Her name was a synonym for freedom . . . she was a living legend," he said.

Quoting from an inscription found in London's Westminster Abby, Rev. Payne said of Mrs. Jackson, "'God buries the workman, but the work goes on.' She will never die, her work goes on."

Mrs. Jackson was the head of the city's most politically active black family. Her daughter Juanita is married to Clarence Mitchell, Jr., head of the NAACP's Washington office.

Her grandson, Clarence Mitchell 3d (D., 38th, Baltimore), is a state senator who has been in the General Assembly since 1962. Another grandson, Michael B. Mitchell, has announced his intention to seek a Fourth district councilmanic seat in this September's primary.

And Representative Mitchell, brother of Clarence, Jr., is the state's first black to be elected to a seat in Congress. Mr. Mitchell launched an abortive campaign for mayor this Spring, but dropped out last month.

As the three-hour service drew to a close, the people packed into the church began to sway from side to side as a soloist bellowed out the words of a traditional black gospel hymn—in final tribute to Mrs. Jackson's life.

May the work Ive done speak for me.
May the service I gave speak for me.
May the life I lived speak for me.
And when I'm in my grave and there's nothing
more to be said,
May the work I've done speak for me.

PORTUGAL

Mr. BUCKLEY. Mr. President, recent developments in Portugal force one to the conclusion that the leftists and Communists now in control of that country are determined to eradicate all vestiges of democracy and individual liberty.

Their reaction to that country's last free election was to abolish the democratic socialist parties that outpolled them and move against the labor unions that represented a strong countervailing force. It has all happened before, of course, for in many ways the takeover in Portugal is following the classic pattern that left much of Europe in Communist hands after World War II.

Mr. President, Sunday's New York Times magazine contained an interview with Mr. Alvaro Cunhal, the leader of the Portuguese Communist Party, conducted by Oriana Fallaci. In that interview Mr. Cunhal reveals himself to be as power hungry and cynical as any Communist revolutionary anywhere. It should be read by anyone who thinks the situation in Portugal is going to improve so long as the Communists are in a major position within the regime.

Mr. President, I ask that Miss Fallaci's interview with Mr. Cunhal be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

A TALK WITH THE COMMUNIST LEADER

(By Oriana Fallaci)

The man who counts most in present-day Portugal, the man who influences the army's power machine, the man, in one sense, who has emerged the winner, although he was beaten at the elections, is Alvaro Cunhal, the Portuguese Communist party leader. It isn't too easy to obtain an interview with him. If one succeeds, however, one has only to listen to him in order to grasp what is happening in that country, to obtain a clear picture.

Cunhal ignores diplomacy's nebulous paths. When he opens his mouth, he says what he thinks, with blunt sincerity. And among the things that he thinks, that he wants, that he has already partially obtained, we find a total refusal of democratic liberties, of democracy as we conceive it. The sum and substance of his utterances is: Either the dictatorship of the proletariat or else Fascism; the third force doesn't count, liberal Socialism is rubbish. If this attitude harms Eupopean comrades, all the worse for them. He makes no mystery of his opinion.

The only mystery he makes concerns his own person: He refuses to state whether he has any family or where he lived after his flight from the fortress of Peniche where he was interned until 1960, for 14 years in all. (It is, however, believed that he lived in Moscow and married a Russian.) Paradoxically, one is attracted to him. He is friendly, gay, impetuous, apt at repartee and able to make one laugh even while he is uttering the most unacceptable principles. Moreover, his intelligence is lively and sharp despite his blind faith and a hint of naiveté that cannot but astonish his listener. (I saw his eyes flicker and his ears redden when I maliciously insinuated that the Soviet Union, impatient with his orthodox excesses, might consider liquidating him.) It is hard to resist the fascination of his handsome, clean-shaven face imbued with faith, his blue eyes and his snow-white hair. (Women find him likable.) It is easy to ignore his charm, however, when one reflects on how ruthless this man is, when one remembers he doesn't believe in freedom.

Cunhal: Say what you like, think what you like: We Portuguese Communists need the army. And we're supporting the army. We've no use for a popular front with the Socialists, a pact like the one formulated by Nenni and Togliatti in 1948. We have already signed the kind of pact we need with the M.F.A., the Armed Forces Movement. In this country it is impossible to form a popular front without the army. The Socialists' great mistake lies in not having understood such a simple truth, in having estranged themselves from the army despite all the votes obtained. Even now, they can't manage to grasp this fact. They refuse to acknowledge that we are engaged in a revolution together with the army, a revolution started and led by the army. The Socialists already backed the wrong horse on April 25. At decisive moments, we Communists have always arrived first. On March 11, for instance, when there was the coup attempt, we didn't wait to see which way the wind would blow. We didn't fiddle about trying to discover which group was more likely to win. We immediately took the responsibility of denouncing the counterrevolutionary danger, of condemning Spinola. And we remained on the side of the Armed forces.

Fallaci: Say what you like, think what you like: It isn't permissible to neutralize and ignore a party that represents the greater majority of your people, the party that won the election. If one doesn't accept the rules of the election game. . . .

But we Communists don't accept the rules of the election game! You err in taking this concept as your starting point. No, no, no: I care nothing for elections. Nothing! Ha, ha! If you believe it's all a question of the percentage of votes obtained by one party or the other, you're laboring under a gross delusion! If you think the Socialist party with its 40 per cent and the Popular party with its 27 per cent constitute the majority, you're the victim of a misunderstanding! They aren't the majority.

Are you joking, Cunhal? Or is arithmetic nothing more than an opinion?

I'm telling you that elections have nothing, or very little, to do with the dynamics of revolution. Whether you like it or not, whether the Socialists like it or not. I'm telling you that the election process is but a marginal complement of said dynamics. Because the Armed Forces Movement, in this country, is a political force. An independent force, with its own political thinking, its political autonomy, even if it isn't represented in the election results. Yes, I know what you're wishing to retort: that the Army voted too. So what? Its votes were scattered among the various political parties: The Armed Forces Movement wasn't competing as such. And if yo ubelieve the Constituent Assembly can meet without the M.F.A., you're making a big mistake. If you believe the Constituent Assembly will be transformed into a Parliament, you're making a ridiculous mistake. No, indeed! The Constituent Assembly will certainly not form a legislative organ; it will certainly not become a chamber of deputies. I promise you. It will be a Constituent Assembly and nothing more, with a limited importance, nothing more. It will meet within a well-determined political framework, well-conditioned by the agreement signed with the M.F.A. by the force that is not represented by the M.F.A. Because it's the M.F.A. that launched the revolution on April 25, not the Socialist party.

Have I understood you properly? You did say there'd be no parliament in Portugal?

You've understood perfectly. I promise you there'll be no parliament in Portugal.

In that case, why hold elections at all? Why did you Communists take part? Why spend so much effort and money?

He! He, he! Maybe you have a point there. Maybe it would have been better if we hadn't taken part. But one can't always do what one likes; one can't always follow programs. Everything was already planned, decided. So many contradictory factors had intervened—that heterogeneous Government, for instance. That large coalition of power that even included the Popular Democratic party. We Communists had indeed told the army men that the P.P.D. shouldn't have been included, that the country couldn't be led towards Socialism by means of an extensive democratic coalition. But they insisted on lumping together Socialists, Communists, Social Democrats and the various trends within the Armed Forces Movement. . . . We had warned them the elections constituted a danger, that they were premature, that if no measures were taken we'd lose them, that one can't mix the passive vote with militancy. But we were able to prevent only the regional elections. They insisted on holding the one for the Constituent Assembly.

Cunhal, elections provide the only thermometer for assessing a people's will.

One of the thermometers. Only one. And I say this just to please you or, better, because if I answered "no thermometer," we'd go on for ever: yes, no, yes, no. But how can you speak of using a thermometer when there are districts where people can't even read and write? Districts where propaganda is carried out by whispering: "If you vote hammer and sickle, the Communists will come and give you an injection behind your ear."

What you're saying is that the people are immature, Cunhal. It's always an excuse for dictatorships. And it's exactly what the Fascists say.

Well . . . It doesn't mean that the people are immature . . . it means that the electoral method isn't the only one. . . .

The truth is that you didn't expect to lose so heavily, Cunhal.

No, no. I knew the right would win. Hadn't I even warned the army? I expected more votes in Lisbon, true. I expected more votes in several districts, in the South . . . but I never deluded myself that we'd obtain the majority. That woud have been an unfounded hope. Anti-Communist feeling ran so high that in some villages I couldn't even hold a meeting. On the walls they scribbled: "Cunhal, if you come here, you die." The agricultural electorate was very unfavorable to us. The election campaign was held in a climate of terror in the countryside. And everywhere, the enemy to be overcome wasn't Fascism, it was the Portuguese Communist party. We had everyone against us: right, center, left. We had you against us, too, you of the international press—always talking of Prague, of Lisbon as of Prague . . . while the Vatican radio launched appeals not to vote for the left and the Socialists evoked the spector of civil war, of a war with Spain if the Communists came to power, of a Communist army coup. It was unavoidable that the right should win.

It isn't the right that won, Cunhal. It's the Socialists that won. Nor was there any terror: You spoke wherever you liked. The election was held in a correct manner. It's you, later, that behaved incorrectly. Unlawfully in fact.

Ah, but at this point I must explain to you what's happening in Portugal, what we have here. There's a revolution happening, you know? There's a revolutionary process afoot, you know? Even if it is proceeding side by side with a bourgeois democratic process that sometimes coincides with the aims of the revoluntionary process and sometimes contradicts them. The solution of our problems lies in the dynamics of revolution, whereas the bourgeois democratic process wants to entrust it to the old electoral concepts, invoking legality, a juridical situation and seeking to protect it with the laws of a previous regime. It refers to laws that must be respected. But in the revolutionary process, laws are made, not respected. Do you see? The revolution doesn't respect old laws; it makes ones.

Perfectly right. Perfectly true. But, in that case, why speak of democracy? Democracy is pluralism; it is free thinking. It's elections that must be respected. Elections in which all take part and not just the parties tolerated by you.

That's your opinion. It's by no means mine.

So I perceive. But then, what on earth do you mean when you use the word democracy?

Certainly not what you pluralists mean. To me, democracy means getting rid of capitalism, or trusts. And I'll add: In Portugal, henceforth, there exists no possibility for a democracy such as the kind you have in Western Europe. By "henceforth" I mean "no longer." Of course, if on April 24 we had been told, "You'll have a political set-up like the one in France or in Italy or in England," we'd have exclaimed: "How wonderful, what a relief!" But things went differently; the way events moved opened other prospects to us, and you can't expect a people's wishes to limit themselves or crystallize. In other words: Your Western democracy is no longer enough for us. Your coexistence of democratic freedoms and monopolistic power no longer interests us. We wouldn't attain it even if we could. Because we don't want to. We don't want a democracy like yours. We don't even want a Socialism, or, rather, a dream of Socialism, like yours. Is that clear?

And how!

In this country we need thorough, radical transformation at the social and the economic level. There are two choices before us: either a monopoly with a strong reactionary government or the end of monopolies with a strong Communist democracy. Capitalism in Portugal has developed in a very individualistic way—based on a backward industry, a primitive agriculture, a poverty never lightened by technology. Moreover, it has always enjoyed the protection of the Government establishment. It was the Fascist state itself that promoted a trust system by its use of violent repression and its enforcement of the miserable conditions the workers lived in. Our capitalism has always been an underdeveloped one, not at all to be compared with the types existing in other European countries. There's always been an enormous difference between the salaries of our workers and those of other European workers, an abyss between their mutual standards of living. So I'm interested in getting rid of monopolies, even if we're doing it in rather a disorderly way just at present. What you see now in Portugal is but the beginning. A temporary situation, in fact. Don't believe that the nationalization already achieved has followed a blueprint, a program. It's just a solution to immediate problems. Even without wanting Socialism, nationalization was overdue. And here you come babbling of election results, democratic freedoms, liberty!

Is it because you don't like that kind of talk that you've had the Socialist daily. Republica suppressed? Is it because you don't care for freedom that you've monopolized all the information media, from newspapers to radio to television?

I haven't monopolized anything. The press is self-managed ideologically, and I'm agreeable. It follows Portugal's revolutionary process and is entirely free. Of course, if the workers believe some editor or staff is counterrevolutionary, they have every right to demand their removal. It's even their duty, both spiritual and political. Everywhere, in Portugal, a paper's workers may evict the paper's editor. Or refuse to print the paper for him. That's what happened in the case of Republica. The Socialists behaved hysterically; they made a scandal of the affair to remind people they'd won the election. The truth is that the workers rebelled because Republica published nothing but attacks against the P.C.P., libels against the P.C.P. and criticism of the revolution. They began by censoring the texts they found unfair and then revolted. They were quite right to do so.

What if Socialist workers were to do the same to your papers? What would you say to them then, Cunhal?

He, he! I'd say: You fellows . . .

Listen, Cunhal: One even finds you, because you're ovrbearing and make no secret of it, a tyrant who takes no pains to mask his tyranny. On the other hand, don't you realize the harm you're doing to the European left and particularly to your Communist comrades in other countries? Just consider the Spanish Communist party. . . .

Ah! Poor Spanish Communist party. Ah! Poor Spanish Communists! How their plight moves me, how I suffer for them!

Just consider the Italian Communist party and the service you've done the Italian Christian Democratic party. . .

Oh! How sorry I am, how afflicted, navré! Je suis navré! Vraiment navre! Oh! Poor Italian Communists! Je pleure pour les Communistes Italiens! I weep for all European Communists, I reproach myself, I curse myself, I suffer on their behalf! Yes, I know their complaints. They're the ones they repeat to me whenever they come here. "Why are you doing these things?" "Why don't you accept some of the democratic procedures?" "Why do you prevent the Christian Democrat party taking part in the election?" and so on and so on and amen. What Christian Democrat party? All there existed was a tiny party that had been formed a bare four weeks earlier, with a fascist at its head. A fascist who should have been in prison since Sept. 28, in fact, because he had already betrayed the Armed Forces Movement with Spinola. A young reactionary party that didn't even have a Catholic base and that had already attempted conspiracy. . . .

All that has still to be proved and, in any case, wasn't the M.D.P. [Movimento Democratico Portugues, a Communist front] also such a small party but recently formed for your convenience?

We are looking through two very different windows. Your window isn't mine.

That appears obvious to me. However, I find it strange that you should sneer so at your Communist brethren in another country. The Italian Communist party was striving for the historical compromise and you. . . .

Oh, how sad to think they've suffered so much because of me! Oh, how mortified I feel! They had that possibility, and I spoiled it for them! You know what I think! If a Communist party can suffer damage by events taking place in another country, if it has to bear the consequences, then it means that . . .

. . . it isn't worth much? It may not be worth much, but the Italian Communist party, notwithstanding, can summon up seven million votes, whereas you didn't get even 700,000. Have you ever meditated this fact? Have you never considered the advisability of making the choice Togliatti made, of inserting yourself in the so-called bourgeois democracy?

No, no, no, no, no, no and no! We've already obtained much more this way. Today there are no more private banks in Portugal and all the fundamental sectors have been nationalized; agricultural reform is on the way, capitalism is destroyed and monopolies are about to be destroyed. And all this is irreversible. Irreversible! So my answer to the Communists in Western countries, to their complaints is: We don't await the results of elections to change things and destroy the past. Our way is a revolution and has nothing in common with your systems.

Do you believe Portugal will go Communist?

Indeed I do! It's my aspiration, since I'm a Communist myself. And it is indisputable that Portugal, as things now stand, is moving toward Socialism. The only thing I can't say, as things now stand, is what form that Socialism will take. Maybe I ought to be able to, seeing I'm in charge of a party by no means defeated. But, frankly, I don't feel up to it. I don't know why. We Communists would like to have everything, but we have to reckon with a very complicated, very contradictory reality. Our program for a Communist Portugal is certainly open to amendment. We've signed a five-year pact with the M.F.A. And we haven't the slightest intention of aligning ourselves against the army.

What if the military discover they're not so fond of you as you are of them, Cunhal? What if they transform Portugal into something like Peru?

No . . . I don't think so. No, not Peru. . . .

But suppose it happens?

Well, then I'll tell you: You can exclude the idea that in Portugal there exists a political force able to survive without the Communist party. Or, rather: Without the Communists, the revolution is impossible. I'm not saying this to express an opinion: I'm saying it to state a fact. I'm not saying it to imply blackmail, either; I'm saying it to demonstrate that we're conscious of our unexpendability. The military are aware of this too and have no idea of attempting to proceed without us. Neither now nor in the future.

However, there are some military who don't like you. I refer to the Maoists, who declare themselves fed up with the Portuguese Communist party's influence on the Revolutionary Council and the Armed Forces Movement.

There are certainly some Maoists concealed in the army, and it is obvious they oppose us, since they are inspired by the forces of reaction. This orientation of Maoist groups is universal, the same the whole world over. Their energy isn't the middle class, it isn't capitalism: They themselves have risen from the middle class, or even from capitalism. Their enemy is the Communist party. The Portuguese Maoists are like the Italian, French or German Maoists: puppets of the reaction against the Communist party. And they do constitute a danger. On the other hand, they have no possibility of seizing power. All they can do is attempt to divide, engage in provocation, like last night, when they started shouting that the political prisoners' camps contained Communists who had plotted with the Fascists.

Prison camps? What next? Aren't the jails enough? How many political internees have you in Portugal today?

I don't know. In any case, not many, not enough. They set them free too easily. They arrest them and then throw them out the next day. Sometimes these military are really too mild. And yet, they've made a revolution.

Listen, Cunhal, here one hears of nothing but revolution. What revolution? Revolutions occur when the people participate. April 25 was a coup d'etat, not a revolution.

By no means! If you consider the M.F.A. just a group of conspirators who meet one fine day to engage in a plot, it shows you don't understand what's happened in Portugal. It wasn't a coup: We Communists said so at once. It was a movement of democratic forces within the army with meetings of 400 officers at a time discussing ways and means of changing the regime. I shouldn't even call them meetings: I should call them assemblies. And if you ask me where the people were during those assemblies, I'll answer that the Armed Forces Movement wouldn't have been formed if the people had not already started the struggle. The progressive officers didn't fall from heaven, were not born spontaneously like mushrooms after rain and sunshine. But to convince you, I must make my analysis.

Please, don't bother.

No bother. Here it is. The last years of the Fascist regime were difficult ones even for the dominant capitalists groups. The colonial war absorbed 43 per cent of the national resources and those groups found out supporting it no longer served their purposes. Apart from everything else, it isolated them from the rest of Europe and impended their economic expansion. Caetano would have to revise his international policy and liberalize his Government, they kept on repeating anxiously. This anxiety found a response in Spinola and other generals. Spinola was intelligent, well-prepared and had a following. However, there was also another trend within the army: the progressive officers. An elementary one, we must admit, not ideological. Few had the necessary preparation: Communist cells, for instance, existed among the soldiers but seldom among the officers. And the movement evolved rather as a caste than a democratic one. Then the officers began to hold meetings to discuss their career problems and the discussions expanded. They matured. And when both trends, Spinola's that only wanted the liberalization of the regime and the progressive officers' that wanted much more, found themselves shoulder to shoulder on April 25. . . .

. . . Cuhal stepped in and went to work on the progressive officers. Until he had them where he wanted them.

That's not the way to put it. We Communists had no contacts before April 25. We did foresee something, but we couldn't forecast anything for certain because we had no agents within the army. One can't even say we had lots of sympathizers there. In fact, the new leader considered was a moderate: Costa Gomes. Spinola took Costa Gomes's place because it was Spinola who negotiated with Caetano, and the latter declared he would surrender only on condition Spinola assume leadership. However, that's not what I wanted to explain. It's the fact that it's the army that overtherw the fascist dictatorship, but it's the people that imprinted the revolutionary dynamics. In fact, it's the people that assaulted police headquarters and freed political prisoners. I can demonstrate this because there are films of the events.

Revolutions are launched to give people a better life. That doesn't seem to me to be the case in Portugul.

I'll admit it. Our economy is still disastrous, even after nationalization. But I react like an authentic revolutionary to the bitter reality and have the courage to oppose strikes, excessive wage claims, to repeat that one mustn't lapse into demagogy, into a competition of who promises more. This very morning, I've had a discussion with the representatives of hotel staffs. I asked them: "Do you believe you'll solve your problems by ever-increasing wage claims? Monetarily, maybe. But what about tomorrow? Tomorrow you'll have no more tourists (already this year very few are coming) and the hotels will have to close down. You must make fewer demands and work more, produce more."

If the Italian unions could hear you!

Why should I worry about the Italian unions? Truth is truth and demagogy is demagogy. If we don't help ourselves, nobody's going to help us . . . Any more questions?

Only two. The first is What 'about NATO?

The other day, I met the United States Ambassador who was here before Carlucci. He was with some English people and they all asked me: "But how is this? You Portuguese Communists support NATO. You really want to stay in it?" My answer: "Who told you we support it, that we want to stay in it? We have merely stated that we don't wish to discuss the problem for the time being. It needs to be considered in a broader context: World peace, the Warsaw Pact, the cooperation of countries with different political regimes. Some day, we'll tackle it. We're in no hurry. For the time being, belonging to NATO doesn't present us with any problems."

The second question concerns the Warsaw Pact. Is it or isn't it true that you voiced approval for Soviet intervention in Czechoslovakia?

You want to end on that note, do you?

I'm sorry to appear brutal.

Why "brutal"? It's entirely true that I approved and supported Soviet intervention in Czechoslovakia, the so-called tanks in Prague. And there's no shame in admitting it; at most, and sometimes, it's unreasonable. But such was my, our, choice, and we were right. In every sense: political, historical and cultural. And I don't care a fig for whatever interpretation is given it. And I'd be grateful if this interview would stress this point well. And another too. I repeat and conclude: Portugal will never be a country of democratic freedoms and monopolies. It won't be a fellow-traveler of your bourgeois democracies. Because we won't allow it to be. We might land with another fascist Portugal. It's a risk we have to run, although I don't believe in another fascist coup: We Communists are equipped to prevent it, thanks to our alliance with the military. But, certainly, we shall not have a Social Democract Portugal. Please make that quite clear, will you?

Never fear, Cunhal, I will.

THE ROY JEFFERSON INNER CITY LEARNING CENTER

Mr. BEALL. Mr. President, on May 27 I had the pleasure of visiting the Roy Jefferson Inner City Learning Center. Roy Jefferson, as my colleagues know, is the outstanding wide receiver of the Washington Redskins.

Roy Jefferson is concerned over the fact that there are a large number of youngsters in this Nation who cannot read or read inadequately; but Roy Jefferson is determined to do something about the problem and that is what the Inner City Learning Center is all about.

I was quite impressed with the center and it is amazing what progress can be made in such a short period of time. A colorless suite, through volunteer efforts and donations from many merchants in the area was transformed into a classroom most conducive for learning. Remnants of carpets donated by merchants were patched together to form a colorful kaleidoscopic surrounding. I ask unanimous consent that a summary sheet explaining the Roy Jefferson Center and a list of those merchants who contributed to the center be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

M. BEALL. This shows once again that citizens are likely to help when called. While the good work done by business and civic-minded citizens is often overlooked, I want to commend those who contributed to the launching of the learning center.

As a member of the Education Subcommittee, reading is an area of deep concern to me. I have labeled reading as the "Achilles' Heel of American Education."

Recently I appeared before the Senate Appropriations Committee urging funding of the national reading improvement program, which I authored along with Senator Eagleton. I recommended $25 million for the program and the Senate Appropriations Committee provided and the Senate approved $22 million. In the final House-Senate conference, the amount was reduced to $17 million. I ask unanimous consent that this testimony be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. BEALL. Mr. President, I want to congratulate Roy Jefferson for undertaking this challenging assignment. Roy Jefferson's efforts here in the Nation's Capital, in my judgment, should be emulated elsewhere in the country. For this reason I have written to the National Football League Commissioner Pete Rozelle urging the NFL to make reading one of their public service activities for this upcoming season. American youth idolize football players and interest in reading by the NFL I am certain will impress many children in the country and probably contribute substantially to the emerging national attack on reading problems. I ask unanimous consent that a copy of the letter I wrote to Commissioner Rozelle be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

[Exhibit 1]

Roy Jefferson Inner City Learning Centers

Dear Applicant: Thank you for your interest in the Roy Jefferson Inner City Learning Centers. Here are a few questions and answers we find are commonly asked by applicants. If you should not find the answer to your question please feel free to contact the Registrar.

1. What is the Roy Jefferson Inner City Learning Center?

The Roy Jefferson Inner City Learning Center is an educational learning center concentrating on helping individuals with reading problems. It has been established under a contract with the Right to Read Program within the United States Office of Education.

2. What is the primary goal of the program?

The primary goal is to increase the reading level of each participant a minimum of 2.5 years and to create good reading habits and interest on the part of the student.

3. Who is eligible to participate in the center activities?

Any individual who is at least one year behind in his/her reading and does not have a physical or mental problem which would prohibit participation.

4. Where are the centers located?

At the present time only one center is open at 1411 K St., N.W., Washington, D.C. Suite 1110. Other centers will be opened in the Washington Metropolitan area as funds and citizen interest increase.

5. What are the costs involved in participating in the program?

Instruction and basic material costs are provided free. There will be some minor costs to the participants for activities included in the program. We do not anticipate these costs being greater than $1 per week.

6. What type of education materials are used in the program?

The program is customized completely according to the individual student's need. The management instructional system is entitled Saturation Approach to Learning and provides for the customization of many published materials into individualized programs. These programs concentrate on specific skills needed by the student. Materials are also created to meet the specific interests of the student. They are not programmed. All materials within this approach are designed to meet the needs of the individual student. We "program" the materials not the student.

7. What times are the activities?

Instruction is scheduled on an appointment basis with one hour sessions twice a week. The appointments remain constant once established. During the months of September through May the staff will be scheduling instruction at the following times (Mondays–Thursdays):

1:00—Special Student.
2:00—Adults.
3:00—Children.
4:00—Children.
5:00—Children.
6:00—Special Conferences.
7:00—Children.
8:00—Open to all ages.

During the summer months the staff will modify the schedule with the following increased times:

10:00—Children.
11:00—Children.
12:00—Open to all ages.
1:00—Special Conferences.
2:00—Adults.
3:00—Children.
4:00—Children.
5:00—Children.
6:00—Special Conferences.
7:00—Open to all ages.
8:00—Adults.

Saturday Program schedules will vary according to the activity. In general all students will participate either during the morning or afternoon session. Morning sessions will begin at 9:00 and end at 12:00. Afternoon activities will begin at 1:00 and end at 4:00.

In general students will attend two instruction sessions weekly and participate in one of the Saturday sessions.

8. What kind of activities will occur at the center?

To comply with the general philosophy of the program, the activities will center around motivating participants to want to read about and enjoy experiencing activities of interest to them. Professional athletes and other well known celebrities will meet with the participants and provide motivation and assistance. Community leaders and business professionals will assist in conducting stimulating field activities.

Instructors will meet with assigned students on a one to four basis in an informal setting to present materials and discuss student progress.

Movies, field trips, fairs, parties, etc. will occur weekly.

9. How will this program cooperate with the area schools?

Information regarding the program, its goals and procedures will be discussed with the area school officials, principals and teachers. They will be invited to participate in workshops, center activities, and record exchange programs. Progress reports will be sent to the participant's school long with requests for input from his/her classroom teacher.

10. Will each participant be tested?

Yes. All participants will be given a diagnostic reading test as part of his/her enrollment. This test will be given periodically to measure progress and program completion. These tests will be reviewed with the student's parent or guardian and the areas of weakness will be discussed.

11. Will progress reports be given to the student and his/her parents?

Yes. Parent conferences will be scheduled on a monthly basis to discuss the participants program. The participant will receive a weekly review of his/her progress.

12. What kind of reward system is planned?

Each activity will be assigned a point value. Students who complete an activity will be awarded a specific number of points. These points can be applied to prizes ranging from small tokens to exciting trips, events, and valuable merchandise.

13. What about discipline?

Although the rules will be few, those which are made will be strictly enforced. Parent's cooperation is essential. Students will be dropped from the program if they continue to violate the rules. Students with behavior problems will be placed with special teachers and encouraged to modify their behavior. No corporal punishment will be administered by any instructor. When a student is in gross violation of the rules his/her parent or guardian will be contacted and permission to continued in the program will be granted only with an accompanying parent in the center during the student's appointment times.

14. Should I threaten my child with punishment?

Please do not initially threaten or scare your child regarding his activities. We would prefer that the child understand the purpose for the rules and how the rules will protect them from danger and help them learn. Behavior problems are often the result of poor teaching and the lack of a stimulating atmosphere. We will regard behavior problems as a failure on our part.

15. Can more than one member of a family participate in the program?

Yes. Selection however will be based upon need.

16. What is the policy regarding acceptance and rejection of a student?

There will be no discrimination with regard to race, color, or creed. There will be a committee composed of staff members and consultants who will select participants based upon the urgency of need and order of application. Those students who are not scheduled for immediate openings will be placed on a waiting list by priority and date of application.

Children with less than one year reading retardation will not be accepted. Preference will be given to students with more than two years retardation.

17. When will I be notified of acceptance or rejection?

The review committee will meet on Saturday, April 19, 1975 at 2:00 p.m. to determine the initial population. Parents will be notified of acceptance or rejection by mail no later than Friday, April 25, 1975. The registrar will have a list of accepted participants by April 21, 1975 and interested parents may inquire by calling the center.

18. When will the center open?

The official opening ceremony will be May 1, 1975. Student activities will begin on May 2, 1975. The actual starting date for each student will be designated in the acceptance letter.

19. Can the participtants borrow books or materials for home or school use?

Yes. A special library will be located in the center and materials will be loaned to the participants. A one week lending limitation will be imposed and strictly enforced.

All participants should have D.C. Library cards prior to entering the program.

20. Will the participants be given work he/she will do at home?

Yes. This work should not interfere with normal school work. Parents will be given instructions on how to assist the child in these activities.

Failure to do the assignment will result in loss of points leading to awards and prizes offered by the center.

21. Will there be any home visitations?

Yes. Athletes and staff members will visit each home to meet with parents and students to discuss the program and answer any questions.

22. Will the participants be required to furnish any supplies?

Yes. Each participant will be required to bring to the center the following supplies at his first appointment:

3 pencils, 3 bandaids, 1 spool of heavy thread, and 1 old shirt for art activities.

23. Will parents or guardians be required to participate in any activities or meetings?

Yes. It is mandatory that at least one parent participate in the following activities:

a. Initial enrollment.

b. Parent Orientation at 7:00 P.M., April 25, 1975 or at 10:30 A.M. April 26, 1975. Call the center to designate your time preference or discuss any scheduling difficulties. (1½-hour meeting.)

c. Parent Conference—Monthly by appointment (30 min.).

24. What is the policy regarding failure of a parent to attend these meetings?

If parents refuse to attend these meetings their child will be dropped from the program.

25. Will the center be closed on legal holidays?

Yes. It will also be closed on any day in which D.C. schools are forced to close due to bad weather. The center will not close on teacher conference days or during other county/city holidays. Please check with the registrar if you are in doubt.

26. Will the center accept private donations?

Yes. We are a non profit tax exempt institution and would appreciate any donations. Donations will not influence in any way the acceptance of a participant.

Groups wishing to sponsor children or outreach centers should contact the center director.

27. What type of donations are you interested in?

Businesses and individuals are encouraged to donate school supplies, camera equipment, film, rugs, furniture, snack foods, games, toys, new clothing, drapes, paint, wood for shelving, books, arts and craft supplies, pictures, personal services, office equipment, and money.

28. Who can volunteer their services to the program?

Any individual of good moral character who is willing to work with patience and enthusiasm with students who have normally had a bad experience with teachers or formal instruction. These individuals may assist in one or more of the following ways:

a. Tutors (We will train you on a regular basis).

b. Arts & Crafts (both experienced and inexperienced).

c. Business men and women who can aid in World of Work orientation.

d. Craftsmen i.e., electrical, woodworking, etc who will aid the staff in center activities and design.

e. Field Trip aides (Saturdays).

29. What are your medical policies?

All medical problems must be reported upon applying to the program. Very few medical problems will disqualify an applicant. We want to know problems so that we can be ready for any emergencies. Be sure that you list allergies and drugs being taken. We will not administer any drugs or treat any injuries beyond applying a bandaid.

If an emergency should occur we will notify the Rescue squad, family doctor, and parent/guardian. A staff member will go with the child to the hospital.

30. Will there be a formal graduation ceremony?

Yes. A formal graduation ceremony will occur three times each year in September, January, and April. Graduates will be those individuals who have completed their program of study.

Thank you for your taking the time to learn about the center and for your interest in helping us serve you. If I can be of any service to you or your organization please feel free to call on me.

Carpet Merchants: Interstate Carpet, Fairfax, Virginia; House of Carpets, McLean, Virginia; Carpet Carnival, Suitland, Maryland; Dieners Carpets, Rockville, Maryland; The Rug Man, Fairfax, Virginia; Carpetland, Fairfax, Virginia.

Furniture: Metro.

Macke Vending Co.: Juke Box.

The American Legion: Paper, office supplies, typewriters, adding machine, American flag.

Grants for Summer Employment: Redskin Foundation, Washington, D.C.; United Planning Organization, Washington, D.C.; Public Defenders Office, District of Columbia Government, Washington, D.C.

[EXHIBIT 2]

STATEMENT OF SENATOR J. GLENN BEALL, JR.

Mr. Chairman, as the ranking minority member of the Education Subcommittee and as a coauthor, along with Senator Eagleton, of the National Reading Improvement Program, I welcome this opportunity to appear with Senator Eagleton to strongly urge the Committee to appropriate $25 million for this major national reading effort.

The Reading Improvement Program was enacted as part of the Education Amendments of 1974 and is designed to deal with what I have labeled the "Achilles' Heel" of American education—the large number and high concentrations of children in some of our schools with severe reading difficulties.

I am pleased that the Administration in their FY 76 budget contemplated funding this new program; however, I am disappointed that the Administration elected to discontinue in effect the former Right to Read Program. This certainly was not what Senator Eagleton or I contemplated. We are urging the Committee to appropriate $8 million to continue the former Right to Read effort and an additional $17 million for funding the projects under the National Reading Improvement Program.

The following facts and statistics indicate the magnitude of the problem and the need for action:

Approximately 18½ million adults are functional illiterates.

Some 7 million elementary and secondary children are in severe need of special reading assistance.

In large urban areas, 40 to 50 percent of the children are reading below grade level. A 1969 Office of Education survey indicated 22 percent of the urban schools had 70 to 100 percent of their pupils reading a year or more below grade level.

These massive reading difficulties have been confirmed by surveys of teachers and pupils alike. Over and over again, parents, the general public, and the press across the nation have expressed concern with the poor pupil performance in the fundamental reading area. For example, a 1973 survey in my State found that "the people of Maryland believe that the mastering of reading skills is the most important education goal for the schools of the State."

Mr. President, after I had introduced the reading proposal, I received a letter from an individual from Texas who sent me a copy of an article from the "Dallas Morning News". I would like to read a couple of paragraphs from this article.

"At commencement exercises throughout the city recently, anywhere from 500 to 1,000 of Dallas' 9,000 graduating seniors, according to official estimates, walked across stages to be handed diplomas they could not read. Barely able to read, many will wind up with poor jobs or no jobs at all. Still in school, youngsters who are either unable to read at all or read only at the most elementary level can be found in almost every one of Dallas' 43 secondary schools. Dallas School Superintendent Nolan Estes has estimated more than 20,000 of the public school system's 70,000 secondary students read at least two or more years below grade level."

The National Reading Improvement Program is essentially preventive in nature. It is based on the premise that it is much easier to prevent reading difficulties than to remedy such difficulties once they occur. The program has essentially three parts:

(1) Reading Improvement Projects, under which grants are made to states and local educational agencies for projects designed to overcome reading deficiencies;

(2) Special Emphasis Projects, which seek to determine the effectiveness of intensive instruction by reading specialists and the regular elementary teacher. Projects under this part would (a) provide for the teaching of all children in grades one and two by a reading specialist, (b) the teaching of children in grades three through six who have reading problems by a reading specialist, and (c) an incentive Vacation Reading Program for elementary children who are found to be reading below the appropriate grade level.

(3) Reading Academies, which provide assistance to youths and adults who otherwise would not receive assistance and instruction.

Mr. Chairman, the reading program we are asking the Committe to support is the result of considerable study and two volums of hearings. In addition, we conducted a fifty-state survey of the training required for teachers in the elementary area. While the National Reading Improvement Program will not be a panacea for all the reading problems, I believe that there is considerable evidence that this approach can and will make a substantial difference. A society, where technology and education are so important and where only approximately 5 percent of the public are unskilled, cannot allow the dangerous conditions, of massive numbers of children lacking the ability to read which affects both their capability to learn and to earn, to continue.

As a member of the Budget Committee, I am aware of the fiscal problems facing this country and the need for spending restraint. This is a program that addresses a critical problem that crys out for a solution. Support for this program has been widespread both from the education community and from the general public. In view of the limited opportunities available for individuals who cannot read, and in view of the burdens that such individuals often become to society, this program is one we must afford even in this difficult budget year.

I note, Mr. Chairman, that a 1974 special report of "Education USA" on reading noted with respect to the Right to Read effort that it "has become one of the most highly publicized and underfinanced federal efforts in educational history." That is true notwithstanding the fact that in 1969 Education Commissioner Jim Allen announced with considerable fanfare the launching of the Right to Read effort. Since then each of his successors have recognized and supported reading as a priority area. It is my hope that the Appropriations Committee will not allow this program to suffer a similar fate and instead provide the modest funds in view of the magnitude and importance of the problem as recommended by Senator Eagleton and me.

Mr. Chairman, I ask unanimous consent that the statement I made when the bill passed the Senate on May 8, 1974 which goes into considerable more detail with respect to the reading problem and the rationale for this program, be printed in the hearing record.

[EXHIBIT 3]

U.S. SENATE,
COMMITTEE ON LABOR AND
PUBLIC WELFARE,
Washington, D.C. May 27, 1975.

MR. PETE ROZELLE,
Commissioner, The National Football League
410 Park Avenue New York, New York

DEAR COMMISSIONER ROZELLE: Roy Jefferson, the outstanding Washington Redskins wide receiver, has taken on a new assignment. It is as challenging and as difficult as any Superbowl, and for those involved, the stakes are even higher—success both in school and in subsequent adult life.

I am proud and the National Football League should be proud of what Roy Jefferson is doing. He has opened the "Roy Jefferson Inner City Learning Center". I have visited this Center and it is amazing the progress that can be achieved in so little time. A colorless suite, through volunteer efforts and community donations, has been transformed into a kaleidoscopic classroom. It clearly is a happy atmosphere, conducive for learning.

Washington, D.C. is one of the twenty-six cities in which the National Football League teams are located. For the most part, these teams are situated in cities which have the problems that afflict many large urban areas. One of the most serious problems confronting American cities and their school system is the reading problem, which I have called the "Achilles' heel of American education". The following facts and statistics indicate the magnitude of the problem and the need for action:

Approximately 18½ million adults are functional illiterates.

Some 7 million elementary and secondary children are in severe need of special reading assistance.

In large urban areas, 40 to 50 percent of the children are reading below grade level. An Office of Education survey indicated 22 percent of the urban schools had 70 to 100 percent of their pupils reading a year or more below grade level.

I know and strongly applaud the public service activities undertaken in recent years by the National Football League. The National Football League players are idolized by the youth of this Nation. Therefore, I urge the National Football League to make reading one of their public service activities for the upcoming season. I think it would be an inspiration to the youngsters with reading difficulties if the National Football League would encourage other players and teams to adopt a project such as Roy Jefferson has done in Washington, as well as do the traditional "television spots" emphasizing reading and its importance.

As you may know, I authorized the National Reading Improvement Program that was enacted in the last Congress. This program envisions a major national reading effort, particularly aimed at elementary youngsters, to prevent reading problems in the future. I would hope that the National Football League would consider joining and contributing to this national attack on reading problems.

With best wishes, I am

Sincerely yours,

J. GLENN BEALL, Jr.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now resume the consideration of the unfinished business, Senate Resolution 166, which the clerk will state.

The legislative clerk read as follows:

> A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

The ACTING PRESIDENT pro tempore. Under the previous unanimous-consent agreement, there will be 2 hours of debate on this issue today.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and it will be a live quorum.

The second assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names.

[Quorum No. 53 Leg.]

Allen
Clark
Ford
Garn
Griffin
Hart, Gary W.
Hatfield
Helms
Laxalt
Mansfield
McGovern
Morgan
Ribicoff
Scott, Hugh

The ACTING PRESIDENT pro tempore. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Bartlett
Biden
Brock
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Curtis
Dole
Eagleton
Fannin
Fong
Glenn
Goldwater
Gravel
Hansen
Haskell
Hathaway
Hollings
Hruska
Huddleston
Jackson
Johnston
Kennedy
Long
Magnuson
McClellan
McClure
McGee
McIntyre
Metcalf
Mondale
Moss
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Iowa (Mr. CULVER), the Senator from Mississippi (Mr. EASTLAND), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. LEAHY), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that the Senator from Illinois (Mr. STEVENSON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), the Senator from New Mexico (Mr. DOMENICI), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Kansas (Mr. PEARSON), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The Senate continued with the consideration of the resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. We are in 1 hour of controlled time on division 2 which is issue (1) which is lines 7 through 12 of page 1 of the resolution; the vote to come at 2 p.m. tomorrow.

Mr. CANNON. Very well.

Mr. President, I yield myself such time as I may need.

The request of Mr. Wyman to go beyond the 3,500 ballots that were protested during the complete recount of the approximately 223,000 ballots conducted by the New Hampshire Secretary of State and that have already been reviewed by the Committee on Rules and Administration and to conduct another recount of Gorham, Bedford, Somersworth Ward 1, Claremont Ward 2, Concord Ward 1, Hanover, Newmarket, Pelham, Salem, and Gilford, has no reasonable basis and should be denied.

Mr. President, this request should be denied for several reasons:

First, there is no sound basis for this protest. There is absolutely no evidence to support the assertion—just a bald assertion—that the secretary of state's talley sheet is inaccurate.

Second, no timely protest was made on these ballots or these precincts during the recount conducted by the New Hampshire secretary of state as is required by New Hampshire law.

Had Mr. Wyman wanted to protest these matters he could have protested during the recount. He could have protested the individual ballots or could have filed a protest with respect to the precincts themselves.

He did not do that, and the first that we heard of the issue of these 10 precincts was after the recount had been concluded and Mr. Wyman had discovered that he had lost the recount by 10 votes to Mr. Durkin and that the recount declared Mr. Durkin to be the winner.

In addition, the lack of security of these 180,000 ballots stored in the National Guard armory has seriously compromised the integrity of all of those 180,000 paper ballots.

U.S. Marshal Victor Cardosi in the letter sent to Senator PELL, on January 22, 1975, had this to say about the 180,000 odd ballots stored in the National Guard garage.

> The second building we examined was the garage at National Guard Armory, specifically bays numbered 8 and 9. The security there leaves much to be desired as enumerated in our report.
>
> One of the overhead doors was not locked. We were told that it did not matter as the door was frozen and could not be opened. The day of our inspection, it was very cold and we found this to be true. However, between the time the ballots were placed there (January 3rd) and the day of our inspection (January 17th) there were several warm days when we feel that if the door was not locked, it could have been opened.
>
> The partitions between the bays consist of chicken wire, 8 feet high, and it would not be too difficult to gain access to bays 8 and 9 from the other bays.
>
> The method of sealing the cardboard boxes and the heavily wrapped packages leaves much to be desired. We were told by John Fraser that some of the checklists used in the November election were never received, also some were returned, as requested, to town officials; therefore, not all of the checklists are now in storage.

Now then, Attorney General Warren Rudman, the New Hampshire attorney general, who is a member of the ballot law commission, said, in response to an inquiry:

> Now you have to understand there were two classifications of ballots. The ballots that you see here, about 180,000 ballots, were never protested by anyone. There were roughly 3500 ballots that were in fact protested. Those ballots are under very tight security. The tightest security imaginable at the State Police Laboratory in the evidence safe. Now, at the conclusion of the Ballot Law Commission hearing it was stated on the record and agreed to by the parties that these

ballots will be placed in a safe, warm, secure place where they wouldn't get wet or spoiled, or what have you, if there were any reason ever to look at them in the future. But they have never been protested by anyone. And I think for anyone now to come and say, 'well, we've got some problems with these ballots,' that's just confusing the public and confusing the issue and I just don't think it's very forthright.

That was Attorney General Rudman.

Notwithstanding the untimeliness of the Wyman protest—that is, that he did not make any protest with regard to these precincts—it was on November 27 when Mr. Wyman first decided to raise a question on these 10 precincts. That was the day after the recount had been concluded, which was concluded on November 26, and at a time when Mr. Wyman found that he was 10 votes behind, according to the recount. So this was Mr. Bigg's letter, dated November 27, 1974.

Re: Wyman-Durkin Recount.

Robert L. Stark,
Secretary of State, Clerk of the N.H. Ballot Law Commission, State House, Concord, N. H.

Dear Mr. Stark: I am writing to you in your capacity as Secretary of State and Clerk of the New Hampshire Ballot Law Commission.

I am the legal representative of Honorable Louis C. Wyman, presently United States Congressman, and candidate for the United States Senate.

Pursuant to RSA 68:4 (II), I am writing to you to hereby appeal from your declaration upon recount, that Mr. Wyman did not have the greatest number of votes.

This appeal is from all rulings made by you as Secretary of State, on ballots protested during the recount, and on all rulings related thereto, including but not limited to your rulings denying my protests and my requests as follows:

I point out, Mr. President, that no protest had ever been raised at that point in time on those 10 precincts. So this is what Mr. Bigg did. He went ahead, then, and listed these 10 precincts among other things. I read as follows:

(1) to send for and examine an additional box from Gorham, allegedly containing additional ballots, and to recount once more those ballots presently in your possession from the Town of Gorham;

Mr. President, the allegation there was that there were 100 straight Republican ballots in the box from the town of Gorham that had not been counted, that if this particular box were opened up, the 100 straight Republican ballots would then be discovered. Well, Mr. President, with respect to that rule, here is what happened: On December 9, 1974—I remind you that letter was November 27—the ballot law commission took oral testimony from election workers in the town of Gorham. Most importantly, they also opened a ballot box which Mr. Wyman's attorney alleged would contain 100 straight Republican ballots not counted in the recount. This contention was shown to be totally without substance. The ballot box contained only constitutional question ballots.

Mr. President, that was the disposition of the so-called 100 ballots in issue No. 1.

Here was issue No. 2:

(2) to once again recount the ballots from the Town of Bedford and determine the cause for an alleged change in the number of recounted ballots from said Town;

(3) to once again recount the ballots from the Town of Claremont, Ward 2, and determine the cause for an alleged change in the number of recounted ballots from said Ward 2 in the Town of Claremont;

(4) to once again recount the ballots from the City of Concord, Ward 1, and determine the cause for an alleged change in the number of recounted ballots from said Ward 1 in the City of Concord;

(5) to once again recount the ballots from the Town of Gilford, and determine the cause for an alleged change in the number of recounted ballots from said Town;

(6) to once again recount the ballots from the Town of Hanover, and determine the cause for an alleged change in the number of recounted ballots from said Town;

(7) to once again recount the ballots from the Town of Newmarket, and determine the cause for an alleged change in the number of recounted ballots from said Town;

(8) to once again recount the ballots from the Town of Pelham, and determine the cause for an alleged change in the number of recounted ballots from said Town;

(9) to once again recount the ballots from the Town of Salem, and determine the cause for an alleged change in the number of recounted ballots from said Town;

(10) to once again recount the ballots from the Town of Somersworth, Ward 1, and determine the cause for an alleged change in the number of recounted ballots from said Ward 1 in the Town of Somersworth;

Mr. President, those 10 precincts are the 10 that are referred to in the issue now before us. I have already mentioned that on issue No. 1 the ballot law commission did precisely on December 9 what Mr. Wyman contended for: brought the box in, opened it up, found out that there were not any straight Republican ballots in it. It contained only constitutional question ballots.

What happened with respect to the remainder of the items? This matter then went to the ballot law commission, and on December 4 here is what happened before the ballot law commission. This was a quote from Mr. Brown, who was then the lawyer appearing before the commission for Mr. Wyman.

We request that this Commission completely review all of the ballots, used and unused, together with the other relevant election documents, of Gorham, Bedford, Gilford and Somersworth Ward 1, unless we can be afforded an opportunity to review certain of these documents to satisfy ourselves that less than a full review is necessary in order that justice be done.

Mr. President, those are 4 of the precincts, the 10 precincts to which I have referred.

This is Chairman Snow, chairman of the ballot law commission:

Chairman Snow. Give us those again. Gorham and Gilford I got—what were the other two?

Mr. Brown. Gorham, Bedford, Gilford and Somersworth Ward 1.

Chairman Snow. Okay.

Mr. Brown. The Commission will recall that in Mr. Bigg's appeal notice we listed several others. We don't intend to pursue the others.

This is Mr. Brown speaking to the Dort Bigg letter of November 27 that outlined the 10 precincts that they wanted recounted. This is Mr. Brown again: "We don't intend to pursue the others."

Mr. Brown again:

What is involved here with these four precincts is that responsible election officials and voters in each of these precincts are insistent to us that their original counts were valid and the counting errors occurred here during the recount. Logically, this may actually be true. It is just as possible that people of good will working hard counting ballots can make an error in the State House as at the Town Hall. We, therefore, because of special circumstances in each of these four precincts, wish a further review.

With the exception of four precincts that I mentioned—we don't anticipate having to go outside of the envelopes in which Mr. Stark and Mr. Kelley segregated out the ballots that are subject to protest, by all parties.

Now, the protest procedure was that when a ballot was protested before the secretary of state, it was segregated in an envelope by Mr. Stark and Mr. Kelly, and those were the envelopes that were referred to. So he said:

With the exception of four precincts that I mentioned—we don't anticipate having to go outside of the envelopes in which Mr. Stark and Mr. Kelley segregated out the ballots that are subject to protest, by all parties.

Now, this happened on December 4. In the meantime, all of the parties were doing a lot of checking because there was an appeal to the ballot law commission, and part of the procedure was in progress.

On December 20, some 16 days later, Mr. Wyman, during the proceedings before the New Hampshire Ballot Law Commission, waived his request to recount again all ballots cast in Gorham, Bedford, Gilford, and Somersworth Ward 1. Those were the four that were reserved on December 4, the other six having been waived. I refer now to the transcript of the ballot law commission on December 20, 1974. I quote:

Taking into consideration all of the issues having to do with recounts in Lancaster, Meredith, Goffstown, Merrimack, Seabrook; the absentee vote in Amherst, absentee vote situation in Nashua; Manchester voting machine situation. With respect to Goffstown, the only issue there is the American Party possible double vote, which we haven't ruled on, and which we'll rule on. I've been advised of that, and that's correct for the record.

In addition to all of your other objections which have been continuing, that we have no authority to do what we are doing, that we have gone beyond the scope of the Statute in considering what we have considered—

This is Mr. Millimet, Mr. Durkin's lawyer, now:

Mr. Millimet. Well, I haven't said that about most of the proceedings, may it please the Chairman, but you apprehended my views on the issues that you enumerated.

Chairman Snow. I mean, what I'm saying is I don't think you need to state it again.

Mr. Millimet. Yes. It's in the record, we understand that.

This is Mr. Brown now, Mr. Wyman's lawyer, again:

Mr. Brown. So far as the precinct recount requests—and I had four of them——

> Chairman Snow. Gilford, Bedford, Somersworth Ward 1 and Gorham.
>
> Mr. Millimet. You didn't mention Somersworth.
>
> Chairman Snow. I was going to ask you about it.
>
> Mr. Brown. I am not pressing on any of those, but I may have some live testimony with regard to the Somersworth situation, depending upon how my brother's case develops, and I withdraw the request for the precinct reviews.

Mr. President, I want to repeat that:

> . . . and I withdraw the request for the precinct reviews.

The transcript continues:

> Chairman Snow. Gilford, Bedford, Somersworth Ward 1 and Gorham.
>
> Mr. Brown. Yes.
>
> Chairman Snow. Did you get that?
>
> Commissioner Rudman. Yes, I did.

Incidentally, that is the attorney general that I referred to earlier.

> Commissioner Crowley. I got it.

So, Mr. President, there we have a complete disposition in satisfaction by Mr. Wyman's lawyers of all of the issues that were raised in the Dort Biggs' letter of November 27 with respect to those 10 precincts, none of those issues having been raised before the secretary of state, and it was to their satisfaction.

Mr. President, we have to bring a conclusion to this matter at some time and I do not know how many times a party has to be satisfied with what has been done with respect to the precinct, but certainly Mr. Brown was satisfied that Mr. Biggs' points raised in his November 27 letter had been concluded.

I submit, Mr. President, that the Senate should not go back now and attempt to recount a recount in these 10 precincts for the reasons I have stated.

Mr. President, I reserve the remainder of my time.

Mr. HATFIELD. Mr. President, I yield myself sufficient time to cover a few points.

First of all, I find myself in an interesting situation of attempting to interpret lawyer language as a nonlawyer, but I think we have an example here this afternoon that has to be clarified. We have to get this back into English language, the language not of some unique group set aside in our society because of professional training known as lawyers.

The chairman of the committee is an attorney, and I think we have seen this afternoon how lawyers can use words to convey impressions and ideas which are not inaccurate but certainly are not telling the full story.

First of all, let me make very clear that at no time—and I emphasize at no time—did Mr. Wyman's lawyers waive the rights of their client in the proceedings before the secretary of state of New Hampshire or before the State ballot law commission.

The chairman this afternoon has been very accurate in using the technical language that Mr. Wyman's attorneys withdrew protests at a certain time or they did not pursue protests under certain circumstances, but there is valid reason for that, and I will explain it.

Let me make the record clear, even though the chairman, I think, misstated himself when he said at one point, he did not use the word "withdrew" but he used the word "waived." Neither Mr. Brown nor any of the other attorneys, to my knowledge, in any part of the record, ever waived the rights of Mr. Wyman as their client. Now, let me, first of all, say this: There is ample reason; there is ample basis, for pursuing issue No. 1 under this resolution from the Rules Committee.

The chairman has said, first of all, that there is no sound basis for adopting issue No. 1. Well, there is a sound basis. The sound basis is this: We have under the Constitution the right of due process that is granted to anyone in this country, including candidates for public office. Up to now due process has not been fulfilled on behalf of Mr. Wyman, and there are three or four specifics to that that I would like to list.

First, during the protest or during the counting of the ballots, and in the various precincts on election night, verbal protests were issued by both sides. Such protests were issued as they related to these precincts.

Now, during the secretary of state's recount they again issued these protests, and the chairman had this afternoon recited from a letter of November 27, 1974, to the secretary of state signed by Mr. Bigg, the attorney for Mr. Wyman, in which he set down in writing a confirmation and a followup of the verbal protests that had already been issued.

Let us get that straight right here: in typical lawyer fashion, when verbal protests had been issued, Mr. Bigg, the lawyer, in good lawyer-like fashion, followed those verbal protests up with a written protest.

There is evidence Mr. Wyman had these protests. Now let me read to you an affidavit dated April 21, 1975, signed by Robert L. Stark, secretary of state of New Hampshire, subscribed and sworn to before Justice of the Peace Catherine Hardy on the 21st of April 1975. It reads as follows:

> April 21, 1975.
>
> AFFIDAVIT
>
> I am Robert L. Stark, Secretary of State of New Hampshire.
>
> During the recount of the New Hampshire U.S. Senate election ballots in November, 1974, precinct challenges were taken verbally by both contestants. As indicated in Attorney Bigg's letter of November 27th there were demands of that nature from both sides during the counting of the ballots.
>
> My response to all such requests was uniformly in the negative or we would never have been able to get through the recount. I would not recount a precinct on an allegation that the tally sheet was incorrect or for any other reason and I do not recall having recounted any precinct a second time in my conduct of the recount of the Nov. 5th Senatorial election no matter which side protested the precinct.
>
> Robert L. Stark,
> *Secretary of State.*

I think we have in this two examples of the evidence that Mr. Wyman's people were timely with their protests. They were issued under the circumstances of New Hampshire custom and New Hampshire practice, and they were also further validated by the letter that Mr. Bigg wrote and the affidavit that the secretary of state also issued.

Mr. President, let me also further suggest that when the chairman of our committee and the manager of the bill says that the committee was not ready to go beyond the 3,500, the assumption was made that all 3,500 ballots had been properly ruled upon during the process prior to the coming to the Senate. This assumption also carries with it a lack of full facts of the case. It is the truth, but it is not the whole truth.

The whole truth is simply this, the ballot law commission ruled on only approximately 400 of the 3,500 ballots. Those others were not waived, they were stipulated. The fact also remains that the ballot law commission did not handle each and every protest. Consequently, because the ballot law commission did not rule on these protests does not mean the Senate of the United States was not to rule or to make judgment on them.

Let me further add that at no point, at that point, had Mr. Wyman's people yielded or waived their rights, their legitimate rights, even for those cases the ballot law commission did not take jurisdiction.

Before I leave the ballot law commission, I would like to point out that the ballot law commission refused to take jurisdiction on these matters and in so doing, did not, in itself, negate the existing rights of the parties.

I think it is very interesting that when the ballot law commission was called upon by Mr. Durkin to rule on the recount of the Salem precinct they avoided the issue at that point and in their formal ruling said that they would not recount such ballots, or such precincts; but that did not, in itself, waive the rights of the contestants.

Then the contestants came to the Senate of the United States and the Senate through the Rules Committee passed a policy on these. This policy very carefully stated that a consideration would be made by the committee of all the protests made by either party at any stage of the proceedings contemplating that the committee will take the appropriate steps on each protest to ascertain the validity of such protest and the accuracy of the count of the matter protested.

Mr. President, just because the chairman has on occasion said the committee did give such consideration and ended up in a 4-to-4 tie is certainly not in keeping with the policy set forth by the committee that said they would take appropriate steps on each protest to ascertain the validity of such protest and the accuracy of the count of the matter protested.

Here, the committee refused to even go back to honor that protest by Mr. Wyman, some of these 10 precincts, and refused to avail itself to the easy recount of those 18,000 ballots in the basement of the Russell Office Building.

That is a lack, in my opinion, and I

speak solely as a layman, of providing due process under the Constitution of the United States to one of the contestants of this election.

The other assumption as given again by the chairman this afternoon now is that the secretary of state's recount is an accurate recount. He keeps saying, as he did in the committee, we are not going to have a recount of a recount.

That is a very interesting cliche. I do not know what it means; it sounds good, "a recount of a recount." It sounds like an exercise in futility.

Well, I think it is very interesting that when we get beyond the cliche character of the statement and down to the facts of the case, to illustrate why we have no reason to believe that the secretary of state is infallible, or the secretary of state was not without error. That has already been proven.

First of all, let us bear in mind that the ballot law commission in reviewing the secretary of state's recount looked at a number of matters and they found that the secretary of state had been in error. They found that the secretary of state would not count write-in votes on voting machines and the State ballot commission later counted these votes.

Also, the ballot law commission review of the secretary of state's recount found that the secretary of state had counted so-called void or spoiled ballots. The State ballot law commission overruled this decision.

Interestingly, Mr. Durkin later stipulated these State ballot law commission's rulings. In other words, no one really raised a challenge to these changes, since this was an action of correcting the secretary of state's recount.

No, the secretary of state is not infallible any more than any of the rest of us are infallible.

If I ever wanted to vote for the man I considered infallible I think it would be Dr. Riddick. He was our great Parilamentarian for a number of years in the Senate, who wrote the book on parliamentary procedure of the Senate and is now Parliamentarian Emeritus.

Dr. Riddick was called upon by our committee to take over the chairmanship of an ad hoc group of staff people representing the majority and minority staff.

Let me also add that in the presence of Dr. Riddick and our two staff people counting these ballots were representatives of both Mr Wyman and Mr. Durkin. It is very interesting that when they were given the assignment to go into all of the ballot boxes and to come up with these ballots under protest, that although only 1,000 ballots were involved, Mr. President—I emphasize that only 1,000 ballots were involved—the panel had to recount the content of two boxes because of counting errors they had made, 1 ballot in 75 and 3 ballots in 249.

This was, in a sense, an example of how even those who are most careful in their counting activity, without intent, certainly with no design, but certainly because they are human, are subject to error.

I cannot understand why, when we hear these loud protests that we want to find out what the people did last November in New Hampshire, what their intent was, that somehow we want to hide from the evidence that we are calling for. We want to set aside, we want to avoid, we want to dodge, whatever else we want to call it, I do not know what, the question is going back and recounting these 10 precincts in which protests were made on the night of election. Protests were made before the secretary of state, protests were made before the ballot law commission, and protests were made in the Rules Committee of the U.S. Senate, and at no point along the way has this protest been waived, nor has this protest been satisfied.

Again, I want to emphasize that Mr. Wyman's attorneys used lawyer techniques of strategy in either not pursuing at a point or withdrawing from consideration at another point, but that did not waive their rights of protest.

This afternoon we have again heard the very interesting issue of ballot security raised. I think it is very interesting how it was raised on a very selective basis, under selective circumstances.

It was raised in the committee when the minority wanted to recount the entire election to find out what the people of New Hampshire really intended in the election that was declared Mr. Wyman's victory by only two votes.

But when we had the Mansfield-Cranston proposal made to the floor, we found that security was not a very important issue. We could now go back and take all those ballots again, and get out of those ballots certain ones that had certain skip characteristics even though they were not to be counted.

The point was that there was not a great question of ballot security or the validity of those ballots to be reviewed under the Mansfield-Cranston circumstance, but now this afternoon we hear this great sinister question about who might have tampered with the ballots, all for the validity or integrity of those ballots.

I say that it is not a valid issue at any point along the way, and we have had ample evidence from the testimonies of the attorney general and others. No one has raised a question of tampering with the ballots, no one has raised it in terms of evidence, no one has charged any kind of action of chicanery here as it relates to these ballots. They just raised the issue, I think, as a diversionary point.

No, Mr. President, I think if we really want to find out how the people voted in New Hampshire, we cannot just be selective in our evidence, count certain ballots, apply New Hampshire law where we want to, disregard it in other places.

This is the kind of game I think gives rise to the charges of partisanship, and I am not saying there is not, perhaps, a basis upon which both sides could be charged with this, to some degree.

But let me say this, at no time, at no time has the minority ever said more than, let us apply New Hampshire law; and I have stated myself, from my own personal position, I am not interested in whether the winner is Mr. Wyman or Mr. Durkin. I am not pleading Mr. Wyman's case. I am pleading but a case of New Hampshire law and if it does not fall to Mr. Wyman, then so be it.

I am not arguing on behalf of Mr. Wyman. He has his attorneys to do that. I am arguing on behalf of the minority that says let us apply New Hampshire law. Also, if we are going to make a ruling on this case, let us consider all the protests of both candidates and not just the protests of one because the majority party has the votes, and then deny the rights of the minority because they do not have their protests reviewed.

Again I go back to the committee policy that very clearly stated we will not only listen to those protests but we will ascertain the validity of such protests and the accuracy of the counts of the matter protested.

Mr. CANNON. Mr. President, before I yield to the Senator from Rhode Island, I just want to respond to my distinguished colleague when he suggested that we were trying to consider only Mr. Durkin's protests and not consider Mr. Wyman's protests. That is 180 degrees opposite from the truth.

Mr. President, one of Mr. Wyman's protests, which he made to the Rules Committee, was to open and examine a Manchester absentee ballot not previously counted at the State level because it was sent to the wrong ward. At Mr. Wyman's urging that ballot was opened and counted for Mr. Wyman by the committee. It was counted on a vote of 8 to 0.

Mr. President, both the secretary of state and the ballot law commission denied Mr. Wyman the right to that ballot, but we took his protest up and we voted and we counted it for him and it is in the box, tabulated for Mr. Wyman.

In addition to that, Mr. Wyman requested that we open and examine an Amherst absentee ballot not previously counted at the State level because the voter's name was not on the checklist. That ballot was opened by a vote of the committee and counted for Mr. Wyman by an 8 to 0 vote. That was the ballot that had been opened that had been carried around in the purse of the city clerk for several days before it was turned it. Obviously, it was well known who the ballot would have been counted for, were it counted.

In any event, it had been turned down by the secretary of state and had been turned down by the ballot law commission. But it was counted by the Rules Committee.

Third, we had a request to search for and examine a Portsmouth ward 3 ballot not previously considered by the ballot law commission but counted on election night. The committee retrieved this ballot and voted to count the ballot as cast. The suggestion there was that this was an extra ballot from the wrong ward because it said ward 3 rather than ward 6, or vice versa. But in any event, the ballot was opened, retrieved, at Mr. Wyman's request, and was counted as it had been voted.

Fourth, Mr. Wyman requested that we test 12 Manchester voting machines to determine if they accurately recorded the votes cast for the candidates for the U.S. Senate. That is one of the issues that is before us. We employed two experts agreed upon by the minority and by the majority to go up there. We took their advice as to what had to be done to determine whether these machines worked properly. We did that. They gave us their report and the report is here. The vote is here on a tie vote.

Five, the request was to investigate the circumstances involved in the casting of an absentee ballot in Nashua and that issue was resolved by the committee by a vote to accept the ballot as cast.

Now I yield such time to the distinguished Senator from Rhode Island as he may need.

Mr. PELL. I thank the Senator from Nevada.

As a matter of record, I wanted to give my reasons why I opposed the recount of the 10 precincts enumerated in issue No. (1) of Senate Resolution 166.

I realize some of these grounds have been covered, but those of us of the committee have a certain obligation to give our own positions.

First, there is no credible evidence of error committed during the recount conducted by the secretary of state of New Hampshire.

Second, the ballot law transcripts for December 4 and December 20, 1974, demonstrate clearly that Mr. Stanley Brown did not pursue his request for review of any of those precincets by the ballot law commission.

The question has been raised that eventually there were verbal protests and they were followed up with a written protest. But a protest, in order to be effective, must be timely. I think this is an important point to consider.

Third, and finally, the very questionable integrity of the 180,000 odd ballots, including the 10 precincts, all of which were stored in the National Guard garage casts a cloud over the value of any recount. I quote from two New Hampshire sources. First from a letter and a report to me from the U.S. Marshal, Victor Cardosi, who checked on security of ballots and machines at my request.

> We examined two buildings in Concord where the ballots are presently stored.
>
> The first building we examined was the laboratory area of the State Police building, allegedly containing 3,500 ballots, which appears to have adequate security as our report indicates.
>
> The second building we examined was the garage at the National Guard Armory, specifically bays numbered 8 and 9. The security there leaves much to be desired as enumerated in our report.
>
> In addition to inspecting the above buildings, we examined the voting machines in four communities; namely, Portsmouth, Exeter, Manchester and Nashua. These voting machines are stored in schools, church halls, American Legion hall, Knights of Columbus Hall, Fire Station, maintenance department building, city library, and a town hall. Visual inspection indicated the seals were not broken with the exception of machine number 27941 located in Portsmouth.

Mr. President, I ask unanimous consent to have printed in the Record at this point the full text of this report.

There being no objection, the report was ordered to be printed in the Record, as follows:

U.S. Marshal,
District of New Hampshire,
Concord, N.H., January 22, 1975.

Report on Ballots and Voting Machines

Attached to this report are the New Hampshire State Police inventory and security detail card, and listings of voting machine numbers with their protective numbers for the cities of Manchester, Nashua, Portsmouth and Exeter.

The 3,500 ballots, more or less, according to Mr. James Duffy, have been under State Police supervision and custody at the State Police laboratory vault which we consider to be under good security. The combination to the vault is held only by Col. Doyon, Maj. Bean, Capt. Beaudoin, State Police Criminologist Roger Klose, and State Police Chemist Warren Edmond, Philip Harmon and Maurice Boudreau, all of whom have responsible positions. Further, the vault is in a room equipped with a special lock and only the above-named have access to it.

We inspected the ballots at the New Hampshire State National Guard Armory in Concord. According to the figures given to us by Mr. Duffy, there were about 185,000 ballots stored there. These ballots are stored in bays 8 and 9 of a 10-bay garage with overhead doors at each end. The key is under the control of Richard K. Collins, Business Administrator, Albert Couture, Chairman, and John Fraser who is now working for the Secretary of State of New Hampshire and was the Clerk of the Ballot Law Commission.

Major General McSwiney told us that in accepting these ballots he would not take responsibility for anything over and above normal security. There is only one night watchman/custodian who is also assigned janitorial work.

One of the overhead doors was not locked. We were told that it did not matter as the door was frozen and could not be opened. The day of our inspection was very cold and we found this to be true. However, between the time the ballots were placed there (January 3rd) and the day of our inspection (January 17th) there were several warm days when we feel that if the door was not locked it could have been opened.

The partitions between the bays consist of chicken wire, 8 feet high, and it would not be too difficult to gain access to bays 8 and 9 from the other bays.

The method of sealing the cardboard boxes and the heavily wrapped packages leaves much to be desired. We were told by John Fraser that some of the checklists used in the November election were never received, also some were returned, as requested, to town officials; therefore, not all of the checklists are now in storage.

From December 24, 1974 to January 3, 1975, when they were removed to the armory, these ballots were stored in room 108 at the State House in custody of the Secretary of State. This room had a new lock with the keys in the custody of the Secretary of State and the New Hampshire State Police.

The voting machines are now stored in various buildings as noted on the attached listings.

We found one voting machine in Portsmouth, number 27941, on which the seal was broken. Visual inspection indicated that the seals on all other voting machines were intact.

This inspection was performed by United States Marshal Victor Cardosi, Chief Deputy G. Duncan Swain and Deputy Richard Brunelle.

Respectfully submitted,
VICTOR CARDOSI,
U.S. Marshal, District of New Hampshire.

Mr. PELL. Furthermore, from the attorney general of New Hampshire, Warren Rudman, who also is a member of the ballot law commission, I should like to quote the following statement:

> Now you have to understand there were two classifications of ballots. The ballots that you see here, about 180,000 ballots, were never protested by anyone. There were roughly 3500 ballots that were in fact protested. Those ballots are under very tight security. The tightest security imaginable at the State Police Laboratory in the evidence safe. Now, at the conclusion of the Ballot Law Commission hearings it was stated on the record and agreed to by the parties that these ballots will be placed in a safe, warm, secure place where they wouldn't get wet or spoiled, or what have you, if there were any reason ever to look at them in the future. But they have never been protested by anyone. And I think for anyone now to come and say "well, we've got some problems with these ballots," that's just confusing the public and confusing the issue and I just don't think it's very forthright.

This is what Mr. Rudman said in a taped news program on January 31, 1975. I realize that some months later that statement was qualified by him. This was said in the immediate reaction, and usually I think the truth comes out in the immediate reaction.

I would also like to refer to the debate last week when there were various comments by my Republican colleagues to the effect that I had suggested a review of all of the ballots by an independent panel, such as the American Arbitration Association.

There is some truth in those remarks as they relate to the American Arbitration Association because I believe that an independent and impartial body could review ballots and make recommendations to the Senate without the burden of partisanship.

I am still of that opinion and as I stated in my individual views printed in the report, I hope that if another contest should arise in the future, an independent panel might be utilized to assist the Senate by doing the actual counting and reporting its findings to the Senate.

It should be made clear at this point, however, that my suggestion dealt only with those ballots which the committee on February 19, 1975, agreed to review—namely the 3,500 approximate ballots which were in the custody of the ballot law commission.

At no time did I suggest a review of the 185,000 ballots or any other number of ballots except the 3,500.

Page 286 of the committee hearing, part II, states my thoughts quite clearly. I recommended a panel to be agreed upon by the parties to the contest or the American Arbitration Association to review "the contested ballots, agreed upon to be reviewed by previous committee action—3,500—and report its recommendation as to each ballot to our committee for its decision."

I ask unanimous consent to have printed in the RECORD the text of the motion by Senator ALLEN specifying which ballots would be counted, which was passed 8 to 0, and also the text of my own motion with regard to the American Arbitration Association, which did not prevail as a result of a 4 to 4 tie.

There being no objection, the motions were ordered to be printed in the RECORD, as follows:

FEBRUARY 19, 1975

Motion by Senator Allen, as amended by Senator Hatfield, that the New Hampshire Senate contest be based upon the following:

(1) a recount of the approximately 3,500 ballots before the Ballot Law Commission in relation to the final results certified by the Ballot Law Commission, and

(2) a consideration by the Committee of all the protests made by either party at any stage of the proceedings contemplating that the Committee will take the appropriate steps on each protest to ascertain the validity of such protest and the accuracy of the count of the matter protested.

YEAS—8

Mr. Pell.
Mr. Byrd.
Mr. Allen.
Mr. Williams.
Mr. Hatfield.
Mr. Scott.
Mr. Griffin.
Mr. Cannon.

NAYS—0

FEBRUARY 19, 1975

Motion by Senator Pell that the Committee adopt a procedure which would establish a panel, either through agreement by the contestants, or, if they cannot agree, through the American Arbitration Association, to review the contested ballots agreed upon to be reviewed by previous Committee action, and to report its recommendation on each ballot to the Committee for its final decision.

YEAS—4

Mr. Pell.
Mr. Hatfield.
Mr. Scott.
Mr. Griffin.

NAYS—4

Mr. Byrd.
Mr. Allen.
Mr. Williams.
Mr. Cannon.

Mr. HATFIELD. Mr. President, I would like to say that I appreciate the recitation of magnanimous expressions this afternoon by the chairman of the committee that the committee has been so generous in its consideration of Mr. Wyman's protests. I was overwhelmed with the generosity expressed, and I wanted to say that if I did not know the record, I would almost become a believer. "Almost thou persuadest me," but not quite.

I think, on the first issue, having to do with the absentee ballots, there was not a great deal of choice that the Senate Rules Committee had, for the Supreme Court of the State of New Hampshire had very carefully stated on January 6, 1975, in Louis C. Wyman versus John A. Durkin, Robert L. Stark, Secretary of State, and Carmen Chimento, that this was a matter that only the Senate of the United States could resolve. Therefore, we did not have much choice but to consider this particular issue.

I would also say, as it related to the failure of the court to accept a ballot that was referred to as another one of those great generous moves on the part of the committee to honor Mr. Wyman's protests, that the voter had gone to the polls and had voted in complete compliance with New Hampshire law. It was because the clerk had made a clerical error, that the Rules Committee voted to enfranchise a valid vote in New Hampshire. This was no great generous action on the part of the committee.

But let us get to the basic heart of the matter, which is, why are we here on this floor today, and why have we been here for the last 18 days, trying to resolve eight of the 35 issues which the committee could resolve? Eight of those happen to be Mr. Wyman's protests. If the committee had been so fair with respect to all these issues, we would not be here today with those eight tie votes.

I submit that the record will show that those protests have not been reviewed in their entirety, and what few may have been related to Mr. Wyman were certainly pretty much obvious on the face of them, and did not take a great deal of committee wisdom or committee deliberation.

As to the one about the machines, I am not going to go through that long recitation in which we engaged here in the first few days when we opened this issue, in reciting just what kind of investigation occurred up in New Hampshire. But I think by that record it will be shown that the minority considered this investigation pretty much a farce, that here we had a displacement of the so-called objective, nonpartisan, impartial Dr. Riddick with the representative of the majority party staff overruling most questions raised by the minority staff.

But I do not think we have to go into that again, except to restore the complete record, to show that when we talk about honoring Mr. Wyman's protests, this just is not borne out by the overall record. When we look at all the protests raised, and then the failure of the committee to keep up with its own policy, we see the record clearly. The committee said that it would listen to "all of the protests made by either party at any stage of the proceedings contemplating that the committee will take the appropriate steps on each protest to ascertain the validity of such protest and the accuracy of the count of the matter protested."

That is just a complete fallacy as to issue No. 1; namely, the recounting of the 10 precincts.

I yield to the assistant minority leader, the Senator from Michigan.

Mr. GRIFFIN. I thank the Senator from Oregon.

Mr. President, prior to Saturday, almost all of the major newspapers in the State of Michigan had taken an editorial position with respect to this matter. One notable exception was the Detroit Free Press. But on Saturday the Detroit Free Press published an editorial which I should like to read into the RECORD:

> The U.S. Senate's inability to settle the New Hampshire senatorial election is a travesty, and the only proper course now is to call for a new election to settle the matter.
>
> Initially, the Republican, Louis Wyman, was declared the winner by 542 votes out of 223,000 cast. The Democrat, John Durkin, challenged the results and, after a recount conducted by the secretary of state of New Hampshire, was declared the winner by 10 votes.
>
> Mr. Wyman challenged that result, however, and the New Hampshire Ballot Commission declared him the winner by two votes.
>
> The ballots have been theoretically impounded, but they have evidently been protected very poorly, and each succeeding recount has demonstrated the difficulty of determining what some voters intended to do. The paper ballots appear to be marked in an exceedingly erratic fashion.
>
> The Senate itself has been trying to settle the issue of who won but the Republicans have been able to prevent the shutting off of debate on a resolution to have the Senate make the decision. And the Democrats have beaten down efforts to have the seat declared vacant and a new election decreed.
>
> Given the inability of the Senate to act, the only reasonable course now is to permit New Hampshire to hold a new election. The partisanship on both sides is appalling, and the question is so close that a new election offers the only prospect of a clear result and an end to long impasse.

Mr. President, I thought it also interesting that the editorial which appeared in the Washington Post——

Mr. CANNON. Mr. President, will the Senator yield at that point?

Mr. GRIFFIN. I am glad to yield.

Mr. CANNON. I wonder if he would read that figure again. I think there is a very patent error in the figure of the editorial, and I do not know whether it carries over into the rest of it.

Mr. GRIFFIN. Which figure is it? I am not necessarily subscribing to all the factual representations.

Mr. CANNON. It referred to the number of votes by which Mr. Wyman apparently won the election on election night. I think the Senator read 542. Did I understand that?

Mr. GRIFFIN. Or is it 342?

Mr. CANNON. Whichever it is, whether 532 or 332, it is wrong. I am sorry they do not at least attempt to verify the figures after we have been talking about them this long.

Mr. GRIFFIN. I think there are perhaps several other recitations in there that may not be factual, but I think that the opinion is an opinion which seems to be pretty generally shared across the country now that the best solution and the best resolution of this mess is to give the people of New Hampshire another opportunity to express themselves.

I think that it is also interesting to take a look at the editorial which appeared in this morning's Washington Post. As far as this Senator knows, it seems to be about the last major holdout I would say of editorial opinion against a new election. But even in the

Washington Post this morning, the editorial includes this statement:

> Each day of squabbling merely strengthens the nationwide impression that the Senate cannot decide who won the contest last November, and that the best approach would be to hold a new election in the state. That is what the Republicans have advocated all along.

But beyond that even the Washington Post, which is the last major holdout against a new election, takes the position that at the very least these 10 precincts which are involved in issue No. (1), and which we will be voting on tomorrow, should be recounted and retallied as requested by Mr. Wyman.

So, there is not one newspaper in the country, to my knowledge, that would subscribe to the view taken by the chairman of the Rules Committee and which he is urging his colleagues on that side of the aisle to take.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. All the time of the Senator from Oregon has expired.

Mr. GRIFFIN. Mr. President, will the Senator from Nevada yield time to the minority leader?

The PRESIDING OFFICER. The Senator from Nevada has 1 minute.

Mr. HUGH SCOTT. I will not press it.

Mr. HATFIELD. I have 5 minutes and I am happy to yield another 2 minutes.

The PRESIDING OFFICER. All the time of the Senator from Oregon has expired.

Mr. CANNON. Mr. President, in my 1 minute may I point out this is only the controlled time of 1 hour. There still remains time.

Mr. HATFIELD. We still have 11 minutes.

The PRESIDING OFFICER. There will be 11 minutes.

Mr. HUGH SCOTT. Mr. President, will the Senator yield to me 3 minutes?

Mr. HATFIELD. I have no time to yield at this point. I understand I am out.

Mr. HUGH SCOTT. I seek recognition on 11 minutes and ask for 3 minutes, however I do that.

The PRESIDING OFFICER. The Senator from Nevada has 1 minute remaining of controlled time.

Mr. CANNON. Mr. President, I yield the Senator the 1 minute and then from then on the time will not be controlled.

Mr. HUGH SCOTT. I thank the distinguished Senator from Nevada.

Mr. President, not only is editorial opinion virtually unanimous, with one exception, as to the propriety of sending this election back to New Hampshire, but even the exception points out that Mr. Wyman's protest ought to be given at least the validity of Mr. Durkin's protest and that both of them ought to be retallied, if the Senate is interested in the outcome, in knowing who won.

Since the election is being reviewed for claims by Mr. Durkin not involving fraud or corruption, but which only allege error in the claims of Mr. Wyman, the claims alleging error are only to be reviewed.

It seems to me the most important point to be made here is that all we are asking under issue (1) is that the ballots be counted.

Does the Senate want to count the ballots of these 10 precincts or not? If the Senate denies us even the right to count the pieces of paper to determine whether error was made that would be an act so arbitrary as I think to affect the views of Senators on both sides of the aisle as to whether this contest is being conducted fairly in the Senate with equal rights to both the parties.

The number of ballots are stated in 10 precincts, and in two of those precincts, Bedford and Salem, the protests are by both contestants.

Mr. Durkin wanted them recounted. Mr. Wyman wanted them recounted. But the argument is made that they did not protest in time.

The very first statement made by Attorney Brown in the Rules Committee was that he was indeed preserving all of his rights to protest. That was apparent in all of the debate before the Rules Committee. It was made manifest in at least one of the motions made by the Senator from Oregon (Mr. HATFIELD). The reservation of the rights to protest all along the line was made by Mr. Millimet, counsel for Mr. Durkin, during earlier proceedings in New Hampshire, as it was made for Mr. Wyman on each occasion.

It cannot be argued that since the Ballot Law Commission was held by the courts not to have jurisdiction over certain actions, including the counting and tallying of certain precincts, that there was, therefore, some kind of a waiver.

There never has been a waiver, and if the Senate wants to find out what is going on, it should accede to what Mr. Durkin asks and what Mr. Wyman asks.

Therefore, I conclude by making the point that there is only one fair conclusion to issue (1), and that is to let us count the pieces of paper, and let us see whether there was error or not. Both parties have asked for it at some point in the proceedings. Both parties indicate they want it.

Yet it is argued on the other side we do not have to do it because someone did not protest in time.

I answer they did protest in time. They preserved the right of protest. The Rules Committee recognized that they had preserved the right of protest and now some members of the Rules Committee are asking the Senate to deny to the Senate the right to find out in those 10 precincts whether the pieces of paper representing ballots actually were counted accurately or not.

No one knows whether they were or not. No one ever will know unless issue (1) is decided so as to permit the count. I submit that is the only fair thing to do. If it is not done, we on this side will certainly take it very hard, indeed, and I suppose we will fight harder than ever if we are not going to be given a fair shake. I yield back the remainder of my time.

Mr. CANNON. Mr. President, I know that the distinguished Senator from Michigan would not want to leave the impression that the Washington Post editorial was supporting a new election.

Mr. GRIFFIN. I though I made that clear. But go ahead.

Mr. CANNON. He read this far:

> And that the best approach would be to hold a new election in the State.

And he said:

> That is what the Republicans have advocated all along.

But the editorial goes on to say:

> A new election is not, however, the fairest or most desirable remedy. Last November's outcome was obviously very close, and some ballots are very hard to judge. But it has not been shown that, on the merits, the necessary judgments are impossible. A new election would not be a rerun in any real sense; it would not tell us what New Hampshire's voters were trying to say last November. It would be an entirely new election, under different circumstances with, no doubt, different issues and a different turnout. Moreover, even that drastic step might not give New Hampshire another senator any time soon. The state's new special-election law is likely to face legal challenges that could run on for months. Finally, it is always conceivable that the same procedural flaws that started all the trouble could infect a new election too—and might even bring the results back to the Senate again.

Mr. President, I ask unanimous consent that the editorial in its entirety be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE NEW HAMPSHIRE ELECTION MESS

Instead of moving smartly toward a resolution of the New Hampshire election case, the Senate ended another week of bitter debate almost as frustrated and fogbound as before. The Democrats made a major overture toward breaking the deadlock, but the Republicans brusquely rejected it. Three more cloture attempts fell short. Both sides did manage to agree to vote Tuesday on one point involving a possible recount in 10 precincts. But as the Senate suspended its inconclusive arguing and started to take up energy bills, the people of New Hampshire were still short a senator.

There may be plenty of reasons, but there is no excuse for the Senate's inability to settle the Wyman-Durkin case. Each day of squabbling merely strengthens the nationwide impression that the Senate cannot decide who won the contest last November, and that the best approach would be to hold a new election in the state. That is what the Republicans have advocated all along, and their strategy has been self-fulfilling to a point. As long as 40 senators refuse to end debate, the fight will—as they predict—go on and on.

A new election is not, however, the fairest or most desirable remedy. Last November's outcome was obviously very close, and some ballots are very hard to judge. But it has not been shown that, on the merits, the necessary judgments are impossible. A new election would not be a rerun in any real sense; it would not tell us what New Hampshire's voters were trying to say last November. It would be an entirely new election, under different circumstances with, no doubt, different issues and a different turnout. Moreover, even that drastic step might not give New Hampshire another senator any time soon. The state's new special-election law is likely to face legal challenges that could run on for months. Finally it is always conceivable that the same procedural flaws that started all the trouble could infect a new election too—and might even bring the results back to the Senate again.

All told, it is far wiser and constitutionally more correct to finish the Senate review and decide as quickly and judiciously as possible which candidate, Mr. Wyman or Mr. Durkin, got more valid votes last November. For all its bickering, the Rules Committee has already dealt with most of the contested ballots and has narrowed the issues to quite manageable scope. A way to proceed from here is not hard to prescribe. In our view, the Senate should first set firm deadlines for all future debate and votes, then proceed to vote on whether the so-called "skip-candidate" ballots ought to be counted or not. The General Accounting Office, as an impartial auditor, should be directed to go back through all the ballots and audit not only the "skip-candidate" votes but also the 15 precincts in which counting irregularities or missing votes have been alleged by Mr. Wyman's camp. Meanwhile the Senate should be voting on the other ballots and issues that the Rules Committee was unable to resolve. GAO should then combine its own audit, the Rules Committee's tally and the Senate's judgments and produce a final count. Whoever wins would then be seated.

It is easy—almost embarrassingly easy—for disinterested observers to recommend such a course. The problem is that few senators, at the moment, are disinterested. The contest has become a test of partisan power, loyalty and stamina. The Democrats are reluctant to concede that they erred in trying to limit the inquiry too much. Many Republicans, no doubt, are tired of the obstructionist strategy of their leadership but do not want to be the first to jump ship by voting for cloture. Yet more and more senators on both sides ought to be growing tired of the games and increasingly ashamed of the spectacle their maneuvering has produced. Such general unhappiness could be a useful force by causing a resurgence of institutional pride and common sense. Those are the elements that must be mobilized to bring this unhappy stalemate to a fair and expeditious end.

Mr. GRIFFIN. Will the distinguished chairman yield for a moment?

Mr. CANNON. I want to respond further to the Senator from Pennsylvania first. Then I shall yield the floor.

Mr. GRIFFIN. All right. I wonder what his response would be to the editorial call of the Washington Post that these very 10 precincts that we are talking about right now, which will be voted on tomorrow, should be retallied, as Mr. Wyman has asked?

Mr. CANNON. I am going to respond to that right now, because the Senator from Pennsylvania has suggested that we were saying because it was not timely made. That is one of the reasons, but the basic reason is simply that Mr. Wyman's people satisfied themselves with respect to those protests in those 10 precincts. Had the Senator from Pennsylvania been here a little earlier, he would have heard me tell about the town of Gorham. Mr. Wyman contended that there were 100 straight Republican ballots in that box from the town of Gorham, that if they opened that box up, that would be in it, and it would give him a 100-vote margin.

The ballot law commission opened that box and there was not a solitary straight Republican ballot in there. It was entirely con-con ballots.

Then, Mr. Brown, Mr. President, a very able attorney for Mr. Wyman, first waived the protest as to a number of those that were set forth, six of them that were set forth in Dort Bigg's letter of November 27. I covered that in the Record this morning.

This is Mr. Brown to the commission:

> The Commission will recall that in Mr. Bigg's appeal notice, we listed several others. We don't intend to pursue the others.

That was after he had named the four precincts of Gorham, Bedford, Gilford and Somersworth Ward 1. He went on and said:

> We don't intend to pursue the others.

If that is not a waiver, I do not know of anything in the world that can be called a waiver, because he had satisfied himself with it.

Now he went on on December 20—that was December 4. They were massaging this problem all during that period up to December 4.

Mr. Brown, on December 20: So far as the precinct recount requests—and I had four of them—four of those 10 that we are talking about, because he had already waived the other six—

> Mr. Brown. So far as the precinct recount requests—and I had four of them—
>
> Chairman Snow. Gilford, Bedford, Somersworth Ward 1 in Gorham.
>
> Mr. Millimet. You didn't mention Somersworth.
>
> Chairman Snow. I was going to ask you about it.
>
> Mr. Brown. I am not pressing on any of those, but I may have some live testimony with regard to the Somersworth situation, depending upon how my brother's case develops.

Mr. HUGH SCOTT. Will the Senator yield on that?

Mr. CANNON. No, I am in the middle of the sentence and I stopped to give emphasis to this. I want to quote again.

Mr. Brown said—

> And I withdraw the request for the precinct reviews.
>
> Chairman Snow. Gilford, Bedford, Somersworth Ward 1 and Gorham?
>
> Mr. Brown. Yes.
>
> Chairman Snow. Did you get that?
>
> Commissioner Rudman. Yes, I did.
>
> Commissioner Crowley. I got it.

Now I yield to the Senator.

Mr. HUGH SCOTT. It has been made clear throughout that the ballot law commission and, for that matter, the secretary of state, both had limited authority under New Hampshire law. All rights were specifically reserved because some of the arguments which were being made by counsel in New Hampshire were not allowed to be successfully asserted by the courts. Others were denied by the ballot law commission.

As to Gorham, the story there is that the Senator from Nevada is not talking about the Gorham ballot box, but only about a box containing con-con ballots, which at some point was believed also to contain other ballots. It was opened and found that it did not contain anything but the con-con ballots. The Gorham ballot box has never been opened and we are pressing to open it to find out what happened to those 98 votes.

This election was decided by a 2-vote margin and we ought to know what is in the ballot box to see whether those 98 votes counted against Mr. Wyman were correctly counted or not.

Mr. CANNON. Mr. President, I simply say it is unfortunate that Mr. Wyman did not have such an able counsel representing him before the ballot law commission as he has here today, although I thought very highly of Mr. Brown's ability. He stated time and time again, as my colleagues have pointed out earlier, when he came before the commission, that he was not waiving anything. They were retaining all of their objections. But I just read to you his language. I read it again. This is Mr. Brown:

> The Commission will recall that in Mr. Bigg's appeal notice, we listed several others. We don't intend to pursue the others.

That was after he had named specifically Gorham, Bedford, and Somersworth ward 1. Then he went on, some 16 days later, having satisfied himself as to those precincts, and said, and I quote again:

> And I withdraw the request for the precinct reviews.
>
> Chairman Snow. Gilford, Bedford, Somersworth Ward 1 and Gorham?

The same Gorham that the Senator from Pennsylvania is talking about.

Mr. HUGH SCOTT. Would counsel for Mr. Durkin yield at this point?

The PRESIDING OFFICER. The 2 hours' time limitation on this debate has expired.

(The following remarks occurred during the colloquy relating to issue No. 1 and are printed at this point in the Record by unanimous consent.)

Mr. PELL. Last week mention was made concerning the sale of embassies. This is perhaps a little irrelevant to the issue at hand, but I was struck by those remarks, and the fact that some of my colleagues were shocked at the thought that certain embassies would be sold—a shock which I share, particularly when you think of the situation in the Benelux countries—Belgium, the Netherlands, and Luxembourg—where it took a total of over $500,000 to get those three embassies.

I would hope that those who share my shock would join with me in supporting my bill which would require that 80 percent of all ambassadors appointed abroad be appointed in the career way.

Mr. HATFIELD. Mr. President, I can only briefly comment, about the last point, that I hope the Senator is moved by evidence, and not gossip, because I think we have been through various eras of political history where people's good names or character have been besmirched if not demolished by politicians whose charges are generally unfounded. So I hope whatever charge the Senator makes is based upon evidence.

Mr. PELL. My remarks are exactly as made in the Foreign Relations Committee previously. If you add up the total contributions of our Ambassadors to the Benelux countries, Belgium, the Netherlands, and Luxembourg, you will find that the total amount tallies more than

$500,000. That is a matter of public record.

Mr. HATFIELD. And what am I to draw from that?

Mr. PELL. The talk concerning the sale of embassies or the appointments of ambassadorships or political contributions, which has gone on in our country in the past; no party has a monopoly on it. My point is that these particular embassies seem particularly expensive.

Mr. HATFIELD. Does the Senator have any evidence that they were sold?

Mr. PELL. That they were quid pro quo? No, absolutely not.

Mr. HATFIELD. Does the Senator have any different evidence than has been considered by other bodies or other committees?

Mr. PELL. No, only exactly what we said in the Foreign Relations Committee.

Mr. HATFIELD. May I ask what relevance that has to the issue at hand?

Mr. PELL. I do not think there is any direct relevance; but if the Senator will look at the RECORD of last week, he will find that it was discussed at some length. I could not get to the floor at the time, but I was interested in the subject.

Mr. HATFIELD. Is the Senator making any charges or allegations?

Mr. PELL. No; I am just expressing my regret that whatever the word would be, the "exchange," if that is a happier phrase, that people would be appointed as a result of large contributions, which practice fortunately will be eliminated as a result of the new legislation.

Mr. HATFIELD. What relevance does that have to the issue of the moment?

Mr. PELL. There was about an hour's debate last week on this very same issue, on this floor.

Mr. HATFIELD. Mr. President, we are now on the issue of the New Hampshire election, and I think the Senator's remarks do not clarify this point. We are now on issue No. 1.

Mr. PELL. It is irrelevant to issue No. 1, but I could not get to the floor at the time.

Mr. HATFIELD. Then perhaps the Senator would like to have this discussion come at the end of the discussion we are having this afternoon as to issue No. 1.

Mr. PELL. Absolutely, if the Senator would prefer.

(This concludes the remarks which occurred during the colloquy on issue No. 1, and which by unanimous consent were ordered to be printed in the RECORD at this point.)

ORDER FOR CHANGE IN TIME FOR DEBATE AND VOTE ON ISSUE NO. 1, SENATE RESOLUTION 166

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, 1 hour for debate on issue No. 1 begins tomorrow at 1 p.m., the vote to occur at 2 p.m. I ask unanimous consent that those hours respectively be changed to 9:45 a.m. and 10:45 a.m. tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER FOR DEBATE TO BEGIN AT 9:45 A.M. TOMORROW ON PENDING QUESTIONS

Mr. MANSFIELD. Mr. President, it has not been decided yet what time the Senate will convene tomorrow, but I ask unanimous consent that beginning at the hour of 9:45 the last hour on the pending question begin operating; that the time be equally divided between the manager and the ranking Republican member of the committee, the vote to occur at the hour of 10:45 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have been ordered.

EMERGENCY PETROLEUM ALLOCATION EXTENSION ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1849, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1849) to extend the Emergency Petroleum Allocation Act.

The Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, line 10, strike "August 31, 1977," and insert "March 1, 1976,".

So as to make the bill read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Petroleum Allocation Extension Act of 1975".

EXTENSION OF MANDATORY ALLOCATION PROGRAM

SEC. 2. Section 4(g)(1) of the Emergency Petroleum Allocation Act of 1973 is amended by striking out "August 31, 1975," wherever it appears and inserting in lieu thereof "March 1, 1976,".

Mr. FANNIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MANSFIELD. The time to be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. CURTIS). Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator is recognized.

Mr. JACKSON. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Interior and Public Works be granted the privileges of the floor during the consideration of S. 1849:

Bill Van Ness, Richard Grundy, Ben Cooper, Tom Platt, Jackie Lovelace, and Pat Berry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum and ask that it not be taken out of either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, the purpose of the Emergency Petroleum Allocation Act of 1973 was to provide authority to deal with the impact of shortages of crude oil, residual fuel oil, and refined petroleum products on the economy, on individual consumers, and on the independent sector of the petroleum industry. In addition to providing the authorities necessary for dealing with the shortage induced by the Arab embargo, the act has served to insulate the economy and the American consumer from the drastic petroleum price increases which followed.

The act is now scheduled to expire on August 31, 1975. If it is not extended, Mr. President, the two-thirds of domestic crude oil production now under price controls will jump abruptly from $5.25 to over $13 per barrel. With the President's $2 tariff in place, removal of price controls will force domestic crude oil prices even above the artificially high and economically ruinous prices now set by the OPEC cartel.

If the President imposes a third dollar tariff, the cost to the U.S. economy of decontrolling old domestic crude oil—coupled with higher costs for new and imported oil and competing fuels such as coal and intrastate natural gas—will amount to a staggering $33.5 billion per year. Assuming the OPEC cartel raises world oil prices by $2 this fall, Mr. President, the total drain on the economy would approach $50 billion.

Mr. President, even without a further increase in world oil prices, the administration's commitment to rationing energy by prohibitive pricing will exert intolerable pressure on the average family's budget. An increase of $33 billion in energy costs amounts to $160 for each man, woman, and child in the United States—over $600 for an average family of four, or $50 a month for that family. Anyone who has received a tax rebate check—or noted reduced income withholding rates—cannot fail to see that this advantage is temporary, that higher energy prices will again lower real incomes and living standards. The President's energy tax, tariff, and pricing policies amount to no less than a "veto" of the Tax Reduction Act he reluctantly signed. This energy program more than offsets the economic stimulus that act sought to provide.

There are, of course, those who will reap extravagant benefits from the Ford energy program. Implementation of the President's proposals—principally the decontrol of domestic oil—will generate at least $22 billion in additional revenues for the petroleum industry. Because of the enormous level of domestic production controlled by the major integrated oil companies, nearly 85 percent of these revenues—almost $17 billion—will flow to these 15 energy giants. Exxon's share, for example, will be over $2 billion. Exxon's profits in 1974 were $3.14 billion.

The administration originally proposed a windfall profits tax to capture these revenues for the Federal Government. This tax, of course, does nothing to ease the impact of high energy prices on consumers. The current administration proposal on windfall profits apparently includes the "plowback" concept. Implementation of this unworkable concept would make the tax a "paper tiger," both by reducing the revenues which would be collected, and strengthening the dominant market position of major oil companies for whom exorbitant oil prices are a sufficient incentive.

The administration's ill-considered and reckless pursuit of higher energy prices, whatever the consequences, is as easy to demonstrate as the patent unfairness of the program. I will cite only a few examples of the unseemly haste that has marked administration decisionmaking involving billions of dollars and the personal economic security of every American.

First, the FEA regulation which appeared in the Federal Register on May 2, ostensibly to implement the President's decision to phase out price controls over 2 years, would in fact have decontrolled the price of most oil in only 14 of 15 months. This would accelerate the windfall accruing to energy producers under the President's program, while costing consumers billions of dollars.

A second issue—the prospect of an imminent gasoline shortage—even more clearly illustrates the administration's tilt toward the oil industry. The price of gasoline has moved steadily upward since the beginning of the year, while gasoline stocks have dropped precipitously. We confront a curious situation in which crude oil inventories are at historic highs and gasoline stocks are at perilously low levels. Why? Because the decontrol of oil prices anticipated by the industry will enormously increase its profits.

Mr. President, if the industry continues to sit on this oil, and the administration on its hands, the American motorist will be sitting in gas lines before the summer is out. Without the authorities provided in the Allocation Act to deal with such a shortage, the consumer will be inconvenienced, the economy will be burdened, and thousands of independent petroleum marketers will be forced out of business. This administration is asking Americans to bear intolerable social and economic costs on behalf of the oil industry.

President Ford has stated that further price hikes by the cartel would be "very disruptive and totally unacceptable." And yet, the administration's own program would raise energy prices by over $33 billion annually. The President cannot have it both ways. A steep increase in energy prices—whether the result of administration policies or actions by a foreign cartel—is not in the interest of the American economy or the American consumer. The President's pursuit of higher energy prices not only signifies acquiescence to prolonged recession, but abandonment of the fight against inflation.

Removing domestic crude oil from price controls will effectively transfer the power to set U.S. energy prices from the American people to the Organization of Petroleum Exporting Countries cartel. This cartel now sets world oil prices at levels which no one anywhere dares maintain are in any way related to the cost of producing oil. The decision to completely remove the insulation between the U.S. economy and these totally unreasonable world oil prices would, in combination with the President's oil tariff proposals, drive the price of a barrel of domestic oil to over $14. The effect of this price for domestic oil alone would extract $19 billion from U.S. consumers on an annual basis. This increase would be greater than the increase in the cost of imported oil imposed on the U.S. economy by the OPEC cartel during all of 1974.

Even proponents of decontrol recognize that the immediate lifting of all price controls—which will occur if the Allocation Act is permitted to expire on August 31—would jeopardize any chance for an early economic recovery. In fact, the administration's own proposal to decontrol domestic crude oil prices over 2 or 3 years would necessitate an extension of the authorities provided in the Allocation Act.

Mr. President, S. 1849 extends the act for 6 months. Without such an extension, there will be no opportunity either to phase out price controls gradually, or to extend the act with appropriate amendments for an interim period. Since the Allocation Act permits the President to increase crude oil prices, or exempt any category of petroleum from regulation, the issue of domestic crude oil pricing can and should be resolved while preserving the important protection provided by the act.

Mr. President, let me emphasize that I do not believe this is an appropriate time to undertake substantive amendment of the act. The Federal Energy Administration has not completed its review or submitted recommendations to the committee for the purpose of modifying the act. I therefore strongly urge that we defer these questions. It is essential, however, that the 6-month extension now under consideration be granted.

The problem of exorbitant world oil prices and their adverse impact on the domestic economy and American consumers, coupled with the ever-present danger of another embargo or other shortage condition, persuasively demonstrates the need for extending the Allocation Act an additional 6 months. The uncertain action of the oil-producing cartel, which may raise world oil prices this fall by as much as $2 or $4 per barrel, further reinforces the case for maintaining a capability to control domestic crude oil prices in the near term.

Mr. President, I ask unanimous consent that a fact sheet detailing the cost of the administration's energy program prepared by the staff of the Interior and Insular Affairs Committee be printed in the Record at this point.

There being no objection, the fact sheet was ordered to be printed in the Record, as follows:

Fact Sheet: Energy Prices and the Ford Administration Energy Proposals

The plan the Ford Administration calls its "energy program" has two principal goals:

To substantially raise the energy prices paid by consumers; and

To substantially increase the profits of energy companies.

The energy tariff and price decontrol program which the President plans to implement through executive order will raise domestic energy costs for petroleum, natural gas, coal and electricity by at least $33 billion on an annual basis. This virtually identical to the increased costs paid for primary energy in the U.S. in 1974 as a result of the price increases of OPEC and domestic energy producers.

OIL

The President's proposed $3 tariff on imported oil increases the price of the one-third of domestic production which is not under price controls.

Added cost of imports (including effect of rebates for imported refined products)—$5.4 billion.

Added costs: "new oil"—$3.3 billion; subtotal $8.7 billion.

The President proposes to decontrol the prices of "old" oil—two thirds of domestic production. With the $3 tariff in effect, the price of this oil would rise by over $9 per barrel.

Added costs: decontrol of old oil—$19.0 billion; total cost: oil $27.7 billion.

COAL AND NATURAL GAS

The prices of natural gas sold on the intrastate market and of coal rise in response to oil price increases. Each dollar per barrel increase in oil prices is equivalent on a Btu basis to an increase of 18¢ per thousand cubic feet for natural gas and $4.30 per ton for coal.

Added costs: coal and natural gas—$5.8 billion; total cost: all fuels $33.5 billion.

COST TO THE AVERAGE AMERICAN

The $33.5 billion in increased costs to the economy will be paid by consumers in the form of higher prices for fuels and electricity, in higher taxes to support government's increased energy costs and in higher prices for all other goods and services whose costs depend in various ways on energy prices.

Spread over 210 million people, $33.5 billion amounts to $160 for each man, woman and child.

Cost to an average four-person family: $600 per year.

EFFECT ON PETROLEUM PRICES

The price paid by U.S. refiners for crude oil—including new, old and imported oil—would increase by over $6 per barrel.

Average price increase for all petroleum products: 15 cents per gallon.

Costs tilted towards gasoline: 28 cents per gallon.

PROFITS AND TAXES

Of the $33.5 billion annual cost, $5.4 billion represents Treasury revenues and the remainder, $28.1 billion represents increased profits for domestic oil, natural gas and petroleum producers, since no workable windfall profits tax have been proposed.

COST OF INCREASED DOMESTIC PRODUCTION

The Ford Administration's discussion of the impact of the decontrol of crude oil prices on domestic production shows projected production with decontrol dropping below current levels. However, the drop projected is smaller than the decline projected without decontrol. The net increase is 135,000 barrels per day—or 50 million barrels per year—when the decontrol has been completed. Consumers will pay oil companies an extra 22.3 billion annually for this oil.

Cost of added domestic production: $445 per barrel.

FURTHER OPEC PRICE INCREASES

FEA Administrator, Frank Zarb, has indicated that he expects the OPEC cartel to raise world oil prices by $2 per barrel this fall. If this happens and domestic energy prices are decontrolled, the price of all domestic oil—and natural gas and coal as well—will rise in response to the OPEC price decision.

Added costs: $2 OPEC price increase—$15.3 billion.

PRICE INCREASES DURING THE 1973–74 EMBARGO

During 1974 the price of all imported oil rose from an annual rate of $7 billion to approximately $24 billion. Domestic energy production increased in price by over $16 billion. Thus the increase in the cost of primary energy to the U.S. economy in 1974—which was triggered by OPEC's embargo and price escalation—amounted to $33 billion. These increases were a principal factor in the 12% inflation of 1974. High energy costs have also been important in deepening and prolonging the current recession. The energy price increases of 1973–74 brought upon us by OPEC were almost identical in magnitude to those the Ford Administration proposes for 1975 and 1976.

Mr. JACKSON. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. FANNIN. Mr. President, I ask unanimous consent that the following staff members be accorded the privilege of the floor during the debate and voting on S. 1849: Harrison Loesch, Fred Craft, David Stang, Roma Skeen, Mary Adele Shute, Gaye Vaughan, Mike Hathaway, Nolan McKean, Jim Hinish, Tom Imeson, Tom Biery, Linda Goold, and Doug Fant.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, at the request of the administration last fall, we voted in favor of S. 3717 to extend the expiration date of the Emergency Petroleum Allocation Act from February 28, 1975, to June 30, 1975. Our sole purpose for voting to support the 4-month extension was to provide an additional period of time in which to proceed with an orderly and complete phaseout of all price and allocation control. No other amendments than the mere 4-month extension were contemplated or agreed upon in conversations between administration officials and members of this committee on both sides of the aisle.

Such an intent of the committee members was clearly reflected in the following statement made by the committee chairman, Mr. JACKSON, on the floor of the Senate on August 12, 1974—page 27705 of the CONGRESSIONAL RECORD of August 12:

> The act is now scheduled to expire on February 28, 1975. This expiration date occurs too soon after the new Congress convenes for a careful evaluation of the administration of the act and an informed decision as to the need for a full scale extension of the act in light of conditions then prevailing. Furthermore, if the Congress were unable to complete action on extension proposals, the act would expire at the height of the winter heating season when the need for allocation authority could be greatest . . . The Committee believes that it is too soon to make basic changes in the act and that proposed changes should be considered next year in light of more extension experience with the act. Accordingly, it is proposing a *short* (emphasis added) extension without amendments.
>
> All we are saying is, let us extend the act as it is from February 28 until June 30. We will have time, then, after the first of the year to act carefully and deliberately.

On November 22, 1974, Chairman JACKSON in another floor statement—page 37056 of the CONGRESSIONAL RECORD of November 22—listed additional, but no longer valid, reasons for the "short" extension of the Emergency Petroleum Allocation Act of 1973:

> Faced as we are with a coal strike of uncertain duration, with the forecast for a severe winter . . . the Government must have petroleum allocation authority through the present winter.

The chairman, Mr. JACKSON, reiterated in the same floor statement the necessity of an extension of the act, in order to allow Congress time to assess the act:

> The purpose of the six month extension provided for in H.R. 16757 is to provide adequate time for the new Congress and the executive branch to review the act . . .

Whereas the consideration of a coal strike and the winter of 1974–75 is behind us, the attempt to extend the Emergency Petroleum Allocation Act of 1973 until March 31, 1976, can only be viewed a default of the Congress to honor its pledge to come to grips with energy polily, including the need to repeal or substantially revise the act.

When we considered S. 3717 on the Senate floor last August, the administration's position as we understood it was as follows:

First. The expiration date of the Emergency Petroleum Allocation Act would be extended to June 30, 1975.

Second. Between August 1974, and June 30, 1975, the administration should proceed with an orderly total phaseout of price and allocation controls to be completed by June 30, 1975.

The Emergency Petroleum Allocation Act by its very title was intended to be an emergency measure to deal with a temporary petroleum fuels shortage which now has ended. It is to be recalled that the act was passed at the time of the Arab oil embargo specifically to deal with the supply shortages caused by the oil embargo. That such was what was contemplated is clearly borne out by section 2 of the act which reads as follows:

> SEC. 2(a) The Congress hereby determines that—
>
> (1) shortages of crude oil, residual fuel oil and refined petroleum products caused by inadequate domestic production, environmental constraints, and the unavailability of imports sufficient to satisfy domestic demand, now exist or are imminent;
>
> (2) such shortages have created or will create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential goods; and
>
> (3) such hardships and dislocations jeopardize the normal flow of commerce and constitute a national energy crisis which is a threat to the public health, safety, and welfare and can be averted or minimized most efficiently and effectively through prompt action by the Executive branch of Government.
>
> (b) The purpose of this Act is to grant to the President of the United States and direct him to exercise specific *temporary* (emphasis added) authority to deal with shortages of crude oil, residual fuel oil, and refined petroleum products on dislocations in their national distribution system. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of such shortages or dislocations on the American people and the domestic economy.

We who voted against the Emergency Petroleum Allocation Act at the time did so because we felt that the bill, at best, would only spread shortages around. Additionally, we felt that should the Federal Government intervene in the marketplace by imposing regulations affecting supply and price, no matter how benignly such intervention was intended, unforeseen inequities would result and the shortage would be exacerbated.

The one day of hearings last year on S. 3717, extending the Emergency Petroleum Allocation Act, contained much testimony enumerating and describing the inequities which have resulted from the act. These remarks plainly show both that the legislation was intended to deal with a petroleum fuels emergency which no longer exists and that the wisdom of Federal regulatory intervention in the marketplace even under the then existing fuel shortage as questionable.

Continued reliance upon legislative authority designed specifically to alleviate the impact of emergency fuel shortages in times of a reported petroleum surplus generates many deleterious effects:

FEA Administrator Frank Zarb presented testimony to the Interior Committee on May 19 of this year which analyzed the following deleterious effects of the act:

> 1. The EPAA is inconsistent with the national goal of achieving long-term energy

> independence. . . . The EPAA creates such inflexibility in FEA's price control program that considerable disincentives to increased *domestic* producton are created. . . . For example, the crude oil entitlements and the buy-sell programs, which are largely designed to give small and independent refiners necessary access to the cost advantages of price-controlled domestic crude oil, must to some degree have the undesirable effect of encouraging imports, since the burden of their higher cost is not borne solely by the importer, but shared with his competitors.
>
> 2. The EPAA denies consumers the full benefits of competition. . . . Price controls, while overtly holding down prices, also are operating to support higher prices than might be possible in a free market. The two-tier price system, for example, creates cost disparities which in certain cases allow recovery of higher margins by competitors blessed with lower current costs than would be possible under free market conditions. The dollar-for-dollar pass through rule in Sec. 4(b)(2) of the EPAA, which in effect allows the continuation of historical profit margin levels, tends to provide government endorsement of and justification for such profit margins, even though those margins were in some cases unnecessarily high during the base period, and the logic of market conditions might dictate lower margins today.

3. THE EPAA PROLONGS UNWARRANTED ECONOMIC DISTORTIONS AND INEFFICIENCIES

An unavoidable effect of an extended allocation program is to maintain within the petroleum industry those inefficiences and distortions that existed during an arbitrarily chosen base period. Continuation of historic distribution patterns may result not only in prolonging such inefficiencies, but also may have adverse effects upon industrial expansion and population movement.

With respect to domestic crude oil, for example, FEA met the EPAA allocation requirements by freezing supplier/purchaser relationships as of December 1, 1973. As domestic production continues to decline at differing rates in different parts of the country, necessary adjustments in crude oil distribution channels cannot be resolved through the operation of normal market mechanisms, and can only be accomplished by an ad hoc action by FEA, which is ill-equipped to deal with such matters.

Distortion must also result from continued regulation of only petroleum products without comparable regulation of such substitute sources of energy as coal, electricity, and natural gas. Such disparate treatment disrupts the functioning of normal market forces, and prevents a coordinated response to the Nation's energy problems.

4. THE EPAA MAKES IT VERY DIFFICULT FOR THE PETROLEUM INDUSTRY TO REACH RATIONAL BUSINESS DECISIONS

The constant need for regulatory changes to respond to ever-changing market conditions (such as the establishment of the cost equalization program to solve problems created by the two-tier price system) seriously inhibits the industry's ability to engage in long-term business planning. That planning that can be done must also be skewed to reflect the distortions built into the marketplace as a result of the rigid requirements of the EPAA. This problem will only be exacerbated by further piecemeal extensions of the EPAA, rather than enactment of a new regulatory program which deals with the realities of today's marketplace and our long-term needs.

> A prime example of the uncertainty created by FEA regulations results from the supplier/purchaser relationship rules, noted above. These rules have created an administrative house of cards held together only by historical, and in many cases impractical, supplier/purchaser relationships that are mandated by the Act. The more time that passes, the more fragile these relationships will become and the greater the disruption that will result when the program is terminated. In this atmosphere, the industry is understandably reluctant to make the investment decisions which must be made soon if the country's long-term energy goals are to be met. . . .
>
> 5. PROPOSAL TO PHASE-OUT OLD OIL
>
> As can be seen from the above discussion of the problems inherent in the Emergency Petroleum Allocation Act, the solution to many of these lies in the elimination of the two-tier pricing system for crude oil. The two-tier pricing system inevitably causes cost disparaties among refiners and marketers of petroleum products which in turn create economic distortions. Although these cost disparities have been substantially reduced by the crude oil entitlements program, they can never be entirely eliminated while the two-tier pricing system exists. Such cost disparities significantly hinder FEA's ability to assure that the competitive viability of the independent sector of the petroleum industry is maintained.
>
> Moreover, the existing complicated structure of price controls at all levels of distribution, which is necessitated due to the existence of the cost disparities resulting from the two-tier price system, tends to be self-defeating over the long run by reducing normal incentives toward increased production and cost control and by eliminating the ability of the industry to engage in long range business planning. As the effectiveness of price controls lags over time, regulations of greater complexity and reach become necessary to maintain the controlled-price structure. Tightening of controls tends to further stifle initiative and to contribute to greater economic distortion. . . .

Various other leaders of the supplier, producer, and financial institution fields testified at the Senate Interior Committee's oversight hearing as to the disfunctional responses precipitated by oil price controls and the FEA regulatory program.

Wallace W. Wilson, vice president of Continental Illinois National Bank & Trust Co. of Chicago, told the committee:

> The combined effects of price controls, allocation regulations and the loss of percentage depletion is to *reduce* the amount of capital available for reinvestment, at a time when the only realistic solutions to our long-term energy dilemma require increased capital investment in new exploration and development. . . .

The longer price controls are continued, the longer we will frustrate the normal economic processes that work effectively to balance supply and demand and to allocate our resources to their most effective uses.

William V. Traeger, vice president of Otis Engineering Corp., stressed a similar point:

> The provisions of the Emergency Petroleum Allocation Act place a lid on prices received for petroleum products while a variety of factors, including actions by the Congress, create a buildup of costs and a profit squeeze which drains vital capital from our industry and makes other forms of financing difficult or impossible. Many of our customers' long term commitments are "locked in" and adjustments of budgets to provide for the shortage of available capital will have a dramatic effect on industry expenditures for exploration and production.

Finally, one must consider the avowed intent of Congress in enacting the EPAA, as stated on page 13 of the conference report accompanying S. 1570, under the "findings and purpose of the EPAA of 1973":

> No allocation plan, regulation or order, nor mandatory price, price ceiling or restraint, was to be promulgated whose net effect would be a substantial reduction of the total supply of crude oil or refined petroleum products available in or to markets in the United States.

Yet, as noted by the foregoing testimony, and by this apt comment by Charles J. Waidelich, president of Cities Service Co., the EPAA has created exactly the opposite effect:

> Continuation of these restrictive regulations is contrary to the intent of Congress (See page 13, Conference Report to accompany S. 1570. Findings and Purpose for Direct Quotation.) when the Emergency Petroleum Allocation Act of 1973 was enacted. These regulations have the effect of curtailing the expansion of oil and gas exploration. Regulation of supply is distorting the workings of the marketplace. The consumer is paying, and will continue to pay, a price for these programs.
>
> Our company's reduced expenditures for exploration and production will mean loss of additional production . . . loss of employment opportunities within our economy . . . and a possible effect on employment of contractors and suppliers.

H.R. 4035 as agreed to in conference contains a provision extending the EPAA to December 31, 1975. Another bill, S. 622—section 122—also contains a provision extending the EPAA to March 1, 1976. And, of course, S. 1849 as reported is exclusively an extension of the EPAA until March 1, 1976. This panoply of bills all catering to an extension of the EPAA only indicate either Congress' unwillingness or incapability to grapple with the growing dependence upon imported oil. Hence, this is not a case of Congress against the President. This is a case of Congress giving itself an excuse for its own inaction. Congress should not attempt to shield itself from the plethora of press criticism about continuing congressional delay in enacting a comprehensive energy program. Instead, Congress should act responsibly by dealing with the substantive issues. Thus, voting for S. 1849 which would motivate further delay would be an affront to the dignity and credibility of the U.S. Senate.

Mr. President, a word in response to Senator JACKSON's comments about OPEC setting U.S. oil prices:

Persons who reflexively utter incantations every time the term OPEC is mentioned at best seem to be deceiving themselves. The argue that we must free ourselves from OPEC prices by regulating the price of our domestic fuels. But by so doing they would further discourage domestic production while concomitantly forcing greater dependence upon OPEC oil at prices they have no means of controlling.

Only through use of the unregulated price mechanism can domestic supply be encouraged to develop to the point of surplus, thereby not only freeing us from dependence upon OPEC oil at prices we cannot control, but also causing domestic prices ultimately to decline due to supply again exceeding demand.

In short, Mr. President, there is no way to regulate domestic energy prices and free ourselves from increased dependency upon imported petroleum at the same time. These are mutually exclusive policy goals.

Mr. President, it is my belief that the best system for holding down inflation and providing an efficient distribution of goods and services is the free market. The more that Government interferes with our business enterprises, the more regulation imposed, the more problems we have for the American consumer.

President Ford is taking the lead in seeking to do away with unneeded Federal regulation, and I believe that this is the course which will lead to economic stability and a reduction in the forces of inflation.

Mr. President, in the interest of continuing the discussion regarding inflation and regulation, I refer to an editorial which appeared in the July 8, 1975, Phoenix Gazette.

I read from that article "On Taming Inflation":

> Has the rate of inflation been tamed? Since the last quarter of 1974, the rate has been cut in half, from about 12 per cent to 6 per cent, lower than even some of the more optimistic forecasters expected.
>
> Consumer prices rose at only a 5 per cent annual rate in the second quarter of 1975. But whether this trend will continue or prices will rise with the economic tide remains much in doubt.
>
> There are signs that prices are moving back up:
>
> The spurt in gasoline prices just before the Fourth of July holiday came as a shocking suggestion to motorists that inflation is still very much alive.
>
> Prime rate boosts to 7¼ per cent from 7 per cent appear on the way because of the Federal Reserve's credit tightening and stronger loan demands.
>
> Aluminum producers announced price increases, but then agreed to a 30-day delay at the request of the government's Council on Wage and Price Stability.
>
> The aluminum case may very well serve as a leading indicator on which way inflation is going to go.
>
> Albert Rees, director of the wage and price stability council, fears that price boosts by the aluminum industry could spark a chain reaction among other "highly concentrated" industries such as steel and automobiles. "If such industries make decisions to increase prices at the first stirrings of recovery," Rees says, "I am concerned that such actions could blunt the recovery that is in progress."
>
> The council will hold a hearing on the proposed aluminum increase on July 22 in Washington.
>
> The forces of inflation, however, run much too strong and deep to be controlled by any such agency as the Council on Wage and Price Stability or even the mighty Federal Reserve. The government may succeed in getting the aluminum industry to drop its price increase plans for now, but one way or another the costs of production, including profit, will have to be met. And a delay in the aluminum industry's price increase could result eventually in an even higher price boost.
>
> Such an adverse result may now be showing up in gasoline prices. If the government hadn't pursued policies designed to hold gas prices down, they might have gone up and, as the law of supply and demand operated, now be settling down.
>
> But then no one, it seems, has the courage to let the most effective of inflation fighters—the free market—work its wonders. Inflation may be quieted down but it would be a mistake to regard it as tamed.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. Mr. President, I have a printed amendment at the desk, No. 606, to the pending Senate bill 1849. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment is not in order until the committee amendment has been acted upon.

What is the will of the Senate?

Mr. FANNIN. Mr. President, I suggest the absence of a quorum?

The PRESIDING OFFICER. On whose time?

Mr. FANNIN. The time to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR RANDOLPH OFFERS AMENDMENT TO EXTEND FEDERAL COAL CONVERSION PROGRAM

Mr. RANDOLPH. Mr. President, I ask unanimous consent that it be in order to consider an amendment which I have at the desk. It is printed amendment 606 to S. 1849.

The PRESIDING OFFICER. Is there objection?

Mr. FANNIN. Reserving the right to object, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FANNIN. It is my understanding that this in no way affects the committee amendment.

The PRESIDING OFFICER. It would merely allow action on the amendment of the Senator from West Virginia prior to action on the committee amendment.

Mr. FANNIN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The second assistant legislative clerk read as follows:

> TITLE II
>
> SEC. 201. This Act may be cited as the "Coal Conversion Extension Act of 1975".
>
> SEC. 202. Section 2(f)(1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking "June 30, 1975" and inserting "December 31, 1975".

Mr. RANDOLPH. Mr. President, the amendment is cosponsored by the Senator from Washington (Mr. JACKSON) and the Senator from New Mexico (Mr. DOMENICI). I ask that the Senator from Kentucky (Mr. FORD) also be included as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, this amendment would provide an additional 6 months for the Administrator of the Federal Energy Administration to issue coal conversion orders. Authority contained in the Energy Supply and Environmental Coordination Act of 1974, which expired on June 30, 1975, would be extended until December 31, 1975. I have discussed the need for this additional time with the Senator from Arizona (Mr. FANNIN), the ranking minority member of the Committee on Interior and Insular Affairs.

Mr. President, the record should note that the Senate on April 9, 1975, approved such a 6-month extension. On that occasion I offered an identical amendment to S. 622, the Standby Energy Authorities Act, which was passed by the Senate. Subsequently, the other body approved another measure, H.R. 4035, which contained a similar provision. The difficulty, however, is that these two bills—S. 622 and H.R. 4035—are not companion measures.

In the interest of continuing this vital program I again offer this proposal for a 6-month extension of this coal conversion program originally authorized in the Energy Supply and Environmental Coordination Act of 1974.

I remember very well, Mr. President, that over 1 year ago on June 26, 1975, the Congress passed and the President approved the Energy Supply and Environmental Coordination Act of 1974. Among its provisions was authority for the Federal Energy Administrator to require electric powerplants and major industrial facilities with the capability to utilize coal to convert from oil and natural gas to coal—our country's most abundant energy resource.

Subsequently in his state of the Union message on January 14, 1975, the President endorsed greater coal conversion. Nevertheless, it was early May before the Federal Energy Administration issued the first "Notices of Intent" to issue coal conversion orders.

I regret that there was this protracted delay. It is difficult for me to understand, when coal conversion was a part of the program of the President, that it was not given the priority which I think the Senate and Congress intended. However, I am not critical at this juncture, Mr. President, because, as Senator FANNIN has said repeatedly and he has indicated again here today, there must be affirmative action here in the Senate, not just criticism of the administration in reference to what we do in connection with the use of our energy resources.

Not until June 30, 1975—the last day before its authority expired—did the Federal Energy Administration issue any final coal conversion orders. Moreover, after 1 year, we now are informed that it will take the Environmental Protection Agency an additional 3 to 6 months to complete its evaluation. This is true even though the candidates for conversion were known months ago. These protrated delays are difficult to understand since this is considered a priority program by the Ford administration.

Mr. President, the orders issued on June 30 affect 25 electric utility companies. Some 75 electric powerplants located at 32 generating stations have been ordered to cause the use of oil or natural gas as their primary energy source.

The eventual conversion of these electric power plants to coal—I think this is very important, and I stress it—could result in yearly savings of approximately 64 million barrels of oil, or more than 88 billion cubic feet of natural gas. So it is unfortunate that we have not moved more quickly in this matter, because, certainly, the administration has characterized this program as essential to carrying out its commitment to reduce petroleum imports and to reduce the impact of natural gas shortages.

The Presiding Officer at this time is especially interested in the matter of the production of natural gas. I hope we can act more affirmatively in some way, through incentives or otherwise, to bring this into being.

It is unfortunate that on the basis of present conversion schedules, none of these savings will be realized this year. This program has been characterized by the administration as essential to carrying out the President's commitment to reduce petroleum imports and to reduce the impact of natural gas shortages. Yet the benefits to be derived from the program will not materialize for several years.

On July 1, 1975, FEA Administrator Frank Zarb declared that the prohibition orders "are essential to encourage powerplants to use coal, our most abundant energy resource, while preserving important environmental objectives."

I agree with the statement.

The Administrator also observed that "American consumers are paying dear prices because of our increasing vulnerability and dependence on foreign oil. Unless our program for self-sufficiency succeeds, cartel nations are in a position to continue to increase prices paid by the American consumers."

Mr. President, on June 30, 1975, the Federal Energy Administration also issued construction orders to 41 electric utility companies requiring certain proposed new powerplants be built with coal burning capability. These orders will insure that these new installations will be designed and constructed so that coal can be used as a primary energy source.

Affected by the construction orders are 47 generating stations representing 74 powerplants in 25 States. While some of these facilities are already being designed to utilize coal, the issuance of these construction orders will assure that this occurs.

Mr. President, I ask unanimous consent that the two tables listing the powerplants that have received coal conversion orders from the Federal Energy Administration, as of June 30, 1975, be printed in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

LIST OF POWERPLANTS THAT HAVE RECEIVED PROHIBITION ORDERS

REGION I

Owner	Powerplant No.	Generating station	Location	Capacity (MW)	1973 oil consumption (10^3 bbls)	1973 gas consumption (10^3 Mcf)	Estimated annual coal demand upon conversion (10^3 tons)
Public Service Co. of New Hampshire	4	Schiller	Portsmouth, N.H	50	509		114
Do	5	do	do	50	527		114
Total	9			100	1,036		228

REGION II

Docket No.	Owner	Power-plant No.	Generating station	Location	Capacity (MW)	1973 oil consumption (10^3 bbls)	1973 gas consumption (10^3 Mcf)	Estimated annual coal demand upon conversion (10^3 tons)
OFU-052	Atlantic City Electric Co	1	B. L. England	Beesleys Point, N. J	136	1,378		310
OFU-053	do	2	do	do	163	1,814		372
OFU-054	Central Hudson Gas & Electric Corp	3	Danskammer	Roseton, N.Y	147	1,418	11	335
OFU-055	do	4	do	do	239	2,438	12	545
OFU-056	Niagara Mohawk Power Co	1	Albany	Bethlehem, N.Y	100	1,071		228
OFU-057	do	2	do	do	100	1,034		228
OFU-058	do	3	do	do	100	1,000		228
OFU-059	do	4	do	do	100	1,052		228
Total					1,085	11,205	23	2,474

REGION III

Owner	Powerplant No.	Generating station	Location	Capacity (MW)	1973 oil consumption (10^3 bbls)	1973 gas consumption (10^3 Mcf)	Estimated annual coal demand upon conversion (10^3 tons)
Potomac Electric Power Co	1	Morgantown	Newburg, Md	626		0	1,427
Do	2	do	do	626	7,249		1,427
Virginia Electric Power Co	3	Chesterfield	Chester, Va	113	1,025	0	258
Do	4	do	do	188	1,824	0	429
Do	5	do	do	359	2,717	0	819
Do	6	do	do	694	5,500	0	1,582
Do	1	Yorktown	Yorktown, Va	188	0	437	429
Do	2	do	do	188	1,001	27	429
Do	1	Portsmouth	Chesapeake, Va	113	610	0	258
Do	2	do	do	113	1,024	0	258
Do	3	do	do	185	1,666	0	422
Do	4	do	do	239	2,276	0	545
Baltimore Gas & Electric Co	1	Crane	Baltimore, Md	191	2,014	0	436
Do	2	do	do	209	2,167	0	477
Do	4	Riverside	do	72	517	0	164
Do	5	do	do	81	719	0	185
Do	1	Wagner	do	132	1,095	0	301
Do	2	do	do	130	1,282	0	310

REGION III—Continued

Owner	Power-plant No.	Generating station	Location	Capacity (MW)	1973 oil consumption (10^3 bbls)	1973 gas consumption (10^3 Mcf)	Estimated annual coal demand upon conversion (10^3 tons)
Delmarva Power & Light Co	1	Edge Moor	Wilmington, Del	66	661	10	151
Do	2	do	do	86	704	0	151
Do	3	do	do	75	877	121	171
Do	4	do	do	150	1, 687	500	342
Total				4, 810	36, 615	1, 095	10, 971

REGION IV

Docket No.	Owner	Power-plant	Generating station	Location	Capacity (MW)	1973 oil consumption (10^3 bbls)	1973 gas consumption (10^3 Mcf)	Estimated annual coal demand upon conversion (10^3 tons)
OFU-060	Alabama Electric Cooperative, Inc	3	McWilliams	Gantt, Ala	25	------------	703	57
OFU-061	Carolina Power & Light Co	1	Sutton	Wilmington, N.C	113	546	------------	258
OFU-062	do	2	do	do	113	1, 081	5	258
OFU-063	Carolina Power & Light	3	do	do	420	2, 284	------------	958
OFU-064	Florida Power Corp	1	Crystal River	Red Level, Fla	441	3, 823	------------	1, 006
OFU-065	do	2	do	do	524	4, 159	------------	1, 195
OFU-066	Georgia Power Co	1	McManus	Brunswick, Ga	50	449	------------	114
OFU-067	do	2	do	do	94	768	------------	214
OFU-068	Savannah Electric & Power Co	1	Port Wentworth	Port Wentworth, Ga	50	351	948	114
OFU-069	do	2	do	do	54	183	708	123
OFU-070	do	3	do	do	103	319	596	235
Total					1, 987	13, 963	2, 960	4, 532

REGION V

Owner	Powerplant No.	Generating station	Location	Capacity (MW)	1973 oil consumption (10^3 bbls)	1973 gas consumption (10^3 Mcf)	Estimated annual coal demand upon conversion (10^3 tons)
Wisconsin Public Service Corp	2	Weston	Rothchild, Wis	75	1. 0	2, 148	171
Detroit Edison Co	5	St. Clair	East China Township, Mich	358	1, 391. 6	44	816
Total				433	1, 392. 6	2, 192	987

REGION VI

Owner	Powerplant No.	Generating station	Location	Capacity (MW)	1973 oil consumption (10^3 bbls)	1973 gas consumption (10^3 Mcf)	Estimated annual coal demand upon conversion (10^3 tons)
Village of Winnetka	5	Winnetka	Winnetka, Ill	4	------------	------------	9
Do	6	do	do	4	------------	------------	9
Do	7	do	do	7	------------	------------	16
Do	8	do	do	13	------------	365	30
Total				28	------------	365	64

REGION VII

Owner	powerplant No.	Generating station	Location	Capacity (MW)	1973 oil consumption (10^3 bbls)	1973 gas consumption (10^3 mcf)	Estimated annual coal demand upon conversion (10^3 tons)
Ames Electric Utility	7	Ames	Ames, Iowa	33	------------	1, 509	75
Iowa Electric Light & Power Co	1	Sutherland	Marshalltown, Iowa	38	------------	2, 044	87
Do	2	do	do	38	------------	1, 875	87
Do	3	do	do	82	------------	3, 604	187
Iowa Power & Light Co	10	Des Moines	Des Moines, Iowa	70	------------	2, 135	160
Do	11	do	do	110	------------	3, 006	251
Iowa Public Service Co	1	George Neal	Salix, Iowa	139	------------	4, 247	317
Do	14	Maynard Station	Waterloo, Iowa	50	------------	2, 115	114
Kansas City Board of Public Utilities	1	Kaw River	Kansas City, Kans	46	------------	1, 617	105
Do	2	do	do	50	------------	1, 519	114
Do	3	do	do	65	------------	3, 955	148
Do	1	Quindaro No. 3	do	82	------------	3, 335	187
Do	2	do	do	158	------------	4, 279	360
Kansas City Power & Light Co	3	Hawthorne	Kansas City, Mo	113	------------	1, 987	258
Do	4	do	do	143	------------	2, 485	326
Do	5	do	do	515	------------	1, 875	1, 174
Kansas Power & Light Co	3	Lawrence	Lawrence, Kans	49	------------	2, 648	112
Do	4	do	do	114	------------	3, 958	260
Do	5	do	do	413	------------	16, 930	942
Do	9	Tecumseh	Tecumseh, Kans	82	------------	3, 446	187
Do	10	do	do	150	------------	1, 825	342
Nebraska Public Power District	1	Sheldon	Columbus, Nebr	109	------------	3, 420	249
Do	2	do	do	120	------------	3, 565	274
Springfield City Utilities	3	James River	Springfield, Mo	44	------------	1, 184	100
Do	4	do	do	60	------------	3, 095	137
Total				2, 873	------------	81, 658	6, 553

Note: Some of these plants may presently be burning coal due to recent natural gas curtailments. Source: Federal Energy Administration.

POWERPLANTS ISSUED CONSTRUCTION ORDERS

Docket No.	Owner	Powerplant No.	Generating station	Location
OFU-001-N	Alabama Power Co	2	J. H. Miller	West Jefferson, Ala.
OFU-002-N	do	3	do	Do.
OFU-003-N	do		1981, unnamed	Unknown.
OFU-004-N	do		1982, unnamed	Do.
OFU-005-N	do		1983, unnamed	Do.
OFU-006-N	Board of Water & Light Trustees, City of Muscatine, Iowa.	9	Muscatine	Muscatine, Iowa.
OFU-007-N	City of Lakeland, Fla	3	City of Lakeland	Lakeland, Fla.
OFU-008-N	do	4	do	Do.
OFU-009-N	City of Painesville, Ohio.		Painesville Municipal.	Painesville, Ohio.
OFU-010-N	Commonwealth Edison Co.		Undesignated, 1982.	Unknown.
OFU-011-N	do		Undesignated, 1983.	Do.
OFU-012-N	do	1	Undesignated, 1984.	Do.
OFU-013-N	do	2	do	Do.
OFU-014-N	do		Undesignated, 1985.	Do.
OFU-015-N	Golden Valley Electric Association, Inc.	2	Healy	Healy, Alaska.
OFU-016-N	Louisville Gas & Electric Co.	1	Trimble	Trimble County, Ky.
OFU-017-N	do	2	do	Do.
OFU-018-N	do	3	do	Do.
OFU-019-N	Marquette Board of Power & Light.	3	Shires	Marquette, Mich.
OFU-020-N	Niagara Mohawk Power Corp.	1	Lake Erie	Near Dunkirk, N.Y.
OFU-021-N	do	2	do	Do.
OFU-022-N	Oklahoma Gas & Electric Co.	1	Unknown	Unknown.
OFU-023-N	do	2	do	Do.
OFU-024-N	do	3	do	Do.
OFU-025-N	Public Service Co. of Colorado.	1	Southern	Eastern Colorado.
OFU-026-N	do	2	Northeastern	Do.
OFU-027-N	Southwestern Electric Power Co.	2	Welsh	Cason, Tex.
OFU-028-N	do	3	do	Do.
OFU-029-N	The Cincinnati Gas & Electric Co.	2	East Bend	Boone County, Ky.
OFU-030-N	The Empire District Electric Co.		Plant X	Unknown.
OFU-031-N	Carolina Power & Light Company.	1	Mayo	Person County, N.C.
OFU-032-N	do	2	do	Do.
OFU-033-N	Central Illinois Public Service Co.	2	Newton	Jasper County, Ill.
OFU-034-N	Central Power & Light Company.	1	Coleto Creek	Goliad County, Tex.
OFU-035-N	Dairyland Power Co-operative.	6	Alma	Alma, Wisc.
OFU-036-N	Iowa Southern Utilities.	1	Ottumwa	Chillicothe, Iowa.
OFU-037-N	Kansas City Power & Light.	1	Iatan	Iatan, Mo.
OFU-038-N	Los Angeles Department of Water & Power; and Nevada Power Company.	1	Harry Allen	Las Vegas, Nev.
OFU-039-N	do	2	do	Do.
OFU-040-N	do	3	do	Do.
OFU-041-N	do	4	do	Do.
OFU-042-N	Los Angeles Department of Water & Power; Nevada Power Co.; and City of St. George.	1	Warner Valley	Washington County, Utah.
OFU-043-N	do	2	do	Do.
OFU-044-N	Louisville Gas & Electric Co.	4	Mill Creek	Louisville, Ky.
OFU-045-N	Montana-Dakota Utilities Co.	1	Coyote Station	Beulah, N. Dak.
OFU-046-N	Montana Power Co	3	Colstip	Colstip, Mont.
OFU-047-N	do	4	do	Do.
OFU-048-N	Oklahoma Gas & Electric Co.	1	Sooner	Noble County, Okla.
OFU-049-N	do	2	do	Do.
OFU-050-N	Portland General Electric Co.		Boardman	Boardman, Oreg.
OFU-051-N	Public Service Co. of Colorado.	1	Northeastern	Eastern Colorado.
OFU-052-N	Public Service Co. of Oklahoma.	3	do	Oologah, Okla.
OFU-053-N	do	4	do	Do.
OFU-054-N	Public Service Co. of New Mexico; and Tucson Gas & Electric Co.	3	San Juan	Waterflow, N. Mex.
OFU-055-N	do	4	do	Do.
OFU-056-N	Sierra Pacific Power Co.	1	Unnamed	Humboldt County, Nev.
OFU-057-N	do	2	do	Do.
OFU-058-N	Southern California Edison Co.; Arizona Public Service; Salt River Project; and San Diego Gas & Electric Co.	1	Kaiparowits	Nipple Beach, Utah.
OFU-059-N	do	2	do	Do.

Mr. RANDOLPH. Mr. President, the Federal Energy Administration has indicated that it had insufficient time during the year to issue conversion orders to all the electric powerplants under its consideration. In addition, there are another approximately 4,000 major fuel burning installations order than powerplants under consideration. These other facilities appear to offer an additional energy savings equivalent to some 300,000 barrels of oil per day. However, due to an absence of concise data on the capability for these installations to use coal, it was not possible for the Federal Energy Administration to complete their evaluation of these facilities prior to June 30, 1975. The coal conversion authority has expired at a time when the FEA's survey of major industrial installations is nearing completion.

In order to obtain maximum benefits from this work the Administration in S. 594, the Energy Independence Act of 1975, requested a 2-year extension of the coal conversion authority contained in the Energy Supply and Environmental Coordination Act of 1974. Recognizing that the Congress is presently considering these amendments as well as S. 1777, the National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975, on June 2, 1975, the FEA Administrator, Mr. Zarb, wrote me supporting a 6-month extension of this program stating—

I urgently request that you use your efforts to obtain immediate enactment of a six-month extension of ESECA without tying it to any controversial or complicated issues, so that the President may promptly sign such an extension into law.

Inasmuch as ESECA has been extensively debated in Congress and represents agreements on priorities for achieving national energy and environmental goals, prompt and favorable consideration of a six-month extension can be anticipated . . . Enactment will assure continuation of this important program for reducing dependence upon oil and gas and increasing reliance upon domestic coal until Congress has had further opportunity to enact a comprehensive energy program.

Mr. President, I ask unanimous consent that Mr. Zarb's letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION
Washington, D.C., June 21, 1975.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to urge prompt Congressional action in order to continue an ongoing program which will make a measurable contribution to attaining National energy independence.

On June 30, 1975, authorities granted to the Federal Energy Administration under the Energy Supply and Environmental Coordination Act of 1974 (ESECA) will expire. Without a legislative extension of that Act, authority to issue orders prohibiting powerplants and major fuel-burning installations from using oil and natural gas as a primary energy source will expire, as will the authority to issue construction orders requiring new powerplants to be equipped with coal-burning equipment.

In this first year since ESECA was enacted, much progress has been made. We have established an administrative framework to implement the program; notices of intent to issue prohibition orders have been directed to 74 existing powerplants located at 32 generating stations; and notices of intent to issue construction orders have been sent to an additional 74 newly planned powerplants. We are now evaluating comments submitted in response to our notices of intent, and we will issue appropriate prohibition and construction orders by June 30.

Despite the efforts made by the Administration, much remains to be done. More time is needed so that approximately 25 additional powerplants and 100 major fuel-burning installations can be placed under prohibition orders, and construction orders be issued for up to 25 planned powerplants.

While the Administration had anticipated Congressional extension of ESECA authorities as an integral part of a comprehensive energy program, to date this necessary extension has not been forthcoming. The President's Energy Independence Act of 1975, submitted in January, contained as Titles IV and V extension of ESECA and related amendments to the Clean Air Act respectively. It now appears obvious that neither of those Titles will be passed by Congress prior to expiration of the Act.

Although I recognize that extension of ESECA has been included in other legislative efforts, I urgently request that you use your efforts to obtain immediate enactment of a six-month extension of ESECA without tying it to any controversial or complicated issues so that the President may promptly sign such an extension into law.

Inasmuch as ESECA has been extensively debated in Congress and represents agreements on priorities for achieving national energy and environmental goals, prompt and favorable consideration of a six-month extension can be anticipated. I am enclosing a simple draft bill to accomplish that extension. Enactment will assure continuation of this important program for reducing dependence upon oil and gas and increasing reliance upon domestic coal until Congress has had further opportunity to enact a comprehensive energy program, including further extensions and environmental amendments to ESECA.

I have sent similar requests to Senator Edmund S. Muskie, Chairman of your Subcommittee on Environmental Pollution; Representative Harley O. Staggers, Chairman of the House Committee on Interstate and Foreign Commerce; and Representative John D. Dingell, Chairman of the Subcommittee on Energy and Power of that Committee.

Again, I urge your expeditious action on this urgent matter.

Sincerely,

FRANK G. ZARB,
Administrator.

Enclosure.

A bill to amend the Energy Supply and Environmental Coordination Act of 1974 in order to extend the authority of the Federal Energy Administration to issue various orders thereunder for an additional six months

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 2(f)(1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking "June 30, 1975" and inserting in lieu thereof "December 31, 1975."

Mr. RANDOLPH. Mr. President, subsequently FEA Administrator Zarb submitted a statement on S. 1777 to the Committee on Public Works in which he noted that—

> Any examination of government efforts to foster coal utilization should begin with the pioneer program authorized by Congress last June in the Energy Supply and Environmental Coordination Act of 1974.

The Administrator prefaced his statement by the observation—

> The substitution of coal for insecure foreign sources of oil, and for our own dwindling supplies of natural gas, is imperative if we are to lessen the nation's energy vulnerability.

Mr. President, I think it would be unfortunate—indeed it would be unwise—should this coal conversion authority not be extended. The Federal Energy Administration can obtain extensive experience from this program. Moreover, this experience is needed for the Congress to adequately judge the validity of the additional amendments proposed by the Administration regarding this coal conversion program.

I urge my colleagues to approve this amendment No. 606 to S. 1849.

Mr. JACKSON. Mr. President, I am very pleased, from my side, to accept the Senator's amendment. It is a necessary amendment. It is of an emergency nature, basically to extend the coal conversion authority provided by the act until December 31, and unless this authority is extended until that time we could find ourselves in a very difficult situation, as the Senator so ably outlined here in great detail.

I would hope, therefore, that the amendment would be accepted unanimously.

Did the Senator wish to comment on this particular amendment?

Mr. FORD. I certainly would.

Mr. JACKSON. I yield to the distinguished Senator from Kentucky.

Mr. FORD. Mr. President, I support the amendment of the distinguished Senator from West Virginia and I support the remarks that the manager of the bill, the distinguished Senator from Washington, has made.

With the permission of the Senator from West Virginia, I ask unanimous consent that my name be added as a cosponsor of this amendment to the bill.

The PRESIDING OFFICER (Mr. STAFFORD). Without objection, it is so ordered.

Mr. FORD. I thank the Senator very much.

The blessings of coal, as we all know, are not confined to any one State or any one region of this country.

I have always been an advocate of the principle that the short-term and midterm answer to our energy problems of today will be from coal, and I am convinced more and more, as I said in this distinguished body, that we must look to coal for our answer in the future. Coal can be the buffer against future embargoes, and we know how important this is.

Coal, in my opinion, can make us self-sufficient. As we talk about converting to coal, I am sure that the Members of this body know that something over 1 million tons of coal per day are used in the generation of electricity. That is 365 million tons of coal per year. Since it is a known fact that it has worked, it is somewhat of a disappointment to me that a greater interest in the use of coal has not been taken by the Federal Government.

So I think this amendment is important, and I am delighted that the manager of the bill and the minority side seem to be in favor of it.

I would be very hopeful if, instead of waiting until the last minute, at the eleventh hour, to be using this particular kind of natural resource that we will accelerate the use of coal for not only the economy in regions where it is removed, but for the stability of this country as a whole.

I thank the Senator.

Mr. RANDOLPH. Mr. President, I wish to express my appreciation to the able Senator from Kentucky (Mr. FORD), who is knowledgeable in this subject.

West Virginia and Kentucky or Kentucky and West Virginia are the leaders, one at one time or another, in the production of bituminous coal. For example, in 1973 West Virginia produced 115 million tons of bituminous and lignite coal compared to 127 million tons for Kentucky. The national total was 591 million tons.

As we look forward during the next 10-year period we recognize that the projections are for increased productivity in West Virginia and in Kentucky.

There are very real reasons for such a program as we envisage here today to be a part both of the programs of the administration and of Congress. We need not be polarized in our thinking because the administration itself, through the President and through the energy czar, Mr. Zarb, both have indicated their strong advocacy for additional time so that these coal conversions from oil and natural gas can take place.

Mr. President, I have constantly indicated, as I will say to our colleagues, Senator FANNIN and Senator HANSEN and others, that this Senator is not interested in divisiveness or polarization with the administration. This Senator is intensely interested in all of us working, insofar as possible, in cooperation and with initiative and resourcefulness, so that we do repair the damage which has already been done, and so that many additional years do not come to pass without the United States of America becoming self-sufficient from the standpoint of the production of energy.

I remind my colleagues—and the Senator from Kentucky well knows this to be a fact—in coal we have four times the energy in this country than all the energy from petroleum in the Middle East.

We must use it, and it can be used in environmentally accepted ways. This is a further opportunity, as Senator FANNIN and others have indicated, to extend the time so that this coal conversion program can move forward not in a hit-and-miss fashion but in an orderly way. I again commend my colleague.

Mr. FORD. It is a comfortable feeling to know that this body and the Executive are on the same wavelength. I think it is in the best interests of the country that we cooperate when we find an endeavor we can all agree on.

As the Senator knows, and I know, not only can we furnish coal for the generation of energy, but we can use it for oil and for synthetic natural gas which can make this country self-sufficient, and we will not have to look to any other country, and the fact can be that we will be looking to export instead of import.

Mr. RANDOLPH. One final comment, Mr. President. There are those who indicate that a doubling of coal production and marketing cannot be done in the next 10-year period.

It can be done, Mr. President, if we ourselves are determined, all of us, that it is to be done and that it be done not in the interest of any particular region of the country but that it be done for the benefit of the American people as a whole.

Mr. FANNIN. Mr. President, it is with pleasure that I commend the distinguished and able Senator from West Virginia (Mr. RANDOLPH) for the leadership he has furnished over the years in the field of energy. He is not only a leader from the standpoint of coal utilization but he has been very prominent in assisting in legislation that would utilize, promptly utilize, many of our resources.

We are blessed in this country of ours with about 40 percent of all the world's coal reserves. Many people realize the significance of that blessing, but some do not.

When we look at the figures that illustrate that over 70 percent of all fossil fuel energy is in coal and only 15 percent, or thereabouts, in petroleum products, we know of the great possibility we have of reaching our goal in furnishing the needs of this country for energy.

We do face a serious problem unless we have programs, such as this particular amendment provides, whereby we can go forward with the utilization of coal.

That is why I feel that the distinguished Senator from West Virginia has again brought something to our attention that is very essential. He is working with the administration on this measure because it does give more time for the implementation of some of the programs that are in progress.

If the distinguished Senator moves in separate legislation the substance of his amendment to S. 1849 I am reasonably certain that such a bill would become law.

I would suggest to the distinguished Senator from West Virginia that his amendment be separately offered as a clean bill.

Mr. President, I again commend the distinguished Senator from West Virginia (Mr. RANDOLPH) for offering this amendment.

Mr. JACKSON. Mr. President, I erred in saying that we are extending the authority until December 31 in connection with the amendment of the Senator from West Virginia (Mr. RANDOLPH) Actually, the authority expired on June 30.

Mr. RANDOLPH. That is right.

Mr. JACKSON. Which makes more urgent the need to extend the authority provided in the act.

I, therefore, urge that the Senate adopt the amendment offered by the able Senator from West Virginia who has been the pioneer in this area.

As Senator FANNIN has mentioned, no one has taken a greater interest, as far as this aspect of the energy problem is concerned, than the distinguished Senator from West Virginia (Mr. RANDOLPH) and I commend him mostly highly.

I do not know of anyone else who wants time and I suggest we have a vote.

Mr. RANDOLPH. I am very appreciative of the kind remarks of Senators JACKSON and FANNIN regarding my continuing efforts in support for the formulation of a national energy policy. It has been my desire to work within the Senate in cooperation, where possible, with the administration, to strengthen our energy resource programs. Thus we will strengthen our country and serve all of our people.

The PRESIDING OFFICER. Are the Senators prepared to yield back their time?

Mr. JACKSON. I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from West Virginia yield back the remainder of his time?

Mr. RANDOLPH. Yes.

The PRESIDING OFFICER. All time has been yielded back, the question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that whereas the time is up on the committee amendment, as I understand it, that that time be extended for 15 minutes, to be utilized by the distinguished Senator from Oklahoma (Mr. BARTLETT), and that immediately thereafter the vote occur on the committee amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington?

Mr. BARTLETT. What is this?

Mr. JACKSON. This is just the committee amendment changing the date from 1977 to 1976, a routine committee amendment.

Mr. BARTLETT. I see.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Who yields time?

Does the Senator from Oklahoma seek recognition?

Mr. BARTLETT. Mr. President, I ask the distinguished Senator from Washington if I could have his attention.

The PRESIDING OFFICER. The Senator from Washington is being addressed by the Senator from Oklahoma.

Mr. BARTLETT. Does the Senator from Washington have to leave the Chamber?

Mr. JACKSON. I have to leave the Chamber for a moment. I will be glad to come back and respond to any question if the Senator will defer it until that time.

Mr. BARTLETT. All right.

Mr. President, I am concerned about the extension of the Petroleum Allocation Act because it does not appear to me to face up to part of the real problem that we have in the domestic energy shortage; that is, the very obvious lack of supply. When one compares the oil industry with other industries, if one does it on power concentration, one finds that the number of companies engaged in oil exploration is much larger than that of the average number of companies engaged in any major endeavor in this country. In fact the independents, the non-30 largest, find about 80 percent of the production found in this country. Obviously this statistic also indicates that there is not a barrier to entry into the area of pertoleum exploration, development, and drilling for oil and gas wells.

It is also obvious in comparing the profits of the major companies, let alone the smaller ones, that the return on capital investment is about average with that of other major industries.

So, we have in the petroleum industry a number of companies of free enterprise, which are engaging in perhaps the most important business activity of any companies in the country because of the current shortage of domestic oil and gas.

This becomes very important because of our national security, economic needs, and the needs that we have as a nation to provide the energy needed for all of our business and manufacturing activities.

Yet, in the case of oil and gas, we of Congress seem to think, somehow or other, that we accomplish more for the better interest and the best interest of the citizens of this country by having price controls. It is the only area of price controls in our whole business complex in the United States.

I cannot understand why we want to continue putting shackles on an industry that otherwise I think would expand its operations to the extent that we could increase the suppiles and help decrease the shortage we have.

In 1955 the amount of exploration and development activity in this country peaked out. It peaked out and declined after that until 1971 because there just was not enough capital formation available to industry to drill the number of wells that needed to be drilled. In 1955 we had a cushion of some 2 million to 3 million extra barrels of petroleum that could be produced when needed as was needed in the Suez crisis of 1956, I believe, and it was used in another crises in the Middle East later on.

But because of the lack of capital formation and of insufficient profit, there was not enough capital to drill the wells that were needed to be drilled during the late fifties and sixties to retain the cushion, the extra supply of oil and gas, and to keep up with the demand.

So by the time we reached 1971, the number of active rigs had gradually but consistently reduced to less than 1,000, and we had a very severe energy shortage in the United States. Our imports went way up until they are reaching now 40 percent.

It is rather interesting looking back on how the amount of imports was regarded during the sixties as compared to today.

At that time, General Lincoln's group, which was concerned with the national security of this country, felt that if imports reached 10 percent they were reaching a level that would threaten the national security. Yet now, when we obviously are depending upon others for 38 percent of our imported oil, no one seems to be a bit concerned about national security.

Yet we only have to look back to 1973, a period of just 2 years ago, when an embargo was placed on the importation of oil from Arab countries, that required us to use all of our ingenuity in order to keep the wheels of industry turning and in order to keep this country moving ahead. Even with that, we suffered considerably because of the lack of energy.

Starting in 1971, because of a relaxation of price controls, a removal of price controls on part of our crude oil, we have had an increase in the amount of drilling. This has enabled the number of active rigs to go up to approximately 1,740.

But just 3 months ago, this Congress

decided that the depletion allowance should be eliminated for the larger companies and should be greatly reduced for all companies engaged in oil and gas exploration. Because of this, the tax on oil and gas incomes was increased by $2.5 billion. This was levied retroactively on the oil and gas industry.

Obviously, the one part of their spending that they could look to to make up the difference of the $2.5 billion was by cutting their exploratory budgets. This they did. It was very interesting in a report to a special hearing that the Committee on Interior and Insular Affairs, chaired by the Senator from Washington, had, that the kind of exploration that was eliminated was the wildcat exploration, the long-shot drilling, the kind of drilling that had less chance of success but had greater opportunities of increased potential of finding undiscovered reserves.

So, at the present time we have some 1,740 potential rigs to be used, and yet we only are utilizing approximately 1,612 as of last week.

What does this mean? It means, very simply, that the oil and gas industry does not have the capital to keep turning to the right, as is their expression, to keep operating all the rigs that exist.

How far down the road do we need to go in order to have some chance of developing sufficient oil and gas reserves to have a sufficient supply to meet demand? I think a good way of looking at this as a rule of thumb would be to look back at 1955, when we had operating some nearly 2,700 rigs. At that time, the demand for oil was about half of what it is today; so, by doubling that figure of 2,700 rigs in 1955, it would give us approximately 5,400 active rigs that we need today, actively engaged in oil exploration, in order to find sufficient oil and gas in order to meet the demand of today.

The total of 1,740 rigs is almost exactly one-third of 5,400. So we are just one-third of the way down the track. Yet we do not have enough capital being formulated today to keep the rigs we now have operating.

My concern with the extension of the Petroleum Allocation Act is that, in extending the price controls, we are going to assure ourselves that we are not going to be able to have the activity of drilling for oil and gas sufficient to find the reserves we need.

Many of those who are opposed to deregulating or decontrolling the prices on oil and gas throw up their hands and say, "Well, if we do this, the price is going to go out of sight." The estimate of the Federal Energy Administration is that the price would go up 5 to 6 cents a gallon of gasoline. At the present time, the current prices we pay include approximately 3 cents a gallon for the tariff that we pay on the importation of crude oil from foreign countries. If this were removed, as I trust it would be if the price were decontrolled, then the price of gasoline would only have to go up 3 cents a gallon. I am convinced that the people of this country want assurance from Congress that there is an environment in which the free enterprise oil and gas industry operates, in which there is a chance of developing sufficient oil and gas reserves to meet the demand. I am convinced that the people are willing to pay the price. The price I am talking about would be 3 cents a gallon more than the price we have today, caused by the decontrol of the prices on domestic crude oil production.

There are those who say that the price of imported oil is a cartel price, and they are correct. It is set by countries arbitrarily, not based on supply and demand. Then they criticize the decontrol of the price of domestic production on the basis that the world price is not a free market price. But it certainly does not make it any more free market to control the price of domestic oil. In fact, to me, it does not make much sense when the foreign producers of energy, countries which have a great excess of production, set a cartel price that is the world price. Then we come along, a country very short of production, and assure ourselves of not having adequate supplies by having a controlled price far below the world price.

The world price is a cartel price, but let us face up to it, it is the world price. It is what we pay when we cannot produce enough domestic crude oil to satisfy our needs. We bring in expensive cartel-priced oil at approximately $12.75 a barrel, whereas we are producing oil in this country and paying for it at an average price of some $7.50 to $8 a barrel. I think we must face up to the basic problem that we have, which is a problem of energy shortage, and analyze that to see how we can deal with it in order to have sufficient supplies.

Mr. HANSEN. Will the Senator from Oklahoma yield for an observation?

Mr. BARTLETT. I very happily yield to my distinguished friend from Wyoming.

Mr. HANSEN. Mr. President, I think what the distinguished Senator from Oklahoma is saying is very, very important. Practically every authority agrees that there are two steps that need to be taken by America at this time. One is to do all we can, consistent with the needs of providing jobs in America, to conserve energy, and, even more specifically, to conserve the consumption of oil and natural gas. That is part of the job. It is an important part. Many, many speakers have stressed its importance.

On the other hand, there is also need, and I think most people have given more than just a cursory glance at the problem would agree that we need to do something about bringing into being greater supply. Many things have been proposed. The distinguished junior Senator from Louisiana, some months ago, proposed that we deregulate secondary and tertiary recovered oil. That proposal was adopted in the Senate and it since has been stricken from one of the bills that has gone to conference, I think unfortunately, because of all of the opportunities that this country has to increase supply, there is no sure way of doing that than to decontrol the price of secondary and tertiary recovered oil.

Why do I say that? For one very obvious reason. At the present time, we have reserves in the United States of some 40 billion barrels of oil. By that is meant that, given the amount of oil in place that we know is there, understanding the cost of pumping that oil to make it available and equating those costs with the selling price of oil, given the present equilibrium that is now established, we can produce from those known reserves some 40 billion barrels. But if we were to turn the oil industry loose and say to those thousands of persons, tens of thousands of persons, who own interests in the different oilfields throughout the United States, "We will let the price rise consistent with what the public is willing to pay" and I underscore those words, "Is willing to pay," then we could produce an additional 60 billion barrels.

In other words, Mr. President, we can take the 40 billion barrels which normally would be produced given present costs and price levels existing now, and we could increase that by an additional 60 billion barrels. In other words, we could get one-and-a-half times as much more out of the ground as we hope to get.

The PRESIDING OFFICER. The time on the committee amendments has expired.

Mr. HANSEN. Mr. President, I ask unanimous consent that we may proceed for an additional 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield time from the bill to the distinguished Senator?

Mr. HANSEN. That will be fine.

Mr. STONE. I yield 10 minutes to the Senator from Wyoming.

ORDER FOR A RECESS UNTIL 9:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY PETROLEUM ALLOCATION EXTENSION ACT OF 1975

The Senate continued with the consideration of the bill (S. 1849) to extend the Emergency Petroleum Allocation Act.

Mr. HANSEN. Mr. President, the point I am trying to make is what I have been talking about, the releasing, insofar as price controls are concerned on secondary and tertiary recovered oil, is just one one of the steps that we could take in order to increase supply.

The Senator from Oklahoma (Mr. BARTLETT) has been pointing out other ways we can do this and, indeed what are the results of some of the steps we have already taken.

I have letters and newspaper articles, magazine articles, all sorts of information detailing exactly what has happened and, if I may, I would like to call attention to some of the things that have been occurring which underscore and buttress what has been said by my good friend from Oklahoma.

I wish to read portions of a letter dated July 9 written to me by the president of True Oil Co. from Casper, Wyo., telling about the situation in my State of Wyoming. He states:

> In the three months since the President signed into law HR 2166, entitled "Tax Reduction Act of 1975," the average number of drilling rigs active in the State of Wyoming has decreased from 129 to 99, a decrease of over 23%. During the same period last year the average number of drilling rigs in operation increased by 13%. The full impact that HR 2166 has already made on the industry in this state can best be judged by examining the attached chart showing average drilling rigs in operation over the past 18 months. This clearly shows that an escalating trend was almost spontaneously turned into a seriously declining one. This in my judgment has been almost entirely a result of the major oil companies' reduction in their exploration and development budgets caused by the reduction in their cash flow resulting from the higher income taxes mandated by this law. Nobody, including major oil companies, can spend money they do not have or cannot borrow.

The Society of Independent Professional Earth Scientists, a very sophisticated group of geologists, confirms the same conclusion reached by Mr. True and by the distinguished junior Senator from Oklahoma. They say:

> We polled 70 drilling contractors and 35 sellers of oil field tubular goods.
>
> The Hughes Rig Count still shows about 1600 rigs working with no appreciable change since January. We know that this was due to the tremendous backlog of drilling left over from last year. So our main thrust was to determine what was happening to the backlog. The survey shows the backlog down 293% from the first of the year. Sales of surface casing are down 66% from the first quarter which, in itself, is a seasonably bad quarter.
>
> Most contractors and casing merchants reported that independents were their main customers.
>
> The general feeling here is that the bottom is dropping out. I have enclosed a sampling of the returns, together with a summary.
>
> We think that the time has come for a major statement on the adverse effect of congressional action on a vital industry. If the Senator feels like making it, we would be glad to help him shape it.

Of course, I would welcome that assistance because this very distinguished group of professionals know what they are talking about. Their only concern is to see that Americans understand what the facts are, and when Americans are apprised of the facts and have been given time to understand them, there can be no doubt but what most will agree we are headed down the wrong trail.

Today, testifying before the Committee on Finance, was Secretary of the Treasury William Simon. This afternoon, Frank Zarb, the Administrator of FEA, is back appearing informally before a gathering of Senators over there in order that he can advise them just on an informal basis of what is going on.

The facts are that when Mr. Simon was testifying I read from a statement in the U.S. News and World Report dated June 16, 1975, whereby the President of a bank in Midland, Tex., said—and I am paraphrasing his remarks—America is still determined to punish the oil industry. It has made it extremely tough for that industry to raise the kind of money necessary in order to continue a drilling program and, indeed, when one considers the impact that resulted from the passage of the Tax Reduction Act of 1975, the experience in Texas reflects that of people throughout the rest of the country.

If I may, I would just like to read, in order to be more precise, what Charles D. Fraser, the senior vice president of the First National Bank of Midland, Tex., said. He said,

> The loss of depletion not only took a lot of money out of the industry, it showed people that Congress is still in a vindictive mood toward the oil industry, when it should be encouraging exploration.
>
> It warned oilmen that they had better wait and see what happens next before they proceed.

The president of Houston Oil & Mineral Co., Mr. J. C. Walter, Jr., said:

> A surplus of rigs has developed almost overnight. They are stacking [storing] rigs in the Midland area and contractors are waiting on new orders.

In other words, the backlog—which means the number of requests for drilling rigs to drill prospects—has dropped off most dramatically. From that fact can be inferred the following conclusions:

First. The industry has been discouraged as to profitability. It has been discouraged as to the logic and good sense in trying to drill when you consider the overall rate of success in the industry and wildcatting, when you consider the return that can be expected in light of the Tax Reduction Act of 1975, and there is no doubt at all but what our efforts in March of this year were counterproductive.

Instead of encouraging more supplies to be brought on stream, we have the effect of telling the industry, "Slow up, stop, don't do any more."

I think that is tragic and, I think, that is a fact that needs to be understood, as has been the thrust and the whole point of the Senator from Oklahoma's amendment to try to reduce, insofar as it can be done, the uncertainty that faces the industry presently.

I would like to compliment my good friend from Oklahoma for the job he has done in bringing his expertise, his understanding, his knowledge of this very complicated and important industry to Members of the Senate.

I thank my good friend from Oklahoma.

Mr. BARTLETT. Mr. President, I thank my distinguished friend from Wyoming. He has brought out some very interesting facts about the problems of price controls and extension of the Petroleum Allocation Act.

There are many inequities in this program that I think we want to discuss as we debate it, but I do have an amendment at the clerk's desk and I would like to have it read.

The PRESIDING OFFICER (Mr. GARN). The clerk will report.

The legislative clerk read as follows:

> The Senator from Oklahoma (Mr. BARTLETT) proposes an amendment to the committee amendment: On page 1, line 10, delete "March 1, 1976," and insert in lieu thereof "December 31, 1975,".

The PRESIDING OFFICER. There are 30 minutes on the amendment in the second degree, 15 minutes to a side.

Mr. BARTLETT. Mr. President, I do not want to fly under false colors. I am not in favor of this bill, but I do think it is an appropriate amendment to reduce the extension of the Joint Allocation Act.

As the bill stands now, the pending amendment, the date would be March 1, 1976, roughly 9 months from now. This amendment would reduce that to roughly one-half year.

We have had the Petroleum Allocation Act operating for some time. It has many unfairnesses in it, inequities that should be corrected, but its main fallacy is that it increases the demand for energy and it decreases the supply, which is exactly the opposite of what an emergency energy program should do today for this country.

We have ever increasing shortages of energy, yet the programs that have been adopted by Congress, the great majority of them, have been ones that have extended and increased the shortage, or, as I said, increased the demand and decreased the supply.

It has made us more dependent upon foreign sources of supply which we know can be used as political blackmail in the form of an embargo to put pressures on this country in its political decisions with foreign countries.

Certainly, 6 months is ample time for this body and the other body to consider changes in the Allocation Act.

I think the greatest step that could be taken, made forward by the Congress in approaching the energy shortages, would be to let this act expire on August 31 because then what would happen is that our price controls would go out the window and we would have the opportunity of sufficient capital accumulation to drill the wells that need to be drilled.

Well, the first yell, of course, that comes from the other side, is that there is going to be this horrible increase in prices. And yet, is there?

The FEA says the price increase that would be occasioned by a complete decontrol of crude oil would be 5 cents to 6 cents a gallon and if the President would remove the tariff on imported oil, which amounts to 3 cents a gallon of gasoline, then the price increase would only be 3 cents, but there would be the assurance to the American people that we do have a plan that would maximize exploration and development in this country that would not artificially increase demand and decrease supply, but would do the reverse.

It would increase the supplies and decrease the demand for energy to the extent of a small increment of increased cost, but it would give continuing assurance that the effort to find more oil and gas, which are essential to getting us out of this century, would be maximized, that we would have ample opportunity to increase the rate of drilling.

I said a minute ago that the number of active rigs that are now operating in this country are approximately 1,612, short by almost 130 rigs of the 1,740 rigs that exist. Yet, we need some 5,400 rigs to do the amount of drilling that needs to be done to find the oil and gas that this country requires to get us out of the 20th century and into the 21st century when, hopefully, the large expenditures that this Nation is making through public expenditures and private expenditures will be sufficient to bring on new types of energy, alternative sources.

But I think we are kidding ourselves when we control the prices on the one item, oil and gas, that is in such short supply, that is so greatly needed for national security, and the strength of our economy.

We had much unemployment last winter occasioned by an insufficient amount of natural gas. The Petroleum Allocation Act, by extending it, tends to reduce the amount of oil available and the fact that this Congress has attempted to deregulate natural gas extends the shortage of that very important energy. So that this Nation has its unemployment increased by the actions of Government.

The problems that I see have not been problems of the failure of industry to respond to the needs of the Nation, but the problems of Government to give it the kind of environment in which it needs to operate to do the amount of exploration and development that is required.

This amendment, very simply, gives 6 months for the Congress to improve the Petroleum Allocation Act, if that is its desire, to pass this bill, which certainly should be ample time to go through the entitlements problems and the other inequities that do exist.

We have a situation where parts of the country are subsidizing the purchases of high-cost imports in other parts of the country, and this, to me, is very unfair. We have the situation where some refiners are subsidized by other refiners. So we do not have free enterprise or competition between the free enterprise components of the oil and gas industry. We have controls on them that make, really, a mockery out of free enterprise competition, all at the expense of the consumer. This raises the cost to the consumer over what they would be otherwise.

I believe that Congress has been given ample opportunity. The committee on which I serve, the Interior Committee, was charged 4 years ago with developing a fuel and energy study to deal with the shortages that were foreseen at that time and yet it has advanced no legislation that I am aware of to increase the supplies of oil, other than to legislate the Alaskan pipeline, which the majority of the committee did not favor.

It did provide a proper amount of right-of-way needed to lay the line, but it has not done anything to increase the exploration and drilling, nor has it done anything to increase the exploration and drilling for oil nor the drilling for natural gas.

So I think giving 6 months to this committee to perfect the Petroleum Allocation Act, if it can be perfected, and I do not think it can, is adequate. I think the problem is that with these kinds of controls, one control gives rise to two more problems and then two more controls give rise to four more problems, and on ad infinitum, but certainly 6 months is adequate time to make these kinds of considerations.

It is my feeling that if the March 1, 1976, date prevails, then there will be no consideration of any improvements in the Petroleum Allocation Act or sincere study made of our shortage situation in oil between now and the first of the year. Then it would only be in the first 3 months of next year with the convening of Congress in 1976 that there would be a serious study made.

I do not see why this Congress and this committee would need to have this amount of time just to bide their time and not face up to the problems that they have refused to face up to for so long.

Mr. President, I sincerely believe that this amendment is an improvement to the amendment by the distinguished chairman of the committee, the distinguished Senator from Washington.

Mr. President, I yield the floor.

Mr. HANSEN. Mr. President, let me compliment the distinguished Senator from Oklahoma once more for his knowledgeable approach to a very complex problem.

I want to quote further from Business Week magazine, the July 14 issue, to disabuse Senators concerning certain facts that I think generally are not understood.

I spoke about the drop in the number of rigs that are presently drilling in my State of Wyoming.

I spoke about the sharp drop, a drop of 293 percent, in the backlog of demand to have wells drilled. I mentioned, in commenting upon a letter from Dave True, president of True Oil of Casper, Wyo., that there has indeed been given to the industry great disincentives through the passage of the Tax Reduction Act of 1975.

Many people believe that this has affected primarily, and many think exclusively, only independents. Such is not the fact. The facts are:

> Since March, when Congress killed the percentage depletion allowance and limited foreign tax credits for oil companies, the majors have announced budget cutbacks of nearly $1.1-billion. Texaco, Inc., alone reduced its capital exploration budget by $300-million, or 15%. Phillips Petroleum Co. chopped $200-million (17%), Continental Oil Co. $100-million (11%), and Gulf Oil Corp. $88-million (5%).
>
> ### THE PROFITS ARE COMING DOWN
>
> Though the demise of depletion has undeniably cut into oil company coffers, the price of new oil has meanwhile risen to nearly $13, because of President Ford's $2 import fee. The increase, skeptics point out, should be more than enough to make up for any lost incentive when depletion departed. They demand to know why $13 a bbl. is an insufficient lure, when industry profits hit extraordinary highs last year and when U.S. producers were getting $3.50 for their oil just four years ago.
>
> The answer, say oilmen—who chafe at continued talk of big profits—is as complex as the oil business itself. "A lot of influential people in Congress insist that our 14.6% rate of return on invested capital last year was obscene," complains Warren B. Davis, Gulf's director of energy economics. Sure it's substantial. It certainly isn't niggardly. In fact, it's kind of high. But that's what we need to do the job."
>
> Oilmen also point out that 1974's "obscene" returns were an aberration. The sudden runup in prices engineered by the Organization of Petroleum Exporting Countries dropped huge inventory profits in the companies' laps, but these illusory increases were a one-shot gain. Furthermore, after the OPEC price boost in late 1973, the "Seven Sisters" of international oil trade—Exxon, Royal Dutch/Shell, Texaco, Mobil, British Petroleum, Standard of California, and Gulf—made windfall profits on their foreign oil, until their hosts caught on late in 1974.
>
> "The producing countries raised the prices on their oil like crazy but didn't increase our taxes so fast," explains Davis. "So they quadrupled our [foreign] profits from about 30c a bbl. to about $1.25 a bbl. during that period. But now they have jumped taxes way up, and we are down to about 20c-a-bbl. profit on Middle East oil." In contrast, Davis says, the profit on foreign production between 1960 and 1973 was between 35c and 40c a bbl.
>
> Early 1975 results show that oil profits are coming down. According to Investors Management Sciences, Inc., net income of a representative sample of 38 oil companies dropped 26% in the first quarter of this year. Return on investment averaged 14.3%, hardly unrewarding but less than the return in office equipment manufacturing (16.7%) or drugs (16.6%), for example, and not much higher than chemicals (13.9%), tobacco (13.9%), or broadcasting (13.3%).
>
> Still, the oil business remains a solid moneymaker. IMS says industry in general racked by the recession, had a return of only 11.4% in the first quarter.
>
> Thus, the critics in Congress, the current talk of cutbacks in the industry's capital expenditures seems like blackmail, and they are not determined to tighten Washington's grasp on the oil industry. Freshmen congressmen, many avowedly anti-oil, are backing senior legislators who have long called for reforms. "The majors' profits have always been very, very high," huffs Representative John D. Dingell (D-Mich.), whose plan to decontrol oil prices includes a ceiling of $11.50 a bbl. on all oil after 10 years. "They are still abnormally high. Oilmen have told us that they have a desperate need for money to develop new energy sources, but instead they're putting their profits into dividends, salaries, and bonuses, and investing in totally different industries."

That is the story that I think needs better to be understood, Mr. President. The fact is that we have to recognize that the proof of the pudding is in the eating, and the decline in the search for oil, the decline in production, underscores that fact very dramatically and clearly.

The PRESIDING OFFICER. The time of the opponents has expired. The proponents have 8 minutes remaining.

Mr. STONE. Mr. President, I rise to oppose any shortening of the extension of this earlier than March 1, 1976.

In the first place, if the extension terminated toward the end of the calendar year, the Senate and, in fact, the Congress, would face the difficulty of tackling this whole problem during a period in which the Congress was trying to wind up its regular business at the end of the first session; whereas, by terminating this act on March 1, 1976, the Congress would have at least 6 weeks working time to analyze the then needs of the petroleum allocation situation.

With regard to what is likely to happen if the President vetoes the extension that the committee is asking the Senate to adopt, any minimization of that by trying to ascribe the increase at a level of several cents a gallon and no more flies in the face of both past history and probable conditions in the future.

At a time when all of the economists seem to agree that the recession has hit a bottom, that the inflation is moderating, to consciously foment a great increase in the one commodity which is a basic ingredient of every other product—energy—makes counterproductive logic. Not only will the direct inflation caused by an increase in fuel, chemical feedstock and automobile gasoline take place, but the rippling effects through the transport, packaging, fabrication, and use of every other product will greatly rekindle inflation.

Mr. HANSEN. Will the Senator yield for a brief question at this point?

Mr. STONE. The Senator yields.

Mr. HANSEN. I would like to ask my good friend from Florida if he believes that the ripple effect of inflation is more serious than the specter of being short of fuel and increasing our dependency upon uncertain foreign sources in the light of the possibility of another embargo if we do have an outbreak of hostilities in the Middle East?

Mr. STONE. The Senator from Florida wishes to attack both evils. The Senator from Florida has introduced one bill, and the senior Senator from Florida has introduced several other bills cosponsored by the junior Senator from Florida, which would confront the cartel price situation and the cartel shortage situation produced by the foreign oil producing nations.

That is one problem. But whether you die by a gun or whether you die by a knife, you die; and the difference between the foreign cartel situation and the deregulation which otherwise would take place if this bill does not pass is that in this situation we would be doing it to ourselves, and if a deregulation of all oil products is in order—and let me say that there is a much greater case for deregulation, partial or complete, of natural gas and its by-products than there is for liquid petroleum, at least at this time—in any case, when you do this is as important as what you do; and at this moment in the business cycle, to add to the basic cost situation in this economy just when we are trying to reduce unemployment, just when we are trying to control inflation, would give not only a financial and fiscal but a psychological blow to industry and business, which is trying mightily to come off the floor. That is the point I am trying to make.

Of course, a slow deregulation is better than a fast one, but the question before the Senate now is, shall we not give ourselves a chance to analyze the regulatory situation more than simply in the latter days of the first session of this Congress?

Mr. BARTLETT. Mr. President, will the Senator yield for a yeas and nays request?

Mr. STONE. I yield.

Mr. BARTLETT. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STONE. Mr. President, I yield the floor.

Mr. JACKSON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. JACKSON. Mr. President, I shall be very brief.

The agreement that we had in committee was a compromise from the date of August 31, 1977, to March 1, 1976. The proposed date of the Senator from Oklahoma, Mr. President, is unrealistic, to set it for December 31, knowing full well that we will have to act immediately, to vote in the midst of all the appropriation bills, and the time involved in debate will be substantial.

It is for that reason, Mr. President, that we provided an extension until after Congress reconvenes in January, with time to act before March 1. That was the reasoning behind it.

I went more than half way. We agreed in committee to cut it back a year and a half.

So I think it would be the wrong signal to turn around and say, "We are going to cut it to December 31." By doing that we would just encourage hoarding, holding back on the crude oil, so that the price goes up and we will have these enormous profits.

Let no one be confused: the value of an instant decontrol program runs into billions and billions of dollars. For example, if the law expires overnight, just the crude oil above ground, in inventory, would mean a $2 billion ripoff, with the price going up from $5.25 a barrel to over $13 a barrel.

The staff has also assessed the value of the oil in the ground, Mr. President; and if we do an analysis of the increase in the value of the oil in the ground from $5.25 to over $13 a barrel, it is an add-on of $180 billion.

Mr. President, this is old oil, and the issue basically is a very simple one: Are we going to allow the oil cartel to determine the market price of oil here, the price of gasoline, and an airplane ticket, with the jet fuel, and what the farmer pays for fertilizer—and that is already up 400 percent—I could go on down the line; every item in the economy is affected.

The utility bills, Mr. President, are such at this time and place in our history that we find that the large American utilities, many of them, are on the verge of bankruptcy because of the rise in fuel prices.

Mr. President, I would just say that it is a great struggle for some Americans, and that includes millions and millions, just to meet their heating and light bills. I am getting pathetic letters from senior citizens whose social security checks are not even enough to cover their heating and lighting bills because of the astronomical increases that have occurred as a result of an oil cartel fixing not only their prices on the world market, but, if we decontrol, fixing ours. I think we have had enough of that.

Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER (Mr. GARN). The question is on agreeing to the amendment of the Senator from Oklahoma (Mr. BARTLETT). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSTON (after having voted in the affirmative). Mr. President, on this vote I have a pair with the distinguished Senator from Rhode Island (Mr. PASTORE). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CULVER), the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Vermont (Mr. LEAHY), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that the Senator from Illinois (Mr. STEVENSON) is absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. GLENN), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Vermont (Mr. LEAHY) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI), the Senator from Kansas (Mr. PEARSON), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Texas (Mr. TOWER) and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The result was announced—yeas 30, nays 53, as follows:

[Rollcall Vote No. 276 Leg.]

YEAS—30

Bartlett
Beall
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Fannin
Fong
Garn
Goldwater
Gravel
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
Long
McClure
McGee
Montoya
Nunn
Packwood
Scott, Hugh
Scott, William L.
Stevens
Thurmond
Young

NAYS—53

Abourezk
Allen
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Eagleton
Ford
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Inouye
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stennis
Stone
Symington
Talmadge
Tunney
Weicker
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Johnston, for.

NOT VOTING—15

Baker
Bayh
Bellmon
Culver
Domenici
Eastland
Glenn
Hartke
Humphrey
Leahy
Pastore
Pearson
Stevenson
Taft
Tower

So Mr. BARTLETT's amendment was rejected.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GRAVEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is now on agreeing to the committee amendment.

Mr. JACKSON. Mr. President, I yield for a unanimous-consent request to the Senator from Virginia.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent——

Mr. ROBERT C. BYRD. Mr. President, we still do not have order in the Senate. Let us have order in the Senate.

The PRESIDING OFFICER. Senators will vacate the well and carry on their conversations in the cloakroom, please, so that the Senator from Virginia can be heard.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that John I. Brooks of my staff have the privileges of the floor during the debate on S. 1849.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. FORD). The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

The ACTING PRESIDENT pro tempore. The amendment is not in order until the committee amendment is acted upon.

Mr. JACKSON. Mr. President, I thought we acted on the committee amendment.

The ACTING PRESIDENT pro tempore. No.

Mr. JACKSON. Let us vote on the committee amendment.

The ACTING PRESIDENT pro tempore. The question now is on agreeing to the committee amendment.

The committee amendment was agreed to.

Now, the amendment of the Senator from California. The clerk will report the amendment.

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. TUNNEY. I have the floor and I yielded to the Senator from Washington.

The ACTING PRESIDENT pro tempore. The Senator will let the Chair obtain quiet in the Senate Chamber and then we will proceed accordingly.

The clerk will finish reporting the amendment.

The assistant legislative clerk read as follows:

At the end of the bill, add the following new section:

"SEC. 3. Notwithstanding any other provision of law, no program or plan for the rationing or ordering of priorities among classes of end-users of gasoline and for the assignment to end-users of gasoline of rights, and evidences of such rights, entitling them to obtain gasoline in precedence to other classes of end-users not similarly entitled shall be carried out by the Administrator of the Federal Energy Administration or any other Federal officer or employee unless such program or plan takes into account area or regional differences, or both, in the availability of public transportation, and differences in ordinary and necessary driving distances, and provides differential gasoline rations based on such differences."

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. TUNNEY. Yes.

Mr. JACKSON. I wish to reserve all points of order in connection with the pending measure. I will not make it at this time. I reserve my right to make a point of order on the ground of germaneness.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from California.

Mr. TUNNEY. Mr. President, the amendment that Senator CRANSTON and I are introducing here is to insure a policy of fairness throughout the United States, assuming that we should ever have need for rationing. One thing is very clear in that event and that is there are some parts of the United States that are much more dependent upon automobiles to move people to and from their jobs than other parts of the United States where they have rapid transit systems in place.

For instance, in California we are completely dependent upon our automobiles.

In the New York area or in, perhaps, the Boston area or in Chicago, there are rapid transit systems which can bring people to and from their jobs. There are train systems. In California we do not have commuter trains. We do not have adequate rapid transit facilities or mass transit facilities.

One of the things that very deeply disturbed me recently was when Frank Zarb, the Administrator of the Federal Energy Administration, made known the existence of a task force proposing the creation of an emergency rationing project under which every driver in the United States would be entitled to no more than 9 gallons of gasoline per week. Well, I cannot think of anything that is designed to destroy the economy of California and other States in the western part of the United States quicker than that particular rationing scheme. I do not know who they were talking to when they made that scheme up, but certainly they were not talking to anybody from my region of the country.

So what this amendment simply does is to say if you should have a rationing plan the Administrator or any other public official who was going to put the rationing plan into effect has to take into consideration regional differences, has to evaluate the availability of mass transit, as an example, as an indication of whether not we can afford nationwide to have a percentage allotment of gasoline which could seriously affect the economy of one region more seriously than another region.

It is very simple to understand, and I think that any Senator from the West would certainly understand—and by that I mean west of the Mississippi, any Senator from the South, where they do not have adequate transportation systems, would understand—the value of this particular measure.

I see my dear friend, the Senator from Rhode Island, the senior Senator from Rhode Island here. I do not know what kind of mass transit facilities they have in Rhode Island and, perhaps, 9 gallons a week would be adequate to move every citizen in Rhode Island to and from work, but I can assure the Senator that to people in California, where people commute as much as 100 miles a day with their automobiles, this would be disastrous to them, and create disastrous conditions.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. TUNNEY. I yield.

Mr. PASTORE. I want the Senator from California to understand that the famous fight between Jack Dempsey and Gene Tunney was held in the East. We needed mass transportation at that time, and we need it today. It is not adequate. We need help, much more help than the Senator needs in California, and I hope the Senator will remember that.

Mr. HANSEN. Mr. President, will the Senator from California yield?

Mr. TUNNEY. I yield.

Mr. HANSEN. I would like to support the amendment proposed by the two distinguished Senators from California.

It seems evident to me, having examined, as I have, the per capita gas consumption by States throughout the United States, that there is eminent fairness of the concept of this amendment.

Two States, the two States, with the highest per capita consumption of gasoline are Nevada and Wyoming, and for very good reasons. We have no mass transit systems. There is very limited bus service in my State of Wyoming, and despite that right today we are being called upon to provide a far greater contribution toward the Nation's total energy than we have been called upon to furnish in the past.

We have a new electric generation plant being completed just east of Rock Springs, Wyo., and people are traveling from more than 100 miles away to drive back and forth to that job daily in order to get the job done.

We have strip mining, coal mining, taking place in Wyoming, the same situation applies there.

There is not presently the opportunity for homes and places to live in towns where these necessary jobs have to be undertaken and, as a consequence, what has been historically true continues to be true.

We do need more gasoline. The same situation applies to the State of Nevada, as my good friend from Nevada knows and understands full well.

I am hoping that we do not have need of any gasoline rationing, but if we do need it, I think we have to understand the eminent fairness in recognizing the facts as they have been spelled out by the distinguished junior Senator from California.

Mr. TUNNEY. Another interesting thing is that the task force certainly did not suggest that we have the same heating oil allotment for Florida as we have for Alaska.

Mr. HANSEN. Indeed not.

Mr. TUNNEY. Yet they said we ought to have a 9-gallon-per-week rationing in every State in the Union, irrespective of one region's need for an automobile to get to and from work more than another region. It is absolutely preposterous.

I would like to ask my distinguished friend from Wyoming if he has had any contact with the FEA and if he was able to uncover what the task force was thinking about when they came up with that kind of ruling?

Mr. HANSEN. I must say to my good friend from California, I have not had the opportunity to inquire into their thinking.

It occurs to me, though, that maybe absent sufficient time or without time to reflect upon the importance of the data that perhaps they might have looked at, they arrived at a very simplistic solution.

I suspect that it is appealing to people to say that we will give everybody in the United States so many gallons per week. That is about as simple a solution as we could come up with, but I must say it is totally lacking in understanding and appreciation of the facts.

The facts are that the needs in the various parts of the country differ very greatly. I could not agree more than I do with my good friend from California that we have got to look at the situation. Where people live in areas served by mass transit, their needs are disproportionately less than they are in areas where the only way to get around is by automobile.

Southern California, and all of California, is a good example of what I am trying to say.

I think this amendment seems eminently fair, it is very well thought out.

The PRESIDING OFFICER. Will the Senator suspend?

Will the Senate please come to order. If Senators care to discuss legislation with colleagues and staff members, they may retire to the cloakroom.

Mr. HANSEN. I was just going to say, Mr. President, I think this amendment reflects the considered judgment that should have been displayed by the task force, but was not for reasons that I do not now know or understand.

Mr. TUNNEY. I want to thank my friend. One of the things that concerns me additionally about the task force attitude is that it represents a very significant backtracking from the position that was taken by William Simon when he was head of the FEA.

When Mr. Simon was head of it, he said that on any rationing scheme, they were going to take into consideration those areas that were more dependent on the automobile than other areas.

The task force, on the other hand, suggests in its report that every area of the country is exactly the same.

I would like to say to my distinguished friend from Rhode Island that as I recall it, my father and Jack Dempsey got to the fight by mass transit.

Mr. PASTORE. And good for them.

Will the Senator yield?

Mr. TUNNEY. Yes.

Mr. PASTORE. I think there is considerable merit in the argument that is being made by the distinguished Senator from California, but it is pretty hard to generalize in these matters.

There is no question at all about it, that people in the West and Midwest have to travel long distances. As a matter of fact, our Interstate Highway System was built, according to that philosophy.

But the fact still remains that we have in Rhode Island about 3,900 people that work at Groton, Conn., at the Electric Boat. We just cannot say that we have got mass transit.

There is no mass transit. Here are 3,900 people that have to go to work every day and have to come back from work every night, and naturally, their situation is a lot different from the people that could take a bus, let us say, like here in the District of Columbia.

I think all of this will be taken into consideration. There is discretionary power, but I think if we begin making a preference, we might be making trouble.

Mr. TUNNEY. Not make a preference, we are only asking the Administrator to take into consideration the need for automobile travel in some regions of the country as distinguished from other regions of the country, and the necessary travel that must take place using automotive transportation in certain parts of the country is different than in other regions.

So we are asking him to apply regional conceptualization to the problem, and I think it makes perfect sense.

I might say that the State of California contributes a lot more than 10 percent, maybe 12 percent or 13 percent, to GNP in this country and if we are going to destroy the economy of a State like California, every part of the country is going to feel the impact of it.

Mr. BROOKE. Will the Senator yield?

Mr. TUNNEY. Yes.

Mr. BROOKE. I certainly commend the Senator from California, but I am a little amused when he says we have all these great mass transit systems in the East.

Where are they? The Senator from Rhode Island just said they are certainly not in Rhode Island. I can say they are certainly not in Massachusetts. The Senator from New Hampshire can say they are not in New Hampshire.

Actually, we have been trying to break that Highway Trust Fund for years so we could have some mass transit systems, but they have always been able to block us and keep us from doing that.

The fact is we do not have many mass transit systems and where we do have them they are old, dilapidated, deteriorated. Actually, we just do not have the transit system to move the massive numbers of people that we have.

On the other hand, we hear out West they go 200 or 300 miles on those great highways out there just to socialize in the evening, with a great waste of gasoline.

We certainly understand the predicament, but the Senator said they do not have any mass transit system in California. Whatever happened to that multimillion dollar system that we built in San Francisco, is that still——

Mr. TUNNEY. The BART. Yes, we have BART.

Mr. BROOKE. You have that.

Mr. TUNNEY. In San Francisco, in the Bay area, we have BART, but the State of California is 1,000 miles long, has a population of 21½ million people, and BART services a tiny fraction of those people. Maybe the general population would be 2 or 3 million people serviced by BART.

When we consider the population of the State and look at southern California, which is the most populous region of our State, and the totally inadequate mass transit that we have, if we had a rationing plan that applied a gasoline allotment evenly across the country our region would be substantially hurt, to a far greater extent than a region such as Massachusetts, which has a lot better mass transit facility.

Mr. BROOKE. Is the Senator talking about a regional plan for heating oil which would be applied evenly across the country, to the Northeast, the greatest user of home heating oil, too?

Mr. TUNNEY. We should not have an even allotment of home heating oil.

Mr. BROOKE. Is the Senator proposing regional formulae for all sources of energy?

Mr. TUNNEY. No. My proposal is very narrow. It is just to a rationing scheme and the only reason I am offering it is because of the task force report that recently came out which suggests that 9 gallons a week would be appropriately applied across the board.

That represents a change of position from the one I mentioned by William Simon during the time of the boycott when he was head of the FEA and he was talking about a rationing scheme that would take into consideration the availability of job transportation in allotting gasoline to drivers.

Mr. BROOKE. But there is still much discretion left, is there not, so that this matter could be taken care of under the discretionary powers?

Mr. TUNNEY. I can understand why the Senator says it can be taken care of, but those of us who exist in the West and South, where we do not have rapid transit facilities, I think will have to support this amendment, it is just so basic and fair and obvious.

I cannot understand why anyone would not recognize the fact that some parts of the country need more gasoline to move people to and from work than other parts.

We are talking about the health of the economy of the entire country. We cannot destroy the agricultural industry in California without having a major impact upon the cost of food in Massachusetts. We are the No. 1 agricultural State in the Union. Well, it takes gasoline and it takes fuel to keep those farms going. It just seems to me to be very clear that this is an equitable amendment. We are not saying we have to give more gasoline to

California, to Wyoming, or Texas than to Massachusetts. We are simply saying we have to take into consideration what is the availability of mass transit facilities when you are making a rationing scheme. It is that simple.

Mr. HANSEN. Will the Senator from California yield for an observation?

Mr. TUNNEY. I yield.

Mr. HANSEN. I say to my friend from Massachusetts I think the great merit in this amendment is that it recognizes what has been proposed by the task force set up under FEA, which I find deplorably inadequate. I do not mean to imply for a moment that there is not some commodity in terms of the problems the country over. Undoubtedly, as the Senator from Massachusetts has pointed out, there are many areas of that State that do not have any more rapid transit than we have in Medicine Bow, Wyo. That is now seven times weekly Amtrak on the UP Railroad.

When we consider the fact that there are States which use fewer than 4 gallons of gasoline per capita per year, and there are States, such as is true in my State of Wyoming and in Nevada, where they use 16 or more gallons of gasoline per capita, that reflects upon past practices. It is that sort of thing that I think my good friend from California is addressing which should be looked at and should be examined by FEA, or by whomever it may be, before any rationing program should be implemented, if one indeed should ever be.

Mr. BROOKE. We all seek equity.

Mr. HANSEN. Right.

Mr. BROOKE. I presume that is what the Senator from California is trying to achieve by his amendment.

Mr. PASTORE. Will the Senator yield?

Mr. TUNNEY. I yield.

Mr. PASTORE. I do not find any fault with the logic or merit of the argument being made, but I find some fault with what the Senator is trying to anchor this to. He is anchoring this to the fact of mass transportation. We just do not have it. If the Senator wants to say where the distances are long for people to go to work, that would make sense to me. But to say where we have mass transportation—we just do not have it. The people in San Francisco have a lot better transportation than we have in the whole State of Rhode Island.

What are we going to do? Do we give them more gasoline in San Francisco?

Mr. TUNNEY. Not necessarily.

Mr. PASTORE. The Senator is going to go by region.

Mr. TUNNEY. We go by region, but we also hook it not only into mass transit, public transportation, but we also hook it into the differences in ordinary and necessary driving distances. We tie it also into the regional differences. That would be historical differences in use. There are a number of criteria that the amendment uses in making the Administrator determine what the allotment should be per region. Mass transit is one of the factors.

I did not mean to hook the entire amendment to mass transit. It would be an inappropriate amendment if it were just hooked to that.

Mr. BROOKE. What is the formula, if I might ask the Senator from California?

Mr. TUNNEY. These are the criteria: the Administrator of the Federal Energy Administration or any Federal officer or employee, unless such program or plan takes into account area or regional differences, or both, and the availability of public transportation and differences in ordinary and necessary driving distances and provides differential gasoline rations based on such differences.

In other words, we are asking the Administrator to take into consideration three basic criteria as he makes his judgment as to how much gasoline should be allocated to drivers in each region.

I think historical patterns are important. That is a regional difference. The availability of public transportation certainly ought to be taken into account, and differences in ordinary and necessary driving distances.

Mr. BROOKE. Will the Senator yield?

Mr. TUNNEY. I yield.

Mr. BROOKE. This is no more than a recommendation or suggestion as to what those criteria should be, and the Administrator would still have the discretion to make the decision; is that correct?

Mr. TUNNEY. Yes; he makes the decision.

Mr. BROOKE. And there is no appeal from the Administrator's decision?

Mr. TUNNEY. No more than would exist under the basic body of law.

Mr. BROOKE. The Senator is merely suggesting the Administrator should consider these three criteria prior to making the decision?

Mr. TUNNEY. Prior to making a decision. There should not be just a national plan, but there would be regional schemes. He ought to take into consideration what the differences in the regions are rather than just establishing a national plan.

Mr. BROOKE. And the national regions are east, west, north, and south, is that it?

Mr. TUNNEY. We do not indicate what those regions are. We allow him to make that determination. I think it is appropriate. I think the Administrator has a far greater degree of expertise available to him than we have here today to make a decision on how the regions ought to break down. I can only say that I know that there are some obvious locations in the country where the driving distances are much greater. We can complain about that. We can say it is a terrible thing that the transportation system in the West developed so that we relied on the automobile exclusively; it is too bad that people in the West live so far from their places of work. But the fact is that is the way the West has grown up. If we had a rationing scheme that would apply, say, 9 gallons across the board per week, my Lord, you would destroy the economy of that part of the country.

It is not only the West. I am sure the same thing is true in many parts of the South as well. And the Midwest and perhaps the East, too.

Mr. BUCKLEY. Will the Senator yield?

Mr. TUNNEY. I promised the Senator from Washington I would yield to him.

Mr. JACKSON. Mr. President, might I say to my good friend from California that I am sympathetic to the problem he has presented. We have the same thing in the State of Washington around the Seattle area. We do not have mass transit. People come from the stump ranches, great distances. If the law is to be limited to 9 gallons per week per person, obviously it is going to bring about great hardship. That is true, I believe, in many of the great urban areas of America. It is like a whole series of spokes in a wheel. There is not any one single mass transit facility.

My senior colleague, who has worked so long in this area, would agree that the problem is very, very difficult. Since the post-World War II period we have had a large, ongoing suburban development in America.

As Senator PASTORE pointed out, there is mobility. People go from Rhode Island to Connecticut to work, and vice versa. In my State they drive 50 or 60 miles one way to go to a plant, and the plants are scattered around. There is mobility. We cannot solve that problem overnight, even if we had the talents of a genius in the area of mass transit.

I am very sympathetic with the proposal of the Senator. We will be getting into the whole question of the provisions of the mandatory allocation act this fall. Hopefully, we can work out and mandate some sound principles that will be applicable.

I just want to point out that I will make a point of order because we do have a whole series of amendments here and we are trying to keep this bill germane to the specific issue which is an urgent one. That is the extension of price control authority. I would not want the Senator to feel that I am not sympathetic.

Mr. TUNNEY. I can understand full well how, as manager of the bill, the Senator feels that he has to keep off amendments that are not germane.

I hope the Senator will understand, when I appeal the ruling of the Chair, if it is against me, that I do not do it, because I want to be cantankerous.

Mr. JACKSON. I fully understand.

Mr. TUNNEY. But I do it because I feel that it is very important to the citizens of my State.

I have here an editorial from the Los Angeles Times which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A DISASTROUS RATIONING PLAN

A Federal Energy Administration task force has drawn up a standby gasoline rationing plan that, in its present form, would be economically disastrous for the Los Angeles area.

The proposal aims at equity in the distribution of curtailed gasoline supplies in the event of a new energy emergency, like another Arab oil embargo. Equity in this case is construed as giving every licensed driver in the country the same amount of gasoline—9 gallons a week is the tentative figure—no matter where he lives or how much he has to drive.

No differential is provided for auto-dependent areas, which lack public transportation systems capable of providing feasible

> alternatives to the use of private cars. The reason for this deliberate omission, according to a task force member, is the wish to avoid bureaucratic complexities in the administration of a rationing program.
>
> That's a laudable goal, but its implications simply have not been thought through. For hundreds of thousands of drivers in Southern California and certain other metropolitan areas, the 9-gallons-a-week limitation would be entirely inadequate to provide for commuting to jobs five days a week. The unrealistic ceiling would cut not only into discretionary car use but into necessary work-related travel as well. The economic consequences would be immense, and chaotic.
>
> The proposed "white market" to make rationing coupons freely transferable would not help much. Demand for surplus coupons in a region this size certainly would be greater than supply. Whatever unused coupons individuals might offer for sale would quickly be bought up by the affluent. There would be no equity in that kind of transfer—and no sense, either.
>
> The task force's proposal is a massive step backward from the tentative gasoline rationing plan outlined in December, 1973, by then-federal energy chief William E. Simon. Simon's idea was to take into account the availability of public transportation in allocating gasoline to drivers. That would not have permitted much if any social and recreational driving in car-essential areas, but at least it would have gone far in assuring that work-related travel would not be halted.
>
> The task force's plan has gone to FEA Administrator Frank G. Zarb and President Ford for their approval. Both should reject it because of its major inadequacy, and if they fail to do so Congress must act. The plan would be a disaster for Southern California. To prevent that, some possible "bureaucratic complexity" is permissible.

Mr. TUNNEY. The editorial starts off:

> A Federal Energy Administration task force has drawn up a standby gasoline rationing plan that, in its present form, would be economically disastrous for the Los Angeles area.

Then they go on to say:

> The task force's plan has gone to FEA Administrator Frank G. Zarb and President Ford for their approval. Both should reject it because of its major inadequacy, and if they fail to do so Congress must act. The plan would be a disaster for Southern California. To prevent that, some possible "bureaucratic complexity" is permissible.

Well, President Ford has not acted, Mr. Zarb has not acted, and they have had plenty of time to act; and that is why I am offering this amendment at this time.

I yield to the Senator from New York.

Mr. BUCKLEY. Mr. President, I would like to qualify one part of the amendment offered by the Senator from California. I think it is crucial to whether I, as well as other Senators, shall support it. That is, what is intended by the words "region" and "area"?

I ask the Senator from California, is it his intention that these words could be applied in such a way that the State of New York could be seen to constitute several areas or several regions?

In other words, are we talking about vast areas in which two or three or four States are included, or will the Administrator be directed, in effect, through the legislative history of the amendment, to consider, in effect, cities and towns area by area?

Mr. TUNNEY. It was my thought that the Administrator would track existing distribution facilities, and base the regions on those distribution facilities which are presently intact.

Mr. BUCKLEY. Therefore, in the case of a State like New York, which has a metropolitan area such as New York City that is fully serviced by mass transit, that would be treated differently from other areas of New York which are rural in character and are sparsely settled?

Mr. TUNNEY. Yes.

Mr. BUCKLEY. I thank the Senator.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. TUNNEY. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on passage of the pending measure occur tomorrow morning at 10:30 a.m.; that rule XII, paragraph 3 be waived; that the Senate convene tomorrow morning at 9 a.m. instead of at 9:15, as originally stated; that immediately upon the passage of S. 1849 tomorrow the vote occur on issue No. 1 of Senate Resolution 166; and that the second rollcall vote be a 10-minute rollcall vote, it being a backup vote.

The PRESIDING OFFICER. Is there objection?

Mr. BROCK. Mr. President, reserving the right to object, may I ask the distinguished majority whip——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for this colloquy not be charged against either side on the pending amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BROCK. May I ask the distinguished majority whip, why vote first on S. 1849? We will have been in 1 hour of scheduled debate on issue No. 1 on the resolution relating to New Hampshire. It would seem to me that in order to follow a logical sequence, it would be best to vote first on that and then have a short 10-minute vote on S. 1849, instead of the other way around, as the Senator has suggested.

Mr. ROBERT C. BYRD. I have no objection to that.

Mr. BROCK. If the unanimous-consent request were so modified, I would have no objection.

Mr. ROBERT C. BYRD. All right. Mr. President, let me rephrase my request.

I ask unanimous consent that the convening hour for tomorrow be 9 a.m., and that at the hour of 9:30 a.m. the Senate resume the consideration of issue No. 1 of Senate Resolution 166, the New Hampshire election dispute;

That at the hour of 10:30 a.m. the vote occur on that issue;

That immediately upon the disposition of that vote, the Senate proceed to vote on passage of S. 1849;

That paragraph 3 of rule XII be waived; and

That the second vote, it being a backup vote, be limited to a 10-minute rollcall.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, I understood that there would be 3 hours of debate on the bill, plus 1 hour for each amendment. This would be cutting that considerably short.

Mr. ROBERT C. BYRD. Let me say to the Senator from Alabama that it is my understanding—and I believe this has been cleared on both sides—that debate on the bill, S. 1849, will be finished today, and that actually passage could occur today, but that a Senator from the other side of the aisle is not going to be here for the vote today, and it was understood that if the vote is laid over until tomorrow, he would be here, and the time on the bill and the amendments thereto could be yielded back.

Mr. ALLEN. I do not think I shall object, but there were two nongermane amendments, the nature of which was not identified, that were permitted on S. 1849. One of them, the amendment of the distinguished Senator from West Virginia (Mr. RANDOLPH) has already been agreed to.

Mr. ROBERT C. BYRD. The other amendment would be offered by the Senator from Ohio (Mr. TAFT). He is not here today, and it is my understanding that that amendment is being offered by another Senator.

Mr. ALLEN. Could we have the nature of the amendment identified?

Mr. ROBERT C. BYRD. Yes. If the distinguished Senator from California will continue to yield to me for that purpose, I will yield to the Senator from Arizona (Mr. FANNIN), so that he may respond to the inquiry of the Senator from Alabama.

Mr. TUNNEY. I yield.

Mr. FANNIN. Mr. President, I would say to the distinguished Senator from Alabama that the amendment of the Senator from Ohio (Mr. TAFT) pertains to price trends and related developments for coal and for other major energy sources which are not subject to direct price regulation at any level by the U.S. Government.

The amendment provides:

> As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment.

In other words, it is to make an assessment and recommendations after investigation, is that this amendment pertains to. It relates particularly to coal.

Mr. ALLEN. It is agreed, then, that that is the amendment covered by the unanimous-consent agreement? Is that correct?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I withdraw my reservation of objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

EMERGENCY PETROLEUM ALLOCATION EXTENSION ACT OF 1975

The Senate continued with the consideration of the bill (S. 1849) to extend the Emergency Petroleum Allocation Act.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators, and I thank the distinguished Senator from California for yielding.

The PRESIDING OFFICER. The Senator from California has 2 minutes remaining.

Mr. TUNNEY. Mr. President, I should like to move the adoption of the amendment. I know the Senator from Washington has something that he is planning.

Mr. JACKSON. Mr. President, I express my sympathy for the proposed amendment offered by the Senator from California. I think he has presented a serious problem. But we do have a long series of amendments, and I regret that I will have to make a point of order, on the grounds that the amendment is not germane to the matter before the Senate.

The pending bill simply provides for an extension of the existing Petroleum Allocation Act until March 1, 1976, and unless an amendment relates directly to that it is not germane.

Mr. TUNNEY. Mr. President, may I be heard on the point of order?

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. TUNNEY. It is my understanding that the rationing authority is part of the allocation authority.

The PRESIDING OFFICER. The Chair will indulge the Senator for a short debate on this.

Mr. TUNNEY. It is just a question, I am asking the Chair, that the rationing authority is a part of the allocation authority. The rationing authority is derived from the allocation authority, and if this amendment is not germane, I cannot understand what would be germane to this bill.

Mr. JACKSON. Mr. President, may I respond to the Senator?

The PRESIDING OFFICER. The amendment is required to be germane to the bill before the Senate rather than the underlying law that the bill would amend.

Mr. JACKSON. Mr. President, just to be helpful on the substantive issue to my friend, there is no provision in the existing law, the Petroleum Allocation Act, that covers rationing as contemplated by by the Senator. Some 3 months ago, we passed a mandatory conservation bill in the Senate, which does provide, among other things in the area of conservation for end-use rationing, and that bill is over in the House of Representatives Committee on Interstate and Foreign Commerce. But there is no authority in the existing act.

The PRESIDING OFFICER. The point of order raised from the Senator from Washington is well taken. The amendment introduces new subject matter and, therefore, is not germane under the unanimous-consent agreement in the usual form.

Mr. TUNNEY. Mr. President, because I consider this matter so important, if there were a boycott, it would be quickly reported to States in the West and South.

I appeal the ruling of the Chair and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HANSEN. Yeas and nays.

The PRESIDING OFFICER. There is a sufficient second. The question is on the——

Mr. HANSEN. Mr. President, is this motion debatable?

The PRESIDING OFFICER. This motion is debatable, 15 minutes to the side.

Mr. HANSEN. Mr. President, I appreciate the fact that technically a question can be raised about the germaneness of this amendment. I think there ought to be no doubt in the minds of anyone as to the wisdom of this amendment. It is awfully easy to say, as we have heard from time to time that——

The PRESIDING OFFICER. Who yields time? Excuse me. Who yields time?

Mr. TUNNEY. I yield time to the Senator from Wyoming.

The PRESIDING OFFICER. The Chair thanks the Senator from California.

The Senator from Wyoming is recognized.

Mr. HANSEN. I say that I think it is important that we anticipate some of the things that are going to happen as we consider this bill before us. This certainly is a very valid point to consider. It does not do much good after the fact—we found that out—to be against something.

I think the Senator from California is to be complimented for having the foresight to anticipate that, if we continue to try to put together the sort of an energy policy that Congress so far has come up with, we are going to have to face all sorts of situations, and rationing will very likely be one of them.

So I hope very much that Senators will consider the fact that this is not idle talk as to something that may never happen; it is a very real prospect, and I would hope that we can vote up or down on this issue and that it will be ruled germane by the action of the Senate.

I thank my friend from California.

Mr. TUNNEY. I thank my very able and distinguished friend from Wyoming for his comments.

I say that whereas I can easily understand the position of the distinguished floor manager of this legislation, the Senator from Washington, that it is not going to have a series of nongermane amendments attached to this legislation that is before us, I just cannot help but think that in a case such as this, which is so important to so many people in this country, that we ought to be willing as a Senate to put aside procedural niceties and get to the substance of the matter.

We constantly are bending the rules to suit our fancy around here, and there is no reason why we cannot, in this particular instance, bend the rules a little to allow a worthwhile amendment to be adopted which hopefully will become the law.

I can only say that I would hate to see a situation develop where we would need rationing. I think it is everyone's hope we never will need rationing. If there should suddenly develop the need for rationing, for instance another boycott, and if the Administrator should rely upon his task force recommendation—and I presume he would rely heavily on his task force recommendations—it could be disastrous for the people of my State and for the people of a great part of this country, including Wyoming, including Texas, all throughout the West, and much of the South, and Midwest. As a matter of fact, I cannot understand why anyone would want to vote against this amendment.

I explained it as best I can. Therefore, I am prepared to go to the vote.

Mr. ALLEN addressed the Chair.

Mr. JACKSON. Mr. President, I think we can vote.

First, I yield 3 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senate will be in order. Will the Senators kindly take their seats?

Mr. ALLEN. Mr. President, I favor this amendment, and the distinguished Senator from California has said that it would favor areas in the South. But I feel that in the Senate we must have stability, order, and decorum; if the ruling of the Presiding Officer is not arbitrary and capricious, I believe that it should be upheld. Even though the amendment is an amendment I would favor under different circumstances, I feel that the Chair should be upheld in his ruling.

Mr. JACKSON. Mr. President, I thank the Senator.

I think the Senate must decide whether or not we want to make a real effort to do something about the first issue, and the first issue is whether or not we are going to permit the decontrol of all oil prices on August 31.

We have acted upon earlier, the matter relating to rationing. It is not in the Petroleum Allocation Act that we are extending. It would be a tragedy if we go off on another bent, with which I am very favorable, and it would be a great mistake to defeat the whole thrust of our effort here, which is to prevent prices rising from $5.25 a barrel to $13 a barrel overnight. That is the issue before the Senate.

The amendment will completely throw us off the track, and the Senators ought to know it, when this event might well happen on the 31st day of August.

So I think we all understand the issue, and I am prepared to yield back the remainder of my time, if we can have an immediate vote.

The PRESIDING OFFICER. Is all time yielded back?

Mr. JACKSON. Mr. President, I move to table the appeal from the ruling of the Chair. It would be easier to vote that way.

I ask for the yeas and nays.

Mr. MAGNUSON. The yeas and nays have been ordered.

The PRESIDING OFFICER. Will the Senator from California yield back his time?

Mr. TUNNEY. I yield back my time. Is it in order to move to table?

The PRESIDING OFFICER. The motion to table is in order and nondebatable.

Mr. MAGNUSON. The vote is on.

Mr. JACKSON. I ask for the yeas and nays on the motion to table.

Mr. TUNNEY. I want a record vote on the basic issue.

Mr. JACKSON. Yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Mississippi (Mr. Eastland), the Senator from Ohio (Mr. Glenn), the Senator from Indiana (Mr. Hartke), the Senator from Minnesota (Mr. Humphrey), the Senator from Massachusetts (Mr. Kennedy), the Senator from Vermont (Mr. Leahy), and the Senator from Wisconsin (Mr. Nelson) are necessarily absent.

I further announce that the Senator from Illinois (Mr. Stevenson) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bellmon), the Senator from Kansas (Mr. Dole), the Senator from New Mexico (Mr. Domenici), the Senator from Arizona (Mr. Goldwater), the Senator from Kansas (Mr. Pearson), the Senator from Ohio (Mr. Taft), and the Senator from Texas (Mr. Tower) are necessarily absent.

The yeas and nays resulted—yeas 68, nays 14, as follows:

[Rollcall Vote No. 277 Leg.]

YEAS—68

Abourezk
Allen
Bartlett
Beall
Bentsen
Biden
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Clark
Culver
Curtis
Eagleton
Fong
Ford
Garn
Griffin
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Laxalt
Long
Magnuson
Mathias
McClellan
McClure
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nunn
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Talmadge
Thurmond
Weicker
Williams
Young

NAYS—14

Brooke
Cannon
Cranston
Fannin
Gravel
Hansen
Hruska
Mansfield
McGee
McGovern
Packwood
Randolph
Roth
Tunney

NOT VOTING—17

Baker
Bayh
Bellmon
Dole
Domenici
Eastland
Glenn
Goldwater
Hartke
Humphrey
Kennedy
Leahy
Nelson
Pearson
Stevenson
Taft
Tower

The PRESIDING OFFICER (Mr. Stone). The motion to lay on the table the appeal from the ruling of the Chair on the point of order is agreed to. The decision of the Chair stands as the judgment of the Senate.

The bill is open for further amendment.

AMENDMENT NO. 669

Mr. FANNIN. Mr. President, the Senator from Ohio (Mr. Taft) has an amendment at the desk, amendment No. 669.

The PRESIDING OFFICER. Will the Senator suspend? The Senate will please be in order. The Senators will please take their seats and suspend their conversations or go to the cloakroom so the Senators can hear the Senator from Arizona.

The Senator from Arizona.

Mr. FANNIN. Mr. President, the Senator from Ohio (Mr. Taft) unfortunately is necessarily absent. Senator Taft had introduced an amendment to the bill which basically would require the Federal Energy Administration to include information about coal price trends in its quarterly information reports and to do an immediate assessment of the ramifications of present coal prices for national energy policy.

This amendment has already been passed by the Senate as an amendment to S. 409, the bill to extend the life of the Council on Wage and Price Stability. Since an amendment to S. 1849 has already been accepted which would extend the life of the statute altered by the Taft amendment, the Energy Supply and Environmental Coordination Act of 1974, the Taft amendment is a fitting amendment to this bill.

I call up the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. Fannin) on behalf of the Senator from Ohio (Mr. Taft) proposes the following amendment:

At the appropriate place in the bill, insert the following new section:

Sec. . Section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding the following new subparagraph:

"(E) Price trends and related developments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States Government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment.".

Mr. FANNIN. Mr. President, I ask unanimous consent to have printed in the Record a statement by Mr. Taft on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Taft

This amendment is very simple. It requires the Federal Energy Administration to include, in its quarterly energy information reports, information on pricing and related developments in the coal industry and any other major energy industries not subject to Federal price regulation. It also requires an assessment and report as soon as practicable on the relationship between these price-related developments and national energy policies, including any recommendations the administrator of FEA may wish to make.

This amendment already has been passed unanimously by the Senate as part of S. 409, the bill to extend the life of the council on wage and price stability. However, I feel that it is also an appropriate amendment to S. 1849 for several reasons. First, the fate of both S. 409 and this amendment in particular is still uncertain. Second, the amendment may be jeopardized unduly as part of S. 409 because that bill is not being considered by committees which worked upon the statute to be amended, the Energy Supply and Environmental Coordination Act of 1974. Third, its subject matter obviously is integrally related to the crucial crude oil price ramifications of S. 1849. Fourth, as a result of the Randolph Amendment S. 1849 would extend for six months the Energy Supply and Environmental Coordination Act of 1974. Thus, S. 1849 already deals with the basic statute which this amendment alters.

Largely because both crude oil and natural gas prices have been subject to a degree of Federal price controls, prices in these industries have been carefully monitored. Exhaustive analyses have been done concerning the relationship of these prices to our national energy policy and goals. Unfortunately, probably because it is a major energy source not subject to any such controls, to a large extent the coal industry and pricing developments within it have escaped this scrutiny. The drastic recent price increases in that industry, resulting partly from the artificially high OPEC oil prices, are a good indication that this lack of attention has not been warranted.

I feel it is about time we remedied this situation. Because of the abundance of coal in America, particularly in Ohio and other states of the Midwest, it is bound to play a major continuing role in the national energy picture and expanded production is crucial. As we try to assess what actions and policies are desirable in the energy field, it is important that we understand what is happening to coal prices. Regular and continuing analyses are particularly important in view of major complicating factors, such as the effect of any strip mining legislation.

But there is another reason, more pressing at the moment, why we must correct this situation immediately. Consumers from my state and many others are beset by staggering increases in their electricity bills. They want to know what is happening and why, and they deserve answers.

This amendment will promote a new understanding of the electric utility situation. Electric utilities now account for about 70 percent of the coal market. Almost 40 percent of the electricity generated in the United States in 1973 was based on coal. Obviously, the average increase between September, 1973, and September, 1974, of almost 200 percent in coal spot market prices and about 45 percent in contract prices could have had a direct relationship to many consumers' skyrocketing electricity bills. They deserve a continuing monitoring of coal prices, and an analysis now to assess and evaluate the price increases which have already occurred.

This Amendment does not try to bias in any way the recommendations FEA may make after it reviews the coal price situation. It is designed solely to correct the present lack of attention to coal pricing and other energy pricing developments, relative to prices in the energy industries subjected to direct government controls.

Mr. FANNIN. All this provides for is an assessment and a recommendation after investigation, a stipulation so far as the Federal Energy Administration is concerned.

I ask the distinguished Senator from Washington for his approval.

Mr. JACKSON. Mr. President, I am prepared to accept the amendment and take it to conference.

I yield back the remainder of my time.

Mr. FANNIN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. JACKSON. Mr. President, I ask for yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, I believe that under the unanimous-consent agreement the vote on this bill will occur at 10:45 a.m., and all Senators should be so advised.

The PRESIDING OFFICER. That is correct.

Mr. JACKSON. It will follow immediately the vote on cloture, and it will be——

Mr. MANSFIELD. No, no.

The PRESIDING OFFICER. The vote on issue 1.

Mr. JACKSON. I mean then the vote on the Hatfield amendment. It is the other way around.

Mr. MANSFIELD. Mr. President, will the Chair, for the information of the Senate, tell us the situation on the voting tomorrow just to make certain.

The PRESIDING OFFICER. At 10:30 the first rollcall vote, the yeas and nays, will occur on lines 7 through 12 of Senate Resolution 166, the New Hampshire election dispute, to be followed immediately, back to back, by the final vote on the bill presently before us.

Mr. JACKSON. Which will be a 10-minute vote.

The PRESIDING OFFICER. Ten minute rollcall vote.

Mr. MANSFIELD. Fine.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, the Emergency Petroleum Allocation Act can be more accurately described as the "Oil Importers Relief Act." Under the guise of allocating oil supplies, this is legislation which rewards those who increase their imports of foreign oil and which penalizes those who have developed domestic oil resources. Under the guise of "protecting the independence," we have a system of regulations which requires independent refiners to pay major oil companies for the so-called "entitlement" to process domestic oil—oil which in some cases could not be processed by major oil company refineries. Under the guise of "protecting" the consumer, we have created a subsidy system whereby consumers outside of the Northeast pay part of the fuel costs for the Northeast consumers. In plain language, the act—which is proposed to be extended—is a political giveaway program which, like all Federal welfare programs, takes away from some in order to give to others. In this case, the welfare recipients are the foreign oil importers, the major oil companies who "sell entitlements," and the Northeast consumers. The major victim, however, is not the domestic producer, the independent refiner who has to "buy entitlements," or the consumer outside the Northeast. The major victim is the United States.

Our efforts to decrease U.S. dependence on foreign oil are being undermined by this act. The implications for the economy, and for our foreign policy are obvious.

Mr. President, when the Administrator of the Federal Energy Administration testified before the Senate Committee on Interior and Insular Affairs, he stated:

> The EPAA (Emergency Petroleum Allocation Act) also creates such inflexibility in FEA's price control program that considerable disincentives to increased domestic production are created.

He went on to say:

> Moreover, certain FEA allocation programs which are directly or indirectly mandated by EPAA tend to frustrate the goal of reducing our dependence on foreign oil.

Mr. President, it is time to end this "Project Dependence" policy of the Senate. I urge defeat of this extension.

So that my colleagues can more completely analyze the amount of dollar subsidy involved in the EPAA, I ask that data on costs be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

NET VALUE OF ENTITLEMENTS BY REGION, FEBRUARY AND MARCH 1975

[In millions of dollars]

Region	February	March	5 mos., November through March
Northeast	[1] 26.5	38.3	159.3
Pacific Coast	−11.2	3.8	−14.0
Other areas	−15.3	−42.0	−145.2

[1] Includes $754,663 in adjustments for product importers from previous months. The entire amount of adjustments in product importers' entitlements in February benefited the Northeast.

Mr. McCLURE. Mr. President, my State of Idaho, for example, pays an annualized cost of over $1 million, due to entitlements. States such as New Jersey and New York benefit from the entitlements program—New Jersey, over $2 million, and New York, almost a quarter of a million dollars.

In addition, we should look closely at the list of entitlements, to see exactly which companies benefit and which lose. I ask unanimous consent that the entitlements lists for March and April, 1975, be printed in the RECORD.

The term "Required to Sell" is misleading. This so-called "requirement" is a major benefit, allowing companies such as Amerada-Hess, Standard of California, and Ashland Oil to force their competitors to subsidize the cost of their imported oil.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ENTITLEMENTS FOR ALLOCATION OF OLD OIL

ENTITLEMENT POSITION

Reporting firm, short name	Old oil adjusted receipts	Issued	Required to buy	Required to sell
MARCH 1975				
A-Johnson	0	98, 633	0	98, 633
Allied	43, 816	40, 504	3, 312	0
Amer-Petrofina	1, 497, 587	1, 833, 943	0	336, 356
Amerada-Hess	3, 850, 285	6, 418, 488	0	2, 568, 203
Amoco	11, 761, 300	8, 987, 493	2, 773, 807	0
Apco	332, 273	465, 821	0	133, 548
Arco	5, 985, 458	6, 092, 224	0	106, 766
Arizona	40, 816	60, 523	0	19, 707
Asamera	11, 172	19, 546	0	8, 374
Ashland	2, 493, 037	3, 627, 952	0	1, 134, 915
Bay	27, 195	122, 919	0	95, 724
Bayou	29, 556	38, 419	0	8, 863
Beacon	344, 532	296, 953	47, 579	0
C&H	1, 860	1, 592	268	0
Calumet	0	19, 808	0	19, 808
Canal	53, 625	44, 799	8, 826	0
Caribou	71, 643	69, 174	2, 469	0
Champlin	2, 161, 064	1, 558, 033	603, 031	0
Charter	751, 829	971, 371	0	219, 542
Citgo	3, 884, 118	2, 854, 502	1, 029, 616	0
Claiborne	90, 074	48, 016	42, 058	0
Clark	653, 874	929, 750	0	275, 876
Coastal	1, 782, 889	1, 267, 804	515, 085	0
Conooc	4, 299, 167	3, 580, 944	718, 223	0
Corco	0	1, 204, 677	0	1, 204, 677
CRA-Farmland	555, 966	490, 487	65, 479	0
Cross	10, 975	39, 529	0	28, 554
Crown	755, 002	865, 291	0	110, 289
Crystal-Oil	92, 659	67, 058	0	159, 717
Crystal-Ref	24, 296	32, 243	0	7, 947
Delta	554, 850	573, 258	0	18, 408
Diamond	683, 507	528, 639	154, 868	0
Dorchester	4, 323	7, 513	0	3, 190
Eddy	34, 810	39, 913	0	5, 103
Edginton-Oil	453, 932	175, 054	278, 878	0
Edgington-Oxn	8, 318	13, 844	0	5, 526
Evangeline	42, 195	27, 682	14, 513	0
Exxon	10, 192, 395	10, 930, 470	0	738, 075
Farmers-Un	134, 758	390, 925	0	256, 167
Fletcher	259, 624	197, 642	61, 982	0
Flint	10, 789	8, 431	2, 358	0
Gary	1, 481	75, 759	0	74, 278
Getty	461, 782	890, 945	0	429, 163
Giant	4, 228	6, 356	0	2, 128

ENTITLEMENTS FOR ALLOCATION OF OLD OIL—Continued

ENTITLEMENT POSITION—Continued

Reporting firm, short name	Old oil adjusted receipts	Issued	Required to buy	Required to sel
Gladieux	92, 842	128, 804	0	35, 962
Golden-Eagle	208, 808	118, 440	900, 368	0
Gaum	0	180, 225	0	180, 225
Gulf	10, 841, 712	8, 984, 591	1, 857, 121	0
Gulf-Sts	21, 954	21, 767	187	0
Hiri	—17, 456	395, 268	0	412, 724
Howell	942, 953	569, 217	373, 736	0
Hunt	214, 964	152, 208	62, 756	0
Indiana-Farm	139, 287	234, 177	0	94, 890
J&W	42, 768	47, 301	0	4, 533
Kentucky	1, 312	5, 926	0	4, 614
Kerr-McGee	2, 383, 241	1, 658, 065	725, 176	0
Koch	516, 789	1, 184, 910	0	668, 121
Lagloria	559, 010	370, 325	188, 685	0
Lakeside	3, 537	36, 541	0	33, 004
Laketon	42, 901	105, 679	0	62, 778
Little-Amer	236, 347	236, 447	0	100
Macmillan	69, 020	172, 176	0	103, 156
Marathon	3, 165, 462	3, 090, 706	74, 756	0
Marion	82, 905	147, 155	0	64, 250
Mid-Amer	8, 030	38, 364	0	30, 334
Mid-Tex	47, 155	59, 550	0	12, 295
Midland	130, 951	117, 065	13, 886	0
Mobil	8, 124, 871	7, 379, 070	745, 801	0
Mohawk	472, 703	488, 264	0	15, 561
Monsanto	264, 608	266, 978	0	2, 370
Morrison	3, 654	8, 360	0	4, 706
Mountaineer	2, 239	3, 440	0	1, 201
Murphy	1, 220, 338	1, 041, 109	179, 229	0
N-Amer-Petro	52, 355	60, 939	0	8, 584
Natl-Coop	658, 437	642, 837	15, 600	0
Navajo	413, 663	387, 596	26, 067	0
New-Engl-Petro	0	681, 951	0	681, 951
Newhall	50, 042	88, 418	0	38, 376
Norco	15, 380	19, 310	0	3, 930
Northland	0	275	0	275
OKC	361, 213	307, 820	53, 393	0
Pasco	920, 665	672, 944	247, 721	0
Pennzoil	616, 170	573, 592	42, 578	0
Phillips	3, 538, 942	4, 121, 338	0	582, 396
Pioneer	11, 262	10, 972	290	0
Pleateu	93, 244	69, 493	23, 751	0
Pride	395, 077	372, 953	22, 124	0
Quaker-St	9, 757	233, 368	0	223, 611
Road-Oil	0	18, 387	0	1, 838
Rock-Island	488, 677	388, 938	99, 739	0
Saber-Tex	—3, 854	0	0	3, 854
Sabre-Cal	7, 753	17, 963	0	10, 210
Sage-Creek	4, 831	4, 933	0	102
San-Joaquin	209, 576	201, 663	7, 913	0
Seminole	0	35, 265	0	35, 265
Shell	11, 017, 756	10, 317, 601	700, 155	0
Skelly	904, 495	837, 649	66, 846	0
So-Hampton	99, 846	95, 368	4, 478	0
Socal	8, 679, 000	8, 860, 033	0	181, 033
Sohio	3, 323, 045	3, 977, 934	0	654, 889
Somerste	0	38, 156	0	38, 156
Sound	58, 733	3, 876	54, 857	0
Southland	362, 436	356, 115	6, 321	0
Sunland	8, 495	102, 327	0	93, 832
Sunoco	6, 022, 438	5, 989, 092	33, 346	0
Tenneco	1, 149, 889	1, 158, 920	0	9, 031
Tesoro	1, 023, 474	708, 451	315, 023	0
Texaco	11, 212, 099	11, 390, 278	0	178, 179
Texas-Asph	1, 008	21, 169	0	20, 161
Texas-City	871, 608	886, 656	0	15, 048
The-Refinery	81, 583	161, 087	0	79, 504
Thriftway	21, 308	29, 592	0	8, 284
Thunderbird	138, 696	155, 278	0	16, 582
Tonkawa	23, 764	56, 066	0	32, 302
Toro	459, 462	455, 033	4, 429	0
Total-Leonard	107, 746	491, 773	0	384, 027
Union-Oil	6, 604, 214	5, 090, 005	1, 513, 309	0
Union-Texas	168, 707	127, 665	41, 042	0
Untd-Ind	0	9, 655	0	9, 655
Untd-Ref	226, 954	484, 166	0	257, 194
US-Oil	53, 032	101, 835	0	48, 803
Vickers	310, 000	384, 252	0	24, 252
Vulcan	0	31, 897	0	31, 897
Warrior	45, 926	34, 075	11, 851	0
West-Coast	—65, 467	43, 141	0	108, 608
Western	—8, 054	117, 078	0	125, 132
Winston	71, 735	207, 483	0	135, 748
Wireback	0	1, 004	0	1, 004
Witco	129, 558	159, 273	0	29, 715
Yetter	0	997	0	997
Total	145, 037, 323	145, 037, 323	13, 924, 886	13, 924, 886
APRIL 1975				
A-Johnson	78, 150	155, 071	0	76, 917
Allied	70, 589	74, 422	0	3, 833
Amer-Petrofina	1, 686, 034	1, 917, 471	0	231, 437
Amerada-Hess	2, 198, 139	4, 903, 966	0	2, 705, 827
Amoco	10, 777, 564	10, 535, 607	241, 957	0
Apco	310, 002	427, 672	0	117, 670
Arco	5, 499, 471	6, 083, 340	0	583, 869
Arizona	39, 576	81, 217	0	41, 641
Asmera	4, 711	19, 718	0	15, 007
Ashland	2, 384, 976	3, 218, 435	0	853, 459
Bay	24, 564	77, 422	0	52, 858
Bayou	36, 876	43, 995	0	7, 119
Beacon	281, 514	245, 972	35, 542	0
C. & H	1, 901	1, 950	0	49
Calumet	0	52, 717	0	32, 717
Canal	61, 822	50, 995	10, 827	0
Caribou	66, 122	73, 188	0	7, 066
Champlin	2, 668, 846	1, 696, 008	972, 838	0
Charter	961, 758	973, 226	0	11, 468
Citgo	4, 092, 573	2, 976, 341	1, 116, 232	0
Claiborne	79, 902	84, 875	31, 027	0
Clark	913, 247	1, 006, 677	0	93, 430
Coastal	1, 489, 230	1, 274, 928	214, 302	0
Conoco	4, 142, 101	3, 825, 760	316, 341	0
Corco	0	1, 132, 609	0	1, 132, 609
Cra-Farmland	464, 760	760, 289	0	295, 529
Cross	12, 536	54, 590	0	42, 054
Crown	762, 200	867, 958	0	105, 758
Crystal-Oil	132, 012	182, 995	0	50, 983
Crystal-Ref	21, 740	30, 951	0	9, 211
Delta	605, 178	553, 410	51, 768	0
Diamond	646, 848	651, 754	0	4, 906
Dorchester	1, 527	8, 654	0	10, 181
Eddy	41, 593	40, 500	1, 9093	0
Edgington-Oil	617, 373	211, 774	405, 599	0
Edgington-Oxn	7, 413	14, 279	0	6, 866
Evangeline	42, 027	31, 012	11, 015	0
Exxon	13, 385, 189	11, 605, 012	1, 778, 177	0
Farmers-Un	219, 470	234, 443	0	14, 973
Fletcher	283, 874	165, 372	118, 502	0
Flint	11, 701	10, 913	788	0
Gary	1, 684	66, 134	0	64, 450
Getty	513, 072	811, 117	0	298, 045
Giant	19, 104	25, 584	0	6, 480
Gladieux	76, 689	125, 026	0	48, 337
Golden-Eagle	191, 214	185, 980	5, 234	0
Guam	0	354, 446	0	354, 446
Gulf	11, 142, 389	9, 604, 266	1, 538, 123	0
Gult-Sts	11, 055	3, 196	5, 859	0
Hiri	0	334, 187	0	334, 187
Howell	834, 426	419, 032	415, 394	0
Hunt	123, 135	204, 100	0	80, 965
Indiana-Farm	152, 801	241, 019	0	88, 218
J. & W	49, 436	64, 805	0	15, 364
Kentucky	1, 879	5, 868	0	3, 989
Kerr-McGee	2, 542, 013	1, 767, 592	774, 421	0
Koch	671, 013	1, 085, 796	0	414, 783
Lagloria	546, 293	390, 489	155, 804	0
Lakeside	11, 951	27, 055	0	15, 104
Laketon	59, 932	81, 559	0	21, 627
Little-Amer	209, 909	248, 854	0	38, 945
Macmillan	159, 262	176, 320	0	17, 058
Marathon	3, 761, 102	3, 296, 083	465, 019	0
Marion	77, 160	238, 994	0	161, 834
Mid-Amer	5, 756	35, 845	0	30, 089
Midland	150, 432	179, 615	0	29, 185
Mobil	8, 223, 435	7, 612, 009	611, 426	0
Mohawk	549, 255	490, 637	58, 618	0
Monsanto	317, 220	280, 725	36, 495	0
Morrison	2, 895	7, 205	0	4, 310
Mountaineer	2, 113	3, 853	0	1, 740
Murphy	1, 176, 540	1, 056, 885	119, 655	0
N-Amer-Petro	88, 019	61, 290	26, 729	0
Nail-Co-op	609, 151	561, 952	47, 199	0
Navajo	354, 715	275, 541	79, 174	0
New-Engl-Petro	0	723, 357	0	723, 357
Newhall	74, 040	120, 730	0	46, 690
Pennzoil	539, 594	625, 826	0	86, 232
Phillips	2, 932, 280	4, 245, 734	0	1, 313, 454
Pioneer	8, 413	12, 291	0	3, 878
Placid	398, 726	321, 757	76, 969	0
Plateau	105, 466	86, 568	18, 828	0
Pride	318, 572	502, 392	0	183, 820
Quaker-St	9, 633	260, 380	0	250, 474
Road-Oil	0	2, 471	0	2, 471
Rock-Island	422, 925	381, 779	41, 146	0
Saber-Tex	94, 196	98, 595	0	4, 399
Sabre-Cal	4, 788	18, 386	0	13, 598
Sage-Creek	5, 495	5, 446	49	0
San-Joaquin	195, 316	186, 073	9, 243	0
Seminole	0	40, 340	0	40, 340
Shell	13, 287, 410	10, 620, 664	2, 666, 746	0
Skelly	864, 429	904, 742	0	40, 313
So-Hampton	53, 438	74, 490	0	21, 052
Socal	8, 256, 000	9, 057, 676	0	801, 676
Sohio	2, 878, 764	3, 560, 394	0	661, 630
Somerset	0	40, 371	0	40, 371
Southland	323, 328	311, 600	11, 728	0
Sunland	203, 499	201, 547	1, 952	0
Sunoco	3, 093, 359	3, 351, 946	0	258, 587
Tenneco	1, 033, 788	1, 135, 668	0	101, 880
Tesoro	1, 128, 516	781, 720	346, 796	0
Texaco	12, 630, 351	13, 487, 212	0	856, 861
Texas-Asph	1, 840	24, 040	0	22, 200
Texas-City	911, 197	918, 968	0	7, 791
The Refinery	171, 794	267, 718	0	95, 924
Thriftway	24, 324	45, 612	0	21, 288
Thunderbird	156, 098	143, 642	12, 456	0
Tonkawa	28, 527	50, 653	0	22, 126
Total-Leonard	183, 501	404, 304	0	220, 803
Union-Oil	7, 099, 594	5, 174, 721	1, 924, 875	0
Union-Texas	257, 509	146, 308	111, 201	0
Untd-Ref	249, 278	481, 728	0	232, 450
US-Oil	190, 320	148, 628	41, 696	0
Vickers	327, 833	424, 083	0	96, 250
Vulcan	0	25, 955	0	25, 955
Warrior	33, 579	31, 459	2, 120	0
West-Coast	60, 454	1, 317	59, 137	0
Western	12, 041	56, 014	0	43, 973
Winston	54, 118	210, 566	0	156, 448
Wireback	0	1, 440	0	1, 440
Wilco	159, 394	213, 951	0	54, 557
Yetter	0	1, 013	0	1, 013
Total	148, 558, 842	148, 558, 842	14, 970, 170	14, 970, 170

SPECIAL HEALTH REVENUE SHARING ACT OF 1975—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on S. 66 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. STAFFORD). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 66) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 11, 1975, at p. 22385.)

Mr. KENNEDY. Mr. President, since this has already been printed in the House of Representatives, I ask unanimous consent that the printing requirement be waived. I understand this is a routine request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I am pleased to report that the Senate/House conferees have reached an agreement on the provisions of S. 66, the Nurse Training and Health Revenue Sharing and Health Services Act of 1975. Indeed, the Senate version of S. 66, which passed this body on April 10 by a vote of 77 to 14, and the House version of the bill, which passed unanimously on June 5, were very nearly identical except with respect to authorization levels for the programs involved.

Mr. President, the Senate conferees have accepted the House authorization levels with only a minor adjustment in the area of nurse training, and one with respect to family planning. The effect of these authorization figures is to reduce the cost of the bill by almost $500 million. The original Senate-passed bill would have authorized a total of $2.5 billion. This conference report authorizes just over $2 million—and it includes $46 million for the national health service corps which was not even included in the original Senate bill.

Mr. President, this bill extends for 2 years, fiscal year 1976 and fiscal year 1977, support to existing, established DHEW programs whose legislative authority has already expired. It continues support for some 600 community mental health centers across the country, over 100 neighborhood health centers, scores of migrant health projects, and a variety of State public health programs. It also extends critical funding to our nation's schools of nursing and to the physicians and other health professionals who are sent into our Nation's rural communities by the National Health Service Corps. Over 96 percent of all the funds authorized in this bill extend such existing established programs as these. Less than 4 percent of these dollars, some $73 million, are devoted to "new programs" such as start-up grants for home health services, diagnostic and blood separation centers for hemophilia sufferers, rape prevention and control, and hypertension screening.

The Senate/House conferees have reviewed each of the existing programs extended by S. 66 from a perspective of what minimum authorizations are required to keep vital program efforts moving in these difficult economic times. Last December, the President pocket-vetoed the Nurse Training Act of 1974 and the Health Revenue Sharing and the Health Services Act of 1974. Those two measures, which were identical in substance with the measure I bring before the Senate today, had far higher authorization levels and would have been far more costly. In fact, they would have authorized nearly $500 million more than this conference report authorizes. In an effort to compromise with the President, and to enable him to sign this measure into law, the Senate conferees have accepted these lower authorization levels. We have cut them to the very bone. The authorization levels that are included in this measure are barely adequate to keep these existing programs functioning.

I am very hopeful that the President will accept this compromise and sign S. 66 into law. The programs that are funded here serve mostly Americans who are poor or living on fixed incomes. They are the Americans who are already most disastrously affected by inflation and unemployment in our society. During the summit conference on the economy last fall, delegate after delegate in the health area emphasized how cuts to health programs would result in doubling the burden of Americans who are already suffering the most from our economic problems. They urged that these programs, in fact, be expanded. Our compromise proposal to the President would permit the programs to continue essentially at their fiscal year 1975 levels of operation, with minimal new commitments. These authorizations have been so delayed that it has become a matter of life and death for the programs. I urge the President to sign this bill.

Of course, this bill is only authorizing legislation. It does not appropriate funds. Our committee has long insisted that an authorization figure represents our best estimates of the need and the practical potential in a particular program area. It does not represent what must be appropriated—that can only be determined in the appropriation and budget processes where the overall picture is apparent, and where trade-offs have to be made between programs. What we are bringing today in these authorization figures is an estimate of what minimal funding levels would keep these programs alive and functioning during these hard economic times. If the administration wishes to debate any of these numbers further, I hope they will do it in the context of the appropriations process.

Mr. President, the details of S. 66 and other provisions are enumerated in the conference report and statement of managers. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

AUTHORITY TO FILE CONFERENCE REPORT ON H.R. 4035 BY MIDNIGHT TONIGHT

Mr. JACKSON. Mr. President, I ask unanimous consent that the conference report on H.R. 4035 relating to energy policy, may be filed by midnight tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO FILE REPORT ON S. 1513

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Committee on Public Works be allowed until midnight tonight to file the report on S. 1513, the Regional Development Act of 1975, together with additional views.

The PRESIDING OFFICER. Without objection, it is so ordered.

EASING THE IMPACT OF CLANDESTINE GRAIN DEALS

Mr. JACKSON. Mr. President, last week, the staff of the Permanent Subcommittee on Investigations confirmed that the Soviets were negotiating with grain exporters over several million tons of grain, some or all of which could come from this year's American grain harvest.

Following our confirmation of these negotiations, the Agriculture Department said that there had been discussions by American companies with the Soviets on purchasing 10 million tons of grain.

I remain concerned that a foreign nation can buy large amounts of American grain products without the knowledge of American farmers and consumers. I do not believe that we can continue to do business this way—especially since the catastrophic experiences resulting from the Russian grain deal of 1972.

Today, I sent telegrams to both the Secretaries of the Department of State and the Department of Agriculture aimed at developing information that would ease the impact of clandestine grain deals.

I have asked Secretary Kissinger to report to the Permanent Subcommittee on Investigations how much the Soviets will be buying as a result of his discussions with them. I also asked if there exists any understanding between our country and the Russians as to the total purchases of grain to be made by the Soviet Union.

I have asked Secretary Butz to make public daily instead of weekly sales of grain in excess of 100,000 tons to foreign nations.

We must protect our farmers and consumers from the disadvantages they would suffer from a major grain buy accomplished without their timely knowledge.

Mr. President, I ask unanimous consent to have printed in the RECORD at this time the telegrams to Secretaries Kissinger and Butz.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

JULY 14, 1975.

Hon. HENRY A. KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

There has been and continues to be speculation over the quantity of grain the Soviets will be buying from the International Grain Market. The Agriculture Department has estimated that weather conditions will result in a Soviet grain shortfall of possibly as much as 20 million tons.

Please provide the permanent subcommittee on investigations by noon tomorrow a report answering the following questions:

(1) How much grain are the Russians seeking in the International Grain Market and how much from the United States?

(2) What is the breakdown of the above with regard to feed grains and grains for human consumption?

(3) Does the United States have an agreement with the Soviet Union under which the Soviet Union will specify to our Government the total amount of grain they intend to purchase?

(4) If so, does our Government intend to make that figure public?

(5) If such an agreement as to quantity does exist, will we permit the Soviet Union to purchase amounts in excess of such quantity

HENRY M. JACKSON,
Chairman, Permanent
Subcommittee on Investigations.

JULY 14, 1975.

Hon. EARL L. BUTZ,
Department of Agriculture,
Washington, D.C.

With the Russians in the market for grain again, I believe we could take some steps to protect our farmers and consumers from the disadvantages they would suffer from a major grain buy accomplished without their timely knowledge.

I suggest that through this period of speculation over the magnitude of sales to foreign nations, that the Agriculture Department publicly report daily, instead of each Thursday, whether there have been grain sales in excess of 100,000 tons. A more timely reporting of the activities with regard to sales would strengthen our grain markets and be of great advantage to producers.

I would appreciate your consideration and response to my suggestion for daily reporting of such sales.

HENRY M. JACKSON,
Chairman, Permanent
Subcommittee on Investigations.

Mr. HANSEN. Mr. President, will the distinguished Senator from Washington yield for a question?

Mr. JACKSON. Certainly.

Mr. HANSEN. Mr. President, I am certain that a great many Americans will agree with the distinguished chairman of the Committee on Interior and Insular Affairs that there is need for the sort of information he has requested. I think it ought to be observed that last year, as I understand, or 2 years ago, whenever it was——

Mr. JACKSON. 1972.

Mr. HANSEN. In 1972, when the grain deal was consummated that recurs as a subject of continuing interest, there was not at that time any mechanism—and this is my question to my good friend from Washington—at that time there was not any mechanism whereby the Government officially had any way of knowing what individually might have been agreed upon between the various grain dealers of this country and any other buyers; is that correct?

Mr. JACKSON. The Senator is correct. In fact, Secretary Butz testified that whereas the largest grain sale in the history of the world occurred on or about July 15, 1972, he did not find out about it until in September of that year.

As a result of investigations, Mr. President, the Department put into effect new regulations at our request, which require that where grain sales occur involving 100,000 tons or more, the grain companies must report those transactions to the department within 24 hours.

I have made a further request of the grain companies and the Department that the grain companies also report their anticipated sales. Unless all of these facts, Mr. President, are out in the public domain, and unless he knows that there are these huge sales coming up, the farmer may be selling his grain and other related crops at an inequitable price. He ought to know as precisely as he can what the volume of sales will be, so he can make a decision as to what he is going to sell his product for.

Likewise, this kind of information will present a runaway situation which could be harmful to the American consumers, all of which occurred in 1972 because of the lack of proper procedures.

That is the reason for my comments here this afternoon, and for the suggested approach.

Mr. HANSEN. I think the Senator from Washington has provided some very important information for Senators this afternoon in detailing what the procedures were and what they are now as they have been changed and amended.

I must say that as to reporting anticipated sales, that probably gets a little bit hairy or tricky, because it is like an old friend of mine who took his cattle to market, and when he came back from Omaha a couple of weeks later, I asked him how he did, and he said, "Well, I didn't get quite as much as I expected to, but I really did not expect to, anyway."

Mr. JACKSON. My friend will agree that the important thing here is full disclosure, so that there is no insider information.

Mr. HANSEN. Yes, indeed I do agree with that.

Mr. JACKSON. The danger of corruption and insider information, and its impact on the American farmer and the American consumer, could be devastating.

Mr. HANSEN. I am certain that many would join with me, and hopefully the Senator from Washington would, in believing that there may indeed be very good reason for substantial grain sales to foreign countries this year, not alone to minimize the devastation that otherwise would result insofar as people are concerned from drought in other parts of the world, but as well to handle what could very well be a bumper crop.

I understand the prospects for crops are not as good as they were 3 or 4 weeks ago. I think some part of the north central part of the United States, North Dakota and Minnesota, have had some devastating floods, which I understand may have damaged their wheat crop there very substantially. Early reports were that it could have been damaged to the extent of as much as $1.5 billion, but it may be that there has been some reappraisal of that amount.

Nevertheless, I guess we have a very good prospect for a bumper corn crop; is that not true?

Mr. JACKSON. That is my understanding, Mr. President; and likewise in the area of wheat, we have, of course——

Mr. HANSEN. Are the prospects good in Washington?

Mr. JACKSON. The prospcts are good in Washington. The grain crop, I think, as a whole, looks much better than a year ago, and obviously we, in accordance with our tradition in these areas, want to export as much as we can consistent with our own needs and requirements.

Mr. HANSEN. We would hope this information could be made available for striking a better balance.

Mr. JACKSON. That is right. And last time, in 1972, the Russians knew more about the American grain market than did the Department of Agriculture, because they had sent agents over here months in advance. They mastered the marketplace, and so they were able to pull a coup. They bought much of their grain at $1.60, which was not a fair price, in the light of the purchases they were about to make, and the price went up to $6, and they were the beneficiaries. We now know that they later sold some of the grain that they bought from us for $1.60 for some $5.50 or $6 a bushel.

I wonder who are the capitalists and who are the Marxists?

Mr. HANSEN. I say to my good friend from Washington that despite the fact that what he says is exactly true, I for one would not want to change our marketing system for that of the Russians.

Mr. JACKSON. Oh, the Senator knows I agree completely. I am just trying to protect the marketplace.

Mr. HANSEN. I agree with my good friend from Washington. The fact is that under the Russian economic system they were able, because the purchases were made by the government, to put them all together and to add them up, which our Government was unable to do, having to rely as it did then and will not have to so much in the future on reports that may be late coming in; and as a consequence, it was a fact that at that time the Russians knew better what the overall market situation was in the United States than did the Government of the United States. I am sure that the Senator agrees with me completely.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. SYMINGTON's order is consummated tomorrow, there be a period for the transaction of routine morning business, not to extend beyond the hour of 9:30 a.m., with statements limited therein to 3 minutes each, and for the purpose only of the introduction of bills, resolutions, memorials, petitions, and statements into the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, Mr. Symington will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 9:30 a.m., with statements limited therein to 3 minutes each. At 9:30 a.m., the Senate will resume consideration of Senate Resolution 166. The pending question will be on the adoption of issue No. 1, lines 7 through 12, with a rollcall vote to occur on that issue at the hour of 10:30 a.m. Immediately upon the disposition of that vote the Senate will vote on final passage of S. 1849. That will be a rollcall vote, limited to 10 minutes.

Following that vote, it is not clear at this point as to whether or not the Senate will resume consideration of Senate Resolution 166 or will proceed to the consideration of S. 1883. The general understanding was, I believe, as of last week, that through Tuesday not to exceed 2 hours would be spent on the New Hampshire dispute each day.

ORDER FOR CONSIDERATION OF S. 1883

I think it would be within the spirit and intent of that order if I should ask unanimous consent that at no later than 11 a.m. tomorrow the Senate would proceed to the consideration of S. 1883, a bill to conserve gasoline by directing the Secretary of Transportation to establish and enforce mandatory fuel economy performance standards for new automobiles and light duty trucks, and other purposes, it being stated on last week that as of Tuesday of this week the Senate leadership would intend to proceed on S. 1883 if S. 1849 has not been disposed of.

Mr. McCLURE. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. I do not have any very clear understanding from Senator Hatfield concerning the 1 hour that might be allocated to the debate of the New Hampshire contest. I wonder if it might be stated that at no later than 1 hour following the completion of the rollcall vote on the Emergency Allocation Act that we would then proceed to S. 1883 so that in the event the Senator from Oregon would desire to pursue the debate on the New Hampshire election contest at that time, the time would be allocated and available for him.

Mr. ROBERT C. BYRD. Yes. I am glad the distinguished Senator commented as he has because I made an error in computing the time. I thought I was allowing an hour after the final vote but, indeed, I was not.

I will change my request to provide that at no later than the hour of 12 noon the Senate will proceed to the consideration of S. 1883, which would allow for 1 hour following the second rollcall vote. I again thank the distinguished Senator. That was my intent, but I certainly was not phrasing my request in accordance with it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. So, Mr. President, rollcall votes may occur during tomorrow afternoon. There will be two back-to-back rollcall votes as I have already indicated, the first to begin at 10:30 a.m. and the second to follow immediately. During the afternoon, rollcall votes may occur on amendments to S. 1883 and on final passage thereof, depending upon the progress made. There is a time agrement on that bill of 4 hours for general debate and 1 hour on any amendment in the first degree and one-half hour on any amendment in the second degree. So at least two rollcall votes will occur tomorrow, and in all likelihood additional ones will occur.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9 a.m. tomorrow morning.

The motion was agreed to; and at 6:26 p.m. the Senate recessed until tomorrow, Tuesday, July 15, 1975, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 14 (legislative day of July 11), 1975:

In the Air Force

The following officers under the provisions of title 10, United States Code, section 8066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. George G. Loving, Jr., [redacted]FR (major general, regular Air Force), U.S. Air Force.

Maj. Gen. Robert T. Marsh, [redacted]FR (brigadier general, regular Air Force), U.S. Air Force.

In the Navy

Vice Adm. Stansfield Turner, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of admiral while so serving.

HOUSE OF REPRESENTATIVES—*Monday, July 14, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

God is able to provide you in abundance for every good work.—II Corinthians 9: 8.

We thank Thee, our Father, for Thy goodness to us and for the moving of Thy Spirit leading us toward the fellowship and the freedom that faithful people find in Thee.

Touch Thou our hearts that we may give as well as receive, that we may forgive as well as be forgiven, that we may seek to heal as well as to be healed and that we may endeavor to love as well as to be loved.

Touch Thou our hands that the work we do may give strength and peace, may offer courage and confidence and may bring joy and life to all who come within the circle of our influence.

In this moment of prayer and for this day and every day unite our hearts and our hands in our service to Thee and to our country; for Thy name's sake, Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 5709. An act to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, and for other purposes; and

H.R. 5710. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1976 and for the transition period following such fiscal year, and for other purposes.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 83. An act to exclude from gross income gains from the condemnation of certain forest lands held in trust for the Klamath Indian Tribe;

H.R. 5447. An act to amend the act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder; and

H.R. 5522. An act to give effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966, by the United States of America and other countries, and for other purposes.

The message also announced that the Senate had passed bills and a joint and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 349. An act to regulate commerce, to protect consumers, and to conserve energy by requiring the disclosure of the energy characteristics and estimated annual operating costs of major energy-consuming household products and automobiles;

S. 2073. An act to authorize the American Indian Policy Review Commission to accept voluntary contributions of services and for other purposes;

S.J. Res. 102. Joint resolution amending section 5(c) of the Home Owners' Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts; and

S. Con. Res. 47. Concurrent resolution authorizing the proclamation of U.S. Space Observance.

THE PASSING OF FORMER CONGRESSMAN LAWRENCE G. WILLIAMS

(Mr. EDGAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDGAR. Mr. Speaker, former Congressman Lawrence G. Williams, who served in this Chamber from 1966 to 1974, died yesterday at the age of 61.

He represented the Seventh Congressional District of Pennsylvania which I represent, and was a member of the House Committee on Banking and Currency.

Prior to his congressional career, Larry was an official of the Curtis Publishing Co. for three decades. His service to the community of Delaware County included membership on the Delaware Valley Regional Planning Commission for 4 years. As a Republican Member of Congress, he was a strong party leader in predominantly Republican Delaware County.

I personally knew Larry Williams for many years. Larry lived in the same community in which I was born and raised, and his contributions to both Springfield, Pa., and the Seventh Congressional District deserve much more reflection than there can be in the time remaining to me. I can only express my sympathy to his wife, Margery, and two children who will most deeply feel this loss.

Mr. Speaker, Larry Williams will be profoundly missed.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Speaker, I join with my colleague from Pennsylvania, Mr. Edgar, in an expression of deepest sympathy on the passing of our former colleague, Lawrence Williams. I got to know Larry during his 8 years here in the House and particularly, during our service together on the Banking and Currency Committee. We worked together on many issues vital to the metropolitan area of Philadelphia and the State of Pennsylvania.

I would like to take this opportunity to express my deepest sympathy to his lovely wife, Margery, and their two lovely children.

We pray that he who is Father to us all may give them strength and understanding at this time.

Mr. SCHULZE. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Pennsylvania.

Mr. SCHULZE. Mr. Speaker, I was greatly saddened to learn of the sudden passing this weekend of former Congressman Lawrence G. Williams, of Pennsylvania, who represented the congressional district next to mine from 1967 through 1974.

Larry was well known and greatly admired in Delaware County which he unselfishly served in so many ways. As a matter of fact, he served in public office for 23 years, having held numerous posts in local government, and in community and civic affairs. He was a commissioner of Springfield Township from 1952 to 1966 and was president of the board from 1960 to 1966. He served as president of the Pennsylvania Association of Township Commissioners, as a member of the policy committee of the Penn-Jersey Transportation Study and as a member of Southeast Pennsylvania Transportation Authority. He was also on the Delaware Valley Regional Planning Commission, and on the National Commission on Consumer Finance. In Congress he was a member of the Banking and Currency Committee and the Committee on Standards of Official Conduct.

He fought hard in Congress for the principles in which he believed. He believed in the freedom of the individual and was a leading opponent of profligate Federal spending. He never forgot the taxpayer and the common man.

At the time of his death, he was special assistant to the cochairman of the Ozarks Regional Commission.

Larry was most thoughtful to give me assistance and advice in getting settled in Washington after my election last year. His kindness will be long remembered.

Nancy joins me in expressing our heartfelt condolences to his wife, Margery, and to his two children.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I want to associate my remarks with those of the gentleman from Pennsylvania (Mr. Edgar).

During his entire service in the Congress, Larry Williams and I served on the same committee. I knew him to be an intelligent and able Member of Congress dedicating himself to his community and to his country.

Mr. Speaker, I express my deepest sympathy to his family.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. Yes; I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I want to associate myself with the remarks of the gentleman from Pennsylvania (Mr. Edgar).

Larry Williams was a member of the House Committee on Banking and Currency. I knew him for all of the years that he served in the Congress as a member of the House Committee on Banking and Currency.

Larry was a hard worker. He was an industrious and conscientious member of the Committee on Banking and Currency.

Mr. Speaker, I wish to extend my deepest sympathy to his wife, Margery, whom I knew very well. He will be sorely missed by the Members of this House.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to my colleague, the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, I wish to join in expressing my profound sorrow and regret at the death of our colleague and my neighbor, Larry Williams.

Mr. Speaker, when I was first elected to the State Senate of Pennsylvania Larry and his very charming and gracious wife, Marjorie, took my wife and me under their wing. We were operating in a new county that we had not had the privilege of representing prior to that time, and Marjorie and Larry were unfailingly kind, gracious, warm, and hospitable in all they did.

In the Congress, while we may not have agreed on every issue, Larry was a diligent and conscientious Member. He had a deep set of personal convictions as to what he felt was right for this Nation, had he acted out of that deep set of personal convictions. He cherished the dignity and independence of the individual.

As a Representative there was no problem of his constituency that was too big or too small for Larry. He worked tirelessly and faithfully to represent his constituency and was tenacious in going to bat for his people.

After more than two decades of public service, Larry Williams left us on July 13 at University of Pennsylvania Hospital.

I understand the viewing will be held after 7 p.m. on Wednesday, July 16 at Michael Kovacks Funeral Home, 530 W. Woodland Ave., Springfield, Delaware County, Pa.

The funeral will be held at 10 a.m. on Thursday July 17 at Hancock Memorial United Methodist Church, 538 Wosley Road, Springfield, Delaware County, Pa.

I join in extending to his lovely wife, Margery, and to his family, our very profound sympathy.

Mr. MORGAN. Mr. Speaker, the death of Lawrence G. Williams leaves us with a deep sense of sadness, and of a void in our ranks even though Larry had ended his service in the House of Representatives with the termination of the 93d Congress.

Larry Williams was one of the outstanding citizens of Pennsylvania—and of this Nation.

He was a truly public-spirited American who was not content solely with success in private enterprise. He served in the armed services of his country in World War II; and over the years he devoted much of his time and talent to political and community affairs.

We were fortunate to have Larry with us in the Congress for four terms. We had looked forward to more of his beneficial endeavors following his return to Springfield. We will miss him.

I extend condolences and fullest sympathy to his wife, Margery, and to the family.

Mr. GREEN. Mr. Speaker, I rise this morning to express my personal sorrow at the news of the death of my friend and former colleague, Larry Williams.

Just recently I joined he and his lovely wife Margery for dinner. With the fond memory of that evening so fresh in my mind the sad news of Larry's death comes most unexpectedly.

Larry Williams gave his all as a Member of this body. He fought equally hard for his convictions at home in Pennsylvania. He was respected in both places and will be missed by all of us who had the pleasure of knowing him personally and well.

Mr. Speaker, I extend my deepest sympathy to his wife, Margery, and his children whose loss so greatly exceeds ours.

Mr. ESHLEMAN. Mr. Speaker, I join with other Members of Congress, and especially my fellow members of the Pennsylvania delegation, in expressing profound sorrow at the death of our former colleague, the Honorable Larry Williams, Delaware County, Pa.

Larry and I entered the 90th Congress together in January of 1967. Being classmates, so to speak, I imagine I got to know him a little faster and a little better than most of his other colleagues. His persistence and his drive when he believed himself to be in the right were, I would say, his "hallmarks" as a legislator. I shall always cherish the memory of my 8 years' service with him in the House of Representatives and the many occasions we had to exchange both wit and counsel.

Quite naturally, Larry will be missed by many persons, and Mrs. Eshleman and I extend our heartfelt condolences to his wife, Margery, and his family in their time of grief.

Mr. PRICE. Mr. Speaker, I was shocked to hear the announcement a few minutes ago of the death of Hon. Lawrence G. Williams, our former colleague from the Seventh District of Pennsylvania through the 90th to 93d Congress.

It was my good fortune to have become well acquainted with Larry. Our friendship lasted through his service in the House starting in 1967. Later on his lovely wife, Margery, and my wife, Garry, became close friends. To Margery, Garry and I extend our most sincere sympathy.

As a Member of the House and as a member of the Committee on Banking and Currency, he was most effective and contributed in a most effective way in the drafting of important legislation in the field of housing and banking.

ANNOUNCEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I missed votes on rollcall Nos. 292, 348, and 349. I wish the Record to show how I would have voted on each of these questions had I been present.

TUESDAY, JUNE 12, 1975

Rollcall No. 292. An amendment to H.R. 6860, to phase out the repeal of the excise tax on radial tires over a 5-year period. I would have voted "aye."

TUESDAY, JUNE 24, 1975

Rollcall No. 348. An amendment to H.R. 8122, to prohibit the use of any funds appropriated in the bill for the Trinity River project, Texas I would have voted "no."

Rollcall No. 349. H.R. 8122 making appropriations for public works for the fiscal year ending June 30, 1976, and the period ending September 30, 1976. I would have voted "yea."

PERSONAL EXPLANATION

(Mr. HOWE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOWE. Mr. Speaker, on rollcall No. 381 on Friday, July 11, 1975, final passage of the bill H.R. 5546, Health Manpower Act, I was inadvertently absent by reason of my attendance at a legislative meeting on the Senate side of the Capitol. I had earlier voted on all amendments to this bill.

Had I been present I would have voted "aye" and ask unanimous consent that my statement appear in the Record.

MAJORITY WHIP JOHN J. McFALL SAYS HOUSE CONFERENCE ON THE ECONOMY WILL HELP CONGRESS DEAL WITH UNEMPLOYMENT AND SPUR RECOVERY

(Mr. McFALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, President Ford made some optimistic statements about his economic policies over the weekend. In effect, he was talking about the vetoes with which he cut down jobs and housing legislation.

He made it clear that he is not going to do anything affirmative about recovery or the tragically high unemployment rate. That makes all the more important the conference on the economy the Speaker has arranged for July 24 here in the Capitol.

Our panel will include such outstanding economists as Gardner Ackley, Walter Heller, and Otto Eckstein—all former members of the President's Council of Economic Advisers—and Frank Schiff, chief economist of the Committee for Economic Development.

Our economy still faces severe problems, and we ought to be taking steps to deal with them. Unemployment, in real terms, still remains at about 9 percent with 8.5 million persons out of work. In the construction industry, unemployment is at 21 percent. Even the President's advisers see unemployment no lower than 8 percent through 1976.

Our current industrial output is $200 billion below what we could be producing. The stock market is beginning to taper off again, and credit is starting to get a little bit tight.

Congress has been doing its best to provide jobs. Despite the President's vetoes, we have come back to pass other legislation that does create some jobs and authorizes some new housing programs.

But we need a full-dress review of the performance of the economy so that Congress can design legislation to get the economy moving again. That is why the Speaker is taking the initiative and calling this conference on the economy. We are determined to do our best for the people.

THE CONGRESSIONAL BASEBALL GAME

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, a week from today in Baltimore will see another rout of King Caucus at the hands of Republican loyalists. No, I am not referring to another veto override attempt, but to the annual rollcall congressional baseball game.

Since its inception, the Republicans have won 12 of the 13 "contests," including the last 11 in a row.

So, anyone can see that the White House is not fooling when it proclaims that Republicans are champs in the game of "political hard ball."

The other side of the aisle also claims to have a baseball team. But so far this year all we have seen from the Democrats are screwballs thrown at the President, foul balls hit at the budget, and curve balls tossed at the American public.

After watching the Democrats put together an energy program, in their own unique uncoordinated, slap-dash fashion, I invite my colleagues and friends to witness a repeat performance of that debacle—this time on the baseball field—when the Democrats try to put together a line-up.

If they ever take the field, our opponents will have to face our new secret weapon—a pitch called the "veto ball."

In four practice sessions so far this year, the Democrats have swung wildly, but no matter how hard they try, they do not know how to touch the Republican veto.

I urge my colleagues and friends to attend this year's congressional baseball game for the pleasure and amusement of watching King Caucus get defrocked again.

HAPPY BIRTHDAY, MR. PRESIDENT

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I know my colleagues on both sides of the aisle will want to join me in extending our greetings to President Gerald Ford on the occasion of his 62d birthday.

It seems somewhat surprising, but nonetheless true, that this is the first birthday he has celebrated as President. It is a measure of how decisively and effectively he has assumed the reins of his immense responsibility in the comparatively short period he has served as our President.

No man since Lincoln has taken office under more difficult circumstances. Yet in spite of that, he has managed, through dint of hard work, real ability, and an open and honest forthrightness, to provide real leadership for the Nation.

Perhaps his greatest accomplishment is this: He has restored to the American people a sense of confidence in the integrity of the office he holds. He has done it in part because of his style, but also because he has moved boldly to present a program of action to solve some of our most pressing problems. The rate of inflation has been dramatically cut; the economy is beginning to turn around; foreign policy initiatives are beginning to show results; his comprehensive energy plans await only our cooperation here on Capitol Hill.

Those of us in the House, where he served for so many years, have special reason to be proud of him. I believe the American people are proud of him, too, and they like us, will want to take this opportunity to wish him many happy returns on this day, and continued happiness for many, many birthdays to come.

APPOINTMENT OF CONFEREES ON H.R. 4222, AMENDING THE NATIONAL SCHOOL LUNCH ACT AND THE CHILD NUTRITION ACT OF 1966

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. Perkins, Ford of Michigan, Mrs. Mink, Mr. Meeds, Mrs. Chisholm, Messrs. Andrews of North Carolina, Lehman, Risenhoover, Simon, Mottl, Hall, Blouin, O'Hara, Zeferetti, Miller of California, Quie, Bell, Eshleman, Buchanan, Pressler, Goodling, and Jeffords.

APPOINTMENT OF CONFEREES ON H.R. 6950, LEGISLATIVE BRANCH APPROPRIATIONS

Mr. CASEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6950) making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. Casey, Shipley, Giaimo, McFall, Yates, Evans of Colorado, Roybal, Roush, Mahon, Coughlin, Cederberg, Armstrong, and Regula.

PROVIDING FOR CONSIDERATION OF H.R. 8561, AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1976

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 595 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 595

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 7 of rule XXI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8561) making appropriations for Agriculture and Related Agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes and all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6 of Rule XXI are hereby waived: In title I—"Agricultural Programs"—beginning on page 31, line 1 through page 33, line 8; in title II—"Rural Development and Assistance"—beginning on page 50, line 15 through page 53, line 24; in title III—"Domestic Food Programs"—beginning on page 55, line 1 through page 60, line 7; and title VI—"General Provisions"—section 609 beginning on page 67, line 1 through line 13; section 611 beginning on page 67, line 19 through 68, page 6.

The SPEAKER. The gentleman from Texas (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. Latta), pending which I yield myself such time as I may consume.

Mr. YOUNG of Texas. Mr. Speaker, House Resolution 595 makes in order the consideration of H.R. 8561, a bill making appropriations for Agriculture and Related Agencies for the fiscal year ending June 30, 1976 and the transition period ending September 30, 1976.

House Resolution 595 provides that all points of order against certain provisions in the bill for failure to comply with the provisions of clauses 2 and 6 of rule 21 of the Rules of the House of Representatives—which prohibit unauthorized appropriations and reappropriations—are waived.

House Resolution 595 also provides that all points of order against clause 7 of rule 21—the 3-day rule—are waived.

H.R. 8561 provides new obligational and authority of $11,047,263,000 for agricultural programs, rural development and assistance programs, domestic food programs and international programs.

Mr. Speaker, I urge the adoption of House Resolution 595 in order that we may discuss and debate H.R. 8561.

Mr. LATTA. Mr. Speaker, as explained by the gentleman from Texas, this rule provides several waivers of points of order against the Agriculture and Related Agencies Appropriations bill, H.R. 8561. In order that this bill might be considered on the floor today, clause 7 of Rule XXI is waived. This is the rule providing that copies of the bill and report shall have been available at least 3 calendar days before consideration. In addition, points of order are waived against several provisions of the bill for failure to comply with clauses 2 and 6 of rule XXI, which deals with unauthorized appropriations, legislation on appropriations bills, and reappropriations. To be more specific, these provisions are as follows:

In title I under Agricultural Programs—beginning on page 31, line 1 through page 33, line 8. This is the section on limitation on administrative expenses and is legislation on appropriations. In title II, Rural Development and Assistance, beginning on page 50, line 15 through page 53, line 24. This is the section on Agricultural Stabilization and Conservation Service—Agricultural Conservation program and is legislation on an appropriations bill. In title III, Domestic Food programs beginning on page 55, line 1 through page 60 line 7. This whole title does not comply with the rule on legislation on appropriations, reappropriations, and lack of authorization. And in title VI under general provisions, section 611 beginning on page 67, line 19 through page 68, line 6. This is legislation on an appropriation bill. Also under general provisions, section 609, beginning on page 67, line 1 through line 13.

Mr. Speaker, I have no request for time and I yield back the balance of my time.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CALL OF THE HOUSE

Mr. CRANE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 382]

Abzug
Ambro
Anderson, Ill.
Archer
Ashley
Badillo
Baldus
Baucus
Bell
Blouin
Boland
Brademas
Brodhead
Brown, Calif.
Brown, Mich.
Burton, John
Burton, Phillip
Clancy
Cochran
Cohen
Collins, Ill.
Conyers
Cotter
Derrick
Diggs
Dodd
Erlenborn
Esch
Eshleman
Fish
Flowers
Fulton
Giaimo
Goldwater
Gonzalez
Gude
Hagedorn
Harsha
Hays, Ohio
Hébert
Heckler, Mass.
Hungate
Jarman
Johnson, Colo.
Karth
Landrum
Leggett
Lent
McCollister
McCormack
McDade
McKinney
Mann
Matsunaga
Metcalfe
Mills
Murphy, Ill.
Murphy, N.Y.
Pepper
Poage
Railsback
Riegle
Rinaldo
Russo
Scheuer
Shuster
Staggers
Stuckey
Symms
Teague
Udall
Van Deerlin
Vander Jagt
Vigorito
Wiggins
Winn
Wydler
Young, Fla.
Zablocki
Zeferetti

The SPEAKER. On this rollcall 353 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. RANGEL. Mr. Speaker, on Friday, July 11, 1975 on rollcall No. 381, final passage of H.R. 5546, the Health Manpower Act of 1975, I was present and followed the customary procedure for voting by electronic device and voted aye. Apparently through mechanical malfunction my vote was not recorded. I ask that my statement appear in the Record.

APPOINTMENT OF CONFEREES ON S. 555, CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENTS

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 555) to amend the Consolidated Farm and Rural Development Act, together with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota? The Chair hears none, and appoints the following conferees: Messrs. Bergland, de la Garza, Baldus, English, Hightower, Bedell, Nolan, Wampler, Madigan, and Kelly.

AUTHORIZING OFFICIAL PICTURES OF THE HOUSE FOR "WE THE PEOPLE"

Mr. O'NEILL. Mr. Speaker, I call up House Resolution 597 and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 597

Resolved, That at a time designated by the Speaker, the United States Capitol Historical Society shall be permitted to take official pictures of the House while in actual session for inclusion in the new edition of "We the People". The pictures shall also be available for legitimate nonprofit news and educational purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8561) making appropriations for Agriculture and Related Agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 3 hours, the time to be equally divided between the gentleman from North Dakota (Mr. Andrews) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8561) with Mr. Gibbons in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Mississippi (Mr. Whitten) will be recognized for 1½ hours and the gentleman from North Dakota (Mr. Andrews) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Mississippi (Mr. Whitten).

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in my experience here I have had the opportunity to deal with many of our national programs and policy matters, particularly with regard to appropriations. Now that I am next to the chairman, the gentleman from Texas (Mr. Mahon), in length of service on that committee, I can fully appreciate the value that we find in all the programs of the Government. But I still realize that the bill we have today is the base on which all of the others depend.

However big we are, however wealthy we may be, and however advanced our economy may be, we cannot get away from the fact that food, clothing, and shelter remain basic. It is not only that, but history shows that every depression or recession that we have had has been led off by a drop in purchasing power at the farm level.

AGRICULTURE

Mr. Chairman, only a few years ago approximately 50 percent of our people were engaged directly in agriculture—as in Russia today. Then, if a farmer had a series of complete crop failures, on the average it would take 7 years for him to lose his investment in land and other production assets.

Today there are less than 5 percent of the people in this country engaged in agriculture, with an average investment variously estimated from $169,000 to $188,000 per farmer. Because of his large annual investment to make a crop, the risk of weather preventing him from getting his expensive machinery into the field to cultivate and harvest his crop, or the danger of his crop being destroyed by insects and diseases, it makes it possible for a farmer to lose the value of his land and other assets in less than a single year. Despite these difficulties, food is still the American consumer's best buy.

The farm labor once available can no longer be had. It has been replaced by heavy and expensive machinery to the point that those engaged in agriculture constitute industry's largest market. As has often been pointed out, if the farmer cannot buy, the manufacturer cannot sell, and much of our labor cannot work—and history shows that if agriculture goes down economically, all the rest of our economy goes down with it.

Consumer programs: Today, with large unemployment and with the increasing trend to taking care of those who are found to be needy as determined by law, we have demands before our committee for about $5 billion in domestic food programs alone. These demands are not within the discretion of the committee, but are provided by law. And, these requests appear to be sufficient to cover the projected requirements for only half the next fiscal year. An increasing number of people are being furnished Government food stamps—stamps which are not worth the paper they are printed on unless the fewer than 5 percent of our people produce the food needed to honor them.

Remember, it is also this same less than 5 percent of the people who do the most to pay our debts abroad. It is they who provide food to implement our foreign policy—and the President has recently been promising more food to meet the increased demands of foreign consumers.

Yet the funds carried in this bill for these food consumption programs are many times greater than funds provided for programs to help the farmer to produce our food and fiber and protect our land for the future.

Orderly marketing: Under existing law, orderly marketing is virtually not available to the farmer today. With inadequate loan rates in most cases he must sell as soon as he harvests his crop, thereby often depressing the market—and the middlemen and processors reap the benefits of later increases in price. As a result, private financial institutions are turning down an increasing number of farm loans to the point where the Farmers Home Administration will be required in 1975 to make $2.2 billion of housing loans, $625 million of farm production loans, $370 million of real estate loans, well in excess of $100 million of emergency loans, and $1 billion of water and sewer, industrial development, and community facility loans. Farm net income itself is estimated to be down $7 billion this year.

Conservation of resources: During last year more than 16 million acres of grassland were plowed up and placed in production at the request of the Department of Agriculture, again inviting erosion and a return to dust bowl days. Now the Department once again proposes to abolish the agricultural conservation program—ACP—under which for more than 30 years the Federal Government has put up only about one-third of the cost of maintaining and restoring the land so painfully reclaimed over the years. This program the committee has restored for 1976.

Sales manager: The office of sales manager, which was specifically created by the Congress to meet the need for centralized coordination and direction of an aggressive sales program by the Department and which resulted in a great increase in export sales for dollars, was left vacant beyond the time of the Russian grain sale. When filled later, the sales manager was dominated by the Foreign Agricultural Service—and without sufficient personnel to be effectively operated. The Secretary stated to the committee that the Department had "restructured him." If the sales manager had been appointed earlier and his office properly staffed and given authority to deal with sales abroad he would have kept up with what was going on and it is the opinion of the committee that the ill effects resulting from Russian control of virtually all the world's available supplies of grain might have been avoided—particularly if he had reported to the Board of Directors of the Commodity Credit Corporation, which includes the Secretary of Agriculture and other Department officials. The committee has tried to remedy this situation by setting up the sales manager and his staff as a separate unit responsible directly to the members of the Board of Directors of CCC, including the Secretary.

Inspector General: The Department has split the Office of Inspector General into two parts—one for auditing and one for investigations—thereby making both units dependent upon the passing of information and findings from one to the other. It is possible that this division of responsibility may have contributed to the present grain shipment problems facing the Department. The committee has provided in the bill for the reunification of these two functions under a single appropriation for the Office of Inspector General.

Office of Secretary: Reports have been received by the committee with increasing frequency and seriousness concerning the lack of guidelines and supervision over the emergency feed grain program and a breakdown in inspection of ships and cargo in grain shipments from ports in New Orleans and other areas. The committee has ordered an investigation of these reports and all related developments and has brought this action to the attention of the Department. Further action by the committee on this matter will depend on the findings of these investigations. In the meantime, the committee has called on the Department in this report and otherwise to strengthen the role of the Inspector General's Office and the sales manager to prevent the reoccurrence of these and other potential developments which are so damaging to American agriculture and to our country in maintaining world markets. The consolidation of departmental direction and administration in the Office of the Secretary and the use of the working capital fund to charge back certain centralized service expenditures to the action programs of the various program agencies such as SCS, ASCS, and FHA, have provided a degree of operational leeway beyond what the committee believes the Congress intended. The committee, therefore, has separated the funds in the bill for departmental direction and administration and has established a limit on the size of the working capital fund to protect the funds provided to the agencies for program activities.

Rural development: The brightest spot in the farm picture today is provided by the rural development activities of the Department where needs of farmers for housing, electricity, telephones, modern sewer and water facilities and similar requirements are provided for. Also, the resource conversation and development programs are becoming increasingly important in the development of rural areas. Even here, the programs which carry out these essential functions have been retarded by the freezing of funds and the imposition of limiting personnel ceilings by the Office of Management and Budget—OMB.

Rural Housing: For the housing needs of rural areas, the bill for 1976 includes $20 million of direct loans and $2,696 million of insured loans. This restores budget cuts of $110 million and adds $464 million to initiate moderate and low income and rental housing programs in communities with populations of 10,000 to 20,000 as provided by law. The committee intends that this new money be expended to implement these programs on a basis reasonably comparable to similar programs undertaken by the Department of Housing and Urban Development in the larger cities.

As we bring this bill before the House today, I would like to tell the Members that we went before the Committee on Rules for a rule on this bill. I think I was accurate in telling them that it was the first time since I have been chairman of this committee, which covers all the time since 1949, except for 2 years, that we asked for a rule. I was asked why we have all of the food programs in this bill charged up to agriculture. I said, "Our committee has not tried to hold those programs in this bill, but there is some feeling elsewhere that, unless we have those programs in this bill, it will become impossible to pass an agricultural bill."

Mr. Chairman, I am told that out of 435 congressional districts, only 14 are classified as rural, and that less than 35 districts have as many as 20 percent of their people engaged in agriculture.

Therefore, there is imposed upon us, in bringing this bill here today, the job of making it plain that it is our Department of Agriculture, which helps to provide our food, shelter, and clothing that we are talking about—and that it is our economy which we are trying to protect.

SUMMARY OF THE BILL

Mr. Chairman, a summary of the new obligational authority and loan authorizations provided for the titles and subtitles of the bill for 1976, as compared with funds approved for 1975 and budget estimates submitted for 1976, is presented below:

[In millions of dollars, rounded]

	Approved 1975	Budget 1976	Bill 1976	Bill compared with— Approved	Bill compared with— Budget 1975/6
Title I—Agricultural programs:					
Production, processing and marketing	1,097	1,086	1,095	−12	+9
Farm income stabilization	4,331	3,107	2,916	−1,415	−191
Total—Title I—New obligational authority	5,428	4,193	4,011	−1,417	−182
Title II—Rural development and assistance programs:					
Rural development and protection:					
New obligational authority	837	641	616	−221	−25
Loan authorizations	(5,291)	(4,819)	(5,808)	(+517)	(+989)
Total	(6,128)	(5,460)	(6,424)	(+296)	(+964)
Conservation—New obligational authority	650	460	676	+26	+216
Total—Title II—New obligational authority	1,487	1,101	1,292	−195	+191
Loan authorization	(5,291)	(4,819)	(5,808)	(+517)	(+989)
Total	(6,778)	(5,920)	(7,100)	(+322)	(+1,180)
Title III—Domestic food programs, new obligational authority	[1] 5,829	[1] 4,198	[1,2] 4,404	−1,425	+206
Title IV—International programs, new obligational authority	808	1,370	1,126	+318	−244
Title V—Related agencies, new obligational authority	208	215	214	+6	−1
Total in bill—					
New obligational authority	13,760	11,077	11,047	−2,713	−30
Loan authorizations	(5,291)	(4,819)	(5,808)	(+517)	(+989)
Grand total	(19,051)	(15,896)	(16,855)	(−2,196)	(+959)

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[1] In addition, transfers from sec. 32 funds provided as follows: Approved 1975—$706,000,000; budget and bill, 1976—$737,111,000. Thus, total in bill for 1976 exceeds $5,141,111,000.

[2] With the exception of a few individual programs, this amount is for the 7-month period July 1, 1975, through January 31, 1976.

Note: These figures do not include amounts for the transition period (July through September 1976) which are omitted to provide accurate comparisons. They are shown by individual items in table at the end of the report.

COMSUMPTION DEPENDENT ON PRODUCTION

It will be noted from the preceding summary table that about $4.4 billion of new obligational authority is included in title III for assistance to the domestic consumer through food stamps and other nutrition programs—approximately 40 percent of the total new obligational authority—NOA—recommended in the bill. In addition, the bill authorizes the transfer of $737 million of section 32 funds, making a total of over $5.1 billion for domestic food consumption assistance—over 43 percent of the total. And testimony from officials of USDA indicates that the nearly $3.5 billion of NOA included for food stamps may be only half of the total funding required to meet next year's demands for this purpose under the basic legislation. The OMB midyear budget review includes an estimate of $6.9 billion for the food stamp program next year, which is about double the original 1976 budget request.

It will be noted further that about $1.1 billion of new obligational authority is provided in title IV for overseas consumers, largely for Public Law 480—another 10 percent of the total. The total of $5.5 billion of NOA for both domestic and foreign consumption programs is about 50 percent—half of the total NOA in the bill. With the section 32 transfer included, the total of $6.2 billion is about 53 percent of the total.

The combined NOA total of $5.5 billion for domestic and overseas consumer programs is over five times the amount included for the production, processing and marketing programs under title I which help to make agricultural commodities available to consumers—and the Departmental overhead costs for all programs are included in this amount. It is over eight times the amount included in title II for the conservation programs which are devoted to the preservation and improvement of the soil and water resources which produce the Nation's supply of food and fibre.

When one assesses present and potential future requirements of the food consumption programs, it becomes apparent that we are placing a very heavy load on the farm production capacity of this country. Food stamps are not edible. As pointed out earlier in this report, they are worth nothing unless the Nation's agricultural producers are able to provide the food which gives them substance. They are of no value unless the farm programs of the Nation are effective in keeping farmers on the farm with sufficient resources, at today's inflated production costs, to provide adequate supplies of food and fiber.

It is imperative, therefore, that agricultural policies and programs assure continuation of a strong, healthy and productive agricultural system to meet consumer needs. Further, since agriculture is the major dollar earner for the United States in world markets, it is essential to our economic survival that farm programs and related financial support be designed to assure a sound and productive agricultural establishment. For 1974, farm exports of $21.3 billion helped to pay for agricultural imports of $9.6 billion and provided $11.7 billion toward the 1974 increase of nearly $16 billion in foreign oil imports.

SUMMARY OF COMMITTEE RECOMMENDATIONS

Mr. CHAIRMAN, in the light of the various considerations outlined above and discussed in more detail later in this report concerning the important role of American agriculture and its contribution to the economy, the need to maintain a strong and productive agricultural establishment to meet the needs of domestic and foreign consumers, the hazards of farming in today's economic climate, and the adverse effects of certain governmental actions on farm programs, the committee has found it necessary to make certain changes in the budgetary proposals contained in the 1976 budget.

In general, the committee has restored proposed budget reductions and in some instances provided increased funds for rural development and conservation activities, and has reinstated the agricultural conservation program for next year. It has included the full budget estimate and has added $206 million for the domestic food programs and has made them available for 7 months, the period estimated to be covered by the funds proposed. It has removed $250 million no longer needed for Vietnam, Cambodia and Laos under title IV of the bill and has reduced the reimbursement appropriation for the Commodity Credit Corportation to $2.7 billion—an amount which more nearly represents actual operational requirements in the next year.

Under title I of the bill, the committee has restored $3.2 million for nutritional education activities of the Extension Service. The work of the Nutrition Aids, together with the 4-H Clubs and Future Farmers of America, and supported by vocational agriculture, provide great hope for the future.

For the rural development programs of FHA under title II, as noted earlier, the committee has restored budget cuts of $110 million for rural housing loans and has expanded loan authorizations by $464 million to initiate moderate and low income and rental housing loans in communities with populations of 10,000 to 20,000 as provided by law. In addition, it has added $100 million for farm operating loans to meet increased production needs and has restored $70 million to meet the greatly expanded demands for rural water and waste disposal loans. It has agreed to $100 million for rural water and waste disposal grants, the demand for which remains strong—the 1975 grant level is more than 600 percent of the 1974 level and is expected to remain at this level through 1976. This takes into consideration the $150 million appropriated in the continuing resolution.

Restoration of proposed budget cuts of $3.5 million for rural community fire protection grants is recommended and $6 million is added for rural housing for domestic farm labor. Also, $9 million is added for mutual and self-help housing, since this program—which is designed to enable groups of families to build their own homes by exchanging labor—is needed more than ever in view of our depressed economy and high unemployment.

An increase of $10 million for the salaries and expenses appropriation of FHA has been agreed to and an additional $8.2 million has been provided to meet higher travel costs and to support 750 additional positions which will be required to administer the expanded programs for which increased funding is discussed above.

Under the conservation subheading of title II, an advance authorization of $190 million has been provided for the 1976 agricultural conservation program. The reason for this action has been fully discussed in every report and floor debate on this bill for the past decade. An amount of $15 million is included for the forestry incentives program as a part of this authorization in view of the close relationship between the forestry activities under the two programs.

Also under this heading of title II, the committee has restored a budget cut of $10 million for the water bank program and has added $10 million for new starts under the watershed and flood prevention program of the Soil Conservation Service.

The Department estimates that some 60 percent of the Nation's farmland still lacks proper erosion control with a resultant loss of over 5 tons of topsoil per acre per year. Much of the billion or more tons of soil which erodes away annually enters rivers and streams as sediment and is lost for further cultivation. It appears imperative, therefore, that conservation efforts must be intensified rather than deemphasized if we are to stop this irreplaceable loss of our productive farmland.

With respect to the domestic food programs under title III, the committee has included the full budget estimate for the food stamp program. It has provided an increase of nearly $16 million for the child nutrition programs to offset a decrease of a similar account by transfer from section 32 funds. In view of testimony of USDA officials in charge of these programs that these funds will cover only the first part of the year, the committee has provided that the amounts included in the bill shall be available during the period July 1, 1975, through January 31, 1976. This will enable these programs to operate at the level required to meet the expected commitments under the basic authorizing legislation and will provide an opportunity for a budget estimate to be submitted for the funding needed for the balance of the year. To make certain that sufficient funds are available to meet these mandatory requirements until additional funds can be provided, the committee has included language which makes the transition period funds available prior to July 1, 1976, if so required. In view of the rapidly expanding demands upon these programs, such standby authority seems justified.

For the special milk program, which was omitted from the 1976 budget, the committee has included an appropriation of $84 million to be available for the same 7 months period as for the other nutrition programs. Also, an appropriation of

$106 million has been added for the special supplemental food program for women, infants, and children—known as the WIC program—for the same 7-month period—July 1, 1975 to January 31, 1976.

Section 32 funds, so vital to the purchase and distribution of commodities, primarily perishables, have been depleted to a low level by the heavy demands of the various nutrition programs. To help alleviate this drain, the bill includes a separate appropriation for the WIC program for 1976 in lieu of funding by transfer from section 32, in accord with the recent change in basic legislation. And, as noted above, it increases the appropriation for child nutrition programs to reduce transfers from section 32 for this purpose. Also, $52 million is provided in the second supplemental appropriation bill for 1975 for the summer feeding program previously funded from section 32 funds.

PART-TIME FAMILY FARMING

Information has been presented to the committee, Mr. Chairman, which indicates a renewed interest among a sizeable number of people in both urban and rural areas in part-time family farming. In these times of high food prices, unemployed and other financial stresses, there appears to be an increasing desire among people who are engaged in nonfarm pursuits to plant family-sized farm plots and gardens to provide less costly food for family use and even to market some excess production through local markets. In the opinion of the committee, this is a very wholesome movement which should be encouraged in every possible way. It should help provide additional food supplies which are greatly needed by today's consumers. In addition, it could provide more opportunities in rural areas and thereby help to ease some of the problems of the larger inner-city areas of the country.

The Department and all of its related institutions should devote an appropriate part of the funds carried in this bill to increase research and training related to family farming and to provide adequate farm loans and other assistance to enable part-time farmers to acquire the necessary land, equipment, seed, fertilizer and other farm inputs needed to develop small family-operated agricultural plots. The committee has added $2 million—$1 million for the land-grant colleges and $1 million for the 1890 colleges and Tuskegee Institute—to enable these institutions to provide special educational assistance to those who are interested in entering into part-time family farming. The Farmers Home Administration, Agricultural Research Service, Cooperative State Research Service, Extension Service and other agencies involved should give consideration to the creation of separate units where necessary to strengthen work in this area.

The committee intends to followup on this matter in the future to assure that the necessary authority and funding are available to support this worthwhile development.

THE ROLE OF AGRICULTURE

Mr. Chairman, in considering the financial requirements of the programs of the Department, it is important that the vital role of American agriculture in our Nation's growth and in today's economy be reviewed. In forming judgments concerning the amount of financial resources to be provided for agricultural programs in the next fiscal period, there must be a full realization of the need to protect the source of our food and fibre and to maintain adequate supplies of such commodities to meet the demands of both domestic and foreign consumers. In other words, it is essential that budgetary support for those activities of the Department which contribute to the production and distribution of agricultural commodities must be given a very high priority to assure that adequate supplies are available to meet the demand created by programs which provide financial assistance to consumers of such products.

It should be recalled that from the beginning of history, man's progress—man's supply of the good things of life—has been determined by the amount of time he has had left for pursuits other than providing his food, clothing and shelter. In the United States, where less than 5 percent of the people provide the food and fibre for themselves, plus the 95 percent who are thereby enabled to engage in nonfarm occupations, we have attained the highest standard of living ever known by man.

This remarkable accomplishment has been made possible by the ingenuity, dedication and even sacrifice of those engaged in food and fibre production, with the aid and assistance of those who have devoted themselves to the development and improvement of highly productive seeds, fertilizers, breeding stock, farming techniques, farm machinery and equipment. It has been the result of the development of the most productive and efficient agricultural supply system in history.

REDUCTION IN AGRICULTURAL ESTABLISHMENT

The release of manpower from the farm to engage in nonfarm pursuits has been a continuous process and a dramatic development in the United States. According to the most recent figures of the Department of Agriculture, approximately 3,700,000 people have left the farms, in the last 10 years. Further, in 1969, the census—the latest available—showed that 17 percent of all those engaged in agriculture were 65 years old or older. An additional 26 percent were 55 to 64 years of age.

And it should be noted that, through no fault of the universities involved, less than 7 percent of the students presently enrolled in the Nation's agricultural schools—an infinitesimal part of the total student enrollment in all colleges and universities—are majoring in courses which will prepare them for farming.

USDA figures also show that the number of farms and amount of farmland has decreased steadily as the size of farms has increased. Between 1964 and 1974 the number of farms decreased from approximately 3.5 million to approximately 2.8 million—a decrease of 20 percent. During this period the amount of cultivated land decreased by nearly 60 million acres (approximately 5 percent) while the average size of farms increased from 332 to 384 acres—an increase of about 16 percent.

Figures provided by the Department are as follows:

	Farms	Land in farms (thousand acres)	Average size of farms (acres)
Year:			
1964	3, 457	1, 146, 106	332
1965	3, 356	1, 139, 597	340
1966	3, 257	1, 131, 844	348
1967	3, 162	1, 123, 456	355
1968	3, 071	1, 115, 231	363
1969	2, 999	1, 107, 711	369
1970	2, 954	1, 102, 769	373
1971	2, 909	1, 097, 300	377
1972	2, 870	1, 093, 017	381
1973	2, 844	1, 089, 530	383
1974	2, 830	1, 087, 788	384
1975[1]	2, 819	1, 086, 375	385

[1] Preliminary.

AGRICULTURE—INDUSTRY'S LARGEST MARKET

Mr. Chairman, to produce the high standard of living for the 95 percent nonfarm population and compensate for the loss of farm workers, American agriculture has become the country's biggest market for the products of industry and labor. Because of the supplies necessary to maintain the agricultural industry, more nonfarm people are kept in employment than is true in the transportation, steel and automobile industries, combined.

According to USDA figures, farm producers spend $75 billion a year for goods and services—production expenses—and another $31 billion a year for the same things that city people buy—family living. Each year, farm purchases include $6.6 billion in new farm tractors and other farm vehicles, and another $4.8 billion for fuel, lubricants, and maintenance. Farmers use more petroleum than any other single industry, and 360 million pounds of rubber—about 5 percent of the total used in the United States, or enough to put tires on nearly 7,000,000 automobiles. They consume annually 35 billion kilowatt hours of electricity and use about 7 million tons of steel.

FOOD—AMERICAN CONSUMER'S BEST BUY

Despite the reduction in the size of the agricultural establishment and the high level of expenditures required by agricultural producers, the American consumer enjoys the finest food at the lowest cost of any other consumer on earth.

According to USDA figures, the average family in the United States spent only 16 percent of its aftertax income for food in 1973, whereas the average in England was about 28 percent and in Russia about 37 percent. If an additional 12 percent of our gross income were required for food, as is the situation in England, the American consumer would have about $118 billion less per year for other less basic consumer needs. If we were to spend 37 percent of our income for food as is done in Russia, we would have about $206 billion less each year—21 percent of total income—to purchase industrial and other goods and services from labor and industry. This would result in a tremendous drop in the standard of living of the average American in all phases of our economy.

The latest available USDA estimates of the percent of income spent for food in certain other developed countries of the world are as follows:

	1973
Australia	18.8
Canada	21.2
Denmark	17.7
Italy	28.9
Japan	23.3
Netherlands	20.6
South Africa	29.0

FARMING TODAY

To compensate for the large loss in agricultural manpower and rising cost of production, Mr. Chairman, it has been necessary for the American farmer to greatly expand his capital investment. The agricultural producer today is an American who has invested as much as $188,000 in farming, an average of around $90,000 per farmworker—about twice as much as the investment required for each factory worker in industry.

Where more than 500 man-days of hired agricultural labor are used during any calendar quarter of the preceding year, the Federal Government has provided by law for minimum wages at a level which some might think appropriate for young, able-bodied workers. This is $1.80 per hour, which increases to $2 as of January 1, 1976; $2.20 as of January 1, 1977; and $2.30 as of January 1, 1978. In general, however, adequate farm labor is not available today at these or any reasonable wage levels.

Today's agricultural producer must, therefore, buy substitutes for labor on a market where the right of labor to strike and bargain, together with other inflationary pressures, have resulted in much higher increases in prices paid than in prices received by farmers.

USDA figures indicate that the December 1974 index for prices received was 177 compared to 185 a year earlier, a 4-percent decrease. The December 1974 index for prices paid was 180 as compared with 153 one year earlier, more than a 17-percent increase. The price ratio, as a result, was down from 120 in December 1973 to 98 in December 1974, a decrease of over 18 percent in the farmer's net position.

THE HAZARDS OF FARMING

Mr. Chairman, the remarkable record of American agriculture has been accomplished despite the economic problems and financial pressures which have confronted the American farmer with increasing intensity. In addition to the normal risks of weather and pestilence—either of which can wipe out his investment overnight—today's farmer is faced with severe market fluctuations which can reduce or even eliminate the value of his crop between planting and harvesting. He is faced with increasing land values which make it virtually impossible for him to go into farming initially—unless he has inherited the farm from his parents—and make it difficult to expand his farming operation to help offset rising production costs. As noted above, he is faced with a steadily decreasing real net income due to inflationary trends in the cost of farming not compensated for by increased income. He must assume the increased risks involved in a much greater capital investment in land, labor-saving equiment, fertilizers, pesticides, fuel, energy and other farm inputs required to continue farming under today's high cost economy. He must face the necessity of incurring a much larger indebtedness to carry on his farming operation each year.

USDA data shows that the average loan for annual farming operations in the middle 1930's was about $4,000, whereas today it is over $100,000. Total farm debt has nearly trebled in the past 10 years, from about $37 billion in 1965 to around $95 billion in January of this year.

Each year the American farmer is faced with the possibility of complete bankruptcy due to adverse weather or pestilence. If he is fortunate enough to realize a good crop at harvest time, he is faced with the possible loss of his investment if market prices are too low to enable him to pay off his banker and other creditors, since present-day support prices are inadequate to provide for orderly marketing at reasonably stable prices. Even the urban press is now recognizing that the severe fluctuations of market prices for agricultural products are as disastrous to consumers as to producers.

At a time when the farmer's costs and investment are much greater, he finds that the take of the consumer's dollar by industry and labor, primarily as a result of Federal laws, has gone from 50 cents in 1947–49 to around 60 cents, leaving the agricultural producer only 40 cents out of the consumer's dollar. Consequently, he has seen his net income as a percentage of investment go down from 23 percent in 1947 to 7 percent in 1974. And this net income represents the full compensation for his managerial responsibilities, his labor, plus return on his investment. Dr. Don Paarlberg, Director of Agricultural Economics, USDA, described it in the following words:

> The net realized farm income is what the farmer has left after paying all his costs, including interest and it is a return to himself and his capital investment and he can value that investment however he wants to.

Further, since this return on investment is based on the original cost of his land and does not provide for the substantially higher resale value in today's market, the temptation is strong for many farmers to sell their property at its higher market value and discontinue farming operations. This has undesirable aspects for both the consumer and the producer over the long range and must be taken into account in determining agricultural policy and financing.

GOVERNMENTAL ROADBLOCKS

In addition to the natural and economic hazards which constantly threaten the solvency of the American farmer, Mr. Chairman, he must also face the adverse effects of governmental actions which weaken the agricultural establishment of this country and make it more difficult for him to continue as an effective producer.

The veto of the agricultural appropriation bill last year, which measure added only a fraction of 1 percent to the budget after Senate additions, affected funds placed in the bill to provide adequate housing for those living in rural areas. This action raised questions as to the real support the farmer can count on from this Government.

The veto of this year's farm bill, which was designed to provide adequate loan rates for certain agricultural commodities, has had a damaging effect on the stability of farm income and the orderly marketing of farm products. It has limited the farmer's ability in many cases to secure adequate financing to continue his farming operations.

The establishment by the Office of Management and Budget (OMB) of unrealistic personnel limitations on the agencies of the Department has had a very detrimental effect on the programs of the Farmers Home Administration and the activities of the Soil Conservation Service, which are primarily responsible for enabling the American farmer to remain on the farm and preserve his basic production capacity. The use of such restrictions on personnel can slow down or stop essential programs as fully as placing a freeze on or rescinding appropriated funds.

Further, the farmer can be damaged by unwise Government policies which—at about the time his price is high enough to cover costs plus a small profit—can destroy foreign markets by placing an embargo on exports, such as was done recently on soybeans. Or if he is in the cattle, poultry, hog or dairy business, he must face the possibility that his Government may make it possible for Russia or some other foreign competitor to control the world's surplus grain supply, whereby, after the relatively small supply is marketed at unheard of prices, he cannot afford to continue production because of the high cost of feed. Under such a situation, those with some feed on hand may get a high price per unit of product sold, but in most instances they won't have sufficient supply on hand to produce enough units to provide a reasonable level of income.

As noted earlier, after encouraging farmers to plant from fence-row to fence-row, and thereby plow up some 16 million acres of land previously planted to grass for conservation purposes, proposals have been made to discontinue the agricultural conservation program—ACP—and funds have again been omitted from the budget for next year—an annual practice. The committee has once again found it necessary to restore authority for next year's ACP program in this bill.

Further, after many years of experience on the farm, farmers now find that they must get a State official to teach them about the use of pesticides. Due to current requirements of the Environmental Protection Agency, each farmers must now obtain a certification that "he knows what he has been doing for years."

ARS ORGANIZATIONAL STRUCTURE

Mr. Chairman, in the report on the fiscal year 1975 appropriation bill, the committee expressed the following sentiments with respect to the organizational structure of the Agricultural Research Service:

> The Committee continues to have serious concern with the operation of this agency under its present organization. Under the regional concept there has been an obfusca-

tion of direct lines of authority and direct lines of research. While the Committee holds in high esteem all members of the Washington staff who have a great degree of expertise in their special fields, the organizational structure itself is impeding the most effective use of their ability.

This was obvious in the hearings this year when the Committee was unable to obtain the most basic information on various lines of research. The director himself admitted that he alone could not keep up with all the details of the various programs. The Committee certainly agrees that no one individual could maintain an intimate knowledge of all of the various activities of this extensive program.

The committee continues to be deeply disturbed about the lack of detailed knowledge with respect to the various research activities that is available at the Washington level. The hearings this year were even more nonproductive than last year with respect to obtaining basic information on the needs, progress, and accomplishments of basic areas of research.

While the old organizational structure was obviously far superior to the present one, the committee does not recommend a major reorganization at this time since it would likely prove to be disruptive to many vital research programs. Nevertheless, the committee is convinced that some new procedures must be implemented if Congress is to obtain the information that is needed on these programs. In order to obtain the detailed information required to make the necessary value judgments on the various research projects, the committee is considering requiring testimony by the working-level field staff is connection with the hearings on the fiscal year 1977 budget request.

RELOCATION OF SCIENTIFIC PERSONNEL

Just prior to the markup of the 1976 bill, the agency advised the committee of their plan to terminate a number of research projects and to relocate a number of scientists involved in this work. While the committee expects the agency to continuously review their work and to discontinue low priority or nonproductive work, the committee expects the agency to allow the affected scientists to remain at their present work stations. By assigning new duties to scientists, where they are now located, significant savings to the Government should result. If, in some instances, it should be necessary for the agency to reassign scientific personnel, the committee expects that the reductions will be made in the large research installations such as Beltsville, or in regional or Washington offices.

OFFICE OF INSPECTOR GENERAL

Secretary's memorandum No. 1836, dated January 9, 1974, created a separate Office of Investigation to report directly to the Secretary and a separate Office of Audit to report to the Assistant Secretary for Administration, seems to the Committee to have been a mistake.

As mentioned earlier, members of the committee have serious reservations as to the soundness of this reorganization. The functions of audit and investigation must work hand-in-glove on a daily basis rather than be separate organizational entities with both units dependent upon the passing of information and findings from one to the other.

Therefore, the committee has provided for a single appropriation account for the Office of Inspector General in order that the office be restored to the original effective organizational structure, which the committee deems absolutely necessary.

OFFICE OF SALES MANAGER

I would like to tell the Members another thing. As they know, the United States has a real serious problem in international trade. Our dollar balances are such that we buy a lot more than we sell in just about every area that one can think of except agriculture. The biggest dollar earner that we have in our balance of trade, or to protect it, is the agricultural production that we have. I think that I am right in saying, that, for our Nation to prosper, we are dependent upon about 25 percent of the production of American agriculture to move into world trade.

Mr. Chairman, the position of Sales Manager was created by the Congress upon the recommendation of this committee in 1955. At that time the Commodity Credit Corporation—a $14.5 billion corporation—had no sales program and no sales policy. Notwithstanding the world-wide need for U.S. agricultural commodities and notwithstanding the authority of the Secretary to sell U.S. commodities abroad at competitive prices, our government held such commodities off world markets—commodities which, perhaps, were surplus to domestic demand but were very much in demand by consumers in other parts of the world if the offering price was merely competitive.

This had several undesirable results. First, it encouraged other countries to expand their production and increase their competition in world markets. Second, it created very large holdings of commodities in this country which were counted to reduce American production with drastic undesirable effects on American agriculture. It will be noted from page 32 of the hearing with Secretary Benson on February 26, 1957—contained in part 7 of this year's hearings—that the supply of CCC commodities increased from $2,452,000,000 in 1953 to $8,666,000,000 in 1956 and $8,211,000,000 in 1957.

Following this period, with a sales manager operating a positive sales program, at competitive prices, these tremendous stocks were reduced through sales in world trade for dollars. In recent years, however, the position of Sales Manager has been left vacant for long periods of time. Also, from the record it would appear that, when filled, it has been fully dominated by the Foreign Agricultural Service and its incorrect policies concerning sales in world markets.

The committee has provided language in the accompanying bill which is intended to reactivate and strengthen the position of the Sales Manager and to expand his scope of activity to the point of keeping up with sales of all U.S. commodities—both commercial and those of CCC and Public Law 480. This language also broadens his role of keeping abreast of developments related to private sales as well as those of CCC and Public Law 480 together with world production. This information would have proven invaluable in the Russian grain deal. This language further provides that the Sales Manager shall report directly to the Board of Director of CCC and shall submit quarterly reports to the appropriate committees of Congress concerning such developments.

As noted previously in this report, the committee feels that the ill-effects of the recent Russian grain sales and the present problems facing the Department concerning grain shipments might have been avoided had the Sales Manager been appointed earlier with adequate staff and authority to operate in a broad and effective manner.

Now, let me discuss another angle of it, Mr. Chairman.

AGRICULTURAL CONSERVATION PROGRAM

We have taken silver out of our coinage. We have taken all the gold from behind our currency. What have we got left? The land.

Once again the administration has not requested funds for the agricultural conservation program. The Congress, upon the recommendation of this committee, has had to restore this program 20 times after various administrations had proposed its termination. While Congress has repeatedly directed the Department to carry out the program, the Department has attempted to strangle the program by various administrative maneuvers such as verbal directives to program officials to obstruct the program and excessive reporting requirements and red-tape to discourage applications by farmers. To prevent this bureaucratic foot-dragging by the Department, the committee has recommended bill language which requires the use of the conservation practices which were in effect for the 1970 program, as well as a limitation that prevents the requiring of any reports that were not required in connection with carrying out the 1970 program.

The committee feels that the need for this program is greater than ever, since during the last year, at the request of the Department of Agriculture, 16 million acres of grassland were plowed up and placed in production. If we are to prevent a return to dust bowl days, this program must be carried out. The need can best be illustrated by the following table which reflects some of the accomplishments of this fine program:

ACP ACCOMPLISHMENTS

Practice	Unit	Total accomplishments 1936–72
Water impoundment reservoirs constructed to reduce erosion, distribute grazing, conserve vegetative cover and wildlife, or provide fire protection and other agricultural uses.	Structures	2, 249, 000
Terraces constructed to reduce erosion, conserve water, or prevent or abate pollution	Acres	33, 216, 000
Stripcropping systems established to reduce wind or water erosion or to prevent or abate pollution	do	114, 229, 000
Competitive shrubs controlled on range or pasture to permit growth of adequate cover for erosion control and to conserve water	do	63, 260, 000
Green and shrubs planted for forestry purposes, erosion control, or environmental enhancement	do	5, 485, 000
Forest tree stands improved for forestry purposes or environmental enhancement	do	4, 564, 000
Wildlife conservation	Acres served	[1] 13, 592, 000
Animal waste and soil waste pollution-abatement structures (lagoons, storage, diversion, and other)	Number	[2] 10, 803, 000
Sediment pollution-abatement structures or cunoff control measures	Acres served	[2] 2, 961, 000
Other pollution-abatement practices	do	[2] 367, 000

[1] 1962–72, inclusive, with certain data estimated.

[2] 1970, 1971, and 1972 only.

The committee has provided that of the $190,000,000 announcement for fiscal year 1976 and the transition period, up to $15,000,000 shall be immediately available for carrying out the forestry incentives program. The committee expects that the forestry incentives program shall be carried out in addition to the tree planting program of the agricultural conservation program, whereby over 6.7 billion trees have been planted to prevent soil erosion and control sedimentation in our rivers and streams.

RURAL DEVELOPMENT AND ASSISTANCE

Mr. Chairman, one of our problems through the years is that if we look at the city, we have got advantages of city life which include electricity, sewage systems, water systems, and many, many other things. It has been my privilege to have been on this committee back when we had to make a fight to get electricity on an area-coverage basis. Most of the Members have grown up where they have taken these things for granted. But it took a long, long time to get area coverage where we covered the whole area, and we still have some problems in that matter.

But at times the committee has recommended, and Congress has backed us, supported by the great Committee on Agriculture, programs designed to assure that man did not have to move into the crowded cities, with their many problems, to have the advantages of the cities. So I briefly would tell the Members that in this bill we have done a number of things.

We have provided for cities of 20,000 and below the same kind of housing programs that we have got in our big cities. We have provided in this bill for loans for sewer and water in rural areas so that a man can continue to live there.

FARMERS HOME ADMINISTRATION

In this connection, Mr. Chairman, the committee recommends an increase of 750 positions to be located outside the District of Columbia and $6,200,000 to fully implement the provision of the law which now gives the agency responsibility for housing loans in towns of up to 20,000 population and to provide for initiation of a rent supplement program. While the budget did not request funding for either of these two programs, the committee has recommended this increase in order that the rural areas of the country will receive treatment equal to that now enjoyed by the urban areas.

In implementing the rural rent supplement program authorized by title V, section 514 of the Housing and Community Development Act of 1974, the committee will expect the Department to draw on the experience and expertise of the Department of Housing and Urban Development to the maximum extent possible. In addition, the committee will expect the Department to utilize to the maximum existing HUD procedures and practices where practical.

Mr. Chairman, we have also taken a step we will all be proud of in the future—the encouraging of increased attention to part-time family farming.

I grew up believing in family-sized farms, and, goodness knows, that is where many of the finest leaders we have had in our history have come from. But with time it had gotten to where farming became so expensive that agriculture could not feed the people of the United States with family-sized farms. And farmers could not make a decent living with a little bit of capital and a little bit of machinery. But under present circumstances our committee feels this trend is reversing. With the 40-hour work week, daylight saving time, good roads, improved sewer and water systems, with telephones and electricity, it appears that more and more people want to live in rural areas and farm on a small scale in addition to their regular job in town or elsewhere. So we provided in this bill extra money to the Land-Grant Colleges, both 1890 colleges and others, to stress part-time family farming. I think the time has come when some people are going to want to farm on a small scale and have some surplus to sell. I think that future energy shortages may require that rural areas and small communities may have to become somewhat self-sufficient.

In this connection, the committee is convinced that a major shift in work of the Agricultural Research Service is needed in light of the rapidly changing conditions in agriculture and rural America. Because of shorter working hours, daylight saving time, and better highways, many people in the country are becoming interested in part-time farming.

The widespread interest in becoming involved in part-time family farming is best illustrated by the testimony before the committee by a Member of Congress who represents primarily an urban district:

> I offered to provide help in the form of a packet of half a dozen different kinds of vegetable seeds to people who would write in and ask for them, assuming if it took a little work that it would be serious.
>
> I was overwhelmed by the kind of response. I have had between 15,000 and 20,000 people write in for a starter kit for a garden which includes a little instruction on how to begin a small garden.
>
> I give them the address or phone number of the local extension agent for technical service; 15,000 to 20,000 people out of my congressional district is a tremendous number of people to take an interest in urban gardening.

Therefore, in the future, the committee expects the agency to redirect its efforts as may be necessary, on all programs, to take into consideration the needs of the small or part-time family farmer. The committee is convinced that much work needs to be done in the field of inexpensive, lightweight, and energy efficient farm equipment. This work is also emphasized by problems resulting from adverse weather in recent years which has prevented the farmer from either planting or harvesting crops because existing equipment is too large and too heavy to use in wet fields. Much of the research done by the military on using balloon tires on heavy equipment might also be beneficial to agriculture. Any patents resulting from such research should be held in the name of the Government and available to all. During the hearings on the 1977 bill, the committee plans to explore in detail what efforts the agency has underway to help the small and part-time farmer.

DOMESTIC FOOD PROGRAMS

Mr. Chairman, we had a problem in this bill and we met it the best way we could. The 1976 budget estimate submitted by the administration for the domestic food programs is generally considered to be grossly inadequate by practically all those who have had occasion to review the budget estimate. In fairness to those responsible for preparation of the budget estimate, it should be pointed out that the 1976 budget estimate was formulated about a year ago when the major consideration was control of inflation, and there was no specific indication of the increasing unemployment rate which has greatly increased participation in these programs.

Notwithstanding, the committee has exerted every possible effort to encourage the administration to submit a budget amendment which would more adequately provide for these programs in view of the current situation.

At the outset, in its analysis for the House Budget Committee, the House Appropriations Committee pinpointed the apparent shortcomings in the budget estimate for the domestic food programs. To a great extent, the House Budget Committee's analysis was in agreement with that of the Appropriations Committee.

The Food and Nutrition Service originally appeared before the committee on March 20, 1975, in support of the 1976 budget estimate. The hearing had progressed only for a short period when it was obvious that even the departmental witnesses were in agreement that the budget estimate under consideration bore little or no resemblance to existing requirements and those that could be reasonably anticipated in the coming fiscal year.

The departmental witnesses were instructed to completely review the proposed budget estimate and to report back to the committee for another hearing on May 5, 1975. In the meantime, the Secretary of Agriculture was officially advised of the committee's evaluation of the budget estimate and was urged to initiate a budget amendment more in line with actual needs. The committee has never received such an amendment.

During the hearing held on May 5, 1975, departmental witnesses testified that the $3.4 billion for the food stamp program provided in the budget was sufficient to fund the program through the first 6 months of the fiscal year, and that school lunch funds were sufficient to finance operations through May 15, 1976, page 946, part 4 of hearings.

In addition to requesting inadequate funds for ongoing programs, the budget estimate provided no specific funding for the school breakfast program; the nonschool food program; the special milk program; and the special supplemental food program—WIC. The budget message indicated new legislation would be recommended to provide a program under which block grants would be made to States for the various food programs. To date, this legislation has not been introduced and even if it is, the indications are that the likelihood of enactment of such legislation is most limited.

In reporting out this bill, the committee was faced with a dilemma. It could either approve the budget estimate notwithstanding the fact that funds that would be provided on this basis would be insufficient for the total fiscal year, or the committee would provide what it considered adequate funding and grossly exceed the budget estimate.

In its action on this bill, the committee is recommending that the amounts provided in the budget estimate be included in the bill with the proviso in the appropriation language that such funds are available during the period July 1, 1975, through January 31, 1976. In addition, the committee has also provided the funds for a 7-month period for those programs for which no budget estimate was submitted. This action will enable the administration to make a current analysis of domestic food program requirements and will provide ample time for the administration to submit a supplemental request to fund these programs for the remainder of the fiscal year and whatever additional amounts that are needed for the transition period from July 1, 1976, through September 30, 1976.

One of the reasons we got the rule was that we provided the money for 7 months, and authorized the Department to draw against the transition funds. It was the best solution we could think of.

COTTON INC.

Another item is that someone has raised a point about Cotton Inc. There will be a great deal of debate when that comes up. The committee's attention has been called to allegations that far too much is being paid out in the name of Cotton Inc. for the services rendered. I want to say this committee has tried to meet that problem by providing that whatever organization handles the cotton research funds from CCC cannot pay its officers or employees in excess of the money received by the Secretary of Agriculture and cannot incur expenses over and beyond that which has been submitted to and approved by the Secretary of Agriculture.

Mr. Chairman, the Agricultural Act of 1970, which established this organization, provided for its funding from two sources: First, the deduction of $1 per bale from producers' proceeds and second, the transfer of $10 million per year from the Commodity Credit Corporation. The agriculture appropriation bill for fiscal year 1975 included language to limit the amount of the CCC transfer to $3 million, to be used solely for cotton research.

The latest budget of Cotton Inc. indicates that the major portion of these funds for 1975—approximately $2.5 million—will be used for research on production, processing and handling of cotton. A substantial portion of this research will be directed to the development of early maturing, high yielding, and insect and disease resistant varieties. It will also be directed to the development of more efficient cultural systems through short-season techniques in such areas as Texas, Lower Rio Grande, Arizona, Missouri and California. Also, research will be conducted to evaluate chemicals and cultural practices for control of diseases and weeds.

Some $400,000 will be expended in 1975 for research on textiles, including fiber and yarn processing, fabric manufacturing and preparation, dyeing, finishing, and test evaluation. This will include such studies as determining the effect of fiber properties and processing on new yarn-forming systems, the improvement of cotton product properties for home furnishing and industrial applications, and burning charactertistics of cotton fabrics. In addition, an estimated $62,000 will be used to expand research on cotton marketing.

This research work appears to be of real value to the cotton industry. Accordingly, the committee has again included this language in the 1976 bill to provide $3 million for research activities in the next year—section 609 of the general provisions. The committee feels, however, that any organization which receives these funds from the Federal Treasury, should conduct its activities on a fully sound, reasonable, and economical basis, particularly in view of charges made in the House of Representatives that exorbitant salaries and other types of valuable compensation are being incurred both from government and producer funds. Cotton is too important, domestically and in international trade, and research too essential to allow such salaries and expenses to destroy the program. Accordingly, the committee has included a provision which limits remuneration from any source of any official or employee of Cotton Incorporated to the salary level of the Secretary of Agriculture, and expenses to those determined to be reasonable by the Secretary of Agriculture.

In conclusion, I say to my colleagues that we appreciate the support you have given us through the years. I want to say again there are too many major programs in this bill for anybody to be able to know exactly how much money should be provided. We have before us a composite of the views of the members of this subcommittee and the staff which has worked with us so closely. We think we bring before the Members a good bill and we ask for the support of the Members.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the Republican spokesman for this most important funding bill I think it is appropriate and proper that I speak for two other important related minority groups that are in no way political. As a member of both these groups I think I can speak with the authority of experience. First I would like to point out in this Chamber there are 435 Members, but only 35 Representatives, whether Republican or Democrat, can be legitimately called farm Congressmen, as our chairman pointed out, meaning those who have at least 20 percent farmers among their constituency.

In other words, the so-called farm bloc, if there ever was one, no longer exists. I do not object to this. It is a political fact of life and is the result of the democratic elective system. Neither am I alarmed by being outnumbered 400 to 35, because I have too much respect for the intelligence and judgment of every Member of this body.

The second minority I refer to is the farmers themselves. Today our farm population is less than 5 percent of the total population of this Nation. Less than 2 million commercial family farmers produce all the food and fibers that 200 million Americans use and consume, plus $22 billion in food sales to other countries that need it, plus over $4 billion for the food stamp program and another billion for the food-for-peace program.

I think we ought to take a close look at the contribution that agriculture makes, not only to feed this country, but to provide us with very necessary foreign exchange. How do we suppose we as a nation pay for the huge imports of foreign oil, all our imported cars, the radios, the TV sets that we get from other nations? I submit that a large portion is paid out of dollars we earn from our farm exports.

Agriculture is this Nation's single largest exporter by far. Yet in another subcommittee that I am privileged to sit on, that funds the State Department and the Commerce Department, we asked those fellows where we get our major exports from and after fiddling through many papers and checking with their backup men, they always come up with the fact that the farmer contributes the lion's share of our overseas dollar earnings. Yet in the papers today, yesterday and all this last week, we have heard time after time of concern because we might be selling our wheat abroad, we might be selling some corn abroad. How silly can we get? How are we going to be able to afford to pay for the energy needs of this country that we have to import if we do not export something? We trade in this world of ours. They do not send oil to us because they like us or out of the kindness of their hearts. They send us oil because we have something to pay for it with and we have earned the exchange to pay for the energy to keep our sophisticated economy going by exporting what—by exporting food products produced by a very efficient family farm system of agriculture. Where do we suppose our 2 billion bushels of wheat, 6 billion bushels of corn, 10 billion gallons of milk and all the rest of our food we export each year come from?

It does not come from some quaint little guy in overalls walking behind a mule and a plow. All this incredible abundance comes from hard-working people trained to use sophisticated technology, intricate machinery, and practical knowledge in the use of chemicals and fertilizers. They must maintain a constant battle to conserve and develop precious and limited land and water resources. Four billion people on this Earth survive only because of that precious 6 inches of topsoil.

Additionally, today's farmer must know how to manage a tremendous amount of capital and operating credit. They are going to get some help in this bill in funding through the Farm Home Administration and other credit and capital agencies.

Finally, the farm family has to be willing to take risks of climatic hazards that no other industry faces.

As my distinguished colleague and chairman of the subcommittee the gentleman from Mississippi, often likes to say: "Today's farmer must have the money of a banker, the brains of a scientist, and the guts of a burglar." I have paraphrased him a little in that.

Let us put this bill and the whole food and fiber issue in proper perspective. What this and all future Congresses must do is to dismiss the feeling that when we consider farm programs and agricultural appropriations that we are dealing with some isolated, provincial nuisance problem that concerns the welfare of a few farmers and small-town folks.

What our committee is striving for in this bill—as we did in the Farm Act of 1973—is to provide a basis for a sound, workable national food and fiber policy that is of vital concern to not only all 210 million Americans, but has vast global implications in international trade relations and in our search for an enduring world peace.

We must look ahead and I commend to you the reading of the report this subcommittee put out. Agricultural research is one of the most important parts of this bill.

We have gone into the specifics of which crops should be checked into and the best methods of increasing production per acre, but we have also gone even further than that. This subcommittee has pointed out to the research people in the Department of Agriculture that they ought to start looking into the problem of the common germ plasm in our wheat and in our feed grains. The devastating loss of production in corn that came about 4 years ago occurred because of a disease that struck hybrid corn, that was susceptible across the whole length and breadth of this country because of this common germ plasm. This country is too dependent upon food to take care of its own needs and to provide exports for overseas earnings to let this happen again.

One of the commendable facets of this bill is the fact that we have looked ahead and commissioned the research service to do something about the common germ plasm problem, which could cut short our crops of wheat or feed grains in years hence.

As Members, one of our main concerns is that we have the best interests of our constituents at heart. Therefore, I submit to the Members that it is to their political advantage to say back home, "I supported legislation which will assure a continued abundance of food and fiber that you must have at reasonable prices. I supported legislation that put bread and butter on the tables of poor people because, as our distinguished chairman has said, people cannot eat food stamps—they eat food. I supported legislation that enables this Nation to share our abundance with people all over the world and helps our balance of trade."

I submit to the Members also that, while they are saying that, that our food is without a doubt the most effective bargaining chip we have today in our international policies. The world's famine belt stretches all across Asia, into Africa and South America. Hungry, starving people create hungry, restless, frustrated nations—forever with a finger on the trigger of violence.

One can ask a kid in Bangladesh to bite a bullet to relieve the gnawing pains of an empty belly, but one cannot ask him to eat it. He wants a bowl of rice and a loaf of bread. What better or cheaper or more Christian way is there to bring peace and the trust of other nations to the peoples of the world?

These are the things, this is the overall perspective every member of this committee—Democrat and Republican alike—tried to keep in mind as we spent six hard, grinding months drafting this bill after weeks of hearings. We tried to be fiscally responsible, and we achieved this objective. Total funding of this bill is well under the President's recommendation. We accomplished this by cutting out a lot of deadwood and tightened administrative operations.

We made increases on the basis of necessary priorities which are relevant to today's agriculture and a national food policy that is acceptable, we hope, to both farmers and consumers, and to meet our world export commitments.

As evidence of our fiscal responsibility, let me cite some comparative budget estimates prepared by the House Budget Committee some weeks ago. In this bill, for agriculture we have $1.8 billion—that is all. The rest of it is for other sectors of the bill such as public feeding programs, food for peace program, food and drug administration, meat inspection and a host of allied things, but in this bill, for agriculture there is $1.8 billion for current farm programs to keep us first in the world in available food, and to provide us with the adequate supplies for the exports we need to compensate for the imports that keep our economy going.

Contrast that $1.8 billion with the sum for national defense, $89.7 billion; or for natural resources, environment and energy—and as necessary as environment is, we cannot eat it. We are spending $11.9 billion for that.

For commerce and transportation, $19.6 billion. Without food to transport, we do not need the transport. For education, manpower and social services, $20.3 billion. For health, $30 billion, and we cannot maintain health without an adequate diet.

For income security, $22.6 billion. For veterans benefits and services, $17.4 billion. For interest just on our national debt, some $35 billion.

Among all these other facets of our overall budget, compared to them we are only spending the research programs and production programs necessary to give us that most basic necessity of maintaining life itself, adequate food, $1.8 billion.

Mr. Chairman, I say when we consider this bill let us keep our priorities straight. I know as we debate the merits of this bill in the next few hours there will be opposition, there will be many amendments offered. This is as it should be. All that my chairman, the gentleman from Mississippi (Mr. WHITTEN), and the other members of this committee ask is that the Members offer their opposition and their amendments within the framework in which this funding bill is being presented to you—as a keystone to a workable, sensible, constructive part of a national food and fiber policy that is in the best interest of every American.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to my colleague and long-time member of the subcommittee, the gentleman from Kentucky (Mr. NATCHER).

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture and related agencies appropriations once again brings to the floor of the House for your approval the annual appropriation bill for fiscal year 1976.

In this bill we recommend new budget obligational authority totaling $11,047,263,000 together with the amount of $2,037,545,000 for the transition period.

For agricultural programs we recommend to the committee the sum of

$4,011,503,000 with the sum of $325,911,000 for the transition period. Under title II in the bill for rural development and assistance programs we recommend $1,292,205,000 and for the transition period the sum of $225,599,000. Under title III that portion which applies to domestic food programs we recommend $4,403,819,000 together with the sum of $1,227,168,000 for the transition period. Under title IV we recommend for the international programs the sum of $1,125,738,000 together with the sum of $155,193,000 for the transition period. For title V in the bill which applies to related agencies we recommend $213,998,000 and for the transition period the sum of $53,674,000.

Mr. Chairman, today there are only about 4½ percent of the people in this country engaged in agriculture and those engaged have an average investment of from $169,000 to $188,000 per farmer. The United States of America is rapidly becoming the food basket of the world and the American farmer should be receiving more income for his products. On February 15 of this year the average of all farm prices was about 17 percent below a year earlier notwithstanding the fact that there was an increase of 12 percent as far as expenses were concerned.

When the Secretary of Agriculture appeared before our subcommittee to testify in behalf of his budget request for the fiscal year 1976 I asked him the question as to what the American farmer needed more today than anything else and he immediately replied additional income. This, of course, is correct, and unless the American farmer receives a more adequate share of our national income we will be in more serious trouble economically than we are today. When agriculture is in trouble our whole economy is in serious trouble.

An average of nearly 800,000 people have left the farm in each of the last 5 years and we are now down to a farm population of about 10 million people as compared to 2½ times that number in 1950.

The total land in farms in 1950 was 1.2 billion acres as compared to about 1 billion acres today. The average size of the farm has increased from 213 acres to about 373 acres during the period 1950 to 1965.

Mr. Chairman, as you and I know, a great many of our young people on our farms have no chance to get started in agriculture unless they either inherit a farm or succeed in borrowing a large sum of money to invest in land which is adequate for a livelihood.

I believe that one way to assist agriculture is to keep our farmland in production and through our soil conservation and ACP programs see to it that it is preserved. Along with our production, of course, we must have an increase in income.

Every Member of Congress should keep in mind that agriculture is our largest industry and when agriculture is in trouble our country is in trouble. The assets invested in agriculture today exceed those of any of the next 10 largest industries. Agriculture employs more workers than any other major industry and in fact employs 23 times the number of people employed in the coal and oil industry and 5 times more than the number employed in the automobile industry.

Agriculture is one of the major markets for the products of labor and industry. It spends more for equipment than any of the other large industries. Agriculture uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in this country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery and equipment exceeds the assets of the steel industry and is five times that of the automobile industry. Our farmers' assets at this time are approximately $320 billion. In 1950 the farmers' share of the retail food dollar was 47 cents, and 20 years later it was 38 cents.

Our American farmer knows how to produce and today our country is the world's largest exporter of food to the other nations of the world.

Three-fourths of our land area is in private ownership and 60 percent is in farms and ranches. Seventy percent of our people living in this country reside in cities and they only occupy a small percentage of the land in this country. If our country is to survive and prosper, we must continue to be interested in and to assist when necessary our custodians of the natural resources in this country. It is imperative that we reforest our lands, protect our watersheds, and conserve the soil and water in this country. We must leave to the future generations a fertile land and a land sufficient to produce food for our people.

When this country was first settled, we had more than 8 billion board feet of fine timber. According to recent figures, we are now down to less than 2 billion board feet. Instead of 450 million acres of arable farmlands, we are now down to about 150 million acres.

Back in the 1930's when we started having trouble with the dust storms, we suddenly woke up to the fact that we were wearing out the land in certain sections of this country and to correct this situation, we set up the Soil Conservation Service. Our Extension Departments, Soil Conservation Service, Agriculture Stabilization and Conservation Service, Rural Development Service, Farmers Home Administration, Rural Electrification Administration, Foreign Agricultural Service, Research and Control Services have, along with all of the other agencies in the Department of Agriculture, produced great benefits for our American farmer. The Statistical Reporting Service, which our committee has followed closely for years and each time adequately funded, plays a very important part in the life of every American farmer. Our Farmer Cooperative Service, Agricultural Marketing Service, and our Packers and Stockyards Administration are of great concern to every farmer in this country. The operation of our Federal Crop Insurance Corporation, along with our Commodity Credit Corporation are operations that are of great concern to agriculture in this country.

Nearly every year the members of our Subcommittee on Agriculture Appropriations have to restore funds in the bill for soil conservation and for our research programs. This has applied off and on since I have been a member of the Committee on Appropriations and a member of the Subcommittee on Agriculture Appropriations and as you know, it is well known, Mr. Chairman, for over 20 years now our subcommittee has restored the ACP money annually. Not only this administration, but all administrations for the last 12 years have submitted agriculture appropriations budgets that either deleted or reduced the ACP money to the extent that the program could no longer be operated.

Certainly, we have not agreed with this procedure and again this year, have restored the ACP money to the bill.

Mr. Chairman, it is generally known that the demand for food is increasing and that farm exports are at a new high. Exports are now running well over $10 billion for each fiscal year and at the same time, most family farmers have not been able to obtain incomes comparable to what their investment could earn in other sectors of the economy. This is the reason why we are losing people every year from the family farm. The American farmer naturally expects to receive a higher net income at this time and especially so since he is confronted with higher taxes and higher farm operating costs. We say to the Department of Agriculture every year when they appear before our committee to justify their budget, that it is the duty of this Department to make every effort possible to see that farm income is increased and that this Department must make every effort to strengthen the family farm so that it can keep its important role as the primary factor in agriculture and in American society.

Today in our country, we have in cultivation some 385 million acres of land. We have some 300 million acres in crops harvested, and some 60 million acres in grasses and lagoons.

In this bill, Mr. Chairman, we make recommendations for annual appropriations for the Food and Drug Administration and certain other independent agencies. We request approval of the sum of $202,805,000 for the Food and Drug Administration together with a total of $50,876,000 for the transition period.

Mr. Chairman, as you know, the transition period is that period between July 1 and October 1, 1976, when the fiscal year date changes. Up to this time, the fiscal year has started each July 1 and beginning in 1976, the beginning date for the fiscal year will be October 1.

During the hearings on this bill requests were made for amounts totaling some $5 billion for the domestic food programs. These programs are provided for by law and the annual requests must be made for appropriations. The amounts carried in this bill for these food consumption programs are many times greater than funds provided for programs to help the farmer to produce food and fiber and to protect our land for the future. This should be remembered by every consumer in this country.

This bill contains $84 million for the

special milk program which was omitted from the 1976 budget that was submitted to our committee.

For Animal and Plant Inspection Service we recommend a total of $356,730,000 together with the amount of $98,160,000 for the transition period. Here we have our meat and poultry inspection, animal and plant disease and pest control, and the different regular activities.

For our Extension Service we recommend a total of $228,935,000 together with the sum of $57,453,000 for the transition period. For our Statistical Reporting Service, Mr. Chairman, we recommend the sum of $28,766,000 together with the sum of $7,190,000 for the transition period. For our Agriculture Marketing Service we recommend a total of $42,055,000 together with $11,642,000 for the transition period.

In this bill we make provision for rural housing loans pursuant to title V of the Housing Act of 1949, as amended. This, as you know, Mr. Chairman, applies to farmowners and to the owners of other real estate in rural areas and long-term farm leaseholders in farm areas with a population up to 20,000 people. Rural housing loans are made to construct, improve, alter, repair, or replace dwellings and essential farm service buildings.

We also make provision in this bill for water and sewer grants. A number of the programs in this bill are administered by the Farmers Home Administration, and, as you know, Mr. Chairman, all of these programs have produced benefits for our farmers. We recommend an appropriation of $100 million for rural water and waste disposal grants. These funds will be in addition to the $150 million appropriated for fiscal year 1976 in the continuing resolution, House Joint Resolution 499, which passed the House on June 17, 1975. This will make the total $250 million which will be available for these grants in the fiscal year 1976.

For the insured loan program of our rural electrification program our committee recommends not less than $750 million or more than $900 million for electric loans and not less than $250 million for telephone loans. For the transition period our committee recommends not less than $187,500,000 nor more than $225 million for electric loans and not less than $62,500,000 for telephone loans.

For conservation operations we recommend the sum of $201,057,000 together with the sum of $50,271,000 for the transition period. For our watershed planning program we recommend $11,196,000 together with the sum of $2,799,000 for the transition period. For the watershed and flood prevention operations we recommend $146,409,000 together with $38,408,000 for the transition period.

For our agriculture conservation program we recommend the sum of $190 million.

Mr. Chairman, this is a good bill, and our Committee on Appropriations recommends it to the Members of the House. If our country is to survive and prosper, we must continue to be interested in and to assist when necessary our custodians of the natural resources in this country, and again, Mr. Chairman, I would like to say that it is imperative that we reforest our lands, protect our watersheds, and conserve our soil and water.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I take this time to raise a question about the provisions for the Federal Crop Insurance Corporation. The language on page 30 is somewhat confusing to me, and I cannot seem to get any clarification from the language in the committee report.

If I could have the attention of the chairman of the subcommittee, my question relates to the Federal Crop Insurance Corporation provisions. I see on page 30 that, "Not to exceed $6,764,000 of administrative and operating expenses may be paid from premium income."

Would that be deducted from the $11,940,000 which would be appropriated in line 8 of that same page? Could I have a clarification on that?

Mr. WHITTEN. If the gentleman will yield, that amount would be added to the $11,940,000. As my colleague well knows, when you deal with insurance, and particularly with insurance claims, one of the most costly things one could do is not have adequate personnel to check on the claims.

Mr. Chairman, I am taking a little of the gentleman's time, but I will give him a little more time if he needs it.

As the gentleman will recall, we entered into this program years ago. The old-line insurance companies would not write crop insurance. At one time it got out of hand to the point that the people in the dry sections of the United States put seed on top of the ground that they knew would never sprout, and then they collected the insurance. That broke the corporations.

Then we restarted the program on an experimental basis, and it grew to the point where half the counties were in the program. Then we thought we had to have a program for all of them, and we could not call it experimental. We tried to insist that there be broad enough coverage in each county before they became eligible, in order to get a proper base for the program.

It has not been completely self-supporting, although every effort was made to make it so.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

Mr. WHITTEN. Mr. Chairman, I yield 3 additional minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield further, when we match what this program costs with the millions and millions of dollars that are distributed under the term of emergency grants and relief, when we have a disaster, I think this is probably the best investment we could make.

Getting back to the question that was asked, this is in addition to the $67 million which is carried forward as a part of the premium.

Mr. FINDLEY. Mr. Chairman, the reason I bring this matter to the attention of the committee is that there has been what I think is a very healthy trend in our farm programs, as well as certain other Federal activities, under which the benefited sector has been taking over the full cost of administrative expense. The Farm Credit Administration, I think, is now completely self-supporting. There is no money from general revenue that goes to support it.

We have pending before the Committee on Agriculture now a bill on research and promotion of peaches; we have another one on beef. In both cases, all the administrative expense is to be borne by the element that benefits from it.

If I could be permitted just to continue on this point a little bit further, the same trend is visible in the financing of rural electric cooperatives. They are more and more getting to be on their own.

Yet year after year I see in this bill about $12 million for administrative expense for the Federal Crop Insurance Corporation. I think it is high time that we get them entirely on their own. After all these years, surely there is enough experience in this field to predict what the administrative expenses will in fact be so they can set the premiums at the proper level.

Mr. WHITTEN Mr. Chairman, the gentleman has made an interesting point. Let me draw a distinction, though, that is very evident in the bill as far as the Farm Credit Administration is concerned.

It should become self-sufficient. But after we have about 2 bad crop years we find them in need of funds, I regret to say. Under present conditions, if farmers are not able to get a loan at the bank, they can get one at the Farm Credit Administration; if they cannot get it there, they can go to the Farmers Home Administration and be eligible for a loan. The same thing applies to the other funds they need: If they cannot get it one place, they can get it somewhere else. But if they cannot get crop insurance from the Government, they cannot get it anywhere else.

So I am just saying that in order to make available that which is not available from any other source, we have to provide some funds, and when we help support the administration of the program so as to check the losses and be sure these items are paid, I think that is the best money that could be spent.

Mr. FINDLEY. Mr. Chairman, I just want to express the fond hope that this is the last year when the committee will come here with a request for administrative expense for crop insurance. There are some private insurance companies that serve this area.

But it is not just out of concern for their welfare that I express this hope. I really think that the money for administrative expenses for the various programs should be financed entirely by those who benefit.

Mr. WHITTEN. Mr. Chairman, I yield myself 1 minute.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield for a question.

Mr. WHITTEN. I yield to my colleague, the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I thank the distinguished chairman of the committee.

Mr. Chairman, I would like to clarify a point concerning the report which accompanies this bill. In the report of the Subcommittee on Agriculture and of the full Committee on Appropriations, there is a section on page 24 entitled "Relocation of Scientific Personnel," relating to a USDA proposal to transfer scientists away from several research stations.

Could the distinguished chairman please explain the purpose of this section to me?

Mr. WHITTEN. If the gentleman will yield, may I say to my colleague, the gentleman from Oklahoma (Mr. ENGLISH)—and I want to congratulate him on his interest in agricultural affairs and for the job he is doing in the Congress—members of the subcommittee have not been happy with some actions of the Department.

The Agricultural Research Service was reorganized, and that agency has attempted to operate on a regional basis throughout the country. My experience has been that regional offices often become "bog-down" points. ARS told us they were going to undertake this by cutting down personnel in these small stations such as my colleague, the gentleman from Oklahoma, is interested in.

The committee realized that they often attempt to apply cuts where they will not stick. I do not know as to that, but I do know it is ridiculous to cut out one man from a 3-man station and keep many other people at the regional offices or in Washington, accordingly, the committee told them to apply those cuts at the larger type of station which could stand the cuts.

Mr. ENGLISH. Then is it the gentleman's opinion that this section states the intent of the Committee on Appropriations that these agricultural research stations, including the one at Woodward, Okla., should continue in operation?

Mr. WHITTEN. Certainly we do. If ARS is forced to make any cutback, they should do it where they have a lot of people, where they can absorb the cutback.

Mr. ENGLISH. Does the gentleman feel, then, that this section requires the USDA to retain not only the scientists at stations like the one in Woodward, but also the support personnel who assist them in this research?

Mr. WHITTEN. If they do not have the support personnel, the scientists cannot do their work. We certainly feels that USDA should continue to provide the support services necessary for these scientific personnel to properly carry out their research programs.

Historically, we have waived certain requirements such as the 40-hour week and we have tried to make personnel available on a contract basis, so that research stations could work in line with the research job that they have been responsible for.

Mr. ENGLISH. Mr. Chairman, I thank the gentleman from Mississippi very much.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. Yes, I yield to the gentleman fom Oregon.

Mr. DUNCAN of Oregon. I assume the remarks of the gentleman from Mississippi (Mr. WHITTEN), in response to the gentleman's questions, would apply equally as well to the filbert research which has been going on at the state university in Oregon?

Mr. WHITTEN. If the gentleman will yield, certainly it would. I made it plain in our report that, in general, the recommendations of the Congress with regard to this kind of support would have to do with research activities throughout the country.

Mr. DUNCAN of Oregon. Mr. Chairman, I agree with the gentleman, and I thank him.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas (Mr. ALEXANDER), our colleague on the Committee on Appropriations.

FARMERS HOME ADMINISTRATION

Mr. ALEXANDER. Would the gentleman yield for a question?

Mr. WHITTEN. I will yield to the gentleman from Arkansas.

Mr. ALEXANDER. On pages 8 and 54 of the committee report on this bill, the committee states that 750 new positions for the Farmers Home Administration are being funded under this bill. I commend the committee for recognizing and responding to the critical need for additional personnel in FmHA.

It is my understanding that those positions referred to in the report are in addition to the 100 new permanent and 300 new permanent part-time positions which were requested in the Administration's budget submissions. It is further my understanding from the language of the report and from the members of the committee and officials of Farmers Home Administration that the committee expects that the new positions for FmHA be allocated to county level field offices where the greatest need exists. Further, with the passage of the Rural Development Act of 1972 and the Housing and Community Development Act of 1974, the Farmers Home Administration has been given major new and expanded responsibilities in the area of business and industrial, community facilities and housing development. I would like to know if it is correct that when the committee approved the funding for the new permanent positions over and above the administration's request, it expected that special attention be given to assignments to county level field offices and that personnel with training and/or experience in the fields of business and industrial community facilities and/or housing development be given preference. Or, will these new employees be limited to working on FmHA housing programs in communities between 10,000 and 20,000 population as the language on page 54 of the committee report seems to indicate?

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, let me say to my colleague, the gentleman from Arkansas, who was a very distinguished member of the Committee on Agriculture until this year, whose district is adjacent to mine and whose background I so well know, that it was our intention that the 750 new permanent employees mentioned on page 8 and 54 of the committee report are in addition to the 100 new permanent and 300 new permanent part-time positions requested by the administration. The committee does believe, in further reply to the gentleman's question, that practically all of these positions shall be allocated to county and working level offices. We also believe that with the expanded responsibilities of this agency, persons who are trained and/or experienced in the field of business and industrial loans, community facilities and/or housing development will be needed. It is not the intent of the committee that the persons hired for these new positions shall be limited to any particular work, although the new responsibilities of the agency in communities of 10,000 to 20,000 population will constitute a new field, and will require attention.

May I say further to my colleague, the gentleman from Arkansas (Mr. ALEXANDER), that the committee gave some thought to asking the land-grant colleges to give some study to their curriculum to see what could be provided in the way of training, but we decided it would be better not to tell them how to run their business. But I do think that it becomes more and more evident that the Department needs highly skilled people in finance and in many, many other activities regarding farming, in order to do a good job, especially in areas such as the FmHA with all of its tremendous responsibilities.

I would like to point out again, that our recognition of the many, many programs now under FmHA, lead us to the point of suggesting that consideration be given to redesignating FmHA as the Rural Development and Assistance Administration, or some other name which covers their responsibilities. I am glad that my colleague has raised this point.

There is one other thing, and that is the provision which was put in the bill by the committee some years ago, that the Soil Conservation Service can spend 5 percent of that money getting personnel in work done by the agricultural conservation programs. So we have tried to intertwine these things to where much of the SCS program has to look to the FmHA, and the emergency loans have to look to them. I am saying that one of the real tragedies that we have had in the last several years has been that the Office of Management and Budget has lowered the number of personnel to such a low level. Even though these positions have been authorized and funded by the Congress, they still do not have enough people to do the work. It is on the this basis that we have provided in this bill for these new employees.

I thank my colleague for raising this point.

Mr. ALEXANDER. Mr. Chairman, another point I would like to discuss, which could probably be classified under the heading of reorganization of the Farmers Home Administration, and I note that the committee, on page 43 of its report, takes note of the changing and increasing responsibilities of the Farmers Home Administration in the field of rural development. In doing so it suggests that the appropriate legislative committees consider changing the name of FmHA to one, such as Rural Development and Assistance Administration, which "more accurately portrays the large role it plays in rural development."

I wholeheartedly endorse this proposal.

It has long been my view that rural development, or countryside development, is composed of a wide range of activities reaching from agriculture to health and social services needs. The committee's action is to be commended for it reflects its deep concern, which many of us share, that the rural development authorities developed by Congress are not being implemented in the manner and to the extent which Congress intended and which rural people rightfully expected.

But, I would urgently suggest that far more is needed than a name change.

When the Farmers Home Administration came into being in 1946 as the successor to the Farm Security Administration its programs were basically directed at providing assistance to the farm community.

The nearly three decades which have elapsed since then have brought many changes in the responsibilities of FmHA.

In 1949 major new tasks in housing in America's heartland areas were given to FmHA. The agency's authorities in the field of water and sewer system development were greatly expanded in 1965. Passage of the Rural Development Act of 1972 enlarged some of FmHA's existing responsibilities. RDA also added important new programs in business and industrial and community facilities development to the Department of Agriculture's activities. These were assigned to FmHA. Enactment last year of the Housing and Community Development Act of 1974 further increased the housing program tasks of the Farmers Home Administration.

In 1973 the Subcommittee on Intergovernmental Relations, of which I was a member, conducted hearings into problems existing in the operation of the FmHA housing programs. We found that by the early 1970's housing and related programs such as water and sewer systems development constituted the bulk of FmHA operations.

Despite the growth in its responsibilities for housing, FmHA told the subcommittee that as of June 1973, only 382 of its 3,931, or 9.7 percent, professional employees at State and county office levels had special qualifications in the field of housing. At the same time, 3,225 of the FmHA employees at those levels were agriculture specialists. In other words, there were 8.4 times as many agriculture specialists working in these jobs as there were housing specialists.

The farm programs are an important part of FmHA activity. I would make it clear that I feel that sufficient agriculture specialists should be working at these levels to give proper service to our citizens who wish to benefit from these programs. At the same time, it is clear that if congressional intent is to be complied with a sufficient number of specialists in the nonagriculture programs must be provided to the State and county offices to give the assistance intended for people wanting to avail themselves of the assistance under programs such as housing, community facilities and business and industrial development.

The Subcommittee on Intergovernmental Relations, in its 1973 hearings, was not involved in studying the question of whether FmHA had provided itself, or was providing itself, with sufficient qualified personnel to administer the new community facilities and business and industrial development programs which it became charged with after the passage of the Rural Development Act of 1972. But, my experience in the last Congress as chairman of the Subcommittee on Rural Development and information which continues to come to me leads me to believe that the situation with respect to FmHA personnel qualified to handle these programs is no better than that we found to exist in the housing programs.

It does not appear to me that the establishment of the FmHA personnel training school at Norman, Okla., as worthwhile as that project is, is anywhere near a complete and satisfactory solution.

It is probable that at least some of the answers to these questions will be found in the study of FmHA personnel which the General Accounting Office is in the process of completing for two subcommittees of the Senate Committee on Agriculture and Forestry.

In any case, a major question which must be answered by the Congress is why FmHA has been so everlastingly slow to respond to the need for equipping itself to properly handle the nonfarm program responsibilities which have been assigned to it.

Does FmHA not want these programs to be successful? I cannot believe that is true. If it is not true, then comes the question of whether FmHA policymakers and decisionmakers have the knowledge, experience, and concern it takes to find and hire the talent required for properly implementing programs such as business and industrial, community facilities, and housing development.

What is the answer to the internal organizational weakness in FmHA?

I believe we need to make an indepth evaluation of FmHA to determine its managerial capabilities and to examine whether its present organizational structure is suited to insuring effective implementation of the vast array of programs for which it has been given responsibility.

In 1974 FmHA was administering 24 programs. It made over $4.4 billion in loans, larger by a billion dollars than in any previous year of its history.

We want to avoid the situation where the agency finds itself handicapped in servicing farmers because of the demands of its rural development programs, or must neglect its rural development efforts because of the time and manpower required for farm credit programs. It seems to me that the time has come to consider alternatives which would insure that both farm and nonfarm programs are not competing with each other.

It may be that the rural development programs and the farm credit programs should be separated so that neither are neglected or relegated to a secondary position.

There seem to be a number of alternatives which must be examined.

Congress could mandate a reorganization of FmHA which would require a rearrangement of its internal structure, the acquisition of personnel at all levels with formal training and/or experience in the fields of community facilities, business and industrial development and housing and changes in the manner in which personnel is selected.

Congress could enact legislation spinning off from FmHA the nonfarm programs it currently administers. Changes under this plan could transfer the utilities programs to the Rural Electrification Administration which has a long and successful record in operating utilities programs in the countryside. A separate USDA agency could be established to administer the business and industrial, community facilities and housing programs. Or, Congress could mandate that nonfarm and nonutility programs now under the jurisdiction of FmHA be switched to the jurisdiction of the Economic Development Administration, the Small Business Administration, and the Department of Housing and Urban Development.

Historically the Department of Agriculture has been the strongest friend of the people of countryside America. Therefore, I would prefer that the solution to FmHA's problems be solved within USDA.

I recognize that since his appointment as FmHA Administrator in 1973 Frank Elliot has been working to improve the agency's performance. He is to be commended for his efforts. Nevertheless, it is clear that the job of bringing the quality of FmHA's program implementation up to the level Congress and the people have a right to demand is far from complete. Reorganization must take place, whether it is internal to FmHA or means relieving FmHA of some of the 24 programs it now administers.

I urge the appropriate legislative committees to act promptly in reviewing and developing solutions to the problems facing FmHA.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Michigan.

Mr. TRAXLER. I thank my distinguished colleague, the gentleman from Arkansas, for yielding.

I want to agree with his statement insofar as concerning staffing by FHA. The committee has seen fit to add the additional personnel, and I sincerely hope that the OMB and the Department will be in agreement on those points.

I just want to say that we have many fine programs here that this committee has financed and the various authorizing committees of the Congress have seen fit to enact. Regrettably, in many areas of the country they cannot be implemented because there are no personnel in local FHA offices available to bring them to the attention of Huron, Tuscola, Sanilac and Lapeer Counties in the 8th District of Michigan. It is critically important to the people I represent in rural parts of my district that these personnel that the committee has recognized as necessary be made available. Under no other conditions can these very fine programs that are designed to serve the needs of rural America be implemented. I fully agree with Mr. Alexander's comments.

COMMENT ON USDA APPROPRIATION

Mr. ALEXANDER. Mr. Chairman, I want to commend the committee for the fine work it has done in preparing this bill now before us. I believe that their careful consideration of the questions before them and the manner in which they have responded to them will be of lasting benefit to the people of the countryside and to the Nation at large.

In addition to the comments I want to make, in connection with this bill, concerning where the money spent by the Department of Agriculture has been going, I want to discuss a number of other matters.

As you know there has been rising concern across the Nation in recent years over the state of our environment and what the future may bring. One of the oldest of our Federal agencies charged with responsibility for protecting our environment and conserving our natural resources is the Soil Conservation Service, which was established in 1935.

The limitations which the present and immediately past administration have placed on funding for SCS programs and personnel has been of great concern to many of us. I am pleased that in this bill the committee has recognized the need for more funding, for rejecting crippling budget proposals by the administration and for increasing the number of employees SCS shall have for administering its programs.

I hope that Congress will find the administration reacting in a positive and cooperative manner in response to the increased funding for programs and personnel contained in this bill.

The report of the committee on this bill provides Members of Congress and the people with some very valuable information on the vitally important role the 5 percent of our Nation's population who are the producers of food and fiber in both our domestic and international economic position. I would commend the language in the report on these matters to careful consideration by my colleagues.

There is one aspect of the role of agriculture dealt with in this report and in the bill before us that I would discuss in a bit more detail. This is the matter of developing and maintaining foreign export markets for our surplus food and fiber products.

For many years, and particularly during the past year, the increased productivity of the agriculture industry has been vital to the economic position of the United States. A red-ink figure on our international balance of trade report stimulates inflation in the United States because it has the effect of reducing the worth of our dollars. The United States experienced the worst trade balance report in its modern history last year.

Incredible increases in the cost of imported petroleum products was largely the cause of this. The red-ink figure would have been even larger had it not been for America's farmers. They were able to generate sufficient products to give America $21.3 billion in income from agricultural exports. This paid for the agricultural imports that we enjoyed and contributed $11.7 billion toward paying our imported energy bill of nearly $16 billion.

I am glad to see the committee's interest and concern for maintaining and increasing our foreign export markets manifest in increased funding for the Foreign Agriculture Service programs, including the Public Law 480 "Food for Peace" program, and in providing funding and guidelines for the hiring of a sales manager for the Commodity Credit Corporation. This position has been too often and too long vacant.

There is one other group of programs which I would focus on at this point. These are in title III of this bill. They are called "Domestic Food Programs." For too long Members of Congress and the public have labored under the mistaken impression that the agricultural appropriations bill is just for farmers. I would point out that title III funding is at a $4.4 billion level in this bill. This figure includes $3.45 billion for the food stamp program. A majority of the food stamp money is spent in metropolitan areas. In fiscal year 1972 67.5 percent of the food stamp money went into metropolitan areas. This figure had risen to 68.6 percent in fiscal year 1974 when $1.85 billion of the $2.7 billion in food stamp outlays was spent in metropolitan areas.

But, that is not the whole story. Most of the programs under the "domestic food programs" title of this bill are funded for just 7 months, and the committee has stated its expectation that the Administration will be back for more money before that runs out.

The $4.4 billion figure which is for just 7 months operations, compares with the title I agricultural programs appropriations figure for fiscal year 1976 or $4 billion.

I believe if you study the implications of these programs, SCS, foreign exports of U.S. agriculture products, and the domestic food distribution activities it becomes clear that continued restriction of our Nation's farming community's opportunities for successful operation is folly.

Now, I would like to turn to a brief discussion of how the Department of Agriculture has actually been spending its money.

That USDA programs are not just benefiting the nonmetropolitan areas is evident in the data available on where it spends its money. In fiscal year 1972 USDA spent $12.5 billion on programs which influence development. More than 26 percent of this money, or $3.3 went into metropolitan areas. In fiscal year 1974 $2.5 billion, or 42.6 percent, of the $6.2 billion spent by USDA on 24 programs influencing development was spent in metropolitan areas.

Metropolitan areas have benefited from USDA spending in a variety of programs ranging from agriculture, business and industrial development, rural electric and telephone systems and water and waste disposal.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTEN. Mr. Chairman, I yield myself 1 minute.

Mr. LONG of Maryland. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears. Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and two Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I wonder if the chairman of the subcommittee might respond to a question? If the distinguished chairman of the subcommittee might respond to this comment, I notice in the discussion in the committee report on title III, pages 66 through 73, there is a criticism of the budget presented by the administration with respect to some of the nutrition programs and more specifically to the food stamp program.

The finding of the committee report is that the administration did not bring in a large enough expense request. But I note that the committee has granted exactly what the administration asked for. With respect to food stamps, that is $3.5 billion, against an expense last year of about $4.9 billion. I keep hearing that it is going to cost more than the $6 billion and, therefore, ask what is it going to cost this year? What kind of supplemental is behind this appropriation?

Mr. WHITTEN. Mr. Chairman, may I say to my colleague at the outset, the request before the committee was the exact amount we have here in the bill. By the time the budget was submitted, from that time until the time of the hearings, the food people in the Department of Agriculture had seen the unemployment rate greatly increase, and under the law it greatly increased the amount that was going to become necessary for food stamps.

The Department testified that it was going to take approximately twice as much money as they had a budget request for, so we recessed their hearing before our subcommittee. We waited about 6 or 8 weeks for them to submit a budget amendment to make up this increased need they testified about. I asked them if this was within the jurisdiction of the committee. They said no, the payments are required by law.

So, then when we finally had to call them in because our hearings were concluding, they still did not give us a budget amendment, so we were faced then with bringing to the floor a bill about $3 or $4 billion over the budget. On the other hand, if we brought out the budget for the full 12 months they would get about half as much as they testified was required under the law.

What we did was we brought out a bill for 7 months and thereby avoided problems under the Antideficiency Act. Had we made the bill for 12 months they would have had to prorate on a quarterly basis, and one-twelfth of the funds each month would not be sufficient to meet the payments required under the law. So, we just appropriated for 7 months to avoid that problem.

We do have here a provision that if the funds run out, then they can draw against the transition period funds. That is the reason we are within the budget. We just appropriated for as long as the funds would last.

Mr. FRENZEL. I thank the gentleman for his response. Is the same case true of some of these child nutrition programs where we are appropriating less than what was actually spent last year?

Mr. WHITTEN. All the food programs are in the same financial situation.

Mr. FRENZEL. Could the gentleman give me an estimate of how much additional, in his judgment, might be required?

Mr. WHITTEN. Well, in the first place I do not know what the unemployment figures are going to be 6 to 12 months from now. Second, the law determines who is eligible and who is not—this committee does not. There are a lot of other factors, but from the best guess—and that is what it is—it looks like it will be in the range of the $2½ billion to $4 billion.

Mr. FRENZEL. I thank the distinquished chairman for his explanation.

Apparently this Agriculture appropriations bill has been brought to this floor with a report showing it is both below the budget and below last year, even though the committee is aware that substantial supplemental appropriations will be required. This procedure is surely within our rules. Based on the explanation of the distinguished subcommittee chairman it may even be the best way to handle this matter. But I think it may be confusing to some Members.

Some Members may believe that in voting for H.R. 8561, they are voting for a bill under the budget, and that the total Agriculture appropriation will be well under last year. A close reading of the committee report, especially pages 66 through 73, will reveal that the food stamp program, and perhaps other nutritional programs as well, is only half funded. Of course, those who were present during this scheduled debate would have heard the distinguished gentleman from Mississippi (Mr. WHITTEN) say the same thing.

This underfunding of our domestic food programs, title III, raises questions about the whole bill. If the food stamp expense is understated—by $3 billion, or more, or less—how many other programs in it are also understated? The chairman of the subcommittee makes a cautious estimate that a supplemental appropriation of $2½ to $3 billion might be needed. I, myself, would guess that in domestic food programs alone, with food stamps taking the lion's share, the extra costs could come to $4 billion.

It is extremely difficult for those of us who do not serve on the committee to evaluate appropriations bills under the best of circumstances. When there is no way to compare the bill or its component programs with a budget standard or with last year, it is difficult for me to cast an affirmative vote.

In this case, I can only guess. But my guess is that H.R. 8561 will be more than a couple billion dollars over budget, and maybe even more than a couple billion dollars over last year. For that reason I shall vote "No" on H.R. 8561.

I will vote to delete the appropriation to Cotton, Inc., and to make deletions in some other subsidy programs I shall vote against amendments calculated to frustrate grain sales to the Soviet Union. The congressional "veto" procedure is a bad one in any case, and only reveals a congressional lack of self-confidence in its legislation or in its oversight ability. In the case of Russian grain sales, it is doubly bad because while Congress deliberates, the deal will be made with other countries.

USDA estimates of grain crops seem to indicate large surpluses this winter unless international sales increase. This country's agricultural producers have been urged to increase production. Wall-to-wall planting has been ruled despite assurances from the Government, and from this Congress, that foreign sales would not be restricted. The limitations imposed by the Long amendment would surely be breaking faith with those grain producers.

Grain sales, conducted in accordance with existing regulations, carry no subsidies now. They are normally credit sales. Either the Long proposal or the Ashbrook amendment would, in my judgment, put unreasonable burdens on U.S. agriculture, and in fact, will be counter-productive to our overall food policy because they will discourage future food production.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I first of all would like to compliment the chairman of the subcommittee and the ranking minority Member on an agriculture appropriation bill that I certainly think answers most of the problems that are facing the agriculture community today within the scope of this bill.

I think the one problem that I have with this bill is what the bill does not do, and I understand why this bill does not take the steps I am going to suggest it take. At every opportunity, I am going to try to highlight the problem that exists. What this bill does not do is that it does not speak in any way to some of the programs in the agriculture community that are still in effect, that I believe are very much against the interest of the farming community nationally, and certainly against the interest of the taxpayers of this country.

I am addressing myself to three crops that are involved. One is rice, the second is peanuts, and the third is tobacco.

I very briefly would like to talk about these three crops for a moment and explain my point of view.

To start with, rice. As we know, we nearly had a new rice bill a year ago, but through a parliamentary procedure at that particular time, as that session was closing, the rice bill did not actually get voted on on the floor. And, to me, it seems amazing that at a time when we have a world food shortage, we have many farmers who would like to be able to produce rice in this country on an equal par with those who are now under the rice program and are prohibited by law from doing so. We have had estimates that we could increase our production of rice nationally nearly 30 percent if the rice bill were changed. There is a need worldwide for that production. This is one of the crops that I am going to address myself to in an amendment at a later time.

The second crop is peanuts. With regard to the peanut legislation—and to my good friends from Georgia I say I am certainly not trying to attack any foundation that their people are working on or have lived on for a number of years—however there is a definite need for change. This peanut legislation, just to highlight what is happening here this year, as of a month ago, the support price for peanuts in the United States is $388 a ton. The world market for peanuts is $250 a ton. Ask yourselves how in the world can we sell American peanuts when the support price is $138 over the world price for peanuts. And so what is happening? I will tell the Members what is happening. In the budget is an item of $130 million for you and I, as taxpayers, to buy these peanuts that we cannot sell.

Why are we producing this amount of peanuts? In 1941, we passed as part of the peanut legislation a minimum acreage allotment that said you never can have less than this amount of acreage of peanuts. What nobody has taken into consideration or done anything about is that today we are growing three times the amount of peanuts on an acre that we were growing back in 1941.

So we have this tremendous production increase and we have locked ourselves into a program that, frankly, we cannot get out of unless we cut off the money. We speak of who owns these peanuts, and a great deal is made of the small peanut farmer, and I do believe the majority of peanut farms are owned by the small peanut farmer who may have his 40 acres of peanuts. But I will tell the Members of someone else who owns some of the peanut land and is using it for peanut production. The Union Camp Corp.; the Union Bag-Corp.; Continental Can; Horner Waldorf Corp.; VEPCO; Georgia-Pacific Corp.; United States Steel; ITT-Rayloner, Inc.; Great Southern Paper Co.; Great Northern Paper Co.; E. I. du Pont; Burlington. I am just listing some of them. There are lists of all who own peanut land and who have peanut land in production.

I am not trying to suggest that this represents the majority of the peanut producers. It does not. But it does give an indication of what you and I are doing.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ANDREWS of North Dakota, I

yield the gentleman from New York (Mr. Peyser) 1 additional minute.

Mr. PEYSER. Finally, and briefly, there is one matter on the question of tobacco. On tobacco I just cannot understand why one department of the Federal Government is supporting tobacco prices and, really, growth of tobacco, and another section is saying—and this is HEW—that we have a major health problem with tobacco and that we should not be using it.

I do not understand how under Public Law 480 we are willing to give away nearly $30 million worth of tobacco, buying it with our own money and giving it to countries, presumably to stimulate trade through tobacco. Incidentally, the countries we have been giving it to for the last 10 years have not bought any tobacco, but yet we keep giving it to them.

It seems to me that these three crops we are talking about—rice, peanuts, and tobacco—ought to be on their own, the way every other major crop is, such as wheat and corn and others.

So we are just asking, Mr. Chairman, for equality for the farmer.

Mr. WHITTEN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, may I say, for the benefit of the gentleman from New York (Mr. Peyser), who is on the Committee on Agriculture, that concerning the point he has made about these various commodities, we cannot have minimum wages and all the other things we have in existing law without giving some attention to the price of seed and those other things the producer needs in order to produce.

May I say that if we go after tobacco and strike out the law to assist tobacco, we would have many, many times the amount that is now grown.

Mr. Chairman, I want to call attention to this one factor: On any commodity we have in the Commodity Credit Corporation, we have always had the authority to sell it in world trade for whatever the traffic will bear. In relation to the price, we have tried to keep a balance between what the producer gets and what other segments of our economy get.

In the last 8 or 10 years the farmers across the country, overall, have seen their share of the consumer dollar drop from 60 cents on the dollar to 40 cents on the dollar.

The only way the gentleman can get action on this is to get some other Members to agree with him. I doubt if he can do that, but this is the place to do it.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, my only thought is that I would like to try to put the farmers growing these crops on an equal footing basis with farmers in all our other crops. I am not trying to eliminate any programs for this purpose. That is the only point I have to make.

Mr. WHITTEN. Mr. Chairman, we cannot make wheat out of peanuts and we cannot make rice out of straw. We cannot make them alike, regardless of what we do here.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I would like to associate myself with the remarks of the gentleman from New York (Mr. Peyser).

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. Long), a member of the Committee on Appropriations.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman from Mississippi.

Mr. Chairman, I plan to offer an amendment to the effect that "None of the funds appropriated under this act shall be available to administer, extend, grant, or provide credits, subsidies, guarantees, or other aid, including credit from the Commodity Credit Corporation, to the Soviet Union for purchases of U.S. agricultural commodities, without prior approval by the Congress."

My amendment would prevent direct or indirect Government subsidies for the purchase of grain by the Soviet Union and thus in effect require that all sales be made for cash, U.S. dollars or gold.

Let me give the Members some of the arguments as to why I feel this amendment is essential. Any grain credits for the Soviets of the kind that were given in the 1973 grain sales, either from the Commodity Credit Corporation or from other Government offices, will not help our balance of payments until or unless the credits are repaid. The argument that it helps our balance of payments is absolutely fallacious, because if there is anything we do not need, it is more IOU's.

The administration may argue that it plans no grain subsidies, though I know of nothing binding about this publicity assurance. If they really mean this, there is no reason to oppose my amendment, and it should be accepted.

Contrary to what some say, Commodity Credit Corporation loans are subsidies. I have spoken to a number of commercial banks, the First National City Bank of New York, for example, and the Riggs National Bank in Washington, and have learned that the CCC credits, if extended to the Soviets, would be on more favorable terms than the Soviets would pay for loans from private banks. To this extent, the loan is certainly a subsidy.

The First National City Bank has not loaned any money to the Soviet Union, and they say that "such a transaction would not make business sense at this time." The Riggs National Bank is "all loaned up and does not intend to make any new loans to Russia."

Other credit sources we talked to would not give loans to the Soviet Union for the purchase of wheat. If that is so, then any loan that is granted by the U.S. Government is obviously a guarantee; it is obviously a subsidy of some kind, and is more favorable than what borrowers can get here in the United States from the same bank sources, particularly at the interest rate that they propose to charge.

The great grain sales of 1973, sometimes called the "great grain robbery," were made heavily on credit. They were a major cause of grain scarcities. They tied up all the railroad cars in this country for quite a long time, and were a cause of inflation, both directly through skyrocketing food prices and indirectly through the pressure on transportation and through other inflationary factors.

Mr. Chairman, this is the most important factor in motivating my offering this amendment: Grain subsidies, any subsidies to the Soviet Union, have the effect of subsidizing their military buildup.

For 30 years the Soviet Union has been pouring vast quantities of its resources into its military; some estimate as high as 40 percent of its gross national product, compared to about 7 percent for the United States at the present time.

They have been able to do this because they have been allowed to neglect their agricultural industry. They have converted their resources to the military from agriculture and from all sorts of production for domestic consumption.

The Soviet Union has in recent years had several grain failures. The pinch is now on. If Russia could not get grain from the United States or could not get the credit to buy it, they would then have to stop this tremendous, massive military buildup and convert their resources.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. Long) has expired.

Mr. WHITTEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Maryland (Mr. Long).

Mr. LONG of Maryland. To continue, Mr. Chairman, the Soviet Union would have to take resources away from defense industry and put them back into Soviet agriculture, which they have been starving for so long.

By subsidizing grain sales we are enabling the Soviets to continue with the military buildup. This military buildup has tremendous significance. The Russians are challenging us in the air, they are challenging us on the ground, they are challenging us on the seas. They are forcing us to spend nearly $100 billion a year. Is any other nation in this world today forcing us to spend these vast sums of money? Name one. It is only the Soviet Union.

Mr. Chairman, if we carry through on this sort of thing, we are subsidizing both sides of the arms race.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. Yes, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I certainly commend the gentleman in the well for his amendment, and I will support it.

One question I have is this: Does the intendment of the gentleman's amendment cover the hidden cost the American taxpayer pays for transportation for such things as when the ships are waiting the harbors? We are paying the costs of the ships that are waiting; there is a hidden cost to the taxpayer with respect to transportation.

If we are going to sell them—of course, I do not believe that we should—but we are going to sell—it should be for cash on the barrelhead.

This time it should be f.o.b. where the wheat is, and not have to have the American taxpayers subsidize the ships lying at anchor in Galveston, or some place else, for weeks or months on end.

Does the proposed amendment of the gentleman from Maryland address itself to this particular problem?

Mr. LONG of Maryland. It is my understanding it would, but how it would be interpreted by the administration and by the legal counsel, I do not know.

Mr. ASHBROOK. Mr. Chairman, I commend the gentleman from Maryland for offering the amendment. I certainly hope the amendment gets the support of the House.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman from Ohio.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I would first ask if the gentleman from Maryland (Mr. LONG) would be kind enough to give me, briefly, the essence of his proposed amendment?

Mr. LONG of Maryland. Mr. Chairman, if the gentleman from Kansas will yield, the essence of my amendment would be:

> None of the funds appropriated under this act shall be available to administer, extend, grant or provide credits, subsidies, guarantees, or other aid, including credit from the Commodity Credit Corporation, to the Soviet Union for purchases of United States agricultural commodities.

In other words, they pay cash on the barrelhead for any grain that is sold to them.

Mr. SEBELIUS. Mr. Chairman, I thank the gentleman for his remarks.

Although the amendment has not been formally offered, I would certainly rise to oppose it, because this year it would appear that we will produce some 2.2 billion bushels of wheat.

I might say that the price of wheat, since the rumors of a limited sale have been going around, is now approaching the cost of production of the wheat. The farmers were receiving at the time harvest started out in the prairie, on the flatlands around Dodge City, Kans., about $2.70 a bushel for wheat. It is now approaching $3.50 a bushel, and it finally is just about at the point where the farmer will get his money back.

Now it would appear that we are not only being told what we should get for wheat on the prairie, now people are telling us how the matter should be handled. They are saying that there should be no subsidy involved. Well, there is no subsidy involved. This reference to the Commodity Credit Corporation financing this, is premature. The reports are the Russians have been selling their gold.

I would also like to turn to the proposed amendment of the gentleman from Ohio (Mr. ASHBROOK), about the submission for 30 days to the Congress, approval of any sales to the Soviet Union. Let me say that with this surplus of wheat, if we are to do all these things, and the price drops, then the farmers will be burdened with the unsold surplus wheat. In the future this will limit our ability to have reasonably priced—and sufficient food for the American people.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I will yield to the gentleman in a moment.

Mr. Chairman, the whole point I am trying to make is that all of a sudden when the market recovers and starts moving up, then we tell the farmer what he can get for his wheat. If we destroy the opportunities to sell the surplus grain, when we are expecting to produce some 2.2 billion bushels of wheat, then the price goes down. We will use some 800 million bushels of that wheat for home consumption and for livestock feed, leaving over 1.2 billion bushels. If that wheat does not move then the price of wheat will go down. And, if that happens in another year or two we will not have any wheat producers. And if that happens then we will be creating, not solving the problem. But still, we in the Congress will be telling the farmers what to sell their wheat for. We will be interfering with their selling market and with their international market.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I would only say to my good friend, the gentleman from Kansas, that I do not think the American farmers want to produce the wheat for sale through a subsidy to the communist countries. I do not believe they want to do that.

I am certain that the farmers in the gentleman's area and the farmers in our area of Ohio would like to see the wheat sold so that it would be done as a hardheaded business deal that would protect the interests of America, with no subsidies.

Mr. SEBELIUS. There is no subsidy involved.

Mr. ASHBROOK. There is no subsidy involved?

Mr. SEBELIUS. There is no subsidy involved.

Mr. ASHBROOK. There was a subsidy involved in the last sale of wheat to the Soviet Union.

Mr. SEBELIUS. There was some involved at that time, but that was due to the circumstances at that time. That was the normal way we were trading at that time. A lot of changes have been made since then; that was in 1972.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I would ask my colleague, the gentleman from Kansas, if it is not true, as the gentleman from Kansas has just said, that we were giving the Soviet Union subsidies in order to move the surplus wheat we had, and that it was the American traders who were the ones that got the export subsidies; not the Russians?

Mr. SEBELIUS. That is exactly correct. It is not involved at this time.

Mr. LONG of Maryland. Mr. Chairman, I might point out it was the speculators who got the profits, and not the farmers.

But is the gentleman in favor of subsidizing the sale of this wheat to the Soviet Union?

Mr. SEBELIUS. Absolutely not.

Mr. LONG of Maryland. Why then does the gentleman object to my amendment?

Mr. SEBELIUS. Let me complete my statement. The last time, through the American process of export marketing, there was some subsidy. Now there is none. At the present time in my district—and that district grows more than any State in the Nation—the farmers have not sold their wheat. It has gone up to $3.50. They have not sold their wheat. Only 2 percent in my district has been sold by the farmer, so any money made will be made by the American farmer. Any speculator who sells himself short, and the price goes up, it is going to come out of his pocket, not the taxpayer.

Mr. LONG of Maryland. If the gentleman will yield further, I do not think the gentleman understands my amendment. My amendment does not forbid the sale of American wheat provided it is sold for cash. The gentleman has already said he does not approve of the sale of wheat with Government subsidies, so why does the gentleman object to my amendment?

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 3 additional minutes to the gentleman from Kansas.

Mr. SEBELIUS. I would like to point out that there is no subsidy involved. If there is a temporary CCC credit, I do not know about it. I know if there is a U.S. bank guarantee, it is one-half percent less interest than the other. But there is no subsidy involved.

The thing is that we are playing around with the American farmers wheat price. Any small rumor can cause that market to go up or down 20 cents a day, according to the rumor.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

As I understand the Long amendment, it prohibits credit sales. Is the gentleman aware of any international sales that are not made on credit? If the credit is eliminated, there is not going to be any wheat. The gentleman from Maryland is effectively trying to double-cross the wheat farmers of this country.

Mr. SEBELIUS. There is no question about it. As far as the credit sales, it would appear to be very short term. There is no subsidy. Sometimes we have to extend credit to get it negotiated and taken care of. But the thing that comes from the Ashbrook amendment is that we in the Congress are going to superimpose the private sale. I do not want to see anything happen that is going to slow exports, eliminate jobs, hurt the balance of payments and stop any money to the American farmer. I do not want to see this Congress legislate restrictions on an appropriation bill.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. I thank the gentleman for yielding.

It strikes me that the gentleman from Maryland is offering a very interesting suggestion. If we follow the gentleman's suggestion, we will have the Congress approve these sales. He is suggesting that we get into the business of handling agriculture like Russia does. The very thing he complains about is buying through the Government, so I hope his amendment when it is offered will be soundly defeated.

Mr. SEBELIUS. I thank the gentleman.

We are the only nation left that does not deal through our Government in selling our grain. We were "taken" a little bit 3 years ago. Today, the precautions are there; the monitoring is there; the safeguards are there. With the extra demand, the market started working up. Let us leave the market alone. With all of these extra superfluous ideas we are kicking the American farmer in the face.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding.

I gather from the gentleman's statements, then, that there are going to be elements of subsidy. The gentleman does not call them a subsidy, but there will be elements of credit involved in these sales of wheat to Russia; is that correct? Am I correct on that?

Mr. SEBELIUS. I understand there could be some short-range credit. I cannot say. They are buying for gold or cash, but normally in making and negotiating the sale, there has to be a period of 30, 60, or 90 days' credit before.

Mr. LONG of Maryland. If the gentleman will yield further, will the gentleman explain to me why the Russians cannot pay cash on the barrelhead for wheat bought from the U.S. farmer? Why does there have to be short-term credit subsidized by the U.S. Government?

Mr. SEBELIUS. We sell to every other nation in this manner. I do not know why the Soviet Union should be singled out if the arrangements are aboveboard. Normal export procedures are complex and take time. It is a standard procedure.

Mr. LONG of Maryland. If the gentleman will yield further, is there any other nation that the gentleman knows that threatens us and the whole survival of the United States? It is mentioned on every page of an armed services justification for increased defense expenditures.

Mr. SEBELIUS. We are making sales today to Iran, to Egypt, to Israel, all over the world. In this instance the two Members of Congress want to pick out a sale to the Soviet Union. They are going to pay for it dollar for dollar. This sale, if it takes place, will be in our national interest. I certainly hope we defeat all such nonhelping amendments.

Mr. WHITTEN. Mr. Chairman, I would hope that we might shorten the debate and get under the 5-minute rule as soon as possible, but my colleague on the Appropriations Committee has agreed that I go ahead at this time, so I yield 5 minutes to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman for yielding.

I would like to commend the chairman of the committee for the language I see in the report on page 50 that directs the Department of Agriculture to review the definition of family farm, because under the restrictive administrative determinations of a family farm the Department of Agriculture has made many of the small farmers of this country ineligible for any of the loans this Congress in its wisdom has provided to help sustain and keep in business the small farmers of this country. Later on under the 5-minute rule I will be proposing an amendment that will put $25 million in the transitional fiscal year into a revolving fund that must be paid back and $225 million in the following fiscal year into a revolving fund that must be paid back to provide loans for farmers who must meet environmental water pollution control standards.

Presently there is no effective mechanism for a majority of the farmers in this Nation to meet the costs of these governmentally imposed water pollution control standards.

The benefits would flow from these loans to the agriculture community and through these amendments from the agriculture community to the remainder of the country by creating jobs for the private sector of the economy for the construction and planning of facilities. Also, for those of the Members who represent urban and suburban areas, this will help preserve some of the open spaces for the city people to observe and enjoy. Also it will help to continue in business those who have been on the land for many years.

It is an incredible thing but the Department of Agriculture told me in my office that they could make a loan of $5 million on very favorable terms which they could lend to somebody to set up a factory in South America, but the department could not lend somebody in this country $50,000 to meet the Federal water pollution control standards so they could stay in business.

So my amendment, which I will discuss later, addresses itself to that problem.

I commend the committee for the language it has inserted.

I will say this. I have never seen or found a bureaucracy more in need of congressional oversight and congressional prodding than the Department of Agriculture. They give the biggest runaround to people that one has ever seen. Those of the Members who represent city people who think the social security office gives old people a runaround, ought to see what the FHA does to some farmer who comes in for help.

I hope we adopt my amendment, and I hope the department reviews its regulations, and I hope they act more as the servants of the taxpayers and so they do not think they are doing the farmers who come in a favor when they want to benefit from some statute that has been put in by this House.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I wonder if the gentleman from Mississippi (Mr. WHITTEN) will answer a question. It is my understanding that the Animal and Plant Health Inspection Office was going to ask for $2 million for swine tuberculosis eradication. My question is: Did they first ask for funds for swine TB eradication?

Mr. WHITTEN. I did not hear the question.

Mr. GRASSLEY. Did the Animal and Plant Health Inspection Service ask for funds for swine tuberculosis erdication?

Mr. WHITTEN. The department obligated $3,585,188 in fiscal year 1975. It is estimated by the Agency, as I understand it, that in the coming year they will have $6,152,000 which will be for the eradication program.

Mr. GRASSLEY. So that will be an increase.

Mr. WHITTEN. Yes, almost double for the eradication program.

Mr. Chairman, my friend and colleague, the gentleman from Missouri (Mr. BURLISON) was kind enough to wait until this time and I now yield 5 minutes to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Chairman, I thank the chairman of the subcommittee for yielding.

I have been disturbed a bit by the proposal of the gentleman from Maryland (Mr. LONG) that was discussed a few minutes ago. I think that my friend, the gentleman from Maryland, has sincere intentions, but what he actually will accomplish if his amendment is passed will be extremely detrimental to American agriculture and to the Nation in general. Let us consider two or three reasons very briefly. In recent weeks we have been made aware that we will have a massive production of wheat in this crop year.

We know also that as a result of this our prices for wheat and the other grains have been falling very dramatically.

Now, if we do not have a market for the grains that we expect to have in this crop year, it means that we are going to have surpluses here that cannot be moved. It means low prices for farmers. It means high costs for the taxpayers for storage or other means for taking care of surpluses. So this is one reason that the amendment is not well taken.

Another reason is that the amendment discriminates against agriculture. There is nothing in the amendment of the gentleman from Maryland which would apply his provisions to the many business-related, industry-related programs, that we have to further trade in this country. So it is a blow aimed against agriculture alone.

It is also a discrimination against one nation. Perhaps it is not too popular to stand here and defend Russia. At the same time, I can see little logic in specifying that Russia will have no part in our trade program when there is nothing said about North Korea or North Vietnam or China or any number of other nations that perhaps we could mention.

Mr. Chairman, the amendment to be offered by the gentleman from Maryland should be rejected out of hand.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, as a former member of the Agriculture Appropriation Subcommittee, I am well acquainted with the outstanding abilities of its chairman, the gentleman from Mississippi (Mr. WHITTEN) and of the ranking member, the gentleman from North Dakota (Mr. ANDREWS) and other members. I can well appreciate the diligent and thoughtful work which they have done on this bill. I want to compliment them in that respect and thank them for their efforts. It is worthy of some consideration to know that they produced a bill which is some $29 million less than the budget request and more than $2.5 billion less than the appropriation for the last year. Such restraint is certainly admirable and I commend the subcommittee for it.

It must be noted, however, as I have in past years, that these reduced levels were accomplished with the assistance of bookkeeping legerdemain. Once again, for example, we have cut the budget for the Commodity Credit Corporation reimbursements and once again this is what I have termed a rather phony cut because it makes no difference in the operation of the CCC as far as statutory borrowing authority to work with. Last year there was a cut of some $180 million; the year before that $156 million, and the year before that $225 million; so that this year's cut of $189 million is about average and I suppose makes it no big issue.

When I was an active member of that subcommittee, it was with the senior Senator from Florida (Mr. Holland), who felt just as strongly as I did that the only way we could really keep an accurate account year after year on what some of these agricultural programs were costing us was by keeping the books of the Commodity Credit Corporation up to balance so that there would not be these arrearages. I made reference several weeks ago to going back 6 and 7 years and piling on storage costs and carrying charges that really boggles the mind at times.

A more important example of what I am speaking about here relates to the $3½ billion appropriated for the food stamp program. This amount is exactly what the administration asked for in its budget, but the committee has put in a nice little restriction which says that these funds are to be used in only the first 7 months of the fiscal year, after which they propose a supplemental appropriation for the remaining 5 months. If I might have the attention of the distinguished chairman of the subcommittee on that point, when he was making his remarks during general debate having to do with the food stamp program and $3½ billion, I was going to pose the question as to what the distinguished chairman would think we will need in the balance of the year if there are no changes in the act.

The gentleman might very well be aware that I have joined with a number of my colleagues in proposing substantial changes to the food stamp program to upgrade the diet of the really needy people and screen out those in the high level income brackets who I do not think ought to qualify. Is it not true that we now have over 19 million people participating, which will go to 20 or 21 million, and costs in this fiscal year could be pretty close to $6 billion?

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, may I say to my colleague from Illinois that is has been my pleasure to serve with him through the years, and I have enjoyed every minute of it. This is a hard thing to estimate because there are so many unknowns involved. I can tell the gentleman the basis of the estimate.

The figures that were supplied to us by the people in the Department of Agriculture who handle this program were based upon the unemployment figures, from which they estimate the cost will run as high as $3 or $3½ billion above the amount in this bill. They, in turn, said that if employment were less than that, then it would be better than expected at that time, and this was some weeks ago.

I would like to point out that the Committee on Agriculture is making a thorough study of this matter at the present time. I, like the gentleman from Illinois, have many, many criticisms of this program. The gentleman will remember that while he was a member of this subcommittee, we made several efforts to get improvements in this program, such as providing language to be taken into consideration for eligibility. The testimony before our committee was that these payments were required by law and there would be uncertain factors that would establish eligibility. That will just make an estimate hard, but they estimate $2½ to $4 billion.

Mr. MICHEL. I thank the gentleman, and, of course, I have no criticism of the Subcommittee on Appropriations for its obligation is not to legislate but to appropriate for that which is authorized. It is just that I think we have left so many loopholes in the authorizing legislation that it is in drastic need of repair.

One final question: The gentleman will recall that when we passed the continuing resolution, it had a provision of $150 million for water and sewer grants to rural districts, as I recall. My question is, does the committee make an accounting in this regular bill for the fact that we included that item in the continuing resolution?

Mr. WHITTEN. We had it in the bill, a $150 million estimate sent up by the Office of Management and Budget. I would point out that for a couple of years the funds were frozen and were not released. The gentleman is correct in that we put in the earlier bill $150 million. In our bill, we looked at the applications on hand and they total over $310 million. So we are recommending an additional $100 million, which will make a total of $250 million available in fiscal year 1976.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS of North Dakota. I yield the gentleman 2 additional minutes.

Mr. WHITTEN. I was here when we had funds for rural housing under the housing program, and we never obtained a dollar. I have seen cases that if you put all these things in one basket, rural areas are left out. Our committee had to move in. We may be able to keep people in the rural areas and in the cities of 20,000 or less and keep them from moving to the cities to get in on the programs that are available there and adding to the big-city problems.

Mr. MICHEL. If I might ask one question or two, there is additional money in here for soybean research?

Mr. WHITTEN. There is. And I may say to my colleague, we put some figures in here to help out all of us. We had friends come in and ask for more money, and we asked them, "How much have you got now?" And they did not know. We asked them, "What are you doing now?" And they did not know. In the report this time we showed how much more they got and what the increase is, so that they can see the whole story.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. BERGLAND. I thank the gentleman for yielding.

The gentleman inquired as to what the authorizing Committee on Agriculture might have in mind with respect to changes in the food stamp program. I would like to reenforce what the gentleman from Mississippi (Mr. WHITTEN) has said and say that the Committee on Agriculture has undertaken one of the most comphehensive reviews of the food stamp program since its inception in the 1960's. We intend to find out if there are abuses and violations of the program and how the program is operated so we may consider amending the basic program to make it more effective. I am satisfied that once the study is completed, in September or October, the Committee on Agriculture will report a bill with some fundamental changes to the program.

Mr. MICHEL. Mr. Chairman, I am glad to hear that because I was rather concerned about the movement here that we were going to authorize immediate self-certification when, frankly, everything we ought to be doing is to move in the opposite direction. I personally would subscribe to photo-identification. While we are on the subject, I have some real concern with respect to the computation of that formula. I think figuring eligibility on the basis of net income versus gross income grossly distorts the situation and only encourages one with a large house payment, sending kids to private universities, taking them all as a deduction, in addition to Federal, State and local taxes, union dues, retirement benefits, and then for the Department down there to make the computation on housing cost at 30 percent of net income as distinguished from gross income again completely distorts what we have to live with in a very practical situation. I think there is a sufficient amount of information available now so that the committee would not require extensive hearings to make some very constructive changes in that law, but given the opportunity, I surely hope there will be something constructive that will come out of those hearings.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. ROSE).

Mr. ROSE. Mr. Chairman, I appreciate the time that the chairman of the committee has yielded me.

I wish to ask the committee chairman about a reference in the committee report on page 20. An observation is made there about computer services for the Department of Agriculture.

The report states that—

> Funds are not appropriated on a line-item basis for the procurement of computer facilities. They are financed through the Working Capital Fund of the Department.

I want to compliment the chairman of the committee for his awareness of a particular procurement problem that exists right now in the Department of Agriculture, and I just want to point out to my colleagues that since the committee held hearings on this important subject the General Accounting Office has recommended that a procurement of approximately $1 billion in computer services and facilities over the next 8 years be stopped.

I would urge the chairman of the subcommittee to do exactly what has been pointed out, and that is to require the Department to specifically bring to the subcommittee and to the full committee any plans it has for buying computer services.

The thing that bothered me, Mr. Chairman, in the General Accounting Office report was that it was stated the Department of Agriculture has planned to put a computer terminal such as we have here in this House in every ASCS office in the Nation—2,800 of them—and take the ledger cards that our farmers use every day in their local ASCS offices, and the Department of Agriculture wants to take all those local cards and store them in Kansas City, Mo.

Mr. Chairman, I am very much opposed to that kind of a program being instituted without this committee or some committee here having full oversight and looking into this to see what they are up to.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, may I say that I appreciate my colleague bringing that to my attention. We are all aware of the great work the gentleman has done dealing with the agricultural field and others as well.

Not only is the gentleman right about this, but I recall testimony in another committee when the Navy said they wanted a computer. I asked them, "What for?".

They said, "We haven't decided yet."

We all know that in any county there is a shifting around of lands and a shifting of crops. We can have the best record in the world and in 18 months it would become obsolete. So there are many, many practices that ought to be entered into.

Once again, I want to say that if we want to scale this working capital fund back, Congress is going to have to get its hands on this and see that it is justified to the same degree as in other areas.

Mr. ROSE. Mr. Chairman, I am thankful for that. I also want to point out the time limits concerning this problem. The procurement on this $1 billion of computer services is supposed to be finalized this week.

I have had computer company people coming by my office all week, hoping that somebody would just blink their eyes and not look at this thing and let it go through. I know that this committee is not going to let that happen.

Mr. Chairman, I also note that on page 30 in the report there is a statement that the committee has successfully turned down the request the Department made that funds for research and education under title V of the Rural Development Act be merged in with Smith-Lever Act and Hatch Act funds.

I want to compliment the chairman of the committee for keeping those funds separate and in a separate program, because we have held oversight hearings in this area. I know that several weeks ago the Department told us exactly this, that this is what they wanted to do; they wanted to merge the title V funds of the Rural Development Act with Smith-Lever Act funds and Hatch Act funds, and I thank the chairman of the committee for seeing that was not done.

Mr. Chairman, I have only one last thing, and then I will move along. I notice on pages 51 and 52 of the report that the committee has made a substantial effort here to put funds in the budget for rural housing for domestic farm labor, for mutual and self-help housing, and for rural community fire protection grants.

This to me, as chairman of the Subcommittee on Family Farms and Rural Development of the Committee on Agriculture, is like manna from heaven. I compliment the chairman of the committee for doing this. I think it is a very progressive step to see that these programs are funded.

Mr. Chairman, the gentleman from Mississippi has told me many times, though, that you can take a horse to water but you cannot make him drink. I hope the chairman of the committee has some way in mind now to see that the Department will spend these funds provided for these much needed programs.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, I thank my colleagues for his statement, and I will say again that I certainly hope they will do this.

I would like to repeat now that we can see the movement of people in our country into the urban areas, and we can see the great problems that are being created. I think we should move with the programs which would help in making it just as enjoyable to live in rural areas, with all the benefits there except the crime and the grime they have in the cities. If we can do that, we will have done a great service.

Mr. Chairman, we hope to do everything we can to implement what we have set out to do.

Mr. BALDUS. Mr. Chairman, the Agriculture appropriations bill contains funding for a diversity of Federal programs, all of which have enormous impact within my rural district in western Wisconsin. "Rural" is our name and, for the most part, agriculture is our game.

The programs included in this bill respond to a variety of rural problems. In the interest of brevity, I would like to single out a few provisions of the bill for comment.

I would like to commend the committee for including increases in personnel and travel funds for the Farmers Home Administration. In 1975, my district suffered from spring flooding, summer droughts, and early frosts which meant total disaster for a large percentage of our farmers, 15 of the 16 counties I represent were declared disaster areas.

The natural result of this was that farmers turned to FmHA for emergency loans in such large numbers that the effectiveness of the State FmHA office was substantially hindered in the administration of all of its programs.

Restraints on travel allowances coupled with the requirement that an FmHA agent visit the site of all applicants' farms to further frustrate FmHA's ability to cope with its increased workload; 43 temporary employees were hired to deal with the problem, but they were not sufficient to totally deal with the problem.

On April 1, State FmHA Director Willis Capps responded to my inquiries by writing:

> We do not have sufficient program or personnel funds to effectively operate FmHA loan programs in Wisconsin. The current level of appropriation for personnel and travel expenses to handle the Emergency loans in addition to the FmHA regular loan programs is seriously hampering the successful implementation of the programs. Lack of travel appropriations will be a direct and contributing factor to Wisconsin farmers not receiving loan assistance promptly . . . service is curtailed to fit available travel and personnel funds.

The increases in this bill will help the administration of FmHA programs. As a member of the House Agriculture Committee, I am exploring the possibility of providing for a further solution by allowing the reallocation of funds from States which have had no significant disasters to States which have relinquished their funds due to widespread disasters.

The committee deserves special commendation for its insistence on funding the agricultural conservation program. I cannot understand an administration which undertakes policies designed to put an additional 16 million acres of land into production and then turns around and recommends that there be no funding for soil conservation.

Certain policies of the administration and USDA are having disasterous effects on the good conservation practices which we have spent 50 years trying to instill in our farmers. My district is very hilly and is therefore best suited to the production of dairy products. The refusal of the administration to maintain milk prices at profitable levels has caused increasing numbers of farmers to pull out the strip-cropping, extend their fields up the sides of hills, and pursue the kind of large-scale crop production which our topsoil cannot endure. Having promoted such policies, the administration then turns around and recommends the abandonment of the agricultural conservation program. Is it any wonder that the letters demanding the removal from office of Secretary of Agriculture Earl Butz continue to pour into my office?

The committee offers adequate documentation of the need for increased funding for the rural water and waste disposal grant program. Rural America has gone begging in our past appropriations of funds for sewage treatment facilities. And yet, the real need and the legal requirement for these facilities are just as applicable to rural America as they are to our urban centers.

In the same vein, many of my knowledgeable constituents have expressed the fear that Federal housing programs serve the big cities at the expense of the rural taxpayer. The appropriations in this bill for rural housing represent a step in the right direction of recognizing the need for rural housing as well as the slumping nature of our rural housing industry.

I would like to conclude by again commending the committee for its dedication to the needs of rural America. Some of the allocations in the bill do not go far enough, and I will be supporting amendments to increase funding in key areas.

It is very timely that America should wake up and admit that agriculture is still the backbone of our economy. It has been pointed out that agricultural producers, representing less than 5 percent of our population, employ more nonfarm workers through their purchases than the transportation, steel, and automobile industries combined. With the unemployment rate in excess of 9 percent, the need to protect these agricultural investments is blatantly obvious.

Mr. BROWN of California. Mr. Chairman, there has been a decided effort on the part of the distinguished chairman of the subcommittee, the gentleman from Mississippi, and all Appropriations Committee members to underline the need for a redirection of priorites on the part of the ARS, the land-grant colleges, and their affiliated experiment stations. I commend them for that effort. Wording in the committee report does reflect an awareness of the growing needs of the small farmer, including those that inhabit urban areas, and the part-time farmer. I quote—

> The committee is convinced that a major shift in work of the Agriculture Research Service is needed in light of the rapidly changing conditions in agriculture and rural America. . . . The Committee expects the agency to redirect its efforts as may be necessary, on all programs, to take into consideration the needs of the small or part-time family farmer.

I commend the committee for this emphasis but I feel that the scope of these directions has missed a broader issue that is of extreme importance to the future of our agricultural system if it is to be fully productive and responsive to the needs of the people.

Our present agricultural system, including research and development, diffusion of knowledge, production, processing and distribution of the final products, is geared toward one main priority—an economy of scale. All of our USDA agencies and our farmers across America emphasize higher levels of production based on larger production units and greater capital use. Such a priority has helped develop one of the most prosperous, flourishing agricultural systems in the world. This is a commendable achievement, but such achievements often produce unforeseen side effects that are not very desirable.

In this case we have produced a bureaucratic farming system that is energy-intensive, ecologically destructive, and unresponsive to the national problems resulting from—among other factors—limited natural resources, particularly of fossil fuels and their chemical byproducts, lack of basic research in such urgently needed areas, as photosynthesis and nitrogen fixation, and lack of dedication to the transfer of knowledge that might lower the size of production units, develop energy-alternative, impose utilization of waste materials, stimulate improved nutrition, encourage scientific home gardening, and develop integrated pest management.

Our use of chemical fertilizers and toxic pesticides is harming our environment to an unmeasurable degree. Our distribution of food products demands a high usage of unrenewable fossil fuel, while the necessary factories and transportation equipment pollute our air, water, and land. Our scientists are directed to continue research that supports the status quo of food production, and hence they are failing to produce innovative methods of dealing with existing problems. Many of our young people are seeking a life of small farming, but they cannot find the credit assistance, nor the economic incentives necessary to begin such an endeavor.

There must be a massive effort on the part of the USDA, and its many agencies, to reflect these urgent problems by the redirection of research priorities, the diffustion of knowldge on all appropriate subjects, and the implementation of farming methods, where possible, that will maintain and protect the fragile natural balance of our ecosystem. The Agriculture Research Service, the experiment stations, and the extension service can utilize their funds appropriated under this bill to carry out an innovative reordering of priorities. The amounts appropriated for fiscal year 1976 are higher than those for fiscal year 1975's budget, giving these agencies the ability to maintain certain present priorities, where they see fit, while they reconstruct others.

I have risen today for the express purpose of clarifying the scope of certain problems that must be dealt with immediately, and to urge the USDA to respond accordingly.

Mr. RHODES. Mr. Chairman, I rise in opposition to the amendment that will be offered by the gentleman from Massachusetts (Mr. CONTE). The facts about this program are as follows:

First. None of the funds under discussion are used to pay any employee's salary at Cotton, Inc. Because of the restriction imposed by Congress several years ago limiting these funds to research only—and incidentally, I agree strongly with that restriction—the public moneys are maintained in a separate account from the funds contributed by cotton growers. All salaries and overhead costs are paid from the grower funds.

Second. The research program carried out under this funding is sound and beneficial not only to the cotton industry, but also to consumers in general. It is important to understand that these funds are used—in many cases—to seek answers to problems caused by Government. A case in point is the flammable fabric standards promulgated by the Consumer Product Safety Commission. Now, nobody can argue against safer clothing for consumers. At the same time no one can deny that such standards cause a technical problem that can only be solved through research. I see nothing wrong with Federal funds being made available to Cotton, Inc., for such programs which increase the general well-being of all.

Third. The cotton industry tells me they are coming to the Congress this year with a legislative request that will ultimately solve this problem. Simply put, that legislative proposal would allow cotton producers to vote in referendum on the question of increasing their contribution to this self-help program. The proposal would also repeal the section of law under debate now—thereby shifting all of the funding burden to the American cotton farmer. In the interim, until this can be accomplished, I urge my colleagues to exercise patience with this vitally needed program. I ask you to allow the cotton industry to make the transition to independence from the Federal funds in an orderly manner without having to close down this important research effort because of action here today which would terminate funding prematurely.

Mr. Chairman, there is only one additional point I would like to emphasize. I recognize the emotional aspects of the salary question as it pertains to the president of Cotton, Inc. At the same time, I would hope that the House would not mislegislate because of emotion. As I said earlier, this is somewhat of a false issue because the funds we are actually talking about today are not used to pay anyone's salary at Cotton, Inc. I recognize there are not the votes here to remove the language on salary restriction. At the same time, it is highly important that the record be clear on what is being done here today. The Congress is actually injecting itself into the decisionmaking functions of a private board of directors. I recognize the vulnerability here because there are Federal funds involved. Let's all understand, though, that this action today is not in any way to be construed, either now or later, as a precedent which would allow the Congress to take this sort of action when the program becomes fully funded by the industry and where Federal funds are terminated.

Mr. Chairman, I urge the defeat of this amendment in order to allow an orderly transition from Federal support to total industry funding.

Mr. PRESSLER. Mr. Chairman, I am in support of this appropriation for the Department of Agriculture and related agencies for fiscal year 1976.

Recently, the Agricultural Research Service advised me that they would not be able to continue a research project on corn rootworm in Madison, S. Dak., as a part of a larger project being conducted at Morris, Minn. I have expressed concern for this project because the serious infestation of corn rootworms in the Western Corn Belt continues to be a major problem for our farmers. I certainly have no objection to agency economies, and I compliment the Agricultural Research Service for seriously scrutinizing their operations to effect savings.

But, I believe the continuation of the present experimental effort at Madison, S. Dak., which I understand is just 2 years from completion, is imperative. In discussing this with entomologists at the South Dakota State University, our land grant university, I am advised that there is a greater need for corn rootworm research now than ever. In fact, due to buildups of tolerance in rootworms, we are already seeing a major compound failure; therefore, there is a high-performance risk in the use of major chemical treatments now being employed. The situation in the next few years could become very serious. We need to increase the research into the corn rootworms, and I am encouraged that the committee has seen fit to provide additional money—$729,800 over the amount available for fiscal year 1975—for corn research. The amount involved in the Madison unit is quite minimal, involving two technicians. This is an investment we should not discard.

I cannot urge too highly the need for continued rootworm research in our area. The farming operations of the Western Corn Belt are unique in that many of our units are diversified and have livestock operations incorporated as an integral part. Because of this, our farmers are locked into a crop pattern that requires planting corn after corn—a basic cropping system that is conducive to the rootworm. Unlike those parts of the country where cropping is rotated, our farmers simply must utilize corn in their livestock feeding operations.

I hope that the Agricultural Research Service will reverse their position on this matter and continue this vital project to completion with the funds provided in this bill.

Mr. LEVITAS. Mr. Chairman, while I intend to vote for H.R. 8561, the agriculture appropriations for 1976, because of the many important programs it funds, I do so reluctantly because of the failure of the House to adopt the Long amendment dealing with grain sales to Russia. I strongly supported the Long amendment which would have prohibited American-taxpayer funds to provide credit or other subsidies for purchases of U.S. agricultural commodities by the Soviet Union without prior specific congressional approval.

Three years ago, in 1972, this country witnessed a sale of grain to the Russians of such proportions as to deplete our grain reserves, tie up our transportation facilities, drive up the cost of wheat and bread to American consumers and add greatly to our inflation. Not only did the American taxpayer foot the bill for the Russian wheat deal through higher food prices, it was our tax money which subsidized the Russian grain purchase by allowing the Soviets credit at lower than the prevailing interest rates and for longer periods of time than any commercial financial institution would have allowed, and lower than American businessmen could borrow at the same time.

Purchasing U.S. grain on such favorable—and subsidized—terms allows the Soviets to channel their resources elsewhere, into economic development and weapons manufacture and procurement. In effect, then, we are underwriting Soviet economic and military development—at the same time that we are spending billions to solve our own economic problems and to maintain our own Military Establishment as a counterbalance to the Soviet Union.

I am well aware that sales of our agriculture commodities, when there are surpluses—which are expected this year—help to maintain a favorable balance of payments, and higher commodities prices and sales which help to strengthen the agricultural sector of our own domestic economy. The administration assures us only good will follow from a new grain deal and not bad consequences. But, these are the same people in the same administration who misled us before on the last wheat deal. Frankly, their credibility leaves a lot to be desired.

This amendment would not have prevented all grain sales to the Soviet Union, it would have curbed them and required cash-on-the-barrelhead for the transactions, and prior congressional approval so that they can be carefully and publicly monitored.

The Russians are getting ready again to purchase American grains to make up shortfalls in their own harvest. I hope we will not see another fiasco like the one which resulted from the "Great Grain Robbery" of 1972.

Mr. WHITTEN. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For "Office of the Inspector General" for the period July 1, 1976, through September 30, 1976, including not to exceed $2,500, for employment under 5 U.S.C. 3109, $4,114,000, and in addition $1,524,000 shall be derived by transfer from the appropriation, "Food Stamp Program" and merged with this appropriation.

Mr. ASHBROOK. Mr. Chairman, I have an amendment with respect to page 2.

The CHAIRMAN. The Clerk has already read through to page 5.

PARLIAMENTARY INQUIRY

Mr. WHITTEN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. WHITTEN. Have we gone beyond the point in the bill that the gentleman refers to?

The CHAIRMAN. The Clerk has read to page 5.

Mr. ASHBROOK. Mr. Chairman, I can offer my amendment later.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For "Salaries and Expenses" for the period July 1, 1976, through September 30, 1976: direct appropriation, $37,794,000; Commodity Credit Corporation transfers, $18,143,000 (including not to exceed $8,113,000 under the limitation on Commodity Credit Corporation administrative expenses).

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 28, line 25, add the following:

"SEC. . No funds appropriated or made available by this Act shall be used to prohibit any person from planting any crop or growing any livestock in the United States, except by voluntary compliance by said grower or producer with any existing rule or regulation as promulgated by the Secretary of Agriculture, or voluntary compliance with any existing law."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Mississippi reserves a point of order.

Mr. PEYSER. Mr. Chairman, the amendment that I am offering, that I had discussed during the general debate, in effect says that programs that are presently in existence which are financed through this bill that restrict, in effect, do not allow the freedom of marketing such as other crops have, would be eliminated, that is, the financial support for those programs would be eliminated.

Basically, this is going to have an impact on three major crops, one is rice, one is peanuts, and the other is tobacco.

Within the time that I have, Mr. Chairman, I would like to again talk on the question of rice. I believe that anyone who wants to produce rice, who has the facilities and the correct climate and everything else, is going to be able to produce it and sell it in a free market.

We have received estimates that this would produce 30 percent more rice for primarily export to a world market that is in desperate need. With this change we would not be taking something away from the farmer, it is a matter of opening up and letting the farmer answer the market in a free market.

The next commodity that would be affected here would be peanuts. The peanut issue we have already discussed, but it briefly would be on peanuts. Under the present support program we have peanuts as of this month priced by the Department of Agriculture and the Commodity Credit Corporation at $388 a ton. This is $138 a ton over the world market price. What this means, very simply, is that you cannot sell the American-grown peanut. This is why there is an item in the budget for $130 million of yours, mine and the taxpayers' money to buy these peanuts, then to store these peanuts, and we do not have any use for these peanuts. This has come about because the law has just never been changed. We have the same minimum acreage allotments on this legislation as we have had for nearly 33 years. The production per acre has nearly tripled, and yet we still have that same minimum acreage requirement.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I wonder if the gentleman from New York would be kind enough to tell the Members of the Committee why we have not had a change in the peanut legislation since the period of time last year when the gentleman was on the floor on this appropriation bill.

Mr. PEYSER. The reason, as I understand it—and I do not serve on that committee, as the gentleman from Georgia knows—I understood that the last time, last year, that we were going to have legislative hearings and as of this date nothing has come out. My understanding is that there has been inability between the subcommittee involved and the Department of Agriculture. I would be willing to defer to the chairman of the subcommittee as to what has transpired that they have not been able to reach any agreement.

Mr. MATHIS. Mr. Chairman, I would like to say to the gentleman from New York that at this time last year, of course, as the gentleman from New York knows, it was the gentleman from North Carolina (Mr. JONES) who was serving as the chairman, and he stood in the well of the House and told the gentleman from New York that that subcommittee was about to bring forth legislation which would remove the gentleman's objections to the peanut program.

As the gentleman well knows, the Department bill was introduced, was brought before the committee, and at the last minute the Department came in and said, we no longer support our own bill. That is where we are today.

I think the gentleman knows that much effort has been made since that time to try to bring the conflicting, opposing sides together in order that we can bring forth legislation. Obviously, the gentleman knows that progress is being made and is ongoing, and I will predict it will bring forth results before the end of this year.

POINT OF ORDER

The CHAIRMAN. The time of the gentleman has expired.

Mr. PEYSER. Mr. Chairman, I ask unanimous consent that I may have 2 additional minutes.

Mr. WHITTEN. Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman from Mississippi will be heard on his point of order.

Mr. WHITTEN. Mr. Chairman, the gentleman's amendment, as I read it, is:

> Notwithstanding any other provisions of law, no funds appropriated or made available by this Act shall be used to prohibit any person from planting any crop or growing any livestock in the United States except by voluntary compliance—

And so forth.

Turning to Cannon's Rules of Procedure, on page 69, it is clearly stated that certain actions construed are legislation and not limitations and, therefore, not admitted.

One of the main titles under that section, with many cases under it, says, "Appropriations are available unless and until" which is held to be legislation because they require specific action by the executive branch. Therefore, the amendment is legislation on an appropriation bill and, therefore, the subject of a point of order.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. PEYSER. Yes, Mr. Chairman.

I think that the amendment is within the confines of the regulations as outlined in Deschler's Procedure in chapter 25: where it says,

> An amendment denying use of funds for purposes otherwise authorized by law may be in order as a limitation.

There are other references also in Deschler's Procedure on this. It would seem to me that what we are trying to do here pertains specifically to this act, and it is within the scope of the legislation we are considering and, therefore, is in order.

The CHAIRMAN. The Chair desires to hear further from the gentleman from Mississippi. The Chair questions the gentleman from Mississippi concerning this language of the amendment:

> except by voluntary compliance by said grower or producer with any existing rule or regulation as promulgated by the Secretary of Agriculture, or voluntary compliance with any existing law.
>
> Does that, in the opinion of the gentleman from Mississippi impose additional duties?

Does that, in the opinion of the gentleman from Mississippi impose additional duties?

Mr. WHITTEN. It would require additional duties of the Secretary of Agriculture to provide rules and regulations.

However, another point that I should have made earlier, and which is appropriate now, is I also take the view that the amendment is not germane. The money with which these things are handled is the funds of the Commodity Credit Corporation. At the present time it has about $8 billion. The money in this bill that has to do with the Commodity Credit Corporation is to restore capital impairment, so funds for price supports already are in the hands of the Corporation, which in turn has an obligation and would be called upon to carry out that obligation, regardless of what action we take here. So since that is before us, and the only place it is before us is in connection with restoring capital impairment to an independent corporation, I say it is not germane to the bill before us and for that reason also it is subject to a point of order.

Mr. PEYSER. Mr. Chairman, if I may speak on that just very briefly, it would seem to me if we applied that type of thinking on amendments, we could eliminate most amendments on points of order. I think this is completely germane.

Mr. WHITTEN. But Mr. Chairman, in fact on this one we can apply it.

Mr. PEYSER. I would disagree with the gentleman on that point.

The CHAIRMAN. The Chair would ask the gentleman about the effect of the words "except by voluntary compliance."

Mr. WHITTEN. Voluntary compliance with what?

The CHAIRMAN. Under existing rules and regulations does this require additional duties be imposed?

Mr. WHITTEN. In the gentleman's amendment, in the debate or elsewhere, this makes it refer to something not before us and, therefore, this not being before us somebody would have to make inquiry and, therefore, someone would have to see that such loans are made available, so therefore, I say that is not before us and again I say it is not germane.

The CHAIRMAN. The Chair is going to hold that the words "except by voluntary compliance" would impose additional duties on the Secretary to determine intent and motive as to voluntariness, although the amendment does not require the promulgation of new regulations. The amendment, therefore, contains an exception which adds legislation and is not in order.

The Chair sustains the point of order.

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. PEYSER: Page 28, after line 25, add the following:
>
> No funds appropriated or made available by this Act shall be used to fund any program which prohibits any person from planting or marketing any crop or growing any livestock in the United States.

Mr. WHITTEN. Mr. Chairman, on that I reserve a point of order, if I may.

The CHAIRMAN. The gentleman from Mississippi reserves a point of order against the amendment.

Mr. PEYSER. Mr. Chairman, I will not take the full 5 minutes on this because basically the impact of this amendment is exactly the same as the impact of the previous amendment. The farmers of this Nation should operate on an equal footing and operate in the kind of atmosphere that leads both to free trade and growth and initiative in the agricultural community.

Why should wheat and corn and other commodities be on a target price system and why should peanuts and tobacco and rice operate on a different program? It just does not make good sense to me.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, this is probably out of order and probably not a question I should ask, but section 606 on page 66 says:

> No part of the funds contained in this Act may be used to make production or other payments to a person, persons, or corporations who harvest or knowingly permit to be harvested for illegal use, marihuana . . .

Would the gentleman's provision permit people to grow marihuana for illegal use? Would it repeal this provision in the act?

Mr. PEYSER. That is not a question

as long as marihuana is against the law. I would be willing to have my amendment read legal crops only.

I think the chairman usually has much stronger arguments to make.

Mr. WHITTEN. I will make my arguments when I speak on my reservation of a point of order.

Mr. PEYSER. Mr. Chairman, again I would like to say I think this is the kind of move, if the House will act on this amendment and act favorably, that will of necessity bring about new legislation immediately. I can assure the Members there will be an immediate action by the Agriculture Committee to produce legislation for these three commodities. When I say that tobacco is a commodity, that is another whole question and I would really like to see it raised, but I am not going to get into that at this point. We would bring out legislation so that all of these products would be treated equally and under a system the entire country and the taxpayers could live with, because we are putting hundreds of millions of dollars into these programs, and they are indefensible. We may find personal reasons why we want to have them, but there is no taxpayer reason as to why we have them.

POINT OF ORDER

The CHAIRMAN. The Chair will hear the gentleman from Mississippi on a point of order.

Mr. WHITTEN. I would like to address myself, Mr. Chairman, if I may to the point of order.

May I say to the gentleman that I do believe the amendment, if it was germane and I do not believe it is, would strike out the section where we prohibit the growing of marihuana; but may I read the amendment again so we have it clearly before us:

> Page 28 after line 25, add the following:
> "SEC. . No funds appropriated or made available by this Act shall be used to prohibit any person from planting any crop or growing any livestock in the United States, except by voluntary compliance by said grower or producer with any existing rule or regulation as promulgated by the Secretary of Agriculture, or voluntary compliance with any existing law."

Then we come back to the funds appropriated in this act. The funds that would be used in connection with the program, may I emphasize, are two in number. One is section 32, funds which are used in large surpluses and where there are funds available now, but the funds to which these programs would be directed is the Commodity Credit Corporation. As the Chair will recall, the Commodity Credit Corporation was created under the laws of Delaware. It was created as a Corporation so it could buy and sell and do these things other corporations could do. I helped write the Delaware Control Act and at that time we provided that Congress shall not keep the Tennessee Valley Authority, a similar corporation, from manufacturing fertilizer or others and the Commodity Credit Corporation being required by their charter to carry out these things and the Congress would be prohibited from keeping them to carry it out; but forgetting that, that corporation has $8 billion to carry out the provisions of this bill. As I say, the funds for this Corporation are in this bill, that is true; but the funds in this bill that go to that Corporation are for capital impairment and not for the programs in this bill. So for that reason I would insist that the amendment is not germane when it ties into this bill when no funds are in this bill for the purpose of carrying out this program, but only the funds that I referred to.

Mr. PEYSER. Mr. Chairman, in the first place, very briefly, if it were a problem in this proposal dealing with the so-called marihuana question, I would be delighted to simply amend it by saying "any legal crop." That would take care of that problem, but on the point of order itself, it seems to me that in Deschler's Precedents, chapter 25, section 9 to 11, it says:

> . . . language which restricts the use of funds in the bill to a certain maximum level and which does not expressly impose new burdens on officials administering the funds is in order. . . .

It seems to me that is what we are doing here. We are really restricting the funds of a certain segment of the agriculture program and that is all we are trying to do and that is what I believe my amendment does.

Mr. WHITTEN. Mr. Chairman, if I may be heard further, and so that the gentleman that offers the amendment might be aware, the second part of his amendment prohibits funds being used for the prevention of brucellosis, foot-and-mouth disease, and tuberculosis. That does not go to the point of order, but it does go to the amendment.

Going back to the amendment, I wish the Chair would follow me in this, if the Commodity Credit Corporation has $8 billion and we give them $2 billion and the gentleman limits it to what we have in this bill, which would be the $2 billion, it imposes additional duties, because we have to count the money of the Commodity Credit Corporation to see whether it was $8 billion or $2 billion.

The CHAIRMAN. The Chair has listened to the arguments and examined the precedents that the gentleman from Mississippi has so vigorously argued on this point before. The Chair finds that this is a really a negative limitation on appropriations contained in this bill, and is germane to a paragraph of the bill containing funds for the Commodity Credit Corporation. Therefore, the point of order is overruled.

Mr. PEYSER. I thank the Chairman.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. The amendment on its face does not realize all the michief it will cause because in this bill the funding of the pure meat program, and a host of other programs are included.

If this amendment is made a part of this bill, there would be no way to assure that the consumers of America would get pure meat products. If this amendment was agreed to, the Department of Agriculture could not act against those who would illegally raise marihuana or other illegal drugs. If this amendment were agreed to, a host of other unfair and totally uncalled for and very undesirable features would become all of a sudden a part of the law of this land.

Under the gentleman's amendment we might be blocked in our control programs for such animal diseases as foot-and-mouth, brucellosis or tuberculosis. We must be able, at times, to destroy diseased animals in order to protect our livestock industry and to provide wholesome food for the consumer.

I do not think this Congress wants to vote for that type of departure from long followed practices, and I urge the defeat of the amendment.

Mr. ALEXANDER. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I have worked with the gentleman from New York (Mr. PEYSER) before in his effort to bring about the opportunity for farmers in America to plant rice and produce that crop for the world market, and I am reluctant to oppose his effort today because I think that, his efforts with reference to the rice programs have been constructive. However, I rise in opposition to the amendment today, because this forum, the Appropriations Committee is not the appropriate place to legislate a change in the rice program.

I see the chairman of the Subcommittee on Oilseeds and Rice, the gentleman from Georgia (Mr. MATHIS) present with us today. He has just recently assured this body that progress is being made in the legislative committee toward reform of the peanut legislation. He has likewise assured me—and I believe the gentleman from Georgia—that progress has been made on new rice legislation, and I am looking forward in the very near future to the Committee on Agriculture reporting out a bill that would provide the opportunity for rice farmers all across America to produce that crop for the world market.

I am confident that when the bill is reported by the Committee on Agriculture, that it will be brought to the House for consideration and that it will receive the favorable vote of this body. And, I hope that will be accomplished before the August recess. So, I rise in opposition to the gentleman's amendment for the reasons that I have stated, and I urge the amendment be defeated.

Mr. NATCHER. Mr. Chairman, I move to strike the appropriate words.

Mr. Chairman, as the members of this committee know, no rice, peanuts, cotton, or tobacco are produced in the district of my distinguished friend from New York City, the author of this amendment. They do not raise any livestock in that district either, Mr. Chairman.

Mr. Chairman, in that district, my distinguished friend is very much interested in all matters concerning housing. He is very much concerned about all matters pertaining to food stamps and surplus food. He is right well interested, Mr. Chairman, in summer employment. He is real interested in all matters concerning public works, where we have 800,000 or 900,000 jobs available.

Mr. Chairman, in the Second Congressional district of Kentucky, some of these programs I have just enumerated are not quite as important as they are to the city of New York. They are not as important in the district that I represent as they are in the district that the distinguished gentleman from New York City (Mr. PEYSER) represents. But, Mr. Chairman, these programs mean a lot to my people. What is good for the city district and the city of New York represented by the distinguished gentleman from New York (Mr. PEYSER) should be good for the district that I represent in Kentucky.

Mr. Chairman, in this country we have 50 States, and I say to the Members that frankly, during the 21 years that I have been a Member of the House, at no time, Mr. Chairman, have I ever cast a vote for the people of the Second District of Kentucky against an amendment or for an amendment, maintaining that it only applied to a district somewhere in New York or in the State of Washington, and not in the State of Kentucky.

Mr. Chairman, in this bill before the Committee today, we have a little better than $11 billion in new budget obligational authority. As far as the American farmer is concerned, Mr. Chairman, in this bill the agricultural programs total $4,011,000,000. The programs that my distinguished friend—and he is my friend, Mr. Chairman—is more interested in than any other programs, are the food stamp programs and the food programs which carry in this bill, Mr. Chairman, $4,403,000,000, which is more than the programs for agriculture.

Mr. Chairman, when we go to conference or the subcommittee that I serve on, the Subcommittee on Health, Education, and Welfare appropriations we have matters pertaining to the gentleman's district. We sit in there and we hear the distinguished senior member from the State of New York come in and talk about summer employment. It means more to the gentleman's district than it does to the one I represent, and do you mean to tell me, Mr. Chairman, that just because it does not mean as much to Kentucky as it does to New York City that we say, "No, we are against it?" No, we do not do this, Mr. Chairman.

Mr. Chairman, tobacco is produced in 25 States in this country. It is a $10 billion operation. It takes in for the Federal Government, the State governments, and for the local governments nearly $6 billion in taxes.

We have, Mr. Chairman, 420,000 farm families in the 25 States of the United States producing tobacco. Tobbaco, Mr. Chairman, produces more money for the American farmer than any other commodity with the exception of corn, soybeans, wheat, and cotton.

Mr. Chairman, I ask that this amendment be defeated.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. PEYSER, and by unanimous consent, Mr. NATCHER was allowed to proceed for 2 additional minutes.)

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my friend, the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

Mr. Chairman, I listened with great interest and concern to what the gentleman had to say, and with a very high regard for his capabilities and his interests, not only in my district but in the other areas of the country.

Mr. Chairman, I do share the same interests with him for the good of the country as he has already outlined. I have also listened to my friend, the chairman of the Education and Labor Committee, Congressman PERKINS. I would like to say that, with the statements we have heard on the floor today on this amendment, and the interest expressed by the subcommittee chairman and the desire of the members of the agricultural community to bring out legislation in the immediate and foreseeable future of this session of Congress that would address itself to the problems in the areas we have discussed in the amendment, and with the question that was raised as to whether this would perhaps open the door to some unforeseen problems, which is certainly not my intent to do, it would be my request, Mr. Chairman, to ask unanimous consent that I be allowed to withdraw the amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HUBBARD. Mr. Chairman, I would like to express my firm opposition to any effort which would terminate the price support program for tobacco. Although tobacco uses only three-tenths of 1 percent of the Nation's cropland, it is our fourth most valuable crop and accounts for about 4 percent of the cash receipts from all U.S. crops. Nearly 600,000 farm families depend upon the cultivation of tobacco for their livelihoods.

In fiscal year 1974 the United States exported more than a billion dollars of tobacco. These exports make a sizable contribution to our balance-of-payments position. Our consumers spent nearly $14 billion on tobacco products in fiscal year 1974, of which nearly $5.8 billion were received by Federal, State, and local governments as excise tax revenue. We cannot afford to jeopardize tobacco production if we recognize the desperate need to generate Government revenues and to maintain a favorable balance-of-payments position.

The benefits of the tobacco price support program clearly outweigh the program's cost. The realized costs of the tobacco price support program from 1933 to date have been thirteen-hundredths of 1 percent of the costs for all farm commodity price support programs.

The Federal Government must do everything possible to encourage maximum agricultural production. Maximum crop production not only requires maximum acreage cultivation, but, even more importantly, requires that the farmer can count on receiving an adequate return for his labors. The tobacco price support program provides this element of security for our tobacco growers.

We need the tobacco price support program to provide economic stability to the more than 600,000 farm families who rely upon tobacco growing to live. We need the tobacco price support program to generate Government revenues and to maintain a favorable balance-of-payments position. The tobacco price support program needs, and most certainly deserves, the continued support of my colleagues in the house.

Mr. FOUNTAIN. Mr. Chairman, efforts to do away with our tobacco, peanut, rice, cotton, grain and other farm commodity programs are offered repeatedly in this body when agricultural legislation is considered. I would like to make just a few observations which some of our big city Members repeatedly overlook.

The basic agricultural policy for this Nation is larger production at lower cost. Research, education, and technology provide the information, the products, and the equipment which our farmers use to implement this policy. The result—the proof of the pudding is in the eating.

The people of our Nation have abundant supplies of high quality food. They pay a much smaller part of their income—of hours of work—for food than do most of the people of the world. In addition the dollar earnings from the huge exports of farm commodities help us to pay for essential imports of fuel and other essential materials.

The people who apply this policy—who make it work—are our farm families. The farmer and his family operate a business—in most cases a small business. The wife and the children usually work and participate in the business. Of the 4.4 million persons employed on farms in 1973, some 3.2 million were family workers.

Farming is a hazardous business. It entails a large investment.

There are two major hazards in farming. First, the natural hazard—drought, flood, hail, insects, disease—can wipe out a farmer's crop and possibly his business in any year. Second is the market hazard caused by widely fluctuating prices. Market prices for farm commodities result from the interplay of supply and demand. When the free supply on the market exceeds the current demand farm prices collapse. This can destroy an efficient farm business in 1 year.

The farm program is designed to provide some protection against the market hazard. Farmers with Government assistance through price support can hold part of the supply off the market until the supply-demand balance changes. In this process the farm program helps to assure stable and adequate supplies of food with "reserves" for domestic and export markets.

There can be no reserve unless production in favorable crop years is greater than the current demand. If farm prices are allowed to collapse whenever production is above current demand to provide some reserve our farm families will suffer and our national agricultural plant will tend to shrink. Consumers subsequently will pay the bill when supplies become short and prices skyrocket.

Let me try to explain the effect of unstable, widely fluctuating prices on farmers.

To understand this, we must recognize that in all of the mass of agricultural statistics there is no report of profits made by farmers. You may check this by looking at the table of contents and the index of agricultural statistics published each year by the U.S. Department of Agriculture. Reports are made of gross farm income and net farm income—but not profits. This is somewhat confusing to say the least. I suppose the confusion comes out of the fact that the farmer—above all—is a laborer even though he also is the owner, the manager, the clerk and the bookkeeper, the mechanic, the machine operator, and so on.

USDA reports gross farm income for 1973 at about $101 billion, farm production expenses at about $65 billion, and total net farm income at about $36 billion. This translates to a total net income per farm operator of $12,744, which is the wage, salary, income—or whatever you may call it—out of which the farm operator and his family must live. It is not "profit" in the business sense. There is no return on the farmer's sizeable investment over and above this net income.

The farm income figures include cash receipts, nonmoney items for home consumption of food, imputed rent for the farm house, and other farm income. Table 653 on page 464 of Agricultural Statistics 1974 shows the income figures.

On December 18, 1974, Dr. Don Paarlberg, Director of Agricultural Economics, USDA, spoke on the subject of "Providing Capital for Tomorrow's Farms." I quote from this statement:

> In 1974 the average value of farm assets per farm in the United States is $148,000. For farms selling more than $20,000 of output—those farms large enough to provide the operators with levels of income comparable with those of nonfarm people—the average investment per farm is about $390,000 and rising.
>
> Related to the size of farm is the question of how large a farm must be in order to be efficient. Certain types of farms apparently have to be large in order to achieve the low cost per unit of production which is the criterion for efficiency. This appears to be true for certain fruits and vegetables, for sugar cane, seed production, and for poultry enterprises. But for many farm products, especially in the diversified areas, USDA studies show that most of the efficiency gains have been achieved by farms large enough to utilize the labor and management of one or two well-equipped full-time men. In the Midwest this means a capital investment of about $610,000. * * *

Upon inquiry to the Department, the net farm income—that is, the wage or salary for the farm family—associated with the $610,000 investment was found to be around $32,000.

From Dr. Paarlberg's statement it is obvious that interest at 6 percent on the investment required to own the farm would exceed the net farm income which—I repeat—is the farmer's wage or salary out of which he and his family must live.

The banner year for net farm income was 1973. The situation since has deteriorated. Considering the cost of what the farmer must pay for what he buys to live, his net income now is well below that in 1967. If crops are large this year, if prices continue to decline, and if price supports are not used to check the decline, the net income of large numbers of highly efficient farmers will be negative.

USDA statistics show farm production expenses in 1973 to be about 64 percent of gross farm income and about 71 percent of cash receipts from farming. A decline of 30 percent in farm prices for the grains and cotton would wipe out the net income—that is, the wage or salary—of huge numbers of farmers leaving them with nothing to cover living expenses and with substantial unpaid debts for their year's work. If this should occur it would be a disaster.

The farm bill vetoed by the President at the insistence of the Secretary of Agriculture was designed to prevent such a disaster. The Secretary has authority to use price supports to prevent such a disaster, but he has refused thus far to give any assurance that he will do so.

Prices for grains and cotton plus target price payments at the minimum level now provided by law would mean complete economic disaster for many farmers. Our farmers and the Nation have not faced such a possible disaster for almost 40 years. The farm programs have been the stabilizing factor which has protected farmers and the Nation against such a disaster.

To cut off funds for the farm program, if they are needed, would seriously injure the entire U.S. economy—our city people along with our farm people. In a sense, it would be equivalent to complete elimination of the minimum wage for labor.

My statement refers to the entire farm program, but it is fully applicable to the peanut program, the rice program, the tobacco program et al., as integral parts of the farm program.

It grieves me that the gentlemen from New York, Mr. PEYSER continues to offer amendments and proposals of this kind.

I want to commend this however, for his wisdom in asking unanimous consent that his last amendment be with drawn, and I would like to commend all Members present over the fact, that no one objected to his withdrawal request.

Mr. LONG of Maryland. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred two Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

AGRICULTURAL CREDIT INSURANCE FUND

For an additional amount to reimburse the agricultural credit insurance fund for losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988 (a)), $169,214,000.

Loans may be insured, or made to be sold and insured, under this Fund in accordance with and subject to the provisions of 7 U.S.C. 1928–1929, as follows: real estate loans, $370,000,000, including not less than $350,000,000 for farm ownership loans; operating loans, $625,000,000; and emergency loans in amounts necesary to meet the needs resulting from natural disasters.

For "Agricultural Credit Insurance Fund" for the period July 1, 1976, through September 30, 1976, loans may be insured or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928–1929, as follows: real estate loans, $92,500,000, including not less than $87,500,000 for farm ownership loans; operating loans, $156,250,000; and emergency loans in amounts necessary to meet the needs resulting from natural disasters.

AMENDMENTS OFFERED BY MR. JOHN L. BURTON

Mr. JOHN L. BURTON. Mr. Chairman, I offer amendments, and ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. JOHN L. BURTON: This Act is amended on page 35, line 4 by striking "$370,000,000" and inserting in lieu thereof "$595,000,000".

Page 35, line 5 by inserting immediately after "farm ownership loans;" the following: "and not less than 229,000,000 dollars for water development, use, and conservation loans."

Page 35, line 12 by striking "$92,500,000" and inserting in lieu thereof "$117,500,000"

Page 35, line 14 by inserting immediately after "farm ownership loans;" the following: "and not less than $26,000,000 for water development, use, and conservation loans."

Mr. JOHN L. BURTON. Mr. Chairman, the purpose of putting this money into the FHA is for the purpose of providing direct loans to help small farmers meet federally imposed water pollution control standards.

I want to make a couple of things perfectly clear. First of all, this is a revolving loan fund with payback provisions; it is not a grant. Second, that under the code section of 1924 in 7 U.S.C. there is a provision for direct loans to be made or insured for water development use in conservation. So that clearly under that authority the Department of Agriculture and the FHA can make such loans available to these people to meet these standards.

There are other sections in the law where the Department of Agriculture might be able to make some loans available. One of them would provide for a small-term, 7-year loan, at 8¼ percent that as of yet has not been made available for the purpose of meeting water pollution control standards. They did have under the business and industrial loan section a provision where the Department could lend you $5,000 to open a factory out in rural America, but could not lend somebody $50,000 to stay in business on a farm that had been in the possession of their family for generation after generation.

I represent a district that is not rural. I have less than 500 families involved in this problem in a congressional district of some 450,000 people. But it is a problem that I have found where the Government has imposed a standard where the bureaus responsible, or who are supposed to be responsible, do not respond to the need.

This program would do several things. It would provide jobs. We have all been talking about jobs. It would do this through the private sector for the construction of plans for these special programs.

Second, it would help environmentally; this would please my environmental colleagues, because it would help maintain the open space that is so dear to those of us who live in the suburban and urban areas. It would help clean up the environment.

We heard during the general debate the problems of keeping our farmers on their land, and the subcommittee has tried, and they are looking toward even helping some part-time farmers get involved, yet here we have full-time farmers who are not going to be able to stay on their land without this type of help.

My constituents find themselves having to spend between $50,000 and $100,000 at 11 and 12 percent interest to help them meet this problem.

They cannot do it. They are marginal operations at best. They cannot do it. As we look through all of the governmental programs, we have found that this program that can provide up to $100,000 in loans under the same terms is available under the Farmers Home purchase authority, that they can provide them for this purpose but that the farmer has to have been turned down somewhere else. So the situation with a purpose and need gets the loan.

This has gotten the support not only of rural people on both sides of the aisle, liberals and conservatives as well, but urban people, representatives of labor who see the job potential in this program.

The Congress always talks about our being one country. How do we meld together the urban interest and the rural interest? Here is a chance to do it. We help save small farms; we help clean up the environment; we help provide employment through the private sector; and we attempt to do it through loans, not through grants, that would be paid back. I think this is a very worthwhile proposal. It is something through which we should give direction to the Department of Agriculture and FHA to move in this area.

I know everyone who represents a rural district in this area has received complaints about what the EPA standards are doing to them, especially the farmers and feedlot operators. It does not matter if it is cow manure, pig manure, or chicken manure. It is the same thing, because with chicken farms, because with pig farms, because with dairy farms, with feedlots, we find that people have this problem. We are attempting to meet it in what I think is a very responsible way. It will help meet the problems again of the environment. It will help preserve open space. It will provide employment in the private sector of the economy, and I think it is a very worthwhile thing. I know the small amount of dairy farmers I have got and the chicken farmers who are just over the district line in the district of my colleague, the gentleman from California (Mr. DON H. CLAUSEN) are in big trouble. We are going to find them going out of business if we do not provide this type of loan program to help them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the amendments.

Mr. Chairman, I would like to concur in the remarks of my colleague from California (Mr. JOHN L. BURTON) and rise in support of the amendment.

The problem my colleague has described also exists in my district. Many dairy farmers will lose their land if they cannot comply with the requirements of the Water Pollution Control Act. Their own Government will force them out of business unless that same Government can make these loans available to them.

Many of the small dairy farms in my district are marginal family operations. They are in trouble due to the economic pinch and without our assistance they will go under.

We have been working for months to find the proper avenue through which to assist these people. First, the Appropriations Subcommittee inserted language in their committee report which accompanied the State, Justice, Commerce, judiciary appropriations bill which directed the SBA to assist these farmers.

Second, we have introduced legislation to directly amend the Small Business Act to include dairy farmers under the act and permit the SBA to make loans available to them. Hearings are now underway on this proposal.

I have determined that another possible avenue by which to assist the dairymen is through the Farmers Home Administration's soil and water conservation program or agricultural credit insurance fund. In my opinion, this program is an excellent and fair program designed to help our farmers meet this kind of problem. It is a direct and expedient means of providing funds so that they can purchase and construct the necessary water pollution control facilities, and the eligibility requirements under this program will insure that those in the greatest need will receive this assistance.

I have received a great many telegrams and letters from dairymen outlining for me their individual needs and the severity of the burden being placed on them.

Domenic Carinalli from Santa Rosa said,

> Sources of loans to comply with government regulations are badly needed.

Claude Martin from Petaluma wired me that—

> This could save the dairy industry in Sonoma County.

Others have sent similar pleas for help. We cannot sit by and ignore these requests for our assistance. I feel confident that the additional funds made available by this amendment will enable us to respond and I urge my colleagues to support the amendment.

Mr. PASSMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this bill.

AGRICULTURE IS A CONSUMER AS WELL AS A PRODUCER

Like everyone else, the American farmer is a consumer and a taxpayer as well as a producer.

First. He pays $2.9 billion in farm real estate taxes, $427 million in personal property taxes, $3.7 billion in Federal and State income taxes, and about $400 million in sales taxes.

Second. Annually, farm operator families spend about $64 billion for goods and services to produce crops and livestock. In addition, they spend $15.5 billion for the same things that city people buy.

Third. Farmers' purchases include: $7.5 billion for fuel, lubricants, and maintenance of machinery and motor vehicles. Farming uses more petroleum than any other single industry.

Thirty-three billion kilowatt-hours of electricity—about 2½ percent of the Nation's total. That is more than the annual residential use in all the New England States plus Maryland, Kentucky, and Washington, D.C.

Products containing 360 million pounds of rubber—about 5 percent of the total used in the United States, or enough to put tires on nearly 7 million automobiles.

Six and one-half millions tons of steel in the form of farm machinery, trucks, cars, fencing, and building materials. Farm use of steel accounts for 40,000 jobs in the steel industry.

AGRICULTURE CREATES JOBS

First. Agriculture is the Nation's biggest industry. Its assets, totaling $455 billion, equal about three-fifths of the capital assets of all corporations in the United States.

Second. It is also the Nation's largest employer. Between 14 million and 17 million people work in some phase of agriculture—from growing food and fiber to selling it at the supermarket. Farming itself uses 4.4 million workers—as many as the combined payrolls of transportation, the steel industry, and the automobile industry.

Third. Between the farm and the dinner table, agriculture requires the services of 8 to 10 million people to store, transport, process, and merchandise the output of the Nation's farms.

Fourth. Here are a few examples of where they work:

Meat and poultry industry, including meatpacking, prepared meats, and poultry dressing plants, employs 302,000 workers and has a payroll of over $2.5 billion.

Dairy industry, including such products as fluid milk, concentrated and dried milk, cheese, butter, and ice cream plants employs 179,000 workers and has a payroll of more than $1.5 billion.

Baking industry, including bread, biscuits, and crackers, employs 224,000 workers and has a payroll of $2 billion.

Canned, cured, and frozen food plants employ 269,000 workers and have a payroll of $1.7 billion.

Cotton mills and finishing plants employ 152,000 workers and have payrolls of almost $1 billion.

THE IMPORTANCE OF COTTON TO THE U.S. ECONOMY

The U.S. cotton industry is a major contributor to the Nation's economic well-being in the following ways:

First. Cotton is grown on almost 200,000 farms in 19 States from the Carolinas to California.

Second. From $13 to $15 billion is invested in land and equipment according to May 1975 data. Billions of dollars more are tied up in gins, oil mills, warehouses, textile plants, and merchandising establishments.

Third. In 1974 U.S. farmers spent over $3 billion planting, cultivating, harvesting, and ginning 11½ million bales of cotton and 4½ million tons of cottonseed.

Fourth. Cotton is worth more than $15 billion at the retail level. In terms of farm revenue, cotton is the Nation's fourth leading crop, providing more than one-tenth as much revenue as all other crops combined.

Fifth. Cotton means jobs for Americans. It is estimated that more than 5 million persons live wholly or in very substantial part on incomes earned directly from cotton. This includes 1.3 million living on the farm, or who gin, store, and market the crop.

Sixth. Additionally, the livelihoods of another 12 million employees and dependents are closely related to cotton. This group includes industries which are important users of cotton or which provide services and supplies to the cotton industry.

Seven. Cotton is the leading raw material in textile and apparel manufacturing which has employed 2.3 million persons with a payroll of almost $13 billion.

Eight. To the consumer cotton is significant because of the competition it generates in the fiber market. Only seven giant manmade fiber companies account for 80 to 90 percent of this production while cotton production comes from 200,000 individual farmers. Because of cotton's competition and research and development the results are better products and wider choices at lower prices for the consumer.

Nine. Cotton supplies consumers with 41 percent of their clothing and 28 percent of the textile products used in home furnishings. Cotton also provides 27 percent of the fibers for industrial uses.

Ten. Cotton eases the pressure on the environment, because it is naturally biodegradable and does not create disposal problems. In addition to obtaining its production energy from the Sun, the living plant that produces cotton also helps purify the air by releasing fresh oxygen and using carbon dioxide waste.

Eleven. Cottonseed oil has been used in such products as margarine and cooking oil for years. Now, as a result of recent research supported in part by Cotton, Inc., a high-protein concentrate is being extracted from the seed. It may be used in a wide range of foods to boost nutrition where little has existed before. This is an important development for a protein hungry world.

Twelve. Cotton is also a major food crop. Along with every bale of cotton about 800 pounds of cottonseed are also produced. Cottonseed meal is a high-protein feed accounting for about 15 percent of the protein concentrates fed to livestock in the United States. Cottonseed oil provides about 10 percent of the edible oils consumed in the United States.

Thirteen. Cotton's large net foreign exchange earnings are important to the economic health of the Nation. Exports of cotton were valued last year at $1.3 billion. Cottonseed products such as oil and meal brought in millions of dollars more.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have visited with our colleague, the gentleman from California, a number of times with respect to this problem he has, which I feel I fully appreciate. I wrote an article some years ago about the problems of agriculture. One of those problems was that about the time we meet anybody's requirement, the Department of Health or somebody else would come out and condemn whatever we have and we would have to start all over again. That is particularly true in the dairy business. I know there is a problem.

I can speak for myself and say this committee will be glad to have an investigation and see what the best answer is.

In connection with the matter before us, may I point out in the bill that we now have provided on the first item $370 million, in the second item we have provided $92.5 million. The gentleman's amendment would add $225 million and then would add another $25 million, making a total of $250 million.

I would like to point out that in the bill we also have, for business and industrial loans, $300 million; farm ownership loans, $350 milion; $4,000,000 for soil and water loans; and in addition over $2 billion is already available for emergency livestock loans.

The point I am making is that the gentleman would add $250 million because he has been unable up to this time to get action on specific loans. I would like to point out to my colleagues here that the trouble is not money, they have got the money, but they just have at this time not seen fit to qualify the applicants.

In connection with this I would like to call attention to the report that accompanies the bill on the State, Justice, Commerce, and Judiciary appropriation. There the point was made that the Small Business Administration was authorized to make these loans. On page 39 of their report they said that wherever loans were not made available by Farmers Home, then the Small Business Administration could make the loans.

Not only that, but in trying to get this matter worked out, and with all of these moneys in the bill, here is what they tell me from the Department of Agriculture, in a letter dated June 5, 1975:

DEPARTMENT OF AGRICULTURE,
Washington, D.C. June 5, 1975.

HON. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture and Related Agencies, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. WHITTEN: Thank you very much for your inquiry regarding the possibility of Farmers Home Administration loans to dairymen for pollution control facilities.

I am pleased to inform you that we are able to assist applicants through four of our loan programs. They are the business and industrial loans, farm ownership loans, individual soil and water loans, and emergency livestock loans. I am sure that by taking this four-way approach, we should be able to assist all loan-worthy applicants.

Thank you again for your interest in our programs and for bringing this matter to my attention.

Sincerely,

WILLIAM ERWIN
Assistant Secretary.

We will be glad as a committee to ask that this matter be investigated to see what we might do along that line. The gentleman's amendment is to increase the money available and I am saying that the record is clear that the amount of money recommended in the bill is more than adequate. If approval of individual applications is the gentleman's problem, doubling the amount of money will not help the problem. But I will be glad to look into it to see what they can do to approve proper applications.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I am not that concerned about individual people getting loans. There is not one person representing a rural area that does not have these problems. The people I represent have to start construction in about 4 months unless they can get a stay because of the rainy season. The only loans available, if any, would be a guaranteed loan at commercial rates, which does not really assist the farmer, but indemnifies if the farmer bellies up.

FHA has this utterly restrictive development that makes it totally impractical for anyone to qualify for loans. I am not saying I have six people that have a problem. I am saying there is a portion of this country's economy that has a problem. This amendment would not only solve that in providing employment through the private sector, it would provide the repayment. It is not a grant program. I think that certain areas of governmental investment are needed and this is one of them. There are people that will be out of business at this time next year maybe with or without this, but with this at this time two years from now we might not have this problem.

I submit this is a very valid program and has strong support. I urge its adoption.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(By unanimous consent, Mr. WHITTEN was allowed to proceed for an additional 3 minutes.)

Mr. WHITTEN. Mr. Chairman, had the gentleman put the provision in his amendment to require the Government to do these things, of course, it would have been subject to a point of order. He wisely did not include that.

I am saying that the amount of money is ample to meet these needs and what we need is to get them to do it.

We did the best we could. Let me read page 50 of the report:

> In view of the changing requirements of agriculture, the Committee calls upon the Department to review their definition of a "family farm." Many of the loan programs are limited by law to family farms, which the Department has defined as farms "in which the owner, his family, and not more than one full-time hired hand do the required labor on the farm." This restrictive definition of a family farm tends to fail to accurately reflect small agricultural operations such as dairy farmers. Therefore, the Committee will expect the Department to review this regulation to more properly define agriculture as it exists today, which is greatly different from when the definition was originally issued.

The point I wish to make is that the problem—and the gentleman from California knows more about it in his area than I do—is the money is here, the law is there and we cannot change the law here. We can, however, ask them within the law to restudy the definition.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California (Mr. Don H. Clausen).

Mr. DON H. CLAUSEN. Mr. Chairman, in order to make legislative history, the gentleman's statement asks that the Department of Agriculture review their definition of regulations to help us in our efforts to provide relief for our dairy farmers.

On page 50 at the top it says:

> This fund makes the following loans to individuals: farm ownership, farm operating, soil and water, recreation and emergency.

I would like to have the gentleman's interpretation of what loans would qualify under "farm operating." Would that mean water pollution control facilities would qualify?

Mr. WHITTEN. My own feeling is that anything that has to do with soil and water and anything else connected with it in order to operate a farm—which would mean dairy farms—in my judgment it would qualify.

Let me read the definition of farm operating loans from page 45 of our report:

> *Operating Loans.*—Makes loans to farmers and ranchers for costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies, for financing land and water development, use and conservation, for refinancing indebtedness, for other farm and home needs, and for loan-closing costs.

Mr. CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. Whitten was allowed to speak for 1 additional minute.)

Mr. DON H. CLAUSEN. Mr. Chairman, I appreciate the gentleman's comments. I am wondering if we could ask the chairman, should it become necessary to add to the interpretation the gentleman has just given us, if we could have a letter from him directed to the agencies involved. It might be helpful to our cause.

Mr. WHITTEN. I shall assure the two gentlemen from California (Mr. Don H. Clausen and Mr. Burton) that I will go the limit insofar as the position I hold. If it requires legislation, of course, the gentleman has to go to our friends on the legislative committee. But, the problem is not money. Therefore, we do not need to ask for $250 million when they would already have all that they need.

Mr. DON H. CLAUSEN. I appreciate the gentleman's comments. I do continue to support the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. John L. Burton).

The question was taken; and on a division (demanded by Mr. Whitten) there were—ayes 32; noes 18.

RECORDED VOTE

Mr. WHITTEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 307, noes 86, not voting 40, as follows:

[Roll No. 383]

AYES—307

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Aspin
AuCoin
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conlan
Conte
Conyers
Corman
Cornell
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Dickinson
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frey
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hightower
Hillis
Hinshaw
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Lehman
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lujan
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mathis
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Poage
Pressler
Preyer
Price
Quie
Railsback
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Wilson, C. H.
Wilson, Tex.
Wright
Wirth
Yatron
Young, Alaska
Young, Ga.
Young, Tex.

NOES—86

Annunzio
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Bowen
Brown, Ohio
Broyhill
Burke, Fla.
Burlison, Mo.
Butler
Casey
Cederberg
Clancy
Clawson, Del
Collins, Tex.
Conable
Cotter
Crane
Devine
Downing
Edwards, Ala.
Erlenborn
Flynt
Fountain
Frenzel
Gradison
Haley
Hansen
Hébert
Henderson
Hicks
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Jones, Okla.
Latta
Levitas
Long, Md.
Lott
McClory
McDonald
McEwen
Macdonald
Mahon
Mann
Martin
Mazzoli
Michel
Milford
Miller, Ohio
Mills
Minish
Montgomery
Moorhead, Calif.
Mosher
Myers, Ind.
Natcher
Passman
Patten, N.J.
Pike
Pritchard
Quillen
Regula
Rhodes
Robinson
Rogers
Satterfield
Schneebeli
Sikes
Stanton, J. William
Steed
Steiger, Ariz.
Treen
Vanik
Whitehurst
Whitten
Wilson, Bob
Wolff
Wydler
Wylie
Yates

NOT VOTING—40

Anderson, Calif.
Archer
Badillo
Bell
Blouin
Collins, Ill.
Derrick
Diggs
Esch
Flowers
Fulton
Fuqua
Goldwater
Hagedorn
Harsha
Karth
Kasten
Kemp
Landrum
Leggett
Lent
McCollister
Matsunaga
Metcalfe
Pickle
Rinaldo
Rostenkowski
Scheuer
Shuster
Stuckey
Symms
Teague
Udall
Van Deerlin
Vander Jagt
Wiggins
Winn
Young, Fla.
Zablocki
Zeferetti

So the amendments were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SPECIAL SUPPLEMENTAL FOOD PROGRAM (WIC)

For necessary expenses to carry out the provisions of the Special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966, as amended (42 U.S.C. 1786) for the period July 1, 1975 through January 31, 1976, $106,000,000: *Provided,* That funds provided herein shall remain available until expended in accordance with section 3 of the National School Lunch Act, as amended: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That the availability of this appropriation is contingent upon enactment of necessary legislative authority.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: Page 57, line 15, after "$106,000,000" insert ", of which $11,000,000 shall be available for the purchase and distribution of food to continue the Commodity Supplemental Food Program".

Mr. WHITTEN. Mr. Chairman, this amendment would provide $11 million for the commodity supplemental food program for 7 months, the same as the other food programs.

When the committee was first marking up the bill, we inadvertently omitted funding for this program. We recommend greatly expanding the WIC program and this program was overlooked because it is so similar to the WIC program.

Since that time, however, we have learned that a hardship might be placed on some of the recipients of the program if they had to wait to be covered by the expanded WIC program. In addition, Mr. Chairman, this is a program that provides commodities to the recipient rather than cash. Personally, I feel that we would be better off if we placed more emphasis on commodities and less emphasis on providing cash or coupons.

Mr. Chairman, I believe the committee supports this amendment and I urge its adoption.

Mr. ANDREWS of North Dakota. Mr. Chairman, those of us on this side of the aisle concur in the statement made by the gentleman from Mississippi (Mr. WHITTEN) and urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. WHITTEN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, not otherwise provided for, of the Food and Drug Administration; for payment of salaries and expenses for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; for rental of special purpose space in the District of Columbia or elsewhere; for miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $2,500; $50,126,000.

Mr. BEDELL. Mr. Chairman, I move to strike the last word.

I would like to bring to the attention of the Chamber an inadvertent mistake that has been omitted that was not meant to be omitted by the committee, but the steer and heifer report has been omitted. That comes from the stockyards in the areas and is a comparatively inexpensive report which costs $50,000 per year total. It is one of the few reports that comes directly from the information that is available from the stockyards and does not come from the reports of people who are giving judgments as to what may be true.

In the report that came to the committee there was no indication this report was to be dropped. It is my understanding that it is the understanding of the chairman of the committee there is no desire to drop reports that are important.

Mr. WHITTEN. May I say to my friend, the gentleman from Iowa, that the committee tried to avoid this type of thing. We provided that they should not tighten down on the small research stations.

The item to which the gentleman refers is one which we were completely unaware of. Upon checking, we find out that the Statistical Reporting Service has been allocating $50,000 for this to the Agricultural Marketing Service. They notified us that they were not transferring the money. All of this I have learned since the bill came to the House.

Without notifying the committee, they in turn said they would not carry out the service.

Such action is not in accord with the actions this committee took on other similar items. Speaking for myself, and I am sure the other members of the committee will agree with me, we expect to see that this service is carried on.

In view of the fact that a transfer is involved, it will be a little difficult to reach every individual item, but we will do everything we can to see this is carried on as it has been and we will have to work out whose money it is.

Mr. BEDELL. I thank the chairman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For "Commodity Futures Trading Commission" for the period July 1, 1976, through September 30, 1976; including the purchase and hire of passenger motor vehicles; the rental of space in the District of Columbia and elsewhere; and not to exceed $50,000 for employment under 5 U.S.C. $3109, $2,798,000: *Provided*, That not to exceed $250 shall be available for official reception and representation expenses.

Mr. RONCALIO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for the purpose of establishing a record regarding some of the agricultural commodity practices, I would like to direct a question to the chairman of the subcommittee, the gentleman from Mississippi (Mr. WHITTEN). Is there a possibility from oversight hearings of your committee that America might soon entertain an effort to abolish trading in futures?

Mr. WHITTEN. Mr. Chairman, I cannot hear the gentleman.

Mr. RONCALIO. Mr. Chairman, I am asking if there is ever a possibility that the legislation might be forthcoming to abolish the futures market and return to the ever normal granary as was the practice of the United States in the early thirties. I have received such material from livestock people and beef producers who feel that this—our futures market—is a real source of tribulation and adds to the catastrophe which is affecting the livestock industry.

Mr. WHITTEN. I do not recall my colleague making any suggestion of what he would like us to do, but I am not sure I understand the gentleman because I cannot hear.

Mr. RONCALIO. I am asking, has there been evidence presented before the subcommittee in their oversight responsibilities regarding the proposition that laws be passed to abolish the futures market on hogs and rye and oats and barley and other commodities, and remove speculation from the commodities industry and return to the ever normal granary, as was the practice of the United States in the early thirties?

Mr. WHITTEN. I would presume that it is possible for the Congress to prohibit in most any case the funds to carry out existing law. Where the law has been carried out through the years, I think we would be remiss in trying to repeal it here. Whether the Legislative Committee on Agriculture dealt with this subject, I do not know. We have some language about forecasting or estimating in advance and things of that sort, but what the gentleman is directing attention to would call for legislation. It would be very controversial as to what is best and I do not know how we could include it in an appropriation bill.

Mr. RONCALIO. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I would like to yield to the gentleman from the Authorizations Committee, the gentleman from California (Mr. BERGLAND).

Mr. BERGLAND. Mr. Chairman, it is my good fortune to chair the House Committee on Agriculture subcommittee that has direct jurisdiction over the commodities futures trading industry. Last year we created a new Commission known as the Commodity Futures Trading Commission, in order to protect the integrity of the market. In the course of our hearings we found there were a number of commodities traded across the United States that were not under the Department of Agriculture's commodity exchange authority or anyone else, for that matter. There had been a number of abuses documented and in order to insure that the markets be free and competitive, all commodities have been put under regulations and those regulations go into effect late in July of this year.

Mr. RONCALIO. I thank the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 609. None of the funds provided by this Act shall be used to pay the salaries of any personnel which carries out the provisions of section 610 of the Agricultural Act of 1970, except for research in an amount not to exceed $3,000,000; projects to be approved by the Secretary as provided by law: *Provided*, That none of these funds shall be available to Cotton Incorporated or any other contractual agency which pays remuneration or compensation from any source, including funds received under the provisions of 7 U.S.C. 2106, to any officer or employee in excess of the annual compensation received by the Secretary of Agriculture, or expenses beyond those included in the budget approved by the Secretary of Agriculture.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 67, strike out lines 4 through 13 and insert in lieu thereof "1970."

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the amendment be read again. I was interrupted and I would like to know what those figures are.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk reread the amendment as follows:

Page 67, strike out lines 4 through 13 and insert in lieu thereof "1970."

Mr. CONTE. Mr. Chairman, it is with some disappointment that I rise to offer this amendment to strike out the $3 million subsidy for Cotton Inc. As most of my colleagues know, I have offered this same amendment for the past 2 years. Two years ago, my amendment was accepted. But last year it was narrowly defeated.

I offer this amendment because, after reviewing the activities of Cotton Inc., I was outraged to see how a corporation so dependent on taxpayer subsidies could carry on with such lavish and wasteful spending habits. I assumed that by publicizing the facts about the spending scandals at Cotton Inc.—even if my amendment failed to carry on the floor—remedial actions would be taken hastily.

Two years ago, when I first offered this amendment, I was outraged that Federal funds were being spent so that Cotton Inc. could move its headquarters into a penthouse palace in New York City. At that time, I mentioned how Cotton Inc. had arrogantly disregarded its USDA-approved budget of $800,000 and had run up a moving and renovation bill of $1,278,000. Within this cost overrun were expenditures for a private elevator, private telephone equipment, lavish wall and floor coverings, and a granite floor in the reception room.

At that time, I also showed how executive salaries at Cotton Inc. were excessive for a taxpayer-supported organization, and how Cotton Inc. had built up bank reserves of $12 million during the time that $20 million in Federal subsidies had been received.

After debating these spending scandals for the past 2 years, I had assumed that by now they would have been cleaned up.

But last week, I read a document that changed my mind. On the basis of this document alone, Congress should cut off all funds for Cotton Inc.

The document I am referring to is the employment contract, dated December 9, 1974, between Cotton Inc. and its incumbent president. After reading this contract, I thought that the president of Cotton Inc. was a first-round draft pick in the National Football League.

I think we ought to have order, Mr. Chairman, because any member after he hears the facts will vote for this amendment. If we ever did this, I think they would tar and feather and hang us in front of the Capitol.

Here is what this taxpayer-supported corporation intends to give its president:

A 3-year no-cut contract,

An annual salary of $121,275—more than twice as much as the Secretary of Agriculture is paid,

Annual cost-of-living pay increases,

A suitably furnished apartment in New York City,

A free car,

Expense accounts to cover travel, entertainment, and business costs,

All "dues, fees, and other charges" at the Harvard Club of New York City and the Country Club of New Canaan, as well as "such other clubs and organizations in New York and elsewhere in which you believe your"—

And would the Members believe, "Membership which would facilitate your work for the company." I imagine that takes in the Bunny Club.

A half-million dollar life insurance policy, and

A full package of health, disability, and other insurance coverage.

Section 609 of this bill would attempt to control the spending habits of Cotton Inc., by withholding the $3 million Federal subsidy unless all executive salaries were limited to $60,000—the salary of the Secretary of Agriculture. While I applaud the intent of this section, it is inadequate on two grounds.

First, it insures that Cotton Inc. would face the prospect of protracted litigation over fulfillment of its employment contract in effect with its incumbent president. I do not want to see taxpayer funds subsidizing fat legal fees to bail out Cotton Inc.

Second, the committee provision leaves open the question of what "fringe benefits" can be continued despite the salary limitation.

I urge my colleagues to study the costs of the "fringe benefits" I have mentioned. The cost of the half million dollar life insurance policy is, by itself, about $17,000. A suitably furnished apartment in New York City for a president of this status would cost almost the same amount. The annual pay increase for cost-of-living hikes would add another $10,000. Then we have the expense of a "suitable automobile" and "travel, entertainment, and business" costs, which are probably another $10,000.

The finishing touch is the promise by Cotton Inc., to pay its president's dues and fees at the Harvard Club, a golf club, and any other club he wants to join. Presumably, this includes the Playboy Club, which features waitresses dressed in little more than cotton-tail.

In sum, these "fringe benefits" add up to more money than a Member of Congress makes. The American taxpayer should not be forced to subsidize this kind of boondoggle.

I urge the adoption of my amendment.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think this is very important for a number of reasons. In the first place, members of this subcommittee wish to do what is right. Doing what is right is not always easy to determine. But let me tell the Members what the facts are here.

When this was called to the attention last year of the subcommittee, it developed—and this is the law—that section 610 of the Agricultural Act of 1970 provides by law for $10 million for Cotton Incorporated to carry out the terms that are set out in the bill, which includes promotion, research, and whatnot.

These exorbitant salaries and fees and payments came to light last year, before our committee reports were made. This subcommittee then scaled the $10 million, which is fixed by permanent law for Cotton Incorporated, back to $3 million. And when we said for research only, it meant that this man could not be paid from Government funds. He is not paid from Government funds now. But under another law that was passed, the farmers can vote one dollar per bale as payment into a fund. When the Congress, following the recommendations of our subcommittee, cut $10 million fixed by law back to $3 million, and made it for research only, this means salary and expenses were no longer paid out of the $3 million. They shifted his salary over to the dollar a bale funds. I am saying to the Members that if you adopt the amendment of the gentleman from Massachusetts you have taken away $3 million in research funds from cotton, one of the major commodities in foreign trade, but you still leave this figure for salaries and expenses from the dollar a bale fund. So I think we should defeat this amendment and take what the committee has brought to the Members.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the distinguished Speaker.

Mr. ALBERT. Mr. Chairman, what we have here is a relatively small appropriation, $3 million, for a very important purpose. Many cases of success have been cited to me in the figure of $3 million for various types of research.

And that redounds to the benefit of the country and the consumer.

Now, we have one man who has been hired not by the Department of Agriculture but by farmers who chip in a dollar a bale to help in the research program. We are not taxing people in Massachusetts to do this; the farmers are making this contribution themselves.

It seems to me, if I understand the issue correctly, that we are talking about the business of somebody who has no connection whatever with the Government of the United States.

Mr. WHITTEN. Mr. Chairman, I thank the distinguished speaker for his comment.

Again I would like to repeat that when the committee last year, supported by the Congress, reduced that $10 million, as fixed by law, back to $3 million and provided that it be for research only, it prohibited payment either for expenses or salaries from this fund. They started then paying him from the dollar-a-bale fund.

I feel very strongly about him being paid anything like this from either fund, because my information is that those who pay into the dollar-a-bale fund and the Cotton Board have no knowledge, as a group, of what has been going on in the way of salaries and expenses. But I am saying to the Members that this amendment offered by my friend, the gentleman from Massachusetts, does two things:

The amendment strikes out "for research only." It strikes out the $10 million that is in the existing law. It strikes out the $3 million we have recommended.

But what else does he do in this amendment? He strikes out of the bill what the committee wrote in there. I am saying to the Members that if we adopt the amendment, not only are we repealing the permanent law for research but we are leaving this man free to draw his pay from the dollar-a-bale fund.

Under the language recommended by your committee he would be under a budget as approved by the Secretary of Agriculture. It has to be signed by the Cotton Board, and my information is that they have not signed it.

So if we adopt the amendment, we leave in the bill the bad situation of which the gentleman from Massachusetts complains. This man is being paid now from the dollar-a-bale fund, not this one, and so we would in turn tie it down under the other fund as well as this one. So if we repeal the provisions the committee has made, as my friend, the gentleman from Massachusetts, would do, we would wind up with a two-edged amendment. The gentleman from Massachusetts would strike out the provision the committee offered, and I say we should not strike this language because it brings the situation down to a sensible level.

Mr. Chairman, I say we should defeat the amendment and adopt the committee's position. We have corrected the situation, and the gentleman's amendment would leave the situation as it is.

Mr. ALEXANDER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, in the last several years the gentleman from Massachusetts (Mr. CONTE) has caused a very significant reduction in the cotton program, and I wish to thank the gentleman for his efforts in that regard. His efforts have done two things: They have made the cotton farmers more self-sufficient, and they have made Democrats out of every Republican cotton farmer in Arkansas.

In 1966, Congress enacted the Cotton Research and Promotion Act to discover better ways for cotton to compete with synthetics. The program has been successful. The cotton industry survived, and synthetics now have competition.

Congress can enact programs from now until doomsday, but Government programs are meaningless without appropriations to make them work. Government programs operate successfully only if funds are provided to carry out the purpose of the program.

Cotton, Inc. is a case in point. It does not matter how much money Cotton, Inc. pays its executives. I agree that the decision to increase the salary of the president of Cotton, Inc. to twice that of the Secretary of Agriculture was not politically smart, but high-level New York executives make that kind of money. The Secretary of Agriculture could make that amount if he were not in Government, but the Secretary accepts less pay for the privilege of serving his country.

That is why Government is often a springboard for business. It pays less. Last year we will recall that the Governor of the Farm Credit Administration quit, because he could make no more than $42,500 a year.

Out in the open market that kind of job pays three times that amount, or $150,000 a year. This provision to limit the remuneration of any official of Cotton, Inc. to the salary level of the Secretary of Agriculture could destroy every research program in which the Government is involved.

The $3 million in this bill for Cotton, Inc., is payment to carry out a Government contract, the same as contracts the National Aeronautics and Space Administration has for research with companies like North American Rockwell. The Defense Department has contracts with companies like General Dynamics, and the Energy Research and Development Administration has contracts to carry out research for alternative sources of energy. Salary is irrelevant.

It does not matter what the salary is, because no funds appropriated by this Congress go for the payment of salary. The funds appropriated by this Congress go to the payment for research which is conducted by Cotton, Inc.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes, I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I think the gentleman for yielding.

I understand, then, that at the present time, the cotton farmers have determined, through their checkoff system, that they are paying the salary of the president of this corporation, as I understand it from the remarks of the chairman.

The gentleman mentioned the fact that the Secretary of Agriculture could be making more money on the outside than he is as the present Secretary of Agriculture. Of course, he is paid by the Government, and I am just wondering whether the gentleman would have any idea about what the Secretary of Agriculture might be making or what his salary might be if it were up to the farmers to determine what his salary might be. Does the gentleman have any idea about that?

Mr. ALEXANDER. He might be unemployed.

Mr. HARKIN. That is right.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. ALEXANDER) has expired.

(On request of Mr. MAHON and by unanimous consent, Mr. ALEXANDER was allowed to proceed for 3 additional minutes.)

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes, I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I want to join the gentleman from Arkansas (Mr. ALEXANDER) and the gentleman from Mississippi (Mr. WHITTEN) in opposition to this amendment.

It has been pointed out here that the farmers are raising out of their own pockets $1 a bale. They produced about 11 million bales last year, raised about $11 million, and they have a board by which they set policies for Cotton, Inc. for the use of these dollars, these $11 million.

It seems to me that under the circumstances it is the money of the cotton farmers and that they should have the major voice in determining expenditures.

I want to take this opportunity to join the Speaker of the House of Representatives and the gentleman from Mississippi (Mr. WHITTEN) and the gentleman from Arkansas (Mr. ALEXANDER) in strong opposition to the amendment which has been offered. I thank my friend, the gentleman from Arkansas (Mr. ALEXANDER) for yielding.

Mr. ALEXANDER. Mr. Chairman, I thank the chairman, the gentleman from Texas (Mr. MAHON), and I would add, just for the purpose of clarification, that this program, I understand, is slated to be phased out over the next couple of years, after which time I hope to join my friend and colleague, the gentleman from Massachusetts (Mr. CONTE), in attempting to bring efficiency and economy to the Penn Central Railroad by removing operating subsidies now appropriated by the Congress.

Mr. FOUNTAIN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes; I yield to the gentleman from North Carolina.

Mr. FOUNTAIN. Mr. Chairman, I wish to associate myself with the views of the gentleman from Arkansas (Mr. ALEXANDER), in expressing opposition to this amendment.

We do not grow as much cotton in North Carolina as we used to, but we grow more in my own congressional district now than in any other congressional district in North Carolina. We have a lot of farmers in North Carolina who pay this dollar assessment because they believe in this program. They are still interested in producing cotton for sale both at home and abroad. This has been a good program for them and for the country.

I therefore urge my colleagues to vote down the Conte amendment.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes, I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I thank the gentleman for yielding, and I rise in opposition to the amendment.

PREFERENTIAL MOTION OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. CONTE moves that the committee now rise and report the bill to the House with the recommendation that the enacting clause be stricken.

Mr. CONTE. Mr. Chairman, the reason I have taken this time is because there have been some red herrings dragged across the issue, and the Members have been led to believe that this is not the taxpayers' money. Since this thing went into effect 3 years ago $23 million or $26 million of the taxpayers' money has gone into Cotton, Inc.

You tell me how they are going to segregate that money once it comes into that hifalutin office in New York City. I suppose they say this is $1 from checkoff, and $1 that comes from the Federal Government, but it all goes into one pot, that is where it is. That is money from the people in Massachusetts and the rest of the taxpayers across this land.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. No, I am not going to yield at this time.

It comes from the taxpayers. It is taxpayers' wasted money.

This is the only one of all of the big five crops, corn, soybean, wheat, and the rest, and they are not in here asking for any money for these purposes. This is the only one of the big five crops that comes in here and bleeds the taxpayers every year.

Do not tell me you disagree with the man's salary, or you disagree with the man's expense account, or you disagree with him joining the Harvard Club, or the Chatham Country Club at the expenses of my taxpayers. If you disagree with it, then cut out this $3 million. Then what they do with the dollar checkoff a bale I do not care about. He can belong to the Bunny Clubs and the Playboy Clubs, all of them he wants to; that is his business, but not to do so with the taxpayers' money.

So much fuss is made about how great this outfit is. I have here a letter from the vice president of one of the biggest and largest garment companies in the United States, and this was written on April 21, 1975, and he says in the letter:

> DEAR CONGRESSMAN CONTE: I have written you before about Cotton, Inc., and how they throw out their money, and their absolute arrogance in being immune to any form of suggestion. Enclosed are four full-page ads from the magazine section of the New York Times. These are 1,200-line ads, and they probably cost in the vicinity of $5,000 to $6,000 per page. Where Cotton, Inc., keeps missing the boat is that they talk to people like they talk to Congressmen. They think they are all stupid, and they don't bother to tell them why you really should use cotton in the language that the average person understands. The prime reason to use cotton is (1) it breathes; (2) it is absorbent.
>
> People more and more are becoming aware of the fact, particularly in warmer weather, that Permanent Press fabrics do not breathe, and they are not absorbent. That is the advantage that cotton will always have, and that is the mistake that Cotton, Inc., always makes in omitting these facts.

Then he goes on, and he says:

> There is another mistake that Cotton, Inc., always makes. They don't seem to understand that in a Polyester and Cotton blend, which is true of all Permanent Press fabrics, cotton should be the father and polyester the son, because all polyester fabrics are extremely uncommon, because they are extremely uncomfortable.

And then he says that they go for the snob trade, or snob appeal, and they do not try to appeal to Kresge, K-Mart, Zayre's, or Woolworth, or even J. C. Penney, or other stores, and he says that he questions the use of this money, and then he says in the last paragraph:

> As I have mentioned to you before, if I was a cotton grower paying Cotton, Inc. $1 a bale in order to popularize cotton, I would pay a visit to that New York office with a Thompson sub-machine gun, and take the necessary action—painlessly, but not pleasantly.

And that is signed by the vice president of one of the largest garment manufacturers, Perfect Fit Industries, in the United States.

Now, I am not going to stand here and argue about the $1-a-bale checkoff. They can do with that whatever they want to do with it. They can squander that money, they can do anything they want to do with it; they can make the salary $300,000. Even though he is not worth it. He came into my office crying with crocodile tears, and he said, "Do you know what you are doing to my family?" I said "I am not doing anything to your family."

But I do not want $1 of the taxpayers' money spent for this purpose. And I will raise hell about it and try to protect the taxpayers' dollar. I hope my amendment is passed. It was passed before, and should be passed today.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, the thing about it is that I agree with my friend, the gentleman from Massachusetts. Not only that, but I did something about it. As chairman of this committee, I recommended last year, and the Congress went along with us, that we limit the use of the Government's money to research. This man has not been paid a dime from Government money since.

The gentleman from Massachusetts, who is so up in arms about it, did not stop with just protecting $3 million. He strikes out the language which limits his salary to $60,000 and his expenses to that which are approved in the budget by the Secretary of Agriculture.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I cannot yield right now.

Mr. CONTE. The gentleman used my name.

Mr. WHITTEN. We prevented Government money from being used last year when we limited it to money for research only. The gentleman would know that to be true, if he would read the language. The amendment is not to just strike the $3 million, but the gentleman from Massachusetts would strike the limitation that we wrote in here to limit the fellow's salary and expenses. I object to that, because I do not like to see my folks' money wasted. Like I say, in my opinion, I do not believe the Cotton Board knew what he had been paid.

May I say the farmers in my area do not know what has been paid, and I hate to have my good friend, the gentleman from Massachusetts, penalize them by leaving them saddled with the rates that he just testified to. He seemed to feel that it was all right if it did not cost them in Massachusetts. I do not want it to cost them in Massachusetts, and I do not want it to cost them in Mississippi, or anywhere else either.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I thank the gentleman for yielding.

My impression has been that it has been the practice of the gentleman from Massachusetts over the last 3 years to make a reelection speech on this subject. The gentleman from Massachusetts has made his fine speech for reelection, but he did not research his facts.

Mr. WHITTEN. I appreciate my friend's statement.

If the Members vote down the amendment, they keep in the language of the committee which ties this thing down. If the Members vote for the amendment, they do not do anything to correct this situation, because we said last year the $3 million was only for research. That money is already tied down. Please strike the amendment down. We are trying to save everybody's money.

The CHAIRMAN. All time has expired.

The question is on the preferential motion offered by the gentleman from Massachusetts (Mr. CONTE).

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 199, not voting 39, as follows:

[Roll No. 384]

AYES—196

Abzug
Adams
Anderson, Calif.
Anderson, Ill.
Armstrong
Ashbrook
Aspin
Bafalis
Bauman
Beard, R.I.
Biester
Bingham
Blanchard
Boland
Bonker
Brodhead
Broomfield
Brown, Mich.
Brown, Ohio
Burke, Calif.

Burke, Fla.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Tex.
Conable
Conte
Conyers
Cornell
Coughlin
Crane
D'Amours
Daniel, R. W.
Daniels, N.J.
Danielson
Delaney
Dellums
Derwinski
Dodd
Downey
Drinan
du Pont
Early
Edgar
Edwards, Ala.
Eilberg
Emery
Erlenborn
Eshleman
Fascell
Fenwick
Fish
Florio
Forsythe
Frenzel
Gaydos
Giaimo
Gilman
Goodling
Gradison
Grassley
Green
Gude
Hamilton
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Hastings
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hillis
Hinshaw
Holt
Holtzman
Horton
Howard
Hughes
Hutchinson
Hyde
Jacobs
Jarman
Johnson, Pa.
Kastenmeier
Keys
Kindness
Koch
Lagomarsino
Long, Md.
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKinney
Macdonald
Madigan
Maguire
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Myers, Pa.
Nedzi
O'Brien
O'Hara
Ottinger
Patten, N.J.
Pattison, N.Y.
Pettis
Peyser
Pike
Pritchard
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Roe
Rogers
Rooney
Rosenthal
Roush
Rousselot
Ruppe
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shriver
Skubitz
Snyder
Spellman
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Stokes
Stratton
Sullivan
Taylor, Mo.
Thompson
Tsongas
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Whitehurst
Wilson, Bob
Wirth
Wolff
Wydler
Wylie
Yates
Yatron

NOES—199

Abdnor
Addabbo
Albert
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
AuCoin
Baldus
Barrett
Baucus
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Boggs
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Broyhill
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Byron
Carter
Casey
Chappell
Cochran
Conlan
Corman
Cotter
Daniel, Dan
Davis
de la Garza
Dent
Dickinson
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Calif.
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Findley
Fisher
Fithian
Flood
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Frey
Gibbons
Ginn
Gonzalez
Guyer
Haley
Hall
Hammerschmidt
Hawkins
Hays, Ohio
Hébert
Hefner
Henderson
Hicks
Hightower
Holland
Howe
Hubbard
Hungate
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kazen
Kelly
Ketchum
Krebs
Krueger
LaFalce
Latta
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McFall
McHugh
McKay
Madden
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Milford
Mills
Mineta
Mollohan
Montgomery
Moore
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Passman
Patman, Tex.
Patterson, Calif.
Pepper
Perkins
Pickle
Poage
Pressler
Preyer
Price
Quie
Quillen
Randall
Rhodes
Risenhoover
Roberts
Robinson
Rodino
Roncalio
Rose
Rostenkowski
Roybal
Runnels
Russo
Ryan
Sebelius
Shipley
Sikes
Simon
Sisk
Smith, Iowa
Smith, Nebr.
Solarz
Spence
Staggers
Steed
Steiger, Ariz.
Stephens
Studds
Symington
Talcott
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Ullman
Waggonner
Wampler
White
Whitten
Wilson, C. H.
Wilson, Tex.
Wright
Young, Alaska
Young, Ga.
Young, Tex.

NOT VOTING—39

Archer
Badillo
Bell
Blouin
Collins, Ill.
Derrick
Devine
Diggs
Esch
Flowers
Fulton
Fuqua
Goldwater
Hagedorn
Harsha
Karth
Kasten
Kemp
Landrum
Leggett
Lent
McCollister
Matsunaga
Metcalfe
Rinaldo
Scheuer
Shuster
Slack
Stuckey
Symms
Teague
Udall
Van Deerlin
Vander Jagt
Wiggins
Winn
Young, Fla.
Zablocki
Zeferetti

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 610. Obligations chargeable against the Working Capital Fund during the period July 1, 1975, through June 30, 1976, shall not exceed $37,452,000, the same as fiscal year 1974, and for the period July 1, 1976, through September 30, 1976, shall not exceed $9,363,000.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On Page 67, after line 13, add new Section 610 and renumber subsequent sections;

"SEC. 610. None of the funds provided by this Act shall be used to supply commodities to India until the President certified to the Congress that the democratic liberties and civil rights existing before the June 26, 1975 actions of that government have been restored."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Mississippi (Mr. WHITTEN) reserves a point of order against the amendment.

Mr. ASHBROOK. Mr. Chairman, it is not necessary to take the entire 5 minutes to explain this amendment. I think the Members of this body fully know that this country has provided upwards to $10 billion worth of aid to India, mostly in the form of agricultural assistance. It has done so on the rationale that this is the largest democracy in the world, and must be supported.

Mr. Chairman, I think the actions of that government in the past month or 6 weeks have made it obvious that the taxpayers' money of this country should not be used at the present time for any assistance whatsoever to that country until, as the amendment indicates, the President can certify to the Congress that the democratic liberties and civil rights have been restored by that government.

I certainly would urge all of the Members to support this amendment.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Mississippi insist on his point of order?

Mr. WHITTEN. Mr. Chairman, I do, and I point out that this is exactly the same type of objection we had earlier, and the Chair ruled it was subject to a point of order.

It is contingent upon the specific action of the President. I insist on my point of order.

Mr. ASHBROOK. Mr. Chairman, I heard the argument of my colleague before, and this amendment does not call for any additional action. It does require the President to certify. I think that is consistent with past precedents, and I hope the Chair will overrule this point of order.

The CHAIRMAN. The Chair advises that the point of order is amply sustained by the precedents. Chapter 26, section 12.13, of Deschler's Procedure, covers this point. The amendment does impose an additional duty upon the President, and the Chair sustains the point of order.

The Clerk will read.

The Clerk concluded the reading of the bill.

AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Maryland: Page 68, immediately after line 8, insert the following new section:

SEC. 612. None of the funds appropriated under this Act shall be available to administer, extend, grant, or provide credits, subsidies, guarantees, or other aid, including credit from the Commodity Credit Corporation, to the Soviet Union for purchases of United States agricultural commodities.

Mr. LONG of Maryland. Mr. Chairman, the purpose of my amendment is very simple. It is to make sure that none of the wheat sales to the Soviet Union are made on the basis of U.S. Government credit or any other kind of subsidy by the U.S. Government.

The purpose, therefore, is that if the Soviet Union wants to buy grain from the United States, they will have to pay cash on the barrelhead.

Contrary to what many say, the Commodity Credit Corporation loans are subsidies. The Soviet Union would pay 8 to 9 percent for Commodity Credit Corporation credits, whereas they would pay 9½ to 11 percent on the Eurodollar market. The fact that the U.S. domestic prime interest rate is at 7 to 7½ percent means little with regard to international commercial lending. A further subsidy element in Commodity Credit Corporation loans is the length of financing—up to 3 years. Very few commercial banks lend for longer than 90 days for commodity purchases. Thus, the Soviets cannot obtain as favorable financing from commercial banks as they could obtain in Commodity Credit Corporation credits. That constitutes a subsidy.

The great grain sale of 1973, sometimes called the great grain robbery, was made heavily on credit—$750 million worth of Commodity Corporation credit. We all know that now. Those sales were a major cause of grain scarcities and skyrocketing food prices. We now know that they tied up practically all the railroad cars in this country, and that they had a tremendous inflationary impact on the United States.

Mr. Chairman, the further point I want to make—and to me this is the most important point of all—is that the grain subsidies to the Soviet Union, if they are made, will subsidize their military buildup by enabling the Soviets to continue to pour huge resources into their military instead of having to shift resources back to the agricultural sector. Agriculture has been the bottleneck now for years as far as the economic growth of the Soviet Union is concerned.

In other words, when we help the Soviets economically, we are helping them militarily. We cannot do that and then come in here and support tremendous hundred-billion-dollar budgets for the military and do it with a clear conscience. We are in the position of subsidizing both sides of the arms race, and it could not be more wrong.

The Soviets encouraged the Arab oil embargo; they supplied the North Vietnamese army that took over South Vietnam and Cambodia; and they supported the Arab nations in the Yom Kippur war.

How can we justify permitting grain subsidies to a country which is our adversary in so many areas of the world? By its aggressive cold-war policies, it is forcing us to spend nearly $100 billion a year on our arms procurement; it is drawing money away from education, away from housing, away from social security, and away from energy research and other vital needs here in the United States.

My amendment does not forbid cash grain sales to Russia, simply because we cannot do that in this bill. All it does is say, "If you want to buy our grain, pay cash on the barrelhead."

AMENDMENT OFFERED BY MR. WEAVER TO THE AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. WEAVER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WEAVER to the amendment offered by Mr. LONG of Maryland: After the words "Soviet Union" add "and any nation which is a member of the Organization of Petroleum Exporting Countries".

Mr. WEAVER. Mr. Chairman, I am in wholehearted support of the Long amendment. I believe it should be broadened, however, to include the Arab oil countries also.

Five years ago oil was $1.50 a barrel, and 5 years ago wheat was $1.50 a bushel—the same price. Today the world price of oil is three times the price of wheat.

Five years ago the price of gold was $40 an ounce; today it is four times that price, $160, while wheat is twice as high. Russia has been selling gold in the European markets for the past 2 months to pay for our grain. They are buying it in secret through third-party private grain corporations, and they are making another raid on our food supply.

They are a monopoly buyer, finding our free market farmer their prey, and later on the consumer of this country will be saddled with another inflationary round in food costs, and the Russians will be back there laughing at us, taking the capitalists again, as they did in 1972.

Mr. Chairman, it is time that we made the Russians and the Arabs pay stiff prices for the grain, as they make us pay stiff prices for their oil and other commodities.

The Russian grain crop is in real trouble. It is burning out. There is a high sitting over the Volga basin, and we do not know how badly that crop is being burned out, but believe me, if it is as bad as or worse than it was in 1972, they will have no place else to go to replace their grain but to the United States.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. Yes, I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I accept the gentleman's amendment. I think it improves my amendment, and I think it does very much to establish the principle that if we are going to sell the great, precious resource we have, we ought to do it for cash. I think there is a real question as to whether we ought to sell it, period. However, if we are going to sell it, let us sell it for cash, not for credit.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. Yes, I yield to the gentleman from Texas.

Mr. MILFORD. I am a little puzzled. What is to keep a third country from acting as a middle man, buying wheat from us, and selling it to Russia, OPEC, or anyone else?

Mr. WEAVER. I have a bill, H.R. 6546, which makes the Commodity Credit Corporation the sole exporting agent for all our commodities.

If the gentleman would like to cosponsor that bill, that entire matter will be taken care of.

Mr. MILFORD. I submit, though, that that bill has not been made into law. We are dealing here with a situation that will be law.

Mr. WEAVER. The Soviets may have a deficiency of such magnitude that it may reach 20 or 30 or 40 million tons. Indeed, if it does reach that kind of magnitude above the 10 million tons reported in the press, then they will have to deal directly with us, and it is time that we in this Government made them pay. The CIA in their report last year said that food may become the most powerful weapon in the world.

Secretary Butz said last November that food is a weapon, and yet he entrusts that weapon to six private grain corporations, three foreign dominated, to sell out, once more, the American farmers and the American people, in the guise of calling it a free market.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, according to the papers I see that we are on the verge of an agreement in the Middle East between the Israelis and the Egyptians. Is not the gentleman from Oregon afraid that his addition to the Long amendment might conceivably jeopardize that agreement?

Would that not be a little bit dangerous?

Mr. WEAVER. I would point out that the Arabs have not, seemingly, jeopardized any of their relations with the United States by doubling and tripling the price of oil. All we are asking for in the Long amendment is that we do not subsidize the grain to the Soviet Union.

Mr. STRATTON. I think the Russians are a separate case, but I certainly would not want to jeopardize that very vital Middle East agreement at this time.

Mr. WEAVER. I do not think it would.

Mr. Chairman, I would like to close by saying that I am writing Secretary Butz and urging him to take over the sale of our grain to the Soviet Union so that we can trade bushels for barrels of oil, and get double or triple the price of our commodities.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment goes much further than would seem to be indicated.

To start with, briefly, on the claim that we are helping the Soviet Union by absorbing their credits when they buy wheat. They have built their appetite for wheat up so far to 215 million tons per year in consumption of wheat and that is above their average capacity to produce. I think it is good if they become dependent upon us for a few thousand tons of wheat every year. That would be good. That would lessen the opportunity for them to be independent of us, and to rattle the saber. I hope they build up their appetite to 250 million tons. And if they have to go into the world wheat market every year that would help the world of course, so far as peace is concerned.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I will yield to the gentleman when I finish my statement.

Mr. Chairman, let us take a look at what we are talking about when we say "cash on the barrelhead."

What is cash on the barrelhead in international trade? First of all, someone in this country sells or contracts to sell to the Soviet Union some grain, or something else. The first thing they have to do because they are not going to be dependent upon themselves to deal with the Soviet Union, they go to the Export-Import Bank, and get a guarantee. When they put the wheat or whatever it is, on board; they will need the money and use the guarantee to secure a loan on the shipment. The Soviet Union is not foolish enough as no other country is foolish enough to pay you in full for something before it is put on board in this country.

So the grain dealer goes to the Export-Import Bank and gets a guarantee. The Government guarantees that if they go through with this exchange we will see to it on a government-to-government basis that they fulfill their contract. It may be several months before the wheat is delivered. So the grain dealer takes the Export-Import Bank guarantee, and they go to the Chase National Bank, or some other bank, with that guarantee, and borrow money immediately so that they can continue to do business. Then, after it is delivered, a lot like when you buy for cash in a department store, you pay within 30 days, and that is considered cash. After it is delivered and they have the grain, they pay for it in exchange by exchanging foreign credits, and this can take several months, sometimes.

Cash on the barrelhead is not cash in advance. This amendment prohibits what is normally considered cash sales in international trade. The amendment says:

> None of the funds—

Mr. LONG of Maryland. Mr. Chairman will the gentleman yield?

Mr. SMITH of Iowa. I will be glad to yield to the gentleman from Maryland as soon as I finish my statement.

The amendment says:

> None of the funds appropriated under this act shall be available to administer, extend, grant or provide credits, subsidies, guarantees, or other aid, including credit, from the Commodity Credit Corporation, to the Soviet Union for purchases of United States agricultural commodities.

So this would prohibit any kind of aid to promote sales to the Soviet Union, that even includes inspection services down at the port, any kind of aid.

If we have a big crop this year, the Commodity Credit Corporation could end up with some grain. They would be prohibited from selling under usual cash terms—under usual cash terms—under this amendment. So what we are really doing is prohibiting sales of any kind to the Soviet Union.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding.

We made a big grain deal with Russia in 1973. Does the gentleman see any evidence that détente has paid off in that interval? Is it not true that the arms race has continued unabated in that time?

Mr. SMITH of Iowa. That has nothing to do whatever with the amendment. If the gentleman wants to address that question, he should address an amendment that affects that. This amendment does not affect that.

Mr. LONG of Maryland. The gentleman made a point. That is why I am answering. Now the gentleman is saying really that there is no such thing as cash sales. Does the gentleman exclude the possibility that the Russians could deposit a number of millions of dollars in New York banks, and then pay for their grain out of that deposit? Now I understand they have large gold holdings, and they have diamonds that they are selling in Jamaica and elsewhere. Why can they not bring that money over and deposit it in New York banks and then pay for their grain out of that money?

Mr. SMITH of Iowa. Of course, they would not be so foolish as to pay in advance for something that has not even been inspected. Look at the indictments down at the port right now. Does the gentleman think somebody is crazy enough to pay in advance for something they have not had an inspection certificate on?

Mr. LONG of Maryland. No one is saying that they must pay before they get the deliveries.

Mr. SMITH of Iowa. Right after the war West Germany moved in this area. They really captured a good share of the world market on several commodities because we were too slow. They set up what is comparable to an Export-Import Bank. They figured out a way so that cash sales could be facilitated, so that their businessmen could get the cash and continue to operate, and the buyer would pay when it is delivered. Those are considered cash sales in the international market. There is not such a thing as a man from Russia driving over here with a truck and loading up the grain and paying cash and driving home. That is not the way international sales work. So cash sales would be prohibited by this amendment as that term is normally used in international trade.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Oregon.

Mr. WEAVER. I thank the gentleman for yielding.

The gentleman says that he fears losing the Russian market for our grain. Where would the Russians go to purchase grain?

Mr. SMITH of Iowa. Right now it figures out this way. We have a minimum of 10 million tons, probably 15, that we can sell. Canada has 12 million; Argentina and Australia together have 3 million. That is 28 million tons that are for sale on the world market. They may want as much as 10 million tons of wheat. In addition to that, there will be a demand for more than that amount of corn, so there is no shortage on the world market, and it is a world market.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. WEAVER, Mr. SMITH of Iowa was allowed to proceed for 1 additional minute.)

Mr. WEAVER. Mr. Speaker, will the gentleman yield further?

Mr. SMITH of Iowa. I yield to the gentleman.

Mr. WEAVER. I thank the gentleman for yielding.

The gentleman's statistics are correct. Canada has 12 million tons. However, almost all of it is committed, and the Soviet Union has perhaps doubled its purchase. Australia has 8 million tons, almost all of it committed to Japan and India and other buyers. The EEC has 1 or 2 million tons. Almost the entire wheat crop, including the spring crop that is being harvested now and yet to be harvested in other parts of the world, is committed. We are the only nation with a surplus, the only nation that can supply the Soviet Union in the event they need more grain.

Mr. SMITH of Iowa. The best figures I could get as of Friday are there are 28 million tons minimum in the world today that are not committed to the ordinary customers, and I say that we should not do anything here that is going to hurt the United States of America. All we would do under this amendment is instead of absorbing their gold credits, or their foreign credits, we would force them to keep the money so they can spend it on armaments and strategic materials, and they will have those for years. If they spend it on wheat, they will eat it up at the end of the year and it is gone. Let them buy it from us.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to oppose the amendment, as amended. First, I hesitate to say this, but I guess one has to under the atmosphere that may develop, but I do not apologize to anyone for my mistrust of the Soviet Union. So that when I oppose this amendment, I am not being soft on communism, nor do I have any delusions about what the Soviet Union stands for.

But first the amendment the gentleman from Oregon offered added the phrase "and OPEC countries" to the prohibition. Then the gentleman explained this was meant to get at the Arabs who were selling oil at high prices and milking us. But the OPEC countries are more than just the Arabs. They include Indonesia, Ecuador, Venezuela, and Nigeria. They all have tremendous problems with their economies because the oil benefit or wealth has not reached the common man yet.

Even among Arab countries, if you want to look at a responsible solution for the Middle East, we find Saudi Arabia has been our friend and Iran has been an ally.

So what we are doing with one phrase is aiming at the OPEC countries but not differentiating between their foreign policies and their relationship with economics of oil.

Furthermore, let us get back to the Long amendment, which I interpret as a flat prohibition against any funds to administer and extend or grant or provide credits, and so on, and that would even prohibit the Department of Agriculture from monitoring the Soviet grain purchases that they are now presumably making from private sources. So it would even cut off the ability of the Department of Agriculture to monitor the Soviet purchases, so the robbery the gentleman referred to as having occurred in 1972 would be left wide open by the provisions of the gentleman's amendment.

So what we have here are two very fine amendments as far as motivation but they are absolutely unworkable. The timing could not be worse as far as the Middle East is concerned. The timing could not be worse as far as the huge surpluses of grain of our farmers are producing. Knowing as little as I do about agriculture, and what I know is mainly from the consumer standpoint, I believe we are creating a situation here more so in any other field where we will be easing our balance of payments, if we make sales to Saudi Arabia and Iran of our grain we will be getting back some of our dollars they have acquired. If we put any major restrictions on the sale of the U.S. farm products, we will be creating an economic headache for ourselves.

So I say to the Members, regardless of the motivation of these amendments, their timing is terrible, and when we add the OPEC question the impact is disastrous. I urge the rejection of both amendments.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, I agree with the gentleman.

We often think of the OPEC countries as being the Arab nations but we forget they include Venezuela and Ecuador and Indonesia and Nigeria, all important nations. The irony is countries like Mexico and Canada, while formerly members of OPEC, are taking advantage of the price levels and charging us OPEC prices. So we are getting into a most unfortunate situation which has neither taken into consideration our foreign policy needs nor our balance-of-payments situation.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, the gentleman from Illinois indicated that some of the OPEC countries are our friends. Are they giving us a better price than those nasty nations which are holding us up?

Mr. DERWINSKI. Any group of countries when they form a cartel will try to control their market. Ecuador, one of the OPEC countries, is trying to back away from the price fixing. Ecuador is not an OPEC country traditionally. It is a traditional friend of the United States. Remember the OPEC operation is not aimed at us alone. It is aimed basically at the oil consuming world and we happen to be a major consumer of oil. But if we turn around and use our surplus farm products effectively as a wedge with these non-Arab countries, we can perhaps accomplish more. I would differentiate in describing the Saudi Arabia Government as differing from the other governments of the Arab world. Saudi Arabia is a pro-American government.

Mr. ASHBROOK. But they are taking advantage of the cartel situation because of their advantage in oil. Yet the gentleman is arguing here in an area where we have some superior position we should not take advantage of it.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. DERWINSKI. Mr. Chairman, the gentleman knows that the countries that produce agriculture surplus do not move together and the moment we jack up the price we will find that the Australians, the Canadians and others are underselling us. We do not have a cartel in the agricultural field.

Any time we can make a major sale of farm commodities, we are serving our economic needs. Those sales come back to us in hard currency and they are good business for our economy. These two amendments would jeopardize a very practical program.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(At the request of Mr. LONG of Maryland and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, the gentleman just said when we sell it we sell it for good hard cash. That is all I am asking for in my amendment, that we get the cash and let the credit go. IOU's we have a mile high. We do not need them.

Mr. DERWINSKI. What the gentleman does is strike a mechanism that has been established and the gentleman would arbitrarily strike these sales. The gentleman does not leave any flexibility at all. He puts an absolute prohibition against any use of administration costs, grants, subsidies, guarantees. The gentleman takes away the entire package and the gentleman insists—let me point out, we could pass this amendment and all that would happen is that the Australians and Canadians would make a windfall sale. If we add to this the OPEC feature, we have ourselves in a double-barreled amendment that would create an impossibility for people who want to effectively move our huge farm surplus.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(At the request of Mr. WEAVER and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, the gentleman says this would simply mean a windfall sale to Canada and Australia if we did not sell this grain.

The Soviet Union projected a 230-million-ton grain crop this year. It fell to 220 million tons, then to 215, then to 210. It is now down to 195 million tons. That is a 35-million-ton shortfall.

We have, according to the gentleman from Iowa, 28 million tons of surplus in the world. The Soviet shortfall is over that already. There is no place they can go for their grain.

Mr. DERWINSKI. That was a shortfall from their goals, not a shortfall from their consumption.

Mr. BURLISON of Missouri. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the proponents of the amendment, of both amendments, have not given close enough attention to the facts. I would like to share with the House a report that I received just today, just this afternoon, from the Department of Agriculture. I would like to quote briefly from that with respect to the 1972 grain deal with Russia:

> $750 million in credit over a 3-year period was extended to the Soviets. Between July 8, 1972 and May 16, 1973 an interest rate of 6⅛% was applied to all financing approvals issued for grain exports to the Soviet Union. However, in keeping with the rising trend in interest rates since May 1973, CCC credit rates have been increased and financing approvals issued currently for Soviet grain purchases carry a rate of 9½%. Under the agreement with the Russians, not more than $500 million could be outstanding at any one time. Not all USSR grain purchases from the US were financed under CCC credit. Actual shipments of US grain to the USSR during fiscal years 1973 and 1974 totaled about $1.3 billion, of which over 56% was paid for in each ($728 million). Also, during this period the USSR bought from the US about $125 million of soybeans and some $35 million of other agricultural products, all for cash.

Now, also in the context of this revelation, let us look at what the supply situation for wheat is at this moment. I am quoting now, very briefly, from the "Agricultural Supply and Demand Estimates" of July 11 which came across my desk this afternoon. It states as follows:

> With 1975 food and feed grain crops headed for record or near-record production levels, supplies during the 1975–76 marketing year appear large enough to meet substantial increases in domestic and foreign demand while still permitting increases in carryover stocks. . . .
>
> Production of all wheat in 1975 is forecast at an all-time high of 2,187 million bushels, 22 percent more than the previous high set last year. Acreage for harvest is 69 million acres and the indicated yield is 31.7 bushels per acre. All classes are record large: winter wheat is put at 1,637 million bushels; durum wheat, 133 million bushels; and other spring wheat is put at 418 million bushels. . . .
>
> Exports for the 1974–75 marketing year just completed have been lowered to 1,040 million bushels, bringing the July 1, 1975 carryover to 295 million bushels. With the record 1975 crop, the total supply for the 1975–76 marketing year is estimated at about 2.48 billion bushels. Use is expected to be in a range of 1.86 to possibly 1.98 billion bushels, leaving a carryover of about 500 to 625 million bushels.

Now, my friends, what the gentleman from Maryland is doing, if this amendment is agreed to, in view of the overwhelming supply of wheat that we are going to have at the end of this crop year, we are not going to have anything that we can do with it. In fact, I would submit that the grain exchange today has been listening to my friend from Maryland and is fearing what may happen on the House floor, because the price of wheat fell 18 cents a bushel today. This is the first time it has fallen in some time.

I am saying to the Members that if we enact this piece of legislation, we are going to scare off, or we are going to chase off, a prospective customer that we need for this surplus of grain that we are going to have.

The second matter which I just want to touch upon in passing is the balance-of-trade problem. Last year, we traded $22 billion in agricultural products, and had a net balance in agricultural commodities of $12 billion. We have got to have this if we expect to stay in the market for foreign oil and avoid catastrophic inflationary pressures. This is another reason why we need to trade, why we need to strike this amendment, so that we can sell our grain to Russia.

We have not had any loss from the 1972 trade. The Members have heard the report from the Department of Agriculture that they paid sums in cash, and what they were sold on credit is rapidly being liquidated. These amendments should be voted down.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(On request of Mr. WEAVER and by unanimous consent Mr. BURLISON of Missouri was allowed to proceed for 1 additional minute.)

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. BURLISON of Missouri. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, I appreciate the remarks of the gentleman from Missouri. It is my intention to double and triple the price of our grains to the Soviet Union.

The gentleman says we will chase away a customer. There is no place else the Soviet Union can go. World grain stocks of wheat have gone up a total of 7 million tons this year.

Mr. BURLISON of Missouri. The gentleman should know better than that. He should know that the Russians can buy wheat from Canada and from other countries. The gentleman should also know that the Russians could interpose a third party, a straw party, between us and the Russians in grain deals. He should know that we will end up going through third parties, and at the same time create a lot of problems which we need not invite.

Mr. WEAVER. The facts are that there is no grain surplus in this world except in the United States of America.

The Canadian crop is mostly committed. The Australian crop is mostly committed. Only 2 or 3 million tons are available for sale. If the Russians seek huge amounts of additional grain, there is only one possible supplier, the United States.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, those who oppose this amendment and the amendment to the amendment are cast in the somewhat unpleasant situation of seeming to be defenders of either OPEC or of the Soviet Union, when in fact they are concerned about protecting the interests of the United States and its people. They know the Soviet Union and the OPEC countries can and will look after themselves.

I think it is unfortunate if those who support these amendments do so because they believe that they are thereby sending some sort of message to the Soviet Union and the OPEC countries or are helping our farmers obtain a higher price for their grain. That sort of reasoning is both mistaken and misguided.

Extremely delicate negotiations concerning the sale of American grain are now in process with the Soviet Union. There is no indication that any aid, grant, or subsidy, including credits from the CCC, are being discussed or considered in effectuating this sale, thus eliminating any potential rationale for these amendments. Yet even so, these amendments, if adopted, would only impair our position at the bargaining table and promote the wrong kind of interferences. Indeed, it is rarely helpful in such circumstances as the current one to single out the country with which one is negotiating by denying it the financing arrangements that are otherwise available to any other nation with which we trade, such as the People's Republic of China, Albania, Poland, the nations of Communist Eastern Europe or Indochina, all of which are not covered by these amendments.

CCC credits, which the amendments preclude, are not direct foreign aid, since they bear an interest rate of 9 percent if the sale is covered by a foreign bank's letter of credit or 8 percent if covered by a U.S. bank's. Inasmuch as these interest rates are more than the prime rate of interest or the cost of Government financing, it is hard to believe that CCC credits are being considered by Moscow. If any financing is needed, the most logical source would be commercial loans at commercial rates.

It is an enticing thing, I suppose, to think about being able to go home to our constituents to say we told the Soviet Union and OPEC nations to pay cash or get out of our markets. But such statements would in fact be misleading because the countries concerned would not actually be disadvantaged by these amendments. I do not think it is constructive to give the pleasing appearance of taking a tough bargaining stance and of preventing interferences with our markets when in reality such a stance would be substantially worthless and would not inhibit an OPEC country from buying grain. Saudi Arabia, which has only 5 million people, does not need subsidies to purchase grain and can afford to pay $50 a bushel if necessary.

My fear is that these amendments will achieve something far different than what I believe was intended and would only help in further solidifying the Arab and non-Arab membership in OPEC without getting the United States either lower prices or a more secure supply of oil. For the Russians, these amendments are gratuitous and insulting and can hardly improve our bargaining position or provide any other advantage to the United States.

It is important to remember that it is not as though we are in a position where we can easily be taken advantage of. Presently, a large sale of wheat or feed grains cannot be carried out without the knowledge of the U.S. Government since new legal and administrative requirements provide that any sale of over 100,000 tons has to be reported within 24 hours to the Department of Agriculture. Moreover, the President and the administration have far-reaching authority to control exports. Only yesterday the President said that he will keep a close watch on grain sales to make sure that no export sale is so large as to sharply affect domestic prices. The U.S. Congress also will watch any sale most carefully to insure that our domestic users and our trading partners are not disadvantaged. I plead with you not to permit these ill-considered amendments to interfere with these orderly trade procedures.

While it is undoubtedly true that the Soviet Union needs American grain, it does not follow that they cannot do without. We know from past experience that the Soviet Union, with its highly controlled economy, can decide to cut back on its livestock program (half of any grain sale would probably be used as feed for their livestock) and somehow do without the other grains it might purchase from us. Such an alternative is not one that we as Americans could easily consider for our own nation, responsive as our economy is to millions of private needs. Our private market situation does not give us the option the Soviet have to forgo buying additional grains in spite of a steady and high demand and to be unresponsive to that demand to a considerable degree.

True, the Soviets would pay a price if they were not to purchase substantial quantities of American grain: but then, so would we. Our agricultural export sales earn us foreign exchange and save Federal Government funds. They permit a policy of full production rather than of subsidized nonproduction. They are a powerful element of an enlightened foreign policy.

Let us not hamper and obstruct the procedures and policies governing the agricultural export sales that have been so beneficial to us. The amendments under consideration can only hobble our trade policy, especially since they have as targets only the Soviet Union and OPEC nations. If we do adopt these amendments, let's at least be orderly and consistent about it and extend the policy to all countries: to OPEC, to the Soviet Union, to the EEC, to all countries with whom we trade—or at least to all developed countries.

A better course is to reject both amendments—especially Mr. Chairman, since I am absolutely satisfied that there is no aid going to any projected Soviet sale.

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for 1 additional minute.)

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, the gentleman seems very concerned that we are offering a gratuitous amendment for the Soviet Union. We have something like 10,000 or 12,000 missiles which are aimed at the Soviet Union, and they probably have an even greater megatonnage aimed at us.

Suddenly the gentleman is terribly concerned because we single out the Soviet Union and aim a particular piece of language at it.

Let me ask this of the gentleman: Is it not true that Secretary Butz has just conceded over a national network in fact that this grain sale would raise the price of bread to the American consumer?

Mr. FOLEY. Mr. Chairman, I do not

know what the Secretary has said on television. I do know that he has pointed out that there is only 5 cents worth of wheat in a 1-pound loaf of bread. If wheat went up 20 percent, we are talking about 1 cent a pound loaf increase in bread prices. Actually wheat declined in price sharply last year.

The fact is that the United States has missiles pointed at the Soviet Union and they have missiles pointed toward us. Both sides view this as necessary. Many of us think that trade with the Soviet Union is also a useful way of keeping the peace.

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in opposition to the amendment.

Let me say that I appreciate the contribution of our colleague, the gentleman from Washington, the chairman of the Committee on Agriculture. He said it like it is.

I would like to try to lay a few other things to rest so we can be debating on the basis of fact, not on fantasy or, as our colleague from Washington says, a desire for a gratuitous amendment so that some Members can get some headlines.

I will cite to the Members the GAO report to the Congress on the investigation subsequent to the time of the last wheat sale, the Russian wheat sale. This GAO report to the Congress points out that the Russia wheat sale resulted in a net savings to the U.S. Treasury of $457 million.

True there were export payments involved, but those were payments to farmers. And there was a shipping subsidy for shipping in U.S.-flag vessels. But that was a payment to the U.S. ships and not to the Russians.

When we deduct the costs, $305 million, from the savings of $762 million, we come up with a net savings to the U.S. Treasury of $457 million. I think every one of us ought to consider that.

Maybe we ought to take a look also at the fact of what this will do to the price of a loaf of bread. For every dollar a bushel that wheat goes up in value, there is a 1.4-cent increase in the price of a loaf of bread. There is about 5 cents worth of wheat in a loaf of bread today, with wheat selling for $4 a bushel.

Wheat is selling, incidentally, today for one-third less than it was a year and a half ago, and yet when you and I go to the supermarket, we do not see a penny difference in the price of a loaf of bread. While wheat has gone down one-third, the price of a loaf of bread, instead of going down one-third, has usually gone up.

What are we talking about in this desire to eliminate CCC from taking part in exports? There is no subsidy in the sale of wheat to anybody today. The fact is that in our country there is no way our farmers can sell wheat unless there is some carrying mechanism.

CCC provides that carrying mechanism for 90 days. It is just as though one has an oil company credit card. It facilitates his ability to fill his tank of gas; 30 or 60 days later on he pays for it. There is no subsidy from the oil company to him. They extend that type of credit because they want his business, because it is good for them.

Frankly, our farmers need export business. There are a lot of people over there who are hungry, and I think we can win a lot more friends with food than we can with bullets and bayonets.

Because my State happens to be one of those missile States does not mean that I like the saber-rattling of my colleague, the gentleman from Maryland tonight, saying we ought to be at them hammer and sickle or hammer and tong and everything else.

I think we can defuse the rivalry between our nations far better by feeding their hungry multitudes than we can by pouting at them and saying that we are going to settle this by the sword.

Mr. Chairman, I think we ought to take a look at the fact that what we are talking about in terms of production leaves this country and its consumers with a lot of wheat to take care of our needs here at home. Our crop this year is going to be 2.2 billion bushels. Never has this country consumed more than 700 million bushels. Therefore, we have to export 1.5 billion bushels of wheat.

We are talking about 10 million tons that the Russians want. Those 10 million tons amount to 375 million bushels, less than one-fourth of what we have to export, so it is not going to make any dent in our available supplies. However, it is going to mean job opportunities in this country. It is going to mean dollar earnings overseas. Further, I would suspect that if there is unemployment in the area around Baltimore, that unemployment is going to be made a whale of a lot worse if we do not have the $2 billion worth of overseas earnings from this wheat sale. If we need fuel to run the industry of Baltimore City or to keep industry going in New York or wherever else, I would suspect we need something to pay for that fuel. Wheat gives us a great way to get overseas dollar earnings.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. Yes, I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Would the gentleman deny that there has been an enormous increase in the price of food and in the cost of living since the 1973 Russian wheat deal?

Mr. ANDREWS of North Dakota. That is true, but not because of increased farm prices.

Mr. LONG of Maryland. Is it not true that this is an inflationary force that spread like a fire storm all through our country.

The gentleman talks about saber-rattling. Is it not true that the gentleman's constituents want high prices for their wheat and that the high prices for the wheat are going to have to be paid for partly by the consumer in the cities and all over the United States? Is that not right?

The CHAIRMAN. The time of the gentleman from North Dakota (Mr. Andrews) has expired.

(By unanimous consent, Mr. Andrews of North Dakota was allowed to proceed for 1 additional minute.)

Mr. ANDREWS of North Dakota. Let me point out to the gentleman that the price of wheat today is not even at parity. The price of wheat today is not even where the farmer has purchasing power equal to what he had in 1910 or in 1914, so do not run by me the fact that the farmers are getting too much for their wheat. It is a damned lie. He is not. The farmer is not getting enough for his wheat. Today the farmer needs sales so he can get a fair price. If we mickey-mouse up our export potential, not only does the farmer suffer, but this country suffers, and jobs in this Nation go down the drain. I do not think any of us want to see that.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Could we reach some agreement? It is 6 minutes after 6 now. Could we reach some agreement on time?

Mr. DENT. I reserve the right to object.

Mr. WHITTEN. Mr. Chairman, I have not made the request yet. I am asking whether we could reach some agreement on time.

Mr. Chairman, I ask unanimous consent that debate end in 15 minutes, the last 5 retained to the committee.

The CHAIRMAN. Does the Chair understand the unanimous-consent request to be that all debate cease in 15 minutes and that the last 5 minutes be reserved for the committee, that is, all debate on the amendment and all amendments thereto?

Mr. WHITTEN. That is right, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. MIKVA. Mr. Chairman, reserving the right to object, we have so far heard some 10 members of the committee, or thereabouts, in opposition to the amendment. I see another half dozen members of the committee standing on their feet who will be entitled to priority.

Mr. Chairman, it seems to me that at this point we are only getting one part of the debate. I would voice an objection unless we get some semblance of fairness with respect to the other side of this very, very controversial question.

Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that we close debate on this amendment and all amendments thereto by 6:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. DENT. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. Dent) reserves the right to object.

Mr. DENT. Mr. Chairman, I do not know whether I want to object, but I want to state a few things.

Very, very frankly, we have been hearing a lot of extraneous matter.

I intend to object unless we can get some understanding. This is a very serious matter, and one that deserves more than the kind of debate that we have been having with all on one side of the issue. I have been on my feet at least five or six times, not only on this bill, but in other pieces of legislation, and during that time we always get into the same situation.

I would like to say at this moment that any kind of limitation on time is a clear-cut condemnation of the procedure we follow in that on such serious subjects as this we reserve 99 percent of the time to the members of the committee, and very little time for the opposition that usually comes from nonmembers of the committee, and they cannot get the floor.

So, Mr. Chairman, I do not care how they do it—I will get 5 minutes to speak on this, or I will continue objecting until tomorrow morning.

Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, may I say that matters of this kind are always difficult to deal with as a Congress, or as a legislative body, but there just simply is not any way to deal with specific actions that have to be done by corporations and others, and by our Government, by such legislation. We just simply cannot do it in such detail, in my opinion, so as to tie it down as much as is being attempted here.

In the last Russian wheat sale, as far as we have been able to ascertain, we made the mistake in that sale of having three of the major companies each buying grain at the same time, and each saying they did not know the other was doing so also. It got to where the Russian Government in effect had gotten control of just about all of the surplus grain that was available in the world.

In that transaction we agreed that the Russians had 3 years in which to take the grain, yet we forgot to provide that they had to spread their purchase over 3 years.

Insofar as we have been able to ascertain, that is where most of the dislocation came from.

I might say that I went to Russia in 1956, and I rode on the railroads, and tried to talk to the small people, so as to get the true story, because I believed I had not been told the true story.

But on that same visit, I found out in Holland they were asking us to please quit making them sign something that would swear they were not shipping it out to another country, transferring it, when as a matter of fact we knew that they were, and everybody knew that they were.

What I am saying to the Members right at this moment, as far as the Russians are concerned, that if they wanted to go through the Arab countries or through Holland, or some other country, to handle this, who would they then feel an obligation to?

When we try to outdo each other, that is one thing, but one does not hear much about fighting between countries who trade with each other.

So I say, Mr. Chairman, that at this place and at this time, to do what the amendment suggests is a slap in the face of the Russians, especially when the newspapers carry the stores as they have been for the last few days. They say that the Russians need something, and here is a country that has far in excess of its own needs, and then, before the Russians even make an offer, we come out flatly and say that we will not do anything unless it is under really harsh terms.

Is that any way to make peace? Is that any way to work out these adjustments at a time when the Members' President and mine and the State Department are trying every way in the world to ease the tensions in the world—to go out of our way to slap their face and say not only are they going to pay us cash but they are going to have to get around all of these normal trade transactions, such as 30 days and all that type of thing?

May I say at this time that I do not know that a single bushel of wheat should be sold on credit to Russia. I do not know it, and I do not hear it advocated. But I think it is the most foolish thing for us to say in advance that we would not and make everybody angry when maybe we might find out later that we wished we had sold to them. What if they were to come in and agree on all of the things we were to propose—and that stretches it pretty far. I am just saying it is so unsound to tie their hands in advance.

May I say one thing further. Our committee tried to anticipate this kind of problem, and if the Members will look at pages 76 and 77, the committee has provided a sales manager for the Commodity Credit Corporation. We give him a million dollars to set up a staff to keep up with trade transactions throughout the world so that what happened in the other case cannot happen without our knowing about it. But we do not try to tell him how to handle every specific transaction that comes up. We set up the mechanics to keep the American people informed so that we can act with our eyes open. But let us not have spent billions of dollars in a competitive race and tried every way in the world to bring about peace and then give up the very best weapon we have. We have a better appeal by going to the Russian people with food in our hands, willing to deal with them.

On the matter of whether we should extend credit, let that be decided when the time comes. Let us not say "no" in advance of the offer. I can only urge the Members to vote down this amendment, keep it open, and let the executive branch decide these things with us, knowing what is going on.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRANE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Maryland (Mr. LONG).

I can make my remarks very brief. I would just like to bring to the attention of this body a quotation from the Solzhenitsyn speech before the AFL–CIO here in Washington, D.C. It is the concluding couple of paragraphs printed in U.S. News & World Report where Mr. Solzhenitsyn said:

> Whenever you help the persons being persecuted in the Soviet Union, you're not only displaying magnanimity and nobility, you are defending not only them but you're defending yourselves as well. You're defending your own future.
>
> So let us try to see how far we can go to stop this senseless process of endless concessions to aggressors, these clever legal arguments for why we should make one concession after another and give up more and more and more.
>
> If we can at least slow down the process of concessions, if not stop it altogether, and make it possible for the process of liberation to continue in the Communist countries, ultimately these two processes will combine and yield us our future.
>
> On our small planet, there are no longer any internal affairs. The Communist leaders say: "Don't interfere in our internal affairs. Let us strangle our citizens in quiet and peace."
>
> But I tell you: Interfere more and more, interfere as much as you can. We beg you to come and interfere.

Mr. DENT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not come here talking about war and peace. I come here talking about simple facts contained in the RECORD of this Congress of February 1972. I placed into the RECORD exactly the terms on which the Russians had agreed to deal with the United States in international trade. Very simply, they said barter. Very simply, they said under no circumstances would they deal with us unless they got the same treatment on credits, the same trade as the favored nations, as the nations we had been dealing with peacefully over many, many years. And we capitulated. We tried to handle it and are still trying to.

We never will, because the Soviets make new demands as soon as we have met the old ones.

Let us be honest about this. What we are doing here today will not have anything to do with détente. It will not have anything to do with peace in the world between the United States and Russia. That die has been cast long ago, and eventually it will come to pass as it has already been laid out in the blueprints. When it comes, what have we got to play with?

Can we recall to the Soviets how we fed them wheat when they were hungry? No. That will not do.

Do we really think this wheat deal will create peace? Do we really believe that international free trade makes peace? No, it will not.

Both questions are answered by Pearl Harbor. Our oil and scrap iron and steel came back from Japan.

It came with death and destruction and a war from which we still feel the pain. Do we have an armed people that have at least been trained? No. Do we have a nation to defend? Do we have a democracy? At least we did have until a few years ago in my opinion. Are we the kind of nation that does not always bow down at the heel of a tyrant?

Yet what are we saying today? Are we saying that in the Russian deal with wheat there is a question of peace and war? How far can our demented minds go? How bad can we get? What is happening to us as a people? We have been told these amendments are bad for the country. It is against our own interest. Someone answer me, why after voting for all these best interest bills, we are so broke.

Let me tell the Members something. If they were in this position would they be as liberal as we have been, as liberal as we are now? When we foolishly put the embargo on chrome, they raised the price of their chrome 100 percent. Right now an embargo is threatened again and they have raised chrome another 50 percent. And chrome to our industry is like bread to the bellies of their people.

Have they ever given us any quarter? Or have they given us any time of day they can sit down and talk to us and say they want to deal in peace and they want to have a friendly relationship? Only when they are in need do we hear them talk about this great friendship between us.

I have been suckling at the teat of a hatred, in the same way most Americans have, for over 40 years, for the Communist leaders. Now all of a sudden in the year of our Lord, we are supposed to embrace them and forget all the past and not keep our guard up. We ought to say in this amendment that if we put an amendment on this bill, we ought to provide that any increase in the price of bread to our American people will be added to the price of their wheat and paid for out of the Government funds and not the workers with families earning the minimum wage or less that cost of living.

A lot of people do not understand internationalism. My people do not understand all about international affairs. They understand one thing. They understand there are between 12 million and 16 million of them walking the streets all over the United States today jobless. They understand every ship that comes to the United States is loaded to the gunnels while it is floating high in the water when it leaves the United States empty. They understand what is going on. They understand that the deals are not made through the Tariff Commissioner or through the Commerce Department which is supposed to look after the internal and external welfare of the United States. They may not understand negotiations in the State Department, but if the price of bread goes up 5 cents, regardless of whether only 5 cents worth of the grain is in the loaf, they understand that. Remember, once the grain leaves the farm it is multiplied in cost seven times through floating through the process, through the national business cycle. We all know that a dollar of grain to the farmer becomes $7 when it ends up at the end of the line. So that is 35 cents for a nickel's worth of grain in the bread. It is the same with steel. A dollar's worth of steel comes back to the consumer in an automobile or other products multiplied through the business cycle in the United States until it is worth seven or more times that, and ultimately the consumer has to pay it.

But if the price of bread goes up, I say to the Members of Congress they can explain it to their people. I will not have to. I know better. I have been fooled before. I have been there. Members are not going to tell their people we have done this now, because those countries need wheat. We need oil, too. Are we ready to fight? Are we ready to do something? Are we ready to go over there and take the oilfields? No, we are not. We are going to pay them the price they want, because they have it.

I say to the Members if we again put the embargo on chrome, you will find the Russians have such real friendly sentimental feelings, they will increase the price of chrome by 100 or 200 percent within a year or a year and a half—unless we start acting for our country first, last, and always. I will be glad to walk out of this Congress for good.

I was not elected to sit in on the liquidation of my country.

This Congress must change its course on trade, but having bonds for public works, subsidizing every industry—business, promotion and building buildings for more and more bureaus and with more and more millions of public workers protected by civil service with guaranteed annual and semiannual increments in salaries.

Mr. MIKVA. Mr. Chairman, I rise in support of the amendment. I am not a very good cold warrior and I do not even own a saber. There has been a very good theoretical debate going on about whether we should abate the cold war or heat it up. I do not think it has anything to do with the amendment.

The amendment says we should not subsidize any grain deals or other commodity deals with the Soviet Union or OPEC countries. As far as the OPEC area is concerned, I cannot believe this House wants to go on record as saying that no, we want to subsidize sales to the OPEC countries.

As far as the OPEC countries seeking to obtain credit on anything they purchase, why should they seek credit when they are wallowing in petrodollars? It boggles the mind.

So the likelihood of the OPEC countries seeking any credit is not very great. As far as the Soviet Union is concerned, again this has nothing to do with whether we make the sale, whether we do not make the sale or how much of our commodities are in surplus or even if the sale should be on credit, because they probably can get private credit arrangements. They have enough gold to buy dollars to do so. They can obtain the credit. It simply says they cannot get subsidized credit through the Commodity Credit Corporation.

It seems to me that the hardest problem we have to face if this grain deal goes through and it leads to an increase in the price of bread and meat is to explain what we did about it. I do not want to set up obstacles to the sale. I do not want to set up trade barriers that make it impossible to trade, but I hope we do not go through what we did in 1972 when people were asking why are we paying more for bread and meat when the Russians are buying wheat at a subsidized rate?

We heard the gentleman from Washington say one of the reasons the Russians need the sale is for feedgrains. Our meat prices went up 30 percent last year in this country. I do not want to say to my people that we sold the grain to the Russians on a subsidized arrangement and that is the reason our people are paying more for meat.

At least we ought to ask the Russians and OPEC to compete on the same basis that the consumer who buys her bread on an unsubsidized basis and her meat on an unsubsidized basis has to pay for her prices.

That is all this amendment does; it does not aid or denigrate the cold war. It does not diminish or increase the missiles they have pointed at us or we have pointed at them. All it says is that none of the appropriations in the bill shall be used to subsidize Russia or the OPEC countries.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, let me point out, the amendment does more than that. It says:

> None of the funds appropriated under this Act shall be available to administer, extend, grant, or provide credits, subsidies, guarantees, or other aid, including credit from the Commodity Credit Corporation, to the Soviet Union for purchases of United States agricultural commodities.

Mr. MIKVA. The gentleman is just not correct. He reads better than that, I know. It says "shall be used to administer credits, subsidies, guarantees, or other aid." It does not say anything about administering the grain inspection program. It does not say anything about those programs designed to protect our farmers or OSHA or anything else. It talks about subsidizing the wheat deal.

Mr. Chairman, I intend to vote for this amendment.

Mr. DERWINSKI. The gentleman goes far beyond the explanation of the amendment.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I agree with the colloquy. The gentleman has stated it very well. We had better understand what we are concerned with is the increase in prices in the whole food line. It is fundamental. I am getting tired of grass-fed beef. I wish we could go back to grain. If grain in this volume is going to be shipped abroad, it guarantees grass-fed beef for the American people. It guarantees higher prices all along the whole food line.

Mr. MIKVA. Mr. Chairman, let me say in conclusion, some of the Members have voted against subsidized housing on this floor recently. I do not know why it is bad business to subsidize interest rates for Americans to buy houses, but it is good business to subsidize interest rates for the Russians to buy wheat.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for three-quarters of a minute each.

The Chair recognizes the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from North Dakota (Mr. ANDREWS).

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, I think that the practice of Members having a strawman stand up and yielding time ought to stop. I am going to object to all such requests.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, I rise in support of the Long amendment and the Weaver amendment. I would have preferred that the language would have applied to every developed nation.

The proposed Soviet wheat sale is the sale for commodity in a volume which will threaten the American consumer. It will raise the price of bread, of vegetable oils, of meat. It will mean lower grade meat for Americans at higher prices. It will mean substantially higher prices along the whole food chain.

We do not prohibit export sales. Perhaps we should when they are of a dimension to threaten domestic supplies and insure upward pressure on consumer prices which are now at untolerable levels. It would be an insult to the American taxpayer to make him assume the cost of subsidizing an export sale which is almost certain to fuel the inflationary impact on the entire food chains.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I rise to oppose the amendments. I am reminded of the time several years ago, when I offered an amendment to this very same bill, at the time Nasser was living and President Johnson was President. Nasser was at that time telling us to "go drink from the sea."

I offered an amendment to prohibit Public Law 480, sales of grain to Egypt

We had a unanimous vote on our Republican side and 70 votes on the Democratic side in support of my amendment. When it came back from the Senate I offered a motion to instruct the conferees and by that time President Johnson changed 40 votes on the other side simply because he felt it was an inhibition on his ability to negotiate at that time. The situation was much less critical than it is today.

The gentleman from New York (Mr. STRATTON) made a very important point earlier today. I certainly urge a vote against the amendment of the gentleman from Oregon. I also want to compliment the gentleman from Washington (Mr. FOLEY), who echoed my sentiments so well during his earlier remarks.

The debate on these amendments has been a very good one from the standpoint of clearing up so many false statements that have been made ever since the first big Russian wheat sale.

The terms of the sale so accurately detailed here should dispel the apprehension of those who heretofore were not apprised of the true facts.

I simply want to make one more point with respect to that earlier sale and that has to do with the conditions that prevailed at that time—and I would repeat it—at that time.

We had surpluses in storage costing us $350 to $400 million a year. We were actually paying farmers $3.5 billion not to grow crops. And furthermore the Congress in its desire to expand exports legislated an export subsidy to encourage more exports.

There were many more factors than this one big sale affecting the rise in food prices following the transaction: Labor cost increases and the rising costs of everything going into overhead, transportation, energy, and what have you.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Chairman, I confess that because of the negotiations in the Middle East I have some reservations in my mind about the amendment dealing with OPEC countries, but there is no such problem I am confronted with, with respect to cutting off any funds in this bill to administer credits, subsidies, or guarantees to the Soviet Union. We are not talking about discontinuing a market. There would surely continue to be a market throughout the world, and even the Soviet Union, for this most precious commodity of grain which we raise here in the United States.

I do not think the Long of Maryland amendment does anything significantly to impair that. I do think it puts the Soviet Union in a position of having to engage in a free market.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, there have been several very interesting points brought up in debate. First of all, that somehow or other this wheat deal is a part of working for peace. I do not think I would need the three-fourths of a minute that I have been alloted to put on the record the peaceful gestures the Soviet Union has made. It looks to me that it is pretty much one-sided. The only other point I would make is that it seems rather obvious that once in a while, just once in a while, the United States should take advantage of a superior bargaining position. We have one here, and I see no reason for giving it away. I certainly support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I regret that we did limit the time at this juncture, because I did want to discuss several aspects of the legislation that I think are important.

First, on the basis of extensive Senate hearings as a result of the last Russian wheat deal, the Senate committee proved that the wheat transaction greatly increased the cost to the American consumer of many items, not just bread.

Second, that there was a great cost to the taxpayers, and to which many Americans seriously objected.

Third, that there was a great additional cost that was borne by the whole economy.

Mr. Chairman, I support the Long amendment on the basis of the previous bad experience of our Government. I think we should have learned by that experience. There were extensive hearings by both the Senate and by the General Accounting Office that it cost the American people a tremendous price. Let me now review the detrimental aspects of the previous Russian wheat transaction on the basis of various General Accounting Office reports and Senate hearing conducted in 1974.

I urge the support of the Long amendment.

THE COSTS OF THE SOVIET GRAIN "DEAL"

The huge grain sales to the Soviet Union resulted in a wide variety of costs which can be classified into the following categories:

1. Costs to the Consumers
2. Cost to the Taxpayers
3. Costs to the Economy as a Whole
4. Political Costs to the United States
5. Costs to the Free Economies

COSTS TO THE CONSUMERS

According to the figures supplied by the Comptroller General, Elmer B. Staats, the massive grain sales to the Soviet Union raised domestic prices of wheat from about $1.63 per bushel in July of 1972, to $2.49 a bushel in September of the same year, CBS news has computed the total cost to the American consumers for the 9-month period starting July 1972, and according to these figures, the total costs to the consumer for the purchase of bread and other flour-based products as a result of the Soviet wheat deal, will be at least $300 million, and that is a conservative estimate. As far as beef and pork (and beef and pork-based products) are concerned, the additional costs the American consumers will have to absorb during the same 9-month period is $1.2 billion in order to eat the amount of meat that he has been consuming. However, the actual increase in food prices imperatively adds an additional 12 percent to the combined figure of $1.5 billion.

The cost of feed grain plays a large role in determining the price of poultry, eggs, and dairy products. The increase in those prices vary from 12 to 25 percent, and that adds—for the 9-month period—an additional cost to the consumer of about $800 million.

COSTS TO THE TAXPAYERS

The direct subsidy for the Soviet grain deal, at the expense of the American taxpayers, exceeded $300 million. The subsidy for the transportation of grain, so far, has amounted to over $400 million. This figure coincides with figure, estimated by CBS-News.

COSTS TO THE ECONOMY AS A WHOLE

These are the most difficult to estimate because they reflect a variety of costs and factors which are extremely intricate in nature. Some of them, such as market distortions, transportation tie-ups, and loss of good will with established customers for agricultural products (for instance, Japan) are almost impossible to measure.

The grain deal has been financed with a credit of $750 million by the Commodity Credit Corporation (CCC) at 6⅛% interest, repayable in three years. The interest rate is lower than what it cost the U.S. Treasury to borrow in the market place. By contrast, the Treasury is paying 6½% and 6⅝% on recent market borrowings.

The freight rates on the railroads increased by about 10% and, in addition, the economy experienced the most acute railroad car shortage in the history of the American railroads. This shortage in the Midwest resulted in the shortage of some rail carried products, such as fuel oil. The overburdening of the transportation system with transportation of grain for the Soviet Union, resulted in delayed deliveries of numerous industrial products from steel and machinery to various component parts for a variety of industrial commodities.

Another cost to the economy resulting from the Soviet grain deal is the increased price of agricultural machinery. The increase has been reported to be about 10 percent.

National and independent bakers are complaining because wheat shipments to the Soviet Union have resulted in a price surge at home. The price surge at home resulted in the increase of the price of flour the bakers buy. This resulted in a large number of bankruptcies among the independent bakers which, so far, have cost ten thousand people their jobs. For example, the added annual cost of one particular enterprise—American bakeries—is estimated at $9.2 million over the 12-month period starting August 1972.

For the farmers, the cost of the Soviet grain "deal" was at least $120 million by September 1972—both because they sold wheat too early (spring of 1972 which is usual) to benefit from higher prices and, more importantly, because the higher prices cut the subsidy available to many Southwestern farmers.

If we sum up the cost of the Soviet grain deal to the American public, then we reach a sum which for the 9-month period exceeds $3.2 billion.

POLITICAL COSTS TO THE UNITED STATES

The lack of any political trade-offs in regard to the Soviet Union could be clearly defined as a political cost.

The fight against inflation failed primarily because of increases in food prices which are directly associated with the Soviet grain deal. While the increase in the Consumer Price Index was at the annual rate of about 5%, the increase in food averaged (for the same period) some 25%. This is a clear indication that the fight against inflation might have been completely successful had it not been for the Soviet grain deal. The increase in food prices is primarily responsible for the present inflation hysteria around the Congress and the country as a whole. The consequences of it for the welfare of the United States and its economy are not difficult to foresee: Distorted markets; large economy fluctuations; and all this due to irrational behavior on both the supply and demand side.

COSTS TO THE FREE ECONOMIES

The cost to the free economies primarily take the form of distortion effects on the market forces, both within the financial market and markets for agricultural products. In financial markets, the market interest rate is suppressed by Soviet absolute demand monopoly and ability to use political power for the purpose of coercion. In agricultural markets, strongly fluctuating and sudden exaggerated demands for the grain stuff, and playing competitors on the supply side against each other, resulted in tremendous distortions on prices and supply. And both elements, distortions in financial and agricultural markets, are responsible for highly negative influence on the World economy.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, I would like to point out that we have an estimated production this year of 2.1 billion bushels of wheat. We only use 600 million bushels for both food and feed. That leaves 1½ billion bushels. If we do not make this sale, the price of our sales in export will probably be a dollar or $2 lower per bushel. Since when should we not be concerned about how much we get out of products we sell on the international market? What we are talking about is, for once, being able to get value from our wheat in the world's wheat market.

This amendment would in effect even prohibit sales to Russia on normal cash terms which involve using guarantees. I urge a vote against the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I rise in opposition to the amendment and the amendment to the amendment. They go much too far. At stake here is something well beyond the possibility of subsidy to the Soviet Union, something that I think all of us oppose. This would tie the hands of our Government, make it virtually impossible for our Government to do business with the Soviet Union. We might like a different world, but we have to face reality, and the reality is for our Government to do business with a state-trading society like the Soviet Union, it has to have the ability to extend short-term credit, and that would be impaired if these amendments are accepted.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, we are opposed to cutting off the so-called credit authorities only for agricultural products, not for industrial products, only for one group of countries. The worst thing you could possibly do with OPEC is to create some community of interest between the non-OPEC countries and the Arab OPEC countries, which is what we did with some of the problems on the trade bill. I hope we do not repeat that.

Second, the Soviet Union is not going to finance this sale with CCC credits. But if they did, they are now bearing the higher primary rate of interest of the cost of money to the Government. This amendment will not prevent a sale. It may make the sale a little more difficult. I know it is a good thing to go home with, but it is not good policy.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Chairman, I would like to point out again that there is no subsidy in this bill for sales to Russia. This is a method of facilitating sales. I am not in sympathy with the Russians; I am in favor of the United States.

We need these overseas earnings. Two out of three of every bushel of wheat we have must be sold overseas. Because of a "Mickey-Mouse" amendment such as this, Canadian wheat sells for 50 cents higher than our wheat does.

If we do not have broadened production for exports, we are going to have higher costs for consumers. If Members vote for this amendment, they are voting for higher costs to the American housewife and lower prices to the farmers and all that entails.

Mr. Chairman, that is not good government, as has been pointed out.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, the Russians have lost a large part of their grain crop. Their corn crop is maybe entirely burned out. We have the only grain surplus in the world that can meet a purchase of the magnitude the Russian losses may require. We are the only place they can go for grain.

I want to raise prices for our farmers. I do not want to see us sellout another grain crop cheap to the Russians.

Mr. Chairman, voting for this amendment will keep the Government on its toes and forestall another raid on our food supply.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, I agree with the gentleman from Iowa (Mr. SMITH) when he said we should have a hardheaded policy of selling our grain and getting paid for it. That is all I want to do—make sure we get paid for it. We have IOU's piled a mile high. All I want to do is get cash on the barrelhead.

Karl Marx said over a century ago as follows:

> If capitalism were told that it was condemned to be hanged, it would submit a contract to supply the rope.

In these 100 years there has been a change, and we are seeing a change right here today. The Government would now subsidize the contract, and that is what we are being asked to do.

The CHAIRMAN. The Chair recognize the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendments. I believe the amendments would not redound to the best interests of the United States. I concede to others the right to express their own views in regard to this very important matter.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN) to close debate.

Mr. WHITTEN. Mr. Chairman, as I view the matter here, it is not whether we extend credit or whether we do not. It is whether the Congress, in advance of an offer, declares that we will not deal with certain countries on the same basis that we deal with other countries. I think it is a mistake for a legislative body to take that position.

I point out again, in the committee's report we set up a sales manager to handle these matters and keep the Congress informed. I think we should deal with these matters as they arise. It is a mistake, in my judgment, to agree to these amendments at this time and thereby to tie our hands in advance.

The CHAIRMAN. The question is on

the amendment offered by the gentleman from Oregon (Mr. Weaver) to the amendment offered by the gentleman from Maryland (Mr. Long).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Long).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Crane: On page 68, after line 6, add the following new section:

Sec. 612. None of the funds provided by this Act shall be available for any assistance to India.

Mr. CRANE. Mr. Chairman, this is a simple and straightforward amendment, one which I think deals with some of the objections raised by the distinguished gentleman from Mississippi (Mr. Whitten) in response to the amendment introduced earlier by the gentleman from Ohio (Mr. Ashbrook).

It requires no action, simply a straight-out limitation on appropriations by this body.

In addition to this, I think that it is important to recognize that it only deals with this one year that we are talking about. It is a 1-year limitation, after which we would have an opportunity to go back and reevaluate the desirability of extending the programs contained in this bill.

Second, I think that if we look back at the misallocation of scarce resources, both domestic resources in India plus the resources that the American taxpayers have so generously provided to that country when they made the determination to build a nuclear capacity, clearly, the time has come for us to reevaluate the whole question of aid to India.

I think, finally, that Mrs. Ghandi's totalitarian oppression most recently, horrifying the entire free world, and through her arbitrary destruction of free institutions, democratic government, the political imprisonments, the denial of free speech, freedom of association, freedom of the press, and so forth, warrants this kind of action at this time.

I indicated to the Members earlier the quotation from Mr. Solzhenitsyn with respect to helping people living under a state of oppression in the Soviet Union. I can argue that the same condition prevails at the present time in India, and one of the ways in which we can follow that wise counsel of Mr. Solzhenitsyn is to take action indicated in this amendment for the year in question.

AMENDMENT OFFERED BY MR. DERWINSKI TO THE AMENDMENT OFFERED BY MR. CRANE

Mr. DERWINSKI. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Derwinski to the amendment offered by Mr. Crane: After the word "India" insert "provided that nothing in this section shall prohibit the granting of humanitarian aid in the event of any natural disaster."

Mr. DERWINSKI. Mr. Chairman, as I understand it, the gentleman from Illinois (Mr. Crane) would seek to prohibit assistance under this Act to India for the current, that is, the year covered by this appropriation.

All I would provide is that this shall not prohibit the granting of humanitarian aid in the event of any natural disaster, regardless of any differences we might have with the Government of India.

These days, we have to recognize that this is a disaster-prone area, being subject to typhoons, floods, drought, and so forth. The American people have always provided humanitarian assistance, regardless of the politics of the country.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, I would be most happy to accept the gentleman's amendment to my amendment.

I think it does address itself to an area of legitimate concern that is external to the purpose for which I have introduced my amendment. Therefore, Mr. Chairman, there is no objection on my part to the gentleman's amendment.

Mr. DERWINSKI. Mr. Chairman, I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, may I say that I do not have much to say on one side of the issue or the other with respect to this amendment.

I have dealt with some of the programs dealing with India. I have read the press releases from some of our own people. I have read the news stories.

I just wish to caution my colleagues here that we, as a legislative body, should not start picking out one country today and then another tomorrow. With all due deference to all of us here, we do not have a lot of information about these international relationships.

Mr. Chairman, I urge that we vote these amendments down. Let us have these matters handled by those who are expert in this area. That is the trouble with the amendment. None of us, neither my colleagues nor I, know a whole lot about what is involved in this situation.

I do not know how many countries there are in this situation in the world, but tomorrow somebody will add three more countries and the next day another country.

I have heard all the debate, but I have not heard sufficient reason to support this action against India.

Maybe our friends know something that would cause us to take such an action, but if so, I have not heard them say a word.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I do not think there is any question in anyone's mind that it would be a very nice feeling to be able to vote to cut off aid to India as long as Mrs. Ghandi, that miserable person, is running that country as a dictatorship. I do not like the fact that she is a dictator. In fact, if the Members want to know it, the fact is I do not like Mrs. Ghandi, period. But we passed the Vanik-Jackson amendment last year, and it had some sentimental value. Everybody thought it would help the Jews get out of Russia. Well, what happened? Thirty thousand were going to get out, and after we passed the Vanik-Jackson amendment the Russians just put a squeeze on it, and this year they will let out 6,000.

I do not know whether the Members want to take away from the President or the Secretary of State all their flexibility. I hope they do not give in to anything. I hope they do not give them anything, but there may be some kind of a deal they would want to make, or there may be a new government in India, hopefully before the end of the year, and in that event we would be just writing in here a blanket prohibition of doing any business with anybody who may substitute for Mrs. Ghandi. I think the only thing we are doing is putting a tool in Mrs. Ghandi's hands to go back to the Indian masses and strengthen her position. I think maybe this is the wrong thing to do.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, with all due respect, let me say that we have abundant evidence of the actions taken by the State of India, one of which I alluded to in my remarks dealing with the necessary application of earlier resources from this country in developing a nuclear capacity, and I think that ought to be sufficient indictment with regard to giving them further aid.

Mr. WHITTEN. Mr. Chairman, let me read what the amendment says:

None of the funds provided by this act shall be available for any assistance to India.

I do not know what kind of government may evolve there; this simply prohibits us from doing business with them. I think it would be bad to get into such a position.

Mr. CRANE. Mr. Chairman, I think if there is any question as to the time limitation that is involved here, we are talking about the limitation of a year. In the event there were a change of government, which I do not anticipate taking place with the heavy glove of Mrs. Ghandi, but in the event that occurred, we could face that matter at that time.

Mr. WHITTEN. I would just hate to see my friend, the gentleman from Illinois, change his mind and then have to wait until the first of October next year to correct what he did earlier.

Mr. JOHNSON of Colorado. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to point out that this amendment could affect all sales under title I of the Food for Peace Act to India. If we are at the point where we do not want to sell grain abroad because we disagree with the form of government the purchaser has, there are probably very few governments that we could do business with in the world.

We have expanded the growth of our feed grain sales to the point where we no longer subsidize feed grains. If we want to go back to the days where we limit production and provide farm subsidies and do not trade abroad then vote for this amendment.

Title I is a very important program in terms of international relations and in terms of our farm economy. Title II of the food for peace program is that program which relates to humanitarian aid. We are doing very little under title II. We should be doing more to aid the starving. But title I is vital to our economic well being.

Therefore, Mr. Chairman, I believe that this is a pernicious amendment, and I urge that the amendment be defeated.

Mr. CRANE. Mr. Chairman, if I may ask permission to address one of the objections raised by the distinguished chairman of the subcommittee, I would be more than happy, if it is agreeable, to revise the language of my amendment by asking unanimous consent to insert after the word "to" and before the word "India," the phrase, "the present government of India."

Mr. WHITTEN. Mr. Chairman, I would have to raise a point of order against that.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. WHITTEN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WHITTEN. Otherwise I would have to raise a point of order which I am sure would be sustained.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI) to the amendment offered by the gentleman from Illinois (Mr. CRANE).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. CRANE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to apprise the House of the actions of the Subcommittee on Appropriations with regard to this bill and the jurisdiction of the Committee on Agriculture. I happen to have the honor to be chairman of the Department Operations Subcommittee which would have jurisdiction over all aspects of Department operations. Daily we hear one committee complaining of another committee's going into the jurisdiction of that other legislative committee. I understand that the Committee on Appropriations has a peculiar special place that works in conjunction with the legislative committee, but in this bill there is a countless number of amendments that are purely legislation on an appropriation bill.

Part of this was cured by the subcommittee's going to the Committee on Rules to ask for a waiver of points of order. There are some that do not have a waiver of points, but it was not my intent to object to them but rather to bring this out on the floor in order that we might apprize the House of the actions of the committee. I do not know the reasons; therefore, I cannot cast any blame in any way, and I do not intend to do it for that purpose. Rather, I might just tell the Members that the Committee on Agriculture had been having some very difficult times securing cooperation from the Department of Agriculture because we do not have the annual authorization process.

Ninety percent of the agriculture appropriations come either from the Organic Act or from long-term authorizations, and we do not have the annual oversight. We are trying to see if we cannot get that in order to have some cooperation between the Department and the Committee on Agriculture.

Let me go back. We tried to get a copy of the bill, and some staff in the committee advised the Committee on Agriculture that it would not be available until sometime late Friday. When they secured the copy of the bill on late Friday, they had already gone to the Committee on Rules and had secured a waiver on the points of order. We hoped that we could cooperate with the Committee on Appropriations, but to my knowledge I certainly was not apprized that there was one major piece of legislation handled in this bill with a waiver of points of order. But I was not apprized of it and, to my knowledge, neither was the chairman of the full committee.

I would hope that the chairman of the Committee on Appropriations and of the subcommittee would cooperate and at least advise us of their needs if legislation is needed in order that we might judiciously work on the problems of the Department and on the problems of the farmers.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I thank the gentleman for yielding.

May I say to my colleague, the gentleman from Texas, that I can appreciate his feeling, but I want to tell him that as far as I am concerned, it has been my pleasure to cooperate fully with the Committee on Agriculture.

I do think there are extenuating circumstances, if I may say so, for our seeking a rule on this bill.

I was approached by some of the Members advising me there were 65 Members who wanted to attend the space shot tomorrow. I agreed with the chairman of the committee that if they got our bill changed so we could have the vote today or carry it over to Wednesday morning it would be fine with us.

The point that made it absolutely necessary to go to the Rules Committee was that the transition period funds for the domestic food programs could be obligated prior to July 1, 1976, if necessary to meet requirements of law.

I will tell my colleague that I am awfully sorry he was not notified. I want to say further that since 1949, since I have had the privilege of handling this bill, except during the 2 years when I was the ranking minority member, this is the first time I have ever asked for a rule. Since from 1949 to now, I have never asked for a rule, I believe we have a pretty good and long record. I want to assure the gentleman I intend to cooperate fully with my colleagues on the Agriculture Committee.

Mr. DE LA GARZA. I think the chairman for his offer of cooperation. I know the two committees can work together. It is unfortunate it came up in this manner. I can appreciate the gentleman's need to go for this rule and I do hope in the future we can work and cooperate together for the needs of the country.

Mr. ALBERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hold in my hand the program for the next 2 weeks. Unless we take up and try to finish the select committee bill tonight there is no earthly way that we can finish bills that must be finished before the recess so what I am trying to say and what the Chair is trying to say and the leadership is trying to inform the Members is that we must finish these bills.

Tomorrow is a light day. We can rest in the morning. There is nothing but a vote on the rule and general debate tomorrow afternoon, so if we do not do this tonight we will not do it until next week, and we have a crowded schedule next week.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, did I understand that the reason for this is because many of the Members want to go down and see the blast-off? I got a notice that tomorrow morning at 8:20 or something like that we can all see it on television and it will be a much better view. I have been there and I know there is a much better view on television, so I am not going down there tomorrow.

This House is running on rather thin ice on many matters and if we have legislation that has to be finished, I do not think because one-third or one-fourth or one-fifth of the House finds it expedient to go do something somewhere else, that the House should not operate. I have missed many votes myself when I have had business elsewhere.

Mr. ALBERT. If it were left to me, that is what I would do. It does not make any difference to me whether I see the moon shot or space shot or not, but I can tell the Members we cannot do this tomorrow because we are going to have something between 50 and 100 Members absent. That answers it for me and that is final and definite.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman but I think we are wasting time.

Mr. PICKLE. Mr. Chairman, as I understand the rule that has been provided, it would allow 2 hours of debate. If we proceed this evening as the Speaker insists and if we could have some general understanding from the chairman of the committee that several of us, who have engagements elsewhere, could anticipate there would not be a vote before a certain time I believe that would help.

Mr. ALBERT. I do not control the debate. The gentleman from Missouri has the resolution.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Missouri.

Mr. BOLLING. There is absolutely no way to predict the way the debate will go on this matter, or on the rule. We will have to take it up and take it the way it comes.

Mr. KOCH. Mr. Chairman, I am voting for the Agriculture appropriation bill but with distress. I supported the Long amendment which would have denied U.S. Government credits, in other words taxpayer subsidies, for the purchase by the Soviet Union of U.S. grain.

The U.S.S.R. has announced it will be coming into the U.S. market to make such purchases. These will be vast purchases, as they were several years ago and will leave an impact on local supply and domestic prices for bread and meat. I am against the U.S. taxpayers' moneys being used by the Soviet Government to rip off the U.S. consumer.

It is also distressing that only 19 Members, and I was one of them were willing to stand and demand a recorded vote on the issue. We did not have 20 standing and, therefore, a record vote was denied. The American people deserve better from the Congress.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GIBBONS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8561) making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a second demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROUSSELOT. Yes, I am, Mr. Speaker.

MOTION TO RECOMMIT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The gentleman from Illinois is the ranking member of the Committee on Appropriations.

Mr. ROUSSELOT. Mr. Speaker, I believe I was recognized.

The SPEAKER. The Chair did not see the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I was on my feet and I was standing right here. I had the motion at the desk. I was just standing here as a matter of courtesy.

The SPEAKER. The Chair was at fault in that the Chair did not see the gentleman from Illinois because the gentleman from California was addressing the Chair and the Chair was looking in that direction.

The Chair now recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. ROUSSELOT. Mr. Speaker, I believe I was recognized and the Clerk was proceeding with the motion to recommit.

The SPEAKER. The Chair did not see the gentleman from Illinois (Mr. MICHEL) who was entitled to recognition being the senior member on the Committee on Appropriations and entitled to recognition, and the motion to recommit had not been reported by the Clerk.

The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. ROUSSELOT. Mr. Speaker, was I not recognized?

The SPEAKER. The House will be in order.

Mr. MICHEL. Mr. Speaker, I think I do qualify.

The SPEAKER. The Clerk will report the motion to recommit offered by the gentleman from Illinois (Mr. MICHEL) who states that he is opposed to the bill in its present form.

The Clerk read as follows:

> Mr. MICHEL moves to recommit the bill (H.R. 8561) to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 58, nays 333, not voting 42, as follows:

[Roll No. 385]

YEAS—58

Ambro
Anderson, Calif.
Armstrong
Ashbrook
Bafalis
Bauman
Bennett
Blanchard
Broomfield
Broyhill
Buchanan
Burgener
Burke, Fla.
Butler
Clancy
Clawson, Del
Collins, Tex.
Conable
Conlan
Conyers
Crane
Delaney
Dent
Devine
Dickinson
Fenwick
Frenzel
Gradison
Hansen
Hechler, W. Va.
Heckler, Mass.
Hinshaw
Holt
Hyde
Lagomarsino
Long, Md.
McDonald
Macdonald
Martin
Michel
Minish
Moorhead, Calif.
Myers, Pa.
Nedzi
O'Hara
Robinson
Rousselot
St Germain
Satterfield
Schneebeli
Snyder
Steelman
Talcott
Whitehurst
Wilson, Bob
Wolff
Wydler
Young, Alaska

NAYS—333

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bergland
Bevill
Biaggi
Biester
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Dellums
Derrick
Derwinski
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Latta
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill

Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.

NOT VOTING—42

Archer
Badillo
Bell
Burton, John
Cederberg
Collins, Ill.
Diggs
Esch
Flowers
Ford, Mich.
Fulton
Fuqua
Goldwater
Hagedorn
Harsha
Howard
Jarman
Karth
Kasten
Kemp
Landrum
Leggett
Lent
McCollister
Matsunaga
Metcalfe
Moss
Rinaldo
Sarbanes
Scheuer
Shuster
Stuckey
Symms
Teague
Udall
Van Deerlin
Vander Jagt
Wiggins
Winn
Young, Fla.
Zablocki
Zeferetti

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. John Burton.
Mr. Fuqua with Mr. Stuckey.
Mr. Zablocki with Mr. Wiggins.
Mr. Diggs with Mr. Scheuer.
Mr. Badillo with Mr. Bell.
Mr. Howard with Mr. Young of Florida.
Mr. Karth with Mr. Cederberg.
Mr. Teague with Mr. Kemp.
Mr. Sarbanes with Mr. Archer.
Mr. Van Deerlin with Mr. Harsha.
Mr. Moss with Mr. Lent.
Mr. Metcalfe with Mr. Landrum.
Mr. Matsunaga with Mr. Vander Jagt.
Mr. Leggett with Mr. Rinaldo.
Mr. Flowers with Mr. Esch.
Mrs. Collins of Illinois with Mr. Jarman.
Mr. Ford of Michigan with Mr. Udall.
Mr. Fulton with Mr. Goldwater.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STEIGER of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 353, nays 38, not voting 42, as follows:

[Roll No. 386]

YEAS—353

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Dellums
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
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Rhodes
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Roberts
Robinson
Rodino
Roe
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Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
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Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
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Sikes
Simon
Sisk
Skubitz
Slack
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Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
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Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
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Thompson
Thone
Thornton
Traxler
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Devine
Frenzel
Gradison
Hansen
Harrington
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Heckler, Mass.
Holt
Hyde
Jacobs
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Kemp
Landrum
Leggett
Lent
McCollister
Matsunaga
Metcalfe
Moss
Rinaldo
Sarbanes
Scheuer
Shuster
Stuckey
Symms
Teague
Udall
Van Deerlin
Vander Jagt
Wiggins
Winn
Young, Fla.
Zablocki
Zeferetti

So the bill was passed.

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. Brodhead.
Mr. Fuqua with Mr. Stuckey.
Mr. Zablocki with Mr. Scheuer.
Mr. Diggs with Mr. Udall.
Mr. Badillo with Mr. Jarman.
Mr. John L. Burton with Mr. Bell.
Mr. Howard with Mr. Wiggins.
Mr. Karth with Mr. Archer.
Mr. Teague with Mr. Young of Florida.
Mr. Sarbanes with Mr. Kemp.
Mr. Van Deerlin with Mr. Harsha.
Mr. Moss with Mr. Lent.
Mr. Metcalfe with Mr. Landrum.
Mr. Matsunaga with Mr. Cederberg.
Mr. Leggett with Mr. Goldwater.
Mr. Flowers with Mr. Rinaldo.
Mrs. Collins of Illinois with Mr. Shuster.
Mr. Fulton with Mr. Vander Jagt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill H.R. 8561, just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

TRIBUTE TO LATE FORMER CONGRESSMAN WALTER STEPHAN BARING

(Mr. SANTINI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SANTINI. Mr. Speaker, I was stunned and saddened to learn early this morning of the death of former Nevada Congressman Walter Stephan Baring, who served his State and his country in this Chamber for 20 years.

Walter Baring was only 63 years old when he died last night after surgery at the Hollywood Presbyterian Hospital in southern California.

Congressman Baring was one of the most dedicated and powerful Members of the House ever to represent Nevadans. He carried back to Washington a true Nevada spirit and feeling, and worked diligently to protect and further the interests of the Nevada people.

Walter's sense of fairness and accurate political judgment were greatly respected in Nevada. He cared for the so-called little guy who depended heavily on Walter for advice and assistance. His reputation in Nevada and his 10 victories at the polls were based on his excellent rapport with the people, and on his determination to help Nevadans deal with an often burdensome and complicated federal bureaucracy. He demonstrated a keen interest and awareness of the things that really meant something to Nevadans.

GENERAL LEAVE

Mr. RHODES. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks on the life, character, and public service of the late Honorable Congressman Walter Stephan Baring.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

PERMISSION FOR CONFEREES TO FILE CONFERENCE REPORT ON H.R. 4035

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file a conference report on the bill H.R. 4035, providing for congressional review of Presidential decisions removing existing controls on petroleum products.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PROVIDING FOR CONSIDERATION OF HOUSE RESOLUTION 596, ESTABLISHING A SELECT COMMITTEE ON INTELLIGENCE

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 596 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 596

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 591) establishing a Select Committee on Intelligence. After general debate, which shall be confined to the resolution and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume, during which I would like to try to explain the process we hope to pursue this evening with this resolution and the resolution it makes in order.

Mr. Speaker, it is my understanding that the only reason that this matter is up tonight at all is that the schedule of the House between now and the August 1 recess, which is a matter of law, is so heavy that unless this matter is pursued in part tonight and finished on Wednesday morning it will be virtually impossible to get the matter before the House at another time.

Now, in terms—what I am trying to say is that the schedule of the rest of this month is so heavy that there is not any other place we can put this, except by special arrangement which has just been made.

Now, it is further my understanding that we will adopt an amendment which I will offer to the rule making in order the consideration of the resolution dealing with the Committee on Intelligence tonight; that we will complete the general debate only on that resolution tonight and that if it can be worked out, and I believe it has been worked out, that then the matter of amendment and the resolution dealing with the Committee on Intelligence is wide open to amendment. It is a completely open rule, that the amendment stage will begin at approximately 10:15 on Wednesday morning, this being made possible by an early and quick adjournment of the Democratic Caucus at 10 o'clock on Wednesday morning, so that the House may meet at 10:15. Believe it or not, that is the only time we can find in the schedule anywhere to consider this matter, other than to carry it to a conclusion tonight.

I hope I have made the statement accurately and it conforms to the understanding of my friend, the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I share in the gentleman's statement and concur in his observations and conclusions.

AMENDMENT OFFERED BY MR. BOLLING

Mr. BOLLING. Mr. Speaker, I offer an amendment to House Resolution 596.

The Clerk read as follows:

Amendment offered by Mr. BOLLING: On page 1, after the word "move" on line 2, insert a comma and the following new language: "clause 2(1)(6) of Rule XI to the contrary notwithstanding,".

The SPEAKER. The question is on the amendment offered by the gentleman from Missouri (Mr. BOLLING).

The amendment was agreed to.

Mr. BOLLING. Mr. Speaker, I believe that everybody in the House knows what this rule does. It makes in order a resolution over which the Committee on Rules had original jurisdiction. That resolution would be debated. There would be the possibility of having 2 hours of general debate on that resolution and then that resolution is wide open as far as amendment is concerned.

The resolution that the Committee on Rules brought out is, in effect, identical to the one previously passed by the House establishing a Select Committee of 10 Members on Intelligence with the one exception that the membership is increased from 10 to 13.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, in the original bill the time reported was January 31, 1976. I notice in the bill and in the report it is January 3. I think that is a misprint and we would want by unanimous consent to amend it to say January 31, 1976.

Mr. BOLLING. Mr. Speaker, this is something I will have to determine, because it must have been a misprint.

Mr. McCLORY. It is in section 8, page 6.

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the misprint be corrected and that the date be January 31, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, since this resolution comes out of the Committee on Rules, I will take this time to ask a question about section 7.

That section says that the expenses of the select committee created by this resolution shall not exceed $750,000. In section 10, further language appears reading—

> Unexpended funds authorized for the use of the Select Committee under H. Res. 138.

et cetera, shall be transferred to the newly created committee.

I raise the questions whether these provisions in effect, are doubling the money to be expended. I understand that there is about $725,000 remaining from the old, or about to be former committee, if that is the will of the House. My question is will these two sums be added together for this new committee granting nearly $1,400,000. That would be enough to impeach a President.

Mr. BOLLING. We have checked this out very carefully, that the limitation of the new committee is three-quarters of a million dollars, $750,000, including any money from any other source. In other words, this is not a duplication. This is a limitation which is identical to the original limitation, and there is no duplication.

Mr. BAUMAN. I thank the gentleman for that welcome assurance.

Mr. BOLLING. Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the gentleman from Missouri (Mr. Bolling) has explained the provisions of the resolution. I voted against the resolution in the Rules Committee, although this evening I see no objection to this House debating the resolution abolishing the Select Committee on Intelligence and considering the amendment of the gentleman from Missouri (Mr. Bolling).

When we finish general debate on the Bolling resolution, I shall ask the Speaker's permission to offer my amendment in the nature of a substitute to clearly and definitely abolish the Select Committee on Intelligence, feeling that there have already been enough investigations made of the CIA.

The Rockefeller Commission has made its report. The Church Committee in the Senate now has the CIA under full investigation. I see no reason that this House should create a Select Committee or special committee for further consideration and further investigation of this agency of the government.

Therefore, Mr. Speaker, I shall offer an amendment in the nature of a substitute to abolish, but at this time I have no reservation on the rule as presented.

Mr. Speaker, I have no further requests for time, but I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The Resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make a statement relative to a request made by the gentleman from Missouri while House Resolution 596, the rule for the consideration of House Resolution 591, was under consideration in the House. The Chair entertained a request to make a technical correction in House Resolution 591. The resolution establishing a Select Committee on Intelligence, because the Chair understood that the request was being made to correct an error in the rule itself.

The Chair must state that the request to correct House Resolution 591 was not made at the proper point in the proceedings. However, the error in House Resolution 591 may be corrected at a later point in the proceedings on that resolution.

ESTABLISHING A SELECT COMMITTEE ON INTELLIGENCE

Mr. BOLLING. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 591) establishing a Select Committee on Intelligence.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri (Mr. Bolling).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution House Resolution 591, with Mr. Evans of Colorado in the Chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Missouri (Mr. Bolling) will be recognized for 1 hour, and the gentleman from Tennessee (Mr. Quillen) will be recognized for 1 hour.

The Chair recognizes the gentleman from Missouri.

Mr. BOLLING. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I know that the members of the committee are tired, that this is a bad night, and that the prospect of having 2 hours of general debate on any subject would be rather hard on most Members. But this matter is being brought up now, as I tried to state, simply because there really is no other time on the schedule when it can be handled between now and August 1.

Mr. Chairman, the proposal that is before us probably does not really suit anybody. It grows out of a very, very complicated situation, which I am not even going to atempt to judge. I do not believe that anybody is all right in this situation or that anybody is all wrong in the situation. I do believe that it is incumbent upon the Members of the House of Representatives and the House as a whole to deal with this situation.

The Committee on Rules, after a considerable amount of thought and a considerable amount of delay, not unanimously, but by a two to one vote, decided that this was the best way it could figure out to come up with a recommendation that the whole House might accept, a recommendation that would change the situation within the Select Committee on Intelligence enough so that it might get off dead center.

It clearly probably will please no one, it probably is not a perfect solution because there is no perfect solution to this particular problem. But it does represent a solution that might work after months of effective inaction.

Mr. Chairman, I am not the least bit interested in who is at fault. It seems to me that this committee should have an opportunity to see if it can organize itself and function, and the only way we could see to come together in the Committee on Rules was to reestablish the committee with 13 members and abolish the old one so that the matter could be started again.

For all I know, the House will turn this down. For all I know, if it does not turn it down and it succeeds, the whole attempt may fail. But nobody came up with a solution that seemed to have as much possibility of success as this compromise on top of a compromise on top of a compromise.

The attempt is to make it possible for the House of Representatives to have a Select Committee on Intelligence with a broad jurisdiction which can carry forward to a conclusion the work that has not gone forward for a number of months. That is the only purpose. The Members will notice that I am trying very hard to leave everybody involved out of it. I am reasonably sure that that will not be a total success, but as far as I am concerned I have stated accurately my reason for making the motion, the reason of the Committee on Rules for passing the motion.

I believe that this is the best way that we can proceed to try to proceed with this particular matter.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I will be glad to yield to the gentlewoman.

Ms. ABZUG. I thank the gentleman for yielding. Mr. Chairman, it is very difficult to conduct a debate on a bill in this fashion, because what the gentleman is bringing before this House is a bill which merely establishes a Select Committee on Intelligence to conduct an inquiry into the organization, operation and oversight of the intelligence community.

The only difference between this resolution, from a quick reading of it, and the resolution previously before us is that it provides for an additional three members.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. Bolling) has expired.

Mr. BOLLING. Mr. Chairman, I yield myself 2 additional minutes.

Ms. ABZUG. Mr. Chairman, if the gentleman will yield further, could he, therefore, please explain on what basis we should agree to this resolution, adopt this committee, and abolish another committee without the gentleman addressing himself to the merits?

Mr. BOLLING. Mr. Chairman, I will be glad to. I will repeat what I said before.

As far as I am concerned, the only merit which should concern the House is not a question of conflict of individuals, if there was one, and not the difficulty in organizing the old committee, as there was one, but the fact that the House seems to have a Select Committee on Intelligence. As far as I am concerned, this is the closest that anybody has come to a suggestion as to how we can have a Select Committee on Intelligence which will organize and function.

Ms. ABZUG. Mr. Chairman, the difficulty I have with that is this: There are quite evidently members on that committee who do wish a vigorous investigation of the CIA. I can only assume that by a proposal which seeks to constitute a different committee, obviously the gentleman wishes to place new and other members on this committee. What the gentleman is suggesting in this resolution is that we should have a new committee composed of new members, without saying why that should be done. I think the real problem on this committee has been that there have been those who have been seeking a vigorous investigation of the CIA. And frankly—and I think it is about time we discussed this issue frankly—there was an unwillingness to proceed in that fashion on the part of the chairmanship of this committee.

I, therefore, think that if we are interested, as we must be, because of the important revelations that have come forward to date of the illegal activities of the CIA, in a vigorous investigation of the CIA, we should not agree to a resolution which appears to have an intention to replace members on the committee who are vigorously interested in investigating with those who may very well not be so interested.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. BOLLING) has again expired.

Mr. BOLLING. Mr. Chairman, I yield myself 2 additional minutes, and I will not additionally to the gentlewoman from New York during those 2 minutes.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Chairman, I am delighted that the gentlewoman from New York (Ms. ABZUG) has intervened as she has.

That, in my judgment, is not the issue. If the gentlewoman wishes to put that construction on this matter, it is her privilege. My view of the matter is that there was no investigation of anything for about 6 months. For whatever reason, I cannot say, and the gentlewoman is just as competent as I to say.

I think what the House wants is an investigation that goes forward. The only way I can see to get an investigation that will go forward vigorously and to do what the mandate of the resolution calls for is to have a new committee.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield to my friend, the gentleman from Arizona (Mr. RHODES), the minority leader.

Mr. RHODES. Mr. Chairman, I am just a bit mystified as to the magic of the number, 13. As far as I can tell, the only difference between the committee to be established by the resolution and the previous committee is the difference in the membership of the committee, the change in membership from 10 to 13. I would just be interested in having some explanation as to why there is the difference.

Mr. BOLLING. Mr. Chairman, I do not think there is any magic in the number 13. Some members of the Committee on Rules thought seven members might be a good idea; some thought that 10 members might be a good idea.

This resolution, as did the previous one, leaves to the Speaker the right or the responsibility to appoint. In effect that means that he will appoint nine, and the minority leader will recommend and the Speaker will appoint four. What this does is give the Speaker, the appointing authority, additional flexibility as to personalities and numbers, and I hope it will be helpful in that respect.

Mr. RHODES. Mr. Chairman, I thank the gentleman.

Mr. QUILLEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, we are here this evening debating a resolution to reconstitute the Select Committee on Intelligence of the House with 13 members instead of 10, giving the Speaker authority to appoint these members, as is usual under the rules of the House.

The House created a Select Committee on Intelligence in good faith at the beginning of this session of the Congress. The members were appointed. Because of disagreement within their own ranks, no investigation has been made; and as a result, the House has suffered the consequences in the media throughout the country. Leaks have occurred, and I certainly do not infer that the appointed members of the select committee are responsible. However, if we pick up the newspapers, there is talk about leaks concerning the CIA involving the White House and even involving the Congress of the United States.

The Rockefeller Commission appointed by the President made a full and honest effort for an investigation of the CIA, and made a full report, leaving out the details of alleged assassination plots. The Church committee created by the Senate, however, now has a full investigation underway of the CIA, while in the House here, after 6 months have elapsed, there has been no action whatsoever.

What assurance do we have if 13 Members are appointed that anything meaningful will come forth? The major focus has been on the CIA, but I wonder whether the Members of this House fully realize what the Select Committee on Intelligence really is authorized to delve into?

Let me repeat, the resolution that we passed here some 6 months ago gives this committee authority to investigate the National Security Council, the U.S. Intelligence Board, the President's Foreign Intelligence Advisory Board, the CIA, the Defense Intelligence Agency, the intelligence components of the Department of Army, Navy, and Air Force, the National Security Agency, the Intelligence and Research Bureau of the Department of State, the Federal Bureau of Investigation, the Department of the Treasury, and the Department of Justice, the Energy Research and Development Administration, and any other instrumentalities of the U.S. Government engaged in or otherwise responsible for intelligence operations in the United States and abroad.

My colleagues, what have we done? If we reconstitute this select committee, we have given the members of this committee an official license to go on a witch-hunt and do whatever they like.

I think that investigations are important, but they should not be unnecessary duplication. I would like to see us this evening abolish this select committee without the creation of another, and then with due deliberation, after a few days, after committee hearings, do whatever is necessary to recreate another committee, possibly in conjunction with the Senate.

I say tonight, when we go into the amendment stage on Wednesday, that I shall offer an amendment to abolish the select committee and do away with it altogether. I think this House would stand much taller as a unit if we could accomplish that.

Mr. BOLLING. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi (Mr. MONTGOMERY) for the purpose of speaking out of order.

(By unanimous consent, Mr. MONTGOMERY was allowed to speak out of order.)

TO ESTABLISH A SELECT COMMITTEE ON POWS AND MIAS

Mr. MONTGOMERY. Mr. Chairman, I thank the Chairman, the gentleman from Missouri (Mr. BOLLING), for giving me this opportunity.

Mr. Chairman, I would like to talk briefly and I think that the subject I will mention does refer to this issue being debated tonight.

In March of this year, Mr. Chairman, I and other Members introduced a resolution pertaining to the missing in action, setting up a House select committee to try and find out some up-to-date report on the 37 Americans still classified as POW's, the 980 Americans classified as missing in action, and the 1,100 Americans missing in action, but whose bodies have never been recovered.

Mr. Chairman, I am not standing here criticizing the Committee on Rules, or its Chairman. I think they have been fair to me and to the authors of this resolution, but I would like to point out that over 270 Members of the House of Representatives have signed this resolution asking that a select committee be established.

We have gone before our Committee on Rules. Since I have been before the Committee on Rules, this Committee has reported out a joint select committee for the Bicentennial, which I think is certainly necessary. We are also now talking about another intelligence committee which has also been voted out by the Committee on Rules.

As I see it, Mr. Chairman, there is a new ballgame in Southeast Asia. In my opinion, if we could get some international group to go to these crash sites, and if we could show some interest back in the United States by setting up this select committee, that the House of Representatives does care and this committee is formed; I truly believe we can come up with some type of finalization, some type of answers on the missing in action. This will bring some comfort to the loved ones that Congress has not forgotten its brave men.

I have talked to the Speaker of the House, and there is a possibility that we could find space for this select committee. The commission does not need a big staff, but Mr. Chairman, I assure you we would go to work at once if given the chance. It just seems to me that if we were ever going to arrive at any type of final announcement on the missing in action and the American bodies that should be brought home for proper burial that we do need this select committee to show the North Vietnamese that these Americans have not been forgotten.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I will be glad to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman from Mississippi for yielding to me. I would like to associate myself with the gentleman's remarks, and express my support for his opinions and his conclusions.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentlewoman.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I certainly applaud the gentleman from Mississippi for his leadership on this very important issue. I just think that the State Department has neglected taking action on this, and it is up to us to provide the initiative. I certainly join the gentleman from Mississippi in his efforts, and hope that the Committee on Rules and the leadership of the House will support the gentleman's efforts.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman very much.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Chairman, I fully support the suggestions made by the gentleman from Mississippi (Mr. MONTGOMERY) and commend the gentleman for bringing this before this body at this time.

I would like to say to this body personally that when Hale disappeared that the families of the MIA's and the POW's were the most supportive in our efforts to try to locate him, and also the body of the late Nick Begich.

I think that we owe all of those families the same consideration that they showed to us under similar circumstances.

Mr. MONTGOMERY. I thank the gentlewoman.

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Chairman, as one who has tried to work closely with the families of those missing in action and the prisoners of war, I share in their heartache, because there have been times when they thought that nobody cared.

We have appealed and worked through two Secretaries of State and two Presidents. It is difficult to go from the Defense Department to the State Department and back again.

As the gentleman from Mississippi knows, we have also sent a personal letter to the Prime Minister of North Vietnam to appeal to their authorities to see if we could find a way to get to those that we have been told have been seen.

In my State of Ohio we still have 58 unaccounted for, and seven of them are supposed to be living. Holding back information by those who hold such prisoners is a well-known fact, even to the extent in Russia, where they found in Siberia some prisoners who had been left over from World War II. They have every reason to believe that there are those still alive over in those sites. But we have a moral obligation for a full accounting. I join the gentleman not only as a cosponsor but as one who applauds this effort today.

Mr. MONTGOMERY. I thank the gentleman, and I certainly hope that the Committee on Rules will take action on this resolution. I apologize for speaking out of order, and I apologize for sitting down; but, as the chairman knows, I slightly injured my neck a few days ago.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I think that the distinguished gentlewoman from New York, with her usual forthrightness and candor, has correctly stated the issue when she has suggested that the essential defect in House Resolution 591 is that it simply would have the effect of changing the personnel on an existing committee. Frankly, I take a somewhat different view from my cherished colleague of the House Committee on Rules, the gentleman from Tennessee (Mr. QUILLEN) who would simply seek to abolish the present committee.

That committee, frankly, has been something of an embarrassment to the House, and I do not say that out of disrespect for any of the present members of that committee, but an embarrassment only in the sense that it has failed to function and that it has given the appearance somehow that the House was less effective as a body and as an institution in carrying out a sensitive investigation of the intelligence community than the other body.

I, for one, do not believe that we are any less capable than they in pursuing the very, very important matters that are germane to an investigation of that kind. But, as the gentleman from Missouri has said—and he is my friend, and I respect him highly, and I realize that in good faith he has diligently sought to achieve a comprimse—he very modestly himself has suggested that it is a compromise on a compromise on a compromise that may please nobody. In effect I think maybe that is what he has succeeded in doing—coming up with a resolution that really does not please anyone very much. But I do not think that is a very good reason for adopting a compromise, particularly when we have a viable alternative.

So I take this time to tell the members of the committee that at the appropriate time when this bill is read under the 5-minute rule, I will propose an amendment in the nature of a substitute which I think would have two objectives. It would serve the twin objectives of, first of all, dissolving the present select committee, because I am satisfied—and, indeed, I think most Members of this body are—that somehow, at least as presently constituted, that committee cannot usefully serve the purpose of investigating the intelligence community.

But I would go further than that. I would go further than simply reconstituting the present committee with a somewhat larger membership and pave the way for the creation of a permanent Joint Committee on Intelligence Oversight, thereby demonstrating to the nation that we in the House have the ability, have the acumen, if you will, to do what has already been recommended by the Rockefeller Commission on the CIA. It has already been recommended by the Murphy Commission on the Reorganization of the Conduct of Foreign Policy by the executive branch. It undoubtedly is going to be recommended by the Senate committee, the so-called Church committee, and any committee that we establish in this body would come in with a set of final recommendations, I am sure, and recommend that we establish a continuing body, a joint committee with the Senate, to provide for continuing oversight of the intelligence community.

So why should we wait? Why should we not be the first in this body to strike a blow for what is really needed and what has been needed for more than 10 years? I proposed a bill of that kind 10 years ago. Many Members of this body—I think more than 50 of them—joined in January of this year—the gentleman from Pennsylvania (Mr. BIESTER) who is here in the chamber, provided leadership—in the cause of trying to establish a Joint Committee on Intelligence.

So what I simply propose is a resolution that would work as follows: First, it would abolish the present Select Committee; second, it would transfer the documents of that committee to the Clerk of the House. Then it would provide that as soon as the House has acted on a measure to create a permanent joint committee, the House Members would immediately be appointed as an interim ad hoc committee of this Hosue to complete the intelligence inquiry that was begun by the present select committee, and they would be allowed the staff and the funds that were originally provided under House Resolution 138.

Let me say I want to underscore the fact that it would be my intention to proceed very expeditiously with the second state of this two-stage proceeding, to proceed with the resolution to create the joint committee. And, as my colleagues on the Rules Committee know, when I raised this matter in the Rules Committee earlier this week, the distinguished chairman of that committee assured me that at the very earliest convenience of the committee he would be only too happy to convene the committee to conduct a hearing not only on the resolution which I have sponsored but which many other Members in this body also have cosponsored to set up such a joint committee on continuing oversight of the intelligence community.

Let us not take the action here of just achieving the very limited objective of abolishing the present committee so that it will be possible apparently to remove some of the members of that committee to break the impasse that now governs its deliberations. It seems to me that is the kind of game of musical chairs where we add more chairs for players to march in ever-widening circles.

We ought to be interested in striking new ground. I have no quarrels with the members of the present committee. I do not want to be a party to some maneuver or device either to make it easier to dump them unceremoniously or submerge them into a larger group so that somehow through the leavening influence of five new members we are going to make them easier to deal with.

That is not going to achieve my purpose here this evening. I want to achieve something real and genuine, something that will prove this House had the foresight to act first in creating an ongoing joint committee that will provide the future supervision of the CIA and the intelligence community that will avoid some of the egregious examples, some of the horrors that we have seen of the mismanagement of that community as revealed in the press recently.

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Chairman, I thank the gentleman from Illinois for yielding.

I will admit it was one of the purposes of establishing the select commitee and one of the mandates of the select committee to make recommendations in its final report to the House of Representatives. The gentleman by this process he suggests will bypass one of the mandates, which is to make that recommendation to the House.

Mr. ANDERSON of Illinois. I said earlier, I will say to the gentleman from California, that I feel it is absolutely inevitable that any select committee, whether it be of 10 or 13 or any other number of members, is going to come in with this recommendation. I feel certain the committee and the body is going to come up with this recommendation. Why therefore, in view of the fact that two Commissions have already made similar recommendations, should we wait? Why defer action if we can enjoy the double advantage of having House members of that committee serve here now as members of the interim ad hoc group working on this subject and still be in the vanguard of that joint committee we so desperately need? It seems to me we achieve two objectives in that case. We would avoid the charge that somehow we have attempted to paper over these differences and sweep under the rug the necessity for investigation, but at the same time we take the permanent action that is what I think we really want to see come out of this whole process.

Mr. QUILLEN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. Mr. Chairman, I am certain that the Members will appreciate it if I do not consume my full 10 minutes; however, I do want to respond to some of the statements that have been made here already and to state very emphatically that I feel that this resolution should be adopted. As the ranking Republican on the committee, I want to assure the Members that as far as I am concerned and, as far as our side is concerned; we have been willing and anxious to proceed without any delay ever since the committee was created and the frustrations have resulted from the difficulties which seem to be experienced on the majority side.

First of all, I want to reject any thought that any Members do not want to conduct a vigorous investigation of the CIA. In addition, I would like to point out that we are charged with investigating the entire intelligence community, all of the agencies, and the resolution names twelve. And, we should name three more, because they talk about the Defense Intelligence Agency, which means the Army, Navy and the Air Force.

In order to get at this subject, it seems to me that we have to recognize how complex the intelligence community is and the genuine job that this House of Representatives has to undertake and to accomplish through getting some kind of coordination, some kind of order, some kind of elimination of duplication of the intelligence activities that are presently authorized and are being carried on.

Now, it should be of interest to the Members to determine, first of all, the total costs of our intelligence agencies. No one can tell us what our intelligence activities cost. As a matter of fact, the legislation itself prohibits the publication of the cost of operating the Central Intelligence Agency. Nevertheless, it seems to me that there should be authority and this committee should have the opportunity to determine what the total costs of these various intelligence programs are.

While the Rockefeller Commission has concentrated pretty much on domestic activities and abuses of the CIA operating in this country, and the Church Commitee seems to be concentrating on overseas activities of the CIA, there is no committee which seems to be taking care of all these other intelligence activities which have been described and which the Members may study in a Congressional Research Services Report.

Now, I think it would be an abdication of our authority and I think it would be a sad mistake for us to decide here and now that we are going to put any reconstituted Select Committee on Intelligence out of business if a Joint Committee is agreed upon at a later date by the House and Senate. I agree with the gentleman from California—Mr. Edwards—who suggests that this should be one of the ultimate goals. This is one of the recommendations of the Rockefeller Commission. It undoubtedly will be a recommendation of the Church Commission. It will be a recommendation of this House select committee, but we have not decided yet what structure this Joint Committee should have, and what its role should be. All these things should be determined by the House select committee.

Now, the abolition of the House committee would be, it seems to me, a rejection of the responsibility which the House has. Insofar as oversight is concerned, Woodrow Wilson said that "The informing function of the Congress should be preferred before its legislative function." So, it seems to me when we are considering the oversight function of this House with regard to all the intelligence agencies, to go into the subject of duplications, abuses of authority and illegal actions, and also to take into consideration the deprival of the constitutional rights of American citizens who have been abused or who have been taken advantage of by these abuses or by illegal actions, that is a function this House should undertake proudly, thoroughly and completely.

I am hoping that with the new membership that is being recommended can provide the kind of workable committee that I would like to see established here. I know that on our side of the aisle we are ready and willing to go ahead right now. We have been and we have performed our duties to the extent that we have been able. Our frustrations result from the disagreements which have occurred because of personality conflicts among Members on the majority side. While the conflicts do not directly concern me as a Republican, but which do concern this Congress and which should be resolved and would appear to be resolved by this resolution.

I am hopeful that we do not say that because somebody else is performing an investigative function that we are not going to assume what I regard as our rightful role and our rightful prerogative and responsibility.

I hope also that we are not going to place ourselves in a position where we would be out of business provided suddenly the Senate takes action with repect to acquiescing in a joint committee.

I am positive that we can do—not a sensational job—but a responsible job which needs to be done with respect to our numerous intelligence agencies.

We can help to coordinate them and thus bring order out of this chaos for the benefit of the American people and the American taxpayer.

Mr. Chairman, as the ranking minority member of the current Select Committee on Intelligence, I am in strong support of House Resolution 591.

The need for an independent House investigation of the intelligence community has been clearly established. My work in the investigation to date under the present structure has convinced me that the House has a compelling and immediate responsibility to assure the American people that their elected representatives are conducting effective oversight of the U.S. intelligence agencies and that the people's constitutional rights are not being abused or violated by their own Government.

The present select committee was taking responsible action to fulfill this duty when conflicts on the majority side caused a stalemate which frustrated further investigation. In this regard, let me stress that the problem with the current select committee is not its mandate; it is its membership—and the seemingly irreconcilable personal conflicts which have arisen.

Mr. Chairman, as a Member of this House, I say that it is intolerable that this legitimate congressional inquiry should be frustrated. The question which the House must resolve today is whether it will press forward with its duty to inquire or whether it will allow personality conflicts to defeat it in one of its most important areas of responsibility. Under the oath of office which we all have taken, there can only be one responsible course of action at this time.

We ought to promptly enact House Resolution 591 without amendment—to allow this important and legitimate investigation to proceed expeditiously to meet its mandate. As I have said before, the real problem of the current select committee did not concern the scope of its jurisdiction; it did not concern the size of the committee—it had to do specifically and exclusively with conflicts on the majority side.

Therefore, it is not appropriate or necessary to severely restrict the scope of the committee's jurisdiction—and it is certainly improper and incorrect to suggest that the select committee ought to be abolished and the entire inquiry abandoned. The proper course, the responsible course, and the course most in keeping with our duties as Members of Congress is to pass this resolution reconstituting the membership of the select committee—so that its vitally necessary work can go forward.

Mr. Chairman, I should like to respond to allegations that the select committee will only be duplicating work already completed by the Rockefeller Commission or already begun by the Senate select committee. Indeed, the Rockefeller Commission has issued a very helpful report on the CIA within its mandate—but as we all recall, this investigation was linked to the domestic activities of this one agency. The Senate's study, on the other hand, appears to be concentrating primarily upon the CIA activities overseas and does not appear to be an overview of the entire intelligence community.

It is the duty of the House to insure that a responsible reasoned overview of the various intelligence agencies is undertaken. At this point we do not even know the amount of money spent on the gathering and dissemination of foreign and domestic intelligence. In order to be responsible on appropriations measures, we need to ascertain whether there is any duplication or waste in the activities of this necessary effort. Continuing this investigation will allow us to honestly say that we understand and are monitoring this complex operation.

In order to study the use, dissemination, and collection of intelligence most effectively, congressional investigators must have the jurisdiction to transcend traditional agency boundaries. To understand the extent to which coordination and efficiency problems exist, a study restricted to the Central Intelligence Agency alone will obviously not suffice. Not only does there appear to be a lack of substantive coordination, but there also seems to be a virtually complete absence of financial coordination within the intelligence community.

The American taxpayer is entitled to feel confident that his dollars are spent not only in accordance with the law, but also in the most efficient manner possible. It is the responsibility of this House to assure the American people that duplication and unnecessary waste of manpower and resources do not permeate our intelligence services.

While no particular agency is on trial, a study of only a limited aspect of our vast intelligence network will not serve to enlighten the public as to the valuable services provided by the dedicated agents and law enforcement personnel which make up the community.

Mr. Chairman, I should also like to address myself briefly to the amendment to be offered by my friend from Illinois (Mr. ANDERSON). The gentleman's intentions are commendable, and I feel certain that one ultimate recommendation of any examination of congressional oversight capabilities will be the creation of a Joint Committee on Intelligence, but I believe that this amendment ought to be opposed at this time.

First of all, as a practical matter, the gentleman's amendment is structured so that there is an unacceptable time lag between the abolition of the current investigation and the establishment of any ad hoc committee which the gentleman envisions. More importantly, we need to improve our understanding of the way which the intelligence agencies actually function—before we will know what is the best way of structuring an effective joint committee. There is virtually unanimous agreement on the need for a permanent Joint Committee for Intelligence Oversight—but no one has conducted an in-depth study of various alternative ways of structuring such a joint committee—and this task, to my mind, is one of the areas in which a reconstituted select committee can make a most valuable contribution. Let a new select committee study this important issue until the end of this year—then let us join with the Senate upon completion of its separate investigation in establishing a joint committee in its most reasonable and effective form.

Mr. BOLLING. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, I rise in opposition to this resolution. I am presently a member of the Special Select Committee on Intelligence. I sought this assignment; I coveted this assignment. I see it as perhaps my most responsive, most important responsibility in the 4½ years I have been in the U.S. Congress. To investigate the allegations of law violations and crime on the part of any governmental agency is extraordinarily and awsomely important.

The assignment of this particular committee, it seems to me, requires greatness in this House, not mediocrity, not petty devisive issues that would tend not to allow us to function. I want very much to continue on this job. As the Members will find moving through the debate, virtually every single member of this committee wants to, has always wanted to, presently wants to, go forward with an aggressive investigation, with integrity and intelligence, with principle and professionalism.

So, what then is the question? If I can have the attention of the Members for just a few moments, the question that we must raise is, why are we taking this action today? First, is it to abolish the entire investigation? I am pleased that the Rules Committee has not reported out a resolution to abolish the entire investigation. I am pleased to believe that the overwhelming majority of the Members of this Congress are not willing to destroy or end an entire investigation.

There are issues, problems, charges, abuses, allegations that we constitutionally, emotionally, intellectually, and politically must address ourselves to. That is our charge. The Constitution says the Congress shall make and oversee laws, so this is our responsibility.

So, abolishing the entire investigation cannot be the purpose of this resolution. I am pleased with that. What, then, is the reason? Is it to punish or otherwise penalize the majority of us presently on the committee? For what reason? What are the charges? I would remind my colleagues that this is ostensibly a nation of laws; this is ostensibly a democracy. This is a nation where our judicial system is based upon the assumption of innocence.

What are they charging the members of this committee with? Are they charging us with exercising our judgment in the first instance? To that charge I plead guilty. What was the judgment that I and the majority of the committee made? One day, the New York Times reported in an article that Mr. Colby, Director of the CIA, in direct response to a question of the Church committee—

> Have you ever given this information, allegations of violations on the part of the Intelligence community, to Members of Congress?"

He responded in the affirmative and said:

> Yes, I gave it to the present Chairperson of the Select Committee, the gentleman from Michigan.

The judgment we exercised was to simply say that if one of our members, the chairperson, had prior knowledge of even the allegation of murder as an instrument of foreign policy, that that should be repugnant to all of us and, this is the House of Representatives; no one person has the right to speak for us all. This is a group-oriented process with rather clearly defined procedures—subcommittee, full committee, Democratic and Republican caucus, steering committee, Committee of the Whole, and ultimately the floor of the Congress.

This is a group-oriented process. It means it must move through that process. Just the allegation of murder is something that should have moved it through that process.

So the majority of the Members exercising a judgment that I will always make—that we have the responsibility of upholding the Constitution of the United States.

When we came together at some point in the past as a group of people and decided we would band together as a nation of laws, that, to me, dictated that those of us with the privilege of governing the people must do so with impeccable integrity and a high sense of moral purpose and ethical behavior. To do anything else is a violation of the spirit and the intent of the government of laws that we set up, that which is reflected in the Constitution of the United States.

So I would say to you if you are in charge you charge us with an evaluation, a judgment all of us have a right to make. I said to the gentleman from Michigan personally, publicly, and in the committee, and I say now, I felt in that instance that judgment was wrong, it should have come through the process. If I am to be guilty, then I am guilty of exercising that judgment. I do not think that is worthy of this action on the floor here today.

Mr. STRATTON. Mr. Chairman, will the gentleman yield on that point?

Mr. DELLUMS. Yes, I yield to the gentleman.

Mr. STRATTON. I thank the gentleman for yielding.

The gentleman has referred to the gentleman from Michigan and took issue with the gentleman from Michigan for not reporting to the House certain testimony that he had heard in executive session of the CIA Oversight Committee. Is it the contention of the gentleman from California that the gentleman from Michigan (Mr. NEDZI) should have come before this House and revealed publicly information he received?

Mr. DELLUMS. I have the thrust of the gentleman's question. I will yield no further.

I will answer the gentleman's question, and I will yield no further.

I am suggesting to the gentleman that there is a process. In 1973 I was a member of the Armed Services Committee. You could have called an executive session of the full Armed Services Committee to determine what action should be taken so that the majority of the total committee could work its will. If it decided that in some extraordinary session we should deal with it on the floor and the full Armed Services Committee should instruct the CIA to take action, that would have been appropriate.

Mr. STRATTON. Does the gentleman realize we are dealing with highly classified material and we cannot make that available to everybody in the Congress?

Mr. DELLUMS. I yield no further to the gentleman. The gentleman is taking my time.

Mr. STRATTON. This is the very basis of the——

Mr. DELLUMS. I yield no longer to the gentleman.

The CHAIRMAN. The gentleman has refused to yield.

Mr. DELLUMS. I respect the gentleman's right to stand in this well, and I would hope the gentleman would respect my right.

The subcommittee has some responsibility. It could have gone to the Committee on Armed Services. We could have taken some action.

Murder, even as an allegation, as an instrument of foreign policy is repulsive and ludicrous, and we should be addressing it.

We banned together as a group and made that judgment. I do not think we should be victimized because we made that judgment. So, too, we saw the need to operate within the spirit of the reform that we fought so hard for in the 92d, 93d, and 94th Congress. One can argue the technical question, but the spirit of reform merely points out the majority of the Members have a right to be involved in the issue, the development of a subcommittee and arriving at the number of people who would serve on that committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLLING. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. DELLUMS. A subcommittee was set up by receiving a letter. The letter said, "The Chair appoints the following members." Four people. Not in the spirit of coming together in the caucus of a committee to iron out these issues, but this happened, and the whole thing unraveled that we could not agree to make this committee a Committee of the Whole, with the gentleman from Ohio (Mr. STANTON) chairing the subcommittee. I think that was tragic, but nevertheless we tried to live with it.

Is it because we cannibalized or ambushed the chairman? I am not guilty of that. I do not eat people, and I would like to think I have a reputation in this House of not going around surreptitiously and challenging any Member. I am not an ambusher, and I do not think any other member of the committee is. I think that is an unfortunate characterization of our actions.

Is it because we voted to receive the resignation of the gentleman from Michigan (Mr. NEDZI)? The gentleman from Michigan stood in the well and said, "I resign."

I have talked with the gentleman from Michigan. He clearly wants to resign. But the House worked its will, and just as I get up every single morning and accept the will of the Members when the House works its will in matters diametrically opposed to what I believe, I accepted that in this case. We have lived with that decision.

We have said, if it be the will of the House that the gentleman from Michigan (Mr. NEDZI) chair the meetings, then let him chair the meetings and proceed. I have not backed off from that commitment, and I certainly shall not.

Is it, then, to get rid of the gentleman from Massachusetts (Mr. HARRINGTON)? I hope it is not. The gentleman from Massachusetts (Mr. HARRINGTON), after the vote on the floor, voluntarily said:

> I give up my right to seniority. I will not try to seek the CIA committee.

But that was not enough.

Second, the gentleman from Massachusetts (Mr. HARRINGTON) has made no statement and has taken no action that would warrant his specific removal from this committee.

Mr. Chairman, the question has been raised by the Committee on Armed Services with respect to his conduct. There is now a resolution before the Committee on Standards of Official Conduct, but that in no way has anything to do with the question of whether he should be removed from this committee.

Where is our sense of fair play and justice and equity? We should judge the man with justice, we have always said. I am willing to fight this out front. Let us not take a surreptitious route and in that way harm the gentleman from Massachusetts (Mr. HARRINGTON).

The gentleman has raised a critical important, valid question. That question will not go away by wiping out the gentleman from Massachusetts (Mr. HARRINGTON). It will go away when we address the question with intelligence and reason and arrive at some answer to the very important constitutional issue that has been raised.

Is it to dilute the present membership of the committee? I would not like to see that. There are some other committees that I would like to see diluted. Perhaps the Committee on Armed Services would be one of them. I am certainly in no way in the majority on that committee.

Are we using a precedent here that would allow us to dilute all other committees? Why are we adding these other three members?

I do not hear any rationale that allows me to arrive at a rational conclusion as to why that takes place.

Is it to break the impasse? There is no impasse. Nine of us have always said that we are willing to go to work. We accepted the decision. We voted to accept the resignation on the floor, and then we accepted the will of the House.

Mr. Chairman, I say that this is not the way to do it.

Mr. QUILLEN. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana (Mr. TREEN).

Mr. TREEN. Mr. Chairman, as one of the members of the select committee, I would like to respond partially to the remarks made by the gentleman in the well, the gentleman from California (Mr. DELLUMS). And I might say that I respect him for the sincerity of the views that he expressed.

However, it seems to me that I should respond on the question the gentleman has asked: What is the charge against this committee?

As I understand it, the charge against the committee, purely and simply, is that the committee is not functioning. I believe that the gentleman from Missouri (Mr. BOLLING), the author of the resolution, has adequately explained this. For whatever reason, this committee is not now functioning, whether it is a matter of the personality of the chairman of the committee or of other members of the committee.

As the gentleman from Illinois (Mr. MCCLORY) has stated previously, we have been ready on our side to go forward. I believe there are a number of members on the Democratic side who are ready to go forward. But the fact of the matter is that we have not had one substantive meeting in the 5 months of our existence. We have not even adopted the security regulations to control the staff on our committee. We have adopted some rules of procedure, and we have gone halfway through our security regulations. That is all we have done.

As I understand it, the only charge is that the committee is not functioning. If the committee is not functioning, then we must do something.

I respect the gentleman from Missouri for his leadership in trying to resolve this dilemma. If the gentleman from California (Mr. DELLUMS) or any other member of the select committee or of the House has a suggestion for getting our present committee going, then I would be very happy to hear it.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, why did the chairman of the committee not resign so that we could get a new one appointed and move on with the business?

Mr. TREEN. Well, the gentleman has offered a suggestion. I have no control over that. As I understand it, even though some members talked to the Speaker about finding some way to get the matter moving, the fact is that it has not been resolved.

I am not going to suggest to the committee that I think the chairman should resign or that he should not, or that perhaps some other people should resign. I will say, however, that this resolution gives the Speaker the opportunity to appoint new people. He may choose to appoint someone other than the chairman of the existing committee, and it seems to me that would solve the problem from the point of view of several members. The point is that the committee is not functioning, and I think that we must do something. Adequate time has elapsed. I think, for the majority Members to have found some solution other than the one here proposed.

Mr. Chairman, I would like to speak to one other point, the reason I asked for time in the first place, and that is as to the numbers on the proposed new committee. I do respect the efforts of the gentleman from Missouri, but I think 13 is too large a number, and I probably will offer an amendment—if the amendment to limit the committee to seven members, which I understand will be offered, fails. I will probably offer an amendment to limit it to 10.

The reason is simply this: we have 12 enumerated agencies of this Government to examine. If we take the August recess out, we have about 4½ to 5 months to do this job, and it is going to be extremely burdensome to begin to cover just overnight of the CIA alone. I understand that the CIA inquiry in the Senate has consumed the time of 78 of its 90 staff members. All they have done is cover the CIA. We in the House have the CIA and 11 other agencies to examine. If we have to do it with a 13-member committee, with each member having the right, as he should, to examine for at least 5 minutes, we are not going to get this job done.

Therefore, Mr. Chairman, I do hope that the committee will be sympathetic with the need for our concluding this investigation and thus keeping the select committee down to a reasonable size.

Mr. BOLLING. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, when the gentleman from Missouri (Mr. BOLLING) presented the resolution, I tried to get some answers to my questions as to why the suggestion that we abolish one committee and replace it with one other would solve the problem.

Since that time there was, I think, a very excellent presentation on the part of Congresman DELLUMS, a member of that committee.

As a Member of the House, I have had some experience, though somewhat limited, with the CIA in my own committee, as chairman of that committee. I realize that there is an enormous amount of inquiry that is needed at this time.

A question was asked before about why the chairman of the committee did not resign, and my question goes much further than that. Clearly, there is a duly constituted committee with a chairman who offered a resignation and then sought the rejection of that resignation by the House—very strange behavior, in my opinion. I think that if he really wished to remain as chairman of that committee, all he had to do was to call meetings of the committee. After his resignation was rejected by this House he did not call meetings. He should then have resigned—because only his actions have prevented this committee from functioning.

My concern is that there is, in this kind of action, some considerable question as to whether those who seek to depose the present committee really want an investigation at all, because, frankly, if they did, then the question of having meetings called by a chairman could be answered here either by this Chair or by some other Chair, if this person did not wish to act.

The Speaker of this House has chosen a committee of perfectly competent Members who, obviously, by their behavior, have indicated that they wanted to act. The Committee on Rules acted upon a resolution by a Member of this House to get rid of that committee.

I think that the Committee on Rules acted improperly. I think this House should not act improperly. I think there is an intention to try to influence—I have no evidence of this, but I make this statement because it make no sense otherwise—a change in the composition of this committee in order to put on it, as I indicated in my question to the gentleman, persons who may not be as vigorous or as desirous of conducting an investigations as are the present members.

The very origin of this committee, I think, speaks for itself.

To have chosen a chairman of the committee who, already having been the chairman of an oversight committee on the CIA, who knew but did not make clear that the CIA had acted illegally, was wrong, in the first place.

People were prepared to go along with that. But I think the Members of this House should not allow themselves to be put into the position where they act improperly now that they have the experience of hindsight. The members of this select committee have functioned on the committee, and have shown their willingness to function. I think it would be inappropriate for any Member of this House to vote to replace those members, because a vote to abolish the committee and then to set up another committee, albeit one of 13 instead of 10 members is, in effect, saying "I am discharging, I am participating in the discharge of the members of this committee." In a sense we may be saying that we do not believe that they fulfilled or have fulfilled their responsibilities as members of this committee.

I would suggest to every single Member of this House: Put yourself in the place of the members on this committee. Would you want someone to act upon you in this manner? Is this the way to deal with our peers.

There is no basis to eliminate anybody from this committee, least of all the one who acted most vigorously to protect the Constitution, to protect the Congress, and to protect the American public in the face of serious illegal activities of the CIA, and that is the gentleman from Massachusetts (Mr. HARRINGTON).

If, indeed, there is no desire to prevent the committee from functioning properly or cast any aspersions on the members of this committee, then what this House should do is to say: Very well, somehow or other, some people think the committee would be better off if it had 3 more members—this magic number of 13 which is usually considered unlucky, but somehow is considered to be lucky by the members of the Committee on Rules—then that is fine. But I say we have an obligation to do at least one thing: to permit each Member who is presently a member of the select committee to choose whether he wishes to remain on that committee. This is his right—or her right, if there were a "her" on the committee, which is one of the deficiencies that the committee does have. But I believe that it is our responsibility as Members of this House of Representatives to say that, without any reasons having been presented to us and, indeed, there has not been one reason presented to us, that we have an obligation to support the Speaker's original choices of this committee that were selected to serve on this select committee. We gave the Speaker that authority, and it would look as though we were engaging in vain and ineffectual action if we now revoke it without reason, and say, OK, Mr. Speaker, give us another 13.

With respect to the joint committee proposal of the gentleman from Illinois (Mr. ANDERSON) let me say that that was a good proposal 10 years ago, but I am not so sure that it is a good proposal today. Many proposals will come forward to change the law with respect to the CIA—later—this may be one of them.

The fact is that what has already been revealed by investigation of the CIA by the Church committee, by this committee, and by several other committees of this House—requires that we go forward with this committee now. I oppose this bill and will present an amendment to permit each present member to choose to remain on this committee if he so desires.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. QUILLEN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. BIESTER).

Mr. BIESTER. Mr. Chairman, in a real sense it is a rather sad moment tonight. We set about as a responsible body to investigate the conduct of the CIA. And tonight we are replete with a sense of investigation about each other, and ourselves.

The substitute suggested by the gentleman from Illinois (Mr. ANDERSON) makes enormous sense. For, if we had had

10 years ago the kind of a joint committee that the gentleman from Illinois proposes, we would now have a committee which would have supervision over the Central Intelligence Agency, the National Security Agency, the DIA Agency, the President's Foreign Intelligence Advisory Board, the Intelligence and Research Bureau of the Department of State, and the Army, Navy, and Air Force intelligence components.

We would have a joint committee that would have the power of serving subpenas; we would have a joint committee that would have the sole and exclusive jurisdiction over the legislative authorization for the functioning of all of those various agencies, and it would be a committee which would link oversight with clout.

What we have now is a situation in which we are disarrayed among ourselves even in trying to investigate only one of these intelligence agencies.

We find ourselves, Mr. Chairman, tonight involved in rancorous moments among themselves when our frustration should be displayed against the malconduct of those we seek to investigate. We are still engaged in the easier process of probing the problems of the past rather than trying to see to it that we set up a machinery for making the future more rational and the Constitution a more living document for our people.

We can take this moment, however, and the crisis it represents if we pursue the substitute offered by the gentleman from Illinois, and transform this moment from a negative one and a divisive one into one that is generative in terms of the procedures of this Congress linking both bodies in a consistent and durable legislative oversight, coupled with authority which would enable us, it seems to me, to get the kind of handle on the CIA the public has always expected us to get. We need not terminate our own investigation, but we can point toward a permanent national process for the future.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. BIESTER. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I would like to associate myself with the remarks of the gentleman in the well and also the gentleman from Illinois, Mr. Anderson. I have kind of a gut-level feeling that this is the right direction to go, and it is a direction I wanted to see us take back in the original formation of the committee. I appreciate the gentleman's remarks.

Mr. BIESTER. I thank the gentleman for his support.

Mr. Chairman, I yield back the balance of my time.

Mr. BOLLING. Mr. Chairman, I yield one minute to the gentleman from Michigan (Mr. Conyers).

Mr. CONYERS. Mr. Chairman, I am going to support H.R. 591 on the belief and confidence that the Speaker of the House of Representatives will not remove any presently appointed member from this committee. I think that doing so would strike to the heart of the question raised by my good friend and colleague, the gentleman from California, and I think it is probably the underlying secret troublesome issue of this resolution. I am putting all my confidence without reservation into one little pile and placing it before the Speaker's great office. It is out of this belief, it is out of this trust, it is out of this faith, it is out of my confidence that this entire committee will most appropriately be reappointed, and the several new members added, that I join in urging the support and passage of this resolution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLLING. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. Tsongas).

Mr. TSONGAS. Mr. Chairman, I would like to pose a question, and that is, If the committee is reconstituted and if the reconstitution excludes the gentleman from Massachusetts (Mr. Harrington) what message does that send to this country and to the Members of Congress, including those who just arrived? What lesson is to be drawn in the future when a Member of this body comes upon governmental illegalities. They violated laws of the land, the Constitution, and, indeed, the moral values that we favor and we embrace as a foundation of our society. It seems to me that lesson is very clear. Swallow one's concern. Internalize one's outrage or one risks the wrath and retribution of this body. I, for one, do not want to participate in writing that lesson in today's Record. Killing the messenger who bears the bad news, I think, is unworthy of this body. Perhaps we cannot praise the gentleman from Massachusetts (Mr. Harrington) but I do not think we should bury him.

Mr. Chairman, I yield back the remainder of my time.

Mr. BOLLING. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. James V. Stanton).

Mr. JAMES V. STANTON. Mr. Chairman, my message is similar to that of the gentleman from Michigan. I rise in support of the resolution, and I rise in support of the resolution because I fundamentally believe, having experienced day-to-day since June 16 that this committee cannot function as it is presently constituted.

On June 16 on this floor, I indicated that I would vote to accept the resignation of the chairman of the select committee if he wanted to honestly offer his resignation, and I so voted.

We on the committee offered in terms of meeting with the Speaker and in terms of meeting with the leadership on our side of the aisle every reasonable opportunity to have this investigation go forward. I must say that the Speaker of this House exercised every good judgment, exercised every ability that he had, and exercised every persuasive power he had to have this committee go forward and function as a committee of the House. I do not stand here as an apologist for the Speaker or for any of the leadership, but I do say that there were those who did not want this committee to function and I have to say that in meeting the duty and our responsibility of House Resolution 138 and of any other mandate, the committee members themselves cannot drag the investigation to go forward. It needs a chairman to lead it.

I would hope that in the judgment of the Speaker who will be empowered to do so that he will appoint someone who has the ability, the desire, and the purpose to follow the mandate of the House, lead the investigation, and put those Members on the committee who want to return to continue the purpose of this investigation.

Mr. BOLLING. I yield 5 minutes to the gentleman from Connecticut (Mr. Giaimo).

Mr. GIAIMO. Mr. Chairman, I do not know whether to be in favor of this resolution or to oppose it. On the face of it, it seems like a perfectly harmless resolution. In fact it is almost identical with the resolution we passed in February, except that it has a final section 10 which abolishes the select committee created by House Resolution 138 and also it increases the membership from 10 to 13.

So therefore I think it is a fair question to ask the Rules Committee, which has proper jurisdiction over this matter: Why? Why is there a need to abolish the old committee and to create a new committee? Obviously there can be many reasons for this. We do not want to get into the pros and cons, as has been said here earlier, but I think we have to.

Is it to reconstitute, which is the word that has been used—is it to reconstitute, which means to create a new membership of the new committee? And, if so, who is to be put back on and who is to be left off and why? Why?

I think we have to ask ourselves this question.

I think it is very obvious and clear from statements made by the chairman of the committee, the gentleman from Michigan—and I am sure he would be the first one to say it—that he seeks to resign from the committee, that he does not want to serve on the committee. And so be it.

So obviously that will be part of the reconstitution.

Those of us who have ears have heard comments in these halls throughout the past weeks and months and know of the feeling that some Members of the House have concerning the continued membership by the gentleman from Massachusetts (Mr. Harrington) on this committee. I do not say we have to agree with what Mr. Harrington says, believes, or speaks for. In fact I think I disagree with the gentleman from Massachusetts, Mr. Michael Harrington, more times than I agree with him, but I will say this: The gentleman from Massachusetts, Michael Harrington, has every right that every other Member of this House of Representatives has and he should have those rights as long as he is a Member of this body.

Now, is this committee being created to remove the gentleman from Massachusetts (Mr. Harrington) from it? I think this is a fair question to ask.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield briefly to the gentleman from Massachusetts (Mr. Drinan). I do not have much time.

Mr. DRINAN. Mr. Chairman, I want to see the gentleman from Massachusetts (Mr. Harrington) remain on this committee and the safe way for me to do it is to vote against this resolution, keeping the present membership and keeping the present committee.

I thank the gentleman for yielding.

Mr. GIAIMO. Mr. Chairman, there are 8 of us, 8 out of the 10 on the present committee, who I am sure desire to stay on the new committee, but as one of my colleagues said to me today, and I hope he said it jokingly when he said it, "Will you behave and be a good boy if you stay in the new committee?"

I hope that he was only joking, but I know how strong the feelings are in this matter of investigating the CIA. There are some who want no investigation of any of the intelligence agencies.

I will say from my limited experience with the intelligence agencies of the United States, that I am convinced that there is a very real need to look into their activities these many years and to be sure we have an adequate oversight by Congress. I am not one who is out to destroy them. I just want to make certain that they are not infringing on the rights of the American people and that we in Congress know what is going on. If there is anything of a wrong nature or wrong doing in their activities, we have a responsibility to look into it and to correct it.

So I do think in the little time that is left to us in general debate, we should have some explanation given to us of what is the nature of the reconstitution? What is the reason for the need for abolishing the old committee and creating a new committee? Is it to accommodate a chairman who wanted to resign, but whose resignation was not accepted by the House and who does not want to continue further with the existing committee? Is it to remove one or more of the other members of the committee from continued membership in this investigation of the CIA? I think we are entitled to know.

More importantly than our being entitled to know, I think the American people are entitled to know why the House of Representatives has literally fiddled in this matter since early February when we constituted this committee and here it is near the end of July and we have still to get moving with the job to be done. I think we are entitled to these answers.

Mr. BOLLING. Mr. Chairman, I have two more speakers. I understand the gentleman from Tennessee has one speaker alone. I wish that the gentleman from Tennessee would yield to his speaker after I yield to one more person.

Mr. QUILLEN. Yes, certainly.

Mr. BOLLING. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts (Mr. HARRINGTON).

Mr. HARRINGTON. Mr. Chairman, first let me express my appreciation to my colleagues from Massachusetts, who with varying degrees of misgiving, amusement and familial loyalty have chosen to spend a period of time with us tonight. I do wish it did not take on the aspect of a death watch. It makes me want to move when I try to understand the meaning of that assemblage on my right. I got the first hint of this legislation on June 14 when the gentleman from Missouri alluded to intra-Democratic Party cannibalism. I have experienced perhaps a different form of that cannibalism, but I think it might afford us a chance to address ourselves to a far more serious concern.

Let me digress before I do that and make one thing clear, since the Speaker is in the Chamber tonight and can reaffirm what I have said to him privately and publicly in relation to the select committee. As you know, indirection is not one of my strong cards, and I have seen nothing in the course of this period that has altered my views toward the CIA—nor toward the need to have this country address the vital issues that are at stake here. I want to resolve any ambiguity with respect to my intention, if it is at all possible to remain on what appears to be a likely accepted fact. I think it is interesting, listening to the care with which this matter has been handled tonight, to note the lack of substance that attaches to the problems attendant to this committee's functioning.

I sat through the Rules Committee meeting of last Wednesday, where most of the members of the present select committee showed some interest in continuing to serve. I do not think that it would be unfair to suggest, that we ever had a substantial effort to address what has been alluded to as intra-committeee devisiveness.

For the last month, in terms of what now, I think, has been adequately explained, it was with people, with sound, believable disinterest, and I think it is important not only to look hard, carefully, questioningly at the motives attendant to the very interesting series of events which were orchestrated both within the framework of the Rules Committee membership, the Armed Services Committee, over the course of the period that is about a month old today.

But all of this, I suppose, can be better and more dispassionately addressed by the people who have the benefit of the vision attendant to a lack of direct involvement. Let me just say that the important thing, in my opinion, whether it be the point of view that I express tonight prevailing or the point of view outlined by the gentleman from Missouri prevailing, is the preservation of the capacity on the part of this Congress to recognize very clearly what the people of this country learned in the streets in the last dozen years; that there is ample reason to believe that they cannot believe their executive branch. This distrust and cynicism extends to the legislative branch, and much of what we find at the root of the inablity to really deal with national issues comes about as a result of being systematically deceived by people who speak for this country.

Whether it be the episode which began to be revealed during the war, which both parties can claim equal dishonor for; whether it be the narrowing, and I think far more isolated aberration of criminality and the efforts made to contend that in the guise of national security to avoid an inquiry, what we have gone through collectively as a people is some part of our experience and in part what led to the success in establishing a select committee.

I might credit my feeling about the points of the chairman of this committee, and it is not with personal opprobrium but with an appreciation for the limits that the human condition has when it comes to engaging in inquiry. I have made those observations in order to picture the gentleman from Michigan's speech in the House on the day it was announced.

My concern really runs, Mr. Chairman, largely, and it runs in general to a willingness which has been carefully circumvented, that were to use distraction occasioned by committee division; to use distraction occasioned by the Armed Services Committee away from its solemnities on the issues to determine 9 months after the fact that something would have to be done about an inquiry of interest in Chile arising from the fact of a variety of episodes by the Ashland Oil example or McCord or Hunt or Liddy or any one of a dozen newspaper events in the course of the last few years which have all prompted this party to decide that the prevailing attitude of not knowing anything and being happy in that particular posture was not enough.

I think all of us share that common concern. And as I pointed out to the Committee on Rules Wednesday of last week, the interesting part of this is that it does not divide along traditional lines of the people who brought us the Pentagon Papers and the Watergate exposé and who have brought us a defense of the Glomar Explorer and covert activity. You really do not have the classic division of opinion, of philosophical divisions that exist in so many other areas. But I think underlying it all, and I find myself determined—whether it be as the member of this committee or the posture that I have been accustomed to from the beginning of my career outside of that insider status—to begin to raise the bottom question of what all of this means about ourselves as a people. I reject the observation of President Ford that "They do it, so we do," whether that is the IRS in downtown Miami, whether that is the CIA with the drug peddler in downtown Chicago, whether that is the National Security Agency reputedly tapping the telephones of anybody engaged in underground communication. I reject that as a coloration that we have the right to lay claim to when it comes to asking that world approbation be directed to us. But whether you agree or not—and it is really irrelevent—I think the important thing is to recognize where the efforts of the last half generation have led this country, whether it be cynicism and disbelief, whether it be despair, whether it be a linkage in common purpose to other global powers we had come during an earlier generation to despise. I think the important thing, and the one I find most troubling in urging that the retention of this committee in some form be made, is to make this inquiry as to what it can tell us about ourselves and to make it with the commitment and the reality we have gone through as a people and to make it, hopefully, with the appreciation there is going to be division of opinion and, above all, outside of this rather surrealistic existence that has been our legacy for the last two centuries, the rest of this country has come to think of us as a legislative branch and the executive branch which has brought us most of what we have gone through.

So that I may want to have, in some fashion, something approaching a way of dealing with a narrow, and perhaps personal, basis with some of the events that I address. But the broader issue is, and will remain: Do we have the courage to recognize what has to be done, what must be faced on something as fundamental as claims of national security which are, on their face, specious challenges, and not accept the mindless secrecy that is imposed by the Executive to cloak criminality, illegality and mischief, and to expect that, somehow or another, we can begin to address the basic purpose that we can all, I think, in good faith assume in coming here, that we are going to try to make an effort, in some fashion, to uphold the oath we take. I think that is what my narrow personal preoccupation is. I hope it is the preoccupation, for whatever reason, that might be shared by the rest of this House.

Mr. QUILLEN. Mr. Chairman, I yield such time as he may consume to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Chairman, some few months ago there were allegations made that certain echelons of the intelligence apparatus of this country had taken actions which exceeded the mandate under which it was created. As a result, the President of the United States appointed a very distinguished Commission, headed by the Vice President of the United States, to investigate these matters. That Commission has now reported. That report is available. It has been made public.

Some time shortly after that the other body, through its Legislative Oversight Committee, began its investigation of the CIA and other intelligence-gathering apparatuses of this Government. This investigation is proceeding. I am told it is proceeding rapidly, and with great efficiency.

Mr. Chairman, the question that I would like to pose to the House now is: Just how many times do we need to investigate the CIA or the intelligence apparatus of this country?

I suggest to this House that it might be the better part of wisdom if, instead of appointing a committee now to investigate and to plow the same ground and perhaps do the same things these other committees have done, we did nothing at all. It might be well and it might be prudent for us not to do that at all. It might be a good idea for us instead to wait until the investigation of the other body has been completed and we have had a chance to analyze it; it might be well for us to analyze the Rockefeller Commission report, and we could see whether or not there are any holes in their discussions of the CIA or the intelligence apparatus in general. Then if there are, then we should immediately proceed to appoint a special committee or to adopt such other method as may be proper to determine those missing facts.

But I suggest it does the country no service, it does the House no service, and it does the intelligence-gathering apparatus no service for the CIA and the intelligence-gathering apparatus to be investigated and investigated and then investigated again. I suggest instead that it would be much better for this House of Representatives to pass on to some other subject. Heaven only knows that we have enough problems in this country we can address ourselves to without addressing ourselves to this one at this particular time.

I would be the first to say that whenever an agency of this Government, however created, actually takes an action which is contrary to or in excess of its mandate, it ought to be hauled up short and hauled up short quickly.

In fact, I intend, when the proper time comes, to vote for the amendment which will be offered by the gentleman from Tennessee (Mr. QUILLEN) which would strike the formation of a new committee, for the reasons I have already given. If that amendment does not succeed, I shall certainly vote for the amendment to be offered by the gentleman from Illinois (Mr. ANDERSON), which I think, is an amendment we should all consider very carefully, because it does set up the means by which a joint committee of the House and the Senate can be created on a permanent basis to be a permanent oversight committee for the intelligence apparatus.

I suggest to the Members, Mr. Chairman, that it is this kind of thing we need. We do not need the retrospective glances that we have heard in the Chamber tonight. We do not need the prosecutor's frame of mind that we have heard coming from many of our Members.

Yes, if there have been crimes committed, they ought to be discovered and they should be prosecuted, there is no doubt about that. But the thing this House should be interested in is this: Where do we go from here? What happens from here on out? How do we make use of our intelligence apparatus?

I ask those questions as one who believes very strongly that we must have an intelligence apparatus. I think it is very important today in this world—and it is a very dangerous world still—where we know there are predatory nations at large, where we know that those predatory nations make a fetish out of intelligence, out of spying, if you will, and I believe that it would be absolutely suicidal for us not to do the best job we can in finding the information concerning their preparations for war, whether they be industrial or whether they be physical, or any other action which might be inimical to our best interests.

Mr. Chairman, we must do that. We would not be true to our oaths of office and we would not be true to our duty to protect the people of this country if we did not do it. I think it is very important that we do it properly and we do it correctly.

Therefore, it would be my hope that we would address ourselves to the future and to what we can do to work with the Executive in order to evolve an intelligence apparatus which is not only adequate to the needs of the country, but which is so well supervised by both the executive and the legislative branches that it would be impossible for it again, without detection, to exceed its mandate and to interfere in the lives and in the rights of the citizens of this country.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding.

I do not want to question the ability of the Church committee or of the Rockefeller Commission to provide this very constructive criticism and recommendation for the Members, but I feel very strongly that this House of Representatives, if we do not undertake the kind of investigation which is mandated by the resolution, would be abdicating its authority, and we would be abdicating the responsibility we have.

It seems to me that there are a great many opportunities for saving money, for getting coordination, and for improving the intelligence effort which we can constructively make, but I do not believe the other commissions are attempting to do it. I hope that the House will see fit to reconstitute the committee.

Mr. Chairman, I thank the gentleman for yielding.

Mr. RHODES. Mr. Chairman, of course, I have great respect for my friend, the gentleman from Illinois (Mr. McCLORY), as is shown by the fact that he is the ranking member of the Select Committee at the present time; and if, as I suspect, it is reconstituted, he will be appointed the ranking member of the Select Committee again.

However, I must very respectfully disagree with him. I think the fact that the Rockefeller Commission has been in operation and has reported and that the Senate committee is in operation and, I assume, in good time will report, to me points to a proper course for the House of Representatives, and that is to do nothing at the present time but to keep aware of the situation. Then, if it is necessary for us to act, we should act with all vigor.

Mr. QUILLEN. Mr. Charman, I have no further requests for time.

Mr. BOLLING. Mr. Chairman, I yield the remainder of the time on my side to myself, as I would like to close the debate.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I will be glad to yield to the gentleman from Ohio (Mr. SEIBERLING), to whom I had made a commitment to yield previously.

Mr. SEIBERLING. Mr. Chairman, it is my present intention to support the committee's resolution.

I respect all of the members of the committee, but this issue is far too important and far too urgent to let any personality problems stand in the way of an uncompromising, searching, and unbiased investigation.

I think the comments of the gentleman from Arizona on the proposed amendment of the gentleman from Illinois indicate that that amendment would be a formula for delay, which is what the gentleman from Arizona seeks, and possibly an excuse for avoiding any decision on appointing a committee. I do not think we can afford that kind of delay.

Finally, I am willing to support the committee's proposed resolution with respect to the Select Committee because I trust the Speaker of the House and the leadership of this House to appoint a committee that is going to do a thorough and two-fisted job of uncovering any abuses, regardless of where the blame lies, and not a committee to cover this whole thing up.

Mr. BOLLING. Mr. Chairman, I thank the gentleman for his contribution. He has certainly said what I planned to say and probably will say not as well in a longer time.

The only reason that I propose this resolution is that I think it is terribly important that the House function in its usual manner, through its committee system. I became convinced that the House was not going to be able to do so through the current Select Committee.

I doubt that very many Members are aware of the fact that the Select Committee, which I chaired in the last Congress, went into this particular problem of security and of the manner in which Members should deal with security with some care, on my motion, because the House today has rules that "don't make sense if they are honored in the breach" and "don't make sense if they are honored."

The House very badly needs some rules to guide its Members in dealing with problems of security, their access to security, their use of the information that they receive in a classified manner, and the House needs that now.

The House needs that now. It is my hope that one of the recommendations of the new select committee will speak to that just as I believe that one of the recommendations of the new select committee should speak to the question of an adequate modern official secrets act, to borrow a phrase. I further believe that the House finally should get around to doing something that I have advocated, I believe, for about 25 years: Setting up a Joint Committee on Intelligence which will carefully supervise the intelligence activities of the executive. I favored that for a very long time for two reasons: First, to prevent nonelected people from doing things that nonelected people sometimes think is wise, and that any elected official would know was wrong, and asinine as well as illegal; and, second, for the further purpose not only of giving supervision, but of providing for a respected supervisory group that no Member of the House feels is tainted by its association with a particular branch of the executive.

This resolution is here only because I as one Member, and the Committee on Rules as a group, could not figure out any other way to make it possible for the House to function through its committee system. The House of Representatives I believe to be the most important democratic representative institution in the United States, and if it cannot function then the United States cannot function. So it is a matter of the greatest urgency and of the greatest priority.

I do not intend to yield to any Member. I will finish my speech and that will be the end of that.

That is why I think that the gentleman from Ohio nailed it. It is not important who is on this committee. It is important that this committee function.

It is important that this committee do honor to the country and to the House of Representatives. That is all that is important.

The Speaker, the majority leader, the chairman of the caucus, the members of the committee, and the select committee, have spent hours upon hours seeking a way to make the current committee work. No way was found. The only way in which that committee can function is with a new committee with perhaps some changes in its personnel. It will then have a short period of time to prove to the House and the country that it deserves an extension of its time to investigate and to recommend. It will need additional time because 4 months or 5 months is not enough. But we must have a committee that works, and we have had a committee that, for whatever reasons, did not work.

The country is a good deal more important than anything else. The Congress is a good deal more important than any of its Members. The only solution that we could find was that there be a new start, and if there is a new start I hope there will be a complete investigation and a set of recommendations which for the first time in its history will put this country, its Government, in a sound position vis-a-vis intelligence, critical, but terribly dangerous. I honor every member of that committee, the existing committee, for their efforts. I do not agree with all of them, but they are honorable men. That is not the point.

The point is that the House must be able to function. I am going to resist all of the amendments that I know of when we come back to this matter on Wednesday. I hope that a majority will resist all of the amendments, and I hope we will pass this resolution and proceed to the process that should have been an effective investigation with the appropriate recommendations which will heal a gaping wound, in my judgment, in the country's legislative institutions and its executive institutions.

Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Evans of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 591) establishing a Select Committee on Intelligence, had come to no resolution thereon.

JOB QUOTAS ON POLICE FORCE

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, the Justice Department has recently proposed the institution of a quota system for the hiring and promotional policies of the Chicago police department. I hope that Judge Prentice Marshall, who presided over the recent trial of alleged discriminatory practices of the Chicago police, will see fit not to include these proposals when he presents his findings in September.

The enactment of these Justice Department proposals would have a deleterious effect on the quality of law enforcement in Chicago by substituting arbitrary ethnic formulas for ability and hard work. The way to eliminate discrimination is to make all job opportunities open to everyone on the basis of talent. Anything less than open competition based on ability is an affront to the dignity of the police officers involved and less than what the people of Chicago deserve.

Bob Weidrich, the highly regarded writer of the Chicago Tribune, has written an interesting column on this question in the July 14 edition of the Chicago Tribune. I would like to share Mr. Weidrich's story with my colleagues. I also would like to bring to the attention of my colleagues an editorial dealing with the same subject which appeared in the Chicago Tribune on July 12.

Cop Quality Lost in Quota Plan

(By Bob Weidrich)

Justice Department proposals for a quota system in Chicago police hiring and promotional practices are an insult to minorities and a sure-fire formula for mediocrity.

"It is a slap in our faces," declared an outraged black police officer who calls this office with some regularity.

"It is a declaration that we can't make it on our own, that we are dummies."

As in the past, the officer was on patrol with his partner and had pulled up to an outdoor phone booth to voice his dismay at published reports of a proposed Justice Department order submitted before Federal Judge Prentice Marshall in the city's lengthy police bias trial.

"A quota system would be unjust to both black and white police officers," the policeman asserted. "I don't want to get promoted under such circumstances. No matter how well I know my job, it would have a dirty taste about it. I wouldn't feel I had made it on my own."

Like many of the minority police officers who have written or called us, all this officer asks for is a square shake in Chicago police hiring and promotional examinations. He asks nothing more.

"Just let the exams be on the square for everyone and knock out the subjective judgments by the bosses in evaluating performance," he pleaded. "Give us a chance to show our stuff on an equal basis. That's all any of us ask."

There was a strong ring of professional pride in the officer's voice and an equally strong dislike of quota systems for his race or any other.

He proposed that instead of Judge Marshall invoking the guidelines suggested by Washington for the hiring and promotion of blacks, Latinos, and women, that Chicago adopt the system in use in New York City and Detroit where candidates can challenge the fairness of examinations soon after they are given.

Detroit has had such a system for 10 years; New York for about five years.

And it permits those taking the exams to question the ambiguity of some multiple-choice questions as well as the correctness of some answers. In a recent New York examination for sergeants, 14 of 100 multiple-choice questions were scratched or rescored as a result of being challenged.

The same holds true in Detroit, where 15 questions were successfully contested in a promotional exam.

The system permits candidates for promotion, for example, to challenge answers that are obviously wrong when compared to the street experience of policemen. This tends to eliminate questions and answers framed by theoreticians who have never faced the realities of police work.

"That's what we need, far more than quotas that will bring onto this job people that have neither the ability nor potential competence for what I consider to be a highly professional position," another black officer told us.

Granted, these statements may not reflect the view of each of the minority police officers now serving the Chicago Police Department. But they do indicate a strong sentiment by some to demand the right to prove themselves as policemen rather than get a free ride to promotion on a basis of sex or color.

To us, the government suggestions contain no element for assuring quality, ability, or an upgrading of police talent. Rather, they appear to be strictly a mathematical formula for picking bodies of a particular color or contour.

That may be fine, as the Justice Department declares, to overcome the racial and sexual injustices of the past. But it does not guarantee that Chicago will have the best possible police service in an era of rising crime.

To the contrary, playing a numbers game with police personnel procedures can only lead to demoralization in the ranks and a deterioration in the quality of leadership and policing.

Just as ludicrous, in our judgment, is the Justice Department proposal that minorities and women be given priority on so called choice duty assignments such as those at O'Hare International Airport, or as an investigator or crime laboratory technician.

Again, that can only insure that Police Supt. James Rochford will no longer have a voice in judging the fitness of individual police officers to fulfill such tasks. Instead of de facto discrimination, Chicago would have a de facto police chief—the Justice Department, but with none of the crucial responsibilities of the job.

To our way of thinking, there is only one way to make minority members both proud and professional—a square deal and an equal chance to achieve success on their own. Anything less is a ripoff of human dignity.

WASHINGTON'S ETHNIC ALGEBRA

To judge from the list of reforms that the Justice Department has proposed for Chicago's police force, federal authorities have worked out a new set of priorities in law enforcement. They seem to think the most important job a police department has is to reflect exactly the ethnic makeup of its community, and that other obligations—such as protecting citizens and arresting criminals—take second place to this one.

We do not share this view and hope that federal District Judge Prentice Marshall doesn't either. The judge, who presided over the 82-day trial on charges of discriminatory practices by the Chicago police, is to issue his findings in September. If he makes these proposals part of his final order, our police administration may not have much time left for matters like law enforcement; it will be too busy making slide-rule equations between the sexes and different ethnic groups.

The Justice Department proposals, submitted by attorneys Ilana Rovner and Donald Pailen, call on the judge to order these procedures:

Two of every three persons hired as police officers must be blacks, Latinos, or women, and 50 per cent must be blacks or Latinos.

Half of all police officers promoted to sergeant must be black, Latino, or female, until the percentage of black, Latino, and female sergeants reflects their representation on the police force as a whole.

One-third of all those promoted to lieutenant must be black, Latino, or female, with the same requirement.

Blacks and women must be given priority on assignments to choice duty positions—again, until they are represented in these positions proportionately to the whole police force.

These recommendations, in our view, are a classic case of overreaction—trying to remedy one injustice by insisting on an equal and opposite injustice. The situation they are meant to correct was indeed bad. The Chicago police department has habitually slanted its requirements for hiring or promoting against minorities and women, and most of the arguments city lawyers used to defend the practice were idiotic. The issue of unfair hiring and promotion standards is a wholly legitimate one, and the Justice Department can rightly demand that these standards be impartial. But that is not what it is demanding. The proposed remedy seems based on a notion that fairness later can be achieved only by unfairness now.

In its push for instant equality, the Justice Department overlooks the fundamental standard for judging this or any police department: how well it does its job of law enforcement. Obviously, discriminatory hiring and promotion practices are bad by that standard because they tend to lessen the effectiveness of a police force, particularly among minority groups.

But the same applies to practices that deny anyone a job or a promotion for reasons unrelated to his or her ability. It certainly applies to the Justice Department proposal, which would be ruinous to morale and incentive among police officers—minority and nonminority members alike. Why work hard and take risks to be a good cop if the odds are stacked against your promotion? On the other hand, what's the satisfaction in winning higher rank if you don't have to earn it? It would be hard to find a quicker or surer way to destroy a police department's effectiveness.

The Justice Department, with its complex formulas for hiring and promotion, would replace one discriminatory system with another. [In fact the new one is doubly discriminatory. Why are minorities to have half the promotions to sergeant, but only one-third of those to lieutenant?] It seems to regard the change as an emergency need, as though the police department had no task more urgent than meeting arbitrary quotas.

We hope Judge Marshall does not try to fill this rush order. Punitive interference is one thing; justice is another, and usually takes longer.

THE PLIGHT OF THE AMERICAN TAXPAYER

(Mr. ICHORD asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ICHORD. Mr. Speaker, I would like to call the attention of my colleagues to a deeply alarming problem confronting the taxpayers today. The American taxpayer, hounded by inflation and fears of the future, is taking a baleful look at the cost of maintaining a massive Federal bureaucracy in the style and comfort it has come to expect.

Newsweek magazine's June 9, 1975, issue carried an article on some statistics released by a group of economists from the Ford Motor Co., which found there are more people being supported by tax dollars then there were workers in the private sector to support them. Ford economists found a total of 80,655,000 tax dependents versus 71,650,000 non-government workers.

If legislation is required to establish a policy of holding down the growth of "big government" then Congress should begin studying ways to bring it about. The growth of government in terms of manpower and spending has been enormous in recent years and the results of the Ford Motor Co.'s statistics certainly highlight this pressing theme.

The statistics follow:

POPULATION DEPENDENT ON TAX DOLLARS FOR SUPPORT[1]

[Research in Economics Department, Ford Motor Co., June 9, 1975]

	Thousands of people					Percent increase
	1940	1950	1960	1970	1974	1940–74
Recipients of Government financial aid:[2]						
Retirees and survivors	789	4,824	16,952	29,014	34,427	4,263
Disabled and on assistance	4,919	8,197	9,754	17,211	23,174	371
Unemployed	1,024	1,415	1,799	1,695	6,607	545
Total	6,732	14,436	28,505	47,920	64,208	854
On active military duty[3]	458	1,460	2,476	3,066	2,161	572
Government workers[4]	4,202	6,026	8,353	12,561	14,286	240
Total dependent on tax dollars	11,392	21,922	39,334	63,547	80,655	608
As a percen t of U.S. population	8.6	14.4	21.8	31.0	38.1	
As a percent of non - Government workers	26.3	41.4	68.5	96.2	112.6	
Memo:						
U.S. population[5]	132,594	152,271	180,671	204,875	211,909	60
Non-Government workers[4]	43,318	52,892	57,425	66,066	71,650	65

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[1] Excludes recipients of medicare, medicaid, other medical services, and in-kind benefits (such as housing and food) on the assumption that they receive financial benefits under one of the other programs.

[2] Source: 1940–70, U.S. Social Security Administration, "Annual Statistical Supplement to the Social Security Bulletin." 1974, "Budget of the United States Government, 1976."

[3] Source: 1940–70, U.S. Department of Commerce, "Statistical Abstract of the United States," Annual. 1974, "Budget of the United States Government, 1976."

[4] Source: 1940–74, U.S. Department of Labor, "Employment and Earnings," monthly.

[5] Source: 1940–70, U.S. Department of Commerce, "Current Population Reports, Population Estimates and Projections," series P–25, No. 521. 1974, U.S. Department of Commerce, "Current Population Reports, Population Estimates and Projections," series P–25, No. 542.

ENERGY CONSERVATION

The SPEAKER pro tempore. (Mr. MURTHA). Under a previous order of the House the gentleman from California (Mr. BROWN) is recognized for 60 minutes.

Mr. BROWN of California. Mr. Speaker, I recognize the hour is late and it is not my intention to take the entire 60 minutes. However I do think it is important to spend a very few moments on the subject of this special order.

Mr. Speaker, we are confronted with a wide variety of national and global problems that are unprecedented in their complexity. Among these problems is the pervasive need for energy. Through pending congressional action, we are now well into the process of setting an energy course for this nation for the next decade. It is the purpose of our discussion today to consider the need for a strong emphasis on energy conservation in our over-all energy strategy, and to compare the returns we may get from investing money and effort in energy conservation measures with those obtainable from investments for increasing energy supply. I hope every Member of the House will reflect on the points made today as we act in the next 3 weeks on the Energy Conservation and Energy Policy Act from the Interstate and Foreign Commerce Committee, on the ERDA conservation appropriation in the Interior and related appropriations bill, and as we analyze the ERDA "National Plan for Energy Research, Development, and Demonstration" which has just been released.

Energy conservation means different things to different people, from simply raising energy prices to changing the whole thrust of our technology and patterns of life. In many cases any disagreement is not over the goal, but on the best method to promote a new kind of conserving society. I am looking forward very much to the variety of points of view and dimensions of energy conservation which I think we will hear today.

I myself want to focus on two points, the opportunities for energy conservation simply through increased efficiency of use, and the opportunities for conservation through restraint and changes in life-style. The first is a point which has been examined in a very quantitative way, and I find it incredible that these results have not put strategies to increase efficiency of energy use at the leading edge of everyone's energy plan.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. BROWN of California. I yield to my colleague, the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, I commend the gentleman from California for focusing attention on the need for energy conservation.

Mr. Speaker, I add my commendation and support to the gentleman from California for emphasizing and underlining the absolute necessity for energy conservation as the most immediate way to meet the current energy crisis.

Mr. Speaker, it has become clear that the most important as well as the most immediate key to solving our energy problems lies in energy conservation. Energy savings, unquestionably, can be considerable: It is estimated that between 25 and 40 percent of all energy consumed in the United States is wasted in some manner. Until recently, public policy has not promoted energy conservation. Instead, we have promoted increased use of resources.

Energy conservation achieved through the cooperative efforts of government, business, and the general public should result in a wide range of benefits both to the Nation as a whole and to every individual. Conservation will lessen the pressure to produce more energy supplies. It will reduce our dependence upon imported fuels and thus reduce the transfer to the oil-producing countries of vast monetary reserves which could be directed against the economies of the United States and other countries, or could be invested in the United States in such huge amounts as to jeopardize U.S. institutions.

Conservation will lead to more economic and efficient use of the Nation's resources of fuels, minerals, capital, and labor. Every kilowatt hour of electricity saved through conservation results in a savings of about 0.9 pounds of coal, or 0.07 gallons of oil or 10.5 cubic feet of natural gas. Effective conservation of fuels clearly will reduce negative environmental impacts in three ways:

First. By reducing the disturbance of the Earth that otherwise would occur in the mining and drilling necessary to supply projected energy demands;

Second. By reducing the amount of heat that discharges into the environment; and

Third. By reducing the quantity of air pollution from fly ash, sulfur compounds and nitrogen compounds which are normally a byproduct of burning coal, oil, and gas. In addition, energy conservation will reduce inflationary pressures in the economy by reducing the capital outlays required to expand energy supply and by reducing the impact of higher energy prices.

We cannot achieve energy conservation simply through a crisis oriented program. What is needed is a comprehensive, long-term effort to utilize energy more efficiently and reduce waste. This will require carefully considered institutional and technological changes to reduce substantially the growth of energy demand while also promoting the wise and efficient use of all our economic, human, and natural resources.

Energy conservation can be applied to every sector of our economy. In the residential sector, which accounts for about 20 percent of total U.S. energy consumption, there is a great potential for substantial energy conservation in the next 5 years as well as over the long term. According to the National Bureau of Standards, more than 30 percent of the energy used to heat and cool homes is wasted because of poor insulation.

Because heating represents more than 50 percent of the energy requirements of residential buildings, improved insulation of houses and apartments can significantly reduce the total energy consumed by the residential sector. For example, ceiling insulation can be added economically to most existing houses that now have inadequate insulation. It may be overly optimistic to expect that all new housing will have adequate insulation or that a majority of existing homes can be adequately reinsulated in the next decade. However, the National Mineral Wool Insulation Association has recommended a national goal for the next decade of reinsulating 25 percent of all single family homes built before 1973 and providing optimal levels of insulation in 75 percent of all new construction.

Heat losses in residential buildings can also be reduced annually by as much as 17 percent by the installation of storm windows and doors. Although they generally represent a much larger investment than added insulation, in most regions they would pay for themselves in fuel savings in less than 10 years.

Additional residential energy conservation can be gained through careful selection of design, construction materials and workmanship, lighting, and the heating, cooling and ventilation equipment. This would also hold true for commercial buildings.

The commercial sector could carry out many energy conservation measures that would reduce energy consumption by as much as 20 percent in existing facilities. This sector currently consumes 15 percent of total U.S. energy. Much of the savings in this sector can be achieved immediately by implementing conservation measures requiring little or no capital investment. For example, improved maintenance of heating, ventilating and air conditioning systems, reevaluation of lighting, use of heat exchangers, shifting of office and cleaning hours, replacing standard windows with glazed windows, and turning off lights and office machines all would offer significant savings.

The industrial sector consumes about 40 percent of the U.S. energy budget. It has been estimated that up to 30 percent of industrial energy consumption is wasted. Industrial energy consumption is affected by choice of fuel type, raw materials, and type of manufacturing processes. The selection of less energy-intensive fuels or materials would conserve energy: Such as gas instead of electricity for heating, wood and steel instead of plastic and aluminum, glass refillable containers instead of disposable aluminum containers, and the use of recycled material instead of, or in conjunction with, virgin material. A wide range of industrial plants have implemented comprehensive energy management programs focusing on elimination of waste and improvement in the operating efficiency of existing machinery and processes.

Energy consumption in the other major sector, transportation, accounts for 25 percent of the Nation's energy use. Because of the gross inefficiencies in this sector, it is a key target for energy conservation measures. It is also the sector where possible conservation gains are hardest to quantify. Major shifts away from less efficient automobiles and trucks toward buses, trains, subways and other forms of mass transit are clearly needed, yet are not likely to result in major savings in the near future.

Project Independence noted that nearly 80 percent of energy used for passenger transportation and about 55 percent of the energy used in total transportation—both passenger and freight—are used by the private automobile. While small savings can be made through regular tuneups, better driving habits, car pooling, et cetera, the key is to increase the energy efficiency of new vehicles. A major effort to step up the shift toward mass transit and to improve fuel economy of the automobile is clearly central to any plan for energy conservation.

A final pillar in any energy conservation plan must be a revision of utility rate structures. Our present system of rate structures encourages energy use by rewarding the larger users with lower rates per kilowatt hour. What is needed is to invert the present block rate system so that the smallest users pay the lowest unit price and the larger users pay the highest rates.

In addition, a system of peak load pricing must be implemented. This will discourage energy use during peak load periods by charging more for electricity used during these periods. It will reduce the need for peaking power facilities such as pump storage hydroelectric plants which are environmentally unsound and energy inefficient. Above all, utility rate reform will underline to every citizen the fact that the era of artificially low priced energy and excessive consumption is over and the time for energy conservation is now.

Mr. BROWN of California. I thank the gentleman from West Virginia for his comments.

Mr. Speaker, I know of the contribution the gentleman has made in his work on the Committee on Science and Technology and as chairman of the Committee on Energy Research and Development and Demonstration for Fossil Fuels to the goal of energy conservation for this country. I think he is one of the Members who is outstanding in his recognition of the importance of energy conservation.

Mr. MYERS of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Speaker, I would like to also commend the gentleman from California for drawing attention to the need for conservation once again. I think one thing that cannot be lost sight of is the fact that when we conserve energy, we are not talking about losing jobs. When we talk about conserving energy, particularly in the field of natural gas, in my district we will experience the ability to keep more people on the job, more people working. I think this is one of the major stories that has not come across when we deal with conservation, the importance that is attached now to the providing of jobs and the stability of jobs.

Mr. Speaker, I have a point of major importance which I feel I must emphasize. We have passed the point where conservation of natural gas is merely the patriotic thing to do. Conservation of natural gas is now a necessity of American life. We must conserve natural gas at home and at work or else fellow Americans will lose jobs.

The problem we face this winter is painfully clear and simple. Interstate pipelines are carrying gas at an annual rate of 10 trillion cubic feet as compared to a high of 13 trillion cubic feet just a few years ago—a whopping 23 percent decrease nationwide. Furthermore, this decrease has not been felt evenly. Some areas have been hit harder than others, while industry has been asked to bear the brunt everywhere. Some factories no longer receive natural gas. In my district in western Pennsylvania, industry last year faced a 40 percent cutback and this winter can look forward to even scarcer supplies, 55 percent cutbacks.

Some mills can cope with reduced natural gas supplies. These plants now burn oil, coal and propane at several times the cost of natural gas, not to mention added pollution controls and costs of conversion. To the extent that these huge additional expenses cannot be passed on to the consumers, these added costs mean decreased profits and decreased funds available for capital and work-force expansion. In short, we probably can expect both higher prices and fewer jobs.

The problems are much more severe in those industries that cannot convert. Consider, for instance, the Pennsylvania glass industry or the stainless steel industry. There a natural gas shortage means a fuel shortage. These industries, of course, can absorb modest cutbacks through conservation measures and shortened hours, but a shortage as small as 20 percent can spell disaster. The American Gas Association has estimated that a fuel shortage of 20 percent in Pennsylvania industry could result in over 100,000 more Pennsylvanians on the street looking for work. To me, this possibility is intolerable.

The natural gas shortage has many complex facets that will be tackled in other forums: Allocation, deregulation, charges of intentional shortages, and so forth. Conservation of natural gas is essential and attainable. Consider these three basic points:

First. Despite curtailments of new service, we Americans use 7.8 billion cubic feet of natural gas in our homes and commercial establishments—a huge total.

Second. Major changes in our residential and commercial usage of natural gas can have a major employment impact in Pennsylvania and other heavily industrialized States. The Congressional Research Service has estimated that we could save 10 percent in these areas by insulating properly, by adding storm windows and doors, and by lowering our thermostats, even allowing for those citizens who will never cooperate.

Third. Small adjustments in their way of living by large numbers of consumers can add up to jobs saved as well. Small gestures such as taking care to conserve hot water while showering or using a cold-water detergent can have their impact.

We must realize that the natural gas shortage is a national problem and we in Congress must come to grips with the fact that jobs will be lost if conservation does not become our national way of life.

Mr. BROWN of California. Mr. Speaker, I thank the gentleman from Pennsylvania, who also served on the Committee on Science and Technology, for his contribution. I appreciate the point he has made about the contribution of energy conservation to making employment in this country. I think it is important to recognize as we consider proposals for increasing energy supply to this country at a tremendous capital cost, it is important that we focus on ways to solve the energy problem with a lesser degree of capital and with greater emphasis on employment.

Mr. THORNTON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Arkansas.

Mr. THORNTON. Mr. Speaker, I thank the gentleman for yielding. I would like to join my many other colleagues in expressing appreciation to the gentleman from California for taking this special order and giving each Member an opportunity to express the need for this country to move forward now into aggressive and directed programs of energy conservation which can help our Nation to meet the three-fold problems that exist of balancing our energy problem and unemployment problem and our economic crisis by coordinated programs which can solve problems in all three of these areas simultaneously. There is no reason programs cannot be devised which will have the effect of increasing employment in energy conservation areas, such as could be done by creating an energy conservation corps and charging that corps with the responsibility of assisting in the design and construction of better construction for homes. There is no reason that energy conservation measures, such as designing a more efficient automobile or putting people to work in public mass transit, cannot be devised, having the simultaneous effect of improving the economy and our energy matters.

In many instances the wisdom of this body can be brought to bear to accomplish useful goals.

Mr. Speaker, I commend the gentleman for taking this special order. As a result of last year's oil embargo, predictions of energy shortages and the effect of such shortages on employment, agriculture, and the economy were translated into painful reality.

The unemployment, dislocations, and uncertainties produced by the embargo were significant in causing our economy—already vulnerable because of inflation and attempts to control inflation by high interest rates—to fall into a severe recession. In turn, the recession lowered demands for energy, and has led some to the mistaken view that the energy crunch is potential rather than immediate.

The relationship between a productive and stable economy providing full employment opportunities and the availability of adequate energy resources is well known. It is vital that efforts to stimulate the economy must also provide short- and middle-range improvements in energy availability for increased productivity and employment.

Self-imposed restrictions upon energy supply, whether accomplished by quotas, rationing, allocations, import fees, or by higher taxes upon consumption, will have a detrimental effect upon economic recovery, and will tend to increase unemployment and decrease productivity. Pumping money into the economy while productivity is limited by energy restraints would lead to another round of inflation rather than economic recovery.

That consequence is not only unpleasant, it is unnecessary. It is not necessary for us to embargo ourselves to conserve energy.

Because of the real limits on world resources of oil and natural gas and because research and development of permanent alternative energy resources such as solar energy, fusion, geothermal, and more dilute energy resources cannot have a significant impact on our energy requirements before the end of this century, having a healthy, stable and growing national economy for the next two decades will depend upon the full utilization of coal and nuclear fuel for the generation of electricity.

We must wisely use our present resources of oil and natural gas to establish a strong energy base for future years. These diminishing fossil fuels, even though priced higher now than ever before, will continue to increase in price as they become more scarce and our best investment of our limited supplies of oil and gas would be to use them wisely to sustain the economic strength necessary for the construction of alternative energy producing plants. Simultaneously we must adopt conservation programs which do not adversely affect the economy.

Embarking upon this objective as a major national goal should become the central theme on which many programs for conservation and efficient utilization of energy resources are implemented. Such a program should include the following:

First. We should adopt policies which will encourage the use of more energy-efficient means of transportation, and do so in a way which will not restrict the traditional mobility of the American population. These goals can be accomplished by developing more fuel-efficient automobiles, and by expanding and improving mass transit systems in our major urban centers;

Second. We should develop programs to put unemployed people to work making improvements in housing and commercial structures to accomplish massive energy conservation objectives while stimulating the construction sector of our economy into a healthy recovery;

Third. We should assist in capital formation needed to construct nuclear- and coal-fired generating facilities to save more than 1,000,000 barrels of oil each day, and we should make a major national commitment to develop adequate energy resources to sustain our Nation's economic growth. In addition, we should eliminate as soon as possible the use of oil or natural gas as fuel under boilers for industrial purposes; and

Fourth. We should pursue aggressive research and development of permanent alternative energy sources, exploration for new sources of oil and gas, demonstration of new technologies for synthetic fuels, and ongoing programs for energy storage, and more efficient transmission. Attention should be given to technologies for more efficient combustion and conversion systems to reduce waste, and to technologies and practices for balancing load factors.

Many programs to conserve energy and to develop new energy resources will result in increased productivity and employment. We should seek to identify all such programs and set out to accomplish them.

According to the Project Independence report, the transportation sector accounts for 24 percent of U.S. energy consumption and 52 percent of U.S. petroleum consumption. The report suggests three major areas for conservation in the transportation field: improving new car fuel economy; decreasing total vehicle miles traveled; and increasing ridership on public transit.

Most public debate has focused upon the merits and demerits of rationing and price increases by means of higher taxes, but what is forgotten is that both approaches to conservation are directed toward only one of the alternatives specified in the Project Independence report—that is, decreasing total vehicle miles traveled. And it is indicative of the narrow approach which has been taken to our energy and economic problems that this is the most restrictive of the three alternatives, the one which is most likely to result in cutbacks in economic activity.

Insistence upon increasing gasoline prices through higher taxes is largely responsible for the faulty direction which our consideration of energy conservation in the transportation sector has taken. But we will share in the responsibility for an inadequate program unless we direct our efforts toward conservation measures which can be achieved while improving our economy.

Rather than to pursue the debate about rationing or tax increases, the Congress should devote its efforts to the alternatives of increasing automobile economy and increasing the ridership on public transit.

A second conservation area is in housing and thermal efficiency. Most of us in Congress recognize the fact that many of the problems of our economy, such as inflation and rising unemployment, have been created by energy shortages. However, most proposals treat the two problems separately. It is time for the Congress to provide solutions which would both encourage energy conservation and put the unemployed to work. Every measure designed to speed economic recovery should be analyzed to see whether it can also be useful in accomplishing energy objectives. An example can be given with respect to fuel conservation through insulation of homes and buildings. The congressional program of action properly identified the need for governmental incentives to encourage home insulation but this program could have a more positive effect upon the economy by adding the concept of a public employment work program to increase thermal efficiencies in residential and commercial buildings, together with governmental incentives to encourage the effort.

No one needs to recite the problems of the construction industry's work force where unemployment has increased from 8.2 percent in February of 1973 to 15.9 percent a year later, with the trend continuing in this depressed sector of the economy. We need a program to put these unemployed and underemployed people to work in a way which would also encourage the conservation of energy. Energy savings under such a program would be substantial. A recent study by the House Committee on Science and Technology, reported the following:

First. The residential sector accounts for about 20 percent of total U.S. energy consumption;

Second. Heating represents over 50 percent of the energy requirements of residential buildings;

Third. More than 30 percent of the energy used to heat and cool homes is wasted because of poor insulation;

Fourth. Improved insulation of houses and apartments can significantly reduce the total energy consumed by the residential sector; and

Fifth. The heat losses in residential buildings can also be reduced annually by as much as 17 percent by the installation of storm windows and doors.

This is in the area of residential heating and cooling alone. Substantial savings of energy could also be accomplished in the commercial and public sectors.

The Congress should act at once to establish a public employment program for persons in the construction labor work force, in conjunction with an energy conservation program of governmental incentives to residential and commercial building owners to encourage them to install energy-conserving devices in existing buildings or design new buildings with energy-conserving devices.

Basically, the program would create an Energy Conservation Corps made up of unemployed or underemployed persons in the construction industry. The Corps would be constituted of persons capable of providing homeowners and the owners of commercial buildings with specific plans and recommendations on methods of making buildings more thermally efficient. In addition, the Corps would have persons capable of doing the necessary construction work required under the plans and recommendations. Some public employment programs have already been set up under the Comprehensive Employment and Training Act and the Emergency Jobs and Unemployment Assistance Act, which were passed by the Congress in 1974. The governmental machinery established by these programs could be used in administering the Energy Conservation Corps program. The Corps would be available to give both technical and, if a construction work force is unavailable in the area, actual assistance to those citizens who wished to make their buildings more energy-efficient.

The Congress now has under consideration several useful governmental incentives to encourage increased thermal efficiencies in residential, commercial, and public buildings. These incentives should be adopted and certainly would have a useful effect on both the economy and the objective of conserving energy. The suggested creation of an Energy Conservation Corps is not a replacement of the idea of such incentives but rather a suggestion that public works employment should be directed toward efforts which would also have a useful effect on energy problems. Administration of such a program could be as follows:

For residential building, the program could be divided into two parts: The improvement of existing residences and the construction of new residences.

If an individual wished to make energy-saving improvements—such as the installation of insulation and storm windows and doors—he could go to the local office of the Energy Conservation Corps and request that they make a study of his needs. Should he agree to utilize the recommendations of the ECC, use their labor—if construction labor is unavailable in the area—and make substantial reductions in his Btu usage by such improvements, he could receive either a low-cost Government loan or a tax credit. The low-cost loan could be administered by HUD or FmHA where possible under their existing programs.

If an individual wished to construct a new home with proper insulation and other energy-saving devices, he could request that a study be performed by the ECC. Should he agree to have his home conform to the recommendations of the study, he would also be eligible for a low-interest Government loan or a tax credit.

For commercial and industrial buildings, the Government could offer tax incentives for energy-conserving construction or rehabilitation of existing buildings. The administrative procedures would be basically the same as those for residential buildings.

For public buildings, ECC could be used to study and revise existing buildings. As for new construction, the national Bureau of Standards has recently produced some criteria for standards for energy-efficient buildings, and new construction would have to meet these standards.

I believe that the establishment of a program as described above would be a useful means of combining solutions to the problems of the economy and our energy shortages.

A third method of conserving oil and gas is in the acceleration of construction of nuclear energy plants.

Today more than 1½ million barrels of oil are consumed each day for the generation of electrical power and a similar Btu consumption of natural gas is also used for that purpose. These hydrocarbon fuels should be conserved for chemical processing, home and commercial heating and cooling, and transportation needs rather than burned under boilers for generation of electricity or for the production of steam for industrial processes. Any rational policy for energy should include the objective of eliminating use of these premium fuels for bulk heat generation.

However, there are presently only two alternatives available to replace oil and natural gas. These alternatives are coal and nuclear fission. Both must be used to bridge the gap between dwindling resources of oil and gas and the future day when new technologies may develop permanent alternative energy systems. The problems associated with coal and nuclear fission are different. The use of coal as fuel has environmental consequences, especially where high sulfur coal must be used, and the consequences include not only disposal of waste into the air and water, but also the impact of mining operations upon vast acreages of land. Nevertheless, the use of coal should be encouraged because it can be brought on line more quickly than any alternative energy source.

Although power is generated much more economically by nuclear fission plants than by any other fuel, the construction of nuclear plants has been slowed by several considerations, chief among which has been the enormous capital structure required to build such plants. Concerns are also expressed about plant safety and environmental consequences, but actual experience with those plants in operation does not support the anxieties which are sometimes expressed. In fact, on January 16, 1975, 32 American scientists expressed their conclusion that "we can see no reasonable alternative to an increased use of nuclear power to satisfy our energy needs."

In the past 18 months, 79 nuclear plants have been canceled or deferred, 20 of which had already received construction permits. It is not difficult to understand the reasons for these management decisions. The utility management must spend $550 million over a period of 8 years to construct a nuclear plant which will produce electricity at a cost of 18 mills per kilowatt hour. Most State regulatory agencies do not permit any return on this investment until the plant commences operation. When the more economical cost of electricity generated by the plants becomes available, the advantage of such lower costs inures to the consumers in the form of reduced rates.

By contrast, an oil-fired generating plant having the same capacity but producing electricity at a cost of 28 mills per kilowatt hour can be built in 2½ years for a cost of less than $250 million. If the choice is made to build an oil-fired plant the cost of the cheaper constructhe will be charged to stockholders for a much shorter period of time before earnings are allowed, and the higher cost of generating electricity can be immediately passed on to consumers through escalator clauses which are normally in effect. It is clear that the incentives to private industry to develop needed nuclear plants are insufficient and even if incentives are improved, the enormous requirement for capital makes it difficult for the private sector to move effectively toward needed plant construction.

Some means must be found to encourage immmediate construction of needed nuclear facilities. Such a program would represent a wise use of resources to bring solutions to the energy problem while improving our presently depressed economic conditions. For this reason, I have suggested a governmental impetus to the design, location and construction of nuclear power facilities which on completion could be leased and operated by the private sector.

It should be acknowledged that no comprehensive energy policy can be formulated without appropriate consideration of and emphasis on long-term energy alternatives. Many useful projects have already commenced. Studies leading to coal gasification and liquefaction, oil shale development, solar and geothermal energy use, fusion technology, and other long-range development programs must be continued and demonstration plants constructed as rapidly as useful purposes can be served. Other areas of scientific research and development include better methods of power transmission and electrical energy storage devices so as to reduce variations in peak load factors. Significant energy conservation can result from regulatory policies designed to discourage use of energy during peak periods, which can be adopted without detrimental effects upon the economy. Careful attention should be given to avoiding waste of fuels through installation of topping and bottoming cycles in present generating plants.

In these and other areas it is vital that scientific research suggestions be tested and developed and that such research be adequately funded.

The foregoing list of objectives which would be beneficial to solutions of both the energy problem and problems of the economy is certainly not all inclusive. Every proposal to give impetus to our economy should be examined to see if it is possible to direct the effort in such a way as to have a beneficial effect upon productivity, energy conservation, or new energy resources.

The highest immediate priority is to restore our economy into full productivity and employment, but the challenge is to develop means of accomplishing this by adopting and starting work on those programs which can have the largest effect on solving problems of unemployment while having a dramatic effect upon energy conservation.

Great emphasis should be given to public works employment to install insulation in homes and commercial buildings and to assist in new construction starts of thermally efficient structures. We should also begin construction of nuclear generating plants and reconversion of oil burning plants to coal. Of equal priority is improvement in automobile mileage characteristics. This objective should be placed in a more immediate time frame, and the goal should be in the range of 30 miles per gallon.

These three efforts could form the nucleus for a national program to coordinate solutions for the economy and energy resources. The adoption of this kind of national program of action will have several advantages.

First. It will transform our defensive posture of reaction to shortages into an affirmative goal to accept a national challenge to lead the world in the development of new energy resources.

Second. It will give a strong impetus to our sagging economy by providing direct employment in the design and construction of plants, and in conservation projects while creating demands for materials and supporting products—providing employment through the many supporting industries necessary to achieve these goals.

Third. It will be an affirmative course of action and of thought upon which many useful specific efforts can be developed.

An aggressive program of specific goals will involve hard work and the acceptance of the risk of an embargo by the oil-exporting nations. But the result to be gained from adequate new energy resources is more than equal to the risk. The history of this Nation has been best written in its acceptance of challenge in a spirit of great adventure, and with the sure knowledge that we can achieve our goals.

Mr. BROWN of California. Mr. Speaker, I thank the gentleman very much for his contribution.

Mr. Speaker, energy conservation means different things to different people.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I want to congratulate my colleague from California for calling this discussion of energy conservation. It is of vital importance that we hold a discussion such as this not only to clarify the issues for ourselves but also to establish such a forum for the rest of the country. Energy conservation is one of the most important options the United States has toward energy self-sufficiency.

It is also the most cost effective way. To save 1 barrel of fuel by increasing efficiency of a home through more insulation costs $5 a barrel. To purchase that same barrel of fuel on the world market would cost about $13.50 a barrel.

Also energy conservation often tends to accomplish its goals in a labor-intensive rather than energy-intensive model; thus there will be more, not less, employment. Energy conservation can reduce demand by more than 15 percent in 1985.

Conservation efforts must go beyond simple elimination of waste-curtailment measures—lower speed limits; removing unnecessary lights. Introduction of more efficient uses of energy—more efficient heating and cooling systems for buildings, better level of industrial output per unit of energy input; more efficient automobiles—will allow a certain standard of living to be sustained with less energy used.

The Federal Government has several roles to play. It can modify tax laws and regulations to encourage energy conserving techniques and to provide financial incentives for conservation. Beyond this, it can play a key role in sponsoring and joint-funding R.D. & D. when and where the private sector cannot go it alone in developing new energy saving methods, and by disseminating energy conservation information to both consumers and industry, where there is a stumbling block.

The Federal program must complement and respond to the needs and activities of the private sector, other governmental entities and the general public. It must address both short-term and longer-term issues that may be technological, institutional, economic, educational, and combinations of these.

ERDA has been developing a comprehensive conservation program to implement existing technology into the end-use sectors; develop and demonstrate new technologies to further increase the efficiency of energy use in this country and to utilize what is currently lost as waste heat from powerplants. We must make sure that these programs are actually put into practice, that ERDA lives up to Congressional desires for a strong conservation program with adequate staffing and program funding. We must also be sure that information gathered by other agencies, FEA, NBS, GSA, et cetera, is available to the public.

Now let me discuss two areas: Buildings and industry:

BUILDINGS SECTOR

Buildings currently use more than 30 percent of the Nation's energy. There are over 70 million households and 24 billion square feet of commercial space.

Studies have shown that existing buildings could consume 20 to 40 percent less energy than they do and new buildings could achieve a 50 percent reduction in energy use. This means that by 1985, there could be savings as much as 4 million barrels of oil equivalent per day.

Thus there is a large potential to improve efficiency of existing buildings, and design and build more efficient new structures. Standards should be adopted so that buildings such as the World Trade Center which consumes as much energy as the city of Schenectady would not be designed and built, but more efficient buildings offering the same or better services would be possible. For example, the development of thermal performance standards for new buildings and their implementation would save 500,000 BPD. New technologies to improve control systems for heating, ventilating, cooling equipment appliances, and lighting can achieve large energy savings.

Federally supported R. & D. programs would lead to the adoption of such new technologies through the demonstration of advanced total energy systems, model codes performance, and design standards for new and existing buildings, alternate fuel development; demonstration of hybrid appliances and installation methods; development of advanced heating, cooling, and lighting components.

INDUSTRIAL SECTOR

The industrial sector consumes over 40 percent of the U.S. energy. The total energy fraction consumed by industry has been increasing and is projected to continue through the turn of the century. U.S. industry operates at an average thermodynamic efficiency of only about 13 percent. A percentage-point improvement in industrial energy efficiency corresponds to a fuel saving that is equivalent to more than 1 million barrels of oil per day.

Studies show that substantial improvements are obtainable through fundamental changes in processes and new technologies. Once the alternatives have been identified, full-scale R.D. & D. may be necessary to prove its practicability and economic benefit. Industry is unlikely to finance such long-term, high-risk expenditures. Government-sponsored research and demonstration projects in cooperation with industry will make it possible to accelerate the development of more efficient energy so that by 1985 the equivalent of as much as 5 million barrels could be saved through economic energy savings.

Several opportunities have already been identified and should be exploited immediately. For example, almost half of all the fuel consumed by U.S. industry is employed to generate process steam. In 1975, this amounted to an energy equivalent of 6 million barrels per day of petroleum, comparable to total fuel consumption of U.S. automobiles. One effective method of obtaining the necessary process steam would be to generate electricity in the industrial plant and use the exhaust heat to raise steam. Not all industrial boiler installations supply a large enough steam load to make electrical generation economically feasible. Some industries do. There are technical and institutional problems. The solution of these, however, would lead to a 1.3 million barrel per day oil equivalent savings in 1985. The average estimated capital investment for such energy savings per powerplant would be $15,000; comparable capital costs for new supply is $22,500 to $30,000 for energy supplied as electricity.

Recuperation devices for direct combustion furnaces, boilers, et cetera, are available now. It is estimated that 400,000 barrels per day could be saved at a capital investment of $5,000 per barrel per day. Compared capital cost for new supply is $11,000 to $14,000 per barrel per day.

Transportation of people and goods consume 25 percent of the Nation's energy—much of it direct petroleum. An attractive R. & D. program is necessary to look not only at more efficient automobiles, but also the broader range of transportation modes and technical issues such as rail systems, water systems, aircraft, pipeline, and intermodal transportation. It should be possible in this area to save 3 to 4 million barrels a day by 1985.

Thus energy conservation is a vital path for our country to follow in the next 10 years. We must quickly embark on aggressive research, demonstration, and development and an information program to begin the incorporation of energy efficient technology.

I am hopeful that ERDA will get itself organized in this area quickly and take the lead in proposing a comprehensive conservation program. Nowhere else can we achieve comparable energy savings at anywhere near the cost or in anywhere near the time. Since conservation promises speed, economy, and significant energy savings without pollution or the risks associated with nuclear energy, it should be our No. 1 line of defense for projects, today and ever.

I also hope that the House in its wisdom will provide more funds for this essential purpose than is presently contemplated in the Interior appropriations bill.

Mr. BROWN of California. Mr. Speaker, I commend the gentleman from New York for his fine contribution.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, is it not true, I would ask the gentleman from California, that true conservation implies the utilization of of those resources that we have in the greatest and most abundant supply?

Mr. BROWN of California. I am sure that the gentleman is correct in that, and I would call his attention to the fact that the energy fuel that we have in the greatest supply in this country, of course, is coal—which I think would come as a great surprise to the gentleman.

Mr. HECHLER of West Virginia. I appreciate the cogent observation of the gentleman from California.

Mr. BROWN of California. Mr. Speaker, there are many other things which could be said about the importance of energy conservation and different perspectives with regard to it. In the few remarks here this evening, we have in no way exhausted the approaches that could be taken in discussing this important topic. However, in view of the lateness of the hour, I will not go into all of the details which I had planned to with regard to this.

That they are not at the leading edge of many programs has been all too clear this year. When the Science and Technology Committee received the ERDA budget requests in January there was near unanimous shock that the total conservation budget was less than 1 percent of the total agency budget, and that in the vital end-use area it was less than one-tenth percent of the total. Even as the new national energy R.D. & D. plan was evolving in May, ERDA representatives were testifying to the appropriations subcommittee that they could not devise ways to spend intelligently the sums authorized for conservation research, development, and demonstration—though numerous energy consultants and the former AEC's own Ray report on energy research strategies had shown the way for programs of the authorized scale. The ERDA plan is now in our hands—and finally adds some emphasis to conservation in the national energy strategy. However, to say that conservation is on the leading edge of the new plan would be a sad mockery. ERDA's own supply-demand projections show that only energy conservation strategies can bring down import levels in the next 5 years, so that these strategies should become our first line of attack on the stranglehold that the OPEC nations now have on our economy. Yet the implementation of conservation demonstrations, they key to having these practices introduced into widespread use, is programed for leisurely study and development at a pace which could only be appropriate to an era 50 years in the past.

For example, the President's budget submission for improved transportation efficiency was for about $9 million for fiscal year 1976. The Science and Technology Committee voted to increase this by $14 million, to about $23 million. Even this increase may not be adequate to have ERDA develop new energy efficient transportation technologies, such as the Stirling engine, or electric vehicles. The ERDA plan, which was released June 30, lists increased transportation efficiency as a near term goal, with the highest priority for research, development, and demonstration. This plan further lists, for example, a 1977 goal for an electric vehicle with a 60-mile range, and a 1979 goal of a Stirling engine powered automobile. It is not at all clear how this will be accomplished with the meagerly resources allocated to this task.

The priorities which Congress has expressed so far this year have not been clearly superior. We have nearly all spoken of energy conservation, but too often when faced with a trade-off involving conservation balanced against any disruption of traditional economic or business patterns, we have chosen to abandon conservation goals. We have heard often that conservation measures must wait for "improvements in the economy"—as if the only economy imaginable has to rely on profligate squandering of energy. This is despite the well-known results of both the Ford Foundation energy policy project and the administration's own blueprint for Project Independence that showed that total employment and overall economic activity were clearly not adversely affected by measures to increase energy use efficiency. If we choose now to rebuild the economy through measures based on energy waste, we will clearly not succeed in turning later to energy conservation measures without severe disruption. Now is the time to make the adjustments which will set our economy growing on a new and healthier course—a course in which artificially supplied energy is a commodity to be used only when all other methods have failed, and then to be harbored as a precious resource whose waste is unthinkable. These adjustments will have to be made sooner or later, but they will be much easier if we begin now. The extreme fear we have shown toward strategies involving higher energy prices is another example of mistaken priorities. I understand well the concern about inequities of the price burden among various groups of consumers, and concern about inequities of profits among producers. But there are many kinds of inequities to consumers, and many kinds of inequities in distributions of business profits.

We can and should attack these, but to sacrifice energy conservation for fear of creating more inequities is simply to accept a new festering problem for fear of aggravating an old one.

What are the quantitative results I spoke of which are so favorable to energy conservation strategy? We can take an example from the President's energy message to the Congress in January. The proposed 15-percent tax rebate for home insulation was estimated to cost $500 million per year in treasury revenues, representing a private and public investment of $3.3 billion annually, or a total investment of $10 billion in 3 years. The projected saving was one-half million barrels of oil per day, or a $20 billion investment for every million barrels per day saved. In contrast, for a billion dollar nuclear plant, we displace the need for about 15,000 barrels of oil per day—representing a nearly $70 billion investment for a million barrels per day saved—3½ times the cost of the conservation strategy. Similar results are obtained for other investments in increasing energy efficiency. In fact, if one looks at all the various conservation measures studied in the Ford Foundation energy policy project, an investment of $10 to $30 billion per million barrels of oil per day saved is indicated. This rivals or exceeds in a direct sense the benefit-cost ratio obtained for almost all energy supply investments.

These are, of course, only the direct capital costs. When we begin to look at indirect effects, and longer term considerations, the case becomes even more clear. When we commit ourselves to making up an energy deficit through supply measures, we are committing ourselves to continued payment of operating costs, and even more costly capital investment for replacement of the facilities when obsolete.

Worse still, we are committing ourselves to the vast expenditures needed to mitigate the environmental and social effects of ever more destructive and dangerous supply strategies. On the other hand, if we meet an energy deficit through investment in increased efficiency of use, we have finished our job. The energy units saved will never need to be generated; there will be no operating or replacement costs, and there will be no harmful indirect environmental effects to plague us in the future.

The returns for conservation investment are great, then, and the total potential for energy saving is also vast. The Ford Foundation energy study projected energy savings in 1985 at more than 15 percent of historical growth, simply by enhancing the energy efficiency for our buildings, homes, and industries. People would still travel as freely as they wished, be fully equipped with kitchen appliances, and continue to expand the use of air conditioning in warm climates. The change would be only that the devices to produce all this convenience would be wisely designed, as opposed to the short-sighted "throw away" technology on which we concentrate today.

If the payoff and potential for investment in energy efficiency are as great as I have indicated, why have these strategies not been more emphasized? I think the reason lies in the nature of the marketplace for investment capital, and points toward the special need for a Federal role in this area. Investment and returns for energy efficiency measures may be very diffuse—flowing to literally millions of homeowners and businessmen. There will be no single organization, like a coal liquification plant developer, which can be held responsible for the funds, and no small group of investors to whom the returns can be paid. Moreover the returns are apt to be long-term, and may include indirect societal benefits as well as direct dollar payoff.

All of these arguments point to a need for generating energy efficiency investment capital outside of normal private capital markets. Both the Congress and the Executive have accepted the need for a Federal investment role in demonstration of various new energy supply measures—coal conversion, oil shale, nuclear development, et cetera. Yet in this area of energy efficiency investment, where capital is much more difficult to obtain, there has been slowness in moving forward with a Federal program. In some cases we have even been slow to remove historical incentives toward energy waste, especially in tax and regulatory law. I think we must cast off the constraints of our normal investment—return procedures, and move ahead with an energy strategy which primarily emphasizes the safest and highest return investment course we have—investment in energy conservation through increased efficiency of use.

Let me turn now to the further potential for closing our "energy gap" through conservation based on restraint of use and changes in our historical life-style. I have argued that savings of 15 percent from even conservative demand projections are possible through increasing use efficiency alone, and I want to point out the further savings conceivable if we could create in every individual a new energy conservation morality. I hasten to add, however, that we must not hope to establish that personal ethic unless we are also willing to work hard to overcome the barriers I mentioned toward strategies for energy conservation through hard-headed investment in energy efficiency.

We, in Congress and government, cannot ask people to wear sweaters in their homes unless we can think of ways, and are willing to face the problems, of adjusting our basic economy to function on a more energy efficient basis. If we put off energy efficiency incentives and energy waste penalties until "things are better," we cannot fault the homeowner who decides to wait until "next winter" to turn down his thermostat.

Could we really save much energy merely by personal restraint? I believe that the correct answer is a resounding "yes." Indeed, given a few months to ease into the adjustments it appears that we could, without any of the kind of great agonies that attend an economic depression or a war, reduce our energy consumption by another 15 percent over the savings through increased efficiency of use simply by restraining our impulses to use it in the many ways to which we have become accustomed. Of course it may not be pleasant, for example, to exchange a long hot bath for a short lukewarm shower, but it need not be considered a great sacrifice either. This one action could, however, save much of the fuel used to heat water in the home. For every 5 degrees we turn down the thermostat on our space heating system we save 12 percent of our heating fuel—which now constitutes almost 60 percent of residential energy consumption. Without taking any steps but care, we can reduce residential and commercial lighting use by 30 to 50 percent. Without any measures except inhibiting our desires to hop into the car for the most trivial errands or avoiding the trouble of walking to the bus stop or riding with a neighbor, we can trim 20 to 30 percent from our transportation energy use budget.

The estimates are not merely theoretical speculations: in my own Los Angeles basin area electricity consumption dropped 18 percent during the 1973–74 oil embargo, as citizens sensed the urgency of the need to conserve.

The energy savings through restraint conservation have another great advantage over all other measures—they can become effective immediately. With energy use cuts of 15–20 percent in this manner, we can talk about becoming independent of OPEC not in 1985 or 1990 but this year or next. The kind of massive public participation campaign needed is easy to envision and our war-time self-discipline experience could provide a guide. However, there is the tremendously important cautionary "but" which I touched on earlier, and which can spell the difference between inspirational success and ludicrous failure. People will simply not follow exhortations to take lukewarm showers unless the leadership of this country demonstrates on every level that we are not just conducting business as usual.

The potential for solving our most pressing economic environmental, and international problem—the energy crisis—is at our fingertips, through energy conservation, but we can only top that potential with leadership far more bold and imaginative than has been demonstrated thus far.

Our most promising source of energy supply, then, is not buried in the Wyoming coal seams, or the Outer Continental Shelf oil strata, or in the technical complexities of breeder and fusion technology. It is, instead, lying near the surface of our everyday habits of waste. Increasing efficiency of use, and restraining our appetites for energy-based convenience, can free up for truly useful application a vast resource of previously wasted energy. We should and must develop new energy sources for our long-term needs, but a truly determined energy conservation program can give us the time to do this in an orderly fashion, without economic, social, or environmental disruption.

Mr. Speaker, I want to call attention at this time to the very considerable contribution to energy conservation understanding which has been made by my colleague from Washington, Mike McCormack, and the energy subcommittee which he chaired in the 93d Congress. I would like to insert into the Record at this time the conclusions from the Science and Astronautics Committee report which was the outgrowth of joint hearings by the Conservation and Natural Resources Subcommittee of the Committee on Government Operations and the Energy Subcommittee of the Committee on Science and Astronautics during the 93d Congress. That report assesses the potential for energy conservation, examines what actions have been taken by Federal agencies to facilitate the achievement of this potential and reviews the many economic, social, and technical issues relevant to energy conservation. I recommend the entire report to all Members, since it is still very relevant and its recommendations are still valid.

The excerpts from the report follow:

CONCLUSIONS OF THE SCIENCE AND ASTRONAUTIC REPORT "CONSERVATION AND EFFICIENT USE OF ENERGY"

1. Our Nation has benefited for most of this century from plentiful and inexpensive supplies of energy, but we have wasted much of that energy.

From 1950 to 1973 the Nation's consumption of energy grew at a rate of about 3.5 percent annually, closely matching our economic growth. But during the 8 years immediately preceding last winter's fuel shortages, the annual energy growth rate was nearly 4.5 percent.

These increasing supplies of energy provided to more people greater mobility and leisure, heated and air conditioned homes and work places, the conveniences of modern appliances and the benefits of an immense variety of consumer products.

Historically, we have become accustomed to an abundance of low-cost fuels and paid little attention to the conservation of energy. We have often been wasteful in extracting and using our energy resources. In short, we have increased our demand for energy while tolerating inefficient use and waste thereof.

2. Since the mid–1960's, domestic supplies of energy have not kept pace with the rising demand.

New supplies of petroleum and natural gas became more costly to develop. Expansion of coal use was hindered by controversies about the environmental effects of mining and the impact which the increased development and use of coal will have on human health. The development of nuclear power was slowed by construction delays, equipment shortages, regulatory delays, and controversies about its safety and environmental effects. These and other factors resulted in a growing reliance on petroleum imports which were, until 1973, readily available and cheaper than domestic supplies.

3. The fall of 1973 marked the end of the era of abundant and cheap fuels.

The Arab nations' October 1973 oil embargo severely curtailed the availability of petroleum products to the Nation's industry, consumers, agriculture, and government. In addition, the cost of imported crude oil has more than quadrupled as a result of price increases forced by the Organization of Petroleum Exporting Countries (OPEC).

The oil embargo and subsequent increases in the price of oil demonstrated that heavy reliance on foreign imports adversely affects our balance of payments, threatens our ability to conduct our foreign policy, and dislocates our domestic economy.

The embargo gave added impetus to efforts begun earlier in this decade to explore and develop new sources of energy and increase production of our traditional fuels. But these efforts, although necessary, are costly, will not significantly increase our domestic supplies for several years, will accelerate the depletion of our oil and gas reserves, and pose serious environmental problems. Therefore, it is not now in the long-term interest of future generations of Americans to become totally independent of foreign energy supplies. However, we should make vigorous efforts to decrease our dependence on such supplies. Energy conservation will help reduce the need for importing foreign oil and provide more time for developing environmentally acceptable sources of energy.

4. The embargo moved the Nation closer toward the development of policies aimed at reducing energy demand.

For the first time, serious official attention was given to energy conservation. Short-term conservation measures were adopted. Gasoline distribution at the retail level was curtailed to help discourage long-distance driving. The maximum speed limit on our Nation's highways was reduced. Steps were taken to cut back on the consumption of aircraft jet fuel. Outdoor lighting was reduced. Thermostats were lowered. Daylight savings time was extended nationwide during the winter months.

There is considerable evidence to show that after the embargo began demand was substantially reduced not only for petroleum, but also for natural gas and coal. While mild weather and a slowing in economic growth also contributed to a reduction in demand, these mandatory and voluntary energy conservation measures probably reduced anticipated energy demand by about 5 percent during the 1973–1974 winter months.

5. After the embargo was lifted, however, the demand for many fuels again increased, and in some cases exceeded 1973 levels, even though the price of such fuels is much higher than the preembargo days.

The apparent abundance of petroleum in mid-1974 has significantly dampened the ardor of government, business, industry, agriculture, and the general public for energy conservation. As a nation, we are not vigorously pursuing energy conservation. We seem to be forgetting last year's lessons and gradually returning to the "good old days" that existed prior to the Arab bloc's embargo.

There are indications that the initial interest shown by businesses and industry in exploring new methods of energy conservation is also diminishing. Many Federal agencies and State and local governments that expressed concern over energy shortages and called for conservation during the 1973 oil crisis have failed to fully implement policies and programs to facilitate ongoing conservation efforts. There are signs that the general public also believes that energy conservation is no longer essential.

The subcommittees' hearings, which preceded the embargo, and their subsequent inquiry, indicate that the Nation has been lulled into believing that energy is not in as short supply as has been reliably predicted. The country's finite supplies of fuels are annually being consumed at an alarming rate. These facts, in addition to the manipulation of oil prices by the OPEC nations, the increasing shortage of natural gas and the possibility that a new crisis in the Middle East could erupt at any time, portend additional energy emergencies in the future.

6. We cannot continue the annual energy growth rate at the current 4.5 percent level. We must by 1980 reduce the compounded average rate of energy growth to 2 percent annually and then maintain that rate thereafter. A national effort to conserve energy and use it more efficiently could achieve this goal. In the long term such reduction should not significantly inhibit the Nation's overall economic growth.

Energy conservation benefits each individual and every business. It is a concept central to all aspects of energy use. Adjustments in the use of energy in existing industries, businesses, transportation systems, homes, and facilities can produce significant savings—some of them immediate and others accruing gradually and continuously over a period of many years.

Federal, State, and local governments, businesses, and the general public should, of course, continue to seek short-term conservation measures, such as eliminating obvious waste of energy by repairing steam leaks, adjusting thermostats, turning off lights when not in use, reducing lighting in business establishments and public places to the minimum needed for operations and safety, reducing illumination of outdoor advertisements, etc. Such efforts save both energy and dollars.

But for the future the potential for energy conservation lies in increasing the efficiency of industrial processes and electrical generation, improving the basic design of new homes and buildings, gradually shifting to more efficient modes of transportation and reducing the demand for transportation through urban planning and greater use of telecommunications. The widespread use of solar heating and cooling, and wind energy, for homes and commercial buildings should also contribute substantially to reducing the demand for other energy sources in the future. The development and application of these and other technologies must be recognized as an important opportunity for reducing the consumption of our nonrenewable fuels while also protecting the environment.

However, large scale energy conservation involves difficult choices. For example: Assessing the economics of installing heat recovery systems, adding insulation, improving mass transit, redesigning appliances, engines and other materials that use energy inefficiently, or in some instances choosing to forgo the benefits of energy consumption.

7. Energy conservation achieved through the cooperative efforts of government, business, and the general public should result in a wide range of benefits both to the Nation as a whole and to every individual.

Some of the benefits of energy conservation are:

(a) A lessening of pressure to produce more energy supplies;

(b) Less dependence upon imported fuels, and a decrease in our Nation's projected trade deficits;

(c) More economic and efficient use of the Nation's resources of fuels, minerals, capital and labor;

(d) Substantial reduction in the long run of the adverse environmental effects caused by the supply and use of energy;

(e) Fewer inflationary pressures by reducing the capital outlays required to expand energy and by reducing the impact of higher energy prices;

(f) Reduction in transfer to the oil-producing countries of vast monetary reserves which could be directed against the economies of the United States and other countries, or could be invested in the United States in such huge amounts as to jeopardize U.S. institutions.

8. The potential for energy conservation cannot be achieved solely by a crisis-oriented program, by an undue reliance on voluntary measures, or by high fuel prices. There must be established a comprehensive, long-term effort to utilize energy more efficiently and reduce waste thereof.

This will require more than just a passing attempt to adopt measures in the name of conservation which may, in the long term, result in the inefficient use and waste of other resources. It will require carefully considered institutional and technological changes to reduce substantially the growth of energy demand while also promoting the wise and efficient use of all our economic, human and natural resources.

Such changes could have some adverse effect, at least temporarily on individual businesses, industries, and persons. Careful attention should be given to avoiding, or at least mitigating, such effects when they do occur. But these changes must be made if we are to meet the legitimate needs for energy of this and future generations of Americans.

The demand for energy could, of course, be greatly reduced by arbitrarily restricting personal transportation, or by eliminating certain industries, or by reducing the size and comfort of the buildings in which people live and work. However, such severe measures may result in far greater harm than is necessary, or is justified by the benefits which might be attained. Although few persons expressly advocate reducing our standard of living, there is considerable controversy over the kind of energy future we should seek. To resolve these issues will require continued public attention and debate.

Mr. Speaker, I want to also note that the State governments sense the urgency of energy conservation needs, and are moving ahead in this area. They are ready to work with us in Congress to design Federal programs which best match and complement their own. I would like to introduce into the RECORD at this time a summary of various State conservation actions which was provided to me by my good friend Assemblyman Charles Warren of California. Assemblyman Warren is currently the chairman of the Task Force on Energy of the National Conference of State Legislatures, and through this position he has been providing imaginative and effective leadership.

The material on State governments follows:

STATE/FEDERAL ENERGY CONSERVATION PROGRAM

The National Governor's Conference and the Federal Energy Administration have announced the initiation of a program designed as a joint effort to implement energy conservation policies in the States. The program plan has been endorsed by the Governor's Conference at their meeting recently in New Orleans.

Key elements include:

The design and implementation of a uniform national system for the collection and analysis of energy consumption data.

Projections of baseline consumption and the establishment of state conservation goals by the Governors.

Continuing analysis of the impact of the state programs and an overall assessment of the effort in July, 1976.

The ambitious timetable established for the program calls for state reports of consumption data on the common format by September of this year, and the public announcement of target energy reduction goals by the Governors in the October through January period immediately following.

The plan itself does not contain numerical targets for the program, but does suggest a list of activities which would constitute strategies available to the Governors. Of the eight actions suggested, five would require legislative action for implementation. The three most significant are:

Mandatory efficiency standards for residential and commercial buildings;

Restructuring electric utility rates to include peak load pricing and "other load management techniques";

Tax incentives for improving home energy efficiency.

Other suggested actions include the application of state taxes on fuels, regulation of traffic flow to improve efficiency, car pool incentives and the adoption of energy management programs for state buildings and auto fleets. Increased efforts to enforce the 55 mph speed limit are also mentioned.

Other types of suggested actions are designed to "alleviate the burden of higher energy costs on citizens and save energy" (e.g. improved public transportation), and to ". . . develop awareness, educate the public, or lay the groundwork for future conservation" (e.g. requiring that energy consumption education be incorporated into primary, secondary and higher education curricula and the establishment of an Energy Conservation Month).

Presumably the importance of this program will depend entirely on each Governor's interest in promoting it, but it could result in the development of energy conservation legislative packages by the various state executives for submission next session, or conceivably this fall. * * *

Below are categorized abstracts of 47 State bills relating to energy conservation which were passed in a single two week period in June. This brings the total number of enactments this project is aware of to 157.

* Signed by the Governor.

UTILITIES/PUBLIC POWER

Iowa–H908* Make technical amendments to clarify that the powers to form joint electrical utilities are given to cities, rather than city utilities which are not municipal corporations.

Nevada–ACR38* Directs the Legislative Commission to study electric utility companies, gas utility companies and the PSC of Nevada.

Nevada–A500 Creates an energy management division within the PSC of Nevada.

Rhode Island–HR5920* Resolution to study the feasibility of the State of Rhode Island developing and owning any and all new electric generating facilities within the State.

South Dakota–H764* Legalize and validate certain expenditures, acquisitions and contracts made by and entered into by consumers power districts.

South Dakota–H767* Relating to contractual powers of a consumers power district.

Tennessee–S764* Permits municipalities to build and operate energy reduction and delivery facilities.

UTILITIES/RATE STRUCTURE

Maine–S469(LD1603)* Prohibit the arbitrary imposition of certain fuel charges by electric power utilities.

Maine–LD1663* Requires the PUC to consider the efficiency with which a utility operates in granting rate increases.

North Carolina–H506* Authorizes the Utilities Commission to establish rules for filing rate cases.

North Carolina–H368* Provides for the fixing of utility rates in N.C. based upon the reasonable original cost of the property used and useful in providing service to the public.

UTILITIES/CONSUMER ADVOCACY

Delaware-SCR28* Directs the Public Service Commission to adopt regulations requiring utility companies of this state to institute and publish a customer bill of rights establishing certain procedures for resolving customer complaints.

TAX EXEMPTIONS/MOTOR FUEL

South Dakota-S287 (Vetoed) Relating to exemption of motor fuel used for agricultural purposes from taxation.

TAX EXEMPTIONS/INCENTIVES/SOLAR HEATING AND COOLING

Oregon-H2202 Provides tax exemption on increased value of property as a result of solar energy heating and cooling systems.

South Dakota-S283* Provides for a property tax deduction for the utilization of solar energy systems.

TAX APPLICATIONS/DEPLETION

California–A177* Limits the total accumulated amount of depletion that would be taken to an amount equal to the adjusted cost of a taxpayer's interest in such oil or gas wells which is subject to recovery through the application of the depletion allowance.

TAX APPLICATIONS/MOTOR FUEL

Maine-H131 (LD161)* Makes clear that interest applies when a report is filed by a gasoline distributor without payment as well as when no report is filed.

FRANCHISER PROTECTION/RETAILER PREREQUISITES

Hawaii-S1699* Concerning the procurement, control, distribution and sale of petroleum products.

Maine-H735 (LD920)* Regulates the distribution and sale of motor fuels.

CONSERVATION/BUILDING EFFICIENCY STANDARDS

Nevada-A716* Requires adoption of minimum insulation standards for all public and private buildings constructed in Nevada.

North Carolina-S151* Requires state agencies to make energy consumption analyses of major construction of renovation of buildings.

CONSERVATION/APPLIANCE EFFICIENCY STANDARDS/INDUSTRIAL

North Carolina-S420* Establishes an expansion policy for electric utility plants in N.C., to promote greater efficiency in the use of all existing plants, and to reduce electricity costs by requiring greater conservation of electricity.

RESEARCH AND DEVELOPMENT

Iowa-S289* Appropriation of monies to a research (energy) and development fund.

RESOURCE DEVELOPMENT/NUCLEAR

Nevada-A761* Designates health division of Department of Human Resources as State Radiation Control Agency.

Oregon-S55* Permits health division to take emergency action to safeguard public against radiation sources; requires hearings in certain circumstances.

Oregon H2629 Permits the holder of a permit to construct a nuclear fueled thermal power plant to contract to make advance payments to local governments.

Oregon-HJR31* Directs Nuclear and Thermal Energy Council to designate as unsuitable for thermal power plants in Newberry Crater, Lava Cast Forest and roadless areas.

Rhode Island-S806 Investigates the construction of coal-fired power plants as a viable alternative to the construction of nuclear power plants.

RESOURCE DEVELOPMENT/FACILITY SITING

North Carolina-S549* Establishes a Utility Review Committee.

Tennessee-S301* Enacts the Energy Facility Siting Act of 1976.

Tennessee-S362* Changes definition of "Energy Recovery Facility" to include recovery for use in production of electricity.

RESOURCE DEVELOPMENT/RENEWABLE RESOURCES

Oregon-H2036* Adds solar energy consideration to comprehensive planning.

Oregon-H3185 Authorizes formation of geothermal heating districts; authorizes districts to provide geothermal heat to inhabitants of districts.

Oregon-HJR66 Directs that schools teach and practice skills of recycling and resource-energy conservation.

MANAGEMENT/ORGANIZATION

Maine–LD1558* Creates the Maine Energy Development Fund.

Maine–S440(LD1456)* Re-assigns the functions of the Department of Commerce and Industry and the Office of Energy Resources.

Nevada–A523* Creates State Energy Resources Advisory Board.

Tennessee–H272 (Vetoed) Established the Tennessee Energy office and provides for its powers and duties.

EMERGENCY POWERS/RESPONSE

Delaware–S86* Extends the Governor's emergency powers to June 30, 1975.

Tennessee–S199* Amends code which gives emergency powers to the government in the event of an energy emergency.

Wyoming–S41* Repeals the 1974 Energy Emergency Powers Act, and fixes an expiration date of July 1, 1977.

MISCELLANEOUS

Arizona–H2231* Authorizes schools to transfer and reallocate monies from any operating funds to pay costs of heating and transportation fuels.

Minnesota–S38* Relating to education; requiring each school district to make reports concerning the consumption of energy.

Oklahoma–S145 (Law) Provides for creation, administration, merger and dissolution of rural natural gas distribution districts in same manner as provided.

Oregon–H3219* Authorizes Department of Transportation to fix energy conservation speed limitation.

Rhode Island–H6050* Relating to retroactive price adjustments for public work contracts involving the use of certain petroleum products.

Mr. Speaker, one of the best expressions I have seen of the need for conservation through societal restraint has come from Dr. Fred Forscher, an energy consultant from Pennsylvania. I would like to insert into the Record a thoughtful article by him, which has previously appeared in the Pittsburgh Press.

The article follows:

What We Need Is a New Purpose

(By Frederick Forscher)

The era of shortages has crashed into our consciousness via the energy crisis. But inflation is fanned by many other shortages besides those induced by foreign cartels.

There are, first of all, the shortages of raw materials such as steel, copper, bauxite, fertilizers and lumber. There are, next, the potential food shortages and the scarcity of virgin lands, open beaches, fresh water and fishing grounds.

Last, but not least, there are the shortages of the spirit—credibility, political honesty, religious faith, national goals, personal commitments.

Of all these, the shortage of the spirit is the most fatal. Societies have survived all other shortages that befell them in the past—all but the lack of ethos. "Without vision, peoples perish" goes a well-known phrase.

These shortages and uncertainties are not typical of the United States alone. The whole world economy is moving from an era of abundance in natural resources into an era of scarcity, into a "spaceship economy."

Because this condition has never been faced before, we cannot expect past experiences to be a good guide for future actions. Yet action is what we all want.

Before we act, however, we need a plan. And to develop a plan we need agreement on goals and objectives. Because action per se is no assurance of progress.

What we need today is a new social contract, a new statement of purpose, a plan of action that meets the consent of the governed. We need a social contract that will not lead us into the nihilism of a void-of-value society nor toward dictatorial powers of a new elite, whoever that may be.

In the long run we should not have to choose between unrestricted freedom on the one hand and suffocating order on the other. The new social contract must find a middle ground of limited freedom and limited growth. It must propose a policy of conservation and self-sufficiency through participatory actions.

We have deluded ourselves too long with the idea that THE solution to all shortages is money. We have lived under the assumption that money could fix nearly everything as long as there was no shortage of it.

But now, with inflation running rampant all over the world, it is obvious that merely printing more money—so that we can buy all the things we want—does not really solve our problem of shortages. In fact, it fans the fires of inflation.

What will help in the near future is cutting back on demand. We all will have to become more conservation-minded.

We must begin not only to understand the need for conservation but also to feel its significance. The idea that energy cannot be recycled must become as much a part of us as the feel of time has become part of our being.

We must reach an equilibrium between the energy supplied to our spaceship and the energy that we, the passengers, use for all our purposes.

During the transition period to the steady-state economy we may have to set ourselves a strict energy diet.

We may, for example, have to agree to no more than a 2 per cent increase in annual energy consumption, decreasing to zero in decades to come. Over the last decades we have become accustomed to a 4 to 5 per cent increase.

The integration of the many aspects of conservation into our laws and regulations, into our mores and habits, and eventually into our tradition and ethos, will take a long time.

But like a person about to go on a diet, the sooner we start the sooner will we feel the benefits. The time to start is long overdue.

Mr. Speaker, one of the most effective and authoritative summaries of the overall energy conservation need and opportunity appeared in the publication, "Hidden Waste—Potentials for Energy Conservation," published by the Conservation Foundation. I commend this document to all my colleagues, and would like to insert the introduction to it into the Record at this point:

Introduction to "Hidden Waste"

The terms "energy" and "energy crisis" have caught up with "ecology" and "environment" a sthe catchwords of the day. As with the latter terms, misconceptions about energy easily arise, because the term is usually put forth in a specialized sense to serve some particular user's purpose—in fact one can often substitute "our product" for "energy" in much of the industry literature and news releases.

To a physicist, energy simply means the ability to do work, i.e., to exert forces and move things, whether our bodies, chunks of the earth, electrons in a wire or molecules in some chemical brew. "Energy" in the popular context usually means the fuel resources which we use to power our industrial society—natural gas, oil and its derivatives, coal and uranium ("primary energy")—or the electricity ("secondary energy") which we generate by burning them or from falling water. Defining "energy crisis" is not so easy. That phrase encompasses a whole spectrum of economic, political and environmental problems, including on the one hand projected shortages of fuels and electric generating capacity, and on the other the accelerating assault upon our air, land and water which results from the production, distribution and consumption of energy. Whenever we run an automobile, manufacture a product, or pump hot water into a river from an electric generating plant we are "consuming energy" in the popular sense. And we are doing this on a scale unprecedented throughout human history: the per capita consumption of energy in the United States has doubled since 1920, and if current consumption growth rates are maintained, will double again before the turn of the century. Current U.S. annual per capita energy consumption is nearly five times that of Japan, over twice that of the United Kingdom, and nearly one and a half times that of Canada—our nearest "competitor." During the last fifty years, our per capita production of solid wastes has also nearly doubled (84% increase). The problem of trash disposal, however, is just one of several indicators of the social costs associated with our growing consumption.

Increased air and water pollution, strip-mined land, marine oil spills and radioactive waste accumulation are a few others. This is the "energy vs. environment" side of the energy crisis. The other side refers to the fact that we may have begun to see the bottom of the barrel of our fuel resources: industry and government spokesmen have concluded that if our consumption of oil and natural gas continues to grow at the present rate, we will have exhausted most of our reserves of these fuels by the year 2000. Our coal supply can last longer—probably several hundred years, *if* we are willing to strip-mine away millions more acres of land. The fact that we have been drawing from a finite resource base as if it were limitless is hard to comprehend—we have been conditioned to think in terms of limitless fuels, limitless air, limitless water, limitless earth . . .

S. David Freeman, a prominent expert on energy issues, sums up the situation as follows:

The past few decades can fairly be called a promotional era in energy growth. A variety of government policies have supported the promotional practices of the industry to make abundant supplies of energy available to Americans at the lowest possible price. And this policy has been instrumental in making America a more and more energy-intensive society. This promotional era has featured rapid growth in energy consumption, abundant supplies and low prices to consumers. But it has also featured almost complete disregard of the resulting impact on the natural environment and very little attention to such issues as reserves or adequacy of supply in general.

In the past year the alarm bells have begun to ring and we fail to listen to them at our peril. Demand for energy is growing almost faster than we can extract it from the ground and convert it to usable form. The result is shortages which in my view are apt to persist and get worse unless we take remedial action. One reason the shortages may get worse is that we are only beginning to implement newly enacted air and water pollution controls and health and safety measures, and we do not have adequate supplies of energy that will meet these standards. For example, about ½ the fuel presently being used by the electric power industry exceeds the 1% limit for the sulfur oxides which is being applied in many localities . . .

After discussing growth rates and fuel reserves, he goes on to the concept of energy conservation:

The crucial question thus becomes, how fast will our high-energy civilization grow? The answer is that no one knows. One cannot ever project the future with certainty, but the degree of uncertainty over future energy projections is greater now than at any point in recent decades.

The shortages of energy and abundance of pollution point up the need for conservation, but the market place is still responding to the policies of promotion. If the existing trend of accelerated growth in energy use is not turned off, then the existing projections may even understate the future rates of growth. But such a course of action is likely to place society on a collision course with itself.

What then can be done? First, we can take steps to meet the needs of society more efficiently. Electric toothbrushes use trivial amounts of energy but space heating, space cooling, production of metals, transportation of people and many other end uses are large and can be performed with far fewer BTU's of energy. After all, energy use in itself serves no useful purpose; it is the end product such as a warm house that society is after.

Freeman's last statement brings us to some questions which are being asked with increasing frequency: Do we really need all that energy? How is "quality of life" related to per capita energy consumption? Even if we choose to make the historical, but debatable assumption that a country's per capita gross national product (GNP) is a measure of its people's quality of life, one still finds large differences in energy consumption among industrialized nations with approximately the same per capita GNP—the annual per capita energy consumption for industry, commerce and transportation in the United Kingdom is almost 2½ times that of New Zealand, yet the per capita GNP's of the two countries differ by less than 10 per cent. Data such as these, plus the common-sense observation that we live in a wasteful society, has led Freeman and many other researchers to conclude that there exists a variety of practical ways to reduce energy consumption without reducing our material standard of living or demanding significant changes in lifestyles.

Mr. DRINAN. Mr. Speaker, I greatly appreciate this opportunity to speak on the subject of energy conservation, a topic which has not received the attention which it clearly merits. Energy conservation is largely capable of bringing about the same ends which can be arrived at through increasing our energy supplies, and yet its full impact has not been properly appreciated. Unfortunately, energy conservation has really never progressed beyond the exhortations of the President to drive slower and to turn down thermostats for home heating.

Simply by looking at the legislation now pending before the Congress, Mr. Speaker, it can be seen that the Federal Government has never fully appreciated the enormous potential of energy conservation. This conclusion is further strengthened when we look at the Energy Research and Development Administration budget which was recently approved by the Congress. There, vast sums were appropriated for numerous nuclear and alternative source energy development programs, while miniscule sums were targeted for similarly promising energy conservation programs. Clearly, the Federal Government is continuing to maintain its overwhelming bias toward the supply rather than the consumption side of the energy equation.

In view of the significant energy savings which can be arrived at, I have become very much interested in the topic of energy conservation, and in particular, industrial energy conservation. Energy used by industry accounts for about 40 percent of the total energy consumed in the United States today. Moreover, the Ford Foundation energy policy project has determined that, if historical trends continue, energy consumption by industry will climb to the 50 percent figure by the year 2000.

Mr. Speaker, industrial consumption of energy does not have to continue to grow. Sweden, a country which enjoys almost the same gross national product per person as the United States, uses only one-half as much energy per person as we do in this country. The Swedes have been able to maintain their prosperity while carefully conserving the energy which they use. Consequently, we should not feel that energy conservation even in the industrial sector will bring about adverse economic effects in the United States. Rather, with new technologies, it is quite possible to save significant amounts of fuel while actually improving our overall economic well-being.

The utilization of new technology to bring about significant savings of energy is at the basis of legislation which I have recently introduced under the name of the Industrial Energy Conservation Act, H.R. 8494. The bill establishes within ERDA a comprehensive program for the sponsorship and promotion of research, development, and demonstration of industrial energy conserving technologies. The Federal Government will contract with private individuals or organizations through ERDA to develop prototype or demonstration models or facilities. The latest energy conserving processes would be incorporated in the facilities which would then serve to demonstrate the feasibility of previously unproven or experimental conservation technology. Low interest loans and loan guarantees would also be available to bring about the installation of this equipment on a wide scale basis in the private sector. In order to make its impact felt in high unemployment areas first, 60 percent of the loans and loan guarantees are directed to depressed industrial areas, whose unemployment exceeds 6.5 percent due to industrial job layoffs.

I am pleased to say, Mr. Speaker, that the Industrial Energy Conservation Act is receiving serious consideration in both the House and the Senate. Members of Congress have seen the potential for industrial savings, and as a result, 67 cosponsors have joined me in filing this conservation bill. Hearings have already been held in the Senate Commerce Committee's Subcommitee on Science, Technology, and Commerce on the Senate version of the Industrial Energy Conservation Act, S. 1908. On the House side, hearings are expected in September in the Science and Technology Committee's Subcommittee on Energy Research, Development, and Demonstration.

Mr. Speaker, without going further into the provisions of my particular bill, an area which has been dealt with in previous CONGRESSIONAL RECORD statements, I would like to share with some of my colleagues the reasons for my enthusiasm for such legislation. From this standpoint, I would like to refer to a number of very particular cost findings, which show that energy conservation at this point in our country's development is a much better bargain than further development of new energy sources. Then I would like to explore the very large savings which could be attained through technologies which are in large part existing but considered unproven or experimental.

COST ADVANTAGES OF ENERGY CONSERVATION

Mr. Speaker, the cost effectiveness argument for industrial energy conservation is indeed impressive and compelling. By looking at the overall figures, it can be seen that this country would be far better off if it were to focus its resources on energy consumption rather than new supplies. This is amply demonstrated by figures which show that the capital investment needed to reduce industrial energy conservation by one-third is about $25 billion. However, the comparable cost of providing this amount of new energy supplies would be over $50 billion.

These capital investment totals are most impressive, Mr. Speaker, but their full impact cannot be fully appreciated until we delve into specifics. Thus, some idea of the cost benefits of industrial energy conservation to the Nation as a whole can be obtained by comparing the total capital investments required to increase energy supply on one hand, with the industrial investments required to implement fuel saving on the other.

It has been estimated that to supply 1 additional barrel per day of refined petroleum fuel products, from new domestic sources inclusive of wellhead production, transportation, refining, and distribution, will require between $11,000 and $14,000 of capital investment—a factor of a 3 to 4 increase over the investment cost of the late 1960's for Middle East sources. Synthetic natural gas from coal will cost between $10,000 and $12,000 for the energy equivalent of 1 barrel of oil per day. Similarly, to supply 1 additional kilowatt of electricity requires a total capital investment for the fuel supply, the utility generating plant, and the transmission and distribution network, of between $900 and $1,000. These costs are equivalent to $22,500 and $30,000 per daily barrel of oil supply at an average utility heat rate equal to 10,000 Btu per kilowatt.

Taking the above figures on the supply side of the equation, Mr. Speaker, we can now contrast the cost figures of energy conservation as opposed to the investment associated with the capital investment required for increasing energy supplies. While the processes referred to in the table which I enclose at this point are somewhat technical, I think it can still be seen that energy conservation in the industrial sphere is a far better investment than developing new energy supplies. Even for those cases where the investments for conservation are comparable with those required to increase supply, considerable reductions in energy costs still occur as a result of the yearly savings in fuel. However, as is indicated by the table, capital investment for energy savings is often only one-third to one-half as expensive as the comparable capital cost for developing new supplies of energy.

Clearly, from a cost standpoint the pursuit of industrial energy conservation is far preferable to exploring for new sources of gas, oil, and other forms of fuel.

POTENTIAL CAPITAL COST-BENEFITS FROM SELECTED ENERGY CONSERVATION MEASURES

Item	Energy savings at 1975 consumption level (barrels per day)	Capital investment for energy saving (per barrel per day)	Comparable capital cost of new supply (per barrel per day)
(1) Bottoming cycles for industrial waste heat streams	275,000	$8,300	$22,500 to $30,000[1].
(2) Bottoming cycles for stationary diesel engines	110,000	20,500	Do.
(3) Bottoming cycles for stationary gas turbines	589,000	11,500	Do.
(4) Recuperators for direct combustion furnaces, boilers, etc	400,000	5,000	$11,000 to $14,000.
(5) High consistency head-box formers for paper making	80,000	2,300	Do.
(6) Trough kiln for cement making	170,000	15,000	Do.
(7) Process steam-electricity (back-pressure steam turbines)	1,300,000	15,000	$22,500 to $30,000.[1]
(8) Process steam-electricity (gas turbines—waste heat boilers)	4,600,000	13,700	Do.

[1] Supplied as electricity.

POTENTIAL FOR ENERGY SAVINGS

Mr. Speaker, I would now like to turn to the second major reason to advance the cause of industrial energy technologies—the enormous savings which could be realized.

In a recent study entitled "Potential for Effective Use of Fuel in Industry," the Thermo Electron Corp. concluded that it is possible to reduce specific fuel consumption of a major segment of industry by as much as one-third. Thermo Electron, a company which has done extensive work in the research and development of industrial energy conservation technology, has also concluded that considerably greater savings of fuel may be realized from processes just beyond the horizons of existing know-how.

If the United States were to begin saving fuel in the industrial sector at this rate, the reduction in barrels per day of oil would be dramatic. Indeed, given industrial energy consumption in 1975, the known fuel saving measures would result in a decrease of oil use equivalent to 4.6 million barrels of oil per day. Moreover, through further breakthroughs in technology, such reductions could even be expanded to well exceed all of the President's conservation goals and then some. And, of course, we are just referring to the industrial sector.

In demonstrating the great promise of industrial energy conservation, I would now like to move on to more specific examples to show that such energy saving can become a reality. Therefore, I would now like to refer, Mr. Speaker, to nine particular illustrations of industrial energy conservation in action. These examples are as follows:

1. Reusing Waste Steam:

By using waste steam heat to produce electricity, great savings are possible. In a power plant in Lake Charles, La., a new combined cycle turbine generator produces 150 megawatts of electricity and then reuses all of its waste steam. This system provides an energy efficiency better than 85%, or more than twice that of a normal electrical utility.

If this process were used on a 1600 megawatt power station, the savings would amount to 54,000 gallons of fuel per hour. Such installations would not have to be used only in industrial settings. If integrated into new communities, this byproduct steam could supply the energy to heat and cool 50,000 houses or apartments.

2. Cement Plant:

In one cement plant alone in Texas, the installation of a preheater system using waste heat reduced the fuel consumption at the plant by 27%, or the equivalent of 5 million gallons of fuel oil per year.

3. Power Generation:

In Michigan, Dow Chemical's Midland Division labored under an energy disadvantage for many years in that 96% of its energy was imported from outside of the area. So as to compensate for this disadvantage, energy efficient processes were adapted. For the year 1973, Midland generated power at any energy efficiency rate of 54%, as opposed to the average U.S. utility operating at a 33% efficiency figure. A power generating facility run by a public utility traditionally takes the steam exhaust from the turbines and rejects the heat in this exhaust to cooling water. But in the Midlands plant, there are more than 10,000 steam traps to regain waste heat which can be reprocessed.

4. Size of Possible Savings:

At the Lake Charles, La. power station mentioned above, the 85% energy efficiency rate results in tremendous savings. Indeed, if the plant operated at normal efficiency ratings, 4.7 trillion additional Btu's would have to be purchased each year. This is equal to the total amount of energy used by 14,000 Americans in one year.

5. Recycling Waste Heat:

In industrial furnaces known as "radiant tube" models, exhaust gases are the primary source of inefficiency. Because uniform temperatures of 1700° are required throughout the furnace, temperature variance accounts for a large amount of waste heat. This waste energy can be recovered and recycled by means of recuperators or heat exchangers, which utilize the heat in the exhaust gases. With these processes, fuel requirements can be reduced by 1.65 million Btu's for each ton of unit output produced, or a total of 28%.

6. Paper Manufacturing:

Paper manufacturing uses a very high amount of energy per unit of output. But by incorporating processes which can reduce the water in the pulp mixture, the fuel demand of the paper-making phase of production can be reduced by up to 55%. Most of the saving is due to reduced drying requirements as a result of the lessened water content in the pulp.

If the above process was implemented in addition to integrating pulping and papermaking operations, increasing the amount of waste heat recovery, and using special pulp digesters, these processes could cut the average fuel consumption of paper manufacturers by almost 40%, from 39 million Btu per ton to 24 million Btu per ton of paper.

7. Steel Production:

A great number of improvements can be utilized in the average steel plant. They include steps such as preheating combustion air, increasing air blast temperature, replacing open hearth furnaces with basic oxygen furnaces, and using byproduct steam. Industry-wide implementation of these types of practices could reduce average fuel requirements for steel production by 36%, from 26.5 million Btu per ton to 17.2 million Btu per ton of steel. A new Japanese steel plant is already operating at 22 million Btu, much better than almost all American plants.

8. Aluminum Production:

Over the past three decades, the electric power to smelt aluminum has been cut almost in half. Since World War II, the electric power needed to produce a pound of aluminum has been reduced from 12 kilowatt hours to 8. Today's most efficient smelters only use 6.5 kilowatt hours. In a new smelting process developed recently by Alcoa, however, the power requirement will be reduced by an additional 30%, to 4.5 kilowatt hours.

9. Byproduct Electricity:

In 1968, industry consumed about 10 quadrillion Btu of energy, the equivalent of 1.5 billion barrels of fuel oil, for process steam raising. Most of this steam was used at low pressures and temperatures. If this steam were raised to higher temperatures and pressures so as to turn engine generator sets, 700 billion kilowatt hours of electrical energy could be produced. Although added fuel is consumed in the process, this is more than offset by the by-product electricity generated—equal to about 53% of the total U.S. electrical production for the year 1968. This amounts to 30% of all the fuel used by electric utilities.

Mr. Speaker, the above examples indicate why we in the Congress cannot fail to move forward in taking full advantage of what we now know in the energy conservation sphere. Toward that end, saving energy through the application of new industrial technologies appears to be one of our most promising new avenues. Industry consumes 40 percent of our energy, and with its present inefficient utilization of fuel, we can arrive at savings in the relative short term. To continue to ignore the types of conservation possibilities that now exist would be tragic. Consequently, I am hopeful that bills such as the Industrial Energy Conservation Act and others like it will soon be enacted by the Congress.

Mr. CORMAN. Mr. Speaker, thank you for affording me the opportunity to participate in this discussion on the urgent need for energy conservation in our energy planning.

As you know, the Ways and Means Committee held extensive hearings which stressed the severity of our energy shortage and the necessity for strong legislation to curtail waste and provide alternate energy sources. Although the committee bill was significantly weakened on the House floor, it does start this Nation on the road toward developing a national energy policy which emphasizes a reduction in petroleum imports and a search for alternate sources of energy.

The development of new sources is a crucial part of an effective energy program. However, it will not entirely solve the energy shortage. Only through a combination of research and development and conservation can this Nation become self-sufficient.

Strict legislation is urgently needed to reduce present energy consumption. It must focus on those areas in which gross amounts of fossil fuels are wasted. The most wasteful source, as perceived by many experts, is gasoline consumption. The energy bill as approved by the Ways and Means Committee attacked this very problem. Regretably, provisions directly affecting this issue were seriously weakened during House debate. We must now focus on other approaches to curtail excessive gasoline consumption.

The auto manufacturers must be taken to task and forced to develop more fuel efficient vehicles. The intention of such a proposal is not to cut back the number of miles the American public travels each day, but rather to compel the auto industry to produce safe, efficient cars which consume less gasoline.

Another alternative is to stimulate the search for an advanced automobile which meets the needs of consumers and the Nation for fuel efficiency. I have already introduced legislation to require the Administrator of the Energy Research and Development Administration to insure the development of a prototype automobile. The automobile to be produced must present the least total amount of energy consumption and environmental degradation and should be capable of mass production at the lowest possible cost. It is essential that the Federal Government provide such direction and commitment in order to conserve energy.

Mr. Speaker, this Congress has taken the first step in formulating an energy program. Although the task is a difficult one, we must continue to strive toward the passage of all legislation related to the conservation of present energy sources and the research and development of new ones.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, while the importance of energy conservation to the future of our economy is unquestioned in both the public and private sectors, the sense of urgency to conserve is sorely lacking. Over 2 years after the Arab oil embargo of 1973, we can see little evidence that the American public has become convinced of the need to use less energy. The gasoline lines of 1973 are but a faint memory, and we have been forced to adjust to the higher gasoline prices, increased electric utility bills, and news of a rapidly deteriorating natural gas supply.

Mr. Speaker, energy conservation has been a primary concern of the House Government Operations Committee's Conservation, Energy, and Natural Resources Subcommittee, which I have the honor to chair. Last year, under the chairmanship of Congressman REUSS, the subcommittee published a report entitled "Conservation and Efficient Use of Energy." This report concluded, among other things, that—

> Energy conservation achieved through the cooperative efforts of government, business, and the general public should result in a wide range of benefits both to the Nation as a whole and to every individual.

The report went to to list some of the benefits of energy conservation, which included decreased pressure on our depleted energy reserves; decreased dependence on foreign oil and gas; and fewer adverse environmental effects from energy development.

The subcommittee's report makes one other very important point which has yet to be adequately addressed by either the administration or the Congress. The report concludes that—

> The potential for energy conservation cannot be achieved solely by a crisis-oriented program, by an undue reliance on voluntary measures, or by high fuel prices. There must be established a comprehensive, long-term effort to utilize energy more efficiently and reduce waste thereof.

Mr. Speaker, there are many ways the American public can conserve energy without greatly diminishing our standard of living. Some actions can be taken voluntarily and at very little cost—like improved insulation of homes, installation of storm windows and doors, participation in carpools, elimination of unnecessary driving, and turning thermostats down.

Other energy conservation measures depend on prompt governmental action. For example, strict standards could be promulgated to encourage development of more energy-efficient appliances. The Federal Government could establish fair, but effective, energy conservation standards for industry. Greater emphasis could be placed on mass transit to allow our citizens to decrease their dependence on gas-guzzling automobiles. The tax laws could be amended to provide incentives for industry and the public to buy, install, and utilize energy-saving devices. Regulatory mechanisms could, and should be, reexamined and reformed to assure that they encourage, rather than hinder, the conservation and efficient use of our energy resources.

While a great deal of lip service has been given to energy conservation by the administration, the overall Federal energy conservation effort remains fragmented and uncoordinated. Unfortunately, we have no effective lead agency for energy conservation. There has been very little effort directed at informing the public of the critical importance of conservation to the economy, to our national security, and to the environment. The administration has relied too heavily on the hope that voluntary conservation would result from higher energy costs and not enough on public education as to why conservation is important and how it can be accomplished. Meanwhile, we have watched as inflationary taxes have been imposed on imported oil. It is becoming painfully evident that this approach has not produced results and that it is no substitute for an effective Federal energy conservation program.

Mr. Speaker, I urge that we develop an energy conservation ethic that will produce results. Such an ethic is an essential component of an effective national energy policy and, in my opinion, the most important. The development of such an ethic will require a revolution in the way we conduct our daily activities, but it should not mean that we must accept a decrease in our standard of living. I am optimistic that the proper mix of public education, research, and development, and governmental regulation aimed at energy conservation will lead to a wiser allocation of domestic energy resources, decreased dependence on foreign resources, and a cleaner environment.

Mr. Speaker, the 26th report of the Committee on Government Operations, published in December of 1974, contains some very important recommendations for improving energy conservation. Because of the significance of these recommendations to the subject of this special order, I include them at this point in the RECORD:

RECOMMENDATIONS

A. RECOMMENDATIONS FOR THE PRESIDENT AND FEDERAL AGENCIES

1. The President should:

(*a*) Declare that it is our Nation's goal to achieve and maintain an average energy consumption growth rate not exceeding 2 percent annually.

(*b*) Promptly direct that a thorough review be conducted of Federal tax and regulatory policies affecting energy to assess their impact on energy demand. Such review should include a study of the extent that energy prices reflect or should reflect the full costs of developing, supplying, and using energy, and, where measurable, the external social and environmental costs. The findings should be reported to the Congress.

(*c*) Insure that energy conservation research, development, and demonstration programs are given high priority by all Federal agencies and are fully integrated with existing Federal programs for industry, agriculture, commerce, transportation, housing, and environmental protection.

2. To the extent that its responsibilities, functions, and activities affect energy, every Federal agency should promptly:

(*a*) Interpret and administer its policies, regulations, and public laws to foster, promote, and achieve energy conservation in the implementation of its programs.

(*b*) Identify and develop methods and procedures which will insure that energy conservation is given full consideration with other energy related policy considerations at all levels of decisionmaking.

(*c*) Make available periodically to States, local governments, public and private organizations, and the public in general, advice and information on conserving energy, including the benefits, costs, and effects thereof.

(*d*) Include in each environmental impact statement prepared pursuant to the National Environmental Policy Act of 1969 information and analyses regarding the impact of the proposed action on energy demand.

(*e*) Maintain in fiscal year 1975, and thereafter, the actual reduction of energy use reported for fiscal year 1974, and make further reductions as directed by the President on October 18, 1974.

(*f*) Revise the regulations and conditions of its lease, loan, grant, and subsidy programs, to the greatest extent possible under the laws governing them, to require that the most energy-efficient equipment, materials and construction and operating procedures available be utilized by the participants in such programs except where the participants demonstrate that their use would result in substantial economic or other disadvantage.

(*g*) Review the statutes affecting its operations and recommend to Congress such changes as may be needed to facilitate energy conservation.

3. To implement further the Federal Government's energy conservation efforts, the following actions should promptly be taken:

(*a*) The Energy Research and Development Administration should request adequate funds to encourage and conduct energy conservation research, one of its specific responsibilities under the Energy Reorganization Act of 1974.

(*b*) The Federal Energy Administration should—

(i) in cooperation with other Federal agencies, fund and conduct studies and analyses to improve our understanding of the current uses of energy, assess the potential for energy demand and develop and implement programs to facilitate conservation of energy;

(ii) impove its energy-use information reporting systems for Federal agencies and closely monitor the effectiveness of Federal energy actions to insure that adequate measures are taken to conserve fuel in the operation of buildings and the movement of personnel and materials; and

(iii) publish the regulations and reports concerning energy information which FEA has failed to publish despite the requirements of the Emergency Petroleum Allocation Act of 1973 and the Energy Supply and Environmental Coordination Act of 1974.

(*c*) The Department of Housing and Urban Development should examine its programs to determine whether its requirements and standards are adequate to encourage manufacturers to supply, and builders to use, materials, appliances, and other equipment that result in the economic and efficient use of energy in residential, commercial, and industrial buildings.

(*d*) The Department of Transportation, in cooperation with the Federal Energy Administration, the Environmental Protection Agency, the Energy Research and Development Administration, the National Aeronautics and Space Administration, and the Department of Defense, should expand its efforts to develop more energy efficient transportation systems. Emphasis should be placed on improving the fuel economy of automotive propulsion systems, developing and demonstrating new systems of mass transportation, easing traffic congestion, and developing urban planning strategies that will more effectively and efficiently integrate a variety of transportation modes.

(*e*) The Interstate Commerce Commission should examine its regulations to identify provisions which inhibit energy conservation and revise them to facilitate energy conservation and enhance the effectiveness of the modes of transportation it regulates.

(*f*) The General Services Administration and the Department of Defense should:

(i) expand and improve efforts, adopted by GSA in regulations published on November 6, 1974 (39 F.R. 39266), to reduce energy consumption in existing Federal buildings and facilities;

(ii) conduct research into the design and construction of new Federal buildings in order to reduce energy demand;

(iii) insure that existing energy conservation data and standards are utilized to the fullest extent possible, and made available to business and the general public;

(iv) encourage contractors to establish energy conservation programs;

(v) continue efforts to reduce energy consumption by procuring more energy efficient vehicles and other goods, services, and supplies.

(*g*) The National Aeronautics and Space Administration, in cooperation with other Federal agencies, should continue and expand its research to develop greater energy efficiency in aeronautics, energy storage, and advanced propulsion technologies.

(*h*) The Federal Trade Commission should review advertisement and promotion claims for energy consuming products to determine whether consumers are receiving misleading or deceptive information, and, where appropriate, promulgate rules to prevent such misleading and deceptives advertising and promotions.

(*i*) The Environmental Protection Agency should:

(i) continue its automobile fuel economy testing and labeling program;

(ii) in consultation with the Department of Transportation, the National Bureau of Standards, and other interested agencies, review and make appropriate improvements in its criteria and procedures for such testing; and

(iii) conduct and foster research and development to enhance environmental quality while also minimizing energy demand.

(*j*) The Federal Power Commission should require that public utilities under its jurisdiction provide information and assistance to energery users regarding energy conservation and rates.

(*k*) The Department of Commerce, in cooperation with other Federal agencies, should conduct and foster research to develop more energy efficient industrial processes and building systems, particularly those technologies which can be applied within existing facilities and thus will have greater short-term impact.

(*l*) The National Bureau of Standards of the Department of Commerce, in cooperation with ERDA and FEA, should:

(i) conduct research to determine the level of ventilation necessary to maintain personal comfort and health in office, industrial, and commercial buildings;

(ii) conduct research to develop lighting standards for office, industrial, and commercial buildings to minimize energy consumption and provide adequate illumination;

(iii) conduct research into building materials and systems to provide more accurate measurement of the impact of alternative energy conservation measures;

(iv) place high priority on the development of specifications and standard test procedures for the energy efficiency labeling of major home appliances, building systems, and industrial equipment and processes; and

(v) examine the adequacy of present procedures for widely disseminating its standards, finding, and other data to government, industry, agriculture, business, and the general public.

B. WE ALSO MAKE THE FOLLOWING SUGGESTIONS FOR STATE AND LOCAL GOVERNMENTS, BUSINESS AND INDUSTRY, AND INDIVIDUALS

State and local governments

1. We suggest that State and local governments—

(*a*) Examine their tax and other policies and programs that affect energy demand and implement programs to encourage and facilitate the conservation of energy;

(*b*) Strengthen their respective laws and building codes to require energy conservation measures in new buildings, *e.g.*, more insulation and storm windows;

(*c*) Reexamine electricity rate structures in light of the rapidly rising costs of added generating capacity and their effect on energy conservation, and with the view toward instituting peak-load pricing and modifying the present rate structure which, by charging lower unit rates for larger usage of electricity, has encouraged wasteful use; and

(*d*) Plan more energy-efficient transportation systems.

2. Urban and other land use planners should seek ways to reduce the need for transportation and improve the efficiency of energy use in future communities.

Business and industry

3. Business and industry have a major responsibility toward energy conservation and therefore:

(*a*) Industry should initiate comprehensive energy management programs and improve and market products and services which will bring about greater efficiency in the use of energy by consumers;

(*b*) Manufacturers and retailers should increase efforts to inform consumers fully about the energy requirements and efficiencies of their products;

(*c*) Lending institutions and banks should emphasize "life cycle costing" in their financing of new facilities and equipment, rather than the lowest initial cost. Energy users should require detailed information on the anticipated energy requirements of equipment, vehicles, and buildings they plan to purchase;

(*d*) Industry, in cooperation with government, should expand research and development related to the conservation of energy.

Individuals

4. All individuals should expand energy conservation efforts and, as circumstances permit, increase the energy-efficiency of their dwellings, purchase more energy-efficient automobiles and appliances, and increase their use of public transportation.

Mr. WAXMAN. Mr. Speaker, today the House is setting aside some time for further reflection on the need for energy conservation. The urgency of this need in the face of the overwhelming political and economic power of the OPEC cartel and the declining capacity of oil and natural gas production in the United States is self-evident. It is imperative that we finally begin implementing what we have preached over the past year if we are to have any hope of averting disaster.

The past several months have been very frustrating with respect to the evolution of a national energy policy. The United States has significantly increased its dependence on foreign petroleum since October 1973—and there is no sign this trend will be curbed in the foreseeable future. We are all acutely aware of the crippling economic and political effects another embargo would have—a possibility which has not diminished in any way over the last 16 months. The two-dimensional grip of the OPEC cartel, on our economy and over the exercise of flexibility in our foreign policy, continues. The need for the United States to limit its dependence on imports and institute responsible conservation policies at home remains unfulfilled.

The President's response to our growing dilemma has been to impose periodic increments on the petroleum import tariff, an approach which only places a higher price on the already unacceptably high price of foreign petroleum. This policy is not only terribly inflationary and socially inequitable, but ineffective in encouraging the conservation which is required. Unless we act decisively, the President's current policy, as well as his program to deregulate the price of old oil, which he will send to us in a few days, will be allowed to stand, by default, as our country's response to the energy crisis.

The President has stated that his tariff is designed primarily to provoke Congress into action on solving the energy crisis. At the same time he has widely attacked our alleged inaction. The tragic effect has been to politicize and divide, instead of unifying and progressing together. Although this may be politically advantageous to the President, it is an advantage which has been exacted to the detriment of the welfare of the American people.

The current energy crisis, though discernable to some even a decade ago, was precipitated by the OPEC cartel in October 1973 when it seized the opportunity of the fourth Arab-Israeli war to use oil as a political weapon. We have been reeling ever since. Instead of instituting the essential conservation measures designed to decrease our dependence on imported oil, thereby contributing to an oil surplus which could break the cartel, Presidents Nixon and Ford chose to accept Arab oil pricing policy as a fait accompli.

This is a destructive approach not in the best interests of the Nation. It allows the cartel to effectively set the price of our domestic energy supplies, since this administration treats the OPEC political price as equivalent to the natural market price.

We will not be free of the OPEC cartel unless three things occur: First, we decrease consumption at home by conserving at home; second, we increase production at home; and third, we take the steps which are necessary to break the OPEC cartel.

In yesterday's Washington Post, Senator FRANK CHURCH of Idaho wrote an article on the political and economic approach we should take towards OPEC. I wholeheartedly endorse his analysis, and wish to take this opportunity to share the article with my colleagues:

OIL AND CONFRONTATION

(By Frank Church)

The national energy debate has missed the point. It has focused almost exclusively on the alleged deficiencies of Congress in failing to enact higher gasoline taxes as a means of encouraging long-term conservation. But the price of international oil has nothing to do with traditional free market concepts of supply and demand. Rather, it has to do with a price politically imposed by OPEC, the producers' cartel.

At present, there is estimated to be a surplus of worldwide oil productive capacity in excess of 13 million barrels a day. So there is no shortage of oil. This surplus is shut-in by the cartel members to maintain the price at its present exorbitant level, which is 500 per cent higher than it was on October 1, 1973, hardly 18 months ago. We are on notice from the Shah of Iran that a substantial further price rise in the range of $2 to $4 per barrel can be expected in late September of this year. What is at issue is thus a political power play by the OPEC cartel led by Iran and Saudi Arabia. An increase in the gasoline tax will not have the slightest effect on the projected September OPEC price increase.

What, then, can the United States do? First, it can introduce the principle of reciprocity into our relationships with Iran and Saudi Arabia. These countries should not expect that they can impose continuously escalating oil prices upon the United States and other oil consuming nations and still have unrestricted access to American military sales and industrial technology. Last year we sold $3.8 billion in arms to Iran, the leader within OPEC in jacking up the price of oil.

But the Shah could not achieve his price objectives without the aid of Saudi Arabia, the cartel's largest producer at 6.8 million barrels a day and with a productive capacity of 10.6 million barrels a day. In Saudi Arabia, the U.S. Army Corps of Engineers is managing construction projects in excess of $1.8 billion for the Saudis. The Pentagon is selling billions of dollars of arms and technical assistance to Saudi Arabia and the administration is actively promoting corporate investment in Saudi Arabia. Not surprisingly, then, Iran and Saudi Arabia feel that the United States needs them more than they need us.

The administration's policy is based upon three basic considerations: that these two countries are essential to keep Russian influence out of the Persian Gulf area; that Saudi Arabia is a moderating influence in the Arab world, both with respect to the Arab–Israeli dispute and in damping down indigenous radical forces; and that it is essential to conciliate Iran in order to ensure that, in the event of a renewed Arab oil embargo, Iran will continue to supply oil to Western Europe, Japan and the United States.

It is time to question these premises. Iran and Saudi Arabia do not need to be induced to do what they can to limit Russian influence in the area. In their own interest, the present rulers of these countries must oppose a dominant Soviet presence in the Persian Gulf. Similarly, Saudi Arabia must oppose revolutionary forces in the Arab world, for the Saudi dynasty would be the first victim of such forces. It is in the Saudis' own interests to support a "moderate" regime in Egypt and to oppose a new Arab-Israeli war, since such a war could lead to radicalization in the Arab world.

Finally, the likelihood is small that Iran would join in an Arab oil embargo of the U.S. or the Western nations. Iran has a voracious need for revenues because of its large population and ambitious development needs. Rather than cut off oil and, therefore, revenue, Iran is more likely to take advantage of an embargo by continuing to ship oil at even higher prices.

In short, it is time we stopped viewing Saudi Arabia and Iran as pawns in the cold war with the Soviet Union. They have demonstrated that they have the will and the capacity to impose great economic harm on the oil consuming world. Indeed, they have achieved a greater degree of destabilization in the West than the Communists have ever been able to achieve.

We should assess our relations with them in terms of the benefit or loss to the national interests of the United States. We should link arms sales, technical assistance and industrial cooperation to their oil price policies. There is reason to believe that France, the major Western arms competitor, would cooperate in such a policy.

The U.S. should also seek to maximize internal stress within the cartel. The one decision the OPEC cartel has historically sought to avoid is pro-rationing production among its member states. These states are diverse in population, oil reserves and political system. Agreeing on criteria for pro-rationing production is a difficult, if not impossible, task. They are saved from having to do it by the seven major oil companies—Exxon, Mobil, Texaco, Socal, BP, Shell and Gulf. These companies have investments in most of the OPEC countries. As Business Week and Fortune Magazine, hardly radical publications, have noted, the companies, in order to protect their investments, pro-ration production within the cartel countries. That way they save the cartel from confronting this task. Not surprisingly, in recent months the OPEC countries, recognizing the utility of the function performed by the companies, are no longer demanding 100 per cent ownership of the oil production facilities.

But it is in the American national interest to have the companies removed from an equity position in the oil producing states so that they will no longer have an incentive to pro-ration production among these countries. The companies should be purchasers of crude oil buying from the cheapest available source. The State Department should be pressing both producing states and companies to consummate the buying out of the major oil companies' ownership interests. If this is not done, then, the U.S. government should intervene to become the exclusive purchaser of imported crude oil.

Finally, I am convinced that the Congress will compromise with the President on offshore U.S. drilling, strip mining and accelerated exploration and development of Petroleum Reserve Number 4 in Alaska, if the President is genuinely interested in cooperation and not confrontation for political purposes.

Undoubtedly, critics of my approach will charge that I am advocating a policy of confrontation with OPEC, particularly Iran and Saudi Arabia. If there is confrontation that confrontation was forced upon us by these countries through their extortionate oil price increases, the greatest destablishing force in the Western world.

If anyone has any doubts on this score, I refer them to the illuminating paper recently circulated by Walter Levy, the respected oil economist. Persuasively destroying the Pollyanna assurances of our Treasury Secretary, Mr. Levy concludes that far from disappearing in the next five years, OPEC surpluses will accumulate to nearly $450 billion. We delude ourselves if we think that this massive transfer of wealth will not have catastrophic consequences, both political and economic, for Western society, Japan, and the poorer countries. This issue should not be hidden behind the phony smokescreen of pillorying the Congress on the gasoline tax increase.

Mr. ESCH. Mr. Speaker, energy conservation is clearly a national necessity. There can be no argument to the fact that our national energy problems cannot be solved if we continue to waste energy in such prodigous amounts. Clearly, we must reduce our dependence on foreign oil.

Unfortunately, in attempting to meet our goal of reduced energy consumption, the Congress has all too often resorted to the stick rather than the carrot. Our conservation legislation has all too often been negative—we have demanded that auto companies increase their fuel economy under penalty of high fines; the Commerce Department is seriously considering regulations which would require appliance manufacturers to increase efficiency or face increased taxes; the Ways and Means Committee attempted to get all of us to drive less by increasing our gas tax. It seems to me that, in the long run, our energy conservation programs will be far more effective—and far more conducive to the creative forces of our industry and inventors—if they concentrate primarily on incentives. It is only human nature that individuals, and industry leaders, will do things more enthusiastically—and probably more effectively—if they do so because it is in their interest to do so. As many a schoolteacher has found out, a person does better work if they are interested and involved in the subject. I urge the Congress and the administration to apply this affirmative approach to the energy situation. Specifically, I believe a number of incentives should be enacted:

First, there should be considerable tax incentives for energy conservation. These should go to individuals—those who spend extra time and money to install additional insulation, solar heating plants, et cetera—and they should also go to industries which develop new energy sources and which improve the fuel efficiency of their products. There should be special incentives for energy industries to reinvest their profits in the production of additional energy.

We should seek legislation which would assist in promoting new car sales, since new cars are more fuel efficient than older models. Additionally, we should provide incentives for the automobile industry to produce more efficient models perhaps through the marketplace incentive of tax credits for consumers who purchase more fuel efficient domestic cars.

Finally, we need to provide incentives for the development of new energy resources. Such outstanding projects as the KMS Industries of Ann Arbor, Mich. Study of Laser fusion must be encouraged. They hold great promise for the future. While some of this can be done through the tax structure, it is obvious that the high costs involved will necessitate a major infusion of Federal funds, as well. We have made a good start in that direction and, as technology develops, it is clear that our funding levels will have to be increased.

The energy crisis cannot be solved easily or painlessly. However, it seems to me that it will be solved more easily if the people of the Nation support the conservation efforts. I believe these incentives will increase that support.

Mr. RICHMOND, Mr. Speaker, I would like to focus on the cheapest and cleanest source of power—solar energy. Only a few years ago those who thought solar was the solution were considered crackpots. Today, we recognize those individuals as major contributors to our Nation's energy research and development efforts.

Consider the following achievements by people who had the courage to be years ahead of the rest of us:

In Washington, D.C., a solar-heated house in operation for 16 years with an average annual fuel bill of $6.

In California, a solar housing development.

In South Dakota, extensive work on solar crop drying.

Many other projects are being pursued by dedicated scientists, inventors, and laymen. These projects have wide application, and vary in their manner of use of the Sun. The Sun's power can be converted into usable energy for mankind through solar collectors for home heating and cooling, photovoltaic cells, solar thermal projects, tidal projects, ocean thermal energy conversion, and windmills.

Each of these has advantages and disadvantages, but all have two very desirable attributes: low life-cycle costs and a minimal amount of environmental damage. Another key effect of the implementation of solar energy gathering equipment is to transform the owner from an energy consumer to an energy producer. Instead of depleting our limited natural resources, the "solar" individual adds to the sum total of the world's collected energy. Those limited resources can then be used for the specific purposes for which they are the only source.

Solar energy is a most permanent source of power. It cannot be withheld from us once we have our equipment set up. Its price cannot be raised. Although the initial cost of solar equipment may be high, the long-term costs are quite cheap, since fuel is free and maintenance negligible.

The Energy Research and Development Administration recently promoted solar energy to a position among the three long-term inexhaustible energy sources. ERDA has also wisely seen that solar energy deserves increased research and development funding. These actions should be just a beginning however. The countless benefits of solar energy still need to be explained to public officials and the public, and when the truth about this miraculous source is known, the people will demand the solar solution.

Mr. MURTHA. Mr. Speaker, first, please let me commend my very concerned and dedicated colleague, Congressman GEORGE E. BROWN, for arranging for this special order to discuss the energy issue. Because I believe such discussions are very helpful in exchanging ideas and developing a consensus toward a national energy plan.

I know Congressman BROWN and the others who speak will do an excellent job of discussing what alternate energy sources we need to stimulate, how strong conservation measures can be initiated, and the problems of meeting our national and regional energy needs in the near future.

In my remarks, Mr. Speaker, I would like to focus on a different aspect of the problem. No matter what direct energy decisions we make, they will not work until problems in related areas are resolved. Great uncertainty exists in many programs that will indirectly have a major impact on our energy research and production. I believe it is essential that Congress do more to stimulate the immediate development of alternate energy sources, but no real progress is likely until these related issues are also resolved.

One of these areas is the railroad industry. We have to link our transportation policy with our energy policy for the remainder of the 20th century.

But let me discuss an area where we are headed in opposite directions. There is general agreement that coal will have to be used more widely over the next 15 years until alternate energy development peaks. The "Project Independence" report calls for doubling our coal production in the next 15 years.

Yet, the initial USRA rail plan called for abandoning a number of rail lines that could increase our ability to deliver newly produced coal. I have introduced legislation to include automatically in the national rail plan, lines with the potential to increase our coal production. This idea is being studied by the USRA, FEA, and Bureau of Mines.

We are also facing in the rail industry a massive shortage of railroad cars. With coal cars the figures look like this: The number of coal cars in service declined from over 400,000 in 1970 to some 353,000 by 1974 with only 7,100 new cars delivered last year. At that production rate we cannot hope to have the rail capacity to move a doubled coal supply. Moreover, the car shortage extends to other areas of rail transportation and could make delivery of many energy commodities difficult. Needless to say, there is no sense on planning to double our coal supply if we do not have the means to move it.

A second key is capital investment. Very simply, I believe we must do a great deal more through loan guarantees, tax incentives, and direct capital assistance to stimulate the companies that are researching and producing our mid- and long-term energy resources. These companies cannot go it alone. Particularly, in these tight money times, we must be willing to help. Congress has been working on a plan to provide loan guarantees for opening new coal mines. There has also been talk of an Energy Bank to coordinate the Government-industry approach to funding alternate energy sources. These are the kinds of capital programs we must develop to insure sufficient financial resources to remove the uncertainty for companies embarking on new energy courses. But these companies cannot move with their own resources until they know the Government's plans and what we are willing to do to help.

A third aspect I would mention relates to defense. There must be a national commitment to make certain raw materials and necessary products available to energy research programs just as we now insure them for defense production. I have been researching the Defense Production Act in this regard, because of a difficulty in obtaining the fuel it needed to continue construction. While we were finally able to obtain the fuel, it seems to me energy research should become a top priority for allocation of scarce materials. While the Defense Production Act is broad enough to allow the President to designate such energy research activities as a priority, the present schedule of authorized program priorities deal only with direct defense production activities. Energy research and production plants must know they will be able to obtain the items they need for research, and they must know it before they make a research commitment.

The final item I would mention involves the environment, specifically, Clean Air Standards. Utility and industrial companies cannot make their long-range plans until Congress firmly states its environmental policy on air standards. When I asked a utility plant official in my district what his company's energy plans were, he replied, "First, tell me what Congress' plan is, then we'll know what we can and can't do." While it is a key decision whether the air standards are relaxed or altered, it is equally key that Congress speak firmly—one way or the other—so the national policy is well stated.

There are other policy issues I could mention that must be decided. But the point is that we have no firm, national commitment to deal with the long-range energy question until such energy-related decisions are made. They are complicated. They are difficult. But they are vital if a national energy plan is ever to develop. I am confident Congress will resolve these questions, but I hope I have stressed in these remarks that I believe it is imperative for Congress to move quickly on them, because no real progress will be made until these items are coordinated with our energy needs and the uncertainty in these and other areas is removed.

Mr. GOLDWATER. Mr. Speaker, I want to join with my distinguished colleague on the Science and Technology Committee from California (Mr. BROWN) and our other colleagues this afternoon in rising in general support of energy conservation research. I strongly endorse the proposition that conservation R. & D. must be pursued immediately and vigorously. Conservation research can provide the technologies in the near term which are required for two objectives. The first is increased efficiency of energy consumption and the second is increased flexibility in fuel selection. Both results are absolutely necessary in our Nation's quest to eventually achieve energy self-sufficiency and, in the interim, to minimize continued dependence on foreign oil.

It is quite apparent that we simply cannot take any single economically or technically viable step or series of steps to break our current dependence on imported OPEC oil in the near term. We, however, can act immediately and decisively to limit dependence by developing the technologies for increased efficiency and increased flexibility.

Equally, if not more, important is the now apparent third benefit of conservation research-time. I emphasize that again, gentlemen; conservation research gives us time as a nation to develop additional domestic energy supplies while limiting our dependence on imported oil. All of us here and millions across the country now clearly understand the catastrophic impact of our current dependence and I must note, unfortunately, the current reports of once again increasing imports.

Dependence on OPEC oil cannot be allowed to increase during the next decade while we bring on line the new sources of energy or expand existing ones.

Now, why do I focus so specifically on conservation research out of all the proposed energy research areas. I do so for several reasons. Further, I believe that these reasons clearly indicate that there is an active role for the Federal Government in this research. Let me briefly review the reasons and the resulting conservation research conclusions reached by the Energy Research, Development and Demonstration Subcommittee of which I am ranking minority member, endorsed by the Science and Technology Committee, and included in the ERDA authorization, H.R. 3474, which was passed by the House last month. This review will provide a useful background for further discussion about conservation research generally and the Government's role specifically.

As you know, the Committee on Science and Technology authorizes all ERDA nonnuclear energy R. & D., including energy conservation R. & D. In structuring the ERDA nonnuclear authorization for fiscal year 1976, the S. & T. Committee gave particular attention to conservation R. & D. because, unlike many of the other nonnuclear programs, conservation R. & D. was virtually nonexistent in predecessor agencies in any form other than studies. There was very little actual hardware research, development, or demonstration in progress. The immediate requirement, therefore, was to determine whether much R. & D. was needed in light of the national energy situation, and if so the types which should be pursued by the Federal Government.

While there are many conservation actions and research which will result from private sector reactions to markedly increased energy and fuel prices, our committee concluded that there were many other areas which, although offering the potential for substantial reductions in consumption of increased supply flexibility, simply would not be accomplished in the private sector, because of high research costs, long payback times, et cetera. The committee also concluded that there were significant potential gains in terms of overall reduced national energy demand which were achievable from the projected results of Federal conservation research.

These conclusions were based not only on our hearings, both this year and in the last Congress, but also on detailed review and analysis of the most authoritative studies of energy demand and conservation potential. These included the Project Independence studies, the Ford Foundation's energy policy project report, the Office of Technology Assessment analysis of the ERDA budget, and particularly, the Federal Energy Administration—FEA—led interagency 5-year program planning document for end use energy conservation research, development and demonstration.

In a broader sense, it was apparent from our review that the proposed ERDA budget woefully neglected conservation research while focusing primary attention on research which would increase domestic supply. Perhaps this neglect reflects the oft-expressed concern that conservation and resulting reduced energy demand would adversely impact the Nation's economic growth. I firmly reject that argument, and believe that the Nation must develop and have available the technology to increase our overall efficiency of energy utilization. Unquestionably conservation R. & D. is and should be a significant element of our national energy policy. Our authorization for this research was made in that spirit. That authorization, which was more than three times greater than the ERDA request and which I strongly supported, is perhaps the best single evidence of my view on the absolutely critical nature of energy conservation research for the United States.

Mr. FRASER. Mr. Speaker, I join my colleague from California (Mr. Brown) in his concern that not enough emphasis has been given to energy conservation. I feel strongly that our effort to increase energy supplies must be coupled with a vigorous search for ways in which the supplies we do have can be used more efficiently. This is particularly true in the field of transportation, which uses half of all the petroleum consumed in this country. We must find ways to improve the number of passenger miles obtained per gallon of fuel used.

One such way is through the use of van pooling arrangements. Van pooling, which has been used with great success in Minnesota, utilizes motor vehicles designed to transport between 8 and 15 persons each, on trips to and from work. FEA research indicates that van pools offer great potential for achieving meaningful, short-term petroleum savings without restricting mobility. Van pooling can achieve these savings without costly governmental projects or long delays.

I am happy to note that H.R. 7014, which we will debate tomorrow, contains a section introduced by my colleague from Colorado (Mr. Wirth), which will promote this innovative, energy-saving method of commuter transportation.

Mr. Speaker, a recent study done at Washington University reveals the potentially significant impact of van pooling on our energy resources, environment, and national economy. I insert some key excerpts of this study into the Record at this point:

Van-Pooling: A System for Home-Workplace Travel That Saves Fuel, Travel Costs, and Jobs*

(By Ali Shams, Sharon Carter, and Barry Commoner)

I. INTRODUCTION

With the increased awareness that a reliable supply of energy is essential to the nation, conservation of energy has become a major issue of public policy. Consumption of petroleum products accounts for about 51 percent of the national energy budget, of which about 40 percent is now imported. Half of the petroleum products now consumed are used for transportation, representing about one-fourth of the total energy budget. Transportation is therefore the most promising sector in which energy conservation can have a significant effect.

In April, 1973, the 3M Company of Minneapolis, with the cooperation of the Minnesota Department of Highways, took an important step toward solving this problem. They tried out a system, "van-pooling," based on the use of 12-passenger vans, furnished by the company. Fares paid by the passengers amortized the cost of the van; an employee-driver was compensated by free rides, personal use of the van, and the right to keep all fares beyond a minimum of eight passengers.

The trial was so successful that the 3M Company now has 65 vans in operation, with ten on order and a waiting list of employees interested in joining the program. At the same time several other Minneapolis companies have adopted the program with equal success. A total of 110 vans now operate in the area.

Establishment of van-pools has been considerably aided by a computer program, developed by the Minnesota Department of Highways, that pinpoints the geographic location of a residence from the street address. Using the program a company can readily compose pools of employees who live close together. Based on the Minneapolis experience it is estimated that for total groups of employees numbering 250 or more working at the same location up to 30 percent can use van-pools with no loss of convenience, as compared with driving their own car.

From the experience of the 3M Company's van-pools, the system has the following basic characteristics (2):

Average roundtrip, 49 miles.

Average van travel time (one way), 35 minutes.

Average passenger travel time (one way), 30 minutes.

Average number of passengers per van, 11.36.

Van gasoline mileage, 9 MPG.

Average van operating cost, 18.4¢/mile.[1]

Fares per month (depending on distance), $19.50–$29.50.

Cost of van, $4,981.

Average occupancy of private employee cars, 1.24.

Private cars eliminated per van used, 9.16.

The Minneapolis experience provides us with data that can be used to compute the effects of introducing a van-pooling system nationally. The present paper reports the results of such computations.

II. A NATIONAL VAN-POOLING SYSTEM

In this study we have applied the van-pooling concept to two groups of employees, nationally: (a) those employed anywhere in the U.S., in private establishments which have 250 or more employees; (b) those who work in a government agency within the Standard Metropolitan System Areas (SMSA) of the United States, under the assumption that nearly all of these agencies have 250 employees as well as the ability to coordinate smaller agencies within the same neighborhood into a single van-pooling system. The total number of employees in the first group amounts to about 12.0 million people (3), and in the second group 10.1 million people (4). The total number accounted for in this study is 22.1 million people.

In carrying out the study we have used the above data, based on the 3M Company experience, with the following changes designed to bring the values in line with national averages: a) Average roundtrip, home-workplace distance, 30 miles instead of 49 miles;[2] b) Average occupancy of private cars, 1.4 passengers instead of 1.24 passengers; private cars eliminated per van used, 8.11 instead of 9.16. In the study we have computed the results based on the assumption that 25 percent of the population of 22.1 million people would use a van-pooling system for workplace-to-residence travel (5).

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*Supported by grants from the Automobile Club of Missouri, The Stern Fund and the Laras Fund.

[1] This is the sum of 7¢ per mile operating costs plus 11.4¢ per mile amortization of fixed costs.

Based on the foregoing data, we find that if a van-pooling system were established for 25 percent of the above population (i.e. 5,525,000 pool participants) 486,356 vans would be needed (i.e. 5,525,000 people divided by 11.36 people per van), each consuming an average of 3.89 gallons of gasoline daily for a 35-mile trip (6), for a total of 1,891,392 gallons per working day. The same number of employees using private cars operating at the present national average of 12 MPG (7) would use 2.5 gallons per 30-mile trip, or 9,866,071 gallons per working day. Thus the system would save 7,974,688 gallons of gasoline, or about 189,874 barrels per working day.

III. IMPACT OF THE VAN-POOLING SYSTEM ON THE NATIONAL ECONOMY

The system will require the use of about 486,000 vans, nearly all of which would need to be manufactured for the van-pooling program. The auto industry is now operating well below its capacity. On the basis of discussions with auto company officials it appears that, after a several month period of plant reorganization, the required vans could be produced at the rate of about 50,000 per month, so that the needed vans could be produced in approximately one year. It is estimated that this program would restore to operation about 20 percent of the present idle capacity of the automobile industry.

Based on Minneapolis experience, each van costs $4,891, so that construction of the needed vans would inject about $2.38 billion into the automobile industry. Given that each dollar spent in that industry generates about three times that amount of economic activity in related industries (8) the national economy would gain $7.14 billion from the van construction program. It should be noted that the program would not involve any appreciable amounts of new capital, since existing plant equipment can be used with relatively little modification.

The savings in gasoline consumption resulting from the van-pooling program would allow a reduction of petroleum imports; domestic petroleum production and the associated economic activity would not be affected. Adoption of this system would neither curtail government revenues and expenditures, nor increase the national debt level. If, as generally assumed, each $15,000 of GNP represents one job, then the introduction of $7.14 billion is equivalent to 475,752 jobs saved or created during the period in which the necessary vans are being manufactured.

The national van-pooling system would also affect the U.S. balance of payments in international trade. Each year (240 working days) the van-pooling system would save 45,569,648 barrels of gasoline. This is equal to about 48,303,824 barrels of crude oil per year[3] and would reduce the petroleum import bill by about $555.5 million. The savings which the Ford administration hopes to achieve by raising gasoline prices is one million barrels of crude oil per day or 365 million barrels per year. Thus van-pooling would achieve 13.2 percent of the sought-for savings in imported crude oil.

Without the van-pooling system, the 5,525,000 participants would generate 28,414 million vehicle miles of traffic per year (of 240 working days), which, in turn, involves about 1,193 highway fatalities (9). The van-pooling system would reduce the vehicle-miles travelled to 4,085 million, but the number of people involved in each accident would be larger. On balance, it is likely that the adoption of the van-pooling system would significantly reduce the approximately 1,000 highway fatalities associated with home-workplace travel at present.

On a national average, each vehicle-mile of traffic costs $0.001 for road and highway operation and maintenance (10). The reduction in vehicle miles offered by the van-pooling system[4] would save $24 million of these costs . . .

V. ENVIRONMENTAL IMPACT

In many urban areas, the levels of pollutants emitted by vehicular traffic exceed allowable standards, and in certain instances the Environmental Protection Agency has taken steps to enforce a reduction in the volume of traffic in order to reduce pollution levels. The amount of vehicular pollutants emitted is generally proportional to the amount of gasoline consumed. Saving 124,848 barrels of gasoline per day as a result of applying the van-pooling system would reduce gasoline consumption in urban areas by 3.65 percent (13). A comparable reduction in pollutant emissions by this traffic would be achieved all along the route of travel, including the urban area proper. In most urban areas, residence-work passenger traffic probably represents about 32.3 percent of total gasoline consumption by automobiles. Assuming most of this traffic occurs at peak-hours during the five-day working week, the urban pollution level during those periods would be reduced in proportion to the amount of fuel saved, or 11.93 percent (see reference 13). This is a particularly significant effect, since in urban areas pollution levels rise sharply and exceed the allowable standards typically only during the peak-hours. Accordingly, it is likely that van-pooling, on the scale computed above, could by itself bring most cities into conformation with EPA requirements without reducing essential workplace-to-residence travel.

VI. IMPLICATIONS

It will be recognized that all of the advantages of a national van-pooling system cited above do not take into account the effects of the passage of time. Of these advantages, most—such as savings in fuel and individual transportation costs and reduced pollution and traffic fatalities—will continue as long as the system itself continues. However, certain of the economic advantages are only short-term, in particular the effect on the auto industry and the national economy in terms of jobs and income associated with the construction of nearly 500,000 vans. As indicated above, such van construction could be achieved by a significant increase in automobile industry production over a one-year period. Obviously, however, once the requisite number of vans had been produced the net effect of this system would be to *reduce* the demand for private vehicles. The amount of the reduction would be influenced by the extent to which automobiles would otherwise be used for workplace-residence travel.

This fact is only a reflection of the general situation in the U.S.—that generally inadequate mass transit facilities and the unnecessarily wide dispersion of both residences and places of work has resulted in very inefficient use of vehicles and fuel. No appreciable improvement in the efficiency with which energy is used in the United States can be made without displacing much of this use of private cars with mass transit vehicles. The van-pooling system can be looked upon as a practical, temporary step in this inevitable direction. For the automobile industry, which is faced with serious long-term adjustments, the van-pooling system has the advantage of providing an immediate way of maintaining vehicle production and gaining time to make the necessary long-term transition. For the nation as a whole the van-pooling system offers immediate gains in fuel conservation, reduced travel costs and increased employment, and a practical way of moving in the direction that is essential to the long-term survival of the economy.

Ms. ABZUG. Mr. Speaker, today our Nation faces a profound energy crisis. In the past 25 years the amount of energy consumed by the United States has doubled. This seemingly insatiable rise in our energy demands has been accompanied by a tripling of our electrical needs, with no anticipated leveling off of demand in either of these areas.

We in the United States have come to a point where we are using more oil than we refine and are consuming more natural gas than we can find. This has led to an unacceptable dependence on foreign energy sources that must come to an end.

The administration has offered the nation two solutions to this problem of rising energy needs in the face of declining domestic resources. Its first solution would have us purchase even more oil from the OPEC cartel. This is indeed a very dangerous suggestion, for it would ultimately place us in the precarious position of being susceptible to political blackmail. This solution also does little toward curbing the spiraling inflation rate which afflicts the country; it also would contribute to a further deepening of our balance-of-payments deficit.

The administration's other proposal for solving our energy problems is to allow the price of oil to increase, and to permit the rather uncontrolled development of the vast oil reserves off of our Nation's shoreline. Developing these offshore resources presents a possibly dangerous environmental hazard. Their development cannot be relied up on until additional information is collected.

The administration's notion that allowing prices to rise as an incentive for promoting energy production is absurd. Further raising oil prices would create an unacceptable burden on the consumer while contributing nothing to our energy resources. It is a false argument to claim, as the President, that the oil companies need this incentive to explore for new energy sources. In 1972, the National Petroleum Council, composed of oil company representatives who advise the President, reported that oil prices should be permitted to increase to $6.69 per barrel by 1985. However, if the President's decontrol proposal goes through, the price of domestic oil will follow the price of imported oil, which is controlled by the Arab oil cartel, and rise far above that $6.69 figure. The current price of imported oil is $13.25 per barrel. The President would, therefore, have us believe that the oil companies must be given a price which is more than twice their own estimate of what is desirable to encourage them to develop new oil sources. This proposition is patently absurd, and we must prevent its implementation.

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[2] The average distance traveled by a van is assumed to be 35 miles, to allow for that part of the trip in which the van is not fully loaded (see ref. 6).

[3] This number is computed on the assumption that the refinery industry can adjust the production of other products, so that the reduction of gasoline production results in a volume-for-volume reduction in crude oil consumption. There is an additional savings of 6%, which is the crude oil needed to fuel the gasoline refining process.

[4] The national van-pooling system would involve 17,022,447 vehicle miles per day; the same passengers, using private cars, would travel 118,392,857 vehicle miles. The difference, 101,370,410 vehicle miles, amounts to a saving of about $100,000 per working day or about $24 million per year (of 240 working days).

The American people can no longer afford to support the greedy oil cartel. We in this Congress cannot ask our constituents to continue to do so.

Clearly, one answer to our long-range energy needs is a fundamental and massive energy research and development effort during the next two decades on the scale of the Manhattan Project and of our space program. The fact is that known U.S. oil reserves are sufficient at current usage levels for the next 70 to 100 years, natural gas for 150 years, and coal for 500 years: and we have not even begun to explore the energy producing possibilities of solar or geothermal energy. A massive research effort must be started now to enable us to harness these domestic energy resources, and again become completely self-sufficient and independent of foreign sources for our energy needs.

The second facet of our program must deal with effective methods of energy conservation. It is apparent that conservation is grossly underemphasized in the administration's energy program. Congress must act now to correct this glaring deficiency.

Increasing the efficiency of our electrical products, is a valuable means by which the amount of energy we consume can be conserved; end-use conservation simply seeks to make the electrical energy consuming products we use daily more efficient. This would eliminate increases in electrical use and thereby reduce the need for more powerplants and additional energy sources.

The Science and Technology Committee's Subcommittee on Energy Research, Development, and Demonstration has recently recommended that $58 million be appropriated for the development of end-use programs. Many experts have estimated that potential savings from such energy conservation measures could represent 25 to 40 percent of our current energy use. These savings can be realized through the study and adaptation of practices that have worked in other countries, the productive utilization of waste heat, the promotion of useful heat recovery practices, more efficient production and process technologies, advanced heat transfer technologies, and greater reuse and recycling of materials. Studies have estimated that merely improving the insulation of building to save and reduce energy could result in an annual savings of $7 billion. Dr. John Holdron, of the University of California energy and resources program, estimates that increasing the efficiency of air conditioning units merely from 7 to 10 percent would mean a saving of U.S. billion gallons of oil annually. It is to these kinds of projects that our efforts should be devoted.

The dangerous dependence we have placed on foreign sources of energy, as well as the economic burdens incurred in supporting this dependence, must be ended. The administration's answer, which would encourage the oil companies to raise their prices to unacceptable levels, and which could threaten our coastal oil reserves unless adequate preparations are taken, is not viable.

A massive research and development project of our own energy resources must be undertaken before it is too late. Energy conservation and end-use types of programs must also be initiated if we are to control our own destiny and insure a productive future for our Nation. We must now act to guarantee to our Nation the energy it needs.

Mr. BROWN of California. Mr. Speaker, we have considered the use of energy from a variety of perspectives today, but we have in no way exhausted the approaches that could be taken to discussing this important topic. Many individuals outside of Government have also discussed this issue, and deserve credit for their efforts. Among the many excellent books I have seen on this subject, I would like to bring one to the attention of this body now. Mr. Wilson Clark, who is associated with the Environmental Policy Center, completed last year a very extensive review of energy use, from the historical past to the present, and including projections into the future. Among the many statements in his book, "Energy For Survival," Mr. Clark writes:

> A reduction in energy use will solve both the problem of pollution and the problem of conserving our limited stocks of fossil fuels. Although in the early 1970s several U.S. government agencies issued warnings that wide-ranging energy conservation policies should be implemented to help forestall a national energy disaster, the federal government waited until oil shortages actually occurred (in the aftermath of the Middle East war) to initiate fledgling conservation policies.
>
> Energy conservation policies will be necessary on a massive scale to forestall shortages of both energy and material goods in the economy in future years. Better uses can be found for energy supplies than the waste of energy inherent in our present economic system. Using automobiles for transporting people and constructing buildings that "leak" energy in staggering amounts to the surrounding environment are luxuries in an energy-short society can ill afford. New, efficient energy-use technologies must be developed and implemented quickly to ease the shock that has already affected the industrial nations.

I would highly recommend such books as the one by Mr. Clark to skeptics about the need for energy conservation.

Mr. AMBRO. Mr. Speaker, shortly after the Science and Technology Committee was formed, I had the terrifying experience of listening to Dr. Robert Seamans, Administrator of the Energy Research and Demonstration Administration, make this statement:

> A substantial research and development program is underway and proposed to be strengthened to provide the basis for increased national reliance upon the use of nuclear fission energy for central station electric power generation.

Adding to my discomfort were the two pages of testimony on the Clinch River Breeder Reactor that followed this statement. Solar and other advanced energy systems got large funding increases, but remained only a small part of total ERDA appropriations. Conservation was a passing comment. Evidently, changing organizational structure was easier than changing individual administrators. The word "atomic" was gone; the commitment to atomic fission was as strong as ever.

Our hearings on H.R. 3474 stressed the need for balanced energy policy development. The contrast between ERDA–48 and the early testimony given to the Energy Research, Development and Demonstration subcommittee is pronounced. Congressional interest clearly favored increased attention on solar and other advanced areas, and it is encouraging to see the administration stance shift in a similar direction. If we can remain vigilant in our oversight responsibilities, this integrating of energy sources will be carried through and help provide the solution to our interim power requirements. The philosophy directing the creation of energy choices for the immediate future has been established. We can now put our resources to work solving the technological problems.

Our next responsibility in energy development is going beyond interim plans and extending the base for energy security into the future. Right now, fusion seems to be the key to future energy needs. The parallel work in laser and magnetic confinement fusion offer research flexibility and help avoid the dangerous practice of confining all exploration to a single, potentially fruitless area. Current appropriation levels keep fusion research free from monetary restrictions, while information exchange between laser and magnetic containment fusion scientists undoubtedly enhances the chance for eventual success in achieving controlled thermonuclear reaction.

My concern is that we are being too conservative in our expectations for fusion research. Mr. McNally of ERDA's laser program has said:

> We do not believe that one should rush pell-mell ahead in a research and development of this type.

I agree, especially now that interim power source development will, apparently, give our society relative energy independence through the next two decades. But our Nation needs a strong vision of its energy future. The excitement Project Apollo generated needs to be injected into energy research. And it takes a well-publicized, well-financed government effort to achieve that kind of excitement. Malcolm Pruitt, Chairman of the Commerce Technical Advisory Board in Project Independence, summed this up:

> The role of the government is to act as a catalyst and provide for the private sector to achieve the required goals. Elements of this climate include a well-informed public, a

> clear definition of national energy policies, (and) a commitment to those policies. . . .

The lethargy of our present energy program must be replaced with traditional American positivism. An Apollo-styled fusion project would give us the vehicle we need for this kind of approach.

In some ways, fusion research is at an earlier stage in its development than space research's position when President Kennedy committed the Nation to Apollo. Basic discoveries are needed before fusion can go forward. The hesitancy to endorse an untried approach is understandable but there is no room for bureaucratic hesitancy in a dynamic energy development program. Fusion power's potential goes far beyond any reason for hesitancy at this point.

Since actual fusion research already receives adequate funding, we should begin work on expanding those complementary areas necessary for future development. Increased funding to graduate students and university programs in physics, chemistry, and materials sciences, to list a few categories, would draw more individuals to fusion-related studies while anticipating the need for additional manpower that will arise as fusion work advances. Project Apollo stimulated similar interests in electrical and aerospace engineering which I am sure helped shorten the time frame of needed discoveries. By encouraging a similar process in the fusion sector, we could anticipate growing manpower needs and provide for them in advance. Steady program growth into the future could be assured.

The public education function is an equally important phase of this program. Continual updates on fusion research would give the public background information needed to understand both successses and failures. Our science community always seems hesitant to invest in explanations to nonscientists. That same science community also wonders why the general public is often suspicious of science. Fusion offers not only a chance to revise our approach to public education in scientific research but to start a new, exciting project as well.

> A controlled thermonuclear fusion reactor power plant is one of the most ideal energy sources yet suggested. Such a reactor would provide essentially limitless power. In addition, if fusion energy could be converted directly into electricity with a high efficiency, fusion reactors could have much less environmental impact than today's electric power plants. Indeed, following the successful development of fusion power, the only limits on energy use would come from the effects of waste heat upon the environment or from non-technical issues.

This excerpt from the committee on Science and Astronautics during the 92d Congress gives a solid impression of what fusion can mean. I feel it is time we made a solid commitment to exploring this, rather than treating it as just another line item in a research budget.

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

U.S. POSTAL SERVICE NEEDS COMPETITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, competition with the U.S. Postal Service is long overdue. We are a captive audience to the Postal Service's proposed rate increase, the impending postal strike, and the predictable deterioration of service to the postal consumer. It is time to allow private enterprise to offer these postal consumers a choice.

Private enterprise and a nationalized agency can form a working competitive relationship. Canada's railway system suggests just such a compromise. CP Rail is a privately owned railroad which competes directly with Canadian National, the publicly owned railroad. Although some have suggested that CP Rail be nationalized as well, an executive of the private rail system insists that nationalization would decrease efficiency, increase prices, and reduce the level of consumer service. He suggests that competition is a catalyst which improves the operations of both systems, the private and the public:

> I guess you can summarzie our position as not being so much anti-nationalization . . . but pro-competition. We believe that it is better to compete and to put something into the economy than to nationalize and destroy the benefits that competition has given to Canada. Nationalization of CP Rail would create a public monopoly—and a monopoly, be it public or private, would deprive Canadians of the standard of efficiency and service they presently enjoy.

Why do we Americans allow ourselves to be deprived of the standards of postal efficiency and service we could be enjoying? As in the example of Canada, private enterprise can compete successfully with a nationalized agency. The result of such competition will be a constructive contribution to the private marketplace which will result in lower prices, increased efficiency, better service and, during this time of unemployment, an opportunity for the creation of jobs.

Let us look to the example of our northern neighbor and allow competition with the Government monopoly in the carriage of first-class mail.

A BICENTENNIAL HYMN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, with the American Bicentennial very much in the national attention, I was interested to receive a proposal from my friend, Judge Earl R. Hoover, as to a hymn suitable to help celebrate this great anniversary. The fact that he relates his proposal to Ohio, the heartland of America, only makes a stronger case, so far as I am concerned.

Judge Hoover is not only a distinguished former judge of the common pleas court; he is not only a passionate and articulate patriot of wide renown; but in this particular, Earl speaks as a recognized scholar and authority on the subject of American music. He has spent weeks and months of his vacation time rummaging through the stacks and stores of the Library of Congress, and wherever else information was to be found, searching out the origins and relations of our musical history.

I am pleased to make his views on this subject a part of the RECORD, and I submit his communications, as follows:

Hon. CLARENCE J. BROWN, M.C.
House of Representatives,
Washington, D.C.

Re Well-known, Ohio-related hymn that might be recommended for use in Ohio and every state during the Bicentennial celebration.

DEAR CONGRESSMAN BROWN: During the coming Bicentennial celebration all over Ohio, music will play an important part, and, on occasion, many groups will be looking for an appropriate, well-known hymn to use that has some relation to Ohio. There is a perfect one—"God Of Our Fathers, Whose Almighty Hand."

Why is it so appropriate? Well—

1. It is well-known and is found in most modern hymn books.

2. It begins with the well-known, spectacular, trumpet-like flourish—real drama that exemplifies "The Spirit Of '76".

3. Its words are not narrowly sectarian, but, like "My country Tis Of Thee", relate to the God to which all can relate.

4. It was written by Rev. Daniel Crane Roberts, an Episcopalian minister, much of whose life is Ohio-related in at least 2 respects:

a. He graduated from Kenyon College in 1857.

b. He served in the Civil War with the 84th Ohio Volunteer Infantry.

5. Roberts wrote this hymn nearly 100 years ago for the 1876 Centennial of the Declaration of Independence while he was pastor of the Brandon, Vermont, Episcopal Church and it was first performed on July 4, 1876, at his church from which it spread throughout the nation.

Enclosed you will find a copy of this hymn. In the post script I will set forth a bibliography about it, procured from my library. I am sure that in any public library many citations could be added to this.

If there are any questions, please feel free to contact me.

Sincere regards,

EARL R. HOOVER,
Senior Vice President.

P.S.—Here is the bibliography:

1. "A Calendar Of Hymns" (1961), by Frederic Fox (pp. 70–71)

2. "Stories Of Hymns For Creative Living" (1938), by Charles Arthur Boyd (p. 179)

3. "The Story Of Our Hymns" (1952), by Armin Haeussler (pp. 466, 876, 964)

4. "A Treasury Of Hymns" (1968), by Maria Leiper and Henry W. Simon (p. 199)

5. "Biographical Dictionary Of American Music" (1973), by Charles E. Claghorn (p. 377)

6. "Heritage Songster" (1966), by Leon and Lynn Dallin

7. "The Hymnal Army And Navy" (1942), by Ivan L. Bennett (p. 448)

God of Our Fathers

God of our fathers, whose almighty hand
Leads forth in beauty all the starry band
Of shinning worlds in splendor through the skies.

Our grateful songs before Thy throne arise.
Thy love divine hath led us in the past.
In this free land by Thee our lot is cast:
Be Thou our Ruler. Guardian. Guide, and Stay.

Thy word our law, Thy paths our chosen way.
From war's alarms, from deadly pestilence.
Be Thy strong arm our ever sure defence;
Thy true religion in our hearts increase,
Thy bounteous goodness nourish us in peace.
Refresh Thy people on their toilsome way.
Lead us from night to never ending day;
Fill all our lives with love and grace divine.
And glory, laud, and praise be ever Thine.
Amen.

THE FEDERAL ELECTIONS COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 20 minutes.

Mr. FRENZEL. Mr. Speaker, last year, the 93d Congress created the Federal Elections Commission to administer, supervise and enforce elections laws. Like all new agencies, the Commission has great difficulties in getting organized to carry out the responsibilities the Congress laid upon it.

The Commission has now completed its basic organization, has been assured of some ongoing funding, and has begun to make some basic policy decisions. Therefore, it is appropriate to review its progress to date.

Congress is usually more interested in failures, blunders, and omissions, than in the orderly accomplishment of routine tasks, so it is important to note first and foremost that the FEC's overall performance is better than might have been expected.

Yes, it has made mistakes. Yes, its progress has been slow. Yes, it has made only the tiniest dent in its staggering work load. But, based on the conditions of its existence, it has done well. It is organized. It has produced worthy advisory opinions and the beginnings of reasonable regulations.

But, having been patted on the back for general progress, the FEC ought to be soundly spanked for its egregious error of judgment in closing a meeting at which its first advisory opinions were decided. The Commission's credibility can stand a few closed discussion meetings. It cannot stand secret decisionmaking. Credibility was the basic foundation for its creation. If it is not perceived as the epitome of openness, it will fall on its face, and the noble experiment will have been a waste.

Hopefully, the single closed meeting represented only a temporary dementia. But Congress, the creator and overseer must be unrelenting in its oversight and quick to criticize conduct antithetical to the basis and the purpose of the FEC. Errors of substance are relatively easy to correct. Errors of procedure cast shadows of suspicion on every facet of the Commission's work.

Ironically, the closed meeting produced two good advisory opinions. Simple decisions defining inkind contributions and limiting expenses of political conventions were neither spectacular, nor difficult, but they reflect the Commission's determination to carry out Congressional intent regardless of obvious difficulties to political parties in handling their conventions. The popular general approval of these opinions should by itself be enough of a confidence-builder to inspire the FEC to strip the locks from its doors.

Less dramatic, but far more important, has been the solid progress in building a sound, functional FEC structure. Appointed 4 months late, funded 2 months after that, and bearing the burdens of duties that not only are new, but also are not always crystal clear, the FEC has had all the usual startup problems of a new agency, and then some. But it has proceeded with care and determination, building a staff that includes an experienced administrative nucleus from the organizations which handled similar functions previously. Specifically, personnel has been recruited from the Office of the Clerk of the House, the Secretary of the Senate, the GAO, and even from legislative and lobbying staffs. To this nucleus has been added outside talent, notably in the legal sections. There is no guarantee that the organization will work perfectly. Indeed, the internal relationships have not fully developed yet and probably will not do so for some time. But the experience and ability are there, and the modest beginnings prove that it can work.

Another plus for the Commission has been its relationship with the Congress. It must walk a fine line to preserve both its own independence and credibility, and to establish a close working association with Congress on whom it is dependent not only for funding, but, more importantly, for ratification of its regulations. So far it has walked that line rather well.

Because some of its functions are new and unknown, it had some difficulty in preparing and explaining its budget. Despite its understandable propensity to request a substantial margin of safety in its budget, the Commission displayed enough candor to the authorizing and appropriating committees to assure a favorable beginning of the relationship. The relationship has deepened through regular staff contacts in discussions of advisories and regulations. Some confrontations will be inevitable if both the Congress and the Commission are to retain their independence and vitality, but the experience and professional quality of the Commission staff are the best guarantee against impasse.

The Commission, itself, is worthy of comment. The 6-person group was specifically designed to prevent Commission action without substantial agreement. There are three Republicans and three Democrats; Mr. Tiernan appointed by the Speaker, Mr. Thompson, appointed by the House minority leader, Mr. Harris, appointed by the Senate majority leader, Ms. Aikens, appointed by the Senate minority leader, Mr. Curtis, Chairman, and Mr. Staebler appointed by the President. All were confirmed by both House and Senate. All but Ms. Aikens and Mr. Harris are former Members of Congress. Each brings a different and valuable experience to the Commission, and all have demonstrated surprising enthusiasm for their work. A word should also be said about the Congress. It, particularly the House, has exercised care and diligence in its relationship with the FEC. Admittedly, its task, other than budget approval, has been light, but a good basis has been built for the key congressional role, that of approval of regulations.

The most critical problem is that the Commission has an immense work backlog. A whole new body of law requires regulations. Those regulations must be created through a formal process, including congressional approval, that is difficult and time consuming. Even without disapproval, the process could last 6 months. The lack of regulation can be temporarily solved by advisory opinions, but regulation by advisories is not a safe policy except for temporary, urgent needs. The next real test of the Commission's viability will be its ability to produce promptly a body of regulation tough enough to satisfy the skeptical public, and sane enough to achieve congressional approval.

The FEC has made good progress so far but its toughest problems are still ahead of it.

DÉTENTE WITH CUBA

The SPEAKER per tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, last week I returned from a 6-day trip to Cuba. My visit, from Thursday, June 26, to Wednesday, July 2, was unofficial and at my own expense. I accepted an invitation from the Cuban Government, transmitted through its United Nations Mission, to become the first House Member to travel to that nation since our Government broke relations with the Castro government.

As a member of the House Committee on International Relations, I have long been concerned with Latin American affairs. My interest was whetted by my membership on the Inter-American Affairs Subcommittee—abolished earlier this year when the committee restructured its subcommittees.

Upon my return to the United States, I summarized my observations in an editorial which appeared in the Dayton Journal Herald on Tuesday, July 8. In view of the interest many of my colleagues have shown in my Cuban trip, I include the text of this article:

[From the Journal Herald (Ohio), July 8, 1975]

MAKING UP WITH FIDEL

(By Charles W. Whalen)

In January, 1973, 11 Republican house colleagues joined me in issuing a position paper urging that our government begin to normalize relations with Cuba.

This recommendation was predicated upon four factors.

First, ultimate restoration of economic and

> diplomatic intercourse with Cuba was consistent with then-President Nixon's efforts to achieve detente with the world's two largest Communist powers, China and the Soviet Union.
>
> Second, our attempt to isolate Cuba had failed. Indeed, as more nations resumed contacts with the Castro government, the United States found itself increasingly isolated, more "out-of-step" with the rest of the world.
>
> Third, heading the agenda of most hemispheric conferences was the emotional Cuban question. The protracted rhetoric which ensued (mostly aimed against the United States) prevented the Americas from dealing with really substantive issues, such as how best to work together to achieve economic development.
>
> Fourth, and of somewhat lesser importance, would be the benefits which resumption of trade would bring both to the United States and Cuba.
>
> Today, 30 months later, these arguments are even more persuasive. Despite the diplomatic and commercial sanctions invoked against Cuba in 1964 by the Organization of American States (OAS), eight member states have seen fit to ignore them. Our principal NATO partners deal with the island 90 miles off our shores. Recently several Western non-Communist countries have extended $3.2 billion in credits to Cuba.
>
> Within the next few weeks our government has an opportunity to make a significant move toward normalizing relations with Cuba. During the OAS Conference, being held later this month in San Jose, Costa Rica, delegates will vote on two Cuban-related resolutions. The first would change the OAS Charter by permitting the imposition and termination of sanctions by a majority decision, rather than the current two-third's requirement. The second proposal would permit member states, if they so desire, to reestablish relations with Cuba.
>
> Last Thursday morning, while conversing aboard Air Force One with President Ford, I urged him to instruct our ambassador to the OAS, William Mallaird, to support both motions, I informed the President that Cuban officials with whom I met in Havana last week indicated that such a move would be viewed as an important shift in American policy, a step, I sensed, which could open the door for formal discussions between the two countries.
>
> Regardless of how Ambassador Mallaird votes in San Jose, both resolutions seem certain of passage. This ending of OAS sanctions against Cuba will remove the last argument offered by the State Dept. in defense of its "no contact" posture. Two other reasons—the Russian presence in Cuba and the "exportation of revolution" by the Castro regime—were dropped from the Administration's litany several months ago.
>
> During the past two years the Cuban government has beamed numerous "signals" to the mainland, which seemingly express a willingness to end our differences. This desire, in my opinion, was reaffirmed by the extremely cordial manner in which I was received by Cuban officialdom last week. No embarrassing questions, such as the CIA assassination attempts, were raised by Fidel Castro or others. In fact, in perhaps a Freudian slip, the Prime Minister talked with me about the kinds of products this country will purchase from the United States. His attitude seemed to be, "Let's forget the past and look to the future".
>
> Cuba has been divorced 14 years from the United States. After "making it without American help", why should Fidel Castro now welcome the lifting of our embargo? This question (which I did not raise directly) was answered when he told me: "Cuba must move forward with our program of nation-building. We cannot afford to divert our energies and resources to war or disputes with our neighbors. Instead, we must co-exist with those countries whose governmental and economic systems differ from ours."
>
> Come to think of it, this isn't such a bad philosophy for the United States, either.

The Republican-initiated position paper referred to in the Dayton Journal Herald article was issued on January 29, 1973. Entitled "A Détente With Cuba," the document was cosigned by the following 12 Members of the House of Representatives: CHARLES W. WHALEN, JR., ALPHONZO BELL, EDWARD G. BIESTER, JR., John R. Dellenback, MARVIN ESCH, WILLIAM FRENZEL, Orval Hansen, H. JOHN HEINZ III, FRANK HORTON, PAUL MCCLOSKEY, STEWART B. MCKINNEY, and CHARLES S. MOSHER.

In this statement, we pointed out three of the most significant benefits accruing from more normalized relations between Cuba and the United States:

> The first and clearly a major benefit is a probable reduction of plane hijackings to Cuba....
>
> Second, with normalization Cuba once again could be an important trading partner for the United States....
>
> Third, a warmer political atmosphere and improved hemispheric relations are bound to occur if relations between the United States and Cuba normalize. Nearly every year the Cuban matter severely cripples the OAS and makes it appear ineffective, besides becoming an extremely divisive issue among Latin American countries. Any further defiance of the OAS ban by Latin American countries would continue to strain relations of member countries. Unless changes are made in view of present realities, the Cuban issue will continue to impair relations between Western Hemisphere nations.
>
> For over a decade, American isolation of Cuba has given substance to much Anti-American rhetoric and ill feeling towards the United States among various groups in Latin America. Removing this vestige of the Cold War would significantly reduce tensions and redirect hemispheric policy, focusing attention on more urgent priorities such as trade, economic development, foreign investment and regional integration.
>
> Normalization of relations and a relaxation of tensions might provide an impetus for a regional economic integration program in the Caribbean which would involve Cuba. Although such a development is not imminent, the potential is there and should be explored further.

My trip to Cuba served to confirm the observations we made in 1973. As I pointed out in testimony before the Subcommittee on International Trade and Commerce on July 9, these arguments are even more persuasive today.

H.R. 8614, IMPROVEMENTS TO PERMANENT FEDERAL-STATE UNEMPLOYMENT INSURANCE PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 5 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, I am introducing at this time H.R. 8614, which embodies the administration's recommendations for improvements to the permanent Federal-State unemployment insurance program. Major provisions of this bill include:

First, extension of coverage to some 6 million jobs, about half the number now covered under the temporary special unemployment assistance program. Included are workers of farm employers with four or more workers, or with a quarterly payroll of at least $5,000; domestic service for employers with a quarterly payroll of $500 or more; services for State and local government employees in elementary and secondary schools and for nonprofit elementary and secondary schools. The Virgin Islands would be included in the Federal-State system.

Second, financing of the system would be improved by raising the taxable wage base under the Federal Unemployment Tax Act from $4,200 to $6,000, effective for 1977 and thereafter. At the same rate, for a temporary period, the employer tax rate under FUTA would be increased from a nominal 3.2 percent to 3.35, raising the net tax after 2.7 percent credit for payment of State taxes, from 0.5 percent to 0.65 percent. When loans from general revenues to the extended benefit account have been repaid, the tax rate would be reduced to 3.15 percent, of which the net Federal tax would be 0.45 percent.

Third, improvement in the extended benefit triggers to eliminate permanently the 120 percent factor which has not worked satisfactorily and which has been in almost continuous suspension as a result of congressional initiatives.

Fourth, a Federal standard that would require all States to provide a weekly benefit amount of at least 50 percent of each claimant's average weekly wage, up to a maximum weekly benefit amount of two-thirds of a State's average weekly wage.

Fifth, the establishment of a National Commission on Unemployment Insurance, to study and make recommendations on long-range aspects of the Federal-State system.

The first three major proposals in this bill have my unqualified support. That they are desirable and needed is clear and well documented. The need is not so clear for a benefit amount standard in Federal law at this time in the light of the substantial progress the States have made on their own initiative in recent years. However, I am looking forward to a fuller examination of this subject in the discussion that will take place at the hearings on this and other UI proposals now before the Congress. Should action on benefit standards not be taken at this time, this subject will receive comprehensive study by the proposed Commission.

LEGISLATION TO AMEND SOCIAL SECURITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, when the social security program was inaugurated in 1935 it was hailed as the financial answer to the retirement problem for many elderly Americans, and it was the answer as it helped many who had no retirement plan and who would have been forced to work until they could no longer physically hold a job.

But because of our current economic

conditions we have found several aspects of the Social Security Act that I believe are unfair, and the legislation I am proposing today would correct there inequities·

My bill first proposes a special senior citizen's price index for use in adjusting social security payments. At the present time increases are based on the changes in the Consumer Price Index, but from the many letters I have received and from the senior citizens I have spoken to, they are much more adversely affected by the changes in our economy than are indicated by the CPI. This is due to the fact that the basic necessities on which senior citizens are dependent rise faster in a period of inflation than prices generally.

Earlier this year the Senate Committee on Aging held hearings on the impact of inflation on senior citizens. It is interesting to note that while prices rose by 12.2 percent last year, the rate of increases for the greatest expenditures of older Americans—housing, food, medical care, and transportation—surpassed the rate of inflation for all other items in the Consumer Price Index by 29 to 43 percent. These four areas of expenditures comprise 80 percent of a senior citizen's income and it is obvious that when social security benefit increases are made based on the CPI, these increases are not allowing the senior citizen to keep pace with the rise in the cost of living which he is experiencing.

My legislation would establish a separate senior citizen price index as well as provide that adjustments in benefits be made on a semiannual basis. The Bureau of Labor Statistics has already constructed such an index; we now only have to put it to good use.

Another area that has brought protests from many senior citizens is the provision which discourages those on social security from working by taking away $1 of social security benefits for every $2 a recipient earns above $2,520 annually. The Federal Government should not be penalizing those who are attempting to earn an income that will allow them to remain financially solvent. Especially when many of these people would be forced to sell their earthly possessions such as their home and their car in order to make ends meet.

Everyone should have the right to work as well as receive minimum social security benefits. Currently, a minimum of 2 million workers and their dependents between the ages of 65 and 71 are discouraged from working because of this provision.

A report was issued earlier this year by the 1975 Advisory Council on Social Security and it recommended that the rate at which benefits are withheld for earnings above the exempt amount should be liberalized. Many people have argued that the earnings limitation should be abolished completely. What I am recommending in my bill I believe to be an equitable resolution to this issue. My measure would raise the limitation from the present $2,520 level to $7,500. It would also provide that the earnings limitation apply only to the principal beneficiary while lowering from 72 to 70 the age above which an individual's benefits would not be affected as a result of the limitation.

The third area of my bill deals with the problem social security recipients encounter when they wish to remarry. Many widows and widowers who decide to remarry find that if they do so they face a loss in benefits. I am sure Congress did not intend to place our senior citizens in such a dilemma, but the present law does just that.

Mr. Speaker, I believe that my bill is one small step on the road to making the social security program more responsive to the current needs of those whom it serves, and feel that if the changes proposed in this legislation are enacted the retirement years for many will be truly more golden.

EQUAL TREATMENT OF CRAFT AND INDUSTRIAL EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 30 minutes.

Mr. THOMPSON. Mr. Speaker, on July 10, by an overwhelming bipartisan majority, the Education and Labor Committee ordered reported with amendments H.R. 5900, equal treatment of craft and industrial employees—common situs picketing. It has been my privilege to sponsor this legislation, and I have been joined by more than 100 cosponsors of this or companion bills. Many Members have made inquiries about this rather technical issue of labor law, and I would like to take this opportunity to explain the background and provisions of H.R. 5900. At the conclusion of my remarks, I will include a statement of 20 commonly asked questions and the answers concerning this bill.

The purpose of H.R. 5900 is to restore to unions in the building and construction industry their pre-Taft-Hartley rights to peacefully publicize by picketing the fact that an employer subcontracts part of the job to a "non-union" subcontractor who might well have won the "bid" for the subcontract because he pays less than the union scale.

Section 8(b) (4) (B), the so-called secondary boycott provision of the Taft-Hartley Act makes it unlawful for a labor union "to induce or encourage any individual" to engage in a strike where an object thereof is to force or require "any person" to cease doing business "with any other person." Senator Taft explained that the purpose of this provision was to protect "the business of a third person who is wholly unconcerned in the disagreement between an employer and his employees."

There is no quarrel with the legislative effort to protect the truly innocent neutral from labor disputes not of his own making. The object of H.R. 5900 is to reverse the legalistic and highly technical interpretation of section 8(b) (4) (B) placed upon it in *Labor Board* v. *Denver Building & Construction Trades Council,* 341 U.S. 675 (1951). In that case, a contractor had subcontracted the electrical work to a subcontractor who employed nonunion labor—at a wage rate considerably below the prevailing union scale. The Building Trades Council picketed the jobsite, and an object of the picketing was to force the contractor to terminate the subcontract. The Labor Board ruled that the picketing was illegal, and the Supreme Court affirmed. It ruled that the contractor and subcontractor were separate legal entities and, consequently, that the picketing was designed, in the words of the statute, to force "any person"—the contractor—to cease the business with "any other person"—the subcontractor.

Justices Douglas, Reed, and Jackson dissented because "the picketing would undoubtedly have been legal if there had been no subcontractor involved—if the general contractor had put non-union men on the (electrical job," and the "fortuitous business arrangements" do not "alter one whit the realities of the situation."

Clearly, the subcontractor in the above situation was not "wholly unconcerned" in the disagreement between the contractor and his employees; nor, in a reverse situation, would the contractor be the "innocent neutral" envisioned by Senator Taft had the dispute been between the union and the subcontractor.

Legislative effort to overrule the Denver Building Trades Council case have been recurrent, and endorsed in principle by the Secretaries of Labor for Presidents Eisenhowever, Kennedy, Johnson, Nixon, and Ford. No President has failed to endorse the legislative effort to reverse the Denver case.

The injustice of the Denver case was compounded by the decision in *Local 761, International Union of Electrical, etc. Workers* v. *Labor Board,* 366 U.S. 667 (1961). In that case, the employees of the General Electric plant in Louisville, Ky., were on strike, and picketed a gate reserved exclusively for the use of employees of independent contractors. The Labor Board ruled that the "reserve gate" picketing was unlawful because the union's object was "to enmesh these employees of the neutral employers, the contractors, in its dispute with" General Electric. The Supreme Court reversed, because the Labor Board ban on picketing at the reserved gate constituted a "clear invasion on traditional union primary activity of appealing to neutral employees whose tasks aid the employer's everyday operations." The Court pointed out that "not all so-called secondary boycotts were outlawed" in the Taft-Hartley Act, and ruled that it was unlawful to picket the gates reserved exclusively for the independent contractors only when the work done by the men who use the gate is "unrelated to the normal operations of the employer."

In short, should a manufacturer contract electrical maintenance work to an outsider, a union of the manufacturer's employees can picket all gates even though the object is to compel the one "to cease doing business" with the other—The G.E. Reserved Gate Case. On the other hand, should a contractor in the construction industry subcontract the electrical work to a subcontractor, the union may not publicize the facts of its dispute by peaceful picketing—The Denver Case.

H.R. 5900 would give to employees in the construction industry the same rights now enjoyed by industrial workers, that is, the right to publicize by peaceful picketing the fact that either the principal or his agent-ally is engaged in a labor dispute with his employees.

H.R. 5900, as introduced, contained eight significant limitations and safeguards:

First, H.R. 5900 would permit publicity picketing only at the site of the construction, alteration, painting, or repair of a building.

Second, H.R. 5900 would permit publicity picketing directed only at employers who are in the construction industry.

Third, H.R. 5900 would permit publicity picketing only against employers who are engaged as joint venturers or who are in the relationship of contractors and subcontractors.

Fourth, H.R. 5900 would not permit publicity picketing if the underlying labor dispute is unlawful under any provisions of the National Labor Relations Act.

Fifth, H.R. 5900 would not permit publicity picketing if the strike were in breach of an existing collective-bargaining contract.

Sixth, H.R. 5900 would not permit publicity picketing if the employer is not engaged primarily in the construction industry.

Seventh, H.R. 5900 would not permit publicity picketing if an object is the removal or exclusion from the site of any employee on the ground of race, creed, color or national origin.

Eighth, H.R. 5900 requires a 10-day notice and cooling-off period if the site of the picketing is located at any military or defense facility.

In committee consideration of the bill, four additional safeguards and limitations were added:

First, publicity picketing is prohibited if the object is the removal or exclusion from the sit of any employee on the ground of sex.

Second, publicity picketing is prohibited if the object is to force an employer to recognize a labor organization if another labor organization is lawfully recognized as the representative of his employees.

Third, a labor organization that intends to engage in common situs picketing at any construction site must provide written notice at least 10 days prior to picketing to all employers and other unions at the site, to any national or international labor organization with which it is affiliated and to the Collective Bargaining Committee in Construction which is under the Secretary of Labor. In addition, before the local labor organization can engage in situs picketing it must receive written authorization from the national or international labor organization, if any, with which it is affiliated. This amendment reflects improvements in the bill suggested in testimony by Secretary of Labor John Dunlop. The amendment was unanimously adopted by the full committee.

Fourth, it was made explicit that this bill will not permit any activity that has heretofore been prohibited except situs picketing.

Many questions have been raised about the purpose and effect of H.R. 5900. Twenty of the most commonly asked questions, with answers are set forth below:

QUESTIONS AND ANSWERS ON H.R. 5900

1. SECONDARY BOYCOTTS

Q. Does H. 5900 legalize secondary boycotts?

A. No. H.R. 5900 does not alter the law one whit as it affects the true or traditional secondary boicott, i.e., when the "secondary" employer is an innocent neutral enmeshed against his will in a labor dispute over which he has no control: the employer, described by the late Senator Taft, as "not in cahoots with" the employer primarily at odds with the striking union.

It is the premise of H.R. 5900 that there is no "secondary boycott" when construction workers strike in protest when a general contractor subcontracts part of his total job obligation to a non-union employer, and thereby undermines union wages scales. Such a strike is "primary", not "secondary".

A "primary boycott" exists when employees go on strike over working conditions at the work site, and post a picket line around the work site. This is traditional, and lawful, primary picketing even though it may have "secondary" impact upon suppliers or customers whose employees refuse to cross the picketline.

In contrast, a "secondary boycott" occurs when the striking employees leave the scene of the dispute to pressure innocent third parties who have no control over the strike issues. Thus, it is unlawful "secondary" activity when the strikers at a saw mill picket a lumber camp to pressure the supplier to cease sending lumber to the saw mill; or when the same saw mill strikers picket a loading wharf to persuade the longshoremen to refuse to load lumber destined for the "struck" saw mill. Similarly, it is unlawful "secondary" activity for the striking employees at a plant producing printing presses to picket a newspaper because it has ordered a machine produced at the "struck" manufacturing plant; or for the strikers at a textile mill to picket a large department store because it purchases sheets and pillowcases from the textile employer.

Every reference to "secondary boycotts" during the Taft-Hartley debates involved plant and retail situations of this sort. Not a single proponent of the bill talked about common situs picketing on construction jobs—presumably because no one in Congress thought that a strike by construction workers at the site of construction was anything other than a traditional, lawful, primary strike.

NON-UNION EMPLOYEES ON A CONSTRUCTION SITE

Q. Suppose a contractor brings onto a job a subcontractor who employs non-union labor. Would H.R. 5900 permit the building trades council to picket the job as unfair?

A. Yes. These are the facts of the *Denver Building Trades* case. Section 8(b)(4) (B) of the Taft-Hartley amendments makes it an unfair labor practice for a union to force "any person" to cease doing business "with any other person". Read literally, this would prohibit any strike where a picket line turns away any supplier or customer. Obviously this was not the intent of Congress. The purpose was to protect the "innocent neutral". Yet in the 1949 *Denver* case the Labor Board ignored Congressional intent and held that it was a violation of section 8(b)(4)(B) for a union to picket the contractor when he brought a non-union subcontractor onto the job site. The Supreme Court affirmed this decision in 1951, primarily because of the "expertise" of the Labor Board.

It generally has been recognized ever since that the decision is unrealistic and does not reflect the realities in the building and construction industry where the contractor and sub-contractor are related allies in a common venture, neither is "innocent", neither is "unconcerned" in the labor disputes of the other. It is the purpose of H.R. 5900 to reverse this decision, its spirit and its progeny.

H.R. 5900 permits a union to strike or picket at a construction site against "any of several employers" in the construction industry, when they are "jointly engaged" on a common site as "joint venturers or in the relationship of contractors and subcontractors".

3. THE ANALOGY TO THE APPAREL AND CLOTHING INDUSTRY

Q. Has Congress ever before exempted any industry from the "secondary boycott" provisions of section 8(b)(4)(B)?

A. Yes. Like the construction industry, the clothing and apparel industry is marked by the subcontracting of various parts of the total job. In 1959 Congress amended the labor act (section 8(e)) to provide that the "secondary boycott" provisions would not apply to persons "in the relation of a jobber, manufacturer, contractor, or subcontractor working on the goods or premises of the jobber or manufacturer or performing parts of an integrated process of production, in the apparel and clothing industry".

4. THE ANALOGY TO WORKERS EMPLOYED IN MANUFACTURING

Q. Would the enactment of H.R. 5900 give workers in the construction industry "special treatment"?

A. No. In 1961 the Supreme Court held in the *G. E. Reserve Gate* case (Local 761, International Union of Electrical Workers v. Labor Board, 366 U.S. 677) that it was lawful for striking employees of a manufacturing concern to picket the gates used exclusively by employees of contractors and subcontractors if the work tasks performed by the independent legal entities "aid the employer's everyday operations" and are not "unrelated to the normal operations of the employer".

Like the work of many contractors employed for special tasks by manufacturing industries, the work of the subcontractors employed in construction is also "related" to the "normal operations" of the contractor who employs him. Rather than giving "special favors," H.R. 5900 simply puts the construction worker on par with the worker in the apparel industry and in manufacturing.

5. PICKETING TO PROTEST THE EMPLOYMENT OF MINORITY WORKERS

Q. Does H.R. 5900 authorize a union to picket when an object is to force a subcontractor off the job site because he employs blacks, women, or other minority workers?

A. No. H.R. 5900 expressly provides that it is not lawful for a union to picket any job "where an object thereof is the removal or exclusion from the site of any employee on the ground of sex, race, creed, color or national origin".

6. PICKETING TO PROTEST THE EMPLOYMENT OF EMPLOYEES WHO ARE RELIGIOUSLY OPPOSED TO UNION MEMBERSHIP

Q. Suppose a contractor or a subcontractor hires employees who are members of a religious body which historically has held conscientious objection to joining or financially supporting labor organizations. Would H.R. 5900 permit a union to picket when an object is to force these employees from the job because of their religious beliefs and resulting refusal to join a union?

A. No. H.R. 5900 expressly makes it unlawful to picket in order to remove an employee from the employment site because of his "creed".

7. PICKETING TO PROTEST ON-SITE EMPLOYMENT OF MEMBERS OF INDEPENDENT CRAFT UNIONS

Q. Suppose a subcontractor has a contract with an independent union. Would H.R. 5900 permit the AFL–CIO building trades unions to strike or picket when an object is to force the subcontractor off the job for this reason?

A. No. H.R. 5900 expressly provides that nothing therein shall "be construed to permit any attempt by a labor organization to require an employer to recognize or bargain with any labor organization if another labor organization is lawfully recognized as the representative of his employees".

On the other hand, the law of "area standards" picketing would not be changed one way or the other by enactment of H.R. 5900.

8. PICKETING TO PROTEST THE USE OF INDUSTRIAL WORKERS TO INSTALL MANUFACTURED EQUIPMENT ON THE CONSTRUCTION SITE

Q. Suppose Westinghouse, General Electric or some other employer is engaged by the contractor to install some specialized equipment as part of the construction project, and the company utilizes its regular employees for this installation. Would H.R. 5900 permit the building trades unions to picket if an object is to secure this work for themselves?

A. No. H.R. 5900 expressly provides that the picketing by the trades unions is not lawful if "the issues in the dispute" involve a labor organization (such as the International Association of Machinists) which is representing the employees of an employer at the site (such as Westinghouse) "who is not engaged primarily in the construction industry".

9. PICKETING TO PROTEST THE USE OF INDUSTRIAL WORKERS FOR PLANT EXPANSION OR SIMILAR WORK

Q. Suppose the Ford Motor Company decides to expand its plant facilities and utilizes its own regular employees (members of the United Auto Workers) for these purposes. Would H.R. 5900 permit the building trades unions to picket this work?

A. No. Again, we have the situation similar to that wherein Westinghouse installs its own products with its own regular employees. H.R. 5900 does not permit picketing when the issues in the dispute involve a labor organization which represents employees of an employer who is not engaged primarily in the construction industry. As the Ford Motor Company is "not engaged primarily in the construction industry", and as the employees of the Ford Motor Company are represented by the United Auto Workers, H.R. 5900 would not apply.

On the other hand, if the Ford Motor Company retains a general contractor "primarily in the construction industry" and a labor dispute arises out of issues at the construction site involving that contractor, H.R. 5900 would permit the building trades unions to picket at the site of the construction.

10. PICKETING AT SITE "B" WHEN THE LABOR DISPUTE INVOLVES CONDITIONS AT SITE "A"

Q. Many contractors are engaged simultaneously in several construction projects. If the building trades unions have a dispute with Contractor X at construction site "A", would H.R. 5900 permit the unions to picket the same Contractor X at construction site "B"?

A. No. H.R. 5900 permits strikes or picketing "*at the site* of construction" against any of several employers in the construction industry who are jointly engaged in such construction, but only when there is a lawful labor dispute "relating to the wages, hours, or other working conditions of employees employed *at such site*". (emphasis supplied).

11. PICKETING WHEN SEVERAL GENERAL CONTRACTORS ARE EMPLOYED IN CLOSE PROXIMITY IN THE SAME GENERAL AREA

Q. What is meant by the phrase "at the site of construction"? Suppose several different prime contractors are employed in a large general area (such as Cape Kennedy) or in a smaller general area (such as a projected shopping center) with Contractor "A" building a gas station at one end, and Contractor "B" a retail food store at the other. Would H.R. 5900 permit general picketing of the entire area if there was a labor dispute against only one of these contractors?

A. No. H.R. 5900 only applies when several employers in the construction industry are "jointly engaged" at the "site of construction, alteration, painting, or repair of *a* building structure, or other work". In addition, it provides that "in determining" whether or not several employers are in fact "jointly engaged" at any site, "ownership or control of such site by a single person shall not be controlling". These employers would not be "jointly engaged", nor would they be at the same "site".

12. PICKETING AGAINST ONE OF SEVERAL PRIME CONTRACTORS REQUIRED UNDER STATE LAW

Q. Ten states have laws requiring that the political subdivisions put out four separate bids on public construction jobs: (1) for general construction, (2) for heating, ventilating and air conditioning, (3) for plumbing work, and (4) for electrical work. Each of these contracts must be let to the lowest responsible bidder in each category. Would H.R. 5900 permit a union in dispute with one of these contractors to picket the other contractors?

A. No. H.R. 5900 only applies when the employers are "jointly engaged as joint venturers or in the relationship of contractors and subcontractors". When state law requires separate bids and separate contracts, the various contractors would not be "jointly engaged" within the meaning of H.R. 5900.

13. PICKETING FOR THE PURPOSE RECOGNITION

Q. In 1959 Congress added Section 8(b)(7) to the law regulating organizational and recognition picketing. Will H.R. 5900 permit building and construction unions to engage in conduct which would violate Section 8(b)(7)?

A. No. Such picketing would be "otherwise unlawful under the Act", and therefore would not be permitted by H.R. 5900.

14. PICKETING TO ENFORCE A PRODUCT BOYCOTT

Q. Would H.R. 5900 validate boycotts against "pre-cut doors" or similar products?

A. No. H.R. 5900 does not permit picketing unless there is a labor dispute "not unlawful under this Act". To the extent that such boycotts are now forbidden by law, they continue to be so under H.R. 5900.

15. PICKETING TO CLOSE DOWN THE ALASKA PIPELINE IN BREACH OF CONTRACT

Q. Opponents of H.R. 5900 suggest that its enactment would result in strikes at the Alaska Pipeline (or even Disneyworld). Is there any truth to these allegations?

A. No. It is unlawful under H.R. 5900 to strike "in violation of an existing collective-bargaining contract". The unions working on the Alaska Pipeline have a firm "no strike" clause in their contracts, and require 24-hour arbitration of all disputes. The unions have bound themselves against any strikes arising out of their own disputes; they have bound themselves against any sympathy strikes on behalf of other unions.

16. PICKETING TO OBTAIN AN AGREEMENT UNDER SEC. 8(E) THAT THE CONTRACTOR WILL SUBCONTRACT ONLY TO UNION EMPLOYEES

Q. Section 8(e) of the Act authorizes labor organizations and employers in the construction industry to enter into contracts whereby the employer agrees to subcontract only to subcontractors who hire union employees. The Courts and the Labor Board have held that it is lawful for a union to picket to obtain such agreements. Will H.R. 5900 change this law?

A. No. H.R. 5900 is not to be construed to prohibit any act which is not an unfair labor practice under existing law.

17. PICKETING TO PROTEST THE LOWERING OF "AREA STANDARDS"

Q. The law now permits a union to picket a construction site to protest the employment of employees at wage scales and working conditions below the "area standards". Will H.R. 5900 change this law in any way?

A. No. H.R. 5900 is not to be construed to prohibit any act which is not an unfair labor practice under existing law.

18. PICKETING AT "RESERVED GATES"

Q. Under *Moore Drydock, Markwell & Hartz* and related cases, the law now permits a union to picket a construction site to publicize its grievances with an employer engaged at that site, but only at gates reserved for the exclusive use of employees employed by the employer who is the target of the dispute. Will H.R. 5900 change this law in any way?

A. Yes. The premise of *Moore Drydock* is similar to the premise of the *Denver* case, i.e., that the contractor and subcontractors on a construction site are not related allies. H.R. 5900 holds then when several employees in the construction industry are "jointly engaged" as joint venturers or "in the relationship of contractors and subcontractors", the "ally" doctrine applies and the unions consequently are free to picket any gate used by any of the employees of the related employers.

19. THE NEED FOR H.R. 5900

Q. Is H.R. 5900 really necessary? Are not the building trades unions sufficiently strong and well organized to hold their own without legislative help?

A. The testimony received at the hearings on H.R. 5900—from both management and labor—indicates that since the *Denver* decision and those which followed it, the number of so-called "open shops" and "merit shops" "have grown by leaps and bounds" over the past years while the number of "union shops" have decreased proportionately. *Denver* and related decisions have encouraged contractors to employ non-union subcontractors whose wages and conditions are substantially below those applicable to the general contractor's employees. Without the right to peacefully picket, the building trades unions are deneid any effective means of protest.

20. NATIONAL POLICY

Q. Is H.R. 5900 consistent with our national commitment to encourage the practices and procedures of collective bargaining?

A. Yes. Forty years ago in the Wagner Act Congress declared it to be the public policy of the United States to encourage "the practice and procedure of collective bargaining"; and thereby to encourage "the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions." Recognizing the inequality of the bargaining power when unions lack the power to picket or strike, Congress then guaranteed the right of employees to engage in "concerted activities" including the right to strike. H.R. 5900, thus, is an essential ingredient of our long time national commitment to collective bargaining.

OUR WELFARE PROGRAM—AN EVER-INCREASING DISGRACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

Mr. FUQUA. Mr. Speaker, year after year the welfare program of these United States has become an ever increasing disgrace.

The lofty purposes for which it was intended have not been met. As a matter of fact, the red tape, confusing regulations, bureaucracy and sheer volume have turned this into one of the most inhumane programs of all.

Those who are in desperate need of assistance find themselves stifled when they seek assistance. On the other hand, the welfare chiseler has become a fixture in our society.

For some years, I have been speaking to this problem with the firm belief that the only solutions are going to be found if we have a complete and total review of our existing welfare program and overhaul it from top to bottom.

We need a system that is far less complex and with real teeth to get to the chiseler who is taking bread out of the mouths of children, the aged, the weak and the sick. If we could get rid of the vermin who infest this program, present funding would be more than adequate.

Mr. Speaker, ordinary routes seemed to have failed us. It seems to me that a special committee of the House, or joint committee of the Congress, is needed if we are to begin to make progress. I think that such a committee would bring the attention of the Congress as well as the American people to focus on a national problem which is going to become even more serious unless drastic steps are taken to revise our welfare system.

Last evening I was watching the program "60 Minutes" on CBS and I hope that many of my colleagues were also watching. It pointed out many of the things to which I have been addressing myself since I have been in the Congress.

What we see in our welfare program today is tragic. Those who need help are denied. The chiseler, if you want to give him that much dignity, increases costs to the taxpayer and takes money which is intended for the poor, the sick and the underprivileged.

Nobody wins.

Everybody loses.

I think it is time to start anew and develop a program that is simple to administer, helps get people off welfare and into productive jobs, addresses itself to the needs of those from whom it is intended and has real teeth in its structure to punish the thieves who prey upon this program and whose victims are the most needy.

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes.

Mr. **ASHLEY**. Mr. Speaker, as a member of the Congressional Task Force on the Automobile Industry, I had to miss the four votes taken on May 5 in order to attend the panel's meeting that date in Toledo.

Rollcall No. 175 was on the passage of H.R. 5272, to amend the Noise Control Act of 1972 to authorize additional appropriations, and had I been present, I would have voted for its passage.

Rollcall No. 176 was on the passage of H.R. 1244, to establish procedures and regulations for protective services provided by the U.S. Secret Service, and had I been present, I would have voted for its passage.

Rollcall No. 177 was on the passage of H.R. 5158, to authorize a $3 million ex gratia payment to the people of Bikini Atoll, and, here again, had I been present, I would have voted for the bill's passage.

Rollcall No. 178 was on the passage of S. 326, to authorize $75 million and to provide for the continuance of civil government for the Trust Territory of the Pacific Islands, and I would have voted for its passage had I been present.

On May 19, I had the distinction of being inducted as an honorary fellow of the American Institute of Architects at the Institute's meeting in Atlanta and, consequently, I missed five rollcall votes. The first three votes were on passage of the following bills and had I been present, I would have voted for their passage: H.R. 4073, to extend the Appalachian Regional Development Act of 1965 for an additional 2 years; H.R. 12, to provide for the protection of foreign diplomatic missions and to increase the size of the Executive Protective Service; and H.R. 5710, to authorize fiscal year 1976 appropriations for the Marine Protection Research and Sanctuaries Act. (Rollcalls 218–220.)

The other two votes dealt with amendments proposed to H.R. 6674, the military procurement authorization bill for fiscal year 1976. On rollcall No. 221, I would have voted against the amendment to eliminate $260.3 million for procurement of AWACS—airborne warning and control system—command and control aircraft. On rollcall No. 222, I would have voted against the amendment to delete $46 million for the conversion of the civil reserve air fleet.

On May 22, I attended the Congressional Conference on Economic Planning in a Free Society and therefore, was not present for rollcall No. 245 on the passage of Senate Concurrent Resolution 42, to provide for a conditional adjournment of the Congress from May 22 to June 2. Had I been present, I would have voted against the measure's passage.

On June 10, I missed rollcall No. 276 on the passage of House Joint Resolution 492, making supplemental appropriations for summer youth employment and recreation for fiscal year 1975, because I had to take my youngest son to the doctor. Had I been present, I would have voted for the legislation's passage.

For the same reason, on June 12 I missed rollcall No. 288 on an amendment to H.R. 6860—the proposed Energy Conservation and Conversion Act of 1975—to impose a per-car excise tax beginning in model year 1977 on fuel inefficient autos. Had I made the vote, I would have opposed the amendment because I favor the approach of imposing civil penalties if a manufacturer makes too many cars with a too high mile-per-gallon rating.

Later that same day, because of an appointment with constituents, I missed rollcall Nos. 292 and 293 on amendments to H.R. 6860 to phase out the repeal of the excise tax on radial tires over a 5-year period, and to delete the tax credit for home insulation, respectively. I would have voted against both amendments.

On June 13, the House continued consideration of H.R. 6860 and I was not present for rollcall No 295 on an amendment to increase the individual tax credit for installation of residential solar heating equipment to 25 percent of the first $8,000 of cost in lieu of a 40-percent credit for the first $1,000 and 20 percent of the next $1,000. I missed the vote because of an interview with a national magazine; otherwise, I would have joined with the majority of my colleagues in voting in favor of the amendment.

On June 20, I was on my way back to my congressional district and, as a result, missed rollcall Nos. 327 to 329, all of which dealt with H.R. 7001, a bill authorizing appropriations for the Nuclear Rgulatory Commission. No. 327 was on an amendment to prevent the export of nuclear fuel and technology to countries that are not members of the nuclear nonproliferation treaty and I would have voted for it. No. 328 was on an amendment to prohibit the air transport of plutonium fuel until the Commission certifies to the Congress that a safe container, which will not rupture under crash, has been developed, and I would have voted for it also. The other vote I missed was on passage of H.R. 7001, and it would have had my support.

Because of a bad case of the flu, I arrived late at my office on June 23 and left early, and consequently missed rollcall Nos. 331 and 338. On the former, which was on the passage of H.R. 6709 to amend the Federal Rules of Criminal Procedure Act, I would have voted for its passage. The latter was on the passage of H.R. 6334 to amend the Peace Corps Act, and this bill, too, would have had my support.

On July 11, I was involved in moving my household from an apartment to a house and missed rollcall No. 377, on agreement to the rule for consideration of H.R. 5546, the proposed Health Manpower Act. The rule would have had my support.

AMENDMENT TO TREASURY APPROPRIATIONS BILL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. **VANIK**. Mr. Speaker, Wednesday, I am offering an amendment to the Treasury Appropriations bill designed to prevent the development of political surveillance files within the Internal Revenue Service.

It is my hope that when the Ways and Means Committee considers the general tax reform bill later this year, it will include an amendment to prohibit the collection of unnecessary political data by the IRS. In the meantime, I believe we should add an amendment to the appropriations bill to prohibit the development of such files during fiscal year 1976.

Now the IRS has a duty and an obligation to be aware of some political activities by organizations and individuals. There are a number of provisions in the tax code, particularly section 501(c), which lost prohibited political activities—such as lobbying—by tax exempt organizations. Obviously, it may be necessary from time to time for the IRS to study the political activities of such groups. My amendment does not impair the ability of the IRS to operate in these areas.

Instead, the amendment is designed to prohibit the type of abuse which occurred in the establishment of the IRS Special Service Staff Office in 1969. This office, which was terminated by Commissioner Alexander in August 1973, developed some 11,000 files on generally left-wing individuals and organizations. Most of this information—one would guess 90 percent—had little or nothing to do with legitimate IRS tax collection needs.

There is some recent evidence that the type of data collected by the SSS staff may be finding its way into a new computerized filing system called IGRS—the Intelligence Gathering and Retrieval System. There seems to be some danger that prominent citizens—as well as average taxpayers—who say something controversial or something against the IRS may be entered into the IGRS computerized files.

The IRS is an agency of incredible economic power over the lives of every citizen. We must never permit the IRS to collect needlessly data on citizens' political beliefs and expressions.

I urge the adoption of this amendment to the Treasury Appropriations bill.

BACK TO THE SOIL: PART FIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, urban farming is "in" this year, particularly among apartment dwellers. Balconies are blooming, as never before, under the careful hand and watchful eye of a new generation of city farmers. Bushel baskets bring forth ripe, juicy tomatoes as a garnish for summer salads. Herbs and spices grow easily—a tantalizing undertaking for the gourmet palate. Experienced balcony gardeners have told me that pole beans and lettuce are among the vegetables they harvest.

Balcony gardeners are a breed unto themselves and will readily give you a tour of their minigardens with the same enthusiasm usually reserved for a tour of the gardens at Versaille. As part of this new breed, I have watched my own patio tomatoes grow with a great deal of pride, enjoyment and delicious anticipation.

The following articles contain some helpful hints for balcony gardeners:

Minigardens and Growing Vegetables in the Home Garden

If you think just because you live in an apartment you can't have a vegetable garden, cheer up; there is a way. As long as you have a windowsill, a balcony, or a doorstep, you have enough space for a minigarden—and a chance to grow a small crop of vegetables for your summer meals. You might want some advice though, on what grows best. In fact, even if you're a home gardener with a backyard big enough to give you summer vegetables and enough to can for the winter, you might need some planting tips.

Depending on the kind of gardening you want to do, the U.S. Department of Agriculture has two publications to help. *Minigardens for Vegetables* is 30 cents and *Growing Vegetables in the Home Garden* is 80 cents. Both are available from Consumer Information, Dept. 6, Pueblo, Colorado 81009.

The publications include the following tips:

For starting your minigarden you'll need some containers, synthetic soil and seeds. Be sure the container is large enough to hold the plant when it's fully grown. You can use plastic or clay pots, old pails, plastic buckets, bushel baskets, wire baskets, or even wooden boxes. Almost any container will work—from tiny pots for your kitchen windows to large wooden boxes for your patio. Vegetables that grow well in minigardens include beets, cabbage, carrots, chives, cucumbers, eggplant, kale, leeks, and leaf lettuce.

Be sure the seed you plant isn't old. Vegetable seed envelopes are stamped with the year in which they should be planted.

If yours will be a backyard garden, consider what and how much you will plant. If you want enough to eat in the summer and to can for the winter, be sure you plant enough, but no more than you will have time to maintain well.

[From the Christian Science Monitor, Apr. 25, 1975]

Gardening on Balcony—Boxes, Pots, Baskets, and Some Planning

(By Millicent Taylor)

If you live in an apartment or condominium with a balcony, perhaps you would like to have a balcony garden. You can have one that is beautiful and satisfying.

Your design will be a garden in miniature, made up of plants in pots, tubs, boxes, and also hanging baskets fastened to wall and railing. And you will plan it to provide protection from winds and perhaps from hours of hot summer sun. Or if you don't get sun but only reflected light, by choosing plants for such a location you can still have a balcony garden.

Floor space is at a premium. So design your garden so the center of your balcony is open. You can then step out on it to take care of things and perhaps sit out toward evening. At each end, then, you can have higher things—standard roses, small trees and shrubs, or a trellis with vines. This will also help break the wind and will give privacy.

Along the front you will have low plants in porch boxes or in grouped pots. On the front railing and perhaps on the building wall on either side of the exit door hanging pots or pots fastened to a trellis, making height. These are filled with flowering plants and trailing vines.

(If there seems too much wind, still, protect your plant boxes with low fencing that lets in air and light but breaks the wind.)

It is fun to shop around for planting boxes. There are wooden ones in various shapes and sizes, ceramic and clay pots, so-called self-watering window boxes for along the front, and tubs and strawberry jars. Weight is a problem to consider.

There are lightweight fiberglass planters but these tend to heat up in hot sun so should be used only in protected spots. All planters need to be supported off the balcony floor to allow for good drainage. This can be achieved and excessive weight be distributed by providing open plank platforms.

Another way to lessen weight is to cut down where possible on the amount of soil in pots and planters, using more vermiculite and supplementing with liquid plant food.

Good soil, however, is essential. This garden is dependent on what is in its pots and boxes and cannot reach out for more. In general one-third of each rich soil, peat moss, and drainage material like sand, perlite, or vermiculite, with a little dry manure, is a good mixture.

I prefer vermiculite for drainage, because it is lighter than sand or perlite. Regular watering, feeding, and removing dead blooms are the upkeep tasks. Spray the leaves, too, with tepid water, topside and underside. Even a balcony garden catches dust and pollution.

Buy flowering plants and small tubbed trees or shrubs, and some flats of petunias, impatiens, and other annuals to transplant into your planters and pots. Depending on the size of your balcony, your tall plants for each end can be small clump birch, flowering crab or cherry, tree hydrangea, standard roses, privet, small yew, arborvitae, barberry, or some other small shrub.

Hybrid tea or floribunda rose bushes in planters make attractive end-accents, too.

For low things geraniums are always favorites. Pots of them can be grouped, or set in tiers on a section of low steps. Impatiens will bloom for you all summer in planters and porch boxes. There are three heights. Coleus and caladiums will give color with their attractively marked leaves.

Potted plants of fibrous begonias and other favorites, set into a porch box and surrounded with damp sphagnum moss makes a lovely flower "border."

You can raise herbs, too, and a few vegetables. Why not a patio tomato in a good looking tub? Pole beans are possible, underplantings of parsley and lettuce, and pots of chives in among your annuals. A handsome strawberry jar can even yield juicy snacks or be a decorative accent with flowering plants.

Balcony garden possibilities are abundant. Furthermore, by changing plants their beauty and interest can be with you through the year. Flowering bulbs in early spring can be followed by roses, pansies, and annuals in summer, then pots of gay chrysanthemums toward fall, and evergreens in winter.

So have fun!

DISAPPROVING HAWKS FOR JORDAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Bingham) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, on July 10, 1975, the administration notified the Congress that it proposed to sell a complete antiaircraft weapons system—Hawk and Redeye surface-to-air missiles and Vulcan cannon—to Jordan. Today, I am joining with 10 members of the International Relations Committee in introducing a concurrent resolution to block this proposed Hawk-Vulcan sale.

We have not in the past, and would not now, object to military assistance and/or sales to Jordan in reasonable amounts. The presently proposed sales package is, however, so large as to substantially affect the strategic balance between Israel and Jordan.

As reported in the New York Times and not contradicted by the administration, the sale of 14 Hawk batteries amounts to about $260 million and the Vulcan sale to $90 million. This total of $350 million comes to $87 million more than the total U.S. military assistance and credit sales to Jordan for the period 1962 through 1974. For that period U.S. military grants to Jordan totalled $193.7 million. FMS credit sales totaled $69 million, for a grand total of $262.7 million.

Even if delivery of these weapons were to be spread over several years, with delivery of only a few batteries of Hawk missiles and Vulcan cannon at a time, future deliveries should be contingent upon the situation in the Middle East.

By tacitly approving the proposed 14 batteries and 100 Vulcans now, however, the Congress would have no opportunity for such periodic reappraisal.

Since the Foreign Military Sales Act does not allow for changes by Congress in the proposed sale, periodic review of deliveries can only be achieved through a resolution disapproving the total proposed sale. Such a resolution of disapproval would not prohibit the Defense Department from proposing smaller sales of these weapons to Jordan, each of which the Congress would have an opportunity to assess on the basis of then current Middle East developments. This seems a far more prudent course for the Congress than to allow the negotiation of a long-term contract to provide a volume of weapons that could tilt the strategic balance in the Middle East without any future opportunity for reassessment.

This fantastic proposed increase in the flow of U.S. arms to Jordan comes at a time when Jordan has been obviously moving closer to the other Arab states and has established a joint military command with Syria.

King Hussein stayed out of the 1973 war—except for sending some forces to the Syrian front—on the grounds that Jordan had no effective defense against Israeli air attacks. With the combination of Hawk missiles and Vulcan antiaircraft cannon—plus the hand-held Redeye missile which is also to be sold to Jordan under a separate contract—Hussein could no longer use this rationale. Jordan would then possess the most advanced version of a sophisticated weapon which is the basic tactical air defense missile system used by the United States and NATO.

As the events of 1967 and 1973 have shown, Jordan is in no danger from Israel as long as Jordan does not attack. Thus, Jordan is in no need of antiaircraft weapons except in the event that Jordan joins other Arab States in war against Israel. Surely, U.S. policy ought to be to discourage Jordan from joining in such a war, not to make it difficult for Jordan to stay out.

We cannot know the motivation for Jordan's request for this huge supply of antiaircraft weapons. However, we do know that a Jordanian was to obtain a multimillion dollar commission for the deal; he may well have had an interest in maximizing the sale. We can also surmise that Hussein may have felt compelled to request enough for a total antiaircraft defense because of his current campaign to win favor with the other Arab States. Thus, Hussein's reasons for making the request may well have been political rather than military. The Arab League's Rabat decision to recognize the PLO as the representative of the Palestinians put Hussein in a corner. In order to recover the lost ground, he has had to appear to be more militant than before.

Jordan is most unlikely to gain anything from another war with Israel. Hence, it is not in Jordan's military interest to be drawn into such a war.

Bearing these considerations in mind, it may well be that many moderates in Jordan and many military realists—and probably even King Hussein himself—quietly rejoice if the Hawk-Vulcan sale did not go through, or were drastically reduced.

It may be that Hussein is sincere in his new protestations of a more militant policy, and really intends to fight hard in a new Arab-Israeli war, creating a third front for Israel to cope with. In this case the proposed Hawk-Vulcan sale amounting to one-third of a billion dollars seems even more inappropriate. In a recent New York Times article referring to an interview with Hussein in a widely circulated Arab weekly, Hussein is described as "a supporter of Palestinian aspirations to recover their homeland." The Times correspondent, whose article is included at the end of my remarks, quotes Hussein as saying that he was "buying sophisticated American weapons for his armed forces to defend Syria against any flanking attack by Israel through Jordanian territory."

Mr. Speaker, I cannot believe that it makes sense for the United States to supply Jordan with a fleet of U.S. missiles to attack U.S. aircraft supplied to Israel. I hope both the House and the Senate will reject this proposed sale before the July 30 deadline for Congressional disapproval.

The text and sponsors of the resolution of disapproval and articles follow:

SPONSORS

Mr. Bingham (for himself and Mr. Rosenthal, Mr. Solarz, Mr. Gilman, Mr. Bonker, Mr. Harrington, Mr. Nix, Mr. Riegle, Mr. Wilson, Mr. Wolff, and Mr. Yatron.

H. CON. RES. 337

A concurrent resolution disapproving the proposed sales to Jordan of the Hawk missile and Vulcan antiaircraft systems

Resolved by the House of Representatives (the Senate concurring), That (a) the Congress objects to the proposed sale to Jordan of the Hawk missile system, such proposed sale being described in the statement submitted by the President, pursuant to section 36(b) of the Foreign Military Sales Act, to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate on July 10, 1975 (transmittal number 75–40).

(b) The Congress objects to the proposed sale to Jordan of the Vulcan anti-aircraft system, such proposed sale being described in the statement submitted by the President, pursuant to section 36(b) of the Foreign Military Sales Act, to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate on July 10, 1975 (transmittal number 75–35).

[From the New York Times, July 12, 1975]

UNITED STATES PLANS TO SELL JORDAN $350 MILLION IN WEAPONS

(By Bernard Gwertzman)

WASHINGTON, July 11.—The Ford Administration informed key members of Congress today that it would sell Jordan a modern air-defense system costing about $350-million, more than three times what had initially been disclosed.

A letter to the Senate Foreign Relations Committee and the Speaker of the House revealed plans to sell 14 batteries of Hawk ground-to-air missiles, with a sale price of about $260-million, and eight batteries of Vulcan antiaircraft guns costing about $90-million.

In addition, it was learned from Administration officials that the United States would sell Jordan about 300 shoulder-fired Redeye antiaircraft missiles for about $4-million.

When it was disclosed in May that the United States would sell Hawk missiles to Jordan, Administration officials told newsmen and Israelis that the total sales would amount to about $100-million. There was no explanation for the larger figure.

The proposed sales resulted in immediate expressions of concern on Capitol Hill today.

Senator Clifford P. Case of New Jersey, the ranking Republican on the Foreign Relations Committee, introduced a resolution calling for hearings on the sale to determine whether it should be permitted.

Representative Jonathan B. Bingham, Democrat of the Bronx, said he and other Congressmen would introduce a resolution on Monday to kill the sale.

Under a law adopted last year, any proposed military sale of $25-million or more must be reported to Congress which then has 20 days to act. If it takes no action, the sale is allowed to proceed. So far this year, Congress has not tried to block any military sale.

Mr. Case, in his statement, expressed particular concern over the "rather large" number of Hawk missiles involved and the fact that they would be mobile and not fixed in place.

He said that mobile Hawks, which are similar to the Soviet SAM–6, can be used in support of advancing ground forces. He also said he was upset by the fact that the Administration's letter to Congress did not include mention of the sale of the highly portable Redeyes because the amount was less than $25 million.

The Redeyes, which weigh about 28 pounds, are effective against helicopters and slow-flying planes. Mr. Case said he was concerned because "the Redeyes might fall into the hands of terrorists in the Middle East."

Mr. Bingham said he was opposing the sale because it was so much larger than first indicated by the Administration and that "the size and strategic implications are frightening."

The Israelis have also complained privately about the sale, and their supporters in Washington were on the phone today to pass the word about the contemplated action.

The Jordanians have been seeking an up-to-date air defense system for many years. King Hussein has said one reason for Jordan's refusal to participate directly in the Arab war against Israel in October 1973, was a lack of air defense.

The Administration gave serious attention to his request but only began to take serious action after the Arab summit conference at Rabat last fall, when King Hussein lost considerable influence and had to give up the right to negotiate for the West Bank of the Jordan River to the Palestine Liberation Organization.

In a memorandum justifying the sale, the White House told Congress that the transaction "would be in the national interest of the United States, strengthening Hussein's internal position and reinforcing Jordan's policies of moderation at a time when Jordan was under heavy political pressure from outside forces (including the P.L.O.) and when the morale of its armed forces was suffering from the absence of any air defense."

The sale, the memorandum said, "would not alter the overwhelming military superiority which Israel enjoys vis-à-vis Jordan, but should contribute significantly to the confidence of the Jordanian military in their ability to deter attack on their country from any direction, thus helping to support a moderate and responsible government and maintain its close ties to the United States."

The sale will be in cash, with Jordan expected to receive most of the money from Saudi Arabia.

[From the New York Times, July 11, 1975]

HUSSEIN SAYS JORDAN WILL PROTECT SYRIA

(By Juan de Onis)

BEIRUT, LEBANON, July 10.—King Hussein of Jordan said today that we was buying sophisticated American weapons for his armed forces to defend Syria against any flanking attack by Israel through Jordanian territory.

In an interview published here by Al Hawadess, the most widely circulated weekly magazine in the Arab world, King Hussein also hinted that he might allow Palestinian guerrillas to pass through Jordan to the Israeli-occupied West Bank of the Jordan River if they did not return to Jordan as a sanctuary.

King Hussein appeared to be seeking to restore his position in the Arab world by presenting Jordan as a bastion against Israel and a supporter of Palestinian aspirations to recover their homeland.

RECONCILIATION REPORTED

The interview coincided with a front-page article in a pro-Palestinian newspaper, Al Moharrer, reporting that Syrian mediation had produced a reconciliation formula between Jordan and the Palestine Liberation Organization.

According to this report, which was partly confirmed by Arab diplomatic sources, the guerrillas would be allowed to establish bases near Irbid, Salt and the Jordan River Valley "provided they do not carry out any activity against Israel."

The report said the guerrillas would be under the command of the Palestine Liberation Army, which has a unit of about 5,000 men stationed in Jordan under the command of the Jordanian Army. It has been inactive against Israel.

The Al Moharrer report implied that the Palestinian guerrillas would be permitted into Jordan under tight control as a purely defensive force, to act in coordination with the Jordanian military against any Israeli attack.

King Hussein gave a different interpretation, however, to what Palestinian guerrilla activity could be. He said:

"The point of difference between us and the P.L.O. lies in the concept of revolutionary action. We believe that the revolution should be within occupied territory. But for them to enter, carry out operations and then return would bring dangers, the most important of which is allowing Israel to choose the time and place for the battle. If, however, they want to enter [occupied areas] and stay, there is something no one rejects or wants to stop.

BUYING MODERN WEAPONS

King Hussein said that his armed forces were being modernized, largely with United States equipment. He referred to a purchase of a United States made Hawk missile system to provide air defense, and the acquisition of 60 F-5 jet fighters equipped with missiles.

King Hussein said he was also buying helicopter troop carriers and was increasing the mobility of his armored forces. A new Middle East war, he said, would not be one of trenches but of mobility.

King Hussein, who has developed close contacts lately with President Hafez al Assad of Syria, said that in a new war Israel might try to encircle Syria by a thrust to the east through northern Jordan.

He also said the Israelis might try to reach the Moslem holy cities of Mecca and Medina in Saudi Arabia to use them for bargaining over Jerusalem. Arab oil fields in Saudi Arabia and Kuwait might also be a target, he said.

Any such attacks, which would have to pass through Jordan, would be met with "a quick, firm and strong retaliation" by the Jordanian armed forces, the King said.

THE FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. CLAY) is recognized for 5 minutes.

Mr. CLAY. Mr. Speaker, on July 10, 1975, the Subcommittee on Employee Political Rights and Intergovernmental Programs favorably reported a "clean" bill to the full Committee on Post Office and Civil Service. This bill restores to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes. It prohibits the misuse of authority, coercion, and illegal use of funds; political activity while on duty; and establishes an independent Board to adjudicate violations of the law.

This bill is an outgrowth of H.R. 3000, the Federal Employees' Political Activities Act of 1975, which I was privileged to cosponsor with 64 of my colleagues. The bill incorporates many of the recommendations made by the 105 witnesses, who testified before the subcommittee during 11 days of hearings in Washington and six other cities across the Nation on the regulation of political activity of Federal civilian and postal employees. We have benefitted from their suggestions and, in my judgment, the legislative process has been enriched.

The significant difference between H.R. 3000 and the subcommittee bill is that H.R. 3000 listed permissible political activities. The subcommittee bill, however, permits all activities except those involuntary activities which tend to erode the merit system and to operate against compelling public interest. It also establishes a strong mechanism for the administration of the law.

The major provisions of the subcommittee bill, which I have the honor of introducing today, with the cosponsorship of Mrs. SPELLMAN, Mr. SOLARZ, Mr. WILSON, Mr. HARRIS, and Mrs. SCHROEDER follows:

States that federal employees are encouraged to exercise their right of voluntary political participation.

Prohibits the use of official authority, influence, or coercion with the right to vote, not to vote or to otherwise engage in political activity.

Prohibits use of funds to influence votes; solicitation of political contributions by superior officials; and making political contributions in government rooms or buildings.

Prohibits political activity while on duty, in federal buildings, or in uniform.

Provides leave for candidates for elective office.

Establishes an independent Board on Political Activities of Government Personnel whose function is to hear and adjudicate alleged violations of law.

Authorizes the Civil Service Commission to investigate alleged violations of law and provides for subpena authority, due process, and judicial review of adverse decisions.

Subject violators of law to removal, suspension or lesser penalties at the discretion of the Board.

Requires that the Civil Service Commission conduct a program for informing federal employees of their rights of political participation and report annually to the Congress on its implementation.

Mr. SPEAKER, this bill is a milestone in realizing full and complete political suffrage for Federal employees.

In order that my colleagues may fully understand the differences between existing law and the subcommittee bill, I offer the following comparison of the provisions of existing law and the subcommittee bill:

THE FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT OF 1975—A FUNCTIONAL COMPARISON OF EXISTING LAW AND THE SUBCOMMITTEE BILL

POLICY AND PURPOSE

An Act to prevent "pernicious poltical activities" by federal employees.	States that it is the policy of the Congress that federal civilian and postal employees be encouraged to exercise their rights to voluntary political participation. Sec. 7321.

COVERAGE

All employees in federal executive departments and certain other competitive employees are covered by the Hatch Act.	All employees in federal executive agencies, the government of the District of Columbia, the competitive service, and the postal service, including the President and Vice President are covered by the bill. Sec. 7322.

PERMISSIBLE ACTIVITIES

The right to vote, non-partisan political activities and other inactive political activities under regulations prescribed by the Commission.	The right to participate voluntarily in those political activities which are not expressly prohibited by law. Sec. 7321.

THE FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT OF 1975—A FUNCTIONAL COMPARISON OF EXISTING LAW AND THE SUBCOMMITTEE BILL—Con.

PROHIBITED ACTIVITIES	
Prohibits the "use of official authority or influence to coerce" another person, to make a political contribution, or to take an active part in political management or campaigns. Prohibitions are subject to the regulations of the Commission.	Prohibits involuntary political activity. Specifically the use of official authority with right to vote or otherwise engage in political activity. Sec. 7323; use of funds to influence votes; contributions to supervisors or in government buildings. Sec. 7324; and political activity on duty, in government buildings, or in uniform. Sec. 7325.
ELECTIVE OFFICE	
Prohibits candidacy for elective office, except in designated federal impacted areas, non-partisan elections, or under conditions prescribed by the Commission.	No prohibition. Provides leave for employees to seek elective office. Sec. 7326.
ADMINISTRATION	
Civil Service Commission is responsible for investigative, adjudicating and imposing penalties for all alleged violations of the law.	Civil Service Commission is responsible for the investigation of alleged violations of law. Sec. 7328. An independent Board is established with the functions of adjudicating and imposing penalties for violations of the law. Sec. 7327.
ENFORCEMENT	
Commission lacks subpoena authority. Employees do not have the right of judicial review. Enforcement procedure is not established by statute.	Commission is provided with subpoena authority. Employees have the right of judicial review of adverse decisions. Bill provides for investigatory and adjudicative procedures. Sec. 7328.
PENALTIES	
Mandatory dismissal from employment for violators of the law, except that upon unanimous vote of the Commission, a penalty of thirty days' suspension may be imposed.	Subjects violators of the law to removal, suspension or lesser penalties at the discretion of the Board. All decisions by majority vote of the Board. Sec. 7329.
JUDICIAL REVIEW	
None.	Provides employees with the right of judicial review of adverse decisions. Sec. 7328(f).
EDUCATION PROGRAM	
None required by statute.	Requires that the Commission conduct a program informing federal employees of their rights to political participation and to report annually to the Congress on its implementation. Sec. 7330.
ANNUAL REPORTS	
None.	Annual reports to the Congress required including investigations, funds expended results, and evaluation of the effectiveness of the investigation and educational programs. Sec. 7330.

STATEMENT BY HON. DOMINICK V. DANIELS ON INTRODUCTION OF ON-SITE CONSULTATION AMENDMENT TO THE OCCUPATIONAL SAFETY AND HEALTH ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 10 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I am today introducing an amendment to the Occupational Safety and Health Act of 1970 to provide for a 3-year program of consultation and education to employers requesting these services from the Department of Labor. My single purpose is to strengthen OSHA by providing an additional program to encourage employers to voluntarily comply with safety and health standards established under the act.

This amendment will not weaken or diminish the vital enforcement provisions of OSHA, including first instance sanctions. My proposal separates the functions and personnel responsible for enforcement and consultative services. Further, funding of consultative manpower should not be at the expense of appropriations for compliance personnel. Accordingly, I am including a new authorization for consultation and education to insure that funds are not siphoned from enforcement programs to finance consultative services.

Congress cannot and must not deviate from its standing commitment to millions of American workers as stated in the occupational safety and health legislation:

> To assure safe and healthful working conditions for working men and women by authorizing enforcement of the standards developed under the act.

Since passage of OSHA in 1970, the Subcommittee on Manpower, Compensation, and Health and Safety has conducted extensive oversight hearings to determine the effectiveness of the legislation. In the 92d Congress, the committee held 6 days of hearings; in the 93d Congress, 16 days; and in this session, 5 days. We have gone into the field to listen to the suggestions of both workers and employers. We have heard from Members of Congress representing districts in all regions of the country. We have not shirked our oversight responsibilities.

In addition, the members of this subcommittee have engaged in debate during annual consideration of regular OSHA appropriations. In June, 1974, the house voted an appropriation of $5 million for consultation to employers in States without operative State occupational safety and health plans. However, final passage of the 1974 appropriations bill occurred in December 1974, and the Labor Department initiated its rulemaking procedures in January 1975. Final rules were promulgated in May, after comments were received from many public parties, affected employers, and Members of Congress.

The preempted States have therefore had relatively little opportunity to enter into the current program negotiated on a 50-50 matching basis during fiscal year 1975. Thus, the House continued consultative services through a similar appropriation in the fiscal year 1976 bill passed June 25.

Mr. Speaker, I participated extensively in debate on the OSHA 1976 appropriations, and I listened intently to the suggestions of my colleagues. I pledged that, as chairman of the authorizing committee, I would come forward quickly with a proposal to assist the employer who desires to comply voluntarily with OSHA standards. I concur that voluntary compliance is essential to a successfully functioning OSHA program. In introducing this bill, I remain firmly committed to the first-instance sanctions provision in existing law as the fundamental incentive to employers' voluntary compliance prior to inspection.

However, I am further aware that many employers—particularly small business men and women—lack financial resources to retain private consultants to counsel applicability of OSHA standards to their work sites. I realize also that many States today are experiencing fiscal constraints which preclude participation in the current OSHA 50-50 contract program for consultative services.

Therefore, I am introducing an onsite consultation and education amendment to section 21, OSHA, and have scheduled hearings before my subcommittee on July 22, 23, and 24. The authorizing committee will welcome the testimony of concerned Members of Congress regarding my proposal.

My amendment establishes an onsite consultation and education program carried out by the Department of Labor with 100 percent Federal funding in States without State OSHA plans, based upon an employer's request for these services. A preference is given to small business establishments and hazardous work sites. Consultative personnel must provide the employer with a written report in order to clarify recommendations on improving safety conditions in the work place.

A consultative visit is not an inspection, and the personnel are separate. Accordingly, no citation or civil penalty may be assessed by a consultant, except that if he observes an imminent danger to the life of workers, he shall inform the employer to immediately correct the hazard. If the employer does not act, the consultant must institute procedures under section 13, to counteract imminent dangers.

Further, if a consultant determines that a condition could result in death or serious physical harm to employees but is not an imminent danger as defined in the act, he must inform the employer and give him a reasonable opportunity to eliminate the hazard. Should the employer fail to act within the prescribed time period, the consultant shall notify the appropriate OSHA area office. In this situation, it is expected that the area office will not permit this danger to workers' health and safety to continue.

I believe that this procedure will be effective because the conscientious employer who requests onsite consultation in order to voluntarily comply with OSHA would quickly eliminate any hazard of a serious nature once the danger is brought to his attention. In addition, the program will educate employers as to the applicability of standards and simultaneously afford greater protection to the worker in instances where insidious dangers may have gone undetected. In the area of health hazards especially, an employer frequently knows of the potential dangers of certain chemicals and other substances in the work place, but he lacks the sophisticated knowledge and expertise which a trained OSHA consultation could provide.

In order to further encourage an employer to use this service, my bill provides that in the event of an inspection following onsite consultation, the employer is not required to give the consultative's written report to the enforcement personnel. If the employer chooses to supply the report, it may be used to determine his good faith in the event that penalties are under consideration for a violation. However, because conditions in a work place are constantly changing, the findings of a consultant in his report will not be binding on compliance officers.

My amendment authorizes an approriations of $2 million for the period from July 1, 1975 through September 30, 1976; $7 million for the fiscal year ending September 30, 1977; and $8 million for the fiscal year ending September 30, 1978.

I am joined today by several colleagues who have had many years of experience in the field of occupational safety and health legislation: Mr. ESCH, Mr. HAWKINS, and Mr. STEIGER of Wisconsin. We are introducing this amendment as a bipartisan endeavor to strengthen OSHA through a program of onsite consultation to encourage employers to voluntarily comply with OSHA standards.

OIL AND CONFRONTATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, as we prepare to consider the issue of the decontrol of domestic oil prices, it is essential to keep in mind that the current international price of oil has absolutely nothing to do with traditional free market concepts of supply and demand.

There can be no mistake about it. We do not have competitive free enterprise in international oil today. What we do have is a producer cartel that has fixed the world price of oil at an artificially high level—a level that has no relation whatsoever to competition or cost of production.

We are all aware of the devastating impact which international oil prices have had on the American economy. Yet we continue to insist that there is nothing that can be done about the excessively high price of foreign oil. We remain enslaved to the dogma of past experience.

Yesterday, July 13, the Washington Post published an editorial written by Senator FRANK CHURCH which disputes the widely held assumption that we must stoically accept artificially high international oil prices. This is a particularly timely piece, and I commend it to my colleagues for serious reflection.

The editorial follows:

OIL AND CONFRONTATION

(By Frank Church)

The national energy debate has missed the point. It has focused almost exclusively on the alleged deficiencies of Congress in failing to enact higher gasoline taxes as a means of encouraging long-term conservation. But the price of international oil has nothing to do with traditional free market concepts of supply and demand. Rather, it has to do with a price politically imposed by OPEC, the producers' cartel.

At present, there is estimated to be a surplus of worldwide oil productive capacity in excess of 13 million barrels a day. So there is no shortage of oil. This surplus is shut-in by the cartel members to maintain the price at its present exorbitant level, which is 500 per cent higher than it was on October 1, 1973, hardly 18 months ago. We are on notice from the Shah of Iran that a substantial further price rise in the range of $2 to $4 per barrel can be expected in late September of this year. What is at issue is thus a political power play by the OPEC cartel led by Iran and Saudi Arabia. An increase in the gasoline tax will not have the slightest effect on the projected September OPEC price increase.

What, then, can the United States do? First, it can introduce the principle of reciprocity into our relationships with Iran and Saudi Arabia. These countries should not expect that they can impose continuously escalating oil prices upon the United States and other oil consuming nations and still have unrestricted access to American military sales and industrial technology. Last year we sold $3.8 billion in arms to Iran, the leader within OPEC in jacking up the price of oil.

But the Shah could not achieve his price objectives without the aid of Saudi Arabia, the cartel's largest producer at 6.8 million barrels a day and with a productive capacity of 10.6 million barrels a day. In Saudi Arabia, the U.S. Army Corps of Engineers is managing construction projects in excess of $1.8 billion for the Saudis. The Pentagon is selling billions of dollars of arms and technical assistance to Saudi Arabia and the administration is actively promoting corporate investment in Saudi Arabia. Not surprisingly, then, Iran and Saudi Arabia feel that the United States needs them more than they need us.

The administration's policy is based upon three basic considerations: that these two countries are essential to keep Russian influence out of the Persian Gulf area; that Saudi Arabia is a moderating influence in the Arab world, both with respect to the Arab-Israeli dispute and in damping down indigenous radical forces; and that it is essential to conciliate Iran in order to ensure that, in the event of a renewed Arab oil embargo, Iran will continue to supply oil to Western Europe, Japan and the United States.

It is time to question these premises. Iran and Saudi Arabia do not need to be induced to do what they can to limit Russian influence in the area. In their own interest, the present rulers of these countries must oppose a dominant Soviet presence in the Persian Gulf. Similarly, Saudi Arabia must oppose revolutionary forces in the Arab world, for the Saudi dynasty would be the first victim of such forces. It is in the Saudis' own interests to support a "moderate" regime in Egypt and to oppose a new Arab-Israeli war, since such a war could lead to radicalization in the Arab world.

Finally, the likelihood is small that Iran would join in the Arab oil embargo of the U.S. or the Western nations. Iran has a voracious need for revenues because of its large population and ambitious development needs. Rather than cut off oil and, therefore, revenue, Iran is more likely to take advantage of an embargo by continuing to ship oil at even higher prices.

In short, it is time we stopped viewing Saudi Arabia and Iran as pawns in the cold war with the Soviet Union. They have demonstrated that they have the will and the capacity to impose great economic harm on the oil consuming world. Indeed, they have achieved a greater degree of destabilization in the West than the Communists have ever been able to achieve.

We should assess our relations with them in terms of the benefit or loss to the national interests of the United States. We should link arms sales, technical assistance and industrial cooperation assistance and industrial cooperation to their oil price policies. There is reason to believe that France, the major Western arms competitor, would cooperate in such a policy.

The U.S. should also seek to maximize internal stress within the cartel. The one decision the OPEC cartel has historically sought to avoid is pro-rationing production among its member states. These states are diverse in population, oil reserves and political system. Agreeing on criteria for pro-rationing production is a difficult, if not impossible, task. They are saved from having to do it by the seven major oil companies—Exxon, Mobil, Texaco, Socal, BP, Shell and Gulf. These companies have investments in most of the OPEC countries. As Business Week and Fortune Magazine, hardly radical publications, have noted, the companies, in order to protect their investments, pro-ration production within the cartel countries. That way they save the cartel from confronting this task. Not surprisingly, in recent months the OPEC countries, recognizing the utility of the function performed by the companies, are no longer demanding 100 per cent ownership of the oil production facilities.

But it is in the American national interest to have the companies removed from an equity position in the oil producing states so that they will no longer have an incentive to pro-ration production among these countries. The companies should be purchasers of crude oil buying from the cheapest available source. The State Department should be pressing both producing states and companies to consummate the buying out of the major oil companies' ownership interests. If this is not done, then, the U.S. government should intervene to become the exclusive purchaser of imported crude oil.

Finally, I am convinced that the Congress will compromise with the President on offshore U.S. drilling, strip mining and accelerated exploration and development of Petroleum Reserve Number 4 in Alaska, if the President is genuinely interested in cooperation and not confrontation for political purposes.

Undoubtedly, critics of my approach will charge that I am advocating a policy of confrontation with OPEC, particularly Iran and Saudi Arabia. If there is confrontation, that confrontation was forced upon us by these countries through their extortionate oil price increases, the greatest destabilizing force in the Western world.

If anyone has any doubts on this score, I refer them to the illuminating paper recently circulated by Walter Levy, the respected oil economist. Persuasively destroying the Pollyanna assurances of our Treasury Secretary, Mr. Levy concludes that far from disappearing in the next five years, OPEC *surpluses* will accumulate to nearly $450 billion. We delude ourselves if we think that this massive transfer of wealth will not have catastrophic consequences, both political and economic, for Western society, Japan, and the poorer countries. This issue should not be hidden behind the phony smokescreen of pillorying the Congress on the gasoline tax increase.

THE ECONOMIC NECESSITY FOR MAINTAINING TOBACCO PRICE SUPPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. JENRETTE) is recognized for 10 minutes.

Mr. JENRETTE. Mr. Speaker, perhaps the most frequent argument against tobacco production is that it makes no sense to provide Federal price supports for growing a plant that the Surgeon General has determined is harmful to one's health. Those who offer this argument smugly refuse to listen to a rebuttal, interpreting this as unassailable logic. I submit that there are not only very good arguments to such critics, but highly persuasive ones.

First of all, let us look at a few positive things about tobacco: Other nations can duplicate the quality of our cotton, our soybeans, and our grains. But the one thing they have not been able to duplicate is the unique flavor and quality of our tobacco. Accordingly, American tobacco exports made a positive contribution to our balance-of-payments dilemma last year as we exported $1 billion worth. About 40 percent of our tobacco is earmarked for export.

At home, taxes on tobacco are an intrinsic part of the economy in every State. Excise taxes on tobacco last year amounted to $5.8 billion throughout the United States.

The present 65-percent formula—dating from 1959—is far behind the realities of today's production costs, which increased last year by 35 percent. We tried unsuccessfully earlier in this session to raise the support level to 70 percent of parity. This modest increase would have raised the support level for flue-cured tobacco from 93.2 cents a pound to $1.04½. It would have raised the level for burley from 96 cents to $1.12.

I want to emphasize that, even with that effort, we were not really doing the tobacco farmer a big favor. Prices are expected to stay well above this support level. We were simply trying to offer the much neglected tobacco farmer a psychological boost. The chances were overwhelming that this support level increase would not have cost the taxpayer 1 cent. One of the reasons that the legislation ran into tough sledding was the health issue. Again: Why should the Federal Government subsidize a product deemed injurious to a person's health?

First of all, since the Surgeon General's report, cigarette smoking has continued to increase steadily. People apparently will continue to smoke regardless of such reports. I do not smoke. But that certainly does not mean that I would tolerate for an instant being told that I could not smoke because of the Surgeon General's report. We tried prohibition once, but alcohol was the target. This resulted in such a ridiculous scofflaw situation that the noble experiment was summarily abandoned. A big killer is the overeating habits of many Americans. But who would dare suggest that the Government begin telling Americans they can eat only portions of a certain size? Can you see a message on a sack of potatoes that states: "Warning: The Surgeon General has determined that overeating potatoes is dangerous to your health?" There is no warning on a bottle of gin or bourbon, and yet we know that immoderate drinking can be fatal. The Government does not require motorcycle manufacturers to print a warning that states: "Warning: Motorcycle riding may be harmful to your health." Yet we all know that cyclists involved in motorcycle accidents have a very high mortality rate.

People are going to indulge themselves in life's minor vices. This is as inevitable as the rise and fall of the tides. So we know that the people of the United States will resist any attempt to restrict the use of tobacco or alcohol by legislative fiat as stubbornly as we resisted British attempts to keep up a servile, colonial fiefdom.

Granted those facts—and I think that all reasonable men will—why on earth should we penalize the one agricultural commodity that rewards us by helping the balance-of-payments deficit? Why should we penalize a program that is not costly to the American Government?

Statistics from the U.S. Department of Agriculture show that the average tobacco farm is only 2 acres. Tobacco is one of the few cash crops a man can raise on small acreage and still make a little money. There are many States—and not all Deep South States by any means—where tobacco is a vital part of the economy. To use my own State as an example, there are over 33,000 families who are associated with tobacco farms or the tobacco industry. They depend on tobacco for sustenance. It is not as if they were growing Turkish poppies and preying on the broken lives of others. There are 600,000 American families whose livelihood depends either in whole or in part on the production of tobacco.

In the past few years a group of anti-tobacco zealots has sprung up in this country. Last month, the so-called third world conference on smoking and health was held at the Waldorf-Astoria in New York. Some 500 anti-tobacco activists from nearly 50 nations got together to discuss a strategy to end all smoking. Sir George Godber of Great Britain led the conference. He said:

> Our target in the long run is the elimination of cigarette smoking.

He called smoking a "dirty, antisocial practice." He called tobacco companies "the enemy" and "merchants of death."

I found it amazing that a group could get so hysterical about smokers and not care enough to make the same public outcry over pollution by heavy industry, automobiles, or cancer-causing substances in our rivers and streams.

You and I and every other taxpayer contributed our share to pay for this silly conference. The affair cost U.S. citizens more than $250,000. The money went from HEW to the American Cancer Society, and from there into the expense accounts of about 150 foreign delegates who were paid air fare and $50 a day for living and food and beverage expenses at the Waldorf Astoria.

Let us not forget that tobacco was the product that saved the Jamestown Colony, that financed the war that freed us from the British Empire, and without which there might not be a bicentennial celebration to observe.

Here are some quick facts on the economic impact of tobacco:

Tobacco provides employment for warehousemen and their employees in 900 warehouses in 176 markets in 12 States.

Some 600,000 farm families depend on tobacco for most or part of their incomes.

Some 125,000 other workers get their incomes from the tobacco industry.

There are 66,100 tobacco manufacturing employees.

There are 2,374 tobacco wholesalers in the United States.

Tobacco is the fifth largest cash crop in the United States, behind corn, cotton, soybeans, and wheat.

Tobacco is grown in 25 States on 420,000 farms and worth, in farm income, approximately $2 billion.

Under the much-maligned support program, the Commodity Credit Corporation makes loans to farmers through their associations with the tobacco as collateral. The associations handle and sell the tobacco and repay the loans as the tobacco is sold. The realized cost of the price support program since its inception in 1933 has been only 0.13 percent of 1 percent of the cost for all farm commodity price support operations. So never let anyone say that tobacco is being subsidized by the Federal Government because it simply is not true.

Why do we even bother to have a floor under prices—or provide price supports at all? The answer to that is simple. It costs from $1,000 to $1,500 per acre in investment to grow tobacco. It is not like corn or soybeans because it requires a substantially higher investment to start. What most people do not realize is that banks help all but the extremely wealthy tobacco farmers begin each year. The banks feel much more at ease with at least the minimal floor under prices in the event that hail or some other natural disaster wipes out a crop.

As I mentioned before, tobacco is one of the few crops that aids our balance-of-payments dilemma. The United States is the leading tobacco exporter in the world. You can buy Brazilian tobacco at 30 cents a pound if you want to smoke a bland, tasteless mixture. But only the soil conditions and the climate of the U.S. Tobacco Belt can produce a leaf whose flavor has no parallel anywhere else in the world. In 1974, for example, the United States exported tobacco products totaling $1,200,000,000. This was a $1 billion shot in the arm for our balance-of-payments deficit.

Despite all of this, tobacco carries what I believe is an unfair tax burden. The almost $6 billion that was collected in 1974 from municipal, State, and Federal taxes on tobacco represented half the average retail price of a package of cigarettes.

To the allegation that tobacco manufacturers are "merchants of death," let me remind you that the combined commitment by the tobacco industry for smoking and health research has amounted to approximately $46 million since the mid-1960's. In many years, the tobacco industry's commitment in this area has exceeded that of any government agency, and substantially exceeds the research expenditures on smoking and health by all of the voluntary health associations combined.

Although tobacco uses only about 4 percent of the Nation's cropland, it usually ranks—as I stated—fourth or fifth as our most valuable cash crop. One of the biggest—if not the biggest—tobacco farm in the United States is a farm in North Carolina of about 1,500 acres. That would be a small wheat farm in Kansas.

We are constantly lamenting the demise of the small farm. A man cannot make a living raising cotton, corn, or soybeans on a small farm, but he can on a small tobacco farm. If we should ever, through some misguided policy, drive the small tobacco farmers to the city, then some 600,000 farm families would follow their predecessors of other crops to the cities where welfare rolls would grow and manpower retraining programs would have to be beefed up. Corporate farms would grow bigger, and prices paid by consumers would skyrocket.

Despite the Surgeon General's report, consumer demand for tobacco products has risen steadily. There is no fluctuation as with other farm commodities. The demand is rock steady and increases annually. During the 1974 fiscal year, U.S. consumers spent an estimated $14 billion for tobacco products. Taxes represented about four times the amount tobacco farmers received from their tobacco sales.

Incidentally, some of the most respected medical researchers in this country have disputed the findings of the Surgeon General's report. One noted that the Surgeon General's own statistics show that a person who smoked cigarettes for 10 years and then stopped would be less likely to develop cancer than someone who had never smoked at all. Now, I do not claim to know about the validity of such interpretations of the statistics, but I do know that medical researchers are in sharp disagreement. Still others blame traces of polonium 210 on tobacco leaves as causal agents. Others feel that today's pollution, stress-filled environment—particularly in big city areas—has more to do with lung disease than cigarettes.

But we are sure of some things: tobacco is the most successful commodity program ever operated in the United States. Farmers have voted upon themselves production controls for mandatory price supports. That 0.13 percent of one percent cost to the USDA price support operation was on over 55 billion pounds of tobacco produced since 1940. Not one other farm commodity can match that record.

Tobacco farmers are a breed apart. They voluntarily opted for minimum Government outlay and chose to limit production to high quality tobacco. That is why the American tobacco product is still in demand. That's why Brazilian tobacco sells for 30 cents a pound. But the world is not beating a path to the door of Brazil or any other country to purchase their tasteless tobacco.

Here are some more quick facts about tobacco. Total U.S. consumption of tobacco, including U.S. servicemen overseas, included:

Over 610.4 billion cigarettes in 1974, the highest consumption ever despite curtailment of advertising on television.

About 6.4 billion cigars and cigarillos in 1974.

About 59.6 million pounds of pipe and roll-your-own tobacco during the same time span.

About 79.2 million pounds of chewing tobacco.

About 25.0 million pounds of snuff.

U.S. cigarette manufacturers produced 635 billion cigarettes. Of this number, 10.4 billion were shipped to our overseas forces; another 1.9 billion went to Puerto Rico and U.S.-owned islands, and 46.9 billion went to other countries.

Per capita U.S. consumption of cigarettes last year, for persons 18 and over, was 4,150 compared with 3,985 in 1970.

In view of the solid record of achievement of the tobacco industry, the economic value of tobacco to the Nation, the contribution in the form of taxes and health research, it is most difficult for farmers to understand the unrelenting efforts of a small but vocal segment of society apparently bent on destroying the tobacco industry.

VEPCO'S INEXCUSABLY POOR PERFORMANCE

(Mr. **BROOKS** asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. **BROOKS**. Mr. Speaker, last week I made a statement in the Record about Vepco's inexcusably poor performance in responding to consumer problems. On Saturday the Washington Post carried a very incisive article by Hal Willard suggesting that Vepco is equally nonresponsive and arrogant toward the Federal and State Governments. Furthermore, Vepco now wants their beleaguered customers to pay for the fines that have been assessed for their supplying material false statements to the Nuclear Regulatory Commission.

I insert the article entitled "The Siege of Vepco" in the Congressional Record.

The Siege of Vepco

(By Hal Willard)

Virginia Electric and Power Co. is under siege. The ability of its management has been questioned; its customers are protesting rate increases; its shareholders are worrying about their investments and dividends; environmentalists strive to prevent development of nuclear power; and the company is struggling with financial and labor problems.

But despite the fact that its every move is suspect and under scrutiny, Vepco continues to reflect seeming arrogance in some actions and statements. The paradox of its embattled position and its attitude has become an enigma of our time.

At a recent hearing before the Atomic Safety and Licensing Board, three Vepco officials testified that if the company is fined by the Nuclear Regulatory Commission for material false statements, the fine should be paid by consumers, not shareholders.

The company—whose management was criticized at the same hearing—has been found guilty on 12 counts of material false statements in connection with the geological fault beneath its North Anna nuclear plant.

The next day, the State Corporation Commission announced it would not let Vepco charge fines to consumers. Vepco replied that it had not charged previous fines to consumers, but the whole matter may have to be decided by the courts.

This case is merely the latest in a long series of charges against and complaints about Vepco by consumers, environmentalists and the NRC since it began construction of nuclear power plants.

One wonders how citizens find themselves in a position of perpetual warfare with a supplier of a necessity of life as we live it: electricity.

Vepco is in part a victim of circumstances. Many of the present problems that beset the company and its shareholders and customers revolve around the company's effort to develop nuclear power as the foundation of its generating systems.

When Vepco decided to "go nuclear" 15 years or so ago, it, like other utilities across the country making the same decision, thought it was just another executive option based on sound business management principles: generating plants that used nuclear power instead of fossil fuel (oil or coal) would take longer and cost more to build, but they would produce more electricity for less money and over the long haul would be a much more efficient and economic way to meet the nation's escalating demands for electricity.

Little did Vepco and other companies know about the regiment of sleeping giants lying in wait for them: environmentalists suddenly awakened to the potential hazards of nuclear power, technology that didn't turn out to be as perfect as promised; galloping inflation.

The complaints of the environmentalists and the technological failures resulted in constant revision and tightening of regulations and raising of safety standards and requirements for construction and operation of nuclear plants—increasing the time and money expended.

As environmentalists belatedly began exercising their rights to demand information from the utility companies, the utility executives—apparently seeking to avoid delays and higher costs—became more secretive and evasive and often resorted to incomplete information if not misinformation.

They were not accustomed to the press and public paying attention to anything about them besides their financial statements. Surely this new concern was temporary; surely the rough questions and accusations would go away. But the concern grew and the questions became tougher.

A decision to go nuclear was perhaps as large a decision as any utility company executive would have the opportunity to make. Frequently, it meant that the results of the decision would not be seen until long after the executive's retirement. Such a decision—because of the time and money involved—charted the course for the company literally for decades.

Therefore, it seemed, those decisions had to be defended. There was no turning back, so there could be no major mistakes. Senior executives appeared at public hearings surrounded by phalanxes of junior executives who worked in concert with their testimony to protect "the company."

Press queries were met with extremes: either obfuscation or elaborate briefings and tours, depending on whether the reporters wanted the same information the companies wanted published.

Consequently, the credibility of many utility companies—and Vepco in particular—has steadily declined. The Nuclear Regulatory Commission has become one of the chief doubters—and ironically, under its former title of Atomic Energy Commission, had its own credibility problem.

Things have reached the point where any statement to a regulatory agency by a utility company—and Vepco in particular—must be accompanied by documentation that can be proven in greater and greater detail.

In fact, Vepco's record of obfuscation, partial answers and general recalcitrance in regard to public and regulatory queries about its nuclear program, or any question of violations, had become so much a way of life that a sign of cooperation by the company seems to have been cause for rejoicing.

The instance came at the hearing before the Atomic Safety and Licensing Board on a penalty for Vepco's guilt on the 12 counts of submitting material false statements. Edson Case, deputy director of the NRC's office of nuclear reactor regulation, was on the stand. He was asked if he thought Vepco's attitude and responses about following regulations and reporting violations had improved after previous fines had been levied by the NRC.

He said yes, and cited this example: Recently, he received information from a source he didn't name that a building at Vepco's nuclear plant at Surry along the James River had settled more than it should have. Case said he learned this late in the afternoon on a Friday and called Vepco after 5 p.m. to ask about the report.

He said Vepco went to work immediately over the weekend, calling in experts and contacting people around the country, and "when I came to work on Monday Vepco was ready with a detailed explanation."

Case indicated on the witness stand that an investigation was still under way, but an NRC spokesman said a few days later that it appeared there was "no problem."

Vepco had not been quite as fast about reporting problems as it has been in explaining "no problems."

It emerged at the same hearing that Vepco has been charged with failure to report promptly the settling of a pump-house at North Anna. The "significant deficiency" began to occur in December, 1972, according to the NRC charge, and was not reported until April 16, 1975. That charge still is under investigation.

However that charge is resolved, the impression is left that Vepco responds rapidly and fully to official queries, when it wants out.

TOWARD RESTORING POWER AND PRESTIGE OF THE CONGRESS

(Mr. BROOKS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, I have introduced today a bill that would go a long way toward restoring to Congress some of the power and prestige that have slipped away to the executive branch over the years.

My bill provides for the appointment by Congress of four officials whose duties clearly place them within the legislative branch, but who are now appointed by the President. I refer to the Architect of the Capitol, the Comptroller General, the Public Printer, and the Librarian of Congress.

These offices were created by Congress to serve congressional interests and they should be completely responsive to Congress. It is hard for me to understand how earlier Congresses could decide to leave their appointment to the President.

The Constitution says the President has the power to appoint "officers of the United States," with the clear implication that such officers are intended to help him carry out his executive duties. But, the Constitution also says the House and Senate shall choose their own officers; and, I submit, Mr. Speaker, that the Architect of the Capitol, the Comptroller General, the Public Printer, and the Librarian of Congress, functioning as they do within the legislative branch, are properly defined as officers of Congress rather than officers of the United States.

It is interesting to note that the U.S. Government Manual, the official handbook of the Federal Government, properly lists all four offices under the legislative branch.

The manual describes the Architect of the Capitol as "an agent of Congress." It defines the basic purpose of the General Accounting Office, over which the Comptroller General presides, as to "assist the Congress, its committees and its members to carry out their legislative and overseeing responsibilities." The manual further points out that "under the organic law, the Library's first responsibility is service to Congress," and it identifies the congressional Joint Committee on Printing as "the board of directors" of the Government Printing Office.

Despite the clearly defined congressional purpose behind each of these offices, Congress has been curiously content to leave the vital power to appoint their heads to the President. For a brief period in the last century the Public Printer was elected by the Senate, but except for the case of the Comptroller General, no alternative to Presidential appointment has been seriously considered for more than 100 years. When the General Accounting Office was created in 1921, a strong argument was made in the House to have the Comptroller General appointed by Congress. But in the end it was decided that such a provision, certain as it was to invite a veto, might endanger the overall legislation, and it was dropped.

Mr. Speaker, Congress can no longer take such a defeatist attitude on so important an issue. The doctrine of separation of powers is basic to our system of government, and Congress contributes to the weakening of that system when it permits the President to exercise authority in the legislative domain.

My bill would place the nominating power for the offices of Comptroller General, Public Printer, and Librarian of Congress in the joint congressional committees having responsibility in those areas—the Joint Committee on Congressional Operations, the Joint Committee on Printing, and the Joint Committee on the Library. The Architect of the Capitol would be nominated by a commission consisting of the Speaker, the President pro tempore of the Senate, and majority and minority leaders of the House and Senate and the chairmen and ranking minority members of the House Administration Committee and the Senate Rules and Administration Committee.

A copy of the bill follows:

H.R. 8616

A bill to provide for the appointment of several officials of the Congress

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PUBLIC PRINTER; APPOINTMENT

SECTION 1. Sections 301 and 304 of title 44, United States Code, are amended to read as follows:

"§ 301. Public Printer; appointment.

"The Joint Committee on Printing shall nominate and the Speaker of the House of Representatives and the President pro tempore of the Senate shall, upon confirmation by a majority vote of each House, appoint for a term of five years with right of reappointment a suitable person, who must be a practical printer and versed in the art of bookbinding, to take charge of and manage the Government Printing Office. His title shall be Public Printer.

"§ 304. Public Printer; vacancy in office.

"In case of the death, resignation, absence, or sickness of the Public Printer, the Deputy Public Printer shall perform the duties of the Public Printer until a successor is appointed or his absence or sickness ceases."

LIBRARIAN OF CONGRESS; APPOINTMENT; RULES AND REGULATIONS

Sec. 2. The first paragraph after the center heading "Library of Congress." in the first section of the Act of February 19, 1897 (29 Stat. 544; 2 U.S.C. 136) is amended to read as follows:

"The Joint Committee on the Library shall nominate and the Speaker of the House of Representatives and the President pro tempore of the Senate shall, upon confirmation by a majority vote of each House, appoint the Librarian of Congress for a term of five years with right of reappointment. He shall make rules and regulations for the government of the Library."

COMPTROLLER GENERAL AND DEPUTY COMPTROLLER GENERAL

Sec. 3. (a) Section 302 of the Budget and Accounting Act, 1921, as amended (42 Stat. 23; 31 U.S.C. 42), is amended to read as follows:

"Sec. 302. The Joint Committee on Congressional Operations shall nominate and the Speaker of the House of Representatives and the President pro tempore of the Senate shall, upon confirmation by a majority vote of each House, appoint the Comptroller General of the United States for a term of ten years without right of reappointment. The Comptroller General shall appoint a Deputy Comptroller General, who shall hold office at the pleasure of the Comptroller General, to perform such duties as he may assign to the Deputy, and during the absence or incapacity of the Comptroller General, or during a vacancy in that office, the Deputy shall act as Comptroller General."

(b) The first paragraph of section 303 of the Budget and Accounting Act, 1921, as amended (42 Stat. 23; 31 U.S.C. 43), is amended to read as follows:

"Sec. 303. If the Office of Comptroller General becomes vacant prior to expiration of the ten-year term, the office shall be filled for a new full term of ten years. When a Comptroller General attains the age of seventy years, he shall be retired from his office."

ARCHITECT OF THE CAPITOL: POWERS AND DUTIES

Sec. 4. The paragraph following the paragraph headed "For the Capitol:" in the first section of the Act of February 14, 1902 (32 Stat. 20; 40 U.S.C. 162) is amended to read as follows:

"A commission consisting of the Speaker of the House of Representatives, the President pro tempore of the Senate, the Majority and Minority Leaders of the House of Representatives, the Majority and Minority Leaders of the Senate, the Chairman and ranking minority member of the Committee on House Administration, and the Chairman and ranking minority member of the Committee on Rules and Administration shall nominate and the Speaker of the House of Representatives and the President pro tempore of the Senate shall, upon confirmation by a majority vote of each House, appoint the Architect of the Capitol for a term of five years with right of reappointment. The Architect of the Capitol shall perform all the duties relative to the Capitol Building performed prior to August 15, 1876, by the Commissioner of Public Buildings and Grounds: *Provided*, That no change in the architectural features of the Capitol Building or in the landscape features of the Capitol Grounds shall be made except on plans to be approved by the Congress."

APPLICABILITY; REMOVAL

Sec. 5. The amendments made by this Act shall not apply with respect to persons occupying the positions of Public Printer, Librarian of Congress, Comptroller General, and Architect of the Capitol on the date of enactment of this Act, but shall apply with respect to any vacancy in such positions occurring on or after such date, and shall apply to any person appointed to fill such a vacancy. Any person appointed to fill such a vacancy may be removed by concurrent resolution of the Congress.

COMMENCEMENT ADDRESS OF HON. EUGENE M. ZUCKERT

(Mr. PRICE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, I want to bring to the attention of my colleagues the commencement address which was delivered by the Honorable Eugene M. Zuckert, the former Secretary of the Department of the Air Force, at the Industrial College of the Armed Forces on June 19, 1975.

I have found Secretary Zuckert's remarks to be both candid and constructive; qualities which are in such great demand at this moment in our Nation's history.

Toward the end of his address, Secretary Zuckert reflects on the total responsibility of the military by concluding that "the job will always be bigger than we can handle perfectly." This realization is, I believe, essential in any serious evaluation of our national defense and the future of our country.

While we must not be lulled into lowering our vision, we must renew our pride in striving toward such worthy goals.

The commencement address of Hon. Eugene M. Zuckert follows:

Remarks by Eugene M. Zuckert

General McGough, Members of the Faculty, The Graduating Class and Your Families, Distinguished Guests, Ladies, Gentlemen—

The commencement speaker at the Industrial College of the Armed Forces, I have learned by experience, should not be flattered by the enthusiasm of his welcome. It is not necessarily a personal tribute.

The realities are that he is the welcomed last of 118 outside speakers and lecturers this year, and his appearance involves no outside reading in preparation, nor any commitment of time for discussion afterwards.

Flattering and honorable as this assignment may be, the outstanding speakers you have had constitute a tough act to follow. The course you've been through, with the lectures, the classroom studies, the outside reading, and the working field trips, has been likened to trying to get a drink from a fire hose. The job of commencement speaker is to turn the hose off without turning you off.

I congratulate you on your completion of this course.

You and your colleagues at the National War College have had an education opportunity that has to be the envy of those in other walks of life. Even with the recent advances in education for people in industry, there is no parallel in the private sector in terms of the breadth and depth of exposure to national problems. There is simply no other institution of higher education in America where the definition and the serving of the national interest is the sum and substance of the curriculum.

These two schools provide an expensive education by any standard. But it is worth every cent of the cost to the taxpayers if you have taken full advantage of it. You have had an opportunity to gain new insight into the fundamental problems of applying the nation's resources to defense, in managing those resources once they are committed to the military, and in understanding the relationships among the civil and military strengths and capabilities that go to make up national security. The real test of the value of this school and what you have learned from it comes when and if the Services place you in the major decision-making roles. If this school has made a substantive contribution to your qualification and success, then the country's gain will be yours too, because the next ten years should be the most fruitful of your career.

The importance and cost of military education, particularly postgraduate education, certainly justify the intensive study and attention the defense education system is currently receiving at the highest levels of the Department of Defense. The examination is made necessary in part by doubts expressed in key places in the Congress as to the value of post graduate education. My third of a century of observation, starting with my teaching experience at the beginning of World War II, convinces me that it pays off—and pays off big.

I am confident that in the DOD studies, along with recommended improvements, there will be recognition of the importance of preserving the values of many school activities and programs which have been developed over the years to serve the school mission. With respect to ICAF, for example, this school has done much to achieve a better degree of balance of the scales of opportunity and training for the officer whose future service career leads into the area of resource management rather than plans and operations. There is more to be done toward this balancing, but the main payoff has been and will continue to be the better use through better management of defense resources.

Any substantive or organizational changes that come out of the current studies should be made with full realization of the broadening demands on senior officers. In addition to specialized training in the missions of research and development, systems acquisition, logistics and similar resource functions, professionalism in the officers charged with high responsibility in these areas requires the perspectives and overview opportunities which ICAF provides.

When General Woolwine asked me back this year, he must have thought this kind of Rip Van Winkle return might be a change of pace after all the doers and thinkers you have heard. While trying to develop my ideas for today, I decided—with some trepidation—to look back at what I said to the graduating class of 1965 to see how well my ideas stood the passage of time. My batting average was only fair. I was seeing only a small part of the picture.

I was fascinated then as I am now by the impact upon the military of fundamental changes in the world in which we live. My regret is that the 1965 perspective was almost entirely limited to the effect of technological change upon the military. The technological change has been tremendous, and continues, but I did not foresee the velocity and scope of a tidal wave of the change between 1965 and today. I did not foresee the flood of new ideas and attitudes, a whole host of facts of life which are strange to us and have arisen so rapidly that we are still puzzled as to how to respond to them constructively.

The past ten years have been particularly tough for the military, but—and you should be fully aware of this because you share the experience—these years have been a very humbling and in some ways a humiliating period for our country. We failed to foresee the fundamental changes that could produce crushing blows to our national confidence, such as visible limitations of our military strength, the complexities of our diplomatic involvements, the shortcomings of our intelligence apparatus, so indispensable in the real world, the causes underlying the civil disorders of the '60's, the flaws in our attitudes toward economic growth, the growing degree of our dependence on other nations for energy and raw materials, the cost and difficulty of administering social services, and, within recent months, the baffling combination of dangerous inflation and a sudden, severe recession.

And if we add to that partial but burdensome catalogue, the mess of Watergate and the kind of leadership it represented, it is no wonder that public respect for our institutions has been shaken. This means our self respect as Americans.

The military is one of the institutions. No one but themselves—and maybe they are not too sure—can know how our military people feel about their present stature in our national life. I sense a disillusionment with the status of their profession. One worrisome bit of evidence for me is the fact that 60 Air Force generals—over 15% of the total—will retire voluntarily this year. This is a serious loss of men who should be serving at their maximum effectiveness. It is a kind of corrosion which, if it spreads to lower ranks constitutes a serious danger to the health and strength of the military organization. There must be some loss of psychic income to the proud professional. I cannot believe that action of this sort is based solely upon the financial loss occasioned by a ridiculous technicality that provides a pecuniary incentive to retire.

The experience in Viet Nam and its aftermath certainly provides a basis for disillusionment. Looked at from the standpoint of our military people, that was a tragedy for which they are being asked to assume too great a share of the blame. We edged our way into a struggle that had been going on for more than two decades and against one solid decade of military advice to the contrary. Throughout the long ordeal in Southeast Asia, the American military performed with competence and characteristic bravery. But they fought without an understood major premise. "Victory" was the goal, but what was victory? We paid a high price seeking a victory which eluded us because we were never thoroughly convinced we should be there.

Civilians at home suffered from the same frustrations. As time wore on, the lesson of Korea reasserted itself. Time inexorably erodes support for a war far from home where there is no visible danger to our own shores. As Viet Nam dragged on, we became a divided people. It was inevitable that much of the frustration should reflect itself upon the military.

If I were in the military, the reaction from Viet Nam would not be the sole cause of my concern. There are baffling basic questions about the effectiveness of military force. Even at levels below all-out warfare, modern weapons have become so devastating that their unrestricted use makes questionable their usefulness as an arm of policy. Another question: of what use is military force in seeking to cope with the brutal leverage of small bands of terrorists with constantly growing access to the destructive power of modern weaponry?

The difficulty of answering basic questions such as these regarding the role of the military, the lack of appreciation on the part of the public of the real nature of that role, the implied lack of confidence demonstrated by growing detailed supervision by the Congress and its committees, and perhaps most nettlesome of all, the constant probing and criticism of the press; all of these are understandable reasons for serious thought about turning in one's uniform.

How do we square that with the fact that, if this country is to maintain any degree of world leadership, indeed if we and those who share our ideals of freedom are to be safe, there must be men of the highest caliber in the U.S. military?

The reasons why this is so seem to me to rest on three underlying types of paths of change. The first is the changing nature of the threat to peace, the second is the change in warfare due to technology, the third is the change in the relationship of the military to the civil populace it is charged with protecting.

For this audience, I do not need to dwell upon the first, the nature of the threat. We have to acknowledge the fact that because of the rapidity of technological advance, there is no guarantee that our present strategic systems can provide continuing and adequate deterrent insurance. We are faced with the inevitable proliferation of nuclear weapons into the hands of so many nations that there is almost no possibility of an equilibrium of world peace. We are faced with the fact that an array of oil rich nations are able to purchase weapons systems that give them a warmaking capability greater than the major powers possessed in World War II.

The net of this is simply that our country needs military defenses of a higher order than ever before and, therefore, a higher order of performance by each man and woman involved.

The second path of change, in warfare itself, is necessarily a central theme in the curriculum of the entire military education system. It is the reason for ICAF. Effective military protection in the world today calls for a breadth of talent and level of training greater than in any other field of man's industry. It also unavoidably calls for untold hours of painstaking study and practice, untold hours of tiring alerts and testing, and grueling hours of physical exertion to stay ready.

But the third path of change is, I believe, the really difficult one for the military professional, man and woman. Here is the source of influences which undermine pride in profession, which makes one question his selection of a career, which causes the responsible officer to wonder whether it's worth the effort.

The tragic danger for the country is that these influences become more penetrating at the senior career stage you are entering.

Your vulnerability goes up with your responsibility. The time comes when the frustrations pile up and one says, "I've had it. I'm going to get out." This is a luxury few civilians can afford at the same age.

It is by no means a total solution to your problem, but I see some encouraging signs and also some constructive actions the military can take to improve its stature.

For example, I believe there is a "bottoming out" of the feeling against the military and its role. I interpret Congressional response on the defense budget after the fall of Viet Nam as evidencing realization of real dangers in the world. For another, despite any reservations about the way it was handled, the country's response to the *Mayaguez* affair indicated that the American people don't intend to be badgered in their legitimate pursuits. A third source of encouragement is the relationship in the Pentagon of the military and their civilian superiors. As I see it, there is the highly necessary degree of mutual respect and trust which fosters the constructive support by the civilians.

There are things the military must reconcile themselves to, and some they must do. I'll cite a few. I think that the military must evidence a manifest understanding that our nation's resources are not limitless, and there is a legitimate competition among many demands for the nation's resources. It means recognition of the fact that America's investment in social improvement, such as health care and housing, urban renewal, education and research, is of the very essence of the reason for military defense.

The decision as to how much the nation can spend on defense is much like the decision of the head of the family buying life insurance. There has to be a balance struck between need and what he can afford. In the case of defense, the determination of need is by no means finite; there will always be risks to assume. It is the military's task to portray the risks in the most realistic way possible for the civilian decision-makers. There is a great opportunity for substantial improvement here.

In the management of its people, it has been my observation that the military has had the tendency to resist the impact of fundamental social changes. I believe there must be a manifest effort to develop policies that make sense to our people and that recognize change. I don't consider extensive rear-guard actions against long haircuts and exclusion of women from the academies among perceptive personnel actions.

I shall just give two more examples of areas I believe are of crucial importance to public acceptance. This is in your management of the vital relationship of the military and industry. It must be clear that every effort is being made to achieve arms-length dealing.

The final area of my concern is the matter of communication which I think offers the military a great opportunity. Part of this is a question of attitude and part the way in which its affairs are conducted. Both as a matter of principle and pragmatism, resentment of the press and a predisposition to secrecy are futile.

The support for military defenses by a people governed by their own consent is a very delicate thing. Our people give consent to things they understand and people who level with them. The most significant channel by which they acquire understanding is the press. The military, stung as often as it may be in the process, must appreciate the need for and the manner of functioning of a free press and the democratic institutions of a free society.

And on the practical side, the mores of our time and the Xerox machine have almost destroyed the ability to keep secrets.

I think it is more important than ever that the military guide its communications with predominant concern for how much, not how little it can tell the American people.

Where does all I have said leave us? I have sought to show that the stature of the military is improving. I have tried to cite some of the ways in which the military can manage its affairs to further that improvement. But I could be rightfully called a Pollyanna if I left the impression that the problem for the military man can be solved by time and action.

The truth is, of course, that the job will always be bigger than we can handle perfectly. And no matter how we improve the situation, our people and our system will always demand too much of you. It may sound trite in these times to talk of duty and patriotism. But the hard fact is that the safety of this country will depend upon retaining the talent of enough officers whose sense of duty and patriotism makes them determined to accept the difficulties.

I wish you all good luck in your new responsibilities.

U.N. SEVENTH SPECIAL SESSION

(Mr. FRASER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FRASER. Mr. Speaker, the Subcommittee on International Organizations, which I chair, is holding a series of hearings on the seventh special session of the United Nations which opens early in September. The subject matter of the special session is the implementation of the declaration and program of action on the establishment of a new international economic order.

Consideration of what has come to be known as the "new international economic order" was the focus of last year's sixth U.N. special session. At that time the United States "went into opposition" and made little effort toward cooperating with the group of 77 nations in order to structure the declaration and program so that they would be acceptable to the United States and other industrial nations.

In the past 2 months, the U.S. Government, primarily in the person of Secretary of State Kissinger, has apparently begun to reconsider its position on these issues with the aim of attempting to find some common grounds with the developing nations. This is a most encouraging signal and, in the longrun, a potentially more fruitful strategy.

Our subcommittee is investigating the issues being raised by the developing nations in order to determine what the U.S. response should be. In order to familiarize other Members of Congress with the issues being discussed, I would like to bring to their attention my statement and the presentation made by James P. Grant, President of the Overseas Development Council:

OPENING STATEMENT OF DONALD M. FRASER, SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS

ISSUES AT THE SPECIAL SESSION OF THE 1975 U.N. GENERAL ASSEMBLY

This afternoon the Subcommittee on International Organizations is beginning a series of hearings on issues at the special session of the 1975 U.N. General Assembly. The world is now entering a period in which international economic relations are assuming ever greater importance, as compared to the problems of military security which have preoccupied us for over three decades. At the same time, the role of the developing countries is growing, and the interdependence of all people is becoming more apparent. Perhaps as a result of these long-term trends, the international economic systems that grew out of the Second World War are being discarded, and the world's economic relations are being fundamentally reexamined. One major aspect of this reexamination is the increasing dissatisfaction of the developing countries with their traditional roles, and their attempts to change the nature of established relationships by their call for a new international economic order.

Clearly, economic relations among developing and industrialized countries are at a critical juncture. The next major forum for dealing with the principal issues in this field will be the special session of the U.N. General Assembly this September. The positions which the United States is developing in preparation for the session not only will have an important effect on the outcome of the session, but may well influence the international economic order for many years to come.

We would therefore like to encourage full public discussion of the various options open to the United States before this country's positions on the major issues are set. These hearings are an attempt to get on the record the views of non-governmental experts, as well as the views of Executive Branch witnesses (who will appear before the subcommittee on May 21), prior to next month's preparatory conference for the special session.

STATEMENT OF JAMES P. GRANT*, PRESIDENT, OVERSEAS DEVELOPMENT COUNCIL

Mr. Chairman and Members of the Committee: I welcome this opportunity to testify in response to your invitation on the preparations for the Seventh Special Session of the UN General Assembly in September 1975, which will be devoted to the subject of development and international economic cooperation. This Special Session will provide us with an opportunity to test the vision and the will of the United States. It comes at a a time when—as the ODC's just-published Agenda for Action, 1975 states—the vast challenge before us is that of living with growing interdependence—a challenge sharpened greatly by the increasingly intensified efforts of the developing nations to secure a greater voice in the management of the international economy and a more equitable share of the benefits of global economic growth.

The world has become so interdependent in recent years that for the first time it can be said to require an economic order that takes into account the needs of the entire globe. This global economic order (GEO) requires a comprehensive approach that not only takes into account the newly intensified challenge to the industrialized nations of the world's North from the developing countries of the South embodied in their call for a New International Economic Order (NIEO), but an approach that also responds to the needs of the developed countries for new ways to cope with growing interdependence in order to regain the progress of recent decades and responds to the needs of the poorest billion people on this globe for a more effective address of their abysmal poverty. The Special Session should be an important forum for advancing the new GEO concept and for determining the possibilities for responding to the challenge from the South "with such ingenuity that all parties gain" (to quote ODC's Agenda for Action, 1975).

My conclusion after attending a May 15–18 international conference (chaired by Richard Gardner) at the United Nations and Rensselaerville, N.Y., on the subject of the Special Session, is that there is unfortunately cause for serious anxiety about this Special Session because of the lack of adequate advance preparation of many countries—a lack which is particularly significant with respect to the United States. The United States does not appear to be adequately prepared for the Special Session either in terms of strategy or in terms of staffing. Only 100 days remain before the Sessions; moreover, many of the decisions essential to the Session's success need to be made much sooner, in the context of the meetings in June of the U.N. Preparatory Committee for the Session, and of the Interim Committee of the International Monetary Fund, as well as in the context of, hopefully, a resumed preparatory session in Paris for a later meeting on energy and other matters.

During this same 100 days there will be a massive turnover of key experienced staff at the U.S. Mission at the United Nations, and most notably in the still unofficial replacement of Ambassador John Scali by Daniel P. Moynihan. The dangers are real for a U.S. debacle at the Seventh Special Session close to that experienced by the United States at the Sixth Special Session in April 1974, when our actions could be most kindly described as "too little, too late." The United States appears to have been much further along at a comparable stage of the preparation for the successful World Food Conference, both in terms of strategic concepts and organization for effective participation. The key issues for the United States include:

1. Is the United States prepared to *willingly negotiate*—to bargain collectively—with the developing countries on their demands generally in a variety of forums? Assistant Secretary of State Enders's statement looking to the early demise of OPEC before the beginning of the Paris meeting on energy and other matters was not an auspicious preface to that meeting. Secretary of State Kissinger's address at Kansas City on May 13, 1975, appears to be a clear affirmation of our willingness to negotiate, but it does not specify the forums—and the United States has not tended to favor the United Nations as a forum for discussing economic matters.

2. Do we see the current global crisis as primarily a consequence of *cyclical* factors—drought, Middle East War, simultaneous worldwide boom followed by simultaneous recession—aggravated by the challenge of the developing countries to the Northern dominated hierarchy of international power, or do we see it as part of something so much more *fundamental* now affecting the post World War II political and economic order that a molecular change can be said to be occurring in world order? The answer to this question should vitally affect our negotiating strategy. If a global transformation is in process, we will need the cooperation of the developing countries in a major way in developing new structures that will enable us to live successfully with growing interdependence, just as they will need our cooperation in bringing about a change in structures more responsive to their needs. Under these circumstances both parties could gain from successful negotiations, as at the World Food Conference. If we see the current crisis as primarily a consequence of cyclical factors, then the U.S. approach to the negotiations takes place in the context of "winners" and "losers," with the United States, the historically advantaged and more privileged party, seeking to minimize its losses. The United States Government position on this vital underlying issue is not yet clear.

3. Does the United States accept as a basic premise, leaving aside the question of degree, that the existing international economic order is in some important ways unfair to the developing countries and requires reform to give the poorer nations a *greater voice in the management of the international economy and a more equitable share of the benefits of global economic growth?* Are the advanced countries prepared to acknowledge this claim of the poorer nations on the global scene? Clear acceptance of this premise by the United States would cross an historic bridge (as we did with our industrial workers in the United States in the mid-1930s), and should vastly improve the atmosphere for detailed negotiations with the developing countries this September and in the years that follow.

4. What are the *principal subject-matter areas* we are prepared to discuss seriously with the developing countries in the months ahead? Food clearly is one, energy is another (but neither we nor the OPEC countries have yet proposed a global approach to the energy problem analogous to that followed with respect to food, which looked ten years ahead and took into account the needs of all countries, including the non oil exporting countries of the Third and Fourth World). Which other raw materials are we prepared to discuss? The role of multinationals, and the possibilities for a code of conduct and some global regulations? Increased resource trans-

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*The views expressed in this testimony are those of the witness, and do not necessarily represent those of the Overseas Development Council, or others of its Directors, officers, or staff.

fers? Increased participation in the management of the international monetary system? Increased participation in the management of development institutions such as the World Bank—for developing countries generally and for the new net (OPEC) donors specifically? Reform of international (as distinguished from regional, e.g., OECD,) forums to make them more effective in the international economic arena and to give them collectively a major new international economic role? There are many other potential areas for possibly fruitful discussion.

5. For those negotiable areas, to what extent can negotiating principles be agreed upon in advance? This was done successfully in the case of the World Food Conference, where there was agreement prior to the Conference for example, that any world food reserve system would have to be based on a series of linked national reserves rather than on a single global reserve, that costs would need to be shared, etc. Similarly, should raw materials be dealt with on a case-by-case basis, as preferred by Secretary Kissinger and Prime Minister Wilson of the United Kingdom, or should they be linked in some way, as preferred by most developing countries? For many countries which are importers of some raw materials and exporters of others, some linkage would clearly facilitate negotiations.

In examining the possibility for increased financial resource transfers, should preferance be given to seeking automatic rather than voluntary methods of resource transfers (given the increasingly poor record of the latter), and to multilateral rather than bilateral transfers? In the restructuring of international decision-making forums, can there be a prior understanding to give the developing countries a greater say—within the clearly understood limitation of doing so in such a manner as not to cause their abandonment by the advanced nations?

6. A related question is the need for early agreement on forums in which these subjects can be negotiated. Which subjects should be discussed at special meetings (such as the broad subject of food at the U.N.-sponsored Rome Conference and that of energy at the ad hoc sponsored Paris meeting), and which should be discussed in established forums such as the IMF Interim Committee, the IMF-World Bank sponsored Development Committee, UNCTAD, etc? And which subjects should be discussed at small "inner circle" meetings—as is now being done in the case of the follow-up to the World Food Conference on such topics as food reserves, the Agricultural Development Fund, etc? Again, much of the the success of the World Food Conference was due to preliminary agreement on many of these important procedural topics.

7. A key question is the extent to which the industrial countries should raise the important issue of increased efforts to reaching the poor majority in the developing countries (e.g., in countries such as Mexico and Brazil, where the upper 20 per cent of income recipients receive more than 60 per cent of all income, compared to 39 per cent in the United States and the United Kingdom). But this is a difficult issue for the industrial countries to raise convincingly if the governments of the 600 million people in the OECD countries with their total of over $4 trillion GNP are not prepared for greater future participation by and sharing with the 2 billion people in the poorer market economy countries having a combined GNP of less than $1 trillion (and less than $200 billion for the countries with the poorest billion people).

The above indicate the types of questions that need to be addressed immediately if there is to be an effective and timely development of a global economic order responsive to our needs over the next quarter century—needs which cannot be met unless we are prepared to be more responsive to the needs of others in this increasingly interdependent world.

Two final points. With respect to the cyclical versus secular trends question posed under item 2 above, in my judgment and that of most of my colleagues at the Overseas Development Council, the world appears to be on the verge of one of the great economic, social, and political discontinuities of history. A global transformation is beginning to emerge that includes, but goes beyond, the immediate consequences of increasing interdependence; indeed it is as if the molecular structure of the world order were changing. In the rich and poor nations alike, solutions to major issues such as the food and energy crises and stagflation increasingly involve a network of relationships requiring new global approaches if reasonable rates of growth are to continue. New global as well as domestic "social compacts" are needed to meet these new circumstances. Interdependence among nations is evolving to the point where the salient factor in our relations with developing countries should no longer be premised on paternalistically helping them with "their" problem of underdevelopment. Now the dependence of each nation on jointly managed international systems is so great that *their* lack of development frequently become *our* problem—just as our waste, pollution, and deepening recession often become their problems. Increasingly their problems and ours are becoming common problems that afflict the whole world and that can best be treated by joint action.

Because of the vital importance of the U.S. decision on this issue to our whole response to the challenge from the South, I describe my view of these fundamental changes in greater detail in the attachment to this testimony. One conclusion in particular bears highlighting for this discussion as preparations proceed for the Special Session: growth rates for the production of material goods can be expected to slow sharply for the mid- and late-1970s and very likely for the balance of the century *unless* the world can develop new systems, or improve existing ones, for managing areas of scarcity and tension. As Secretary Kissinger said last week at Kansas City, "There is no alternative to international collaboration if growth is to be sustained. But . . . many countries believe [the world economic structure] does not fairly meet their needs." The central objective of our approach should be gaining increased growth for *all*, with significantly greater participation in decision making and sharing in the benefits being accorded the developing countries.

Second, I do not believe the times call for the United States to consider itself either a permanent embattled minority in the world community or a country which needs go into active opposition at the United Nations. Both courses have been suggested by Ambassador Moynihan in a recent article in *Commentary* magazine. The United States was in many ways even more a minority in terms of wealth in the mid-1940s than it is today, but that did not prevent us from developing a grand strategy responsive to the needs of the times which gained us an important—and for much of the time the major—leadership position among the majority of mankind. We have demonstrated in the past six months in the vital area of food how we can still be the leader of a majority and hammer out an imaginative long-term program, together with a set of ingenious implementing institutions, from which rich nations and poor nations alike can gain. If the United States joins with others in proposing a program of substance designed to a) make our increasingly interdependent world work for all, and b) to give the poorer nations a greater voice in the management of reformed international economic systems and a more equitable share of global economic benefits (as present realities dictate)—and if it does not seek a counteroffensive in style without meeting the needs of substance (as Senator Kennedy noted in his speech at the UN on May 15),—then the United States can again become an effective international leader. This would seem a more appropriate posture for the first nation to propound the proposition that all men are created equal.

And does the United States have any realistic alternative? As Secretary Kissinger said earlier this year:

"The world stands uneasily poised between unprecedented chaos and the opportunity for unparalleled creativity. The next few years will determine whether interdependence will foster common progress or common disaster. Our generation has the opportunity to shape a new cooperative international system; if we fail to act with vision we will condemn ourselves to mounting domestic and international crises . . ."

Unfortunately, the United States does not yet have a comprehensive program—as it did in the mid and late 1940s—even remotely adequate to the challenges of the times. The United States needs to propose a program for global economic order which goes *beyond* the substance of the 1974 U.N. General Assembly's "New International Economic Order" resolutions to encompass more adequately the needs of *both* the advanced countries and the poorer countries. With such a GEO strategy all parties would gain.

THE CHANGING WORLD ORDER

(By James P. Grant, Overseas Development Council)

The post-World War II order—and possibly even more—is giving way to something new and still uncertain. The events of the past two years, notably soaring food prices, two devaluations of the dollar, the oil crisis and the combination of high inflation rates and a global economic slowdown have already brought the world in mid-1970s to a stage of crisis and transition comparable to those faced in the mid-1940s and the early 1930s. Furthermore, the mid-1970s increasingly appear to mark the start of a historic transformation—the start of a series of discontinuities possibly rivaling those of the Industrial Revolution. Whether a disastrous or hopeful response will be evoked by the current crisis is still far from clear. That is the challenge—and the threat—which today faces all of us as concerned citizens and leaders.

GLOBAL PROGRESS—AND FOUR CRISES

The marvelous prospects for the future arise from the new potential for human progress which has been made possible by the spectacular achievements in science and technology over the past century. As one consequence, our century is the first in the history of mankind in which fulfillment of the minimum requirements of a decent life for all mankind represents more than mere conjecture. We are learning that poverty and disease no longer need to be the lot of the great majority. In recent decades we have witnessed rates of economic growth unmatched in any earlier period. Per capita income, on a global basis, has more than doubled since World War II, reaching some $1,000 per head. Many developing countries have grown even faster than the developed countries grew at similar stages of development. In the last decade alone, the countries of South Asia implemented a Green Revolution in wheat production which was a more remarkable technological achievement in terms of increasing food production than any achieved in North America and Europe.

The past generation has also seen unprecedented movement toward self-government and increased participation of man in the progress of society. Over 50 new nations have emerged. More than a billion people have come out of colonialism. The last of the great colonial empires, that of Portugal, is dissolving. For the first time in many countries, most notably for those in Europe and North America, significant progress in material well-being has been the lot of the great majority, and not just of an elite minority of their societies.

Four great sets of crises have begun to emerge, however, during the same recent years in which the "marvelous prospects" from continuing material progress have seemed increasingly attainable. First, the unprecedented rates of economic growth, and particularly the 5 to 6 per cent rates of increase in the global output of goods and services of the late 1960s and early 1970s, are outrunning the capacity of human institutions to respond and adapt. Like the short circuits in an overloaded electrical system, a rash of societal breakdowns are resulting from man's apparent inability to adapt his institutions fast enough to permit a continuation of the rapid increases in output of recent years. Systems overloads have become the order of the day as the world moved from $1 trillion economy of the late 1940s into the $3 trillion economy of the early 1970s. We have begun to see the ecological overload: pollution in the cities, eutrophication of lakes, and falling global fish catches.

The unprecedented increases of the 1960s and early 1970s in population and affluence have so expanded demand that the demand-supply relationship for a growing list of commodities shifted to a seller's market from what for many years had been a buyer's market. Oil is a good illustration of the shift, and of how heretofore weak sellers have utilized their new power to settle long-standing economic and political grievances. These same forces for increased demand have led to actual shortages for a few critical commodities, notably food and fertilizers. "Stagflation"—double-digit inflation accompanied by stumbling economic output—is yet another symptom.

Events are making increasingly clear that we can no longer extrapolate a growth pattern for the next 25 years, to a $10–$12 trillion gross global product, that is similar to the trend line of the 1960s and the 1950s. This will raise serious political problems in an era of high population growth rates and raised expectations of perpetually increasing personal material well-being. It makes urgent the need to craft new systems more responsive to making the changes which are required in areas of tight supply if reasonably rapid rates of growth are to be maintained and the burdens of slowdowns in growth are to be allocated with some degree of equity.

The second and third sets of crises arise from the fact that there have been rapid increases in *growth without adequate sharing* between the powerful industrial societies and the more numerous poor countries on the one hand, and within countries on the other. The establishment of the United Nations Conference on Trade and Development (UNCTAD) in 1964 to give the developing countries a forum with the industrial countries for settling their grievances is one manifestation of the issue between countries.

The sense of righteousness of the OPEC countries in pressing for higher oil prices, and the psychological identification with them of most developing countries, even those most injured by higher oil prices, are consequences of the failure of UNCTAD and other mechanisms to slow the widening gap between rich nations and most poor nations. There is a growing conviction in the developing countries that their increasing interdependence with the industrial countries is on the basis of widespread inequality, while the interdependence of the developed countries with each other is on the basis of far greater equality.

The problems arising from inadequate participation in—and sharing of—the benefits of progress within rich countries are primarily those of racial and cultural minorities; within most developing countries, however, they characterize the lives of the poor *majority* of the people. In many developing countries, the gap is widening dangerously between the minority for whom the system is working—factory workers, larger farmers, civil servants, businessmen, and politicians—and the poor majority left out of, or barely benefited by the system.

The fourth great crisis is over the *meaning of development* in the affluent societies now that the necessities of life are being met. Development has long meant to most people the increased production of more and more goods—cars, homes, refrigerators, drugs. We are learning that more goods do not necessarily mean more "happiness," and, in fact, can mean just the opposite, as pollution, urban congestion, and other affluence-created problems multiply in number and increase in severity. Words such as technology, growth, and smoke stacks, all of which evoke a positive reaction in most developing countries, now evoke a negative reaction among many in America and Europe.

The counter-culture movements of several years ago, and the rash of such books as *Greening of America* may have subsided, but the questions they raised are now permanently embedded in western society. Abetted by energy and food shortages favoring the turning down of thermostats, smaller cars, and less grain-intensive meats, a new value system more appropriate to future needs may emerge kicking and screaming in the decade ahead. Parallel to this growing awareness of the inadequacies of a development theory targeted in both capitalist and socialist societies on "more, and still more," is the growing recognition that the presently poor societies of the world, whose people will total some 5 billion by the end of the century, cannot hope to replicate the present North American and European levels of material affluence.

These same crises can be seen in the context of the two central themes that dominate the history of progress: *the interface of man with nature, and that of man with man.* Initially, man's survival depended on the sufferance of nature. The first great breakthrough for man was his discovery of fire. This has been followed by a series of scientific and technological advances, highlighted particularly by the Industrial Revolution and the explosion of scientific and technological progress of the past generation. Since World War II, global output has increased at the rate of 4 per cent, then 5 per cent, and most recently at 6 per cent annually.

In the 1960s it almost looked as if nature were a resource becoming fully tamed by man. The times when nature massively threatened man, as in Mesopotamia, Central Asia, North Africa, and even in our own dust bowl during the 1930s, seemed to be passed. Recently, however, as gross global output approached the $3 trillion mark, treble the level of 1950, warning signs have begun to appear from nature at many points. As already noted, pollution began to seriously threaten life in cities; eutrophication threatened the ecological survival of lakes and seas; the world fish harvest, following 20 years of dramatic increases, declined three years in a row despite stepped-up and improved fishing efforts. Drought first hit Sahelian Africa, then the U.S.S.R., then India, and most recently the United States, shattering the domestic grain output predictions of the experts. Even the marvelously successful agriculture of the United States is based on ever-increasing amounts of energy, to the point where it now takes some ten calories of energy (as compared to one at the turn of the century) to produce one calorie of food.

Whatever the differing views on the extent of validity of the doomsday predictions of the Club of Rome about the limits to growth, all will agree today that man in recent years has been jeopardizing his environment and that the same unbridled use of nature cannot continue. A new era in man's relationship to nature lies ahead, an era in which far more attention and capital needs to be invested in preserving essential balances with nature if disasters are to be avoided.

The second central theme of development history is the relationship of man to man. Cooperation between men has marked the years of greatest human progress. Dissension between men and competition over the division of the benefits of progress have brought the periods of greatest retrogression—most recently evidenced in World Wars I and II.

Progress has surged forward in those periods when men have learned to work together in larger and larger groups, first as tribes, then as nations, and then in regions and globally, as the concept of comparative advantage has taken hold. Thus there was the golden age of the 19th century for the Western world as the industry and trade of Europe and North America spread across the globe. This period of progress was ended abruptly by World Wars I and II, when the late arrivals on the scene, Germany, Italy, and Japan, sought to wrest from the older industrial nations a greater share of the benefits of the western economic expansion of the preceding century.

The past 25 years have witnessed unparalleled progress as man cooperated with man to a degree unprecedented in history. The newly rich United States, through the Bretton Woods institutions, the Marshall Plan, and other means shared its power and its wealth, most notably with a Western Europe of formerly rich nations impoverished by two world wars and a severe depression, as well as with Japan, to the mutual benefit of all. Within the industrial countries, the affluent, heretofore a distinct minority, similarly shared the benefits of progress with their populous majorities. For virtually the first time in history, a substantial majority in developed countries are participating significantly in the progress of their societies.

But two crises with respect to man's relationship to man—those arising from growth without adequate sharing—have become increasingly evident and serious since the 1960s. Demands of the developing nations, notably those of the oil exporters, now threaten, in the absence of remedial measures, to cause dislocation of the world order rivaling those brought by the Great Depression. These crises warrant further analysis.

GROWTH WITHOUT ADEQUATE SHARING BETWEEN COUNTRIES

A 3 per cent growth rate applied to an Asian starting with a $60 per capita income results in an income of $120 at the end of 24 years; when that growth rate is applied to an American with a $2,600 annual income, that income increases to $5,200 in the same 24 years. Such wealth disparities create some problems. Furthermore, the international economic systems have tended to favor those economics which are already well established "haves." Thus, for example, the Kennedy Round benefited all nations but was of particular advantage to the rich countries. These trade negotiations of the 1960s led to a halving of tariffs between industrial countries but brought almost no reduction of the tariffs on the principal products sold by the developing countries. Moreover, during the last 10 years, we have seen a host of non-tariff barriers go up, and those directed against developing-country products in general have been more numerous than those directed against developed-country products.

When the world community created a new currency—a form of "paper gold" called Special Drawing Rights (based until early 1974 on U.S. dollars)—and made available at the rate of $3 billion a year, three quarters went to the rich countries virtually free while only one quarter was distributed to the rest of the world. As a result of the SDR-allocation system, which is inherently skewed to the economically powerful countries, the United States has received a grossly disproportionate share of SDRs—over $1 billion each year—which is more than the share of the entire developing world.

The negotiations within UNCTAD, the discussions of the "Group of 77" (in fact nearly 100) developing countries, and much of the agenda of the regional groupings of developing countries have focused on the many true and not so true charges of unequal treatment of the poor countries by the rich. Not surprisingly, a deep sense of grievance has developed, particularly in the past 5 years as the United States has withdrawn from leadership, and in some cases even from a fair-share role in cooperative efforts to help meet the legitimate aspirations of the poor countries.

As noted earlier, this has been a powerful factor in enabling the OPEC countries to rally most developing countries to their side in their global confrontation with the industrial countries. The latter, particularly the United States, have continued to feed these grievances during the current crisis through poor handling of the world food and fertilizer shortages, which antedated the oil crisis, and the exclusion of such major consumers as Brazil and India from "oil consumers" despite the inclusion of such minor users as Luxembourg and Denmark.

In the years immediately ahead, the industrial nations face two urgent problems with the developing countries. The first is how to accommodate within the world order the newly powerful among the developing countries, notably the richer oil exporters, but also such prospective industrial giants as Brazil and the nuclear powers of the developing world, China and India.

Failure to accommodate them with some degree of success in the world economic and political power structure, as the United States was able to do with Western Europe and Japan in the quarter century after World War II, would presage more crises like those of 1973–74, which have so seriously threatened the international economic and political order.

The second urgent problem facing the industrial and developing countries is how to restore and accelerate the development progress of the nearly one billion people living largely in the poorest countries of the world—a new "Fourth World"—which have been so severely affected by recent price increases as to face the prospect of negative per capita income growth for at least the balance of the decade in the absence of some rescue effort along the lines of the Marshall Plan of a generation earlier.

It is difficult to predict precisely the adverse consequences to the more affluent countries from the economic disasters of these poorest countries, but the affluent can ignore showing any meaningful concern for the one quarter of mankind only at their not too future peril.

OVERLOAD OF GLOBAL SYSTEMS—FURTHER DISCUSSION

Soaring world food prices in early 1973 apparently symbolized the emergence of a new economic era and a new international order. Dramatic rises in food prices were followed by jolting developments on several fronts. Most conspicuous were the Arab oil embargo, the raising of oil prices, and sharply rising fertilizer prices, accompanied by severe cutbacks in fertilizer exports to developing countries as the industrial nations preempted scarce supplies. These developments were in part a response to short-run cyclical factors, as happened in the early 1950s in response to the Korean War boom. Drought in the U.S.S.R., South Asia, Sahelian Africa, and, most recently, in the United States have reduced food availabilities. The early 1970s experienced the first simultaneous boom in all major countries, abnormally pushing up demand.

Equally clearly, these crises are also partially due to longer-range, secular factors. Viewed from the perspective of the 1980s, the crisis of the mid-1970s will almost certainly appear as essentially the product of continuing rapid economic and population growth within the constraints of a frequently finite physical system and relatively inflexible political and economic situations.

Recent economic growth rates have apparently outrun the capacity of the world's economic, social, and political systems to respond and adapt fast enough to sustain them. As the world entered the $3 trillion economy of the late 1960s, treble that of the late 1940s, we began to see, as noted earlier, an ecological overload.

This was followed by actual scarcities of such commodities as food and fertilizer; a shift from buyer's to seller's markets in the cases of many commodities, including oil; efforts by oil exporters to use their new-found economic power to settle long-standing political and economic grievances; and the advent of double-digit inflation simultaneously with production cutbacks in such areas as automobile production.

"Systems overloads" were apparent on many fronts by 1973. The pressure of increased demand and its consequences is seen clearly in food. Not only is the population in the early 1970s much larger than ever before, but the 2 per cent annual population increase and the 3 per cent annual increase in income are double the rates of 20 years ago. The annual increase in demand is up, therefore, from some 4 million tons in the early 1900s and 13 million tons in the early 1950s, to some 30 million tons in the early 1970s.

As demand has increased, the traditional forms of supply response have no longer sufficed. Until recently, increased food production came from putting more land under the plow, but this is no longer possible in the developed countries except at much higher costs. In the advanced countries, diminishing returns have also set in on increasing production through greater use of fertilizers and other inputs. Greatly increased grain production is only possible in the developed countries through much higher prices for grain, and in the developing countries by overcoming organizational and financial problems of providing effective support for their rural sectors, including their small farmers.

The world has been slow to make the policy and institutional changes required. Shortages are a consequence—as are higher prices. Rising food prices contributed even more to global inflation in the two-year period 1973 and 1974 than soaring oil prices.

The new era of increasingly tight supplies brings with it the need for greatly improved global management to increase resource availability if inflation rates of over 10 percent are not to become a nearly permanent fixture. This is seen most clearly in the case of food. Rising global demand due to both population growth and affluence requires a 250–300 million-ton increase in grain production over the next 10 years, to reach approximately 1.5 billion tons by 1985. If the bulk of the increased food production required over the next decade is to come from the developed countries, the price of food will need to rise sharply to cover the higher costs of producing it.

New land can be put under cultivation in developed countries only at substantially increased cost, and increasing production through more intensive use of inputs such as fertilizer and water is likely to be even more costly. In the developed countries, the use of inputs is at a point of diminishing returns for many crops.

On the other hand, if the bulk of the increase in production comes from developing countries, there may not need to be an increase in the cost of food. Because limitations of organization, financing, and applied technology have kept potentially good crop land out of production and use of inputs low in most of the poorer countries, there are great opportunities for expanding production at very little, if any, increase in cost in these countries. An additional ton of fertilizer, for example, will product 2–3 times as much additional rice and corn in South Asia as in Japan, Europe, or North America, where fertilizer use already is relatively intensive.

According to one responsible source, to increase grain production by 100 million tons in developed countries will require 24 million tons of fertilizer; a comparable increase in developing countries would require only 10 million tons of fertilizer. The same contrast is seen in the use of energy in general. It now takes 10 calories of energy in the United States to produce one calorie of food, as compared to a one-to-one ratio fifty years ago. The developing countries, on the other hand, have large pools of underemployed labor which can be put to use.

The potential for increasing yields at low cost in India and Bangladesh can be seen by contrasting their production with that in the United States and Japan respectively. India, for example, has about the same crop area as the United States, with many similar characteristics. If India's yields equalled those of the United States, its current annual production would be 230 million metric tons rather than the total of approximately 100 million tons; if India were to apply the same labor-intensive techniques for using capital now prevalent in Japan, Taiwan, and South Korea, its grain yields would total well over 300 million tons.

To ignore the potential of many developing countries for increasing food production at relatively low costs is to ensure higher rates of inflation throughout the world. Also, increased rural production in the developing countries relying primarily on smaller farmers not only would result in maximum production per acre but also would bring many ancillary benefits—increased rural employment, decreased income disparities, reduced rural to urban migration and, by increasing the motivation for smaller families, lower birth rates.

Thus when the rich countries restrict fertilizer exports to permit more intensive fertilizer use at home, it means much less food production globally. Shortages of fertilizer and, to a lesser extent, oil were primarily responsible for the Indian 1974 winter wheat harvest totalling only 23 million tons—well under the earlier projected yield of 30 million tons.

Very much the same story of growth outrunning the supply response system is seen in the energy field. There the increase in demand has arisen largely from increasing affluence, with the average American using more than 50 times as much energy as the average black African or South Asian. Although the shift from a buyers' to a sellers' market in the mid-1970s and the need for developing much more costly alternate energy sources by the mid-1980s had been sensed if not fully foreseen by knowledgeable experts, no major changes were initiated.

Nor did the oil experts anticipate the new political circumstances that led to sufficient Arab cohesion for an embargo and to such cohesion among oil producers everywhere, including many traditional friends of the

United States, that they could raise prices fourfold. Finally, these experts did not adequately anticipate the effect of environmental measures on energy supply and demand in the early and mid-1970s. Abruptly soaring oil prices are the result, even though vast quantities of low production cost oil will be available for at least another decade.

These are graphic illustrations of how growth in demand can outrun existing supply response systems. Additional oil is immediately available, and the world is technically able to produce far more fertilizer and to feed more than twice as many people as it can today, possibly even at close to present cost levels, but it can do so only if countries change the ways in which they respond to demand. Such changes are very difficult, and institutions are slow to respond.

One important consequence of the new interdependence era under the current value system is that when scarcities have occurred, the affluent one billion of the world's people have used their greater purchasing power to preempt the world's scarce essential goods from the poorest one billion of the world's people. In the last two years, it appears that for the first time the richest billion people of the world have been eating more each year while a majority of the poorest billion have been eating less. Similarly, with respect to fertilizer, as we have seen, the affluent billion have accelerated their increase rate in the use of chemical fertilizes in the past year through restricting exports, thereby forcing the poorest billion of the world to slow their rate of increase.

Some 30–40 countries—mostly located in South Asia, Sahelian Africa, and, to a lesser extent, the Caribbean are most seriously affected by the "system overload" for oil, food and fertilizers—they are acutely distressed as a result of higher prices for these commodities without significant offsets from higher prices for the products they sell. The most severely affected countries—a new "Fourth World" of some 1 billion very poor people—face the likelihood of negative growth over the next 5–7 years in the absence of major rescue measures. Malnutrition, and with it death rates, will increase noticeably in these countries.

One can safely predict that many of these governments will topple under these stresses in the next 18–24 months unless they are alleviated by coordinated international action.

The events of 1973 and 1974 have shown clearly that overloads of the traditional response system caused by the rapid increase of demand for goods in recent years is shifting economic, and consequently political, power substantially toward the resource-rich countries, and that the existing international economic and political order systems are in turn having difficulty in accommodating these power shifts.

A major new power center in the world is the rich, oil-exporting group of countries. Sixty billion dollars of surplus capital enhances their power. It is a new power that they themselves are not yet certain how to apply. Other developing and developed countries that are resource-rich—the United States, Canada, Australia, U.S.S.R., and Brazil—also are gaining power. Not only is the United States still relatively self-sufficient in many raw materials, but it also is capable of reducing the wasteful use of resources—as when speed limits were lowered and thermostats turned down earlier this year.

Moreover, the United States still exports large amounts of raw materials. In FY 1974, it exported $7 billion more food than in the preceding year ($6 billion of that increase was from price increases, including some $2 billion resulting from the higher prices charged developing countries). At the same time, however, two groups of resource-poor countries have been weakened—the countries of Western Europe and Northeast Asia and those of the Fourth World. These changes make leadership vastly more uncertain in the period immediately ahead.

Growing demand is also causing a new resource dependency in certain critical commodities even on the part of the resource-rich superpowers. Twenty years ago, the U.S.S.R., the United States, and China were not dependent in any major way on imported raw materials. Today, all are dependent on imports of certain key commodities. Russia needs food during its frequent years of poor weather.

The United States now imports a whole range of raw materials, notably oil; this year it will have to import nearly the equivalent of the total production of Saudi Arabia, or the equivalent of the combined production of Venezuela, Nigeria, Algeria, and Indonesia. And even the Chinese, having nearly exhausted the potential for increasing agricultural production through efficient use of their plentiful supply of labor, have had to accept major dependency on imported food and fertilizers to meet the needs of their growing population until they can combine more capital-intensiveness with their labor-intensiveness.

In the 1974 crop year, China imported almost as much grain from the outside world as India did during the famine year of 1966. Indeed, China has become the world's largest fertilizer importer today and has recently contracted for the building of fertilizer plants at a cost of over $1 billion.

THE NEW DISCONTINUITIES

The preceding discussion has shown how the rapid and continuing growth in demand in recent years from unprecedented increases in population and affluence has overloaded the carrying capacity of many of the world's economic, political, and social systems, and how the breakdown in one system has further aggravated the overloads in another. We may be on the verge of one of the great discontinuities in history, with the next 25 years witnessing the major shifts set forth below in trend lines that most analysts in the early 1970s would have expected to continue for at least another 10-25 years.

1. *Growth rates for production of material goods will slow sharply* for the mid and late 1970s, and probably for the balance of the century. This growth trend line of 5–6 per cent annual increase in gross global product of the past ten years has overloaded the response capacity of existing institutional, environmental, and power systems. This trend line, which would result in world output more than trebling by the year 2000—reaching a $10-$12 trillion gross global product by then—can be expected to be broken in the 1970s for the indefinite future. It is more likely that the trend will drop from the 5–6 per cent range to a 3–5 per cent range.

The principal issue to be faced is whether new systems for managing areas of scarcity will emerge which will minimize the decline in global growth and allocate the burden of the slowdown with some degree of equity. The alternative is chaos of the type the world has witnessed as a consequence of the energy, fertilizer, and food crises in the past year. This latter approach has both increased production cutbacks unnecessarily and imposed the greatest burden on the poorer countries.

2. *Economic policy,* which heretofore has focused primarily on growth, *will be compelled to devote increasing attention to distribution of the benefits of production* within and among nations. Slower growth rates will disrupt the social compact that exists in most countries between the more advantaged and the poorer people of their societies and thus will encourage increased disorders in many countries.

While the pie is still growing, everyone can get a bit more of it. But when growth slows, conflict increases over each slice. If violence and political chaos are to be minimized or brought under early control, developing countries will need to evolve new development strategies that are more appropriate for their endowment of plentiful labor and more effective in benefiting the poor majority of their citizens—strategies which in most instances will require major internal reforms.

Developed countries also will need to find ways of providing a greater share af the annual production increase to their poor minorities, since the existing "trickle down" patterns will not be adequate in the slower growth era forecast for the future. Inflations rates over the next fifteen years can be expected to be significantly higher under these circumstances than in the 1960s. The poorer masses in the world will continue to press for greater material well-being, and the already affluent will be slow to change their values or reduce their expectations at a time when the total pie is growing more slowly.

Emboldened on the one hand by the success of the OPEC initiative, and conscious on the other of the growing dependency of the rich nations on the resources and cooperation of the poor, the developing countries will press far more insistently and with greater power for changes in North-South relationships. At present, it is still very uncertain whether the rich countries will treat such issues as a zero-sum game—as a North-South cold war—or whether they will approach them on the assumptions of mutual interests and benefits—as the United States did, to its great gain, in many of its relationships with Western Europe and Japan since World War II.

3. In increasing numbers of cases, *ecological factors* will become not only a major additional aspect that needs to be taken into account but a *dominant factor overriding even economic considerations*. Examples such as the harvesting of the seas, the experience of the Sahel, and the use of pesticides illustrate the overwhelming importance of the maintenance of ecological balances.

4. *Limiting demand through changing patterns of consumption* will increasingly join expanding production as a means of achieving demand-supply balances. Increasing consumption in the rich countries has long been seen as providing a net benefit for the developing countries as well by increasing markets for their products. Now, however, the demand for essential commodities in short supply needs to be slowed. If the supply of a given resource cannot be expanded easily, as in the case of grains in the mid-1970s, continuing growth in consumption in the affluent countries will drive the price beyond the reach of the poor. When faced with a doubling of grain prices, most Americans—who on an average devote only 17 per cent of their expenditures to food—can adapt to the situation by substituting cheaper but equally nutritious foods for higher cost items (e.g., by substituting chicken for beef).

For the poor in Asia, however, a sharp increase in food prices has a different meaning; since they already spend the majority of their incomes on the most basic foodstuffs, a doubling of grain prices leaves them nowhere to go but "down the nutrition ladder" to more acute malnutrition and the resultant greatly increased danger of death. To leave the allocation of scarce basic foodstuffs solely to the working of the marketplace means preemption of scarce supplies by the more affluent countries and increased malnutrition—even outright starvation—in the poor countries.

Limiting demand can result from a combination of higher prices, new government regulations, and changing values. It will take several forms, such as more efficient products (e.g., shift from butter to oleo, beef to chicken, use of meat stretchers), and less consumption per person (e.g., smaller cars, slower speed limits, lowered thermostats). It also may be expected to bring changes in life style and, similarly, in the concept of the good life—resulting in less emphasis on material affluence (e.g., in churches the emphasis may shift from urging parishioners to contribute more to urging them to consume less). And one need only think of the global spread of "Levis" and of "Women's lib" to realize the impact that changing value of U.S. citizens can have on world values, changes that can occur without benefit of, and sometimes despite, governmental actions.

5. With respect to commodities in international trade, if a return to the economic chaos of the 1930s is to be avoided, the past preoccupation with access to markets will need to be broadened to give equal or greater *attention to availability of supply*. Rules of access to available supplies need to be developed; that is, circumstances must be defined under which it is agreed a country can restrict exports. World reserve systems are required for commodities subject to weather variables. Cooperative efforts should be launched to increase and maximize supply availability. More specifically, increases in food production should be concentrated in those developing countries where benefits from increased use of inputs remain high, and the global fishing industry should be regulated to avoid overharvesting if ever-soaring prices are to be avoided.

6. Economic and, consequently, political *power is shifting noticeably toward the resource-rich* and away from the resource-poor. Technological skills, while still an extremely important source of power, are no longer so uniquely dominant. Compared to two years ago, the United States, the world's largest producer and exporter of raw materials, as well as the oil exporters have acquired a relative advantage in power terms (as have the U.S.S.R., Canada, and Brazil) over Japan, Italy, and the other technologically advanced but resource-poor nations. This shift in power is likely to continue. Resource-rich, developed countries will seek to use their new-found power to move from interdependent *inequality* to interdependent *equality* with the industrial nations.

7. *The concept of security in the United States will broaden greatly beyond military security and maintenance of the power balance* to encompass new factors and mechanisms for influencing critical issues of national survival such as global inflation, pollution, and access to energy, food, and other essential commodities. It has long been accepted that when the United States sneezes the rest of the world catches cold. Americans need to recognize that the reverse is now often true. The issue is not *whether* but *when* this broadened concept will be generally accepted—and after how many avoidable crises of the Middle East type of late 1973.

NEEDED: AN AGENCY FOR ACTION

Each of these discontinuities from historical trend lines now appears likely, if not certain in the absence of major wars on radically new technological breakthroughs. A combination of cyclical events—drought, war, unprecedented boom—has given the world a scenario of what could lie ahead 5–8 years hence as a result of longer-term trends, by bringing on shortages sooner than they otherwise would have come. In many ways, as noted earlier, the world today is in a crisis comparable to those of the early 1930s and the late 1940s. It also is probably at the beginning of a new era of slower growth rates in physical output, with consequences possibly comparable in scale to those associated with the Industrial Revolution. In the past year Americans have had their first indication that they will need to adopt a less demanding life style, and hundreds of millions of the very poor in the developing countries, having been forced down the nutrition ladder to serious malnutrition, have been given an even more shocking warning of the future that may lie ahead for them.

As Secretary Kissinger said in a television interview on January 16:

"I feel we are at a watershed. We're at a period which in retrospect is either going to be seen as a period of extraordinary creativity or a period when really the international order came apart politically, economically, and morally. I believe that with all the dislocations we now experience, there also exists an extraordinary opportunity to form for the first time in history a truly global society carried by the principle of interdependence. And if we act wisely and with vision, I think we can look back to all this turmoil as the birth pangs of a more creative and better system. If we miss the opportunity, I think there's going to be chaos."

One central issue is whether each problem will be dealt with in an ad hoc fashion, as was true of the problems of the thirties, or whether there will be a comprehensive response, as was the case in the late forties. Even if there is a comprehensive response (which is far from clear at this time), there is the further major issue of whether the strategy will be to rely primarily on a regional response (a rich versus poor man's club) or on a more global approach.

The United States policies in 1974 and early 1975 illustrate the two possible responses to this formidable array of world problems. In the case of the energy and petrodollar crisis, most of the forces inside the United States Government have tended to favor a regional response, as exemplified by the Washington Energy Conference of February 1974, and the Kissinger-Simon proposals of November 1974 for managing the financial consequences of higher oil prices.

The OPEC countries initiated the oil embargo and the price increase in a style of confrontation. The primary emphasis in the OECD response to the energy situation has been counter confrontation, with the "new rich" and the "old rich" pitting themselves against each other in a zero sum game of "winners" and "losers" in a manner reminiscent of the Cold War.

The central thrust of American efforts throughout 1974 was to seek a massive rollback in oil prices and to break up the oil cartel through a counter organization of the "old rich" in the OECD. Thus, the Washington Energy Conference in February 1974, ostensibly of consumers, included Luxembourg but did not invite India and Brazil even though they were far larger oil importers.

The U.S. proposals for dealing with the energy crisis have been centered on organizing the OECD countries through the International Energy Agency, which is open only to OECD countries, and through a major financial "safety net" of $25 billion, again limited to the OECD members. The underlying assumption appears to be that there will be a continuing "cold war" environment between the "old rich" of the OECD and the "new rich" of the OPEC, with the other oil importing developing countries—Brazil, India, South Korea, etc.—not being one of "us."

In contrast, the U.S. response to the longer-range aspects of world hunger and food insecurity was cooperation with an unprecedented range of participants—developed countries (both the U.S.S.R. and China) and oil exporters—in a systematic and comprehensive program. It was a response of international cooperation, not confrontation, to treat a common global illness.

The reason the World Food Conference holds promise—a promise anticipated and made possible by some of the globally comprehensive studies that preceded it—was that the Conference treated the food problems as being global in scale and warranting an unprecedented global response involving all of the nations that are involved in the problem. Global goals and objectives were set and means proposed for meeting them—over the long, medium, and short term.

The conference goals addressed needs over the long term for increasing food and fertilizer production particularly in the developing countries where the comparative advantage is greatest and the need is also most urgent; for building a new world food security system; and for providing more immediate food aid. Its resolutions propose a mutually reinforcing family of institutions to address every major aspect of the world food problem and to involve all the major potential actors on the global food scene: A World Food Council of 36 members representative of the new world balance; a Consultative Group on Food Production in Investment to help ensure action on key investment and production problems in the developing countries; an Agricultural Development Fund to encourage increased financing from the richer OPEC countries; a comprehensive approach to increasing fertilizer production, particularly in the energy exporting countries; expanded support and establishment of agricultural research institutions; a system of world food security to involve the major grain exporters and importers; an improved policy for food aid; etc.

A major effort was made to involve the U.S.S.R., The Peoples Republic of China, and the OPEC nations to a degree appropriate to their potentials for helping to meet and overcome world food issues.

In preparation for the World Food Conference, there were many globally comprehensive studies that sought to accommodate the needs of all principals. A majority of the analysts and experts came, understandably, from the heavily staffed ranks of the advanced countries. Unfortunately, and tragically, nothing comparable has yet been initiated in the energy field even though the need is undeniable.

For example, if a global approach could ensure stability of price and supply, some portion of the $1.5 trillion that will be spent on investments in production and conservation facilities in OECD countries by 1985 could be saved because the costly (and possibly futile) search for energy autarchy would not be essential. The prospect of such savings alone would make it worthwhile for the "old rich" nations of OECD to make a great effort to seek their energy security through the route of international cooperation rather than regional autarchy.

The developing countries have been unsuccessfully seeking to engage the industrial countries, and the United States in particular, in a comprehensive dialogue on the structural changes which are required if our increasingly interdependent world is to work reasonably effectively and with an acceptable degree of justice for at least most—if not all—countries. The United States led the objections of the handful of industrialized nations at the Sixth Special Assembly to protest the adoption of the New International Economic Order.

The US delegations at Bucharest and Rome vigorously objected to mention of the NIEO and were consistently defeated in efforts to preclude its consideration at the framework for the policy debate and decisions. The United States and five other industrialized nations stood alone in December in voting no to the acceptance of the Charter of Economic Rights and Duties of States.

Although the United States government has protested that it desires a fair and equitable international economic order, it: (1) has not fully explained its objections to the

NIEO, the Programme of Action, or the Charter of Economic Rights and Duties; (2) has not offered an alternative formula for the restructuring of the international economic order; and (3) has demonstrated a reluctance to enter into specifics of a "trade for development" strategy as proposed by the UN Conference on Trade and Development (UNCTAD), preferring to keep trade arrangements outside the framework of an overall strategy of development. To many observers, the United States government still seems more ready to retain its hopes in the "old" international order of the 1950s and 1960s rather than seriously consider and discuss a "new" order appropriate for the last quarter of this century.

It would be a serious mistake to see the North-South conflict as posing a revolutionary challenge comparable to that which appeared to be posed by the communists in the cold war. The developing countries are not aiming to change the internal systems of other countries; they are instead avidly seeking reform of the global economic order to provide greater equity and sharing among nations.

Like American industrial workers who in the first half of the 20th century sought the right to organize and bargain collectively, the developing countries are attempting to organize in order to ensure that they will be treated by the industrial countries on the basis of greater equality—on a basis that is analogous to the way that the industrial countries generally treat each other.

Most countries, particularly the United States, clearly need—but have yet to articulate—a new set of political policies for dealing with these world problems. Issues of military power continue to claim an undue share of the resources and of the time of foreign policy makers of the major powers. Other international issues of increasingly vital concern to the well-being of their citizens tend to go virtually unattended until they reach crisis proportions to the detriment of all, by which time, as with the energy shock, the emotional heat of all parties prevents their easy resolution.

CONCLUSION

The world achieved progress without historical parallel in the past 30 years because of an unprecedented willingness to change institutional and power structures to accommodate to new forces and needs in the world. To an unusual degree, many nations adopted an enlightened view of national self-interest. The fresh memories of post-World War I chaos in the Great Depression, Fascist aggression and common support of national independence and freedom helped greatly in the crafting of the Bretton Woods institutions and of the Marshall Plan, and greatly facilitated the fight for independence of many colonial territories.

A new set of changes of comparable magnitude is necessary if man is to successfully overcome the new problems he confronts in his continuing interface with nature and with his fellow man. These are required to respond more adequately to the obstacles to continued rapid growth, implement new development strategies encompassing the majority in the poor countries, create new relations between different categories of countries, and shape new life styles among the more affluent. None of these changes will be easy. But all are possible, and no more difficult than those of the post-World War II era that is now passing. We may not yet have the same degree of stimulus from recent and near disaster that so powerfully influenced the leaders of 30 years ago, but we should at least have fresh memories from the intervening years of progress of what is possible through policies of cooperation and sharing.

The responsibilities on American citizens and leaders are particularly great. As at several historic watersheds in this century, the course of human progress cannot avoid mammoth setbacks without major affirmative action by the United States. The times require that those Americans in positions of trust in government, business, academia, labor, and the churches provide leadership; and that informed concerned citizens make it good politics for them to do so.

And, as Secretary of State Kissinger said in the closing words of his address to the World Food Conference, words that are in the best tradition of America:

"Let the nations gathered here resolve to confront the challenge, not each other.

Let us agree that the scale and severity of the task require a collaborative effort unprecedented in history.

And let us make global cooperation in food a model for our response to other challenges of an interdependent world—energy, inflation, population, protection of the environment."

CONSERVATION FIRST

(Mr. THONE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. THONE. Mr. Speaker, our Nation is in dire straits today because of our dependence on foreign oil. This year, 38 percent of our oil will be imported, which will amount to about 29 percent of the total energy consumed by the United States.

Yet, it has been estimated that America wastes about a third of the energy we use. In other words, we could practically end oil imports entirely if we would embark on a massive program of conservation and recycling.

Conservation is not the total answer, of course. We must develop fully America's many energy resources. In my opinion, however, conservation must be given top priority.

If all the combustible trash that is now buried or burned just to get rid of it were used to create energy, we could end our oil imports for 28 days a year.

If we would reclaim the iron, steel, and glass we now throw away, we could eliminate another 3 days of oil imports annually.

If we recycled all the aluminum we now waste, we could end all petroleum imports another 2 days per year.

There are thousands and thousands of ways that citizens through voluntary action can end our waste of energy.

To stir millions of people to action in conserving energy—to mobilize public opinion so that legislators will create laws that give incentives for recycling and other forms of conservation—we need an event that will act as a catalyst. Therefore, I am introducing a congressional resolution to designate an "Energy Day."

Hopefully, this day will have at least as much impact as did the first "Earth Day" in 1970. "Energy Day" should attract all the types of people who took part in "Earth Day"—those who hate to see the Earth despoiled unnecessarily, those worried about the future of their planet, and those concerned with waste of irreplaceable natural resources. In addition to all those, "Energy Day" ought to get the attention of all those only interested in saving a buck.

The resolution asks Congress to designate November 26, 1975—the day before Thanksgiving—as "Energy Day," a time when Americans will be thankful for their natural resources and mindful of how precious they are.

THE ELDERLY VICTIMIZED BY CRIME

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, this body has often considered the problem of rising crime. Every year statistics show a significant rise in the crime rate in major urban areas, an increased fear in urban residents of venturing out into the streets, and, in general, a steady worsening of the entire crime problem. Yet the legislation that Congress has passed, though very worthwhile, has missed one very important point: Crime affects different people in different ways.

Crime and the elderly are two areas that often overlap—and it is the elderly who come up on the losing end of this meeting. The elderly have a greater dependence on mass transit and taxis, which forces them to wait for extended periods of time in an exposed outdoor area, making it easier for the criminal to victimize them. The elderly are often living on a small pension that precludes their moving elsewhere if their neighborhood becomes a high-crime area. The elderly are less able to defend themselves, making them an "easy mark" in the eyes of criminals.

However, the elderly are often more "crime conscious" than the average citizen, are more apt to take precautionary measures on a regular basis, are willing to expend the extra effort to safeguard themselves, and are desirous of any help the Government might give them in stopping crime.

This bill that I am introducing, though a short one, will focus special attention on the plight of the elderly. If Congress passes this bill, not only would it be helping a group whose particular problems have not received the attention they deserve, but it would be pounding another nail into the lid of crime's coffin. This amendment was introduced in the Senate by Senator J. GLENN BEALL, Jr., of Maryland, and it is my pleasure to bring this same amendment before the House and introduce it today.

Text of bill follows:

H.R. 8640

A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to add a requirement that the comprehensive State plan include provisions for the prevention of crimes against the elderly

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That the fourth sentence of section 303(a) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting before the period a comma and the following: "and the prevention of crimes against the elderly".

GENERAL LEAVE

Mr. McHUGH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Hon. Lawrence Williams.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 4035

Mr. STAGGERS submitted the following conference report and statement on the bill (H.R. 4035) to provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities.

CONFERENCE REPORT (H. REPT. No. 94–356)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4035) to provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act may be cited as the 'Petroleum Pricing Review Act'."

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) the President's State of the Union message announced his intention to lift all price controls on domestic oil under the authority of existing law; and

(2) the removal of petroleum price controls would substantially increase the price of crude oil and all petroleum products, including gasoline, home heating oil, and residual fuel oil, thereby creating major inflationary pressures throughout the economy.

(b) The purpose of this Act is to permit the Congress an opportunity to review and the right to disapprove any proposal to remove existing price ceilings or to raise the price of domestic oil, and to provide for an interim extension of certain expiring energy authorities.

CONGRESSIONAL REVIEW OF CERTAIN ADMINISTRATIVE ACTIONS RELATING TO PRICE AND ALLOCATION CONTROLS

SEC. 3. Section 4(g) (2) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(2) (A) Subject to the requirements of this paragraph, the President may prescribe an amendment to the regulation under subsection (a) exempting crude oil, residual fuel oil, or any refined petroleum product from the provisions of such regulation as such provisions pertain to either (i) the allocation of amounts of any such oil or product, or (ii) the specification of price or the manner for determining price of any such oil or product.

"(B) The President shall transmit (i) any amendment (bearing an identification number) to the regulation prescribed under subparagraph (A) of this paragraph, accompanied by a specific statement of the President's rationale for such amendment, and (ii) the matter described in subsection (h) of this section, to both Houses of Congress on the same day and to each House while it is in session. Such an amendment may apply only to one oil or one product with respect to either allocation or price and may provide for scheduled or phased implementation.

"(C) (i) Such an amendment shall take effect on the date or dates specified in such amendment, but not sooner than the end of the first period of twenty calendar days of continuous session of Congress (within the meaning of section 906(b) of title 5, United States Code) after the date on which such amendment is transmitted to it; except that such an amendment shall not take effect if, between the date of transmittal and the end of such twenty-day period, either House passes a resolution of that House, the matter after the resolving clause of which is as follows: 'That the——does not favor the amendment (numbered ———) to the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973, transmitted to the Congress by the President on —————, 19—.', the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled.

"(ii) Section 908 and sections 910 through 913 of title 5, United States Code, shall apply to any resolution described in clause (i), and for purposes of the consideration of a resolution under this paragraph, the twenty calendar days specified in section 911 of title 5, United States Code, shall be shortened to ten calendar days; any reference to a resolution under section 908 and sections 910 through 913 of title 5, United States Code, shall be deemed a reference to a resolution described in clause (i); and any reference to a reorganization plan shall be deemed a reference to an amendment to which this paragraph applies.".

PRESIDENTIAL REPORT AND FINDINGS RESPECTING ACTIONS SUBJECT TO CONGRESSIONAL REVIEW

SEC. 4. Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(h) (1) Any amendment which the President transmits to the Congress under subsection (g) (2) of this section shall be accompanied by a report, which includes his findings with respect to the following matters:

"(A) the need for the proposed amendment;

"(B) the prices of imported and domestic crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy which are in fact anticipated to result from such amendment;

"(C) the impact of such amendment upon domestic production and consumption of crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy;

"(D) the impact of such amendment and of the resulting prices of crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socioeconomic groups, and industrial sectors of the United States;

"(E) the impact of such amendment on competition in the petroleum industry;

"(F) the anticipated effects, with respect to the considerations in subparagraphs (C) and (D) of this paragraph, of reasonable alternatives to such amendment.

"(2) In any judicial review of any provision of the regulation under subsection (a), the reviewing court may not hold unlawful or set aside any such provision solely on the basis that a ground for holding unlawful or setting aside agency action specified in subparagraph (A), (D), or (E) of section 706(2) of title 5, United States Code, applies with respect to one or more of the findings required to be made by the President under this subsection and transmitted to the Congress pursuant to subsection (g) (2) of this section.".

OLD CRUDE OIL PRICE REGULATORY, AND ENCOURAGEMENT OF SECONDARY AND TERTIARY RECOVERY METHODS

SEC. 5. The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

OLD CRUDE OIL PRICE REGULATION, AND ENCOURAGEMENT OF SECONDARY AND TERTIARY RECOVERY METHODS

"SEC. 8. (a) Beginning on the date of enactment of this section, except as provided in subsection (b) of this section, no amendment to the regulation under section 4(a) which would have the effect of permitting an increase in the national average price of old crude oil above the January 1, 1975, base price may take effect except in accordance with the provisions of section 4(g) (2).

"(b) Subsection (a) of this section does not apply to any amendment to the regulation under section 4(a) and such amendment may take effect without regard to the provisions of section 4(g) (2), if—

"(1) the purpose of such amendment is to take into account decline in field production or significant increases in the cost of production of crude oil resulting from the use of secondary or tertiary recovery methods, and

"(2) such amendment would not permit increases in the price of old crude oil or any classification thereof so as to result in a national average price of old crude oil which exceeds by more than 50 cents per barrel the January 1, 1975, base price.

"(c) For purposes of section 4(g), an amendment described in subsection (a) and to which subsection (b) does not apply shall be considered an amendment described in section 4(g) (2) (A) (ii).

"(d) No amendment described in subsection (a) which takes effect after January 1, 1975, and prior to the date of enactment of this section, may remain in effect for a period of longer than thirty days after such date of enactment, and the President shall rescind any such amendment within such thirty-day period, unless such amendment is transmitted to the Congress within such thirty-day period for review under the provisions of section 4(g) (2), in which case such amendment may continue in effect unless disapproved under the provisions of section 4 (g) (2).

"(e) For purposes of this section—

"(1) the term 'old crude oil' means old crude petroleum as defined in section 212.72 of title 10, Code of Federal Regulations (as in effect on January 1, 1975); and

"(2) the term 'January 1, 1975, base price' means the national average price of old crude oil as measured on January 1, 1975.".

MAXIMUM PRICE FOR DOMESTIC CRUDE OIL

SEC. 6. The Emergency Petroleum Allocation Act of 1973, as amended by section 5 of this Act, is further amended by adding at the end thereof the following new section:

"MAXIMUM PRICE FOR DOMESTIC CRUDE OIL

"SEC. 9. (a) (1) Not later than thirty days after the date of enactment of this section, the President shall promulgate and put into effect an amendment to the regulation under section 4(a), which amendment shall specify a price or prices (or specify a manner for determining a price or prices) for all crude oil produced in the United States (including crude oil subject to section 4(e) (2)) which is not old crude oil, as defined in section 8 (e) (1) of this Act.

"(2) The price or prices (or manner for determining price or prices) for crude oil specified in the amendment under paragraph (2) of this subsection shall not be, or result in, a price or prices for such oil which are greater than the price or prices generally prevailing on January 31, 1975, for crude oil subject to such amendment.

"(b) The President may thereafter amend the regulation under section 4(a) with respect to such price or prices, except that no such amendment to the regulation under section 4(a) which would have the effect of permitting any increase in, or exemption from, the price or prices (or manner for determining the price or prices) specified in subsection (a) of this section may take effect except in accordance with the provisions of section 4(g) (2).

"(c) For purposes of section 4(g), an amendment described in subsection (b) of this section shall be considered an amendment described in section 4(g) (2) (A) (ii).".

ENTITLEMENTS

SEC. 7. (a) Section 4 of the Emergency Petroleum Allocation Act of 1973, as amended by section 4 of this Act, is further amended by adding at the end thereof the following:

"(i) Insofar as regulation promulgated and made effective under subsection (a) of this section shall require the purchase of entitlements, or the payments of money through any other similar cash transfer arrangement aimed at equalizing the cost of crude oil to domestic refiners, such regulation shall exempt from such requirement the first 50,000 barrels per day of any refiner whose total refining capacity (including the refining capacity of any person who controls, is controlled by, or is under common control with such refiner) did not exceed on January 1, 1975, 100,000 barrels per day; except that nothing in this subsection shall be construed to restrict the right of any small refiner (as defined in section 3(4) of this Act) to receive payments for entitlements or through any other similar cash transfer arrangement.".

(b) The amendment made by subsection (a) of this section shall apply with respect to payments due on or after the last day of the calendar month during which the date of enactment of this Act occurs.

INTERIM EXTENSION OF EXPIRING ENERGY AUTHORITIES

Sec. 8 (a) Section 4(g) (1) of the Emergency Petroleum Allocation Act of 1973 is amended by striking out "August 31, 1975" whenever it appears and inserting in lieu thereof "December 31, 1975".

(b) Section 2(f) (1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "June 30, 1975" and inserting in lieu thereof "December 31, 1975".

(c) Section 11(g) (2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "June 30, 1975" whenever it appears and inserting in lieu thereof "December 31, 1975".

And the Senate agree to the same.

HARLEY O. STAGGERS,
JOHN D. DINGELL,
TIMOTHY E. WIRTH,
PHILIP R. SHARP,
WILLIAM M. BRODHEAD,
Managers on the Part of the House.
HENRY M. JACKSON,
FRANK CHURCH,
LEE METCALF,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4035) to provide for more effective congressional review of administrative actions which exempt petroleum products from the Emergency Petroleum Allocation Act of 1973, or which result in a major increase in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and conforming changes, the differences are noted below:

SUMMARY OF CONFERENCE SUBSTITUTE

The conference substitute would make more effective the mechanism contained in existing law which provides for Congressional review of Presidential proposals to exempt petroleum products from the allocation or pricing controls currently in effect under the Emergency Petroleum Allocation Act of 1973 (the Allocation Act). The substitute would expand from 5 to 20 days the Congressional review procedure and incorporate by reference certain expediting provisions so as to assure that the question of whether to disapprove a proposal to remove allocation or price controls can be brought to the Floor of either House of the Congress within the 20-day review period.

The conferees agreed to provisions contained in the Senate bill which would require the President to administratively establish price controls for classifications of domestic crude oil which are today not price regulated. The President would be required to establish price ceilings no higher than the January 31, 1975, prevailing prices (which averaged $11.28 per barrel on a national basis).

The conference substitute also provides for Congressional review of any proposal to permit the price of "old oil" to increase substantially above its national average price of $5.25. The President is to continue to have administrative flexibility to adjust the current regulations without Congressional acquiescence.

Specific authority is granted to alter present price controls to allow a price incentive for natural declines in field production or for enhanced recovery investments. Only where the total incentives are of such a magnitude as to cause an increase in excess of 50¢ per barrel in the national average price for "old" crude oil would Congressional review be required.

Your conferees have also agreed to provisions of the House bill which would extend certain expiring energy authorities. The Allocation Act would be extended an additional 4 months from August 31 to December 31, 1975; the authority to issue coal conversion orders under the Energy Supply and Environmental Coordination Act and the authority to gather energy data under that Act—both of which terminated on June 30, 1975—are to be extended until December 31, 1975.

The conferees accepted provisions of the Senate amendments which provided a limited exemption for small refiners from the crude oil entitlements program in effect under current Federal Energy Administration regulations, and determined not to include provisions contained in the Senate amendments which restricted the President's ability to establish price floors for petroleum products.

BACKGROUND

The Emergency Petroleum Allocation Act of 1973, was enacted in November, 1973, against a background of severe shortage of crude oil and its products. The principal aims of the Act were to meet the nation's priority petroleum needs, to distribute the remaining available products equitably, and at fair prices, and to accomplish these objectives in ways that would preserve the competitive viability of the independent segments of the industry. At the time the Allocation Act was passed, price control authority over the petroleum industry and the rest of the economy as well was lodged in the Cost of Living Council which had discretionary price and allocation authority under the terms of the Economic Stabilization Act of 1970.

The Economic Stabilization Act has since expired and the Allocation Act today constitutes the only Federal authority for the control of petroleum prices. The current price regulatory system finds its roots in the regulations prescribed by the Cost of Living Council in August, 1973, during the so-called "Phase IV" sector-by-sector approach to economic controls. These regulations provided (and their successor regulations still provide) for classification of domestically produced crude oil into "old" and "new" designations.

Current regulations, thus, establish a "two-tier pricing system" which imposes a price ceiling on that classification of crude oil which is denominated as "old oil" which allowing other classifications to sell at the market. Under the existing regulation, old oil (that is, oil from properties producing at, or less than, their 1972 production levels) is controlled at the price which prevailed in the field on May 15, 1973, plus an additional $1.35 per barrel. This formula results in a national average price for such oil of about $5.25 per barrel.

At present, "old oil" constitutes approximately 66 percent of domestic production or 5.6 million barrels a day. According to April field-price postings, the remaining 33 percent of domestic production which is not price-regulated sold at market prices of almost $12.00 per barrel. Imported crude oil, also not price-regulated, sold for a landed cost of $12.63 per barrel in January of this year. Since that time the President has added an additional $2.00 per barrel import fee (the first in February; the second in June of this year).

The addition of these fees has had the effect of further increasing the price of imported crude oil to an estimated $14.50 per barrel. Presumably the unregulated domestic price has also increased above $12.00 per barrel in response to the addition of the second dollar fee in June, but it is impossible at this time to measure that increase with any degree of precision.

To properly measure the significance of today's petroleum prices one must examine the historical pattern.

During the ten years after 1962, the price of crude petroleum produced domestically hovered around $3.00 per barrel, lagging behind other sectors of the economy. Then, the shortage situation which occurred in 1973 coupled with the embargo brought about startling increases. Domestic prices increased on average up to $6.31 by the end of the year. By January of 1975—only two years later—the unregulated price of domestically produced crude oil averaged $11.28 per barrel, an increase of almost 250 percent. In the same period the OPEC cartel succeeded in raising the price of imported crude from an average of $2.77 per barrel in January 1973 to a landed cost of $12.63 per barrel in January of this year. This price when coupled with the President's $2.00 import fee represents an increase in the price of imported crude oil of a magnitude of 356 percent.

The quadrupling of prices in the world market and the attendant loss of consumer purchasing power caused a severe shock to the world economy. This inflationary surge was moderated to some extent in the United States because approximately 40 percent of crude supply continued under price controls which remained at $5.25. Despite the moderating effect of price controls on "old oil" the composite cost of crude oil in the United States rose from less than $3.40 per barrel in January 1973 to $9.56 per barrel in January of 1975. Today the composite price exceeds $10 and, if further increase in world market prices result from OPEC cartel meetings in October (as is predicted), the composite price can be expected to move to even higher levels.

On January 15, 1975, the President used the occasion of his State of the Union address to outline a number of legislative and administrative proposals which he considered to be essential ingredients of a comprehensive energy program. Although many faceted, this program places almost singular reliance on increasing prices as the means of curtailing energy demand and maximizing supplies. The economic consequences of this strategy have generated considerable debate.

The Joint Economic Committee on July 10, 1975, released a comparison of the Administration's proposal to decontrol 4 percent of domestic old oil monthly, assuming maintenance of current import fees and a 15 percent OPEC price increase with a base case alternative involving extension of the mandatory allocation program and reduction in the import tariff to offset OPEC price increase. By the end of 1976 the Administration proposal results in—

2.8 percentage points less growth in real GNP;

0.5 percentage points more in unemployment, or approximately 500,000 lost jobs; and

2.5 percentage points in increased inflation.

The analysis prepared by the Congressional Budget Office discloses that phasing in decontrol over a two year period, as most recently proposed by the President, holds similar potential peril. The Congressional Budget Office analysis assumed decontrol over two years, a two dollar import tariff, and a $2.25 increase in the OPEC oil price, contrasted with a base case of $5.25 for old oil, a one dollar import tariff, and no increase in the OPEC price. The result by the end of 1976 was a 2.4 percent increase in inflation, a $21 billion decline in the GNP, and a loss of 500,000 jobs, all of which would continue to worsen through 1977 as the delayed impact of gradual decontrol was felt.

The Congressional Budget Office also calculated the impact of fiscal and monetary policies that might be used to stimulate the economy over the same time period. It found that the negative effect of decontrol on economic growth was two and one-half times as great as the estimated positive effect of a $15 billion tax cut and twice as large as the positive effect of accelerating the rate of monetary expansion to 10 percent. Hence decontrol would more than cancel out the job-creating impacts of either the projected tax cut or increase in the money supply.

EXPLANATION OF MAJOR PROVISIONS OF CONFERENCE SUBSTITUTE

Section 3: Congressional review of certain administration actions relating to price and allocation controls

Section 3 of the Petroleum Pricing Review Act amends section 4(g)(2) of the Emergency Petroleum Allocation Act. The purpose of this amendment is to provide a more coherent and effective procedure for Congressional review and, if necessary, a right of Congressional disapproval of Presidential proposals to exempt categories of crude oil or petroleum product from allocation or price control authority, or certain proposals to increase petroleum prices which are not otherwise permitted by the Allocation Act, as amended.

(a) Inadequacy of Present Procedures for Congressional Review

Section 4(g)(2) of the Emergency Petroleum Allocation Act is, at present, inadequate for insuring effective and meaningful Congressional review in a number of respects.

First, the five day review period does not permit adequate time for careful review of proposals to make exemption from the Act.

Second, the review authority now contained in section 4(g)(2) deals with Presidential proposals to totally "exempt" a category of crude oil, residual oil or a refined petroleum product from the price control or allocation authorities contained in the Act. The present provision is unclear as to the application to a Presidential decision which would have the effect of exempting a category of crude oil or a petroleum product from price controls simply by amending the regulations so as to increase the price to levels at or above the world market price.

Third, the present provisions of section 4(g)(2) do not provide for an expedited Congressional review procedure. As a result, it is entirely possible that even though a majority of the members of Congress favored disapproval of a pricing or allocation decision, it would still not be possible to bring the matter to a vote in either the House or Senate within the five day review period because of procedural impediments and delays.

Fourth, the present provision governing Presidential findings and the kind of information required to justify the proposed action is inadequate to insure an informed decision on the proposal.

Fifth, Section 4(a)(2) currently limits the duration of an amendment submitted by the President to exempt a category of crude oil from price controls or allocation authority to a period of ninety days. This limitation and the uncertainty it generates would not be necessary if more time were permitted for review and an informed Congressional decision.

(b) New provisions on Congressional review

Section 3 of the Conference substitute deals with each of the shortcomings in section 4(g)(2) by adopting a new section 4(g)(2).

First, the new section 4(g)(2) extends the time for Congressional review from five days to twenty days.

Second, the new section covers Presidential proposals to exempt a category of crude oil or a refined product from price control or allocation authority. Read in conjunction with Section 5, the new section 4(g)(2) review provisions also cover certain Presidential proposals which would have the effect of increasing the price of "old" crude oil beyond the limitations set out in section 5 of this Act.

It should be noted that the Presidential action mandated in section 6 of this Act, the establishment of a maximum price ceiling at January 31, 1975 levels for all crude oil produced in the United States (which is not now subject to price controls as "old" crude oil), is not subject to Congressional review under the new section 4(g)(2).

All subsequent amendments which have the effect of increasing prices or creating exemptions from price control or allocation authority for crude oil other than old crude oil would, however, be subject to Congressional review under the new section 4(g)(2) review procedure.

Third, the new section 4(g)(2) procedures for Congressional review protect the rights of all members of Congress by insuring, under expedited procedures, an opportunity to act on a resolution of disapproval. The conference substitute adopts by reference the expedited Congressional review procedures contained in the Reorganization Act of 1949, chapter 9 of title 5, United States Code. These provisions have been used many times and have proven to be fair and effective.

Fourth, the new section 4(g)(2), when read in conjunction with the new section 4(b) (added by section 4 of the bill) insures that the Congress will have available relevant and detailed information concerning the impact of petroleum pricing and allocation decisions proposed by the President.

Fifth, the new section removes the limitation now contained in section 4(g)(2) of the Allocation Act which limits the effectiveness of pricing and allocation decisions to ninety days. Under the new section if Congress does not disapprove a Presidential decision, the decision would stand until the President further amended the regulation or Congress adopted legislation to modify the pricing or allocation regulation.

Section 4. Presidential report and findings related to actions subject to Congressional review

The purposes of this section are two-fold: first, to require that any amendment proposed by the President to the price control and allocation regulations which is subject to the section 4(g)(2) review procedures will be accompanied by a report which includes certain findings, and second, to place some limitation with respect to the judicial review of the adequacy of those findings.

Because Presidential amendment of the regulations promulgated pursuant to Section 4 of the Allocation Act will have a significant impact on the economy, the American consumer and the competitive structure of the petroleum industry, the conference substitute amends the Petroleum Allocation Act by adding a new section 4(h). This new section 4(h) requires the President to submit a report to accompany any amendment transmitted to the Congress, including findings with respect to the following: the need for the proposed amendment; the anticipated impact upon petroleum prices and upon production and consumption of petroleum and petroleum products; the impact of the proposed amendment on such matters as living costs, employment, competition in the petroleum industry and different regions of the country; and finally, the anticipated effects of reasonable alternatives to the amendment.

This section further amends the Petroleum Allocation Act by providing that in any judicial review of any provision of the regulation under subsection 4(a), the reviewing court may not hold unlawful or set aside any such provision solely on the basis that subparagraphs (A), (D), or (E) of section 706(2) of title 5, United States Code, may apply with respect to one or more of the findings made by the President in the report required by new subsection 4(h).

Section 5. Old crude oil price regulation, and encouragement of secondary and tertiary recovery methods

This section amends the Emergency Petroleum Allocation Act of 1973 (87 Stat. 627) by adding at the end of the Act a new Section 8 entitled "Old Crude Oil Price Regulation, and Encouragement of Secondary and Tertiary Recovery Methods."

New Section 8 provides that, with one exception, no amendment to the regulation established pursuant to the Act which raises the price of "old" oil shall take effect without Congressional review provided by the Petroleum Pricing Review Act. Exception from the requirement of Congressional review is permitted by this section in the case, and only in the case, that the purpose of the amendment is to take account of the decline in the field of production which occurs naturally as a result of the loss in well pressure resulting from extraction of hydrocarbons, or to take into account any significant increases in the cost of production of crude oil from the use of secondary or tertiary methods of recovery. No such amendment may take effect absent Congressional review, however, if the amendment would result in an increase in the national average price of domestic old crude oil which would exceed by 50 cents per barrel the January 1, 1975 national average price.

For the purpose of this section, the definition of "old" oil is identical to the definition employed in the present price controls of the Federal Energy Administration which were in effect on January 1, 1975. The conferees understand that this definition classifies as "old" oil in a given month that production from the property in question which is less than or equal to production from the same property in the corresponding month of the year 1972. For the purposes of this section, the January 1, 1975 base price refers to the average price on a national basis of all old crude oil produced in the United States, as measured on January 1, 1975. The conferees understand that this price is approximately $5.25 per barrel.

The intent of the conferees in adopting this section is to grant the President considerable flexibility to provide financial incentives to the producers of domestic old crude oil to encourage the utilization of artificial methods for increasing the recovery of oil from domestic fields. Without the necessity of submitting his proposals to the Congress for review, the President may, where justified, implement an amendment or amendments to the pricing provisions of the regulation established pursuant to the Allocation Act granting substantially higher prices to producers who employ enhanced recovery techniques to sustain or add to current production levels of old oil.

The net effect of these amendments granting higher prices to selected old oil production volumes may not, singularly or in total, result in an increase in the national average price for old oil of more than 50 cents above the base price prevailing on January 1, 1975. Thus, the net result of these amendments may not (free from Congressional review) result in a national average price for old oil exceeding $5.75 per barrel.

The higher prices authorized by this section may be granted also to take account of the natural decline in field production; that is, to encourage old oil producers to undertake efforts to slow or to reverse this decline.

Section 6. Maximum price for domestic crude oil

Section 6 of the conference substitute amends the Emergency Petroleum Allocation Act by adding a new section 9 to the Act which establishes a maximum ceiling price for all domestically produced crude oil.

The new section 9 of the Petroleum Allocation Act directs the President to promulgate and to put into effect within thirty days after the date of enactment of this Act, an amendment to the pricing regulations under the Petroleum Allocation Act. This amendment must establish a ceiling price or prices, or a manner for determining a ceiling price or prices, for all crude oil produced in the United States which is not defined as "old" crude oil.

The ceiling price or prices, however determined or established (whether by a formula using a base year approach or the designation of a price), may not exceed the price or prices for crude oil of comparable grade and quality which generally prevailed in the same field or region on January 31, 1975.

The President's maximum ceiling price amendment to the pricing regulations to implement this section is not subject to Congressional review and right of disapproval under Section 4 of this Act. The conferees did not feel Congressional review was necessary because the President has little discretion in setting the ceiling price. The President's discretion is limited to determining the manner in which the price will be determined and whether the full ceiling price is in fact justified (the President could of course establish a price lower than the maximum ceiling price). The ceiling price may be no higher than the levels generally prevailing in the same field or region on January 31 for crude oil of similar grade and quality.

All future amendments which the President may propose to the maximum ceiling price for domestic crude oil would, however, be subject to Congressional review and right of disapproval if the amendment had the effect of permitting any increase in the maximum ceiling price established pursuant to this section.

In those instances where new oil production has been or will be initiated after January 31, 1975, the conferees intend that the President have the discretion to establish the maximum ceiling price at levels no higher than those which generally prevailed for domestic crude oil of a similar quality and grade in the nearest adjacent fields. Alternatively, should this be inconvenient or difficult to administer because of remoteness of location or for other good reason, the conferees intend that the President have the discretion to impose a maximum ceiling price to govern new production which represents the national average ceiling price which prevailed on January 31, 1975, for all domestic crude oil (new, released and stripper oil) which is not "old" crude oil as defined in section 8(e) (1).

It should be made clear that the maximum price ceiling mandated by this section does not apply to "old" crude oil as defined in FEA regulations and in this Act. The maximum ceiling price applies only to those categories of crude oil which have not been price controlled at the "old" crude oil level of approximately $5.25 per barrel. The new maximum price ceiling established under this section is approximately $11.28 per barrel on a national average basis (based on FEA's May 1975, *Monthly Energy Review*).

Finally, it is the judgment of the conferees that the price increases to the consumer for domestic crude oil which have occurred since as a result of and since President Ford's imposition of the $2.00 per barrel crude oil tariff should not be continued. These price increases are artificial. They bear no relationship to costs of production and reasonable profit levels. In fact, the President's $2.00 per barrel tariff on imported crude oil has driven the price of uncontrolled domestic crude oil above the world oil market price dictated by the OPEC cartel for no apparent purpose of policy.

Section 7. Entitlements

The purpose of this section is to exempt small refiners, whose refining capacity does not exceed 100,000 barrels per day, from the obligation of purchasing entitlements under the FEA crude oil entitlement program on the first 50,000 barrels of oil.

This section, which adds a new subsection 4(i) to the Petroleum Allocation Act, does not affect the right of such small refiners to receive payments for entitlements. The exemption provided for in the conference substitute applies to payments due on or after the last day of the calendar month in which the bill is enacted.

This section is in accord with a policy now reflected in FEA regulations which permits similar exemptions on a case-by-case basis.

Section 8. Interim extension of expiring energy authorities

The purpose of this section is to provide for an interim extension of several important energy authorities: First, the allocation and price control authorities contained in the Emergency Petroleum Allocation Act; and Second, the coal conversion and energy data gathering authorities contained in the Energy Supply and Environmental Coordination Act. The Allocation Act, which provides the sole existing authority for the allocation and equitable pricing of petroleum and petroleum products, is now scheduled to expire on August 31, 1975. The coal conversion and energy data gathering authorities provided in ESECA terminated on June 30, 1975. The conference substitute therefore provides for an extension of these important energy authorities until December 31, 1975.

DESCRIPTION OF DIFFERENCES AND AGREEMENT

Congressional Review

House

The House bill amends section 4(g) (2) of the Emergency Petroleum Allocation Act of 1973 (87 Stat. 627), to provide for Congressional review within fifteen days of continuous session of Congress of any amendment the President may prescribe to regulations under the Act dealing with the allocation or pricing of crude oil, residual fuel oil or refined petroleum products. Such review shall be conducted pursuant to expedited procedures which are described in detail in title 5, U.S. Code and which have been in use in the Federal government for over 30 years. Any amendment submitted by the President is to be accompanied by a statement of the rationale for the amendment, and no amendment submitted shall go into effect if either House passes a resolution of disapproval during the fifteen-day period.

Senate

The Senate bill provides for expedited review within a thirty-day period of any Presidential amendment to the new section 8 of the Allocation Act which is created by the Senate bill. This new section sets ceiling prices for domestic oil not now under price controls and requires that all exemptions from classification or increase in prices of domestic crude oil currently maintained under controls be subject to congressional review.

Conference substitute

There being essentially no difference in substance between the House and Senate congressional review procedures, the conferees agreed to accept the more direct language of the House bill. The length of the review period was set by the conferees at twenty days of continuous session of Congress.

Enhanced recovery oil

House

The House bill exempted from the requirement of Congressional review any amendment to crude oil pricing regulations designed to take into account decline in field production or increased costs resulting from use of secondary and tertiary recovery methods, provided such amendment did not result in an increase in the national average price of old crude oil by more than 50 cents above the base price of January 1, 1975.

Senate

The Senate bill permits the highest price applicable to oil in a given producing area for "enhanced recovery" oil. Enhanced recovery oil was defined as oil produced on any property in excess of an administratively determined percentage of the oil produced from that property in the corresponding month of 1972. The percentage referred to in the Senate bill was to be determined so as to reflect the decline in production rate normally expected for individual reservoirs in the absence of enhanced recovery techniques such as waterflooding or methods of tertiary treatment.

Conference substitute

The conferees accepted the House version of the enhanced recovery provision. This provision involves an opportunity for close targeting of the recovery incentive without imposition of the very large economic costs associated with the Senate provision. The House provision, which refers to the national average price of old oil, affords the President the opportunity and flexibility to designate through regulation relatively high prices for the relatively small portions of domestic oil recoverable using expensive tertiary recovery methods. In addition modest increases, where necessary, can be granted for the much larger volume of oil from producing reservoirs where the recovery from those reservoirs could be enhanced by the very inexpensive and widely employed secondary recovery technique of waterflooding. The overall impact of these pricing regulations is constrained in the House provision by the limitation that the net increase in the national average old oil price—as a result of all amendments submitted pursuant to this provision—shall not raise that price more than 50 cents above the level prevailing on January 1, 1975 (unless the change in price controls is transmitted to the Congress under the congressional review procedure).

Price ceilings

House

The House bill contains no provisions setting price ceilings for any category of domestically produced crude oil.

Senate

The Senate version requires that, within thirty days of enactment, the President shall promulgate regulations establishing ceiling prices for domestically-produced crude oil not now under price controls. The prices so established shall be no greater than those prevailing on January 31, 1975, before the President imposed the first dollar increase in the tariff on imported crude oil. This provision has no effect on the tariff or on the President's authority to impose tariffs. It does, however, place a limit on the price of that portion of domestically-produced crude oil which has heretofore been free to increase by virtue of the tariff. Sales of this domestic oil would be subject to a price ceiling set at a level no greater than those prevailing at the time the tariff was imposed.

Conference substitute

The conferees agreed to accept the Senate provision establishing price ceilings for domestically-produced new, released and stripper-well oil at levels no greater than those prevailing prior to the imposition of the President's tariff on imported crude oil. The conferees intend that the President shall have latitude in proposing the amendments which prescribe prices for all oil produced subsequent to enactment of this Act.

However, the conferees further intend that, in the case of oil produced from any new field developed after January 31, 1975, the President shall promulgate regulations providing for prices which are no greater than the prices prevailing for new oil in January, 1975 for (a) crude oil of similar grade and quality in fields with similar geological characteristics adjacent to the new field in question or (b) the national average price for domestic crude oil not subject to price controls in January, 1975, in cases where the new field is isolated from fields which have an adequate production history to establish prevailing prices for oil of such grade and quality from such fields.

Energy price floors

House

The House bill did not contain a provision relating to the establishment of a floor for domestic energy prices.

Senate

The Senate bill required Congressional review and right of disapproval of any action which would create or maintain a floor under domestic energy prices by means of a tariff, import fee, quota or other measure restricting imports.

Conference substitute

The Conference Substitute contains no provision relating to the establishment of energy price floors. Since H.R. 7014, as reported by the Interstate and Foreign Commerce Committee of the House, would prohibit outright the imposition of such floor prices, the House conferees did not accede to the provisions in the Senate bill.

Presidential findings and reports

House

The House bill required the President to submit separate and distinct findings with respect to both price control and allocation amendments. Additional findings were required for any amendment transmitted by the President to the Congress under subsection 4(g)(2) of the Allocation Act. The House bill also placed certain limitations on judicial review relating to the adequacy of the findings which the President must submit to the Congress.

Senate

The Senate bill required findings and a report of a more general nature relating to amendments proposed by the President to the pricing regulations of the Allocation Act and to any action which would create or maintain a floor under domestic energy prices.

Conference substitute

Although both bills require Presidential findings and reports, the conferees agreed to accept the less restrictive provisions contained in the Senate version. The Conference Substitute does include the House bill's provision with respect to the limitations on judicial review.

Entitlements

House

The House bill did not contain a provision exempting small refiners from the obligation of purchasing crude oil entitlements.

Senate

The Senate bill amended the Allocation Act to exempt the first 50,000 barrels of oil, for small refiners whose capacity does not exceed 100,000 barrels per day, from the obligation of purchasing entitlements under the FEA crude oil entitlement program. This exemption was to become effective for payments due with respect to crude oil receipts and runs to stills occurring on or after February 1, 1975.

Conference substitute

H.R. 7014 provides a substantively identical exemption for small refiners. The conferees therefore agreed to the Senate provision with a modification of the effective date to eliminate the adminstative problems involved in its retroactive application. In the Conference Substitute the exemption applies to payments due on or after the last day of the calendar month in which the bill is enacted.

Interim extension of expiring energy authorities

1. Emergency Petroleum Allocation Act of 1973

House

The House bill extended the Emergency Petroleum Allocation Act of 1973 for an additional four months until December 31, 1975.

Senate

The Senate bill did not provide for an extension of the Allocation Act.

Conference substitute

Since the Senate had previously passed legislation (S. 622) extending the Allocation Act to March 1, 1976, the Conference Substitute preserves the four month extension of the Act embodied in the House bill.

2. Energy Supply and Environmental Coordination Act

House

The House bill extended two important authorities under the Energy Supply and Environmental Coordination Act which terminated June 30, 1975: first, the authority to compel utilities and other major fuel burning installations with the capacity to burn coal to convert from petroleum and natural gas to coal; second, the authority to conduct energy data gathering activities. Both of these authorities were extended until December 31, 1975.

Senate

The Senate bill did not provide for an extension of either the coal conversion or energy data gathering authorities.

Conference substitute

Since the Senate had previously passed legislation (S. 622) to extend coal conversion authority, and since there was no dispute over the desirability of continuing energy data gathering, the conferees agreed to adopt the House amendments to the Energy Supply and Environmental Coordination Act which extended both authorities until December 31, 1975.

HARLEY O. STAGGERS,
JOHN D. DINGELL,
TIMOTHY E. WIRTH,
PHILIP R. SHARP,
WILLIAM M. BRODHEAD,
Managers on the Part of the House.
HENRY M. JACKSON,
FRANK CHURCH,
LEE METCALF,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. KASTEN (at the request of Mr. RHODES), after 1 p.m. today, on account of official business.

Mr. STUCKEY (at the request of Mr. O'NEILL), for today, on account of official business of the House Committee on Interstate and Foreign Commerce.

Mr. YOUNG of Florida (at the request of Mr. MICHEL), for today and tomorrow row, on account of official business.

Mr. KARTH, for July 14, 15, 16, 1975, on account of official business on behalf of Committee on Ways and Means.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KINDNESS), to revise and extend their remarks, and to include extraneous matter to:)

Mr. CRANE, for 5 minutes, today.

Mr. RAILSBACK, for 5 minutes, today.

Mr. DERWINSKI, for 1 hour, on July 17.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. FRENZEL, for 20 minutes, today.

Mr. WHALEN, for 5 minutes, today.

Mr. STEIGER of Wisconsin, for 15 minutes, today.

(The following Members (at the request of Mr. MCHUGH) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. THOMPSON, for 30 minutes, today.

Mr. FUQUA, for 5 minutes, today.

Mr. ASHLEY, for 5 minutes, today.

Mr. VANIK, for 10 minutes, today.

Mr. BURKE, of Massachusetts for 5 minutes, today.

Mr. BINGHAM, for 10 minutes, today.

Mr. CLAY, for 5 minutes, today.

Mr. DOMINICK V. DANIELS, for 10 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. JENRETTE, for 10 minutes, today.

Mr. SIKES, for 30 minutes, on July 15, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. HUBBARD, to revise and extend after the remarks of Mr. NATCHER in the debate on H.R. 8561 today.

Mr. FRASER, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $1,877.

Mr. KOCH, to revise and extend his remarks in the RECORD prior to passage of H.R. 8561.

Mr. FOUNTAIN to extend his remarks in the RECORD following withdrawal of the second Peyser amendment on H.R. 8561.

(The following Members (at the request of Mr. KINDNESS), and to include extraneous matter:)

Mr. ARCHER.

Mr. HORTON in two instances.

Mr. RHODES.

Mr. CRANE.

Mr. DERWINSKI in two instances.

Mr. MCCLORY.

Mr. ROBINSON.

Mr. ASHBROOK in two instances.

Mr. ROBERT W. DANIEL, Jr.

Mr. STEIGER of Wisconsin.

Mr. PEYSER in two instances.

Mr. GOLDWATER.

Mr. GILMAN.

Mr. BUTLER.

Mr. MOORE.

Mr. GUDE.

Mr. TREEN.

(The following Members (at the request of Mr. MCHUGH) and to include extraneous material:)

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. ANNUNZIO in six instances.

Mr. WAXMAN in two instances.

Mr. MOORHEAD of Pennsylvania.

Mr. MCCORMACK in three instances.

Mr. RANGEL in 10 instances.

Mr. LEHMAN.

Mr. NOWAK.

Mr. SIMON in two instances.

Mr. MINISH.

Mr. BINGHAM in 10 instances.

Mr. SYMINGTON.

Mr. DOWNING of Virginia.

Mr. VANIK.

Mr. MCDONALD of Georgia in three instances.

Mr. OBERSTAR.

Mr. ROSENTHAL.

Mr. MILLER of California.

Mr. STOKES in two instances.

Mr. KOCH in 10 instances.

Mr. YOUNG of Georgia.

Mr. KAZEN.

Mr. FRASER.

Mr. STEED.

Ms. HOLTZMAN.

Mr. JENRETTE.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 349. An act to regulate commerce, to protect consumers, and to conserve energy by requiring the disclosure of the energy characteristics and estimated annual operating costs of major energy-consuming household products and automobiles; to the Committee on Interstate and Foreign Commerce.

S. 670. An act to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2073. An act to authorize the American Indian Policy Review Commission to accept voluntary contributions of services and for other purposes; to the Committee on Interior and Insular Affairs.

S. Con. Res. 47. Concurrent resolution authorizing the proclamation of U.S. space observance; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5709. An act to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, and for other purposes; and

H.R. 5710. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for the fiscal year 1976 and for the transition period following such fiscal year, and for other purposes.

ADJOURNMENT

Mr. McHUGH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 48 minutes p.m.) the House adjourned until tomorrow, Tuesday, July 15, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1389. A letter from the Secretary of the Interior, transmitting a proposed plan for the use and distribution of Cabazon judgments funds awarded in docket No. 148 before the Indian Claims Commission, pursuant to 87 Stat. 466; to the Committee on Interior and Insular Affairs.

1390. A letter from the Secretary of the Interior, transmitting a proposed plan for the use and distribution of the judgment funds of the Winnebago Tribe of Nebraska and the Winnebago Tribe of Wisconsin awarded in docket Nos. 243, 244, and 245 before the Indian Claims Commission, pursuant to 87 Stat. 466; to the Committee on Interior and Insular Affairs.

1391. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket Nos. 341-A and 341-B, *The Seneca-Cayuga Tribe of Oklahoma and Peter Buck, Stewart Jamison, Ruby Charloe, David Charloe and Lewis Whitewing, members and representatives thereof, plaintiffs*, v. *The United States of America, defendant*, pursuant to section 21 of the Indian Claims Commission Act [25 U.S.C. 70t]; to the Committee on Interior and Insular Affairs.

1392. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92-403; to the Committee on International Relations.

1393. A letter from the Attorney General, transmitting a draft of proposed legislation to amend section 546 of title 28, United States Code, to provide for interim designation of U.S. attorneys by the Attorney General; to the Committee on the Judiciary.

1394. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to extend and improve the Federal-State unemployment compensation program, to bring under its protection certain types of employment which formerly have lacked such protection, to extend the Federal-State unemployment compensation program to the Virgin Islands on the same terms and subject to the same conditions as apply in the 50 States, Puerto Rico, and the District of Columbia, and for other purposes; to the Committee on Ways and Means.

1395. A letter from the Secretary of Transportation, transmitting the 1974 national transportation report; jointly, to the Committee on Public Works and Transportation, and Interstate and Foreign Commerce.

1396. A letter from the Comptroller General of the United States; transmitting a report on ways the Department of Housing and Urban Development can improve its leased-housing programs; jointly, to the Committee on Government Operations, and Banking, Currency and Housing.

1397. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the Government Printing Office for fiscal year 1974, pursuant to 44 U.S.C. 309 (c); jointly, to the Committees on Government Operations, and House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ICHORD: Committee on Armed Services. Supplemental report to accompany H.R. 5210. A bill to authorize certain construction at military installations, and for other purposes (Rept. No. 94-293, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 4799. A bill to amend sections 306 and 308 of the Rural Electrification Act of 1936, as amended; with amendment (Rept. No. 94-353). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. S. 435. An act to amend section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31 (Rept. No. 94-354). Referred to the Committee of the Whole House on the State of the Union.

Mr. HUNGATE: Committee on the Judiciary. S. 1549. An act to amend the Federal Rules of Evidence, and for other purposes. (Rept. No. 94-355). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee of conference.

Conference report on H.R. 4035 (Rept. No. 94–356). Ordered to be printed.

Mr. PEPPER: Committee on Rules. House Resolution 599. Resolution providing for the consideration of H.R. 7014. A bill to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes (Rept. No. 94–357). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 600. Resolution waiving points of order against H.R. 8597. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94–358). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CORMAN (for himself, Mr. Fulton, Mr. Rangel, Mr. Stark, Mr. Karth, Mr. Vander Jagt, and Mr. Ketchum):

H.R. 8598. A bill to amend title IV of the Social Security Act to make needed improvements in the recently enacted child support program; to the Committee on Ways and Means.

By Mr. ARMSTRONG (for himself, Mr. Cornell, Mrs. Holt, and Mr. Wolff):

H.R. 8599. A bill to amend title II of the Social Security Act to repeal the earnings limitation, to provide benefits for husbands, widowers, and fathers on the same basis as wives, widows, and mothers, to eliminate the 5-month waiting period for disability benefits, to provide for the payment of benefits to an individual through the month of his or her death, to provide an optional exemption from coverage for individuals 65 years of age and over, and to provide that a beneficiary's marriage or remarriage will not affect his or her benefits; and to amend title XVIII of such act to authorize direct payments to physicians and other providers at their option under the supplementary medical insurance program; to the Committee on Ways and Means.

By Mr. DEVINE:

H.R. 8600. A bill to terminate the authorization of the Mill Creek Dam and Lake project, Ohio; to the Committee on Public Works and Transportation.

By Mr. HAMMERSCHMIDT:

H.R. 8601. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs; to the Committee on Public Works and Transportation.

H.R. 8602. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. HANLEY (for himself, Mr. Nix, Mr. Ford of Michigan, Mr. Lehman, Mr. Simon, and Mr. Mineta):

H.R. 8603. A bill to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and the Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NOLAN (for himself, Mr. Pressler, Mr. Blouin, Mr. LaFalce, Mr. Richmond, Mr. Kastenmeier, and Mr. Russo):

H.R. 8604. A bill to amend the Internal Revenue Code of 1954 to limit the extent to which farm losses can be used to offset nonfarm income; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 8605. A bill to amend section 6956 of title 10, United States Code, to eliminate the dates for submission of nominations to the U.S. Naval Academy; to the Committee on Armed Services.

H.R. 8606. A bill to amend title 10, United States Code, to repeal sections which impose certain restrictions on enlisted members of the armed forces and on members of military bands; to the Committee on Armed Services.

H.R. 8607. A bill to authorize the Commandant, Defense Intelligence School to award the degree of master of science of strategic intelligence; to the Committee on Armed Services.

H.R. 8608. A bill to amend chapter 73 (survivor benefit plan) of title 10, United States Code, to clarify provisions relating to annuities for dependent children; to the Committee on Armed Services.

H.R. 8609. A bill to amend sections 5202 and 5232 of title 10, United States Code, relating to the appointment to the grades of general and lieutenant general of Marine Corps officers designated for appropriate higher commands or for performance of duties of great importance and responsibility; to the Committee on Armed Services.

By Mr. SHRIVER (for himself, Mr. Skubitz, Mr. Winn, and Mr. Sebelius):

H.R. 8610. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 8611. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. CHARLES H. WILSON of California (for himself, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Brinkley, Mr. Clay, Mr. Conyers, Mr. Danielson, Mr. Dellums, Mr. Dodd, Mr. Edwards of California, Mr. Fish, Mr. Ford of Tennessee, Mr. Gilman, Mr. Hicks, Mr. McCollister, Mr. Moakley, Mr. Richmond, Mr. Rosenthal, Mr. Sisk, Mr. Solarz, Mr. Stark, Mr. Stokes, Mr. Stuckey, Mr. Winn, and Mr. Wolff):

H.R. 8612. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. WIRTH:

H.R. 8613. A bill to provide for a study of the effects of advertising on children; to amend the Communications Act of 1934 and the Federal Trade Commission Act; to eliminate advertising practices which may be found to be misleading or deceptive to children or to induce hazardous conduct by children; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEIGER of Wisconsin:

H.R. 8614. A bill to extend and improve the Federal-State unemployment compensation program, to bring under its protection certain types of employment which formerly have lacked such protection, to extend the Federal-State unemployment compensation program to the Virgin Islands on the same terms and subject to the same conditions as apply in the 50 States, Puerto Rico, and the District of Columbia, and for other purposes; to the Committee on Ways and Means.

By Mr. AuCOIN (for himself and Mr. Duncan of Oregon):

H.R. 8615. A bill to amend the National Flood Insurance Act of 1968 to extend coverage under the flood insurance program to include losses from landslides as well as losses from mudslides; to the Committee on Banking, Currency and Housing.

By Mr. BROOKS:

H.R. 8616. A bill to provide for the appointment of several officials of the Congress; to the Committee on House Administration.

By Mr. CLAY (for himself, Mrs. Spellman, Mr. Solarz, Mr. Charles H. Wilson of California, Mr. Harris and Mrs. Schroeder):

H.R. 8617. A bill to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DOMINICK V. DANIELS (for himself, Mr. Esch, Mr. Hawkins, and Mr. Steiger of Wisconsin):

H.R. 8618. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional consultation and education to employers, and for other purposes; to the Committee on Education and Labor.

By Mr. FINDLEY (for himself, Mr. Brown of Ohio, Mr. Broyhill, Mr. Cochran, Mr. Evans of Indiana, Mr. Fisher, Mr. Grassley, Mr. Hannaford, Mr. Henderson, Mr. Hyde, Mr. Ichord, Mr. Ketchum, Mr. Krebs, Mr. Lagomarsino, Mr. McCollister, Mr. Mathis, Mr. Michel, Mr. Milford, Mr. Montgomery, Mr. Ruppe, Mr. Snyder, Mr. Talcott, Mr. Treen, Mr. Whtehurst, and Mr. Bob Wilson):

H.R. 8619. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional assistance to small employers; to the Committee on Education and Labor.

By Mr. GONZALEZ:

H.R. 8620. A bill to amend title II of the Social Security Act to liberalize the earnings test, to provide that cost-of-living benefit increases shall be made semiannually (and on the basis of a separate senior citizen price index), and to provide that the remarriage of a beneficiary shall not terminate or reduce his or her benefits; to the Committee on Ways and Means.

By Mr. HANNAFORD:

H.R. 8621. A bill to provide that the U.S. Postal Service may not require the installation of mailboxes at the curb line of residential property in certain localities; to the Committee on Post Office and Civil Services.

By Mr. HAWKINS:

H.R. 8622. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers; to the Committee on Education and Labor.

By Mr. HELSTOSKI (for himself and Mr. Drinan):

H.R. 8623. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. LITTON (for himself and Mr. Cornell):

H.R. 8624. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Administrator of the Small Business Administration may render onsite consultation and advice to certain small business employers to assist such employers in providing safe and healthful working conditions for their employees; to the Committee on Education and Labor.

By Mr. LITTON (for himself, Mr. Rose, Mr. Jeffords Mr. Hefner, Mr. Jenrette, Mr. Ginn, Mr. Murtha, Mr. Thompson, Mr. Winn, Mr. Forsythe, Mr. Kindness, Mr. Stephens, Mr. Downey of New York, Mr. Fithian, Mr. Steelman, Mr. Kastenmeier, Mr. Carr, Mr. Derwinski, Mr. English, Mr. Lagomarsino Mr. John L. Burton, Mr. Rodino, Mr. Devine, Mr. Mitchell of New York, and Mr. Gilman):

H.R. 8625. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and to provide that farmland, woodland, or open land which comprises part of an estate may be valued, for estate tax purposes as such rather than at its fair market value, and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. LITTON (for himself, Mr. Riegle, Mr. Hays of Ohio, Mr. Robert W. Daniel, Jr., Mr. Brown of California, Mr. Sarasin, Mr. Mollohan, and Mr. Ryan):

H.R. 8626. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and to provide that farmland, woodland, or open land which comprises part of an estate may be valued for estate tax purposes, as such rather than at its fair market value, and to provide that real property which is listed on the National Register of Historic Places may be valued for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. NEDZI:

H.R. 8627. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board; to the Committee on House Administration.

H.R. 8628. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to an act of August 20, 1912, titled "An Act To Accept and Fund the Bequest of Gertrude M. Hubbard." (37 Stat. 319); to the Committee on House Administration.

By Mr. O'NEILL (for himself, Mr. Brown of Michigan, and Mr. Dodd):

H.R. 8629. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. OTTINGER (for himself and Mr. Gude):

H.R. 8630. A bill to require that buildings financed with Federal funds utilize the best practicable measures for the conservation of energy and the use of solar energy systems; to the Committee on Public Works and Transportation.

By Mr. PRICE (for himself and Mr. Anderson of Illinois) (by request):

H.R. 8631. A bill to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. RONCALIO:

H.R. 8632. A bill to amend the Public Works and Economic Development Act of 1965 in order to establish a regional impact and development assistance program; to the Committee on Public Works and Transportation.

By Mr. STUDDS (for himself, Mr. Ambro, Mr. Annunzio, Mr. AuCoin, Mr. Bell, Mr. Byron, Mr. Edgar, Mr. Florio, Mr. Lott, Mr. Macdonald of Massachusetts, Mrs. Spellman, and Mr. Charles Wilson of Texas):

H.R. 8633. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WHALEN:

H.R. 8634. A bill to amend the Foreign Military Sales Act to require congressional approval for any sale, credit sale, or guaranty involving a major weapons system or major defense service, and to require congressional approval of the total amount of sales, credit sales, and guaranties made to any country or international organization; to the Committee on International Relations.

By Ms. ABZUG (for herself, Mr. Stokes, Mr. Florio, and Mr. Bingham):

H.R. 8635. A bill to amend title XIX of the Social Security Act to require the States to regulate nursing homes more effectively under their medicaid programs and to improve the enforcement of such regulation; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT:

H.R. 8636. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for State and local public utility taxes; to the Committee on Ways and Means.

By Mr. CARTER:

H.R. 8637. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 8638. A bill to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, to raise the contribution base, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RIEGLE (for himself, Mr. Blanchard, Mr. Brodhead, Mr. de Lugo, Mr. Harrington, Mr. Helstoski, Mr. Mitchell of Maryland, Mr. Moakley, Mr. O'Hara, and Mr. Vander Veen):

H.R. 8639. A bill to assist States in repaying debts to the unemployment compensation loan fund incurred during the current recession and to extend the period in which such debts must be repayed; to the Committee on Ways and Means.

By Mr. GUDE:

H.R. 8640. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to add a requirement that the comprehensive State plan include provisions for the prevention of crimes against the elderly; to the Committee on the Judiciary.

By Mr. REES (for himself and Mr. J. William Stanton):

H.J. Res. 560. Joint resolution to amend the Defense Production Act of 1950, as amended, to extend the National Commission on Supplies and Shortages; to the Committee on Banking, Currency and Housing.

By Mr. THONE:

H.J. Res. 561. Joint resolution to designate November 26, 1975, as Energy Day and to direct the Federal Energy Administration to prepare a report containing estimates of the amounts of fuel which could be saved through voluntary energy conservation measures; jointly to the Committees on Post Office and Civil Service, and Science and Technology.

By Mr. ASHBROOK:

H. Con. Res. 336. Concurrent resolution to invite Alexandr Solzhenitsyn to address a joint meeting of Congress; to the Committee on Rules.

By Mr. BINGHAM (for himself, Mr. Rosenthal, Mr. Solarz, Mr. Gilman, Mr. Bonker, Mr. Harrington, Mr. Nix, Mr. Riegle, Mr. Charles Wilson of Texas, Mr. Wolff, and Mr. Yatron):

H. Con. Res. 337. Concurrent resolution disapproving the proposed sales to Jordan of the Hawk missile and Vulcan antiaircraft systems; to the Committee on International Relations.

By Mr. GONZALEZ:

H. Con. Res. 338. Concurrent resolution that Alexandr Solzhenitsyn be hereby invited to address a joint meeting of the House of Representatives and the Senate; to the Committee on Rules.

By Mr. RIEGLE:

H. Con. Res. 339. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Ms. SCHROEDER:

H. Con. Res. 340. Concurrent resolution expressing the sense of Congress with respect to the renewal of relations between the United States and Cuba; to the Committee International Relations.

By Mr. EILBERG:

H. Con. Res. 341. Concurrent resolution calling for freedom and self-determination for Lithuania, Latvia, and Estonia; to the Committee on International Relations.

By Mr. MONTGOMERY (for himself, Mr. Biester, Mr. Downing of Virginia, Mr. Goldwater, Mr. Hansen, Mr. Fithian, Mr. du Pont, Mr. Railsback, Mr. Harrington, and Mr. Danielson):

H. Res. 598. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

231. The SPEAKER presented a memorial of the Legislature of the Trust Territory of the Pacific Islands, conferring honorary Micronesian citizenship on the Hon. Phillip Burton; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STAGGERS introduced a bill (H.R. 8641) for the relief of John G. Davis, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

170. The SPEAKER presented a petition of the Board of Supervisors, Seneca County, N.Y., relative to price controls on gasoline; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. EDGAR:

Amendment to title I: "Strike the last word."

Amendment to title II: "Strike the last word."

Amendment to title III: "Strike the last word."

Amendment to title IV: "Strike the last word."

Amendment to title V: "Strike the last word."

Amendment to title VI: "Strike the last word."

Amendment to title VII: "Strike the last word."

Amendment to title VIII: "Strike the last word."

H.R. 7014

By Mr. HECHLER of West Virginia:

On page 173, line 20, strike "or"; and strike all on lines 21 and 22 and insert therein:

"(C) within any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, the National System of Trails, the Wild and Scenic Rivers System, and the National Forest System, or

"(D) military reservations."

On page 225, line 24, strike "1969)' and insert "1969; the Federal Water Pollution Control Act, the Clean Air Act, the Refuse Act of 1899, and other laws and regulations concerning health and safety of persons)".

On page 225, line 21, strike "OIL, GAS, AND COAL" and insert "OIL AND GAS"; on page 226, lines 1 and 8 strike "oil, natural gas, or coal" and insert therein "oil or natural gas"; on page 226, lines 14 and 15 and 19, strike "coal deposit or"; on page 226, line 17 and on page 228, line 9 strike ", or coal"; on page 228, lines 16 and 17 on page 229, lines 5 and 6, 15, 17 and 20, and on page 230, lines 1 and 2 and 4 and 5, and 18, strike "oil natural gas, or coal" and insert therein "oil or natural gas".

On page 345, between lines 15 and 16 insert the following new section:

"SEC. 707. Any employee of the Administrator performing any function or duty under this Act or any other statute referred to in this Act, who has a direct or indirect financial interest in any corporation, company, association, firm, partnership, or other private entity engaged in the business of exploring, developing, producing, refining, transporting by pipeline, or selling (other than at the retail level) coal or petroleum products, shall, beginning on February 1, 1977, annually file with the Administrator a written statement concerning all such interests held by such employee during the preceding calendar year. Such statement shall be available to the public. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Administrator shall (1) within ninety days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions of this section will be monitored and enforced, including appropriate provisions for the filing by such employees and the review by the Administrator of such statements, and (2) report to the Congress on June 1st of each calendar year on the actions taken and not taken during the preceding calendar year under this section."

On page 181, between lines 2 and 3 insert the following new section:

"EXPORTS OF COAL

"SEC. 204. During the term of any energy emergency declared by or under this Act, all domestically mined coal, as that term is defined in the Federal Coal Mine Health and Safety Act of 1969, except such coal of similar quantity and quality which for purposes of increased efficiency of transportation is either exchanged with persons or the government of an adjacent foreign state, or temporarily exported across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements established by Congress for exports on December 30, 1969. In addition, before any coal subject to this section may be exported during such period under the limitations and licensing requirements and penalty and enforcement provisions of said Act of 1969, the President shall (1) make and publish in the Federal Register an express finding that any such export (A) will not diminish the total quantity or quality of mined coal available and needed for domestic uses in the United States during the next succeeding one hundred and eighty calendar days, and (B) is in the national interest and (2) submit a report to the Congress containing such finding. If either House of Congress, after receiving such report, adopts a resolution disagreeing with such finding within sixty calendar days during which both Houses of Congress have been in session for at least thirty of such days, such export shall be prohibited by the President: *Provided*, That the President may permit such export, without filing such report, if he affirmatively finds, and publishes his finding in the Federal Register, that the export of such coal to any specific foreign state is necessary to insure that the importation of other fossil fuels into the United States from such state is not interrupted. The President, or his delegate, shall, after the enactment of this Act, promptly issue regulations to implement this section and to insure that any person who plans to export such coal after the date of enactment of this Act will notify the President or his delegate and specify the quantity and quality of the coal to be exported, the port from which it will be exported, the destination of such coal, the name and address of the person or persons mining such coal, and such other information as the regulations may require. The provisions of this section shall not apply to coal exports for use by the Defense Department in any foreign state."

H.R. 7014

By Mr. KRUEGER:

Strike out all from beginning of line four, page 214 to end of line 3, page 223 (Section 301 of the Committee substitute) and insert in lieu thereof the following:

CRUDE OIL PRICE REGULATION

SEC. 301. (a) The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States or from the 'outer Continental Shelf' as defined in section 1331, title 43, United States Code.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right which arises from a lease or from a fee interest to produce domestic crude oil.

"(5) The term 'base period control volume' means—

"(A) if domestic crude oil was produced and sold from that property in the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in those months divided by eight;

"(B) if domestic crude oil was not produced and sold from that property in each of the months of May through December 1972, the total number of barrels of domestic crude oil produced and sold from that property in such months May through December for which domestic crude oil was produced and sold from the property (excluding those months in which there occurred any shutdown in production) divided by the number of such months.

"(6) The term 'decline adjustment factor' means—

"1 per centum of the base period control volume of a property multiplied by the number of months for which there occurred production and sales of crude oil from such property beginning with May 1972, and ending with the current month of production.

"(7) The term 'adjusted base period control volume' means the base period control volume less the decline adjustment factor.

"(8) The term 'monthly production variance factor' means the current cumulative deficiency in base production control level crude petroleum, as defined in section 212.72 of title 10 of the Code of Federal Regulations (as in effect on April 3, 1975), for a property on the effective date of this section, plus the total number of barrels by which production and sales of crude oil subsequent to the effective date of this section has been less than the adjusted base period control volume for all months in which production and sale of domestic crude oil has been less than the adjusted base period control volume subsequent to the first month in which production and sale of domestic crude oil exceeded the adjusted base period control volume, minus the total number of barrels of domestic crude oil produced and sold in each prior month which was in excess of the adjusted base period control volume for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (c) of this section for sales made subsequent to the effective date of this section.

"(9) The term 'production volume subject to ceiling price' means the adjusted base period control volume plus the monthly production variance factor.

"(10) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and petroleum condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(b) Except as provided in subsections (e) and (d), no price ceiling shall apply to any first sale by a producer of domestic crude oil from a property.

"(c) No producer may charge a price in the case of sales from a property in a month in volume amounts equal to or less than the production volume subject to a price ceiling which is higher than the sum of (1) the highest period price at 6 ante meridian, local time, May 15, 1973, for that grade of crude oil at that field, or if there was no posted price for that grade of crude oil which is most similar in kind and quality posted at the nearest field for which prices were posted at such time and date; and (2) a maximum of $1.35 per barrel.

"(d)(1) The provisions of subsections (b) and (c) of section 8 shall not take effect unless the President finds that there is in effect (A) an inflation minimization tax consonant with the purposes of this section applicable to sales from a property, from which domestic crude oil was produced and sold in one or more of the months of May through December 1972, in volume amounts greater than the production volume subject to a ceiling price under susbection (c), but less than the base period control volume, and (B) a production maximization tax consonant with the purposes of this section applicable to sales of domestic crude oil from any stripper well lease or from a property from which domestic crude oil was not produced and sold in one or more of the months of May through December 1972, or with respect to amounts produced and sold in any month in excess of the base period control volume (in the case of a property from which domestic oil was produced and sold in one or more of the months of May through December 1972).

"(2) For the purposes of this section:

"(A) The term 'inflation minimization tax consonant with the purposes of this section' means a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to sales from a property (other than a property certified by the President as having made application of bona fide tertiary recovery techniques) in volume amounts greater than the production volume subject to a price ceiling under subsection (c) but less than the base period control volume, equal to (i) in the first month which follows the date of enactment of this section, 90 per centum of the difference between the average sales price per barrel of such domestic crude oil and $5.75 per barrel; and (ii) in each successive month thereafter, 90 per centum of the difference between the average price per barrel of sales of such domestic crude oil in such month and $5.75 adjusted by adding an inflation adjustment factor: *Provided*, That provision may be made to take into account increases in State severance taxes and to assure that such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

"(B) The term 'production maximization tax consonant with the purposes of this section' means a tax which couples a redistribution of tax receipts mechanism with an excise tax applicable to sales from any stripper well lease or from a property from which domestic crude oil was not produced and sold in one or more of the months of May through December 1972 or with respect to amounts produced and sold in any month in excess of the base period control volume (in the case of a property from which domestic oil was produced and sold in one or more of the months of May through December 1972) (other than a lease or property certified by the President as having made application of bona fide tertiary recovery techniques) equal to (i) in the first month which follows the date of enactment of this section, 90 per centum of the difference between the average sales price per barrel of such domestic crude oil in that month and $7.50 per barrel; and (ii) in each successive month thereafter, 90 per centum of the difference between the average sales price per barrel in such month and $7.50 adjusted by adding an inflation adjustment factor except that an allowance as a credit against such tax, which credit may be applied to the full amount of such tax, shall be allowed for a qualified investment, and provision may be made to take into account increases in State severance taxes and to assure that such tax shall not exceed 75 per centum of the net income attributed to a barrel of oil which is subject to tax determined by taking the net income from the property as calculated under the Internal Revenue Code of 1954 computed without allowance for depletion and intangible drilling costs divided by the number of barrels produced from such property which are subject to the inflation minimization tax.

"(C) The term 'inflation adjustment factor' means an amount equal to one-half of 1 per centum, in the base amount of $5.75 in the case of the inflation minimization tax and $7.50 in the case of the production minimization tax, compounded, for each month occurring between the first month which begins after the date of enactment of this section and the current month of production and rounded to the nearest whole cent.

"(D) The term 'redistribution of tax receipts mechanism' means a mechanism which distributes in full amount the tax receipts resulting from the inflation minimization tax and the production maximization tax making use of appropriate devices for the purpose of off-setting increases in energy-related costs which devices shall distribute (i) two-thirds of such receipts to low- and middle-income taxpayers and adult low-income nontaxpayers (other than a person who is a claimed dependent of a taxpayer) in a manner weighted in favor of the lower-income members of such group of taxpayers and nontaxpayers; (ii) one-half of such remaining one-third of tax receipts to States and local governments; and (iii) the remainder to corporate taxpayers (other than corporate taxpayers which are required to pay inflation minimization taxes). Such distribution may be accomplished through means which include disbursements refundable tax credits, permanent reductions in tax liability, and adjustments to withholding; except that, to the maximum extent practicable, benefits from distributions shall be available on a reasonably current basis within the taxable year.

"(E) The term 'qualified investment' means for any taxable period the amount paid or incurred by such producer during such taxable period (with respect to areas within the United States or a possession of the United States) for—

"(i) intangible drilling and development costs, or geological and geophysical costs, described in section 263(c) of the Internal Revenue Code of 1954 (as in effect for taxable years beginning after December 31, 1974),

"(ii) the construction, reconstruction, erection, or acquisition of the following items but only if the original use of such items begins with such producer:

"(a) depreciable assets used for—

"(1) the exploration for or the development or production of oil or gas (including development or production from oil shale),

"(2) converting oil shale, coal, or liquid hydrocarbons into oil or gas, or

"(3) refining oil or gas (but not beyond the primary product stage),

"(b) pipeline for gathering or transmitting oil or gas, and facilities (such as pumping stations) directly related to the use of such pipelines,

"(iii) secondary or tertiary recovery of oil or gas, or

"(iv) the acquisition of oil and gas leases (other than offshore oil and gas leases), but the aggregate amount which may be taken into account under this clause for any taxable period shall not exceed one-third of the aggregate of the amounts which may be taken into account by the taxpayer under subclauses (i), (ii), and (iii) for such period.

"(F) The term 'tertiary recovery techniques' means techniques which employ fluid, heat, or insert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

"(e) Notwithstanding any other provision of this section, no price ceiling shall apply to any first sale by a producer of any first sale by a producer of any domestic crude oil produced from a property which the President, on a property-by-property basis, upon petition or upon his own motion, certifies as having made bona fide application of tertiary recovery techniques which application the President determines has or will significantly enhance production from such property.

"(f) The President shall conduct a continuous study and analysis of, and report to the Congress by December 31, 1975, and thereafter by December 31 of each successive year for a period of the next four successive years, on the effect of such price ceilings and taxes on (1) economic conditions, (2) production of domestic crude oil and other energy sources, (3) demand for crude oil and refined petroleum products and other energy sources, (4) imports of crude oil, residual fuel oil, refined petroleum products, and other energy sources (including the effect on balance of payments of such imports), and (5) economic efficiency. The President shall include in any such report his views and recommendations respecting the continuation, with or without modification, of the provisions of any such price ceiling or tax.

"(g) This section shall take effect on the first day of the first full month following the date of enactment of this section."

H.R. 8597

By Mr. VANIK:

Page 7, immediately after line 4, insert the following: "No part of any amount appropriated by this Act shall be used by the Internal Revenue Service to disseminate other than under the provisions of section 552 or 552a of title 5, or to acquire, collect, classify, or preserve, any information concerning the activities or beliefs of any organization, association, group, or any person who is not an officer or employee of the Internal Revenue Service, except to the extent such information is acquired in the course of determining and collecting the taxes levied by title 26 of the United States Code."

EXTENSIONS OF REMARKS

SMALL FARM PROGRAM IN MISSOURI

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. SYMINGTON. Mr. Speaker, a recent article in the Catholic Rural Life magazine details some excellent results that have been achieved by the Small Farm Development Program of the University of Missouri at Columbia, Mo. The concept behind this program is to increase the opportunities and quality of living for families living on small farms.

The initial results suggest that those who have been participating in this program have been able to increase their income and improve the quality of their life. The program is starting to expand into more and more counties in Missouri.

Those of us who are concerned with the preservation and protection of the small family farm recognize that this kind of program is a step in the right direction. There is much more that can and should be done. Federal farm programs should be evaluated in terms of their impact on family farms. Tax policy, marketing opportunities, health programs—these and hundreds of other Federal programs are simply not doing all that they can to help the small family farmer.

I feel that this article suggests a program that would have a great deal of utility in all States—not just in Missouri. I commend it to my colleagues who share these concerns regarding the direction of American agriculture today.

I insert the article to be printed in the RECORD at this point:

Small Farm Program Shows Good Results in Missouri

(By Joe Meisner, Ed Wiggins and Vicki Behm)

"Four years is really not enough time to prove the validity of an entire program," says Professor Ed Wiggins, director of the Small Farm Development Program of the University of Missouri at Columbia, "but it is enough time to know that a very valuable service is being offered to the small farmers."

Beginning in two counties in 1971 the Small Farm Program within a few months spread into six other counties. The overall objective is to increase the opportunities and quality of living for families living on small farms.

"There is a great need for this type of program in Missouri," points out Professor Joe Meisner of the Ag. Economics Department of the University. "Nearly 100,000 of the 137,000 farms in our state have less than $10,000 in farm sales. This means nearly three-fourths of our farmers are small-type farmers. In our program we serve full-time farmers on small land holdings who seek to expand their holdings, part-time farmers with employment in nearby towns and not too interested in expanding, families moving out from the cities looking for 'living room', and elderly couples who use farm operations to supplement their retirement income."

Agricultural editor Vicki Behm with a yen for statistics says. "Participants in the Small Farm Program average 47 years of age which is at least 5 years younger than the state average for farmers. She adds other statistics: "Each household averages 4 persons. Two-thirds of the participants have been with the program from the beginning. The average farm size is 153 acres. Ninety-five per cent of the participants own their farms, and three-fourths have them paid for. Another twenty-one per cent rent additional land averaging 158 acres.

"A price product in the program is feeder pigs; 43 per cent of all the participants. However, a majority, 75 per cent, of the farms have beef cows. Only a few, 13 per cent, had dairy operations.

"Most all families in the program raised their own meat and grew gardens. The average saving due to the garden on the annual food bill was about $210," concludes Vicki.

"Educational Assistants," points out Professor Wiggins, "bridge the gap between the University Extension staff and the families on the farms."

The educational assistants take short courses to improve their skills and acquire the latest information in given areas before being assigned to work with specific families. Each assistant works with 40 families on a very close, first name basis in helping improve their farming operation. In addition, each assistant serves another 20–30 who require less frequent visiting because they have advanced further in their agricultural experience and operation.

A very important link between the University staff and the assistants out in the field is the area farm management specialist. Each specialist covers several counties and serves as a consultant on the more complex problems which arise in his territory. The specialists are full-time area Extension Staff members and a group aid in developing educational programs, giving training courses and sponsoring field trips. "They are a two-way street from us here in the University to the assistants and farmers out on the land," says Meisner.

A recent research study by graduate student Van Harrold of Agricultural Economics under Professor Jerry West concluded:

1. Participants in the Small Farm Development Program have increased size of enterprise, farm sales, and net farm income more than nonparticipants.
2. Participants in the program have found credit more readily available and have made more use of credit to supplement their limited operating capital.
3. Farmers participating in the program now report much more use of Extension as a source of information.
4. Participants in the program are now experiencing a higher quality of life.
5. Fewer participants got completely out of livestock production when prices declined in 1974. This suggests the program did help prevent the in-and-out pattern of production often followed by small farmers.

"We are proud of our small farm program," says Professor Wiggins. "We will continue to seek ways and means of improving our service."

Profesosr Meisner concludes, "Other policies are needed beyond the small farm program. Federal farm programs should evaluate their impact on farm size. Taxes, access to markets, educational opportunities, health services—these and others are needed action and concern by today's land grant universities if opportunities in agriculture are to continue to exist for those wanting to farm."

ECONOMIC DEVELOPMENT ACT OF 1975

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. RONCALIO. Mr. Speaker, I am today introducing legislation to amend the Public Works and Economic Development Act of 1965 for the purpose of establishing a regional impact and development assistance program.

This legislation is directed at the title V, or Regional Commissions as authorized under that act. Under this bill $200 million is authorized for fiscal year 1976 and $200 million for each of the next 4 fiscal years thereafter to provide funds to each Commission Federal Cochairman, to be used for grants to eligible recipients within economic development regions established under this act. Such grants would be for the purpose of meeting social, economic or environmental impacts resulting from natural resource development, significant changes in Federal Government policies, programs, or regulations, or significant shifts in employment opportunities, and to achieve regional development objectives as identified in comprehensive long-range plans developed under section 503 of the act.

Mr. Speaker, since the inception of the title V Commissions in 1965, the organizations have lacked financial support resulting in many cases in the inability to achieve their potential.

In Montana, the Dakotas, Nebraska, and my State of Wyoming, those States which comprise the Old West Regional Commission, we are rapidly becoming the center of attraction for energy development. The problems of development cross State lines, and together we have the potential to meet the Nation's energy demands, and also handle the problems which accompany such development.

Mr. Speaker, the various title V Commissions were created from the idea embodied in the Appalachian Regional Commission. In establishing title V, and thus expanding the regional concept of the ARC, the Congress wisely took notice of the need to assist and plan on a regional basis for those areas that might be adversely affected by changing industrial technology. I am convinced that in order to prevent the West from becoming another Appalachia in 40 years that it is imperative that we get organized and prepare.

Increased funding, which this bill provides, would go a long way in assuring the continuation of the regional approach to common problems, and enable us in the West to plan, prepare, and meet with self-determination the task before us.

AMERICAN NUCLEAR ENERGY COUNCIL

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. HORTON. Mr. Speaker, a former esteemed colleague of ours, Craig Hosmer, has recently been selected to head up a newly established organization called the American Nuclear Energy Council. I would like to include in the RECORD at the conclusion of my remarks a statement of the objectives of Craig's organization.

I believe the American Nuclear Energy Council can provide valuable assistance to Members of Congress as a centrally organized source of information on the values of nuclear power as an energy option. We must endeavor to receive as balanced a view as possible and, in my view, the proponents have not been as well organized in presenting the various arguments as those who argue that the nuclear option need not be exercised—and I commend them for their efforts.

All of us who have worked with Craig know of his outstanding abilities. He also knows, from firsthand experience, of our problems in getting the time to delve in depth into each of the issues which require our action. With his background, I am sure he and his new organization will endeavor to lessen our burdens by providing factual information on the side of the issues he represents. I wish him every success in his new endeavors.

Craig has prepared an excellent paper on the duties and responsibilities of the new Nuclear Regulatory Commission which the Congress created last year. In his usual thorough way, he has, in his paper, provided numerous legal citations concerning NRC's responsibilities in addition to his own clear-cut statements in lay terms of what the Congress intended in the various laws concerning these responsibilities. I highly commend this paper to my colleagues and request is also be included in the RECORD at the conclusion of my remarks.

The articles follow:

OBJECTIVES AND ORGANIZATION OF THE AMERICAN NUCLEAR ENERGY COUNCIL

The American Nuclear Energy Council is being organized in mid-1975 in response to the obvious need for a focal point in Washington from which to project the common energy interests of the people of the United States and the United States nuclear power industry.

The Council holds that nuclear power is essential if this nation is to have adequate and dependable energy supplies during the next half-century. It believes we can achieve energy independence only by vigorous utilization of U.S. domestic coal and nuclear energy resources.

The Council stands for the proposition that the risks of nuclear power are minimal in relation to its benefits and far more acceptable than massive power shortages or continued dependence on fragile foreign willingness to supply a vital fraction of the energy needed to adequately fuel the American economy and provide jobs for millions of workers.

The Council will work to restore a political climate in which the public and its decision makers in Government may clearly see and fairly evaluate the substantial benefits and modest risks of nuclear power. To this end it will register under the lobbying law—advocate legislation forwarding the people's interest in safe, ample and lower-cost nuclear power—and oppose measures hostile to that objective. It will seek timely and effective actions in the Executive Branch of Government to forward these same public purposes.

The Council's small staff of Washington professionals will work in tandem with the lobbying forces of public and private power groups and individual companies. It will point out ways in which existing public relations resources may be marshalled more potently in support of these advocacy efforts. It will seek alliances with labor and business associations whose members share a stake in this country's energy sufficiency and energy independence.

The Council will serve a new function as catalyst and synergising agent for advocacy of the shared interests in nuclear power of the American people and the American nuclear community. It is not intended to displace the nuclear industry's traditional policy spokesman.

The American Nuclear Energy Council is an incorporated, non-profit trade association. Eligible for membership from all segments of the energy industry are individuals, companies and organizations who share its objectives. It is governed by a Board of Directors elected from its membership and advised by a Coordinating Committee of nuclear knowledgeable executives. The Council's day-by-day functions are guided by its President and professional staff.

NUCLEAR REGULATORY COMMISSION—DUTIES AND RESPONSIBILITIES

Commissioner Edward A. Mason has declared that its establishing legislation "makes it clear that the business of the Nuclear Regulatory Commission is regulation only". He adds that NRC "must maintain a posture of strict impartiality and not permit itself to be either an apologist for or an antagonist of nuclear power".[1] NRC Chairman William A. Anders states that his commissioners should function as "tough but fair judges or referees of nuclear issues" and that their "primary charge is public health and safety, safeguards, environmental protection, and anti-trust."[2]

This narrow emphasis has raised criticism that the Commission embraces a timid, detached from the real world, concept of its responsibilities, and assumes an ivory tower viewpoint of its functions. Industry unhappiness over some Commission decisions (and with the fact that others have not been made) also plays a part in these harsh assessments. But they may be premature and unwarranted.

The four basic statutes that direct the NRC are the Energy Reorganization Act,[3] Atomic Energy Act,[4] National Environmental Policy Act,[5] and the Administrative Procedure Act.[6] The Chairman and his colleagues early felt an understandable need to forge a public image of "credible regulation" based on "independent, open, effective and efficient implementation of these laws that direct us".[7] This trust—for that purpose—could temporarily delay unfolding of a wider concept of NRC's role. Already the Commission has gone far toward establishing its integrity and impartiality. Once the several statutes that govern it are reconciled and matters of judicial notice taken fully into account, a richer NRC role seems likely to emerge.

It is unlikely that the Commission considers the word "regulatory" in its title to confine its business to "regulation only." The House version of the Energy Reorganization Act called it the Nuclear Safety and Licensing Commission. The Senate terminology was Nuclear Energy Commission. The name last emerging from the Joint House-Senate Conference on differing versions of the bill was hardly a compromise on substance. It was plainly the choice of NRC as a more euphonious acronym than NSLC or NEC.

The House and Senate Reports accompanying these bills[8] help identify the NRC responsibilities laid down by the Reorganization Act. Both cite and reprint a memorandum by the Office of General Counsel, Atomic Energy Commission, specifying the applicability of various provisions of the Atomic Energy Act to ERDA, to NRC, or to both.

Provisions applicable to NRC include Chapter 10 of the Atomic Energy Act covering atomic energy licenses. Thus, whether incorporated in the word "regulation" or a subject deserving distinctive characterization, atomic energy licensing is very much the business of the new Nuclear Regulatory Commission and it is actively going about it.

Section 103 of the Atomic Energy Act governing NRC's licensing business requires the issuance of commercial licenses subject to such conditions as the Commission may by rule or regulation establish to effectuate the purposes of that Act. As a matter of practice, the license itself is in the nature of a rule. Section 103 clearly indicates that the licensing function shall effectuate the purposes of the Atomic Energy Act. These purposes are set forth in Chapter One of the Act which the General Counsel's memorandum also cites as applicable to NRC. This Chapter is in three sections.

Section 1 declares it the policy of the United States that the development, use and control of atomic energy shall be directed—

a. so as (subject to the paramount objective of making the maximum contribution to the common defense and security) to make the maximum contribution to the general welfare; and

b. so as to promote world peace, improve the general welfare, increase the standards of living and strengthen free competition.

Section 2 makes the Congressional finding that development, utilization, and control of atomic energy for military and for all other purposes are vital to the common defense and security.

Section 3 recites that it is the purpose of the Act "to effectuate the policies set forth above by Government control of the possession, use and production of atomic energy and special nuclear materials" and other programs.

Thus, according to the statutory law governing NRC, the "development, use and control of atomic energy" is as much its function as "public health and safety", "safeguards", "environmental protection", or "antitrust". The Commissioners are bound by their oath to carry forward all five functions so as, amongst other things—

To make the maximum contribution to the common defense and security;

to make the maximum contribution to the general welfare;

to promote world peace; and

to increase the standard of living.

The language of Chapter One is not precatory language. It lays upon servants of the Government, whether they be operators, regulators, or licensors, clear, clean policy guideline for the execution of responsibilities. Their specific duty in relation to atomic energy may be its "development" or "use" or "control" but they are obliged to carry forward the "development, utilization and control of atomic energy" in the context that for all purposes it is vital to the United States.

This language should not be confused with "promoting" atomic energy, the separation of which from licensing and regulation everyone understands was a purpose of the Energy Reorganization Act. Rather, it is to be read as establishing the priority to be accorded the subject by those in government who deal with it in whatever way. The development, use and control of atomic energy is accorded a paramountcy not given the four other functions routinely ascribed as primary charges of the Nuclear Regulatory Commission. Thus it is that this function ought to be regarded as no less than first amongst equals.

There are, of course, considerations other than those of statute law which the Commission will take into account in arriving at its judgments. These are all those matters of which courts take judicial notice in arriving at their decisions. This is because Commissioners of the Nuclear Regulatory Commission, no less than Federal judges, are part of the real world they govern and regulate.

That being the case, it follows that a commission established by Congress to deal with a particular subject area ought also to take cognizance of basic policies of the Government relating to that subject area. The commission does not exist as an abstraction. Government policies are part of the real world in which and for which it functions.

Therefore, it seems compelling that energy policies enunciated by the Government, of which NRC is part, as a matter of course ought to be taken into account by NCR in arriving at its judgments. One of the most explicit of these policies is that the United States shall achieve energy independence at the earliest possible date.

The motivation for any government action—judicial, quasi-judicial, regulatory, legislative or executive—is not remote or ethereal. It relates to wants and needs and preferences of living people. It is to resolve practical issues, to weigh costs versus benefits and risks versus rewards. It is to compromise competing values fairly. It is to achieve justice and equity in those situa-

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Footnotes at end of article.

tions which are beyond the capabilities of people by themselves to achieve them.

These are the purposes of the Nuclear Regulatory Commission. It is believed that NRC has set about to achieve them. And, with respect too the specific nature of its licensing responsibility, testimony of Dean David F. Cavers to the Joint Committee on Atomic Energy in 1962 hearings on the regulatory process is instructive. The Harvard Law School savant described it this way:

"Essential to a judgment concerning the most suitable machinery and process for reaching a decision in these licensing proceedings is a recognition of the problem the decisionmaker has to resolve. As I see it, the basic question the decisionmaker has to answer is this: Is the proposed reactor design, or the completed reactor itself, so safe that, given the national interest in the development of atomic power, the Government is justified in exposing the communities near the reactor site to the residual hazards that cannot be eliminated whenever a power or test reactor is built and operated?"[9]

FOOTNOTES

[1] Edward A. Mason, address to Northeastern Section, American Nuclear Society, Boston, Mass., May 22, 1975. NRC S-7-75.

[2] William A. Anders, address to 43d Convention, Edison Electric Institute, Denver, Colorado, June 4, 1975. NRC S-8-75.

[3] Energy Reorganization Act of 1974. 88 Stat. 1233.

[4] Atomic Energy Act of 1954, as amended, 42 USC 2001, et seq.

[5] National Environmental Policy Act of 1970, as amended, 42 USC 4321, et seq.

[6] Administrative Procedure Act of 1966, as amended, 5 USC 551 et seq.

[7] See footnote (2).

[8] House Report 93-707 to accompany H.R. 11510, energy Reorganization Act of 1973, December 7, 1973, pp. 25-28; Senate Report 93-980 to accompany S. 2744, Energy Reorganization Act of 1974, June 27, 1974, pp. 34, 83-85.

[9] Hearings of the Joint Committee on Atomic Energy Subcommittee on Legislation, "Atomic Energy Commission Regulatory Problems" (H.R. 12336 and S. 3491) April 17, 1962, p. 40.

PROFITABLE RECYCLING

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. ROBINSON. Mr. Speaker, included in the widely varied economy of the Seventh Congressional District of Virginia, which I have the honor to represent, is the largest rayon factory in the United States.

As an example of innovative and responsible resource recovery and environmental protection by private industry, I should like to invite the attention of my colleagues to what has been done at this plant in the recycling of zinc. I include, therefore, an article which appeared in the Washington Post on July 6, 1975, as follows:

Virginia Rayon Producer Recycles Zinc, Cuts Sludge

(By Nancy L. Ross)

Front Royal, Va.—There's zinc in them thar ponds.

An ecologically updated version of the old gold prospector's claim is being heard along the banks of the Shenandoah where a new process for reclaiming the gray metal from industrial sludge settlement basins was put into use earlier this year.

Now, the price of zinc may not be quite so attractive as that of gold—38 cents a pound versus $162 an ounce—but when a firm uses millions of pounds of it a year, as the local rayon factory does, recycling zinc can be profitable as well as environmentally desirable.

The factory, the largest rayon producer in the country, is owned by the FMC (Food Machinery & Chemical) Corp., a $2 billion-a-year Chicago-based conglomerate that ranks 91st in Fortune magazine's list of top U.S. businesses. Though the recession has cut rayon production to 70 per cent of its capacity of 220 million pounds per year, the plant still requires about 7.5 million pounds of zinc annually.

The metal, in the form of zinc sulfate, serves to retard regeneration of cellulose, the raw material of which rayon is made, and allow the fiber to be stretched. Rayon produced at Front Royal is used in products ranging from tire treads to clothes to throw-away diapers.

In the 35 years since its establishment, the plant has dumped industrial waste into settlement basins on company property bordering the river. There are now 85 acres of sludge 15 to 20 feet deep which must be kept irrigated lest the dried solids blow away or wash into the Shenandoah. Zinc does not endanger drinking water supplies because the metal sinks to the bottom, but it does kill the organisms fish feed on.

Besides possible pollution hazards, there are economic considerations related to the prices of land and zinc. FMC Corp. estimated it would run out of dumping space in five to 10 years unless another solution was found for disposing of or recycling the sludge. The project began five years ago.

Using available technology, FMC engineer John H. Cosgrove developed a process to recover the 7 per cent solid content of the watery effluent. The reusable solids contain about 50 to 60 per cent zinc hydroxide and 35 per cent zinc metal. Because evaporation was too costly and centrifuges did not work, Cosgrove turned to heating the sludge to convert the soluble hydroxides into crystals, thus permitting the water to drip out through a filter.

The remaining 3 to 4 per cent solids are filtered out and discarded. Finally, hydrogen peroxide is added to the brownish zinc sulfate liquid to rid it of residual iron before it is pumped back into the rayon manufacturing process.

There is a 10 per cent loss in the recycling process, but FMC Corp.'s tremendous sludge reserves (2.5 million tons, of which 40,000 are zinc) can supply enough zinc for daily operations and more. Recycled zinc costs about one fourth to one third as much as the virgin metal.

Plant manager A. G. Ruff estimates the company can recoup its investment in 2½ years. At present recycling rates, it will be more than a decade, however, before the 85 acres of settlement basins are drained and filled in with fly ash from the coal-burning factory smokestacks. Only 10 to 15 acres will be retained as holding pools. The future of the reclaimed land has not yet been decided, but increasing property values in the area are bound to make the program pay off.

FMC Corp. already contemplates making recycled zinc from its rayon plant available to other divisions that can use it in making agricultural chemicals. Since news of the development became known, Cosgrove and Ruff say they have received more than 20 inquiries from other manufacturers interested in their process. And Cosgrove recently returned from visiting rayon plants in the Soviet Union where, he reported, a deal was a "possibility."

BALANCED NATIONAL TRANSPORTATION POLICY IS GOAL OF COMMITTEE HEARINGS

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. NOWAK. Mr. Speaker, on July 9, the House Public Works Subcommittee on Surface Transportation began a series of hearings that hopefully will help lay the groundwork for development of a comprehensive and balanced national transportation policy. While the initial focus of these sessions is on the Federal-aid highway program, the intent is to make an in-depth examination of the Nation's surface transportation needs.

The Buffalo Evening News, in an editorial last week, thoughtfully examined some of the major issues that will be confronted during these legislative hearings.

I would like to bring these comments to the attention of my colleagues:

Shifting Gears on Transportation

With 85 percent of the federal interstate highway system completed, President Ford has appropriately timed his broad proposals to reform the national highway trust fund, established in 1956 to pay out of gas taxes for construction of the big interstate road network.

In looking toward the future, the Ford recommendations would drastically shrink gas-tax money for the nearly completed interstate system and increase it for other kinds of transportation in an energy-short era.

Basically, the President wants to divert half the current trust fund revenues into transportation areas, like mass-transit, other than highways. He would permit states to pick up another quarter of existing highway fund taxes for their own uses, and leave only the remaining 25 per cent of the trust-fund revenues earmarked for completion and maintenance of the interstate system.

It doesn't take a political genius to recognize that such proposals face stubborn opposition in Congress. Highway interests, like the truckers, can be expected to oppose the changes, as well as their allies in Congress and in the federal bureaucracy.

Beyond that, too, details of the program remain vague and in need of careful review. It may be that certain portions of the estimated $2 billion or so diverted from the federal trust fund to general revenues should be specifically earmarked for special kinds of high-priority transportation programs. Both mass transit and rebuilding the nation's aging railroad beds deserve special attention at a time when the country must find ways to transport more people and goods with less energy particularly gasoline.

Also, regrettably, we see nothing in the new proposals that would help make amends for the federal interstate program's historic maltreatment of New York State and this region. States which built great toll highways before the trust-fund program was established have never been reimbursed for that construction so that they can remove the tolls. Even though the New York Thruway, like the Massachusetts, New Jersey and Pennsylvania Turnpikes, have all been built to federal interstate specifications and incorporated into the federal system, we will still be paying for them with tolls long after the network of interstate freeways is completed everywhere else. Before that system can fairly be regarded as finished, simple equity calls for enough reimbursement to convert the interstate "toll-ways" also into freeways.

The administration proposals likewise would tend to leave the interstate highway map frozen with this region the victim of its most glaring gap—with no north-south route directly connecting the Buffalo-Niagara-Hamilton-Toronto region with Washington and points south. The long campaign for the inclusion of Rte. 219 in the interstate system would, in effect, be dead-ended.

In deciding on proposed transportation legislation, New York senators and members of Congress should keep those details in mind with a purpose of doing everything they reasonably can to right the inequities. Conceptually, however, the Ford program is impressive and forward-looking. As Transportation Secretary William T. Coleman said, it would promote a new era in which highways "will play a vital but not a total role" in national transportation.

TOM GIORDANO—CITIZEN OF THE YEAR

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. MINISH. Mr. Speaker, it is my pleasure to call to the attention of my colleagues in the House a recent well deserved honor which has been bestowed upon Thomas Giordano of Bloomfield, N.J.

Tom Giordano has been named "Citizen of the Year" for his unselfish service and many contributions to the life and the well being of Bloomfield.

I join his many friends in congratulating Tom and I commend the following editorial to the attention of my colleagues:

[From the Bloomfield Independent Press July 10, 1975]

Tom Giordano—Citizen of the Year

It was most fortunate for us when Tom Giordano and his family came to live in our community 20 years ago. For during that span, when so many pressures to change Bloomfield's social and economic structure were exerted—and when some men looked the other way—Tom Giordano did not look the other way, or move away. He stood firm on our good earth. And by standing firm, he, and many like him, preserved what is worth while in Bloomfield and prevented here the social and economic deterioration which is found in several nearby communities.

But if he has stood steadfast against the forces which would radically alter Bloomfield, he had done so by DOING, not by just bemoaning the threats around us. He has contributed his time, his ideas, and his labor to many civic programs. To name but one area, his name has become synonymous with Memorial Day activities and, indeed, all veterans' interests in our community. Although now retired from his careers in the postal service and in the military service, he is sticking around our town to give us a strong hand. We need it.

Tom Giordano is a worthy recipient of the "Citizen of the Year" honor. In his acceptance talk at the Fourth of July celebration at Foley Field Friday night, he summed up his feelings: "Ask not what Bloomfield can do for you, but what can you and I and all of us do to keep Bloomfield the good town to live in." The words truly bespeak the man.

SEX DISCRIMINATION IN THE FIELD OF EDUCATION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. SIMON. Mr. Speaker, prior to our July 4 recess, the Secretary of Health, Education and Welfare, Mr. Caspar Weinberger, appeared before the Subcommittee on Higher Education, of which I am a member, committee chaired by the distinguished Congressman from Michigan, Representative James O'Hara.

During this appearance in which he discussed title IX, the regulations promoted by HEW on the matter of sex discrimination in the field of education, he referred to the area of athletics which seems to be receiving most of the attention. I would like to enter into the Record at this point Secretary Weinberger's remarks on athletics as they relate to title IX regulations because I believe his statement clarifies some misunderstandings.

Secretary Weinberger's remarks follow:

Athletics

With regard to the provision on athletics, first let us look at what the regulation does *not* require.

(1) It does *not* require equal aggregate expenditures for members of each sex or for male and female teams.

(2) It does *not* require two separate equal facilities for every (or any) sport.

(3) It does *not* require women to play football with men.

(4) It will *not* result in the dissolution of athletics programs for men.

(5) It does *not* require equal moneys for athletic scholarships.

(6) It does *not* require coeducational showers, lockerrooms and toilet facilities.

(7) It does *not* mean the National Collegiate Athletic Association (NCAA) will be dissolved and will have to fire all of its highly vocal staff.

The goal of the final regulation in the area of athletics is to secure equal opportunity for men and women while allowing schools and colleges flexibility in determining how best to provide such opportunity.

Where selection for a team is based on competitive skill, or the activity involved is a sport involving physical contact between players, then the college can provide separate teams for males and females or if they wish, they can have a single team open to both sexes. If separate teams are offered, a recipient institution may not discriminate, on the basis of sex, in providing necessary equipment or supplies, or in any other way. I emphasize again that equal aggregate expenditures are *not* required. In determining whether equal opportunities are available, such factors as the following, among others, will be considered: whether the available sports reflect the interests and abilities of both sexes; provision of supplies and equipment; game and practices schedules; travel and per diem allowances, etc.

Where a team in a non-contact sport, the membership of which is based on skill, is offered for members of one sex and not for members of the other sex, and athletic opportunities for the sex for whom no team is available have previously been limited, individuals of that sex must be allowed to compete for the team offered. However, this provision does not alter the responsibility which a college has with regard to the provision of equal opportunity.

In the case of athletics, like physical education, elementary schools will have up to a year from the effective date of the regulations to comply, and secondary and postsecondary schools will have up to three years.

FLOYD BARGER, NEWSMAN EXTRAORDINAIRE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. KOCH. Mr. Speaker, a first rate newsman, Floyd Barger, is retiring as the editor and senior vice president of the New York Daily News on August 1. Floyd Barger began with the News about 33 years ago. His judgment and abilities have directed and shaped the Daily News editorial policies on local, national, and international issues. Everyone reading the New York City papers recognizes that one of the liveliest is the Daily News; and its coverage of local news events is unsurpassed.

Mr. Speaker, I personally am sorry that he is leaving the Daily News because his presence at the paper was invaluable and important to the citizens of New York; and I so much enjoyed our chats as well as the annual editorial luncheons. But whatever he undertakes in his retirement I wish him well. He deserves the best. I am appending the retirement notice which appeared in the Daily News on July 8:

Editor-Vice President Barger Will Retire

Floyd Barger, a New York newspaperman for 48 years, is retiring on Aug. 1 as editor and senior vice president of The News, W. H. (Tex) James, president and publisher, announced yesterday.

Barger has been with The News for 33 years, covering local, Albany, Washington and overseas assignments and serving in a number of executive positions—night managing editor, managing editor, associate editor, executive editor and editor.

He had been a director of the Tribune Co., the parent firm that owns The News, Chicago Tribune and other newspapers in Florida and California, as well as radio and TV stations.

SHAPED POLICY

Barger has directed and shaped this newspaper's editorial policy on critical local, national and international issues.

He has been an exponent of an "upbeat" editorial policy, believing that a newspaper's lasting impression comes from being for something, rather than against something.

"Floyd is a man who has an infectious enthusiasm for newspapering, an editor full of ideas, with a passion for lively, objective and accurate reporting," James said.

"Most of all, however, he has been the champion of ordinary people. He has always been happiest when he has been fighting their causes."

"FAITH IN THE FUTURE"

In accepting an award for The News, Barger once told the American Legion the basic premise of the editorial policy:

"We have an abiding faith in the future of our country . . . in its people . . . all the people . . . in our institutions."

A fighter for freedom of the press and the public's right to know, Barger believes the Founding Fathers were wise in putting the free-press guarantees in very broad terms in the First Amendment.

Barger was born in Ohio. He was graduated from Wittenberg University in Springfield, Ohio, in 1927.

In June of that year, he came to New York—and immediately fell in love with the city. His loyalty to New York has never wavered.

He campaigned editorially for fiscal integrity in municipal government, believing that New York could easily remain the greatest city in the world—if given the right direction. From cleaner streets to better subways and more police protection, he also championed the cause of the individual New Yorker.

Barger belongs to the Dutch Treat and National Press clubs and to the Silurians, an organization of veteran New York City newspapermen.

He and his wife, Elizabeth, live in Garden City, L.I.

17TH OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. GILMAN. Mr. Speaker, the week of July 13 marks the 17th Anniversary of Captive Nations Week, an observance designated by President Eisenhower when he signed Public Law 86-90. Succeeding Presidents have continued to proclaim this week as a memorial occasion and many State governments have deemed it appropriate to join in this tradition.

In a time when there is such heavy emphasis placed upon détente with the Soviet Union, we must not forget that the list of captive nations is long, including the nations of Armenia, Azerbaijan, Byelorussio, Cossackia, Georgia, Idel-Ural, North Caucasia, Ukraine, Far Eastern Republic, Turkistan, Mongolia, Estonia, Latvia, Lithuania, Albania, Bulgaria, Yugoslavia, Poland, Romania, Czechoslovakia, North Korea, Hungary, East Germany, Mainland China, Tibet, Cuba, and now, regretfully, we must include North Vietnam, Cambodia, and South Vietnam.

There is imposed upon the captive nation of Ukraine the further burden of knowing that one of their leading intellectuals, Valentyn Moroz, has been imprisoned for more than 4 years and, more recently, has been committed to a psychiatric asylum, which, in a Soviet-dominated country, is a fate more horrible than being incarcerated. The "crime" of Valentyn Moroz is that he dared to speak out against a repressive regime and as a result of his alleged crime, he has been brutalized by the KGB; his personal books, papers, and handwritten notes have been impounded; his parents are harassed, continually bearing the burden of concern for the safety of their son. In addition, some 30 other persons have been beleaguered by the KGB and the police merely because of their acquaintance with Valentyn Moroz. They have been threatened with dismissal from their jobs and they fear that an even more severe punishment may be inflicted upon them for their support for Moroz and for his beliefs.

Mr. Speaker, if the USSR continues its present repressive policies toward the captive nations, how can we expect the Soviets to be responsible partners in any international agreements? If we do not insist upon the Soviet Union fulfilling its responsibilities for all of her people and in respecting fundamental human freedoms, then citizens of the captive nations can look forward only to continued oppression.

The right to self-determination is a basic human right. The continued abuse by the Soviet Union of the United Nation's proclamation of the "Declaration of Human Rights," which guarantees the right to express opinions and to propagandize those opinions, is an anathema. We must continue to assist the captive nations in their courageous, continuing struggle for freedom.

By observing Captive Nations Week, we not only demonstrate our concern for these nations, but we also make known to the world our desire for their freedom. Accordingly, I urge my colleagues to join in the observance of Captive Nations Week.

THE REGULATORY FUNCTION IN GOVERNMENT

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. HORTON. Mr. Speaker, the President in his July 10 meeting with the heads of the regulatory agencies very succinctly annunciated the principles which should be followed in the need for and the purpose of Government regulatory functions. One of the important points he made was the adverse effects to consumer interests of unnecessary and improper regulatory activities. I believe we all should keep the regulatory principles in mind when we carry out our many legislative functions which bear on regulation.

For the convenience of my colleagues, I would like to include excerpts from the July 11 New York Times report on the President's remarks.

The excerpts follow:

PRESIDENT URGES REGULATORY UNITS TO RESTRICT CURBS—ADVISES "MAXIMUM FREEDOM FOR PRIVATE ENTERPRISE," REVERSING LONG TREND—NEW PROCEDURES ASKED—FORD SAYS AGENCIES SHOULD LEAD EFFORT TO ELIMINATE IMPEDIMENTS TO GROWTH

(By Philip Shabecoff)

WASHINGTON, July 10.—President Ford summoned the chairmen of the Federal regulatory agencies to the White House today and, in the name of "maximum freedom for private enterprise," asked them to dispense with as much regulation as possible.

In effect, the President called for a reversal of the nearly century-long trend toward Federal supervision of key industries and national resources aimed at regulating competition and representing consumer interests.

Mr. Ford said that the consumer interest can best be served "through the market place," rather than through governmental intervention.

"I feel quite deeply we must seriously consider the cost to consumers of all government activities, and that includes regulatory agencies," he added.

OTHER AIDES PRESENT

The meeting, in the East Room of the White House, was attended by Cabinet members and White House staff members in addition to the heads of the regulatory agencies.

Agencies represented were the Federal Power Commission, the Nuclear Regulatory Commission, the Federal Maritime Commission, the Federal Communications Commission, the Civil Aeronautics Board, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Federal Trade Commission, and the Interstate Commerce Commission.

The regulatory agencies, Mr. Ford said, should be leaders in efforts to rid the nation's economy of long-term "impediments" to growth.

"Government," he said, "should intrude in the free market only when well-defined social objectives can be attained. The Government should foster rather than frustrate competition."

The President urged the agency heads to begin immediately to overhaul their procedures, including the following actions:

Examine the costs of regulations and determine if the economic benefits of those regulations make them worthwhile enough to retain. "Good social goals must be weighed against the costs," Mr. Ford said.

Conduct a comprehensive and specific review of delays and backlogs in the regulatory process and start reducing the delays within six months.

Study and revise agency procedures, "as appropriate, to make sure you are responsive to consumer interests."

"Consider fundamental changes to move us to deregulation" when regulation no longer serves the purpose originally intended.

THE NUCLEAR REGULATORY COMMISSION: ITS DUTIES AND RESPONSIBILITIES

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. RONCALIO. Mr. Speaker, it has been some time since we have had occasion to read in the CONGRESSIONAL RECORD a speech or a presentation by former Member of Congress Craig Hosmer, who for years served this body as a member of the Interior Committee and the Joint Committee on Atomic Energy.

Craig Hosmer is now associated with the American Nuclear Energy Council and he recently prepared and distributed a paper dealing with the duties and responsibilities of the Nuclear Regulatory Commission. I know it will be of interest to RECORD readers in the nuclear community, and I am happy to have the article follow:

NUCLEAR REGULATORY COMMISSION—DUTIES AND RESPONSIBILITIES

Commissioner Edward A. Mason has declared that its establishing legislation "makes it clear that the business of the Nuclear Regulatory Commission is regulation only." He adds that NRC "must maintain a posture of strict impartiality and not permit itself to be either an apologist for or an antagonist of nuclear power." [1] NRC Chairman William A. Anders states that his commissioners should function as "tough but fair judges or referees of nuclear issues" and that their "primary charge is public health and safety, safeguards, environmental protection, and anti-trust".[2]

This narrow emphasis has raised criticism that the Commission embraces a timid, detached from the real world, concept of its responsibilities, and assumes an ivory tower viewpoint of its functions. Industry unhappiness over some Commission decisions (and with the fact that others have not been made) also play a part in these harsh assessments. But they may be premature and unwarranted.

The four basic statutes that direct the NCR are the Energy Reorganization Act,[3] Atomic Energy Act,[4] National Environmental Policy Act,[5] and the Administrative Procedures Act.[6] The Chairman and his colleagues early felt an understandable need to forge a public image of "credible regulation" based on "independent, open, effective and efficient implementation of these laws that direct us".[7] This thrust—for that purpose—could temporarily delay unfolding of a wider concept of NRC's role. Already the Commission has gone far toward establishing its integrity and impartiality. Once the several statutes that govern it are reconciled and matters of judicial notice taken fully into account, a richer NRC role seems likely to emerge.

It is unlikely that the Commission considers the word "regulatory" in its title to confine its business to "regulation only." The House version of the Energy Reorganization Act called it the Nuclear Safety and Licensing Commission. The Senate terminology was Nuclear Energy Commission. The name last emerging from the Joint House-Senate Conference on differing versions of the bills was hardly a compromise on substance. It was plainly the choice of NRC as a more euphonious acronym than NSLC or NEC.

The House and Senate Reports accompanying these bills [8] help identify the NRC responsibilities laid down by the Reorganization Act. Both cite and reprint a memorandum by the Office of General Counsel, Atomic Energy Commission, specifying the applicability of various provisions of the Atomic Energy Act to ERDA, to NRC, or to both.

Provisions applicable to NRC include Chapter 10 of the Atomic Energy Act covering atomic energy licenses. Thus whether, incorporated in the word "regulation" or a subject deserving distinctive characterization, atomic energy licensing is very much the business of the new Nuclear Regulatory Commission and it is actively going about it.

Section 103 of the Atomic Energy Act governing NRC's licensing business requires the issuance of commercial licenses subject to such conditions as the Commission may by rule or regulation establish to effectuate the purposes of that Act. As a matter of practice, the license itself is in the nature of a rule. Section 103 clearly indicates that the licensing function shall effectuate the purposes of the Atomic Energy Act. These purposes are set forth in Chapter One of the Act which the General Counsel's memorandum also cites as applicable to NRC. This Chapter is in three sections.

Section 1 declares it the policy of the United States that the development, use and control of atomic energy shall be directed—

a. so as, subject to the paramount objective of making the maximum contribution to the common defense and security, to make the maximum contribution to the general welfare; and

b. so as to promote world peace, improve the general welfare, increase the standards of living and strengthen free competition.

Section 2 makes the Congressional finding that development, utilization, and control of atomic energy for military and for all other purposes are vital to the common defense and security.

Section 3 recites that it is the purpose of the Act "to effectuate the policies set forth above by Government control of the possession, use and production of atomic energy and special nuclear materials" and other programs.

Thus, according to the statutory law governing NRC, the "development, use and control of atomic energy" is as much its function as "public health and safety", "safeguards", "environmental protection", or "antitrust". The Commissioners are bound by their oath to carry forward all five functions so as, amongst other things—

To make the maximum contribution to the common defense and security;

To make the maximum contribution to the general welfare;

To promote world peace; and

To increase the standard of living.

The language of Chapter One is not precatory language. It lays upon servants of the Government, whether they be operators, regulators, or licensors, a clear, clean policy guideline for the execution of responsibilities. Their specific duty in relation to atomic energy may be its "development" or "use" or "control" but they are obliged to carry forward the "development, utilization and control of atomic energy" in the context that for all purposes it is vital to the United States.

This language should not be confused with "promoting" atomic energy, the separation of which from licensing and regulation everyone understands was a purpose of the Energy Reorganization Act. Rather, it is to be read as establishing the priority to be accorded the subject by those in government who deal with it in whatever way. The development, use and control of atomic energy is accorded a paramountcy not given the four other functions routinely ascribed as primary charges of the Nuclear Regulatory Commission. Thus it is that this function ought to be regarded as no less than first amongst equals.

There are, of course, considerations other than those of statute law which the Commission will take into account in arriving at its judgments. These are all those matters of which courts take judicial notice in arriving at their decisions. This is because Commissioners of the Nuclear Regulatory Commission, no less than Federal judges, are part of the real world they govern and regulate.

That being the case, it follows that a commission established by Congress to deal with a particular subject area ought also to take cognizance of basic policies of the Government relating to that subject area. This commission does not exist as an abstraction. Government policies are part of the real world in which and for which it functions.

Therefore, it seems compelling that energy policies enunciated by the Government, of which NRC is part, as a matter of course ought to be taken into account by NRC in arriving at its judgments. One of the most explicit of these policies is that the United States shall achieve energy independence at the earliest possible date.

The motivation for any government action—judicial, quasi-judicial, regulatory, legislative or executive—is not remote or ethereal. It relates to wants and needs and preferences of living people. It is to resolve practical issues, to weigh costs versus benefits and risks versus rewards. It is to compromise competing values fairly. It is to achieve justice and equity in those situations which are beyond the capabilities of people by themselves to achieve them.

These are the purposes of the Nuclear Regulatory Commission. It is believed that NRC has set about to achieve them. And, with respect to the specific nature of its licensing responsibility, testimony of Dean David F. Cavers to the Joint Committee on Atomic Energy in 1962 hearings on the regulatory process is instructive. The Harvard Law School savant described it this way:

"Essential to a judgement concerning the most suitable machinery and process for reaching a decision in these licensing proceedings is a recognition of the problem the decisionmaker has to resolve. As I see it, the basic question the decisionmaker has to answer is this: Is the proposed reactor design, or the completed reactor itself, so safe that, given the national interest in the development of atomic power, the Government is justified in exposing the communities near the reactor site to the residual hazards that cannot be eliminated whenever a power or test reactor is built and operated?" [9]

FOOTNOTES

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[9] Hearings of the Joint Committee on Atomic Energy Subcommittee on Legislation, "Atomic Energy Commission Regulatory Problems" (H.R. 12336 and S. 3491) April 17, 1962, p. 40.

"COMMITTEE ON SCIENCE AND TECHNOLOGY ENERGY PUBLICATIONS LIST"

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. McCORMACK. Mr. Speaker, as a Member of the House of Representatives, I find I am continually utilizing publications of our many committees. In the field of energy, the Committee on Science and Technology, under the leadership of OLIN E. TEAGUE, has compiled an extensive library of useful and pertinent publications. I am inserting the energy publications list of the committee for the information of my colleagues:

COMMITTEE ON SCIENCE AND TECHNOLOGY PUBLICATIONS ON ENERGY, JULY 1, 1975

ENERGY PUBLICATIONS IN PRINT

Reports

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SCIENCE AND TECHNOLOGY IN THE MANAGEMENT OF COMPLEX PROBLEMS

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. DOWNING of Virginia. Mr. Speaker, the Scientific and Technological Policy Committee of the Organization for Economic Cooperation and Development held a ministerial level meeting on June 24–25, 1975 in Paris, France. This organization is composed of scientific ministers from 24 countries in Western Europe, but also includes the countries of Australia, New Zealand, Canada, and the United States. The authoritative publication Financial Times stated that these science ministers accounted for four-fifths of the world's scientific research.

The overall theme of the meeting was science and technology in the management of complex problems and the final communique was an assessment of the new challenges resulting from major economic and social change since their last meeting in 1971.

I include this final communique in the CONGRESSIONAL RECORD:

COMMUNIQUE

Below is text of communique as revised by Ministers during their final session on June 25. Particular attention is drawn to paragraph 15, which outlines action by the OECD on the U.S. proposal for strengthening R. and D. to deal with the critical problem of food resources. The U.S. delegation was led by Dr. H. Guyford Stever (science adviser to the President), advised by Congressmen Thomas Downing and Charles Mosher, House Committee on Science and Technology.

SCIENCE AND TECHNOLOGY IN THE MANAGEMENT OF COMPLEX PROBLEMS

1. The Committee for Scientific and Technological Policy met at ministerial level on 24th and 25th June under the chairmanship of the Canadian Minister for Science and Technology, the Honorable C. M. Drury.

2. The ministers noted that the contribution of science and technology to the solution of the problems of modern society, and to the development of the economics of their countries, as well as to the world economy, has been a key element and will become of even greater importance. The scientific and technological resources of the OECD countries, which account for over two-thirds of the world's research capacity, are a determining factor in their ability to achieve the individual and collective aspirations of their peoples and to help solve the problems facing the developing countries, including developing member countries. The vigorous research and development programs pursued by the OECD countries serve to improve the understanding of the problems affecting the standards of living and the quality of life in such fields as energy, nutrition, environment and welfare, and to provide means for dealing with them.

3. Ministers recognized that in order to succeed in these aims, scientific and technical knowledge must be more effectively applied to the definition, implementation and content of government policies at all levels. This is all the more important in view of the complexity of problems facing today's society.

4. The overall theme of the meeting was thus science and technology in the management of complex problems. In this context, ministers assessed the new challenges resulting from the major economic, political and social changes since their last meeting in 1971. They reviewed current problems facing the research system of member countries, in particular, their social and management aspects, the mutual responsibilities of both policy makers and scientists, and the increased perception on the part of the public of the implications of scientific and technical advance. They also considered the contributions which science and technology could make to a better social equilibrium.

In the world, including the issues discussed at the recent meeting of the OECD Council at ministerial level: Commodities and relations with developing countries. They emphasized that in all these areas the

OECD's committee for scientific and technological policy had an important role. They also expressed appreciation of the current work of the committee, particularly in relation to the application to science and technology to the solution of social problems.

5. The discussions centered on the following six topics, each of which has important national and international implications:

I. THE ROLE OF SCIENCE AND TECHNOLOGY IN POLICY MAKING

6. Given the complexity of the problems facing contemporary society and the need for medium and long-term prospective planning to ensure the compatibility of options and to anticipate future problems, ministers stressed the importance of bringing scientific insight to bear on general and sectoral policies of governments they recognized the need for the more effective use of science and technology in the preparation and implementation of government policies.

7. To this end, they saw the need to:

Assess the experience of member countries of the ways in which science and technology are used in shaping government policies.

Identify the elements of broad prospective analysis required for medium and long-range planning, with a view to achieving a better understanding of the relationship between social, economic, and scientific and technological factors.

Promote the integration of social sciences in the policy-making process.

II. THE MANAGEMENT OF THE RESEARCH SYSTEM

8. The ministers recognized that the research system cannot be geared solely to the short-term problems of society and emphasized the need to ensure that the overall capacity of the system should be sufficiently flexible to accommodate research on both short and long-term problems. The leveling off of resources allocated to research and development, observed in several member countries, makes it difficult to ensure this flexibility which calls for examination of the problems involved, especially as far as research structures and mobility of scientists are concerned.

9. The ministers agreed that efforts should be made, particularly at national level, to provide a better basis for decision-making by strengthening capabilities for the analysis and interpretation of research and development data. They further recommend that OECD should examine methods to increase the efficiency of the research system, and the management problems which arise from changes in levels of research and development funding.

III. SCIENCE, TECHNOLOGY AND SOCIETY

10. The ministers recognized the need to ensure that the increasing emphasis on research directed towards social objectives leads to a better application of science and technology towards social needs in areas such as environmental protection, mass transportation, urban planning and the humanization of working conditions. They also agreed that policies for the stimulation of technology must take into account possible undesirable social effects.

11. The ministers emphasized the importance of promoting a closer association of the natural and social sciences, particularly in addressing problems requiring a broad inter-disciplinary approach and perspective. They pointed to the need for better understanding of the factors involved in the conduct of inter-disciplinary research aimed at solving social problems. In this connection, since the social sciences have an essential role in the understanding and management of the problems of society, ministers expressed the wish that OECD would intensify its work on the development and utilization of these sciences in relation to policy-making.

IV. THE NEED FOR PUBLIC INVOLVEMENT

12. Ministers recognized the need to establish a broad and open dialogue between the public and those responsible for scientific and technological activities. Public understanding of new technologies has become an essential factor in their acceptance and therefore their utilization. Ministers expressed the wish that the OECD should review the experiences of member countries regarding public participation in science and technology. It was hoped that this initiative would materially assist member governments to devise effective means of informing the public of the implications of new technological developments, soliciting their reactions, and engaging them in the decision-making process.

V. A NEW VISION OF NATURAL RESOURCES

13. Ministers emphasized the urgent need for a better husbanding of the world's natural resources, which has become a critical issue. They recognized the complex nature of the problem which should be the subject of detailed examination. Such an examination should take into account all the interactions involved and should lead to a better understanding of the choices available and of their implications, including possible changes in demand for raw materials based on the potential impact of improved utilization and new technological developments.

14. Ministers expressed the wish that OECD, acknowledging that the nature of the issues at stake requires the involvement of other international organizations, at both regional and world level, would encourage studies in this direction. Furthermore, they underlined the strong interdependence between industrialized and developing countries and the consequent need to establish mutual cooperative efforts in this field bearing in mind the global perspective.

15. In connection with the critical problem of food resources, they noted with interest the proposal by the United States on the need to promote food research and development. They invited the Secretary-General to prepare specific proposals in this area in consultation with the OECD committees concerned, and taking account of on-going work in other international organizations notably F.A.O. and in the light of the deliberations of the forthcoming OECD meeting of directors of agricultural research.

VI. INTERNATIONAL COOPERATION

16. Acknowledging that OECD countries carried out the major proportion of science and technology activities and taking into account the growing complexity of the problems facing society, ministers stressed the need to adapt current arrangements to ensure better international cooperation in science and technology, notably on the basis of bilateral and multilateral arrangements. They considered that greater emphasis should be placed on cooperation between member countries in interdisciplinary fields.

17. Conscious of the special responsibilities of their countries toward the developing nations, ministers agreed on the importance of developing a broader perspective in the conduct of their national research and development programs. They recognized that a new pattern of international relations was developing, based on interdependency, in which exchanges mutually beneficial to all countries could be achieved. Ministers expected that the forthcoming 7th special session of the General Assembly of the United Nations would offer a further opportunity to discuss problems of science and technology in a global context.

18. Ministers agreed on the necessity to actively reinforce cooperation between their countries and the developing world, with a view to facilitating the transfer of, and access to, appropriate technologies in order to satisfy the needs of developing countries more effectively and to strengthen the scientific and technological capabilities of these countries. They therefore invited OECD to pay special attention to the various aspects of this problem, including the training of qualified scientific manpower.

MIDDLE EAST AGREEMENT RISKY FOR ISRAEL

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. WAXMAN. Mr. Speaker, at the time this is being written, it appears quite likely that the Government of Israel will accept an American-engineered interim agreement with the Egyptians. The main feature of the agreement will be returning to Egypt the Abu Rudeis oil fields and at least partial withdrawal from the strategic Mitla and Giddi passes in the Sinai Desert. In exchange for these territorial and strategic concessions, the Israelis will receive a conciliatory Egyptian statement which will include a promise to refrain from military activity against Israel for a 3-year period.

Certainly on the surface the Israelis do not appear to be getting a very "good deal." We know that the interim disengagement proposal is unpopular in Israel and has been resisted strenuously for some time by Prime Minister Yitzchak Rabin. What then accounts for its final acceptance? The answer: irresistable pressure from the United States.

President Ford and Secretary of State Kissinger made it clear that Israel's request for $2.5 billion in military and economic aid would not even be considered in Washington until some agreement with the Egyptians was reached.

According to Israel press sources, U.S. pressure went beyond the threat of withholding aid. Mr. Ford is alleged to have told Rabin that in the absence of progress with Egypt, Israel could expect to find itself alone at a reconvened Geneva parley. Though this report may be somewhat exaggerated, it is not inconsistent with well-publicized U.S. policy statements.

What risks is Israel taking? The dangers lie primarily in the military implications of the retreat from the Sinai passes. Only with access to the passes do the Arabs have land access to the eastern portion of the Sinai Desert. The extent to which Israel will be able to monitor military activities through or near the passes has not been made public. Some rumors have mentioned the possibility of U.S. personnel monitoring the electronic surveillance equipment. I doubt whether such an agreement would be acceptable or desired either by Israel or the United States. Regardless of the details, in yielding the passes, Israel will also yield some substantial measure of protection against Egyptian military activity in the Sinai.

For those of us concerned about Israeli security, the most frightening prospect is that of a series of agreements made under coercion from the United States. Israel would desperately like some assurance from the United States that we will not press for disengagement in the Golan Heights or West Bank while the ink on the agreement with Egypt is not yet dry.

Israel has never wanted a step-by-step,

country-by-country, treadmill of agreements, violations, and new agreements. For more than a quarter of a century she has sought a permanent and comprehensive peace with all the parties of the region. She has always preferred direct negotiations to big power brokerage.

The administration and some media sources have begun to depict Israel as unreasonable and intransigent. One has only to recall the PLO bombing in downtown Jerusalem last week, the continual harrassment and terrorism and the four wars in less than three decades to realize why the leaders of Israel are so reluctant to take changes. Who in their place would act differently?

GOVERNOR GODWIN DEDICATES NUCLEAR FUEL FACILITY

HON. M. CALDWELL BUTLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. BUTLER. Mr. Speaker, Virginia's Gov. Mills Godwin on May 13, 1975, dedicated a new nuclear fuel facility at the Babcock & Wilcox plant in Lynchburg, Va. Babcock & Wilcox is one of the leading suppliers of nuclear reactors in the Nation, and I am pleased that they have been able to expand their activities in response to our energy shortages.

As Governor Godwin points out, Virginia is one of the leading States in the development and application of nuclear power, and I join him in congratulating Babcock & Wilcox for the role they have played in this.

I found the Governor's remarks very informative, and in order to share them with my colleagues I am inserting them in the RECORD at this point.

The remarks follow:

REMARKS BY MILLS E. GODWIN, JR.

I am delighted that one of our major corporate citizens in Virginia is adding to its capital investment and to its working space at a time when so many other industries elsewhere seem to be cutting back instead.

This has been the pattern of industrial advancement in Virginia for the past quarter of a century. I hope it will be as encouraging to you as it was to me that our unemployment figure, which was already one of the lowest in the nation, actually declined by more than 25,000 persons in the month of April.

I hope and trust that this is the beginning of the upturn we have all been looking for.

This is a diversified company with affiliates and plants in a number of states and foreign nations. But if I had the chance to select the ones that might be located in Virginia, it would surely have been the nuclear power generation division and its nuclear fuel division here in Lynchburg.

Among the other unheralded and virtually unknown facts about the resurgence of the South are the figures indicating that our region provides about 80 per cent of the nation's energy supplies and consumes only about 3 per cent.

Here in Virginia we are even more future-oriented because our electric utilities are among the nation's leaders in the percentage of generation that comes from nuclear power.

And this very company is one of the reasons why this is so.

In my view this means that we will continue to be in the vanguard as this nation works its way out of the energy crisis.

It appears we must go nuclear for a larger portion of our total energy needs, for the simple reason that there are not sufficient supplies of fossil fuels of the proper kinds to meet our energy needs in years to come.

If nuclear fuel presents problems for us—and it does present very real ones—they are not beyond solution.

If our American technology cannot solve them for us soon enough to keep pace with our nuclear energy needs, then the record of technical advance over the past 100 years in America is of no value at all.

We are going to have to make enough adjustments in our lifestyles as it is because of the cost and availability of energy in our day.

For the short run, our only hope is to conserve our usage of energy. None of the alternatives to the flow of oil from the Middle East will be available to us in time or in sufficient volume to make this nation self-sustainng in energy for at least another decade.

And so I feel that each of us must undertake a personal energy conservation program until we pull ourselves out of the present bind.

But in the meantime, it seems to me we must drive ahead with nuclear development, where we need not depend on any foreign power for our basic energy source.

Beyond the first generation plants we have here in Virginia and elsewhere, there is the breeder reactor already under development which produces usable nuclear fuel even as it consumes fuel.

Under heavy experimentation is the fusion reactor which will join atoms together rather than splitting them apart and utilize isotopes of hydrogen, of which the oceans offer a virtually unlimited supply.

And so I predict a bright future for this division of Babcock & Wilcox.

And I trust that the pattern of the immediate past will continue and that Virginia will prosper as you prosper.

Again, I am delighted at the chance to be with you for yet another evidence of industrial growth in the company and another assurance that the people of Virginia can look forward with confidence to their personal economic future.

FOOTING THE BILL

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. SHARP. Mr. Speaker, the President has announced his intention to submit to the Congress a plan to gradually decontrol the price of oil. This action is directly at odds with action recommended by the House Interstate and Foreign Commerce Committee in H.R. 7014 to be considered by the House on Tuesday, July 15. Many of my colleagues share my concern about the impact of higher gasoline and oil prices on the economy, and Mr. Bob Shraluka, writing in the Decatur Daily Democrat has some comments we might all profit from.

The comments follow:

FOOTING THE BILL

(By Bob Shraluka)

President Gerald Ford was a couple-hundred per cent right when he said last week that Congress "did nothing" in the way of energy-conservation legislation.

He may also have been right when he said his latest imposition of a $1 per barrel increase in the oil tariff will cut imports (he estimated a cut of 50,000 barrels per day this year).

. . . And he was probably just as right when he said the U.S. energy situation is worse today than it was in January, when he first announced his three-stage hike back in January.

But will someone please explain to us why it's always the poor working slobs from Seattle to Fort Wayne, from Decatur to Lewiston, Maine who get stuck with footing the bill?

The latest oil tariff increase will hike retail gasoline prices by a penny and a half a gallon after going into effect June 1, and anyone who knows how to spell Gulf Oil Company or Exxon knows good and well the price is going to go up at least two cents, and maybe three or four. The oil companies have a way of doing things along that order—jacking up the costs more than expected and blaming in on a visible scapegoat, in this case the Ford program.

. . . Ford also said he plans to submit to Congress a plan to gradually remove price controls from domestic oil, which would add still another nickel a gallon to gasoline prices within two years. Along with it, the president said, will be a request that Congress pass a windfall profits tax with provisions encouraging oil companies to plow their new gains back into additional energy production.

Whether both the decontrol and windfall profits tax are submitted together remains to be seen; for now, we will remain skeptical, since there has been a lot of talk about a windfall tax for some time—with nothing done so far.

Whether the many congressmen in the pockets of the oil companies will allow such a tax remains to be seen. And what about all the staggering profits the oil companies have been raking in for the last year or so?

. . . There is no questioning the fact that this country's huge dependence on foreign oil is a shaky position in which to be these days. But with prices soaring and unemployment rising, is our oil dependence so tenuous that we must make a move which obviously fans the flames of inflation?

Is Ford's new tariff hike needed now, in the middle of all the other problems the average American faces? And will it really reduce to any measurable degree the amount of imports?

What about the guy from Decatur who makes a round trip to the Harvester in Fort Wayne every day? He's already in a car pool, and he has to get to work. So will an increase in oil prices reduce his consumption, or simply force him to pay more to get to his place of employment?

. . . And what about the people in Los Angeles, where the corner grocery is five miles down the freeway. Are they really going to travel less, or simply pay more to get where they're going? How about the truck drivers, the traveling salesmen, the other hundreds of thousands of people whose vehicle is a necessary evil of their job?

Practically every product made in this country today is tied into oil in one manner or another. So it's going to be more than just figures on the gasoline pump which will be rising.

It seems to us it's going to take more long-range planning, more innovative thinking to make any real changes in America's dependence upon foreign oil. A little more gouging of the wallet of Joe Jones out in Middle

America doesn't seem to be any real significant solution.

THE AIR FORCE'S CHAPPIE JAMES

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. PRICE. Mr. Speaker, the following article appeared in a recent article of the St. Louis Globe-Democrat Sunday magazine, and carried a feature article on my good friend Chappie James who at the time was Vice Commander, Military Airlift Command, Scott Air Force Base in Belleville, Ill.

As the article indicates, Chappie James has earned the reputation of being one of the most hardworking and insightful individuals in the American military. In whatever capacity he has served, Chappie James has had the respect and gratitude of everyone who has known or worked with him. As most of you know, Chappie James was just accorded his fourth star and designated as Commanding General of NORAD.

At this point in the RECORD I include the article on this remarkable man:

THE AIR FORCE'S CHAPPIE JAMES

(By Paul J. Selmer)

Wherever they gather—those members of that select fraternity of the arrogant and the elite—the talk is usually of deflection shots and dead-stick landings, Immelmann turns and Lufbery circles, dogfights and ditching and unending tales of aerial derring-do.

From Eddie Rickenbacker to Robin Olds, the American fighter pilot has enjoyed his lone-eagle reputation as the shining knight of the 20th Century.

His press releases, his legend, demand that he sport pencil-thin mustache and a silken scarf; that he fear nothing, laughing at death at full throttle in some foreign sky; that he paint a ridiculous nickname on the sides of his airplane, and that he fly that airplane by the seat of his pants.

On the ground, he is expected to raise hell, have little respect for authority and consume Scotch whiskey nearly as fast as his machine consumes aviation gasoline.

Such is the legend, Hollywood style.

At Scott Air Force Base, in a thickly-carpeted office at the headquarters of the Military Airlift Command, sits an old fighter plane jockey who has earned as much of that legend as anyone.

Lt. Gen. Daniel (Chappie) James Jr., MAC vice commander, has spent more than 20 years in fighter planes through two American wars. But press releases on the career of Chappie James would require scant reference to silken scarves, riding breeches or dawn patrols.

Of course, Chappie James has been there—flying P–51s and F–80s in Korea, dueling Mig–21s in his McDonnell Douglas Phantom jet fighter in Vietnam, flying 180 combat mission in his 30-year Air Force career.

But Chappie James has stuck to his guns in another battle also, and he appears to have earned himself one thick slice of what used to be called the American Dream.

For Chappie James is a black man, the highest-ranking black man in American uniform.

And Chappie wore that uniform when a black pilot's enemies weren't only the guys firing North Korean anti-aircraft guns or flying North Vietnamese Migs.

Congressman Charles C. Diggs Jr., D–Mich., a former Air Corps officer who served with Chappie in the 1940s and later knew the general in Washington, commented recently on the general's faith in an often-inefficient and often unfair system.

"Chappie's faith in the ultimate rewards of the system is remarkable," he said. "A lot of the men didn't have the faith, patience and perseverance to stay in the service then."

"Faith, patience and perseverance—all of which are applicable to Chappie James."

Another black man who worked within the system, Detroit Mayor Coleman Young, knew Chappie during the World War II years.

"Chappie is one of the most remarkable men and best fliers I've ever known," the mayor said. "He always had a tremendous command of men. I'm proud to call him my friend."

Chappie James, the youngest of 17 children, was born in 1920 in Pensacola, Fla., during an era when it was relatively uncomfortable to be a black kid in the American South.

The general remembers that era.

"I felt the rebuff of the signs that said 'colored' and 'white' on the water fountains," he once recalled, "and because of this I'd never drink water downtown. And there were the benches for whites and the benches for colored in the park—so I wouldn't sit on any of them."

A touch of rebellion there, perhaps, for a man who says he is proud to be a member of the establishment, but explains by that that he means "established law and established justice."

Chappie grew up in the shadow of the mammoth U.S. Naval airbase in Pensacola, and is often asked how he ended up in Army Air Corps flight training. He explains that blacks at the time were not allowed to train for "skilled" positions in the Navy.

"I didn't want to be a cook," he said. "I wanted to fly."

In 1943, after had had received his bachelor's degree from Tuskegee Institute in Alabama, Chappie was commissioned a brand new second lieutenant. He was posted for combat flight training to Selfridge Field, Mich., where he made the first installment in paying his civil rights dues.

Refusing to accept Selfridge's segregated conditions, Chappie and about 100 other aviation cadets staged a civil rights demonstration. The entire group was arrested and scheduled for courts martial.

"Hell," he recalls today, "I was in the original sit-in."

But the NAACP sent its legal counsel, now-U.S. Supreme Court Justice Thurgood Marshall, to defend three of the cadets in test cases.

"He got the courts martial thrown out," Chappie recalls. "And Truman later issued a presidential order telling everyone to obey the regulations against segregation."

"But it was a hollow victory . . . we felt that somebody should have gone to jail."

After World War II, Chappie was one of very few black fliers who chose to remain in the service. He would remain a first lieutenant for seven years, flying P–51s and moving on to F–80 Shooting Stars, the first operational jet aircraft in the Air Force.

In 1949, Chappie was posted to the Philippine Islands as a flight leader with the 18th Fighter Wing. They tell a story about Chappie and the Philippines, a story which reveals a lot about this three-star general.

It seems that soon after Chappie arrived in the islands, he put in an initial appearance at the base officers' club. As Chappie approached the bar, silence fell over a suddenly-tense room and many white patrons began to back slowly away.

It was a scene which would be repeated many times in the 1950s and 1960s, at lunch counters and bus stations across the country.

But the tension was shot out of the air by Claude (Spud) Taylor, a pilot and a white man from Texas who stepped up, introduced himself in his Southern drawl and welcomed Chappie to the base.

Taylor was shot down over Korea and "we later heard that he was shot in the back of the head with his hands tied behind his back," Chappie recalls.

But Chappie's second son, now in the U.S. Army, was named Claude.

And young Claude's nickname? Spud, of course.

In the 1960s, Chappie volunteered for combat duty in Vietnam. There he served as vice commander of the 8th Tactical Fighter Wing, commanded by an Air Force Ace, one of those legendary pilots, Brig. Gen. Robin Olds (ret.).

He flew Phantoms with Olds on the famous 1967 raid when the wing set a record by shooting down seven North Vietnamese Mig-21 jet fighters in a single day.

War correspondents couldn't pass up the pun, and Chappie and Olds became the daredevil team of "Blackman and Robin".

"Chappie is a unique man, a remarkable man," Olds said recently from his retirement home in Steamboat Springs, Colo.

But while Chappie was flying Phantoms, civil rights demonstrations were developing into riots in the states, and a candid Chappie James did not hesitate to speak out when he felt something should be said:

"I'm not a nonviolent man. I'm a fighter. But I respect the law of this country. There's no excuse for rioting and stealing. A thief is a thief, and in the end everybody loses."

"Stokely Carmichael is a big mouth who is making a profession out of being a Negro, and he's got no damn business speaking for me. This black power garbage is for the birds."

"What I really don't buy is that back-to-Africa stuff. I'm not an African immigrant. I'm an American with several generations behind me in my country."

"If something is wrong with my country right now, I'm willing to hold her hand for a while until she pulls out of it and gets right."

And when the militant Black Panthers began generating publicity for their violent acts in the states, Chappie said:

"I was called the black cat (in Vietnam). I had it on my plane and on my helmet."

"Then those other Black Panthers got started, and I said: 'That Black Panther is another breed of cat; this Black Panther fights for his country'."

And he kept his sense of humor, noting that he wore a black flight suit because "it adds to my natural camouflage and lets me zap around that country with impunity."

By 1970, Chappie was a full colonel and was beginning to receive some good news in his career. But within a brief period that year, he was reminded that one of his battles was not yet over.

In 1970, Chappie received his first star, that of a brigadier general.

He was named a deputy assistant secretary of defense.

He was named "Man of the Year" by the Kiwanis Club in Pensacola, Fla.

But he was refused admittance to a Pensacola night spot because of his race.

But beginning that year, the stars began to fall on Chappie James. In 1972, he received his second star, that of a major general. In 1973, he reached his current rank, wearing three embroidered silver stars on each shoulder of his tailored, sky-blue Air Force tunic.

Last year, he received his assignment to Scott Field—a fighter jockey now flying those "big birds" and loving it.

Congressman Diggs recognizes that there are those who say that Chappie's promotions were accelerated because he was a black man in a time when the Air Force was looking for black men to place in command positions.

"Actually," Diggs said, "if Chappie had been white, he would've retired as a four-star general a long time ago. Chappie has the command qualities."

And Chappie himself is buying none of that theory either.

"I always figured I had the tickets," he said. "But it's a combination of skill and luck . . . the wars, the right kind of missions, and there's never enough stars to go around."

"There was a time I didn't think it was possible. I once thought I had stalled out at colonel. But the Air Force has always led the rest of the services, not to say society in general, in making a way of life."

For the future, Chappie feels that "there isn't much further I could go. There aren't any five star generals any more."

But there are four-star generals, and the Air Force would surprise no one if the kid from Pensacola, the black panther of Vietnam, the fighter pilot without scarf or riding breeches, became one of them.

WHAT TO USE INSTEAD OF AEROSOLS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. MILLER of California. Mr. Speaker, the Federal Task Force on Inadvertent Modification of Stratosphere—IMOS—has just released its report. IMOS is a highly professional group composed of representatives from agencies involved with scientific, environmental, and related matters. Participants include, among others, the Federal Council for Science and Technology, the Council on Environmental Quality, the National Institute of Environmental Health Sciences, and the Environmental Protection Agency.

I believe that the conclusions of this report are of the greatest significance to the American people and, therefore, to this Congress. As a cosponsor of H.R. 4327, which would mandate a year-long study of the impact of aerosols on environmental quality, I look upon the IMOS report as being extremely valuable. One of the conclusions which all Members of this body should keep in mind is that, "there seems to be legitimate cause for serious concern" about the destructive impact of fluorocarbons used in aerosols upon our atmosphere.

Mr. Speaker, the United States consumes a billion pounds of fluorocarbons a year. Indeed, fluorocarbon production has been doubling in this country every 6 years. A direct impact of this increasing usage, which may be of "considerable significance" to people's health, is the steady shrinking of the ozone layer surrounding the Earth since 1970.

I believe it is important to note those products in which fluorocarbons are most prevalent. Household products are responsible for 23.2 percent of all propellants used in the United States. Personal products, such as shaving lather, perfumes, and deodorants, represent 50.1 percent of all propellants sold.

It is very important to recognize that while many of these products have become common to millions of Americans, they do pose a danger to the health of us all. Moreover, there already exist alternatives which could eliminate upwards of 80 percent of all propellants we now consume.

I would like to submit for the RECORD two articles which address this very critical situation. The first is from the Coop News, the weekly newspaper of the Consumers Cooperative which operates stores in the Bay Area of California. In the News of July 7, 1975, the Coop board announced that these stores would phase out their supplies of aerosols and no longer offer them for sale. Additionally, there was printed the following story, "What To Use Instead of Aerosols," which should be of interest to Members and their constituents.

I am also enclosing a list of alternatives to aerosols which was included in the IMOS Report:

WHAT TO USE INSTEAD OF AEROSOLS

(By Judy Heckman)

Recently there's been a lot of discussion about one group of aerosol propellants, the fluorocarbons. Usually called freons, these aerosols are thought to damage the earth's protective ozone layer. While it is said that only about one-half of the aerosols produced each year contain these particular propellants, there is no way for shoppers to know which they are. But, even without the ozone hazard, all aerosols pose personal health and safety hazards, all involve excessive packaging which wastes the earth's natural resources, nearly all are poor consumer values. So, think aerosol alternatives!

WHAT CAN I USE INSTEAD?

Plenty! Alternatives are right there on the shelves. Often they're overwhelmed and hidden by the vast array of their aerosol packaged counterparts.

MAKE YOUR OWN

You can make some non-aerosol low cost cleaning products at home. Keep out of reach of children.

Furniture Polish: ⅓ cup boiled linseed oil (you buy it boiled), ⅓ cup turpentine, ⅓ cup vinegar.

Ovens: Try to avoid spills in the first place. For wiping up spills use 1 tablespoon vinegar plus 1 quart water or place ½ cup ammonia in a closed, warm oven. Leave overnight and wipe up the grease in the morning.

Windows: For inside grease—½ cup ammonia plus 1 gallon water. For outside water spots—½ cup vinegar plus 1 gallon water. Other idea: 2 teaspoons kerosene plus 1 quart water, 2 teaspoons borax plus 1 quart water, 1–2 teaspoons washing soda plus 1 quart water, 1–2 teaspoons tri-sodium phosphate plus 1 quart water.

PRESENT NONAEROSOL SUBSTITUTES FOR PRODUCTS USING AEROSOL PROPELLANTS?

1. Shave Lathers: Substitutes: squeeze tubes, soap and mug.

2. Hair Care Products: Substitutes: containers using mechanical spray pumps; squeeze tubes; glass and plastic bottles and jars.

3. Medicine and Pharmaceuticals: Substitutes: squeeze tubes; glass and plastic bottles and jars.

4. Colognes and Perfumes: Substitutes: containers using mechanical spray pumps; atomizers; glass bottles.

5. Personal Deodorants and Anti-Perspirants; Substitute: roll-ons and stick deodorants; glass jars.

6. Room Deodorants and Disinfectants: Substitutes: glass bottles; metal and plastic containers.

7. Household Cleaners: Substitutes: containers using mechanical spray pumps; metal, plastic and glass containers.

8. Household Waxes and Polishes: Substitutes: squeeze tubes; metal, plastic and glass containers.

9. Laundry Products: Substitutes: plastic and glass bottles; paper cartons; composite cans.

10. Insecticides: Substitutes: containers using mechanical spray pumps; (flit guns); paper or plastic chemical bug killers; glass and metal containers; shaker top composite cans.

11. Automotive: Substitutes: containers using mechanical spray pumps; metal spout cans; impregnated paper; glass, plastic and metal containers.

12. Paint: Substitutes: squeeze tubes; metal cans, glass jars.

THE BIG SOCIAL SECURITY RIP-OFF

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. CONYERS. Mr. Speaker, the Social Security Act since its inception in 1935 has never really fulfilled its mandate of freeing our Nation's elderly who lack independent means of support from the specter of poverty, insecurity, and fear. More than 5½ million Americans 65 years or older subsist on incomes below the poverty level. This is unconscionable.

How has it come to pass that we Americans tolerate the impoverishment of our older citizens who contributed their lives to the productivity of our country? These poverty-striken elderly Americans fulfilled their obligation to us and now we turn around and renege on our responsibility to them.

It is indeed curious that the United States stands alone among Western nations in not providing economic security for all of its citizens, constitutional ideals, legislation and presidential pronouncements notwithstanding.

The time has come to legislate a new concept of economic citizenship and social justice which not only provides for a decent retirement of our older citizens but which also guarantees employment to all Americans able and willing to work, adequate unemployment compensation to those temporarily displaced from work and sufficient income-maintenance to those unable to work.

Barbara Koeppel has written a devastating article on the failures of social security and on needed remedies, which appeared in the August issue of Progressive magazine. I strongly urge its study as well as prompt action on behalf of our elderly citizens. The article follows:

THE BIG SOCIAL SECURITY RIP-OFF

(By Barbara Koeppel)

Getting old in America is a rip-off. When not being actually abused, as the perennial nursing home scandals prove, the old are perpetually cheated—cheated by a Social Security system which promises golden years but delivers endless deprivation.

For a fortunate few the American dream may be reality. A small number of America's upper-income elderly live quite well. Armed with property, stocks, bank accounts, and private pensions, they feel no drop in their standard of living after retiring. Their pre-retirement tastes and fancies are indulged, exactly as before. Social Security benefits mean little.

For most Americans, however, the children who are traditionally expected to help their aging parents are struggling to make their own ends meet. Savings (if there were some) are drained in pre-retirement crises. Social Security benefits, even with Medicare, are hopelessly inadequate.

For the poorest, the system is perhaps the cruelest. As Social Security benefits rose after 1972, eligibility for other government programs dropped. The extra few dollars in each monthly check were enough to push the elderly poor over the income limits for programs like Medicaid, which gives free hospital and medical care to the indigent. In Maryland, for example, income limits for Medicaid are frozen at the 1967 levels of $1,800 a year for an individual and $2,300 for a couple. Those who receive the average Social Security benefit today are too rich to qualify. And though that state passed a law protecting the elderly already receiving Medicaid from being dropped from the rolls because of Social Security hikes, those just turning sixty-five are out of luck.

According to Social Security statistics, the average benefit paid to individuals is $2,256 a year—less than the current poverty line, which is set at $2,360. Couples do somewhat better, with an average annual payment of about $3,744. While this is above the $2,980 poverty line for couples, it is still not high enough to meet "lower level" needs, which require $4,215.

Elected officials are quick to point to the increases in benefits which were legislated over the last few years, but neglect to calculate the cost of inflation. Though checks are indeed larger than ever, the elderly are actually poorer. According to a study by Bankers Trust of New York, while the 1972 Social Security amendments provided for benefits to be raised by 11 per cent, as well as for future cost of living increases, the dollar is worth twenty-seven cents less today than in 1970. Since retirement benefits are up only eighteen cents on the dollar, the elderly's purchasing power has dwindled by 9 per cent.

Former Federal Budget Director Roy Ash claimed that "our country has been more compassionate toward those in need than any other country." A comparison with other industrialized nations, however, proves he is mistaken. A report prepared ten years ago for the Joint Economic Committee disclosed that at that time, the Common Market countries spent between 13 per cent and 14 per cent of their national income on welfare programs, while Britain spent 10 per cent, Sweden 9 per cent, and the United States 4.8 per cent. The reason this country placed last the report concluded, was because the others had broader sickness and maternity benefits and all had family allowances, while the United States had none. But it predicted that Medicare, on the drawing board at the time, would surely close the gap.

A full decade later, the facts reveal just the opposite. An updated report prepared by HEW's office of Research and Statistics revealed that while each country increased its total expenditures for all social security programs, the gap between the United States and the others had widened. By 1971, Sweden and the Netherlands earmarked 22 per cent of their gross national product (GNP) for these programs, the Common Market countries between 18 per cent and 19 per cent, Canada 13.5 per cent, Britain 12.5 per cent, and the United States 10.8 per cent. The only industrial country spending less was Japan, with nearly 6 per cent.

Under the best of these plans, in West Germany, the aged can expect to receive 81 per cent of their final earnings, while in the United States most will get less than half. More telling, still, is the comparison with the People's Republic of China (still a developing country), where men at age sixty and women at fifty-five can retire and receive 70 per cent of their final earnings.

Another way to see how badly off our elderly are is to look at how income is distributed in this country. All Government claims to the contrary, the poor—of which the aged are proportionately the largest group—are just as poor now as they were in 1947. At that time, the lowest fifth of the population received 5 per cent of the national income, while the upper fifth enjoyed 43 per cent. Twenty-five years later (in 1972), the lower fifth still received 5 per cent and the upper fifth 41 per cent—a stable scene by any standards. The aged, if anything, lost ground during those years. For while they accounted for 30 per cent of the poorest fifth in 1952, by 1972 their proportion rose to almost 33 per cent.

Social Security's original architects, as well as current advocates, insist that old age benefits were never intended to be the elderly's sole support. But only a third of the married couples and a sixth of single people drawing Social Security payments are also receiving other pensions. When retirement income is compared to earlier earnings, almost 80 per cent find they must live on less than half the income they had just before retiring. Once those long awaited monthly checks start arriving, necessities are transformed into luxuries.

A visit to a senior citizen center is unsettling. With slight variations, the script is the same.

About food: "Well, I guess I don't need much anymore," or, more frankly, "I just don't know how I eat." Clothing? "I don't mind fixing up something that someone gives me," or, "The center has some lovely clothes for us from a cleaner who sends the things no one claims." Housing? "Well, it's not a very nice neighborhood, but it's all right inside, except for the roaches." Entertainment? "Simply can't be had, even with the discounts we get," or, "There's some here at the center, and that just has to do." Vacations? "Out of the question." And doctor bills, "I get Medicare, you know, but somehow, I'm always paying anyway," or, "Don't ask."

Though these older people may eat little, food costs, particularly on low budget staples, have soared. Since 1972, when Social Security benefits were raised by 40 per cent, rice rose 124 per cent, lunch meat 50 per cent, dried beans 40 per cent, and margarine 63 per cent.

In housing, while there are some apartments for the old in the public stock, it may take two or more years to get one. And the new apartment complexes for the elderly, subsidized with government funds to keep rents down, range, in Baltimore, for example, from $83 to $106 a month for efficiencies, and $110 to $142 for one-bedroom units. Unless other basics, already whittled to the bone, are cut further, these rents are clearly impossible for most Social Security beneficiaries.

In fact, the way in which the Social Security program was designed in the 1930s assured from the start that it would be inadequate and unfair, with workers carrying by far the largest share of the burden of the nation's elderly, and the well-to-do paying proportionately little. If the early German system on which it was modeled was any indication, it was only a question of time before Social Security would be in financial trouble.

While many consider deductions from their paychecks as annuities (where dollars put in now are returned as pensions at a later date), Social Security benefits are actually direct transfer payments from one generation of workers to another. Last year, about 100 million workers contributed $72 billion to the trust fund. The cash was used to pay $65 billion in retirement and Medicare benefits to 26 million retired or disabled workers, their survivors, and dependents.

In the original scheme devised for President Franklin D. Roosevelt, the Government, employers, and employes were all to share the costs. Roosevelt immediately rejected the plan, insisting the Government be omitted, completely. Some form of compulsory insurance might meet his and Congressional approval, but only if it was totally self-supporting. The bill was amended, the Government written out; it was then passed by Congress and has remained intact ever since.

Today, forty years later, the reading in Washington is the same. Faced with mounting problems in making the ledger balance revenues with benefits, and with demands from some Congressmen for an infusion of funds from general revenues (this year $3 billion more will be given out in benefits than will be collected in contributions), President Ford stands firmly on orthodox ground: The system shall remain self-sustaining; other sources must be found to ease the drain on reserves and create a workable balance between input and outflow. Predictably, those other sources are the workers, again, through high taxes on wages and payrolls. James Cardwell, Commissioner of Social Security, is convinced that the only way workers can keep their sense of dignity and self-respect is "by preserving the system of wage-related benefits."

What present and past administrations have failed to consider is the link between the nation's economic health and Social Security receipts. Without the one, the other is impossible to maintain, for in periods of economic stagnation, profits plummet and unemployment soars. Add to this chronic dilemma a declining birth rate and technological advances that demand more equipment. The result—fewer workers, fewer paychecks, fewer Social Security contributions, and a system headed for bankruptcy.

The financing of Social Security benefits works this way: Workers' contributions are matched by an equal amount from employers. And since the number of elderly has steadily grown, the amount of those contributions has jumped from 1 per cent of wages and payrolls in 1937 to 5.85 per cent at present. Ceilings are placed on the amount of income to be taxed, initially set at $3,000 but raised to the current level of $14,100. And until recently, when Medicare was introduced, the Government paid absolutely nothing. Now, under this program, it matches the individual's monthly premium of $6.70 for medical insurance, for a total outlay in 1974 of $2.9 billion. It also coughed up a fixed sum in 1968 for benefits for a small number of old people who did not qualify for Social Security.

By comparison, the governments of most of the other industrialized countries contribute substantially to old age pensions—England contributing 25 per cent and West Germany 15 per cent. In Sweden, where the elderly get both a general plus an earnings-related pension, the government foots 70 per cent of the tab of the first with pensioners paying the rest during their work years. Employers pay the total amount of the second.

Every element of the U.S. Social Security system—workers' and employers' contributions, ceilings above which income is not taxed, almost zero Government input, and constant wage and payroll tax hikes—establishes Social Security as one of the country's most regressive programs.

The workers' contributions (the tax on wages) is hailed by the program's supporters as one of its most egalitarian features. No one is considered too poor or rich to pay it. Translated, this slogan means that those who are labeled even too poor to pay income tax must still pay the Social Security levy. And while it may secure them some future benefit, it undoubtedly deepens their present poverty, denying them the means to buy current necessities.

And what about the rich? Today, as when the Act became law, the well-to-do are protected by a little known provision that states only income from wages and salaries is taxed. Its converse, of course, is that income from sources other than wages goes untaxed. Thus rents, dividends, and interest on investments (largely the income of the rich) suffer no shrinkage from Social Security deductions. The discrimination continues even after the elderly begin to collect benefits. If the low- or middle-income person continues to work (because he must in order to exist), income is taxed, exactly as before. In fact, once his income reaches $2,400, for every dollar he earns, he loses fifty cents in benefits. But if he is fortunate enough to relax and enjoy his income from rents or the like, again, nothing is deducted.

The ceiling on taxable income is perhaps the most inequitable feature of all, since it inevitably means that those least able to afford it pay proportionately the most. The disparities are striking. A low-income family, with husband and wife earning $6,500 each, turns over a total of $754 a year to Social Security, while an upper-middle-income family with one person earning $30,000 gives up $817, the figure being based on the $14,100 limit. The first family pays the full 5.85 per cent of its income, the second just 2.7 per cent. Since deductions are made automatically, many never realize just how large a chunk is taken. Often, even for those with moderate incomes, more is swallowed up by Social Security than by income tax (for example, a family of four with income of $12,000 from one earner).

The second source of funds for Social Security benefits is called the employer or payroll tax. Actually, this is extracted almost entirely from employees in their dual roles as workers and consumers. To begin with, workers are conditioned by industry to believe that employers contribute heavily to their old-age benefits, the label "employer" tax itself leading to this conclusion. And, employers argue, since these contributions cut dangerously into profits and consequently into wages, workers must tame their demands for pay increases. What also happens is that workers, as consumers, pay the employer part through inflated prices which firms charge to recover as much of the tax as possible.

Little is known by a bewildered public about the present Social Security system for the aged—what it offers and how it is financed. The clues come if we look backwards to when it became law. Why was it passed? Who supported or opposed it? What were the attitudes of those New Dealers, called the "heralds of a new era" about social insurance?

Whatever their ideology, most observers (then, as well as now) agree that at the time Social Security became law, the "system" was shaken and crumbling. Though Herbert Hoover had promised a chicken in every pot and two cars in every garage, by 1932 more than twelve million were unemployed—a whopping 25 per cent of the labor force. Discontent was rampant and the message of the radical Left was ever more appealing to the many who watched the American dream, along with their savings and standard of living, dissolve before their eyes.

In the South and East, Huey Long, the populist Senator from Louisiana, was drawing millions of listeners to his "share the wealth" plan, which promised pensions, homes and cars, minimum wages and help to the farmers through a "soak the rich" tax scheme.

In California, Upton Sinclair, the author and one-time Socialist, won the Democratic nomination for governor in 1934 on a platform which described "production for use," a plan to put the unemployed to work at factories and farms and pay every able-bodied person $5,000 a year for three or four hours work a day.

In the West, Dr. Francis Townsend, a sixty-six-year-old physician, launched an old people's crusade which, within three years, had rallied two million members in 7,000 clubs across the country around the issue of a pension for the elderly—$200 a month to everyone over sixty who would promise to retire and spend it within thirty days. Twenty-five million Americans signed a petition supporting the scheme, which was then introduced as a bill in Congress. Though it eventually lost, it was a hot enough issue to cause 200 legislators to absent themselves from the vote, unwilling to go on record as opposing it.

With millions hungry and desperate—only 116,000 out of the entire work force of 48 million had any form of unemployment insurance—labor troubles flared everywhere. Strikes mushroomed—truckers in Minneapolis, textile workers in the South and Midwest, a general strike in San Francisco. And the police response was usually provocative and bloody.

The aged were particularly destitute. Though they had worked hard throughout their lives, many middle-class elderly, as well as those with low or marginal incomes, found themseves penniless with nowhere to turn. The victims of a rapidly industrializing society, they were transformed from patriarchs in the traditional, pre-industrial family to burdens in the modern household. Once they could no longer produce, they were forced into dependence. By 1932, half the aged were totally dependent on others for their support. And while they were losing their capacity to support themselves, they were doubling their number in the years from 1900 to 1930.

The battle for compulsory social insurance for the aged had been waged and lost during the two decades preceding the Great Depression. Various groups fought it, always on the grounds that voluntary insurance was more in keeping with American traditions. But behind the rhetoric there were two real considerations—power and profits. Business and industry launched costly and eminently successful campaigns against social insurance. While they publicly denounced it as socialistic and un-American, and predicted generations of shiftless workers if such a scheme materialized, they privately feared a loss of profits (particularly in the life insurance sector) and a loss of their labor-controlling devices (in industry, in general). Professional social workers and charity organizations felt threatened too, fearing the loss of clientele, their reason for being, and ultimately, their jobs.

By the 1930s, the economic system had so deteriorated that many earlier opponents, including much of big business, industry, government, and even some labor leaders, found social insurance an acceptable response to the growing public clamor. In 1935, President Roosevelt announced it was the burning issue of the times. And in August of that year, it was signed into law. By the end of the decade, the clamor had subsided, and support for socialist or reformist candidates had declined.

If the Act was contrived to quell the mounting discontent and crush the threats from the Left, it was a smashing success. If, however, it was framed for social and humanitarian ends, it can be judged a flop. For if the elderly's share of the nation's wealth is any indicator, they are just as poor today as they were then. Even at that time, critics were quick to note that the law was created more to save the system than transform it. Though the press, the New Dealers, and the country in general celebrated its birth, hailing it as "humanity's greatest boon," even "the translation of the cross of Christ," others correctly saw that it promised much and delivered little. Their objections centered on two issues: first, the regressive way benefits were to be financed, and second, the level of benefits to be given.

They argued that any social insurance scheme should be redistributive, with contributions based on ability to pay, and benefits geared to need, not previous earnings. In the plan that passed, however, those who stood to receive the largest retirement checks were precisely those who needed them the least.

The law was amended in 1939 to give proportionately more to those with low incomes, but the aged with the highest previous incomes still got the highest benefits. The formula used to calculate benefits has remained intact until today, and the method of financing has remained untouched. Some changes have occurred, but none which substantially altered the conditions of the old. In 1956, the law was widened to include disability benefits to workers (and their families) who had long-term or terminal illnesses. In 1966, Medicare—a system of health insurance for the elderly—was added. And in 1972, Congress approved benefit increases and cost of living raises. In each case, critics insist that the least, rather than the best, was offered.

Though Medicare is generally thought to be the answer to the elderly's nagging fears of illness and devastating bills, all of the old people I interviewed felt they had received something less than a bargain. As originally conceived, Medicare preserved the long-standing tradition of financing by public contribution, though the public here was one with meager, fixed incomes. To cover the cost of hospital care for the aged, an additional amount would be deducted from workers' paychecks. At the same time, the elderly, upon turning sixty-five, could opt to pay a premium for medical insurance which would be matched by an equal amount from the Government.

Entirely missing from the original calculation was the inflationary impact of the program. Once it was passed into law, hospital costs jumped 13 per cent a year during the first eight years, against an annual 6 per cent in the decade before Medicare, and doctors' fees rose by 6.7 per cent per year, whereas earlier they had increased at a rate of only 3.5 per cent. Confronted with the tremendous cost of curing and caring for the aged ($6.7 billion in 1971, $11.3 billion in 1974, and an estimated $15.5 billion in 1976), the Government has tried to cut costs. The method—charge the beneficiary more, offer less, and interfere the least with providers' practices or profits. As a result, payroll deductions for Medicare have tripled since 1966, rising from .3 per cent to .9 per cent. Premiums too, have jumped, shooting from $36 a year to $80.40.

Then there are the "deductibles" that the elderly pay toward hospital and medical bills before Medicare steps in. For the first sixty days of hospital care, the deductible has risen from $40 to $84, and "coinsurance," which the patients must pay toward the bill for the sixtieth through the ninetieth day of care, has jumped from $10 a day to $21.

Doctors' bills, too, the aged complain, continue to deal a lethal blow to their finances, although insurance costs continue to rise. Though the elderly seem confused by this contradiction, the explanation is fairly simple: Protected by the law, doctors may charge the Medicare program or bill the patient directly. If they do the first, they must accept the fee Medicare considers reasonable. If they choose the latter, they bill patients what they like, get paid by them, and then the elderly, not the doctors, must settle for the Medicare fee. In just the three years from 1970 to 1973, the number of doctors willing to take the Medicare fee fell from 60 per cent to 52 per cent.

While the inadequacies and inequities are in plain sight to some, they seem to elude others perpetually. One Administration after another has tried to squelch benefit increases. Some have expanded them, grudgingly, but only when it would have been politically suicide to do otherwise. Richard M. Nixon vowed to veto raises, but when they were tacked on to a bill he wanted, he was forced to let them pass.

Then there is the official line, recited since the Nineteenth Century and most recently by Commissioner Cardwell, that people should provide for their old age by investing and saving during their work years. Unfortunately, this is but a fantasy, conjured by well-to-do observers who speak from the comfort of their own experiences. The fact is that the average worker today like his predecessors, has barely enough to pay for current needs, let alone save for the proverbial rainy day when he can no longer earn.

Few today question the need for some form of social insurance for the elderly. What is to be questioned, however, is just how well our system works—both the old age pension and health insurance. Some remedies for Medicare's ills, how to hold back spiraling health care costs, have been tried, and others prescribed. But for an acute problem, most offer only aspirin instead of radical surgery. The Government's prescription was to assign the job of policing hospital costs to the hospitals themselves. Each set up a utilization review committee to judge if services were being properly used. The committees, however, are composed of hospital administrators, whose facilities are paid by Medicare for occupied beds, and by staff doctors who get fees from Medicare for each day their patients are hospitalized.

The major complaint of most of the elderly is that more and more doctors refuse to accept Medicare fees. To this predicament former HEW secretary Wilbur Cohen replies that doctors must be handled with care, and suggests wooing them with free malpractice insurance in exchange for their acceptance of Medicare fees. To do otherwise, he argues, would lead as many as 20 per cent of doctors to refuse to treat Medicare patients. Sterner measures, he believes, would just not be acceptable to most of the lawmakers in Washington, or to the public in general.

For some, like President Ford, the solution to the question of benefits is easy—the elderly must do with less. They insist it is just a question of "how well off" the aged should be. To the dilemma of the dwindling Social Security reserves, they offer the old-time remedy—raise wage and payroll taxes.

Some liberals propose another solution: supplement wage and payroll taxes with funds from general revenues. This, they say, will cure the system's inequities and place the cost of the nation's aged on everyone's shoulders. In fact, however, this would not be so, because the financing will stay regressive until contributions are calculated like income tax—where those with income beneath a certain amount pay nothing, those with low income pay little, and those with the greatest ability to pay contribute the most. But for Commissioner Cardwell, the price of removing "the regressive anomaly—if it is an anomaly—large government contributions, is too high to pay."

Another, more radical, solution has been proposed: abandon the employe and employer payroll tax entirely and pay Social Security benefits from general Federal funds. This would distribute the financing not only over the now-graduated income tax, but would draw on corporation, excise, and other taxes, and thus virtually eliminate the regressive aspects of the Social Security system. This concept is such an extreme departure from the traditional work ethic that there is nothing currently in the political pipeline designed to achieve such drastic change.

If change in the total system is to be left to those already in control—whether liberals like Wilbur Cohen or conservatives like President Ford and Social Security Commissioner James Cardwell—then the old can expect no change for the better. They will simply have to eat less, wear less, get sick less, and, perhaps, five less.

VIETNAMESE REFUGEE PROGRAM: IS IT WORKING?

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. ANDERSON of California. Mr. Speaker, when the issue of Vietnamese refugees first reached discussion on the House floor, I expressed my concern as to the impact of an influx of refugees on our local communities, especially in today's depressed economy. However, we were assured that the refugees would be dispersed throughout the country, thus avoiding any heavy financial burdens on local jurisdictions.

Additionally, Congress passed the Indochina Migration and Refugee Assistance Act of 1975, which provides funds for refugee relief.

Now, several months later, where do we stand?

By July 10, 1,330 Indochinese refugees had been dispersed to the welfare rolls of Los Angeles County.

The administration, after announcing that the costs of educating refugee children was not a Federal responsibility, backed down and appears to be ready to assume at least some of these expenses.

Additional refugees are applying for welfare in Los Angeles County at a rate of 25 a day.

Obviously, the refugee resettlement program is not working well.

In a letter to President Ford, Joe Pollard, the legislative consultant for Los Angeles County, points out some of the problems local agencies have had with the refugee situation. I would like to place this letter in the RECORD, so that the information it contains will be available to other Members who are interested in this problem.

The letter points out two major problems. The first, and probably most important, is that the sponsorship program, in which U.S. citizens accept responsibility for the refugees before they leave the relocation centers, is simply not working.

Second, administrative costs for handling the refugees are becoming a major expense.

Obviously, we want to make these people welcome in their new land, and it is in the best American tradition for us to offer them a helping hand as they settle in the United States. However, the refugee resettlement program was, and is, a Federal responsibility, and we must make sure that responsibility is met.

The letter follows:

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES,
July 11, 1975.

THE PRESIDENT,
THE WHITE HOUSE,
Washington, D.C.

DEAR MR. PRESIDENT: The Los Angeles County Board of Supervisors and respectively brings to your attention what appears to be a breakdown in the process for sponsorship of Indochinese refugees.

We have been informed by the Los Angeles County Department of Public and Social Services that on July 10 there were 1,330 Indochinese refugees on the County welfare rolls, with new applications coming in at the rate of 25 a day to the County's welfare offices. In early June, only one or two applications a day were recorded.

The Washington office of the County of Los Angeles has been in touch with the Interagency Task Force on Indochina Refugees regarding the increasingly heavy flow of refugees to the Los Angeles County area.

There is every reason to believe the County can fulfill its obligations to the refugees under the Indochina Migration and Refugee Act of 1975. However, based on our experience so far we believe there are two problems which must be solved before a local government can process refugees efficiently:

(1) The overriding problem of the degree of responsibility of the first sponsor for the establishment of refugees in a community must be fixed. We know that among the 1,300 refugees who have applied for welfare in the County, some have been abandoned by their original sponsors or have not been referred back to the responsible Voluntary Settlement Agency for additional assistance and possible replacement. In connection with welfare applications, the question arises, "has the Voluntary Agency expended its full $500 allotment toward settlement of a refugee?"

(2) The high number of man-hours required to process refugees in a welfare system, considering the requirement to evaluate the ability of potential sponsors to provide financial support. (This presupposes that a second sponsor may be sought by a local government or a voluntary agency working in harness with the local government).

The Task Force has announced—we hope tentatively—that local government expenses would be reimbursed at up to 10% of the amount of welfare involved. The County's experience shows that the actual administrative costs are much higher than 10%, and will reach $406,000 during 1975 at the present rate of welfare processing.

The County of Los Angeles fully endorses the proposal submitted to the Social and Rehabilitation Services (HEW) that 100% of such administrative costs be federally supported.

We have proposed to the Task Force that those local governments which can expect a large number of refugees in their area have access to the complete record of sponsorship of any refugees at any time. There is no way of knowing where the refugee will finally end up at the time he leaves one of the camps. This information is necessary for the efficient processing of those who apply to a local government for welfare or for any benefits under the Assistance Act.

The Los Angeles County Board of Supervisors assures you of its continuing cooperation in handling refugees and looks forward to working with the Task Force toward solution of those problems and establishment of a system in which a local government can perform most efficiently.

Sincerely,

JOSEPH M. POLLARD,
Legislative Consultant.

AMERICA—HANDLE HER WITH CARE

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. ARCHER. Mr. Speaker, I am very optimistic about the future of our country when I have the opportunity to read an article such as the following one by Judy Whitten of Houston, Tex. She has very perceptively written about some of her concerns for this country and I believe my colleagues will like to share in her thoughts.

The article follows:

AMERICA . . . HANDLE HER WITH CARE

(By Judy Whitten)

A child cries out from pain in a rat-infested home, a jobless youth walks the streets hungry and desperate, a riot breaks out on a college campus giving vent to hate that has been under pressure . . . four young people are killed. Our water is almost indigestable, and our air stinks with the smell of a "modernized" world. Is this my country?

We grumble when asked to help the poor, because we all know they're just lazy and besides, who needs more taxes? But we have yet to challenge what is marked for the defense.

And if there is a man in the moon we will surely be the first to know, but if there is a hungry man in the city of Houston, our chances of being the first to discover him are slim. Rightly we praise our accomplishments in outer space, but at the same time we overlook the critical needs of our inner space. Waste is part of our society. Is this my country?

If your hair is too long, you are irresponsible and rebellious; if you sign up as a conscientious objector, you are a coward; if you love your country and, therefore, fight for what you believe, you are a hypocrite. Are these the people of my country?

I do not like my country as I have just described it. I do not like the hate, and the suffering and the selfishness that is in our society. So I am going to revolt! Yes, that's right, I'm going to become a revolutionary. I am going to dedicate my life and my soul to the glorious revolution. Join me, and we will build another world, a far greater place to live in peace and solitude for the rest of our years.

But, before we destroy this old society, let us imagine what our new society will be like. We must set our goals—we must know what we are working for! First, we all believe that every man should have equal rights, that he should do as he pleases as long as it does not interfere with the rights of his fellow man. I think we believe this to be true. So why do we not declare ourselves independent of this worthless society, and we will write in our Declaration, "We hold these truths to be self-evident, that all men are created equal. That they are endowed by their creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness . . . to secure these rights, governments are instituted among men." Now we must have some direction for these laws; what would a good government do for the people? How about "We the people", since we will be governing ourselves, "in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty for ourselves and our posterity, do ordain and establish this constitution?"

But wait . . . my fellow revolutionaries, what have we done? We have just destroyed that old order and at the same time we have recreated the framework of that order. Surely there is nothing wrong with what I have just said; surely these are good rules for a nation. Why, then, are they the same rules that govern that old place?

The answer must be that there is nothing wrong with the rules governing our country. There is nothing wrong with the Constitution or the government, or with the laws. Yes, it is easy to imagine the government as a huge work horse upon which we push off all our unwanted responsibilities as citizens. Let the government get rid of the pollution, we say as we throw down a can or a wrapper. Let the government do it; I pay my taxes!

So we buck the ideals of democracy; we criticize and tear down, and destroy, and never bother to replace.

But if within ourselves we find the enemy, we also can there find the hope. It is within every human being to declare that hope. In the words and the motto of the American Field Service, "Walk together, talk together, all ye people of the earth, for then, and only then, shall ye find peace."

A better world is not a non-negotiable demand on someone else; a better world begins with you and me. I do not ask you to summon up the courage and vigor to move the proverbial mountain, nor do I ask you to singlehandedly eliminate poverty, nor clean up our polluted environment. But I do ask you to take a few small steps, to become more tolerant, to gain more understanding of your fellow man, and to handle your country with care.

DEREGULATION OF NATURAL GAS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, on Thursday, July 10, President Ford warned the country that a natural gas shortage this winter will cost many people their jobs and its results could interfere with economic recovery. That is true.

But then he implied in his statement that Congress could remedy all these dire consequences this winter by decontrolling the price of new natural gas at the wellhead. That is not true.

President Ford would have known that if he had simply consulted just one of his closest advisers on one of his frequent trips to the White House. I am referring to our former colleague, Secretary of Commerce Morton, who happens to be Chairman of the President's Energy Resources Council.

Secretary Morton gave exactly the opposite advice on natural gas deregulation to the Conservation, Energy, and Natural Resources Subcommittee of the House Committee on Government Operations only 2 weeks ago. Secretary Morton said and I quote:

> We must recognize that deregulation of new gas is not a solution which will solve the problem in the near term—specifically this coming winter.

Deregulation of natural gas, in whole or in part, immediate or in phases, may or may not help to solve the natural gas shortages of future winters and, therefore, should be considered by the Congress.

But, for this winter only prompt and effective implementation of existing laws by the Executive will avoid an impending economic disaster.

H.R. 7766 WOULD RESTORE CIVILIAN HOSPITAL OPTION FOR VETERANS

HON. ROBERT W. DANIEL, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, on March 9 the Department of Defense ruled that veterans with service-connected disabilities could no longer receive treatment in civilian medical facilities under the Civilian Health and Medical Program of the Uniformed Services known as CHAMPUS. The elimination of this option will mean that veterans with service-connected disabilities must take treatment primarily in Veterans Administration hospitals or military or Public Health Service hospitals.

This change in policy by the Defense Department is a shortsighted and ill-conceived insult to the veteran with a service-connected disability. The end result of this change will be more overcrowding at VA and military hospitals as well as additional expense for both the Government and the individual veteran.

Recent news accounts in the newspapers that serve the Tidewater, Va., area have reported that naval dispensaries have reduced services because of a decline of general practitioners from 44 to 17. This is but one example of the shortage of military doctors. How, in the face of this shortage, can the Defense Department expect the military, VA, and PHS hospitals to handle the load?

The elimination of the CHAMPUS option could result in a true bureaucratic nightmare. A retired veteran with service and nonservice connected disabilities might have to be treated at both Government and non-Government hospitals. This would result in a duplication of medical records and the division of treatment between two doctors.

I believe that veterans deserve better consideration from the country they have so willingly served. Accordingly, I have cosponsored a bill, H.R. 7766 with Representative MOLLOHAN that would restore the civilian hospital option for veterans. The inability to use civilian facilities may well prove an unfar burden on those who can least afford it—those who have left their military career with a service-connected disability which continues to require medical attention.

It is my hope that my committee, Armed Services, will take swift action on the bill and that the entire House will vote to correct this unfair situation.

MR. SHELDON BUTT, SOLAR ENERGY EXPERT, EXPRESSES RESPONSIBLE POSITION ON ENERGY

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. McCORMACK. Mr. Speaker, Mr. Sheldon Butt, of East Alton, Ill., is president of the Solar Energy Industries Association, Inc., an organization of 427 industries and individuals involved in solar energy equipment manufacture and solar energy research and development.

Early in June, Mr. Butt received a letter from the National Intervenors, a Washington, D.C., based antinuclear group, attempting to put words into Mr. Butt's mouth, and asking him, in effect, to take a position in opposition to nuclear energy.

Mr. Butt immediately recognized this deplorable tactic by the National Intervenors as an attempt to use his name and his title in its antinuclear propaganda campaign. His response is, in my mind, one of the outstanding examples of responsibility, scholarly insight, and statesmanship that I have seen in recent years.

To Mr. Butt's great credit, he took the time to set out in a reasonable and orderly manner the reasons why this Nation must pursue the development of all realistic energy sources as rapidly as possible, and why solar energy cannot play a major role in this Nation's energy supply picture during this century.

Mr. Butt is a solar energy optimist, and he estimates that it will be possible to provide 2 percent of this Nation's energy requirements within 10 years from solar technologies, and that it may be possible to bring the solar contribution up to 8 to 10 percent in 20 years.

As you know, I am supporting solar energy programs in every way I can, and I applaud Mr. Butt for his enthusiasm and his optimism, even though I am not as optimistic as he in his estimates for the future.

What is much more important, however, is that Mr. Sheldon Butt, as president of the Solar Energy Industries Association, has taken this responsible position and has attempted to help us all understand why it is necessary to move forward aggressively with R. & D. programs in all energy technologies.

Needless to say, the National Intervenors will not publish Mr. Butt's letter, and so I would like, Mr. Speaker, to insert his letter in the RECORD at this point so we all may share in the appreciation and praise that Sheldon Butt so richly deserves.

His letter follows:

OLIN BRASS—OLIN CORP.,
East Alton, Ill., June 25, 1975.

Mr. ANDREW STAMPS,
Research Assistant, The National Intervenors, Washington, D.C.

DEAR MR. STAMPS: This will reply to your letter to me of June 6.

Of course, as President of the Solar Energy Industries Association, I am most particularly concerned with the prospects for solar energy. In looking at solar energy, we must, first of all, divide it into two separate pieces. The first is the collection of solar energy at relatively moderate temperatures for use in heating buildings, heating hot water and air-conditioning. For these applications, technology is well developed and although certainly, there is need for continuing development, there doesn't seem to be any requirement for large-scale research and development. The development work needed now is mostly "nuts and bolts" development intended to make the devices moderately more efficient and less costly. We might call this "engineering product development." Normally, this kind of development is something which private industry does for themselves with a new product. However, as part of the implementation plan for the Solar Heating and Cooling Demonstration Act of 1974, the Federal Government, through E.R.D.A., now intends to make a very substantial investment in support of this type of engineering product development which we hope will accelerate development of improved and lower cost hardware.

In addition, the Administration is working on development of various programs intended to accelerate commercialization in this type of application. These include a Government Building Program and a Water Heater Program. The Energy Bill, which passed the House of Representatives last week and is now being considered by the Senate, includes incentives for users of solar energy. These will undoubtedly accelerate acceptance of solar energy by substantially reducing its net cost to the user.

We estimate that, with the existing Government programs, plus the others now in prospect, and with implementation of additional Government programs as the need for them develops, it will be possible for solar energy, within ten years, to provide approximately 2% of the Nation's energy requirements. This may not sound like much, but it really would represent a very substantial accomplishment. By 1985, and after giving due weight to the effect of conservation measures in restraining the growth in energy demand, it is estimated that the Nation's total energy requirements will be equivalent to 50,000,000 barrels of crude oil per day. (This doesn't mean 50,000,000 barrels of crude oil as such but the total amount of energy which, if mathematically converted to crude oil, would total 50,000,000 barrels per day.) Thus, by 1985, we can hope that solar energy will be providing the equivalent of 1,000,000 barrels of oil per day. Measured in 1975 dollars, this means that the total installed cost of the solar equipment which must be put in place between now and 1985 will be on the order of $50 to $60 billion (in 1975 dollars).

If we consider the fact that the solar energy industry is today just in its very beginnings, this will be a tremendous accomplishment. Starting from "scratch," we must build an industry of this magnitude, including building the industry infrastructure, service organizations, installation contractor organizations, etc., very rapidly indeed. I sincerely don't believe that it is feasible to go a great deal faster than this.

We can look at the bogey for 1985 in another way. The 2% of the total energy requirement represents about 10% of the total amount of energy used for heating, hot water and air-conditioning since these three account for roughly 20% of the entire energy requirement.

Projecting forward for another ten years to 1995 introduces more uncertainties. However, with continuing effort, it may be possible to bring the solar contribution up from the 2% level to as much as 8% or 10%.

The other aspect of solar energy is solar use for generating electric energy. The technology in this area is not well developed. The status at present is generally that of relatively small scale experimental installations now being planned. I seriously doubt that it is at all possible to obtain more than a fraction of 1% of the Nation's energy needs from solar electric power as soon as 1985. In the decade between 1985 and 1995, it may be possible to develop this alternative energy soure to the point where it might provide as much as 2% to 5% of our total energy needs. This would be a very major accomplishment. It would mean that we would have to develop this new alternative energy source much more rapidly than we developed nuclear electric power in the past.

What is needed now is a large-scale research and development effort. Legislation setting authorized levels of research funding for various E.R.D.A. programs is now before Congress. The latest information reaching me indicates that, it is likely that total solar funding in the 1976 fiscal year will be two and three times the level of funding in the current fiscal year. I think this rate of increase in research and development funding is appropriate and is about as much as it would be possible to spend wisely and without undue waste. No doubt, further increases in funding for 1977 and subsequent fiscal years will be called for.

Although I know much less about geothermal energy prospects than I do about solar, I do understand that Government funding for geothermal programs is similarly accelerating. I don't think the energy prospects for geothermal are anything like as large as those for solar, although certainly geothermal can provide a substantial and welcome addition to overall availability. Where does this leave us?

The Federal Energy Administration has estimated that, with substantial effort aimed at conservation, the growth in the Nation's energy requirements can be reduced to approximately 3% to 4% per year. Whether or not this reduction in demand actually comes to pass remains to be seen. At present, there does seem to be some reluctance on the part of Congress to enact a strong energy conservation program. Unless one is enacted, it is likely that the rate of increase in demand will be greater than the 3% to 4% per year figure.

At the same time, there is every indication that there will be little or no growth in domestic production of crude oil over the next ten years—even taking into account Alaskan production. Beyond ten years, it seems almost certain that the decline in domestic oil production will probably accelerate. The natural gas situation does not appear to be any better—possibly worse.

Thus, with oil and gas production stable and ultimately declining and with demand rising at a rate of at least 3% or 4% per year, the contribution to be made by solar, as well as the contribution to be made by geothermal, will not even come close to meeting the deficit in total energy requiremnts.

Whats left is coal, shale oil and nuclear energy. I will not try to make any specific estimates as to the rate at which exploitation of shale oil reserves might be achieved. Similarly, I don't think that I am equipped to estimate just what might be done with coal. However, it is my general thinking, based upon reviewing estimates made by others as to the maximum rate at which shale oil might be developed and the maximum rate at which further development of coal exploitation might be achieved, a considerable gap will still remain and therefore, that substantial reliance must be placed on nuclear energy for the balance of the century and probably into the next century as well.

Simply stated, our dependence upon oil and natural gas has become so great over the past several decades that, now that we are faced with static or declining production of oil and gas, we are going to have to accelerate production of *all* alternative energy sources, including:

Solar, Geothermal, coal, shale oil, and nuclear.

I must agree with Congressman McCormack. At the same time, I must point out that legislation now pending (but not yet passed) does indeed provide excellent support for solar development.

Very truly yours,

S. H. Butt,

President, Solar Energy Industries Association.

ARMS LIMITATION

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. MOORE. Mr. Speaker, I am an advocate of meaningful arms control as are a vast majority of Americans who seek the negotiation of mutually beneficial arms limitation agreements between this Nation and the Soviet Union. In seeking these goals, however, it is my belief that premature disclosure of arms limitation alternatives to be presented by the United States could well show our hand before all the cards have been dealt from the deck. As history has proven, the Soviets have used every opportunity to bend, twist, or otherwise circumvent the provisions of bilateral arms limitation agreements reached to date.

It is for this reason that I question the wisdom of the language of section 107 of H.R. 7567 pertaining to the publication of an annual report to Congress by the Arms Control and Disarmament Agency to include an appraisal of the status and the prospects of various negotiations as well as arms control measures in effect. Certainly Congress must be made aware of the provisions of arms limitation agreements that have been finalized, but there is some question in my mind as to whether section 107 could result in unrestricted publication of advance knowledge regarding U.S. strategy at the conference table.

The language of section 36 of the bill could similarly tip the scales of détente in favor of the Russians. Under this section, the Director of the Arms Control and Disarmament Agency would be required to file an impact statement on all of our major weapons research and development programs. Moreover, the Director would be required to submit his impact statement together with supporting evidence to Congress and such information would be included in any and all military authorizations or appropriations.

As these so-called impact statements would be a matter of public record, the Russians should have little difficulty in predicting how firm the United States would be at the negotiating table in its defense of any arms development that is accompanied by an unfavorable impact statement.

With these reservations in mind, I voted against H.R. 7567 authorizing appropriations for the Arms Control and Disarmament Agency for fiscal years 1976 and 1977.

DIALOG ON CHOICES: CIVIL LIBERTIES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. SIMON. Mr. Speaker, as you will recall, I initiated my Bicentennial Dialog on Choices series in the Record on June 3. Shortly after that, I invited my colleageus and all Americans to offer their ideas on what is good and bad about the structure of our Government. I am heartened by the response. The Record of June 19 and 20 contained constructive responses from my colleagues and from citizens throughout the Nation. Their suggestions were as diverse as their geographical and occupational backgrounds. However, a common thread appeared: Americans care deeply about their Government. They may disagree about the mechanics of government, but they share the hope that it will be the vehicle for guaranteeing individual and collective freedom.

Today, as we continue the dialog, I would like to discuss civil liberties in the United States. I hope that some of my colleagues will have comments on civil liberties and what we must do to safeguard them to insert in the Record of July 23. I hope that other citizens will write also. If they will send their reactions to me, I will enter many of them in the Record, perhaps edited for the sake of brevity. Within a few days I will also insert additional comments on government structure I have received.

Politically, nothing should be more sacred to us in America than the rights and freedoms which our Founding Fathers guaranteed us in the Constitution: "Freedom of press and speech;" "the right against unreasonable searches and seizures;" "due process;" "equal protection." Are they today, in our 200th year, as unalterably guaranteed to every American as they should be?

You only need to glance at your daily newspaper headlines to see that certain basic freedoms are being infringed upon. Illegal and unwarranted governmental wiretapping, break-ins, mail openings, and mail covers have become front page events, though happily not yet part of the life of most of our citizens. Perhaps a greater threat which faces the average citizen at this point is the Government bureaucracy which has invaded the lives of our citizens, with questions and demands never conceived at the creation of the agency. And the abusers are not only the highly publicized agencies such as the Internal Revenue Service. Citizens have contacted me about forms which various agencies require, and which they resent filling out. How necessary are the detailed, sometimes personal, questions on these forms? How can we achieve greater care in what administrative agencies create in the way of guidelines, programs, and penalties.

Probably more than 90 percent of the decisions made by Government today are administrative decisions, from which the average citizen has little recourse. If a drug administration enforcement officer violates the rights of a citizen, what can that citizen do? If a public health officer makes an arbitrary decision that closes down a nursing home, what can the operator of the home or an employee there do? If an official of the Occupational Safety and Health Administration—who knows nothing about farming—tells a farmer he must take certain actions to comply with the law, actions which cause great expense, what can the farmer do? If a highway engineer decides that a new highway should destroy a home that has been in the family for more than a century—yet another route would avoid home damage—what can that family do? When city developers tell a poor family they must leave their tenement to make way for "progress"—housing for those with more money—what can that poor family do? We need the Government agencies. But how can we provide more checks and balances so that the rights of the average citizen have greater protection?

The fourth amendment to the Constitution provides that "the right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

Is the Constitution violated when Government agencies engage in unwarranted wiretapping? In Olmstead against United States, the Supreme Court ruled in 1928 that wiretaps on the phones of alleged bootleggers in the State of Washington did not violate the Constitution. Chief Justice William Taft, citing Gouled against United States, offered the majority's interpretation: "The (fourth) amendment itself shows that the search is to be of material things—the person, the house, his papers, or his effects. The description of the warrant necessary to make the proceeding lawful is that it must specify the place to be searched and the person or things to be seized * * *. The language of the amendment cannot be extended to include telephone wires, reaching to the whole world from the defendant's house or office."

Justice Louis Brandeis, in his dissent, went to the heart of the matter: "It is not the breaking of his doors, and the rummaging of his drawers, that constitutes the essence of the offence; but it is the invasion of his indefeasible right of personal security and private property, where that right was never been forfeited by his conviction of some public offence * * *."

Our Founding Fathers could not possibly have foreseen today's technological accomplishments. The American Issues Forum of the Bicentennial Administration and Endowment for the Humanities has raised some relevant issues concerning technology and its contribution to further infringements on civil liberties. "Modern technology has added new and disturbing dimensions to the fears that prompted the adoption of the fourth amendment. Concealed cameras with telescopic lenses, tapped telephones, listening devices that can hear through walls, computer data banks that recall the most minute details of our lives—all are instruments that could be used by tax auditors, credit investigators, and personnel managers to snoop on us. Small wonder that the courts have been broadening the fourth amendment to support a right to privacy against many new forms of search and seizure."

Just last month, the U.S. Court of Appeals for the District of Columbia ruled that the President has no authority to wiretap a domestic organization without court approval, even if the surveillance is carried out in the name of foreign intelligence gathering. In ruling such warrantless wiretaps to be illegal and unconstitutional, the court said "no" to a procedure which Presidents have utilized for more than 30 years.

Can we be sure that President Gerald Ford and future Chief Executives will heed the Court's ruling? Recent trends do not augur well. From figures released in June by Attorney General Edward Levi, we learn that unwarranted Government wiretaps, in the name of national security, have increased appreciably the past 2 years. The yearly average for such illegal taps from 1969 through 1972 was 108; the next 2 years saw that annual average increase to 156. Unwarranted microphone surveillances, which record room conversations through the use of hidden "bugs," doubled during this period—from an average of 20 to 41.

These figures are only Federal statistics—a small fraction of the national total. A Rutgers University study some years ago found that State and local policemen who engaged in legal wiretapping prior to their retirement almost all went to work for private detective agencies and did illegal wiretapping following their retirement. When I served as Lieutenant Governor of Illinois, I once had a particularly sensitive meeting scheduled which involved how we should handle a 29–29 tie in our State Senate. When a staff person conacted a local private agency to see if they could clear the room for any possible bugging devices, we were advised that the agency did not know how to clear the room, but they did know how to bug one. During one period of racial tension, I recall that the Governor of Illinois was reluctant to discuss over the telephone the handling of certain matters I might face while he would be out of the State. Something is wrong when the two top officials in a State—or any two citizens—must be concerned about someone listening to or tapping a conversation. Every citizen ought to be free to denounce the President of the United States, the Congress, and anyone else over the telephone without fear of the invasion of his or her private conversation.

All of us, 215 million Americans, must be gravely concerned about these violations of a sacred constitutional safeguard. The Founding Fathers, through the instrument of "probable cause," tried to insulate us from frivolous, arbitrary search and seizure. It is clear that this protection has been circumvented on many occasions.

Some legal and constitutional scholars maintain that all wiretapping should be illegal. To them, there is no such thing as "probable cause." In my statement of this dialogue on government structure on June 9, I observed: "Our judicial system is not widely admired beyond the borders of the Nation. Often people become judges with too little competence and background. At the lower court level, the system is too political." Do politically appointed judges too easily grant "probable cause" when requested by their political sponsors? Some civil libertarians have concluded that they do. Are there viable alternatives?

These basic questions have profound implications for all Americans. There are others.

If warrants can easily be obtained to wiretap, what is to prevent their use to justify other invasions of privacy? For example, could the Internal Revenue Service obtain court permission to gather data which are completely unrelated to tax matters?

It would be unthinkable for the court to sanction an activity such as Operation Leprechaun. This clandestine program, funded by Federal money, consisted of an IRS undercover agent collecting information about the personal habits of certain public officials in Florida. Sexual and drinking activities were especially scrutinized. In no way should an agency of our Government engage in such activity against any citizen. I am proud to be a cosponsor of H.R. 5818, which would amend the 1954 Internal Revenue Code to limit the inspection of individual tax returns and to restrict the disclosure of information.

We must also insure our right to send and receive mail in complete privacy. It is illegal and unconscionable for a government agency to intercept and secretly read our mail.

Recently, the Chief Postal Inspector of the United States admitted that for 20 years, the CIA opened and read mail of U.S. citizens, knowing that the Agency violated Federal law. When the Government abridges any of our constitutional rights to privacy, we must protest.

Throughout our history, from the Alien and Sedition Act of 1798 to McCarthyism, open attempts to repress civil liberties have succeeded only temporarily. However, none of us is able to fight what we do not know. We suddenly have become more civil liberties conscious as a result of the Watergate scandal and the revelations since then. But I can assure you that this interest will pass, and there will all too soon be a small vanguard of those zealously protecting the fundamental rights of our citizens. And once again the secret machinations of Government will, I fear, grow.

Nearly 500 Federal laws delegate extraordinary powers to the President during a national emergency. What is to prevent a Chief Executive from using the guise of such an emergency only to protect his incumbency? Should there not be a thorough review of those laws?

What if the military were enlisted to aid the President in his declaration of an emergency—which, in fact, is not an emergency—as recently happened in India? In my statement on government structure, I wrote:

> The United States has never had a military coup. Our tradition and statutes which maintain civilian control over the military are sound. This fundamental concept appears to be adequately protected. But is it?

Secretary of Defense James Schlesinger had fears. Last August 5, in the midst of the resignation-impeachment storm, the Secretary ordered all military commands to accept no direct orders from the White House or any other source without his personal countersignature.

It is tragic that the Secretary felt the need to issue such an order, though I commend him for it.

Finally, I favor an annual inventory of where we stand on the question of fundamental liberties. And this should be something more than the publication of a document by a group such as the American Civil Liberties Union, important as such contributions are. Perhaps this official annual inventory should come from a distinguished panel appointed from year to year by the President or the Attorney General. Or perhaps it should be an annual grand jury, selected at large from among the citizenry just as we select every other grand jury. That special grand jury convened each year would have as its only responsibility an assessment of where we are going as a nation in the internal defense of our freedoms.

Our 200 years of history can be deceptive, for it may lead us to believe that freedom is an invincible force. It is not, as the history of far too many nations shows. Freedom is a delicate flower which must be nourished and protected, not just when foreign forces threaten with their arms. An even greater threat to freedom probably always will be those within our Nation who in their zeal to perform their governmental functions—particularly in the field of security—lose sight of the ultimate ideals for which this Nation stands, though sometimes not too firmly.

I hope others will join in the discussion of how we can protect our freedoms.

"TREASURY'S GOLD FIASCO"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. McDONALD of Georgia. Mr. Speaker, although not widely reported in the U.S. press, the following article from the Sunday Telegraph of London makes it clear that the Treasury Department's recent sale of 500,000 ounces of gold was a complete failure.

Designed as means to allow American buyers to purchase gold here instead of importing it, huge sums instead went to European banks and bullion dealers including N. M. Rothschild & Son. Envisioned as a means of bringing much-needed revenue into the Treasury, the sale raised $82.4 million—about $1 million less than could have been obtained on the open market.

My reasons for calling attention to this are neither partisan nor political. In fact, I have found myself in agreement with many of the goals Treasury Secretary William Simon has been fighting for, particularly with respect to controlling Federal spending and balancing the budget. What does concern me, however, is that Mr. Simon is apparently continuing the policy set down by Henry Fowler, John Connally, and especially Paul Adolph Volcker, of considering gold a "barbarous relic" and attempting to eliminate its use as a monetary standard in international exchange as well as totally separating it from the U.S. dollar.

It is clear why statists of all persuasions want to de-monetize gold: gold possesses all the necessary characteristics to serve as money and cannot be printed at will by the Government. Thus with gold serving as a monetary standard, the statists are unable to finance their welfare-state programs through inflation. In short, gold forces politicians to be honest.

History has shown that with no objective monetary standard, governments sooner or later are unable to control the money supply. Europeans, having more directly experienced the ravages of inflation than Americans, are well aware of the dangers of paper money unbacked by gold. Thus Treasury's goal of eliminating gold from international exchange is probably doomed to failure. And such measures as gold auctions achieve the exact opposite of their intended purpose—the Europeans make-off with most of the gold. And why not? The U.S. Treasury is, in effect, offering them a subsidy: gold at a price under the free market level.

Thus instead of increasing pressures for elimination of gold from international exchange, the Treasury's policy has probably increased pressures for its retention. And when, in the near future, gold reserves are revalued by countries around the world, the United States will be minus 500,000 ounces of gold suddenly worth about four times its previous value in international exchange.

Putting this on the personal level, no individual would sell off his assets at less than market price if he knew these same assets were soon to be more valuable. Why should we be following just such a disasterous course at the national level? Auctioning gold now is comparable to selling gasoline reserves 2 years ago at about 25 cents per gallon.

And the Treasury claims to be concerned about budget deficits.

Gold Fiasco: U.S. May Drop Sales

Last Monday's gold auction fiasco in the United States, in which the European banks scooped the pool of the U.S. Treasury's 500,000 ounces of gold on offer, is likely to make the American Government drop any future plans to hold gold sales.

U.S. Treasury Secretary William Simon has ordered a top-level confidential review of last week's sale in an attempt to discover why the auction blew up in the Americans' faces.

Aides to the Treasury Secretary say privately that the Americans could well abandon such auctions and that the Simon review could lead to the Ford Administration dropping its crusade to drive gold out of the international monetary system.

What upset the Treasury is that only eight of the 758 bidders made off with nearly three-quarters of the 500,000 troy ounces of official U.S. gold at a price of $2 below prevailing world market levels. Most of the lucky eight bidders were European banks and bullion dealers including N. M. Rothschild and Son, which only added to Mr. Simon's pique.

And not the least of Mr. Simon's annoyances is that the government received $82.4 million in revenues from the sale—about $1 million less than if the Americans had sold the gold on the open market, writes Lewis James in Washington.

Publicly, of course, Mr. Simon put up a brave front after the auction. The sale, he noted, represented only two-tenths of one per cent of the U.S. official gold holdings. And yes, the Treasury planned to sell more gold "from time to time." But when pressed he said the time, conditions and amount of gold that might be offered, "will depend on market conditions at that time."

Aides to Mr. Simon stressed to me in private conversations that both the Secretary and President Ford remain committed to the policy that gold's role in international monetary affairs must be diminished. Moreover they added that the bulk of Treasury's policy staff also clings to the theory that periodic gold sales by the U.S. of its 25 billion ounce stock not only help curb gold imports but add pressure to the metal's attractiveness as an official reserve.

At the core of the Treasury's concern, however, is dismay that the Agency should have misread both the level of domestic demand for gold by American buyers as well as underestimating the determination of Europeans to support bullion.

And some of the embarrassment is understandable since Treasury officials from Simon on down had bragged last week that the auction was a "can't lose" plan in which the world enthusiasm for gold was bound to be dampened.

The strategy of the Treasury was for American dealers to come in to bid for what gold they wanted at the price they wanted and thereby by-pass importing gold from abroad. If the Americans bought out their auction, that was fine with the Treasury. But if the set price was, say, $5 off the world price, or if it was undersubscribed—as the January auction was—then they would giggle at the impact on world prices.

The strategy came unglued when the American industrial users and bullion dealers entered bids last Monday that were both low in volume and spread over a wide range of prices—generally on the low side of the current market price.

The Europeans on the other hand, displayed pin-point accuracy in bracketing the $165–$167 range with such large volume orders that, while there were enough orders for 4.1 million ounces, there was room only for the most hardy of American bidders. In all only 70 U.S. orders were filled for only 41 firms—out of 758 bidders.

The Americans literally went to bed last Monday evening thinking that the huge demand meant a successful sale to American users. They awoke Tuesday morning to discover that the Europeans had hit the market price range in such force that the auction could not be canceled or cut.

CIA ASKED ME TO SPY ON RUSSIA: CYRUS EATON

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. STOKES. Mr. Speaker, I would like to bring to the attention of my colleagues a news article that appeared in the Toronto Star on June 16, 1975, concerning CIA harassment of the distinguished Mr. Cyrus Eaton of Cleveland.

It is interesting to note that the CIA's improperieties are most definitely international news, as the Toronto Star is the largest and most influential paper in Canada. Mr. Eaton's problems with the CIA are just additional evidence that the time has come to abolish the entire organization:

[From the Toronto Star, Mon. June 16, 1975]

CIA Asked Me To Spy on Russia: Cyrus Eaton

(By Lynda Hurst)

Cleveland, Ohio.—Cyrus Eaton, Canadian-born millionaire industrialist, says he was asked by the U.S. Central Intelligence Agency to spy on Russia during his frequent trips there in the late 1950s and early 1960s.

"They told me my 'wonderful relationship' with the Soviet leaders could be of immense use to them," said Eaton, 91, in an exclusive interview at his Terminal Tower office in Cleveland.

"I stopped them right there, horrified at the suggestion, and refused. I told them I greatly resented their thinking I was that kind of man. Under no circumstances would I ever co-operate with the CIA," he said.

Eaton's personal and business relations with Soviet leaders Nikita Khrushchev and Anastas Mikoyan during the Cold War years were widely criticized in the U.S. He was described in newspaper reports at the time as "soft on communism." Statements from the U.S. State Department criticized him for "usurping government power by dealing privately with Soviet countries."

He went on to attract world attention by playing host to an annual conference of world leaders and intellectuals at his birthplace in Pugwash, N.S. In 1960, he was awarded the International Lenin Peace Prize.

Eaton said his refusal to spy on his Soviet friends led to "CIA-organized harassment and denunciation of me in the press.

"My phones were tapped and I was shadowed," he said.

"They planted stories critical of me in the press, hoping to hurt my business dealings. They knew I had no political ambitions, so they couldn't get at me there. As it turned out they couldn't harm me in business, either."

Eaton made his millions through holdings in utility companies and major coal, iron, steel and railway corporations. He has been a director of such firms as Republic Steel, Inland Steel, the Chesapeake & Ohio and Baltimore & Ohio railroads, Sherwin-Williams Paint Co., and Cleveland Trust Co.

Commenting on the current investigation of CIA activities in the U.S., Eaton said:

"The CIA is a wicked institution which must be abolished . . . as long as Gerald Ford, who is of the old-fashioned way of thinking, doesn't try to protect or downplay the evidence.

"I think Nelson Rockefeller has tried to do a fair job on the CIA's internal activities. But I've known Nelson since he was age 2 and maybe I'm biased. What we're dealing with here is an American Gestapo. They're probably listening to us right now. But I don't care. Thank God, it's finally time to talk."

"NO COMMENT"

When phoned in Washington, a CIA spokesman, who asked not to be identified, said the agency's response to Eaton's allegations was "no comment."

But he went on to say: "Everyone's starting to get in on this act. They're going to pin the Crucifixion on us next."

Eaton talked for more than three hours last week about his dealings with the CIA over the past 20 years, and what he said was the agency's involvement in Chile, Cuba and North Viet Nam.

He said the chairman of the U.S. Senate committee investigating the CIA, Democrat Frank Church, of Idaho, has contacted him about his experiences with the agency. Eaton said he is not seeking to testify, but would be willing to share his information with investigators.

Eaton called the CIA "the biggest obstacle to world peace now in existence. The kindest thing anyone can do now for the United States is to denounce the CIA. The more support like this the investigators get, the more they will dig deeper into the CIA's scandalous history."

DINNER HOST

Eaton said he was first "victimized" by the CIA in October, 1955, when the U.S. State Department asked him to be host at a private dinner for a group of visiting Russian journalists, including the son-in-law of then-premier Nikita Khrushchev. He was told the journalists wanted to meet "a typical U.S. capitalist."

"Well, I've never considered myself a typical U.S. capitalist, so I said no. The State Department phoned me back and said they couldn't get anyone else to entertain these fellows, so I would have to."

Eaton said he doesn't know how word of the visit got out, but on the day the group arrived the public square through which they had to drive en route from the airport to his home was crowded with "a howling, screaming mob all denouncing Russia."

Eaton told his chauffeur to take a different route. But when the journalists were to return that night, a State Department official insisted the group be driven through the mob, regardless of the danger, Eaton said.

The journalists were pelted with tomatoes and rocks and Eaton's chauffeur was attacked in the ensuing demonstration, he said.

The incident was repeated four years later when then-Soviet Deputy Premier Mikoyan visited Eaton regarding a private business venture and was driven through the same public square at the insistence of a State Department official.

"I knew these mobs were not spontaneous outbursts. They were too well planned, too, in-the-know about routes and times. I suspected then they were organized and paid for by the CIA. I also began to suspect that the State Department and the CIA were working hand-in-hand.

"Several years later, I checked out my theory with a very high-ranking friend in the government. He told me not to quote him but that my theory was correct. The CIA was to blame. Of course, I knew all along. No other institution in the U.S. at that time had the money to pay for that kind of demonstrating and the wherewithal to keep it covered up."

CUBAN LINK

Demonstrators appeared again in September, 1960, when Khrushchev and the heads of the Soviet states came to speak at the United Nations. Eaton entertained the group at a series of luncheons in his Cleveland offices, and on each occasion angry demonstrators were on hand.

Eaton says he believes the CIA organized and paid the majority of the demonstrators.

"The CIA has always tried to give the world the impression that the U.S. is rabidly anti-Communist. And of course there has been great suspicion of communism here, especially after Senator (Joseph) McCarthy got through with everyone. But it was not a suspicion based on sound knowledge; it was manipulated and inspired, exaggerated and organized by the CIA. The agency thrives on suspicion and hostility. If they keep the country in that fearful state of mind, they can expand their usefulness and power. It is dreadful," he said.

Eaton contends that the CIA has infiltrated every country in the world, including Canada. He says the U.S. government was "furious when Canada recognized Cuba, and they've kept track of Canadian-Cuban relations. Of course, when all our draft dodgers went up to Canada, that was yet another area for their surveillance."

According to Eaton, an outstanding example of the CIA's "gross manipulation of world events" was the Viet Nam War situation in late 1969.

At that time, the official U.S. position was that the North Vietnamese were refusing to participate in reasonable negotiations.

"Well . . . I thought it was a good time for me to go over and see what the situation really was. I prepared extensively for my trip by talking with the White House, the State Department and the Pentagon, then going to Paris for talks with the French Foreign Office and then on to Moscow where (Alexei) Kosygin and (Leonid) Brezhnev made available to me a dozen Russian experts on Asian banking, trade, politics and agriculture.

"I met with North Viet Nam leader Pham Van Dong in December of 1969 and asked him if, in fact, there were terms under which he would negotiate and possibly end the war. He said yes, but that his information was that no matter how agreeable the North was to negotiations, Nixon would not pay attention.

THE APPLE CART

"I asked him if I could get Nixon to agree, would he agree to meet with the president, anywhere in the world? He said yes.

"But, of course, that upset the apple cart back in Washington. When I returned I spoke with then Secretary of State William Rogers. I told him the North Vietnamese were willing to talk. He told me I was wrong, that his CIA agents in Hanoi were keeping him informed daily on what Pham Van Dong and his cohorts were thinking and planning. Rogers said on the basis of this information he felt the only policy the U.S. could take was force. That was all the North Vietnamese could understand."

"The horrible irony is that Nixon and Rogers were operating on exaggerated and misleading information supplied to them by CIA agents in the North. To say Hanoi wasn't prepared to negotiate at that time is not true. Consequently, we had five more needlessly prolonged years of war, huge expense, ill repute around the world and thousands more of our young men killed. That's the CIA for you."

Eaton said CIA "bungling" has done more to promote communism than repel it; he cited Viet Nam, the unsuccessful Bay of Pigs invasion in Cuba, interference in Chile that he said led to the death of Marxist President Salvatore Allende in 1974.

Eaton says the U.S. did not want Allende in power because of his Communist beliefs, nor did it want Christian Democrat former President, Jorge Alessandre, so it backed the former Chilean ambassador to the U.S., Dr. Radomiro Tomic, a "man they know would be subservient.

SPLIT THE VOTE

"The irony is that by backing a third candidate, the CIA so effectively split the vote that the very man they hated got in. They spent millions of dollars disrupting the whole Chilean political system during the '60s—all for nothing in the end. Of course, they then had to foment and organize army activity and were responsible for Allende's ultimate death. It was a brutal and shabby piece of work, organized by a group of bullies, thugs and blockheads," he said.

Eaton sad he visited Allende just after his election in the winter of 1970, and Allende gave him a birthday party. All the ambassadors came, except the U.S. representative. Instead, "he sent a CIA thug," Eaton said.

"And then he had the nerve to ring me up for tea. But, of course, all he really wanted to know is what had been said in talks with Allende. I didn't tell him anything."

A DYNAMIC MAN

Eaton said he knows nothing of allegations that the CIA tried on several occasions to assassinate Cuban Premier Fidel Castro, and he dismisses the theory that Castro retaliated by having President John F. Kennedy murdered.

"Castro is too intelligent to have anything to do with the killing of an American president. He is a man too dedicated to the welfare of Cuba and its people. He would never do anything to jeopardize that welfare. He is a dynamic man, enormously popular there."

Eaton contends that CIA-inspired fear and hostility in the U.S. is paranoiac and unrealistic. With Canada and Mexico as neighbors, he said, it is ludicrous to fear invasion.

"You simply can't have a worldwide organization devoted to this kind of spying. I know the Communist countries do it too, but maybe if we stopped, then they would. We all know the different embassies throughout the world collect enough information to keep one side aware of what the other side is doing. And that is sufficient."

THE FEDERAL GRAND JURY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. CONYERS. Mr. Speaker, it is indeed curious that one of our most significant juridical institutions—the grand jury—is virtually ungoverned by statute, case law or guidelines of the courts. As Professor Charles Ruff of Georgetown University School of Law points out, "it is the prosecutor who fills this legal vacuum, and his discretion is exercised within parameters that are only vaguely defined."

Today when the reach of governmental activity into private and public life is so great, there is all the more need to restore the grand jury to its role of protecting individual rights. We must seek remedies to abuses that result from the arbitrariness of prosecutors and law enforcement agencies.

Before the Judicial Conference of the District of Columbia Circuit on June 2, 1975, Professor Ruff advanced some important insights into the contemporary Federal grand jury, particularly into the use of grand juries by prosecutors. He recommends needed reforms, in particular a more active role of the courts in overseeing grand jury proceedings.

I wish to share with my colleagues a portion of his paper at the Judicial Conference. His remarks constitute a cogent argument for Congress to assist the Judiciary by enacting legislation that safeguards the rights of witnesses, the

independence of grand jurors and that strengthens the supervisory role of the court.

REMARKS OF PROFESSOR CHARLES RUFF AT THE JUDICIAL CONFERENCE OF THE DISTRICT OF COLUMBIA CIRCUIT

Whether destined to serve for one or two months as the mechanism for processing routine criminal cases or destined to serve for eighteen months as the vehicle for pursuing complex investigations of white-collar or organized crime, the federal grand jury is created at the behest of the prosecutor and spends its existence under his virtually total control. Although, just like the petit jury, it is the child of the court, its diet, schooling, and behavioral training are left to the prosecutor. Its parent gives it some very general instruction at birth and sees it again only when it has voted to return an indictment or when, usually at the behest of the prosecutor, it is ready to be dissolved. There is no other aspect of the court's activity that goes on so far outside the bounds of judicial control. The Constitution, a few statutes, and a few rules of criminal procedure sketch out the boundaries of the grand jury's power, and occasional court decisions reaffirm its historic role as society's inquest. But most of what happens inside the grand jury room is not governed by statute or case law. It is the prosecutor who fills this legal vacuum, and his discretion is exercised within parameters that are only vaguely defined.

The Supreme Court, in an almost unbroken line of decisions, tells us that the powers of the federal grand jury are practically limitless, and concomitantly without limit are the power of the federal prosecutor. We know that a police officer cannot, at least without some judicial supervision, arrest a citizen and take him to the police station to obtain his fingerprints, *Davis* v. *Mississippi*, 394 U.S. 721 (1969), but by filling in a subpoena already signed and sealed by the clerk of the court the prosecutor can require that citizen, under pain of contempt, to come to the courthouse for the identical purpose. *United States* v. *Dionisio*, 410 U.S. 1 (1973); *United States* v. *Mara*, 410 U.S. 19 (1973). We know that a search warrant for the books and records of a law firm could issue only on a showing that there existed probable cause to believe that a crime had been committed and that those records constituted the fruits, instrumentalities, or evidence of that crime, but the prosecutor can force a partner in that firm, who may himself be the target of the investigation, to turn the same records over to the grand jury without having made or even being able to make any showing of relevance or materiality to the investigation of specific criminal activity. See, *Bellis* v. *United States*, 417 U.S. 85 (1974). We know that a witness before the grand jury may be confronted with evidence seized in violation of his Fourth Amendment rights, *United States* v. *Calandra*, 414 U.S. 338 (1974), and we have reason to believe that the grand jury subpoena could require the witness to produce records the existence of which was discovered by means of that violation. (Is there anything left of *Silverthorne Lumber Co.* v. *United States*, 251 U.S. 385 (1920), after *Calandra?*)

The grand jury's subpoena requires the reporter to provide information obtained from confidential news sources, *Branzburg* v. *Hayes*, 408 U.S. 665 (1972), requires brother to testify against brother or daughter against father, and even requires, at least under certain circumstances, the President of the United States to disgorge tape recordings of his conversations with members of his personal staff. *Nixon* v. *Sirica*, 487 F.2d 700 (1973). Given the potential for abuse inherent in this kind of power, it is, perhaps, surprising that we have not heard more concerning prosecutorial misconduct.

From 1969 to 1973 much was said and written about the use of the grand jury as a device for the harassment of dissident political groups under the banner of national security, and some of this criticism was undoubtedly justified. The convening of grand juries in districts far from the place where the principal criminal activity was alleged to have occurred, the confining of material and recalcitrant witnesses for long periods, the questioning of witnesses about their political and social beliefs and those of their friends—all these were techniques which, given different times and different people, might have been used or at least might have been used more sparingly. But no one of these devices is, on its face, in violation of the Constitution, the laws of the United States, or the Federal Rules of Criminal Procedure, and except for infrequent instances of intervention by the district courts and the courts of appeal, their use went on basically unchecked.

Imaginative and aggressive counsel for witnesses and defendants were able to make some impact—to challenge the use of the contempt power in situations where the questioning was premised on information obtained through illegal electronic surveillance, *Gelbard* v. *United States*, 408 U.S. 41 (1972); *In re Schofield*, 486 F.2d 85 (3rd Cir. 1973), or the use of one grand jury to inquire into matters which were already the subject of pending charges. See, *United States* v. *Doe*, 455 F.2d 1270 (1st Cir. 1972). For the most part, however, a witness subpoenaed before a grand jury could be expected to appear and testify without the propriety of the prosecutor's conduct ever being brought to the attention of the court.

I suggest that virtually the only restraints imposed on the prosecutor's use of the grand jury are those which he imposes on himself as a matter of his personal and professional morality or which are imposed on him as a matter of policy by his superiors. On occasion, it is clear, such restraints are ineffective, and decisions are made and actions taken that, whatever their legality, transgress the limits of prosecutorial discretion. These transgressions are more likely to be forgiven when they occur in organized crime investigations than when they impact on First Amendment rights in so-called "domestic security" investigations, but for a vision of what might be one need only look to the recent history of the New York special prosecutor's office. Whatever judgments are made about the legality of his conduct or its propriety, nothing comparable occurred during the halcyon years of public corruption prosecutions in the federal courts.

Among the mechanisms for controlling the conduct of the prosecutor before the grand jury are the internal guidelines promulgated by the United States Attorney, some examples of which have been cited by Mr. Glanzer, and the policies, some formal and some informal, that issue out of the Justice Department for the guidance of all federal prosecutors. For example, as the result of the litigation over the newsman's privilege, the Attorney General issued a formal regulation requiring his specific authorization before a subpoena could issue to any member of the news media, 28 C.F.R. § 50.10, and on a less formal level there have existed over the years general departmental policies counseling restraint in the calling of targets before the grand jury and restricting the use of multiple contempt proceedings to extend the incarceration of recalcitrant witnesses. The Department also issues a "Practical Handbook of Federal Grand Jury Procedure" that is distributed to all Criminal Division attorneys and assistant United States Attorneys and is designed to insure some uniformity in practice, although my experience in some of the farther-flung federal districts would indicate that there is a surprising level of ignorance about the most basic rules of grand jury procedure.

Obviously the provisions of the Code of Professional Responsibility as well as those of such works as the ABA's Standards Relating to the Prosecution Function provide some general guidance, but it is my impression that the young prosecutor learns most about his obligations and his powers by watching and listening to and, less frequently, questioning the senior attorneys to whom he is initially assigned. This system operates on the very basic assumption that the federal prosecutor is honest and competent and sensitive to the ethical and moral considerations which ought to govern his conduct, and I think that this assumption is in large measure a valid one. Assumed competence, however, is not enough; there must be generated within the Department of Justice and in each United States Attorney's office candid, self-analytical evaluation of the prosecutor's role in the grand jury process, and each prosecutor must be trained not only in the law of the grand jury but in what has heretofore been the unarticulated consensus as to the ethics and morality of prosecutorial conduct.

But even this kind of training is not enough. I come back to the point where I began. The grand jury is, whatever its modern role as a prosecutive mechanism, the child of the court and the court has the responsibility for insuring at least a minimum level of performance by its progeny. For the most part, efforts in this direction have taken the form of opinions by various courts of appeal as isolated issues have come before them in the course of some criminal litigation. See, *United States* v. *Estepa*, 471 F. 2d 1132 (2d Cir. 1973) (use of hearsay regulated as an exercise of the court's supervisory power); or *United States* v. *Gaither*, 413 F. 2d 1061 (D.C. Cir. 1969). This approach is, of course, the appropriate one in most areas of the law but is really a very haphazard means of dealing with the difficult and sensitive issues that arise out of the grand Jury. Rule 57 of the Federal Rules of Criminal Procedure provides that the district court may make its own rules so long as they are not inconsistent with those promulgated by the Supreme Court, and since the few provisions that do deal with the grand jury (Rules 6, 7 and 17) scarcely pre-empt the field, there is little to prevent any district court from using its rule-making power to impose some controls over the manner in which its grand juries are employed.

Take the question of the recording of grand jury proceedings as an example. Rule 6(d) merely provides that a stenographer may be present in the grand jury room; the cases have uniformly held that there is no requirement that any or all grand jury testimony must be recorded. Although the practice in this regard varies from district to district, the absence of any statutory or judge-made control over the recording process opens up substantial potential for abuse. It would, for instance, be possible for a prosecutor to record only the testimony of witnesses he believed to be hostile or possible witnesses for the defense at trial so that he would have the transcripts available for cross-examination while not recording the testimony of law enforcement officers and other favorable witnesses and thus evading the impact of the Jencks Act. The Northern District of Illinois requires, by way of its own rules, that *all* proceedings before the grand jury be recorded, including the statements of the prosecutor, but that broad requirement is extremely rare if not unique, and in most districts only the individual policy of the United States Attorney determines what, if any, testimony is recorded.

This kind of problem is particularly amenable to solution by local rule, but others may be as well—the use of nonparticipating agents to present cases simply by reading investigative reports to the grand jury (the *Estepa* question), the issuance of *Dionisio*-type subpoenas, perhaps the calling of young children as witnesses, or even the giving of warnings to witnesses. Given the potential scope of the court's role in directing the grand jury's conduct, perhaps it would be appropriate for the court to begin an informal inquiry, in cooperation with the United States Attorney, to determine what problems do exist or may develop and whether they can be dealt with more effectively by the issuance of rules than by piecemeal litigation. In any event I think it important to recognize that the courts have the power to play a more active role than they now do, and I believe that judicial activism in this field is warranted despite the difficulties that will undoubtedly arise in drawing the line between reasonable participation and undue interference with the prosecutorial function.

RESOLUTION OF DISAPPROVAL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. ROSENTHAL. Mr. Speaker, I am deeply disturbed by administration plans to sell the Government of Jordan and advanced antiaircraft weapons system costing in excess of $350 million.

This sale, according to published reports, includes 14 batteries of Hawk ground-to-air missiles for about $260 million, 8 batteries of Vulcan antiaircraft cannon at approximately $90 million, and 300 shoulder-fired Redeye antiaircraft missiles costing some $4 million.

This sale exceeds by approximately $90 million the total value of all military assistance the United States has given and sold to Jordan over the past 12 years. Between 1962 and 1974, U.S. military grants to Jordan totaled $193.7 million and foreign military sales credit were $69, for a total of $262.7 million. The present Hawk/Vulcan/Redeye deal is believed to be in the neighborhood of $350 million, to be paid in cash by Saudi Arabia.

In my opinion, this transaction represents a fundamental shift in U.S. policy in the Middle East and it will significantly alter the balance of power in that part of the world.

Therefore, along with a number of my colleagues on the House Committee on International Relations, I am today introducing a resolution of disapproval in accordance with Sec. 36(b) of the Foreign Military Sales Act. Under that provision, adopted by Congress last year, arms sales in excess of $25 million must be submitted to the Congress for possible disapproval.

Regrettably, the Redeye sale was detached from the other two weapons systems to keep it out of public and congressional scrutiny. This is particularly unfortunate because Redeye in many ways has the most potential for danger. It is a shoulder-fired, hand-carried version of the deadly Sidewinder heat-seeking missile. In addition to providing excellent coverage for advancing troops, it is an ideal weapon for guerrillas and airport terrorists.

The Foreign Military Sales Act does not permit Congress to modify or change a proposed weapons deal. Thus any reduction must be accomplished through a concurrent resolution to disapprove. Time is critical—we have only until July 30 to act. If the House and Senate fail to take action by that date, the sale will automatically go through.

There are many questions left unanswered in this deal. Last month I introduced a resolution of inquiry, House Resolution 552, in an attempt to find those answers. The administration's initial response was incomplete, inadequate, inaccurate, and misleading.

In an attempt to get those answers, the International Relations Subcommittee on International Political and Military Affairs will hold a public hearing Wednesday afternoon.

I regret that the administration has been less than candid with the Congress and the American people in this matter. We have been misled about the size of the sale and the weapons involved. But more importantly, this sale represents an important new course in American-Middle East policy, yet the Congress was not consulted in the development of this policy, which is not even acknowledged by the administration.

For a fuller discussion of this subject, I direct Members' attention to page 21882 of the CONGRESSIONAL RECORD of July 9, 1975. In addition to a detailed statement of the issues involved, Members will find there the text of the resolution of inquiry and the White House's comments on it.

CONNECTIONAL LAYMEN'S ORGANIZATION

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. STOKES. Mr. Speaker, on August 3 to 8, 1975 the Third Episcopal District Laymen Organization of the African Methodist Episcopal Church, representing the States of Ohio, Pennsylvania, and West Virginia, will be host to the Connectional Laymen's Organization's Convention at the Cleveland Plaza Hotel.

The Connectional Laymen Organization has a distinguished history, as it is a combination of the Laymen's Organization and the Laymen's Missionary League of 1912. The organization is presently headed by Mr. J. D. Williams who was elected to a 4-year presidency in 1972.

The object and purpose of this organization is to organize and train the lay members of the African Methodist Episcopal Church in every Episcopal district, annual conference, and local church in the Connection to the end that the following objectives may be achieved:

First. To instill in the membership of the church a great love for, and appreciation of the history, tradition and principles of African Methodism.

Second. To keep forever alive the sacred memory of Richard Allen, their founder.

Third. To advocate respect and loyalty at all times to constituted authority and leadership

Fourth. To encourage the laity to support the total program of the church in the local congregation in the community, and throughout the connection.

Fifth. To encourage, stimulate and educate the laity of their church in the history, development, and organic laws of African Methodism.

Sixth. To foster a systematic and regular study of the discipline of the African Methodist Episcopal Church, and parliamentary procedure, to the end that greater knowledge and information may be disseminated among the laity, and with the further purpose of encouraging lay members to participate more largely in the general functioning and supervision of the African Methodist Episcopal Church.

Seventh. To foster, influence, and support all constructive and progressive legislation for the church.

Eighth. To provide for greater integration and recognition in the African Methodist Episcopal Church, promote the spread of personal evangelism, provide training in Christian stewardship, open new areas of service, increase the circulation of the church papers, provide better support for the churches and the ministry, provide for the orderly training of laymen for effective service, and promote the fellowship of laymen throughout the connection.

Mr. Speaker, I am sure that all of my colleagues in the House join me in extending their best wishes for a most successful convention.

"HUMAN RIGHTS IN CHILE"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the recent decision of the Chilean Government not to receive a visit from a working group of the United Nations Commission of Human Rights was widely reported in the American press. However, the reasons cited by the Chilean Government for taking this action were not so widely reported.

I was in Chile on July 1 through July 4, just prior to and during the time this decision was reached, and spoke to many Chilean officials about it, including President Pinochet. They were obviously concerned but apprehensive. On the one hand, they welcomed any investigation into the status of human rights by impartial and objective observers. Such a group could set the record straight and help to counteract the Communist propaganda campaign unleased against them. But on the other hand, many of the reports issued by similar groups visiting Chile recently have been nothing but a series of lies, misrepresentations and distortions.

Thus the U.N. delegation visit presented them with the following choice: allow the visit even though it was likely to be turned into another distortion, or refuse to receive the U.N. group which would undoubtably be used by Chile's enemies as evidence of the lack of human rights in Chile.

However, when the government received conclusive evidence regarding the bias of the U.N. delegation, such as their secretly interviewing exiles and fugitives from Chile, and discovered a Soviet engineered plot to promote internal disruption coincident with the delegation's visit, it virtually had no choice but to cancel the visit for the present.

Since it was generally ignored by the American press, following is the text of the statement by the Chilean Government regarding its refusal to receive the U.N. group at this time.

"The Government of Chile, in a gesture which none of its international detractors has made, agreed in February last, that we would receive a visit from a Working Group of the United Nations Commission of Human Rights to enable it to inform itself of the present situation of human rights in Chile. From the outset, the government offered its collaboration to the Group and prepared to receive it, providing all necessary facilities for the performance of its mission.

Subsequently, it was found that the campaign of lies which, for exclusively political reasons, has been plotted against Chile is not only continuing but is intensifying, specially in the United Nations forums. For instance, the ILO Conference and the Conference of the International Women's Year displaying their contempt for the investigation which the Working Group would be undertaking, and without any basis other than slanderous allegations, have recently prejudged the situation, condemning Chile for supposed violations of human rights.

This shows that the campaign of defamation is deceiving world opinion, which is not yet in a position to appreciate the sincerity of the Government of Chile. It also shows that there is, in international circles, no serious disposition to verify and admit the true situation in Chile and that, on the contrary, the prevailing mystification would not hesitate at this time also to distort the reports to be produced by the Working Group.

It should also be noted that the Working Group, exceeding its mandate, which is to investigate "the present situation" of human rights in Chile, has accepted in Europe and America testimony from exiles and fugitives from Chilean justice who have been away from the country for more than a year, so that they cannot speak about the present situation. In addition it has been ascertained that in New York these people were rounded up by the Ambassador of Cuba in order to present their statements.

Moreover on the eve of the arrival of the Working Group there has been discovered within the country a subversive plan aimed at insuring that it will be received in an utmost fear of domestic commotion. This movement, encouraged and guided by Soviet radio stations, was designed to fill foreign Embassies with spurious-political persecutees, to promote agitation in the streets and to unleash a guerrilla struggle. Its obvious purpose was to create public alarm, to provoke the necessary security measures and to give the Working Group a distorted picture of the definite fact that human rights are respected in Chile.

The above mentioned circumstances have convinced the Government that at this time, the Working Group would be unable properly to discharge its functions and to ascertain the true situation in Chile, and that its imminent arrival was the decisive reason for the subversive plan which has been discovered.

It is for this reason that pending restoration of the necessary conditions of objectivity and in accordance with his prime duty of preserving internal peace, the President of the Republic, very much to his regret, has had to withdraw his authorization for the visit of the Working Group of the United Nations Commission of Human Rights until a more propitious occasion.

HOME HEALTH CARE—PART XIX

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter)

Mr. KOCH. Mr. Speaker, together with 111 House cosponsors, I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators FRANK MOSS and FRANK CHURCH, respective chairmen of the Senate Subcommittee on Long Term Care and Committee on Aging, HUGH SCOTT, Senate minority leader, and Senators WILLIAMS, DOMENICI, and TUNNEY.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the RECORD several times a week by experts and lay persons commenting on the legislation.

Today I am submitting an article written by Rabbi Jack Simcha Cohen, executive director of the Metropolitan New York Coordinating Council on Jewish Poverty, for autumn 1974 issue of Jewish Life.

This is the 19th statement in the series:

CARE FOR THE AGED—A POSITIVE JEWISH APPROACH

(By Jack Simcha Cohen)

The tragic plight of the aged in America today has been dramatically underscored by the recent spate of disclosures concerning abuses of the elderly in institutions. These senior citizens are confronted with the following dichotomy. Thanks to scientific advances, their life span has been increased. At the same time, however, our contemporary, youth-oriented culture has rendered them obsolete. Thus they live, as the poet Matthew Arnold once wrote, "walking between two worlds, one dead, the other powerless to be born."

Our society has a debt to its aged. Whether we like them or not, they gave us the life we have and even our ability to disagree with them. It is our obligation to care for the aged and give them some meaningful function in life.

Respect for the aged and maintaining them with dignity are fundamental to Jewish tradition in defining man's obligations to his fellow man. For millennia, Jews have taught that one measure of a society's worth is the manner in which it treats its aged. "Cast me not off at the time of my old age, when my strength fails, forsake me not," reads the ancient Psalm. Today, when allegations concerning neglect and abuses in nursing home care abound, it is vital that we utilize these traditional norms in seeking to develop an understanding of the multifaceted ramifications of the problem, and to help articulate practical suggestions for its rectification.

A generation or two ago, the extended family was the norm. The normal household contained three generations, simultaneously interacting and interrelating with one another, and performing useful productive functions together. Now, however, the nuclear family has become the standard in a country on the move, with one out of five families changing their residences each year. Moreover, our society espouses independence from parents as a great virtue. As a result of this phenomenon, coupled with everincreasing social demands on younger adults, elderly parents, in most cases, are no longer cared for in the homes of the children. As the old saying goes, "One parent can care for 10 children; 10 children can't seem to care for one parent." As incongruous as it may appear, our sprawling suburban homes do not seem large enough to accommodate one parent. Exacerbating this problem is the fact that, in many instances, the elderly require a variety of medical and therapeutic services that can not conveniently be provided within the home.

Thus, with the Jewish aged population accelerating at a rapid rate (one out of every nine Jews today is over 65; 20 years from now this ratio will be one out of six) institutional care for the aged has become the normal rather than the exceptional situation.

How can we, the organized Jewish community, in fulfillment of the Biblical mandate, keep faith with our older adults? How can we insure that institutional care where necessary provides quality service medical care to senior citizens in a decent and dignified environment? How can we be certain that institutional care, whether public, voluntary or proprietary in nature, provides adequate physical and emotional treatment, and minimizes the trauma of social estrangement that is often concomitant with the process of institutionalization?

The first priority, of course, is to sustain them in life. This connotes the elimination of poverty, for the Talmud equates an impoverished person with one already dead. No aged person need starve or be deprived of medical care due to lack of funds. This would, of necessity, involve intensified efforts on the part of the organized Jewish community to influence the government to provide meaningful old age assistance programs. A partial step in this direction was the inauguration in 1974 of the Supplemental Security Income (SSI) program. This program provided a guaranteed federal uniform income to the aged and permitted states to supplement such incomes.

However, the dollar income gained by SSI recipients was more than offset by the loss of food stamp benefits. In addition, the bureaucratic red tape created innumerable difficulties in the process of transference to the program. As a result, this supposed boon to the elderly has turned into what has rightfully been termed "the cruel hoax of SSI." Moreover eligibility criteria of the program mitigate against inhabitants of populous urban centers, where the vast majority of the aged Jewish poor reside.

Efforts, therefore, must be concentrated along the lines of eliminating these inequities in governmental legislation and administration ostensibly designed to ameliorate the plight of the poor.

Another vital need for enriching the lives of our older adults is to break down the communications barrier confronting those who are not fluent in the English language. To this end, government-funded programs must provide Yiddish-speaking personnel to assist the aged who may not have the ability to clearly articulate their needs in English.

The next priority deals with improving the quality of life of the elderly. As institutional life for the aged becomes an ever-increasing phenomenon of our contemporary culture, a prime concern must be infusing decency and meaningfulness into their lives by developing a richer pattern of institutional living.

A massive input of city, state, and federal programs must be developed to hook these institutions into the various neighborhood religious, social, cultural, and political programs. This would integrate the aged into the mainstream of social life. Government agencies should award funding grants for programs to integrate and coordinate the institutional aged into communal activities. Community action projects should have roles for the aged. Programs should be designed to meet their cultural needs, and involve them in the decision making process of communal affairs.

These self-same communal and/or quasi-governmental agencies that are providing the aged with social services, should also perform the duties of ombudsman to protect the rights of the aged and to insure that they are receiving adequate care. In this regard, linkages should be established between these agencies and the institutional care facilities to ascertain that proper health and nursing procedures are being followed.

One of the most significant aspects of this proposal is to insure strict compliance with the Federal Life Safety Code adopted in 1971. This law elaborates such code violations as too narrow halls of doorways for escape route egress of bed-ridden or wheel chair-confined patients, and other structural deficiencies that may be considered fire hazards. Governmental and quasi-governmental agencies must scrupulously enforce these long-awaited safety guidelines, as well as all other codes of proper health and nursing care.

Still another important priority is more adequate care for the needs of the non-institutionalized elderly. We must promote, for example, the policy that all housing projects should designate a portion of their apartment units for the able elderly. The able aged need to live with other generations. They need to be involved with persons of all ages. Conversely, other age groups must have the opportunity to communicate on a daily basis with the aged. Thus, the aged would not be so estranged or segregated from the pattern of general life experiences.

In summary, to heed the cry of the aged in their loneliness and despair, and to safeguard them from the indignity and pain resulting from indifference and negligence, we must increase communal participation and promote strict compliance with, and improving upon, governmental regulations. Efforts must be directed towards strengthening the present evaluation system which seems to have lost its efficiency. In this manner we shall be acting in accordance with Jewish tradition which bids us to undertake positive constructive programs to improve social conditions.

AN ACCURATE CONGRESSIONAL RECORD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, for the benefit of our colleagues considering House Resolutions 568, 569, 570, and 581, mandating a more verbatim account of floor proceedings in the Congressional Record, I am introducing into the Record pertinent articles concerning this issue.

In an April 20, 1958, article in the New York Times Magazine, then Senator Richard L. Neuberger of Oregon discussed the problems that result from legislators' changing the remarks they make on the floor of the Senate before publication in the Congressional Record. His solution was to amend the Senate rules. Senator Neuberger's amendment, cosponsored by former Senator Allott of Colorado, would have prohibited the printing in the Record of anything that was not uttered on the floor.

My amendment to the House rules would permit such additional statements as long as they are printed in a different type than those made on the floor of the House.

Portions of Senator Neuberger's article, entitled "The Congressional Record Is Not a Record," follow:

The Congressional Record Is Not a Record

(By Richard L. Neuberger)

Washington.—In the tense debates over foreign policy and the domestic economy taking place these days beneath the stately dome of our Capitol, a Member of the United States Senate often will explain that he is speaking primarily "for the record." This may be done to rationalize the lack of attention paid his remarks. On many occasions, however, it is undertaken by the sponsor of a bill to provide what he describes as "a record of legislative history," so that an executive agency or department of Government, later administering the law under consideration, will have fairly precise knowledge of what the author of the act had in mind.

When these Senators use the term "record," they are not thinking of some nebulous chronicle or journal. They have specific reference to one particular record, and one only. This is the Congressional Record, which, since 1873, has been the daily account of proceedings in our Senate and House of Representatives when they are in session. It is one of the most important publications in the land, for it is supposed to report faithfully the debates and discussions which shape the laws governing 171 million Americans and their role in world affairs.

I use the word "supposed" advisedly, because the official transcript of debates in the Senate and House is frequently revised, amended, subtracted from, and even embellished with lengthy additions. These changes occur before the transcript ever reaches the printed pages of the Congressional Record. Senators and Representatives are permitted to doctor and edit their speeches, virtually at will. It is for this reason that I have introduced a resolution to write into the rules of the Senate that "no changes of a substantive nature" can henceforth be made in the text of what is taken down by the Senate's staff of skilled shorthand reporters.

It is my hope and that of my lone cosponsor Senator Gordon Allott, of Colorado, that once the Senate adopts such a sensible and logical rule, the House will do no less than follow the example.

After a major debate in the Senate over an issue which stirs profound emotions, such as civil rights or foreign aid, I have seen many Senators sitting around a circular glass-topped table in the reporters' workroom, virtually rewriting the speeches and retorts just delivered on the floor of the Senate. Some will totally expunge comments made in the heat of debate that may seem indiscreet or unwise in the cold, gray light of the next dawn and in the inflexible type of the Congressional Record. Others will be adding afterthoughts, which may furnish an extra fillip to a reply that was flat or ineffective when uttered under the duress of argument in the Senate Chamber. This entire process of addition and revision has impelled one Washington wit to suggest that a United States Senator, or his counterpart in the House, is evidently the only person on earth who can sigh, "I wish I'd said that," and then actually say it.

Yet the privilege now vouchsafed Senators and Representatives of changing the Congressional Record has its grave and even alarming aspects. To some degree, the integrity of Government is at stake. What is said on the Senate floor certainly helps to frame the content and tenor of our laws.

As a first-term Member of the Senate, I am particularly conscious of the impact of new facts and new ideas during debate. Legislators are as susceptible as anybody to startling claims and charges. Correspondents in the press galleries take down sensational or significant statements voiced on the floor, and flash them to newspapers and other outlets all over the Nation. This, in turn, creates public opinion—the ultimate authority in a free land. Is it not absurd that many of these statements later can be edited, toned down, or completely eliminated?

Indeed the practice of altering the text of debate in the Senate and the House is so prevalent that it actually has been sanctified in the rules which regulate the publication of the Congressional Record. These even allow Senators and Representatives to take home transcripts of speeches delivered in the halls of Congress, to be leisurely reconstructed at the fireside in the presence of handy reference volumes and one's family and counselors. If this is not rewriting contemporary history, then what is it?

Let me emphasize that no personal opprobrium attaches to this practice, nor should it. The practice has become part of Congressional custom. It is now virtually second nature for a Senator or Representative to revise remarks which he uttered on the floor. Every Member does it—frequently out of self-protection, because his antagonist in debate is quite likely to do so. The author of this article has done it, although he trusts he has done it with circumspection. The only way to end the habit is by a rule which cuts off the privilege of all legislators simultaneously.

So far as legal liability is concerned, there are few holds barred in Senate debate. Under the Constitution, a Member of Congress may not be required to answer in court for what he says in either Chamber. This encourages many excesses. A Senator may compare the President of the United States to a convicted felon. A Senator can question the learning of a Supreme Court Justice, the patriotism of a leader of labor, or the financial ethics of a corporation executive.

Such indiscretions cause a powerful ripple when they are spoken, and often they leave an atmosphere of controversy and bitterness for weeks thereafter. Is it right that they can be edited out of the Congressional Record? Senator Lyndon Johnson of Texas, majority leader of the Senate, has said that "there are few documents more important than the Congressional Record. Locked in its pages are the debates, the resolutions, the bills, the memorials, the petitions, and the legislative actions that are the reason for the existence of the Senate. It is a document which affects our laws, our precedents, and our judicial decisions." But would not the Record be of far more enduring value if it were immune to self-serving alterations?

When the rule proposed by Senator Allott and me is discussed in the cloakrooms, some of our colleagues express qualms that debate might be unduly inhibited if only grammatical corrections can be made before the transcript is set in type for the pages of the Congressional Record. Senators, they predict, may tend to tighten up and refrain from voicing their real feelings if every occasion in the Senate is to be governed by the words from the Rubaiyat: "The moving finger writes, and having writ, moves on."

To such warnings there may be some validity, but I believe they are canceled out by obvious advantages if the record written on the Senate floor is final. Men will count to 10 before they give vent to the personal abuse and character assassination which have done so much to bring American public life into disrepute. If forbidding alterations in debate transcript leads to a greater degree of restraint, is that necessarily bad? I would venture that our excesses in debate are worse than our inhibitions, such as they may be.

Undoubtedly a record which can be altered tends to encourage off-the-cuff remarks and so-called "horseback" opinions in debate. Senators are relaxed because the transcript can be doctored before a single issue of the Congressional Record is deposited in the mailsack. Yet is not the important fact what the Senators actually said in seeking to persuade each other in floor discussion prior to a roll-call vote, rather than what they subsequently want their constituents to think they said?

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The House of Representatives allows far greater latitude even than the Senate in tolerating distortion of the Congressional Record. A Member of the House can speak perfunctorily for 2 minutes on the floor and then receive unanimous consent to "revise and extend" his remarks. He later can transform such sweeping permission into an address of 60-minute proportions which is published in the Congressional Record as though spoken in its entirety on the floor.

These phantom speeches are nothing less than deception of the folk who see the Record back home. While we in the Senate enjoy considerable laxity in being able to alter the transcript of debate, at least what Senators change and edit was actually spoken in the Chamber of the Senate. The practice by the House of encouraging "ghost" speeches is infinitely less defensible.

THE WHAT AND WHY OF TAX EXPENDITURES

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Ms. HOLTZMAN. Mr. Speaker, tax loopholes are a continuing source of concern to American taxpayers. These loopholes cost the Treasury at least $91 billion in 1975. They are a subsidy to those who benefit from them.

What people do these loopholes benefit, and do they have a justifiable economic purpose? We need to learn the answers.

In this respect, I wish to bring to the attention of my colleagues a very interesting article that appeared in the ADA legislative newsletter. The text follows:

The What and Why of Tax Expenditures

Tax aids. Tax subsidies. Tax preferences. Loopholes. Tax expenditures, the current term, have been given many names and have been with us for a long time. Growing faster than the Gross National Product, national budget outlays or budget receipts, year after year they steadily erode the tax base. This year their total will be slightly under $100 billion, yet no appropriations process will provide scrutiny, nor will the Ways and Means Committee—which created most of them—do more than haphazardly review a handful to see if they are doing what they were intended to do.

How did this happen? Can tax expenditures be brought under control?

WHAT'S A TAX EXPENDITURE?

Simply put, a tax expenditure is a deviation from the tax laws' basic provisions on tax rates on net income. In other words, any legally allowed deduction—over and above direct expenses incurred in producing a product or providing a service—is a tax expenditure. A loophole, if you like. Tax expenditures were designed to encourage certain behavior on the part of individuals, businesses, or institutions. One tax expert, Henry Aaron, has grouped tax expenditures in three categories, each with its own objective.

The first group's objective he defines as "influencing household behavior." Among these household tax expenditures are charitable contributions, education deductions, and mortgage interest and property tax deductions. For the most part they are intended as tax relief measures; however, as we shall see later, there are serious questions about who is getting that relief.

The second group is described as "influencing business behavior." Here we find investment tax credits, accelerated depreciation and mineral depreciation allowances, and so forth. These tax expenditures are intended to increase production in a particular part of the economy.

The final group are tax expenditures "influencing behavior of state and local governments." Included here are state gasoline tax deductions, the exemption of state and municipal bonds, and the like. For the most part these tax expenditures are a form of unofficial revenue sharing.

Tax expenditures have two points of origin; some are created by Congress and some are derived from IRS rulings. The former group includes virtually all of the business and the state and local government benefits. The latter group contains many from the household category, including the non-taxable status of Social Security benefits.

Tax expenditures are as old as the income tax itself, and the list of expenditures has grown and grown. Occasionally there were cries about excessive numbers of loopholes, but it was not until 1968 that the government actually prepared a list showing their amounts. Today that list is called the tax expenditures budget. (See box for annual tax expenditure totals. See chapter F of "Special Analyses: Budget of the United States Government Fiscal Year 1976" for line items.)

No one deserves more credit for consciousness-raising about tax expenditures than Stanley Surrey who served in the Treasury Department as Assistant Secretary for Tax Policy through the Kennedy and Johnson years. Surrey coined the term "tax expenditure" and today from his post at Harvard he remains the leading proponent of policies aimed at bringing tax expenditures under control.

Surrey first used the term publicly in 1967 when he called on economists in and out of government to begin looking at the long and growing list of tax exemptions. He criticized the "Report of the President's Commission on Budget Concepts," which had considered two aspects of government fiscal policy: the impacts of collecting and spending. What, Surrey rhetorically asked, was the impact of taxes not collected? He cited examples, items such as the $600 special exemption for the elderly. In FY 67 this amounted to $2.3 billion, yet nowhere in the HEW budget was it listed. The same could be said about the exemption of sick pay, a $100 million item in FY 67. Surrey made no value judgments about these programs, but said a responsible accounting procedure should consider their cost effectiveness.

In retrospect Surrey's remarks are a Tax Expenditure Manifesto—a first step toward accountability for tax expenditures. In 1968 the Treasury Department began publishing a list of tax expenditure totals. Since that time the Ways and Means Committee, using the staffs of the Treasury and the Joint Committee on Internal Revenue Taxation, has published line item breakdowns of tax expenditures. Last year, under the Congressional Budget and Impoundment Control Act of 1974, the Executive was required to begin to publish a full list as part of its annual budget message.

Although for the most part we still do not know their effectiveness, we now know two very important things about tax expenditures:

First, since 1968 they have been growing faster than any other major economic figure, including the national debt, the GNP, budget receipts and budget outlays.

Second, most recipients of tax expenditures are those who need help least.

In the 1968 tax expenditure report the total bill was $44.14 billion, the GNP was $826 billion, and the federal budget had receipts of $153.7 billion with outlays of $178.8 billion.

Now look at FY 76 figures and their percentage increases since 1968: tax expenditures at $98.15 billion (up 122 percent), GNP estimated at $1,596 trillion (up 93 percent), budget receipts estimated at $297.5 billion (up 94 percent), budget outlays estimated at $367 billion (up 105 percent.) A comparison of the years 1970 to 1976 is even more dramatic; it shows that while tax expenditures are up 123 percent, GNP is up only 67 percent, budget receipts are up only 54 percent, and budget outlays are up only 87 percent. In 1970 tax expenditures were only 4.6 percent of GNP; in FY 76 that figure will be 6.15 percent—an increase of 34 percent. Tax expenditures have increased 45 percent since 1970, when considered as a percentage of budget receipts, and 20 percent when considered as a percentage of outlays.

TAXES NOT COLLECTED: WHO BENEFITS?

According to a Treasury Department report, released by the office of Senator Walter Mondale (D-Minn.) on May 26, it's the rich.

Fifty-seven items in the FY 74 tax expenditure budget were used in Treasury's calculations. Lopsided as are the results, they also are clearly conservative estimates:

First, *corporate benefits*, which are more likely to fall into the hands of the rich, were not calculated. Second, the Treasury figure for untaxed capital gains at death is only $700 million, whereas the Joint Tax Committee believes the true figures to be in the neighborhood of $5 *billion*. For these reasons, Treasury's tax expenditure figure was only $58 billion.

Yet, despite Treasury's conservative figures, 23 percent of that $58 billion falls into the hands of the wealthiest 1.2 percent of individuals filing tax returns. In absolute numbers this means that 815,000 people shared $13.34 billion (that's $16,368 per taxpayer) while 66,151,000 people shared $44.76 billion (that's $676 per taxpayer).

The inequity derives from the kinds of activities expenditures affect and the rates of tax deduction. Going over Treasury's list of 57 items one sees immediately that only a relatively small number of tax expenditures *can* affect low and moderate incomes. (For this purpose we define "low and moderate" as incomes ranging from zero to $15,000—70 percent of all taxpayers.) Some 66.3 percent of the $6.15 billion in capital gains tax expenditure goes to the top of 1.2 percent. In the area of tax exempt bonds, 88.2 percent of $1.6 billion goes to the top 1.2 percent. Because of the relatively low rates of return on these bonds, individuals earning incomes below the 30 to 40 percent tax brackets—or approximately $20,000 in taxable income—receive no benefit from the bonds' tax exempt status. Tax exempt bonds are not financially relevant for over 70 percent of U.S. taxpayers.

But even in categories where it is possible for almost everyone to take advantage of a tax expenditure, the upper incomes are likely to come out as much as five times ahead of the less well-to-do and on the same deduction, dollar for dollar. Listen to Surrey, in his book "Pathways to Tax Reform" (Harvard University Press, 1973):

"Consider," he suggests, "the tax expenditure program for housing represented by the deductibility of mortgage interest and property taxes paid on owner-occupied homes. . . . This is a program of assistance estimated at about $6.7 billion (calendar 1972). The translation of the tax language in which the program is framed and the assistance provided—a *deduction* in computing taxable income—tells us first that the wealthier the individual the greater is his assistance under the program. This is because the higher the individual's income and thus the higher the individual's income tax rate, the larger is the tax benefit—the tax reduction—brought about by the deduction. A deduction of $100 in mortgage interest or $100 in property taxes is "worth" $70 to a taxpayer in the 70 percent top tax bracket—i.e., is financial assistance of $70. But it is "worth" only $14 to a taxpayer in the first tax bracket of 14 percent. As a consequence, 85 percent of the $6.7 billion of financial assistance goes to individuals with incomes of over $10,000.

"The translation next tells us that an individual or family whose income is so low they are not required to pay an income tax—their incomes being below their personal exemptions and low-income allowance—do not receive any financial assistance, for deductions benefit only taxpayers and not nontaxpayers. The translation also tells us that there is no limit placed on the size or value of the homes to be assisted nor on the number of residences for which a taxpayer may receive assistance, for the deduction is simply in terms of mortgage interest and property taxes paid. The process of translation thus gives us the contours of the tax expenditure program for housing—contours that are quite different from the housing assistance programs formulated in direct expenditure terms."

If mortgage and property tax assistance had been proposed as a direct subsidy, it is impossible to imagine that 12 percent of the benefits would have been allocated for the top 1.2 percent of the taxpayers. As a stimulus to the housing market, the present tax expenditure system is next to useless. Although its dollar worth is greater for the rich, few upper income families actually depend on that deduction in order to build or buy homes. They welcome it, but their decision to buy or build is not dependent on the tax deduction. If the deduction for families in the $50,000-and-above income bracket were eliminated or converted to a fixed tax credit, an additional billion dollars would be available to help low and moderate income families purchase homes. *And this could be done without adding one cent to the federal deficit.*

Even the tax free status of Social Security payments raises serious questions.

Many have argued that an income ceiling should be established to determine eligibility—i.e., a means test. But if so, should wealthy individuals be required to pay into a system from which they can never collect? Because wealthy people do sometimes become poor people, however, a fairer—and simpler—system would be to make Social Security income taxable. The tax recaptured from upper income recipients would permit payments to be increased across the board. The chief beneficiaries would be low income recipients who not only pay *no* taxes but in many cases are below the poverty line. Again, nothing would be added to the deficit.

CAN WE CHANGE THE SYSTEM?

It is next to impossible to imagine that a direct appropriations process would allow $100 billion annually to go unchecked, yet for the most part that is what has happened. Tax expenditures coming under the jeweler's eye are few and far between.

Under the new budget procedure all tax expenditures must have a five-year cost projection. But this means little if the projection is unrealistic, and those attempting to reform tax expenditures still must look to Congress to correct the situation. And getting congressional action always has been a problem; it is far easier to prevent a floor vote than to get one. The 22 percent oil and gas depletion is a case in point:

Devised in the early 1920s during a bogus oil-shortage scare, it allowed oil and gas companies to deduct a percentage of their gross income off the top. Until 1969 the figure was 27 percent; then it was reduced to 22 percent. The theory was that monies plowed back into drilling would increase production and keep the U.S. self-sufficient in energy. That of course was only theory; in 50 years no official study ever was made to see whether the theory was substantiated in practice. And with powerful friends like Texas' Lyndon Johnson, John Connally, and Sam Rayburn, and Oklahoma's Robert Kerr—senior partner in Kerr-McGee Oil Company—there was little chance of any real scrutiny. As recently as 1974 Wilbur Mills, then Ways and Means chairman, thumbed his nose at the Democratic Caucus and kept the issue off the floor. With Mills out of the way, oil stater Russell Long (D-La.) was the last major obstacle. Ultimately, he managed to salvage a reduced depletion for the so-called independents. (Note, however, that any gains through minimizing depletion probably will be neutralized by increased investment tax credits and giveaways in the new energy bill. Congress is much happier when it is opening up loopholes instead of closing or examining them.)

GROWTH OF TAX EXPENDITURES

[In billions of dollars]

Year	Federal tax expenditures	GNP	Budget receipts	Budget outlays	Growth of Federal tax expenditures as percent of GNP	Federal tax expenditures as percent of budget receipts	Federal tax expenditures as percent of budget outlays
1968	44.140	826.0	153.7	178.8	5.32	28.72	24.69
1970	43.945	954.6	193.7	196.6	4.6	22.69	22.35
1972	59.810	1,101.6	208.6	231.9	5.43	28.67	25.79
1974	81.685	1,348.9	264.9	268.4	6.06	30.84	30.43
1976	98.15	[1] 1,596.0	[1] 297.5	367.0	6.15	32.99	26.74

[1] Estimate.

A few encouraging signs are lurking about on the horizon:

In 1970 Congress created the Domestic International Sales Corporation (DISC) which was intended to expand overseas trade by exempting from taxes 50 percent of net income of DISC corporations. Congress shrewdly required a DISC evaluation report by 1975. Starting at a few million in the early 1970's, the DISC tax expenditure will cost $1.32 billion in FY 76—if it lasts; Treasury and the Office of Management and Budget have concluded that the DISC tax expenditure has not been worthwhile, and because of their report there is a general feeling in Washington that DISC will be among the first to go should Ways and Means vote out a tax reform measure this fall.

Another idea meeting some success is the cut-off technique. It was made a part of the Tax Reform Bill of 1969 and applied to the amortization provision for certain pollution-control devices. In consequence, this expenditure would have expired on January 1 had it not received a last minute reprieve for one year. (Its extension was added without hearings or testimony to a bill eliminating the tariff on upholstery pins.)

Quite possibly what will be needed is a combination of such *review* and *renew* procedures.

Three committees will be looking into tax expenditures this summer:

In a traditional manned Ways and Means will be looking at tax expenditures on a line item basis. The committee's program, outlined in a June 17 press release, gives no indication that tax expenditures will be examined as an institution. Nevertheless, on the opening day of hearings, witnesses—including Surrey, Boris Bittker of Yale, former IRS Commissioner Mortimer Caplin, Dan Throop Smith of the Hoover Institute, and Edwin S. Cohen of the prestigious law firm Covington and Burling—agreed that tax expenditures should be reviewed and approved on a regular basis.

Operating from their mandates in the Budget Control Act, both House and Senate Budget Committees will be looking at the structure of the tax expenditure system. In the Senate, the group will be headed by Walter Mondale (D-Minn.), with Democrats Frank Moss (Utah), James Abourezk (S.D.), and Joseph Biden (Del.). Republicans on the task force are J. Glenn Beall (Md.), Robert Dole (Kan.), and Pete Domenici (N.M.). In its examination the group will focus on the role of tax expenditures in capital formation. One staff member indicated that he sees little interest in attacking the system of tax expenditures. He cited a proposal authored by Sen. Mike Mansfield (D-Mont.) and Rep. Wilbur Mills (D-Ark.) in 1972. Their proposal, which would have meant an annual review of the tax code, met opposition from virtually every corner of the country. Beneficiaries of tax expenditures—businesses, veterans, churches, schools, and the like—sent their representatives marching up and down the halls of Congress in opposition to the bill. Everyone favored cutting off the *other* interest's tax subsidy.

House Budget Committee member Sam Gibbons (D-Fla.), who also is on Ways and Means, will be heading a similar task force. Working with him will be Democrats Elizabeth Holtzman (N.Y.), Omar Burlison (Tex.), Neal Smith (Iowa), and Harold Runnels (N.M.). Republicans are James Broyhill (N.C.) and Barber Conable (N.Y.). They will try to analyze tax expenditures. They also will look into direct subsidies as a possible substitution.

Ultimately any recommended changes will have to go through Ways and Means. Hopefully egos and jurisdictional rivalries will not prevent long overdue reform. But egos and rivalries are realities which must be faced.

WE CAN AFFORD TO MEET THE NEEDS OF OLDER AMERICANS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1975

Mr. PEYSER. Mr. Speaker, in dealing with the negative statistics of inflation and unemployment, we often forget that this Nation's output in goods and services during 1975 will be in excess of $1,500,000,000,000—$1½ trillion.

Yet, we are told, our Nation somehow "cannot afford" to meet the basic human needs of its 21 million older citizens.

We are, by far, the richest nation on Earth. Yet, we are told, we are unable to support a social security system that can provide real security for millions of older Americans.

No other nation has ever matched our scientific and technological progress. Yet, we are told, we do not have the capability of using our vast economic resources to improve the lifestyle of our older citizens.

Mr. Speaker, we do not lack the economic resources to assure a comfortable life for all our people. What we seem to lack is the will to do so.

At a recent conference here in Washington sponsored by the 8 million-member American Association of Retired Persons and National Retired Teachers Association, economic consultant Mary Dublin Keyserling clearly spelled out the fact that we can afford to meet the needs of our Nation's older citizens.

She noted, for instance, that the proper distribution of about $2 billion—the equivalent of only one-eighth of 1 percent of our current national output of goods and services—would bring all Americans age 65 and older above the poverty level.

In addition, Mr. Speaker, she correctly predicted, I believe, that we will be judged in future years not so much on the progress we have made as on our success in achieving our potential greatness, not so much on our riches and technological advances as on how they are used to meet the needs of our people.

Mr. Speaker, I wish to include Ms. Keyserling's speech at this point in the Record for the benefit of our colleagues:

We Can Afford To Meet the Needs of Our Older People

(Excerpts From an Address by Mary Dublin Keyserling)

In the adult lifetime of most of us here today our national economy has been transformed. Forty years ago it was characterized by acute scarcities and widespread poverty and deprivation. They were then unavoidable. But today, our economy has the capacity to assure a comfortable way of life for all our people. The major challenge of our times is the realization of this vital potential.

It was about forty years ago that the National Resources Committee, a governmental research body, undertook an intensive study of consumer income and its distribution in the United States. It reported that in 1935–36 about 60 percent of all families had incomes below $1,400, which at today's prices would be the poverty level as presently officially defined for a family of four. The large majority of the nation's families, hard hit by the acute depression of the period, lacked the means to buy what we now regard as the minimum basic necessities of life.

Needless to say, our older people experienced the cruelest hardships of all. The Social Security Act had just been passed but was not yet in operation. The Federal Wage and Hour Law which set a minimum wage of 25 cents an hour was not to be enacted until several years later. Advocates of national health insurance were called visionaries.

We have come a long way in the past four decades. The average income of our families has increased nearly three fold since the mid-thirties, measured in terms of dollars of constant purchasing power. The proportion of our people suffering the hardships of poverty, as officially defined, has declined markedly. By 1959, the proportion had been cut to 22 percent of all families, and in the subsequent 14 years was further cut by half to 11 percent. Our senior citizens, aged 65 and over, made comparable gains. The Census Bureau reported that, in 1959, 35 percent had incomes below the poverty level. By 1973, the proportion had declined to 16 percent.

Progress—yes. But a society should be judged not so much by the advances it has achieved as by the extent to which its full potentials for progress have been realized.

Measured by such standards we are very far indeed from where we ought to be as a nation, with respect to meeting our human needs. Most especially is this true of the needs of our senior citizens. The continuation of inadequate living standards reflects not our incapacity to lift them, but our indefensible economic ineptitude and the insufficiency of our moral commitment.

I hope that that historian of the future, digging further in the archives, will find statements made by many of us affirming that we clearly have the means to meet our human needs and also find that the needed action was soon taken by Congress.

Let us look at some of the most urgent needs of our older people and then consider more fully our capacity to meet them.

Nothing short of an income crisis confronts all too many. In 1973, the latest year for which data are available, 16 percent of all persons 65 years old and over were in poverty, as officially defined. This Census Bureau definition regarded elderly couples as poor if their incomes were less than $2,660, and individuals as poor if their incomes were less than $2,130. Were poverty more properly defined as an annual income of less than $4,000 for an older couple, a third were poor in 1973. Defining poverty for persons aged 65 and over, and not living in families, as incomes under $3,000—57 percent were poor. What an indictment of our society!

For most of the elderly, Social Security benefits constitute their major source of income. These benefits, despite recent increases, are still sadly inadequate.

It was a major achievement two years ago when Congress increased benefits 20 percent across the board and established an automatic cost of living adjustment mechanism to keep Social Security benefits roughly apace with price changes. But additional major reforms have become imperative.

The present benefit structure should be modified. A new formula should be adopted relating benefits to retiring workers more closely to their wages in the years nearest retirement on which contributions and benefits were based. This $3,000 ceiling then covered the wages of about 96 percent of all workers in the system. Because of subsequent price rises and higher wage levels, today's $14,100 wage base ceiling covers the wages of only 85 percent of all workers. By lifting the taxable wage base ceiling gradually to $28,000, we would return to the 97 percent original coverage concept and so go far toward alleviating the anticipated deficit in the Social Security Fund.

You will recall that under the Federal Civil Service pension plan, Federal workers contribute 7 percent of their total wages, regardless of their amount, with a full Government match. This makes possible higher benefits and a financially sounder system. And members of Congress, too, contribute toward their pensions on the basis of their full earnings. So the suggestion that the taxable wage base for Social Security be lifted is a well precedented proposal.

Because of the limitations of time, I can mention only a few other major steps which should be taken to improve the living standards of our older people.

The housing plight of all too many of the elderly is pitiful. The Senate Special Committee on Aging estimated, several years ago, that six million older Americans live in substandard housing. Delegates to the 1971 White House Conference on Aging pled for the construction of 120,000 new housing units a year for the elderly. In the four years since the Conference virtually nothing has been done to meet this very conservative target and needs have been rising at a rapid pace. A more realistic target now would be the construction of at least 200,000 subsidized rental units and an equal number of unsubsidized units a year to meet the special needs of older people.

I wish I could include in my discussion specific additional targets for action relating to health, employment, and consumer needs of older people. Time prevents this. Moreover, I have long since sensed that some of you are saying, "Yes, we need the changes you have already outlined. But all of them cost money. And where would the money come from? Can we afford outlays on the scale you have proposed?"

My answer as an economist is that we can. The central challenge confronting our nation is to use our human and material resoures to assure jobs for all. Full production and full employment levels, maintained over a relatively short span of years, would not only end unemployment and raise consumer incomes; they would generate additional public revenues of an amazing magnitude. We would rise to this challenge if, as a people, we would realize the terrible price we have been paying, as a nation, for the roller coaster kind of economic performance we have tolerated for far too long.

In concluding, let me stress that those concerned with our older people should recognize that the achievement of a healthy, strong, and steadily growing economy is basic to the wellbeing of all. We have the means and the knowledge to assure jobs for all who want them. We have the means and the knowledge to end recessions once and for all. All that we need is the moral commitment and the will. But we should not deny justice to our elderly citizens until these other goals are achieved first. For building the buying power of consumers is the road to restoration of our full economic health. So let's get on with the job of lifting the living standards of our older people.

PROPOSALS OF THE FEDERAL ELECTION COMMISSION

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. STEED. Mr. Speaker, on three previous occasions this year I have placed into the RECORD proposals of the Federal Election Commission as published in the Federal Register; these proposals appeared in the RECORD on June 2, June 25, and July 9. In order to provide for wider distribution of this material I shall continue to follow this practice and I today present the following which I hope will be of interest to fellow Members. Because of the length of the particular correspondence which I am submitting today, this proposal will be continued in tomorrow's RECORD:

TITLE II—FEDERAL ELECTIONS—CHAPTER II—FEDERAL ELECTION COMMISSION [NOTICE 1975–4]

ADVISORY OPINION REQUEST PROCEDURE

The Commission announces that pursuant to Section 437(f) of Title 2, United States Code, the processing of Advisory Opinion Requests has commenced as of this date. Advisory Opinion Requests submitted heretofore will be published in the Federal Register and through other outlets. Such publication begins today. Advisory Opinion Requests are assigned an AOR Number (such as AOR 1975–1, published today) reflecting year of publication and sequence. Publication will be either in the form of the original submission or in an edited or paraphrased form, as the Commission deems appropriate. Where Advisory Opinion Requests are published in edited or paraphrased form, any interested person may inspect the original at the Commission.

Interested persons wishing to comment on the subject matter of any Advisory Opinion Request may submit written views with respect to such requests within 10 calendar days of the date of the publication of the Request in the Federal Register. Such submission should be sent to the Federal Election Commission, Office of General Counsel, Advisory Opinion Request Section, 1325 K Street, N.W., Washington, D.C. 20463. Persons requiring additional time in which to respond to any Advisory Opinion Request will normally be granted such time upon written request to the Commission. All timely comments received by the Commission will be considered by the Commission before it issues an advisory opinion. The Commission recommends that comments on pending Advisory Opinion Requests refer to the specific AOR number of the Request commented upon, and that statutory references be to the United States Code citations, rather than to the Public Law Citations.

THOMAS B. CURTIS,
Chairman for the Federal Election Commission.

TITLE 11—FEDERAL ELECTIONS

CHAPTER II—FEDERAL ELECTION COMMISSION

[Notice 1975–5]

ADVISORY OPINION REQUESTS

AOR 1975–1: National Political Party Conventions.

(The following edited Advisory Opinion Requests were submitted respectively by the Democratic National Committee and the Republican National Committee and are published together under a single Advisory Opinion Request Number with the consent of both requesting parties.)

"Dear Commissioners:

Request is hereby made for an advisory opinion of the Commission pursuant to Section 437f of Title 2, United States Code.

I. Facts

The Democratic and Republican Parties ("Parties") plan to hold a Presidential nominating Convention ("Convention") in the summer of 1976. The arrangements for the Conventions will be handled either by the Parties directly or through an entity, possibly a not-for-profit corporation, created specifically for this purpose. In order to induce the Parties to hold these Conventions in their cities, the local authorities of various cities and states have offered the use of various municipal or state facilities or services in connection with the Conventions either for no charge or at reduced charges.

In addition, as a further inducement for the Conventions to be held in a particular city, local businessmen, including hotels in which persons connected with the Conventions will be housed, have offered to provide various other facilities or services in connection with the Conventions either at no charge or at reduced charges. These facilities or services may be provided either directly or through a local host committee or non-profit corporate entity, Chamber of Commerce, Junior Chamber of Commerce, or similar organization.

These inducements have traditionally been a significant element in the site selection process of the Parties. This site selection process has already commenced for both Parties. The facilities or services offered will include the following, among others:

(1) Use of an Auditorium or Convention Center, construction and Convention related services therein;

(2) Various transportation services, including the provision of buses and automobiles;

(3) Law enforcement services necessary to assure orderly Conventions;

(4) Use of convention bureau personnel to provide central housing and reservation services;

(5) Rooms in hotels for office use and sleeping accommodations for officials and staff connected with the Conventions;

(6) Transportation, accommodations and hospitality for committees of the Parties responsible for choosing the site of the Conventions; and

(7) Other similar Convention related facilities and services.

Further, hotels and other local businessmen, including corporations, may offer to defray a portion of certain expenses incurred in connection with the Conventions. The amount available to defray such expenses may consist, in part, of a portion of the sums paid to the various hotels by registered guests connected with the Conventions, without increasing the normal charge paid by such guests.

We understand that these inducements are similar to those which would be offered to any other organization similarly situated to induce it to hold a Convention of similar size and scope in the particular city.

We further understand that such inducements of goods and services, direct and indirect, historically have been provided to both Parties. Background information on this subject may be found in the studies of the Citizens Research Foundation, No. 14, *The Politics of National Convention Finances and Arrangements, and Financing the 1968 Election*, pp. 73–78.

In 1972, expenditures by the Parties for Conventions averaged approximately $1,750,000. The value of goods and services of the type described above is not included in that amount. It would be impossible to place an exact dollar figure on such items, but they are very substantial.

II. *Section 610, Title 18, United States Code:*

Section 610 of Title 18, United States Code, provides, in pertinent part, that:

It is unlawful for any National Bank, or any corporation organized by authority of any law of Congress . . . or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this Section.

The terms "contribution" and "expenditure" for purposes of Section 610 are defined in Section 591 of Title 18.

We believe that the transactions described above are at arms-length and do not constitute either contributions or expenditures within the above definitions of such terms. We have found no case decision or opinion interpreting Section 610 holding that transactions such as those described above were within the purview of this provision, nor do we perceive any reason why such transactions should be so prohibited. We do bring to your attention that the Internal Revenue Service ruled in 1955 that a contribution to a committee authorized to induce a national political Convention to the locality in which a taxpayer is engaged in a trade or business is deductible as a business expense, provided such contribution is made with a reasonable expectation of a commensurate financial return. (Rev. Rul. 55–265, 1955–1 CB 22.) We further note that the Department of Justice in an informal opinion dated February 21, 1974, stated under similar circumstances that such inducements were not in violation of Section 610.

It is therefore our opinion that arms-length transactions with the Parties made to attract the Conventions are not within the scope of Section 610.

III. *Section 9008(d)(1), Title 26, United States Code:*

Section 9008(d) (1), Title 26, United States Code, provides in pertinent part that the Parties ". . . may not make expenditures with respect to a Presidential nominating Convention which, in the aggregate, exceed the amount of ($2,000,000) . . ." The provision of goods and services as described above whether provided by local government bureaus, individuals or businesses should not be deemed "expenditures" of the Party for purposes of this section. In setting the expenditure limitation, Congress was presumably seeking to limit the amounts actually received and disbursed by the Parties and not to reduce this traditional participation in the Convention by the city, state and businesses which directly benefit from hosting the Convention. By including such items within the term "expenditures" it is conceivable that the particular city and its local businesses are in fact assisted by the Federal funding of Conventions to the extent that they are relieved of such responsibilities.

We are of the opinion, therefore, that the provision of such goods and services as described herewith are not "expenditures" under Section 9008(d)(1).

IV. *Sections 9008(e) and (g), Title 26, United States Code:*

Section 9008(e) provides in effect that payments may be made to the Parties no earlier than July 1, 1975. Section 9008(g) provides in effect that the Parties shall file a registration statement with the Commission providing information similar to that required of other political committees under Section 433(b) of Title 2, United States Code. The Commission is then to establish procedures for determining the entitlement of the Parties to funds and then to certify said entitlement to the Secretary of the Treasury. Further, the Commission is authorized to examine and audit such entitlements at any time prior to December 31, 1976.

We propose that the Parties submit to the Commission by June 1, 1975, a projection of the cost of the Conventions based on their Convention experience in 1972. Based upon this preliminary projection, the Commission would then certify to the Secretary that each Party was entitled to the sum of $600,000 for payment on or shortly after July 1, 1975, assuming that the Commission satisfies itself as to the accuracy and reliability of the projection. A similar procedure would be followed so that an entitlement would then be certified to the Secretary for all like amounts on December 1, 1975, and on May 1, 1976. (We would urge the Commission, in any case, to request of the Secretary that payments be made within 15 days of the Commission's certification.)

During this period of time, the Parties would submit to the Commission such reports, vouchers, invoices, etc., as the Commission may require to support the funds advanced to the Parties.

The certification of the last entitlement, if any, up to the $2,000,000 limitation, would be made as soon as practical within two weeks of the conclusion of the Conventions of the respective Parties and would be based upon actual expenditures made.

We are of the opinion that such a procedure would provide the type of financing required to responsibly manage the Conventions and would, at the same time, meet the Commission's responsibility to discharge its responsibilities under the law."

/s/ Robert S. Straus,
(Chairman, Democratic National Committee) (April 21, 1975).

ADDENDUM OF MAY 15, 1975

DEAR COMMISSIONERS: At a meeting on April 21, Commissioner Aikens had requested additional details on the types of goods and services we will be negotiating for in the course of our Site Selection process. Subject, of course, to a favorable determination by the Commission on the requests submitted to you on the 21st, the following goods and services are among those that we will be seeking.

I would like to reiterate that these goods and services are commonly offered as an inducement for a convention to be held in a particular city. They are offered either directly or through a local host committee, non-profit corporate entity, Chamber of Commerce, Junior Chamber of Commerce or similar organization. We understand that these inducements are similar to those offered to other organizations to induce them to hold conventions of similar size and scope in their particular city.

CONVENTION HALL

The interior of a hall must be designed to meet the peculiar needs of a Presidential nominating convention. A specially designed podium must be constructed. On both sides of the podium, fixed tables for the press must be built.

The floor of a convention becomes so strung with wires for phones, audio equipment, television and radio that a false floor must be built on top of the normal flooring for the safety of the delegates, alternates and the many others who obtain access to the floor.

Camera platforms for television, newsreels and still photographers have traditionally been built by the parties, including one major central platform and several side platforms for different camera angles.

The seating plan for delegates and alternates is usually specially designed to assure adequate sight lines for them and wide enough aisles for their safety and convenience. In many instances, this type of set up may exceed the normal capabilities of a hall and extra materials and labor may be required.

The lighting for the floor and the podium at most convention halls is inadequate to meet the requirements of color television. Thus, additional lighting equipment must be brought in and installed. Air conditioning facilities in the hall may have to be bolstered to offset the heat generated by this lighting. Electrical power for these facilities, plus additional demands for electrical outlets for other convention equipment, can become a very substantial expense.

As noted by the Chairman at our meeting, all of the major contending cities appear to be prepared to waive all rental charges for the hall during the preparatory period of construction and installation, the days of the convention and a reasonable period thereafter to clear the hall.

Among the additional items that may be sought include, janitorial services after each session of the convention, decorations for the hall, offices within the hall, furnishings, equipment for the offices within the hall, microphones and a loud speaker system and the operation of this audio system.

Among the cities bidding for the conventions, the difficulty and expense of providing these goods and services would vary. For example, we understand that the convention center of one of the contending cities would not require the installation of a false floor due to the wiring system already installed in the hall. There are differences, too, in the source of support for providing these goods and services. In others, a tourist development authority, a Chamber of Commerce committee, or a specially organized non-profit committee may bear the major portion of these costs.

HOTELS

Another source of major aid to presidential nominating conventions has come from the hotels that house the guests of the conventions and thus benefit directly from the convention. The housing of and office space for convention officials and staff is a major burden of convention operations.

Some staff for the convention customarily establish their office and residence in the convention city as early as January of the convention year. The number of such personnel increases as the months pass. Within two weeks of the start of the convention, the full regular staff of the National Committee, plus special convention staff, move to the convention city.

We would be seeking complimentary and reduced rate rooms from convention city hotels to meet some portion of these needs. This number of complimentary rooms sought would be related to the numbers of rooms actually booked by the convention at the particular hotel, possibly four complimentary room nights for each 100 paid room nights of occupancy.

The hotel which acts as headquarters for the convention would, in addition, be requested to provide office space, free use of its public rooms for meetings and caucuses and furnishings for these purposes, for example, chairs, tables, microphones, etc.

MISCELLANEOUS GOODS AND SERVICES

The Site Selection Committee is a 20-member sub-committee of the National Committee, charged with the responsibility of selecting the site for the convention. They held hearings in early April at which six cities made presentations. The Committee will next travel to a number of these cities at their invitation. The Committee will make an on-the-scene investigation of the cities' facilities. Among the expenses that these localities may offer to assume are the costs of transporting the Committee, housing and a number of hospitality functions such as luncheons, dinners or receptions attended by local civic leaders.

Because of tight time schedules, widely spread convention hotels and traffic problems that exist in every major city, a special shuttle bus system for delegates, alternates and other convention participants will be sought. It may be a totally free system; a flat fee might be charged to those using the system, at a minimum rate, subsidized from local sources. Further, some of the bids have offered to provide from local sources a limited number of private automobiles for transportation of convention officials.

The National Committee has the responsibility for approving all room reservations in convention hotels. This workload may be relieved to some extent by utilizing staff and facilities of the local convention bureau or hotel association.

SECURITY

The security within the convention hall is the direct responsibility of the National Committees. Security services within the hall have been paid for and managed by the National Committees. There is, of course, close coordination of this work with local law enforcement officials and with the Secret Service which now has certain responsibilities for the Presidential candidates.

Outside the convention hall, the Committees have no direct authority to provide or control security. This is, of course, the responsibility of the duly constituted law enforcement agencies of the city, county and state. Again, however, close coordination with these officials is sought to assure an orderly convention in which the elected delegates and alternates can discharge their duties without interference, yet providing ample opportunity for non-delegates to exercise their First Amendment rights. The effort to assure this delicate balance with such large numbers of interested people involved means that a substantial cost for law enforcement will be incurred by any city that hosts a national convention. In 1972, financial grants from the Law Enforcement Assistance Agency were made to Miami Beach for both conventions. We do not know whether such grants will be available in 1976.

ANDREW J. SHEA,
Director, Democratic National Convention.

DANIEL J. BOORSTIN'S NOMINATION URGED

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. RHODES. Mr. Speaker, the Library of Congress is a valuable and important part of the functioning of the House and Senate. We all have received information and services from their huge reservoir of reference materials, and their continuous program of researching the background on issues.

The job of Librarian of Congress is to be filled. The President has nominated a distinguished scholar, Daniel J. Boorstin, to the position.

I have known Mr. Boorstin for many years, and have been impressed with his intellect and abilities. He is one of the Nation's best historians, a Pulitzer prize winner, and is senior historian for the Smithsonian Institute. He also served for 4 years as director of the National Museum of History and Technology for that institution. He came to government from an outstanding career as an educator at the University of Chicago.

I served with Mr. Boorstin on the Board of Visitors for the Air Force Academy, and have been privileged to have his friendship for many years.

I believe he will make a fine Librarian for the Library of Congress, and I urge that the Senate Rules Committee move speedily to confirm his nomination.

UNITED STATES-SOVIET COOPERATION IN SPACE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. LEHMAN. Mr. Speaker, as Tuesday, July 15, 1975, approaches, and the world witnesses the historic event of American astronauts, we must pause to express our continuing concern for the Soviet Jews' struggle for freedom here on Earth.

On this particular occasion, it would be most appropriate to remember Alexander Druck, one of the many Russian scientists denied an exit visa on the pretext that he has worked in the space program. Now that there is a much-welcomed, open exchange of space information between the U.S.A. and the U.S.S.R., this excuse is no longer valid.

Alexander Druck, 47, is a victim of the Moscow OVIR—the Visa Office. An electromechanical engineer, he lost his job when he applied for visas in 1973. His wife, Tristian, 42, was recently hospitalized with spinal cancer. Their daughter, Helen, is 16. The grandmother, age 70, lives with them. In a letter dated January 11, 1975, Alexander wrote:

> I don't know whether you know or not that the official cause of my being detained is "consideration of State security" in connection with my former job. In fact, that is pure nonsense, for my work didn't have anything to do with the question of security. . . .
>
> I suppose the authorities have chosen me as an example. Under the circumstances, the only hope left for me is that our friends in Israel and the USA are persistently struggling for us.

In April 1975, the Druck family received an anonymous letter warning them to reverse their intention to emigrate. It read: "Turn around; it is not too late. If not, you will lose your daughter."

This act of terrorism only strengthened the resolve of the Druck family to exercise their right of free emigration as expressed in the U.N. Declaration of Human Rights, a document signed by the Soviet Union. It is with great courage that Alexander Druck writes of his plight in an open letter addressed to the American astronauts and Soviet cosmonauts:

> On the eve of your historic flight, I wish you success as one of the millions of your friends, as one of the thousands connected one way or the other with your flight, and as one of those Soviet Jews who wishes to live together with his people in Israel.
>
> I am an engineer who has worked with resolvers which are widely known and are used in many spheres of techniques. In March 1973, my family and I (consisting of four members) asked for permission to leave for Israel but were refused in virtue of that fact, that resolvers are used in cosmic techniques. This was absurd then and especially now when dozens of American scientists are acquainted in detail with the Soviet cosmic techniques, saw the cosmodrome and launching grounds. I have never been on the cosmodrome and have never seen a Soviet rocket. I have not worked in my profession for three years, but have been told my question of leaving will be decided only in 1980. I think that one cosmic flight is not enough for the achievement of real friendship between peoples. I ask you to use your influence for the triumph of justice and humanity.
>
> I wish you a successful flight and safe landing.
>
> Sincerely,
>
> ALEXANDER DRUCK,
> *72 Leninsky Pr. KV 44, Moscow, U.S.S.R.*

All Americans and all peace-loving peoples throughout the world fully support Soviet-American cooperation in the heavens. All peoples will have even more reason to rejoice when the Soviet Union decides to cooperate on earth by recognizing the basic human right to emigrate as codified in international law. So as we launch our Astronauts of July 15, let us all say a heart-felt prayer that perhaps we can also launch Alexander Druck and his family to freedom.

THE YEAR 1975 MARKS THE CENTENNIAL OF RIVERSIDE, ILL.

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. McCLORY. Mr. Speaker, while our Nation will observe its Bicentennial in 1976, the village of Riverside, Ill., is celebrating in 1975 its 100th anniversary as an incorporated municipality. It is with a sense of special pride that I recall my birth, adolescence, and early adulthood in this charming showplace of America. Mr. Speaker, the National Park Service in naming Riverside as a registered National Historic Landmark, has described the village appropriately as "the first planned community in the United States."

Mr. Speaker, this description is literally correct in that the parklike character of the village of Riverside is the result of careful and skillful planning by the internationally recognized Frederick Law Olmsted, who with his partner, Calvert Vaux, laid out the community of Riverside as part of a private land development plan for the Riverside Improvement Co.—in 1868. This private development was converted into an incorporated village in the year 1875, which accounts for the centennial being observed this year.

Mr. Speaker, there are many evidences of Riverside's past history which deserve to be recalled at this proud hour. An historic plaque erected on July 4, 1932, by the Riverside Women's Reading Club, and the Chicago Historical Society recalls that the Indians and early fur traders used a river crossing at a place where the Des Plaines River passes through the village.

At another point in the village just west of the Chicago, Burlington & Quincy Railroad station, a large granite boulder marks the site of the first home erected in Cook County west of Chicago in 1831. This structure was occupied by Stephen Van Rensselaer Forbes, who was the first sheriff of Cook County.

Mr. Speaker, the most celebrated and certainly the best known landmark is the Riverside Water Tower, which was originally erected in 1880, and subsequently destroyed by fire on New Years Eve 1913, and thereafter reconstructed according to its original Swiss gothic tower design.

Mr. Speaker, the village of Riverside is described as a village in the forest, and on some occasions as a village in a park. However, whatever the description, the community fits the definition precisely. The Riverside centennial is more than simply a 100th anniversary celebration of a midwest village—it is moreover an event of national significance in which a community steeped in historical lore and recognized throughout the Nation as a forerunner of municipal planning is honoring its antecedents and its community leaders throughout the year—culminating in the 1975 centennial parade and program on August 10, 1975.

Mr. Speaker, I am privileged, indeed, to have been invited to return to my home community by the village president, Louis J. Komorous, who was my erstwhile classmate in the Riverside Public Schools, and by the centennial chairman, Charles D. Clawson. In connection with the centennial events, I will be joining with many other longtime native sons and daughters of Riverside, including some with whom I spent my earlier days. Among those are village trustee Francis P. Creadon, and one of the community's elder citizens, Mark J. Lies.

Mr. Speaker, it seems not inappropriate also, to recall that my late father, Frederick Stephens McClory, served for many years as attorney for the village of Riverside, justice of the peace, and Democratic township committeeman for the township of Riverside, and in other official capacities.

Mr. Speaker, in my return to Riverside, I will be privileged to be in the congressional district of our colleague, Congressman HENRY HYDE, who has the special advantage of representing this beautiful and nationally recognized community, and I will be participating with Congressman HYDE and other public leaders in various of the centennial events.

Mr. Speaker, I want to take this further occasion to express on behalf of all of my colleagues our good wishes and our heartfelt congratulations to the village of Riverside, Ill., on its 100th birthday.

FEA ANNOUNCES WASTE OIL CONSERVATION PROGRAM

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. VANIK. Mr. Speaker, recently, I was gratified to learn that the Federal Energy Administration has initiated a comprehensive program to increase the recovery and reuse of waste lubricating oil. As many of my colleagues know, I have been interested in promoting waste oil recycling for many years now. In 1971, I introduced the first version of the National Oil Recycling Act. I have reintroduced this legislation during the current Congress with the support of many of my colleagues.

During the past several years in which I have been involved with this issue, I have found the Federal Government's efforts to improve waste oil recovery to be uncoordinated and low-keyed. Although some agencies—most notably the Bartelsville Energy Research Center of ERDA and the Defense Supply Command in the Department of Defense—have done some excellent work in the waste oil area, there has been no national policy of recovering and reusing waste lubricating oil.

I am hopeful that FEA's recently formed waste oil program will fill the void. The FEA's Industrial Analysis Office, energy conservation and environment, has produced an excellent factsheet on the waste oil problem, excerpts from which I would like to submit to the RECORD.

I congratulate FEA for its leadership in this area of energy and resource management and pledge my continued support for these efforts.

The factsheet follows:

WASTE OIL FACT SHEET

Waste oil is generated from automotive and industrial sources at the rate of approximately 1,100,000,000 gallons each year. Although this amounts to somewhat less than 1 percent of the Nation's annual petroleum consumption, it does equate, nevertheless, to more than 70,000 barrels of oil per day, or 7 percent of the President's energy conservation goal for 1975.

Although dirty and contaminated, waste oil has high energy value and is composed almost entirely of "lube oil fractions," a small but valuable portion of a barrel of crude oil. It can be re-refined into good lubricating oil or used as a feedstock in the manufacture of other petroleum products. In industrial applications it can be reclaimed to nearly original quality by off-the-shelf equipment. It can be reprocessed to clean fuel oil and, under special conditions, can be safely burned untreated.

Yet today, perhaps as much as 50 percent of all waste oil generated in this country is lost from a resource recovery point of view; much of it is disposed of in an environmentally hazardous manner. The reasons for these losses are primarily economic, but they are complicated by a number of environmental issues and controversial government policies . . .

WASTE OIL SOURCES

In 1972, approximately 2.2 billion gallons of lubricating oil were sold in the United States. Approximately 50 percent of this lube oil was consumed in use, discarded with filter cartridges, lost through leakages or in other ways resulting in the generation of an estimated 1.1 billion gallons of waste oil. The major sources of waste oil are automotive operations, industrial and aviation operations, and other sources, such as government uses and industrial process oils.[1] The estimates for these categories are shown in Table 1. Not included in the estimates in Table 1 are additional amounts or waste oil from sources which are very difficult to quantify. These include waste oil collected from harbor oil spills, ship bilges, oil tanker bottoms and washdowns and others.

TABLE 1.—WASTE OIL GENERATION BY SOURCE

[In gallons]

	Sales	Waste oil
Automotive lube oils:		
Service stations	270, 000, 000	170, 000, 000
Garages, auto supply stores	60, 000, 000	38, 000, 000
New car dealers	102, 000, 000	92, 000, 000
Retail sales for commercial engines	90, 000, 000	57, 000, 000
Auto fleet and other lube oil uses	136, 000, 000	68, 000, 000
Factory fills (auto and farm equipment)	60, 000, 000	54, 000, 000
Discount stores	168, 000, 000	37, 000, 000
Commercial engine fleets	200, 000, 000	100, 000, 000
Total	1, 086, 000, 000	616, 000, 000
Industrial and aviation lube oils:		
Hydraulic and circulating system oils	325, 000, 000	137, 000, 000
Metal working oils	150, 000, 000	105, 000, 000
Railroad engine oils	60, 000, 000	32, 000, 000
Gas engine oils	62, 000, 000	56, 000, 000
Aviation and other	137, 000, 000	64, 000, 000
Total	734, 000, 000	394, 000, 000
Other industrial oils:		
Process oils	310, 000, 000	31, 000, 000
Electrical oils	57, 000, 000	51, 000, 000
Refrigeration oils	10, 000, 000	5, 000, 000
Total	377, 000, 000	87, 000, 000
Lube oils purchased by United States	37, 000, 000	18, 000, 000
Grand total	2, 234, 000, 000	1, 115, 000, 000

Note: Waste oil study, a report to the Congress, Environmental Protection Agency, April 1974.

The generation of waste oil is widely dispersed throughout the country. Table 2 displays estimates of both automotive and industrial waste oil quantities for each State, demonstrating the magnitude of both the problem and the opportunity . . .

TABLE 2.—WASTE OIL GENERATION BY STATE

[In gallons]

State	Automotive	Industrial
Alabama	12, 182, 640	4, 719, 116
Alaska	1, 395, 900	190, 920
Arizona	6, 358, 600	1, 279, 087
Arkansas	8, 008, 590	3, 085, 107
California	72, 034, 320	20, 021, 638
Colorado	8, 229, 900	1, 920, 620
Connecticut	6, 743, 770	3, 652, 711
Delaware	1, 624, 870	435, 653
Florida	14, 445, 970	5, 056, 982
Georgia	14, 495, 260	6, 442, 547
Hawaii	1, 857, 600	(1)
Idaho	3, 435, 230	392, 549
Illinois	37, 263, 020	26, 383, 747
Indiana	17, 722, 970	12, 991, 233
Iowa	11, 103, 710	2, 400, 122
Kansas	14, 381, 300	2, 979, 826
Kentucky	14, 075, 660	639, 301
Louisiana	15, 163, 310	12, 070, 643
Maine	3, 339, 070	822, 170
Maryland	7, 286, 110	3, 102, 488
Massachusetts	13, 404, 420	6, 129, 556
Michigan	37, 488, 000	19, 571, 150
Minnesota	14, 533, 400	3, 213, 530
Mississippi	9, 185, 500	2, 707, 690
Missouri	19, 701, 790	4, 283, 712
Montana	4, 191, 070	503, 289
Nebraska	8, 846, 970	1, 633, 035
Nevada	2, 381, 820	257, 644
New Hampshire	1, 680, 430	257, 769
New Jersey	18, 071, 960	18, 459, 034
New Mexico	4, 760, 980	1, 548, 790
New York	32, 016, 880	15, 546, 678
North Carolina	13, 832, 020	4, 585, 158
North Dakota	4, 046, 060	271, 254
Ohio	36, 627, 970	29, 795, 774
Oklahoma	12, 295, 480	4, 249, 737
Oregon	12, 020, 320	2, 977, 082
Pennsylvania	35, 728, 740	27, 823, 461
Rhode Island	1, 912, 560	770, 858
South Carolina	6, 432, 670	1, 678, 776
South Dakota	4, 400, 210	203, 592
Tennessee	12, 665, 700	10, 442, 178
Texas	47, 222, 230	32, 778, 546
Utah	4, 647, 950	1, 062, 643
Vermont	1, 330, 400	190, 565
Virginia	10, 839, 430	3, 017, 776
Washington	11, 047, 210	2, 845, 560
Washington, D.C	1, 638, 780	(1)
West Virginia	6, 530, 830	7, 432, 560
Wisconsin	17, 262, 010	5, 073, 985
Wyoming	2, 563, 700	470, 723

1 Not available.

Note: GCA Corp., "Waste Automotive Lubricating Oil Reuse as a Fuel," published report EPA–600/5–74–032, Environmental Protection Agency, September 1974.

WASTE OIL DESTINATIONS

The best estimate[3] of the ultimate fate of the 1.1 billion gallons of waste oil is: 480 million gallons (43 percent) used as fuel, treated or untreated; 90 million gallons (8 percent) re-refined to lube oil; 200 million gallons (18 percent) used as road oil or in asphalt; and the fate of 340 million gallons (31 percent), including the 30 million gallons of re-refining wastes, is unknown. Better estimates of the ultimate fate of waste oil are not possible because of the lack of means of accounting for it across the splintered collection, re-refining and disposal systems.

ENVIRONMENTAL IMPACTS OF DUMPING

Altogether, perhaps as many as 500 million gallons of waste oil are discharged directly to the environment each year. Disposal methods include road oiling, dust control, weed control, or indiscriminate dumping into waterways, municipal sewers or onto land surfaces. These methods are potentially detrimental to the environment. A concentration of 1 part oil to a million parts (ppm) water in surface or ground water causes taste and odor problems in drinking water. Concentrations of 50 to 100 ppm can foul waste treatment processes. Results of biological studies indicate different toxicity levels among species, among methods of introducing oil to water, and between marine and freshwater organisms, but significant

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Footnotes at end of article.

chronic effects have been found at concentrations of 310 ppm on several species of freshwater fish and at as low as 1 ppm on simpler marine forms.

"DO-IT-YOURSELF" OIL CHANGERS

Since the early 1960's, the sales distribution of automotive engine oil has shifted dramatically from service stations to retail stores which sell major "high reputation" brands at discount prices. In 1961, service stations accounted for about 70 percent of all sales of lube oil for passenger cars, while mass marketers accounted for only 7 percent. By 1971 the service stations' share of the market had dropped to 45 percent, while that of the mass marketers had climbed to 28 percent. Some oil industry officials predict that by the late 1970's, 40 percent of all passenger car lube oil sales will be over the counter to "do-it-your-selfers."

A recent survey[4] revealed that approximately 44 percent of sales to do-it-yourselfers were for "adding only," 47 percent for "oil changes only" and 9 percent were for both adding and changing oil. Although very little data exist on the quantities of waste oil generated by this group of consumer, it has been estimated that the amount could easily be as high as 100 million gallons per year.

This survey further revealed that of those who changed their own oil, most disposed of the crankcase drainings by dumping (Table 4). However, a high degree of willingness to return used oil was indicated by those interviewed, provided that a convenient mechanism for doing so existed: 67 percent said that they "definitely" or "probably" would return oil, another 12 percent said that they "might," and only 21 percent said that they "definitely" or "probably" would not return the oil . . .

TABLE 4.—*Means of disposing used oil*

[In percent]

Means:	*Responses*	*Relative frequency*
1. Dump in backyard or elsewhere on property	157	33.6
2. Take to service station	73	15.6
3. Take to public dump	54	11.6
4. Dump in sewer	53	11.4
5. Dump in garbage can	50	10.7
6. Dump in empty lot	16	3.4
7. Pour down toilet	4	0.9
8. Sell	3	0.6
9. Pour down sink	2	0.4
10. Use around the house	3	0.6
11. Other means of disposal	52	11.2
	467	100.0

Teknekron, Inc., *A Technical and Economic Study of Waste Oil Recovery, Part II,* published report for EPA Contract No. 68-01-1806, Environmental Protection Agency, October 1973.

THE RE-REFINING INDUSTRY

There are no technical impediments to physically recycling waste lube oil. The processes applicable to petroleum refining are generally adequate, with modification, for processing waste oil; however, as a matter of practice, virgin crude refineries do not recycle waste oil because metallic contaminants present in the waste oil can adversely affect good lube stock fals to what is known as the purposes . . .

Thus, the job of converting waste oil into good lube stock falls to what is known as the re-refining industry. It is a small industry in the United States, generally using old process technology, and is very susceptible to economic fluctuations. Depending upon local conditions, some re-refiners are currently experiencing difficulties in competing on the open market for waste oil feedstocks, as much of the waste oil collected is sold for other purposes . . .

The re-refining industry is declining. In the early 1960's, approximately 150 re-refiners produced an estimated 300 million gallons of re-refined oil products. In 1972, less than 40 companies were still in business and they produced less than 100 million gallons, and today many are operating at 50 percent of capacity.

The reasons for this decline are both technical and economic. In recent years lubricating oils have become more complex with the blending in of between 15 and 20 chemical additives, and refined lube oil markets have suffered somewhat from the controversy over whether or not the quality meets current-day specifications. Extended drain periods have concentrated additives and impurities in waste oil, making it more difficult to refine. Collection costs have increased and disposal of the acid sludge byproduct has become more difficult and expensive. Further, certain Federal tax advantages have been eliminated. All of the foregoing together with old and inefficient plants, operating at less than design capacity, have generally eroded whatever price advantages re-refined oil products may have had over virgin oil lubricants.

FEDERAL TAX TREATMENT OF THE RE-REFINING INDUSTRY

The excise tax on lubricating oil dates to the Revenue Act of 1932 when a 4 cent per gallon tax was levied on all grades of lubricating oils, to be paid by the manufacturer or producer. This tax was increased by ½ cent in 1940 and an additional 1½ cents in 1942, thus raising the total tax to 6 cents per gallon, which is the current tax today. In practice, this tax has been applied only to virgin lube oil products. Re-refined oil has never been nor is taxed today. As a result, re-refined oil products enjoyed a 6 cent per gallon competitive advantage over virgin oil products until 1965.

The Excise Tax Reduction Act of 1965 removed all federal taxes on lubricating oils, except those used in highway vehicles, and earmarked this revenue for the Highway Trust Fund. Thus, the excise tax of 6 cents, still paid by the manufacturer and included in his price, was now applied only to automotive products: off-highway users, such as farmers, construction contractors and railroads, were made eligible for tax refunds. Because the primary markets for re-refined oil in 1965 were concentrated among consumers of industrial oils or off-highway users of automotive oils, the effect of this action was to equalize tax treatment of both virgin and re-refined oil in this market, and re-refiners lost their 6 cent price advantage.

In reality, however, the re-refiner was dealt an additional setback, for under IRS Ruling 68-108, the re-refiner and his off-highway customer were declared ineligible for the refund of the tax on the virgin oil component of a blended product.

For example, if a re-refiner manufactured a 50-50 blend of virgin and re-refined oil, the 6 cents per gallon tax on the virgin oil component would have to be passed through as a cost of 3 cents, and neither the re-refiner nor his off-highway customer was entitled to a tax refund. Thus, in this case, the combined result of the Excise Tax Reduction Act and the IRS Ruling 68-108 to cause the re-refiner to absorb a 9 cents per gallon market adjustment relative to his position prior to 1965. Since profit margins in this industry have traditionally been very narrow, on the order of 1 to 2 cents per gallon, these actions have been cited by re-refiners as a major cause of the decline of the industry.

FTC LABELING REQUIREMENT FOR RE-REFINED OILS

In 1964, the Federal Trade Commission, observing that the public had a preference for new oil and was therefore entitled to know the origin of its oil purchases, stipulated that re-refined oil products must be clearly labeled "made from previously used oils." Re-refiners contend that this particular wording unfairly implies inferior quality and that as a result of this ruling many middlemen have stopped handling their products and that re-refined oil now competes directly with lower quality virgin oils.

The controversy over re-refined lube oil quality is on-going. In recent and separate tests by the Bureau of Mines and the Army Fuels and Lubricants Laboratory, some re-refined lube oil products failed to meet SE grade or MIL-L-2104C specifications; however, so have some virgin lube oils so advertised. The industry's reputation has undoubtedly been blemished by the questionable integrity of some operators who have not produced high quality products. As a result, current Federal procurement regulations bar the purchase of re-refined oils, although the Defense Supply Agency is now developing a pilot program to experiment with recycled oils, and the outcome of this program may lead to a change in this policy. FTC intends to make no changes to its labeling requirements until this controversy over quality has been resolved.

Although the re-refining industry has suffered a number of setbacks (the loss of tax advantages, the barring of federal markets, the labeling requirement, the quality controversy, the environmental questions over acid sludge disposal), it nevertheless is currently experiencing more demand for re-refined oil than it can supply, and its chief problem today is in obtaining sufficient feedstocks of waste oil. It finds itself in direct competition with those who burn waste oil as fuel and are willing to pay as much as 25 cents per gallon, delivered in large quantities.

FEA WASTE OIL POLICY AND ACTION PROGRAM

In summary, waste oil is a valuable petroleum resource, high in energy value and rich in lube oil fractions. Of the 1.1 billion gallons generated annually in the United States, as much as half is lost from a resource recovery point of view through dumping, land spreading, road oiling, incineration and direct discharge to waterways and municipal sewers. There are no technological barriers to physically recycling waste oil and, having yielded full respect to the economics of various collection and recovery systems, FEA has determined that better resources utilization is possible and regards this objective as an important opportunity for energy conservation.

FEA is in full agreement with the purposes and functions of both the re-refining and the reprocessing industries. In view of the potentially hazardous environmental impacts of burning untreated and contaminated waste oil and the consequent loss of lube oil fractions, FEA approves of the use of waste oil as a feedstock to re-refiners, but acknowledges that in some areas of the country re-refining may not be commercially feasible. In these areas FEA seeks to encourage reprocessing to other useful petroleum products, such as residual fuel, or direct burning at oil and coal fired utilities and large industrial plants, which are properly equipped with emission control equipment.

In an effort to assist the ailing re-refining industry, FEA seeks to amend current excise tax provisions on lubricating oils so as to equalize treatment of both virgin and re-refined lube oil manufacturers. Such an amendment would exempt re-refiners who blend virgin oil at 50 percent or less from paying the tax on the virgin oil component. Further, FEA will seek a revision of the Federal Trade Commission's "made from previously used oils" labeling requirement and a revision to the Defense Supply Agency's procurement specifications banning government

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Footnotes at end of article.

use of recycled oils, provided that the controversy over quality assurance and consistency can be resolved. FEA is an active participant of the Interagency Commiteee on Resource Recovery and is closely monitoring a joint effort by the Environmental Protection Agency and the Department of Defense to resolve the quality question.

As a means to create better utilization of already collected oils, FEA has begun working with state governments in the development of a model state "waste oil" bill. Such a bill would license collectors and receivers of waste oil so as to encourage decovery and pollution abatement and to control or, if so warranted, prohibit dumping, incineration, discharge to waterways and sewers and sale to unsuspecting purchasers as "discount fuel oil." Further, FEA is working with local governments and seeks to assist and co-sponsor successful waste oil recycling demonstration programs.

In areas of the country where collection networks are marginally profitable and collection charges are assessed, FEA seeks to create increased demand for waste oil through its contacts with the electric utilities and members of the industrial community by advocating the use of waste oil as a fuel supplement to oil and coal fired operations properly equipped with emission control equipment.

FEA is currently soliciting support from gasoline retailers and wholesalers for a jointly sponsored, with FEA and the Environmental Protection Agency, national oil recycling public education program targeted to the individual who changes his own oil and dumps the drainings (an estimated 100 million gallons a year). The objective is to encourage return of waste oil to a public repository or service station and to promote a conservation ethic.

FEA is continuing to work with members of the industrial community towards more efficient energy and resource utilization. Included in this overall program is the promotion of industrial waste oil recovery and the publication of a list of manufacturers of in-plant oil reclamation equipment.

Waste oil recovery and re-use is an active and ongoing program at FEA.

REFERENCES

[1] Recon Systems Inc., *Waste Oil Recycling and Disposal*, published report EPA-67012-74-052, Environmental Protection Agency, August 1974.

[2] GCA Corporation, *Waste Automotive Lubricating Oil Reuse as a Fuel*, published report EPA-600/5-74-032, Environmental Protection Agency, September 1974.

[3] *Waste Oil Study*, A Report to the Congres, Environmental Protection Agency, April 1974.

[4] Teknekron, Inc., *A Technical and Economic Study of Waste Oil Recovery, Part II*, published report for EPA contract No. 68-01-1806, Environmental Protection Agency, October 1973.

KELLY, LACKLAND MEN HELP

HON. ABRAHAM KAZEN, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. KAZEN. Mr. Speaker, I have often said that our military organization is well-named the Department of Defense. None of us need be reminded that the principal function is military in nature. But our armed services serve other functions, too. I have long supported the MAST program that provides emergency helicopter evacuation in accident cases, and I am now pleased to share a letter of appreciation for Air Force personnel stationed at Kelly and Lackland Air Force Bases, Tex.

The letter follows:

Hon. Abraham Kazen,
House Office Building,
Washington, D.C.

Dear Sir: We wish to express our thanks for the work and cooperation that was done by Kelly Air Force and Lackland of San Antonio in helping clean up and restore things that were torn up by the killer tornado that hit Yancey, Texas, April 29, 1975. The work that was done was clean and pick debris from the farm fields, move dirt for fill for houses, carpentry work, plumbing, fencing, burn trash, bury trash that would not burn, fill underground water cisterns that were damaged and many other things.

Here are the names of some of the men who helped that I was able to get:

Capt. Clarence G. Haskell, Jr.,—Civil Engineer, MSgt. Byron S. Moss—Carpenter, TSgt. Robert Starko—Equipment Operator, SSgt. Herbert Glass—Equipment Operator, Sgt. Ernest Rust—Equipment Operator, Mr. George F. Fish, Jr.—Plumber, A1C Woodbury F. Grover—Plumber, Sgt. Richard A. Ceraldi—Plumber, TSgt. Larry H. Wood—Carpenter, SSgt. Michael D. Burke—Carpenter, Sgt. Richard K. Doerr—Plumber.

Names were not available for many others who participated in the clean-up.

Capt. Clarence G. Haskell, Jr., Civil Engineer, Kelly Air Force, was in charge of the group that worked the area. We could not ask for a nicer group to work with than Capt. Haskell and his group of men.

The letter was signed by Harold Faseler, Stanley Weimers, the E. L. Weimers Family, J. A. Van Fleet, Joe Nixon, Olen and Leslie Brieden, Alton Oefinger and George Wilson.

I am pleased to call my colleagues' attention to the service of the Kelly and Lackland personnel, the appreciation of the people they helped, and this fine demonstration that our military personnel can serve as good neighbors as well as our defenders.

ARMS ESCALATION AND PARAMILITARY TRAINING CHARACTERIZES POLICE DEPARTMENTS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. CONYERS. Mr. Speaker, I read with some apprehension a New York Times article on special weapons and tactics—SWAT—training which police departments around the country have undertaken.

Four years ago the FBI launched a free training program at its academy at the Marine Corps base in Quantico, Va. The objective is to train police officers in ways to deal with snipers, barricaded gunmen, or to rescue hostages with the use of minimum force.

There seems to be a basic contradiction in the principle behind that SWAT program. Its training apparently involves the use of behavior psychology techniques of persuasion, for example, how to negotiate the release of hostages, how to deal through an understanding of abnormal psychology with deranged persons who are armed. Yet SWAT personnel appear to be employing ever more deadly instruments of force such as high-powered rifles, sophisticated submachine guns, half-ton army trucks with mounted machineguns, and one police department in California is contemplating the purchase for its SWAT program of a helicopter gunship.

How can police be encouraged to exercise restraint, to resolve dangerous situations without having to fire a shot when they are being armed to the hilt with combat weapons and, as the article points out, are becoming inured to their use?

Equally disturbing about this program is its extension to include counterinsurgency training against allegedly revolutionary political groups in the country and the paramilitary mentality that seems to have infected SWAT personnel. SWAT-trained officers were involved in the slaying of six members of the Symbionese Liberation Army in Los Angeles in 1974 and there is considerable evidence that their use of force was unwarranted. SWAT techniques are being applied in anticipation of disruption of Bicentennial events by militant groups.

How long will our penchant for the use of force at the expense of political and diplomatic negotiation in the world and at home persist? How long can we permit the dehumanizing American fetish for weaponry?

Our use of overkill force in Vietnam failed to quash an essentially nationalist revolution because we refused to face the underlying political motivations of our adversaries and the majority of the Vietnamese people. I believe the escalation of official force to maintain law and order in America will also fail because we continue to disregard the sources of alienation, crime and violence in social injustice, economic impoverishment and political voicelessness.

I wish to call to the attention of my colleagues the article on Special Weapons and Tactics training of our police.

The article follows:

[From the New York Times, Monday, July 14, 1975]

TOUGH ELITE POLICE UNITS USEFUL BUT CONTROVERSIAL

(By Jon Nordheimer)

The concept of SWAT, an acronym for Special Weapons and Tactics, is catching on with police departments across the United States in a manner that some police experts suspect is more faddish than essential.

From small suburban communities to the largest cities, an estimated 500 police departments have organized élite units specially trained in paramilitary operations and fire power.

The ostensible mission of these cadres—usually called SWAT teams or some other acronym—is for deployment in highly dangerous police assignments, such as flushing out snipers or other barricaded gunmen, or rescuing hostages or other victims caught in the line of police gunfire with criminals.

The tactics are designed to protect lives and to limit wild and uncoordinated police firing.

A number of recent events in cities across the nation have demonstrated that SWAT teams have been a useful and effective tool, and have performed with restraint and professional discipline.

There is also evidence, however, that the trend has also introduced a paramilitary mentality inside some departments and that some local agencies are pouring money and manpower into units where there is little rational likelihood that they will ever be utilized.

"The thing that disturbs me about the trend," observed Dr. Marvin E. Wolfgang, director of the Center for Studies of Criminology and Criminal Law at the University of Pennsylvania, "is that police departments are adopting this policy before any evaluative research can be done on it. It is the kind of thing that quickly catches on in police departments because of the pressure to be up to date without any knowledge of exactly what they're getting into."

A check of police departments in a dozen states showed that where SWAT units existed they were highly touted as a reserve emergency force, whose members usually worked at other duties until a need for their skills arose.

However, it was learned that such circumstances rarely did come up, particularly in the small and medium-sized jurisdictions, and in several situations where SWAT techniques could be justified, events were resolved before the team could be assembled and put into action.

Where they have been deployed, particularly in large cities, the units have generally acted with a controlled professionalism and skill under conditions where less disciplined officers might have spilled blood needlessly, the survey showed. There have been a few ugly incidents, such as the case in Oceanside, Calif., where a SWAT sniper mistakenly shot and killed a 15-year-old hostage, but they have been relatively rare compared with the incidents of police overreaction they are designed to prevent, such as the recent case in Lincoln, Neb., where more than a half-dozen regular policemen shot and killed an unarmed and mentally unbalanced black man as he left his apartment in a siege.

The most worrisome aspect of the SWAT phenomenon seems to exist in the maintenance of units inside the smaller agencies from Massachusetts to California where elitism or poor leadership exist at a time when some policemen are arming themselves to the teeth in para-military imitation of the latest technique introduced in the big cities.

SUBMACHINE GUN RECALLED

"It reminds me of the nineteen-thirties when some smart salesmen went around the country selling submachine guns to every police department on the theory that they were going to have a shoot-out with John Dillinger some day," remarked a nationally known police expert. "All the cops did with those things was risk the lives of the citizenry."

Providence, for example, is the largest city in Rhode Island, but it has no SWAT squad. However, Warwick, a suburb of 90,000, does, with 35 of the 176-man force on the team, and it operates somewhere along the line of a fraternity, with members retaining the right to blackball any new member.

"The chief sometimes feels that if he wants to appoint somebody to the SWAT squad he should have the right to do so," said Cmdr. John Coutcher, but so far a showdown over who has authority to name SWAT members hasn't come up. Neither has much SWAT action, said Coutcher, who said that since the squad was formed in 1971 there have only been two or three times it has been assembled as a team for duty.

Experts speculate that some police departments have seen SWAT strategy by the weekly network television program that erroneously depicts SWAT teams getting involved in almost every phase of police operations, usually resorting to violence and mayhem to resolve a crisis.

There are also indictations that some departments caught onto the idea after watching the televised shootout between Los Angeles Police Department SWAT personnel and six members of the self-styled Symbionese Liberation Army revolutionary group here 14 months ago, in which the latter were slain in a storm of heavy weapon fire.

"The public—and I'm afraid some policemen—take the television program at its face value, which is: 'We are gonna give the gunman one chance to surrender, but if he shoots back, boy are we gonna let him have it.'" said Wesley Pomeroy, Chief of the Berkeley (Calif.) Police Department.

That notion, said Chief Pomeroy, who is a former special assistant to former United States Attorney General Ramsey Clark and an organizer of the Law Enforcement Assistance Agency, is contrary to the original SWAT concept of disciplined police restraint.

PROPER TECHNIQUE

He said that when properly directed and trained in behavioral psychology and other nonviolent techniques, such teams should be able to obtain most objectives without resorting to gunfire, which may kill not only dangerous individuals, but also innocent victims and fellow officers.

However, too many police departments, added the chief, who is considered a liberal maverick in traditional police circles, envision such techniques as a response not to civilian emergencies but to counter-insurgency actions against revolutionaries or militant minorities.

This mood is perhaps best reflected in the San Francisco Bay area where nearly two dozen police departments have organized SWAT units in recent years, mostly in small suburban communities.

In Belmont, a bedroom community with a population of 20,000, team members arm themselves with Israeli submachine guns, silencers on sidearms, and carry large knives strapped to their chests.

In Belvedere, one of the wealthiest suburbs in the nation, with a police force of four officers, a team was organized with volunteers from the community, a citizens outfit whose wealthy members made available lavish private arsenals in case of a SWAT "emergency," including a two-and-a-half-ton Army surplus truck with a 50-caliber machine-gun mount, and who expressed interest in obtaining a surplus PT boat and helicopter gunship.

In another Bay area suburb, where the tallest structure is a two-story mansion, an overweight, fortyish SWAT officer broke his leg while learning repelling techniques—mountain-climbing method used in descending by rope from tall buildings.

'MACHO' SYNDROME

Some professional policemen see the trend, especially in the smaller agencies where the need for SWAT is not clearly seen, as a dangerous extension of a "macho" syndrome that exists partly as a result of the nature of police work and partly because of the nature of the men attracted to it as a career.

"There are some cops who want to solve all society's problems with an M–16," said Chief Vic Cizanckas of Menlo Park, a suburb that has shunned a SWAT capability. "Some of these men have lost perspective of their role in society and are playing mental games with firearms.

"Eighty per cent of police work is service to the community, but if you start emphasizing the other 20 per cent you get a distortion," he continued. "And if you set yourself up to use heavy firepower, then the danger exists that you will use it at the first opportunity, and over-reaction—the opportunity of what the concept is all about—becomes a real danger."

Menlo Park technically has a SWAT squad, the chief added with a smile. It is the name the officers chose for the department's baseball team.

Menlo Park, in 1968, was the first community in the United States to dress officers on patrol in civilian clothing, an effort to demilitarize the department and help bridge the gap the uniforms helped create with the civilian population, he said. Since the beginning of the program, assaults on policemen have declined in every year, he added.

PSYCHOLOGY UTILIZED

Restraint and hostage negotiation, a psychological technique pioneered by New York City's Emergency Aid Squad to extract hostages from danger, are stressed in the SWAT training program offered by the Federal Bureau of Investigation at its academy at the Quantico, Va., Marine Corps base, in addition to weapon and military assault training.

Teams from 467 police agencies had been trained in SWAT techniques at the academy—as of April of this year—since the program was established nearly four years ago in response to a national rise in civilian disturbances in the nation, extremist activity, and an escalation in the arsenal of firearms used against police officers, according to an F.B.I. spokesman.

Another 200 police teams are now awaiting training, he said, explaining that the standard team consisted of five officers, armed with a high-powered sniper rifle, automatic weapons, and shotguns.

The F.B.I. organized its own SWAT teams, beginning two years ago, officially called apprehension units, and about 10 per cent of the bureau's 8,500 special agents received this instruction. These units are currently engaged in the search for the killers of two agents late last month in Pine Ridge, S.D.

"About 20 years ago our agents were involved in a shootout only about every four or five years, and we used to hold a seminar afterwards to dissect what caused the shooting since it was so rare," said the spokesman.

"But the nature of society has changed so much that last year alone we fought 35 gun battles and the figure so far this year is 21," he added.

In addition, it was learned from other sources that the F.B.I. is assisting Canadian officials in the development of a SWAT-like capability for use if required at the summer Olympic games next year in Montreal, a preparation made necessary by the memory of the taking of the Israeli team hostages by Arab terrorists in Munich in 1972.

Furthermore, Federal and police agencies around the country are developing countermeasures built around SWAT responses to potential threats against prominent Americans or national monuments by revolutionary groups to disrupt the American Bicentennial, according to the sources.

ADDRESS BY DR. WILLIAM J. McGILL AT COLUMBIA UNIVERSITY COMMENCEMENT EXERCISES

HON. PETER A. PEYSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. PEYSER. Mr. Speaker, on May 14, 1975, Dr. William J. McGill, president of Columbia University, delivered an address at the commencement exercises of Columbia University that I believe all Members will find most interesting. I am inserting the text of that address for the benefit of all my colleagues.

The text of the address follows:

ADDRESS BY DR. WILLIAM J. McGILL

This solemn and beautiful ceremony marks the end of the academic year, the 221st in our long journey from King's College in early colonial times to Columbia's commencement in 1975. Almost everything we do or say this afternoon has some important linkage with our remarkable past.

Columbia was founded more than 20 years before the Declaration of Independence, and our history spans more than the entire history of the nation. We trace our origins to the reign of George II of England, when a newly established King's College conducted its first classes in 1754 in the vestry room of Trinity Church, at the foot of Wall Street. New York City was then a British colony ruled by His Majesty's Governor, Sir Charles Hardy, and the founding of the College was assisted by a public lottery. How I wish we had access to such resources now. Think of what OTB could do for Columbia!

The first president, Dr. Samuel Johnson, was the entire faculty of King's College, and the enrollment totaled ten students. We are told that this pious clergyman of the Church of England was an especially devout figure.

What a distance we have traveled from King's College and colonial New York to present-day Columbia on Morningside Heights where a somewhat less devout 16th president, an Irish Catholic no less, seeks to continue what Reverend Dr. Johnson began. What a distance, indeed, we have come since the spring of 1968 when Columbia was shaken to its foundations by an eruption of politically toned violence, a student strike and near chaos. Of course, in the perspective of Columbia's two centuries of history, events here rarely seem entirely new. On a May night in 1775, student revolutionaries stormed the house of Columbia's second president, Myles Cooper, intent on burning it down. The president fled in his nightshirt over a back fence to a British ship in the harbor, never to be seen again in the College. Perhaps in the long history of man such manifestations of rage and frustration have never really changed.

Events at Columbia in 1968 may not have been fundamentally different from their antecedents in 1775, but it is equally true that Columbia in 1975 bears very little resemblance to the campus I saw in 1968. Prominent then was the so-called counterculture, a student-led movement of extraordinary power and attractiveness. It had important symbols and a romantic philosophy. The latter rejected most forms of discipline as manifestations of an authoritarian social order, seeking to mold young people for the benefit of a military oligarchy which was rejected as inhumane. Many students were motivated by feelings of rejection, causing them to question the educational, social and political channels in which organized society expected them to move. They turned instead to a pastoral philosophy with great emphasis on agrarian values, primitive arts and oriental mysticism. They experimented with drugs, searching for transcendental experiences that would free them from the ugly taste of war and violence in a world not of their making.

The movement and its philosophy seemed to many of us to be a form of Dionysian belief, expressing a unique modern revulsion for America's devotion to technological progress based upon educational credentials. There was a surge of hostility toward the university because of the latter's role in strengthening what the counterculture saw as an inhumane technology by purveying its basic credentials.

I suppose the essential point of these remarks is that the counterculture, once so prominent here, has largely disappeared in 1975. The dress styles and the verbalisms have been picked up in artistic circles in New York and California, but countercultural rejection no longer seems to appeal to college students.

The philosophy seems in retrospect to have been very wrong-headed, but even a skeptical critic was forced to admire the idealism of the movement. Why did it pass so suddenly into decline? Certainly we have achieved no resolution of the deep problems posed by the increasing rigor of education and the prolongation of adolescence that modern forms of higher education seem to require. We have not curtailed the burgeoning competition for academic credentials. If anything, competition for grades and for admission to professional schools is more deeply entrenched now than it was a decade ago. Why then did our students turn so suddenly from rejection to conformity?

Perhaps students who came along in the 1970s saw earlier counterculture devotees who had turned to drugs in search of liberating experiences and were destroyed by their liberation. Perhaps a new generation of students discovered that many of those who went off into communes, searching for the humanity and strength which allegiance to the land can give, had become disillusioned. Farming is hard work and personal conflicts have a way of becoming superheated in any cloistered society. Perhaps the aura of American affluence has faded a bit. The country is moving in bitter economic times, and this harsh reality may have had some effect in dispelling earlier romantic illusions of withdrawal from "the system."

Whatever the real reasons, the counterculture and its philosophy of rejection are fading rapidly here at Columbia. Our campus is much calmer than it was seven years ago. The change is so obvious that well-intentioned people now often say to me that life at Columbia must be far pleasanter since we have cooled down and the students have gone back to their books.

I suppose it may be a bit pleasanter, but I confess that I feel very uneasy about our current situation because I do not believe that we have ever dealt successfully with the problems that seem to have been at the root of the counterculture.

American professional schools have blossomed forth during the last five years as new centers of excellence, stressing the best that American higher education has been able to achieve. They have been virtually buried in an avalanche of hopeful applicants.

Despite all our heralded advancement, we find ourselves unable to provide adequate graduate and professional opportunities for even the upper half of the students turned out by our best four year colleges. Students are trying earnestly to find satisfying careers and a measure of personal security in advanced professional training. The statistics at Columbia are awe-inspiring: 5,000 applicants for 147 places in our medical school; 2,250 applicants for 52 in dentistry; 5,000 applicants for 300 places in law; 900 applicants for 135 places in journalism; 1,900 for 400 places in buisness. This experience is being matched in first-rank institutions all around the country.

The admissions officers in our medical schools tell me that the top 500 applicants are practically indistinguishable from one another on grounds of merit, and yet we are forced to reject 350 of them because we do not have the resources to train them. After a long regimen characterized by remarkable academic success and accomplishment, these ill-fated students are discovering themselves to be failures after all. I know of a case involving a top recent graduate of Columbia College, a Phi Beta Kappa, who failed to make it into 13 out of 14 of the law schools to which he had applied. That is the kind of competition our students face.

Unplanned extensions of higher education into adulthood and the ever-present risk of ultimate failure seem to have been responsible for the development of the counterculture a decade ago. Today we simply do not know what might result from the absurdities I have catalogued for you, but we do acknowledge that they are wrong. They are wrong for our students, and wrong for the nation.

It is no credit to American education that so many of our best young people are now forced to take up residence in foreign countries in order to study medicine because no places are available in this country. The number of young Americans studying in foreign medical schools exceeds 5,000. It is simply scandalous that the United States, with all its resources and all its needs, is unable to find either the energy or the will to provide opportunities for professional training to our best students. We must correct such distortions or face a revival of social unrest from frustrated students who feel that their society actively opposes them in realizing their destinies. The solution will require a renewed national commitment providing new construction and needed new resources for expanding our best graduate and professional schools. We cannot rely on the argument that a declining college population in the 1980s and 1990s will eventually make things right. Opportunities in the higher professions are now and will continue to be curtailed by the small size and severely limited resources of our best graduate and professional schools. We can increase such opportunities for professional training with very little risk of overcommitting the nation. When many of our best young people find themselves unable to secure acceptance in the professions of their choice, something is basically wrong with us, and we are obliged to correct it.

All this, if it comes about, will not help today's graduates. They have been forced to grapple with a Darwinian educational environment which we have failed thus far to soften. Remarkably, they have not been demoralized by any of it despite the fact that so many of them received rough handling in this year's admissions struggle. Compared with graduates of other universities Columbia students have done very well in the admissions competition for graduate and professional placement, but we have shared their anxieties and disappointments.

Members of the class of 1975, we did our utmost to prepare you for the rigors of a harsh environment that neither you nor we especially admire. We sincerely believe that what you received here will bring you successfully to a life filled with accomplishment and satisfaction. May that realization and the memory of warm friendships formed here keep you close to us in the years to come. Each year as you go, an important part of Columbia goes with you. God bless you all and keep you safe.

URBAN SUCCESS STORY

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. FRASER. Mr. Speaker, at the recently concluded U.S. Conference of Mayors meetings in Boston, much of the discussion and debate dealt with the serious financial problems facing many American cities. But not all the news from Boston was bleak, as David Broder pointed out in his July 13 Washington Post column.

Many of the participants in the Mayors Conference, Broder told us, were part of a "new generation" of municipal leaders who were making significant progress in dealing with their cities' economic and social needs. One such member of the new generation, Minneapolis' Albert Hofstede, explained how the Minnesota Legislature had enacted legislation designed to reduce the property tax inequities between the cities and the suburbs, and how the Minneapolis-St. Paul metropolitan area had initiated local economic development programs to bridge part of the gap left by the reduction in Federal expenditures for urban aid programs.

What Al Hofstede had to say in Boston was worth saying, according to Broder.

I would like to take this opportunity to insert the Broder column in the RECORD:

[From the Washington Post, July 13, 1975]

URBAN SUCCESS STORY

(By David S. Broder)

BOSTON.—The whole purpose of the U.S. Conference of Mayors' meeting here this week was to push the plea for emergency aid to recession-wracked cities. From beginning to end, the message hammered in speeches, panels and press conferences was that New York City's fiscal crisis is a foretaste of what every city faces unless the federal government opens its purse-strings again.

What effect this propaganda blitz will have on Congress and the President remains to be seen. But in a way, it's a shame that the entire four-day meeting was orchestrated solely for the repetition of that single cry for help.

There's no doubt that some cities, like Detroit, really are "disaster areas," as they were called. And there's no doubt that the hordes of unemployed youths in the heart of almost every city are a living reproach to the smugness with which some Washington officials proclaim that the "crisis of the city" is over.

Targeted aid to those hardest-hit cities and groups has a legitimate part in an overall economic recovery package. And the Muskie-Humphrey bill for "countercyclical" federal aid to cities with exceptionally high unemployment levels offers a logical way of delivering it.

But if the managers of the mayor's conference had not determined in advance on selling the dubious theme of approaching ruin for all cities, there was quite a different story that could have been told.

It is the story of successful innovation and promising experiment by a new generation of municipal leaders. It is the story of the medium-sized cities, where growing numbers of Americans live, whose mayors have found ways—often in cooperation with state and suburban governments—to use existing federal programs to stimulate economic growth and deal with social problems.

It is a story more hopeful than the New York City saga. And, despite the efforts of the stage-managers of this conference, it did begin to emerge here.

But you had to look to find it. Sen Hubert H. Humphrey (D-Minn.) was put in the spotlight for more than an hour on the final day of the meeting to roar about the Ford administration's alleged "bleeding" of the cities. But the man who now occupies the Minneapolis mayor's chair, where Humphrey began his political career 30 years ago, was shunted off to the obscurity of an afternoon panel session.

What 34-year-old Minneapolis Mayor Albert Hofstede had to say was worth hearing. He outlined how the Minneapolis-St. Paul metropolitan area, with 135 communities in seven counties, "has initiated local economic development programs which have gone a long way in bridging the gap created by reductions in federal expenditures" for some of the old urban programs.

Hofstede told of an innovative tax measure, passed by the Minnesota legislature and now approved by the court. It sends 40 per cent of the additional property tax generated by any new commercial or industrial development in the metropolitan area into a pool which is shared by the entire area—including its center cities.

This "fiscal disparities" is designed, over time, to reduce the property tax inequities between cities and suburbs. It underlines the economic and social interdependence of the metropolitan area, without penalizing the growth potential of any of its parts.

It was achieved by innovative state and local officials who, unlike some of their contemporaries, did not assume that they had exhausted their remedies when they returned empty-handed from a foraging trip to Washington.

The story can be duplicated elsewhere: In Peoria, where a university medical school project has been the key to a dramatic downtown renewal effort. In Hoboken, N.J., where rehabilitation and home improvement loans have been used to save existing neighborhoods. In Berkeley, Calif., where an intensive program of building code enforcement not only halted the deterioration of a 47-block area, but reduced its crime rate from the second-highest in the city to the second-lowest. In Pittsburgh, which has managed to reduce both its city payrolls and its crime rate. And even in Gary, that one-time symbol of approaching ruin, whose mayor, Richard G. Hatcher, now is convinced it has turned the corner to better days.

Many of these efforts would have been impossible without federal funds and federal programs. But none of them would have worked without local leaders capable of rousing city residents to save their own skins and wangling help from suburban and state officials as well.

The mayors do themselves a disservice when they allow themselves to be portrayed constantly as beggars at the federal trough. Some of them are also capable leaders, coping with tough problems, and achieving a fair degree of success. That's too important a story to cover up for propaganda purposes.

IN PRAISE OF SMOKING

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. JENRETTE. Mr. Speaker, I would like to insert in the CONGRESSIONAL RECORD an article from the June issue of Esquire magazine an article entitled "In Praise of Smoking," written by Dr. Richard Selzer, a physician:

IN PRAISE OF SMOKING

What some people will not do to assure themselves that they exist! A woman dabs her neck with perfume, then walks abroad. In the sensible cloud of droplets about her, she has created an extension of her corporeal self, and of her personality, too. With each inhalation, that which she may have but vaguely suspected, her *being*, is most indisputably confirmed. I am here, she sniffs happily. I am really here.

And whistlers. Even the air-hungriest asthmatic who has not the least idea where to place his pitch or tone, who plays blindman's buff with melodies no more intricate than *Mary Had a Little Lamb*, even such a one as this will walk the earth, lips pursed to a fine aperture, an expression of distraction upon his face as though he had just seen a vision. All the while from his feeble reed there issues a toneless beeping, a sorry complaint. It does not matter that the music he makes will not enter the living repertoire. No special color identifies it as baroque, flamenco, or twelve-tone; it is all of these and none of these. All about his head the whistler draws his helmet of sound. It is a private affair. Blowing out, he directs his notes within. The whistler himself but half attends the noise he makes. It is enough. He listens, and knows beyond all evidence to the contrary that he is there. His presence cannot be denied.

Thus do tenors and tuba players alike take the deep breath, set the vocal cords just so, and blast forth the good news of their existence. So, too, the child who climbs to the top of the slide, sits down, and makes ready to plummet. At the last moment he pauses, calls out to his mother. "Watch me!" he cries. And in her face he reads the success of his advertisement: *here I am*.

I myself do it by smoking. And let no meddlesome man caution me against the extravagance, the injuriousness, of tobacco. I am addicted in a way more fundamental than any mere physiological craving. To deny me my smoke is to extinguish me as utterly as would death itself. It is to butt me into cold ashes.

Consider the act of smoking. It is constituted, is it not, of inhalation and exhalation. To draw deeply upon a cigarette, to fill the tracheobronchial tree with smoke, is to feed an empty space deep within, a space that twenty times a day cries out for appeasement. As nature abhors a vacuum, so does that cavern yearn for repletion. Should it, by some uphappy circumstance (you have run out of cigarettes in the dead of night), remain empty for too long a time, then the yearning becomes palpable. There is discomfort. The hollowness becomes an ache. One may perish of it.

I am not so vain, nor so uniquely neurotic, as to believe that I am alone in the world with such a hungry hole, a pit in search of something to enclose. Nor will mere fresh air suffice. For this interior sack is no mere biology, but an urbane bag for whom taste has been deliciously refined. It needs smoke. And smoke it shall have. Smoke is, after all, little enough. Time was when a man could, with the forthrightness of a child, enjoy a healthy expectoration, the passage of some audiable flatus, or the scratching of his personals. But civilization has come to mean the narrowing down of what we are permitted to do in public. Little Bo-peep has gone away, and in her place the Iron Maiden of Etiquette shepherds us toward good deportment.

Smoking is good for the dumpish heart; lights up the gloomies, don't you know? Let the innumerable sad circumstances of humiliations past, of stumbles yet to come, crowd in upon me; then, out of the night that covers me, I grope for that *thing* with which to tampon the leak in my soul. All at once there is the scratch of a match. A pretty flame breaks. It swings to the touch. Ignition! And there blows a very mild wind from paradise. There are circuits in the brain and lung that are triggered by the shifting of gases in the blood. So goes our coughing: at the end of exhalation there is a small but measurable rise in the level of carbon dioxide. This is noted by the respiratory center of the brain. The order is issued to the lung: *inhale*. Oxygen is taken in, the carbon-dioxide level falls. In a moment it will rise again. Now: *exhale*. The muscles of expiration, those strips of meat between and overlying the ribs, are commanded to contract. They close in upon the chest cage, compressing it. The leaves of the diaphragm billow upward, further encroaching upon the lungs, which twin sponges are squeezed toward the trunk of the windpipe.

The larynx, too, assumes a posture, its little muscles squeezing to hold open the glottic chink at the top of the trachea to let out the smoke. Aha . . . and out it comes, now a slow-blown wisp, now a fat cloud. It rises about the face. That which was a moment before deep within pours to the out-of-doors, the soul come punctually visible. See it diffuse, coiling fainter and fainter into the general atmosphere. Here is proof—one needs no more—you exist, are *here,* because smoke, that gaseous testimony, is *there.*

One *is.* This smoke is the ultimate assurance.

Here I am, I say to myself . . . and take another puff. It's me.

TIME OF DECISION IN NORTH KOREA

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. SIMON. Mr. Speaker, recently an article appeared in the Wall Street Journal that I think has some significance. It was written by Dr. Joungwon Alexander Kim, author of a book about Korea, who is associated with a New York law firm.

I do not claim to be an expert on Korea, but his article gives a somewhat different perspective than anything else I have read. I do not claim that his viewpoint is correct, only that we dare not ignore someone who obviously has the background and the somewhat different perspective than that generally held.

TIME OF DECISION IN NORTH KOREA

(By Joungwon Alexander Kim)

Pyongyang, not Peking, holds the key to peace or war in the Korean Peninsula. The U.S. State Department's position is that North Korea will not attack the South because China does not endorse another Korean war. However, this implication of a puppet-and-string relationship between Pyongyang and Peking is a gross misunderstanding of the North Korean political situation. North Korea is quite capable of taking the initiative unilaterally, and China and the Soviet Union would have little alternative but to grudgingly back Pyongyang.

War in Korea is not in China's interest. If it led, or threatened to lead, to the withdrawal of the U.S. presence, it would almost certainly induce Japan to rearm and "go nuclear"—a possibility so feared by Peking that the communization of South Korea is clearly not worth the risk.

But Kim Il Sung's perspective and incentives are vastly different from those of the Chinese leadership. In the past, North Korea has shown itself quite willing to act in overt opposition to the wishes of both China and the Soviet Union when it was in its own interest to do so. When it comes to the issue of unification, Kim's interests are clearly divergent from those of his powerful allies—and these interests are likely to be considered overriding ones in Pyongyang.

The necessities of rule in North Korea require that the issue of national unification be given priority. The myth of leadership on which Kim's powerful cult is built holds him out as a national leader, yet Kim now governs less than one-third of the Korean people. The entire justification of Kim's leadership rests on the thesis that he is the only one who can "liberate" the two-thirds of the Korean population who live on the southern side of the DMZ.

This myth is the major cornerstone on which Kim's power rests, and proof of it will be essential to the perpetuation of the regime when the time comes for Kim's successor—now assumed to be his brother or his son—to take the reins of power.

It has always been the aim of the North Korean regime to see the peninsula unified under its rule. This is simply to make a statement of fact, and not an accusation, for the North Koreans believe, as did the North Vietnamese, that they have a "right" to reunify the country by force. As long ago as 1949, Kim Il Sung wrote to the UN Secretary-General Trygve Lie, that he reserved the right to use force to unify the country, and in 1950 the North Koreans acted on this threat.

Pyongyang's policy goal has never changed, nor has it become an empty slogan. The North Korean tunnels lately discovered in the DMZ are only the most recent evidence of North Korea's continued preparation for another war. The question is not whether North Korea plans another war, but when.

Kim Il Sung has never had a better time than the present to carry out his expansion to the South. The American reaction would be severely restricted by adverse public opinion in the United States. China and the U.S.S.R. might be miffed, but would back up Kim's efforts rather than see his regime defeated. Since they would have to endorse the myth that the South was the "aggressor," North Korea's defense treaties with both China and the U.S.S.R. would be invoked to protect North Korea from U.S. retaliation. If the American response should be as limited as it was toward North Vietnam, North Korea would have very little to lose in proportion to the potential gain from any reckless adventurism. The utter devastation of the Korean war, when American forces swept through North Korea, would not be repeated. With so little to lose and so much to gain, Kim has no real incentive to wait.

Furthermore, Kim Il Sung has one powerful incentive to act now. At the present time, the military and economic balance is in his favor. Kim's air force is far stronger than that of the South. He has a powerful armory of contemporary weaponry, far outnumbering the South in every category of heavy military equipment, and unlike the South the North produces its own small-scale weapons. Although the South's economy has been growing more rapidly than the North's the North started with a natural advantage and had a 15-year head start in building a heavy industrial base, so the North still has greater industrial production than the South.

This favorable balance, however, will certainly shift in the not too distant future. The U.S.S.R. and China are not likely to help keep North Korea's military preparedness at a level which gives Kim such independence of movement, and North Korea's armaments will rapidly become obsolete. North Korea now faces serious economic problems. The South will soon overtake it economically according to projections. When the South can out-produce and out-buy the North on the international weapons market, its greater reserves of manpower will give Seoul predominant strength. (The greater manpower of the South, sometimes spoken of as an advantage now, is no great strength without equal equipment, as even guerrilla warfare rarely involves hand-to-hand combat.)

Psychological factors are also of particular importance at this time. Northerners are suffering serious economic setbacks which can be justified only by the external "threat." At the same time, the Southern government has rarely had so little real popular support, either at home or abroad.

The North Korean regime may delay long enough to try to get the U.S. troops out of South Korea, or at least to try to induce the UN to remove the mantle of the UN command. It would be foolhardy for Kim Il Sung to delay much longer, however, as he probably will never have quite such a favorable opportunity again.

FISHING FOR TROUBLE: UNILATERAL SOLUTIONS TO INTERNATIONAL PROBLEMS

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. GUDE. Mr. Speaker, I want to bring to the attention of my colleagues in the House the recent speech of Carlyle E. Maw, Under Secretary of State for Security Assistance, before the International and Comparative Law Center, Southwestern Legal Foundation, Dallas, Tex. Mr. Maw's remarks concern law of the sea issues and the general question of whether the United States should act unilaterally in advance of any law of the sea treaty. Mr. Maw's own answer is "No," and he presents a compelling case, pointing out not only the difficulties this would cause to our negotiating position on law of the sea issues but also the counterproduce effects it would have on our own fishing industry. This latter point is often ignored by proponents of a unilateral extension of our territorial waters or fishing zone. I hope that, before any House consideration of the various bills which provide for unilateral action on any law of the sea issues, all Members will take the time to read Mr. Maw's thoughtful comments. I include them in the RECORD at this point, edited slightly for brevity.

ADDRESS BY CARLYLE E. MAW, UNDER SECRETARY FOR SECURITY ASSISTANCE, BEFORE THE INTERNATIONAL AND COMPARATIVE LAW CENTER, SOUTHWESTERN LEGAL FOUNDATION, DALLAS, TEX., JUNE 18, 1975

FISHING FOR TROUBLE: UNILATERAL SOLUTIONS TO INTERNATIONAL PROBLEMS

The energy crisis brought sharply home to Americans the growing interdependence of nations—large and small, far and near.

There was a time when, within broad limits, nations could act independently without too much concern for the effect on others. But time and space no longer insulate national actions. Today, events in remote places have immediate impact at home, and what we do here can have repercussions wheresoever. The nations of the world can no longer act without regard for others, and our problems can no longer be solved unilaterally, be they energy, food, resources, environment or population. For the future these and like problems must be faced and dealt with on an international basis. They are complex and difficult, and the challenges are severe, but solutions are essential for the stability, prosperity, and indeed for the survival of our world.

The oceans are a classic example of our interdependence—since they both divide and unite mankind. They cover 70 percent of the earth's surface; they touch the shores of more than 100 nations and carry over 90 percent of the world's trade.

But the oceans are also a source of conflict—and the potential for conflict is increasing. Let me give you a few examples:

In late January, Ecuador seized seven U.S. tuna boats fishing within its claimed 200-mile territorial sea. Ecuador confiscated the tuna catch worth $1½ million and inflicted additional fines and losses of over $2 million.

In March, Brazil seized two U.S. shrimp boats for fishing within its claimed 200-mile territorial sea.

On May 17, the U.S. Coast Guard seized a Polish trawler off the California coast for fishing within our 12-mile contiguous fishing zone and a few days later the Coast Guard seized another Polish trawler on the East Coast for illegally taking lobster off our continental shelf.

In November of last year, Deepsea Ventures, Inc., a U.S.-based consortium, filed with the Secretary of State, and in the foreign offices of several other countries, notices of a mining claim to a 60,000 square kilometer area of the Pacific, some 100 miles southwest of Baja California. The claim asserts that Deepsea Ventures has the exclusive right to mine and sell all of the deposits of manganese nodules resting on the ocean floor within the claimed area. Incidentally, it is estimated that these nodules at the bottom of the sea are sufficient to supply the world's needs of manganese, copper, cobalt, and nickel for generations to come.

As recently as last month at the conclusion of the Geneva session of the Law of the Sea Conference, spokesmen for some of the developing countries reiterated their position that the manganese nodules and other resources of the deep seabed are the common property of mankind and cannot be exploited by any nation, but only by an international authority for the benefit of all nations.

These are only a few current examples of ocean conflicts. But, of course, disputed claims to ocean space are not new:

The "lobster war" in 1962 was precipitated by French fleets catching *langoustes* on Brazil's continental shelf.

The recent "cod war" erupted when Britain insisted on her traditional fishing rights in the face of Iceland's declaration of a 50-mile fishing zone.

In the case of each of the arrests by the Coast Guard, there was no dispute about the legality of our claim.

However, the other seizures I have mentioned *are* a direct result of conflicting claims to ocean space. A proliferation of these claims can only lead to chaos and disorder. Currently over 50 percent of the nations of the world claim a territorial sea of between 4 and 12 miles and more than 40 percent claim 12 miles exactly. Another 12 percent claim up to 200 miles—and many nations are now poised to announce a new round of unilateral claims. Conflicting claims of this kind can be resolved only by a widely accepted treaty governing the Law of the Sea.

A Bit of History

From the 17th century until relatively recently, the law governing the use of the seas was founded on a simple, single concept—freedom of the seas. This concept was limited only by coastal state authority over a narrow belt of territorial sea—usually three miles.

The United States has been charged with making the first real inroads on the freedom of the seas principle by the Truman Proclamation on the Continental Shelf in 1945. In that Proclamation, we claimed exclusive jurisdiction over the resources of the shelf adjacent to our coasts. I must point out, however, that the Proclamation expressly stated that the waters above the continental shelf were to remain high seas and freedom of navigation was not to be affected.

Unlike the territorial claims made later, the principles of the Truman Proclamation were immediately embraced by other states. No state objected. Within 5 years, some experts on international law believed that the concept of the continental shelf had become part of customary international law on the basis of consistent and uniform usage. Within 13 years, the principle was enshrined in the 1958 Geneva Convention on the Continental Shelf.

The first significant claims to expansive territorial seas were made in 1947 by Chile and Peru and then jointly by Chile, Ecuador, and Peru in Santiago Declaration of 1952. These countries have no substantial continental shelves, but their adjacent waters are perhaps the richest fishing grounds in the world In order to assert exclusive fisheries jurisdiction, they proclaimed maritime jurisdiction over a 200-mile coastal zone—which at least Ecuador interprets to include the right to control navigation. The United States and other nations protested, and still protest, this 197-mile territorial extension.

If every nation declared a 200-mile territorial sea, 35 percent of the oceans of the world would become national territory. As a result, there would basically be no free high seas in the Mediterranean, the Caribbean and many other areas.

Technology

The explosion of technology has combined with nationalistic claims—putting increasing pressure on the use of ocean space: supertankers now navigate in congested channels; factory fishing vessels now trawl waters which were once the exclusive domain of small coastal fishing boats; oil rigs now cluster in coastal waters that were formerly free for navigation; and areas of solidified oil and trash have been reported in the middle of the Atlantic. Deep sea mining vessels are now capable of dredging up manganese nodules from the deep ocean floor at depths of 15,000 feet or more.

Law of the Sea Conference

These problems and many others currently confront the United Nations Conference on the Law of the Sea which recently concluded an eight week session in Geneva.

There is emerging consensus from the Law of the Sea Conference on the principles of a 12-mile territorial sea, a 200-mile economic zone and unimpeded transit of the more than 100 international straits which connect two parts of the high sees and would be overlapped by 12-mile territorial seas. Although the progress of the Conference is slow, the session just concluded in Geneva did produce a single negotiating text which will facilitate future negotiations.

Threats of Unilateral Actions

There are strong domestic pressures within a number of nations, including the United States, for unilateral solutions to the problems before the Law of the Sea Conference.

U.S. coastal fishermen are faced with a depletion of some fish stocks—which they attribute to overfishing by foreign vessels. They are demanding that the United States create a 200-mile fisheries zone with strict regulations.

The U.S. deep sea mining industry wants legislation which would grant them protected rights in areas of their choice to mine the manganese nodules on the ocean floor.

Some environmentalists want legislation to create a U.S. 200-mile pollution control zone.

Unilateral Fisheries Legislation

Unilateral action to solve the problems of the oceans raises serious questions. Let me explore some of them briefly:

First of all, would unilateral extension of our fisheries jurisdiction to 200 miles be consistent with international law? The International Court of Justice held last year that Iceland's declaration of a 50-mile fisheries zone was inconsistent with the legal rights of the United Kingdom and Germany. On the other hand, as I have mentioned, there is an emerging consensus within the Law of the Sea Conference supporting a 200-mile economic zone which would, among other things, create the equivalent of a 200-mile fisheries zone. If legislation were modeled on the Law of the Sea Conference, could it be defended on the ground that it was based on emerging international law?

However, even if declaration of a 200-mile fisheries zone would be consistent with developing international law, it might inspire broader or more extensive claims by others, including claims to control other activities within the zone, such as navigation and scientific research.

Would unilateral extension of our fisheries jurisdiction be consistent with other important United States foreign policy objectives? Most of the bills currently pending before Congress would permit the Administration to negotiate agreements with other nations—such as the Soviet Union and Japan—to enable them to continue fishing off our coasts—but at greatly reduced levels. They would require the Coast Guard to seize vessels fishing in violation of agreements or without agreements.

If nations who fish off our coasts do not acquiesce in our unilateral extension, what sort of confrontation will result? A seizure under this legislation of a foreign vessel fishing for cod could arguably violate the same article of the Geneva Convention on the High Seas—and the same principle of freedom of the seas—that was violated by the Cambodian Navy when it seized the *Mayaguez*.

In this connection, as illustration of the reality of the problem, I point out that the Soviet fishing fleet is the largest and most modern in the world, is dependent mainly on fisheries off the coasts of other nations and at present time accounts, annually, for one-third of all the fish taken off our coasts.

If our legislation is not generally accepted by other nations, consider the enforcement task: an extension to 200 miles would add to our fisheries jurisdiction an area two-thirds as large as the continental U.S. and all its possessions.

Ideally the solutions should be reached on a broadly acceptable multilateral basis. But such solutions take time and our fishermen say the fish will no longer be around to benefit from the solutions.

Recently, we have taken a number of actions to halt the over fishing by other nations off our coast pending agreement on a law of the sea treaty. We are in the process of renegotiating our existing bilateral fisheries agreements with nations who fish off our coast to limit the amount of fish they can take annually. The United States is party to eleven bilateral and multilateral fishing agreements limiting fishing off our coasts. We have also instituted new enforcement guidelines to protect our continental shelf fisheries resources. Several of the seizures I referred to earlier are a result of these new guidelines.

THE ECUADOR CONNECTION

Our 25-year fisheries dispute with the Latin American countries is a good example of the diplomatic tensions which can develop where a unilateral claim by one nation is expressly rejected by another. In 1954, less than two years after Chile, Ecuador and Peru claimed 200-mile maritime zones, Congress enacted the Fishermens Protective Act. That Act provides that owners of U.S. fishing vessels seized by foreign countries will be reimbursed by the U.S. Treasury for their fines, fees and direct charges paid to the foreign nation to secure release of the vessel, plus 50 percent of gross income lost as a result of time spent in the foreign port.

As a result, U.S. tuna and shrimp fishermen have continued to fish within the claimed territorial waters of Chile, Ecuador and Peru knowing that any losses as a result of seizure would be reimbursed by the U.S. Treasury. Ecuador permits fishing within its claimed 200-mile territorial sea under certain conditions if fishermen buy licenses. Since the Fishermens Protective Act reimburses fishermen for licenses they are forced to buy after seizure—but does not reimburse them for licenses voluntarily bought in advance—the U.S. fishermen have not been in any hurry to obtain licenses.

Although the Act may have succeeded in protecting our juridical position in opposition to a 200-mile territorial sea, it has certainly failed to discourage the seizure of U.S. fishing vessels. Since its enactment, Ecuador alone has seized over 100 U.S. tuna vessels. Since 1970, seizures have resulted in claims against the U.S. Treasury of over $7 million.

The Act may have been a boon to our tuna and shrimp fishermen, but by encouraging them to fish without licenses, it has evoked a nationalistic response from the Latin American countries, provoked seizures, and generally exacerbated a delicate diplomatic situation.

It is an interesting footnote to our practice under this legislation that the U.S. originally regarded any seizure beyond three miles as illegal and, therefore, eligible for reimbursement. Since our declaration in 1966 of a contiguous fishing zone out to 12 miles, only seizures beyond that distance have been eligible for reimbursement. If the Congress enacts 200-mile fisheries legislation, it is conceivable that U.S. fishing vessels seized within 200 miles of the Latin American coast will no longer be eligible for reimbursement at all—a paradoxical result that 200-mile legislation designed to protect U.S. coastal fishermen may undermine the position of our distant water fishermen.

Congress has enacted other legislation in reaction to the tuna seizures which has further complicated the conduct of foreign relations.

For example, the so-called Pelly Amendment to the Foreign Military Sales Act requires that all foreign military sales, credits and guaranties automatically be cut off for one year to any country seizing U.S. fishing vessels more than 12 miles from its coast. The cut-off can be waived only if the President determines it is important to the security of the United States. As Secretary Kissinger said recently in a speech in Houston:

"Automatic sanctions (of this kind) allow no tactical flexibility; they present other governments with a public ultimatum; by seeming to challenge the recipient's sovereignty, they harden positions, encumber diplomacy and poison the entire relationship . . .".

Latin American nations have made it clear to us on numerous occasions that they will not negotiate when such sanctions are in effect. It is clear that sanctions of this kind engender a nationalistic reaction and greatly reduce the opportunities for diplomatic solutions.

Incidentally, the prospect of 200-mile U.S. fisheries legislation raises some ticklish questions with respect to sanctions legislation. What should we do with these sanction provisions if the U.S. enacts 200-mile legislation? Should the U.S. continue to eliminate or reduce foreign assistance to countries seizing U.S. vessels within 200 miles at the same time that we are seizing foreign vessels for similar offenses? On the other hand, if we repeal the sanctions legislation, will we be undercutting the claims of our tuna fishermen who wish to follow the tuna wherever they may be? Some drafts of the 200-mile fisheries legislation would exclude tuna from *our* 200-mile claim and would continue automatic sanctions against foreign countries seizing our tuna boats within *their* 200-mile zone.

Perhaps we should also consider what kind of sanctions we can expect from other nations whose vessels might be seized by the U.S. Coast Guard for fishing within our claimed 200-mile fishing zone—if we make such a claim.

Conclusion

I have referred to the Latin American problems at some length to emphasize that unilateral action may provoke nationalistic reactions—at home and abroad—that can escalate disputes and reduce the opportunity for diplomatic solutions.

The effectiveness of our international machinery for arriving at multilateral diplomatic solutions is currently being questioned. In its 30th anniversary year—with its original membership inflated from 50 to some 140—the United Nations has reached a turning point. In one direction lies the prospect of a new capacity to resolve the central issues facing mankind in the coming decades. In the other, lies decline in the effectiveness of the United Nations system.

The problems of the oceans present the United Nations, and every member nation, with an enormous opportunity—an opportunity to fashion an orderly and mutually acceptable future for two-thirds of the earth's surface.

Furthermore, success at the Law of the Sea Conference would be an important breakthrough for multilateral diplomacy. It would be a clear demonstration that nations are capable of working together to compromise differences and to create new and vital institutions to deal with issues of common concern. If the nations of the world can agree on common rules for the use of ocean space, there is indeed hope that those nations can also resolve the intense political issues of the decades to come.

DON TOMAS ACUNA, CIVIC LEADER

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. GONZALEZ. Mr. Speaker, we hear and read so much today about "minority business and enterprise," and we are aware of the great investments being made to foster and stimulate this type of enterprise that we should note the accomplishments of the pioneers in this endeavor that succeeded at a time when conditions were harsh and difficult and despite many and serious obstacles. They did it without any allusion to their minority or ethnic status and without the crutch of government intervention.

Mr. Tomas Acuna, recently passed away in San Antonio, was one of these. Successful and contributing greatly to the progress and economic wellbeing of the community he passed on this year on May 1.

I wish to express the condolences of all my constituents of the 20th District of Texas to Mrs. Acuna and all his surviving family.

Mr. Speaker, I place into the RECORD the following newspaper articles about Mr. Acuna:

PROMINENT MEXICAN-AMERICANS

(By Veronica Salazar)

Endowed with a natural musical talent and a will to serve San Antonio in many activities, including social and civic endeavors, Don Tomas Acuna came to the Alamo City as a young man.

His vocation for music prompted him to establish one of the first musical instrument firms in West San Antonio. Eventually he expanded his musical instrument enterprise to include furniture, and today he owns and operates two stores.

Acuna is highly respected by the Spanish-speaking community for his contribution to the culture of the people of Mexican descent, and his service is often sought by social and civic groups in constructive endeavors.

Tomas Acuna was born on Dec. 21, 1887 in Monterrey, Mexico, to Simon Acuna and Santiaga Reyes.

His most important accomplishment is his success as a businessman "with the cooperation of several members of his family as well as his manager and other employes" achieved without more school education than that of elementary and without any commercial training.

Acuna never went past the first grade since he was able to attend school only 20 days out of the year. "It must be noticed that during my adolescence and teenage years the transportation facilities were almost nil and neither the parents, the teachers nor municipal authorities did anything to enforce the children's attendance to the schools," Acuna said.

Acuna added, "At any rate, I was never idle, and, thanks to the Lord, due to my life experience and my strong determination, it has been rather easy for me to learn as much as possible to the present day. I have always been a deep thinker in everything motivated by my ever present objective of being better than thought of by the persons who know me."

Even though he is 85 years old, he still enjoys working in his Store No. 2. "I feel essentially proud to be able to sit in front of a typewriter and form the linotype lines for the pages of the Acuna General Music Catalog published every year and which consists of 80 pages," says Acuna.

He also prepares several musical supplements which he distributes with his catalog all over the United States, including music for piano, school books, novels, dictionaries, phonograph records, all in Spanish. He began a Mail Order Department which has been operating since 1928.

Acuna has been recipient of several honors and awards. He received a trophy from the Lone Star Brewing Co. through the Mexican Chamber of Commerce in 1957. The Concordia Club elected him "Father of the Year" in 1961, and he was honored with a plaque on his birthday in 1966. The Consulate General of Mexico together with the Mexican Chamber of Commerce honored him with a diploma in recognition of his cooperation during the Sept. 16 festivities.

The Mexican Patriotic Committee of San Antonio honored him with a trophy for his show window decoration in his No. 2 Acuna Furniture and Music, Inc. in connection with Sept. 16 festivities.

Acuna is an honorary member of Club Social Concordia as well as a member of the League of United Latin American Citizens, Pan American Optimist Club, Mexican-American Friendship Committee, El Patronato and both the Mexican and Greater San Antonio Chambers of Commerce.

He feels the Mexican-American has "emerged from nothing to become a very powerful factor in the commercial, social, civic and political sectors. There is no doubt that this population mass is destined to play a most important role in the future of this great country."

Acuna is married to the former Maria de Jesus Abramo, and he has six children, ranging in age from 54 to 18.

NOTED WEST SIDE MERCHANT DIES

(By Frank Trejo)

Tomas Acuna, one of San Antonio's leading West Side businessmen and long-time furniture dealer, died Thursday morning.

Acuna, who helped found the Mexican Chamber of Commerce in 1928, was also instrumental in publishing the first Spanish music catalog wich circulated in Southwest Texas.

Acuna, who was 87, led many campaigns to better the living conditions of people living in West San Antonio.

The violin-playing furniture dealer also was a member of LULAC Council No. 2.

Acuna and members of the Mexican Chamber of Commerce made several goodwill trips to Mexico during his tenure as president of the business group.

He was also involved in many social club activities and often donated much of his time to projects helping the West Side youth.

Funeral services are pending at Angelus Funeral Home.

MANY JOBS GO BEGGING

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. TREEN. Mr. Speaker, there was a great deal of public debate a few days ago over the accuracy of the Government's unemployment statistic for June.

I do not intend to add my voice to the acrimony over "statistical quirks" and whether unemployment in this country actually went up, down, or stayed the same. However, the debate over the accuracy of the Government's unemployment statistics does illustrate a growing lack of confidence in the statistic as a true reflection of the unemployment situation in this country.

In measuring unemployment, is the Government counting only those individuals who truly cannot find work, or is it including those who refuse to accept work that is available?

Perhaps we should also count and determine the total number of jobs available in this country, in addition to the number of unemployed.

To illustrate my point, I commend to my colleagues an article that appeared in the July 7 edition of the New Orleans States-Item, entitled "Many Jobs Go Begging." It should be noted that the source of the article is the New York Times Service. The article follows:

[From the States-Item, New Orleans, Monday, July 7, 1975]

MANY JOBS GO BEGGING

LOS ANGELES.—Help Wanted. Tool and die makers needed in Peoria, Ill. Licensed vocational nurses wanted in Phoenix, Ariz. Security guards wanted in Detroit. Engineers, draftsmen, machinists, and accountants wanted in Houston. Welders, coal miners, and short order cooks needed in Pittsburgh.

In a curious paradox of this country's worst employment market since the 1930s, thousands of jobs are going begging around the nation.

While unemployment nationally is running at 9.2 per cent, employers in many cities say they are finding it impossible to fill some jobs. For the most part, they are jobs that require special skills, or jobs that require few skills but offer little status.

For job hunters, the brightest spots in the nation are Texas and Oklahoma, where the petroleum industry is prospering. But there are also relatively good prospects in a variety of other cities, including Richmond, Va.; Peoria and Madison, Wis.; Jackson, Miss. and Sioux Falls, S.D.

"Even with this high unemployment, there are still many, many jobs to be found," said John Calderas, who heads the State Employment Development Department in southern California. His views were echoed by employers and manpower officials interviewed in 12 other cities.

In southern California, the unemployment rate is 10.2 per cent. But at the state's Harbor Employment Office in Long Beach, there 30 openings for secretaries with salaries ranging to $860 a month; 40 openings for cooks, up to $1,000 monthly; 37 openings for security guards, $2.10 to $3.10 per hour; 70 openings for machinists and mechanics up to $7.50 an hour. In addition, there are scores of other jobs for clerical workers, retail clerks, domestics, vocational nurses, waitresses and beauticians.

Dorthy Graves, manager of the Southwest Pennsylvania Job Bank, said:

"Anybody who is hard up and needs a job to eat can get work, even if they have no skills."

"There are sales jobs of all kinds," she added. "There are openings for retail clerks, short-order cooks, and for people in food and beverage service in restaurants and fast-food outlets."

But in Pittsburgh as elsewhere, she said, many job hunters tend to avoid such work, not only because wages in some cases are less than what they can get in unemployment or welfare benefits, but because of a general nationwide retreat from jobs with a reputation for being menial or subservient.

In Detroit, where the unemployment rate is 13.9 per cent and 269,000 persons are out of work, there are 140 unfilled openings this week for security guards, along with 100 job openings for salesmen.

The best category of cities across the country appears to be state capitals. In cities where government is a major local industry, unemployment generally is running less than 6 per cent.

Austin has the lowest unemployment rate, 4.5 per cent, in the country for a major city, and also shares in Texas' oil prosperity. Richmond is buoyed by fairly stable employment in the tobacco industry and in other fields. Its unemployment rate is 4.7 per cent.

A BUSINESSMAN'S BRIEFING ON H.R. 7014

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1975

Mr. YOUNG of Georgia. Mr. Speaker, as the House considers H.R. 7014 tomorrow, a rational legislative approach to the very pressing area of energy policy, there are three questions that must be asked: What does it do for conservation, what does it do for increased production, and most especially, what does it do for the economy?

This letter that I am inserting into the RECORD today was sent to me by the Air Transport Association. It was prepared by the association as a briefing for businessmen on H.R. 7014. The letter answers these questions, and does it well:

A BUSINESSMAN'S BRIEFING ON H.R. 7014

The House of Representatives will soon begin floor consideration of H.R. 7014—the Commerce Committee's Energy Conservation and Development Act. H.R. 7014 would immediately stabilize most domestic crude oil prices at the $7.50 level originally suggested by the Federal Energy Administration (FEA) in its massive Project Independence study. The bill would also provide for an additional $1 per barrel price incentive for costly production, a phasing out of "old oil" controls to establish a single pricing system, and inflation adjustment for crude oil prices after 1980. H.R. 7014 couples this price stabilization incentive strategy with a series of conservation measures aimed at stimulating more energy-efficient automobiles and capital investment.

The availability and cost of energy are critical to the nation's economy. The American Petroleum Institute told us long ago that a nation which runs on oil cannot afford to run out and its point was amply proved during the Arab oil embargo. The OPEC price explosion which accompanied the embargo also highlighted the sensitivity of our economy to the price of oil. Chase Econometrics, a highly respected independent group of analysts, in fact estimates that every one percent increase in price due to rising energy costs will reduce real growth by one-half of one percent and raise unemployment by 140,000 men and women.

Given the critical nature of the oil pricing decision now before the Congress, it is important that every business leader understand the dimensions of the energy problem and become active in urging a reasonable and prudent solution. Energy supply and pricing are too complex to be decided on the basis of abstract rhetoric or general preferences for or against controls. Indeed, oil pricing is so shot through with government control as a result of OPEC activities, federal leasing, taxing and research actions, and recent import fees, that the absence of direct pricing control by the federal government would not constitute "decontrol" but merely a change in controlling methods and agencies.

The purpose of this paper is to take a hard, practical look at the core facts related to H.R. 7014 and thus to explore the merits of the approach taken in that proposal.

I. ECONOMIC CONSEQUENCES OF "DECONTROL"

H.R. 7014 is the only existing alternative to a commitment to abolishing federal controls over crude oil prices. Without federal controls, domestic crude oil prices would quickly rise to OPEC established world levels since buyers would continue to bid up limited domestic supplies so long as those supplies are priced below import alternatives. Thus, the alternative to federal crude oil price controls is not a return to market pricing, but rather a tacit acceptance of whatever international price is set by the OPEC cartel plus any applicable import fees or tariffs.

FEA's latest crude oil pricing figures relate to the month of February 1975. In that month, average refiner acquisition cost of foreign crude oil (including a $1 additional import fee now raised to $2) was $13.01 per barrel; average domestic acquisition cost was $8.27 and the weighted average composite was $10.16. Taking into account the additional $1 import fee now imposed by the President and the consequent increase in domestic exempt prices, it is probable that the acquisition cost of foreign crude is now over $14 as opposed to an approximate composite figure of $10.50. Thus, removal of domestic price controls would result in an approximate $3.50 per barrel or 25 percent increase in crude oil prices. If, as now anticipated, OPEC increases its own cartel price level by $2 or more per barrel, the acquisition cost of foreign crude would go to at least $16 per barrel, and the overall increase to $5.50 or about 35 percent.

The United States used about 5.4 billion barrels of petroleum in 1974, a year partially affected by the embargo. Even assuming a continuation of that limited utilization, an increase of $3.50 per barrel of crude oil would impose almost a $19 billion burden on the economy. At $5.50 per barrel, the increased cost would amount to almost $30 billion.

In addition to the immediate effect of removal of controls on crude oil prices, similar price impacts would also register on coal, unregulated natural gas, and other domestic energy resources. Moreover, rising energy costs would cause "ripple" price increases for almost every other product. Taking these effects into account, the staff of the Joint Economic Committee has estimated the total impact of decontrol and a likely $4 increase in import prices over today's OPEC level ($2 OPEC increase, $2 fee) at $81 billion.

An $81 billion economic burden would have devastating consequences for national income, inflation and unemployment. The Joint Economic Committee staff estimates that growth would decline 2.7 percent and prices would increase 5.4 percent, while another 760,000 people were put out of work. Independent analyses performed by Chase Econometrics and the Wharton School for other congressional committees confirm these estimates.

Sectoral impact analyses also point up the potential consequences of handing over domestic oil pricing authority to OPEC. The airlines, for example, recently informed the Civil Aeronautics Board and the Congress that removal of controls would cost them over $1 billion and require grounding one of every five aircraft and furloughing one of every seven employees. Equally severe impacts could be felt in agriculture as fertilizer, gasoline and processing costs rise, in motor transportation, in plastics, petrochemicals and synthetic fabrics. Indeed, OPEC pricing for domestic oil could deal a staggering blow to the economy just now beginning to regain its balance.

Beyond even the short and medium run economic effects of removing oil price controls, the enormous transfer of resources to energy producers occasioned by such action raises real problems of investment distortion and risks of government intervention distasteful to all business. The Joint Economic Committee estimates, and other respected sources, would indicate that termination of controls would add at least $35 billion annually to the revenues of energy companies between now and 1985. In 1974, the gross revenues of the 28 leading oil companies had already reached $195 billion. Given normal inflation, these revenues might well reach $250 billion after the end of controls. To put this figure in perspective, it is useful to recall that the gross income tax revenues (corporate and personal) of the federal government were $158 billion in fiscal year 1974 and slightly less in fiscal year 1975.

An inordinate flow of revenue to oil companies would, as a practical matter, exempt them from the need to seek capital funds in market competition with other potential users. Particularly if a substantial portion of oil company revenues were earmarked for reinvestment under a tax "plowback," the absence of market choice might create a far less than optimum investment pattern.

Even more fundamentally, a massive revenue addition to the already swollen gross receipts of major oil companies would raise political questions with responses potentially disastrous for the business community. Oil companies have already been targeted for punitive tax measures, restrictions on investment opportunity and unnecessary vertical disintegration. As fear of their economic power becomes more pervasive, the potential for enacting punitive legislation increases and the risk of sweeping other business along correspondingly rises. Putting it bluntly, it is simply not in the interest of the business community to permit removal of controls to loose a torrent of "obscene profits," "giant multinational" populist complaints with attendant risks of anti-business legislation. On the other hand, it is almost impossible to avoid political adventurism of this kind when the budget of a single industry begins to approach that of the federal government.

On the whole, the risks to business of removing oil price controls are enormous in short, medium and long run. Unless these risks are offset by substantial benefits not otherwise obtainable in the areas of domestic supply and conservation, they are unacceptable and must be rejected in favor of the kind of stabilization program contained in H.R. 7014.

II. ARGUMENTS FOR "DECONTROL"

A. Supply and national security considerations

If rising domestic oil prices to OPEC levels plus import fees would permit us to increase domestic production to the point where we were no longer dependent on imports or vulnerable to an embargo, total cost and even economic risk might become a secondary consideration to national security. Resource limitations, however, will not permit a realistic effort to achieve energy independence in an oil-dependent economy.

FEA reports that domestic demand for petroleum products is now running about 17 million barrels[1] per day with imports supplying about 6 million barrels per day. Despite earlier discussion of complete energy independence by 1980 or 1985, it is now universally acknowledged that the United States must depend on imported oil to maintain an adequate level of economic activity for the forseeable future. In fact, Administrator Seamans of the Energy Resources and Development Administration (ERDA) quite recently told the Congress that oil imports would continue until at least 1995 under any reasonable price/research domestic policy.

Thus, regardless of the amount we are required to pay for domestic oil, we are faced with physical resource limitations which preclude energy independence absent a long range shift in the primary energy resource from oil to coal, nuclear and solar power. While higher domestic prices may marginally increase production from existing reserves and somewhat speed the rate of discovery,[2] there seems to be no way of avoiding the continuing international relations problem of obtaining adequate supplies of foreign crude oil without disastrous trade imbalances. In fact, the employment of substantial amounts of investment capital for oil exploration under the artificial stimulus of a windfall profits plowback might well retard investment in new technologies with far greater promise for future independence.

In sum, since higher prices can call forth only limited additions to domestic supply, the American economy would be called upon to pay an enormous price for a limited benefit were domestic prices permitted to rise to OPEC levels. And even with these enormous burdens assumed, our own oil companies have candidly told us that the 6–7.5 million barrel per day import limit targeted by the House in H.R. 6860 would choke our economy. In short, OPEC prices for domestic oil can only marginally reduce our import supply dependence and cannot solve our national security problem.

B. Conservation considerations

It is frequently argued that high oil prices are required to produce meaningful reductions in energy consumption and induce businessmen and consumers to seek more energy efficient capital goods. And it is apparent that the increase in average crude oil costs from about $3.90 in May 1973 to over $10 in February 1975 has already limited total oil consumption and created added consumer interest in fuel efficiency. The policy problem, however, is to segregate meaningful conservation from reductions in consumption directly reducing the level of useful business activity.

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[1] A barrel is 42 gallons.

[2] In its inflationary impact statement on decontrol, FEA estimated that decontrol plus a $1 import fee would produce an additional 49 million barrels of crude oil (4 days supply) by 1977. More recently, FEA has estimated total U.S. reserves at 38 billion barrels, and a Cornell University consulting study estimated the total crude oil reserve on the Atlantic Continental Shelf (the last unexplored domestic area) at under 5 billion barrels, or less than a one-year supply.

Thus, for example, gasoline usage in automobiles decreased 4 percent in 1974 in sharp contrast to an average annual increase of about 5 percent in the preceding five years. At the same time, there was a marked shift to smaller vehicles which held almost 50% of the market in 1974. Similarly, the scheduled airlines reported that for the 12 month period ending September 1974, they were able to save almost 600 million gallons of jet fuel by intensive use of simulators and such operational efficiency measures as reducing in-flight speed, shutting down engines on taxi operations and shut down holding at departure gates when delay was likely. Other industries have also made substantial strides in decreasing energy use without decreasing output and employment.

On the other hand, it is apparent that a significant portion of existing energy saving is already coming from reduction in economic activity. The world-wide recession in industrial countries is freely acknowledged as the cause of the current glut of crude oil in international markets. While further price increases could accelerate this type of consumption reduction, sound policy cannot be based on creating a permanent state of recession as a defense against the disruptions of the OPEC cartel.

Moreover, achieving conservation through changes in capital equipment will take time. A relatively complete turnover in the automobile fleet alone will require 8 years. Achieving technological breakthroughs in aircraft and other industrial capital equipment is a prerequisite to even approaching improved conservation which will then require enormous capital investment.

In short, the energy consciousness and cost incentive already caused by the embargo and related price explosion has tested the limits of conservation on the existing capital base and created a substantial pressure for improved capital equipment. Achieving "conservation" by immediate price escalations would achieve marginal results at maximum costs. For example, gasoline tax proposals have been aimed at 20–30 cents per gallon increases as the only method of substantially limiting consumption. A 20–30 cents per gallon increase across-the-board would, however, have a terrifying effect on all business activity with the recession impetus totally dwarfing any meaningful conservation.

In sum, we may have come as far as we can in using price to induce operational conservation, and we must take a hard look at the most efficient means of stimulating capital replacement with more energy efficient machinery.

C. Cost of regulation considerations

All businessmen are acutely aware of the costs of complying with federal regulation. These costs arise both from the administrative requirements of compliance (e.g., filings, monitoring, audits) and from deviations from optimum business options (e.g., supply diversion) caused by regulatory compliance.

The FEA regime has undoubtedly generated substantial regulatory costs. On the administrative side, these costs are largely amortized since the basic price control regime has been in place since September 1973 and reporting and accounting requirements have been imposed since 1971. On the substantive side, however, FEA's efforts to depart from its basic mission of providing equity in crude oil pricing and passthrough by attempting to regulate competition within the oil industry through buy/sell programs, entitlement programs and mandated buyer/seller relationships has caused enormous and continuing dislocations.

Unfortunately, "decontrol" will not arrest the concerns which have caused onerous regulations designed to protect independent refiners and marketers. While "decontrol" would unify the cash sale price of all crude oil, it would have little impact on the cost of crude oil production. Thus, companies with their own crude resources would maintain relatively constant costs and arguably be placed at enormous advantage over independent refiners whose crude oil cash costs would jump immediately.[3] Similarly, as the market for refined products contracted, these would almost certainly be continuing complaints from independent marketers about the marketing operations of integrated companies.

The regulatory dislocations attributable to government efforts to balance competition within the oil industry are thus likely to outlive decontrol and persist until the government is prepared to accept the decision of the marketplace or find more direct means of subsidizing the independent sector. Taking the risks of decontrol to solve the regulatory cost problem is a losing gamble.

III. STRIKING THE BALANCE UNDER H.R. 7014

H.R. 7014 has been designed to avoid the excessive risks of decontrol while making constructive use of market incentives for increasing supply and effecting genuine conservation. In addition, H.R. 7014 directly attacks the problems of embargo vulnerability, excessive gasoline consumption and shifts to more energy efficient machinery.

Under H.R. 7014, domestic crude oil ceiling prices would gradually be unified at $7.50 per barrel with an additional $1.00 per barrel incentive for high cost recovery methods or recovery from remote locations. In about 1980, the $7.50 ceiling price would be permitted to rise at 8% per year to adjust for future inflation and to unify with the $8.50 price. There would be no fixed date for "decontrol" although ceiling prices would have no fixed limit and thus might eventually rise over OPEC prices if the OPEC cartel is tamed.

In addition to avoiding the massive economic risks of decontrol, H.R. 7014 would minimize the exposure of our economy to OPEC price increases. For example, using Joint Economic Committee figures, the direct cost of $2 per barrel OPEC increase after decontrol is $15.4 billion. With H.R. 7014, that cost would decrease to about $7.8 billion.[4] This approximate $7.5 billion saving would itself save itself 70,000 jobs and ¼ of 1 percent of our real growth.

Thus, the principal merit of H.R. 7014 is that it gives first priority to the needs of our economy. Under H.R. 7014, our domestic oil resources would be used to shield us against the designs of OPEC and to make us far less vulnerable to a form of economic warfare by price which has already crumbled the economies of Britain and Italy and now, according to President Ford, threatens the economies of all of Western Europe and Japan. If we permit OPEC to dictate the pricing of our own energy resources, our economic fate will be in their hands.

Moreover, the continuation of reasonable domestic energy prices has additional importance in pursuing the goal of eventual return to an eventual international free market in energy. The $7.50 per barrel price in H.R. 7014 matches FEA's own estimate of a reasonable longterm price for oil and would generate correspondingly sensible price structures for mineral lease rights and drilling equipment. Artificial inflation of crude oil prices to OPEC levels would drive up the costs of leasing and production and establish powerful vested interests in $16 per barrel pricing. Under these conditions, there would be no incentive for international purchasers (who are also domestic producers) to cut their own returns by breaking the OPEC prices. With reasonable domestic prices, however, there would be full incentive to minimize international prices to save carrying costs and stimulate demand. And we should not forget that it is our international oil companies with their enormous supply expertise and management ability which stand the best chance of restoring an international energy market.

H.R. 7014 makes equally good sense from a supply perspective. The $7.50 per barrel price ceiling is well above any cost of domestic production even without the $1 added incentive. H.R. 7014 also avoids any further taxation and thus establishes a profit incentive at reasonable prices which may equal or exceed the profit incentive at OPEC prices with a stiff windfall profits tax. We should not forget that exploration in Alaska was committed while the price of oil was less than $4 per barrel and that the enormously difficult exploration of the North Sea commenced in 1964 when international oil prices were less than $2 per barrel.

H.R. 7014 recognizes, as did FEA's Project Independence, that a $7.50 incentive may optimize investment in domestic energy production and exploration, particularly when the enormous added costs of marginal production increases stimulated by higher prices cannot produce even a semblance of energy independence. Indeed, H.R. 7014's direct approach to an embargo threat through creation of a substantial crude oil reserve seems a far less expensive and more effective counterforce from a national security perspective.

From a conservation standpoint, H.R. 7014 also strikes an intelligent balance. Stabilization of domestic prices would still preserve price increases already in place and the consequent incentives to conservation. Indeed, as OPEC prices continued to rise, their impact would continue to be felt and thus maintain pressure of operational conservation.

Equally important, H.R. 7014 directly limits increases in gasoline consumption, thus striking at the principal form of consumption not directly tied to the level of business activity. And H.R. 7014 invokes strong measures to produce gradual but important improvements in automobile and appliance energy efficiency. Conservation can never be painless but H.R. 7014 targets the pain in areas where the response can be a constructive attack on waste rather than a convulsive contraction of the basic business organism.

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[3] Integrated refiners treat production and refining as separate profit centers and thus can claim to have no competitive advantage at refinery level regardless of crude oil profitability. Regardless of the merits of this contention, and they may be substantial, the political pressure to assist independents cannot be expected to abate with decontrol. It should not be forgotten that the original petroleum regulating authority was added to the Economic Stabilization Act to deal with the problems of independents and that the Emergency Petroleum Allocation Act is replete with this concern.

[4] The Joint Economic Committee staff estimated a $9.8 billion impact under existing regulations which tie the price of 20 percent of our domestic ("exempt") supplies to the OPEC plus import fee level. Since this relationship would be broken under H.R. 7014, there would be a further insulation of at least $2 per barrel for the 1 billion barrels of "exempt" oil we now utilize.

Finally, H.R. 7014 would put crude oil regulation on a longterm foundation thus avoiding the uncertainties and gyrations which compound regulatory cost problems and distort market behavior. It avoids, for example, the chaos which might ensue from a short phased decontrol with its enormous incentive to shut down domestic production in anticipation of a windfall. And by providing a longterm, domestically established, reasonable price for oil (the dominant energy resource), H.R. 7014 lays a foundation for market control of natural gas and other subsidiary energy resources.

All in all, H.R. 7014 deserves the support of the concerned business community. It is a program which avoids the intolerable economic risks of turning control of energy pricing completely over to OPEC while maintaining full scale incentives for our ultimate goal of restoring a free market in energy domestically and internationally.